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PROCEEDINGS AND DEBATES OF THE 93^{d} CONGRESS, FIRST SESSION

SENATE—*Saturday, June 30, 1973*

The Senate met at 9 a.m., and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, the giver of all grace, and the source of all wisdom, as in the past Thou hast given us strength to rise above all that is common to do uncommon things, so wilt Thou guide us this day to do that which is pleasing in Thy sight. Watch over us when we separate. Give journeying mercies to those who travel. In remembering the birth of the Nation grant to us and to all the people a fresh dedication to the principles of freedom and righteousness which has made and preserved us a nation. At length, bring us back to our tasks renewed in heart and mind for high service to our country and to the glory of Thy kingdom.

We pray in the name of our Lord and Master. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, June 29, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour for the conduct of morning business, with a time limitation of 5 minutes attached thereto——

Mr. LONG. Mr. President, reserving the right to object, has the Journal been approved?

Mr. MANSFIELD. Yes.

The ACTING PRESIDENT pro tempore. For how long was the morning hour?

Mr. MANSFIELD. Twenty minutes, with a 5-minute limitation.

Mr. LONG. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Texas desire to be recognized under the standing order?

Mr. TOWER. I do not desire to be recognized at this time, Mr. President, thank you.

Mr. LONG. Mr. President——

The ACTING PRESIDENT pro tempore. The Chair has no communications from the President, none from the heads of departments, no communications addressed to the Senate, nor any messages from the House of Representatives on the table.

The Chair would now call for reports from committees.

There are no reports from committees.

The Chair would call for the introduction of bills and joint resolutions.

Mr. TOWER. Mr. President, would the Senator from Montana (Mr. MANSFIELD) be good enough to give us some idea about what is likely to happen——

Mr. LONG. Mr. President, that is not debatable.

Mr. TOWER. I withdraw that.

The ACTING PRESIDENT pro tempore. The Chair would call for the introduction of bills and joint resolutions.

If there are no bills or joint resolutions, the Chair would call for concurrent and other resolutions. If not——

Mr. ROBERT C. BYRD. Mr. President, I have a resolution to submit.

The ACTING PRESIDENT pro tempore. The resolution from the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) will be received and appropriately referred.

(The statement accompanying the resolution (S. Res. 136) is printed under Submission of a Resolution.)

Are there any others bills? Concurrent resolutions? Any resolutions coming over from the previous day? Morning business?

Mr. LONG. Mr. President——

The ACTING PRESIDENT pro tempore. Regular morning business is closed.

EXTENSION OF RENEGOTIATION ACT

The ACTING PRESIDENT pro tempore. The Senator from Louisiana (Mr. LONG) is recognized.

Mr. LONG. Mr. President, I move that the Senate proceed to the consideration of H.R. 7445.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

H.R. 7445, to amend the Renegotiation Act of 1951 to extend the act for 2 years.

Mr. HARTKE. Mr. President——

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Louisiana to consider H.R. 7445. That motion is not debatable.

The motion was agreed to, and the Senate proceeded to consider the bill.

The Senator from Indiana (Mr. HARTKE) is recognized.

Mr. HARTKE. Mr. President, my understanding is that we intend to proceed today in the fashion in which we proceeded yesterday which, very simply, is to go ahead and capitulate to the President 2 days in a row at a time when capitulation is not the desire of the country, at a time when the country is interested in seeing that Congress attempts to reassert its constitutional prerogatives and its historical and traditional right of balance of powers.

I had a discussion with the majority leader last night. We did adjourn after some discussion. I suppose that if I followed my own rationale, I would proceed to go ahead and do what I did last night. I suppose I would go ahead and try to bring to the attention of the Nation that what we are doing here is certainly not in the best interests of Congress and not in the best interests of our country.

I am not a person who is unwilling to compromise, but the proposal of the Senator from Louisiana, chairman of the Committee on Finance, seeks to bring forward the social security amendments and attach them to the renegotiation bill.

Our compromise, compared with the amendment of the Senator from Indiana, calls for a limitation of $3,000 for a social security recipient. The fact of the matter is that that in and of itself is a contribution over the amount which I have indicated I would prefer, and with no retirement earning ceiling whatsoever for social security beneficiaries.

I am not sure what is going to happen ultimately, and I suppose no one else is. But I am certain that at this time it is going to be rather difficult for one person to stand all day and keep the Senate in session. I do know that the majority leader has taken a stand which I think is outstanding in the field of opposing the killing of people in Southeast Asia. I admire him for it and congratulate him for it. Yet he has told me this morning that it appears that the will of the majority of the House of Representatives and the will of the majority of the Senate is otherwise.

I am not too sure that it is the will of the majority of both Houses. But that is for each individual Member to decide on his own.

So I am going to take a little time. Then the Senator from Louisiana can be prepared to move forward, with his usual dispatch, and accomplish his end result—to go home for the Fourth of July, to a happy weekend.

Mr. President, I think all of us have seen accounts and pictures of the devastation which has been done by our bombing in Southeast Asia. I recall seeing a figure of something like 3,000 lives lost each week.

Last night I heard the distinguished and valued Senator, my good friend from Rhode Island (Mr. PASTORE), speak of "compassion." My good friend from Rhode Island was asking me to remember, with compassion, the lateness of the hour, and the health and comfort of my colleagues in this Chamber.

Another valued associate on the other side of the aisle used the word "suffering" in speaking of the length of the hour and the tasks before us.

And, of course, the Senator from Connecticut, my esteemed and compassionate colleague, Senator RIBICOFF, quite rightly reminded us all of the plight of the "poor, the blind, and the infirm."

In all sincerity, gentlemen, I offer you: compassion, an attention to suffering, and a kind heart toward the poor, the halt, and the infirm. In 6 weeks, at 3,000 lives a week, I offer Senators an opportunity to literally rescue, literally save, the lives of some 20,000 human beings.

Some have rightly remarked that they are held hostage in this conflict over the executive and the legislative power. In any case, their right to survive rests with us in this Chamber. I rather think that they live as our Republic once did, in a world of international disorder, in a world without the rule of law, and hence are held subject to a foreign power—ruled, if you please, at the whim of this body and ruled without representation.

What right do we have to take their lives? One might say it is not we but the President who is responsible for their lives. I say that what we permit and could stop, we are responsible for.

The Senator from Rhode Island asked last night "exactly what" did I propose. I propose that we put it to the President of the United States that there can be no accommodation. Compromise is a wonderful and a powerful weapon for good in a free land, as my esteemed fellow Democrat, the Senator from Minnesota (Mr. HUMPHREY), said so eloquently yesterday. Compromise proceeds, though, from a right to give away what one has. We do not have the lives of the Cambodians to give. There can be no capitulation on that.

It is ironic that we moved to compromise last night at the very moment that the President sensed that we in Congress meant business. Why did a President who has shown virtual contempt for this body move with such alacrity?

There is no "victory" for GEORGE MCGOVERN or Wayne Morse or FRANK CHURCH or Eugene McCarthy, and no satisfaction for me and all the rest of us who opposed the war in Southeast Asia since 1963. I say there is no "victory" at all in 6 weeks or more of bombing and the loss of thousands of lives. How can we use that word "victory" when we have suffered so much in the misuse of it?

I say to the Members of this body that I am sorry for whatever discomfort and inconvenience I caused last night, and I sincerely mean that. All through the many flattering comments last night to the distinguished chairmen of the committees and to the leadership, I thought to myself how valued each of these individuals is as my friend and as a working partner. But, my true friends, each of us has a duty to perform. It is not our duty to be here, nor my duty to be here, to save my comfort and convenience or the comfort and convenience of other Senators. If no one else will use the good instruments of this wonderful American system, I thought last night, I would try.

You who decry the President's encroachments upon the rights of this body; would you, as you seemed to last night, begrudge me my right in this Chamber from your encroachment?

The right to talk is the heritage of this institution. I know that every Member of this body will agree with that. If I declare that I speak for those who cannot speak but who will die with the vote in this body, I think it is fair that Senators bear with me.

I dare hope that you join me in asserting the prerogatives that have been too long supine in this Chamber. If not, I can return to the intricacies of social security, as I did last night; to the ramifications of the shutdown of our eastern railway system; and perhaps I might quote at length from the English and Greek theater.

Dostoevski, in "Brothers Karamazov," wrote:

> Would you, by killing one small baby, bring justice to the whole world if you could?

The answer was, "No."

So, too, I think the American people will not accept their paychecks, their benefits, their Government payouts at the price of 18,000 helpless souls in Southeast Asia. I had hoped that we would have given the millions of our fellow Americans time to address this issue, and if we had, the President would have seen an uprising.

I did not suppose, as I was accused last night, that I placed myself and my insight against that of the collective insight of this august body or of any individual in this body. But I do remind Senators that I have served here a decade and a half—less than some, longer than many—and I intend to exercise the rights of the office I am privileged to hold, to exercise them not for any gain to me but for a purpose for which those rights were granted by the Constitution.

There will be many cries of outrage: Think of the assaults on the collective wisdom of the body. Think of the Government employees who will not be paid. Think of the veterans uncared for. I remind all the people in this body, when they take their next paycheck, to look at the spots of blood they have helped put on it. Each and every American will now have to look at that blood.

Before we wax too rhetorical in all this, what are the facts? If we do business as usual until July 11, nothing much will happen. After all, most Federal employees are going to be enjoying a holiday between now and then, anyway—an extended Fourth of July holiday. If it could actually be shown that I am threatening a shutdown of the Government, to put it in the extreme: that we cannot eat and we cannot bomb, I say, let the President make that choice. We eat, or he bombs. There really is only one choice he has under such circumstances, and that is not the bombing of thousands of individual human beings far removed from our shores.

For one small moment of very temporary discomfort on the part of the many, and the discomfort of those in this body, we may save the very lives of the few who have no vote of their own. That seems to me to be, rather, un-American. It is for others now to decide. What this Chamber does and continues to do today is to insist on bombing. I do not know of a way to stop it. I remind the Senators that when I asked the minority leader last night whether the President had agreed to stop the bombing on August 15—the question was asked three times—it was never answered in the affirmative.

So I say to my distinguished chairman, my beloved friend, the Senator from Louisiana, we can proceed and we will do the best we can.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8410.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. LONG. I move that the Senate insist upon its amendment and agree to the request of the House for a further conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. BENNETT, and Mr. CURTIS conferees on the part of the Senate.

EXTENSION OF RENEGOTIATION ACT

The Senate continued with the consideration of H.R. 7445, to amend the Renegotiation Act of 1951 to extend the act for 2 years.

Mr. LONG. Mr. President, in absence of legislation, the Renegotiation Act of 1951 would expire at the end of this week—June 30, 1973. The bill before us today, H.R. 7445, extends the Renegotiation Act for an additional 2 years, or until June 30, 1975. The Finance Committee agreed with the House to extend the act at this time without any other amendment.

Let me give a brief summary of the renegotiation process before discussing the need for a continuation of the Renegotiation Act, as well as reviewing the committee's decision not to amend the act at this time.

Mr. President, the renegotiation process is designed to eliminate excessive profits from Government contracts and subcontracts in national defense and space-related programs. The Renegotiation Board is empowered to require the repayment to the Government of profits on renegotiable contracts and subcontracts that are found to be excessive in a given year in accordance with a series of statutory factors. Government contractors and subcontractors with total renegotiable sales in excess of the $1 million statutory minimum for a fiscal year must file a report with the Board. "Renegotiable" sales are those with the following Government departments or agencies: The Departments of Defense, Army, Navy, and Air Force, the Maritime Administration, the Federal Maritime Board, the General Services Administration, the National Aeronautics and Space Administration, Federal Aviation Administration, and the Atomic Energy Commission.

Various types of contracts and subcontracts are exempt from renegotiation, some on a mandatory basis such as those for standard commercial articles and those with State and local governments. In other cases, the Board has discretion to exempt certain contracts and subcontracts such as those outside the United States and where profits can be determined with reasonable certainty when the contract price is established.

Mr. President, the Finance Committee had three general reasons for extending the Renegotiation Act again.

First, the complex nature of modern military and space-related procurement often means that there is a lack of established market costs or prices. As a result, the bulk of procurement in these cases is provided by negotiated contracts—in other words, contracts that are not formally advertised. Renegotiation has been considered desirable in these cases because we cannot be sure when the price is set whether or not these negotiated prices will lead to excessive profits.

Second, defense-related procurement is expected to remain high relative to pre-Vietnam levels for some time. For example, military procurement rose from $28 billion in fiscal 1965 to a peak of $44.9 billion in fiscal 1967, before dropping slightly in 1968 and 1969, and declining again in 1970 and 1971 to a recent low of $34.5 billion in fiscal 1971. In fiscal 1972, however, military procurement increased once again—to $38.3 billion.

Third, there is the usual timelag between the time a contract is awarded and the time renegotiation filings are made with the Renegotiation Board and screened for possible excessive profits. This means that military contracts awarded in recent years attributable to the Southeast Asia conflict will continue to be reported to, and reviewed by, the Renegotiation Board during the next 2 years.

Mr. President, the Finance Committee agreed with the House that in view of the continued level of our defense-related effort and the nature of much of the military and space-related procurement, the Renegotiation Act should be extended again. Partly because the nature of the renegotiation process is such that it relies heavily on judgmental factors in its determination, the committee concluded that the act should only be extended for a 2-year period at this time—to June 30, 1975.

The Finance Committee agrees with the House that there is a need for a study to be conducted on the aspects of the renegotiation process and the operations of the Renegotiation Board before any further substantive amendments are considered by the Congress. The Finance Committee expects this 2-year extension of the Renegotiation Act to be used for an overall review of the renegotiation process.

Although several congressionally sponsored reports have recently been made containing recommendations with respect to the operations of the Renegotiation Board, there is not sufficient time for the committee to review and analyze these recommendations prior to the June 30 expiration date of the act. Therefore, the Finance Committee joins with the House in asking the staffs of the Joint Committee on Internal Revenue Taxation and the Renegotiation Board to conduct a study of the renegotiation process and report to the Congress in time for congressional review prior to the expiration date of the act as extended by H.R. 7445—June 30, 1975.

Finally, Mr. President, it is expected that within the next 2 years the backlog of cases resulting from the military procurement buildings for the Southeast Asia conflict will be largely eliminated. As a result, at the end of the 2 years, the Board and Congress will be in a better position to determine the character and extent of the future need and role for renegotiation.

I urge that the bill be approved.

Mr. President, on behalf of myself and the Senator from Connecticut (Mr. RIBICOFF), I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The amendment reads as follows:

TITLE II—PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

PART A—INCREASE IN SOCIAL SECURITY BENEFITS

COST-OF-LIVING INCREASE IN SOCIAL SECURITY BENEFITS

SEC. 201. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall, in accordance with the provisions of this section, increase the monthly benefits and lump-sum death payments payable under title II of the Social Security Act by the percentage by which the Consumer Price Index prepared by the Department of Labor for the month of June 1973 exceeds such index for the month of June 1972.

(2) The provisions of this section (and the increase in benefits made hereunder) shall be effective, in the case of monthly benefits under title II of the Social Security Act, only for months after March 1974 and prior to January 1975, and, in the case of lump-sum death payments, under such title, only with respect to deaths which occur after March 1974 and prior to January 1975.

(b) The increase in social security benefits authorized under this section shall be provided, and any determinations by the Secretary in connection with the provision of such increase in benefits shall be made, in the manner prescribed in section 215(i) of the Social Security Act for the implementation of cost-of-living increases authorized under title II of such Act, except that the amount of such increase shall be based in the increase in the Consumer Price Index described in subsection (a).

(c) The increase in social security benefits provided by this section shall—

(1) not be considered to be an increase in benefits made under or pursuant to section 215(i) of the Social Security Act, and

(2) not (except for purposes of section 203(a)(2) of such Act, as in effect after March 1974) be considered to be a "general benefit increase under this title" (as such term is defined in section 215(i)(3) of such Act);

and nothing in this section shall be construed as authorizing any increase in the "contribution and benefit base" (as that term is employed in section 230 of such Act), or any increase in the "exempt amount" (as such term is used in section 203(f)(8) of such Act).

(d) Nothing in this section shall be construed to authorize (directly or indirectly) any increase in monthly benefits under title II of the Social Security Act for any month after December 1974, or any increase in lump-sum death payments payable under such title in the case of deaths occurring after December 1974. The recognition of the existence of the increase in benefits authorized by the preceding subsections of this section (during the period it was in effect) in the application, after December 1974, of the provisions of sections 202(q) and 203(a) of such Act shall not, for purposes of the preceding sentence, be considered to be an increase in a monthly benefit for a month after December 1974.

(e) Notwithstanding any other provision of law, no increase in monthly benefits authorized under this section shall be taken into account for any benefits payable under title 38, United States Code.

SEC. 202. (a) Paragraphs (1) and (4)(B) of section 203(f) of the Social Security Act are each amended by striking out "$175" and inserting in lieu thereof "$200".

(b) The first sentence of paragraph (3)

of section 203(f) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(c) Paragraph (1)(A) of section 203(h) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(d) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1973.

SEC. 203. (a)(1) Section 209(a)(8) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Section 211(b)(1)(II) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(3) Sections 213(a)(2)(ii) and 213(a)(2)(iii) of such Act are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(4) Section 215(e)(1) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(b)(1) Section 1402(h)(1)(II) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Effective with respect to remuneration paid after 1973, section 3121(a)(1) of such Code is amended by striking out the dollar amount each place it appears therein and inserting in lieu thereof "$12,600".

(3) Effective with respect to remuneration paid after 1973, the second sentence of section 3122 of such Code is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(4) Effective with respect to remuneration paid after 1973, section 3125 of such Code is amended by striking out the dollar amount each place it appears in subsection (a), (b), and (c) and inserting in lieu thereof "$12,600".

(5) Section 6413(c)(1) of such Code (relating to special refunds of employment taxes) is amended by striking out "$12,000" each place it appears and inserting in lieu thereof "$12,600".

(6) Section 6413(c)(2)(A) of such Code (relating to refunds of employment taxes in the case of Federal employees) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(7) Effective with respect to taxable years beginning after 1973, section 6654(d)(2)(B)(ii) of such Code (relating to failure by individual to pay estimated income tax) is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(c) Section 230(c) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(d) Paragraphs (2)(C), (3)(C), (4)(C), and (7)(C) of section 203(b) of Public Law 92-336 are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(e) The amendments made by this section, except subsection (a)(4), shall apply only with respect to remuneration paid after, and taxable years beginning after, 1973. The amendments made by subsection (a)(4) shall apply with respect to calendar years after 1973.

(f) Effective April 1, 1974, the Secretary of Health, Education, and Welfare shall prescribe and publish in the Federal Register such modifications and extensions in the table contained in section 215(a) of the Social Security Act (which shall be determined in the same manner as the revisions in such table provided for under section 215(i)(2)(D) of such Act) as may be necessary to reflect the amendments made by this section; and such modified and extended table shall be deemed to be the table appearing in such section 215(a).

PART B—PROVISIONS RELATING TO FEDERAL PROGRAM OF SUPPLEMENTAL SECURITY INCOME

INCREASE IN SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 210. (a) Section 1611(a)(1)(A) and section 1611(b)(1) of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) are each amended by striking out "$1,560" and inserting in lieu thereof "$1,680".

(b) Section 1611(a)(2)(A) and section 1611(b)(2) of such Act (as so enacted) are each amended by striking out "$2,340" and inserting in lieu thereof "$2,520".

SUPPLEMENTARY SECURITY INCOME BENEFITS FOR ESSENTIAL PERSON

SEC. 211. (a)(1) In determining (for purposes of title XVI of the Social Security Act, as in effect after December 1973) the eligibility for and the amount of the supplemental security income benefit payable to any qualified individual (as defined in subsection (b)), with respect to any period for which such individual has in his home an essential person (as defined in subsection (c))—

(A) the dollar amounts specified in subsection (a) (1)(A) and (2)(A), and subsection (b) (1) and (2), of section 1611 of such Act, shall each be increased by $840 for each such essential person, and

(B) the income and resources of such individual shall (for purposes of such title XVI) be deemed to include the income and resources of such essential person;

except that the provisions of this subsection shall not, in the case of any individual, be applicable for any period which begins in or after the first month that such individual—

(C) does not but would (except for the provisions of subparagraph (B)) meet—

(i) the criteria established with respect to income in section 1611(a) of such Act, or

(ii) the criteria established with respect to resources by such section 1611(a) (or, if applicable, by section 1611(g) of such Act).

(2) The provisions of section 1611(g) of the Social Security Act (as in effect after December 1973) shall, in the case of any qualified individual (as defined in subsection (b)), be applied so as to include, in the resources of such individual, the resources of any person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for the aid or assistance referred to in subsection (b)(1).

(b) For purposes of this section, an individual shall be a "qualified individual" only if—

(1) for the month of December 1973 such individual was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI of the Social Security Act, and

(2) in determining the need of such individual for such aid or assistance for such month under such State plan, there were taken into account the needs of a person (other than such individual) who—

(A) was living in the home of such individual, and

(B) was not eligible (in his or her own right) for aid or assistance under such State plan for such month.

(c) The term "essential person", when used in connection with any qualified individual, means a person who—

(1) for the month of December 1973 was a person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for aid or assistance under a State plan referred to in subsection (b)(1) as such State plan was in effect for June 1973.

(2) lives in the home of such individual,

(3) is not eligible (in his or her own right) for supplemental security income benefits under title XVI of the Social Security Act (as in effect after December 1973), and

(4) is not the eligible spouse (as that term is used in such title XVI) of such individual or any other individual.

If for any month after December 1973 any person fails to meet the criteria specified in paragraph (2), (3), or (4) of the preceding sentence, such person shall not, for such month or any month thereafter be considered to be an essential person.

MANDATORY MINIMUM STATE SUPPLEMENTATION OF SSI BENEFITS PROGRAM

SEC. 212. (a)(1) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) to be eligible for payments pursuant to title XIX, with respect to expenditures for any quarter beginning after December 1973, and prior to January 1, 1975, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") whereby the State will provide to individuals residing in the State supplementary payments as required under paragraph (2).

(2) Any agreement entered into by a State pursuant to paragraph (1) shall provide that each individual who—

(A) is an aged, blind, or disabled individual (within the meaning of section 1614(a) of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972), and

(B) for the month of December 1973 was a recipient of (and was eligible to receive) aid or assistance (in the form of money payments) under a State plan of such State (approved under title I, X, XIV, or XVI, of the Social Security Act)

shall be entitled to receive, from the State, the supplementary payment described in paragraph (3) for each month, beginning with January 1974 and ending with the close of December 1974 (or, if later, the close of the month the State, as its option, may specify in the agreement or in a subsequent modification of the agreement), or, if earlier, whichever of the following first occurs:

(C) the month in which such indiivdual dies, or

(D) the first month in which such individual ceases to meet the condition specified in subparagraph (A); except that no individual shall be entitled to receive such supplementary payment for any month, if, for such month, such individual was ineligible to receive supplemental income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e) (1)(A), (2), or (3), 1611(f), or 1615(c) of such Act.

(3)(A) The supplementary payment referred to in paragraph (2) which shall be paid for any month to any individual who is entitled thereto under an agreement entered into pursuant to this subsection shall (except as provided in subparagraph (D)) be an amount equal to (i) the amount by which such individual's "December 1973 income" (as determined under subparagraph (B)) exceeds the amount of such individual's "title XVI benefit plus other income" (as determined under subparagraph (C)) for such month, or (ii) if greater, such amount as the State may specify.

(B) For purposes of subparagraph (A), an individual's "December 1973 income" means an amount equal to the aggregate of—

(i) the amount of the aid or assistance (in the form of money payments) which such individual would have received (including any part of such amount which is attributable to meeting the needs of any other person whose presence in such individual's home is essential to such individual's well-being) for the month of December 1973 under a plan (approved under title I, X, XIV, or XVI, of the Social Security Act) of the State entering into an agreement under this subsection, if the terms and conditions of such plan (relating to eligibility for and amount of such aid or assistance payable thereunder) were, for the month of December 1973, the same as those in effect, under such plan, for the month of June 1973, and

(ii) the amount of the income of such individual (other than the aid or assistance described in clause (i)) received by such individual in December 1973, minus any such income which did not result, but which if properly reported would have resulted in a reduction in the amount of such aid or assistance.

(C) For purposes of subparagraph (A), the amount of an individual's "title XVI benefit plus other income" for any month means an amount equal to the aggregate of—

(i) the amount (if any) of the supplemental security income benefit payment to which such individual is entitled for such month under title XVI of the Social Security Act, and

(ii) the amount of any income of such individual for such month (other than income in the form of a benefit described in clause (i)).

(D) If the amount determined under subparagraph (B)(i) includes, in the case of any individual, an amount which was payable to such individual solely because of—

(i) a special need of such individual (including any special allowance for housing, or the rental value of housing furnished in kind to such individual in lieu of a rental allowance) which existed in December 1973, for

(ii) any special circumstance (such as the recognition of the needs of a person whose presence in such individual's home, in December 1973, was essential to such individual's well-being),

and, if for any month after December 1973 there is a change with respect to such special need or circumstance which, if such change had existed in December 1973, the amount described in subparagraph (B)(i) with respect to such individual would have been reduced on account of such change, then, for such month and for each month thereafter the amount of the supplementary payment payable under the agreement entered into under this subsection to such individual shall (unless the State, at its option, otherwise specifies) be reduced by an amount equal to the amount by which the amount (described in subparagraph (B)(i)) would have been so reduced.

(b)(1) Any State having an agreement with the Secretary under subsection (a) may enter into an administration agreement with the Secretary whereby the Secretary will, on behalf of such State, make the supplementary payments required under the agreement entered into under subsection (a).

(2) Any such administration agreement between the Secretary and a State entered into under this subsection shall provide that the State will (A) certify to the Secretary the name of each individual who, for December 1973, was a recipient of aid or assistance (in the form of money payments) under a plan of such State approved under title I, X, XIV, or XVI of the Social Security Act, together with the amount of such assistance payable to each such individual and the amount of such individual's December 1973 income (as defined in subsection (a)(3)(B)), and (B) provide the Secretary with such additional data at such times as the Secretary may reasonably require in order properly, economically, and efficiently to carry out such administration agreement.

(3) Any State which has entered into an administration agreement under this subsection shall, at such times and in such installments as may be agreed upon between the Secretary and the State, pay to the Secretary an amount equal to the expenditures made by the Secretary as supplementary payments to individuals entitled thereto under the agreement entered into with such State under subsection (a).

(c)(1) Supplementary payments made pursuant to an agreement entered into under subsection (a) shall be excluded under section 1612(b)(6) of the Social Security Act (as in effect after December 1973) in determining income of individuals for purposes of title XVI of such Act (as so in effect).

(2) Supplementary payments made by the Secretary (pursuant to an administration agreement entered into under subsection (b)) shall, for purposes of section 401 of the Social Security Amendments of 1972, be considered to be payments made under an agreement entered into under section 1616 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972); except that nothing in this paragraph shall be construed to waive, with respect to the payments so made by the Secretary, the provisions of subsection (b) of such section 401.

(d) For purposes of subsection (a)(1), a State shall be deemed to have entered into an agreement under subsection (a) of this section if such State has entered into an agreement with the Secretary under section 1616 of the Social Security Act under which—

(1) individuals, other than individuals described in subsection (a)(2)(A) and (B), are entitled to receive supplementary payments, and

(2) supplementary benefits are payable, to individuals described in subsection (a)(2)(A) and (B) at a level and under terms and conditions which meet the minimum requirements specified in subsection (a).

(e) Except as the Secretary may by regulations otherwise provide, the provisions of title XVI of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972), including the provisions of part B of such title, relating to the terms and conditions under which the benefits authorized by such title are payable shall, where not inconsistent with the purposes of this section, be applicable to the payments made under an agreement under subsection (b) of this section; and the authority conferred upon the Secretary by such title may, where appropriate, be exercised by him in the administration of this section.

(f) The provisions of subsection (a)(1) shall not be applicable in the case of any State—

(1) the Constitution of which contains provisions which make it impossible for such State to enter into and commence carrying out (on January 1, 1974) an agreement referred to in subsection (a), and

(2) the Attorney General (or other appropriate State official) of which has, prior to July 1, 1973, made a finding that the State constitution of such State contains limitations which prevent such State from making supplemental payments of the type described in section 1616 of the Social Security Act.

PREFERENCE FOR PRESENT STATE AND LOCAL EMPLOYEES

SEC. 213. The Secretary of Health, Education, and Welfare, in the recruitment and selection for employment of personnel whose services will be utilized in the administration of the Federal program of supplemental security income for the aged, blind, and disabled (established by title XVI of the Social Security Act), shall give a preference, as among applicants whose qualifications are reasonably equal (subject to any preferences conferred by law or regulation on individuals who have been Federal employees and have been displaced from such employment), to applicants for employment who are or were employed in the administration of any State program approved under title I, X, XIV, or XVI of such Act and are or were involuntarily displaced from their employment as a result of the displacement of such State program by such Federal program.

DETERMINATION OF BLINDNESS UNDER SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 214. Section 1633 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) is amended—

(1) by inserting "(a)" immediately after "SEC. 1633.",

(2) by striking out "The Secretary" and inserting in lieu thereof "Subject to subsection (b), the Secretary", and

(3) by adding at the end thereof the following new subsection:

"(b) In determining, for purposes of this title, whether an individual is blind, there shall be an examination of such individual by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select."

PART C—SOCIAL SERVICES

SOCIAL SERVICES REGULATIONS POSTPONED

SEC. 220. (a) Subject to subsection (b), no regulation and no modification of any regulation, promulgated by the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") after January 1, 1973, shall be effective for any period which begins prior to January 1, 1974, if (and insofar as) such regulation or modification of a regulation pertains (directly or indirectly) to the provisions of law contained in sections 3(a)(4)(A), 402(a)(19)(G), 403(a)(3)(A), 603(a)(1)(A), 1003(a)(3)(A), 1403(a)(3)(A), or 1603(a)(4)(A), of the Social Security Act.

(b)(1) The provisions of subsection (a) shall not be applicable to any regulation relating to "scope of programs", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.0 of the regulations (relating to social services) proposed by the Secretary and published in the Federal Register on May 1, 1973. There shall be deleted from the first sentence of subsection (b) of such section 221.0 the phrase "meets all the applicable requirements of this part and".

(2) The provisions of subsection (a) shall not be applicable to any regulation relating to "limitation on total amount of Federal funds payable to States for services", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.55 of the regulations so proposed and published on May 1, 1973. There shall be deleted from subsection (d)(1) of such section 221.55 the phrase "(as defined under day care services for children)"; and, in lieu of the sentence contained in subsection (d)(5) of such section 221.55, there shall be inserted the following: "Services provided to a child who is under foster care in a foster family home (as defined in section 408 of the Social Security Act) or in a child care institution (as defined in such section), or while awaiting placement in such a home or institution, but only if such services are needed by such child because he is under foster care.".

(3) The provisions of subsection (a) shall not be applicable to any regulation relating to "rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam", if such regulation is identical to the provisions of section 221.56 of the regulations so proposed and published on May 1, 1973.

(c) Notwithstanding the provisions of section 553(d) of title 5, United States Code, any regulation described in subsection (b) may become effective upon the date of its publication in the Federal Register.

SEC. 221. Section 1130(a)(2) of the Social Security Act is amended—

(1) by striking out "of the amounts paid (under all of such sections)" and inserting in lieu thereof "of the amounts paid under such section 403(a)(3)"; and

(2) by striking out "under State plans approved under titles I, X, XVI, or part A of title IV" and inserting in lieu thereof "under the State plan approved under part A of title IV".

PART D—PROVISIONS RELATING TO MEDICAID

COVERAGE OF ESSENTIAL PERSONS UNDER MEDICAID

SEC. 230. In the case of any State plan (approved under title XIX of the Social Security Act) which for December 1973 provided medical assistance to persons described in section 1905(a)(vi) of such Act, there is hereby imposed the requirement (and such State plan shall be deemed to require) that medical assistance under such plan be provided to each such person (who for December 1973 was eligible for medical assistance under such plan) for each month (after December 1973) that—

(1) the individual (referred to in the last sentence of section 1905(a) of such Act) with whom such person is living continues to meet the criteria (as in effect for December 1973) for aid or assistance under a State plan (referred to in such sentence), and

(2) such person continues to have the relationship with such individual described in such sentence and meets the other criteria (referred to in such sentence) with respect to a State plan (so referred to) as such plan was in effect for December 1973.

Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

PERSONS IN MEDICAL INSTITUTIONS

SEC. 231. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for all (or any part of) the month of December 1973—

(1) was an inpatient in an institution qualified for reimbursement under title XIX of the Social Security Act, and

(2)(A) would (except for his being an inpatient in such institution) have been eligible to receive aid or assistance under a State plan approved under title I, X, XIV, or VI of such Act, or

(B) was, on the basis of his need for care in such institution, considered to be eligible for aid or assistance under a State plan (referred to in subparagraph (A)) for purposes of determining his eligibility for medical assistance under a State plan approved under title XIX of such Act (whether or not such individual actually received aid or assistance under a State plan referred to in subparagraph (A)).

shall be deemed to be receiving such aid or assistance for such month and for each succeeding month in a continuous period of months if, for each month in such period—

(3) such individual continues to be (for all of such month) an inpatient in such an institution and would (except for his being an inpatient in such institution) continue to meet the conditions of eligibility to receive aid or assistance under such plan (as such plan was in effect for December 1973), and

(4) such individual is determined (under the utilization review and other professional audit procedures applicable to State plans approved under title XIX of the Social Security Act) to be in need of care in such an institution.

Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

BLIND AND DISABLED MEDICALLY INDIGENT PERSONS

SEC. 232. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for the month of December 1973 was eligible (under the provisions of subparagraph (B) of such section) for medical assistance by reason of his having been determined to meet the criteria for blindness or disability (established by a State plan approved under title I, X, XIV, or XVI of such Act), shall be deemed to be a person described as being a person who "would, if needy, be eligible for aid or assistance under any such State plan" in subparagraph (B)(i) of such section for each month in a continuous period of months (beginning with the month of January 1974), if, for each month in such period, such individual continues to meet the criteria for blindness or disability so established by such a State plan (as it was in effect for December 1973). Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

EXTENSION OF SECTION 249E OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 233. Section 249E of the Social Security Amendments of 1972 is amended by striking out "October 1974" and inserting in lieu thereof "July 1975".

REPEAL OF SECTION 225 OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 234. (a) Section 1903 of the Social Security Act is amended by striking out subsection (j) thereof (as added by section 225 of Public Law 92-603).

(b) The amendment made by subsection (a) shall be applicable in the case of expenditures for skilled nursing services and for intermediate care facility services furnished in calendar quarters which begin after December 31, 1972.

PART E—PROVISIONS RELATING TO MATERNAL AND CHILD HEALTH

GRANTS TO STATES FOR MATERNAL AND CHILD HEALTH

SEC. 240. (a)(1) Paragraph (1) of section 502 of the Social Security Act is amended by striking out "each of the next 4 fiscal years" and inserting in lieu thereof "each of the next 5 fiscal years".

(2) Paragraph (2) of section 502 of such Act is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

(3) Section 505(a)(8) of the Social Security Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(4) Section 505(a)(9) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(5) Section 505(a)(10) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(6) Section 508(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(7) Section 509(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(8) Section 510(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(b) Title V of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTAL ALLOTMENTS

"SEC. 516. (a)(1) For each fiscal year (commencing with the fiscal year ending June 30, 1975), there shall (subject to paragraph (2)) be allotted to each State (from funds appropriated for such fiscal year pursuant to subsection (b)) an amount, which shall be in addition to and available for the same purposes as the allotments of such State (as determined under sections 503 and 504), equal to the excess (if any) of—

"(A) the amount of the allotment of such State (as determined under sections 503 and 504) for the fiscal year ending June 30, 1973, plus the amounts of any grants to such States under sections 508, 509, and 510, over

"(B) the amount of the allotment of such State (as determined under sections 503 and 504) for such fiscal year which commences after June 30, 1973.

"(2) No State shall receive an allotment under this section for any fiscal year, unless such State (in the administration of its State plan, approved under section 505) has in effect arrangements which the Secretary finds will provide for the continuation of appropriate services to population groups previously receiving services from funds made available (for the fiscal year ending June 30, 1974) to such State pursuant to sections 508, 509, and 510.

"(b)(1)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated for each fiscal year (commencing with the fiscal year ending June 30, 1975) such amounts as may be necessary to enable the Secretary to make the allotments authorized under subsection (a).

"(B) Nothing contained in subparagraph (A) shall be construed to authorize, for any fiscal year, the appropriation under this subsection of any amount which is in excess of the amount by which—

"(i) the amount authorized to be appropriated under section 501 for such year exceeds

"(ii) the total amounts appropriated pursuant to section 501 for such year.

"(2) If, for any fiscal years, the total amount appropriated pursuant to paragraph (1) is less than the total amount allotted to all States under subsection (a), then the amount of the allotment of each State (as determined under subsection (a)) shall be reduced to an amount which bears the same ratio to the total amount appropriated pursuant to paragraph (1) for such fiscal year as the amount of the allotment of such State (as determined under subsection (a)) bears to the total amount allotted to all States under subsection (a) for such fiscal year."

(c)(1) In the case of any State, if for the fiscal year ending June 30, 1974, the sum of—

(A) the amount of the allotment which such State would have received under section 503 of the Social Security Act for such year (if subsection (a) of this section had not been enacted), plus

(B) the amount of the allotment which such State would have received under section 504 of such Act for such year (if subsection (a) of this section had not been enacted),

is in excess of the sum of—

(C) the aggregate of the allotments which such State received (for the fiscal year ending June 30, 1973) under such sections 503 and 504, plus

(D) the aggregate of the grants received (for the fiscal year ending June 30, 1973) under sections 508, 509, and 510 of such Act,

then, for the fiscal year ending June 30, 1974, there shall be added to the allotments of such State, under sections 503 and 504 of such Act, in such proportion to each such allotment as the State shall specify, an amount equal to such excess.

(2)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated, for the fiscal year ending June 30, 1974, such amounts as may be necessary to make the increase in allotments provided for in paragraph (1).

(B) Nothing contained in subparagraph (A) shall be construed to authorize, for the fiscal year ending June 30, 1974, the appropriation under this paragraph of any amount which is in excess of the amount by which—

(i) the amount authorized to be appropriated under section 501 of such year, exceeds

(ii) the total amounts appropriated pursuant to section 501 for such year.

(3) If, for the fiscal year ending June 30, 1974, the amount appropriated pursuant to the preceding provisions of this subsection is less than the total of the amounts authorized to be added to the allotments of States (as determined under paragraph (1)), then the amount to be added to the allotment of each State shall be reduced to an amount which bears the same ratio to the amount so appropriated for such year as the amount to be added to the allotment of such State (as determined under paragraph (1)) bears to the total of the amounts to be added to the allotments of all States (as determined under paragraph (1)).

Part F—Provisions Relating to Child's Social Security Insurance Benefits

BENEFITS FOR ADOPTED CHILDREN

Sec. 250. (a) Section 202(d)(8)(D)(ii) of the Social Security Act is amended by striking out "and" at the end thereof and inserting in lieu thereof "or (III) if he is an individual referred to in either subparagraph (A) or subparagraph (B) and the child is the grandchild of such individual or his or her spouse, for the year immediately before the month in which such child files his or her application for child's insurance benefits, and".

(b) The amendment made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

Mr. LONG. Mr. President, what I am proposing is what the conferees of the House and the Senate agreed to on H.R. 8410 in the areas of social security, supplemental security income, medicaid, social services, and maternal and child health. There is only one new provision, the lack of which played a major part in the House declining to agree to the conference action. This relates to protecting veterans from a pension loss.

I am cosponsoring this amendment with Senator RIBICOFF, whose initiative in this area deserves the highest praise. He was a strong supporter of these provisions in the conference and his help was a crucial factor in securing the acceptance by the House conferees of so many of the Senate provisions.

It would provide that veterans would not lose their pension rights or have their pensions reduced by virtue of the increase proposed by the Senate in the social security amendments to which it is attached. This is an oversight that we sought to correct down through the years. It is something that should be ironed out. I hope very much it can be resolved and the problem not created in the first place by adding this to the Senate bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ROBERT C. BYRD and Mr. HARTKE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I wish to ask the distinguished manager of the bill a question. Does his amendment include my amendment which he earlier accepted to the debt limit bill providing that a child whose parents are dead or disabled—and the child, having been adopted by its grandparents—would receive benefits?

Mr. LONG. It includes a modified version of the Senator's amendment. I have discussed this with the Senators. He is aware of the fact that one of the difficulties in achieving everything that was in the Byrd amendment was that in this area there had been some abuse in years gone by of which the House was very much aware.

The House is very much willing to accept the concept proposed by the Senator insofar as it applies to grandparents adopting the grandchildren and at the same time the House was careful to insist that this amendment would not open up the adoption area to abuse, as had been uncovered in years gone by.

I think what is agreed to is good insofar as it goes, and it protects us from the abuse some fear.

Mr. ROBERT C. BYRD. I can understand the reasoning back of the modifications made by the conference. I thank the distinguished manager of the bill for the support he gave this amendment in conference, but I wanted to be assured that the amendment is now included.

Mr. LONG. Yes.

Mr. HARTKE. Mr. President, may I have the attention of the chairman?

The ACTING PRESIDENT pro tempore. The Senator may proceed.

Mr. HARTKE. Mr. President, the social security amendments that are in here and the provision concerning the laws for disabled veterans deals only with the provisions of the adopted amendment. Is that correct?

Mr. LONG. Yes.

Mr. HARTKE. And they are not retroactive as far as they are concerned.

Mr. LONG. No, they solve the problem created by our amendment to H.R. 8410. We are not trying to solve with this amendment problems that existed prior to that. I believe the Senator reported a bill from the Veterans Committee in that area. I, along with other Senators, voted for it. I understand the difficulty on the House side in bringing agreement in that area. I am not an expert on that. The Senator knows better than I.

Mr. HARTKE. The situation is that it will be subject to a point of order on the House side if it is in the bill. I am 100 percent in favor of veterans receiving their full benefits and not to have them reduced as a result of an increase in social security benefits.

The way it works, veterans' benefits are based on total income and needs, and according to the disability of the individual, or whatever occasioned his pension. Therefore, any increase in income results in a corresponding reduction in the pension. What you have, in effect, without the amendment being provided is a nonveteran preference; that is, a nonveteran can receive an increase in social security. I want to have a veteran receive all those benefits and when he receives an increase in social security not to end with the same amount of money and no benefit to him personally.

Mr. LONG. My understanding is that the veteran does not have his benefits reduced on a dollar for dollar basis. Nevertheless, the problem exists that there is some reduction in a veteran's pension benefits when a veteran receives an increase in his social security check. I would like to see the problem solved. I have joined with the Senator many times in trying to solve the problem.

Mr. HARTKE. Yes.

Mr. LONG. Sometimes I have tried to prevail on the Senator to solve it through the Veterans' Committee and at other times through bills from the Committee on Finance. I frankly wish this one problem were in the jurisdiction of one committee so that it could be more easily dealt with than it is now.

But I can understand the fact that the issue of committee jurisdiction in the House exists to a much greater degree than in the Senate. We do not have any difficulty in the Senate trying to resolve this question. Our friends in the House have had much difficulty in reaching across committee lines to solve the problem.

Mr. HARTKE. I would like to ask the chairman a question and maybe he can ask the staff member to give him the costs involved in the veterans amendment to the social security provisions.

Mr. LONG. We are trying to avoid a cut in payments from what would take effect, because of an increase in social security benefits, and we estimate that the cut in veterans' benefits might be in the magnitude of perhaps $50 million. But that is just a guess; it may be less than $50 million.

Mr. HARTKE. I think that the Senator probably is correct. The amount is probably a little more than $50 million, but not substantially. The fact remains that this adds, again, to the budget deficit, which is the occasion why the Senator gave on the floor as the reason the shift was made from the debt limit bill to the renegotiation bill. This adds again to the budgetary problems of the Treasury.

Just to go back a little so everyone will understand, at least so the RECORD is clear, what is proposed here is to put into one amendment all those social security amendments and all those welfare amendments which were previously adopted by the Senate, and as agreed to in the conference report with the conferees of the House. Is that correct?

Mr. LONG. Yes. May I say to the Senator that I propose to put these amendments in a package which I think has as favorable chance as any to override a veto, if it occurs, and I think it is likely to happen no matter what bill these amendments are on when it goes to the White House. If a veto occurs and it cannot be overridden on this measure, it is my intention to continue acting on these items until we do prevail and enact them. But I do not think that we are going to have to try more times than once. I think we can override a veto on this one.

I was dismayed to hear the less optimistic views of the Senator from Indiana, but I am a great deal more optimistic than that. I believe we can override a veto on this package. That is why I want the opportunity to lay it before the President and, assuming a veto—and I assume he will veto it—I would like the opportunity to stand here and ask the Senate to override. I think the Senate will. If the Senate does not, I propose to take the next bill that comes by and offer these matters item by item until every item in this measure becomes law. I doubt that that will become necessary.

I think the Senate has the capability of prevailing where there is a difference between the President and the Congress, and I would like a chance to try it.

Mr. HARTKE. It is not the intention of the chairman of the Finance Committee to drop any of these provisions from the debt limit bill?

Mr. LONG. It is up to the conference to decide whether we will try to retain all these provisions in the debt limit bill or not. We can see what the conference wants to do about it. It is my feeling that we would be well advised to proceed in the fashion I have suggested. I have no agreement with the House, not a single Member of the House of Representatives, that we proceed in the fashion I have just suggested.

I am frank to say that I think the majority of us on the conference would like to proceed that way, and the RECORD will so reflect, but that does not mean the House will agree. The House may insist on keeping the whole thing in one package. If that is true in the conference, they may prevail; but if we do what the Senator from Louisiana is suggesting, we would have more options available, and right now we need more options.

Mr. HARTKE. To summarize, then—and if I am incorrect I hope the chairman of the Finance Committee will correct me—the situation is that we have at the present time reported out of the conference committee a series of amendments which deal with social security.

These social security amendments deal primarily—the largest one deals—with the increase to 5.6 percent. The other one is an item which the Senator from Indiana introduced, which deals with the increase in how much any social security beneficiary can earn, which is in the amount of $200 a month, raising it from the present $2,100 a year to $2,400 a year.

In the conference committee, and in the proposal before the Senate at this time, is provision for financing these two provisions as they were originally adopted by the conference committee.

The proposal before us at the present time has an added item that provides a save-harmless clause dealing with veterans' benefits which, as I understand the amendment, would provide that no veteran would have his pension reduced as a result of the action taken in these social security and related amendments.

In addition to that, the bill makes no provision for the approximately $50 to $60 million additional cost occasioned as a result of the increased payments which will be occasioned by the save-harmless veterans clause.

In addition to that, the amendment contains a number of individual items dealing with welfare. The welfare items basically have the SSI—I do not remember what the initials stand for at the moment——

Mr. LONG. Supplemental security income.

Mr. HARTKE. Supplementary security income provisions. The total amount of those are in the neighborhood of $800 million.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. HARTKE. In just a minute. Correct me if I am wrong. The funding for that part of the amendment——

Mr. LONG. The Senator is approximately correct, except that the House has rejected those provisions on the debt limit bill.

Mr. HARTKE. The amount of the so-called welfare provisions are not financed under any increase and, therefore, they become a direct responsibility of the general fund and are an erosion of the general fund.

The information that the chairman of the Finance Committee has, I suppose from the minority side, is that the President has said he is opposed to these amendments and therefore would veto the debt limit bill.

As I understand it, the chairman of the Finance Committee says even though we will adopt those amendments here on the extension of the Renegotiation Act, and even though that Renegotiation Act, with these amendments, is sent to the House, if passed by both bodies, the President will veto that measure.

So what we are doing here on the floor of the Senate is that we are taking these provisions for benefits to social security recipients, with the save-harmless clause for the veterans, with the benefits for the aged, the infirm, and the blind, away from a bill which the President would have to sign if he wanted to continue the debt limit beyond midnight, remove it from that area in which the President is under some type of compulsion to deal with the issue, and put it over into the Renegotiation Act, which of itself is not of the same priority and preference with the President.

Under those circumstances, the distinguished chairman of the Finance Committee indicates that the President is opposed to benefits for the elderly, the blind, and the infirm, and his argument is based on the fact that it costs too much and involves too much difficulty.

I do not need to tell the Senator that if the Cambodian measure, which is contained in the original conference report, is retained, the savings occasioned by the stopping of the bombing would pay for all of these costs in the neighborhood of about 10 times.

I think it is well to point out that they are putting the destruction of the lives in Cambodia before assistance to the aged, the blind, and the infirm in America.

I will say that if I have made a misstatement of the facts here, I hope the chairman of the Finance Committee will correct me.

Mr. BENNETT. Mr. President, may I say to the distinguished Senator that at the very beginning we had a situation in which the bill reported out of conference contained these conditions. Actually the House tore everything out, and the House bill which we are now going to conference on contains only the original language of the House bill. We are going back to conference and the House is presenting a bill with its original language, and the Senate bill contains the language we passed the other night.

It is a technical difficulty, but I thought I should state it.

Mr. HARTKE. The House will get the conference amendment as presented by the House leaders and the Ways and Means Committee.

Mr. BENNETT. The Senator is correct, and the Senate in the conference backed the original language.

Mr. HARTKE. Yes. What happened is that in substance we have a situation where a new conference has been requested by the House of Representatives on the basis that they did not accept the conference report. That is what happened.

We are now where we were when we started with the first conference. And what is intended to be done here is to take action which would make it possible for the Senate conferees to eliminate those provisions which deal with the social security and with the welfare provisions.

The sweetener is to come back with the save-harmless clause for the veterans. I make no apologies for my support for the veterans. I am proud of them. I want to help them.

I point out that this could have been done last June when we had the social security increase. And I did urge the Senate then to do it at that time. This amendment does not correct that deficiency.

Many veterans as of January 1 of this year and for the first 6 months of this year have actually had a nonveterans preference. I mean by that that the veteran has had an increase in social security and a decrease in pension. And in the event of about 20,000 of them who had their income go over the income limitation, they were dropped from the rolls, and they actually lost money and have for the last 6 months.

That is not being corrected by this amendment. All that the veterans' amendment would do in this bill is to save harmless the provisions of the social security increases and welfare increases which are going to begin in April of next year. So we are not giving them really anything now. We are not giving the agent anything now. All we are doing is providing for an acceleration of the benefits from 1975 back to 1974, on April 1.

Mr. President, for the RECORD I would like to say that the Senate passed a bill which I introduced last year, S. 4006, which would have protected the veterans.

The House of Representatives failed to act. We are prepared to move forward on this again. Hopefully the House of Representatives at this time would recognize that the veterans are being mistreated in that regard.

Mr. President, I want to point out one other thing. The checkoff provision is still intended to be retained, and the political checkoff is intended to be retained in the debt limit bill, as I understand it. And the unemployment compensation extension of 13 weeks for approximately five States, according to the best information I have at the present time, is to be retained. This also presents an additional erosion when the total budgetary figures come out of the unemployment compensation fund, in the neighborhood of $200 million.

Mr. BENNETT. $224 million.

Mr. HARTKE. The Senator is correct. I think that there is no question that the action to provide the benefits for the aged have to be interpreted by some foreign interpreter. Maybe we can have Mr. Brezhnev's interpreter act on behalf of the old people. He might be able to explain to their satisfaction that we took their benefits, which had been passed by the Senate and were in the bill, away from them again.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana (putting the question).

The amendment was agreed to.

Mr. McGOVERN. Mr. President, on behalf of myself and the distinguished majority leader, the Senator from Montana (Mr. Mansfield), and Senators Dole, Nelson, Cranston, McGee, Curtis, Abourezk, McClellan, Talmadge, Hart, Bentsen, and Allen, I call up my amendment to the pending bill.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

At the end thereof add the following new section: the Economic Stabilization Act of 1970 is amended by inserting after Section 203 the following new section: § 203A Agricultural Commodities.

"The President shall make appropriate adjustments in the maximum price which may be charged under the provisions of Executive Order 11723 (dated June 13, 1973) for any agricultural commodity (at any point in the distribution chain) as to which the Secretary of Agriculture certifies to the President that the supply of the commodity will be reduced to unacceptably low levels as a result of the freeze and that alternative means for increasing the supply are not available."

Mr. McGOVERN. Mr. President, I ask unanimous consent that the names of the Senator from West Virginia (Mr. Robert C. Byrd), the Senator from Arkansas (Mr. Fulbright), and the Senator from Kentucky (Mr. Huddleston) be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, this amendment would require an adjustment in the price for any agricultural commodity where the Secretary of Agriculture determines that the current price freeze will produce a shortage of that commodity and there is no alternative means for increasing the supply.

Mr. President, if things remain as they are, consumers may soon find it difficult to buy certain agricultural products such as eggs, chicken or milk. This is because the costs of producing these products, particularly feed stuffs, has gone up even faster than the cost of living. The result of the price freeze is that the farmer cannot get from the middleman or retailer a sufficient price to cover his costs.

Consumers understand this problem. Many of them have written to me expressing their concern. I ask unanimous consent that a copy of a typical letter I received be printed at the end of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. McGOVERN. Recently we have seen on television 100,000 baby chicks being destroyed because, high prices of feedstuffs made it unprofitable for the producer to get the chickens ready for market. The same thing will happen to pigs and lambs. And dairy farmers will sell off herds if milk production continues to mean losses. Likewise the cattle rancher will not put yearling steers and heifers on the feedlot if he knows his costs will exceed sales price.

And in the end it is the consumer who will pay the most for these shortages unless we act promptly now. The pattern reported in the press for broiler chickens is already being repeated in eggs. For example, an egg producer in South Dakota told me this week that his cost of soybean meal has increased from 5 to 25 cents per dozen eggs in the past year. He will not continue producing eggs, even for a short time, if he is likely to lose money on every case of eggs he ships. And other products raised on high intensity feeds are not far behind.

So the Government must move promptly to insure that the consumer has food products to buy.

The amendment we are offering today offers the quickest and in the long run least expensive way to do this. It would require in emergency situations an adjustment in the maximum price for agricultural commodities whose supply is being reduced by the freeze. This would provide sufficient incentive to keep farmers producing products consumers need.

Of course, there are other methods, too.

The administration announced 2 days ago that it has prohibited further exports of soybeans and cottonseed and their products, in an effort to stem rising prices in domestic markets. Let us hope that these actions will retard the great increases in the prices of processed feeds which have occurred in recent weeks; however, it may be some days before we can know its effect.

Another method might be to determine immediately how phase IV can operate for food, and move rapidly to a special phase IV for food while working out the details for other sectors of the economy. The administration is working toward that goal, but it appears some time off.

Yet another method might be to institute an emergency supplemental payment from the Treasury to food producers who are forced to sell at less than cost. Such an approach is not without merit, but it, too, involves complexities and may require some time to implement.

But none of these methods would be able to take hold for some time. By then countless young animals may have been needlessly slaughtered. Our amendment would be effective right away.

This amendment, Mr. President, offers a simple and effective method of dealing with a problem of potentially major proportions. It has the support of urban Senators, whose consumer constituents need an adequate food supply, and it has the support of my colleagues from farm States, where adequate income is of paramount concern.

Mr. President, the other members of the Agriculture Committee and I met yesterday with John Dunlop, the Director of the Cost of Living Council. We had hoped to convince him of the need to take the actions we suggest right away. But while he agreed that the action the cosponsors of this amendment and I suggest is necessary, he said the administration would not act until the middle of July.

Mr. President, we cannot wait that long for the administration to act. And so, I urge that we pass this amendment today.

Mr. President, this amendment would require an adjustment in the price for any agricultural commodity where the Secretary of Agriculture determines that the current price freeze would produce a shortage of that commodity and where there is no alternative to the means for increasing the supply.

We are all concerned about rising food prices. However, there is one thing that is infinitely worse than high food prices, as the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Georgia (Mr. Talmadge) has said, and that is no food at all, and especially on such basic commodities as poultry, eggs, lamb, other meat products, and milk.

So I think both from the standpoint of the producer and the consumer of these essential commodities, it is imperative that we do not permit the price freeze which was intended to protect consumers from having their interests injured through unintended food shortages.

Recently we saw on television that a poultry producer in the State of Texas had destroyed some 100,000 baby chicks because the cost of his feedstuffs has grown to the point where he cannot feed and market his poultry at a profit.

Yet the retailer is caught in the price freeze and is powerless to do anything about it. As a consequence, a large number of poultry were destroyed which does nothing for the producer or consumer except cause more hardship in both cases.

The same burden is beginning to develop with respect to egg production. One hatchery operator in my State told me that over the past year the cost of soybean feedstuffs that he uses in the production of chicken and eggs has increased to the point where the amount of soybean meal used to produce one dozen eggs has gone from 5 cents a dozen to 25 cents a dozen.

Yet with the cost of feed concentrates and high-intensity feeds skyrocketing, the retail price at the other end is frozen.

Consequently, a serious situation can face our dairy producers and producers of lamb and other meat products. So this amendment is an attempt to deal with that situation in a constructive way.

There are, of course, other methods. We could have a direct subsidy, I suppose, to consumers. We could have a direct subsidy to the producer. But this seems to be the most practical way to deal with it.

A few days ago, under the direction of the Senator from Georgia (Mr. TALMADGE), the chairman of the Committee on Agriculture and Forestry, we met with Mr. Dunlop, the Director of the Cost of Living Board, and discussed this matter with him.

While he was very sympathetic to the problem, he really had no answer to suggest that could be operative before some time after mid-July.

Mr. President, what we are proposing here is a very practical formula to protect both consumers and producers, and it would give the Secretary of Agriculture the authority, and indeed would instruct him, where he makes a finding of an impending shortage in some important food commodity, to make recommendations to the Price Freeze Board for changes in the price of the product at any point to deal with the shortage, but he would first have to exhaust other remedies before resorting to the authority under this amendment.

Mr. President, we have had cosponsorship on this amendment on both sides of the aisle. I have discussed it both with Senator LONG and Senator BENNETT, who have told me they see no particular objection to it, and I am very hopeful the amendment will be agreed to.

EXHIBIT 1

EAST CHICAGO, IND., *June 24, 1973.*

Senator GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: Yesterday I listened to a report on our local CBS station concerning the chicken industry. The report said that chicken farmers in Texas are killing all of the chicks that are being born. This was done either by drowning them or just throwing them into garbage trucks. The reason given for this killing of the chicks was because the new controls that Mr. Nixon has placed on some products doesn't cover the price of the feed for the chickens but it does cover the cost of the chickens on the market place. Basically it comes down to the chicken farmers are unable to make any money because of the sky rocketing price of chicken feed.

I am no expert but even I know that if they keep killing the chicks there will be no chickens on the market in a matter of a couple of months. The people need all the sources of food that this country has and it can not allow one of those sources to be destroyed by inflation. I urge you to do something to bring the price of chicken feed down to a point where it will pay the chicken farmers to continue to raise chickens. If something is not done very soon there will be no chickens in this country and what little there might be the prices will be so high that the average citizen will not be able to pay for a single piece, let alone the whole thing.

Please help with this urgent problem. We need the meat that the chicken industry can provide.

Sincerely yours,

JOHN WM. HEISER.

Mr. DOLE and Mr. PASTORE addressed the Chair.

Mr. McGOVERN. I yield first to the Senator from Kansas, and then I shall yield to the Senator from Rhode Island.

AVOIDING FOOD SHORTAGES

Mr. DOLE. Mr. President, I am pleased to join with the senior Senator from South Dakota and my other colleagues in sponsoring this amendment to provide relief to the producers of our country's food supplies.

It should also be understood that this amendment is not merely in the interests of our food producers, but it directly serves the American consumer in seeking to avoid shortages in the food supplies he purchases at the retail level.

The amendment would require emergency adjustments of the maximum prices for agricultural commodities which are being forced into short supply because of the freeze. And by requiring these adjustments, this amendment will provide the quickest, most effective and in the long run, the least costly relief for the critical conditions which are today stifling the food production industry at an alarming rate.

By way of explanation, I would point out that this has been a hard year for American agriculture. It has not been hard in the usual sense of nature's droughts or hailstorms or disease, rather it has been hard in terms of the effects of man's policies—or lack thereof.

First, there is the fuel crisis which has fostered great uncertainty and anxiety among farmers at a time when their confidence and enthusiastic efforts to increase production are needed to meet the demands of our domestic and international markets. It has had a definite effect on production which is expected to be felt throughout the entire food and commodity system in this and future crop years.

Second, economic conditions have resulted in the imposition of a broad wage-price freeze which has placed many elements of the agricultural sector in intolerable positions between greatly increased costs and frozen prices. The result has been the threat of major food shortages.

Yesterday, I called the Senate's attention to an article in the June 28 Wall Street Journal which points the picture in stark detail with its opening sentence:

> The Nation's food-production machinery is starting to grind to a halt—

While a number of factors are contributing to the impact of the freeze in agriculture, perhaps the most crucial is the significantly higher prices for various commodities which, when tied into a frozen price structure for finished products, make the costs of production far in excess of retail prices. For example, it costs feed producers money—as much as $20 to $50 per ton—to deliver their products. The same is true for egg and chicken producers, vegetable packers, beef producers and flour millers. No sensible businessman is going to keep going under such conditions. It is cheaper for him just to shut down. And many are doing so every day.

The consequences to the food producing industry are disastrous. We have already seen baby chicks destroyed. Cattle and hog production is being curtailed. Milk production is suffering.

The freeze of phase 3½ is threatening to destroy our food producing system and put the American consumer in the worst supply position that has ever been known in war or peace.

I noted news reports yesterday that Federal Reserve Chairman, Arthur Burns has called the freeze "a dangerous thing" in terms of food supplies and has recommended that the freeze be lifted in several food industries. Dr. Burns' observations certainly suggest a more informed and responsible view than apparently prevails at the Cost of Living Council. I have been highly concerned with the rigid and seemingly inflexible determination of the CLC to grant even minimum relief for the food producing sectors of the economy. The logic of this attitude entirely escapes me, for I can see no more vital responsibility of our Government than the assurance of plentiful food supplies for our citizens.

And, I cannot understand this stubborn refusal to respond to the clearest and most unmistakable signs of massive food shortages in the making. Hopefully, this attitude will change in the near future.

So, Mr. President, I am pleased to be a sponsor of this amendment and feel it should be adopted as a step toward relieving the current disaster-breeding situation.

The New York Times carried a front page story this morning with the headline, "Food Shortages Termed Possible Next Month." I ask unanimous consent that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD SHORTAGES TERMED POSSIBLE IN NEXT MONTH

(By Seth S. King)

CHICAGO, June 28.—Housewives searching their supermarket shelves this coming week will find most of what they want still there. But a widening circle of food processors and retailers are caught in a profit squeeze resulting from the price freeze, and this is beginning to curtail production of some foods.

It could lead to shortages of many items in the next month.

Every echelon of the food industry, from farmers to retailers are criticizing the ceilings imposed on meat in March and on all other items on June 13. Their unhappiness about the ceiling has contributed to recent warnings of shortages.

All elements of the food industry agree that if these shortages occur, they will last for at least three months, unless the ceilings are lifted or modified before the end of the 60-day period announced by President Nixon two weeks ago.

But production of some foods, such as eggs, broilers, flour and some vegetables and fruits is already dropping. This means that future supplies, within the next two or three months, will decline and when the ceilings are removed, prices at all levels will shoot up.

Beef packers were still operating close to normal levels this week, although live cattle prices were still high and the wholesale prices these packers charged were at 71½ cents a pound for choice beef in Chicago. This was the ceiling price packers could charge. If they have to pay any more for animals, many are threatening to curtail production.

There are still no ceilings on unprocessed farm products and hog prices in the Midwest went above $41 a hundred pounds this week, another record. But the larger packers of pork reported their production was continuing normally.

The Oscar Meyer Company in Madison, Wis., one of the nation's largest pork packers, said no cutbacks were expected in the immediate future.

SUPPLY SQUEEZE EXPECTED

"But with the number of hogs now being fattened fewer even than last year, we are looking for a supply squeeze in the next 45 days," a spokesman said. "Still, if we have a good crop of feed grains by fall, a lot of that pressure will be eased by winter."

Egg producers, most of whom have to buy all their feed grains instead of growing them themselves, complained that they were losing about 4 cents a dozen on eggs this week because feed prices were above the top price they could get from retailers.

But the larger producers were keeping their flocks of layers at about the same levels as last year.

"If it continues, we'll have to cut back," said Ken Munroe, whose Munroe Egg Farm in Plainfield, Ill., sends about 70,000 dozen eggs each week to Chicago markets. "The trouble is there is a cutback in incubator eggs, and this will mean fewer laying chickens producing table eggs in five months."

BROILER SUPPLIES STEADY

The supplies of broiler chickens were still as large as last year's and in some instances larger. Delmarva Poultry Industry Inc., an association of Maryland and Delaware broiler growers that provides a major part of New York's supply, noted that the numbers of broilers now on feed was 16 per cent larger in Maryland than last year and 8 per cent greater in Delaware.

"But you'll also note that the Department of Agriculture reports that on June 23 there were 8 per cent fewer 'settings' of incubated eggs," said Frank Gordy, executive director of the association. "That means in 11 weeks' time there will be 8 per cent fewer broilers coming on the market than last year."

Some of the country's largest vegetable canners were complaining of the squeeze they were caught in between increased crops of producing raw vegetables and the ceiling prices they could charge for their canned products.

But they did not expect any reduction in canned vegetable supplies this year. Again, they warned that if the ceilings were made permanent, they did not expect to buy and can as much next year as this year.

PIPELINES ARE FULL

Spokesmen for several large supermarket chains in New York, Washington, Detroit and Chicago said today that the pipelines for most of their goods were still full and there would be no immediate shortages.

"Shoppers will find some items on fruit and vegetable counters very short, but that's largely seasonal," a spokesman for Jewel Foods in Chicago said. "Our buyers this week were still finding most of what they needed from wholesalers, though there was a problem in beef hindquarters, which some packers who have freezing capacity are apparently holding back.

These supermarket spokesmen noted that wheat prices even though this year's harvest has started in the lower Midwest, were still so high that flour mills were threatening to stop producing flour if the ceiling price was not lifted.

The National Association of Food Chains in Washington warned that margarine and salad oils would soon be difficult to find unless there was a sudden break in the prices of soybean oil and corn oil, from which these products are made.

SOYBEAN PRICES UP

The prices of unprocessed soybeans rose this week above $11 a bushel, 45 per cent above April's price and 200 per cent above the price last year at this time. The Agriculture Department has warned that there are only about two weeks' supply of soybeans left from the 1972 crop that are still available for sale.

Clarence G. Adamy, president of the National Association of Food Chains, said that suppliers of soybean and corn oil were beginning to close some of their plants because they had exhausted their supplies of soybeans and the farm price of corn was too high to allow a profit on corn oil, which is still controlled.

The only positive element in the food picture this week were the reports on corn and soybean plantings and on the wheat harvest.

In Iowa and Illinois, virtually all the 1973 corn has been planted under good to excellent growing conditions. Soybean plantings are more than 80 per cent completed, also under good conditions. The wheat harvest in Texas, Oklahoma, and southern Kansas is slightly behind schedule, but yields have been good.

The Agriculture Department is expecting record production of all these crops this fall. Unless there is unusually bad weather later this summer, it is said there should be enough of all these feed grains by October to bring their prices down to manageable levels.

Mr. DOLE. I congratulate the distinguished Senator from South Dakota. I think his amendment is a step in the right direction. I can point out another area causing great distress and a part of the shortage, and that is the feedlot operations in the Midwest. Many farmers feeding livestock find their raw product, the feed, has gone up and up, and they are losing a great deal of money in the feeding operation, which can only result in one thing, and that is a meat shortage very soon.

So there are a great many examples where the raw product has increased, doubled, and almost trebled in some cases, where those who use that raw product are prohibited from raising their prices.

I think this would soften that problem, and provide for selective adjustments. I thank the distinguished Senator from Louisiana and the distinguished Senator from Utah for indicating their willingness to accept the amendment.

Mr. McGOVERN. I yield now to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, as I understand the Senator from South Dakota, this amendment does not automatically, by legislative fiat, raise any ceilings or lift any price freeze. All it does is permit the Secretary of Agriculture, where there is a shortage of commodities due to the price freeze, to make a recommendation?

Mr. McGOVERN. The Senator is correct. It does not automatically raise the price of anything, but if the Secretary of Agriculture finds there will be a critical shortage of any particular food, he can so declare, and an adjustment would have to be made accordingly.

Mr. PASTORE. To protect the food on the tables of America.

Mr. McGOVERN. That is correct. It is to protect the producer as well as the consumer. If the producer cannot make a profit, he is not going to produce the food, and in the long run, that will be a greater threat to the consumer than to the producer.

Mr. President, I ask unanimous consent that the name of the Senator from Kentucky (Mr. HUDDLESTON) be added as a cosponsor of the amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, recent communications which I have received from leading agricultural spokesmen in Arkansas indicate that unless something is done about the manner in which the current price freeze is presently being administered with respect to agricultural commodities, serious food shortages will develop.

It is becoming increasingly clear that steps must be taken to afford relief to those in the food production chain who produce our poultry, livestock, dairy products, and eggs, as well as to the processors and wholesalers of raw agricultural products. Under the present freeze these groups are trapped in the impossible squeeze between short supplies of essential feedstuffs and raw agricultural products on the one hand, and price ceilings which do not allow them to recover their cost of production on the other. If this situation continues, they will be forced by economic necessity to curtail their operations and deplete their stocks. This will, in turn, ultimately lead to food shortages. While higher food prices certainly create an intolerable situation, shortages in essential foods are something the people cannot afford.

In these circumstances I am pleased to join the distinguished Senater from South Dakota (Mr. McGOVERN) and other Members of the Senate in offering this amendment today. The amendment would require adjustment in the prices for agricultural commodities in situations where the Secretary of Agriculture determines that the current price freeze will result in a food shortage, and where there is no alternative means for increasing supplies.

I believe that this amendment will afford the prompt relief which is necessary to deal with the problems of price and supply of agriculture commodities.

Mr. President, I ask unanimous consent to insert in the RECORD several letters which I have received from Arkansas illustrating the situation with which this amendment seeks to deal.

There being no objection, the letters

were ordered to be printed in the RECORD, as follows:

ARKANSAS FARM BUREAU FEDERATION,
Little Rock, Ark., June 26, 1973.
Hon. EARL BUTZ,
Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C.

DEAR SECRETARY BUTZ: The Arkansas Farm Bureau Federation would like to advise you of our very grave concern over developments at the farm producer level resulting from the current price freeze on food items at the retail levels. We are especially concerned about the impact on production of poultry and fruits and vegetables.

The price freeze on processed meat coupled with sky-rocketing feed costs have placed poultry producers in an intolerable position. Producers of tomatoes and other fruits and vegetables are also becoming alarmed over the effect which the freeze will have as an indirect control over the price they receive for the raw product.

We request that serious thought be given to lifting or revising the price controls on those products that are being cut back at the farm level. Failure to do so can only result in food shortages and higher consumer prices in the near future. We know you will do all you can to help alleviate the problem.

Sincerely,
MORRIS BOWMAN, *President*.

GENTRY, ARK., *June 26, 1973.*
Hon. J. WILLIAM FULBRIGHT,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: I am a cattle and broiler producer in Benton County and appreciate every effort that you have exerted in behalf of the agricultural economic situation.

I respect the recent Presidential decision concerning economic stabilization and the orderly slowdown of inflation, but wish for you to be aware of the farmers' situation. Although no controls were placed by the President on raw, unprocessed agricultural products, the persons who buy these products have their selling price frozen which, in essence, freezes the price I receive for my products. The initiative quickly vanishes when the price I know I am to receive has no way of keeping up with the cost of living, the cost of interest, and the cost of wages. The ingredient cost has been speculated unreasonably and must be balanced fairly.

I recognize the extreme complexity of the situation and do not have an overall quick solution, but I am suggesting that you be aware of my opinion that considering the factors, including the balance of payments, inflation at home and worldwide, and our country's production of food, that the farmer has long been used to "bail" the country out of economic plight and has never received just credit.

As quickly as we can return to a free, uncontrolled world market, the better and fairer the American farmer's position.

I appreciate any Congressional influence you might exert in assuring a fair and equitable settlement to this situation.

I remain,
Respectfully yours,
RALPH N. DUNN.

LITTLE ROCK, ARK., *June 25, 1973.*
Sen. WILLIAM FULBRIGHT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: The freeze we are now operating under is becoming one of confusion and a real detriment to the adequate supply of food as it is now being presented to us by the various manufacturers. It seems like so many of them have been caught in the freeze where to produce products for consumption would make them lose more money than even if they shut down.

It would appear to me that some drastic and immediate action needs to be taken by Congress or by the President to set up a fair and equitable basis for the Companies to operate on a sound basis; otherwise, we are going to have some extreme food shortages that, in my opinion, are not necessary. People cannot pay the new higher prices for produce and be frozen under last year's sales prices; there is no way it will work. This is not only fruits and vegetables, evidently it is now appearing in poultry and meat and unless something drastic is done we are going to have acute shortages that by proper planning would not be necessary.

Hopefuly, you as one of the leaders of our Country, will be able to do something constructive to correct this situation.

Yours truly,
SAM VOGEL.

ARKANSAS POULTRY FEDERATION,
Little Rock, Ark., June 25, 1973.
Hon. J. W. FULBRIGHT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FULBRIGHT: The freeze price on the poultry industry could not have hit at a worse time. Historically, the broiler industry to peak on July 4 when it is anticipated there will be greatest demand for our product. The freeze on the distributor locks the industry to a price that is approximately 4–6 cents below the cost of production. The costs of manufacturing feed are not frozen, but the sale price of manufactured feed is frozen as of the first week of June; ingredients that constitute feed formulation continue to increase every day.

Turkeys are affected differently than chickens and eggs, primarily because turkey is considered a seasonal product, and under the published regulations, since turkeys were not processed during the week of June 1–8, the price set on turkeys is reflected back to the last seven (7) days of processing, which in most cases was the early part of December, and reflected a clean-up period of turkey products and the lowest market price. For a ceiling to be placed on turkeys at a reasonable price, this price should be established off of the New York market, which is reported by USDA daily. As an example, the price reported on the week of June 1–8 for turkeys, fryer-roasters, New York market; however, even with establishing this price, based on current sales, with some limiting factor on the cost of production, this would still cause our turkey producers to lose money.

There is no way that our industry can survive with the ceiling placed on the finished product, and no ceiling placed on all factors that contribute to the cost of production.

Corn on today's market is priced at $2.50 per bushel, and soybean meal is approximately $450 a ton; these ingredient costs reflect the live production cost of broilers at approximately 28 cents, which would mean that the finished product should sell at the Arkansas plant for approximately 47 cents, and the freeze price is established, based on approximately 24 cents live cost, which would reflect a dressed cost of 41.38. There is no way that the poultry industry can continue to subsidize the American Consumer, and it is most easy for the consumer to complain of high prices with no consideration given to the tremendous increase in the cost of production. We have many people in Arkansas that rely upon poultry for their livelihood, and this continuous arbitrary decision to control, or not control, to place a ceiling on the finished product without a ceiling on every facet involved in the cost of the finished product, is causing people to cease to produce, and to destroy existing production because it is not economically feasible for them to sell below the cost of production.

We realize that we are probably not the only industry caught in this disastrous situation; however, the greatest number of problems created for us as well as for other industries has been initiated through Federal Legislation, such as, the various EPA and OSHA regulations that do very little for the protection of the individual, but perpetuate big government. In addition to EPA and OSHA, we have the extremely critical problem of a fuel shortage that has in cases prevented the delivery of feed, and without an adequate supply of butane and propane along with fuel oils during the winter months, will cause a great number of fatalities in our flocks. We cannot conceive of any economy that can survive without the consideration of profit, nor can we conceive the survival of this industry placed under a price freeze without the same freeze being placed on all facets of production costs with a built-in survival profit to assure the existence of food for the American people.

Sincerely yours,
LEX KILLEBREW,
Executive Vice President.

THIBAULT MILLING CO.,
Little Rock, Ark., June 25, 1973.
Hon. J. WILLIAM FULBRIGHT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: The President's price freeze has created an impossible economic situation for the feed business. The only possible solution to the shortage of feed grains and proteins in this country is an immediate embargo on exports of feed grains and soybeans.

As a feed manufacturer, our prices are frozen but the grains we buy are not. Since the date of the freeze feed grains have continued to advance, placing us in a loss position on the manufactured products we sell. If this continues, our only recourse would be to remove from sale the manufactured products needed by our customers.

I am sure you are aware, from the reports all over the country, that all farmer-producers of milk, eggs, broilers, fish, pork and beef are caught in a cost squeeze that makes it impossible for them to produce. We know from first-hand knowledge that many of these farmers plan to dispose of their stock and reduce their production. If this is done, it will take years to replace foundation herds. We foresee a serious food shortage in this country in a very short period of time.

We realize the importance of the export of farm commodities to maintain our dollar balance of trade. However, this is very minor when compared to the severe shortage of food in the United States for a period of several years.

Again, we urge an immediate embargo on exports for a period of sixty to ninety days to assess our inventories. If an embargo is enacted, we feel that grains and proteins will come down sharply in price, thus making it possible for the feed industries and the producers to live with frozen ceiling prices.

Sincerely,
JAMES M. DUNAWAY, *President*.

LITTLE ROCK GRAIN EXCHANGE,
Little Rock, Ark., June 22, 1973.
Hon. J. WILLIAM FULBRIGHT,
U.S. Senator, New Senate Office Building,
Washington, D.C.

DEAR SIR: The President's recent price freeze is creating an impossible situation in the marketplace. If these conditions continue, we foresee a nationwide shortage of meats, poultry, milk products, eggs, and domestic commercial fish.

We can state factually and with first hand knowledge that the Dairy Farmer, the Egg Producer, the Broiler Producer, Hog Farmer, and Producer of beef cattle face impossible conditions. With the retail prices frozen, these producers are losing money every day and cannot even pay their feed bills.

Many Dairymen are seriously considering disposing of their herds. If this happens, it would take years to rebuild these foundation herds, creating a milk shortge for a period of time.

The cost of producing a dozen of eggs has almost doubled since November 1972. Under these conditions, there will be fewer replacements of chicks and pullets, which will sharply reduce the production of eggs.

This same condition applies to broilers, and as we know as of today many broiler chicks are being destroyed. Even new settings are being sharply reduced. This will curtail broiler production drastically in the immediate future.

Beef and pork cutbacks are taking place daily, which will affect the supply of red meat seriously in the months ahead.

Feed grains have continued to advance since the freeze period June 1 to June 8. This places the feed manufacturers, whose processed product is frozen, in an impossible economic position. Many commercial feeds will be withdrawn from the market.

The basic problem in this entire economic situation is the shortage in this country of proteins and grains. In our opinion, the only solution is an immediate embargo on exports for 60 to 90 days to assure an adequate supply of feed stuffs for domestic consumption.

We respectfully request your immediate attention.

Very truly yours,
ROY R. COWELL, *President*.

Mr. EAGLETON. Mr. President, I trust by now we are all aware of the effect the 60-day price freeze is having on the dwindling domestic supply of agricultural products. While prices on processed agricultural products are frozen here in the United States, prices for processed agricultural products for export abroad are not frozen. Thus, foreign buyers—often using an abundance of cheap, devalued American dollars—are buying up our processed agricultural supplies at high, uncontrolled prices that an American purchaser cannot legally pay. This situation cannot be permitted to continue much longer.

As we know, the President has imposed a total ban on the export of soybeans, both raw and unprocessed. In my judgment, the President should consider, if not a total ban, then measured and responsible restrictions on the export of other agricultural commodities, both raw and unprocessed. Further, he would have to consider extending the price freeze on processed grains to apply to exports.

The amendment we are now considering, I believe, is a necessary one to help alleviate this very situation. Under this amendment, a grain processor or other grain user who is forced to pay higher prices for the uncontrolled raw agricultural products, would be permitted to pass along his higher raw product cost to his ultimate purchaser.

This is only right and just and I urge my colleagues to adopt this amendment.

In final analysis, it will probably take a combination of these efforts, namely restricting exports, regulating export prices, and pass-along price relief to grain processors, and users, to bring some order out of the current chaos.

Finally, let me say that yesterday, I sent identical telegrams to President Nixon, Secretary of Agriculture Earl Butz, and Cost of Living Council Director John Dunlop in which I set forth my deep concern over this problem. I ask unanimous consent that a copy of my telegram be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNE 29, 1973.

Hon. RICHARD NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The exclusion from the current price freeze of commodities sold in export threatens to create a serious domestic shortage of processed grains. Producers of these grains quite naturally will sell where the price is highest and, under the freeze, that is in overseas markets. Without prompt action to equalize the situation, already serious shortages will become critical.

Two approaches to this problem suggest themselves: 1) extend the ban on soybean exports to other grains, both raw and processed or 2) extend the price freeze to commodities moving in export. A variation of the second approach, of course, would be to exempt all processed grains from the price freeze. If that is done, however, it would be essential to allow users of the grain to pass on any cost increase to their own customers.

This is a matter of considerable urgency and I hope that you will take prompt steps to rectify the problem.

Respectfully,
THOMAS F. EAGLETON,
U.S. Senator.

The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

On page 1, lines 5 and 6, strike out "June 30, 1975" and insert "June 30, 1974."

Mr. PROXMIRE. Mr. President, all this amendment does is limit the extension from 2 years to 1 year. I would prefer a 6-months extension, but I have discussed it with the distinguished ranking Republican member of the Committee on Finance, and he said he would much prefer a 12-month extension to a 6-month extension. I understand that the committee will be very busy between now and the end of the year, and hearings on the renegotiation board might be difficult and hearings are the principal purpose of my amendment, since this is a very important agency and one as to which the GAO has recommended significant improvements requiring legislative action. Admiral Rickover and other critics have been forthright in stating their desire for a far more effective renegotiation board. This is an area where we can pick up tens of millions of dollars for the American taxpayer.

I know the Finance Committee is one of the busiest and most productive committees in the Senate, and for that reason it is understandable why they were not able to hold hearings before the bill was reported this time. I am hopeful that the renegotiation extension will be for 12 months, so that there will be time for hearings.

BILL TO EXTEND RENEGOTIATION ACT

When I learned that the bill to extend the Renegotiation Act for 2 years was reported from the Finance Committee and scheduled to be brought up on the floor of the Senate, I immediately placed a hold on the bill. I objected to bringing this matter up without notice and without debate because the matter of renegotiation of Government contracts is too important to be handled in so cursory a manner.

Because the Finance Committee held no hearings and heard no testimony on this bill, Renegotiation Board officials did not testify, other Government officials did not testify, Government contractors did not testify. There was neither testimony in favor of or in opposition of this bill. Again, the function served by the Renegotiation Board, that is, the process of the renegotiation of Government contracts and subcontracts for the purpose of recapturing excess profits, is too important to be given such short shrift.

CONTROVERSY OVER RENEGOTIATION BOARD

The Renegotiation Board is a controversial agency. Indeed, any Government agency whose function was to examine the books and records of Government contractors, especially defense contractors, to make determinations of excess profits and to recapture those excess profits, could not avoid criticism and controversy.

In the past, defense contractors and spokesmen for the aerospace industry have called for the abolition of the Renegotiation Board and the termination of the Renegotiation Act. Contractors have claimed that the Board serves no useful purpose, that they are sufficiently regulated and supervised by the Pentagon and that profits on defense contracts are, if anything, too low. Others have criticized the Renegotiation Board for not doing enough, for allowing billions of dollars of defense contracts to escape the renegotiation process, and for permitting contractors to retain profits which are, even after renegotiation, excessive.

It is also important to note that the Renegotiation Board has been involved in several lawsuits in recent years in which its policy of withholding information about its activities has been challenged. In at least one recent case, the Renegotiation Board was rebuffed by a Federal court for not making available to the public certain kinds of information.

As chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, I have had occasion to look into the activities of the Renegotiation Board and to conduct hearings into their activities. This year as chairman of the HUD, Space, Science Subcommittee of the Appropriations Committee, I heard testimony from officials of the Renegotiation Board in support of their proposed budget for fiscal year 1974. In 1968, I led a fight to exempt the Renegotiation Board from the provisions of the Revenue and Expenditure Control Act of 1968 which would have reduced the number of professional staff employed by the Board.

At that time, the Board's funds and staff capabilities had been steadily shrinking. Earlier in 1968, I wrote to my distinguished colleague, Senator RUSSELL LONG, chairman of the Senate Finance Committee, urging an extension of the Renegotiation Act and the strengthening of the Renegotiation Board.

RENEGOTIATION ACT SHOULD BE STRENGTHENED

In my judgment, the Renegotiation Act ought to be extended for 6 months only. I support the 6 months' extension of the act now because it expires at the end of the month and must be extended. However, I feel today as I did in 1968 that the act needs to be strengthened.

By extending it for 6 months only, we can then legislate properly, hold hearings, offer amendments, and improve the Board and the act. I believe that in some respects, the criticisms of the defense contractor community are well taken, particularly with regard to the imprecision in the definition of excess profits. I also believe that the Renegotiation Act is shot through with loopholes, escape hatches, and gaping exceptions and exemptions. As a result, large amounts of renegotiable sales are not reviewed. Because of the loopholes in the law, the renegotiation process totters on the brink of ineffectiveness.

The Renegotiation Board, because it exists and because it does succeed in recapturing a minimal amount of excess profits each year, creates an appearance of effectiveness. The appearance is that the Renegotiation Act successfully protects the taxpayer against excess profits. In reality, the defects in the law and the weaknesses in the operation of the Board prevent the Board from doing the job it was designed to do.

This judgment about renegotiation is not only my own.

Adm. H. G. Rickover, one of the foremost authorities on Government procurement in public life today, has stated his own reservations about renegotiation. Testifying before a congressional committee a few years ago, Admiral Rickover stated:

> Comparing what I see and hear about the Renegotiation Board with what I know about contractors and government procurements, I believe that in many respects the public has been misled. I have, unhappily, an offensively accurate understanding of how some of the companies we deal with operate. In my opinion we have today an accommodation among Congress, the Executive, and industry, which gives the semblance but not the substance of effective renegotiation. I believe that industry is making far more than it should on defense contracts, that renegotiation as it is carried out does not adequately protect the public, and that steps should be taken promptly to make renegotiation effective.

Admiral Rickover, in another part of his testimony, went on to say:

> I believe that the way renegotiation is carried out today, it cannot be effective. Because of exemptions in the law, large blocks of defense work are not even covered by renegotiation. The Board uses Internal Revenue Service accounting rules for cost and profit determination. These rules, were not designed for cost accounting nor are they adequate for the purpose. They are so loose as to permit industry to report, for renegotiation purposes, almost whatever profit it chooses.

BACKGROUND OF RENEGOTIATION

It is important to understand why the Renegotiation Board was established in the first place and why it is important that its functions be carried out today. Congress, through the Renegotiation Act of 1951, be carried out today. Congress, through the Renegotiation Act of 1951, declared as a matter of public policy:

> That sound execution of the national defense program requires the elimination of excessive profits from contracts made with the United States, and firm related subcontracts, in the course of said program; and that the considered policy of the Congress, in the interests of the National Defense and the general welfare of the Nation, requires that such excessive profits be eliminated as provided in this title.

The fact is that most government procurement is defense procurement, and that most defense procurement is conducted through the awarding of negotiated contracts. Military contracts, as a rule, are not awarded on the basis of competition. Contractors are not generally invited to submit bids for defense work on the assurance that the lowest relevant bid will receive the award.

In fiscal year 1972 the Department of Defense awarded military contracts in the amount of $38.3 billion. This amount, by the way, represents a substantial increase of $3.8 billion over the total for fiscal year 1971. The rise in military contract awards last year, along with the overall increase in defense spending forecasts for the next few years, is evidence that the downward trend in procurement experienced in the 4 years following 1967 has been reversed. The prospect appears to be for a larger military procurement program for the foreseeable future. The potential for excessive profits on defense contracts will therefore grow larger in the years to come.

ABSENCE OF COMPETITION IN MILITARY PROCUREMENT

Of the $38.3 billion in military contract awards for fiscal year 1972, only 10 percent were awarded through competitive, formal advertising procedures. That is, 90 percent of military contracts, a figure that has been more or less constant for the past several years, were awarded through negotiations rather than competitive procedures. Fifty-nine percent of the military contracts awarded last year were awarded to sole-source contractors. In those cases, the Government simply dealt with a single contractor, without inviting others to submit bids or proposals, and bargained with that contractor until a mutually agreed upon price was arrived at.

What this means, of course, is that the fundamental advantage of the free market system hardly exists in the world of military procurement. In a market economy, the consumer may assume that the force of competition will maintain low prices and reasonable profits. Those who have to compete against others for business are required to meet or improve on the prices offered by their competitors. This situation does not prevail in military procurement.

The renegotiation process was designed to protect the taxpayer and the Government against the possibility of high and unconscionable profits on negotiated contracts. It must be kept in mind that renegotiation does not occur in the case of competitive Government contracts. It is restricted to the negotiated awards. When the Government must depend on a single contractor or on a few large contractors for military goods, it is virtually impossible to provide in advance against the possibility of excess profits. If we have learned anything in the course of history, it should be that the national defense program lends itself to profiteering. The huge volume of annual contract awards, the absence of the competitive forces in a market economy, the potential for influencing contract awards through special interest lobbying, the fact that the Government in negotiating contract prices must often rely in the contractor for cost and pricing data, the unpredictability of the actual profit margins that will be enjoyed for years after the contract is negotiated—all of these factors create a potential for excess profits on defense and related contracts.

NEED TO ELIMINATE EXCESSIVE PROFITS ON MILITARY CONTRACTS

I believe that defense contractors, like other Government contractors, are entitled to a reasonable profit on the goods and services they provide to the Government. But they are not entitled to an unconscionable profit. Military contractors should not be permitted to gouge the Government at the same time that young men and women are asked or are required to dedicate their lives in military service.

The deficiencies that seem to be inherent in the military procurement program give further reasons to be concerned about the level of profits. The extensive hearings, investigations, and revelations of cost overruns and huge procurement fiascoes in the past several years provide ample evidence that military procurement is being mismanaged. The scandals that have been brought to light, including the Government bailouts of aerospace firms who do not properly perform their military contracts, add to the suspicion that some contractors are making unreasonably high profits.

Indeed, although we do not know as much as we ought to know about defense profits, the evidence shows that there is wide variation in the profit margins realized by defense contractors and that the upper end of the spectrum is unconscionably high. The defense industry profit study performed by the General Accounting Office in 1971 suggested just how high defense profits can go. The average rate of return on equity capital for 146 contracts totaling $4.3 billion examined by GAO was an astonishing 56.1 percent. The spread of return on total capital investment for 74 large defense contractors ranged from minus 27 percent to plus 96 percent. These figures show that while not all contractors make high profits, and while some make low profits and even suffer losses, there are cases of exhorbitant and excessive rates of return in the defense business.

KNOWLEDGE ABOUT DEFENSE PROFITS INADEQUATE

I might add at this point that our knowledge about defense profits is most inadequate. The GAO report was done largely through a questionnaire plus a limited and highly selective audit. Yet, the GAO report is the most comprehensive study of defense profits that has been undertaken so far. The reason is that no agency of the Federal Government has been willing to conduct a thorough investigation of this matter. I have asked the Department of Defense on numerous occasions to collect comprehensive and meaningful data on defense profits and to make that data available to Congress and the public. The Pentagon has in the past made studies of profit rates negotiated on defense contracts. But the Pentagon has not conducted audits of defense contractors to determine the actual profits realized on contracts, nor has it calculated the profit margins on the basis of capital investment or equity. Much of the data on defense profits calculated as a return on sales or costs is meaningless. There is a wide consensus in the economic and business communities that profit data is generally meaningful only if it is based on percentage of capital or percentage of equity. The Pentagon does not collect such information and has steadfastly rejected my requests that it begin to collect such information even though it would be a relatively easy thing to accomplish.

Thus, we are left with surveys such as the study performed by GAO and other fragmentary evidence. The plain fact is that no one in Congress knows the truth about defense profits. If the Pentagon or any other Government agency knows, they have not been telling us.

DETERMINATIONS OF EXCESSIVE PROFITS

In its current annual report, the Renegotiation Board provided tables showing the determinations of excess profits made by the Board in fiscal year 1972, the dollar amounts of excess profits, and the rates of return as a percentage of sales, capital, and net worth. In the hearings on the Renegotiation Board budget proposal, I requested and received the names of the contractors against whom excess profit determinations were made last year. On May 16, 1973, I placed the names of the contractors and other relevant data, together with remarks of my own, into the CONGRESSIONAL RECORD.

The tables from the Renegotiation Board report are significant for at least two reasons. First, the data shows that excess profits on military contracts is a real and significant problem. The Board made 178 determinations of excessive profits last year, totaling $40,190,577. This is a substantial amount of money well worth the expense of the Renegotiation Board's activity.

HIGH PROFITS AFTER REFUNDS

But of greater significance, in my judgment, are the rates of return that contractors made after refunding the excessive profits.

I ask unanimous consent to place in the RECORD at this point a table from the Renegotiation Board annual report showing the rates of return made by contractors against whom excess profit determinations were made. These rates of return were calculated after the Government recovered the amounts of profit considered excess. Even after they were forced to make sizable refunds, a number of firms were allowed to retain profits which appear to be exorbitant and unconscionable. Of the 131 firms against whom excess profit determinations were made, the after-refund profits of 94 firms exceeded 50 percent of net worth, 49 firms made over 100 percent of net worth, 22 firms made over 200 percent of net worth, and 4 defense firms made over 500-percent profit on net worth.

There being no objection, the table was ordered ot be printed in the RECORD, as follows:

APPENDIX TABLE II.—EXCESSIVE PROFITS DETERMINATIONS, FISCAL 1972

Determination No.	Contractor's fiscal year	SIC No.	Renegotiable cost of goods sold (in percentages)			Ratio of net worth to long-term debt	Turnover rate (after determination)		Profit (after determination) as percent of		
			Material and subcontracting	Direct labor	Overhead		Capital[1]	Net worth[1]	Sales[1]	Capital[1]	Net worth[1]
1	1970	3722	23.3	30.0	46.7	9.4	1.2	2.3	16.9	20.8	38.2
2	1965	3599	65.2	12.4	22.4	5.2	2.5	6.2	14.6	36.0	90.1
3	1968	3323	48.3	22.8	28.9	2.9	2.8	6.6	12.4	35.0	82.0
4	1968	5088	(2)	(2)	(2)	----	(2)	(2)	(2)	(2)	(2)
5	1967	2655	60.0	14.0	26.0	1.4	3.4	8.0	12.5	42.9	99.9
6	1968	1929	34.0	27.5	38.5	27.6	2.3	3.4	14.3	33.2	49.3
7	1967	2261	46.0	30.0	24.0	----	5.4	20.9	10.8	58.3	226.5
8	1968	1929	69.6	10.0	20.4	.1	2.5	158.0	12.0	30.4	1,902.7
9	1967	3449	73.7	14.9	11.4	4.2	3.0	8.3	12.1	36.3	100.5
10	1967	3491	67.3	18.5	14.2	1.8	8.7	33.3	13.0	113.6	434.0
11	1967	3491	65.5	21.7	12.8	7.9	3.3	8.5	13.6	45.6	115.5
12	1965	5097	(2)	(2)	(2)	----	(2)	(2)	(2)	(2)	(2)
13	1966	5097	(2)	(2)	(2)	----	(2)	(2)	(2)	(2)	(2)
14	1967	5097	(2)	(2)	(2)	----	(2)	(2)	(2)	(2)	(2)
15	1968	3662	60.1	16.5	23.5	3.4	4.2	6.9	15.7	66.4	108.2
16	1967	2298	75.0	15.0	10.0	----	5.7	38.7	12.0	68.9	463.9
17	1967	3599	11.4	28.8	59.8	2.3	1.8	3.5	17.8	31.4	62.5
18	1968	2311	56.2	27.0	16.8	----	3.1	8.2	13.4	41.2	109.8
19	1968	2441	71.9	10.0	18.1	6.5	3.8	6.3	12.7	48.2	80.7
20	1968	1961	57.7	6.5	35.8	4.7	1.6	3.0	16.0	26.1	47.3
21	1967	3599	57.8	19.2	23.0	9.7	2.5	4.9	15.5	39.3	76.5
22	1967	3901	(3)	(3)	(3)	----	(3)	(3)	2.7	(3)	(3)
23	1967	2327	6.6	55.4	38.0	----	3.3	9.5	13.2	43.4	126.4
24	1962	4226	(3)	(3)	(3)	----	(3)	(3)	26.7	(3)	(3)
25	1963	4226	(3)	(3)	(3)	----	(3)	(3)	20.4	(3)	(3)
26	1964	4226	(3)	(3)	(3)	----	(3)	(3)	18.3	(3)	(3)
27	1967	3452	34.8	35.5	29.7	----	2.8	4.4	12.4	34.2	54.5
28	1967	3471	27.9	40.6	31.5	----	[4]17.0	[4]17.0	12.1	[4]200.0	[4]200.0
29	1969	2655	56.1	20.2	23.7	3.7	3.4	5.4	13.0	44.3	69.5
30	1969	2311	33.9	48.2	17.9	----	3.2	4.1	11.9	38.7	49.5
31	1967	3579	42.0	16.4	41.6	2.4	1.2	2.3	13.3	15.6	31.2
32	1966	3499	80.1	4.7	15.2	4.0	2.0	3.5	13.4	26.9	46.9
33	1968	1961	41.2	33.1	25.7	3.6	2.8	5.7	14.2	40.2	80.5
34	1968	3599	49.9	20.7	29.4	----	5.9	20.0	12.5	73.2	248.8
35	1968	3599	54.0	11.8	34.2	.6	5.2	26.2	11.1	58.1	292.1
36	1968	2327	9.8	67.1	23.1	----	2.7	6.8	12.3	33.2	83.5
37	1968	5033	99.2	----	.8	----	3.0	8.3	5.4	15.9	44.5
38	1966	3531	56.7	15.2	28.1	----	2.4	2.9	14.2	33.4	40.7
39	1967	3662	55.9	22.3	21.8	21.4	4.0	7.5	14.3	56.5	107.3
40	1968	1999	65.4	11.4	23.2	----	1.9	2.5	15.9	29.7	40.2
41	1967	2311	15.3	59.0	25.7	----	1.9	2.3	15.3	28.9	35.4
42	1969	3599	61.9	14.7	23.4	----	2.2	3.5	14.7	32.6	51.2
43	1968	3599	28.9	40.0	31.1	23.2	[4]0.6	[4]3.0	17.0	[4]10.0	[4]51.2
44	1967	3599	5.3	28.1	66.6	----	5.4	1.5	15.1	81.7	203.6
45	1968	3643	45.2	32.3	22.5	19.4	1.7	2.3	14.8	25.4	34.3
46	1966	3231	25.1	22.4	52.4	----	3.4	8.2	16.7	57.4	137.0
47	1966	3229	34.1	33.8	32.1	----	1.6	2.6	35.7	56.9	95.1
48	1966	3229	43.5	30.5	26.0	----	1.5	2.1	35.2	53.2	73.2
49	1970	2441	71.3	21.3	7.4	----	3.3	5.0	12.0	39.4	60.1
50	1968	7399	(3)	(3)	(3)	(3)	(3)	(3)	3.4	(3)	(3)
51	1967	1929	42.8	10.5	46.7	9.8	2.9	6.2	11.5	33.0	70.8
52	1968	3531	49.6	23.6	26.8	3.3	2.0	4.1	12.6	26.8	52.3
53	1968	3352	28.9	19.4	51.7	.1	1.3	29.3	15.1	20.3	442.2
54	1968	3599	74.5	13.1	12.4	6.4	3.6	8.3	14.9	53.7	124.0
55	1967	1929	57.9	16.3	25.8	.9	1.5	5.0	14.9	22.4	74.4

Footnotes at end of table.

APPENDIX TABLE II.—EXCESSIVE PROFITS DETERMINATIONS, FISCAL 1972—Continued

Determination No.	Contractor's fiscal year	SIC No.	Renegotiable cost of goods sold (in percentages)			Ratio of net worth to long-term debt	Turnover rate (after determination)		Profit (after determination) as percent of		
			Material and subcontracting	Direct labor	Overhead		Capital [1]	Net worth [1]	Sales [1]	Capital [1]	Net worth [1]
56	1968	2311	21.6	51.3	27.1	1.0	6.6	45.9	12.8	84.6	589.3
57	1966	2231	74.9	13.2	11.9	3.3	1.8	2.9	11.2	20.8	32.4
58	1967	2394	50.7	32.5	16.8	21.2	4.2	8.2	12.5	52.0	102.6
59	1968	3361	26.0	57.7	16.3		1.7	2.9	18.1	31.0	52.4
60	1968	3499	81.9	7.1	11.0	1.1	2.0	7.0	13.7	27.1	95.6
61	1969	3494	39.2	23.3	37.5	9.9	1.7	2.3	14.8	25.4	34.9
62	1966	3732	67.0	15.2	17.8	6.3	4.3	11.6	18.7	79.8	217.0
63	1967	1929	71.6	8.1	20.3	3.1	1.8	3.4	11.9	21.2	40.5
64	1967	1941	67.8	21.5	10.7		2.8	22.7	11.3	31.2	255.4
65	1968	2394	52.1	20.4	27.5	3.5	2.5	9.2	15.5	38.9	142.3
66	1969	7534	50.9	19.1	30.0	.7	4.7	27.9	15.7	72.8	435.4
67	1967	8911	(3)	(3)	(3)		(3)	(3)	18.7	(3)	(3)
68	1968	3564	54.2	17.4	28.4		.9	1.1	21.0	19.1	23.8
69	1967	2262	17.6	43.7	38.7	1.7	2.1	7.2	13.6	29.0	96.9
70	1968	1929	32.8	48.5	18.7		4.6	4.6	12.0	55.4	55.4
71	1965	3674	16.3	33.6	50.1	.5	3.5	14.7	16.2	56.3	237.9
72	1968	3498	77.1	10.3	22.6	2.4	2.2	4.6	16.3	35.6	74.7
73	1968	3599	27.8	28.0	44.2		1.6	2.2	15.9	25.9	35.0
74	1967	2441	55.0	39.4	5.6		(3)	(3)	10.1	(5)	(5)
75	1965	7349	(3)	(3)	(3)	(3)	(3)	(3)	5.1	(3)	(3)
76	1967	7349	(3)	(3)	(3)	(3)	(3)	(3)	6.8	(3)	(3)
77	1968	2399		80.0	20.0		[4].4	[4].6	12.9	[4]5.2	[4]7.8
78	1968	3599		84.0	16.0		[4].3	[4].4	12.9	[4]4.6	[4]4.8
79	1967	3679	78.9	5.6	15.5	.9	5.8	25.3	8.3	48.1	210.2
80	1967	7392	(3)	(3)	(3)	(3)	(3)	(3)	7.0	(4)	(3)
81	1968	5033	98.7		1.3		2.0	6.4	7.8	17.8	55.6
82	1963	3611	14.7	35.9	49.4		2.3	3.3	16.6	37.6	55.1
83	1967	3531	66.3	13.2	20.5		2.0	2.6	14.9	29.8	38.2
84	1967	2311	13.8	40.5	45.7	3.3	1.8	4.6	13.8	25.1	63.3
85	1966	2385	4.1	95.9			[4]10.0	[4]10.0	12.2	[4]121.1	[4]121.1
86	1966	2385	56.7	36.9	6.4		4.8	11.0	9.5	45.4	104.6
87	1968	3429	69.5	20.8	9.7		1.8	3.8	13.1	23.0	49.3
88	1968	1929	57.8	17.3	24.9	1.1	1.6	4.8	15.0	23.7	72.4
89	1969	3323	41.5	26.7	31.8	2.1	2.2	5.5	13.7	30.7	74.6
90	1967	2892	68.4	11.6	20.0	.5	5.9	58.5	9.9	53.7	579.7
91	1969	3722	24.5	33.6	41.9		2.2	3.4	16.3	35.7	54.8
92	1967	2899	78.5	6.4	15.1		3.0	6.2	10.9	32.7	68.0
93	1968	2899	74.5	7.1	18.4		2.3	3.8	11.3	26.3	42.7
94	1967	2327	5.6	66.4	28.0		4.6	9.7	12.8	58.7	123.7
95	1967	3079	64.9	18.0	17.1	2.0	6.3	15.8	14.4	90.9	226.4
96	1969	3662	58.0	19.0	23.0	85.3	2.4	4.7	14.8	35.5	69.3
97	1968	3451	45.7	20.1	34.2	2.7	3.8	10.6	13.0	50.0	137.3
98	1967	1961	37.2	24.9	37.9	2.5	3.6	14.1	14.7	52.8	206.1
99	1968	3729	47.6	21.5	30.9	3.9	2.0	3.8	16.5	33.4	63.2
100	1967	3562	57.3	14.0	28.7	2.2	3.6	9.7	12.5	44.8	120.8
101	1968	3561	58.7	10.7	30.6	7.7	1.4	2.9	16.3	23.2	46.9
102	1967	2394	100.0				2.3	96.8	9.1	20.8	872.2
103	1968	3599	57.5	16.1	26.4	7.7	2.0	3.9	15.0	30.5	58.3
104	1968	3599	4.8	53.1	42.1		3.6	8.8	15.9	57.4	140.0
105	1969	1929	41.7	13.8	44.5	15.8	1.9	2.2	13.6	25.7	30.3
106	1966	3357	62.6	14.2	23.2	1.2	2.5	6.0	15.1	37.0	91.0
107	1968	3662	70.4	18.3	11.3		3.3	5.4	15.5	50.4	83.7
108	1970	2441	82.5	8.6	8.9	25.8	3.2	4.5	7.3	23.1	32.9
109	1968	3729	24.5	34.2	41.3	.7	2.7	16.0	15.4	41.1	244.3
110	1968	2033	79.1	12.1	8.8	4.1	1.8	7.6	12.6	22.2	95.3
111	1968	2311	17.6	43.5	38.9	(5)	5.7	(3)	10.9	62.0	(3)
112	1968	7394	(3)	(3)	(3)		(3)	(3)	(3)	(3)	(3)
113	1969	1929	58.0	16.7	25.3	.6	1.4	6.1	14.9	21.5	91.5
114	1966	3451	40.5	31.4	28.1		1.6	2.2	15.4	24.5	33.8
115	1967	3451	34.4	30.1	35.5		1.5	2.0	13.9	20.4	27.6
116	1967	5063	98.5	.9	.6		4.3	12.1	9.0	39.1	109.6
117	1966	3694	75.4	15.4	9.2	6.0	4.3	18.7	12.7	55.0	237.1
118	1967	3694	72.0	15.2	12.8	22.2	3.9	11.2	12.3	48.5	137.0
119	1969	2327	52.8	30.1	17.1		6.7	7.7	8.4	56.3	64.5
120	1968	3599	29.1	22.6	48.3		4.1	7.6	16.2	66.5	122.6
121	1967	7394	(3)	(3)	(3)		(3)	(3)	(3)	(3)	(3)
122	1969	2328	31.3	58.5	10.2		3.9	17.9	12.0	46.4	214.6
123	1968	3729	58.1	10.1	31.8	16.4	3.2	9.8	14.1	45.7	138.4
124	1967	3731	48.7	30.8	20.5		2.6	6.8	17.4	44.8	119.2
125	1968	3499	63.6	21.6	14.8		2.7	4.0	14.4	39.3	58.1
126	1967	5099	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
127	1968	5099	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
128	1968	3642	43.9	19.3	36.8	38.0	1.4	1.8	12.3	16.9	22.2
129	1967	3642	35.2	28.7	36.1	2.0	1.8	9.1	14.9	26.5	135.0
130	1969	3662	72.2	13.5	14.3	1.0	1.4	3.0	15.2	21.6	46.5
131	1967	3729	13.8	32.0	54.2		[4]4.9	[4]8.5	17.7	[4]86.4	[4]163.4
132	1965	2655	42.6	21.0	36.4	1.9	2.9	5.4	14.5	42.2	78.1
133	1965	4422	(3)	(3)	(3)		(3)	(3)	21.1	(3)	(3)
134	1969	3729	49.7	42.1	8.2		3.1	4.9	13.0	40.3	64.0
135	1967	7397	86.2	6.5	7.3	4.5	12.6	25.0	13.2	166.1	329.1
136	1967	3729	63.4	14.5	22.1		2.0	2.8	16.4	32.6	46.4
137	1969	2311	49.9	31.3	18.8		3.0	4.1	13.8	41.3	56.4
138	1970	7699	63.7	36.3		9.6	4.1	8.1	12.9	52.5	105.5
139	1966	2327	74.2	15.5	10.3		2.1	2.4	12.2	25.5	29.6
140	1968	1929	73.4	9.1	17.5	4.9	1.8	2.7	11.6	20.5	31.5
141	1968	4582	(3)	(3)	(3)		(3)	(3)	12.6	(3)	(3)
142	1969	4582	(3)	(3)	(3)		(3)	(3)	14.0	(3)	(3)
143	1968	4582	(3)	(3)	(3)		(3)	(3)	13.6	(3)	(3)
144	1969	4582	(3)	(3)	(3)		(3)	(3)	13.3	(3)	(3)
145	1968	4582	(3)	(3)	(3)		(3)	(3)	12.9	(3)	(3)
146	1969	4582	(3)	(3)	(3)		(3)	(3)	13.3	(3)	(3)
147	1970	4582	(3)	(3)	(3)		(3)	(3)	12.9	(3)	(3)
148	1968	4582	(3)	(3)	(3)		(3)	(3)	15.3	(3)	(3)
149	1969	4582	(3)	(3)	(3)		(3)	(3)	13.3	(3)	(3)
150	1968	4582	(3)	(3)	(3)		(3)	(3)	15.1	(3)	(3)
151	1969	4582	(3)	(3)	(3)		(3)	(3)	13.8	(3)	(3)
152	1970	4582	(3)	(3)	(3)		(3)	(3)	14.1	(3)	(3)
153	1968	4582	(3)	(3)	(3)		(3)	(3)	14.7	(3)	(3)
154	1969	4582	(3)	(3)	(3)		(3)	(3)	13.6	(3)	(3)
155	1970	4582	(3)	(3)	(3)		(3)	(3)	13.9	(3)	(3)
156	1968	4582	(3)	(3)	(3)		(3)	(3)	12.3	(3)	(3)
157	1969	4582	(3)	(3)	(3)		(3)	(3)	12.5	(3)	(3)
158	1970	4582	(3)	(3)	(3)		(3)	(3)	12.3	(3)	(3)

Determination No.	Contractor's fiscal year	SIC No.	Renegotiable cost of goods sold (in percentages)			Ratio of net worth to long-term debt	Turnover rate (after determination)		Profit (after determination) as percent of		
			Material and subcontracting	Direct labor	Overhead		Capital [1]	Net worth [1]	Sales [1]	Capital [1]	Net worth [1]
159	1968	4582	(3)	(3)	(3)		(3)	(3)	13.1	(3)	(3)
160	1969	4582	(3)	(3)	(3)		(3)	(3)	13.7	(3)	(3)
161	1968	4582	(3)	(3)	(3)		(3)	(3)	12.9	(3)	(3)
162	1969	4582	(3)	(3)	(3)		(3)	(3)	14.7	(3)	(3)
163	1970	4582	(3)	(3)	(3)		(3)	(3)	15.1	(3)	(3)
164	1968	4582	(3)	(3)	(3)		(3)	(3)	13.3	(3)	(3)
165	1969	4582	(3)	(3)	(3)		(3)	(3)	12.9	(3)	(3)
166	1970	4582	(3)	(3)	(3)		(3)	(3)	13.4	(3)	(3)
167	1970	4582	(3)	(3)	(3)		(3)	(3)	13.5	(3)	(3)
168	1969	3731	59.9	24.2	15.9		2.3	3.8	13.0	29.6	49.0
169	1968	3731	51.6	34.7	13.7		3.3	7.9	13.7	45.7	109.0
170	1969	1999	42.6	11.8	45.6		2.1	2.8	13.1	28.0	36.4
171	1968	1929	71.7	13.1	15.2	10.2	2.1	4.8	13.2	28.2	63.7
172	1968	3452	20.3	23.4	56.3	7.9	1.6	2.4	16.7	27.0	39.7
173	1967	2231	42.5	24.0	33.5	2.7	1.8	3.0	14.0	25.4	42.1
174	1968	3391	81.7	7.7	10.6		2.4	2.7	13.5	32.3	36.9
175	1968	3714	63.8	16.0	20.2		3.6	10.8	13.7	48.7	147.4
176	1967	2311	100.0			.5	1.6	12.8	15.6	25.1	198.7
177	1968	1621	(3)	(3)	(3)		(3)	(3)	11.7	(3)	(3)
178	1969	1929	65.1	19.0	15.9	2.9	2.3	5.1	15.6	35.6	79.5

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[1] Because of the presence or absence of factors, such as Government short- or long-term capital input, sole source or rated order procurement conditions, critical production or delivery requirements, etc., return rates on beginning capital and beginning net worth allocated to renegotiable business on a cost-of-goods sold basis are not always good indicators of comparative profitability. This is particularly true in case of smaller contractors with large increases in renegotiable business during the review year. Alao, it is important to note that the ratios are the results of the Board's determinations and that, because of the small number of cases involved and the great variety in underlying conditions, these ratios are not amenable to statistical interpretation.

[2] Rations influenced by intercompany relationships.

[3] Not relevant, because of the nature of the contractor's business.

[4] Not relevant: Agent.

[5] Nominal capital and/or net worth deficit.

Mr. PROXMIRE. One company, a manufacturer of ammunition parts, after refunding an amount determined to be excessive, was allowed to retain a profit amounting to 1,902.7 percent of net worth. Another firm made 872 percent of its net worth, after refunding an amount considered excess, and yet another firm made 589 percent of net worth.

What these figures show is not only that some defense firms are making profits that are excessive according to formal determinations made by the Renegotiation Board, but that the Renegotiation Board itself is permitting those same contractors to retain profits which by any definition also appear to be excessive.

INSUFFICIENT ATTENTION TO LARGER DEFENSE COMPANIES

Another fact that becomes clear upon analysis of the Renegotiation Board's data and upon review of the Board's activities, is that an insufficient amount of attention is being given to the larger defense companies. The table that I have referred to is composed primarily of small and medium sized firms. A few of the companies against whom excess profit determinations were made last year are among the 100 largest DOD contractors. But in the main, the firms listed are the small and medium sized ones.

This fact raises the question, are the larger firms somehow avoiding careful scrutiny by the Renegotiation Board or are they able to avoid excess profit determinations in some other way? The answer to this question may be found in the limited and inadequate staff resources possessed by the Board, in the exemptions and exceptions and other legal restrictions built into the Renegotiation Act, and the rules which permit companies who file under the act to consolidate the earnings from wholly owned subsidiaries and divisions and to average the profits from all products and services supplied to the Government in any given fiscal year.

LIMITED STAFF RESOURCES OF RENEGOTIATION BOARD

The facts about the limited staff resources are self-evident. At the height of the Korean war period, in 1953, the Board had 742 personnel. In fiscal year 1971, it employed 239 persons. This number went down to 223 employees in 1972 and in the current fiscal year, the Board has a total of 204 employees. This number is scheduled to drop to 200 by the end of the current fiscal year.

An examination of the organization of the Board shows how inadequately it attempts to scrutinize the billions of dollars of renegotiable sales awarded each year.

Last year over 4,500 filings were received by the Board from defense contractors. In the Board's Washington office, six professional employees were responsible for receiving the filings, examining them for sufficiency, preparing documents for electronic data processing, and checking into the validity of consolidation requests. When, during the hearings on the Board's appropriation request, I expressed astonishment at the small number of staff persons who were supposed to go over the thousands of filings received from defense contractors, the Chairman of the Board replied that—

> This is the same system that was used for 20 years.

But the fact that a practice has been employed over a long period of time does not make it a good practice. In fact, as I have mentioned earlier, 20 years ago the Board had more than three times the number of employees it has today. We would like to think we are making progress in the conduct of our public business. I fail to see how, in light of this record of inadequate manpower to handle the job assigned to it, we can conclude that we have been making progress in this area.

I believe the relatively small amount of excess profits recovered, that is, relatively small compared to the tens of billions of dollars of contract awards, can be attributed in part to the inadequate staff resources in this important agency.

GAO REPORT ON RENEGOTIATION BOARD

In a report issued May 9, 1973, on "The Operations and Activities of the Renegotiation Board" the General Accounting Office identified other problems in the filing and screening process. One problem is that some defense contractors simply failed to file with the Board and that the Board does not have an adequate method of dealing with nonfilers or with late filers. GAO recommended that the Renegotiation Act be amended to provide reasonable civil penalties for failure to file as required by the Act and that the Board charge interest on any excessive profits for the period the filing was late or, if there is no excessive profit determination, a fixed amount.

GAO found that the Board has no practical means of requiring contractors to provide timely information which it considers necessary. A penalty provision is contained in the art, but the Board must show that the contractor's refusal was willful in order to impose the penalty. In contrast, as GAO points out, the Internal Revenue Service penalizes taxpayers for late filings unless they can show reasonable cause for not filing on time. Thus, on tax matters, the burden of proof for justifying a late filing is on the taxpayer, while on defense contract matters, the burden of proof for filing late is on the Renegotiation Board. GAO recommended that the IRS approach be adopted by the Board.

GAO found that the Board was not properly taking into account contractor claims pending against the Government. We are all familiar with the fact that the Navy alone has $800 million worth of claims pending against it by shipbuilders. Any amounts recovered by contractors for their claims should be considered income subject to renegotiation and, one would think, contractors would be required to report to the Board all pending claims and claims settled during that fiscal year in their initial submissions to the Board. But, according to GAO, the Board has not required contractors to report pending claims unless their cases had been assigned by Renegotiation Board headquarters to its regional boards. Thus, a contractor who was not referred to a regional board in the screening process at national headquarters, and who had pending claims and later made recoveries on those claims, might not report the claims as renegotiable income. GAO reports that the Board is revising its forms so as to require contractors to report pending claims. This is a hopeful and encouraging sign, but it also illustrates how loose and sketchy the renegotiation process has been up to now.

Aside from the way the Board conducts its reviews of contractor filings, there are three major deficiencies in the act itself which would hamstring even the most diligent and dedicated and well-equipped Government agency from recapturing or even identifying the excess profits that are being made on defense contracts.

EXEMPTIONS FROM RENEGOTIATION

First, there are several different categories of exemptions from renegotiation. Contractors whose renegotiable sales in any fiscal year are below $1 million are not required to file. Certain kinds of sales and certain product categories are exempt from renegotiation under the act. Excess profits will not be collected by the Board, as a matter of Board policy, unless they exceed $80,000 for contractors and $20,000 for manufacturers, agents, and brokers.

In my judgment, each of those exemptions should be eliminated or, at the very least, tightened up. The statutory floor, for example, was $250,000 at one time. Of course, given the staff limitations of the Board, reducing the statutory floor would increase the already heavy workload of the Board and strain even further its capacity. The solution is to enlarge the Board at the same time that we are enlarging the scope of its work. Unfortunately, there have been no recent hearings to determine the additional number of personnel that would be needed to handle the additional workload, or to measure the potential increase in excessive profit determinations which would result from a lowering of the floor. This is one of the reasons why I regret the fact that an extensive Senate investigation into the Renegotiation Board has not been conducted up to now.

Under the act, there are 16 sales exemptions. Among them are defense contracts with foreign governments, contracts for certain agricultural commodities and raw materials such as oil, gas, minerals, and timber, and contracts for "standard commercial articles and services." Some of the exemptions have been a part of the law since World War II, when there was a program similar to the current one which dates from 1951. To my knowledge, these exemptions have never been reviewed. According to an estimate made by the Chairman of the Renegotiation Board, about $1.5 billion of sales escaped renegotiation in 1970 as a result of the exemptions.

In a report on "The Efficiency and Effectiveness of Renegotiation Board Operations," submitted by the House Committee on Government Operations in 1971, it was recommended that a number of the exemptions be eliminated.

The Government Operations Committee of the House stated:

> The interaction of competition in the marketplace does not necessarily result in fair and reasonable sales prices, particularly on sophisticated equipment such as computers and other articles produced by industries that may not have a well established competitive marketplace price base. If procurements of these items are in fact made under noncompetitive conditions, these procurements could yield excessive profits. For this reason, there seems to be little basis for defending the commercial article exemptions.

I support that conclusion. What is the justification for not reporting profits on defense sales to the Renegotiation Board? If the profits on this "exempt" business are reasonable and fair, there should be no objection to providing the information on the part of the contractors. If the profits, on the other hand, on "exempt" business are excessive, then we ought to know about it and appropriate refunds ought to be made.

A third class of exemptions are for excess profits under $80,000. The rationale for this exemption is that, due to the subjective nature of the renegotiation process, the amount of excessive profits cannot be precisely determined. Therefore, unless the "excessive" profits are above a specified minimum amount, the Board will not attempt to collect a refund.

In 1954 the amount below which excessive profits would not be collected was raised to $40,000 for contractors and $10,000 for manufacturers, agents, and brokers. These minimums were raised by the Board in fiscal year 1973 to $80,000 for contractors and $20,000 for manufacturers, agents, and brokers. The justification for this action was, according to the Board, that the increase was necessary to reflect inflationary trends and to assist and protect small businesses.

Because of these categories of exemptions, about one-third of defense procurement sales from 1961 to 1970 were not subject to renegotiation, according to the House Government Operations Committee. It should be recalled that we are not talking about competitively awarded contracts. We are speaking here of negotiated contracts. And what the facts show is that negotiated contract awards which escape the renegotiation process as a result of the exemptions have ranged from almost $12 billion in 1964 to nearly $30 billion in 1969.

As a consequence of the Board's recent ruling, the proportion of negotiated defense sales that will escape renegotiation will undoubtedly grow larger. GAO estimates that excess profit determinations totaling $1.6 million made in fiscal year 1972 would not have been made had the $80,000 minimum profit exemption been in effect that year.

ABSENCE OF OBJECTIVE STANDARDS

The Board's rationale for the profit exemption exposes another serious shortcoming in the Renegotiation Act. There is no definition in the statute which permits the Board to determine with any degree of precision whether profits are excessive. Instead, the act provides a series of guidelines which are supposed to aid the Board in its determinations. The guidelines, upon examination, turn out to be mostly a loose collection of subjective, nonquantifiable factors.

The factors include the contractor's efficiency, the reasonableness of costs and profits, the contractor's net worth, the extent of risk assumed, the nature and extent of contribution to the defense effort the character of business, and a final catch-all guideline consisting of "such other factors the consideration of which the public interest and fair and equitable dealing may require."

It will be seen that all of these factors, with the exception of the determination of net worth, are highly subjective in nature. To say that the method employed by the Board in determining what is excess and what is not excess is imprecise is putting it mildly.

This shotgun approach to the definition of excessive profits is most unsatisfactory. It may have been necessary and the best that could be developed 20 years ago or more, when renegotiation was relatively new. To continue renegotiation under such vague standards is unfair to both the contractors and the public. It is time to establish a more precise and objective definition of excessive profits.

One might suppose that the determinations of excessive profits, under such loose standards as exist today, would vary so widely that no pattern reflecting adherence to any standard would be discernable. That is exactly the case today. And that explains why the profits on net worth of contractors range as high as 1,900 percent, even after refunds are made.

In my judgment, the measurement of profit rates ought to be related much more closely than it is today with the net worth of individual firms. This, as I have pointed out earlier, is the most acceptable method of determining profitability employed by economists and businessmen. I should point out here that Federal statistics show that average profits on stockholders' equity, a measure that closely approximates net worth, for all manufacturing firms ranges from 18 to 20 percent per year. Certainly, there are types of contracts for which net worth would not be a good measure. For example, a contractor who operates a Government-owned plant and who has a very small or no capital investment of his own should not have his profits determined as a return on net worth or capital investment. For such contracts a different measure would have to be developed and there are probably other exceptions. But for most negotiated defense contracts, return on net worth would be the most acceptable measure.

CONTRACTORS CAN AVERAGE PROFITS

Finally, the policy of allowing contractors to average profits on all renegotiable sales for each fiscal year permits a number of abuses and inequities. Contractors can charge the Government high prices on one type of contract and then offset these high prices with lower prices on another type of contract. If a contractor has several different types of products he is selling to the Government, he can make high and excessive profits on one type of product and offset those excessive profits with low profits on another type of product. This is not the way profits are negotiated when they are awarded by the Defense Department, and this is not the way the system is supposed to work. A contractor should not receive more than a reasonable profit on any individual Government contract, in my judgment.

Under the present system, we have created an incentive for contractors to charge the Government with excessive profits. Contractors who want to buy in to new defense product lines are encouraged to do so by the policy that permits them to average their profits. A contractor who knows he can average his profits can underbid his competitors, take moderate profits or even losses on new business which can then be averaged with his old business so as to enable him to escape excess profit determinations. This is a particular advantage for the large conglomerate corporation which has numerous subsidiaries and divisions and produces unrelated defense products.

The policy of averaging profits is also an incentive for defense firms to merge with other companies. A company that may be making low profits on defense work could be considered an attractive acquisition by another firm which is making high profits because the profits of both companies can be averaged when they are merged.

In the GAO investigation of the Renegotiation Board, several instances were noted in which consolidated filings by defense firms were advantageous to those firms. In one case, a contractor reported sales and profit figures for four affiliated companies engaged in ship repair, tug and barge charter, oceanographic instrument sales, and dredging operations. The profit rates of the four firms ranged from minus 5.8 percent to 44.6 percent. When the profits were consolidated for the four affiliated companies, they averaged out to a profit rate of 19.2 percent based on sales. The Board determined that the contractor had earned excessive profits totaling $275,000. But, according to GAO, had the Board been required to consider the company which made 44.6 percent profits on sales separately, the excessive profit determination would have been substantially greater.

In my judgment, renegotiable sales should be classified according to individual product lines, and renegotiation should be based on the product line sales, rather than on total company sales.

NEED FOR SENATE INVESTIGATION

Mr. President, I have been attempting to indicate why I believe there are weaknesses in the Renegotiation Act, what the major weaknesses are, and how I would propose to strengthen the law. I do not presume to know all there is to know about renegotiation. I do know that the original purpose of the renegotiation of defense and defense-related contracts is as important today as it was more than 20 years ago when the law was enacted. Indeed, in view of the size of the defense budget today and of defense contracting, and the fact that defense spending is projected to increase over the next several years, renegotiation is more important today than ever before.

It needs to be emphasized that the basic and primary purpose of renegotiation is, in the words of the law, "the elimination of excessive profits from contracts made with the United States, and from related subcontracts" in the course of the national defense program. That declaration of national policy has never been changed, and it needs to be clearly understood that when Congress extends the Renegotiation Act, as it has 10 times in the past, it reiterates the original declaration of national policy.

But I am not satisfied that the purpose assigned by Congress to the Renegotiation Board is being fully accomplished. I believe we can do much better and that in order to do so, it is necessary to plug the loopholes in the law and remove the legislative hamstrings that have been placed on the Board. For this reason, Congress needs to thoroughly inquire into the operation and activities of the Renegotiation Board. I would like to see the Senate Finance Committee hold extensive hearings on this matter in the near future.

I have indicated some of the changes I would like to see made in the Renegotiation Act. In addition to strengthening the law, Congress ought also to consider whether it would be desirable to upgrade the status of the Renegotiation Board itself. An agency whose life needs to be extended by congressional action every 2 years does not operate under the most ideal conditions. For example, some employees object to the uncertainties of such existence and it makes it difficult to recruit and retain competent professional personnel. The solution would seem to be to make the Board permanent so that it can do its work without the threat of being terminated every 2 years. It might also be desirable to transform the Board into an independent agency whose members, or some of whose members, would be selected by Congress and given fixed terms.

Such proposals and others need to be fully considered by the Senate and I look forward to a comprehensive and searching Senate inquiry in the coming months.

I ask unanimous consent to have printed in the RECORD a letter from the Comptroller General.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., June 27, 1973.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on Housing and Urban Development, Space, Science, Veterans Committee on Appropriations, U.S. Senate.

DEAR BILL: Reference is made to your press release dated May 15, 1973, on the subject of excessive profits as determined by the Renegotiation Board. We made a brief review of the data you received and compared it with the data we obtained during our examination of the Board.

We would like to point out that the column in your press release entitled "Amount of Excessive Profits Refunded" actually shows "Amount of Excessive Profit Determinations." The amount of excessive profits that may have been refunded to date, in connection with the Board's FY 1972 determinations, is unlikely to exceed $13.4 million or about 30 percent of the amount shown in that column.

In fiscal year 1972, the Board made 178 excessive profits determinations totaling $43.9 million. Federal and State income tax credits reduced the maximum amount available for collection to $20.8 million. We did not determine how much of the $20.8 million has actually been refunded to date.

Refunds would not have been made in connection with excessive profits determinations appealed to the Court of Claims. Forty-seven of the above determinations amounting to $15.6 million were appealed. This reduces the Board's gross determinations for collection purposes from $43.9 million to $28.3 million. By applying the overall rate of 47.4 percent of the Board's gross determinations that is available for collection ($20.8/$43.9) to the $28.3 million, we estimate that only $13.4 million would have been refunded to date.

In our report to the Congress "The Operations and Activities of the Renegotiation Board," B-163520 dated May 9, 1973, we made the following recommendations to the Board:

1. Develop guidelines to show specifically how the statutory factors are to be applied and weighted and include in files adequate documentation on the rationale for decisions,
2. Give greater consideration in making excessive profit determinations to the rate of return on capital employed in generating renegotiable sales and use industry averages to provide for more objective and broader based analyses,
3. Assign filings with seemingly reasonable profits selectively (especially in borderline cases) to the regional boards to insure that such contractors are not escaping excessive profit determinations because inaccurate data was submitted,
4. Establish liaison with the Armed Services Board of Contract Appeals and other claims settlement review groups to insure that contractors are reporting accurate data on pending and paid claims, and
5. Consider forwarding to procurement activities data on excessive profit determinations and on the Board's analyses of such determinations.

In subsequent reviews of the Renegotiation Board, we plan to determine the actions the Board takes on our recommendations. In addition, we are planning the following work in connection with the renegotiation process.

1. Examine on a selective basis the reasons why excessive profits were realized by contractors and whether the excessive profits are attributable to weaknesses in the procurement procedures of the agencies that awarded the contracts.
2. Determine whether the voluntary refunds and price reductions the Board annually reports to the Congress (a) are truly voluntary or required by the contract, (b) were actually made to the Government or otherwise benefitted the Government and (c) could be attributed to the threat of renegotiation.

Sincerely yours,
ELMER STAATS,
Comptroller General,
of the United States.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the able Senator from Rhode Island.

Mr. PASTORE. I compliment the Senator on his amendment, and wish to say that this has been a very, very serious problem for the committee. Every time they come in and ask for more money, I have questioned them very closely as to whether or not they were asking for enough, because in this category every dollar we invest in personnel and in effective work will redound back to the Government in thousands of dollars. I think we ought to be rather generous in this area, because where excessive profits have been made, money should be returned to the Treasury of the United States.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Rhode Island. For years he handled this appropriation. Just in the last few months I have been handling it, and I have become aware, as the Senator has been for many years, of the possibilities of increasing our revenues by providing greater equity, and at the same time securing a repayment to the Government of excessive profits.

Mr. President, I hope that the manager of the bill will accept the amendment.

Mr. LONG. Mr. President in the spirit of compromise, I am happy to go along with the Senator.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage.

Mr. PROXMIRE. Mr. President, this is not on this amendment?

Mr. MANSFIELD. No, on passage.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

The amendment was agreed to.

Mr. BIBLE. Mr. President, in conjunction with the consideration of H.R. 7445, I would like to call the attention of the Senate to the recent report of the Comptroller General entitled, "The Operations and Activities of the Renegotiation Board" dated May 9, 1973. This report gives a comprehensive and much-needed review of the work of the Renegotiation Board in its determinations of excessive profits from defense and space contracts and related subcontracts.

The Select Small Business Committee has for some time been interested in the Renegotiation Board in its review of Government contracts with small businesses. The report of the Comptroller General bears out the fact that much of the operations of the board concerns small business. The Comptroller General found that primarily it was the small firms with total sales below $10 million doing the bulk of their business with the Government that were hit with excessive profit determinations. One of the reasons found for excessive profit determinations falling on small business was that large business is able to average its profits among companies of common control. Furthermore, many large companies produce articles or services that may be exempt from renegotiation.

Mr. President, I ask unanimous consent that an excerpt from the Comptroller General's report dealing precisely with this aspect be inserted in the RECORD at this point in my remarks.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

PROFILE ON FIRMS MAKING EXCESSIVE PROFITS

We analyzed the firms which made excessive profits in fiscal years 1970–72 to determine their most common characteristics. The results of our analysis are shown below.

Characteristics:	*Percent of total*
Renegotiable profits:	
Below $800,000	65
Over $800,000	35
Renegotiable sales to total sales:	
Under 50%	25
50% to 75%	18
Over 75%	57
Total sales:	
Below $5 million	57
$5 million to $10 million	20
$10 million to $25 million	12
Over $25 million	10
Renegotiable sales:	
Below $5 million	75
$5 million to $10 million	16
$10 million to $25 million	6
Over $25 million	3
Total capital:	
Below $500,000	28
$500,000 to $1 million	20
$1 million to $5 million	34
Over $5 million	18

Our analysis showed that primarily small firms were found to have made excessive profits; they had total sales (renegotiable and nonrenegotiable) of below $10 million, renegotiable sales of below $5 million, total capital below $5 million, and the bulk of their business was with the Government. The Board rarely found the largest defense contractors to have made excessive profits. Because most of the firms were either small or medium size, the producers of major weapon systems do not seem to be the contractors making excessive profits. Rather, many of the contractor making excessive profits were producers of relatively low-technology products, such as ordnance or textile products.

Prime contract sales accounted for about 82 percent of the total renegotiable sales, and subcontract sales accounted for the balance. About 70 percent of the prime contract sales were under fixed-price contracts. We were unable to determine whether the excessive profits were made primarily under negotiated or formally advertised contracts. However, a law firm which represents contractors against which excessive profit determinations have been made told us that about 60 to 70 percent of its clients' renegotiable sales were under formally advertised contracts.

In part, the reason for the lack of excessive profit determinations among major defense contractors may be the averaging of profits for companies under common control. (See p. 37). Further, many large companies produce articles or services that may be exempt from renegotiation, e.g., computers and peripheral equipment, aluminum and aluminum alloys, textile fabrics, refined petroleum products, automobile and aircraft tires, steel, semiconductors, photographic film, pharmaceuticals, and aircraft communication and navigation equipment.[1]

Mr. BIBLE. Mr. President, the nub of the report is that the Renegotiation Act is essentially the "Renegotiation of Small Business Act," for it is small business that is being subjected to renegotiation more than nonsmall business.

This fact is particularly disturbing because the Renegotiation Board has taken the position of refusing to recognize that the small business policy of Congress as found in section 2(a) of the Small Business Act is applicable to its proceedings. It has rejected the amendment to the Renegotiation Board regulations proposed by the Small Business Administration which would have given recognition to this policy.

The Small Business Act sought to create conditions whereby small business concerns would be a more viable part of the economic structure—and so strengthen the competitive free enterprise system, and particularly in the area of Government procurement.

The Renegotiation Act was and is directed at the recapture of excessive profits resulting from imperfections in the competitive free enterprise system that are caused by the nonexistence of a free competitive market.

The Small Business Committee has ascertained situations where small concerns that are in direct competition with large businesses in the proucurement of the same item by competitive market processes are being penalized by the manner of the application of the Renegotiation Act.

What has occurred is that the more efficient small business by competitive processes is awarded a firm fixed price contract. Because of its greater efficiency, it makes a greater profit, per unit sold, than the large business competitors. Or, in an unusual case the profits of the large business are not "renegotiated," or if renegotiated is required to refund less per unit than the more efficient small business concern.

The result is that the Renegotiation Act is used as a tool whereby the more efficient small business is required to refund profits so that its "per unit selling price" to the Government is less than the "per unit selling price" received by the less efficient large business.

While I support the policy laid down in the Renegotiation Act of 1951, which is furthered in H.R. 4775 now being considered, I urge the Board to reexamine the effect of this policy on small business. It surely was not the intent of Congress for the burden of renegotation to rest more heavily and inequitably on small business. I would hope that the Renegotiation Board in its deliberations would give earnest consideration to the points we have raised in our comments about the factual situation focused on by the Comptroller General's report. I support enactment of this legislation as recommended by the Finance Committee and its distinguished chairman (Mr. LONG).

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were order to be engrossed, and the bill to be read a third time.

The bill (H.R. 7445) was read the third time.

The ACTING PRESIDENT pro tempore (Mr. METCALF). The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CLARK), the Senator from Delaware (Mr. BIDEN), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman) are absent on official business.

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[1] *The Operations and Activities of the Renegotiation Board*, B-163520, May 9, 1973, p. 44–45.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark), the Senator from Alaska (Mr. Gravel), the Senator from Washington (Mr. Magnuson), the Senator from Minnesota (Mr. Humphrey), and the Senator from New Jersey (Mr. Williams) would each vote "yea."

Mr. TOWER. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Pennsylvania (Mr. Scott), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

The Senator from New Hampshire (Mr. Cotton) is absent because of illness in his family.

The Senator from Michigan (Mr. Griffin), the Senator from New York (Mr. Javits), the Senator from Idaho (Mr. McClure), and the Senator from Delaware (Mr. Roth) are absent on official business.

The Senator from Illinois (Mr. Percy), the Senator from Virginia (Mr. Scott), and the Senator from Vermont (Mr. Stafford) are detained on official business.

If present and voting, the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), the Senator from Pennsylvania (Mr. Scott), and the Senator from South Carolina (Mr. Thurmond) would each vote "yea."

The result was announced—yeas 74, nays 0, as follows:

[No. 264 Leg.]

YEAS—74

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bible
Brock
Brooke
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fulbright
Gurney
Hansen
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Inouye
Jackson
Johnston
Long
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Saxbe
Schweiker
Stevens
Stevenson
Symington
Taft
Talmadge
Tower
Tunney
Weicker
Young

NAYS—0

NOT VOTING—26

Abourezk
Bellmon
Bentsen
Biden
Clark
Cotton
Fong
Goldwater
Gravel
Griffin
Hart
Humphrey
Javits
Kennedy
Magnuson
McClure
McGee
Percy
Roth
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stennis
Thurmond
Williams

So the bill (H.R. 7445) was passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Long, Mr. Talmadge, Mr. Ribicoff, Mr. Bennett, and Mr. Curtis conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 5452) to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 8152) to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to improve law enforcement and criminal justice, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Rodino, Mr. Conyers, Mr. Flowers, Mr. Seiberling, Ms. Jordan, Mr. Mezvinsky, Mr. Hutchinson, Mr. McClory, Mr. Sandman, Mr. Dennis, and Mr. Fish were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Mahon, Mr. Whitten, Mr. Sikes, Mr. Passman, Mr. Boland, Mr. Flood, Mr. Cederberg, Mr. Rhodes, Mr. Michel, and Mr. Shriver were appointed managers on the part of the House at the conference.

SUBSTITUTION OF CONFEREES ON HOUSE JOINT RESOLUTION 636

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the name of the Senator from Arkansas (Mr. Fulbright) be substituted for the name of the Senator from Washington (Mr. Magnuson) as a conferee on House Joint Resolution 636. The Senator from Washington will not be here today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I find also that the Senator from New Hampshire (Mr. Cotton) who is named as one of the conferees in House Joint Resolution 636 last night will not be here today. I ask unanimous consent that the Senator from Alaska (Mr. Stevens) by substituted therefor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. TOWER. Mr. President, because a number of Senators are interested and want to get away, I take this opportunity to ask the distinguished majority leader what he has in store for us for the remainder of the day.

Mr. DOMINICK. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. In response to the question raised by the distinguished acting Republican leader, I make the following request.

HOUSING AND URBAN DEVELOPMENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 257, H.R. 8825, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The bill was stated by title as follows:

A bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

PROGRAM TODAY

Mr. MANSFIELD. In addition to the foregoing bill, we have about 12 or 13 unobjected to items which we will take up later in the day. There will be a number of conference reports which will come before both Houses during the course of the day. Rollcalls will be of 10 minutes' duration from now on, except for final passage of any bill, which will be 15 minutes.

We hope with luck and some tenacity to get out at a reasonable hour.

Mr. TOWER. I thank the majority leader.

HOUSING AND URBAN DEVELOPMENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

The Senate continued with the consideration of the bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jon Steinberg and Louise Ringwalt may be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that during the consideration of H.R. 8825 privilege of the floor may be granted to Richard Allnutt, Charles Lombard, and Mary Jane Due.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HANSEN. Mr. President, I ask unanimous consent that Tyler Craig and Mrs. Marilyn Koester may be granted privilege of the floor during the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that Rod Solomon may be granted the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I am handling the appropriation bill and I ask unanimous consent that my administrative assistant, Howard Shuman and my legislative assistant, Tom van der Voort, may be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, in the pending measure, the committee recommends appropriations of new obligational authority of $19,011,241,063. This sum is $393,788,063 above the budget estimate, $59,712,937 under the amount contained in the House bill, and $1,852,449,937 less than the amount made available in fiscal year 1973. We have appropriated less than last year.

I hasten to point out, however, that the committee received budget estimates from the Secretary of the Department of Housing and Urban Development totaling $260 million, of which $75 million was for the model cities programs and $185 million for the urban renewal programs. The committee was advised by telephone that the OMB concurred in these estimates submitted to the committee by the Secretary, but the committee was told there would be no official estimate coming from the President for these amounts. If this $260 million were made part of the official estimates, the committee recommendations would then be $133,788,063 above the budget estimate.

In title I of the bill, for the Department of Housing and Urban Development, the committee recommends an appropriation of $3,095,903,000, which sum is $417,810,000 above the budget estimate but $69,402,000 below the House allowance. The committee has concurred with the House, and recommends an appropriation of $600 million for the urban renewal programs and $150 million for the model cities program. In these two programs the committee sum is $612,500,000 over the estimated amount. The committee has also allowed the full budget estimate for the comprehensive planning grants of $110 million, which sum is $85 million above the amount recommended in the House bill.

Other reductions in the HUD budget include minor cuts in the various salaries and expenses accounts, and consist of concurrence in House reductions made in these appropriation items and the denial of the amount for pay increases for fiscal 1974 that was included in the HUD budget. The other agencies of the Government have not included the item for pay increases in their budgets for fiscal 1974. There is no reason to make the HUD budget an exception; thus, I felt that HUD should be put on a par with the other agencies of Government and be required to absorb the pay increases applicable to fiscal year 1974.

In title II of the bill for the space programs the committee has concurred with the House by recommending an appropriation of $2,194 million for research and development, which is a reduction of $3 million below the budget estimate. Within the total appropriation of $2,194 million recommended by the committee for research and development, the committee expects NASA to carry out, to the extent possible, the suggestions contained in the House report concerning allocation of funds to various programs. In particular, the committee recommends that NASA provide the funds to launch the second Earth resources technology satellite—ERTS–B—as early as possible if ERTS–1 encounters a major system failure, and replace the capability of the flying laboratory "Galileo," the Convair 990 which was destroyed in an accident in April 12, 1973. The committee also recommends that NASA provide the funds, within the total appropriation: First, to carry out a program to explore and demonstrate options for energy generation and management using NASA-developed technologies; second, to expand its jet engine noise reduction program to include refan work on the JT3D jet engines used on 707 and DC–8 aircraft; third, to continue development of the Questol research aircraft; fourth, to increase efforts in the technology utilization program and continue research in nuclear power and propulsion; and fifth, to continue the advanced supersonic technology program at a level not to exceed $11,700,000, specifically including continued research in propulsion technology, encompassing noise reduction, pollution reduction, reduced fuel consumption, and stratospheric emission experiments, and in aerodynamics technology, encompassing aerodynamic efficiency and sonic boom studies.

For the construction of facilities of the space agency the committee recommended an appropriation of $101,100,000, which is $10,900,000 below the budget estimate but $13,300,000 above the sum contained in the House bill. The House reduced the funds for "construction of orbiter landing facilities, John F. Kennedy Space Center" by $20.9 to $7.3 million. The committee recommends $17.3 million for this project to permit NASA to proceed in an orderly way with the first increment of the required work. For the same reason, the full amount of $9.51 million is included in the bill for NASA to proceed with the "modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility."

This is $3.3 million above the amount recommended by the House for this item. If it is discovered as the year progresses that additional funds are needed for the orbiter landing facilities, the committee recommends that such funds be made available through temporary adjustments within the amount appropriated and available unobligated balances.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question on that point?

Mr. PROXMIRE. I yield.

Mr. FULBRIGHT. With respect to the space program, I am just curious as to what the view of the Senator is as to the relative priority of space as compared with any other activities. Did the Senator makes a deliberate decision on the significance of the space program?

Mr. PROXMIRE. The Senator is asking for my individual view?

Mr. FULBRIGHT. Yes, or the committee's.

Mr. PROXMIRE. There is a difference. The view of the Senator from Wisconsin is that the space program should have a lower priority. I supported the amendment of the Senator from Arkansas to reduce the funds in the authorization bill, which failed by a better than 2-to-1 vote. I tried in the Space Committee to knock out the Space Shuttle. I was unsuccessful. I may say I was overwhelmingly unsuccessful.

Mr. FULBRIGHT. I congratulate the Senator.

Mr. PROXMIRE. It was clear that we could not win in the full committee. I discussed this matter yesterday with the Senator from Minnesota (Mr. MONDALE), who has been the leading exponent of eliminating the Space Shuttle. He agreed with me that it would be a futile effort to try it on the floor, that it would be a waste of time. We agreed that, unless someone else wanted to bring it up, we would not bring it up. I would point out that the Members of the Senate indicate they have no desire to reduce the NASA appropriations. So, on that basis, and on the basis of what we did the other day, we concluded there is no chance to change it.

Mr. FULBRIGHT. What is curious to me about this is that normally the Senate is usually very responsible. This is one of the cases in which the Senate figure goes above that of the House by $13 million. I am puzzled by the power of the space lobby in the Senate, as opposed to the House. Normally they function very well in the House. The military normally are more powerful in the House than in the Senate. Here they are more powerful in the Senate. It makes me wonder.

Mr. PROXMIRE. In fairness, this is a program that was reduced sharply in the past 3 or 4 years.

Mr. FULBRIGHT. Why does the committee go above the House figure? Is there any particular reason for it? We make all these general statements of responsibility here and that we are not going to justify the President's accusation that we are a spendthrift body. All that goes by the boards when it gets down to specifics. These are statements made only for general publication, but are not to be applied in any specific manner.

Mr. PROXMIRE. We went over the House figure, because the decision of the subcommittee was, over the objections of the chairman of the subcommittee, that we should proceed with certain construction; that it was orderly; that it would save money in the long run; that it was inevitable; that we would have to do it if we were going to have a manned space program. The construction primarily is to take place at the Kennedy Space Center. There was also some in Mississippi, but primarily it was at the Kennedy Space Center.

Mr. FULBRIGHT. I know the Senator shares my views about the priority of this program. I think it is unfortunate that we are not able to do anything about it.

Mr. PROXMIRE. I agree with the Senator. Perhaps in another year we may do it in another way. I think this is a program that should be placed, as the Senator has said, in a somewhat different priority—in my view, a lower priority. This year we do not have the fiscal discipline; we may have it next year when we adopt a different system—I hope we will—of determining our priorities. I know we cannot reduce it now.

Mr. FULBRIGHT. The President has appointed a czar for the energy field, showing the concern we all have with the energy problem. There is a shortage of gasoline. Farmers are without gas in some areas. Yet we are providing only about $5 million for research and development in the conversion of oil shale. This is a most important aspect of the whole energy problem which is acute and affects millions of people. But for this program we spend only one one-hundredth of what we spend on the space program. It seems inconceivable that we do nothing about research in the gasification of coal or on research and development or to supply oil or to build refineries——

Mr. PROXMIRE. Well, in fairness, in the NASA budget there is money to carry out a program to explore and demonstrate options for energy generation——

Mr. FULBRIGHT. Solar energy?

Mr. PROXMIRE. Solar energy. That is a very real option.

Mr. FULBRIGHT. That is of a very low priority in terms of meeting our immediate needs—it is in the same class with nuclear fusion. While they may be valuable in meeting future energy requirements, there is nothing as important in the short run as the development and use of coal and shale. I disagree that solar energy is of great near-term priority. We spend more on solar energy research than we do on coal research. It seems to me an absurdity.

Mr. PROXMIRE. For the National Science Foundation the committee recommends an appropriation of $574,600,000, which is $8 million below the sum estimated and $10 million above the amount recommended by the House. The committee has directed that this reduction be applied to the research incentives program.

For the Selective Service System the committee recommends an appropriation of $35 million, which is $20 million below the budget estimate and $12,500,000 less than the sum contained in the House bill.

This Senator felt we should simply provide enough money to wind up and end the Selective Service System since the administration has made it clear it is not going to use it this year, at least, and since a voluntary army is the policy of both the Congress and the administration. However, under the circumstances, the committee felt we do not have power to repeal the law, so we should provide enough so that we would have enough money so the Selective Service System could continue at a minimum level.

Mr. NUNN. Mr. President, will the Senator yield on that point?

Mr. PROXMIRE. I will yield in just a minute.

While the committee does not recommend a termination of the Selective Service System at this time, because it feels that this should be a matter handled in the ordinary legislative process, it has nevertheless included a proviso in the bill that would prohibit the induction of any individual into the Armed Forces of the United States.

The reason why we did that is that there are some 5 million, as I understand it, men who have been deferred and who could be called up in spite of the volunteer Army policy that would prevent further inductions; but they are subject to being called up without further action by the Congress.

I yield now to the Senator from Georgia.

Mr. NUNN. Mr. President, I have a few questions on this section. I think the record ought to be clear.

If the draft itself has expired, and with it the power of the President to induct people into the service, what is the need for that last section in the proviso?

Mr. PROXMIRE. No. 1, the authority to induct still exists. No. 2, it was felt strongly by some members of the committee that we should continue to have registration required, and the requirement of registration makes it possible to have an effective Army Reserve and National Guard. Without that incentive, Congress might be required to change the present provision of law and restart the draft. It would be harder to maintain Reserves and the National Guard.

Mr. NUNN. It would be difficult for the President to implement any kind of draft that will expire as of June 30.

Mr. PROXMIRE. No. As I understand it, the people in the pool could be inducted.

I will yield to the Senator from Maryland (Mr. MATHIAS) to comment in this aspect of it. He took a lead in the subcommittee in that area.

Mr. MATHIAS. I thank the Senator for yielding. The Senator is exacly right. Once the pool of 4 or 5 million young men incurred a liability to the Selective Service System as a result of the selective service laws and were deferred for one reason or another, their liability continues, even though the act itself has expired and no further liabilities will be incurred by the young men who reached the target ages hereafter, but their liability exists.

We felt the reason it was important was that with the selective service offices around the country continuing to exist and function with staff, it would be a very easy matter for a President to simply order inductions and begin again, because the liability exists, the men exist, and the machinery of induction exists.

Mr. NUNN. In spite of his not having this authority, the 4 or 5 million who are in the pool could be inducted, under the Senator's understanding of the law without this provision?

Mr. MATHIAS. Mr. President, that is exactly right. He does have the authority because that is merely for induction. It is a condition which accompanies them until they move out beyond the critical age.

Mr. NUNN. If that is the case, then it would appear that with the resources of the Pentagon outside of the Selective Service System, there could certainly be implementation by the President by the use of these people if he were denied the funds under the Selective Service Act.

Mr. MATHIAS. It seems to me that this is the clear congressional intent, that no further inductions would be made pursuant to this without further action of Congress.

Mr. NUNN. Mr. President, my overall concern is with the volunteer forces. I am concerned that this language might be interpreted very broadly to deny the volunteer forces to do anything virtually.

It says none of the funds appropriated by this act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

Everything the Selective Service does, in my opinion, is in connection with the induction of people into the Armed Forces of the United States.

Mr. PROXMIRE. Mr. President, it is clear that the Selective Service would register young men as they come of age and would have to keep a record of their registration. They would have to come in and be registered and fill out the required forms.

We have a situation here where we are at peace, and certainly on August 15 we will be at peace. We will have the largest number of men in the Armed Forces that we have ever had in times of peace, over 2 million, backed up by heavy reserves and a National Guard. And we are in a position where the recruiting of any additional personnel should require a deliberate act of this body, rather than to leave it to the Executive.

Mr. NUNN. Mr. President, I would completely agree with the Senator on that part, although I do not agree with the part as to the volunteer forces. The language seems to be overrestrictive. I know what the Senator is doing in this paragraph. However, it seems that the language could be construed as giving the power to the Selective Service to do anything. What does the Selective Service do that is not in connection with the induction of men into the Armed Forces, either directly or indirectly.

Mr. MATHIAS. Mr. President, I think the Senator is performing a very useful function in raising the question. Maybe we can define exactly what we mean by induction. First of all, let me say that the President has committed himself to an honest trial of the Volunteer Army. This is something that we will try.

I do not think that anyone can guarantee that it is going to work. However, it is something that we want to examine as an alternative to the Selective Service System which has been such a burden on the young people of America for a quarter of a century or more.

The President, in pursuit of that amendment, has said he does not intend to seek an extension of the Selective Service Act and that he does not wish to involuntarily induct young men into the armed services after the expiration of the existing act.

Induction, it seems to me, is a process by which a young man leaves civil life and becomes a member of the Armed Forces. It is a completed act by which he moves into the armed services with all of the obligations that implies, and the change in status that implies. That is what we seek to prevent, the ordering of young men into the armed services involuntarily. Registration is not induction.

The mere maintenance of an office and the retention of files is not induction. Induction is the act of moving into military life. And that is what we are talking about, the involuntary moving into military life.

Mr. NUNN. Would the Senator state then that registration itself is not prohibited?

Mr. PROXMIRE. Absolutely.

Mr. NUNN. And the maintenance of the records and all things up to the actual induction of the men itself is permitted.

Mr. PROXMIRE. Absolutely. Otherwise there would be no reason to have any appropriation whatsoever.

Mr. NUNN. Perhaps we need to make that a little clearer.

Mr. MATHIAS. Mr. President, I might suggest to the Senator that the Selective Service System and the authority to induct is a separate and distinct authority. It is all set out in the Selective Service Act. It is distinguished from the authority to classify and examine the records. I think these are separate and distinct powers, and they make it easier to define. It makes it easier to distinguish Congress intention with regard to each of these activities.

Mr. NUNN. Does the Senator think that the words "or in connection" are vital to the language that "none of the funds appropriated by this act may be used for the induction of men into the Armed Forces." Would the deletion of those words dilute it too much?

Mr. MATHIAS. Mr. President, I think when one looks at the Selective Service Act itself, he will see that induction means the actual movement of a young man from civil life into the involuntary military service. And then he will see that there is separate authority for classification, examination, and registration, and that that difficulty is really removed. We are talking about induction. We are talking about the critical act in the drama. It really is not improper to have "in connection with" as part of that restriction.

Mr. PROXMIRE. Mr. President, if the Senator will refer to page 27 of the report, he will see one paragraph that is appropriate.

I will read it: It reads:

> Section 10(h) of the Military Selective Service Act provides that the Selective Service System should be maintained as an active standby organization, with a complete registration and classification structure that is capable of immediate operation in the event of national emergency and with the necessary personnel to reinstitute promptly the full operation of the so-called draft system.

Extended induction process is defined in section 17 of this act. This would not touch the 10(h). That would apply in section 17.

Mr. NUNN. Mr. President, I thank the Senator from Wisconsin and the Senator from Maryland. I believe that the RECORD will show that this amendment does not prohibit the other activities, short of the actual involuntary induction of men.

Mr. PROXMIRE. Mr. President, for the Veterans' Administration the committee is recommending an appropriation of $12,225,061,063. This sum is $12,061,063 above the budget estimate and $1,110,037 below the sum contained in the House recommendation. The committee has concurred with the recommendation of the House addition of $14,350,000 for medical care which is provided to hire an additional 1,000 nurses in fiscal year 1974. In addition, the committee has increased the budget estimate by $6,800,000 for medical and prosthetic research to compensate for inflation, and it has added $5,911,063 to provide for the activation of closed wards, to establish 10 new alcohol dependency treatment centers and to activate 15 new and upgrade 16 existing hospital-based home-care programs.

When the committee addition of $6,800,000 for medical and prosthetic research is added to the $4,818,000 of unobligated balances carried over from fiscal year 1973 plus the $2,606,000 of reimbursements to be received by the prosthetic research account, there will be available for medical and prosthetic research in fiscal year 1974 the sum of $85,224,000, which will enable the Veterans' Administration to not only offset the $2,594,000 in program costs but will also permit the addition of at least 89 positions for medical research and 11 positions for prosthetic research.

The committee has also included in the bill appropriations for a number of independent offices and commissions. For the Federal Communications Commission the committee recommends an appropriation of $39,860,000, which is the same as the amount recommended by the House and $3 million above the budget estimate. For the Securities and Exchange Commission the committee is recommending an appropriation of $34,027,000, which also is the same as the House allowance but $2,817,000 above the budget estimate. For the Renegotiation Board the commmittee is recommending the budget estimate and the sum contained in the House bill of $4,690,000.

Also, Mr. President, the committee has concurred with the House in the limitation on administrative and nonadministrative expenses of the Federal Home Loan Bank Board by allowing $28,090,000 for fiscal year 1974.

Mr. President, as the committee reports this bill, a number of the appropriations made herein have not yet been authorized by the Congress. Nonetheless, all the authorizations are in various stages of completion at this time.

The authorization for the NASA program was passed by the House on May 23, 1973, and by the Senate on June 21. The Joint Conference Committee on this authorization bill reached agreement on June 27. The National Science Foundation authorization was reported to the House on June 22, 1973, and passed the Senate yesterday on June 29, 1973.

The authorization for the Renegotiation Board providing for the extension of its life was passed by the House on May 9, 1973, reported to the Senate on June 22, 1973, and just passed the Senate a short time ago.

House Joint Resolution 512, which authorizes appropriations for a number of the programs of the Department of Housing and Urban Development, passed the House on May 21, 1973, and has been reported to the Senate on June 25, 1973. It is the understanding of the committee that at this time there is a "hold" on House Joint Resolution 512.

Mr. President, the bill also includes language to insure that all funds appropriated herein shall be obligated except as specifically provided by law. It is the intent of the committee that all funds be available for obligation except those for which a specific reservation has been provided in this bill or those which may legally be withheld under the Anti-Deficiency Act or other specific statutory authority.

The committee has also recommended the addition of a new section 405 to the bill—and this is something Senators should be aware of—to prohibit the use of limousines and heavy, medium, and light sedans by Federal officials. It has exempted from this provision officials of Cabinet rank, and thus, in the new section has included language to provide that the Secretary of the Department of Housing and Urban Development is, therefore, exempted from this provision.

This, of course, is something that is a personal matter with many officials in town—and I say many, because it is hard to drive around the streets of Washington without being passed or driven over to the curb by some one of hundreds of bureaucrats who is hard to recognize, but is being chauffeured around; and many of these chauffeured limousines have been funded, in the past, by this appropriation. The members of the subcommittee feel strongly that this provision should become law.

In its report the committee points out that under existing law (38 U.S.C. Supp. II 638(a)) vehicles furnished to Government officials of Cabinet rank are to be used exclusively for official purposes and shall not include transportation between the official's domicile and his place of employment.

We recognize, however, that on the basis of testimony before the committee, this law has been flouted again and again by some of the leading figures in the administration. They admit they are doing it, and their justification before the subcommittee was, in the view of this Senator, very lame indeed.

Mr. President, that concludes my statement on the bill. I thank the distinguished Senator from Maryland, the ranking Republican member of the subcommittee, who has been extraordinarily helpful in developing this appropriation.

Mr. MATHIAS. Mr. President, first I would like to respond to the very generous comments of the distinguished chairman of the committee. Certainly he has put in extraordinarily intensive work on this bill. He has been very faithful in attending committee sessions and very patient in hearing out the large number of witnesses who appeared before us. He has been extremely helpful to me as a new member of the Appropriations Committee in explaining the procedures under which the committee traditionally operates, and I think that we would not be in a position to be presenting this bill to the Senate prior to the Fourth of July if it had not been for his persistence and his skill.

While we have not been able to agree at all points on the funding levels of some of the items in the bill, I think that the chairman, as he has explained this morning, has been very cooperative in the consideration of the many important agency programs that have been reported out, notwithstanding his strong views on many of these items.

He has covered all the major facts concerning the bill, but I would make a few personal comments on certain items of particular concern to me, beginning with the Department of Housing and Urban Development.

In general, the administration has taken the position that many of the categorical housing programs should be stopped while a massive study is done by HUD to see where we go from here in attacking the many housing problems still prevalent in this nation, and which admittedly are not being resolved or cured by the programs now in being. Perhaps the difficulties are being alleviated or mitigated, but the cures have not been found.

I do not believe that we should allow progress in our cities to grind to a halt because we do not yet have the final answers as to where we go from here and the new legislation and new programs to supplant the various housing programs that have been going on for some years and on which all committees, rural and urban, have been depending.

It seems to me that even in cases where programs admittedly are not going to the root cause of the problem, they are at least providing the means of continuing the life of the cities from day to day, and that we have to consider that before we arbitrarily suspend them. In fact, I think a suspension at this time would not be shifting gears to a smoother, more efficient power ratio, but rather just the opposite.

In the long run such a stop-start tactic can only cost this Nation more money, not less, and cause more hardship, not less, in all those efforts that go into home building in this country. I have supported, therefore, an increase in urban renewal funding of $462,500,000 over the budget request to bring the level to the House appropriations figure of $600,000,000 and I have supported a funding level of $150,000,000 for model cities programs for which the administration asked nothing. We can hope there will be a Better Communities Act but until we have this on the books I do not believe we can go back on the promise that these programs hold out. So I have felt constrained, in these particular matters, to go beyond the budget requests. I have supported the full budget amount of $110,000,000 for comprehensive planning grants because I firmly believe that we must succeed in gearing better planning into our housing development if our other programs are to work, and work satisfactorily.

I have joined with other Senators in supporting a higher than budgeted level for public housing operating subsidies and we have for the first time written language into the bill providing a floor for these subsidies so that the $315,000,000 cannot be spent for anything else.

Finally, in the HUD budget I supported research and technology efforts at HUD with the hope that they will become increasingly innovative.

This is particularly important because HUD is now taking over certain OEO functions which have been primarily devoted to the problems of the rural poor, while current HUD research appropriations focus primarily on the urban poor.

The committee has fully funded the Veterans' Administration with the exception of a small cut in central administration. We have gone over the budget for medical care and for medical and prosthetic research. Of course, we cannot underestimate the importance of assuring that every veteran receives the medical attention he needs and deserves. I am sure all Senators agree on this and if there are differences it comes down to how best to achieve this end.

Last year this same committee put special language in the bill and increased funding for certain additional hospitals and, while this was enacted into law, these funds have not been released. This year we have put special language in our committee report insisting that the Veterans' Administration should move ahead with the planning and design and construction of these new medical facilities. One of these items supplied funds for a new Veterans' Administration hospital at Baltimore, Md. It is interesting that the funding originated 3 years ago, based on an administration request for $1,500,000 for the purchase of a site for a new Veterans' Administration hospital at Baltimore. These funds were voted. In last year's appropriation, an additional $3,724,000 was provided for planning and site acquisition. All of these funds remain available and the need continues to increase; yet the Veterans' Administration, who have testified each year that the need for this hospital remains, has not been able to move ahead because the Office of Management and Budget will not release the funds. I have, therefore, with the consent of Chairman PROXMIRE and the Members of the committee placed special language in the Senate Report accompanying this bill, pointing out these facts and directing that the Veterans' Administration forthwith undertake planning and site acquisition and report back to this committee within 120 days on their progress, and directing that should be Office of Management and Budget continue to withhold allocation of the funds previously appropirated that this should be reported to this committee immediately.

I have also been concerned that we may not be providing sufficiently high levels of educational support for our veterans. We have not had the benefit of a now overdue study comparing World War II educational benefits with those now granted for the so-called Vietnam era veterans, and I have inserted, again with the concurrence of the chairman, language in the report on this subject.

Mr. President, as I have said, I have had to disagree on certain items with my chairman. One of these has been funding of the Space Shuttle at NASA an item which I support. Several weeks ago, I spoke in the Senate on the purposes and the potential of the space program which will depend not only in this country but internationally on the timely and successful development of the space shuttle with all its varied capabilities. This has been debated in the Senate and studied here and in many other places. I am not going into the details except to say that I do not join those who believe that dollars spent on the future exploration of the possibilities of space are dollars that are wasted.

The committee did not vote full funding for facilities construction for space shuttle supportive facilities but if we can hold to our figure in conference with the House, I believe we have provided the minimum necessary to keep Space Shuttle development from falling behind in its schedule.

In this connection, I would especially like to commend the two ex officio members of the subcommittee, the Senator from Utah (Mr. Moss) and the Senator from Arizona (Mr. GOLDWATER), who provided expertise and leadership in the consideration of this item. I would also note the very strong support that the Senator from Alaska (Mr. STEVENS) gave to assuring that the language in the report supports the ERTS-B—earth resources technology satellite—satellite.

Concerning the selective service, there has been much discussion this year on the floors of Congress, in our hearings and in our markup of this bill. We now are entering into an era where this country will be depending on a volunteer army and this I have supported and do support.

I accept the concept of the Volunteer Army and hope that it will be a successful concept. We are allowing the draft to terminate and expire but I feel very strongly there is a loophole here; because in voting to end the draft, we did not end the authority to induct young men who had previously been deferred. With the support of the committee, I have inserted language in the bill which will close this loophole so that funds cannot be provided to enable the selective service to draft any young men in this country into the armed services without the concurrence of Congress.

There are many good arguments for totally abolishing the Selective Service System and there have been good arguments presented for continuing it for just this 1 more year so that registration of our young men can continue while we determine that an all Volunteer Army can become a successful reality. The committee in adopting this general philosophy has voted sharply to reduce the funding level which will permit continued registration for this year.

Lastly, I had to part ways with my chairman on the recommendation for funding of the National Science Foundation. We came up finally with a figure of $10 million above the House, but $8 million below the budget request. But I would point out here that the distinguished Senator from Wisconsin (Mr. PROXMIRE) was extremely helpful in giving the necessary flexibility to the internal funding of the National Science Foundation programs.

Between the action of the House Authorizing Committee, the expected action of the Senate Authorizing Committee and the action of the House Appropriations Committee, all of whom supplied certain minimums and maximums for various NSF programs, the NSF might well have found itself in a very difficult position and unable sufficiently to support those very programs that most of us in the Congress believe do bear and will bear meaningful results. The committee, under the guidance of Chairman PROXMIRE, has provided therefore, the proper flexibility for funding. Two items of special interest in the Senate Report indicate the committee's interest in supporting the development and construction of the very large array radio telescope upon which many scientists and many scientific programs, including those at NASA, are dependent in the future for very specialized astronomy observations. Language was also placed in the report upon the suggestion of the senior ranking member of the full Appropriations Committee, Senator MILTON R. YOUNG of North Dakota, to show our support for technical education programs where needed to supply the underlying basis for scientific education and activities.

Mr. President, I have not covered every item in the bill and I know other Senators may wish to comment on items of special interest to them, but I have tried to comment here on those programs of special concern to me and to many others on the committee and in the Congress. Again, I commend Chairman PROXMIRE for the excellent work and leadership he has shown all of us on this bill and I thank him for the many courtesies extended to me.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Maryland.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc and that the bill as thus amended be regarded for purposes of amendment as original text, provided that no point of order shall be considered to have been waived by reason of the agreement to this order.

The PRESIDING OFFICER (Mr. CANNON). Without objection, it is so ordered, and the committee amendments are considered and agreed to en bloc.

The amendments, agreed to en bloc, are as follows:

On page 1, line 4, after the word "appropriated", insert a comma and "and shall be made available for expenditure except as specifically provided by law,".

On page 2, line 11, strike out "$5,300,000" and insert "$5,120,000".

On page 3, line 12, after "(12 U.S.C. 1715z, 1715z-1)", strike out "$2,100,000,000" and insert "$2,020,000,000, of which not less than $315,000,000 shall be used only for the payment of operating subsidies to local Housing Authorities".

On page 3, line 19, after the word "for", strike out "$24,475,000" and insert "$23,135,000".

On page 4, line 5, after "(40 U.S.C. 461)", strike out "$25,000,000" and insert "$110,000,000".

On page 4, line 11, after the word "for", strike out "$10,134,000" and insert "$9,875,000".

On page 5, after line 7, strike out:

OPEN SPACE LAND PROGRAMS

For grants as authorized by title VII of the Housing Act of 1961, as amended (42 U.S.C. 1500–1500e), and the provision of technical assistance to State and local public bodies, $70,000,000, to remain available until expended: *Provided*, That no part of this appropriation may be used for financing a grants made pursuant to section 706 of the cost of any activity or project, except that grants made pursuant to section 706 of the Housing Act of 1961, as amended (42 U.S.C. 1500), may be made in an amount not to exceed 75 per centum.

On page 5, line 22, after the word "for", strike out "$22,900,000" and insert "$22,176,000".

On page 7, line 4, after "(34 Fed. Reg. 12985)", strike out "$9,750,000" and insert "$9,546,000".

On page 7, line 10, after the word "expenses", strike out "$6,150,000" and insert "$6,042,000".

On page 7, line 14, after the word "for", strike out "$3,250,000" and insert "$3,134,000".

On page 7, line 17, after the word "for", strike out "$6,825,000" and insert "6,534,000".

On page 7, line 21, after the word "for", strike out "$11,500,000" and insert "$10,731,000".

On page 8, line 1, after the word "Department", strike out "$20,200,000" and insert "$19,769,000".

On page 8, line 16, after "$39,860,000", insert a comma and "and that not to exceed $800,000 shall be available for travel expenses:".

On page 9, line 11, after the word "law", strike out "$87,800,000" and insert "$101,100,000"; and, on page 10, line 5, after "(12)", strike out "$43,000,000" and insert "$56,300,000".

On page 13, line 3, after the word "services", strike out "$561,000,000" and insert "$571,600,000"; in line 7, after the word "amount,", strike out "not less than $14,000,000 shall be used only for Graduate Student Support; not less than $69,000,000 shall be used only for Science Education Improvement; and"; and, at the beginning of line 11, strike out "$65,000,000" and insert "$79,200,000".

On page 14, line 20, after "$34,027,000", insert a comma and "and that not to exceed $840,000 shall be available for travel expenses".

On page 15, line 4, after the word "expenses", strike out "$47,500,000" and insert "$35,000,000"; and, in line 9, after the word "defense", insert a colon and "*Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States."

On page 16, line 24, after "(38 U.S.C. 641)", strike out "$2,670,350,000" and insert "$2,676,261,063".

On page 17, line 11, after the word "expended", strike out "$71,000,000" and insert "$77,800,000".

On page 18, line 6, after the word "services", strike out "$313,822,000" and insert "$300,000,000".

On page 18, after line 16, insert:

Item and location:	*Amount*
Replacement and modernization:	
Boise, Idaho, new clinical support facility	$4,010,000
Bronx, New York, replacement hospital	5,100,000
Columbia, South Carolina, new bed building and modernization	1,500,000
Loma Linda, California, replacement hospital	3,400,000
Wadsworth (Los Angeles), California, replacement hospital	15,000,000
West Roxbury, Massachusetts, spinal cord injury rehabilitation center and modernization	8,000,000
Total, replacement and modernization	37,010,000
Nursing home care facilities:	
Brooklyn, New York, 120 beds	232,000
Jackson, Mississippi, 120 beds	153,000
Manchester, New Hampshire, 120 beds	2,211,000
Sepulveda, California, 180 bed rehabilitation	3,451,000
Tuscaloosa, Alabama, 120 beds	2,994,000
Wilmington, Delaware, 60 beds	94,000
Total, nursing home care facilities	9,135,000
Research and education facilities:	
Shreveport, Louisiana	1,202,000
Improvements to outpatient clinics:	
Boston, Massachusetts	2,067,000
Brooklyn, New York	350,000
Chicago, Illinois (research)	2,350,000
Cleveland, Ohio	1,415,000
Total, improvements to outpatient clinics	6,182,000
Other general projects:	
Gainesville, Florida	200,000
Huntington, West Virginia	85,000
Indianapolis, Indiana	122,000

Leavenworth, Kansas	$2,388,000
Reno, Nevada	700,000
White River Junction, Vermont	150,000
Whichita, Kansas	125,000
Total, other general projects	3,770,000
Correction of seismic deficiencies	4,000,000
Total, major projects	61,299,000

On page 19, line 3, after the word "process", insert a colon and "*Provided, further,* That not to exceed 5 per centum of the amount made available for any of the aforementioned items may be transferred to any other of the aforementioned items, but not to exceed 5 per centum of the amount made available for such item so augmented."

On page 21, line 8, after the word "exceed", strike out "$400,000,000" and insert "$500,000,000".

On page 21, line 24, after the word "indemnities", strike out the comma and "Construction, major projects", and "Construction, minor projects",".

On page 30, after line 4, insert a new section, as follows:

SEC. 405. (a) None of the funds made available under this Act may be used for the purchase, hire, or operation and maintenance of passenger motor vehicles (other than passenger motor vehicles of the types generally available in motor pools of Government agencies on the date of enactment of this Act and other than for the purchase, hire, or operation of one such vehicle for official use by the Secretary of Housing and Urban Development).

(b) None of the funds provided in this Act may be used for the purchase, hire, or operation and maintenance of any passenger motor vehicle for the transportation of any Government employee between his dwelling and his place of employment, except in cases of medical officers on outpatient medical service and except in cases of officers and employees engaged in field work in remote areas, the character of whose duties make such transportation necessary, and only when such exceptions are approved by the head of the department concerned.

On page 30, at the beginning of line 23, change the section number from "405" to "406".

Mr. PROXMIRE. Mr. President, in the rush to get the bill printed—and we were rushed—we just finished the bill the day before yesterday and we thought it might come up yesterday so we had to get it printed in a hurry—there are certain committee errors in the amendments, and portions which were omitted from the bill. I therefore ask unanimous consent that perfecting amendments of a technical nature be made.

The PRESIDING OFFICER. The clerk will report the technical amendments.

The legislative clerk read as follows:

On page 18, lines 15 and 16, the following language which is in roman type should be in italic type because it was added by the Senate: "including amounts heretofore made available for the projects herein enumerated below:"

On Page 23, line 17, strike out "$15,280,000" and insert in lieu thereof "$15,080,000."

On Page 23, line 24, strike out "$178,730,000" and insert in lieu thereof "$175,851,000."

On Page 24, line 3, strike out "$7,769,000" and insert in lieu thereof "$7,750,000."

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

ORDER FOR ADJOURNMENT UNTIL 9 A.M., MONDAY, JULY 2, 1973—ORDER VACATED

Mr. ROBERT C. BYRD. Mr. President, for extra insurance, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 o'clock Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. If all goes well, it is hoped that this order can be vacated at the close of business today.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that the agreement entered into by the Senate to convene on Monday morning next at 9 o'clock be vacated.

Mr. TOWER. I have absolutely no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING AND URBAN DEVELOPMENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

The Senate continued with the consideration of the bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

AMENDMENT NO. 293

Mr. ROBERT C. BYRD. Mr. President, I call up my amendment No. 293 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 17, after line 12, insert a new title:

ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

For pilot programs for assistance in the establishment of new State medical schools, grants to affiliated medical schools, assistance to public and nonprofit institutions of higher learning, hospitals, and other health manpower institutions affiliated with the Veterans' Administration to increase the production of professional and other health personnel, and for expansion of Veterans' Administration hospital education and training capacity as authorized by title 38, United States Code, chapter 82, $55,000,000, to remain available until June 30, 1979, of which $25,000,000 shall be available for pilot programs under section 5072 of title 38, United States Code.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. EAGLETON, that Suzanne Murray be permitted the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Joe Stewart of my staff be permitted the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Maryland for a similar request.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. Michael Smith of my staff have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. RANDOLPH, that Mr. Philip McGance have the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, my amendment No. 293 to H.R. 8825, if enacted, would provide an additional $55 million to the Veterans' Administration for carrying forward the programs authorized by Public Law 92–541. The Veterans' Administration Manpower Training Act.

Public Law 92–541, which was signed into law on October 24, 1972, authorizes the Administrator of the Veterans' Administration to provide assistance in the establishment of new medical schools; the improvement of existing medical schools; and the development of cooperative arrangements between other institutions of higher learning, hospitals, and other nonprofit health service institutions affiliated with the Veterans' Administration, in an effort to improve and expand the training of professional and allied health and paramedical personnel.

This legislation was developed and finally enacted because of the tremendous need which exists in this country to train additional physicians and other health related personnel. These programs will assist the Veterans' Administration by providing a continuing education for VA health care personnel and will thus improve the quality of the care offered in VA medical centers.

Subchapter I of Public Law 92–541, authorizes a pilot project to establish up to eight new medical schools in conjunction with ongoing VA medical centers;

Subchapter II authorizes grants of assistance to existing medical schools who maintain VA affiliation; and

Subchapter III authorizes grants of assistance to allied health training institutions.

The act authorizes $25,000,000 for purposes of subchapter I and $50,000,000 for all three titles. A total of $75,000,000 was authorized for fiscal year 1973, and $75,000,000 is also authorized for each fiscal year thereafter for the next 6 fiscal years. These funds will remain available for 6 fiscal years following the year in which they are appropriated. We included my amendment adding $20,000,000 in the vetoed supplemental for fiscal year 1973.

That $20 million was restored and included in the supplemental appropriations bill which passed the Senate last evening. My pending amendment requests $55,000,000 funding pursuant to the fiscal year 1974 authorization, and it would allocate $25,000,000 for purposes of subchapter I and $30,000,000 for use in subchapters I, II, and III. If the Senate adopts my amendment today we will still only be providing funding over the 2 fiscal years 1973–74 equal to the total amount authorized for 1 year.

Mr. President, I offered this amendment in the Appropriations Committee, and it was defeated by a very close vote because several members were absent. I would like to briefly describe how this program will be administered.

First, who will be eligible under the program?

To be eligible, an applicant must meet the following criteria:

First. The applicant must be a public or other nonprofit college or university primarily supported by the State in which it is located;

Second. It must offer 4-year college level programs and be accredited by an accreditation body approved by the Commissioner of Education; and

Third. It must be located within a reasonable distance of a Veteran's Administration medical facility.

Now, to move past eligibility—assuming that the institution is eligible—what assurances would have to be provided to the Veterans' Administration by a participant under this program?

First. Assurance of accreditation; and

Second. A commitment from the State providing reasonable assurance of adequate fiscal support, including long-range plans for financing beyond the period of the grant. This statement must be excused by appropriate State officials on behalf of the applicant college or university.

I am informed that the appropriate State official would have to be approved by the Administrator of VA, but in most cases, it would involve the Governor of the State.

If a grant is made to a school, its use would be limited to the following purposes:

First. The extension, alteration, remodeling, improvement, or repair of buildings and structures to the extent necessary to make them suitable for medical schools. However, these funds cannot be used for new buildings or what is sometimes called new free standing construction; and

Second. The payment of salaries for the faculty. However, these funds must be limited to payment of the following percentages: 90 percent for the 1st, 2d, and 3d years of operation; 80 percent for the 4th year of operation; 70 percent for the 5th year of operation; 60 percent for the 6th year of operation; and 50 percent for the 7th year.

It is envisioned that all Federal support will cease at the end of the 7th year and that all costs will then be assumed by the State.

Third. I also want to call attention to the fact that the VA Administrator is also authorized to lease VA facilities to the schools for use in these programs.

My amendment would allocate $25,000,000 for the pilot program to establish the new medical schools because that is where the heaviest startup expenses will occur.

I would like to call to the attention of the Senate the following facts, which illustrate the need for additional doctors and other trained medical personnel in the United States:

First. The American Association of Medical Colleges presently estimates that there are 346,000 physicians in the United States, or 1 physician for each 636 potential patients. This is 69,000 short of AAMC's goal of 1 doctor for every 500 patients. By way of contrast, the Soviet Union has 1 doctor for every 420 potential patients.

Second. The doctor shortage is getting worse. In 1950, there were 75 doctors per 100,000 citizens, whereas today, there are fewer than 50 per 100,000 citizens. And, in rural counties with populations of less than 10,000, the average is less than 1 doctor per 1,000 potential patients.

Third. This shortage is forcing us to have to rely, to a large extent, on foreign-trained physicians. In 1960, 1 doctor out of every 9 practicing in the United States was a graduate of a foreign medical school. Today, it is 1 in 5. Of the 54,600 interns and resident physicians in the U.S. hospitals today, 17,500—1 in 3—are foreign trained.

Fourth. In 1972, American medical colleges were able to accept only 13,570 of the more than 47,000 students who applied for admission. American medical schools have been forced to turn away "B" students and even "A" students at times.

The Senate Committee on Veterans' Affairs held very comprehensive hearings on Public Law 92–541 which confirmed both the need and support for this type of a program. I congratulate the distinguished chairman of that committee, Mr. HARTKE, on the excellent work he has done, and for the great foresight and tremendous effort he has put forth in programs such as this to benefit our veterans.

I also commend the distinguished Senator from California (Mr. CRANSTON) and the distinguished senior Senator from West Virginia (Mr. RANDOLPH) for the equally good work they have done on that committee on behalf of all veterans.

Mr. President, I ask unanimous consent that the names of the distinguished senior Senator from West Virginia (Mr. RANDOLPH), the distinguished senior Senator from Indiana (Mr. HARTKE), and the distinguished senior Senator from California (Mr. CRANSTON) be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. HARTKE. Mr. President, will the Senator yield to me for 1 minute?

Mr. ROBERT C. BYRD. I yield 1 minute to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. HARTKE. Mr. President, I congratulate both Senators from West Virginia for the fine work they have done in this field. I also congratulate the Senator from California.

The measure authorizing medical schools in connection with veterans' hospitals was passed unanimously in the Subcommittee on Veterans' Affairs and on the floor of the Senate. This will provide not only the needed doctors throughout the Nation but also an increase in the quality of care to be given in veterans' hospitals.

I urge the committee to accept the amendment. It is a meritorious measure.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I believe that the shortage of doctors and other health care personnel is one of the most important problems facing this country today. I believe these programs, when operational will be a major step in bridging that shortage, and I urge the adoption of the amendment.

Mr. ROBERT C. BYRD. Mr. President, I yield my remaining time to the distinguished senior Senator from West Virginia.

Mr. RANDOLPH. Mr. President, it is a privilege to express genuine thanks to my colleague from West Virginia (Mr. ROBERT C. BYRD) for his sponsorship of this important $55 million funding amendment to implement the program which, as just indicated by the able chairman of our Committee on Veterans' Affairs, Senator HARTKE, received the approval of all the members of our committee and unanimous approval by the Senate last year.

Mr. President, there is an urgent need to increase the number of physicians in this country who are engaged in patient care. The funding anticipated in the amendment by the Senator from West Virginia goes to that need. This is a challenge which all of us recognize; but it is also a challenge for which we have not found a solution. Frankly, the critical requirements for increased numbers of doctors is evidenced in a substantial degree in West Virginia. Medical officials in our State estimate that West Virginia loses from 100 to 115 practicing doctors per year. This is due to a number of factors, ranging from death, to retirement, to relocation to another State, to acceptance of a position on a hospital house staff, to entering medical research.

The estimated ratio of physicians to patients in West Virginia is one doctor to 1,000 potential patients, while the national average is approximately one doctor per 660 patients.

In 1969, there were 1,675 physicians in actual practice in West Virginia. In 1970 there were 400 fewer, or about 1,270 practicing physicians.

The average age of physicians in the State is estimated at 54.6 years. In many rural areas, the general practitioner who has served the community for most of his life is becoming old. And when he dies, or retires, there is little assurance a young doctor will be there to replace him as the local doctor to whom the people turn for help. But West Virginia does not represent an isolated situation. Similar conditions exist in many areas of our country.

A further indication of the need for increased numbers of physicians is shown by the recent HEW study revealing that one out of every five doctors in America graduated from a foreign medical school.

The study points out also that the number of foreign medical graduates practicing or engaged in other medical activities in this country has doubled in the past 10 years and that in 1971 more foreign trained doctors—10,540—entered the United States than graduated that year from American medical schools—8,974.

It is clear, Mr. President, that both the West Virginia and the national average of doctors to patients show there is not a sufficient number of doctors to provide the health care needed by our citizens. We do know that the American Association of Medical Colleges considers a ratio of 1 doctor to a potential 500 patients as a desirable national goal. We are not at that level now and we are not moving toward that goal as quickly as we should. According to HEW estimates this country can expect to have 408,000 doctors by 1981, an average of nearly 180 doctors per 100,000 population. This will reflect an increase of 27 percent from 1971 to 1981 and an improvement in the doctor-patient ratio, but it still falls short of the desired and necessary goals projected by the medical authorities. And it is questionable how many of these will be practicing doctors as opposed to physicians engaged in other activities. At present only 9,000 to 10,000 doctors are graduating from medical schools in the United States.

This gap must be closed and one way of doing it is to develop government assisted medical school programs utilizing existing resources. A further objective of such a program should entail efforts to reduce the cost of medical school operations and the cost of education, and to streamline medical education.

The Veterans' Administration Medical School Assistance and Health Manpower Training Act certainly offers an innovative and, I think, necessary program to utilize the largest health care system in the world to achieve these objectives.

The Veterans' Administration is well equipped with personnel and facilities to labor with institutions of higher education in West Virginia and throughout the Nation in developing and expanding medical schools and health care training programs. Knowing of the extensive professional personnel and facilities of the VA, I think we have a responsibility to vote for this amendment, so that existing Government resources can be utilized to the maximum extent to solve a highly critical problem.

Mr. President, the amendment of my able and diligent colleague (Senator Robert C. Byrd) will provide $55 million in the HUD–VA appropriations bill to move forward with the implementation of the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972.

It is my conviction that Senate approval will be a significant step to set in motion a progressive program giving the Veterans' Administration clear-cut authority to participate in the efforts to solve the health manpower crisis in this country. It is a privilege to join with Senator Byrd in documenting the importance of this proposal and in urging its approval.

As I have stated on many occasions, the effort to more fully utilize the Veterans' Administration facilities and programs and personnel in education and training of health care personnel presents a very unique opportunity.

As a member of the Senate Committee on Veterans' Affairs and as an active original sponsor of the authorizing legislation, I know that it will maximize the potential of VA's medical resources to provide leadership with the Nation's medical community in developing health manpower education and training programs. It will not detract from the primary responsibility of the VA to provide services and health care for our veterans. Rather, I believe that the implementation of this program will lead to improved health care under the VA programs. Our veterans and citizens generally will benefit.

The cooperative effort between the VA and institutions of higher learning envisioned in Public Law 92–541 will lead to more efficient and effective health manpower education and training efforts. This act authorizes $25 million for pilot programs for the establishment of eight new medical schools affiliated with VA hospital facilities and $50 million to be used for these new schools or to expand and improve programs at existing medical schools or at other health manpower institutions affiliated with VA hospitals.

The VA is uniquely qualified to engage in this effort with its nationwide network of hospitals, clinics, and extended-care facilities and ongoing reputable training and education programs. We are challenging the VA and charging it with the responsibility to be the leader in putting its medical resources to work in meeting the great national need for additional new types of health manpower.

It is my belief that the VA stands ready to meet this challenge and we should give them the funds to begin this vital endeavor. The regulations and guidelines for this program were published this week. They were developed in consultation with health care professionals, colleges and universities, and governmental agencies. The Congress must now provide the funding to do the job.

I believe the membership of the Senate should be reminded again of the strong support within the health community for this program.

The capable Senator from California (Mr. Cranston) who was the chief sponsor of Public Law 92–541 has outlined this in detail to the Senate and the Committee on Appropriations. The recent hearings of the Subcommittee on Health and Hospitals of the Senate Veterans' Affairs Committee, chaired by Senator Cranston, revealed the strong and important support for this new public law and the urgent need to approve funds for its implementation. During those hearings, outstanding leaders in the health education field submitted comprehensive testimony stressing the importance of affiliations between the health professions schools and VA medical facilities in terms of the beneficial effect on the care provided the veterans as well as the impact on meeting national needs for additional health care personnel.

Mr. President, the $55 million in the pending amendment, together with the $20 million in the supplemental appropriations bill, will provide a full year of funding for the Veterans' Administration Medical School Assistance and Health Manpower Training Act. This will enable the VA to move forward with a vital effort to help solve the health care problems of our citizenry. The sum of money we are asking is modest compared to the benefits it will bring. I urge adoption of the amendment.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. BROCK. May I just take a moment to congratulate the distinguished Senator from West Virginia (Mr. Robert C. Byrd) for his amendment, which I favor strongly. I think there is no question that the State of Tennessee is in the same situation as is West Virginia. If we are going to solve the problem of getting close to a thousand students, we have to do a better job of training a professional service. We have to provide better facilities.

The PRESIDING OFFICER. All time of the proponents of the amendment has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished junior Senator from Tennessee (Mr. Brock), the distinguished senior Senator from Tennessee (Mr. Baker), the distinguished junior Senator from California (Mr. Tunney), and the distinguished junior Senator from Minnesota (Mr. Humphrey) may be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, it is with great reluctance and regret that I must oppose the amendment. It should be defeated. The amendment was brought up in the Committee on Appropriations. There is no member of the committee who has more influence—and proper influence—more support and popularity in the Appropriations Committee than Bob Byrd. But the amendment was defeated in committee. Why? Because the Senator from Washington (Mr. Magnuson) and the Senator from New Hampshire (Mr. Cotton) recognized that it is an inefficient way to proceed to train doctors. Both Senators argued strongly against it and voted against it. Any time we see the Senator from Washington voting against an amendment of this kind, we know that the amendment has serious shortcomings.

Mr. President, the bill is already $400 million over the budget. We are getting into a position where, if we accept this amendment and other amendments, we will have difficulty getting the bill signed by the President.

It is also recognized that the problem, as pointed out by Senator Magnuson and Senator Cotton in the Committee on Appropriations, is that existing medical schools are already going out of business, because they do not have the funding. Right here in Washington, one of the finest medical schools in the country is going to close down in October, because it does not have the money. This is not unusual. It is happening in other parts of the country.

As the fundamental bill was drafted—the authorization bill—it provides, as I understand, for cost-sharing with the States—which is right. However, we have to recognize that the States are going to be left with the entire burden of completing these medical schools 5, 6, or 7 years from now. If we really start funding them, the burden is going to be very large indeed. Many Senators say that they do not see how their States could do this if their funding is taken from them.

I must disagree with the Senator from West Virginia concerning the doctor shortage. There is no question about it; we have had a shortage in the past. In 1965 there was a shortage of 50,000 doctors. By 1972 we had increased the number by 60,000 from what we had in 1965.

Presumably, on that basis, the doctor shortage would be nearing an end. In addition, within 4 years we will have another 50,000 doctors. By 1980 there is every indication that there will be a doctor surplus.

This bill cannot possibly produce any doctors in any significant number until 1980. So we are going down the road that is going to provide a surplus of doctors 7 or 8 years from now, and at a very great cost indeed.

I conclude by pointing out to the Senate that while this is an amendment that has great appeal, and I am sure is going to get a very strong vote—and may well be adopted—it is going to cost an additional $55 million. It is going to be followed a little later by amendments by the Senator from California to ask for $103 million for veterans' care. That will be followed by an amendment by the Senator from Wyoming (Mr. HANSEN) asking for $15 million for general operating expenses for the Veterans' Administration. We are getting into a situation which is not responsible fiscally. Difficult and painful as it is, I think we still have to say "no."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 minute?

Mr. PROXMIRE. I yield on my time to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I want to express my extremely high regard for the distinguished senior Senator from Wisconsin, who speaks out of deep and honest conviction in opposing this amendment. He has been absolutely fair in all of his dealings with me in connection with this amendment and other matters, and I respect his viewpoint as he opposes this amendment.

The Congress authorized the basic legislation, Public Law 92-541, last year. If Congress means business when it authorizes legislation, it ought then to put its money where its beliefs are and appropriate funds to carry out the program. Congress, in passing the authorizing legislation for these hospitals, apparently felt that they were needed; and I think the time has come when Congress ought to appropriate money to implement that legislation. That is the purpose of this amendment.

Mr. PROXMIRE. Mr. President, if no other Senator wishes to speak——

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. DOMENICI. I have a question regarding the Senator's statement that this is $400 million over the budget. Is that the figure the Senator used?

Mr. PROXMIRE. We are now $390 million over the budget with no additional amendment. If this amendment is adopted, we will be $400 million over the budget.

Mr. DOMENICI. Did not the President's budget include something like $2 billion for Better Communities Act funding for the ensuing year?

Mr. PROXMIRE. It provided $2.670 billion for medical care.

Mr. DOMENICI. I am not talking about the bill now, but, rather, about the Senator's statement that we are budgeting more than the President requested. I do not know how the Senator can say that with such specificity when the Better Communities Act portions are carried over into this bill and funded under urban renewal or model cities. Am I right or wrong?

Mr. PROXMIRE. The Better Communities Act has not been authorized yet.

Mr. DOMENICI. I am speaking of the budget of the President that the Senator is saying we are over on this bill.

Mr. PROXMIRE. We are. We are over the President's budget on this bill. The President has a specific budget request on this bill. We are over it by $393 million.

It is true the President has asked for additional funds that are not yet authorized. They may or may not be by Congress. On the assumption that is implicit in the Senator's question, that we do not act on that authorization, it may be we will be providing less funds. However, that was understood by the President. He wants us to proceed this way. I think it is possible, on the basis of past performance, that if we adopt these amendments, we are risking a veto. The President has taken the position that he is not going to sign legislation that will bust his budget and be fiscally irresponsible.

Mr. DOMENICI. Let me ask a more specific question. Under model cities, under the Senator's explanation, the amount requested was zero, and we are going to fund $150 million. Was not the administration's request for zero based upon the fact that they were going to ask for a program under the Better Communities Act for model cities funding?

Mr. PROXMIRE. No; there would be no funding for better communities until fiscal 1975.

Mr. DOMENICI. So that there would be a year's transition, when there would be a mere pipeline?

Mr. PROXMIRE. Yes.

Mr. HARTKE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. HARTKE. How much of the $400 million that the Senator says we are over the budget is attributable to the veterans' section? Is it about $25 million?

Mr. PROXMIRE. At the moment we are $12 million over. However, if we adopt the pending amendments we will be putting $200 million in that category. At the moment we are $12 million over.

Mr. HARTKE. Out of the $400 million the Senator is talking about?

Mr. PROXMIRE. That is correct.

Mr. HARTKE. One other question: Is it not true that the total amount appropriated for the veterans this year is less than it was last year?

Mr. PROXMIRE. The total amount of the total budget is less. It is $1.8 billion less. I understand that the reason it is less is that $460 million for readjustment benefits will come up in a supplemental bill. This year there will be another supplemental bill, and the anticipation is we will provide the same amount, in which case we will be over last year.

Mr. HARTKE. Is the amount this year, however, less than last year?

Mr. PROXMIRE. It is less at this point in time. There is a supplemental bill coming up——

Mr. HARTKE. Then, the veterans' section is not the one that is causing the big difficulty?

Mr. PROXMIRE. If we accept these amendments, it would be.

Mr. BROCK. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. BROCK. I think the Senator pointed out that we did authorize the money requested by this amendment last year. Is that correct?

Mr. PROXMIRE. The Senator is correct, and I think the Senator knows as well as any Senator that the Senate will authorize legislation and then recognize that it should have second thoughts. That is the reason for the appropriation process, as I understand it, so we can take another look at whether to go ahead in any particular year, how fast to go ahead, depending on the fiscal situation.

Mr. BROCK. The Senator from Tennessee is quite aware of that process, but rarely have I seen the situation where we authorize 1 year and give nothing in the next year. Usually we reduce the appropriation below the authorization. That is quite common. But I have never seen this kind of procedure engaged in here.

Mr. PROXMIRE. There are many, many authorizations that are never funded. We have already provided $20 million.

Mr. BROCK. I would like to make a statement with reference to whether or not we are going to have a surplus of doctors. The Senator's statistics, as usual, are accurate, but the problem is that more and more so-called doctors are not treating patients. That is where the problem is. We are not getting doctors to people, particularly in eastern Tennessee, West Virginia, and States like that, where the doctor-patient ratios are intolerable.

Mr. PROXMIRE. The Senator is right. We have the same situation in Wisconsin. I am sure it exists in Montana as well as in other rural areas. There are a number of ways of accomplishing a solution to that problem. I do not see how this bill really does very much to achieve that objective. There are ways of doing it by providing scholarships to young men who will have their medical training paid for with the understanding that they will practice 4 or 5 years in a small community. This bill does not achieve that purpose.

Mr. BROCK. I will support that, too. May I point out that, in the final analysis, one of the reasons that has brought this situation about is that there is an enormous potential in cost involved. We are talking about using existing VA sites and facilities, and so forth, without constructing new buildings.

Mr. PROXMIRE. That is exactly the point the Senator from New Hampshire (Mr. Cotton) has dealt with devastatingly again and again and again. He points out that it is very expensive to start out with brandnew medical schools in connection with a veterans' hospital where they do not have any now. He points out that in a number of cases we are closing down many established medical schools, such as George Washington and Georgetown in this city, and many others around the country.

This is not the efficient way to do it. I am sure that the Senator has great respect for the Senator from New Hampshire (Mr. Cotton) and for the Senator from Washington (Mr. Magnuson), and for their judgment. They say that this amendment represents an inefficient and wasteful way to proceed.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator has made reference to the fact that certain medical schools in the country and in Washington, D.C., are in great financial difficulty. Is there authorizing legislation by which Congress can now appropriate moneys to benefit those facilities?

Mr. PROXMIRE. I do not know about that. I understand that there may be in HEW.

Mr. MATHIAS. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, why do we not appropriate money to help the medical schools?

Mr. PROXMIRE. I think that we should. And one reason is that we are spending money in this area, and that money will not be available for other areas.

Mr. ROBERT C. BYRD. Mr. President, we are not spending money in this area, because the first funds were appropriated last night in the second supplemental appropriation bill. So, we are not spending money to fund this law.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, I yield myself 2 minutes on the bill.

What I am saying is that by the kind of action we take today, we are appropriating moneys that are going to make it more difficult for us to fund these very worthy causes of providing more money for George Washington, Georgetown, and other medical schools around the country.

Mr. ROBERT C. BYRD. Mr. President, would the Senator cite the basic authorizing legislation by which Congress may appropriate moneys to assist these colleges and medical schools throughout the country that are in financial difficulty?

Mr. PROXMIRE. Mr. President, may I say to the distinguished Senator from West Virginia that I will be delighted to get that information before we vote. It will take a minute to get that information.

Mr. ROBERT C. BYRD. Mr. President, the only point I want to make is that where we have authorizing legislation, we have not funded it. And if these funds are appropriated in this amendment, then we will have funded a total of $75 million for the 2 years, fiscal years 1973 and 1974, whereas the basic authorizing legislation provides twice as much for the 2 years.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Maryland.

Mr. BEALL. Mr. President, I believe the health, manpower bill which we passed last year has capitation grants for medical schools and even gives them bonuses if they expand their facilities under the legislation passed by Congress. That would ease the burden on the medical schools.

I rise to support the amendment of the Senator from West Virginia and to point out that the statement on shortage of doctors does not apply only to rural areas.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, I yield 1 additional minute to the Senator from Maryland.

Mr. BEALL. Mr. President, the doctor shortage applies to urban areas also.

The most recent census pointed out that in Baltimore 114,000 people in the outer city do not have prime medical services available.

Mr. PROXMIRE. Mr. President, we had 74 Senators vote on the first rollcall vote. Perhaps there will be more voting on this vote. We will have to proceed rapidly if we are to transact much business today.

I hope that we can proceed rapidly with the remaining amendments.

Mr. CRANSTON. Mr. President, the amendment we are offering to add $55 million to carry out the VA's new health manpower training responsibility under Public Law 92–541 is most important. In my June 20, 1973, letter to Chairman Proxmire, I fully outlined the need for this funding as demonstrated in our Health and Hospitals Subcommittee oversight hearings in April. I ask unanimous consent, Mr. President, that the full text of that letter be set forth at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Veterans' Affairs,
Washington, D.C., June 20, 1793.

Hon. William Proxmire,
Chairman, HUD-Space, Science-Veterans Subcommittee, Committee on Appropriations, Washington, D.C.

Dear Mr. Chairman: I was very pleased that the Conference Committee on H.R. 7447, the Second Supplemental Appropriations Act for Fiscal Year 1973, agreed to include $20 million for the Veterans' Administration to begin implementation of P.L. 92–541, the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972. I am very grateful to you and to the other Senate Conferees for your efforts in successfully retaining this Senate provision in the conference report.

I am writing now to recommend that your Subcommittee include in its amendments to H.R. 8825, the Fiscal Year 1974 Department of Housing and Urban Development, Space, Science, Veterans and Certain Other agencies Appropriations bill the sum of $55 million to carry out the provisions of P.L. 92–541. This sum, when added to the $20 million to be appropriated if the fiscal year 1973 Second Supplemental Act is enacted, would provide an appropriation over a two fiscal year period equal to the total amount authorized for a single year.

Of the $55 million I am recommending for inclusion in the Fiscal Year 1974 appropriations measure, I would recommend $10 million be made available to carry out subchapter I (Pilot Program for Assistance in the Establishment of New State Medical Schools) pursuant to section 5072 of title 38, and $45 million be made available to carry out the full chapter (including subchapter I) pursuant to section 5082 of title 38.

It is my understanding that the Veterans' Administration has completed the preparation of regulations governing administration of these authorities and that the publication of these regulations in the Federal Register will occur this Friday or Monday.

When I wrote you recommending the addition of $25 million to the Second Supplemental Appropriations Act for fiscal year 1973, for these purposes, I went into some detail on the demonstrated need for funding of these authorities. I attach a copy of my letter to you at that time, to reemphasize to you the extent of interest throughout the nation in implementing these authorities.

I plan to make further recommendations with regard to other Veterans Administration hospital and medical program items in a letter I will send separately.

Sincerely,

Alan Cranston,
Chairman, Subcommittee on Health and Hospitals.

May 9, 1973.

Hon. William Proxmire,
Chairman, HUD-Space, Science-Veterans Subcommittee, Committee on Appropriations, Washington, D.C.

Dear Mr. Chairman: I am writing in support of an amendment to the Second Supplemental Appropriations bill, FY 1973, in which I am joining with Senator Byrd of West Virginia to add $25 million to carry out the new chapter 82 (Assistance in Establishing New State Medical Schools; Grants to Affiliated Medical Schools; Assistance to Health Manpower Training Institutions) in title 38, as enacted in P.L. 92–541, the Veterans Administration Medical School Assistance and Health Manpower Training Act of 1972. Our amendment would fund only one-third of the $75 million FY 1973 authorizations, and under it, $15 million would be to carry out subchapter I (Pilot Program for Assistance in the Establishment of New State Medical Schools) pursuant to section 5072, and $10 million would be to carry out the full chapter (including subchapter I) pursuant to section 5082.

On April 16 and April 18, the Subcommittee on Health and Hospitals, which I am privileged to chair, of the Veterans Affairs Committee, held oversight hearings on the impact on Veterans Administration medical care of the revised FY 1973 and proposed FY 1974 budget requests and the failure to implement P.L. 92–541. At those hearings the Chief Medical Director of the Veterans Administration stated that the VA had received 62 inquiries about grants under the new chapter from health manpower and other institutions. Thirteen of these inquiries were regarding subchapter I (New State Medical Schools), 27 were regarding subchapter II (Grants to Affiliated Medical Schools) (which also generally inquired regarding subchapter III), and 22 were regarding subchapter III (Assistance to Public and Nonprofit Institutions of Higher Learning, Hospitals and other Health Manpower Institutions affiliated with the Veterans' Administration to Increase the Production of Professional and other Health Personnel). These inquiries covering the following 31 states are detailed in the enclosure: Alabama, Arizona, California, Connecticut, Georgia, Idaho, Illinois, Kansas, Kentucky, Maine, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

At the hearings, the VA indicated on April 18 that the regulations implementing the new law would be published in the Federal Register in 45 days—in other words, by the end of May.

The hearings also developed important support for the need to find the new Public Law. A number of outstanding leaders in the health education field testified to the importance of affiliations between the health professions schools and VA medical facilities in terms of the beneficial effect on the care provided the veteran as well as the impact on meeting national needs for additional health care personnel. A few quotes from some of these individuals eloquently express the benefits of such affiliations, and the effect of inadequate funding of these programs on the ability of these affiliations to achieve their full potential.

Dr. Dennis, Vice President for Health Sciences at the University of Arkansas Medical Center, said: "On the basis of information provided to us, our V.A.-Demas Committee Hospital can, with the projected budget for fiscal year 1974 (July 1973–June 1974), expect to be fortunate to maintain operations at the 1973 level yet the service demands will be greater. They can employ no more than the current number of house staff (residents and interns) at a time the medical school enrollments are increasing and the need for an additional ten resident positions are essential. Other deficiencies in the FY 1974 budget include (1) inability to obtain additional staffing that would permit employment ratios of staff to patients equivalent to that of the average private hospital, (2) inability to recruit additional professional and allied health personnel required to serve ever increasing demands, particularly in the outpatient areas, (3) inability to fund the new School of Health Related Professions in order to provide for the students, programs and facilities that would permit even a fraction of the tremendous growth potential in this short supply field of health manpower, and (4) indefinitely delayed are plans, meticulously generated over a period of several years, to activate an innovative, critically needed program for high quality geriatric medical care and a unique program of Geriatric Home Care. These programs were designed to provide the basis for a new medical school department for research and teaching in the field of aging. Neither institution can do this alone. The importance of the intolerable neglect of research, teaching and care for the aged requires no amplification."

Dr. Edmund Pellegrino, Vice President for Health Sciences and Director of the Health Sciences Center of the State University of New York, concisely stated the importance of funding P.L. 92–541 to achieving up to date methods of providing quality care to veterans: "I would like to emphasize that my support for the specific provisions of S. 59 I have discussed and elements of 92–541 now awaiting funding is based on my conviction that they will improve the care of veterans and especially those veterans in the category for which we have the greatest moral responsibility as a nation. These measures if enacted and funded as the case may be—will bring certain aspects of medical care delivered to all veterans closer to optimal than is now the case. Surely, the veteran should not receive inferior care when a comprehensive pattern is available (to the non-veteran) in the community. But these measures will also enable the veterans hospitals to develop and provide improved methods of care. Thus, in selected areas of care, the veterans hospitals can take a role of leadership for the benefit of these they serve and all others, as well."

Dr. Schmidt, Vice President for Academic Affairs and Dean of the College of Medicine at the Upstate Medical Center, SUNY-Syracuse, seconded this statement saying: "The contributions of the Veterans Administration to health science education have been great and have been amply documented by others. Suffice it to state that a very large proportion of practicing Health professionals in the United States have had portions of their education and training with Veterans hospitals. In turn, the partnership between the Veterans Hospitals and Academic Health Science Centers has materially benefited the veteran patient in terms of the quality of his care. Largely because of this partnership, patients in veterans hospitals have had available to them most of the skills and resources that modern scientific medicine and technology can offer. This partnership has not been free of stress or critics and there are admitted points of weakness. In my testimony, however, I would prefer to dwell on opportunities, especially as they concern the three major missions of patient care, education and research. These three are interdependent and no one of them can be of highest quality without each of the others."

And Dr. Stanley S. Bergen, Jr., President of the College of Medicine and Dentistry of New Jersey, gave examples of the benefits to the veteran resulting from an affiliation with New Jersey Medical School: "In return, the Veterans' Administration Hospital receives numerous advantages as a result of its participation with the medical school. Prior to its affiliation with the College the East Orange Hospital had no intensive care unit, no coronary care unit, no dialysis unit, nor any vascular catheterization program. In large part these deficiencies were due to the difficulties experienced by the Hospital in attracting adequately trained staff. Furthermore, the hospital had difficulty attracting sufficient housestaff to meet its needs.

The affiliation with the medical school has substantially altered the picture. The assurance of faculty appointments and the stimulation involved through participation in a teaching environment has greatly enhanced the ability of the Veterans' Administration Hospital in East Orange to attract highly qualified and in some cases nationally known individuals to its staff. It has also been of great assistance in attracting housestaff.

Based on all the information available to the Subcommittee on Health and Hospitals, it is clear to me that (1) implementation of the new law can play a major role both in upgrading care to veterans and assisting the nation to meet its health manpower shortage; (2) there is great interest in the public and the health community and enormous capacity and untapped potential to carry out effective prorgams; and (3) the VA will finally—after more than 6 months—be issuing its regulations so that applications can begin to be submitted in June. It is important to stress that under sections 5072(b) and 5082(b) of title 38, sums appropriated for the new chapter 82 remain available until the end of the sixth fiscal year following the final year of appropriation.

Thus, this $25 million can get the program started and avoid the almost inevitable delay, under a continuing resolution for FY 1974, in starting up the program next fiscal year.

In closing, I wish to reiterate my conviction that the money is needed for these programs now and express my opinion that any expression to the contrary by the VA or the administration is dictated by OMB, which strenuously opposed enactment of P.L. 92–541, despite the facts involved. I very much hope you will support the amendment.

I have taken the liberty of sending copies of this letter and the enclosure to Senator Byrd and Chairman McClellan.

With best regards,

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

EXPRESSIONS OF INTEREST IN THE VETERANS' ADMINISTRATION MEDICAL SCHOOL ASSISTANCE AND HEALTH MANPOWER TRAINING ACT OF 1972—PUBLIC LAW 92–541

SUBCHAPTER I

There have been inquiries or statements of interest on behalf of 13 states (Attachment A). This number, and the still lesser number (about seven) which reflect potential immediate eligibility, is probably accounted for on two bases: The Act itself requires that the applicant present reasonable assurance of appropriate accreditation of the new medical schools to be initiated with this assistance (Section 5073b 1 D). Implementing regulations, as presently drafted, would also eliminate from eligibility under this subchapter the "new" schools which are provisionally accredited and receiving Federal assistance under one or more of the authorities contained in the Comprehensive Health Manpower Training Act of 1971 (PL 92–157) administered by the Bureau of Health Manpower, NIH, DHEW. Such schools, if they are presently affiliated with the VA hospitals, would be eligible for assistance under Subchapter II.

SUBCHAPTERS II AND III

There have been about 27 inquiries from Medical Schools specifically concerning *Subchapter II*, the majority of these also express interest in Subchapter III in behalf of nursing or other allied health programs conducted either by the School or by other Schools within the academic health center of which they are a part (Attachment B). There have been an additional 22 letters from institutions inquiring specifically about *Subchapter III* (Attachment C). These range from Schools of Allied Health, Schools of Pharmacy, etc. which are components of academic health centers to single programs conducted in community and junior colleges.

Most of these inquiries and statements of interest do not include specific proposals. Although the Act itself is rather explicit in defining eligibility, it is not all specific regarding the kinds of "projects and programs in furtherance of the purposes of the subchapter" (Section 5083 and 5093) for which grant assistance might be sought. Publication of regulations will undoubtedly elicit more detailed plans

Letters, submitted directly and through Congressmen, generally express the need for additional clinical experience opportunities for medical students (Subchapter II) and other health professions and occupations students at all levels (Subchapter III), to complement the academic programs in medical schools, schools of nursing, dentistry, pharmacy, and other health-related fields which have been created or significantly expanded in response to recent Federal, State, or local funding initiatives

General inquiries

There have been several expressions of general interest from health professions societies, organizations of health professions schools, and others; and inquiries on behalf of "otherwise eligible veterans" (Section

5070e) who are seeking or planning to seek admission to medical schools (Attachment D).

Subchapter I

State, Institution or agency, and VA Hospital(s):

Alabama, University of Alabama, Troy State University, Tuscaloosa, Medical District No. 14.

Arizona, Navajo Health Authority, Medical District No. 34.

California, Charles R. Drew Postgraduate School of Medicine, San Joaquin Valley Health Consortium, San Fernando Valley Health Consortium, Sepulveda, Fresno, Medical District No. 36.

Georgia, Georgia State University, Atlanta.

Idaho, Medical Education Foundation, Inc., Boise.

Maine, University of Maine, Bangor, Togus.

Mississippi, Fifth Congressional District of Mississippi, Gulfport/Biloxi.

New Hampshire, University of New Hampshire, Manchester.

Ohio, Wright State University, Dayton.

South Carolina, University of South Carolina, Columbia.

Tennessee, East Tennessee State University, Mountain Home.

Texas, Texas A&M University System, Texas College & University System, Temple/Waco/Marlin, Medical District No. 26.

West Virginia, Marshall University, Huntington.

Subchapter II

State, Institution or agency:

Alabama, University of Alabama in Birmingham, University of South Carolina—Mobile.

California, Stanford University Medical Center.

Kansas, Wichita State University, College of Health Related Professions.

Kentucky, University of Kentucky Medical Center.

Louisiana, Louisiana State University, Medical Center.

Massachusetts, Boston University, Tufts University School of Medicine.

Michigan, University of Michigan School of Medicine.

Mississippi, University of Mississippi Medical Center.

Nevada, University of Nevada School of Medical Sciences.

New York, Mt. Sinai Medical Center, S.U.N.Y at Stonybrook.

North Carolina, University of North Carolina School of Medicine.

North Dakota, University of North Dakota School of Medicine.

Oklahoma, University of Oklahoma Medical Center.

Oregon, University of Oregon Medical Center.

Rhode Island, Brown University Division of Biological and Medical Sciences.

South Carolina, Medical University of South Carolina.

South Dakota, University of South Dakota School of Medicine.

Tennessee, University of Tennessee Medical Units.

Texas, University of Texas Southwestern Medical School at Dallas; Baylor College of Medicine; Texas College & University System (all campuses); Texas Tech. University School of Medicine.

Virginia, Eastern Virginia Medical School.

Wisconsin, University of Wisconsin (Madison) Medical College of Wisconsin.

Subchapter III

State, Institution or Agency:

Alabama, Tuskegee Health Education Center.

California, East Bay Area Health Education Center, De Anza Community College San Joaquin Valley Health Consortium (Fresno Area Health Education Center).

Connecticut, Western Connecticut State College.

Georgia, Georgia State University.

Illinois, University of Illinois at the Medical Center, School of Allied Health Professions.

Michigan, Saginaw Valley College—Saginaw Area Health Education Center.

Missouri, Central Missouri State College.

Nebraska, University of Nebraska—Lincoln Area Health Education Center.

New York, Consortium of Health and Educational Institutions—Bath, New York S.U.N.Y.—Downstate Medical Center.

New Mexico, University of Albuquerque.

North Carolina, Duke University Medical Center—Division of Allied Health, Western Carolina University.

Ohio, Wright State University.

General Inquiries

LOCAL ORGANIZATIONS AND GROUPS

Arkansas, Arkansas State Medical Society, a practicing physician.

Maine, Maine's Regional Medical Program.

New York, 29th District of New York (Congressman Stratton), Albany/Schenectady area.

Ohio, "Interested citizens of Ross County" (Chillicothe area).

ASSOCIATIONS AND SOCIETIES

Association of American Medical Colleges, Association of Schools of Allied Health, American Medical Association—Council on Medical Education, American Podiatric Association, American Optometric Association, Association of Colleges of Pharmacy.

LETTERS IN BEHALF OF POTENTIAL STUDENTS

Senator Jacob Javits, Senator James Buckley, Senator Bob Packwood, Congressman Olin Teague.

State, *Institution or Agency:*

Pennsylvania, St. Francis College, Altoona Lakes Area Health Education Center.

Tennessee, Vanderbilt University School of Allied Health Professions.

Texas, St. Joseph's Hospital, Houston, Central Texas Regional Medical Education Foundation (Temple Junior College).

Utah, Weber State College.

Washington, City of Seattle—Schools and Colleges.

Mr. CRANSTON. Mr. President, I believe that these materials amply illustrate the substantial value for veterans' health care of providing funds to carry out the new public law—for which the VA's regulations have just been issued—and thereby utilize the great potential of VA hospitals as clinical facilities for the training and education of physicians, dentists, nurses, and other health care personnel. These materials also make abundantly clear the enormous interest throughout the country in providing this funding. Through the end of February of this year, Mr. President, the VA received more than 40 expressions of interest from State governments, medical schools, universities, and other health manpower training institutions about utilizing the new authorities in that public law to establish new medical schools using VA clinical facilities or to expand the education and training capabilities of medical and other schools affiliated with existing VA health facilities.

Mr. President, I am delighted to join with the Senators from West Virginia and many other Senators in sponsoring this amendment. This past fall my amendment to add $40 million to the First Supplemental Loan Act, fiscal year 1973, was adopted on the Senate floor, but was lost in conference. Then Senator Byrd of West Virginia then this spring succeeded in getting $25 million for this purpose in committee—reduced to $20 million in conference—added to the Second Supplemental, now back on the President's desk again.

Now we are seeking to complete our action to appropriate a full year's authorization level—$75 million—over 2 fiscal years to carry out Public Law 92-541 which I authorized in the Senate last fall.

Mr. PERCY. Mr. President, I intend to vote against the amendment offered by the Senator from West Virginia (Mr. Byrd). I have long been aware of the crucial shortage of doctors which this country faces and have continually supported programs to upgrade our medical and health services; however, I do not believe this amendment is the most efficient way to further express that support.

I believe the best method by which we can curtail this shortage is to continue to upgrade and expand the existing medical schools with high reputations rather than to create an entirely new program administered by the already overburdened Veterans' Administration. Indeed, the Veterans' Administration operates a highly efficient and credible hospital system, but to include medical education and training as a further responsibility would only detract from their most important function—to treat and care for those men and women who served their country when called.

Both the Illinois Medical Society and the American Medical Association have given their pledge to work for expansion and upgrading of the current medical schools and health training institutions. I believe this is the correct route to follow.

I would be less than realistic if I did not say that I fully expect the Byrd amendment to carry overwhelmingly.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from West Virginia. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Texas (Mr. Bentsen), the Senator from Massachusetts (Mr. Kennedy), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Biden), the Senator from Iowa (Mr. Clark), the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson), the Senator from Iowa

(Mr. Clark), and the Senator from New Jersey (Mr. Williams) would each vote "yea."

Mr. TOWER. I announce that the Senator from Vermont (Mr. Aiken), the Senator from Oklahoma (Mr. Bellmon), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Pennsylvania (Mr. Scott), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

The Senator from New Hampshire (Mr. Cotton) is absent because of illness in his family.

The Senator from Michigan (Mr. Griffin), the Senator from New York (Mr. Javits), the Senator from Idaho (Mr. McClure), and the Senator from Delaware (Mr. Roth) are absent on official business.

If present and voting the Senator from New York (Mr. Javits), the Senator from Pennsylvania (Mr. Scott), and the Senator from South Carolina (Mr. Thurmond) would each vote "yea."

The result was announced—yeas 61, nays 18, as follows:

[No. 265 Leg.]

YEAS—61

Allen
Baker
Bayh
Beall
Brock
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Domenici
Eagleton
Eastland
Ervin
Fulbright
Gravel
Gurney
Hansen
Hartke
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Long
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Randolph
Ribicoff
Saxbe
Schweiker
Scott, Va.
Stafford
Stevens
Stevenson
Symington
Talmadge
Tower
Tunney
Weicker
Young

NAYS—18

Bartlett
Bennett
Bible
Brooke
Buckley
Byrd, Harry F., Jr.
Cook
Curtis
Dole
Dominick
Fannin
Hart
Haskell
Helms
Packwood
Percy
Proxmire
Taft

NOT VOTING—21

Abourezk
Aiken
Bellmon
Bentsen
Biden
Clark
Cotton
Fong
Goldwater
Griffin
Javits
Kennedy
Magnuson
McClure
McGee
Roth
Scott, Pa.
Sparkman
Stennis
Thurmond
Williams

So Mr. Robert C. Byrd's amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 8916) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 8916) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

NATIONAL COMMISSION ON THE FINANCING OF POSTSECONDARY EDUCATION—APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to the provisions of section 140 (g), Public Law 92–318, appoints the Senator from Maine (Mr. Hathaway) to be a member of the National Commission on the Financing of Postsecondary Education.

HOUSING AND URBAN DEVELOPMENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

The Senate continued with the consideration of the bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 5, line 23, insert before the period at the end thereof: ": *Provided*, That no part of the foregoing appropriation for administrative expenses shall be available for expenditure unless the Secretary of HUD, during fiscal year 1974, undertakes to make, and makes, available for obligation or commitment, as may be appropriate, the full amount of the appropriations for community development assistance programs, provided in this Act and previous Acts making appropriations for the Department of Housing and Urban Development".

Mr. CRANSTON. Mr. President, this is the first of two amendments that I shall offer, that relate to frozen funds for housing. These amendments would have been submitted for printing by the chairman of the Committee on Banking, Housing, and Urban Affairs (Mr. Sparkman), but in his absence I am presenting them. As I say, they relate to frozen funds for housing programs.

There is already anti-impoundment language on the first page of the bill, stating, on line 4, regarding funds appropriated: "and shall be made available for expenditure except as specifically provided by law."

However, the two amendments that I am offering are necessary in addition to that language in the bill in order to release funds heretofore frozen by the administration for all HUD subsidy programs.

The first amendment, the one that has now been called up, would deny the Secretary use of funds appropriated for administrative expenses during the fiscal year 1974, unless he makes available for obligation the full amount of the appropriations for community development programs.

The amount of the appropriations covered by this provision would include both those funds appropriated in the act, as well as funds available from previous appropriations acts.

The community development programs included in this requirement are the water-sewer program, urban renewal, open space programs, neighborhood facilities, model cities, and rehabilitation loans.

In the interest of brevity, that is all that I shall say at this point.

The PRESIDING OFFICER. Who yields time? Is time yielded back?

Mr. PROXMIRE. Mr. President, this amendment is new to me. No one showed it to me before. I had no idea it was coming up. I am a member of the Banking Committee, as the Senator knows.

Mr. CRANSTON. I am sorry. I had not been informed that the Senator had not seen it.

Mr. PROXMIRE. I understand that this is an anti-impoundment amendment.

Mr. CRANSTON. That is right. That is all it does.

Mr. PROXMIRE. How would it require the President to spend the money we have appropriated?

Mr. CRANSTON. It would release all funds presently frozen for the programs that we have enacted.

Mr. PROXMIRE. So that if the President should refuse to spend the money, the people who work on the administration programs would not be paid; is that right?

Mr. CRANSTON. That is correct.

Mr. PROXMIRE. I am glad to accept the amendment. I am very much against impoundment. This amendment would seem an effective way to do it.

Mr. MATHIAS. Mr. President, I would have no objection to accepting the amendment and taking it to conference and considering its impact on the whole program as the conference committee considers the bill.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Cannon). The question is on agreeing to the amendment of the Senator from California (Mr. Cranston).

The amendment was agreed to.

Mr. MATHIAS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 6, line 15, strike out "$60,000,000" and insert "$71,450,000".

Mr. MATHIAS. Mr. President, I offer this amendment on my own behalf and that of the distinguished Senator from New Jersey (Mr. CASE). What it would do would be to provide the funds that have been requested by the President for research and technology in the Department of Housing and Urban Development.

If we are going to be innovative in supplying the housing needs of the Nation, if we are going to develop new techniques which will permit us to provide for the housing needs of the Nation, we are going to have to do research and examine the technology available which can be developed.

Secretary Lynn has assured us that he has every intention of vigorously pursuing a research program and I believe that he should have the funds he needs to do so. It will be an ultimate economy.

Mr. PROXMIRE. As I understand the amendment, it simply goes up to the level requested by the administration, is that right?

Mr. MATHIAS. The chairman is exactly right. This brings the figure to $71,450,000, which is what the President requested.

Mr. PROXMIRE. Does it also make it possible for the OEO functions to continue, functions that otherwise might not be able to be preformed, because they would fail because of lack of funds; is that right?

Mr. MATHIAS. The Senator is correct. OEO, as the Senator knows, has surrendered some of its functions or had them abbreviated, and this would meet that need.

Mr. PROXMIRE. I am glad to accept the amendment. The one unfortunate aspect of it is that it will be another $11 million. It will put another $11 million over the budget, another $11 million over the House. It does make this bill that much more difficult to get enacted by getting the President to sign it. But, in view of the fact that the amendment figure goes back to the budget request, I accept the amendment.

Mr. MATHIAS. It is an item within the budget itself which is what the President deemed to be necessary for his program, so that I think that it can be strongly supported.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Maryland (Mr. MATHIAS).

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I should like at this time to make a short statement on section 108.

URBAN RESEARCH AND TECHNOLOGY

I want to make one statement concerning the HUD R. & D. funds. In 1968 Congress passed section 108 of the Housing Act. That section required HUD to carry out a program to determine if costs could be substantially lowered for industrialized housing. It called for building 1,000 units a year of five prototypes for 5 years of industrialized housing.

No new funds were needed. The funds were to come from existing programs—public housing, section 235 section 236, and other programs.

Some 300 or 400 units could be granted to cities throughout the country to use in their public housing program or on urban renewal sites.

But HUD failed to carry it out. It is still the law of the land. As it was my amendment I have some interest in it also.

But this year we want HUD to carry out section 108. And the R. & D. money is being appropriated on the assumption that HUD will carry out section 108 and carry out the law and clear intent of the Housing Act of 1968.

Mr. CRANSTON. Mr. President, I send another amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 23, line 24, insert before the period at the end thereoff: ": and *Provided further*, That no part of the foregoing funds shall be available for expenditure unless the Secretary of Housing and Urban Development, during fiscal year 1974, undertakes to make, and makes, available for obligation, on at least an evenly apportioned monthly basis, such contract authority as may be available for obligation during fiscal year 1974 as the result of the provisions of this act, or previous Department of Housing and Urban Development Appropriations Acts, for the rent supplement program (authorized by Section 101 of the Housing and Urban Development Act of 1965, as amended), the homeownership program (authorized by Section 235 of the National Housing Act, as amended), and the rental housing assistance program (authorized by Section 236 of the National Housing Act, as amended), as well as such contract authority as may be available during fiscal year 1974 for the public housing program pursuant to the United States Housing Act of 1937, as amended".

Mr. CRANSTON. Mr. President, I will speak for less than a minute on the amendment. It is similar to the other amendment which was just adopted by a voice vote.

The amendment would deny the Secretary the use of appropriated funds for administrative expenses during fiscal year 1974 unless he promptly commits funds appropriated for HUD subsidy housing programs. This requirement would include both the funds previously appropriated and the funds to be appropriated in this Act. This would cover FHA 235, 236, and rent supplemental programs and, in addition, the public housing program.

Mr. President, I trust that this will be acceptable, as was the other amendment. This also would have been offered today by the distinguished Senator from Alabama (Mr. SPARKMAN), were he not unavoidably absent.

Mr. PROXMIRE. Mr. President, as I understand it, this will be effective, but if it is to be effective, it must be accepted by the House. Of course, in addition, this could be veto bait. But it would end the moratorium, and I am certainly in favor of that. It is shameful action on the part of the Government to deprive people of low incomes of housing. Thus, I am willing as a Senator as well as the chairman of the subcommittee, to accept the amendment.

Mr. CRANSTON. I thank the chairman very much.

Mr. President, the suspension of the federally assisted housing programs was wrong in January when it was announced by former Secretary Romney. It continues to be wrong. Nothing the administration said at the outset or subsequently has justified a moratorium of the subsidized housing programs.

Congress enacted these programs; the responsibility for their fate belongs to the Congress. But the administration has been both the judge and the executioner. In January, it declared the programs wasteful and ineffective—without offering proof—and followed with a set of instructions to the HUD area offices that dealt these programs crippling blows.

The Department of Housing and Urban Development insists that the subsidy programs are not terminated, only suspended. But what difference does the terminology make to sponsors and housing authorities whose applications for subsidized units do not meet HUD's criteria for continued processing? What relief can a "suspension" bring to the thousands who wait for public housing that will not be built? How much good is there to assure workers in the building and construction trades—whose jobs are at stake—that the programs are not terminated, only suspended? In communities across the country, the programs might just as well have ended. Financial and personal hardships are not fanciful projections of what might happen—they are very real, and the most cruel aspect of the moratorium is that they need not have happened at all.

The administration has sought to justify the moratorium on the grounds that the programs require evaluation, tying the length of the moratorium to the time necessary to analyze the programs and come up with recommendations. I do not quarrel with the desirability of evaluating housing programs. In fact, I believe Congress and the executive branch should do more evaluations, and not just of housing programs. Those programs shown to be wasteful should be reformed, and if that is not possible, scrapped altogether. But a moratorium that throws housing programs into limbo, that confuses both the officials who have to administer the programs and the participants, is not the way to safeguard against inefficiency and waste; nor will it result in a calm atmosphere conducive to a thorough evaluation and, in fact, the moratorium has charged the atmosphere with bitterness and distrust.

In my view, Mr. President, the moratorium cannot be justified. Evaluations can go forward and so can programs; it happens all the time, except in the case of the subsidized housing programs. Here, by some strange logic, the administration has reasoned that the goals of evaluating programs and maintaining their integrity are mutualy exclusive.

Mr. TAFT. Mr. President, I strongly support the Cranston amendments to H.R. 8825 and the amendment to House Joint Resolution 512 which mandates the end of the moratorium on federally assisted housing programs.

The present rate of inflation leaves no doubt whatsoever that the fiscal restraint must be a major consideration in all Government actions. Furthermore, it is indisputable that there are some real shortcomings with present housing programs which must be addressed. In addition, the moratorium was declared at a time when the private homebuilding industry was supplying the Nation's housing needs at record levels and there was a considerable volume of subsidized housing "in the pipeline."

Nevertheless, I have been opposed to the housing moratorium from its outset. The total cutoff action does not sufficiently deal with remaining housing needs and creates serious hardships in some cases. It may also be unconstitutional, if recent court decisions on related subjects are any indication.

In his March 4 address to the Nation, the President noted that the number of people in substandard housing has been cut by more than 50 percent since 1960. He went on to conclude that in the community life in America, "the hour of crisis has passed."

It is true that we have made great strides in housing during the past several years and that the rioting in our ghettos has ended. But these facts simply do not merit the conclusion that our urban problems have subsided to the point where we can drastically cut Federal housing assistance. There are still over 2 million urban Americans living in substandard housing. In far too many instances their dwellings are rat-infested, with faulty plumbing and wiring, broken steps and windows and inadequate heating.

The reasons for the moratorium were spelled out in the budget document in less than one-half a page. I have no doubt that some of the inequities and shortcomings pointed out there are real, at least to some extent. However, it is simply not acceptable to explain the practical termination of an act of Congress in a one-half page budget statement.

Furthermore, the alleged need to stop these programs so that a thorough reevaluation of housing policies can be conducted is extremely questionable. Program evaluation is, or should be, a continuing task of any administration. It is quite shortsighted to do virtually no evaluating until the programs are in trouble. In addition, there is certainly no need to stop the programs completely so that they can be evaluated.

My doubts about the desirability of a program suspension have been exacerbated as I have watched how it has worked. One of the most tragic aspects of it may be the unconscionable treatment of those people who did what the Government has been trying to encourage people to do for years. In many cases, those who invested their own time and money to improve the living conditions of more unfortunate citizens are being forced to write off as a loss any investment they have made. The Government has treated many of these people as if they deserve to be reprimanded rather than commended.

HUD has taken the position that it only has a legal and moral commitment to the project and sponsor if a feasibility letter was actually issued. This position ignores the necessity for spending considerable sums of money on land acquisition and architects' and attorneys' fees before even applying for a letter. Nevertheless, if an organization does not have a feasibility letter, the line all too often has been "tough luck, you should have known better"—even though the organization spent its money based upon the understanding that HUD would follow its normal project approval procedures.

For example, St. Paul's Lutheran Church in Cincinnati has expended tremendous effort over a 3-year period to initiate a section 236 project for which funding has now been suspended. An investment in land of $162,000 may be unrecoverable. The land, which already has been rezoned for the project, would almost certainly have to be rezoned again before it could be sold. If the project is not continued, the church's effort to help provide impoverished citizens with better housing are quite likely to result in its own bankruptcy.

Other tragic examples of bureaucratic insensitivity in connection with the moratorium abound. One of my constituents was to pick up his feasibility letter for Grandvista section 236 apartments on the day of the freeze, but he was told that the area director was out of town and the deputy director could not sign it. He had submitted all required documents by March 12, 1972. Because the area director happened to be out of town on January 5, however, he may lose his $45,000 investment.

I cannot believe that there is any public benefit to be derived from saddling private citizens and organizations who help to make the housing programs operative with tremendous financial losses, instead of allowing them to carry out their plans.

To make matters worse, the first major bill to come out of the review and evaluation period, the Better Communities Act, could hardly be called a major innovation or a substantial improvement over last year's legislation. It supposedly is the result of a great deal of consultation and consideration earlier this year, but its most striking characteristic is its general similarity to last year's administration bill. I doubt that the committee will adopt very many of its provisions.

Although some money has been released lately for the housing programs, I do not see any general movement toward more reasonable administration of the moratorium.

Perhaps it appears that the public and Congress have not reacted effectively to date. I do not know. I certainly have written letters for many individuals and it may appear to some that I have approached the moratorium on a case-work basis. But that is not the only interest or my overriding interest. Most importantly, many of my colleagues and I are not willing to stand by and watch plans for thousands of subsidized housing units, and the hopes of the people who could have taken advantage of them, be dashed without putting up a fight.

That is why I am going to vote for this bill.

When the Department of Housing and Urban Development was created, it served as concrete expression of the Government's commitment to reverse the rapid and hartbreaking disintegration of our urban areas. The department truly symbolized hope for our cities.

Now it appears to many that the agency is abandoning commitments faster than it is providing new assistance. Morale is exeremely low and the Subsidized Housing Division, which should be the heart of the agency, does not even have a Director or a staff that has any idea whether it will still be around in a few months. Until very recently there was not even a nominee for FHA Commissioner; rumor has it that no one would take the job.

Mr. President, my father was an author of the expression which has become so closely identified with our housing programs. His dream was "a decent home and a suitable living environment for every American family."

We have made great strides toward that goal, but it still escapes us. Now is not the time to stop pursuing it. As long as there are still Americans who are forced to live in dwellings that are unsafe, health hazards, or otherwise unsuitable, it is our responsibility to continue to strive for that goal in every responsible way.

Perhaps as a result of any rethinking which is inspired by the moratorium, we will find more efficient and effective ways of meeting that goal. I hope that we do so. Nevertheless, until we have a better way of doing so in its place, we must continue to accomplish as much as we can with the tools we already have.

That means ending the housing moratorium immediately.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, with the time to be taken out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, since we put in the quorum call, I have been informed by one Senator that he intends to ask for the yeas and nays, so I do not know whether we will accept the amendment now or not, and we will have to vote on it.

Mr. MATHIAS. Mr. President, I have no objection to the amendment. It is a program in which Congress has been very much interested, and in which there is a need. I think the language proposed can serve a useful purpose, and I shall be glad to support the amendment.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California (Mr. CRANSTON).

Mr. HELMS. Mr. President, I call for a division.

The PRESIDING OFFICER (Mr. CANNON). A division is called for.

On a division, the amendment was agreed to.

Mr. CRANSTON. Mr. President, I now turn to the veterans' medical care items of the pending measure.

The PRESIDING OFFICER. Who yields time to the Senator from California?

Mr. PROXMIRE. I yield 3 minutes to the Senator.

Mr. CRANSTON. At the outset, Mr. President, I want to express my appreciation to the Appropriations Committee and the subcommittee chairman, the Senator from Wisconsin (Mr. PROXMIRE), and the ranking minority member, the Senator from Maryland (Mr. MATHIAS), for having accepted during full committee markup four of the recommendations made by Senator HARTKE, chairman of the Committee on Veterans' Affairs, and I, as chairman of the Subcommittee on Health and Hospitals of that committee. These amendments were offered as amendments by our colleague, Senator BAYH. The total amount added was $12.66 million for the following:

First, $2,478,068 to activate closed wards, requiring 197 new staff, where patient demand has been shown;

Second, $2,160,000 to establish 10 and upgrade 4 existing alcohol dependence treatment units;

Third, $1,273,000 to establish 15 and upgrade 16 hospital-based home-care programs; and

Fourth, $6,800,000 to allow for inflation in the cost of maintaining the present level in medical and prosthetic research programs.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point charts showing as nearly as possible at which VA hospitals these added funds would be spent, as well as the detailed justification for each item contained in our narrative justification submitted to the Appropriations Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS FOR ADDITIONAL VA HOSPITAL AND MEDICAL CARE ITEMS INCLUDED IN H.R. 8825, AS REPORTED FROM SENATE APPROPRIATIONS COMMITTEE

I. MEDICAL CARE ITEM

1. Activate closed wards where demand demonstrated at following hospitals $2,478,068

(See chart inserted from detailed justification)

II. SPECIALIZED MEDICAL SERVICES

1. Establish 10 new and upgrade 4 existing alcohol dependence treatment units $2,160,000

10 new units to be established at:

West Haven, Conn.
White River Junction, Vt.
Manchester, N.H.
Memphis, Tenn.
Atlanta, Ga.
St. Cloud, Minn.
Denver, Colo.
Martinez, Calif.
Prescott, Ariz.
San Diego, Calif.

4 units to be upgraded at:

Chicago, Ill. (Hines)
Bedford, Mass.
Hampton, Va.
Fort Meade, S. Dak.

2. Establish 15 new and upgrade 16 existing hospital based home care programs $1,273,000

15 new programs to be established at:

Syracuse, N.Y.
Buffalo, N.Y.
East Orange, N.J.
Atlanta, Ga.
Dallas, Tex.
Richmond, Va.
Allen Park, Mich.
Cleveland, Ohio.
St. Louis, Mo.
Iowa City, Iowa.
Albuquerque, N. Mex.
Denver, Colo.
Portland, Oreg.
Seattle, Wash.
San Diego, Calif.

16 existing hospital-based home-care programs to be upgraded at:

Albany, N.Y.
Pittsburgh, Pa.
Miami, Fla.
New Orleans, La.
Hines, Chicago, Ill.
Long Beach, Calif.
Boston, Mass.
Philadelphia, Pa.
Washington, D.C.
Bay Pines, Fla.
Birmingham, Ala.
Houston, Tex.
Little Rock, Ark.
Minneapolis, Minn.
Phoenix, Ariz.
San Francisco, Calif.

III. MEDICAL AND PROSTHETIC RESEARCH ITEM

1. Funds recommended to meet the increase in cost due to inflation $6,840,000

These funds would be distributed among the following VA hospitals where there has been a demonstrated need for additional research support fully 60 percent higher than the amounts shown:

Projected spending

(In thousands of dollars)

Alabama:	
Birmingham	$107.42
Tuscaloosa	5.33
Tuskegee	6.15
Arkansas: Little Rock	90.61
Arizona:	
Phoenix	8.61
Prescott	1.23
Tuscon	36.90
California:	
Brentwood	61.91
Fresno	3.68
Livermore	6.56
Long Beach	118.90
Los Angeles	5.74
Martinez	22.55
Palo Alto	136.12
San Diego	176.80
San Francisco	181.72
Sepulveda	175.98
Wadsworth	234.52
Colorado:	
Denver	107.42
Grand Junction	.82
Connecticut:	
Newington	29.11
West Haven	115.21
Delaware: Wilmington	1.23
Florida:	
Bay Pines	19.27
Gainesville	70.11
Lake City	4.10
Miami	179.67
Tampa	131.20
Georgia:	
Atlanta	$41.00
Augusta	50.02
Illinois:	
Chicago	88.56
Danville	5.33
Downey	27.06
Hines	165.23
Indiana: Indianapolis	45.51
Iowa:	
Des Moines	6.15
Iowa City	102.91
Kansas:	
Leavenworth	4.51
Topeka	12.30
Wichita	1.23
Kentucky:	
Lexington	61.50
Louisville	25.00
Louisiana:	
New Orleans	59.45
Shreveport	16.40
Maine: Togus	10.25
Massachusetts:	
Bedford	27.47
Boston	160.51
Brockton	23.37
Northampton	6.15
West Roxbury	2.46
Maryland:	
Baltimore	25.01
Perry Point	136.12
Michigan:	
Allen Park	28.70
Ann Arbor	59.45
Minnesota:	
Minneapolis	224.27
St. Cloud	6.97
Mississippi:	
Biloxi	4.10
Jackson	30.75
Missouri:	
Columbia	71.75
Kansas City	88.56
St. Louis	113.16
New Jersey:	
East Orange	2.05
Lyons	25.01
Nebraska: Omaha	51.66
New Mexico: Albuquerque	36.90
New York:	
Albany	51.66
Bath	2.80
Bronx	119.26
Brooklyn	65.60
Buffalo	41.00
Canandaigua	1.23
Castle Point	2.05
Montrose	6.56
New York	82.41
New York (prosth. ctr.)	232.47
Northport	17.22
Syracuse	65.19
North Carolina:	
Durham	118.96
Oteen	16.40
Salisbury	2.05
North Dakota: Fargo	2.05
Ohio:	
Brecksville	6.56
Cincinnati	36.90
Cleveland	56.99
Dayton	5.33
Oklahoma:	
Muskogee	9.02
Oklahoma City	121.36
Oregon:	
Portland	28.70
Roseburg	1.23
Pennsylvania:	
Coatesville	19.27
Lebanon	1.23
Philadelphia	102.91
Pittsburgh	57.81
Puerto Rico: San Juan	24.60
South Carolina:	
Charleston	22.96
Columbia	6.15
South Dakota: Ft. Meade	1.23
Rhode Island: Providence	2.05

Projected spending—Continued

(In thousands of dollars)

Tennessee:	
Knoxville	$6.97
Memphis	68.06
Nashville	111.11
Texas:	
Dallas	129.97
Houston	141.61
San Antonio	176.80
Temple	10.25
Waco	1.64
Utah: Salt Lake City	109.06
West Virginia:	
Clarksburg	4.10
Huntington	3.69
Martinsburg	22.55
Wisconsin:	
Madison	72.16
Tomah	2.06
Wood	94.30
Washington:	
Seattle	109.01
Spokane	2.46
Wyoming: Sheridan	1.23
Vermont: White River Junction	1.23
Virginia:	
Hampton	2.05
Richmond	36.90
Salem	10.25
Washington, D.C.:	
Washington	198.03
Washington (VACO)	148.01

SUBMISSION TO APPROPRIATIONS SUBCOMMITTEE ON HUD-SPACE, SCIENCE-VETERANS AND CERTAIN INDEPENDENT AGENCIES NARRATIVE JUSTIFICATION FOR FY 1974 APPROPRIATION RECOMMENDATIONS BY SENATOR ALAN CRANSTON, CHAIRMAN OF THE VETERANS AFFAIRS SUBCOMMITTEE ON HEALTH AND HOSPITAL AND BY SENATOR VANCE HARTKE, CHAIRMAN OF THE COMMITTEE ON VETERANS AFFAIRS FOR VA HOSPITAL AND MEDICAL PROGRAM

I. ADDITIONAL FUNDING

A. Medical care item

* * * * *

2. ACTIVATION OF CLOSED AND NEEDED WARDS

Our recent oversight hearings also brought out that there are a number of wards in seven VA hospitals throughout the country which have been closed due to lack of staff to provide care to the patients. The closed wards amount to 278 needed beds denied to eligible veterans—the equivalent of an average sized VA hospital. We wish to stress that the full data provided by the VA showed 49½ closed wards at 32 hospitals, and those we are including in our recommendation are only those where the VA's own data confirms that there is a *demand* for services which is not being met.

Reactivation of these seven wards would mean that eligible veterans in these areas could receive needed treatment without delay. We recommend that $2,478,063 be added to enable the hiring of the 197 medical personnel needed to open these 278 beds in these seven wards.

Following is a listing of the locations of the hospitals, the number of beds in the wards, and the number of personnel needed to staff the wards adequately:

VA Hospital	*Beds*	*Personnel*
Lyons, N.J	51	42
Atlanta, Ga. (alcohol unit)	40	28
Columbia, S.C	38	27
Dalls, Tex	72	50
Miami, Fla	31	22
Topeka, Kans	27	28
Saginaw, Mich., (respiratory care units)	19	10
Total	278	197

* * * * *

7. SPECIALIZED MEDICAL SERVICES PROGRAM

Specialized medical services programs initiated in the Veterans Administration hospital system have been of tremendous value in providing highly specialized care to veterans suffering from serious illnesses. In fiscal year 1973, the number of these specialized units had grown to 1187, and the VA has made great advances in developing new treatment procedures to provide care to veterans in these units.

It is generally conceded that high quality care today is virtually impossible without such programs specializing in intensive care, coronary care, nuclear medicine, respiratory care, drug and alcohol treatment, mental hygiene, and speech pathology, for example.

In its budget submission to OMB, the VA had requested $39,101,000 for upgrading 139 existing units and establishing 121 new units. The OMB allowed only $2,328,000 for a very limited expansion of this much needed program area.

We have carefully analyzed those programs deleted by O.M.B. to ascertain those we believe hold promise of the most cost effective improvements in the most urgently needed care categories.

* * * * *

b. Alcohol Dependence Treatment Centers

The VA now operates and staffs the nation's largest single system for alcoholism rehabilitation. Alcohol abuse and related health problems represented 13 per cent of total VA hospital discharges for 1969. VA and DOD figures show that of the approximately 9.5 million veterans discharged since the Korean War, 235,000 now have, or had at time of discharge, an alcohol problem serious enough to require hospitalization. Further, the VA states that one in seven of their present patient load has a diagnosis or sub-diagnosis of alcoholism.

It is apparent that the veteran population is in no way spared the overall population's problems with what Special Assistant to the President Dr. Roger Egeberg called the nation's number one health problem—alcohol abuse. We must continue to provide the priority and care this problem deserves.

The average peak age of the alcohol abuser among veterans is 40–55. Recent projections by the VA show a continued high incidence of veterans with alcohol abuse problems through 1985. Therefore, we must be sure sufficient resources are made available to meet what will be, unfortunately, a continuing high demand for many years to come.

Hence, we urge *addition of the $2.16 million which O.M.B. deleted from the VA FY 1974 request for the establishment of 10 new and the upgrading of 4 existing Alcohol Dependence Treatment Centers.* As indicated in the Senate Report (No. 93–56) on S. 284, the Veterans' Drug and Alcohol Treatment and Rehabilitation Act of 1973 (pages 21–22), activation of these 10 centers and upgrading of the four was postponed until FY 1975. These facilities are needed now to continue the growth toward meeting the enormous unmet need for alcoholism treatment facilities as these veterans grow older and require hospitalization and rehabilitation.

c. Hospital-Based Home-Care Programs

The same services involved in the spinal cord injury home-care program are utilized to benefit other seriously ill and severely disabled veterans. A hemiplegic patient, for example, may need this same type of continued monitoring which can be provided effectively outside the hospital. Similarly, the blinded veteran needs re-orientation to adjust to his home and community.

These types of therapeutic and medical problems for severely disabled veterans can be anticipated and dealt with to some extent during hospitalization. But total reorientation to home and community can take place only when the patient is actually back in that milieu. In addition, many medical services can be more effectively provided in the very personalized and supportive environment of a loving family, rather than in an institution, no matter how adequately staffed. That is why these programs are so important and need to continue to expand.

Therefore, we are recommending that *$1.273 million, which O.M.B. cut from the VA budget request, be added to activate 15 new and upgrade 16 existing Hospital-based home-care programs.*

* * * * *

B. Research Item

The April oversight hearings also provided the Subcommittee with invaluable data on the importance of research to the care of veterans, and on the inadequacies of the proposed VA budget for FY 1974 in this regard.

1. MEETING INFLATION

Testimony was provided from eminent research figures—such as Dr. Michael De Bakey, President of Baylor Medical College—that, in general, just to maintain research at the same level at which it was conducted in fiscal year 1973, an increase of 8–10% would be essential to offset increased research costs just due to inflation.

The budget request when coupled with almost $5 million in unobligated fiscal year 1973 funds, provides for roughly a $2.6 million increase in funds available for research. This $2.6 million, the VA says, would cover the costs of 100 additional personnel and some initial research programs. But, this does not take into account increased costs due to inflation. In addition, the VA submitted to the Subcommittee a list of the research programs which had been approved by the central office and included in the original VA budget submission to OMB. These deleted research programs totaled $16.5 million to be spent at 124 hospitals.

We recommend that at least *$6.8 million be added to the medical and prosthetic research item budget request of $71 million in order to keep the VA research programs operating at the same level as fiscal year 1973.* This $6.8 million represents a 9% increase over the $76 million appropriated for fiscal year 1973.

Mr. CRANSTON. Mr. President, I do have one point I wish to make with respect to the amounts already accepted by the committee. This relates to the $6.8 million added for research. In our recommendations, we proposed addition of $1,535,500 to correct deficiencies in animal research facilities at eight VA hospitals which fail to meet minimal national standards for such facilities. I do wish to stress that the other 89 VA animal research facilities are in compliance, but there is no excuse for perpetuating substandard and inhumane conditions in any research program.

In order to permit each facility to come up to the minimum standards within a year or two would require the following sums at the following locations: Atlanta, Ga., $157,000; Chicago, Ill.—research hospital—$24,000; Long Beach, Calif., $200,000; Minneapolis, Minn., $187,000; Palo Alto, Calif., $80,200; Pittsburgh, Pa.—UD—$140,000; Salt Lake City, Utah, $15,300; and Tucson, Ariz., $250,000.

Mr. President, I would hope that the distinguished floor managers of the bill would agree with me that it is not necessary to increase the research appropriation item beyond the $6.84 million which the committee has already so responsibly added and that funds from that $6.84 million should be used to make the necessary corrections in the eight animal research facilities I have just outlined.

Is that point of view acceptable to the chairman of the subcommittee?

Mr. PROXMIRE. I say to the Senator that I would agree that the Bayh amendment, which was accepted by the Appropriations Committee, took care of the additional funds in the first area.

Unfortunately, however, we have not had, to the best of my knowledge, either testimony in the hearings or a record of any kind of mistreatment of animals. As the Senator knows, some years ago, we passed legislation, humane treatment legislation; and, frankly, I am not aware of the need for this particular proposal, for this amount of money.

It is difficult for the Senator to accept it for that purpose, although it sounds laudable, and all of us would deplore the mistreatment of animals.

Mr. CRANSTON. It was brought out in our hearings that there are substandard animal research practices at those installations, and the VA admits that.

Mr. PROXMIRE. Unfortunately, that information has not been brought before our committee in any way, shape, or form. I would hope that before we act on something involving millions of dollars, we would have some kind of record before the Appropriations Committee.

Mr. CRANSTON. Senator Hartke and I submitted to the subcommittee on Monday detailed documentation of this matter, and this material was inserted in the Record Wednesday.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HARTKE. I do not think this presents any problem. We just want assurances that additional funds are not needed to make sure they raise the standards in these laboratories which are substandard. There are eight in the United States which do not meet the standards.

Mr. PROXMIRE. As I understand, the Senator from California wants to modify the original amendment he intended to offer.

Mr. CRANSTON. I am offering no amendment. I am asking the Senator whether he thinks the problem can be dealt with through the use of the $6.8 million already in the bill. I am not proposing more money for this purpose.

Mr. HARTKE. What the Senator is saying is that if the chairman of the committee agrees with the general proposition that there is sufficient money in the bill, then the Senator from California is not asking for additional money. He just wants assurances that the animal laboratories which are not meeting the standards today can be brought up to standard under the money in the bill.

Mr. PROXMIRE. For the purpose of the legislative history, I have discussed this matter with the distinguished ranking minority member, and we can agree that action should be taken to correct these conditions. It is a laudable purpose. We will inquire if further language is required in the conference report before the bill becomes law.

Mr. CRANSTON. That is satisfactory.

Mr. HARTKE. That is fine.

Mr. CRANSTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> In title II, under the heading "MEDICAL CARE", strike out "$2,676,261,063, plus reimbursements" and insert in lieu thereof "$2,722,165,063, plus reimbursements, of which $45,360,000 is for the hiring of 3,000 additional health care personnel, for which the commensurate number of personnel positions shall be allocated, to support an unrestricted average daily patient census in Veterans Administration hospitals, and of which $544,000 if for the establishment of four and updating of two spinal cord injury home-care programs".

Mr. CRANSTON. Mr. President, I am offering this amendment and the next one for myself and Senators Hartke, Stafford, Randolph, Mondale, Humphrey, Javits, Tunney, Biden, Brock, and Hansen.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. TOWER. Does the Senator intend to get the yeas and nays?

Mr. CRANSTON. Mr. President, I ask for the yeas and the nays.

The yeas and nays were ordered.

Mr. President, this amendment is the first of two we will offer to insure the quality of VA hospital and medical care. Both amendments were included in detailed recommendations which Senator Hartke, chairman of the Committee on Veterans' Affairs, and I submitted earlier this week to the Appropriations Subcommittee. These recommendations appear at page S 12329 of the Record of June 28.

Our first amendment would increase the medical care item by $45,904,000 for two purposes: First, to provide funds for the hiring of 3,000 VA new health care staff in order to support an unrestricted VA hospital patient census—which is presently 82,500—rather than the arbitrary census of 80,000—imposed by OMB in the fiscal year 1974 budget; and, second, to provide funds to establish 4 and upgrade 2 spinal cord injury home-care programs.

The basic amount we propose to add—$45,360,000—is for staff to support the present patient census level. This is an absolutely vital purpose, for several reasons:

First, Vietnam era veterans are constituting a higher and higher proportion of VA patients.

During fiscal year 1972, Vietnam era veterans constituted 15.9 percent of all veterans discharged from VA hospitals, as compared to 13.2 percent in fiscal year 1971 and 9.9 percent in fiscal year 1970.

The same pattern exists with respect to outpatient visits. In fiscal year 1972, Vietnam era veterans accounted for 17.8 percent of all VA—staff and fee—outpatient visits, as compared to 14.9 percent and 10.8 percent in fiscal years 1971 and 1970, respectively.

Mr. President, of particular significance, it seems to me, is that Vietnam era veterans constituted 26.2 percent of all veterans discharged from VA hospitals in fiscal year 1972 after treatment for service-connected disabilities.

Although these trends toward greater care of Vietnam era veterans by the VA hospital and medical program will not continue indefinitely at the same upward pace, I am aware of no indication that they will not continue upward over the next several years.

Thus, this is the time of the very greatest demands on the VA system by our most recent and, as our hearings have illustrated only too plainly, our most seriously disabled veterans.

Second, Mr. President, the administration seems set upon a policy—hatched by OMB and HEW—to do in the VA medical program by severely retrenching the VA hospital system and selling, or transferring to local communities, many of the VA hospital properties and facilities. My statement in the Record Thursday cited the recommendations approved by HEW Secretary, and former OMB Director Weinberger on April 23, as follows:

D. VETERANS' ADMINISTRATION (VA) MEDICAL PROGRAMS

> The VA operates its own system of 169 hospitals and other facilities. VA outlays for medical programs are budgeted at $2.4 billion [*sic*] in 1974. [Actually, it was 2.65 billion] VA patients fall into two categories: (1) veterans with service-connected disability and (2) low income veterans without service-connected disabilities, who receive services on a space available basis. Some 64% of hospitalized VA patients fall in the second category. When NHI becomes a reality, particularly if universal entitlement is achieved a strong argument can be made for restricting special VA medical programs to veterans with service-connected disabilities, since other veterans would be covered under general programs. The estimated budget savings of such a change would be over $1 billion annually.
>
> In addition, those who do have service-connected disabilities could be covered under VA-issue health insurance programs rather than be eligible for treatment only in VA facilities. VA hospital properties could be sold to the private sector, transferred to local communities, or used for other governmental purposes.

Mr. President, I trust that my colleagues in the Senate and on the Committee on Appropriations will want to provide a resounding answer to this VA death sentence apparently about to be imposed by the administration.

Third, there is tangible evidence that this strategy is already being carried out by the administration in its arbitrary direction, supported by no factual data, to reduce the present patient census by 2,500 in fiscal year 1974. This would be the equivalent of closing eight 300-bed VA hospitals and would deny care to more than 30,000 eligible disabled veterans needing it.

In fact, Mr. President, all the available data shows a continuing patient demand rather than any decline.

Figures provided by the Veterans' Administration itself show that the patient census for fiscal year 1973 has been consistently between 1,000 and 2,000 higher each month than the census for the comparable month in the previous year. For example, the estimated monthly census during May 1973, was 82,493, as compared to 81,305 for May a year ago.

In fiscal year 1971, Mr. President, as you will recall, OMB ordered a reduction in the census of over 5,000 which resulted in the total patient census falling to 79,865 by the end of that fiscal year. Since then, due to strong congressional protest that this figure should be based on medical need rather than budgetary considerations, and mandates of minimum levels in the fiscal year 1972 and 1973 appropriations acts, the average census has been rising steadily, reflecting a figure more nearly approximating the actual hospital care needs of veterans.

On March 6, this year, the Senate passed S. 59 by an 86 to 2 vote. The Veterans' Health Care Expansion Act of 1973 directed that a census be maintained at a level of no less than 82,000 for any fiscal year, and that individual station allowances be premised on a census of 85,500. This step was taken by the Senate as a response to the further proposed arbitrary reduction from 82,000 to 80,000 directed by OMB in the fiscal year 1974 budget.

The census figures for fiscal year 1973 indicate that the annual average census will be about 82,500—somewhat in excess of the minimum figure in the Senate-passed bill and, given the documented cases of veterans needing hospital care who have been turned away by VA facilities, the figure should actually be higher.

Fifth, Mr. President, the Senate Veterans' Affairs Committee and the House Veterans' Affairs Committee, with the assistance of the national veterans organizations, have been compiling data on the many cases brought to their attention where veterans have been denied admission to VA medical facilities and have been forced to seek and have received needed care in the community. This data involves hundreds of cases.

The House Veterans' Affairs Committee has analyzed a 2-week survey of several thousand veterans who applied to VA medical facilities for treatment of a variety of medical problems. While a majority expressed either general or limited satisfaction with their treatment, hundreds expressed either minor or major dissatisfaction with some phase of their treatment episode. For instance: First, many complained of denial of hospitalization either because of apparent incomplete examination or artificial admission guidelines based on numerical, rather than medical considerations; second, others cited overcrowded and understaffed admission facilities often contributing to inordinate decision delays in the admitting or treatment process, third, there was considerable dissatisfaction with the medical and personal demeanor of many employees, largely attributable to understaffing and overcrowding; and fourth, there was apparently less than satisfactory attention paid to patients by VA medical staff members.

Mr. President, on June 28, I inserted into the RECORD a most shocking list of case histories, submitted by the Veterans of Foreign Wars, of 15 veterans who applied for VA hospitalization and were rejected and subsequently had to receive private medical care for the condition for which they were seeking VA hospitalization. It is extremely shocking to note that in 8 of these 715 cases the veteran died shortly after having been rejected by the VA hospital to which he had applied.

Also included in our amendment, Mr. President, is a very modest sum, $544,000, to help spinal cord injured veterans.

Admissions to VA spinal cord injury centers increased 11 percent in the last fiscal year. The funds we propose to add would be to initiate home-care programs for spinal cord injured veterans at four VA hospitals: Chicago, Ill.—Hines; Memphis, Tenn.; West Roxbury, Mass.; and Cleveland, Ohio; and to upgrade the existing programs at Castle Point and Bronx, N.Y.

Mr. President, the general oversight of VA programs conducted by the Subcommittee on Health and Hospitals has shown that the four VA programs now providing hospital-based home-care services for the spinal cord injured have proved highly effective in easing and speeding the readjustment of these paralyzed veterans to life in the community. The program consists of periodic visits to the recently hospital-discharged veteran in his home by a coordinated team of physician, nurse, therapist, nursing assistant, psychologists, and social worker. Working together in helping the veteran adjust to his home and community, as well as working with the family so they may provide the necessary support to the veteran, these multidisciplinary teams have facilitated the transition of the spinal cord injured veteran from hospital patient to member of the community.

We believe that the success achieved at the four VA hospitals currently providing this service—Long Beach, Calif.; Richmond, Va.; and Bronx and Castle Point, N.Y.—should be repeated at additional locations.

These, then, Mr. President, are the purposes of the amendment we are now offering to ensure quality health care for our Nation's disabled veterans.

Mr. President, I reecived yesterday an excellent telegram from the national commander in chief of the Veterans' of Foreign Wars, which has fought every VA medical care battle at our side. The telegram was also sent to other Senators, and reads as follows:

> Veterans of Foreign Wars deeply disturbed at continuing cuts in VA hospital care for veterans. VA budget recommendations are inadequate to meet the rising demand for hospital care by returning Vietnam veterans and older veterans with catastrophic disabilities.
>
> V.F.W. supports amendment to be offered to HUD-Veterans Appropriation Bill (H.R. 8825) which will add $45 million to VA hospital care appropriation. This additional money is a barebone's minimum to assure that all veterans who are entitled will receive VA medical care during this coming fiscal year.
>
> Your approval of this amendment, together with approval of the overall VA appropriation for 1974, as approved by the House, will be deeply appreciated by more than 1.8 million members of the Veterans' of Foreign Wars of the U.S.
>
> PATRICK E. CARR,
> *National Commander-in-Chief, Veterans of Foreign Wars of the U.S.*

In closing, Mr. President, I do wish to point out that we are not seeking all of the medical care funds we requested from the subcommittee and what we believe are very much justifiable—having dropped eight items totalling about $22 million from our medical care item recommendations.

Mr. RANDOLPH. Mr. President, will Senator yield?

Mr. CRANSTON. I yield.

Mr. RANDOLPH. Mr. President, I would like to make this inquiry of the able Senator from California (Mr. CRANSTON). This specific amendment costs how much money?

Mr. CRANSTON. $46 million.

Mr. RANDOLPH. And all the amendments actually total a little over $56 million. Is that correct?

Mr. CRANSTON. The Senator is correct.

Mr. RANDOLPH. I commend the Senator from California for bringing these issues before the Senate. It is further evidence of his deep concern and effective efforts in this vital area. The Senator's diligent work and leadership has brought significant benefits to aid veterans of this Nation. To me these are very modest amounts in the amendments. The total is a very modest amount to bring a better health care program for veterans who fought for the United States, regardless of the conflict in which they were engaged. Also, there will be an improvement to VA facilities. That is the thrust of this and the other amendments. We will be able to bring to our deserving veterans better opportunity to return to normal life. Is that correct?

Mr. CRANSTON. That is absolutely correct. I believe it is essential that we meet these needs of wounded, paralyzed, and disabled veterans, so many of them recently returned from Vietnam.

Mr. RANDOLPH. We need to make an assessment constantly to insure that we are keeping pace with the needs of veterans—those of the recent conflict and those who are becoming older—to provide needed attention in a greater degree. Is that true?

Mr. CRANSTON. We most certainly do, and as a very hard-working and well-informed member of the Subcommittee on Health and Hospitals, the Senator from West Virginia has been a great ally in all our efforts and a tireless champion of compassion and justice for our Nation's veterans.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. CRANSTON. Mr. President, I am delighted to yield to the chairman of the full Committee on Veterans' Affairs, the Senator from Indiana (Mr. HARTKE).

Mr. HARTKE. Mr. President, I congratulate the Senator from California and all the members of the subcommittee for the excellent work they have done in this field. They have been diligent in bringing to the attention not only of the Senate but of the country the need to upgrade medical care and fill in some of the deficiencies.

We recognize that the Veterans' Administration operates under a disadvantage, that is, that the Office of Management and Budget operates a cold operation, when they should be warmhearted toward our veterans.

I congratulate the Senator for offering the amendment which I have joined in sponsoring.

Mr. President, as chairman of the Committee on Veterans' Affairs, I am privileged to rise in support of the amendments which I have cosponsored to strengthen the medical care programs of the Veterans' Administration. At the onset, I wish to thank the members of the Appropriations Committee, especially the subcommittee chairman (Mr. PROXMIRE) for the consideration of the recommendations which I joined in submitting to them. I am pleased that during the short period of time they had to consider the bill and these recommendations they adopted several of them totaling approximately $12,000,000. While I am pleased, I believe additional amounts, totaling approximately $56,000,000 which are primarily for increased medical care staffing and the air conditioning of certain hospitals, are equally essential.

I will not dwell at length on these recommendations. The detailed justifications for them were inserted in the RECORD yesterday by the distinguished chairman of the Subcommittee on Health and Hospitals (Mr. CRANSTON). Senator CRANSTON, as chairman of this subcommittee, has done an outstanding job in closely monitoring the needs of the Veterans' Administration medical programs. His oversight hearings, in this and past years, are evidence of his continuing dedication to get the facts and see that our veterans are not shortchanged when it comes to medical care. I am convinced that the amendments being offered are fiscally prudent and the very minimum that we could recommend without jeopardizing the health care of the patients in Veterans' Administration hospitals.

Specifically, the amendment to the medical care item which provides $45,360,000 for an additional 3,000 patient care staff will provide the Veterans' Administration the ability to treat in an appropriate way the present patient load. The Veterans' Administration has reported that its patient census as of June 6, 1973, was 82,556 patients. This is a flexible and ever changing figure, I realize, but indicates the level of veteran patients presently being treated. It is my strong feeling that we must base the number of staff available upon the number of patients being treated. Certainly should this level decrease, I would not expect the Veterans' Administration to hire more personnel than required to treat the average daily patient census load at an appropriate staff to patient ratio. There should be no misunderstanding among my colleagues that it is my firm conviction that patient loads should be based on professional medical judgment as to those who should be served and not on any artificial numbers or restraints.

It is my belief that this 82,556 is a realistic average daily patient census; more realistic than that which was submitted by the Administration. I would point out however, Mr. President, that due to present staffing ratio level deficiencies in the Veterans' Administration hospitals, these staff positions could fill the real need of raising that ratio to a more appropriate and efficient level even if the census should decrease. This is what this amendment would achieve.

Further, Mr. President, the inclusion of the $544,000 to provide four new units of spinal cord injury home care is essential. The six programs now ongoing have provided invaluable assistance to veteran patients with a most catastrophic disability. Veterans' Administration testimony indicates that the special multidisciplined teams which aid these veterans in the readjustment and reorientation in the home and community, give valuable advice, training, and counsel to the veterans' family, friends, and loved ones. The success of the six programs now in place clearly indicates a rationale for beginning new programs at four other stations all of which have specialized spinal cord injury centers.

Mr. President, I am alarmed at the Office of Management and Budget's total insensitivity to the need to continue to fund projects for air-conditioning in the eight Veterans' Administration hospitals that the Veterans' Administration had scheduled for fiscal year 1974. This to me is the most gross example of the lack of empathy by the faceless bureaucrats in the Office of Management and Budget to the plight of the sick and dying veterans in the Veterans' Administration hospital system. Patient and staff both suffer in this sweatshop atmosphere. This is unconscionable. The Veterans' Administration has made some progress in this area in past years. Its own statistics show that at least 30 hospitals are still in need of air-conditioning. It is thoughtless not to allow this progress to continue, until such time as all these hospitals have this basic necessity which all of us take so much for granted. I do not think that $10,138,000 is a great deal to ask to continue this vital construction since it fulfills such a very basic and humane purpose.

Mr. President, I want to insert in the RECORD at this point the July average maximum temperatures at the eight Veterans' Administration hospitals currently without air-conditioning which would be affected by this amendment:

Gulfport, Miss., 89.3; Wichita, Kans., 92.4; Poplar Bluff, Mo., 91.9; Huntington, W. Va., 86.0; Kerrville, Tex., 93.6; Salisbury, N.C., 90.8; Waco, Tex., 96.0; and San Juan, Puerto Rico, 87.1.

Mr. President, I also ask unanimous consent to insert in the RECORD, at this point, a telegram from the American Legion evidencing their strong support for the amendment proposed today.

Their being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNE 29, 1973.

Hon. VANCE HARTKE,
Chairman, Senate Committee on Veterans' Affairs, Russell Senate Office Building, Washington, D.C.:

The American Legion strongly supports your proposed amendments to H.R. 8825 to increase funds for the Veterans' Administration's medical and hospital program by some $103.6 million.

Your consideration of sponsoring an amendment to restore the $15 million cut from the House passed measure by Senate Appropriations Committee for VA general operating expenses will also be appreciated. These funds are desperately needed if VA is to maintain reasonably current levels in its adjudicatory activities and other services to disabled veterans and their dependents.

HERALD E. STRINGER,
Director, National Legislative Commission.

Mr. HARTKE. In consideration of these amendments, I know the members of the Appropriation Committee, as well as every Member of the Senate, are aware of budgetary constraints. As such, I think it worthwhile to make a few observations to place these concerns in perspective.

First, the amendments proposed today are modest in scope and would only increase the medical budget by about 2 percent and represent less than half a percent increase in the total Veterans' Administration budget.

In this connection, I should also point out that the Veterans' Administration requested $173,000,000 more for medical care for this fiscal year than the Office of Management and Budget allowed it to submit to Congress. Further, the Veterans' Administration's own doctors have estimated that $240,000,000 more than the amounts actually submitted by the Veterans' Administration would be needed. I believe these figures illustrate not only the modest nature of the $56,000,000 amendments proposed today, but also that the sums which we are urging should be added to the Veterans' Administration budget more closely approximates the real need of the Veterans' Administration hospital system as opposed to those arbitrary limits allowed by the Office of Management and Budget.

Second, contrary to mythology spread by some, the Veterans' Administration's appropriations have not been, and are not now, a major factor in the budgetary problems that face us today. I wish to emphasize that a smaller percentage of the Federal tax dollar will be spent on veterans in this coming year than was spent 10 years ago in 1963, although some 6 million Vietnam era veterans have since joined our country's population. The increasing need of these young men for medical care is reflected in the growing percentage of Vietnam era veterans who were discharged from the Veterans' Administration hospital in recent years—9.9 percent in fiscal year 1970, 13.2 percent in fiscal year 1971, and 15.9 percent in fiscal year 1972. Of even greater importance is the fact that Vietnam era veterans constituted 26.6 percent of all veterans treated for service-connected disabilities in the fiscal year 1972. Yet despite this increased need, the Veterans' Administration budget is a smaller percentage of the Federal tax dollar than it was 10 years ago.

So much then for the myths concerning the Veterans' Administration budget. If cuts must be made, they must be made elsewhere.

The final and most important point concerning the budget, however, is the simple fact that I believe we have no higher priority than to fulfill the obligation we owe to those who served our country. This is a priority which I will not compromise. Further, I believe that each of my colleagues in the Senate agrees with this principle. Just the other day, for example, in the consideration of the debt ceiling bill, the Senate reaffirmed its commitment to our Nation's veterans by explicitly adopting provisions exempting veterans benefits and services from any pro rata impoundments. The Senate has spoken again and again as to the priority it assigns to veterans, and I urge my colleagues to reaffirm their commitment by voting for these needed funds in the veterans medical program.

Mr. CRANSTON. Mr. President, I thank the Senator. The Senator's leadership as chairman of the full Committee on Veterans' Affairs has been indispensable to the subcommittee's activities in obtaining the information and facts to enable us to marshall so strong a case.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. DOLE. I appreciate the comments of the distinguished Senator from California and ask that I may be a cosponsor of both the first and second amendments. I know the second pertains to one of the hotter places in Kansas City, the VA hospital there.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I am delighted to have the Senator as a cosponsor.

Mr. DOLE. I am interested in the money set aside, a relatively minor amount, for improving the spinal cord injury home care programs. As I understand it, a certain portion of the total amount would be set aside for four of these home care spinal cord injury programs.

Mr. CRANSTON. $544,000 is for that purpose.

Mr. DOLE. I thank the Senator.

Mr. CRANSTON. I thank the Senator for his support, which means a great deal.

Mr. PROXMIRE. Mr. President, we are now $460 million over the budget. This is an amendment that, of course, has great appeal. The Senator from California makes a powerful argument for it. The difficulty is that it is a little unfair to the subcommittee, it seems to me. We had a day of testimony for outside witnesses, and there was no testimony on this item. We had a day for outside witnesses for the Space Shuttle. The Senator from California made an excellent case for it. I suppose that is one reason why, over the objections of the chairman of the subcommittee, the Space Shuttle was approved.

I think we ought to recognize that in this particular item even before we consider the millions the Senator would add, we are $20 million over the budget and $6 million over the House figure. With the Cranston amendment we would go another $46 million above.

We provide in the bill, and the House has already provided—it will not go into conference—an addition of over 1,000 nurses. The thrust of this measure is to provide $45 million to provide for additional medical care personnel.

In view of the fact that we are already providing these funds for nurses, and are going well over the budget under those circumstances, in view of the fact that there has been no testimony made available to the committee which we could check with the Veterans' Administration and determine what all the facts are and what the justification is for it, I would have no option except to resist an amendment which I am sure has substantial appeal.

Mr. MATHIAS. Mr. President, the Senator from California makes a very appealing case. I agree with him that with the rising veteran population, with the kind of serious cases who, very frankly, would not have survived on the battlefield in earlier wars, but who, because of the remarkably efficient care that was available in Vietnam, did survive, did come home, but are hopelessly and hideously crippled, we have some special problems in the Veterans' Administration's medical care program that need to be addressed by the Congress.

There is another side which is just as vital to the health of veterans and to the future of veterans, and that, of course, is the ability of the Veterans' Administration, and beyond the Veterans' Administration, the ability of the country itself, to do the kind of job we need to do for them.

If we apply the inflationary factor to the Veterans' Administration budget, it is perfectly clear that we are providing, even if we appropriate precisely the same dollar amount of money—about $150 million less—as a rough estimate—in buying power than we appropriated with the same dollar value the year before.

If we give them the same budget, the same appropriation, year after year, we can figure pretty confidently that, under existing conditions, they are going to lose 5 percent of the buying power we sought to give them, on the average.

Our concern with the veterans is also to consider the ability of our economy to provide for them the very highest standards of care, which we hope to do.

The subcommittee did increase the amount of medical care which is available to the Veterans' Administration programs by an amount of $20 million. This is a very substantial increase, one that I supported, and supported enthusiastically. I hope that this will improve the quality of care that the veterans receive.

I believe, however, that the full amount of the amendment that the Senator has provided may not be necessary. I am wondering—and I address my question to the Senator from California—whether the Senator feels that there is any adjustment that could be made in the amount he has proposed, by way of amendment.

Mr. CRANSTON. Yes, there is a way that I think we can reach an agreement. The effect of it would be to reduce what we are asking to about $30 million for additional staff and retain $544,000 for the spinal cord injury home-care programs. This would be done by striking out the figure which appears on the third line of the amendment: "2,722,165,063" and inserting in lieu thereof "2,706,805,063".

I would be willing to modify my amendment in that way provided it is clearly understood that the manager of the bill and the co-manager, representing the minority, will strongly support this figure in conference. I think it is very evident that there is overwhelming support for the amendment as offered. If we can modify the amendment on the floor, in a way to secure unanimous bipartisan support and, at the same time, insure that we do justice to our disabled veterans' need for quality health care, which is the inescapable cost of the war, then I am agreeable.

In the interest of moving the legislation and having the full support of the committee, I will agree to modify my amendment.

Mr. PROXMIRE. I appreciate that very much. It does make it possible for us to fight for a more realistic figure in conference. I assure the Senator from California that we will do exactly that. I am not going to give up trying to get, first, what is provided in the Senate bill—when there is a difference with the House. The Senator is making a very strong case, and in the intervening time between now and the conference, I am sure we can get additional documentary evidence which will enable us to make a stronger fight in the conference.

We have had a chance to review the Senator's second amendment with respect to air-conditioning. I think it would be a service to our colleagues if we could vacate the order for the yeas and nays and modify the Cranston amendment and accept both the first and second amendment as offered in this respect.

Mr. CRANSTON. Mr. President, that is a perfectly satisfactory solution. I deeply appreciate the statement by the manager of the bill and his cooperation.

Once again, I thank the Senator from West Virginia (Mr. ROBERT C. BYRD) for his strong support of these needed programs.

Mr. MATHIAS. Mr. President, I join with the manager of the bill, the Senator from Wisconsin, in saying that I will support as strongly as possible the agreement which has been reached. I think it is practical, and I think that when added to the $20 million which the Senate itself had, it makes a very substantial contribution to the purpose we all share, which is veterans care, the Veterans' Administration, and the veterans medical system.

I think that the Senator had made a very useful contribution here.

Mr. CRANSTON. Mr. President, I ask unanimous consent that I may modify the pending amendment by striking in line 3 the figure "$2,722,165,063" and inserting in lieu thereof "$2,706,805,063."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the name of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment, as modified, of the Senator from California (putting the question).

The amendment, as modified, was agreed to.

Mr. CRANSTON. Mr. President, I send to the desk amendments which I ask unanimous consent to have considered en bloc.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

In title II, under "CONSTRUCTION, MAJOR PROJECTS", strike out "$61,299,000" and insert in lieu thereof "$70,435,000" each time it appears, and insert the following list on page 19 after "Total, improvements to outpatient clincs":

"Airconditioning projects:

"Gulfport, Mississippi	$81,000
"Huntington, West Virginia	1,388,000
"Kerrville, Texas	985,000
"Poplar Bluff, Missouri	1,007,000
"Salisbury, North Carolina	5,575,000
"Wichita, Kansas	100,000
"Total, airconditioning projects	9,136,000"

In title II, under the heading "CONSTRUCTION, MINOR PROJECTS", strike out "$38,701,000" and insert in lieu thereof "$39,703,000, of which $1,002,000 is for air conditioning projects as approved for two Veterans Administration hospitals", and at the end of such item before the period, insert a colon and "*Provided further*, That funds appropriated in this or any other Act shall not be used in connection with the expense of air conditioning or cooling any building to which the employees of the Office of Management and Budget or of the Executive Office of the President are assigned until such time as the $1,002,000 included in this item and the $9,136,000 included in this Act under the heading 'CONSTRUCTION, MAJOR PROJECTS' for air conditioning projects are made available for obligation in full".

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and the amendments will be considered en bloc.

Mr. CRANSTON. I am delighted with the "warm" reception for this very "cool" amendment and to be joined by the same 12 cosponsors who cosponsored my last amendment: Senators HARTKE, STAFFORD, RANDOLPH, MONDALE, HUMPHREY, JAVITS, TUNNEY, BIDEN, HANSEN, BROCK, BYRD of West Virginia, and DOLE.

Mr. President, these amendments together would add to the VA construction item $10,138,000 to carry out air-conditioning projects at eight VA hospitals which were scheduled by the VA but cut out by OMB.

Although the VA has between 30 and 35 hospitals—VA data appears unclear as to the precise number—that have been determined to be in need of air-conditioning, the fiscal year 1974 construction budget contains no funds to be able to continue the significant progress made over the past several years—under congressional prodding—to reduce this "swelter gap." This is because OMB cut out $10,138,000 for eight projects for fiscal year 1974 in some of the hottest areas of the country.

These hospitals with the following average maximum July temperatures are at: Popular Bluff, Mo., 91.9; Huntington, W. Va., 86; Kerrville, Tex., 93.6; Waco, Tex., 96; Salisbury, N.C., 90.8; Gulfport, Miss., 89.3; Wichita, Kans., 92.4; and San Juan, P.R., 87.1. The projects at Waco, and San Juan, are less than $1,000,000 and hence are included under the minor construction item. The average maximum July temperature and average July humidity for all these eight places is 89.6° and 61.4 percent, respectively.

Mr. President, since we find OMB's action in this particular instance lacking even a scintilla of justification and especially inhumane, our amendment is designed to administer to OMB a taste of its own prescription for ill veterans. Until OMB releases the funds we propose to add for these eight air conditioning projects, our amendment would turn off the air conditioning at OMB.

If wounded and disabled veterans are going to swelter, let OMB try a little of the same.

Mr. President, I ask unanimous consent to add the name of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) to the list of cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. DOLE. Mr. President, I am particularly interested in the air-conditioning at the Wichita, Kans., veteran facilities. The responses I have had from the Veterans' Administration in the last several years have not been satisfactory.

I know that my senior colleague from Kansas has worked for the same project.

I think that it might be a good suggestion to turn off the air-conditioning in the VA here and even ours if necessary. I believe that the places mentioned deserve immediate action and immediate consideration.

Mr. CRANSTON. Mr. President, I thank the Senator very much. Let us say that I do not propose to cut off the air-conditioning in the Veterans' Administration, because they proposed that these facilities be air-conditioned. They know how desperately it is needed. However, the Office of Management and Budget does not know the facts and does not know the need of these veterans—or it does not care. Therefore, I suggest that if they are willing to let these sick and wounded veterans swelter, we should let them know how it feels when one is healthy in such circumstances, let alone unhealthy.

Mr. PROXMIRE. Mr. President, the Senator from California has made a convincing case for this amendment. We discussed it before with the understanding that when we take the amendments to conference I certainly intend to do all I can in conference to persuade the House conferees to accept the amendments. As the Senators have pointed out, if the Senate and the House can live in comfortable quarters with air-conditioning, we should certainly provide as well for the veterans who are sick, and sometimes at the point of death, this minimum comfort so commonplace in our modern civilized society.

I accept the amendments. However, we must point out that another $9 million has been added to the budget because of this, and it will be a burden for us to carry into conference.

Mr. MATHIAS. Mr. President, I think the Senator from California has done a service in bringing this information to the Senate. I have had some personal experience. I visited military hospitals where there was no air conditioning facilities. I have seen the kind of conditions that creates for patients, particularly those who were wounded in Vietnam and have resulting injuries to their spinal columns, and are sometimes unable to move themselves and suffer intense discomfort because of the heat.

I tried to make a personal crusade in individual cases. Bethesda Naval Hospital was one instance.

This measure addresses something that the officials of the VA hospitals understand. Therefore, I can and will support the amendment.

Mr. CRANSTON. Mr. President, I thank the Senators who are handling the bill. I want to express my gratitude for the strong support they have extended in this matter.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments en bloc of the Senator from California (putting the question).

The amendments were agreed to en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CRANSTON. Mr. President, I do not have any further amendments, but I do have a bit of legislative history I wish to go through.

Mr. President, in our recommendations to the appropriations subcommittee, we set forth a number of areas which we believed needed to be addressed by the committee in its report.

The PRESIDING OFFICER. Will the Senator suspend? Who yields time?

Mr. PROXMIRE. Mr. President, I yield the Senator from California such time as he may require on the bill.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the summary of those recommendations and the detailed narrative regarding them be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of Recommendations

PROPOSED REPORT LANGUAGE

A. Medical care item

1. A discussion of the ADPC history and the need for the Office of Management and Budget to refrain from arbitrary reducing it in the face of a demonstrated demand for hospital care. (See pages 22–24 of House Report No. 93-296 under "MEDICAL CARE.")

2. An expression of the Committee's understanding with respect to the non-absorption of the January 1, 1973 pay raise by the Veteran's Administration from existing appropriation items (Medical Care, MAMOE, Construction, and Research).

3. A direction to O.M.B. to provide the VA with all necessary personnel ceiling positions to permit addition of the staffing required to implement funding recommendations.

4. Acknowledgement that the Committee will consider at the time of the First Supplemental Appropriation bill the need for additional Medical Care funding to carry out the new statutory authorities to be added with enactment of S. 59—annual estimate $103.85 million.

B. Medical and prosthetic research

(None).

C. Construction of hospital and domiciliary facilities

1. Incorporation of language to ensure that there will be no takeover by the VA of the St. Albans Naval Hospital in lieu of construction of a new Bronx VA Hospital at the present site until appropriate demographic and transportation studies have been completed and submitted to the apporiate Congressional committees.

2. Incorporation of language to require the VA to submit a detailed demographic study prior to the approval of the reduction of 100 beds proposed in the budget with respect to the new Loma Linda Hospital (California) and of the reduction of the overall hospital cost by $7.4 million as suggested by the Administration proposal.

3. Incorporation of language to indicate that the Committee fully understands that the piece-meal funding of construction projects is not a true estimate of the total cost and that in approving any such funding the Committee in no way approves a slow down in implementation of approved projects; rather it expects that all projects begun will be completed as scheduled and that all appropriate funds to accomplish that result will be made available in subsequent budget requests for subsequent fiscal years.

Detailed Justification

PROPOSED REPORT LANGUAGE

A. Medical care

1. Hospital Census Situation

We have covered this matter in our discussion of item A. 1., above.

2. Personnel Ceiling for Funded Staffing Additions

Under items A. 1. and A. 2. above, we have stressed the importance of directing that personnel position ceilings be provided by O.M.B. in connection with the addition of any funds provided for in staffing. This applies to virtually every one of our recommendations.

3. Pay Raise Cost

We continue to be concerned by the omission in the Veterans Administration budget of a request to cover the costs of the pay raise which went into effect in January of 1973. The cost of this pay raise in fiscal year 1973 for the Medical Care appropriation is $35,790,000 and for fiscal year 1974 will be $75,198,000.

The OMB has imposed very rigid employment ceilings, as well as a reduction in the average grade level. These arbitrary controls already have restricted the VA's ability to provide adequate care to eligible veterans. With the increased emphasis on outpatient care "to obviate" the need for hospitalization where feasible, a move we have long urged, as proposed in S. 59, we have grave concerns lest sufficient leeway not be provided to support the increased staff to enable VA outpatient services to expand their programs, particularly if any part of the $76.37 million pay raise cost (including $1.17 million for Research salaries) is squeezed out of the VA's FY 1974 appropriations rather than fully provided for in a supplemental appropriation bill.

We wish to stress that this is the position which VA officials took during the Subcommittee on Health and Hospitals oversight hearings on April 18, 1973. They testified that the pay increase of January, 1973, in connection with the hospital and medical items would not have to be absorbed under the present budget request, but would be taken care of by transfer of sums from unearmarked funds contained for this purpose in the President's FY 1974 budget.

The history of recent pay raises, however, has been to the contrary. When such pay raises were granted in the past, funds specifically earmarked for *additional* staffing were used to pay for the pay raise. This occurred in both FY 1972 and 1973 with respect to $45,790,000 and $42,270,000, respectively, the full costs of the pay raises in those years. This resulted in a lessening of the VA's capability to provide quality care. We believe this should not happen again.

We thus believe it is imperative that this Committee make it very clear that *the January 1973, pay increase, and any further pay raise which may take place in FY 1974, will not be absorbed from any other VA hospital and medical budget item, nor provided for by transfer of vital medical care funds or any other budget category funds within the VA requested appropriation.*

4. Costs To Implement Senate-Passed S. 59

We would also like to bring to your attention the likelihood that S. 59, the Veterans Health Care Expansion Act of 1973, which passed the Senate on March 6, will become law in July. Final negotiations are underway to avoid a second veto of this vital legislation, and House Committee action is scheduled for this week.

This Act will improve the ability of the Veterans Administration to deliver quality medical care to its beneficiaries by removing certain legislative restrictions on the scope of treatment, particularly for ambulatory and nursing home care, and by expanding the coverage for eligible veterans and including as VA beneficiaries, for the first time, the very small number of dependents and survivors of totally and permanently disabled service connected veterans who are not covered by other Federal health benefit programs. The Act also makes a number of important improvements in the training and the personnel system of the Department of Medicine and Surgery as well as authorizing premium and differential pay for nurses.

The VA's estimates of the cost of these new authorities is $103.85 million for fiscal year 1974. Attached in the Appendix is a chart showing the breakdown of this amount for your information. We plan to follow up on enactment of S. 59 by urging the inclusion in the First Supplemental Appropriations Act for FY 1974 of the appropriate portion of this $104 million and *ask that you acknowledge in your Committee report now that the Committee will look at the need for funding of new statutory authorities at this later date.*

B. Research

(None.)

C. Construction of hospital and domiciliary facilities

1. New Bronx VA Hospital

On page 25 of House Report No. 93-296, which accompanies H.R. 8825, under "Construction, Major Projects", the second sentence of the first paragraph directs the Veterans' Administration to "carefully reexamine the possibility and feasibility . . ." of the VA's taking over the St. Albans Naval Hospital, scheduled to be closed by the Department of Navy, as an alternative to proceeding with the scheduled and partially funded $86 million construction of a replacement Bronx VA Hospital at the present Bronx site. Although we agree that this alternative might be economical and less disruptive to patient care, there are several other aspects of this situation that the Committee should also consider. Concerns about demography and lack of public low-cost transportation have been raised by veterans and veterans' groups in the New York area. These concerns, as well as those of economy and appropriate patient care, must be met.

The VA study must take fully into account patient distribution and the accessibility of alternative sites to public transportation. It is unclear, for example, that a VA Hospital at the St. Albans site, located in the Borough of Queens, New York, could serve the same population of veterans now utilizing the Bronx hospital, as well as other veterans for whom such a new location in Queens would result in improved access to VA services.

We thus urge that the Committee incorporate in its report a requirement *that the VA in its study make a detailed comparative demographic study for the two sites and also assure that proper public transportation (or some kind of VA shuttle service) to and from St. Albans would be available to veterans and their families.*

2. Loma Linda Hospital Bed Reducation

The VA budget shows a reduction in the new hospital at Loma Linda, California, from 700 to 600 beds and a deletion of $7.4 million for construction of this facility. It is not clear exactly what portion of those funds relate to the 100-bed reduction. It is very clear, however, that this reduction was purely the result of an O.M.B. dollars and cents decision and was proposed without any demographic study of the veterans who would be served in the San Bernardino/Riverside, California area.

At our April 18 hearing, the VA agreed to undertake such a study in cooperation with the GAO.

Without an adequate survey of the veteran population and their need for VA medical care, it is inconceivable that OMB or the VA could have the slightest idea as to whether even the 700 beds originally proposed would be sufficient to meet the need. Certainly any decision to reduce bed capacity without benefit of such a study can only be viewed as totally arbitrary and capricious.

We, therefore, urge the Committee to *instruct the VA very closely that no reduction in the beds proposed for Loma India is to be approved until such time as a full demographic study is submitted to the appropriate Committees of Congress to assure that the medical needs of the veteran population will be well served by the bed capacity, and ask that the cost of any bed reduction then proposed be fully explained.*

3. Reduced FY 1974 Funding of Construction Projects

In the budget request, O.M.B. deleted very substantial funds (approximately $65 million) for six major replacement and modernization projects (Bronx, N.Y.—$15.9 million; Columbia, S.C.—$5.2 million; Denver, Colo.—$11.7 million; Hines, Ill.—$3.76 million; Loma Linda, Calif.—$7.4 million; and W. Roxbury, Mass.—$21.7 million) and two major improvement projects (Brooklyn, N.Y.—$1.9 million; and Wichita, Kans.—$1.4 million).

The VA explained these cuts at our April 18 hearing as attributable to a very careful assessment of exactly the amount of money which could actually be spent in FY 1974 and to a decision to hold down appropriations by funding construction projects only in appropriate spendable portions of the total cost. This may well be a valid explanation. We do not necessarily quarrel with the concept on its face. We do note, however, that there have already been enormous delays in getting underway at the Wadsworth West Los Angeles replacement hospital and feel strongly that this method of funding must not be used as a basis for foot-dragging or for an outright slowdown of the construction schedule for such urgently needed replacement facilities.

We, therefore, urge that you include in your report appropriate language to *indicate that the Committee fully understands that the piece-meal funding of construction projects is not a true estimate the total cost and that in approving any such funding the Committee in no way approves a slow down in implementation of approved projects, rather it expects that all projects begun will be completed as scheduled and that all appropriate funds to accomplish that result will be made available in subsequent budget requests for subsequent fiscal years.*

Mr. CRANSTON. Mr. President, I would like to briefly run down the areas we raised which were not addressed in the committee report and ask the distinguished floor manager what the view and intention of the committee is as to each.

Is it the committee's understanding, as it has been represented to us by the VA at our oversight hearings, that the VA will not be forced to absorb the January 1, 1973, pay raise from the amounts in the medical appropriation items for medical care, MAMOE, construction, and research, as they are finally included in this bill?

Mr. PROXMIRE. The Senator is correct.

Mr. CRANSTON. I thank the Senator.

Is it the committee's intention that OMB provide the VA with all necessary personnel ceiling positions to permit addition of the staffing required to implement the purposes of funds added over the budget in this bill?

Mr. PROXMIRE. Absolutely.

Mr. CRANSTON. I thank the Senator.

S. 59, the Veterans Health Care Expansion Act of 1973—passed by the Senate on March 6—has been ordered reported by the House Committee in a form acceptable to the administration. So, it should be enacted in July. My question is: Will the committee give sympathetic consideration at the time of the first supplemental appropriation bill to the need for additional medical care funding to carry out the new statutory authorities to be added with enactment of S. 59, for which the annual estimate is $103.85 million?

Mr. PROXMIRE. Well, certainly this Senate will give sympathetic consideration to it, speaking as the chairman of the subcommittee, and I would expect that the committee as a whole would also. I can speak for no one but myself, of course.

Mr. CRANSTON. I thank the Senator from Wisconsin. With that understanding, we are not seeking these funds now. I am very grateful.

Mr. President, language in the House Committee Report proposed that the VA consider taking over the St. Albans Naval Hospital in Queens, N.Y., rather than proceeding with construction of the $86 million replacement hospital at Bronx, N.Y. Does the Senate committee agree with us that there will be no such takeover by the VA until appropriate demographic and transportation studies as to St. Alban's ability to serve the appropriate veteran population have been completed and submitted to the appropriate congressional committees?

Mr. PROXMIRE. Yes, I agree.

Mr. CRANSTON. I thank the Senator. I have two final brief points, Mr. President.

The budget proposes that the new Loma Linda Hospital to be built in California be reduced by 100 beds and that the overall hospital cost be reduced by $7.4 million. Yet no demographic study of patient demand has even been conducted to justify these reductions. We ask that your committee not approve this reduction until justified by such demographic study. Will the Senator agree to this?

Mr. PROXMIRE. If the reprogramming action comes to us, we will certainly look into it and give it sympathetic consideration. I cannot tell the Senator exactly what our conclusion will be, but we will look at the facts when the request comes before us.

Mr. CRANSTON. I will say to the Senator that our hearing with the VA revealed no demographic justification whatsoever for this reduction.

With respect to the piece-meal funding of construction projects, does the committee understand that this is not a true estimate of the total cost, and that in approving any such funding the committee in no way approves a slow down in implementation of approved projects; rather that it expects that all projects begun will be completed as scheduled and that all appropriate funds to accomplish that result will be made available in subsequent budget requests for subsequent fiscal years?

Mr. PROXMIRE. We agree 100 percent with the Senator's last statement.

Mr. CRANSTON. I thank the Senator, and in yielding the floor, I want to thank all Senators for their support, particularly the Senator from Indiana (Mr. HARTKE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Vermont (Mr. STAFFORD) and the ranking minority member of the Veterans' Affairs Committee (Mr. HANSEN), and many others, including especially the two Senators handling the legislation on the floor, the distinguished Senator from Wisconsin (Mr. PROXMIRE) and the distinguished Senator from Maryland (Mr. MATHIAS).

Mr. BEALL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL's amendment is as follows:

On page 6, line 16, delete the period and substitute therefor a "comma" and add the following new language: "and that not to exceed $1,000,000 shall be available for a study, in cooperation with the National Transportation Safety Board and other appropriate Departments or agencies, of the growing problem of natural gas explosions in residential areas."

Mr. BEALL. Mr. President, this amendment would add language on page 6, line 16, that would earmark $1 million for a study by HUD in cooperation with the National Transportation Safety Board the Department of Transportation and other appropriate departments or agencies, of the growing problem of natural gas explosions in residential areas.

Mr. President, this problem was once again underscored recently by a tragic event that occurred in Bowie, Md., last Saturday night, when three people were killed as a result of a gas explosion. This is not the first time that this tragedy has struck this area. It happened in Annandale, Va., last year, when three people were killed there.

We note that there were 62 deaths in 1972, a 32 percent increase over the previous year, as a result of explosions caused by escaping natural gas. The calamity of a natural gas explosion can strike as swiftly and unexpectedly as a bolt of lighting. If we are to prevent this kind of disaster from repeating itself over and over, we must make certain that adequate safeguards and standards are provided and adhered to in the design, construction and maintenance of our pipelines and gas hookups in residential areas.

In addition, it is critical that public education on the danger signs be increased. It seems to me that the magnitude of this problem and its continued potential for catastrophe make it imperative that we step-up our effort in this area. This amendment contemplates an accelerated, coordinated examination of this serious problem which affects citizens' lives, safety, and property all over the country. It is hoped the study will be completed as soon as possible.

It is interesting to note, with regard to the occurrence in Bowie, Md., last Saturday night, that firemen who made an examination of the situation after the explosion occurred found that a 4- to 15-percent gas mixture in the air was present in the house at the time of the explosion; but more importantly, perhaps, that a similar mixture was present in other nearby houses. It was only a matter of luck that the same tragedy did not strike in the other houses. As bad as the tragedy was, it could have been worse.

Last night a similar gas explosion occurred in the suburban area of Columbia, Md. Fortunately, the owners of the house were on vacation at the time of the explosion.

An article in this morning's Washington Post points out that the last Bowie explosion was the third in this area in the last 15 months, and that the preliminary report indicates that the explosion was caused by gas that leaked from a crack in a one-half inch plastic gas service line located 75 feet from the house.

Obviously we must be concerned with the increasing frequency with which these types of events are happening. For that reason, I hope the committee will accept the amendment and see if we cannot get an accelerated and coordinated effort to find this problem of utmost priority and urgent national concern.

I ask unanimous consent that the name of my distinguished Senate colleague from Maryland (Mr. Mathias) be added as a cosponsor of the amendment. In addition, I ask unanimous consent that articles from today's Washington Post on the Bowie and Columbia explosions be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Bowie Blast Victims Lived Months in a Danger-Filled Home

(By Philip A. McCombs)

The lighting of a cigarette at the wrong moment could have meant instant death.

For months, possibly since January, the unsuspecting John M. DeLa family in Bowie may have been living in a world enveloped by volatile natural gas seeping into their house from a leak in an underground pipe. Odorless, tasteless, not harmful if breathed—they didn't even know the gas was there.

Then early last Saturday morning, Thelma DeLa, the mother, lit a cigarette in bed at a time when the gas hovering and swirling in the air around her filled between 4 and 15 per cent of the room's volume—the critical combustion range for a mixture of air and natural gas. The very atmosphere around her ignited and Thelma DeLa, her husband and daughter were fatally burned in the conflagration that gutted their one-story brick rambler. Their son James survived. He is now recovering from his injuries in a hospital.

This is the picture that emerges from the conclusions of a preliminary report on the disaster issued yesterday by Prince George's County fire prevention chief M. H. Estepp. Estepp said that the report's conclusions are tentative. The cigarette lighting theory is speculation based on Mrs. DeLa's smoking habits and other evidence, he said.

In the report and in an interview yesterday, Estepp said that an "even greater disaster" might have occurred Saturday morning. He said firemen found the same critical 4 to 15 per cent gas mixture in six other houses near-by when they entered the houses and placed their gas measuring devices near gas pipes and floor heating vents.

"Had not the local residents promptly evacuated when told to do so and the utilities promptly shut off service, we might have had an even greater disaster," the report said.

Both Estepp and a spokesman for the Washington Gas Light Co. said yesterday that checks are being made in the Bowie area to insure that no other dangerous leaks exist.

Gas company spokesman Charles Krautler said that by the middle of next week, workmen expect to have finished checks throughout the entire Bowie area, where more than 9,000 houses are located.

Systematic checks of individual homes are not planned, but both Estepp and Krautler said home owners may obtain such checks by calling the fire department or the gas company.

Estepp said checks of individual homes are not needed unless home owners find indications of the presence of gas—such as discoloration of grass (browning and dying) near the points where gas pipes and water lines enter houses.

"We don't want to unduly panic people," Estepp said. "The percentage (of gas explosions) is actually very low, a hell of a lot lower than traffic accidents."

Last Saturday's gas explosion was the third in a private home in the area to cause death or serious injury in the past 15 months.

Yesterday's preliminary report comes the closest yet to a certain finding that the explosion was caused by gas that leaked from a crack in a one-half-inch plastic gas service line located under a street intersection 75 feet from the DeLa house.

"We have no reason to dispute his findings though they are preliminary," said gas spokesman Krautler yesterday.

A spokesman for the National Transportation Safety Board, which has hired a private consultant to investigate the explosion, said that the board's report cannot be expected for another month.

Estepp reported that laboratory analysis of soil samples and flammable vapor readings taken in the neighborhood and underneath the DeLa house indicate that most of the gas traveled through the soil, apparently along the underground water service line, and into the house.

Laboratory analysis also indicated the leak in the gas line was probably caused by bending—but neither Estepp nor the gas company has yet determined what might have caused the bend in the pipe in the form of a "dent." They said the dent could have been caused by a rock.

Gas Company spokesman Krautler explained that gas travels a line of least resistance through the porous soil. Thus gas tends to follow water and other utility lines because in digging up the soil to lay the lines the soil is loosened and made more porous than surrounding soil.

Estepp's report noted that the only survivor of the fire, James DeLa, 17, had not smelled the familiar odor of gas before the fire and explosion.

The odor is produced by a chemical called mercapton, which is added to the otherwise odorless and tasteless natural gas in a gas plant at Rockville, according to Krautler. He said the mercapton should be noticeable when gas fills one-tenth of 1 per cent of the volume of a room.

But Estepp's report said that his investigators believe the odorant "may have been filtered away as the gas passed through the soil."

Krautler said this was "possible." He said that sometimes when gas is sent through new pipes, some of the mercapton is lost because it is absorbed into the material of the pipes.

The Estepp report said gas had probably collected within the walls and general interior of the house. Krautler said that gas is lighter than air and would tend to go up through the house and collect near the ceiling.

Gas Blast Destroys a House

An explosion apparently caused by a natural gas leak destroyed a home in the Oakland Mills section of Columbia, Md., last night, Howard County police reported. No injuries were reported.

Residents of a home adjacent to the site blast in the 6100 block of Babylon Crest Rd. were evacuated early today as police, firemen and workmen for the Baltimore Gas and Electric Co. sought to pinpoint the origin of gas lingering in the residential area, police said.

Other homes in the eastern Columbia neighborhood were being inspected as a precautionary measure police said.

The residents of the home where the 10:17 p.m. blast occurred apparently were away on vacation, according to fire officials.

A police spokesman said firemen had extinguished several "little spot fires" ignited in the ruins of the house after the explosion. There was no damage reported to other homes, police said.

Mr. PROXMIRE. Mr. President, this is a very welcome amendment, for the reason that it adds not 1 penny to the bill. It does provide that of the amount in the bill, no more than $1 million shall be used for this study; is that correct?

Mr. BEALL. That is correct.

Mr. PROXMIRE. It is a worthy purpose. I agree to take it to conference and do my best to see that it survives the conference.

Mr. MATHIAS. Mr. President, I am happy to support and cosponsor the amendment, and would observe that it is the kind of response that my colleague from Maryland exhibits in meeting problems as they arise. It is a kind of response which is important not only in the case she has cited, but to every American who may have some stake in the efficient handling of natural gas.

The PRESIDING OFFICER (Mr. Hollings). Do Senators yield back the remainder of their time?

Mr. BEALL. I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Maryland (Mr. Beall).

The amendment was agreed to.

AMENDMENT NO. 300

Mr. HANSEN. Mr. President, I call up my Amendment No. 300, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

On page 18, line 6, insert the following: strike out "$300,000,000" and insert in lieu thereof "$315,000,000".

Mr. HANSEN. Mr. President, the purpose of this amendment is to fund the administration of the Veterans' Administration so as to make possible its carrying out of the functions that Congress asked it to do.

Following an incident earlier this year, when it was learned that a change in veterans disability benefits qualifications was discussed, a number of bills were introduced in the Senate and House requiring maintenance of service to veterans, and requiring that the agency seek permission from Congress before curtailing any functions or service.

This amendment would restore $15 million to the original $315 million request that was made by the Veterans' Administration and I would hope that it might be accepted by the distinguished manager of the bill.

Mr. PROXMIRE. Mr. President, may I say to the distinguished Senator from Wyoming that I must oppose the amendment very strongly and I must oppose it for a number of reasons. In my view, the Appropriations Committee struck a real blow for economy and efficiency in government when it reduced the allowance for general operating expenses of the Veterans' Administration by $15 million. When the committee made this reduction, it was not its intent that personnel in the Department of Veterans' Benefits or personnel in the regional offices throughout the country should be reduced. It was the committee's intent that the considerable amount of "fat" in the Washington office be cut back. It was the committee's intent that the Administrator tighten up the expenditures for travel. It was the committee's intent that under the object class "other costs," which aggregated $17 million in fiscal 1972, which was increased to $25 million in fiscal 1974, be reduced.

This, Mr. President, is where the fat is. This is what the committee wished to cut out. Mr. President, there is no doubt in my mind that if management efficiencies were brought into effect, the Administrator of the Veterans' Administration could easily save this $15 million.

This general operating expense budget is so overloaded with fat that the Administrator saw fit during the past year to enter into 7 consultant contracts on a negotiated basis rather than a competitive-bid basis. All of these contracts were entered into for the purpose of improving management efficiency. Notwithstanding the fact that they were negotiated contracts, I am sure these consultants have given a spate of advice to the Administrator which should help him tremendously in being able to live with this $15 million cut.

Mr. President, just take a look at the general overhead operating expenses, and their increase in the past 2 years alone. Under travel of persons, it went from $4½ million to more than $5 million. Under transport of things, from $1½ million to more than $3 million—a 100 percent increase. On rents and utilities, from $16 million to $21 million. This is between 1972 and the coming year 1974. Under the catchall "other services"—$17 million—which, as I say, has gone up to $25 million.

Mr. President, may I say one more thing before I yield to the Senator from Wyoming. The reason I feel especially strongly about the amendment is that if we are going to have any negotiating room at all in conference, and be able to fight for the amendments of the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from California (Mr. CRANSTON), we need to have the ability to negotiate. We need to be under the House figures in some respects. This amendment would not provide any more care for veterans nor any assistance in prosthetic research and in other worthy areas where the Veterans' Administration is at work. This is a modest cut of 5 percent which has been made in the overhead costs of administrative personnel, in an area of spending that has grown very rapidly.

I would hope that we could prevail on the distinguished Senator from Wyoming either to withdraw his amendment or to take the heroic action of voting "No" on it. [Laughter.]

Mr. HANSEN. Mr. President, may I say that while the distinguished manager of the bill was speaking, he spoke about a number of items in the budget which would total far in excess of the $15 million.

I agree generally with his philosophy that we do need to make cuts. My record will bear rather close scrutiny attesting to my conviction in that respect.

All I say is that I would hope we do not assume that we can increase the activities in the Veterans' Administration as we have proposed to do through a series of amendments this morning, and then cut back on the administrative functions of that agency.

I would also hope that the distinguished manager of the bill, as he has indicated he will refuse to go along with the amendment, might have in mind when he goes to conference my keen desire that we see that proper administrative funds are provided so as to make certain the best use will be made of all the moneys.

Mr. PROXMIRE. The Senator from Wyoming makes a very good point. If his amendment is not pressed, we still will have this in conference, because the House did go to $315 million. In 1969, the amount for the expenses of administration was $207 million; in 1970, $241 million; in 1971, $258 million; and in 1972, $256 million. And now, to $315 million, we propose a modest 5 percent cut.

Mr. HARTKE. Mr. President, what the distinguished Senator from Wyoming (Mr. HANSEN) is trying to do here is to prevent cutbacks in personnel in the Veterans' Administration which may be inefficient in many aspects. I do not think it takes an expert in public relations to understand that, because any Senator who will examine his mail will find that the caseload in the veterans area these days is getting heavier and heavier.

There may be some inefficiency in the Veterans' Administration, but what I think is important is that they cannot get their pension checks out on time to the veterans. So I would hope we would at least provide them with the opportunity for enough personnel to get that job done.

If I were convinced that we could have cuts made in places where I should like to have them made, I would be more than delighted to agree with the Senator from Wisconsin. But that is not the way we will get the job done. The cut, as made, will be made in places where we already have shortages of personnel.

Unfortunately, while the efficiency of the Veterans' Administration may not be there all the time, or as it should be, I certainly agree with the Senator from Wisconsin that the studies made by the consulting firms are either worthless or they should be implemented; but my judgment is that the amendment of the Senator from Wyoming (Mr. HANSEN) should be amended and I would hope that the Senate will do so.

Mr. HANSEN. Mr. President, I ask unanimous consent that the names of the Senator from Indiana (Mr. HARTKE) and the Senator from California (Mr. CRANSTON) may be added as cosponsors of this amendment.

The PRESIDING OFFICER (Mr. HOLLINGS). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, may I say to the distinguished Senator from Indiana (Mr. HARTKE) that it is not my intention that personnel in the veterans benefit section be reduced. The Senator is right, it is very important that veterans get their pension checks on time. That must be done. Personnel should not be cut. I have indicated many areas where reductions can be made. We have had this tremendous 50 percent increase in overhead since 1969 and there is no reason why that should have expanded that fast.

Finally, the one way this "board of directors", the Senate and Congress, can have an effect in mandating efficiency is to reduce the amount of funds available. There is no other way. We cannot get into the nitty-gritty of the specific or precise area and tell them exactly how to do their job; but we can cut down moderately on the funds available for overhead costs, and then they will find a way to do the job more efficiently and with less personnel.

Mr. HARTKE. I understand that. I do not disagree with the Senator on the philosophy he has espoused. The problem is that unless we use a scalpel we do not get to the problem we are attempting to solve now.

Mr. HANSEN. Mr. President, in light of the colloquy on the floor here just now, and the convictions expressed by the distinguished manager of the bill, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. PROXMIRE. Mr. President, I thank the Senator from Wyoming very much.

Does the Senator from New Mexico wish to go ahead?

Mr. DOMENICI. Yes.

Would the chairman and ranking member turn to pages 12 and 13 of the report on the bill? While they are doing that, I should like to discuss the Better Communities Act and reference to it in this bill and the treatment for community development in the bill—that is, model cities, urban renewal, neighborhood development, and so forth.

First, let me say that I generally support the concepts of the Better Communities Act, so I am not here questioning the concept of consolidation of the grant-in-aid programs as an approach to aiding our cities. But I am concerned when I find language that seems to indicate that there is, indeed, right around the corner a very precise Better Communities Act, and we even use capital letters to describe the act.

We see, for example, on page 13, the third full paragraph:

> Within the funds made available, each city will be encouraged to work out the method of transition to Better Communities Act funding that is most suitable to that city.

Would both Senators discuss with me what we have in mind there? What if we do not have a Better Communities Act and let HUD use this to indicate to our cities that, indeed, there already is one? Will this be misconstrued, that in an appropriation bill we are changing the substantive law of this country?

I do not want to say that the Better Communities Act never will become law, but I have serious doubts whether it will, in the form presented. I am an advocate of its concept, but most certainly in the capital letters Better Communities Act, I oppose it.

So I wish the Senators would share with me what they really mean when they continually refer in this section of the bill to the Better Communities Act and what they intend that HUD and the cities that relate to HUD gather from this.

Mr. PROXMIRE. Let me read the section, and I will comment. The Senator is referring to the part of the report on page 13 where we say:

The committee was told—

It is important that the Senator understands that the committee was told.

That the specific amounts for each city will depend on the following factors:

The number of months from the start of a city's next program or action year to July 1, 1974.

The amount of funds that the city is expected to carry over into its next action year from its present one; and

The performance of each city in its present as well as past action years.

Within the funds made available, each city will be encouraged to work out the method of transition to Better Communities Act funding that is most suitable to that city. At the time the new program is implemented a city can then decide whether to maintain its model cities program with such special revenue sharing funds. The funds requested would give all cities in the program a comparable option on that decision.

I say to the Senator that this is what the committee was told. This is what Secretary Lynn told us. This is the intention of the administration. We are not imposing our view or the view of the Appropriations Committee. We are simply acting as a vehicle for reporting to Congress what Secretary Lynn, acting for the administration, said is their intention.

Mr. DOMENICI. I take it that the distinguished chairman is saying that he did not intend to say to the Secretary of HUD that they can do whatever they want with the urban renewal of this land or the model cities or the neighborhood development program.

Mr. PROXMIRE. No. We are saying what their intention is, without indicating what our view is, in this section of the report.

Mr. DOMENICI. Would the Senator from Maryland care to comment with reference to that?

Mr. MATHIAS. The Senator understands exactly what our problem is, and I think he has expressed it very well in his question.

We have ongoing programs which are not perfect. They have many flaws. We would like them made better. That, of course, is the purpose of the administration's proposal for the Better Communities Act. I am sure the Senator will join me and the other Members of the Senate in trying to shape a better housing and urban development program for this country.

We told the Secretary of HUD, at the appropriations hearings, that the committee did not want to see the ongoing programs, as flawed as they may be, just simply stopped in midstream and have the cities floundering around, not knowing where they were going. I think the Secretary understands that. If there was any doubt about that, the adoption by the Senate today of the anti-impoundment amendments would underscore that point.

So there can be no doubt in anyone's mind that Congress intends that whatever is available under existing programs shall continue to be available until something better is provided.

Mr. PROXMIRE. I am happy that the Senator from New Mexico raised this point, because it is confusing in the report. He does help us clarify that matter.

I want to make it clear that it is my expectation, on the basis of the expressions on both sides of the aisle, that Congress will write its own Better Communities Act. We may call it something else, but we will write our own. This is not intended to be what the Appropriations Committee or the subcommittee or any Senator construes it should be. It is simply Secretary Lynn's intention.

Mr. DOMENICI. So if the Secretary were to say to a city in this transitional period, "We want you to make certain transition adjustments," we certainly do not have in mind that the Secretary would be able to say, "You adjust so as to get ready for the Better Communities Act which is presently introduced before the U.S. Senate, the one in capital letters." That is not the intention of the Senators.

Mr. PROXMIRE. Absolutely not, because the Better Communities Act is not law. The Secretary can say whatever he wishes, of course, and he may be convinced that he can persuade Congress to adopt it. I am very skeptical that he can. We will write our own legislation.

Mr. DOMENICI. I thank the Senator.

On one other subject the Senator has brought before the Senate today, I compliment him on the concern and consideration he has given to matters scientific and technological as he presented this appropriation bill.

Mr. PROXMIRE. We are happy to do it. The Senator has a superlative project in New Mexico. It is one that has great support among the scientists. The House left it out, unfortunately. We hope we can hold it in conference.

Mr. DOMENICI. The scientists selected a very large site in a rural area of my State, and I am pleased that the Senator listened to the scientists, who said it was a tremendously important project to get started for the technological and scientific advancement of our country.

Mr. HARTKE. Mr. President, the Senator from Minnesota has an amendment.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, with the time to come out of my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MONDALE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 18, line 6, insert the following after "300,000,000":

"*Provided*, That no funds available pursuant to this item or any other item in this Act may be expended to effectuate the involuntary transfer or reassignment of the present incumbent of the position of Director of the Veterans' Administration Regional Offices in St. Paul, Minnesota, Boston, Massachusetts, or Detroit, Michigan."

Mr. MONDALE. Mr. President, this amendment is a minor amendment to deal with what I think is a gross but temporary injustice that is being visited upon the regional director of the Veterans' Administration in our region and in two other regions.

In a moment, I will yield to the distinguished chairman of the Veterans' Affairs Committee, who is quite aware of the problem.

This amendment relates to the period of the appropriation bill and in the case of the region in which I am located, it is designed to protect against the transfer of the Director of the Veterans' Administration located in St. Paul, Mr. John Murphy. Mr. Murphy, by everyone's account, is one of the ablest and most experienced men in the Veterans' Administration.

He is completing his 20th year in the service and has only 6 months to go before retirement. The Veterans' Administration ordered him transferred, I believe, to Detroit. It is a totally unjustifiable and, I think, cruel transfer. It is going to cost thousands of dollars to train a new person, and there will be all the dislocations that occur. As I said, he has only 6 months before retiring.

We have been trying to get the Veterans' Administration, or the White House, or someone to tell us the justification for the transfer. I am told there are two almost identical instances around the country.

Mr. President, this amendment would rectify a totally unfair situation for the dedicated career VA employees involved.

I have been attempting to deal with the situation in Minnesota, along with my colleague (Mr. HUMPHREY), and I know that with respect to the Boston situation the Senators from Massachusetts have been similarly involved with the same lack of success I have had.

Mr. President, I ask unanimous consent that there be set forth in the RECORD at this point various items of correspondence to and from my office regarding the proposed unjustified transfer of Mr. John R. Murphy from the St. Paul office.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 22, 1973.

Mr. WILLIAM E. TIMMONS,
Asst. to The President for Legislative Affairs, Washington, D.C.:

Absolutely appalled to learn that present administrator of the Veterans Administration whose departure I understand is imminent, proposes to transfer John Murphy, Manager of VA Center in St. Paul. Most strongly protest this arbitrary and capricious action and respectfully request that final action be delayed until the matter can be reviewed by the new administrator, whom we trust will exercise better judgment.

Walter F. Mondale,
U.S. Senator.

Veterans' Administration,
Washington, D.C., June 19, 1973.

Hon. Walter F. Mondale,
U.S. Senate,
Washington, D.C.

Dear Senator Mondale: The Administrator has asked me to respond to your inquiry of June 8, 1973, concerning the transfer of Mr. John R. Murphy from St. Paul to Detroit.

It is our belief that for the maximum utilization of Mr. Murphy, it is necessary to expand his capabilities. The Veterans Administration does not rotate for the sake of rotation. At some point a Station and a Director reach a plateau in performance. It is our belief that Mr. Murphy will do an exceedingly fine job in using new procedures and techniques in day to day management of his respective station. We want to offer new goals and challenges, and the reassignments we have made can accomplish this.

To this end, we are certain that this transfer will effect and further the overall quality of service rendered by the Veterans Administration.

Sincerely,

Frank W. Naylor, Jr.,
Executive Assistant.

American Legion,
St. Paul, Minn., June 12, 1973.

Hon. Walter Mondale,
U.S. Senate,
Washington, D.C.

Dear Senator Mondale: You have received a letter from our Department Commander, Glenn Nielson, in protest to the transfer of John R. Murphy, Director, Veterans Administration, Fort Snelling, to a similar position in Detroit.

As members of the Rehabilitation Committee, Department of Minnesota, The American Legion, we must add our individual and collective voices in opposition to this injustice. The Veterans Administration is a large and complex organization, and, as such, a change in leadership is often necessary—particularly in problem areas. Such is not the need at Fort Snelling, nor in many of the states affected by this unrealistic change in personnel. The proponents gave no thought to the taxpayer, nor the personal wishes of the individuals. Millions of dollars will be spent on these transfers without a value to anyone in return.

John R. Murphy has been a credit to the Veterans Administration, the veteran and the State of Minnesota. He deserves a greater distinction during the remaining few months of his service.

Sincerely,

George Evans,
Chairman, Richfield.
Udo Viergutz,
Redwood Falls.
George Korbel,
Breckenridge.
Donald Gray,
Winona.
Charles Harding,
St. Paul.

American Legion,
St. Paul, Minn., June 9, 1973.

Hon. Walter Mondale,
U.S. Senate,
Washington, D.C.

Dear Senator Mondale: I am attaching a copy of a letter which has been addressed to Congressman John Zwach because of his position on the Veterans Affairs Committee, House of Representatives.

Your perusal of the attached will reveal that we veterans of Minnesota have a determined interest in retention of John R. Murphy as Director, Veterans Administration Center, Fort Snelling.

I trust that your reaction will be one of favor to our cause and to the best interests of a dedicated resident of the State of Minnesota.

Sincerely,

Glenn R. Nielson,
Member.

American Legion,
St. Paul, Minn., June 9, 1973.

Hon. John Zwach,
House of Representatives,
Washington, D.C.

Dear Congressman Zwach: Although I am privileged to serve as Commander, Department of Minnesota, The American Legion, this year, an opportunity is being taken to write you as a member of the National Veterans Affairs and Rehabilitation Commission, The American Legion. We have a problem here in Minnesota affecting the Veterans Administration and the veterans of the state. Perhaps in your capacity as member of the Veterans Affairs Committee, House of Representatives, it may be possible that you can provide an understanding for us as to the basis of the problem.

John R. Murphy, Director, Veterans Administration Center, Fort Snelling, has been ordered to assume a similar responsibility in Detroit as of July 1, 1973. Similar moves will place the Director at Detroit in Boston, and the Boston Director will be assigned to Fort Snelling. We make reference to these three stations because circumstances are so similar. These three Directors carry the same Civil Service Grade, are in the twilight of their careers, and have established permanent homes in the respective states. Most important, all have maintained an excellent rapport within their states so as to bring credit upon the Veterans Administration.

Mr. Murphy has been Director at Fort Snelling for the past twenty years. The various divisions under his supervision have all been cited for outstanding achievement throughout the years. He has been a prime factor in retention of the insurance office here rather than a consolidation with that in Philadelphia. Because of his leadership, morale among employees is as high or higher than any station in the country. He is active in civic affairs and a member of fraternal and service organizations. Through the years that I have served on our Department Rehabilitation Committee, he has been most cooperative to us and exhibited a sincere devotion to the cause of the veteran and his welfare.

In substance, we want John R. Murphy to serve out his distinguished Veterans Administration career at Fort Snelling. Justification for this proposed transfer could not have been predicated upon sound business reasoning, nor consideration have been given the personal wishes of a dedicated civil servant.

Any effort that can be extended on behalf of John R. Murphy will be appreciated by myself and the veterans of Minnesota.

Sincerely,

Glenn R. Nielson,
Member.

Mr. MONDALE. I yield to the chairman of the Subcommittee on Veterans' Affairs, the Senator from Indiana (Mr. Hartke).

Mr. HARTKE. Mr. President, I wish to call to the attention of the Senate that these are GS–18 positions. I do not know any of the personnel individually, but I know them by reputation. There have been no accusations made against them that they have not performed their assigned duties.

There is an attempt here to force retirement and they cannot bring charges against the individuals, but by ordering their transfer they place such a hardship on the individual that rather than go ahead and take the assignment they probably would retire.

There are secondary considerations involved. One consideration is the fact that by taking this procedure it has been rumored, and I suppose reliably, that the intention is to transfer the GS–18 slot to the Washington office and reduce the status of the regional director to a lower status, increasing still more the problem that was being presented by the Senator from Wisconsin a few moments ago, by increasing at a high rate of pay the bureaucracy in Washington.

The three directors involved are in St. Paul, Detroit, and Boston.

I would urge the manager of the bill to look favorably upon this amendment by the Senator from Minnesota. I know also that Senator Humphrey is very much interested in this matter.

Mr. MONDALE. Very strongly.

Mr. HARTKE. I assure the Senator again there is nothing in the Record I know of which justifies this procedure. If it involved disciplinary action or if it would upgrade the service of the VA that would be another thing, but that is not the situation here.

Mr. MATHIAS. Mr. President, I look with sympathy upon situations such as that described by the Senator from Minnesota. I think there are sometimes hardships worked upon civil servants and as a result of arbitrary and bureaucratic decisions that should not be condoned and cannot be justified, men and women who have devoted their lives to Government service, working for the public, are pushed around because of some change in bureaucracy at the level above which they are working. No one could be more upset than I am about that.

One problem about dealing with it legislatively is that we do not know the intimate details of each of these problems and we do not know all the whys and wherefores of each case. There are now millions of Federal employees and it is difficult for a Congressman to deal with equal justice in each of these cases. I do not want to set a precedent here.

Mr. COOK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. COOK. What really bothers me is that there are some 4 million Federal employees. Are we really going to give them the same treatment when any particular employee in my State is about to be transferred, or is transferred from the western part to the eastern part of the State, and as long as that person has a friend in Congress are we going to introduce special legislation, as an act of Congress, that he cannot be transferred? If so, we open up a door to the transfer of conceivably 4 million Federal employees.

Mr. PROXMIRE. Mr. President, may I say to the Senator from Kentucky and the Senator from Maryland, who raises objections to this, that I think in this particular case, and perhaps another case, it may very well be a situation in which a faithful, hard-working employee has been abused, moved in order to make it possible for the administration of a particular agency to serve its own purpose.

Let me say to the Senator from Kentucky that I think under the circumstances none of us has a chance to go into detail. If we could take this to conference and in the time intervening between, then investigate to find out all the facts and whether the funds to effect the transfer should, indeed, be denied, I think Congress might be well served.

Mr. COOK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. COOK. I was really thinking that we have no testimony or anything in the RECORD to indicate what really occurred. It seems to me this would be the problem. If the manager of the bill is saying he wishes to make that determination between now and the time he goes to conference with the bill, I have no objection, if it accomplishes the same thing.

Mr. PROXMIRE. The Senator is correct. The Senator from California (Mr. CRANSTON) introduced far-reaching amendments that would cost $45 million. We accepted them with the understanding we would study them before we go to conference and we would know then if we would be in a position to sustain them. The same is true of the amendment of the Senator from Minnesota.

Mr. COOK. Mr. President, I hope the manager of the bill will take into consideration the precedent that this would establish in relation to 4 million Federal employees.

Mr. PROXMIRE. That is an important point that the Senator from Maryland and the Senator from Kentucky raise.

Mr. MONDALE. I agree that Congress cannot serve as an appeal board for the 4 million individual complaints of employees of the Federal Government. I accept that, but I believe, and as the chairman of the Committee on Veterans' Affairs has pointed out, this is a unique case. It involves three top regional administrators in the country that are senselessly being moved around.

We have tried to work this out on a responsible basis with the administration. The answer we receive can only be called insulting, they are so completely wide of the mark. I have been unable to get any phone calls returned. Others have had the same experience.

I hope the amendment is agreed to.

Mr. PROXMIRE. Mr. President, I am ready to yield back the remainder of my time.

Mr. MATHIAS. Mr. President, on the basis discussed here I think there could be no objection. I think we have a responsibility for oversight. I have no objection.

Mr. MONDALE. I thank the Senator.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONDALE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. PEARSON. Mr. President, H.R. 8825, appropriating funds for the Department of Housing and Urban Development represents, in my opinion, a realistic attempt to continue Federal programs of housing assistance, urban renewal, and comprehensive planning.

In these three areas congressional action is crucial if past efforts are to continue. New legislation is expected: we are awaiting a housing message from the administration; the Better Communities Act is under consideration in committee; the "Responsive Governments Act" has been promised by the administration. Yet in all of these programs, it is mandatory to continue a sufficient level of financial support. The needs of our communities, both large and small, cannot wait. The needs are too large and the time too short to declare a moratorium on spending. While changes in the substances of these programs may be necessary, let us continue ongoing efforts pending final decisions on the new proposals.

This bill appropriates $600 million for urban renewal. Although this will not permit the initiation of new efforts, it should allow both conventional and neighborhood development projects to continue at their current levels pending a determination of the nature of community development assistance to be provided in 1975. The Better Communities Act, on the other hand, would not be implemented until July 1, 1974. Without this funding, an unacceptable gap will be left in renewal efforts. Although the administration claims that money in the pipeline would be sufficient, most of this has previously been committed.

I particularly want to emphasize the importance of renewal to a State such as Kansas. Granted, many metropolitan areas have rightfully benefited from urban renewal. Some of the most successful efforts, however, have been in small- and medium-sized towns. The creation of downtown malls and other improvements in cities under 50,000 has often meant the economic revitalization of those communities. Drastic reduction in spending would have serious impacts in these areas.

A second aspect of the bill deserves special attention. This is the provision for comprehensive planning assistance. The administration is to be commended for its budget request of $110 million. This represents a modest increase over last year, and would enable the "701" planning program to continue with full support. The budget request was reduced to $25 million in the House, however. By restoring the $110 million, the Senate Appropriations Committee has done a great service to State and local government.

The importance of this assistance cannot be overemphasized. The Federal Government is increasingly asking that local communities bear a great share of the burden for administering governmental functions. General revenue sharing emphasizes this trend. Without adequate resources to meet this challenge, however, we may find that much of this money has been wasted.

I agree that a strong commitment from local government must accompany Federal assistance. Data collection and analysis and plan preparation will not be fruitful unless implemented in an effective and timely manner. This requires zoning ordinances, subdivision regulations, capital improvement programs, and other legal and financial efforts.

A combination of such local efforts with continued Federal efforts can truly lead to revitalized local and State governments.

Mr. President, much remains to be done in our Nation's cities. Many new initiatives will be proposed in the future. Pending action on those programs, however, I feel quite strongly that we must provide our local communities with adequate Federal assistance to continue what has been started. The appropriations contained in this bill for the Department of Housing and Urban Development make an honest effort at doing just that.

SELECTIVE SERVICE: IS AN ACTIVE STANDBY SYSTEM NECESSARY?

Mr. PERCY. Mr. President, I wish to to adddress the following remarks to the portion of this bill which deals with the appropriation for the Selective Service System.

Five years ago, few observers seriously believed that the draft could be ended when Richard Nixon embraced the concept of an all-volunteer Army during the 1968 campaign. But upon taking office, President Nixon set out to achieve this seemingly impossible goal. One of his first acts as President was to establish the Gates Commission to develop a plan for ending the draft. The Commission reported that an end to conscription was both feasible and desirable providing there was an equitable wage scale for those in uniform. The Congress responded to this call for action with considerable pay raises beginning in January 1972. Only hours after the Vietnam cease-fire was signed on January 27, 1973, the then-Secretary of Defense Laird announced an immediate halt to the draft. Despite this announcement, the Selective Service continues to use conscription as a punishment for parolees, system violators, and Reservists who are not performing satisfactorily. According to Director Pepitone in testimony before the Senate subcommittee which was considering the appropriations requests, approximately 100 men are still being inducted into the Armed Forces each month. These types of inductions are certainly not consistent with my understanding of the reasoning behind the idea of a volunteer Army.

At this point, it is important to carefully examine the use of conscription in the 20th century. The 1917 Selective Service Act, recognizing the several problems created by the Civil War experience, provided for universal military service with the laws administered through local draft boards. The law forbade substitutes, but did accept the position of those Americans who objected to war, because of religious or other personal reasons. The act was signed by the President on May 18 of that year. A short 17 days later—June

4—the first registration was held, using the election rolls, as the minimum age for induction was 21 years. Although the first inductions did not take place until September 5, 1917, there is considerable evidence that this 10-day delay was caused as much by a lack of military training facilities as by a delay on the part of the Selective Service machinery.

Between the world wars, a small interservice coordinating committee, chaired by the then-Major Lewis Hershey, together with about 100 military Reservists, formed a nucleus which continued to study and update plans for reactivation of the Selective Service System.

Based on the work of this relatively small group, inductions for World War II began in one-half the time that was necessary for World War I. The Selective Training and Service Act of 1940 was passed on September 16 of that year. Exactly 1 month later—October 16—over 16.5 million men were registered, and on November 18, 1940, the first men were inducted. Thus only 63 days had passed before the first inductees were in uniform and ready to begin basic combat training. This was accomplished by the use of a miniscule planning organization and without the maintenance of any standby machinery whatsoever. This historical experience contradicts the assertions that massive conscription in the time of national emergency would be chaotic without the maintenance of an elaborate selective service organization.

From March 1947, until June 24, 1948, on draft was in effect. Critics of draft repeal often point to the 15-month period from March 1947, to June 1948 when no draft law was in effect as proof that a voluntary system will not work. The record indicates, however, that the War Department took several steps which hindered the success of the program. The discharge of 300,000 men 6 months early in late 1946 created a new manpower shortage, while the passing grade for volunteers was raised from 59 to 70. In contrast to the action taken by the 92d Congress in contemplation of the volunteer force, no pay raises for first term enlistees were enacted or even recommended. Even with these obstacles, volunteers were plentiful. On April 7, 1948, the Washington Post reported:

> A sudden spurt in recruiting after the first of the year almost upset the Pentagon's plan to high pressure Congress into a draft act and universal training.

In the face of a pending war with Russia, Congress reenacted the draft. Despite this action, only 30,124 men were drafted during the year following reinstitution of conscription, while the first men were not called until November 2, 1948. Enlistments ran so high that not a single man was drafted between March 1949, and June 1950, even though the conscription law was still in force.

Most crucial in this review of the performance of the Selective Service System is the 1950 experience. At the outbreak of the Korean war in the summer of 1950, the system had been operating on a standby basis for 17 months. During this period, registration, classification, and examinations continued. Although the war began on June 24, the first men were not inducted until August 30—67 days after the war broke out. When one considers that it required 63 days from the time the President signed the draft bill in 1940 until inductions commenced, it is difficult to understand why a longer period of time was necessary to induct men for a war in which American troops were involved from the beginning. Even though they were operating under standby status, with men registered, classified, and examined, the system required more time to prepare itself than in 1940 when only a small group had been preparing for the possibility of a reinstatement of conscription. Today's modernized Defense Department could certainly repeat this 1940 performance without the burden of a costly Selective Service System.

During the next fiscal year, the Selective Service System plans to operate 925 local boards, 56 State and 1 national headquarters. To register and classify approximately 2 million men, they propose 4,340 paid and 34,483 unpaid employees. No examinations are planned, although my reading of section 4 (a) of the Military Service Act indicates that each registrant is required to be immediately classified and examined. Yet, the Director has asked for $55 million to operate the system, even though no examinations will be made. It is interesting to note that the appropriations for fiscal year 1967, when 288,000 men were inducted, was only $59 million.

The $47.5 million appropriated by the House, and the $35 million recommended by the Senate Appropriations Committee do not tell the entire story. The General Services Administration provides an additional $15 million to pay the rent of the Selective Service buildings, while an estimated $30 million per year is spent by various law enforcement programs to deal with violations of the act. This includes pursuit, prosecution, public defender fees, and prison and parole costs. The largest single category of Federal crimes—21 percent—are violators of the Selective Service Act. During the first quarter of calendar year 1973, the Government concluded 971 draft cases. Sixty-seven percent of these cases were dropped, while convictions totaled only 28 percent of the cases. All act violations are felonies punishable by a 5-year prison sentence, a $10,000 fine, or both.

In his testimony before the Senate Appropriations Subcommittee in May of this year, Selective Service Director Pepitone stated that he would need $8 million to close out his agency. He later revised this estimate to $28 million. Now the Director has settled on a figure of $31 necessary to operate a system which serves no purpose. Whichever figure is correct, I trust that the system can use the sum to prepare for a period during which names are compiled and stored in a large computer bank.

I am fully aware that section 3 of the Military Service Act of 1971, as amended, outlines procedures for registration of all eligible males. I believe that since this act is clearly designed to facilitate drafting, the burden of proof for the necessity of maintaining a national registration system is clearly on those who propose to continue the policy. No clear instructions can be found in the act for the operation of a peacetime, nondrafting Selective Service System.

Senator SAXBE, the author of section 10(h) of the act, which is cited by the committee report as authority for the maintenance of an active standby Selective Service System, made this quite clear during the debate on this floor on June 17, 1971. As I recall, the primary purpose of the amendment—now section 10(h—was to assure that military reservists will continue to be trained as Selective Service specialists. This is to insure a sufficient supply of knowledgeable personnel if the reactivization of the system becomes necessary in a national emergency. In response to an inquiry regarding the necessity of a registration, the Senator from Ohio answered that the registration of potential inductees was established by language from the 1967 act and this point should be decided when we change to a volunteer Army.

We have now reached the time when we must decide whether mandatory registration is necessary. I personally believe that the history of the Selective Service System indicates that this is not necessary. However, there are several indications that the beginning of the volunteer Army has not been as successful as we had hoped. Thus, I urge all of us to take a good look at the volunteer Army program for fiscal year 1974, including recruiting techniques, mandatory force levels, pay, and benefits, to determine its success. I believe our expectations will be realized if the Department of Defense continues to accept and work toward a successful implementation of the volunteer force. The Assistant Secretary of Defense, Roger Kelley, told the Senate Armed Services Committee last year:

> An organization composed of volunteers, having survived the test of free competition, tends to be more efficient than one that relies on forced entry.
>
> The alleged pitfalls of the voluntary military organization—that it will be dominated by mercenaries, who will take over our Nation, or be all black—are gratuitous and false claims, totally unsupported by the makeup of that portion of the military organization that is volunteer.
>
> Once the transition to an All-Volunteer Force has been accomplished, the military organization will be totally more effective and will consist of many fewer people than its conscripted counterpart.

I believe that these comments are still applicable, but a year of close monitoring and careful study may be necessary to insure the success that we all expect.

Currently, the President is the Commander in Chief of an active Armed Force of over 2½ million men. There are 2½ million ready reservists, 500,000 standby reservists, and 600,000 retirees, all available for duty. This Nation has available nearly 5½ million trained and experienced men who would be ready in the case of an emergency. The draftee provides no contribution until he has been thoroughly trained and outfitted. Thus, the continuation of registration and classification would be of little help in the event of a national emergency.

I have dwelled on these points today, because I sincerely believe that this Nation is wasting its money by perpetuating a system which will, in all likelihood, never be used. Additionally, the draft is a dangerous insult to the personal liberties of equal protection and the right to choose one's own destiny—two principles guaranteed by the Constitution. The Selective Service System maintains a computerized data bank with information on registrants which provides far more than a mere listing of names and addresses. Several Selective Service forms which, if not completed, make the violator subject to criminal sanctions, require names of employers, statements of physical condition, listing of friends, marital status, criminal records, and religious and/or ethnic background. Conscription, then, seriously tests the freedoms guaranteed by the Constitution, represents an undue expansion of Executive power, and contains inherently discriminatory features.

I ask unanimous consent, at this point, to append my remarks to include a paper entitled, "The Case for Repeal of the Selective Service Act," written by Dr. Robert K. Musil.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

THE CASE FOR REPEAL OF THE MILITARY SELECTIVE SERVICE ACT

(By Robert K. Musil, Ph. D.)

I. INTRODUCTION

Few subjects in recent years have been as exhaustively studied or debated as has this nation's use of military conscription. Volumes upon volumes emanating from scholars, journalists, Congressional hearings, Presidential Advisory Panels and Commissions make up a vast shelf of draft literature. Every conceivable viewpoint has been heard. Every conceivable question has been answered. Except one: Why has not the Congress of the United States, in the face of overwhelming evidence against the desirability of conscription, moved to repeal the entire Selective Service law?

The reasons are varied, but now, in the spring of 1973, none of them is valid. Proponents of abolition of the Military Selective Service Act and of manning United States Armed Forces solely with volunteers have answered every reasonable doubt, met every practical test, granted every delay. After twenty-five years—an entire generation—of peacetime conscription, the burden of proof has shifted to those who would continue conscription—and away from those who would return this nation and its Armed Forces to the historic stance of individual freedom, voluntary sacrifice, and healthy distrust of rapidly expandable Executive and military power.

Rather than duplicate here the sea of scholarship and concerned opinion concerning the draft, we will instead briefly review the best that has been learned from years of study and practical knowledge; argue the salient points that demand an end to conscription; and focus specifically on the needless waste, inefficiency, and danger of maintaining a "stand-by" draft system at a time when one is not needed.

In brief, we shall argue that military conscription is and always has been unconstitutional; that it represents an undue and dangerous expansion of Executive power at the expense of Legislative power; that it is a system that is inherently and irrevocably inequitable; and that it is administratively unworkable, costly, and discriminatory.

Further, we shall argue from a military standpoint that the draft retards the implementation of needed reforms, destroys the incentive for building a modern and democratic Armed Force, and weakens the image and esteem of the Armed Forces—thereby undermining the very military strength it would preserve.

Turning to the maintenance of the Selective Service machinery, the so-called "stand-by" draft, we shall show that it is unnecessary either for the procurement of adequate military personnel, or for extreme emergencies or contingencies in the future. In addition, we shall show that it represents a continuing and severe threat to civil liberties. Thus, with an all-volunteer force at hand, inductions halted, and a wide variety of individuals and groups—from conservative through liberal and radical—opposed to the draft, we shall conclude as we began:

With every conceivable argument answered, every test met, why has not the Congress of the United States repealed the Military Selective Service Act—that onerous, oppressive and outmoded institution known to a generation of Americans simply as "the draft"?

SECOND. ARGUMENTS AGAINST CONSCRIPTION

A. The Draft is Unconstitutional:

The Supreme Court of the United States considered the constitutionality of the power to conscript for the first time in 1918 in the *Selective Draft Law Cases,* 245 U.S. 366 (1918), which, since that time, has been cited as determiant on the question. Unfortunately for those who support conscription, this precedent-setting decision has since been authoritatively shown to be in error. In an exhaustive and compelling discussion of these cases and the constitutionality of the draft, Leon Friedman has written: "(O)nly three pages of the Government's brief and one paragraph of the defendants' briefs were devoted to the framers' intention, as shown at the Philadelphia and state conventions. The decision ignored and overlooked crucial historical evidence showing conclusively that the framers of the Convention did not intend to give Congress the power to conscript directly. The Court also misstated or misinterpreted the sketchy historical materials it did rely on." ["Conscription and the Constitution: The Original Understanding," 67 Michigan Law Review 1493 (1969)]

Not only did the Court misread history at that time, but additionally its arguments in large part were based on the Congressional power to conscript in time of war. As Mr. Justice William O. Douglas has written, "(T)his Court has never ruled on the question of (peacetime conscription). It is time that we made a ruling." *United States* v. *O'Brien,* 391 U.S. 367, 389–90 (1968) (dissent).

Thus, the Supreme Court has never ruled on peace time conscription, the issue at hand, and the arguments used since 1918 neglect evidence that indicates that direct conscription in time of war is also unconstitutional. As every pupil knows, the Founding Fathers were deeply skeptical of military power, opposed to standing armies, and considered the abuse of war powers as one of the most egregious of abuses of King George III.

Given such historical and legitimate fears, the Continental Army never relied on a draft during the American Revolution. George Washington suggested a draft system in 1777, 1778, and 1780, but, as Professor Russell Weigly has written in *History of the United States Army:*

"Congress did not dare invoke that instrument during any year of the war . . . Washington . . . had to recognize that compulsory service for the length of the war imposed on an unlucky portion of the national manpower was a policy the country was not likely to accept."

This distaste for standing armies and for drafts continued at the Philadelphia Constitutional Convention, where Governor Edmund Randolph summed up the prevailing feeling when he said, "Draughts stretch the strings of government too violently to be adopted."

After much debate over the necessity of some sort of limited Federal military power, Congress decided to raise an army through enlistments and to review military spending every two years. At no time was conscription considered as a legitimate means of "raising armies." The framers of the Constitution drew a sharp and clear distinction between *armies*—consisting of paid volunteers for regular service—and *militia*—free citizens who served as part-time soldiers under local authority.

This distinction was made eminently clear and stated memorably by Alexander Hamilton in *The Federalist,* No. 24:

"The militia would not long, if at all, submit to be dragged from their occupations and families to perform that most disagreeable duty (of permanent service) in times of profound peace. And if they would be prevailed on or compelled to do it, the increased expense . . . and the loss of labor and disconcertation of the industrious pursuits of individuals, would form conclusive objections to the scheme. It would be as burdensome and injurious to the public as ruinous to private citizens."

It should be clear from the original debate over the power to raise armies, and the careful distinctions made by the Constitution between militia and armies, that it never was the intent of the framers of the Constitution to authorize Federal military conscription. These and other historic facts were ignored by Chief Justice White in his ruling in the *Selective Draft Law Cases.* The inadequacy of his ruling can be seen in his interpretation of Constitutional language without regard for the clear meaning attached by the Founding Fathers. "As the mind cannot conceive an army without the men to compose it, on the face of the Constitution the objection that it does not give the power to provide for such men would seem to be too frivolous for further notice."

It is indeed unfortunate that the concerns of Jefferson, Madison, Hamilton, Randolph, and others for the liberties of Americans have been seen in the twentieth century as "too frivolous to notice." Perhaps other contradictions between conscription and the Constitution are "frivolous" also, but it should be noted that the inalienable rights so cherished in our Declaration of Independence were given added protection by the adoption of the Thirteenth Amendment to the Constitution, which, of course, states, "Neither slavery nor involuntary servitude, except as punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction."

No meaning could be clearer, especially to the young Americans who have been forced, under penalty of five years' imprisonment and $10,000 fine, to serve in jobs that they have not freely chosen.

Similarly, conscription, which is of necessity limited to a small portion of the youthful male population, runs counter to the meaning and intent of the Fourteenth Amendment, which provides that no person shall be denied "the equal protection of the laws." Surely the elaborate classification, exemptions, and qualifications utilized by the Selective Service law—classifications which choose who shall live and who shall die on the basis of height, weight, vision, occupation, sex, ability to prove conscience, etc.—do not provide equal protection for all citizens. The Congress has had ample testimony over the years indicating that the draft and its administration are *by their very nature* inequitable and discriminatory. Indeed, President Nixon spoke plainly and accurately as long ago as 1968. He recognized the draft for what it is—an infringment on liberty:

"Today all across our country we face a crisis of confidence. Nowhere is it more acute than among our young people. They recognize the draft as an infringement on their liberty, which it is. To them it represents a government insensitive to their rights, a government callous to their status as free men. They ask for justice, and they deserve it."

Thus, to paraphrase Justice White, on the face of the Constitution alone, conscription violates both the letter and the spirit of that document. Daniel Webster put it eloquently when he said:

"Where is it written in the Constitution, in what article or section is it contained, that you make take children from their parents, and parents from their children, and compel them to fight the battles of any war, in which the folly or the wickedness of Government may engage it?"

Indeed, for many young people, the use of compulsion in order to provide for the common defense points boldly to a decline in the vitality and viability of the United States, its ideals, and the delicate bonds of consensus upon which all laws rest. As Kenneth Boulding has pointed out:

"The draft may well be regarded as a symbol of a slow decline in the legitimacy of the national state . . . that slow decline which may presage the approach of collapse. In the rise and fall of legitimacy . . . we find first a period in which sacrifices are made, voluntarily and gladly, in the interests of the legitimate institution. . . . As the institution becomes more and more pressing in its demands, however, voluntary sacrifices become replaced with forced sacrifices. The tithe becomes a tax, religious enthusiasm degenerates into compulsory chapel, and voluntary enlistment in the threatened system of the state becomes a compulsory draft."

B. Conscription Expands Executive Power at the Expense of Legislative Power:

As all Americans seek to analyze the lessons and meaning of our recent experience in Indochina, and as Congress discusses and debates in various measures ways to reassert its traditional role as a co-equal branch of government, it seems especially pertinent to point out once again the dangers of expanded Executive power and war-making initiative through conscription.

Sen. John A. Stennis, Chairman of the Senate Committee on Armed Services, has made this need for Congressional approval before making war abundantly clear:

"Only by a decisive vote in the Congress which represents the people can there be a real test of the sentiment of the country for supporting any war and mobilizing all our resources.

"I readily recall the gradual escalation under which the highest officials of our country testified that with an additional 50 or 100 thousand troops and passage of another year, the Vietnam problem would be solved. This process was repeated year after year. . . . Let me emphasize that I believe that Congress should exercise its Constitutional role in a more vigorous fashion. I totally reject the concept advocated from time to time that the President has certain inherent powers as Commander-in-Chief which enable him to extensively commit major forces without Congressional consent.

The "major forces" to which the Chairman refers are most readily supplied by conscription should an Executive wish to avoid careful scrutiny of his commitments. Once troops are committed to battle, it is a rare legislator who will turn off the faucet of supply and reinforcement. The answer is to put a limit on the reservoir. Many commentators believe that the seemingly inexhaustible supply of manpower through the draft helped the United States proceed on its reckless course in Vietnam.

With only the Gulf of Tonkin resolution, a document that the Congress never intended as "a functional equivalent of a declaration of war, as a basis, the Executive branch was able to draft large numbers of men, increase the size of the Armed Forces, and commit us deeply to a war policy before adequate Congressional debate on conscription and its uses occurred in 1967.

Since that time, the Congress has wisely discussed and implemented various measures to restrict unlimited Presidential war making. There are now annual hearings on authorized force levels, as well as the usual ones on appropriations. There are bills proposed that would further restrict the President's ability to plunge the nation into war without the full approval of the nation. Certainly, an end to the Military Selective Service Act would serve clear notice that the Congress expects the fullest, most searching and deliberate debate possible before the country's young men are called to war.

We must never forget that once American blood has been spilled, honor and commitments invoked, it is difficult to turn back. All of the safeguards on spending, force levels, and so on, rapidly dissolve once the battle is joined. The time to assert the historic Congressional role is *before* a war.

Even the President's Commission on an All-Volunteer Force expressed the merits of Congressional approval before conscription could begin again:

"If Congressional approval is made a prerequisite to the use of conscription, the necessity for the legislative action will guarantee public discussion of the propriety of whatever action is under consideration."

These remarks were made, of course, in reference to the reintroduction of induction authority under a standby draft system. However, under current provisions, inductions could be resumed after a request from the President and a simple Joint Resolution of Congress. In addition, the President still has the power, should he so choose, under the Military Selection Service Act, section 17(c), to resume inductions from all those men previously deferred. Selective Service estimates that there are over five million men in this deferred pool. As the law now reads, without obtaining Congressional approval, the President may continue to draft men for the next ten or fifteen years despite the warnings of the Commission.

The Founding Fathers were wise in the ways of human nature and the exercise of power. They did not put their trust in the simple goodness of the Executive. Certainly they did not expect George Washington or his successors to ape George III. Yet they carefully restricted the powers of the Executive—especially in the area of war powers—as best they could.

The present Congress would be wise to follow the ways of its illustrious predecessors and leave nothing to chance. If the end of induction authority would require a Joint Resolution for reinstatement, certainly it would be even wiser to eliminate the law altogether, thus requiring a full and searching debate on the merits of conscription and a particular war when the need arises.

With Selective Service machinery, personnel, and budget intact, it will be all too tempting to request a return to conscription (of course, on a small scale for a short time, we will be told) at the slightest difficulty. We need only recall the "emergency" institution of peacetime conscription in 1948 during the Truman Administration to see how tempting it is to make emergency measures permanent when they are readily available.

Leaving such machinery available rather explicitly tells any Executive that the Congress *intends it to be used*. Why else maintain it? Is this the kind of assertion of legislative power and criticism we need to balance once again our traditional form of government? Certainly not. And how seriously can young Americans take promises of "a generation of peace" and "no more Vietnams" as they carry deadly cards in their wallets—set to explode at the whim of any Executive?

Of course, many have wondered what would happen if the nation were faced with a true emergency, an imminent invasion or war? Might not the deliberations and debates of Congress prove too great a price to pay? Although one must respect fears for the safety of the country, it must be pointed out that the Congress represents the people of the United States. Can we seriously suppose that members of Congress would not speedily respond to a true emergency? And if they did not, what one man can say that his judgment alone is worthy of plunging the nation into war?

Fears of Congressional reaction are groundless; they betray a distrust of representative government—and a propensity for authoritarian rule. If the Congress is to reestablish its role as the representative of the people and a check on Executive power, it must begin now. And one excellent place to begin is by repealing the laws that permit conscription. Surely if military conscription is ever contemplated again, it should at best be seen as a dire and difficult remedy for pressing threats to the nation's survival—a remedy that is worthy of the fullest and most intense debate by the elected representatives of the citizens of the United States.

C. The Present Draft Law Is Inequitable:

Such a full discussion and debate by the entire Congress would not only be in the best tradition of our representative democracy, but would also be more realistic than relying on a Military Selective Service Act which is still riddled with inadequacies and inequities, and may well be seriously outmoded should there ever be a future emergency requiring conscription.

Again, there has been voluminous testimony and general agreement to the proposition that conscription is inherently inequitable—unless, of course, every man, woman, and child is mobilized in the defense of the nation. The Marshall Commission captured this dilemma graphically in the title of its report: *Who Serves When Not All Serve?* Since that time, various proposals for reform of the draft have been explored, debated, and finally implemented. Yet the basic dilemma remains. At a time when approximately 2,000,000 young men turn 18 each year and only around one third of a million new accessions are needed each year to maintain current strength levels, how can conscription ever be equitable? The situation would be further complicated should the Equal Rights Amendment someday be passed and 2,000,000 women added to those eligible to choose from.

Our best minds have wrestled with this problem, but it is essentially insoluble. Unless we are willing to conscript those who are mentally, physically, or morally unfit for military service, unless we are willing to draft those whose families would suffer severe hardships, and those who are conscientiously opposed to military service, some system of deferments and exemptions will always be needed.

It is through these systems of deferments and exemptions that the inequities of forced military service in an era of limited warfare are compounded. Not only are few called to serve, but of those who are called to serve, those who are best educated, most articulate, those who have adequate legal assistance or political clout, are most likely to avoid induction.

As David Caplan, an attorney who is experienced in Selective Service Law cases, testified before the Congress in 1971 about the inherent inequities in facing such a complex system:

"Even in criminal procedings the accused is innocent until proven guilty by the evidence beyond a reasonable doubt. Moreover, Selective Service regulations show that the burden of proof is on the registrant to show that he is entitled to a classification other than I–A and sets down rules and procedures for appeal. The non-legally trained averagely intelligent registrant cannot be reasonably expected to interpret the maze of rules, regulations and directives and reply correctly and adequately."

Mr. Caplan went on to quote from the Washintgon Post a graphic example of the result of this process:

"Georgetown and upper Northwest (Boards 1 and 2), the white, affluent areas, have 13 percent of the Selective Service registrants in the District of Columbia, yet supplied only 6 percent of the men in 1969. Those boards have 35 percent of Reserve and National Guard assignments, 33.5 of college student deferments, and 100 percent of Conscientious Objector deferments."

These are not simply extreme or isolated observations. There has been extensive analysis, for instance, on the disproportionate numbers of young Black men who qualify medically for service at their induction physicals, despite generally poorer physical health and medical care conditions in the Black community. Throughout the Vietnam years, white males were medically disqualified at about twice the rate of Black males. Unless one wishes to propose a biological theory of white inferiority, the conclusion is obvious. Medical disqualification depends upon adequate, substantial, and convincing documentation produced at the examining station. Those persons who, because of racial or economic characteristics, have less access to proper medical treatment, and less knowledge of the necessity of such documentation, will be more likely to be accepted and inducted. Similar patterns hold true for other disqualifications and exemptions. These inequities cannot be wished or legislated away so long as we have conscription and a system of medical and other disqualifications for military service.

The percentage of Blacks among draftees has always been substantially higher than the percentage among enlistees. In Fiscal 1969, for example, 14.9% of draftees were black, while only 12.2% of enlistees were; for Fiscal 1970, the figures, respectively, were 15.1% and 12.3%; for Fiscal 1971, 15.9% and 13.9%; for Fiscal 1972, 18.1% and 15.9%. It is interesting to note that as draft calls have fallen and sophistication about the draft risen, the number of black draftees has not fallen proportionately. And in all years, the number of blacks drafted was out of all proportion to the percentage of blacks in the general population, which is roughly 11%.

No area of the draft law is as fraught with frustration, difficulties, inequities, and inadequacies as the provisions for conscientious objectors. Recognizing the honored tradition of religious liberty in this nation, embodied in the First Amendment, the Congress has made provisions for those persons who cannot conscientiously participate in war. No principle is as essential a foundation of individual liberty, no principle has been as difficult to legislate or administer, although the Courts in *United States v. Seeger* (1965) and *Welsh v. United States* (1970) have steadily moved to recognize the broadened range of moral, cultural, and religious beliefs in this great pluralistic nation, several obstacles to complete freedom of conscience remain. First, the tradition of objection to a particular war as unjust—the tradition held by most of the religious bodies in the United States—has yet to be recognized. And second, the burden of proof of sincerity still falls on the individual registrant. The first difficulty is relatively simple to legislate. The addition of the words "or any particular war" to the phrase "war in any form" in the law would provide for recognition of objections to unjust wars. Similarly, the addition of the words "or a personal moral code" would eliminate the invidious distinctions between kinds of conscientious and religious beliefs.

However, even with selective objection assured by law, the problem of establishing sincerity would remain. It is in this area that the ability to write, speak, and provide supporting documentation in a manner that is acceptable to local boards becomes paramount. Those who, for whatever reason, displease or do not convince the local board of their sincerity—that is, those who *fail the test*—suffer the most extreme consequences. Those who are bound to fail such tests are those who fail tests in general in our society—the least privileged, least educated, and least articulate.

The solution to these inequities does not lie in further refinements, or in a change in the composition of local draft boards, or in more public information. It lies in eliminating conscription itself. Should conscription ever be implemented again, however, by an Act of Congress during some extreme emergency, it should be recognized that inequities will exist. At such a time, it would be the wisest course to redraft legislation that contains the widest possible provisions for elimination of inequities rather than rely on what will be, by then, the long-unused, musty, and demonstrably inequitable Military Selective Service Act.

III. PROBLEMS OF A STANDY DRAFT

A. A Standby Draft Is a Threat to Civil Liberties:

The end of inductions alone—that most serious threat to personal liberty—does not, however, end the threat to civil liberties under a "standby" draft.

In recent years, in an attempt to standardize the operation of Selective Service and reduce the inequities produced by a system of 4,000 local boards of "neighbors," a number of reforms were introduced that were fraught with dangers. Perhaps the most serious of these is the current creation by Selective Service of a computerized Registrant Information Bank. Whatever the merits and demerits of local boards, in a previous era, information about individuals of a private and confidential nature was maintained manually in widely scattered sets of records. Now the information is centrally collected and is available in a moment's time to Federal authorities. Thus, in plain English, all young American males are required by law to report directly to the Federal Government, under penalty of imprisonment, information concerning their health, marital status, occupation, sexual behavior, place of residence, or *any other* information that may have a bearing on their draft status. The forms require it. The opportunities for abuse of this kind of readily available information are legion and obvious. They lead directly to State control over the individual—a concept absolutely alien to American democratic ideals.

These are not idle fears. In recent years, we have witnessed increasing Government interest in all areas of life. Our experience with the abuses of military intelligence used domestically against civilians engaged in legitimate political activity, our experience of tampering with the election process itself by the Watergate conspirators, our experience with the use of FBI files for political purposes—all these should warn us of the dangers of more dossier keeping by the government.

Again, it is wise to recall the Founding Fathers and their concept of "inalienable rights." One of the most precious in their minds, and now undergoing increasing abuse, was the right to privacy, the right to be left alone. All of the careful protections against unreasonable searches and seizures, all the provision for due process of law, were designed to prevent arbitrary control over citizens' lives. As Justice William O. Douglas put it:

"These are the rights that distinguish us from all totalitarian regimes. The real enemies of freedom are not confined to any nation or any country. They are everywhere. They flourish where injustice, discrimination, ignorance, superstition, intolerance and arbitrary power exist. We cannot afford to inveigh against them abroad, unless we are alert to guard against them at home. Yet in recent years as we have denounced the loss of liberty abroad we have witnessed its decline here. We have indeed, been retreating from our democratic ideals at home. We have compromised them for security."

The threat to civil liberties in a "standby" draft extends beyond the computerized collection of information as well. As we enter a "generation of peace," a period when there will be no induction authority, the incidence of failure to register, or to notify of changes of address, is bound to increase. Already, many young Americans believe that the draft is "over"—that Selective Service has been dismantled and that they have no further obligations under the law. It is certainly within the realm of common sense, without a war, and without inductions, to suppose that no one need register or carry a draft card any longer.

The answer, many would claim, lies in more public information and more prosecution. And it is in the area of prosecution for non-registration that abuse will be found. Selective enforcement is a particularly tempting tactic in this regard. Dr. Curtis Tarr, former Director of Selective Service and, others have admitted before the Congress that they cannot even provide a reasonable estimate of non-registration. Yet men are prosecuted every year for this offense. The implication is clear. Only those non-registrants who are stumbled upon in the course of other routine law enforcement, or those individuals whom the government may wish to jail for other reasons for which there is insufficient evidence, need fear prosecution.

In short, the enforcement of a standby draft is doomed to be haphazard, inequitable, and at times repressive. It is bound to continue to foster feelings of contempt for the fairness and equity of American law that are already widespread amongst youth as a result of conscription and an unpopular war. Such feelings can only undermine the legitimacy, and hence the security, of the nation that the Congress would protect.

B. A Standby Draft Will Retard Military Reforms:

Perhaps the most beneficial effect of the elimination of the Military Selective Service Act would be the impetus given to the Armed Forces to improve living and working conditions in the military. The Congress has noted in recent hearings that for many years the availability of a generous flow of draftees and of draft-induced volunteers allowed the Armed Forces to neglect necessary changes in housing, pay, training, efficient utilization of personnel and other conditions of military life that would have been necessary to obtain volunteers in lieu of a draft.

Assistant Secretary of Defense Roger T. Kelley has illustrated the problem in discussing the failure of the Armed Forces to give sufficient attention to enlistments because of the draft:

"As long as you have something like the

draft that you can always use, it is easy to go to the well and make up your deficiencies. . . . An involuntary organization has a very high tolerance for waste in the human area. . . . The ability to reach into the draft well and pick out whatever numbers you need can cover a lot of sins of underutilization of manpower, of misuse of manpower, or poor management."

There has been widespread agreement in draft discussions that the use or availability of conscription has encouraged inefficiency and retarded improvements and reforms in the Armed Services. In contrast, the Gates Commission noted that the British experience of a volunteer force showed more efficient use of personnel, higher motivation and performance. "British officials have said that the fully volunteer force is more productive than a mixed force because of lower turnover and the superior performances of more experienced servicemen."

In recent years, as draft calls fell and finally reached zero, a number of reforms, especially in the area of sufficient pay for low-ranking service personnel, have been enacted. However, it seems unfortunately to be the case that humans like to grasp at easy solutions. It is not difficult to imagine a situation where the Armed Forces might feel the need to request draftees, not because any real military necessity required them, but because it would be an easy solution to some problem in obtaining or retaining personnel.

No one would contend that the Armed Forces are free of problems. The Department of Defense itself is aware of areas where further reform would be beneficial—military justice, racial equity, proper personnel utilization, and so on. But will the incentive to work harder to solve internal problems remain at a high level, if at the first sign of difficulty, one can turn back to replacing dissatisfied personnel with draftees? It is outside the scope of this paper, but might not the Armed Forces be run more efficiently, if, as in any other business, its employees were allowed to quit upon reasonable notice? Both the Gates Commission and Sen. Goldwater have advocated this basic right. Draftees are not the only involuntary soldiers in uniform. Many young persons sign lengthy contracts for military service at age seventeen or eighteen only to discover that at a later date they wish to return to civilian life. Certainly this problem is underscored by the desertion rates for the Army and Marine Corps in Fiscal Year 1972, when, with their combat roles greatly reduced, these two services saw over 6% of their personnel desert and even larger numbers go AWOL for short periods of time.

National security, military discipline, and the draft have long been excuses to cover up basic inadequacies in military life. We applaud recent reforms and look forward to more. And we believe that the removal of even the possibility of easily returning to conscription will hasten such improvements.

If the Armed Forces can look to a standby draft waiting in the wings to rush on stage and save them in their first hour of personnel distress, will we see an end to waste and inefficiency? How long will it be before we see an end to the use of American servicemen and valets and chauffeurs? Will we see an end to goldbricking and featherbedding, to "Mickey Mouse" and makework? What employer in the civilian world would ever improve working conditions if he could simply draft new employees to replace those who quit in disgust?

Corallary to the temptation to avoid difficult solutions to personnel problems by resorting to the draft is the problem of dignity and morale, *esprit de corps* and efficiency in the Armed Forces. One of the great ironies of the draft has always been that in the name of service to country it degrades the service of those who freely give it. What person can completely believe that his is an honorable, satisfying and necessary occupation when his fellow citizens must be compelled by law to do it?

With the total elimination of conscription and the temptation to return to it implicit in retaining the Military Selective Service Act, the Armed Forces and their members can begin to regain some of the esteem in which they were held after World War II and prior to the widespread use of conscripts to fight the Indochina War. What would follow, then, from the elimination of conscription, the improvement of life in the Armed Forces, and an increase in the esteem of their members, would be a more effective military force. The Gates Commission and others have agreed that an all-volunteer force will be more effective than one mixed with conscripts. What remains to be decided is whether or not a standby draft system is necessary and desirable for the defense needs of the nation.

C. A Standby Draft is Unnecessary for Defense and a Needless Expense:

Those who favor a continuance of the Military Selective Act argue that even with an all-volunteer force the nation should be prepared for any manpower contingency. They claim that by continuing to register and classify young men as eligible for service, the Armed Forces can be rapidly expanded to meet the emergency of invasion or full-scale war. Having the draft on standby, they assert, provides "flexibility" and a necessary insurance policy.

First, it must be repeated that the "flexibility" offered by the draft, or by the resumption of the power to induct through a simple Joint Resolution of Congress, is the kind of flexibility that can and has led to escalation of minor engagements into actual war without adequate Congressional debate or consensus of the citizens of the United States.

Further, it should be noted that in this age of sophisticated photoreconnaissance by satellite, not to mention traditional intelligence gathering techniques, it is impossible for any nation to mobilize undetected for the kind of full-scale war that would require a massive increase in the numbers of this country's Armed Forces.

Just as importantly, one must ask if it can be believed—after all of the pay raises, after all of the recruitment and special bonuses, after all of the improvements in military life—that the United States does not now have a sufficiently flexible and strong defense capability to meet any realistic threat. Have the taxpayers been deluded? Are their hard-earned dollars going to maintain Armed Forces that are inadequate to defend the country? We need not remind anyone that the budget for the Department of Defense for the coming Fiscal Year is in excess of $80 billion. What are those dollars, those missiles and submarines, and bombers and 2.3 million active duty forces and nearly three million Reservists for?

Surely no one would contend that the Congress of the United States and the Department of Defense have not provided adequate defense for all but the most dire contingencies. The Secretary of Defense has told the public repeatedly that the Reserve forces will be used as the first line of defense after our formidable active forces.

We have already indicated that the presence of a draft system retards improvement and reform of the active services. The same holds true of the nation's Reserve forces. If they are to be truly combat-ready and effective as the first line of defense after active forces, Reserve forces must also be improved, strengthn levels met, readiness maintained.

The Reserve forces have already made significant advances in meeting these goals, but it would be a mistake to assume that the draft should be available to help induce Reserve participation should it fall, or, as some have hinted, to actually draft men directly into the Reserves. Inducting men into the active service to induce Reserve participation is not the way to increase effectiveness. Either Reserve participation is sufficiently attractive to young Americans or it is not. Maintaining a large Reserve of draft-induced "volunteers" has been, and will always prove to be, merely the illusion of security.

Drafting directly into the Reserves would present similar problems of providing only unmotivated and unwilling servicemen, but it would add even more severe difficulties in trying to achieve equity. To illustrate the problem quickly, suppose Reserve units in New York are full, but those in California are below strength. Since Reservists are part-time citizen-soldiers who serve in units near their homes, shall Californians be subject to draft while New Yorkers are not? This is lack of equal protection of the law with a vengeance.

The only possible justification, then, for maintaining a standby draft is to provide additional manpower should the active and Reserve forces together prove insufficient.

This argument, a sort of defense insurance policy, seems extremely reasonable and responsible at first glance. On closer examination, however, it becomes clear that at a minimum it takes four to six months to process, train, and equip a draftee for combat. Indeed, the Selective Service Law forbids sending any draftee into combat before he has received at least four months training. The services themselves have further requirements for performing with weapons, etc. How, then, can a standby draft be justified for emergency uses?

Similarly, it takes an even longer time to increase training, support, and logistics facilities to handle a vast expansion in the size of the Armed Forces. There is no way to instantly procure and place additional millions of soldiers into combat. Only forces at hand can be relied upon to meet emergencies. And, as in previous wars, upon the outbreak of serious hostilities that truly threaten the national security, large numbers of volunteers can be depended upon. As Sen. Mark O. Hatfield pointed out in introducing S.J. Res. 54 to repeal the draft:

"I cannot see any way in which this [a standby draft] will help our defenses. . . . In the remote chance that the nation decides a draft is needed some time in the future we can certainly set up a conscription system, register men, give physical examinations, train and transport them in virtually the same time as it would take if we continued limited registration. We were able to do so in 1917. Surely now, with our advanced technology, we could do so just as easily."

The maintenance of any draft apparatus is not insurance against aggression. Indeed, the present proposals for a standby draft do not include provisions for physical examination of registrants. Thus, even if draftees could go miraculously from the reception station to the front lines, their classifications would be hopelssly inadequate and outdated. Why must we continue to register and classify young men, when even if inductions were to be reinstituted in the future, new classifications and new examinations would be required?

The maintenance of a standby draft system not only does nothing to provide for the nation's emergency defense needs, but it also requires needless ongoing expense and bureaucratic waste. The immediate and apparent costs are listed in the $55,000,000 provided for Selective Service in the current Administration budget request. This *budgetary* cost does not include, however, such additional costs as $15 million for rental of facilities, later retirement and other benefits for Selective Service personnel. Nor does it count the tremendous costs of enforcement of the law, by the FBI, prosecution by U.S. Attorneys, or the cost of litigation, probation officers, and confinement of violators. Regardless of the level of inductions, there have always been individuals who, either out of deeply held conviction, out of ignorance, or out of simple evasion, fail to register with the Selective Service System, or to meet with other requirements of the law.

It is impossible to give an accurate estimate of the true costs involved, but at a conservative minimum, one hundred million dollars would be required to maintain such a system and compliance with it *at a time when there is no need for inductions*. These millions will be spent at a time when the President, the Congress, and the people are deeply concerned with holding down spending, halting ruinous inflation, and meeting other pressing needs in our society. It is inconceivable that given such pressing needs, the Congress can easily agree to squander millions in the name of providing an immediate influx of draftees into the Armed Forces for combat in an emergency, when such a feat is literally impossible.

An end to the entire draft system would result in additional savings and social benefits even more difficult to measure, but just as real. In the area of crime prevention alone, for instance, vast resources would be released to fight more serious and more violent crimes than draft evasion. Representative William Steiger has written:

"In FY 72, for example, when only 25,000 men were actually drafted into the Armed Forces, Justice Department and U.S. Attorneys handled 10,444 draft cases—fully 11.81% of their entire criminal case load! During the same period, the FBI investigated 17,353 draft cases and 26,491 desertions—15% of their criminal investigations and a startling ⅔ of their total apprehensions!"

Other areas of social savings would include the return of persons who are now engaged in various draft matters—counseling, Selective Service law, draft repeal—to other pursuits; a general rise in respect for law and a lessening of alienation amongst youth; and a rise in self-esteem and professionalism, in the best sense, in the nation's Armed Forces.

IV. CONCLUSION

A few final words need to be said about an all-volunteer force. Throughout CY 1972, only 50,000 men were inducted. Since then, no one has been. The former Secretary of Defense has announced that "use of inductions has ended." Secretary Richardson has announced that the Administration will not request a renewal of the induction authority. In short, a volunteer army is at hand.

And yet, none of the fears of critics of a volunteer force has been even vaguely realized. We do not have an Armed Forces that is mainly Black and mainly poor. Civilian influence in and over the military has not weakened, and the costs have not been excessive. These fears, perhaps once legitimate when a volunteer force was first proposed so long ago, are no longer valid. We hope that those who have opposed an end to conscription, to the Military Selective Service Act, will look candidly at the facts and give credit where it is due. We are sure that they will recognize that at long last we can do away with the draft in all its aspects.

No one has ever loved the draft. It has always been reluctantly justified as an onerous necessity. Now that that necessity is no longer evident, let us all join together to restore the full range of individual freedoms to our citizens.

As President Nixon has stated, "With an end to the draft, we will demonstrate to the world the responsiveness of our system of government, and we will also demonstrate our continuing commitment to the principle of insuring the individual the greatest possible freedom."

Certainly no demonstration could be clearer to the world and to our young people than complete repeal of the Military Selective Service Act. Surely, if we intend a generation of peace, and if we do not intend to draft our young men, there is no further need to compel them to register, carry identity cards, and report regularly to the government vital information about their personal lives—all at the risk of five years' imprisonment and $10,000 fine for failure to do so.

Americans of all walks of life and of all political persuasions wish to restore individual freedom and responsibility. Most now recognize the wisdom of the words of the late Sen. Robert A. Taft:

"Military conscription is far more typical of totalitarian nations than of democratic nations. It is absolutely opposed to the principles of individual liberty, which have always been considered part of American democracy."

We believe that Americans will welcome a return to a society totally free from the burdens of a system of conscription. We believe they will applaud the total repeal of the Military Selective Service Act as a wise, generous, and responsible action.

So we conclude as we began. Every conceivable question has been answered, every condition has been met. The burden of proof has shifted to those who would spend $55,000,000 and more, subject our young men to needless government control and senseless prosecution; who believe that this nation cannot maintain a strong defense except by compulsion; and who would have us believe that our military cannot be controlled by the President, and by the Congress of the United States, but only by the presence of a few thousands of men in the lowest enlisted ranks forced to be in the military against their wills.

We submit that proof of any need to maintain the Selective Service System is not available. We urge complete repeal of the Military Selective Service Act. Careful examination of the facts, not to mention the nation's historic and legitimate distrust of conscription and undue Executive and military power, demands no less.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is on passage of the bill.

Do Senators yield back their time?

Mr. MATHIAS. Mr. President, I yield back my time.

Mr. PROXMIRE. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the bill is yielded back. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Texas (Mr. Bentsen), the Senator from North Carolina (Mr. Ervin), the Senator from Massachusetts (Mr. Kennedy), the Senator from New Jersey (Mr. Williams), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Biden), the Senator from Iowa (Mr. Clark), the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson), the Senator from Iowa (Mr. Clark), the Senator from Massachusetts (Mr. Kennedy), the Senator from Missouri (Mr. Symington), and the Senator from New Jersey (Mr. Williams) would each vote "yea."

Mr. TOWER. I announce that the Senator from Vermont (Mr. Aiken), the Senator from Massachusetts (Mr. Brooke), the Senator from Oklahoma (Mr. Bellmon), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Wyoming (Mr. Hansen), the Senator from Pennsylvania (Mr. Scott), the Senator from South Carolina (Mr. Thurmond), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The Senator from New Hampshire (Mr. Cotton) is absent because of illness in his family.

The Senator from Michigan (Mr. Griffin), the Senator from New York (Mr. Javits), the Senator from Idaho (Mr. McClure), and the Senator from Delaware (Mr. Roth) are absent on official business.

If present and voting, the Senator from Vermont (Mr. Aiken), the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), the Senator from Pennsylvania (Mr. Scott) and the Senator from South Carolina (Mr. Thurmond) would each vote "yea."

The result was announced—yeas 73, nays 1, as follows:

[No. 266 Leg.]

YEAS—73

Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bible
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Fannin
Fulbright
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Long
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Saxbe
Schweiker
Scott, Va.
Stafford
Stevens
Stevenson
Taft
Talmadge
Tower
Tunney
Young

NAYS—1

Proxmire

NOT VOTING—26

Abourezk
Aiken
Bellmon
Bentsen
Biden
Brooke
Clark
Cotton
Ervin
Fong
Goldwater
Griffin
Hansen
Javits
Kennedy
Magnuson
McClure
McGee
Roth
Scott, Pa.
Sparkman
Stennis
Symington
Thurmond
Weicker
Williams

So the bill (H.R. 8825) was passed.

Mr. PROXMIRE. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. HUGHES) appointed Mr. PROXMIRE, Mr. MCCLELLAN, Mr. PASTORE, Mr. BAYH, Mr. CHILES, Mr. MOSS, Mr. MATHIAS, Mr. YOUNG, Mr. CASE, and Mr. FONG conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on The Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the first nomination.

CIVIL SERVICE COMMISSION

The legislative clerk read the nomination of Robert E. Hampton, of Maryland, to be a Civil Service Commissioner for the term of 6 years expiring March 1, 1979.

The PRESIDING OFFICER (Mr. HUGHES). Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of John Hugh Crimmins, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The legislative clerk proceeded to read the nominations in the U.S. Arms Control and Disarmament Agency.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. The nominations are considered en bloc and confirmed en bloc.

BUREAU OF THE CENSUS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nomination in the Bureau of the Census go over.

The PRESIDING OFFICER. Without objection, the nomination will go over.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The legislative clerk read the nomination of Sheldon B. Lubar, of Wisconsin, to be an Assistant Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL DEPOSIT INSURANCE CORPORATION

The legislative clerk read the nomination of George A. LeMaistre, of Alabama, to be a member of the Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMMUNITY DEVELOPMENT CORPORATION

The legislative clerk read the nomination of Alberto Faustino Trevino, Jr., of California, to be a member of the Board of Directors of the Community Development Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

EXPORT-IMPORT BANK OF THE UNITED STATES

The legislative clerk read the nomination of Mitchell Kobelinski, of Illinois, to be a member of the Board of Directors of the Export-Import Bank of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of any previous nominations which have been confirmed, but as to which he has not been notified, and that he also be notified of the nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be so notified.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. MANSFIELD. Mr. President, I understand there is another nomination at the desk which has been cleared.

The legislative clerk read the nomination of Charles O. Sethness, of New York, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CALL OF CERTAIN BILLS ON CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 258, 265, and 267.

The PRESIDING OFFICER. Without objection, it is so ordered.

OCEAN TRANSPORTATION IN NONCONTIGUOUS STATES AND TERRITORIES

The bill (S. 902) to amend section 607 (k) (8) of the Merchant Marine Act, of 1936, as amended was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguish Senator from Washington (Mr. MAGNUSON) in support of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MAGNUSON

The passage of S. 902 will clarify the definition of noncontiguous trade in section 607(k) (8) of the Merchant Marine Act, 1936 to allow vessels built with funds deposited in capital construction accounts by eligible vessel operators to engage in trade within Alaska, Hawaii, or any one of the insular territories or possessions of the United States.

Thus, vessels operating in a trade between Seattle and Anchorage may also call at any other port within the State of Alaska, to either discharge or take on cargo.

The Merchant Marine Act of 1970 included intra-Hawaiian trade within the definition of noncontiguous trade, but failed to include intra-Alaska, or trade within points in U.S. territories and possessions.

The following example will illustrate the situation in Alaska under the present definition. A few carriers—mostly tug and barge operators—serve the offshore domestic trade between the contiguous 48 States and Alaska. In the course of a coverage between Seattle and Anchorage, cargo may be carried to a number of Alaskan ports. In serving these ports, incidental cargoes may also be carried from one Alaska port to another Alaska port. From the carrier's point of view, the carriage of these incidental intrastate cargoes represents the most efficient use of its equipment. Although these cargoes are minor in volume compared to the major interstate trade, they are also very important to Alaska shippers since there is no regular privately owned service operating solely between ports in Alaska. The interstate movement is clearly within the scope of section 607(k) (8), but the incidental intrastate movement is arguably outside the present definition of "noncontiguous trade."

If this intrastate movement is not considered "noncontiguous trade," a carrier could not in good faith contract with the Secretary of Commerce for the construction of vessels which would be regularly used in such a trade, however incidental the intrastate movement may be.

Without the benefit of this legislation, such carriers could be forced to abandon their intrastate service when vessels built with capital construction funds engage in interstate voyages to Alaska. The abandonment of this service would fall particularly hard on the small scattered communities which dot the Alaska coastal areas. The intrastate shippers dependent on water transportation would obviously be injured, especially when the present fleets are totally replaced with vessels built with capital construction funds. The residents of the many towns and villages would find themselves with no intrastate water transportation service at all, since water transportation is the only economically and physically feasible method of moving large quantities of goods to and from much of Alaska. Since the carriers would suffer an irreplaceable loss of freight from this movement, the interstate shipper might have to pay increased rates in order to offset the loss of intrastate revenue. The bill would relieve the carrier from having to choose between the benefits of the 1970 Act and the efficient use of its equipment.

Specific inclusion of intra-Alaska, intra-Puerto Rico, intra-Guam, and so forth, trade within capital construction fund provisions is entirely consistent with the recognition in the 1970 Act that Hawaii's dependence on ocean shipping, including intrastate voyages dictated that Hawaiian carriers, shippers, and consumers should benefit from the construction of water transport equipment with tax-deferred capital construction funds.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 607(k)(8) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1177(k)(8)), is amended by striking that entire portion of section 607(k)(8) which follows the lower case roman numeral "(ii)", and inserting in lieu thereof "trade from any point in Alaska, Hawaii, Puerto Rico, and such territories and possessions to any other point in Alaska, Hawaii, Puerto Rico, and such territories and possessions."

INCREASED LIMITATION ON EXPENDITURES BY COMMITTEE ON GOVERNMENT OPERATIONS FOR PROCUREMENT OF CONSULTANTS

The resolution (S. Res. 134) increasing the limitation on expenditures by the Committee on Government Operations for the procurement of consultants was considered and agreed to, as follows:

Resolved, That section 5 of S. Res. 46, Ninety-third Congress, agreed to February 26, 1973, is amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 38) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act, as amended (66 Stat. 204; 8 U.S.C. 1251):

A-3549268, Greklek, William.
A-9702536, Ying, Ah Sing.
A-2672062, Turansky, Yankel Benjamin.
A-10490452, Chiang, Yee-Chee.
A-5170996, Masip, Joseph Antonio.
A12653501, Yee, Wing.
A-11673403, Bakierowska, Kazimiera.

CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the rest of the calendar be called in sequence.

The PRESIDING OFFICER. Without objection, the clerk will call the calendar beginning with No. 268.

KAMAL ANTOINE CHALABY

The bill (S. 245) for the relief of Kamal Antoine Chalaby was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the periods of time Kamal Antoine Chalaby has resided in the United States since his lawful admission for permanent residence on October 31, 1962, shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act.

SUNG WAN KIM

The Senate proceeded to consider the bill (S. 298) for the relief of Sung Wan Kim which had been reported from the Committee on the Judiciary with an amendment in line 6, after the word "of", strike out "February 1966" and insert "February 5, 1966"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Sung Wan Kim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of February 5, 1966.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILHELM J. R. MALY

The Senate proceeded to consider the bill (S. 507) for the relief of Wilhelm J. R. Maly which had been reported from the Committee on the Judiciary with an amendment in line 3, after the word "time", strike out "Mr. Wilhelm J. R. Maly and insert "Wilhelm J. R. Maly"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the periods of time Wilhelm J. R. Maly has resided in the United States since his lawful admission for permanent residence on October 6, 1966, shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. TANIOS (TONY) J. MA'LUF

The Senate proceeded to consider the bill (S. 748) for the relief of Doctor Tanios (Tony) J. Ma'luf which had been reported from the Committee on the Judiciary with an amendment in line 6, after the word "of", strike out "June of 1968" and insert "June 27, 1968"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Tanios (Tony) J. Ma'luf shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 27, 1968.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ERNESTO ESPINO

The Senate proceeded to consider the bill (S. 428) for the relief of Ernesto Espino which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Ernest Edward Scofield (Ernesto Espino) shall be held and considered to be the natural-born alien son of Mr. Raymond V. Scofield, a citizen of the United States: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Ernest Edward Scofield (Ernesto Espino)."

JANET LEE DAVIS BRACE AND SCOTT WILLIAM BRACE

The Senate proceeded to consider the bill (S. 489) for the relief of Janet Lee Davis Brace and her son Scott William Brace which had been reported from the Committee on the Judiciary with amendments in line 6, after the word "resided", insert "and to have been physically present"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of section 301(a)(7) of the Immigration and Nationality Act, Janet Lee Davis Brace, a citizen of the United States, shall be considered to have resided and to have been physically present in the United States for five years after attaining the age of fourteen years.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Janet Lee Davis Brace."

JOZEFA SOKOLOWSKI DOMANSKI

The Senate proceeded to consider the bill (S. 816) for the relief of Jozefa Sokolowski Domanski which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Mrs. Jozefa

Sokolowska Domanski shall be held and considered to be within the purview of section 203(a)(2) of that Act and the provisions of section 204 of that Act shall not be applicable in this case.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Mrs. Jozefa Sokolowska Domanski."

AMENDMENT OF THE FEDERAL SALARY ACT OF 1967

The bill (S. 1989) to amend section 225 of the Federal Salary Act of 1967 with respect to certain executive, legislative, and judicial salaries; was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

PROCEDURES FOR CALLING CONSTITUTIONAL CONVENTIONS

The bill (S. 1272) to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

AUTHORIZING SUPPLEMENTAL EXPENDITURES, COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 133) authorizing supplemental expenditures by the Committee on the Judiciary for an inquiry and investigation relating to patents, trademarks, and copyrights was considered, and agreed to, as follows:

Resolved, That S. Res. 56, Ninety-third Congress, agreed to February 27, 1973, as amended, is further amended as follows:

(1) In section 2, strike out "$4,067,600" and insert in lieu thereof "$4,093,600".

(2) In section 13, strike out "$143,000" and insert in lieu thereof "$169,000".

OCEAN POLICY STATEMENT

The resolution (S. Res. 82) endorsing the objectives of the President's ocean policy statement was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The resolution will be passed over.

FEDERAL RAILROAD SAFETY AUTHORIZATION ACT OF 1973

The bill (S. 2120) to amend the Federal Railroad Safety Act of 1970 and other related acts to authorize additional appropriations, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Federal Railroad Safety Authorization Act of 1973".

SEC. 2. Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"There is authorized to be appropriated to carry out the provisions of this title not to exceed $19,440,000 for the fiscal year ending June 30, 1974.".

SEC. 3. Section 303 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 1762) is amended to read as follows:

"There is authorized to be appropriated to carry out the provisions of this title not to exceed $1,200,000 for the fiscal year ending June 30, 1974.".

Mr. MANSFIELD. Mr. President, that concludes the call of the unobjected to items on the legislative calendar for the time being.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the act for 2 years; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Mills, Mr. Ullman, Mr. Burke of Massachusetts, Mrs. Griffiths, Mr. Schneebeli, Mr. Collier, and Mr. Broyhill of Virginia were appointed managers on the part of the House at the conference.

RETIREMENT OF FRANK E. BATTAGLIA

Mr. MANSFIELD. Mr. President, I would like at this time to express my regret at the retirement of Frank E. Battaglia, the dean of the Official Reporters of the House of Representatives.

Mr. Battaglia came to the House in my second year over there, I believe, in 1944.

He has been an excellent official of the Congress. His work is outstanding. He is one of the truly great reporters with whom I have had any contact—a man who has dignity, understanding, and a sense of humor, and a man who excels in perfection so far as his work is concerned.

I know that the House of Representatives will miss him, but I, too, will miss him, because of the many contributions and the outstanding service he has rendered to the Congress and in the Congress over the past 30 years.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 30 minutes, with a time limitation on statements therein of 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TUNNEY, from the Committee on the Judiciary, with amendments:

S. 782. A bill to amend the antitrust laws of the United States, and for other purposes (Rept. No. 93–298).

By Mr. EAGLETON, from the Committee on Labor and Public Welfare, with amendments:

S. 775. A bill to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging (Rept. No. 93–299).

EXECUTIVE REPORTS OF COMMITTEES

As in execution session, the following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Charles O. Sethness, of New York, to be U.S. Executive Director of the International Bank for Reconstruction and Development.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MONTOYA:

S. 2121. A bill to authorize the Secretary of the Interior to carry out a program to provide road systems within Indian reservations or provide access to an Indian reservation or Indian trust lands or restricted trust lands, for health, education, and the development of industry. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONTOYA:

S. 2122. A bill to amend the Higher Education Act of 1965 with respect to developing institutions. Referred to the Committee on Labor and Public Welfare.

By Mr. INOUYE:

S. 2123. A bill to increase the rates of duty on prepared and preserved pineapple and concentrated pineapple juice. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MONTOYA:

S. 2121. A bill to authorize the Secretary of the Interior to carry out a program to provide road systems within Indian reservations or provide access to an Indian reservation or Indian trust lands or restricted trust lands, for health, education, and the development of industry.

Referred to the Committee on Interior and Insular Affairs.

Mr. MONTOYA. Mr. President, I am introducing a bill today which will begin a program which is long overdue: an accelerated road program on Indian reservations.

It is fashionable today to plan programs which will help solve the economic or social problems of American Indians. Often these plans are grandiose and expensive, and result in very little real value to the Indian peoples.

However, the bill I am introducing today is a very simple solution to a longstanding problem, and one on which there cannot be much controversy. This legislation will improve the transportation systems on Indian lands, which is an essential first ingredient for many other developmental programs.

Especially in the West, where the large size of many reservations keeps the Indian peoples isolated, the construction of a modern road system will put job opportunities, medical and social services, school programs and other needed services within reach of Indians who have had to live every day with the inconvenience, frustration and danger of that isolation.

My legislation authorizes the appropriation of $75 million this fiscal year and for each of the next 2 fiscal years. This is extremely low in cost when related to the economic benefits which will result.

By Mr. MONTOYA:

S. 2122. A bill to amend the Higher Education Act of 1965 with respect to developing institutions. Referred to the Committee on Labor and Public Welfare.

Mr. MONTOYA. Mr. President, I am introducing a bill today to correct an inequity in the Higher Education Act of 1965 with respect to allocation of funds under title III—strengthening development institutions and new thrust programs.

The committee has approved increases in the moneys for these programs this year in order to provide the needed seed money assistance to developing colleges and junior colleges which serve substantial numbers of disadvantaged and minority students.

One of the minority groups most severely handicapped in the past has been that of Spanish-speaking students. These students are only now beginning to enter colleges in numbers approaching their percentage in the population. The educational handicaps of this particular minority have historically been the result of language barriers, economic factors, and geographic and population dispersion factors. This has been especially a problem for the Southwest and my State of New Mexico.

Today, however, there are large numbers of Spanish-speaking students enrolling in new and viable community and junior colleges with programs aimed at preparing them for careers and professional opportunities. It is encouraging to me to see this increase in students who want to continue their educations. There is also an increase in the numbers of new colleges with innovative programs aimed at helping minority students. That process must be encouraged to continue. According to a recent Carnegie Commission report, 4.8 million students will be enrolled in junior colleges by 1980. This will require the creation of 280 campuses. Hopefully many of these new colleges are even now in the process of developing and planning to focus on effective educational programs for minority and disadvantaged students. In the Southwest 35 percent of the students entering junior colleges today are Spanish-speaking minority students.

I believe that it is important for us to encourage the creation of new schools and new programs to help those students find their best potential.

The legislation my bill attempts to correct has created an unequal application of the funds provided to encourage developing institutions, however. As now written this legislation requires 5 years in operation before a college is eligible for consideration. Mr. President, in today's rapidly moving education climate that limitation is unrealistic and unnecessarily restrictive. Without lowering this restriction the program would continue to further strengthen those institutions which have received title III moneys in the past, and would be forced to neglect new community colleges and junior colleges as they develop in parts of the country where the need is greatest and the growth is most rapid. By reducing the years in operation requirement from 5 to 3 we will be able to provide assistance and encouragement to the many new colleges in areas where educational facilities have not been available in the past.

I urge my colleagues' support for this bill so that we may more effectively encourage the development of new and flexible education programs and more equitably serve the education needs of all minorities, and ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302(a)(1)(C) of the Higher Education Act of 1965 is amended by striking out "five" and inserting in lieu thereof "three".

By Mr. INOUYE:

S. 2123. A bill to increase the rates of duty on prepared and preserved pineapple and concentrated pineapple juice. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, I introduce legislation which would raise the tariff rates on pineapple to that comparable to its chief competitors—pears, peaches, and fruitcup.

The heritage of the pineapple industry is truly a rich one and is consistently intertwined throughout that of the growth of my State for the past 70 years. Pineapple is the second most important agricultural product produced in Hawaii. In 1972, it accounted for about a third of the income generated by Hawaiian agriculture.

However, pineapple has fallen on bad times. The number of firms producing canned pineapple and pineapple juice has declined by half since 1955 and within the past year, three of the four remaining companies have announced, by successive independent actions, closing and cutbacks that will reduce Hawaii's pineapple production by one-third within the next 3 years.

At the same time, the recent U.S. Tariff Commission's report on the pineapple industry indicates that "the ad valorem equivalent of the duty—incidence of protection—was 83-percent less in 1972 than in 1931." It should be further noted that foreign imports account for approximately 36 to 40 percent of the U.S. consumption of pineapple.

Mr. President, the Hawaii pineapple industry and the citizens of Hawaii cannot afford to have such a state of affairs continue. We depend heavily upon pineapple for both food and jobs, we feel it is only fair that the tariff for pineapple be set at a rate similar to that for other comparable fruit crops. Adoption of the legislation which I introduce today will achieve a measure of equity and relief for the people of my State engaged in this most vital industry.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 557

At the request of Mr. Schweiker, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 557, to provide that United States Flag Day shall be a legal public holiday.

S. 775

At the request of Mr. Eagleton, the Senator from Rhode Island (Mr. Pell), the Senator from Pennsylvania (Mr. Schweiker), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of S. 775, to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging.

S. 1415

At the request of Mr. Buckley, the Senator from New Jersey (Mr. Case) was added as a cosponsor to S. 1415, a bill to amend the Small Business Act to assist in the financing of small business concerns which are disadvantaged because of certain social or economic considerations not generally applicable to other business enterprises.

S. 1688

At the request of Mr. Tower, his name was added as a cosponsor of S. 1688, to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy.

S. 1971

At the request of Mr. SCHWEIKER, the distinguished Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 1971, to increase certain penalties for offenses involving the unlawful distribution of certain narcotic drugs, and for other purposes.

SENATE CONCURRENT RESOLUTION 39—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO 100TH ANNIVERSARY OF OVERTON, TEX.

(Referred to the Committee on the Judiciary.)

Mr. TOWER. Mr. President, I am pleased today to submit a concurrent resolution to extend the greetings and congratulations of the Congress of the United States to the city of Overton, Tex., on the occasion of the celebration and observance by that city of its centennial anniversary.

Beginning this year, Overton, Tex., launches into its second century on a note I feel is particularly appropriate. It has chosen for its theme "100 More Years of Progress" which provides a particularly accurate reflection of the achievements of the city since its founding in 1873, when a small township sprang up in Rusk County.

Engineers for the International and Great Northern Railroad—now the Missouri Pacific—laid out this small township in 1872, and when the first tracks were laid, business firms in a neighboring settlement joined the new community's residents in building the city which was named in honor of a pioneer doctor, Frank Overton.

Immediately, the city began its industrial development, as well as building churches, homes and schools, including Hubbard College which boarded students from a wide area.

Cotton was the basic industry in those early days of Overton's development, with a huge cotton compress and numerous cotton gins located in the area. Later, a general diversification of crops was made by farmers in the area, as they began growing peanuts, potatoes, peas, and ribbon cane. Livestock production also received more attention, and the lumber industry began to boom. The city of Overton became more and more important as a shipping point for industrial products.

In 1931, a number of Overton citizens combined their financial resources in a search for oil in southern Rusk County. After 4 years of dry holes, the crew finally struck gold in what proved to be the largest oil pool in the world. This oil boom of the 1930's brought prosperity to farmers, ranchers, and businessmen throughout the area, and resulted in fine school systems, churches, road systems and medical facilities.

Through grants from the Bruce McMillan, Jr. Foundation, the Texas A & M University Agricultural Research and Extension Center was established in Overton and the 1970's opened a new era of residential building and business expansion.

Today, Overton, Tex., sets an example in the State of Texas of civic-minded concern and cooperation among its citizens. Through donations of money, time, labor, and materials, countless community projects have been developed and paid for as they were completed.

Mr. President, I am proud to represent the people of Overton, Tex. in the U.S. Senate, and, today, invite my colleagues in the Congress to join me in extending congratulations and best wishes to the citizens of Overton as they celebrate their 100th anniversary this year. Official celebrations are scheduled during the week of August 4 through August 11, and I know my colleagues would want to join me in expressing our recognition of the contributions of that city to both the State of Texas and to the Nation as a whole.

Finally, Mr. President, I ask unanimous consent that the full text of this concurrent resolution be printed at this point in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 39

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States extends its greetings and congratulations to the City of Overton, Texas, on the occasion of the observance and celebration by that City of Overton of its one Hundredth anniversary, and expresses its recognition of the contributions of the City of Overton to the State of Texas and to the nation.

SENATE RESOLUTION 136—SUBMISSION OF A RESOLUTION RELATING TO BROADCASTING AND TELECASTING OF SENATE PROCEEDINGS

(Referred to the Committee on Rules and Administration.)

THE SENATE AND THE ELECTRONIC MEDIA

Mr. ROBERT C. BYRD. Mr. President, I am today submitting a resolution that would authorize the Senate Committee on Rules and Administration to study the possibility of televising and broadcasting sessions of the Senate.

Such activities are currently prohibted under the blanket interpretation of Rule 4 of the Rules for Regulation of the Senate Wing of the U.S. Capitol—section 83 in the Senate Manual—which prohibits the taking of pictures in the Senate Chamber.

Discussions of whether to allow the electronic media into the Chambers of the Senate and House date back to at least 1923, when President Calvin Coolidge's December 4 address to the opening of Congress was broadcast live. His state of the Union message 2 days later became the second broadcast to originate from Congress.

The debate began in earnest, however, in the years just prior to the enactment of the Legislative Reorganization Act of 1946. From 1939 through the first half of the 1940's, the AFL and the CIO spearheaded unsuccessful efforts to permit microphones in the Senate and House Chambers. And Jack H. Pollack's article entitled "Shall We Broadcast Congress," which appeared in the February 17, 1945, issue of Liberty magazine, pointed out the success that New Zealand was having with broadcasts of its partiamentary sessions. Those broadcasts began in 1937 and continue today.

It is noteworthy that although the 1946 act failed to allow radio and the then-embryonic television industry into the the hearings did have some positive spinoff benefits. In 1947, the first televised session of a Senate hearing occurred, when Secretary of State George C. Marshall told the Foreign Relations Committee of his plan to rebuild Europe. And a year after that, a gallery for radio and television reporters was established alongside the press gallery that has been in existence since 1859.

Ever since 1950, when NBC's Robert McCormick conducted the first TV gallery interview with Senator William Langer of North Dakota, the television networks and independent stations have staffed the important proceedings of the Senate—but, along with their radio colleagues, TV newsmen have been barred from using the technology of their industry to bring first-hand reports of the floor debates.

The barring of radio and television coverage of Congress has resulted in an ironic situation—one in which millions of Americans were able to view the return of the POW's, but denied visual access to Senate votes on the Vietnam war; millions watched an American become the first man to walk on the moon, but were unable to witness the Senate Floor debates that preceded funding for the space program.

And in this Congress, where a struggle exists over spending authority, the President can use television to veto a bill in full view of the American population—he can take what conceivably could be a private act, and make it public. The subsequent Senate vote to override or sustain the veto, however, cannot be seen by the general public—only by the 426 persons accommodated by the public gallery.

This is not to say, Mr. President, that the arguments raised in the past against broadcasting and televising Senate sessions were totally without validity. Far from it. They were raised by conscientious lawmakers and observers who pointed out the potentially detrimental effects of allowing microphones and cameras in congressional chambers.

These objections, which have remained essentially the same from the 1940's to today, center in three main areas:

First. The equipment would interfere with the normal legislative process.

Second. The majority of congressional sessions lack drama, and it, therefore, would be commercially infeasible for stations to carry them.

Third. Politicians would become "hams" once the microphones were opened and the kleig lights turned on.

What my resolution seeks to do, Mr. President, is to allow the Rules Committee to determine whether these arguments are still valid—if they ever were—or whether they have been overcome by time.

Technological advances, even over the

past decade, have been significant, making the equipment less cumbersome and bothersome. And with the advent of cable television, the apparent permanence of public television, and the growing interest of citizens in the activities of their Government, the feasibility of such coverage might be increased.

As for politicians storming to the microphones and cameras, there is evidence that such moves would be adversely rewarded. For example, the same argument was used by opponents of New Zealand broadcasts in 1937. Yet, in a report 3 years later in the trade publication Radio Daily, Leon Weaver wrote:

> Windbags who took a lot of time to say nothing brilliantly have been defeated, and members who fumbled and stumbled but who did have something to say have been reelected.

In any event, I feel certain that any permission that might possibly be granted to the radio and television industries to cover Congress would be accompanied by strict guidelines. To avoid the possibility of media-provoked theatrics—the focusing of the cameras on the vacant seats of the necessarily absent Senators, for instance—a system could be devised whereby Senate employees would operate the equipment, and the networks and other interested outlets could pick up the audio and visual feeds. This is just one means of overcoming one of the fears that has been expressed previously. Hearings on my resolution could develop additional means of eliminating other obstacles that, in the past, have been placed in the path of our using the electronic media to bring the floor debates of the Senate closer to the people of the United States.

No one, I am sure, wants to see the Senate covered in the same hysterical and frenzied manner that political conventions are handled. And I am equally certain that everyone would agree that not every Senate session is worth beaming live to the American people.

However, I do think that today, when 99.8 percent of all American homes have radios and television sets, the time has come for a new look at the possibility of using the electronic media to bring the Senate and the people closer together.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 136

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a full and complete study and investigation with respect to the broadcasting and telecasting (including closed circuit telecasting) of proceedings of the Senate.

SEC. 2. The Committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it considers appropriate.

RIGHTS-OF-WAY ACROSS FEDERAL LANDS—AMENDMENT

AMENDMENT NO. 303

(Ordered to be printed, and to lie on the table.)

THE MINERAL FUELS RESERVES DISCLOSURE ACT

Mr. NELSON. Mr. President, I submit an amendment which I intend to propose to S. 1081, the Alaska pipeline bill. The amendment would add as a new title to the bill the "Mineral Fuels Reserves Disclosure Act."

The theory of this amendment is that the giant corporations which hold our energy supplies in the palms of their hands—a very few hands—are deliberately withholding from Congress and the public essential information about those supplies. The purpose of the amendment is to require them to make that vital information available.

For over 6 years now the Senate Small Business Subcommittee on Monopoly, which it is my privilege to chair, has been studying corporate giantism. For the past year and a half, the special focus of that study has been on corporate secrecy. Over the same period of time, and indeed longer, the Senate Judiciary Subcommittee on Antitrust and Monopoly has made several studies and held many hearings involving, among other things, the peculiarly intense forms of corporate secrecy practiced by the oil and gas industry. It should surprise no one, therefore, that the distinguished Chairman of that subcommittee, the Senator from Michigan (Mr. HART), is cosponsoring this amendment. The proposal is a natural outgrowth of the long investigative work of both of our subcommittees.

LIFE-AND-DEATH QUESTION FOR AMERICA

As this Nation approaches its bicentennial, it faces a question the importance of which cannot be overstated: Do we or do we not have the fuel our highly sophisticated industrial society needs to survive? We need more facts and less propaganda from the big oil companies to answer that question.

It is elementary that our entire way of life in this advanced, technological society depends on adequate supplies of mineral fuels. Without sufficient fuel, our whole civilization must make radical changes, or collapse.

The giant oil and gas companies are now saying we don't have enough, that we must cut back, that we are facing an energy crisis. But when we ask a big oil company, any big oil company, "How much crude petroleum in the ground do you control, and where is it?", its management answers, "That is nobody's business but ours." The same is true of gas and other fuel reserves.

It seems almost unbelievable, yet it is true, that even the U.S. Bureau of Mines and the Federal Power Commission cannot tell us with any degree of accuracy what and where our mineral fuels reserves really are, and who owns and controls them.

No information could be more vital yet the oil companies and the other big mineral fuels companies, for years and years, have maintained that we have no right to know. The only fact that is just as unbelievable as that, and just as true, is that the American people and their Government, for years and years, have let the fuel barons get away with it.

It is time and past time to end this intolerable secrecy about our civilization's lifeblood, our natural resources of mineral fuel, and that is the purpose of the Mineral Fuels Reserves Disclosure Act.

SUMMARY OF AMENDMENT

The plan of this amendment is simple and direct. Its main premise is that there is a critical national need for regular, reliable data on the location, quantity, ownership and control of every mineral fuel reserve in the United States and the world. I use the word "critical" with precision. We are, after all, being told we have an energy "crisis." Whether or not the current crisis is temporary, the fact is mineral fuels are being depleted worldwide at an astonishing pace. We do in fact face a long-term crisis, too.

A second premise of the amendment is this: The data that are needed can be obtained, if Congress will simply insist on obtaining them. The problem is not that the data do not exist. The problem is that they are widely dispersed and, to an extent we can no longer tolerate, kept secret by the corporations that possess them.

The amendment addresses this problem directly. It directs the Federal Trade Commission to attack both aspects of the problem—the great dispersion of existing data in the public domain, and the great secrecy of most corporate data on fuels reserves. The FTC is directed to use that potent new tool of data management, the computer, to pull together all the existing public-domain data on mineral fuels reserves into one data library, and to make the electronic tapes and disks and computer printouts that result available to everyone.

Even more essential, the FTC is directed to collect from every substantail fuel company sworn annual reports on their mineral fuels reserves, with precise and full identification and description of each reserves; exact location, type of fuel, quantity proved, quantity probable ownership and control, and state of development. Those reports will also be keypunched into the electronic data bank on mineral fuels reserves, but the new company-supplied data will, initially, be placed in a separate section of the computerized library, to which only government officials and not the public will have access. The premise here is that data which companies have for a long time been permitted to maintain as corporate secrets should not, immediately and without qualification, be made available to everyone. There should be some screening first, and opportunity for discussion and public hearings, in which considerations of both competitive equities and national-security sensitivity can be reviewed. The amendment provides for all this.

But the amendment also provides for an end to secrecy of the data under certain reasonable circumstances and after certain reasonable periods of time have elapsed.

Specifically, the Mineral Fuels Reserves Disclosure Act provides for prompt transfer from the confidential section of the electronic data base to the public section of certain data provided by a major fuel company in its reports on reserves, in one specified circumstance. When the FTC learns from a company's own reports on its reserves of a particular mineral fuel, and from all the reports on that fuel by all companies under this and other reserves-reporting programs, that a single company controls 5 percent or more of the total national reserves of that fuel, then that company's full, detailed reports on its holdings of reserves of that particular fuel will be made public.

Now it is certain to be argued that it is unfair to make one company tell how much oil it has at the bottom of an expensive hole it has drilled in the ground, when all other companies owning oil wells are not subject to the same requirement. Our answer to that argument is that power begets responsibility, and the holders of great power cannot expect to enjoy the same kind and degree of privacy—and especially not during a "crisis"—that society can safely permit for their powerless competitors.

When the Congress reconvenes after the recess, I shall submit a section-by-section analysis of this amendment and further comment and explanation.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 303

At the end of the bill, add the following new title:

TITLE III—PUBLIC DISCLOSURE OF MINERAL FUELS RESERVES DATA

SHORT TITLE

SEC. 301. This title may be cited as the "Mineral Fuels Reserves Disclosure Act."

PURPOSE

SEC. 302. It is the purpose of this title to provide for the collection and organization in a single electronic data base of the fullest available information on the Nation's reserves of mineral fuels, to provide for the establishment and maintenance of that data base by the Federal Trade Commission, and to provide for the mandatory disclosure to the Commission by substantial fuel companies of information on the quantities and locations of their own mineral fuels reserves.

DEFINITIONS

SEC. 303. As used in this title—

(a) "Mineral fuel reserve" means a deposit or body of identified, unextracted mineral fuel or mineral fuel ore, of either a proved or probable quantity.

(b) "Substantial fuel company" means a corporation which, alone or with its affiliates, in either of its last two full fiscal years, had total annual business sales or receipts of $5,000,000 or more derived from business activity in any of the following lines of commerce:

(1) crude petroleum and natural gas production; (2) mining of uranium-radium-vanadium ores; (3) anthracite mining; or (4) bituminous coal and lignite mining.

(c) "Affiliate" means an individual, partnership or corporation which controls, is controlled by, or is under common control with one or more other individuals, partnerships or corporations.

(d) "Data base" means the library of information on mineral fuels reserves to be established and maintained by the Federal Trade Commission under this title.

(e) "Commission" means the Federal Trade Commission.

(f) "Commerce" and "Corporation" have the meanings set forth in section 4 of the Federal Trade Commission Act (15 U.S.C. 44).

(g) "Establishment" and "Standard Industrial Classification" have the same meanings as in the "Standard Industrial Classification Manual 1972," prepared by the Statistical Policy Division, Office of Management and Budget, Executive Office of the President.

MINERAL FUELS RESERVES DATA BASE

SEC. 304. (a) Immediately upon enactment of this Act, the Commission shall collect and organize data for, and establish and maintain a complete and current data base on the mineral fuels industries and, in particular, on mineral fuels reserves.

(b) The data base shall—

(1) Contain all available information on the location, quantity, ownership, control, and state of development of every mineral fuel reserve within and without the United States.

(2) Be organized, indexed and cross-referenced on the basis of establishments, by company or other affiliation or ownership, by particular location within or without the United States, and by Standard Industrial Classification.

(3) Utilize the best and fastest information storage, retrieval and processing systems and technologies available, including but not limited to microform and electronic data processing and transmission systems.

(4) Be divided into a confidential section and a public section, as provided in section 306 of this title.

MAJOR FUEL COMPANIES TO REPORT MINERAL FUEL RESERVES

SEC. 305. (a) It shall be the duty of every substantial fuel company, foreign and domestic, engaged in commerce to report annually to the Federal Trade Commission full and complete details of all mineral fuel reserves which it, together with its affiliates, owns or controls anywhere in the world. Such reports shall be verified, under penalties of perjury, by the chief executive officer, chief geological officer and chief financial officer of the substantial fuel company and shall describe for each reserve the identity of each establishment having any ownership or control of the reserve; the location, types, and proved and probable quantities (specifying which) of mineral fuels or fuel ores in the reserve; and the state of development of the reserve.

(b) The Commission, by regulation, shall prescribe the form or forms on which the reports required by subsection (a) shall be made. Such form or forms shall be drafted in consultation with the Office of Management and Budget and such other departments and agencies as either that Office or the Commission may deem requisite or desirable. The most expeditious procedures for consideration and clearance of such form or forms under the provisions of chapter 35, title 44, United States Code, shall be employed, and such form or forms shall be cleared and promulgated not later than 60 days after the effective date of this title.

(c) The first reports under this section shall be filed not later than four months after the effective date of this title and shall describe mineral fuel reserves as of a specified date not more than four months earlier than the date of the report. Annual reports thereafter shall be due on or before the first day of May of each year, beginning with the year 1974, and shall describe mineral fuel reserves of each reporting major fuel company as of the preceding first day of January.

DIVISION OF DATA BASE INTO PUBLIC SECTION AND CONFIDENTIAL SECTION

SEC. 306. (a) The Commission shall establish the data base in two sections: a public section and a confidential section. The public shall have unlimited use of and access to the public section, under such regulations and at such reasonable fees as the Commission shall prescribe. Access to the confidential section shall be limited to the Commission and its staff and to officers and employees of the Government of the United States having official use for such data commensurate with the purpose of this title, except that any substantial fuel company providing information for the data base may have access to the data in such section which it provided. Unauthorized disclosure of information in the confidential section shall subject the officer or employee making such disclosure to the provisions and penalties of section 1905 of title 18, United States Code.

(b) The Commission shall place in the public section of the data base all information which it obtains from reports, documents and other sources in the public domain, together with all microform and electronic reproductions, recordings, and tabulations thereof. In addition, the Commission shall place in the public section all data derived from any report or reports of any substantial fuel company, pertaining to a particular mineral fuel, when such report or reports reveal that such company controls five per centum or more of the national total reserves of that fuel. All other data derived from the reports required by section 305 shall be placed in the confidential section of the data base, except that such data may be transferred, in appropriate part, to the public section in aggregate, statistical forms or tabulations which do not disclose the precise identity or ownership of particular reserves. Any data contained in a report required by section 305 may also be placed in the public section of the data base if the Commission ascertains that such data have previously been in the public domain by virtue of another report or public source.

(c) At the request of any substantial fuel company or any department or agency of the Federal Government, the Commission shall place in the confidential section and withhold from the public section of the data base any report or information, upon a showing that the public disclosure thereof would be harmful to the national security of the United States.

(d) Data more than 25 years old shall be placed in or transferred to the public section of the data base, except that, for good cause shown, data up to 50 years old may be placed or held in the confidential section when required by competitive equities, and data up to 75 years old may be placed or held in the confidential section when required by the national security. The Commission, by regulation, shall provide for formal hearings on any question or dispute concerning the entry of data into or removal of data from the confidential section, and such hearings shall be open to the public except that a private formal hearing may be conducted when the Commission determines that competitive equities or the national security so require.

POWERS OF COMMISSION

SEC. 307. All of the powers conferred on the Commission by the Federal Trade Commission Act, including but not limited to the powers to subpena testimony and documents, to inspect and audit books and accounts of corporations, and to issue mandatory orders and orders to cease-and-desist, shall be available to the Commission to carry out its duties and responsibilities under this title. Without regard to the limitations in section 6(b) of the Federal Trade Commission Act, or any similar statutory limitation, the Commission shall have power under this title to receive and require the submission of reports from or about banks and common carriers for inclusion in the data base, in the case of banks and common carriers which are affiliates of a substantial fuel company and which own or control any mineral fuel reserve.

AUTHORIZATION OF APPROPRIATIONS

SEC. 308. There are hereby authorized to be appropriated to the Federal Trade Commission such supplemental and annual funds as may be necessary to carry out the purposes of this title.

EFFECTIVE DATE

SEC. 309. This title shall be effective on the date of enactment of this Act.

ANNOUNCEMENT OF HEARINGS: "BARRIERS TO HEALTH CARE FOR OLDER AMERICANS"

Mr. MUSKIE. Mr. President, I wish to announce that the Subcommittee on Health of the Elderly, U.S. Senate Special Committee on Aging, will continue its inquiry into "Barriers to Health Care for Older Americans" at hearings beginning at 10 a.m. on July 11 and 12 in room 1318, Dirksen Office Building. Our primary topic on those 2 days will be home health care.

ADDITIONAL STATEMENTS

MIKE MANSFIELD IN MONTANA

Mr. MANSFIELD. Mr. President, a week ago I was in Montana for the purpose of finding out what Montanans were talking about and, whenever and wherever possible, to answer questions which were on their minds. The chief topics seemed to be inflation and the high cost of living, Watergate, the lack of rain, Cambodia, unemployment, strip mining, the proposed reorganization of the Forest Service and other matters, both general and personal. A visit home tends to restore one's perspective and also one's faith in the people whom we represent.

Mr. President, I ask unanimous consent to have printed in the RECORD a series of articles based on interviews in Billings, Great Falls, Missoula, and Butte, and published in the following newspapers on June 24, 1973: The Billings Sunday Gazette, the Great Falls Tribune, the Sunday Missoulian, and the Montana Standard.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Billings (Mont.) Gazette, June 24, 1973]

POLITICIANS LOOK GOOD—MANSFIELD

(By Ronald J. Schleyer)

Sen. Mike Mansfield claims the Senate's Watergate investigation "is just getting started" but he refused to speculate on the possibility of President Richard Nixon's impeachment.

Until the Select Committee on Presidential Compaign Activities lays bare all the facts, said the Senate Majority Leader, Nixon should be respected and listened to as "our President under the Constitution."

In a wide-ranging, exclusive interview with The Gazette Friday night Mansfield talked of the benefits to the nation from the lesson of Watergate and of foreign policy, national resources, economics and the balance of government.

One thing that should be clear from the facts so far is that the apparent abuses of authority and power in the scandal of Watergate were conceived not by politicians, but by Nixon appointees who "had no knowledge of politics."

Referring to former top presidential aides and others who built a "Berlin Wall" around Nixon, Mansfield said "They did the President a grave disservice in my opinion."

"But the blame applied to them cannot be applied to the regular Republican political organization," said Mansfield.

Republican candidates and their National Committee were ignored by and kept ignorant of the activities of the Committee to Re-elect the President (CRP) and deserve no blame, he said.

"Politicians look pretty good in comparison with what has happened," Mansfield observed regarding the felonious spying, wiretapping, burglaries and payoffs.

"Politics can be tough but it shouldn't be that dirty," Mansfield said. "This is going too far."

But the senator refused to speculate about the conditions under which he would support impeachment of Nixon, regardless of what the Senate's investigation proves of the President's exact role in CRP's illegal activities and subsequent coverup attempts.

"I still believe in our system of jurisprudence," Mansfield said. "That's why we have grand juries; we've got to have the facts laid out before we decide to impeach."

"Out of Watergate," he said, "will come a stronger nation, a better informed people and a more watchful electorate."

The embarrassment of Watergate came in the nick of time to save the Constitutional balance of power between the Legislative and Executive branches, said Mansfield.

"Three months ago we had our backs to the wall but now that is being balanced to a partnership (with the President) and a degree of equalization."

Nixon and the men he has chosen as top aides to replace the Watergate crowd are beginning to move in concert with the Congress and to relinquish improperly siezed power, he said.

Two matters, impoundment of funds by Presidential fiat and vast claims of immunity from questioning on the basis of executive privilege are being resolved for the betterment of the Republic, Mansfield said.

Mansfield said he hopes Congress can restore exclusive authority to "appropriate and designate where and how funds will be spent" and that Nixon will learn he "is stretching himself too far" to deny that authority.

"As equilibrium returns," he said, "the President will let us use some of" the $12 billion appropriated by Congress for numerous programs but impounded by Nixon.

At the beginning of the Watergate investigation Nixon claimed that executive privilege, the notion that persons in the executive authority could not be forced to answer questions, applied to "all government employes, all 2.8 million of them," said Mansfield.

Confidentiality of discussions with advisers should be "confided in a very few people" and not be allowed to proliferate on a "wholesale scale" in violation of the Constitution, he said.

Senate committees will now continue to insist on a promise from prospective Cabinet officers that if called by Congress, they will testify. Without a promise, appointments are not confirmed, said Mansfield.

"We're going to see a more open Presidency,"—he predicted.

"We (the Senate) don't want to seize power" rightfully belonging to the President, said Mansfield. "We are not against a strong President."

"We'd like to work in partnership with the executive branch on the basis of equality."

On other topics, Mansfield said:

Watergate's main effect on international relations centers on the U.S. dollar.

Apparently, as a result of distrust in the stability of our government, overseas speculators have forced a "gross undervaluation" of the dollar.

"Since August 1971," he said, "the dollar has depreciated in value overseas by around 30 percent. The attacks are continuing."

"One answer would be to get rid of all our gold if possible; sell the gold, use it for commercial purposes, allow Americans to have gold.

"There must be $30 billion worth in Fort Knox," he said.

"The most important question facing this country today is inflation," said Mansfield.

"If the present pattern continues, inflation will be about 8.8 percent for this calendar year. This is just too much, people are unable to keep up with it."

In contrast, "corporate profits in the first quarter of 1973 were 12.8 billion, the highest in the history of the Republic," he said.

"So you've got a very unbalanced economic picture. If Nixon doesn't do something, we face a real danger of a recession."

Mansfield said he approves "of Nixon's economic measures as far as they've gone, but it shouldn't take 60 days to arrive at a Phase 4 policy.

"It would be better to go back to Phase 2 (wage and price controls), it works well and was acceptable to people and accomplished the desired results," he said.

The Senator predicted the beginning of a yearly exchange of visits between leaders of the U.S. and U.S.S.R. because of Nixon's "excellent record of foreign policy relations."

Although the U.S. must "walk a very thin line" between China and Russia, said Mansfield, "anything that will lead to a more peaceful and stable, I'm for."

The United States has the advantage in the three-way superpower structure, he said, because of the "enmity between them and our friendliness with both."

Trade with the People's Republic of China was $55 million last year, and may rise to $300 million or a billion dollars by the end of 1973, he said.

If the House of Representatives agrees, major oil producers will be required to restore gasoline allocations which independent sellers previously had.

"More than 1,200 have been forced out of business already and we think they are entitled to a square deal," Mansfield said.

However, "in the years ahead there will be a grave shortage unless new sources (of crude oil) are found" and measures taken to conserve fuel.

Oil imports may rise from the current 10 per cent to 50 per cent by 1985. "The tens of billions of dollars for these imports will further imbalance our trade," he said.

"We've got to find ways to conserve gasoline and recognize that we will become dependent on more outside sources . . . it enters very strongly in the field of foreign relations."

If the House of Representatives agrees, the Miles City fish hatchery, once slated for abandonment, will receive $60,000 as part of the year's agricultural appropriations budget.

Mansfield and Sen. Lee Metcalf have recommended acceptance of a $119,000 bid from Fergus County for purchase of abandoned Lewistown Air Force Base for use as a post-high school educational facility.

Acceptance of the bid by the General Services Administration is expected within a month, he said.

Mansfield, who will return to Washington on Monday, said he will testify during the week against proposed elimination of U.S. Forest Service Region I headquarters in Missoula.

[From the Great Falls (Mont.) Tribune, June 24, 1973]

MANSFIELD COMMENTS ON INFLATION, WATERGATE; PREDICTS BOMBING'S END

(By Twila Van Leer)

Montana's senior senator, Mike Mansfield, arrived in Great Falls Saturday by the dawn's early light and touched upon a variety of national and international issues as he ate breakfast at the International Airport.

Mansfield flew here from Washington, D.C., and was to visit in Missoula, Butte and Helena before returning to Great Falls to visit with family members. The purpose of the trip, he said, was "to see what the people are thinking."

He is to return to Washington Sunday preparatory to appearing Tuesday before the Senate subcommittee on environment, conservation and forestry in opposition to the reorganization plan which would revise regions of the United States Forest Service.

During a brief early morning interview, the Senate majority leader capsuled his ideas on many of the issues that are in the news today. The topics:

Inflation: "It's the No. 1 problem of the day. I don't think the President has gone far enough. He should have retained the provisions of Phase II and now he should return to those provisions. The rise in living costs is outrageous. Unless there is some drastic action taken within the next 15 to 30 days, I'm sorry to say that I think we must face the possibility of a recession."

Watergate: "The Watergate issue will and should prompt some changes in the American political setup. This was not the usual shenanigans that have at times been charged to both parties but was a grab for power. I think it will lead to a stricter accounting for campaign funds and limiting of contributions to maybe $5,000 to $10,000. Under the present system, rich people are attempting to buy politicians as they used to buy paintings.

"Watergate is apt to influence several things being considered by Congress, among them setting the general election in October instead of November, in order to make the campaign period shorter. Now, it's too repetitive, too dull and too expensive.

"It may even be helpful in advancing my suggestion that the president serve a six-year term with no provision for re-election. This would free the President from the pressures of party politics and allow him to be the President of all the people, not just the members of one party. The legislation has been presented three times and has had some committee hearings. I'm sure eventually it will pass.

"I suggested myself that Watergate hearing be suspended during the visit of Soviet leader Leonid Brezhnev. In a letter to Sen. Samuel J. Ervin Jr., who heads the select committee, I suggested that the best interests of the country would be served by allowing Nixon and Brezhnev the opportunity to talk free of the pressure of the investigations.

"I see no possibility of Nixon testifying before the Senate committee, and I also hope that he will not be forced into resigning or face impeachment because of Watergate. This is not a Republican Party tragedy, it is an American tragedy. We want to put the facts fully before the people, and will, and then prevent it from happening again."

The Nixon-Brezhnev talks: "I believe we can look forward to annual meetings between the President of the United States and the Russian secretary general. They reached some good agreements on space, taxes, agricultural, cultural exchanges and, of course, the final pledge for peace. It's a good thing as long as nations can sit down and discuss matters of difference. If agreements can be reached to reduce armaments, funds can be diverted to the betterment of the people."

Executive-legislative relations: "There has been improvement in the relations between Congress and the President. For the first three months of the session, everything went the President's way, then it finally sunk into the minds of the great majority of congressmen and a move was begun to resume the proper balance in government. I'm sure that the Watergate incident helped in the process. Regarding the differences brought about by the President's drastic cutbacks in some poverty programs, I believe the Congress may support him to some extent. Some programs will be trimmed drastically, especially those that haven't proved their worth. Others could be tightened up, with less money spent for administrative overhead and more getting to the people. Congress may reinstate some other programs Nixon cut."

The 1976 election: "Vice President Agnew is the best possible candidate for the Republicans. The Democrats have three frontline contenders—Gov. Reubin Askew of Florida; Sen. Lloyd M. Bentsen, Texas, and Sen. Walter F. Mondale, Minnesota. I don't think Ted Kennedy is interested or will run. I don't know what Sen. Edmund S. Muskie is planning."

Southeast Asia: "I foresee an end to the Cambodian bombings soon with the return of Prince Norodom Sihanouk to power. At present, Cambodia is governed by a puppet state that is barely surviving and, at that, only on the basis of American bombing. Saturday marked the 107th day of continuous bombing by U.S. planes. More bombs have been dropped in the past five months than in the past three years in Cambodia. In Southeast Asia all told, we dropped more than 6.5 million tons of bombs, compared to 3.3 million tons in World War II—3.2 million tons more. At long last, Congress has learned its lesson. We are prepared to cut off funds, making a stand that is 10 to 12 years overdue. By the first half of the next century, the cost of Vietnam and southeast Asia will amount to more than $350 billion. We have 55,000 dead, 303,000 wounded. It's too high a price to pay. One Vietnam is one too many. I don't want to see the U.S. involved in any such action anywhere else."

The Arab-Israel conflict: We are trying to walk a line between the two. We are selling Phantom jets to Israel and will sell to Saudi Arabia and Kuwait. Generally speaking, I don't approve of selling arms, but we are doing it to maintain a balance in the mid-East. I don't want to see us involved in any open conflict. Now, too, we have to consider our energy resources. Saudi Arabia and Kuwait have the world's largest oil reserves. We will become more dependent on their products and will be paying more for them—if we can get them. It will add to our imbalance of payments. I don't anticipate a severe oil crunch this year, but by next year it will be more apparent."

U.S. troops in Europe: "Two years ago it was costing us $14 billion to keep troops in Europe. With the devaluation of the dollar, the cost is closer to $18 billion. I don't foresee immediate reduction of forces there, but eventually yes."

Strip mining: "Lee Metcalf is chairman of a Senate subcommittee which has been trying to set a meeting, but there has been too much Interior legislation under consideration to date. We hope for a meeting this week. We are recommending the strongest possible controls and hope we have the support to pass them."

[From the Sunday Missoulian, June 24, 1973]

MANSFIELD PRAISES WORK OF WATERGATE COMMITTEE

(By Charles S. Johnson)

Sen Mike Mansfield, home for a short visit after a busy week in Washington, praised the work of members of the special Senate committee investigating the Watergate scandal.

"I'm very pleased," the Montana senator said in an interview with The Missoulian Saturday morning. "I think they have tried to undertake their responsibilities in a responsible and unpartisan mannner."

Senators on the committee, headed by Sam J. Ervin, Jr., D-N.C., are making it clear there is a difference between hearsay and direct evidence during witnesses' testimony, Mansfield said.

The Senate majority leader defended his decision requesting Ervin's committee to postpone the hearings last week because of meetings between President Nixon and Soviet leader Leonid Brezhnev. He insisted that he had not bowed to pressure from Nixon, other White House officials or Republican senators.

"The postponement was purely on my own initiative," Mansfield said. "Brezhnev was here for a week, and it was a matter of highest importance. Nothing was lost, in my opinion."

Former presidential counsel John Dean III was scheduled to offer some potentially explosive testimony last week but instead will appear Monday.

Mansfield said he is "disturbed" at leaks coming from secret committee interviews with Dean and has urged the committee to tighten up its security.

He defended the congressional tradition of interviewing witnesses in secret prior to their public appearance for national security reasons.

A committee investigation is the best way to handle the Watergate affair in Congress, he said.

"You don't hear any talk of resignation or impeachment in the Senate," he said, criticizing some House members. "We voted to have the committee and to let the members carry out their work."

"You know," the 70-year-old Democratic senator said, "there is a model for this committee—the committee that investigated the Teapot Dome scandal in the 1920s." Montana Sen. T. J. Walsh, "one of the greatest senators in the history of the republic," headed that committee, he said.

The Walsh committee uncovered evidence, turned it over to the Justice Department and indictments were returned against several officials.

Turning to the Brezhnev visit, Mansfield termed the talks between the two leaders "successful."

"The important thing is that Brezhnev and Nixon are together," he said. A pattern of annual meetings between the two leaders apparently has been set, a move which Mansfield called "a good omen."

"If these two leaders can get together, maybe we can get away from the Cold War syndrome which has cost our countries so much in defense appropriations," the Senate leader said.

Mansfield, wearing a blue-striped sports shirt with a Kennedy PT boat tie clasp but no tie, also discussed the battle between the White House and Congress.

"Three months ago, the Congress was on the ropes because of the arrogance of the men around the President," he said. "They were just ramming things down our throats like impounding of funds we had appropriated and by saying that 2.8 million employes of the government—including postmen—were entitled to executive privilege."

Since the Watergate scandal surfaced, Congress has been able to restore some powers that had been usurped by the White House, he said.

"The President has indicated he plans to have more meetings with the congressional leadership," Mansfield said. "As far as the Senate is concerned, we'll go at least halfway and more if we must to work in partnership with the President."

Mansfield, a long-time opponent of American involvement in Southeast Asia, renewed his criticism on American bombing in Cambodia.

"We are bombing a poor, helpless country in support of a puppet government," he said. The only solution Mansfield foresees is the return of ousted Prince Norodom Sihanouk, who is now in Peking.

Saturday was the 107th straight day of American bombing of Cambodia, he said, noting that U.S. aircraft have dropped more tons of bombs on Cambodia the last five months than in the previous three years.

American planes have dropped 6.5 million tons of bombs on Laos, Cambodia and North and South Vietnam the past 10 years, he said. That figure is 3.2 million tons more than U.S. planes dropped on the European and Pacific theaters during all of World War II, according to Mansfield.

"And it's still going on," he said, shaking his head in disgust. Mansfield said reports estimate that the total U.S. costs of the war will run from $300 billion to $350 billion and Americans probably will be paying the bills until the year 2050.

Mansfield also discussed these topics:

Economy. The Democratic leader said he favored the retail price freeze announced by Nixon June 13 but added: "He hasn't gone far enough. It was too little and too late."

Mansfield called for a return to Phase 2, which he said worked well.

"If we don't do something and do it soon, I fear we may be in for a recession," he said, pledging cooperation from Congress.

U.S. Forest Service. He promised "to pull out every stop" to block the proposed reorganization of the Forest Service, which would close the regional offices in Missoula and transfer workers to Denver. Mansfield, scheduled to be the lead-off witness when the Senate Agriculture Committee opens two days of hearings on the plan Tuesday, called the proposal "outrageous."

"All they want to do is build a top-heavy bureaucracy in Denver," he said. "They ought to cut the top-heavy bureaucracy in Washington and add people at the local levels."

Revenue sharing. Noting that he voted against the bill signed into law by President Nixon last year, Mansfield said he is not against the concept if Congress has some knowledge of how the money is to be spent. States and cities will receive $32.5 billion over a five-year period under the plan.

Some of the money is being wasted, Mansfield said, citing the Connecticut town using revenue-sharing funds to build bridal paths.

"As far as I know, there has been no hanky-panky in Montana," he said. "But I think it's time we took another look at revenue sharing and New Federalism and get down to brass tacks in its application."

Strip mining. Action on a federal bill regulating coal strip mining is expected some time this year, according to the Montana senator.

He praised the efforts of colleagues Sen. Lee Metcalf, D-Mont., and Rep. John Melcher, D-Mont., who are leaders in the fight for a "strict, strong bill."

Election reform. Reaction to Watergate should spur Congress to pass major reforms in election laws, Mansfield said.

Mansfield, a congressman and senator for 31 years, said he favors moving the federal election day up to October to shorten campaigns, shifting party conventions from July to August or September and limiting contributions to candidates.

"Unfortunately some rich people have turned from buying paintings to contributing huge sums to candidates," he said. "I'm not saying they're trying to buy us, but the implication is there. We're not paintings to be bought."

Serious consideration should be given to federal financing, at least in part, of campaigns for federal office, according to Mansfield.

The senator was not optimistic about prospects of passage of a constitutional amendment he and Sen. George D. Aiken R-Vt., introduced. The measure would limit a president to one six-year term.

"Frankly, we don't expect to get very far, but we're going to keep trying," he said. "It may not be the best answer but it's the best I can think of."

Politics. The Democratic leader said he thinks his party's candidates should benefit from public reaction to the Watergate disclosures in the 1974 elections.

But he was careful to add that he does not believe the Republican National Committee and Republican candidates were involved in the scandal.

Republicans such as Sens. Barry Goldwater, Arizona; Lowell P. Weicker, Connecticut, and Hugh Scott, Pennsylvania, "have been at the forefront demanding that all the facts be laid out," Mansfield said, "and emphasizing at the same time that the Republican National Committee and Republicans had nothing to do with what these plumbers and highwaymen were up to."

In fact, the senator said, voters may turn against incumbents of both parties as a reaction.

His future. Mansfield, whose term expires in 1976, would not discuss his plans. Although expected by some to retire after this term, Mansfield smiled and said:

"I never make decisions until the month of March of an election year."

With that, he gathered up a stack of large envelopes containing notes and reprints from the Congressional Record and left. He had flown into Billings Friday night and already had been to Great Falls. Other stops were scheduled in Butte and Helena before he catches a flight back to Washington on Sunday.

[From the Montana Standard, June 24, 1973]

MANSFIELD SEES ENERGY CRISIS SOLUTIONS

(By Rick Foote)

Predicting the U.S. will need more than 50 per cent of its oil supply from the Middle East by 1985, Sen. Mike Mansfield Saturday outlined four alternatives to alleviate this nation's energy crisis.

The senator visited The Montana Standard Saturday and spent about an hour and a half chatting with reporters.

The senator said Senate hearings are scheduled to delve into the possibility that major oil companies are intentionally creating a fuel shortage in the country. But he said that while the shortage will not be acute this year, major problems could develop by next summer.

Mansfield said hearings will begin this week to determine if the controversial Alaska pipeline should be handed federal approval. He said the opening of the pipeline might prove to be one way of providing needed energy sources.

He further said research is needed to see if massive shale deposits in Colorado can be tapped for oil. The senator called for an increase in Atomic Energy Commission research to develop increased energy from atomic sources and said the country must seriously consider shifting private transportation from large to small cars.

Mansfield commented that, presently, the Middle East countries provide 10 per cent of this country's oil. But he said the political situation in the Middle East is not expected to stabilize and that "this country is walking a line between Israel and the other Middle East states."

The senator said he does not approve of U.S. arms sales to foreign powers but commented, "We are supplying jets to Israel then to Saudi Arabia and Kuwait and I suppose that is a political necessity. Saudi Arabia and Kuwait are friendly to this country and we need their oil reserves."

Mansfield commented, "Saudi Arabia is the richest oil country in the world with 136 billion tons of oil in reserve and Kuwait has between 10 and 12 billion tons of reserve oil."

While Mansfield praised the current visit of Russian Secretary General Leonid I. Brezhnev, he said Russian fuel supplies probably will not have the effect of minimizing the energy crisis here because the Russians do not have oil to export.

But, according to Mansfield, Armand Hanner, chairman of Occidental Petroleum, has just concluded negotiations with Russia to import six billion tons of liquified natural gas.

Hammer had to pay a high price for the gas, Mansfield says, and he, in turn, will sell it for prices well above gas prices in the U.S.

Speaking of Brezhnev's visit, Mansfield believes the accords reached with President Nixon on such matters as cultural exchange, trade and the personal agreement to end the risk of nuclear war, are to the benefit of the world's people.

The Senator said Brezhnev has invited Nixon to visit Russia next year and Nixon has accepted. "I hope this can lead to annual exchange visits by the leaders of the two countries."

Mansfield also addressed himself to the Watergate scandal.

He said he does not believe the President will be or should be impeached nor will he resign.

"As far as any citizen in this country is concerned, whether he is the President or someone on relief, he should be treated the same under the law," Mansfield said. "Before being declared guilty he should be proven guilty. The Senate committee, grand juries and the courts are trying to determine the facts."

Mansfield praised the work of Sen. Sam Ervin's select Watergate committee and said, "Ervin is following in the footsteps of Sen. Thomas Walsh, one of Montana's finest senators, who investigated the Teapot Dome Scandal which resulted in Secretary of the Interior Albert Fall being sent to jail."

Mansfield said the Ervin committee has acted with restraint and he stressed that the committee is constantly separating the real evidence about the Watergate from hearsay statements.

Mansfield said that, as a senator and individual, he does not believe Nixon knew of the Watergate plan or the coverup attempt until March of this year.

The senator placed the blame for the

Watergate on Nixon's assistants, whom he called "amateurs, not knowledgeable about politics."

Mansfield said the Republican National Party did not know of Watergate or it would "have been nipped in the bud."

He said Nixon's aides were not acting out of greed, as the principals in the Teapot Dome Scandal were, but were acting out of loyalty to the president and for protection of their jobs.

The senator said he was disturbed during the first three months of 1973 because the administration "had the Congress on the ropes." He referred to the presidential impoundment of Congressionally appropriated funds and the attitude professed by administration officials that all 2.8 million people employed by the federal government are entitled to executive privilege.

But with the uncovering of Watergate, which the Senator called "the tip of the iceberg," he said Congress began to act responsibly and began to assert its constitutional power.

Mansfield said that administration attempts at dominance over the legislative branch were contrary to the basic principals of the constitution and said Watergate may provide a solid footing for the country to return to the constitutional separation of powers government.

Mansfield praised Judge John Sirica for his handling of the Watergate trial, praised the press for digging to uncover the scandal and said James McCord's decision to "sing" was quite instrumental in bringing the affair to public light.

Mansfield promised "a full public disclosure of the facts" by the Ervin committee and said those facts would come before the public even if it means that some indictments might be lost because of publicity.

"You have a choice," the senator said. "We can air the matter before the committee and have the facts public or we can let the courts handle it and run the risk of the public not knowing."

With regard to President Nixon, Mansfield said he believes the President is acting "illegally and unconstitutionally" in continuing the Indo China war. Mansfield quoted statistics about the bombing of Cambodia and said the U.S. support of Lon Nol as a puppet ruler is wrong.

"Nothing will be accomplished in Cambodia until we stop support of Lon Nol and Prince Norodom Sihanouk is returned from Peking to rule."

Mansfield said the Cambodia bombing was in its 10th day Saturday and that, as of June 22, more bombs had been dropped there than in the past three years.

During the past five months, 200,000 tons of bombs have been rained on that country, he said, while for the past three years before that 175,000 tons of bombs were dropped.

Mansfield said that in all of Southeast Asia 6.5 million tons of bombs have been dropped since 1963–64 and that during all of World War II only 3.3 million tons of bombs were dropped.

Mansfield predicted that the Senate and House will be able to agree on a joint resolution to stop funds for the Southeast Asia War and said that, if the President doesn't heed the Congress, a full constitutional crisis will develop.

THE PRESIDENT'S ENERGY MESSAGE

Mr. COOK. Mr. President, yesterday the President released his second energy message of the year. I am encouraged by his decision to create an energy policy office in the Executive Office. I have long been concerned with the lack of a national energy policy. I believe it is imperative that we make full use of our natural resources before turning to foreign imports to meet our energy requirements.

In a letter to the President on December 6, 1972, I urged that action be taken to create an office to establish this centralized control and I offered my support. I repeat my offer of support today, and I ask unanimous consent that a copy of my letter be printed in the Record.

In a statement I made in this Chamber immediately following the receipt of the President's April 18, 1973, energy message, I was critical of the President in that he failed to provide adequate Federal funds for research and development. I stated that it was unfortunate that the President had left to the Congress the responsibility of providing the funds required to support an adequate program.

I am pleased to note that the President has now concluded that Federal funding for energy R. & D. should be $10 billion over the next 5 years. I note with interest that this $10 billion is the same as was recommended in the Jackson bill, which I was pleased to cosponsor earlier this year.

On March 6, 1972, in a letter to the President's counsel on energy matters, which I would like to place in the Record, I expressed my belief that since coal is the only fossil fuel we have in sufficient volume to meet our energy requirements, we must devote every effort to making full use of this domestic natural resource. I again pledged my support to all-out research and development efforts in this area. I was therefore very pleased with the President's decision to increase the fiscal year 1974 coal R. & D. funds by $50 million. I applaud the decision to accelerate R. & D. programs designed to provide clean liquids from coal, improve mining techniques to increase safety and production, gasification and desulphurization.

Although I reserve comment on the other proposals by the President which would create a new department of energy and natural resources, an energy research and development administration, and the nuclear energy commission. I intend to study them very carefully.

Mr. President, last year I dubbed the 92d Congress as the "energy awareness Congress," and it is my sincere hope that history will remember the 93d Congress for the action it took to solve these energy problems.

There being no objection, the letters were ordered to be printed in the Record, as follows:

December 6, 1972.

The President,
The White House
Washington, D.C.

My Dear Mr. President: I have received reports from Edward David and Bill Ruckelshaus that there is no technology available which will permit the utilities of this nation to burn high sulphur coal and meet the emission standards established by the Environmental Protection Agency. I regret this condition very much as it is now beginning to impact very adversely on the consumption of this abundant domestic natural resource.

I believe that it is imperative that we make full use of our natural resources before turning to foreign imports to meet our energy requirements. I am equally dedicated to retaining the ultimate goal of ensuring that the citizens of this nation breathe the cleanest air possible. There is, however, a question of priorities between the consumption of domestic fuel, importation of foreign fuels, and environmental considerations.

It is my understanding that consideration is being given to the creation of a National Committee on Energy Policy with the mission of insuring that there is sufficient energy to meet our requirements without burdening the nation with an intolerable balance of trade deficit, while at the same time reconciling the demands for this energy with the pressing demands for the protection of the environment.

All efforts to create such a committee have my complete support, and if I can assist in any way, I would be very happy to do so.

With best personal regards,

Sincerely,

Marlow W. Cook,
U.S. Senator.

March 6, 1973.

Mr. Charles J. DiBona,
Counsel for the Special Committee on Energy Matters, The White House, Washington, D.C.

Dear Mr. DiBona: On March 1, 1973, I made a statement on the floor of the Senate wherein I presented my views of the energy crisis and recommended certain action. I am enclosing a copy for your information.

In essence, I believe that we must devote every effort to making full use of our domestic natural resources as to do otherwise would cripple our economy, weaken our national defense, and destroy our domestic coal industry.

The only fossil fuel we have in volume is coal. In 1975, when clean air standards become effective, we may be denied the use of this vital energy source.

As you are aware there is some effort being devoted to gasification of this coal. However, this program will not reach fruition before 1980. Desulphurization systems are being researched but again we are told that we must wait until 1980 to have a commercial system available.

As one Senator, I stand ready to support all out research efforts dedicated to developing the technology required to permit us to burn the abundant natural resource. The paucity of effort devoted to this target in the past has resulted in negligible results with an unacceptable time table.

Now that the President has established the Special Committee on Energy Matters, I would appreciate very much having its views concerning the initiation of a dynamic research program dedicated to the development of an effective commercially tested coal desulphurization system for use by the utilities at the earliest practicable date.

Sincerely,

Marlow W. Cook,
U.S. Senator.

RETIREMENT OF KENNETH E. BELIEU AS UNDER SECRETARY OF THE ARMY

Mr. HOLLINGS. Mr. President, yesterday, Kenneth E. BeLieu resigned as Under Secretary of the Army, and last evening, a review and reception were held in his honor at Fort Myer. It was my intention, along with a number of my colleagues, to attend that event, but as we all know, the press of Senate business held us here until late in the evening.

Ken BeLieu has been an outstanding public official. He has served in many capacities, first in the Army where he compiled a distinguished military record, later as staff member of the U.S. Senate on the Armed Services Committee, the Committee on Aeronautical and Space Sciences, and the Democratic Policy Committee. In a sense, he was a protege of then Majority Leader Lyndon Johnson, as well as the great Senator Richard B. Russell. When John Kennedy was elected to the Presidency, Ken BeLieu was asked to be an Assistant Secretary of the Navy for Installations, and later Under Secretary of the Navy.

It is a mark of distinction that after having successfully served a Democratic administration, in the Congress and with the executive branch, he was later to be chosen by President Nixon to represent a Republican administration as liaison between the White House and the Senate. There are few people who are considered so dependable, loyal, and competent that they can satisfy the politics of the two major parties. Ken BeLieu proved that he could do this in an outstanding manner. Senators of both parties knew they could trust him, and the Presidents knew he was loyal to their respective administrations.

While he was Under Secretary of the Army, I had the occasion to work closely with him on matters within my State and some of worldwide military significance. I found him to be honest, candid, and completely fair. He represented the Army with great dignity and with a professional approach. I came to trust his advice and counsel and am sure I will seek his advice in the years ahead.

I feel this administration has lost one of its finest public servants. In my opinion, he should have been promoted to be Secretary of one of the military departments. His abilities are sorely needed during this critical period of readjustment following a long and divisive Vietnam conflict.

I wish him well in the days ahead.

ALASKA PIPELINE ISSUE

Mr. STEVENS. Mr. President, on May 25 an organization called the Alaska Public Interest Coalition published an information document titled "Fact Sheet—Alaska Pipeline Issue." I was informed this document was delivered to each Member of Congress. In it the coalition has raised questions and provided its answers indicating why the coalition believes the trans-Alaska pipeline should not be built.

I think it is only fair that you hear both sides of the issue. I have taken each of the coalition's questions and have answered it with information to demonstrate why I believe it is in the best interests of the Nation to build the trans-Alaska pipeline as soon as possible.

Because of the energy problem facing the United States, it is obvious that Alaska oil must be brought to market. The route is of national importance. I am hopeful that the following information will be helpful to other Members of Congress in making this decision.

I ask unanimous consent that this information be printed in the RECORD.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

THE ALASKA PIPELINE ISSUE

1. Would a trans-Canada pipeline take longer to build?

The Alaska Public Interest Coalition says not necessarily. Let me say that one of the most important considerations in the determination of the merits of the Alaska route for the pipeline as compared to the Canadian route is time. To say that it will not necessarily take longer to build the Canadian line is completely unjustified. I recently attended a meeting with Canadian officials, and it is clear that these officials agree with Secretary Morton that it will take 3 to 5 years longer to construct an oil pipeline through Canada than it will through Alaska. This conclusion is inescapable from a minimum timetable the Canadian officials outlined for the oil pipeline.

Not only will it take longer to construct the pipeline, but all of the reviews and analyses that have *already* been completed for the trans-Alaska route will have to be done for a trans-Canada route. For instance,

a. The corporate entity must be formed and the proper documents and agreements negotiated.

b. Canadian Native claims must be resolved

c. The proper route must be determined and analyzed, a government and environmental impact statement must be drafted, hearings held and the Canadian executive agencies must comment.

2. Does the trans-Alaska pipeline face further court delay?

It is true that the courts have not yet resolved the NEPA issues in the environmentalist suit that has blocked the trans-Alaskan pipeline project. However, I believe this issue will soon be resolved. On the other hand, what assurances do we have that Canadian environmentalist groups will not battle against a Canadian pipeline causing court suits and delays in that country? In addition, a Canadian pipeline would undoubtedly engender a new series of legal problems in the United States. Significantly, few if any of these anticipated problems lend themselves to resolution by the affected governments until the enterprises that would own and operate a trans-Canadian pipeline have come into being and the details of the project have crystallized.

3. Isn't building the trans-Alaska pipeline essential for national security?

The Alaska Public Interest Coalition thinks not and the reason given is that the trans-Alaska system would serve the west coast and that section of the country does not need the oil. That, of course, is wrong. In 1972, demand in that area was 2.3 million barrels per day of which 1.5 million barrels was obtained from domestic sources and 0.8 barrels was imported. The best available projections show that by 1980, and for subsequent years, the west coast demand will exceed domestic production in that area by at least the capacity of the trans-Alaska pipeline.

Regarding the Coalition statement that the areas in the lower 48, other than the west coast, would be seriously jeopardized by a cutoff of oil from the Mideast, it is shortsighted to consider the cut-off of mideastern oil as a sectional problem. Certainly the nation as a whole would be affected and Alaskan oil could be shipped wherever it would be needed to assist in alleviating the crisis.

I can understand the desire of the Midwest to have a secure supply of Alaskan oil. However, *where* Alaska oil would be used in the lower 48 is not the basic issue. The issue is that a line built on American soil guarantees that the oil will continuously flow to the lower 48 states. This is an inescapable fact against which there is no valid argument regardless of our continuous friendly relations with Canada.

4. Would Canada pre-empt part of a trans-Canada pipeline's capacity and thus reduce the quantity of Alaskan oil carried to the lower U.S.? Also what about the recent Canadian decision to impose oil export controls? Wouldn't that hurt us if switching to a trans-Canada pipeline delayed delivery of Alaska oil?

The Coalition attempts to assure us that neither of these two events are likely to take place. However, let us look at the facts. The Secretary of Interior, after many meetings with Canadian officials, has stated that at least 50 percent of the capacity of a trans-Canadian line would have to be reserved for the transportation of Canadian-owned oil, with the primary objective being to carry Canadian oil to Canadian—not United States—markets. Further, recent estimates by the Canadian Energy Board show that Canada's demand for oil from her western provinces will soon equal or exceed production; and unless major new sources are discovered, the eventual result will be cessation of Canadian exports of oil to the United States.

Just recently, on June 14, Canada announced that it was imposing export controls on gasoline and heating oil to stem the country's rapid fuel drain, especially to the United States. In announcing the move in the House of Commons, Energy Minister Donald McDonald said the controls would be "temporary", but added that they would apply until there were adequate supplies and refinery capacity in Canada.

We cannot rely on Canada, as is stated by the Coalition, to provide increased oil to our nation to offset delayed delivery of Alaskan oil if a trans-Canada pipeline were built. Only a trans-Alaskan pipeline can assure Alaska oil will quickly and continuously reach U.S. markets.

5. What is the Canadian government's receptiveness toward a trans-Canada routing?

I can answer this from first hand information gathered during my recent visit to Canada. It is apparent that the Canadian Government would not permit an oil pipeline and a gas pipeline to be constructed simultaneously through Canada to transport Alaskan oil and gas to U.S. markets, primarily because of economical and political considerations. It is also apparent that a gas pipeline has top priority because the Canadian needs for the gas pipeline are great.

6. Would a trans-Canada pipeline favor the Midwest and East at the expense of west coast consumers?

The Coalition says no, because existing pipelines can be used to ship oil from Edmonton, Alberta to the Pacific Coast by existing pipeline systems. The question of which sections of our country would benefit from the trans-Alaska pipeline has been overplayed. It is shortsighted to look at the energy crisis as a problem of this section of the country or that section of the country. It is a national problem and the best way to solve that national problem is to quickly get Alaskan oil to the lower 48. If the Alaskan oil is used on the West Coast that will free other oil for use in other parts of the country.

I would also like to comment on the Coalition's statement that, without construction of costly new connecting pipelines or long-distance tanker shipment, the trans-Alaska pipeline could supply only the west coast. It is apparent to me even if Alaska oil were delivered via a trans-Canada pipeline, costly new connecting pipelines and long-distance tanker shipments will be needed in most parts of our nation to handle increased shipments of foreign oil.

7. Would a trans-Canada pipeline cost more to build than the trans-Alaska pipeline system?

According to the Coalition the trans-Canada pipeline could be cheaper than a trans-Alaska pipeline. However, a study recently completed by the Pipeline Coordinating Committee, State of Alaska, concludes that the trans-Alaska line will cost $3.5 billion and a trans-Canadian line from the North Slope to

Edmonton will cost approximately $6.6 billion. I recognize that the validity of the many Canadian pipeline cost estimates that are bandied about can be challenged because they are indeed only *estimates* based on certain unproven assumptions. However, common sense dictates that a trans-Canadian pipeline 1,738 miles in length would cost substantially more than a trans-Alaskan line 789 miles in length.

Insofar as tanker costs are concerned on the trans-Alaska route, it is true that they have not been included in the $3.5 billion cost estimate. However, translating the tanker costs into tariff per barrel of oil and the Edmonton to Chicago pipeline into tariff per barrel of oil shows that they will both be about 40 cents. Thus, I believe it to be justifiable not to include tanker costs as part of the cost to build the trans-Alaska pipeline.

8. If Canada required majority Canadian ownership of a trans-Canada oil pipeline, could the necessary capital be raised?

Information gathered from my recent trip to Canada casts serious doubt on Canada's ability to finance an oil pipeline. In fact, there is doubt that Canada can finance a gas pipeline which it is now considering. According to a recent article in the Toronto Globe and Mail, a confidential intragovernment report prepared by the Economic Impact Committee of the Task Force on Northern Oil Development states:

"The financing of the $4.5 billion Canadian portion of the pipeline, especially if it coincides with other large resource projects in Canada and abroad, will inevitably put some strain on Canadian and world financial markets. The increased demand for investment funds could push up interest rates in Canada—particularly if one of the conditions imposed by the government on the pipeline is majority Canadian ownership."

Canada is trying to proceed with other public works projects, such as the James Bay hydroelectric project which will require $6 billion in financing and 6,500 workers per year for 12 years. It is not possible for Canada to finance projects such as James Bay hydro and both pipelines in the decade ahead.

9. Is it valid to argue that Alaskan oil should be transported only over U.S. soil and in U.S. tankers rather than through Canada?

It is not necessary that Alaska oil be transported *only* over U.S. soil and in U.S. tankers. However, it is necessary, in order to insure a steady supply of oil from Alaska, that at least one pipeline be built that will not be under the control of another nation. It would be against the national interest to do otherwise despite our friendly relationship with Canada.

10. Would the trans-Alaska pipeline avert a gasoline shortage, provide independent dealers with gas and supply farmers with fuel to harvest their crops?

Certainly the trans-Alaska pipeline is not the single answer to the nation's energy crisis. What the trans-Alaska pipeline represents is the quickest and best means of getting Alaskan oil and gas to U.S. markets. We will still have to rely on foreign imported crude, but to a lesser extent than we otherwise would. One important point here is that the trans-Alaska pipeline would bring Alaskan oil to market at least 3 to 5 years sooner than would the trans-Canada line and would assist in solving our critical balance-of-payment problem.

This timing is critical when you consider that imported oil will represent about 35 percent of the oil American industry and consumers need this year. It is anticipated that in 1975 we will be importing and obtaining from other sources the equivalent of more than 7 million barrels per day. The Alaskan pipeline, when in full production, will be able to provide about 2 million barrels per day. This influx of oil is bound to assist in easing shortages by freeing other oil which would have gone to the West Coast.

11. Does it make any difference to our balance-of-payments which route is chosen?

The Coalition agrees that a Canadian route is going to increase dollar outflows to Canada. There will be substantial benefits in employment and investment opportunities created by a trans-Alaska route that will be totally lost in a trans-Canada route. Twenty-two thousand jobs will be created in Alaska in connection with pipeline construction and a gross payroll of $800 million will be generated. Expenditures for materials, supplies, and transportation will total $1.5 billion, a major portion of which will be distributed throughout the lower 48 states.

In addition, 27 tankers will be built for oil transport which will cost about $1.6 billion. This will generate 73,480 man years of shipyard employment in addition to 3,800 permanent jobs for operation and maintenance of the tanker fleet.

12. Does the trans-Alaska route have any major problems not shared by a Canadian alternative?

The Coalition mentions earthquakes and marine oil spills. These two potential problems have received a great deal of attention in the planning and design of the trans-Alaskan pipeline. A combination of excellent pipe characteristics and sophisticated welding inspection techniques provides a high degree of assurance that an earthquake, should one occur, will not rupture the pipe. The amount of attention given to seismic design and welding performance on the pipeline greatly exceeds the attention which these factors have received in the construction of any other pipeline.

The Canadian route is not seismically inactive. Any crossing from Alaska to Canada must pass through a wide belt classified as seismic zone 3, the highest such classification, where earthquakes of 6 magnitude on the Richter scale are likely. In any case, modern pipeline technology is equal to earthquakes, as demonstrated in the San Fernando earthquake of 1971, where there was no damage to modern electrically welded pipeline even in areas of maximum ground displacement.

Regarding marine oil spills, careful study has been given to this and I am convinced that stringent requirements for deballasting ships at Valdez, new ships built with the latest structural design, and stringent operational procedures to avoid collisions and groundings will all contribute to virtually eliminating oil losses at sea.

While on this subject, it is important that all of us recognize that the proposed trans-Canadian line also has some problems. The Canadian route would cross more major rivers and create more drainage diversion than the Alaskan route.

In addition, the Canadian route would require about four times as much land and gravel as the Alaskan route.

I might also add that environmental and technical stipulations in the U.S. permit will guard against risks on the trans-Alaskan route; but the U.S. cannot control and supervise construction in Canada.

13. Why not build the trans-Alaska pipeline now and a trans-Canada line later?

The Coalition says this is not necessary and again its short-sighted first point is that the greater oil need is east of the Rockies. On the other hand there are 8 basic arguments for going ahead with the trans-Alaska pipeline now.

a. The Alaskan pipeline can be built at least 3 to 5 years sooner than a trans-Canada pipeline and the trans-Alaska pipeline will carry all United States owned oil while the trans-Canada pipeline might carry as much as 50 percent Canadian owned oil, some of which might go to Canadian markets.

b. Building the line in Alaska will create many American jobs, not only on the pipeline but also for the construction and maintenance of tankers.

c. A delay in the trans-Alaska route will economically damage the state of Alaska and the Alaskan Natives.

d. No corporate entity has applied for a trans-Canada pipeline route.

e. Canada has not completed the necessary preparations and studies for a trans-Canada route. The Canadian government has not indicated it would give permission to the United States to participate in a trans-Canada pipeline. It is unlikely because of the opposition of many environmental, economic and Native groups in Canada and that the Canadian government could give such permission in the immediate future.

f. The Canadians would require majority equity ownership and Canadian management of any oil or gas pipeline crossing Canada. It would be extremely difficult to obtain Canadian capital to meet Canadian requirements.

g. Natural gas companies serving the Midwest have strongly supported an Alaska route because this will facilitate the early construction of a trans-Canada gasline to the Midwest. It will be impossible to get gas to the Midwest from the North Slope via Canada until the oil is flowing. The quickest route for the oil is through Alaska. Therefore, the quickest way to get North Slope gas across Canada to the Midwest is by shipping the oil out via a trans-Alaska pipeline.

h. The trans-Alaska pipeline will be designed and built with great environmental safety, and there is no way to guarantee at this time what kind of environmental stipulations would apply to a permit for an oil line through Canada.

FRANCIS OLMSTED GRUBBS

Mr. RIBICOFF. Mr. President, Francis Olmsted Grubbs is doubtlessly one of Connecticut's finest educators, a man whose dedication and innovation at the Loomis-Chaffee School has broadened and enriched the lives of hundreds who have passed through that institution.

Mr. Grubbs is retiring after 43 years of guiding and building Loomis into one of the foremost schools in the Nation.

I join with Mr. Grubbs' friends in wishing him and his wife the very best in years to come.

I ask unanimous consent that the editorial appearing in the Hartford Courant, June 26, 1973, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE COMPLEAT SCHOLEMASTER RETIRES AT LOOMIS

It was the poet and divine, John Donne, who would convince us that "No man is an Iland, intire of it selfe."

But in the community of the Loomis-Chaffee School, where the word Island is synonymous with that institution, there may well be an open challenge to such contention.

Faculty and students, trustees and alumni will point to Francis Olmsted Grubbs who retires as President of the school June 29 after 43 years association, first with Loomis Institute and more recently with the Loomis-Chaffee educational enterprise.

During these near-four-and-a-half decades, Mr. Grubbs has served in every schoolmasterly capacity—teacher, coach, counselor, housemaster, administrator, headmaster, and finally, President.

Summing up this distinguished record in broader terms, Frederick G. Torrey, who will become chief executive of Loomis-Chaffee, writes that:

"As headmaster, (Mr. Grubbs) stabilized the school in the traumatic period following the retirement of the founding headmaster (Nathaniel Batchelder), capitalized on the admissions pressure of the Fifties, encouraged the expansion of Chaffee, and guided the two schools toward closer coordination in the early turbulence of the Sixties.

"As President he led the school through the formation of a long-range development plan, two phases of an eminently successful capital fund campaign, the merger of the boys' and girls' schools, and the construction of five major buildings. In a sense he gently but firmly refounded The Institute as the Loomis-Chaffee School."

No man may be an island entire of itself, but Mr. Grubbs' boys and girls, young and older—and indeed his colleagues in the whole field of private school education where he has also been prominently active—have good reason to think of him as "Mr. Loomis" complete of himself.

Mr. Grubbs, a "gentle gentleman," will hardly accept this accolade. He will point to those others who have helped in his day and before to make Loomis and Loomis-Chaffee one of the most distinguished independent private schools in the country. But they in return will speak of his dedication, energy, discipline, his enthusiasm, his brilliant wit, pungent intelligence, and attitude of genuine concern and gentle humanity.

Thus the ball of accolade is back in his court again, and there it should stay. Since Mr. Grubbs will continue as President emeritus and honorary trustee, Loomis-Chaffee will not entirely be bereft of his continuing counsel and aid—nor that of Frances Grubbs, his wife, and partner, in his career. One may wish him well in as much retirement as he allows himself, and so to all his colleagues who now will carry on like runners in a race.

FHA HOUSING

Mr. STEVENSON. Mr. President, authority for the Federal Housing Administration's mortgage insurance programs expires at midnight tonight. On June 20 the Bank, Housing and Urban Affairs Committee ordered reported a 1-year extension of FHA's authorization (H.J. Res. 512).

That bill contained an amendment which required the Secretary of Housing and Urban Development to end the withholding of funds for various housing programs. It contained another amendment, which I proposed, extending the reimbursement provisions of section 518(b) to benefit the purchasers of existing housing under sections 203(b) and 221 (d)(2). If structural defects were present in housing at the time of its purchase and were not disclosed to the buyer by FHA after the appraisal and inspection required by law, the buyer would be entitled to reimbursement for the cost of the necessary repairs. Without such reimbursement, innocent buyers are misled by an agency of their own government, caused unexpected expense and frequently the mortgages then go into default to the expense of the taxpayer.

House Joint Resolution 512 was reported from committee on June 25 and has been on the Senate calendar since then. HUD opposes both these amendments—and for all I can tell, opposes any extension of the FHA housing program.

Certain Senators have let it be known that at this late hour before adjournment they will filibuster House Joint Resolution 512 should it come up for consideration. In short, the administration and certain of its allies have made it clear they are willing to let all FHA housing programs cease tonight.

I offered a 20-day extension of the FHA programs, and the offer was rejected. That would have given the Senate a chance to consider this legislation upon its return from the 4th of July recess. But the Senator from Texas, Mr. TOWER, insisted upon a 30-day extension which would put the Senate in the same bind as now, just before the August recess. I can only conclude that the administration is quite willing to let housing programs for the poor and those of average wealth die. I regret the inaction of the Congress. It is no comfort to know that the responsibility rests on the other side. If nothing can be worked out between now and adjournment, I hope the Congress will act promptly to extend the FHA programs upon the terms of House Joint Resolution 512 promptly after its return from the 4th of July recess.

THE TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, I have recently received an important telegram from Mr. A. W. (Bud) Body, executive director of the Alaska Wildlife Federation and Sportsman's Council. This telegram reflects the views of a large number of Alaska conservation groups. It favors the building of a trans-Alaska pipeline, realizing that the pipeline can be built in an ecologically safe manner. I request unanimous consent that the telegram be printed in the CONGRESSIONAL RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNEAU, ALASKA,
June 6, 1973.

Senator TED STEVENS,
Old Senate Office Bldg.,
Washington, D.C.:

We appreciate your statements regarding importance of construction of the oil pipeline from Prudhoe Bay to Valdez, Alaska. Urge your support of legislation to authorize Secretary of the Interior to issue a right of way permit throughout the jurisdiction of the United States greater than prescribed by 1920 Mineral Leasing Act. Again we appreciate your interest and concern. We are sending this telegram in behalf of the Alaska Wildlife Federation and Sportsman Council with membership approximately 3,800 in Alaska. We are also an affiliate of the National Wildlife Federation.

Mr. A. W. (BUD) BODY,
Executive Director.

CBS REPORTS: "YOU'LL GET YOURS WHEN YOU'RE 65"

Mr. CHURCH. Mr. President, the CBS Television Network has produced a documentary report, "You'll Get Yours When You're 65." It was to be shown nationally at 9 p.m., Thursday, June 28.

I am asking unanimous consent to have the transcript of that report printed in the RECORD because of the excellence of the report and because its contents bear directly upon the actions taken on Wednesday by the Senate to make medicare and social security more useful to older Americans than they now are.

As the leader of the Senate effort that led to passage of last year's 20-percent social security increase—and as chairman of the Senate Special Committee on Aging—I am keenly aware of strides made forward within recent years to improve retirement economic security. But I am also aware of the great problems faced by older Americans who still find social security income to be desperately inadequate in the face of rising prices, inadequacies of medicare coverage, and high property taxes and rents.

The CBS report tells, in very down-to-earth terms, what it means to try to live on social security income and very little else. We hear directly from one retired couple who debate whether they should buy a newspaper every day or just 2 or 3 days a week. We find that even with the 20-percent increase they hesitate to buy new living room furniture because:

> Papa thought it was better to be able to pay your bills if you had to go to the hospital. Of course, that runs into money and I think that's at the back of his mind.

We hear, too, from older Americans who tell us about the health care problems they have even with medicare's essential—but inadequate—coverage. One woman with arthritis of the spine cannot afford to pay for pills toward the end of the month and so she must live in pain for those days. A patient in a hospital cannot understand why medicare won't pay for more treatment and why he must go on welfare to get care at a nursing home. A couple's bank savings slip from $12,000 to less than $1,200 within a matter of months because of nursing home bills.

Mr. President, the transcript speaks for itself; and I wish, to congratulate CBS Reporter Hughes Rudd, Producer Gene DePoris, and Executive Producer Burton Benjamin for their high standards of reporting and compassion.

The CBS report is valuable, too, for the strong arguments it makes for early House approval of several actions taken by the Senate when the debt ceiling bill was considered on Wednesday.

The Senate, for one thing, adopted my amendment instructing the administration to withdraw its proposal to increase coinsurance and deductibles under medicare. Furthermore, the resolution called for the administration to offer recommendations intended to strengthen medicare, rather than impose higher costs upon medicare participants.

The CBS report, I might add, includes testimony taken before the Subcommittee on Health of the Elderly of the Senate Committee on Aging in regard to the administration medicare proposal. In my view, Health, Education, and Welfare Secretary Caspar Weinberger's arguments were effectively rebutted at the hearing and in the excerpt shown in the documentary.

The Senate also voted on Wednesday to adopt a Senate Finance Committee amendment—which I cosponsored and strongly endorse—to provide a 5.6 percent cost-of-living increase in social security benefits, effective next January.

Furthermore, the Senate adopted an amendment to increase the earnings limitation, or retirement test, from $2,100 to $3,000.

The need for such actions, as well as others, is strongly supported by the overall contents of the CBS report. I commend all concerned for issuing such an effective documentary in such timely fashion.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

You'll Get Yours When You're 65

(As broadcast over the CBS Television Network, June 28, 1973)

Rudd. (VO) This is what's behind those nine-digit Social Security numbers we're all supposed to memorize: Social Security checks from Uncle Sam. Around four and a half billion dollars worth go out every month to 28 million persons: the aged; the disabled; widows; dependent children. Most of it goes in payments to the 21 million men and women who have reached the golden years. If you have a number and if you live long enough, eventually a check with your name and number on it will wind up in your mailbox on the 3rd of every month.

Mailman. Mail's done. Come and get it.

Rudd. (VO) And then, as a Broadway show tune put it, the fun begins:

SONG

Guaranteed income
House with a view
Doctors and nurses
Surgery, too
Everything paid for
And it comes true
When we're sixty-five

Woman. Do you think you could live on seventy-five dollars a month?

Man. If they're going to refuse to pay me Medicare—the seventy-six and a quarter, I'm out that.

Gibson. Emma, I don't know how long Medicare will pay for you in the nursing home.

Emma. Yes, but I got no money. What can I do?

Man. With my expenses, with the two checks, it's impossible to eat for two people.

Announcer. CBS Reports: You'll Get Yours When You're Sixty-Five. With CBS News Correspondent Hughes Rudd.

SONG

Ten—twenty—thirty—then we're forty,
Wait till we're sixty-five.
No need to hurry—not a worry left but to keep alive.
Not another premium to pay.
All we have to do now is play and play.
Six years or seven—then to heaven—
Me first the records show,
You get the pension, not to mention Blue Cross until you go.
If you ever thought you had fun—at 21,
Wait till we're sixty-five.

Rudd. (VO) Wait til we're 65. Well, Mary Baum and her husband Ben reached 65 eight years ago. They moved to Florida where Mr. Baum retired from his job as a salesman and bought this house for 9,950 dollars cash. That left them with 20,000 dollars in savings. Last year when we visited the Baums, their combined Social Security income was $236 per month. Mr. Baum, at 73, worked at odd jobs.

Mr. Baum. My need for odd jobs is caused by the fact that I am on Social Security and Social Security is not quite enough to take care of necessities. I've been taking jobs, taking care of elderly and sickly men. Another job that I have right now is delivering magazines to doctors' offices for a local business concern in which they have merchandise advertised.

Mrs. Baum. The money that he earns goes into our regular fund for buying groceries and paying bills and if it amounts to very much, well then maybe we put some of it in the bank to write checks against. But otherwise we keep it to pay for our daily expenses. We usually buy about $15 worth at a time when we go shopping for food and then Ben picks up different things at other places. We go to the day old bread place for bread, which is very good. We freeze it and it's just like fresh when we use it and we watch the sales in the papers and do the best we can on food. However, we—we can't afford the best steaks or anything like that. We live conservatively and we find that chicken is one of the cheaper better things and we enjoy chicken, so we have chicken a great deal.

Mr. Baum. We buy milk in gallon quantities because it's much cheaper that way. I use the full milk you know, but my wife buys instant non-fat dry milk and this—this size makes 20 quarts. We sort of offset the situation of low Social Security payments and high prices for various items, especially, the necessities, by staying home at night. For instance instead of going to a movie we have gone to—we've been here over 14 years and we've gone to one movie since we've been here. If we are not working at church deals and if we are not singing in the choir we are at home reading the paper, reading magazines, watching TV, and playing scrabble or cribbage . . . and we buy about two papers a week. The—on—on Wednesday and Sunday. And if it was up to me, we would have no phone. But my wife—you know, women like to talk over the telephone and I keep telling my wife when she does call, never mind asking the questions. Ask the questions in a letter . . . because in our circumstances, it's one item that we could do without.

Mrs. Baum. I think a telephone is very necessary.

Mr. Baum. Now, if we knew when we were going to die, then we wouldn't be too concerned about whether the money that you have is gonna run out or not.

Rudd. (VO) We went back to see the Baums this year and asked them how they're getting along.

Mr. Baum. Well, the first thing I can think of is that we received a 20% raise in Social Security payments. We received $236 between us before the raise and then it went to $285.

Rudd. Do you find that your—your grocery shopping, your eating habits, have changed much?

Mr. Baum. Not too much. Because there isn't enough, there isn't a sufficient raise to allow that.

Rudd. What about your health. Is it been all right? Have you had any problems?

Mrs. Baum. No, we're both pretty good.

Mr. Baum. I feel real good now, but my dear wife forgets that about five months ago I had a triple operation, double hernia and . . .

Mrs. Baum. Appendix.

Mr. Baum. . . . . appendix. I was in the hospital three days and. . .

Rudd. . . . Did those operations cost you anything?

Mr. Baum. Yes. It cost me $233.

Rudd. Of your own money?

Mr. Baum. Of my own money.

Rudd. And how much did Medicare pay?

Mr. Baum. Well, Medicare paid 80% of the—of the total amount of the hospital and doctor's bill.

Rudd. Have you been doing any—anymore odd jobs. I remember you were delivering magazines to doctors' offices, I think.

Mr. Baum. That's true. In fact, that's the way we keep above water, so to speak.

Rudd. Weren't you all fussing with one another—over whether or not to keep the telephone or get rid of it? How'd you finally resolve that?

Mrs. Baum. Well, my telephone is very important to me, and one thing—since we have the raise in Social Security, I call my family up north.

Mr. Baum. Occasionally.

Mrs. Baum. Well, oftener. You don't fuss about it like you used to. He thinks that's kind of an extravagance, but really I think it's worth every cent it costs. It really is to me.

Rudd. Are you still taking the paper only twice a week?

Mr. Baum. Well, she made me take the paper every day since we received the raise. I mean that's one of her failings—she loves to read.

Rudd. Well, what would you like to buy if you could afford it?

Mrs. Baum. Oh, I would get all new living-room furniture. That's what I would like.

Rudd. Why don't you get it?

Mrs. Baum. Because Papa thought it was better to be able to pay your bills if you had to go to the hospital. Of course, that runs into money and I think that's at the back of his mind.

Rudd. (VO) The Baums, of course, are by no means an average retired couple. Not everybody on Social Security owns his own home outright and has 20,000 dollars in savings. The fact is some five million of our old folks are forced to live almost entirely on their Social Security checks. And despite increases amounting to 52% in the last three years, those checks today average only $273 a month for a couple; $164 for an individual. It's no wonder, that according to government estimates, well over a million of our elderly married have incomes of $50 a week or less and 4 million more of our old people have incomes of $40 a week or less.

Man. I cannot meet my home expenses on these two checks. The only thing I have got. I pay rent. Sixty-five dollars rent. I pay for my electric . . .

Rudd. (VO) There's nothing the social security people can do about the size of the pensioner's check; that's up to Congress. But the local Social Security office is handy; Congress is not.

Woman. How much did you say you were getting before this?

Man. I was—my check was $97, and my wife was ninety-something was before her check was raised. With my expenses, with my two checks, it's impossible to eat for two people.

Rudd. (VO) While people don't find much security in Social Security, others do.

Man. I'm 78 and I'm retired 14 years and I think it is wonderful. Social Security that we fought as young people so hard to establish that in America is now a reality and it helps very, very much.

Woman. No matter how little you get or how much you get, I think we should be very grateful. However, we did donate to it, but it was compulsory, otherwise if it was voluntary, I don't think any of us would have been able to achieve what we're going to get and I think at this point with Medicare, it has given us the opportunity to live longer and healthier and less worry to our family and children and I think most of us have more peace of mind now than we ever thought we would have as we grew up all these years.

Rudd. Well, do most of you find that you can live on the checks you get from Social Security?

Woman. I didn't depend on it, actually, and so I prepared myself and cushioned myself against adversity and with me it's just a windfall.

Man. Not many people can get by on Social Security alone. And those of us who have a little savings can get by alright on the normal things of life. But the bad thing is when we need teeth or eyeglasses.

Woman. This pair of glasses cost $80—plain glasses. Twenty dollars doctor's prescription and examination and $60, at Webb's Optical, and all I get $105.90 a month Social Security.

Woman. All I can add is that Social Security is a disgrace to America. I think it is, to the—we poor people that need it most and I earned it, the little bit I have.

Rudd. Why do you say that? Because you can't live on it or what?

Woman. Do you think you could live on $75 a month and buy drugs and just manage to get around?

Woman. Eight . . . ninety-five. That's eighty-eighty . . . Four-ten.

Rudd. It's one of lifes many little ironies that when we reach the age when we most need prescription drugs, eyeglasses and teeth, we can least afford them. The elderly, who constitute 10% of our population, buy almost 25% of the medical drugs sold in this country and they pay for most of them out of their own pockets.

Does this—having to pay for the medicine, does that wreck your budget pretty much?

Woman. I gets 93 cents Social—$93. Social Security. So, you know, it keeps you busy figuring how to get along.

Rudd. What is the medicine for? What is it?

Woman. Spine.

Woman. She has arthritis in her spine pretty bad.

Rudd. Well, I wonder if sometimes toward the end of the month, do you have a tendency not to take as much of the medicine as you should or make it last a little bit longer?

Woman. (Pharmacy) Yes, but then you feel it, you see. That takes effect on my back. these pills and if I drop off then I get more pain.

Woman. What we'll do is take an application for the Medicare. Now, as you may be aware, there are two parts to the Medicare coverage. The first . . .

Rudd. Thirty years after Social Security was introduced in this country we finally got a health plan added to it. The plan became law in 1965, is called Medicare and last year paid out almost 9 billion dollars for the aged.

Woman. Now, the fee for Part B of Medicare, the medical insurance, is currently $5.80 a month, and then effective July, it's going up to $6.30 a month. There is a $60 deductible. That is, you pay the first $60 in your medical bill and after that we pay 80% of all reasonable charges.

Rudd. (VO) This doctor takes Medicare assignments; which means that his fees comply with the fee scale that Medicare considers reasonable. But if Medicare decides the doctor charged you more than what it considers a reasonable fee, you pay all the unreasonable part, as well. Last year, 54 million non-hospital claims were filed, over 90 percent of which were for doctor's bills. And in 11½ million cases, the old folks were stuck with what Medicare considered unreasonable charges.

Woman. Now, we're not saying that the doctor should not have charged this amount. I mean, this is up to the doctor. He's a self-employed person. He can charge what he wants to, but we do have to limit the payments that we made under Medicare.

Man. That's the way I feel. I pay that there doctor a hundred seventy-five. I'm out that. See the doctor ain't out that. I'm out of . . .

Woman. We are . . .

Rudd. People on Medicare not only have to worry about whether or not they'll be hit with "unreasonable" doctors' fees, they also live with the harsh fact that Medicare pays only 42 percent of the old folks' health costs. And, because of the wherefores and whereases of the law, it's often difficult to know what Medicare will pay for.

Woman. . . . Now, the charge on that was $30, but they denied it. The therapy was done as a rehabilitation point and when Medicare feels that you have reached a certain level of whatever it was they were giving you the therapy for that it is now maintenance therapy and not rehabilitation type.

Woman. I'm sorry. KCC Admitting. Miss Walker speaking.

Woman. May I have your Medicare card, please?

Rudd. In the hospital, you pay the first $72 yourself, then if you need to, you can stay in the hospital up to 60 days. It costs you $18 a day from the 61st to the 90th day. After the 90th day, it gets more expensive and more involved. While in the hospital, you must, of course, pay 20 percent of the reasonable fees charged by your own doctors. Now all this can be expensive and that's why, all too frequently, many old people find themselves paying large bills out of their own pockets when they leave the hospital, even after a short stay. Rightly or wrongly some 11 million old people distrust Medicare's promised blessings so much that they carry supplementary private health insurance at prices many of them can ill afford. This is not to say that there have not been blessings from Medicare for thousands in this country whose illnesses fit the regulations. But for thousands more, Medicare is a mixed blessing, indeed.

Gordon Gibson. (Social Worker) Emma, you don't need what we called skilled care any more and you can't be taken care of at home, so the doctor says you need a nursing home. I think we can get you one, but I don't know how long Medicare will pay for you in the nursing home.

Woman. (Patient) Yes, but I've got no money. What can I do?

Social Worker. Well,—

Woman. (Patient) All I get—the last two months I get $52.20; before I was getting $42.00; but the last my money run out four years ago. I've been retired for 36 years. I've been in hospitals—hospitals, seven hospitals, 12 times.

Social Worker. Don't you have any money in the bank?

Woman. (Patient) I haven't nothing. I had 30 cents that was in my pocketbook.

Social Worker. I will bring a paper up so you can sign an application for state aid because Medicare just will not carry you in the nursing home.

Man. (Patient) Well, I got nothing to pay with.

Social Worker. You have no money?

Man. (Patient) No.

Social Worker. Well, in this case, what we're gonna do is put you in for state aid because Medicare will just not pay for you in a nursing home situation. And, you know, your wife can't take care of you at home.

Man. (Patient) Well, I don't give a damn where I'm going. I'll go to hell.

Social Worker. No. You——

Man. (Patient) I'm dead. I'm a dead duck.

Social Worker. No. No, you're not. Why don't you want to go to the nursing home?

Man. (Patient) I don't wanna—I don't wanna—I don't really wanna—I don't wanna go now. I've never been in one in my life. I worked all my life. I worked all my life. I come to this. I don't wanna to go.

Social Worker. OK, Eli, let me tell you. The—we can't keep you in the hospital anymore after this week.

Man. (Patient) Why not?

Social Worker. Because you don't need the hospital anymore.

Man. (Patient) Well, they'll have to do something. I don't give a damn what you do. I can't help myself. I'm too—I'm weak. I can't walk. I'm gonna stay right here.

Social Worker. No, you can't stay here; because, Eli, if you stay here, you will not be on Medicare, in the hospital. They'll have to cancel your Medicare because the doctor's discharging you. You're going to have to go to a nursing home.

Man. (Patient) Well, send me to some cemetery, then.

Rudd. (VO) Many old people are not considered sick enough to remain hospitalized, but they do need skilled nursing care. For those, there is no charge for up to 20 days of nursing home accommodation. The patient pays $9 per day from the 21st to the 100th day. After that, the patient pays it all. The catch here is—what's Medicare's definition of "skilled nursing care" and who needs it? George Jackson is a retired newspaper pressman; now 81 years old, he and his 82 year old wife, Bertha, retired to Florida 17 years ago and paid $8,700 cash for their house. That left them with $12,000 in savings. The Jacksons get $275 a month Social Security, plus $25 from Mr. Jackson's union. They were doing all right until Mrs. Jackson went blind. A year ago her back began to pain her and she became bedridden. Then, more trouble.

Mr. Jackson. Well, the Mrs. became blind and then helpless and had to go to the hospital. After the hospitalization, she went to the Palms of Pasadene Deluxe Inn Nursing Home. And after there a few months, we were notified that she was cut off from Medicare payments; that her condition didn't require the payments because of the different categories they got—to cut patients off.

Therefore, we had to pay ever since. And the bills run very high, from $600. One month I got a bill for—one thousand and thirteen dollars.

Man. Well, let me ask you this. How much have you spent so far?

Mr. Jackson. So far, approximately—I would say about four, five thousand dollars; more or less, I don't know. I haven't kept too much track of it. I get the bills. They must be paid or in 21 days they put the patient out on the family they call it.

Man. Well, how much money have you got left in the bank now?

Mr. Jackson. I have a burial fund which I wanted to keep of $4,000; but now this month I have to pay and take some of that to pay for this month's bill for Mrs. Jackson. She's been such a wonderful woman all her life and she has children, grandchildren, and it would be a pity of grandma couldn't be well taken care of and given the care she deserves. Hello honey.

Mrs. Jackson. Hello, Honey. Where was you so long?

Mr. Jackson. Waiting.

Mrs. Jackson. Waiting.

Mr. Jackson. I was a little late today. Yeah. I was held up for a little bit. Would you like a piece of chocolate?

Mrs. Jackson. Oh, you know us. Yeah.

Mr. Jackson. It's your favorite, chocolate. . . . If it takes all our life savings; if there is no other way, there is nothing else for us to do but trust the good Lord that something will come along to help us out.

Rudd. The latest word from the Jacksons is that their savings account is now down below twelve hundred dollars from their original $12,000; Mr. Jackson has been moved to a cheaper nursing home, and the Jacksons are now on welfare.

In spite of the fact that the real business of Social Security is human beings, the laws and rules regulating its application are of an almost inhuman complexity. As a result, our own perceptions of Social Security are also complex and frequently false. Some people, for instance, think that if they've ever had a Social Security number and made any social security tax payments, that they'll get some kind of Social Security check at 65. Wrong. Some people also think they'd *automatically* have been better off if they'd invested the money themselves instead of paying it in Social Security taxes. Wrong. And they think they've paid much more in Social Security taxes than they have.

The fact is, if you had been in the system from its very beginning 36 years ago and had paid the maximum amount all along, your total payments as of right now would come to a little more than $5,000—which isn't such a bad deal so far. But, unlike the income tax, there are no exemptions. A man too poor to pay income tax still must pay a Social Security tax and he pays at the same rate the rich man pays up to the maximum tax base.

Regardless of income, a single man pays the same tax as a married man but receives only two-thirds of the benefits paid a married man, who gets an allowance for his wife. Then there's the married women who works and pays Social Security taxes. She's entitled to benefits in her own right or as a wife on her husband's benefits, whichever amount is higher. Since there's a good chance she'll receive more from her husband's benefits, the Social Security taxes she paid all of her working years will have gained her nothing.

But can the married woman, who never went out to work, count on sharing her husband's Social Security checks in old age? Well, she can if they stay married 20 years. If they're divorced before 20 years, she's out of luck. The person who's forced to work to supplement his Social Security check is penalized for anything that he earns above 2,100 dollars a year. But the man next door with $50,000 a year income from investments gets his full retirement check every month as long as he doesn't do any work.

Well, there are lots of other qualifications and sub qualifications; and if you have a question, Social Security publishes dozens of booklets like these. Now, we don't mean to imply that these books make everything perfectly clear. This one, for instance, is intended to answer the question which probably first occurs to everybody: How much will I get when I retire? Well, the answer goes like this:

Count the number of years to be used in figuring your average earnings as follows: If you were born before 1930, start with 1956. If you were born after 1929, start with the year you reached 27. Count your starting year and each year up until, but not including the year you reach 65, if you're a man; the year you reach 62, if you're a woman. List the amount of the worker's earnings for all years beginning with 1951. Do not count more than $3,600 for each year 1951 through 1954; $4,200 for each year 1955 through 1958, and so forth.

They're revising the booklet now because of a recent change in the law and it will get even more complicated.

For help in trying to understand all this, you can go in person to one of the 900 Social Security offices around the country or you can call them up. So many people call up that the agency has established telephone banks like this one in Tampa, Florida which serves 10 counties, taking toll free calls, answering questions, quesitons, questions.

Man. No, sir. You can retire when you're 62 at a reduced benefit if you'd like to do that.

Woman. So let us check and see if your widow's benefit under the new law will be higher than what you are receiving on your own Social Security record.

Man. Well, you apparently had not met your deductible; consequently there couldn't be any refund on it.

Woman. Yes, mam. In order to be covered under Medicare for a nursing home, you must be in a hospital for at least three days.

Woman. If you had remarried and you're 60 now and you're unmarried now, you can still apply as long as your status is unmarried.

Man. Do you understand me so far, mam? O.K. Now, for the first 20 days Medicare will cover it.

Rudd. This phone bank receives an average of 10,000 calls a week from puzzled men and women. Social Security has come a long way since its beginnings, but any major improvements have always come only after bitter struggle. Had it not been for the great "depression" of the 1930's, it's doubtful we'd have gotten our Social Security law even when we did. It was passed in 1935, and was a child of the Roosevelt New Deal.

Man. (Roosevelt) We have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty stricken old age. It seems to me that if the Senate and the House of Representatives in this long and arduous session had done nothing more than pass this security bill, Social Security Act, the session would be regarded as historic for all time.

Rudd. Many native born Americans thought at the time Social Security was an original and radical idea. Many may still think that. But the fact is 29 countries around the world had Social Security systems before we did: and today, almost forty years later, most of them still do more for their people than our system does. It all began in Germany, back in the 1880's under of all people, that ultra conservative, Bismarck, the Iron Chancellor. He introduced the German Empire to social security in order to head off what he called the socialist danger. And even under Hitler, during the depths of the war, improvements were made in the system. In West Germany, as in the United States, Social Security has grown increasingly comprehensive and complicated over the years.

In both countries about 90 percent of the population is covered. In both systems the taxes paid by the employees are matched by the employer. Germans pay between 13 and 14 percent on a base income of about $8,400; Americans pay 5.85 percent on a base income of $10,800. Both systems offer medical care and retirement benefits. To pay for these benefits, both governments contribute to the cost: the West German government about 15 percent; the U.S. government about 4 percent. Although the West Germans put more into their system, they get much more in return. And they get it sooner. Under the West German system, a worker and his dependents can get Social Security benefits even while he's working. In the United States for you or your dependents to receive benefits before retirement, you must die or become permanently disabled.

In Germany, for instance, health care, including dental care, is available to everybody of every age under the social security system at no extra charge. And, as in America, one can choose his own physician. In West Germany, those under 65 make only a token payment for drugs and eyeglasses. Those over 65 pay nothing. If the German worker gets too sick to work, his employer must pay him his full salary for the first six weeks of his illness. After that, the government will pay most of his full salary for a year and a half, if he's incapacitated that long.

Rudd. Well, what about the man over here in the corner? What—what sort of problem does he have?

Doctor. He has been in this hospital for one year now, and he was admitted to the hospital for hip replacement and then unfortunately when he was recovering from his first operation, he slipped and fractured the same leg again and we got that fixed and then he fractured his leg again.

Rudd. Well, having been in here a year and with what, three operations . . .

Doctor. Oh, I think it was more. (German) It was five operations.

Rudd. Five operations. But no matter how long this lasts . . .

Doctor. No matter how long this lasts.

Rudd. . . . He still will have this—this sort of care?

Doctor. That's right.

Rudd. For no money, in effect.

Doctor. For no money, no.

Rudd. In West Germany the Social Security system worries about your health even before you get really sick. Wherever there's a mineral water spring in Germany, there's a spa, where the rich and famous used to come to drink and bathe. Today, the German working people are there—on doctor's orders—all paid for by their Social Security system. Feeling a little run down? Job getting to you? Nerves somewhat shot? Well, explain that to your doctor and if he thinks a cure would be helpful to maintain your health and working ability, he will probably prescribe a rest at a kurhaus, or rest home.

There are more than 200 of them, run by the various retirement pension funds, and they seem like a cross between a convalescent home and a country club. This kurhaus is in Bad Pyrmont. Here on arrival everybody gets an electrocardiogram, and, if the doctors think he needs it, a circulatory test.

Diabetics and others with dietary problems are given instructions about what to eat and what not to eat. Once in the kurhaus, the worker must stay for a month, and he can stay 6 weeks, if need be. While the rundown worker is recharging his batteries, his employer must keep on paying him his full salary.

Once the herrenvolk are rejuvenated, they are ordered to take two more weeks back home for a kind of recompression period before going back to work.

Under the German Social Security system, the German worker can begin drawing his full retirement benefits at 65, whether he keeps on working or not. He can also get his full pension at 63, if he's worked 35 years. The average worker's pension amounts to around 50 percent of his last working wage before retirement, which his government doesn't think is high enough and plans to improve.

Also, pensions, are adjusted upward to keep up with wages. The result is that men who've been retired for several years may find themselves drawing more money in retirement than they made on the job. Emil Frede is a 78 year old who retired from Continental Tire Company in Hannover as a foreman after 40 years on the job. His last monthly take home pay in 1960 was the equivalent of about $245. Today, his monthly retirement check is about $320. He has about $1,700 in a savings account.

Mr. Frede and his wife Herta, 61, live on the third floor of this walkup apartment building on the outskirts of Hannover. They pay the equivalent of about $50 a month for their three and a half room apartment, plus $20 a month for utilities.

Rudd. When the time came for you to retire when you were 65, did you worry about how you were going to live on your pension?

Interpreter. (Mr. Frede replying in German) No, no, no, no, no, no. Not at all. Why should we be worried? I have—well, the money which I got at that time, we could make do and as a pensioner, we didn't want to save a lot of money. That's not the idea of the thing, and that's not the idea of an insurance. The idea is that the pensioner can live in his old age.

Rudd. Does the rise in the cost of living trouble you very much?

Interpreter. The prices are climbing but that's not only here. So you hear that from everywhere, even in America. The pension is following suit.

Rudd. Well, for people on pension, it seems to me that you two have a lot—almost everything—including a big color television set over there. How much did that color television set cost?

Interpreter. Twenty-two hundred marks.

Rudd. That's about seven or eight hundred dollars, I guess.

How about food? How much does food cost you every month, do you think?

Man Translator. Well, for food we need between four and five hundred marks.

Woman Translator. Until now we managed with 400 marks but I don't know.

Rudd. Well, how well do you eat on—on this amount of money? What sort of things do you eat?

Woman Translator. Everything. Meat, fish, eggs, sausage. . . .

Rudd. Do you have enough money left over every month?

Man Translator. Well, we manage. What we don't need for food and if something is left we buy something extra. Here we have bought upholstered furniture that is 2000 marks.

Rudd. There's—there's nothing you really want that you don't have.

Man Translator. Oh, what we don't have we don't want to have. And when we have so much money that we can buy something. then we find what we want to buy. What we want to have.

Rudd. How is your health for both of you, the . . .?

Man Translator. Well, for my age, I feel relatively well.

Rudd. And Frau Frede?

Woman Translator. I'm content. It could be worse. Asthma, bronchitis, well, I've had a thrombosis. It's not so bad any more.

Rudd. Well, did the—was all of that paid for by the—your asthma and your thrombosis, was that paid for by the health plan?

Woman. Oh yeah.

Woman Translator. Oh yes. Everything.

Rudd. Suppose there were no health plan. What would you have done?

Woman Translator. Well, what should one do? As much as possible yourself but I don't know. It would be bad. Emil, would it be bad if there were no health insurance?

Man Translator. Well, then we would have to die. Twenty years earlier.

Rudd. Dr. Zollner, can such an elaborate system as yours survive, do you think? With more than 12 percent of the German people are already over 65 compared to about 10 percent in the United States, and as Germans live longer with better medical care, won't the costs keep going up even more? You'll have more people on pensions, more people who are sick?

Dr. Zollner. Yeah. Let me first say we—we are obliged—the government is obligated to give a 15 year projection: a calculation showing the financial development during the next 15 years. And those figures show that we will have the point of accumulation in '78 and then the situation will be better again. That is as far as old age pensions are concerned. As far as medical expenses are concerned, we are prepared that in future the expenditure for medical care will be increasing faster than the average increase of cost or of income. But I think this is a development you have and will have, even in a country where you have no public sick insurance system at all.

Rudd. Well, how will you meet that problem?

Dr. Zollner. By spending more of the—a higher proportion of the income on sickness proposals or health proposals, I'd rather say.

Rudd. Well, the argument is frequently made in the United States that if you had what amounts to free medical care, as you have here, that people would constantly run to the doctor whether they needed to go or not. Does that happen here?

Dr. Zollner. If you have a scheme which prevents people from seeing the doctor then you may miss the right moment, the earliest possible moment to see the doctor. And I think we should be prepared to pay the price, which means if there are some people who abuse the system, I—I—I would think that this is not the worst of all.

Rudd. But isn't there a limit to how you can tax people? Won't they rebel?

Dr. Zollner. I can't see such a limit. If incomes are growing; if you spend less and less a proportion for the basic needs, such as food and housing, so on what should you spend your money—your increasing money—if not on health? I don't see any better purpose.

In *this* country, the Nixon administration feels government is spending *too much money* on health under our Social Security system. The administration feels that the system is being abused and wants to make some changes in the law which would force the elderly to pay more of their health costs. The reasoning is, if the aged are made to pay more for medical care, those who don't really need it will think twice before they seek out medical care.

The proposals would raise the amount you must pay of your yearly doctor's bill from 60 to 85 dollars; they would raise the amount you pay of the doctor's reasonable charges from 20 to 25 percent. In the hospital, instead of paying the first $72 of the bill and nothing thereafter for 60 days, they would have you pay the entire cost of your first day, plus ten percent of the cost each day thereafter. Caspar Weinberger, Sec. of Health, Education and Welfare, recently appeared before a Senate committee to explain the administration's position:

Weinberger. We believe these Medicare forms are desirable. They will not impose financial hardships on the program's beneficiaries. As you know Social Security cash benefits have risen about 70 percent since 1966. We now estimate that only about 15 percent of the aged now have incomes before—below the poverty level, a percentage quite similar to the non-aged population. So, it's now feasible to make greater, although still quite limited use of cost sharing provisions in order to improve the design of the program.

Kennedy. And so you crack down on the patient and make him pay for it.

Weinberger. No, there's no cracking down on anybody, Senator.

Kennedy. Well, you're making him pay for it.

Weinberger. No, you're not. The government is picking up a great deal of it, in the increased benefits and in the—in the provisions that are included in the Medicare program.

Kennedy. The patients are going to pick up more than they were before.

Weinberger. When you or I go to the hospital, you or I don't decide where we go or when? That's entirely up to the doctor and what we're trying to do is get a system that goes to the doctor and indicates to him the desirability of using hospitals only when strictly necessary and then looking at it from the patient's point of view to try to get some kind of individual approach to it.

Senator Muskie. I just think that when you—when you're talking about a program which pays only 42 percent of the health care cost of the elderly that the argument that by reducing that figure, you can somehow create a motivation on the part of providers of service, doctors and hospitals, to further reduce hospitals stays and thus cost to the elderly is not a very creditable argument. I mean, how low do you have to reduce that 41 percent? to 35, to 20, to zero? before you finally persuade doctors that the patients they're sending to hospitals can't afford it?

Rudd. The argument may be academic because not many in Washington expect the administration's proposals to get through Congress, but the proposals do indicate the administration's view of Social Security; which is comparatively speaking, American old folks never had it so good.

Meanwhile, President Nixon proclaimed this past May as Senior Citizens' Month, saying "it is a time for all people to renew the recognition, the respect and the active concern which properly belong to older Americans." Social Security, of course, is a measure of the recognition and concern we have for our older citizens, and under the present law it often seems the old folks are on the short end of the stick.

Old People. And justice for all . . .

Rudd. If you're getting $37.85 a week in the 1973, and that's the average for an individual, and if Medicare pays for only 42 percent of your health bills, you're not doing too well. Of course, those of us who retire in the future will be getting more in the future. Whether or not we get enough in the future for a dignified old age is uncertain: it's estimated that people retiring in the year 2000 may get as much as fifteen hundred dollars a month, but who knows what groceries will cost by then?

True, beginning in 1975 the law provides for a cost of living adjustment in retirement checks—provided the cost increase amounts to three percent a year more.

And others of us will be doing better under new provisions of the law. Beginning this year, most of the disabled, as well as those suffering rare kidney diseases, will fall under Medicare. But for all this we will pay more. Next year the base amount on which we're taxed goes from 10,800 a year to 12,000, and the rate at which we're taxed will continue to rise. Well, since the poor pay proportionally much more into the system than those who are better off, this means that as taxes rise, the lower income groups will be hit even harder.

And some economists and members of Congress believe such inequity is intolerable and they want the funding of Social Security changed from a direct payroll tax to some system based more on one's ability to pay. We are, after all, the richest country in the world, and, we like to think we are concerned for our old folks. But we have, perhaps, too long held too single-mindedly to the idea that the Lord helps those who help themselves, while in other advanced countries around the world Social Security sysetms were developed which display much more compassion than our own.

Well, if we're lucky, we'll get old some day, and the ways things have been going ever since the Stone Age, it looks like we'll all need all the help we can get. So you'd better plan ahead if you can figure out how, because you won't be too secure with Social Security alone. This is Hughes Rudd, 499–16–9967, and like me, you'll get yours when you're 65.

Good night.

THE RIGHT TO OWN GOLD

Mr. DOMINICK. Mr. President, gold fever has struck this country in the last 6 months, both at home and abroad. At home, I have seen more and more newsstories about a reawakening interest in the gold-mining industry while review of any daily financial page will reveal the soaring price of gold in the international markets. As Members of this body know, I have led a long fight for the establishment of the right of our citizens to own gold just as do the citizens of 70 other nations. The road has been long but over the years others have joined the battle. Traditionally, the attempts to change this country's gold policy have evoked responses from the Treasury Department which I have found to be meaningless and anachronistic.

Earlier this year the Senate overwhelmingly adopted an amendment to the Par Value Modification Act which would have given U.S. citizens the right to own gold by January 1, 1974. Unfortunately, the amendment did not survive the conference on the bill. However, I believe the will of this body has been clearly expressed and I will continue to fight for what I consider a right that citizens of this country should have.

While I am sure that my colleagues are familiar with the tales of "gold in them thar hills" and the fascinating histories which evolved in those days, I suspect that not as many are as familiar with the route by which we lost the right to own gold. I commend to them a recent article from the June 29 edition of the Wall Street Journal to learn another phase of gold history. I ask unanimous concent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOLD AND THE ENDLESS "EMERGENCY"

(By Henry Mark Holzer)

For the first time since [James] Bond had known Goldfinger, the big, bland face, always empty of expression, showed a trace of life . . . "Mr. Bond, all my life I have been in love. I have been in love with gold. I love its color, its brillance, its devine heaviness . . . I have worked all my life for gold . . . I ask you . . . is there any substance on earth that so rewards its owner?"—Ian Fleming, "Goldfinger." (1960).

For centuries, people have shared the fictional Mr. Goldfinger's ardor for gold, though not necessarily for the same reasons. While gold has been much sought after, both for ornamental and industrial purposes, modern times—or, more specifically, modern governments—have taught men to value it for one purpose above all others: as a hedge against the debasement of paper money.

But, while gold prices have soared as citizens of other nations scrambled to protect themselves from the instability of paper money, Americans have had to watch from the sidelines. For them, owning gold has long been a criminal offense.

Few people are aware of how—and why—Americans lost their right to own gold. Few people know of the shaky legal foundation on which the gold prohibition rests: an unconstitutional delegation of that power to the President, leading to what can be called the "endless emergency" rationale.

It all began during World War I and the Trading with the Enemy Act of 1917, one obscure subsection of which authorized the President to regulate and prohibit any transactions by Americans "in foreign exchange, export or earmarkings of gold or silver coin or bullion or currency. . . ." These sweeping new presidential powers had teeth: a $10,000 fine and/or up to 10 years in jail for violators. The rationale: a war emergency and the President's duty to fight that war. The facts: a Constitution which nowhere authorizes Congress to prohibit dealings in gold, much less authorizes it to delegate such a power to a coordinate branch of government. (Congress' only monetary powers are to borrow and coin money and to regulate its value. Art. 1, Sec. 8.)

Two years after the war ended, the presidential power over private gold expired—only to be reborn again when Franklin D. Roosevelt took office in 1933. Throughout the country, banks were slamming their doors on depositors clamoring to withdraw their money—preferably in gold. Two days after his inauguration, Mr. Roosevelt responded by issuing his historic proclamation, closing the nation's banks for three days, until a special session of Congress could be convened. The proclamation made passing reference to a "national emergency" and to the old World War I Trading with the Enemy Act—a strained attempt to find some semblance of legal support for the unprecedented assumption of control over the nation's banking system.

A DOCILE CONGRESS

President Roosevelt's next step was to send to a docile and compliant 73rd Congress a bill which, as one Congressman put it, affected millions of lives and billions of dollars. Yet debate in the House was arbitrarily limited to 40 minutes, and the bill—literally unseen and unread by House members—was passed. Said one Representative: "It is safe to say that, in normal times, after careful study of a printed copy and after careful debate and consideration, this bill would never have passed this House. . . . Its passage could be accomplished only by a rapid procedure, hurried and hectic debate, and a general rush for voting without roll call. . . ." (77 Cong. Rec. 83.) The same rush procedure was followed in the Senate, and with the same results, Thus, a bill which had been sent to Congress at noon, became law the same evening.

The new Emergency Banking Act accomplished three things. It retroactively approved the bank "holiday." It amended the long dead Trading with the Enemy Act, to wit: "During time of war *or during any other period of national emergency declared by the President*," the President could regulate all banking and financial transactions, including "hoarding," melting and earmarking of gold. It amended the Federal Reserve Act by giving the Secretary of the Treasury virtually unfettered discretion to compel Americans to surrender their gold and accept paper money instead. The Act neither specified what the current "emergency" was, nor established any criteria by which the President was to ascertain the existence of an emergency—an omission which was to prove crucially important to future Presidents and to future owners of gold.

Under his new, far-reaching powers, Mr. Roosevelt proceeded to create a frozen state of financial affairs by issuing a series of Executive Orders. One order authorized the Secretary of the Treasury to decide which of the nation's banks could open. It also prohibited Americans from exporting gold without a Treasury-issued license. Another order turned its attention to "hoarding"—i.e., the holding of gold by the people who owned it. By May 1, 1933, all bank-held gold coins, bullion and certificates within the continental United States (subject to a few minor exceptions) were to be turned over to the government. The compensation: paper money. The penalty for refusing to comply with this confiscatory program: a $10,000 fine and/or up to 10 years in jail.

Still another order retroactively declared that a state of emergency existed which "justified" all of Mr. Roosevelt's previous restrictions on gold ownership and possession. The order also provided for the requisition of all privately-held gold in America. Finally, Mr. Roosevelt prevailed upon Congress to pass a joint resolution outlawing "gold clause contracts"—private agreements to pay or be paid in gold. Such contracts, past, present and future, were declared to be against public policy.

A Boston University law professor of the day eloquently summed up the "accomplishments" of the New Deal's gold manipulations: ". . . The first great thing to be profoundly changed was the money of the people. Gold has been nationalized. . . . A new felony has been created, merely having gold money, now termed hoarding and considered dishonest. A new legal tender dollar has been established. The . . . actual value [of the dollar] has been cut down, but the denominational and legal value for paying old debts remains; further inflation is indicated . . . the Statute of 1869 pledging the Nation's faith always to pay national debts in standard gold is repealed and the pledges . . . repudiated; we're off the gold standard; many think we're off the ethic standard."

The first American to be indicted for the "crime" of owning gold was a lawyer named Campbell, who had deposited $200,000 worth of gold bullion (27 bars) with a bank for safekeeping. The bank in turn had contracted to act as bailee and to return the gold on demand. When demand was made, however, the bank—citing the New Deal regulations—refused to honor its commitment, thus forcing Mr. Campbell to sue for specific performance and an injunction against delivery of his gold to anyone but him. This action led the government to indict Mr. Campbell for owning gold without a license. Mr. Campbell's defense consisted of the charge that the Emergency Banking Act was unconstitutional and any Executive action taken thereunder invalid. The U.S. District Court for the Southern District of New York disagreed. Congress, the court held, had the constitutional power to control gold—a commodity "affected with a public interest." Moreover, Congress had not exceeded its authority by delegating to the President and Secretary of the Treasury its own regulatory and requisitioning powers. The only fault the court found with the government's regulatory scheme was the question of who was to do the requisitioning and whether some compensation would be available to the victims. The net result of Campbell v. Chase National Bank was that Congress' arrogation of a constitutionally nonexistent money power was upheld, as was its delegation of that power to the Executive Branch. Held invalid was President Roosevelt's personal requisitioning power; this was a job for his requisitioner-in waiting, the Secretary of the Treasury. (The job was done one month after the Campbell decision. Treasury Secretary Henry Morganthau Jr. issued an order requisitioning *most* privately-owned gold in America.)

Most—but not all. Disturbed by the fact that some gold bullion and coins remained in the possession of the Federal Reserve Banks, President Roosevelt appealed once more to Congress for a quick remedy. As with the Emergency Banking Act, Congress came through in a hurry. A bill was railroaded through both Houses, though not without vociferous opposition. Remarked one Congressman: "You . . . who now are so anxious to rush this bill through, will sit here and vote blindly to ratify something you know nothing about. . . . If they [the President and Secretary of the Treasury] exceeded their authority, full ratification at this time would not better the situation any. If they issued orders contrary to the Constitution, such ratification . . . would serve no purpose. . . ."

The bill was nonetheless passed. The Gold Reserve Act vested title to all Federal Reserve gold in the government, thus making its gold monopoly complete. The act also put the congressional seal of approval on all of the President's past machinations. In addition, new forfeiture provisions emerged: Violators of gold regulations not only forfeited their gold, but were subject to a civil penalty of twice the value of the gold.

PRESIDENTIAL AGREEMENTS

The morass of New Deal gold regulations notwithstanding, a question remained: What would happen to the rights and liabilities of gold-starved Americans when the Roosevelt-declared emergency of 1933 came to an end? In 1950, President Harry S. Truman's answer was to declare a new emergency, this time a military one, revolving around the Korean war. Presidents Eisenhower and Kennedy saw no need to declare their own emergencies—they simply confirmed the existence of the Truman emergency, bolstering it with the threat of international communism. Pursuant to this rationale, President Kennedy issued an Executive Order prohibiting, for the first time, American ownership of gold outside the continental limits of the United States.

Are the various "emergencies" still in effect and, if so, do they remain a bar to American ownership of gold? The answer is by no means clear. In the Southern District of California, indictments against several owners of gold bullion were dismissed, notwithstanding arguments by the government that either President Roosevelt's 1933 emergency was still in effect or, alternatively, that new emergencies had been created by Presidents Truman, Eisenhower and Kennedy (U.S. v. Briddle et al, 1962). With a take-your-pick posture, the government had cited the Korean war, Communist imperialism, and/or a balance of payments deficit. Dismissing the government's endless emergency rationale, the court noted: "The Korean hostilities have . . . ended. And while Communist imperialism continues to pose a threat . . . the existence of . . . that 'national emergency' . . . cannot serve to prolong until almost 30 years later 'The Great Depression' of 1933. . . . To hold that the existence of Communist imperialism authorizes the criminal provisions here in issue would be to condone the methods of the enemy. For if the President . . . be permitted to create crimes by flat and ukase without constitutional authority or congressional mandate, there is little to choose between their system and ours."

An appellate court in California's Ninth Circuit, however, went in the opposite direction. Indictments against gold owners were upheld on the grounds that the power conferred upon Mr. Roosevelt by the Emergency Banking Act was not confined to the 1933 banking crisis, but extended to any national emergency proclaimed by any President (Pike et al v. U.S., 1962).

For now, the precedent set in this Ninth Circuit case is the law of the land, since no other court of comparable jurisdiction has ruled differently. To own gold, therefore, is to court a felony, subject your gold to forfeiture, and yourself to a penalty double the value of your gold, as well as 10 years in jail. To date, the U.S. Supreme Court has never ruled on the issue. Perhaps, some day, it will.

In the meantime, Americans remain at the mercy of the government's money managers. According to monetary economist Charles Rist, these "partisans of paper money . . . dislike monetary stability because they dislike the fact that by means of money the individual may escape the arbitrariness of the government." If such were not the case, Mr. Rist comments, "they would not oppose so vehemently the reintroduction of the only system that has ever insured . . . [stability], which is the system of the gold standard."

Prof. Holzer teaches constitutional law at Brooklyn Law School. This article is based on a longer article, "How Americans Lost Their Right to Own Gold—and Became Criminals in the Process," that appeared in the winter, 1973, issue of the Brooklyn Law Review.

SENATOR MONTOYA SPEAKS AT LOGAN COLLEGE IN ST. LOUIS

Mr. EAGLETON. Mr. President, on Saturday, June 23, Senator Joseph M. Montoya spoke to the Logan College of Chiropractic Alumni Association Annual Meeting at Logan College in St. Louis, Mo. Dr. William N. Coggins, president of Logan College has expressed his appreciation of Senator Montoya's understanding of the problems of health professionals and educators.

Senator Montoya's talk concerned the increasing problems of health care in the Nation and the urgent need for health professionals and Congress to work together in solving the health crisis. I would like to call my colleagues' attention to Senator Montoya's statement and therefore I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

An Echo Is Not A Solution

(By Senator Joseph M. Montoya)

It is a pleasure to speak to you today on this beautiful new campus. I know how much the expansion of Logan College means to you and to your profession, and I am proud to be a part of your first ceremonies here.

I also want to congratulate you on the cooperative effort Logan College has made with the University of Albuquerque in planning a pre-professional training program there. By working together both institutions are providing for growth in the future of education and chiropractic.

As health professionals you are in the eye of the storm, today. There is a great and growing controversy about our whole health delivery system and about what government can or should do to provide for the health care of the nation.

We Americans tend to overwork the word "crisis." I suppose you could say we have a crisis in crises. Certainly a lot of speakers begin by saying "We face a national crisis in. . . ." I don't want to do that.

Instead, today, I want to talk to you about the ways we have worked in the last few years to solve health problems, and about the need for us to work together to improve our communications in order to solve problems more effectively in the future.

As I talk to people outside of Washington, and as I read my mail, I have come to realize that many people feel cut off from government today. They feel that a message to Washington is like dropping a pebble in a dry well—all you get back is an echo.

They want to know that someone is listening to their problem.

They want to be part of the action.

They want solutions, not promises.

And that's the way it should be.

Messages from the public come to Congress in many ways: letters from individuals, reports and suggestions for action from organizations like yours, statistics and legislative ideas from lobbying groups, calls for help from state and city officials. Often, either supporting or opposing all of those messages, come requests from the Administration.

Somehow, out of that jumble of conflicting facts and competing ideas, the one hundred Senators and four hundred and thirty-five Congressmen must decide which need is greatest and which legislation will be most effective.

Add to all of this the complexity and rapid change in the 1973 world: a world where ideas and hardware and systems are brand new every morning. The result sometimes seems to be nothing but words and controversy. The concerned citien is angry or frustrated when that happens, because he feels that his message went astray.

In your profession you understand that messages to the brain travel on nerve cells and depend on a clear and healthy communication line. Sometimes our governmental nervous system seems to be out of whack. Perhaps if we examine the patient—the governmental system—and think about how it is supposed to function we will discover where the problem is and be able to apply the kind of pressure which will relieve the pain.

Representative government should mean that the people you send to Washington stand for you, and for your neighbors.

It should mean that what is important to you is important to the Congress and to the President.

It should mean that action by the government is taken when you communicate a need, and that the action taken will result in filling that need.

Is that happening? I doubt that you, as health professionals, believe it always works that way in the health field. The "health crisis" has been growing in intensity for twenty years. Doctors, health professionals of all kinds, and patients have all been sending frantic signals to Washington.

We have echoed your messages, and through Congressional hearings we have even alerted you to new health problems. I think that has caused some confusion, because you have heard our concern as a response to your own concern. Quite correctly, you feel that an echo is not a solution.

However, much good legislation has been passed. During the 1960's Presidents Kennedy and Johnson worked with the Congress to create giant federal programs in the health field: the National Institutes of Health, Medicare, Medicaid, the Hill-Burton Construction Act, many special programs aimed at providing better medical education or better medical research. I was part of that effort and I am proud of the job we did in responding to the health needs of the nation. The Congress is today fighting to retain and to improve those programs.

I think three things have delayed an effective and total response to health care needs.

First, I am afraid that none of us clearly understood the scope and depth of our national health needs when we first began to seriously look at the problem. We needed time to gather all the complex health facts together and to properly assess reports from you in the field. As an interim and immediate response we created individual programs which filled special needs. Thus we segmented our approach to health and that has resulted in dilution of our effort.

Now we—both Congressmen and professionals in the field—are beginning to see the health needs of the nation as a total package which probably will require a total and integrated effort.

The second thing which I think has slowed our effort is inflation. The last few years of rising inflation have changed all of our lives, and certainly inflation has been most pervasive in the health field. Like a family which has suffered a disastrous income drop, we have had to face the agonizing reappraisal of balancing one need against another and one problem against another. That is why we are now having a national debate about priorities—about how we are going to spend our tax money.

If we are going to cut spending we must decide whether health care is the right place to cut.

A third problem, as I am sure you are all aware, is that there has been a conflict in the last few years between the Congress and the President as to how we should respond to the social needs of people. Health care is one of those needs. The President has heard all the warnings about the "health crisis" and has echoed them in speeches himself. But as the Congress continued to develop new national health legislation it became clear that we would have to fight to retain the programs begun in the sixties. We have faced Presidential vetoes of most health legislation, impoundment and massive cuts in budgets for health.

Congress has continued to maintain that federal programs which served the people directly were important and must be saved. That has often resulted in a deadlock or in the restriction of services while reviews of each separate piece of legislation were made.

What are the facts we now have to work with?

For those of us who can afford the best and the most expensive treatment, American health care is the best in the world. But the overall health picture is not so rosy. We are slipping badly if we judge by the normal key indicators of national health.

In 1950 we had the fifth lowest infant mortality rate in the world. Today we have the fifteenth. In 1950 we were thirteenth in male life expectancy. Today we are twenty-seventh. It is interesting to note that all the countries which beat us have a national comprehensive health program of some kind.

Medical costs in the 1970's are skyrocketing. It may be true that with inflation you can't afford to eat steak, but what you really can't afford to do in America in 1973, if you are the average American, is to get sick.

In 1965 the cost of one day in the hospital was $45. Today it is $105—that is an increase of 130 percent.

Ten years ago the average hospital stay cost $300. Today it costs $800. That is an increase of 160 percent.

The per person cost of health care in 1972 averaged $394. That translates to $1,576 for a family of four. When you remember that many poor and rural families average less than double that in total family income, you begin to see how serious the health cost problem is, and you begin to understand why so many children do without health care at all, or why so many senior citizens on small, fixed incomes must do without the preventive care which could prolong lives and prevent senility. That is one reason why our national standards of health care are falling instead of rising.

The serious shortage of medical and paramedical personnel is not something I have to explain to this audience. You are part of this nation's effort to fill health manpower needs, so I am sure you are acutely aware of the problems of supply and distribution of health personnel. Medical and paramedical personnel are spread too thin and needed in too many places.

Estimates of our shortages vary, but it is generally agreed that we need fifty thousand more doctors, twenty thousand more dentists, one hundred and fifty thousand more nurses and two hundred and eighty thousand more other health professionals! These shortages will increase astronomically because we do not have the schools—schools like Logan College—and the training programs to fill today's need, much less to train for tomorrow.

Rising costs and that shortage of personnel have resulted in a health crisis everyone recognizes, and no one knows quite how to solve. President Nixon said in 1971, "It is time we became the healthiest nation in the world," and in the same speech he promised "a program to insure that no American family will be prevented from obtaining basic medical care by inability to pay."

Many other members of government, both in and out of Congress, have repeated his thoughts and echoed his pledge.

But the problems of deciding how much we can afford to spend on health and how we can resolve our conflicting ideas about funding health programs have interferred with our making good on those pledges.

That is why I think conferences like yours today are so important. From this meeting will come your ideas about Medicare and how the legislation which implements it should be improved or coordinated with other health needs.

With new legislation last year the Congress recognized the role chiropractic can play in providing health care for the elderly. As you know, I fought along with you to see that chiropractic was covered under Medicare. I will continue to fight to see that the standards set by the Secretary of HEW are sensible and reasonable. I hope that you will make sure that the Administration is aware of your recommendations and ideas.

Medicare has helped to provide for the elderly, but not in sufficient amount to outrace medical inflation. So the program you are here to talk about is still in need of changes. The pre-Medicare medical costs for senior citizens averaged $293 per year. In 1970, five years later and with the help of Medicare, the share of medical costs paid out-of-pocket by older citizens had risen to an average of $305!

This group, which has medical bills which are six times that of children and almost three times that of the average middle-aged adult, still has a serious health crisis. Preventive care is simply not available or used, largely because those who are on fixed incomes cannot afford to pay their share of the rising costs under the current system. Thus Medicare is rapidly becoming only another form of "catastrophy" insurance—a system where regular and preventive care is not covered or not covered sufficiently to make it practical.

This year the Administration, instead of following the advice of the White House Conference on Aging, moved to decrease the federal support for Medicare, and asked for approximately one billion dollars to be cut from the share the government would pay for hospital and physician costs. The myth that if people pay more they will not "overuse" medical services was given as the reason behind this cut.

That reminds me of the slogan which Governor Reagan offered the California taxpayers to explain a new system of tax collection. "Taxes Should Hurt," he said. An irate taxpayer immediately rented billboard space to put up signs which quoted the Governor and then said in large red letters "OUCH!"

Now I'm not convinced that medical costs for senior citizens should hurt or that they should have to say "OUCH!"

The second reason given for the proposed cut in Medicare funding was that the benefit increases of Social Security payments which were approved last year would cover the increased medical costs. That's like saying that a small increase in your income would make it possible for you to do without insurance for your family. The senior citizen has very little assurance that a major illness or hospitalization will wait until he has saved enough out of his increased benefits to pay for it!

We should all remember that no group of senior citizens is satisfied with Medicare, although they are grateful for the coverage it has given them for hospitalization and emergency care. No group of health professionals is completely satisfied with it either. The need for change in the health delivery system is apparent to everyone.

How can we in the Congress respond to the health needs of the elderly as well as the health needs of the rest of the nation? The Administration's view is clearly that we need health care and health training, but that we cannot afford to support it with federal dollars. The Congress, which receives messages from the people more directly and more forcefully than the President, has shown strong support for existing programs while we search for a better way.

For fiscal year 1974 the Administration recommended eliminating or cutting down on the amount of money budgeted for both medical and educational programs. Both of these areas concern you, as they concern me. Through the use of what were called "downward amendments"—that means less money—and "lower capitation"—that means less people served—many severe budget cuts were proposed. In some cases the Administration suggested that revenue sharing would make up the difference. In other cases the suggestion was made by the Administration that the program concerned was no longer needed.

Unfortunately, neither of these explanations makes much sense in the health field. Revenue sharing will not help provide health care in any significant degree, and will not help us plan for the future. Certainly the statistics I have given you today make it obvious that the need for health care planning and funding is still present.

For the immediate future Congress has voted to restore funds and to extend most health and education legislative programs. This week the President signed an omnibus act extending health programs for one more year.

In addition, we have passed legislation in the Senate to provide for Health Maintenance Organizations—the HMOs we have all heard about as a partial solution to health care needs. Eventually this year I think we will have HMO legislation which will be approved and signed.

Your role in the HMO concept is not yet clearly defined, but I have had an opportunity to review Doctor Coggins' statement to the health subcommittee and I agree with him that it is time for Congress to recognize your place as a part of the total health delivery team. This is the right time for you to demonstrate your belief that the patient should have his full choice of health service.

The Health Manpower Act is another piece of legislation which should concern all of you. This legislation was originally passed in 1963 and has been extended and amended periodically by Congress. It authorizes Federal support programs for health professionals through financial assistance to schools for construction, operation, and special projects. The law has failed to cover schools of chiropractic or their students.

Now is the time for you to make it clear to the Congress and to the Administration that you want to participate in these programs. You are part of this nation's health manpower team. You are needed to help provide for the total future health program of the nation.

I think it is time for us to consider health care a national problem. We need more than just a series of categorical programs which pay the bills for one group or another. That results in competition between people who should be working together and means costly duplication of effort which we cannot afford.

We need to work toward developing a national system whose goal is comprehensive health care for the entire nation at a cost people can afford and in the places where people live. That system must include training for the future health teams we will need.

As a Senator I will need your help to work toward that goal.

We must decide on priorities for the tax money we have, and we need the advice of every professional.

We must decide which is the best way to insure that the money we allocate to health and to education will result in the best solution for the needs of the greatest number of Americans. We will need your advice about that.

No discussion of national crises today can exclude the crisis in government which we call "Watergate." I want to take just a minute of your time to talk to you about that crisis and about what the people and courts and the Congress can do about it.

We must be clear about what the problem is and what it is not. It is not a partisan problem—this crisis affects Democrats and Republicans alike. It is not just a burglary and wire tapping of one party headquarters—it is the entire system of campaigning and electing national candidates which is under investigation.

The courts must decide if crimes have been committed and must proceed to see that those who are guilty are punished. Special Prosecutor Cox has been given the assignment of handling that part of the problem, and I am sure that he will carry out his assignment in a way which will make us all proud of our judicial system.

The Senate Investigating Committee has a much more difficult job. We are charged with looking at the 1972 campaigns in depth so that we can understand not only what went wrong, but why it went wrong. What in our political system led men and women in positions of responsibility and trust to abandon their own respect for the law and their own faith in democracy? It will be many months before we have finished our hearings, and then we must decide if new legislation will protect us from future tragedies like this one.

It is important that the people be fully informed about what happened and that they participate in any changes we propose. Our system of government depends upon our being able to trust one another as we work together in an open and fair and honest society.

So in this, as in other problems we have talked about today, it is necessary for us to keep open the lines of communication between the people and the government.

Thomas Jefferson once said that an informed electorate was the essential ingredient for a democracy. I believe that it is equally important to have an informed Congress. That can only happen if professionals like you make us aware of your ideas and your needs and actively participate with us in planning for the future.

Working together we can preserve what is good in the health programs we now have and provide for the healthy future of this nation.

THE TRANS-ALASKA PIPELINE WILL BENEFIT THE CONSTRUCTION WORKERS OF AMERICA

Mr. STEVENS. Mr. President, the trans-Alaska pipeline will benefit the construction workers of America. For example, thousands of workers will be required to construct the pipeline itself and maintain it. The construction trade unions have by and large adopted strong positions in support of the trans-Alaska route.

One such union is the United Association of Journeymen and Apprentices of the Plumbing & Pipefitting Industry of the United States and Canada—AFL–CIO–CLC.

Last year the Joint Economic Committee held hearings on the trans-Alaska pipeline. At that time, Mr. Martin J. Ward, general president of the UA, submitted an official letter stating the position of the UA to the chairman, Senator Proxmire, on behalf of the 323,000-member union. He also submitted two resolutions—one by local union No. 367 of Anchorage, Alaska, and one by local union No. 798 of Tulsa, Okla.—which were adopted by the 3,000 delegates at the 1971 national UA convention.

Only this month the official publication of the UA, and UA Journal, published a major article on the trans-Alaska pipeline. This article was entitled "Congress Must End Impasse—Alaska Pipeline Will Carry Oil to a Fuel-Hungry Nation."

This article discusses the difficulties that have beset the pipeline thus far. It states:

> Against this background, it seems reasonable to ask Congress to end the current impasse over the construction of the pipeline. It is becoming daily more urgent that the Alaskan oil be made available to combat the energy crisis we are embroiled in. . . .
>
> The Alaska oil fields are our best hope for increasing domestic production. It is estimated that at least 10 billion barrels of oil can be produced from the North Slope reserves. That's as much oil as reserves in Louisiana, Oklahoma, Kansas, and half of Texas combined.

Mr. President, I would like to emphasize that last sentence. We have as much oil on our North Slope alone as reserves in the States of Louisiana, Oklahome, Kansas, and half of Texas combined.

This article, the cover story in the June 1973, U. A. Journal, once again puts the UA along with the AFL–CIO and other major labor groups as supporting the trans-Alaska pipeline.

Of particular importance to the working people of America are the following paragraphs:

> The study (prepared by Alyeska Pipeline Company), published last year, estimates that the pipeline project will produce 18,000 more employed persons in Alaska in 1975 than there would have been without the project.
>
> The line is expected to take three years to build and would employ between 5,000 and 10,000 men during actual construction.

The UA which will largely construct the pipeline itself, mentioned Mr. Ward's letter to the Joint Economic Committee which I previously discussed. It also cited the statement by the AFL–CIO Executive Council on the trans-Alaska pipeline adopted in Washington last May 9. This statement, of which many of my colleagues are already aware, puts that organization strongly in the forefront of groups supporting the trans-Alaska pipeline. As Mr. Ward stated in his letter to the Joint Economics Committee:

> Mr. Chairman, let us get started on this project without further delay. It is essential that this nation see this opportunity to reduce its dependence on foreign oil production.

I request unanimous consent that the article in the UA Journal, the letter from Mr. Ward and the two resolutions, and a letter from Mr. Andrew J. Biemiller, Director of the AFL–CIO, Department of Legislation, which enclosed a copy of the statement by the AFL–CIO Executive Council on the trans-Alaska pipeline, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Congress Must End Impasse—Alaska Pipeline Oil to a Fuel-Hungry Nation

The bitter battle over the building of the Alaska Pipeline has been fought on an "either-or" basis: Either build the pipeline or protect the environment.

This take-it-or-leave-it approach is not the only one. A growing body of evidence indicates that we can do both—that the line can be constructed to make the North Slope oil available to a fuel-hungry nation without damaging the fragile balance of nature that is a feature of the arctic environment.

The Alyeska Pipeline Service Company—the joint venture of seven major oil companies formed to construct the pipeline—has been working on this approach for a number of years. In the process, the company has spent over $35 million studying not only the line itself but the physical and biological environment through which it must pass. Over 1,000 man/years have been spent in research, special studies, field investigation, route surveys, project development, and engineering.

No construction project has ever received the moral, social, and ecological investigation accorded the pipeline.

Against this background, it seems reasonable to ask Congress to end the current impasse over the construction of the pipeline. It is becoming daily more urgent that the Alaskan oil be made available to combat the energy crisis we are embroiled in.

At the present time many of the nation's gas stations are placing voluntary limits on the amount of gas they will sell to one motorist, and the nation is seriously debating compulsory gas rationing. Our domestic production is no longer sufficient to meet our needs. The increasing billions of dollars being spent abroad to buy petroleum is threatening the strength of the dollar.

Last year the U.S. demand for petroleum was 16.6 million barrels a day. (A barrel holds 42 gallons.) Of this amount, 4.7 million barrels a day were imported, and the first round balance of payments outflow for 1972 was $16.0 billion.

It is obvious that we must purchase abroad every barrel of oil we do not get from Alaska for the next ten or 20 years. We face the choice, therefore, of increasing our dependency on other nations or developing our own domestic resources.

The Alaska oil fields are our best hope for increasing domestic production. It is estimated that at least 10 billion barrels of oil can be produced from the North Slope reserves. That's as much oil as reserves in Louisiana, Oklahoma, Kansas, and half of Texas combined.

In addition, North Slope oil is a high-grade oil with low sulphur content. When burned it will produce less air pollution than some currently used oils.

The United Association and the AFL–CIO are among the organizations urging the start of construction of the pipeline that will run south from Prudhoe Bay on the North Coast of Alaska to the ice-free port of Valdez near Anchorage. The oil will then be shipped by tanker to the mainland.

In his recent major national message on energy, President Nixon called for a speed-up of the Alaska oil field development by pushing construction of the Alaska pipeline.

Senator Henry M. Jackson, the leading energy expert in Congress, has introduced legislation to widen the right of way across public land so that work on the pipeline can begin. Construction is currently blocked by a Supreme Court ruling which forbids the use of existing rights of way because they are too narrow.

As soon as Congress acts to authorize construction, work can begin almost at once. All of the 48-inch pipe is currently in Alaska, along with most of the gas turbines, pumps, and mainline valves. Welding and bending tests have been made under Alaskan conditions to test the feasibility of construction.

The 800-mile Alaska pipeline is not the longest ever built, or the only one constructed under arctic conditions. But it is the single largest construction project ever financed by private industry. The price tag for the line, pumping stations, terminal facilities, and communications and control systems is set at $1 billion.

Environmental factors have had and will continue to have the highest priority in the planning of the line. There are two kinds of environmental problems that must be solved by the engineers.

1. Those which could affect the integrity of the pipeline and could therefore conceivably cause oil spills.

2. Those which concern the disturbance of fish, wildlife, and vegetation by the construction, or mere presence, of the line.

It is essential to deal with both problems to assure efficient operation of the line and to fulfill the objective of preserving the environment.

Every possible precaution will be taken to prevent leakage and to limit the effects in the event a leak should occur. The line is designed to withstand the combined stresses from internal pressure and from thermal, bending, and seismic forces. The system is engineered to resist the most severe earthquake ever recorded in Alaskan history. The safeguards against spillage include remote control cut-off valves and emergency procedures to deal with any rare catastrophe.

The half-inch thick pipe has a special coating to protect it from chemical corrosion and an integral cathode protection system will be built into the line to prevent electrolytic corrosion.

Much of the terrain that will be traversed by the pipeline is permafrost, a permanently frozen ground under a thin layer of tundra that consists of mosses, lichen, and grasses. To prevent the thawing of the permafrost, which will damage both the pipe and the environment, geologists have selected a route that will take the line through rocky, dry, stable permafrost as much as possible. In such aeras the pipeline will not create an unstable condition, and it can be buried underground just as conventional transportation pipelines are buried in the U.S.

In some areas, the pipeline will be buried, but will be insulated by various means to reduce or prevent heat transfer to the ground. In areas where the permafrost has a high moisture content and is vulnerable to melting from the hot oil that will travel through the line, the pipeline will be elevated. Less than half the line is planned to run above the surface.

In the areas where the line is elevated, special ramps and underpasses will be constructed to allow caribou and sheep free access for their traditional roaming. Some of the herds of caribou travel as much as 45 miles a day in search of food.

During construction calving, spawning, and nesting areas will be avoided during critical seasons.

The line will cross 350 streams, but care has been taken to guard against damage to fish. Migration and spawning patterns have been charted to minimize interference by the line. Thermal damage will be guarded against, and the line will be buried deep enough under the streams to resist any scouring by flood conditions.

Alyeska will require its subcontractors to remove every scrap of trash, garbage, and debris, or they will not be paid. No one connected with the pipeline will be allowed to hunt.

Care has also been given to the impact of the pipeline on the state's economy. A study prepared for Alyeska maintains, "Despite its magnitude, the trans-Alaska pipeline project will not produce a 'boom-bust' imbalance in the Alaska society."

This conclusion is based on the fact that the pipeline construction will occur against a background of a growing economy, paced by petroleum exploration and other natural resources exploitation.

The pipeline is expected to speed up the pace of business expansion to reach a given level two or three years earlier in the normal, growing economy than would be achieved without the construction impact.

The study, published last year, estimates that the pipeline project will produce 18,000 more employed persons in Alaska in 1975 than there would have been without the project.

The line is expected to take three years to build and would employ between 5,000 and 10,000 men during actual construction.

Initially the pipeline will be able to transport up to 600,000 barrels a day. At full capacity 12 pumping stations will operate to move two million barrels a day.

UA General President Martin J. Ward urged construction of the pipeline last year in a letter to Senator William Proxmire, chairman of the Joint Economic Committee.

He said, ". . . the 800-mile trans-Alaska pipeline will be largely constructed by the highly skilled members of the United Association. I can assure you that they are deeply conscious of the need to protect the environment and maintain the quality of life for all those areas affected by such construction activity. They are prepared to get on with the job. For the last several years unemployment in the pipeline construction industry has been at the highest levels in history. The Alaska project would mean steady work for thousands of our members, including our Alaska members who have been hard-hit by rising joblessness in that state."

Last month, at its spring meeting, the AFL–CIO Executive Council unanimously passed a resolution calling for Congress to authorize the start of construction on the line.

The statement said, "The fastest, most economically feasible and most secure method of transporting Alaskan oil to the burgeoning American markets is by pipeline to Valdez and by tanker to West Coast ports.

"Jobs for American workers would be generated not only in building the pipeline and related plant construction, but also in maintaining it and in manning the transshipment facility at Valdez. Approximately 33 new U.S.-flag tankers would be needed to carry the oil, thus stimulating employment in U.S. shipyards and for U.S. shipboard workers. . . .

"Without sufficient energy resources America will not be able to meet its economic and social goals, but if the Congress acts now it can assure Americans both a better environment and a better life for everyone."

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada,
Washington, D.C., June 21, 1972.

Hon. William Proxmire,
Chairman, Joint Economic Committee, Congress of the United States, Washington, D.C.

Dear Senator Proxmire: It is my understanding that the Joint Economic Committee is currently holding hearings in connection with the recent Interior Department decision to grant the long delayed permit for construction of the trans-Alaska pipeline, designed to transport oil from the North Slope of Alaska to the port of Valdez.

The 323,000 members of the United Association of Plumbers and Pipefitters went on record in support of the trans-Alaska pipeline during our national convention last year. You will find enclosed a copy of the resolution that was unanimously approved by the 3,000 delegates to that convention. I would very much like to have both the resolution and this letter made a part of the official record of the hearings.

Four years have passed since the discovery of the estimated 20 billion barrel oil deposits at Prudhoe Bay. During all those years, those who have opposed construction of the pipeline and the related plan to ship the oil by sea to the "lower 48" have had ample opportunity to have their opinions tested in Congress, the courts, administrative agencies and a wide variety of media. Surely it is time to come to a decision.

Back in 1969, during debate leading to enactment of the National Environmental Policy Act, the AFL–CIO endorsed the Act as a "means of achieving a sound and sane balance between resource utilization and misuse that would produce adverse environmental effects."

Nowhere has this struggle for a reasonable balance between our concern for the environment and our urgent need for new sources of energy been more evident than in the controversy over the best way to utilize the oil riches of Prudhoe Bay. The voluminous Interior Department report to EPA indicates the intensive study of environmental issues that has been conducted by both public and private agencies. There is no longer any reason to doubt that the Alaskan environment can be protected from serious damage during construction of the pipeline and operation of the completed transportation system.

It has been reported that more environmental planning has gone into the pipeline than into any other construction project in history. The Interior Department study is estimated to have cost $9 million, and the oil companies have spent more than $35 million.

Mr. Chairman, the 800-mile trans-Alaska pipeline will be largely constructed by the highly skilled members of the United Association. I can assure you that they are deeply conscious of the need to protect the environment and maintain the quality of life for all those areas affected by such construction activity. They are prepared to get on with the job. For the last several years unemployment in the pipeline construction industry has been at its highest levels in history. The Alaska project would mean steady work for thousands of our members, including our Alaska members who have also been hard-hit by rising joblessness in that State.

Furthermore, many of our members are employed in the shipbuilding industry on the West Coast. Construction of the new supertankers to carry the oil from Port Valdez would reduce their out-of-work total dramatically. Also, thousands of manhours of work would be created in the construction of oil refineries and in other construction projects needed to support and operate the new oil transportation system.

Testifying before the House Interior and Insular Affairs Committee two months ago, the Secretary of the Interior said, "We are facing a fuel and power crisis. Its implications for our economy, our environment, security, foreign policy and national life style are broad and pervasive . . . We must convince the public of the imminent crisis and the urgent need to take action now."

Mr. Chairman, let us get started on this project without further delay. It is essential that this nation seize this opportunity to reduce its dependence on foreign oil production.

Sincerely yours,

Martin J. Ward,
General President, U.A.

R-46

By Local Union No. 367,
Anchorage, Alaska.

Whereas, The 800-mile Trans Alaska pipeline is of a vital economic nature to provide jobs and generate a vast source of energy to our great nation; and

Whereas, The ecology and conservation groups, who are a very small minority, are creating a tremendous pressure impact to delay the construction of the 800-mile Trans Alaska pipeline as long as they possibly can; therefore be it

Resolved, That all delegates, Officers, members, friends, of this great United Association, Plumbers and Steamfitters, Welders and Metal Trades, join in a national effort to help promote issuance of the Trans Alaska pipeline permit, by our Honorable President Richard M. Nixon and Honorable Rogers C. B. Morton, Secretary of the Interior. A coordinated letter writing campaign to the President and Secretary of the Interior by all members, friends and Locals will serve an effective purpose.

R-110

By Local Union No. 798,
Tulsa, Oklahoma.

Whereas, The United States Department of the Interior has called the proposed 800 mile trans-Alaska pipeline "essential" to the security of the United States; and

Whereas, Construction of the pipeline has been interminably delayed by a combination of forces and events largely beyond the control of the builder, the Alaska Pipeline Service Company; and

Whereas, These obstructions include the failure of Congress to settle the land claims of Alaska's 55,000 natives and also the irresponsible charges and court injunctions promoted by overzealous conservation organizations; and

Whereas, It is clear that the pipeline can be so engineered and designed as to get the job done and, at the same time, minimize the supposed threat to Alaska's ecological balance; and

Whereas, Employment generated by the crude oil extraction and the pipeline construction will produce enormous and lasting economic advantages for Alaska's citizens: and

Whereas, The entire 800 miles of 48-inch-diameter pipe has already been delivered to Alaska; therefore be it

Resolved, That this great international union, whose members stand ready to apply their skills to the task of actually constructing this vital pipeline, formally calls upon the Congress of the United States to settle forthwith the land claims question; and calls also upon the Interior Department to recognize obstructionist tactics for what they are and to issue the pipeline construction permit without further delay.

Committee Secretary Bertoneau. These resolutions concerning the installation of the 800-mile Trans-Alaska Pipeline, were introduced by Local 367 of Anchorage, Alaska, and Pipeliners Local 798. The Department of Interior and President Nixon presently have before them the request for the permit to build the pipeline. A small number of conservation groups and ecologists have opposed the construction of this 800-mile pipeline and the resolutions request all delegates, officers and members of local unions to join a national effort to help promote the issuance of a permit for the installation of this Trans-Alaska pipeline. The resolutions point out that the ecology of Alaska will not be injured by the installation of this pipeline and it will immeasurably enhance the future economic growth of Alaska by providing jobs and generating a vast source of energy for our national resources. Your Committee recommends concurrence in these resolutions and urges all local unions to write to President Richard M. Nixon and Rogers C. B. Morton, Secretary of the Interior, requiring the issuance of the permit.

Mr. Chairman, your committee moves for the adoption of the Committee report.

General President (Elect) Ward. The motion is on the adoption of the Committee's report in regard to all of the delegates and locals and members of the United Association supporting the construction of the Alaska Pipeline. Is there any discussion on the motion? Hearing none, the motion is passed.

. . . The recommendation of the Committee was adopted.

American Federation of Labor and Congress of Industrial Organizations,
Washington, D.C., June 15, 1973.

Hon. Ted Stevens,
U.S. Senate,
Washington, D.C.

Dear Senator Stevens: At its May 9 meeting in Washington, the AFL-CIO Executive Council adopted the enclosed statement in support of construction of the Alaska pipeline, pointing out that "it is tragic that while the United States is facing an energy crisis, including shortages of petroleum products, one of the largest reserves of petroleum—Alaska's North Slope—remains undeveloped."

Particularly we would like to draw your attention to three points in the statement:

1. Construction of the Alaska pipeline—and, indeed, the legality of many existing pipelines in the United States—depends upon enactment of S. 1081 that would modernize right-of-way requirements for pipelines. Construction of the Alaska pipeline will necessarily stimulate employment in construction, maintenance and shipping. On the other hand, failure to enact S. 1081 would endanger the jobs of many workers working on existing pipelines.

2. S. 1081 has very tough environmental protections, including stringent liability requirements for damages caused by the pipeline, which the AFL-CIO wholeheartedly supports.

3. The bill reported by the Interior Committee does not exclude the possibility of a second pipeline through Canada. On the contrary, S. 1081 specifically recognizes that a second pipeline will be needed in the near future and sets in motion the planning necessary for construction of a Canadian route.

The case for immediate construction of the Alaska pipeline is compelling. America must develop its own petroleum resources to insure economic stability, to continue with the task of cleaning the environment and to avoid dependence on foreign sources with political, economic and national security hazards.

The AFL-CIO strongly urges you to vote for S. 1081.

Sincerely,

Andrew J. Biemiller,
Director, Department of Legislation.

Enclosure.

Statement by the AFL-CIO Executive Council on Alaska Pipeline

It is tragic that while the United States is facing an energy crisis, including shortages of petroleum products, one of the largest reserves of petroleum—Alaska's North Slope—remains undeveloped.

At a time when the U.S. is forced to increasingly rely on oil imports—with resultant loss in American jobs, damage to this country's balance of trade and potential threat to national security—development of Alaskan oil reserves is blocked by outdated right-of-way requirements and environmental concerns, some real and some imagined.

The fastest, most economically feasible and most secure method of transporting Alaskan oil to the burgeoning American markets is by pipeline to Valdez and by tanker to West Coast ports.

Jobs for American workers would be generated not only in building the pipeline and related plant construction, but also in maintaining it and in manning the transshipment facility at Valdez. Approximately 33 new U.S.-flag tankers would be needed to carry the oil, thus stimulating employment in U.S. shipyards and for U.S. shipboard workers.

However, the key to transshipment is construction of the Alaskan pipeline, and construction of the pipeline depends on Congressional action to give the Secretary of the Interior legal authority to grant the right-of-way.

Congressional action is also necessary to legalize many oil and gas pipelines in all regions of the country which, as a result of a recent court decision, are technically illegal. Unless legal remedy is provided, these pipelines could be enjoined and the jobs of many workers endangered.

Senator Henry M. Jackson, chairman of the Senate Interior Committee, has sponsored legislation (S. 1081) that would solve the right-of-way program while providing very tough environmental safeguards and stringent liability requirements for damages caused by the pipeline. Additionally, the bill would insure that the Alaskan oil reserves are used in America's domestic markets. We urge immediate enactment of S. 1081 to eliminate a legal obstacle to construction of the Alaskan pipeline which we wholeheartedly favor.

Enactment of the Jackson bill would leave one hurdle to construction of the pipeline—a court challenge to the environmental impact study conducted by the U.S. Department of Interior in accordance with the National Environmental Policy Act. This question now properly reverts to the courts where a decision should be rendered without delay.

Various routes through Canada to the Midwest have been proposed as alternatives to the Alaskan pipeline. But this is not an "either . . . or" question—both an Alaskan and a Canadian route will be needed. But a Canadian route is considered by experts to be at least 10 years away from construction, and time is of the essence. We believe a study of a Canadian route has merit, because the resources in the Alaskan and Canadian Arctic will eventually require two or more pipelines.

Therefore, we support the provision in S. 1081 that establishes proper procedures for negotiations with the Canadian government leading to construction of a second, later route.

We recognize that full development of Alaskan oil reserves will not solve America's larger energy crisis. The future stability of this country's economy requires immediate measures to insure America's self-sufficiency in all forms of energy.

To meet this long-range need, we support S. 1283, introduced by Senator Jackson and 27 other Senators, that would mobilize the nation's scientific and technological resources for a 10-year, $20 billion crash program to develop alternative energy sources.

If America does not solve its immediate and long-range energy needs, this country will be forced to depend largely on foreign sources with political, economic and national security hazards.

Without sufficient energy resources America will not be able to meet its economic and social goals, but if the Congress acts now it can assure Americans both a better environment and a better life for everyone.

SENATOR RANDOLPH VOTES AGAINST CONTINUED BOMBING IN CAMBODIA

Mr. RANDOLPH. Mr. President, last night I voted against the so-called compromise amendment which would allow the use of funds to continue the bombing in Cambodia until August 15.

I respect the sincerity and convictions of those who worked diligently and in good faith to effect a solution to what was characterized as an impasse between the Congress and the White House over the amendment to prohibit the use of funds for combat activities in Indochina. Certainly, numbered among those who supported the substitute proposal were Senators who have exerted leadership in the efforts by Congress to terminate U.S. participation in the hostilities in Southeast Asia.

Nevertheless, it is my belief that the Senate should not have accepted the compromise proposal. The Congress has expressed its will on this issue. In my judgment, approval of the amendment to permit the bombing even until August 15 violates the constitutional role of the Congress, particularly in view of our prior actions in specifying that the United States has no commitment to Cambodia—expression by the Congress which the President has not approved. I do not believe that the Congress should have sanctioned the bombing for another 45 days, even if our Chief Executive has indicated his willingness to stop the bombing activity at that time.

But, Mr. President, that is exactly what we did on Friday. We sanctioned the bombing of Cambodia, an activity which at the very least violates the intent of the legislation passed by the Congress. We, in effect, said to the President that he has 45 more days to conduct activities which we have already attempted to prohibit.

It would be better if no Cambodia provision were contained in the bill, rather than approving 45 more days of concentrated bombing. Through the substitute amendment we have become a party to an action which contradicts the beliefs which we have expressed in the past.

My vote was not against the President. Rather, it was a vote to terminate completely our involvement in the ill-fated hostilities in Indochina and to strengthen the constitutional responsibility of the Congress in determining priorities on national and international issues.

NATIONAL TRANSLATOR ASSOCIATION

Mr. MANSFIELD. Mr. President, Montana is proud to be the home State of the president of the National Translator Association, Nat Allen of Roundup, Mont. Nat Allen has been active in the activities of this association for many years. He recently brought to my attention the address made to the National Translator Association's annual banquet by Lester W. Lindow, executive director of the Association of Maximum Service Telecasters. This is a fine statement on the current status of translators and cable. As my colleagues here in the Senate know, there is a continuing debate between these two aspects of telecommunications and I offer this one interpretation and ask unanimous consent that it be printed at the conclusion of my remarks.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks By Lester W. Lindow

The opportunity to address your annual convention is an honor, and a privilege. Your association and the Association of Maximum Service Telecasters (or, MST as we're called), have worked together and in harmony for a number of years. Judge Allen, Ed Craney, Arch Madsen, and Len Murdoch, among others, are friends whose determined spirits and dedication to principle have contributed so much to the growth and development of free over-the-air television service to the American public.

The growth of free television in America is one of this country's marvels.

And yet, America's television system is undergoing pressure for change. That some change will take place is inevitable. How well you, MST and other broadcasters as well as farm organizations and other representatives of the public do our job, will determine, to a large degree, the nature, the extent and the effect of that change.

Let's look at a few of the things free broadcasting brought to America last year. 1972 started with 27 million Americans watching the Super Bowl in New Orleans. You watched a Brooklyn genius named Fischer check a king of the chess world named Spassky and we went to the ballgame and saw Oakland out bat the lads from Cincinnati. We followed the primary elections, were horrified to witness a shot in Maryland which crippled candidate Wallace, attended the national nominating conventions, followed the campaign and watched the election night returns when the people named their President. But also that night we learned of thousands who would be our governors, legislators, mayors, school board members, and sheriffs.

150 million thrilled to the Olympics and were appalled by the reign of terror which split it apart. You were with the President on his historic mission to Peking. Throughout the year you were kept informed on that important daily phenomena—the weather, locally, regionally, and nationally. When the moon was shot, 115 million of us were there and we never left home. As a war that seemed endless drew to a close we held our breath. We brought you comic relief with Archie's weekly trials and tirades. (And in '73 we have already brought you more of history in the making.)

And it was all free! Only America has the benefit of such a wide diversity of information, drama, entertainment, and education. Other nations offer their people pallid and inadequate imitations too often hamstrung by the heavy propaganda controls of their governments.

Our philisophy in MST for 17 years has been that television broadcast stations are and must continue to be, the bed-rock of the American television system. Translator operators know full well that while the programs of New York, Hollywood, and the world are important—the regional news, weather, crop and market reports their public needs don't come from those glamor centers.

How wise this approach has proven to be!

Our Association is daily concerned with the maintenance and further development of high quality wide-area interference free television signals to best serve the public of all America—rural and small town as well as large metropolitan areas. And we are now watching with a jaundiced eye satellite-to-home broadcasting. In short, spectrum allocations, management, and engineering is what MST is all about for without good, usable and economically viable TV channels, the TV broadcast station is out of business and the public is the loser.

Why *should* America's TV stations survive in this era of accelerating technical development? Is it really in the public interest that the TV broadcast station survive? Is *cable* the wave of the future? Or is all terrestrial television to be obsoleted by satellites? Do we slavishly resist every form of change for anti-competitive reasons—to maintain the status quo at any cost? The litany is loud and continuous. Is it true? Has the TV station outlived its usefulness? Will cable television and satellite broadcasting make obsolete the TV station?

Well, let's look at television broadcasting development and its value to the American public.

In 1953 there were 126 TV stations on the air, today there are 927 and several thousand translators. In 1953 there were 27 million TV home receivers in use, today there are 107 million. In 1953 less than half of America's homes had a TV set, today nearly every home has *at least* one.

In 1953 it was common to be able to receive only one or two signals. Today over 90% of American TV homes receive four or more signals and 60% of the homes receive seven or more signals. In 1953 home viewing was about four hours and 40 minutes per day. Today it is six hours and 12 minutes.

What is television broadcasting worth to the American public? We cannot place a dollar figure on the enormous social value to the nation of a better informed and educated public. We *can* approximate the economic value to the public of what it views on free television. Four years ago a study for MST by the nationally recognized economic consulting firm of Robert Nathan Associates estimated the economic value to the American public of its television viewing at slightly over $100 billion *annually*—and we all know there's been a lot of inflation in the last four years.

The future of over-the-air TV broadcasting is as bright as its past, if we are willing to fight for it—and the positive side of the story must be told—and told again and again. Because, gentlemen, there are many who seek to hasten the demise of our present television system—and they are hard at work!

The cable television issue which at this moment is both most immediate and most important is CATV pay television.

The new CATV rules announced by the FCC about a year ago were intended to give CATV a subsidy to deliver on its blue sky promises: innovative and diverse programming, access channels for everyone, dial-the-phone face-to-face psychoanalysis in the home, electronic newspapers. You name it; it was promised in order to get the distant signal importation rules relaxed.

But when the new cable rules were announced, cable's tune changed. Listen to Geoffrey Nathanson, President of a major pay cable entrepreneur:

"The wraps are off—what we're really talking about is pay TV, here and now. We used to bury it and talk about meter reading and education for the kids and two-way communications, and all the rest . . . but let's face it—we're really talking about the potential of first run movies and super bowls on a pay basis!"

Sol Schildhause, Chief of the FCC's Cable Television Bureau, in a public speech said:

"Despite all the fancy talk about cable's future in medicine and politics and shopping probably changing our whole style of life, it's pretty clear to me that the next phase in this business has got to be a whole new way of merchandising sports and entertainment, and I mean pay television."

The threat of CATV pay cable is serious

and imminent. The dollars are there to outbid broadcasting for sports, feature film, and other popular entertainment programs. The leverage of $1 per home for a baseball game or a movie is enormous.

There is now a rule on the FCC's books to limit siphoning of free TV programs by CATV pay cable. The FCC is about to decide in a pending proceeding whether and how that rule will be changed. The present rule has serious loopholes which must be closed. But cable interests and the feature film industry are trying to *weaken* the rule, if not have it eliminated entirely. They want *all* feature film opened up for CATV to sell on a pay TV origination basis and to provide a new more profitable market for the film producers. And the cable people want the sports anti-siphoning limitations further weakened.

Shifting programs from free television to pay cable *does not* provide the public with diversity; it does mean charging the public—for what it would otherwise receive free of charge. Yet the whole purpose of the more permissive distant signal rules adopted last year was to provide cable within an economic subsidy to produce something new and different.

For millions of Americans—those who cannot afford extra cable charges or who cannot afford cable at all, and those living in less densely populated areas where cable is uneconomic—say cable siphoning would take away what they now have.

Let me now refer briefly to cable's ultimate—the replacement of television, as we know it, by the wired nation.

There are those who believe that television broadcasting should be replaced by a wired nation. These people either are unaware of, or choose to ignore, the 1968 COMPLAN study for the President's Task Force on Communication Policy, which estimated that the cost of wiring the nation with a *simple one-way* video, 20-channel cable would be 123 *billion* dollars, and that such a system would cost almost 40 *billion* dollars a *year* to operate. These annual operating costs would be half the annual defense budget for this country! And these were 1968 dollars. In terms of 1978 dollars I suspect that you can double these estimates. And note that these astronomical figures would buy *none* of the glib blue-sky promises of wired nation supporters.

What would the public get for such an enormous outlay of capital? The demise of free television provided by broadcast stations. No guarantee that regional news, public affairs, weather and market reports, and other programming of the quality now available would continue. And millions of low income persons and persons living in sparsely settled areas could obtain television service if at all, only through a massive government subsidy.

Does anyone in a position of influence still take the wired nation concept seriously? The disturbing answer is, "yes." High *Administration* officials speak glowingly of the wired nation. Seven Congressmen and two Senators—both Democrats and Republicans—have already introduced legislation that would provide a massive government subsidy for wiring rural and other thinly settled areas. At a time when the federal government is painfully trimming a few million dollars from important domestic programs in an attempt to hold the federal budget within limits, this proposal would commit countless *billions* of tax dollars to replacing free television broadcasting with a wired nation.

The wired nation is not here. And, economically, it does not seem possible. But it is being pushed.

On the Congressional front bills of interest to translator operators have been introduced in both Houses. The bills provide authorization for translator broadcast stations to originate "limited" amounts of local programming, and to authorize FM radio translator stations to operate unattended. If these bills are enacted into law, the Federal Communications Commission has indicated that it will be necessary to conduct a rule-making proceeding because the proposed bills do not set any specific limitations as to the amount of local origination to be permitted. Such limitations are necessary so that translator stations remain rebroadcast stations. About two months ago MST filed in support of the Commission's proposal to extend the allowable translator origination time from 20 to 30 seconds per hour, in light of the fact that 30-second commercials are far more common than 20-second commercials and hence 20-second originations are likely to result in the translator returning to the signal it rebroadcasts in the middle of a commercial. Thus MST urged the Commission to adopt the 30-second limitation in order to obviate the confusion and disruption that results from such disparity in length of commercials. I regret to say that MST is very concerned about this legislation in its present form.

First, our preliminary analysis indicates a much greater potential for interference to broadcast signals when a translator originates programs. Second, if program originations are allowed on television translators, the question is: "What is the difference between a television translator originating programming and a low power television station?" Good question! One which I know you'll consider and one which I respectfully urge you to consider carefully because it could have long range impact on the rules for establishing television station locations. Let me make a long story short, and oversimplify in the process, by saying that for seventeen years MST has been opposing dropping in television stations at low power because such a scheme eventually leads to a situation of "islands of TV reception" about major cities and a sea of interference elsewhere—including rural America. Therefore I would urge your Translator Association to give this aspect of the subject the most careful analysis and attention.

A few words now about satellite-to-home broadcasting.

Broadcasting directly from satellites-to-home receivers would bypass local television stations. Local broadcasters, local programming and the exercise of local judgment over programming content woud be eliminated. It would potentially destroy local television broadcasting *and, incidentally, cable as well!* Satellite-to-home broadcasting would monopolize the distribution of virtualy all television programs other than purely local originations but would deny local broadcasters the revenue necessary to support locally originated programming.

Don't dismiss satellite-to-home broadcasting as a far-off, technological dream. The FCC has again stated recently that there are no present plans for the development of a domestic satellite broadcasting system. But that statement was accompanied by spectrum allocations to the broadcasting satellite service! And NASA is promoting an experimental satellite broadcasting project in the Rocky Mountain states. This project is supposed to be restricted to so-called *community* reception of *instructional* programming, but Werner Von Braun was recently quoted as stating that a $100 antenna has been developed that will permit home reception of broadcasts from that NASA satellite.

In short, the first, small tentative steps toward satellite-to-home broadcasting have already been taken. Satellite-to-home broadcasting is 1984 and it *is* Big brother—with a vengeance. We all have an obligation to the American people far beyond our interest in our own financial well being to assure that the small beginning in the Rocky Mountains is the end—that the American future does not include this menace to the localism that is so essential to free thought, free ideas and free government.

Hardly a month goes by without someone proposing to use TV channels for something other than delivering TV programs to the American public. One of MST's major functions is to protect TV channels against such encroachment. Land mobile radio has been giving you and the broadcaster the hardest time.

Two-way mobile radio's ultimate goal is to move all of television to cable so that your channels can be used for land mobie and other purposes. Motorola, the leading exponent of land mobile's case, and others have even asked the FCC to take channels 70–83 off the dials of new receivers. Where would that leave translators particularly when land mobile is greedily eyeing other UHF television channels? We have been and continue to fight that battle and the National Translator Association has been a big help. From a practical point of view I doubt if land mobile needs in rural areas will be valid enough to force a move from channels 73–80—provided we all keep fighting.

Land mobile demands for TV channels keep increasing although such demands fly in the face of spectrum utilization facts. They simply believe they have enough political clout to override the facts and to wear the Commission down. And land mobile is supported by cable adherents who would like to impair over-the-air television broadcasting and by government officials who regard broadcasting as obsolete or worse MST and NTA must both remain in this arena to counter these pressures.

Your organization and ours have had, have now, and I believe always will have much in the way of common objectives. Fighting for free television for all Americans is *not* just an empty phrase, it has been a way of life for our two organizations, and an honorable endeavor the practice of which seems to intensify with each passing year. It would be nice if I could tell you that we could "stack arms" for a while and take a rest on the ramparts, but such a happy thought is just not in the cards.

I hope you will not label me as an alarmist when I tell you, as I do now, that there are forces at work who want to "do in" our present system of free TV which serves all Americans, and serves them well. When we say "free TV" we mean free from viewer payments for programming *and* free from undue government influence. And I'm not just talking about intrusions by Democrats, or Republicans, or Whigs, or Bull Durhams but about intrusions by *any* administration that has been in power, is in power, or will be in power. There is expanding within the Federal bureaucracy, and to a lesser extent in the State and local bureaucracies, a new breed of bureaucrats whom I shall call "telecommunications bureaucrats" who seek a more prominent role in communications and who wish drastic alterations in our present system of free over-the-air television, or a complete supplanting or our wonderful system.

If we are vigilant we can defeat these foes of free TV because, properly informed, the American public will be with us. So let us both—the National Translator Association and Maximum Service Telecasters—stand a little taller, stand a little closer together, and work a little harder for one of the Nation's greatest marvels—the development, improvement, and expansion of the system of free television stations and translators that serve all Americans so well.

THE BURUNDI DISASTER

Mr. CASE. Mr. President, some days ago, I inserted in the RECORD a study by the Carnegie Endowment for International Peace entitled "Humanitarian Policy Studies Special Report No. 1"—Burundi.

I have now received the comments of the Department of State on that study and I am glad to put them, together with a summary of United States' contributions to the relief effort in Burundi during 1972, in the Record. The Department's statement takes issue with the overall conclusions of the Carnegie study, and I therefore call it to the particular attention of those who read the earlier insertion.

Mr. President, I ask unanimous consent to print the documents in the Record.

There being no objection, the documents were ordered to be printed in the Record, as follows:

Department of State Comment on Carnegie Endowment "Humanitarian Policy Studies Special Report No. 1"—Burundi

It is a serious matter to be accused of "indifference, inertia and irresponsibility." We consider the accusation to be disingenuous at best considering the extraordinary amount of staff time allocated to the problem, including many hundreds of hours devoted to the search for ways of assisting innocent victims. We also repudiate the charge that we "repeatedly misled the Congress" in view of the complete briefings provided interested parties like Senator Tunney, his staff, the staff of Congressman Whitten, and the staff of the Senate Subcommittee on Refugees. At no time in our discussions with Congressional officials did we downplay the seriousness of the Burundi situation. We are also surprised that such accusations were made since we accorded the Carnegie researchers full cooperation in their efforts to ascertain State Department actions in response to the Burundi crisis.

The study also concludes that the State Department waited until the late fall to take action. This conclusion is clearly contradicted by the following list of actions during the first thirty days; most of which are acknowledged in the study, and all of which represented far from routine decisions.

In telegraphic conversation with our Embassy in Bujumbura and in discussions with other parts of the Executive Branch we established certain clear objectives in the days immediately following the outbreak of violence. We recognized that the problem would be regarded by African leaders generally as an internal affair and that it would be necessary to persuade them of the wider implications for Africa if they were to intervene to stop the killing. We recognized, also, that as the report points out, our relations with Burundi had been troubled in the past and that tactless action on our part could severely affect our influence on the situation. Dramatic actions from outside Africa could also have the effect of rallying African support behind the Burundi Government and obscuring the basically human aspects of the problem. Africans are extremely sensitive to judgments and actions from non-African quarters. Finally, we concluded that aid would be necessary but that such aid would need to be part of a voluntary agency and international effort if it were to be effective and were to go to all elements of the Burundi population.

Our first decision was to instruct Ambassador Melady to discuss our concerns with President Micombero (May 5). We then consulted with President Mobutu of Zaire (May 7). We authorized Ambassador Melady to disburse $100,000 in AID disaster relief funds for medicines, blankets and food (May 9). We urged the intervention of the U.N. Secretary General (May 24), the OAU Secretary General (May 25), and Mauritanian President Ould Daddah who was then President of the OAU (May 27). We also helped prepare and fully supported a Western nation demarche to the Burundi Government led by the Papal Nuncio to Bujumbura (May 30). Our aid efforts stimulated similar efforts by private voluntary agencies, the most active of which was Catholic Relief Services.

The foregoing actions were followed in June and July by approaches to the Governments of Morocco, Ethiopia, Rwanda and Tanzania, as well as the UN High Commission for Refugees and the Red Cross in Geneva. Follow-up discussions were undertaken with Mobutu of Zaire and the UN Secretary General. We also took an official stand against any arms deliveries to Burundi (we had never been a supplier ourselves), and began supplying $350,000 worth of assistance for the relief of Hutu refugees in Zaire, Tanzania and Rwanda. This was followed by a decision in June to suspend all assistance within Burundi when it became apparent that Hutus in some areas were being denied relief supplies in violation of our policy of non-discriminatory distribution. Also during June, in keeping with our efforts, Presidents Nyerere and Mobutu met with President Micombero to urge the end of repraisals, and the first of two UN relief missions arrived in Burundi.

The foregoing demonstrates that we were from the start very active in both political efforts to stop the killings and in humanitarian efforts to aid the victims. The Carnegie study's contention to the contrary is not justified.

The main issue raised in the study worthy of serious debate is the contention that the courses of action taken by the State Department were not the best available and were doomed to failure from the start.

As the study points out, our approach was to inform selected African governments and the UN Secretary General of the truth, and encourage them to use their influence with the Burundi regime. At the same time, we were seeking every possible way of transferring material assistance to the innocent victims. But the study complains that we should have made public declarations condemning the Burundi atrocities followed by threats to organize a coffee boycott.

Public declarations and coffee boycott threats would in our judgment have paid a high price in a loss of access to African leaders on the subject, and a worsening of Burundi's already desperate economic situation. We studied our limited options against the backdrop of a highly emotional ethnic struggle in which Africans were being slaughtered, American missionaries were potential hostages, and African governments were deeply inhibited by a reluctance to violate Burundi's national sovereignty. In this context, public statements would have served only to coalesce African solidarity behind the Tutsi regime against unsolicited great power interference. A threatened coffee boycott would not have influenced the Tutsis, and if carried out, would have permanently deprived both Hutus and Tutsis of the foreign exchange to buy bread, medicines, clothing, oil products, and every other basic item to keep the country alive. We do not think it would have been humanitarian to heap further punishment on a country that had already suffered deeply from a decade of ethnic conflict.

Regrettably, the Department's option of working quietly through African leaders did not produce dramatic results. But it was immediately after approaches by Mobutu and Nyerere and the arrival of the first UN relief mission in June that the Burundi regime made the first serious effort to restore order and stop the killings. A combination of UN relief efforts and a silent African opprobrium both stimulated by the United States, clearly persuaded the Tutsi leaders that their internal problem had serious international implications.

There is no basis for suggestions in the study that the Department cynically decided in advance that our demarches to African leaders would not produce startling results. We knew the Africans would have problems because they believe deeply in the cardinal OAU principle of non-interference in internal affairs. But the dimensions of the Burundi tragedy were so great we had reason to hope that the Africans might have acted more vigorously than they did. We were sorely disappointed therefore that they did not do more.

Finally, we are concerned by the accusation that the Department ignored a memorandum from Assistant Legal Adviser Keith Huffman pointing out that the US Government has a legal obligation to intervene in another country's internal affairs when human rights principles are being violated. Mr. Huffman's memorandum had absolutely no connection with the Burundi problem. Mr. Huffman also assures us that his examination of our policies and actions with respect to Burundi in 1972 indicated complete adherence to the precepts of his memorandum. What pains us even more about the accusation is that Mr. Huffman explained this background to the researchers before the study was prepared.

In conclusion, we would like to emphasize that we welcome objective studies of US policies with respect to humanitarian and human rights problems in Africa. In the case of the Carnegie study on US policy toward Burundi, however, we feel that the authors demonstrate a definite lack of understanding of the African environment which led them to favor policy options which would have severely limited our capability to undertake practical and helpful measures, and imposed even greater economic punishment than that already suffered by the beleagured people of Burundi.

Burundi Disaster—1972: Relief Contributed by the United States

In response to the events in Burundi last year, the United States Government contributed directly to disaster relief funds a total of $627,000. The total value of U.S. Voluntary Agencies relief assistance reported to the Federal Disaster Relief Coordinator was $196,400. It is known that other American religious groups also provided at least another $100,000 directly to their missions.

In May 1972, U.S. Ambassador Melady declared a disaster in Burundi and authorized the expenditure of $25,000 from the AID Contingency Fund, Worldwide Disaster Relief Account. This was followed later by AID/W authorization of an additional $75,000 for emergency relief. Food from the P.L. 480 Program was immediately issued to the victims of the disaster and was continued as long as necessary to prevent starvation. The total value of food provided was $89,400. This broke down as follows:

For the needy in Burundi	$50,000
For the refugees in Rwanda	30,000
For refugees in Tanzania	9,400
Total	89,400

Burundi refugees who fled across the border to the countries of Tanzania, Rwanda and Zaire received assistance from the U.S. Government through the State Department Office of Migration and Refugee Affairs (ORM). Total funds distributed by ORM was $325,000.

Due to the continuing need of the victims of the events, AID/W provided an additional $113,000 during FY 1973 for the relief effort. Catholic Relief Services, the only American voluntary with an ongoing welfare program in Burundi has, in addition, provided $181,500 from its own funds. Various United Nations Agencies to which the United States is a major contributor have committed over $4.6 million in assistance:

Summary of USG assistance

Fiscal year 1972 AID contingency funds	$100,000
Fiscal year 1973 AID contingency funds	113,000
Public Law 480 food—value	89,400
State Department ORM funds	325,000
Total	627,400

THE SPACE SHUTTLE PROGRAM

Mr. MOSS. Mr. President, as chairman of the Committee on Aeronautical and Space Sciences and as an ex officio member of the Appropriations Committee on Aeronautics and Space matters, I would like to say just a few words in recognition of the prudence of the Appropriations Committee in recommending full funding for the Space Shuttle this year.

The Congress made the right decision last year in strongly endorsing the development of the Space Shuttle. This year's support for continuing the Space Shuttle has been even stronger. The Senate Subcommittee on HUD, Space, Science and Veterans had the arguments for and against the Shuttle presented quite effectively during its hearings and deliberations. The subcommittee's considered judgment was to recommend full funding. The full committee and the Senate accepted this recommendation.

Mr. President, I commend the committee for this wise excercise of foresight and judgment.

THE TRANS-ALASKA PIPELINE MUST BE BUILT NOW

Mr. STEVENS. Mr. President, in his nationwide television address on the economy during the second week in June, President Nixon said:

> Congress should let us go ahead quickly with the Alaska pipeline, and so combat the shortage of oil and gasoline.

He also indicated he would send to Congress a major new set of proposals on the energy crisis. He has just done so.

With increasing frequency, members of the President's Cabinet has been speaking out, urging the trans-Alaska pipeline to be built. For example, in a column in the Fort Worth Star-Telegram of May 31, Secretary of the Interior, Rogers C. B. Morton, once again urged the trans-Alaska pipeline be built. In this statement, he cited the reasons for his approval of the trans-Alaska pipeline over a trans-Canada route.

Secretary of Labor Peter Brennan earlier this month also urged that a trans-Alaska pipeline be built. He said:

> It will mean lots of jobs, not only in building it but in maintaining and operating it.

The resolutions committee of the U.S. Conference of Mayors has also called for prompt construction of the Alaskan pipeline. This action was taken in San Francisco on June 16 of this year. It was part of a resolution urging immediate measures to deal with the energy crisis.

Each of these four statements is important by itself. But more importantly, they were all made within the space of 3 weeks. They represent a national consensus. The trans-Alaska pipeline must be built now.

I request unanimous consent to print in the RECORD the four articles dealing with each of these statements.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From This Week in Review, June 15, 1973]

NIXON URGES GO AHEAD ON ALASKA PIPELINE, PROMISES NEW ENERGY PROPOSALS; OIL EXECUTIVES TESTIFY ON FOREIGN TRADE

President Nixon this week, in his nationwide television address on the economy, said "Congress should let us go ahead quickly with the Alaska pipeline, and so combat the shortage of oil and gasoline." He added: "I will also soon send to the Congress a major new set of proposals on energy, spelling out new actions I believe are necessary to help us meet our energy needs and thereby lessen pressures on fuel prices."

[From the Fort Worth Star-Telegram, May 3, 1973]

TIME FAVORS ALASKAN OIL ROUTE

(By Rogers C. B. Morton)

By now even skeptics recognize that the United States' long, easy ride on abundant fuel supplies has come to an end. In the days ahead, though we will undoubtedly try to limit waste, we will need increasing amounts of oil—more and more of it from abroad. Domestic resources simply will not be able to do the whole job. Nor will Canada and Latin America be able to fill the growing supply-demand gap: increasingly, the difference must come from less secure Eastern Hemisphere sources, notably the Middle East.

The situation obviously poses serious problems for our broad national security interests. The economic effects are already being felt at home, and will increase. We now import about a third of the crude oil we use; by 1980, it may be as much as a half and possibly more.

The balance of payments outflow for crude oil is more than $6 billion a year, and will double or triple by 1980, further hampering our ability to combat inflation and compete in world trade.

Every barrel of oil we can produce and deliver domestically means one less barrel we must import. Ironically, we are sitting on our biggest oil discovery in history—the North Slope Alaska field—but none of this oil has reached the "lower 48" states because of court challenges.

The proposed trans-Alaska pipeline would reduce our dependence on foreign oils by two million barrels a day at peak flow, thereby cutting our dollar drain by nearly $3 billion a year at estimated 1980 world prices—and those prices will go nowhere but up.

Recent court decisions have forced me to ask Congress to clarify the secretary of the interior's authority to issue right of way permits across federal lands. New legislation is a necessary preliminary to any pipeline from northern Alaska. Congress is responding, and we are confident all legal obstacles can be overcome by 1974, and then the three-year job of building an Alaska pipeline can begin.

As designed, the Alaska line would carry crude oil 789 miles southward to an ice-free Alaska port where it would be loaded aboard tankers bound for Los Angeles, San Francisco and Seattle.

Much is being said and written about a possible alternate route that would cross northern Alaska and cut diagonally through Canada to the U.S. Midwest. Its proponents seek to delay the trans-Alaska oil line until such a Canadian route can be studied thoroughly. They say a line through Canada would be environmentally safer, just about as quickly built and better for the Midwest. which needs oil more than does the West Coast. Further, they say, a Canadian route would be economically superior.

In my opinion they are wrong on all counts, because:

—Both routes have their environmental problems. Neither is clearly better than the other.

I have considered this issue carefully, and I am confident the Alaska route can be built and operated safely. Trans-Alaska runs through seismic zones and involves possible tanker spills—risks which can and will be minimized under carefully developed design and operating stipulations. Trans-Canada obviates those hazards but, because of its much greater length would unavoidably cross much more wildlife habitat and would cross many more wide rivers, where heavy ice and flooding pose serious dangers to any pipeline.

The time factor greatly favors trans-Alaska, which could begin delivering oil by 1977; a trans-Canada line almost certainly would take five years longer, and possibly longer than that.

Trans-Canada is only a general concept—not a detailed, engineered, environmentally studied plan. No one has ever offered to build such a line, and Canadian officials have expressed no commitment to it. Financing it would be a huge undertaking, especially if Canada continues to insist on majority ownership and control by Canadians. Native land claims on parts of the prospective right of way are still unsettled. So are the other legal issues. And the part of a trans-Canada line that must run through Alaska faces the same legal obstacles in the United States as does the all-Alaska route. Finally, trans-Canada would be four times as long and surely would take much longer to build.

Diverting the oil to the Midwest would not lower oil prices there. The prevailing price in all our markets will be the world price plus transportation costs—not the price of North Slope oil.

Both the Midwest and the West Coast need imported oil. From the national viewpoint, it is much more to our advantage to bring Alaskan oil to U.S. markets quickly; the less we must import, the stronger our bargaining position and the smaller our dollar drain.

Lastly, the Alaska route is economically better for the United States. It would reduce the increase in our unfavorable balance of trade, thus staving off more pressure against the dollar.

It would mean 26,000 pipeline construction jobs for American workers; 73,000 man-years of tanker construction; 770 man-years of work for U.S. maritime crews and maintenance workers. It would eliminate the clash of national interests inherent in using Canadian land, money and natural resources to move U.S. oil to U.S. markets. Canada is not our 51st state, nor does it want to be. Our good neighbor has its own interests, and they do not always coincide with ours

I hope I do not sound hostile or even indifferent to Canada. I would like to see a natural gas line built through Canada to our Midwest as soon as possible. I hope that increased exploration in northern Alaska and Canada discovers enough oil to justify a second oil line—one that would run through Canada to our Midwest.

But for now, it would be a great mistake to go back over all the issues we have covered for the past several years and delay the Alaska line further in an effort to force the first line through Canada. Our national interest require prompter action than that.

[From the Seattle Times, June 19, 1973]

Secretary of Labor Urges Alaska Line

(By Jerry Bergsman)

Secretary of Labor Peter Brennan in Seattle today endorsed construction of the trans-Alaska pipeline to tap the vast oil resources in that state.

"I hope it's approved this year," Brennan said.

Brennan was here in what he said was part of a tour to "find out what the people are thinking."

Brennan promised that high officials in the Labor Department will make similar trips. He said the department's contract-compliance officer and head of the Women's Bureau will visit Seattle.

The former New York labor leader opposed a pipeline from Alaska through Canada because the United States then would be "at the mercy of a foreign country."

He said there can be a balance between jobs and environmental questions raised by the proposed pipeline. He called construction of the trans-Alaska pipeline one way to boost the economy in this area.

"It will mean lots of jobs," Brennan said, "not only in building it but in maintaining and operating it."

Brennan spoke to Labor Department regional officials and employes in the morning and met with labor and management leaders later in the day. Before returning to Washington, D.C., tomorrow, Brennan is scheduled to meet with more labor leaders.

James Hughes, newly appointed regional director here, introduced Brennan to Labor Department employes.

Brennan said he supported the position not to freeze wages in the latest effort to curb inflation.

He told Labor Department employes, "Our main job is to see that every man and woman gets a fair shake. That doesn't mean we're anti-management. We're not."

He said the Labor Department is going to set an example within the department in providing jobs for persons without regard to race, sex or national origin.

"We're forming a committee on the rights of women so we do give women the recognition they deserve," he said.

Brennan called it "important to remember that human beings are involved in everything we do." And he said the department will show that concern for people.

Under his administration, he said, there will be decentralization of authority to Labor Department employes in the field. Brennan said President Nixon feels that should be done and he shares that belief.

Mayors Ask Prompt Action on Pipeline

San Francisco.—The resolutions committee of the United States Conference of Mayors has called for prompt construction of the Alaskan pipeline as a step in meeting the petroleum shortage and the energy crisis.

The action was taken unanimously Saturday at the urging of Mayor George Sullivan of Anchorage.

It was incorporated in a resolution calling for creation of a national energy council to develop long-range policies concerning "all methods of conserving existing resources as well as developing new and environmentally sound sources of energy."

S. 1081—THE FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

Mr. JACKSON. Mr. President, when the Senate returns from the Fourth of July recess, debate will begin on S. 1081, the "Federal Lands Right-of-Way Act of 1973." To insure that all Members have an opportunity to read and fully understand the issues facing the Senate in connection with amendments dealing with a Canadian alternative to the proposed trans-Alaska pipeline, I ask unanimous consent that excerpts from S. 1081 and from the committee report be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

TITLE II—PIPELINES FOR ALASKA NORTH SLOPE OIL AND GAS

Sec. 201. (a) The Congress hereby finds—

(1) That facilitating the early delivery of the oil and gas available on Alaska's North Slope to domestic markets is in the national interest.

(2) That full development and delivery of Alaska's proved and potential oil and gas may best be attained by utilizing both maritime and overland transportation systems.

(3) That while a specific proposal for the transportation of Alaska's North Slope crude oil over a route that does not traverse any foreign country is at an advanced stage, and proposals for transportation of North Slope natural gas are currently being prepared, it is nevertheless in the long term national interest to initiate early negotiations with the Canadian Government to determine the feasibility of transporting North Slope crude oil on an overland route across Canadian territory.

(b) The Congress declares that it is the purpose of this title to authorize and request the President to initiate negotiations with the appropriate officials of the Government of Canada for the purposes set forth in sections 202 through 204.

Sec. 202. The President of the United States is authorized and requested, utilizing the services of the Secretary and the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada to ascertain—

(a) the willingness of the Government of Canada to permit the construction of pipelines or other transportation systems across Canadian territory for the transport of natural gas and oil from Alaska's North Slope to markets in the United States;

(b) the need for intergovernmental understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party or parties involved with the construction, operation, and maintenance of pipelines or other transportation systems for the transport of such natural gas or oil;

(c) the desirability of understanding joint studies and investigations designed to insure protection of the environment, reduce legal and regulatory uncertainty, and insure that the respective energy requirements of the people of Canada and of the United States are adequately met; and

(d) the quantity of such oil and natural gas from the North Slope of Alaska for which the Government of Canada would guarantee transit.

Sec. 203. (a) If the President, on the basis of the negotiations authorized and requested in section 202, determines—

(1) that the Canadian Government is willing to entertain an application or applications leading to development of a transportation system for the movement of Alaska crude oil to markets in the United States; and

(2) that no technically competent and financially responsible private entity or entities have made and are actively pursuing such an application with the Canadian Government;

the President is authorized and requested to direct the appropriate Federal departments and agencies to initiate and undertake, or to collaborate with appropriate Canadian governmental agencies and responsible private entities in such studies, negotiations, engineering design, and consultations as are necessary to the preparation of an application to the Canadian Government and to enter into specific negotiations concerning the authorization of construction, certification, and regulation of such a transportation system.

Sec. 204. The Secretary shall, within one year of the effective date of this Act, report to the Committees on Interior and Insular Affairs of the House and Senate regarding the actions taken and progress achieved under this title, together with his recommendations for further action.

Sec. 205. This title shall not be construed to reflect a determination of the Congress regarding the relative merits of alternative transportation systems for North Slope crude oil or regarding the merits or legality of a grant by the Secretary of a right-of-way to construct a crude oil pipeline within Alaska from the vicinity of Prudhoe Bay to Valdez, nor to prohibit such a grant, nor to require that the Secretary in the execution of any of his statutory duties await the results of the negotiations with the Canadian Government provided for in this title before making such a grant.

Sec. 206. Such funds are hereby authorized to be appropriated as are necessary to implement the provisions of this title.

Excerpts From Report on S. 1081 "Major Issues"

ALTERNATIVE TRANSPORTATION ROUTES FOR ALASKA NORTH SLOPE PETROLEUM

In hearings before this Committee on S. 1081 and other pending bills no witness seriously proposed that it would be in the national interest to postpone the development of Alaska Arctic oil and gas indefinitely. The relative lack of controversy over this issue is in contrast to previous hearings before this and other committees, and reflects rapidly changing public perceptions of the nation's energy needs.

There is now an obvious and growing deficiency in domestic production of crude oil and natural gas, leading to a rapidly increasing dependence upon insecure Eastern Hemisphere imports. Moreover, the prices of imported oil make it no longer the bargain it appeared several years ago. With passage of the Clean Air Act, the low sulfur crude oil that can be produced from the Prudhoe Bay field has become significantly more valuable. Meanwhile, the risk of environmental damage from development of North Slope oil and its transportation to markets in the "Lower 48" has been substantially lessened as a result of the stricter environmental stipulations, redundant safety systems, contingency planning and better engineering imposed upon the proposed Trans-Alaska pipeline. Finally, until passage of the Alaska Native Claims Settlement Act, many citizens feared—with some justification—that unchecked commercial development might leave the nation without unspoiled scenery, outdoor recreation areas or wilderness in the vast and heretofore remote territory of Northern and Central Alaska. This apprehension was mitigated by the provisions in the native claims settlement act that at least 80 million acres of land in Alaska will be considered by the Congress for incorporation into new wilderness areas, wild and scenic rivers, national forests, national parks and national wildlife ranges.

Although there now seems to be a broad consensus that Alaska North Slope oil and gas should be developed rapidly, there is controversy concerning the manner and route of its transportation. Serious consideration has been given in the past to the use of icebreaking oil tankers, submarine barges, railroads (a proposition recently revived and advocated by the Government of British Columbia), and even aircraft. The principal controversy today, however, is between advocates of (1) a 48-inch oil pipeline to be constructed from the North Slope to Valdez, Alaska, where the oil would be loaded onto tankers for transportation to ports on the west coast, and (2) a similar 48-inch pipeline overland through Canada to the vicinity of Edmonton, where it would join with existing pipelines (whose throughput capacity would have to be increased) in order to deliver the crude oil to the Midwestern United States and possibly to the Pacific Northwest as well.

The precise route of the so-called Trans-Alaska pipeline has been set out in the proposal of the Alyeska Pipeline Service Company to the Department of the Interior; the route of the so-called Trans-Canada pipeline is far less certain. Routes considered to the Canadian border are (1) east along the Arctic Coast (through the Arctic National Wildlife Range), (2) south through the Brooks Range and east along the southern edge of that range toward the headwaters of the Porcupine River, and (3) south to the vicinity of Fairbanks, and then southeast up the Tanana River. Through Canada, a route up the Mackenzie River has been most often discussed, but an alternative generally following the Alaska Highway is also under consideration.

Advocates of the Trans-Alaska pipeline include the oil companies with reserves in the Prudhoe Bay field, industry and trade associations, the Alaska and National Administrations, and (apparently) most Alaskans. Those favoring the Canadian alternative include conservation organizations, commercial fisherman groups, state officials and Members of Congress from the Midwest, academicians and Canadian interests.

Apart from the right-of-way width limitation, contained in Section 28 of the Mineral Leasing Act of 1920, the principal legal issue in the Federal courts has been whether or not the Interior Department, in evaluating the Alyeska right-of-way application, has given sufficient consideration to its environmental, economic and national security effects relative to an overland pipeline through Canada.

During the Committee's examination of right-of-way policy and proposals for transportation of North Slope oil, the main points of controversy regarding the competing transportation systems have been the following:

(1) *Environmental Impact*—Proponents of the Canadian pipeline contended that its environmental risks are less serious than those of the Trans-Alaska route. They emphasize the latter's crossing of an active earthquake belt, the danger of marine pollution stemming from the ocean leg of the oil transportation system, and the possible reduction of environmental damage if oil and gas pipelines from the North Slope were confined to the common corridor, rather than two or more routes. Advocates of the Alyeska proposal maintain that there are some aspects in which Trans-Canada oil pipeline would be more damaging or more hazardous to the environment, for example, the very length of the pipeline, the number of miles it would cross, the zone of discontinuous permafrost, and the number of major river crossings.

(2) *Markets*—A second point of contention is whether or not the West Coast of the United States (PAD District V) will be able to absorb all the crude oil that would be shipped there upon completion of the Trans-Alaska pipeline. A surplus of crude oil on the West Coast of the United States would have to be marketed east of the Rockies with considerably greater transportation expense or else exported. Advocates of the Alyeska project now acknowledge that the pipeline would have created a crude oil surplus on the West Coast if it had been completed in 1972 or 1973 as originally anticipated. The present throughput schedule, however, is not expected to be sufficient to meet all of the District's petroleum demands unless major new reserves are discovered and developed offshore from California or in the Gulf of Alaska. Accordingly, the likelihood of major new oil discoveries in Southern Alaska or off the California coast and the desirability of exporting Alaska oil to other countries during an era of domestic shortages are both among the critical issues of controversy. (See "2. Exports of Alaskan Oil, below.)

The relative dependency of the two regions (the West Coast and the rest of the United States) upon imports from insecure sources is also a point at issue. The likelihood of additional production from new West Coast areas other than the North Slope is critical to this debate. Since Alaskan oil will at the margin be backing out Middle Eastern oil in either market, however, the principal effect of the choice of routes upon the total level of import dependency would be related to the time at which deliveries of North Slope oil began.

(3) *Economic Benefits*—Supporters of the Canadian pipeline proposal point to the fact that crude oil prices are higher in the upper Midwest than in California, and offer transportation cost calculations indicating that the "netback" value of North Slope oil would be greater if it were delivered to Chicago than to Los Angeles. They conclude, therefore, that the oil companies, the State of Alaska (in terms of the value of its royalties and production taxes) and the national economic welfare would all be served best by the Trans-Canada pipeline. The general assumptions of this argument were accepted by the Interior Department in its *Economic and Security Analysis of the Trans-Alaska Pipeline*. But the Interior Department pointed out, and the independent proponents of this argument acknowledge, that such economic benefits would be more or less wiped out by the discounting of future benefits, if a Trans-Canada pipeline would take two or more years longer to construct than a Trans-Alaska pipeline. Some supporters of the Trans-Alaska pipeline now dispute the earlier estimates both of the relative construction costs for the two pipelines (and thereby crude oil transportation costs) and the expected future price differentials between the Midwest and the West Coast; they assert that the netback value of the oil will actually be higher if it is delivered to western markets.

(4) *Ownership and Control*—Supporters of the Trans-Alaska pipeline point out that a pipeline across Canada would be regulated by the Canadian government, and that statements of Canadian officials indicate that a controlling equity in such a pipeline would have to be held by Canadian citizens. In addition, oil pipelines in Canada must generally be operated as common carriers; this requirement might result in the backing out of Alaskan oil to make room for oil produced in the vicinity of the pipeline in Canada. In addition, Canada's new controls over oil and gas exports raises the possibility that Alaskan oil destined for U.S. markets could in an emergency be diverted to Canadian customers, leaving the United States short of those supplies.

Advocates of the Canadian pipeline reply, however, that there are now no known Canadian reserves in the Arctic whose production could displace Alaskan oil carried by a Trans-Canada pipeline, and that the pipeline's throughput capacity could be increased by "looping" or other means well in advance of the appearance of any excess supply. They argue, moreover, that to the extent that the existence of a pipeline through Canada from Alaska to the Midwest does encourage the exploration and development of Canadian Arctic resources, any oil exported to the United States via that pipeline is a benefit to United States interests because it would displace oil from less secure foreign sources. The notion that Canada might divert oil of United States origin to her own uses is discounted, both because, in that instance, the United States could simply cease shipping the oil, and because the United States holds a comparable Canadian hostage: most of eastern Canada's own crude oil supply enters that country through pipelines across the State of Maine.

(5) *Other Issues*—Other issues raised in the debate have included the economic and scheduling relationship between alternative pipelines to carry Prudhoe Bay crude oil and the pipelines for the natural gas that will be produced in association with it; the problems of financing a longer pipeline; the respective impact of the two pipelines on the U.S. balance of payments; the relative physical security of the two routes; the employment, economic and inflationary effects of construction within Alaska; and the comparative impacts upon competition and market power.

The Committee on Interior and Insular Affairs did not regard any one of the foregoing arguments or any group of them as conclusive in favor of either of the competing pipeline proposals. In some areas of debate the preponderance of evidence or analysis seems to favor one side or another, but no area of controversy, however, is without ambiguous or speculative elements. Even the most expert assessments made today are likely to be modified by new information that will become available or by unforeseen changes in circumstances occurring before either pipeline could be completed. Much information can be obtained only in the course of construction.

Any assessment based solely upon the foregoing considerations regarding the relative merits of the two pipeline routes clearly must depend heavily upon subjective judgment. There is, however, one consideration in favor of the Trans-Alaska pipeline that the Committee found compelling. This consideration was the additional delay and uncertainty associated with the Trans-Canada pipeline. Regardless whether the 1969 decision of the owner companies in favor of an all-Alaska route was the wisest or the most consistent with the national interest at that time, regardless whether the Administration's early commitment in favor of that route was made on the basis of adequate information and analysis, *the Committee determined that the Trans-Alaska pipeline is now clearly preferable, because it could be on stream two to six years earlier than a comparable overland pipeline across Canada.*

The necessary business organization, financial arrangements, engineering design and logistical preparations for the Alyeska project have been completed, so that construction could begin as soon as a right-of-way is granted, while *none* of these necessary preparations has been accomplished for a Trans-Canada route. These tasks are expected to take about two years, quite apart from the legal, political and administrative hurdles that must be crossed before construction of a Canadian pipeline would be authorized. In addition to the delays that could be normally anticipated at each of these steps, a number of them suggest the possibility of indefinite delays or even the project's ultimate impossibility.

In the absence of a complex treaty enabling construction and operation of an international pipeline as a unitary enterprise, the interested private parties would have to organize a separate consortium or business organization on each side of the border for financing, building and operating the two segments of the pipeline, and resolve the complicated relationships between them. Discussions would have to be conducted with, and applications submitted to, several Canadian agencies and the final plan would have to be submitted to the Federal Cabinet. Before approval could be granted numerous modifications and perhaps corporate reorganizations would be necessary. The project would run gauntlets of domestic Canadian opposition, and of attempts to influence the shape of the project by such interests as northern Indians and Eskimos, environmentalists, Canadian economic nationalists, and provincial interests. The prospects of ultimate approval by the Cabinet might well be jeopardized by the minority status in Parliament of the Government's party.

A new pipeline route through Canada would, of course, require a new environmental impact statement and public hearings, and involves the possibility of a new round of litigation within the United States.

Any assessment today of the time required for approval of a Trans-Canada pipeline project or of the probability of its ultimate approval in any form is purely speculative. *It is, moreover, doubtful whether further study could contribute to the accuracy of such speculations.* The seriousness of the obstacles at each organizational, financial and political step are testable only by an actual attempt to get approval for a specific proposal, and no such proposal exists today.

The listing of difficulties and uncertainties involved in getting approval for construction of a Canadian pipeline should not obscure the remaining difficulties and uncertainties facing the Trans-Alaska project; continuing litigation based upon National Environmental Policy Act requirements; litigation between the owner companies and the State of Alaska over a right-of-way across state-owned land and regarding state taxation and regulation; the possible vulnerability of the project under antitrust laws; and coastal zone legislation and regulation, which might conceivably affect the ability to land Alaska oil at West Coast ports.

Except for uncertainties regarding terminals in Washington and California, however, all the real or potential problems of law or political controversy facing the Trans-Alaska pipeline also face its Trans-Canada counterpart. In assessing the probable completion date of the latter project, the time required to resolve these problems must be added to both the additional time necessary for route selection, design, and logistical preparations, and the time involved in obtaining Canadian government approval. Moreover, to the remaining uncertainty arising from United States and Alaskan law and politics, which affect both pipeline proposals, must be added the uncertainty stemming from Canadian law and politics, and from the complexities of the international relationship.

In light of the existence of significant uncertainties which are unique to each of the two routes, it is arguable that the interested companies and the Federal government should have devoted substantial effort to investigations and preparations leading to development of more than one transportation system. The Committee believes that such a two-option strategy was and is warranted, not only because of uncertainty, but because of the high probability that two or more pipelines will ultimately be required to transport Arctic crude oil.

To a limited degree, the companies operating on the North Slope have in fact seriously explored alternatives to the Trans-Alaska pipeline. Humble Oil and Refining Company (now Exxon) converted the *Manhattan* into an icebreaking tanker for an experimental journey through the Northwest Passage to Prudhoe Bay and return, while the companies with major interests in North Slope reserves joined to conduct the Mackenzie Valley Pipeline Study, which concluded in 1972 that a Trans-Canada oil pipeline would be physically and financially feasible, and environmentally acceptable.

There has, however, been no actual route selection or engineering design leading to a specific Trans-Canada pipeline proposal. The companies have not formed an organization to design or build a pipeline nor have they initiated discussions with Canadian government agencies leading to a right-of-way application. There seem to be several reasons for their failure to move ahead on both alternatives. First, the companies, the Interior Department and the State of Alaska have tended from the beginning to underestimate the engineering, environmental, legal and political difficulties of their preferred route. Also, the advocates of an all-Alaska pipeline seem to have feared that serious consideration of a Canadian route would, by giving it additional credibility as a potential alternative, undermine their effort to get early approval of the Alyeska right-of-way application. Finally, exploration of the Canadian alternative beyond the present feasibility study (which cost about $7 million) requires selection of a specific route, which in turn necessitates even more costly on-the-ground surveys, including extensive core drilling.

Route selection, engineering design, and preparation of an environmental impact statement would involve tens—perhaps hundreds—of millions of dollars. In the past these costly activities might have been conducted in stages after, or at worst simultaneously with, application for and receipt of the necessary governmental permits, but both United States and Canadian policy now require these steps to be substantially completed before applications will even be considered. The companies cannot privately justify the major expense that would be necessary to prepare an application for the permits required to build a Canadian pipeline, if it were only to serve as a hedge against the possibility they would not be permitted to complete the Trans-Alaska pipeline. Hesitation based upon financial prudence has been reinforced by the fear that any such preparation would be used as political ammunition against the pending Alyeska application (as the Mackenzie Valley Study is indeed now being used).

It is likely, however, that Arctic crude oil resources will be much greater than indicated by present proved reserves estimates. Development of these resources will justify and require more than one 48-inch pipeline within a decade, and argues in favor of an early planning and organizational effort to build two pipelines. The probable future reserve additions, however, have so far played no part in corporate planning for transportation of North Slope oil. The 9.6 billion barrels of proved reserves currently estimated for the Prudhoe Bay field barely exceeds the minimum required for the throughput guarantees necessary to finance a single 48-inch pipeline; it certainly cannot be used as security for two such pipelines.

Proved reserves as estimated by the American Petroleum Institute are an exceedingly restricted concept. There is little question that the reserve estimate for the Prudhoe Bay field will grow substantially, as both exploratory and development drilling delineate the field more completely, and as increased crude oil prices and improved methods make more complete recovery of the discovered oil-in-place commercially feasible. Typically, these two kinds of adjustments ("extensions" and "revisions," respectively) increase the proved reserves estimates for a newly discovered oil field by a factor of three to ten over its lifetime. Moreover, North Slope oil production will not be limited to the Prudhoe Bay field; giant oil fields are seldom found alone, and only a tiny proportion of the Arctic Slope's favorable geology has been explored geophysically, much less tested by the drill. It is worth noting that the Committee is currently considering measures to authorize the exploration and development of the 26 million acre Naval Petroleum Reserve, whose boundary is a few miles west of the Prudhoe Bay field.

The excellent prospects for an early expansion of North Slope oil and gas reserves sufficient to justify a second pipeline will not be realized until the industry is reasonably confident that a first pipeline will in fact be built. Throughput guarantees adequate to finance that pipeline are possible on the basis of present reserve figures, so that there is little justification for costly outlays on development drilling beyond the level (already surpassed) that could be accommodated by the Alyeska pipeline's planned initial throughput of 600,000 barrels per day (recently reported to have been increased to 1,200,000 barrels). Exploration on adjacent lands already under lease is also at a low ebb, and it is understandable that the State of Alaska, the Interior Department, and Alaska Native groups would postpone additional lease sales to a time when industry interest—and bonus bids—would be higher. A revival of intensive exploration effort depends above all upon the commencement of pipeline construction.

In weighing these manifold considerations, the Committee concluded that it would be a mistake to view the Trans-Alaska pipeline and Trans-Canada pipelines as competitors, except with respect to which of them could actually be completed first. Title II of S. 1081 authorizes the President to undertake negotiations with Canada and other actions leading toward construction of a crude oil pipeline across Canada from Northern Alaska to the Midwest, and it expresses the Committee's judgment that:

1. Federal planning for transportation systems to deliver Arctic crude oil should take account of the likelihood of greatly increased reserves in the Prudhoe Bay field, on other State, Federal, and Native-owned lands in northern Alaska, from Naval Petroleum Reserve No. 4, and from Northwestern Canada.

2. Two or more pipelines for crude oil from Arctic Alaska, or from Alaska and Arctic Canada together, serving different market areas in the United States (and Canada) will be feasible, desirable and necessary in the foreseeable future.

3. Completion of the first crude oil pipeline from Prudhoe Bay is urgently in the national interest, and construction should begin as soon as there is assurance its construction and operation will be environmentally sound.

4. The Trans-Alaska pipeline proposed by the Alyeska group ought to have priority in time, because of the overwhelming probability that it could be completed two to six years sooner than a Trans-Canada pipeline. The Trans-Alaska project is at a far more advanced stage of preparation and avoids the many uncertainties involved in organizing, financing and obtaining approval of an international pipeline.

5. Nevertheless, the very likelihood of extended delays in approval and construction of a Trans-Canada pipeline dictates that concrete efforts leading toward construction of such a pipeline should be started now. This beginning ought to be made notwithstanding the present insufficiency of proved reserves to provide private justification for a second oil pipeline, and without prejudice to the Alyeska proposal.

6. In order to protect both United States and Canadian interests in this multi-billion dollar project, and in order to minimize future international conflict and misunderstanding regarding its operation and regulation, detailed and explicit intergovernmental understandings, and perhaps a treaty, are necessary regarding ownership, financing, regulation and taxation.

7. It is possible, prior to the development of proved reserve figures adequate to support the private financing of two pipelines, that no competent private entity will take

responsibility for the preparations prerequisite to submitting necessary applications to Canadian governmental agencies. In such an instance, appropriate agencies of the United States government should accept this responsibility.

CLEAN COKE PROJECT REPORT

Mr. PERCY. Mr. President, the President's creative energy message yesterday on the recent shortages of petroleum products and the increased price of petroleum imports have highlighted once against the necessity for research on alternative energy sources. One source which is in abundant supply domestically, but which requires more research emphasis to become environmentally clean, is coal. But fortunately we are not just starting in some areas of much needed research.

Research on converting coal into natural gas and fuel oil already shows great promise. Many of my colleagues have demonstrated special support for this important research effort. Without intending to slight any one of them, I wish to commend especially the two distinguished Senators from the coal-producing State of West Virginia (Mr. ROBERT BYRD and Mr. RANDOLPH) for their continued support in this field.

During the last Congress, when I was serving on the Subcommittee on Interior of the Appropriations Committee, it was my privilege to sponsor the initiation of a very promising project in the field of coal energy research. I would like to thank the distinguished chairman of that subcommittee, the Senator from Nevada (Mr. BIBLE), for his support in helping to obtain and continue the funding for this project.

The project is entitled "clean coke process." It is being conducted by United States Steel Corp. under a 3-year contract to the Office of Coal Research, Department of the Interior. The company is providing approximately $2 million of the funding, while the Federal Government is providing about $4.5 million.

I have asked for periodic status reports on the project, and the results to date are very gratifying. I would like to take this opportunity to report briefly to the Senate on its progress to date.

The clean coke process combines low-temperature carbonization and hydrogenation of coal to produce a metallurgical-grade coke, various chemical products, and liquid and gaseous fuels.

The process requires no external hydrogen supply and is self-sufficient in energy requirements. It can utilize coals that are otherwise unsuitable for coke manufacture and produce a high-quality metallurgical-grade coke, together with quantities of chemical products. The process will be essentially nonpolluting.

By using low-quality coal as feed for the coal hydrogenation process and high-quality coal for the carbonization process, a greater portion for instance of the mined Illinois coal can be utilized. Over 90 percent of the raw, as-mined coal can be utilized in this process, compared with only 77 percent by conventional coal preparation methods.

The project began in March 1972. The objective for the first year of the project was to design process development units capable of converting one-fourth ton of coal feedstock per day. This objective was achieved in 10 months—2 months ahead of schedule.

Currently, during the second year of the contract, the process development units are being constructed. They are expected to be in operation by late this fall.

The third year of the contract will be devoted to operating the one-fourth ton-per-day units. Information from these process development units would then provide the basis for the design of a pilot plant for processing up to 240 tons of coal per day.

Early indications of the prospects for commercialization of the clean coke process are optimistic. It is presently estimated that metallurgical-grade coke can be made to sell for about $27 per net ton by this process, compared with the current market price of $35 to $40 per ton.

Mr. President, I wish to commend the Office of Coal Research and United States Steel Corporation for their cooperative and highly encouraging efforts on this project, and again to thank the Senator from Nevada (Mr. BIBLE) for his funding support.

More coal research of this quality is needed if we as a Nation are to successfully meet the rapidly expanding demand for all forms of energy projected for the next decade and beyond. Again, I commend the senior Senator from West Virginia (Mr. RANDOLPH) and the distinguished assistant majority leader (Mr. ROBERT C. BYRD), the two Senators from Pennsylvania (Mr. SCOTT and Mr. SCHWEIKER), my distinguished colleague from Illinois (Mr. STEVENSON), and other Senators who have spoken out in favor of coal gasification, coal liquefaction and other forms of coal research.

NASA APPROPRIATIONS BILL JT–3D REFANNING PROGRAM

Mr. TUNNEY. Mr. President, NASA has been developing the technology to refan the noisy JT–3D and JT–8D engines. Last year our Nation made a commitment to reduce and control noise pollution when the Noise Control Act of 1972, which I introduced with Senator MUSKIE, became law. The goals of that law, however, are becoming increasingly more difficult to attain.

As you will recall, one of the major sections of this measure dealt with the need to develop the technology to control aircraft noise. Despite Congress decisive action last May to add over $24 million to NASA's budget for the purpose of developing technology to refan the noisy JT–3D and JT–8D engines, more than $21 million was cut by the administration from the engine research program for fiscal year 1974.

The result of this action has been the shelving of the JT–3D refan work. JT–3D engines are contained in all 707's, 720's, and DC–8's while JT–8D's are contained in all 727's, 737's, and DC–9's. These aircraft comprise the majority of the current fleet and, according to projections, will still be flying by 1980. Moreover, I am informed that the 3D research was 1 year ahead of the 8D research—a further indication that lots of lead time may be lost.

In House and Senate action, $14 million was added to the authorization requested by the administration to enable NASA to continue developing its technology on refanning the JT–3D engine. I wholeheartedly supported the inclusion of these funds and accordingly communicated my support to Senator PROXMIRE in a letter urging his subcommittee to retain the $14 million increase in the appropriation bill. Unfortunately, however, neither the Senate nor the House appropriations committees specifically earmarked $14 million for JT–3D engine refanning technology.

The sadness of this action, of course, is that we are foreclosing important options. The Noise Control Act of 1972, bases further aircraft noise standards on "available" technology. We will not be able to retrofit effectively the JT–3D engine unless NASA can continue its important R. & D. to treat the nacelles of these aircraft, but whereas nacelle treatment is an accoustical solution to the problem, refanning is an engineering solution which must be thoroughly investigated. Accordingly, I strongly urge NASA to use $14 million of its discretionary funding of over $2 billion to continue this important research into advanced technology for refanning the JT–3D engine.

EULOGY TO THE LATE CONGRESSMAN HALE BOGGS

Mr. STEVENS. Mr. President, I knew Hale Boggs since the 1950's. I was a young lawyer in private practice here in Washington, D.C. then and had occasion to come in contact with him at that time. Hale was a good friend. I admired him greatly both professionally and personally. My family and I deeply feel his loss. This is a personal tragedy for us, particularly coming at a time when Hale was traveling around Alaska.

The loss of Hale Boggs, even more tragically, is likely to have a significant effect on the entire country. His vast knowledge of the legislative process and his personal stature in the House of Representatives will be solely missed. Ann and I would like to express our condolences to LINDY BOGGS and the entire Boggs family. I am delighted that the voters from Louisiana's Second Congressional District have elected LINDY to the Congress to carry on the Boggs tradition there.

I am only sorry that this is the occasion which prompted her election. We will miss Hale as a good legislator and a good friend. We look forward to continuing to work with Mrs. LINDY BOGGS in Congress.

INTERNATIONAL LAW AS AN INSTRUMENT OF NATIONAL POLICY

Mr. TAFT. Mr. President, recently an excellent address in the May 21 Department of State Bulletin came to my attention entitled "International Law as an Instrument of National Policy" by Charles N. Brower, Acting Legal Adviser to the Department of State.

In that article, Mr. Brower has reviewed the strong record of growth in international law during recent years and discarded the shibboleth that the field of international law has been a declining one.

I ask unanimous consent that it be printed in the RECORD and, particularly, pointing out its pertinent relationship to Senate Resolutions 74 through 78 introduced by the Senator from California (Mr. CRANSTON) and myself dealing with strengthening and making greater use of the International Court of Justice.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTERNATIONAL LAW AS AN INSTRUMENT OF NATIONAL POLICY

(Address by Charles N. Brower, Acting Legal Adviser [1])

I am disturbed by the pronounced tendency of our international law fraternity to bemoan the moribund state of international law. There appears to be a widespread presumption that in practice international rules of law are largely irrelevant to high-level decisionmaking in governments around the world and therefore that we have failed. Since our historical puritan ethic at least by implication equates failure with sinfulness, analysis quickly becomes apologia and our discussions assume the character of an expiatory ritual.

I for one, however, believe that our profession need not act like a timid supplicant whose very demeanor defies confidence in his creed. I suggest that international law today, rather than falling into disuse, is becoming a more vital force than ever before in the development of our international relations. In order better to explain the basis for this positive outlook, I think it necessary first to expose the false assumptions on which our self-deprecating tendencies have been premised.

In decrying the inefficacy of international law we have concentrated too much on its adjudicatory aspect and, finding an absence of effective international machinery, have concluded that international law must be in sad straits. Speaking conceptually, however, institutionalized adjudicatory machinery has a quite different place in international law than it does in municipal law. Nations, more so than private litigants within a single country, have informal, nonjudicial means of enforcement by virtue of the fact that their bilateral and multilateral relations with one another provide a dynamic process for the adjustment of their respective interests, including the satisfaction of legal rights. As our experience of some hundreds of years have proven, the absence of a comprehensive and dispositive system of adjudication does not necessarily lead to international anarchy. States comply with law, among other reasons, because it is politic to do so. Furthermore, domestic enforcement is heavily devoted to adjustment of legal disputes between the sovereign and the governed rather than between private litigants, and it is precisely these adjustments of legal relations which encompass a vast majority of the decisions of the U.S. Supreme Court. There being no international sovereign, however, there is no international need of corresponding magnitude for formalized means of redress.

I might say parenthetically that a factor which tends to compound the gloomy view of international law is the high rate of unemployment in our chosen field. Very few of those who style themselves as international lawyers ever have more than a modest if even a fleeting chance to practice public international law. The American Society of International Law, under whose cosponsorship we are assembled today, has over 5,500 members; yet I doubt that there are even 550 lawyers in the country today substantially engaged in the practice of public international law, and the vast majority of them are employees of government or international organizations. It is precisely the lack of a widespread system of adjudication in this field which accounts in large part for the dearth of opportunity, particularly private practice opportunity; fewer lawsuits require fewer lawyers. It is natural that a profession high in numbers relative to opportunities should exhibit signs of dissatisfaction. If the priesthood consistently exceeded by tenfold the number of parishes available to be served, one would be inclined to conclude that religion was out of style.

Lest there be misunderstanding, I wish to emphasize that we at the Department of State shall always be among the first to promote wider acceptance for the impartial adjudication of international disputes. Secretary of State Rogers clearly expressed our support for the International Court of Justice (ICJ) in his address three years ago this week on "The Rule of Law and the Settlement of International Disputes" before the American Society of International Law, and we continue to pursue with vigor the policies outlined in that address.[2] We reject the thesis recently advanced by two notable Canadian authorities (67 A.J.I.L. 229, 235 [1973], "National Jurisdiction and International Responsibility: New Canadian Approaches to International Law," Allan Gotlieb and Charles Dalfen) to the effect that the absence of any prospect of international adjudication actually aids the development of international law. I only make the point that we must consider adjudication in perspective and not conclude from its relative absence that international law itself is dead or even suffering reduced vitality.

It is worth remarking also that utilization of international litigation and the situation of the World Court in particular have in some ways improved during the last few years. The Court's advisory opinion in the Namibia case has restored some of its previous luster, and it appears that judges of the Court are about to be involved simultaneously in a total of five cases. The fact that two such disputants as India and Pakistan can engage in successive litigation, first the Rann of Kutch arbitration, then the ICJ appeal relating to the jurisdiction of the ICAO [International Civil Aviation Organization] Council, is encouraging. The action of Belgium, France, Switzerland, the United Kingdom, and the United States in submitting to the Arbitral Tribunal for German External Debts disputes with the Federal Republic of Germany concerning the amounts of payments due on the Young Loan—a matter that has been estimated to involve up to $14 million for the dollar tranche alone—is another hopeful sign. Only time will tell, of course, whether these straws in the wind foreshadow a greater harvest.

EXPANSION OF THE ROLE OF INTERNATIONAL LAW

If we indeed can turn away from our historical preoccupation with the question of adjudication, we see that in recent years the role of international law itself has been changing and its importance in international events has swelled. It has graduated from being a somewhat esoteric discipline incident to the conduct of international affairs to become an important instrument of national policy, in the United States and around the world. This worldwide expansion is abetted by a growing realization within most governments that many of the common problems affecting states can only be solved by international cooperation. In a number of fields we in the State Department have found that the development of international law can be one of the primary weapons used to develop an international climate favorable to the accomplishment of our national aims, and we are happily participating in this considerable expansion of the role of international law.

For example, as your program reflects, the seriousness of drug abuse is well recognized as one of the most critical national social problems we are facing at the present time. Because of the international character of drug production and commerce, it is clearly impossible to end such abuse through national measures alone. We have attempted to deal with this national crisis, at least in part, through a substantial effort to broaden and strengthen international legal provisions regulating production and traffic in those drugs. We have proceeded on the multilateral level, for example, through amendments to the 1961 Single Convention on Narcotic Drugs and the Convention on Psychotropic Substances and on the bilateral level through a series of specific agreements particularly with states which have been the sources of raw materials for drugs. We have been able to conclude these agreements, embodied in solemn legal documents, because other states, too, are increasingly aware of the dangers which spreading drug abuse poses to all countries. These international legal arrangements have already proved valuable and, hopefully, will be of continuing significance in reducing the supply of drugs reaching this country.

Your program also includes a discussion on terrorism, and I should emphasize here two projects which are in the forefront of the international legal struggle against terrorism; namely, the draft Articles on the Prevention and Punishment of Crimes Against Diplomatic Agents and Other Internationally Protected Persons prepared by the International Law Commission under the leadership of its American President, Mr. Richard D. Kearney, and the draft Convention for the Prevention and Punishment of Certain Acts of International Terrorism prepared by the U.S. Government and introduced at the 27th General Assembly of the United Nations by Secretary of State Rogers. The forerunner of both of these of course was the convention on this subject prepared by the Organization of American States, which represents a regional approach to this universal problem.

LEGAL STEPS TO PROTECT THE ENVIRONMENT

Several other examples are, I think, pertinent to drive home the point that international law is thriving and active as a national policy instrument. A problem of profound national as well as international concern is that of environmental protection. For example, during the past four years we have responded to the serious problem of marine pollution with a series of multilateral agreements, including: (1) the 1969 International Convention on Civil Liability for Oil Pollution and the 1971 Convention for the Establishment of an International Fund for Compensation, which together provide an international system for compensating victims of damage from vessel oil spills; (2) the 1969 Convention Relating to Intervention on the High Seas, which provides for actions on the high seas by coastal states to protect their coastlines from grave oil pollution damage resulting from serious maritime accidents; (3) several amendments in 1969 and 1971 to the 1954 International Convention for the Prevention of Pollution of the Sea by Oil designed to strengthen controls over vessel oil discharges and oil tanker construction; and (4) the 1972 Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, which regulates the disposal at sea of toxic land-generated wastes. We hope that this work will be advanced further through the adoption later this year of a comprehensive International Convention for the Prevention of Pollution from Ships, which will regulate the intentional or accidental discharge of all types of harmful substances from ships, including oil, toxic chemicals, sewage, and garbage.

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[1] Made before a regional conference of the American Society of International Law at the University of Denver College of Law at Denver, Colo., on Apr. 28 (press release 123).

[2] For Secretary Rogers' address on Apr. 25, 1970, see BULLETIN of May 18, 1970, p. 623.

Outside of the marine pollution area a number of other important legal steps have been taken to protect the world environment following the 1972 Stockholm Conference, including: (1) the 1972 World Heritage Convention, which provided international funding and machinery to assist governments in the restoration and protection of areas of cultural and natural significance; (2) the 1973 Convention on International Trade in Endangered Species of Wild Fauna and Flora, which established controls on trade in endangered species and their products; and (3) a series of bilateral environmental agreements, including the agreement with Canada for the protection of the Great Lakes from pollution and with the Soviet Union for cooperation and exchange of information on environmental questions.

We have been able to conclude these agreements largely because we and other states have realized that our common interests are far better served by restricting certain of our own activities, and persuading others to do likewise, than by continuing to behave in the free but costly manner with regard to our environment that we had been pursuing. States increasingly realize that broad international problems can be solved at least in part by broadly based legal agreements. We have every reason to believe that even though the operation of these various agreements may not solve all of our problems completely, they will make a most significant contribution to their reduction.

HIJACKING AND AIRCRAFT SABOTAGE

In the field of hijacking and aircraft sabotage the United States, together with other countries, has spearheaded strenuous efforts within the International Civil Aviation Organization which over the past 10 years have resulted in the conclusion of the Tokyo Convention on Offenses and Certain Other Acts Committed on Board Aircraft, the Hague Convention for the Suppression of Unlawful Seizure of Aircraft (Hijacking Convention), and the Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Sabotage Convention). I had the pleasure of serving as chairman of the U.S. delegation at the diplomatic conference which approved the third of these conventions, and I can testify to the fact that in this very important field the development of international law has been a major instrument for the realization of our own national policy as well as the shared interests of many other states. The bilateral agreement has a role to play here also, as illustrated by the recent hijacking agreement with Cuba, which undoubtedly has been an important factor in the recent total absence of hijackings to that country. At the present time strong efforts are concentrated on the hoped-for conclusion of an Air Security Enforcement Convention, which together with related instrumant will be the subject of a combined diplomatic conference and Extraordinary Assembly of ICAO to be held this summer in Rome. In this field even the mere existence of strong and widely publicized international law serves to help eliminate the scourge which for so long has threatened the safety of international civil aviation.

As many of you are aware, for several years the United States and 90 other nations have been engaged at the United Nations Seabed Committee in an effort to achieve international agreement on a comprehensive new legal regime for the oceans. This is one of the most extensive and ambitious international law making projects ever undertaken. It proposes nothing less than a new legal regime for the 70 percent of our world covered by oceans. In doing so it addresses questions of the breadth of the territorial sea, international straits, scientific research, pollution, and exploitation of the living and nonliving resources of the oceans. Hopefully, these efforts will produce results at the diplomatic conference which is scheduled to convene in New York late this year. While this effort is motivated in part by the traditional needs for international regulation, there is no doubt that now, as compared to the Geneva Conferences of 1958 and 1960, the nations involved regard development of the law of the sea as an important way of implementing their national policies with respect to fundamental economic and defense interests.

REDUCING INTERNATIONAL CONFLICT

Perhaps the most striking proof of the new political importance of international law was presented by the Moscow summit of last May, where my indefatigable colleague, the Assistant Legal Adviser for Treaty Affairs, Mr. Charles I. Bevans, presided over the execution of nine documents in six days including agreements on strategic arms limitation, prevention of naval incidents, scentfic cooperaton, environmental matters, and joint space ventures, signed by President Nixon, General Secretary [Leonid I.] Brezhnev, Secretary of State Rogers, and other senior officials. Those of you who have had international legal experience in the government will know that the bulk of such work is created by relationships with friendly countries. Countries with whom relations are not so friendly, and with which we therefore do not have substantial dealings, present comparatively few legal problems. Many governments, including ours, feel increasingly that the development of a complex array of legal relationships shoud be conducive to a general atmosphere in which military conflict is less likely. As this theory is applied, an ever-increasing wealth of international legal relationships results The result is a deeper and broader network of structured communictaions mong states, an expanded range of institutional bases for cooperation leading to greater reliability and predictability of state action, a greater number of formalized standards and channels for cooperation among states, and in time, hopefully, a greater tendency to try to solve problems through international cooperation rather than conflict.

A special word regarding international conflict is appropriate at this point. As a profession we have tended to believe that international lawyers are too little consulted in connection with the great crises of war and peace. Naturally this is the area in which the most difficulties will be confronted. Here, too, however, we may rightfully take heart from recent experience. As is abundantly clear from the documents and correspondence printed in recent issues of the American Journal of International Law (66 A.J.I.L 836–40 [1972]; 67 A.J.I.L. 325–27 [1973]), the Legal Adviser was consulted in a timely fashion with respect to the mining of North Vietnamese ports announced by the President on May 8, 1972, and the President's speech on that occasion clearly bore the imprint of those consultations. The various protocols to the Agreement on Ending the War and Restoring Peace in Viet-Nam signed January 27, 1973, as well as the succeeding Act of Paris, were negotiated with the constant personal assistance of my principal deputy, Mr. George H. Aldrich, and we continue to be very much involved in decisions related to lingering conflict in that area. In recent years personnel of my office have contributed significantly not only in this area but in contentious matters involving Berlin, the Middle East, and indeed every region of the world. The broader concern of the government for the role of international law in armed conflicts is evidenced by our heavy commitment to ongoing efforts to revise the humanitarian international laws related to war. Quite clearly the role of the international lawyer as action adviser to his government in times of conflict is growing along with his role in building the structure of laws and agreements designed to reduce conflict.

As might be expected, the forces which have expanded the role of international law tend to bring change to the profession as well. In the past, the traditional international lawyer has been a government employee functioning primarily as a professional specialist or technician of a high order. Legal committees of international organizations have regarded themselves as technical bodies into which politics should not intrude. As international laws has begun to play an increasingly important role as an instrument of national policy, however, those responsible for its creation and application have become more politically astute. While government representatives in international legal meetings still for the most part are highly competent jurists, they increasingly manifest political sensitivity and talents as well. This is a development which doubtless will prove troubling to some who have grown to professional manhood in a more traditionalist environment, and one which should give us all pause for thought. We must take care that the process of making international law not become too politicized, that we do not through political overexposure impair the essential character of our chosen instrument.

With this single caveat I believe we may view the future with justifiable optimism. International law and its practitioners now occupy an increasingly significant role in the formulation and application of national policy, and each day brings new opportunities. Private practice lawyers, too, benefit from this expansion, reducing the problem of our professional underemployment. Of the specific fields previously mentioned at least three—environmental control, law of the sea, and civil aviation security—impact directly on commercial interests, which increasingly will look to their legal counsel for advice on international law. Just as the growth of domestic law has been the hallmark of American internal political development over the past decades, so may international law development be a dominant characteristic of our foreign policy in this and future decades.

NASA APPROPRIATIONS BILL—SPACE SHUTTLE

Mr. TUNNEY. Mr. President, Congress has had the opportunity to review the recently issued GAO report on the Shuttle. In devoting nearly a year to the review of the economic aspects of the Shuttle, GAO has reached an overall conclusion that uncertainties in future space payload planning made it impossible for it to substantiate NASA's estimates of economies for the Space Shuttle. Therefore, GAO recommended that the decision to support the Shuttle should not be based purely on economic grounds—that is to say Congress should consider the Shuttle on the merits of the concept. GAO did recommend that Congress consider five basic questions, which I would like to discuss.

First. Does space rank sufficiently high among national priorities to continue a substantial program into the indefinite future?

Space flight activities will continue and increase in the coming years as space is utilized to improve technologies that affect our daily lives. In a previous statement before this body, I commented on the areas where space science has productive application here on Earth. Let me summarize some of those areas: First. Improved weather forecasting and observation could save an estimated $2.5 billion annually. Second. Space-borne sensors could be used in forestry and watershed management and can reduce the estimated yearly loss of $83 million from diseased and pest-infested timber. Third. Monitoring global agricultural production is another possibility. Farmers will use space photography to optimize planting, spraying, and harvesting operations. Fourth. Repeated visual, infrared and microwave observations can be made of snowpacks, glaciers, and ice accumulations to assist in water resource management, of vital importance to California. Fifth. Space photos also can be used accurately to map the Earth's geologic and mineral resources. Sixth. Space photos also help pinpoint energy source and assist in the development of geothermal and solar energy. Seventh. Again, continuous photographs from space will help urban and regional planners develop comprehensive plans for land-use management. Eighth. And finally, space sensors can detect air and water pollution, tract movements of polluted bodies of air and water and aid in detecting the source. It is clear that expansion of space activities, through development of the Shuttle, will enormously benefit all mankind.

We have been reorienting our national priorities over the last decade and, as part of that process, the space budget has declined, and is now half of the 1966 allocation. The fiscal year 1974 space budget accounts for a slight 1.2 percent of the total Federal budget. Our past space successes and our current space programs more than justify NASA's present place in any objective ranking of our national priorities.

Second. Does the new technology that might result from the Space Shuttle justify its selection over other space transportation systems?

Already, the space program has produced some 40,000 products that have down-to-earth utility and application making the program one of the wisest investments for this Nation. I firmly believe that the Shuttle will continue that contribution. Some of the more visible applications from the Gemini/Apollo program are energy-absorbing bumpers, fireproof clothing, and improved packaging of food. Future applications are boundless when one considers the tremendous advantage of putting scientists in space with their experiments, an advantage the Shuttle will provide.

Third. Does the Space Shuttle offer unique capabilities and the kind of flexibility which the U.S. space program should have?

The Shuttle's capabilities to retrieve unmanned satellites for refurbishment and reuse and routinely to send men into space for scientific research are unique. I firmly believe that our space program should be directed toward this end, not only because of the benefits previously discussed, but also because of man's need to explore the boundless possibilities of space utilization.

Fourth. Is the Nation's prestige enhanced by a Shuttle program?

The space program has been a decided factor in our maintaining world leadership. The Apollo program was clear proof that we could set a difficult goal for ourselves and accomplish that goal in a relative short period of time. It has proved conclusively that our technology is superior and that we can share the benefits derived from it with the rest of the world.

Fifth. Is it in the national interest to continue extensive manned space flight when there are some who believe that all our space objectives may be done by an automated satellite?

The Shuttle is often spoken of as a manned space program. We should recognize that it provided important unmanned capabilities as well. Even with NASA's admirable performance record, they are not infallible. We need a launch system which will prevent further launch damage such as we saw with Skylab. We need only look to the exciting performance of the Skylab astronauts to realize the importance of putting man in space to salvage bold space missions.

Mr. President, the Space Shuttle is an important program. It is important to California and to the Nation. An estimated $1.4 billion contract awarded Rockwell International. By mid-1974 the projected direct employment figures for California should approach 18,000 for aerospace workers and 25,000 for persons in related fields.

We are in the process of adjusting to a peacetime economy. The Shuttle can provide the essential catalyst of jobs, of increased production, of improved technology, and the resulting benefits that are necessary for this economic transition.

I would urge that the Congress support the Space Shuttle at the requested funding level of $475 million.

EULOGY TO THE LATE CONGRESSMAN NICK BEGICH

Mr. STEVENS. Mr. President, toward the close of the 92d Congress on October 16, 1972, a twin-engine plane carrying Representative Hale Boggs and Representative Nick Begich of Alaska was lost in flight somewhere between Anchorage and Juneau, Alaska. Following the longest and most extensive search in the history of America, on October 24, 1972, efforts to find these good friends ceased.

Nick Begich's loss was a tragedy for all America. His efforts in the House of Representatives in the period he was here were tremendous; his diligence, perseverance, and abundant energy made his mark on our legislative process. As a Member of the House, Nick participated in one of its landmark decisions, the Alaska Native Land Claims bill. His attendence at over 97 percent of the rollcall votes, participation in most of the subcommittee and committee hearings, and his earnest solicitation for support of legislation which affected our State gained him the respect of his colleagues in the U.S. Congress.

Starting as an educator in the schools of Alaska, Nick, shortly after statehood, pursued a career in politics. Elected to the State legislature, Nick's interest in his earlier career later became reflected in legislation which he advocated. His influence was felt and much of the credit for strong financial State support of education in Alaska must be given to him. After serving two 4-year terms at the State level, the latter portion as Democratic whip in the State senate, Nick once again set his sights on higher goals.

In 1970 the people of Alaska elected him to the House of Representatives. Energetically he set about his task. As the lone Congressman from our State, it was his responsibility to make known Alaska's needs to the rest of the membership.

The fact that we belonged to different parties mattered little. Both Nick and I knew our first loyalty was to Alaska. He was a politician in the best sense of the word—able to put aside partisan concerns for the sake of larger goals. When I worked with Nick, those goals were Alaskan interests. I was proud to call him my friend and I shall miss him.

Those of us who were privileged to work with Congressman Begich knew him best as he was with his shirt sleeves rolled up—a hard-driving, hard-talking legislator willing to work with others in Congress to strike the best possible bargain for Alaskans. Nick had an abiding faith in God, our State, and our people. I have always thought it was this faith that served as the wellspring from which his tireless effort was derived.

Nick's family was always first in his heart. He reflected his pride in them and their pride in him. These human qualities are what we may best remember him for. These same qualities that made him a good Congressman made him an individual that compelled respect and yielded personal friendships.

The esteem with which Nick Begich was held by his fellow Alaskans was evidenced by the overwhelming vote he received in his November 1972 reelection bid, even though at that time, many feared that his plane would never be found.

Nich Begich made his mark helping Alaska be the kind of place Alaskans want it to be. Nick's legacy will always be part of Alaska.

Finally, I wish to comment the sacrifice and vigilance of all those persons who unhesitatingly cooperated in the performance of a valiant but unproductive search of all possible leads over a vast geographic and frequently navigationally hazardous area.

TRADE WITH RUSSIA

Mr. ROBERT C. BYRD. Mr. President, in a statement shortly before the visit of Leonid Brezhnev to the United States, I commented that increased trade with Russia was not necessarily good in itself. It would only prove beneficial if it were fair trade, with each side benefiting from the agreements, and with neither side emerging on the short end of the economic stick.

On Tuesday, June 19, the Advertiser of Huntington, W. Va., made similar comments in an editorial aptly titled "Increased Trade With Russia Filled With Many Pitfalls."

In the piece, editorial page editor David A. Peyton notes that—

> If trade with Russia brings more economic chaos in the U.S. then this country will become the laughing stock of the world.

Mr. Peyton points to last year's wheat deal with the Soviet Union, which he correctly points out "was not a bargain for America." Because the Russians were permitted to purchase American wheat at a subsidized price, the American taxpayer wound up paying $300 million "for the bread on the Russian table."

The deal also disrupted shipping systems in the United States, and Mr. Peyton states that the wheat deal has been blamed for apple growers in the eastern panhandle of West Virginia losing some of their crop because of a lack of shipping.

Mr. President, we have passed the stage where a summit meeting is successful simply because it is held, and the economic conditions here at home should be our first concern in any trade agreement we are trying to reach.

The editorial makes valid points that our trade negotiators should keep in mind in future talks.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INCREASED TRADE WITH RUSSIA FILLED WITH MANY PITFALLS

Leonid Brezhnev of Russia is meeting this week with President Nixon in Washington to continue trade talks which began last year when the President made his historic visit to the USSR.

Brezhnev orchestrated his arrival, asking no newsmen and no cameras be allowed by Andrews Air Force Base. The administration bowed to his wishes, a symbol to many that the Russian was coming to the United States with considerably more power than any Russian leader has ever held in the U.S.

Many say Richard Nixon needs some sort of super, foreign affairs grandstand play to overshadow the dirt of the Watergate hearings. Coupled with this is the need in the United States for more energy—energy that can be supplied by the Soviet Union with its vast untapped fields of natural gas and oil.

While the Russian wheat deal last year opened the trade gates between the two giants wider than they have been in decades, the deal wasn't a bargain for America. The Russians bought wheat at about $1.60 per bushel—a subsidized price—and the American taxpayer ended up paying more than $300 million for the bread on the Russian table.

Our shipping systems have been disrupted as millions of bushels of wheat are shipped from the Midwest. Much of the wheat is shipped along the Chessie System route through Huntington. Last fall, apple growers in the Eastern Panhandle of West Virginia complained some of the apple crop was lost because of a lack of shipping. It was blamed on the Russian wheat deal.

Beef prices went up and it was due in part to the wheat deal. Bread and cereals are higher, thanks to the deal. And while it's nice to know we're trading with Russia, it's discomforting to know the move has helped to disrupt the economy.

And now it appears Richard Nixon is ready to look to Russia for energy supplies. The U.S. is ready to invest about $6 billion in a natural gas liquification program which would prepare Russian gas for shipment to the U.S. This gas would cost twice as much as the natural gas currently coming from Texas and Louisiana.

And while the price of energy goes up, the solution to our energy crisis lies under our feet. Coal—enough to last 2,500 years—is available if the U.S. would invest money in research to find better ways of mining and using it.

While the current administration is willing to invest $6 billion to liquify Russian gas, it plans to spend only $120 on coal research next year.

If trade with Russia brings more economic chaos in the U.S., then this country will become the laughing stock of the world. And while increased trade is important to bringing about worldwide peace, it is important that the trade be fair to both the Russians and the American taxpayers.

LEGISLATION TO INCREASE ADDITIONAL EARNINGS BY SOCIAL SECURITY RECIPIENTS

Mr. DOMENICI. Mr. President, I recently cosponsored legislation which was introduced by the senior Senator from Texas (Mr. TOWER) on June 12, 1973, S. 1982. This legislation would allow social security recipients to earn up to $3000 per year and still receive full benefit payments. The bill would also lower from 72 to 70 the age at which citizens can receive full payments regardless of their annual earnings.

I have received numerous letters from New Mexicans explaining that they find it impossible to make a living on the wage earning limit that has been given social security recipients—even with benefit checks.

Mr. President, I ask unanimous consent that one such letter received from Mrs. Blanche D. LaChance which explains her problem be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 26, 1973.

DEAR SENATOR DOMENICI: I am a widow with a small child in grade school also a social security recipient. As I am one of the millions of Americans without a college education, I find it impossible to make a living on the wage earning limit that has been given social security recipients even with the help of social security. When $2100 was set as a maximum wage limit, I don't believe you people considered the cost of holding a job for a woman, baby sitter, car expenses, school lunches just to mention a few.

I think Congress is creating poverty instead of helping it. It seems to me, it would help much more if you would raise wage earning limits instead of social security payments periodically—especially for those of us that are able and willing to work. Most of us in my education bracket don't earn over $3000.00 gross pay per year. If we were allowed to make $3000.00 per year, we would be paying more into the social security fund to aid those that cannot work and those that won't work as well as helping ourselves and our children too.

I feel my child should have the same opportunities for an education as those with a father. With prices as they are and the very low wage earning we now have, she won't get beyond grade school. My babysitter makes more money than I do.

I'm sure if you tried you could have the wage earning limit raised considerably and still allow us to retain social security as a supplement check. I'm sure a lot of other widows feel as I do so please consider this very seriously and raise the wage earning limit.

Sincerely,

MRS. BLANCHE D. LACHANCE.

Mr. DOMENICI. Mr. President, when I came at the beginning of this year as a freshman Senator from New Mexico, I actively sought assignment to the Special Committee on Aging and was delighted when my request was so honored. I felt that this committee was one of the most useful in the Senate in that it could center national attention on specific issues which most affect the senior citizen. As a consequence, appropriate legislation could be drafted and supported by individual Senators to meet the specific issues investigated by the committee.

During my tenure on this committee, we have conducted public hearings on numerous matters which directly affect the aged. For example, during January testimony was heard regarding meaningful social security reforms. Responsible social security amendments have been initiated, I believe, as a result of the need explained at these hearings. One amendment, just recently passed by the Senate, would extend a 5.6 percent increase in social security benefits. Another measure which reflects the opinions of those who testified before the committee was the bill I just cosponsored to raise the outside earnings limitation.

Later in February fire safety regulations in highrise buildings for the elderly was discussed. This hearing was the direct result of a disastrous fire in an Atlanta home for senior citizens. As a result of those hearings legislation is being studied which would assure the best safety regulations in such homes in the future. Other hearings conducted during the spring and summer months will likewise result, I am sure, in substantive legislative proposals to insure adequate protection to the elderly.

A bill which I strongly supported during the early months of the 93d Congress was S. 50, the Older Americans Comprehensive Services Amendments. The measure was eventually signed into law.

Under the provisions of this new law, it is now possible for our senior citizens to participate in manpower training programs through their middle and older years. I do not believe that when we reach 50 to 55 years of age, we are "pasture" material. This bill exhibited faith in that largely untapped resource in this country—the older American. Furthermore, useful part-time employment opportunities will now be instigated in community service programs and additional moneys have been earmarked for research into improving all services to the aged. Frankly, I was very pleased with the progress made in the area of the aged with the passage of this bill.

Mr. President, I would like to continue for a moment reviewing other legislation which I believe will benefit our aged. During the past few months I have cosponsored legislation to improve pension plans offered by private companies—a bill which I feel will go a long way toward reforming pension programs which all too often have been inadequate and inequitable to the workers they purport to help. Other measures I strongly support would establish a more equitable formula by which veterans' disability and pensions are determined and which would provide several additional improvements in the social security program.

On February 11, 1973, I conducted hearings in Albuquerque, N. Mex., receiving testimony from qualified people who work with the aged in our State, including officials from the Social Security Administration, the Veterans' Administration, New Mexico Health and Social Services, New Mexico Commission on Aging, Metropolitan Council on Aging, and Coordinated Action for Senior Adults. From this public forum I was able to get a very close view of the problems now facing these officials as they try to do their job, as well as the almost insurmountable mountain of problems our elderly face daily. These officials pointed out time and again the need for legislative action to provide an adequate retirement income and improved medical services. Besides, it became obvious that when we become older in this country, we are considered almost as second class citizens and are passed over when seeking employment or growth opportunities. I hope S. 50, which has gone a long way to meet some of these problems, will be augmented soon with the passage of the other bills I have cosponsored.

Census figures show that in 1970 this country had 20 million individuals 65 years of age or above. This represents 1 out of every 10 Americans. The number has been steadily increasing as medical triumphs result in longer lives. I feel we owe it to these individuals—and to ourselves as we will surely come to face these same problems—to insure their active participation in our society.

Eric Hoffer, a noted modern-day philosopher, recently stated, "a chief stain on the quality of life in America has been the sorry lot of the old. All cannot be well with a society in which lives do not end well."

I intend to devote my energy to improving this situation. Much has been done—but there is so much more to do.

MONTANA NEWSMAN TAKES BICENTENNIAL POST

Mr. MANSFIELD. Mr. President, it is always a sad occasion when a talented newsman retires from his profession. However, in the case of Harold G. "Hal" Stearns who has published the weekly Harlowton Times for a good many years, it is another milestone in an already spectacular career. Hal Stearns has decided to give up his weekly newspaper but, at the same time, is moving to the State capital of Montana, Helena, where he will be executive director of the Montana American Revolutionary Bicentennial Commission. Montana is most fortunate to obtain his services.

Hal is not only a fine journalist but an excellent historian who has spent a great deal of time studying and recording the history of the West. He is active in the work of the Montana Historical Society and now serves on the Committee for the Humanities, a new organization within the State. Hal and Jeanne Stearns have been good friends for many years and, while I will miss his editorials on matters of current interest, I do know that he will contribute a great deal in his new post.

I wish Hal and Jeanne Stearns well and I know that Montana's participation in the bicentennial will be outstanding because of his leadership. Mr. President, I ask unanimous consent that a news story appearing in the Billings Gazette of June 15, 1973, and an editorial in the Great Falls Tribune of June 20, 1973, be printed in the Record at the conclusion of my remarks.

There being no objection, the article and editorial were ordered to be printed in the Record, as follows:

[From the Billings Gazette, June 15, 1973]

Veteran Newsman Takes Bicentennial Post

(By Dennis E. Curran)

Harlowton.—Harold G. "Hal" Stearns is giving up one love for another.

At age 60, the newly named director of Montana's Bicentennial Commission is selling his beloved weekly Harlowton Times and going out of the newspaper business.

"I never thought I'd do this," the white-haired editor mused recently as he sat in his office with his wife, Jeanne. "There's a world of satisfaction here. I don't think I'd have traded this for a job that made money."

But Stearns also has a strong love for Montana's history, and he's looking forward to the bicentennial spot with an eagerness as strong as his regrets at selling the paper. "This is something I really want to do," he said of the bicentennial job.

The two sides of Hal Stearns are readily apparent in the cluttered office he's occupied for more than three decades.

Like many newspaper offices, it's a maze of papers, notes, letters and back issues amidst a backdrop of presses and linotype machines.

What makes it unique are the walls. Almost every square foot is covered by pictures—faces of Montana politicians, past and present, sharing space with western art and reminders of Lewis and Clark.

Stearns, a two-term president of the Montana Historical Society, has written extensively about Chief Joseph and Lewis and Clark, including a book "On the Trail with Lewis and Clark in Montana," and has even conducted guided tours along the explorers' route. He's also an avid sports fan, former president of the University of Montana Alumni Association and UM Foundation and onetime unsuccessful legislative candidate. Years after his defeat, he concluded he'd rather "pick on politicians than be one."

Starting July 1, the Deer Lodge Valley native will have plenty of chance to pursue his interest in history. Officially, his title is executive director of the Montana American Revolutionary Bicentennial Commission, and his work will be similar to that of the 1964 Montana Centennial Commission.

"My job is going to be getting out and waving the flag and saying the 200-year birthday of our country is worth commemorating," he said.

But he doesn't plan to emphasize only history.

"You can't dwell on the past all the time—you've got to think of the future, too." He added he hopes Montana communities will mark the 1976 anniversary by doing "something more lasting than a Fourth of July parade." One suggestion: building memorial parks.

He expects the job will keep him busy, especially because Montana has less money than some other states and is "a little behind" in planning its commemoration.

But being busy won't blunt completely the impact of giving up the Times (circulation 2,000) and weekly Eastern Montana Clarion (circulation 750), the Ryegate newspaper he edits and prints in his Harlowton shop.

A UM journalism graduate, Stearns got his start at the Havre Daily News and bought the Times in 1940. Shortly thereafter, he left for the Navy, and his wife, a former teacher, took over the editor's chair.

She relinquished it when Lt. Cmdr. Stearns returned from the war, but she's been active in running the paper ever since, and Stearns says he couldn't get by without her.

Mrs. Stearns confides she may be sorrier to quit than her husband. In addition to raising seven children, she sells advertising, handles many of the business chores and help write stories.

During their years in Harlowton, the Stearns have been a voice in the community and often found themselves embroiled in local controversies. That, along with the writing, is what Stearns says he will miss most.

"You never get a monument or tablet, but you see progress made, and you get a big charge that maybe you had a little something to do with it," he said.

However, Stearns will be less reluctant to give up the business end of newspapering, which he complains "drives you up a tree" and limits time for more desirable pursuits like writing columns. "You just get snowballed with it," he said.

It's part of weekly newspapering, however, and it's one reason Stearns' successor will be longtime Harlowton Times Shop Supt. Gerald Miller instead of one of the easterners interested in the paper.

"About a year ago I toyed with the idea of selling the paper, and it's surprising how many people were interested," he recalled. "All of them were good journalists, but here you've got to be the damnedest kind of jack of all trades. Boy, I learned the hard way."

"I looked at all these people and I just felt that somebody who's aware of the scene should carry on," the editor added.

The sale of the papers isn't likely to still Stearns' typewriter, however. He talks wistfully of writing about the changing times and changing politics of Montana and jokes of writing a community expose—"where I'm going to tell all and move to Madagascar and leave no forwarding address."

He isn't serious about that project, of course, but he probably could do it. We've learned a hell of a lot of things we shouldn't know," he grinned.

For now, however, historian-editor Hal Stearns faces the more immediate task of cleaning out his office.

"You know," he said as he sifted through the papers, pictures and momentoes in his office, "by the time I get through here, this office will look pretty naked."

Stearns is leaving one love for another, and it doesn't come easily.

[From the Great Falls Tribune, June 20, 1973]

BICENTENNIAL DIRECTOR

Harold G. "Hal" Stearns, recently named executive director of the Montana American Revolutionary Bicentennial Commission, will do an outstanding job trying to make the bicentennial program a success

Stearns. who sold his weekly newspapers at Harlowton and Ryegate to devote his time to the Bicientennial Commission position. is a natural for the job. He has had a lifetime interest in history, particularly of Montana history, has beeen a two-term president of the Montana Historical Society.

Stearns approaches the Bicentennial Commission with a refreshing outlook. He doesn't want the Bicentennial program to concentrate on the past so much it loses touch with the present or the future. He hopes Montana communities will mark the 1976 anniversary by doing something more lasting than Fourth of July parades. He thinks memorial parks could be built as a lasting mark of respect for the nation's birthday anniversary.

While Stearns will be a dedicated and hard-working executive director for the commission, the bicentennial program in Montana won't have a chance to be successful unless he gets all-out cooperation from all Montanans. The program and Stearns deserve that cotoperation.

HOWARD PHILLIPS POSSESSES RARE AWARENESS OF PROPER ROLE OF GOVERNMENT

Mr. HELMS. Mr. President, as an unabashed economic conservative, I have always been deeply skeptical of the ability of the Federal Government to solve the private problems which citizens can and should solve for themselves.

There seem to be few individuals in Washington who understand that Government is a blunt instrument. A wise man has written that government can do only two things—it can wage war and inflate the economy. Beyond that, it is biting off more than it can chew.

So, Mr. President, I know you will understand my appreciation for the efforts of Mr. Howard Phillips, the Acting Director of the Office of Economic Opportunity, who left that post this week.

Mr. Phillips understands that the Federal Government can not be a cure-all for every ailment, real or imagined, that people have. Furthermore, Mr. Phillips understands that socialism, by whatever fancy name it may be given, is the disease for which it pretends to be the cure. This is a fact of life often ignored by many of our elected leaders.

Howard Phillips is truly a remarkable young man, with a maturity of action and though far beyond his years. He understands that perhaps the most important task in the United States today is to instill an awareness of the proper function of Government into the consciousness of the American people and its elected leaders.

Mr. President, in a statement issued on June 26, Mr. Phillips demonstrates why he, in no small way, represents the kind of thinking sorely needed in our Nation's Capitol. Mr. Phillips said in part:

> Believing that social progress can be measured by the condition of individual liberty and opportunity, it has been our constant objective to advance policies which enhance regard for the rights of the individual and which strengthen the power of the individual to direct the course of his own life—not by empowering others to speak in his name, or to act in his behalf—but by directly extending the opportunity for choice to the individuals concerned.

It is my conviction, Mr. President, that all Americans who believe in those principles upon which our Republic was founded owe a sincere debt of gratitude to Mr. Howard Philllips. He has served with dedication and distinction.

GOVERNMENT'S ROLE IN WELFARE ASSISTANCE

Mr. NELSON. Mr. President, recently, the Honorable Milton J. Shapp, Governor of Pennsylvania, in speaking to the City Club of Cleveland, reaffirmed the philosophy which sees government actively providing many kinds of assistance to those who are unable to provide for themselves.

In that regard, the Governor pointed out that Senator MONDALE professed the same views in a recent article in the New Yorker magazine. The speech by Governor Shapp and the New Yorker article both provide us with insights into the efficient and effective means of providing Government services which get the maximum for every dollar spent, but which also keeps the Government as an active, intelligent partner in our search for economic and social justice for all Americans.

I ask unanimous consent that the text of Governor Shapp's remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF GOV. MILTON J. SHAPP AT THE CITY CLUB, CLEVELAND, OHIO, MAY 25, 1973

Last week, two interesting statements were made by two leading Democrats on the national scene concerning the role of government in helping people.

If you will pardon the reference, one of those statements was made by me as Governor of the Nation's third lalgest State.

The other was made by Senator Walter Mondale of Minnesota, considered by some to be a leading candidate for the Presidency in 1976.

On the same day that Senator Mondale's interview was appearing in the New Yorker Magazine, I was speaking to the Second Annual Human Services Forum of Pennsylvania in Pittsburgh.

Both statements are strikingly similar in tone and content, despite the fact that neither he nor I knew what the other one was saying at the same time.

The reason they are interesting is that both statements challenge the current conventional political strategy that government should begin to dismantle many of the social programs which have come into existence during the last forty years of the Nation's history.

The question naturally arises: Why should a Governor who may stand for re-election next year, and a Senator who may be a Presidential candidate, take positions which are apparently so politically unpopular?

Consider first one of the statements made by Senator Mondale:

"I believe," he said, "that the Federal Government has a fundamental role in delivering services to people who are overwhelmed by problems that they can't handle themselves: hungry children, and children who need to be educated; people who are handicapped, mentally ill or retarded; people who have special learning difficulties; people who can't find work; old folks who can't care for themselves.

And then, he continued, "There is a need for social programs that deal with the environment, transportation, and a whole range of human problems in which I think the Federal Government has an indispensable role—leading, and helping to find national solutions."

Now, consider my own statement at Pittsburgh on the same day:

"I cannot, and will not, close my eyes to the poverty, ignorance, disease, discrimination and the breakdown of services which I see all around me.

"It is my unshakable belief that we share a common responsibility to alleviate the desperate human hardships of those who cannot help themselves. The elderly widow who gets her only full meal every day at a Late Start Center does not belong to the social work establishment. She belongs to the community of this Commonwealth.

"The mentally retarded child and the mentally ill men and women who need care in a State facility are not drains on the taxpayer. Their continued care and ultimate cure are the marks of a civilized society.

"The delivery of better health services to the poor, and to our rural communities, is not another big spending bureaucratic boondoggle.

"It is a recognition of the fact that this Nation, for too long, has tolerated shoddy, second rate health care for millions of its citizens who must live side by side in squalor next to the greatest affluence the world has ever known."

I need not reiterate the fact such talk is not the conventional political wisdom today.

In fact, our most successful politicians today are conducting a general assault on government programs for people.

President Nixon's budget is the perfect example of this trend.

His budget not only cuts back on the amount of Federal dollars available.

It also demands that on-going programs be scrapped in favor of an entirely different approach called special revenue sharing.

In Pennsylvania, our two largest cities are run by Mayors whose popularity is based primarily on their opposition to taxes.

In Philadelphia, Mayor Rizzo vowed, during his campaign, that he would never raise taxes. He hasn't done so. But both the schools and city services are in deep trouble.

In Pittsburgh, Mayor Flaherty was recently renominated for a new term by getting the nominations not only of the democratic but also of the republican and constitutional parties, assuring himself of re-election.

Mayor Flaherty's principal accomplishment in three and a half years has been a reduction in local taxes, while many civic leaders and others claim that services in that city have declined to the point of no return.

The general interpretation of his unprecedented victory has been above all that the voters don't care about programs and services but want their taxes reduced.

No doubt, the high cost of living, due to run away inflation and high rates of taxation, have driven the vast majority of Americans into a generally negative attitude toward government financed programs in Health, Education, Welfare and Social Services.

Unfortunately, some public figures have

capitalized on this trend and have thereby intensified it.

As I noted in my Pittsburgh address, "programs are attacked, not on their merits, but on the basis that bureaucratic red tape makes them cumbersome and inefficient.

"In the name of economy, genuine human needs are being neglected.

"A general impression has therefore been left with the public that its tax money is being wasted to pay the high salaries of a lot of bureaucrats while very little benefit trickles down to the needy."

In his New Yorker interview, Senator Mondale made much the same point: "The President's attack," he said, "has not been one of reform, it's been one of fundamentally assaulting the whole notion of the delivery of services to people who need them.

"As a matter of fact," he continued, "here's a very disturbing notion that I find which somehow suggests that in our free society we're incapable of efficiently and effectively delivering essential services through government employees."

Senator Mondale has hit upon the essential difference between those of us who would continue to help people and those who would dismantle the delivery of services.

We, who would defend government involvement in human programs, are today taking a long, hard look at their value.

We, who would defend government involvement in human programs, are today taking a long, hard look at their value.

We are actively rooting out inefficiency and indifference within the bureaucracy.

But we draw the line at eliminating programs which have merit simply because they cost money. I do not hestitate to ask my legislature for additional funds to expand worthwhile programs.

At the same time, however, I spend a major portion of my time seeking to curb administration costs of delivering these programs to the people, and I will not hestitate to slash any program which does not produce.

Take, for example, one of the major burdens of any state government today, the operation of the welfare system. Welfare should be reformed on the National Level.

Washington should take it over and lift the burden of the program off the backs of the states and streamline it.

But that won't happen overnight, even if the present administration in Washington could develop a capable plan which I happen to believe is beyond their desire or capability.

So, in Pennsylvania, we have embarked on a major reform of the operation of the welfare system in our State.

When I came into office, the welfare system was completely out of control.

Fraud and duplication were rampant in the payment of welfare checks because the previous administration took just about everybody's word when they came in and said they qualified.

We have instituted a system whereby welfare checks are not delivered through the mail but distributed through local bank branches so that recipients themselves must come to the bank, with ID cards, in order to receive their checks.

The system has reduced fradulent and duplicate, lost or stolen checks virtually to zero in the areas where it is in effect.

The taxpayers of Pennsylvania will save because of the reduction in administrative costs and elimination of fraud and duplication, not at the expense of less fortunate citizens.

The banks are excited about the program because it gives them the opportunity to become involved in public service while potentially attracting new customers.

The welfare department is happy because they are no longer being accused of running an inefficient system.

The recipients are cooperative because those with genuine need know that they will receive their assistance without being branded as frauds.

And I am happy because the system is helping to redeem my pledge to put the operation of government on a businesslike basis.

In addition, our Welfare Department has a crack team of special investigators in a program called project SWEEP, which goes from county to county combing the welfare rolls of ineligibles.

The net result of this activity, is that the welfare rolls in Pennsylvania have been slashed by more than 70,000 individuals in a single year, and the trend is still downward despite a national trend upward.

This is the type of economy that gets results.

In contrast, in many other states, actions have been taken to cut welfare grant levels or to exclude certain classes of people from eligibility.

This seems to me a meat axe approach. Cutting grant levels is only going to drive people on welfare deeper into the poverty cycle in the midst of inflation. And cutting people from the rolls for any reason other than ineligibility needlessly excludes the needy from assistance.

Our program retains all the good features of the system while getting rid of the fraud and inefficiency.

As a result, we recently held a national conference on this system in Harrisburg where 49 other states sent welfare officials to study our system and examine the feasibility of setting up a similar program at home.

What I am saying is that you don't have to cut the heart out of essential programs in order to deliver on economical government.

At the same time, we have been active on the consumer front. My Insurance Commissioner, Herbert Denenberg, is gaining a national reputation as an advocate of the consumer.

He has been especially successful in urging reforms upon the medical insurance practices of Blue Cross and Blue Shield.

In the Philadelphia Area, for example, his reforms have resulted in a $50 million a year saving for Blue Cross subscribers and this is not an idle figure thrown around by us but a judgment made after independent analysis by the Philadelphia Inquirer.

Similar efforts are being made in the areas of milk prices, liquor prices, and monopolistic practices on the Pennsylvania Turnpike.

Simultaneously, we are investing more public funds in such areas as Drug and Alcohol Control, the delivery of Health Services to the poor, and programs for the elderly.

As a result of our welfare reforms, and other cost-cutting measures, I have presented a budget for the next fiscal year which will increase expenditures for essential services, but generally cut fat and produce a tax cut of $157 million for individuals and business while enacting tax credits for the elderly, the poor and the disabled.

What both Senator Mondale and I are saying is that it isn't necessary to dismantle forty years of government program in order to please the taxpayer.

The thing to do is streamline those programs, cut unnecessary costs and red tape and shape services so that they are more meaningful to the people who receive them.

It's not an easy job. I found that out on the State level, and I know that the problem is much greater on the Federal level.

But it's the only answer.

We can't go on spending blindly as happened too often in the past several years.

But, at the same time, we can't fail to help the helpless.

The mistake that is being made by the President and by other politicians oriented toward the taxpayers' revolt is that they become too extreme in their solutions.

They get driven into a corner where government will soon become only a caretaker and each citizen is seen as one who gets back 110 percent of his tax money and lives in his own tight little island.

That's fine, unless he must depend upon public transportation, has children to educate, relatives who are sick, a brother who is mentally ill, a jobless sister with three children, a mentally retarded grandchild who lives in a high crime area, or one that is ravaged by disregard for the environment.

Public officials who slash services, cut programs and return tax money as the only priority of government categorize, by their actions, every American family as being perfectly healthy, economically solvent forever, living in the best of all possible housing, with two cars in the garage, with complete freedom from the environment, and immune to the ravages of inflation.

The real America doesn't look that way to me.

Michael Harrington's "Other America" didn't go away just because Richard Nixon was elected President.

It has only been pushed farther into the background by the benign neglect of indifference of unconcerned men and unconcerned government.

I believe we are reaching the point in our political life where the impact of Federal budget cuts and the single mindedness of those in government who believe only in cutting taxes will so dry up our community life that a general reaction is bound to set in.

If the excess of some past government actions has produced the present reaction, I believe that the excess of the present will produce an equal and opposite reaction.

America has a crying need to make honest public investment in its people, its resources and its transportation systems.

But even if the political cycle does not change and even if such thinking continues to be politically unpopular, some of us will continue the fight simply because it is the right thing to do.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I would like to report that, according to current Census Bureau approximations, the total population of the United States as of Sunday, July 1, 1973, is 210,869,908. In spite of the widely publicized reductions in our fertility levels, this represents an increase of 1,578,734 since July 1, 1972. It also represents an increase of 129,317 in just the last month.

Over the year, therefore, we have added enough additional people to fill four cities larger than the size of Newark, N.J. In just 1 short month, we have added enough people to fill two cities larger than the size of Boulder, Colo.

SPACE PROJECTS

Mr. STEVENSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement and insertion by the distinguished Senator from South Dakota (Mr. ABOUREZK).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR ABOUREZK

I think it is significant that the growing lists of benefits from our unmanned space efforts, even in light of the recent Skylab launch, continues to overshadow the benefits obtained through manned space in both numbers and applicability to direct human needs. Yet, the budgets of the two categories of space activity are in totally reverse proportion. Manned Space projects continue to demand over 60% of NASA's total budget. This year alone, manned space flight is being funded with almost ten times the amount now requested for Space Applications. In times such as these, when manned space missions are supposed to be phased down, NASA still persists in spending a dime for every penny it spends on space applications. Yet, according to NASA's own plans, the worst for Applications is yet to come. In the next five years, that penny will shrink to less than one half of what it is today. In 1978, by NASA's own figures, only 74 million dollars will be requested for applications compared to one and a half billion for manned space. I submit the following table which was sent to me earlier this year in NASA's response to my questions regarding the long term effect of the space shuttle on space science and space applications.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

FUNDING IMPLICATIONS OF FISCAL YEAR 1974 BUDGET

(Millions of dollars)

	Fiscal years					
Budget plan:	1973	1974	1975	1976	1977	1978
Aeronautics	151	171	159	142	128	117
Space science	679	584	483	413	335	256
Space applications	189	153	146	124	87	74
Manned space flights operations, Apollo, and advanced missions studies	957	582	345	226	218	218
Space shuttle	200	475	850	1,100	1,190	1,090
Space research and technology	65	65	65	65	65	65
Nuclear power and propulsion	17	4	4	4	4	4
Technology utilization	4	4	4	4	4	4
Tracking and data acquisition	248	250	254	254	254	247
Construction of facilities	77	112	150	100	80	70
Research and program management (Includes pay for all NASA personnel)	715	707	707	707	707	707
Total budget plan	3,302	3,107	3,167	3,139	3,072	2,852
Total outlays	3,062	3,136	3,231	3,219	3,145	3,043

What will be the benefit ratio in 1978? Can we still expect unmanned space programs to offer the know-how which NASA talks about when they demonstrate the direct benefits of applications in areas involving housing, transportation, health care and many other vital areas when the entire applications budget for programs like EROS, Nimbus, Tiros and many more receive only 1/40th of the NASA budget?

Mr. President, it is truly unfortunate that we cannot take a more responsible approach to the space budget than the one we have before us. I think that it is time that we recognize that NASA's raison d'etre is not merely to determine what man can endure in space; but, how space can be better utilized for man to endure at home here on earth. If we recognize that, then we cannot accept the continuing reduction of funds which are so earnestly needed in applications and space research. The Congress needs to demonstrate that in subsequent years, these areas of space endeavor cannot be made the scapegoat in NASA's budget. It is esesntial that a consistent level of funding of our unmanned space programs is maintained.

This year, space science and space applications are scheduled to lose over 131 million dollars. At the same time the space shuttle is gaining over 275 million dollars. Next year it is scheduled to gain over 400 million dollars more while unmanned space programs are deeply cut again. And we are being asked to appropriate this changeover—a changeover from programs which have proved beyond anyone's slightest doubt their worth to a program which may offer slight 20 to 30 year cost advantages.

A space shuttle which can only be used 40% of the time until an effective tug is built, which by NASA's admission will not be for many years to come.

A space shuttle which does not have even enough payload business in the next twenty years to justify its existence.

A space shuttle which threatens to join NASA with the Defense Department in its fiscal fiascos with budgetary embarassments such as the C-5A, and F-111, and the B-70.

The recent GAO report has given us some idea of how expensive this replacement will be. While NASA continues to insist that the shuttle will allow real cost savings, GAO has found that the cost per pound will amount to almost $1,000 more than our current expendable boosters which it is supposed to replace. The results of their fundings are summarized below:

	Current expenditures	New expenditures	Space shuttle
Total launch system cost for aggregate payload weight as scheduled in the 80 mission 581 flight model:			
Aggregate weight (mililons of pounds '79-90)	4.3	4.5	4.6
Total launch system cost through 1990 (in billions)	$13.3	$11.6	$16.1
Total launch system cost per pound of payload in orbit	3,100	2,600	3,500

Not only is there a need to question the need for the shuttle on economic grounds, there is now a real concern as to whether man even exist for long periods of time in space.

When Astronaut Joe Kerwin climbed out of the Skylab spacecraft after 28 days in space, his bloodpressure dropped to a critical level. He had lost muscle and tissue and his heart showed alarming deterioration.

It may be more than mere coincidence that Astronaut James Irwin suffered a heart attack less than a year after his Apollo 15 spaceflight. He was a tough, well-exercised man of 42 with no suggestion of any heart disease before he flew on his Apollo mission. Yet, during his flight, he developed some very questionable heart disturbances which were recorded only routinely. Now, a year later, he is recuperating from what NASA terms "cardiac arhythmua" which they admit could possibly have been space related.

Aside from these frightening lessons of past manned space flight, however, many unanswered questions have surfaced. Questions that call for answers before we spend billions of dollars on this program.

Accordingly, some extremely cogent arguments have been raised in opposition to the shuttle by some prominent scientists of many of our most respected science organizations. I would like to summarize those arguments for the record and urge my collegues to be mindful of these arguments in determining the NASA appropriations for 1974.

1. An excellent family of well-developed and reliable launch vehicles for space flight already exists. This family includes the four- or five-stage Scout; Thor/Delta; Atlas/Centaur; Titan IIIC/Centaur; Saturn IB; Saturn V; and various combinations including addition of the upper stage TE364, etc. The foregoing vehicles are altogether adequate to perform all of the scientific and applicational missions of NASA that are responsibly foreseen for the next decade and beyond. Such missions include heavy, low altitude earth-orbiters; eccentric and high altitude earth-orbiters (including those in synchronous orbit); interplanetary flights; lunar-orbiters and landers; and planetary fly-bys, orbiters, and landers.

Hence, there is no clear need for a space shuttle.

2. Analyses of the cost-effectiveness of the shuttle are contestable as to accuracy and validity. Uncertainties in basic assumptions are so great that, even over a reference period as long as 12 years, the claimed cost advantage of the shuttle over expendable boosters is *uncertain* by an amount exceeding its magnitude. Any lesser reference period is, of course, less favorable to the shuttle because of its developmental cost.

3. The long-term cost advantage of the shuttle, if any, is crucially dependent on the assumption of substantial savings by the recovery, refurbishment, and reflight of payloads. This assumption has some plausibility for routine surveillance satellites of the Department of Defense but is probably invalid for most NASA and other non-NASA payloads because of the scientific and technological obsolescence that occurs during the several-year lifetime of such payloads in orbit, and further because of the impracticality of recovery of interplanetary and planetary spacecraft.

4. No really significant, unique requirement for the manned sortie mode in either scientific or applicational work has been identified.

5. The merits of the shuttle appear to be appropriate only to the concept of regrowth of the civil space effort to a greater-than-$4 billion annual level during the next decade. If such a regrowth including extensive manned flight activity could be responsibly foreseen, then the shuttle might be a rea-

sonable component of the national effort in space.

6. Under the foregoing expectation, continuation of the space shuttle development will progressively degrade the capability of NASA for producing new scientific knowledge and for applying space technology to a wide variety of direct human needs in the areas of communications, earth resources, meteorology, navigation, etc. If continued over a decade this trend will virtually destroy the primary reasons for NASA's existence.

I am therefore opposed to further funding for the development of the space shuttle until it can be proved that its value far outweighs these serious shortcomings and will not threaten the very existence of the programs which have been the true bread and butter of the NASA programs since its inception over twelve years ago.

APPEAL FOR EQUAL JUSTICE

Mr. CASE. Mr. President, recently the Honorable Herbert J. Stern, U.S. attorney for the district of New Jersey, spoke to the lawyers division of the Anti-Defamation League appeal of the need to rethink, at least in part, our philosophy of crime control.

Mr. Stern put particular emphasis on the importance of "a system of justice which not only threatens substantial punishments, but which has the capacity to deliver them with a high degree of certainty" whether the perpetrator is wealthy and powerful, or poor and friendless. As he put it:

> You cannot persuade, you cannot require, you cannot compel the product of some ghetto culture not to commit petty larceny, when he sees grand larceny all about him.

As U.S. attorney, Mr. Stern, with the assistance of an able staff, has compiled an exceptional record in law enforcement. I commend his remarks to my colleagues.

Mr. President, I ask unanimous consent to include in the Record the text of Mr. Stern's speech.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address of Herbert J. Stern

(The views expressed herein are personal to the author and do not necessarily reflect the views of the Department of Justice.)

One of the most serious problems we face today is that in the mind of our fellow citizen, the scales of justice do not weigh true. "Law and Order" has come to mean one thing to the poor, the weak and the friendless, and quite another to the wealthy, the powerful and the well positioned.

Those poor, who are caught violating the law, too often must face a system of justice which denies them not only representation equal to the accused who are rich, but which denies them even the solace in the thought that every perpetrator, of every crime, has the same exposure to apprehension and detention.

I suggest to you that if the phrase "Law and Order" is not to become a term of oppression to those who have nothing, or an empty slogan to those who have everything, our society will simply have to do much better in its effort to bring the powerful, the positioned and the wealthy to justice.

We are going to have to rethink some of our philosophy of crime control, and certainly we must continually reevaluate our law enforcement institutions—and our attitude towards those institutions.

We must determine whether we have been emphasizing those considerations which bring us closer to equality before the law, or those which drive us farther apart.

For example, we hear much today about increasing the penalties for crime, with the attendant justification that increased deterrences will automatically thereby result in fewer criminals. We must reject such panaceas to our problems of crime control, for there are no panaceas, and such that are suggested only distract us from the main stream.

Penalties are indeed important. The fear of prospective punishment does play a role in deterring rational men from perpetrating crimes. But there comes a point when the mere elevation of penalty will have only a slight, if any, increased deterrence.

Take, for example, men contemplating a bank robbery. Suppose they believe that there is a slight chance that they will be caught, and that, if they are so apprehended, they will receive ten years imprisonment. They decide to commit the robbery because they do not believe they will be caught, and if we were to increase the threatened punishment from ten to twenty, or even thirty years, it would make little difference to these men because they simply do not believe they will ever have to face it. No man, acting rationally, will commit such a crime if he believes he is certain to be caught, even if the penalty is ten years, and no man will be deterred by a threatened punishment of life imprisonment if he does not believe he will ever have to face it.

Simply put, it does not really matter what you threaten a man with, if you cannot persuade him that you will be able to deliver it.

In the final analysis the only true deterrence to crime is "a system of justice which not only threatens substantial punishments, but which has the capacity to deliver them with a high degree of certainty."

This is no argument for lighter sentences across the board. Some crimes deserve very severe penalties simply because they merit them, and because such perpetrators *deserve* them. But it is equally important that we do not delude ourselves into thinking that every time we raise the penalty another notch we have automatically done something very useful in deterring that particular crime. This approach shifts the focus away from where it should be: What have we done to increase the degree of certainty of apprehension and detection of crime and criminals?

This is the major problems confronting those who have sought to battle white collar crime and the corruption of public office. We know that it abounds. It abounds in spite of the fact that every prestigious businessman knows, that a mere indictment will be a calamity to him, and every public official knows that a mere accusation against him will be a disaster. Yet, why has there been no great deterrence to such crimes or to such criminals, who have so much to lose by the mere disgrace of a charge, and for whom the prospect of jail is a catastrophe?

The deterrence has been weak, sometimes nonexistent, because such men are persuaded that under our present system of justice they will be able to avoid detection and apprehension.

When the mayor of the largest city in New Jersey, (Newark),[1] and the mayor of its second largest city (Jersey City),[2] when two consecutive mayors of Atlantic City,[3] and two Secretaries of State,[4] a State Treasurer (Kervick),[5] and others powerfully positioned steal from the public till, the nature of their crimes are no different from the common pickpocket, burglar or thief—but the position of the criminal is different.

He believes he will not be caught because he is, himself, in a position to influence, if not to actually control, the very processes of justice to which he ought, instead, be accountable.

Mayors do not generally need to fear a police department headed by their own appointees. Political bosses like Hague and Kenny did not fear apprehension by men whom they themselves appointed to the law enforcement apparatus like the Chief of Police of Hudson County—Fred Kropke.[6]

The wealthy, the powerful, the politicals, the well positioned will never be deterred by a law enforcement apparatus which they believe, rightly or wrongly, they can either control or can influence.

And yet, is it not more important by far that one bank president be deterred from embezzling $10,000,000.00, as in the case of the president of the Eatontown National Bank,* than that one bank robber be deterred from stealing $10,000.00? Is it not absolutely vital that we insure that those very men who make our laws, who administer our laws, who enforce our laws, that these men are honest men, or, at the very least, men who will be deterred from dishonesty.

The crimes such men can commit stagger the imagination, when measured only by the amounts of money involved, but they boggle the mind when one measures the losses in terms of citizen disillusionment and despair, the loss of credibility with the young, and the destruction of our very institutions when such crimes are committed by such men.

We must not permit our attention to be diverted from the almost overwhelming problems of bringing such men to justice; we must not concern ourselves only with increasing penalties for those who are already vulnerable, for if we do, we will do ourselves no service and we will only persuade others that we are not sincere.

Our office has been gratified by the stiff sentences which the Federal Court in New Jersey has dealt out to those who misused public standing, or violated constitutional oaths, with the venal purpose to enrich themselves, or their friends, or their party.

We have, of course, been occasionally disappointed, but sentences like the ten years imposed on the Mayor of Newark and the fifteen years imposed on the Mayor of Jersey City are amongst the strongest ever given for misuse of public office in this nation.

However, we do not delude ourselves. We applaud such sentences because we believe that they are *just*, *merited* and *deserved*.[7] We do not delude ourselves into believing that, by themselves, they necessarily deter.

After many years of pragmatic confrontations, in courtrooms and elsewhere, we have learned the lesson well: We will deter the crimes of the powerful only by convincing such men that we will surely catch "them" when they do "them" and that we will not hesitate to prosecute any one of "them"—without regard to person, position or party.

In the largest sense, however, we know that we are not providing any instant "cures."

In the final analysis, "the fear of punishment may deter some, the fear of exposure may deter others; but there is no real reforming power in fear or punishment. Men cannot be tortured into greatness, or into goodness."

These words were spoken by Robert G. Ingersoll, one of the greatest members of our profession who ever lived, and he spoke them before the New York Bar Association meeting, at Albany, on January 21, 1890.

He went on to say, before that prestigious body, 83 years ago;

"All nations seem to have had supreme

Footnotes at end of article.

*Douglas Schotte, former President of the Eatontown National Bank, now serving a ten year sentence in federal prison.

confidence in the deterrent power of threatened and inflicted pain. They have regarded punishment as the shortest road to reformation. Imprisonment, torture, death, constituted a trinity under whose protection society might feel secure."

There is much that Ingersoll spoke, then 83 years ago, with which neither I, nor you, I think, would agree. But this thought expresses, perhaps, the torment of our times as well as his:

"As long as children are raised in the tenement and gutter, the prisons will be full. The gulf between the rich and the poor will grow wider and wider. One will depend on cunning, the other on force.

Ignorance, filth and poverty are the missionaries of crime. As long as dishonorable success outranks honest effort—as long as society bows and cringes before the great thieves, there will be little ones enough to fill the jails."

To put it all in modern terms, you can threaten to inflict punishment, you can, in fact, inflict it upon the poor, the weak and the humble, but unless you can show them the actual, not just the vocal rectitude of the wealthy, the powerful and the prestigious, you will sow only hatred and rebellion, and we will all reap the terrors that such terrible seeds harvest.

You cannot persuade, you cannot require, you cannot compel the product of some ghetto culture not to commit petty larceny, when he sees grand larceny all about him.

How are we going to effectively advocate respect for law to some young man or woman who has seen only poverty, despair, filth and decay, when he or she learns that the mayor and the president of the city council of his very own city, Jersey City, the very men who trumpeted law and order, have a secret, numbered, joint bank account in Florida, with $1,231,000 in cash in it.[8]

What happens when "they" know that a former gubernatorial candidate (D. Louis Tonti) kept a special Swiss bank account for payoffs;[9] when "they" see the former speaker of the New Jersey Assembly (Moraites) leave the halls of that August Body, to the raucous cheers and applause of the members to begin serving a jail term in Federal Prison?[10]

I suggest to you, my fellow members of the bar, that if we will have law, if we will have order, then we are going to have to start by imposing them on the "top" of society, not on its "bottom", and that, in the end, the only true path to our imposing it on others, is by imposing it first upon ourselves.

I suggest that what we in the law have never been able to achieve by fear, or by threat, or by terror, we can, quite possibly, and possibly only, attain by our own example.

For all of us the choices are truly difficult ones; but the rewards are very great indeed, and the alternative is chaos.

FOOTNOTES

[1] Hugh J. Addonizio, United States Congressman, 1948–1962, Mayor of Newark, 1962–1970, convicted of extortion—presently serving a ten year sentence in Federal prison.

[2] Thomas Whelan, Mayor of Jersey City, 1963–1972, convicted of extortion—presently serving a fifteen year sentence in Federal prison.

[3] Richard Jackson, Mayor of Atlantic City, 1967–1969, convicted of bribery—presently serving a three year sentence in Federal prison.

William T. Somers, Mayor of Atlantic City, 1969–1972, convicted of extortion—sentenced to two and a half years, on bail, pending appeal.

[4] Robert Burkhardt, Assistant Postmaster General of the United States, 1962, Secretary of State of the State of New Jersey, 1962–1970, convicted of bribery—sentenced three years probation.

Paul Sherwin, Secretary of State of the State of New Jersey, 1970–1972, convicted of bribery—sentenced to one to two years, on bail, pending appeal.

[5] John A. Kervick, State Treasurer of the State of New Jersey, 1958–1970, convicted of bribery—awaiting sentence in Federal court.

[6] Fred Kropke, Chief of Police of Hudson, 1955–1971, convicted of extortion—presently serving a five year sentence in Federal prison.

[7] See, for example, the eloquent statement of United States District Court Judge George H. Barlow, at the time he imposed the ten year sentence on Addonizio and a ten year sentence on Anthony LaMorte, Director of Public Works for the City of Newark:

"These were no ordinary criminal acts. These crimes were not the product of a moment of weakness, nor were they inspired by any of the defendant's desperate financial circumstances, nor were they the result of some emotional compulsion. These crimes for which Mr. Addonizio and the other defendants have been convicted represent a pattern of continuous, highly-organized, systematic criminal extortion over a period of many years, claiming many victims and touching many more lives.

The criminal acts of these defendants were as calculated as they were brazen, as callous and contemptuous of the law as they were extensive. Nor can these defendants' criminal conduct be measured in dollars alone. It is impossible to estimate the impact upon—and the cost of—these criminal acts to the decent citizens of Newark, and, indeed, to the citizens of the State of New Jersey, in terms of their frustration, despair and disillusionment. How can we calculate the cynicism engendered in our citizens, including our youngsters, by these men? How does one measure the erosion of confidence in our system of government and the diminished respect for our laws occasioned by these men? These very men—or some of them—who, as governmental officials, inveighed against crime in the streets, while they pursued their own criminal activities in the corridors of City Hall.

Their crimes, in the judgment of this Court, tear at the very heart of our civilized form of government and of our society. The people will not tolerate such conduct at any level of government, and those who use their public office to betray the public trust in this manner can expect from the courts only the gravest consequences."

[8] Mayor Whelan and the President of City Council of Jersey City, Thomas Flaherty, who was also convicted of extortion and who also received a fifteen year sentence in Federal prison which he is presently serving.

[9] D. Louis Tonti, Director of the New Jersey Highway Authority, 1954–1971, convicted of bribery—presently serving a three year sentence in Federal prison.

[10] Peter Moraites, Speaker of the New Jersey Assembly, convicted of taking unlawful fees as a Director of a bank—sentence to sixteen months in federal prison, having completed his sentence is awaiting trial on other charges.

Applause for a Lawbreaker

It was enough to make you feel all warm inside.

Here was Assemblyman Peter J. Moraites, of Bergen County, fighting back tears, his voice trembling, saying goodbye to his colleagues in the legislature.

Mr. Moraites has had a small problem. It seems that some intemperate grand jury had the audacity to indict him for a little matter of 61 counts of law-breaking in connection with illegally accepting fees for arranging loans from his bank to poor-risk companies. He pleaded guilty on two of the charges and was sentenced to 16 months in jail, starting tomorrow.

But the N.J. Assembly is not one to let a minor thing like a breach of the public trust and violations of criminal law stand in the way of its friendship for a swell fellow. So touched were they that the entire assembly rose and applauded him for several minutes as he left from the chamber. He's their kind of man, Mr. Moraites is.

It tells you more than you really want to know about the channels that the minds of our legislators run in. "Old Pete just made a little mistake," they might have said.

Well, as much as we might well be able to understand the sincere personal feelings involved on the part of some who have known and worked with Mr. Moraites, the public spectacle presented on Monday was something else again. As people who make the laws of our state, legislators are supposed to have a little respect for those who uphold those laws and a bit of distaste for those who break them—particularly when that lawbreaker is one of their own.

Can the legislative representatives who applauded the jail-bound Mr. Moraites blame their constituents for wondering why a criminal offense warrants applause and also wonder about the values of those responsible for that applause?

PORTLAND, MAINE, MODEL CITIES PROGRAM IN CHILD CARE

Mr. HATHAWAY. Mr. President, I should like to say a few words in behalf of the model cities program. This program has brought substantial benefit to the communities in which it has operated.

In my State of Maine, we have two model cities programs, one in Portland and one in Lewiston. Both have, in their years of operation, sponsored and assisted a wide variety of projects which have improved the lives of the people in their communities. They have established a substantial record of achievement, which deserves public recognition.

Last year, in October, a national conference on "Lessons Learned From Model Cities" was held in Chicago. The purpose of the conference was to present for the public record the successful achievements of the model cities program. From the 1,470 projects submitted from across the country, two of Portland's were selected as among the best. Due to cuts in the Federal budget, money was not available from HUD to publish the best presentations.

I feel there should be public recognition of the achievements of the model cities program. Accordingly, I should like to ask unanimous consent to have printed in the Record a description of the accomplishments of the Portland model cities program in the area of child care. Because this presentation was prepared last October, it does not reflect the most recent developments in the child care field. What it does most clearly is to give a valuable insight into the many ways in which model cities resources have been used to make valuable contributions to the community.

There being no objection, the report was ordered to be printed in the Record, as follows:

Social Service Workshop on Child Care

(By David Bittenbender, Executive Director, Child Care Coordinating Committee, Portland, Maine)

Portland, Maine is tied into a large, rural, tri-county child care coordinating (4–C) program of which Model Cities is a small portion. At the moment the primary focus lies within the Model Cities program and that is where the greatest effort is being expended. Therefore, Model Cities is funding 15% of the child care programming costs at an annual cost of $30,000.

Initially, the project operated under the United Community Services and the Bureau of Human Relations Services—two private agencies located in Portland. After a year, due to the advantages in using Title IV–A funds of the Social Security Act, sponsorship was transferred to the Maine State Department of Health and Welfare.

Maine has 2,200 licensed day care slots—1,700 in the area where the tri-county 4–C functions. There are seven day care centers in three different physical locations. No one center serves more than sixty children in one building. In addition, there are two family day care home projects which aim to serve another one hundred children. Currently there is a shortage of fifty homes to serve those children due to licensing problems.

A Shared Core Services program provides for coordinated transportation, medical, dental and psychological supportive services for approximately six hundred child care slots. The dental service covers 5,000 children totally, including those in the day care program as well as their sibling. This program also includes other children in the Model Neighborhood. It is hoped that eventually parents might also be included in this program.

In addition to Shared Core Services, one other Model Cities funded project is being coordinated to service all the day care programs, homemaker services and three neighborhood centers involved in the Model Cities and around the Portland area. A Human Services Skill Training Center that began last year provides training, at least initially, to entry level and para-professional staff, from which it is anticipated a career ladder will grow. (Career development is one area in which Portland is weakest).

4–C is also involved in working on lunch programs—coordinating the planning process in that area and developing funding proposals through the Model Cities system.

Funding for the Portland 4–C program has come directly through the Model Cities program with quite a few other smaller sources. 4–A funds have been used to match the entire package.

Some caution must be exercised when use of IV–A funds is being considered. The supposed magic formula of receiving three federal dollars for each dollar obtained locally doesn't necessarily work that way. A lot depends on the specific state plan. Program eligibility under various welfare titles is determined by the state. Group determination for Model Cities residents has made it easier. Maine has the second highest standard of eligibility which makes a lot more families eligible for services—not grants, services.

Another problem in use of Title IV–A funds, for some states, is that they lack legislation and fiscal procedures which would allow them to utilize these services. These states should seek technical assistance, compare state plans and see how to move toward utilization of this resource.

Legislation currently coming out of Washington will almost assuredly put a ceiling on IV–A funds. Each state will have to determine how much money they will have to work with. Maine will have a $12.2 million ceiling. It is already spending almost every dollar of that, so one of the problems it will have to face is expansion—it will be severely limited.

The 4–C Planning Project recognizes that Model Cities is a demonstration program with but one more year to go. Therefore, they are trying to reduce the dependence on the 15% funding contribution made by Model Cities as much as possible.

Model Cities has contributed to the success of the 4–C Planning Project in several ways. In the use of IV–A funds, it allows for group determination (anyone in the Model Neighborhood considered low income and eligible for service) which makes it far easier than putting people in the position of having to "pass" the degrading means test for eligibility. Model Cities has also provided many local citizens (professionals and lay people alike) the opportunity to increase their effectiveness in working through the maze of local, county, state and federal programs and to become better acquainted with legislative processes.

The comprehensive planning required in the Model Cities process has allowed for defining problems on a *local* level, and for taking that particular community's unique differences (such as geography, political, climates, etc.) into consideration when planning a service to meet those problems defined. Planning was not restricted by constraining, dogmatic guidelines dictating kinds of services which could be provided, to whom, on what basis, etc. The necessary latitude existed to allow those involved in the planning process to learn how to develop projects to meet their particular needs. The 4–C Planning Project found that confidence generated through the Model Cities review process has contributed to a better spirit of community and has lessened the feeling of competition among agencies.

Another lesson learned by the Planning Project is that the Model Cities process does not function in a vacuum. Areas outside the Model Neighborhood have directly benefited from the Model Cities process as it is set up, and the planning that is necessary.

Local priority setting based on the definition of problems as defined by their particular community is a vital concern of the 4–C Planning Project. Once a priority is established, it is essential that there is commitment to it. Due to the lack of new monies available and the necessity for reshuffling of old monies, well-established priorities are extremely important. The 4–C Planning Project sees a definite need for commitment to children in this country. For every dollar of public money spent on children in this country, nine dollars are spent on senior citizens—and senior citizens get very little. We have to go beyond our local priorities to those of our country and seek impetus for commitment to children.

Through the Model Cities process, citizen participation and evaluation have led to definition of problems and gaining recognition of them. The 4–C Planning Project found community involvement to be a strength. In the third planning year, planning and implementation were the responsibility of the professionals—they were three months late. In the fourth planning year, there was much heavier consumer involvement, particularly on the part of parents, other individuals in the community and repersentatives of agency boards. They were involved at all stages of the Model Cities process (city, county, etc.) and then with the state. They learned as much as the professionals know and were able to meet the implementation deadline. That in itself demonstrates the viability of consumer involvement. Consumers are becoming involved in areas where they were formerly uninformed and have become a vital asset in planning, implementation and actual operating of services.

THE QUIET MAN BEHIND THE TAX LAWS

Mr. BEALL. Mr. President, the June issue of Dun's, a financial magazine, contains an excellent feature on one of the finest public servants in the Congress and the country.

This article focuses on Dr. Laurence Woodworth, who is chief of staff of the Joint Committee on Internal Revenue Taxation. Larry Woodworth is a professional's professional, who is dedicated to making our tax system and its administration as equitable as possible.

While the press will provide considerable coverage to those individuals whose atcion and judgment undermine the public's confidence in government, and this may be necessary, Dr. Woodworth, I would suggest, is more representative and typical of the dedicated and honest individuals who serve in government and in the Congress.

Larry Woodworth, I am proud to say, is a Marylander and a constituent of mine and has received many awards in recognition of his exemplary service and extraordinary abilities. Because it is a deserving tribute to one of the finest staff members on the Hill, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Quiet Man Behind the Tax Laws

(No other civil servant in Washington has the clout of Laurence Woodworth. Neither, in fact, do most politicians.)

When the 25 members of the House Ways and Means Committee gather around the curved rostrum in the high-ceilinged hearing room of Capitol Hill's Longworth Building to take testimony on tax legislation, a slight, bespectacled man with a graying mustache is always seated against the wall just behind Chairman Wilbur Mills. As the hearings proceed, the man constantly gets up, walks the few paces to the Chairman, and whispers in his ear.

Months later, a similar scene unfolds on the other side of the Capitol. At the Senate Finance Committee hearings to shape the upper chamber's version of the measure, the same unobtrusive man can be seen whispering into the ear of Chairman Russell B. Long. And when the five senior members of each Committee go behind closed doors to reconcile the House and Senate versions of the bill, there once again sits the mild-mannered man.

The man is Laurence Woodworth, the Chief of Staff of the Joint Committee on Internal Revenue Taxation. Never heard of him? Neither has hardly anybody else not intimately connected with the inner workings of Congress. Yet for nearly three decades, every major tax bill passed by the Congress has been stamped with the imprint of the 55-year-old Woodworth. "Larry Woodworth," says John S. Nolen, a Washington tax lawyer who served as Deputy Assistant Secretary of the Treasury for tax policy in the first Nixon Administration, "is one of the most important men in Washington. He has played a major behind-the-scenes role in shaping every tax measure since the 1940s."

To some extent, of course, a man in Woodworth's position is expected to be self-effacing. He is, after all, a civil servant, not a legislator. But even in the halls of Congress, where staffers are expected to be the eyes and ears of the men they serve and keep their mouths shut. Woodworth's modesty is extreme. He is known never to take credit for any piece of Committee business—although obviously responsible for much of it—always giving credit to a Committee member. He is also notorious for resisting interviews, and even after granting one to DUN's, it took a half-hour of coaxing before he would allow his picture to be taken. Then when his secretary handed us a copy of his official biography, Woodworth instructed her to first tear off an item on the bottom. That item revealed that Woodworth has won the coveted U.S. Civil Service League Award and the $10,000 Rockefeller Award, which is often called the "Nobel Prize" of the civil service. Chuckles Thomas Martin, a top tax lawyer for the American Petroleum Institute who knows Woodworth well, "I think Larry was a little embarrassed by the Rockefeller Award because the money was tax free."

AN ALTER EGO?

What makes the unassuming Woodworth so powerful stems first of all from the power of the men he serves. While he ostensibly works for 41 members of the Ways and Means and Finance Committees, his real bosses are Wilbur Mills and Russell Long, who rotate annually at the helm of the Joint Committee (it is Mills' turn this year). And in the final analysis, the man he must really satisfy is Mills. Since all revenue measures must originate in the House, the Ways and Means Chairman always plays a greater role in tax matters than his Senate counterpart. Moreover, Mills has few other legislative interests than taxation; Long has many other Senatorial concerns, including small business and the merchant marine.

In fact, the enigmatic, soft-spoken Woodworth, who comes from Ohio, is sometimes described as a Northern version of his mentor from Arkansas. Both are closemouthed and cautious, and rarely tip their hand. Having worked together on tax matters for nearly three decades, each man instinctively knows what the other thinks about virtually any aspect of the internal revenue code. "Woodworth and Mills seem to think so much alike," points out Herman Schneebeli, Ways and Means' ranking Republican, "I don't know who influences whom more."

Some of the newer members of Ways and Means and Finance figure that Woodworth simply knows what Wilbur Mills wants to do and then works towards that end. But those who have watched this relationship over the years take a different view. "The people who think Larry is merely executing the Chairman's wishes have it all wrong," says former Representative John W. Byrnes, who put in two decades as a committee member before retiring from Congress last year. "Sure, he tends to support Mills' position. But it was probably Larry's position in the first place."

Mills and Woodworth are so close that when the Chairman is too busy to keep a speaking engagement, he just sends Woodworth in his place. It was Woodworth, substituting for Mills at Harding College in the Chairman's Arkansas district, who shook up the White House in 1969. Reading the Chairman's speech, Woodworth stated that Ways and Means would not go along with the White House request to extend the surtax unless the budget were cut still further. It was.

Although Congress has been Democratically controlled for most of Woodworth's tenure, he goes out of his way not to show partisan preference. He is not registered in either political party, and even his closest friends do not know how he votes. "I can't guess how he votes," says Wilbur Mills. "He goes out of his way not to let on."

One Congressman recalls the time a few years ago when the Johnson Administration's tax program was being presented to the Ways and Means Committee. As the proposals were being ticked off, a new staff member kept nodding his head and smiling. Suddenly, he felt a sharp jab in his ribs. "Stop smiling and nodding," rasped the usually even-tempered Woodworth, "you're working for the Joint Committee now."

So successfully has Woodworth managed to remain nonpolitical that if the Republicans took control of Congress and Pennsylvania's Herman Schneebeli and Utah's Wallace Bennett took over from Mills and Long, nobody believes they would replace Woodworth. "They would need him more than he needed them," says one of Woodworth's staffmen.

POINTING OUT THE OPTIONS

Much of Woodworth's influence, then, stems from the nature of his job. As Chief of Staff of the Joint Committee, he holds the most powerful and, at $40,000 a year, the highest-paid staff position on Capitol Hill. It is the job of Woodworth and his staff of some two dozen lawyers, economists, accountants and statisticians to microscopically examine every item in a proposed tax measure. This not only involves estimating the revenue gain or loss, but determining precisely how much will be gained or lost by the various income brackets and, in the case of business taxes, individual industries.

Woodworth, moreover, plays a major role in drafting that legislation. Sitting in his cramped basement office in the Longworth Building, adorned only with pictures of long-forgotten Joint Committee chairmen along the walls, Woodworth describes his role simply. "It is my job," he says, "to point out the options to the members. They write the tax laws; I don't."

Maybe so. But long before a tax measure is even presented to Ways and Means, the Treasury Department's tax experts consult him on every provision of the bill they are putting together. Says a member of Woodworth's staff: "Stan Surrey [the top Treasury taxman in the Kennedy and Johnson Administrations] and Eddie Cohen [who held the same post in the first Nixon Administration] always went over a bill with Larry before sending it up. And so does Fred Hickman [Cohen's successor]."

None of these men deny that they consulted Woodworth. But they refuse to pinpoint any changes that have been made in tax proposals as a result of these deliberations. According to other sources, though, several changes that the Treasury made in its 1971 tax recommendations were the result of Woodworth's suggestions. Specifically: The investment credit was not denied to used machinery, saving untold millions for small companies that cannot afford new equipment, the repeal of the auto excise tax did not include heavy trucks—a heavy blow to the nation's truck manufacturers, the proviso permitting the creation of short-term trusts for deepndents was tightened so that the wealthy could not set up transitory arrangements to avoid taxes; the proposed statute governing Domestic International Sales Corporation—popularly known as Discs—was redrawn so they could not be used as a tax loophole for companies doing business overseas.

Woodworth, of course, would never admit to being responsible for those provisions. His only comment, "I generally know what Treasury is going to propose beforehand because of the questions its staff asked me along the way."

The Treasury's taxmen are, however, not free agents. For whatever they recommend must ultimately be cleared by the President. So even if they are convinced that Woodworth is right, or believe it is more politic to go along with him on a point, they can be overruled by the White House. At that point, the Treasury comes before the Committee with its views. But if Woodworth disagrees, he quietly points out to the members what the flaws are. "When Larry has differences with the Treasury," says Wilbur Mills, "Larry is usually right."

Woodworth also had a major influence on the massive 1969 tax-reform act. While the 1964 law brought the maximum tax rate down from a confiscatory 91% to 70%, Woodworth felt that this was still too high. To the relief of top-bracket executives, he devised the idea of 50% maximum tax on earned income. But Woodworth is not only a master of the Internal Revenue Code; he is also very conscious of the political realities. To pass tax relief for the upper brackets without something for middle and lower-income wage earners would have been politically impossible. So he devised a package that included a raising of the standard deduction from 10% to 15% and a low-income allowance for the poor. "A lot of people's ideas went into it," says John Nolen, "but it was Larry who put together the package. It was an ideal combination of what should be done and what could be done."

THE NEW TAX BILL

Right now, the Ways and Means Committee is hard at work drafting another major tax bill that could significantly affect such things as capital gains, estates and gifts and the always thorny question of tax shelters—all of major concern to top-bracket executives. Business is further concerned about what changes will be made in depreciation schedules and the investment credit, as well as the tax liabilities of multinational corporations.

Larry Woodworth obviously has a very good idea of what is ahead for executives and industry. But, needless to say, he refuses to be drawn into any discussion of specifics. His only hint: "Over the years, the Committee has consciously narrowed the gap between the rates on earned income and capital gains. This trend could certainly continue."

Narrowing the gap between the two—which would mean higher capital-gains rates but lower levies on earned income—would be a big step towards something Woodworth deeply believes in: tax equity. Although he is keenly aware of the need for investment incentives, Woodworth still fundamentally believes that in a perfect world, a given amount of income would be taxed at the same rates no matter how it is derived. "A guy with a $20,000 income should pay the same tax as any other guy with a $20,000 income," he argues.

Little known to businessmen, Woodworth and his staff also play a key role in corporate and individual tax refunds. Under the law, all refunds over $100,000 must be approved by the Joint Committee. Consequently, three Woodworth staffers are stationed at the Internal Revenue Service so that they can screen all of these major refunds. Whatever deciisons they make are then subject to Woodworth's approval. While copies of these decisions are routinely sent to the committee members, Woodworth is the final arbiter. The committee has never held a meeting to question a Woodworth refund ruling, and none has ever been reversed.

Many of these decisions—and these are hundreds of them each year—involve substantial sums for many companies. For example, over the years Woodworth has approved a $1.9-million refund for oil-equipment maker J. Ray McDermott, $3.9 million for Shell Oil and $3.8 million for Monsanto.

Woodworth also acts as a lightning rod for the Committee members, who are continually besieged by constituents to either help them settle their problems with the Internal Revenue Service or write a special provision into a tax law. What the typical member does is to shake the constituent's hand, sympathize with his problem, and then say that it is a very technical matter only Woodworth can handle.

There are times, however, when a Committee member feels that politically he must introduce a bill that will benefit an individual or a company in his district. These are controversial private bills that Ways and Means is particularly heir to. If it is a bad bill or an outrageous raid on the Treasury, Woodworth will advise the member to withdraw it. Although the diplomatic Woodworth will generally soften his views by suggesting that the bill might embarrass the member, everybody knows that his close relationship with Mills gives him virtual veto power over these private bills. According to Woodworth. "These member's bills have a worse name than they deserve. But," he adds, smiling, "I have knocked down a few of them."

Washington's top tax lawyers, fully aware of Woodworth's influence, are continually trying to get his ear. And except during the busy weeks when the Committee is marking up the final draft of a bill, Woodworth is generally available.

When the mining industry had a tax problem last year, it made Larry Woodworth's basement office its first stop. In writing the 1969 tax law, Congress somehow eliminated the carryback provision in the foreign tax credit for mining companies; thus, a company that had a loss in the current year could no longer apply it against a profit in a preceding year.

So last year, Fred Peel, the mining industry's tax lawyer, talked to Woodworth about restoring the provision. Woodworth voiced no objections to the change. So Peel got Oregon's Democratic Congressman Al Ullman to introduce it as an amendment to the House bill. While the entire tax measure eventually died in the Senate, Peel believes that the major hurdle against the change has been overcome. "Larry was the key," says Peel. "For if we went to Ullman or any other member to introduce it, they would have gone to Larry to ask his opinion. If he really objected, I don't think that there is a member of that committee who would have introduced the change."

THE MINISTER'S SON

Woodworth, a Methodist minister's son from Loudenville, Ohio has spent virtually his entire adult life working for the Joint Committee. With a bachelor's degree from Ohio Northern University and a master's in government management from the University of Denver, he joined the staff as a tax economist in 1944. By the 1950's he was the Number Two staffman under stiff-necked Colin Stam.

When Stam retired in 1964, Woodworth was the only man who was even considered for the top spot. By that time, he had added a Ph.D. in public administration from New York University to his academic credentials. But he was an anomaly in a legislative world in which virtually every Committee member and top staffman was a member of the bar. According to others, though, Woodworth's lack of academic legal training has never hurt him. "It doesn't matter that he didn't go to law school," says Thomas Martin. "Larry Woodworth is still one of the best tax lawyers in the country. If a statute has to be drafted, he can do it better than any lawyer.

Woodworth lives modestly in the house he bought 25 years ago in suburban Cheverly, Maryland, about a twenty-minute drive from his Capitol Hill office. Long active in civic affairs, he served as mayor of Cheverly, a predominantly working-class community, for five years. Since Cheverly politics are strictly nonpartisan, Woodworth did not have to run under a party label. "I wouldn't have run on a partisan basis," he points out. "Anyway, it gave me great exposure to the kind of political problems that confront the members of the Committee."

The Joint Committee staff, in fact, has a long-time nonpartisan reputation. Woodworth has a completely free hand in hiring staff members, and neither Long nor Mills ever send over anybody for a job. Nor does Woodworth ask a job applicant his political preferences. "If Larry has any ideology," laughs Stanley Surrey, who now teaches at the Harvard Law School, "it is keeping the Internal Revenue Code in good shape."

Other than his civic concerns, Woodworth has few outside interests. He rarely takes a vacation and, much like his boss Wilbur Mills, seldom takes a pleasure jaunt. While most of his friends are involved in tax work, he is exteremly careful not to discuss specific issues with them. "Larry is so wrapped up in his work," says Washington lawyer Fred Peel, who has known Woodworth for 25 years, "that he can't understand why people want to be off Saturday and Sunday when they could be sitting around talking about the tax system."

At this point Woodworth could retire on a generous government pension and take one of the lucrative corporate offers that are constantly dangled before him. It is an open secret around Washington that he has rejected an extremely high bid from General Motors. "He turns them all down," says John Nolen, "because money is not what motivates him. He would much prefer to influence the nation's future tax laws."

A long-time Woodworth goal has been to simplify the arcane tax code. But as a realist he knows that sometimes the code has to be further complicated to accomplish a worthwhile social purpose. This problem came to the fore in 1969 when the Administration wanted a proviso granting rapid amortization for both pollution equipment and rehabilitated housing. While Woodworth recognized that the aim was worthwhile he instinctively shied away from the idea of complicating the code still further. Over the years, he had seen other similar provisions written into law and then remain there long after the problem was resolved. So he suggested a five-year cutoff. "That five-year cutoff is pure Woodworth," says Eileen Shanahan, *The New York Times'* knowledgeable economics reporter.

While waiting for the tax system to arrive in Utopia, Larry Woodworth will continue to be the fulcrum of whatever changes are finally made in the Internal Revenue Code. For nobody believes that he will ever succumb to those high-powered corporate offers. "He has to cater to 535 egomaniacs [the members of Congress]," says Michigan's Martha Griffths, a member of Ways and Means. But this quiet man has more knowledge than practically all of them."

CHILD ABUSE

Mr. MONDALE. Mr. President, I would like to call to the attention of my colleagues an editorial which appeared in the Minneapolis Tribune on June 28.

The timing of the editorial was particularly appropriate, because it appeared the same day after the "Child Abuse Prevention and Treatment Act" was reported by the Senate Labor and Public Welfare Committee.

I am particularly pleased to know of the Tribune's support of this legislation, because I know that the people of Minnesota are deeply concerned about the problem of child abuse.

In both Hennepin County, which includes Minneapolis, and Ramsey County, which includes St. Paul, dedicated Minnesotans have been working with minimum resources to prevent, identify and treat child abuse. They are like thousands of other citizens across the country who believe that we can no longer ignore the 60,000 children who are reported to have been abused each year; or the many thousands of other children who suffer physical and psychological damage and never even come to the attention of agencies which could help them.

I ask unanimous consent that a copy of the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

FEDERAL CHILD-ABUSE LAW NEEDED

"Statistics strongly suggest that child battering is probably the most common cause of death in children today, outnumbering those caused by any of the infectious diseases, leukemia and automobile accidents," says a report made this week to the American Medical Association. Child-abuse estimates vary, but the Christian Science Monitor said last spring that, according to best estimates, "about 60,000 American children every year require protection from parental beatings, cruelty or neglect."

Sen. Walter Mondale is the main sponsor of a Senate bill to establish a national center on child abuse and neglect, provide grants to train people to deal with the problem and establish a national commission to examine the effectiveness of existing laws and determine the proper role of the federal government in coping with the problem. We support the bill, which will come before the Senate Committee on Labor and Public Welfare this week.

Recent research indicates that most parents who abuse their children have deep emotional problems, but that the parents can be treated. Dr. C. Henry Kempe, head of the Colorado School of Medicine's pediatrics department and a leading authority on child abuse, says about 10 percent of battering parents are so mentally sick that their children should be taken from them. The other 90 percent can be helped to become adequate parents.

Two of Kempe's associates, after long research, have disproved the belief "that child abuse occurs only among 'bad people' of low socio-economic status."

Minnesota law requires hospital authorities and doctors to report suspected child-abuse cases to police and to the county welfare agency. The welfare agency is required to investigate and to prevent further abuse. In 1971, 252 cases of alleged child abuse were reported in Minnesota; in 1972, 262 cases were reported. One welfare official suspects that not all cases are reported. In addition, there is no way of estimating how many children are beaten but do not get medical attention.

Mondale says not one of the 109,000 employees of the U.S. Department of Health, Education and Welfare is working full-time on the child-abuse problem, as far as he can determine. The Nixon administration opposes Mondale's bill, largely because it believes states and local governments should solve the problem.

Mondale says that ideally he, too, would like the states and communities to solve the problem. But he notes that while officials argue over who should cope with child abuse, thousands of defenseless children are being physically battered. Bewildered, helpless children who are beaten by their parents are far removed from the niceties of which governmental agencies should intervene for them. The problem of these children deserves further study and action. We hope Mondale's bill becomes law.

CUT IN NASA AUTHORIZATION A THREAT TO OUR TECHNOLOGICAL ADVANCE

Mr. DOMENICI. Mr. President, in the very near future, the Senate will act on the appropriations bill containing the funding for the National Aeronautics and Space Administration. During hearings and in preparation for subsequent floor action on the NASA authorization bill, the Committee on Aeronautical and Space Sciences went into great depth and detail to gain complete understanding of each element in NASA's fiscal year 1974 budget request. There are some key features in this budget which I feel are very important and there is a great need of bringing them to the attention of my colleagues.

At just over $3 billion, the NASA authorization for fiscal year 1974 is the smallest sum since 1962 for this 15-year-old agency. This funding level represents slightly over 1 percent of the total Federal budget. As a result, the Nation's programs in aeronautics and space have been cut, stretched thin, and cancelled to the extent where we are at the point of risking a serious loss of momentum in our desire to maintain our lead in the realm of science and technology. As our efforts in science and applications dwindle, our Nation will undoubtedly notice a reduction in new technology; and, without that new technology as a booster for key elements of our economy, we will begin to notice a marked decline in our productivity due to a loss of jobs and people to fill them. For this reason, I ask you to seriously consider the adverse effects of a token NASA program on our great Nation.

More specifically, the Senate may be asked again to face the issue of approving the Space Shuttle. The Senate has voted on this issue yearly since 1971 and, on each occasion, has strongly supported the continuance of this key program. The wisdom of those yearly decisions has been brought home dramatically during the Skylab program, currently in progress, where man has again been substantiated as an important feature of a well-balanced program in space science and applications. Moreover, development and utilization of a reusable space transportation system has stood up exceedingly well under the technical and economic scrutiny of NASA and the GAO. Here, I feel, lies an important issue which must be understood in this respect. That issue is that the development of complex systems such as the Space Shuttle requires a lengthy time, one not to be turned on and off if we are to expect cost-efficient and successful results.

A continuing debate over the Space Shuttle has ensued for some time now. Shuttle opponents continue to put forth the argument that the Shuttle, and thereby manned space flight, will be developed and flown at the expense of space science and applications. Such opponents dwell on the position that, by building the Space Shuttle system, we will rob space science and applications funding in order to "further the cause of manned space flight." This argument is simply an overworked, out-of-date, and unsubstantial one.

The era of manned space flight per se is past and has been in our past for a considerable length of time now. Not since Projects Mercury and Gemini has a manned program had the goal of developing manned space flight techniques. Beginning with the Apollo program, the goal of all our Nation's space efforts has pushed forward to concentrate on science and/or applications. The scientific data collected during the Apollo program represents the largest quantum increase in raw data ever collected in a single scientific field of endeavor. The lunar orbit, and the data still being transmitted to earth from five nuclear-powered scientific packages implanted by the astronauts are merely cited examples of the numerous amounts of scientific knowledge we have acquired from the program; knowledge which has established enough information that lunar and planetary scientists have now gained a basic understanding of the moon's formation, an understanding which may place truths about the formation of the earth and solar system itself in our grasp.

Our Skylab program, now in progress, has approximately 200 different scientific experiments and applications projects to be performed over an approximate 8-month period. This program entails studies in solar astronomy, earth resources, biomedicine, and a myriad of other scientific and engineering areas. The main thrust of Skylab, however, which needs our fullest understanding has already taken place. In the first few days of the Skylab mission, the outlook for its success was dim; due to damage sustained during the launch phase, the laboratory was critically short of power and was overheating badly. Through the ingenuity and flexibility of the man-in-space program, a program which couples man and machine, both critical problems were overcome. The Skylab now forecasts itself to be one of great advancement and accomplishment. An unmanned Skylab program, however, would certainly have assured its own failure during its initial stages. The coupling of man and machine in the Skylab program reinforces a most flexible and efficient combination.

It is this combination of man and machine that I wish to amplify and stress the value of.

The most significant feature of this entire subject is lost in the position of being "for" or "against" manned space flight. This country now has, and will continue to need, a well-planned and well-balanced national space program. Our need for this program is not for the obvious reasons, but it is for those reasons which are pushed aside and remain unseen. The potential of space activities lies in the solution of problems which beset our earth. And, it is for this reason, I must state my support of a continued space research program. The exploration, understanding and eventual exploitation of space to monitor our earth may well hold the key for all of us to prevail in a world which needs a clean environment and clean water; a world which needs to locate and to properly manage its national resources. We cannot simply abandon the applied capabilities we have already established a foothold in gaining the mastery of—capabilities such as global weather forecasting, worldwide communications, and navigation aids. Through space capabilities, the future holds the promise that we may even be able to harness great quantities of energy from the sun for use on earth. In a deeper sense, our space program is the logical extension of man's inward and continuing quest for scientific understanding of his surroundings, his planet, and his universe.

To provide such capabilities must be the main thrust of our space science and applications. The argument here is really one of whether or not to perform space science and applications objectives with manned or unmanned vehicles. In my view, there is no doubt that man adds a dimension of flexibility which is overwhelmingly worthwhile; man has become the prime mechanism in our space program to release the vast amount of useful knowledge which now lies untapped. The only relevant questions then are the risks and costs of a manned versus an unmanned program of space science and applications. Certainly, there is a risk of men going into space to exploit its uses, but few significant "drivers" of technology in our history have been without risk. We are never without risk, even when leading our normal, everyday lives. I feel however, as I believe most Americans feel, that the risk is worth the gain in conducting our space program by the integration of man and machine. As far as the cost aspect is concerned, NASA has analyzed the cost of the Space Shuttle versus other systems using expendable boosters. This has been NASA's most complete and in-depth cost analysis ever performed for a new system proposed. As a result of this analysis however, NASA is convinced that the Shuttle will prove to be the cheapest system for performing all space missions in the time span of the 1980's.

In their analysis of NASA's cost estimates of the Shuttle, the GAO could not find any significant errors in NASA's estimates and drew the conclusion that economics should not be used as a justification for or against the Shuttle system.

In summary, the Nation must move ahead in its understanding and its use of space technology. The benefits, direct and indirect, are far too great to let them slide from our grasp by not reaffirming a firm hold of them. Given that premise—the question of the Shuttle versus expendable boosters—the Shuttle must be sought as the answer in terms of its capability, flexibility, efficiency, and cost reduction benefits.

I have every confidence that the Senate will again show evidence of its strong backing, as it always has, for our aeronautics and space program. I urge the support of each and every Member in the approval of a well-balanced and a responsible level of appropriations for NASA.

BOX CAR SHORTAGE

Mr. STEVENSON. Mr. President, over the past several months I have received many letters from constituents who were unable to market their grain, because of the severe shortage of railroad freight cars. This is hardly a new problem—in fact it predates the establishment of the Interstate Commerce Commission. Yet we still have not found a definitive answer.

The Commerce Committee has reported S. 1149, "a bill to increase the supply of railroad rolling stock, and to improve its utilization to meet the needs of commerce, users, shippers, national defense, and the consuming public." I believe it is a good bill and am hopeful that it will prove capable of meeting the objectives stated in its title.

Mr. President, recently I spoke to a group of grain elevator operators in Danville, Ill., about S. 1149 and the possibility of improving rail service. I ask unanimous consent that those remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ADLAI E. STEVENSON

We are in the middle of one of the worst freight car shortages in history. The problem is hardly new—the very first case before the ICC in 1887 concerned a freight car shortage. This year the shortage is particularly severe and threatens both last year's crop and this year's. Harvested grain cannot be marketed and fertilizer cannot be shipped to the fields.

Small grain elevator operators have been hit hard. They cannot get boxcars. Interest charges are mounting. Penalties are being charged by purchasers. Contracts may be cancelled. Large operators get hundred unit trains while small operators get none.

The grain deal with Russia, obsolete and understaffed port facilities, inadequate rail facilities, railroad mismanagement and government inaction all contribute to the difficulty farmers have marketing their grain.

The Senate passed Resolution 59 on February 19 of this year calling on the Nixon Administration to: (1) Declare a moratorium on the disposal of commodities owned by the Commodity Credit Corporation; (2) Give farmers the option to reseal loans on farm-stored wheat and feed grains from the 1970, 1971, and 1972 crops; and (3) Appoint a special committee to report within thirty days on the "most effective practical means" of getting feed grains to farmers and stockmen and alleviate the backup at the ports.

The Administration's reaction was inadequate. The Commodity Credit Corporation continued to dump grain on the market.

All indications are that the Administration will insist on payment of Commodity Credit Corporation loans when they come due.

And the President has not appointed the special committee called for by the resolution. A study group has been established within the Department of Transportation, but it has not yet made any recommendation for action.

To aggravate the shortage, the U.S. Department of Agriculture has announced that it will put into production 40 million acres of land that have been banked until now. This is 40 million acres more that will require fertilization—and all of that fertilizer must be shipped on the same railroad system that is now overloaded. Shortages are already running at about 16,500 cars per day.

There is a serious need for a short-term solution, and Senate Resolution 59, which had my full support, recommends sound steps toward that solution.

There is also a need for a longer-range approach to the boxcar shortage.

S. 1149, which I am cosponsoring, would increase supply and improve utilization of railroad rolling stock in three significant ways.

First, it would establish a revolving fund to insure debts of railroads and car-pooling companies for the acquisition of rolling stock. Up to $2 billion would be available for insuring the unpaid principal on these bonds. Thus, the federal government would be helping railroads to get the credit they need to increase their supply of boxcars.

Second, it directs the Secretary of Transportation to spend up to $35 million over three years to establish a system that can provide the information needed to make better use of existing freight car capacity. At present, rolling stock is in use only about 12% of the time, and of that time, rolling stock is, on the average, only loaded about half the time. Clearly the railroad industry could make better use of existing rolling stock. We must still focus attention on the bottleneck that exists at our port facilities, the inadequacies of barge transportation on inland waterways and the adequacy of the railroads' track and switching equipment, but we must also use well the equipment we have.

Finally, if at the end of two years, the shortage persists, a "Railroad Equipment Corporation" would be established. This federal agency would build, buy, and own its own freight cars and contract out their operation and maintenance. This would provide a pool of surplus cars to be used by shippers during peak demand periods. The authority would establish a rate schedule for the lease of its freight cars and thereby earn enough money to cover its operating costs.

The Senate passed a bill similar to S. 1149 last year by a vote of 81–0. S. 1149 is before the Commerce Committee, of which I am a member, and should come before the Senate within a few weeks. It will have my full support and I am optimistic about its chances of success in the Congress. Unless we act, everyone loses—not just the farmer, but also the consumer. Yesterday's "long-run" solution is today's crisis.

AMERICA AND THE DOLLAR CRISIS

Mr. BUCKLEY. Mr. President, I call to the attention of our colleagues one of the first explosions I have seen of the monetary difficulties we have created by ourselves through reckless spending and overextension of credit. It is a speech delivered by Prof. G. C. Wiegand of Southern Illinois University at the Monetary Conference held at Columbia University last March. I ask unanimous consent that the text of the speech be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA AND THE DOLLAR CRISIS

(By G. C. Wiegand, Ph. D.)

(NOTE.—Is America washed up? The author of this hard-hitting, no-punches-pulled article thinks there is a good chance we are. He pinpoints hitherto unpalatable and thus widely ignored facts that have brought us to what he describes as our sorry state. He documents his case by depicting: (1) the decline of the dollar; (2) the national penchant for living beyond our means; (3) squeeze on the middle class to support the rich and the poor and (4) the consequences of seemingly unlimited credit. Is there still time to save ourselves? Professor Wiegand isn't betting either way. And to judge from the world's increasingly frequent disenchantment with the dollar, no one else is, either.)

Since the middle of February, the world's monetary markets have been in a state of growing chaos and paralysis. "Two devaluations in 14 months have shaken the confidence and the people are looking for harbors of safety", Dr. Arthur F. Burns told Congress. But where is such a harbor? There is no doubt about "the urgency of the task" of creating a new international monetary system, but fundamental differences of opinion divide the experts within the United States and throughout the world. What are the causes of the collapse of the Bretton Woods system which served the world so well for a quarter of a century? How can a more stable international monetary system be created?

The approximately $45 billion of monetary gold held by the central banks and international monetary institutions are in effect immobilized, since the central banks cannot buy gold at the official price of $42 as long as the market price is between $70 and $80, and they would be foolish to sell at the official price. The $80-90 billion of inconvertible dollar claims held by foreigners which, under the Bretton Woods agreement, were "as good as gold", and which, for the past 25 years, had been freely accepted in place of gold, are no longer freely accepted. And the same is true of the $9.3 billion Supplementary Drawing Rights, the "paper-gold" issued by the International Monetary Fund.

The world is rapidly approaching the point of having no more universally acceptable international medium of exchange to finance international trade and financial transactions, a situation obviously far more dangerous than the American public is led to believe.

Since the second devaluation of the dollar, the initiative seems to have shifted to the surplus nations, i.e. western Europe and Japan, who speak with many tongues. When Treasury Secretary George P. Shultz, upon his arrival in Paris, was asked about the seeming impasse, he replied: "I am here to listen. I have no plan." From a diplomatic-psychological point of view, this may be a change for the better since the days when Treasury Secretary Connally attempted to dictate the terms of a new international monetary system, which the surplus nations were to accept pronto—but didn't! But in the meantime, the situation has become far more dangerous, and the world is no closer to a solution than it was in August 1971, when Washington "closed the gold window," thus making the dollar inconvertible, or at the Smithsonian meeting, when the dollar was devalued for the first time. Under Secretary of the Treasury Paul A. Volcker, who for all practical purposes seems to determine American monetary policy, still clings to his preconceived notion that gold must be completely eliminated from the international monetary system, while the surplus nations seem equally determined not to base the new monetary system on another form of inconvertible paper SDR's in place of inconvertible dollars—with no adequate controls over the quantity to be issued.

WARNINGS IGNORED

Yet nobody seems prepared to spell out in clear terms that no international monetary system will work in the end as long as the leading trading nation, i.e. the United States, suffers from a basic internal disequilibruim. The world would love to use convertible dollars in reasonable quantities, but it refuses to be drowned in a flood of inconvertible paper dollars.

As far back as 1959, Professor Robert Triffin, one of the world's great experts on international finance, warned the Joint Economic Committee of Congress, that "the evolution of the past ten years (i.e. the 1950's) has now brought us to a point where (international monetary policy and domestic economic policies) have become inextricably tangled with one another, and where we can no longer afford to ignore the impact of our internal policies upon our external position, and vice versa." A few months later, the same warning was repeated even more emphatically by the eminent French economist Jacques Rueff in a series of three articles which appeared in "Fortune".

But nothing happened!

Since then, the American balance of payments deficit has grown tenfold from $1.5 to $15 billion; the gold holdings have declined from $19 to a little over $10 billion (at the old gold price); and the nation's short term dollar obligations have skyrocketed from $20 to almost $90 billion. Obviously, the dollar is at present no longer "as good as gold", which was one of the fundamental assumptions on which the Bretton Woods gold exchange standard system was built. But it is not merely a question of an excessive amount of dollars held abroad. Even today, the ratio of American gold reserves to foreign dollar holdings is almost twice as high as the gold backing of the pound before the first World War, and the dollar dilemma has not seriously impaired America's huge economic potential. But before 1914, the world had confidence in the pound; at present it lacks confidence in the dollar, and this for the simple reason that for more than twenty years, the United States has pursued economic policies at home and abroad—which may or may not have been politically expedient and socially desirable—but which undermined the belief of the world in America's willingness to face the reality, that America was printing more dollars than we produced goods and services.

DOMESTIC REFORM COMES FIRST

All the schemes now being discussed to develop a new international monetary system will be futile unless the basic disequilibrium in the United States between supply and demand has been greatly reduced. This will not be an easy task—either from a political or a social point of view—and it involves major economic risks. The greatest difficulty, however, lies in the fact that neither Congress nor the general public seem aware of the problem, as the newspaper headlines illustrate only too clearly. "Dollar Plummets, Gold Price Soars"—"Unions to Ignore Wage Guidelines"—"Meany Suggests 7½ per cent Wage Increases"—"Senate Votes 2 per cent REA Loans"—"Albert Says Congress Will Fight Cutbacks". Add to this the announcement a few days earlier that the Federal Reserve had forced several banks to rescind a minor increase in the prime rate, at a time when the minimum lending rate of the Bank of England was 50 percent higher than the prime rate in New York, thus inviting the out-migration of short-term funds.

The collapse of the Bretton Woods system is overwhelmingly due to the fact that for more than twenty years, the United States has produced more dollars, relatively speaking, than goods and services, and has taken the attitude that it is none of the business of any foreigner—whether he holds billions of inconvertible paper dollars or not—to question domestic American policies. The artificially created excess demand produced on the one hand chronic inflation at home, and on the other a steady outflow of surplus dollars in exchange for goods and foreign assets.

In other words, America has lived above her means at least since 1950. The nation's international liquidity—not allowing for the tremendous growth of long term foreign assets—has declined by $90–$100 billion since 1950, and—probably even more important—throughout the economy, we are confronted by chronic inadequate capital formation and "deferred maintenance". We no longer have the fuel and the power we need and we have no idea how we shall pay for the oil we shall have to import from the Arab countries during the next 5–10 years. The railroads, the postal service and the inner cities are in a deplorable state. In the late 1950's, America was the largest steel exporter; today we are the largest steel importer in the world. Less than ten years ago, America had an export surplus of more than $6 billion; 1972 closed with a deficit of over $6 billion. For twenty years, we have consumed too much, in the private and in the public sector, and have saved and invested too little, until today the competitive position of large segments of the American economy is seriously threatened. This is the ultimate cause of the dollar crisis.

Since 1950, the number of public employees has risen from six to more than 13 million, and while the American economy can theoretically support 13 million bureaucrats and an increasing standard of living for the 25 million not fully productive—or unproductive—Americans who are officially classified as "poor", this would require either a substantial increase in production—which in turn would call for a much higher rate of capital formation—or a reduction of the standard of living of the great American middle class, which accounts for 60–70 per cent of the electorate, and which is not prepared to sacrifice its affluence.

Even though few politicians will admit the fact, it is the middle class—the $8,000 to $35,000 a year families—who pay for the bureaucracy and the welfare state, and since the middle class refuses to reduce its standard of living, the steady growth of taxes and the chronic inflation are offset by increased consumer borrowing and continued inadequate capital formation.

THE MIDDLE CLASS PAYS FOR BOTH RICH AND POOR

While the Japanese during the past 25 years saved between 22 per cent and 25 per cent of their Disposable Income, and the Germans 12–15 per cent, we regard 8 per cent as excessive. The results are obvious. We have developed a fantastically high standard of living for the "rich" and "poor" alike; we are supporting a wasteful public sector; but we have neglected to maintain our productive capacity on which the country's strength rests. In doing so, we have followed the road which Britain took after the war. Instead of concentrating on the rehabiliation of the country's industrial capacity, post-war Britain built a huge and costly welfare state. Germany, on the other hand, starting virtually from scratch, lived at a miserably low level for many years—but saved and invested. This is, to a large extent, the explanation for the "German economic miracle" and the chronic difficulties of the pound.

PINPOINTING WHEN WE WENT WRONG

The first dollar crisis occurred in 1960 during the presidential campaign and partly because of the wild charges and promises made by both sides. The gold price in London rose briefly to $42, corresponding to a depreciation of the dollar of 20 per cent. It was an obvious danger signal, and at that time, America was still strong enough to end the 10-year-old record of balance of payments deficits without serious dislocations of home and abroad. But instead of balancing the budget and curbing the excess credit creation, the country went on the wildest inflationary spree in the nation's history. While the ouptut of goods and services the GNP in real terms—rose by 67 per cent between 1960 and 1972, the money supply, using M–2 as a basis, increased by 110 per cent, about 50 per cent faster than the supply of goods and services. Federal Reserve credit, the basis of the inflationary boom, jumped from $29 to $78 billion; consumer loans increased by $100 billion (abt. 180 per cent), home mortgages by $200 billion (140 per cent), and the federal debt by $160 billion (well over 50 per cent), not to mention the vast increase in the corporate debt, and the debt of state and local governments.

For more than a decade, the country financed the growth of the bureaucracy, the affluence of the middle class, the rising standard of living of the "poor"—not to mention the cold war—by printing and swapping IOU's. That we did not have a much higher rate of inflation was due to the fact that out of some $270 billion of newly created money, about $70 billion flowed abroad in payment of goods, services and assets, and to protect our position as the leading power of the western world.

WE ARE ALL GUILTY

How could this continue for more than a decade?

Fearing a collapse of the worldwide boom from which they, too greatly benefited, the surplus nations "cooperated" with the deficit nations in developing ever new emergency measures: the London gold pool; the de facto "stillhalte agreement" of the surplus nations (which did not convert their dollars into gold), swap arrangements; and various camouflaged foreign exchange restrictions on the part of the United States. The two main surplus nations, Germany and Japan, in particular, felt politically and psychologically compelled to support the inflationary policies of the American government. Within the United States, politicians and union leaders clearly benefited from the "prosperity"; the middle class attained a level of affluence which would have seemed almost impossible during the 1950's. Between 1965 and 1972 per capita Disposable Income rose by 62 per cent, and between January 1970 and January 1973, i.e. the period of the growing dollar crisis, retail sales rose from $30 to $40 billion. The "poor" and the Black, meanwhile, received ever larger subsidies—financed through more credit.

THE "MORNING AFTER" IS TODAY

Now the Mardi Gras is over. Lent is upon us. The world has grown reluctant to accept more of the paper dollars we have printed so freely in recent years. America now faces the after-Mardi Gras hangover; but few people are aware of the fact. The nation has become so accustomed to living above its means, that it will be difficult for the individual families, for the bureaucracy, and for business to consume no more than the nation produces. This will involve serious political and social problems. Politicians will not find it easy—or palatable—to convince their constituents that the federal government—and ultimately the taxpayer—are not a bottomless barrel from which one can draw at will. The loud cries of governors and mayors, the screaming mobs in the streets, and the steady pressure of the bureaucracy and of special groups seem far more real and immediate problems than the future of the dollar. Nor should one underestimate the economic dangers. The American economy has grown accustomed for more than twenty years to a steady increase in credit-created demand, and a progressive lowering of the debt burden through chronic inflation. The life of a businessman is relatively easy, as long as aggregate demand exceeds supply, and he can count on having to pay back only part of his debts; the inflation takes care of the rest. It will not be easy for the consumer and the government to live within their means, but it will be equally difficult for business to operate under quite different conditions of cost and demand. There is no asurance that the American people, after twenty years of a credit-financed fool's paradise, will have the will and the strength, individually and collectively, to face the task. Yet the future of the country, and to a large extent of the free world, will be partly determined by the attitude of the American people during the next year or two.

How could a nation so resourceful, so intelligent as the American people, have permitted itself to slide into a way of life which must ultimately destroy the nation's strength and the well-being of the great majority of the people?

WHY IT HAPPENED

Most of the American people had no idea, of course, what was happening. Those who asked questions were reassured by "the experts" that Washington had learned to "fine-tune" the economy. Besides, the experts provided a seemingly logical justification for the inflationary policies.

We inherited from the 1930's an economic doctrine which was eminently true and practical when it was first presented in 1936, in the depth of the depression, namely that the world's ills were the result of inadequate consumption and the accumulation of idle savings. But somehow, the experts, the politicians and the great mass of the people failed to see that what was true in 1936, ceased to be true on September 1, 1939, when the second World War began. Even before Pearl Harbor, the free reserves of the American banking system—the "idle savings"—had declined by 40 percent, and ever since, the world has suffered not from under consumption but from excessive demand—to pay for the hot and cold wars, the growing world-wide affluence, the welfare schemes, and the rapid population growth and high expectations of the developing countries. All these goals were financed in part through a tremendous world-wide increase in production, and for the rest by growing reliance on the printing press. In a little over 30 years, the purchasing power of all the paper money in the world on an average had declined by 70-75 per cent. The dollar alone has lost about two thirds of its domestic value since Pearl Harbor. Never in the history of mankind has there been such a widesperad and rapid depreciation of money.

WASHINGTON'S DILEMMA—THE WRONG DECADE FOR THE RIGHT CURE

Yet Washington still acts as if we are living in a depression caused by inadequate demand. The Full Employment Budget, for instance, assumes that if the government creates additional purchasing power through deficit spending, more people will spend more money, which will call for more employment, and will thus produce greater total income and taxes, until the budget is balanced at the full employment level. This "self-fulfilling" dream—a largely theoretical brainstorm of "under-consumptionist" minded economists rests largely on a false picture of the economy. At least fifty and probably seventy per cent of the unemployment in the United States is due to a variety of institutional, social and political factors which have nothing to do with inadequate demand. In fact, there is a shortage of skilled and unskilled labor. There are not enough skilled and reliable workers and probably not enough are trained while, many of the unskilled find it more advantageous to stay on relief. The more than $60 billion deficit during the past 2½ years, designed to eliminate unemployment, has obviously not done so, but it has greatly increased the inflationary pressure, and because of the wage-price stops at home, much of the surplus spending power spilled over into world markets.

NOTHING HAS CHANGED—EXCEPT OUR CIRCUMSTANCES

Yet Congress wants to continue deficit spending, union leaders demand wage increases far in excess of increases in productivity, and welfare recipients demand even higher payments. It is this complete disregard of economic rationality which was spread around the globe in fat headlines since Congress reconvened in January, rather than doubts regarding the effectiveness of Phase 3, which produced the latest dollar crisis. To be sure, Dr. Burns, in his Toronto address in December 1972, called for a "shock therapy", a possible freeze or near-freeze of all additional federal spending, and in February, he warned Congress: "I can't emphasize too much that as far as I am concerned, this is the last devaluation. That ought to be our national policy. . . . There is no room for complacency."

But in the end, who else but the Federal Reserve has created the excess demand? The vast deficits since 1971 would not have been possible, if the Federal Reserve had not acquired $10 billion of additional government securities. No doubt, a refusal of the Federal Reserve to finance the federal deficit would have resulted in a major political, if not constitutional crisis, and might have ended the pseudo-independence of the Federal Reserve, but it might also have been the "shock therapy" needed to awaken Congress and the American people to the danger of the situation.

As the "Economist" remarked: "Like childbirth, devaluation is less painful and quicker the second time." In fact, to judge by the experiences of some of the Latin American countries, devaluations can become an almost painless way of life! And the "Economist" is probably largely correct that the "United States continues to be one of the few countries in which just about everyone of importance thinks that a devaluation is lovely"; at least, it appears to most Americans as a convenient and painless way out.

DEVALUATION AND MORALITY

"The stigma of devaluation is a thing of the past." Yet, on the same page, the "Economist" pointed out that the 1971 devaluation caused a shrinkage in the value of the monetary reserves of the developing countries by about a billion dollars. It is undoubtedly "old-fashioned" to argue that the devaluation of a key currency i.e. the partial repudiation of a large nation's obligations—involves not only economic and political, but moral aspects. Back in the 14th century, a period of great social and economic upheaval, three French writers—Pierre Bois, Jean Burridan and, best-known, Nicole Oresme—condemned the policy of the French King to reduce progressively the metal content of the coin, as a form of theft, contrary to moral law! As recently as 1935, four Justices of the United States Supreme Court, protesting against the repudiation of the gold clause in private contracts, and the fact that the Federal Government "gained" $2.8 billion through the increase of the gold price, warned: "Loss of reputation for honorable dealing will bring us unending humiliation; the impending legal and moral chaos is appalling." The "Economist" may be correct that in our modern world, devaluation has lost its stigma, but there is no doubt that the probably unnecessary devaluation of the pound in 1931 represented an important milestone in decline in Britain's position in the world.

THE TIME FOR DECISION IS NOW

Yet no politician and no news commentator has pointed out to the American people, that the two devaluations of the dollar within 14 months, while the country continues to live above its means, involves not only serious economic and political consequences, but also important moral aspects.

If a man sees large cracks appearing in his house, he can have the cracks filled and painted over. But new cracks will appear, as the foundations of the house continue to shift. In the end, the man will be faced with the alternative of either rebuilding the foundations—i.e. a drastic change in the allocation of resources in the American economy—or of seeing his house collapse.

America is confronted with some of the most serious and far-reaching alternatives in its 200 years' history.

ALASKA PIPELINE

Mr. **NELSON**. Mr. President, early next month the Senate is scheduled to act on S. 1081, the bill which is concerned with the issue of how best to transport oil from Alaska's North Slope to the lower 48 States. I am a cosponsor of the Mondale-Bayh amendment to require an independent study of this question and to provide a mechanism for a final decision within 1 year so construction of a system to bring the North Slope oil to U.S. markets can get underway.

The Mondale-Bayh amendment focuses on two possibilities: A trans-Alaska oil pipeline and a trans-Canadian oil pipeline. Another possible North Slope oil transportation route is discussed at length in an article in this month's issue of Technology Review, a magazine published by the Massachusetts Institute of Technology Alumni Association. The article is authored by Richard A. Rice, Carnegie-Mellon University professor of transportation.

According to Professor Rice, an oil delivery system which utilized a trans-Alaska pipeline would cost $9.15 billion to build; a system with a Yukon corridor rail line from Prudhoe Bay in Alaska to the central United States would cost $7.45 billion, and the second rail possibility, a system including a Mackenzie Valley rail line from Prudhoe Bay to the central United States, would cost $5.55 billion. These estimates each include the cost of other elements in the delivery system and each include the cost of a natural gas pipeline to bring out gas from the North Slope deposits.

Professor Rice argues that the rail lines offer another substantial economic advantage, because they would be two way transportation carriers, delivering equipment and supplies to Alaska after their oil carrying runs to the lower 48 States.

I invite the attention of my colleagues and groups interested in the Alaska oil issue to the article by Professor Rice and ask unanimous consent that the article be printed in full at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

How To Reach That North Slope Oil: Some Alternatives and Their Economics

(By Richard A. Rice)

Early in 1968 exploratory drilling in the Prudhoe Bay region of the North Slope of Alaska confirmed the existence of about 10 billion barrels of recoverable oil, increasing United States oil reserves in North America by 35 per cent and prompting a series of engineering proposals for schemes to move the oil to market in the lower 48 United States.

The first proposal is for an 800-mile, 48-inch Trans-Alaska Pipeline System (T.A.P.S.), which would extend southward from Prudhoe Bay to the Port of Valdez, where it would be transferred to tankers for shipment to the West Coast of the U.S. Designed to deliver 600,000 barrels of oil per day initially, the system's capacity would be stepped up to an ultimate daily flow of 2 million barrels. The present estimated gross cost of facilities—including oil pipelines, transfer terminals, tankers, and a gas pipeline—from Prudhoe Bay to Chicago is more than $9 billion. A transport price of about 90 cents per barrel of crude on the West Coast is proposed, implying a price of $1.50 for oil moved to the Midwest and $1.70 to the East Coast.

A second proposal is to carry the oil in ice-breaking tankers to the East Coast by way of the Northwest Passage. To test this idea, about $40 million was spent to re-equip the tanker "Manhattan" for a trial passage through the ice. The 4800-mile trip to New Jersey was found to cost $1.00 to $1.20 per barrel—20 to 50 per cent cheaper than T.A.P.S. delivery to the same port. Nevertheless, ice-breaking and environmental problems forced the Humble Oil and Refining Co., which converted and operated the "Manhattan," to shelve the plan indefinitely. We, therefore, will not consider the Northwest Passage scheme in this article.

A third plan for delivering North Slope oil to the lower 48 states is to construct a 3200-mile trans-Canada pipeline running north of the Brooks Range and east of the Rockies down the Mackenzie River Valley through Alberta to the Great Lakes area. The total capital—for delivery of 2 million barrels per day to Chicago and for an accompanying gas pipeline—is estimated at $5.6 billion. Because the Mackenzie oil pipeline was not investigated extensively in our study, it too will not be further discussed in this article.

The fourth and fifth proposals, based on technology that has received the least attention, are heavy-duty, two-track railways—both from Alaska to Montana, one of them through the Yukon River Valley and the other through the Mackenzie River Valley. The Yukon Valley system would cost about $7.45 billion and the Mackenzie Valley system $5.55 billion, they would deliver oil to Chicago for $1.40 and $1.30 per barrel, respectively.

The report of the U.S. Department of the Interior on the environmental aspects of the T.A.P.S. route positively assured its readers that full consideration had been given to the railway mode of oil transportation in the northern climate. But it is now evident that the thinking that went into the rail concept was not serious. Therefore, much of this article, which is derived from a 30-month study of long-range transport needs for North Slope oil, is devoted to a preliminary examination of the two railway alternatives.

On economic grounds—which is all that we will consider in this article—the Mackenzie Valley railroad is the superior system. The judgment is buttressed by additional economic arguments that predict what will happen once the Prudhoe Bay oil is depleted 20 years after extraction begins in earnest.

A SET OF ASSUMPTIONS

A number of general assumptions have been implicit throughout the study, and we will note them briefly here. The first has to do with the amount of North Slope oil. Geologists' and petroleum companies' inform us that there are about 10 billion barrels valued at about $20 billion at the wellhead. If the oil is to be extracted over 20 years, a daily volume of 2 million barrels is the desired capacity. Other possible deposits of oil may lie in nearby regions: to the west of Prudhoe Bay and south of Point Barrow is the Naval Petroleum Reserve No. 4, which, one must guess in the absence of published data, contains about 20 billion barrels. Another 10 billion barrels may lie to the east of the present fields toward the Mackenzie Delta. East of the delta in Canada there are probably larger reserves, recently estimated to be 30–40 billion barrels.

It is assumed that within a year after the transport of oil from the North Slope of Alaska begins, the movement of an estimated 20–30 trillion cu. ft. of natural gas must also begin. About one-third as much gas—in terms of b.t.u.—will have to be pumped, requiring a 48-inch, 4-billion-cu.-ft.-per-day gas pipeline. A third assumption is that a multi-purpose right-of-way would be preferable if it were found to be geographically and economically possible. That is, it would be best to try to combine the oil-transporting facility and the gas-transporting facility in one right-of-way.

Ordinarily, petroleum economics come first in the planning of oil transportation. A new set of priorities has been established in the movement of North Slope oil, however, and our final assumption is that they are in the following order: environmental protection; welfare of the state of Alaska from the social, resources, and conservation points of view; overall U.S. energy problems; and economics and the welfare of the oil companies.

ALASKAN GEOGRAPHY

Almost all of the principal geographic features of Alaska are arranged in a basically east-west orientation. This includes the major coastlines, the principal mountain ranges and climatic belts, the main drainage patterns, the progression of vegetation belts, and the wildlife zones. All of these have played a key role in shaping the existing transportation network in the state, and all must also shape the mode and route that are finally chosen for the network that will move Alaska's oil and gas to consumers.

The northwestern portion of Alaska is a flat flood plain with a water table practically at the surface, marked by braided glacial streams carrying an excess of sediment. The plain is pitted by myriad small residual glacial ponds and meltwater lakes. Generally, the entire area is frozen solid from the two-ft. level down to possibly 200 or 300 ft. Basement rock may lie as deep as 300 to 1000 ft.

South of this Arctic slope are foothills and then the Brooks Range, which stretches roughly two-thirds of the way across Northern Alaska from east to west. The highest section lies to the east, where some of the peaks rise to 9000 ft.; farther west the peaks are 6000 to 7000 ft. high. Just to the east of the Brooks Range in Canada there is a low pass occupied by the Firth River at about 2000 ft. elevation. The only other crossing of such low altitude over the Brooks Range is at the head of the Anaktuvuk River Valley halfway across Alaska to the west.

South of the Brooks Range is the Yukon Basin—in the west an area of dry plateau and low mountains containing Fairbanks, Alaska's third city, and in the east a vast area of semi-frozen peat bog and muskeg that is in some places hundreds of feet deep.

Traveling south from Fairbanks, before reaching the main mountains of the Alaskan Range, one crosses the Alaskan earthquake belt—a sweeping arc that is a continuation of the Aleutian Islands.

The twin mountain ranges of southern Alaska rise to 12,000 to 18,000 ft., many of the peaks being within a few score miles of the sea. Recent glaciation has gouged deep and treacherous U-shaped valleys throughout their extent; indeed, over 95 per cent of the glacial ice now in Alaska is in the mountain ranges between Fairbanks and Seward.

Only two passes suitable for surface transportation exist in these mountains from Fairbanks to the ports of Anchorage, Seward, or Valdez. One is now used by the single-track Alaskan Railroad and the new Fairbanks/Anchorage Highway; the other is the route of the Richardson Highway from Valdez to Fairbanks. Two facts suggest the difficulty of this terrain: (1) passenger trains on the Alaska Railroad average less than 30 miles an hour over the 356-mile trip from Anchorage to Fairbanks, and (2) leaving Valdez the Richardson Highway must rise 2800 ft. in about 20 miles. This contrasts sharply with the gentler terrain of the Alaska Highway from Fairbanks southeast along the Tanana River and into the Yukon Territory of Canada to White Horse. Following the trend of the main mountain chain, the Alaska Highway route traverses far more conventional and favorable topographic and environmental conditions.

Three major route alternatives appear to exist for moving the North Slope oil out of Alaska.

THE TRANS-ALASKA ALTERNATIVE

The trans-Alaskan corridor originally proposed by the T.A.P.S. group goes from Prudhoe Bay across the Brooks Range through the Anaktuvuk Pass or the Dietrich Pass, across the Yukon River, to Fairbanks, through the difficult terrain of the Alaska Range alongside the Richardson Highway, and into Valdez. From Valdez supertankers would carry the crude oil south to Seattle, where it would be transferred to a pipeline and started eastward to the markets.

The initial survey favored the Anaktuvuk Pass, which is broad with a level floor carved by the glaciers that receded some 12,000 years ago. Because of the objections to this route by environmentalists, who worried about the annual caribou migrations there, the Dietrich Valley corridor was surveyed across the Brooks Range at 4500 ft. altitude and down to Prudhoe Bay along the Atigun and Sagavanirktok River Valleys. This higher route would be more expensive to build and much more difficult to operate and maintain. But it is not as heavily traversed by caribou and apparently is not considered by environmentalists to be a crucial wildlife area.

Along either route the oil pipeline would be accompanied by a gravel haul-road, since pipelines should be about $500,000 less expensive per mile if they are constructed alongside an existing road and less still if near a single track access railway. The combined cost of a single-track railway and a hot-oil pipeline on one right-of-way from Fairbanks to the North Slope should be about the same as that of building the pipeline alone and without the convenience of the parallel railway to move heavy materials and equipment. Thus, in choosing between the two all-Alaska routes one is led to a preference for the one over the Anaktuvuk Pass, since the high-altitude Dietrich crossing of the Brooks Range presents serious construction problems. And the most economical T.A.P.S. combination seems to be a joint single track railway and oil pipeline through the Anaktuvuk corridor.

Another difficulty with the T.A.P.S. route is that the existing railway south from Fairbanks does not continue on to Valdez but instead veers west toward Anchorage. Construction of a pipeline beside the Fairbanks-Anchorage leg of the railway considered was by the T.A.P.S. group, but the route was deemed less deirable than the route to Valdez because harbor conditions at Anchorage were felt to be not as amenable to the handling of large tankers. The T.A.P.S. planners also had to take into account mountainous terrain and permafrost in the north, severe weather and operating conditions that require proper heat for oil to pass through pipeline and pumping facilities most of the year, the very great cost of moving equipment and materials to the areas north of Fairbanks, and the possibility of a major earthquake. Even more of a hazard to a pipeline than earthquakes is the occasional damage resulting from landslides and snow slides. Crammed harbor conditions in the Valdez Arm of Prince William Sound and the task of coordinating frequent tanker movements through the 50 miles of straits and islands to the south make this alternative problematical, notwithstanding the favor it has among the T.A.P.S. planners. Other complications that contribute to the high costs of the system include the necessity of the additional sea movement, a fleet of supertankers, new superport facilities, and a second tank farm in Seattle.

An essential part of either trans-Alaska oil pipeline system is a gas pipeline taking an entirely different route—eastward from Prudhoe Bay down the Mackenzie Valley to the U.S. Aside from the economic disadvantages of two separate systems moving oil and gas out of the Prudhoe Bay fields, it is possible that the gas pipeline might be ruled environmentally infeasible; then the whole question of transporting North Slope gas would have to be restudied.

THE YUKON RAILWAY ALTERNATIVE

The proposal for a high-capacity, two track railway that would connect Alaska and Montana through the Yukon Territory and British Columbia was evolved because it avoids the caribou migration route through the Anaktuvuk Valley, bypasses the present boundaries of wildlife refuges in northeastern Alaska, and keeps clear of the very difficult terrain in the earthquake and glacier belt of the Alaska Range south of the Yukon River. This 3600-mile route seems to involve fewer environmental problems.

However, because the railway would have to climb to an altitude of about 3000 ft. and tunnel seven miles through the Brooks Range above the Sagavanirktok River, it would cost more to construct and operate than the Mackenzie railway.

Location of the gas pipeline with the oil delivery system along the Yukon corridor has the advantage that its construction would cost about $0.5-to-$1 million per mile, half the cost of a separate route east from Prudhoe Bay. However, it would appear difficult, if not impossible, to locate both the railway and the gas pipeline in the same Brooks Range tunnel. The problem of a rail accident in the tunnel and subsequent rupture of the pipeline appears almost insurmountable. For this reason, we recommend that a separate alignment for the gas pipeline be sought at the crossing of the Brooks Range. (Possibly this would involve nothing more than the pipeline climbing to a higher altitude and taking a shorter tunnel route.)

The Yukon corridor would be the shortest and most convenient route for an access and resource railway from the 48 states to Alaska—an important factor in the moving of oil field equipment from the petroleum-producing areas in the United States to the North Slope.

If the total cost and time considerations were not critical, the Yukon route would provide the best all-round solution from the United States point of view for the development of its 49th state and for the two-way movement of resources and materials.

THE MACKENZIE RAILWAY ALTERNATIVE

The third route configuration runs east from Prudhoe Bay along the Arctic shore, southeast through the Mackenzie Valley in the Northwest Territories to Alberta, and then to the U.S. The attractions of this route are many from a purely economic and geographic point of view. It is the only one that does not cross the continental divide or any mountain range. If a gas pipeline is to be built along this alignment in any case, then it seems wise to consider at least part of the same route for the oil-moving system. The Mackenzie Valley route has the shortest mileage from the North Slope oil fields to the most-likely marketing areas in Canada and the U.S.—3300 miles between Prudhoe Bay and Chicago, while the Yukon corridor spans 3600 miles and the T.A.P.S. pipeline-tanker-pipeline system 4200. It would probably be the lowest priced combined route system, notwithstanding the fact that the oil railway would drop off the Chicago-bound gas pipeline and detour 600-miles to a Montana terminal.

If Canada and the U.S. were part of the same nation, and if the weather problems on the north end of the Mackenzie route were not so extreme, it would be almost axiomatic that little consideration would be given to either of the other alternatives. The geography of this system suggests that it should be the most economical to construct and the least difficult to operate.

To provide the requisite 2 million barrels of oil per day the system would consist of a heavy-duty resource railway with two widely spaced tracks on a 40-ft.-wide graded way using heavy welded rail and whatever construction turns out to be best suited to low Arctic temperatures. On this route, grades could be limited to 1 per cent (50 ft. to the mile) and curves to a 2500-ft. radius. Tank-car unit-trains could be operated at speeds of 40 to 50 m.p.h.

One serious drawback is that the route must cross the recently established Alaskan Wildlife Reserve, although much of the problem could be avoided if the railway were located close to the Arctic Ocean, where it would interfere little if at all with the migration of caribou of the nearby plains. A raised roadway would have to be built so that it would not interfere with the permafrost or drainage of the many small streams that flow from the Brooks Range into the Arctic Ocean.

The Mackenzie corridor is a less convenient acces route from the United States to the section of Alaska south of the Brooks Range that contain other potential mineral and forest resources. A single-track extension from the Mackenzie line through the upper Porcupine Valley into central Alaska might provide an access to the center of Alaska almost as good as the Yukon corridor. The single-track extension could also be used to help solve the dilemma of the 800 miles of 48-in. pipe that has already been purchased from Japan for $100 million and stored in various locations in Alaska. Should the Mackenzie Valley railroad be selected, the pipe could be adapted for natural gas transmission. The sections stored at Valdez and Fairbanks could be moved east from Fairbanks and then southeast to a connection with the Mackenzie railway. This could be done by first building a single track access railway running east from Fairbanks and south of the Yukon River to a connection with the Mackenzie route. After the Mackenzie railway is completed, the pipe stored at Prudhoe Bay could be laid out to connect with the pipe coming from the opposite direction.

It should be mentioned here that Arctic railways and unit trains have been in successful operation in various locations. Oil and gas are transported in north-central Europe, as are mineral ores by unit-train, under geographical and traffic conditions comparable to those contemplated for Alaska and Canada. A unit-oil-train system of the type under study delivers crude oil from Montreal to the Port Huron generating station. Likewise, hundreds of miles of railroad are used above the permafrost line, some of it north of the Arctic Circle, under dense traffic and heavy snow-fall conditions, and over more difficult terrain than that proposed for the Yukon and Mackenzie lines.

This chart (based on 1973 estimates) summarizes the author's economic arguments for construction of a high-capacity railroad to bring oil from the North Slope of Alaska to the U.S. midwest by way of Canada. The initial cost of the railroad system is substantially less than that now estimated for the trans-Alaska pipeline-tanker system which would transship North Slope oil through Valdez, Alaska. The rail link offers two additional advantages: its availability for bringing supplies and machinery to the North Slope fields, and its residual value for transporting oil which may be discovered elsewhere in the western Arctic, and which is known to be in the Athabasca tar sands of Canada and the shales of some of the U.S. Rocky Mountain states. Economic development of Alaska, which the author believes would be stimulated by the two-way rail lines, is not evaluated in the chart.

[In millions of dollars]

T.A.P.S. pipeline/tanker/pipeline route: Prudhoe Bay—Valdez—Seattle—Chicago	
Crude oil pipeline cost, Arctic sections	3,000
Pipeline cost, U.S. proper	900
Railway cost, Arctic sections	—
Railway cost, Canada midsections	—
Tanker fleet cost	900
Tanker port facilities	150
First transfer, pipeline to tanker	100
First transfer, rail to pipeline	—
Second transfer, tanker to pipeline	100
Natral gas pipeline cost	4,000
Total gross facilities cost	9,150
Less savings to producers by use of railway for northbound equipment (15 years: 10 billion barrels at 25 cents)	—
Less residual value of the system after depletion of Prudhoe bay oil [1]	950
Adjusted 20-year commitment	3,200
Yukon Corridor high-capacity rail/pipeline route: Prudhoe Bay—Montana—Chicago:	
Crude oil pipeline cost, Arctic sections	—
Pipeline cost, U.S. proper	800
Railway cost, Arctic sections	1,500
Railway cost, Canada midsections	2,000
Tanker fleet cost	—
Tanker port facilities	—
First transfer, pipeline to tanker	—
First transfer, rail to pipeline	150
Second transfer, tanker to pipeline	—
Natural gas pipeline cost	3,000
Total gross facilities cost	7,450
Less savings to producers by use of railway for northbound equipment (15 years: 10 billion barrels at 25 cents)	2,500
Less residual value of the system after depletion of Prudhoe Bay oil [2]	1,475
Adjusted 20-year commitment	3,475
Mackenzie Valley high-capacity rail/pipeline route: Prudhoe Bay—Montana—Chicago:	
Crude oil pipeline cost, Arctic sections	—
Pipeline cost, U.S. proper	700
Railway cost, Arctic sections	1,200
Railway cost, Canada midsections	1,500
Tanker fleet cost	—
Tanker port facilities	—
First transfer, pipeline to tanker	—
First transfer, rail to pipeline	150
Second transfer, tanker to pipeline	—
Natural gas pipeline cost	2,000
Total gross facilities cost	5,550
Less savings to producers by use of railway for northbound equipment (15 years: 10 billion barrels at 25 cents)	2,500
Less residual value of the system after depletion of Prudhoe by oil [2]	1,175
Adjusted 20-year commitment	1,925

[1] The residual value represents the tankers, port facilities, and pipelines built in the continental U.S.

[2] The residual value represents a portion of the Alaska-Canada Canadian rail line and pipelines built in the continental U.S.

CONSTRUCTION COSTS

Normally, a double-track resource railway costs $800,000 to $1,000,000 per mile in temperate climates. It appears that routeway costs north of 55° latitude—which includes much of the construction discussed here—

would be as high as $2 million per mile. Rolling stock and repair shops would cost about $500 million per 1000 miles, not appreciably more than in benign regions.

The present estimate for the 2200-mile Yukon rail line to Whitefish, Montana, is about $3.55 billion—$2.4 billion for the finished routeway, $1 billion for rolling stock and equipment, and $150 million for a rail-to-pipeline transfer terminal. A 1500-mile crude-oil pipeline to complete the delivery to the Midwest would cost about $800 million and a gas pipeline $3 billion (see table on page 16). The total estimated cost of the Yukon system then is about $7.45 billion.

A double-track railway on the Mackenzie Valley route of about 2500 miles to Great Falls, Montana, would cost about, $2.1 billion. Grading and earthwork should be somewhat simpler here. Rolling stock and repair facilities would add about $600 million. The 3300-mile Prudhoe-to-Chicago gas pipeline would contribute $2 billion to the cost of the Mackenzie system—if it is built on the existing rail routeway. Adding a $700 million oil pipeline from Montana to Chicago and $150 million for a transfer facility brings the total to about $5.55 billion.

The current estimated cost of the T.A.P.S. oil pipeline, crossing 800 miles over two mountain ranges and three ridges between Prudhoe Bay and Valdez, is about $3 billion. This is by far the most expensive per-mile pipeline ever proposed. (One reason for the concern that stimulated the present study was the rapid rise of this estimate—from $1 billion when the T.A.P.S. plan was first announced in 1969). Standard supertankers of 100,000 tons for the fleet to operate the Seattle-Valdez route are now estimated at about $30 million each. By the time the trans-Alaska pipeline would be delivering 2 million barrels of oil (300,000 tons) daily, a fleet of 30 such vessels would be required for the 1600-mile ocean leg of the T.A.P.S. route. The separate Mackenzie corridor gas pipeline called for in the T.A.P.S. plan would cost about $4 billion—twice the cost of the same route built along an existing railway. All these figures conspire to put the T.A.P.S. route total expense at about $9.15 billion, including $900 billion for a 2000-mile Chicago-Seattle pipeline, $150 million for port facilities in Valdez, and $100 million each for Valdez and Seattle oil transfer terminals.

Thus the total initial facility investment for the main alternate routes from the North Slope to the U.S. Midwest varies from a low of about $5.55 billion for a railway system through the Mackenzie Valley to a high of $9.15 billion for the T.A.P.S. plan.

But upon depletion of the North Slope oil resources, the railway systems will have residual transportation value for the developing State of Alaska. This is hard to estimate, and a good many assumptions about economic development and future technology are involved; but, as shown in the table on page 13, our research suggests that, with an allowance for residual values, the lowest net outlay is then $4.375 billion for a Mackenzie Valley system. The highest is $8.2 billion for the T.A.P.S. system.

The commitment can be further adjusted to reflect the production savings in the North Slope oil fields from access for supplies and equipment that would be provided by the railway mode. This has the effect of lowering the field price of petroleum by about 25 cents a barrel. The readjusted lowest net commitment then is the Mackenzie rail line with $1.925 billion versus the T.A.P.S. route at $8.2 billion and the Yukon route at $3.475 billion.

AND TRANSPORTATION COSTS

Research by the Canadian Institute of Guided Ground Transport, (C.I.G.G.T.) Queens University, with support of the Canadian government and cooperation of the Canadian National Railroad, on the construction and operating details of a Mackenzie Railroad system (with an Alberta terminal) has shown that it could deliver 2,000,000 barrels of oil per day with 15 to 20 trains. If necessary, by using 30 to 40 longer trains, the railway could deliver double the estimated capacity of the T.A.P.S. pipeline or the Yukon railway. (Because the Yukon route is hillier, trains would be shorter and more frequent—perhaps 36 daily.) The additional Mackenzie capacity implies that both the existing Prudhoe reserves and new Canadian reserves could be brought out at the same time.

Oil transportation costs for the three different routes can be estimated on the basis of recent operating experience in bulk-freight unit-train movement and in large-diameter pipelines. Alaskan oil is presumed in these estimates to move first to a U.S. port-of-entry, and then to the U.S. Midwest. The projections are relatively simple to make. Since the base cost of transporting petroleum by 48 in. pipeline is already well known (25 cents per barrel per 1000 miles), only the increased pipeline construction cost factor need be applied to the delivery price. This generally amounts to about 10 cents per barrel more per 1000 miles for each increment of $600,000 per mile that a pipeline costs over a base cost of $600,000 per mile.

The transport rates tabulated on page 14 are for oil delivered from Prudhoe Bay to New Jersey. From the North Slope to Chicago, the T.A.P.S. rate would be $1.47 per barrel, the Yukon rate $1.42, and the Mackenzie rate $1.32. If the producing field is serviced by a railroad the cost of oil per barrel extracted would be $1.75. The absence of rail access would bring the field cost up to $2 per barrel. Thus, the total delivery price at Chicago would be: T.A.P.S., $3.47; Yukon, $3.17; and Mackenzie, $3.07.

In the most recent—more advanced—phases of the C.I.G.G.T. studies consideration is being given to such cost-related details as the effects of the delay in delivering Alaskan oil (a rail syystem would take about a year longer than the T.A.P.S. pipeline to construct); a carousel system (illustrated on page 18) for fast multiple-car loading and unloading of unit oil trains; and the possibility of cutting the gas-delivery cost to the Great Lakes area from $0.90 down to $0.65 per 1000 cu. ft. by using cryogenic tankcars and powering the trains with "boil-off" gas from the tankcars, as is done on liquefied-gas ships.

IMPACT ON ALASKA'S ECONOMY

Development of North Slope oil fields will accelerate the movement of the Alaska economy (the Canadian Northwest is not included in this analysis) away from its virtual dependence on federal spending, and will eventually lead it to a more balanced growth. The flow of oil, together with the greater efforts in resource exploration and development that will follow a long-awaited native claim settlement, will boost the economy and more than compensate for the decreases in military spending in Alaska that must be projected for the next decade. At the projected influx of 15 families a day into Alaska, the present population of 305,000 could double in ten years, although a rise to 425,000 by 1980 is more likely.

In the coming 10 years, the commodity-producing industries of Alaska should take a larger share of state activity. At present, 18.7 per cent of civilian employment is in this sector compared to the 40 per cent national average. Oil production will assist future resource development by providing the construction, transportation, and communication facilities in the remote areas. These distributive industries will then grow along with the industries and population they support. Since the North Slope discoveries, 1,400 companies have registered to meet the requirements for doing business in Alaska.

Presumed general per-mile pipeline costs

[$1000s per mile, including pumps, storage, etc.]

	Gas pipelines			Oil pipelines		
	36″	42″	48″	36″	42″	48″
Economical southern U.S. alignment	$250	$325	$400	$300	$400	$500
Typical alignment in northern and central U.S.	300	375	450	350	450	550
Southern Canada and Rocky Mountains	400	500	600	500	600	700
British Columbia, North Alberta, central Canada	600	700	800	700	850	1,000
Remote Middle East Turkey, Iran, Egypt	650	750	900	750	900	1,100
Central Russia and Siberia, good access	800	950	1,100	900	1,100	1,300
North-central Siberia and northern Canada	1,150	1,300	1,500	1,500	1,700	2,000
Arctic Alaska and Canadian Far North	2,000	2,200	2,500	2,700	3,100	3,500

DATA: current prices from petroleum industry journals.

The author points out that the recently completed 40-in. Trans-Alpine pipeline from Trieste to Bavaria through the eastern Alps cost $645,000 per mile. Good access to the route kept the construction cost down. The pipeline passes through three 4.5-mile tunnels, while the T.A.P.S. pipeline would climb over the high, treacherous Dietrich Pass instead of tunneling.

Could a railroad built to carry oil from Prudhoe Bay to the Midwest handle a broad range of commerce more cheaply than the existing Alaskan Railroad and water transport to the West Coast? This would depend on the location of the demand for Alaskan resources in the contiguous 48 states and on Alaska's willingness to reconsider its policy that requires primary processing in the state.

Alaska has resources out of which rail traffic could be generated. Estimates of the maximum annual allowable yield of Alaska's interior forests have ranged from 660 million to 2.3 billion board feet. Logging in the Yukon Valley between the Canadian border and Fairbanks—with estimated annual yield of some 160 million board feet valued at $25 million—has been severely limited by its inaccessibility and its distance and isolation from potential markets. These problems would be mitigated by a railroad which would be both a customer for local timber products and a means of transport to major markets. Over 650 new jobs could be created, and employment could be highest in the winter, when logging operations are facilitated by the frozen ground.

A comparison to developed areas in Canada and in the 11 western states suggests a 10-fold potential increase of non-oil-and-gas mineral production in Alaska to $300 million annually by 1990. This could be achieved if some of the present constraints on development are eased—among them lack of access to potential sites, inadequate knowledge of resource potential, and outdated and inhibiting laws and policies governing mining and other development in Alaska.

The proposed rail lines would boost surveying activity in the Brooks Range and in the Yukon Valley. Substantial quantities of iron ore, coal, and other minerals, estimated to be widely distributed throughout the state, probably exist in these areas. A conservative estimate for the annual production in the Brooks-Yukon region by 1990, given a rail line, is two million tons of iron ore, one million tons of coal, and one-half million tons of other minerals—with a gross value of about $30 million.

In terms of accelerating regional development, the establishment of a direct-express rail system to central Alaska 2000 to 2500 miles from the border of the U.S. proper could be compared to the building of U.S., Canadian, and Russian rail systems of similar mileage and geographic spread in the late 19th century—as shown in the table on page 15. One may observe that northerliness apparently has not been a governing factor in the growth rates of the westerly regions in Canada and the United States after rail-access was completed.

THE TOURIST DOLLAR

Alaska's unique scenic, recreational, and wildlife attractions have produced an average 15 per cent annual increase in tourism from 1964 to 1970. The 107,000 visitors to Alaska in 1969 spent a total of $36 million, making tourism the state's fourth largest industry. At a projected average growth of 10 per cent per year, the number of tourists could reach 325,000 by 1980 and 500,000 by 1985, and expenditures $168 million (in 1969 dollars) by 1985.

These estimates seem unduly optimistic in the face of the present restraints on tourist growth—lack of appropriate facilities for housing visitors, the great distance from the lower states, and the seasonality of tourist travel to Alaska. A high-speed rail link to Fairbanks from the Midwest would eliminate some of these constraints, and it is estimated that 200,000 of the 500,000 tourists who would travel to Alaska in 1985 would utilize such a rail service for at least part of their trip. Thus $50 million in tourist expenditures and the employment of 2000 to 2500 additional Alaskans could be among the economic spinoffs from an oil railroad 12 years from now.

The railroad would benefit, too, from the tourist revenues. Pullman passengers, traveling an average 3500-mile round trip at the rate of 3c per mile, would contribute $5.3 million to annual revenues. There is also a large potential in transported vehicles. If 40,000 of the transported vehicles pay 7c per mile, 8000 pay 10c per mile, and 2000 pay a mobile home rate of 15c per mile, they will generate $9.8 million in revenues. In addition, if each of these vehicles comes with an average of three travelers, and if the average distance traveled on a round trip in 2500 miles (accounting for many one-way trips), another $5.6 million in passenger revenues would be collected. Thus total revenues to a railroad from tourist traffic might reach $20.7 million by 1985.

Considering the long-range economic welfare of Alaska, and especially the development of tourism, the scales would be tipped somewhat more toward the Yukon corridor with a railway spur to the central region of the state. This more southerly route could be operated for the tourist trade over a considerably longer season—April to October—than the Mackenzie system. It also would have considerably shorter running time, lower cost for movement of goods, and slightly better access to all of the United States.

A LONGER-TERM VIEW

Since a very substantial investment of effort, resources, and capital is about to be made to bring crude oil from the North Slope to the continental U.S., the size and worth of the Prudhoe Bay deposit needs to be put into better focus. The present estimate of these reserves represents a 35 per cent addition to the known petroleum reserves of the U.S. But the truth is that by 1985, when the U.S. may be consuming oil at the rate of 5 to 7 billion barrels a year, the Prudhoe oil will in fact amount to only a two-year supply for the nation. However, the combined, roughly estimated total reserves of the U.S. and Canadian Arctic—including the Prudhoe Bay oil—are 70–80 billion barrels. Most of it is not accessible to the T.A.P.S. oil pipeline. The Mackenzie route could conveniently serve in all of the potential North Slope oil regions.

A long-range consideration that generally is overlooked is that two of the three largest known oil deposits in the world lie near the regions traversed by the Yukon and, especially, the Mackenzie corridors. Recoverable reserves from the Athabasca tar sands of Alberta are estimated at 370 billion barrels—about the same size as the entire known Persian Gulf reserves. The shales of Colorado, Utah, and Wyoming are thought to contain about 600 billion barrels of economically recoverable oil.

The Sun Oil Company has invested $300 million in a plant to develop oil extraction from the tar sands, and according to the *New York Times* the company feels that its operation could be in the black by the time of the next round of price increases in the crude oil market. The Shale Oil Corporation, recently joined by the Standard Oil Company of Ohio and the Atlantic-Richfield Company, and aided by more than 30 years of U.S. Bureau of Mines research, has been conducting extensive experiments and pilot operations for about a decade. S.O.C. believes its descending scale of costs is now at the same level as the ascending scale for developing conventional petroleum fields.

It would seem mandatory that any new refineries and petroleum-processing facilities built to handle the flow of Arctic oil in the central and western parts of the U.S. or Canada should be closely linked with the tar sand and oil shale formations. Montana would be a good compromise location, handy to both deposits. It would also make a convenient transfer point for the further distribution of crude oil and petroleum products to the Midwest, Rocky Mountain region, and Northwest, as well as to the East Coast. Looking beyond 1980, trans-Canadian rail routes look even more attractive.

It is therefore recommended that serious consideration be given to the alternate routes of the Yukon corridor through British Columbia and the Mackenzie corridor through Alberta. It now appears almost certain that high-capacity rail systems would be more economical to construct and operate and would yield greater residual value or follow-on utility after Prudhoe petroleum is exhausted.

Our study concludes that any decision to proceed now with construction of the trans-Alaska system from Prudhoe Bay to Valdez and thence to Seattle would be premature. Additional studies and any change in strategy for transporting the North Slope oil resources would of course further delay their utilization. But the size of the investment, the long-range planning needed to move the tremendous deposits of oil yet to be tapped in the U.S. and Canadian Arctic and tar sand and shale regions, and the issues of regional development and conservation fully justify that delay.

RETIREMENT OF HON. KEN BELIEU AS UNDER SECRETARY OF THE ARMY

Mr. HELMS. Mr. President, I view with sadness the departure of Kenneth E. BeLieu as Under Secretary of the Army. Ken's retirement is effective today, and his character and dedication are such that our Government can scarcely afford to lose his services.

I have not known Ken BeLieu as long as some other Members of this body. But I have known him long enough to become aware of the kind of man he is. In war and peace, he has been a gallant and dedicated American, a thoroughbred gentleman, and immensely capable. I confess the hope that somewhere along the line, the administration will persuade Kenneth BeLieu to return to the service of his country.

I first met Ken at the Senate prayer breakfast on a Wednesday morning shortly after I arrived in Washington this year. You learn something, Mr. President, about the men who gather around that table. I learned about Ken BeLieu's faith, and the manner in which he practices it. My late friend, Senator Dick Russell, reserved a special tribute for men whom he considered special; he would say:

> That fellow is one of Nature's Noblemen.

If I may borrow Dick Russell's special assessment of very special men, I would apply it to Ken BeLieu. It fits, Mr. President. It fits.

SYLVIA PORTER ATTACKS NIXON HEALTH PROPOSAL

Mr. MUSKIE. Mr. President, the Nation's elderly are becoming more and more incensed with the Nixon administration proposal to add to their already heavy burden of medical costs by imposing new deductibles and coinsurance increases in the medicare program. This has become very apparent to me as I have presided over hearings on "Barriers to Health Care for Older Americans" as chairman of the Subcommittee on Health of the Elderly, Senate Special Committee on Aging.

Therefore, I was delighted to see that the renowned columnist on money matters and consumer interests, Sylvia Porter, has written a hard-hitting article citing some of the findings from the hearings and exposing this proposal for what it truly is: "a brutally callous way of reducing Federal budget expenses."

Miss Porter rightly points out:

> Today's average elderly citizen already pays far more in direct, out-of-pocket costs for medical care than in 1966—an average of $404 in fiscal 1972, or $95 more than in fiscal 1966, before Medicare went into effect.

She adds:

> The Nixon Administration is trying to cut budget costs by asking the elderly to assume in the coming fiscal year an extra $500 million and, later, an additional $1 billion in Medicare hospital costs. . . .
>
> These Medicare cutbacks, politely referred to as a cost-sharing plan—are being proposed at a time of surging food costs, lifting of rent controls in many cities, climbing prices across the board (including out-of-pocket costs of health care not covered by Medicare), reductions or eliminations of Federal housing subsidies.

Mr. President, I want to state again my opposition to the Nixon medicare proposals, which are callous in the extreme, and I ask unanimous consent that the June 28 Sylvia Porter article "Nixon

Plan Hits at Elderly Sick" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NIXON PLAN HITS AT ELDERLY SICK

(By Sylvia Porter)

Q: What two things do the following expenses have in common?

Out-of-hospital prescription drugs, routine physical exams and immunizations, routine eye exams for glasses, hearing aids, dentures, routine dental care, orthopedic shoes, custodial nursing home care.

A: They are all "normal" medical care expenses of elderly Americans;

And they are among the key items which are not covered at all by Medicare.

For entirely appropriate and defensible economic reasons, the Nixon administration is fighting to curb the year-to-year increases in our national budget. We cannot even hope to lower the rate of annual rise in our cost of living to tolerable limits until we get our budget back under control.

But defending the budget objectives and defending the priorities in the Nixon budget are scarcely in the same sphere.

Today's average elderly citizen already pays far more in direct, out-of-pocket costs for medical care than in 1966—an average of $404 in fiscal '72, or $95 more than in fiscal '66, before Medicare went into effect.

Many medical care costs are far higher for Medicare patients than they were at Medicare's beginning eight years ago.

It is against this background that the Nixon administration is trying to cut budget costs by asking the elderly to assume in the coming fiscal year an extra $500 million and, later, an additional $1 billion in Medicare hospital costs.

Instead of today's $72 deductible from the cost of the first day hospitalization, the elderly patient would have to pay the full cost of the first day. Today's average hospital room rate is more than $72 a day—nearly as much as the minimum monthly Social benefit of $84.50.

Instead of today's free hospitalization (after the $72 deductible up to the 61st day, the patient would be required to pay 10 percent of his or her hospital costs, whatever the length of stay. Thus, if an elderly person had to spend 60 days in the hospital, the cost would be raised from today's $72 to at least $500.

The deductible under Medicare's Part B also would be raised under the administration plan—from the first $60 of doctor bills to the first $85, and the patient would be required to pay 25 percent of the costs above that, against 20 percent today.

Federal backing for such "low priority" Medicare services as dental care for the indigent—including the elderly—would be eliminated by the Nixon plan.

These Medicare cutbacks, politely referred to as a "cost-sharing" plan—are being proposed at a time of surging food costs, lifting of rent controls in many cities, climbing prices across the board (including out-of-pocket costs of health care not covered by Medicare), reductions or eliminations of federal housing subsidies.

By one count, in 1969, Medicare paid for 45 percent of total health expenses for the elderly; today that proportion is down to about 42 percent, and under the Nixon plan, would plummet to 35 percent.

Moreover, state after state has been putting through cutbacks in the Medicaid program—the "next step down" after Medicare.

To suggest what the Nixon plan could mean, a delegation from the New York City Office of Aging gave this testimony before the Senate Special Committee on Aging:

A chronic heart disease patient in New York City would be forced to pay 358 percent more in hospital costs than today and 27-percent more in doctor bills.

In the words of Nelson Cruikshank, president of the National Council of Senior Citizens, this is an "outrageous and unconscionable scheme to steal from the elderly sick."

In the words of Sen. Edmund Muskie, D-Me., chairman of the Senate Subcommittee on Health of the Elderly. "This plan could, in fact, increase costs for all concerned—the elderly, the government and the health industry—without improving the quality of health services. The increased charges might actually discourage timely care that could prevent institutionalization or prolonged treatment."

And should you also agree this is a brutally callous way of reducing federal budget expenses, you have plenty of company. According to a recent Louis Harris poll, 92 percent of the American public are opposed to this plan—making it the most unpopular of any administration cost-cutting proposal.

MARGARET CHASE SMITH

Mr. MUSKIE. Mr. President, today is the last day of Margaret Chase Smith's official association with the U.S. Senate after a distinguished 24-year term of service. She has taken this opportunity to contact her friends and associates, and I ask unanimous consent that her letter be printed in the RECORD. Senator Smith encloses a letter about her recent activities written by her long-time aide, Maj. Gen. William C. Lewis, Jr., which I think will be of great interest to my colleagues. I ask unanimous consent that General Lewis' letter also be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SKOWHEGAN, MAINE,
June 30, 1973.

DEAR FRIEND: Today marks my last day of any official association with the United States Senate after 24 years. While my status as a Senator terminated on January 3, 1973, there were certain privileges that extended for six months after that until June 30, 1973 for the purpose of permitting me assistance in closing up my Senate affairs, including the extension of mailing privileges.

So in my final act and exercise of those cleaning up and closing out activities, I am writing you to thank you for the very thoughtful expression that you made about my service in the Senate. I shall always remember your kind words and thoughts. Your kindness has done much to sustain my spirit and courage.

In the thought that you might be interested in what I have been doing since my Senate days came to an end and in what I plan for the future, I am sending the enclosed copy of a letter written by Major General William C. Lewis, Jr., my long time aide. I hope you find it of interest.

Gratefully yours,
MARGARET CHASE SMITH.

SILVER SPRING, MD.,
June 28, 1973.

MR. WILLIAM J. CALDWELL,
Pipers's Bend
Damariscotta, Maine.

DEAR BILL: I promised you that I would write later about what Senator Smith was doing after her more than 32 years in Congress. I write now as the first six months of transition have transpired. As you will recall following her defeat she was faced with three phases of decision and action. The first was an orderly evacuation from her Senate suite and handling of her records and papers. This was completed prior to the eviction date of January 3, 1973 only by exclusive attention to the task and refraining from other time consuming activities such as news media interviews but at the price of severely condemnatory and erroneous news articles.

The second was the disposition of her papers, which had been requested by universities and colleges throughout the country. A group of prominent Americans proposed that she turn over her home in Skowhegan to let them convert it into a Margaret Chase Smith Library. She agreed to this on the condition that the project be very modest and unpretentious. Jim Webb (former NASA head, Budget Director and Under Secretary of State) was elected President of the non-profit Margaret Chase Smith Library and I was elected Treasurer in strictly non-paid positions. Contributions (which are tax deductible) are most welcome.

The third decision phase is that which has just terminated—what would Senator Smith do? After six months, it is fairly clear that she will not retire to the rocking chair to which some critics would sentence her but instead become an academician. This started developing in March when she spent three days of residency at the University of Alabama Law School, followed by lectures, speeches and rap sessions at universities and colleges in Michigan, Indiana, Massachusett and Virginia. And it was recently culminated by her affirmative response to the request of the Woodrow Wilson National Fellowship Foundation to be a Visiting Professor in residency at universities and colleges throughout the country at periods varying from a few days to several weeks at each institution.

Senator Smith ruled out a government appointment very early. She was flattered by such proposals that she be Secretary of Defense or Chief of the SALT team but viewed them as unrealistic because of the inconsistency of the President appointing someone who had been rejected by the voters. In that connection, while she appreciates the press credit given her for the Kittery Naval Shipyard not being closed, she again says this is unwarranted and unrealistic. For if as the Democrats in Massachusetts and Rhode Island claim that in political reprisal the Boston Naval Shipyard was ordered closed because Massachusetts was the only state President Nixon lost and the naval facilities in Rhode Island were ordered closed because Republican Navy Secretary Chafee was defeated in his Senate bid, then by the same political reasoning it is far more plausible that President Nixon kept Kittery open as a political reward to the Maine voters for overwhelmingly supporting him while rejecting her.

She has taken on other activities such as member of the Board of Governors of a national insurance company, advisory councilor to the American Home Economics Association, and a fourth term as Chairman of the Board of Freedom House.

Perhaps you saw her on the Ladies Home Journal "Women of the Year" Award telecast. With mistress of ceremonies, actress Rosalind Russell, she opened that program when she presented the Public Affairs Award to Representative Shirley Chisholm. In asking Senator Smith to do this, Lenore Hershey, Managing Editor of the Ladies Home Journal, told her that a two-day deadlock of the Awards Jury between Representative Chisholm and Senator Smith had been broken only when some Republican members of the jury absented themselves from the voting.

Her vibrant smile, youthful appearance and jaunty walk to the microphone in that presentation triggered two interesting developments. One was a flurry of letters wondering if this could be the same bitter recluse Margaret Chase Smith in a wheel chair as Mike Shanahan and asking for information previously characterized by A.P. reporter and advice on her successful hip surgery. The other was a flurry of feelers on TV participation.

After receiving her third honorary doctorate this year (bringing the total to 74 doctorates and one masters), she and I drove to Skowhegan where she has spent the last month at her home working on her papers and records for the Library. During this time she sandwiched in four commencement addresses in Maine. I spent two intensive weeks opening 175 crates of records that had been mailed from her Senate office in November and December, before returning to Washington to be the Senior Moderator at the National War College Defense Strategy Seminar. We made very gratifying progress on getting the records and papers catagorized, positioned and catalogued.

This brings us up to date. Now for the rest of the foreseeable year. The middle of next month Senator Smith will take a pleasure trip to an area to which she has longed to return—Scandinavia, specifically Denmark and Norway. In August she tentatively plans to visit my place in the mountains of Red River, New Mexico. After that she will return to Skowhegan preparatory to "hostessing" the next Library Board meeting on September 8 and 9 there.

Following that, she will embark on her activity as Visiting Professor of the Woodrow Wilson National Fellowship Foundation taking her to universities and colleges throughout the country for the rest of the Fall and into the Spring of 1974.

Thus, the Senate's one lone woman member for so many years, after opposition by the political arm of the Maine Teachers Association and rejection by the Maine voters because of her age, ironically has been called to a new career of teaching and close association with young people.

But if there is irony in teacher opposition and voter rejection for being too old and yet subsequently being drafted by the academic world for a career of association with young people, there is some consistency in becoming a teacher.

For Margaret Chase Smith's first job after graduating from the Skowhegan High School was teacher in a one-room rural grade school. Now she is returning to her first role as teacher but this time as a Visiting Professor at the college level nationally through she never attended college—and most gratifyingly, being warmly and enthusiastically welcomed by the students.

The November election result was keenly disappointing—but if it led to this, it was a blessing in disguise.

Sincerely,

William C. Lewis, Jr.

THE GAO SHUTTLE REPORT

Mr. DOMENICI. Mr. President, those who contend that the Space Shuttle will cost more than either current expendable or new expendable boosters find grist for their mill in the GAO report dated June 1, 1973.

On page 30 there is a table that gives the cost per pound of putting payloads into orbit. The GAO gives these figures as $3,100 for current expendables, $2,600 for new expendables, and $3,500 for the Space Shuttle. On the surface, this would appear to be a damaging set of figures.

However, they are not damaging because these figures are irrelevant and meaningless to a rational discussion of the Space Shuttle. I say they are irrelevant and meaningless, because the economic case for the Space Shuttle does not rely on launch costs. The economic justification for the Space Shuttle is to be found in substantial payload savings it will bring about. Savings will accrue through the use of cheaper satellites: Cheaper because they will use off-the-shelf components; cheaper because they will have less redundancy; and cheaper because they will have the ability to repair them in space or bring them back to earth for refurbishment.

Moreover, substantial savings may arise from eliminating such costly losses as the $100 million orbiting astronomical observatory and the $70 million Mariner Mars failure. These costly failures would very likely have been avoided had a Space Shuttle been available. In this connection, the repair of Skylab I is a very good demonstration of repair work that a Shuttle crew can carry out on a future malfunctioning satellite.

The best estimates available show that the Space Shuttle will save upwards of $5.2 billion and possibly as much as $15 billion.

On June 15, 1973, the Library of Congress, acting under the instructions from the House Appropriations Committee, prepared a paper entitled, "The June 1, 1973 GAO Analysis of the Shuttle Program: A Critical Assessment." This is a very fine document and I commend it to my colleagues. I ask unanimous consent that it be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

The June 1, 1973 GAO Analysis of the Shuttle Program: A Critical Assessment

OVERVIEW

Mr. Thmoas D. Morris, Assistant Comptroller General, reviewed the G.A.O. Shuttle report for the Senate Committee on Appropriations on June 12, 1973. He added informal remarks to his prepared text to explain the handicap under which G.A.O. conducted its study. He cited the lack of experience and familiarity with space hardware development and space missions as a major problem. The effort, according to Mr. Morris was a learning experience.

The unfamiliarity of G.A.O. with space systems is clearly evident in many of the arguments presented in the report. It should also be noted that the points raised by G.A.O. question but do not refute the NASA-Mathematica Analyses. In several instances G.A.O. finds NASA's figures overly conservative and suggests corrections which favor the shuttle.

Finally, G.A.O. notes a second handicap to their analysis—the tight constraint of their assignment. They were instructed to analyse NASA's cost justification which favors the shuttle over alternative competing systems. *G.A.O. supports NASA's contention that these cost estimates are not the best basis for decision making and they suggest five, more important, considerations.*

They do not explore these points but do include the following apologetic note which identifies the constraints of their assignment:

"Although we think the matters I have just mentioned deserve careful consideration in the selection among the alternative systems, the task were asked to perform involved anaylsis of the cost estimates for the three systems and, accordingly, our work was directed toward cost considerations."

The most frequent argument used by opponents of the Shuttle contends that NASA is trying to buy a 5 billion dollar transportation system without explaining what it is they wish to transport—the "who needs it?" argument. NASA's problem with this argument is not their lack of mission plans—the need for the Shuttle system emerged from these plans. They have simply been unsuccessful in gaining an adequately large audience to whom they could explain these plans.

The G.A.O. report notes this issue and supports NASA by recommending Congressional review of these plans. They carefully note that the tangible and intangible values of the Shuttle project and as well as those of space payloads were beyond the scope of their report, i.e.:

" . . . We made no judgment about the economic or other worth of the missions or payloads for which the Space Shuttle Program or alternative systems would be used, nor did we consider whether NASA's selection of the Space Shuttle Program was justifiable on such non-economic grounds as advancement of space technology or national prestige. It is clear without detailed review that the economic justification for the Space Shuttle Program depends on the priorities which the Nation places on future space exploration and experimentation."

The G.A.O. emphasizes these points by repeating them in several ways throughout the report thus carefully disqualifying their specific assignment as an important tool to decision making. They emphasize, again through repetition, that larger issues be weighed:

a) The value of space activity in the Nation's future—"not just until 1990 . . . but for the indefinite future".

b) The value of potential new technology that might result from the Shuttle program.

c) Whether the Shuttle provides the flexibility and the unique capabilities which the U.S. space program should have.

d) The value of international prestige provided by the Shuttle.

e) If lives were lost in manned flight, would the space program be damaged by public reaction?

f) How valid is the contention that the Nation's space objectives can be achieved with unmanned flight?

In brief, the major portion of the G.A.O. assignment, the examination of the costs of competing space transportation systems has as its primary thrust, an emphasis on uncertainties, unknowns and unknowables of the type generally common to any large scale undertaking. However the report warns that the cost comparison section is of minor significance to the Shuttle decision. Instead, the report has an overlay of questions, asked but not answered, which are identified as central and relevant to the Shuttle decision.

One can not fail to note that the extensive exploration of many of these larger questions formed the basis for the NASA decision to pursue the Shuttle program, namely:

a) Projections of the growth in value of the uses of the space domain.

b) Projections of the increasing diversity of current and anticipated applications of space technology, both civil and military.

The G.A.O. suggestion to Congress that the Shuttle decision should emerge from an exploration of these larger issues could therefore be taken as a tacit endorsement of the Shuttle program.

REBUTTLE OF SPECIFIC POINTS

The three major points identified by G.A.O. are treated in this section. In addition, an appendix has been included, which was furnished by NASA. The appendix identifies and answers additional items from the G.A.O. report.

1. ARE FIVE ORBITERS ENOUGH?

G.A.O. states that in terms of vehicle losses, no good comparisons, relevant to the orbiter, exist. They note that the F-111 required 12 vehicles for the first 40,000 hours and assume that 581 Shuttle flights would require about the same flight hours, and possibly the same number of vehicles.

The 40,000 hour estimate for 581 flights is invalid. The engine life time of the orbiter, for example, is less than 10 hours. The orbiter experiences less than two hours of aerodynamic flight per mission. Time in orbit, in a zero "g" condition, does not contribute to structural stress or fatigue. Actual aerodynamic flight time for 581 missions would therefore be a more realistic comparison. This figure is about 1,000 hours.

NASA's 581 mission profile requires three orbiters, assuming none are lost. Five orbiters were included in the costing of the 581 mission profile, with contingency funds for one additional orbiter, should it be needed.

2. OVERLOOKED COST

Although G.A.O. identifies two areas in which they identify overlooked costs, they also have noted an amount twice as great as the sum of these overlooked items which is deductible. The net balance of the G.A.O. notations therefore reduces the total estimated Shuttle costs by about $150 million.

3. OVERRUNS

G.A.O. suggests the possibility of cost growth. Their support for this suggestion stems from their familiarity with the history of major military weapons systems.

The environment in which weapon systems are specified, developed and purchased is unlike that in which major space hardware is produced. A more relevant comparison could have been drawn from studies of space hardware development, such as that required for the Apollo program.

The Apollo program was far larger, spanned a greater period of time and was at all times a greater technological risk than the Shuttle, and also greater than any known weapon system. Yet, its final cost was well within the limits of the original cost estimates.

Mr. DOMENICI. Mr. President, one of the most telling arguments against the GAO report is on page 5 of this fine document. I refer to the section entitled, "Are Five Orbiters Enough?" Here is what this report states and I quote:

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Now, here we have a case of the GAO comparing apples and oranges. Moreover, faulty arithmetic may be involved.

I believe the report of the Library of Congress on the possibility of vehicle losses is much closer to reality than the GAO report.

CHARLES HODEL—PUBLISHER

Mr. ROBERT C. BYRD. Mr. President, in 1961 the Sunday Gazette-Mail, of Charleston, W. Va., paid the ultimate compliment to Charles Hodel, naming the publisher of the Beckley Post-Herald and the Raleigh Register as "West Virginian of the Year."

By bestowing such an honor on a competitor, the Charleston papers showed the respect that all West Virginians shared for Mr. Hodel. Now we share the loss in his passing.

Charles Hodel passed away last Saturday, June 16, 8½ years after suffering a stroke that kept him hospitalized since 1964. My sympathy goes to his family, who I am sure take great comfort in the goals he accomplished during his life.

The son of Swiss immigrants, Charles Hodel was born in New Philadelphia, Ohio, more than 84 years ago. His was a farm family, far from wealthy. In that kind of childhood, there were few material things. Yet, his immigrant ancestry and his close-to-the-earth upbringing instilled in him a pioneer spirit and a belief in the American way of life that contributed much more than material goods would have given to his later success.

At age 13, he lost a leg as a result of a fall. Even though he later described the amputation as "the low point of my life," the accident did not deter him. In his midteens he came to West Virginia as a book salesman, but became a printer for newspapers in Montgomery, Grafton, and Clarksburg. He finally became editor of what was then the Raleigh Herald.

In 1912, he was named editor of the competing weekly, the Raleigh Register; and, by 1929, he had become the owner of the Register, turned it into a daily newspaper, and had also purchased the Post-Herald.

He had also, during that period, become a prominent civic leader in Raleigh County, promoting the local rural development council, outdoor drama facilities, and improved transportation systems. It was Charles Hodel who assured a new Raleigh County Airport by using his own money to hold open the option on the needed land.

Throughout his life, Charles Hodel was a great believer in the American dream—he made believers out of many others, as well. His pride in West Virginia, and in particular the Beckley area, was matched by his dedication to making the State and county better areas in which to live.

West Virginia has lost not only one of its finest publishers, but also one of its finest citizens. I extend my condolences to Mr. Hodel's family.

NAVY DEPARTMENT ESTIMATES 14 TO 15 BILLION BARRELS OF RECOVERABLE OIL RESERVES IN NAVAL PETROLEUM RESERVE NO. 4—ANOTHER REASON WE CANNOT AFFORD TO WAIT TO BUILD THE TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, the Navy Department has, at my request, conducted research on the amount of recoverable oil and gas reserves in naval petroleum reserve No. 4 on Alaska's North Slope. I am informed the Navy Department estimates there are 14 to 15 billion barrels of recoverable oil reserves in petroleum No. 4. Other sources estimate between 10 and 33 billion barrels.

The Navy Department estimates 80 trillion cubic feet of natural gas in recoverable reserves there also.

Let us compare this to the proven oil and gas reserves in the Prudhoe Bay Field of the North Slope. The American Gas Association has estimated that field of the North Slope contains 26 trillion cubic feet of natural recoverable gas reserves. The American Petroleum Institute has estimated 9.6 billion barrels recoverable reserves in the Prudhoe Bay Field.

It is not hard to visualize the immense importance of the reserves in Naval Petroleum Reserve No. 4.

However, all the oil in the world will do us no good if we cannot transport it. If we cannot transport it to the rest of the country, we might as well be without it. In fact, I believe this Nation little understands the security implications of Alaska's vast oil reserves.

AMERICAN POLITICS: A PERSONAL VIEW — SENATOR McGOVERN'S OXFORD LECTURE, JANUARY 21, 1973

Mr. McGOVERN. Mr. President, following the Presidential election last November, I was invited to deliver a lecture at Oxford University. That address, given on January 21, 1973, was the subject of considerable controversy following its delivery.

Since then, however, I have had countless requests for copies of the address; it has been requested for publication in two collections of public addresses; and I have been advised that it has been used in numerous college classrooms.

In any event, I am confident the speech will stand the test of time despite the initial criticism it drew from some journalists and others.

I ask unanimous consent that the text of the address as delivered be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

American Politics: A Personal View

I had hoped to be occupied elsewhere today. But the American electorate has made it possible for me to spend this time with you.

Had my fellow citizens been better acquainted with your history, they might have seen certain parallels between Richard Nixon and his namesakes who sat on the English throne.

Like Richard I, Richard Nixon has been celebrated for his foreign journeys, while his own land has been troubled and unattended.

Like Richard II, who wasted England's wealth in a failing war in Ireland, Richard Nixon has squandered America's good name in a foolish venture in Indochina.

And like Richard III, if we can believe the Tudor historians, Richard Nixon has usurped powers that are not his in law or tradition.

You have been spared a King Richard IV. We seem to have him—for four more years.

Only the voters of Massachusetts—the nation's birthplace—and of Washington, D.C.—the nation's capitol—would have had it otherwise. We have established a new political dictum: "As Massachusetts goes, so goes the District of Columbia."

Just why the American electorate gave the present administration such an overwhelming mandate in November remains something of a mystery to me. I do not expect to find a fully satisfactory answer. My supporters and I worked so incredibly hard and campaigned so vigorously and openly, that our overwhelming defeat has left us with a temporary sense of sadness and disappointment that we must learn to direct into a constructive, continuing effort to restore our hopes for America. I firmly believed throughout 1971 and early 1972 that the major hurdle to winning the Presidency was winning the Democratic nomination. I believed that any reasonable Democrat could defeat President Nixon. It now seems doubtful to me that anyone could have defeated him in 1972 unless there had been a third party effort by Governor Wallace to divert a major portion of the right wing vote from Mr. Nixon. And I am not certain that the Democratic Congress will hold the President in check for the next four years. I am convinced that the United States is closer to one-man rule than at any time in our history—and this paradoxically by a President who is not personality popular.

Fundamentally, we have experienced an exhaustion of important institutions in America. Today only the Presidency is activist and strong, while other traditional centers of power are timid and depleted. This is why one man in the White House was able for so long to continue a conflict of madness in Southeast Asia hated by so many of his countrymen.

The institution of Congress has been exhausted by Executive encroachment and legislative paralysis. For a decade, a war was waged without Congressional approval; for years, that war raged on in part due to Congressional inaction. The representatives of the people proved unwilling to end a policy opposed by the people.

But the impotence of Congress and the omnipotence of the Presidency have deeper roots and a longer history. In 1933, at the depths of the depression, Congress passed Administration bills almost before they were printed or read. It was a time of crisis. But in the years since then, the Congress has acted as though the crisis were permanent. We now accept the curious notion that the legislative initiative rests with the executive branch. Most major legislation that Congress considers originates with the Administration.

And in the last generation, Presidential activism and Congressional passivity have been even more pronounced in the field of foreign policy. Congress was not asked for approval in the 1950s before American troops were dispatched to Korea and Lebanon. The chairman of the Senate Foreign Relations Committee, who advised against the Bay of Pigs invasion, was ignored, while other members of Congress were not even consulted. The Senate was assured that the Gulf of Tonkin Resolution was no writ for a wider war; it was then used as an excuse for the widest war since 1945.

Now this tide—which has ebbed and flowed for four decades—has crested at a new high. Just before Christmas, the President, in the flush of his electoral landslide, unleashed the most barbarous bombing of the war without even forewarning the Congress. He then refused to explain it or to permit any of his subordinates to explain it—a situation which must strike you especially as strange, since not only the Foreign Secretary but the Prime Minister are regularly called to account in the House of Commons.

I only wish your government had expressed to us the moral outrage that a good friend was obligated to express against the senseless destruction of Indochina. Thank God for the eloquent and timely words of Roy Jenkins.

The President's defense for silence over this arbitrary bombardment and secret negotiations was the American doctrine of executive privilege, which is supposed to protect certain limited types of communication within the executive branch. The truth is that he was abusing executive privilege, which is not supposed to prevent review and the exercise of responsibility by the legislative branch.

Our Constitution, like yours, is an organic document. Although the first Americans sketched the essential outlines of government, they wisely left the embellishment of the relationship among its three branches to experience. Thus, the assignment of specific authority is only in a few instances explicit.

But among the rights clearly assigned to the Congress are the powers of war and peace and the power of the purse. The power to make or unmake war, however, has been stripped almost completely from the Senate and the House. And now, for the first time, the executive has mounted a serious challenge to the Congressional control of appropriations. Perhaps the Congress invited this attack by a complacent acquiescence in the Vietnam disaster; in any case, the battle is on, and the Congress is losing.

Last fall, we submitted to the President a bill to clean up our nation's waterways. He vetoed the bill, and we passed it again over his veto. He then simply refused to spend the money as Congress directed. The success of this tactic was followed by the impoundment of funds for other domestic programs. Most incredibly, at the end of the last legislative session the President demanded that the Congress rubber stamp such impoundments in advance. He asked us to agree to set a budgetary ceiling within which the sole power of appropriation was reserved to the executive branch. Even more incredible was the speed with which the House of Representatives approved this request, and its relatively narrow defeat in the Senate. And after Congress refused the President this authority, he just took it. One wonders why he even bothered to ask.

This is not the way of a government of laws or even of men, but of one man. Today the United States is moving dangerously in that direction. The Congress seems incapable of stopping what it opposes or securing what it seeks. It has been described by a Republican Senator as a "third or fourth rate power" in Washington. And it may be fairly asked whether the Congress of the United States in the seventh decade of this century is in peril of going the way of the House of Lords in the first decade. The difference is that the diminution of the Lords made English government more democratic, while the diminution of the Congress makes American government more dictatorial.

And the exhaustion of the Congress is matched by the exhaustion of the political parties.

The Republican Party, reduced to utter vassalage by the White House, offers little more than administrative reorganization. They offer the politics of efficiency—but to what end and impact? Their answer to the transportation crisis is to rearrange the Department of Transportation. Their answer to desperate social needs is to reduce and rename social programs. Their answer to the threat of racism is the malignancy of benign neglect. Their answer to the housing crisis is a moratorium on new public housing.

And at the same time, the loyal opposition is neither loyal to a specific set of ideas nor effective in its oppoistion. The Democratic Party is in peril of becoming a party of incumbency out of power, much like the Whigs of the 19th Century—a party with no guiding principles, no programs, living only from day to day, caring only for the perequisites of office, doing nothing, and worse, not caring that nothing is done.

Though important and, I believe, enduring reforms have opened the Democratic Party to broader citizen participation, the purposes for which it stands remain disputed and undefined. For twenty-eight of the last forty years, those purposes were set by Democratic Presidents in the White House. Today, the party consists largely of fragments and factions, often still divided along the same lines as in 1968, when proadministration and antiwar forces contended for its soul.

At the same time, the Democratic constituency has declined; in both of the last national elections, the Democratic candidate could count only about 40% of the vote. I believe the Democratic party is still the best hope for most Americans. Yet I know that we have failed to convey the Democratic appeal to millions who are not racist, but afraid; who do not seek a demagogue, but will settle for one if no more constructive leader seems to hear or heed them.

And what is the response of the Democratic Party and its major ally in organized labor? Not a determined effort to shape a constituency for change, but an exhausted armistice with the status quo. In 1973, the party itself is no longer a challenging source of ideas and innovation in society. Indeed, in the midst of the quarrels and the contention, the safest course for party officials has been to emphasize that they are interested, not in the ideology, but in the technology of politics.

Without principles, there is no party. And a nation cannot be led nobly or even decently by a collection of politicians whose highest purpose is power.

But perhaps the most discouraging development of recent years is the exhaustion of the institution of the press.

Under constant pressure from an administration that appears to believe that the right of a free press is the right to print or say what they agree with, the media have yielded subtly but substantially. During the campaign, I was subjected to the close, critical reporting that is a tradition in American politics. Indeed, even routine staff squabbles were widely reported and difficulties in the selection of a vice presidential nominee were treated as a momentous crisis although no damage was done to the Nation. This kind of close press attention to the details of my campaign was not always comfortable, but it was, perhaps, inevitable, if not essential. Yet Mr. Nixon escaped a similar scrutiny. With a few notable exceptions, the press never really laid a glove on him, and they seldom told the people that he was hiding or that his plans for the next four years were hidden. Six days after the Watergate gang was run to the ground, Mr. Nixon invited reporters into his office, and submitted to the only interrogation his managers allowed during the fall campaign. Not a single reporter could gather the courage to ask a question about the bugging and burglary of the Democratic National Committee. Much of this can be blamed on the White House press corps itself. As one wrong question, and a reporter may find himself cut off altogether, thus ending his repose in one of the most coveted assignments a journalist can draw.

Now, with the election over, the executive branch has tightened the pressure on the media. For example, the administration has expressed an intention to punish offending television networks by depriving their stations of licenses. Already, the White House has dismantled the Public Broadcasting System whose public affairs presentations the President found irritating. And much of the press has responded by retreating. It has catalogued the slashes in domestic programs and the plans for arbitrary, insensitive government—but it has not even noticed anything amiss in the fact that these steps were concealed or denied before the election. There are, of course, brave reporters, newspapers, and television channels ready to take the heat; but there are countless others who have left the kitchen for a more confortable, uncritical existence in the antechamber of this administration. They are trying to get along by going along. The more wrong-headed and irresponsible of our syndicated columnists, especially, are far more interested in cultivating their dubious "sources" on the inside than they are in presenting accurate information or thoughtful judgments. Fortunately, their reading audience is small and increasingly wary of ill-informed gossip.

But the exhaustion of American institutions is matched by an exhaustion of the American spirit.

This even touches some liberal intellectuals, traditionally the most tireless group in America. Today you can hear such liberals saying that government cannot make any real difference for good in the lives of people—that whatever it touches will turn to failure. And they are reluctant to resume the imperfect but important social progress interrupted by the Vietnam war. Instead they seem almost happy to fulfill the prophecy of W. R. Inge, the Gloomy Dean, that he who would marry the spirit of the age soon finds himself a widower. And they seem to draw a curious personal consolation from the evidence that appeals to the idealism and morality of America were rejected in 1972 by the majority of Americans.

Indeed, these once liberal voices now tell us that we should not try to save our cities, cure the causes of crime, eradicate poverty or admit our error in Vietnam. They say that if we are part of the solution, then we are also part of the problem. Their motto appears to be: "Nothing ventured, nothing lost." They seem to be searching for the lowest common denominator of the current political mood.

The same disspirit envelops millions of other Americans. They have followed a bloody trail of disappointment from a sunny street in Dallas to a decade of senseless killing in Indo-China. Three times they have voted for peace; and each time they have been given more war. They were oversold on the social experiments of the 1960s; now they are wary of buying even sensible and essential social progress from any political leader. They see government as at best an annoyance, at worst an enemy, and they wish it would just leave them alone. Broken promises have ended in broken power. Public officials are viewed principally as annoying tax collectors or as social planners disrupting established social, racial and ethnic patterns of life.

To my mind, this mood was central to the outcome of the 1972 election. For example, the commentators have suggested that credibility was among my principle difficulties during the campaign. I agree, but not with the proposition that people did not believe me. I think they *did* believe that I would do what I said, and they were afraid. They sensed that I really intended to reduce our swollen military establishment and to demand genuine reform of the tax code. They knew that I meant it when I said we were coming out of Indo-China lock, stock and barrel with no delays for face-saving exercises. Many looked back at the debris of the last decade, and they feared that once again, they were about to be called to new efforts to strengthen our society; they were not ready to expend that effort.

So to me the central challenge for the future of American politics is to end the paralysis of institutions and ease the apprehensions of the electorate. The United States must find a way to replace exhaustion with energy, cynicism with hope, resignation with determination, destructive anger with constructive activism.

That is so easy to say, so hard to do.

I no longer think it can be done merely by calls to greatness or appeals to idealism, no matter how eloquent. Americans have been told until they are tired of hearing it that they shall overcome, that they can move their country forward, that they can have a great society, that they can seek a newer world or find the lift of a driving dream—or even bring America home to its founding ideals. This kind of summons has value; indeed, in my view, Americans are desperately anxious to believe in a transcendent, almost mystical purpose. But they are also skeptical now of any such summons unless the signs of progress are apparent.

As I discovered in the last campaign, it is not even enough to outline proposals in specific detail. The only way to reawaken faith in the system is for government and politicians to restore it step by step, through substantive advances that mean something to people. They must see their sons home from Vietnam, their neighborhood crime rate reduced, their taxes used to build better lives instead of bigger bureaucracies, their children educated in decent schools and their illnesses cared for at reasonable cost. The progress must be visible, sure and steady. The words of politicians must be matched by effort.

This requires above all else a determined effort to improve and strengthen the institutions in America that are supposed to serve the citizens of America. After a decade of disillusion, institutions may be unfashionable things. But institutions are not evil, they are neutral; and they are indispensable instruments of change in society. More often than not, the ebbs and tides of history are determined by the nuts and bolts of government.

In modern times, when American liberals have recognized that truth, they have tended to see it in terms of the Presidency. Only a few years ago, liberal scholarship still celebrated the strong executive and sought to strengthen it even more. Now we have learned that the presidency, too, is a neutral instrument—that power in the White House can be abused as well as used.

Twice now our answer has been an attempt to change the person in the Presidency. Both times we have ended in at least as much difficulty as we were before. It is now almost four years until the next national election. It is also time to ask whether American progressives should continue to rely on a quadrennial chance to capture what is becoming an elective dictatorship.

We may lose again as we have before. And liberty is the real loser when so much authority is vested in a single office.

There will be plenty of time to prepare for the next campaign. But now is the time for a determined effort to change, not the person in the White House, but the power of the Presidency. American liberals must reverse the forty year trend toward a stronger President and return to the two hundred year old tradition of shared power. It is time to renew the Constitution, the Bill of Rights and the Declaration of Independence.

The Supreme Court is subject to fate and executive appointment, with only the Senate standing between the court and an ideological coup. So the true priority is to protect the place of the Congress in the federal system. We must seek a pluralism of power, where Congress and the President guard and prod each other.

Some political scientists claim that this is the wrong aim. They say: Only the President can lead because only the President has a mandate. But Congress has a collective mandate, made by a blend and balance of the regional interests reflected in each member's election. And that collective mandate is as useful and necessary as the President's. The Congress can work to check the Executive and to move the country. It can seek cooperation with the President; it can also shape a kind of cooperative tension with him that can make change happen. In the words of an ancient philosopher: "That which is in opposition is in concert, and from things that differ comes . . . harmony."

In pursuit of a pluralism of power, the Congress has powerful weapons at its disposal. And after executive provocation without peer or precedent, the legislative branch at long last seems ready to act.

Now the Congress must exert its authority to achieve a full measure of influence. For example, when the legislation that allows the President to control wages and prices comes up for renewal, the Senate and the House should not issue another blank check. We should include safeguards to assure that profits, dividends and interest rates are never again permitted a special break while the wages of workers bear the full burden.

But the Congress should not wait for such opportunities. It should mount a consistent and coherent effort, founded on its foremost power—control over appropriations. James Madison wrote in *The Federalist Papers*, number 58:

"The power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure."

This insight is borne out in the history of your own land. For five centuries, from Edward I to George III, English liberty was purchased piece by piece by the Parliamentary power of the purse. And in 1973, the Congressional power of the purse can sustain American liberty.

It can be used to stop the abuse of executive privilege. Part or perhaps all of an appropriation could be conditioned on the administration's consent for the appropriate officials to testify before House and Senate committees.

It can be used to stop executive wars by whim. The Congress must refuse to fund conflicts it has not declared or even decided to fight. From the tragedy and travail of Vietnam, the Congress at least must learn the truth of Edmund Burke's warning: "A conscientious man would be cautious how he dealt in blood." American ideals have been depreciated. American wealth has been sunk. Human lives have been wasted, and Indochina itself has been consumed in the contest. The United States must fight when the course is right. But never again should the Congress allow young American lives to be lost in an undeclared, ill-defined war for the defense of a corrupt dictator anywhere in the world.

And these steps are only a beginning. For if the Congress is to assume a role of leadership, it must have not only the negative power to review and reverse policy, but also the positive power to make policy in the first place. It must know enough—so it will not hear the reply that the President always knows best. It must be structured for integrated decision making—so it will not hear the reply that only the President can pull all the pieces together.

First, the Congress should establish a unified budget assessment mechanism. The Senate and House should establish a committee to estimate revenues, set a general level of expenditures, and establish priorities to relate specific appropriation decisions to that general level. This committee should have sufficient resources of expertise and information. There is no reason to let the President control the budget because he has the only Office of Management and Budget.

Second, the Congress should establish a policy. With members drawn from the Appropriations, Foreign Relations and Armed Services Committees, such a unified committee could offer a thoughtful and sensible alternative to executive proposals. This committee, too, should have the necessary resources. If the President can have two State Departments, the Congress can have at least one agency to provide information and recommendations about foreign affairs and defense policy.

Third, the Congress should adjust the seniority system. No other legislative body in the Western World uses length of service as the sole standard for place and power in its committees. If the Congress is to carry out its collective mandate, it must do what the mandate means, not what a few individuals from safe districts want. An activist, effective Congress must reflect the popular will. It cannot do so unless the members freely elect committee chairmen.

Finally, the Congress should defend its powers as it extends them. It must consider and choose from a number of alternatives to cancel or control the impoundment of its appropriations. Only then can the Congress assure the execution of the policies it has enacted.

So if the Congress has the will, there is a way to exercise positive leadership. For the long term, the question is—in what direction?

I am convinced still that the society to which America should aspire is a liberal one. To those who charge that liberalism has been tried and found wanting, I answer that the failure is not in the idea, but in the course of recent history. The New Deal was ended by World War II. The New Frontier was closed by Berlin, Cuba and an imaginary missile gap. And the Great Society lost its greatness in the jungles of Indochina.

Of course, liberal programs will sometimes fail anyway, for human decisions are frail always. Government is the creation of men and encompasses the weaknesses of men. Plans can be poorly executed—though a Congress with sense and a bit of intelligence can work to prevent that. But that government is best, I believe, that best serves the demands of justice. So what Americans should seek is a system in which the principles of civil equality and individual liberty have the highest claim on statesmanship. We must renew our devotion to personal freedom and personal privacy. We must strive to provide a decent standard of life for all citizens and to redistribute wealth and power so each citizen has a fair share. And along with this must come a foreign policy which puts humanity and morality ahead of Cold War myths and the prestige of leaders who would rather compound error than face reality.

And an institutional revival of the Congress not only can lead America in a new direction; it can also spark a similar institutional revival outside government.

Where power is pluralistic rather than presidential, the press will not have so much to fear from the executive branch. It could institute reforms such as the rotation of correspondents at the White House and among candidates in a national election, and the assignment of political reporters and not just "regulars" to the President during a campaign.

There are also hopeful signs of a reawakening in the Democratic Party. The party is scheduled to hold biennial conferences to set national policy, with the first one next year.

And as Democrats look ahead to 1976, they can be encouraged by the enduring gains of 1972. For I believe my campaign set the manner in which future candidates must seek the Democratic nomination—openly, candidly, not with the traditional strategy of saying as little as possible, but with a pledge to seek and speak the truth. I believe we also set a standard for the conduct of future campaigns—which will have to reveal their contributors and represent the people rather than special interests. And, hopefully, Americans will not again accept wiretapping, Watergates, and the spectacle of a candidate hiding in the White House. Instead, they will expect at least a commitment to correct wrongs rather than committing them. Finally, I believe our campaign set forth the great issues that will dominate the debate of the 1970s, ranging from tax reform to a rational military budget.

And millions of Democrats, whether they are ordinary citizens or Senators, are anxious to carry the banner. I have faith that their energy and efforts can end the exhaustion of the electorate, enlist the country in a coalition of conscience as well as self interest, and expand the 29 million votes the national ticket won in 1972 into a majority that is right as well as new.

In 1972, I was the beneficiary of the most devoted, idealistic campaign workers ever assembled. They provided the energy and the tough-minded attention to issues and political organization that enabled me to win the Democratic Presidential nomination against all the odds makers and political prophets. They did not prevail in November; they remain, however, closest to the enduring spirit of the nation that we ought to honor in the year of our bicentennial, 1976. They are the most effective, dynamic political force in American politics today. No one will win either the Democratic Presidential nomination in 1976 or the subsequent Presidential election as a Democrat without the active support of this superbly motivated, public-spirited force of Americans.

But as I have noted, the next election is four years away. For the immediate future, the key is the Congress. It must take the initiative and provide the inspiration. It must cure the paralysis and procrastination that have earned it the doubt, the disrespect, and the cynicism of the American people. The New York Times recently described the President as a leader who "behaves with the aloofness of a Roman emperor." It is useful to remember that no Roman emperor was crowned until the Roman Senate abdicated.

Before most of you were born, the late Henry Luce described this time in history as the American century. Since then, the United States has learned the hard way that you cannot colonize centuries any more than you can colonize countries. But I would still like to believe that my country has something of value to offer to a beleagured world.

It is not just our wealth and our technology—though that we should share with those who need it.

And it is not the terrible gift of another Guernica in Indochina.

And surely it is not our power to unleash a nuclear reign of terror, to give the earth a last shimmering moment of light before the endless night.

Throughout our history, America's greatest offering—as I said in accepting the Democratic presidential nomination—has been as "a witness to the world for what is noble and just in human affairs." This is what summoned the dock workers of Manchester to support Abraham Lincoln and the cause of liberty during our Civil War. And this is what America must restore. If we fail, other generations who are not free will look back and say that things cannot be any other way.

So in my mind, the challenge of the American future is to revive our institutions and resume our progress at home while we act abroad with "a decent respect for the opinions of mankind."

NEW TECHNOLOGY IN THE FOREST PRODUCTS INDUSTRY

Mr. PACKWOOD. Mr. President, earlier this month, my staff assistant responsible for covering the forest products industry received a telephone call from a firm in Wilmington, Del.

The purpose of this call was to alert me to the potential for development of a radically new technology for logging. In this day and age, when each of us is becoming increasingly concerned over the future of our environment, present methods of logging are coming under increasing challenge for the manner in which they affect the forest environment. An allied difficulty with the prevailing method of logging involving construction of an extensive road network is that the major capital investment required tends to make certain harvesting methods economically disadvantageous even though they may be preferable from an environmental standpoint.

Also, the capital investment needed for a road network makes it uneconomical in many instances to practice proper forest management in the form of precommercial and commercal thinning operations in the forest.

The many disadvantages of extensive road-oriented logging have contributed to increased interest in such other harvesting techniques as balloon and helicopter logging. Each of these methodologies, however, has its own disadvantages: Relative lack of control and stability in the case of balloons and relatively extreme expense in the case of helicopters.

It is in response to this increasingly vexacious problem of how this nation will be able to continue to meet the needs of our citizens for lumber and other wood products while, at the same time, doing all we can to protect the environment from which the trees must come, that the All American Engineering Co. in Wilmington began research on the Aerocrane.

I have asked several friends of mine in the forest products industry—people who are, without question, some of the best informed professionals in the world—to review the Aerocrane concept and advise me as to its feasbility for wide-spread use in the forest products industry. Preliminary reports have been sufficiently encouraging as to the soundness of the proposal that I would like to call it to the attention of my colleagues at this time.

I ask unanimous consent that the attached report on the Aerocrane concept be printed in its entirety in the RECORD. I urge my colleagues to review this report as I am becoming increasingly convinced that it holds great promise for overcoming the inherent and internal conflicts built into current logging methods.

There being no objection, the report

was ordered to be printed in the RECORD, as follows:

THE ALL AMERICAN ENGINEERING AEROCRANE

A NEW CONCEPT IN SHORT-RANGE AERIAL TRANSPORTATION OF TIMBER

(NOTE.—Figures referred to are not printed in the RECORD.)

Reduced to simple terms, the basic problems in logging all relate to transportation. High weights, awkward loads, poor footing, near vertical ground contours, and remote locations only begin to tell the story of the transportation problems in timber harvesting. With the possible exception of mining, no other industry faces the full range of transport problems.

The construction of a major road network is paramount in any timber harvesting operation. Modern logging requires that roads be built to within 1,000 feet of every tree harvested. In one square mile of forest this can mean over 12 linear miles of roads. When the logging operation is being done in mountainous areas (where we now harvest about 50% of our saw lumber) these roads are extremely expensive and create a serious erosion problem. This vital road network is often the major target of environmental action groups.

Logging operations in the past have often resulted in serious damage to the surprisingly delicate forest environment. Even the more moderate environmentalists have grounds for complaint against some poorly logged areas. The pendulum of human action/reaction is now swinging to the extreme of barring *all* roads. Such an action could, with present lumber prices and harvesting methods, stop all logging.

The U.S. economy is highly dependent upon lumber and a cessation of logging cannot be allowed to occur. However, even quite reasonable road restrictions will force timber harvesting costs even higher. The result of higher harvesting costs means higher lumber prices at home and reduced exports, thus furthering the economic impact.

What can be done about the significant problem of lumber needs versus environmental concern?

One answer is to break the transportation bottleneck by airlifting entire trees out of the forest.

Aerial transportation of entire trees would eliminate the need for the extensive road network now required.

The selective harvesting of only the best lumber would increase the production efficiency of saw mills. Also, the 25% to 50% of each harvested tree now left in the woods (branches, needles and tops) ***might*** be usable as a zero sulfur fuel or particle board material.

Normal aerial lift systems lack the ability to selectively remove whole trees within any reasonable range. Present-day helicopters have inadequate payload capability to lift the weight of an entire tree (approximately 100,000 lbs.). Balloon cable systems can certainly be constructed to support 100,000 lbs., but the constant upward thrust under no load conditions requires massive ground winches and tiepoints that severely limit the ability of the system to select only the desirable trees. It is clear that a new method must be found if aerial whole tree harvesting is to become possible.

In 1972 the proposed USFS project "Falcon" came to the attention of All American Engineering Company, a subsidiary of All American Industries, Inc. (Amex), Wilmington, Delaware. Project "Falcon" was intended to investigate innovate aerial timber harvesting methods. This program was of great interest to All American, the world leader in aerial pickup and retrieval systems.

All American was founded in 1938 by the late Richard C. DuPont to supply an airmail in-flight and delivery service to communities in the Middle Atlantic States. After an eight year record of better than 90% reliability, the service was changed to a passenger operation now known as Allegheny Airlines.

The energy absorbing winch systems developed to allow the airmail bags to be safely brought aboard the aircraft were expanded in World War II for multiple glider pickup, personnel evacuation and clandestine operations.

Continued development of energy absorbing techniques led to aircraft arresting systems and aerial recovery methods now used world wide for parachute payload recovery systems for returning satellites and unmanned aircraft (reconnaissance drones).

With the extensive aerial cargo handling systems experience gained over the last 35 years, All American began a program to investigate aerial timber harvesting. After reviewing timber harvesting operations, All American concluded that the available aerial systems (balloons and helicopters) did not offer an optimum solution to the problem of aerial logging. What appeared to be needed was a combination balloon and helicopter with the best features of both. All American's engineers began design of such a hybrid system. The "Aerocrane", shown in Figure 1, is the result of that effort.

The Aerocrane concept of a balloon/helicopter combination offers a method of economically airlifting heavy loads. An Aerocrane sized to lift 100,000 lbs. as a slingload is illustrated in Figure 1. The diameter of the central sphere is 150', the four wings are 112' long and 18' wide. With an estimated total of 5,000 horsepower in the four wing-mounted engines, the Aerocrane can achieve a forward speed of 42 mph with a full load of 100,000 lbs. As a point of comparison, the largest U.S. helicopter has 9,000 installed horsepower and a maximum slingload capability of 25,000 lbs.

The interior of the central sphere is naturally divided into eight equal segments by the internal structure that supports the wing pivot points (Figure 2). Eight ballonets (Figure 3) will be used to contain the helium, and the remaining internal space pressurized with air to maintain the spherical shape of the main envelope.

The wings are supported by cables secured to the north/south axis framework of the internal structure.

In operation, the wing-mounted turbo-prop engines cause the entire balloon/wing assembly to rotate at about 10 rpm. This rotation of the four large wings generates an aerodynamic thrust of 60,000 pounds.

The control cab is isolated from the rotating sphere by a swivel joint so the cab remains stationary.

The aerostatic lift generated by the buoyancy of the gas is established (by selection of the correct size envelope) to support the entire weight of the vehicle *plus* an additional 40,000 lbs. Thus the combined aerodynamic thrust of 60,000 lbs. (established by selecting wing size and horsepower) and aerostatic lift provide a slingload specification of 100,000 lbs.

When the Aerocrane releases the cargo, the rotating assembly is so controlled (by varying wing pitch angle) to produce a downward aerodynamic thrust (60,000 lbs) sufficient to overcome the net upward lift (40,000 lbs.) of the aerostatic sphere and translate in the desired direction.

With a top speed of 42 mph the Aerocrane can operate with adequate efficiencies in winds up to 30 mph. (A chart outlining the efficiency factor is shown in Figure 4.) When wind velocities exceed this value the two-point mooring system of Figure 5 is used.

By mooring the Aerocrane as shown with lines approximately 500 feet long, the Aerocrane can "ride out" winds up to 100 knots (115 mph) in perfect safety.

In actual timber operations, the Aerocrane can harvest selected trees over a circular five square mile area and deliver these trees to a central landing area at a rate of up to 10 very large trees (up to 100,000 lbs. each) per hour. Only one road (to the landing) is needed. This road need only to be equivalent to the radius of the circular area or about 1.75 miles instead of the 60 miles of road normally needed to harvest an area of this size. With no slash (waste lumber) left in the forest and no roads, the environmental impact is very small. In fact, whole tree aerial logging can be planned and conducted in such a manner as to eliminate many environmental hazards such as disease, fire and other natural causes.

The 100,000 payload Aerocrane may be the model most useful in timber harvesting, but this is not nearly the largest model possible. In contrast to the problems in "scaling up" a helicopter, the Aerocrane gets better as it gets bigger. An Aerocrane capable of lifting 500,000 pounds is quite feasible and could probably be built using readily available engines. Figure 6 projects the performance of larger Aerocranes. The illustrated example indicates an Aerocrane capable of lifting 220,000 lbs. would have a sphere diameter of 195', use 12,500 hp and translate at 49 mph.

How real is the concept? Any competent aeronautical engineer can verify the basic physics involved. What is needed is a change in standard harvesting techniques (already under attack) and the business program to begin. The need is of such a magnitude that the logging industry must react with boldness and imagination. The Aerocrane is the answer to the aerial logging problem. Now is the time to institute requirements and standards for whole tree logging.

ESTIMATED COSTS OF OPERATION 100,000 LB. PAYLOAD AEROCRANE

(Estimated initial cost—$2,000,000)

Yearly fixed costs

Depreciation (7 years to 15% of purchase)	$243,000
Insurance	320,000
Property damage and Liability	10,000
Pilots salaries	135,000
Mechanics salaries	75,000
Taxes	5,000
Total	788,000

Maintenance and overhead (in dollars per flight hour)

Engines (5,000 HP, $35/hr. ea. engine)	$140.00
Propellers	10.00
Consumables and Reparables	50.00
Wings	10.00
All others (radios, etc.)	50.00
Fuel 2,400 lbs/hr @ $.033/lb	80.00
Per flight hour	340.00

At 2,000 hours per year (40 weeks, 50 hours per week)

Fixed costs	$788,000.00
Operating costs (2,000 hours x $340)	680,000.00
Engine overhaul	112,000.00
$750 per hour or	1,580,000.00

If a sufficient quantity of trees that contained a total of 20,000 board feet could be delivered to the landing each hour by the Aerocrane, the costs of Aerocrane operation would be $37.50 per thousand board feet. It would appear probable that 6 or 7 selected trees could easily meet this rate of delivery.

In many logging areas the following cost per MBF might be possible using the Aerocrane and whole tree logging techniques.

Falling and bucking*	$5.00
Truck haul (to mill)	12.00
Aerocrane	37.50
Slash disposal**	2.00
Per MBF	56.50

*This is average cost of current operating; bucking costs should be lower at landing operation.

**Simpler operation due to delivery of entire tree to landing.

This assumption is based on the use of a landing located on an existing road.

This cost of $56.50 per MBF compares well with the average harvesting cost of $48.00 (USFS data) for Region VI, Oregon and Washington in 1970. Data from a helicopter logging operation monitored by the USFS (Report by V. W. Brinkley, Logging Engineer, USFS) shows costs in excess of $100.00 per MBF. Data on balloon logging is not available but costs are estimated to be between $70.00 and $90.00 per MBF.

Of course, there have been many logging operations in the past that were conducted at less cost. However, with the industry under (often successful) court attack by environmentalists and new laws severely restricting easily available timber harvesting sites, roadless aerial logging may well be the only avenue open to future large scale timber harvesting.

Given that whole trees can be delivered to the landing, it would seem possible to utilize some portion of the material now wasted (slash) in current operations. This portion of the tree could provide a zero sulphur fuel at a delivered price of about $.60 per million BTU's (comparable to low sulphur coal). Other uses might be for particle board or charcoal manufacture.

FULL UTILIZATION OF TIMBER RESOURCES

Current timber harvesting methods impress even the casual observer with the large quantities of waste material left completely unutilized. Clear cutting harvesting methods produce substantial amounts of cut trees that cannot be economically removed as well as the limbs and tops of trees that are actually removed for timber. When this operation is compared to the high efficiency of other industries such as meat packing where everything but the "squeal" is utilized, it is evident that a major effort is needed in this area.

If an entire tree were delivered to a processing station near the harvest area, the overall weight would be around 50,000 lbs. for some of our major lumber species. Of this weight, about 25,000 lbs. can be cut into logs and shipped directly to the saw mill. The balance of the material is in the form of limbs and needles. A very obvious use for this material is a low sulfur fuel.

Recent air quality standards have focused on the element sulfur as a major source of pollution. As a result, many power-generating facilities have been forced to burn low sulfur fuels. As the sulfurous content of wood is virtually zero, the possibility of the use of the waste material as fuel from timber harvesting should be considered. Our forests provide a very effective solar energy conversion system provided we fully utilize the fuel value therefrom.

As a point of comparison, coal with a sulfur content between 1 and 3% is currently available for about $15.00 per ton delivered. This coal typically provides about 12,500 BTU's per pound. On this basis the cost to the user is $0.60 per million BTU's.

Data obtained from "The Use of Wood as Fuel" (USDA Bulletin #753) indicates a cord of yellow pine (90 cu. ft.) weighs 4,770 lbs. green and 3,240 lbs. when the moisture has been reduced to 12% of gross weight. The dried wood would then have a total of 26 million BTU's or 8,000 BTU's per pound.

The drying process removed 1,530 lbs. of water, and, assuming 1,000 BTU's per pound of water, required about 200 lbs. of the dried wood to provide the energy for the drying.

Using the above ratios, 25,000 lbs. of limbs and needles from the average tree could be dried to 17,000 lbs. of fuel. About 1,000 lbs. of the dried fuel would be needed to provide the energy, so a net figure would be 16,000 lbs. of fuel produced from the material now wasted from each tree actually removed for lumber. As some portion of the fuel will be needed for other power needs of the processing station and as various losses inevitably occur, a reasonable figure might be a net of 10,000 lbs. of dried fuel (8,000 BTU's per pound) produced from the material now wasted from each complete tree delivered to the processing station.

A rough estimate of processing costs can be made. (25,000 lbs. of waste timber):

	Cost per ton	Total cost
Chipping—Equipment, Vermeer Manufacturing Co. model 671; specs, steam powered, 10 tons per hour; $27,000 purchase price:		
Labor: 2 men at $7 per hour each	$1.40	
Maintenance at $2.50 per hour (manufacturer's estimate)	.25	
Depreciation (5-year life) (25,000 lb)	.23	
Subtotal	1.88	$23.50
Drying (energy supplied from wood fuel) (25,000 lbs)	$0.12	$1.50
Storage and handling (17,000 dired wood)	.25	2.12
Truck shipment of 10,000 lb (5 tons) of dried wood fuel 50 miles at 0.05 per ton per mile	2.50	12.50
Subtotal		39.62
10 percent G. & A		3.96
Subtotal		43.50
10 percent profit		4.35
Total (or $9.57 per ton)		[1] 47.85

[1] Cost to process 25,000 lb of green wood into 10,000 delivered pounds of 8,000 Btu per pound fuel.

As each ton of wood fuel will contain 16,000,000 BTU's, the cost per million BTU's of wood fuel with virtually zero sulfur will be $0.598, very close to the present price ($0.60) of 1 to 3% sulfur coal.

By 1978 present air quality laws will restrict the sulfur percentage in coal to between .7 and .76% (about 14 lbs. per ton). By the laws of supply and demand, coal meeting this specification will be more expensive than coal containing higher percentages of sulfur. If we assume that coal containing 3% sulfur will be available at $10.00 per ton we can postulate a composite fuel using 3% sulfur coal and zero sulfur wood that would meet air quality standards.

Item	Quantity (in pounds)	British thermal units per pound	Estimated price per ton	Pounds of sulfur per ton	Total British thermal units (millions)	Pric
h sulfur coal (3 percent)	470	13,700	$10.00	14	6.44	$2.35
ood fuel	1,530	8,000	9.57	0	12.24	7.32
Average 9,340 British thermal units per pound (or $0.517 per million British thermal units)				14	18.68	9.67

There is a good probability that this composite fuel could be burned in standard coal furnaces at a 14% savings even over present prices of low sulfur coal.

Many users of coal receive this fuel by rail. If the wood were processed as described earlier and trucked to a rail loading point on the route used to supply coal to the user, an interesting system might be possible. The transportation loop could begin with returning empty rail cars from the user of the fuel. These cars could be used to ship the dried wood fuel to the high sulfur coal mine. The wood fuel could be mixed with the coal in the grinding process in the correct proportions. The composite fuel could then be shipped to the user to begin the transportation loop again.

Given that entire trees can be harvested and delivered to a processing station, the above analysis offers one posibility of utilizing everything but the "rustle". Other possibilities would include charcoal and particle board material. This kind of marketing could turn the expense of "slash" disposal (now better than 10% of harvesting costs) to a profitable enterprise.

ELECTED MAYOR AND CITY COUNCIL FOR THE DISTRICT OF COLUMBIA

Mr. **MANSFIELD**. Mr. President, the Senate has already granted unanimous consent that Calendar No. 195, S. 1081, be made the pending business before the Senate goes into recess.

The Senate will come in at 10 o'clock on Monday, the 9th of July, and I ask unanimous consent that at the conclusion of morning business on that date, Calendar No. 208, S. 1435, a bill to provide an elected mayor and city council for the District of Columbia, and for other purposes, be laid before the Senate as the first track item, to be followed, when disposed of, by the so-called Alaska pipeline bill.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

S. 1759. An act authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes;

S. 1972. An act to further amend the United States Information and Educational Exchange Act of 1948;

H.R. 6187. An act to amend section 502(a) of the Merchant Marine Act, 1936;

H.R. 7670. An act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce;

H.R. 8537. An act to amend titles 10 and 37, United States Code, to make permanent certain provisions of the Dependents Assistance Act of 1950, as amended, and for other purposes;

H.R. 9055. An act making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes; and

S.J. Res. 128. Joint resolution to provide for an extension of certain laws relating to the payment of interest on time and savings deposits.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore.

THE CONFERENCE ON CONTINUING APPROPRIATIONS, 1974

Mr. FULBRIGHT. Mr. President, I just want to say a word or two about the conference report on the continuing resolution, since I might not otherwise have an opportunity, under the circumstances that prevail here.

On the continuing resolution, as Senators know, the Senate adopted an amendment, offered by myself, to limit funding of foreign aid under the resolution, economic and military, to salaries and necessary expenses. I want to put some figures in the RECORD concerning the conference agreement.

The fiscal year 1973 under the old continuing resolution expenditure level, according to Representative PASSMAN, is $2,630,221,000. The 1974 budget request was $3,026,682,000.

The continuing resolution as passed by the House, and sent to the Senate, allowed spending at a rate of $2,453,821,000. The conference agreed on an annual rate of $2,200,000,000. While it is not as much a reduction as I would have liked, I hope that the conference action will help create a situation that will help insure that an authorization and an appropriation bill be passed this year.

I very much object to the practice of allowing indefinite funding of a large program like this under a continuing resolution. The foreign aid program has been kept going for a full year now without the passage of authorization in appropriations bills. I think that this is some progress, and I hope very much that that will be a sufficient incentive to get legislation.

The Senate has passed the authorization bill on military assistance. The hearings have been held on economic assistance and markup is scheduled. It is ready to be acted on in committee in the near future.

Mr. President, now to another matter, the cutoff of funding for U.S. military involvement in Indochina. The language of the compromise accepted by the conference reads as follows:

> Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

The language of the Senate provision which was adopted last night, instead of "combat activities," used the words ". . . to finance the involvement of United States military forces in hostilities."

I wish to assure the Senate that, in my opinion, there is no substantive difference in the two versions.

I believe it is accurate to say that the House Members did not see any substantive difference between their wording and the wording of the Senate provision.

I would have preferred the language of the Senate as a matter of choice, as I think the words that we used, "to finance the involvement of U.S. military forces in hostilities," is a preferable way to express our position, but there is not any difference in the real meaning of the two versions insofar as the objective we have in mind is concerned, which is ending American military involvement in Indochina.

I hope that the press or anyone else will not try to read into this situation that there is a difference. It is really just two ways to express the same intent, without there being any substantive difference.

I wanted that in the record on this point.

Mr. President, in the conference report on the State Department authorization bill, there will be this language, that the House and the Senate conferees agreed to yesterday:

> Notwithstanding any other provisions of law, on or after August 15, 1973, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, and Cambodia unless specifically authorized hereafter by the Congress.
>
> Notwithstanding any other provisions of law or the enactment of this act, no funds heretofore or hereafter appropriated may be obligated or expended to finance funds of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized by the Congress.

So that language, in effect, is very much like the provision the Senate adopted last night. But again I say, the difference in the Senate amendment, adopted last night, and the conference agreement, is largely a semantic difference. I am inclined to think that it represents simply the well known and persistent determination of the House of Representatives to have its way, even when there is no distinction in the substantive issues involved.

But as long as we preserve the substance of the legislation, I suppose we will have to be content.

Mr. President, let me conclude by saying that I want to express my satisfaction at the action taken by both the Senate and the House.

This will be, I hope, the end of a very long and tragic involvement of this country in Indochina.

I do not want to review the course of its history. But I was present and participated in the passage of the Gulf of Tonkin resolution. I have always felt that the Senate—and I along with the Senate—was the subject of misrepresentation of facts in the Gulf of Tonkin matter and of the intentions on the part of the then administration.

I believe that I, along with my other colleagues, acted under a misunderstanding of the intentions of the administration, and also of the factual situation that existed at that time in the Gulf of Tonkin—or the events which were alleged to have happened that were represented to be the provocation for the action that we took.

Now, after all these years, and many struggles on the part of many Members of this body to change that policy, Congress has at last taken action which will end our involvement in the war.

I believe that the whole country will be relieved to see this unfortunate and tragic adventure come to an end.

It will then give us an opportunity to direct our attention and our resources to the rebuilding of our economy, which is sadly in need of rebuilding at the present time. On all sides, we see deficiencies, all the way from energy—even today—to food supplies.

My belief is that this enormous diversion of resources to the war and to other military commitments abroad have greatly distorted the economy. I do not think that we can remove so much of our resources to nonreproductive activities without having to pay the price.

Inflation, depreciation of the dollar, and other economic difficulties are traceable to this long period of excessive expenditures on warfare and military activities.

So I think we can all now resolve to try to put our minds to rebuilding our country and to restoring the unity of our people in a common purpose.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, JULY 9, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, July 9, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to file reports between 10 a.m. and 3 p.m. on Friday, July 6, 1973.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN PUBLIC DEBT LIMIT

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8410.

The PRESIDING OFFICER (Mr. FANNIN) laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes", which was in lieu of the matter proposed in the Senate amendment, insert:

SEC. 240. (a) (1) Paragraph (1) of section 502 of the Social Security Act is amended by striking out "each of the next 4 fiscal years" and inserting in lieu thereof "each of the next 5 fiscal years".

(2) Paragraph (2) of section 502 of such Act is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

(3) Section 505(a)(8) of the Social Security Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(4) Section 505(a)(9) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(5) Section 505(a)(10) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(6) Section 508(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(7) Section 509(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(8) Section 510(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(b) Title V of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTAL ALLOTMENTS

"SEC. 516. (a) (1) For each fiscal year (commencing with the fiscal year ending June 30, 1975), there shall (subject to paragraph (2)) be allotted to each State (from funds appropriated for such fiscal year pursuant to subsection (b)) an amount, which shall be in addition to and available for the same purposes as the allotments of such State (as determined under section 503 and 504), equal to the excess (if any) of—

"(A) the amount of the allotment of such State (as determined under section 503 and 504) for the fiscal year ending June 30, 1973, plus the amounts of any grants to such States under section 508, 509, and 510, over

"(B) the amount of the allotment of such State (as determined under sections 503 and 504) for such fiscal year which commence after June 30, 1973.

"(2) No State shall receive an allotment under this section for any fiscal year, unless such State (in the administration of its State plan, approved under section 505) has in effect arrangements which the Secretary finds will provide for the continuation of appropriate services to population groups previouly receiving services from funds made available (for the fiscal year ending June 30, 1974) to such State pursuant to sections 508, 509, and 510.

"(b)(1)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated for each fiscal year (commencing with the fiscal year ending June 30, 1975) such amounts as may be necessary to enable the Secretary to make the allotments authorized under subsection (a).

"(B) Nothing contained in subparagraph (A) shall be construed to authorize, for any fiscal year, the appropriation under this subsection of any amount which is in excess of the amount by which—

"(i) the amount authorized to be appropriated under section 501 for such year exceeds

"(ii) the total amounts appropriated pursuant to section 501 for such year.

"(2) If, for any fiscal years, the total amount appropriated pursuant to paragraph (1) is less than the total amount allotted to all States under subsection (a), then the amount of the allotment of each State (as determined under subsection (a)) shall be reduced to an amount which bears the same ratio to the total amount appropriated pursuant to paragraph (1) for such fiscal year as the amount of the allotment of such State (as determined under subsection (a)) bears to the total amount allotted to all States under subsection (a) for such fiscal year."

(c)(1) In the case of any State, if for the fiscal year ending June 30, 1974, the sum of—

(A) the amount of the allotment which such State would have received under section 503 of the Social Security Act for such year (if subsection (a) of this section had not been enacted), plus

(B) the amount of the allotment which such State would have received under section 504 of such Act for such year (if subsection (a) of this section had not been enacted), is in excess of the sum of—

(C) the aggregate of the allotments which such State received (for the fiscal year ending June 30, 1973) under such sections 503 and 504, plus

(D) the aggregate of the grants received (for the fiscal year ending June 30, 1973) under sections 508, 509, and 510 of such Act, then, for the fiscal year ending June 30, 1974, there shall be added to the allotments of such State, under sections 503 and 504 of such Act, in such proportion to each such allotment as the State shall specify, an amount equal to such excess.

(2)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated, for the fiscal year ending June 30, 1974, such amounts as may be necessary to make the increase in allotments provided for in paragraph (1).

(B) Nothing contained in subparagraph (A) shall be construed to authorize, for the fiscal year ending June 30, 1974, the appropriation under this paragraph of any amount which is in excess of the amount by which—

(i) the amount authorized to be appropriated under section 501 of such year, exceeds

(ii) the total amounts appropriated pursuant to section 501 for such year.

(3) If, for the fiscal year ending June 30, 1974, the amount appropriated pursuant to the preceding provisions of this subsection is less than the total of the amounts authorized to be added to the allotments of States (as determined under paragraph (1)), then the amount to be added to the allotment of each State shall be reduced to an amount which bears the same ratio to the amount so appropriated for such year as the amount to be added to the allotment of such State (as determined under paragraph (1)) bears to the total of the amounts to be added to the allotments of all States (as determined under paragraph (1)).

SEC. 5. Section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following: "Effective with respect to compensation for weeks of unemployment beginning before January 1, 1974, and beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State by law may provide that the determination of whether there has been a State 'off' indicator ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof and may provide that the determination of whether there has been a State 'on' indicator beginning any extended benefit period shall be made under this subsection as if (i) paragraph (1) did not contain subparagraph (A) thereof, (ii) the 4 per centum contained in subparagraph (B) thereof were 4.5 per centum, and (iii) paragraph (1) of subsection (b) did not contain subparagraph (B) thereof. In the case of any individual who has a week with respect to which extended compensation was payable pursuant to a State law referred to in the preceding sentence, if the extended benefit period under such law does not expire before January 1, 1974, the eligibility period of such individual for purposes of such law shall end with the thirteenth week which begins after December 31, 1973."

SEC. 6. (a) Section 6096 of the Internal Revenue Code of 1954 (relating to designation by individuals of income tax payments to Presidential Election Campaign Fund) is amended to read as follows:

"SEC. 6896. DESIGNATION BY INDIVIDUAL

"(a) IN GENERAL.—Every individual (other than a nonresident alien) whose income tax liability for the taxable year is $1 or more may designate that $1 shall be paid over to the Presidential Election Campaign Fund in accordance with the provisions of section 9006(a). In the case of a joint return of husband and wife having an income tax liability of $2 or more, each spouse may designate that $1 shall be paid to the fund.

"(b) INCOME TAX LIABILITY.—For purposes of subsection (a), the income tax liability of an individual for any taxable year is the amount of the tax imposed by chapter 1 on such individual for such taxable year (as shown on his return), reduced by the sum of the credits (as shown in his return) allowable sections 33, 37, 38, 40, and 41.

"(c) Manner and Time of Designation.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary or his delegate.

Such designation shall be made in such manner as the Secretary or his delegate prescribes by regulations except that, if such designation is made at the time of filing the return of the tax imposed by chapter 1 for such taxable year, such designation shall be made either on the first page of the return or on the page bearing the taxpayer's signature."

(b) Section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) is amended to read as follows:

"Sec. 9006. Payments to Eligible Candidates.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Presidential Election Campaign Fund'. The Secretary shall, as provided by appropriation Acts, transfer to the fund an amount not in excess of the sum of the amounts designated (subsequent to the previous Presidential election) to the fund by individuals under section 6096.

"(b) TRANSFER TO THE GENERAL FUND.—If, after a Presidential election and after all eligible candidates have been paid the amount which they are entitled to receive under this chapter, there are moneys remaining in the fund, the Secretary shall transfer the moneys so remaining to the general fund of the Treasury.

"(c) PAYMENTS FROM THE FUND.—Upon receipt of a certification from the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary shall pay to such candidates out of the fund the amount certified by the Comptroller General. Amounts paid to any such candidates shall be under the control of such candidates.

"(d) Insufficient Amounts in Fund.—If at the time of a certification by the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary or his delegate determines that the moneys in the fund are not, or may not be, sufficient to satisfy the full entitlements of the eligible candidates of all political parties, he shall withhold from such payment such amount as he determines to be necessary to assure that the eligible candidates of each political party will receive their pro rata share of their full entitlement. Amounts withheld by reason of the preceding sentence shall be paid when the Secretary or his delegate determines that there are sufficient moneys in the fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the fund to satisfy the full entitlement of the eligible candidates of all political parties, the amounts so withheld shall be paid in such manner that the eligible candidates of each political party receive their pro rata share of their full entitlement."

(c) Sections 9003(b)(2), 9007(b)(3), and 9012(b)(1) of the Internal Revenue Code of 1954 are each amended by striking out "9006(c)" and inserting in lieu thereof "9006(d)".

(d) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1972. Any designation made under section 6096 of the Internal Revenue Code of 1954 (as in effect for taxable years beginning on before January 1, 1973) for the account of the candidates of any specified political party shall, for purposes of section 9006(a) of such Code (as amended by subsection (b)), be treated solely as a designation to the Presidential Election Campaign Fund.

Mr. LONG. Mr. President, H.R. 8410 as it passed the Senate included a social security benefit increase; an increase in supplemental security income payments; provisions concerning social services, medicaid, maternal and child health, and unemployment insurance; a spending limitation; impoundment provisions; an important change in the presidential election campaign financing checkoff system; and a provision to prevent the use of funds for combat activities in Cambodia and Laos.

Two days ago, the Senate conferees on H.R. 8410 met with the House conferees; and since all of the Senate amendments were nongermane to the House bill under the House rules, they could not agree to any of them in conference. This is why the conferees report back in technical disagreement. As the Senate knows, the House by a small margin defeated the proposal agreed on by the House-Senate conferees.

Therefore, House and Senate conferees met again this morning on H.R. 8410. The conferees agreed that three amendments would be added to the House bill. The three amendments concerned extended unemployment compensation benefits, maternal and child health, and the presidential campaign financing checkoff provision. All other provisions of the Senate bill—those concerning social security, supplemental security income, social services, medicaid, spending limitation, impoundment, and the Eagleton amendment on Cambodia and Laos—have been dropped from this bill.

Let me describe what the amendments accepted by the House do.

UNEMPLOYMENT COMPENSATION

Extended unemployment insurance benefits—for 3 months in addition to the 6 months of regular benefits—may be paid in States with relatively higher unemployment. Under present law, a State to be eligible must have an insured unemployment rate of at least 4 percent; the unemployment rate must be at least 20 percent greater than during the comparable period of the prior 2 years; and there must be a 13-week period between the end of one State extended benefit period and the start of another. The Senate bill contained a provision which would have permanently eliminated the second and third requirements. In other words, under the Senate provision, any State with an insured unemployment rate of 4 percent or more would have been eligible to participate in the extended benefit program.

The House conferees were unwilling to go as far as the Senate amendment, but we were able to get them to go at least part of the way. Under the provision agreed to by the conferees, States will be able to participate in the extended benefit program until January 1, 1974, if their rate of insured unemployment is at least 4.5 percent, without regard to their unemployment rate in the prior 2 years, and without regard to whether 13 weeks have expired since the last State extended benefit period. Once a State begins paying out extended benefits, the extended benefit period will not end until the State's insured unemployment rate drops below 4 percent.

MATERNAL AND CHILD HEALTH

Under present law, 50 percent of appropriations under the maternal and child health program are for formula grants to States; 40 percent for special project grants; and 10 percent for research and training grants. The project grant authority is scheduled to terminate on June 30 of this year, after which 90 percent of the funds appropriated will be for formula grants to States. The House conferees accepted the Senate provision extending the authorization for project grants for another year and providing for a transition in funding to a State-coordinated program. The amendment was accepted in the way the Senate sent it to the House.

PRESIDENTIAL CAMPAIGN CHECKOFF

Senators will recall the amendment offered by Senator HUMPHREY and modified by an amendment I offered. I am, of course, referring to the presidential election campaign checkoff provision. Senator HUMPHREY's amendment required the checkoff provision be placed on the front page of the income tax return form. He also would have required the Secretary of the Treasury to provide appropriate publicity with respect to the campaign checkoff each year. The amendment I offered to his provision converted the campaign checkoff to a nonpartisan checkoff.

I am happy to say that the Members of the House have agreed to this basic provision. However, some slight modifications were made in the provision. The amendment before the Senate provides that the checkoff provision can either be on the front of the tax return or on the side of the return where the taxpayer's signature is required. This gives the Treasury some flexibility in the style of the form itself, but still requires the checkoff where it will readily come to the taxpayers' attention.

We omitted from the Internal Revenue Code the requirement that the Treasury give publicity to the checkoff. However, we received assurances from the Secretary of the Treasury that the checkoff will get a great deal of publicity year after year. There was some reluctance to add a provision of this type to the Internal Revenue Code, and with the assurance we receved from the Secretary of the Treasury, we believed that it was unnecessary.

We retained with only technical changes the Senate provision which required the checkoff to be in a nonpartisan form. This is essential if we are to have a simple checkoff on the return itself and also if we are not to disclose to the IRS the political affiliation of the taxpayer.

IMPOUNDMENT PROCEDURES AND EXPENDITURE LIMITATION

I would like to mention two provisions that the House conferees were unwilling to accept.

We were not successful in obtaining an

agreement from the House conferees on the issue of an expenditure ceiling and an anti-impoundment procedure. The Senators will recall that the expenditure ceiling under our version of the bill would have been $268.7 billion and would have provided, with the exception of a series of uncontrollable items, that any reduction made in order to bring expenditures down to the ceiling would have been made on a pro rata basis.

The impoundment procedure would have required reports on impoundment from the President, the review of these reports by the Comptroller General and his report to Congress of these impoundments which do not comply with the antideficiency law. These impoundments within 60 days thereafter would become null and void if Congress did not approve of them.

The House conferees were unwilling to include these provisions in our agreement because other committees of the House are working on different answers to this spending ceiling problem and also the problem of controlling impoundments. The House conferees felt very strongly that the House should have an opportunity to work its will on these matters.

I discussed this problem with Senator MUSKIE who, as Senators know, has been one of the leaders, along with Senator ERVIN, in this matter; and also with Senator ROTH. Senator ERVIN, however, was out of town, and I could not reach him. I believe that Senator MUSKIE fully understands the difficulty we faced in this matter and why the matter is not in the agreement we reached with the House conferees.

There will be plenty of opportunities to consider these matters somewhat later in this session of Congress after the House has had an opportunity to present its views to the Senate. I am sure there will be other opportunities to add measures of these types to "must" legislation which will come before the Senate later this year.

The other measures that were originally included in the Senate bill we propose to handle on other bills. The Cambodia-Laos measure, I believe, has been resolved by the House and Senate on the appropriations bill. That bill has been sent to the President for signature. Both Houses have resolved their differences on other proposed legislation that is going through other committees.

The remainder of these measures we sought to handle in connection with the Renegotiation Act, which has been sent to conference and will come before the Senate shortly. We have yet to handle separately the matter brought before us by the Senator from South Dakota (Mr. MCGOVERN). We propose to handle that measure by discharging the Committee on Finance from further consideration of a minor bill, if the Senate will permit us to do so, and amending that bill.

The tariff bill I am referring to is H.R. 2261, and we propose to send the McGovern amendment to the House as an amendment to that bill. A part of the need for doing so is that the House objected vociferously yesterday even to being asked to vote in one amendment on so many bills.

That way we will send the price control amendments involving agricultural products to the House of Representatives on this other measure, and the chairman of the Ways and Means Committee, Mr. MILLS, has assured me that he will use his best efforts to see to it that this matter is resolved, hopefully favorably, in the House, if it is in his power to persuade the powers that be over there. He will certainly have to clear the bill with the House Agriculture Committee to have that amendment accepted, but he will seek to move it through the House, and resolve it in that fashion.

Mr. President, I think we have before us a very good bill. I would urge all Senators to support it. I move that the Senate concur in the House amendment to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. FANNIN). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CLARK), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE) and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS), is absent because of illness.

On this vote, the Senator from Washington (Mr. MAGNUSON) is paired with the Senator from North Carolina (Mr. ERVIN). If present and voting, the Senator from Washington would vote "yea" and the Senator from North Carolina would vote "nay".

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea".

Mr. TOWER. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Massachusetts (Mr. BROOKE), the Senator from Oklahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nebraska (Mr. HRUSKA), the Senator from Wyoming (Mr. HANSEN), the Senator from Pennsylvania (Mr. SCOTT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Delaware (Mr. ROTH) are absent on official business.

Also, the Senator from Tennessee (Mr. BROCK), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), are necessarily absent.

If present and voting, the Senator from Vermont (Mr. AIKEN), the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from New York (Mr. JAVITS), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 63, nays 2, as follows:

[No. 267 Leg.]

YEAS—63

Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bible
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fulbright
Gravel
Gurney
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Long
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Nelson
Nunn
Pell
Percy
Proxmire
Randolph
Ribicoff
Saxbe
Schweiker
Scott, Va.
Stafford
Stevens
Stevenson
Taft
Talmadge
Tower
Tunney
Young

NAYS—2

Chiles
Hatfield

NOT VOTING—35

Abourezk
Aiken
Bellmon
Bentsen
Biden
Brock
Brooke
Clark
Cotton
Eastland
Ervin
Fong
Goldwater
Griffin
Hansen
Hruska
Javits
Johnston
Kennedy
Magnuson
McClure
McGee
Moss
Muskie
Packwood
Pastore
Pearson
Roth
Scott, Pa.
Sparkman
Stennis
Symington
Thurmond
Weicker
Williams

So the motion to concur was agreed to.

SUSPENSION OF DUTY ON CERTAIN ISTLE

Mr. LONG. Mr. President, the House will act shortly and send to the Senate the work of the conferees on the renegotiation bill which includes the social security amendments we have agreed on.

From the point of view of the Senate, I believe that this was a successful conference. It was not overwhelmingly successful, but I would say that it was very successful.

However, there was one amendment that we could not obtain approval of on that bill because it was not relevant to the social security nor was it relevant to the renegotiation bill.

However, the House indicated they would consider it if we would send it to them on a bill that the House could have a separate vote on.

The chairman of the Ways and Means Committee and his cohorts on that committee will use their best efforts to see that the measure will pass the House as well. We have in the Finance Committee a bill which passed the House last year, and passed the House again this year. It passed the Senate last year, except that it picked up so many amendments that it was objected to, because it was in the process of becoming a "Christmas tree," and therefore it never had the opportunity to become law. I am satisfied that there will be no objection to it.

In order that it might be considered and serve as a vehicle to which the McGovern amendment could be sent back to the House, I ask unanimous consent that the Committee on Finance be discharged from further consideration of H.R. 2261 and that it be reported to the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2261) to continue for a temporary period the existing suspension of duty on certain istle.

The PRESIDING OFFICER. Without objection, the Committee on Finance will be discharged from further consideration of the bill; and, without objection, the Senate will proceed to its consideration.

Mr. LONG. Mr. President, this is the bill to which we wish to attach the McGovern amendment. The McGovern amendment is not overwhelmingly supported by the administration. I believe it has the overwhelming support of the Senate, so much so that I believe it will be appropriate that we have a rollcall vote on the McGovern amendment; and I think it will have the support of the House.

The amendment has all the logic in the world, in my judgment, to recommend it, and I hope that for the purpose of demonstrating the support of the McGovern amendment, the Senate will have the opportunity to vote on it.

Therefore, I send to the desk the McGovern amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end thereof add the following new section: "the Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"'§ 203A. Agricultural commodities

"The President shall make appropriate adjustments in the maximum price which may be charged under the provisions of Executive Order 11723 (dated June 13, 1973) for any agricultural commodity (at any point in the distribution chain) as to which the Secretary of Agriculture certifies to the President that the supply of the commodity will be reduced to unacceptably low levels as a result of the freeze and that alternative means for increasing the supply are not available.'".

Mr. LONG. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Texas (Mr. Bentsen), the Senator from Mississippi (Mr. Eastland), the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. Muskie), the Senator from Rhode Island (Mr. Pastore), the Senator from Missouri (Mr. Symington), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Biden), the Senator from Iowa (Mr. Clark), the Senator from Washington (Mr. Magnuson), the Senator from Alabama (Mr. Sparkman), the Senator from Wyoming (Mr. McGee) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Williams), the Senator from Missouri (Mr. Symington), the Senator from Rhode Island (Mr. Pastore), the Senator from Iowa (Mr. Clark), and the Senator from Washington (Mr. Magnuson) would each vote "yea."

Mr. TOWER. I announce that the Senator from Vermont (Mr. Aiken), the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Massachusetts (Mr. Brooke), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Nebraska (Mr. Hruska), the Senator from Wyoming (Mr. Hansen), the Senator from Pennsylvania (Mr. Scott), the Senator from South Carolina (Mr. Thurmond), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The Senator from New Hampshire (Mr. Cotton) is absent because of illness in his family.

The Senator from Michigan (Mr. Griffin), the Senator from New York (Mr. Javits), the Senator from Idaho (Mr. McClure), and the Senator from Delaware (Mr. Roth) are absent on official business.

Also, the Senator from Tennessee (Mr. Brock), the Senator from Oregon (Mr. Packwood), the Senator from Kansas (Mr. Pearson), and the Senator from Ohio (Mr. Saxbe) are necessarily absent.

If present and voting, the Senator from Nebraska (Mr. Hruska), the Senator from New York (Mr. Javits), the Senator from Pennsylvania (Mr. Scott), and the Senator from South Carolina (Mr. Thurmond) would each vote "yea."

The result was announced—yeas 61, nays 1, as follows:

[No. 268 Leg.]

YEAS—61

Allen
Bartlett
Bayh
Beall
Bennett
Bible
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Long
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Nelson
Nunn
Pell
Percy
Proxmire
Randolph
Schweiker
Scott, Va.
Stafford
Stevens
Stevenson
Taft
Talmadge
Tower
Tunney
Young

NAYS—1

Ribicoff

NOT VOTING—38

Abourezk
Aiken
Baker
Bellmon
Bentsen
Biden
Brock
Brooke
Clark
Cotton
Eastland
Ervin
Fong
Fulbright
Goldwater
Griffin
Hansen
Hruska
Javits
Johnston
Kennedy
Magnuson
McClure
McGee
Moss
Muskie
Packwood
Pastore
Pearson
Roth
Saxbe
Scott, Pa.
Sparkman
Stennis
Symington
Thurmond
Weicker
Williams

So Mr. McGovern's amendment was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McGOVERN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, the bill to be read the third time.

The bill was read the third time.

Mr. HUGHES. Mr. President, I wish to ask the chairman of the committee a question. What is the bill?

Mr. LONG. The Senate is considering the istle fiber bill. This bill would extend the suspension of duty on istle fiber from September 5, 1972, until September 5, 1975. The principal use of istle fiber is in the manufacture of brushes.

The istle fiber part of the bill is not as important as the McGovern amendment which would say that the price of chickens shall exceed the cost of feed.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 2261) was passed.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEE ON RULES AND ADMINISTRATION TO FILE REPORT

Mr. CANNON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to file a report on Friday, July 6, between the hours of 10 a.m. and 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPANSION OF AMERICAN TRADE WITH NONMARKET ECONOMY COUNTRIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 266, Senate Joint Resolution 131.

The PRESIDING OFFICER. The resolution will be stated by title.

The resolution was stated by title, as follows:

A joint resolution (S.J. Res. 131), to express a national policy with respect to the services between the United States and nonmarket economy countries.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 131) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. Res. 131

Joint resolution to express a national policy with respect to the expansion of commerce in goods and services between the United States and nonmarket economy countries

Whereas the exchange of goods and services between the United States and nonmarket economy countries can result in mutually advantageous trade and benefits;

Whereas both the United States and the nonmarket economy countries possess commodities and services which would be important items in their foreign commerce;

Whereas economic and commercial cooperation could lead to improved political relations, a better understanding of the international trading community, and an increased commitment to a stable world order;

Whereas an improved export performance could result in an increase in the number of jobs within the United States, thereby stimulating the American economy;

Whereas the American standard of living can be maintained and raised by a fair and free interchange of goods and services;

Whereas the total amount of trade between the nonmarket economy nations and industrialized Western countries was $15 billion in 1971; and

Whereas the United States share of this trade was only 4 per centum in 1971: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy of the United States to encourage and support efforts to expand American trade with nonmarket economy countries, consistent with sound economic and commercial principles and with our national commitment to a peaceful and just global order; to undertake long-range planning for large-scale cooperative projects with nonmarket economy countries, particularly in the areas of energy, agriculture, capital development, and consumer production; and finally to broaden contacts between the United States and nonmarket economy countries in the arts and humanities, science, politics, law, and other noneconomic areas.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I understand that the House has completed its work on the continuing resolution and that it will be here very shortly. I would urge Members to stay pretty close to the Chamber and other buildings in which Senators have offices. I understand there may be more votes.

UNANIMOUS-CONSENT AGREEMENT ON S. 1328

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as it is called up and made the pending business before the Senate, there be a time limitation on S. 1328, dealing with high-speed ground transportation system the time to be equally divided between the majority leader and the minority leader, or their designees, and provided further, that there be one-half hour on any amendment, debatable motion or appeal, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONSIDER S. 1328 ON MONDAY, JULY 9, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, July 9, 1973, at the close of the period for the transaction of routine morning business, the Senate proceed to the consideration of S. 1328 in lieu of S. 1435.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR ACTION TO BE TAKEN DURING ADJOURNMENT OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the period of adjournment of the Senate over to July 9, 1973, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives, and that such messages be referred to the appropriate committee, and that the Vice President or the president pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXTENSION OF THE DEBT LIMIT

Mr. CURTIS. Mr. President, I rise to make a comment relative to the extension of the debt limit. My purpose for rising is to pay tribute to and to compliment the chairman of the Committee on Finance, the Senator from Louisiana (Mr. LONG).

Mr. TALMADGE. Mr. President, may we have order so that we may hear the Senator?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. Mr. President, the importance of extending the debt limit at this time cannot be overstated. Actually to call the bill a debt limitation is a misnomer. We create the debts when we spend money. This is a bill to authorize the Secretary of the Treasury to issue necessary bonds to pay for our spending, so it is one of those necessary things. The authority for the Treasury Department to issue the necessary Government bonds expires tonight. To have that authority lapse could create chaos for this Government.

After a few days it could mean that valid obligations against the United States might not be paid. It could mean that necessary funds to operate veterans hospitals, to pay social security benefits, to do many other necessary things, as well as meet Federal payrolls, might not be available.

It was very important that the authority contained in the debt limit bill be extended, and extended on time.

The distinguished chairman of the Committee on Finance has displayed his usual talents for compromise and his legislative genius, his ability to get an agreement, and still, at the same time, to advance the legislation that the Senate has enacted.

This bill, when it passed the Senate, contained a number of amendments relating to social security and other matters in which a great number of Senators were interested. Largely through the skill of our distinguished chairman (Mr. LONG), those amendments, after the action by the House in rejecting the conference report, were withdrawn and placed on another bill that I believe will be completed today.

So in the main—in fact, subject to just a small compromise that must be expected with the House—the conferees have carried out the wishes of the Senate. At the same time, it has been done in such a manner that it is not an impediment upon the debt ceiling bill. I believe this is a real public service. I believe the chairman should be commended for it. I commend him for his statesmanship, his fairness, and his impartiality in bringing that about.

Mr. TALMADGE. Mr. President, will my distinguished friend from Nebraska yield?

Mr. CURTIS. I yield.

Mr. TALMADGE. Mr. President, I desire to associate myself with the remarks of my friend and colleague on the Finance Committee, the distinguished Senator from Nebraska.

I have served on the Senate Finance Committee now for 14½ years. I have attended many conferences between the Senate Finance Committee and the House Ways and Means Committee.

Likewise, I have attended many conferences between the Committee on Agriculture and Forestry of the Senate and its counterpart in the House of Representatives. I do not think I have ever seen a conference that has been handled with more dignity, more ability, and more dispatch under trying situations than the conferences on the debt limit and the Renegotiation Act with which the Senate was confronted.

As the Senator from Nebraska has pointed out, the other body rejected the compromise last evening, and so we had to start from scratch. We have worked out a compromise that we think will be satisfactory not only to both bodies of the Congress but to the President of the United States. I think that was due largely to the work, diligence, and skill displayed by the chairman of the Finance Committee.

Mr. CURTIS. I thank the Senator.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. DOMINICK. I just wanted to make a couple of comments on the opening statement of my very distinguished and close friend from Nebraska. The words "debt limit" have always meant, as far as I can see, that that is all the debt you are going to have. At least, that is what I thought until such time as I got to Congress, and in the 13 years that I have now been in Congress, we have raised the debt limit at least once a year, usually three times a year, and it becomes a movable finish line. You never get to the finish.

For the life of me, I do not see why we continue to perpetrate this hoax on the American people by saying that we in the Congress have put a limit on the amount of debt which can be sustained or that the Government can go ahead and obligate itself for. It just seems to me it is wrong to have a debt limit in this situation. We either ought to have a debt limit which we abide by or we ought to eliminate it entirely and put the blame on Congress when we exceed what our responsibility is, because that is where the responsibility lies.

I have full admiration for their ability to work out what the Senator from Nebraska and the Senator from Louisiana exercised in conference. I am not talking about that. What I am saying is that the total rigamarole we go through once, twice, three, or four times a year in connection with the debt limit is just plain nonsense. It does not work as far as we are concerned. There has never been a limit, and it makes the public believe that we have one when in fact we have never had one.

Mr. CURTIS. I thank the Senator for his observation. There is a great deal of substance in the point of view he has expressed. The debt ceiling certainly is not a ceiling on spending. It is not a ceiling on our debts. If obligations go unpaid, they are debts, and we create those obligations by our day-to-day voting, followed by the executive's spending money. While it might be debated whether or not periodically there should be a review of the Treasury Department's authority to issue bonds, certainly there should be some revision in order to make this matter clear and meaningful, and the distinguished Senator from Colorado has made a fine contribution.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CURTIS. I yield to my chairman.

Mr. LONG. Mr. President, I want to thank Senators for their generous tributes to the Senator from Louisiana. This is a matter that could not have been compromised had it not been for the very fine work done by all the conferees, and I particularly have in mind the Senator from Utah (Mr. BENNETT), who pointed out to me, and to others, that there was every prospect that this bill could be vetoed and that the so-called debt limit bill, which was a bill to permit the Government to borrow money to continue operations, could very well fail of passage by an inability to override. As a result, that there could be fiscal chaos in this land, with consequences far worse than any of us at this point could anticipate—a very irresponsible thing for the Congress to permit and something that should be avoided at all costs if statesmanship could prevail.

The people of the Nation have a right to expect responsibility from us. I am deeply grateful to my colleagues, the Senator from Nebraska, the Senator from Utah, the Senator from Georgia, and the Senator from Connecticut, who worked so tirelessly and devotedly to help us resolve this matter.

Every Senator here, I am sure, did the best he could to give the Nation the best of his devotion and efforts. It is fortunate that we have some very able colleagues on the House side, not the least of which, of course, is the distinguished chairman of the Ways and Means Committee (Mr. MILLS), the very able ranking Republican member, Mr. SCHNEEBELI, who played their role in seeing that this matter was resolved.

Whereas I thought we were separating two bills so that one would be signed into law and the other vetoed, it now appears that both will be signed, as the Senator has indicated. I am told the minority leader in the other body, Mr. FORD, speaking for the minority on the House side, stated that both bills will be signed into law. We will have the Renegotiation Act, with the social security amendments on it, before us shortly. This is something which could not have been worked out without the help of the Senator from Nebraska as well as our other colleagues on the committee, and I greatly appreciate their help.

Mr. BENNETT. Mr. President, will the Senator yield to me?

Mr. LONG. I yield to my colleague.

Mr. BENNETT. Mr. President, I think what has gone on in the last 24 hours is a demonstration of the manner in which all members of the Finance Committee and the Ways and Means Committee face their responsibilities, face the tasks and the risks that are inherent in our jurisdiction over the income of the U.S. Government.

I, too, feel that the Senator from Louisiana (Mr. LONG), as chairman of the Finance Committee, is a worthy successor in the long list of chairmen of the Finance Committee that have presided over that committee in the more than 22 years in which I have been a member of the committee.

I think the country is fortunate that the men on both sides of the Capitol who have this responsibility can lay aside partisanship and personal political advantage to work out the rather complicated and often technical problems we face.

I would have said last night, along with the chairman of the committee, that we faced two vetoes in a very difficult situation. Because everyone went after his job with good will, we now find ourselves with two bills which, I think, will solve the problem, and the President will sign them and the country will have escaped another financial crisis.

Mr. CURTIS. Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I have listened with interest to the colloquy between the various members of the Committee on Finance. And I was pleased to note the relationship which exists between that committee and the executive branch of the Government in the consideration of bills which are of prime importance.

I think this is another indication of the new spirit of cooperation between the administration and the Congress. It took a lot of talk and a little give here and a little take there to arrive at a mutually satisfactory arrangement by means of which, if I understood the remarks of the distinguished Senators today, the debt limit bill will be agreed to with the additions and so will the extension of the Renegotiation Act with the additions.

Mr. President, I would hope that this accommodation and understanding and partnership between the two branches of the Government will continue. If it does it will be in the best interests of both and the country will be better served.

I could not on yesterday bring myself to vote for the substitute on the Vietnam war, a substitute which sets a time certain for the end of American hostilities in all of Indochina. Even though I could not bring myself to change my position in good conscience, nevertheless I recognize that even that was an accommodation which certainly brought forth fruit, because it was adopted overwhelmingly.

I want to say that I hope the spirit of cooperation and partnership and accommodation, with each branch of the Government recognizing the individual responsibilities of the other, will continue and what has happened this week is but a harbinger of what is yet to come.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RUSSIANS HAVE ONLY U.S. CREDIT FOR CURRENCY

Mr. HARRY F. BYRD, JR. Mr. President, the New York Times of Tuesday, June 26, 1973, discussed Chairman Brezhnev's visit to the United States in an editorial entitled "Ruble Diplomacy."

The editorial emphasized the Soviet need for American credits and pointed out the irony in this.

I ask unanimous consent that the editorial to which I have referred be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RUBLE DIPLOMACY

During his entire visit here, Leonid I. Brezhnev repeatedly underlined his enormous interest in large-scale American credits for the long-term development of Siberia's resources. It remained for Mr. Brezhnev's public spokesman, Leonid I. Zamyatin, head of Tass, to underline the political significance of what the Soviet leader had in mind.

At a news conference last week, Mr. Zamyatin told reporters that long-term trade agreements "create a tremendous potential of trust." He then added that "it is always easier to settle such questions" as the reduction of strategic arms "when there exists trust." Mr. Zamyatin was evidently hinting, and none to subtly, that large-scale American credits were the *quid pro quo* expected for cooperation in halting the arms race.

There is enormous irony in all this. The Soviet Union has for decades denounced American capital investment in and credits to other countries. The standard Soviet line has always been that such credits and investment are means of "economic enslavement" of the recipients. Oceans of inky tears have been spilled by Soviet propagandists lamenting the unhappy fate of Arabs "saddled" with American oil investments, Latin Americans "afflicted" with American investments in copper or other raw materials, and West Europeans "burdened" with American investments in modern manufacturing.

Historically the Soviet Union has long urged the countries so "victimized" to expropriate American investments, evict American businessmen and technicians, and refuse any demand for payment of principal or interest. Castro's behavior toward American investors and investments in Cuba has been the perfect realization of the traditional Soviet attitude.

How then is one to explain Mr. Brezhnev's sudden enlightenment as to the virtues of American credits, and Mr. Zamyatin's conversion to the belief that long-term credits mean long-term international "trust." Mr. Brezhnev provided the answer obliquely during his long luncheon monologue to a blue-ribbon group of American capitalists last Friday. Women, he explained, are all for trade in consumer goods. Then he added: "We men are all right, we can get by just wearing one old coat on our shoulders, but the women all want to change their clothes at least three times a day." What he seemed to be saying was that he, too, is stuck with the international revolution of rising expectations, and that consumer demands are putting pressure on him he cannot satisfy without American capital.

It is gratifying that the leader of the Soviet Union understands the advantages of international trade and finance. However, in such matters trust is a two-way street. Mr. Zamyatin argues that the debtor who has received large credits tends to trust his creditor. But if he were more used to capitalist ways, Mr. Zamyatin would know that the creditor must first have trust in the would-be debtor.

Mr. HARRY F. BYRD, JR. Mr. President, the Columnist William F. Buckley, Jr., had a column along the same line which said that the Russians have nothing to buy from us except through American credit. I ask unanimous consent that this column, published in the Richmond News Leader of June 25, 1973, be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

RUSSIANS HAVE ONLY U.S. CREDIT FOR CURRENCY

(By William F. Buckley, Jr.)

NEW YORK.—Mr. Brezhnev says he simply cannot understand why any American legislator would want anything to stand in the way of improved relations with the Soviet Union in general, and improved commercial relations with the Soviet Union in particular. Specifically he argues against the Jackson Amendment, which would deny commercial advantages to the Soviet Union unless it repealed the emigration tax which it levies in particular against Jews who desire to emigrate to Israel.

In pursuit of this goal, Mr. Brezhnev invited top legislative leaders to lunch and talked to them for several hours. His approach was what one might call Russian Heavy. To Senator Frank Church he said, "I have seen pictures of you and I always knew I would like you when I met you." Senator Church did not wince, although no doubt it crossed his mind that the men Brezhnev has liked during his long public career have been those who have shown themselves professionally adept at tyranny, partners in the enterprise described by Mr. Henry Kamm of *The New York Times* a year or so back as "the greatest assault ever mounted upon the human spirit."

The term "improved" relations is one that puzzles, mostly because it has come to be used fetishistically. Beginning with the material order, what is it the Soviet Union has that we want? It is in moments of such stress as this that words like "bauxite" cross one's lips.

Okay, and what else? Gas—ten years from now. If we want gas that badly, why not use some of our own, even at the risk of squirting a can of oil on some Alaskan tundra? Gold? We have gone out of the business of buying-gold. Dollars, yes. But the Soviet Union has no dollars. The Soviet Union has to come to American corporations to borrow dollars.

If Brezhnev in a swain of enthusiasm decided to elope with the United States, there is absolutely nothing material he could supply us with by way of dowry. Don't you understand, the Russians have nothing to buy things from us with. They have only American credit. All that they can do for us is prospective. What we can do for them is immediate. And the Communists want our help immediately because they are in a hell of a jam economically, and one is just cynical enough to suspect that if they were not in such an economic jam, Mr. Brezhnev would find the profile of Senator Church less alluring.

What can the Soviet Union give us of an extra-material kind? Well: cultural exchange. Have we not just finished signing a cultural exchange agreement? Yes, and it's the same old thing again. Better than nothing, but the equivalent of sending a packet of bandaids into Hiroshima. A few dozen graduate students, one or two exhibitions in nine Russian cities, maximum 28 days per city. The cultural agreement is phrased that "both countries" agree to so many students and "both countries" to so many art shows.

Hell, we couldn't care less if the Soviet Union sent over 100,000 students, if every ballet dancer in Russia set out for America, if Pravda brought in a million copies a day of its Orwellian concentrate. The fact of the matter is: You can't buy a single American periodical in Moscow. The *Voice of America* and *Radio Liberty* beamed into Russia are still jammed, which is a deteriorated condition over that of 1968, which is when jamming was reimposed. Organic progress towards coexistence requires the free flow of information. Brezhnev has shown no interest whatever in this.

Finally we stand to gain from Russian freedom for the captive nations, which subject if it were raised in Brezhnev's presence would cause him to go home shaking his fist. And we have to gain genuine demilitarization. On this score, the Soviet Union skunked Richard Nixon in SALT I, reducing us to an inferior status and freezing Soviet superiority in certain fields. Thanks to yet another amendment by Jackson (what would we do without him?) the Senate is on record as opposed to any further polarization of strength in SALT II, concerning which Brezhnev has not been heard to say a public word. And, of course, to the extent we help him with our economic credits, we ease the strain on the Soviet Union's productive capacity for the manufacture of—arms.

"Grandmother, what big teeth you have!" Senator Church might have replied to Mr. Brezhnev.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes; that the House receded from its disagreement to the amendment of the Senate No. 13 to the bill and concurred therein; and that the House receded from its disagreement to the amendment of the Senate No. 12 to the bill and concurred therein, with an amendment, in which it requested the concurrrence of the Senate.

CONTINUING APPROPRIATIONS JOINT RESOLUTION—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on House Joint Resolution 636, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. FANNIN). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of today.)

Mr. McCLELLAN. Mr. President, the managers on the part of the House and the Senate met this morning at 10:30 and reached a final agreement on the 14 amendments in the resolution.

I have before me the statement on the part of the managers of the Senate, and I will be glad to answer any questions the Members may have on this conference report.

The most controversial amendment in this bill related to combat activities by U.S. forces in Indochina. The conferees have adopted language in this regard which is similar to that which was included in the second supplemental appropriation bill which was approved in both bodies, yesterday.

It was the consensus of the Conferees that we should have language consistent with that which has already been passed by both Houses. Otherwise, Mr. President, we might find ourselves faced with the dilemma of conflicting provisions which might be susceptible of varying interpretations.

The provision agreed to reads as follows:

Sec. 108. Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia.

The other major action by the Conferees related to the Fulbright amendment.

Senator FULBRIGHT'S amendment would have limited foreign aid to the payment of salaries and essential expenses and cut off any new program obligations.

The conferees agreed to continue the program, but at the reduced level of $2.2 billion, to be spent in quarterly increments.

Mr. President, I move the adoption of the conference report.

Mr. YOUNG. Mr. President, I rise to support the motion of the distinguished chairman of the Appropriations Committee, the Senator from Arkansas (Mr. McCLELLAN). I think he has explained very well the conference action. It was unanimous. I do not think there is any major change, or at least nothing of any consequence. I hope that the conference report will be agreed to and urge the support of all my colleagues.

The PRESIDING OFFICER. The question is on agreeing to the conference report (putting the question).

The conference report was agreed to.

Mr. MANSFIELD. Mr. President, let the RECORD show that I voted "No."

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 12 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

Sec. 110. Unless specifically authorized by Congress, none of the funds herein appropriated under this joint resolution or heretofore appropriated under any other Act may be expended for the purpose of providing assistance in the reconstruction or rehabilitation of the Democratic Republic of Vietnam (North Vietnam)."

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate No. 12.

The motion was agreed to.

Mr. MANSFIELD. I vote "No."

The PRESIDING OFFICER. What is the will of the Senate?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE YEAS AND NAYS ON S. 2047 AND S. 1328

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at any time to order the yeas and nays on final passage on S. 2047 and S. 1328, with one show of hands.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays on those two bills. They will not be brought up today.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT ON S. 2047

Mr. ROBERT C. BYRD. I ask unanimous consent that at such time as S. 2047 is called up and made the pending business before the Senate, there be a time limitation on the bill of 1 hour, to be equally divided between and controlled by the distinguished majority leader and the distinguished minority leader; that time on any amendment in the first degree be limited to 1 hour, except time on one amendment by Mr. EAGLETON, to be limited to 2½ hours, 1 hour to be under the control of Mr. EAGLETON and 1½ hours to be under the control of Mr. HARRY F. BYRD, JR.;

That time on any amendment to an amendment, debatable motion, or appeal be limited to 30 minutes; and that the agreement be in the usual form.

Mr. TOWER. Mr. President, reserving the right to object, and I shall not object, has this been cleared with the minority?

Mr. ROBERT C. BYRD. It has.

Mr. TOWER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM FOR MONDAY, JULY 9, AND TUESDAY, JULY 10, 1973

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that upon the disposition on Monday, July 9, of S. 1328, it be in order for the majority leader or his designee to proceed to the consideration of S. 2047, and that the unfinished business, the so-called Alaska pipeline bill, be temporarily laid aside and remain in a temporarily laid-aside status until the disposition of one or both of those bills or until the end of that day, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that on Tuesday next, after the conclusion of routine morning business and prior to the taking up of the second track item, which presumably will still be the Alaska pipeline bill, the Senate proceed to the consideration of S. 1435, the so-called District of Columbia home rule bill, and that the unfinished business remain in a temporarily laid aside status on that date until the disposition of the home rule bill or until the close of the day, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 262) providing for an adjournment of the House of Representatives from June 30, 1973 to July 10, 1973, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the Act for 2 years; and that the House receded from its disagreement to the amendment of the Senate No. 2 to the bill and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

ADJOURNMENT OF THE TWO HOUSES FOR THE INDEPENDENCE DAY HOLIDAY

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 262.

The Presiding Officer laid before the Senate the concurrent resolution (H. Con. Res. 262), which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Saturday, June 30, 1973, it stand adjourned until 12 o'clock meridian, Tuesday, July 10, 1973.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. MANSFIELD. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 4 strike out (1973.) and insert: 1973, and that when the Senate adjourns on Saturday, June 30, 1973, it stand adjourned until 10 o'clock antemeridian, Monday, July 9, 1973.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

The concurrent resolution (H. Con. Res. 262), as amended, was agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Saturday, June 30, 1973, it stand adjourned until 12 o'clock meridian, Tuesday, July 10, 1973, and that when the Senate adjourns on Saturday, June 30, 1973, it stand adjourned until 10 o'clock antemeridian, Monday, July 9, 1973.

The title was amended, so as to read: "concurrent resolution providing for an adjournment of the two Houses over the Fourth of July Holiday, 1973."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the concurrent resolution (H. Con. Res. 262) be temporarily held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. What is the will of the Senate?

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR S. 2047 TO BE THE FIRST TRACK ITEM OF BUSINESS ON MONDAY, JULY 9, 1973, IN LIEU OF S. 1328

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on Monday, July 9, 1973, upon the close of morning business, the Senate proceed to the consideration of S. 2047 as the first track item, and that the previous order providing for consideration of S. 1328 at that time be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF RENEGOTIATION ACT OF 1951—CONFERENCE REPORT

Mr. LONG. Mr. President, I submit a report of the committee of conference on H.R. 7445, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. FANNIN). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the Act for two years, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of today.)

Mr. LONG. Mr. President, H.R. 7445 as it passed the Senate extended the Renegotiation Act for 1 year, and included a social security benefit increase; an increase in supplemental security income payments; provisions concerning social services, medicaid, and maternal and child health; and included a provision proposed by the Senator from South Dakota (Mr. McGOVERN) relating to the freeze on prices for agricultural commodities.

The Senate conferees on H.R. 7445 have met with the House conferees. Except for the change from a 2-year extension to a 1-year extension of the Renegotiation Act, the Senate provisions were nongermane under the House rules, and the conference report has been brought back in technical disagreement. But the conferees did agree on a set of provisions which I feel the Senate conferees can be quite pleased with. Let me describe these provisions.

SOCIAL SECURITY PROVISIONS

Benefit increase.—The Senate bill provided for a cost-of-living increase to become effective next April. The Senate will recall that we originally passed an increase effective next January. The increase would be set at the percent by which the cost of living has risen between June 1972 and June 1973, estimated to be a 5.6 percent increase.

The House conferees were willing to accept the 5.6 percent increase, but insisted that the effective date be moved from April 1974 back to June 1974. Under the bill agreed to by the conferees, 30 million persons will receive an additional $1.9 billion in increased benefits.

I should like to pay special tribute to the Senator from Connecticut (Mr. RIBICOFF) for his initiative in proposing that the first social security cost-of-living increase become effective earlier than January 1975. I would like to thank him for his excellent support in conference that enabled us to prevail on so many of these amendments benefiting the aged, blind, and disabled. I know he was quite disappointed that the conferees would not agree to a January 1974 effective date.

Mr. RIBICOFF. Mr. President, will the Senator yield at this point?

Mr. LONG. I yield

Mr RIBICOFF. I wish to commend our distinguished chairman for his outstanding work in behalf of the Senate on social security legislation. I cannot help expressing disappointment in the failure of the House to accept the Ribicoff-Long proposal for the social security increase.

In going home every weekend and talking to my people in the State of Connecticut, I have been deeply disturbed about the condition of the social security beneficiaries. They are building social security benefits to pay for their everyday living costs. We have had a fantastic escalation in the cost of living during the past year, to the extent that the situation in which our elderly citizens found themselves is disturbing. So I brought to the attention of our distinguished chairman the need for an increase in benefits now instead of January 1, 1975.

The Committee on Finance went along with our proposal and passed it on to the Senate, to become effective January 1, 1974. I believe that the vote in this body was 86 to 7 to make the social security benefit increase effective as of January 1, 1974.

When we went to conference, there was a great deal of resistance from the House conferees, and there was a compromise of April 1, 1974. To the chagrin of the Senate conferees as well as the House conferees, the other body rejected the compromise as of April 1, 1974.

We went back to conference this morning. The Senate conferees kept insisting at least for the April 1, 1974, date, but to no avail.

Again, I am deeply disappointed, because what we are really talking about is that for the average retired worker without dependents, we are raising the rate from $161 a month to $170 a month, a mere nine dollars. For couples, it would go up from $277 a month to $293 a month, amounting to $16. For widows with two children, we are changing the benefits from $388 a month to $410 a month or an increase of $22.

Of course, we have been able to give substantial increases and substantial benefits; but, unfortunately, they will not take effect until June 1, 1974.

The Senate conferees, in view of the action of the House, had no alternative. But the Senate conferees, I believe, did a magnificent job. I do want to express disappointment in the action of the House and its insensitivity to the problems we recognize in the Senate.

My commendation goes to our distinguished chairman because he, too, had a disappointment because his SSI benefits, affecting some 5 million aged, blind, and infirm, will not go into effect until June 1, 1974. I know how hard he fought for the increases to go into effect on those dates, because it would affect many millions in our 50 States. But here, too, the House would not yield, and the benefits to this group of beneficiaries will go into effect on July 1, 1974. We did not have any alternative.

My commendation, again, to the brilliant leadership of our chairman, who worked so hard to sustain the Senate position. Overwhelmingly, the Senate positions have been sustained in the last two conferences, and it was unfortunate that we could not get our way entirely when it came to the social security and SSI benefits.

Mr. LONG. I thank the Senator.

INCREASE IN EARNINGS LIMITATION

The Senate bill included an increase in the amount a person can earn with no reduction in social security benefits. Under the Senate bill, this amount would have been increased from $2,100 per year up to $2,400. The Senate earlier voted an increase in the earnings limit up to $3,000 per year. The conferees agreed to raise the earnings limit to $2,400, beginning next January. This provision will mean an additional $300 million in social security benefits for beneficiaries whose work gives them some earnings.

INCREASE IN TAXABLE WAGES

To pay for the increase in the earnings limitation, the conferees agreed to raise taxable wages under social security from $12,000 in 1974 to $12,600. Thereafter, taxable wages will rise automatically as wages rise generally, under the provisions of law enacted last year.

ADOPTED CHILDREN

A proposal suggested by Senator BYRD of West Virginia would have eliminated the requirement in present law that an adopted child, in order to be eligible for social security benefits, have lived with his adoptive parent at least 1 year before the parent retired or became disabled. The Senate bill this time included a limited version of this that the conferees had earlier agreed to. Under the provision agreed to by the conferees, a child adopted by his grandparents will be eligible for social security benefits if he has lived with his grandparents—whether or not they are receiving benefits—and if his natural parents are dead or disabled.

SUPPLEMENTAL SECURITY INCOME

The Senate bill would make some very significant changes in the new Federal supplemental security income program scheduled to become effective next January. I am pleased to say that the House conferees went along with every one of the provisions in the Senate bill.

Unfortunately, the House conferees insisted on a later effective date for one of the major provisions in the Senate bill.

The bill agreed to by the conferees, like the Senate bill, would increase monthly SSI payments from $130 to $140 for an individual and from $195 to $210 for a couple. Under the Senate bill this increase would have been effective beginning next January. The conferees insisted that the effective date be moved back to July 1974. I consider this delay very unfortunate, but we were unable to prevail.

The conferees agreed to the Senate provision which would cover "essential persons" now receiving aid to the aged, blind, or disabled—typically the spouse under age 65 of a person over age 65.

Under the Senate bill, States would be required for at least 1 year to supplement the Federal SSI payment to assure that no current recipient would have his payments reduced when the SSI program goes into effect next January. The provision agreed to by the conferees would extend this requirement indefinitely rather than limiting it to 1 year. Under the bill agreed to by the conferees, as under the Senate bill, an exception is made for cases where the State constitution prevents compliance with this requirement.

The conferees accepted the section of the Senate bill under which the Secretary of Health, Education, and Welfare provides a preference in employment to qualified State and local employees who will be displaced when the new SSI program goes into effect. Finally, the conferees accepted the Senate provision allowing blindness to be determined by an optometrist under the new SSI program, as it is under present State programs of aid to the blind.

Mr. President, more than 5 million persons will receive $325 million in higher SSI payments during the first 12 months under the bill the conferees agreed to because of the higher SSI payments levels. Another 125,000 essential persons will be eligible for $100 million in SSI payments. And under the bill, all present recipients of aid to the aged, blind, and disabled will be protected against a cut in their monthly payment when the new SSI program goes into effect next January.

MEDICAID PROVISIONS

PROTECTING MEDICAID RECIPIENTS FROM LOSS OF ELIGIBILITY

Unless the law is changed, a number of persons will face a loss of their medicaid eligibility when the SSI program goes into effect next January. To prevent this, the Senate bill protected "essential persons," persons in medical institutions, and blind and disabled medically needy persons against loss of medicaid eligibility. I am pleased to say that the House conferees accepted all of these provisions.

EXTENSION OF 1972 MEDICAID SAVINGS CLAUSE

Last year's social security bill contained a savings clause continuing medicaid eligibility for persons who would otherwise have become ineligible because the 20 percent social security increase in 1972 raised their incomes above the eligibility level for cash assistance payments. The House conferees agreed to accept the Senate provisions extending this savings through June 1975.

REPEAL OF LIMIT ON NURSING HOME PAYMENTS

The House conferees also agreed to accept the Senate provisions repealing a section in present law which limits to 5 percent the annual increase in allowable average per diem costs for skilled nursing home and intermediate care facilities.

SOCIAL SERVICE

HEW REGULATIONS POSTPONED

Last year the Congress put a $2.5 billion limitation on Federal funds for social services. In May of this year the Department of Health, Education, and Welfare published social services regulations which we in the Senate felt were far out of line with congressional intent and even out of line with specific provisions of law.

The Senate bill would have postponed for 6 months the effective date of these regulations to allow the Congress time to consider statutory changes in the provisions of law affecting social services. The conferees agreed to suspend for 4 months HEW's authority to issue new social services regulations. However, that 4-month period may be shortened if new changes are proposed by the Department of Health, Education, and Welfare before that time and are approved by a majority of the Committee on Finance and a majority of the Ways and Means Committee.

The purpose of the conferees, Mr. President, was to give the Department another chance to issue social services regulations which will be consistent with the statute and congressional intent. We will be going over the proposed new regulations with a fine-tooth comb to make sure they do this before we approve them. So that the Department has a good idea what some of our concerns are, I want to detail for the record some of the major problems as we discribed them in our committee report:

1. *Family planning services.*—Last year the Congress required States both to offer and promptly provide family planning services to all appropriate AFDC recipients desiring them, and indicated congressional priority for family planning services by increasing Federal matching for these services from 75% to 90%—for persons likely to become dependent on welfare as well as those already on the rolls. Congressional priority is also shown clearly by the inclusion of family planning services in the list of services which can be provided without regard to whether a person is receiving welfare. Yet the regulations permit Federal funds for services to persons not now on welfare only if they "are likely to become applicants for or recipients of financial assistance under the State plan within six months" (Section 221.6(b)(3) of the regulations). Under the regulations, either no family planning services can be provided to persons not now on welfare, or else the only kind of family planning services for which Federal matching would be available in such a case would be abortion (since a woman would have to be 3 months pregnant in order to be likely to become dependent on welfare within 6 months).

2. *Child Support.*—Federal law requires States, as a part of their plan for aid to families with dependent children, to attempt to establish the paternity of children born out of wedlock, to locate fathers who have deserted their families, and to try to collect support payments from these fathers. All of these provisions of Federal law require legal services, yet the HEW regulations (Section 221.9(b)(14)) define Federally matchable legal services as including only "the services of a lawyer in solving legal problems of eligible individuals to the extent necessary to obtain or retain employment. This excludes all other legal services."

3. *Alcoholism and drug abuse.*—Last year's limitation on social service funds listed five high priority categories of services which could be provided without regard to whether the recipient of services was on welfare or not. Included in the high priority list were "services provided to an individual who is a drug addict or alcoholic, but only if such services are needed (as determined in ac-

cordance with criteria prescribed by the Secretary) as part of a program of active treatment of his condition as a drug addict or alcoholic" (section 1130(a)(2)(D) of the Social Security Act). Certainly, a major aspect of treatment of alcoholics and drug addicts involves medical care. Yet the HEW social services regulations (section 221.53(1)) preclude Federal matching for medical services except when related to family planning or to medical examinations which are required for admission to child care facilities or for persons caring for children under welfare agency auspices.

4. *Services for the mentally retarded.*—The 1972 legislation similarly list as a high priority item "services provided to a mentally retarded individual (whether a child or an adult), but only if such services are needed (as determined in accordance with criteria prescribed by the Secretary) by such individual reason of his condition of being mentally retarded" (section 1130(a)(2)(C) of the Social Security Act). Despite this clear statement in the law providing priority for services for mentally retarded persons, these services are not specifically included in the list of services allowable under the new regulations. The regulations only provide that day care services can be made available when appropriate for eligible mentally retarded children (section 221.9(b)(3)) and that until December 31, 1973, other types of eligible services may be provided to mentally retarded individuals without regard to the restrictions on the definition of "potential recipient."

5. *Services to strengthen family life.*—Federal law requires States as a part of their plan for aid to families with dependent children to develop a program of family services defined in section 40(d) of the Social Security Act as "services to a family or any member thereof for the purpose of preserving, rehabilitating, reuniting, or strengthening the family, and such other services as will assist members of a family to attain or retain capability for the maximum self-support and personal independence." Yet the HEW regulations (section 221.8(a)) permit Federal financial participation only for services which support the attainment of the goals of self-support or self-sufficiency.

6. *Mandatory services for the aged.*—In 1962, the Congress added a provision to the old-age assistance program authorizing 75% Federal matching for social services to the aged. In addition, the law stated (section 3(c)(1) of the Social Security Act) that in order for a State to qualify for this 75% matching, the State plan for old-age assistance had to provide that "the State agency shall make available to applicants for or recipient of old-age assistance under such State plan at least those services to help them attain or retain capability for self-care which are prescribed by the Secretary." Under the former regulations, the Secretary required States to provide information and referral services, protective services, services to enable persons to remain in or return to their homes or communities and services to meet health needs (such as assistance in obtaining medical care and in arranging transportation to obtain medical care).

Under the new regulations a State need provide only one of the "defined services which the State elects to include in the State plan" (section 221.5(a)). One of these defined services is "special services for the blind." Thus in contradiction to the clear language and intent of the law which has been in effect for a decade, the regulations would no longer require States to provide services to the aged which will help them to attain or retain capability for self-care.

7. *Former and potential welfare recipients.*—Another feature written into the Social Security Act in 1962 authorized 75 percent Federal matching for social services for former or potential welfare recipients, with the Secretary permitted to specify the time periods within which an individual was to be considered a former or potential recipient. For example, under aid to families with dependent children, 75 percent Federal matching is authorized for services "which are provided to any child or relative who is applying for aid to families with dependent children or who, *within such period or periods as the Secretary may prescribe,* has been or is likely to become an applicant for or recipient of such aid (emphasis added; section 403(a)(A)(ii) of the Social Security Act). Similar language is found in the programs of aid to the aged, blind, and disabled.

The prior regulations specified that former recipients were those who had received assistance within the past two years, while potential recipients were those likely to become dependent on assistance within five years. The new regulations set the period for former recipients at three months and for potential recipients at six months, but in the latter case they go considerably further than the regulatory authority conferred by the statute by setting specific income limits related to welfare payment levels and requiring that applicants for services meet an assets test related to the cash assistance assets test and payment level (section 221.6(c)(3) of the regulations as modified on June 1, 1973).

SERVICES FOR THE AGED, BLIND AND DISABLED

Under the social services limitation we enacted last year, at least 90 percent of the funds spent on social services must go for services to persons receiving public assistance; an exception is made for certain high priority services. The Senate bill included a provision to exempt services for the aged, blind, and disabled from the 90 percent requirement. I am pleased to say that the House conferees agreed to this provision also.

M'GOVERN PRICE FREEZE AMENDMENT

Mr. President, as I discussed earlier, the conferees were unwilling to accept the McGovern amendment on the price freeze for agricultural commodities. The Senate has already passed the measure a second time as an amendment to the istle fiber bill.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HELMS. The distinguished Senator from Louisiana and the distinguished Senator from Connecticut discussed the social security benefits. I do not think anything was said about the effective increase in the social security tax. Would the Senator like to discuss that?

Mr. LONG. Yes. To pay for the increase in the earnings limitation, the conferees agreed to raise taxable wages under social security from $12,000 in 1974 to $12,600. Thereafter, the taxable wages will rise automatically as wages rise generally under provisions enacted last year.

Mr. HELMS. I have done a little study of this matter, and in the Record of 2 or 3 days ago, on page 21582, I note this sentence in the bill:

> Nothing in this section shall be construed to authorize any increase in the contribution and benefit rates.

This is what the Senate approved originally? Is that correct?

Mr. LONG. Yes.

Mr. HELMS. The point I am making is that the effective increase——

Mr. LONG. May I explain? The Senate added an amendment increasing the social security earnings limit. The House insisted upon increasing revenues to pay for the provision by increasing the wage base. This was also strongly advocated by the Secretary of the Treasury, for budgetary reasons, and it was in considerable measure because of the fiscal responsibility involved in the action of the conferees that we are now advised that the President will be urged by this Cabinet member to sign the bill, and that the probability is that he will sign it.

Mr. HELMS. I hope the Senator will not misunderstand my inquiry. I fervently believe in the concept that Congress ought to provide money for everything it appropriates, instead of going into debt. I am the original balanced budget man, as the Senator knows.

What I should like to point out is that neither the Senate nor the House, if my recollection is correct, had the increase included in the original bill. Is that correct?

Mr. LONG. That is correct.

Mr. HELMS. The distinguished Senator from Connecticut, in fact, said on the floor:

> This 5.6-percent increase in benefits would not require an increase in the Social Security tax or the taxable wage base. It would be financed completely out of the large surplus in the Social Security trust fund.

I suggest to my friend from Louisiana that perhaps that "large" surplus is not so large after all.

The point I am making, and I shall be brief, is that the social security tax hits hard at the middle income wage earner. I hope that in the future when we increase taxes in any form we will keep that in mind. I say that in the frame of reference that I thoroughly approve of our being fiscally responsible in assessing taxes to cover expenditures. I think in the past there has been too much of this business of appropriating money that the Government does not have.

Mr. LONG. The tax increase which, of course, takes the form of increasing the amount of wages, taxable, is a House amendment to the Senate amendment.

Mr. HELMS. I understand.

Mr. LONG. The addition of this by the House in considerable measure, probably contributed to the fact that the House agreed to the legislation by an overwhelming vote. The added fiscal responsibility, which is implicit in the measure on which we are now acting, undoubtedly plays its part in having a legislative proposal which failed of enactment on yesterday to one which passed the House by an overwhelming vote today.

I am very pleased that where men differed so vehemently and stringently 24 hours ago we managed to arrive at a point where there is not much controversy in the bill.

Mr. HELMS. I commend the Senator from Louisiana and all others connected with the legislation, because it is fiscal responsibility.

If I may shift from the trust fund situation to the non-trust fund, I am alarmed that the national debt is costing us $40,000 a minute, 60 minutes an hour, 24 hours a day, 365 days a year.

Really, I rose to compliment the Senator from Louisiana on the fiscal responsibility that has been shown.

Mr. LONG. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report the amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed in the said amendment, insert:

TITLE II—PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

Part A—Increase in Social Security Benefits

COST-OF-LIVING INCREASE IN SOCIAL SECURITY BENEFITS

Sec. 201. (a)(1) The Secretay of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall, in accordance with the provisions of his section, increase the monthly benefits and lump-sum death payments payable under title II of the Social Security Act by the percentage by which the Consumer Price Index prepared by the Department of Labor, for the month of June 1973 exceeds such index for the month of June 1972.

(2) The provisions of this section (and the increase in benefits made hereunder) shall be effective, in the case of monthly benefits under title II of the Social Security Act, only for months after May 1974 and prior to January 1975, and, in the case of lump-sum death payments under such title, only with respect to deaths which occur after May 1974 and prior to January 1975.

(b) The increase in social security benefits authorized under this section shall be provided, and any determinations by the Secretary in connection with the provision of such increase in benefits shall be made, in the manner prescribed in section 215(i) of the Social Security Act for the implementation of cost-of-living increases authorized under title II of such Act, except that the amount of such increase shall be based on the increase in the Consumer Price Index described insubsection (a).

(c) The increase in social security benefits provided by this section shall—

(1) not be considered to be an increase in benefits made under or pursuant to section 215(i) of the Social Security Act, and

(2) not (except for purposes of section 203(a)(2) of such Act, as in effect after May 1974) be considered to be a "general benefit increase under this title" (as such term is defined in section 215(i)(3) of such Act);

and nothing in this section shall be construed as authorizing any increase in the "contribution and benefit base" (as that term is employed in section 230 of such Act), or any increase in the "exempt amount" (as such term is used in section 203(f)(8) of such Act).

(d) Nothing in this section shall be construed to authorize (directly or indirectly) any increase in monthly benefits under title II of the Social Security Act for any month after December 1974, or any increase in lump-sum death payments payable under such title in the case of deaths occurring after December 1974. The recognition of the existence of the increase in benefits authorized by the preceding subsections of this section (during the period it was in effect) in the application, after December 1974, of the provisions of sections 202(q) and 203(a) of such Act shall not, for purposes of the preceding sentence, be considered to be an increase in a monthly benefit for a month after December 1974.

Sec. 202. (a) Pargraphs (1) and (4)(B) of section 203(f) of the Social Security Act are each amended by striking out "$175" and inserting in lieu thereof "$200".

(b) The first sentence of paragraph (3) of section 203(f) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(c) Paragraph (1)(A) of section 203(h) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(d) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1973.

Sec. 203. (a)(1) Section 209(a)(8) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Section 211(b)(1)(H) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(3) Sections 213(a)(2)(ii) and 213(a)(2)(iii) of such Act are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(4) Section 215(e)(1) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(b)(1) Section 1402(h)(1)(H) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Effective wtih respect to remuneration paid after 1973, section 3121(a)(1) of such Code is amended by striking out the dollar amount each place it appears therein and inserting in lieu thereof "$12,600".

(3) Effective with respect to remuneration paid after 1973, the second sentence of section 3122 of such Code is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(4) Effective with respect to remuneration paid after 1973, section 3125 of such Code is amended by striking out the dollar amount each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof "$12,600".

(5) Section 6413(c)(1) of such Code (relating to special refunds of employment taxes) is amended by striking out "$12,000" each place it appears and inserting in lieu thereof "$12,600".

(6) Section 6413(c)(2)(A) of such Code (relating to refunds of employment taxes in the case of Federal employees) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(7) Effective with respect to taxable years beginning after 1973, section 6654(d)(2)(B)(ii) of such Code (relating to failure by individual to pay estimated income tax) is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(c) Section 230(c) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(d) Paragraphs (2)(C), (3)(C), (4)(C), and (7)(C) of section 203(b) of Public Law 92–336 are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(e) The amendments made by this section, except subsection (a)(4), shall apply only with respect to remuneration paid after, and taxable years beginning after, 1973. The amendments made by subsection (a)(4) shall apply with respect to calendar years after 1973.

(f) Effective June 1, 1974, the Secretary of Health, Education, and Welfare shall prescribe and publish in the Federal Register such modifications and extensions in the table contained in section 215(a) of the Social Security Act (which shall be determined in the same manner as the revisions in such table provided for under section 215(i)(2)(D) of such Act) as may be necessary to reflect the amendments made by this section; and such modified and extended table shall be deemed to be the table appearing in such section 215(a).

Part B—Provisions Relating to Federal Program of Supplemental Security Income

INCREASE IN SUPPLEMENTAL SECURITY INCOME BENEFITS

Sec. 210. (a) Section 1611(a)(1)(A) and section 1611(b)(1) of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) are each amended by striking out "$1,560" and inserting in lieu thereof "$1,680".

(b) Section 1611(a)(2)(A) and section 1611(b)(2) of such Act (as so enacted) are each amended by striking out "$2,340" and inserting in lieu thereof "$2,520".

(c) The amendments made by this section shall apply with respect to payments for months after June 1974.

SUPPLEMENTAL SECURITY INCOME BENEFITS FOR ESSENTIAL PERSONS

Sec. 211. (a)(1) In determing (for purposes of title XVI of the Social Security Act, as in effect after December 1973) the eligibility for and the amount of the supplemental security income benefit payable to any qualified individual (as defined in subsection (b)), with respect to any period for which such individual has in his home an essential person (as defined in subsection (c))—

(A) the dollar amounts specified in subsection (a)(1)(A) and (2)(A), and subsection (b) (1) and (2) of section 1611 of such Act, shall each be increased by $840 ($780 in the case of any period prior to July 1974) for each such essential person, and

(B) the income and resources of such individual shall (for purposes of such title XVI) be deemed to include the income and resources of such essential person;

except that the provisions of this subsection shall not, in the case of any individual, be applicable for any period which begins in or after the first month that such individual—

(C) does not but would (except for the provisions of subparagraph (B)) meet—

(i) the criteria established with respect to income in section 1611(a) of such Act, or

(ii) the criteria established with respect to resources by such section 1611(a) (or, if applicable, by section 1611(g) of such Act).

(2) The provisions of section 1611(g) of the Social Security Act (as in effect after December 1973) shall, in the case of any qualified individual (as defined in subsection (b)), be applied so as to include, in the resources of such individual, the resources of any person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for the aid or assistance referred to in subsection (b)(1).

(b) For purposes of this section, an individual shall be a "qualified individual" only if—

(1) for the month of December 1973 such individual was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI of the Social Security Act, and

(2) in determining the need of such individual for such aid or assistance for such month under such State plan, there were taken into account the needs of a person (other than such individual) who—

(A) was living in the home of such individual, and

(B) was not eligible (in his or her own

right) for aid or assistance under such State plan for such month.

(c) The term "essential person", when used in connection with any qualified individual, means a person who—

(1) for the month of December 1973 was a person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for aid or assistance under a State plan referred to in subsection (b)(1) as such State plan was in effect for June 1973.

(2) lives in the home of such individual,

(3) is not eligible (in his or her own right) for supplemental security income benefits under title XVI of the Social Security Act (as in effect after December 1973), and

(4) is not the eligible spouse (as that term is used in such title XVI) of such individual or any other individual.

If for any month after December 1973 any person fails to meet the criteria specified in paragraph (2), (3), or (4) of the preceding sentence, such person shall not, for such month or any month thereafter be considered to be an essential person.

MANDATORY MINIMUM STATE SUPPLEMENTATION OF SSI BENEFITS PROGRAM

SEC. 212. (a)(1) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) to be eligible for payments pursuant to title XIX, with respect to expenditures for any quarter beginning after December 1973, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") whereby the State will provide to individuals residing in the State supplementary payments as required under paragraph (2).

(2) Any agreement entered into by a State pursuant to paragraph (1) shall provide that each individual who—

(A) is an aged, blind, or disabled individual (within the meaning of section 1614-(a) of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972), and

(B) for the month of December 1973 was a recipient of (and was eligible to receive) aid or assistance (in the form of money payments) under a State plan of such State (approved under title I, X, XIV, or XVI, of the Social Security Act)

shall be entitled to receive, from the State, the supplementary payment described in paragraph (3) for each month, beginning with January 1974, and ending with whichever of the following first occurs:

(C) the month in which such individual dies, or

(D) the first month in which such individual ceases to meet the condition specified in subparagraph (A); except that no individual shall be entitled to receive such supplementary payment for any month, if, for such month, such individual was ineligible to receive supplemental income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e)(1)(A), (2), or (3), 1611-(f), and 1615(c) of such Act.

(3)(A) The supplementary payment referred to in paragraph (2) which shall be paid for any month to any individual who is entitled thereto under an agreement entered into pursuant to this subsection shall (except as provided in subparagraph (D)) be an amount equal to (i) the amount by which such individual's "December 1973 income" (as determined under subparagraph (B)) exceeds the amount of such individual's "title XVI benefit plus other income" (as determined under subparagraph (C)) for such month, or (ii) if greater, such amount as the State may specify.

(B) For purposes of subparagraph (A), an individual's "December 1973 income" means an amount equal to the aggregate of—

(i) the amount of the aid or assistance (in the form of money payments) which such individual would have received (including any part of such amount which is attributable to meeting the needs of any other person whose presence in such individual's home is essential to such individual's well-being) for the month of December 1973 under a plan (approved under title I, X, XIV, or XVI, of the Social Security Act) of the State entering into an agreement under this subsection, if the terms and conditions of such plan (relating to eligibility for and amount of such aid or assistance payable thereunder) were, for the month of December 1973, the same as those in effect, under such plan, for the month of June 1973, and

(ii) the amount of the income of such individual (other than the aid or assistance described in clause (i)) received by such individual in December 1973, minus any such income which did not result, but which if properly reported would have resulted in a reduction in the amount of such aid or assistance.

(C) For purposes of subparagraph (A), the amount of an individual's "title XVI benefit plus other income" for any month means an amount equal to the aggregate of—

(i) the amount (if any) of the supplemental security income benefit to which such individual is entitled for such month under title XVI of the Social Security Act, and

(ii) the amount of any income of such individual for such month (other than income in the form of a benefit described in clause (i)).

(D) If the amount determined under subparagraph (B)(i) includes, in the case of any individual, an amount which was payable to such individual solely because of—

(i) a special need of such individual (including any special allowance for housing, or the rental value of housing furnished in kind to such individual in lieu of a rental allowance) which existed in December 1973, or

(ii) any special circumstance (such as the recognition of the needs of a person whose presence in such individual's home, in December 1973, was essential to such individual's well-being),

and, if for any month after December 1973 there is a change with respect to such special need or circumstance which, if such change had existed in December 1973, the amount described in subparagraph (B)(i) with respect to such individual would have been reduced on account of such change, then, for such month and for each month thereafter the amount of the supplementary payment payable under the agreement entered into under this subsection to such individual shall (unless the State, at its option, otherwise specifies) be reduced by an amount equal to the amount by which the amount (described in subparagraph (B)(i)) would have been so reduced.

(b)(1) Any State having an agreement with the Secretary under subsection (a) may enter into an administration agreement with the Secretary whereby the Secretary will, on behalf of such State, make the supplementary payments required under the agreement entered into under subsection (a).

(2) Any such administration agreement between the Secretary and a State entered into under this subsection shall provide that the State will (A) certify to the Secretary the names of each individual who, for December 1973, was a recipient of aid or assistance (in the form of money payments) under a plan of such State approved under title I, X, XIV, or XVI of the Social Security Act, together with the amount of such assistance payable to each such individual and the amount of such individual's December 1973 income (as defined in subsection (a)(3)(B)), and (B) provide the Secretary with such additional data at such times as the Secretary may reasonably require in order properly, economically, and efficiently to carry out such administration agreement.

(3) Any State which has entered into an administration agreement under this subsection shall, at such times and in such installments as may be agreed upon between the Secretary and the State, pay to the Secretary an amount equal to the expenditures made by the Secretary as supplementary payments to individuals entitled thereto under the agreement entered into with such State under subsection (a).

(c)(1) Supplementary payments made pursuant to an agreement entered into under subsection (a) shall be excluded under section 1612(b)(6) of the Social Security Act (as in effect after December 1973) in determining income of individuals for purposes of title XVI or such Act (as so in effect).

(2) Supplementary payments made by the Secretary (pursuant to an administration agreement entered into under subsection (b)) shall, for purposes of section 401 of the Social Security Amendments of 1972, be considered to be payments made under an agreement entered into under section 1616 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972); except that nothing in this paragraph shall be construed to waive, with respect to the payments so made by the Secretary, the provisions of subsection (b) of such section 401.

(d) For the purposes of subsection (a)(1), a State shall be deemed to have entered into an agreement under subsection (a) of this section if such State has entered into an agreement with the Secretary under section 1616 of the Social Security Act under which—

(1) individuals, other than individuals described in subsection (a)(2) (A) and (B), are entitled to receive supplementary payments, and

(2) supplementary benefits are payable, to individuals described in subsection (a)(2) (A) and (B) at a level and under terms and conditions which meet the minimum requirements specified in subsection (a).

(e) Except as the Secretary may by regulations otherwise provide, the provisions of title XVI of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972), including the provisions of part B of such title, relating to the terms and conditions under which the benefits authorized by such title are payable shall, where not inconsistent with the purposes of this section, be applicable to the payments made under an agreement under subsection (b) of this section; and the authority conferred upon the Secretary by such title may, where appropriate, be exercised by him in the administration of this section.

(f) The provisions of subsection (a)(1) shall not be applicable in the case of any State—

(1) the Constitution of which contains provisions which make it impossible for such State to enter into and commence carrying out (on January 1, 1974) an agreement referred to in subsection (a), and

(2) the Attorney General (or other appropriate State official) of which has, prior to July 1, 1973, made a finding that the State Constitution of such State contains limitations which prevent such State from making supplemental payments of the type described in section 1616 of the Social Security Act.

PREFERENCE FOR PRESENT STATE AND LOCAL EMPLOYEES

SEC. 213. The Secretary of Health, Education, and Welfare, in the recruitment and selection for employment of personnel whose services will be utilized in the administration of the Federal program of supplemental security income for the aged, blind, and disabled (established by title XVI of the Social Security Act), shall give a preference, as among applicants whose qualifications are reasonably equal (subject to any preferences conferred by law or regulation on individuals who have been Federal employees and have been displaced from such employment), to applicants for employment who are or were employed in the administration of any State program approved under title I, X, XIV, or XVI of such Act and are or were involuntarily displaced from their employment as a result of the displacement of such State program by such Federal program.

DETERMINATION OF BLINDNESS UNDER SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 214. Section 1633 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) is amended—

(1) by inserting "(a)" immediately after "SEC. 1633.",

(2) by striking out "The Secretary" and inserting in lieu thereof "Subject to subsection (b), the Secretary", and

(3) by adding at the end thereof the following new subsection:

"(b) In determining, for purposes of this title, whether an individual is blind, there shall be an examination of such individual by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select."

Part C—Social Services

SOCIAL SERVICES REGULATIONS POSTPONED

SEC. 220. (a) Subject to subsection (b), no regulation and no modification of any regulation, promulgated by the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") after January 1, 1973, shall be effective for any period which begins prior to November 1, 1973, if (and insofar as) such regulation or modification of a regulation pertains (directly or indirectly) to the provisions of law contained in section 3(a)(4)(A), 402(a)(19)(G), 403(a)(3)(A), 603(a)(1)(A), 1003(a)(3)(A), 1403(a)(3)(A), or 1603(a)(4)(A), of the Social Security Act, unless such regulation or modification has been approved, prior to its being proposed, by the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b)(1) The provisions of subsection (a) shall not be applicable to any regulation relating to "scope of programs", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.0 of the regulations (relating to social services) proposed by the Secretary and published in the Federal Register on May 1, 1973. There shall be deleted from the first sentence of subsection (b) of such section 221.0 the phrase "meets all the applicable requirements of this part and".

(2) The provisions of subsection (a) shall not be applicable to any regulation relating to "limitations on total amount of Federal funds payable to States for services", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.55 of the regulations so proposed and published on May 1, 1973. There shall be deleted from subsection (d)(1) of such section 221.55 the phrase "(as defined under day care services for children)"; and, in lieu of the sentence contained in subsection (d)(5) of such section 221.55, there shall be inserted the following: "Services provided to a child who is under foster care in a foster family home (as defined in section 408 of the Social Security Act) or in a child-care institution (as defined in such section), or while awaiting placement in such a home or institution, but only if such services are needed by such child because he is under foster care.".

(3) The provisions of subsection (a) shall not be applicable to any regulation relating to "rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam", if such regulation is identical to the provisions of section 221.56 of the regulations so proposed and published on May 1, 1973.

(c) Notwithstanding the provisions of section 553(d) of title 5, United States Code, any regulation described in subsection (b) may become effective upon the date of its publication in the Federal Register.

SEC. 221. Section 1130(a)(2) of the Social Security Act is amended—

(1) by striking out "of the amounts paid (under all of such sections)" and inserting in lieu thereof "of the amounts paid under such section 403(a)(3)"; and

(2) by striking out "under State plans approved under titles I, X, XIV, XVI, or part A of title IV" and inserting in lieu thereof "under the State plan approved under part A of title IV".

Part D—Provisions Relating to Medicaid

COVERAGE OF ESSENTIAL PERSONS UNDER MEDICAID

SEC. 230. In the case of any State plan (approved under title XIX of the Social Security Act) which for December 1973 provided medical assistance to persons described in section 1905(a)(vi) of such Act, there is hereby imposed the requirement (and such State plan shall be deemed to require) that medical assistance under such plan be provided to each such person (who for December 1973 was eligible for medical assistance under such plan) for each month (after December 1973) that—

(1) the individual (referred to in the last sentence of section 1905(a) of such Act) with whom such person is living continues to meet the criteria (as in effect for December 1973) for aid or assistance under a State plan (referred to in such sentence), and

(2) such person continues to have the relationship with such individual described in such sentence and meets the other criteria (referred to in such sentence) with respect to a State plan (so referred to) as such plan was in effect for December 1973.

Federal matching under title XIX of the Social Scurity Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

PERSONS IN MEDICAL INSTITUTIONS

SEC. 231. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for all (or any part of) the month of December 1973—

(1) was an inpatient in an institution qualified for reimbursement under title XIX of the Social Security Act, and

(2)(A) would (except for his being an inpatient in such institution) have been eligible to receive aid or assistance under a State plan approved under title I, X, XIV, or XVI of such Act, or

(B) was, on the basis of his need for care in such institution, considered to be eligible for aid or assistance under a State plan (referred to in subparagraph (A)) for purposes of determining his eligibility for medical assistance under a State plan approved under title XIX of such Act (whether or not such individual actually received aid or assistance under a State plan referred to in subparagraph (A).

shall be deemed to be receiving such aid or assistance for such month and for each succeeding month in a continuous period of months if, for each month in such period—

(3) such individual continues to be (for all of such month) an inpatient in such an institution and would (except for his being an inpatient in such institution) continue to meet the conditions of eligibility to receive aid or assistance under such plan (as such plan was in effect for December 1973), and

(4) such individual is determined (under the utilization review and other professional audit procedures applicable to State plans approved under title XIX of the Social Security Act) to be in need of care in such an institution.

Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

BLIND AND DISABLED MEDICALLY INDIGENT PERSONS

SEC. 232. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for the month of December 1973 was eligible (under the provisions of subparagraph (B) of such section) for medical assistance by reason of his having been determined to meet the criteria for blindness or disability (established by a State plan approved under title I, X, XIV, or XVI of such Act), shall be deemed to be a person described as being a person who "would, if needy, be eligible for aid or assistance under any such State plan" in subparagraph (B)(i) of such section for each month in a continuous period of months (beginning with the month of January 1974), if, for each month in such period, such individual continues to meet the criteria for blindness or disability so established by such a State plan (as it was in effect for December 1973). Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

EXTENSION OF SECTION 249E OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 233. Section 249E of the Social Security Amendments of 1972 is amended by striking out "October 1974" and inserting in lieu thereof "July 1975".

REPEAL OF SECTION 225 OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 234. (a) Section 1903 of the Social Security Act is amended by striking out subsection (j) thereof (as added by section 225 of Public Law 92-603).

(b) The amendment made by subsection (a) shall be applicable in the case of expenditures for skilled nursing services and for intermediate care facility services furnished in calendar quarters which begin after December 31, 1972.

Part E—Provisions Relating to Child's Social Security Insurance Benefits

BENEFITS FOR ADOPTED CHILDREN

SEC. 240. (a) Section 202(d)(8)(D)(ii) of the Social Security Act is amended by striking out "and" at the end thereof and inserting in lieu thereof "or (III) if he is an individual referred to in either subparagraph (A) or subparagraph (B) and the child is the grandchild of such individual or his or her spouse, for the year immediately before the month in which such child files his or her application for child's insurance benefits, and".

(b) The amendment made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

Mr. LONG. Mr. President, I move that the Senate concur in the House amendment to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

The PRESIDING OFFICER. What is the will of the Senate?

Mr. TOWER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess awaiting the call of the Chair.

The motion was agreed to; and at 4:25 p.m. the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 5:07 p.m. when called to order by the Presiding Officer (Mr. FANNIN).

AMENDMENT OF LABOR MANAGEMENT RELATIONS ACT, 1947

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1423.

The PRESIDING OFFICER (Mr. FANNIN) laid before the Senate the amendment of the House of Representatives to the bill (S. 1423) to amend the Labor Management Relations Act, 1947, to permit employer contributions to jointly administered trust funds established by labor organizations to defray costs of legal services, which was to strike out all after the enacting clause, and insert:

That section 302(c) of the Labor Management Relations Act, 1947, is amended by striking out "or (7)" and inserting in lieu thereof "(7)" and by adding immediately before the period at the end thereof the following: "; or (8) with respect to money or any other thing of value paid by any employer to a trust fund established by such representative for the purpose of defraying the costs of legal services for employees, their families, and dependents for counsel of their choice: Provided, That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds; Provided further, That no such legal services shall be furnished: (A) to initiate any proceeding directed (i) against any such employer or its officers or agents except in workman's compensation cases, or (ii) against such labor organization, or its parent or subordinate bodies, or their officers or agents, or (iii) against any other employer or labor organization, or their officers or agents, in any matter arising under the National Labor Relations Act, as amended, and this Act; and (B) in any proceeding where a labor organization would be prohibited from defraying the costs of legal services by the provisions of the Labor-Management Reporting and Disclosure Act of 1959.".

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from New Jersey (Mr. WILLIAMS), I move that the Senate disagree to the amendment of the House, on S. 1423 and ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. FANNIN) appointed Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. NELSON, Mr. EAGLETON, Mr. HUGHES, Mr. HATHAWAY, Mr. JAVITS, Mr. STAFFORD, Mr. SCHWEIKER, and Mr. TAFT, conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the concurrent resolution (H. Con. Res. 262) providing for an adjournment of the House of Representatives from June 30, 1973, to July 10, 1973.

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The PRESIDING OFFICER (Mr. FANNIN). Pursuant to the previous order, the Senate will proceed to the consideration of Calendar No. 195, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

The Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Federal Lands Right-of-Way Act of 1973".

DEFINITIONS

SEC. 2. As used in this Act:

(a) "Right-of-way" means an easement, lease, permit, or license to occupy, use, or traverse Federal lands granted for the purposes listed in this Act.

(b) "Federal lands" means all lands owned by the United States except (1) lands in the National Park System, (2) lands in the National Wildlife Refuge System, (3) lands on the Outer Continental Shelf, (4) lands in the National Wilderness Preservation System, and (5) lands held by the United States in trust for any Indian or Indian tribe, and lands held or owned by any Indian or Indian tribe under a limitation or restriction on alienation requiring the consent of the United States.

(c) "Holder" means any State or local governmental entity or agency, individual, partnership, corporation, association, or other business entity receiving a right-of-way under this Act.

(d) "Secretary" means the Secretary of the Interior.

(e) "Agency head" means the head of any Federal department or agency other than the Secretary of the Interior having jurisdiction over Federal lands.

TITLE I—RIGHTS-OF-WAY ON FEDERAL LANDS

AUTHORIZATION TO GRANT RIGHTS-OF-WAY ON FEDERAL LANDS

SEC. 101. (a) Except as provided in subsection (b) of this section, the Secretary is authorized to grant, issue, or renew rights-of-way over, upon, or through the Federal lands for—

(1) Pipelines and other systems for the transportation of oil or natural gas and storage and terminal facilities in connection therewith;

(2) Reservoirs, canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other facilities and systems for the impoundment, storage, transportation, or distribution of water;

(3) Pipelines and other systems for the transportation or distribution of liquids and gases, other than oil, water, and natural gas, and for storage and terminal facilities in connection therewith;

(4) Pipelines, slurry and emulsion systems, and conveyor belts for transportation and distribution of solid materials, and facilities for the storage of such materials in connection therewith;

(5) Systems for generation, transmission, and distribution of electric energy, except insofar as the Federal Power Commission has jurisdiction under the Act of June 10, 1920, as amended (16 U.S.C. 796, 797);

(6) Systems for transmission or reception of radio, television, telegraph, and other electronic signals, and other means of communication;

(7) Roads, trails, highways, railroads, canals, tramways, airways, livestock driveways, or other means of transportation; and

(8) Such other necessary transportation or other systems which are in the public interest and which require rights-of-way over, upon, or through the Federal lands.

(b) (1) Where the surface of all of the Federal lands involved in a proposed right-of-way is under the jurisdiction of one Federal agency or department, the agency head is authorized to grant, issue, or renew the rights-of-way for the purposes set forth in section 101(a) over, upon, or through the Federal lands involved.

(2) Where the surface of the Federal lands involved is administered by two or more Federal agencies or departments, the Secretary is authorized, after consultation with the agencies or departments involved, to grant, issue, or renew rights-of-way over, upon, or through the Federal lands involved. The Secretary may enter into interagency agreements with all other Federal agencies or departments having jurisdiction over Federal lands for the purpose of avoiding duplication, assigning responsibility, expediting review of rights-of-way applications, issuing joint regulations, and assuring a decision based upon a comprehensive review of all factors involved in any right-of-way application. Each agency head shall administer and enforce the provisions of this Act, appropriate regulations, and the terms and conditions of rights-of-way insofar as they involve Federal lands under the agency head's jurisdiction.

(c) (1) Pipelines and other systems authorized under subsection (a) (1) of this section shall be constructed, operated, and maintained as common carriers. The owners or operators thereof shall accept, convey, transport, or purchase, without discrimination, oil or natural gas produced from Federal lands in the vicinity of the pipeline in such proportionate amounts as the Secretary may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable. The common carrier provisions of this section shall not apply to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality, however, where natural gas not subject to State regulatory or conservation laws governing its purchase by pipelines is offered for sale, each such pipeline shall purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline.

(2) The Secretary shall at all times be authorized, whenever he has reason to believe that any such owner or operator subject to section 101(c)(1) is not operating any oil or gas pipeline in complete accord with its obligations as a common carrier hereunder, to prosecute an appropriate proceeding before the Interstate Commerce Commission or Federal Power Commission or any appropriate State agency or the United States district court for the district in which the pipeline or any part thereof is located, to enforce such obligation or to impose any penalty provided therefor or the Secretary may, by proceeding as provided in section 106 of this Act, suspend or terminate the said grant of right-of-way for noncompliance with the provisions of this section.

(3) The Secretary or agency head shall require prior to granting, issuing, or renewing a right-of-way, that the applicant submit and disclose any or all plans, contracts, agreements, or other information or material he deems necessary to a determination, in accordance with the provisions of this Act, as to whether a right-of-way shall be granted, issued, or renewed and the terms and conditions which should be included in the right-of-way. In the case of oil and natural gas pipelines required information may include, but is not limited to: (A) conditions for, and agreements among owners or operators regarding the addition of pumping facilities, looping, or otherwise increasing the pipeline or terminal's throughput capacity in response to actual or anticipated increases in demand; (B) conditions for adding or abandoning intake or offtake points or facilities; and (C) minimum shipment or purchase tenders.

(4) If the applicant is a partnership, corporation, association, or other business entity, the Secretary or agency head prior to granting a right-of-way pursuant to this Act shall require the applicant to disclose the identity of the participants in the entity. Such disclosures shall include where applicable (1) the name and address of each partner, (2) the name and address of each shareholder owning 3 per centum or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote, and (3) the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and, in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.

(d) Nothing in this Act shall be deemed to limit in any way the authority of the Secretary or agency head to make grants, issue leases, licenses, or permits, or enter into contracts under other provisions of law, for purposes ancillary or complementary to the construction, operation, maintenance, or termination of any facility authorized under this Act.

REVIEW BY ATTORNEY GENERAL

SEC. 102. (a)(1) The Secretary or agency head shall not grant, issue, or renew a right-of-way, not exempted under subsection (d) of this section, until the Secretary or agency head has given the Attorney General a reasonable opportunity of not more than ninety days to comment as to whether the particular facilities, project, or activity involved with the right-of-way would tend to create or maintain a situation inconsistent with the antitrust laws. Whenever the granting, issuance, or renewal of such a right-of-way is contemplated by the Secretary or agency head he shall publish notice of the application in the Federal Register and shall transmit promptly to the Attorney General notice of the application, the probable terms or conditions thereof, and the purposes for which the right-of-way has been requested.

(2) Communications from the Attorney General to the Secretary or agency head pursuant to this subsection shall be advisory only, and the failure of the Secretary or agency head to implement any recommendation of the Attorney General hereunder shall not create a cause of legal action challenging the grant, issuance, or renewal of a right-of-way. Nor shall the advice, opinions, or recommendations hereunder operate in any manner or at any time as a defense to any legal action under the antitrust laws.

(b) Under request made by the Attorney General, the Secretary or agency head shall furnish or cause to be furnished to the Attorney General such information as the Secretary or agency head may possess, have access to, or have knowledge of, and which the Attorney General determines to be appropriate or necessary to enable him to give the advice required by this section. The Attorney General shall have full authority to obtain from any such applicant for such right-of-way all information he deems necessary by civil investigative demand under the Antitrust Civil Process Act (15 U.S.C. 1312 et seq.).

(c) The advice of the Attorney General shall be reviewed by the Secretary or agency head and made available for public inspection.

(d) The Secretary and appropriate agency heads, with the approval of the Attorney General, may exempt from any of the requirements of this subsection classes or types of grants or renewals which they determine would not have any substantive impact under the antitrust laws as specified in subsection (a) of this section.

(e) If the Attorney General determines that operations under the right-of-way may violate the antitrust laws of the United States, he may institute legal action thereunder to enjoin such violation.

(f) Nothing contained in this Act shall impair, amend, broaden, or modify any of the antitrust laws or limit or prevent the application of any such laws to any person under the provisions of this Act.

(g) As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 232, 38 Stat. 730); as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended.

RIGHT-OF-WAY CORRIDORS

SEC. 103. (a) In order to minimize adverse environmental impacts and to prevent the proliferation of separate rights-of-way across Federal lands, the Secretary shall, in consultation with other Federal and States agencies review the need for a national system of transportation and utility corridors across Federal lands and submit a report of his findings and recommendations to the Congress and the President by July 1, 1975. Following such review, the Secretary shall by July 1, 1976, to the extent practical and appropriate, designate such corridors and require that rights-of-way be confined to them. In designating such corridors and in determining whether to require that rights-of-way be confined to them, the Secretary shall take into consideration National and State land use policies, environmental quality, economic efficiency, national security, safety, and good engineering and technological practices. The Secretary shall issue regulations containing the criteria and procedures he will use in designating such corridors. Any existing transportation and utility corridors may be designated as part of the national system without further review.

(b) Except for rights-of-way for which the Secretary or agency head has granted exclusive use in the past, or where exclusive use is determined by the Secretary or agency head, on the basis of the criteria in section 103(a) to be necessary, the Secretary or agency head shall wherever practicable require applicants for rights-of-way under this Act to utilize rights-of-way in common. The Secretary shall, by regulation, establish standards for requiring and granting rights-of-way in common which may include requirements for compensation to an existing holder for any modification of his facilities required by the common use: Provided, That this section does not prohibit the Secretary or agency head from granting, issuing, or renewing rights-of-way prior to the promulgation of regulations.

GENERAL PROVISIONS

SEC. 104. (a) The Secretary or agency head shall specify the boundaries of each right-of-way as precisely as is practicable. Each right-of-way shall be limited to the ground which the Secretary or agency head determines: (1) will be occupied by facilities which constitute the project for which the right-of-way is given, (2) to be necessary for the operation or maintenance of the project, and (3) to be necessary to protect the environment or public safety. The Secretary or agency head may authorize the temporary use of such additional lands as he determines to be reasonably necessary for the construction, operation, maintenance, or termination of the project or a portion thereof, or for access thereto.

(b) The Secretary or agency head shall determine the duration of each right-of-way or other authorization to be granted, issued, or renewed pursuant to this Act. In determining the duration the Secretary shall, among other things, take into consideration the cost of the facility and its useful life.

(c) Rights-of-way granted, issued, or renewed pursuant to this Act shall be given under such regulations or stipulations, in accord with the provision of this Act or any other law, and subject to such terms and conditions as the Secretary or agency head may prescribe regarding extent, duration, survey, location, construction, maintenance, and termination.

(d) The Secretary or agency head, prior to granting a right-of-way pursuant to this Act for a new project which may have a significant impact on the environment, shall require the applicant to submit a plan of construction, operation, and rehabilitation for such right-of-way which shall comply with stipulations or with regulations issued by the Secretary or agency head. The Secretary or agency head shall issue regulations or impose stipulations which shall include, but shall not be imited to: (1) requirements to insure that activities in connection with the right-of-way will not violate applicable air and water quality standards nor applicable transmission, powerplant, and related facility siting standards established by or pursuant to law; (2) requirements designed to control or prevent (A) damage to the environment (including damage to fish and wildlife habittat), (B) damage to public or private property, and (C) hazards to public health and safety; and (3) requirements to protect the interests of individuals living in the general area traversed by the right-of-way who rely on the fish, wildlife, and biotic resources of the area for subsistence purposes. Such regulations shall be regularly revised. Such regulations shall be applicable to every right-of-way granted pursuant to this Act, and may be applicable to existing rights-of-way or rights-of-way to be renewed pursuant to this Act.

(e) Mineral and vegetative materials, including timber, within or without a right-of-way, may be used or disposed of in connection with construction or other purposes only if authorization to remove or use such materials has been obtained pursuant to applicable laws

(f) No right-of-way shall be issued for less than the fair market value thereof as determined by the Secretary or agency head. The

Secretary or agency head may, by regulation or prior to promulgation of such regulations, as a condition of a right-of-way, require an applicant or holder of right-of-way to reimburse the United States for all reasonable administrative and other costs incurred in processing an application and in inspection and monitoring of construction, operation, and termination of the facility: *Provided, however*, That rights-of-way may be granted, issued or renewed to State or local governments or agencies or instrumentalities thereof, or to nonprofit associations or nonprofit corporations which are not themselves controlled or owned by profitmaking corporations or business enterprises, for such lesser charge as the Secretary or agency head finds equitable and in the public interest.

(g) The Secretary or agency head shall promulgate regulations specifying the extent to which holders of rights-of-way under this Act shall be liable to the United States for damage or injury incurred by the United States in connection with the right-of-way. The regulations shall also specify the extent to which such holders shall indemnify or hold harmless the United States for liabilities, damages, or claims arising in connection with the right-of-way.

(h) Where he deems it appropriate, the Secretary, or agency head may require a holder of a right-of-way to furnish a bond, or other security, satisfactory to the Secretary or agency head to secure all or any of the obligations imposed by the terms and conditions of the right-of-way or by any rule or regulation of the Secretary.

(i) The Secretary or agency head shall grant, issue, or renew a right-of-way under this Act only when he is satisfied that the applicant has the technical and financial capability to construct the project for which the right-of-way is requested, and in accord with the requirements of this Act.

TERMS AND CONDITIONS

SEC. 105. Each right-of-way shall contain such terms and conditions as the Secretary or agency head deems necessary to (a) carry out the purposes of this Act and rules and regulations hereunder; (b) protect the environment; (c) protect Federal property and monetary interests; (d) manage efficiently Federal lands which are subject to the right-of-way or adjacent thereto and protect the other lawful users of the public lands adjacent to or traversed by said right-of-way; (e) protect lives and property; (f) protect the interests of individuals living in the general area traversed by the right-of-way who rely on the fish, wildlife, and biotic resources of the area for subsistence purpose; and (g) protect the public interest in the Federal lands.

SUSPENSION OR TERMINATION OF RIGHT-OF-WAY

SEC. 106. Abandonment of the right-of-way or noncompliance with any provision of this Act, condition of the right-of-way, or applicable rule or regulation of the Secretary, or agency head may be grounds for suspension or termination of the right-of-way if, after due notice to the holder of the right-of-way and an appropriate administrative proceeding pursuant to title 5, United States Code, section 554, the Secretary or agency head determines that any such ground exists and that suspension or termination is justified. No administrative proceeding shall be required where the right-of-way by its terms provides that it terminates on the occurrence of a fixed or agreed upon condition, event, or time. If the Secretary or agency head determines that an immediate temporary suspension of activities within a right-of-way for violation of its terms and conditions is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding. Prior to commencing any proceeding to suspend or terminate a right-of-way the Secretary or agency head shall give written notice to the holder of the ground or grounds for such action and shall give the holder a reasonable time to resume use of the right-of-way or to comply with the Act, condition, rule, or regulation, as the case may be. Deliberate failure of the holder of the right-of-way to use the right-of-way for the purpose for which it was granted, issued, or renewed, for any continuous two-year period, shall constitute a rebuttable presumption of abandonment of the right-of-way: *Provided, however*, That were the failure of the holder to use the right-of-way for the purpose for which it was granted, issued, or renewed for any continuous two-year period is due to circumstances not within the holder's control the Secretary or agency head is not required to commence proceedings to suspend or terminate the right-of-way.

RIGHTS-OF-WAY FOR FEDERAL AGENCIES

SEC. 107. (a) The Secretary or agency head may reserve for the use of any department or agency of the United States a right-of-way over, upon, or through Federal lands, subject to such terms and conditions as he may impose. The provisions of this Act shall be applicable to such rights-of-way.

(b) Where a right-of-way has been provided for the use of any department or agency of the United States, the Secretary or agency head shall take no action to terminate, or otherwise limit, that use without the consent of the head of that other department or agency.

CONVEYANCE OF LANDS

SEC. 108. If under applicable law the Secretary or agency head decides to transfer out of Federal ownership by patent, deed, or otherwise, any Federal lands covered in whole or in part by a right-of-way, the lands may be conveyed subject to the right-of-way; however, if the Secretary or agency head (where all the Federal lands involved are under the jurisdiction of one Federal agency or department) determines that retention of Federal control over the right-of-way is necessary to assure that the purposes of this Act will be carried out, the terms and conditions of the right-of-way complied with, or the Federal lands protected, he shall (1) reserve to the United States that portion of the lands which lies within the boundaries of the right-of-way, or (2) convey the lands, including that portion within the boundaries of the right-of-way, subject to the right-of-way and reserving to the United States the right to enforce all or any of the terms and conditions of the right-of-way, including the right to renew it or extend it upon its termination and to collect rents.

EXISTING RIGHT-OF-WAY

SEC. 109. Nothing in this Act shall have the effect of terminating any rights-of-way or rights-of-use heretofore issued, granted, or permitted by any Federal agency, and such rights-of-way or rights-of-use are hereby confirmed in accordance with their terms. However, with the consent of the holder thereof, the Secretary or agency head may cancel such a right-of-way and in its stead issue a right-of-way pursuant to the provisions of this Act.

STATE STANDARDS

SEC. 110. The Secretary or agency head shall respect State standards for right-of-way construction, operation, and maintenance if those standards are more stringent than Federal standards and if the Federal lands are adjacent to State lands.

PUBLIC PARTICIPATION

SEC. 111. The Secretary or agency head by regulation shall establish procedures, including public hearings where appropriate, to give Federal, State, and local government agencies and the public adequate notice and an opportunity to comment upon (1) the designation of transportation and utility corridors, and (2) right-of-way applications filed after the date of enactment of this Act.

RULES AND REGULATIONS

SEC. 112. The Secretary is authorized to promulgate such rules and regulations as he deems necessary to carry out the purposes of this Act.

EFFECT ON OTHER LAWS

SEC. 113. (a) Nothing in this Act shall be construed to amend, repeal, modify, or change in any way the requirements of section 102(2)(C) or any other provision of the National Environmental Policy Act of 1969 (Public Law 91-190, 83 Stat. 852).

(b) After the date of enactment of this Act, no right-of-way for the purposes listed in the Act shall be granted, issued, or renewed over, upon, or through Federal lands except under and subject to the provisions, limitations, and conditions of this Act: *Provided*, That any application for a right-of-way filed under any other law prior to the date of enactment of this Act may, at the applicant's option, be considered as an application under this Act or the Act under which the application was filed. The Secretary or agency head may require the applicant to submit any additional information he deems necessary to comply with the requirements of this Act.

(c) Nothing in this Act shall be construed to preclude the use of Federal lands for highway purposes pursuant to sections 107 and 317 of title 23, United States Code.

LIMITATIONS ON EXPORT OF NORTH SLOPE CRUDE

SEC. 114. (a) Any crude oil produced from the geographical area in which the President is authorized to establish special national defense withdrawals by section 10(b) of the Alaska Statehood Act (Act of July 7, 1958; 72 Stat. 339) shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any crude oil subject to this section may be exported under the limitations and licensing requirements of the Export Administration Act of 1969 the President must make and publish an express finding that such exports are in the national interest and are in accord with the provisions of the Export Administration Act of 1969.

(b) Any violation of this section shall be subject to the penalty and enforcement provisions of sections 6 and 7 of the Export Administration Act of 1969.

TITLE II—PIPELINES FOR ALASKA NORTH SLOPE OIL AND GAS

SEC. 201. (a) The Congress hereby finds—

(1) That facilitating the early delivery of the oil and gas available on Alaska's North Slope to domestic markets is in the national interest.

(2) That full development and delivery of Alaska's proved and potential oil and gas may best be attained by utilizing both maritime and overland transportation systems.

(3) That while a specific proposal for the transportation of Alaska's North Slope crude oil over a route that does not traverse any foreign country is at an advanced stage, and proposals for transportation of North Slope natural gas are currently being prepared, it is nevertheless in the long term national interest to initiate early negotiations with the Canadian Government to determine the feasibility of transportating North Slope crude oil on an overland route across Canadian territory.

(b) The Congress declares that it is the purpose of this title to authorize and request the President to initiate negotiations with the appropriate officials of the Government of Canada for the purposes set forth in sections 202 through 204.

Sec. 202. The President of the United States is authorized and requested, utilizing the services of the Secretary and the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada to ascertain—

(a) the willingness of the Government of Canada to permit the construction of pipelines or other transportation systems across Canadian territory for the transport of natural gas and oil from Alaska's North Slope to markets in the United States;

(b) the need for intergovernmental understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party or parties involved with the construction, operation, and maintenance of pipelines or other transportation systems for the transport of such natural gas or oil;

(c) the desirability of undertaking joint studies and investigations designed to insure protection of the environment, reduce legal and regulatory uncertainty, and insure that the respective energy requirements of the people of Canada and of the United States are adequately met; and

(d) the quantity of such oil and natural gas from the North Slope of Alaska for which the Government of Canada would guarantee transit.

Sec. 203. (a) If the President, on the basis of the negotiations authorized and requested in section 202, determines—

(1) that the Canadian Government is willing to entertain an application or applications leading to development of a transportation system for the movement of Alaska crude oil to markets in the United States; and

(2) that no technically competent and financially responsible private entity or entities have made and are actively pursuing such an application with the Canadian Government;

the President is authorized and requested to direct the appropriate Federal departments and agencies to initiate and undertake, or to collaborate with appropriate Canadian governmental agencies and responsible private entities in such studies, negotiations, engineering design, and consultations as are necessary to the proparation of an application to the Canadian Government and to enter into specific negotiations concerning the authorization of construction, certification, and regulations of such a transportation system.

Sec. 204. The Secretary shall, within one year of the effective date of this Act, report to the Committees on Interior and Insular Affairs of the House and Senate regarding the actions taken and progress achieved under this title, together with his recommendations for further action.

Sec. 205. This title shall not be construed to reflect a determination of the Congress regarding the relative merits of alternative transportation systems for North Slope crude oil or regarding the merits or legality of a grant by the Secretary of a right-of-way to construct a crude oil pipeline within Alaska from the vicinity of Prudhoe Bay to Valdez, nor to prohibit such a grant, nor to require that the Secretary in the execution of any of his statutory duties await the results of the negotiations with the Canadian Government provided for in this title before making such a grant.

Sec. 206. Such funds are hereby authorized to be appropriated as are necessary to implement the provisions of this title.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Monday, July 9, 1973, is as follows:

The Senate will convene at 10 a.m. pursuant to House Concurrent Resolution 262 as amended. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes.

At the conclusion of routine morning business, the Senate will proceed to the consideration of S. 2047, a bill to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport Road and for a feasibility study of rapid transit to Friendship International Airport. There is a time limitation on the bill. Yea and nay votes are expected on amendments thereto and on passage of the bill. The yeas and nays have already been ordered on final passage of S. 2047.

On the disposition of S. 2047, the Senate will resume its consideration of the then unfinished business, the so-called Alaska pipeline bill, S. 1081. Yea and nay votes may occur on amendments thereto, also, on Monday, July 9.

ADJOURNMENT TO 10 A.M., MONDAY, JULY 9, 1973

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with House Concurrent Resolution 262, as amended, that the Senate stand in adjournment until 10 a.m., on Monday, July 9, 1973.

The motion was agreed to; and at 5:11 p.m. the Senate adjourned until Monday, July 9, 1973, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 30, 1973:

Civil Service Commission

Robert E. Hampton, of Maryland, to be a Civil Service Commissioner for the term of 6 years expiring March 1, 1979.

Department of State

John Hugh Crimmins, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

U.S. Arms Control and Disarmament Agency

Fred Charles Ikle, of California, to be Director of the U.S. Arms Control and Disarmament Agency.

The following-named persons to be Assistant Directors of the U.S. Arms Control and Disarmament Agency:

Amrom H. Katz, of California.

Robert M. Behr, of Michigan.

Department of Housing and Urban Development

Sheldon B. Lubar, of Wisconsin, to be an Assistant Secretary of Housing and Urban Development.

Federal Deposit Insurance Corporation

George A. LeMaistre, of Alabama, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

Community Development Corporation

Albert Faustino Trevino, Jr., of California, to be a member of the Board of Directors of the Community Development Corporation.

Export-Import Bank of the United States

Mitchell Kobelinski, of Illinois, to be a member of the Board of Directors of the Export-Import Bank of the United States.

International Bank for Reconstruction and Development

Charles O. Sethness, of New York, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Saturday, June 30, 1973*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be strong and of a good courage; for the Lord Thy God is with thee whithersoever thou goest.—Joshua 1: 9.

O Thou who makest light to shine out of darkness, lighten our way, we pray Thee, that we may see the path we should take, and being saved from unworthy ambitions, unfriendly attitudes, and unjust activities may walk with Thee in Thy way and thus fulfill Thy great and good purposes for us and for our Nation.

In the mood of the Master we pray, Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9055. An act making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, joint resolution of the House of the following title:

H.J. Res. 636. Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 636) entitled "Joint resolution making continuing appropriations for the fiscal year

1974, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McClellan, Mr. Magnuson, Mr. Pastore, Mr. Bible, Mr. McGee, Mr. Eagleton, Mr. Chiles, Mr. Young, Mr. Hruska, Mr. Cotton, and Mr. Case to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1636) entitled "An act to amend the International Economic Policy Act of 1972," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Sparkman, Mr. Proxmire, Mr. Williams, Mr. Stevenson, Mr. Tower, Mr. Bennett, and Mr. Packwood to be the conferees on the part of the Senate.

The message also announced that Mr. Fulbright and Mr. Stevens were appointed as conferees on the joint resolution (H.J. Res. 636) entitled "Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes," in lieu of Mr. Magnuson and Mr. Cotton.

CALL OF THE HOUSE

Mr. SCHERLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 320]

Alexander
Andrews, N.D.
Ashbrook
Ashley
Badillo
Bell
Blackburn
Blatnik
Boggs
Breaux
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Carey, N.Y.
Chappell
Clancy
Clark
Clawson, Del
Clay
Conte
Conyers
Coughlin
Daniels, Dominick V.
Danielson
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Downing
Esch
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flowers
Ford, William D.
Fraser
Frey
Fulton
Fuqua
Giaimo
Gibbons
Gray
Green, Oreg.
Griffiths
Grover
Gubser
Gude
Gunter
Hansen, Wash.
Harrington
Hays
Hébert
Hillis
Hogan
Huber
Hudnut
Hungate
Jarman
Jones, Ala.
Jordan
Kastenmeier
Keating
Kuykendall
Landrum
Long, Md.
Lott
McFall
McSpadden
Macdonald
Madden
Madigan
Mailliard
Martin, Nebr.
Mathias, Calif.
Matsunaga
Morgan
Nedzi
O'Hara
Patman
Pettis
Powell, Ohio
Quie
Rees
Reid
Robison, N.Y.
Rooney, N.Y.
Roush
Rousselot
Ruppe
Ryan
Sandman
Shoup
Stanton, James V.
Stark
Steiger, Ariz.
Stratton
Sullivan
Symington
Teague, Calif.
Teague, Tex.
Thompson, N.J.
Tiernan
Veysey
Waggonner
White
Wiggins
Wright
Wyatt
Wydler
Wylie
Young, Alaska
Young, Ill.
Zion

The SPEAKER. On this rollcall 311 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON HOUSE JOINT RESOLUTION 636, CONTINUING APPROPRIATIONS, 1974

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. Mahon, Whitten, Sikes, Passman, Boland, Flood, Cederberg, Rhodes, Michel, and Shriver.

ANNOUNCEMENT OF LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, the program is as follows for the day:

The first item was to move to go to conference on the continuing resolution, and the unanimous-consent request was just made on that by the gentleman from Texas (Mr. Mahon).

Mr. Speaker, for the benefit of the Members who are not aware of the situation, the Senate agreed to the supplemental appropriation bill last night without amendments, so the bill has been sent to the President. Next we will take up the National Sea Grant College Extension Act. The gentleman from Virginia (Mr. Downing) is here to handle the legislation.

We next will consider the Debt Limit and the Renegotiation Acts.

Meanwhile, Mr. Speaker, we will be awaiting the report of the conferees on the continuing resolution.

Mr. Speaker, that is the program for the day.

AUTHORIZING THE SPEAKER TO DECLARE RECESSES TODAY

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 480.

The Clerk read the resolution as follows:

H. Res. 480

Resolved, That it shall be in order at any time today for the Speaker to declare recesses, subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, may I direct an inquiry to the majority leader?

Mr. O'NEILL. Mr. Speaker, first will the gentleman yield?

Mr. GROSS. Yes, I will yield to the gentleman if he would like to make a certain statement.

Mr. O'NEILL. Mr. Speaker, all I can say is that this has been cleared with the Republican leadership.

Mr. GROSS. Mr. Speaker, I suspected something like this would take place.

Mr. Speaker, do we have any idea whatever as to how long we might be recessed from one time to another? Will we have time between recessess to go out to a golf course and play nine holes?

Mr. O'NEILL. No, I do not think we will have any time to go to any golf course. I would anticipate from my conversation with the chairman of the Committee on Ways and Means that he will be back at a very reasonable hour with the debt limit bill.

Mr. GROSS. Mr. Speaker, from all the eager faces I see in the Chamber this morning, I am sure they will be glad to stay here until midnight or 1 o'clock tomorrow morning.

Mr. O'NEILL. Mr. Speaker, maybe the gentleman from Iowa feels that way, but I am hoping to catch a plane at 4 o'clock.

Mr. GROSS. So the gentleman is unhappy about it?

Mr. O'NEILL. I am unhappy about it.

Mr. GROSS. The gentleman has lots of company, I would say.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan (Mr. Brown).

Mr. BROWN of Michigan. Mr. Speaker, I would like to ask the gentleman from Massachusetts if in the course of declaring the recesses the Speaker will attempt, where possible, to set a time certain for our return, because many times in a situation such as presently exists we are constantly subject to the call of the Chair. This means we have to be available at any minute, even though the leadership knows it is going to take an hour or 45 minutes or an hour and a half before they are going to be ready to consider the legislation they are awaiting.

So wherever possible, I would hope that the Speaker would declare a recess to a time certain, and if the conference report, or whatever it may be, is ready 5 minutes before then, it is not going to inconvenience us as much as if we are constantly on call.

Mr. O'NEILL. Mr. Speaker, I am sure the Chair will cooperate in every way possible.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois (Mr. Arends).

Mr. ARENDS. Mr. Speaker, I thank the gentleman from Iowa for yielding.

Since I understand this is his birthday, I was going to make the suggestion to the gentleman from Massachusetts—that we make this "be kind to Gross day."

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ARENDS. Mr. Speaker, reserving

the right to object, I was simply going to suggest to the majority leader that on this particular day we be kind to the gentleman from Iowa (Mr. GROSS).

The SPEAKER. Is there objection to the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE CHAIR

The SPEAKER. The Chair desires to make an announcement.

The Chair cannot predict, of course, when conference reports will be ready, but the Chair will always give a 15-minute warning prior to the reconvening of the House.

If the Chair can be more definite, of course, he will be.

HAPPY BIRTHDAY, MR. GROSS

(Mr. SCHERLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHERLE. Mr. Speaker and Members of the House, as you know by the standing ovation given my colleague from Iowa, this is his 39th birthday. I think since we are closing out the fiscal year today the greatest gift that this body could give my distinguished colleague is not to pass any budget-busting bills.

With that I extend to my colleague the heartiest congratulations from all of the Members of the House and wish him many happ returns of the day.

EXTENDING NATIONAL SEA GRANT COLLEGE AND PROGRAM ACT

Mr. DOWNING. Mr. Speaker, I ask unanimous consent to take from the speaker's desk the bill (H.R. 5452) to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, strike out lines 18 and 19 and insert:

(8) Amend section 205 to read as follows:

"STUDY OF INTERNATIONAL MARINE TECHNOLOGY TRANSFER

"Sec. 205. (a) The Secretary of Commerce is authorized and directed to undertake, through the National Sea Grant College Program, a study of the means of sharing, through cooperative programs with other nations, the results of marine research useful in the exploration, development, conservation, and management of marine resources.

"(b) In carrying out the study required by subsection (a), the Secretary is authorized, without regard for paragraphs (1) and (3) of section 204(d), to enter into contracts with, and make grants to, institutions, agencies, and organizations described in section 204(c).

"(c) The Secretary shall submit to the President and to the Congress the results and findings of such study, including specific recommendations, not later than September 30, 1974.

"(d) For the purpose of carrying out this section there is authorized to be appropriated not to exceed the sum of $200,000.".

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DOWNING. Mr. Speaker, the Senate amendment to H.R. 5452 provides for a study by the Secretary of Commerce, through the sea-grant program, as to the means of sharing marine research information through cooperative programs with other nations. One of the issues in relation to oceanographic research which will be resolved in the Law of the Sea Conference to be held next year concerns the freedom of research, unimpeded by the assertion of restrictions by various coastal nations. The undeveloped countries, without the immediate ability to undertake such research or to utilize the raw research data of others, tend to be suspicious of, and unreceptive to, research off their shores. One way to abate this threat to freedom of research in ocean waters lies in making the results of such research freely available so that the entire international community may benefit. The study authorized by the Senate amendment would contribute to the solution of this interchange problem. In addition, I might say that this study is also entirely consistent with the purposes of the recent agreement with the U.S.S.R., relating to oceanographic research, which was signed at the State Department only last week.

The amendment authorizes necessary sums to conduct the study, not to exceed the sum of $200,000. This authorization is relatively conservative, considering the untold benefits that should result.

The amendment is germane to the bill.

I urge the House to concur in the Senate amendment.

Mr. MOSHER. Mr. Speaker, will the gentleman yield?

Mr. DOWNING. I yield to the gentleman.

Mr. MOSHER. Mr. Speaker, I want to assure the House that the majority of the members of the Committee on Merchant Marine and Fisheries are in agreement with the gentleman from Virginia in urging the House to agree to the Senate amendment.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HOUSE ACTS WISELY IN RETURNING DEBT LIMIT BILL TO CONFERENCE

(Mr. CARTER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CARTER. Mr. Speaker, on the eve of the Fourth of July recess, as proposed, and at approximately 8 p.m., the House received from the conference with the other body, appended to the temporary public debt limit, a 51-page bill or succession of nongermane amendments tacked on by that body. After a lengthy day the House was called upon to pass this legislation with only 1 hour of debate. Parts of the bill dealt with the sale of liberty bonds, the provision that checks issued to individuals as refunds may become U.S. savings bonds, and changes in the Social Security Act. The time for debate, discussion, and understanding was so short that I sincerely doubt if the distinguished chairman of that committee knew clearly the content of the legislation.

The House in its wisdom sent the bill back to conference for corrections. I trust in the future the Members will look with scornful disdain and disapproval on so much legislation at so late an hour. Holiday or no holiday, we have a job to do and we should take such time as necessary for adequate study and understanding.

In the 8½ years I have served as U.S. Representative, I have never voted against social security. However, in this bill last night, 51 pages of intricate legislation was simply too much for even the chairman of the committee to digest every feature in 1 hour of debate. The House acted wisely in returning the bill to conference.

It reminded me of the habitual drunkard who came home every night and would vomit spasmodically. His wife told him, "John, if you do not quit drinking, you are going to vomit your insides out."

Just a few nights later John came in in his usual state of inebriation and went into the kitchen without turning on the lights. The same day his wife had cleaned a chicken and had left discarded portions in the sink.

John's wife heard him as he gagged and fumed in the darkened kitchen. Directly he came in and told his wife, "Mary, I did just what you said I would, I vomited my insides up. But with the help of God and a long-handled spoon, I got them back again."

With this iniquitous bill came up before the House, it was my feeling that the good Lord was not listening and the long-handled spoon just was not long enough, so the House acted wisely and the bill was returned to conference.

PERSONAL EXPLANATION

Mr. STEIGER of Wisconsin. Mr. Speaker, on rollcall 332 on the final passage of the State-Justice appropriation bill, I was unavoidably detained and could not be present. Had I been present, I would have voted "aye."

APPOINTMENT OF CONFEREES ON H.R. 8152, OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

Mr. RODINO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8152) to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to improve law enforcement and criminal justice, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees: Messrs. RODINO, CONYERS, FLOWERS, SEIBERLING, Miss JORDAN, Messrs. MEZVINSKY, HUTCHINSON, MCCLORY, SANDMAN, DENNIS, and FISH.

RECESS

The SPEAKER. Pursuant to a previous order of the House, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 33 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 15 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Arrington, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 7445) entitled "An act to amend the Renegotiation Act of 1951 to extend the act for 2 years," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. BENNETT, and Mr. CURTIS to be the conferees on the part of the Senate.

The message also announced that the Senate further insists upon its amendment to the bill (H.R. 8410) entitled "An act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes," disagreed to by the House; and agrees to the further conference asked by the House on the disagreeing votes of the two Houses thereon.

APPOINTMENT OF CONFEREES ON H.R. 7445, EXTENDING THE RENEGOTIATION ACT OF 1951

Mr. MILLS of Arkansas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the act for 2 years, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? The Chair hears none, and appoints the following conferees: Messrs. MILLS of Arkansas, ULLMAN, BURKE of Massachusetts, Mrs. GRIFFITHS, Messrs. SCHNEEBELI, COLLIER, and BROYHILL of Virginia.

CONFERENCE REPORT ON H.R. 8410, PUBLIC DEBT LIMITATION

Mr. MILLS of Arkansas submitted the following conference report and statement on the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes:

CONFERENCE REPORT (H. REPT. 93–362)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes, having met, after full and free conference, have been unable to agree.

W. D. MILLS,
AL ULLMAN,
MARTHA GRIFFITHS,
H. T. SCHNEEBELI,
H. R. COLLIER,
JOEL T. BROYHILL,
Managers on the Part of the House.
RUSSELL B. LONG,
H. E. TALMADGE,
ABRAHAM RIBICOFF,
WALLACE F. BENNETT,
CARL T. CURTIS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes, report that the conferees have been unable to agree.

W. D. MILLS,
AL ULLMAN,
MARTHA GRIFFITHS,
H. T. SCHNEEBELI,
H. R. COLLIER,
JOEL T. BROYHILL,
Managers on the Part of the House.
RUSSELL B. LONG,
H. E. TALMADGE,
ABRAHAM RIBICOFF,
WALLACE F. BENNETT,
CARL T. CURTIS,
Managers on the Part of the Senate.

Mr. MILLS of Arkansas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report and the Senate amendment reported from the conference is disagreement on the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the conference report.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read the Senate amendment as follows:

Page 3, after line 9, insert:

TITLE II—PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

PART A—INCREASE IN SOCIAL SECURITY BENEFITS

COST-OF-LIVING INCREASE IN SOCIAL SECURITY BENEFITS

SEC. 201. (a) (1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall, in accordance with the provisions of this section, increase the monthly benefits and lump-sum death payments payable under title II of the Social Security Act by the percentage by which the Consumer Price Index prepared by the Department of Labor for the month of June 1973 exceeds such index for the month of June 1972.

(2) The provisions of this section (and the increase in benefits made hereunder) shall be effective, in the case of monthly benefits under title II of the Social Security Act, only for months after December 1973 and prior to January 1975, and, in the case of lump-sum death payments under such title, only with respect to deaths which occur after December 1973 and prior to January 1975.

(b) The increase in social security benefits authorized under this section shall be provided, and any determinations by the Secretary in connection with the provision of such increase in benefits shall be made, in the manner prescribed in section 215(i) of the Social Security Act for the implementation of cost-of-living increases authorized under title II of such Act, except that the amount of such increase shall be based on the increase in the Consumer Price Index described in subsection (a).

(c) The increase in social security benefits provided by this section shall—

(1) not be considered to be an increase in benefits made under or pursuant to section 215(i) of the Social Security Act, and

(2) not (except for purposes of section 203 (a) (2) of such Act, as in effect after December 1973) be considered to be a "general benefit increase under this title" (as such term is defined in section 215(i) (3) of such Act;

and nothing in this section shall be construed as authorizing any increase in the "contribution and benefit base" (as that term is employed in section 230 of such Act), or any increase in the "exempt amount" (as such term is used in section 203(f) (8) of such Act).

(d) Nothing in this section shall be construed to authorize (directly or indirectly) any increase in monthly benefits under title II of the Social Security Act for any month after December 1974, or any increase in lump-sum death payments payable under such title in the case of deaths occurring after December 1974. The recognition of the existence of the increase in benefits authorized by the preceding subsections of this section (during the period it was in effect) in the application, after December 1974, of the provisions of sections 202(q) and 203(a) of such Act shall not, for purposes of the preceding sentence, be considered to be an increase in a monthly benefit for a month after December 1974.

PART B—PROVISIONS RELATING TO FEDERAL PROGRAM OF SUPPLEMENTAL SECURITY INCOME

INCREASE IN SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 210. (a) Section 1611(a) (1) (A) and section 1611(b) (1) of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) are each amended by striking out "$1,560" and inserting in lieu thereof "$1,680".

(b) Section 1611(a) (2) (A) and section 1611(b) (2) of such Act (as so enacted) are each amended by striking out "$2,340" and inserting in lieu thereof "$2,520".

SUPPLEMENTAL SECURITY INCOME BENEFITS FOR ESSENTIAL PERSONS

SEC. 211. (a) (1) In determining (for purposes of title XVI of the Social Security Act, as in effect after December 1973) the eligibility for and the amount of the supplementary security income benefit payable to any qualified individual (as defined in subsection (b)), with respect to any period for which such individual has in his home an essential person (as defined in subsection (c))—

(A) the dollar amounts specified, in subsection (a) (1) (A) and (2) (A), and subsection (b) (1) and (2), of section 1611 of such Act, shall each be increased by $840 for each such essential person, and

(B) the income and resources of such individual shall (for purposes of such title XVI) be deemed to include the income and resources of such essential person;

except that the provisions of this subsection shall not, in the case of any individual, be applicable for any period which begins in or after the first month that such individual—

(C) does not but would (except for the provisions of subparagraph (B)) meet—

(i) the criteria established with respect to income in section 1611(a) of such Act, or

(ii) the criteria established with respect to resources by such section 1611(a) (or, if applicable, by section 1611(g) of such Act).

(2) The provisions of section 1611(g) of the Social Security Act (as in effect after December 1973) shall, in the case of any qualified individual (as defined in subsection (b)), be applied so as to include, in the resources of such individual, the resources of any person (described in subsection (b) (2)) whose needs were taken into account in determining the need of such individual for the aid or assistance referred to in subsection (b) (1).

(b) For purposes of this section, an individual shall be a "qualified individual" only if—

(1) for the month of December 1973 such individual was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI of the Social Security Act, and

(2) in determining the need of such individual for such aid or assistance for such month under such State plan, there were taken into account the needs of a person (other than such individual) who—

(A) was living in the home of such individual, and

(B) was not eligible (in his or her own right) for aid or assistance under such State plan for such month.

(c) The term "essential person", when used in connection with any qualified individual, means a person who—

(1) for the month of December 1973 was a person (described in subsection (b) (2)) whose needs were taken into account in determining the need of such individual for aid or assistance under a State plan referred to in subsection (b) (1) as such State plan was in effect for June 1973,

(2) lives in the home of such individual,

(3) is not eligible (in his or her own right) for supplemental security income benefits under title XVI of the Social Security Act (as in effect after December 1973), and

(4) is not the eligible spouse (as that term is used in such title XVI) of such individual or any other individual.

If for any month after December 1973 any person fails to meet the criteria specified in paragraph (2), (3), or (4) of the preceding sentence, such person shall not, for such month or any month thereafter be considered to be an essential person.

MANDATORY MINIMUM STATE SUPPLEMENTATION OF SSI BENEFITS PROGRAM

SEC. 212. (a) (1) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) to be eligible for payments pursuant to title XIX, with respect to expenditures for any quarter beginning after December 1973, and prior to January 1, 1975, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") whereby the State will provide to individuals residing in the State supplementary payments as required under paragraph (2).

(2) Any agreement entered into by a State pursuant to paragraph (1) shall provide that each individual who—

(A) is an aged, blind, or disabled individual (within the meaning of section 1614(a) of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972), and

(B) for the month of December 1973 was a recipient of (and was eligible to receive) aid or assistance (in the form of money payments) under a State plan of such State (approved under title I, X, XIV, or XVI, of the Social Security Act)

shall be entitled to receive, from the State, the supplementary payment described in paragraph (3) for each month, beginning with January 1974 and ending with the close of December 1974 (or, if later, the close of the month the State, at its option, may specify in the agreement or in a subsequent modification of the agreement), or, if earlier, whichever of the following first occurs:

(C) the month in which such individual dies, or

(D) the first month in which such individual ceases to meet the condition specified in subparagraph (A); except that no individual shall be entitled to receive such supplementary payment for any month, if, for such month, such individual was ineligible to receive supplemental income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e) (2) or (3) or section 1611(f) of such Act.

(3) (A) The supplementary payment referred to in paragraph (2) which shall be paid for any month to any individual who is entitled thereto under an agreement entered into pursuant to this subsection shall (except as provided in subparagraph (D)) be an amount equal to (i) the amount by which such individual's "December 1973 income" (as determined under subparagraph (B)) exceeds the amount of such individual's "title XVI benefit plus other income" (as determined under subparagraph (C)) for such month, or (ii) if greater, such amount as the State may specify.

(B) For purposes of subparagraph (A), an individual's "December 1973 income" means an amount equal to the aggregate of—

(i) the amount of the aid or assistance (in the form of money payments) which such individual would have received (including any part of such amount which is attributable to meeting the needs of any other person whose presence in such individual's home is essential to such individual's well-being) for the month of December 1973 under a plan (approved under title I, X, XIV, or XVI, of the Social Security Act) of the State entering into an agreement under this subsection, if the terms and conditions of such plan (relating to eligibility for and amount of such aid or assistance payable thereunder) were, for the month of December 1973, the same as those in effect, under such plan, for the month of June 1973, and

(ii) the amount of the income of such individual (other than the aid or assistance described in clause (i)) received by such individual in December 1973, minus any such income which did not result, but which if properly reported would have resulted in a reduction in the amount of such aid or assistance.

(C) For purposes of subparagraph (A), the amount of an individual's "title XVI benefit plus other income" for any month means an amount equal to the aggregate of—

(i) the amount (if any) of the supplemental security income payment to which such individual is entitled for such month under title XVI of the Social Security Act, and

(ii) the amount of any income of such individual for such month (other income in the form of a payment described in clause (i)).

(D) If the amount determined under subparagraph (B) (i) includes, in the case of any individual, an amount which was payable to such individual solely because of—

(i) a special need of such individual (including any special allowance for housing, or the rental value of housing furnished in kind to such individual in lieu of a rental allowance) which existed in December 1973, or

(ii) any special circumstances (such as the recognition of the needs of a person whose presence in such individual's home, in December 1973, was essential to such individual's well-being),

and, if for any month after December 1973 there is a change with respect to such special need or circumstance which, if such change had existed in December 1973, the amount described in subparagraph (B) (i) with respect to such individual would have been reduced on account of such change, then, for such month and for each month thereafter the amount of the supplementary payment payable under the agreement entered into under this subsection to such individual shall (unless the State, at its option, otherwise specifies) be reduced by an amount equal to the amount by which the amount (described in subparagraph (B) (i)) would have been so reduced.

(b) (1) Any State having an agreement with the Secretary under subsection (a) may enter into an administration agreement with the Secretary whereby the Secretary will, on behalf of such State, make the supplementary payments required under the agreement entered into under subsection (a).

(2) Any such administration agreement between the Secretary and a State entered into under this subsection shall provide that the State will (A) certify to the Secretary the names of each individual who, for December 1973, was a recipient of aid or assistance (in the form of money payments) under a plan of such State approved under title I, X, XIV, or XVI of the Social Security Act, together with the amount of such assistance payable to each such individual and the amount of such individual's December 1973 income (as defined in subsection (a) (3) (B)), and (B) provide the Secretary with such additional data at such times as the Secretary may reasonably require in order properly, economically, and efficiently to carry out such administration agreement.

(3) Any State which has entered into an administration agreement under this subsection shall, at such times and in such installments as may be agreed upon between the Secretary and the State, pay to the Secretary an amount equal to the expenditures made by the Secretary as supplementary payments to individuals entitled thereto under the agreement entered into with such State under subsection (a).

(c) (1) Supplementary payments made pursuant to an agreement entered into under subsection (a) shall be excluded under section 1612(b) (6) of the Social Security Act (as in effect after December 1973) in determining income of individuals for purposes of title XVI of such Act (as so in effect).

(2) Supplementary payments made by the Secretary (pursuant to an administration agreement entered into under subsection (b)) shall, for purposes of section 401 of the Social Security Amendments of 1972, be considered to be payments made under an agreement entered into under section 1616 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972); except that nothing in this paragraph shall be construed to waive, with respect to the payments so made by the Sec-

retary, the provisions of subsection (b) of such section 401.

(d) For purposes of subsection (a)(1), a State shall be deemed to have entered into an agreement under subsection (a) of this section if such State has entered into an agreement with the Secretary under section 1616 of the Social Security Act under which—

(1) individuals, other than individuals described in subsection (a)(2) (A) and (B), are entitled to receive supplementary payments, and

(2) supplementary benefits are payable, to individuals described in subsection (a)(2) (A) and (B) at a level and under terms and conditions which meet the minimum requirements specified in subsection (a).

(e) Except as the Secretary may by regulations otherwise provide, the provisions of title XVI of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972), including the provisions of part B of such title, relating to the terms and conditions under which the benefits authorized by such title are payable shall, where not inconsistent with the purposes of this section, be applicable to the payments made under an agreement under subsection (b) of this section; and the authority conferred upon the Secretary by such title may, where appropriate, be exercised by him in the administration of this section.

(f) The provisions of subsection (a)(1) shall not be applicable in the case of any State—

(1) the Constitution of which contains provisions which make it impossible for such State to enter into and commence carrying out (on January 1, 1974) an agreement referred to in subsection (a), and

(2) the Attorney General (or other appropriate State official) of which has, prior to July 1, 1973, made a finding that the State Constitution of such State contains limitations which prevent such State from making supplemental payments of the type described in section 1616 of the Social Security Act.

PREFERENCE FOR PRESENT STATE AND LOCAL EMPLOYEES

SEC. 213. The Secretary of Health, Education, and Welfare, in the recruitment and selection for employment of personnel whose services will be utilized in the administration of the Federal program of supplemental security income for the aged, blind, and disabled (established by title XVI of the Social Security Act), shall give a preference to qualified applicants for employment who are employed in the administration of any State program approved under title I, X, XIV, or XVI of such Act or who were so employed and were displaced from their employment as a result of the displacement of such State program by such Federal program.

DETERMINATION OF BLINDNESS UNDER SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 214. Section 1633 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) is amended—

(1) by inserting "(a)" immediately after "SEC. 1633.",

(2) by striking out "The Secretary" and inserting in lieu thereof "Subject to subsection (b), the Secretary", and

(3) by adding at the end thereof the following new subsection:

"(b) In determining, for purposes of this title, whether an individual is blind, there shall be an examination of such individual by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select."

INCREASE IN EARNINGS LIMITATION

SEC. 215. (a) Paragraphs (1) and (4)(B) of section 203(f) of the Social Security Act are each amended by striking out "$175" and inserting in lieu thereof "$250".

(b) The first sentence of paragraph (3) of section 203(f) is amended to read as follows: "For purposes of paragraph (1) and subsection (h), an individual's excess earnings for a taxable year shall be 50 per centum of his earnings for such year in excess of the product of $250 multiplied by the number of months in such year."

(c) Paragraph (1)(A) of section 203(h) of such Act is amended by striking out "$175" and inserting in lieu thereof "$250".

(d) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1973.

PART C—PROVISIONS RELATING TO AID TO FAMILIES WITH DEPENDENT CHILDREN

PASS-ALONG OF SOCIAL SECURITY BENEFIT INCREASE TO RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 220. (a) Section 402(a)(8)(B) of the Social Security Act is amended by inserting ", and, effective February 1, 1974, shall, before disregarding the amounts referred to in subparagraph (A) and clauses (i) and (ii) of this subparagraph, disregard an amount equal to 5 per centum of any income received in the form of monthly insurance benefits paid under title II" immediately after "$5 per month of any income".

(b) Any State plan approved under part A of title IV of the Social Security Act shall effective February 1, 1974, be deemed to contain a provision (relating to the disregarding of income) which complies with the requirement imposed with respect to any such plan under the amendment made by subsection (a).

PART D—SOCIAL SERVICES REGULATIONS

SOCIAL SERVICES REGULATIONS POSTPONED

SEC. 230. (a) Subject to subsection (b), no regulation and no modification of any regulation, promulgated by the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") after January 1, 1973, shall be effective for any period which begins prior to January 1, 1974, if (and insofar as) such regulation or modification of a regulation pertains (directly or indirectly) to the provisions of law contained in section 3(a)(4)(A), 402 (a)(19)(G), 403(a)(3) (A), 603(a)(1)(A), 1003(a)(3)(A), 1403(a) (3)(A), or 1603(a)(4)(A), of the Social Security Act.

(b)(1) The provisions of subsection (a) shall not be applicable to any regulation relating to "scope of programs", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.0 of the regulations (relating to social services) proposed by the Secretary and published in the Federal Register on May 1, 1973. There shall be deleted from the first sentence of subsection (b) of such section 221.0 the phrase "meets all the applicable requirements of this part and".

(2) The provisions of subsection (a) shall not be applicable to any regulation relating to "limitations on total amount of Federal funds payable to States for services", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.55 of the regulations so proposed and published on May 1, 1973. There shall be deleted from subsection (d)(1) of such section 221.55 the phrase "(as defined under day care services for children)"; and, in lieu of the sentence contained in subsection (d)(5) of such section 221.55, there shall be inserted the following: "Services provided to a child who is under foster care in a foster family home (as defined in section 408 of the Social Security Act) or in a child-care institution (as defined in such section), or while awaiting placement in such a home or institution, but only if such services are needed by such child because he is under foster care.".

(3) The provisions of subsection (a) shall not be applicable to any regulation relating to "rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam", if such regulation is identical to the provisions of section 221.56 of the regulations so proposed and published on May 1, 1973.

(c) Notwithstanding the provisions of section 553(d) of title 5, United States Code, any regulation described in subsection (b) may become effective upon the date of its publication in the Federal Register.

PART E—PROVISIONS RELATING TO MEDICAID

COVERAGE OF ESSENTIAL PERSONS UNDER MEDICAID

SEC. 240. (a) In addition to the requirements imposed by other provisions of law as a condition of approval of a State plan under title XIX of the Social Security Act, there is hereby imposed the requirement (and each such plan shall be deemed to require) that assistance be provided under such plan to any individual who, as an "essential person" (as defined in subsection (b)), was eligible for assistance under such plan (as such plan was in effect for December 1973), for each month, after December 1973, that such individual continues to meet the criteria, as an essential person, for eligibility under such plan (as such plan was in effect for December 1973).

(b) As used in subsection (a), the term "essential person" means a person who—

(1) for the month of December 1973, was present in the home of an individual who was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI, of the Social Security Act, and

(2) was not a recipient of such aid or assistance (in his or her own right) for such month, but whose needs were taken into account in determining the need of such individual for and the amount of aid or assistance (referred to in paragraph (1)) provided to such individual.

PERSONS IN MEDICAL INSTITUTIONS

SEC. 241. For purposes of section 1902(a) (10) of the Social Security Act, any individual who—

(1) for all (or any part of) the month of December 1973 was an inpatient in an institution qualified for reimbursement under title XIX of the Social Security Act, and

(2) would (except for his being an inpatient in such institution) have been eligible to receive aid or assistance under a State plan approved under title I, X, XIV, or XVI of such Act,

shall be deemed to be receiving such aid or assistance for such month and for each succeeding month in a continuous period of months if, for each month in such period—

(3) such individual continues to be (for all of such month) an inpatient in such an institution and would (except for his being an inpatient in such institution) continue to meet the conditions of eligibility to receive aid or assistance under such plan (as such plan was in effect for December 1973), and

(4) such individual is determined (under the utilization review and other professional audit procedures applicable to State plans approved under title XIX of the Social Security Act) to be in need of care in such an institution.

BLIND AND DISABLED MEDICALLY INDIGENT PERSONS

SEC. 242. For purposes of section 1902(a) (10) of the Social Security Act, any individual who, for the month of December 1973 was eligible (under the provisions of subparagraph (B) of such section) for medical assistance by reason of his having been determined to meet the criteria for blindness or disability (established by a State plan approved under title I, X, XIV, or XVI of such Act), shall be deemed to be a person described as being a person who "would, if needy, be eligible for aid or assistance under any such State plan" in subparagraph (B) (i) of such section for each month in a continuous period of months (beginning with the month of January 1974), if, for each month in such period, such individual continues to meet the criteria for blindness or disability so established by such a State plan (as it was in effect for December 1973).

EXTENSION OF SECTION 249E OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 243. Section 249E of the Social Security Amendments of 1972 is amended by striking out "October 1974" and inserting in lieu thereof "July 1975".

REPEAL OF SECTION 225 OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 244. (a) Section 1903 of the Social Security Act as amended by striking out subsection (j) thereof (as added by section 225 of Public Law 92-603).

(b) The amendment made by subsection (a) shall be applicable in the case of expenditures for skilled nursing services and for intermediate care facility services furnished in calendar quarters which begin after December 31, 1972.

PART F—PROVISIONS RELATING TO MATERNAL AND CHILD HEALTH

GRANTS TO STATES FOR MATERNAL AND CHILD HEALTH

SEC. 250. (a) (1) Paragraph (1) of section 502 of the Social Security Act is amended by striking out "each of the next 4 fiscal years" and inserting in lieu thereof "each of the next 5 fiscal years".

(2) Paragraph (2) of section 502 of such Act is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

(3) Section 505(a) (8) of the Social Security Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(4) Section 505(a) (9) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(5) Section 505(a) (10) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(6) Section 508(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(7) Section 509(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(8) Section 510(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(b) Title V of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTAL ALLOTMENTS

"SEC. 516. (a) (1) For each fiscal year (commencing with the fiscal year ending June 30, 1975), there shall (subject to paragraph (2)) be allotted to each State (from funds appropriated for such fiscal year pursuant to subsection (b)) an amount, which shall be in addition to and available for the same purposes as the allotments of such State (as determined under sections 503 and 504), equal to the excess (if any) of—

"(A) the amount of the allotment of such State (as determined under sections 503 and 504) for the fiscal year ending June 30, 1973, plus the amounts of any grants to such States under sections 508, 509, and 510, over

"(B) the amount of the allotment of such State (as determined under sections 503 and 504) for such fiscal year which commences after June 30, 1973.

"(2) No State shall receive an allotment under this section for any fiscal year, unless such State (in the administration of its State plan, approved under section 505) has in effect arrangements which the Secretary finds will provide for the continuation of appropriate services to population groups previously receiving services from funds made available (for the fiscal year ending June 30, 1974) to such State pursuant to sections 508, 509, and 510.

"(b) (1) (A) There are (subject to subparagraph (B)) hereby authorized to be appropriated for each fiscal year (commencing with the fiscal year ending June 30, 1975) such amounts as may be necessary to enable the Secretary to make the allotments authorized under subsection (a).

"(B) Nothing contained in subparagraph (A) shall be construed to authorize, for any fiscal year, the appropriation under this subsection of any amount which is in excess of the amount by which—

"(i) the amount authorized to be appropriated under section 501 for such year exceeds

"(ii) the total amounts appropriated pursuant to section 501 for such year.

"(2) If, for any fiscal year, the total amount appropriated pursuant to paragraph (1) is less than the total amount allotted to all States under subsection (a), then the amount of the allotment of each State (as determined under subsection (a)) shall be reduced to an amount which bears the same ratio to the total amount appropriated pursuant to paragraph (1) for such fiscal year as the amount of the allotment of such State (as determined under subsection (a)) bears to the total amount allotted to all States under subsection (a) for such fiscal year."

(c) (1) In the case of any State, if for the fiscal year ending June 30, 1974, the sum of—

(A) the amount of the allotment which such State would have received under section 503 of the Social Security Act for such year (if subsection (a) of this section had to been enacted), plus

(B) the amount of the allotment which such State would have received under section 504 of such Act for such year (if subsection (a) of this section had not been enacted), is in excess of the sum of—

(C) the aggregate of the allotments which such State received (for the fiscal year ending June 30, 1973) under such sections 503 and 504, plus

(D) the aggregate of the grants received (for the fiscal year ending June 30, 1973) under sections 508, 509, and 510 of such Act,

then, for the fiscal year ending June 30, 1974, there shall be added to the allotments of such State, under sections 503 and 504 of such Act, in such proportion to each such allotment as the State shall specify, an amount equal to such excess.

(2) (A) There are (subject to subparagraph (B)) hereby authorized to be appropriated, for the fiscal year ending June 30, 1974, such amounts as may be necessary to make the increase in allotments provided for in paragraph (1).

(B) Nothing contained in subparagraph (A) shall be construed to authorize, for the fiscal year ending June 30, 1974, the appropriation under this paragraph of any amount which is in excess of the amount by which—

(i) the amount authorized to be appropriated under section 501 of such year, exceeds

(ii) the total amounts appropriated pursuant to section 501 for such year.

(3) If, for the fiscal year ending June 30, 1974, the amount appropriated pursuant to the preceding provisions of this subsection is less than the total of the amounts authorized to be added to the allotments of States (as determined under paragraph (1)), then the amount to be added to the allotment of each State shall be reduced to an amount which bears the same ratio to the amount so appropriated for such year as the amount to be added to the allotment of such State (as determined under paragraph (1)) bears to the total of the amounts to be added to the allotments of all States (as determined under paragraph (1)).

PART G—PROVISIONS RELATING TO CHILD'S SOCIAL SECURITY INSURANCE BENEFITS

BENEFITS FOR ADOPTED CHILDREN

SEC. 260. (a) Section 202(d) (8) (D) of the Social Security Act is amended by striking out clause (ii) thereof.

(d) The amendment made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

PART H—SENSE OF CONGRESS RELATIVE TO THE SUPPLEMENTARY MEDICAL INSURANCE PROGRAM

COVERAGE OF ESSENTIAL OUT-OF-HOSPITAL PRESCRIPTION DRUGS

SEC. 270. It is the sense of Congress that—

(a) the President prepare and submit, not later than September 1, 1973, a proposal to provide for the coverage, under the supplementary medical insurance program established by part B of title XVIII of the Social Security Act, of essential out-of-hospital prescription drugs, and such other proposals as he deems appropriate for the extension of the benefits provided under parts A and B of such title,

(b) the recommendations of the President to increase out-of-pocket payments for the aged and disabled under the health programs established by such title XVIII should be withdrawn.

TITLE III—IMPOUNDMENT CONTROL PROCEDURES

SEC. 301. The Congress finds that—

(1) the Congress has the sole authority to enact legislation and appropriate moneys on behalf of the United States;

(2) the Congress has the authority to make all laws necessary and proper for carrying into execution its own powers;

(3) the Executive shall take care that the laws enacted by Congress shall be faithfully executed;

(4) under the Constitution of the United States, the Congress has the authority to require that funds appropriated and obligated by law shall be spent in accordance with such law;

(5) there is no authority expressed or implied under the Constitution of the United States for the Executive to impound budget authority and the only authority for such impoundments by the executive branch is that which Congress has expressly delegated by statute;

(6) by the Antideficiency Act (Rev. Stat. sec. 3679), the Congress delegated to the President authority, in a narrowly defined area, to establish reserves for contingencies or to effect savings through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which appropriations are made available;

(7) in spite of the lack of constitutional authority for impoundment of budget authority by the executive branch and the narrow area in which reserves by the executive branch have been expressly authorized in the Antideficiency Act, the executive branch has impounded many billions of dollars of budget authority in a manner contrary to and not authorized by the Antideficiency Act or any other Act of Congress;

(8) impoundments by the executive branch have often been made without a legal basis;

(9) such impoundments have totally nullified the effect of appropriations and obligational authority enacted by the Congress and prevented the Congress from exercising its constitutional authority;

(10) the executive branch, through its presentation to the Congress of a proposed

budget, the due respect of the Congress for the views of the executive branch, and the power of the veto, has ample authority to affect the appropriation and obligation process without the unilateral authority to impound budget authority; and

(11) enactment of this legislation is necessary to clarify the limits of the existing legal authority of the executive branch to impound budget authority, to reestablish a proper allocation of authority between the Congress and the executive branch, to confirm the constitutional proscription against the unilateral nullification by the executive branch of duly enacted authorization and appropriation Acts, and to establish efficient and orderly procedures for the reordering of budget authority through joint action by the Executive and the Congress, which shall apply to all impoundments of budget authority, regardless of the legal authority asserted for making such impoundments.

SEC. 302. (a) Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States, impounds any budget authority made available, or orders, permits, or approves the impounding of any such budget authority by any other officer or employee of the United States, the President shall, within ten days thereafter, transmit to the Senate and the House of Representatives a special message specifying—

(1) the amount of the budget authority impounded;

(2) the date on which the budget authority was ordered to be impounded;

(3) the date the budget authority was impounded;

(4) any account, department, or establishment of the Government to which such impounded budget authority would have been available for obligation except for such impoundment;

(5) the period of time during which the budget authority is to be impounded, to include not only the legal lapsing of budget authority but also administrative decisions to discontinue or curtail a program;

(6) the reasons for the impoundment, including any legal authority invoked by him to justify the impoundment and, when the justification invoked is a requirement to avoid violating any public law which establishes a debt ceiling or a spending ceiling, the amount by which the ceiling would be exceeded and the reasons for such anticipated excess; and

(7) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the impoundment.

(b) Each special message submitted pursuant to subsection (a) shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each such message may be printed by either House as a document for both Houses, as the President of the Senate and Speaker of the House may determine.

(c) A copy of each special message submitted pursuant to subsection (a) shall be transmitted to the Comptroller General of the United States on the same day as it is transmitted to the Senate and the House of Representatives. The Comptroller General shall review each such message and determine whether, in his judgment, the impoundment was in accordance with existing statutory authority, following which he shall notify both Houses of Congress within 15 days after the receipt of the message as to his determination thereon. If the Comptroller General determines that the impoundment was in accordance with section 3679 of the Revised Statutes (31 U.S.C. 665), commonly referred to as the "Antideficiency Act", the provisions of section 303 and section 305 shall not apply. In all other cases, the Comptroller General shall advise the Congress whether the impoundment was in accordance with other existing statutory authority and sections 303 and 305 shall apply.

(d) If any information contained in a special message submitted pursuant to subsection (a) is subsequently revised, the President shall transmit within ten days to the Congress and the Comptroller General a supplementary message stating and explaining each such revision.

(e) Any special or supplementary message transmitted pursuant to this section shall be printed in the first issue of the Federal Register published after that special or supplemental message is so transmitted and may be printed by either House as a document for both Houses, as the President of the Senate and Speaker of the House may determine.

(f) The President shall publish in the Federal Register each month a list of any budget authority impounded as of the first calendar day of that month. Each list shall be published no later than the tenth calendar day of the month and shall contain the information required to be submitted by special message pursuant to subsection (a).

SEC. 303. The President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States shall cease the impounding of any budget authority set forth in each special message within sixty calendar days of continuous session after the message is received by the Congress unless the specific impoundment shall have been ratified by the Congress by passage of a concurrent resolution in accordance with the procedure set out in section 305: *Provided, however*, That Congress may by concurrent resolution disapprove any impoundment in whole or in part, at any time prior to the expiration of the sixty-day period, and in the event of such disapproval, the impoundment shall cease immediately to the extent disapproved. The effect of such disapproval, whether by concurrent resolution passed prior to the expiration of the sixty-day period or by the failure to approve by concurrent resolution within the sixty-day period, shall be to make the obligation of the budget authority mandatory, and shall preclude the President or any other Federal officer or employee from reimpounding the specific authority set forth in the special message which the Congress by its action or failure to act has thereby rejected.

SEC. 304. For purposes of this title, the impounding of budget authority includes—

(1) withholding, delaying, deferring, freezing, or otherwise refusing to expend any part of budget authority made available (whether by establishing reserves or otherwise) and the termination or cancellation of authorized projects or activities to the extent that budget authority has been made available.

(2) withholding, delaying, deferring, freezing, or otherwise refusing to make any allocation of any part of budget authority (where such allocation is required in order to permit the budget authority to be expended or obligated),

(3) withholding, delaying, deferring, freezing, or otherwise refusing to permit a grantee to obligate any part of budget authority (whether by establishing contract controls, reserves, or otherwise), and

(4) any type of Executive action or inaction which effectively precludes or delays the obligation or expenditure of any part of authorized budget authority.

SEC. 305. The following subsections of this section are enacted by the Congress:

(a)(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(b)(1) For purposes of this section, the term "resolution" means only a concurrent resolution of the Senate or House of Representatives, as the case may be, which is introduced and acted upon by both Houses at any time before the end of the first period of sixty calendar days of continuous session of the Congress after the date on which the special message of the President is transmitted to the two Houses.

(2) The matter after the resolving clause of a resolution approving the impounding of budget authority shall be substantially as follows (the blank space being appropriately filled): "That the Congress approves the impounding of budget authority as set forth in the special message of the President dated ————, Senate (House) Document No. ——."

(3) The matter after the resolving clause of a resolution disapproving, in whole or in part, the impounding of budget authority shall be substantially as follows (the blank spaces being appropriately filled): "That the Congress disapproves the impounding of budget authority as set forth in the special message of the President dated ————, Senate (House) Document No. ———— (in the amount of $————)."

(4) For purposes of this subsection, the continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the sixty-day period.

(c)(1) A resolution introduced, or received from the other House, with respect to a special message shall not be referred to a committee and shall be privileged business for immediate consideration, following the receipt of the report of the Comptroller General referred to in section 302(c). It shall at any time be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. Such motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) If the motion to proceed to the consideration of a resolution is agreed to, debate on the resolution shall be limited to ten hours, which shall be divided equally between those favoring and those opposing the resolution. Debate on any amendment to the resolution (including an amendment substituting approval for disapproval in whole or in part or substituting disapproval in whole or in part for approval) shall be limited to two hours, which shall be divided equally between those favoring and those opposing the amendment.

(3) Motions to postpone, made with respect to the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relat-

ing to a resolution shall be decided without debate.

(d) if, prior to the passage by one House of a resolution of that House with respect to a special message, such House receives from the other House a resolution with respect to the same message, then—

(1) If no resolution of the first House with respect to such message has been introduced, no motion to proceed to the consideration of any resolution with respect to the same message may be made (despite the provisions of subsection (c)(1) of this section).

(2) If a resolution of the first House with respect to such message has been introduced—

(A) the procedure with respect to that or other resolutions of such House with respect to such message shall be the same as if no resolution from the other House with respect to such message had been received; but

(B) on any vote on final passage of a resolution of the first House with respect to such message the resolution from the other House with respect to such message shall be automatically substituted for the resolution of the first House.

(c) If a committee of conference is appointed on the disagreeing votes of the two Houses with respect to a resolution, the conference report submitted in each House shall be considered under the rules set forth in subsection (c) of this section for the consideration of a resolution, except that no amendment shall be in order.

(f) Notwithstanding any other provision of this section, it shall not be in order in either House to consider a resolution with respect to a special message after the two Houses have agreed to another resolution with respect to the same message.

(g) As used in this section, the term "special message" means a report of impounding action made by the President pursuant to section 302 or by the Comptroller General pursuant to section 306.

Sec. 306. If the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States takes or approves any impounding action within the purview of this title, and the President fails to report such impounding action to the Congress as required by this title, the Comptroller General shall report such impounding action with any available information concerning it to both Houses of Congress, and the provisions of this title shall apply to such impounding action in like manner and with the same effect as if the report of the Comptroller General had been made by the President: *Provided, however,* That the sixty-day period provided in section 303 shall be deemed to have commenced at the time at which, in the determination of the Comptroller General, the impoundment action was taken.

Sec. 307. Nothing contained in this title shall be interpreted by any person or court as constituting a ratification or approval of any impounding of budget authority by the President or any other Federal employee, in the past or in the future, unless done pursuant to statutory authority in effect at the time of such impoundment.

Sec. 308. The Comptroller General is hereby expressly empowered as the representative of the Congress through attorneys of his own selection to sue any department, agency, officer, or employee of the United States in a civil action in the United States District Court for the District of Columbia to enforce the provisions of this title, and such court is hereby expressly empowered to enter in such civil action any decree, judgment, or order which may be necessary or appropriate to secure compliance with the provisions of this title by such department, agency, officer, or employee. Within the purview of this section, the Office of Management and Budget shall be construed to be an agency of the United States, and the officers and employees of the Office of Management and Budget shall be construed to be officers or employees of the United States.

Sec. 309. (a) Notwithstanding any other provision of law, all funds appropriated by law shall be made available and obligated by the appropriate agencies, departments, and other units of the Government except as may be provided otherwise under this title.

(b) Should the President desire to impound any appropriation made by the Congress not authorized by this title or by the Antideficiency Act, he shall seek legislation utilizing the supplemental appropriations process to obtain selective rescission of such appropriation by the Congress.

Sec. 310. If any provision of this title, or the application thereof to any person, impoundment, or circumstance, is held invalid, the validity of the remainder of the title and the application of such provision to other persons, impoundments, or circumstances, shall not be affected thereby.

Sec. 311. The provisions of this title shall take effect from and after the date of enactment.

TITLE IV—CEILING ON FISCAL YEAR 1974 EXPENDITURES

Sec. 401. (a) Except as provided in subsection (b) of this section, expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government, shall not exceed $268,700,000,000.

(b) If the estimates of revenues which will be received in the Treasury during the fiscal year ending June 30, 1974, as made from time to time, are increased as a result of legislation enacted after the date of the enactment of this Act reforming the Federal tax laws, the limitation specified in subsection (a) of this section shall be reviewed by Congress for the purpose of determining whether the additional revenues made available should be applied to essential public services for which adequate funding would not otherwise be provided.

Sec. 402. (a) Notwithstanding the provisions of any other law, the President shall, in accordance with this section, reserve from expenditure and net lending, from appropriations, or other obligational authority otherwise made available, such amounts as may be necessary to keep expenditures and net lending during the fiscal year ending June 30, 1974, within the limitation specified in section 401.

(b) In carrying out the provisions of subsection (a) of this section, the President shall reserve amounts proportionately from new obligational authority and other obligational authority available for each functional category, and to the extent practicable, subfunctional category (as set out in table 3 of the United States Budget in Brief for fiscal year 1974), except that no reservations shall be made from amounts available for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants, and supplemental security income payments under the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries.

(c) Reservations made to carry out the provisions of subsection (a) of this section shall be subject to the provisions of title III of this Act, except that—

(1) if the Comptroller General determines under section 302(c), with respect to any such reservation, that the requirements of proportionate reservations of subsection (b) of this section have been complied with, then sections 303 and 305 shall not apply to such reservation, and

(2) the provisions of section 303 which preclude reimpoundment shall not apply with respect to any such reservation.

(d) In no event shall the authority conferred by this section be used to impound funds, appropriated or otherwise made available by Congress, for the purpose of eliminating a program the creation or continuation of which has been authorized by Congress.

Sec. 403. In the administration of any program as to which—

(1) the amount of expenditures is limited pursuant to this title, and

(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution,

the amount available for expenditure (after the application of this title) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

TITLE V—LIMITATION OF USE ON APPROPRIATED FUNDS

PROHIBITION AGAINST THE USE OF APPROPRIATED FUNDS FOR COMBAT ACTIVITIES IN CAMBODIA AND LAOS

Sec. 501. No funds heretofore or hereafter appropriated under any Act of Congress may be obligated or expended to support directly or indirectly combat activities in, over, or from off the shores of Cambodia or in or over Laos by United States forces.

TITLE VI—UNEMPLOYMENT COMPENSATION ACT AMENDMENT

Sec. 601. Section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new sentence: "Effective with respect to compensation for weeks of unemployment beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a State 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof and as if paragraph (1) of section 203 (b) did not contain subparagraph (B) thereof.".

TITLE VII—MISCELLANEOUS

Sec. 701. (a) Section 6096(c) of the Internal Revenue Code of 1954 (relating to manner and time of designation) is amended—

(1) by striking out ", in such manner as the Secretary or his delegate may prescribe by regulations", and

(2) by adding at the end thereof the following new sentence: "Such designation shall be made in such manner as the Secretary or his delegate prescribes by regulations except that, if such designation is made at the time of filing the return of the tax imposed by chapter 1 for such taxable year, such designation shall be made on the first page of the return."

(b) The amendments made by this section shall apply with respect to taxable years ending after the date of enactment of this Act.

Sec. 702. The Secretary of the Treasury shall cause the publishing and broadcasting of information concerning the Presidential Election Campaign Fund Act during each year, with particular emphasis upon the taxpayer's right to designate a portion of his tax payment for payment into the Presidential Election Campaign Fund for the use of the candidates of a political party without any increase in his tax liability. The Secretary shall report to the Congress not later than the first day of September of each year a detailed account of the means by which he intends to carry out his duty under this section, which shall include, but not be limited to, a description or facsimile copy of all public notices, the availability of such notices to broadcasting stations, and any other arrangements he may have made to publicize the fund and the taxpayers' right of designation under section 6096 of the Internal Revenue Code of 1954.

SEC. 703. (a) Section 6096 of the Internal Revenue Code of 1954 (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out the first sentence and inserting in lieu thereof "Every individual (other than a nonresident alien) whose income tax liability for any taxable year is $1 or more may designate that $1 shall be paid over to the Presidential Election Campaign Fund in accordance with the provisions of section 9006 (a)."

(b) Section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) is amended to read as follows:

"SEC. 9006. PAYMENTS TO ELIGIBLE CANDIDATES.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Presidential Election Campaign Fund.' The Secretary shall, from time to time, transfer to the fund an amount equal to the sum of the amounts designated (subsequent to the previous Presidential election) to the fund by individuals under section 6096.

"(b) TRANSFER TO THE GENERAL FUND.—If, after a Presidential election and after all eligible candidates have been paid the amount which they are entitled to receive under this chapter, there are moneys remaining in the fund, the Secretary shall transfer the moneys so remaining to the general fund of the Treasury.

"(c) PAYMENTS FROM THE FUND.—Upon receipt of a certification from the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary shall pay to such candidates out of the fund the amount certified by the Comptroller General. Amounts paid to any such candidates shall be under the control of such candidates.

"(d) INSUFFICIENT AMOUNTS IN FUND.—

"(1) If at the time of a certification by the Comptroller General under section 9005 for payment to eligible candidates of a political party, the moneys in the fund are insufficient to pay to all eligible candidates the amounts to which they are then entitled (as determined by the Secretary after consultation with the Comptroller General), payments to each eligible candidate shall be reduced pro rata, and the amounts not paid at such time shall be paid when there are sufficient moneys in the fund.

"(2) If, at the close of the expenditure report period, the moneys in the fund are not sufficient to satisfy the unpaid entitlements of all eligible candidates, the balance in the fund shall be paid to eligible candidates in the following manner:

"(A) For the candidates of a major party, compute the percentage which the number of popular votes received by the candidates for President of the major parties is of the total number of popular votes cast for the office of President in the election, and divide such percentage by the number of major parties.

"(B) For the candidates of a minor or new party, compute the percentage which the popular votes received for President by the candidate of such party is of the total number of popular votes cast for the office of President in the election.

"(C) Pay to the eligible candidates of each party the same percentage of the amount of the money in the fund as the percentage obtained under subparagraph (A) or (B) for candidates of such party."

SEC. 704. Section 1130(a)(2) of the Social Security Act is amended—

(1) by striking out "of the amounts paid (under all of such sections)" and inserting in lieu thereof "of the amounts paid under such section 403(a)(3)"; and

(2) by striking out "under State plans approved under titles I, X, XIV, XVI, or part A of title IV" and inserting in lieu thereof "under the State plan approved under part A of title IV".

Mr. MILLS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment, which is some 49 pages long, be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

MOTION OFFERED BY MR. MILLS OF ARKANSAS

Mr. MILLS of Arkansas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MILLS of Arkansas moves that the House recede from its disagreement to the amendment of the Senate to the bill (H.R. 8410) and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 4. (a)(1) Paragraph (1) of section 502 of the Social Security Act is amended by striking out "each of the next 4 fiscal years" and inserting in lieu thereof "each of the next 5 fiscal years".

(2) Paragraph (2) of section 502 of such Act is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

(3) Section 505(a)(8) of the Social Security Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(4) Section 505(a)(9) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(5) Section 505(a)(10) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(6) Section 508(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(7) Section 509(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(8) Section 510(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(b) Title V of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTAL ALLOTMENTS

"SEC. 516. (a)(1) For each fiscal year (commencing with the fiscal year ending June 30, 1975), there shall (subject to paragraph (2)) be allotted to each State (from funds appropriated for such fiscal year pursuant to subsection (b)) an amount, which shall be in addition to and available for the same purposes as the allotments of such State (as determined under sections 503 and 504), equal to the excess (if any) of—

"(A) the amount of the allotment of such State (as determined under sections 503 and 504) for the fiscal year ending June 30, 1973, plus the amounts of any grants to such States under sections 508, 509, and 510, over

"(B) the amount of the allotment of such State (as determined under sections 503 and 504) for such fiscal year which commences after June 30, 1973.

"(2) No State shall receive an allotment under this section for any fiscal year, unless such State (in the administration of its State plan, approved under section 505) has in effect arrangements which the Secretary finds will provide for the continuation of appropriate services to population groups previously receiving services from funds made available (for the fiscal year ending June 30, 1974) to such State pursuant to sections 508, 509, and 510.

"(b)(1)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated for each fiscal year (commencing with the fiscal year ending June 30, 1975) such amounts as may be necessary to enable the Secretary to make the allotments authorized under subsection (a).

"(B) Nothing contained in subparagraph (A) shall be construed to authorize, for any fiscal year, the appropriation under this subsection of any amount which is in excess of the amount by which—

"(i) the amount authorized to be appropriated under section 501 for such year exceeds

"(ii) the total amounts appropriated pursuant to section 501 for such year.

"(2) If, for any fiscal years, the total amount appropriated pursuant to paragraph (1) is less than the total amount allotted to all States under subsection (a), then the amount of the allotment of each State (as determined under subsection (a)) shall be reduced to an amount which bears the same ratio to the total amount appropriated pursuant to paragraph (1) for such fiscal year as the amount of the allotment of such State (as determined under subsection (a)) bears to the total amount allotted to all States under subsection (a) for such fiscal year."

(c)(1) In the case of any State, if for the fiscal year ending June 30, 1974, the sum of—

(A) the amount of the allotment which such State would have received under section 503 of the Social Security Act for such year (if subsection (a) of this section had not been enacted), plus

(B) the amount of the allotment which such State would have received under section 504 of such Act for such year (if subsection (a) of this section had not been enacted), is in excess of the sum of—

(C) the aggregate of the allotments which such State received (for the fiscal year ending June 30, 1973) under such sections 503 and 504, plus

(D) the aggregate of the grants received (for the fiscal year ending June 30, 1973) under sections 508, 509, and 510 of such Act, then, for the fiscal year ending June 30, 1974, there shall be added to the allotments of such State, under sections 503 and 504 of such Act, in such proportion to each such allotment as the State shall specify, an amount equal to such excess.

(2)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated, for the fiscal year ending June 30, 1974, such amounts as may be necessary to make the increase in allotments provided for in paragraph (1).

(B) Nothing contained in subparagraph (A) shall be construed to authorize, for the fiscal year ending June 30, 1974, the appropriation under this paragraph of any amount which is in excess of the amount by which—

(i) the amount authorized to be appropriated under section 501 of such year, exceeds

(ii) the total amounts appropriated pursuant to section 501 for such year.

(3) If, for the fiscal year ending June 30, 1974, the amount appropriated pursuant to the preceding provisions of this subsection is less than the total of the amounts authorized to be added to the allotments of States (as determined under paragraph (1)), then the amount to be added to the allotment of each State shall be reduced to an amount which bears the same ratio to the amount so appropriated for such year as the amount to be added to the allotment of such State (as determined under paragraph (1)) bears to the total of the amounts to be added to the allotments of all States (as determined under paragraph (1)).

SEC. 5. Section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following: "Effective with respect to compensation for weeks of unemployment beginning before January 1, 1974, and beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State by law may provide that the determination of whether there has been a State 'off' indicator ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof and may provide that the determination of whether there has been a State 'on' indicator beginning any extended benefit period shall be made under this subsection as if (i) paragraph (1) did not contain subparagraph (A) thereof, (ii) the 4 per centum contained in subparagraph (B) thereof were 4.5 per centum, and (iii) paragraph (1) of subsection (b) did not contain subparagraph (B) thereof. In the case of any individual who has a week with respect to which extended compensation was payable pursuant to a State law referred to in the preceding sentence, if the extended benefit period under such law does not expire before January 1, 1974, the eligibility period of such individual for purposes of such law shall end with the thirteenth week which begins after December 31, 1973."

SEC. 6. (a) Section 6096 of the Internal Revenue Code of 1954 (relating to designation by inidividuals of income tax payments to Presidential Election Campaign Fund) is amended to read as follows:

"SEC. 6096. DESIGNATION BY INDIVIDUALS—

"(a) IN GENERAL.—Every individual (other than a nonresident alien) whose income tax liability for the taxable year is $1 or more may designate that $1 shall be paid over to the Presidential Election Campaign Fund in accordance with the provisions of section 9006(a). In the case of a joint return of husband and wife having an income tax liability of $2 or more, each spouse may designate that $1 shall be paid to the fund.

"(b) INCOME TAX LIABILITY.—For purposes of subsection (a), the income tax liability of an individual for any taxable year is the amount of the tax imposed by chapter 1 on such individual for such taxable year (as shown on his return), reduced by the sum of the credits (as shown in his return) allowable under sections 33, 37, 38, 40, and 41.

"(c) Manner and Time of Designation.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary or his delegate.

Such designation shall be made in such manner as the Secretary or his delegate prescribes by regulations except that, if such designation is made at the time of filing the return of the tax imposed by chapter 1 for such taxable year, such designation shall be made either on the first page of the return or on the page bearing the taxpayer's signature."

(b) Section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) is amended to read as follows:

"SEC. 9006. PAYMENTS TO ELIGIBLE CANDIDATES.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Presidential Election Campaign Fund'. The Secretary shall, as provided by appropriation acts, transfer to the fund an amount not in excess of the sum of the amounts designated (subsequent to the previous Presidential election) to the fund by individuals under section 6096.

"(b) TRANSFER TO THE GENERAL FUND.—If, after a Presidential election and after all eligible candidates have been paid the amount which they are entitled to receive under this chapter, there are moneys remaining in the fund, the Secretary shall transfer the moneys so remaining to the general fund of the Treasury.

"(c) PAYMENTS FROM THE FUND.—Upon receipt of a certification from the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary shall pay to such candidates out of the fund the amount certified by the Comptroller General. Amounts paid to any such candidates shall be under the control of such candidates.

"(d) INSUFFICIENT AMOUNTS IN FUND.—If at the time of a certification by the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary or his delegate determines that the moneys in the fund are not, or may not be, sufficient to satisfy the full entitlements of the eligible candidates of all political parties, he shall withhold from such payment such amount as he determines to be necessary to assure that the eligible candidates of each political party will receive their pro rata share of their full entitlement. Amounts withheld by reason of the preceding sentence shall be paid when the Secretary or his delegate determines that there are sufficient moneys in the fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the fund to satisfy the full entitlement of the eligible candidates of all political parties, the amounts so withheld shall be paid in such manner that the eligible candidates of each political party receive their pro rata share of their full entitlement."

(c) Sections 9003(b)(2), 9007(b)(3), and 9012(b)(1) of the Internal Revenue Code of 1954 are each amended by striking out "9006(c)" and inserting in lieu thereof "9006(d)".

(d) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1972. Any designation made under section 6096 of the Internal Revenue Code of 1954 (as in effect for taxable years beginning before January 1, 1973) for the account of the candidates of any specified political party shall, for purposes of section 9006(a) of such Code (as amended by subsection (b)), be treated solely as a designation to the Presidential Election Campaign Fund.

Mr. MILLS of Arkansas (during the reading). Mr. Speaker, in view of the fact that this amendment covers three matters which we will discuss, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS of Arkansas. Mr. Speaker, I yield myself 10 minutes.

Mr. MILLS of Arkansas. Mr. Speaker, let me say first that perhaps the House made the proper decision last night, although it was somewhat embarrassing to some of us on the committee. However, I think I can say that it avoided the even greater embarrassment of having a bill from the Committee on Ways and Means bearing my name and, I think, the name of the gentleman from Pennsylvania (Mr. SCHNEEBELI) vetoed by a President. In the years that I have been chairman of the committee, I have never had that experience; I did not want it.

Actually, in our original meetings, it was not possible for us to obtain sufficient concessions from the Senate to make the debt ceiling bill itself veto-proof.

We have also this morning tentatively discussed the bill involving the Renegotiation Act, and I have been told by the Secretary of Treasury, who recommended to the President the veto of the bill last night, that both the debt limit bill and the Renegotiation Act bill, if they come out as we hope, as far as he is concerned, will be signed by the President. At least he will recommend the President's signature on both these bills.

Mr. Speaker, we will go to conference on the Renegotiation Act very soon, we hope. Having discusssed it this morning, we feel that we can readily agree to the changes that the Senate has wrought upon us, with the amendments that we want to make to it, and that with both these bills being in this condition, as far as the legislation of the Committee on Ways and Means is concerned, we will not have to stay here next week.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman from Arkansas yield?

Mr. MILLS of Arkansas. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I want to congratulate the distinguished chairman of the Committee on Ways and Means.

What was done last night was not done with any intention, of course, of embarrassing the Committee on Ways and Means or the very distinguished chairman of the Committee on Ways and Means. I think the gentleman's heart was really in what was done today and not what was before us last night.

Mr. Speaker, it was due to his ability last night and more importantly, I am sure, in the negotiations today that this matter has been resolved to a satisfactory result.

Mr. Speaker, I have been told that this legislation now before us and the legislation to follow will be greatly improved over what we had last night. I think it is mainly the handiwork of the gentleman from Arkansas, his associates, and the conferees. I congratulate the gentleman for what has been accomplished and I am of the opinion that the President will approve the several proposals.

Mr. MILLS of Arkansas. Mr. Speaker, I thank my friend, the gentleman from Michigan.

Let me discuss very briefly the three matters which are in disagreement and on which I previously moved to recede and concur with amendments.

Mr. Speaker, one has to do with the matter of extended unemployment compensation, which was in the bill discussed last night.

Another has to do with the continuation of the maternal and child health program which, if not continued, would expire tonight.

Mr. Speaker, the third one has to do with the dollar campaign check-off amendments that we discussed last night. Let me discuss each of these briefly.

EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM

The provision relating to extended Unemployment Compensation is identical to the provision contained in the amendment to the debt ceiling bill yesterday.

Under the motion, States would be permitted from the date of enactment until December 31, 1973, to disregard the 120-percent requirement of existing law but the rate of insured unemployment in such States would have to be 4.5 percent rather than the 4-percent insured unemployment rate required under the regular trigger provision. The amendment further provides than an extended benefit period could remain in operation in such a State during this time so long as the insured unemployment rate remained 4 percent or above. In those States which paid extended benefits under this modification, persons who qualify for extended benefits under this authority prior to December 31, 1973, could continue to receive the extended benefits to which they are entitled during an additional 13 weeks or until the end of March 1974.

The extended benefits paid under this provision, including those paid during the tail-out period after December 31, 1973, would be financed equally from State and local funds as extended benefits are regularly financed under existing law.

According to the best estimates which the Department of Labor could furnish us, if all of the States affected by the amendment took full advantage of it, this temporary modification of the State "on" and "off" indicators would allow extended benefits to be paid in 6 States. The estimated additional benefits payable would be $115.7 million, at a cost of $60.6 million in Federal funds and $55.1 million in State funds and an estimated 176,500 workers would be able to receive extended benefits.

MATERNAL AND CHILD HEALTH

The Senate amendment also contained a provision amending the Maternal and Child Health program under title V of the Social Security Act. The Senate bill would extend the direct project grants for 1 year—from June 30, 1973, to June 30, 1974—and would make the following additional changes:

For fiscal year 1974 only, each State would receive—under authorization authority—the greater of first, the total of fiscal year 1973 project and formula grants or second, the sum such State would have received had the project grants not been extended for fiscal year 1974.

For fiscal year 1975 and later years, no State would be eligible for less funds than it received in fiscal year 1973 for both project grants and formula grants.

When the project grant authority lapses on June 30, 1974, the States would be required to make arrangements to provide for the continuation of appropriate services to groups previously receiving project grant funds.

The House conferees believe this would be a meritorious provision since it should assure the continuation of many existing worthwhile projects which are benefiting thousands of mothers and children in low-income ghetto and rural areas. The Senate amendment also provides assurance that States will not be disadvantaged by this change as compared with present law and that when the direct projects are phased out a year from now, the States will be ready to take over their support.

THE PRESIDENTIAL CAMPAIGN CHECKOFF PROVISION

The Senate amendment contained a provision providing for a modification in the Presidential election campaign checkoff provision. As modified by the amendment before us, this provision provides that the campaign checkoff designation is to be either on the first page of the income tax return or on the side of the return where the signature is. For the regular 1040 return, this is the front of the return, but for the short form, 1040A, the signature is on the second page of the return and in this case it may be desirable to have the checkoff here. We gave the Treasury some flexibility but have still required it to have the checkoff where it will readily come to the taxpayer's attention. There is no statutory requirement that the Secretary of the Treasury provide appropriate publicity with respect to the campaign checkoff each year. However, the Secretary has assured us the Treasury will do so year after year. Finally, the amendment converts the campaign fund checkoff to a nonpartisan checkoff. This is essential if we are to have a simple checkoff on the return itself and also if we are not to disclose to the IRS the political affiliation of the taxpayer.

All of the other material, including all of the social security and welfare provisions, have been added by the Senate to the renegotiation bill. But when we come back to discuss that conference report, I think the conference report will have provided sufficient amendments to convince my colleagues why the President himself would feel that he would have to sign the bill.

Mr. Speaker, if there are any questions, I will be glad to respond to them. These are the three matters we discussed last night in detail, these three nongermane amendments. They are considered as one amendment again, because we were still faced with the fact that the Senate had added all of these many provisions in the form of one amendment.

Mr. CARNEY of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MILLS or Arkansas. I will be glad to yield to the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY or Ohio. Mr. Chairman, approximately when will the renegotiation bill be ready for a vote by this body?

Mr. MILLS of Arkansas. Mr. Speaker, it is our objective that the drafting people will have completed their work by 2:30 or 3 o'clock this afternoon.

Mr. CARNEY of Ohio. Will we vote on it today?

Mr. MILLS of Arkansas. Absolutely.

Mr. REID. Will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from New York.

Mr. REID. Might I ask him whether the Renegotiation Act is going to have the provisions that were in the conglomerate amendment last night relative to social services and a prohibition on new social service regulations for a 6-month period.

Mr. MILLS of Arkansas. Without committing ourselves, because we have not been in conference officially on it, let me suggest to the gentleman from New York that the objective of the amendment of last night will be included in the conference report to accompany the Renegotiation Act extension.

Mr. REID. The reason why I ask is the question of timing, because obviously the new regulations will go into effect on July 1 absent the committee action.

Mr. MILLS of Arkansas. In a different form we are carrying out the same objective of suspending the regulation and prevented it from going into effect on July 1.

Mr. PICKLE. Will the gentleman yield?

Mr. MILLS of Arkansas. I am glad to yield to the gentleman.

Mr. PICKLE. Would the gentleman mind telling the House what is included in the changes in the unemployment compensation measures which is now part of this measure?

Mr. MILLS of Arkansas. I will be glad to discuss it with the gentleman.

The unemployment compensation provision is identical with the unemployment compensation provision which we had in the conference report last night. What it does until December 31 of this year is to disregard the 120-percent requirement of existing law for triggering a State's program provided that the rate of insured unemployment within the State is 4.5 percent.

Under existing law it is 4 percent, as you know, but it does have this 120-percent requirement, that is, that the insured unemployment in the year involved will be 20 percent higher than it was in the 2 previous years.

Mr. PICKLE. Could the gentleman give the House his estimate of what he thinks this will cost the Treasury in extended benefits and unemployment insurance for the rest of this year?

Mr. MILLS of Arkansas. It is about $61 million.

Mr. PICKLE. About $61 million?

Mr. MILLS of Arkansas. Yes. But the gentleman understands that this comes out of a special fund and not out of the general funds of the Treasury.

Mr. PICKLE. I understand it comes out of the employers fund.

Mr. MILLS of Arkansas. That is right. Accumulated by the Federal taxes applicable to wages for this purpose.

Mr. PICKLE. Will the gentleman kindly insert for the RECORD those States primarily that it is anticipated will be affected by this?

Mr. MILLS of Arkansas. The gentleman intends to do this and will say also it does not involve your State or my

State, but it takes care of such States as Massachusetts and Washington, and so forth.

Mr. PICKLE. And New York and California. It is the same States basically as——

Mr. MILLS of Arkansas. No. New York would not be eligible for it now. The State of New Jersey would be affected; Rhode Island is another. I can go on, but I will put those States in the RECORD.

The material follows:

State	Number of beneficiaries (thousands)	State share of cost (millions)	Federal share of cost (millions)
Alaska	2.9	$0.8	$0.9
Massachusetts	52.7	13.7	16.8
New Jersey	55.9	22.4	22.4
Puerto Rico	28.8	5.2	5.2
Rhode Island	7.8	2.8	2.8
Washington	28.4	10.2	12.5
Total	176.5	55.1	60.6

Mr. PICKLE. If the gentleman will yield further, assuming that the body in its haste for the completion of our business approves this measure and the amendment that contains unemployment, do I understand clearly it is for the rest of this year, December 31, 1973, or 1974?

Mr. MILLS of Arkansas. No; 1973.

Mr. PICKLE. This is, then, a temporary extension and is not to be considered permanent?

Mr. MILLS of Arkansas. No.

Mr. PICKLE. It is not an overall extension?

Mr. MILLS of Arkansas. No. It is just for the 6-month period involved. It is only temporary.

Ms. ABZUG. Will the distinguished gentleman yield?

Mr. MILLS or Arkansas. I will be glad to yield to the gentlewoman from New York.

Ms. ABZUG. Will the gentleman explain that extension with regard to unemployment insurance? It does not make any provision for the State of New York. Is that right?

Mr. MILLS of Arkansas. It is my understanding that the unemployment level of the State of New York is not 4.5 percent. If it should become 4.5 percent in the 6-month period, then New York would be included, but you have to have as much as 4.5 percent insured unemployment in order to qualify.

Ms. ABZUG. It does not waive previous requirements?

Mr. MILLS of Arkansas. No. We waived the requirement that your insured unemployment in the State of New York would have to be 20 percent higher than it was in the 2 previous years. This has kept at times during the year, I understand, the State from qualifying.

Ms. ABZUG. Thank you, Mr. Chairman.

Mr. DORN. Will the distinguished gentleman yield?

Mr. MILLS of Arkansas. I will be glad to yield to the gentleman from South Carolina.

Mr. DORN. I want to thank the distinguished chairman for yielding.

In view of some of the discussion on the floor of the House last evening about the veterans pensions, I wonder if the distinguished chairman has anything in this or any other report this afternoon concerning those benefits.

Mr. MILLS of Arkansas. There is a provision put in by the Senate to the Renegotiation Act bill which solves the problem that was raised.

The SPEAKER. The time of the gentleman has expired.

Mr. MILLS of Arkansas. Mr. Speaker, I yield myself 2 additional minutes.

That solves the problem that was raised by members of the gentleman's committee last night.

Mr. DORN. Would the gentleman yield further and advise what it does at this time?

Mr. MILLS of Arkansas. Yes. I will be glad to.

I am aware of the amendment, so I can discuss it in answer to the gentleman's question.

The provision merely provides that no veteran will lose benefits as a result of the social security increase which is also involved in that bill in determining the veteran's income for purpose of his eligibility for a pension. It is the same thing that the gentleman's committee has done in the past.

Mr. DORN. May I ask the distinguished chairman further, would they be germane, that type?

Mr. MILLS of Arkansas. Oh, no. It is not germane to the bill. That is why we have it back as an amendment in disagreement. It is not germane.

Mr. DORN. I might inform the distinguished chairman that as a representative of the Committee on Veterans' Affairs I might be compelled to object on the jurisdiction.

Mr. MILLS of Arkansas. I would not blame the gentleman one iota, but members of the gentleman's own committee were very instrumental last night in calling the attention of the House to the fact that we were depriving about 340,000 veterans of their pensions as a result of a social security increase, and at the same time I think they were overlooking the fact that there are some 30 million people eligible for a social security increase.

Mr. DORN. Not only that, I might say to my distinguished friend, but a 20-percent increase in social security last year. This is being considered by our Committee on Veterans' Affairs. At this very moment public hearings are being held. To interject into a conference report a provision with reference to a 5-percent increase would leave, at this stage of the game, the House wide open. We have been getting a few letters, I might say to the chairman, and he will get millions.

Mr. MILLS of Arkansas. Not about this increase, because it will not cause anyone presently entitled to a pension in any amount to lose that amount of his pension. The amendment was offered in the Senate. The Senate agreed to the amendment by a vote of 77 to 0. It was cosponsored by the gentleman's counterpart in the Senate. The gentleman's counterpart in the Senate was on the conference and indicated to the House conferees that we take the amendment.

Mr. DORN. I might say to my dear friend, the gentleman from Arkansas, that if this type of approach is taken for the 5 percent, what about the 20 percent?

Mr. MILLS of Arkansas. I have every confidence in the world in the leadershop of my friend, the gentleman from South Carolina, as chairman of the Committee on Veterans' Affairs that he will see to it that no veterans are abused or mistreated in the final analysis by an increase in social security.

Mr. DORN. Then I might say that the Committee on Veterans' Affairs will take care of both the 20 percent and the 5 percent.

Mr. MILLS of Arkansas. That is good. I am glad to hear the gentleman from South Carolina say that.

Mr. CAREY of New York. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from New York.

Mr. CAREY of New York. I thank the gentleman for yielding.

One point, Mr. Chairman: With regard to the State of New York and unemployment compensation insurance benefits and the eligibility factor with regard to our committee's research on this point, again and again I have run into the problem that the geographical area of reporting that covers the statistics is regional, and until we cure that difficulty of the regional reporting, it is very hard to bring New York in under the 4½ percent without heavily increasing the burden across the country in other States that have a level above that level.

Mr. MILLS of Arkansas. I agree with the gentleman from New York.

Mr. CAREY of New York. I think it is something that is beyond the reach of the conferees. One more thing: I want to commend the chairman for his stamina and steadfastness in bringing into the conference, I believe, the provisions regarding maternal and child health care. Many States would have lost on these, and few States would have gained if the conference report had not gone into this. It is very important to keep these programs for parental and perinatal care ongoing.

Mr. Speaker, I should like to address some brief remarks to a specific amendment House conferees have brought back in disagreement. I refer to the extension, for one fiscal year, of project funding for Maternal and Child Health Care Centers, contained in the Senate version of the Debt Limit Extension.

I am very gratified that the conferees will permit the House to work its will on this and other vital amendments aimed at helping, in a most direct way, those least able to help themselves.

Extension of project funding for these centers will permit the continuation of these essential health care programs in 139 locations, in 38 States and two territories. Service is provided, just under the Maternal and Infant Care programs, to 800,000 expectant mothers, infants and youngsters.

Failure to provide this extension of project funding, under title V of the Social Security Act, would result in the eventual severe curtailment or effective demise of virtually all the centers across the Nation and cost New York City approximately $8 million in the coming fiscal year.

Mr. Speaker, the success of these programs is clearly and magnificently obvious. Infant mortality has decreased substantially in those areas in which a project is operating. In my own district, for instance, the project area of Red Hook showed a reduction of infant mortality from 29.9 precent per one thousand births in 1960 to 17.4 percent in 1971.

Similar results have been achieved in the many projects, 11 in the Metropolitan New York area, throughout the Nation. Intensive care for premature infants has resulted in reductions of up to 25 percent in mortality rates.

Quite frankly, Mr. Speaker, unless the House permits this project-funding extension, funding is just not likely to be forthcoming from the States, and little has been done, to date, to provide for a smooth transition to full formula funding and assurance of adequate state funding for these centers. With no extension, most of these projects will just die, rendering useless over 5 years of progress in a team approach to maternal and child health care. We will also lose what has been gained in parental education in nutrition and hygiene and general prenatal care. These mothers and their children will be thrown back on the medical care junkheap, if we do not instruct our conferees to recede from disagreement to this vital amendment.

Mr. Speaker, the nationwide value of these programs is beyond dispute. Continuation of project funding is clearly of vital and immediate concern to every Member of Congress. I urge overwhelming approval of any motion to instruct the conferees to recede from disagreement to Senate amendment providing for a 1 year extension of project funding for Maternal and Child Health Care programs.

Mr. Speaker, the distinguished chairman of the House Ways and Means Committee, the gentleman from Arkansas (Mr. MILLS), Congressman BURKE, Congressman ROSTENKOWSKI, myself, and other members of the committee and the House, have worked very hard to secure this continuation of project funding. The distinguished senior Senator from Minnesota (Mr. MONDALE) and the chairman and members of the Senate Finance Committee are certainly to be commended for the yeoman duty they performed in behalf of this most important amendment.

My only concern, other than House approval of this amendment, is that the Department of Health, Education and Welfare, that bastion of defence for the rights, needs and equal opportunities of those unable to defend themselves, has begun to dismantle the present administrative structure that has been caring for these and other programs designed to safeguard the health of the American child.

This morning's Washington Post carries a story on page A2, explaining the reasons for the resignation of Dr. Arthur J. Lesser, veteran head of Federal programs for crippled children, infants, children and expectant mothers. Dr. Lesser states, in reply to Mr. Weinberger's assurances that this is merely an efficiency reorganization:

> This is the first step in the elimination of categorical programs. It is another disregard for the intent of Congress.

Mr. Speaker, it with continued shock and outrage that I have witnessed and continued to witness the arrogant destruction of programs the Congress and the American people have labored for decades to build and improve.

What form of callousness inhabits this administration? Is it that they realize they will not be running things come a few years hence and that they must accomplish this seamy and illegal wasting of our health programs quickly and in such a way that their reconstruction will be a long and difficult work for the Congress and any succeeding administration? That would be the only explanation possible for this rampant disregard for the will of the Congress—a Congress, however, that has begun to fight strongly against this form of constitutional subversion.

Mr. Speaker, we have reached the point where the Congress is forced to seek relief in the courts via injunctions and suits to compel the executive to carry out the directives of the elected representatives of the people. I can assure my colleagues that this confrontation is just beginning. But I am sure we will carry it to a successful conclusion—a conclusion that will be effected legally and constitutionally and a conclusion that will restore fully the power of the Congress to legislate for the general welfare of the American people, without the hindrance of an administration supposedly in office to carry out the will of the Congress.

Mr. Speaker, it is my wish to insert at the conclusion of my remarks the Post story concerning the resignation of Dr. Lesser:

HEW AIDE QUITS OVER NIXON PLAN

Dr. Arthur J. Lesser, veteran head of federal health services for crippled children and low-income pregnant mothers said yesterday he is quitting to protest Nixon administration plans to break up his agency and make the director a "figurehead."

"This is the first step in the elimination of categorical programs," Lesser said. "It is another disregard for the intent of Congress."

Congress provides funds for some health services by specific category, such as maternal and child health care. The Nixon administration's revenue sharing concept, which does not apply to these programs, lumps the funds together and lets the states decide what the spending categories should be.

Lesser charged that under a reorganization of the Health Services and Mental Health Administration—a unit of the Department of Health, Education, and Welfare (HEW) the child and maternal health programs staff would be reduced from about 160 to six or seven and the other personnel would be given additional duties with other programs.

"There is no place for me in that kind of business," Lesser told UPI. He has been head of federal health services for children and mothers since 1952 and associated with the programs since 1941, but Friday will be his last day on the job.

At age 63, Lesser said he is not ready to retire. "But I certainly wouldn't continue as a figurehead or exhibit a in support of a reorganization of which I thoroughly disapprove," he said.

The General Accounting Office is investigating the reorganization to determine if any Congressional authority has been violated.

Under the plan to take effect next month, HEW Secretary Caspar W. Weinberger said health services will be split into three major units to "increase the efficiency and effectiveness of the department's health programs."

Under the $244 million maternal and child health services program, some 500,000 crippled children, primarily in rural areas, receive medical care each year; 650,000 infants get well-baby care; 2 million to 3 million children receive school health examinations and immunizations, and needy pregnant mothers and children, mostly in big cities, get health examinations, dental care and other services to reduce high rates of infant mortality and promote good health.

Dr. Paul B. Batalden, chief of the bureau in which these services will be located, said there is no intent to phase them out.

"I would not have accepted that job if that had been the case," he said.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand the temporary debt ceiling is extended to November 30?

Mr. MILLS of Arkansas. Let me explain to my friend, the gentleman from Iowa, as I said last night, so far as the text of the House-passed bill is concerned, the Senate did not change a word, or anything else. It accepted the bill as it passed the House, so it is November 30.

Mr. GROSS. So the extension will be for 5 months, not 6 months?

Mr. MILLS of Arkansas. That is right.

Mr. GROSS. Does the gentleman think this will be sufficient to accommodate the increase in the debt?

Mr. MILLS of Arkansas. No, sir.

Mr. GROSS. In the next 5 months?

Mr. MILLS of Arkansas. No, sir. At one point the administration downtown had suggested that we increase the temporary debt from $65 billion to $85 billion. I think I can assure my friend that when we come back, whether it be in the form of a permanent increase or temporary increase, that it will be possible for us to go through the fiscal year with less than a $20 billion increase.

Mr. GROSS. I have had a bill pending before the gentleman's committee for a number of years, H.R. 144, which would obviate the necessity for any increase in the debt ceiling, temporary or permanent. It provides for a balanced budget and orderly annual payments on the Federal debt. Can the gentleman give me assurance of any kind that the committee will hold hearings on this bill after the July 4 recess? I say again that bill would obviate the necessity for dealing with the debt ceiling in the future.

Mr. MILLS of Arkansas. I would be glad to accommodate the gentleman, but we are busy now and we will be after the recess with trade legislation. Let me point out to the gentleman, and I know he is very sincere in this legislation, if we do pass the gentleman's bill probably the Congress would undo it the next day by exceeding the amount that would be permitted in the gentleman's bill.

Mr. GROSS. Does the gentleman think the Congress is that lawless?

Mr. MILLS of Arkansas. No, no. The Congress is always changing things.

Mr. CARNEY of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Ohio.

Mr. CARNEY of Ohio. Mr. Speaker, did I understand the gentleman to say that the President has agreed in principle on the Renegotiation Act and he does not think that there will be a veto of it if it comes in the form it has come from the gentleman's conference?

Mr. MILLS of Arkansas. The President's representative said he would recommend the President veto the legislation as it was last night, but he has told me today he would recommend to the President that he sign both this bill and the other bill if the conference does what we tentatively discussed this morning and what is in the conference report.

Mr. CARNEY of Ohio. I thank the gentleman.

Mr. SCHNEEBELI. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the gentleman from Arkansas has explained a great many of the ramifications of the bill, but one of my colleagues asked if I would explain in some detail what amendments are in the bill.

As the Members know, last night there were about 20 amendments on the bill as it was presented. Today we have a very stripped down bill. We have our basic debt ceiling bill, which has not been changed, and three amendments.

The first amendment is the checkoff in Presidential elections.

The second is an unemployment insurance provision which is for 6 months affecting about six States.

The third amendment is the maternal and child health amendment, which the chairman has described.

Last night the bill we were talking about would have meant a fiscal loss in 1974 of $1.3 billion. The loss is attributable to these same provisions as were included in the debt bill before the House and the argument we hope to work out in the conference on the Renegotiation Act will be around $230 million in fiscal 1974.

So I would like to point out to the gentlemen who supported us in reporting the bill back to conference, that our input was very worthwhile. I know it was rather difficult for the Members to deny themselves part of the 4th of July holiday, but we did a very good job and I think in return the conferees have come back with a very responsible bill.

I would like to make one suggestion. This debt ceiling will come up again on the 1st of October and I hope we do not get another rash of amendments as we on the bill when it first came to us. I would like to suggest that before the debt ceiling comes back for consideration early in October, we might be able to improve the House rules for dealing with nongermane amendments added by the other body since it is a problem that confronts us and will continually confront us until we do something about it.

This is a good bill. The administration representatives this morning indicated they could support this legislation. We are very happy to bring this corrected bill in its reduced form to the Members. I urge its adoption.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Indiana.

Mr. DENNIS. I was very pleased to support the gentleman last night and also today. But today I would like to ask the gentleman, and perhaps the distinguished chairman, with reference to the bill which is coming up. As I understand it the social security raise has now been transferred to that bill.

Mr. SCHNEEBELI. That is correct.

Mr. DENNIS. Also much, at least, of the other social provisions which were in this bill. As I further understand it, there is no provision made for added taxes. Last year we raised social security 20 percent and added in an escalator cost of living clause which automatically operated.

Mr. SCHNEEBELI. I think the gentleman is anticipating the next bill.

Mr. DENNIS. I am.

Mr. SCHNEEBELI. And I would prefer to discuss this with the gentleman at the time we have something specific and concrete, rather than something that might happen, and if the gentleman will withhold his question until the next bill comes in, I would appreciate it.

Mr. DENNIS. I shall do that, but I will appreciate it if the gentleman will give me the rationale on it at the proper time.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. Mr. Speaker, I yield to the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, with respect to one of the amendments which refer to child welfare project grants, which is due to expire and be replaced by formula-type distribution or revenue-sharing-type contribution, is the extension of the project grant program going to be another layer in addition to the formula grant due to take effect July 1?

Mr. SCHNEEBELI. Mr. Speaker, the total bill will cost $30 million. I believe the chairman would like to elaborate of this point.

Mr. MILLS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the chairman of the committee, Mr. MILLS of Arkansas.

Mr. MILLS of Arkansas. Mr. Speaker, it should be called to the attention of my friend from Texas that there may be a $30 million additional cost, and there may not be, because it has to go through the appropriation process.

What it does is to retain this formula for the benefit of those States which would get more under that formula, and allows the upcoming formula to also apply to those States which would get more under it. That is why it is here in addition to the other. It is the best of two worlds.

Mr. ARCHER. The best of both worlds to all States.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I would like to compliment the gentleman in the well, the Chairman and the other distinguished members of the committee on doing a very fine job. I am going to be pleased to support this conference report.

Mr. SCHNEEBELI. Mr. Speaker, if I may be permitted a personal observation, I would like to say to the minority leader that I congratulate him on the two victories yesterday. They are very well deserved.

Mr. Speaker, he has the confidence, very obviously, of the Members of our side. The two victories yesterday were certainly in appreciation of the respect and affection we have for our minority leader. He did a great job, and our two victories were the result of his great leadership.

Mr. Speaker, we salute him.

Mr. DONOHUE. Mr. Speaker, I earnestly hope and urge that the desperately needed social security increase proposal being offered here will be overwhelmingly accepted by the House this afternoon.

Despite some sincere reservations on the part of certain Members I very deeply feel that the adoption of this proposal is simply and basically an extension of equitable and just consideration to the millions of social security recipients in this country who are suffering the most from the accelerating living costs that are plaguing all of our people.

Those who will receive such an increase, the authorities advise, will very likely spend it all and immediately for the purchase of fundamental living necessities.

In practical substance we are not so much granting these recipients any real dollar increase as we are attempting to help them to just keep pace with the alarming climb in all costs arising out of this presently uncontrolled, runaway inflation.

Under all the circumstances surrounding this proposal I earnestly feel the acceptance of this social security increase is in the national interest and I hope it is resoundingly approved.

Mr. KOCH. Mr. Speaker, I would like to take this opportunity to commend our colleagues for adopting as an amendment to the debt limit bill the amendment to extend for 2 years the authority of special projects for maternal and child health under title V of the Social Security Act.

These special project grant programs have been working successfully for 6 years now serving over one-half million children and one-half million mothers in low-income areas across the country. Under the present allocation formula, 50 percent of the money has gone directly to the States, 40 percent directly to the projects established in areas of serious health need, and 10 percent of research and development. On July 1, 1973, 90 percent of the funds was scheduled to go to formula grants to the States. All of the project grants authority would have terminated and these programs would have died all across the country.

Under this amendment the project grant authority is extended to June 30, 1974. After that date, the formula to be used in allocating funds to the States will be modified to assure that no State will be eligible for less funds after June 31, 1974 than the total amount allocated to a State in formula and project grants in fiscal year 1973, and that States will be required to make apppropriate arrangements for the continuation of services to the population in areas previously served under project grants. Under a special provision, in fiscal year 1974 a State will be authorized the greater of the total of fiscal year 1973 project and formula grants, or the sum such State would have otherwise been entitled to if the project grants had not been extended during fiscal year 1974.

I have the assurance of many States and many project directors that this amendment is acceptable to them and furthermore, workable and desirable. To fund the States after June 30, 1974, at the higher level and to assure that the special projects are continued is a great step toward reaching those young children in every State in the country who so need health care. And, the programs that deliver this care are ones that have shown their worth.

I wish to commend my colleagues, Ways and Means Committee Chairman WILBUR MILLS, and members of that committee, particularly Mr. CAREY and Mr. ROSTENKOWSKI, for their special effective and devoted efforts in working for an extension of these projects. I would also like to thank Finance Committee Chairman Senator LONG, Senator MONDALE and Senator PERCY for their invaluable support and assistance. Support for the extension of the project grant authority has been given by the American Academy of Pediatrics, the American College of Obstetricians and Gynecologists, and the American Medical Association.

Mr. Speaker, at this point, I would like to extend my deepest thanks and gratitude to the man who has been the guiding light for these maternal and child health programs, Dr. Arthur Lesser. As Director of Maternal and Child Health Services for HEW since 1952, he is held in the highest esteem as the public health leader in the field of maternal and child health, and crippled children's services. His professional standards of competence have been responsible for establishing an excellent staff in the HEW regional offices and for assuring that the patients served by these programs are given the best care that can be provided anywhere.

This week, Dr. Lesser resigned from HEW. He quit to protest Nixon administration plans to break up maternal and child health services as part of their reorganization plans. It was with great sadness that I read yesterday of his departure from HEW in articles in the New York Times and the Washington Post.

I am seriously concerned and distressed at the disregard by the administration of the health problems of children, as evidenced by the reorganization plans for health services. The Health Services Administration program heads are being stripped of their authority without the knowledge of Congress. The Nixon administration plans would effectively bypass Congress and put revenue sharing into operation, and the present system of categorical programs would be superseded. The maternal and child health service staff would be reduced from 160 persons to six or seven.

Congress has not approved any such special revenue sharing and furthermore, these categorical programs are being continued today by an overwhelming mandate of Congress. Since it seems that the implementation of the administration reorganization plans constitutes a violation of the law, I have, on June 8, asked the Comptroller General to ascertain if the law has been broken, and congressional authority violated, and I await his reply.

We know that the Nixon administration has repeatedly shown a disregard and insensitivity to the problems of the poor. This latest action seems to me both illegal and immoral. It is illegal because with this organizational change, Congress will not get the accountability which is called for in the authorizing legislation. It is immoral because it was done with so much subterfuge and secrecy in an apparent effort to deceive the Congress of the intent of the reorganization.

I am thankful we prevailed today in keeping the maternal and child health programs alive.

Mr. ROGERS. Mr. Speaker, on June 28, 1973, Judge Gerhard R. Gessell of the U.S. District Court for the District of Columbia, ruling on an impoundment suit brought by the National Council of Community Mental Health Centers, sustained a key provision of the law which is of vital interest to the Congress. The court, in effect, ruled that when the Congress explicitly tells the President he may not impound health funds, then he has no choice but to carry out the directive. The provision of law addressed by the court is section 601 of the Hill-Burton amendments of 1970. The suit was brought against HEW Secretary Weinberger and other administration officials to compel the release of funds appropriated by the Congress for fiscal 1973 pursuant to the continuing resolution for the Department of Health, Education, and Welfare, and to begin processing applications and award grants for community mental health center staffing and children's services grants.

Mr. Speaker, the facts surrounding the case are these: For fiscal 1973, the Congress appropriated $165.1 million for regular staffing grants and $20 million for grants for mental health programs for children. The Department of Health, Education, and Welfare, however, had indicated an intention to spend only $133.7 million, the amount HEW is required to spend to fulfill its statutory obligation to centers already operating under the staffing grant program. Thus, HEW had in fact impounded $51.4 million of appropriated funds which were intended by the Congress to be used to fund new community mental health center programs, and it is these funds that the court, in granting the plaintiffs a preliminary injunction, required not be returned to the Treasury at the end of fiscal year 1973.

I ask unanimous consent to include in the RECORD the order of the court, and the court's findings of fact and conclusions of law. I particularly want to call my colleagues' attention to item 4b of the conclusions of law which states that—

> (W)hile the defendants may continue to exercise their discretion to decide whether to make a particular new grant award on the basis of the merits of the individual application, there is no statutory authority for the defendants to exercise that discretion in a manner calculated to obligate none of the funds appropriated by Congress for new awards in fiscal year 1973, because the obligation and expenditure of all funds appropriated by Congress through fiscal year 1973 under the Act to otherwise eligible applicants is made mandatory by the Act of June 30, 1970, Pub. L. No. 91–296, Title VI, § 601 . . .

I also call my colleagues' attention to item 4c, which states that—

> (U)nder the explicit command of Section 601, there is no remaining constitutional authority in the President and these defendants to terminate the statutory program in question . . .

The material follows:

[In the U.S. District Court for the District of Columbia]

[CIVIL ACTION No. 1223–73]

National Council of Community Mental Health Centers, Inc., et al., on their own behalf and on behalf of all others similarly situated, Plaintiffs, *v.* Caspar W. Weinberger, et al., Defendants.

ORDER

The Court having entered its Finding of Fact and Conclusions of Law this 28th day of June, 1973, it is hereby

Ordered:

(1) This matter is certified as a class action under Rules 23(b) (1) (A), 23(b) (1) (B) and 23(b) (2), Fed. R. Civ. P. to include all parties who have submitted applications for initial grants for community mental health center staffing or children's services in fiscal year 1973 under Parts B or F of the Community Mental Health Centers Act, as amended, 42 U.S.C. §§ 2681, *et seq.*, (hereinafter "the Act").

(2) Plaintiffs' motion for preliminary injunction shall be and hereby is granted.

(3) Defendants Weinberger, Brown and Ash, and their officers, agents and employees, are restrained and enjoined from carrying out defendant Brown's directive of February 23, 1973.

(4) Defendants Weinberger, Brown and

Ach, and their officers, agents and employees, are enjoined and mandated to take all actions necessary to review and process all applications pending for community mental health center staffing and children's services grants, and, without delay, award grants by Notice to Grant or other lawful means to all applicants found to be qualified pursuant to the same lawful eligibility requirements on the same law as they were applied by the defendants prior to February 23, 1973. Final review and processing of all pending applications shall be completed no later than June 30, 1973.

(5) Defendants shall take all actions, including issuing Notices to Grant, necessary to obligate funds under the Act for community mental health center staffing and children's services grants no later than June 30, 1973, for all duly approved pending applications.

(6) The defendants shall, not later than June 30, 1973, take all actions necessary duly to record as an obligation of the United States pursuant to 31 U.S.C. § 200 the amount representing the differential between the $165,100,000 appropriated for community mental health center staffing grants under the Act and the sum obligated by June 30, 1973, for continuation staffing costs, and the amount representing the difference between the $20,000,000 appropriated for children's services grants under the Act and the sum obligated by June 30, 1973, for continuation children's services costs.

(7) The defendants shall, not later than June 30, 1973, take all actions necessary duly to record the sums described in paragraph (6), above, as expended pursuant to all laws, including 31 U.S.C. § 200, and retain said sums in an account earmarked as so expended in the name and credit of this Court.

(8) The sums described in paragraph (6), above, and duly recorded as obligated and expended, shall remain so until further Order of this Court and resolution of this case on its merits and the defendants shall take all actions necessary to achieve that result.

(9) All parties shall submit any additional papers for the Court's consideration of this matter on the merits by July 15, 1973, and the Court will then enter a Final Order viewing the case as one presented on cross-motions for summary judgment on the record and pleadings.

(10) Since no funds will leave the treasury of the United States, plaintiffs need only post a cash or surety bond of $250.00.

GERHARD A. GESELL,
U.S. District Judge.

JUNE 28, 1973.

[In the U.S. District Court for the District of Columbia]

CIVIL ACTION No. 1223–73

National Council of Community Mental Health Centers, Inc., et al., On their own behalf and on behalf of all others similarly situated, Plaintiffs, *v.* Caspar W. Weinberger, et al., Defendants.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This class action for equitable relief including declaratory judgment, injunction and mandamus questions the defendants' impoundment of funds appropriated by the Congress for the Community Mental Health Centers Act as amended, 42 U.S.C. § 2681 *et seq.* (hereinafter "the Act"). The Court has considered the verified amended complaint and attached exhibits, the plaintiffs' Motion for Preliminary Injunction, and the defendants' opposition thereto. Extensive briefs have been filed and after the benefit of a full argument the Court makes the following findings of fact and conclusions of law in support of the attached order granting a preliminary injunction.

FINDINGS OF FACT

1. The Community Mental Health Centers Act as amended, 42 U.S.C. § 2681 *et seq.* (hereinafter "the Act"), in pertinent part authorizes the awarding of grants to assist in the establishment and initial operation of community mental health centers providing all or part of a comprehensive community mental health program.

2. Once initial general staffing grants or children's service grants are made, the Act authorizes diminished grants for an additional seven years to the recipient of the initial grant in order to meet the continuing costs of the program, Part B of the Act, 42 U.S.C. § 2688 *et seq.*, and Part F of the Act, 42 U.S.C. § 2688u *et seq.*, respectively.

3. Grants to meet continuation costs cannot be made under Parts B or F of the Act after June 30, 1973, unless the applicant received a grant under the relevant Part prior to July 1, 1973.

4. The Act authorizes to be appropriated for the fiscal year ending June 30, 1973, $60,000,000 for initial general staffing grants and $30,000,000 for initial children's service grants, and for the following seven years such sums as may be necessary to make grants to eligible applicants who received a prior grant under the Act.

5. The Secretary of the Department of Health, Education, and Welfare (hereinafter "HEW") is charged with the administration of the Act, and is entitled to exercise his discretion to determine whether a particular applicant merits a grant under the Act.

6. The Secretary of HEW is authorized to prescribe regulations concerning eligibility for grants, determination of eligible costs, and the terms and conditions for approval of grants, and has promulgated such regulations. 37 Fed. Reg. 2970 *et seq.*

7. Many aspects of the review process under the Act have been delegated by the Secretary to the Regional Health Directors.

8. In practice the review process is exercised so that a recommendation of the National Advisory Mental Health Council constitutes effective approval of the grant application subject to actual funding.

9. Approximately 78 mental health centers, including some of the plaintiffs, have submitted applications for initial staffing grants for the fiscal year ending June 30, 1973, which have been duly recommended for approval by the National Advisory Mental Health Council, but which have not been funded.

10. Some other community mental centers, including some of the plaintiffs, have submitted applications for initial staffing grants for the fiscal year ending June 30, 1973, which have been recommended for approval by a regional office of HEW, but which have gone no further in the approval process.

11. Still other community mental health centers have submitted applications for initial staffing grants for the fiscal year ending June 30. 1973, but which have not yet been approved by the regional office.

12. The defendant Bertram S. Brown, Director of the National Institute of Mental Health, under the direction of defendants Weinberger, Secretary of HEW, and Ash, Director of the Office of Management and Budget, issued a directive to the Regional Health Directors and Associate Directors dated February 23, 1973, which provided, in accord with the President's policy as expressed in his fiscal year 1973 Budget, that no new staffing grants would be awarded in fiscal year 1973, all regional office activities relating to the development of additional staffing grant applications were to be discontinued, potential applicants were to be discouraged from making application, and no further work on processing existing applications was to take place.

13. Pursuant to the directive of February 23, 1973, defendant Brown and his subordinates have ceased the processing of applications for new grants under the Act for staffing of community mental health centers and children's programs, and have even declined to take the necessary steps to commit the funds available to approved applications.

14. The defendants continue to make available in the fiscal year ending June 30, 1973, funds for applicants to meet continuation costs of previously funded staffling grants and children's service grants.

15. The Act of June 30, 1970, Pub. L. No. 92–296, Title VI, § 601, 84 Stat. 353, 42 U.S.C.A. §§ 201 note and 2661 note (hereinafter "Section 601"), having been limited from earlier proposed legislation to apply to only two programs, was passed over the veto of President Nixon and provides:

"Notwithstanding any other provision of law, unless enacted after the enactment of this Act expressly in limitation of the provisions of this section funds appropriated for any fiscal year ending prior to July 1, 1973, to carry out any program for which appropriations are authorized by . . . or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (Public Law 88–164, as amended) shall remain available for obligation and expenditure until the end of such fiscal year."

16. Statutory language like that used in Section 601 has apparently been recognized by the Congress, the President and the Courts as mandatory language requiring the executive to spend the appropriated funds covered by the language.

17. Although regular appropriation bills for fiscal year 1973 for HEW have twice been vetoed by President Nixon (in August and October), HEW receives its appropriated funds for all of fiscal 1973 pursuant to a "Continuing Resolution," 86 Stat. 402 (1972), which has been extended by amendment four times, 86 Stat. 563, 746, 1204 (1972) and 87 Stat. 7 (1973); the final amendment extended the Resolution through June 30, 1973.

18. Under the proper formula contained in the "Continuing Resolution," which applies the House version of H.R. 15417, 92d Cong., 2d Sess. (passed June 15 1973) to the appropriated funds in question here, the sums of $165,100,000 for Community Mental Health Center staffing and $20,000,000 for Mental Health for Children, including an estimated $40,000,000 and $11,400,000, respectively, for new grants, have been appropriated for obligation and expenditure.

19. The pending applications for new grants under the Act request sums, the total of which is in excess of the amount appropriated by Congress; the applications approved by the National Advisory Mental Health Council alone are in excess of $39,000,000, or approximately 80% of the amount appropriated.

20. The defendants' actions have prevented all funds appropriated under the Act from being obligated for new grants in fiscal year 1973, and therefore all such funds will be withdrawn from HEW and returned to the general treasury fund pursuant to 31 U.S.C. § 701(a)(2).

21. Under the language of Section 601, the defendants have not been able to give the Court any assurances that if sums are obligated before July 1, 1973, the funds can and will be expended after June 30, 1973.

22. Unless preliminary relief is granted, plaintiffs will suffer immediate and irreparable harm, and the Court will have lost all power to grant relief to plaintiffs if they prevail on the merits, because the fiscal year 1973 appropriations will lapse and return to general funds and be lost to plaintiffs, who will also be ineligible for grants in subsequent years to meet continuation costs.

23. The public interest will be served by granting plaintiffs preliminary relief.

24. The granting of preliminary relief presents little possibility of substantial injury to defendants, and involves little more than paper work and bookkeeping transactions.

CONCLUSIONS OF LAW

1. This Court has jurisdiction of this matter under 5 U.S.C. §§ 701–706 and 28 U.S.C. §§ 1331 and 1361,

2. Plaintiffs have satisfied the criteria of Rule 23(a), Fed. R. Civ. P., and this suit is maintainable as a class action under Rules 23(b)(1)(A), 23(b)(1)(B) and 23(b)(2), Fed. R. Civ. P., although the class should include persons or institutions with applications that have been submitted, but are still pending, for initial grants for staffing or children's services under the Act.

3. Preliminary relief is necessary to avoid immediate and irreparable harm to the plaintiffs, and the granting of preliminary relief will cause defendants only slight injury and will serve the public interest.

4. It is highly probable that plaintiffs will prevail on the merits because it appears to the Court that:

a. By a "Continuing Resolution," signed by the President, under the Community Mental Health Centers Act for the fiscal year ending June 30, 1973, $165,100,000 has been appropriated for Community Mental Health Center staffing grants and $20,000,000 has been appropriated for Child Mental Health Projects, including an estimated $40,000,000 and $11,400,000, respectively, for new awards.

b. (W)hile the defendants may continue to exercise their discretion to decide whether to make a particular new grant award on the basis of the merits of the individual application, there is no statutory authority for the defendants to exercise that discretion in a manner calculated to obligate none of the funds appropriated by Congress for new awards in fiscal year 1973, because the obligation and expenditure of all funds appropriated by Congress through fiscal year 1973 under the Act to otherwise eligible applicants is made mandatory by the Act of June 30, 1970, Pub. L. No. 91–296, Title VI, § 601, 84 Stat. 353, 42 U.S.C.A. §§ 201 note and 2661 note. *See* H.R. Rep. No. 91–1167, 91st Cong., 2d Sess. 25 (1970); S. Rep. No. 91–634, 91st Cong., 2d Sess. 163 (1970); 116 Cong. Rec. 20876 (1970) (veto message of President Nixon); and *State Highway Commission* v. *Volpe*, F. 2d (8th Cir. No. 72–1512, decided April 2, 1973).

c. Under the explicit command of Section 601, there is no remaining constitutional authority in the President and these defendants to terminate the statutory program in question here for reasons offered in the affidavits of Messrs. Stein, O'Neill and Lawrence, which reasons are completely unrelated to the purposes of the Act, and therefore the defendants must process applications and exercise their discretion to review individual applications on their merits. *See Kendall* v. *United States ex rel. Stokes*, 37 U.S. 522 (1838); *Youngstown Sheet & Tube* v. *Sawyer*, 342 U.S. 579 (1952); *State Highway Commission* v. *Volpe, supra.*

———— —. ————,
U.S. District Judge.

JUNE 28, 1973.

Mr. MILLS of Arkansas. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

PARLIAMENTARY INQUIRY

Mr. MILLS of Arkansas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLS of Arkansas. Mr. Speaker, is the vote that is about to occur on the adoption of the motion to recede and concur with an amendment?

The SPEAKER. The gentleman is correct.

Mr. SCHERLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 294, nays 54, not voting 85, as follows:

[Roll No. 321]

YEAS—294

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Arends
Ashley
Aspin
Baker
Barrett
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breckinridge
Brinkley
Broomfield
Brotzman
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Corman
Cotter
Coughlin
Cronin
Culver
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dellums
Denholm
Dennis
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Gaydos
Gettys
Giaimo
Gilman
Gonzalez
Grasso
Gray
Green, Pa.
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Harvey
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kuykendall
Kyros
Lehman
Litton
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKay
McKinney
Macdonald
Madigan
Mahon
Mallary
Maraziti
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Mills, Ark.
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Peyser
Pickle
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roy
Roybal
St Germain
Sarasin
Sarbanes
Saylor
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stubblefield
Stuckey
Studds
Symington
Talcott
Taylor, N.C.
Teague, Tex.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Waldie
Walsh
Ware
Whalen
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Yates
Yatron
Young, Alaska
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NAYS—54

Anderson, Calif.
Archer
Armstrong
Bafalis
Blackburn
Brown, Calif.
Brown, Mich.
Camp
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Devine
Ginn
Goldwater
Goodling
Gross
Hansen, Idaho
Harsha
Henderson
Hudnut
Ichord
Ketchum
Landgrebe
Latta
Leggett
Lott
Lujan
Martin, N.C.
Mathis, Ga.
Miller
Mizell
Montgomery
Myers
Parris
Pike
Rarick
Roberts
Robinson, Va.
Runnels
Ruth
Satterfield
Scherle
Sebelius
Shuster
Spence
Symms
Taylor, Mo.
Wampler
Wilson, Charles, Tex.
Wolff
Wyman
Young, Fla.

NOT VOTING—85

Andrews, N. Dak.
Ashbrook
Badillo
Beard
Bell
Blatnik
Breaux
Brooks
Brown, Ohio
Burgener
Burke, Calif.
Burke, Fla.
Chappell
Clancy
Clark
Clawson, Del
Clay
Conte
Conyers
Daniels, Dominick V.
Danielson
Delaney
Dent
Derwinski
Dickinson
Evins, Tenn.
Fisher
Flowers
Frey
Fulton
Fuqua
Gibbons
Green, Oreg.
Griffiths
Grover
Gubser
Hansen, Wash.
Harrington
Hays
Hébert
Hillis
Huber
Hungate
Hunt
Jones, Ala.
Keating
King
Landrum
Lent
McFall
McSpadden
Madden
Mailliard
Mann
Martin, Nebr.
Morgan
Nichols
O'Hara
Patman
Pettis
Powell, Ohio
Quie
Quillen
Rooney, N.Y.
Roush
Rousselot
Ruppe
Ryan
Sandman
Skubitz
Steiger, Ariz.
Stratton
Sullivan
Teague, Calif.
Thompson, N.J.
Tiernan
Veysey
White
Wiggins
Wright
Wyatt
Wydler
Wylie
Young, Ill.
Zion

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Wyatt.

Mr. Hays with Mr. Wiggins.

Mr. Rooney of New York with Mr. Teague of California.

Mr. Dent with Mr. Steiger of Arizona.

Mr. Tiernan with Mr. Sandman.

Mr. Blatnik with Mr. Ruppe.

Mr. Clark with Mr. Hunt.

Mrs. Burke of California with Mr. Rousselot.

Mr. Breaux with Mr. Skubitz.

Mr. O'Hara with Mr. Conte.

Mr. Danielson with Mr. Quillen.

Mr. Fisher with Mr. Derwinski.

Mr. Hébert with Mr. Del Clawson.

Mr. Chappell with Mr. Dickinson.

Mr. Delaney with Mr. Grover.

Mr. Evins of Tennessee with Mr. Andrews of North Dakota.

Mrs. Green of Oregon with Mr. Gubser.

Mr. Madden with Mr. Hillis.

Mr. Mann with Mr. Ashbrook.

Mr. Morgan with Mr. Martin of Nebraska.

Mr. Nichols with Mr. Beard.

Mrs. Griffiths with Mr. Mailliard.

Mr. Fulton with Mr. Keating.

Mr. Fuqua with Mr. Frey.

Mr. Ryan with Mr. Bell.

Mr. Stratton with Mr. King.

Mrs. Sullivan with Mr. Brown of Ohio.

Mr. Wright with Mr. Huber.

Mr. Hungate with Mr. Burke of Florida.

Mr. Badillo with Mr. Conyers.

Mr. Clay with Mr. McSpadden.

Mr. Brooks with Mr. Pettis.

Mr. Flowers with Mr. Clancy.

Mr. Gibbons with Mr. Powell of Ohio.
Mrs. Hansen of Washington with Mr. Lent.
Mr. Jones of Alabama with Mr. Quie.
Mr. Dominick V. Daniels with Mr. White.
Mr. Harrington with Mr. Wydler.
Mr. McFall with Mr. Young of Illinois.
Mr. Landrum with Mr. Wylie.
Mr. Roush with Mr. Zion.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to revise and extend their remarks on the legislation just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RECESS

The SPEAKER. The Chair declares the House in recess until 2:30 p.m.

Accordingly (at 2 o'clock and 4 minutes p.m.), the House stood in recess until 2 o'clock and 20 minutes p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 30 minutes p.m.

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 636, CONTINUING APPROPRIATIONS, 1974

Mr. MAHON submitted the following conference report and statement on the joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes:

Conference Report (H. Rept. No. 93–364)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 6, 7, 8, and 14.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 9, and 11, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "activities for which provision was made in section 108 of Public Law 92–571, as amended, and such amounts shall be available notwithstanding section 10 of Public Law 91–672 and section 655(c) of the Foreign Assistance Act of 1961, as amended; and in addition, unobligated balances as of June 30, 1973, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, are hereby continued available for the same general purposes for which appropriated: *Provided,* That new obligational authority authorized herein to carry out the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act, as amended, shall not exceed an annual rate of $2,200,000,000: *Provided further,* That none of the activities contained in this paragraph should be funded at a rate exceeding one quarter of the annual rate as provided by this joint resolution;" and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

Sec. 108. Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia.

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12 and 13.

George H. Mahon,
Jamie L. Whitten,
Robert L. F. Sikes,
Otto E. Passman,
Howard P. Boland,
Daniel J. Flood,
Elford A. Cederberg,
John J. Rhodes,
Robert H. Michel,
Garner E. Shriver,
Managers on the Part of the House.

John L. McClellan,
John O. Pastore,
Alan Bible,
Lawton Chiles,
J. W. Fulbright,
Milton R. Young,
Roman L. Hruska,
Clifford P. Case,
Ted Stevens,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference of the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year ending June 30, 1974, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Amendment No. 1: The following provision in the opening paragraph of the Senate bill, "and shall be made available for expenditure except as specifically provided by law" was not agreed to by the conferees because it was deemed to be an unnecessary restatement of existing provisions of law. It was therefore deleted without prejudice.

Amendment No. 2: The amendment corrects reference to a public law number, and the House receded.

Amendment No. 3: Deletes the Senate language and restores the House language and adds the following two provisos:

Provided, That new obligational authority herein to carry out the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act, as amended, shall not exceed an annual rate of $2,200,000,000.

Provided further, That none of the activities contained in this paragraph should be funded at a rate exceeding one quarter of the annual rate as provided by this joint resolution.

Amendment No. 4: Inserts language, as proposed by the Senate, providing a rate for operations not in excess of the current rate for assistance to Cuban refugees in the United States.

Amendment No. 5: Inserts language, as proposed by the Senate, to include provision for the migrant programs of the Office of Economic Opportunity.

Amendment No. 6: Deletes language proposed by the Senate. The conferees expect that funds for the Job Corps will be made available at the rate of obligation for fiscal year 1973, which is the amount specified in the Senate amendment.

Amendment No. 7: Deletes language proposed by the Senate.

Amendment No. 8: Deletes language proposed by the Senate.

Amendments Nos. 9 and 10: Deletes both the language proposed by the House and that proposed by the Senate and inserts in lieu thereof the following:

"Sec. 108. Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia."

Amendment No. 11: Inserts new section, as proposed by the Senate, validating appropriations and obligations under the resolution from July 1, 1973.

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment providing that no funds herein or heretofore appropriated under any other Act may be expended for the reconstruction or rehabilitation of North Vietnam unless specifically authorized by Congress.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 13: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language as follows: "Any provision of law which requires unexpended funds to return to the general fund of the Treasury at the end of the fiscal year shall not be held to affect the status of any lawsuit or right of action involving the right to those funds."

Amendment No. 14: Deletes language proposed by the Senate providing that "Nothing contained in this joint resolution appropriating sums of money shall be interpreted by any person or court as authority for ratification or approval of any impoundment budget authority by the President or any other Federal employee, in the past or in the future, unless done pursuant to statutory authority in effect at the time of such impoundment and shall not be held to affect the status of any law suit or right of action involving the right to those funds."

The conferees agree to delete amendment number 14 without prejudice. In doing so, the conferees are in no way ratifying or giving approval to any impoundment of budget authority by the President or any other federal official.

The conferees are in agreement that if the courts sustain pending or future lawsuits brought by States, the funds to which such states are entitled shall subsequently be considered in a supplemental appropriation measure.

George H. Mahon,
Jamie L. Whitten,
Robert L. F. Sikes,
Otto E. Passman,
Edward P. Boland,
Daniel J. Flood,
Elford A. Cederberg,
John J. Rhodes,
Robert H. Michel,
Garner E. Shriver,
Managers on the Part of the House.

John L. McClellan,
John O. Pastore,
Alan Bible,
Lawton Chiles,
J. W. Fulbright,
Milton R. Young,
Roman L. Hruska,
Clifford P. Case,
Ted Stevens,
Managers on the Part of the Senate.

Mr. MAHON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report and of the Senate amendments reported from conference in disagreement on the joint resolution (H.J. Res. 636), making continuing appropriations for the fiscal year 1974, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ADDABBO. Mr. Speaker, reserving the right to object, and I shall not object, I should like to discuss this with the gentleman from Texas.

Mr. MAHON. I shall be glad to discuss it with the gentleman.

Mr. ADDABBO. Mr. Chairman, does the conference report now include the same language as that passed in the fiscal year Second Supplemental Appropriation Act relative to the cessation of bombing in Southeast Asia with the August 15 date?

Mr. MAHON. It is worded to comport with the joint resolution rather than the second supplemental bill. The language is very similar and the intent is identical, and I shall be glad to read it. The language is as follows:

> Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, and Cambodia.

This is the language which was in substance adopted by the House and Senate yesterday and sent to the President in the second supplemental appropriation bill. It is the language that was agreed to in the conference with the Senate this afternoon.

Mr. ADDABBO. Mr. Speaker, the way the conference report is being filed, will the House have an opportunity to vote on this particular question this afternoon on a separate vote?

Mr. MAHON. It would be included in the vote on the conference report.

Mr. ADDABBO. But not on this particular section?

Mr. MAHON. No.

Mr. ADDABBO. Mr. Speaker, I will be supporting the conference report. I still do not support this language. In view of the fact that we will not be able to obtain a separate vote on this, I wish to continue my objection to this point, but I notify the House I will support the conference report. For it covers other vital programs which can only take effect if this conference report is adopted.

I wish to thank all the Members who have supported us in our long fight to end the war in Southeast Asia. We thank the committee for having included North and South Vietnam. We will give the President a chance to live up to the word that he has given this House on yesterday. We still believe this is a stamp of approval technically, as far as this section is concerned, but in view of the fact that this does cover many other provisions, and it is a compromise, I will support the conference report.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and insert extraneous material in connection with the conference report now pending before the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I would like to make a few remarks about the conference report on the continuing resolution before yielding for questions.

Mr. Speaker, there are several items in the conference report in which Members have been interested. One of the major things the other body did was to cut off certain foreign aid under certain conditions. In conference the House language was restored with a proviso putting the level of economic and military assistance at an annual rate of $2.2 billion. There is another provision that obligations cannot be made in excess of one-quarter of the funds available. The agency will not have the opportunity to put all the funds for foreign aid in the pipeline during the first quarter of the fiscal year.

There was considerable interest expressed in the Job Corps. The Job Corps is in the judgment of many Members an excellent program which is achieving good results. The other body specified in the resolution that $183 million would be available for the Job Corps. But this is the amount of money that is available under the continuing resolution as passed by the House. The conferees hesitated to earmark programs for the Job Corps in the resolution. If we earmark specific amounts for one activity we have to earmark funds for perhaps hundreds of other programs. So we inserted language saying that the conferees expect—and I read from the report—"that funds for the Job Corps will be made available at the rate of obligation for fiscal year 1973, which is the amount specified in the Senate amendment."

The members of the conference were in complete accord with the gentlemen who are expressing interest in this and I make reference to the gentleman from Kentucky (Mr. Natcher), the gentleman from Kentucky (Mr. Perkins), the gentleman from Kentucky (Mr. Stubblefield), the gentleman from Texas (Mr. Pickle), and the gentleman from Utah (Mr. McKay). There were also others who expressed interest in the Job Corps programs.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, first let me state that I compliment the distinguished chairman of the House Committee on Appropriations, the distinguished gentleman from Texas (Mr. Mahon) for an outstanding job.

As I understand the statement of the distinguished chairman of the House Committee on Appropriations with respect to the Job Corps, it is to the effect that it is the intention of the conferees that the same level of spending be continued in fiscal year 1974 under this continuing resolution.

That is, so long as this continuing resolution remains in effect, the rate of spending will be the same as the rate during the fiscal year 1973.

Mr. MAHON. Mr. Speaker, the gentleman is correct.

Mr. PERKINS. Mr. Speaker, in other words, the gentleman is stating that where they are spending at the rate of $183 million during fiscal 1973 for the Job Corps, it is the intention that this same rate be continued under this continuing resolution.

Mr. MAHON. The same rate of operation of the Job Corps is intended in fiscal year 1974.

Mr. STUBBLEFIELD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Kentucky (Mr. Stubblefield).

Mr. STUBBLEFIELD. Mr. Speaker, the Breckenridge Job Corps Center is located in my district and I want to ask if it is the intention of the conference that this center shall be operated at the same level under this resolution as it operated last year. I want to make certain there is no reduction.

Mr. MAHON. Mr. Speaker, it is expected that the program will be operated at the same level as it operated during the current fiscal year which expires at midnight tonight. The conferees expect these programs will not be abolished or abandoned, but will carry on.

Mr. Speaker, I want to commend the gentleman from Kentucky, the chairman of the committee, for his interest and support in this matter.

Mr. McKAY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Utah (Mr. McKay).

Mr. McKAY. Mr. Speaker, I would like to associate myself with the remarks made by the previous gentleman, who indicated that this is one of the redeeming projects and does a great job with people who need rehabilitation.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Speaker, the largest Job Corps Center in the United States is located in my district. The Office of Management and Budget, in cooperation with the Manpower Division, has cut the operation of the Gary Job Corps Center 50 percent. This means that during the month of July we will lose some 400 to 500 staff positions. It is a cruel cut, not only against the staff, but against some 1,500 to 3,000 trainees.

Mr. Speaker, I am hopeful that the people down the street get the word that they cannot use this brutal meat ax approach on these good projects and ought not to commit this kind of drastic reduction. It is not fair and it is not right.

Mr. Speaker, I will continue to raise objection to this procedure.

Mr. MAHON. Mr. Speaker, the gentleman has one of the largest and most effective job corps operations in the country. I know of his great interest and his efforts in connection with this matter. The conferees sought to be helpful.

Mr. Speaker, I would now like to make reference to what was done about Southeast Asia.

The House will recall that on yesterday we passed the second supplemental appropriation bill for fiscal year 1973. It was approved without change by the other body and went to the President. It provides $3.3 billion for various purposes of Government. It also provides certain restrictions with respect to the continuation of combat activities by American forces in Southeast Asia.

The conferees attempted to enact in this conference report the same language which we had in the second supplemental bill which was before us yesterday. That language, as approved yesterday and which is in the conference report, is as follows:

> Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States Military forces in or over or from off the shores of the North Vietnam, South Vietnam, Laos or Cambodia.

The Senate had put in substitute language different from the language which was provided in the second supplemental on yesterday and which was approved by both the House and Senate. The House insisted that we use the same type language. The language that was agreed to in conference is the language which I have just read to the Members.

Mr. Speaker, I see no point in having an extended debate on this issue today. We had it yesterday, the day before, the week before, and the month before that. Therefore, I would hope that in the interest of time, we would not have an extensive debate on this matter today.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. MAHON. Mr. Speaker, I had promised earlier to yield to the gentleman from Connecticut, so I will yield to the gentleman now.

Mr. GIAIMO. Mr. Speaker, I take this time only because there are many Members who have discussed with me the matter of whether they felt it would be correct to vote yes or no on the conference report. I, myself, shall vote for this conference report.

Mr. Speaker, I would say this: that because of the actions of this body and the other body for the past month and a half, Congress has indicated its determination that this war end, and it has brought this very clearly to the attention of the White House.

Now, by these votes in the past, we have been able to work out an agreement, with the assurance of many Members in this body and the other body, working with the administration, the minority leader here in the House, and the minority leader in the Senate, and we do have at long last an agreement that the President will after August 15 work with Congress and seek the approval of Congress if he wants to conduct any further operations in Southeast Asia.

Now, Mr. Speaker, for those of us who are opposed to the war as of now, for those of us who feel that we do not want to ratify the war for 1 additional minute, let me remind the Members of the legislative realities. The war is in effect; the war is going on. We are not ratifying the war. We have not been able to stop the war immediately, but we have been able to get a very great concession, in my opinion, from the President of the United States that will take place in 45 days. We have no choice; it is either this or nothing.

So, Mr. Speaker, I suggest that we put this one into effect, although it does not give us everything we ask for.

Starting right now, it will take effect in 45 days, and once and for all we will have a termination of hostilities in Southeast Asia.

Mr. Speaker, I urge the adoption of the conference report.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman from Texas yield?

Mr. MAHON. I yield to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Speaker, I gathered that the chairman of the committee, the gentleman from Texas, feels that this is a victory for the antiwar forces, although not an immediate one.

However, there are several questions which I hope we can get clarified at this moment.

Mr. MAHON. Mr. Speaker, let me say first that I am not interested in a victory for the antiwar forces. I am interested in a victory for the United States.

Mr. LONG of Maryland. Mr. Speaker, there are several questions which it seems to me need clarifying for the legislative history.

No. 1, I gather that this will not cover military or economic aid to Cambodia, Laos, or South Vietnam. I gather this will not cover economic or military aid, but only action by uniformed military forces.

Mr. MAHON. The gentleman from Maryland is correct.

Mr. LONG of Maryland. Yes. Secondly, what will happen during recess if, while we are in recess, the time should come when the President might decide that he wants to ask Congress for more money? Will we be called back into session?

Mr. MAHON. Mr. Speaker, I am not familiar with the plans of the Speaker or the President in this regard.

Does the gentleman mean next week?

Mr. LONG of Maryland. No, August 15. I understand we will be in recess during August. Will Congress be called back from recess in August to deal with this question?

Mr. MAHON. I am not able to answer the gentleman's question.

Mr. LONG of Maryland. The next question is this: Of course, we have the word of the President, or we feel that we do, although these things are subject to interpretation.

Let me ask this: If the President should not somehow ask Congress for authorization, what would happen? We have been informed yesterday that this is, nevertheless, the law, and that the appropriations bill applies, notwithstanding what the President does.

Now, what I would like to know is: How is this enforced? Does the Treasury refuse to write checks? Who is it that enforces the language of this bill for this Appropriation Act?

Mr. MAHON. Mr. Speaker, I must say that the Congress with this provision, will have enacted an ironclad cut-off of combat activity by American military forces in Southeast Asia after August 15, 1973. That will be the law of the land.

Mr. LONG of Maryland. Mr. Speaker, may I ask the chairman this:

Does that mean we will have to go to the courts, or does it mean that the Treasury would refuse to write checks?

Mr. MAHON. Mr. Speaker, I think it would be not profitable to pursue that aspect of this question further.

Does the gentleman have another question?

Mr. LONG of Maryland. It seems to me, Mr. Speaker, the whole question of enforcement here is obscure.

Mr. MAHON. Mr. Speaker, I thank the gentleman.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Speaker, I support the conference report.

I offered my amendment yesterday; I fought for it as hard as I could; the House worked its will.

Mr. Speaker, my amendment was defeated, and I support the action of the House and of the conference committee.

Mr. CEDERBERG. Mr. Speaker, the gentleman from Michigan feels this matter has been discussed at great length for a long time. I yield back the balance of my time.

Ms. ABZUG. Mr. Speaker, will the gentleman yield to me?

Mr. MAHON. I yield to the gentlewoman.

Ms. ABZUG. Thank you very much. I appreciate it, Mr. Chairman.

Some of us feel very strongly that there is a difference of opinion and that there is a will which has not been expressed, and that is the will of the American people who I believe, Mr. Chairman, now represent a majority. I think Mr. LONG referred to the antiwar forces and in that reference was speaking of the majority of the people who have stated over and over that they want an end to this war in Cambodia and an end of the bombing immediately. I am sure that my colleagues all understand if some of us continue to express that view and in our votes today continue to oppose any extension of the war and death for people, both our own and others, and I am sure you will understand we have to vote against this continuing resolution, because we feel we have violated the will of the American people.

Mr. YOUNG of Georgia. Mr. Speaker, I hope that it is the intention of the House today to make a clear and decisive commitment to move away from the days of death and destruction. I sense that my colleagues want to chart a new and fresh and bright course for the Nation.

With all due respect for the distinguished chairman of the Committee on Appropriations, I submit that a vote for this amendment is clearly a vote for 45 more dark days of destruction—45 days more of weakening of the American economy, 45 more days of obliterating villages and killing and injuring civilians in Cambodia, 45 more days of bombardment that has cost as much as $4.5 million a day.

Mr. Speaker, I ask, how many schools could we build with these funds? How many families could we help recover from natural disasters which damage and destroy their homes? How many health centers could be built? How many veterans could be trained for jobs?

Mr. Speaker, I ask, does the House now want to vote approval of actions which hitherto have had neither legal nor constitutional justification?

My colleagues, I can not vote to approve of spending for another single day of this bombing in Southeast Asia, this waste of resources and human life. I vote to end it yesterday. I vote for peace with honor, therefore I must vote against this continuing appropriation.

Mr. VANIK. Mr. Speaker. I cannot support this conference report. The legislation legalizes the bombing of Southeast Asia until August 15, 1973.

In my judgment, the bombing of Southeast Asia is illegal, conducted without the authority of the Congress. It has been held that appropriations by the Congress constitute approval of executive action.

I cannot vote to legalize or make right an action which I believe is being carried on illegally. I cannot support this abuse of executive authority, I cannot approve the cruel and immoral destruction, the loss and maiming of American military personnel and the destruction of the people and the countryside designated as the target area.

Mr. OWENS. Mr. Speaker, I rise today in opposition to the compromise which the Congress has reached with the President to terminate bombing in North and South Vietnam, Cambodia, and Laos after August 15. I deeply regret that the Congress has, even to this degree, acceded to the President's position. In essence we have placed the Congress on record as agreeing to continue a war to which a vast majority in Congress, and of the public, want an immediate end. This is a suspension of the Constitution for 6 weeks of bombing and destruction, a 6-week Gulf of Tonkin Resolution. As a result of Congress' action, many innocent lives will be lost over the next 6 weeks, and I will not be party to the legalization of this outrage.

The President now, having gained congressional approval, can increase the bombing effort over the next 6 weeks to create as much destruction as possible, to make up for his inability to bomb thereafter. Although he has apparently promised otherwise, I will be surprised if that does not become his course of action.

I realize that the President's agreement to halt all bombing after August 15 is a significant concession by him and represents a great change from his previously stated long-range plans. But this compromise was forced upon him by the actions of Congress earlier this week, just as increasing anti-war feelings in Congress have forced him into every significant concession he made previously.

But I am at a loss to see what possible benefit can accrue from 6 more weeks of bombing. Having agreed to quit bombing August 15, the President gives up the bargaining chip he has so jeolously guarded which is the threat to bomb unless the other side agrees to the American compromise position.

The only possible reasons for seeking 6 weeks of bombing approval are to save political face for the President and to buy 6 weeks time for the governments of Cambodia and South Vietnam. And those benefits can, in no way, under no theory, justify continued U.S. bombing atrocities. Congress has rejected the President's war plans and he has capitulated.

But why, in the face of this action, is Congress willing to give him 6 weeks of bombing as a graceful way out? It will not be a graceful "way out" for the thousands of Asians who will die under American bombs.

The price is too high. We made the decision to stop funding and could have insisted that the bombing be stopped now. The tool was available to us—the continuing funding resolution. I am willing to stop normal government operations, if need be, to force an end now to this destruction, and am willing to spend the holiday here in this Chamber. We have agreed to a dishonorable compromise. Our action is morally wrong and will not accomplish one worthwhile objective.

The course of the vote today is clear. The significant votes in both Houses occurred yesterday, so my remarks now cannot affect what happens. But I want to go on record opposing the compromise the President reached with the Congress. History will note that we had the power to force an immediate end to the bombing, and we let the opportunity pass by.

Mr. ALEXANDER. Mr. Speaker, I rise today to join in support of the proposal that $367 million be appropriated for use by the Economic Development Administration and the title V regional commissions.

These agencies have primarily benefited the nonmetropolitan areas where aid such as they can provide is critically needed for small- and medium-sized communities which are valiantly attempting to upgrade their community development and strengthen their economies.

There are three regional planning and development districts which serve one or more of the 21 counties in the First District of Arkansas which I represent. Their work has been valuable in these counties' efforts to grow in an orderly fashion.

Since it began its operations—through December 31, 1972—EDA had made $56,034,000 available for use on 225 projects in Arkansas. Forty-two of the projects have been located in 16 of the counties of the First Congressional District.

These projects have included water and sewer system development, industrial development, vocational and technical education facility development, community centers, medical facilities, port feasibility studies, and the preservation of an historic building. The assistance has been provided in the form of grants, loans, planning and technical assistance.

As an illustration of the kind of impact that this aid has had, let me discuss just one of the three regional planning districts serving the counties I represent. A total of $3,736,974 has been allocated to the 12 counties in the East Arkansas Planning and Development District. These funds have generated, or are expected to generate 7,700 new jobs.

This means that each new job in these counties, resulting from the EDA investment, cost less than $500 in EDA funds to create. The people who hold these jobs are taxpaying citizens. The taxes which they have paid on earned income is more than the amount the Federal Government invested in EDA funds to create these jobs. And, not one of these jobholders has migrated to our over-crowded cities to become an anonymous name on a welfare role.

EDA has been making a valuable contribution to our national effort to achieve the balanced national growth policy adopted by the Congress in 1970.

In addition to the work of EDA, the title V regional commissions, such as the Ozark Regional Commission, have been a valuable tool in this comprehensive community and regional development effort. Ozark Regional Commission includes five States—Arkansas, Kansas, Missouri, Oklahoma, and Louisiana.

Since 1967, the Ozarks Regional Commission has spent approximately $37 million on economic development efforts in the region it serves. Twenty-four million was in public facility grants, primarily for vocational education centers, industrial sights, tourist facilities and health centers. The Commission's funds have been largely supplemental grants to basic grants from other Federal agencies. These supplements are usually at a rate of 30 percent of the total project cost, including non-Federal money.

Thus the regional commission's funds have actually levered about $100 million in total Federal funding which would have been most difficult, if not impossible, to come by without the commission's participation.

Of the total Ozark funding, Arkansas has received approximately 30 percent, or $11 million. This money has stimulated $30 million in new development.

The facts are clear on this point. The economic development efforts which are fostered under the Economic Development Administration and the regional commissions have provided the stimulation and lift needed by small and medium-sized communities in the Nation's countryside. The community development which is resulting is helping this Nation's move toward its goal of insuring that all our people have safe, healthy, attractive places to live and work.

In view of the need which exists and the beneficial effects of the work of these agencies, I urge my colleagues in the House to join me in voting for these funds for the Economic Development Administration and title V regional commissions.

Mr. RANDALL. Mr. Speaker, it is not an easy decision to support the conference report on the continuing resolution with the August 15 bombing date. Although I am reluctant to make it possible to continue the bombing for any period of time, I recognize the obligation to keep the Government operating. Every Member of this House has a responsibility and an obligation to continue all the important activities or operations of the broad and farflung Federal Government.

Yesterday I voted against the supplemental appropriation. In the final analysis that was simply to supplement some accounts that were out of balance or had been overdrawn in several scattered subdivisions of Government. But today, as we consider the continuing resolution, we all must bear in mind that this is the last day of fiscal year 1973. Not a single department of our entire Federal structure could continue opeartions after midnight tonight.

Of course, it would be easy to cast a vote to stop all bombing immediately and to hope you are in the minority in order that the Government may continue to function. But should those who vote not turn out to be a majority, they would have to take the full responsibility for grinding the wheels of our Government to a halt at midnight tonight. It is a grave responsibility which rises to the level of an obligation to see that such an awful result does not happen.

Now, Mr. Speaker, whose fault is it that we are engaging in such brinkmanship? I submit that it is as much the fault of the Congress as that of the Chief Executive at this particular moment. We should have had this resolution before us 2 or 3 weeks ago with ample time to enact a provision which would call for an absolute end to the bombing and then for ample time also for a veto and then time to attempt to override the veto.

But the Congress indulged in brinkmanship in the last few days of the fiscal year and for us time has run out.

Now on the very last day of fiscal year 1973, those of us who would stop the bombing have gone about as far as we can go. We have done everything that can be done without interrupting vital governmental services.

When we return after the 4th of July recess, the Congress should immediately turn its attention to the Warpowers Act. Perhaps we should have avoided the distraction to lay it aside before the recess. For my part, I had hoped that there would be some clear-cut vehicle that the House and the other body could vote up or down on the termination of all military activities in Southeast Asia. It would have been the clear and easy way to terminate the bombing. Instead the issue has been attached to and commingled with, in recent days, first the supplemental appropriation, then for awhile, the debt ceiling, and of course, the continuing resolution. This is hardly the way to run a railroad. These are the reasons that call for a quick enactment of a strong warpowers measure.

Someone has said that one's viewpoint is influenced from where he happens to be standing at any given time. Last week or the week before we could have fought the battle of the bombing on just about any legislative vehicle that appeared on the legislative calendar. It is true that our body has rules of germaneness and the other body seems to have none but at that point in time we would have been standing at a safe distance from the very end of the fiscal year. Today we are on the brink and must decide whether or not all the wheels of Government grind to a screeching halt at midnight, Saturday night of June the 30th. It is to avoid such awful consequences that I have decided to support the continuing resolution notwithstanding a most unpalatable provision.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DELLENBACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 266, nays 75, present 1, not voting 91, as follows:

[Roll No. 322]

YEAS—266

Abdnor
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Arends
Armstrong
Ashley
Bafalis
Baker
Barrett
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dennis
Devine
Donohue
Dorn
Downing
Dulski
Duncan
du Pont
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Fish
Flood
Flynt
Foley
Ford, Gerald R.
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Gaydos
Gettys
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Gross
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harsha
Harvey
Hastings
Hawkins
Heinz
Henderson
Hinshaw
Hogan
Holifield
Holt
Horton
Hudnut
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kazen
Kemp
Ketchum
Kluczynski
Kuykendall
Kyros
Landgrebe
Latta
Leggett
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McDade
McEwen
McKay
McKinney
Macdonald
Madigan
Mahon
Mallary
Maraziti
Martin, N.C.
Mathias, Calif.
Mayne
Mazzoli
Metcalfe
Michel
Milford
Miller
Mills, Ark.
Minish
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nelsen
Nix
Obey
O'Brien
O'Neill
Parris
Passman
Patten
Pepper
Perkins
Peyser
Pickle
Poage
Preyer
Price, Ill.
Price, Tex.
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Ruth
Sarasin
Satterfield
Saylor
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stubblefield
Stuckey
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague, Tex.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Ullman
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Ware
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Winn
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NAYS—75

Abzug
Adams
Anderson, Calif.
Burton
Carey, N.Y.
Chisholm
Conyers
Corman
Cotter
Crane
Culver
Dellums
Denholm
Diggs
Dingell
Drinan
Eckhardt
Edwards, Calif.
Findley
Ford, William D.
Froehlich
Grasso
Green, Pa.
Gude
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holtzman
Howard
Johnson, Colo.
Karth
Kastenmeier
Koch
Lehman
Litton
McCormack
Mathis, Ga.
Matsunaga
Meeds
Mezvinsky
Mink
Moakley
Moss
Nedzi
Owens
Pike
Podell
Pritchard
Rangel
Rarick
Rees
Reid
Reuss
Riegle
Roe
Rosenthal
Roybal
St Germain
Sarbanes
Schroeder
Seiberling
Stanton, James V.
Stark
Stokes
Studds
Symms
Vanik
Vigorito
Waldie
Whalen
Wilson, Charles H., Calif.
Wolff
Yates
Young, Ga.

PRESENT—1

Hosmer

NOT VOTING—91

Andrews, N. Dak.
Ashbrook
Aspin
Badillo
Beard
Bell
Blatnik
Breaux
Brooks
Brown, Ohio
Burgener
Burke, Calif.
Burke, Fla.
Chappell
Clancy
Clark
Clawson, Del
Clay
Conte
Daniels, Dominick V.
Danielson
Delaney
Dent
Derwinski
Dickinson
Evins, Tenn.
Fisher
Flowers
Frey
Fulton
Fuqua
Gibbons
Green, Oreg.
Griffiths
Grover
Gubser
Hansen, Wash.
Harrington
Hays
Hébert
Hillis
Huber
Hungate
Hunt
Jones, Ala.
Keating
King
Landrum
Lent
Lujan
McFall
McSpadden
Madden
Mailliard
Mann
Martin, Nebr.
Melcher
Morgan

Nichols
O'Hara
Patman
Pettis
Powell, Ohio
Quie
Quillen
Rooney, N.Y.
Roush
Rousselot
Roy
Runnels
Ruppe
Ryan
Sandman
Skubitz
Steiger, Ariz.
Stratton
Sullivan
Teague, Calif.
Thompson, N.J.
Tiernan
Udall
Veysey
White
Wiggins
Wilson, Charles, Tex.
Wright
Wyatt
Wydler
Wylie
Young, Ill.
Zion

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rooney of New York for, with Mr. Thompson of New Jersey against.

Mr. Hébert for, with Mr. Harrington against.

Mr. Dent for, with Mr. Badillo against.

Mr. Dominick V. Daniels for, with Mr. Melcher against.

Mr. Morgan for, with Mr. Danielson against.

Mr. McFall for, with Mr. Ryan against.

Mr. Breaux for, with Mr. O'Hara against.

Mr. Hays for, with Mr. Clay against.

Until further notice:

Mr. Fulton with Mr. Sandman.

Mr. Brooks with Mr. Wiggins.

Mr. Blatnik with Mr. Andrews of North Dakota.

Mrs. Burke of California with Mr. Teague of California.

Mrs. Green of Oregon with Mr. Steiger of Arizona.

Mr. Madden with Mr. Conte.

Mr. Mann with Mr. Ruppe.

Mr. Nichols with Mr. Rousselot.

Mr. Charles Wilson of Texas with Mr. Lujan.

Mr. Tiernan with Mr. Lent.

Mrs. Sullivan with Mr. Del Clawson.

Mr. Stratton with Mr. Gubser.

Mr. Roush with Mr. Huber.

Mr. Roy with Mr. Hillis.

Mrs. Hansen of Washington with Mr. Grover.

Mr. Gibbons with Mr. Derwinski.

Mr. Chappell with Mr. Ashbrook.

Mr. Clark with Mr. Hunt.

Mr. Delaney with Mr. Mailliard.

Mr. Evins of Tennessee with Mr. Bell.

Mr. Fisher with Mr. Beard.

Mr. Hungate with Mr. Martin of Nebraska.

Mr. White with Mr. Keating.

Mr. Fuqua with Mr. Brown of Ohio.

Mr. Wright with Mr. Powell of Ohio.

Mr. Flowers with Mr. Dickinson.

Mr. Aspin with Mr. Quie.

Mr. Patman with Mr. Pettis.

Mr. Jones of Alabama with Mr. Burke of Florida.

Mr. Runnels with Mr. Quillen.

Mr. Landrum with Mr. Skubitz.

Mr. Udall with Mr. Clancy.

Mrs. Griffith with Mr. King.

Mr. McSpadden with Mr. Frey.

Mr. Young of Illinois with Mr. Wyatt.

Mr. Zion with Mr. Wydler.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12. Page 11, after line 23, insert:

SEC. 110. Unless specifically hereafter authorized by Congress, none of the funds herein or hereafter appropriated under this joint resolution or heretofore appropriated under any other Act may be expended for the purpose of providing assistance in the reconstruction or rehabilitation of the Democratic Republic of Vietnam (North Vietnam).

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following:

SEC. 110. Unless specifically authorized by Congress, none of the funds herein appropriated under this joint resolution or heretofore appropriated under any other Act may be expended for the purpose of providing assistance in the reconstruction or rehabilitation of the Democratic Republic of Vietnam (North Vietnam).

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 12, after line 4, insert:

SEC. 111. Any provision of law requires unexpended funds to return to the general fund of the Treasury at the end of the fiscal year shall not be held to affect the status of any lawsuit or right of action involving the right to those funds.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

ADJOURNMENT OVER TO TUESDAY, JULY 10, 1973

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Con. Res. 262) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. CON. RES. 262

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Saturday, June 30, 1973, it stand adjourned until 12 o'clock meridian, Tuesday, July 10, 1973.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until July 10, 1973, the Speaker be authorized to accept resignations and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES AND SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Tuesday, July 10, 1973, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 11, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, July 11, 1973, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON H.R. 7445, EXTENDING RENEGOTIATION ACT OF 1951

Mr. MILLS of Arkansas submitted the following conference report and statement on the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the act for 2 years:

CONFERENCE REPORT (H. REPT. No. 93-365)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the Act for two years, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3.

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same.

Amendment numbered 2: This amendment is reported in disagreement.

Amend the title so to read: "An Act to extend the Renegotiation Act of 1951 for one year, and for other purposes."

W. D. MILLS,
AL ULLMAN,
JAMES A. BURKE,
MARTHA GRIFFITHS,
H. T. SCHNEEBELI,
H. R. COLLIER,
JOEL T. BROYHILL,
Managers on the Part of the House.

RUSSELL B. LONG,
H. E. TALMADGE,
ABRAHAM RIBICOFF,
WALLACE F. BENNETT,
CARL T. CURTIS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the Act for two years, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Amendment No. 1: The bill as passed by the House extended the Renegotiation Act of 1951 for two years until June 30, 1975. Senate amendment No. 1 provides a one-year extension until June 30, 1974.

The House recedes.

Amendment No. 2: This amendment is reported in disagreement.

Amendment No. 3: This amendment added a provision to the bill which directed the President to exempt certain agricultural commodities from the current price freeze upon certification of the existence of certain conditions by the Secretary of Agriculture with respect to the supply of such commodities as a result of the price freeze.

The Senate recedes.

W. D. MILLS,
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CARL T. CURTIS,
Managers on the Part of the Senate.

Mr. MILLS of Arkansas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report and the Senate amendment reported from the conference in disagreement on the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the act for 2 years.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the conference report.

Mr. MILLS of Arkansas. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. DENNIS. Mr. Speaker, reserving the right to object——

Mr. MILLS of Arkansas. Mr. Speaker, I wanted to take the opportunity momentarily to advise the Members of what is reported in the conference report, if the gentleman will withhold his reservation of objection.

Mr. Speaker, there are three amendments involved in this bill as it was considered by the Senate. The first amendment had to do with what is in the conference report itself. The House passed the renegotiation program for another 2 years, extending the act for 2 years. The Senators wanted to extend it for 1 year so that they could take another look at the operation of the Renegotiation Board for the next year.

Mr. Speaker, as is always the case, the conferees on the part of the House like to accommodate a request like that. So we have accepted the Senate amendment which is in the conference report extending the act for 1 year.

Now, that is all that is involved in the conference report. On the amendment in disagreement, I will offer a motion, and I will discuss that subsequent to the agreement to accept the conference report.

Mr. Speaker, there was a third amendment which the Senate receded on, so there is only one other matter left to consider after the adoption of the conference report itself.

Mr. DENNIS. Mr. Speaker, will the gentleman from Arkansas yield?

Mr. MILLS of Arkansas. Yes, I will yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, may I ask the gentleman, what is the matter in disagreement to which the gentleman referred?

Mr. MILLS of Arkansas. Mr. Speaker, the matter in disagreement is what was involved in the matter in disagreement last night, except for the three items that have been heretofore approved by the House as a part of the debt ceiling: In other words, social security, the welfare amendments, and the Medicaid amendments, plus the social services amendment.

Mr. DENNIS. Mr. Speaker, if the gentleman will yield further, will I have appropriate time to ask the gentleman something about the social security amendments at that point so that it will not be necessary to do it at this time?

Mr. MILLS of Arkansas. Absolutely. The gentleman will have that opportunity. Following the motion I will make in connection with the amendment in disagreement, I expect to take the necessary time to answer any questions.

Mr. BURTON. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from California.

Mr. BURTON. Mr. Speaker, does the gentleman have any opinion as to the reaction of the administration to this rather drastically reduced version of that which we voted on last night?

Mr. MILLS of Arkansas. Mr. Speaker, it is my understanding that the bill is acceptable to the President.

Mr. BURTON. Mr. Speaker, may I ask, is the gentleman satisfied that the source of his information in terms of the Executive is one upon which the gentleman and all of us can place reliance?

Mr. MILLS of Arkansas. Mr. Speaker, it is the source that I would always look to if I were seeking information, short of talking to the President himself.

Mr. BURTON. Mr. Speaker, I would seek an appropriate answer to my question from the distinguished ranking member of the committee or from the majority leader, if they should wish to respond to that question.

Mr. SCHNEEBELI. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. Mr. Speaker, I will yield to the distinguished minority leader.

First, I will yield to my friend, the gentleman from Pennsylvania (Mr. SCHNEEBELI).

Mr. SCHNEEBELI. Mr. Speaker, at the conference this morning a very high official, a Cabinet member, indicated that to his knowledge he would recommend approval of the conference report that is about to be presented.

Mr. MILLS of Arkansas. Mr. Speaker, I will now yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I will agree with what the gentleman from Pennsylvania has said.

I have also consulted with others, and I think that bolsters my feeling that the pledge of the President would be approved.

Mr. REID. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from New York.

Mr. REID. Mr. Speaker, I thank the gentleman for yielding.

Would the chairman of the committee be willing to answer a question on the social service regulations?

It is my understanding that the proposal now before the House in effect includes a description of prohibition against the new regulation going into effect for up to 4 months, and any new regulations that might be proposed by HEW would be subject to the standards eligibility and service requirements described by the two committees mentioned; is that correct?

Mr. MILLS of Arkansas. The gentleman is correct. It is more of a solution of the problem than the amendment last night provided, because the amendment last night merely held in abeyance the new proposed regulations for a period of 6 months, but offered no real solution.

Mr. REID. Mr. Speaker, may I ask one further question?

Would this proposal which the gentleman says moves in the direction of a solution be clear as to the fact that the States will be able to spend the $2.5 billion and provide the flexibility and provide services presently provided or permitted, and would HEW in any consideration by the committing of new regulations be prohibited from restricting eligibility standards and services in a way that would preclude, in my judgment, the standards that are presently in effect in the old regulations?

In other words, would we maintain the eligibility that the services and standards presently provide for?

Mr. MILLS of Arkansas. Mr. Speaker, I cannot answer the gentleman's question either way, because I have no idea what the Department and the membership of the two committees would finally agree would be satisfactory regulations. But let me call the gentleman's attention to the fact that if the new regulations never went into effect, and the old regulations, if any, remained in effect, the States altogether would not find it possible to spend the $2.5 billion.

That is because the formula that is in the law, and the situations in some of the States, make it impossible for some of them ever to spend all that we thought they would be entitled to, perhaps, under the $2.5 billion ceiling. I think a more realistic figure is $2.1 billion but the gentleman's State of New

York can utilize its money and will to the full extent, I understand, receive and spend that money.

Mr. REID. One final question. I understand that point the gentleman is making, but may I add further there is no intention to restrict the eligibility standards for services presently in effect in the old regulation in any new consideration by the committee?

Mr. MILLS of Arkansas. To the best of my recollection, what we are striving to do, by giving examples, is to manifest our own feeling as to the importance of certain of these services, because we have mentioned mental retardation and mental health, family planning, child support, alcohol and drug abuse, and some of the services which have been mandatory for the aged, particularly for those who might otherwise be institutionalized.

Mr. DENNIS. Will the gentleman yield further?

Mr. MILLS of Arkansas. I will be glad to yield to the gentleman.

Mr. DENNIS. I thank the distinguished chairman for yielding. I have one question I would like to ask before we vote on the conference report.

As the gentleman knows, I attempted to ask the gentleman from Pennsylvania here a while ago a question, and he suggested the appropriate time would be on this bill, but it seems to me the appropriate time has probably arrived, if there is one.

Mr. MILLS of Arkansas. The gentleman is right.

Mr. DENNIS. As I understand it, in the amendment which we have here in this conference report there is the social security increase which we eliminated from the other bill last night. Is that correct?

Mr. MILLS of Arkansas. There is a social security increase. I intended to discuss all of this in connection with my motion, but I will be glad to answer the gentleman's question.

Last night the House had before it an amendment that would have provided for those eligible for social security benefits to receive this estimated 5.6-percent increase across the board beginning April 1, 1974. That meant there would have been two payments, the May and June payments, that would have had an impact on the 1974 budget.

The conferees accepted the suggestion that I made yesterday that the benefit begin with the month of June. The payment for the month of June is made on July 3, 1974, so it is not in the fiscal year 1974. That is the change we made there.

If the gentleman wants me to, I will be glad to discuss another change or two.

Mr. DENNIS. Will the gentleman yield further?

Mr. MILLS of Arkansas. I am glad to yield to the gentleman.

Mr. DENNIS. What I want is, we raised the social security 20 percent last year and we have also put in a cost-of-living automatic escalator increase, which, as I understood it at the time, was designed to a considerable extent to avoid the necessity of survivor increases, and so forth. What I want to ask the distinguished chairman is, that being true, what is the rationale and the reason for the present increase?

Mr. MILLS of Arkansas. The answer is easy. Under the law the Secretary of Health, Education, and Welfare would not have authority to provide an increase in social security equal to the increase in cost of living until January 1, 1975. We are here moving that decision for him forward by 7 months, because we believe that these people are feeling too much the effects of inflation to allow their increase to be delayed until the first of the year 1975.

Mr. DENNIS. I thank the gentleman.

Mr. STEIGER of Wisconsin. Will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman.

Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

In listening to the reading of the statement on the part of the managers, am I clear in my understanding that this report of the managers comes to us as a conference report rather than the situation in which we found ourselves last night?

Mr. MILLS of Arkansas. No, it does not, because as long as I can I am going to adhere to the rules of the House. If we do not like the rules of the House, then let us change them, but the rules say that anything that is not germane under the rules to the subject matter of the text of the bill itself as passed by the House should be reported to the House in disagreement, and that is what we are doing here.

The one amendment that is germane, the change in the extension of the act itself from 2 years to 1 year, is in the conference report.

The conference report pointed out that the conferees were in disagreement with respect to amendment No. 2. The Senate withdrew from its amendment No. 3.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT IN DISAGREEMENT

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read Senate amendment No. 2.

[For the Senate amendment, see proceedings of the House of June 29, 1973.]

Mr. MILLS of Arkansas (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in disagreement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

MOTION OFFERED BY MR. MILLS OF ARKANSAS

Mr. MILLS of Arkansas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MILLS of Arkansas moves that the House recede from its disagreement to the amendment of the Senate numbered 2 to the bill (H.R. 7445) and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

TITLE II—PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

PART A—INCREASE IN SOCIAL SECURITY BENEFITS

COST-OF-LIVING INCREASE IN SOCIAL SECURITY BENEFITS

SEC. 201. (a) (1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall, in accordance with the provisions of this section, increase the monthly benefits and lump-sum death payments payable under title II of the Social Security Act by the percentage by which the Consumer Price Index prepared by the Department of Labor for the month of June 1973 exceeds such index for the month of June 1972.

(2) The provisions of this section (and the increase in benefits made hereunder) shall be effective, in the case of monthly benefits under title II of the Social Security Act, only for months after May 1974 and prior to January 1975, and, in the case of lump-sum death payments under such title, only with respect to deaths which occur after May 1974 and prior to January 1975.

(b) The increase in social security benefits authorized under this section shall be provided, and any determinations by the Secretary in connection with the provision of such increase in benefits shall be made, in the manner prescribed in section 215(i) of the Social Security Act for the implementation of cost-of-living increases authorized under title II of such Act, except that the amount of such increase shall be based on the increase in the Consumer Price Index described in subsection (a).

(c) The increase in social security benefits provided by this section shall—

(1) not be considered to be an increase in benefits made under or pursuant to section 215(i) of the Social Security Act, and

(2) not (except for purposes of section 203(a) (2) of such Act, as in effect after May 1974) be considered to be a "general benefit increase under this title" (as such term is defined in section 215(i) (3) of such Act); and nothing in this section shall be construed as authorizing any increase in the "contribution and benefit base" (as that term is employed in section 230 of such Act), or any increase in the "exempt amount" (as such term is used in section 203(f) (8) of such Act).

(d) Nothing in this section shall be construed to authorize (directly or indirectly) any increase in monthly benefits under title II of the Social Security Act for any month after December 1974, or any increase in lump-sum death payments payable under such title in the case of deaths occurring after December 1974. The recognition of the existence of the increase in benefits authorized by the preceding subsections of this section (during the period it was in effect) in the application, after December 1974, of the provisions of sections 202(q) and 203(a) of such Act shall not, for purposes of the preceding sentence, be considered to be an increase in a monthly benefit for a month after December 1974.

SEC. 202. (a) Paragraphs (1) and (4) (B) of section 203(f) of the Social Security Act are each amended by striking out "$175" and inserting in lieu thereof "$200".

(b) The first sentence of paragraph (3) of section 203(f) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(c) Paragraph (1) (A) of section 203(h) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(d) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1973.

SEC. 203. (a) (1) Section 209(a) (8) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Section 211(b)(1)(H) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(3) Sections 213(a)(2)(ii) and 213(a)(iii) of such Act are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(4) Section 215(e)(1) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(b)(1) Section 1402(h)(1)(II) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600."

(2) Effective with respect to remuneration paid after 1973, section 3121(a)(1) of such Code is amended by striking out the dollar amount each place it appears therein and inserting in lieu thereof "$12,600".

(3) Effective with respect to remuneration paid after 1973, the second sentence of section 3122 of such Code is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(4) Effective with respect to remuneration paid after 1973, section 3125 of such Code is amended by striking out the dollar amount each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof "$12,600".

(5) Section 6413(c)(1) of such Code (relating to special refunds of employment taxes) is amended by striking out "$12,000" each place it appears and inserting in lieu thereof "$12,600".

(6) Section 6413(c)(2)(A) of such Code (relating to refunds of employment taxes in the case of Federal employees) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(7) Effective with respect to taxable years beginning after 1973, section 6654(d)(2)(B)(ii) of such Code (relating to failure by individual to pay estimated income tax is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(c) Section 230(c) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(d) Paragraphs (2)(C), (3)(C), (4)(C), and (7)(C) of section 203(b) of Public Law 92-336 are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(e) The amendments made by this section, except subsection (a)(4), shall apply only with respect to remuneration paid after, and taxable years beginning after, 1973. The amendments made by subsection (a)(4) shall apply with respect to calendar years after 1973.

(f) Effective June 1, 1974, the Secretary of Health, Education, and Welfare shall prescribe and publish in the Federal Register such modifications and extensions in the table contained in section 215(a) of the Social Security Act (which shall be determined in the same manner as the revisions in such table provided for under section 215(i)(2)(D) of such Act) as may be necessary to reflect the amendments made by this section; and such modified and extended table shall be deemed to be the table appearing in such section 215(a).

PART B—PROVISIONS RELATING TO FEDERAL PROGRAM OF SUPPLEMENTAL SECURITY INCOME

INCREASE IN SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 210. (a) Section 1611(a)(1)(A) and section 1611(b)(1) of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) are each amended by striking out "$1,560" and inserting in lieu thereof "$1,680".

(b) Section 1611(a)(2)(A) and section 1611(b)(2) of such Act (as so enacted) are each amended by striking out "$2,340" and inserting in lieu thereof "$2,520".

(c) The amendments made by this section shall apply with respect to payments for months after June 1974.

SUPPLEMENTAL SECURITY INCOME BENEFITS FOR ESSENTIAL PERSONS

SEC. 211. (a)(1) In determining (for purposes of title XVI of the Social Security Act, as in effect after December 1973) the eligibility for and the amount of the supplemental security income benefit payable to any qualified individual (as defined in subsection (b)), with respect to any period for which such individual has in his home an essential person (as defined in subsection (c))—

(A) the dollar amounts specified in subsection (a)(1)(A) and (2)(A), and subsection (b) (1) and (2), of section 1611 of such Act, shall each be increased by $840 ($780 in the case of any period prior to July 1974) for each such essential person, and

(B) the income and resources of such individual shall (for purposes of such title XVI) be deemed to include the income and resources of such essential person;

except that the provisions of this subsection shall not, in the case of any individual, be applicable for any period which begins in or after the first month that such individual—

(C) does not but would (except for the provisions of subparagraph (B)) meet—

(i) the criteria established with respect to income in section 1611(a) of such Act, or

(ii) the criteria established with respect to resources by such action 1611(a) (or, if applicable, by section 1611(g) of such Act).

(2) The provisions of section 1611(g) of the Social Security Act (as in effect after December 1973) shall, in the case of any qualified individual (as defined in subsection (b)), be applied so as to include, in the resources of such individual, the resources of any person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for the aid or assistance referred to in subsection (b)(1).

(b) For purposes of this section, an individual shall be a "qualified individual" only if—

(1) for the month of December 1973 such individual was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI of the Social Security Act, and

(2) in determining the need of such individual for such aid or assistance for such month under such State plan, there were taken into account the needs of a person (other than such individual) who—

(A) was living in the home of such individual, and

(B) was not eligible (in his or her own right) for aid or assistance under such State plan for such month.

(c) The term "essential person", when used in connection with any qualified individual, means a person who—

(1) for the month of December 1973 was a person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for aid or assistance under a State plan referred to in subsection (b)(1) as such State plan was in effect for June 1973,

(2) lives in the home of such individual,

(3) is not eligible (in his or her own right) for supplemental security income benefits under title XVI of the Social Security Act (as in effect after December 1973), and

(4) is not the eligible spouse (as that term is used in such XVI) of such individual or any other individual.

If for any month after December 1973 any person fails to meet the criteria specified in paragraph (2), (3), or (4) of the preceding sentence, such person shall not, for such month or any month thereafter be considered to be an essential person.

MANDATORY MINIMUM STATE SUPPLEMENTATION OF SSI BENEFITS PROGRAM

SEC. 212. (a)(1) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) to be eligible for payments pursuant to title XIX, with respect to expenditures for any quarter beginning after December 1973, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") whereby the State will provide to individuals residing in the State supplementary payments as required under paragraph (2).

(2) Any agreement entered into by a State pursuant to paragraph (1) shall provide that each individual who—

(A) is an aged, blind, or disabled individual (within the meaning of section 1614(a) of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972), and

(B) for the month of December 1973 was a recipient of (and was eligible to receive) aid or assistance (in the form of money payments) under a State plan of such State (approved under title I, X, XIV, or XVI, of the Social Security Act) shall be entitled to receive, from the State, the supplementary payment described in paragraph (3) for each month, beginning with January 1974, and ending with whichever of the following first occurs:

(C) the month in which such individual dies, or

(D) the first month in which such individual ceases to meet the condition specified in subparagraph (A); except that no individual shall be entitled to receive such supplementary payment for any month, if, for such month, such individual was ineligible to receive supplemental income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e)(1)(A), (2), or (3), 1611(f), or 1615(c) of such Act.

(3)(A) The supplementary payment referred to in paragraph (2) which shall be paid for any month to any individual who is entitled thereto under an agreement entered into pursuant to this subsection shall (except as provided in subparagraph (D)) be an amount equal to (i) the amount by which such individual's "December 1973 income" (as determined under subparagraph (B)) exceeds the amount of such individual's "title XVI benefit plus other income" (as determined under subparagraph (C)) for such month, or (ii) if greater, such amount as the State may specify.

(B) For purposes of subparagraph (A), an individual's "December 1973 income" means an amount equal to the aggregate of—

(i) the amount of the aid or assistance (in the form of money payments) which such individual would have received (including any part of such amount which is attributable to meeting the needs of any other person whose presence in such individual's home is essential to such individual's well-being) for the month of December 1973 under a plan (approved under title I, X, XIV, or XVI, of the Social Security Act) of the State entering into an agreement under this subsection, if the terms and conditions of such plan (relating to eligibility for and amount of such aid or assistance payable thereunder) were, for the month of December 1973, the same as those in effect, under such plan, for the month of June 1973, and

(ii) the amount of the income of such

individual (other than the aid or assistance described in clause (i)) received by such individual in December 1973, minus any such individual in December 1973, minus any such income which did not result, but which if properly reported would have resulted in a reduction in the amount of such aid or assistance.

(C) For purposes of subparagraph (A), the amount of an individual's "title XVI benefit plus other income" for any month means an amount equal to the aggregate of—

(i) the amount (if any) of the supplement security income benefit to which such individual is entitled for such month under title XVI of the Social Security Act, and

(ii) the amount of any income of such individual for such month (other than income in the form of a benefit described in clause (i)).

(D) If the amount determined under subparagraph (B) (i) includes, in the case of any individual, an amount which was payable to such individual solely because of—

(i) a special need of such individual (including any special allowance for housing, or the rental value of housing furnished in kind to such individual in lieu of a rental allowance) which existed in December 1973, or

(ii) any special circumstance (such as the recognition of the needs of a person whose presence in such individual's home, in December 1973, was essential to such individual's well-being),

and, if for any month after December 1973 there is a change with respect to such special need or circumstance which, if such change had existed in December 1973, the amount described in subparagraph (B) (i) with respect to such individual would have been reduced on account of such change, then, for such month and for each month thereafter the amount of the supplementary payment payable under the agreement entered into under this subsection to such individual shall (unless the State, at its option, otherwise specifies) be reduced by an amount equal to the amount by which the amount (described in subparagraph (B) (i)) would have been so reduced.

(b) (1) Any State having an agreement with the Secretary under subsection (a) may enter into an administration agreement with the Secretary whereby the Secretary will, on behalf of such State, make the supplementary payments required under the agreement entered into under subsection (a).

(2) Any such administration agreement between the Secretary and a State entered into under this subsection shall provide that the State will (A) certify to the Secretary the names of each individual who, for December 1973, was a recipient of aid or assistance (in the form of money payments) under a plan of such State approved under title I, X, XIV, or XVI of the Social Security Act, together with the amount of such assistance payable to each such individual and the amounts of such individual's December 1973 income (as defined in subsection (a) (3) (B)), and (B) provide the Secretary with such additional data at such times as the Secretary may reasonably require in order properly, economically, and efficiently to carry out such administration agreement.

(3) Any State which has entered into an administration agreement under this subsection shall, at such times and in such installments as may be agreed upon between the Secretary and the State, pay to the Secretary an amount equal to the expenditures made by the Secretary as supplementary payments to individuals entitled thereto under the agreement entered into with such State under subsection (a).

(c) (1) Supplementary payments made pursuant to an agreement entered into under subsection (a) shall be excluded under section 1612(b) (6) of the Social Security Act (as in effect after December 1973) in determining income of individuals for purposes of title XVI of such Act (as so in effect).

(2) Supplementary payments made by the Secretary (pursuant to an administration agreement entered into under subsection (b)) shall, for purposes of section 401 of the Social Security Amendments of 1972, be considered to be payments made under an agreement entered into under section 1616 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972); except that nothing in this paragraph shall be construed to waive, with respect to the payments so made by the Secretary, the provisions of subsection (b) of such section 401.

(d) For purposes of subsection (a) (1), a State shall be deemed to have entered into an agreement under subsection (a) of this section if such State has entered into an agreement with the Secretary under section 1616 of the Social Security Act under which—

(1) individuals, other than individuals described in subsection (a) (2) (A) and (B) are entitled to receive supplementary payments, and

(2) supplementary benefits are payable, to individuals described in subsection (a) (2) (A) and (B) at a level and under terms and conditions which meet the minimum requirements specified in subsection (a).

(e) Except as the Secretary may by regulations otherwise provide, the provisions of title XVI of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972), including the provisions of part B of such title, relating to the terms and conditions under which the benefits authorized by such title are payable shall, where not inconsistent with the purposes of this section, be applicable to the payments made under an agreement under subsection (b) of this section; and the authority conferred upon the Secretary by such title may, where appropriate, be exercised by him in the administration of this section.

(f) The provisions of subsection (a) (1) shall not be applicable in the case of any State—

(1) the Constitution of which contains provisions which make it impossible for such State to enter into and commence carrying out (on January 1, 1974) an agreement referred to in subsection (a), and

(2) the Attorney General (or other appropriate State official) of which has, prior to July 1, 1973, made a finding that the State Constitution of such State contains limitations which prevent such State from making supplemental payments of the type described in section 1616 of the Social Security Act.

PREFERENCE FOR PRESENT STATE AND LOCAL EMPLOYEES

SEC. 213. The Secretary of Health, Education, and Welfare, in the recruitment and selection for employment of personnel whose services will be utilized in the administration of the Federal program of supplemental security income for the aged, blind, and disabled (established by title XVI of the Social Security Act), shall give a preference, as among applicants whose qualifications are reasonably equal (subject to any preferences conferred by law or regulation on individuals who have been Federal employees and have been displaced from such employment), to applicants for employment who are or were employed in the administration of any State program approved under title I, X, XIV, or XVI of such Act and are or were involuntarily displaced from their employment as a result of the displacement of such State program by such Federal program.

DETERMINATION OF BLINDNESS UNDER SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 214. Section 1633 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) is amended—

(1) by inserting "(a)" immediately after "SEC. 1633.",

(2) by striking out "The Secretary" and inserting in lieu thereof "Subject to subsection (b), the Secretary", and

(3) by adding at the end thereof the following new subsection:

"(b) In determining, for purposes of this title, whether an individual is blind, there shall be an examination of such individual by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select."

PART C—SOCIAL SERVICES

SOCIAL SERVICES REGULATIONS POSTPONED

SEC. 220. (a) Subject to subsection (b), no regulation and no modification of any regulation, promulgated by the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") after January 1, 1973, shall be effective for any period which begins prior to November 1, 1973, if (and insofar as) such regulation or modification of a regulation pertains (directly or indirectly) to the provisions of law contained in section 3(a) (4) (A), 402(a) (19) (G), 403 (a) (3) (A), 603(a) (1) (A), 1003(a) (3) (A), 1403(a) (3) (A), or 1603(a) (4) (A), of the Social Security Act, unless such regulation or modification has been approved, prior to its being proposed, by the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) (1) The provisions of subsection (a) shall not be applicable to any regulation relating to "scope of programs", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.0 of the regulations (relating to social services) proposed by the Secretary and published in the Federal Register on May 1, 1973. There shall be deleted from the first sentence of subsection (b) of such section 221.0 the phrase "meets all the applicable requirements of this part and".

(2) The provisions of subsection (a) shall not be applicable to any regulation relating to "limitations on total amount of Federal funds payable to States for services", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.55 of the regulations so proposed and published on May 1, 1973. There shall be deleted from subsection (d) (1) of such section 221.55 the phrase "(as defined under day care services for children)"; and, in lieu of the sentence contained in subsection (d) (5) of such section 221.55, there shall be inserted the following: "Services provided to a child who is under foster care in a foster family home (as defined in section 408 of the Social Security Act) or in a child-care institution (as defined in such section), or while awaiting placement in such a home or institution, but only if such services are needed by such child because he is under foster care.".

(3) The provisions of subsection (a) shall not be applicable to any regulation relating to "rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam", if such regulation is identical to the provisions of section 221.56 of the regulations so proposed and published on May 1, 1973.

(c) Notwithstanding the provisions of section 553(d) of title 5, United States Code, any regulation described in subsection (b) may become effective upon the date of its publication in the Federal Register.

SEC. 221. Section 1130(a) (2) of the Social Security Act is amended—

(1) by striking out "of the amounts paid (under all of such sections)" and inserting in lieu thereof "of the amounts paid under such section 403(a) (3)"; and

(2) by striking out "under State plans ap-

proved under titles I, X, XIV, XVI, or part A of title IV" and inserting in lieu thereof "under the State plan approved under part A of title IV".

Part D—Provisions Relating to Medicaid

COVERAGE OF ESSENTIAL PERSONS UNDER MEDICAID

Sec. 230. In the case of any State plan (approved under title XIX of the Social Security Act) which for December 1973 provided medical assistance to persons described in section 1905(a)(vi) of such Act, there is hereby imposed the requirement (and such State plan shall be deemed to require) that medical assistance under such plan be provided to each such person (who for December 1973 was eligible for medical assistance under such plan be provided to each such person (who for December 1973 was eligible for medical assistance under such plan) for each month (after December 1973) that—

(1) the individual (referred to in the last sentence of section 1905(a) of such Act) with whom such person is living continues to meet the criteria (as in effect for December 1973) for aid or assistance under a State plan (referred to in such sentence), and

(2) such person continues to have the relationship with such individual described in such sentence and meets the other criteria (referred to in such sentence) with respect to a State plan (so referred to) as such plan was in effect for December 1973.

Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

PERSONS IN MEDICAL INSTITUTIONS

Sec. 231. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for all (or any part of) the month of December 1973—

(1) was an inpatient in an institution qualified for reimbursement under title XIX of the Social Security Act, and

(2)(A) would (except for his being an inpatient in such institution) have been eligible to receive aid or assistance under a State plan approved under title I, X, XIV, or XVI of such Act, or

(B) was, on the basis of his need for care in such institution, considered to be eligible for aid or assistance under a State plan (referred to in subparagraph (A)) for purposes of determining his eligibility for medical assistance under a State plan approved under title XIX of such Act (whether or not such individual actually received aid or assistance under a State plan referred to in subparagraph (A)), shall be deemed to be receiving such aid or assistance for such month and for each succeeding month in a continuous period of months if, for each month in such period—

(3) such individual continues to be (for all of such month) an inpatient in such an institution and would (except for his being an inpatient in such institution) continue to meet the conditions of eligibility to receive aid or assistance under such plan (as such plan was in effect for December 1973), and

(4) such individual is determined (under the utilization review and other professional audit procedures applicable to State plans approved under title XIX of the Social Security Act) to be in need of care in such an institution.

Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

BLIND AND DISABLED MEDICALLY INDIGENT PERSONS

Sec. 232. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for the month of December 1973 was eligible (under the provisions of subparagraph (B) of such section) for medical assistance by reason of his having been determined to meet the criteria for blindness or disability (established by a State plan approved under title I, X, XIV, or XVI of such Act), shall be deemed to be a person described as being a person who "would, if needy, be eligible for aid or assistance under any such State plan" in subparagraph (B)(i) of such section for each month in a continuous period of months (beginning with the month of January 1974), if, for each month in such period, such individual continues to meet the criteria for blindness or disability so established by such a State plan (as it was in effect for December 1973). Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

EXTENSION OF SECTION 249E OF SOCIAL SECURITY AMENDMENTS OF 1972

Sec. 233. Section 249E of the Social Security Amendments of 1972 is amended by striking out "October 1974" and inserting in lieu thereof "July 1975".

REPEAL OF SECTION 225 OF SOCIAL SECURITY AMENDMENTS OF 1972

Sec. 234. (a) Section 1903 of the Social Security Act is amended by striking out subsection (j) thereof (as added by section 225 of Public Law 92-603).

(b) The amendment made by subsection (a) shall be applicable in the case of expenditures for skilled nursing services and for intermediate care facility services furnished in calendar quarters which begin after December 31, 1972.

Part E—Provisions Relating to Guild's Social Security Insurance Benefits

BENEFITS FOR ADOPTED CHILDREN

Sec. 240. (a) Section 202(d)(8)(D)(ii) of the Social Security Act is amended by striking out "and" at the end thereof and inserting in lieu thereof "or (III) if he is an individual referred to in either subparagraph (A) or subparagraph (B) and the child is the grandchild of such individual or his or her spouse, for the year immediately before the month in which such child files his or her application for child's insurance benefits, and".

(b) The amendment made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

Mr. MILLS of Arkansas (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion be dispensed with, and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS of Arkansas. Mr. Speaker, I yield myself 5 minutes.

Mr. MILLS or Arkansas. Mr. Speaker, I will not repeat our discussion under the reservation of the changes with respect to social security payments. I should like to point out that we did make a change in the effective date of the $10 increase from $130 to $140, for the adult public assistance cases, and from $195 to $210 for the couple. The Members will remember we discussed that last night. Last night we had that become effective with the takeover on January 1, 1974, by the Federal Government through the Social Security Administration of the Adult Welfare programs. We had delayed the date of the increase in the amendment from January 1, 1974, to July 1, 1974. In this instance we say July 1 because, different from social security, those who receive welfare payments are paid in advance.

If a person is eligible for welfare for the month of July, that person receives his payment on July 3. If a person under social security is eligible for payment for the month of July, he does not get the payment until after the month, or August 3. So we are making the two conform, so far as the date of receipt of payment is concerned. That is why one is the first of July and one is the first of June.

There is another matter that I do want to call to the attention of the House because there was a great deal of confusion or feeling or misundertanding on it, I thought, with respect to the effect of the increase in social security on the pension benefits made available by my friend, the gentleman from South Carolina's Committee on Veterans. We asked last night that the Senate Committee on Finance, through its Committee on Veterans' Affairs, provide an answer to what we thought the membership wanted done, namely, to guarantee that no veteran pensioner would suffer a loss in income because of the 5.6 percent social security benefit increase.

I came to the floor today to tell my good friend, the gentleman from South Carolina, that we had accommodated what I thought they wanted, and also my good friend, the gentleman from Texas (Mr. Teague) and my good friend, the gentleman from Arkansas (Mr. Hammerschmidt). They asked that we delete that from the conference report, so when the conferees met officially, we did delete that provision from this amendment to the Senate amendment.

The gentleman from South Carolina's committee is working hard at this time to try to overhaul the entire veterans' benefit structure. And I have never been one who wants to trespass upon the jurisdiction of another committee. I thought in the process of this action that we were accommodating the wishes of the committee and the House, but then today I find out that my friend would prefer that we not include it. I want all the Members to know that it does not mean veterans will be unduly affected in any way because this benefit increased will not be paid to any veteran until the month of July 1974 and the gentleman's committee has a long time in which to work out an answer from its point of view.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from South Carolina.

Mr. DORN. Mr. Speaker, I want to say to my distinguished friend, the chairman of the great Committee on Ways and Means, that he has always respected the jurisdiction of other committees and particularly of the Veterans

Committee with whom he has dealt so closely and effectively in the past. I want to commend the gentleman and assure the House that what the gentleman says is absolutely correct.

The Committee on Veterans Affairs is conducting hearings at the present time and will consider not only the possibility of being of assistance to veterans because of the 5-percent increase and because of the 20-percent increase but also I can assure the distinguished chairman and the Members of the House that our committee is working diligently and faithfully to solve this problem.

Mr. Speaker, there has been interest and concern expressed by Members about the impact of the 5-percent social security raise under consideration on the veterans non-service-connected pension program. There are some facts which should be emphasized in this discussion.

The 5-percent social security increase would not become effective until June 1, 1974. Under title 38, the veterans' law, no veteran or widow would be affected until January 1975. Even though the social security recipients would begin to receive the 5-percent increase on July 3, 1974. We have an end-of-the-year rule and no pensioner under Veterans Administration programs would be-quired to report or count the additional 5 percent increase until January 1975, and effect would not come until the check he receives on January 30, 1975.

Mr. Speaker, the problem which is and should be concerning the Congress is not the 5-percent increase which would not affect veterans until January 1975, but the problem is the 20-percent social security increase that became effective September of last year and is having an effect on VA pensions this year. Our committee is holding hearings now on this subject.

The subcommittee is headed by our distinguished colleague, "TIGER TEAGUE," and JOHN PAUL HAMMERSCHMIDT is the ranking minority Member. We have over 100 bills pending, sponsored by more than 230 Members of Congress. As we seek a solution to this problem, certain facts must be considered. First, we must recognize the pension program for what it is. It is an income supplementing program based on need. Those most in need get the most pension. As their income increases, the pension is reduced. There are income limits that cut off all pension. The single veteran with other income less than $300 per year receives the maximum of $130 per month. The married veteran with less than $500 a year receives $140 per month. It may seem incredible, but there are more than 165,000 veterans and 130,000 widows in these low income categories of less than $500 per year other income, and, of course, they are the ones getting the highest rates and needing help the most.

The upper income limit for single veterans is $2,600 other income and $3,800 other income for the married veterans. As income rises, pension is decreased and when the income limits are exceeded, the pensioner goes off the rolls. For example, a single veteran near the limit of $2,600 gets only $22 a month pension, and a married veteran near the $3,800 limit gets only $33 per month. Those in between the bottom and the top get corresponding amounts. For instance, a married veteran with $2,000 other income receives $99 a month pension. A single veteran with $1,400 a year other income gets $93 a month pension. Let me emphasize again, Mr. Speaker, it is a needs program that helps those in need the most.

Mr. Speaker, there is a very important point that must be emphasized. The income and pension scale is devised so that a pensioner will not lose more pension than he gains in other income. The average social security—under the 20 percent raise—increase to a pensioner was approximately $26.50 per month. The average decrease in Veterans' Administration pension was approximately $7 per month, so that pensioners did receive a net increase in income as a result of the 20 percent social security increase. Now, there is one exception. About 20,000 exceeded the maximum income limits of $2,600 for single veterans and $3,800 for married veterans and went off the rolls. Let me emphasize that 50,000 to 60,000 pensioners go off the rolls every year because of excessive income and that will always be the case in any income limit program. Also, there are cases where veterans have their pensions cut because both the veteran and his wife are covered separately by social security, each in their own right, and, of course, we feel no obligation in these cases because the wife has her own separate income and also enjoys a $1,200 exemption before any of her income is counted against the veteran.

Mr. Speaker, Members ask constantly why not exempt social security from being counted. The Veterans' Affairs Committee has had proposals before it for the last 20 years to do this, and has steadfastly refused because it would be unfair and a gross injustice.

It would be absolutely unfair to single out one class of income such as social security and give it preferential treatment. Mr. Speaker, if the Members think they are getting mail, they have not seen anything compared to the mail they would get if we singled social security income and exempted it from being counted. A clamor would immediately arise from retired civil servants, railroad retirees, State, county and city retirees, schoolteachers, policemen, firemen, union members, and other people on annuities, demanding that they also receive preferential treatment as accorded social security recipients. They would have a good case. The point is, Mr. Speaker, in an income limit and needs program, dollars count, and one dollar is no different from the next.

Mr. Speaker, I mentioned that our committee is holding hearings now. We want to do something, but we have problems. I do not desire to be partisan, and our committee is never partisan in its approach. But it is a fact that the administration has budgeted a $233 million a year cut in the pension program and has budgeted no money for increases. If the committee recommended legislation that would completely offset the impact of the 20-percent social security increase, it would cost $420 million first year cost. To also offset the 5-percent proposed raise would cost another $150 million. With the administration budgeted to save $223 million, we are talking about a three quarters of a billion dollar budget increase, and certainly I have no assurances from the administration that such a bill would be signed.

One approach we are considering is an 8-percent cost-of-living increase, based on the cost-of-living advances, and this would cost $220 million. Even here we have no assurances the President would sign the bill. The Administration has actually come before us asking us to consider substantial reduction on the pension program.

If we are successful in enacting an 8-percent cost-of-living increase, this would have a substantial impact in offsetting the 20-percent social security increase.

Let me remind Members that while we are preoccupied with a 5-percent social security, that a 6.1-percent increase in Civil Service retirement takes place day after tomorrow. Congress is working on a Railroad Retirement increase. Hundreds of thousands of widows drawing Veterans Administration pensions will be affected next January 1 by the very substantial revision in widow benefits under social security that went into effect this year, I mention these things, Mr. Speaker, to remind Members that the 5-percent social security increase under discussion here today is only one of many increases that will affect veterans' pensions and must be considered by our committee.

I support the 5-percent increase. I appreciate the courteous consideration accorded us by the distinguished chairman of the Ways and Means Committee of not invading our jurisdiction, and I wish to assure members that the Committee on Veterans' Affairs is working on this problem and will deal with veterans and their dependents in our usual sympathetic way. The problem as it relates to veterans should not prevent this body from considering the 5-percent social security increase. If the increase is enacted, it will result in a net increase in income to most pensioners except a very few that might exceed upper income limits as a result of the 5-percent increase.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Speaker, I commend the chairman the Committee on Ways and Means for this action.

I think it would enable the chairman of the subcommittee (Mr. TEAGUE of Texas) and the members of the committee to take into consideration the 20-percent raise and 5-percent raise as well as the last raise in railroad retirement and the general raise to retirees which takes place tomorrow as far as all those who were on the Federal payroll.

Mr. CONABLE. Mr. Speaker, will the gentleman yield.

Mr. MILLS of Arkansas. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I wish the chairman would explain to the House two issues with respect to social security. The first is how this law changes the wage base under existing law and at what time. The second is I wish he would explain further the fact that this increase comes out of a cost-of-living increase which otherwise would be paid January 1, 1975, and is not an additional benefit to the cost-of-living increase to be granted at that time but simply a speed up to the extent of 5.6 percent.

Mr. MILLS of Arkansas. The gentleman from New York is eminently correct with respect to his last observation. The amendment does provide, as I said last night, for an increase in the taxable wage base from the present provision of law effective January 1, 1974, an increase from the $12,000 to $12,600 of one's earned income which will be subject to the rates of social security tax at that time. This we discussed last night. There is no change with respect to it. It is necessary because as I pointed out last night we are changing the retirement test from $2,100 to $2,400.

Mr. CONABLE. The point I hoped the chairman would make here is that the wage base is going up January 1, 1974, in any event from $10,800 to $12,000.

Mr. MILLS of Arkansas. That is right.

Mr. CONABLE. The effect of this bill on the amount going from $10,800 is to move it to $12,600, and it is important to understand that entire increase is not necessary to finance this bill, only the initial $600.

Mr. MILLS of Arkansas. The raise from $10,800 to $12,000 that was enacted last year was necessary to finance the 20-percent benefit increase enacted then.

Mr. CONABLE. Last year.

Mr. MILLS of Arkansas. That is right.

Mr. TREEN. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Speaker, in the present law as I understand it the wage base will be $12,000 as of the first of the year. This will increase it by $600.

Mr. MILLS of Arkansas. The gentleman is correct.

Mr. TREEN. Mr. Speaker, we have another increase that will occur then? I believe it is $12,900.

Mr. MILLS of Arkansas. Under the provisions of the existing law there is provision for automatic increases from time to time in the amount of one's earnings that are subject to the social security tax. That is an automatic provision and is not enacted by this amendment. The automatic provision will apply and go above the $12,600, just as it would go above the $12,000 figure under the provisions of existing law.

Mr. TREEN. Mr. Speaker, as I understand it, the $600 increase then would apply all the way down the line. We are not just moving up an increase as we are in the social security provisions, but the $600 increase on the wage base will be permanent and will be in addition to the $12,000; in addition to the $12,900 and the $13,500, all down through the years. The $600 increase is permanent in that respect.

Mr. MILLS of Arkansas. The gentleman is correct. It is not just a 1-year proposition.

Mr. MYERS. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Speaker, the fact that this becomes effective a year from tomorrow and applies on a 6-percent cost-of-living increase, is it possible that between now and next year this Congress might pass an increase of even more?

Mr. MILLS of Arkansas. Mr. Speaker, the gentleman's guess is probably better than mine. I just do not know. It is getting harder for me to predict what the Congress will do, frankly.

Mr. MYERS. This for all practical purposes today is a social security increase bill.

Mr. MILLS of Arkansas. Mr. Speaker, the gentleman should bear in mind that just 6 months beyond the effectiveness of this 5 percent, there is a provision in the law which would allow the Secretary of Health, Education, and Welfare to make an additional adjustment in social security benefits. The benefit increase provided in this legislation makes a part of that increase payable 7 months in advance.

Mr. Speaker, let me describe these provisions in more detail.

PROVISIONS AMENDING THE OASDI PROGRAM

The Senate amendment contained three changes in the social secutrity cash benefits program. The first of these modifications is to provide a social security benefit increase payable for April 1974 geared to the cost-of-living increase between June 1972, and June 1973, which is estimated to be 5.6 percent. The second social security modification would increase the social security retirement test, or earnings limitation, from $2,100 to $2,400 a year effective January 1, 1974. The third of these modifications would make it possible for social security beneficiaries to adopt grandchildren without the requirement that the child must have lived with them and been supported by them for a year before they became entitled to benefits but would require that the children have lived with and been supported by them for a year before the child can become entitled to benefits.

The conferees discussed these changes at great length and concluded that provisions along these lines with some modifications should be adopted and that provision should be made to provide financing to pay for their cost. These modifications are contained within the motion to recede and concur in the Senate amendment with an amendment.

With respect to the social security benefit increase, the motion would provide an increase in social security benefits in the same amount as provided for in the Senate amendment—that is 5.6 percent—but it would be effective for the month of June 1974, rather than April 1974. This would increase benefits to the estimated 30 million beneficiaries then on the rolls by an estimated $1.9 billion for calendar year 1974.

Under the automatic benefit increase provisions that were adopted last year, the first time that an automatic benefit increase can occur is in January 1975. This seemed reasonable at that time when phase II was holding down the rate of inflation fairly successfully. Since that time, however, we moved from phase II to phase III and as a result have witnessed the most rapid rate of price increase that we have seen for many years. Food prices in particular have skyrocketed.

This provision allows the social security beneficiaries to receive a portion of the first automatic benefit increase in their benefit checks for June of next year. Then when the automatic benefit provisions are applied to raise their benefits for January 1975, they will receive a complementary benefit increase which when added to this increase will result in raising their benefits by the same percentage as they would have been increased under the automatic benefit increase provisions.

The motion provides for raising the earnings limitation from the present $2,100 a year to $2,400 a year beginning January 1974, as in the Senate amendment. This increase in the retirement test would provide for additional benefits of $200 million for calendar year 1974 for approximately 1½ million beneficiaries.

The motion would accept the amendment on adopted grandchildren under social security.

The financing for these changes in the law would be provided for by increasing the social security wage base which is used for taxation and benefit computation purposes to $12,600 beginning in 1974. Under present law, the wage base is scheduled to increase from $10,800 in 1973 to $12,000 in 1974 and to be automatically increased in the future as the average level of earnings covered under the social security system increases. Under the amendment provided for in the motion, $12,600 would be the new base figure which would be used to compute automatic increases in the taxable wage base in the future.

AMENDMENTS RELATING TO SUPPLEMENTAL SECURITY INCOME AND SOCIAL SERVICES

The Senate amendment, as modified by the proposed amendment, would make a number of warranted changes in the new program of supplemental security income which will replace the State welfare programs for needy aged, blind and disabled persons in January 1974. As enacted last year, basic Federal benefits at that time will be $130 for an individual and $195 for a couple. With the rapid inflation which has occurred since last fall, an increase in these amounts is clearly justified. They would be raised to $140 for an individual and $210 for a couple. The increase would be effective July 1, 1974. This date was chosen because it corresponds with the time that the checks containing the social security benefit increase will be received and it will have no impact on the fiscal year 1974.

A number of features of the program have caused widespread concern. To meet these concerns several provisions were adopted and the first and perhaps most important of these is an assurance that anyone receiving welfare payments under the existing programs for the aged, blind and disabled in December 1973, will not receive a reduction in total income when the program becomes Federal in January 1974. The amount of the supplemental security income payment, together with a State supplementation, if one is necessary to achieve this result, will at least equal the amount of assistance which they receive in December 1973.

This provision would give continuing assurance that persons on the rolls in December 1973 would not lose income as a result of the federalization of the program. The cost to the States and the Federal Government will decline as fewer and fewer of the December 1973 eligibles are on the rolls. The requirement would not apply where there was a bonafide change in circumstances which reduced need and a specific exception is made for one State which cannot provide State supplementation under its constitution.

One of the major sources of concern in the supplemental security income program has been the lack of any provisions for the so-called "essential persons." These are generally wives of eligible aged recipients who have not themselves reached age 65. In practically all States, some recognition is given to their needs. It accordingly is only fair that those individuals who are currently responsible for larger payments to the recipients be recognized and some provision made for them. The Federal payment in such a case would be increased to $195 a month. This payment of $195 would be increased July 1, 1974, to $210, the same amount as for an individual living with an eligible spouse. The provision would not apply to persons becoming eligible for the supplemental security income program after December 1973. These provisions will do much to make the transition from the 50 different Federal-State assistance programs to the new Federal program smoother than it might otherwise be.

A provision of the Senate amendment would provide that in hiring Federal employees for the supplemental security income program a preference in employment would be given to State and local employees with comparabe qualifications to other candidates and who would be voluntarily displaced when the new supplemental security income program goes into effect.

Another provision of the Senate amendment would establish for the supplemental security income program a requirement that blind applicants might have their blindness determined by either a physician skilled in diseases of the eye or an optometrist, whichever the individual might select. A similar provision has been in title X of the Social Security Act as a requirement for State aid to the blind programs since 1950 and has proved entirely workable.

The conferees discussed their great concern about social service regulations which are scheduled to become effective July 1, 1973. They are very much concerned that the stringency of the regulations will prevent effective social service programs in the fields of mental retardation, mental health, family planning, obtaining child support, alcohol and drug abuse, and some of the services which have been mandatory for the aged, particularly in the field of protection and avoidance of institutionalization. They believe that changes in the regulations, particularly in these areas are important if effective programs are to be maintained and dependency is to be prevented.

The Senate amendment postponed the regulations for 6 months. In order to avoid a hiatus for that period of time, the proposed amendment would make the period 4 months, but if the Department of Health, Education, and Welfare can come up with new regulations satisfying the concerns of the House Committee on Ways and Means and the Senate Committee on Finance before that time, the postponement would then cease. It is understood that the Department will submit revised regulations to the committees prior to the publication of these proposed regulations in the Federal Register. It would be highly desirable that this process be accomplished rapidly so that social service funds are used effectively and that the States will know as soon as possible exactly where they stand.

A companion provision would repeal the so-called 90–10 rule with respect to services for aged, blind, and disabled persons. This provision of Public Law 92–512 provides that at least 90 percent of the services to aged, blind, and disabled persons must be for actual applicants and recipients as compared to potential and former recipients.

MEDICAID CHANGES

The Senate amendment included several provisions which would protect people from loss of eligibility to the medicaid program when the new supplemental security income program becomes effective in January 1974. The House conferees believe that these amendments are meritorious and are ones which would have been made in the last Congress had the consequences of the changeover to a federalized adult assistance program been fully realized. Specifically, the Senate amendment would provide that individuals who were eligible for medicaid in December 1973 will not lose their eligibility for medicaid when the new supplemental security income program goes into effect. Three groups would be protected:

First, the disabled individual who does not meet the Federal definition of disability and who is eligible as a medically needy person,

Second, an individual who is an inpatient in a medical institution whose special needs as an inpatient make him eligible for assistance, and

Third, the eligible spouse of an eligible recipient of aid to the aged, blind, and disabled who is essential to the recipient's welfare.

In addition, the Senate amendment would extend from October 1974 through June 1975, the provision in present law which continues medicaid eligibility for those who would have lost their eligibility by reason of the 20 percent social security benefit increase effective last September. The House conferees believe that this amendment is also meritorious.

The final medicaid provision in the Senate amendment would delete a provision in present law which limits the average per diem costs for skilled nursing facilities and intermediate care facilities to no more than 5 percent a year. The wage-price guidelines which apply to such institutions already perform the type of function intended by this provision and will no doubt continue to do so for some time. The Department of Health, Education, and Welfare estimates that there will be no cost to this provision if the wage-price controls are kept in effect. For these reasons the conferees recommend adoption of this provision.

Mr. HAMMERSCHMIDT. Mr. Speaker, I support the conference report on the Renegotiation Act which includes the additional amendment with provisions for a 5.6 percent social security increase effective July of next year, additional income guarantee for the blind and disabled medically indigent persons from $130 for an individual to $140, and $195 for a couple to $210. I also support the provision that would postpone the effective date of the regulations issued by the Department of Health, Education and Welfare on social service programs. I support that provision that extends the authorization for project grants under the maternal and child health care program until June 30, 1974. There is another important provision that increases the retirement test from $2,100 to $2,400 per year. This is needed action that I endorse.

Earlier in House colloquy there was expressed some concern about the effect of the 5.6-percent social security raise on veterans benefits. As ranking minority member on the Veterans Affairs Committee I am appreciative that this matter has been left to the action of our committee and I assure the Members of the House that we have been holding hearings on the subject pensions.

I know that we all share concern as to the needs of the Nation's war veterans and dependents, especially those who are now subsisting on pension benefits—disabled veterans and survivors of deceased veterans in financial need—and must live on fixed incomes. It has been the feeling of the Committee on Veterans' Affairs of the House as well as the stated position of the administration that something must be done in the near future because the cost of living—as we all know—has been constantly increasing.

As a matter of history, the current pension system which started in the 86th Congress was an attempt to relate the pension payment to need of the veteran, and as it was enacted then, the program fell short of being sensitive to the pensioner's need. When the pensioner's income exceeded the limit of the income ceiling, he could suffer an abrupt reduction in total income.

In 1969, the program was restructured through a formula so that a small increase in income would only bring about a small reduction in pension. And finally in 1972, we came to a formula approach whereby as outside income increases, pension is reduced in a lesser amount, resulting in an increase in total income for as long as the pensioner remained entitled to benefits.

During those years, there was a consistent tendency to increase income limitations, as well as to broaden exclusions. This is particularly evident in the broadening of the exclusions and the increasing of income limitations to meet each increase in social security. Changes of this nature have led us to the point where the entire program has inconsistencies, inequities, and anomalies which cannot be corrected within the framework of the law as now constituted.

Therefore, I believe that it is the general consensus of the committee that this is an appropriate time for an examination of the entire pension program with a view toward a basic reform such as was last achieved in 1960, which will look toward better serving both the veteran population and the general taxpayer. In the meantime we may have to have interim legislation to adjust benefits to the current cost of living. Ultimately, we are hopeful that we can formulate legislation to restore the basic philosophy of the program, which is providing a proportionate measure of assistance to those who need it.

I take this time so that those Members might be brought up to date on activities before our committee under the leadership of our great chairman, WM. JENNINGS BRYAN DORN and chairman of the Subcommittee on Compensation and Pensions, Mr. OLIN TEAGUE.

Mr. MILLS of Arkansas. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion.

Mr. MILLS of Arkansas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 327, nays 9, present 1, not voting 96, as follows:

[Roll No. 323]

YEAS—327

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Arends
Armstrong
Ashley
Bafalis
Baker
Barrett
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carey, N.Y.
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dellums
Denholm
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Pa.
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harsha
Harvey
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kuykendall
Kyros
Latta
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKay
McKinney
Macdonald
Madigan
Mahon
Mallary
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills, Ark.
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Peyser
Pickle
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roybal
Ruth
St Germain
Sarasin
Sarbanes
Saylor
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stubblefield
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague, Tex.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NAYS—9

Blackburn
Collins, Tex.
Crane
Dennis
Gross
Hutchinson
Landgrebe
Rarick
Satterfield

PRESENT—1

Goodling

NOT VOTING—96

Alexander
Andrews, N. Dak.
Ashbrook
Aspin
Badillo
Beard
Bell
Blatnik
Breaux
Brooks
Brown, Ohio
Burgener
Burke, Calif.
Burke, Fla.
Carney, Ohio
Chappell
Clancy
Clark
Clawson, Del
Clay
Conte
Daniels, Dominick V.
Danielson
Delaney
Dent
Derwinski
Devine
Dickinson
Evins, Tenn.
Fisher
Flowers
Frey
Fulton
Fuqua
Gettys
Gibbons
Green, Oreg.
Griffiths
Grover
Gubser
Hansen, Wash.
Harrington
Hays
Hébert
Hillis
Huber
Hungate
Hunt
Jones, Ala.
Keating
King
Landrum
Lent
Lujan
McFall
McSpadden
Madden
Mailliard
Mann
Martin, Nebr.
Melcher
Mollohan
Morgan
Nichols
O'Hara
Patman
Pettis
Pike
Powell, Ohio
Quie
Quillen
Rooney, N.Y.
Roush
Rousselot
Roy
Runnels
Ruppe
Ryan
Sandman
Skubitz
Steiger, Ariz.
Stratton
Sullivan
Teague, Calif.
Thompson, N.J.
Tiernan
Udall
Veysey
White
Wiggins
Wright
Wyatt
Wydler
Wylie
Young, Ill.
Zion

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. King.

Mr. Rooney of New York with Mr. Quie.

Mr. Hays with Mr. Mailliard.

Mr. Fulton with Mr. Martin of Nebraska.

Mr. Dominick V. Daniels with Mr. Conte.

Mr. Madden with Mr. Pettis.

Mr. Breaux with Mr. Derwinski.

Mrs. Burke of California with Mr. Keating.

Mr. Fuqua with Mr. Clancy.

Mr. Dent with Mr. Devine.

Mr. Blatnik with Mr. Andrews of North Dakota.

Mr. Fisher with Mr. Dickinson.

Mr. Clay with Mr. Badillo.

Mr. Danielson with Mr. Gubser.

Mr. Morgan with Mr. Grover.

Mr. Evins of Tennessee with Mr. Frey.

Mr. Melcher with Mr. Ashbrook.

Mr. Roush with Mr. Huber.

Mr. Hébert with Mr. Hunt.

Mr. McFall with Mr. Del Clawson.

Mr. Harrington with Mr. Quillen.

Mr. Ryan with Mr. Burke of Florida.

Mr. O'Hara with Mr. Lent.

Mr. Brooks with Mr. Hillis.

Mrs. Green of Oregon with Mr. Lujan.

Mr. Mann with Mr. Powell of Ohio.

Mr. Nichols with Mr. Skubitz.

Mr. Gettys with Mr. Beard.

Mr. Tiernan with Mr. Bell.

Mrs. Sullivan with Mr. Rousselot.

Mr. Stratton with Mr. Ruppe.

Mr. Roy with Mr. Brown of Ohio.

Mrs. Hansen of Washington with Mr. Sandman.

Mr. Chappell with Mr. Steiger of Arizona.

Mr. Clark with Mr. Teague of California.

Mr. Delaney with Mr. Wiggins.

Mr. Jones of Alabama with Mr. Wylie.

Mr. Runnels with Mr. Wyatt.

Mr. Udall with Mr. Young of Illinois.

Mrs. Griffiths with Mr. Wydler.

Mr. McSpadden with Mr. Zion.

Mr. Flowers with Mr. Carney of Ohio.

Mr. Gibbons with Mr. Alexander.

Mr. Hungate with Mr. Aspin.

Mr. Landrum with Mr. Mollohan.

Mr. Pike with Mr. Patman.

Mr. White with Mr. Wright.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks on the conference report and the motion just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEGISLATIVE PROGRAM

Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of inquiring of the distinguished majority leader the work for the remainder of the week and the program for the week when we reconvene.

Mr. O'NEILL. Will the distinguished minority leader yield to me?

Mr. GERALD R. FORD. I will be happy to yield to the gentleman.

Mr. O'NEILL. I will be glad to respond to the gentleman.

If my information is correct, it would be about an hour to an hour and a half before the Senate would send over to us the resolution that we sent to them concerning the recess.

Consequently, because of that and also the fact that they will have to act on the conference report on the Renegotiation Act, which we have just acted on, and they have to act on the conference report on the continuing appropriation resolution, the Senate will take at least an hour and a half before they send the recess resolution to us.

I make this statement for the reason that we must have a quorum in the event anything should happen. So consequently we have informed the people on our side of the aisle to stand by until the five bells ring.

Mr. GERALD R. FORD. I might say to the gentleman from Massachusetts I just heard a few seconds ago that the other body has passed the continuing resolution conference report, and they are waiting for the renegotiation conference report, and I am now informed they have passed the adjournment resolution.

Mr. O'NEILL. As I got up from the telephone to come down to talk to the gentleman from Michigan, I gave him the information I had received, and I am more than pleased to hear that they are moving forward in haste.

The program for the House of Representatives for the week of July 9, 1973, is as follows:

Monday the House will be in recess.

On Tuesday there will be considered H.R. 8860, Agricultural Act extension, open rule, with 2 hours of debate.

On Wednesday and Thursday there will be considered:

H.R. 8547, Export Administration Act amendment, subject to a rule being granted;

H.R. 8538, Public Broadcasting Corporation Act, open rule, with 1 hour of debate;

H.R. 2990, U.S. Postal Service authorization, open rule, with 1 hour of debate; and

H.R. 8606, Small Business Act amendment, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced later.

As the gentleman is aware, according to the agreement, that is not one of the Fridays that we work.

THE GREATEST THREAT TO CIVIL AND ECONOMIC LIBERTIES LIES IN THE PROLIFERATION OF BIG GOVERNMENT

(Mr. CRANE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CRANE. Mr. Speaker, since coming to the Congress I have endeavored to reverse the trend of growth in the size, jurisdiction, and cost of the Federal Government. Although it often has been a lonely struggle, I think the first indications of a change in the sentiment of the body politic are becoming evident. Increasing numbers of people from all walks of life are beginning to realize that the greatest threat to their civil and economic liberties lies in the proliferation of big government.

Edmund Burke once said, "People never give up their liberty but under some delusion." Mr. Speaker, the American people have turned over much of their precious liberty to government and they have done so under the delusion that government could somehow perform better with its unlimited bankroll and unchallenged power than free individuals acting privately.

The David Brinkley Report on NBC News of June 5, 1973, is an important contribution in the battle to dispel this delusion. I commend Mr. Brinkley and place his remarks in the Record at this point:

Brinkley Report, June 5, 1973

There is some similarity between politicians always looking for more taxes and alcoholics always looking for a drink. Any little excuse—however feeble—is all they need, because they just can't leave it alone.

We have another example now:

Some of the anti-pollution devices on new cars cause them to burn more gas per mile. For this and other reasons, gasoline is not as plentiful as it was.

The solution now proposed is, predictably, higher taxes on gasoline. It is a clear case of the political mind at work—any feeble excuse to gouge more money out of the American people. Raising the tax will not produce one more pint of gasoline, and so will do nothing to help the shortage.

People with money will still buy all they want. People with less money will still have to drive to work, to school, to stores . . . and will still have to buy the gasoline, but will be forced to pay more. So there is no reason to believe the tax would reduce air pollution.

Another excuse offered by the Teasury is that it would reduce inflation by taking some money out of circulation. But Washington would not put the money in a shoe box in the attic. It would spend it as fast, if not faster, than the people it was taken from.

Government spending is just as inflationary as private spending. Possibly more so.

What it would do is give the Washington establishment more money to throw around. Money, and the power that goes with it. It already has about 250 billion dollars a year and if they can't get along on that they can't get along on anything.

So it would not produce any more gasoline . . . would not reduce pollution . . . would not hurt the rich and would hurt those who are not rich . . . would have no effect on inflation . . . and would simply bring in more money to a Federal establishment unable effectively to handle what it already has.

ADDRESS BY CONGRESSMAN WHITEHURST AT THE ARMED FORCES STAFF COLLEGE IN NORFOLK, VA.

(Mr. WAMPLER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WAMPLER. Mr. Speaker on Friday, June 29, 1973, my colleague, the gentleman from Virginia, Congressman Whitehurst, spoke to the 52d graduating class at the Armed Forces Staff College in Norfolk, Va.

The Staff College is a multiservice institution providing a 4-month course for the middle-grade officers of the U.S. Armed Forces. Also in the classes are civilians from various agencies, as well as allied officers from abroad.

In a time when we are experiencing difficulties in retaining military manpower and our military traditions are suffering, Congressman Whitehurst's remarks deserve particular attention. He has struck an inspirational note, and it is with pleasure that I insert his remarks in the Record:

"It is always a pleasure for me to speak to career military officials who are completing another phase of their career. Unlike high school or college commencement exercises, which mark a turning point in the life of each graduate, exercises of this kind record the completion of a specialized part of your training designed to prepare you for more effective command.

And so the thoughts you have today are not those of speculation on where your degree will take you, or the new commission that is the pride of every young officer. No, I would suspect that the thoughts of many of you are on your next assignment, and perhaps some reflection on the military life you have chosen.

My field was History. I taught it to college students for 18 years before striking out on the sea of politics. I've gotten pretty close to the armed services in the past four and a half years, far closer than I did when I was in the halls of ivy. I know the peculiar challenge of being a career soldier, sailor, or airman, especially in a time of shifting social mores and indistinct goals for many in this generation.

Americans have fought their share of wars, perhaps more than their share, in this century, but we are not by nature militaristic. Quite the contrary. We customarily suffer a hangover of sorts after each of our wars, as if to compensate for the heady patriotic spirit of the crusade we've just gone through. Listen to what Robert Ardrey wrote in his book, the Territorial Imperative:

"I entered the Time of Disbelief. From that moment on, when we sang the national anthem at school, we forced our voices to break on the high notes and inserted ribald phrases in the lyrics. Marching bands and martial music vanished from our streets; if you liked brass bands, you went to football games. The flag, making an occasional appearance, passed unnoticed. George Washington, we discovered, may have been the Father of our Country, but he was a mediocre sort of man blessed with a few bright lieutenants and uniformly dim-witted opponents. It was a bad time for heroes.

"Generals in the time of my growing up were something to be hidden under history's bed, along with the chamber pots. Anyone who chose the army for a career was a fool or a failure. At my high school there was something called R.O.T.C., a training course for reserve officers.

"If you wanted to sink out of sight in the estimate of your contemporaries, if you wanted to be checked off as someone whose pimples would prove to be permanent, you had only to appear at school in a khaki uniform. I doubt that among the 3500 students who were my fellows at this giant Chicago high school there was one who chose to be a professional soldier."

And one last quotation:

"Certain words almost vanished from the American vocabulary . . . Honor was one, glory another. A man of honor was a hypocrite. He who achieved glory had undoubtedly a hollow leg, he who desired it a hollow head. Patriotism, naturally, was the last refuge of the scoundrel."

The Time of Disbelief of which Ardrey wrote was not of this generation. You have to go back 50 years, to the period following the First World War. That was the time of Ardrey's youth, yet somehow we survived that era filled with cynicism and self-doubt. A few young men, and probably some from that very high school in Chicago that Ardrey attended, went to our military academies in the 1920's and manfully stuck it out through the long drought of promotion in the decade that followed. When World War II came with a suddenness that is all but forgotten now, those officers provided the nation with some of its ablest commanders.

A curious paradox exists today, one that presents a unique challenge to anyone considering a military career. The circumstances are such that I think an officer is placed with more complex problems now than at any time in our past.

On the one hand, the draft has been abolished, ended in the wake of the decline of American participation in the Vietnam war and in an atmosphere of disillusionment and anti-military sentiment. Volunteerism, on the scale the armed forces are now practicing it, is a new thing. It is still largely an experiment. Against this backdrop, our armed forces must contend with the same social factors that confront the nation at large. The country itself is undergoing one of those periodic metamorphoses that occur from time to time in the life of a people. We are trying to achieve a new definition of equality for all of our citizens. We will eventually succeed, but it is painful, as most major social changes are. Authority in all forms has eroded, whether it be the restraint of parental influence or what we normally call the duly constituted authority of the law. Add to this, unprecedented affluence and the new, almost incomprehensible, drug culture, and the result is predictable. This generation is not lost like Scott Fitzgerald's but it does manifest characteristics that have no parallel in our history.

On the other hand, we are getting more applications for the service academies than ever before.

Last year, 67 young men in my Congressional District applied for the Naval Academy alone. This is truly a paradox. The records of these young men were a source of great interest to me. They had not only excelled in their studies, they were active in many areas of school and community life. They show the strongest possible potential and could well emerge as the finest officers ever to command American military forces, if you inspire them.

You are here because of your recognized abilities. All of you have the potential for responsible command. But it's tougher than ever these days. Young officers leaving the service tell me that they are disgusted because they are not backed up by those senior to them. Does that sound familiar to any of you? Others say that the civilian world hasn't solved the problem of racial differences, so how can the service? The same rhetorical question is raised about the use of drugs by servicemen. "What percentage of your soldiers use drugs?" is a question I raised when I last visited military units in Germany; "What are you doing about it?" was my second question.

Is it unfair for me, a politician, to ask these questions? "Congressman," you will say, "the Army or Navy or Air Force isn't an island. We can't isolate ourselves from the influences that you mention."

Do you fall into the category of so many of my colleagues, who say, "Don't rock the boat"? But remember what I said about the future careers of those young men who are to follow you. Inspiration comes from example, not from dodging the issue, not by denigrating duty, and surely not by trying to win a popularity contest.

For example, what kind of inspiration would we have drawn from past patriots if we had preserved statements like these:

Nathan Hale: "Me spy on those British? Are you trying to be funny? Do you know what they do with the spies they catch? I'll give you a news flash, chum: they Hang them!"

Paul Revere: "What do you mean, me ride through every Middlesex village and town, and in the middle of the night, too? Why pick on me? Am I the only man in Boston with a horse?"

Patrick Henry: "Sure, I'm for liberty. First, last, and always, I'm for liberty. But we have to be realistic. We're a pretty small outfit. If we start pushing the British around, somebody is likely to get hurt."

George Washington: "Gentlemen, I'm honored and appreciative of your confidence, but I just have to get things in shape out at Mount Vernon."

Yes, there's a certain humor in such statements, but only because we know that those words were never uttered. There's also the knowledge that the odds are extremely long that you will ever be put in the position to act the way any of those men were. And maybe that's the crux of it: the single act of courage is not what I'm asking of you.

My plea is that each of you be the very best professional possible, that you conduct yourself on a daily basis in such a way that we mold a military force that is different from the civilian world around it. I don't want today's Army "joining anybody." And not just anybody ought to be allowed to join today's Army.

Im a Member of the House Armed Services Committee. I have voted billions of dollars for the defense of the Republic. I have examined in detail the capability of sophisticated weapons, and I have supported appropriations and programs that would make service life more attractive. But I cannot legislate the right kind of man to fill the ranks or the right kind of man to command them; that is the job of you who wear the uniform.

Both you and I swore an oath to defend the Constitution of the United States against all of its enemies. I must renew mine every two years, provided the people of my District see fit to reelect me to office. But yours lasts until you take off that uniform for good.

Your dedication to the high ideals that are the tradition of American arms will measure the success of our endurance as a nation. As you leave for your new assignments, remember these words: tyranny, oppression, cruelty, deprivation, repression, and servitude forever wait in the wings. Your fortitude, your determination, your dedication, and your courage are our bulwark against these misfortunes. God bless you, go with you, and keep you strong."

SPECIAL PROVISIONS IN APPROPRIATION BILLS

(Mr. ECKHARDT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, I wish to assert my implacable opposition to special provisions in appropriations bills creating special funds for matters "of a confidential nature" which may be expended by a department head to be accounted for solely on his certificate. Normally such provisions are subject to the point of order that they provide for substantive changes in the law in an appropriations bill and are thus in violation of the second clause of rule XXI. But recently the Rules Committee has been granting rules waiving points of order against the bill based upon this rule. Mr. BOLLING says that the committee does not intend to continue such practice of sweeping exemptions from clause 2 of rule XXI. Such would be most salutary.

Examples of the unwholesome exemption are found in three bills considered within the last 2 weeks. The first was the appropriation bill for the Department of Transportation and related agencies (H.R. 8760). In that bill it was provided that "not to exceed $15,000 shall be available for investigative expenses of a confidential character, to be expended on the approval and authority of the commandant and his determination shall be final and conclusive upon the accounting officer of the government." The committee could not explain what this $15,000 was for, and I was able to take it out by amendment. It would also have been subject to a point of order.

But the next week—probably because Mr. DINGELL and I had raised points of order under clause 2 of rule XXI during that week—considering the heavy and urgent schedule for the week, the Rules Committee waived points of order under clause 2, rule XXI, generally, on the appropriations bills that came up. These were the Public Works and Atomic Energy Commission appropriations (H.R. 8947) and the Department of State, Justice, and judiciary appropriations (H.R. 8916). Both of these bills contained provisions for funds for confidential matters to be expended by a department head solely on his certificate.

These provisions call for a deviation from the general methods of vouchering funds, and settlement of accounts as provided for in title 31, sections 72, 74, and 75, United States Code, which provide generally that such actions shall be under the scrutiny of the General Accounting Office, and shall be done in accordance with its rules; so, if that deviation may not be found authorized somewhere in existing law, it is banned from an appropriations bill by clause 2 of rule XXI unless that rule is waived.

H.R. 8947, containing the appropriation for the Atomic Energy Commission, contained the following language:

That of such amount $100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended . . ."

I sought to strike this language by amendment—CONGRESSIONAL RECORD, H5612, June 28, 1973—because I interpreted the language as permitting the expenditure of money by the agency solely upon the basis of the Commission's statement that the subject matter of the expenditure was of a confidential nature. Upon the assurance of the managers of the bill on both sides, that this does not prevent the Comptroller General from looking into the subject matter and determining whether or not the expenditure was subject to confidential treatment, I asked and was given unanimous consent to withdraw the amendment. The result was, I think, a proper restraint on expending the money.

The very next appropriations bill contained the objectionable language in several places. H.R. 8916, containing the Justice Department appropriations, provided for: First, at page 17, a sum for the FBI "not to exceed $70,000 to meet unforeseen emergencies of a confidential nature, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate"; second, at page 17–18, a sum for the Immigration and Naturalization Service, "not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate"; and third, at pages 20–21 a sum for the Bureau of Narcotics and Dangerous Drugs "not to exceed $70,000 for miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Attorney General and to be accounted for solely on his certificate."

In line with the process which had been agreed upon the day before on the Atomic Energy appropriation, I sought to add language which would give assurance that the Comptroller General could scrutinize the Attorney General's alleged confidential and other special expenditures to determine their nature and whether or not they were of such confidential or other special nature as to be justified under the special clauses referred to above. But the managers of the bill objected on grounds that the amendment would impose additional duties on Federal officials and is therefore legislation in violation of clause 2 of rule XXI.

Though I do not wish to belabor the point of order, it is anomolous that the waiver of clause 2 of rule XXI is the only basis upon which the so-called additional duties on Federal officials—that is, the duty of the Comptroller General to examine the Attorney General's vouchers and accounts—actually an existing duty, could be circumvented. But, because waiver by the Rules Committee of clause 2 of rule XXI went only to the bill, and not to amendments to it, I was not permitted to restore this salutary oversight by the General Accounting Office.

But I shall not let the unfortunately obfuscatory nature of the parliamentary situation that existed yesterday deter me from seeking correction of a very bad situation. If some $190,000 can be used in secretive missions by the Attorney General, what assurance do we have that someone in that office may conceivably overreach, might burglarize and exercise electronic surveillance and wiretapping, for purposes which, if revealed to the Comptroller General, would not appear legitimate—might indeed appear illegal. It is at least plausibly argued that we have had an Attorney General who was not above such tactics.

Be that as it may, no bureaucrat should be above the law, nor should he have special law written for him in an appropriations bill—law that would make him immune in certain areas from the ordinary accounting process applied to other civil servants. After the recess, I shall introduce a bill which permits Congress to hold him, and others like him, accountable.

TRANS-ALASKA PIPELINE

(Mr. MELCHER asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, along with 20 of my colleagues on the House Interior and Insular Affairs Committee I introduced yesterday a new bill to clear the way for construction of the trans-Alaska pipeline and to direct negotiations for an additional line from the North Slope across Canada.

Our Public Lands Subcommittee has held 13 days of public hearings on the pipeline issue. Our hearing record is substantial and I am pleased to see that we appear to have a consensus for this approach among more than half the members of both the subcommittee and the full committee.

This legislation is geared to getting the needed crude oil into the lower 48 States from Alaska's North Slope the quickest way possible. That way is the trans-Alaskan line which would bring the oil down to Valdez in a 48-inch pipeline and then transport it via tanker to west coast ports. It can be completed several years sooner than the Canadian route which some have suggested but for which no company has ever requested a permit.

The bill, Mr. Speaker, would direct issuance of the right-of-way permit for the Alaskan line by the Secretary of Interior on the basis of his already completed environmental impact statement. And, there would be no further judicial review of this statement.

The 1920 Mineral Leasing Act would be amended under this bill to provide for all oil and gas pipeline rights-of-way which are wider than 50 feet at points where installations require. The Secretary of Interior would be required to make a finding that the wider interval of right-of-way is reasonably necessary for operation and maintenance after construction or to protect the environment or public safety. This action is necessary because of a U.S. court of appeals decision which is blocking construction of the trans-Alaska pipeline.

Other provisions of the bill, Mr. Speaker, include:

Authority for the President, accompanied by a request that he do so, to enter negotiations with the Canadian Government over a pipeline through Canada. A report is called for within 1 year.

Language designed to make clear that the trans-Alaska as well as other pipeline rights-of-way will require careful consideration be given to environmental problems, curtailment of erosion, restoration and revegetation of the land surface and protection of fish and wildlife and their habitat.

A ban on the export of any crude oil from the trans-Alaska and other pipelines unless the President makes and publishes an express finding that such exports are in the national interest.

I should state for the record that before the Public Lands Subcommittee considering this measure takes final action on it, consideration will be given to conditioning right-of-way permits on the pipelines acting as bona fide common carriers, transporting the oil of independent producers as well as their own on an equitable basis.

We are aware that the House Small Business Committee held hearings last year on the anticompetitive impact of oil company ownership of petroleum products pipelines and found "significant evidence of anticompetitive practices" by joint venture lines, such as refusal to provide terminal facilities for independent shippers either for input or delivery of their oil through their pipelines.

We do not want the Alaska or any other pipeline crossing public lands to become an instrumentality used to establish monopoly control of petroleum resources, nor do we want to be confronted with granting unnecessary duplicating rights-of-way so independents can get their oil to market.

It is certainly reasonable to condition all permits for rights-of-way across Federal public lands on bona fide operation as a carrier accessible to all oil producers, big or little.

In the case of Alaska, we know there are independents operating there, who will be closed out if they do not have access to transportation for crude, and that the State is interested in seeing that they are served.

Mr. Speaker, I also should point out that on June 1 I wrote Secretary of State William P. Rogers posing a series of questions about the route across Canada which had been raised during our hearings. I have received two letters from the Department. For the benefit of my colleagues, I am including the two State Department replies in the RECORD at this point.

DEPARTMENT OF STATE,
Washington, D.C., June 22, 1973.

Hon. JOHN MELCHER,
Chairman, Subcommittee on Public Lands Committee on Interior and Insular Affairs, House of Representatives.

DEAR MR. CHAIRMAN:

As requested in your letter of June 1, we have discussed with responsible Canadian officials those questions raised by you concerning the possible construction of an oil pipeline from Northern Alaska through Canada. These discussions have confirmed our earlier assessment that there is no alternative to the proposed Alaskan pipeline at this time. Even if the Canadian Government should move expeditiously to approve such a pipeline, which is unlikely, an Alaskan pipeline could be in operation at least 3–5 years, and perhaps 7–10 years earlier than a Canadian pipeline.

Negotiation by the United States of a pipeline agreement with Canada does not appear possible at this time. The Canadian Government has consistently taken the position that it is not prepared to negotiate with the U.S. Government on the matter of pipelines from the Arctic. We know of no change in this position. The Canadian Minister for Energy, Mines and Resources said in May, 1972, that the Government would be ready to examine applications by commercial firms for pipeline construction by the end of that year. The Canadian Government now indicates that it will not be ready to examine applications until the end of this year. This date could slip further.

Definitive guidelines have not yet been published for companies desiring to undertake pipeline construction. On May 16 the Northwest Territories Supreme Court put a freeze on all land transactions in the area to be transited by a pipeline until certain issues related to native claims are determined. Our most recent inquiries and remarks by Canadian officials give no cause to change our view that the Canadian Government has no strong current interest in the construction of a Mackenzie Valley oil pipeline. Insufficient oil has been found in the Canadian Arctic up to this time to justify early approval for construction in the face of political, environmental and economic arguments against approval. The seeming ambiguity of Canadian policy on an oil pipeline through Canada, in our judgment, partly is a reflection of the Canadian Government's desire to make sure that Canadian concern over a possible tanker route to Cherry Point is fully appreciated by the United States.

Most members of the Gas/Arctic consortium and Canadian Government officials believe that 1980 is a realistic year to expect the completion of a gas pipeline from Alaska down the Mackenzie Valley—provided that an application is filed this year and a minimum of delay is experienced in obtaining its approval and beginning construction activities. All agree that approval and construction of an oil pipeline would take an appreciably longer time. At least 12–18 months of intensive work would be required to prepare an application for an oil pipeline based on the preliminary feasibility study prepared by Mackenzie Valley Pipeline Research Ltd. The line would be over twice as long and twice as costly as the proposed Alaskan pipeline. The time required for construction would inevitably be longer. While both an oil and gas pipeline application might be examined at the same time, few in the industry or the Canadian Government believe it will be possible to initiate work on both projects at the same time. Financing, including currency transfer problems, and the availability of labor, specialized equipment and pipe are contributing factors.

Canada has consistently maintained that it must retain operational control of the Canadian portion of any pipeline. Canadian officials also have stated that a basic requirement of any pipeline project would be to give opportunity to Canadians to acquire 51 percent ownership. All of these factors and the current political environment in Canada strongly argue that a decision to permit the construction of an Arctic oil pipeline through Canada is likely to be long delayed.

I hope the above is responsive to your request for information. We would be happy to send knowledgeable officials to meet with you or others in the House to provide more detailed information.

Sincerely,

MARSHALL WRIGHT,
Assistant Secretary for Congressional Relations.

DEPARTMENT OF STATE,
Washington, D.C., June 27, 1973.

HON. JOHN MELCHER,
Chairman, Subcommittee on Public Lands, Committee on Interior and Insular Affairs, House of Representatives.

DEAR MR. CHAIRMAN: To supplement my letter of June 22 and as requested in your conversation of yesterday with Under Secretary Casey, there are outlined below the views of Canadian officials consulted recently concerning native claims which might have a bearing on the construction of an oil pipeline from Alaska through Canada. The current status of these claims is described, together with Canadian estimates concerning the time required for their settlement. Finally, I have included our assessment of these views as of interest to you and your colleagues.

Canadian officials consulted state they believe that native claims will constitute no serious barrier to the construction of pipelines through Arctic areas. They do estimate that negotiations with non-treaty Indians in the Yukon, now getting underway, will take about two years. They maintain, however, that these negotiations will be limited to compensation and will, in their judgment, constitute no impediments to granting right-of-way for pipelines. Indians along the Mackenzie Valley, with rights under Treaties 8 and 11, are entitled to land settlement but have yet to select land. Canadian officials maintain that, even if these Indians should select land along the right-of-way, treaties permit the Canadian Government to take land for projects in the public interest on provision of substitute acreage and compensation for any improvements.

Other Canadian opinion, however, holds that existing and expected future native claims could delay Government consideration of pipeline applications or pipeline construction for many years. The May 16 ruling of the Northwest Territories Supreme Court, which put a freeze on all land transactions in the area which would be transited by a pipeline until certain issues related to native claims are determined, appears to challenge government assumptions that legal precedent will uphold its alleged rights under Treaties 8 and 11. It is also known that other legal challenges are contemplated by Indian groups or parties acting in their behalf. The bases for these challenges are not known to the Department.

In these circumstances, the Department of State believes that it would be imprudent to accept at face value flat assertions that native claims will not significantly delay consideration of Arctic pipeline applications or actually delay construction of pipelines through areas where native rights exist, either through treaty obligations or under Canadian law. In our judgment, we must assume that native claims could raise serious problems and cause considerable delay to the early construction of an oil pipeline from Alaska through Canada.

I hope that the above information is of use to you.

Sincerely,

MARSHALL WRIGHT,
Assistant Secretary for Congressional Relations.

Mr. Speaker, the text of the bill follows:

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SECTION 1. Section 28 of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (30 U.S.C. 185), is further amended by striking out the following: ", to the extent of the ground occupied by the said pipeline and twenty-five feet on each side of the same under such regulations and conditions as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon," and by inserting in lieu thereof the following: ": *Provided,* That: (a) The width of a right-of-way shall not exceed fifty feet plus the ground occupied by the pipeline (i.e., the pipe and its related facilities) unless the Secretary finds, and records the reasons for his finding, that in limited areas a wider right-of-way is reasonably necessary for operation and maintenance after construction, or to protect the environment or public safety. Related facilities include but are not limited to valves, pump stations, supporting structures, bridges, monitoring and communication devices, surge and storage tanks, terminals, roads, airports, and campsites, and they need not necessarily be connected or contiguous to the pipe and may be the subjects of separate rights-of-way;

(b) a right-of-way may be supplemented by such temporary permits for the use of public lands in the vicinity of the pipeline as the Secretary deems are reasonably necessary in connection with construction, modification, repair, or termination of the pipeline;

(c) rights-of-way and permits shall be subject to such terms and conditions as the Secretary may prescribe regarding duration, survey, location, construction, operation, maintenance, use, and termination; the Secretary shall consider the environmental impact of the pipeline as required "by the National Environmental Policy Act, and impose requirements that will minimize to the extent practical any adverse environmental impact, including but not limited to requirements for curtailment of erosion, restoration and revegetation of the surface of the land, and protection of fish and wildlife and their habitat;

(d) permits and rights-of-way shall be limited to the shortest term practical;

(e) each right-of-way shall reserve to the Secretary the right to grant additional rights-of-way or permits for compatible uses;

(f) the grantee of a right-of-way shall pay annually in advance the fair market rental value of the right-of-way, as determined by the Secretary, and shall reimburse the United States for administrative and other costs incurred in processing the grantee's application and in authorizing and monitoring the construction, operation, maintenance, and termination of the pipeline;

(g) the Secretary shall notify the House and Senate Committees on Interior and Insular Affairs promptly upon receipt of an application for a right-of-way for a pipeline twenty-four inches or more in diameter, and no right-of-way for such pipeline shall be granted until sixty days (not counting days on which the House of Representatives or the Senate has adjourned for more than three days) after a notice of intention to grant the right-of-way, together with explanatory information, has been submitted to such Committees, unless each Committee by resolution waives the waiting period.

(h) such rights-of-way shall contain".

SEC. 2. Section 28 of the Mineral Leasing Act of 1920 is further amended by striking out

": *Provided further,* That no" and inserting "; (1) no".

TITLE II

SEC. 201. This Title may be cited as the "Trans-Alaskan Pipeline Authorization Act."

SEC. 202. The Congress finds and declares that:

(a) The early delivery of oil and gas from Alaska's North Slope to domestic markets is in the national interest.

(b) Transportation of oil by pipeline from the North Slope to Valdez, and by tanker from Valdez to domestic markets, will best serve the immediate national interest.

(c) A supplemental pipeline to connect the North Slope with a Trans-Canadian pipeline may be needed later, and it should be studied now, but it should not be regarded as a substitute for a Trans-Alaskan pipeline that does not traverse a foreign country.

(d) The actions of the Secretary of the Interior heretofore taken with respect to the proposed Trans-Alaskan oil pipeline shall be regarded as satisfactory compliance with the provisions of the National Environmental Policy Act of 1969.

SEC. 203. (a) The Secretary of the Interior is hereby authorized and directed to grant, in accordance with the provisions of section 28 (excluding subsection (g)) of the Mineral Leasing Act of 1920, as amended by title I of this Act, without further action under the National Environmental Policy Act of 1969, and notwithstanding the provisions of any law other than said section 28 and this title II, such rights-of-way and permits as he deems necessary for the construction, operation, and maintenance of a Trans-Alaskan oil pipeline.

(b) The route of the Trans-Alaskan oil pipeline shall follow generally the route described in applications pending before the Secretary of the Interior on the date of this Act.

(c) The Secretary shall include in rights-of-way and permits granted pursuant to this title II terms and conditions that will in his judgment mitigate any adverse environmental impact.

(d) No right-of-way or permit which may be granted by the Secretary of the Interior under this title II, and no permit or other form of authorization which may be granted by any other Federal agency with respect to construction of the Trans-Alaskan oil pipeline system, and no public land order or other Federal authorization with respect to the construction of a public highway between the south bank of the Yukon River and Prudhoe Bay and generally parallel to the pipeline, and no lease or permit granted by the Secretary of the Interior for an airfield or airstrip associated in any way with the pipeline, shall be subject to judicial review on the basis of the National Environmental Policy Act of 1969.

SEC. 204. A right-of-way or permit granted under this title II for a road or airport as a related facility of the Trans-Alaskan pipeline system may provide for the construction of a public road or airport.

SEC. 205. The grant of a right-of-way or permit pursuant to the title II shall grant no immunity from the operation of the Federal anti-trust laws.

SEC. 206. Any crude oil transported over rights-of-way granted pursuant to section 28 of the Mineral Leasing Act of 1920 shall be subject to all of the limitations and licensing requirements, and penalty and enforcement provisions, of the Export Administration Act of 1969 (Act of December 30, 1960; 83 Stat. 841) and, in addition, before any crude oil subject to this section may be exported under the limitations and licensing requirements of the Export Administration Act of 1969 the President must make and publish an express finding that such exports are in the national interest.

SEC. 207. (a) The Secretary of the Interior is authorized and directed to investigate the feasibility of one or more oil or gas pipelines from the North Slope of Alaska to connect with a pipeline through Canada that will deliver oil or gas to the United States markets. The cost of making the investigation shall be charged to any future applicant who is granted a right-of-way for one of the routes studied. The statement shall be completed and submitted to the Congress within two years from the date of this Act.

(b) The President is authorized and requested to enter into negotiations with the Government of Canada to determine the terms and conditions under which pipelines or other transportation systems could be constructed across Canadian territory for the transport of oil and gas from Alaska's North Slope to markets in the United States. The President shall, within one year from the date of this Act, report to the Congress the actions taken and the progress achieved, together with his recommendations for further action.

END THE CONTROLS ON FREE ENTERPRISE AND START CONTROLLING GOVERNMENT SPENDING

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, I strongly urge that the Persident immediately put an end to the phase 3½ freeze which has caused such dire results in the marketplace by increasing demand while adversely affecting supply.

I believe the freeze and the forthcoming controls of phase 4 are a tragic mistake. Controls cannot cure inflation. The end result of rigidly held price controls would be a completely regimented economy with an accompanying loss of freedom and prosperity. We need to control spending and monetary policy, not the free market economy.

The rise of nearly all prices is clearly the result of the fiscal monetary policies of Government itself. When Government indulges in excessive spending—which causes chronic deficits; expands credit and prints more money, prices climb and the value of the dollar falls. Soaring prices are a result of inflation, not the cause of inflation.

We are faced with the choice of continuing the present course of continuing controls—which temporarily suppress inflationary pressures but leave the economy in a state of perpetual imbalance—or forthrightly dealing with the consequences of policy mistakes and restoring the economy to a sound monetary and fiscal basis.

Inflation is created by Government permitting, encouraging, or forcing an increase in the supply of money when it wants to spend more than it has the courage or ability to collect in taxes. I am strongly opposed to new taxes because I feel the taxpayer should not have to bear the burden of Government's irresponsible monetary and fiscal policies. Government's share of wealth taken in taxes must never interfere with the production of wealth so necessary to meet the social goals of our Nation.

I am in favor of controlling Federal spending and putting controls on the Federal Reserve's ability to expand the dollar supply beyond a reasonable increase per year. The dollar supply has been growing at an annual rate of over 8 percent and the more dollars printed, in relation to the volume of production, the less each dollar can buy, and the higher prices will rise. As I have said, and it bears repeating, continuing budget deficits and the expansionist monetary policies of the Federal Reserve used to pay for these deficits have caused the continual high rate of inflation which we are seeking to curb.

We must face up to the fact that any effective policy to stop inflation will be painful. Once inflation gets a foothold the only way to stop it is a slowdown in the economy. Each time we have taken the cure and the cure has begun to work—in 1960–61, 1966–67, 1969–70—those who make policy became impatient before the cure was complete and once again inflation ran rampant. This time policymakers want to have their cake and eat it too by only giving the appearance of doing something about inflation through the imposition of controls.

In 1971, controls appeared to work for a while, but at that time earlier monetary restraint had slowly been cooling off inflationary impulses anyway. Also, 1971 was the public's first contemporary experience with controls. Today the public is more aware and will not settle for less than solid results in stemming the tide of inflation.

Our Nation is in great financial trouble and if we are to cure the rampaging inflation which is so drastically affecting the American people, we must act now. One of our major anti-inflationary weapons is cutting Federal spending. When a family or a business is in financial trouble it goes over its expenses and needs and it ranks them in order of priority. We in government must be willing to do no less. We must be willing to make hard choices, to cut down, postpone or give up those programs which are low on our fiscal and social priority list.

Several things can and need to be done:

First, the President must immediately end the phase 3½ freeze.

Second, the Federal Reserve Board must take action, as it has in the past, to help control matters through its control over monetary policy. It should immediately raise the discount rate.

Third, the President and the Congress must cooperate in achieving significant cuts in spending and a fiscally responsible budget.

In April, I voted against the extension of the Economic Stabilization Act because they do not work, they are incompatible with a free society, they delude the people and because our Government can no longer afford to deal just with the effects of inflation, we must deal with the causes. It is unbelievable to me that the administration can really think that price controls can stem inflation. Only responsible fiscal and monetary policies, such as those which I have outlined, can stem inflation.

Are we returning to controls because experience demonstrates their effectiveness in halting inflation? In Milton Friedman's words:

> Hardly. Consumer prices rose at annual rates of 5.5 percent in 1970; 3.8 percent in the eights months of 1971 preceding the freeze of Aug. 15; 3.4 per cent in the whole seventeen months of the freeze and phase two; and 4.1 per cent in the final six months

> of phase two. Wholesale prices rose at rates of 2.3 percent, 5.3 per cent, 5.9 per cent and 8.9 per cent in the same periods. The price explosion since the end of phase two has been greatest in foods, never controlled under phase two. For the rest, it mostly continues a trend that started during phase two or unveils price increases concealed by phase two.

Holding the price of any commodity below its market level first increases the demand for the commodity because it is cheaper and people are tempted to buy, and can afford to buy, more of it. The second inevitable result is a reduction in the supply of the commodity. Because the people have bought more, the merchants' accumulated stocks are quickly swept from the shelves.

But along with these consequences, production of the commodity is discouraged because profit margins are reduced or wiped out. In addition, marginal producers are driven out of business adding to unemployment and scarcities of supply.

Price controls may appear for a short time to be working, but the longer they are in effect the more the difficulties will increase. Chronic shortages are always the consequence of prices arbitrarily held down by Government compulsion.

As shortages develop in one commodity, consumers would turn to others. The law of supply and demand would cause more rising prices, controls would have to spread and the entire cycle would begin all over again.

The end result of rigidly held price controls at all levels of production, as I have said, would be a completely regimented economy with an accompanying loss of freedom. To hold down the retail price of meats, for example, ultimately the wholesale price of beef would have to be fixed, the slaughterhouse price of beef, the price of live cattle, the price of feed, and the wages of farmworkers.

As recent as March 15 of this year the President disavowed any plan to put a ceiling on food prices. He correctly warned that "rigid price controls" on meat and other foods might stop price increases "momentarily, but as a result of discouraging increased production, and we would reap the consequences of great upward pressure on prices later."

Let us look at the results of the President's repudiation of his own words and submission to another round of economic controls. As the Wall Street Journal described the effect of the freeze in a June 18 article:

> The dollar sank. The stock market fell out of bed. The business community howled. The farmers and food industry were outraged. Even John Connally, one of the architects of the 1971 freeze, has had it.

Farmers are destroying new born chicks and hatching eggs because the combination of frozen retail prices and uncontrolled feed prices prevent them from receiving a market price above the cost of producing their stock. According to a news report, Texas chicken producer, Madison Clement, drowned 42,000 5-day-old chicks a few days after the freeze rather than face a loss of 20 to 30 cents per chick from feeding them until they were broilers. Pregnant cattle, another source of future food production, are being slaughtered for the same reason.

These food production cutbacks will result in severe shortages in the future, along with even higher prices for the consumer.

Oakley Ray, president of the American Feed Manufacturers Association, has warned:

> If these price-freeze rules continue for the full 60 days, the nation's supplies of meat, milk and eggs are going to be scarce for a long time to come.

C. J. Tempas, president of Green Giant Co., says:

> For the first time in our history, there might be great, gaping blank spaces on our supermarket shelves.

Dale D. Wolf, sales manager of Joan of Arc Food Company in Peoria, Ill., which last week stopped selling its canned pork and beans, has added:

> If consumers were complaining before about high food prices, they're going to complain even more now because they won't be able to get things. Price becomes secondary when you can't get the product.

The administration's response to the livestock and poultry crisis has been an embargo on exports of soybean and cottonseed products, both worldwide staples of livestock feed.

The consequence of this action is that holders of dollars overseas can no longer use them to buy these two commodities; so the dollar is less convertible for something of value than it was before the embargo, leading to new lows in world currency markets. This policy will lead to the dollar buying less and less in the world markets, ultimately adding to the very inflationary pressures the administration is trying to stem. Unbelievably, the Cost of Living Council is considering adding corn to the embargo.

It has been said that those who will not learn from history are bound to repeat it. Presidential economists would do well to restudy the long history of failure which has always accompanied controls. Price controls are no more than a cosmetic attempt to mask or suppress the consequences of inflation and they nearly always end up being more harmful than the inflation they try to control. Since the Emperor Diocletian imposed wage and price controls until today controls have never worked.

Our ancestors learned a hard lesson concerning price controls which unfortunately seems to have been forgotten. In the beginning years of our Nation, price controls almost succeeded in destroying our country's independence.

With an uncontrolled supply of Continental paper dollars in circulation, consumers kept bidding up prices. Pork doubled in price from 4 cents to 8 cents a pound and beef soared from about 4 cents to 10 cents a pound. As a contemporary historian reported:

> By November, 1777, commodity prices were 480% above the prewar average.

The situation in Pennsylvania became so desperate that the people and legislature decided to try "a period of price controls limited to domestic commodities essential for the use of the Army."

Like today, farmers refused to sell their goods at the prescribed prices and few would take the paper Continental dollars. Meanwhile, the price of uncontrolled imported goods went sky high.

On December 5, 1777, the Army's Quartermaster General, after refusing to pay more than the Government-set prices, issued this statement:

> If the farmers do not like the prices allowed them for their produce let them choose men of more learning and understanding the next election.

I remind my colleagues—and the administration—that this option is also available to present day producers now suffering the consequences of price controls.

The lack of supplies at Valley Forge was one tragic result of the price controls with their resultant shortage and still the severity of the situation increased. February 1778, the Pennsylvania Assembly "passed a law appointing commissioners in every city of the State with full power to purchase or to seize, at stated prices, all provisions necessary for the Army." But all appeals, force, and threats of more force, still failed to bring out the needed provisions. Farmers of that time, again as today, simply would not trade the fruit of their hard labors for less than it cost them to produce.

George Washington and the advocates of price controls had learned a costly lesson. Instead of plenty at low prices, they received scarcity and indescribable misery. Anne Bezanaon's book "Prices and Inflation During the American Revolution" tells us:

> By June 1, 1778, the act of regulating the several articles on the price lists was wholly suspended.

Price controls had failed.

After this date the commissary agents were instructed "to give the current price—let it be what it may, rather than the Army should suffer which you have to supply and the intended expedition be retarded for want of it." Reverting to a free market procured the needed winter supplies which had been nearly unobtainable the year before under price controls.

In January, 1780, Pelatiah Webster wrote:

> As experiment is the surest proof of the natural effects of all speculations of this kind . . . it is strange, it is marvelous to me that any person of common discernment, who has been acquainted with all the above-mentioned trials and effects, should entertain any idea of the expediency of trying any such methods again . . . Trade, if let alone, will ever make its own way best, and like an irresistible river, will ever run safest, do least mischief and most good, suffered to run without obstruction in its own natural channel.

During the French Revolution the "Law of the Maximum" was declared, setting forth a system of price and wage controls. But, as Andrew Dickson White states in his book "Fiat Money Inflation in France":

> It could not be made to work well—even by the shrewdest devices. In the greater part of France it could not be enforced.

These controls proved to be as unworkable and disastrous as our Nation's early attempts during the American Revolution and in late 1794 were abandoned.

Looking at more recent history, Henry Hazlitt has described President Truman's unsuccessful attempts to control meat prices:

> Our politicians seem to have a mania for controlling meat prices, and have apparently learned nothing from experience. President Truman restored war-time meat ceilings in September 1946. The federally inspected production of beef, which had been 594 million pounds in August that year, fell to 186 million in September (only 28 per cent of production in the preceding September). Truman removed the ceilings on October 14, and in November beef production was back to 605 million pounds.
>
> Yet in 1951 the Truman Administration was at it again. It raided hundreds of slaughtering plants and soon succeeded in bringing about another beef shortage. In the four-month period of June through September that year, the 95 leading beef-producing plants were able to buy only 65 per cent of the number of cattle they bought in the corresponding period in 1950. At the ceiling prices they were legally allowed to bid, they weren't being offered any more. Yet in the same four months the receipt of cattle at the 12 leading livestock markets were down only 12 per cent compared with the corresponding 1950 period.
>
> What became of the cattle that were not bought by the 95 leading beef-producing plants? It's a fair assumption that they went through black-market processors.

It is impossible to point out a single sustained success with a price control program in the entire postwar quarter of a century. And as Milton Friedman has noted:

> The Johnson Administration tried wage-price guidelines. The guidelines failed and were abandoned. The British tried a wage-price board. It failed and has been abolished. The Canadians tried voluntary wage-price controls. Their Prices and Incomes Commission recently announced the program was unworkable and would be abandoned January 1." (1971)

As I have continually stressed, only one thing causes inflation, high prices, and the spiraling cost of food about which consumers have been justly complaining and that is unsound fiscal and monetary policy. Inflation has been caused by the Government's own policy of running huge budget deficits and continuously increasing the supply of paper money and credit. Only one thing can cure inflation and bring prices under control. And that is to stop increasing the supply of paper money and credit and cut unsound deficit spending across the board wherever there is fiscal fat and low priority spending.

Controlled spending to stop the deficits and a controlled supply of money and credit are the only controls which are going to work—and these are the controls which I strongly urge the President and my colleagues in the Congress to work together to use.

As I have tried to point out, Mr. Speaker, and as Milton Friedman has so eloquently stated:

> The temptation will be strong to try to make the retreaded controls work by piling one intervention on another—the scheduling of production, the allocation of raw materials, the rationing of consumer goods. The proposed export controls are a first portent.
>
> If the U.S. ever succumbs to collectivism, to government control over every facet of our lives, it will not be because the socialists win any arguments. It will be through the indirect route of wage and price controls.
>
> Is there no way to prevent this act of monumental folly?

Yes, Mr. Speaker, let us end phase 3½.

Mr. Speaker, recently the Wall Street Journal printed an excellent article which outlines many of the reasons why the phase 3½ freeze should be immediately stopped. I include the editorial at this time and recommend it to the attention of my colleagues:

[From the Wall Street Journal, June 29, 1973]

Piling up Absurdities

The administration froze prices to stop inflation, which caused the crisis of livestock and poultry feeders stopping production because their prices are frozen while their costs are not. The administration responds with an embargo on exports of soybean and cottonseed products, staples of livestock feed throughout the world.

That means: All those overseas holders of dollars can no longer use them to buy two valuable products; thus, the dollar is less convertible for something of value than it was Wednesday, before the embargo; accordingly, it was hammered down to new lows in world currency markets Thursday; it follows that the dollar will buy less and less in world markets, which in turn adds to those very inflation pressures the administration is trying to contain.

If the freeze-embargo thus sounds like a silly policy, that's because it is. Real chickens—the kind people like to eat—are threatening to become extinct because of the freeze. And the figurative kind—which people don't like to cope with—are coming home to roost as a result of two years of inane economic interventionism employed by the administration with the eager prodding of congressional Democrats and manipulative-minded economists.

It is no wonder that Arthur Burns is trying to talk some life back into the dollar and at the same time proposing yet more economic nostrums. His latest idea, suggested Wednesday to a congressional committee, is a sort of ever-normal granary for corporate profits. Profits would be skimmed off when things were going well, locked up in the Federal Reserve and released when there is an economic downturn.

We're not sure how this is supposed to help with the problems immediately at hand but we were happy that in the same testimony Mr. Burns hoped that the freeze would not run its full 60-day term.

We can go further than that: The freeze and the consequent export embargo should be discontinued forthwith before the economy gets deeper into the mess that is developing as a result of these ill-considered policies. Such a quick policy reversal might suggest that the administration has been playing politics at the expense of economics, but the alternatives are even less palatable.

The consequences in the food industry less than two weeks after the freeze give a hint to how unpalatable they are. The lead paragraph in an article by Mr. Prestbo in this newspaper yesterday said that, "The nation's food-production machinery is starting to grind to a halt under Phase 3½." The article cites a string of food processors who have either shut down or are threatening to shut down production because of the freeze. Their prices are frozen, but not their costs, which means they face big losses otherwise.

Why not roll back their costs by extending intervention all the way to the farm level, a berserk interventionist might ask? The answers are various: The costs of producing food products are inherently variable, dependent upon wind, weather, insect and disease cycles and other factors. Frozen prices coupled with adverse growing conditions could bankrupt farmers. Moreover, the market for agricultural commodities is world-wide. Freezing or rolling back prices at home creates the need for export embargoes to prevent foreign buyers from flocking here to snap up food bargains.

The embargo that we already have, on soybean and cottonseed products, does not begin to cope with the full range of problems that are developing in the food industry. An Illinois packer has stopped selling canned pork and beans, for example. A Green Giant executive sees a prospect of empty supermarket shelves, which will bring few "Ho, ho ho's" from housewives.

Yesterday, the Cost of Living Council threatened to add corn to the embargo; that is, creating yet another commodity into which foreigners cannot convert their dollars. The French, who a few months ago were doing everything they could to keep U.S. farm products out of the Common Market, suddenly are screaming about the new damage to the dollar's convertibility. Unfortunately, foreigners do more than complain. They also sell dollars, which adds to the instability of the U.S. economy and the world monetary system in general.

Nothing will do much to cope with the instability until fundamental factors of U.S. domestic economic management are brought back under control. More immediately, though, the freeze was a miscalculated step that can only lead to other stumbling, faltering, emergency-dictated steps and eventually to an impossible quandary. There is only one solution and that is to get out, now, while there still is time, and stop piling new absurdities on top of old ones.

INSURING EQUITABLE TREATMENT FOR VETERANS

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. STEELE) is recognized for 10 minutes.

Mr. STEELE. Mr. Speaker, in view of the assurance we have received today from the chairman of the House Committee on Veterans' Affairs, Mr. DORN, I wish to commend those of my colleagues who held out for fair treatment for veterans who receive social security benefits by voting against the motion to recede to the Senate amendments last night and insisting that the bill be sent back to conference to insure that our veterans be treated like other senior citizens.

There is no group that is more in need of assistance than the elderly. Today, there are some 20 million Americans age 65 and older. Inflation—including rising housing, food, and health care costs—is particularly devastating to these individuals, most of whom must live on fixed incomes. Each and every one of them needs and deserves meaningful legislation to help them combat the soaring cost of living. Yet the bill presented to us by the Senate last night totally ignored a group of the most deserving of senior citizens—our veterans.

Perhaps that should not be surprising given the manner in which that bill was thrown together. Several weeks ago, the

House passed the debt ceiling bill and sent it to the Senate. That body—without public hearings; in fact, without any real consideration—added some 20 hastily drawn nongermane amendments. Moreover, it bundled them together in such a manner that they could not be amended by the House, nor could we even vote on each one separately. We had to take them as they stood or defeat the bill. And we had to do it virtually sight unseen, without a conference report, with extremely limited debate, and very little time, for the debt ceiling bill had to be passed by this evening.

There was no question that we must provide older Americans with meaningful cost-of-living raises in social security benefits. As Members of this House are well aware, I have consistently supported such increases in the past and I am working for them now. We do need at least a 5.6-percent social security hike. But the sloppily drawn proposal before us last night would not have brought that about for all social security recipients. For many it would have been nothing more than a cruel hoax.

Under the provisions of last night's bill and without the assurances that we were able to get from the chairman of the Veterans' Affairs Committee today, tens of thousands of veterans now receiving social security payments would actually have had their veterans' benefits cut as a result of this supposed increase. This kind of inequity cannot be countenanced, particularly when the same bill contained provisions insuring that welfare recipients would not lose any of their benefits.

For over a year and a half I have been working to bring meaningful Federal benefits to our veterans. At no time will I sit back and watch them get the short end of the stick.

Mr. Speaker, I would like to see those who supported this measure in the Senate come into my district and explain to the more than 1,000 veterans who would have been affected by the provision why they would have lost their benefits.

By voting against the motion to recede, the House was able to send the bill back to conference and to work out assurances that veterans will get their fair share of any cost-of-living increase.

Mr. Speaker, it is time for the Congress to stop playing politics with the lives of our senior citizens. They have had enough of campaign rhetoric and empty promises like that contained in the version of the debt ceiling bill we considered last night. What is needed is carefully drafted, thorough legislation which will make each and every recipient's life more liveable. I commend my colleagues for having voted against the Senate amendments by opposing the motion to recede and thus having sent the bill back to conference, where we were able to obtain assurances that our veterans are to be treated like all other senior citizens.

SUMMARY OF ACTIVITIES OF THE JUDICIARY COMMITTEE

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, in order to keep the House fully advised as to the activities of the House Committee on the Judiciary, I would at this time like to provide a summary of the activities of the Judiciary Committee so far in the 93d Congress and recent developments relating to the structure of this committee.

Immediately upon assuming the chairmanship of this committee, one of my first objectives was to reevaluate the organization of the committee and the jurisdictions of the various subcommittees. In order to refer more appropriately the vast number of bills which would be assigned to the Committee on the Judiciary, I increased the number of standing subcommittees from the five which had existed for many Congresses to six and also established a Special Subcommittee on Reform of Federal Criminal Laws. Furthermore, recognizing the need to have an objective appraisal of the jurisdiction of these seven subcommittees, I appointed a special ad hoc subcommittee on Committee Reorganization with instructions to make specific recommendations as to how the workload of the committee could be better distributed in order to promote the efficient and expeditious consideration of legislation referred to the committee. Representative ROBERT W. KASTENMEIER was appointed to serve as chairman of its special subcommittee which also included Representative JAMES R. MANN and three freshman Members of Congress: Representatives BARBARA JORDAN, ELIZABETH HOLTZMAN, and WAYNE OWENS. The emphasis in selecting new Members to serve on this committee was designed to insure the effective participation and fresh perspectives of younger Members of Congress.

The recommendations of this ad hoc subcommittee were recently considered by the House Committee on the Judiciary and some of them have already been adopted and implemented. For example, the prior designation of each subcommittee by numbers has been changed and the subcommittees have been retitled as follows:

Subcommittee No. 1: Subcommittee on Immigration, Citizenship, and International Law.

Subcommittee No. 2: Subcommittee on Claims and Governmental Relations.

Subcommittee No. 3: Subcommittee on Courts, Civil Liberties, and the Administration of Justice.

Subcommittee No. 4: Subcommittee on Civil Rights and Constitutional Rights.

Subcommittee No. 5: Subcommittee on Monopolies and Commercial Law.

Subcommittee No. 6: Subcommittee on Crime.

Special Subcommittee on Reform of Federal Criminal Laws: Subcommittee on Criminal Justice.

In addition, consideration is being given to jurisdictional guidelines of each of these subcommittees to assist the chairman in referring legislation while at the same time preserving a certain amount of discretion in the chairman to obtain a needed degree of flexibility.

As my colleagues are aware, the Select Committee on Crime will become inoperative next month and it will be incumbent upon this committee to assume the responsibilities of, and the functions performed by, the Crime Committee in the 91st, 92d, and 93d Congresses. In this regard, I wish to advise the House that these functions which properly belong with this committee will be assumed by the Subcommittee on Crime and the Subcommittee on Criminal Justice which have primary jurisdiction over criminal justice matters. Furthermore, in order to assimilate the activities of the Crime Committee into the Judiciary Committee and to insure an orderly transition, we have added to the Judiciary Committee staff the former chief counsel of the Select Committee on Crime.

Other major recent developments include efforts by this committee to fully implement the legislative review—oversight—function mandated by the Legislative Reorganization Act of 1970. It is the intent of this committee periodically to evaluate programs authorized by this committee and to closely scrutinize the activities and operations of the Department of Justice over which this committee has exclusive legislative jurisdiction.

I intend to effectuate fully clause 28 of rule XI of the House of Representatives which requires "each standing committee [to] review and study, on a continuing basis, the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee."

At the same time, it is quite evident that in fulfilling these legislative duties and responsibilities, it will be necessary to expand the personnel of this committee staff and concomitantly it will be necessary to significantly increase the size of this committee's budget.

The need for an increase in manpower and budget is also supported by the expansive scope of the activities which are and will be engaged in during this session of Congress.

First of all, in this session of Congress, my committee has already presented to the House of Representatives several major legislative proposals. Just this month the Judiciary Committee reported to the House on H.R. 8152, to provide an extension of the Law Enforcement Assistance Administration. This legislation was a result of numerous days of hearings by my Judiciary Subcommittee. The bill passed the House on June 18, 1973.

Second, the Judiciary Committee also reported on H.R. 982, a bill which would impose civil and criminal penalties on those who knowingly employ illegal aliens. This bill was the product of a 2-year investigation into the illegal alien problem by my former Judiciary Subcommittee on Immigration and Nationality. This legislation passed the House on May 3, 1973.

Another major proposal considered by my committee and presented to the floor was H.R. 7446, to restructure the American Revolution Bicentennial Commission. This bill passed the House on June 7, 1973.

Another legislative proposal which was approved by the Judiciary Committee was S. 583 which revised the procedures for congressional consideration of the Rules of Evidence. This bill passed the House on March 14, 1973, and was signed into law on March 30, 1973 (Public Law 93-12). As a result of this legislation, the Subcommittee on Criminal Justice is presently engaged in redrafting the rules of evidence which were submitted to the Congress by the judicial conference.

In addition to the aforementioned bills which successfully passed the House of Representatives, each of the judiciary subcommittees is presently engaged in comprehensive projects which presumably will be completed in this session of Congress.

FULL LIQUIDATION IS PENNSY THREAT

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, the front page of today's New York Times warns the citizens of the Northeast that the trustees of the bankrupt Penn Central Transportation Co. are threatening liquidation of all service unless the Congress acts to subsidize, what would be for them, a profitmaking reorganization plan. This plan would in no way guarantee that the interests of the Northeast riding public would be adequately considered, let alone served. Yet, by the trustees' own estimates, Federal subsidies for a satisfyingly profitable plan might run as high as $750 million. I feel that it is time for the Congress of the United States to put the railroads on notice that we will not be intimidated by their public threats.

Passenger rail service in the Northeast is not a luxury but a public utility which is necessary to the well-being of our economy. The Northeast railroads have long been a victim of gross mismanagement. Any plan to grant Federal money for the operation of these railroads must not have bailing out the trustees as its primary motive.

At this very moment, there are several bills pending before the Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce, of which I am a member, which would attempt to resolve the problems caused by the bankrupt railroads in the Northeast. I, myself, have introduced a bill, H.R. 7373, which would create a Federal Railroad Transportation Authority—"Federal"—to take over the bankrupt railroads and their subsidiaries by purchasing them from the trustees. The advantage of this bill is that it would place the public's needs and interests as the prime criterion for railroad operation and reorganization.

The Congress of the United States cannot allow itself to be blackmailed by dire threats of liquidation. Although we must face up to the need for Federal funding of the Northeast railroads, we must also insure that the health of the Northeast economy will take precedence over any private profit considerations. I am confident that this body will soon take progressive action to resolve this dilemma.

For the benefit of my colleagues, I would like to include in the RECORD a copy of the aforementioned article from the New York Times:

FULL LIQUIDATION IS PENNSY THREAT—TRUSTEES WOULD DROP ALL SERVICES IF NOT ASSURED OF AID BY OCT. 1

(By Ernest Holsendolph)

The trustees of the bankrupt Penn Central Transportation Company proposed yesterday to end all freight and passenger service over a 10-week period begining Oct. 31 unless the company receives assurances of aid from the Government or other outside sources prior to Oct. 1.

The railroad, largest in the United States, said its liquidation schedule, which could put it out of the transportation business by the end of the year, was made necessary by the prospect of a "complete exhaustion of working capital."

SPOKESMAN COMMENTS

A hearing is scheduled in Federal District Court in Philadelphia Monday before Judge John P. Fullam, who has been overseeing reorganization of the nation's largest carrier. Monday was the deadline set last March by Judge Fullam for presenting a "feasible" plan for reorganization or a proposal for liquidation.

A spokesman for the Metropolitan Transit Authority said here yesterday that the three New York commuter lines run by the Penn Central would continue to operate even if the company went out of business.

Trustees said their 22-page plan was based on their conclusion that "Penn Central cannot be reorganized as originally contemplated by a traditional recapitalization of railroad earnings."

The plan indicated there had been no major progress in attaining the four conditions that they believed necessary to reorganizing the road on the basis of earnings. The conditions included streamlining of the vast rail network, gaining public funding, elimination of unneeded employees and increasing traffic.

As the trustees' plan was being made final, they reported that the railroad lost $18.6 million during May, 1973, and $90.5 million for the first five months of this year.

Insisting for some time that time is running out, the trustees said that there was a need for massive Government aid from Congress that could run as high as $750 million.

The Senate Subcommittee on Surface Transportation, headed by Senator Vance Hartke of Indiana is working on legislation to bail out the ailing railroad systems. Senator Hartke has asked the Interstate Commerce Commission to submit a budget for a reorganized Northeast system, and expects the budget to be released within a week.

Meanwhile, a bill to reorganize the Penn Central and five other bankrupt eastern railroads has been introduced by Representative Brock Adams, Democrat of Washington, a member of the House Commerce Committee and specialist in railroad issues.

His bill would set up a Northeast Railroad Corporation to take over the operation of the lines, a Federal National Railway Association to see Government-guaranteed bonds to finance the operation of the lines, and a New England Transportation Commission to establish the basic route structure of the corporation.

VIEW OF TRUSTEES

The Penn Central trustees said the "present regulatory system does not permit a timely streamlining . . . to eliminate unprofitable excess mileage." Further, public assistance, they said, has been inadequate to subsidize passenger service.

Compensation from Amtrak, the national passenger rail service owned by the Government and the railroads, was termed "very encouraging" but not enough to dent the $90.5-million in losses incurred this year.

The trustees' plan sets forth procedures for disposing of the railroad's rail assets, preferably for continuing rail use if practicable or, if not, for nonrail purposes. Offers for acquisition of the rail assets will be received by the trustees during a period of six months from the date of approval of the plan by the I.C.C.

The plan also provides in general terms for creation of a holding company that will own, through new or existing subsidiaries, the remaining Penn Central assets.

Securities of the new holding company or assets would be distributed in satisfaction of claims and interests on such terms as may be determined by the I.C.C. and the court. * * *

EXECUTIVE PRESSURE

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, Congress is once again abdicating its constitutional responsibilities and giving the President another "honorable" way out. In so doing, Congress is giving its seal of approval to any military action that the President may choose to take in Indochina until August 15.

I cannot endorse this congressional retreat. I deplore the response of this Congress to Executive pressure. I, for one, have not and will not vote to give the President a blank check to continue his war policies for any length of time. We know all too well what the President is likely to do with that blank check.

The 45-day compromise reached by the Congress and the President has no justification. I see no reason why we could not give back to the President, time and time again, legislation reflecting our conviction that war in Southeast Asia must come to an end. I do not feel intimidated by a veto or by a threat of veto. I am willing to risk tieing up the mechanisms of Government in favor of ending the war immediately. It is only with the deepest disappointment that I observe the forfeiture of Congress of its role within our system.

In the last few days, my hopes were raised by majority votes in both the House and Senate to end the war immediately. I disagree with those of my colleagues who believe that our capacity to end the war is founded in our capacity to override a veto. Our ability to end the war immediately rests only on our capacity to achieve a majority, and to continue to send back to the President as many times as is necessary, legislation which will end the war immediately. I, for one, was and am prepared to keep sending that legislation back to the President until we end the war.

My colleagues have viewed our present alternatives as either capitulating to the President's desire to bomb Cambodia and Cambodians until August 15 or disrupt the functioning of Government by failing to enact the appropriations and debt ceiling bills which must be passed before midnight tonight, the end of the fiscal year. I believe that if the President had been faced with a choice of either bombing Cambodia or permitting the Government to function, he would have chosen the latter.

The world will long remember what we do here today. In the next 45 days, the United States will continue to rain bombs in Cambodia. We will continue to scorch the Earth. We will continue the killing.

We are asked here to ratify this bombing. I will not cast my vote yielding to the President the power to bomb and kill for 6 more weeks. The President is acting without authority from the Congress. I fear that he will interpret a 45-day cutoff date as congressional authorization for warmaking.

I cannot support a 45-day cutoff period. The futility of the compromise, the cloaking of the President with the authority to bomb, and the high cost of life and blood of Americans and Cambodians run counter to the basic principles for which this country stands.

Congress has finally mustered a majority of Members in favor of ending the automated, anonymous, and secret war in Indochina immediately. And yet, in the face of Nixon administration pressure, history will record that Congress permitted this opportunity to slip through its fingers.

INDEPENDENCE FOR THE BAHAMAS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I wish to call to the attention of our colleagues a significant event in the history of human political freedom which will take place in the Caribbean on July 10. On that date the people of the Bahamas will achieve their full independence from the United Kingdom.

This event should be heralded by our Government and our people. We achieved our independence nearly two centuries ago and we have been the defenders and supports of self-determination and political freedom for other peoples throughout our history.

I am pleased that this advent of a new sovereign nation in the Caribbean has been heralded by a memorial adopted by our Florida House of Representatives under the sponsorship of the Honorable Gwendolyn S. Cherry, a member of the State legislature from my congressional district.

I would like to call this memorial to the attention of the House and include the text of the memorial and representative Cherry's letter to me in the RECORD:

JUNE 20, 1973.

Congressman CLAUDE PEPPER,
Federal Building,
Miami, Fla.

DEAR CONGRESSMAN PEPPER: The Florida House of Representatives passed the attached memorial to join in the celebration of the Bahamas Islands Independence on July 10, 1973. There are many meritorious reasons for our country to join in such a celebration. One would be to cement the relationships between the two countries and another would be to show our appreciation to the number of Bahamians who have settled here in Florida permanently and became United States Citizens. They are our neighbors and we should share their joy.

There will be a festive and elaborate occasion. Britian's Prince Charles is scheduled to attend. Seven hundred islands and thousands of Cays will become one sovereign nation. For these and other reasons, I urge Congress to observe and participate in the Independence Celebration coming up shortly.

Let us wish the Bahamians well and much success as they journey down the road to Independence that America took in 1776.

Peace and Faith,

GWENDOLYN S. CHERRY,
Florida State Representative, District 106.

A MEMORIAL TO CONGRESS OF THE UNITED STATES URGING CELEBRATION OF THE BAHAMA ISLANDS INDEPENDENCE DAY, JULY 10, 1973

Whereas, on October 12, 1492, Christopher Columbus landed in the Bahamas on an island he christened San Salvador, now known as Watling Island, and

Whereas, in 1629 the English King Charles I granted Sir Robert Heath, attorney general of England, territories in America, including "Bahama and all other Isles and Islands lying southerly there or neare upon the foresayd continent . . .", and

Whereas, Captain William Sayle landed on the abandoned islands in July of 1647 with seventy prospective English settlers, but the colony did not prosper, and

Whereas, John Wentworth was appointed the first governor of the Bahamas in 1671, and Captain Woodes Rogers was appointed the first Royal Governor in 1718, and

Whereas, the United Kingdom Emancipation Act came into force in the islands in 1834, the first step toward freedom and equal rights for the inhabitants of the islands, and

Whereas, the colony achieved full internal self-government in January 1964, and

Whereas, the Bahamas make notable contributions to the economic life of the Caribbean area through the production of wood products and salt, and through the fishing and tourist industries, and

Whereas, the Bahamas will enjoy full independence on July 10, 1973, free from foreign rule to chart her own course in world affairs, Now, therefore,

Be It Resolved by the Legislature of the State of Florida:

That the Congress of the United States is hereby urged to extend by appropriate means to the government and people of the Bahama Islands official congratulations upon the celebration of Independence Day in the Bahamas, July 10, 1973, and that necessary steps be taken that the people of the United States may officially partake in the observance of said day.

Be it further resolved, That copies of this memorial be dispatched to the President of the United States, the Prime Minister of the Bahamian government, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

THE "SYSTEM" IS WORKING ON THIS FOURTH OF JULY

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, what has happened to American morality?

What has happened to American faith?

What has happened to American patriotism?

Questions like these have surfaced often in recent months.

These questions cannot go unanswered on this Fourth of July, therefore, I would like to spend a moment or two explaining why I think America can and is responding to the crises which confront her now in terms of morality, faith, and patriotism.

There can be no morality, there can be no faith, and there can be no patriotism where there is a sense of alienation from the very institutions which are making decisions affecting each and everyone of us. This is particularly true of a nation, such as ours, which, through tradition and faith, maintains its dedication to democratic principles.

Contrary to what many feel, I believe that the events of the past few months have demonstrated the strength of our Government. The system is working to expose those who took advantage of what they felt was the tenor of the times to use a highly centralized and secret bureaucracy to try to uncover some dirt and to try to cover up other dirt.

There are many "criers of doom" who say that all politics is dishonest. In no way can I agree with this. Our Constitution, in providing for the separation of powers, provided the people with a system of checks and balances itself. Deviousness, illegality, or lack of veracity in one branch of government cannot long persist; if the people will only exert their constitutional prerogative, through the other two branches, to check the deviousness and balance the system.

Our system, our Constitution, and, most of all, our people, the bulwark of our democracy, have responded, once again, to a crisis. In doing so, the people have once again declared their unwavering intent to play the integral part in their political system.

On this Fourth of July, I can think of no greater tribute to our system than that it has once again proved itself in the face of crisis. Our Founding Fathers were courageous in trying the impossible, a representative democracy, and many generations of courageous Americans have followed in their footsteps. I honestly believe that the vast majority of Americans living today have once again confirmed our Founding Fathers' belief or faith in the morality of the common man and in his patriotic fortitude. I command you, the American people, for your fortitude in demanding that our system check and balance itself. Further, I commend my colleagues in all branches of government, for their willingness to prosecute this, the will of the American people.

On this Fourth of July, I can proudly say that the American system has responded once again to the crises confronting her. In face of technological complexity and all that it implies in terms of morality, faith, and patriotism, the American system has, through its sovereign people, proved itself desirous of morality and, therefore, worthy of faith and patriotism. Thank you America.

CHARLES HODEL: MOUNTAINEER

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, 2 weeks ago today, West Virginia lost a great mountaineer, an outstanding journalist, and a tower of integrity and independence in the passing of Charles Hodel at the age of 84.

It was my honor to attend the opening of the 13th annual season of the West Virginia historical drama presentations at majestic Grandview Park on June 23. The presence of Charles Hodel was felt very strongly at the opening night ceremonies, because it was his vision and determination which had realized the dream of the park, the amphitheater and the production of the dramas themselves. It was very fitting that the new president of the West Virginia Historical Drama Association, Emile Hodel, son of Charles Hodel, presided at the dinner and opening night ceremonies which preceded the production of "Hatfields and McCoys."

There were so many civic and cultural activities to which Charles Hodel lent his inspiration and leadership that a mere catalog of them would not bring forth the real zestful spirit he added to every activity. Although serious illness hospitalized him for the last 8 years of his life, the depth of his influence became clearer to me during a brief conversation I had with his son, John Hodel, now the editor of the Raleigh Register, last week.

All the planning and leadership involved in West Virginia's centennial celebration in 1963 was brought to a pinnacle of success by Charles Hodel, who headed West Virginia's Centennial Commission. I can see him now, standing with his crutches at the corner of the Rose Garden of the White House, as President John F. Kennedy emerged from his Oval Office to accept an invitation to speak at the State capitol in Charleston, W. Va., on the 100th birthday of the Mountain State. There he stood, proud, independent, chin uplifted, as the President of the United States strolled to the edge of the Rose Garden to grasp Charles Hodel's hand and commend him on his leadership.

The publisher of the two Beckley newspapers, the Beckley Post-Herald, now edited by Emil Hodel, and the Raleigh Register, edited by John Hodel, Charles Hodel set a high level of integrity, independence, and influence.

The memorial service for Charles Hodel was appropriately held in Grandview Park, in the Cliffside Amphitheater which Mr. Hodel worked so hard to establish. In the beautiful words of Charles Hodel's brother-in-law, Rev. Matthew Warren of New Hampton, N.H., we can appreciate the deep love of the land which he cherished. Under unanimous consent, there follows the preliminary description and text of the Charles Hodel memorial service, as well as the resolution passed by the West Virginia Legislature memorializing Charles Hodel's career, accomplishments, and service:

Charles Hodel Memorial Service Held In Amphitheater at Grandview Park

A memorial service was held Tuesday morning at the Cliffside Amphitheatre in memorium of Charles Hodel, the late publisher of the Raleigh Register and the Beckley Post-Herald.

Hodel died June 16 in a local hospital following an extended illness at the age of 84.

The family has requested that those wishing to memorialize Hodel on a personal basis make memorial gifts in his name to either the West Virginia Historical Drama Association, which he headed in its early years, or to the building fund of the Beckley-Raleigh County YMCA, of which he was a founding father.

The following remarks were made at the service by a brother-in-law of Hodel, Rev. Matthew Warren of New Hampton, N.H., former rector of St. Paul's School in Concord, N.H.

Our objective today is to honor, with gratitude, the life and work of Charles Hodel. His experience in life was not an easy one, nor was it a simple success story. Rather, it was an arduous life, lived to the fullest, amid pain and happiness, struggle serenity, frequent defeats and ultimate achievement.

At the sensitive age of twelve he entered into a period of years fraught with trouble, frustration and suffering. Three times he endured amputation of his leg, all the while his life was dispaired of, and on recovery he was denied the usual pursuits and vigorous activity common to the adolescent male. In over sixty years I knew and loved him, I never heard him complain, show any sign of self-pity in any form, nor was there a shade of resentment, nor did he expect to be shown any special treatment or consideration because of what others may have considered his disability.

Charles Hodel often said that the experience had been a stimulus, a source of strength and ultimately a blessing to him. Frankly, he could outwalk all of us, and frequently did. I doubt that anyone in this gathering would or could accept the self-imposed discipline of walking from the top of Maxwell Hill to the Beckley Newspaper's offices, and return, as frequently and rapidly as he did. One might say he was the earliest of the joggers and the only one to do it on crutches.

Born into a poor, immigrant family of Swiss origin, enduring the early death of his young father, spending several years in a children's home, receiving little formal education, casting about for a vocation for a number of years (though always drawn to printer's ink, the smell of the lead pot and the charm of print) he never seems to have felt "put upon" by outrageous circumstances, never felt sorry for himself, never yielded to cynicism and had an accompanying sense of compassion for those who could not face life's frequent and often threatening demands. He was never merely sentimental about life, but he did have strong and worthy sentiments. He rose above hardship by hard work; he overcame limitations by patient care of what was manageable, by thoughtful evaluation and finally willing acceptance of his own and others' imperfections. Be it said, he never surrendered out of weakness and folly.

Charles Hodel's early life on a farm, however impoverished, instilled in him a love of the out-of-doors, a profound concern for conserving unspoiled nature, woodlands and good soil. For years he spaded his own extensive vegetable garden (not trusting plowmen to turn the soil uphill on his sharply graded downhill back yard). He planted a full garden and he alone cultivated it, and joyfully gathered his crops. All of this was done by hopping, unassisted by crutches, occasionally using a rake or hoe to stabilize his balance, and so far as I know, he never took a fall—and if he did fall, I doubt that he ever mentioned it. He never thought all of this "farming" unusual.

I was six years old when Charles Hodel married my sister Katherine and their home became my home on many occasions, certainly I was there daily as a small boy. When I ran into trouble with parental authority, I escaped to the Hodels. When I became a nuisance at the Hodels, I returned to my parents. Today's jargon would call that " a good game plan." On Sunday afternoon Charles Hodel took his very young brother-in-law in a ramble in the nearby woods. We would set forth, often in snow, in the vague direction of Sprague, and after a few miles he chose a spot where I gathered twigs and some heavier wood and we built a fire, sat on a log and talked about the world and all that was in it.

When we started on these walks, he gave me a small paper bag containing two good-sized potatoes. These we cast into the ashes and, turning them with sticks, awaited their readiness for eating. They were delicious. But Charles always provided the one thing essential to full enjoyment of those baked potatoes, and that was salt. How characteristic of Charles Hodel to provide salt!

All of these experiences often come to my mind and have nourished my spirit for years. Charles Hodel was a good man—but a salty man, too. He gave salt to more than food. He was a salty influence in this state and certainly in Raleigh County. He loved these hills and dales, and their cold running springs of fresh clear water; he loved the then verdant fields and, of course, the lovely views so abundant in this mountainous state. But, he never lost sight of our greater asset, the wonderful people who came under the spell of his publications, who felt the spirit and inspiration of his superb capacity to write strongly, firmly and imaginatively, and bring results. That takes salt.

He never ran for public political office. He never sought to be popular for the sake of popularity. He chose, rather, to remain independent, free to think and articulate his concerns and to publish without fear, without favor and to seek to let the people know what was going on in high places, and in low places, too.

Charles Hodel was not able to give himself to institutional religion. He did try to, he made the effort, but it never came clear to him, did not nourish the deep recesses of his makeup, and he was above pretending about so serious a matter. He was never scornful of organized religion and I know well he was sympathetic to us who have devoted our lives to the churches and temples of this land.

I have no doubt that he observed how poorly adherents of the churches and temples put into practice their profession, but he was not a trivial man who rejoiced in belittling and passing judgments on the hypocrisy and self-serving activities of others. He knew that life was tough enough and that the church and temple of the Judean and Christian religions were vital forces in western culture and he restrained himself from being archly critical of the shortcomings of his fellow man. That he felt deeply the importance of religion, felt morally responsible for his own conduct and the conduct of his family and his business, no one can doubt.

He wanted no funeral and he would want no pretense or uncharacteristic interpretation of that. After over forty years in the Christian ministry, I can share his distrust of the frequently barbarous and pagan way in which funerals are conducted and interpreted. Contemporary churches and temples might serve their Master more nobly and truthfully by sterner self-criticism in this area of religious faith and practice.

The newspapers have told you of this man's life and work. I have undertaken to tell you of some very human events dear to me, and of some things you may have wondered about this quiet and unassuming man. Let me now add one further thing: He was a loving and faithful husband to my sister; he was remarkably gentle, soft-spoken and totally devoid of the quarrelsome spirit. If he agreed, you knew it. If he did not agree, you knew it. But he was not given to acrimony or repetitious complaint. Honorable, peaceable, decent and fair, he has left to his deeply loved children an heritage of independence in thinking, of community responsibility in conduct, and a personal history of fearless struggle for integrity and just dealings among human beings, wherever they are.

If I know anything about the state of our nation and world, we could well use his strength, his courage and integrity today.

A century ago Josiah Gilbert Holland (1819–1881) wrote the following verse. I hope Charles Hodel knew it. He would have loved it and would have taken inward nourishment from it.

"God give us men! A time like this demands strong minds, great hearts, true faith, and ready hands;

"Men whom the lust of office does not kill;

"Men whom the spoils of office cannot buy;

"Men who possess opinions and a will;

"Men who have honor; men who will not lie;

"Men who can stand before a demagogue and damn his treacherous flatteries without winking;

"Tall men, sun-crowned, who live above the fog in public duty and in private thinking."

Rev. Warren then quoted Psalm 24:1-6:

"The earth is the Lord's and all that is in it, the world and those who dwell therein. For it was he who founded it upon the seas and planted it firm upon the waters beneath.

"Who may go up the mountain of the Lord? And who may stand in his holy place? He who had clean hands and a pure heart, who has not set his mind on falsehood, and has not committed perjury.

"He shall receive a blessing from the Lord, and justice from God his saviour. Such is the fortune of those who seek him, who seek the face of the God of Jacob."

The service ended with the following prayer:

"O Lord, support us all the day long, until the shadows lengthen and the evening comes, and the busy world is hushed, and the fever of life is over, and our work is done. Then in thy mercy grant us a safe lodging, and a holy rest, and peace at the last.

"Oh God of peace, who has taught us that in returning and rest we shall be saved, in quietness and in confidence shall be our strength; By the might of thy Spirit lift us, we pray thee, to thy presence, where we may be still and know that thou art God.

"Oh Heavenly Father, who hast filled the world with beauty; open, we beseech thee, our eyes to behold thy gracious hand in all they works; that rejoicing in thy whole creation, we may learn to serve three with gladness."

Legislative Resolution Memorializes Publisher

A House Concurrent Resolution memorializing the career, accomplishments and service of the late Charles Hodel was expected to be passed today by the West Virginia House of delegates.

The resolution was to be introduced shortly after the House convened at noon by Speaker of the House Lewis McManus, who said that the Senate is expected to concur in the resolution Wednesday.

Hodel died June 16 following more than eight years of hospitalization.

Calling the late publisher and president of the Beckley Newspapers Corp. an "eminent newspaperman, successful businessman and useful and public-spirited citizen," the House resolution noted at length the myriad civic activities in which Hodel was involved.

"To this 'Horatio Alger on crutches' goes much of the credit for the Raleigh County coal-rich area's development," the resolution states in part: "His was truly a full life, a continuing achievement and vast service to his state and mankind in general."

"The members of this 61st legislature hereby recognize and applaud the outstanding achievements, phenomenal success, singular contributions to the state and this area, and useful and productive life of Charles Hodel. We sincerely regret the passing of this able and devoted citizen who was a dear and industrious friend of many West Virginians, and extend to his sons and daughter sincere regrets on the loss of a faithful and worthy father."

RETIREMENT OF WILLIAM ARBOGAST

(Mr. ALBERT (at the request of Mrs. Schroeder) was given permission to extend his remarks at this point in the Record, and to include extraneous material.)

Mr. ALBERT. Mr. Speaker, nearly 32 years ago, William Arbogast was assigned by the Associated Press to cover the House of Representatives. Today, after a 42-year career with the AP, he will retire, leaving behind an outstanding record of journalistic accomplishments and a large group of friends unsurpassed by any newsman or Member of the House.

I am going to miss Bill Arbogast greatly. He is one of the finest reporters I have ever known. More than that, he is one of the finest persons I have ever known. Since I met Bill more than 26 years ago, I have found him to be an extremely trustworthy, fair, and truthful person who strongly believes that an objective, thorough accounting of the facts is the hallmark of a good reporter. Bill's professional excellence, combined with his warm, easy going manner, have earned him the respect of every Member of the U.S. House of Representatives.

I want to wish Bill and his wife, Eleanor, the best life has to offer and a long and wonderful retirement.

Bill recently prepared for AP publication a fascinating article highlighting his career in the House Press Gallery. Under the unanimous consent agreement, I include that article at this point in the Record.

His Career in House Press Gallery

Things have changed a lot since I came to Washington in 1938.

In that year, Congress appropriated about $10 billion to run the government, and was accused of being reckless with the taxpayers' money. Last year it appropriated $180 billion, and the interest on the national debt was more than twice as much as the 1938 appropriations.

It didn't take me long after arriving in Washington from Frankfort, Ky., to decide that the best beat in town was the House of Representatives. Members of the House and habitues of its press gallery seemed more relaxed and carefree than their counterparts in "the other body." Furthermore, the card games in the House gallery offered more diversified relaxation.

I badgered Brian Bell, then the bureau chief, almost monthly for assignment to the next House staff vacancy. One day he called me into his office and said there was an opening on the Senate staff and I could have it. It was a hell of a spot to put me on and I was greatly relieved when he told me he was only kidding and I was assigned to the House staff late in 1941. On June 2, 1942, I figured I really had arrived—I was allowed to write the bulletins saying the House had declared a state of war to exist between the United States and Bulgaria, Hungary and Rumania.

Five speakers have presided over the House since I came to Washington—William Bankhead of Alabama, Sam Rayburn of Texas, Joe Martin of Massachusetts, John W. McCormack of Massachusetts and Carl Albert of Oklahoma. Only four members who were in the House in 1938 are still there. Three former members, John F. Kennedy, Lyndon B. Johnson, and Richard M. Nixon became Presidents.

There have been some serious and light moments during those years.

I was sitting in the House gallery on March 1, 1954, working a crossword puzzle during a dull debate, when a band of Puerto Rican fanatics fired several dozen rounds of bullets into the ceiling, the walls, and the woodwork and into the bodies of five Representatives, all of whom recovered. That was a day to remember. I recall that our teletype operator put a terse note on the machine saying "they're shooting in the House chamber." Don Kovacic, then the news editor, later told me he got some gray hairs waiting to see what was coming next.

One of the saddest assignments I ever had was to go to Dallas when Sam Rayburn went into a hospital for terminal cancer. With some good fortune and some good contacts, the AP had a solid beat on Rayburn's death.

It was Sam Rayburn, a really great man, who invited me to become a regular member of what was known as the Board of Education. The Board met almost daily at the close of each House session and the old political pros who operated out of that little room in the Capitol made some weighty legislative decisions. Some of the regular members were Lyndon B. Johnson, then majority leader of the Senate, and Charlie Halleck, then minority floor leader. I learned many things in that Board room, including how to keep pace with some experienced drinkers. A book could be written about the Board of Education if the sessions hadn't been off the record.

I well remember the day that Adolph Sabath of Chicago, New Deal chairman of the Rules Committee, feinted a heart attack to block a committee vote on an issue he knew he would lose. After Sabath was carried into an adjoining room and placed gently on a sofa, he opened one eye and remarked "they didn't vote, did they?" They didn't.

I well remember the 1947 and 1948 probes of communism by the House Un-American Activities Committee. They resulted in oblivion for some famous Hollywood movie figures and the jailing of Alger Hiss, a State Department official. It was the Hiss-Whitaker Chambers case and its "pumpkin papers" that catapulted Richard M. Nixon, then a Representative, into national prominence.

Sam Rayburn once said "I love the House of Representatives." Without meaning to sound corny, I do too. I have personally known more than 1,000 members and I don't recall having met a mean one or one I disliked. I have seen the House rise above politics to the realm of statesmanship when the occasion required. On fewer occasions I have enjoyed watching it perform like the Katzenjammer Kids.

I have enjoyed working for the AP and my associations with its newsmen and bosses. It has been a good and interesting life. The AP was Number One when I joined it in 1931. It still is and I think it always will be.

GIVE WITH THE RIGHT HAND TAKE AWAY WITH THE LEFT HAND

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RANDALL. Mr. Speaker, as a Member of Congress who has long been concerned about the needs of our Nation's veterans, I welcome this opportunity to present my views on pension legislation now pending before your distinguished subcommittee. In particular, I would like to express my support for H.R. 3851, a bill I am proud to sponsor along with over 125 of my colleagues who have introduced identical or similar legislation. H.R. 3851 is companion legislation to H.R. 100. Both bills are designed to make certain that recipients of veterans' pensions will not have their pensions reduced because of increases in social security benefits.

We should all be aware of the need for this legislation. As a result of the enactment of Public Law 92–336 last year, approximately 1.2 million veterans experienced a reduction in their VA pensions. Worse still, an estimated 20,000 were dropped from the VA pension rolls altogether. This tragic situation resulted because of the method used to compute VA pensions for veterans of World War I and others. Pension benefits for these individuals vary according to the amount of countable annual income other than the VA pension, with all pensions denied and completely cut off when income exceeds a specified level. Because social security benefits are taken into account when calculating countable income, the 20-percent increase in social security benefits provided under Public Law 92–336 effectively reduced VA pensions for about 77 percent of all veterans receiving pensions.

In other words, enactment of H.R. 3851 or similar legislation is not simply desirable but essential or absolutely necessary to confirm and restate Congress good faith in enacting the 20-percent increase in social security benefits. I have no doubt that when Congress passed the social security increase, its intent was to raise the aggregate income of social security beneficiaries by 20 percent. If Congress wishes to follow through with its clear intention and fulfill its implied pledge to millions of social security beneficiaries, then we have no remaining choice but to enact this veterans legislation at the very earliest possible date.

Already, passage of H.R. 3851 or similar legislation is long overdue. As early as September of last year, we recognized that reductions in VA pension benefits would result on January 1, 1973, because of enactment of Public Law 92–336. At that time, I enthusiastically joined with a number of colleagues in cosponsoring H.R. 16661, a bill which would have corrected the anticipated inequities outlined above. A number of similar bills were also introduced. One piece of legislation was actually approved by the other body. However, no action was taken in the House. Unfortunately all these bills died at the adjournment of the 92d Congress.

Mr. Speaker, in my judgment there is little need for extended debate on the objectives of this legislation. It merely corrects what was an admitted oversight on the part of Congress. Enactment of H.R. 3851 or similar legislation is very simply a self-confession of carelessness or negligence on the part of the legislative branch. I am not aware of one Member of Congress who intended that his vote for the 20 percent social security increase would result in a reduction of veterans' pensions. The way things turned out, Congress was put in the position of giving with the right hand and taking away with the left hand. In reality, the effect of our action was what we Missourians would call "Indian giving." Remedial legislation should have been enacted months ago. Action is long overdue.

It is my understanding this legislation has encountered some opposition on the basis that only 15,000 of the 1.8 billion veteran pensioners affected by the 20-percent social security increase will actually sustain a loss in total aggregate income. The opponents further point out that these 15,000 pensioners are those in the highest income brackets and that the average loss will be only $9 monthly. In addition, it is stated the Office of Management and Budget has set aside no funds to cover the cost of this legislation, and that its passage will lead to unnecessary increases in Government spending.

I submit that these arguments in no way undercut the necessity for enacting this legislation. Moreover, they do not even address themselves to the primary issue involved. The point in question is congressional credibility. Is the Congress of the United States going to follow through with its unambiguous intent to increase social security benefits, or is it going to back down on its pledge? When we enacted Public Law 92–336, our purpose was not to raise the aggregate income of social security beneficiaries by varying amounts. We intended to pass an across-the-board 20-percent increase.

Those who argue that the overwhelming majority of veterans pensioners have realized a gain in aggregate income as a result of the social security increase, and that, therefore, enactment fo H.R. 3851 or similar legislation is open to discussion, completely miss the point. Over 1.2 million veterans pensioners have not received the 20-percent increase in aggregate income which Congress intended that they should receive. There is one thing that is nonnegotiable: the credibility of the legislative branch of our Government. If Congress wishes to preserve its credibility, passage of H.R. 1753, H.R. 3851 or similar legislation is long overdue.

PERSONAL EXPLANATION

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RANDALL. Mr. Speaker, on Tuesday, June 26, I answered the first quorum call of the day, rollcall No. 281, at page 21305. On that page are listed those Members who failed to respond. The fact that our name does not appear on that list should be proof that I was present as late as about 1 p.m. on Tuesday, June 26.

However, Mr. Speaker, I had no choice but to face the very serious dilemma which confronts many of my colleagues. I had accepted a speaking engagement for that evening in our congressional district before a confederation of several chambers of commerce and business and professional clubs.

I had first scheduled this appearance in April. On that date I asked to be excused. The appearance was rescheduled for the fourth Tuesday in May. Again the pressure of business on the floor of the House was so great that I canceled for the second time and asked for the date of June 26, thinking that surely the House would not have a heavy calendar due to the contemplated Fourth of July recess.

Mr. Speaker, as I faced the choice, whether to be present for the important votes on the continuing resolution, and on Labor-Health, Education, and Welfare appropriations. The decision involved whether the principle or proposition that one's word is as good as one's bond measured up in importance to missing some votes on the House floor. I finally decided that having given my word on two previous instances, and then having assured an important group of our constituents that without failure, any excuses notwithstanding, I would be present on the evening of the 26th. The decision boiled down to a matter of personal integrity. It was this reasoning that finally tipped the scales to make the choice to honor a commitment rescheduled for the third time, even though it meant missing some important votes on the floor of the House.

Mr. Speaker, for the Record I submit a personal explanation of how I would have voted had I been present:

On House Joint Resolution 536, the continuing resolution, had I been present: On the Addabbo amendment to prohibit funds from being utilized to support combat activities in Cambodia, Laos, North Vietnam and South Vietnam, I would have voted "aye."

On rollcall No. 282 which was a procedural matter to limit debate to 20 minutes, I would have voted "no."

On the Mahon substitute for the Addabbo amendment, which would have extended authority to use funds for combat activities over Cambodia and Laos to September 1, 1973, I would have voted "no." On rollcall No. 283, at page 21318, being the Long amendment to the Mahon substitute to delete the words "September 1, 1973" and add the words "heretofore appropriated," I would have voted "aye." On rollcall No. 284 at page 21319, being the vote to substitute the Mahon-Long substitute for the Addabbo amendment which, in effect, mandated the termination of hostilities in Cambodia and Laos and eliminated delaying and deferring the prohibition against bombing until September 1, I would have voted "aye." Finally, on rollcall No. 285, at page 21320, being the vote on the Addabbo amendment, as amended, which was the final vote on the continuing resolution, as amended, and which contained a strict prohibition against further bombing, either from funds appropriated by this resolution, or funds from any act heretofore appropriating funds, I would have voted "aye."

On rollcall vote No. 286, on page 21320, I would have voted "aye."

Mr. Speaker, it was also unfortunate that by my decision to keep my word to those in our district, I had to miss some important votes on H.R. 8877, the Labor-HEW appropriations bill. On rollcall No. 287, at page 21322, being the rule on H.R. 8877, I would have voted "aye."

On rollcall No. 290, at page 21385, being the Baker amendment to cut our $100 million of appropriations for the Office of Economic Opportunity I would have voted "no." While I have not supported all of the poverty programs over the past years. I am convinced that in our congressional district, OEO has done a good job among our senior citizens and in its work for the neighborhood youth corps.

On rollcall No. 291, at page 21386, being the Michel substitute, which as I understand abolished no programs and which was a compromise between the budget recommendation and the increases provided in the committee bill, I would have voted "aye."

On rollcall No. 292, at page 21390, being the Roybal amendment providing for educational aid for bilingual children, if present I would have voted "no."

On rollcall No. 293, being the Quie amendment to allow the shifting of funds for disadvantaged students from State-to-State in accordance with the shift in population, I would have voted "no."

On rollcall No. 294, at page 21385, being the motion of Mr. Michel to recommit, I would have voted "aye" which meant that I was for the compromise package of amendments which I am advised was midway between the budget recommendation and the committee's bill which exceeded the budget by $1.2 billion. I would have voted for the motion to recommit because, with a veto almost certain and with not enough strength in the House to override a veto, in my judgment it would be far better to send the President a bill which would be signed than to have no bill at all, and without the strength to override a veto.

Finally, Mr. Speaker, on rollcall 295 at page 21395, being the vote on final passage, I would have voted "aye."

NORTHEAST OHIO CONGRESSIONAL COUNCIL HEARINGS ON 1974 BUDGET

(Mr. STOKES asked and was given permission to extend his remarks at this point in the Record, and to include extraneous material.)

Mr. STOKES. Mr. Speaker, on April 6, 1973, in a remarkable show of unity and concern, the citizens of northeast Ohio came forward to testify about what the cuts in the 1974 Federal budget would do to people and programs in our area. For an entire day, the members of the Northeast Ohio Congressional Council held hearings on the President's budget for fiscal year 1974. The members of the council are Congressman William E. Minshall, Congressman Charles A. Mosher, Congressman John F. Seiberling, Congressman J. William Stanton, Congressman James V. Stanton, Congressman Charles A. Vanik, and myself.

Mr. Speaker, there has been an abundance of commentary in this Chamber about the disastrous effects of the budget cuts on a national scale. But one receives a different perspective when examining these problems at home. There we are dealing in terms of dozens or hundreds or thousands of people—instead of millions. There we are talking about people we know personally who are going to suffer—instead of talking about dry statistics. That was the significance of the April 6 hearings and it is this local perspective that the administration never addressed itself to when it cut back or terminated programs for the people of this Nation.

I would like to share the record of these hearings with my colleagues today. I do so at this time because as we consider the President's budget, we must do what the administration failed to do—look at the budget cuts in terms of what those cuts will do to hinder one individual's hopes for an equal chance in this society.

A summary of the April 6 Cleveland hearings follows:

Northeast Ohio Congressional Council Hearings on Administrative Impoundments, Special Revenue Sharing and Budget Cutbacks

INTRODUCTION

The Northeast Ohio Congressional Council was formed in 1971 by Congressmen J. William Stanton (R–11), Charles A. Mosher (R–13), John F. Seiberling (D–14), James V. Stanton (D–20), Louis Stokes (D–21), Charles A. Vanik (D-22), and William E. Minshall (R–23). Our first chairmen were Mr. Charles A. Vanik and Mr. J. William Stanton. The Council was formed in order to unitedly work to solve the problems common to northeastern Ohio through the legislative process. Congressional hearings held by the Council prior to April 6, 1973 dealt with a wide range of matters from Social Security to Lake Shore erosion.

The administration impoundments, special revenue sharing and budget cutbacks have created a crisis of extreme import. The Council decided in the April 6th hearings to deal solely with testimony devoted to the administration impoundments, special revenue sharing and budget cutbacks. The 1973 Co-Chairmen are William E. Minshall and John F. Seiberling.

Testimony was submitted by eighty groups and/or individuals. The groups represent a wide spectrum of political and socio-economical philosophy. However, the theme is basically the same throughout the text: the national priorities of spending for capitalization, police "hardware" and military programs should be reduced while spending for people oriented programs in housing, education, economic development, health, safety and social services should be increased.

The synopses have been prepared by Congressman Louis Stokes.

SCHEDULE

10:00: Social Services; Frederick M. Coleman, President, Federation for Community Planning.

10:20: Social Services; Mrs. Alice O. Martin, PhD, Member Executive Board of 22nd District Caucus; Mrs. Norma Ringler, Co-Chairman Coalition to Support Human Services.

10:40: Housing; Charles R. Pinzone, Executive Secretary, Cleveland Building and Construction Trades Council; Roger S. Shoup, Acting Director Neighbors Organized for Action in Housing, Inc.

11:00: Education, Higher; John B. Turner, Dean School of Applied Sciences, Case Western Reserve University; James Lee Scott, Student, Cleveland State University.

11:20: Education, Higher; Walter B. Waetjen, President, Cleveland State University; Dr. Jannetta MacPhail, Dean, Frances Bolton School of Nursing, Case Western Reserve University.

11:40: Safety; Russell T. Adrine, Attorney; Volodymyr Bazarko, Attorney; Ms. Carole King, Citizens Alliance for a Safer Community.

1:00: Social Services; Mr. A. A. Sommer, Jr., Vice President of United Torch Services; Mrs. Doris Geist, President, League of Women Voters of Cleveland.

1:20: Education; Mrs. Mildred R. Madison, Member, Ohio State Board of Education; Mrs. Theresa Cranford, President PTA, City of Cleveland.

1:40: Dr. Wilbur Lewis, Associate Superintendent, Parma City School District; Mr. Peter Carlin, Assistant Superintendent, Cleveland Board of Education (for Superintendent Paul Briggs).

2:00: Education (Libraries); Mr. Christopher Devan, Cuyahoga County Public Library, Ohio Library Association; Mrs. Judith K. Meyers, Ohio Association of school Librarian, Education Media Council.

2:20: Community Action Program; Ralph W. Findley, Executive Director, Council for Economic Opportunities in Greater Cleveland; Paul Walters, Greater Cleveland Neighborhood Centers Association.

2:40: Housing; John E. Rupert, Cleveland Interfaith Housing Corporation; Mrs. Mary Warren, Lakewood Action Committee for

Housing, Inc. Lakewood League of Women Voters.

3:00: Health; Ralph Fee, Comprehensive Community Mental Health Center Programs; Rev. Paul A. Woelfi, Cuyahoga County Health Consumers Coalition.

3:20: Manpower; Bert W. Korte, President, Ohio Association of Neighborhood Youth Corps Directors; George R. Ross, Cleveland Neighborhood Youth Corps.

3:40: Social Services; Samuel P. Bauer, Director Cuyahoga County Welfare Department; Herbert E. Strawbridge, President Vocational Guidance and Rehabilitation Services.

4:00: Economic Development; George Qua, Buckeye Area Development Corporation; Charles A. Beard, PATH (Plan of Action for Tomorrow's Housing).

4:20: Social Services; Ethel Stephens, Personal Assistance Aid to the Senior Citizens of Ohio; Maurice Saltzman, President Jewish Community Federation of Cleveland.

4:40: Social Services; Mrs. Evelyn Marolt, Homer D. Webb, Jr. Center for Human Services; Sheldon Clark, Cleveland Chapter of Clergy and Laity Concerned, 23rd District Caucus.

COMMUNITY ACTION PROGRAMS

Council For Economic Opportunities Of Greater Cleveland—Reverend Emanuel S. Branch, Jr.—First Vice Chairman:

The loss of Community Action Programs will mean "a rebirth of frustration compounded by anger" and a loss of faith in the American work ethic by the poor. Without the opportunities and services provided by CEO programs the poor will suffer irreparable damage and "we can look forward to at least a very volatile future."

The National OEO and CEO programs have not been provided with the funds necessary to give the poor a chance "to become a part of the mainstream of our society." Though the programs are not perfect we all have a great deal riding on their future.

A letter of concern for Community Action Programs, specifically at the Glenville Opportunity Center was received from Mrs. Harriet Walker, a recipient of the Center's services.

ECONOMIC DEVELOPMENT

Association of Community Development Corporations—Stafford R. Williams:

The Association of Community Development Corporations serves as: a vehicle through which members can plan together, a distributor of equity and loan capital for housing and economic development projects, a resource of technical assistance and training for corporations, an obtainer of funds for projects, a reporter of accounting obligations of funding sources and member corporations, and a monitor of projects and programs of importance to its members. Because of cutbacks, housing and economic development could run into the millions, and two corporations are having to re-evaluate and to rehabilitate housing plans. A plan for inner-city shopping facilities may have to be cancelled. The results of the cutbacks often have a damaging impact upon the people.

Buckeye Area Development Corporation, George F. Qua:

For the past few years, the Economic Development Administration has been funding an organization known as the Buckeye Area Development Corporation which is a non-profit group ". . . dedicated to keeping Buckeye Road between East 93rd and Van Aken Boulevard and the areas North and South of it from becoming another casualty of urban blight. The funds are used to underwrite the cost of a volunteer police force, an out-reach station for the Cleveland Police Department, community activities, and for a paid staff." This Corporation was designed to hold the area intact until the proposed Cleveland Land Bank could be set up west of 93rd Street. This area on Buckeye would be a bridge between the suburb of Shaker Heights and the Land Bank. Proposed cuts in the E.D.A. funds ". . . would not only do away with any chance of setting up the Land Bank but would also seriously affect the operation of the Buckeye Development Corporation."

East End Community Development Foundation, Leroy McCreary:

The East End Community Development Foundation assists families in finding adequate housing for the community, aids businessmen in finding adequate security protection which keeps them in the community, works with councilmen to demolish vacant and vandalized houses, and tries to aid in rebuilding the community. Because of proposed cuts, the EECDF will have to curtail many of its efforts, and threatening the continued operation of the Foundation.

National League of Cities and the U.S. Conference of Mayors, Theodore M. Berry, Mayor, Cincinnati, Ohio.

The President has initiated "crippling" budget cuts which will affect the funding levels of existing programs for at least another fifteen months. Also on January 5, the President "unilaterally terminated all new commitments for three congressionally supported programs." The Model Cities Programs in 147 cities had to "absorb" immediate cuts of about 45 percent. This all means that if Congress approves the President's budget there will be no new program commitments for community development activities in Fiscal Year 1974. "Presumably cuts will be expected to shelve the expectations of its citizenry, too—expectations which have been raised and nutured with encouragement from the Federal Government."

In response to this, we have heard from Secretary Lynn that on July 1, there will be $5.7 billion of unspent money for the Urban Renewal Program. Secretary Lynn failed to say that this money is only for projects already underway and is not available for new commitments. He also failed to mention that much of this money has already been committed locally.

Cincinnati has been a major user of Urban Renewal Programs. Our Neighborhood Development Program is highly involved in providing low and moderate income housing and supporting neighborhood improvements through loan and grant programs. These programs must now be curtailed. The freeze has reduced Cincinnati funding from $15 million to $11 million and only $6 million of this will be spent, because of crippling new HUD regulations. The President's budget suggests that "all programs have been bad" and we must find new direction. This is incorrect. In Cincinnati we have defined our direction and know our needs. We do not need "a transition period" in which little or no money is available to plan (our) future directions.

EDUCATION

Case Western Reserve University—Frances Payne Bolton School of Nursing Jannetta MacPhall, dean:

In 1972, nursing received $145 million. The President's Budget for 1974 Fiscal Year totals $53 million, even though $313 million had been authorized by law. Zero dollars are allocated for the following items: capitation, financial, distress, startup grants to new schools, construction grants, traineeships to support graduate education, recruitment, and contracts which support research and research training.

Those funds which have been allocated are minimal, especially in the area of direct loans and scholarships for students. Many will be forced to go on part-time status and many others will have to drop out entirely. New students, primarily those from minority groups, will have to reconsider their plans if financial assistance cannot be offered.

Four institutions offering baccalaureate degrees in nursing are located in Northeastern Ohio: Case Western Reserve University, St. John College, Kent State University and Akron University. All will be drastically affected by the proposed cutbacks.

A fundamental question to be addressed is who should pay for nursing education. The patient has paid heavily from the beginning of hospital-based schools. Studies in the past 50 years have pointed out that the cost should not be borne by the patient—he should pay for care, not for the education of the care-givers. Nursing has made a concerted effort to move in this direction by phasing out, in an orderly fashion, hospital-based diploma programs and moving nursing education programs into educational institutions.

Nursing has the potential for making a very significant contribution to improving the delivery of health care now and in the future. The task will not be accomplished, however, without adequate support of an educational system that is separate from patient care cost. Even more severely affected will be the graduate program at Case Western Reserve University which prepares greatly needed teachers for schools of nursing and nurse administrators to direct nursing services.

Case Western Reserve University—School of Applied Social Sciences, John B. Turner, dean:

Contrary to the opinion of some, "social workers are not hustlers making a living off the poor." Instead, they assist "people to develop and maintain a competence and capacity to deal with their life situations in a positive and reasonably independent and productive manner." If the proposed budget of the Administration is approved for the next year, the School of Applied Social Sciences will lose in excess of $190,000, or ten percent of its current budget.

At the end of three years the annual reductions will total more than $600,000, or thirty percent of its annual budget.

If the projected social work cuts proposed by the Administration are passed by the Congress, the School will lose an accumulated total of nearly two million dollars over the next four years.

The cuts will most drastically affect tuition and stipend grants to students and, consequently, support for faculty positions. Minority students who currently receive forty percent of federal grants will be most seriously affected.

Statements have been made to the effect that a surplus of social work personnel exists. However, no manpower projection studies have been made public to support this contention. Furthermore, as we all know, the need for more qualified and committed personnel in the social services area far exceeds the present availability of such personnel.

Cleveland Public Schools, Paul W. Briggs, Superintendent:

In the Cleveland Public Schools, we have concentrated services provided with Title I funds on reading and mathematics skills. In fact, 94.4 percent of our present Title I funds are spent on teaching and reinforcing basic skills; the remaining 5.6 percent is spent for administration. Of the expenditures for basic skills, 48.6 percent is spent on reading; 34.5 percent is spent on mathematics; and 11.3 percent is spent on services such as health care, counselors, parent advisors, and speech therapists, which support the teaching of these basic skills.

Looking at the effect of Title I reading programs in grades 1 through 3, where we concentrate our efforts and money, we find that the program pupils in each grade made greater gains than those who were not enrolled in the programs. It is important to note that both groups of pupils started at the same level at the beginning of each school year.

We find similar results if we consider math achievement among third, fourth, and fifth graders.

Title II of ESEA has been instrumental in our efforts in Cleveland to see that every one of our 185 schools has an up-to-date library facility with quality materials.

In a large metropolitan area such as Cleveland, adult education is a critical need. Along with our Adult Day High School, one of the new facilities of its type in the country, we offer adult classes in 57 locations throughout the city.

Another area of continuing and increasing importance in the Cleveland Public Schools is technical-vocational education. In 1964, we had only 52 vocational classes. Presently, in two exclusively vocational high schools and in all 15 comprehensive high schools, we offer 409 vocational classes.

Education of the handicapped is particularly important to us in Cleveland. We have a new school for the deaf. We have a special school for the physically handicapped, and special classes for the blind and partially sighted are offered throughout the system.

Another area of special concern to us in Cleveland is nutrition. A hungry child does not learn as well as a well-fed child. Each morning breakfast is served to nearly 25,000 elementary children. We serve hot lunches in 84 elementary and 44 secondary and special schools participating in the National School Lunch Program.

As a superintendent, I have to be pragmatic. I have to be for the things that work best for our children. In Cleveland, the Title I program has been most effective in delivering the kinds of categorical money that cannot be dissipated and cannot be used elsewhere.

I am comfortable with the Elementary and Secondary Education Act and other existing legislation relative to education. I must say that we would like to see more federal dollars earmarked for our pupils. I urge your serious consideration and strong support in extending the present federal legislation which provides a direct delivery system to the special educational needs of children.

Cleveland State University, Dr. Walter B. Waetjen, President:

In 1972 Cleveland State University was awarded a five year Special Improvement Grant to provide start-up monies for a program in the allied health sciences. Subsequently baccalaureate programs in Environmental Health, Occupational Therapy and Physical Therapy were announced. A Physician's Assistant Program is in the planning stages. All were planned to become self-supporting after the initial grant expired.

"The effect of the proposed federal budget reductions is to cancel the five year Special Improvement Grant and to replace it with a much reduced three year program. The funds tentatively projected for the program will not meet minimum needs for equipment, modification of buildings and laboratories, nor for personnel to teach initial classes." Consequently, it will be impossible to provide enough qualified people in the allied health fields to improve health services and to make them less expensive.

Letters of support for this program at Cleveland State University were received from:

William H. Lippitt, Chairman, Northeast District, Ohio Chapter of the American Physical Therapy Association, Inc.

C. Wayne Rice, Executive Director, Greater Cleveland Hospital Association.

Charles E. Chapman, President, Cuyahoga Community College.

Ms. Barrie E. Galvin, Chairman, Cleveland District, Ohio Occupational Therapy Association, Inc.

Boyd T. Marsh, President, Ohio Environmental Health Association.

Cleveland State University, James Lee Scott, Student:

By eliminating training grants for social work, many schools, minority and economically disadvantaged students will be seriously affected. General student stipends will not equal to the cost of graduate education. Many students are completely dependent upon training stipends. Since social work is a low-paying profession, "seeking loans which must be repaid after completion of training is not a feasible alternative."

Letters of support were submitted by:

Mrs. Mary B. Harvey, President, Church Women United in Greater Cleveland.

Naomi Fackler, 4374 West Anderson, South Euclid, Ohio 44121.

Mrs. Mildred R. Jaquay, Volunteer, Head Start and Day Care, Inc.

Mrs. Glen Smith, 11910 Phillips Avenue, Cleveland, Ohio.

Mrs. Ruth M. Luquatis, Educational Chairman, South-West Civic Council.

East Cleveland City School District, Leonard A. Visci, Superintendent:

Categorical funding under ESEA especially to schools where disadvantaged children are enrolled has worked effectively in attempts to achieve specified educational objectives. If general rather than categorical funding is instituted, the monies will be dissipated throughout the system instead of being used to solve specific problems.

Strategies for improving the quality of education for disadvantaged systems should be directed by the following guidelines:

1. The awarding of funding conditioned upon the establishment of programs geared to the objectives of the legislation referred to above.

2. The monies accruing to a school system as the result of federal legislation is not included as monies available to supplement general revenues.

3. That the intent of programmed development in these systems constitute an essential alteration in either school organization or instruction; thereby, providing for maximum impact.

Greater Cleveland Nurses Association, Judith A. Wood, President:

In 1972 6.5 million dollars were allocated for special projects to prepare primary care nurse practitioners. In 1973 and 1974, the request was and is zero dollars, yet, in the 1974 proposed budget the administration requests $39 million dollars for Allied Health Special Educational Programs, which includes training programs for Physicians Assistants. This type of assistant takes a short-term course which ranges from eight weeks to two years or more and entrance requirements range from less than a high school education to a college degree. Although AMA has approved guidelines for the use of Physician Assistants, in a 1972 study by Ohio Health Careers, 51.8% (1789) of 3,472 physicians said they would prefer Registered Nurses with additional training to work with them to provide primary health care.

My point is, why should millions of dollars be spent to train less qualified health workers when licensed professional nurses, who have already had 2–7 years of education can be prepared for a primary health care role with additional short-term education and in basic baccalaureate nursing programs? The 1974 federal budget will destroy nursing's potential contribution to primary health care and lower the quality of health care delivered to the people.

Ohio Association of School Librarians and Educational Media Council of Ohio, Judith K. Meyers:

ESEA, Title II and NDEA, Title III have been very instrumental in establishing libraries, "media centers," in schools throughout Ohio. In 1972 more than $3 million came into Northeastern Ohio from these two sources, and many more local dollars were generated because of the matching fund requirements.

Studies have shown that these programs have been among the best administered of all Federal Educational Aid Programs, and by their very nature have touched all children and teachers in every school. Utilization patterns and demands have reached a peak, and suddenly most of the funding has come to a screeching halt. Loss of ESEA, Title II and NDEA, Title III represents a direct, nearly fatal blow to school library and media programs.

Ohio Library Association, Christopher Devan:

The elimination of funding under the Library Services and Construction Act will drastically reduce the monies available for special services programs aimed at special groups of patrons, library constructions, scholarships for graduate study in library science, and programs of continuing education for libraries. Initial attempts to obtain a portion of the revenue sharing funds have been unsuccessful and indicate that this is not a readily available alternative source of monies for libraries.

Revenue sharing is designed to provide for local solutions to local problems. The interdependence of libraries and cooperation between libraries which Federal support has achieved, will collapse completely.

Pace Association, Henry Doll, Executive Director:

The proposed budget cuts and alterations ignore the human element almost entirely and seem to indicate that social service programs are unimportant.

Categorical grants, especially under ESEA, have contributed considerably to "assisting the disadvantaged and have encouraged the development of new educational ideas and techniques."

There are still too many unanswered questions about the new funding mechanism; specifically, whether school systems will experience a net gain or a net loss from the revenue sharing plan.

Ohio State Board of Education, Mildred R. Madison:

Congress appropriated $43 million to strengthen State Departments of Education under ESEA, Title V for Fiscal Year 1973. Over one-tenth, $5 million, has been impounded. Moreover, in the fiscal 1974 budget, no funds have been appropriated for this program. Federal Aid has shifted to general and specific revenue sharing which allows the state political control of these funds. In the past when money has been allocated for local school board programs by the state government, the State Department of Education has often been unable to hire or train a staff because it had not received appropriate funds. All Vocational Education programs have been cut for fiscal year beginning July 1, 1973. Funds will be given to the state for use in Vocational Education.

In order to assure students a fair education, the following is necessary:

1. Retain categorical funding as in the present Vocational Educational Act.

2. Continue processing education funds through state educational agencies.

3. Defeat revenue sharing education.

4. Vote for the passage of the Perkin's Bill.

Parma Public Schools, Dr. William H. Lewis, Associate Superintendent:

The continuation of federal funding for education is essential and cannot be considered inflationary since it has been available for several years. Recent voter patterns indicate that the likelihood of state and local taxes being increased to support education is very slim.

Studies indicate that the NDEA and the ESEA have contributed significantly to educational opportunity and achievement. The loss of funds from these sources will have a catastrophic effect on most local school districts in the country.

A letter supporting this testimony and that given by Judith Meyer for the Ohio Association of School Librarians came from James J. Miller, Director of Special Projects for the Parma City School District.

HEALTH

Community Guidance & Human Services Planning Committee, Barbara Brown, Planning Director:

We have had many problems with funding since the President announced that he is no longer concerned with community mental health. It appears that the fight to get the per capita allocation for Cuyahoga County for mental health raised from $1.00 to $2.23 for fiscal 1974 might succeed because of the support from the office of Representative Louis Stokes.

Because Cleveland State Hospital is being phased out we will lose a facility that primarily serves the inner city. We need our per capita raised because something must be done to boost community programs to care for the mentally ill.

Cuyahoga County Health Consumers Coalition, Paul A. Woelfl, President:

The exorbitant costs of health care and of health insurance have already gone far beyond the reach of all but the very wealthy. Many people now believe getting sick means ending up in debt. This has caused dissatisfaction with greedy professionals, exploitive insurance companies and insensitive hospitals. It is evident that most people know that the $70 billion a year health business doesn't meet our present needs.

In view of the crisis, it is hard to understand why the administration has treated the problem with "silence and unconcern." "If I understand the Budget . . . the health services planning and development programs will be cut in half next year." The National Institutes of Health funds are being reduced to $33 millions. The benefits of Medicare were increased 20% last year; apart from the effects that inflation has had on these gains, the new $26 million costs proposed to add to Medicare beneficiaries will eliminate remaining gains and leave the consumer worse off than before. Proposals of this nature are not solutions. We urge the Congress to deal realistically with these overwhelming problems.

Federation for Community Planning, Health Planning and Development Commission, Mildred C. Barry, Director:

In Federal programs dollars should be carefully spent and responsive to people's needs. There is a problem however, when ". . . programs are arbitrarily cut without due assessment or when interests in dollar savings override concerns for people."

We are specifically referring to:

1. Medicare. The proposed changes in Part A would require the individual to pay the hospital cost of the first day and 10% of the cost for following days. A proposed change in Part B would increase the deductible medical coverage from $60.00 to $85.00.

2. Medicaid. "It would be unfortunate if payments for dental problems were terminated."

3. Alcoholism. The Administration has proposed to continue formula grants to states to fight alcoholism, but there would be no new project grants awarded. This would ruin several newly developed proposals.

4. Community Mental Health Centers. The end of Federal support for new mental health centers and special impact programs would end development of mental health services.

5. OEO. Though health programs formerly under OEO were transferred to HEW there are uncertainties about continued support.

6. Title IV–A, Social Services. The proposed restrictions would seriously curtail health services to persons in their own homes.

7. Rehabilitation. The President's veto of the Vocational Rehabilitation Bill will eliminate support of programs that help people become self-sufficient.

8. Education of Health Manpower. Federal cutbacks will adversely affect medical, nursing and dental schools.

Metropolitan Health Planning Corporation, Lee J. Podolin, Executive Director:

I am concerned with what appears to be efforts at economies at the expense of needed health services and the general lessening of Federal commitment to health programs. The major changes proposed by the Administration concerning Medicare would require beneficiaries, under Part A, to pay a hospital deductible of one day's room and board plus coinsurance of 10% of the charges for each day, and under Part B, to pay a deductible increased from $60.00 to $85.00 and coinsurance of 25% of the subsequent cost. The financial burden of the increased deductibles and coinsurance will cause the elderly great financial hardship. Another change would discontinue Medicaid reimbursement of dental care for adults, thereby denying to the poor the care they need. Other changes adversely affecting health services include proposed restrictions on Title IV–A Social Services Programs and the phasing out of the Hill-Burton programs, without assuring a funding mechanism to upgrade older urban hospitals and alternative facilities to keep people out of hospitals.

I would urge your consideration of these issues and encourage that "Federal priority be given to making comprehensive health services available to all our nation's citizens."

HOUSING

American Institute of Architects, Wallace G. Teare, Government Programs Subcommittee Chairman:

We believe that the Administration's moratorium is indefensible, and unless it is lifted immediately, it will continue to do irreparable harm to the cause of good housing. The Housing Act of 1968 established a goal of 26 million housing units over 10 years, with 6 million of these to require some form of federal subsidy for low and moderate income families and the elderly. This goal has never been reached. The average of assisted units has been about 50,000 per year. In 1972 the number of units reached 430,000 but this was still below the average annual goal of 600,000 units.

Though housing programs in effect need evaluation and improvement, there is no reason why work under these programs should not be continued during this period. Programs that have proven successful, such as the direct loan program for the elderly under Section 202 of the Housing Act of 1959 should be encouraged to continue. Federal, state and local machinery for new programs should begin operation before the old programs are ended, with no toleration of Administration impoundment of funds.

C.A.R.I.N.G., Inc., Hugh L. Gaines, Chairman:

The 70,000 inhabitants of the North Glenville community are faced with overcrowding, inadequate schools, lack of adequate health facilities, excessive crime, substandard housing and insufficient public assistance to care for basic family needs. "Homeowners cannot receive federal assistance because Glenville has not been designated as an Urban Renewal or Neighborhood Development area." The blame must be placed on the banks for ". . . their failure to implement the Title I programs."

In July, 1970 C.A.R.I.N.G., Inc. secured a loan from the P.E.D.C.O. office of the United Presbyterian Church; this money has been used for housing rehabilitation. The moratorium on housing has "completely paralyzed the functioning of C.A.R.I.N.G., Inc. since the organization was basing its rehabilitation program on the F.H.A. 235 provisions. Furthermore, the United Presbyterian Church loan was "predicated" on being able to use the F.H.A. programs. We request that Congress end the moratorium so that we may continue our housing rehabilitation program.

Cleveland Building and Construction Trades Council, Charles R. Pinzone, Executive Secretary:

The Administration's curtailment of Federal aid to housing and community development not only ignores the needs of the poor and disadvantaged, but also threatens to have a serious adverse impact on employment and the economy. Many Greater Cleveland families that lack sufficient income must depend on Federal assistance. Construction workers also face greater unemployment over the time of construction recession that has already meant 40% unemployment over the past two years.

We urge the President and Congress to discontinue the moratorium on federally assisted subsidized housing until a viable alternative may be found.

Cleveland Interfaith Housing Corporation, John E. Rupert, President:

The Cleveland Interfaith Housing Corporation feels there has been ". . . some progress made toward achieving the much publicized goal of the federal government as set forth four or five years ago: 'the opportunity for decent housing for every citizen.' The immediate problems of the federal cutbacks are those of construction dollar loss, investment dollar loss, and tax revenue loss. However, the most important loss is felt by the people involved. The Cleveland Interfaith Housing Corporation has been able to construct 88 townhouse units. The land on which it builds has the potential to hold 2500 to 3000 units. Some active programs may have to be phased out. The Corporation may be forced to go out of business because of the budget proposals.

Cuyahoga Metropolitan Housing Authority, Robert J. Fitzgerald, Director:

In 1973 we find almost one-third of the nation living in highly unacceptable housing depending upon the standards that are applied. In 1945 the Subcommittee on Housing recommended that 500,000 public housing units be financed by the government in the next four years. Congress enacted laws in 1949 that provided for the construction of 810,000 public housing units over the next six years, but this goal was not reached until 1969, twenty years later. Between 1968 and 1972, though the annual nationwide housing was about 1.8 million, the number of subsidized housing units was only 33,000. Though the problems are "clear and present" the freeze is destroying the very foundation on which practically all housing programs are based.

Programs designed to provide homes in "suitable environments" and "bring back life and decency" to the American cities must continue without any delay.

Emergency Resolution No. 362–73, Councilman John Barnes:

In the City of Cleveland there is a substantial number of people who live in substandard housing. There is also a shortage of available housing for low-income people and the private housing industry has said that they cannot construct houses without some form of federal subsidies. Whereas, the success of housing rehabilitation and construction depends on federal assistance, the Council of the City of Cleveland objects to the President's 18 month moratorium on federally assisted subsidized housing. We urge the President and Congress to continue the programs until "suitable alternatives have been developed."

Lakewood Action Committee for Housing, Inc., Mary Warren, Vice President:

Although the Lakewood community is doing much to meet the needs of moderate-income elderly, we are not meeting the needs of our low-income citizens. A limited survey found that at least 200 persons would qualify for rent supplements under the H.U.D. 236 rental programs. Fourteen and seven-tenths of Lakewood's population of 70,000 are over 65; of these 43.9% are under the poverty level of $1,757. The cancellation of the program has meant the end to a new proposed project for Lakewood that would provide housing for our ideas.

We suggest the following ideas:

1. The percentage of those to receive the supplement should not be a set figure, but based on the needs of all applicants for residency.

2. Land costs and lack of available land for new development in Lakewood make a program of direct housing allowance more feasible.

3. If revenue sharing funds will replace direct federal programs then specific funds should be designated for housing needs.

Neighbors Organized for Action in Housing, Roger S. Shoup, Acting Director:

Despite national awareness of the shortage of decent housing for low-income families, the President has put into effect an "arbitrary, brutal, ill-advised moratorium on federal programs designed to promote low and middle-income housing construction." One of the most significant results of the Housing Act of 1968 was the large scale private, non-profit housing delivery system. The moratorium will have a "crippling effect" on this system.

N.O.A.H. will be signing contracts with CMHA to construct twenty-one single houses on scattered sites. This program represents $7,595,000 in mortgage construction funds. This money along with N.O.A.H.'s working capital of over $400,000 was placed in great danger by the moratorium.

The delay will cost time, energy and money; therefore, we urge the following:

1. Begin evaluation of all federal housing programs recommending changes that will improve them without destroying the non-profit housing delivery systems.

2. "Develop federal legislation that deals adequately with commercial area development."

3. Develop a perspective that will not only include providing houses but also rebuilding the inner-city.

4. Re-examine the federal government's policy regarding land acquisition.

5. The federal government must develop a natural strategy that will encourage cities to develop plans to rebuild a total community in the central city.

6. A "building-retirement" procedure must be established as national policy.

The Orlean Company, Arthur Orlean:

We believe that it can be said that the BMIR program and the 221 d-3 rent supplement and 235 and 236 programs provided homes and living conditions that every American is entitled to have. "For the federal government to have terminated these programs as abruptly as it did appears to me to be an action of irresponsibility . . . It would appear to be far more significant to have wound down programs of this kind if in fact it should be determined that they are not worth while and have no significant value, than to have arbitrarily terminated the programs, leaving those dependent on them in a state of 'limbo' and 'disaster'."

Plan of Action for Tomorrow's Housing, Charles A. Beard, Executive Director:

The PATH Association is an organization which is geared to help Cleveland improve the quality and availability of housing. A freeze of subsidized housing bears closely upon the city's ability to survive. The federal government has terminated housing subsidies for the poor, yet it provides a subsidy of $57 billion to middle and upper-income homeowners. Without equivalent subsidies to the poor, Cleveland faces hastened inner-city decay. Public subsidy is the only practical and economical way to provide housing for the poor and near poor. If the moratorium lasts 18 months, it will create a housing shortage. The Association urges that Congress "end the housing freeze and restore the impounded community, social and economic development funds."

MANPOWER PROGRAM

Cleveland Neighborhood Youth Corps, George R. Ross:

Cleveland Neighborhood Youth Corps is a federally funded project sponsored by the City of Cleveland. The duty of sponsor presents the possibility of entanglement with politics. With each new city administration comes a new emphasis for the program. It has been recommended that ". . . youth programs such as CNYC not be placed under the sponsorship of city, county or state government, but that they be administered by non-profit organizations that will hire experienced professional personnel sensitive to the needs of the agencies' clientele."

Ohio Association of Neighborhood Youth Corps Directors, Bert W. Korte, President.

The goals of the Neighborhood Youth Corps include: assisting youth to remain in school, providing meaningful part-time work, providing on-the-job training, providing placement in advance training, and placement in non-subsidized employment. "The Ohio Association of Neighborhood Youth Corps Directors is extremely concerned with the President's recent decisions on the future of NYC. The program would be affected through the discontinuation of categorical aid in preference of block grants revenue sharing." It has been recommended: that special provisions under the proposal Revenue Sharing Plan guarantee the youth training programs, that opportunities improve for youth to participate in these programs, and that prevention be emphasized in youth work training programs.

SAFETY

Citizens' Alliance for a Safer Community, Russell Adrine, Co-Chairman:

The Citizens' Alliance for a Safer Community, which is associated with the National Alliance for Safer Cities, is a grass-roots organization of groups and individuals who recognize the need for immediate change in the criminal justice system. Their most immediate concern is that meaningful citizen participation is not being incorporated into the planning for spending LEAA monies. This lack of citizen participation leads to programs which do not reflect the real needs of the community, especially the allocation of large sums of money for additional surveys, more hardware and bricks and mortar.

Ohio Youth Commission, William Avery, Regional Administrator:

"The Youth Commission is directly affected by federal funding in three primary areas. These are—Title I of the Education Act, LEAA . . . and Title IV-A of the Social Security Act. To a lesser extent, we are affected by Titles II and IV of the Education Act, local mental health funding, vocational rehabilitation funding and health services."

Cuts in funds from the Education Act will drastically affect the educational program of the Commission and could jeopardize their Ohio Department of Education accreditation. Hiring teaching specialists, buying special equipment for remedial classes and maintaining adequate library facilities will become increasingly difficult if not impossible with the federal cut-backs.

Ninety percent of the Youth Commission prevention program at the community level utilizes Title IV-A of the Social Security Act funds. Cut-backs will virtually eliminate any hope of decreasing delinquency rates. Other supportive services (health, vocational, rehabilitation) for youth, both those in institutions and those on parole, will be adversely affected by the current Administration plans.

SOCIAL SERVICES

The American Friends Service Committee, Inc., John Looney:

The American Friends Committee, Inc. feels that Congress should establish a total spending ceiling which should be equal to or less than the President's ceiling. For 1974, military spending will exceed 1973 by $6.9 billion. "Congress should place a much lower ceiling on the military budget than the President has requested . . . Congress should eliminate some of the special subsidies and unfair tax advantages granted to a very small minority." These proposals are needed to solve critical domestic problems.

Concerned Citizen, Ms. Jean L. Caldwell:

"Inflation is running rampant. Even President Nixon's staunchest supporters are hard put to deny that fact. It is affecting the housewife at the most basic level—the grocery bill.

"On the other hand we are spending $5 million per day to bomb Cambodia . . . The defense budget is now at $83 billion. These expenditures reflect only the will of the Nixon Administration and not the will of the people. American housewives would rather feed children than kill them."

Cleveland Area Chapter, National Association of Social Workers, Inc., Paul Abels:

The welfare implications of the cuts reflected in the fiscal 1974 budget have gravely concerned the Cleveland Area Chapter of the National Association of Social Workers. The budget reduces and then stops support for social worker education. The base of people potentially eligible for social services is greatly reduced. As welfare has never been a popular issue, Revenue Sharing will further harm welfare funding. Many services will be eliminated—residential treatment of children, community mental health centers, and scholarships for needy students, to mention a few. The professional norms of social work have been ". . . to minimize salary and maximize services;" the N.A.S.W. hopes to work with Congress to reverse the harm the budget cuts will make.

The Coalition to Support Human Services in Ohio, Norma Ringler:

The Coalition to Support Human Services in Ohio is concerned with families ". . . living on grant levels below human decency where they go hungry before the month is out. The current trend seems aimed toward ending hunger programs rather than ending hunger in America." The Coalition finds the proposed ". . . budget on welfare and restrictions on eligibility and shift of a national problem to state and local government a most questionable approach to caring for the needs of the citizens of our country who are trapped in poverty . . . The Coalition asks for the withdrawal of these regulations which will only cause greater hardships."

Common Cause, Mike Arrajj:

Common Cause feels there is an imbalance of federal transportation spending on highways in relation to spending for mass transit. The Highway Trust Fund should be radically altered. Common Cause asks for the support of the amendment introduced by Representatives Anderson and Grover. The proposed amendment would greatly improve the planning process for investment in new transportation facilities. It would return responsibility for solving an increasing difficult urban problem to local officials who can better decide what is best for their community.

Statistics show that the automobile is the major source of air pollution in the country. The automobile is also "the most wasteful common means of surface transportation." Highway construction continues to displace housing units. Broadening the Highway Trust

Fund is a necessary step which is in the best interest of the public.

Community Volunteer, Evelyn Marolt:

Evelyn Marolt represents two groups, the West District Committee of the Center for Human Services and the Cleveland Council of PTA's. "Eliminating financial help" to social services to improve family life "has put these services on a level for which there is no mandated federal financial help. These services, (they) feel, are essential to keep our community healthier, safer and more productive." The Weinberger resolutions would harm the well-being of the community. "(They) ask you to reassess and re-evaluate the regulation issued . . . as a mandated service of HEW department with appropriate money spent to maintain family counseling and other help. . . ."

Cuyahoga County Welfare Department, Samuel P. Bauer, Director:

The density of population in Cuyahoga County makes the administration of social service programs very difficult. The federal government wishes that welfare agencies operate at a 0% error rate. Such 100% performance is a desirable but unattainable goal.

Under existing state regulations, there are seventeen mandatory services for families, children and adults. What remains under the proposed federal regulations are Family Planning, Foster Care and Protective Services for children, and a long list of optional adult services. The elimination of group eligibility makes Group Service virtually impossible. An excessive demand is placed on staff and clients by requiring too frequent re-evaluations of each person's eligibility. Social Rehabilitation Service (SRS) regulations should be revised with human needs in mind.

Concerned Citizen, Carolyn Edgerson: The President's recently unveiled new budget "slashed or obliterated" 113 social programs including health, aid to education, job programs, Urban Renewal Programs, OEO, and more. These cuts will save about $6.5 billion. The largest cuts were proposed for the agricultural programs which adversely affects the school milk program, conservation programs, rural housing subsidies and price support. No new programs will be approved for urban renewal. Model Cities, open space, neighborhood, water and sewer programs and public low-rent housing projects will be scrapped. Health care for the aged got major slashes.

The President's proposed budget will wipe out many of the Depression-originated programs. Though the programs had flaws they were "advanced for many working people and the poor." Nixon's budget will cause more poverty, frustration, crime, disease, ill health, run-down housing and unemployment.

Private Citizen, Anna Crook: Anna Crook is the mother of a nineteen month old child. She is a student at Cuyahoga Community College and a welfare recipient. She is a resident tutor for the Cleveland Board of Education. The Social Service Rehabilitation Regulation will affect Ms. Crook, her child, and many like them. Because she earns $10.00 over one-third of her welfare check, she may have to give up welfare altogether. This loss, the cutting of federal funds for college students, and no day-care centers for her child would leave Ms. Crook destitute. She hopes that Congress will amend the Social Service Rehabilitation Regulation.

Friendly Inn Settlement, Gloria Hawkins:

The Friendly Inn Settlement has taken the following position in behalf of its community:

1. We strongly regret the deletion from the 1974 budget of the Family Assistance Plan and the absence of any guaranteed income program.

2. We support the Ogden Reid Bill.

3. We strongly oppose the "voluntary" price controls of Phase III, particularly in the area of food and rents.

4. We strongly oppose the 10% cut in Medicare.

5. We oppose the abolition of the Office of Economic Opportunity.

6. We oppose the current freeze on HUD housing expenditures and the abolition of the Model Cities program.

7. We strongly oppose the proposed abolition by termination of funding of the Elementary and Secondary Education Act.

8. We oppose the funding cutbacks of the Federal Manpower Programs, particularly the Neighborhood Youth Corps.

Friendly Inn Settlement Golden Age Club, Mrs. Lula Mae Garvin & Mrs. Essie Peavie:

The members of the Friendly Inn Settlement Golden Age Club feel the need for money for special shoes and eyeglasses for the elderly. Rent in federal housing has increased as have Social Security and Aid for the Aged. Money is not available to these people to meet the cost of living.

Greater Cleveland Neighborhood Centers Association, Clay Mock:

The GCNCA provides services to aid the community such as Head Start, Community Mental Health Centers and Teen Centers. "If the proposed budget cuts and the impounding of funds continues, approximately 2,000 neighbors of the GCNCA agencies will lose services through the Community Mental Health Center, juvenile delinquency programs, and possible day-care programs.

"If the Head Start Program is jeopardized, approximately 250 children and 75 women who were formerly welfare recipients will go back on welfare because they would lose their jobs . . . If the proposed changes in Title IV–A Regulations of the Social Security Act are put into effect, it will not be possible for our agency to serve close to 3900 people in preventative programs dealing with family life education."

Greater Cleveland Neighborhood Centers Association, Paul W. Walters:

The summer camp program planned by the Federation for Community Planning is administered by United Torch Services.

"The mandatory services required under AFDC which the state must provide to meet guidelines to obtain federal matching funds are reduced to only three-family planning, protective services for children, and foster services for children. Many services now mandatory would become optional at the state's discretion. Optional services would include day-care for children, educational services, unemployment services, health-related services, homemaker services . . . and transportation services. Camping is not mentioned.

"It is our belief that elimination of a program, such as the one that has been so effective in Greater Cleveland, would bring about tragic results this summer."

The Health and Welfare Coalition for Peace, James T. Peterson:

"We ask our congressmen to explain why the budget for Fiscal Year 1974 contains proposals for 'savings' by phasing out such programs as Legal Aid to the poor, Mental Health Centers, Federal Housing subsidy, and the Emergency Employment Assistance Program. We also ask our congressmen to explain how heavy expenditures in the military are helping us to 'save'.

"We conclude by suggesting that a much bigger 'savings' can be obtained by cutting the military budget and by *increasing* spending for human needs. The $23 billion for military operations, if applied to health and welfare needs, would eliminate all needs for budget cuts and would help restore already phased out programs."

Jewish Community Center, Harold Klarreich:

The Board of Trustees of the Jewish Community Center endorsed the National Jewish Welfare Board resolution that ". . . the National Administration is turning its back on decades of social welfare advancement." The budget cuts ". . . run counter to meeting the human needs of the country." As yet, revenue sharing has proven disappointing in its use for human services. In Ohio, only 3% of the first revenue sharing allotment is predicted to be used for such services. "General revenue sharing is being used by cities and states for capital cost, not to replace money from the categorical federal programs." It is necessary to end all cuts and suspension of programs until it can be done in an organized fashion so that ". . . vitally needed services will not be discontinued."

Jewish Community Federation of Cleveland, Morton Mandel:

The Jewish Community Federation of Cleveland is concerned by the Administration's budget cuts and impoundments. The Federation feels that ". . . the shortage of adequate housing and patterns of racial segregation have precipitated crises in this nation's urban centers." The Community Relations Committee of the J.C.F. noted that the abuses that have occurred dealing with federally funded housing are not sufficient grounds to totally abandon the programs. The Jewish homes for the aged in Cleveland were authorized to develop semi-independent housing facilities on the grounds of their institutions. It will be difficult to continue the program with the 18 month freeze. The Federation finds the proposed prohibition on the use of donated funds for local matching purposes particularly indefensible. ". . . The establishment of eligibility requirements for recipients of social services . . . will severely restrict the delivery of social services to the poor. Many of the J.F.C. agencies will also be affected by the HEW regulations—Jewish Community Center, Family Service Association, and Bellefaire . . . The Federation places great priority upon the delivery of valuable human services and believes the Administration's actions will prove to be an obstacle to such a goal."

Jewish Family Service Association, Burton S. Rubin:

The Jewish Family Service Association feels that the proposed Regulations on social services would be harmful. "The prohibition on donated funds and the extreme, rigid eligibility requirements would not only reduce the availability of many social service programs, but would make ineligible many 'near poor' who are entitled under present regulations . . . The elimination of all mandatory services in adult categories and the inclusion of only three mandatory services for children communicates to us a major error in determining basic services for family life."

Concerned Citizen, Sidney D. Josephs:

People using public assistance are in dire need of continuing social services. The dismantling of the Office of Economic Opportunity will cause the complete elimination of some of the OEO's former programs. "Equally devastating to the future availability of human service programs are the provisions contained in the new federal regulations on social services published in the *Federal Register* February 16. . . . There will be a drastic reduction of mandatory and optional services relative to AFDC and elimination of mandatory services for adults. . . ." Mr. Josephs feels the budget proposals should be reconsidered, the programs the government is considering disbanding should not be discontinued as they are desperately needed. He urges that "the regulations be rescinded which would prohibit the use of donating matched private funds and which have more rigid eligibility requirements."

Lake County Welfare Department, Michael H. Mehlman:

Under the Weinberger resolutions of February 16, 1973 there exists a ". . . limiting of contracting potential. Local agencies that could aid welfare clients cannot do so, and the clients continue to remain in poor straits.

. . . Although child protective services would be a mandated service, there would be poor service delivery due to the limitations under the Weinberger resolutions, regarding eligibility and also contracting for service. If these resolutions become effective, who shall care for at least 300 abused children who will have to be returned to abusive homes?"

League of Women Voters, Doris Geist:

The League of Women Voters believes that the ". . . federal government shares with other levels of government responsibility for providing equality opportunity for education, employment, and housing for all persons in the United States. . . . The League has supported the Elementary and Secondary Education Act since its inception." The idea of revenue sharing is not contrary to the League's principles, yet the members maintain a skeptical viewpoint of the plan as the federal government can have a more objective viewpoint about different regions. The League is also concerned with the housing moratorium because of the need for housing in Cleveland. The members hope that the moratorium will be lifted and that housing will be improved.

The League of Women Voters of Cuyahoga County, Shirley Linkow:

We are concerned about the proposed new regulations on social services because of the effects it may have on our "neediest citizens." We are specifically concerned about . . . "the unrealistic tightening of eligibility, which limits services to individuals only, virtually eliminates services for past and potential recipients and sets an all too low income eligibility ceiling." Primarily, through this regulation HEW expects to save $100 million in social service matching funds. This could force many onto welfare and it would also . . ."deny self-help services to those people."

"We are concerned about the retreat from requiring Federal inter-agency child care standards in day care centers. . . . We are concerned about the arbitrary choice of services made mandatory for AFDC recipients, such as family planning, foster care services and protective services for abused, neglected or exploited children. Finally, we are concerned that the April 1 effective date of the proposed regulations will only result in hardship and administrative chaos."

Quality of Metropolitan Life Task Force, Charles Pinkney, Chairman:

The President's preoccupation with "balancing the budget at the expense of people's very real human needs severely curtails the quality of life for thousands of United States citizens, especially those who are black and poor. . . . Careful evaluation of the poverty programs has not been done and no alternatives to the present system have been proposed."

Our highest priority should be to improve the quality of life for all poor people. This can be done by providing: relevant public education, readily available health care, guaranteed annual income, equal employment opportunities, decent housing and equal justice under the law.

Concerned Citizen, Mrs. Willa Mae Singleton:

"I feel, and I am sure a lot of other people in my position feel, that Mr. Nixon is letting us down. Programs that benefit the poor are being phased out. There is not one program for which he has held up funds that has not hit the poor people.

"We are not begging. We are only asking to be helped. . . . I am not too proud to beg, I am begging you to please stop this attack on the people that is going on now. Use the power that Congress is supposed to have to stop it."

Socialist Workers Party 1973 Campaign, Roberta Scherr:

The Socialist Workers Party platform ". . . for combating inflation and guaranteeing a decent standard of living for all people" is as follows: an immediate end to federal military spending; free public transportation; an end to the federal budget cutbacks in social service spending; escalator clauses in all union contracts; disability, retirement and Social Security payments to be paid at union wages; reduced work week with no reduction in pay; free health care; crash housing construction program; taxation of wealthy corporations and banks; no state sales or city wage tax; all personnel income under $15,000 should be tax-free, all income over $30,000 should be taxed 100%.

Testimony on Military Expenditures, Vivian Wilson:

The United States is the top military power in the world, yet it is only eighth in doctor-patient ratio, fourteenth in literacy, fourteenth in infant mortality, and twenty-fifth in life expectancy. Most of the federal income taxes, 59%, are used for military spending. Only 19% is spent for human resources, 10% for physical resources, and 12% for other purposes such as international affairs, finance, and space. The figures show the United States' budget to be out of proportion to its needs.

Twenty-Second District Caucus, Alice Martin, Executive Committee:

The Nixon budget shows that "human investment is minimized in favor of military increases and business subsidies. . . . Our senior citizens must now pay for Medicare costs. Our Headstart programs . . . will be gone. The promise of community mental health centers which are needed for the entire district shows no sign of being fulfilled; in fact, existing ones such as Marymount Hospital have been closed. "Drastic cuts in training funds for the medical profession means abrupt termination . . . of graduate training and significant decreases in faculty." The tax structure, too, is a thorn in the side of America.

The Twenty-Second District Caucus requests that: each congressman prepare an alternative budget; each congressman prepare an analysis of the budget with regard to his/her district; there be an organized hearing by administrative officials such as Lynn and Weinberger, and that each congressman continue to press for tax reform.

United Torch Services, A. A. Sommers:

United Torch Services provide vital human services in Cuyahoga County. The money collected each year in their drive does not begin to meet human services needs. "Recently new proposed regulations under Title IV greatly limits the possibility of expanding services.

"First, the new Regulations reduce the time period of those eligible for services from two years to three months for those who were former applicants/recipients, and they reduce the period for potentially eligible from five years to six months . . . Moreover, under the proposed Regulations, people are disqualified for service if their earnings exceed 133% of the state's assistance level . . .

"Second, we are concerned that the new Regulations limit services available to people. Third, the elimination of group eligibility services means that group service programs such as Teenage Pregnancy Prevention Program, Consumer Protection Association either may have to be severely curtailed, or may not even get underway. We, therefore, urge our congressmen to do everything possible to eliminate new restrictions in the proposed Regulations."

Urban League of Cleveland, William K. Wolfe:

"The Administration compares the relative rise in national defense expenditures to those for 'human resources' within an expanding total national budget." The black community has benefited greatly from the programs of the Great Society. Their dissolution would be acceptable if they were to be replaced by a flow of money into the community through efficiently operating programs which could include a guarantee of some community control. "The treatment of the elderly is a national issue;" about one-third of Cleveland's senior citizens live under the poverty line. The tax situation should be readjusted to uplift the economy. "Another high priority for Congress this year should be the clean-up of the American environment." These areas are just a few of the social problems the country faces.

Vocational Guidance and Rehabilitation Services, Herbert E. Strawbridge, President:

Vocational Guidance and Rehabilitation Services serves approximately 3,500 physically, emotionally, and socially disabled clients within the Greater Cleveland area, with a high percentage coming from its surrounding "ghetto" area. Programs enable the handicapped individual to learn new skills or to regain lost skills, and to determine his physical and emotional potential for return to employment after a serious physical or mental illness. VGRS's Industry Training Programs, for example, have successfully located training and employment for over two hundred clients. Another VGRS program, "Workshop Supervisor Training Program," is a five week program designed to develop badly needed technical competence among workshop supervisors and provide entry career opportunities for handicapped and other minority individuals. While the judicious expenditure of training monies is important, the blanket phasing out of all direct training is counter productive insofar as such basic and inexpensive programs are threatened.

Women Speak Out For Peace and Justice, Antoinette Graham:

It is the position of Women Speak Out For Peace and Justice "that domestic policies are the Number One priority, and that the money we need for these programs can come largely from the inflated military budget. . . . The budget eliminates funds for the Emergency Employment Assistance Program. This will save $690 million in 1974, but will increase welfare and unemployment compensation costs, and deprive 280,000 people of the dignity of earning a living. . . . Mr. Nixon has cut $616 million phasing out 515 mental health centers, lead poisoning and rat control programs, and medical research except for heart and cancer."

This organization strongly urges that 1) military expenditures be cut in half, 2) cost overruns be disallowed, 3) corporations be removed from welfare rolls, 4) executive impounding of funds voted by Congress be vigorously contested, 5) cuts in domestic programs be restored, 6) prices be rolled back and 7) Congress let the Economic Stability Act die.

Older Persons Program—Senior Citizens of Ohio, Sam Kralik, Sr., Louise Kadleck, Frank Simecek (Verbal Testimony presented by Mrs. Ethel Stephens):

"Some services provided by Older Persons Programs are transportation, cashing checks, receiving food stamps, securing necessary information on Social Security, Welfare, Veterans' Pension, Public Housing and saving money through the Homestead Act. Because of this aid, many elderly people are able to stay in their own homes rather than having to go to a costly Nursing Home. There are monthly meetings to inform the group members of any new benefits or to solve any new problem. This program is in danger of being cancelled."

Letters of support came from the following participants in the Older Persons Program:

Irene Mencke, Mrs. Janetta M. Crowe, Mary Truppo, Frances M. Schmidt, Joe Prinez, J. M. Forbes, Selma Grabowski, Mrs. Anna Schwalm, Mrs. T. Arnold, Mrs. M. Parsons, Mrs. Evelyn Square, Mrs. Madeline Mack, President—Cleveland Chapter, Seniors of Ohio.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. DANIELSON (at the request of Mr. O'NEILL), for today, on account of illness in family.

Mr. MAILLIARD (at the request of Mr. GERALD R. FORD), through July 16, on account of official business.

Mr. MORGAN (at the request of Mr. O'NEILL), for today through July 16, on account of official business.

Mr. PETTIS (at the request of Mr. GERALD R. FORD), through July 16, on account of official business.

Mr. ROUSSELOT (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. YOUNG of Illinois (at the request of Mr. GERALD R. FORD), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ICHORD, for 60 minutes, on July 10.

Mr. ROGERS, for 15 minutes, today.

(The following Members (at the request of Mr. LOTT), to revise and extend their remarks, and to include extraneous matter:)

Mr. KEMP, for 10 minutes, today.

Mr. STEELE, for 10 minutes, today.

(The following Members (at the request of Mrs. SCHROEDER) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. LEGGETT, for 10 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. PODELL, for 10 minutes, today.

Ms. ABZUG, for 10 minutes, today.

Mr. DRINAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. STOKES, to extend his remarks in the body of the RECORD and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,097.25.

Mr. RANDALL in three instances.

(The following Members (at the request of Mr. LOTT), and to include extraneous matter:)

Mr. ZWACH in two instances.

Mr. RONCALLO of New York.

Mr. WYMAN in two instances.

Mr. GILMAN.

Mr. HEINZ in three instances.

Mr. BROWN of Michigan.

Mr. STEELE in three instances.

Mr. ABDNOR.

Mr. KEMP in two instances.

Mr. FRENZEL.

(The following Members (at the request of Mrs. SCHROEDER), and to include extraneous material:)

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. ROONEY of New York.

Mr. LEGGETT in three instances.

Mr. LEHMAN in two instances.

Mr. CAREY of New York in two instances.

Mr. WILLIAM D. FORD.

Mr. OWENS in two instances.

Mr. BRINKLEY.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S.J. Res. 128. Joint resolution to provide for an extension of certain laws relating to the payment of interest on time and savings deposits;

S. 1759. An act authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; and

S. 1972. An act to further amend the U.S. Information and Educational Exchange Act of 1948.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6187. An act to amend section 502(a) of the Merchant Marine Act, 1936;

H.R. 7670. An act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce;

H.R. 8537. An act to amend titles 10 and 37, United States Code, to make permanent certain provisions of the Dependents Assistance Act of 1950, as amended, and for other purposes; and

H.R. 9055. An act making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes.

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair. The bells will sound 15 minutes before the recess will expire.

Accordingly (at 4 o'clock and 6 minutes p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4 o'clock and 55 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill and a concurrent resolution of the House of the following titles:

H.R. 2261. An act to continue for a temporary period the existing suspension of duty on certain istle; and

H. Con. Res. 262. Concurrent resolution providing for an adjournment of the House of Representatives from June 30, 1973 to July 10, 1973.

The message also announced that the Senate agrees to an amendment of the House to an amendment of the Senate to a bill of the House of the following title:

H.R. 8410. An act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 636) entitled "Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes."

The message also announced that the Senate agree to the amendment of the House of Representatives to the amendment of the Senate No. 12 to the above-entitled resolution.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) entitled "An act to amend the Renegotiation Act of 1951 to extend the Act for 2 years."

ADJOURNMENT OF THE TWO HOUSES OVER THE FOURTH OF JULY HOLIDAY

The SPEAKER laid before the House the concurrent resolution (H. Con. Res. 262) providing for an adjournment of the House of Representatives from June 30, 1973, to July 10, 1973, together with the Senate amendments thereto.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "1973." and insert: "1973, and that when the Senate adjourns on Saturday, June 30, 1973, it stand adjourned until 10 o'clock antemeridian, Monday, July 9, 1973."

Amend the title so as to read: "Concurrent resolution providing for an adjournment of the two Houses over the Fourth of July Holiday, 1973."

MOTION OFFERED BY MR. BRADEMAS

Mr. BRADEMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BRADEMAS moves that the House concur in the Senate amendments.

The motion was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT

Mr. STUDDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. In accordance with House Concurrent Resolution 262, the Chair declares the House adjourned until 12 o'clock noon on July 10 next.

Thereupon (at 4 o'clock and 57 minutes p.m.), pursuant to House Concurrent Resolution 262, the House adjourned until Tuesday, July 10, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1094. A letter from the Associate Director, Office of Management and Budget, transmitting the annual report on the Federal Plan for Meteorological Services and Supporting Research, pursuant to section 304 Public Law 87-843; to the Committee on Appropriations.

1095. A letter from the Assistant Secretary, Department of Agriculture, transmitting an interim report of a survey on the unmet needs for equipment in schools eligible for assistance under section 5 of the Child Nutrition Act, with notice that final report will be filed at a later date, pursuant to section 6(e) of Public Law 92-433; to the Committee on Education and Labor.

1096. A letter from the Deputy Assistant, Secretary of the Interior, transmitting a copy of a proposed amendment to a concession contract authorizing the continued sale of antiques and quality handmade reproductions of the colonial period at Colonial National Historical Park, Yorktown, Va. for a 3 year term from January 1, 1973, through December 31, 1975, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

1097. A letter from the Acting Administrator, United States Environmental Protection Agency, transmitting the third annual report on the development of systems necessary to implement the motor vehicle emission standards for the fiscal year ending June 30, 1973, pursuant to section 202(b)(4) of the Clean Air Act; to the Committee on Interstate and Foreign Commerce.

1098. A letter from the Executive Director, Federal Communications Commission, transmitting a report on backlog of pending applications and hearing cases as of May 31, 1973, pursuant to section 5(e) of the Communications Act as amended; to the Committee on Interstate and Foreign Commerce.

1099. A letter from the Chairman, National Tourism Resources Review Commission, transmitting the comprehensive report of the Commission's activities and its study of tourism pursuant to section 6(b) Public Law 91-477; to the Committee on Interstate and Foreign Commerce.

1100. A letter from the General Counsel to the National Council on Radiation Protection and Measurement, transmitting a report on examination of Accounts of the National Council on Radiation Protection and Measurements, December 31, 1972, pursuant to section 14(b) of Public Law 88-376; to the Committee on the Judiciary.

1101. A letter from the Counsel to the Pacific Tropical Botanical Garden, transmitting the report of audit for the Corporation for the period from January 1, 1972 through December 31, 1973, pursuant to section 10(b) of Public Law 88-449; to the Committee on the Judiciary.

1102. A letter from the Secretary of the Interior, transmitting a report on certain marine mammal species and population stocks, pursuant to section 103(f) of Public Law 92-522; to the Committee on Merchant Marine and Fisheries.

RECEIVED FROM THE COMPTROLLER GENERAL

1103. A letter from the Comptroller General of the United States, transmitting a report on how progress in meeting important objectives of the Grant Plains Conservation Program could be improved; Soil Conservation Service, Department of Agriculture; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS of Arkansas: Committee of Conference. Conference report on HR 8410 (Rept. No. 93-362). Ordered to be printed.

Mr. MAHON: Committee of conference. Conference report on H.J. Res. 636 (Rept. No. 93-364). Ordered to be printed.

Mr. MILLS of Arkansas: Committee of conference. Conference report on H.R. 7445 (Rept. No. 93-365). Ordered to be printed.

Mr. POAGE: Committee on Agriculture. H.R. 6791. A bill to provide equity in the 1973 feed grain set-aside program by increasing the payment rate for participants in plan B; with an amendment (Rept. No. 93-363). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER:

H.R. 9143. A bill to provide for paper money of the United States to carry a designation in braille indicating the denomination; to the Committee on Banking and Currency.

By Mr. FASCELL:

H.R. 9144. A bill to amend title 5, United States Code, to include guards, special policemen, and other personnel of the General Services Administration engaged in protective services for Federal buildings within the provisions of such title providing civil service retirement for Government employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. MELCHER (for himself, Mr. BRASCO, Mr. CAREY of New York, and Mr. PODELL):

H.R. 9145. A bill to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil and gas pipeline, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of Florida:

H.R. 9146. A bill to define the war powers of Congress and the President; to the Committee on Foreign Affairs.

By Mr. BENNETT:

H.J. Res. 653. Joint resolution concerning the war powers of Congress and the President; to the Committee on Foreign Affairs.

By Mr. BOWEN:

H. Res. 481. Resolution creating a select committee of the House to conduct a full and complete investigation of all aspects of the energy resources of the United States; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

268. The SPEAKER presented a memorial of the legislature of the State of California, relative to fund for flood protection for the town of Isleton, Calif.; to the Committee on Appropriations.

PETITIONS, ETC.

Under clause 1 of rule XXII,

248. The SPEAKER presented a petition of Frank W. Goree, Menard, Ill., relative to redress of grievances; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

PRESIDENT HARRY S. TRUMAN

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. ROONEY of Pennsylvania. Mr. Speaker, no greater tribute can be paid to the late President Harry S. Truman than to acknowledge that he was a man of the people and that he did all he could for them. Knowing that he was serving the people to the best of his ability was his greatest source of strength and pride.

We can all certainly agree that while he was among us he was a man of action who sought peace with his own conscience rather than with the popularity polls. How refreshing is the memory of the sign on his White House desk, "The Buck Stops Here."

Besides his very individual style, which will always be an important part of the folklore of the politics of this country, the substance of his public career has also left an important mark.

He rose swiftly up the political ladder to the Senate where he achieved national prominence as chairman of a special committee investigating waste in military spending. Although he fought to stay off the Democratic ticket in 1944 he finally agreed to leave the Senate for the Vice Presidency, although he felt he could no longer be a man of action in that office. As fate would have it, however, Harry S. Truman was to be President within 3 months of Inauguration Day.

Although he was always a controversial figure, there was never any question that he had the courage to make some monumental decisions. During the years of his Presidency were formulated the foreign policy programs which have shaped the whole postwar world—the Truman doctrine, massive foreign aid in the form of the Marshall Plan, the ratification of the United Nations Charter, and the signing of the NATO and other mutual security treaties.

On the domestic front, although Congress was not as responsive to his initiatives as it was to those on the foreign scene, he laid the groundwork for later legislation in the field of civil rights, housing, health, education, and social welfare. In fact, his forthright stand on civil rights was one of the factors which led to the confident predictions of the pollsters that Dewey would defeat him in a landslide in 1948. Although he left the Presidency in the shadow of a much more popular successor, historians have already ranked him as a near-great President—honest, courageous, and effective.

President Truman had a full and rewarding life. May his wife and daughter be sustained by the knowledge that he served his country with exceptional effectiveness at a time of great crisis.

NORTH WILKESBORO, N.C., KIWANIS INTERNATIONAL CHAPTER CELEBRATES 50TH ANNIVERSARY

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. MIZELL. Mr. Speaker, the North Wilkesboro, N.C., chapter of Kiwanis International recently observed a major landmark in its career of long service to the people of that community.

The chapter observed its 50th anniversary on April 3 of this year, and on that day I sent the following telegram to Mr. Stanley B. Clifton, president of the North Wilkesboro club:

> Please extend my heartiest congratulations to your fellow members of the North Wilkesboro Kiwanis Club as you celebrate your fiftieth anniversary of community service today. Those fifty years have been filled with outstanding achievement, and you can share in the satisfaction of knowing that North Wilkesboro and its people have reaped so many benefits from the tireless and talented service that you and other North Wilkesboro Kiwanians have given over the last half century.
>
> I look forward with confidence and optimism to another 50 years and more of the same high standard of civic responsibility that has been your tradition since 1923.
>
> Congratulations again, and you have my continuing best wishes for a successful future.
>
> WILMER D. MIZELL.

To commemorate this important milestone, I am inserting in the RECORD the current membership of the North Wilkesboro Kiwanis Club, and an article from the Carter's Weekly of April 5, 1923, reporting the founding of the club in verse form. I believe my colleagues will find it a unique presentation.

NORTH WILKESBORO KIWANIS CLUB MEMBERSHIP

Absher, Bill, Jr.
Anderson, Jack F.
Bauguss, John A.
Brewer, Joe D.
Brame, William A.
Bradburn, C. Wayne.
Broach, Ted M.
Brooks, Leonard.
Canter, Edwin J.
Casey, William E.
Caudill, Bryce J.
Caudill, Ed.
Caudill, H. D.
Church, Roby R.
Clifton, Stanley B.
Davis, R. Eric.
Davis, Ralph.
Day, James W.
Day, Walter M.
Duncan, Isaac.
Eller, C. B.
Ferree, Max.
Finley, R. G., Sr.
Freeman, J. Max.
Gabriel, Bill G.
Gambrell, J. Gary.
Garrett, J. Max.
Gardner, Ed.
Greene, B. Hal.
Grier, W. C.
Hall, Claude M.
Harris, W. H.
Hawkins, Hal B.
Hayes, Kyle.
Horton, J. P.
Hubbard, Julius C.
Hutchinson, Tam.
Kenerly, J. Thurmond.
Kilby, Dr. Larry.
Landon, Dr. H. C., III.
Lankford, Winton.
McNeil, R. T.
Moore, Larry.
Newton, Paul.
Ogburn, J. Thomas.
Ogilvie, Gordon F.
Osborne, Paul.
Perry, Troy.
Porter, Cecil L.
Priester, J. R.
Pryor, John, (Dr.)
Rogers, Charles C.
Rousseau, Julius, Jr.
Shephard, J. Greene.
Sloan, Elihu E.
Stroud, Ray.
Sturdivant, W. K.
Shelton, Earl.
Sidden, Edrin R.
Tashiro, Aiji.
Wayland, John T.
Wilson, Jeff B., Jr.
Winslow, Doug.
Yates, Wayne.

PRIVILEGED MEMBERS

Dr. F. C. Hubard.

HONORARY MEMBERS

Idol, John.
McKenzie, Frank.
McCoy, Joe B.
Nelson, Lewis M.

[From the Carter's Weekly, Apr. 5, 1923]

STRONG KIWANIS CLUB IS ORGANIZED IN CITY—WINSTON-SALEM SPONSORS CLUB AND ELKIN SENDS LARGE DELEGATION FOR THE EVENT

At a banquet in the Wilkes Commercial club rooms Tuesday night a strong Kiwanis club for North Wilkesboro was organized, which is sponsored by the Winston-Salem Kiwanis club and which marks a new epoch in the history of this growing city of the mountains, and links Winston-Salem and Elkin, at which place a Kiwanis club was formed last week, and North Wilkesboro closer together than before in the Kiwanian spirit and in an effort to develop this section along the line of greater citizenship.

The North Wilkesboro club has a membership of 57 and is composed of the city's leading business men. Last Friday night a temporary organization was made and Tuesday night this organization was made permanent and the following officers and directors were elected for the ensuing year:

President, C. C. Smoot, III; vice-president, W. R. Wilkins; secretary, J. B. Williams; treasurer, R. W. Gwyn; district trustee, J. B. Norris; directors, J. L. Clements, H. C. Landon, R. D. Grier, J. B. McCoy J. F. Mulligan, J. C. Reins and E. E. Eller.

KIWANIANS ATTENDING

Among the Kiwanians from Winston-Salem attending the meeting were Ned Shore, president of the Winston-Salem Kiwanis club; Phin Horton, Sam Mathews, Bill Vogler, Noble Medearis, Frank Davis, Fred Evans, Ned Vaughn Lloyd, Charlie Creech, Ed Shepherd and Dr. W. L. Grimes.

From the Elkin club the following attended: Charlie Armfield, president; Raymond Chatham, A. O. Bryan, M. A. Biggs, J. F. Carter, Quiller Snow, Marion Allen, Roy Barker, Bob Hickerson and Robert Price.

Joe Boyles, field organizer, for Kiwanis international, was present and fully explained the value of a Kiwanis club to a community. He added much enthusiasm to the occasion and embued all present with Kiwanianism.

Following the election of officers President Smoot took charge of the meeting and called on Ned Shore, of the Winston-Salem club, who delivered the address on behalf of the sponsoring club. The response was given by Henry Reynolds, North Wilkesboro Kiwanian. Among others speaking were C. G. Armfield, president of the Elkin club, and Drs. Phin Horton and J. W. Ring.

North Wilkesboro Kiwanians are hopeful that their club will be the one thousandth to be organized in the United States and they stand an even chance of obtaining this distinction.

FINE BANQUET SERVED

The three-course banquet was served by the auxiliary of the local Presbyterian church, and the meeting from every standpoint was a decided success, and one of the most enjoyable and enthusiastic occasions in the history of the city. Following is a complete roster of the baby Kiwanis club of the southern district:

F. D. Hackett, Eugene Trivette, J. Palmer Horton; T. S. Barnes, W. R. Wilkins, Edward G. Finley, J. G. Hackett, J. B. Norris, Sargent D. Duffield, Carl S. Coffey, J. C. Smoot, Jr., C. C. Smoot, 3rd., Joseph Parkin, W. F. Blair, E. M. Long, J. R. Hix, W. A. Fender, H. C. Landon, Ben B. Nicholl, R. M. Brame, E. M. Blackburn, Genio Cardwell, Charles H. Cowles, Horace Sisk, Clarence Call, W. A. McNeill, J. B. Williams, Clem Wrenn, P. Ward, Eshelman, R. W. Gwyn, W. A. Bullis, J. D. Moore, Richard G. Finley, E. E. Eller, R. N. Pendley, J. R. Finley, J. F. Mulligan, J. L. Clements, Lee Hemphill, F. D. Forester, C. W. Robinson, T. B. Finley, R. D. Grier, P. M. Williams, J. B. McCoy, James F. Johnson, Johnson J. Hayes, W. F. Jones J. E. Spainhour, Henry Reynolds, Wm. R. Spainhour, S. V. Tomlinson, D. J. Carter, J. C. Reins, E. M. Hutchens, Russell G. Hodges and R. P. Casey.

[From the Carter's Weekly, Apr. 26, 1923]

KIWANIS CLUB NEWS; LUNCHEONS GIVEN; A NEW "CONSTITUTION"

The Weekly luncheons of the North Wilkesboro Kiwanis Club are proving to be not only highly enjoyable occasions, but profitable ones, as well, and all meetings are attended by practically every citizen composing the membership.

The first luncheon was held in the Club rooms on Friday, April 13, the Club rooms being the regular meeting place and Friday the Kiwanis day. The club was welcomed by the various other civic organizations of the city, short addresses being made by representatives of each, as follows: Mrs. J. E. Duncan, president of the Parent-Teacher Association; Miss Bess Cameron Finley for the Woman's Club; Capt. R. E. Walters, American Legion; J. G. Hackett, Commercial Club; J. C. Reins, T. R. A. A pleasing feature of the luncheon was a solo by Mrs. F. G. Harper, Miss Ellen Robinson accompanist.

At the luncheon last Friday Chas. H. Cowles delivered an interesting address on the propects and the situation of the proposed railroad across the Blue Ridge, and Carl Coffey, talked about the lumber industry and outlook regarding both Wilkes county and the country in general. Mrs. L. G. Caldwell, secretary of the Merchants' Association, brought a message to the club. The program was featured by the reading of the new "constitution", which follows:

Some Winston-Salem guys blew in one day,
To make a brief preliminary survey,
They took a lunch with Luck and Joe McCoy
And heard the latter brag about his boy.

They promenaded up and down B Street,
And smiled and bowed to all they chanced to meet
And then went down and called on Eshelman
And there laid out their well developed plan.

"Go to it, boys" says Ward, "before you shoot,
You best had better call on Charley Smoot.
You know that Charley is a dead game sport,
And Clint and Stacy too, are of a sort

That lend themselves to such a plan as that".
But when it came to Luke it all fell flat.
Now Luke, you know, he had to argufy,
Must ask of whence, and where and who and why,

And Luke has such refined religious views
His conscience bade him then and there refuse.
It looked at first that all would end in vain
That they had better hit the first down train.

But from the bitter gloom there came some joy,
And it was from that selfsame Joe McCoy
Who gave the boys a calm complacent hunch
That he would be the one to furnish lunch.

With one vociferous yell of pure delight,
They all agreed the field was glowing white.
But first we'll ask them down to Elkin Town,
And show 'em how to act a first rate clown.

When Dick and Ward and Charlie pulled the gas
They said twould never do to let it pass,
They told Joe Bowles the moon and signs were right
To organize a club on Tuesday Night.

And Clint and Palmer too confirmed the view
And Bob agreed they ought to put it through.
So Joe, he came, and with his fine spun bull
He told the boys their cup of joy was full

When each of them would join the happy club
And be no longer classed a first rate dub,
That this good town would grow and vastly thrive
And be considered very much alive.

That railroads, hotels, street cars, parks,
And every blessed thing that marks,
A forward step would certainly come to us
And even picture shows to rival Gus.

With one accord they all did there agree
A club of class and credit it should be
So here they are, an aggregation rare
And we will try to see just who they are.

One hopeful lad arose and said, "before you all begin
I want to place in nomination my good friend, Walter Grin;
I stayed out late one dark cold night and lost my last jack pot
Next day I needed fifty cents, a grin was all I got
This I resented as I should, it was an awful fix,
Says I, I'll just go down, and report him to Jim Hix.
Another grin met my poor gaze, I heard him say, "you fool"
"I aint no blooming banker, I boss a Sunday School".
They all were sure, so they said, the cherished plan would fall
Without the meek and humble presence of Little Clarence Call.
He is so backward and so shy and such a modest lad,
To leave him out, twould certainly be, too everlasting bad.
Then one arose and meekly said, "I'll tell you how I feel,
I think we ought to ask and get in Lon McNeill;
Since Gossard's gone and left the town, who is it left, I pray
Can hand it out, with out a doubt, in such a fine spun way."
Another thought that everything would seem quite strange and queer,
Without the saintly presence of Bonny Bobbie Greer.
We'll volunteer to tell him, how to run his cotton mill
And build his handsome houses on Gordon Hackett's hill.
Now Evan Hutchens could tell 'em the virtue of a pill
How it will cure, he seems quite sure, most any human ill,
When made of dough, as some pills are, I've heard some people say,
And sugar coated too, when they are made of clay.

Another thought that while we ate and had our noon day lunch,
That old Clem Wrenn would be the man to tell this select bunch,
On how he makes us happy and keeps us all content,
And at the same time charge us a bare sixteen per cent?
That one Mont Houck could please us and let us all just see
The famous fine ingredients of Brookshire's recipe
Of how he builds a side walk and how he builds a street
Without any rock or cement, before the job's complete.

And now there's Palmer Horton, of course he'd be sore
If we asked in Tal Barnes, of the famous Rexal Store,
And left out Horton Drug Store, with all its fixtures new,
So then and there they will agree, it was the thing to do.

We come to Edward Finley, from down on Creamery Street,
Without a classification, to set him on his feet,
But since he raises tan bark, from the wagons to the pile,
We'll put him down as "farmer"; don't anybody smile.

To make this thing successful and make it all a go,
We ought to ask in Johnson, something called Texaco.
He can tell us how much water, how long to let it boil,

To make the proper mixture of first rate cylinder oil.
Some offered the suggestion, I think it was Joe Bowles,
That another good Kiwanian could be made of Charley Cowles.
For he could tell us certainly, if it wasn't against his nature.
How wide a swath a Republican cuts in a Democratic Legislature.

Now this is inside information, and no one mustn't tell
I'll tell you how it happened that we have in here Fidell.
He aint no good at dry goods, in groceries he falls flat,
But when it comes to setback, I'll bet my Sunday hat.

Now Dr. Brame, Marvin, I mean, who can give the glad haw, haw,
As every man rightly should, who is seventeen times paw, paw,
Can tell the many virtues and other things, I'm sure,
That Vick's pneumonia salve will do, and all that it will cure.

Now it has been reported, the truth I won't declare,
That for soft peddled talking no one can head Will Blair.
"Is there anything else, mam", so calm serene and sweet,
No wonder that from Blairs we get most everything we eat.

But then there is another who purrs a pretty song,
Now every one will quickly guess I refer to Edward Long,
Now he can make a telephone sing music in her ear,
And she will sweetly sigh, oh my, oh gosh, oh dear.

Two non essential professions are with us here today,
I hope you'll learn them better, and better in every way,
Learn their ways and habits but take this tip, I beg,
Bob Casey pulls the jawbone, Jule Rousseau pulls the leg.

Joe Clements owns the Southern, He owns the depot, too,
He runs them both to suit himself as only Joe can do,
But this we hope, and fervently, I know you will agree
That he build his railroad into Ashe, and on to Tennessee.

Bonds of friendship are very strong, but there are other ties,
The very kind, I have in mind, are the ones Carl Coffey buys,
He buys them from the wagons, he spends a lot of money,
But the tie, thats got his eye, is the one of matrimony.

They say Jim Reins takes lots of pains in county demonstration,
That he can cook just like a book to beat the very nation,
Can sew and patch teach hens to hatch, and out ducklings how to swim,
On dress design they say he's fine, the girls are after Jim.

Now you all know, how Genio can start the ball a going,
"Now that reminds me of the time when I was just a growing,
A mere small lad, just me and dad at home in old V A
I was quite small, not large at all, just big enough to play".

Now singing is essential to make this thing a go,
So that's the very reason we have Russell, Neal and Joe,
They can hit the double treble, they can sing as high as Q,
"Well everybody's happy", when they get through.

When we mention hot air artists, there comes a big stampede,
For proper recognition, on who shall take the lead,
After due deliberation, and all such things as that,
The decision was unanimous to give the pup to Pat.

They say the Finley family is always on the job,
So that explains the reason for Richard, Tom and Bob,
Joe said we could make Kiwanians, out of awful scrappy stuff.
With out a doubt, we'll try it out, to see if that's a bluff.

Before I wear you out and get in a swivet,
I think it highly proper to introduce Gene Trivett,
He's a candidate for Mayor, the place that he's now got,
But I hear the opposition is on his trail and hot.

When you are broke and need the dough, or need some legal tender,
Don't be a crank, go to the bank and call for Arthur Fender,
He's got the bones for making loans and the disposition, too,

He's a regular panacea, when a feller's down and blue.

It was whispered, I am told, before we got our charter,
That we must have on our list Jule Hubbard or Dan Carter;
But Jule's no fool, he passed the buck and now its up to Dan,
To spread the notoriety of the doings of this clan.

Now one across on full tiptoes and said twould be a risk
To harbor in our bosoms this Professor Horace Sisk.

That he aint no good at teaching, his discipline's all a bluff,
But he's got the school board thinking that he's the Royal stuff.

He's no good peddling oil, and bum are all his brick,
And in the wholesale business, he doesn't know the trick,
He can't sell automobiles, his farming is no good
But when it comes to trading plugs, S. V. has got 'em stood.

Now there is Ben B. Nicoll, the "B", it stands for bluff,
On these imported foreigners he's awful hard and rough,
He broke up Hyde and Baxter, got the others on the go,
He hopes to get to Millers Creek, by nineteen thirty-four.

Dick Norris is jiner, he belongs to everything,
From T. P. A. to X. Y. Z., they are all on his string,
But in selling off his lumber, they say he's bound to yield
And hand the laurels over to Sargent D. Duffield.

Lee Hemphill and the Spainhouts, from across the waters deep,
Have come to town to look around, and mingle with the sheep,
Feed 'em good, as we should, don't turn 'em in the rain,
Treat 'em nice, as cats would mice, and ask them back again.

Dock Wilkins and Jim Mulligan, you know who these two are,
You'll forever find 'em hiding, behind a huge cigar,
They copy after Cannon, better known as Uncle Joe,
Without their wigs, they're more like Jigs, than anything I know.

Now there is Colonel Landon, who was christened Henry Clay,
He made his fills, up on the hills, where they couldn't wash away,
He's a famous engineer, have you heard him relate,
How he laid out mighty systems back in Pennsylvania State?

They say Ward Eshelman can knit an old time woolen sock,
That Moss can fit a Stetson hat upon a wooden block,
When it comes to arguing Scripture, Frank Hackett takes the praise,
But if you mention checkers, place your wad on Johnson Hayes.

Will Bullis can tell the benefits of loading up on life,
Of Michigan Mutual policies, for your children and your wife,
Bid Williams is too busy singing Bye, Oh Baby, Bye,
If your policy then lapses, you'll know the reason why.
Charlie thinks he runs a tannery, and he also thinks its nice
To ask his brother Clinton for his sound and sage advice;
But he usually gets an answer, where the chicken got the axe,
'Cause Clinton's car and courtin' on his mind's a heavy tax.

They say that Moos Blackburn has gone to shooting pool,
Shaking dice and such things nice, neglecting Sunday School;
And another youthful miscreant is Jimmy Dudley Moore,
Who rolls the bones with Freddy Jones, behind the cellar door.

Ed Eller knows a dominecker, far as human eyes can see
He has spread the chicken business from here to Tennessee;
He has lately been to Georgia, to look the country o'er,
He expects to keep expanding to the California shore.

Gordon is supreme authority on all our pedigrees,
Joe McCoy is also versed on which dogs will harbor flees,
Chaplain Roberson instructs us how to walk the Narrow Way,
We may not now all listen, but we'll wish we had, one day.

A dead one never undertakes to read his epitaph,
In this one instance, then you see, on you I have the laugh,
But this I want to say and you must jot it down,
That Henry Reynolds operates the best P.O. in town.

MILITARY OPERATIONS IN SOUTHEAST ASIA

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. MARTIN of North Carolina. Mr. Speaker, the House of Representatives has today worked out a compromise, acceptable to the President, which draws down the curtains on our military operations in Southeast Asia. It remains to be seen what will be the fate of our allies that are to be left on stage. Yet, in the face of deterioration in his support base in the House, the President has finally yielded.

For years it has been my belief that it would be a fatal mistake—fatal for our allies—to set a certain target date for pulling out. Once that is done there is left no possibility for any further constructive negotiations. The North Vietnamese Government would need negotiate no further, since the target date would arrive in due time and the victory would be theirs.

Mr. Speaker, how is that different now? The only difference is that the President has been compelled to yield in his resolve. He has gotten "an offer he can't refuse." If the Commander in Chief is then compelled to accept a 45-day termination of our efforts to force the North Vietnamese to pull out of Cambodia—they agreed on Paris to do—there is left no position about which to rally those of us who have steadily supported his plan of negotiated settlement.

The compulsion here was not the force of rational logic, of course. It was rather the ingenious device put together by the other side to fasten a "pull-out" amendment on every bill to come out of Congress. With great cleverness, the President was then put in the position that he would have to veto the operation of the U.S. Government in order to continue his program in Cambodia.

Tactical skill, ingenious devices, parliamentary cleverness are all to be admired in a way. The plan succeeded and should be studied carefully by every political scientist. We will see more of it. Coming at the close of the fiscal year, it could not fail. It even allowed an opportunity for one of its celebrated authors to charge hypocritically on the House floor that—

> The President is apparently willing to allow the wheels of government to grind to a halt in order to have his way.

Beautiful. That came from one of those who intentionally placed the Government of the United States as a hostage. It is about like an accusation from the kidnappers that the police are endangering the life of the kidnapped hostage.

HARVEY W. WILEY, FATHER OF FOOD AND DRUG ADMINISTRATION NOMINATED TO HALL OF FAME

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. FOUNTAIN. Mr. Speaker, the 30th of June is an important anniversary for the consumers of our Nation. It was on June 30, 1906, that the first Federal Foods and Drugs Act was signed by President Theodore Roosevelt. A companion law, the Meat Inspection Act, was also enacted.

This date is also the anniversary of the death in 1930 of Harvey Washington Wiley, M.D., the pioneer consumer leader who led the nationwide crusade for pure foods and drugs. Dr. Wiley has been nominated by the Acting FDA Commissioner for a place in the Hall of Fame for Great Americans, an honor he justly deserves.

I am pleased to endorse this nomination and I hope that other Members will also express their endorsement. I am quoting in full the nominating letter dated March 30, 1973, sent by Acting FDA Commissioner Gardner to the Hall of Fame for Great Americans at New York University:

> The Food and Drug Administration nominates Harvey Washington Wiley, M.D., for a place in the Hall of Fame for Great Americans.
>
> This great American led a nationwide crusade for pure foods and drugs which culminated after more than 20 years in the Food and Drug Act of 1906. This pioneering social legislation is still referred to as the "Wiley Act."' Ending an era in which "caveat emptor" was the dominant philosophy of the marketplace, this law started the ongoing movement to secure the rights of the public to health, safety, honesty and fair dealing in the marketing of consumer products. Harvey Wiley thus became a founder of the Federal Food and Drug Law, the Food and Drug Administration, and in a very true sense, the consumer movement.
>
> None have made a greater, more lasting contribution to the basic interests and needs of the American people.

AMENDING THE CLEAN AIR ACT

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. BROTZMAN. Mr. Speaker, on March 22 the House passed a bill extending the 1970 Clean Air Act for an additional year so that we in the Congress might be better able to deliberate the important changes and additions which should be made to that legislation. At that time, the distinguished chairman of the House Interstate and Foreign Commerce Committee (Mr. STAGGERS) told me that the automobile emission problems peculiar to high altitude urban areas would certainly be discussed when the committee takes this matter up and that remedies to those problems would be sought.

Today I am introducing legislation which would go a long way toward solving the air pollution problems in the urban areas of Rocky Mountain west. And these problems are manifold.

Because of the 1970 Clean Air Act, auto emissions in Denver, Colo., are 50 to 100 percent greater than they need be. And Denver is not alone in its misery. At least five or six other major urban centers above the 4,500-foot altitude level suffer the same fate.

The reason for the dirtier air is this simple: The largest component of smog for cities in the Rocky Mountain area comes from auto emissions. Since the enactment of this legislation in 1970, it has been determined that a well-tuned car in Denver, Salt Lake City, or Albuquerque emits almost twice the pollutants that a well-tuned car at sea level emits, because automobiles tend to run fuel rich at higher altitudes. Yet Federal emission level standards do not reflect this fact. Low-cost adjustments by the manufacturer in the carburation and timing of a car can easily eliminate excessively high altitude emissions, yet such adjustments are expressly prohibited by the 1970 act.

I find it highly ironic that Colorado, a State which prides itself on its environmental quality and beautiful panoramic scenery, should be forced by the Federal Government to accept more pollutants in the air than it would otherwise have. The air is dirtier not because the technology does not exist to clean it up, but because the law prohibits us from making the necessary corrections in vehicle emission control systems.

Another result of the act of 1970 was to make the cars in high-altitude States burn far more gasoline than they would have to if the corrections I am speaking of were made. Millions of gallons of gasoline are literally wasted, not to give us cleaner air in the higher elevations, but to give us dirtier air. The proper adjustments would help us save this gasoline, but they are outlawed.

My bill, which has been in the works for several months now and which was written with the cooperation and assistance of the Colorado Department of Health, contains several important features which are designed to remedy this problem.

The bill would require that all motor vehicles and engines covered by the 1970 act comply with emission standards at that altitude, up to 7,000 feet, at which the vehicle is sold to an ultimate purchaser. Thus, under my bill, a car at 6,000 feet could inexpensively be made to emit no more pollutants than a car at sea level. Equal protection under the law would seem to require no less than this.

Second, the bill I am introducing today would direct the Administrator of the Environmental Protection Agency, upon the request of a Governor of any State, to either himself authorize or allow designated State agencies to authorize specific modifications of the auto emission system by manufacturers and dealers where he determines that such modifications are necessary to make emissions systems comply with the new requirements of this act. Officials of the EPA have indicated to me in the past that it is their feeling that the Administrator does not have any clear-cut authority to do this under current law. I disagree with them, but enactment of this provision would leave no doubt as to the Administrator's authority in this regard.

The next provision of the 1970 act my legislation addresses involves the penalties for "tampering" with emission control systems. Under the present language of the act, "tampering" may be defined as any action on the part of a dealer or a manufacturer which renders inoperative any part of an emission control system required by law. I do not believe that efforts to make automobile engines run cleaner should be included as "tampering" under this definition.

However, once again the language has left some doubt as to what constitutes "tampering" and my amendment is designed to clear this doubt. Incidentally, the penalty for tampering is a maximum fine of $10,000. The bill would exempt from the $10,000 fine any manufacturer or dealer who makes modifications in accordance with high altitude modification requirements spelled out in the bill.

Fourthly, my bill would allow the Administrator to grant States an additional year to meet ambient air quality standards unless the 1-year extension recently granted the automobile manufacturers is rescinded. For those States where the automobile accounts for a preponderant percentage of air pollution, it is virtually impossible to meet the 1975 standards if the stricter automobile standards do not go into effect until 1976. At best it will take 3 or 4 years of phasing the cleaner engines into the marketplace for the level of automotive emissions to begin to taper off.

Finally, my bill would authorize the expenditure of $750,000 for research on high altitude emission problems and their solution. These funds will ultimately provide the Administrator of EPA with the research knowledge necessary to promulgate meaningful regulations on this problem.

Mr. Speaker, I firmly believe in the importance of implementing the goals of the Clean Air Act. I worked hard for its passage when I served on the Interstate and Foreign Commerce Committee in 1970. However, it is ridiculous for the Federal Government to prohibit adjustments which make an automobile run more efficiently and emit fewer pollutants.

On the one hand, Federal legislation has imposed clean air standards on the high altitude States. On the other, these States are precluded from taking the steps necessary to implement such standards.

Accordingly, Mr. Speaker, I am asking the Interstate and Foreign Commerce Committee to take this matter up at the earliest practicable date. In addition, I plan to offer this legislation again after the fourth of July recess so that the Members who represent high altitude areas may have the opportunity to cosponsor this legislation.

I am proud of the goals of the Clean Air Act. However, we must improve on that legislation by enacting the responsible amendments I am proposing today in behalf of the high altitude States of our Nation.

END-THE-BOMBING AMENDMENT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. ROYBAL. Mr. Speaker, after more than 10 years of debate about the tragic war in Indochina, Congress has now emphatically told the administration that the time has come to completely stop the bombing.

In the last few days we have passed amendments to the supplemental appropriation and continuing resolution which would forbid the use of any funds, whether appropriated in the past or in future bills, to continue the bombing in Cambodia and Laos. The majority of the American people are telling the administration that they have had enough of this destruction and killing. They want an end—now. They want peace in the world—not the rhetoric of peace.

The President has already vetoed the supplementary appropriation bill. The House was unable to muster the necessary two-thirds vote to override the veto although a clear majority of the House did vote to override. There is little doubt that we are now facing a constitutional crisis. It seems apparent that both Houses of Congress will attach antiwar amendments to many of the important bills that will be considered in the next few weeks. Many of these bills provide the money to operate the Government during the next fiscal year.

During the 1968 to 1971 era there were many marches and demonstrations with the avowed purpose of shutting down the Government. It now appears as though the President's action, in contravention of the majority will, will bring about the very occurrence that the demonstrators once sought.

There is no Member of Congress who wants to see this sequence of events occur. Rather it is our fondest hope that the President will see that the elected representatives are reflecting the will of the majority of the people. We sincerely hope that he will sign the next bill which contains the bombing prohibition and bring an end to our decade of national agony.

"1984" IN 1973

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. RONCALLO of New York. Mr. Speaker, in the debates on my amendments to the biomedical research bill and the National Science Foundation authorization, I warned that the next step after live fetus research would be an attack on our terminally ill. This attack has come all too soon.

I was outraged to read in today's Washington Post that the president-elect of the American Medical Association has gone on record in favor of euthanasia as a solution to illnesses for which we have not yet found a cure. Dr. Malcom C. Todd, at his post-election press conference, stated that in cases of cancer or stroke "the continuation of intravenous feedings and blood transfusions are just prolonging the agony of the individual" and the expense to the family.

I am shocked to hear these words from a doctor who will soon be speaking for the vast majority of physicians in the United States. Many illnesses are painful, and I certainly am sympathetic with the suffering of any person, but just because there is no cure today does not mean one will not be found tomorrow. One thing that can help someone overcome his pain and hold onto life is the will to live and the hope that "one more day" will see a medical breakthrough on his problem. If Dr. Todd would spend more time encouraging efforts to find cures instead of wasting it talking about killing people, perhaps the breakthroughs would come more quickly.

I am even more dismayed at Dr. Todd's mention of the expense involved. Since when does cost enter into a physician's decision to save a human life? How can this man, sworn by his Hippocratic Oath to save human life, choose death?

I am a cosponsor of the AMA-proposed medicredit bill for national health insurance that will give all Americans a chance for adequate medical care at a cost they can afford or free if they cannot. This bill contains provisions for catastrophic coverage. If euthanasia is what the AMA has in mind for catastrophies, forget it.

I am afraid that this proposal is just one more example of the cheapening of human life in the United States—especially in the minds of a significant portion of the medical community. This is evident in the Supreme Court decision legalizing the murder of unborn human infants and in macabre research on living fetuses. At the Willowbrook Institution in New York, mentally-retarded children were deliberately infected with hepatitis for experimental purposes.

At Tuskegee, the U.S. Public Health Service continued to leave untreated a group of blacks suffering the ravages of syphilis, even after a cure had been found. I have just read that a school casually arranged for the sterilization of a 14-year-old girl whose mother thought she was "just going to get some shots." Doctors have been known to give sugar pills to gather experimental data when their patients had the right to expect effective medication. Prisoners and military personnel get the hint that their lot will be improved if they agree to submit themselves as medical guinea pigs. In my own county a doctor has been accused of killing his cancer patient.

Mr. Speaker, it is time for Congress to act. Since the medical profession, or certain elements of it have lost sight of their duty to serve life, these ethical values must be maintained legislatively. I call upon the committees concerned to give the full House a chance to work its will on the subjects of live fetus research and of abortion. These issues have been before the committees long enough and still there are no hearings scheduled. Having done that, there should be a prompt discussion of the remaining issues of human experimentation and now, regrettably, of euthanasia, so that we can see legislation on the floor this session. These issues cannot tolerate further delay. Lives are being ruined and lost. Let us put some ethical values back into medicine and stop "1984" in 1973.

The article on euthanasia follows:

AMA AIDE SEES PLACE FOR EUTHANASIA

(By Stuart Auerbach)

NEW YORK, June 28.—The president-elect of the American Medical Association said today that mercy killings "have their place" in certain "uncorrectable" fatal illnesses.

In a press conference after his election, Dr. Malcolm C. Todd, a Long Beach, Calif., surgeon, said that doctors should not be forced to make the decision on mercy killings themselves. He suggested that a board might decide when a mercy killing is justifiable and said the AMA should develop its own policy on the matter.

Todd said that mercy killings may be justified in cases of "uncorrectable illnesses" such as cancer or strokes where "the continuation of intravenous feedings and blood transfusions are just prolonging the agony of the individual" and the expense to the family.

The question of mercy killings arose because of the indictment Wednesday of a surgeon in nearby Nassau County on a charge of "willful" murder in the death of a 59-year-old cancer patient.

Dr. Vincent A. Montemarano was accused of injecting a lethal dose of potassium chloride in Eugene Bauer, a patient of his who was suffering of cancer of the throat. Mr. Bauer was described as being in a coma and having no more than two days to live when Montemarano gave him the injection last December.

It was the second charge of mercy killing in the New York area this month. On June 20, Lester Zygmaniak, 23, was accused of walking into a New Jersey hospital and shooting to death his brother, George, 25, who had been paralyzed in a motorcycle accident.

Montemarano's indictment yesterday was the first of a physician in New York state for mercy killing. The only other doctor indicted in the country for mercy killing was Dr. Herman Sander of Manchester, N.H., who, in a widely publicized case in 1949, was accused of killing a woman with incurable cancer by injecting air into her veins.

Sanders noted the injection on the hospital chart. In signing Mr. Bauer's death certificate, Montemarano listed cancer as the cause of death.

In its last day of meetings, the AMA's house of delegates elected Todd, 60, to be the next president. He defeated Dr. Raymond Holden, a Washington obstetrician-gynecologist for the job.

Active in both medical and national politics, Todd has taken part in all of Richard M. Nixon's campaigns since 1952. Last year he was a member of the Physicians Committee for the Re-election of the President.

Todd said today that the AMA and state medical societies have to take a stronger stand against the 5 per cent of American doctors "who give us a bad name" through "fee gouging" and poor medical practices.

Todd also attacked doctors "whose only aim in life is Cadillacs, swimming pools, and fur coats."

"I'm concerned about the needs of the people above those of the doctors themselves," he continued.

"As soon as we project to the people that we are concerned with their needs, the AMA can regain the stature that the individual physician has from his patients."

In other action today, the AMA raised the issue of doctors joining physicians unions.

"Physicians are entitled to organize or join a union, guild or any other legitimate organization of their choosing," the board of trustees said. "The board of trustees believes, however, that the achievement of the professional and economic goals of physicians can be accomplished best through carefully planned action programs of the American Medical Association."

Although few of the nation's 356,534 doctors have joined unions, the number has grown rapidly in recent years, while the AMA's membership has been declining. From 25,000 to 50,000 doctors are believed to have joined doctors' unions while the AMA has 156,000 dues-paying members.

THE LATE NICK BEGICH

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. ROONEY of Pennsylvania. Mr. Speaker, perhaps the most fitting tribute we can pay to our former colleague, Nick Begich, is to remember today his vital presence among us as he worked relentlessly in the interest of his home State of Alaska and its special problems as the last frontier area in the United States.

In one term in Congress, he swept to passage, with his characteristic enthusiasm, several measures which had been shelved for some time—the Alaska Native Land Claims bill, the waiver of the Jones Act for the Wickersham, and improved transportation and communication for Alaska. An initial opponent of the Alaska pipeline, he felt, after studying the project in great depth, that the environmental problems could be resolved before construction began.

Nick Begich believed in this country, and most of all he believed in the people of this country. He believed that the divisive American involvement in Southeast Asia should be ended because the

American people themselves faced many problems that required remedies. He believed that those in this country who are deprived of their rights should have them guaranteed, so he voted for the 18-year-old vote and the women's rights amendment. And he believed that the average American needed the tools and the knowledge to cope with the complexities of modern society, so he voted for consumer protection legislation and increased expenditures for education.

We were all shocked and saddened by his untimely passing and my wife and I extend our most heartfelt sympathy to his wife and children. May the knowledge that he served his country with distinction be their comfort.

DAY CARE CENTERS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. KOCH. Mr. Speaker, the administration's proposed cuts in aid to day care centers have been met with outrage across the country. One of the more excellent statements opposing such cuts was made by New York Assemblyman Tony Olivieri, as follows:

REPLY BY TONY OLIVIERI

In a recent editorial, WPIX supported the Nixon Administration's plan to cut off direct federal aid for day care centers, and force the localities to rely on revenue sharing as a substitute.

As co-chairman of the Citizens Task Force on Revenue Sharing, I am very concerned that people understand the intent behind federal revenue sharing. Revenue sharing was supported and passed because of a realization that many demands on state and local governments arise from national, not local causes. We expected that the revenue sharing money would be "new" money. That is, what the cities received through revenue sharing would not be compensated for by cutting back on other federally-aided programs. However, that is just what has happened.

Because of the cutbacks in federal aid, New York City stands to lose some $42 million in direct aid for day care centers. If this were the only area in which federal cutbacks occurred, it might be feasible to replace it out of the City's share of revenue sharing which amounts to $204 million. However, we have also suffered cutbacks in many other services and agencies; in fact, we have estimated that even with revenue sharing, we stand to lose more than $700 million in the next fiscal year.

Day care is a particularly bad service to cut back. If we really are concerned with getting people off welfare we must provide for a means of caring for children. With the proposed federal cutbacks, day care subsidies will only be available to those on welfare. Once a person gets above the welfare limit, they will have to meet the full cost of day care—which means they will net less earnings than they would have on welfare. We must gear our system so that there is an incentive for people to work their way out of the welfare system. Providing day care for lower middle income families is one such incentive which I consider essential.

Revenue sharing is an important help to the city—but it will never be a sufficient replacement for specifically earmarked federal funds.

NORTHERN IRELAND

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. CRONIN. Mr. Speaker, the continuing hostilities in Northern Ireland have been a source of concern and despair to millions of Americans. The roots of this tragic struggle are complex. It is well that we strive to consider varied points of view. In doing so, we will be better able to reach an accurate consensus concerning what course should be pursued.

Mr. Fred Burns O'Brien, who frequently writes on the subject of Northern Ireland, recently completed a trip to this war-torn country. He has submitted a report on his tour, which I bring to the attention of my colleagues:

NOTES ON THE NORTH OF IRELAND, MAY 1973

(By Fred Burns O'Brien)

POLITICAL SCENE

There was an obvious air of hostility present in the streets of Belfast, more evident in the Nationalist areas than those of the so-called loyalists where life is basically normal. A feeling of cautious pessimism pervaded stemming from the British White Paper that might well bring on Britain's doom in her persistent domination in the North. With the Orange Order rejecting the White Paper along with Sinn Fein and Ian Paisley, evidences diverse contingents of Irish people rallying to oppose Britain's policy shows some strain of hope in an Irish or perhaps an Ulster concept for the future; at least many diverse Irish are agreeing that perhaps Britain can't govern Ireland.

The White Paper's failure was cemented from its inception by the failure to define the future of Britain's presence or lack of it, upsetting wide ranging views. This unaggressive neutrality reflected the present mood of the people. There was more open hostility evident only one year ago, but there is a more hopeless outlook on the part of loyalists at the present moment as Britain is now perhaps planning total withdrawal from the North in the event of the total collapse of the White Paper. Westminster more than likely thrust the White Paper upon the people of the North as a double edged sword. On the one hand they dictate a policy of necessary compliance with the wishes of British minds purporting to solve an Irish dilemma and on the other hand planning for failure by a possible emulation of the Americans in a so-called honorable withdrawal from the North.

DIVISION OF LOYALISTS

The Unionist Party presently is shaken beyond repair as the grass-roots support amongst the Protestant working-class dwindles severely almost daily. A rational middle of the road Unionist Party was the British hope for implanting the acceptance of the White Paper on the Northern people. It is quite apparent that London did not appreciate the erosion of the once dominant force of Stormont Castle. Basically the Unionist politicians who broke with Unionism and its leader, Brian Faulkner, went on two converse courses, some to the Alliance Party a middle of the road contingent, and others sought out the right-wing leadership of Mr. William Craig. Not including other splinter groups, the once dominant Unionist Party that portrayed a United Loyalist Front, now bridges the political spectrum from center to the extreme right wing as its adherents have dispersed to many other standards.

The right wing of the Loyalist faction talk now of a unilateral declaration of independence similar to that implanted in Rhodesia, as this group of Northern politicians peer towards the African Continent for sacred guidance from Prime Minister, Ian Smith, and his experience with Britain. It has been stated that Ulster's Protestant population is loyal to Britain so long as Britain remains loyal to Protestant Ulster. With the eventual and inevitable failure of the White Paper, Britain will consequently divest herself of her Irish plaything and depart to London. At this juncture reasonably prudent people will have to compromise to avoid an Irish blood bath which would be the ultimate tragedy and as is the normal case Ireland would pay dearly for British blunders, but this is history of Anglo-Irish relations.

THE NATIONALIST MOOD

The Nationalists are similarly divided as the Loyalists, but have the advantage of retaining the binding factor, which in the case of the Majority has eroded. Loyalty to Britain and retention of British Nationality was the Loyalist rallying point, but toying with an independent State of Ulster has dissolved valid loyalty.

The Nationalists have the binding factor of an impending desire to unite the Irish nation motivating them generally, but the approach to the culmination of their dream is the questionable factor. The SDLP Party wishes to take the political route while Sinn Fein and the "radical" Republicans will continue a military effort until such a time as the British declare their intention to withdraw from Ireland. The SDLP have threatened to boycott the June election if the British Government refuses to allow the Sinn Fein Party the right to stand in the election. The British have successfully abridged realism by failing to confront the Republicans and reckon with them on a political basis of recognition of their status as a party. This violates the invitation to all people to participate in the electoral process. Sinn Fein represents a substantial political following as evidenced by the grass roots support they have received in the efforts of their military wing. A factor that threatens the success of British policy is the complete failure to militarily defeat the Irish Republican Army.

Aside from other implications, the fact that the IRA has done exceedingly well against the British Army has been a severe blow to the pride of the Army who was sent to Northern Ireland under the pretense of offering protection to the Minority Community, but instead the British Government feared the IRA guerrillas, who at the time were an innate force and only became a factor when the Army began to harass the people. It was a needless fear, but the conduct of the Army in the abuse of the Nationalist population brought about the regrouping of the IRA to afford protection to the Nationalists from both overzealous Loyalists and the soldiers of Britain. Instead of antagonizing the IRA, the British would have been best advised to seek positively their effective participation on a non-violent basis, but the British Government would have to extend recognition to the organization which they have not been inclined to do. They might also have utilized the IRA as a neighborhood police force as they had done with paramilitary loyalist groups.

The IRA is presently seeking a commitment from Britain of their intent to leave Ireland at some future date, but grasping the realistic aspects of the situation, they have refrained from requesting the British to pull out on a moment's notice. The intrusion of the UDA and UVF as paramilitary units, not combating the British per se, but bent on destroying fellow Irish is a further reason for British presence as they are unsure what turn the Loyalist Army will take. The UDA and UVF confuse the British because they profess loyalty to the Crown, but have confronted "their army" in gun battles.

It was the formation of the UDA which necessitates the persistent efforts of the IRA in a defense role, because they now face armed might of the Loyalists and the British Army. Had the UDA not been created, the IRA might have been able to negotiate a workable truce with the British Army on a temporary basis until something could be agreed upon for far reaching prospects. It was the creation of this paramilitary unit that has further polarized the two Irish communities. The Army's misunderstanding of the intent of the IRA serves only to prolong aspects of the conflict which should never have recurred. The IRA conducts their campaign against the British and the ruling class that controls the economy of the North of Ireland. Their goals are intended to include the Loyalist working class melded with the Nationalists which taken together manifest 90% of the Northern population. The Loyalist working class has been baited by the moneyed class of Loyalists (loyal more to the pound than the Crown) to defeat the means to their own crying necessities. Consequently, they have prolonged the struggle, not the IRA.

The people of Belfast appear to be resigned to the ever present fact of conflict and it seems that at least on the surface, they accept it as a matter of daily living. An ingrained sense of hostility is a trait of the citizens of Belfast born out of the rebellion. The eyes of the people, especially in the Nationalist Communities that are like islands in the Loyalist ocean, never leave you as every movement is memorized. Inherent belligerence is a national characteristic in the Nationalist Community of Belfast due to the fact they must live constantly on the defensive. The large Loyalist Community can exist in a more normal manner and appear less hostile to the outsider because legality is on their side as well as the Army.

THE STREETS OF BELFAST

As we approached Belfast, we were greeted by a stone-throwing riot on the Falls Road between two gangs on opposing sides of the street. Boulders whizzed over my car with many finding their mark on the persons on the opposite side. Being caught in the middle of the scuffle did not shake me as badly as the approaching British Troop Carriers. The sight of a British soldier puts me in fear for my life based on past abuses perpetrated on me by the troops.

My last trip to Belfast had seen British soldiers indiscriminately shoot and beat and abuse people in Nationalist areas for no visible reason other than bitter cruelty. There were no gunmen or shots fired only those from British guns. The mentality of the British Army is that they believe their Irish enemy to be an inferior race as evidenced by oral statements made to me by the soldiers. They feel that any abuse perpetrated on "Paddy" is justified since the master has the inherent right to curtail life and liberty from the inferior being and the British are quite liberal in meeting out punishment to their subservient charges.

In this latest visit, the soldiers approached the Falls from an adjoining roadway and immediately proceeded into action as a soldier raised his gunbutt and crashed into the head of a boy around twelve years old. Other soldiers went after anyone they could get in clubbing range. I could see the first boy running holding a bleeding head. This was shocking to one not resigned to a way of life presenting the ever present danger of violent confrontation and doling out punishment by the British Army.

The Army never tried to find out what had caused the confrontation or who was involved. They just plunged into the crowd of unarmed civilians and beat as many as they could corner.

As we went winding down the Falls my brother Dennis and Ms. Claudette Pelletier, a Washington Attorney, photographed the British military presence and offered comment to me on the scene before us. Ms. Pelletier stated that what we were seeing was the force behind maintaining the status quo. Resolving change by preventing it seems to be the method of Britain. She cited the fact that the U.S., Britain, and Ireland were cooperating to prevent the implementation of the desire for national aspirations. Governments will support other Governments in the perpetuation of their continued power and self defined legitimacy regardless of the feelings and rights of people.

A MUTE DUBLIN

The true tragedy of the Irish conflict is the irridescent fact that Dublin and the Irish Free State Government remains mute or directs policy aimed at assisting Britain in her efforts against the Irish people. Dublin with its governmental cloak of legitimacy wishes only to retain its present power and divests itself of the North, although the people are more inclined to be sympathetic. Their support for the rebels is not visible because of the fear of governmental reprisal. Laws have been passed to allow the Government to incarcerate individuals for no reason and without evidence other than the word of a policeman. To live under such law makes all support criminal forcing the supporters of the rebels to remain in the background giving the look of non-support.

After my return to the States, I had a conversation about my trip to Ireland with Mr. John A. O'Brien, Chairman of the Maryland Committee for Ulster Justice concerning the about mentioned point and it is important that people understand it. I have consolidated his comments and they are offered as being pertinent to the overall picture of the North. Mr. O'Brien logically stated that if the Northern people had the support of the Irish Government their struggle against the British oppressor would be facilitated and the feelings of the people back up his contention. He faults Dublin not London as the real culprit in the present crisis. His theory is that Britain is an enemy and you conceivably expect her persistent hostility, but the Irish Government is maligning what it claims to be its own people. Mr. O'Brien's point is well taken for if Dubin only retained the low profile of neutrality they had maintained until midway through 1972, the Republicans Movement could have moved closer to the goal of unity which is a part of the Constitution of the Free State.

With the lessons of Irish history and how cooperation with Britain can prove fatal, Dublin still holds out hope for a totally peaceful solution with the compliments of Britain. Jack O'Brien feels that this reasoning is impossible to accept and only proves the Irish Government's incapacity to handle the road to reunification. They should at least allow the Republicans an unobstructed hand in dealing with the British War Machine. The people of the North feel that this would be the best road for Dublin to take if it really cared what happened to the North. From what this writer witnessed, the Republican methods and military tactics are the only policy that the British understand. Chairman O'Brien who has spent considerable time in Derry witnessing British brutality attests to the necessity of force to serve the quest for justice. Mr. O'Brien cites the unsuccessful attempts at peaceful demonstrations for civil rights in the 1960's. His theories were implanted on my mind as I witnessed British abuses in Belfast. Jack O'Brien still hopes that the Irish Government will see the necessity to take positive steps and assist the Republican Movement to unite the country. Americans love to criticize the violence in the North, but to one who doesn't live there to offer abject criticism on a subject of which they are in ignorance is true ignorance. It is so easy to be self-righteous when you do not have to face British guns.

DEMONSTRATION IN LONDON

After leaving the devastation of Belfast we went to London and were surprised to find a huge demonstration in progress. A few city blocks from the hotel we are staying at in London, there was a demonstration in support of the "Belfast Ten." These are the individuals who it is alleged set off bombs in London in March and at present they are in custody receiving physical and mental abuse by British authorities. These ten Irish people who have not been tried or convicted have been abused and deprived of rights granted to any alleged criminal. Their worst crime is being Irish.

It was estimated that there were twenty thousand people participating in the demonstration. It was gratifying to see such support for the Irish in downtown London and those people believed in rights for all regardless of nationality. The people in the crowd were not all Irish, but many sympathetic English people who believe in human dignity and justice were in attendance. Their continued efforts will assist the long range hope for the Irish of the North of Ireland.

SUMMARY

In summarizing the political situation inclusive of the military factor in the North at the present time, one might state that all is reliant on the White Paper. The so-called radical elements of the North are of necessity in compliance with British requests in order for its affirmative effectation. At this point in time the implied radicals have categorically rejected the White Paper. The Reverend Ian Paisley, the IRA, Sinn Fein, UDA and the Orange Order have all turned down the British offering as not containing the possibility of attaining their goals. The respective organizations have diverse aims, yet they all claim their goals are not within the bounds of the ineffectual White Paper. The legislation does not proceed in any direction, it remains in a neutral stalemate that seems to proceed in one endless circle. The White Paper is Britain's answer to the Irish people, but it offers no sense of direction only stalemate.

Ironically, the Dublin Government and the Unionists who ruled the North for half a century are most willing to grasp the White Paper. The ruling elite as represented by these groups in both portions of Ireland savor money rather than the welfare of all the people. Most people in the United State believe that the White Paper will bring peace to the North, just because the British Government try to imply it will. They feel they no longer have to support those seeking freedom in the North of Ireland. There is going to be problems in Ireland so long as a foreign army and a foreign government exert themselves in the Irish nation. The Irish people have a right to their own destiny without foreign interference and many people made this quite clear to me. The only way to curtail inbred nationalism is by genocide and Britain cannot be contemplating this method of resolution. Britain has stated that the White Paper is their last effort to solve the Irish crisis, after that they could be expected to pull out and leave Ireland to itself.

The upcoming election in the North will prove to be a balancing act. Since so many groups have rejected the White Paper, but have not ruled out standing in the election, it may prove to be a bellwether for the future. The Assembly might take measures to get full integration into Britain, it may declare an independent state or it might toy with the idea of an Irish Federation with the South, not necessarily reunification per se. The Assembly will give legality to a body governing the Province. The aftermath of the election and the amount of authority that it tries to exert and the support it gets from the various groups will be worth observing. It cannot be the same sectarian ruling body it was prior to the violence. Britain has said she would abide by any decision it might make; it will be interesting to see how much Britain complies with the wishes of the Irish people.

ISRAEL AND THE WORLD ENERGY CRISIS

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. REID. Mr. Speaker, the Anti-Defamation League of B'nai B'rith has published what in my view is a challenging and informative analysis of Israel and the world energy crisis. The author of the article, Eliyahu Salpeter, is Israeli, and serves on the editorial board of the independent Israeli daily Ha-Aretz.

I commend the article to the attention of my colleagues:

ISRAEL AND THE WORLD ENERGY CRISIS

(By Eliyahu Salpeter)

Arab commentators, always great at describing victories before they occur, have of late begun to present the implications of the use of their escalating oil wealth on the American scene as a "contest between Jewish influence and Arab money in Washington."

Primitive and somewhat far-fetched as this presentation may be, there is no doubt that in the Arab mind Israel is the number one target in putting to use the billions flowing into the coffers of oil producing countries.

From Israel's point of view, there are actually at least five major aspects of the present world energy crisis of which the Arabs are, at least for the time being, among the main beneficiaries:

First, is the growth of Arab influence in the West, in general.

Second, the growing dependence of the United States on Middle Eastern petroleum supplies.

Third, the use of Arab oil money in Third World countries.

Fourth, shifts of power and upsetting of balances in the Arab World, and

Fifth, Israel's own fuel problems.

A few of the basic data and generally accepted forecasts bear repeating:

In 1972, world oil production (practically equal to consumption) was 2.5 billion tons; the Middle East supplied 35 percent of this amount. In 1980, consumption will reach some 4.4 billion tons, of which 41 percent should come from the Middle East.

Close to 60 percent of the known world reserves of petroleum are in the Middle East.

The world fuel budget for 1980 indicates that the West (i.e., the U.S.A., Western Europe and Japan) will have an oil deficit of some 1.9 billion tons. Of these some 77 percent will have to be imported from the Middle East. Since Iran is expected to supply, by then, about one-third of the Middle East output, about half of the Western oil deficit will have to be covered by supplies from the Arab countries.

This, unquestionably, will significantly increase Arab influence and bargaining power in the West, both politically and financially.

While forecasts of both future oil production and future oil consumption are fairly uniform, there are considerable divergences among experts regarding the volume of income that will accrue to the Arabs by the end of the present decade. Estimates for annual income by 1980 of the states organized in the Oil Producing and Exporting Countries (OPEC)—Iran, Venezuela, and the Arab producers—range from $30 billion to $50 billion. Accumulated oil revenues by then should reach $250 to $450 billion.

Annual oil revenue of the Arabs alone should by 1980 be between $20 to $30 billion, and accumulated volume should run to between $170 and $300 billion.

Though some ¾ of their oil income is actually spent by the Arabs (and even a higher percentage by the other producers), the enormous influx of wealth leaves huge unused sums free for international speculatory transactions. Only five years ago, some ⅔ of the surplus Arab oil money were held in Pound Sterling; in 1972 an estimated ¾ of these (by now much greater) surpluses were held in dollars and Eurodollars. In fact, a growing number of financial experts believe that the recurring dollar crises of the past two years were caused, in no small measure, by the floating Arab oil moneys.

The Arabs can be expected to try and utilize in the U.S. their growing oilpower along three main channels:

Exert direct political influence through the oil lobbies and their Middle East experts who are already now busy making speeches and writing articles about the incompatibility between Washington's support for Israel and America's growing dependence on Arab oil.

Put pressure on Washington via the dollar crisis of the present $60 to $80 billion Eurodollar market, about half is estimated to be Middle East oil related. In a more direct way, U.S. balance of payment deficit in 1980 will be burdened by $10 to $20 billion spent on oil imports. (The wide differences in this estimate coincide—probably not by coincidence—with the extent of pro-Arab inclination, of those making the estimate . . .)

The Arabs will make growing efforts to buy into big American companies. Their first aim, of course, is to gain some control of the oil marketing companies, in order to be able to put an even more direct squeeze on the consumer. But there are indications that the Arabs will try to buy huge blocks of shares of banks and manufacturing companies, both as profitable investment and in an effort to acquire (as they say openly) an economic clout "to compete with the power of Jewish money in America."

In a more indirect way, the Arabs hope that balance of payments problems will increase American willingness to maintain overseas commitments and accelerate pressures for withdrawal of U.S. forces from overseas. They see this, of course, in terms of the Israel-Arab conflict, hoping that such withdrawal would make the Soviet less reluctant to get directly involved in a Middle East military confrontation.

The Arabs also hope that the Soviet will go beyond their verbal encouragements of nationalization of oil production, and will begin to purchase some of the nationalized oil. Though there are signs that Moscow is urging its East European satellites to buy Middle East oil, Russia has been rather reluctant to pick up where Western companies have been expelled, notably so in Iraq.

Libya's use of its oil millions to buy off heads of unstable African regimes in exchange for their breaking relations with Israel is just the more extreme demonstration of newly-found Arab trouble-making power in Africa and Asia. The rule-of-thumb of some Israeli experts is that an African country's susceptibility to Arab dollar blandishments is in direct proportion to its economic mess and the administrative failure of its leadership. By this rule, the outlook for Col. Ghadaffi's efforts should be quite promising.

On a more civilized level, oil-rich Arab sheikhdoms have begun to invest quite heavily in a number of African countries. Though they pick—in contrast to Libya's subversive efforts—the more stable of the countries, one should not underestimate the political consequences of the influence the Arabs can thus acquire in those countries.

Japan's questionable distinction of being the country most submissive to Arab boycott threats is related, at least in part, to Arab oil influence. Japan depends almost entirely on Middle East oil. She has also gone further than most Western countries in co-investing with Gulf-sheikhdoms in oil production facilities.

But, of course, not only African and Asian countries can be influenced by Arab oil interests. France's attitude toward Israel in the past six-seven years is an excellent example of this.

The reluctance of oil-rich Arabs to share their wealth with their oil-poor brethren (among whom are Israel's immediate neighbors) has been breached by the coincidence of enormous acceleration of Arab oil revenues with two events: the emergence of Col. Ghadaffi in Libya and the Arab defeat in the June 1967 War.

Until 1967, only Saudia and Kuwait gave occasional meager financial assistance to President Nasser. In recent years, however, all Arab oil producers feel they must give protection-money both to the havenots and to the Arab terrorist organizations, all of whom use the Palestine issue as their main instrument of extortion. A most recent example was the Kuwait announcement that the two squadrons of jet fighter-bombers purchased from Britain were actually bought as a gift to Egypt.

Libya, too, says quite openly that the hundred or so Mirage fighter planes purchased from France are actually intended for Egypt. Libya, of course, is also a prime source of funds for all Arab terrorist groups. Perhaps less known but not less significant, is the effort made by Libya to use its oil millions to subvert those Arab regimes whom Col. Ghadaffi does not consider sufficiently radical, specially vis-a-vis Israel.

Israel's present oil consumption—some 7 million tons per year—will double by 1980. Local production in the Negev is quite insignificant—it covers only two percent of her needs. The remaining 98 percent comes from two sources: from Asia and from wells in the Sinai and the Gulf of Suez. Tankers carrying oil to the Eilat terminal of the trans-Negev pipeline, must pass through the Straits of Tiran, underscoring the vital importance of the control of Sharm-el-Sheikh for Israel's security. This will be even more so in the future, as volume of oil consumption increases while production in the Sinai will decrease as wells dry up. Now some 80 percent of Israel's oil comes from the Sinai; by 1980 only some 25 percent will, the rest to be imported from other Asian sources.

Israeli observers, however, seem less frightened than the Western commentators by the overall power the Arabs may acquire through Western dependence on their oil. For one thing, Israelis are convinced that the U.S. will now engage in an all-out effort to find substitutes for imported oil, since no Great Power can remain such if dependent on sources outside its control for the supply of a substantial part of its energy or basic raw material requirements. For another, Israelis believe that Arab threats to use their "oil weapon" to coerce a Great Power politically would require a measure of unity—not only among the Arabs but all other oil producers, too—that is inconceivable for such political aims. And, third, Israelis feel sure that, sooner or later, oil consuming countries will establish their own organization, to counter the growing blackmail of producers, and particularly the political blackmail of the Arabs among them.

THE PHASE 3½ EMBARGO

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. KEATING. Mr. Speaker, I am enclosing with my remarks today an article from this morning's Wall Street Journal, "Piling Up Absurdities."

The emergency embargo placed on soybeans and cottonseeds announced by the administration on June 27 will compound phase 3½, a myopic attempt to halt inflationary pressures.

The emergency embargo was effectuated in an attempt to control domestic food prices and maintain adequate supplies—supplies which may be seriously curtailed as a result of the current price freeze.

The embargo is playing havoc with the American dollar in foreign markets, and will only upset this country's adverse trade balance. The pressures of inflation phase 3½ has attempted to mitigate will only increase as the dollar buys less and less in world markets.

The article follows:

PILING UP ABSURDITIES

The administration froze prices to stop inflation, which caused the crisis of livestock and poultry feeders stopping production because their prices are frozen while their costs are not. The administration responds with an embargo on exports of soybean and cottonseed products, staples of livestock feed throughout the world.

That means: All those overseas holders of dollars can no longer use them to buy two valuable products; thus, the dollar is less convertible for something of value that it was Wednesday, before the embargo; accordingly, it was hammered down to new lows in world currency markets Thursday; it follows that the dollar will buy less and less in world markets, which in turn adds to those very inflation pressures the administration is trying to contain.

If the freeze-embargo thus sounds like a silly policy, that's because it is. Real chickens—the kind people like to eat—are threatening to become extinct because of the freeze. And the figurative kind—which people don't like to cope with—are coming home to roost as a result of two years of inane economic interventionism employed by the administration with the eager prodding of congressional Democrats and manipulative-minded economists.

It is no wonder that Arthur Burns is trying to talk some life back into the dollar and at the same time proposing yet more economic nostrums. His latest idea, suggested Wednesday to a congressional committee, is a sort of ever-normal granary for corporate profits. Profits would be skimmed off when things were going well, locked up in the Federal Reserve and released when there is an economic downturn.

We're not sure how this is supposed to help with the problems immediately at hand but we were happy that in the same testimony Mr. Burns hoped that the freeze would not run its full 60-day term.

We can go further than that: The freeze and the consequent export embargo should be discontinued forthwith before the economy gets deeper into the mess that is developing as a result of these ill-considered policies. Such a quick policy reversal might suggest that the administration has been playing politics at the expense of economics, but the alternatives are even less palatable.

The consequences in the food industry less than two weeks after the freeze give a hint to how unpalatable they are. The lead paragraph in an article by Mr. Prestbo in this newspaper yesterday said that, "The nation's food-production machinery is starting to grind to a halt under Phase 3½." The article cites a string of food processors who have either shut down or are threatening to shut down production because of the freeze. Their prices are frozen, but not their costs, which means they face big losses otherwise.

Why not roll back their costs by extending intervention all the way to the farm level, a berserk interventionist might ask? The answers are various: The costs of producing food products are inherently variable, dependent upon wind, weather, insect and disease cycles and other factors. Frozen prices coupled with adverse growing conditions could bankrupt farmers. Moreover, the market for agricultural commodities is world-wide. Freezing or rolling back prices at home creates the need for export embargoes to prevent foreign buyers from flocking here to snap up food bargains.

The embargo that we already have, on soybean and cottonseed products, does not begin to cope with the full range of problems that are developing in the food industry. An Illinois packer has stopped selling canned pork and beans, for example. A Green Giant executive sees a prospect of empty supermarket shelves, which will bring few "Ho, ho, ho's" from housewives.

Yesterday, the Cost of Living Council threatened to add corn to the embargo; that is, creating yet another commodity into which foreigners cannot convert their dollars. The French, who a few months ago were doing everything they could to keep U.S. farm products out of the Common Market, suddenly are screaming about the new damage to the dollar's convertibility. Unfortnuately, foreigners do more than complain. They also sell dollars, which adds to the instability of the U.S. economy and the world monetary system in general.

Nothing will do much to cope with the instability until fundamental factors of U.S. domestic economic management are brought back under control. More immediately, though, the freeze was a miscalculated step that can only lead to other stumbling, faltering, emergency-dictated steps and eventually to an impossible quandary. There is only one solution and that is to get out, now, while there still is time, and stop piling new absurdities on top of old ones.

LAW OF THE SEA NEGOTIATIONS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. FRASER. Mr. Speaker, Mr. MAILLIARD and I are serving this year as congressional advisers on the U.S. delegation to the United Nations Seabeds Committee, which is preparing for the Law-of-the-Sea Conference scheduled to open in New York this fall and continue in Santiago, Chile, in the spring of next year. Yesterday we circulated a report to all our colleagues in the House giving the current status of the negotiations as the Seabeds Committee opens its summer session in Geneva next week. I include the text of the report in the RECORD at this point:

WASHINGTON, D.C. *June 29, 1973.*

DEAR COLLEAGUE: As Congressional advisors on the U.S. delegation to the United Nations Seabeds Committee, we are taking this opportunity to report to you the current status of the work of the Committee. Next week the Seabeds Committee will convene in Geneva for the final preparatory session for the Law of the Sea Conference now scheduled to open in New York late this year. The Geneva meeting will be the most crucial of the six preparatory meetings of the Committee held so far.

A just and effective ocean treaty is important to all Americans, whether they live near the ocean or far from it. The treaty should establish order and international cooperation on the uses of the ocean and could form the core of international sea law for decades to come. We believe the official U.S. position in the law of the sea negotiations is both constructive and realistic in balancing national and international interests toward these ends. Briefly, its main points can be stated as follows:

1. A universal 12-mile limit to the territorial sea with freedom of the seas beyond that limit and free transit through international straits.
2. Protection of the marine environment.
3. Security of investments in exploiting ocean resources.
4. Compulsory settlement of disputes.
5. An international seabed resource authority to govern exploitation of deep seabed minerals as the "common heritage of mankind," with revenue sharing for economic assistance to developing countries.
6. Conservation of fish, with coastal state management of anadromous species (such as salmon), and international management of migratory species (such as tuna).

The House has already gone on record in support of the U.S. position with the passage of H. Res. 330 on April 2 by a vote of 303 to 52. A similar resolution was reported favorably by the Senate Foreign Relations Committee on June 25.

Consensus at the meetings of the Seabeds Committee has been very difficult to reach due to sharp policy differences among the 91 member nations, but at the session held in New York this past spring, we received the impression that a new attitude of serious business has taken hold at last. Procedural issues were resolved and significant progress was made toward narrowing substantive differences on draft treaty articles. If this process continues satisfactorily at the Geneva meeting, the Law of the Sea Conference will then be able to address itself from the outset to the problems in which there is major divergence of national interests. Some of these problems are:

1. Whether there will be a wide or narrow limit to territorial sea—a consensus appears to be forming in favor of 12 miles, although several countries continues to insist on the wider limit of 200 miles.
2. Whether there will be free transit through international straits (including submerged passage and overflight) or innocent passage—about 8 countries with international straits strongly advocate innocent passage.
3. The extent of national control over ocean resources beyond the territorial sea—about a third of the member nations support a 200-mile exclusive economic zone.
4. The power and structure of the seabed regime—some countries favor a regime with operational capability while the U.S. and others prefer one which would license private companies to exploit seabed resources.
5. Fishing rights—interests clash mainly between coastal fishing nations such as the United States and the distant-water fishing nations such as Japan and the Soviet Union.

Many Americans have expressed understandable concern over the prospect that after an ocean treaty is signed, the long process of national ratification may delay its coming into force for several years. It is encouraging that the U.S. delegation has found generally favorable response to its proposal for provisional application of the treaty articles concerned with the seabed regime soon after the treaty is signed.

We believe it is important for Members of Congress to be kept abreast of the developments in these negotiations, especially since the ocean treaty will be subject to the Senate ratification and implementing legislation by both the House and the Senate. Therefore, we intend to report to you again after the Geneva meeting. In the meantime, please do not hesitate to call on us for further information or discussion of law of the sea issues.

Sincerely yours,

Donald M. Fraser,
William S. Mailliard.

THE RETIREMENT OF FRANK E. BATTAGLIA, DEAN OF OFFICIAL REPORTERS OF DEBATES

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1973

Mr. MURPHY of New York. Mr. Speaker, I wish to join my colleagues in extending my best wishes to Frank E. Battaglia on the occasion of his retirement. Frank has told me that he is planning on moving down to the warm climates of Florida. When I asked Frank "why Florida?" he told me that after spending over 30 years on the floor of the House he had grown accustomed to a constant flow of hot air, and Florida, he said, with its famous tropical heat would make him feel right at home.

But seriously, Frank is leaving us after 30 years of excellent service to the Congress and I know we are all going to miss him. Frank combines the rare qualities of dedication and ability. It is this unique combination that makes him such an unusually fine person and which earned him the honor of being appointed by Sam Rayburn to the post of dean of our Official Reporters of Debates. I wish to join with my fellow Congressmen in expressing my sincere wishes for a fruitful and happy retirement to Frank Battaglia.

SPN'S AND A PERSONAL TRAGEDY

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. KOCH. Mr. Speaker, I have spoken in the past on the need to abolish the separation program numbers which are entered on the discharge papers of every serviceman.

The unnecessary and grievous harm to an individual resulting from unfortunately common knowledge as to what the code numbers designate, and the consequent invasion of privacy which may never end for a veteran with a prejudicial SPN is graphically illustrated by the following tragic letter I recently received.

I enclose also my letter to General Leo Benade, Deputy Assistant Secretary of Defense for Military Personnel Policy and I eagerly await his reply. The need for rectifying legislation on this matter is enormous. This intolerable situation must end. I urge rapid passage of the Koch-Aspin bill, H.R. 8490. This bill forbids any indication on the discharge certificate of the veterans of why he was discharged or separated from service, and forbids the military from releasing this information to any private person or entity—except the former member of the Armed Forces. The bill also permits veterans who already have discharge certificates with SPN's or other designation indicating the reason for discharge, to obtain new discharge certificates which omit such information.

Correspondence follows:

Congressman Edward I. Koch: Congressman Koch I am writing to you for some help—you being a Veteran of World War two you know what the services are like and you know what discharges can do to people and there life in this sick society. I received a general discharge under honorable condition September 25, 1958. Reason SDN-363-AFR-39-16 from the Air Force. I was told there wasn't anything wrong with it. I came from Alabama out to Sandiego California In January 1966 and went to work at R—— Corporation In Chula Vista, Calif. three weeks' after Filling out Job applicant and Security Forms listing Jobs and type of discharges received my name has been drug thru Slimmy Filth by Foreman and worker and even to Where I live and When I go to town I am treated like I have the Plague. I have been to the Veteran Administration and asked them What Is Wrong With a General discharge Under Honorable Conditions and What a AFR-39-16 Reason SDN-363 mean't they said they did not know and that I should get the Red Cross are a lawyer to help me that they couldn't. I Went to the District attorney In Chula Vista and asked what I could do about being Slandered and If I could see R— Corporation Security File own me. He said unless I could get a Witness to Swear he heard me being slandered that I had best forget It. and that R— Corporation could have a Security File own me and that they did not have to Show It to me. I asked What Would happen If I beat Hell out of them he said I could get 6 months to ten year. Plus being Sued by them.

I know we are living in a sick society with all the corruption all for a dollar that is worth 21 cents. Congressman Koch the only thing I am guilty off is letting boredom and disgust and bad food and whiskey break me after 14 months of 18 month tour in England where while drunk and depressed I tried to commit suicide and if anyone says different they are a dam liar. What I need is a complete copy of everything in my Air Force files including my medical records to clear my name if there is any justice in this country. If you can help me I would appreciate it. My old Air Force number was AF Rank A2/C C.M.G. Congressman Koch you are my last hope of getting help and justice.

Thank you.

——— ———.

U.S. House of Representatives,
Washington, D.C., June 28, 1973.

Lt. Gen. Leo E. Benade,
Deputy Assistant Secretary of Defense,
Department of Defense,
Washington, D.C.

Dear General Benade: You have indicated in your previous letters a belief that the use of SPN's on discharge certificates was for "administrative and statutory purposes" only, and that such inclusion does not offset the privasion of privacy for the veteran.

I include for your edification a photocopy of the latest in a series of communications from citizens who are considerably aggrieved by the rank injustice the inclusion of SPN's have caused. The present case being submitted is especially sad, and holds the potential for real tragedy, as I think you will agree. However, for every complaint received, there are surely thousands of people who are suffering silently as a result of Defense Department policy.

I reiterate my point made in earlier communications and not fully spoken to by you: not only the codes and designations of the SPN's be kept confidential, they should not be entered on the discharge certificate at all.

I would very much appreciate it if you could have the submitted case investigated and communicate to me its disposition.

Sincerely,

Edward I. Koch.

JIM SMITH WILL BE MISSED

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. BURKE of Florida. Mr. Speaker, earlier this year many of us, in the Congress, praised the fine work our former colleague Jim Smith had performed at the Farmers Home Administration during his 4 years there. I called my article "Mr. Smith Goes Home to Oklahoma" and was indeed shocked to hear the news last weekend that Jim had accidently been killed during a fire on his farm near Chickasha, Okla.

I knew Jim personally and considered him an ally and friend.

We sat together on the House Agriculture Committee for 2 years and I considered his judgment invaluable on the many issues facing our committee.

His later work at the FHA was appreciated and applauded on both sides of the aisle and I know many regretted his departure from the FHA to return to his first love, the ranch in Oklahoma.

Yes, Mr. Smith has gone back to Oklahoma for good, and I sincerely regret I won't have the opportunity to visit with this gracious and friendly gentleman again. He was a fine person and a great American.

My wife Evelyn and myself offer our deepest sympathy to Mary Belle Smith and their family on this tragic affair.

DR. MODESTO MORA FOUNDS AMERICAN HOSPITAL, MIAMI, FLA.

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. FASCELL. Mr. Speaker, Dr. Modesto Mora, with a group of outstanding medical practitioners will soon open the American Hospital in the southwest section of Dade County, Fla.

The new modern medical facility will be located on 16 acres of land at 11750 Bird Road, Miami, Fla. It will open with 425 beds, 160 thousand square feet of floor space, eight major operating rooms, excellently designed and modernly equipped intensive care units, and ten house physicians.

The roster of approximately 450 participating doctors includes renowned medical specialists from many countries covering almost every known field of medical practice with the exception of obstetrics and pediatrics.

The American Hospital will initially open with more beds, facilities, services, and space than has any other private medical facility when first opening in south Florida.

Dr. Modesto Mora, American Hospital's founder, will serve as President of the hospital's Board of Directors.

Doctor Mora is a surgeon and a well-known and highly regarded member of the Florida medical community. Born in Cuba he was initially graduated from the University of Havana's School of Medicine in 1949.

He entered the United States shortly thereafter and for 23 years he has been a resident of this country. He long ago obtained his U.S. citizenship and has been making major contributions to the medical profession.

It was Dr. Modesto Mora who recognized the need for a Latin hospital in this "Gateway to the Americas" area when he formed, constructed, and opened in 1963 the Pan American Hospital with but 67 beds. The Pan American Hospital has grown to 150 beds. It has been and continues to be successful.

We salute you, Dr. Modesto Mora, for your foresight and continuing contributions to your profession and the needs of your fellow man.

THE 67TH CONVENTION OF THE NATIONAL AUDUBON SOCIETY

HON. FRANK E. EVANS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. EVANS of Colorado. Mr. Speaker, The National Audubon Society recently held its 67th convention in Denver, Colo. Elvis J. Stahr, president of the National Audubon Society, discussed the progress made by the Society and other conservationists in the 5 years since he took office. The National Audubon Society is, course, one of the Nation's oldest and most respected conservation organizations. I would like to insert the remarks of Mr. Stahr into the RECORD at this time:

EXCERPTS FROM THE REMARKS OF ELVIS J. STAHR, PRESIDENT, NATIONAL AUDUBON SOCIETY AT THE SOCIETY'S 67TH CONVENTION DENVER, COLO., FRIDAY, JUNE 8, 1973

In preparing this report to you, it occurred to me that almost five full years have gone by since I became your president in October, 1968. That set me digging, looking at where we were then and where we are now. I want to share with you a few of the interesting results of my little inquiry.

On September 30, 1968, National Audubon had 86,562 members. On April 30, 1973, we had 264,973 members. On September 30, 1968, we had 104 chapters. Today, we have 300 chapters. We're still growing. And our rate of membership renewal continues to be exceptionally high—83 percent.

In the financial area, we have increased our budgeted income 131 percent in the past five years, while our budgeted expenses have increased only 109 percent. As a result, we have reduced our deficit significantly, while strengthening our staff, our publications and most of our programs.

It is extremely gratifying to me, of course, to be able to report such growth for National Audubon, and I extend my deepest thanks to each and every one of you for your participation, your support, your cooperation.

But beyond the members, beyond the personal gratification each of us must feel in being part of an organization of steadily increasing stature, I have sensed something far more significant and exciting in the almost five years I have had the honor of being your president.

What I have sensed is an idea on the move, the emergence of a new set of values. For many years, a few organizations and individuals, such as National Audubon and its members, had been warning that man was dealing all too recklessly with those basic resources—the air, the water, the land, and the living things, plants and animals—that interact in fundamental and, yes, fascinating ways to sustain and enrich all life on our planet. There were many times when conservationists must have wondered if anyone was listening. Our streams, rivers and lakes became dirtier and dirtier. The air in too many of our major cities became more and more of a menace to health. The use of persistent pesticides proliferated. Noise levels grew louder and louder. More and more species became extinct, rare or endangered. Wilderness became more and more threatened. Ugliness, pollution and careless exploitation and waste of resources seemed destined to be the lot of modern, industrialized society.

Suddenly, however—quite suddenly, in fact, when viewed from the perspective of history—there were signs of change. Perhaps it was because environmental abuse had become so widespread and obvious. Perhaps people began to listen. Perhaps it was a combination of both. At any rate, the warnings of lonely conservationists finally began to be heard and understood.

More and more people began to protest environmental degradation. More and more people began to stand up and to demand action for a better environment.

It seems to me that National Audubon's growth in the past five years reflects the will and determination of an ever-increasing number of people, here in the United States, and elsewhere on our only one Earth, to assure man's survival in an environment worth surviving in.

That determination exploded upon the public scene in an historic event three years ago—April 22, 1970, the first Earth Day. Earth Day propelled "the environment" as a public issue to dizzying new heights. It was an unprecedented public outcry for action by government and industry—against inadequate or non-existent laws, against business and pollution as usual, against lip-service to environmental protection, against "progress" no matter what the price environmentally, against values and lifestyles that carry us on an ecological collision course.

Earth Day was not a passing fad, as some would have the public believe. If we needed any proof of that, just look at the growth of our own organization since then. Earth Day was not a spring lark by twenty million people blowing off steam. Rather, Earth Day three years ago was the end of an era of merely viewing our environmental problems with alarm, and the beginning of an era of action for a better environment.

The message of Earth Day was heard loud and clear by public officials, elected and appointed, at all levels of government. It was heard by key officials in industry. It was heard by insurance companies that issue pollution liability policies. It was heard by banks that lend money to industry. It was heard by voters. It was heard by other governments and by the United Nations.

We have come a long way in a short five years. On the federal, state and local levels, we have new and improved environmental protection and pollution control laws, and improved administrative machinery. Industry has responded to public pressure and new legal requirements with substantially increased investments in pollution control facilities.

Five years ago, we did not have a National Environmental Policy Act. That law, perhaps the most significant piece of environmental legislation yet enacted, for the first time forced environmental awareness upon all federal agencies. Not that the law is perfect or that the environmental impact of a proposed federal project now takes precedence over economic and political factors. Not at all. But under NEPA, federal agencies can no longer totally ignore enviromental factors in their decision-making.

Five years ago we had weak and inadequate air and water pollution control laws. Today, while they are not perfect, we have laws that may just possibly bring us cleaner air and cleaner water in a few years. Both contain highly unusual but most potent provisions giving any citizen the right to sue the government itself to compel compliance.

The public's demand for action has also brought a virtual ban on the general use of DDT in the United States, a ban on predator poisoning, the first noise pollution control law, and a law to regulate ocean dumping.

It does appear that the flaming torch so many of you carried for so many lonely years has lighted the way to at least a renewal of hope—of well-founded hope.

What we have witnessed, I think, is one of the greatest demonstrations in history of the power of public opinion to force dramatic and rapid, but peaceful and evolutionary changes in governmental and private policies and actions. Some observers have called it a bloodless revolution.

I celebrate the beginning of this environmental revolution, for at long last we are beginning to confront man's most basic long-run problem—how to safeguard the quality of our life support systems.

But I must stress that it is only a beginning. We cannot yet claim victory for the forces of environmental sanity, not by a long shot. There is still much to be done. And that is the challenge that now faces the members of National Audubon and of other conservation and environmental organizations.

We need to make sure that recently enacted environmental protection laws are put to work. They will not be worth the paper they are printed on unless those who are primarily responsible for their enactment—an aroused, concerned public—make it their business to demand that those laws are properly implemented. That means pressuring Congress and the White House, as well as governors and mayors, and state and local legislators, to see that the agencies administering those laws have enough staff and funds and backing to do so properly. That means watchdogging both government and industry to make sure they meet the many requirements and deadlines written into environmental laws and regulations. That means taking government and industry to court if necessary to compel compliance with the environmental laws of this land.

On the international scene, that means maintaining a public presence—watching and getting involved and assisting—in the operations of the new United Nations Environment Program. That means helping and working with our citizen counterparts in other nations to assure that critically needed international cooperation—and not diplomatic, striped-pants argle-bargle—emerges from this new U.N. program.

If the U.N.'s environmental program succeeds in bringing the nations of the world closer together on man's most serious long-term problem, environmental management, it may in the process help show them the way to avoid the always present and ultimate environmental threat, war itself.

There are many dedicated and sincere people in government at all levels who are trying to make our newly won environmental laws work, and we support and encourage them. But we have learned from bitter experience that the preventive medicine of public participation—citizen action—is the best guarantee of proper implementation of environmental laws and the most effective antidote to improper implementation. We have learned that eternal public vigilance is essential to make good laws work, to expose bad laws, and to point the way to necessary improvements.

The extraordinary developments in the environmental arena in recent years have created a foundation for action. They have also provided testimony to the capacity of people to challenge and begin to force changes in our long-time philosophy and practice of unbridled ecological laissez-faire.

Now, what does this mean to our organization? As you know attempting to influence legislation is not a substantial part of our activities. Indeed, it cannot be under the terms of the laws that spell out permissible activities for tax-exempt organizations such as ours. But that does not mean we must ignore how decisions are made, or not made, on environmental problems.

Our organization has the capacity to educate and develop citizens who are alert, knowledgeable and articulate about conservation and environmental issues. We try to keep our members informed on environmental controversies and problems. When invited to do so, we present our views at local, state and federal legislative hearings. And while tax laws limit our legislative activities to an insubstantial portion of our total efforts, we as individuals can and must exercise our constitutional rights to make our views known to lawmakers and legislative bodies.

As we go on about our business of educating ourselves and the public through our various activities and publications, managing the sanctuaries entrusted to us, helping others establish and develop nature centers, and training new naturalists, we cannot ignore the reality that the new environmental awareness that has emerged in recent years must ultimately be translated into policies and programs spelled out in environmental legislation.

There is still much to be done, as I said earlier. We need to fulfill the promise of already enacted environmental laws. And we need to add to our arsenal of environmental management weapons.

I am not going to take the time to discuss all of our Action Priorities. You know them. You helped formulate them. I do, however, want to mention a few of the most critical problems confronting us—land use, strip mining, minerals, and energy. If we are going to have an environment worth living in, we need action—and soon—on each of those interrelated issues.

We need a coherent national land-use policy, with teeth in it, to balance the need for development and economic health with the need to preserve environmental health and ecologically and esthetically valuable open spaces, wilderness, wetlands, estuaries and coastal areas.

We need national regulation of strip-mining that balances the need for coal and other mineral resources with the need to safeguard our land and water resources from the devastation that all too often accompanies strip-mining. We do not need to ban all strip-mining. But we do need to limit strip-mining to areas where reclamation can succeed, and we need to require that true reclamation then be carried out in those areas. We have had enough of the cosmetic approach of merely applying lipstick to a corpse.

We need to assure that coal and oil shale exploitation here in the west will not turn the magnificent mountain states into another Appalachia.

We need a national minerals policy based on conservation of the world's finite supply of mineral resources and recycling of recoverable resources that we now cavalierly discard as useless solid waste.

One of the best kept secrets is the true nature of the minerals situation. Listen to what a study committee of the National Academies of Science and Engineering had to say recently in its report to the National Commission on Material Policy. I quote:

"The study committee believes that the threat to environmental quality and resource availability, caused and compounded by our treatment and use of materials, poses a real problem and a vital national issue which calls urgently for an open-minded reexamination of certain commonly held beliefs. These beliefs are:

"1. That natural resources can be used in whatever amount is evoked by public demand for goods and services as stimulated and guided by producers' efforts to enlarge their markets;

"2. That improved well-being of society is adequately measured by aggregate volume of the production of goods, increased per capita use of goods, and aggregate consumption of materials and energy; and

"3. That technological development should and will continue to contribute to and accelerate the increased throughput of materials per person as it has in the past."

That's the end of the quote. But unless we heed those words well, it may well be the beginning of one of the most catastrophic periods in American and world history.

What those words tell us is that our mineral consumption and production habits, bred into us in times when resources appeared to be inexhaustible, must be re-examined, and soon.

The energy resources situation requires similar re-examination.

We need a national energy policy based on curbing our reckless and wasteful use of energy resources, not simply a policy of more oil, more coal, more natural gas, as the President has proposed. We can no longer afford to blindly pursue new sources of energy to meet our seemingly insatiable appetite without questioning how that energy is used.

Of course we need energy to keep the wheels of our industrialized society turning. We need energy to maintain our high standard of living and to enable others less fortunate than ourselves to improve their living standards. But we also need to recognize that simply finding more energy will not solve the problem. Unless we reduce the demand for energy, obtaining new energy supplies will only put off the day of reckoning. And not for very long.

We simply cannot go on indefinitely consuming energy at our present rate. We must recognize that fossil fuel energy resources are finite, and barring some as yet unforeseen technological breakthrough, we must recognize that we are already taxing the capacity of our technology to stretch those finite resources to meet our needs at our present rate of energy consumption.

We need a national energy policy based on conserving our energy resources and balancing environmental and economic factors. At the same time, we need an urgent program of research and development of more efficient and less polluting ways of generating electricity. And there are such ways.

We expect to have considerably more to say about energy in the near future, for we are currently preparing a position paper on the energy crisis. Meanwhile, I just want to add this note of warning: We must beware of those who preach that the way to solve our energy crisis is to abandon or delay enforcement of recently won pollution control requirements. We need energy and a cleaner environment. But unfortunately, there are some in industry and government who say we cannot have both. And who are using the energy crisis to whip up a backlash against the environmental movement.

Spokesmen for energy companies, and their allies in government, have blamed environmentalists for delaying new drilling and mining for energy resources, for blocking construction of new refineries and power plants, and for a host of other imagined sins. Indeed, for virtually everything but the fall of Rome—and I wouldn't be surprised to see us blamed for that too.

Russell E. Train, the chairman of the Council on Environmental Quality, recently debunked those industry claims. I will not take the time to quote the facts he cited, but I will be happy to send you a copy of his recent statement if you are interested.

I want to stress, however, that we need to beware of the backlash unleashed against the environmental cause. It is serious. It is dangerous. Some of it, I regret to say, is replete with untruths, half-truths and distortions.

There are some who are trying to con the public into believing that the whole environmental movement is based in the assumption that birds and bees, animals and trees, are more important than people. That sort of derisive characterization of the environmental movement conveniently ignores several facts. It ignores that fact that the environmental movement consists of people who want a world that's fit for people.

It ignores the fact that the fundamental objective of pollution control is to protect public health.

That it is people who do not want their beaches and shorelines fouled with oil, not only because of what oil pollution does to birds but also because of what oil pollution does to recreation areas, to boats, and to fishery resources.

That it is people who do not want their view of a beautiful landscape marred by monster billboards.

Let me cite an example of the intellectually dishonest tactics used by some—not all, but too many—in industry in their current propaganda assault on environmentalists. An industry spokesman recently declared—and this is a direct quote—that "the environmental lobby has succeeded in having the (Alaska) pipeline blocked by arguing that its construction might discommode some polar bears."

If—and since I don't know I have to say "if"—if that gentleman had done any homework on the subject, then what he said is an asinine affront to the integrity of environmentalists who have opposed the proposed route of the Alaska pipeline for very cogent reasons. His statement also shows a kind of contempt for the intelligence of the average American. It is also an affront to the courts, which have so far held up construction of the Alaska pipeline only because the executive branch of the federal government has twice violated federal laws.

The underlying environmental issues—polar bears or anything else—have not yet even been before the courts.

What the courts have ruled on have been issues of law and order. First, after the oil companies bought 147 miles of pipe and brought it to Alaska without a permit to build even one mile of pipeline, the federal government attempted to approve the pipeline without studying fully the potential impact of the pipeline on the environment. That was a violation of the National Environmental Policy Act. Ordered to do so by the courts, the government then prepared the necessary environmental impact study, found that the proposed pipeline would indeed adversely affect the environment, but nevertheless approved the line. That may have been legal even if imprudent.

But in so doing the federal government once again violated a federal law by granting the oil companies permission to use a much wider right-of-way across public land than is permitted by law. The right-of-way issue is now before Congress.

Contemporary violations of law by federal officials are not confined to the pipeline drama, I concede, but I don't see how covering them up with a polar bear rug is supposed to contribute to sound solutions of tough problems.

Aside from the underlying issues—that the industry-government proposal would put the pipeline through an earthquake zone, would require loading the oil in tankers in a port in southern Alaska that has very great tides, and would require shipping the oil by tankers to our Pacific Coast, with all its accompanying hazards—the point I want to make is this: Reasonable people may reasonably disagree about how the oil from Alaska's north slope should be transported to the mainland. But to distort the issue into one of people versus polar bears is intellectually dishonest. It is a fraudulent appeal to emotions. Unfortunately, such distortions are not confined to the Alaska pipeline problem, else I wouldn't mention it.

I hope we in the environmental movement will not retaliate with distortions of our own. We have to do our homework. We have to give the public facts. We have to use logic. We have to appeal to reason.

As the environmental revolution unfolds, some hard decisions will be needed. Pollution control, resource conservation and environmental protection require more than technology. Society and economic decisions are also involved. Those, in turn, ultimately require political decisions. To make the wisest decisions on the kind of environment we want for ourselves, and the quality of environment we want to leave those who come after us, we need all available facts, not propaganda. We need an honest discussion of all alternatives. We need to know what is possible, and what is not possible.

Government and industry make the policy decisions and the day-to-day decisions that determine the quality of our environment. But ultimately, both government and industry are accountable to the public.

And ultimately, the public—we the people—can assure that accountability only if we work at it.

It seems there are nearly always some people in government who have a different view of their responsibility and authority than you and I wish they had. Many recent headlines attest to that.

That is one reason I believe without a shadow of doubt that the environmental revolution now underway will succeed only to the degree that those of us who care enough about the condition of the environment remain involved.

We have scored substantial gains in the past five years. I am optimistic enough to believe we have the capacity to make further progress in the years ahead. There will be more obstacles. Our task will be more difficult. The backlash is likely to become more intense as the costs of a cleaner, healthier environment become clearer.

But I believe the public will continue to opt for a better environment if given the facts responsibly and articulately.

That is part of the mission of National Audubon, and I hope you and the thousands of members who are not with us today will continue to pursue that mission.

When he accepted the Nobel Prize in 1950, William Faulkner said, and I quote him: "I decline to accept the end of man."

I suggest that all of us in the environmental movement are there because we decline to accept the end of man. Or the end of any form of life whose passing diminishes man.

We must continue to refuse to accept not only the end of man but the degradation of the environment in which man must live if he lives at all. I look forward with great enthusiasm to working with you toward that most noble goal.

"OLD IRONSIDES" BELONGS IN BOSTON

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. MOAKLEY. Mr. Speaker, there has been great concern in Boston about the proposed transfer of that treasured Boston institution and landmark, the U.S.S. *Constitution*—"Old Ironsides"—to Philadelphia.

Specific legislation is already in effect which proscribes such action. Public Law 83–523 of July 1954 directs the Secretary of the Navy "to repair, equip, and restore the U.S.S. *Constitution,* as far as may be practicable, to her original condition, but not for active service, and thereafter to maintain the U.S.S. *Constitution* at Boston, Mass."

In addition, I have cosponsored with Majority Leader Thomas P. O'Neill, H.R. 7486 and H.R. 8145, legislation to establish a Naval Museum and a Historic Park that would include "Old Ironsides."

On June 29 I rebutted an editorial aired on Philadelphia's CBS Station, WCAU–TV, which proclaimed Philadelphia as a new home for "Old Ironsides."

My reply, "Old Ironsides Belongs in Boston," in similar tongue-and-cheek style is reprinted below, along with the original editorial, for the edification and amusement of my colleagues and the public:

[A WCAU–TV Editorial]

A NEW HOME FOR "OLD IRONSIDES"

This is the *USS Constitution,* better known as "Old Ironsides". Launched in 1797, her fame really grew during the war of 1812. The story is that the American sailors (seeing the British cannonballs literally bouncing off the oak sides of the ship) began to call their ship "Old Ironsides".

Since 1934 she has been berthed in Boston. But now the Boston Navy Yard is to close, and Philadelphia (soon to host a bicentennial in 1976) seems to be the perfect answer for a new home for "Old Ironsides". Philadelphia in part had a role in the very existence of "Old Ironsides" because it was Joshua Humphreys of Philadelphia who designed the vessel.

How can we get the *Constitution* to Philadelphia? Well, it's not as difficult as it might seem. It won't even take legislation in Washington. As the *Constitution* is still carried on the books as an active naval vessel, the Secretary of the Navy can simply transfer the ship from one port to another just like any other naval vessel. Philadelphia is already home port for John Dewey's flagship *Olympia* from the Spanish American War.

We now ask Secretary of the Navy John Warner to transfer another historic American vessel to Philadelphia, the USS *Constitution.*

Reply to WCAU–TV Editorial

"Old Ironsides" Belongs in Boston

(By Hon. Joe Moakley)

The USS *Constitution,* better known as "Old Ironsides" doesn't need a new home. It already has one—Boston. Boston is where she was built in 1794 . . . Boston has been her home for a century and a half . . . and Boston is where she shall remain for the ages.

While we thank Philadelphia's Joshua Humphreys for designing her—it was the people of Boston who saved her from scuttling time and again. In 1828 it was Oliver Wendell Holmes, Boston's Poet Laureate, who aroused the People's anger at her proposed scrapping with those stirring lines that begin . . . "Ay, tear her tattered ensign down". In 1897 it was Honey Fitzgerald—Boston's future mayor and grandfather of President John Kennedy—who appealed for restoration on her 100th birthday. And in 1930 it was the children of Boston who rescued her with their "pennies for Old Ironsides."

Not only on historical—or sentimental—or literary—but even on legal grounds "Ironsides" belongs to Boston. Public Law 83–523 of July 1954 specifically directs the Secretary of the Navy to "repair, restore, *and maintain the United States Ship Constitution at Boston, Massachusetts.*"

Then in April of this year, the Defense Department dropped a bombshell on Boston. They closed our naval bases . . . and left us with the protection of a single 48-gun frigate, "Old Ironsides."

As a congressman from Boston, I pledge to fight any attempt to remove our last bastion of defense . . . and ship it off to Philadelphia.

WASHINGTON NEWS NOTES

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. HOSMER. Mr. Speaker, I am distributing the following data in my congressional district under the title "Washington News Notes" for the month of July:

Congressman Craig Hosmer's Washington News Notes, July 1973

DISASTER INSURANCE

Congressman Craig Hosmer is co-sponsoring legislation to create a Federal Disaster Insurance Corporation. The proposed corporation would offer low cost insurance that would cover up to 90 percent of losses resulting from natural disasters such as earthquakes and floods. Meanwhile, the Congressman suggests that homeowners consider the merits of existing federally aided flood and earthquake insurance. It's available from many local insurance companies.

IN CREDIT WE TRUST

Living on credit has become as American as apple pie. Public and private debt totaled 2.25 trillion dollars at the end of 1972, and 53 percent owed by business, 25 percent by Federal, State and local governments and 22 percent by individuals.

CENTENNIAL COMMEMORATIVE SALE

The American Bicentennial Commission, in cooperation with the Postal Service and U.S. Mint, is now offering its 1973 Philatelic-Numismatic Commemoration package, featuring four 8–cent stamps depicting the Boston Tea Party and a bronze medal, 1½ inches in diameter, engraved with the figures of Patrick Henry and Samuel Adams.

The package costs five dollars. Revenues will be used for matching grants to States, local and non-profit groups to finance specific Bicentennial projects celebrating the nation's 200th anniversary. This offer is good during July only. Checks or money orders should be sent to the American Bicentennial Commission, P.O. Box 1976, San Francisco, California 94101.

INFLATION NOTE—MISERY LOVES COMPANY DEPARTMENT

Despite recent surges, the rise in the cost of living in the United States during the 12-month period ending in April was the lowest among 24 major industrial countries. The U.S. rate was 5.1 percent. Most European nations were over 7 percent and the leader, Iceland, was a whopping 16.6 percent.

CONGRESSIONAL REFORM

Curbs on seniority and open committee hearings and frequent recorded votes were touted by reformers as great advances for democracy. Now that we have them has anybody noticed any great improvement in the quality of legislation?

ELECTION FUND FIZZLE

The income tax check-off plan to raise money for Presidential election campaigns—hailed by reformers as the most democratic method of election financing—apparently hasn't fired the imaginations of American taxpayers.

According to the Internal Revenue Service, only 3.1 percent of over 72 million tax returns designated $1 (or $2 for a joint return) for a political party or a general election fund. Since the money can only be used for Presidential and Vice-Presidential campaigns, Congress will probably wait until the 1973, '74 and '75 tax returns are in before appropriating the funds for the 1976 election.

DRAFT SIGNUP DODGED

In some States, up to 30 percent of 18-year-old men are failing to register for the draft. Although no calls will be made, youths still must register. The draft machinery itself does not expire on June 30—just the authority for the President to induct. Every young man is required to register during a period 30 days before or 30 days after his 18th birthday. A stand-by lottery will be held each year with low numbers going into a stand-by pool, to be classified, but not given induction tests. There have been no drafts since last December.

CARPOOL ECONOMICS

Today the Southland's 2.4 million commuters drive 2 million automobiles between home and work. The average automobile carries only 1.2 persons. Doubling that average to 2.4 persons would get 1 million cars off the road, cut commuters' gasoline consumption in half, slash air pollution by 50 percent and cut commuting costs to $1 or less per day per person. Techniques for successful car and bus pools are detailed in the Federal Highway Administration's publication, "Carpool and Buspool Matching Guide," published February, 1973.

CAPITAL GAMES

Washington wags are playing a new game dubbed "Stennis, Anyone?" The object of the game is to combine the last names of Senators and Representatives to make a name for a piece of make-believe legislation. Some examples: The Pepper-Rooney Pizza Standards Bill; The Tunney-Fish Cannery Bill; The Young-Aiken-Hart-Case Daytime Television Standards Bill; or, the Scherle-Ketchum Police Assistance Bill. Thus far no wit is known to have devised combinations with names such as Kluczynski, Cranston or Hosmer.

MR. NIXON'S "LITTLE LIST"

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Ms. ABZUG. Mr. Speaker, I am told it is an honor to make the Nixon public enemies list and, of course, I am not surprised, because I have never made any secret of my opposition to the Nixon administration and its antihumanist policies. What is shocking and disgusting is that the list of men and women who were marked for harassment and illegal reprisals covers a broad range of Americans, even including Republicans.

That reveals the Nixon administration's fascist mentality, and that is the significance of Watergate. Under the leadership of the President, his administration and his reelection committee were engaged in a broad effort to repress dissent and legitimate political opposition. As Senator WEICKER said:

> They almost stole America.

NEGOTIATIONS IN VIENNA

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1973

Mr. DICKINSON. Mr. Speaker, the preparatory MBFR talks in Vienna are in full progress and because of NATO's insistence, chances of a full conference at the end of October seem to be good despite slowdown tactics by the Soviet Union.

There are many complex problems involved in mutual balanced force reduction. We must make sure that any MBFR is not a euphemism for veiled unilateral withdrawal of our forces from Europe. We must make sure that any MBFR does not upset the already precarious military balance in Europe or give the U.S.S.R. any further advantage over existing NATO forces. We must also be aware of the geographic distances involved in MBFR. A Soviet division withdrawn behind the Polish-Soviet border can be easily reintroduced into Central Europe, while an American division would have to be transferred from 3,500 miles or more.

It is therefore a vital requirement that in any agreement all of the central front must be included in the terms. This will assure that unequal advantages do not accrue to the Soviet Union from MBFR. Therefore, I am greatly concerned regarding the May 1973 compromise at Vienna that stated Hungary would be excluded as a full participant from the preliminary talks because of stubborn Soviet insistence on such a procedure. Hungary constitutes an integral part of central Europe, has four Soviet divisions and tactical air forces on her territory, and is not even adjacent to any NATO country. She certainly qualifies both strategically and geographically as a partner in the MBFR talks.

There is also the danger that by omitting Hungary, the question of Soviet troop withdrawals from Hungary might not be raised and that Hungary might remain a Soviet occupied country.

This is the same Hungary that took up arms to rid herself of Soviet occupation in 1956 and certainly does not deserve to be deserted by her friends. In addition, the unchecked presence of Soviet troops in Hungary would give the U.S.S.R. an excellent chance for direct intervention into Yugoslavia in case of any internal crisis in that country.

Thus, it is most important that the NATO nations reassert their contention that the status of Hungary has not yet been determined, that the status of Hungary be reviewed and decided, that she should be entitled to full participation at the MBFR talks and that troop introduced as a bargaining topic at the full conference.

At this point in the RECORD I am inserting a news article that will provide more information concerning this matter:

FIRST MBFR PLENARY SESSION IN VIENNA

AGREEMENT ON COMPROMISE

NEUE ZÜRCHER ZEITUNG,
May 15, 1973.

One important step forward was taken in the consultations for preparing MBFR talks between NATO and Warsaw Pact on Monday. The 19 participating delegations decided on the status of the participants and the procedure at their first plenary session. These should have validity both for the present consultations and for the real negotiations in the fall At three more plenary sessions on Tuesday, Wednesday and Thursday, the delegations will present their opening remarks. From next week on the delegation will try to reach agreement in closed sessions about the date of the MBFR talks, with the agenda and location of the same. NATO observers assume that these consultations will be finished by the end of May or in early June.

"Participants"

The Monday session was chaired by the leader of the British delegation, Thompson. It lasted only nine minutes, although its preparation consumed more than 100 days. The agreement states that 19 of the countries represented in Vienna have the status of "participants." Among them are Belgium, the Federal Republic of Germany, Canada, Luxembourg, the Netherlands, Great Britain and the United States from the NATO side, the German Democratic Republic, Poland, the CSR and the U.S.S.R. on the Warsaw Pact side as "potential participants" on a possible agreement restricted to Central Europe. They have to decide on the necessary provisions unanimously. Unanimity is the rule also for the admission of other states from the group of 19 states.

Denmark, Greece, Italy, Norway and Turkey as well as Bulgaria, Rumania and Hungary will participate in the present consultations and in the later negotiations about MBFR with a special status. They are more than observers, as they have the right to discuss the matters under negotiations. Chairmanship can be exercised by full participants only.

For the NATO, the Dutch representative van Ufford gave the statement that Hungary's participation in the present consultations will not prejudice the mode of participation of Hungary in future negotiations or decisions. NATO insists that the question as to what extent Hungary should be included in the future must be handled during the coming talks and a decision must be reached then. The present compromise represents a compromise between two divergently opposed views, for long before the beginning of the negotiations NATO demanded the full participation of Hungary. The states of the Warsaw Pact have given notice in their replies that they wanted a different solution. The consultations had hardly started when Hungary herself and the other states of the Warsaw Pact insisted upon the complete exclusion of Hungary.

Van Ufford emphasized that all elements of the compromise pact form a unit, there are no differences between the parts of the agreement and there is only one agreement. In opposition to the status of Hungary, no other "potential participants" status may be questioned in this manner, not even Italy's. About Italy observers believe that her admission to "potential participants" may be one of the Hungarian conditions. As one may find out in this connection, NATO circles believe that the most important part of the agreement remains that the West retained the possibility to raise the Hungarian question anew and to bring about a decision on it at the fall conference.

THE RISE AND FALL OF OLD ST. JOE

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. SIKES. Mr. Speaker, Southern Living magazine for July 1973, tells in an interesting way the story of Old St. Joseph in Florida's First District. The story has often been repeated but the historical significance of St. Joseph, the exciting growth of the city and the catastrophic collapse all within a short time, still make interesting reading.

This story would not be complete without reference to present-day port St. Joe on the shores of St. Joseph Bay near the site of old St. Joseph. Here there is a flourishing industrial city whose citizens take pride in their progress and in their hospitality.

I submit the story from Southern Living for printing in the RECORD:

THE RISE AND FALL OF OLD ST. JOE

On a patch of sandy soil in the Florida Panhandle was enacted one of the most fantastic episodes in American history—an episode that saw a city rise from bare ground and return to nature in less than a decade.

This is the site of Old St. Joe. It staggers the imagination to know that up from the sand rose a city with two railroads, a quay extending a quarter of a mile into the bay, extensive warehouses, brick hotels, business buildings, and stately homes. And there was a goodly number of taverns and churches. Ten years later not a trace of it remained.

St. Joseph, as it was more formally known, was, indirectly, created by the Supreme Court of the United States. On March 17, 1835, the nation's High Court unanimously decided that 1,250,000 acres of land in middle Florida belonged to the Apalachicola Land Co. This greatly displeased a large number of Apalachicola citizens who, in effect, were ruled to be squatters. They had two choices—either pay off to the land company or move. Many of them chose the latter course.

The speed with which these people acted would rival today's topnotch land developers. The site they picked was 28 miles to the northwest of St. Joseph Bay. And the city of St. Joseph was born. Even before the court decision was handed down, the Lake Wimico and St. Joseph Canal and Railroad Company had been incorporated. The idea was to divert the cotton traffic from Apalachicola by connecting the Apalachicola River and St. Joseph Bay. The canal never materialized, but two railroads were built.

A rivalry between Apalachicola and St. Joe began as each fought to become the county seat of Franklin County. Then an astute St. Joseph statesman named Peter W. Gautier, Jr., was elected delegate to the council. He wisely proposed that a new county be formed and called Calhoun. St. Joe was designated as the county seat and thus both sides were winners.

St. Joseph's big coup came when it snared the Constitutional Convention in 1838. The town built a convention hall to house the sessions, which began on December 3, and the document was signed on January 11, 1839. This constitution finally became the organic law of Florida when it was admitted to the Union on March 3, 1845.

In 1840, plans were announced for the building of a railroad from Charleston to New Orleans, and St. Joe was on the route. Because the bay provided soft breezes and the area was considered to be as healthy as any place in the South, hopeful promoters had visions of turning it into a summer resort.

Then catastrophe struck—not once but twice.

In the summer of 1841 St. Joseph was a solid town whose population included some of Florida's leading citizens. The populus was unperturbed on a pleasant summer day when a ship came into the harbor, probably from South America.

But the citizens of St. Joe found out that the ship carried yellow fever and attempted to get it away from the dock. Frantic seamen, those as yet unafflicted with the scourge, dived overboard and swam ashore to escape certain death.

The fever finally struck the town with devastating force. Those who didn't die fled for safety, and only a hardy core of what was once a population near 2,000 remained to bury the dead and attempt to revive the stricken town.

Today there is a well-kept cemetery a mile and half from a state museum built on the site of that first state Constitutional Convention. Here are buried those who died early in the epidemic.

It is estimated that when the hot summer had passed the autumn alleviated the plague, there were 400 persons remaining in St. Joe. Although many of the buildings were removed to Apalachicola and other towns along the coast, St. Joe probably would have continued to exist.

What made St. Joseph the target of evangelists from coast to coast was what happened four years later in the autumn of 1845. A hurricane, probably as vicious as any ever to hit the Gulf Coast, swept across St. Joseph Bay and brought with it a tidal wave that literally drowned what was left of the town. Those who escaped this second attack by the forces of nature fled, never to return.

Historians contend that St. Joe was no more evil than any other pioneer town, but this was the Great Revival Age. And two crushing blows in four years from unconquerable enemies started a legend that the hand of God had wrought his wrath on a blossoming city equal in depravity to Sodom and Gomorrah.

Historian James O. Knauss, who wrote the official pamphlet on sale at the Constitution Convention State Muesum, says:

"One can guess how the legend arose. Here there had been a flourishing place which had been crushed in a most striking manner, as if by divine wrath. The superficial analogy of Sodom and Gomorrah and other wicked Biblical cities was so apparent that the temptation to use St. Joseph as an object lesson to world-minded, amusement-loving persons could not be resisted. However, the town did not deserve the appellation of 'the wickedest place in the United States' any more than other cities along the Gulf Coast."

HAGERSTOWN AREA CHAMBER HONORS THE HERALD MAIL CO.

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. BYRON. Mr. Speaker, on June 25, Dean Burch, Chairman of the Federal Communications Commission, joined the Hagerstown Area Chamber of Commerce at their dinner meeting honoring the 100th anniversary of the Herald Mail Co. Chairman Burch's remarks added to the evening and the chamber's 54th annual dinner meeting. I would like to congratulate Frank Pryatel, president of the chamber, and the other members of the chamber whose efforts made such a stimulating meeting possible.

STATION WTTI'S FLAG CLEANING DRIVE HAS HUGE RESPONSE

HON. JOHN W. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. DAVIS of Georgia. Mr. Speaker, as we approach the Fourth of July holiday and Americans everywhere are preparing for family outings, fireworks displays, barbecues and watermelon feasts, I would like to bring to the attention of my colleagues a rather unusual patriotic effort which is being mounted by WTTI radio in Dalton, Ga.

This station, guided by a most imaginative and civic-minded man named Ron Arnold, has amassed, over the years, a considerable inventory of public-spirited promotions. Before I mention their recent effort, I would like to briefly recite a few of their past accomplishments.

As many of my colleagues may know, Dalton is the Nation's carpet center, producing, in conjunction with other northwest Georgia mills, some 60 percent of the country's carpet supplies. For some time, a low- and middle-income housing shortage had existed in Dalton, due to the tremendous influx of carpetworkers over the last two decades. About 2 years ago, WTTI radio decided that something needed to be done to alleviate this shortage, and they began a campaign to raise money to bring in a qualified consultant who would analyze the city's housing needs and help them to develop a program to meet those needs. The station worked closely with the Dalton Housing Authority, interviewing housing authority members on the radio, running spots and asking the public for its suggestions. The result? The major Dalton carpet mills helped to kick off the campaign with an $18,000 donation and today Dalton has more low- and middle-income housing than ever before.

WTTI has also taken a novel approach to spreading the word about drug abuse. The station, in conjunction with the local Kiwanis Club, distributed some 6,000 comic books on drugs to schoolchildren in the fifth to the eighth grades.

Education has remained one of the station's big concerns, and the Georgia Association of Broadcasters honored their efforts in this field with their Promotion of the Year Award for 1972. The station's promotion was entitled "Horn of Plenty—Education," and for 1 year WTTI employee Brenda Roark interviewed over 100 janitors, cooks, teachers, students, and school officials to bring to the public's attention the behind-the-scenes activity that goes into the operation of the area's schools.

In conjunction with their emphasis on education, WTTI sponsored a political day to which they invited all 1972 candidates to take advantage of free time to state their views and platforms. Eighteen newspapers and 5 television stations covered the day-long event.

WTTI was also instrumental in passing two local school bond issues at a time when similar bond proposals were being voted down all over the country.

When the POW's returned earlier this

year, WTTI literally rolled out the red carpet. Maj. Tommy Parrott, a former POW, resides in Dalton, and the station worked with the Shrine Club to produce a special welcome home parade for him. 5,000 bumper strips which read "Welcome Home POW's" were displayed on virtually every litter can and in every merchant's window in the city. When the station ran out of bumper stickers, WTTI worked with a local printing company which donated another 8,000 stickers reading "Welcome Home Tommy Parrott."

WTTI has also shown great concern for the environment by inaugurating "Operation Cleansweep," a year-long promotion. Ron Arnold first began by converting a child's red wagon into a covered wagon and then found a trained goat to pull it. Inside were WTTI plastic litter bags which were given away to the tune of some 50,000. Gertrude the garbage goat and the WTTI litter wagon appeared at parades, civic functions and a host of gatherings throughout the year, complemented by public service spots broadcasted over WTTI.

This chronicle of promotions is probably leaving my colleagues wondering just what Ron Arnold and his imaginative staff have come up with now. As I mentioned before, their current activity is quite germane to the coming Fourth of July holiday.

In conjunction with King Dry Cleaners in Dalton, the station is sponsoring a drive for churches, organizations, schools and private citizens to have their American flags cleaned free of charge. To date the response has been excellent and Mr. Arnold says that many persons who did not even own flags before have been moved by the promotion to buy one. Additionally, WTTI has received letters from private citizens and groups throughout the country who share Ron Arnold's wish that similar promotions be run nationwide. A church group newsletter in Texas has just endorsed the idea and is gearing up for its own promotion. Ron Arnold says he has received calls and letters from as far away as Michigan from persons who have heard of WTTI's flag drive.

Mr. Speaker, the efforts of WTTI are those which we can all take to heart and appreciate. Especially at this time of year, it is important that the American people remember how this Nation was created and what it stands for. WTTI Radio stands up for the American ideal all year long—not just on national holidays—and in a time when many are questioning the old ideals of patriotism, it is heartening to see this kind of true public concern and civic awareness alive and kicking in Dalton, Ga.

CONCORD BAND CONTINUES HISTORICAL TRADITION

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. CRONIN. Mr. Speaker, one of New England's finest summer traditions will resume this week in Minuteman National Park. The Concord Band, under the popular leadership of Mr. William Toland, is scheduled to perform a series of five outdoor concerts throughout June and July at the Buttrick Mansion. The 75-piece band, which is a voluntary group, attracts approximately 1,000 listeners to each concert who walk along the same road the patriots marched over in 1775, to arrive at the concert site. The concerts, which are free to the public, enhance the naturally attractive historical area and demonstrate the spirit of good will and the sense of patriotism characteristic of the natives of the cradle of liberty.

A BIBLIOGRAPHY OF AUTISM

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. HARRINGTON. Mr. Speaker, today's extension concludes my daily inserts into the RECORD during National Autistic Children's Week. From initial response, the week has been successful in educating the American people on the nature of autism and the need for further research. My series has been but a small part of the overall effort to organize a fight against this disease.

In the space that this RECORD provides, I am unable to present in-depth material. However, for those who wish to learn more about autism, I am including a bibliography of recent articles and books on autism. These publications provide the interested reader a varied approach to the problems connected with autism without getting too involved in technical language. I hope that these articles do benefit those Americans who are interested in further information on autism.

The bibliography follows:

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BUDGET INFORMATION ALLOCATION ACT OF 1973

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. HARRINGTON. Mr. Speaker, the Federal budget affects the lives of people and the economy of every community in this country. My own study of the budget has shown that the Sixth Congressional District of Massachusetts, which I represent, will lose over $20 million in Federal revenue even if we get our fair share of the administration's proposed revenue sharing. That means that the lives of every person in my district will be adversely affected.

The Federal Government has an obligation to explain the impact of the budget in understandable terms to all Americans. The administration has such figures—at least for the grants-in-aid programs—and can make estimates for most other budget line items. The Office of Management and Budget, however, has said that such statistics would have "little meaning." I think all of us should have the right to determine how "meaningful" the statistics are. That right should not be left in the hands of a small band of bureaucrats.

The budget transmitted by the President to the Congress has become a massive jumble of abstract numbers, preventing the accurate analysis needed to determine the impact of proposals made in the budget and thus to make informed judgments whether those proposals are appropriate national policy.

Analysis of the impact of the budget proposals in human terms is particularly important when widespread reductions in existing national programs are proposed. The fiscal year 1974 budget contains such reductions and mandates a redetermination of priorities to avoid excessive expenditures.

Information on the local impact of proposed budget changes is essential, but it is not now available from the Office of Management and Budget. It is not now available to the public. It is not now available to the Congress. Under the present state of the act, it is possible to develop reasonable allocations regionally, by State, and by congressional district. But the administration is making no effort to do this in spite of the fact that title II of the Legislative Reorganization Act of 1970 requires that new methods of reporting the budget be developed, and despite the repeated requests of the General Accounting Office that such information be furnished.

We have seen a rather dramatic demonstration recently of the problem of secrecy in government. Our lack of budget knowledge in the Congress and in the American public is an outgrowth of that "secrecy" mentality.

ANALYSIS OF THE BILL

Section 3 requires including a tabulation showing the amount proposed for expenditure in each State and congressional district under each program in the proposed budget and the amount by which Federal expenditures for each program would increase or decrease in each

State and congressional district from the previous fiscal year. Where such figures are not available, the best possible estimate shall be made, which shall include a statement of the approximate accuracy of such estimates, a detailed explanation of the reasons why such estimates are being used in place of precise amounts; a detailed explanation of the factors used in making the estimates; and a description of the efforts being made in the executive branch to develop the information needed to improve the accuracy of the figures used. These estimates are absolutely required in the law; the administration would have no alternative of withholding information, but instead would have to make the most accurate estimate possible.

Section 4 directs the President to develop and implement projects for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information by the various agencies in the executive branch. Such projects shall focus on improving the accuracy of amounts reported in the budget, and shall be designed to communicate to the public accurate, current, and comprehensible information on the programs proposed to be funded in the budget under consideration by the Congress.

In addition, this section requires the Director of Office of Management and Budget to file with each House of Congress a semiannual report on the first days of March and September of each year. That report shall describe the requests made to the Office for information and summary data tables and shall state the stage of completion of work on each such request. On the request of any Member of Congress, the Director of Office of Management and Budget shall obtain and furnish to that Member such specific information on Federal programs in his State and congressional district as the report required by this section. The Comptroller General is vested with responsibility for reviewing all such tabulations and supporting information.

RESOLUTION REGARDING FUNDING TO CONTINUE COMMUNITY ACTION PROGRAMS

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. STRATTON. Mr. Speaker, I desire to bring to the attention of the House a resolution adopted by the New York State Community Action Program Directors Association at their meeting May 5, 1973 in Rochester, N.Y., which bears on the future of our community action programs, covered by the HEW appropriation bill already passed by the House, and by the continuing resolution.

The resolution follows:

That, although the U.S. District Court, Washington, D.C. enjoined Howard J. Phillips, Acting Director, from dismantling O.E.O. C.A.A. there is no funding after June 30, 1973 and no substitute bill in Legislation; therefore, natural attrition will resolve before the termination date 1975 as enacted in law by the 92nd Congress and signed into law by the President of the United States; therefore, be it resolved that Congress enact at once a continuing resolution for the continued funding through fiscal year 1974 of EOA Act of 1964 including 221 program Community Action funding.

And further be it resolved, that the Congress accept the mandate of the citizens of these United States, that domestic priorities are extremely valid and that an appropriation bill be enacted to insure the continuation of O.E.O. as mandated by the greater majority of this country.

ACCOUNTING OF AMERICANS MISSING IN ACTION

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. YOUNG of Florida. Mr. Speaker, with each passing day the Vietnam tragedy drifts further into history, yet for hundreds of families each passing day brings only more sorrow and uncertainty. The Florida Legislature has recently adopted a memorial urging the Congress of the United States to take immediate steps to account for the more than thirteen hundred Americans still missing in action in Southeast Asia. I am inserting the text of this memorial for the benefit of my colleagues.

Another important memorial regarding the endangered green sea turtle, adopted by the Florida Legislature and a Florida Senate resolution urging the Congress to enact legislation calling for uniform reflectorized markings on all railroad cars also merit the careful attention of my colleagues.

The article follows:

HOUSE MEMORIAL NO. 1307

A memorial to the Congress of the United States, urging Congress to take immediate steps to account for the more than thirteen hundred Americans still missing in action in Southeast Asia

Whereas, American involvement in the Southeast Asian conflict has begun to draw to a close with the signing of a truce agreement calling for return of all American prisoners of war, and

Whereas, almost all American military forces in the Republic of Vietnam have been withdrawn pursuant to that truce agreement, and

Whereas, although almost five hundred Americans missing in action and held as prisoners of war have been accounted for and released from captivity, there remain at least thirteen hundred of their fellow Americans yet unaccounted for in Southeast Asia, and

Whereas, it is the responsibility of the people of this nation to do everything in their power to determine whether these men are still alive and, if so, to secure their immediate release from captivity, now, therefore, Be It Resolved by the Legislature of the State of Florida:

That the Congress of the United States is urged and requested to take every possible step and to make every possible effort to account for the more than thirteen hundred American servicemen still missing in Southeast Asia and to secure the immediate release from captivity of those still alive.

Be it further resolved, That copies of this memorial be dispatched to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

Filed in Office Secretary of State June 14, 1973.

SENATE MEMORIAL NO. 795

A memorial to the United States Department of State seeking an international convention and agreement for the protection of the Green Sea Turtle

Whereas, stocks of Green Sea Turtles, Chelonia Mydas, continue to diminish in the Western Hemisphere, and

Whereas, this species is not rigidly indigenous to any specific section of tropical and subtropical regions of the Caribbean and individuals wander freely through the area, and

Whereas, the international nature of the Green Sea Turtle requires that any measures taken to protect it must be by multination agreement, Now, therefore, Be It Resolved by the Legislature of the State of Florida:

That the United States Department of State is hereby requested to take whatever action is necessary to expeditiously call an international convention for the protection of the Green Sea Turtle, Chelonia Mydas, and Florida's Congressional Delegation is hereby requested to give any and all assistance to the United States Department of State in this urgent matter. ·

Be it further resolved, That all nations along the Atlantic Seaboard between and including the United States and Brazil and throughout the Caribbean be requested to send representatives to the convention and that provision be made at that time for a full discussion of the state of the species, the problems related to its protection and that before adjourning an attempt be made to prepare a document of agreement of all participants concerned outlining the mutually sponsored and supported management procedures.

Be it further resolved, That copies of this memorial be dispatched to the President of the United States, the Secretary of State of the United States, and to each member of the Florida delegation to the United States Congress.

Filed in Office Secretary of State June 6, 1973.

SENATE CONCURRENT RESOLUTION NO. 980

A concurrent resolution urging Congress to pass an Act calling for uniform reflectorized markings on all railroad cars operating in the United States of America

Whereas, the Legislature of the State of Florida has for several years investigated the feasibility of requiring all railroads operating within the state to place standard reflectorized markings on the side of railroad cars, and

Whereas, such action by a single state is obviously impractical and unworkable because of the highly mobile character of railroad cars and because such cars are owned by hundreds of companies, most of which are not subject to the jurisdiction and control of the State of Florida, Now, therefore, Be It Resolved by the Senate of the State of Florida, the House of Representatives Concurring:

That the Congress of the United States of America be urged to review the feasibility and practicability of passing an act of Congress calling for uniform reflectorized markings on all railroad cars operating in the United States of America.

Be it further resolved, That copies of this Resolution be forwarded by the Secretary of State, under the Great Seal of the State of Florida, to the President of the United States and to every member of the State of Florida's Congressional Delegation.

Filed in Office Secretary of State June 6, 1973.

THE COMMUNITY SERVICE PROGRAM OF THE ETHEL PERCY ANDRUS GERONTOLOGY CENTER AND COMMUNITY SERVICE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. BELL. Mr. Speaker, I rise to bring to the attention of my colleagues a description of the many community service programs conducted at the Ethel Percy Andrus Gerontology Center of the University of Southern California, in my hometown of Los Angeles.

This description, delivered in an address at the dedication of the center's impressive new facilities, was prepared by Dr. Albert G. Feldman, who directs the community services program at the Andrus Center.

I should tell my colleagues, Mr. Speaker, that in April I visited the Andrus Center and learned firsthand of the center's activities in research, training, and public service.

Mr. Speaker, Dr. Feldman's remarks remind us that a university is more than just a center of teaching, learning, and research.

For, as he says:

> An urban university which . . . lies in the heart of a teeming, complex, constantly-changing metropolis, has a special opportunity and responsibility: to translate its educational expertise and its research findings into community service to enhance the quality of life.

Mr. Speaker, I insert Dr. Feldman's remarks at this point in the RECORD:

THE COMMUNITY SERVICE PROGRAM OF THE ETHEL PERCY ANDRUS GERONTOLOGY CENTER

(By Albert G. Feldman, Ph. D.)

A university traditionally has the multi-faceted function of educating, of gaining new knowledge and insights through research, and of channeling this knowledge and these insights to the educational community as well as the community at large.

An urban university which, like the University of Southern California, lies in the heart of a teeming, complex, constantly-changing metropolis, has a special opportunity and responsibility: to translate its educational expertise and its research findings into community service to enhance the quality of life.

This is the primary task of the community projects segment of the Andrus Gerontology Center.

Community projects bridges the community and the University to assure that training relevant to the needs of the older adult is available, and that the knowledge learned through research is utilized in the community on behalf of the older adult. In the short time I have to acquaint you today with our program, I shall tell you a little about the target groups central to our interests and about the means we use to fulfill our purposes; I shall describe for you, briefly and illustratively only, some of the activities we have undertaken; and, finally, I shall comment on the directions in which we are moving.

WHO ARE THE TARGET GROUPS?

Community projects activities are addressed to three distinct, yet often overlapping groups. One comprises persons in professional roles of helping the elderly, directly or indirectly. They may be psychiatrists or other physicians, social workers, nurses, psychologists, clergy or others whose work brings them into direct contact with older adults as counselors, protectors, healers, or in other service relationships. They may be administrators of nursing facilities or hospital programs. They may be social planners or designers or administrators or programs concerned with the economic, recreational, social, health or mental health or other service needs of older citizens. Some devote substantial interest, time, and energy to the task of alleviating the stress and distress of older adults: they are committed to this undertaking and seek ways to usefully expand their knowledge and enhance the skills they bring to their work. Others have had little prior exposure to the needs and problems of the older citizen, and we try to help them find in the activities of our community projects a stimulus for acquiring insights and techniques useful and rewarding in their work with this segment of the population.

Another target group includes educators whose teaching responsibilities can encompass opportunities to acquaint their students with knowledge and understanding of the roles and needs of older members of our society and to prepare these students for effective careers in the arena of work with older persons. These educators are in such fields as social work, psychology, religion, nursing, administration, adult education and recreation, law.

The third group—and perhaps this one really should be designated as the first group—consists of the older adults themselves. The purposes (and there are two primary ones) in reaching out to this target group are different than those for the groups I mentioned before. This target group does not need to learn about the social, emotional, economic, biologic, and other dynamics relevant to the older person; they have first-hand knowledge. We need this knowledge. And herein lies one of our purposes: we need their involvement and participation in our overall program as an aid to sensitizing us to areas of special program needs and services that may call for special research or demonstration undertakings, and in assisting us in compiling insights that can be transformed into teaching materials that prove valuable in our work with the other target groups.

And our other purpose with this target group of older adults? It is to sensitize them to the values—for themselves as well as the community—of becoming volunteer providers of service to others.

HOW DOES THE COMMUNITY PROJECTS FUNCTION?

Community projects employs a five-track approach to fulfillment of its purposes, with the tracks designed sometimes to run parallel and sometimes to intersect. The first of these is research and demonstration of community services. The second is continuing education ranging from one or two-day community-based, community-oriented institutes, workshops, and symposia, to two-week summer sessions for planners, administrators, educators, and direct providers of service in the arena of aging. The third is consultation: to stimulate interest of pertinent, individual organizations or groups; and to deepen skills in attacking problems of older persons. The fourth track might be described as community involvement; that is, persons in the community—like Black or Asian or Mexican-American aged, or persons facing retirement—share their experiences and knowledge with us, adding to the knowledge which, in turn, we can use in the other tracks. The fifth track is the community projects' development of teaching aids for use not only in the Ethel Percy Andrus Gerontology Center but in other places and organizations. Included among these aids are the widely disseminated proceedings of numerous institutes and workshops we have conducted for specific purposes with special groups.

WHAT ARE SOME EXAMPLES OF COMMUNITY PROJECTS ACTIVITIES?

During each of the years of the center's existence there has been a marked increase over the preceding year in the number of projects initiated, planned and carried out by our community projects program. This increase reflects the widening of the scope of the projects' impact and the sharply growing responsiveness of the community (locally, statewide, and nationally) to the interests and expertise that both are present in the center or can be mobilized to bear upon a particular subject. This growing responsiveness is evident in requests from both public and private organizations here and elsewhere for our help.

Without indulging in rattling off statistics and other facts to document the points, let me just say that during the last completed academic year nearly 5,000 individuals participated in the diverse continuing education institutes and workshops we offered. Many of these were returnees (who brought their colleagues) because they had found their prior experiences in our offerings useful. The figure does not include the many persons drawn by our staff into planning committees to determine the objectives and scope of these respective offerings.

Out of the many activities in which we have been or now are engaged, I will mention only a few to illustrate both our involvement with the three target groups I noted earlier and the kinds of projects we have been conducting.

THE AREA OF DEMONSTRATION AND RESEARCH

With regard to this aspect of our operations, I want to bring to your attention two quite different kinds of undertakings that are in process. The first is an action-research project that is designed to train administrative personnel in nursing homes, with the aim of the project to improve the quality of life in such homes. The other is an action-research project that seeks simultaneously to enrich the lives of older adults as volunteers in the community and to capitalize on their contributions through community involvement.

Who has not heard stories about the deleterious effects on elderly patients of confinement in impersonal long-term care facilities? Whether or not there is a strong basis in fact for such reports, it seemed important that we address ourselves to the task of enabling elderly patients in long-term nursing facilities to function at the maximum level of satisfaction of which they are capable. Accordingly, we undertook to develop and test a model for training nursing home administrators and other supervisorial personnel to improve the quality of services and programs provided by these facilities, with special attention directed to meeting the psychological and social needu of the patients. A major thrust of this project is not only to modify attitudes and familiarize administrators with more effective ways of meeting psycho-social needs, but also to give them a model for training their own staffs in understanding and working effectively with older patients. The project is being carried on in selected facilities and it is expected that the current administrators-participants in this training soon will themselves become trainers. We anticipate that this project will be completed and the findings disseminated by the end of the year.

ANOTHER EXAMPLE

Now for the other example of our demonstration-research. During the last few years there has been increasing emphasis on the volunteer role of the older adult. This has been particularly manifested in the availability of federal funds for such programs as RSVP (Retired Senior Volunteers Program) and Foster-grandparents. Nevertheless, this available senior energy and manpower source has hardly been tapped, and there has been very little systematic research concerning utilization of older adults as volunteers. We are currently engaged in a project to explore and test new and more effective ways for recruiting, training, and utilizing older adults in two volunteer roles: as volunteers who provide leadership in recruiting and training other older adults as volunteers for community service; and as volunteers in helping roles in such locations as children's hospitals or in such activities as community planning and mobilization of community resources.

A conference involving national leaders in the field of volunteerism was recently held in Washington, D.C., under the joint sponsorship of the Andrus Gerontology Center and AARP/NRTA. Its purpose was to examine the results of the preliminary research done by the Center. Subsequently, AARP/NRTA approved a proposal for a research-demonstration project that builds on the work already done. The preliminary plans call for the involvement of several hundred older adults. It is expected that the data emerging from this project will be widely disseminated and will supply new insights about the older adult as a volunteer, and that the project itself will serve as a model for use in other communities and localities for the recruitment, training, and productive utilization of the contributions of the older adult in his role as a community volunteer.

THE AREA OF CONTINUING EDUCATION

Direct and indirect providers of care or service have been the special focus of attention of short-term workshops, institutes, and colloquia (in addition to the community projects "Summer Courses" that will be described by Dr. Weg). Some of these have been developed on the initiative of the project staff, some have been developed at the request of groups or associations of professionals in the community. In all instances, content and format have been the result of the planning of specially developed advisory committees. In some instances, these offerings have been sponsored jointly with other units in the University: the schools of Medicine, Social Work, Law, Architecture, to name a few. Some of the activities have been directed to nurses (educators, administrators, practitioners), some to clergy, to specialists in recreation, city planners, et cetera. Subjects have been general—such as "Work with the Aged," or specialized, such as "Death and Dying" or "Nutrition for the Aged." At least a dozen such offerings have been given each academic year, with the number increasing last year to 18 and even larger in the current academic year.

Let me tell you briefly of our experience in nurses function in a variety of localities offering workshops for nurses. As you know, and facilities, both proprietary and non-profit (whether public or private). They responded with enthusiasm to our first workshop for nursing personnel—a two-day affair stressing the mental health role of the nurse with the aged. A follow-up was requested and planned with a committee drawn from their group. Their conviction that their understanding of the older adult was enhanced for practical use was evidenced by the continued demand for more of these educational offerings and by requests from Northern California and Arizona that similar workshops be held in those localities. These requests have been met. The evaluation of these series, which are essentially self-supporting from the fees paid by 200 to 900 participants in the various meetings, has led us to add to the community projects staff a nurse-educator as coordinator for nursing education.

THE AREA OF COMMUNITY INVOLVEMENT

This is a many-faceted phase of our operation and includes active participation of our personnel in a variety of community-based agency activities related to aged (The Mayor's Commitee on Senior Citizens, Boards and Committees of various voluntary family and other social service agencies, the California Commission on Aging, and others). But what I want to note for you now is an example of how we bring the community into participation in the life and functioning of community projects.

We have become keenly aware that there is a paucity of knowledge about the needs of the older members of certain ethnic sectors of the wider community: the Black aged, the Mexican-American aged, the Indian aged, the Asian-American aged. This situation has meant that those in a helping relationship to such persons—public welfare and other social workers, doctors, nurses, recreation personnel, teachers—frequently have lacked an informational base for understanding and effectively working with such older people, and for coping with gaps and operational problems in delivering services to such groups. With the planning and direction of a Committee of Black Elderly and providers of service to members of this ethnic group, gaps in knowledge about services and problems in service delivery were identified. A series of workshops were then conducted as training programs for persons providing services to the Black Elderly. The papers prepared for these programs have now been published as a monograph which is being distributed for use as a training tool.

WHERE ARE WE HEADING?

Finally, let me just comment very briefly about future directions for our community projects program. Mainly, we want to build on and expand our current programs, with special emphasis on selected areas. For example, we expect our newly-added nurse-educator to develop an expanded, comprehensive array of continuing education offerings for nurses and allied health professionals. We need to tool up so that our faculty and students can meet effectively the increasing number of requests for consultation and program evaluation that I noted earlier.

But we need also to broaden our horizons to encompass such areas as pre-retirement planning and the use of leisure-time by older persons. Although we already have made some tentative beginnings in this respect.

We are currently planning how we might most effectively assist in the training of the personnel doing the community planning and staffing the nutrition and other community programs which will hopefully be initiated by the Administration on Aging in the not-too-distant future.

We fully intend to continue and expand our research and training activities with regard to the older adult volunteer. In this connection, I should note that a small but growing nucleus of volunteers in the Andrus Center itself has already been initiated and we expect this program to develop rapidly.

In closing, I want to point out that while I have been focusing on the community projects program of the Center, the building and maintenance of the bridge with the community is not just the business of community projects, but is an important part of the concern and activities of all of us at the Center: faculty, staff, and students.

PUBLIC HOUSING CRISIS IN CALIFORNIA

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. WALDIE. Mr. Speaker, the President's refusal to spend funds Congress has appropriated for public housing is causing a crisis in local communities throughout this Nation. The following letters from housing authority directors in California testify to this fact.

I urge all Members to fully consider the need for a strong public housing program, when Congress considers "Anti-Impoundment" legislation.

Mr. Speaker, the full text of these letters follows:

MAY 25, 1973.

LETTER FROM MR. JOHN G. BOWLING, EXECUTIVE DIRECTOR, HOUSING AUTHORITY, CITY OF PLEASANTON

DEAR CONGRESSMAN WALDIE: Thank you for your May 8th letter. I hope your action during the housing moratorium will help to loosen the purse strings in Washington.

Our Housing Authority has 174 units of temporary wartime housing, (now 28 years old) which the Health & Safety Code of the State Law require that we demolish by One year and 90 days after final adjournment of the 1973 Legislature.

In April, 1972, under the conditions of Article 34 of the State Constitution, the local electorate approved the construction of 150 units of low-rent housing. We can not replace unit for unit because HUD will not permit us to replace the units that now house military families.

In July, 1972, we received a program reservation from HUD, for the locally approved 150 low-rent units. In December, 1972, HUD signed a Preliminary Loan Contract for the 150 units. The rest is history.

We must now go to the State Legislature to ask for another extension of the Demolition date on these World War II housing units which, although substandard housing, and frankly very expensive to operate, are better than no housing at all.

I fail to understand why the moratorium included Housing Authorities who had Preliminary Loan Contracts signed by HUD prior to January 5, 1973.

Please let me know if you need more information.

LETTER FROM MR. ROGER B. SPAULDING, EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY OF CONTRA COSTA COUNTY

MAY 10, 1973.

DEAR CONGRESSMAN WALDIE: Naturally I applaud your action in connection with your anti-impoundment legislation, but as you will see from the attached material the most serious housing problems of your constituents are immediate rather than long range.

The fact that we are being forced to trade off units now under contract for assistance because of the Administration's continuing refusal to consider any increase in subsidy to cover the increase of rentals in the private market caused by removal of rent controls, inflationary impact of wages and other operating costs, and built-in escalation causes approved by HUD could, of course, completely wipe out the leasing program under the law of diminishing returns.

Of course your review of impact on the unmet need should bring to light the fact that there were approvable applications on file with HUD for over half a million units which were cancelled by the Administration over a year ago. In our particular case, the last application we made May 4, 1970 still had 295 units to go which were cancelled.

Our Chairman Mr. Robert Scott will be in a position to discuss this dilemma in more detail with you when he calls at your office the week of May 14, 1973.

LETTER FROM MR. DUDLEY L. WINTERHALDER, EXECUTIVE DIRECTOR, HOUSING AUTHORITY OF THE CITY OF SAN LUIS OBISPO

MAY 22, 1973.

DEAR CONGRESSMAN WALDIE: This is in response to your letter of May 8, 1973, regarding the Federal Government's housing programs and your "Anti-Impoundment" bill, H.R. 6284.

The Administration's withholding funds has specifically affected our Section 23, Leased Public Housing Program. Under the Administration's recently revised Forward Funding Procedures, authorized Operating Subsidy was to be forwarded prior to the beginning of our Fiscal Year on October 1, 1972. The Operating Subsidy was actually received on March 27, 1973, approximately 7 months late. Our relations with present and future owners of leased housing units were seriously jeopardized. The possibility of breaking leases prior to expiration was imminent. This would also have meant evicting families including several elderly tenants. We were, of course, forced to stop negotiations for any new dwelling units. It also leaves us in a quandary as to future planning for the fiscal year beginning October 1, 1973.

Due to the Department of Housing and Urban Development's moratorium on all subsidized housing, we are unable to begin preliminary planning on proposed new public housing units. The voters of the City of San Luis Obispo approved in April 1973, about 2–1, a referendum for 150 additional Housing Authority owned public housing units. Until funds become available we will not be able to proceed.

We also requested HUD to increase funds for our present leased housing program but were refused because of the moratorium. Due to the increased cost of construction and maintenance and the limitation imposed by our present contract with HUD, we will probably be unable to renew many of our present leases with owners as they expire.

We are a relatively new and small authority with approximately 220 units in operation and 84 in the development phase. Our units are dispersed throughout the community and we have had many favorable comments on our design and planning criteria. We operated with little or no reserves during our first two years of operation and only through careful management were we able to accumulate sufficient reserves in 1971–72. We are deeply concerned that our limited reserves will evaporate if the impoundment of funds continues. The moratorium and the uncertain future of public housing will certainly have an adverse affect on our program.

We currently have over 300 families on our waiting list. Your concern and interest is, therefore, very much appreciated.

MAY 10, 1973.

LETTER FROM MR. JAMES M. HILER, EXECUTIVE DIRECTOR, HOUSING AUTHORITY OF THE CITY OF EUREKA

HON. JEROME R. WALDIE: In answer to your letter of May 8, 1973, regarding the Administration's impoundment of Housing funds, please be advised that this Authority is affected thusly.

Application submitted to H.U.D. for 250 Section 23 Leased Housing units for the Housing Authority of the City of Eureka which involves an annual expenditure of $451,500. These housing units will be needed to replace a part of the 430 housing units to be deleted by the construction of the freeway through the City of Eureka.

This office also operates the Housing Authority of the County of Humboldt which applied for 250 Section 23 Leased Housing units. This application was granted 100 units, therefore, was short 150 Section 23 Leased Housing units or $271,550.00 annually.

There are 500 applications for housing on file at this office.

Anything you can do to expedite the situation by "Anti-Impoundment" legislation will be appreciated.

MAY 30, 1973.

LETTER FROM MR. DONALD E. OLIVER, EXECUTIVE DIRECTOR OF HOUSING AUTHORITY OF THE CITY OF SANTA PAULA

DEAR CONGRESSMAN WALDIE: In response to your letter, dated May 8, 1973, concerning the status of the program in the Santa Paula Housing Authority.

At the present time we are completing the leasing of 200 units under our present funded leasing program of Section 23. This authority had an application for fifty more units of Section 23, Leased Housing and this application is now cancelled. Also for your further information, the Santa Paula Housing Authority has five hundred, eighty families and "elderly" applicants on our waiting list.

The demand is great and I speak in behalf of the Commissioners, staff and applicants of the Santa Paula Housing Authority, in thanking you for your interest and wish you success in your "Anti-Impoundment" legislation.

Please let me know if I can be of further service.

MAY 16, 1973.

LETTER FROM MR. PHILIP J. MCANDREWS, EXECUTIVE DIRECTOR OF IMPERIAL VALLEY COORDINATED HOUSING AUTHORITIES

DEAR CONGRESSMAN WALDIE: In reply to your letter of May 8, 1973, regarding your "Anti-Impoundment" bill, H.R. 6284, the following information is extended:

We have 280 applicants on a waiting list in Calexico, California, with no prospects of housing due to the moratorium on funds. The voters of the City of Calexico voted in a referendum of 250 units in Calexico in 1968; we have built 98 under Section 23 Leased Housing and have 50 conventional in the process of being completed, but the balance under the referendum (100) was taken away from us by the area office without any prior notice and no indication that it will be reinstated.

The City of El Centro voted in 200 units on referendum in 1968 and we were granted a Program Reservation for the 200 units. We have some 75 families on a waiting list, plus approximately 90 elderly who need housing. Our program reservation was reduced from 200 to 74 without prior notification and despite the fact that a Development Program was in the area office. Shortly thereafter, our program reservation for the 74 units was cancelled. With only 50 low-income units in the City of El Centro in operation, we desperately need additional housing in that area.

We have 8 housing authorities in our operation, with a total of 626 units, all occupied and, at present, 448 families on waiting lists for housing.

REPRESENTATIVE McCLOSKEY APOLOGIZES

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. McCLOSKEY. Mr. Speaker, during debate yesterday on my proposed amendment to the Public Works appropriations bill to delete funds for the New Melones Dam, I erroneously characterized Gov. Ronald Reagan and Senator JOHN TUNNEY as being in accord with my position.

Governor Reagan supports the decision of the California State Water Resources Control Board which states in relevant part the following:

> There certainly has been no demonstrated need for the additional water supplies developed by this project outside of the local area., and
>
> The reach of river in question is a unique asset to the state and the Nation.

Senator TUNNEY supports mitigation of the environmental impact of the dam on the downstream wildlife habitat, but does not take a position for or against the dam at this time. I apologize to the House and to the gentlemen involved for my misunderstanding and mischaracterization of their positions.

THE NAB/JOBS PARTNERSHIP IN THE SOUTHERN TIER

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. ROBISON of New York. Mr. Speaker, employment gains are always a source of satisfaction. But when significant advances are made in the placement of veterans, disabled veterans, the economically disadvantaged, and ex-offenders, there is an ever greater reason for pride and satisfaction.

The National Alliance of Businessmen of the southern tier of New York has built an impressive record of accomplishments in this area, under the very able leadership of William R. Austin, who has been on loan from the IBM Corp. to direct the program. I know of some of the frustrations, delays, and uncertainties with which Mr. Austin has had to contend in the 2-year period that he was the NAB metro director. But his perseverence and determination "paid off." He brought business and government together in a common effort, training and placing over 650 men—and surpassing the year's goals set by the NAB.

A report on the year's accomplishments, and on the community spirit which guided Mr. Austin's efforts, was recently published in the Binghamton Evening Press, and because it sets a fine example of how business and government can work together in an area of need and national concern, I would like to share the report with my colleagues.

The report follows:

NAB, ENDING BEST YEAR, UNVEILS NEW GOALS

(By Dave Beal)

The National Alliance of Businessmen (NAB) in the Southern Tier, winding up its best year to date, has set new hiring goals for fiscal 1974 and added ex-offenders to the ranks of those for whom the NAB tries to help find satisfactory work.

Plans for the new year were unveiled today by William R. Austin, full-time Tier NAB director for the past two years.

Austin, who was loaned to the NAB from IBM Corp., will return July 1 to his job as a personnel project manager at the computer company. He will be succeeded at NAB by Richard V. Hannis of New York State Electric & Gas Corp.

The NAB's hiring goals for the year ending June 30, 1974, according to Austin, are:

Placement of 450 disadvantaged workers.

Placement of 200 veterans, 10 percent of whom are disabled.

Placement of an undetermined number of ex-offenders.

"I see this as an area that requires a lot of push," Austin said of the proposed effort to find jobs for ex-offenders. "The numbers of workers involved aren't huge, but in a particular situation, the difficulty of finding a job, especially one of any consequence, is very great."

The goal of finding work for 450 disadvantaged workers is up from 400 for the current fiscal year, but the placement goal for veterans is down from 360. There simply aren't as many returning veterans flowing into the job market, now as there have been in recent years, Austin said.

Austin said business and government cooperation, the cumulative effect of NAB work done in the previous year, new training programs and the improving economy are primary reasons for the NAB's recent successes in the Tier.

He noted that the NAB, which made only 54 percent of its fiscal 1972 goal to place 400 economically disadvantaged persons, more than doubled its goal of 400 placements in fiscal 1973. Moreover, he said, 1,014 veterans were hired during fiscal 1973, far above the NAB goal of 360.

Austin said the NAB's success in the Tier is an example of how the fading division between government and business can work to the advantage of a community. He noted that the NAB has worked closely with the New York State Department of Labor, the U.S. Department of Labor the Broome County Chamber of Commerce and the local schools, among others, to meet its hiring goals.

"In the last two years, I have seen very clearly what businessmen can do when they really take to heart the concept that they have a responsibility to make their community a better place to live," he said.

"There was very little going on in the NAB organization at the time we took it over," he added, referring to the situation two years ago with the Tier NAB.

"It had been dormant for a number of months before that. What we had to do was create an organization and build up some impetus for it and, essentially, preach the gospel.

"I think the basic difference between the first year and the second year is that we were able to take advantage of the organizational work we had done the first year during the second year."

The Tier NAB unit was formed in 1969 to cover Broome, Tioga and Susquehanna, Pa., Counties. When Austin came to his NAB job, eight more Southern Tier counties were added to this coverage region and the NAB opened an office in The Old Press Building in downtown Binghamton.

Early this year, financing for the office was cut out for the Tier NAB unit and 59 more of the 160 NAB offices around the country. Austin said a fund-raising drive to get the $15,000 needed to run the office next year has so far gathered about half the money needed.

NEW DEFINITION OF OBSCENITY BY COURT MUCH NEEDED

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. DULSKI. Mr. Speaker, the decisions of the Supreme Court of the United States last week in rewriting the definition of obscenity is a vital step in the right direction.

In the 91st Congress, and again in the 92d Congress, I sponsored antiobscenity legislation which in both cases was approved by the House but received no further congressional consideration.

My legislation was focused on control over mailing of obscene matter to minors.

The new Court decisions follow my approach in two major aspects:

First, the Court now says that the offensive nature of material—whether it is obscene—can be judged on the basis of local community standards. This contrasts with past policy that favored national standards.

Second, the Court ruled material can be declared obscene, without violating the first amendment, when it lacks serious literary, artistic, political or scientific value. This ruling contrasts with the previous ambiguous requirement that material must be found to be "utterly without redeeming social value."

Mr. Speaker, the new view of our Highest Court provides for the first time realistic benchmarks for action at the local, State, and Federal levels.

As Chief Justice Warren E. Burger said in the Court's majority opinion, for the first time since 1957 there is agreement on:

> Concrete guidelines to isolate "hard core" pornography from expression protected by the First Amendment . . . to provide positive guidance to the Federal and state courts alike.

Thus, under the Court's decision, States can regulate obscene works which depict or describe sexual conduct and the Court went on to spell out guidelines for determining whether specific material may be ruled obscene.

Mr. Speaker, the Supreme Court's revision of its definition of obscenity opens the way for States and the Federal Government to put teeth into their laws with clear prospect for effective enforcement.

I intend to watch closely the implementation of the new Court ruling to see whether further legislative action is necessary.

HARLEM'S MALCOLM X ART CENTER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. RANGEL. Mr. Speaker, while we, in Congress, struggle to make this Nation and the entire world a better place in which to live, it is encouraging to know that there are individuals and groups throughout America that are working toward the same goals.

A recent article in the New York Voice dealt with just such a group: The Malcolm X Art Center.

I now submit the newspaper article entitled, "'Malcolm X' Cultural Center In Harlem Tries To Motivate Youth Through Art" for this body's collective attention.

"MALCOLM X" CULTURAL CENTER IN HARLEM TRIES TO MOTIVATE YOUTH THROUGH ART

For young Blacks who show creative promise but who also carry with them the lifelong stigma attached to "ex-offenders," the Harlem based Malcolm X Art Center stands like a ray of hope.

The center, now in its second year, does not limit its services to the "ex-offender" only, but is also extending itself to the surrounding community. It is located at 50 E. 125th St.

William Keith, an ex-offender himself and the center's director, is as articulate a spokesman as anyone could hope to be.

With four instructors who teach a wide range of commercial and graphic art courses from 10 a.m. to 9 p.m. every day, Keith reaches out to a community which, if only because it is a constant victim of crime, has not always been willing to see the sociological reasons behind it.

The growing intolerance toward ex-offenders in Harlem, and Keith's commitment to preventing young people from flirting with the lures of entrapment, have been a stimulus which kept him knocking at the door of foundations until the Urban Coalition granted $20,000 to the center early in January.

He says that the center kept afloat with small grants for two years from the Bronx Council on the Arts and The New York State Council of the Arts until the Urban Coalition grant came through.

In those lean days the center existed in space provided by The Theater For the Forgotten at 108 West End Ave., Manhattan. After that period they were even "on the street" for four months.

Now, three staff people, a coordinator, and a part-time secretary, in addition to Keith, can process applications for between 25 and 30 students who register for courses which last up to twenty weeks.

The center also sees as an integral part of its mission the cultural rehabilitation of ex-addicts.

Keith said recently while recounting the purpose of the center and projecting its future for the community, that "We don't like to think of ourselves as therapists, but as people who want to motivate by the vehicle of art enrichment as well as cultural affairs."

Unique in New York, the center offers silkscreen workshops, all sorts of graphic art courses, including paste-up, flyer and poster work and wood-cutting, line-cuts and drawing for the advanced and beginners.

Keith would like to take the program inside penal institutions but needs funding and backing. The Rockefeller Foundation, and the National Foundation for the Endowment of the Arts will hear from him, he said. A long-range proposal he is preparing would require $100,000. He complains that funding sources give too little attention to developing the visual arts.

Proud students from the center will exhibit their silkscreen works at the Bedford-Stuyvesant Restoration Corporation June 24 to July 27. The Metropolitan Museum of Arts is the sponsor of the showing.

TV HEARING A ROMAN CIRCUS

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. LANDGREBE. Mr. Speaker, the ramblings over the so-called Watergate affair continue to rock Capitol Hill and other places—but not everyone, I find, is sympathetic to the views of the national news media, or even to the Senate investigating committee. I submit for the record what I believe is a thought-provoking dissertation sent to me by Mr. Vincent Cullinan, a distinguished San Francisco attorney, and a former president of the San Francisco Bar Association:

TV HEARING A ROMAN CIRCUS

To me one of the scandals of the Watergate affair is the fact that Senator Ervin and his committee can get by with holding hearings that are known to be sham and to let them make a Roman circus for the benefit of the members of that committee.

As you know, the only justification for a Senate committee hearing is to develop facts upon which to base legislation. The Ervin committee has no intention of coming up with legislation. We already have adequate laws on the subject of break-ins: people have been indicted and sentenced to jail for what happened. That should be sufficient indication and adequate laws have already been enacted.

The spectacle of a hearing on television is something that should not be tolerated. I would think the press would remember the McCarthy debacle and the hearings held by "Coonskin" Kefauver. Each chairman and his committee members abused witnesses and sought to glorify himself. They violated every concept of justice.

The current group of publicity minded Senators composing the Ervin committee seen to think they are a grand jury and are entitled to take over the function of the judiciary. Each of the politicians savors his daily ten minutes free time on TV—a politician's dream that can only work injustice.

What do these politicians care about justice or fairness if they can have 10 minutes a man free TV each day and make like amateur district attorneys. The "testimony" is triple hearsay. It is often opinion, supposition and guess work—there is no one present to protect the witness or the names of persons not present. No target is too high; no blow too low.

What then is the news media, the self-proclaimed guardian of the people, going to do about it? What protest is being organized against this abuse of process and hippodrome proceedings? Has there been any word in criticism of the hearsay upon hearsay approach? Has anyone in the news media raised a question about the legality of the hearing?

To me, the silence of the news media on the illegality and unjustness of the present hearings with the knowledge of past egregious abuses by Senators is a bigger threat to law and order—and common decency—than any Watergate break-in.

The news media has demanded all sorts of rights and privileges against subpoena and against arrest, and for the right to print stolen information. But for every right there is a correlative duty. I think the news media should live up to its responsibilities and go after these politicians for their complete abuse of legal process and their obvious unfairness in permitting rumor, opinion and guesswork to be clothed in the livery of fact.

Robespierre had no free press to worry about. Ervin has a free press but he apparently doesn't have to worry about criticism from a news media which can sell papers and TV time and reap a harvest.

Do the media put Self above Principle?

VINCENT CULLINAN,
San Francisco Attorney, Former President of the San Francisco Bar Association.

FOOD, FIBER, AND FUEL

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. DORN. Mr. Speaker, we are becoming increasingly concerned about a possible food shortage. A shortage of food, feed, and fiber resulting in higher prices to the consumer would be a national calamity. Americans have been accustomed to spending only 15 percent of our income for food, the lowest of any country in the world. American agriculture has been the envy of the world, producing an abundant supply of food and fiber for Americans and people the world over. This will not continue to be the case unless fuel is made available to the farmer. The farmer must be accorded first priority in the allocation of available fuels.

Food power depends on the availability of sufficient fuel to power farm equipment at the critical periods of planting and harvesting. The Congress and the administration must assure that farmers and those who haul farm products receive adequate fuel. If the current voluntary allocation program does not do the job we must replace it with a mandatory system. We again urge our farmers and farm product haulers to report any difficulties in obtaining fuel to local ASCS offices or directly to us in Washington.

Mr. Speaker, may I also commend recent actions to limit the export of feed grains. This will have a beneficial effect on beef, poultry, and hog supplies and prices. We strongly urge Cost of Living Council officials to take into account the impossible situation facing our poultry and livestock farmers who are caught between rising feed prices and frozen retail prices. Feed for livestock and poultry is already in short supply, affected by unprecedented bad weather and high foreign and domestic demand.

Mr. Speaker, the South Carolina General Assembly has passed a concurrent resolution urging the Congress to take necessary action to assure that the agricultural industry shall be provided with adequate fuel for planting and harvesting. We subscribe completely to this splendid resolution and commend it to the attention of the Congress:

CONCURRENT RESOLUTION

A concurrent resolution memorializing the Congress of the United States to take the necessary action to assure that the agricultural industry shall be provided with adequate fuel for planting and harvesting

Whereas, natural disasters and other contributing factors have resulted in a shortage in many agricultural products, and especially in feed products; and

Whereas, these shortages have greatly affected the cost of living for all Americans; and

Whereas, the fuel shortage, be it actual or contrived, has complicated the planting and harvesting of foods and feed products; and

Whereas, it is most expedient that the agricultural industry be assured an adequate supply of fuels. Now, therefore, Be it resolved by the Senate, the House of Representatives concurring:

That the Congress of the United States is memorialized to take appropriate action to assure that the agricultural industry of America shall be supplied with adequate fuels for the planting and harvesting of food and feed products.

Be it further resolved that a copy of this resolution be forwarded to the President of the United States Senate, the Speaker of the House of Representatives, and each member of the South Carolina Congressional Delegation in Washington, D.C.

VIRGIN ISLANDS EMANCIPATION DAY

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. DE LUGO. Mr. Speaker, next week this House will recess in observation of the date which marks our Nation's independence. July 4 is a date of historic import celebrated by all Americans, revered as a date symbolic of freedom. In the Virgin Islands, as in other parts of this country, this day is dedicated to appreciation of our national political liberty.

However, Mr. Speaker, in our islands the day preceding July 4 is also a date revered as a symbol of human liberty. On July 3, 1848, Governor Peter VonScholten issued a proclamation granting freedom to the slaves in the Danish West Indies.

One year ago the people of the Virgin Islands decided that neither the history made on July 3, 1848, nor its message should be forgotten. To renew the spirit of July 3, 1848, it was determined that freedom should be honored at annual celebrations.

I have composed the following message to my fellow Virgin Islanders on this occasion:

MESSAGE TO VIRGIN ISLANDERS

It is a great pleasure to join in commemorating the 125th Anniversary of the emancipation of the slaves in our Virgin Islands. July 3 will forever be revered in our history as the day on which we celebrate the end of man's greatest inhumanity to man and the end of the attempt of some men to oppress their brothers.

The termination of this evil blessed our islands with the spirit of goodwill and love. Unfortunately, in recent years, twentieth century social ills brought on by development and growth have reached our shores. However, I am confident that our people have the strength, courage, and will to preserve our precious heritage of community harmony and concern for others.

Therefore I hope that July 3, 1973 will not only mark a glorious historic event, but the date on which we have rededicated our efforts to the common purpose of creating a future of prosperity based upon unity and brotherhood.

ROBERT L. OSWALD, SECRETARY OF INTERSTATE COMMERCE COMMISSION SPEAKS ON TRANSPORTATION

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. MOSS. Mr. Speaker, I commend to my colleagues the following speech given by the Honorable Robert L. Oswald, Secretary of the Interstate Commerce Commission, before the Northern California Practitioner's Association on May 24, 1973, in San Francisco, Calif.:

REMARKS BY THE HONORABLE ROBERT L. OSWALD

I am a native of California, but my heritage lies in Los Angeles, not San Francisco. There came a day, however, that I became assistant to your distinguished senior Congressman WILLIAM S. MAILLIARD. And in that capacity, there grew a fondness for this city that far surpassed the words expressed in the song about San Francisco now familiar in every bar, cocktail lounge and living room in America.

Unlike the author of the song; however, my heart remained unclaimed. But with every visit, my allegiance grew and now, upon each departure, my heart too remains in San Francisco.

Often along toward mid-afternoon just before coffee time, my thoughts go back to San Francisco, wishing I were high atop the mark watching those cable cars proceed along the streets, or at Fairmont seeing fog banks racing in to conceal the bay, or just walking the streets feeling the thrill of San Francisco nights.

And so I am indeed grateful that you have made this wish a reality by inviting me to visit with you this evening.

In anticipation of our meeting tonight, I prepared, sometime ago, a speech about transportation which I did indeed give, with some modifications, in Seattle and Portland.

Often when I travel I take my small son along. And as he and I were traveling by airplane from Washington to the west coast to visit with you this evening, I watched him press his face against the window pane so that he could see all that passed beneath. At that moment, my thoughts turned to his future and to the future of other children his age and older: and there and then, I came to the conclusion that the words said here should go beyond the oft repeated cliches about the ICC, its image in the public sector and its effort in meeting the needs of the transportation community.

My original speech contained references to ICC legislation now pending before Congress, new rules on loss and damage claims, proposed cures for northeast corridor and some minor changes in procedures for the so-called consumer demands. I have brought along ample copies of that speech for your perusal at your leisure.

But in this enlightened city, the city of San Francisco and now my city too: I am going to speak to you, not as the Secretary of the Interstate Commerce Commission, nor as a lawyer, but rather as a citizen and parent concerned about the future of his country and concerned about an evil that is creeping into the very heart of our way of life: and that, of which I speak, is cynicism. Where is this cynicism? Who are the cynics who have accepted it as a necessary evil and who, more importantly, are beginning to adopt it as a way of life? The answer, to me, is obvious—those Americans who make up what is referred to as the establishment. And we, as lawyers and transportation practitioners, are a significant part of that establishment. My suspicions cannot be denied, for recent events in Washington have made them a reality to some and a nightmare to others.

What can we do as northern California practitioners to combat this evil? Or, on the other and, if we fail to heed the telltale signs of this decay, what will be the legacy we leave to our children? Perhaps, it will be one such as left by the Phoenicians, who said, let the chips fall where they may; or the Carthaginians, who said, let each succeeding generation fend for itself; or the Romans, who said, our legions will protect our borders from our enemies for all generations to come; or the Christian crusaders who proclaimed the Lord Jesus Christ and, in his name, then proceeded to strike down the pagan dogs; or perhaps as Scarlet O'Hara said in "Gone With the Wind," oh well, let tomorrow take care of itself.

I am here to tell you that tomorrow will not take care of itself. And if we delay making decisions today, this year and certainly what remains of this decade; there will be no tomorrow to worry about, for tomorrow will have become a yesterday of lost opportunities. And if tomorrow is left to itself, we will leave to our children a legacy of unkept promises, a dream of meaningless fantasies, a heritage devoid of growth, and a conviction based on discarded values.

If we would examine closely past civilizations which now exist only on the pages of history, we could pinpoint the ERA in which those civilizations began to decline toward eventual oblivion recorded only in history along side those that precede them. But if we are, indeed, willing to learn from history, we would note that the decline was preceded by the emergency of cynicism into the ranks of the so-called elite of these civilizations. This cynicism came in stages: disregard of the welfare of the common man, pursuit of personal gain and self-aggrandizement, and corruption of the ruling class reaching to the highest echelons.

Today, we find ourselves at the crossroads of the destiny of our Nation. Are we, as the professional class, going to let the chips fall where they may and let tomorrow take care of itself? Or, on the other hand, are we, in whatever capacity is open to us, going to take steps to preserve for our children the heritage passed on to us often in blood, often with loss of personal fortune and, more often than not, with nothing else than some unselfish deed wiped away by the sands of time.

If we choose the latter course, then as lawyers we must go among the poor, the orphan, the unwanted, the young, and even the aged, and ask just what is needed to make this system relevant to contemporary America. And, moreover, what procedure we must lay for our children so they can modify this system to meet their needs which, to the consternation of some, will be quite alien to our liking.

Our fathers back in the 18th century met in Philadelphia and there adopted a document intended by them to assure that a vehicle would exist whereby future generations could bring about change without resort to revolution. That document was never intended to protect the status quo as many today would lead us to believe. The purpose of this document was clearly established during the war between the states. Change, not status quo, was upheld!

The shackles of slavery were removed in every hamlet, in every town, and in every State throughout the Union. Change thereby achieved and the status quo trampled beneath the feet of free men dedicated to the Constitution as a means of eradication of wrong and restitution of right.

So, if we as lawyers and practitioners undertake to persuade the emerging generation that the Constitution remains a viable vehicle of change and, by resorting to that vehicle, change need not be accomplished by violence, then our obligation to our profession is met.

Our parental obligation to our children, however, remains unfilled unless we manifest, through eaxmple, the thesis in "Plato's Republic," that personal gain is not the sole purpose for cultivating the garden of life; that the over-riding reason for such cultivation is the betterment of mankind.

As I see it, our commitment, therefore, is twofold; and, if met, our legacy to them will be filled with promise, our dreams for them a reality, our heritage a destiny for them worth pursuing and to them our conviction a proven value. And then, in the end, our children can say of us, in the words of John Fitzgerald Kennedy, our parents dreamed of things that never were and said why not! When they could have left things as they were and said so what! "Otherwise destruction will be our lot", said Thomas Jefferson, "and ourselves it's author and finisher."

THE LATE NICK BEGICH

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. WHALEN. Mr. Speaker, often it is not until a Member has served a term or so that there is an awareness of his individual attributes. However; it was only a short time after Nick Begich joined us that Members on both sides of the aisle realized Nick's concern and determination in dealing with national and constituent problems.

My own most vivid recollection of Nick's dedicated endeavors is of his project to help the town of Delta Junction obtain a fire engine. As my colleagues will recall, in December 1971, Nick asked us to bring to the attention of our constituents the fact that Delta Junction needed 5 million General Mills trading stamps and Betty Crocker coupons. If that goal were reached, the isolated town would receive a fire engine. I mentioned his request in my next newsletter. Both Nick and I were overwhelmed by the response of Dayton area residents. In fact, their contributions continued to pour in long after the announcement that the goal had been reached. I was extremely proud of my constituents' efforts, and Nick was deeply grateful. Each one received a personal note of thanks from him.

Certainly, the people of Alaska were indeed fortunate to have Nick as their representative, if even for a short time.

Mrs. Whalen joins me in extending our sympathy to Mrs. Begich and her children.

May Nick rest in peace.

UNITED FARM WORKERS UNION BATTLES TEAMSTERS AND GROWERS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. WALDIE. Mr. Speaker, today in the fields of California the United Farm Workers Union is once again locked in a struggle for its very existence. What is at issue is whether the farmworkers will be able to control their own destiny and choose the labor representative of their choice, or whether these decisions will be made for them by the large growers.

Unfortunately, the growers have been able to enlist the aid of the Teamsters in their effort to break the UFWU. A more blatant power play is difficult to imagine.

Neither the Teamsters nor the growers seem to understand that the issue is really more of a social issue than a labor issue and in that context the ultimate successor must surely be the UFWU.

Writing in the July issue of The Progressive, Harry Bernstein documents what amounts to be conspiratorial attempt by two of the most powerful forces in this country, the Teamsters and the growers, to destroy the UFWU and to obliterate their gains of the past 8 years.

For the Teamsters such an obliteration would mean more dues. For the growers it would mean a return to the status quo of past decades when a cheap labor force was always available despite the human costs and degradation involved. For the farmworkers it would mean a return to their powerlessness.

Mr. Speaker, I include the entire text of Mr. Bernstein's article and commend it to my colleagues as perhaps the best article I have read on the subject:

Duel in the Sun—Union Busting, Teamster Style

(By Harry Bernstein)

"Sometimes I feel like one of those hired gunslingers you see in old Western cowboy movies," Bill Grami mused as he sipped some wine before dinner in the softly lighted dining room of a Salinas hotel. The image seemed to appeal to his well-developed sense of humor. Solidly built, intelligent, ruthlessly ambitious, Grant smilingly explained his thoughts to me:

"You know, the ranchers are having a hell of a time with the outlaw band when into town rides the gunslinger. The worried ranchers, who don't know how to handle themselves in such situations, hire the gunslinger. There is a big fight, the town is saved, and the gunslinger moves on to new territory."

The hotel paging system flicked on. A voice called Grami to the telephone. As he was leaving, he laughed. "It really isn't a very good analogy. I'm no gunslinger. But sometimes that's the way I feel. Know what I mean?"

Grami is director of organizing for the Western Conference of Teamsters. He was in Salinas, California, to negotiate with a group of lettuce growers who wanted a union contract with the Teamsters as protection against the threatened unionization of their workers by Cesar Chavez's AFL–CIO United Farm Workers Union. Within a few days the Teamster-grower deal was signed.

Grami's analogy was partially correct. He and the Teamsters Union have, indeed, been hired by ranchers in California to destroy what the ranchers regard as an outlaw band: Chavez and his UFWU. But the men who hired the Teamsters are not hapless ranchers. They are corporate owners who are faced with the prospect of losing control of a work force which for decades has accepted backbreaking jobs in almost stolid silence at below-poverty wages.

And the Teamsters are not ordinary gunslingers of old. The men directing the show of strength against the farm workers' union are wealthy, conservative leaders of the nation's largest union, flanked by highly paid lawyers and public relations men and $50 a day thugs who ride herd on workers threatening to strike much as cowboys ride herd on restless cattle.

It is a sordid story which makes a mockery of trade union traditions. It is a strange story, because the motives of some of the principals are not clear-cut, and many officials of the Teamsters Union say privately they want to get out of their role as union-busters, but do not know how. But it is, too, a story of heroes and heroines who, despite serious mistakes, have already changed the nature of this country's farm labor system.

The most easily understood aspect of the situation is the role of the growers in their alliance with the Teamsters. The start of the California farm labor system is generally dated May 10, 1869, when the golden spike was driven into the last rail to link the Union Pacific with the Central Pacific railroad, opening an easy East-West route. It was boom time for growers ready and now able to start shipping eastward large quantities of food from an area ideal for year-round growing.

The growers needed workers for the jobs, and completion of the railroad, along with an end of the gold rush, provided the manpower. Thousands of Chinese working on the railroads and digging the gold were suddenly looking for jobs. Their labor was cheap compared to wages expected by whites, and the hot, hard field work was taken over in large part by the Chinese.

The depression of 1880 caused serious unemployment among white American workers, led to the Chinese Exclusion Act in 1882, and cut off the major source of foreign farm labor. But the pattern of farm employment in California had begun, and it did not change essentially until 1964 when Congress, at the insistence of men such as former Secretary of Labor W. Willard Wirtz, killed Public Law 78, which was used to bring into California and other states hundreds of thousands of Mexican nationals as the prime source of cheap labor.

"Crops will rot and people in this country will go hungry," a spokesman for the growers warned as they watched the end of the "bracero" system. But the crops did not rot. Production continued to rise as wages were pushed up slightly to attract more American workers. The bulk of the work force, however, was and still is composed of Mexican-Americans, and they appeared as docile and uncomplaining as the Mexican national they replaced.

These mostly illiterate Mexican-Americans, along with illegal aliens fleeing from the even deeper poverty of Mexico, were still "hands" to the growers. It was into this scene, then, that Chavez arrived, stirring workers by calling on them to join *La Huelga* (the strike) and *La Causa* (the cause), speaking to them in Spanish, identifying himself with them. "We will have dignity, and enough food to eat, and we will provide education to our children. God wants this for us. We will succeed," Chavez told the farm workers.

It was this man and his followers that drove the growers to seek out the Teamsters Union as an ally, a protector, even though the growers had for decades ruthlessly fought all attempts to organize farm workers. Now growers were demanding that the Teamsters quickly sign union contracts as a means of destroying Chavez and his UFWU.

Chavez—praying, fasting, organizing—flaunted the symbols of his Catholic religion before growers who were long accustomed to fighting off unions by cynically labeling them "Communist." Teamsters and growers denounced him as a dangerous, radical revolutionary, but, as one grower said, "It was like calling the Pope a Red."

Backed by leaders of the Catholic Church and most other religions, by powerful political figures, by young people and liberals hungry for a cause to believe in, Chavez and his union moved ahead. The growers were no longer able to follow their old patterns. *La Causa* flourished, greatly aided by a worldwide boycott against California table grapes. The growers, worn down by five years of constant struggle, finally agreed to recognize and sign contracts with the UFWU.

As the UFWU battle for recognition continued in the grape industry, the growers dramatically changed their historical opposition to laws which would regulate labor relations in agriculture. They decided that only with such legislation could they stop the boycott, which is the UFWU's most effective weapon so far.

In 1967, a group of twenty-two prominent California growers arranged a secret meeting with Teamsters Union leaders in the plush Century Plaza Hotel in Los Angeles, far from the dusty fields where workers might learn of the proposals being made. The growers said frankly that they wanted a tough, experienced organization—the Teamsters—to help beat back Chavez. One high Teamster official maintains firmly that the growers' proposal was rejected because "they wanted no elections, only a sure thing." But if the deal was not made that day, it was made in the months that followed.

If the motivation of the growers—preservation of the status quo—is easy to understand, the motives which pushed the Teamsters into their union-busting alliance with the growers are far more complex. The UFWU has sworn statements from former Teamsters who say that a group of growers gave sizable but unknown sums of money to Teamster officials in Modesto, California, to join the battle against Chavez. But it is unlikely that the money—said to total about $10,000 or so—would corrupt men like Grami or Frank E. Fitzsimmons, president of the two million-member Teamsters Union. Grami might have been tempted, however, by the promise of growers to pay the Teamsters $7 a month union dues deducted from the pay of at least 40,000 workers and, in time, from that of more than 100,000, if all went as planned.

But it took better arguments to persuade men like Fitzsimmons, and those arguments were found. It is true that when field workers strike or boycott, workers in canneries are quickly affected, as are truck drivers and food warehouse workers, all of whom are long-time members of the Teamsters. So, the growers and their allies within the Teamsters argued that if the Teamsters would represent all workers in food growing and processing, no worker would suffer because of some "irrational act" of men like Chavez.

Looking for a somewhat rational excuse for union-busting. Teamsters who could not be bribed with money accepted the argument of the growers, and came up with further arguments of their own. They reasoned that the UFWU is predominantly Mexican-American, most of its meetings are conducted in Spanish, and, as one Teamster official said, "We really do believe Chavez would just move right in and try to take our cannery workers from us once he wins in the fields. Cannery workers are also largely Mexican-Americans, too, you know."

More important, perhaps, than any of these considerations in explaining why the Teamsters joined in an alliance with growers is what might be called the "cultural collusion" between them. Growers and Teamster officials generally have common interests, common ideas about business and politics, about race. Mostly Anglos, they have comparable incomes—$40,000 or so a year, plus expenses, for those most active in the fight against Chavez. They eat in the same fine restaurants, often together; play on the same golf courses; take their kids on the same kinds of vacations and holidays. They talk about the stock market, the dangers of radicals and Communists, and their mutual distrust of "the Mexican," Chavez, and his followers, who are called Chavistas. Chavez obviously does not fit into that kind of scene, and both growers and Teamster officials look with disbelief at Chavez and his staff, with their $5 a week salaries and their burning determination to help farm workers get more than they now get out of a system that has provided such a good life for a few people.

Einar Mohn, head of the Western Conference of Teamsters, and Fitzsimmons are infuriated by the good-guy, almost saintly, image Chavez and his followers have achieved. They complain bitterly, as do the growers, that the nation's press does not portray Chavez as they see him; a radical revolutionary who hates Anglos, is incompetent as a trade unionist, and is not "a man of his word."

Most books, magazine articles, and news stories have, indeed, fostered the contrast between the good-guy farm workers and the bad-guy grower-Teamster alliance. But these images are reflections of reality, repeated over and over again, and most recently in Coachella Valley.

In April the UFWU was negotiating a new contract with grape growers to replace the union's first contracts, which had been won at the end of the five-year strike and boycott. Two growers, Lionel Steinberg and Ken Lerson, renewed their pacts with UFWU, but the rest decided to try to break away, and once again the Teamsters rode into town, invited by the growers. It took only two days for the growers to "negotiate" a contract with Teamster officials, and the UFWU immediately called a strike against the grower-Teamster alliance. The strikers lined the hot, dusty dirt roads in front of the growers' vineyards, urging fellow workers once again to join *La Huelga*.

In one memorable scene, a Catholic priest was leading a large crowd of Mexican-American workers in prayer. The workers were kneeling in the dust. Facing them, standing, was a line of a dozen beefy Anglos, several with dark glasses, staring contemptuously at the praying workers. The Teamster "muscle," in white T-shirts, hard hats, and blue jackets with "Teamsters" emblazoned on the back, had been hired for $50 a day, plus expenses. Most were armed with bats, hoe handles, sharpened grape stakes, and other weapons which were later confiscated by sheriff's deputies. With such enforcers, growers felt confident workers would stay in the field, and many did.

Chavez is not unaware of the value of his "good-guy" image, of the impact of a picture of praying workers facing a gang of thugs. But he lives that image daily. Last year, Chavez received a total of $5,144 from the UFWU. This included his $5 a week salary (standard for all UFWU elected officers and appointed staffers), and such expenses as $960 for house rent, $1,440 for food for himself and his family, and $1,904 for medical bills incurred in Arizona where he fasted for nearly a month. (He was fasting to protest passage of an Arizona state fair labor law which is designed to prohibit the boycott, the UFWU's best weapon, and to set up elections which the UFWU said would exclude most migrant workers.) In contrast to the image, and reality, of Chavez's poverty stands Fitzsimmons, who draws $125,000 a year salary, plus an unlimited expense account, and flies around the nation in his private, union-furnished jet.

The Teamsters do pride themselves on their reputation as a tough organization, and many claim that it is this reputation which has gained them actual support from farm workers. The truth is, say the growers and Teamsters, farm workers now want to be represented by Teamsters. But the California State Supreme Court has called such claims nonsense. That unusual opinion came in a ruling against a group of growers who complained they were unfairly caught in the middle of a jurisdictional battle between two rival unions, the Teamsters and the UFWU. The court said the undisputed fact is that the growers knew the Teamsters did not represent a majority or even a substantial number of field workers when they signed contracts with the Teamsters. And, even worse, the growers knew that Chavez's UFWU *did* represent the workers.

A group of prominent religious, civic, and labor leaders conducted their own survey of Coachella Valley workers and reported that they found 795 for the UFWU, eighty for the Teamsters, and seventy-eight for no union at all. "It would be a great injustice to the workers if the grape growers make agreements with the Teamsters against the will of their workers," the group said, but the agreements were made anyway.

Monsignor George Higgins, research secretary for the National Conference of Catholic Bishops, said the Coachella Valley deal between growers and Teamsters "will be recorded as one of the darkest and most shameful days in American labor history." AFL–CIO President George Meany, in announcing the labor federation was giving $1.6 million to the UFWU to fight the grower-Teamster alliance, called that alliance "one of the most vicious union-busting efforts we have ever seen."

Mohn, the head of the Western Conference of Teamsters, predicts that in the long run the public will "see through" Chavez and the UFWU and recognize the gains made for farm workers by the Teamsters. Indeed, the UFWU is not without faults and flaws in its operations. Inexperienced in labor relations, filled with bitterness against "Anglo exploiters" of Mexican-Americans, the UFWU was inept in negotiations, inefficient in handling grievances, and ran the industry's first union hiring hall in almost chaotic fashion.

The UFWU leaders show little sympathy for many real problems of growers, who are often besieged with difficulties ranging from killer storms to depressed markets which at times fluctuate practically and result in heavy losses. Such problems are regarded by UFWU officials as excuses of Anglo growers to avoid raising wages. In time, if it survives, the UFWU will gain the experience needed to negotiate contracts, to run a hiring hall, to handle grievances. Regular meetings are held among UFWU members, and those meetings appear to provide a valuable source of communications between union leaders and rank and file members.

The Teamsters, however, have never called meetings of the farm workers who are covered by the contracts given them by the growers. Mohn says that it may take "about two years" before farm workers will actually take part in regular Teamsters meetings. By then, he believes, a more mechanized farming industry will have attracted more sophisticated workers, "and as jobs become more attractive to whites, we can build a union that can have structure and that can negotiate [with management] from strength and have membership participation." (Persons of Mexican ancestry are members of the Caucasian race, as are other whites, who are generally known as Anglos. However, some persons of Mexican ancestry refer to themselves as brown.)

Mohn insists he is not a "racist" and notes the large number of Mexican-Americans who are Teamsters Union members. But to Chavez and the UFWU, Mohn's statements about "whites" are further evidence of that "cultural collusion" which helped bring the growers and Teamsters together in the first place. Chavez distrusts "Anglos" and has said so on several occasions. But, considering the history of discrimination against the Mexican-American community throughout the Southwest, that distrust is understandable, although most of the support for the UFWU has come from "Anglos" such as Meany, other union leaders, church leaders, students, and liberals.

The outcome of the conflict is uncertain. If the Teamster-grower alliance wins, Chavez and the UFWU will be eliminated. If the UFWU wins, the Teamsters Union will not be hurt, except for some ego wounds to its leadership. I am convinced that despite the immorality of the Teamster-grower alliance, farm workers will inevitably benefit from the current struggle. Every time the UFWU makes a gain, or even threatens to make one, the growers will try at least to match that on paper, and many of those "paper contract benefits" will be passed on to farm workers.

In their struggle to break the UFWU, growers are raising wages. In the competition, farm workers may move up a rung on the nation's economic ladder. But until the time comes when the farm workers are free to choose their own union, when they are treated as dignified citizens and not as pawns, however valued, of the Teamster-grower alliance, their struggle will not be ended.

THE DAY THE SOYBEANS STOP

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. RAILSBACK. Mr. Speaker, Illinois leads the Nation in exporting soybeans, and therefore I was particularly interested in an article which recently appeared in the Christian Science Monitor.

I include the following for the review of my colleagues:

[From the Christian Science Monitor, June 29, 1973]

THE DAY THE SOYBEANS STOP—JAPANESE CONCERN

(By Elizabeth Pond)

TOKYO.—Now there's a new issue to royal Japan-U.S. relations—soybeans.

Washington's June 27 rationing of soybean exports could hit Japan hard. No Japanese dinner is complete without miso soup (made of soybeans), and 92 percent of Japan's 3-million-ton annual imports of soybeans comes from the United States.

One Washington correspondent of a Tokyo paper described Washington's move as "water in the sleeping ear" (the more delicate Japanese equivalent of a "bolt out of the blue"). Japanese business leaders came home from the high-level U.S.-Japan businessmen's conference only several days ago with the impression that America would not restrict agricultural exports.

Now the Japanese are waiting anxiously for Washington's announcement, on July 2, of country-by-country export allocations.

The price of tofu (bean curd) has already been shooting up in this inflationary year. Now Japan's many small and medium-size bean-curd and soy-sauce manufacturers and restaurant owners fear that the price will skyrocket 100 percent. Doubling of the cost of this daily necessity would hit every family budget and could create further discontent with a prime minister whose popularity has plummeted, in one recent poll, to a record low of 15 percent.

Besides its price worries, Japan fears that it might not even be allocated the full amount of soybean exports that have already been contracted. Last year Japan bought 3.12 million tons of soybeans worldwide, and it will buy an estimated 3.2 million to 3.5 million tons this year if the supply is available.

Foreign Minister Masayoshi Ohira voiced Japanese Government concern to Ambassador Robert Ingersoll on June 28. In reply, Mr. Ingersoll promised efforts to meet Japan's demand for a continued supply of soybeans, cotton seeds, and cottonseed products. He also cited U.S. Agricultural Secretary Earl L. Butz's comment at a press conference that he would give special consideration to agricultural exports to Japan.

Yoshio Sakurauchi, Minister of Agriculture and Forestry, termed the soybean rationing "quite serious" in comments to the Diet upper-house agricultural committee. He was quoted in the Tokyo press as saying also that the Japanese Government would take "severe and necessary measures" toward the United States.

Once America's export allocations are announced, the Japanese are hoping the soybean-export embargo will be lifted within a month. The exact status of the embargo and rationing is a bit unclear here. The embargo is supposed to last until the next soybean crop is harvested in September, but dealer contracting is to be resumed once the allocations are announced. Present Japanese stocks cover the needs of the next two months.

HIGH PRIORITY SOUGHT

Japan, as an old customer—and as a surplus-trade country that the United States has been browbeating to buy more from the United States—hopes it will have a top priority in Washington's allocation list. The problem is one of allocation, not of overall shortage: Last year saw a bumper harvest, and this year's yields should run 15 percent to 20 percent over last year's, even though harvesting will be late because of the extensive flooding this year.

What has happened is that world demand has suddenly outstripped American supply—partly because of a scarcity of Peruvian anchovy feed. And the rising cost of soybeans for chicken and cattle feed within the United States has put additional domestic pressures on Washington to curb exports in favor of American dairy and meat producers.

For Japan, there is no alternative to soybean imports from the United States. Production here is inefficient, and many Japanese farmers are leaving their farms in any case. Even a high price support has failed to halt the decrease in Japanese soybean acreage.

THE CROSS-FLORIDA BARGE CANAL MUST BE DEAUTHORIZED

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. BAFALIS. Mr. Speaker, in the June 8, 1973, CONGRESSIONAL RECORD, my colleague from Florida, Congressman BENNETT, devoted a great deal of effort to an attempt to refute the evidence cited when I introduced legislation to deauthorize the Cross-Florida Barge Canal.

While I have no wish to debate in the RECORD an issue which would best be resolved in open hearings before the House Committee on Public Works, I feel I must take issue with the June 8 statement.

First, there is the contention that President Nixon's January 19, 1971 order halting ocnstruction of the canal was political in nature. This contention is based on the last paragraph of a memorandum from Russell E. Train, Chairman of the Council on Environmental Quality, which does indeed discuss the political ramifications of an order to halt the canal.

However, the first two paragraphs of the memo, which my distinguished colleague from Florida (Mr. YOUNG) placed in the RECORD June 21, 1973—page 20798—clearly show that Mr. Train's recommendation for a halt in canal construction was based on environmental considerations.

The fact that Mr. Train felt it necessary to brief the President on the political implications of an impending decision should not surprise the Members of this body.

My major objection, however, is to Mr. BENNETT's contention that "no adverse ecological study—of the Cross-Florida Barge Canal—has ever been done by the Government."

That is simply not a factual statement. Numerous environmental assessments—indicating substantial environmental damage—have been conducted by various governmental agencies.

These are, to name a few:

First. "Pre-impoundment studies of the waters of the Cross-Florida Barge Canal," U.S. Department of the Interior, Federal Water Pollution Control Administration, part 1, supplement to the December, 1967, FWPCA report, dated June, 1968:

Second. Biological Report: Pre-Impoundment studies of the waters of the Cross-Florida Barge Canal, U.S. Department of the Interior, Federal Water Pollution Control Administration, part 2, 1967;

Third. Brief Assessment of the Ecological Import of the Cross-Florida Barge Canal, Florida state Game and Fresh Water Fish Commission, November, 1969;

Fourth. Geohydrology of the Cross-Florida Barge Canal Area with special references to the Ocala vicinity, U.S. Geological Survey in Cooperation with the U.S. Corps of Engineers, January, 1970;

Fifth. Review and Appraisal of the Cross-Florida Barge Canal, Bureau of Sport Fisheries and Wildlife, U.S. Department of the Interior, March 1970;

Sixth. Memorandum to former Governor Claude Kirk of Florida by Nathaniel Reed, then chairman of the State of Florida Department of Air and Water Pollution Control, May 12, 1970;

Seventh. Memorandum from the former Director of the U.S. Geological Survey, Dr. William Pecora, to Russell E. Train, Chairman, Council on Environmental Quality, dated February 24, 1971;

Eighth. A Brief Assessment of the Ecological Impact of the Cross-Florida Barge Canal, Addendum to November 1969, Report, March, 1970, Florida Game and Fresh Water Fish Commission;

Ninth. And Environmental Assessment of Lake-Oklawaha-Rodman Reservoir, A Report to the President's Council on Environmental Quality and the Department of the Army, prepared by the Departments of the Army, Interior and Agriculture, May 12, 1972;

Tenth. Final Environmental Statement, Proposal for Oklawaha River, Ocala National Forest, Fla., prepared by the U.S. Forest Service, January 16, 1973.

Yet the canal's backers would have Congress ignore these studies, preferring instead to rest their case on the conclusions offered by the author of report No. 4 listed above.

But the report, when read in its entirety, raises question after question. Indeed, even the conclusion raises questions notably, "The greatest potential chance for the completed canal to affect the quality of ground water is in the Summit Pool area, especially at one or two zones of outflow from the canal to the aquifer."

Then, in the body of the report, another question is raised: "The proximity of the saltwater to the Inglis Pool warrants a close examination of the chances for an appreciable migration into the Inglis Pool and even up into the Summit Pool and ultimately into the aquifer."

Mr. Speaker, the aquifer mentioned above is the source of fresh water for many north and central Florida cities and towns. So, with so many questions raised in a report which reached the conclusion that the canal was "consonant" with the area's hydrology, it is no wonder that Dr. Pecora felt called upon to issue the summary listed as No. 7 above.

And, let me emphasize, in his summary, Dr. Pecora wrote there is:

> Significant potential for ground water contamination in the Summit Pool, Eureka Pool and Inglis Lock areas of the canal . . . . In addition to potential aquifer contamination, pollution of canal waters could affect estuarine waters and their ecologies.

To the best of my knowledge, factual data to the contrary has never been produced for review by the U.S. Geological Survey.

Most important, however, is the final assessment listed above. That was the work of an interagency task force, created under the auspices of the U.S. Forest Service, which included approximately 125 scientists and technicians from a wide array of disciplines.

The findings of this group have been printed as appendices to the "Final Environmental Statement, Proposal for Oklawaha River, Ocala National Forest, Florida."

And I found nothing in these lengthy documents to make me alter my firm belief the Cross-Florida Barge Canal must be deauthorized to protect my home State.

In fact, I find in reading this document a body of scientific reasoning to disprove Mr. BENNETT's contention, based on statements from the Corps of Engineers, that the canal could be used to fight eutrophication—water deterioration—which some consider the major menace.

Section 5 of this document indicates that because of the serious existing problems with aquatic weeds in the Rodman Reservoir, drastic semiannual drawdowns will be necessary for several years. But this is complicated by the fact that the reservoir was not designed for effective drainage or extreme fluctuations of water levels.

Despite this evidence, Mr. BENNETT disputes my quotation from some 126 scientists who called the canal "a classic example of the reckless degradation of the natural environment" and my quotation from the Florida Game and Fresh Water Fish Commission which contends the canal has "created ecological problems almost beyond comprehension."

His retort was, "What may be beyond the comprehension of some is just not beyond the solution by others."

To that, I say only that the final environmental statement of the U.S. Forest Service is the most significant compilation of information and assessment of the canal undertaken.

Yet it offers nothing to raise the hopes of the canal's supporters.

In fact, to my knowledge, although interested scientists, engineers, environmentalists and canal diggers have been given an opportunity to comment on the document, none have.

There is one other contention in Mr. BENNETT's June 8 remarks which deserves attention—the so-called military sigsignificance of the Cross-Florida Barge Canal.

On May 29, 1951, former Deputy Defense Secretary Robert A. Lovett wrote to the President that while the canal might "reduce exposure of shipping to a submarine attack," "The Joint Chiefs of Staff consider the military aspects of the proposed problem are so limited that they should not be used as the primary basis for decision on this matter."

So much for the canal's military significance.

What remains is the fact that the Cross-Florida Barge Canal is a boondoggle, an environmentally destructive plan to waste more than $150 million of the taxpayers' money, while threatening the water supply of thousands of Floridians.

That is my opinion.

Let those who believe differently submit evidence to the House Committee on Public Works which has in hand now my bill to deauthorize the canal.

OEO PHASEOUT

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. ROUSSELOT. Mr. Speaker, last Tuesday the House of Representatives enacted a budget busting labor, HEW appropriations bill which President Nixon will almost certainly be forced to veto. The bill included $333.8 million to continue the funding for the Office of Economic Opportunity for another year despite the fact that the President has announced his intention to phase out OEO as part of a reorganization of the executive branch.

The Office of Economic Opportunity was established in 1964 at a time when the Nation was rapidly building up its forces in Vietnam. The program's early development took place against a background of charges that "the poor" were being neglected in order to fight the war in Vietnam coupled with threats, both explicit and implicit, that there would be "long, hot summers" unless the poverty programs were fully funded.

It should be self-evident as we consider appropriations for OEO that the original reasons for its establishment no longer exist. The war in Vietnam is over, so there should be no great compulsion to prove at all costs, including one of the worst periods of inflation our country has ever known, that we have guns and butter at the same time.

The program itself has been marred by countless examples of abuses, including embezzlement of funds and use of OEO funds to support the activities of such revolutionary groups as the Black Panthers and the Red Guards. In many instances a virtual absence of internal controls has made it difficult, if not impossible, to account for the funds of grantees and local programs. However, even if the circumstances which have given rise to the hundreds of "horror stories" which have characterized the program could be remedied overnight, the antipoverty program would remain subject to a number of fundamental conceptual defects which have doomed it from the outset.

For example, the notion that the poor are a class apart and that they require an agency such as OEO to act as their advocate is dangerous and fallacious—and it is self-serving as far as the bureaucrats at OEO are concerned. The danger arises from the fact that advocacy cannot be conducted in a vacuum. The causes which are being advocated on behalf of the poor will sooner or later be perceived as threatening to the interest of other classes in the society. Thus, the present OEO program tends to set one class against another and to contribute to social unrest.

The major fallacy in this approach is that the poor represent a homogeneous group whose interests are antagonistic to those of the rest of society. It has been my experience that the poor are an extremely diverse group and that to a large extent they share the values which predominate in our society as a whole. The suggestion that a single agency such as OEO can represent a group as large and diverse as the poor is, in my opinion, indicative of a remarkable degree of arrogance and insensitivity.

Here is where the OEO bureaucrats come in. The claim that the poor are otherwise unrepresented and therefore need an agency like OEO to speak for them is clearly self-serving and a disservice to poor people. Paradoxically, the establishment of OEO as advocate for the poor enables the bureaucrats there to screen out the voices of the dissenting poor—those who disapprove of the anti-poverty tactics which have been employed in their name by the establishment at OEO—effectively disenfranchising them. Also, the phenomenon of "goal displacement" can be seen to operate here. Thus, the original purpose of OEO is to concentrate power in the hands of the bureaucrats in order to enable them to abolish poverty. Before long, the original goal is forgotten and the overriding concern becomes the consolidation and maintenance of power for its own sake. The poor themselves become suspicious and resentful when they see some individuals taking high-salaried jobs and, in effect, making a separate peace with the enemy—poverty—and then losing interest in the struggle.

The most recent evidence of goal displacement has been the campaign conducted by the OEO employee unions and the entrenched bureaucracy at OEO to nullify the reforms which have been instituted by Acting Director Howard Phillips in an effort to establish a measure of civilian control over the war on poverty. As my colleague LAMAR BAKER has pointed out, the major impetus for the continued funding of OEO seems to be coming not from the poor, but from the employees who stand to lose money and power if OEO is not refunded.

The burgeoning social programs of recent years have created what my distinguished colleague Mrs. GREEN has aptly called the education-poverty-industrial complex, and those of us who have tried to prevent these programs from becoming immense, uncontrollable, and unaccountable have found that this new complex has a highly developed instinct for self-preservation.

The antipoverty program was an ill-conceived and disastrously executed attempt to apply the thoroughly discredited concept that social problems can be solved by throwing dollars at them. Although it is clear today that OEO should never have been created in the first place, it is, like the no win war in Vietnam, one of those mistakes of the past which we cannot undo. The question before us now is whether we are to be forever shackled to our past mistakes or whether we can profit from the experience. For some time the idea has been abroad in the land that a social program, once established, can never be reexamined, reformed, restructured, or repealed.

If the bill is, in fact, vetoed, we will again have the opportunity to prove that we have learned something during the last 10 years about the limitations of the power of government to remake the world and its people without becoming unduly oppressive. Let us take advantage of this opportunity by proceeding in a rapid but orderly manner with the dismantlement of the Office of Economic Opportunity. Hopefully, upon reconsideration of the Labor-HEW appropriation bill, Congress will appropriate for OEO only such funds as are necessary to effect the phaseout of its operations.

PUBLIC HOUSING CRISIS IN CALIFORNIA

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. WALDIE. Mr. Speaker, housing officials throughout this country are now looking to Congress for leadership in view of the President's impoundment of duly appropriated public housing funds. The following letters are evidence of the need for the swift enactment of "Anti-Impoundment" legislation.

Mr. Speaker, the full text of these letters follows:

LETTER FROM MR. WILLIAM G. SELINE, EXECUTIVE DIRECTOR, SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

DEAR CONGRESSMAN WALDIE: Thank you for your letter of May 8th requesting information on how the freeze is affecting Sacramento, housing and redevelopment-wise.

I'm enclosing a breakdown of our estimation of losses. As you can see we put the dollars roughly at 87 million, plus a man year of work loss of nearly 19,000 man years. As you know, the residual effect of not being able to build thousands of houses and apartments is simply an unknown quantity.

If I can be of further assistance please feel free to write.

Enclosure.

HOUSING MORATORIUM—ESTIMATED EFFECT ON SACRAMENTO ECONOMY

IMMEDIATE EFFECT

D. U. scheduled for Alkali Flats	75
D. U. scheduled for Del Paso Heights	40
D. U. scheduled for Del Paso Heights	40
D. U. at $13,000/Unit=$2,015,000	155
D. U. Public Housing Conventional Turnkey	500
D. U. Public Housing New Leased	240
D. U. at $15,000/Unit=$11,100,000	740
Total D. U.=$13,115,000	895

NEXT YEAR'S EFFECT

City-County Section 235, 236, and Rent Supplement Units.

1400 apts. (based on last year's starts) at $13,000/Unit=$18,200,000.

400 single family homes (based on ½ last year's starts) (at $21,000/home)=$8,400,000.

Grand Total—2695 Units (value of new construction=$39,715,000.

Using a 2.2 projection of the impact of housing dollars on the economy this means an $87,373,000 loss to the Sacramento economy.

It also means 18,865 man years of work lost

(based on 7 man years of work for each unit.)

The cutback in Urban Renewal Funds has also caused Sacramento to lose $1 and ½ million dollars for the 1973–74 fiscal year for its Neighborhood Development Programs. $3 million was requested, while only $1 and ½ million is being funded.

Letter From Mr. Eugene Rizor, Executive Director, Housing Authority of the City of San Diego

Dear Sir: This is in response to your request dated May 8, 1973 for information regarding applications to HUD for housing subsidies. The Housing Authority of the City of San Diego has the following applications pending:

1. An application dated September, 1972 for 1,000 leased housing units under Section 23.

2. An application dated December, 1972 for 500 units of housing for the elderly under the Turnkey development process.

At this time our information from HUD is that our applications are still pending.

If I may be of further assistance please contact me.

Letter From Fergus Cambern, Executive Director of the City of Madera Housing Authority

Dear Mr. Waldie: I am in receipt of your letter of May 8, 1973, concerning your feelings in the matter of the freeze of funds that were allocated by Congress for the further development and operation of public housing. I can not help but share your feelings in this matter. It is particularly frustrating to those of us charged with the responsibility of running the housing authorities.

As I am sure you may know, many housing authorities across the nation are actually bankrupt at this time. Our situation is a little more fortunate in Madera, as you will see by the attached presentation, which I was privileged to give before the Assembly Committee for Housing & Urban Development in Fresno, California on April 27, 1973. The hearing concerned the effect of the moratorium on rural housing programs.

As I am sure you are well aware, many efforts have been made on the part of housing authorities and redevelopment agencies toward the release of these impounded funds. All their efforts have been to no avail. We don't know yet from one day to the next where we stand in this particular situation.

Our program in Madera is not yet half completed. We began the housing program in Madera with a promise to the voters that we would be building four-hundred units of public housing in this rural community. Two hundred of these units were to be in the initial phase of development and two hundred additional units were to be constructed after that. We have built one-hundred-sixty-four units to date. The referendum to approve public housing in Madera (400 units) was held in 1968 and was carried by better than a ⅔ majority. As you know, the State of California requires a referendum of the people before public housing can be built. This, in itself, was quite a burden for the housing program to bear. So frequently, industry would not tell the true facts of the situation. In many cases, the public never had enough information to vote intelligently on public housing referendums. The real estate industry and apartment house owners' associations would fight against us during various referendums and elections. As a consequence it was virtually impossible to win such an election in cities the size of Los Angeles, San Francisco, Sacramento, and Fresno. We simply did not have the funds to tell the voters the entire truth of the matter.

I believe that many of the rules and regulations, which Congress has recently sent to the President for approval or veto, have been more damaging to the general public than helpful to those few people who reside in public housing. For your information, approximately 2½% of the total population reside in public housing, however, over 20% of the total population qualifies for public housing. Therefore, the rules that were adopted in the Brooke Amendment, for example, were quite advantageous to those few families fortunate enough to reside in public housing, but they gave absolutely no help to the other 20% who did not reside in public housing. It is our opinion that rent should be based on the size of the unit rather than the income of the family. The rent should be sufficiently low enough that low-income families can afford it, but high enough for authorities to maintain fiscal solvency. With a flat-rent schedule authorities could also predict more accurately their rental income for a budget year. As it is now the income is based on 25% of the tenant's family's gross family income. As a consequence, there is a tendency to turn down the really low-income families in favor of those who can pay a better rent—so we are defeating the very purpose of public housing.

In any event, the present status of the housing program is critical. I am afraid that we have thrown the baby out with the bathwater and have lost sight of the fact that not all public housing is bad.

I was privileged to hear you speak at the Fresno Rotary Club. Its members, and most of them are solidly Republican, were very favorably impressed by your presentation. Again, we thank you for your interest in this matter and the next time you are in the building where Bernie Sisk has his office, stick you head in and tell him hello for me. I think he is one of the greatest guys in Congress! I wish you much success in your future endeavors.

Letter From Mrs. Rita K. Olken, Assistant Director, Housing Authority of the County of Alameda

Dear Sir: Thank you for your letter of May 8, 1973, concerning your "Anti-Impoundment" bill, H.R. 6284, and its relevance to the needs of our Program. This Housing Authority, like most others, faces the problem of a waiting list of applicants which outnumbers the number of units in our Program by approximately four to one. We have a contract for 650 units of leased housing and a waiting list of 2,880 families. The President's impoundment of funds and the housing moratorium have killed the hope of additional Leasing Program for the near future certainly, and possibly, permanently. In addition, the impoundment of Operating Subsidy funds has put this Housing Authority in the position of having to consider rejecting low-income applicants simply because their income is too low. Without sufficient Operating Subsidy to meet the deficits caused by low rents, we must house more and more "upper" low-income families. I do not object to this economic mix—indeed, I feel it is desirable. I do object however, to the fact that the lowest income families must be excluded until the housing authority's average rent is sufficient to provide the operating income which has been withheld because of HUD's interpretation of the Brooks Amendment and its stringent formulas for the distribution of Operating Subsidy.

This Housing Authority also has under Preliminary Loan Contract, two hundred units of Turnkey Housing for the city of Union City. This Program was "frozen" on January 5, 1973, by President Nixon's moratorium on housing. We are very fortunate however, for unlike most Housing Authorities, this program was reinstated on April 20, provided that we can meet the same deadlines that we had prior to the moratorium. The units must be under contract by June 30, 1973.

I hope this information will be of help to you.

CONSTITUENTS REPLY

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. LATTA. Mr. Speaker, for the benefit of my colleagues in the House and the administration, I want to present the results of my annual questionnaire sent to citizens of the Fifth Congressional District of Ohio which I have the privilege to represent.

Many thousands of my constituents not only took the time to register their views on 14 major issues but also added many thoughtful and informed comments which clearly demonstrate their interest in and knowledge of national problems.

I would like to call particular attention to the overwhelming majority of those who responded—nearly 80 percent—in support of the President's determination to hold the line against excessive Federal spending to avoid a tax increase or further growth of the national debt.

It is also significant, in my judgment, that some 80 percent of those responding expressed support for striking a more reasonable balance between environmental standards and the realities of our energy supply situation, including approval of additional incentives to encourage exploration and production of new domestic sources of oil and gas.

I am pleased that so many of my constituents participated, and I submit for the Record the text of my 1973 questionnaire, together with the percentage results of those who responded:

Questionnaire

(Answers in percent)

1. Do you approve of the President's decision not to spend some $11 billion, appropriated by Congress for this fiscal year, in an effort to head off a tax increase or more Federal debt? Yes, 79.3; no, 20.7.

2. Would you favor Congressional action to freeze all wages and prices even though such action could lead to rationing? Yes, 53.3; no, 46.7.

3. Do you agree with the President's decision to dismantle the Office of Economic Opportunity (Poverty Program) and transfer selected programs to other governmental agencies? Yes, 73.8; no, 26.2.

4. Should the President be given the authority he has requested to negotiate our trade problems on a country-to-country basis? Yes, 54.4; no, 45.6.

5. Do you believe all governmental employees—including teachers, policemen, firemen and mailmen—should have the right to strike? Yes, 31.7; no, 68.3.

6. Should workers be eligible for food stamps and welfare benefits while on strike? Yes, 18.3; no, 81.7.

7. Should newsmen be exempt from revealing news sources when appearing before grand juries or congressional committees? Yes, 46.5; no, 53.5.

8. In view of the growing fuel shortage and the uncertainty of Middle East supplies, should new incentives be offered to encourage greater exploration for oil and gas within the United States? Yes, 79.8; no, 20.2.

a. Do you favor an early start on the Alaska oil pipeline? Yes, 80.7; no, 19.3.

9. Should environmental standards for automobiles be relaxed to conserve fuel? Yes, 58.4; no, 41.6.

10. Should we remove our troops from Europe even though the nations where they

are stationed want them to remain? Yes, 52.5; no, 47.5.

11. Do you agree with the Supreme Court's decision liberalizing abortions? Yes, 45.9; no, 54.1.

12. Should capital punishment be reimposed? Yes, 81.3; no, 18.7.

13. How would you rate your postal service since the change-over to the new Postal Corporation? Good, 24.7; fair, 42.2; poor, 33.1.

14. With the demand for agricultural products increasing, do you believe Congress should reduce subsidies and terminate acreage controls to stimulate more production? Yes, 88.9; no, 11.1.

FATHER DESZO TOROK

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. CARNEY of Ohio. Mr. Speaker, I rise today to pay tribute to one of my distinguished constituents, Father Deszo Torok, diocesan Propagation of the Faith director and pastor of St. Stephen of Hungary parish.

Mr. Speaker, I take pleasure in inserting at this point in the RECORD an article which appeared in the June 22, 1973, issue of the Catholic Exponent:

FATHER TOROK TO MARK 25TH JUBILEE SUNDAY

Father Deszo Torok, diocesan Propagation of the Faith director and pastor of St. Stephen of Hungary, will be honored at a Mass and dinner Sunday to mark the 25th anniversary of his ordination.

Bishop James W. Malone will concelebrate Mass with Father Torok at 4 p.m. Sunday at the parish church, and there will be a dinner at 6:30 p.m. at the Mahoning County Club.

Other concelebrants will include: Msgr. William Hughes, episcopal vicar of education; Msgr. J. Paul O'Connor, chancellor; Missionary of the Sacred Heart Father Frank Timar, Superior; Father John Turk, pastor, St. Stephen Parish, Niles, and Franciscan Father Stephen Horvath, assistant, Holy Family, Poland.

The Epistle will be read by Rev. Kalman Aedorjan, pastor of the Hungarian Reformed Church and Joseph Peyko, a parishioner, Commentator.

At the dinner, speakers will include Bishop Malone. Father Timar will talk in English and Franciscan Father Joseph Kecskes, pastor of Our Lady of Hungary Parish, in Hungarian. Bill Aber, News Director at KDKA-TV, Pittsburgh and formerly with WKBN-TV here, will be toastmaster.

Benediction will be given by Rev. Sandor Farias, pastor of the Hungarian UP Church and the Invocation by Father Turk.

Father Torok was born in Moson, Hungary, Dec. 14, 1922. He attended schools in Budapest and in Eger, Hungary. In 1945, he and his family were forced to leave Hungary and he continued his eduaction at Regensburg, Germany. He was ordained June 29, 1948 and served as an assistant at St. Lawrence Parish. Falkenburg, Germany. While in Germany, Father Torok played soccer, a sport which he still follows avidly.

He also worked for displaced Hungarians coming into West Germany.

In October, 1950, Father Torok came to the U.S. as assistant at St. Stephen here. He also worked with the Voice of America, contributing broadcasts to be aired to the persecuted Christians behind the Iron Curtain. He contributed a weekly article for the Hungarian Sunday from 1955 to 1964 and published a prayer book in Hungarian as well as a book of his travels to Africa, Rome, and the shrines at Lourdes and Fatima.

Father Torok became St. Stephen pastor, June 8, 1964, and in February, 1970 was named spiritual coordinator for the prison programs in Mahoning County. He became Propagation of the Faith Director on June 12, 1970 and last year represented the diocese in Rome at the 150th anniversary of the Propagation of the Faith and at the consecration in Rome of Bishop Edward O'Meara, who heads the POF program in the U.S.

While at St. Stephen, Father Torok supervised the installation of the stained glass windows, dedicated a new shrine to St. Stephen during the parish's 65th anniversary in 1971 and up-dated the sanctuary to conform to the renewed liturgy.

A MOMENT OF REAFFIRMATION

REMARKS

OF

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. BRASCO. Mr. Speaker, the other night, here on Capitol Hill, some 200 Members of the House and Senate came to the Ways and Means Committee hearing room to attend a reception sponsored by the International League for the Repatriation of Russian Jews and myself.

The purpose of that gathering, which drew adherents of all philosophical persuasions, was to reaffirm our commitment to the right of emigration for Russia's three and one-half million Jewish citizens. Highlighting the occasion was the presentation by the league of awards to three Members of Congress, who have led the fight to assure these people of a chance to leave Russia and seek new lives elsewhere.

Senator HENRY JACKSON, Chairman WILBUR MILLS of the House Ways and Means Committee and Congressman CHARLES VANIK of Ohio were our honorees because of their sponsorship of legislation tying trade developments, concessions, and detente to the issue of freedom of emigration.

The Jackson amendment in the Senate (S. 2620) and the Mills-Vanik bill in the House (H.R. 3911) assure continued American dedication to fundamental human rights by withholding most-favored-nation status from any country denying, restricting, or excessively taxing emigration.

Such legislation directly involves the Soviet Union's anti-Jewish emigration policy. Their recent professions of reform have fooled no one here. This function and its honors ceremony again served notice publicly yet politely that Congress has no intention whatsoever of backing down from its previous position. No amount of lobbying will change that. No State Department whispering about oil, anti-Semitism here at home, or economic gains of an ephemeral nature will alter this equation as it stands today. Nor should observers fail to note that these two amendments have not lost any support in spite of intense lobbying against them by a variety of vested interests.

The International League for the Repatriation of Russian Jews, with several thousand members throughout the United States and abroad, has among its founding members and current board of directors several individuals who sponsored the first public rally on behalf of Soviet Jewry in this country. That first gathering was held on November 3, 1963, in Brooklyn, N.Y. This year the league will observe its 10th continuous year of activity on behalf of Soviet Jewry. The three awards to our colleagues were presented by Rabbis Julius Neumann, Marvin Goldman, and Harry Bronstein. Rabbi Dr. Julius Neumann, who presented the award to Senator JACKSON, was keynote speaker at the first rally.

This organization is perhaps the finest example of those devoted, aware and active groups which spontaneously grew to promote this noteworthy cause. It exemplifies the finest elements in America's Jewish community, who, not waiting for any established organizational cue, took it upon themselves to reach out a hand of compassion and activism on behalf of their brethren in Russia. I have known and worked with these people, many of whom are personal friends, for a number of years. Dr. Leon Hankoff, M.D., president of the league, should also be singled out for dedication, activism, and compassionate concern on behalf of these persecuted people. He has been a leading light in this entire effort.

Tirelessly and patiently these people and similar groups have massaged and pummelled the conscience of America and other nations on behalf of the Jews of Russia. When no one would listen and none seemed to care, they asked uncomfortable questions, demonstrated peacefully, and guaranteed that the prisoners of conscience had both a voice and a champion.

Today we know the tide has turned on behalf of the Jews of silence. Brezhnev came to America because Russia is in difficulty internally. Russia's new technocrats demand physical rewards for their labors. Even the humblest Soviet citizen aspires to a better lot in life. That must be translated into more consumer comforts and an upgrading of Russia's standard of living. American aid and technology are vital if such an effort on the part of the Soviet regime is to succeed. Most-favored-nation status is essential if Russia is to obtain material benefit from "detente." Congress has it within its power to grant or refuse the Russians that concession. If the Soviets expect that, then they must open wide their gates and cease tormenting those Jews who have the courage to apply for permission to emigrate.

Let me again emphasize another major theme of our recent gathering and awards ceremony. This is our trade bill. We have the choice of putting into it whatever caveats and provisos we choose. Such actions by the Congress of the United States are not interference in the internal affairs of other nations. If such actions have an internal effect, then the chips must fall where they may.

For we have no intention whatsoever of repeating past mistakes. We know what the Soviet regime does to Jews seeking to emigrate to Israel. They are jailed, fired, ostracized, abused physically and turned into non-persons.

We remember when the last generation of imprisoned Jews cried out in agony. We remember the scenario before the curtain dropped on six million of these helpless people. And we remember the barbed wire of a thousand concentration camps going up around an entire generation doomed to genocide, among them one million children.

Then America had ears, but did not hear, and eyes that would not see. Then we sent shiploads of these people back to the jaws of death in Europe. Our State Department whispered effectively to that administration that we had no business interfering.

Today we are listening to the voices of Levich, Lerner, Khenkin, Libov, Ainbinder, Polsky, Abramovich, Tarrasuk, Panov, Epelman, Rubinstein, Slepak and dozens of others in Russia. Today we see very clearly that when one is deprived of liberty, all men's freedom is lessened.

Our response today can be summed up in the words of two great Americans: Benjamin Franklin, who said, "Where there is freedom, there is my home." and Thomas Paine answering, "Where freedom is not, there is my home."

For what good is any rush to ephemeral "detente" and possible profits if we must continually trip over the prostrate forms of millions of enslaved innocents?

I commend these thoughts to the Soviet leaders and to those in this country who still consider our commitment to freedom a negotiable matter.

CONGRESSMAN DOMINICK V. DANIELS HAILS NEW JERSEY AFL-CIO ENDORSEMENT OF THE BURKE-HARTKE ACT

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. DOMINICK V. DANIELS. Mr. Speaker, as a cosponsor of the Burke-Hartke Act I am pleased to learn that the New Jersey State AFL-CIO at its recent State convention in Atlantic City, N.J., passed a resolution endorsing this legislation.

Mr. Speaker, I ask unanimous consent that this resolution appear at this point in the RECORD.

The resolution follows:

BURKE-HARTKE BILL

Whereas, the American economy continues to flounder by reason of the export of a million job opportunities in the past five years, and

Whereas, enormous amounts of capital and machinery have also been exported to American-owned plants in foreign countries feasting on the tragically low wage scale of these foreign countries, and

Whereas, the American economy has seen the loss of vast portions of our electronic, textile, garment manufacture, leather goods manufacture and automobile production by reason of the advantageous wage standards and tax benefits offered by foreign countries to our American industry, and

Whereas, this situation has resulted in great dislocation of American labor, unemployment, a lower standard of living, a huge inflationary spiral and the eroding of the American standard of living, Now, therefore, be it

Resolved by the New Jersey State AFL-CIO at Convention Assembled this 11th day of June, 1973, that we commend the Assembly for their action in adopting Assembly Resolution No. 39 which memorializes the United States Congress to adopt the Burke-Hartke Bill as the best and perhaps the only effective method of returning our economy to a sound and stable basis.

HUD CANCELS APPLICATION FOR NEW HOUSING

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. WALDIE. Mr. Speaker, in the city of Los Angeles there are only 14,000 units available for low-income families and the elderly compared with an estimated minimum need of 88,500 units—despite this fact, HUD has canceled the housing authority's application for new construction.

I am including the full text of letters from housing authorities in Los Angeles so that other Members of Congress may see the real need for early enactment of "Anti-Impoundment" legislation.

Mr. Speaker, the full text of these letters follows:

MAY 29, 1973.

DEAR CONGRESSMAN WALDIE: Thank you, not only for your inquiry concerning the adverse effect on our housing program of impoundment of funds by the Executive Branch but for your concern for the adverse effects of such action on Public Housing.

The Los Angeles County Housing Authority is responsible for providing housing for low-income people in the unincorporated area of Los Angeles County, and by contract with such smaller cities in the County who wish us to assume such responsibility within their own boundaries. Four such cities have contracted with us and several more were ready to enter into such agreements until the federal "freeze" took place. As time progresses, I believe that most small cities in Los Angeles County, who have no Housing Authority of their own, will ultimately invite us to take care of their housing needs.

At present we have nearly 4,000 units of housing for low-income people divided into two categories—Conventional Projects, constructed about 35 years ago, and the new Section 23 Leasing Program. The "freeze" adversely affected our program in the following respects:

1. CONVENTIONAL PROGRAM

We operate four projects under this program, of which one is being reconstructed and the other three remain in a slum-like condition. HUD's past policy has been to expand projection as rapidly as possible with all available funds rather than set aside a cash-reserve over the years to tear down and rebuilt obsolescence projects. Such projects can only be substantially or completely rebuilt by the use of "modernization" funds. Such funds are no longer available because of the current "freeze."

One of our projects, in Lancaster, was approved for reconstruction in the amount of a $2,400,000 grant by the Area and Regional Offices of HUD, and the application denied in Washington despite the fact that such application had reached Washington a week or two before the "freeze." This project is in desperate need of reconstruction and failing such must be destroyed despite the fact that the need for housing in the area is great and there will be no place for the present tenants to move.

A 740-unit project, Carmelitos Homes, in North Long Beach, is in a similar state of deterioration. About seven million dollars will be needed to "modernize" this facility, but it is possible to do a partial job at this time for less money. No money is available, and the deteriorated state of the project has increased the incidence of crime and vandalism far beyond acceptable limits.

A third project, Harbor Hills, consisting of 350 units, also needs some "modernization" funds but is not in as serious need as the two projects previously mentioned.

2. LEASING PROGRAM

As you know, Conventional Projects can no longer be constructed in California without a referendum. However, even an attempted referendum gains nothing because of the withholding of funds. For this reason we must concentrate on the Section 23 Leasing Program to provide additional housing. We need, in the unincorporated area of Los Angeles County plus the small cities who may ultimately participate in this program, about 25,000 dwelling units for low-income people. We have justified the need, and based on that need are making application at the rate of approximately 2,000 units per year. This year we have been given approval for only 300 units because of lack of funds.

We have along list of applicants to our Leased Housing Program, and even if funds were made available the time delay involved in bringing new units into actual production is serious. Without funds, or with the additional delay in funding, the pressures created by need for such housing are increasing rapidly.

It is estimated that based upon limited (though curtailed) application for new housing units would have pumped approximately ten million dollars into the local economy during the current 18-24 month period. A well-known Economist in the Los Angeles area estimates that such a ten million-dollar infusion of federal funds would probably turn over at least three times for a 30 million-dollar total impact on the local economy.

Thank you again for your concern with this situation. Naturally, all of us in the Public Housing field wish you the utmost success with your "Anti-Impoundment Legislation." If you need any further information or statistics, please do not hesitate to so advise me.

DEAR CONGRESSMAN WALDIE: Pursuant to your communication to me dated May 8, 1973, requesting specific information concerning the effect of the housing moratorium on the current and future plans of our local program, I am pleased to furnish you the following:

MINIMUM HOUSING NEEDS IN THE CITY OF LOS ANGELES

According to the official 1970 census, there are 68,501 families within the City of Los Angeles having incomes below the poverty level ($3743 for a family of four).

Additionally, of the 283,000 citizens in Los Angeles over the age of 65, more than 60,000 qualify for public housing and more than one-third of these 60,000 elderly have incomes of less than $2300 per year.

The Housing Authority of the City of Los Angeles currently has a total of *14,000* housing units, as compared to the above minimum need (for the poorest families and poorest elderly) of *88,500* units.

SPECIFIC EFFECTS OF MORATORIUM

(1) On April 3, 1973, the voters of the City of Los Angeles overwhelmingly approved (82% of the voters) a referendum authorizing the Housing Authority to provide an additional 7500 units of housing for the elderly. Federal funding for this program is held up by the moratorium.

(2) This Authority had applied for 800 units of conventional public housing to replace 800 units of temporary war housing. Although this program was approved by the HUD Area Office and placed on a HUD list prior to the moratorium, it is nonetheless held up.

(3) Under the Authority's modernization program, we have been up-grading our oldest units, most of which were constructed in the early 1940's. Due to the moratorium, the Administration's proposed budget provides no funding for modernization.

(4) Under the Workable Program of the City of Los Angeles, which had been approved by HUD, this Authority would be allocated 3000 units per annum of additional leased housing. The moratorium precludes getting any of these units.

Thank you for your interest in this matter.

SUBMITS BILL TO STOP INCOME TAX RETURN CHECKING FOR STATISTICAL PURPOSES

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. LITTON. Mr. Speaker, on May 9, I called to your attention an Executive order which would open up to the U.S. Department of Agriculture the income tax returns of all American farmers. At that time, I expressed fear that this order might well set a precedent redounding to other Federal agencies seeking access to tax returns of other class groups.

As with Job in Biblical times, my worst fears have now come upon me. Recently, there has come into my possession irrefutable evidence that the Executive order was indeed a prototype or model for future orders sought by other Federal agencies seeking access to the tax returns of groups in other categories. This evidence consists of letters from high-ranking officials in the USDA and the Department of Justice.

Thus, Mr. Speaker, today I have introduced a bill designed to sever the political arm of any and all Federal agencies seeking access to the Federal income tax returns of American citizens, as a class, or as individuals, under the guise of gathering information for statistical purposes.

In view of recent events and evidence that the Internal Revenue Service does not hold inviolable the confidentiality of tax returns, we, as legislators, would be derelict in our duty as representatives of the people of this Nation if we do not make every possible effort to stem the tide of an insidious trend toward totalitarianism and moral decadence stalking Government on the Federal level.

Across this country, serious concern is being voiced over the extent to which the privacy of persons is being invaded by government activities of various kinds, such as computer banks, surveillance by intelligence agents, and listings. We need not belabor, but we certainly must not forget the alleged extreme acts of criminal malfeasance which have emerged concerning income tax audits against political opponents. Such allegations do not inspire trust. On the contrary, they nurture healthy suspicion of the motives of public servants who seemingly proceed on the theory that the possession of their offices is ten-tenths of the law.

Mr. Speaker, I think it is imperative that Members of the Congress unite in an intensive all-out effort to protect the privacy of American citizens. Never before has this right been under more severe challenge. For the first time in the history of this country income tax returns of a class of people—those engaged in farming operations—are proposed to be opened up to a Federal agency, the Department of Agriculture, in blatant disregard of regulations which provide that tax returns are to be used only for tax enforcement purposes.

The birth of the United States was a protest against the oppressive use of governmental power. Tax rebellion provoked a bloody war. Our legacy of the right to privacy was purchased at a precious price. I do not think that we can now stand idly by and forfeit a right which has so long endured.

Mr. Speaker, for the benefit of my colleagues, a brief chronology of events, impelling me to introduce legislation to protect the rights of privacy of individuals engaged in farming operations, follows. I respectfully request that this summary be made a part of the record, along with my request that my colleagues join my crusade, in bipartisan cosponsorship of legislation to prevent a proposed onslaught against the rights of the citizens whom we represent.

On January 17, 1973, Executive Order 11697 was issued. It authorized the Department of Agriculture to inspect farmers' income tax returns, the stated purpose being to obtain data about farm operations for statistical purposes. The scope of the order was very broad and went beyond the mere statistical needs of the Agriculture Department. In my remarks of May, before the Subcommittee on Foreign Operations and Government Information of the House Government Operations Committee, I noted some of the dangers of such a broad tax inspection operation. In fact, the breadth of the order was a surprise to even agriculture officials who had requested a more restrictive order tailored to their particular needs. During public hearings held on March 28, Department officials admitted that the authority given them by the order was broader than necesary but stated that they would be opposed to attempts to rescind it.

At this time, I introduced a bill in the Congress that would limit the scope of tax inspection by the Agriculture Department and rescind the broad mandate of Executive Order 11697. Letters and inquiries directed to USDA officials failed to elicit their support for this legislation. The question must be asked why USDA was willing to embrace the broad authority which had been given them in the Executive order—authority which was subject to abuse and posed a great danger to the American farmer—when legislation specifically tailored to their needs was pending. The answer became clear later.

In the face of mounting opposition to the Executive order, the President issued a revised order on March 27. While the revised order is more restrictive and limits both the scope of information available and access to the information, it still makes farmers' tax returns an open book and the basic issues of privacy and political pressure, alluded to in my prior remarks, remain.

Eventually, the real purpose behind the original Executive order was revealed, though, and, like in so many other instances in this administration, our worst fears have come true.

In responding to inquiries from the House Subcommittee on Foreign Operations and Government Information, the Department of Justice dropped the following bombshell:

> The Original Order was prepared by the Department of the Treasury in language designed to serve as a prototype for future tax return inspection orders.

Another letter addressed to Norm Cornish, Deputy Staff Director of the same subcommittee, signed by Don Paarlberg, Director of Agricultural Economics at USDA, said:

> We understand the first Order was designed as a model to be used by other departments requesting Executive Orders and this was the outgrowth of discussions with the Joint Committee on Internal Revenue and Taxation.

The fears that I expressed in my earlier remarks of a proliferation of Executive orders authorizing a myriad of Government departments to snoop on the tax returns of American citizens are now a reality, for that indeed seems to be the intent of the administration. The invasion of the privacy of American farmers was not to be the exception to a tradition of tax return confidentiality, but the model for a wide scale erosion of the rights of privacy of all Americans.

Trust in Government—which is the basis of a voluntary and honest reporting of income by Americans—has again been undermined.

What is even worse about this situation is that the target of this prototype of big brotherism is the American farmer. The administration chose as its guinea pigs in this experiment a class of American citizens who have been one of the hardest hit by administration budget cuts and fund impoundments, but who has at the same time been responsible for the increased agricultural exports which have aided this country's balance-of-payments posture. To now become the object of a regime of systematic surveillance is fit reward indeed from an administration which has so long ignored its needs and overlooked its accomplishments.

To reiterate, though, the American farmer is not the only victim of this policy. The tax inspection scheme implemented for the USDA was admittedly a model for other departments of Government. The Federal Government potentially touches every citizens life in some way and as this tax inspection policy spreads itself to other Government agencies, every American taxpayer will soon be under the umbrella of tax return surveillance—surveillance prompted not by reasonable belief of wrongdoing but conducted for reasons unrelated to the efficient collection of tax revenues. The opportunity for abuse in such a wholesale inspection procedure is manifest. It must be halted on however limited a scale before it becomes a reality and the American farmer is used as a prototype to usher in an era of ever increasing surveillance of the confidential and personal records of every citizen. It may be appropriate to say in the words of James Madison, the author of the first amendment:

> It is proper to take alarm at the first experiment on our liberties.

PAROCHIAL SCHOOL AID KAYOED BY SUPREME COURT RULING

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. DULSKI. Mr. Speaker, the Supreme Court of the United States has dealt a severe blow to the Nation's parochial schools.

In declaring three State-aid programs unconstitutional—two in New York and one in Pennsylvania—the Court has knocked down the brightest prospect for help which had appeared on the horizon.

To say the least, the decision of the Court is regrettable.

It can only mean the further demise of parochial schools available to families whose resources are limited. It also means a heavier tax burden on all taxpayers, by increasing the load on public schools.

Mr. Speaker, to me the reasoning of the Court seems strained. But the decision stands. I hope that some solution may yet be found for aid to parochial schools.

As part of my remarks, I include two newspaper editorials:

[From Buffalo, N.Y., Evening News, June 26, 1973]

BLOW TO PAROCHIAL AID

By its 6-to-3 decision striking down the New York State law authorizing tax credits for parents of pupils in parochial schools, the U.S. Supreme Court has closed off what has seemed to many observers the most significant remaining assistance option for these schools.

This will be heavily disappointing to advocates of parochial-school aid who had hoped that the state, having tried for three years to find a legally tenable relief for hard-pressed Catholic schools, had at last found a formula in last year's measure that would pass Supreme Court muster.

That hope was strengthened last year when a three-judge Federal Court, while invalidating two other aid devices in the New York law, upheld by 2-to-1 a state income tax credit for tuition payments by middle-income families. In finding this indirect form of aid to religious institutions legally permissible, the court cited precedent in exemptions from local property taxes and income-tax exemptions for church contributions.

While acknowledging these precedents, Justice Lewis F. Powell, writing for the high court majority, holds nevertheless that special tax benefits for religious-school parents "cannot be squared with the principle of neutrality established by the decision of this court." Since the lower court already had invalidated the state's tuition reimbursement payments to low-income families and grants for the maintenance and repair of predominantly inner-city parochial schools, the Supreme Court's similar judgment on constitutional grounds hardly comes as any major surprise.

Efforts by the Nixon administration and Congress to provide federal tax credits for private-school tuition having been stalled pending a final court ruling on the issue, it was certainly in the national interest to have it resolved as promptly as possible. But with the lifting of that suspense, it remains unclear where the court's first explicit pronouncement outlawing the remedy proposed last year by a presidential panel now leaves the long search for an aid plan.

The financial plight of the parochial schools continues to merit sympathy, however. And notwithstanding this latest ruling, we must certainly hope that effective ways may yet be found to minimize that plight, which could have grave fiscal consequences for public school districts faced with any sudden, large-scale private school abandonments. One crisis-cushioning approach appearing to need to particular state attention is legal clarification of the right of school boards to devise dual enrollment plans permitting attendance by non-public pupils in certain public school programs.

[From Buffalo, N.Y., Courier-Express, June 27, 1973]

COURT DEALS BLOW TO CHURCH SCHOOLS

There can be no doubt that the Supreme Court of the United States has dealt a severe blow to the nation's parochial schools in declaring three state-aid programs—two in New York and one in Pennsylvania—to violate the constitutional ban on laws respecting an establishment of religion.

The decision probably will mean an added burden for every taxpayer in the state for it seems obvious that although parochial schools will not be eliminated, they will be curtailed and many pupils whose parents cannot afford higher tuition will be forced to transfer to public schools. More public-school pupils, of course, means higher public school costs—which we all have to pay.

Most severely affected will be those parents who sincerely desire to send their children to church-oriented schools but will be unable to pay the higher tuitions that the schools will have to charge.

Justice Lewis F. Powell Jr., who wrote the majority opinion, offered sympathy for such parents but no relief.

Undoubtedly there will be further effort in the New York State Legislature and in other states to find some legal way to support parochial schools but, short of a constitutional amendment, the chances do not look good.

Justice Powell, in his opinion in the Pennsylvania case, indicated that any program of public support for church schools would be struck down. "The state has singled out a class of its citizens for special economic benefit," he said. "Whether that benefit be viewed as a simple tuition subsidy, as an incentive to parents to send their children to sectarian schools or a reward for having done so, at bottom its intended consequence is to preserve and support religion-oriented institutions."

As long as the court feels that such intent contravenes the Constitution, it is difficult to see how any program can be approved. The full financial burden for the parochial schools, therefore, must fall back on the parents, the parishes and the diocese—and to their supporters who see a value in a dual system of education and will contribute individually to its maintenance.

ST. MARY'S CHURCH, YOUNGSTOWN, OHIO, HOST TO ARCA

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. CARNEY of Ohio. Mr. Speaker, the Association of the Romanian Catholics of America recently celebrated their 25th anniversary. Along with my congratulations, I am pleased to insert at this point in the RECORD, an article which appeared in the June 22, 1973, issue of the Catholic Exponent:

ST. MARY TO HOST 25TH ARCA MEETING

Romanian (Byz. Rite) clergy and laymen from eight U.S. dioceses will be in Youngstown today through Sunday to mark the silver anniversary of the Association of the Romanian Catholics of America. The organization was founded here 25 years ago at St. Mary Church.

A highlight of the weekend will be the presence of the rite's first apostolic visitor, Msgr. Octavian Barlea, named by the Pope after repeated petitions by U.S. Romanian Catholics for their own hierarchy. The bishops who served the Romanian rite were suppressed by the communists after World War II. Many Romanian Catholics then migrated to the U.S. where they have 17 parishes, including St. Mary, Youngstown; St. George, Canton, and St. Theodore, Alliance. Bishop James W. Malone will welcome the delegates at a 1 p.m. dinner Sunday at the Knights of Columbus, Father Gallagher clubrooms, 535 Marmion Ave. Principal speaker will be Cornel Petrssevich, of Pittsburgh, former prisoner of the Red regime which suppressed the Church in Romania. St. Mary Church, 22 S. Prospect St. is hosting the meet. Other weekend events:

Today: Priests meet to discuss religious publications, aged, youth, coordination of church activities and other religious matters.

Tomorrow: General meeting of priests and laymen, beginning with a concelebrated liturgy at 8 a.m. in St. Mary Church and continuing at 10:30 a.m. at the KC hall. In the afternoon there will be an outing for the ARCA youth division at the home of Mr. and Mrs. Cernica, Boardman. In the evening a cotillion and debutante's ball will be held at the Youngstown Symphony Center.

Sunday: 10 a.m. Msgr. Barlea will preach at the Divine Liturgy at St. Mary. Included will be a memorial service or "Parastas" for deceased members, as well as the many clergy and laity who gave their lives in witness to the faith in Romania.

The host pastor, Father John Pavel of St. Mary, himself was imprisoned from 1948 to 1956 by the Reds in Romania.

New ARCA officers will be elected. Father John Filip, former pastor at St. Theodore, Alliance, and now pastor at St. Mary, Roebling, N.J., is the present ARCA president.

MODELS FOR DAY CARE LICENSING

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. REID. Mr. Speaker, the Office of Child Development of the Department of Health, Education, and Welfare has recently issued a document entitled, "Models for Day Care Licensing"—a model for the States to consider when establishing licensing codes for day care facilities.

Since this administration took office we have all witnessed an increasingly callous attitude toward the needs of our children—an interest in cutting costs at the expense of quality services. I would remind my colleagues in particular of the veto of our child development bill, of administration proposals under H.R. 1 to provide low cost, custodial care, and of the most recent efforts on the part of the White House, through the social services regulations, to eliminate funds for child care and reduce the quality of what care would remain.

With these facts in mind, I bring to my colleagues' attention a commentary on the "Models for Day Care Licensing" written by the Child Welfare League of America, a privately supported organization representing over 350 child welfare agencies, which has for over 50 years devoted its efforts to the improvement of care and services for children.

It is incumbent on the Federal Government when providing a model for States to follow, to provide a blueprint for comprehensive, high quality care, not to show States how to get the most for their dollars by providing low cost, custodial care. This is what these models propose.

The material follows:

COMMENTS ON "MODELS FOR DAY CARE LICENSING," A PUBLICATION OF THE OFFICE OF CHILD DEVELOPMENT (OCD) RESULTING FROM A NATIONAL DAY CARE LICENSING PROJECT

BACKGROUND OF THE PROJECT

According to a newsletter published by OCD's contractor in charge of the project, ". . . the project anticipated an official request by . . . Wilbur Mills." The newsletter, under the headline "Rep. Wilbur Mills' Official Request," contains this quotation from the House Report on H.R. 16311, the Family Assistance Act of 1970 (the "welfare reform bill"): "unreasonable Federal, State and local standards and licensing requirements have interfered with the provision of essential child care services, and may prove a barrier to the development and provision of the services essential to the success of the family assistance plan."

Summary: The project was begun to find a way around "unreasonable" standards.

CONDUCT OF THE PROJECT

The contractor for the project held a series of meetings, during which several versions of "model codes" were developed. At each stage in the project, government employees and employees of the contractor participated in the drafting of materials. At least some outside experts selected by OCD—including the person in charge of the model statute itself—did not participate in the final rewriting of the materials. Several of the individuals and organizations that participated in the project disavow the final product. The comment of the person in charge of the task force that developed the first draft of the model state day care licensing act says: "I have restudied it, and feel I do not agree with all the changes made, I find it a completely unacceptable document."

Summary: The project was controlled by OCD and the final product is generally the result of OCD and other Federal editing and decision-making.

RESULT OF THE PROJECT

The final product of the project, "Models for Day Care Licensing," has been distributed selectively. The document contains 101 pages, only eleven pages of which is actually in statute form. The statute, as originally conceived, would have been a useful model for the the States to consider; unfortunately, the Child Welfare League of America and others, including the statute's original author, consider it "a completely unacceptable document." The remainder of the long document is a compilation of material, some of which is useful but most of which has been edited so as to result in "reasonable" (that is, "inexpensive") standards. Portions of the document are adapted from or taken directly from earlier, rejected draft revisions of the Federal Day Care Requirements that the Congress, professionals, and the public have criticized. The document has no force of law but may be interpreted by the States and others as an indication of official OCD policy. Should the document be adopted, especially in those areas of policy that have to do with child-staff ratios, comprehensiveness of service, parental involvement, and facilities which require licensing, the result would be two-fold: 1) program quality would be significantly lowered; 2) the cost of day care services would be reduced.

Summary: The document, if used to set standards at the State and local level, will fulfill the purposes for which it was produced. "Unreasonable" standards—that is, good quality day care—will no longer be required to be provided. Cheap, custodial programs can be provided, within the law.

DETAILS OF THE DOCUMENT

There are four major areas of concern in the OCD document. Listed not necessarily in the order of their importance, they are: 1) most family day care homes will not have to be licensed, and are exempted by definition from regulations; 2) child-staff ratios are increased; 3) requirements to provide or arrange for the provision of comprehensive services are omitted; 4) the role of parents within day care programs is severely limited. The following comparisons are between the language of the 1968 Federal Interagency Day Care Requirements, currently in effect and binding on most Federal programs, and the OCD "models."

1. FAMILY DAY CARE HOMES

Under the 1968 *Requirements*, family day care homes (and group day care homes caring for up to 12 children) must meet specific requirements, regardless of the number of families or children in care. The majority of family day care—two-thirds—according to *Windows on Day Care* is in homes where there are less than six children. The estimate is that 2 million children may be receiving care in homes other than their own while their mothers are away from work. Thus, about 1,332,000 children are currently in homes where they are subject to licensing. The usual pattern of family day care is for one mother to care for the children of one other mother.

In the OCD document, family day care home has been redefined so that most family day care and even some group day care homes will not even have to be licensed. Only when children from two *separate* families are in care does a family day care home or group day care home have to be licensed, and meet any requirements. In effect this means that a mother could care for her own children (three, six, or eight—numbers make no difference under the OCD language) and the children from one other family (again, it could be three, six or eight additional children) and her "business" would not even be considered a day care home. By definition, OCD is suggesting that the majority of day care services that are provided in the United States be exempted from licensing, and thus from regulation as to child-staff ratios or the like.

2. CHILD-STAFF RATIOS

Under the 1968 *Requirements*, care of children under three in centers was not encouraged and no specific child-staff ratio for these children was stipulated. The intent of Congress as regards very young children was made clear, most recently during debate in the Senate last year prior to passage of S. 3617, the child development bill. At that time, bipartisan support developed for writing the 1968 *Requirements* into law as a quality floor, and an amendment was added setting the child-staff ratio for care of children under age two at 2 babies to one adult.

The OCD document lists ratios (there is a separate question as to the feasibility of enforcing the ratios that should be discussed) in a different manner, so the comparison below compares the ratios for each age, rather than groupings.

CHILD-STAFF RATIOS

Age of child	1968 requirements, plus S. 3617 action	OCD's "models for day-care licensing"
Under age 1	(1).	(2).
Aged:		
1 to 2	2:1.	4:1.
3 to 4	5:1.	10:1.
4 to 5	7:1.	10:1.
5 to 6	7:1.	12:1.
6 to 7	10:1.	12:1.
7 to 8	10:1.	16:1.
8 to 12	10:1.	16:1.
12 to 14	10:1.	20:1.

[1] 2 infants, 1 adult.
[2] 4 infants, 1 adult.

In general, the OCD document would tend to double the number of children per caregiver at most ages. In addition, the OCD document allows for staffing of a center so that one-half the staff required would be allowed at times, so long as the time was "made up" during some other time of the day. This means, for instance, that there could be as many as 8 infants to every adult at times and as many as 24 five-year-old children in the care of one adult.

3. COMPREHENSIVENESS OF SERVICES

The 1968 *Requirements* stipulate that educational services, social services, and health and nutrition services be provided. For example: "Arrangements must be made for medical and dental care and other health related treatment for each children, using existing community resources. In the absence of other financial resources, the operating or administering agency must provide, whenever authorized by law, such treatment with its own funds. (The day care agency, in those instances where Federal funds are legally available to be expended for health services, has the ultimate responsibility of ensuring that no child is denied health services because his parents are unable to carry out an adequate health plan."

The OCD document requires much less, and in most cases *referral* to services substitutes for *provision* of services. For example, as regards health, the OCD document says: "When a child is not receiving health care (i.e. when a parent is unable to present evidence of the child's general health), the day care operator, the sponsoring agency, or the health consultant offers assistance to the parents by providing information about and referral to a source of health care for the child."

4. ROLE OF PARENTS

The 1968 *Requirements* stipulate that any operating or administering agency providing care for 40 or more children must have a policy advisory committee with specified functions, seven of which are listed. This means that most day care parents have a right to be involved in specific ways, regardless of the number of children in a specific center, and whether an operator has one center or 20 centers.

The OCD document provides a very limited role for parents, when an advisory council is required at all. For instance, the advisory council is at the individual day care facility level, where parents are subject to intimidation by operators much more easily than at the operating or administering level. Second, unless a day care facility serves more than 15 children, no advisory council is required at all—thus eliminating automatically, all parents of children in family day care homes or group day care homes from those who have a right to be involved in programs serving their children. Third, the parents have the right to decide on the total membership and structure of the policy advisory council only "where the day care operator has more than one facility." This means that if an operator has a large facility serving 100 or 200 children and it is the operator's only facility, the operator, not the parents, makes the decisions about membership and structure. Finally, rather than the parents having a voice at the administering agency level to begin with—as with the current *Requirements*—if there is a difference of opinion between operators and parents, the administering agency has sole discretion and responsibility to resolve the differences.

There are many other problems with the OCD document, many of which relate to the sheer weight of words in the document. The 1968 *Requirements*, if one counts prefatory material, are 23 pages in length and very specific in terms of the services children are to receive. The OCR document has more than four times as many pages—101—and requires a great deal of interpretation because of the vagueness of language and built-in inconsistencies and contradictions. At the least the OCD document could have been consistent and readable.

It may well be that there is a need for a model statute for day care licensing. Many States are in the process of revising their statutes and could utilize a good document. This OCD publication does not meet that purpose. If States attempt to model their statutes on this material, the result will be a statute that endangers children and is bad law.

PUBLIC HOUSING CRISIS IN CALIFORNIA

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. WALDIE. Mr. Speaker, I have received these additional responses from directors of housing authorities in California which further describe the hardships that are being forced upon authorities due to the President's impoundment of public housing funds.

I am including the full text of these letters so that other Members of Congress may see the real need for early enactment of anti-impoundment legislation.

Mr. Speaker, the full text of these letters follows:

Letter from Mr. Donald E. Oliver, Executive Director, of the Area Housing Authority of the County of Ventura:

DEAR CONGRESSMAN WALDIE: In response to your letter, dated May 8, 1973, concerning the status of the Santa Paula Housing Authority program, I am also the administrator for the new Ventura County Area Housing Authority that was formed last year by the County of Ventura, the Cities of Simi Valley, Thousand Oaks, Oaji and Fillmore, therefore, the following information is submitted for your information.

At the present time there is a program of 150 units of Leased Housing, under Section 23 for this new authority. Another 400 units was applied for and recently cancelled. There are approximately 350 applicants on the waiting list, with several hundred more eligible to apply.

The demand for decent, safe and sanitary dwellings for families and the "elderly" is great and without federal funding and concern for this housing, we all know nothing will be done.

Thank you for your concern and interest and I wish you success in your "Anti-Impoundment" legislation.

Please let me know if I can be of further service.

Letter from Mr. Albert A. Harkins, Executive Director, Housing Authority of the County of San Bernardino:

DEAR SIR: Thank you for your letter of May 8, 1973 expressing your concern for the future of Federal Housing Programs.

Our Authority has for many years taken pride in sound management and maintenance programs. The current levels and methods of funding prohibits us from continuing to operate the quality of program which does justice to the Public Housing Program and the low-income families which we serve.

The total operating subsidy required in our original budget submittal for our Conventional program for fiscal year ending September 30, 1973 was reduced from $453,984 to $139,724 as a result of current funding levels.

Additionally, we currently have an executed Annual Contributions Contract with the Department of Housing and Urban Development for 197 additional units of Section 23 leased housing which, at this time, cannot be made operational because of financial feasibility requirements established by the Department of Housing and Urban Development.

We are concerned about the future of Federal Housing Programs and our present inability to provide decent homes for the 1200 families who make up our waiting lists.

Your concern for and assistance in resolving the financial problems of Local Housing Authorities is appreciated.

Letter from Richard D. Marquardt, Executive Director, Housing Authority of the City of Alameda:

DEAR CONGRESSMAN WALDIE: This has reference to your letter of May 8, 1973, requesting information as to how the Administration's withholding of funds has affected the current and future plans of our local programs. The withholding of funds and the housing moratorium has affected this Authority as follows:

Our Section 23 Leased Housing Program (257 units) was forced to operate through all of fiscal 73 without an approved budget, with a reduced number of units (average 263), with reduced staff and with reduced tenant services. The local San Francisco Area of HUD adopted the tactic of attempting to cover up the shortage of funds by being overly critical of our budget submission as "inefficient and costly" whereas it was a very reasonable and realistic budget. As we refused to be entrapped by such diversionary tactics the budget review developed into a "war" and we are just completing fiscal 73 without budget approval.

In the spring of 1971 this Authority prepared a program application for an additional two hundred and fifty (250) units of leased housing with one hundred (100) of the two hundred and fifty specified for development as Elderly or Senior Citizen housing. During 1972 we developed tremendous support from the Mayor and council and various civic groups for the development of a complex specially designed for elderly occupancy on City owned land at the corner of Otis and Park Streets in the City of Alameda. The City Planning Commission held that such development constituted the best use for the property and by official action the City Council asked this Authority to develop a very badly needed Senior Citizen housing complex. Promises followed by delays and excuses were all we were able to obtain from the same San Francisco Area Office of HUD and now with the moratorium in early 1973 our application for program has been returned to us unapproved almost two years following its submittal. For your information we are attempting to develop the aforementioned Otis and Park Streets site with Authority funds and private bank financing but as you well know, or can imagine, it is almost impossible to keep rents at the low level so necessary to be compatible with the normal low fixed income of the elderly tenant.

Should you have need for more specific information or if you have further questions please call on us. Meanwhile accept our thanks for your interest in housing matters so vital to the nation and our very best wishes for success.

Letter from Mr. Harold Davis, Executive Director, Housing Authority of the City of Oakland:

DEAR REPRESENTATIVE WALDIE: This correspondence is written in response to your letter of May 8, 1973, in which you inquired regarding the effect on the Oakland Housing Authority of the withholding of housing funds by the National Administration.

We viewed the action from three perspectives, new construction, operating subsidy, and modernization financing.

With regard to new construction the Oakland Housing Authority will not be immediately affected in that no new construction was anticipated before fiscal year 1975. However, we had hoped to begin planning in fiscal year 1974 for the construction of 800 housing units, the construction of which was anticipated for fiscal year 1975 as indicated above. Because of the moratorium we will be unable to initiate the planning process, which will of course, ultimately delay actual construction.

The lack of sufficient funds with which to finance the modernization of old projects is of great concern to us locally. Aside from the basic and human need to modernize older housing projects, there is an added expense caused by our inability to provide needed maintenance, thus, accelerating the need for project modernization. Additionally, costs continue to mount in those projects which are deteriorating AND, if and when modernization is possible, the cost will be greater than would be the case if modernization was possible NOW.

Finally, the situation involving the lack of sufficient operating subsidy with which to finance the cost of public housing is of particular concern. Among other things, insufficient operating subsidies contribute to the:

1. Absence of adequate maintenance services.
2. Limited tenant services.
3. Absence of protective services.
4. Absence of needed innovative management.
5. Short supply of housing.

This insufficiency is especially critical to the viability of our Leased Housing Program. Lack of adequate operating subsidy has contributed to OHA's difficulty in leasing standard units by severely restricting the amount of rent which the Authority can offer owners. This has proved especially confining within the last year as a result of both property tax increases and the substantial rent escalation that developed subsequent to the termination of the Phase II price controls. If we are to maintain workable leased housing programs, it will be necessary that the local housing authority is provided with sufficient subsidy by the Federal Government.

Thank you for the opportunity to respond in this matter.

Letter from Mr. Richard Mires, Jr., Executive Director, Housing Authority of the County of Santa Barbara:

DEAR CONGRESSMAN WALDIE: Thank you for your inquiry and interest in the low-rent public housing program.

As an Executive Director for five years, an active member in NAHRO Chapter and Region, and current President of the Housing

Authorities Executive Directors Association of Southern California, I am acutely aware of the critical situation concerning the future of this important program.

Our authority has been greatly affected by the moratorium and current "no progress" status of HUD funded programs.

I will list our current status of unfunded projects:

Lompoc—Referendum for 68 elderly housing units passed by voters in April 1972. Application submitted—not funded.

Guadalupe—Referendum for 50 elderly and family units passed by voters in April 1972. Application submitted—not funded.

County wide—Applications for Section 23 Leased Housing during the past 4½ years have resulted in allocation of 90 units in May of 1972. Current pending application of 232 units has been considered for 9 months and still unfunded.

We have received subsidies and budget approval for 1973 fiscal year subsidies as quickly as anyone else. We do, however, have a difficult time obtaining actual monthly payments from Washington. It is frustrating to constantly worry about the possibility of not having sufficient funds to pay rent to landlords in Section 23 Leased Housing.

As a nominee to the Executive Board, NAHRO, Pacific Southwest Regional Council, I shall strive to protect the role of housing authorities in the low-rent housing program. Poor management has been blamed as the "cause" of the failure of public housing programs. Poor management isn't the "cause". It is my opinion that "do good" attitudes of senators and congresmen in lowering rents to 25% of incomes and not providing for adequate funding of these reductions has resulted in the blaming of housing authorities for reduced revenues and inadequate and irresponsible management.

In 1967, our first submittal of Section 23 budgets showed that $60.00 rental income per unit month was needed for financial feasibility. As a result of Brooke and Sparkman enactments, our rental income per unit month dropped to $38.00! Through careful management and diligent work by the staff in tenant selection criteria and verifications, this has risen to $43.00 per month and we continue to house all levels of family incomes including the lowest. If we could obtain another $15.00 per unit, we would again be financially feasible. Where can private enterprise even come close to offering rents at $58.00 per unit? (This represents an average from 0 through 5 bedroom rents paid by low-income families for housing in Section 23 Leased Housing throughout Santa Barbara County.) Instead the federal government is "technically" obligated to pay additional operating subsidy of $154,000.00 for our 890 unit program. I say "technically" because we have been told to raise our revenues or cut expenses as an alternative to the payment of subsidies!!!

May I suggest some ideas for study.

1. Return to a minimum rent that establishes financial feasibility in each area. Housing available at less than 50% of current market rents can certainly be considered helpful to low-income families. This in turn allows those monies allocated to operating subsidies to be used for new programs. Under the current situation, a few low-income families are being entirely subsidized and the majority not assisted because of lack of production. As a taxpayer, I feel that I am tired of subsidizing a few and seeing others receive nothing.

2. If the current method of rental calculation is to be continued—then a complete revision of the funding process that would include provisions for one subsidy to cover all the financial needs.

I have gained valuable knowledge in my 6 years of dedication to public housing (5 as an Executive Director). During this time, I have seen a deterioration in the relationship between HUD and LHAs and a rising bitter attitude by many dedicated Directors and Commissioners toward those who are jeopardizing public housing.

You are welcome to visit Santa Barbara County and determine yourself what degree of success in providing public housing since 1942 has been achieved. Possibly this could assist in your remarkable attempt to save public housing!

What lies certain in the future? Not the immediate promise of additional programs or unraveling of current entanglements in existing programs. If I can be of further assistance, please call on me. Your interest is certainly appreciated and I look forward to hearing from you.

Letter from Mr. Robert Foreman, Executive Director, Housing Authority of the City of Santa Barbara:

DEAR CONGRESSMAN WALDIE: Thank you for your letter of May 8, 1973 information for your much needed "Anti-Impoundment" legislation. In these days of "Housing gloom", it is most encouraging to see someone in your position taking positive action. Be assured, we will be pleased at any time to provide you with any input we can to help you fight this uphill battle.

This Authority, since 1970, has had applications in the HUD Area Office in Los Angeles for 600 units of Turnkey-Conventional Bid Public Housing and 600 units of Section 23 Leased Public Housing. To date, for a variety of given reasons: fund impoundment, processing limitations, congressional appropriations, etc., we have been successful in obtaining only 250 units of Turnkey-Conventional bid housing and 330 units of Section 23 Leased Housing.

As you know, the immediate prospects for funding the balance of our application requests: 350 Turnkey-Conventional and 270 Section 23 Lease units are quite dim. This whole situation becomes even more discouraging when a local Authority tries to explain to the electorate why the 600-unit Turnkey-Conventional Public Housing Project, which they approved by an overwhelming majority vote in November of 1968, has not yet been constructed.

For whatever worth it may serve, local Public Agencies like ours have been facing an impossible task of producing housing for low-income people since 1968, what with the present administration's attitude on these programs and the manifestation of the attitude to the delivery Agency. HUD's incompetence and insecure attitude has created an impossible situation in that no one wishes to make any decisions or put any commitments in writing. As a result, LHAs and other Housing Agencies are wallowing in a limbo state.

May we again thank you for your interest and reiterate our desire to assist if we can.

THE SHEEPSKIN HAS BECOME FOR OUR GENERATION A GOLDEN FLEECE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. ASPIN. Mr. Speaker, in the past few weeks we have all heard or read commencement speeches delivered by government officials, university presidents, and businessmen. But at Wabash College, Ind., a thoroughly thought-provoking address was recently given by a graduating senior from Racine, Wis., James A. Thomas Jr.

Mr. Thomas, the son of Mr. and Mrs. James A. Thomas Sr. of Racine, graduated first in his class of 150 at Wabash, and also received the John Maurice Butler prize for scholarship and character. In the fall he begins study for a doctorate in theoretical chemistry at the University of Wisconsin-Madison, as a fellow of the Wisconsin Alumni Research Foundation.

I am sure my colleagues, as well as anyone concerned about undergraduate education today, will be interested in Mr. Thomas' evaluation of his past 4 years:

THE SHEEPSKIN HAS BECOME FOR OUR GENERATION A GOLDEN FLEECE

(By James A. Thomas Jr.)

I began this speech a number of times. Each time I was amazed at the number of words I was using to say almost nothing. This speech makes an effort to get right at the things I wanted to say in those unsuccessful attempts. I have tried to strip away all of the ornamentation. What follow are reflections on higher education in general, and Wabash College in particular. The speech is direct. It is opinionated. It may offend some. It should disturb every member of the faculty, administration, and graduating class. Some of the realizations I arrived at bother me a great deal.

The danger with this type of speech is that it may appear that I am ungrateful for what Wabash has given me over the past four years. Nothing could be more untrue. This has been one of the most productive and rewarding periods of my life. I have made friendships here that I will never forget, I have encountered faculty members whose ability and dedication I may never again experience. I have had opportunities opened to me for which I will always be thankful. No, I am not ungrateful. I am concerned. There are aspects of college education that I have found extremely disappointing. There are aspects of the Wabash experience that have become disturbing. These are things that I cannot ignore.

Four years ago Wabash was a college in transition. Some of the old traditions were being abandoned, and new ones were being sought. There was an attitude of using past accomplishments as foundation for new achievements. There was an optimism about the future and a vitality of purpose that engulfed us all. That no longer is true. We are still a college in transition, but the emphasis now is on recapturing the glories of the past, not facing the challenges of the future. Sometime during the past four years fear overtook optimism, fear that we were giving up too much of our cherished heritage for an uncertain future. Rather than allowing new traditions to evolve, traditions meaningful to us, we found ourselves clinging desperately to old traditions, the meanings of which have (many of them) been long forgotten.

Wabash needs to find its purpose in the present, for only by doing that can it ever regain the confidence it once had in its viability for the future. It must learn again how to be itself. What we have here and now must become our major source of pride, not something that was last year, or five years ago, or thirty-five years ago.

It is said that one of the oldest traditions of liberal arts colleges, one of the traditions most worthy of preserving, is one that is being slowly abandoned by Wabash College. That is a concern for and dedication to the life of the mind. Somehow, in all our fuss over tradition, that one has received little more than lip service. The college guides refer to Wabash as being "scholarly but not intellectual." In recent years "businesslike" would be a more accurate description.

As students we have spent four years at college for one major reason, to obtain degrees, because degrees will get us into grad school, or med school, or law school, or dental school, or into a job at which we can expect to earn X number of dollars more in a lifetime than if we had only a high school diploma. The sheepskin has become for our generation a golden fleece. It has become something worthy of pursuit in itself. What we might learn along the way is incidental. It is that degree that is of primary importance. This is not only true at Wabash College, all of college education is infested with it. One would think, though, that if concern for the life of the mind has any chance of survival, it will be at small, liberal arts colleges. I would like to think that Wabash College will re-dedicate itself to a concern for the life of the mind, to education rather than training, to true learning rather than the unquestioning acceptance of spoonfed knowledge. And I would like to think that Wabash students will once again share in that concern.

Dedication to real learning, to true education . . . its scarcity has been one of the greatest disappointments of my college experience. I came to college expecting to be given a large portion of the responsibility for my own education. In fact, the responsibility I was given was to learn the material presented to me, and to be able to reproduce it on demand. No, the faculty of Wabash College is not yet prepared to grant students meaningful responsibility for their own education, and for the most part, I would have to admit that students today would not accept that responsibility if it were granted.

Again, the problem does not exist at Wabash alone. Ken Macrorie, an English professor at Western Michigan has written an extremely revealing book on higher education in this country. It is entitled "Uptaught," and in it one finds this view of education:

"I began to see how school is really taught in America, from kindergarten through graduate school.

"In the First Way the teacher hands out a package of information and tests to see whether students can remember its content. The package contains no gifts, and the teacher expects none in return.

"In the Second Way, the teacher provides complete freedom and no direction at all. That way is apt to produce a few splendid, inventive sand castles that are eventually abandoned on a beach strewn with empty beer cans.

"In the Third Way, which I stumbled onto, students operate with freedom and discipline. They are given real choices and encouraged to learn the way of experts."

I would have to admit that at Wabash the overwhelming majority of faculty members are locked into, or have locked themselves into the First Way. Unfortunately, there is little room for true learning in this method of teaching.

What exactly do I mean by true learning? Merely the free pursuit of truth by both teacher and student. Nothing more. Again I quote from "Uptaught:"

"The free pursuit of truth—The university is dedicated to it and organized to prevent it. How could a student feel he's freely pursuing truth sitting in a room listening to a man lecture every day? While he's taking a multiple-choice test to see whether he remembers the textbook or the lecture? While he's writing essay answers to questions he didn't think up himself?"

Mr. Macrorie places the responsibility for the scarcity of true learning in undergraduate education entirely upon faculty, when only a part of that responsibility lies there. Students are receiving the type of formal education that will get them into grad-med-dental-law school when they have completed it. It has been disappointing to me that we as students desire little more from four years at Wabash. We play the game that is higher education in America, and we rationalize it by thinking that once we have finished with the game we will find ourselves in a position to change things . . . whom are we kidding?

Ah . . . but students, take heart, for we are not the only ones who play the education game. There is another version called the tenure game. I was at one time convinced that I wanted to teach college level some day. Then I began to doubt seriously whether after eight years of playing the student game I would have the stamina to play the tenure game for another six.

In closing, I would be remiss if I failed to direct some remarks to my fellow members of the graduating class. Well . . . we blew it . . . the best opportunity of our lives to really grow up, and while we were shooting skyrockets and throwing things at one another's living units, while we were being as obnoxious as possible at basketball games, while we were making sure that pledges did the same sort of things that we did when we were pledges because it made real men out of us, while we were engaged in similarly important activities, four years slipped by. Oh . . . we had a good time all right, but while we went away to college, many of our friends, who did not, became much older than we. We have some real growing up left to do. Some of us are four years behind our non-college peers in that regard. It is now our turn to accept the responsibilities of young adulthood, to take our places in society. It is time for us to come of age.

And so it is time for Wabash College to come of age, to more nearly approach the realization of its potential, it is time to face the future with the optimism of four years ago, to regain the confidence and vitality we once enjoyed. It is time that we began to take more pride in the Wabash of today than that of yesterday. And it is time that we once again became genuinely concerned with the education, not the training, with the education of Wabash men. What this country desperately needs is not more people with degrees, but rather, more people with educations. There is a very crucial difference.

THE COURTS CONTINUE TO RULE AGAINST ADMINISTRATION IMPOUNDMENT OF FUNDS—11 COURT CASES HOLD AGAINST IMPOUNDMENTS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. EVINS of Tennessee. Mr. Speaker, yesterday three more Federal judges ruled against the excessive and arbitrary impoundment of congressionally appropriated funds. Eleven cases have now upheld the authority of the Congress to decide how the Federal Government should spend its money—and declaring such impoundments illegal.

In a recent case, a Federal judge in Newark, N.J., ordered that a total of $239 million for the neighborhood youth program be released. Prior to the court's decision, the administration had refused to allocate these needed funds, although the unemployment rate for young people now stands at an alarming 15.4 percent.

In addition, a judge in the U.S. district court here ordered that more than $380 million, impounded for various education programs, not revert to the Treasury at the end of the current fiscal year—July 30. This action clears the way for the courts to review this impoundment of funds on the merits of the case—and if the decision is rendered that the funds have been frozen illegally the money will still be available for allocation to the Nation's school agencies although the fiscal year has already ended.

Another U.S. district judge in Washington ordered the Department of Health, Education, and Welfare to process requests and applications for community mental health centers.

To date, Federal courts have ruled against impoundment in cases concerning water pollution, highway construction, elementary and secondary education, veterans' education, housing, mental health, manpower, and Indian education funds.

Mr. Speaker, because of the interest of the Congress and the American people in this subject, I include in the RECORD two articles which appeared in today's New York Times and an article in the Washington Post concerning the actions of these judges:

[From the Washington Post, June 29, 1973]

JUDGES' RULINGS AIMED TO BLOCK FUNDS HOLDUP

(By Timothy S. Robinson)

Three federal judges issued rulings yesterday aimed at stopping Nixon administration attempts to withhold more than $650 million in federal money that had been authorized by Congress for three separate federal programs.

Two of the rulings here in District Court merely ordered the money set aside for safekeeping so it would not revert back to the Treasury Saturday night, the end of the fiscal year.

The other ruling, by U.S. District Judge Leonard I. Garth in Newark, N.J., ordered the government to spend $239 million in Neighborhood Youth Corps funds by the end of the fiscal year.

The rulings follow by one day an order by U.S. District Judge William B. Jones here that the Office of Economic Opportunity process some 600 grant applications by Saturday.

The rulings here yesterday:

U.S. District Judge Joseph C. Waddy ordered the government to set aside $380 million in federal funds for elementary and secondary education. The suit was filed by Pennsylvania, later joined by Nebraska, Texas, Nevada, Oklahoma, Hawaii, Wisconsin and Washington State.

The suit claimed that the U.S. Office of Education had not released all of the money appropriated under the Elementary and Secondary Education Act, Vocational Education Act, and the Adult Education Act. Many of the programs affected involve low-income children.

Judge Waddy said the states had "demonstrated a substantial likelihood of success on the merits" and said the money should be obligated for possible future use instead of reverting to the Treasury.

If the states lose their suit, however, Waddy made it clear that his order could be vacated. "Nothing in the court's order is intended to require expenditure of the sums obligated . . . Should the plaintiffs fail to prevail on the merits . . . the funds [could] revert to the general fund," Waddy said.

U.S. District Judge Gerhard A. Gesell ordered Health, Education and Welfare Secretary Caspar W. Weinberger to process applications for grants for Community Mental Health Centers.

That processing had stopped on Feb. 23 on the order of a HEW budget official, after President Nixon said in his fiscal 1973 budget that no new staffing grants would be awarded.

Affected were grants for more than $51 million, according to the various plaintiffs in the suit, led by the National Council of Community Mental Health Centers.

Gesell's ruling asked that the funds be retained and earmarked for the grants by Saturday night, and added that it is "highly probable" that the plaintiffs will prevail on the merits of the suit.

In Newark, Judge Garth went one step further to order the Neighborhood Youth Corps program to spend $239 million by Saturday night. At that time, the money—expected to give 609,000 summer jobs to youths across the nation—would have reverted to the Treasury.

"There is no doubt it was the unequivocal intention of Congress that the amount be appropriated," Garth said. "This is no raid on the public treasury. It is just action required to release appropriated funds."

Nixon administration officials in each instance have refused to spend the money authorized by Congress, stating that impoundment was necessary because of the state of the economy.

In oral arguments in the mental health suit Wednesday, however, Judge Gesell said the President is in the position of spending money on what he wants to spend it on instead of what he has to spend it on as ordered by Congress.

For example, he said the amount for money involved for mental health centers was about one-fifth the cost of a fighter plane.

"Congress felt something should be done about mental health—more than about bombing Cambodia," Judge Gesell said, in reference to Congress' vote to end the air war there.

[From the New York Times, June 29, 1973]

JUDGE ORDERS U.S. FUNDS RELEASED FOR YOUTH CORPS

(By Martin Gansberg)

A Federal judge in Newark ordered the United States Department of Labor yesterday to release $239-million budgeted nationwide for the Neighborhood Youth Corps summer program.

Judge Leonard I. Garth of the District Court said that the funds must be released no later than 10 A.M. tomorrow and ordered the Office of Management and Budget to refrain from taking any steps that would allow the funds to revert to the United States Treasury. Funds not spent before the end of the fiscal year—midnight of June 30—revert to the treasury.

"There is no doubt it was the unequivocal intention of Congress that the amount be appropriated," Judge Garth said in an oral decision after a five-hour hearing. "This is no raid on the public treasury. It is just action required to release appropriated funds."

President Nixon requested Congress last year to allocate $256.5-million for summer youth jobs, with the funds to be disbursed through the Neighborhood Youth Corps. Congress made the appropriation, and it reaffirmed the allocation last June 19 by rejecting a Government rescission request.

Since the original request, however, the President imposed his spending ceiling, $250-billion for the current fiscal year, in order to control inflation without a tax increase. One of the allocations held up, but not impounded, was the money for the Neighborhood Youth Corps.

The suit leading to Judge Garth's ruling was filed by 22 Community Action Program directors in New Jersey and two girls who had been promised jobs this summer, Mary Ann Weston, 16 years old, and Yvette Young, 19, both of Neptune, N.J.

The New Jersey agencies provided jobs for 11,591 youths last year after an allocation of $3.3-million.

LINDSAY APPEALS FOR FUNDS

Earlier in the day, before the ruling by Judge Garth, Mayor Lindsay sent a telegram to administration leaders in Washington urging that the Youth Corps funds be distributed.

"Those funds are urgently needed," the Mayor said. "In New York City alone we could use 77,500 summer job slots for our young people, many of whom face neighborhood unemployment levels of up to * * * percent."

Last year, funds from the Neighborhood Youth Corps provided jobs for 50,000 youngsters in New York on an allocation of almost $20-million. Across the nation, the money was expected to provide jobs for 609,000 youths this summer, through 930 organizations.

The Youth Corps is a nine-year-old program that provides summer employment for disadvantaged youths. The jobs usually are in public agencies or nonprofit organizations and are service-oriented. Many of the youths work in parks, recreational activities or with hospitals.

GOVERNMENT TO APPEAL

The money is allocated by the Department of Labor to agencies in municipalities throughout the nation. A spokesman for the department in Washington said yesterday that the $239-million "wasn't spent yet because we just haven't had time to spend the money." He said that the Government would appeal Judge Garth's decision.

In issuing his order, Judge Garth declared that the refusal to release the funds "has been activity outside the statutory limits."

The attorney for the plaintiffs, David H. Ben-Asher of East Orange, said the New Jersey Community Action Program Directors Association had decided to file suit last week at the urging of Senator Harrison A. Williams Jr., Democrat of New Jersey.

THE $380 MILLION IS FROZEN

WASHINGTON, June 28.—A United States District Court judge today ordered frozen $380.4-million in Federal education funds previously impounded by the Nixon Administration.

Today's action by Judge Joseph C. Waddy prevents the money, more than 14 per cent of the education funds appropriated by Congress, from reverting to the Treasury on Saturday, the end of the fiscal year.

The order comes as a result of a suit filed June 8 by Pennsylvania. In the suit, which has since been joined by eight other states, the court was asked to allow the allocation of the funds for eight different education programs.

While the decision does not release any funds, the judge ordered the freeze because the states "have demonstrated a substantial likelihood of success on the merits" of the case.

Edmund Kitch, a lawyer for the Justice Department, said that today's decision would allow the impoundment issue to be argued in the courts.

PUBLIC HOUSING CRISIS IN CALIFORNIA

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. WALDIE. Mr. Speaker, I have recently sent letters to all housing authority directors in California in order to determine firsthand the way in which the President's impoundment of public housing funds has affected their programs.

I am including the full text of their replies so that other Members of Congress may see the real need for early enactment of anti-impoundment legislation.

Mr. Speaker, the full text of these letters follows:

LETTER FROM MS. LILA LITTLE, EXECUTIVE DIRECTOR, COUNTY OF KERN HOUSING AUTHORITY

MAY 14, 1973.

DEAR CONGRESSMAN WALDIE: The impoundment of funds for housing by the Administration has had the following effect on the current and future plans of the Housing Authority of the County of Kern:

At the general election held in November of 1972 the electorate of the City of Bakersfield approved the Housing Authority of the County of Kern construction and operation of 200 units of housing especially for elderly. This referendum approval indicates the concurrence of the electorate and the Housing Authority of the County of Kern of the need for such housing. The funds for this housing have been impounded in an estimated amount of $3,250,000.

This Agency has approved plans for the modernization of 441 units of housing built prior to 1954, including maintenance shops, community and office buildings in each of six locations. The total approved estimated costs are $4,764,200. The Authority has expended $218,840 for twelve prototype units plus plans, specifications and bidding documents for the balance of the units. We have tentative approval for $1,162,000 additional. This amount is an allocation from funds approved prior to June 30, 1973—the impoundment date.

Therefore, the total cost to this Authority for construction due to the impoundment of funds is estimated to be $6,633,360.

The above estimate does not include the failure of HUD to properly fund the Authority for operating subsidy due to the Brooke Amendments. It is my opinion if the Brooke Amendments were modified to strictly allow housing authorities to charge no more than 25% of tenants' income for rent, most good authorities could operate without extra operating subsidy. That is, the modification would eliminate the special deductions of $300 per dependent, etc.

Judging from the 235 units and some of the 236 projects constructed in Kern County, I believe these two programs should be further curtailed or better monitored as to planning, construction and financing.

We appreciate your interest in behalf of the subsidized housing program and the result of the impoundment of funds on the communities and more especially the people we serve.

LETTER FROM MR. MICHAEL C. SCOTT, EXECUTIVE DIRECTOR, HOUSING AUTHORITY, COUNTY OF KINGS

MAY 11, 1973.

MY DEAR CONGRESSMAN WALDIE: In reference to your letter dated May 1, 1973, concerning the Administration's withholding of funds affected my local program.

I would like to inform you that it *stopped all proposed* plans for additional housing here, and Kings County is in very dire need for housing.

We have submitted an application for *200 units for the County*, which is still far too low, and the application has been approved but we were waiting for funding. And after the freeze, that vanished all hopes.

I would like to ask you of any support you may give in getting housing for our county.

LETTER FROM MR. J. B. HEDRICK, SECRETARY-EXECUTIVE DIRECTOR, HOUSING AUTHORITY OF THE COUNTY OF SAN JOAQUIN

DEAR CONGRESSMAN WALDIE: In response to your letter of May 8, 1973 regarding the Federal Government, we would like to advise that our production of housing for low-income and elderly has come to a standstill. All of our applications for additional housing that were previously submitted to the area office of HUD have been returned. Our most recent application was for additional housing for the elderly.

The people in our community who will be affected most are those who are of low-income, who cannot afford decent housing without programs such as the ones we were planning. We are particularly concerned since our planning was primarily for expanding housing and services for the disabled and elderly. As you realize, the cuts and impoundment of funds not only affect housing, but also lapse over into the areas of health, education, recreation, welfare, and well being of these people, since the other programs are so closely related. The moratorium, freeze, and impoundment of funds, which create an uncertainty of future programs, have thrown our budget into utter chaos.

We certainly appreciate your interest and efforts in this matter as it is imperative that we come up with a national policy on these programs in the very near future. If we can assist you at any time, please feel free to contact us.

LETTER FROM MR. D. ROSS PARKER, EXECUTIVE DIRECTOR OF YOLO COUNTY HOUSING AUTHORITY

MAY 11, 1973.

DEAR MR. WALDIE: On behalf of the Commission of the Yolo County Housing Authority, we thank you for your letter of May 8, 1973, pertaining to the crisis existing in the Public Housing Program.

With regard to the effect of the Administration's withholding of funds, this Authority reduced its Operating Reserves to what we consider a critical level of only $31,920.00, or 33 per cent of maximum, as of June 30, 1973.

We are presently preparing Operating Budgets for fiscal year 73–74. We have been informed by HUD, through Circular No. 7475.12, that we will not be allowed to exceed operating subsidies of $25,608.00. Based upon annualized figures within our current operating year, and in light of extraordinary maintenance requirements within our older projects, we have determined that a subsidy in the amount of $103,000.00 is required.

In view of the fact that the formula for determining operating subsidies pertains only to fiscal year 71–72, which was prepared and approved prior to the implementation of "Brooke Three" Section 208 of the Brooke law, we shall be unable to accomplish exterior painting and reroofing of units which are in dire need of these repairs.

In summarizing the effects of the Administrations Impoundment of Funds, it should be noted that this Authority, since inception in 1950, provided housing for numerable low-income families and further, produced Residual Receipts for each year of operation prior to the Brooke Amendment. Had the Administration elected to abide by the terminology of the Brooke Amendment, providing for the payment of operating subsidies, this Authority would be in the position to perform all necessary maintenance and administrative services within our communities.

We feel it to be grossly unfair that unlawful action by the Administration have placed Housing Authorities on the brink of financial disaster, despite the efforts of local administrators.

We appreciate your concern on our behalf, and we will be happy to provide you with any further information which you deem necessary.

LETTER FROM MR. FREDERICK G. PLOCHER, BOARD OF COMMISSIONERS, MODOC LASSEN INDIAN HOUSING AUTHORITY

MAY 11, 1973.

DEAR CONGRESSMAN WALDIE: Thank you for your inquiry of May 8th.

The building project of the Modoc Lassen Indian Housing Authority was approved for funding on June 30, 1971. At the present time housing for Indians, housing already approved, seems to be immune to impoundment. But our recent request for an increase was denied. The increase is needed because at HUD's insistence our application was prepared in haste to meet an arbitrary deadline of June 30, 1971, and cost estimates were appropriate for construction in 1971. We now face inflated costs of 1973. Therefore, we do in some measure feel the effects of the squeeze being applied by the Administration.

I am referring your letter to Mr. James A. Morvall of the California State Department of Housing and Community Development for more detailed answer. Our Authority has contracted with the State Department of Housing & Community Development for Mr. Norvall's services. He has been in charge of the development of our project and has hand-carried our papers to the San Francisco office of HUD and has personally carried our cause forward. I am certain that he can give you more accurate information than I can.

LETTER FROM MR. S. J. GOMEZ, ASSISTANT DIRECTOR, HOUSING AUTHORITY OF THE CITY OF NAPA

MAY 21, 1973.

DEAR CONGRESSMAN WALDIE: The following specific information is relative to how the administrations withholding of funds has affected the current and future plans of our local housing program:

1. The local Housing Authority's jurisdiction is confined to that area within the City limits.

2. The five City of Napa Housing Authority Commissioners are also members of the City Council, with the City manager serving as the non-paid Executive Director.

3. Through joint community effort and input, the Housing Authority was reactivated, reorganized and received a grant under the Section 23 program to provide housing for 200 families, including the elderly as of February 2, 1970.

4. Subsequent to this initial allotment to provide for housing from existing dwellings, an additional grant of 50 units was received for new construction under the Section 23 Turnkey Program, of these 20 are to be developed for the elderly.

5. 13 units are currently under construction with the remaining soon to be awarded. Our construction program should carry to the end of the year. Major problems encountered here is the low monthly rental allowance provided for developers and investors based on the HUD Annual Contribution Contract.

6. Also, because of the extreme disparity in offered rental payments and market value, we are forced to accept the older less desirable units in direct competition with low income families.

7. Total units currently assigned to the Authority is 250, of which 75 is either under construction or developers are being sought.

8. There are presently 182 units occupied with the following breakdown:

0 Bedroom—8; 1 Bedroom—66; 2 Bedroom—61; 3 Bedroom—42; 4 Bedroom—4; and 5 Bedroom—1.

9. From our waiting list, we offer the following breakdown:

0 Bedroom—1; 1 Bedroom—141; 2 Bedroom—84; 3 Bedroom—43; 4 Bedroom—10; and 5 Bedroom—2.

10. Source of income and average rent paid by tenants in each category is as follows:

74% of tenants receiving Welfare assistance.

29% of tenant employment and retirement income.

0 Bedroom—$40.00; 1 Bedroom—$36.00; 2 Bedroom—$38.36; 3 Bedroom—$47.14; 4 Bedroom—$64.00; and 5 Bedroom—$30.00.

11. The Brooke Amendment has served to compound our rental income problem thereby encouraging selectivity of tenants by "averaging" income. Policy of our Authority is to continue serving all low income persons based on need, regardless of income.

It is hoped the above information will be of service to you, and do encourage your continued application toward providing for decent and safe housing for all qualified applicants.

MR. ERLAND F. MEYERS, EXECUTIVE DIRECTOR, HOUSING AUTHORITY, CITY OF SAN BUENAVENTURA

JUNE 21, 1973.

DEAR MR. WALDIE: Thank you for your letter of June 5, 1973 and the opportunity to cite the nature and magnitude of our problem here in the City of Ventura.

As the Housing Authority does not have access to complete information which would include all the activities of the private sector involving the development of federally aided housing within the City of Ventura, the following information relates only to those programs administered by the Housing Authority. The total loss to the community may therefore be somewhat greater.

Simply stated, the problem involves the loss of approximately $2,474,718.00 in housing funds for the Housing Authority of the City of San Buenaventura.

The chronology of events leading up to the date of the moratorium is generally as follows:

June 1970—Housing Authority placed referendum on ballot asking voters to approve the development of 300 additional dwelling units of low rent housing—the measure was approved by the voters of the City of Ventura.

January 1971—Housing Authority submitted application to HUD for funding of 300 additional dwelling units as approved by the voters.

April 1972—HUD awarded program reservation Cal 35–D for 140 of the 300 units. The program reservation also included authorization for the design and construction of a new central office and maintenance facility.

April 1972—Housing Authority advertized for proposals for the design and construction of the 140 dwelling units together with a new central office and maintenance facility.

June 1972—Proposals for the design and construction of 115 of the 140 dwelling units were accepted by Local Housing Authority. Proposals for the design and construction of 25 of the dwelling units and the office and maintenance facility could not be accepted for technical reasons.

July 1972—The Authority requested that HUD authorize the readvertising for proposals for the design and construction of the balance of 25 dwelling units and office and maintenance space which had been a part of the original program reservation.

August 1972—The Authority submitted a supplemental application for the remaining 160 of the 300 dwelling units approved by the voters.

September and October 1972—Prepared advertizing material and made all possible preparations for readvertizing for the 25 remaining dwelling units together with a new central office and maintenance facility.

November and December 1972—The Authority was advised (verbally) that a new program reservation was to be announced within days and that Ventura was funded under ACC list number SF 73–106 in the amount of $2,474,718.00 which would provide for the construction of the remaining 25 dwelling units together with the central office and maintenance facility from the original program reservation Cal 35–D, plus 78 of the dwelling units requested in the supplemental application.

February 1973—Ventura along with other Southern California Housing Authorities were deleted from the ACC list.

May 1973—All outstanding unfunded applications submitted by the Housing Authority of the City of San Buenaventura from 1970 to date were returned to the Authority by the Los Angeles Area Office stating that the applications were hereby cancelled and returned without action.

All of which means that as of the date of the moratorium, the processing of outstanding applications was not just suspended, further consideration of the applications was terminated and the applications were purged from the pipeline.

At such future point in time when HUD will again accept applications from Housing Authorities for additional program it will mean starting all over again with new paper work, new delays, and much additional unnecessary effort before the additional housing would become available to the residents of our community.

Any efforts which your office can exert to correct this situation will be greatly appreciated.

LETTER FROM R. C. MAJOR, HOUSING PROGRAMS COORDINATER, CITY OF LONG BEACH

JUNE 1, 1973.

DEAR CONGRESSMAN WALDIE: Your letter of May 8, requesting comments from this agency to support your "Anti-Impoundment" bill, H.R. 6284, was held for my return from vacation for reply.

The Long Beach Housing Authority is engaged only in Section 23 Leasing Program, and for the past four years has been serving a significant portion of our low-income population.

The effect of the fund freeze on our agency has resulted in selection of tenants whose income is sufficient to pay a rent equal to the difference between the fixed contribution from HUD and the Housing Authority's operating expenses, including rent to owners. The result, of course, is that the very-low-income citizen is denied housing.

The "Brooke Amendment" prevents a public housing tenant from paying more than 25% of his income for rent, therefore, even if a tenant wishes to pay 35 to 40% of his income for decent, safe, and sanitary housing, the law will not permit it. The release of special subsidy funds and/or some revision to the Brooke Amendment can materially assist in serving the low-income population of our community.

LETTER FROM MR. STEPHEN H. MORRIS, ACTING HOUSING SUPERVISOR, OF THE CITY OF INGLEWOOD

MAY 16, 1973.

DEAR CONGRESSMAN WALDIE: This letter comes in response to your May 8, 1973, communication regarding your proposed "Anti-Impoundment" bill, H.R. 6284.

The City of Inglewood currently has under its jurisdiction 200 units of Section 23 leased housing. We have received for Fiscal Years 1973–1974, an additional 100 units bringing our total number of units up to 300.

The most significant impact, as far as impoundment is concerned, is the fact that insufficient operating subsidies and lack of special subsidy funding have acted to undermine the fiscal integrity of the program. Inglewood has not been a victim in the strictest sense as have other local housing authorities with larger operations. We do not anticipate growth as there is a real need in our community particularly for elderly housing assistance programs. Impoundment acts to halt progress in this important area.

I wish H.R. 6284 significant success in its chosen goal so that we may get down to the business of solving housing ills.

LETTER FROM MR. W. EDWARD ROBINSON, CHIEF HOUSING OFFICER, OF THE CITY OF FAIRFIELD

MAY 16, 1973.

DEAR CONGRESSMAN WALDIE: Thank you very much for your letter of May 8, 1973. It is always a pleasure to receive correspondence from an elected official who is truly concerned about how major administrative decisions affect his constituency.

The Fairfield Housing Authority is involved solely in the Section 23 Leased Housing Program which I consider the finest housing program in existence. The "freeze" has affected us in three ways: (1) No new applications for additional units will be taken by HUD, (2) Operating subsidies will be cut which will guarantee that housing authorities may have to lease substandard homes to fill the need and this defies the objective of safe, sanitary and decent housing in a suitable living environment.

To further illustrate how the freeze will have far reaching effects on the low and moderate income families of this particular area, a few facts should be made known. (1) The total population of Solano County in 1970 was 181,000 people. (2) There are only 3 housing authorities in the entire county; Fairfield with 350 units, Suisun City with 170 units, and Vallejo with 700 units for a combined total of 1,200 units of low and moderate income housing. (3) Even if we made the assumption that only 20% of the county's population would be eligible for public housing, you can see how short we are on units.

This is where the freeze really hurts all housing authorities, because the housing situation that prevails in Solano County is common throughout the United States. We have a waiting list of more than 400 people and our average waiting period is about 1¼ years.

The housing problem is quite critical and growing more and more each day. Since the National Housing Goals have been abandoned, what are low and moderate income families to do about decent housing within their means? I think this is a very important question that needs an answer.

I hope this information has given you some insight on how our present and future plans have been affected by the freeze.

If I can be of any more assistance, please do not hesitate to contact me.

CLARA BARTON AWARD TO LUCILLE MORRIS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mr. ASPIN. Mr. Speaker, I am sure we must all agree that without the work of devoted volunteers, most American communities would immeasurably suffer. Volunteers are one of a city's most valuable assets. And in Kenosha, Wis., recently, the American Red Cross honored a volunteer for 52 years of continuous service—a truly remarkable achievement. I commend to my colleagues' attention a Kenosha News article praising Mrs. Elmer Morris:

FIRST LOCAL WINNER: CLARA BARTON AWARD TO LUCILLE MORRIS

(By Barbara V. Henkel)

With a mandatory retirement age of 65, and most companies not hiring any one younger than age 18, it will be pretty difficult for people to reach 50 years of continuing service to any one company or line of work.

But one place where there is no minimum and maximum age restrictions is in volunteer work. And that's where Mrs. Elmer (Lucille) Morris gained her over 50 years of service, for which she was honored recently.

Mrs. Morris, 7811 20th Ave., has devoted 52 years of continuous service to the American Red Cross. Last Tuesday night she received the National Clara Barton award at the annual meeting of the Lakeshore counties (Racine and Kenosha) chapters of the American Red Cross.

The award is given to people for outstanding service at the discretion of local chapters. The Lakeshore counties chapter made the award for the first time last year, to a Racine person. This year an award was made to one each from Racine and Kenosha, Mrs. Morris being the first Kenosha recipient.

Mrs. Morris was recognized for her continuous years of service. She had first volunteered as a senior in high school in Sheboygan. She explained that a number of girls went to help out with the clerical and secretarial duties.

Later, as an employee of the Wisconsin Power and Light Co., she joined other employees in presenting first aid demonstrations to various schools and civic and social groups, under the direction of the Red Cross and the sponsorship of WPL.

But, "I always enjoyed all phases of Red Cross," said Mrs. Morris. Part of her recognition came in the fact that she had participated in all of the services offered by the Red Cross at one time or another, even the disasters committee, for which she worked as a secretary.

She had also been very active in Red Cross blood banks. Again, she was responsible for mostly the detail, clerical work, but also the recruiting. She explained that for every nurse there had to be a nurse's aid, whom she had to recruit and schedule.

She did other recruiting, as well. "If you can ask someone for a pint of blood, believe me, you can ask anybody for anything," said Mrs. Morris.

After a person gives blood, he goes to the canteen where refreshments are served. Mrs. Morris not only was active in recruiting and secretarial work, but also at every aspect of canteen work, including making sandwiches.

She was known as the secretary of volunteer services and for nine years worked part time for the Red Cross as a paid staff member. But all that while, she continued her volunteer status by helping out after work.

Throughout the years she had also been involved in the swim classes, the dispensing of first aid handbooks and other information to schools, the dispensing of ditty bags and of "seeing the boys off" when they left for the service, and work at Downey hospital.

Two projects with which she has been most active are the former Lakeshore Council of Volunteer Services, and the Home Service to Military Families.

The former was formed around the end of World War II by the Red Cross chapters in many cities in the eastern part of the state. It is now known as the Hospital Committee for the Veterans Administration hospital council. Mrs. Morris has been active in the council as both a volunteer secretary, and later as a representative from Sheboygan, and then from Kenosha shortly after coming here 14 years ago.

"I spent days at a time on that council work, but I loved it. I wouldn't have done it if I hadn't enjoyed it," she said.

She would also go down to the VA hospital at Woods, Wis. on her offtime.

She is still an active member of the SMF. When relatives want to reach a serviceman because of a death or serious illness in the family, he can be contacted through the Red Cross. When calls are made to the Red Cross on Sundays and holidays, the calls go to Memorial Hospital which directs the caller to contact whichever woman has been scheduled for that day under the SMF plan.

Mrs. Morris is scheduled to be home for 24 hours the day of the first Sunday of the month. "Sometimes these people are so distressed that they couldn't possibly make these calls themselves," explained Mrs. Morris. "These people are always grateful," she added.

Her volunteer work extends beyond the Red Cross. In both Sheboygan and Kenosha Mrs. Morris has been active in the little theater, the hospital auxiliaries (in Kenosha at St. Catherine's), the woman's clubs, Girl Scouting, and other business, professional, social and civic groups. Yet, she remains modest.

"A million people did a million things more worthwhile than what I did," she said. She mused on, "I don't think I ever did a service for Red Cross without thinking I did something for someone." She explained that she was an only child and had no children of her own, so . . . "Oh, for goodness' sakes, everybody has to do something worthwhile."

IS THE COMMERCE DEPARTMENT LAYING AN EGG?

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. HEINZ. Mr. Speaker, I have on numerous occasions this year brought to the attention of my colleagues the critical and inflationary situation prevailing in the steel industry because of the rising prices of scrap steel, in part caused by vastly increased exports of this commodity.

As the following information will show: First, availability—inventories—of scrap iron and steel and pig iron continues to decline; second, prices are expected to continue to go up even though "Japanese trading firms have agreed on 'orderly purchases' of U.S. scraps"; and third, the long-term outlook suggests that world demand for scrap will increase as steelmaking capacity and demand is expected to rise sharply through 1975.

I continue to believe the Commerce Department should take action to prevent creating an impossible situation for our domestic steel industry by moving to, at the very least, the immediate licensing of scrap steel exports.

Yet the Commerce Department continues to insist that it anticipates no problems.

This is the same view the ostrich gets when it sticks its head in the sand. It is my hope the Commerce Department will look these figures squarely in the eye and not continue to retreat behind the shifting sands of its incredibly lethargic bureaucracy.

As warning, I would only note that an ostrich lays an incredibly big egg.

I include the following:

BUREAU OF MINES—U.S. MONTH-END STOCKS IRON AND STEEL SCRAP AND PIG IRON

[In short tons]

	Iron and steel scrap	Pig iron
September 1972	8,643,676	1,787,319
October 1972	8,592,855	1,744,510
November 1972	8,390,168	1,710,916
December 1972	8,133,948	1,655,641
January 1973	7,877,841	1,654,524
February 1973	7,918,050	1,542,166
March 1973	7,972,556	1,449,828
April 1973 (preliminary)	7,839,340	1,426,423
Reduction in stocks since Sept. 30, 1972	804,336	360,896
Percentage decline	9.31	20.19

Includes inventories of manufacturers of both steel ingots and castings, manufacturers of steel castings only, and iron foundries and miscellaneous users.

[From the Japan Commerce Daily, June 20, 1973]

NEW U.S. SCRAP DEALS: EAST COAST SHIPLOAD CONTRACTED AT $97 C&F PER TON

Negotiations for import of U.S. scrap steel have decreased since early this month because of rising prices. But last week M. S. Kaplan & Co. of Chicago contracted to export one shipload of scraps to Japan for November/December shipment at the price of $73.50 FOB per ton for No. 1 heavy melting scraps. Another shipload was also contracted for shipment to Japan in November/December by an unidentified shipper from the U.S. East Coast to Japan at a price of $97 C&F per ton for No. 1 heavy melting.

Two blast furnace operators, some electric furnace mills, and trading firms reportedly seek to buy more U.S. scraps. According to informed sources, trading firms have contracted for import of a total of 200,000 tons of scraps in the past, mostly October/December shipments, and many U.S. shippers have already sold out scraps for shipment this year.

Trading firms' purchase prices of the said deals range from $93 to $96 per ton C&F. But import negotiations had been suspended briefly after shippers' price ideas rose to $97 to $98 per ton C&F. Speculations are that some trading firms contracted for new purchases of U.S. scraps at high prices because of expectations that the prices will rise further.

There is a fear that the U.S. may restrict scrap exports. At the same time, Japanese trading firms have agreed on "orderly purchases" of U.S. scraps. Fresh mass import of scraps is thus likely to be held off for the time being.

WORLD RAW STEEL ESTIMATE FOR 1975: JAPAN IRON AND STEEL FEDERATION PUTS TOTAL CAPACITY AT 810 MILLION TONS PER YEAR

The world demand-supply situation for steel is expected to remain tight for a few years, according to the Japan Iron and Steel Federation.

In a medium-range forecast up to 1975, the federation says that the world's steel production capacity in 1975 will rise to 815,912,000 tons, up 16.8 per cent from 698,345,000 tons in 1972 (actual production 629,400,000 tons, operation rate 90.1 per cent). The world steel demand in 1975 is estimated at 800,000,000 tons, and thus the demand-supply situtation will be tight.

The federation compiled the forecast on the basis of existing capacities, planned steel mill construction and expansion projects in the world.

In 1975, the federation says, Japan will be the world's largest steel producing nation with an annual capacity of 148 million tons, followed by the Soviet Union with 146,400,000 tons and the U.S. with 145 million tons. Overall, it says, there are few factors indicating that the demand-supply situation will slacken.

According to the report:

1. Blast furnaces that are expected to go into operation in the next three years, except for those in Japan, total 36. These are unlikely to lead to any sharp rise in the world's production capacities since they are to replace old ones.

2. Construction costs of steel mills abroad will considerably be higher than in Japan. Such costs in developing countries, will be ¥85,000 to ¥150,000 per ton of annual raw steel capacity. Costs in Europe may be somewhat lower, on this basis, with the costs of USINOR's Dunkirk works in France estimated at about ¥65,000 per ton in the later stage of its operations.

3. Estimated production capacities of other major steel producing nations in 1975:

Countries	Annual raw steel production capacities (thousand tons) In 1975	Annual raw steel production capacities (thousand tons) In 1972
West Germany	66,100	58,990
Belgium	18,400	17,200
France	34,700	27,900
Italy	30,990	25,220
Luxembourg	6,400	6,100
Netherlands	7,400	6,800
Britain	34,500	31,000
Spain	11,680	11,100
Canada	16,100	13,637
East Europe	51,000	43,850
China	29,000	23,000
Latin America	30,000	17,270
Greece	2,150	1,050
Turkey	1,555	1,463
Oceania	10,000	8,700
United States	145,000	135,000
U.S.S.R.	146,400	126,000
Japan	148,000	124,000

APRIL EXPORTS TOTAL 1.97 MIL. TONS, UP 17.9 PERCENT FROM A YEAR BEFORE

Japan's steel exports in April totaled 1,972,000 tons, down 12.4 per cent from March but up 17.9 per cent from a year earlier, or $393,160,000, down 10.4 per cent from March but up 39.3 per cent from a year earlier.

Item-wise, exports of ordinary steel products totaled 1,701,000 tons, down 13.2 per cent for March; special steel products 82,000 tons, down 12.5 per cent; secondary steel products 110,000 tons, down 7.9 per cent; ingots and semis 74,000 tons, up 5.5 per cent; and other items 5,000 tons, down 82.1 per cent. Only exports of ingots and semis increased from the previous month.

ATLANTA VETERANS' AFFAIRS CONFERENCE

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. BRINKLEY. Mr. Speaker, I received a letter today from my very good friend and a truly outstanding fellow Georgian, State Senator Max Cleland of Atlanta, enclosing a copy of the resolution adopted on June 8, 1973, by the Atlanta Conference on Vietnam Veteran Education, Training, and Services. Senator Cleland—himself a veteran of the Vietnam war—has devoted a great deal of personal hard work and individual effort toward providing the people of our State with a better understanding of the problems which face our Vietnam-era veterans.

Mr. Speaker, the goals outlined in the resolution were obviously written with a great deal of thought and are certainly deserving of our fullest consideration. I highly recommend the ersolution to the attention of my colleagues:

A RESOLUTION ADOPTED BY THE ATLANTA CONFERENCE ON VIETNAM VETERAN EDUCATION, TRAINING AND SERVICES, JUNE 8, 1973

A national travesty against the Vietnam Era Veteran is occuring within America as literally hundreds of thousands of returned soldiers are unable to obtain their basic rights. The situation is tragic. The enormity of the task mandates that the most imaginative and vigorous national leadership *reverse* this nationwide loss in human capital and resource destruction. This destruction reaches beyond the lives of nearly seven million Vietnam Veterans and their families. It touches us all.

Therefore, we concerned citizens involved with Vietnam Veterans and their problems on a day to day basis urgently resolve and request that:

The President of the U.S. establish a blue-ribbon national commission on the Vietnam-era veteran to identify and prepare recommendations for national legislation and executive decision.

The Commission should have a reporting deadline of no more than four (4) months, with membership drawn one-third from the relevant federal executive agencies, the U.S. Senate and House; one-third from the most influential and broadly based representatives of the community sector; and, one-third from Vietnam era veterans.

Be it further resolved that:

An extraordinary joint committee composed of members of the U.S. Senate and House of Representatives be convened immediately to create a second generation GI bill with an absolute requirement to resolve the unconscionable tangle of existing national legislation and the overlapping and frequently conflicting jurisdiction both in the federal executive agencies and in legislative committees of the U.S. Congress.

Be it further resolved that:

The Veterans Administration should be called on to perform critical self-evaluation of their services and resource commitments, similar to the study done by General Omar Bradley following World War II.

Be it also resolved that:

Every American should support efforts to move courageously and boldly to reclaim and save our most precious national resources reflected in the lives of nearly seven million Vietnam era veterans and their families.

THE PEOPLE WHO ARE THE RED CROSS

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. MANN. Mr. Speaker, much of the Southern part of our Nation, including the State of South Carolina, has suffered this year from tornadoes and floods.

Even in tornado clouds, though, there seems to be a silver lining—the dedication and selflessness of volunteers such as the Greenville Chapter of the American Red Cross, in providing relief to the victims of the storm.

In a recent letter, Mrs. Ellen D. Butler of the Greenville Red Cross cited several volunteers for their courage during the recent storm. I would like to join Mrs. Butler in commending these people for their service to the community.

The full text of Mrs. Butler's letter follows:

GREENVILLE, S.C.,
June 8, 1973.

Hon. JAMES R. MANN,
Federal Office Building,
Greenville, S.C.

DEAR CONGRESSMAN MANN: Shortly after I returned from disaster service through the Red Cross in Abbeville County, you wrote me a most complementary letter. I deeply appreciated your taking your time to do so.

As you know, we had our own little episode here on May 27th and 28th. I was among the first to report to the Chapter House and by virtue of being the Secretary to the Disaster Preparedness Committee, was assigned administrative duties. In this capacity, I had an excellent chance to observe some direct results of the training Red Cross gives its volunteers. I felt I must share with you some of the near-heroic things I saw during those 24 hours.

One of the most outstanding things was seeing a high school senior, Jeff Bryson, being trained to become a shelter manager. Under his direction was assigned a registered nurse the age of Jeff's mother, and a research engineer in one of our local plants. Jeff worked directly with the minister of the church and with those assigned to him in such a way that belied his years. He was calm, resourceful and meticulously kept records of people checking into the shelter. It was my opinion that Jeff did not regard himself as shelter manager, but that he was working "*with*" the others.

In the mid-early morning hours, it was discovered that there were some infants sheltered who needed special formulas. In my capacity, I called various druggists and finally found the particular product at the General Hospital. One of our volunteers, a woman school teacher whose hobby is sports cars, drove to the emergency room and was enroute when a particularly hard storm with hail, thunder and lightning occurred. This woman, Barbara Westray, did not hesitate to complete her mission as if it were a bright, sunlit afternoon instead of tornatic conditions in the wee hours of the morning. Satisfying hungry babies was her only concern.

I could tell you of dozens of other volunteers who operated in the same selfless, dedicated way—people who left their own homes and families to serve those who needed them. Most of the volunteers who left the Chapter House between three and six AM went on to their regular jobs and worked a full day.

About four thirty on Monday afternoon, after we were again under a tornado watch and warning, volunteers—without being called—began to arrive at the Chapter House. They wanted to be here and ready if they were needed.

It would be impossible for you to single out any one, two or three of these people who have volunteered to give up their own free time to take Red Cross training, and then who volunteered to leave the safety of their homes and family to serve on actual disaster duty, lose sleep, go without their own supper and/or breakfast to feed people, and work without stopping for a "cigarette" or "coffee" break. But I am sure if ever the occasion arose for you to express an opinion about Red Cross and the people who *are* the Red Cross, you would appreciate having some first hand information.

Chapters in other communities were not as fortunate in having the dedicated people as the Greenville Chapter had. Since the Red Cross is people, the efficiency of each chapter depends on the community.

Thank you again for recognizing me in the past for my service to Red Cross, and thank you for allowing me to tell you some of the exceptional service I observed so recently.

Sincerely,

ELLEN D. BUTLER (Mrs. A. A.).

CONGRESS SHOULD END THE WAR NOW

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. LEHMAN. Mr. Speaker, Congress should immediately order a halt to the bombing in Cambodia.

Mr. Nixon wants to bomb the people of this small country for 6 more weeks. But Congress had never before agreed to give him this power.

Yesterday's vote may set a dangerous precedent as Congress voted in effect to give up its constitutional power to declare war. We must not allow a President who has consistently ignored the Congress and the American people to be granted such a power.

Even more tragic in yesterday's vote was the agreement to allow innocent men, women, and children indigenous to that land to be maimed, mutilated, and killed by our bombs.

The President's plan for Cambodia will be economically damaging at home. Mr. Nixon plans to bomb away $60 million at a time when our domestic programs are seriously underfunded.

What is this war all about, anyhow? Mr. Nixon just spent a week embracing and toasting the top Communist leader of Russia. He has been cordially received in Communist China. He has promised them American food, technical assistance, and trade credits. Yet he warns that a Communist victory in Cambodia would undermine world peace and American security.

Yesterday I voted for the Flynt amendment to stop the bombing immediately. When that failed, I voted against the appropriations bills which approved 6 more weeks of death in Southeast Asia.

I hope we do not see 45 more days of useless bombing and I pray that the President will end this brutal war long before the 15th of August.

PLANT CORN WHEN OAK LEAVES ARE THE SIZE OF SQUIRRELS' EARS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. ZWACH. Mr. Speaker, because in all of these United States, there are only 14 out of 435 Congressional Districts that have 20 percent or more of their population on farms and only 65 that have 10 percent of their people on farms, I like to bring to the attention of my colleagues from time to time, pertinent information that relates to agriculture.

I have received an advance proof of an advertisement which the John Deere Co. will be publishing in key newspapers on July 3.

I would like to call this information to the attention of my colleagues by inserting it in the CONGRESSIONAL RECORD. It gives a good picture of some of the typical problems our producers face every year:

"PLANT CORN WHEN OAK LEAVES ARE THE SIZE OF SQUIRRELS' EARS AND IT'LL BE KNEE HIGH BY THE 4TH OF JULY"—OLD FARMER'S AXIOM

The Corn Belt of the United States is one of the unique natural resources of our earth. Year after year, thousands of square miles of rich prairie soil produce an enormous outpouring of energy in the form of golden corn.

America's Corn Belt doesn't yield this bounty easily. Farmers who till the land suffer the threats of insects and weeds. Crop disease is a constant hazard. So is erosion. And always, there's the weather.

Our heartland is subject to some of nature's most capricious weather. Thus it was in the autumn of '72; torrential rains and early snow snarled the corn harvest. Rain waterlogged the Corn Belt soil this spring, through March, then April, into May. By the time oak leaves came to the size of squirrels' ears, soggy soil in much of the Corn Belt kept farmers out of their fields. A record third flood crest coursed down the Mississippi.

May 10 came and went while anxious farmers watched the sky, knowing that each day of delay in planting could cut yield by a bushel an acre. Experienced observers feared failure of a crop already in short supply. Suddenly, on May 11, skies began to clear. By the 16th, even though oak leaves had reached the size of a hound's ear, some farmers finally were able to work their land. During the next seven days, with new storm clouds gathering, Corn Belt farmers played out one of the high dramas of the year. By the 24th, racing weather and the clock, they had planted an "impossible" 40 million acres of corn.

It was the biggest corn-planting week in history. It saved the nation's precious corn production for 1973.

Much of our corn is higher than knee high this 4th of July. Its promised wealth will reach us all. This is a good day, we think, to fire off this little rocket of gratitude to several hundred thousand skilled and tenacious Corn Belt farmers. Have a happy Fourth.

W. A. HEWITT,
Chairman, Deere & Company.

BOB PAFFORD, A MAN TO MATCH CALIFORNIA'S MOUNTAINS, RETIRES FROM RECLAMATION

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. LEGGETT. Mr. Speaker, few men have achieved the stature of the majesty of California's geography. One man who measurably changed that geography, building multipurpose dams, channels, canals, and hydro projects is Bob Pafford, regional director of the Bureau of Reclamation—West.

Few projects Bob viewed as impossible. In 39 years of Government service he tackled them all—large and small and with an eye toward pragmatism, ecology, agriculture, and commerce, he moved through redtape like a bulldozer.

Because of Bob Pafford and men like him, the West achieved a high degree of excellence in all fields, because water development was the grease that kept our farms and cities together and allowed them to mutually expand.

The Willows Daily Journal talked of some of Bob's accomplishments the other day as follows:

PAFFORD RECORD IS OUTSTANDING

Robert J. Pafford, Jr., who has announced his pending resignation as Mid-Pacific Regional Director, U.S. Bureau of Reclamation, is one of that rare breed of birds—an ardent builder as well as an enthusiastic conservationist.

Mr. Pafford believes strongly in the necessity of harnessing water to meet Mankind's crucial needs: in storing it behind properly situated reservoirs not only to create irrigation water for the production of food, but also to prevent disastrous floods, enhance recreation, and serve a wide variety of other purposes.

Indeed if such men as Mr. Pafford had not held such a conviction, California's Central Valley would remain much as it was some 135 years ago when John Marsh, William Bidwell and other pioneers arrived on the scene. It would be producing largely volunteer grains and wild nuts rather than being, as it now is, the world's greatest and most diversified breadbasket in relation to its size, feeding millions of American and foreign consumers.

The Valley would, moreover, still be subjected to the devastating floods which in this area a half-century ago periodically flooded hundreds of thousands of acres.

The extent of Mr. Pafford's services is indicated in the fact that over and above the huge Missouri River Basin project which he helped set in motion as a top aide to Gen. Lewis A. Pick, he has spearheaded the construction of some $700 million of reclamation projects in the Southwestern states; also he has directed studies that could lead to construction of another $3 billion of facilities to help solve the Southwest's future water needs.

This area's Tehama-Colusa Canal is only one of the many such projects to be constructed under Mr. Pafford's leadership—and far from the largest. Yet it will produce enough additional food to feed more than 280,000 people each day; it will more than triple the annual dollar value of farm production on the approximately 240,000 acres of soil which the canal will irrigate.

While being an energetic, even aggressive, builder of projects to serve Mankind, Mr. Pafford has paid close attention to the effect of these projects on the environment. Clearly he realizes that conservation, or "the wise use of resources," included preserving Man's environment as well as serving his basic needs.

Indicating Mr. Pafford's interest in conservation are his memberships in such groups as the Audubon Society, California Tomorrow and the Wilderness Society, as well as in such professional organizations as the American Association for the Advancement of Science and the International Commission on Irrigation Drainage and Flood Control.

Westside residents can take a measure of pride in the fact that one of the major reasons Mr. Pafford received the Department of the Interior's highest honor, the Distinguished Service Award, was an historic achievement in connection with the Tehama-Colusa Canal.

Plotting an unprecedented course, Mr. Pafford spearheaded the engineering and construction of facilities to spawn salmon in a stretch of the canal just below the Red Bluff Diversion Dam.

The canal's rate of descent had to be carefully calculated to stimulate conditions in natural spawning beds; similarly, rocks and pebbles had to be selected with care. A revolutionary machine to clean the spawning beds literally had to be invented.

Fingerlings have been planted and all indications point to the outstanding success of the facility. Instead of despoiling the Sacramento River fishery, the Tehama-Colusa Canal will greatly improve it.

Mr. Pafford's accomplishments during his 39 years of government service in water development are truly stupendous. His name promises to be written in large letters in the annals of responsible water development benefiting Mankind and the environment which Mankind should preserve and enhance.—E.F.D.

The Bureau of Reclamation lists Bob's accomplishments briefly as follows:

BOB PAFFORD'S ACCOMPLISHMENTS

Robert J. Pafford, Jr., Regional Director of the Federal Bureau of Reclamation in Sacramento since January 1963, announced his retirement from Federal service today.

Pafford, 63, said his retirement will be effective June 29, following 39 years of work in water resources development. Prior to joining the Bureau of Reclamation, he worked with the U.S. Corps of Engineers a total of 28 years.

In the long history of the two organizations, Pafford is the only official ever to be appointed from one to the top echelons of the other.

Stamm praised Pafford's career with the Bureau as one marked by "real progress toward the solution of serious water problems." He called Pafford's retirement a "tremendous loss."

The Commissioner said, "It's a tremendous loss to any organization when a man like Bob Pafford retires. The experience and knowledge he has accumulated over 39 years of government service in water development and his leadership during the past ten years as regional director has been highly beneficial to the Reclamation program and has resulted in real progress toward the solution of serious water problems. I have worked closely with Bob throughout his tenure with Reclamation and I view his decision to retire with personal regret."

Just one year ago Pafford was awarded the Department of the Interior's Distinguished Service Award, the highest honor which the Secretary of the Interior can bestow. The citation recognized Pafford's "outstanding contributions in engineering and administration" during his Federal career.

A native of Salina, Kansas, Pafford holds a degree in electrical engineering from Kansas State University at Manhattan. He joined the United States Army Corps of Engineers in 1934 as a junior electrical engineer, then moved into hydraulic engineering positions on Corps projects in West Virginia and in the Missouri River Basin.

Pafford joined the Corps' Omaha Division in 1942. At that time he was closely associated with General Lewis A. Pick, architect on the Pick-Sloan plan.

While with the Corps' Omaha office he saw the Pick-Sloan plan adopted by the ten Missouri River Basin States and the Congress. During the years that he served in Omaha, the Corps completed construction of Fort Randall, Gavins Point, Garrison, and Oahe Dams, and started construction of Big Bend. Oahe and Garrison are two of the world's largest rolled-earth dams. Each will impound approximately 24 million acre-feet of water.

In 1944 Pafford was named Chairman of the Federal-State Coordinating Committee for Missouri Basin Reservoir Control. He continued in this highly important position until resigning to join the Bureau of Reclamation.

From 1957 until his appointment as Reclamation's Mid-Pacific Region Director, Pafford held the position of Supervisory Civil Engineer with the Corps' Missouri River Division in Omaha.

Since Pafford has been in Sacramento, approximately $700 million worth of dams, canals, pumping plants, powerplants and other water resources development facilities have been constructed in the Mid-Pacific Region, which includes most of Nevada, the southern tip of Oregon and all of California north of the Tehachapis.

Under his direction, the Region has completed nine major feasibility studies which could lead to the construction of another $3 billion worth of facilities needed to help solve California's future water problems. These include the Auburn-Folsom South Unit of the Central Valley Project, now under construction; the San Felipe Division, already authorized; and the East Side Division and the Peripheral Canal, still awaiting authorization.

Pafford's demonstrated concern over the environmental impact of Bureau facilities was one of the reasons cited for his award from Secretary of the Interior Rogers C. B. Morton. Shortly after taking over as Regional Director, Pafford approved and put into effect a plan to construct artificial fish spawning facilities in the Tehama-Colusa Canal near Red Bluff.

Working in close cooperation with State and Federal fishery agencies, Bureau designers solved many highly technical problems which led to the completion of those facilities in October 1971. The facility is expected to add some two million pounds of chinook salmon to the Sacramento River fishery each year.

As a member of the California State-Federal Interagency Group, Pafford has helped develop a plan to have staff members from the Department of Water Resources, the Soil Conservation Service, the Corps of Engineers, and the Bureau of Reclamation work together on specific problems and recommend solutions to the Interagency Group.

In 1966, he helped develop an agreement between the Corps, the State and the Bureau whereby planning activities were divided to avoid overlap and duplication.

Close cooperation with other Federal and State agencies has marked Pafford's career in California. Construction of the joint State-Federal facilities at San Luis by the Bureau and their operation by a single agency, the Department of Water Resources, has saved millions of dollars in construction costs and will save millions more in operating costs. Planning for the Peripheral Canal and studies of ways of removing nitrogen from drainage waters in the San Joaquin Valley are examples of such joint efforts.

For the past seven years, Pafford has been chairman of an Interior committee which annually recommends operating criteria and procedures for the Interior agencies involved to follow in the Truckee-Carson River Basins in Nevada and California. For nearly four years, Pafford has also been a member of the Federal-State Pyramid Lake Task Force.

He is the author of the "Reservoir" article in the Encyclopedia Britannica and co-author of a paper on "A Disposal System for Agricultural Waste Waters in the San Joaquin Valley of California", which he presented at the Seventh Congress of the International Commission on Irrigation and Drainage in Mexico City in 1969.

A member of the advisory council of the University of California Water Resources Center at Davis, Pafford has represented the Bureau at many national and international seminars and symposiums.

He is a member of the American Association for the Advancement of Science, California Tomorrow, the U.S. Committee of the International Commission on Irrigation Drainage and Flood Control, the U.S. Committee of the International Commission on Large Dams, the Wilderness Society and the Audubon Society.

His previous awards include Federal Employee of the Year in 1955 in the Nebraska area and the Department of the Army's Meritorious Civil Service Award in 1956.

FAREWELL TO FRANK BATTAGLIA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1973

Mr. BIAGGI. Mr. Speaker, I would like to take a few moments to congradulate a good friend, Mr. Frank Battaglia, upon his retirement as dean of the Official Reporters of Debate.

One must congratulate him for anyone who could sit here for 30 years and listen and record the volumes of words that flow from the distinguished mouths of so many Representatives of the people and still remain as pleasant and good natured as he has deserves everyone's praise and thanks.

In all seriousness though, his record of dedication to a difficult job and his service under such distinguished Speakers of the House as Sam Rayburn, who first appointed him, and those who followed in his stead, is the real memorial to this man. All the words that may flow at this time for his fellow reporters to take down fall in the shadow of his past performance.

As a fellow American of Italian descent, he also stands out as an example that there are those of Italian heritage who have pursued the difficult road against prejudice and succeeded in life. His story will be an example to those young Italo-Americans who are striving for recognition in a difficult world.

I wish Frank well in his retirement and hope that all the words he hears and speaks from now on will be about pleasant memories from the past and the peaceful happiness of the present. May he be rewarded with good health and long life in retirement.

INFLATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. FRENZEL. Mr. Speaker, a large, national company with general offices in my district has recently completed an economic study of the United States with particular emphasis on the relationship of specific cost of living and disposable income.

Using Government figures from the Department of Agriculture and the Department of Commerce, it has developed an "economic well being index" which is supposed to measure early changes in purchasing and saving power per person after the impact of inflation. The index indicates that the average American has been better off economically each year since 1950, except the recession years of 1954 and 1958.

Of particular interest is the set of figures showing outlays for food, clothing, and housing as a percent of personal disposable income. In 1950 these living costs required 58.2 cents out of every dollar, but by 1971 the most recently available figures, they required only 50.6 cents.

The rising cost of food has been a particular concern in our economy in the past 6 months. This survey shows that food outlays as a percent of disposable personal income were about 22.2 percent in 1950 but had dropped to 15.7 percent in 1972 and actually declined to 15.6 percent by the first quarter of 1973.

One conclusion which could be drawn from these figures is that the average person enjoys 66 percent more buying or saving power in 1973 than in 1950. A further conclusion is that even if cost of living rises 6 percent this year, the average person will still gain 2 percent in economic well-being this year.

These national figures are somewhat reassuring. Obviously, very few of us are average, and some of us, particularly those on fixed incomes, have seriously suffered because of inflation. While the figures will not cause any inflation-harmed person to jump up and down with glee, they should also cause a lot of us to take a closer look at the economic control mechanism now in effect in this country and at demand and supply factors now operating in our economy.

Producers of foodstuffs have sounded dire warnings that future food supplies are being curtailed by the freeze. A number of leading economists and editorialists are beginning to understand that scarcities, the excess of demand over supply, of food are worldwide and that inflation is a worldwide phenomenon.

Americans have paid half as much for food as a percentage of total disposable income as the people in Japan, Italy, and England last year and are either going to pay more, or continue to endure scarcities. This is an unpleasant picture, but it will not get any more pleasant just because we ignore it. In terms of the crisis of food supply, both domestically and internationally, this country and this Congress must begin to reanalyze the entire situation.

INADEQUATE EQUIPMENT HANDICAPS FIREFIGHTERS

HON. ROBERT H. STEELE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. STEELE. Mr. Speaker, the tragic fire in New Orleans last weekend serves as a reminder of our country's grave fire problem. Despite commendable action by the New Orleans fire department, 29 people perished in this fire. Unfortunately, though, these deaths represent only a small fraction of the roughly 12,000 Americans who die each year, because of fire. We suffer a per capita death rate from fire that is twice that of Canada, 4 times that of Great Britain and Japan, and 3 times that of the Scandinavian countries. Further, we sustain the highest per capita losses due to fire in the world. Clearly, more must and can be done to protect the American public from the dangers of fire.

We should establish appropriate flammability and toxicity standards for building materials, enlarge the Federal Government's fire research and development programs, and expand training opportunities and provide improved equipment to the men who risk their lives daily to protect the public from the devastating effects of fire. These are the purposes of the nine comprehensive bills I introduced during the 92d and 93d Congresses with the bipartisan support of 60 Members of Congress.

Today, I wish to call attention to the dangerously and unjustifiably low quality of firefighting equipment. We ask our firefighters to engage in a tough, dirty, and dangerous profession. We expect our firefighters to combat the unprecedented fire problems created by modern toxic chemicals, high flammability materials, and well-insulated highrise buildings.

Yet we furnish our firefighters with equipment designed decades ago. The President of the International Association of Fire Chiefs states this clearly:

> Improvements in apparatus, tools and equipment have not kept pace with the technological advances that have been made in buildings, building materials, industry and chemistry. Firefighters must face space age emergencies with stone age equipment. There have been some improvements, but even

these have been beyond the financial reach of local government.

Most of the protective clothing worn by our firefighters would not even pass the flammability test for children's sleepwear. Their breathing apparatus is clumsy and inefficient. Traditional fire hoses and wooden ladders are burnable, but still widely used. Nonuniform fire hose couplings impede interdepartmental cooperation during general alarm fires. Battering rams and axes are still widely employed in rescue operations despite the development of an explosive device that is far more effective. And the lack of a centralized fire information collection service has fragmented the efforts of scientists, technicians, administrators, and fire officials in all areas of firefighting.

The full effect of our failure in the area of firefighting equipment is hard to measure, but is nothing short of tragic. At least 100 firemen die each year in the line of duty; and nearly 40 percent are injured. We will never know, though, just how many of the roughly 12,000 Americans killed each year by fire could have been rescued if our firefighters were provided with the equipment they need and deserve.

We can make great progress in this vital area if we quickly capitalize on NASA's recent breakthroughs in firefighting technology. They have created a fire suit that offers protection from a 1,500-degree flame. They have constructed a breathing system that is lighter, smaller, and more efficient than current models. And they have developed several types of clothing previously unknown in the firefighting industry.

This new equipment has been tested in actual fire situations by the Houston Fire Department and volunteer firefighters from my district in Connecticut. Paid and volunteer firefighters alike have responded to NASA's innovations with enthusiasm.

Now we must insure that such new equipment is mass-produced and distributed as quickly as it is developed.

No one speaks with greater authority on our failure to provide adequate firefighting equipment than the firefighter himself. I, therefore, bring to the attention of my colleagues an article from the Nation's Cities based upon a poll of firefighters across the Nation. Dissatisfaction among fire chiefs with their communications systems, firefighting apparatus, and protective clothing is shown to reach up to 59 percent. I include this article in full in the hope that this clear indication of our neglect of our fire service will spur us on to insure that in the future America's dedicated firefighters receive the safest and most effective equipment possible.

The article which appeared in the June issue of Nation's Cities follows:

Equipment: Good But Could Be Better

Are America's fire chiefs satisfied with the equipment and protective clothing they and their men use daily?

Generally, they are. But an overwhelming 84.6 per cent of the chiefs surveyed said there's a need for greater innovation to improve them. (The larger the city, the greater need for more innovation was seen by the chiefs. In cities between 10,000 and 24,999 population, 79.9 per cent felt the need for greater equipment innovation. But that figure jumped to 91.1 per cent in cities over 100,000.)

The Nation's Cities Poll asked a series of detailed questions seeking to determine the level of satisfaction and dissatisfaction with 13 different types of equipment and personal gear used by firemen. The fire chiefs were asked to grade each under these categories: Not at all satisfied, somewhat satisfied, fairly satisfied, and completely satisfied.

By combining the "not at all satisfied" and the "somewhat satisfied" answers, a sort of "dissatisfaction index" was achieved for the 13 types of equipment and personal gear items listed on the questionnaire. Here are those index figures in the order of dissatisfaction:

Police-fire communications center, 58.9 per cent; "911" system for emergency calls, 49.6 per cent; communications devices used at a fire, 31 per cent; turnout coats, 29.1 per cent; gloves, 27.6 per cent; chemicals for fighting fires, 23.4 per cent; communications center at fire headquarters, 21.7 per cent; boots, 21.7 per cent; breathing apparatus, 18.7 per cent; fire trucks, 15.2 per cent; fire hose, 14.4 per cent; helmets, 13.8 per cent; and fire ladders, 7.4 per cent.

When asked which items of equipment and gear needed the most innovation to make them better, chiefs tended to concentrate on those personal items which protect a fireman during a fire: turnout coats, breathing apparatus, boots, gloves, and helmets.

Several interesting sidelights emerged when the equipment satisfaction responses were broken down by city size and region. Generally speaking, the levels of dissatisfaction were higher in larger cities, especially those over 100,000 population, and in cities of all sizes in the West.

Particularly with the "911" system, turnout coats, and breathing apparatus was the larger city dissatisfaction markedly above the national totals. In the West, fire chiefs reported a significant amount of additional dissatisfaction with police-fire communications centers, turnout coats, gloves, chemicals, boots, and fire trucks.

The need for improved equipment and protective clothing also was mentioned by a number of fire chiefs in their personal comments on the questionnaires.

"Just develop a fire coat with excellent insulating qualities, fire retardant textile, light in weight, brightly colored, and priced at $50 maximum," an Illinois chief challenged. "Just TRY and do it. No one has and much of what is offered is less satisfactory than the traditional duck with rubber lining."

"The fire service is 20 to 30 years behind," said a California chief. "We still use water to put out a fire—as did our forefathers. Through experiments there must be a better way to control a fire chemically."

The use of computers in day-to-day fire service operations is certainly one area of innovation that appears to offer much potential. But the results of The Nation's Cities Poll reveal only 64 (8 per cent) of the 797 responding fire departments actually use the computer now in fire service operations. Again, larger cities over 100,000 (47 per cent of those using computers) and Western cities (34 per cent) are leading the way for such computer uses as locating sites for new fire stations, allocating fire equipment among stations, handling information systems on fire incidence data, and helping to make other firefighting decisions. Indeed, only 20.1 per cent of the fire chiefs reported their departments were even studying the use of computers.

ANNIVERSARY OF THE POZNAN WORKERS' REVOLT

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. ROONEY of New York. Mr. Speaker, over the past several days the American people have been subjected to a veritable barrage of pro-Soviet propaganda in connection with Leonid Brezhnev's recent visit. The various media have given graphic presentations of the Soviet leader as a benign, jovial Russian exuding good will and camaraderie. Simultaneously, the administration has enlarged the achievements of the summit sessions out of all proportion to the true results.

A few important issues are reported to have been discussed with varying degrees of success, but far more important items were ignored and diplomatically sidestepped, apparently in an effort to avoid unpleasant subjects.

Mr. Speaker, the anniversary yesterday of the Poznan workers' revolt gave us all pause to reflect deeply on why the fate of the Baltic States was so totally ignored. Today as we join with our millions of Polish-American citizens in remembering with justifiable pride the bravery of Polish workers who rose up in revolt against their Red Communist puppet leaders, we cannot escape the feeling that the sessions with Brezhnev were in large measure a sham and a mockery of justice.

Every American citizen with deep ties of birth or kinship with the captive nations—Poles, Balts, Czechs—all of them must bemoan the fact that no effort was made to obtain redress from the Soviet Union for its illegal annexations of sovereign states and for its bestial acts of replacing freedom and independence with virtual slavery for millions of people who covet and prize freedom as much as do you and I.

How can the administration be so shortsighted as to make available huge supplies of grain to the Russians at the expense of the American taxpayers, yet shy away from calling the oppressors to task for their crimes against humanity? It was bad enough to give away grain which will in all likelihood cause some people in our own country to go hungry, but to do so without getting something of value in return is sheer nonsense.

In these roseate, dreamy days of trying to end the cold war and improve our relationships with the godless Soviets, must we forgive and forget the atrocities of the Communists committed against so many of our friends and relatives? For the sake of international harmony, are we supposed to ignore historic events that caused the breach to develop between ourselves and the perpetrators of a whole slate of crimes which only justice can erase?

Every American and particularly every Member of Congress needs to view with careful scrutiny each move being made to obtain Soviet approval to mutual agreements. We need to summon the same type of righteous indignation which motivated the Poznan workers in their revolt against the usurpers of their freedom. Like those brave Polish workers, we need to demonstrate a steadfast and firm opposition to namby-pamby agreements in the process of formulation for purposes of winning a doubtful friendship with questionable friends.

How can we erase from our minds the sorry plight of the thousands upon thousands of enslaved people of Jewish and other faiths whose greatest desire is to leave Russia and its satellite states?

Brave as were the Polish workers in their heroic efforts to remove the fetters of their enslavement, those efforts proved in vain because they lacked trained leadership and they were not adequately organized. Even so, the opposition they manifested was so telling that the Soviets had to resort to the use of armed troops to quell the revolt.

Mr. Speaker, in continuing our efforts to force the Soviets to effect prompt and suitable redress to the millions of people whom they have enslaved, we must seek to avoid the fate of the Poznan workers. We must call upon our best trained leadership and make fullest use of our fine ethnic and nationality organizations to achieve maximum help for the people still enslaved. We must all unite and do our utmost to see that the question of the future of the captive nations is given priority consideration in up-coming summit meetings. We should strive to seek the establishment of an adequate Joint Commission composed of representatives of all the States involved to begin intensive deliberations on these important matters.

If Brezhnev and his fellow Communist leaders are sincere in their overtures of good will, surely this is the time for us to join with all freedom-loving nations to seek redress and independence for the victims of Communist tyranny.

TRIBUTE TO STOCKTON HOTZE

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. CAREY of New York. Mr. Speaker, yesterday my distinguished colleague, Melvin Price, paid tribute on the floor of the House to Stockton Hotze. I would like to add my voice to his today, June 30, as Mr. Hotze retires from his position as an employee in the Sergeant at Arms Office of the House of Representatives.

Mr. Hotze has worked in that Office for 15 years, and I have known him since I came to the Congress in 1961. Like many other Members, I have found him an efficient, courteous employee whose help was always extremely valuable.

Today Stockton Hotze rounds out 15 years of dedicated service to the House of Representatives. There are many other employees like him, removed from the limelight and publicity, working quietly and efficiently to insure that the business of the Congress goes forward. Paying tribute to Stockton Hotze, as I do today, is one way of paying tribute to them all.

On a personal basis, I know Mr. Hotze to be a highly respected and devout member of the St. Thomas More parish in the Arlington area. Through his good offices, the House was privileged last year to have our session opened with prayer by his pastor, the Right Reverend Richard Burke.

It is my hope that Mr. Hotze will have many years of enjoyable activity in return for his great services for God and country.

THE HISTORY LESSON OF WATERGATE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Ms. ABZUG. Mr. Speaker, when the impact of the Watergate scandal was felt by the public, many wondered what was to come of our Republic. To many the answer was to be found in the basic historical and philosophical tenets of government left to us by the founding parents and in the remedies available to us in the legislative and judicial processes.

I commend to you a thoughtful editorial from the June 1973 edition of the Cooperator, a publication of the United Housing Foundation.

The text of the editorial follows:

The History Lesson of Watergate

Unlimited power is apt to corrupt the minds of those who possess it.—William Pitt, 1770

The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter.—Thomas Jefferson, 1787

Power tends to corrupt; absolute power corrupts absolutely.—Lord Acton, 1887

The reputation of the Republic is tarnished and battered, but the Republic still stands.

When, in the distant future, Watergate is but a chapter in history, we may look back and see that the Republic has emerged stronger because of it. Sometimes good does emerge from evil, i.e. the Republic is stronger because it experienced what was known as the McCarthy era.

The wise founding fathers of this nation, recognizing the evils of unbridled power of tyrants, attempted to establish a system based on checks and balances between three branches of government. For nearly two hundred years, through thirty-seven presidents, and ninety three congresses, through a civil war and many international wars, through many years of prosperity and many years of depression and inflation, all things considered, the structure established by the founding fathers has worked effectively. Let us not, because of one power driven individual, who has surrounded himself with corrupt individuals, be too quick to discard the system which has worked effectively for so long.

However, let us be vigilant to perfect and safeguard our basic rights guaranteed under the constitution. Let us use the established processes available under the judicial and legislative systems to the fullest possible extent to weed out and punish those who for the sake of personal and corporate power would corrupt and destory the democratic system.

Finally let us be extremely grateful for those courageous publishers, editors and reporters, and their counterparts in other media, who serve us well as the fourth branch of government. Without the courage and independence of these institutions it is unlikely that the public would have ever known the meaning of the Pentagon Papers and Watergate.

THE PENN-CENTRAL CRISIS—THIS TIME THE WOLF IS REAL

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. HEINZ. Mr. Speaker, as a member of the House Interstate and Foreign Commerce Committee, I am deeply concerned with the condition of our Nation's railroads.

The crisis of the railroads in the northeastern quarter of the United States has been talked about so much, that I am afraid our railroads may suffer the same fate of the boy who cried "wolf."

Today, the wolf is really at the door, and the Penn Central Railroad, a vital link on our Nation's entire transportation system, is about to be devoured in liquidation.

This calls for serious consideration by the Interstate and Foreign Commerce Committee, and by the Transportation and Aeronautics Subcommittee, of the problem—and an even more important step, the definition of a proposed solution that will soon see the light of day.

Lest any of my colleagues doubt the need for action and believe this is just one more cry of "wolf" to see who comes running, I submit the following report from today's Washington Post:

Halt of All Pennsy Trains Asked

(By William H. Jones)

Trustees of the bankrupt Penn Central railroad proposed a drastic plan of reorganization yesterday that would stop all service along its 20,000 miles of track starting Oct. 31, unless the government provides financial aid before Oct. 1.

In a detailed proposal filed with U.S. District Judge John P. Fullam of Philadelphia, the trustees said that once Penn Central's railroad business is ended and all rail assets put up for sale, remaining holdings of the firm would be combined into a new non-transportation company with real estate and pipeline subsidiaries.

A hearing on the rail liquidation plan is scheduled before Judge Fullam on Monday. If the judge approves the trustees' petition, the plan will be submitted immediately to the Interstate Commerce Commission with a recommendation for expedited hearings and action.

Liquidation of the railroad is necessary, the trustees told Judge Fullam, for two fundamental reasons:

It would be illegal to continue spending assets owned by Penn Central creditors without any possible return.

Penn Central will lack money to pay such expenses as payrolls. Cash forecasts, said the trustees, indicate that the Penn Central might run out of money as early as late summer but certainly by January or February at the latest.

The decision by the trustees to seek an end to all railroad business came as a shock to some members of the House and Senate, who had expected a proposal to reduce operations sharply, possibly by discontinuing 9,000 miles of freight routes.

The consensus was that the trustees' reorganization plan effectively sets an Oct. 1 deadline for Congress to act in establishing a new system for operating train services in the densely populated region served by the Pennsy and five other major bankrupt lines.

But there is no consensus on what action should be taken. The Nixon administration favors creation of a new for-profit corporation that would reorganize all Northeastern railroads without the constraints of existing labor, regulatory and environmental laws, and costing the federal treasury no more than $40 million in start-up expenses.

The chief administration spokesman on all rail matters, Federal Railroad Administrator John W. Ingram, wasn't surprised by the trustees' plan. "It's about what I expected," he said yesterday.

"I think it is important, given their petition, that we get on with the Department of Transportation plan," said Ingram. "I think it can be done." Many segments of the Penn Central railroad are components of a potentially profitable business, Ingram continued. "The problem is to get rid of the parts of the railroad which are unproductive."

The DOT proposal envisions that one or more new railroad firms would be set up in the Northeast, financed entirely with private capital, to compete with the existing and profitable Chessie System and Norfolk & Western.

Opposition to the administration plan has come from organized labor, some shippers, local and state government officials and members of Congress, who believe that the for-profit emphasis in the DOT plan will eliminate too many routes and jobs.

To support a system that provides for public services, they believe, large doses of federal money will be needed—at least for an interim period of several years.

One major effort at solving the problem was launched yesterday by Rep. Brock Adams (D-Wash.), a key legislator on transportation problems, who introduced a bill that includes portions of many previously proposed plans. The Adams bill has three major sections:

Definition of a railroad system that will provide needed service, to be accomplished by a Northeast Transportation Commission—13 people representing labor, local governments, consumers, regulators and industry. The Secretary of Transportation would propose a basic core system to the commission.

Raising money to finance the restructured system through a new federal corporation, Federal National Railway Association (Fannie Rae). It would sell government-guaranteed bonds to the financial community for cash it could use to operate trains.

Operation of necessary train services by a Northeast Railroad Corp., which would buy assets of the Penn Central and other bankrupt lines.

In their plan of railroad liquidation, the Penn Central trustees endorsed the concept of a big government role in operating Northeastern railroads.

"As the trustees have testified before the Congress," they told Judge Fullam, "the preferred course would begin with a program of federal financial support to stem erosion and ensure adequate and efficient rail service on Penn Central's lines."

At the same time, the trustees said, the federal government should "create the machinery for resolving with finality the rail problem plaguing the Northeast and, because of the interdependence of American railroads, the nation."

The trustees noted that government emphasis to date has been on the overall rail crisis, making it "highly doubtful" that the Penn Central Railroad will continue to exist as a private enterprise for very long no matter what the government ends up doing.

The trustees also noted that chairmen of the House and Senate Commerce committees—Rep. Harley O. Staggers (D-W. Va.) and Sen. Warren G. Magnuson (D-Wash.)—had written Judge Fullam recently, stating that "we expect action by Congress sometime this summer or early fall."

A ranking Republican on the Senate's Surface Transportation subcommittee, J. Glenn Beall of Maryland, said yesterday he hopes that the Senate will be considering rail legislation before Congress recesses the first week of August.

Beall predicted that interim financial aid will be necessary to keep trains running while new private or semi-government corporations are established.

The House Transportation subcommittee is expected to devote full time next week to marking up proposed rail legislation, including the Adams bill offered yesterday.

The trustees said they had considered alternatives to a complete shutdown, including continuation of an 11,000-mile core freight system.

But studies indicated, they said, that this would still cost too much if the corporation had to pay benefits to employees laid off because of the change.

The only alternatives, then, the trustees concluded, are liquidation or federal aid by Oct. 1. The aid could take the form of acquisition of Pennsy rail assets for a new Northeast system or direct appropriations to stop erosion of estates of bankrupt railroads for a temporary period—no longer than a year.

According to Capitol Hill sources, Judge Fullam has said in private conversations that he opposes any federal aid plan that amounts to a "Band-aid" approach rather than long-term solutions.

Penn Central is losing money at a rate of $600,000 daily, operating freight service in 16 states, Canada and the District of Columbia, as well as long-distance passenger trains for Amtrak and commuter trains in many urban areas.

Over the past three years, the court-appointed trustees—George P. Baker, Richard C. Bond and Jervis Langdon Jr.—have tried unsuccessfully to reduce Penn Central's unprofitable lines, to trim the labor force more sharply, and to be fully compensated for passenger operations.

In a related development last night, 15 railroads controlled directly or indirectly by Penn Central filed petitions for bankruptcy along with the larger company. The separate firms constitute about half of the overall Pennsy system and have been operated by Penn Central trustees.

The routes involved are, in many cases, the most profitable operated by the Penn Central, and include the Michigan Central; Philadelphia, Baltimore and Washington Railway; Pittsburgh, Fort Wayne & Chicago Railway; Union Railway Co. of Baltimore; and the Erie & Pittsburgh Railroad.

PALUMBO VOTED IN HALL OF FAME

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. ROBINSON of Virginia. Mr. Speaker, it has been said that fame is fleeting, and, except for the recordkeepers and the memories of those fans who were privileged to watch them in their moments of glory, this often is the case with the heroes of sports.

In recent months, however, it has been a pleasure for longtime followers of University of Virginia football to note that Joe Palumbo, widely rated the best defensive guard in the university's gridiron history, has been recognized again by induction into the Virginia Sports Hall of Fame.

Joe Palumbo came from Pennsylvania to study and play football at the University, and he stayed on in Charlottesville, the seat of the University, to establish his home and family, and to become a successful businessman.

Under leave to extend my remarks in the Record, I include a news article by the Associated Press which appeared in a number of Virginia newspapers.

At the same time, as an alumnus of Virginia Tech—more formally known as Virginia Polytechnic Institute and State University, and with deference to my valued constituents, the University of Virginia and Joe Palumbo—I also include an Associated Press article reporting the election to the Virginia Sports Hall of Fame of the late Hunter Carpenter, VPI backfield star of the early years of the century:

Palumbo Voted in Hall of Fame

Portsmouth.—Joseph C. Palumbo, 43, described as the best defensive guard in University of Virginia football history, has been voted into the Virginia Sports Hall of Fame.

The youngest of 10 former athletes voted into the "Hall," Palumbo is best remembered by long-suffering Virginia football lovers as the All-America guard of the 1951 team, regarded as one of the university's finest.

Under Coach Art Guepe, the Cavaliers won 23 and lost 5 games the years Palumbo played.

Born in Beaver, Pa., Aug. 1, 1929, Palumbo was graduated from Greenbrier Military School in Virginia.

He captained Virginia his senior year and was voted to the Associated Press and NEA All-America teams. He became an officer in the Army Transportation Corps in 1952 after graduation and made All-Army and All-Service in football.

Barney Gill, a Virginia halfback of that era, says Palumbo "was one of the most dedicated athletes I ever met."

Palumbo was not massive physically, but at 5-8, 200 pounds, he lulled a lot of opposition linemen into a false sense of security.

Said Gill:

"A nice guy off the field, Joe was. But once he crossed that line, buddy, he would lay the wood to his best friend.

"Joe used to sharpen the points of his elbows by popping them against the walls of the shower. Bam, bam, bam. Just like that. And when he did situps, he would fall back on the floor so hard the room would shake. Yeah, 'dedicated' is the word.

"Virginia in those days never went to the 4–3 defense, but used a 6–2–3. Hardly ever an odd-man line. Guepe would play Joe nose-up on the guard or overshift to put him nose-up on the center, and by the end of the game the guy would be hiking the ball into the seats."

Just as aggressive in the insurance business as he was in football, Palumbo is a member of the Million Dollar Roundtable. Said Gill: "I've been told Joe is one of the top five insurance salesmen in the w-o-r-l-d." Gill spelled it out.

Palumbo represents American Defender Life Insurance Co. of Raleigh, N.C., is president of Colter Corp., president of Real Property Investors Inc., president of Library Restaurant Inc., an officer of Superior Excavating Co., a director of Peoples' Bank of the Virgin Islands, on the advisory board of the Virginia National Bank of Harrisonburg, and on the board of Remote Consoles Inc.

He lives in Charlottesville, and will be officially installed in the VSHF here April 27. Sam Snead, Chandler Harper, and Bobby Dodd also will be installed in the Hall of Fame that night, along with two deceased nominees yet to be announced.

FORMER GOBBLER FOOTBALL STAR VOTED INTO STATE HALL OF FAME

PORTSMOUTH.—Hunter Carpenter, the legendary hero of Virginia Tech football, was named Saturday to posthumous membership in the Virginia Sports Hall of Fame.

Carpenter became the sixth all-time Virginia sports great to be chosen this year.

Previously announced were Sam Snead and Chandler Harper of golf fame; Bobby Dodd, Tennessee All-American quarterback and longtime football coach at Georgia Tech; Joe Palumbo, the University of Virginia's All-American football guard of 1951; and Jimmy Leech, VMI's great halfback of the unbeaten football "Flying Squadron" of 1920.

Leech and Carpenter are deceased. Induction ceremonies will be held here the night of April 27 at the Virginia Sports Hall of Fame's second annual banquet.

Carpenter played in the early 1900s when football belonged to the boys, eligibility rules were enforced or winked at by individual schools, and the transfer athlete flourished.

He matriculated at Virginia Tech in the fall of 1898, a 15-year-old youngster from Clifton Forge who had never gone to school. He had been schooled by private tutors and entered Virginia Tech to complete his high school work.

He'd never touched a football in Clifton Forge, but he was a husky youth and took to football in a hurry. By 1900, when he was 17, Carpenter was a regular halfback motivated by one burning obsession—to beat the University of Virginia.

For four years Carpenter and the Gobblers went against the Cavaliers and for four years the Cavaliers won.

The 1903 game was the most disappointing to the by-then swift 210-pound Carpenter. Later, when North Carolina—beaten earlier by Tech—defeated Virginia 16–0, Carpenter transferred to North Carolina with the words, "I want to beat the University of Virginia."

He was doomed again to disappointment. He played brilliantly against the Cavaliers, only to have Virginia win the game 12–11 when an extra point kick was deflected through the uprights by a Carolina player who like Carpenter, had transferred from Tech.

Carpenter was elected North Carolina's captain for 1905 but transferred back to Blacksburg for his sixth varsity season.

Finally, he was on the winning side against Virginia. Carpenter and the Gobblers won their first game from Virginia in 1905 by an 11–0 score. The Gobblers won nine games that season and lost one—to Navy by 12–6.

The six men elected to the Hall of Fame this year will follow Clarence "Ace" Parker, Bill Dudley, H. K. "Cy" Young, Robert W. Spessard, Dr. Walter Johnson and Eppa Rixey Jr., who were inducted last year as charter members.

THE TRAGEDY IN NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. BIAGGI. Mr. Speaker, the tragedy in Northern Ireland lingers on. Since the summer of 1969, almost 900 people have been killed and thousands others wounded, many maimed for life. Once again, that terrible situation is bolstered by the British Government through the presence of over 17,000 troops.

Earlier this week, I included the first section of a motion before the European Commission of Human Rights concerning alleged violations of human rights on the part of the British Government against the people of Northern Ireland. I would recommend to my colleagues' attention the next section of this important brief which will follow my remarks today.

There is only one solution for peace as yet untried in Northern Ireland, that is, reunification with the South. All the other coercive attempts and so-called initiatives, as outlined in the countless numbers of British Government white papers, have failed. That is obvious if we look at the fact that the number of deaths has increased steadily over the last 5 years and Northern Ireland's society is more fragmented than ever.

These two sections of the aforementioned brief presented by Mr. Luis Kutner of the Commission for the International Due Process of Law are striking explanatives of the horrors of life in Northern Ireland.

BRIEF

I. THE POSITION TAKEN BY THE COMMISSION IN ITS DIRECTIVE LETTER OF JUNE 6, 1973, DENUDES THE VERY ESSENCE OF THE SOLEMN PROMISES MADE BY THE SIGNATORIES TO THE STATUTE OF THE COUNCIL OF EUROPE.

It is a matter of record that less than one (1%) per cent of the individual petitions submitted to the Commission are declared to be admissible and worthy of a hearing on the merits. Liberalization is long overdue.

Protean effort has gone into the compilation of the various texts of the European Commission of Human Rights. Tragically, the Council of Europe is over-buttressed with superficial, bureaucratic machinery. The Statute of the Council of Europe is concededly a noble document, full of sound and fury, but apparently signifying nothing. Plaudits are due the Utopian drafters of the Statute. Regrettably, their Utopia is indeed EREHWON.

Procedural rules are too restrictive and political climates negate the promise that individuals are truly subjects of the law.

The philosophic aspirations embodied in the Statute of the Council of Europe are of the most solemn dignity. The embodiment of international consensus of moral aspirations, basic precepts for the treatment of man in society, the definition of the relation of individual rights to authority and society within the purview of the international community are doubtless significant events of the twentieth century.

Noteworthy though the embodiment of philosophical aspects of the human rights concept may be, such an achievement is but a hollow promise unless coupled with an effective means of enforcement.

Has the condition of man in fact improved within the last twenty-five years? There is concord that international human rights activities are replete with examples of spurious concern, hypocrisy, double-standards and apparent indifference to suffering.

The Preamble to the Statute of the Council of Europe [to which Respondents were original signatories] avows:

"[That the High Contracting Parties are] . . . Reaffirming their devotion to the spiritual and moral values which are the common heritage of their peoples and the true source of individual freedom, political liberty and the rule of law, principles which form the basis of all genuine democracy."

The actions and inactions of the Commission since the filing of the within Applications on July 10, 1972 belie the solemn purpose of its founding. While scores of men languish in the squalid and Nazi-type prisons of Long Kesh and Crumlin Road the Commission engages in prolix year-long verbalistic procrastination.

The Commission is in the unique position to effect substantal justice regarding the situation in Northern Ireland. Yet, its dilatory proceedings have become part and parcel of the injustice being wrought in Northern Ireland. The vaunted avenger of international human rights has become the laggard perpetrator of gross injustice.

The Commission is charged with the duty of rendering fundamental justice, not only under the relevant Articles of the Statute of the Council of Europe, but justice consistent with the conscience of mankind. Its obsession with technicalities and procedural niceties is now obfuscating the ends of justice. "Secret diplomacy" masquerades as fundamental due process. Dignity and decency of human life are less than minimum requirements in compelling signatory obligation to comply with the Statute of the Council of Europe.

II. APPLICANTS HAVE SUFFERED AND CONTINUE TO SUFFER CRUEL AND INHUMANE IMPRISONMENT, TORTURE AND ARBITRARY DEPRIVATION OF THEIR INDIVIDUAL LIBERTIES.

A. The Special Powers Act of 1922.

The fact of Great Britain's long-standing campaign to suppress opposition and individual freedom in Northern Ireland is well-documented.

On the night of August 9, 1971 and subsequent thereto—"Black Monday"—the British Military Police, in collaboration with the Royal Ulster constabulary, under the diabolical cloak of the Special Powers Act of 1922, wantonly and brutally arrested, tortured and imprisoned hundreds of "suspects," including Applicants.

The Special Powers Act of 1922 permits the deprivation of individual freedom insofar as it allows the arrest, imprisonment and prolonged detention of individuals without any provocation or just cause. Under this Act, there is no British justice—only totalitarian military enforcement of British power. The Act empowers authorities to arrest and search without warrant; to imprison without charge or trial; to prohibit meetings and processions, declare curfews, and:

Punish by flogging;

Deny a claim to trial by jury;

Arrest persons required as witnesses, detain them against their will, force persons to answer questions against their will;

Prevent a person imprisoned without trial from seeing his legal counsel or relatives;

Force finger-printing and photographs against a person's will;

Prohibit inquest procedures after a prisoner's death;

Arrest a person who "by word of mouth" spreads false reports or makes false statements;

Prohibit the circulation of any newspaper;

Prohibit the possession of any film or record; and

Arrest a person who does anything "calculated" to be prejudicial to the preservation of peace and the maintenance of order in Northern Ireland and not specifically provided for in the regulations.

Further, the Special Powers Act deems it an offense to be a member of an "unlawful association," including "Republican clubs or any like organizations howsoever described." Military and police officers have the power to "close roads, paths, bridges and ferries."

Civil authorities may also order the evacuation—either temporary or permanent—of houses and buildings.

The Government may invoke any section of the Special Powers Act at any time. Originally intended to last for one year when enacted in 1922, the Special Powers Act was renewed until 1933 and then caused to endure indefinitely. As early as 1936 the Act was vilified by the NCCL Commission of Inquiry, which found: "The Commission cannot conceive circumstances which would justify the embodiment of such drastic powers as are contained in the Special Powers Acts . . . This abrogation of the rule of law has been so practised as to bring the freedom of the subject into contempt . . . Wherever the pillars of constitutional rule, Parliamentary sovereignty and the rule of law are overthrown, there exists the essential conditions [sic] for dictatorship".

Such a total abrogation of fundamental human rights, and of the guarantees of the Magna Carta, the Universal Declaration of Human Rights, and indeed of the Statute of the Council of Europe itself, cannot be countenanced. The Commission must take cognizance of the abhorrent and odious nature of the Special Powers Act and the grievous injustice its exercise has wreaked.

B. Detail of torture and inhumane imprisonment of applicants.

The details of the applications made herein, along with the several reports of the British Home Office Commission of Inquiry, the Compton Report, and the report of the *Sunday Times* Insight Team, have surely been sufficient to put the European Commission of Human Rights upon *judicial notice to inquire* as to the inhumane treatment of Northern Ireland detainees.

The sworn statement of Mrs. Brigid Toolan McDonnell, mother of one of the Applicants named herein, is ample condemnation of the barbarities which have been perpetrated. Mrs. McDonnell states that her son was forcibly taken from his home at 4:25 a.m., August 10, 1971, in his nightclothes. Patrick and other arrestees were beaten with batons upon the throat, arms, kidneys and groin; they were set upon by police dogs; they were caused to run barefoot over rough ground, tripped and kicked; they were deprived of toilet facilities for long periods of time; excrement was rubbed into their faces; some prisoners were hooded, caused to stand without moving for long stretches of time; others were forced to jump from low-hovering helicopters.

All manners of the modern assemblage of torture have been employed: Irish victims of British brutality have suffered persistent beating with batons on the head, shoulders, hands, thighs, knees, legs and feet. They have been forced to run barefoot over broken glass, rocks and debris; they have been hooded and manacled for extended periods of time. Their sustenance has been maggot-swarming gruel. In short, Applicants have been and continue to be the victims of horrific psychological and physical castigation. The effect of the cruel and inhuman practices of the British military may well be expected to bring about the condition of PROGERIA among large numbers of Applicants and other detainees. PROGERIA, a disease rarely encountered in normal situations, but prevalent in situations of barbaric torture, is the preternatural acceleration of the aging process. Its grievous effect is to cause a man in his twenties to have the appearance and infirmities of a man fifty years his senior. Such is the toll of the acts of Respondents in Northern Ireland.

Applicants and other detainees are daily subjected to savage tortures. They are severely maltreated, forced to live in dank and filthy cells, shackled for long stretches of time. Their food is insufficient to maintain even a marginal condition of health, and indeed, is so repugnant that it is spurned by the Alsatian police dogs which constantly menace the detainees.

CRISIS IN ENERGY

HON. HENRY M. JACKSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Saturday, June 30, 1973

Mr. JACKSON. Mr. President, I ask unanimous consent that an excellent series of articles on the "Crisis in Energy" be printed in the Extensions of Remarks section of the RECORD. The articles appeared in the St. Louis Post-Dispatch and were written by Bill Wyant, Jr., the distinguished Washington Correspondent for the Post-Dispatch.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MAJOR ENERGY CRUNCH LIES AHEAD: CONCERN FOUND ON NATIONAL SCALE—I

(By William K. Wyant, Jr.)

WASHINGTON, March 24.—Thornton F. Bradshaw, president of Atlantic Richfield Co., told the Petroleum Club of Los Angeles in a speech last November that one trouble he had in convincing people that an energy crisis was coming was that nobody believed an oil man.

". . . People do not believe us when we talk," said Bradshaw, who once taught at Harvard Business School.

"The image of the Texas oil billionaire, buying Senators and lighting cigars with hundred-dollar bills, is rooted deeply in the consciousness of America."

Bradshaw is regarded as one of oil's most enlightened spokesmen. He speaks up for the environment, favors sharply increased taxes on big automobiles. His company is starting a series of advertisements in the vein: "Why not ride a bicycle?"

But today is not, as Bradshaw noted, an Age of Belief as far as industry is concerned. There are raised eyebrows when it turns out that the energy industry's proposed solutions for threatened future shortages are things that have been on the industry "wish list" for some time.

These include higher prices for oil, gas, coal and other energy products, easier access to federally owned lands in the West and offshore, a softening of costly and troublesome environmental curbs, and greater freedom from governmental restrictions along with a more generous outpouring of Federal financial help.

At a time when a broad segment of the public thinks the American political process is awash with oil and gas campaign money, the curative potion brewed by industry is unlikely to be swallowed with enthusiasm by the citizen who views cheap energy, and plenty of it, as his birthright.

This will mean embarrassment and hard choices for politicians and public officials, even for President Richard M. Nixon. He has taken the energy question off the back burner and given it highest priority. With no easy answers in sight, White House aides are sweating over a long-awaited energy message to Congress.

What Bradshaw said about the oil man's difficulty in catching the public's ear has been echoed on Capitol Hill, where a legislator said that the industry suffered from lack of credibility.

Yet the consensus is that the United States does have an energy crunch ahead, a grevious one. It makes no difference whether one praises the energy industry for its glories and accomplishments, or damns it for its sins. The difficulty exists. It is real.

Last winter's fuel troubles—shortages, schools forced to close because they could not be heated, no gas for crop-drying machines in the Midwest, and so on——were skirmishes on the eve of what could be a long, grim battle. Next year could be worse.

The details of energy production and distribution in the world's richest nation are complex, but the broad outlines of the energy problem are clear. For the short term at least, a steadily soaring demand has outrun immediate supply.

Action can be taken fairly quickly to import more oil from overseas and to find more oil and gas in this country, but hovering in the background is the specter of a dollar-crushing balance of payments burden when the United States buys massive amounts of oil from the Middle East.

To get energy, this nation may have to cover the deserts of Saudi Arabia and Iran with greenbacks. The net dollar drain for imported fuels was 2.1 billion dollars in 1970. Experts say it will range from 9 to 13 billions in 1975 and from 7 to 32 billions by 1985, depending on what is done.

If things do become harshly difficult over the next few seasons, somebody will smart for it because the near-term crisis could have been avoided. There is plenty of energy fuel in the world and, as a matter of fact, plenty in the United States, as industry and Government officials agree.

There is no cosmic law that says the American people, as distinct from peoples elsewhere, have a divine right to all the gasoline, heating oil, electricity and air-conditioning they want, from this time forevermore. The American citizen represents 6 per cent of the world's population and uses some 33 per cent of its energy, with a bigger bite in prospect.

But the average citizen will not switch cheerfully from steak and potatoes to bread and water. He may well find its reasonable to complain that his Government has not looked after his interests and that the energy industry has not done its job.

The protagonists in the energy shortage are pointing the finger of censure at one another. Government blames industry. Industry blames Government. Both blame the conservationists.

Senator Henry M. Jackson (Dem.), Washington, a practical conservationist who is interested also in economic growth, jobs and national defense, thinks there is plenty of blame to go around. He is harshly critical of what he calls "the one-sided marriage of the oil industry to the Federal Government."

Industry has become the dominant partner, Jackson said. The Government has no way of getting information about energy resources except from industry, and the result is that Congress cannot get reliable facts. He is moving aggressively to change that and a lot of other things.

Senator Jackson, chairman of the Senate Interior Committee, says the energy crisis is real. He does not charge industry with rigging it to force higher prices on American consumers, but he points to evidence of negligence—on the part of Government, or industry, or both—in the shortage now coming up.

Jackson is worried particularly about the United States over the long haul becoming overly dependent on energy supplies from overseas. He proposes a 10-year, 20-billion-dollar program aimed at making the nation self-sufficient in energy by 1983. He wants an urgency and drive comparable to the American effort to put a man on the moon.

In addition, the Senator will introduce legislation designed to prevent reckless waste of energy and cut the frightening rate of growth in national consumption of energy.

"We need to ask whether we should put ourselves in hock to Middle Eastern sheikdoms to keep our roads clogged with gas-hungry automobiles," he said.

Late in February, Jackson had four oil and gas executives before the Senate Interior

Committee. He urged witnesses to admit mistakes and speak with candor. He warned that the American people would hold industry to account.

"They are going to blame you folks," Jackson said in an exchange with Randall Meyer of Houston, president of Exxon Co. U.S.A. "If you think they are just going to blame the Government, you are just whistling Dixie, because they are not. The public is going to take it out on you."

Another widely publicized critique, this one blaming Government, came from S. David Freeman of the Ford Foundation's Enery Policy Project, set up here last fall. Freeman, a lawyer, formerly headed the energy policy staff in the Office of Science and Technology, a White House agency.

"Thus far, the energy crisis is a self-inflicted wound," Freeman told the Consumer Federation of America here Jan. 25. "It is not Mother Nature but Uncle Sam that is to blame."

Freeman singled out the Oil Import Quota System set up in 1959 by the late President Dwight D. Eisenhower. That system, justified officially as a national security measure, limits the flow of foreign oil into the United States. Theoretically, it protects and encourages domestic producers.

A basic reason there were shortages in Denver, Des Moines and other places last winter when the world had plenty of tolerably clean fuel, Freeman said, was that the Federal Government did not remove the barriers it had erected to stop the free flow of oil into this country.

"Three years ago the President's own Cabinet Task Force recommended to him that he scrap the present oil import quota system," Freeman recalled. "This winter's so-called 'energy crisis' was manufactured right here in Washington. It could have been averted with a stroke of the President's pen."

Until recently Americans talked of "cheap foreign oil." But overseas oil is no longer cheap. It costs as much as or more than domestic oil. President Nixon has relaxed the controls somewhat in the last few months to ease shortages here.

At Key Biscayne, Fla., Friday, the President took further action to emasculate the quota system and knock down the Federal bulwark against foreign oil.

In view of the Federal Government's heavy dependency on industry data and expertise, it was only natural that when the Department of the Interior wanted a comprehensive study of the United States energy outlook through the year 2000 it gave the task to the department's industry advisory group, the National Petroleum Council.

Hollis M. Dole, then assistant secretary of the interior, assigned the job in January 1970. An interim report came out in July 1971 and the full report, called "U.S. Energy Outlook," followed last December. It is an awesome set of documents crammed with data, graphs and charts.

Published in addition to the full 381-page report and a 134-page summary was a 40-page presentation made by John G. McLean, chairman and chief executive officer of Continental Oil Co., and Warren B. Davis, director of economics for Gulf Oil Corp.

McLean headed the council's Committee on Energy Outlook, with Dole as the Federal cochairman. Davis was in charge of a coordinating subcommittee. The study covered coal, nuclear and other forms of energy in addition to gas and oil. It obviously was a Herculean undertaking.

The council saw no relief for the increase of energy demand over supply in the U.S. for the next three to five years. It said that the domestic energy supply situation was expected to get even worse with a resultant sharp and apparently inevitable increase in fuel imports.

"The nation's dependence on imports of oil and gas increased to 12 per cent of total energy requirements in 1970 and is likely to be 20 to 25 per cent by 1975," the council said. "The long lead times required to provide new domestic supplies make this development virtually certain."

It was pointed out that the balance of trade deficits for fuels in 1975 would be 9.5 billions to 13.2 billion dollars, compared with 2.1 billions in 1970. For fuels alone, this would double or nearly triple the nation's total over-all 1970 balance of payments deficit of 4.7 billions.

Between 1975 and 1985, the United States bill for oil and gas purchased overseas would reach even more astronomic sums unless something were done, assuming that energy consumption would continue to grow at about 4.2 per cent a year, the council said.

The American appetite for energy is not slackening. Secretary of the Interior Rogers C. B. Morton announced March 10 that the U.S. had used more energy in 1972 than ever before. The rate of increase was 4.9 per cent for the year, more than doubling the 2.4 per cent increase in the 1970–71 period.

A coast-to-coast check by the Post-Dispatch indicates the shortage is not to be dismissed as a temporary foul-up that might cause slight inconvenience in time of very hot or very cold weather. There is nervousness and rustling among the giants as well as the pygmies.

Big utilities are worried about the possibility of having to cut off blocks of customers at times of peak load.

"The fun has gone out of the utilities business," said a Phoenix power and water official who had been scrambling for fuel. "Now wer're grappling with problems we can't find answers to."

Petroleum Industry Lags in Finding New Oil, Gas—II

(By William K. Wyant, Jr.)

WASHINGTON, March 26.—The historic "partnership" between government and the energy industry—with government sheltering industry and industry keeping the nation supplied with oil and gas—failed to prevent the prospective American fuels shortage.

On the theory that it is better to light a candle than curse the darkness, a frantic search is in progress in Congress, the White House and industry to establish what went wrong and what ought to be done about it.

Despite an abundance of oil in the world, government and industry planning and cooperation were not good enough to insure an adequate supply from domestic sources or bring in and distribute enough additive fuels from overseas in timely fashion.

The result is an energy crunch that made itself felt last winter and promises to get worse before it gets better, no matter what is done. Projections of the soaring United States energy demand have been revised upward. So have estimates of energy supplies that must come from abroad, particularly the Middle East.

What this presages in the short term is a scramble for fuel among electric untilities, manufacturers and other fuel consumers, a rise in costs and possibly hardship for many. Over the long range, it threatens a grievous—perhaps intolerable—burden on the American balance of payments in foreign trade.

"A heavy and growing dependence upon imported fuels is regarded as inevitable until at least 1985 or 1990," reported Arlon R. Tussing, a staff economist for the Senate Interior Committee, after plowing through the literature on the subject.

In 1970 the U.S. obtained only about 12 per cent of its total energy requirement and 23 per cent of its oil from abroad, chiefly from Venezuela and Canada. Last year imported oil rose to 28 per cent. The Continental Oil Co. estimates the figure will go to about 35 per cent this year.

Authoritative forecasts see oil imports rising to between 41 to 50 per cent by 1975. Meanwhile, the balance of trade deficit caused by energy fuel imports—only 2.1 billion dollars in 1970—would vault to a 1975 range of 9 to more than 13 billions.

A comprehensive survey by the Interior Department's National Petroleum Council found that the nation could be importing more than 64 per cent of its petroleum "if present trends continue," or as little as 17.4 per cent if a crash effort is made, to develop domestic fuel sources.

In terms of total negative impact on the balance of payments, the burden on the nation in 1985 was estimated to range from 7.5 billions in the best case to a staggering 31.7 billions in the worst.

"Unless export earnings are very strong in areas other than energy the substantial demand for foreign exchange which the forecast energy deficit represents may create problems for the dollar," said the Petroleum Council.

There is a danger that the public, which is being subjected to panic-button propaganda in speeches by government and industry officials and in advertising campaigns, will sicken of the subject before the energy problem reaches its full dimensions.

Thus responsible men in government and industry are trying to avoid making things sound too dire, for fear they will be asked why they let the shortage happen, nor do they want to soft-pedal the perils ahead, lest they be accused of not having given proper warning.

The spotlight thrown on energy—traditionally cheap and abundant in this country—has served to focus fresh attention on tax advantages and preferential treatment long enjoyed by the petroleum business and on the controversial oil import control system established by the late President Dwight D. Eisenhower in 1959.

He set it up to protect domestic producers from being drowned in foreign oil, until recently much cheaper than oil produced here. In the 1960s, it was estimated, the program was costing American consumers about 4 billion dollars a year.

In the current squeeze, wherein the price difference between domestic and foreign oil has been substantially erased. President Richard M. Nixon has tinkered with the import controls so that more foreign oil could flow in to meet American shortages. His aides say he now is leaning toward replacing quotas with a tariff.

At the Florida White House last weekend, President Nixon took action that in effect eliminated the daily quota on imports to this country of petroleum and petroleum products from overseas. The nominal ceiling had been 250,000 barrels a day.

Under the quota system, the oil industry pocketed the difference between the subsidized American price and a lower world market price. Under a tariff, revenues would go to the federal treasury and foreign producers would have more incentive to lower their prices to share in the American market.

One of the major underlying causes of the fuel shortage is that, in spite of the tax depletion allowance and other privileges granted to keep the petroleum industry healthy, the effort to find new oil and gas has lagged. Domestic drilling reached a peak in 1956, and it began to look as if the easy oil had been found.

"We are not replacing our reserves of oil," Fred L. Hartley, President of Union Oil Co. of California, said last month in testimony before the Senate Commerce Committee.

"It's no secret. It's a matter of record that the number of years of reserves of oil in the United States is now down to eight, excluding the North Slope (of Alaska), which only adds two more years. It's an unconscionable number in terms of the stability of our nation.

"And the reason for it is that we just are not doing enough exploration."

Hartley told senators that his company would have spent another $100,000,000 in exploration if the cash flow had been available. He said Union and other companies lacked funds for the search for new oil and gas.

Hartley and industry spokesmen generally maintain also that natural gas—regulated by the Federal Power Commission since 1954—has been frozen at an artificially low price with consequent evil effect on availability of future supplies.

For natural gas, a clean fuel, there has been a downward trend in exploration and development of new fields for 15 years. The cheapness of gas has tended to undercut other competing fuels, the argument runs, and thereby depressed financial incentive for the energy search generally.

It was after World War II that natural gas came into its own. Before that, it was a by-product of oil production. Enormous quantities were "flared," or wasted. Some gas still is. In 1946 the petroleum hydro-carbons nudged out coal as the nation's leading energy supplier, and in 1958 gas displaced coal for second rank to oil.

Last year natural gas was supplying 49 per cent of the industrial, 60 per cent of the commercial, 52 per cent of the residential and about 25 per cent of the electric utility markets. Shortages have forced some users to turn to oil or coal.

The FPC, faced by the fact that natural gas may have to be imported at much higher prices, has been easing its hold on that fuel. Hartley called for dropping government regulation. The oil industry, as represented by the NPC, says natural gas should be allowed to reach its competitive level—that is, go to higher prices.

A fairly broad consensus appears to support the contention that natural gas ought to be allowed to find a higher price level, if only to save for selective use a fuel that has undergone prodigal wastage because of its low price and convenience.

The National Petroleum Council estimated that "real energy prices" of domestic fuels at the wellhead or mine must rise considerably by 1985 over 1970 levels. The council set an upward range of 80 to 250 per cent for gas, 60 to 125 per cent for oil, and about 30 per cent each for coal and uranium.

Many conservationists agree that the dollar costs of energy in the United States have been too low, thus encouraging rampant consumption of fuels and failing to reflect the true price to society of repairing the environment and eliminating pollution.

There will be a fierce debate, doubtless against a background of rising fuel costs, over the extent to which federal and state regulatory policies have contributed to the energy shortage. Industry blames government meddling for much of the present difficulty.

But Gen. George A. Lincoln, USA (Ret.), until January director of the President's Office of Emergency Preparedness and chairman of Mr. Nixon's Oil Policy Committee, made clear before leaving office that he had given the industry early warning. He said major refiners offered assurance last September that they could meet the winter's fuel requirements.

Factors in the shortage that nevertheless came about, Lincoln said, included a national "gasoline binge" last summer, the cutting off of "interruptible" gas customers who switched to oil, also in short supply, tardiness of refiners in starting to make the right kind of fuel, distribution problems, and unusual crop and weather conditions.

Lincoln's authority to tell industry what to do was limited. There is more profit in gasoline than in heating or diesel oil. The industry needs more domestic refineries but is not building them for environmental and economic reasons, and because of uncertainties about oil imports. Air pollution rules inhibit use of coal.

A share of the onus for the recent and prospective fuel shortage is attributed to the nation's new concern for the environment. This has delayed the availability of oil from Alaska's immense North Slope reserve, as yet untapped. It has held up offshore drilling, caused trouble in selection of nuclear and other plant sites, and channeled industry funds into pollution control and repair of damage to the earth.

The new pollution-control devices for automobiles tend to cut down gasoline mileage, thus increasing fuel consumption.

Dogged by a bad public image, plagued by distrustful consumer interests and caught in a bind that might generate further wrath, the oil industry is engaged in a multimillion dollar advertising campaign designed to remind people that the American machine will not run without oil.

There are billions of dollars at stake in the industry's effort to stir up moral, legal and financial support for an all-out effort to find and exploit new energy sources in the United States. But there is no assurance the industry will get everything it wants.

President Nixon reacted strongly to the energy problem early this year by turning it over to a high-level triumvirate—Treasury Secretary George P. Shultz, National Security Adviser Henry A. Kissinger, and the White House aide for domestic affairs, John D. Ehrlichman.

As was noted by the Oil and Gas Journal in breaking the story Feb. 5, Shultz has been a critic of the oil industry. As Secretary of Labor, Shultz headed the Cabinet Task Force on Oil Import Control, which recommended in 1970 that import quotas be replaced by a tariff. Mr. Nixon decided against the move, which would have dropped the price of domestic crude by 80 cents a barrel.

Shultz made a spirited defense of his position three years ago before the Senate judiciary subcommittee on antitrust and monopoly. In an appendix to his testimony, he said the oil industry "is capable of behaving irrationally for short periods . . ."

The industry is even capable, Shultz continued with an irreverence that shocked oil men, "of contriving an apparent disaster by ceasing exploration, dramatically revising its reserve additions, closing up intra-marginal properties prematurely, etc."

"Not every firm would do this, but enough might do so (from panic or from calculated strategic reasons) to produce an appearance of crisis calling for immediate 'correction' action . . ."

The international oil picture has changed since then. The task force underestimated the rise in American oil imports. It could not foresee the rise of an international cartel of overseas producers and increased revenues, damaged by oil-producing nations that drives up oil taxes and prices. Foreign oil is no longer cheap oil.

One thing Shultz said in 1970, however, has not changed. It must not be forgotten, he pointed out, that the "facts" available to government decisionmakers are produced largely by the gigantic American oil industry and the organizations that represent it. In short, a lot must be taken on faith.

To Escape Criticism: Build in West—III

(By William K. Wyant Jr.)

Page, Arizona, March 29.—One way of getting a coal-fired electric power plant built in these times of environmental turmoil is to put it out on the western range, where seldom is heard a discouraging word and the skies are not cloudy all day.

A guest at Wahweap Lodge, the modern caravanserai above the marina at Lake Powell, can look across the silken sheen of the waters and see the twin spires of the $601,000,000 Navajo Power station in the distance.

The new plant, begun in 1970, will generate 2,250,000 kilowatts when it is finished in 1976. It will have its own 78-mile railroad, costing $52,500,000. The computer-controlled train will have three electric locomotives.

Partners in the project are the Federal Government, the Los Angeles Department of Water and Power, the Salt River Reclamation Project at Phoenix, the Arizona Public Service Co., Nevada Power Co., and Tucson Gas & Electric Co.

The plant will burn about 17,000 tons a day of coal mined by Peabody Coal Co. of St. Louis at Black Mesa, under leasing arrangements with the Government and the Navajo and Hopi Indian Tribes. The train will deliver the coal from Black Mesa to the plant.

"You got to have power," says a man at the marina. Dozens of sleek pleasure craft are moored there. Lake Powell was formed by the construction of Glen Canyon Dam on the Colorado River. Nearly 1,000,000 tourists a year visit this high, remote picturesque region, which receives less than 10 inches of rain a year.

The well-churched town of Page, with about 2500 permanent residents, is proud of its clear, almost constant sunshine and a scenic backdrop which the Page Chamber of Commerce says is "the most magnificent scenery on earth." Many of the people around Page live in mobile home parks.

There is not much else around except Indian reservations, high desert, mountains, high tension lines, huge quantities of coal lying near the surface, and numerous national parks, museums and recreation areas including the Grand Canyon.

The power generated at the new Navajo plant will go elsewhere on transmission facilities costing about $143,000,000. Most of it will go south to the heavily populated Phoenix and Tucson areas and southwest to the Los Angeles metropolis.

How did the Federal Government become involved in this development?

In 1968, Congress authorized the Department of the Interior then headed by Stewart M. Udall to share in the cost of building the plant to provide electric power for pumping water from the Colorado River to the Phoenix-Tucson areas, 275 miles south.

It was first advocated that power for the Central Arizona Project, as the Phoenix-Tucson venture is called, be obtained by putting dams at one or both ends of the Grand Canyon. The screams of anguish from conservationists were such that the idea was dropped.

Congress ruled out the dams. It provided instead that Udall could obtain power for the Central Arizona Project by joining with nonfederal interests in setting up the coal-fired thermal plant at Page. The Government will receive about one-fourth of the power.

Water for the project will be pumped not from Lake Powell at Page but much farther south, at Lake Havasu, where the river has backed up from Parker Dam, also a federal project. This is the locale of Lake Havasu City, "America's home for the London bridge," a real estate development promoted by McCulloch Oil Corp.

The Navajo plant is one of six major power installations in the so-called "Four Corners" region where Arizona, Utah, Colorado and New Mexico come together on the map.

The power intrusion in this land of pure air and lonely buttes got under way back in the 1950s, when nobody was looking. It began as a cloud of stack emissions no bigger than a man's hand. Now it is a subject of fierce controversy and indignant magazine articles, but the smoke is rolling forth.

Two of the plants—Four Corners near Farmington, N.M., and Mohave in the southern tip of Nevada—are built and operating. Navajo and two others—San Juan in New Mexico only ten miles north of the Four

Corners plant and Huntington Canyon in central Utah—are under construction. The sixth—Kaiparowits in Southern Utah—is only proposed; if built, it will be the largest of the group.

The first of the plants to be built was Four Corners, started in 1961 and completed in 1970. It is operated by Arizona Public Service Co., the state's biggest gas and electric utility. Southern California Edison Co. is a major participant.

For Mohave in Nevada, Southern California Edison runs the facility and is the principal owner. The plant began operating in 1971. It burns powdered coal brought more than 273 miles from Arizona's Black Mesa in a buried 18-inch steel slurry pipeline.

Mohave receives its coal from the same supplier, Peabody, as will the Navajo plant at Page. That is one reason the southwestern power combine put the Navajo facility ahead of the Kaiparowits plant, which will be on the other side of Lake Powell.

"Since Peabody probably is going to begin stripping the Navajo coal this year," then Secretary Udall told the House Interior Committee in 1968, "it is logical in order to achieve economies to build both of the plants that will use this Navajo-Hopi coal at one time."

With the Federal Government's co-operation, the development of the Four Corners as a vast industrial park was planned by a consortium of 23 power companies in seven western states, organized in 1964 and known as the Western Energy Supply and Transmission Associates or WEST.

A number of other coal-fired power plants are projected for the region. More than half the land in the area is federally owned and 16 per cent is Indian reservation. Coal is abundant but water, vital in power plants, is scarce. Federal officials are heavily involved.

All went swimmingly at first. Private industry was giving the Indians jobs, and money for their coal and land. The Southwest needed power. But now the wind has shifted. Conservationists and new federal and state laws are giving industry a hard time. The Navajo plant's investment for environmental purposes is said to have added $200,000,000 to the project's cost.

People are asking whether a great scenic wonderland ought to be ripped up for coal and the national parks smudged by coal smoke. They are asking how the Federal Government got mixed up in it.

Utility executives defend the development on the grounds that they are worried about shortages of fuels and their ability to meet a soaring demand for electric power.

Rod J. McMullin, general manager of the Salt River Project, the nation's oldest multipurpose reclamation project and one that claims its water and power make Phoenix "a miracle in the desert," is president of WEST Associates, the power combine.

"Philosophically," he said in an interview in his Phoenix office, "I would accept that utilities didn't have the concern for the environment they should have had—any more than anyone else. But I am going to say categorically that the utilities are now very aware of their environmental responsibilities."

McMullin said the utilities are not "fighting the problem, but are pleading for public understanding that there are no instant solutions."

McMullin said the energy shortage might have started "as a scare to maintain the depletion allowance," but he is satisfied that it is genuine now. There was only one petroleum supplier bidding for Salt River's gasoline contract this year, he said, whereas in the past there were always four or five.

The Salt River Project, as part of the southwest power network, owns 10 per cent of the Mohave power plant and more than 21 per cent of the Navajo. It has a vital interest in being able to use the area's coal for power.

Coal is a dirtier fuel than natural gas or oil, and pollution problems formidable.

Edward B. Danson, director of the Indian-oriented museum of northern Arizona at Flagstaff and chairman of the Colorado Plateau Environmental Advisory Council, has tried to bring industry and conservation groups together.

"As a conservationist and lover of Arizona and the beauty of this state," Danson said, "I'd throw out every mine and every power plant, but it's very obvious you can't do that and live in today's society.

"If they had to be built in Colorado, New Mexico or Utah, they'd be spoiling those states."

Danson said the museum had tried to encourage business to pay attention to the conservation groups, to get the conservationists to understand some of the legitimate problems business faced and to stimulate research.

"We've got to have power to meet the needs of America," he said, "but power companies must recognize that they have an obligation to do as little as possible in spoiling the country."

Danson's environmental council, a broad-spectrum group, receives financial support from the utilities. He responds that the funds from conservationists have not been forthcoming.

Much opposed to the Four Corners development is William J. Breed of Danson's staff. He is curator of geology at the museum, chairman of the Sierra Club's plateau group and president-elect of the Arizona Academy of Sciences.

Breed, who is from Ohio, said that "they are destroying what people escaped to in order to build more of what people escaped from."

Another opponent of the power developers is Mrs. Alice Wiebe, state air specialist and Flagstaff conservation chairman of the League of Women Voters, and a third generation Arizonan.

"We oppose putting all the eggs in one basket and putting the basket in the Four Corners," she said.

Southern California Facing Energy Crisis—IV

(By William K. Wyant Jr.)

Los Angeles, March 30.—Perhaps the most dramatic illustration of the national energy crunch is southern California's sprawling megalopolis and the efforts here to reach out for power and water, and to prevent the populace from being engulfed by smog.

The South Coast Air Basin has more than 11,000,000 persons, about 55 percent of the state's population living in 9200 square miles. In the area, which includes Los Angeles, there are about 6,000,000 of the nation's 85,000,000 automobiles.

E. John List of the California Institute of Technology's Environmental Quality Laboratory estimated the South Coast Basin drivers burn up more than four billion gallons of gasoline a year.

"Over 400 gallons for every man, woman and child in southern California," List said. He considered the figure staggering.

Nationally, the demand for electric power has been doubling every 10 years. Here in southern California, the doubling time is only about eight years. Efforts are being made to curb the rate of growth, which already has slackened a bit.

Like Americans elsewhere, Californians are worried about the implications of an unchecked, escalating demand for energy at a time when fossil fuels like oil and natural gas are becoming less abundant. They also are concerned about damage to the environment resulting from a search for more.

By 1975, the electric utility industry in the United States is expected to be the largest user of primary fuels. By 1985, the national requirement for electricity is projected to increase threefold or more. The cost for new plant and transmission equipment will exceed 200 billion dollars.

The Los Angeles plain viewed from the San Gabriel Foothills above Pasadena on a clear spring night is a sea of lights, wondrous to behold. But citizens here have been warned of power shortages ahead.

Southern California Edison Co., which serves 2,500,000 customers in a 50,000-square-mile territory outside Los Angeles City, is saying that the hard reality of an energy crisis might be here in 1975.

What may happen is that, at times of peak electricity use, it will become necessary to cut off large blocks of 200,000 or so customers on a rotating basis. Nobody would be cut off more than about one hour, apparently—not long enough to ruin the meat in the freezer.

William R. Gould, a senior vice president of the company, told a meeting of physicians last fall it would be prudent for them to install emergency power units in their hospitals, offices or clinics.

"We have worked out a prearranged plan—near finalization—in which we have looked at the circuits that have critical power needs on them," Howard P. Allen, also a Southern California Edison senior vice president, said in an interview.

"We will take the other circuits and rotate them."

Two years ago the company stopped promotional advertising of the kind that exhorts people to use more electricity. Instead, it has turned to institutional ads urging the 7,500,000 Californians in its service area to conserve energy and "make every kilowatt count."

Another thrust of Southern California Edison's effort is allaying public fears about the safety of nuclear power plants. The company thinks nuclear power is the solution. It wants to build new plants and expand its existing San Onofre nuclear generating station on the coast near San Clemente, six miles from the Western White House.

Allen describing his company's difficulties, frustrations and hopes, said something has to give if the demand for electricity keeps soaring and the company continues to be unable, because of environmental factors or Government red tape, to build new plants to meet the need.

There are no gray areas in the utility business, Allen said. The lights are either on or off. He expressed concern about the decline in availability of reserve power for periods of peak need, such as air-conditioning in summer.

"What makes our guys tight," he said, "is they like to have a 20 per cent reserve. When it gets below 13 per cent, they get nervous."

Allen said his company in 1969 had five plants under construction. This year it has none except for a gas and oil-fired plant near Oxnard, nearing completion. Yet demand in the last two years has grown by the equivalent of a city of 1,500,000 persons.

The difficulties described by Allen are typical of what is going on nationwide as utilities struggle to find sites. Nationally, the shift to nuclear power—only about 1 or 2 per cent of capacity now but projected to be 42 per cent by 1985—is not moving as rapidly as some had expected.

There are only two nuclear power plants operating in California, San Onofre and Humboldt Bay on the northern coast. The outlook is that the state will need 130 new power plants, of which more than 80 will be nuclear, by the year 2000. At present the nation as a whole has only 29 nuclear power plants, with a prospect for more than 800 by the turn of the century.

A great advantage of nuclear power generation, even at its present stage of development, is that it avoids some of the pollution problems caused by burning fossil fuels like oil and coal. But the public is nervous about nuclear accidents.

The San Onofre pressurized water reactor near President Richard M. Nixon's residence at San Clemente was built in the period 1964–69. Allen said expansion of the plant was announced in 1970 and $37,000,000 had been invested, but not a spadeful of earth had been dug on the job.

"We don't have a permit from the Atomic Energy Commission to build it," Allen explained. Among other things, the AEC has been worried about earthquakes. AEC licensing procedures have been delayed by the 1971 court decision on the Calvert Cliffs nuclear plant in Maryland, holding that the agency must make an independent environmental impact study for each proposed plant.

The cost of energy is going up in California. Ronald D. Doctor of the Rand Corp., which made a study for the State Assembly with the National Science Foundation's support, said Feb. 16 that fuel costs might well be two or three times higher by the year 2000.

Martin Goldsmith, visiting associate professor of environmental engineering at California Institute of Technology, saw the price of electricity doubling in 10 years. He said the average Southern California Edison residential customer also will be using twice as much electricity.

The average household electric bill, he said, will therefore be increased fourfold from a present $120 a year to $480.

These sharp increases are based on assumptions that obviously could change, Goldsmith noted, but he said, "We must face the fact that the growth in electrical consumption will proceed apace unless Draconian measures are adopted to modify that growth rate."

California has been using more clean-burning natural gas in its energy mix than the nation as a whole, but the nonavailability of gas has caused a shift to oil, which costs more. In this state, natural gas has been supplying about half the energy while in the nation over-all the proportion is closer to one third, with coal rather than gas accounting for more than half.

Southern California Edison board chairman, Jack K. Horton, told the Business Council at Hot Springs, Va., last May that most electric utilities in the country were trying to use fuels in the environmentally-preferred sequence if possible—nuclear first, natural gas next, then low-sulfur oil and finally low-sulfur coal.

But there is a catch. In terms of the energy shortage, using natural gas for power plant boilers is wasteful of a precious resource. A major argument for a price increase for natural gas is that it would conserve gas for such optimum uses as home heating.

In California as elsewhere, the shortage-induced switch from natural gas to oil as the fuel for utility and industry boilers contributed to a domino effect. It put pressure on oil supplies and helped drive up prices and cause distribution problems.

Southern California Edison's vice president said his company, which had 1972 operating revenues of nearly 1 billion dollars, had spent about $60,000,000 a year for the last two years on environmentally-reflected costs. This is one fifth of total capital expenditures.

An oil price hike was expected to cost the company $56,500,000 a year. Allen said his company used only 10,000,000 to 12,000,000 barrels of oil in 1969 at $2.25 a barrel. This year it will be 47,000,000 barrels at a range of $4.75 to $5.75.

"And in 1975 and 1976, we could use as much as 100,000,000 barrels, and we will have as little as 10 percent of our boiler fuel in gas," he said. The oil has been mostly a low-sulfur grade shipped from Indonesia.

Allen said that the licensing procedure for nuclear plants must be speeded up. Southern California Edison is planning to build two nuclear plants at cost of about $953,000,000 in the eastern California desert, between the populated area and the Colorado River.

It will take eight to 10 years to build the nuclear plants, if all goes well. Meanwhile, the company is not expecting much in the near future from geothermal heat sources or from farout possibilities such as harnessing the sun or the tides for power generation.

As for coal, Southern California Edison has a big stake in the mammoth and controversial undertaking to build coal-fired power plants in the Four Corners area of Arizona, New Mexico, Colorado and Utah.

Allen personally negotiated the contract for the Four Corners plant in New Mexico, the first to be built. It was finished in 1970. Southern California Edison is a major owner.

The company operates and is the chief shareholder in the Mohave plant in southern Nevada, which began operating in 1972. In addition, the company is involved in the proposed Kaiparowits plant in Utah, near Lake Powell.

"We thought at the time, in the mid-1960s, it was in the public interest to put these plants in remote areas where there were no other pollution sources," Allen recalled.

Allen said federal and state officials were entranced by the idea at first, but, as he put it, "then we have a big environmental movement—Government and public attitudes change."

Oil Industry Calls for Help To Meet U.S. Energy Demand—V

(By William K. Wyant, Jr.)

WASHINGTON, APRIL 2.—"A country that runs on oil can't afford to run short," the oil companies of America say in their advertisements. It is a statement even the industry's sharpest critics must admit has some truth in it.

But despite the petroleum industry's all-out campaign in the energy shortage, it has not yet achieved a national consensus to support its laundry list of things that ought to be done.

The relationship between oil and government has traditionally been very close, like morning glory vines and the back fence. Many skeptics, however, still distinguish between the public interest and the welfare of the oil business, particularly big oil.

"Blackmail" is the unkind term applied to the industry demands by Senator Thomas J. McIntyre (Dem.), New Hampshire, whose New England area has no oil wells and loses $62,000,000 a year when the price of heating oil goes up a penny a gallon.

McIntyre told Secretary of the Treasury George S. Shultz's Cost of Living Council in February the oil shortage had been "contrived," with the oil industry and the Federal Government joining in an alliance.

Much grousing is heard from consumer representatives to the effect that oil men are grabbing all the energy materials—coal and uranium as well as oil and gas—and stand to reap billions in profits from increased prices and the deregulation of natural gas.

"There may well be a rip-off by the oil companies, but it is difficult to document," said Alex Radin, general manager of the American Public Power Association. He often warns against what he regards as a trend toward monopoly in fuels.

The average American, puzzled by talk of energy famine in this land of traditional plenty, might be even more confused if he waded through the mountains of reports, speeches, studies, hearings, recommendations and conflicting statements that have been pouring forth on the subject.

The latest and most up-to-date addition to the literature is at the same time a prime example of the industry-government partnership. With the imprimatur of the Federal Government, the oil industry has come up with specific recommendations for alleviating the shortage in the form of a report issued last December by the Interior Department's National Petroleum Council.

The council is an industry advisory group, set up in 1946 under the late President Harry S. Truman, to assist the Government on oil policy. It is headed by H. A. True Jr. of the True Oil Co. as chairman and Interior Secretary Rogers C. B. Morton as the government cochairman.

The new report on energy, requested by the Interior Department in 1970, was prepared by a committee headed by John G. McLean, board chairman of Continental Oil Co., and Hollis N. Dole, until recently the Interior Department's assistant secretary for mineral resources.

Dole was one of several Interior officials who departed as the second Nixon Administration got under way. Atlantic Richfield Co. announced three weeks ago that Dole had become its senior executive in charge of the Colony Development oil shale program at Denver.

The National Petroleum Council pays its own way and bears its own costs. Such industry advisory committees have been highly praised as an example of the kind of cooperation that made the nation great, and criticized as hostile to the public interest. A frequent critic is Senator Lee Metcalf (Dem.) Montana.

When Metcalf had hearings on advisory committees in 1971, the petroleum council estimated that the cost of its study on energy would run to $5,788,000. Metcalf said the council's only advantage seemed to be that it gave the heads of large oil companies special access to the Secretary of the Interior, and the President.

Ignoring Metcalf's doubt, the council plunged ahead with its comprehensive report. The final product, published last December, pointed to difficult times ahead for the energy-hungry U.S. It recited the projections on supply and demand, specified the probability of mushrooming foreign imports to make up for slackening domestic production and translated the figures into a sickening negative impact on the nation's balance of payments.

Not only that. The council pointed to formidable other financial implications and logistical problems. For example, it said imported oil should be brought in with very large tankers—250,000 to 400,000 deadweight tons—but there are no ports in the U.S. today that can handle ships of that size.

The big carriers can transport oil from the Persian Gulf much more cheaply than can smaller ones. Furthermore, the council argued, the possibility of oil spills will be reduced by using the mammoth tankers, 400 of which will be needed by 1985.

What should be done? The council said the nation had three choices—increased emphasis on domestic supplies of energy fuels; much greater reliance on imports from abroad, and curbs on the growth of demand for energy in this country. It said all these things could help, but it picked increasing domestic supply as the best course.

Although domestic exploration and production of oil and gas has not kept up with increased demand, the council said, there is enough of these and other fuels underground to last for a while if only the industry has the right climate and incentive to find and produce it.

The council recommendations include changes the oil industry has sought for years. Oil's proposed remedies are being peddled across the land by industry leaders, some government officials and such trade associations as the American Petroleum Institute headed by Frank N. Ikard, former member of Congress from Texas.

Environmental standards are essential, the petroleum council said, but should be realistic. The Government should set up consistent energy policies. It should encourage development of energy resources on federally owned lands where half the remaining oil and gas potential and most of the oil shale, was thought to be.

The report said tax incentives that encouraged the development of energy supplies ought to be continued, but it opposed such measures as the 1969 Tax Reform Act, which cut the oil depletion allowance and cost the petroleum industry $500,000,000 a year. The controversial 1959 oil import quota system should be kept in force and so should import controls on uranium, the council said.

Natural gas should be liberated from the grasp of the Federal Power Commission, which keeps its price unrealistically low, the report recommended. Research should be expanded, and the Federal Government should establish "an economic and political climate which is conducive to energy development by private enterprise."

Ordinarily the National Petroleum Council deals with oil and gas but in the December study it called in experts from other energy industries. An effort was made to make the report comprehensive.

In another sense, oil has the right to speak for the rest of them anyway. The major oil companies, as their critics seldom miss a chance to point out, own about 72 per cent of the natural gas, 30 per cent of domestic coal reserves and more than 20 per cent of coal production capacity, more than half the uranium reserves and one-fourth of the uranium milling capacity.

The major companies in addition are buying up oil shale and tar sands along with water rights in many parts of the country.

Working against acceptance of the industry's pattern for future action is the fact that despite the special tax treatment and other benefits worth multiple billions, enjoyed for decades by oil, domestic supply has not kept up with demand.

In 1969 Congress cut the oil depletion allowance from 27½ to 22 per cent. Senator Henry M. Jackson (Dem.), Washington, chairman of the Senate Interior Committee, said it was apparent the industry had spent a large part of its depletion money for profitable overseas activities rather than plowing it back into the search for oil at home.

"I am for incentives," Jackson told the Post-Dispatch, "but incentives must be tied directly to advancement of a specific goal."

The adverse impact of the depletion cutback three years ago was mentioned during an interview in New York City with Ruddick C. Lawrence, a vice president of Continental Oil Co. His company in 1965 acquired Consolidation Coal Co., which produces about 10 per cent of the nation's coal.

Asked why the depletion allowance had not encouraged more exploration by the industry for oil and gas, he replied: "It has. We'd be in a worse situation without it."

The American outlay for energy is now only about 5 percent of gross national product and this will inevitably go up, he said. Gasoline could eventually cost 50 per cent more than now.

"We can afford to pay more for energy without really causing any hardship," he said.

Gerald D. Gunning, vice president of the Chase Manhattan Bank's energy economics division, discussing the same situation, said that the major oil companies had increased their spending for domestic exploration to find new oil and gas at home, but the independent producers had put their money into real estate, cattle feed lots and such enterprises. Gunning said that much of the energy trouble could be traced to an artificially low price for natural gas.

Across the country in Los Angeles, on the 50th floor about Atlantic Richfield Plaza, Arco's executive vice president, Joseph P. Downer, pointed out in philosophic vein that 70 per cent of the world's population today had not entered the world of energy.

They still live primitively, about the way people did 500 years ago, Downer said, and even in civilized areas there are still huge pockets of people who need a better economic shake.

"It is energy," he said, "that provides the goods and services you need for a tolerable standard of living. Every projection is that the free world's energy requirements are going to double between now and 1985."

There is no question but that the nation has been profligate in its use of energy, Downer said, but the doubling now in prospect is justified to meet legitimate demand—not profligate uses. He called for rational and consistent Washington policies that will help industry get on with its task.

". . . We only devote 5 to 6 per cent of our gross national product to energy costs," he said. "Energy has been terribly, terribly cheap in this country, compared to energy elsewhere."

Atlantic Richfield announced an immensely rich oil strike on Alaska's north slope in 1968. A proposed pipeline to bring out the oil has been delayed by environmental, legal and other problems. The pipeline would transport up to 2,000,000 barrels a day.

"We think it is in the national interest to get that oil in production," Downer said.

DWINDLING FUEL SUPPLIES MAY ALTER U.S. LIFESTYLE—VI

(By William K. Wyant, Jr.)

WASHINGTON, April 5.—With some new tools and a heightened sense of urgency, President Richard M. Nixon is trying to set a new national course that will—in his words—"insure necesssary supplies of energy at acceptable economic and environmental costs."

"We must face up to a stark fact in America: We are now consuming more energy than we produce," the President told Congress in mid-February. He promised he would soon be sending a comprehensive message on energy.

The message, anxiously awaited, has not yet appeared, Mr. Nixon's counselors still are weighing difficult alternatives. They are probing for a safe passage between Scylla and Charybdis, and past other hazards beyond.

Basically, the trouble is that the nation's increasing appetite for energy has outstripped its readily available domestic supply to an extent that dictates much larger imports of oil and other fuels from abroad.

Big American-owned international companies—notably Exxon, Texaco, Gulf, Mobil and Standard of California—own or control more than half of the world's output, including the Middle East's.

But that does not allay concern here about increased dependence on foreign supplies and the dollar outlay for huge tonnages of foreign oil, which is no longer cheap.

The oil-rich Arab nations helped cause the recent run on the American dollar. Their revenues, now mostly from Western Europe and Japan but increasingly from the United States, were 7 billion dollars in 1970 and are expected to soar to 35 billions in 1980 and 55 billions in 1985.

One of the United Arab Emirates on the Persian Gulf, Abu Dhabi, is expected to be raking in four billions a year from oil sales in 1985. Abu Dhabi has only about 70,000 people.

The energy crunch had long been forecast. Its imminence somewhat earlier than expected suggests the failure of federal energy policy and of the traditional partnership between the Government and the oil and gas industry.

In the name of national security, the government's role was to protect American producers from cheap foreign oil and provide tax benefits and other privileges. Industry's job was to find and produce the energy. The system obviously has not worked.

A business executive's prime obligation is to his stockholders. The trouble with the system, critics say, is that it calls on oil men to behave like statesmen and federal officials to behave like oil men, while the public interest is forgotten.

The petroleum industry's close relationship to the American political process and the multibillion-dollar favors it has received tend to damage the industry's credibility. So does the fact that, except for federally owned lands, the Government must take industry's word on the amount of oil and gas still in the ground.

Senator Henry M. Jackson (Dem.), Washington, who has introduced corrective legislation, has said that it is not good policy for for the Government to depend on industry for information that is vital for decision-making. What is to prevent concealment of reserves in anticipation of higher prices?

"The Federal Government has made no independent check of reserve figures reported by industry," Charles F. Wheatley Jr., manager of the American Public Gas Association, told Senator Jackson's Interior Committee.

President Nixon has shown keen awareness of the consequences an energy shortage might have on the world's most advanced industrial nation. His "clean energy" message to Congress in June 1971 was the first of its kind in American history.

The president noted then that prices of oil, coal, natural gas and electricty had been increasing at a slower rate than consumer prices as a whole. He said energy had been a bargain in the United States. The price, he indicated, must go up.

"One reason we use energy so lavishly today," Mr. Nixon said in 1971, "is that the price of energy does not include all the social costs of producing it."

Nearly everybody agreed on an obvious point Mr. Nixon and others had been making for some time, that more attention should be given to speeding the advent of nuclear power and putting such sources as oil shale, tar sands, gasified coal and geothermal heat on the firing line.

Too far off to be of immediate help, but in need of a hotter head of steam for research, were such possibilities as nuclear fusion and ways of obtaining energy by harnessing the sun, tides, ocean currents, thermal gradients in the sea, and so on.

With a shortage of natural gas and oil nipping at the nation's heels last winter, Mr. Nixon moved to give energy high priority. He handed the problem to Treasury Secretary George P. Shultz, national security adviser Henry A. Kissinger and John D. Ehrlichman, assistant to the President for domestic affairs.

To help this powerful triumvirate shape energy policy, the President on Feb. 23 announced the appointment of a special consultant, Charles J. DiBona, an Annapolis graduate and Rhodes scholar. Already on loan from the Department of State was James E. Akins, an expert on the Middle East.

DiBona has a brilliant academic record but no background in the oil and gas business. As head of the Center for Naval Analyses, he has been accustomed to dealing with complex issues. Akins, who speaks Arabic, is director of the State Department's Office of Fuels and Energy.

Mr. Nixon's new chairman of the cabinet-level Oil Policy Committee is deputy secretary of the Treasury William E. Simon. He succeeds George A. Lincoln, former director of the Office of Emergency Preparedness, which Mr. Nixon is phasing out.

Thus far, DiBona has had little to say publicly, but Akins appeared March 12 in a televised debate as a witness, along with Thornton F. Bradshaw of Atlantic Richfield, favoring immediate development of the nation's domestic fuels.

"First thing you ought to do is increase domestic production," Akins said. "There's Alaska. There's the outer continental shelf. There's more production of domestic gas."

Also on the program as chief advocate of a more intensive United States search—a course strongly urged by the oil industry—was Charles E. Walker, a former deputy secretary of the Treasury. He resigned last December and was succeeded by Simon, a wealthy New York investment banker.

Akins' views were further exposed in an article in the current Foreign Affairs Quarterly descriptively titled: "The Oil Crisis: This Time The Wolf Is Here."

In addition to saying that at least 300 billion barrels of the non-Communist world's 500 billion barrels of proven oil reserves are in the Arab Middle East and North Africa, Akins termed "spectacularly wrong" the projections made in February 1970 by Mr. Nixon's Task Force on Oil Imports, headed by Schultz.

The Schultz task force, Akins said, assumed that the United States could remain essentially self-sufficient in oil, that increases in the world price of oil would be modest, and that the nation would need to import only 5,000,000 barrels a day in 1980, mostly from the western hemisphere.

"Total imports this very year, 1973, will be well over 6,000,000 barrels a day . . . imports from the eastern hemisphere constituted 15 per cent of consumption in 1972, and are expected to rise in 1973 to 20 per cent," he said.

Akins said the State Department had been calling attention since 1970 to the underestimates, which he attributed in part to failure to consider the effect of a declining availability of natural gas in this country and a resulting switch to oil.

"As Mr. Nixon's new team sifts the options and looks at the national and international complexities of the energy shortage, the oil industry is drumming up support for a package of proposals it says will help resolve the problem.

But the oil industry's wish list is one thing and Mr. Nixon's forthcoming energy message is another. Nobody knows what will be in that. Mr. Nixon has been striving desperately to hold prices down. Soaring consumer costs for energy will not be popular.

For example, a prime industry objective is the deregulation of natural gas prices, now controlled by the Federal Power Commission. If that happened, critics say, prices to consumers would more than double and the increased billings would exceed $6,000,000,000 a year.

Another obstacle to the oil industry is that Secretary Shultz is in charge of both oil policy and the Cost of Living Council. He is not considered a pushover. In February he told the oil industry, which had raised prices, that the "club" was "out of the closet and laid on the table."

Without doubt President Nixon will recommend measures to encourage domestic exploration for oil and gas, but if men like Senator Jackson prevail, any new incentives for industry will be tied directly to that effort.

It is logical to assume the President will take or urge Congress to take actions aimed at minimizing the political and financial impacts of bringing in Middle Eastern oil, and to clean up the nation's coal, the one fossil fuel that is abundant.

He could give the coup de grace to the 1959 Oil Import Quota Program, already moribund. Certainly he will call for fiercer efforts to squeeze oil from shale and gasify or take the sulfur out of coal, and for stepped-up research.

The United States has about 150 billion tons of recoverable coal, enough to last a while. Environmental restrictions have hit coal hard. Mr. Nixon's planners are worried that it will suffer even more in the late 1970s as laws already passed take effect.

The President is expected to try to soften environmental restrictions somewhat in order to permit wider use of coal and lessen the need for overseas oil.

The Atomic Energy Commission expects that its fast breeder reactor, which produces more fuel than it consumes, will become commercial in the 1980s. It is talking about being able to produce fusion power, a tremendously exciting possibility, around the turn of the century.

Meanwhile, the use of nuclear power is not coming on fast enough to play a spectacular role in the energy crunch between now and 1985, when it will account for about 35 per cent of the electricity generated. It now accounts for only 2 per cent.

A great danger from the standpoint of public interest is that the hard-won environmental gains that have been made in the United States in recent years will go by the board as the nation adopts emergency measures to satisfy its voracious appetite for gasoline and electricity.

The move to smash ahead with the long-debated, long-delayed trans-Alaska pipeline is an example. Another is the effort to water down air pollution standards that inhibit use of high-sulfur coal. As things are, federal planners fear that 150,000,000 tons of dirty coal now being used annually will be outlawed by 1975.

There will be all kinds of pressure to ease up on curbs and postpone restrictions. The argument will be that the nation must have energy, and any failure to use domestic fuels means economic hardship for Americans and runs up the bill for oil imports.

President Nixon has already urged an end to wasteful uses of energy. Oil spokesmen can be heard suggesting a tax to discourage use of big, high-powered cars. The clamor for conservation of energy can be heard everywhere. It is not at all unlikely that a change in the American lifestyle is in prospect.

"We have got to look in the mirror and look at our living practices for what they are," said S. David Freeman, who formerly headed the energy policy staff in the Executive Office of the President. He is now directing the Energy Policy Project, set up here last year by the Ford Foundation.

What has happened thus far, Freeman said, is little more than an early warning signal. It may be the first sign, he said, that there are limits to the rate at which the nation can grow.

Will the nation keep on in the same path, trying to be bigger and better, or will it choose a pattern of growth in which there is more stress on the mind and spirit than on three cars in every garage?

"I think that's the issue we are really snuggling up against," he said.

H.R. 8877

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. ROBINSON of Virginia. Mr. Speaker, in H.R. 8877, the House has passed and sent to the other body a bill which exceeds the President's budget recommendations by well over a billion dollars.

I voted against this bill, because I regarded the total as entirely unrealistic in our present budget deficit situation.

As I have said in the past, it is not pleasant to vote against a bill providing money for health and education. In this situation, however, I voted for a motion to reduce the overage by about half, which still would leave the bill well over a half billion dollars above the budget.

When this motion failed to carry, I felt obliged to vote against the bill.

If the total is not reduced sharply by the other body, I believe the President will veto the bill. If he does, I will vote to sustain his veto.

I wish to support programs for education and health, and I should like to see a bill with realistic figures brought back after a veto, so that I might be able to vote for an appropriation measure in this area of national concern.

BAN ON EXPORTS OF SOYBEANS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. ZWACH. Mr. Speaker, I do not believe the administration did the best thing when it applied an embargo against the export of soybeans and their products.

I am in receipt of a letter from the Ohio Soybean Association which gives a good explanation of the problem and tells why an export embargo is not the proper solution.

Mr. Speaker, with your permission, and to give my colleagues a better understanding of some of the problems our producers are facing, I insert this letter in the Congressional Record at this point:

Ohio Soybean Association,
Irwin, Ohio, Jun 25, 1973.

Re Ban on Exports of Soybeans and Soybean Meal.

Hon. John Zwach,
Longworth House Office Building, Washington, D.C.

Dear Congressman Zwach: Since the advent of the depression, except for the period of World War II and the five year period to follow, U.S. agriculture has been plagued with surpluses and depressed prices.

During recent years the American Soybean Association has done a tremendous job in developing foreign markets for the U.S. soybean growers. As late as 1967 there was a carryover of approximately one-third of crop. Today soybean growers have markets, and like most other types of farmers they are enjoying their first period of prosperity.

Banning the exports of soybeans and soybean products is to invite substitutes, and in turn lose these developed markets.

The present flare in price of soybeans is a wild speculative market. Most growers received in the range of $4.00 to $5.00 per bushel for their crop.

There was as much soybean meal available this year for feeding of U.S. livestock as there was the previous year. Poultry houses have been emptying for some time due to low poultry prices. The reason for a shortage of pork is the $16, $18 and $20 price of two and three years ago.

Having to pay plumbers at the rate of $12.00 per hour and having to buy medium size tractors at $10,000 to $12,000 and grain combines at $20,000 to $32,000, does not permit farmers to continue to produce the cheap food U.S. consumers have enjoyed so much for so many years.

May we suggest that before you cause the U.S. soybean growers to lose the markets which they have developed that this proposed ban be given more serious thought. Also, consider whether or not the American farmer has an obligation to continue to produce at non-profit prices so that the consumer may enjoy cheap food. Is not the farmer entitled to share in higher prices as are most other segments of the economy? Apparently foreign consumers who are buying the products of the U.S. farmers do not expect that advantage.

Sincerely yours,

James Needs,
President.

WITH ENGINE COMPANY 21

HON. ROBERT H. STEELE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. STEELE. Mr. Speaker, the International Association of Firefighters, which is a 165,000-member affiliate of the AFL–CIO, has always been particularly concerned with getting the firefighter's story across to the general public. The union reasons, quite correctly, that when the public understands both the awesome hazards that face the average firefighter and the large number of varied skills that he must possess the public will better appreciate the job he has to do.

In line with its program, the IAFF conducts an annual awards contest, in which the various local affiliates submit news stories, photographs, television programs, and radio commentaries. The judging of these entries is conducted by a group of impartial experts unconnected with the union.

The quality of the winning entry is very high, and in my estimation deserving of the widest readership, including the attention of my colleagues. Accordingly, I am taking this opportunity to insert in the Record one of the prizewinning articles which appeared in the San Francisco Chronicle. It was written by Chronicle reporter, Duffy Jennings, who was assigned for 5 weeks to the San Francisco Fire Department's Engine Company 21. During his stay with the fire company he worked as a firefighter: riding the engine, setting out the hose, fighting fires, or simply waiting with the other men on Engine 21 for the alarm bells.

The article which appeared on Monday, July 24, 1972, follows:

Riding With Engine 21

(By Duffy Jennings)

The bells hit. Onetwothree. Onetwothreefourfive. Onetwothree. Onetwothreefour.

With the last four, a thunderous clatter of wooden chairs and benches. Heavy black boots pound across the linoleum.

The men of Engine Company 21 scramble out of the communications room and slam through the big double doors to the apparatus floor. Paul Arvonen shouts into the firehouse intercom:

"Inside for the engine! Chief goes too! Box 3534, Fillmore and McAllister! Everybody!"

The huge automatic overhead garage doors grinds open. Men run down both sides of the pumper, jump on. Seventeen tons of glossy red steel, rubber and hose.

Paul guns life into the big diesel. Biff O'Brien, on the backstep gives the go-ahead. Paul jams down the accelerator. Siren. Red Lights.

The rig bolts out onto Grove street, into the night. Mike Keating grips the handrail on the right side with one hand, snaps up his turnout coat with the other.

Paul takes a wide turn at Broderick street. Up the block, tear around the next corner. Down Fulton street jostling through traffic. Two ear-shattering blasts of the air horn drown out the siren.

Inside the cab of San Francisco's busiest fire engine, Joe Medina barks into a radio headset:

"21 Engine responding to Box 3534!"

Past Scott street, Pierce, Stteiner. Gotta be doing sixty, seventy maybe. Moving van on the right! Swerve! No sweat.

BRAKES

Paul pumps the brakes at Fillmore. Two more rigs tear up Fulton from the opposite direction. 14 Engine and 6 Truck. Sirens everywhere.

Mike points to a decayed hotel up ahead on Fillmore. The Manor Plaza. It is abandoned. (Later, Battalion Chief Bill Favilla says there used to be so many pimps, junkies and whores in the joint, no fireman would go in alone. And never without an ax.)

On the fourth floor, at the rear of the building, an orange glow beats against the window.

Lieutenant Medina is on the radio again: "Box 3534, workin' fire." He bends out the cab window, and yells "Drop the hydrant jumper!"

HOSE

Biff hooks his arm through a loop of "big line," yanks a 50-foot length off the hose bed and heads for the hydrant.

The pumper pulls up to the front of the building. The coupled hose snakes out behind it, flops on the pavement.

The Manor Plaza's outer foyer is boarded. Old campaign posters splashed on rotting plywood sheets. Can't make a lead from the street.

Chief Favilla orders 6 Truck to "ladder" the front fire escape—take the line up from the outside.

HALL

The men haul the hose up, through a splintered window on the fire floor. Down a pinched hallway, thick with soot and smoke.

Mike humps the nozzle to the doorway of the crackling room. The opposite wall is curtained in flame. Another wall is blistered and bubbly, the ceiling scorched.

Mike swears at the lifeless hose flaked out behind him. "Charge the line, dammit!" he yells. The hose ripples up the hall, swollen with water. Sixty gallons a minute.

HISSING

Mike cracks the nozzle open, floods the room. Choking black steam hisses up the walls and ceiling. Cruddy hot smoke belches out in the hall. The truckmen crouch beneath it, coughing, eyes red and runny.

Mike, wiping a moustache of black snot from his lip, moves in another two feet. He drives the powerful stream against the window on the blazing wall. The glass explodes, showers the empty lot below.

The smoke pours out the window. A smoldering mattress, now a pile of soggy cotton and crusty springs, is visible in the far corner. The fire is out. Mike gives the room a final washdown and shuts down the line.

AXES

Two truckmen throw the mattress out the window. Others move in with ceiling hooks and axes to pull the walls, checking for hidden fire.

Cause of this fire—unknown. "Probable discarded smoking materials," the official report will say.

Someone had been living in the room. No plumbing, no electricity, no heat. Just a mattress, a shirt, a pair of shoes.

In another room, more clothing, an empty bottle of white port. Fresh human waste in the corner.

Still another room. Empty wine bottles knee-deep along the back wall. Favilla says: "They'll be back when we leave."

HOMEWARD

He tells 21 to "pick up." Uncouple each length. "Bleed" the water out. Recouple. Feed the hose back onto the engine. Go home.

The box—the bells sounding alarm—hit at 9:07 p.m. Fourteen minutes later, the fire is out. Engine 21 dropped the most line; they are the last to go home. First there, last back. It is after 10 p.m. when the pumper backs into the firehouse.

Mike and Biff leave their turnout coats and black leather helmets on the rig and walk back to the kitchen. The coffee is hot and fresh.

UPSTAIRS

It is past midnight when Paul climbs the stairs to the second-floor dormitory.

He goes to a bank of small open cubicles to get his turnouts—heavy canvas pants "turned out" over clumpy rubber boots.

He carefully sets them on the floor beside his bed, boots pointed toward the glistening brass pole in the center of the dorm.

His body jerks forward as a box hits on the big bell over his bed, but it is for another company.

"You know what they say," he says, turning back the covers. "Only two people get paid in bed—whores and firemen."

WOULD PRESIDENT NIXON EVEN VETO THE HEAD START PROGRAM?

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. LEGGETT. Mr. Speaker, in one of the most crucial and controversial periods in our history this Nation must continously be ready to direct its priorities toward the basic needs of its citizens. Our labor must center around providing a decent opportunity for every person in this land, for the future of America lies with these people.

One of the most vitally important areas in the development of these goals lies within the Office of Economic Opportunity. Programs under the OEO such as the community action program and Headstart have for the first time given poor people in urban and rural ghettos a feeling that they could have an input into their lives and their society.

I feel any attempt to reduce or discontinue these programs would greatly lower the chances of the poor of raising themselves to a decent standard of living. Furthermore, any reduction in this standard would decrease our image as leaders in the eyes of the poor who have seen great prosperity through the windows of poverty and frustration.

One of the most useful programs to be implemented through OEO and the Office of Child Development is the Head Start program. During the first 5 years of a child's life, Head Start focuses its attention on a variety of different aspects of a child's development, and helps him adjust to the world he will soon be thrown into.

One study just completed back in my district in California was compiled by Neva C. Brown of the Yolo County Economic Opportunity Commission. Mrs. Brown concluded that Head Start has produced a startling difference between children who have had the benefit of Head Start and those who have not.

Mrs. Brown has said from her experiences with Head Start that it encourages a child to take notice of the things going on around him. The children study things such as nature, color concept, the five senses, and are urged to think and reason for themselves. This program also helps the child to relate to other people, how to treat other people and how to share.

When Mrs. Brown tested those children who were in the Head Start program and those who did not participate, in areas such as basic concepts, colors, alphabet, math, and physical and psychological maturity, the results were very significant. On graded tests, Head Start children scored 20 to 82 points higher than non-Head Start graduates—as astounding statistic of success.

Head Start is vital tool in developing a climate of confidence for the child which will make him want to learn by improving and expanding his ability to think, reason, and speak clearly.

The Head Start program is further a strengthening device in tightening community and family ties. By developing responsible attitudes in the child toward his family and the community Head Start encourages respect instead of fear toward figures of authority such as policemen and teachers.

The aim of Head Start is to aid in the emotional and social development of a child by encouraging self-confidence, self-expression, self-discipline and curiosity, thus, helping both the child and his family achieve greater confidence, self-respect and dignity.

I urgently stress the importance of this program to ourselves and to those it serves in such an excellent manner. The Head Start program is one very much worth saving, the benefits of this program immeasurably outweigh the costs to the people. Fortunately in the HEW appropriations bill now pending in the Senate, passed by the House, adequate funds are provided. The problem soon will be a Presidential veto?

I include the following:

EOC of Yolo County, Inc.,
Woodland, Calif., June 21, 1973.

Congressman Robert L. Leggett,
House Office Building,
Washington, D.C.

Dear Bob: Enclosed with this letter you will find a copy of a paper done by Mrs. Neva Brown, who has been an employee of EOC for several years. Mrs. Brown, as part of her career development program, participated in a sociology course at Sacramento City College during this last semester. In conjunction with this course she was required to do a paper. She selected a rather novel approach to evaluation of the Head Start program. She interviewed, as she says in the paper, 10% of the parents who have had children in the program since its beginning and inquired of them regarding the impact of Head Start on their own children and their assessment of the program. This paper was presented to the EOCYC at its June meeting and they directed us to relay copies to elected officials and particularly those engaged in the legislative activity regarding ongoing funding of poverty programs. I think you will find the paper informative. It is the only approach of its type on the subject that I have seen.

Secondly, I wish to inform you of the fact that I will be leaving the EOC after June 29, 1973. I will not, however, be leaving your district insofar as I have been offered a job with the Directory of Mexican-American Affairs which, while it is housed in Sacramento, will be engaged in a comprehensive economic development effort in Fairfield, Woodland, Sacramento and an area up to Chico and down to Stockton. While the principal thrust is obviously toward the Spanish-speaking, the project will be working in minority economic development efforts generally. The Directory is funded by the Catholic Church but has developed a project which involves the coordination through the State Office of Minority Business Enterprises and the VISTA Program, which is contributing 18 VISTA workers. Consequently, I am looking forward to continued interaction with your office.

I wish to thank you personally and in behalf of the EOC for your continued efforts in support of our interests.

The turmoil of the past few months has been critical to many CAPs throughout the nation. The EOCYC can take some degree of pride in the fact that during this turmoil they have been able to maintain and improve program effort rather than to disband or decline. No small part of the credit for this can be extended to you and your office for your attempts to clarify our situation and your continued support of our operations. It was due to your office that we were able to secure an advance from the County Supervisors, enabling us to continue operations uninterrupted. The fact that there was considerable effort being expended in our behalf I am sure gave assurance to Commission and staff and promoted stability. We have not lost an employee during this entire period. I think you have even made believers out of some of the Republicans we've got on board and on the Commission.

During the interim, Dr. Richard Gifford is stepping down as President of the Commission and will be functioning as the Acting Director. Any correspondence should therefore be directed to him.

Thanking you once again for your time and consideration and looking forward to working with you in the future, I am,

Sincerely,

David A. Pollard,
Executive Director.

Head Start

The Head Start Program is a Federal program funded by the Health, Education and Welfare Department's National Office of Child Development. Head Start is for the low-income. This program is designed to give children a head start in life, to help them adjust when they get into public school.

I conducted a survey to find out if parents of Head Start children feel that Head Start is worth keeping, and if it is benefiting the people it serves. I took a 10% sample of the parents whose children attended Head Start since 1968 in Yolo County. This resulted in a sample of 50 Mexican-Americans, 15 Blacks and 30 Caucasian parents. For the first two years in existence Head Start only had a summer program; in 1970 it became a full school year program, running from October to May.

The following questions were asked in the survey:

(1) What did you think (the parent) of the Head Start program when your child attended it? 100% of the parents whom were surveyed felt it was a good program.

(2) What type of effect did it have on your child? 100% of the parents surveyed said it was favorable, and that it helped the childs progressive learning.

(3) Did they have any children that didn't attend Head Start? 70.9% of the parents surveyed said yes and 21.1% said no.

a. If yes, to the above question, was there any difference between the child who went to Head Start and the one who didn't? 70.9% of the parents surveyed said yes and 21.1% said no. The parents who said no were the ones who didn't have any other children in Head Start.

(4) Do you think that any of the learning that your child has received in Head Start is still with him? 70.9% of the parents surveyed said yes, up until the first grade. 21.1% of the parents said that they didn't know. Most of the parents who said no, the children are either physically and psychologically immature, hyper-active or mentally retarded.

(5) If a similar program was available for your child of an older age would you use it, for instance after school or during the summer? 89.5% of the parents surveyed said they would especially if the child still had some physical or psychological immaturity.

In Yolo County the Head Start program has six centers, each has a teacher and one aide. The classes are structured similarly to public school systems, the only difference being that the parents are more involved. Each parent of a child is asked to help out in the classroom at least one hour, one day a week.

The Head Start is a program that makes a child aware of the things going on around him. The children study animals, nature, color concept, the five senses, and they are encouraged to think and reason for themselves. This program also helps the child to relate to other children, how to treat other people, and how to share.

Most medium and high income children have an entirely different environment than that of a low-income child. The higher income child is exposed to different kinds of things such as camping trips, art shows, travel, etc. Also a higher income child may know objects by what they are, their whole concept is different. Such as a fire hydrant, to a higher income child this may be an every day word, but a low-income child may only know it as a fire plug, if this were asked on a test the lower income child would not pass it. Just like a light socket, a higher income child knows it as a socket but a low-income child may know it as only a plug in. The Head Start program tries to bring the low-income child up to the same level as the higher income child.

Two tests which are given to all children entering Kindergarten in Yolo County are, Doctor Thorpe's Developmental Test, and Pre-School survey. These tests which not only check the readiness of a child for school but his potential. Other things which were determined are the language problems, mental retardation, physical and psychological maturity.

A special survey was conducted to compare a child who could of attended Head Start but didn't, with a child who did go, and how they rated on the test. The test scores are from 20 up to 82 points, higher for the child who attended Head Start. These tests were covering areas such as basic concepts, colors, alphabet, math, and physical and psychological maturity. The survey showed 85% of the children who went to Head Start had a rating of 70 and above. The other 15% were children of mental retardation, or physical and psychological immaturity.

The following are the broad goals of Head Start.

(1) Improving the child's health.

(2) Helping the child's emotional and social development by encouraging self-confidence, self-expression, self-discipline and curiosity.

(3) Improving and expanding the child's ability to think, reason and speak clearly.

(4) Helping children to get wider and more varied experiences which will broaden their horizons, increase their ease of conversation and improve their understanding of the world in which they live.

(5) Giving the child frequent chances to succeed. Such chances may thus erase patterns of frustration and failure and especially the fear of failure.

(6) Develop a climate of confidence for the child which will make him want to learn.

(7) Increasing the child's ability to get along with others in his family, and at the same time, helping the family to understand him and his problems. Thus strengthening family ties.

(8) Developing in the child and his family a responsible attitude toward society and fostering feelings of belonging to a community.

(9) Planning activities which allow groups from every social, ethnic and economic level in a community to join together with the poor in solving problems.

(10) Offering a chance for the child to meet and see teachers, policemen, health and welfare officers, all figures of authority, in situations which will bring respect and not fear.

(11) Giving the child a chance to meet with older children, teenagers, and adults who will serve as "models" in manners, behavior and speech.

(12) Helping both the child and his family to a greater confidence, self-respect and dignity.

All of these goals help make Head Start an excellent program. They not only help the child but the parents as well.

I feel that the Head Start program is needed. I can relate to Head Start, due to the fact that I once had a child in Head Start. I have seen how it helped him. Also, I had a child who didn't attend Head Start, and I could clearly see the difference between the two. I say let's push to make sure Head Start stays with us.

SECRETARIAT—A HORSE FOR ALL AMERICA—REX AMERICAN EQUINUS

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. CAREY of New York. Mr. Speaker, on June 9, at Belmont Park, not far from where horses raced in colonial America on Long Island's Hempstead Plain, nearly 70,000 people were witness to a phenomenal performance by a great athlete—a three-year-old thoroughbred horse from Virginia named Secretariat.

The manner in which Secretariat won his Triple Crown was nothing less than awesome and incredible. He won the Belmont by 31 lengths in front of his closest rival, almost the length of a football field, in world record time of two minutes and 24 seconds, under little or no urging by jockey Ron Turcotte. Veteran horseman, including those who had seen the immortal Man O' War run, were awed. In all respects, the Belmont was a sporting event to match the greatest.

This astonishing victory followed his Kentucky Derby victory in record time and his Preakness stakes victory in what may have been record time, although the disputed official time makes it only the second fastest Preakness. This record is unparalleled in thoroughbred racing history.

By winning the Kentucky Derby, Preakness Stakes and Belmont Stakes, Meadow Stables' three-year old, Secretariat, accomplished what no race horse has accomplished since the mighty Citation 25 years ago. These three races, the Triple Crown of American thoroughbred racing, represents the hopes and goals of virtually all breeders and owners of some 25,000 thoroughbred foals produced in this country each year.

The performances by this superhorse in winning the Triple Crown have to make him a leading candidate for the title of greatest thoroughbred of them all—Rex Americana Equinus, the King of the Sport of Kings.

It has been said many times that behind every great man there is a great woman. Although in a different context, this can also be said in the case of Secretariat. Mrs. John Tweedy, whom I personally know to be a most attractive and charming lady, directs the breeding and racing operations of Meadow Stud, the owner of the chestnut colt. She took over the direction of the horse operations when her father, the late Christopher T. Chenery became too ill to continue management. It was Mrs. Tweedy who chose the breeding matchup between the great Kentucky sire, Bold Ruler, and the now-famous dam, Something Royal.

Possibly some Members of the House, properly mindful of the cost of printing a tribute to a horse, will question the expense of this article.

Let me indicate two things to my colleagues:

First. This is a tribute not only to America's greatest horse in racing today, but to the owners, breeders, trainers, jockeys, and lovers of racing. They all contributed in great measure to the triumph of Secretariat. In doing so, they gave not only an unforgettable thrill to millions of watchers around the world, but they served to remind us of the value of racing to our country as a form of recreation and producer of revenue.

Second. Secretariat, a quadruped American did at least four great things for our country in the space of a few minutes.

First. He demonstrated that in thoroughbred racing, America continues to hold her place of leadership. At a time when many abroad and, indeed, too many at home question America's greatness, we can gain inspiration from the new level of excellence under the Triple Crown.

Second. Secretariat demonstrated that the several States can cooperate together to produce progress. He was sired in Paris, Ky., at Claiborne Farms.

His breeding is a tribute to all Kentuckians, particularly the late "Bull" Hancock who was a close friend and supporter of our beloved departed colleague, John Watts. From Kentucky, he went into training in Virginia and added to the tradition of that great Commonwealth as a breeder of champions. Thus he prepared for his conquering run for the Roses in Old Kentucky at Churchill Downs, then the Preakness in Maryland, and then to the ultimate test in the longest and oldest feature race—the Belmont in New York.

We of New York are pleased to join with our sister States of Maryland, Virginia, and Kentucky in our common claim in the record of this great horse. In addition, we are duly proud to be the home State of Mr. and Mrs. John Tweedy and the Chenery family. Today, they are giving the people of Illinois a chance to see their horse in the Arlington Invitational.

Third. Secretariat illustrated graphically that our system of taxation intervenes in all things human and equine. To settle the Chenery estate on the passing of C. T. Chenery, it became necessary to syndicate the horse to retain capital assets sufficient to pay the Federal estate tax and yet continue the operations of Secretariat's home, the Meadow Stud. Secretariat showed that he can carry the whole U.S. Internal Revenue Code on his back and still come up a winner. I gripe about taxes, as do many of my friends. Perhaps we can all learn a lesson from this taxpayer who sleeps on straw and eats bran, oats and an occasional carrot.

Fourth. Secretariat helped our balance of payments. I recall the late "Bull" Hancock, master of Claiborne, telling me how an imported sire, Nijinsky, from France had been acquired for several million dollars in cash. As the transaction was in process our country devalued the dollar. The horse, destined to fly from France to Kentucky, was held up until the currency necessary to offset devaluation was sent abroad as an addition to the agreed price.

No such transfer happened with Secretariat. In fact, Secretariat and his offspring may well bring many dollars and other currencies back to the United States as his breeding days begin. We should never forget the importance of entertainment and sports to a nation's economy. In this connection, I am reminded of the words of a great statesman, the late Charles De Gaulle. He remarked that Brigitte Bardot could bring into France more foreign exchange than the Renault Auto Works.

"My kingdom for a horse," a fallen ruler once said. We Americans observe no king, but we have a son of Bold Ruler, Secretariat, fit for any king. In the great State of New York this horse's inspirational qualities were brought home to millions of people watching on nationwide television. As Secretariat came down the stretch, the nearly 70,000 people at Belmont—each in his own way riding the horse—began clapping to create an emotional feeling that gave chill-bumps to the crowd.

Having served several years as a trooper in the U.S. Cavalry during my youth, I feel that I am perhaps qualified to recognize a great horse when I see one. He is a great horse, and I salute him. The striking configuration of Secretariat, his great reaching stride, his stamina, and his spirit have given us a thrilling experience that lifts all our hearts. For this, we are most grateful to all American racing, but in particular to Meadow Stud, to the Tweedy family, and to the fine team which gave us, back to back, Riva Ridge and Secretariat, true rulers of the sport of kings. We all await the future from this fine stable with great delight.

GILMAN POLLS DISTRICT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. GILMAN. Mr. Speaker, recently I polled my constituents in the 26th Congressional District of New York on some of the critical problems confronting our Nation. Their response to the issues of Government spending, mass transportation, health care, foreign policy, and our economy are enlightening. Accordingly, I respectfully request that the results of my congressional poll be entered in the CONGRESSIONAL RECORD.

The number of constituents responding was over 10,000.

SOUTHEAST ASIA

The people in my region are strongly against appropriating any funds for the reconstruction of North Vietnam with 64 percent in opposition.

THE ECONOMY

Fifty-nine percent of those polled expressed a desire to reinstate wage-price controls and 63 percent supported rent controls.

INTERNATIONAL TRADE

My constituents also favor a more aggressive and, to some degree, a more liberal foreign trade policy. Though 35 percent favored import controls, they prefer them to be selective and temporary, until our own industries have a chance to become more competitive. A more liberal trade policy is advocated by 18 percent of those polled. Increased efforts to remove foreign barriers to U.S. trade received 26 percent of the vote.

FOREIGN POLICY

The 26th Congressional District is almost evenly divided on the question of normalizing relations with Cuba with 46 percent voting for normalization and 45 percent voting against.

OVERSEAS COMMITMENTS

The great majority of my constituents, 72 percent, voted for mutual and balanced reduction of all forces in Europe as opposed to any unilateral withdrawal—22 percent.

DEFENSE

Forty-six percent of those responding felt that defense spending should be reduced. Maintenance of our present level of defense spending was advocated by 38 percent.

IMPOUNDMENT OF APPROPRIATIONS

Presidential impoundment of money appropriated beyond the administration's budget received the support of 55 percent of our people. Twenty-eight percent wanted legislation prohibiting impoundment. The spending of all appropriated funds received 11 percent of the vote.

AMNESTY

A majority are opposed to amnesty by a margin of 56 percent. Conditional amnesty was favored by 33 percent of the respondents with unconditional amnesty receiving little support, being advocated by 10 percent.

AGRICULTURE

The elimination of farm price supports was favored by 61 percent.

TRANSPORTATION

By a margin of 61 percent those replying to my questionnaire are in favor of allowing the States to provide money for mass transportation out of the highway trust funds.

STEWART AIRPORT

A major issue in my region is the development of Stewart Airport. Planners envision this to be the fourth major jetport in the metropolitan New York area. While 32 percent want no airport at all, the MTA's master plan for development of the airport is favored by 48 percent. Sixteen percent favor even faster development. However, all those who favor the master plan for Stewart Airport also want the plans to consider responsible public opinion.

HEALTH CARE

Of those responding to the poll, 41 percent want the Federal Government to administer a national health insurance program, 28 percent would like a Federal health insurance program to be administered by private insurance carriers. In any event, some Federal presence in the health insurance field seems desirable to 69 percent of those who responded.

ABORTION

Of those responding, 55 percent supported the Supreme Court's decision permitting abortion. Allowing the States to devise their own abortion laws was favored by 21 percent, while a constitutional amendment prohibiting abortion received 21 percent of support.

CRITICAL ISSUES

In requesting my constituents to list the issues they considered critical, they selected the following: One, Wasteful Government spending; two, crime; three, welfare reform; four, tax reform, and five, food price controls.

EXPORTS VITAL TO STATE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. ABDNOR. Mr. Speaker, today the combined influences of frozen food prices and embargoed exports severely threaten recent progress agriculture has made in the marketplace. Livestock feeders find themselves at odds with their colleagues, the feed grain producers, because of this, and reports continue to circulate that the end result of these inconsistent policies will bring severe food shortages in the not-too-distant future.

I am in agreement with those who call for measures to halt the inflationary spiral, but I feel that current measures fail to recognize needs of the agricultural sector of our economy.

The recent administration action to limit soybean and cottonseed exports and the jawboning directed at other feed grains is inconsistent with long range goals set for American agriculture, and this aspect of this critical situation is most adequately addressed in an editorial carried in the June 26 edition of the Huron, S. Dak., Daily Plainsman. I commend its reading, and I here include it in the RECORD:

EXPORTS VITAL TO STATE

The Japanese, Western Europeans and South Dakotans are all about equally confused by President Nixon's request that Congress give him authority to curb farm exports if necessary.

"At U.S. insistence, we have been reducing the tariff on soybeans every year since 1968, and now you talk about cutting off soybean exports," says an official of Keidanren, Japan's Federation of Economic organizations.

Export controls could undercut U.S. efforts to persuade the Common Market and other foreign customers to lower their barriers to U.S. farm products in upcoming trade negotiations.

"Why," asks an administration official, "should Europe and Japan risk being dependent on U.S. food when it may fail them?"

The administration is counting on increased farm exports to help reduce the U.S. balance-of-payments.

The surge of exports which has added to upward pressures on food prices in the U.S. shipments of agricultural products overseas rose from $7.7 billion in 1971 to $9.4 billion last year, and jumped 73 per cent in the first three months of this year.

Last year, a study prepared for the President's Council on International Economic Policy estimated that the U.S. could achieve an $8 billion improvement in its balance of trade within 10 years by increasing agricultural exports. An improvement in this balance is essential to the stability of the dollar. A sizable increase in exports would provide another sizable boom to the economy of South Dakota, as events of the past year have proven.

The problem right now is that the rapid increase in exports is being blamed for the upward pressure on food prices. There are demands that this pressure be relieved by limiting exports. And a request for authority to limit exports has raised foreign doubts about the U.S. as a dependable supplier.

The administration has taken steps to put some 40 million idle acres back into production. This new production was planned to take care of increased exports without upsetting the domestic market, but exports have apparently increased more rapidly than expected before the new production came to market.

The idea of increasing both production and exports is an excellent one. But it will work only if the administration is capable of meeting long term export goals. If future markets are lost through uncertainty and bungling, the producer, or the taxpayer, or both, will be left holding the bag.

Farmers have the productive capacity to provide abundant food for export. They have the only major product that is capable of attracting enough foreign buyers to balance our payments and bolster the dollar. But they must get a reasonable return to do all this. And a reasonable return will require both strong domestic prices and a dependable foreign market.

Obviously South Dakotans must be concerned over the management of both prices and exports at the Washington level.

FIFTH ANNUAL HIGH SCHOOL SCHOLARSHIP TRIP

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. MANN. Mr. Speaker, before being elected to the U.S. House of Representatives, I was troubled by the lack of an availability of means by which our young people could become acquainted with their national Government. They received fine introductions into the primary subjects within the system of public education, but I felt had no real method of indepth exposure to their Government in Washington. To fill this gap, I implemented an expense-paid program, sponsored by concerned local organizations. The goal of the Fourth District Scholarship Trip is to introduce outstanding high school students to their Nation's Capitol, the functions of the three branches of their Government and the history of our people as a country.

Over the last 5 years, 65 students have participated in this program, each recommended by his or her respective school on the basis of proven ability and performance in high school activities. This year's 15 scholars include: Dexter Blanton, Landrum High School, son of Mrs. Cleo Blanton, sponsored by Jones Tractor Co.; Julie Brooks, Spartanburg High School, daughter of Mr. and Mrs. Benson Brooks, sponsored by Hillcrest Breakfast Optimist Club; Jack Burton, Spartanburg High School, son of Mr. and Mrs. W. H. Burton, Jr., sponsored by Hillcrest Breakfast Optimist Club; Mike Daisley, Greenville High School, son of Mr. and Mrs. Thomas F. Daisley, sponsored by Greenville Jaycees; Rusty Dimsdale, Parker High School, son of Mr. and Mrs. W. C. Dimsdale, sponsored by Greenville Lions Club; Cindy Dobbins, Byrnes High School, daughter of Mrs. Hugh G. Dobbins, sponsored by J. P. Stevens & Co., Inc.; Terry Gilmer, Pacolet High School, son of Mr. and Mrs. T. F. Gilmer, Jr., sponsored by the Pacolet Lions Club; David Goodman, Dorman High School, son of Mr. and Mrs. James H. Goodman, sponsored by the Spartanburg Lions Club; Carroll G. Jones, Carolina High School, son of Mr. and Mrs. A. G. Jones, sponsored by the Rotary Club of Greenville; Janet McDuffee, Eastside High School, daughter of Mr. and Mrs. H. Stark McDuffee, sponsored by the Kiwanis Club of Greenville; Debra Reynolds, Boiling Springs High School, daughter of Mr. and Mrs. C. V. Reynolds, sponsored by the North Spartanburg Rotary Club; Bob Spencer, Wade Hampton High School, son of Mr. and Mrs. R. Frank Spencer, sponsored by the Greenville Sertoma Club; Jimmy Stephens, Blue Ridge High School, son of Mr. and Mrs. James C. Stephens, sponsored by the Kiwanis Club of Greer; Hack Trammell, Greer High School, son of Mr. and Mrs. Benjamin Trammell, sponsored by the Greer Exchange Club; and Tony Willis, Cowpens High School, son of Mr. and Mrs. Leon Willis, sponsored by Hoechst Fiber, Inc.

These sponsoring organizations of the Fourth Congressional District of South Carolina have indeed made a promise come true for this most capable group of young people. Because of this impression of our Government in action in Washington, D.C., it is possible that one or more of these honor students might choose a career in Government service. I am proud to have had the opportunity to open this avenue to all of them.

CONGRESS, THE PRESIDENT, AND CAMBODIA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. KEMP. Mr. Speaker, I believe that our vote today on the compromise date of August 15 was wise given the circumstances within which we found ourselves. On one hand, we have a President who, as Commander in Chief, believes that his course of action is best designed to implement the peace treaty throughout Indochina, and on the other, those who just as sincerely believe it is decidedly the wrong course. In my opinion, it would have been terribly wrong to cut off all moneys for combat activity throughout Southeast Asia. That would have been an open invitation to the North Vietnamese Communists to violate with impunity the Paris agreement for which so many lives and so much time, money, and energy were expended.

Mr. Nixon and Mr. Kissinger have managed the withdrawal from Vietnam and the return of our POW's far better than anyone else, especially those who counseled "cut and run." My position consistently has been to allow the President the necessary flexibility in negotiations to achieve a modus vivendi throughout Indochina, and I would submit, Mr. Speaker, much progress has been toward that goal.

My position, however, is by no means an indication that I would support a policy of propping up Cambodia indefinitely with B-52's. Our only proper objective, I believe, is to bring about the cease-fire and withdrawal of all foreign troops agreed to in article 20 of the Paris agreements. Acceptance of any lesser objective is the perpetuation of a "no-win" policy in Southeast Asia and something I cannot condone.

Debate over the Vietnam war frequently centered on the question of its morality. But to my mind, the most immoral aspect of the Vietnam war was in committing the lives of our men—our families, neighbors, and friends—without committing the full military and political strength of America. It must never happen again. We must never ask young Americans to make sacrifices that we here at home are not also willing to make.

Our success in developing in South Vietnam one of the strongest and best equipped military forces in the world obviates any further necessity for American air power beyond the point at which a cease-fire and troop withdrawal have been secured unless the President seeks the cooperation of Congress. But first of all let us give the South Vietnamese a chance to defend themselves.

By setting a deadline of August 15, we are giving the very sensitive negotiations that will be going on in July a realistic chance to be productive and I am pleased that the administration has indicated its willingness to accept a compromise deadline. This is a far better framework within which to work than earlier indications that perhaps the bombing would continue no matter how the Congress acted.

We have made a long and costly investment in Southeast Asia, and should the President feel additional military action is necessary after August 15, the Congress and the American people deserve a clear up-and-down vote on the issue. However reluctantly, Congress has cooperated with the President in establishing the policy of firmness coupled with an openness to negotiation which has succeeded in bringing about the agreement of January 27 and which we hope will succeed in securing its implementation. If late January to mid-August is not time enough to secure implementation of the treaty, then surely that is the time to put the question squarely before the Congress in an open and clearcut manner—not as an amendment to a debt ceiling bill, or to a bill funding the entire operation of the Government. This question should be made to stand on its own for the first time in the long and controversial history of the Vietnam war.

Nothing like this was ever done in the history of the Vietnam war; if it had been done, either the policy would have been different or Congress and the Nation would have been more united behind the policy that was followed. Either course would have been preferable to what happened.

This kind of clearcut decision, it seems to me, is at the heart of constitutional government and the foundation of our responsibility to the American people.

NAVY LOSES MOST HONORED SERVANT IRV WHITTHORNE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. LEGGETT. Mr. Speaker, the year was 1908, and President Roosevelt was completing his first term as President when Irwin "Irv" Whitthorne began his remarkable career at Mare Island Naval Shipyard in Vallejo, Calif.

After a devoted career of 59 years and a fruitful life of 83 years, we have lost the most honored civil service employee in the history of Mare Island Naval Shipyard.

As a prominent member of the Vallejo community, Irv Whitthorne played a key role in the development of relations between the city of Vallejo and

Mare Island. On the job he made countless contributions and throughout his career served in almost all capacities in his field.

He was proud of his achievements which spanned the period which saw progress from sail to coal, to oil and finally to nuclear power.

In Memorial Park on the Vallejo waterfront, Mayor Florence Douglas has placed a plaque honoring Irwin Whitthorne. The plaque overlooks Mare Island, a place which in its 119-year history has built over 500 ships; Irv Whitthorne was on hand for the construction of all but 15.

Although his life in the community was that of a tireless servant and devoted worker, Irv's major achievements came with his work on submarines. He was lauded for his innovations, especially in the piping of nuclear submarines.

Irwin Whitthorne's insistence on quality in his work has benefited the community and the U.S. Navy, and his achievements will leave his name permanently in the history of Vallejo.

The fourth congressional district and my office have lost our most valuable naval adviser but the education we have received from Irv Whitthorne will provide an effective living memorial.

Not only was Whitthorne a one-of-a-kind public servant, but he was courageously helpful to me in chairing many times the public employee sector of my many campaigns.

Irv Whitthorne, shipbuilder incomparable, the U.S. Congress salutes you!

The Vallejo Times Herald analyzed the Irwin Whitthorne career as follows:

IRWIN WHITTHORNE, DEAN OF ALL M.I. WORKERS, IS DEAD

Irwin H. Whitthorne, 83, retired Mare Island group master whose career of 59 years and three months remains today unmatched in length of service to the Navy, and perhaps to the entire government service, died Tuesday night in Broadway Hospital of a heart condition.

The most honored civil service employe in the history of Mare Island, he retired Sept. 30, 1967, after an unmatched career of federal service.

In 1959 he was the only Navy employe on the Pacific Coast ever to be awarded the Department of Defense Distinguished Civilian Service Award. He also held the Navy's Distinguished Civilian Service Award.

"Mr. Mare Island," as he was affectionately known, "Irv" Whitthorne probably knew more top people in the Navy and the Department of Defense than any other person.

The Navy gave him special retirement services in Washington, D.C., in 1967. At that time he was presented a special plaque and a letter from then-Secretary of the Navy, Paul R. Ignatius, by the Hon. Graeme C. Bannerman, assistant secretary of the Navy.

Among the more than 100 friends and colleagues of Mr. Whitthorne who gathered for that unusual ceremony were Admiral I. J. Galathin, USN, then chief of naval material; the Hon. Robert L. Leggett, D-Vallejo, congressman from California's Fourth District and close personal friend; Vice Adm. Mahlon S. Tisdale, USN, Ret., now deceased, formerly commander, San Francisco-Vallejo Area, U.S. Naval Base, and Mare Island Navy Yard; Rear Adm. Bernard Manseau, USN, Ret., (now deceased), formerly commander, Mare Island Naval Shipyard; Rear Adm. E. F. Fahy, former commander, Mare Island Naval Shipyard and then commander, Naval Ship Systems Command, now retired; and Rear Adm. Frank C. Jones, vice commander, Naval Ship Systems Command, now retired.

BEGAN IN 1908

The year was 1908 when Irv Whitthorne began his remarkable career at Mare Island. President Theodore Roosevelt was completing his first full term as Chief Executive and well into the process of making his name secure as the "Father of the Modern American Navy."

In the summer of that year Irv Whitthorne came to work at Mare Island as a "minor under instruction." The pay was $2.16 a day, and he liked the work. His superiors liked him, too, and he was marked for success from the start. He became a journeyman pipefitter in 1910, leadingman, 1918; quarterman, 1920; master of Pipe Shop 56, 1940, and finally Group Master of a complex that included the Pipe Shop, Boilermakers Shop and Marine Machinists.

He said on one occasion, "Since I've been working for the Navy Department, our ships have gone from sail to coal, to oil and to nuclear power. I'm the only one in naval service who has been connected with all the various types of submarines.

"The first one I ever saw—and worked on—was the Grampus in 1909. And in 1927, it was a big year for Mare Island. We began construction of our first submarine, the Nautilus."

UNMATCHED CAREER

An even more impressive statistic is that all the more than 500 ships built in Mare Island's 119-year history, Mr. Whitthorne was on hand for all but 15 of them when he retired.

His long line of ships ranged from the collier Prometheus, launched in 1908, to the nuclear attack submarine Gurnard, launched in May, 1967. The list includes the battleship California, launched in 1919; the heavy cruiser San Francisco, launched in 1933; the submarine Gudgeon, launched in 1940; USS Sargo, the first nuclear-powered submarine built at Mare Island, launched in 1957; and USS Mariano G. Vallejo, which in 1967 was the latest of seven Polaris submarines built at the shipyard.

Mr. Whitthorne received scores of tributes for his work in submarines. He won special recognition for the development of valuable innovations, especially in the piping of nuclear submarines. His work in submarines is legend and his insistence on quality resulted in Mare Island-built submarines without peer.

In 1970 Mr. Whitthorne was honored on his 80th birthday by 300 friends who gathered in Gibson Hall on the Solano County Fairgrounds. A plaque in his honor was unveiled paying tribute to him. Mayor Florence Douglas said it would be placed in a prominent place in Memorial Park on the Vallejo waterfront.

PUBLIC SERVICE

His career of public service did not stop with his retirement from Mare Island. He continued to take a leading role in community affairs. He served on the Police-Community Relations Committee, the Beautification Advisory Committee, the Solano County Fair Board and many others.

His activities at Mare Island were recognized by Vice Adm. Hyman G. Rickover, USN, generally regarded as the "father of the U.S. nuclear Navy," who wrote: "Congratulations on your 80th birthday. I have always appreciated your support and I know it will continue in the future."

Mr. Whitthorne, who had a history of heart trouble in recent years, entered the hospital last Thursday and died quietly last night. Funeral arrangements are pending at Twin Chapels.

He is survived by a daughter, Mrs. Amanda Ting, of Reno, Nev., and a brother-in-law, Fred Ostrowski, of Vallejo.

His wife, the former Rose Ostrowski, a native of Vallejo, died in an automobile crash near Gorman in 1964. She was 71, Mr. Whitthorne was injured, but recovered after a short stay in the hospital.

MISHANDLING THE ECONOMY WILL CREATE A REAL CRISIS OF CONFIDENCE IN OUR GOVERNMENT

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. HEINZ. Mr. Speaker, I have long felt that unless the President used the powers granted him to bolster the economy and effect an international trade policy that is both beneficial and sensitive to the needs of American industry and jobs, that the American people will understandably and justifiably register their frustrations next November in a way that could substantially alter the composition of Congress. It is logical to assume that Republicans would be a likely target for dissatisfaction over Presidential and congressional inaction. But I do not believe either party is immune from the American people's distress over governmental failure to halt inflation and stem the adverse flow of trade overseas. People are cynical about the effectiveness or willingness of Government to act in their behalf.

I, myself, have been greatly disappointed by congressional reluctance to confront issues of the great proportions of inflation, trade imbalance, and unemployment. Through my research, I could conclude that only the White House has the power and the decision-making mechanism adequate to handling these problems.

To this end I had attempted to encourage the administration to take bold action to curb the upward spiral of prices in key commodities and raw materials by placing a 60-day embargo concurrent with the freeze on such items as feed grain, scrap steel, lumber, and other raw materials. Although I view this action as but a stopgap measure, consistent with the President's announced 60-day freeze on wages and prices, I was disappointed with my conversations with key administration officials, most notably Mr. Herbert Stein, Chairman of the President's Council of Economic Advisers, who could not be persuaded that the President did in fact have sufficient powers, under the Export Administration Act of 1969, to limit the flow overseas of these goods, in short supply, for which demand was forcing a rapid rise in prices.

I was pleased to read in yesterday morning's Washington Post that the administration had slapped an immediate, emergency embargo on exports of soybeans, cotton seeds, and their byproducts. I applaud this action, although in the face of abnormal foreign demands and decreasing domestic supplies, which had been apparent for the better part of the year, action is long overdue, and not of a sufficient scope to curb the inflationary trend which perplexes American industry and jeopardizes American jobs.

Since last February, I have been urging the President to curb the freedom of American scrap dealers to export scrap steel and other precious metals at a time when the rise in prices is creating a crisis in the specialty steel industry and threatening to close the doors of foundries in Pennsylvania and the Midwest.

Our domestic steel industry is a true building block for other vital industries. Yet, despite obvious and serious inflation indicators, which over the last 6 months have resulted from abnormal foreign demand for U.S. scrap steel, the White House has failed to curtail excessive exports of this critical resource. Since approximately one-half of the materials consumed in the manufacture of steel consists of iron and scrap steel, rising world steel production has necessarily boosted both domestic and foreign demand for these items to a level 65 percent higher than normally experienced in the last 10 years. Projections show that approximately 12 million tons of ferrous scrap steel will be exported in 1973, compared with 7.2 million tons in 1972, and an average of 1.7 million tons over the last decade. At the same time, domestic industry will demand 41½ million tons for all purchases steel scrap, up from 37 million tons in 1972. Rising demand has resulted in a marked increase in scrap prices in the United States. Currently, the composite price of No. 1 heavy melting scrap is $55 per ton, 57 percent higher than a year ago. What's more the domestic steel industry projects additional costs resulting from scrap prices increases in excess of $500 million this year. Such jumps, if they continue, will work to the detriment of the entire steel industry, and of the small, individual specialty steel companies, which are dependent 100 percent on scrap for their continued operations. These huge cost increases may very well price them completely out of the competitive market.

Clearly, this is no time for reluctance. Action, similar to that taken by the President on cotton and soybeans, is needed in scrap steel. More to the point, however, we must view these moves as short term stop-gap measures to relieve pressing problems before they get worse. We must, moreover begin to examine present trends in our industry, in our trade, and in our employment in terms of what they portend for the United States now, and for the next 20 years. We must be able to define where we want to be economically at the end of the century.

The Congress will have to work closely with the President in the development of economic policy which will be reflected in the development of trade that aids the growth of new employment and new commerce in this country. If we begin with an embargo on all feed grains—including corn and wheat—lumber, and scrap steel, I think we can assume that these key commodities will play a role in reducing the retail prices of such items as milk, bread, butter, and meat, and they will point the way toward creating more housing starts and thereby creating more jobs. In this way we can work toward lowering the costs of housing, toward developing even more competitive prices for our manufacturers in both domestic and foreign markets. Such efforts will stop the deterioration of our economy and point us more confidently toward the future.

Mr. Speaker, I also submit for the RECORD a copy of a letter to the editor I sent back on June 22 to one of my district newspapers:

JUNE 22, 1973.

The EDITOR, PITTSBURGH PRESS.

DEAR SIR: On Tuesday, June 19, the Banking and Currency Committee of the U.S. House of Representatives approved H.R. 8547, legislation expanding the President's authority to invoke export controls.

I hasten to point out that under the Export Administration Act of 1969 the President already has the authority to control exports "to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand" (Public Law 92–150: Sec. 3(2)(A)). One of the cornerstones of our domestic economy is our domestic steel industry; it is a true "building block" for dozens of other vital industries. Yet, despite obvious and serious inflationary pressures in the domestic steel industry over the past six months resulting from "abnormal foreign demand" for U.S. scrap steel, The White House has failed to curtail excessive exports of this critical resource.

Approximately one-half of the metals consumed in the manufacture of steel consists of iron and steel scrap, making steel manufacturers heavily dependent upon scrap dealers and other outside sources for supplies of scrap. This dependency is virtually total in the case of specialty steel companies, which utilize electric furnaces whose metallic charge consist of almost 100 percent scrap. Therefore, scrap iron and steel classifies as a crucial commodity in a crucial national industry.

Rising world steel production has boosted foreign demand for U.S. iron and steel scrap this year to a level 65 percent higher than normally experienced over the past 10 years. Approximately 12 million tons of ferrous scrap exports are projected in 1973, compared with 7.2 million tons in 1972 and an average of 7.1 million tons over the last decade. With the rapid expansion of the national economy, and with domestic production rising, our own mills' and foundries' requirements for scrap are moving up as well. Present projections show a domestic industry demand in 1973 for 41.5 million tons of purchased scrap, up from 37 million tons in 1972.

Rising domestic and foreign demand has already resulted in a marked increase in scrap prices within the United States. Currently, the composite price of No. 1 heavy melting scrap is $55 per ton, 57 percent higher than a year ago. The domestic steel industry projects additional costs resulting from scrap price increases in excess of $500 million this year. Such jumps in costs will be detrimental to the entire steel industry, and in the case of small, individual specialty steel companies, who are 100 percent dependent upon scrap for their continued operations, these huge cost inrceases may very well price them completely out of a competitive market. At the very least, significant price increases will result. Because of the importance of steel in our economy these price increases will be felt throughout the business and consumer sectors, creating additional inflationary pressures. Moreover, there's the strong likelihood that small foundries and producers, unable to meet increased costs, will close their doors and swell the unemployment rolls.

On June 15, I discussed this situation with Mr. Herbert Stein, Chairman of the President's Council of Economic Advisers. I argued that by limiting the export of this critical commodity we would lower the price of specialty and other steel products whose increased prices have pushed up the costs of automobiles and other durable goods. Mr. Stein indicated reluctance to advise the President to control scrap exports, not because they were undesirable, but because he felt the Export Administration Act insufficiently broad to support this action.

After carefully reviewing this language in the law, I must confess bewilderment as to why Mr. Stein would believe the President to be so restricted. Certainly President Johnson, who acted to control exports on more than one occasion under this same language, did not feel so restricted.

While I believe the language of the 1969 Export Control Act clearly permits the necessary Presidential actions, I am gratified the House Banking and Currency Committee has voted the President certain expanded powers to control exports in inflationary situations. Perhaps passage of this legislation will embolden Mr. Stein to advise President Nixon of the critical need for strong executive action limiting scrap steel exports. By barring the continued export of critical commodities, we can help avoid the inflationary pressures that built up under Phase II, and which were so carelessly released in the abortive and bumbling Phase III just ended.

Sincerely,

H. JOHN HEINZ III,
Member of Congress.

THE PLIGHT OF THE BALTIC STATES

HON. ROBERT H. STEELE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. STEELE. Mr. Speaker, the fate of the three Baltic States, Estonia, Latvia, and Lithuania, represents one of the most tragic aspects of modern international relations; the arbitrary denial of the right of self-determination. I would like to join in paying tribute to the courageous people of the Baltic States who continually struggle for their freedom.

Throughout the history of the Baltic States the goals of self-government and self-determination have incessantly eluded the peoples of this region. Fifty-five years ago, Estonia declared her independence. During the 22 years of freedom that followed, Estonia was a prosperous and growing nation carving out her own destiny. She lost her independence with the advent of World War II when the Soviet Union signed the nonaggression pact with Germany.

Latvia, too, declared her independence in 1918 after more than two centuries of domination by the Russian empire. The newly formed state quickly became a model democracy, it's government functioning on true proportional representation and free and open elections. In 1932, Latvia and the Soviet Union signed a treaty of nonaggression which absolutely forbade Russian intervention in Latvian affairs.

Soon afterward, in violation of their written promise, the Soviet Union began to undertake the active subversion of free Latvia, culminating in total domination by 1940.

Russian domination of Lithuania began in 1795 and lasted until 1915 when the German Army began it's occupation. This lasted until 1919 when occupation by the Soviet Red Army began. On July 12, 1920, the Russian Government pledged to renounce forever all rights of sovereignty, recognizing Lithuania as an independent nation. During the next two decades, Lithuania enjoyed a period of independence and national resurgence. With the outbreak of the Second World War, Lithuania became one of the first countries to experience the brutal aggression of both Hitler and Stalin. In 1940, she was forcibly annexed into the Soviet Union.

Since 1940, the Baltic States, under the control of the Soviet Union, have not only lost their national independence, but under the intensive pressure of Russification, are in danger of losing their national culture and identity.

Mr. Speaker, on June 21, 1965, the House of Representatives unanimously adopted House Concurrent Resolution 416 "to request the President of the United States to urge certain actions in behalf of Lithuania, Estonia, and Latvia."

It unanimously passed the Senate on October 22, 1966.

On behalf of my constituents, many of whom are of Lithuanian, Estonian, or Latvian descent, I wish to express my continuing and vigorous support for, and strongly urge the President to implement, the aforesaid legislation. In spite of the loss of their freedom, the democratic and independent spirit of the Baltic peoples is still present and is still strong. I believe it appropriate at this time to include in this tribute the text of House Concurrent Resolution 416, of the 89th Congress.

The concurrent resolution follows:

HOUSE CONCURRENT RESOLUTION 416

Whereas the subjection of peoples to alien subjugation, domination, and exploitation constitutes a denial of fundamental human rights, is contrary to the Charter of the United Nations, and is an impediment to the promotion of world peace and cooperation; and

Whereas all peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social, cultural, and religious development; and

Whereas the Baltic peoples of Estonia, Latvia, and Lithuania have been forcibly deprived of these rights by the Government of the Soviet Union; and

Whereas the Government of the Soviet Union, through a program of deportations and resettlement of peoples, continues in its effort to change the ethnic character of the populations of the Baltic States; and

Whereas it has been the firm and consistent policy of the Government of the United States to support the aspirations of Baltic peoples for self-determination and national independence; and

Whereas there exist many historical, cultural, and family ties between the peoples of the Baltic and the American people: Be it

Resolved by the House of Representatives (the Senate concurring), That the House of Representatives of the United States urge the President of the United States—

(a) to direct attention of world opinion at the United Nations and at other appropriate international forums and by such means as he deems appropriate, to the denial of the rights of self-determination for the peoples of Estonia, Latvia, and Lithuania, and

(b) to bring the force of world opinion to bear on behalf of the restoration of these rights to the Baltic peoples.

SENATE—*Monday, July 9, 1973*

The Senate met at 10 a.m. and was called to order by Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou companion of the pilgrim years, who has watched over us in days past, we bring to Thee renewed powers and restored souls for service in this Chamber. We beseech Thee to light up the path we must take through the maze of this stricken generation. May the evils of the few never dim the virtues of the many who serve faithfully and honorably in the Government of the Nation. Enlarge our spirits to meet the expanded dimensions of these epic days. May Thy kingdom come in us and through us. O God, to whom the future belongs, use us evermore in Thy service.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 9, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HUDDLESTON thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of June 30, 1973, the Secretary of the Senate received the following messages from the President of the United States:

On July 3, 1973:

Sundry nominations. Referred to the Committee on Foreign Relations.

On July 6, 1973:

Sundry nominations. Referred to the Committee on the Judiciary.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Under authority of the order of the Senate of June 30, 1973, the Secretary of the Senate, on June 30, 1973, received the following message from the House of Representatives:

That the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H.R. 5452. An act to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended;

H.R. 7445. An act to extend the Renegotiation Act of 1951 for 1 year, and for other purposes;

H.R. 8410. An act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes; and

H.J. Res. 636. Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes.

The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. METCALF).

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of June 30, 1973, the following reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare, without amendment:

H.R. 7935. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that act, and for other purposes. Reported without recommendation (Rept. No. 93–301).

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare, with amendments:

S. 1861. A bill to amend the Fair Labor Standards Act of 1938, as amended, to extend its protection to additional employees, to raise the minimum wage to $2.20 an hour, and for other purposes (Rept. No. 93–300).

By Mr. NELSON, from the Committee on Labor and Public Welfare, with an amendment:

S. 1559. A bill to provide financial assistance to enable State and local governments to assume responsibilities for job training and community services, and for other purposes (Rept. No. 93–304), together with additional views; and

S. 1560. A bill to extend the Emergency Employment Act of 1971, to provide public service employment for disadvantaged and long-term unemployed persons, and for other purposes (Rept. No. 93–305), together with additional views.

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 1149. A bill to increase the supply of railroad rolling stock and to improve its utilization to meet the needs of commerce, users, shippers, national defense, and the consuming public (Rept. No. 93–303); and

S. 1983. A bill to provide for the conservation, protection, and propagation of species or subspecies of fish and wildlife that are threatened with extinction or likely within the foreseeable future to become threatened with extinction, and for other purposes (Rept. No. 93-307).

By Mr. HARTKE, from the Committee on Commerce, with an amendment:

S. 1925. A bill to amend section 1(16) of the Interstate Commerce Act authorizing the Interstate Commerce Commission to continue rail transportation services (Rept. No. 93-302).

By Mr. CANNON, from the Committee on Rules and Administration, with amendments:

S. 2067. A bill relating to congressional and Supreme Court pages (Rept. No. 93-306).

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Saturday, June 30, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Leonard, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HUDDLESTON) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations received today, see the end of Senate proceedings.)

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROCEDURES FOR CALLING CONSTITUTIONAL CONVENTIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 276, S. 1272.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (S. 1272) to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act".

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

Sec. 2. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States on and after the enactment of this Act, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

Sec. 3. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 and section 5, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, but without the need for approval of the legislature's action by the Governor of the State.

(b) Questions concerning the adoption of a State resolution cognizable under this Act shall be determinable by the Congress of the United States and its decisions thereon shall be binding on all others, including State and Federal courts.

TRANSMITTAL OF APPLICATIONS

Sec. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate, and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution;

(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature; and

(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

Sec. 5. (a) An application submitted to the Congress by a State, unless sooner rescinded by the State legislature, shall remain effective for seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same subject all such applications shall remain in effect until the Congress has taken action on a concurrent resolution, pursuant to section 6, calling for a constitutional convention.

(b) A State may rescind its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of rescission in conformity with the procedure specified in sections 3 and 4, except that no such rescission shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same subject.

(c) Questions concerning the rescission of a State's application shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

CALLING OF A CONSTITUTIONAL CONVENTION

Sec. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each subject. Whenever applications made by two-thirds or more of the States with respect to the same subject have been received, the Secretary and the Clerk shall so report in writing to the officer to whom those applications were transmitted, and such officer thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall be the duty of such House to determine that there are in effect valid applications made by two-thirds of the States with respect to the same subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that subject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set forth the nature of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than one year after adoption of the resolution.

DELEGATES

Sec. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district in the manner provided by State law. Any vacancy occurring in a State delegation shall be filled by appointment of the Governor of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the Vice President of the United States the name of each delegate elected or appointed by the Governor pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at a session of the convention, and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

(d) Each delegate shall receive compensation for each day of service and shall be compensated for traveling and related expenses. Provision shall be made therefor in the concurrent resolution calling the convention. The convention shall fix the compensation of employees of the convention.

CONVENING THE CONVENTION

Sec. 8. (a) The Vice President of the United States shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to refrain from proposing or casting his vote in favor of any proposed amendment to the Constitution of the United States relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called. Upon the election of permanent officers of the convention, the names of such officers shall be transmitted to the President of the Senate and the Speaker of the House of Representatives by the elected presiding officer of the convention. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) There is hereby authorized to be appropriated such sums as may be necessary for the payment of the expenses of the convention.

(c) The Administrator of General Services shall provide such facilities, and the Congress and each executive department and agency shall provide such information and assistance, as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

Sec. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

Sec. 10. (a) Except as provided in subsection (b) of this section, a convention called under this Act may propose amendments to the Constitution by a vote of two-thirds of the total number of delegates to the convention.

(b) No convention called under this Act may propose any amendment or amendments of a nature different from that stated in the concurrent resolution calling the convention. Questions arising under this subsection shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

APPROVAL BY THE CONGRESS AND TRANSMITTAL TO THE STATES FOR RATIFICATION

Sec. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b) (1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of ninety days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the manner in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a subject which differs from or was not included among the subjects named or described in the concurrent resolution of the Congress by which the convention was called, or because the procedures followed by the convention in proposing the amendment were not in substantial conformity with the provisions of this Act. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of ninety days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the time within which and the manner in which such amendment shall be ratified, and a copy of this Act.

RATIFICATION OF PROPOSED AMENDMENTS

Sec. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified.

(b) Acts of ratification shall be by convention or by State legislative action as the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments transmitted to the States pursuant to this Act the State legislatures shall adopt their own rules of procedure. Any State action ratifying a proposed amendment to the Constitution shall be valid without the assent of the Governor of the State.

(c) Except as otherwise prescribed by concurrent resolution of the Congress, any proposed amendment to the Constitution shall become valid when ratified by the legislatures of three-fourths of the several States within seven years from the date of the submission thereof to the States, or within such other period of time as may be prescribed by such proposed amendment.

(d) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

Sec. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) Questions concerning State ratification or rejection of amendments proposed to the Constitution of the United States, shall be determined solely by the Congress of the United States, and its decisions shall be binding on all others, including State and Federal courts.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

Sec. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

EFFECTIVE DATE OF AMENDMENTS

Sec. 15. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–293), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of this bill is to provide the procedural machinery necessary to effectuate that part of article V of the Constitution of the United States which authorizes a convention called by the States to propose specific amendments to the Constitution. The bill does not purport to deal with the situation in which the States have issued a call for a convention to propose a general revision of the Constitution. This limited purpose of the bill derives from two considerations, First, American history since shortly after the adoption of the Constitution reveals no expression of a desire on the part of the American people for any general constitutional revision. It does reveal sporadic expressions by the people of the States of a desire to provide limited changes in the Constitution. Second, it is the committee's opinion that the machinery appropriate for a convention undertaking a complete rewriting of the Constitution calls for a greatly different procedure from that which would be appropriate for a convention called for the more limited purposes contemplated by this bill. The committee is of the opinion that a call from the States for a general constitutional convention is so remote that there is no need, at this time, for providing the machinery for such a convention. It is the committee's view that a convention call for proposing specific amendments has from time to time, and especially recently, come near enough to fruition to make it appropriate for the provision of the necessary machinery in order to avoid the chaos that would result in the event that the call came and the procedures were not spelled out in advance.

The bill offered here is not intended to effectuate or preclude the proposing for submission to the States of any particular amendment that may, at the moment, be the subject of debate. Although the impetus for this legislation was initially provided by the public concern over accumulating petitions for a convention to consider an amendment regarding reapportionment, the committee has not considered the legislation in the narrow light of any single issue. The committee believes that the responsibility of Congress under the Constitution is to enact legislation which makes article V meaningful. This responsibility dictates that legislation implementing the article should not be formulated with the objective of making the Convention route a dead letter by placing insurmountable procedural obstacles in its way. Nor on the other hand should Congress, in the guise of implementing legislation, create procedures designed to facilitate the adoption of any particular constitutional change.

In recommending S. 1272 to give effect to article V, the committee has been deeply conscious that this is "constitutional legislation" which will have to meet the unforeseen circumstances of our country's future. Its concern has been with the long-term needs of America.

The committee urges passage of this bill now in order to avoid what might well be an unseemly and chaotic imbroglio if the question of procedure were to arise simultaneously with the presentation of a substantive issue by two-thirds of the State legislatures. Should article V be invoked in the absence of this legislation, it is not improbable that the country will be faced with a constitutional crisis the dimensions of which have rarely been matched in our history.

LEGISLATIVE HISTORY

This legislation was first introduced by Senator Ervin, Chairman of the Senate Committee on the Judiciary, Subcommittee on Separation of Powers, on August 17, 1967. Hearings on the bill, S. 2307 of the 90th Congress, first session, were held by the subcommittee on October 30 and 31, 1967, and subsequently published. Thereafter the bill was revised and reintroduced in the 91st Congress, first session, as S. 623; the Subcommittee reported S. 623 to the full Committee on the Judiciary on June 19, 1969, where no action was taken on the measure during the 91st Congress. The legislation was reintroduced in the 92d Congress on January 26, 1971, as S. 215. On April 27, 1971, the Subcommittee on Separation of Powers reported the measure to the full Committee on the Judiciary. The Committee on the Judiciary reported S. 215 on July 20, 1971, and the bill passed the Senate, with one amendment, by a vote of 84 to 0, on October 19, 1971. The amendment, in Section 10, subsection (a) provides that a convention may propose amendments to the Constitution by a vote of two-thirds of the total number of delegates to the convention, rather than by a majority of the total number of delegates, as specified in the reported bill. S. 215 then was referred to the Judiciary Committee of the House of Representatives. No action was taken on the bill in the House during the 92d Congress.

In the 93d Congress, 1st Session, on March 19, 1973, Senator Ervin introduced S. 1272, a bill identical to S. 215 as amended and passed by the Senate in the 92d Congress. On May —, 1973, the Subcommittee on Separation of Powers reported S. 1272 to the Committee on the Judiciary.

CONSTITUTION OF THE UNITED STATES

Article V

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate.

BACKGROUND OF ARTICLE V

Because so much confusion has been disseminated about the origins of article V, it is not inappropriate to set forth here, in capsule form, the development in the Convention of 1787 of the provisions of article V. In the words of Philip B. Kurland:

However natural it may now seem for the Constitution to provide for its own amendment, we should remember Holmes's warning against confusing the familiar with the necessary. There are other, more recent, national constitutions that make no such provision. The nature of the political compromises that resulted from the 1787 Convention was reason enough for those present not to tolerate a ready method of undoing what they had done. Article V, like most of the important provisions of the Constitution, must be attributed more to the prevailing spirit of compromise that dominated the Convention than to dedication to principle.

Although the original Virginia plan provided for a method of amendment, the first essential question resolved by the Convention was whether any method of amendment should be provided. Despite strong opposition from men such as Charles Pinckney of South Carolina, the Convention soon agreed in principle to the desirability of specifying a mode for amendment, with Mason, Randolph, and Madison of Virginia, Gouverneur Morris of Pennsylvania, Elbridge Gerry of Massachusetts, and Hamilton of New York leading the Convention toward accepting the necessity of such a provision.

The Virginia plan not only specified an amendment process but provided also that the National Legislature be excluded from participation in that process. And it was on the question of the proper role of Congress that the second major conflict was fought. When first reported by the Committee of Detail, the provision called for amendment by a convention to be called—apparently as a ministerial action—by the National Legislature on application of the legislatures of two-thirds of the States. Although this plan was first approved, the issue was again raised on Gerry's motion for reconsideration, seconded by Hamilton, and supported by Madison. On reconsideration, Sherman of Connecticut sought to have the power given to the National Legislature to propose amendments to the States for their approval. Wilson of Pennsylvania suggested that the approval of two-thirds of the States should be sufficient, and when this proposal was lost he was able to secure consent to a requirement of three-fourths of the States. At this point Madison offered what was in effect a substitute for the Committee of Detail's amended recommendation. It read, as the final draft was to read, in terms of alternative methods. Two-thirds of each House of Congress or two-thirds of the State legislatures could propose amendments. The amendments were to be ratified when approved either by three-fourths of the State legislatures or by conventions in three-fourths of the States. This compromise eventually overcame the second difficulty. By providing for alternative methods of procedure, the Madison proposal also made possible the compromise between those who would, from fear of the reticence of the National Legislature to correct its own abuses, utilize the convention as the means of initiating change, and those who, like Mason, wanted the National Legislature to be the sole sponsor of amendments * * *

Article V, which resulted from these deliberations, must be attributed largely to Madison, with obvious active participation of Hamilton * * * ("Article V and the Amending Process," by Philip B. Kurland, in 1, *An American Primer* 130–131 edited by Daniel J. Boorstin (1966)).

Although constitutional conventions, as used by the States, generally have been reserved for wholesale, as distinguished from piecemeal, constitutional revision, there is nothing in the record of the debates at the Philadelphia Convention which discloses any comparable intention on the part of the Framers. On the contrary, the latter refrained from any evaluation or differentiation of the two procedures for amendment incorporated into artice V; they tended to view the convention merely as an alternative safeguard available to the States whenever Congress ceased to be responsive to popular will and persisted in a refusal to originate and submit constitutional amendments for ratification.

The history of the use of the amendments process also was stated briefly by Professor Kurland:

Although the Constitution has been the subject of 24* different amendments, resort has never once been made to a national convention to initiate the process. And only once, in the case of the 21st amendment, was the State-convention process utilized for purposes of ratifying an amendment.

For the most part, the amendments have been minor rather than major rearrangements of the constitutional plan. The first 10 amendments, the Bill of Rights, came so hard on the heels of the original document that they must be treated, for almost all purposes, as part of it. The only truly basic changes came in the Civil War amendments, the 13th, 14th, and 15th. Although intended primarily for the benefit of the Negroes, who ultimately were the beneficiaries, the amendments have proved to be the essential vehicles for the transfer of power from the States to the National Government and, within the National Government, to the Supreme Court, which has since exercised a veto power over the actions of the State legislatures, executives, and judiciaries * * * [T]here can be little doubt of the truth of Felix Frankfurter's observation that there has been throughout our history an "absence of any widespread or sustained demand for a general revision of the Constitution."

On the other hand, it should be noted that some of the amendments have been attributable solely to the need to correct a Supreme Court construction of the Constitution. Thus, the 11th amendment was promulgated to overrule the case of *Chisholm* v. *Georgia*, 2 Dall. 419 (1793), in which the Court held that a sovereign immunity was not available as a defense to suit by a citizen of one State against another State. The necessity for the Civil War amendments derived in no small measure from the awful case of *Dred Scott* v. *Stanford*, 19 How. 393 (1857). The 16th amendment, authorizing the income tax, was a direct consequence of the Court's highly dubious decisions in *Pollock* v. *Farmers' Loan and Trust Co.*, 157 U.S. 429 (1895), 158 U.S. 601 (1895)

The other major category of amendments includes those relating to the mechanics of the National Government itself These are due, first, to the need to eliminate ambiguities that became apparent through experience and, second, to the tendency toward extension of the franchise, a movement notable in all democratic countries during the 19th and 20th centuries. In the first group fall the 12th amendment, made necessary by the tied vote for Jefferson and Burr in the 1800 election; the 20th amendment, a response to the increased efficiency of communications and transportation that made it possible to provide for the succession of the newly elected government at a date much closer to the election, as well as to the need to eliminate the ambiguities about filling a presidential vacancy; the 22d amendment, which adopted George Washington's notion that two terms were enough for any man to occupy the Presidency, an unwritten constitutional tradition broken by Franklin Delano Roosevelt's election to the office for four successive terms. In the second category, the amendments that enhance popular sovereignty, fall the 17th, providing for popular election of Senators; the 19th, providing for women's suffrage; the 23d, giving a voice to citizens of the District of Columbia in the election of the President; and the 24th* eliminating the poll tax as a requirement for voting in national elections.

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*Now 26.

The only two other amendments are concrete evidence of the undesirability of promulgating a minority's notions of morality as part of the Nation's fundamental law. The 18th amendment, the prohibition amendment, was a ban on commerce in intoxicating liquors. The horrible results of the "noble experiment" that led an entire nation into a lawlessness from which it has never recovered caused the repeal of the 18th amendment by the 21st amendment.

Perhaps the primary importance of article V may be found in the *in terrorem* effect of an ultimate appeal to the people for the correction of the abuses of their government. But it is not a weapon ready for use and its cumbersome method is both its virtue and its vice. (Kurland, *op. cit. supra*, at 132–134.)

Although the convention route has never been used as a means of proposing amendments, it usefulness has been demonstrated. The campaign for direct elections of Senators was stymied for decades by the understandable reluctance of the Senate to propose an amendment which jeopardized the tenure of many of its Members. Frustrated by the Senate, the reform movement shifted to the States, and a series of petitions seeking to invoke the convention process were submitted to Congress. Rather than risk its fate at the hands of a convention, the Senate then relented and approved the proposed amendment, which was speedily ratified. The history of the 17th amendment illustrates the usefulness of having a method by which a recalcitrant Congress can be bypassed when it stands in the way of the desires of the country for constitutional change.

GENERAL CONSIDERATIONS

At the outset it should be noted that this bill could have been drawn to place such hurdles in the path of the process that it could never effectively be used. And there are proponents of such an approach. On the other hand, it could have been drawn in such a manner as to make easy this means of constitutional amendment. There are proponents of this attitude as well. This committee regards both approaches as inconsistent with the purpose and function of article V, which it is the committee's intention to effectuate in this bill. The bill is drawn in such a manner as to make possible, however improbable, the constitutional convention method of amendment, as it was clearly the intent of the drafters of the Constitution to provide. There is no evidence whatsoever that the Framers did not regard this means to be as desirable and as viable as that which allows for constitutional amendment at the initiation of Congress. On the other hand, it is equally clear that the Framers did not, with regard to either process, anticipate either frequent or easy use of article V to bring about changes in the Constitution. The effort of the committee, therefore, has been to seek a solution between that which would in fact preclude the States from initiating constitutional amendments and that which would afford a Pandora's box too easily opened.

AUTHORITY OF CONGRESS TO SPECIFY PROCEDURES FOR A CONSTITUTIONAL CONVENTION CALLED BY THE STATES

It is the opinion of the committee that Congress unquestionably has the authority to legislate about the process of amendment by convention, and to settle every point not actually settled by article V of the Constitution itself. This is implicit in article V. Obviously the 50 State legislatures cannot themselves legislate on this subject. The constitutional convention cannot do so for it must first be brought into being. All this is left, therefore, to Congress, which in any event, in respect to other issues not specifically settled by the Constitution, has the residual power to legislate on matters that require uniform settlement.

Congress has full authority to prescribe and determine what a valid application shall be and is further authorized to provide as it chooses for the selection of delegates and the procedures that will govern the convention's operations. As to the first point, Congress is made the agency for calling the convention, and it is hard to see why Congress should have been brought into the matter at all unless it were expected to determine when sufficient appropriate applications had been received. As to the second point, the same argument is compelling; if Congress were not expected to provide for the selection and procedures of the convention, why were no provisions made for those matters in article V itself? It would have been perfectly simple for the article to have provided for delegation of those arrangements to the States. When we add to this argument the weight of the necessary and proper clause and the authority of *Coleman* v. *Miller* for the proposition that the amending process is in the congressional domain, the conclusion is inescapable. Congress has plenary power to provide for the selection and procedures of the convention. Nor is Congress hampered here by the provisions of article V relating to ratification. The States as States must give approval to proposed amendments, because that is what article V says. But the article says nothing at all about how the convention shall be chosen or operate; and, for the reasons given, that omission leaves decision on those matters in the hands of Congress.

As Mr. Theodore Sorensen said in his testimony before the subcommittee:

> The constitutional authority of Congress to establish rules and procedures regularizing the use or application of principles set forth in the Constitution has been too frequently exercised to be doubted today. Moreover, because State legislatures in proposing amendments via the convention route for performing a Federal function derived from the Federal Constitution, they could not be heard in court to complain about the imposition of reasonable standards and procedures by the Federal Congress, so long as their fundamental right to amend the Constitution is not thereby impaired. * * *
>
> In short, I fully concur with Chairman Ervin that Congress has both the power and the duty to implement article V, to prevent the crisis and chaos that would otherwise result and to restrict any such convention to those topics that are specified in the applications of State legislatures. (Hearings, before the Subcommittee on Separation of Powers of the Committee on the Judiciary, United States Senate, 90th Congress, 1st Session, on S. 2307, p. 36.)

LIMITATION OF SUBJECT MATTER TO BE CONSIDERED BY CONVENTION

Probably the most vexing question presented to the committee was whether Congress could provide for the limitation of the subject matter to be treated by a convention called pursuant to article V. The committee is of the opinion that a failure to provide for such limitation would be inconsistent with the purposes of article V and, indeed, would destroy the possibility of the use of the convention method for proposing amendments.

As may readily be seen from the history of article V, it was intended to afford the States an opportunity for the introduction of specific amendments to the Constitution that was to parallel the opportunity of Congress to put forth such amendments. Thus, Madison, addressing himself to the subject in Federalist No. 43, wrote:

> That useful alterations will be suggested by experience, could not but be foreseen. It was requisite therefore that a mode for introducing them should be provided. The mode preferred by the convention seems to be stamped with every mark of propriety. It guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the General and the State Governments to originate the amendment of errors as they may be pointed out by the experience on one side or on the other.

And, in further explication of the amendment power and its exercise, Hamilton stated in No. 85:

> Every amendment to the Constitution, if once established, would be a single proposition, and might be brought forward singly. There would then be no necessity for management or compromise in relation to any other point—not giving or taking. The will of the requisite number would at once bring the matter to a decisive issue. And consequently, whenever nine, or rather 10 States, were united in the desire of a particular amendment, that amendment must infallibly take place. There can, therefore, be no comparison between the facility of affecting an amendment and that of establishing, in the first instance, a complete Constitution.

Apart from being inconsistent with the language and history of article V, the contention that any constitutional convention must be "wide open" is neither practicable nor desirable. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the States to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the States to originate the amendment of errors pointed out by experience, as Madison expected them to do. To suggest that the States could not propose specific amendments without risking a general constitutional convention is, in fact, in the committee's view, to destroy the desire and therefore the power of the States to initiate specific amendments by the convention process. Congress is not required to run such risks in the amendments that it would originate. There is little reason to believe that the States should be expected to do so.

The argument that the convention must have general power is also unsound from another point of view. If the convention were to be general, then it would seem that appropriate applications for a limited convention deriving in some States from a dissatisfaction for one reason, and in other States for entirely different reasons, should all be combined to make up the requisite two-thirds of the States needed to meet the requirements of article V. The committee does not believe that this is the type of consensus among the States that the Founders thought to be appropriate to calling for a convention. For if such disparate demands were sufficient, all the applications to date—and there are several hundred of them—should be added up to see whether, in what is considered an appropriate span of time, two-thirds of the States have made demands for a constitutional convention to propose amendments, no matter the cause for applications or the specifications contained in them. Indeed, under this theory a convention is long overdue. Since the committee believes that State applications should not be treated as a call for a convention unless they deal with the same subject—a conclusion supported by two centuries of practice—it is unreasonable to suggest that the convention resulting from 34 applications on a single subject is nonetheless free to roam at will in offering changes to the Constitution.

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*The 25th amendment, providing for the filling of a vacancy in the offices of President or Vice President; and the 26th, providing for the "18-year-old vote", were adopted subsequent to the writing of the work quoted.

The attempted analogy sometimes made to the example of the Philadelphia Convention is not persuasive. First, the Articles of Confederation did not contain any effective means of amendment, as does the Constitution. Second, many of the delegates to that assembly were given credentials expressly limiting their authority to proposing individual amendments to the Articles. The Convention's decision to propose an entirely new charter was *ultra vires* and, in effect, "unconstitutional." Third, the Congress and the States retroactively approved the Convention's action of submitting and ratifying the new Constitution according to its own terms. Of course, a convention ostensibly acting under article V could ignore its authority, violate its oath, and propose amendments on subjects other than those specified. But the committee believes that such action would be unconstitutional; neither Congress nor the States would be under any obligation to give consideration to its proposals.

The interpretation of article V adopted by the committee is consistent with the literal language of the articles as well as its history and is more desirable and practicable than the alternative construction. The intent of article V was to place the power to initiate amendments in the Congress and in the State legislatures. The function of the convention was to provide the States with a mechanism for effectuating this initiative. The role of the States in filing their applications would be to identify the problem or problems that they believed to call for resolution by way of amendment. The role of the convention that would be called by reason of such action by the States would then be to decide whether the problem or problems called for correction by constitutional amendment and, if so, to frame the amendment itself, and propose it for ratification as provided in article V. The bill carried out this intention in keeping not only with the letter but also with the spirit of article V.

It is the conclusion of the committee, therefore, that the bill properly limits the scope of the convention to the subject or subjects that caused the States to seek constitutional amendment in the first place. The convention would have no authority to go beyond the subjects specified.

COMPUTATION OF REQUIRED NUMBER OF STATE APPLICATIONS

As has already been stated, applications of the States for a constitutional convention that relate to disparate subjects are not to be added together to make up the requisite two-thirds. Applications are not to be added together unless they are addressed to the solution of a common problem.

The committee is in agreement with a 1952 Report of the House Judiciary Committee which stated:

> . . . there appears no valid reason to suppose that the language of the amendment requested in State applications must be identical with one another in wording. It should be enough that the suggested amendments be of the same general subject matter in order to be included in a congressional count of applications for a constitutional convention, bearing in mind, of course, that any or all of the States may at any time request a general convention should strong sentiment for such proceedings prevail. ("Problems Relating to State Applications for a Convention to Propose Constitutional Limitations on Federal Tax Rates," House Committee on the Judiciary, 82d Congress, second session, House committee print, page 12 (1952))

Obviously the question of whether any 34 petitions are sufficient to bring into operation artice V is one for resolution by Congress. In making this determination, the 34 States could not be required to submit in their applications identical texts of an amendment. Nor could Congress define the subject so narrowly as to impose a requirement of textual uniformity which as a realistic matter could not be met by the States. It should be sufficient that the States identify a subject or problem, demanding action on it alone. The petitions should disclose a State's concern with respect to a subject and a desire for a convention to deal with the problem.

For example, the petitions could call for a convention to consider the propriety of an amendment to deal with problems raised by a series of Supreme Court decisions, or actions by the Congress or the President, defining those actions in specific terms. The convention then would be confined to a specific subject, but would be free to consider the wisdom of any proposed amendment within that subject and what form it should take. The convention could not be deprived of deliberative freedom and confined to a yes-or-no vote on any specific proposal. To illustrate, States desiring a convention to deal with the issues raised by the Escobedo-Miranda decisions could phrase their petitions with references to those cases, or in general terms of the problem of Federal control over State criminal procedure. The convention would be confined to that subject, but would nevertheless have great deliberative freedom to consider all possible solutions and to frame whatever amendment it deemed appropriate to respond to the issues identified by the States.

TIME WITHIN WHICH THE APPLICATIONS FOR CONSTITUTIONAL CONVENTION MUST BE FILED

Article V is silent on the question of how long a proposed amendment should remain available for ratification or rejection by the States. It is likewise silent on the question of how long applications for a convention should remain valid. There is general agreement that, to be meaningful, applications for a constitutional convention to propose an amendment on a single subject should be a contemporaneous recognition by the States of the need for solution of a constitutional problem. There is some difference of opinion about the time period that is an appropriate measure of this contemporaneity. In the recent past, in making provision for the ratification of amendments proposed by Congress, 7 years has been specified as the appropriate time period within which ratifications should take place. The bill provides that the same period—7 years—shall be the valid period. A shorter time, for instance 1 or 2 years, would not afford the States adequate time for debate and deliberation on so fundamental a question as a proposed constitutional amendment. On the other hand, a much longer time, say 15 years, would not satisfy the reasoned desire for consensus.

OBLIGATION OF CONGRESS TO CALL A CONVENTION ON APPLICATION OF REQUISITE NUMBER OF STATES

The committee is of the view that, when the requisite number of valid applications have been filed, it is the constitutional duty of Congress to call the convention; for as Hamilton said in Federalist No. 85:

> In opposition to the probability of subsequent amendments, it has been urged that the persons delegated to the administration of the national government will always be disinclined to yield up any portion of the authority of which they were once possessed. For my own part, I acknowledge a thorough conviction that any amendments which may upon mature consideration, be thought useful, will be applicable to the organization of the government, not to the mass of its powers; and on this account alone I think there is little weight in the observation just stated. I also think there is little weight in it on another account. The intrinsic difficulty of governing thirteen States at any rate, independent of calculations upon an ordinary degree of public spirit and integrity will, in my opinion, constantly *impose* on the national rules the *necessity* of a spirit of accommodation to the reasonable expectations of their constituents. But there is yet a further consideration which proves beyond the possibility of doubt that the observation is futile. It is this; that the national rulers, whenever nine States concur, will have no option upon the subject. By the fifth article of the plan, the Congress will be *obliged*, "on the application of the legislatures of two-thirds of the States [which at present amount to nine] to call a convention for proposing amendments which *shall be valid*, to all intents and purposes, as part of the Constitution, when ratified by the legislatures of three-fourths of the states, or by conventions in three-fourths thereof." The words of this article are preemptory. The Congress "*shall* call a convention." Nothing in this particular is left to the discretion of that body. And of consequence all the declamation about their disinclination to a change vanishes in air. (Emphasis in original.)

Hamilton reflects the record of the Convention itself. As Farrand records:

> It was also feared that Congress might refuse to act so Congress was *required* to call a convention on the application of two-thirds of the states. (Farrand, "Framing of the Constitution of the United States," (1913 ed.), p. 190.) (Emphasis in original.)

Concededly, the Congress cannot be forced by the courts or by the provisions of this bill to convene a convention when the constitutional prerequisites have been satisfied. And since the obligation to call the convention is given to Congress, neither the President nor the Supreme Court could act in its stead. However, every Member of Congress has taken an oath to support the Constitution and it is inconceivable that Congress would refuse to perform its duty. No adequate argument has been brought forth to suggest a different conclusion. In light of the function of the alternative methods of proposing amendments provided in article V—to assure to Congress and the States equal opportunity to do so—for Congress to veto State proposals would be an infringement on State power and a violation of the Constitution.

ROLE OF THE EXECUTIVE IN THE AMENDMENT PROCESS

After much deliberation, the committee concluded that, just as with amendments proposed by Congress, so too with those proposed by the States, neither the National Executive nor the State Executive should have a role in the amendment process. Inasmuch as the function of Congress is simply to operate the machinery to effectuate the actions of the States and the convention, there is no proper place for a Presidential role.

Moreover, article I, section 7, is not authority for Presidential assent to the concurrent resolution calling for a convention or for the congressional action of transmitting a proposed amendment to the States for ratification. The short but sufficient answer is to be found in Professor Corwin's annotation of article I, section 7:

> The sweeping nature of this obviously ill-considered provision is emphasized by the single exception specified to its operation. Actually, it was impossible from the first to give it any such scope. Otherwise the intermediate stages of the legislative process would have been bogged down hopelessly, not to mention other highly undesirable results. In a report rendered by the Senate Judiciary Committee in 1897 it was

shown that the word "necessary" in the clause had come in practice to refer "to the necessity occasioned by the requirement of other provisions of the Constitution, whereby every exercise of 'legislative powers' involves the concurrence of the two Houses"; or more briefly, "necessary" here means necessary if an "order, resolution, or vote" is to have the force of law. Such resolutions have come to be termed "joint resolutions" and stand on a level with "bills", which if "enacted" become statutes. But "votes" taken in either House preliminary to the final passage of legislation need not be submitted to the President, nor resolutions passed by the House concurrently with a view to expressing an opinion or to devising a common program of action (e.g., the concurrent resolutions by which during the fight over Reconstruction the Southern States were excluded from representation in the House and Senate, the Joint Committee on Reconstruction containing members from both Houses was created, etc.), or to directing the expenditure of money appropriated to the use of the two Houses. Within recent years the concurrent resolution has been put to a new use—the termination of powers delegated to the Chief Executive, or the disapproval of particular exercises of power by him. Most of the important legislation enacted for the prosecution of World War II provided that the powers granted to the President should come to an end upon adoption of concurrent resolutions to that effect. Similarly, measures authorizing the President to reorganize executive agencies have provided that a reorganization plan promulgated by him should be reported to Congress and should not become effective if one or both Houses adopted a resolution disapproving it. Also, it was settled as early as 1789 that resolutions of Congress proposing amendments to the Constitution need not be submitted to the President, the Bill of Rights having been referred to the States without being laid before President Washington for his approval—a procedure which the Court ratified in due course. (The Constitution of the United States of America: Analysis and Interpretation) 135–36 (S. Doc. No. 39, 88th Cong., first sess., 1964 ed.) Citations omitted.

The Constitution made the amendment process difficult. It certainly was not the intention of the original Convention to make it impossible. Nor is it possible to attribute to the Founders the concept that amendments originating in the States should have much more difficulty in passage than those proposed by Congress. That issue was fought out in the 1789 Convention and resolved in favor of two originating sources, not one.

Therefore, the committee has concluded that Presidential participation in the operation of article V is not required by the Constitution. Indeed, a strong case is made out that the Constitution, as construed throughout our history, precludes such participation by the Executive in the amendment process.

Just as the National Executive is excluded from the amendment process, so the State Executives play no role. Article V assigns to the State legislatures the duty to apply for a constitutional convention just as it authorized the legislatures to be ratifying bodies. Supreme Court decisions have interpreted the term "legislatures" in the ratification clause to mean the representative lawmaking body of the State—not including the Governor—since ratification of a constitutional amendment is not an act of legislation, in the proper sense of the word.[1] The term must have the same meaning in the application clause and the ratification clause of article V.

The role of the Governor is not needed for the voice of the people to be heard in the amendment process. It is heard, first, through their legislative representatives in their State governments; second, by the requirement contained in this bill for the democratic election of convention delegates; and third, in the ratification either by State ratifying convention or State legislature. To require that, in addition to an affirmative vote by two-thirds of the legislatures of the States within a period of 7 years, those votes must be by a two-thirds majority of each legislature (or by whatever other majority is needed to overcome a veto) where the Governor disapproves, is indeed "to pile Ossa on Pelion and leaf-crowned Olympus on Ossa" to create an insuperable barrier to any effective use of this method of constitutional change.

RESCISSION OF APPLICATIONS AND RATIFICATIONS

The question of whether a State may rescind an application once made has not been decided by any precedent, nor is there any authority on the question. It is one for Congress to answer. Congress previously has taken the position that having once ratified an amendment, a State may not rescind.

The committee is of the view that the former ratification rule should not control this question and, further, should be changed with respect to ratifications. Since a two-thirds consensus among the States in a given period of time is necessary to call a convention, obviously the fact that a State has changed its mind is pertinent. An application is not a final action. A State is always free, of course, to reject a proposed amendment. On these grounds, it is best to provide for rescission. Of course, once the constitutional requirement of petitions from two-thirds of the States has been met and the amendment machinery is set in motion, these considerations no longer hold, and rescission is no longer possible. On the basis of the same reasoning, a State should be permitted to retract its ratification, or to ratify a proposed amendment it previously rejected. Of course, once the amentment is a part of the Constitution, this power does not exist.

RESOLUTION OF QUESTIONS ARISING UNDER THIS MEASURE

The Committee takes the position that all questions to be resolved by the Congress under the provisions of this measure shall be submitted preliminarily to the Senate and House Judiciary Committees.

Section 1 provides that the title of the act is the "Federal Constitutional Convention Procedures Act."

Section 2 provides that a State desiring to invoke article V to call a constitutional convention for the purpose of proposing an amendment to the Constitution must adopt a resolution pursuant to this act requesting such a convention and stating the nature of the amendment it wishes proposed. Pursuant to the requirements of this section, the measure is prospective and not retroactive in operation.

Section 3 provides that the procedure to be used by the State in adopting or rescinding a resolution is the same as that used for enacting State laws of general application except that the approval of the Governor is not required. Any questions arising as to the adoption or rescission of resolutions are matters for determination solely by the Congress as part of its responsibility to determine whether article V has been activated. Of course, Congress has no authority to examine the action of the legislature, except to assure itself that the State has used the procedure specified in section 3.

Section 4 provides that within 30 days of the adoption of a resolution the secretary of state or the equivalent officer of the State must send two certified copies to the Congress, one addressed to the President of the Senate and the other to the Speaker of the House. Each copy must contain the title of the resolution, the date upon which it was adopted, and the exact text of the resolution signed by the presiding officers of each house of the State legislature. Within 10 days of receipt, the President of the Senate and the Speaker of the House must report to their respective Houses the identity of the State making application, the subject of the application and the number of States which have thus far applied with respect to that subject. If Congress is in recess or is adjourned, the announcement would be made when Congress was again in session, and as soon thereafter as possible. The two officers must cause copies of the application to be sent to the presiding officers of each of the Houses of the other States, and to each Member of Congress.

Section 5 provides that applications for the convening of a convention are effective for 7 years from date of receipt by Congress. Whenever within a 7-year period there are in effect valid applications on the same subject from two-thirds of the States all the applications remain in effect until Congress has called the convention.

States may rescind applications by adopting resolutions of rescission in accordance with the procedures of sections 3 and 4. However, attempted rescissions would not be effective after applications have been received by Congress from the requisite two-thirds of the States. Questions concerning the rescission of applications are determined solely by Congress.

Section 6 provides that the Secretary of the Senate and Clerk of the House shall maintain a record of the applications received upon each subject. Whenever applications upon the same subject have been received from two-thirds of the States, they must report in writing to the presiding officer of their respective Houses, and such officer shall report to that House the substance of the report. Periodic reports to each House on the nature and number of petitions received would be advisable, as well.

Each House then determines whether the recitation of the report is correct. Upon such determination it is the constitutional duty of each House under article V to a concurrent resolution calling for the convening of a constitutional convention. The resolution shall set forth the nature of the amendment the convention is to consider and designate the time and place for the convention. Copies of the resolution are to be sent to the State Governors and to each House of each State legislature. The convention must be convened within 1 year of the adoption of the resolution.

Section 7 provides that each State shall elect two delegates-at-large and one additional delegate from each congressional district in the State, in accordance with its usual procedures for the election of Senators and Representatives. Vacancies are filled by appointment of the State Governor. The secretary of state of each State or equivalent officer shall certify to the Vice President of the United States the name of each delegate. Delegates will enjoy the same privileges as do members of Congress under articles I, section 6. Delegates are to be compensated for service and travel and related expenses as provided for in the convening resolution.

Section 8 provides that the Vice President of the United States is to convene the convention and administer the oath of office. Each delegate is required to take an oath not to propose or vote in favor of any proposed amendment relating to a subject other than that named or described in the concurrent resolution. This is consistent with the position that the convention's authority is limited by the States' conferral of authority.

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[1] *Hawke* v. *Smith*, No. 1, 253 U.S. 221, 229 (1920).

Names of the officers of the convention are to be transmitted to the Speaker of the House and President of the Senate. The convention may adopt rules of procedure not inconsistent with this act. Congress is authorized to appropriate funds for the expense of the convention; the Administrator of the General Services Administration is directed to provide the required facilities; and Congress, executive departments, and agencies are required to provide information required by the convention, except as otherwise provided by law.

Section 9 provides that each delegate to the convention has one vote. A daily verbatim record of proceedings must be kept, and the vote of each delegate must be recorded. The convention shall terminate within 1 year of the first meeting unless extended by resolution of Congress. Records of the convention's proceedings are to be transmitted to the Archives within 30 days of the termination of the convention.

Section 10 provides that amendments may be proposed by a vote of two-thirds of the total number of delegates to the convention. No amendments with respect to a subject different from that stated or described in the resolution calling the convention may be proposed and any questions relating to this point are to be determined solely by Congress.

Section 11 provides that within 30 days of the end of the convention the exact text of any amendments proposed by the Convention must be transmitted to Congress. Upon receipt of a valid proposed amendment, Congress must adopt a concurrent resolution directing the Speaker of the House and the President of the Senate to send the proposed amendment to the Administrator of the General Services Administration. The resolution shall also prescribe the time and manner of ratification by the States. Congress may adopt a concurrent resolution disapproving the submission of the proposed amendment to the States, but only on the grounds (1) that it relates to or includes a subject different from that stated or described in the resolution calling the convention, or (2) that the procedures used by the convention were not in substantial conformity with the provisions of this act. This conforms to the fact that, under article V, Congress has no power to review or veto any action of the convention because of doubts or disapproval on the grounds of policy. Congress' sole function is ministerial. Of course, Congress is under no obligation to transmit an amendment if the convention has exceeded its authority by proposing amendments on subjects other than those designated, or if there were procedural irregularities at the convention of a substantial nature so as to make the actions of the convention ineffective.

If Congress has not adopted a concurrent resolution either transmitting or disapproving the transmission of the proposed amendment within 90 days of continuous session following its receipt, the President of the Senate and Speaker of the House nonetheless are obligated to transmit the proposed amendment to the Administrator of the General Services Administration. This is to assure that Congress may not impede or block the transmittal to the States for the reasons of disapproval of the wisdom of the proposal. The Administrator of the General Services Administration must submit to the States a certified copy of the proposed amendment and any concurrent resolution adopted by Congress setting forth the time and manner for ratification along with a copy of this act.

Section 12 provides that amendments submitted in accordance with this act are valid as a part of the Constitution when ratified by three-fourths of the States within the time and according to the manner, by State legislature or State convention, as Congress directs by concurrent resolution. If the transmittal is made in the absence of a concurrent resolution, ratification is by State legislature and within 7 years of transmittal. Ratification by a State legislature shall be according to its own rules of such actions, but does not require the approval of the Governor. Certified copies of State ratifications must be sent promptly to the Administrator of the General Services Administration.

Section 13 provides that states may rescind by the same procedure as that used for ratification, but no rescission may be made after valid ratification by three-fourths of the States. States may ratify after a previous rejection. Any questions concerning ratification or rejection are determined solely by Congress.

Section 14 provides that the Administrator of the General Services Administration shall issue a proclamation that the amendment is part of the Constitution when three-fourths of the States have ratified.

Section 15 provides that the effective date of a constitutional amendment shall be specified in the amendment or, if none, on the date of the ratification by the last State necessary to constitute three-fourths of the States.

SENATE LEGISLATIVE ACTIVITY

Mr. MANSFIELD. Mr. President, the Senate Democratic Policy Committee, from time to time, issues a Senate Legislative Activity Index and also a résumé of legislation passed in the intervening period, under the heading "Senate Legislative Activity."

This has been sent to all Democratic Senators beginning about a month ago. The interest has been quite keen. I would point out that the record of the Senate to date is very good, as evidenced by the number of entries in the report.

By way of comparison with the last Congress, the June 30, 1971, report shows that the Senate had passed 113 bills at midyear excluding private bills and printed resolutions. The June 30, 1973, report contains 216 Senate-passed measures, many of which are major pieces of legislation.

The next report will be ready at the time of the recess beginning in August.

At this time, Mr. President, I ask unanimous consent to have the index printed in the RECORD.

There being no objection, the index was ordered to be printed in the RECORD, as follows:

SENATE LEGISLATIVE ACTIVITY INDEX

(93d Congress, First Session)

(By Senate Democratic Policy Committee)

AGRICULTURE

Agriculture and Consumer Protection Act of 1973 (S. 1888).

Census of Agriculture (S.J. Res. 95).

Feed Grain Set-Aside Program (S. 1572).

Indian River Grapefruit Program (S. 1945).

Meat and Poultry Inspection Amendments (S. 1021).

Rabbit Meat Inspection (S. 43).

Rice Allotment Transfer (H.R. 6883).

Rural Electric and Telephone Loans (S. 394).

Rural Environmental Assistance (REAP) and Water Bank Programs (H.R. 2107).

*Rural Water and Waste Disposal Grant Program (H.R. 3298) (Vetoed April 5, 1973. Veto sustained by House April 10, 1973.)

Wheat Referendum (S. 1938).

Woodsy Owl (S. 1585).

APPROPRIATIONS

1973

Further Continuing Appropriations (H.J. Res. 345).

*Second Supplemental Appropriations (H.R. 7447) (Vetoed June 27, 1973—Veto sustained by House June 27, 1973.)

Urgent Supplemental Appropriations (H.J. Res. 496).

1974

Agriculture—Environmental and Consumer Protection, 1974 (H.R. 8619).

Continuing Appropriations (H.J. Res. 636).

Housing and Urban Development, Space, Science, Veterans', and Certain Other Independent Agencies, 1974 (H.R. 8825).

CONGRESS

Budget Message, Economic Report, and Impounded Funds (H.J. Res. 1).

Committee Meetings—Rule XXV (S. Res. 69).

Federal Impoundment Control Procedures Act (S. 373).

Joint Economic Report—Extension (H.J. Res. 299).

Presidential Election Campaign of 1972:

Select Committee on Presidential Election Campaign Activities (S. Res. 60), S. Res. 132).

Special Prosecutor for Watergate Investigation (S. Res. 105).

Rules of Evidence—Congressional Consideration (S. 583).

Secret Government Documents (S. Res. 13).

Senate Confirmation of Nominations:

Cost of Living Council (S. 421).

Executive Office Appointees (S. 590), (S. 2045).

Heads of Executive Departments (S. 755).

*Office of Management and Budget (S. 518) (Vetoed May 18, 1973.

Senate overrode veto May 2, 1973. House sustained veto May 23, 1973, (S. 37), (S 2045).

CRIME-JUDICIARY

Civil Remedies for Victims of Racketeering and Theft (S. 13).

Commission Bankruptcy Laws (H.J. Res. 499).

Crime Control Act of 1973 (H.R. 8152).

Methadone Diversion Control Act of 1973 (S. 1115).

Public Safety Officers' Benefits Act of 1973 (S. 15).

Public Safety Officers' Group Life Insurance Act of 1973 (S. 33).

Revision of the Jurisdiction of Three-Judge Courts (S. 271).

Runaway Youth Act (S. 645).

Territorial Franchises in the Soft Drink Industry (S. 978).

Victims of Crime Act of 1973 (S. 300).

Victims of Crime Act of 1973 (Omnibus) (S. 800).

DEFENSE

Coast Guard Authorization, 1974 (H.R. 5383).

Dependents Assistance Act of 1950 Amendments (H.R. 8573).

Disposals from National Stockpiles (H.R. 4682).

Promotions of Military Personnel in a Missing Status (S. 1493).

Sale of Naval Vessels Stricken from the Naval Register (S. 1773).

DISTRICT OF COLUMBIA

International Center Complex (S. 1235).

John F. Kennedy Center for the Performing Arts (S. 1759).

National Visitors Center Facilities Act of 1968 Amendments (H.R. 5857).

Robert F. Kennedy Memorial Stadium (H.R. 6630)).

ECONOMY-FINANCE

Ceilings on Deposit Interest Rates and Wage and Price Controls (S.J. Res. 128).

East-West Trade Policy Resolution (S.J. Res. 131).

Economic Stabilization Act Amendments of 1973 (S. 398).

Federal Financing Bank (S. 925)

Financial Institution Structure and Regulation (H.R. 6370).

Interest Equalization Tax Extension Act of 1973 (H.R. 3577).

Istle Fiber; Agricultural Commodities (H.R. 2261).

National Banks Investment in Agricultural Credit Corporations (S. 1884).

Par Value Modification (H.R. 6912).

Public Debt Limit Extension (H.R. 8410).

Purchase of U.S. Obligations by Federal Reserve Banks (S. 1410).

Railroad Retirement Act Amendments (H.R. 7357).

Securities Laws Amendments (S. 470).

EDUCATION

Education of the Handicapped Amendments of 1973 (S. 895).

National Commission on the Financing of Postsecondary Education (H.J. Res. 393).

GENERAL GOVERNMENT

American Revolution Bicentennial Commission (H.R. 3694).

Arctic Winter Games Authorization (S. 907).

Atomic Energy Commission Authorizations, 1974 (S. 1994).

Commission on Highway Beautification—Extension (S.J. Res. 42).

Council on International Economic Policy (S. 1636).

Department of State Appropriations Authorization Act of 1973 (H.R. 7645).

Disaster Relief:

Emergency Disaster Bill (S. 1697).

Emergency Loan Program for Disaster Areas (H.R. 1975).

Small Business Act Amendments (S. 1672).

Emergency Petroleum Allocation Act of 1973 (S. 1570).

Energy Policy Act of 1973 (S. 70).

Exemption of Federal Judiciary from charges for Space and Services (S. 2079).

Federal Elections (S. 343).

Flood Insurance (S.J. Res. 26), (S.J. Res. 112).

Foreign Service Building Act Amendments (H.R. 5610).

Government Printing Office (S. 1794), (S. 1795), (S. 1802).

Maritime Authorization, 1974 (H.R. 7670).

Mint Buildings (S. 1901).

Motor Vehicle Defect Remedy Act (S. 355).

National Commission on Productivity—Extension (S.J. Res. 93).

National Commission on Productivity and Work Quality (S. 1752).

National Foundation on the Arts and Humanities Amendments of 1973 (S. 795).

National Historic Preservation Act (S. 1201).

National Science Foundation Authorization Act of 1974 (H.R. 8510).

Office of Environmental Quality Authorizations (S. 1379).

†Older Americans Comprehensive Services Amendments of 1973 (S. 50).

Peace Corps Act Amendments of 1973 (H.R. 5293).

Preservation of Historical and Archeological Data (S. 514).

Public Works and Economic Development Act Amendments of 1973 (H.R. 2246).

Recreation Use Fees (S. 1381).

Renegotiation Act Amendments of 1973 (H.R. 7445).

Service Contract Act Extension to Caton Island (H.R. 5157).

Small Business Act Amendments (S. 1672).

Trust Territory of the Pacific Islands (S. 1385).

Uniform Relocation Assistance and Real Property Acquisition Policies Act Amendments (S. 261).

United States Information Agency Appropriations Authorization Act of 1973 (S. 1317).

United States Travel Service Authorization (S. 1747).

Voter Registration Act (S. 352).

Wagner-O'Day Act Amendment, 1973 (S. 1413).

GOVERNMENT EMPLOYEES

Central Intelligence Agency Retirement Act Amendment (S. 1494).

Federal Employees Retirement (H.R. 6077).

Library of Congress (S. 1904).

HEALTH

Child Nutrition Programs (H.R. 4278).

Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1973 (S. 1125).

Emergency Medical Services Systems Development Act of 1973 (S. 504).

Health Maintenance Organization and Resources Development Act of 1973 (S. 14).

Health Programs Extension Act of 1973 (S. 1136).

Lead-Based Paint Poisoning Amendments of 1973 (S. 607).

Little Cigar Act of 1973 (S. 1165).

National Institute of Health Care Delivery Act of 1973 (S. 723).

INDIANS

Glen Canyon National Recreation Area Concession Operations (S. 1384).

Indian Claims Commission (S. 721).

Indian Judgment Distribution Act of 1973 (S. 1016).

Joint Committee on Navajo-Hopi Administration—Abolishment (S. 267).

Klamath Indian Tribal Land Acquisition (H.R. 3867).

Publication of Material Relating to the Constitutional Rights of Indians (S. 969).

INTERNATIONAL

Atlantic Union Delegation (S.J. Res. 21).

Foreign Military Sales and Assistance Act, 1974 (S. 1443).

International Voyage Load Line Act of 1973 (S. 1352).

People's Republic of China—Diplomatic Privileges (S. 1315).

Radio Free Europe and Radio Liberty Supplemental Authorization, 1973 (S. 1972).

Treaties:

Consular Convention with Hungary (Ex. W, 92d–2d).

Consular Convention with Poland (Ex. U, 92d–2d).

Consular Convention with Romania (Ex. V, 92d–2d).

Convention with Japan for the Protection of Birds and their Environment (Ex. R, 92d–2d).

Exchange of Notes with Ethiopia Concerning the Administration of Justice (Ex. B, 93d–1st).

United Nations Environment Program Participation Act of 1973 (H.R. 6768).

LABOR

Labor Management Relations Act Amendments (S.1423).

Penn Central Rail Dispute (S.J. Res. 59).

†* Rehabilitation Act of 1972 (S. 73) (Vetoed March 27, 1973. Veto sustained by Senate April 3, 1973).

MEMORIAL, TRIBUTES, AND MEDALS

Cable Car Medals (S. 776).

Commemoration of Members of the Armed Service Who Served in the Vietnam War (S. Res. 117).

Eisenhower Memorial (S. 1264).

John Wesley Powell Federal Building (S. 1618).

Law Day (S.J. Res. 11).

Lyndon B. Johnson (S. Res. 24), (H. Con. Res. 90), S. Res. 34).

Lyndon B. Johnson Space Center (S.J. Res. 37).

Members of the Armed Forces Missing in Action in Indochina (S. Res. 115).

Monument to 1st Infantry Division (S.J. Res. 66).

Roberto Walker Clemente Medals (H.R. 3841).

Vietnam War Memorial (S.J. Res. 45).

NATURAL RESOURCES-ENVIRONMENT

American Falls Dam Replacement (S. 1529).

Arkansas River Basin Compact (S. 11).

Clean Air Act Extension (S. 498), (H.R. 5445).

†Flood Control Act of 1973 (S. 606).

Interstate Environment Compact Act of 1973 (S. 9).

Land Use Policy and Planning Assistance Act (S. 268).

National Sea Grant College and Program Act of 1966 Amendments (H.R. 5452).

Safe Drinking Water Act of 1973 (S. 433).

Saline Water Program Authorization, 1974 (S. 1386).

Solid Waste Disposal Act Extension (S. (S. 498), (H.R. 5446).

United States Fishing Industry (S. Con. Res. 11).

Wasteland Treatment Plant Operations Training Program (S. 1776).

Water Resources Planning Act Amendments (S. 1501).

NOMINATIONS—ACTION BY ROLLCALL VOTE

Nomination of Peter J. Brennan, of New York, to be Secretary of Labor (81–3).

Nomination of William P. Clements, Jr., of Texas, to be a Deputy Secretary of Defense (74–11).

Nomination of Clarence M. Kelley, of Missouri, to be Director of the Federal Bureau of Investigation (96–0).

Nomination of Elliot L. Richardson, of Massachusetts, to be Secretary of Defense (81–1).

Nomination of Elliot L. Richardson, of Massachusetts, to be Attorney General (82–3).

Nomination of James R. Schlesinger, of Virginia, to be Director of Central Intelligence (85–0).

Nomination of James R. Schlesinger, of Virginia, to be Secretary of Defense (91–0).

Nomination of William L. Springer, of Illinois, to be a Member of the Federal Power Commission (65–12).

Nomination of Caspar W. Weinberger, of California, to be Secretary of Health, Education, and Welfare (61–10).

PROCLAMATIONS

Digestive Disease Week (S.J. Res. 114).

Honor America Day (S. Con. Res. 27).

International Clergy Week in the United States (H.J. Res. 163).

Jim Thorpe Day (S.J. Res. 73).

Mississippi River (S.J. Res. 102).

National Arthritis Month (H.J. Res. 275).

National Autistic Children's Week (H.J. Res. 296).

National Clean Water Week (H.J. Res. 437).

National Employ the Older Worker Week (H.J. Res. 334).

National Historic Preservation Week (S.J. Res. 51).

National Hunting and Fishing Day (H.J. Res. 210).

National Moment and Day of Prayer and Thanksgiving (H.J. Res. 246).

National Next Door Neighbor Day (S.J. Res. 25).

Nicolaus Copernicus Week (H.J. Res. 5).

Warsaw Ghetto Uprising (H.J. Res. 303).

SPACE

NASA Authorization, 1974 (H.R. 7528).

TRANSPORTATION AND COMMUNICATIONS

Aircraft Hijacking (S. 39).

†Airport Development Acceleration Act of 1973 (S. 38).

Amtrak Improvement Act of 1973 (S. 2016).

Bicentennial Advanced Technology Transportation System Demonstration Act (S. 797).

†Corporation for Public Broadcasting Authorizations, 1973 (S. 1090).

Federal Aid Highway Act of 1973 (S. 502).

Federal Railroad Safety Authorization Act of 1973 (S. 2120).

Highway Safety Act of 1973 (S. 893).

Interim Apportionment of Interstate and Other Highway Funds (S. 1808).

Interstate Apportionment (S. Con. Res. 6).

Ocean Transportation in Noncontiguous States and Territories (S. 902).

Rail Freight Car Shortage (S. Res. 59).

Railroad Retirement Act of Interstate Commerce Act Amendments (H.R. 7200).

Ship Construction (H.R. 6187).

VETERANS

Drug and Alcohol Treatment and Rehabilitation Act (S. 284).

Health Care Expansion Act (S. 59).

National Cemeteries Act (S. 49).

FOOTNOTES

†Vetoed 1972.

* Vetoed 1973.

SENATE LEGISLATIVE ACTIVITY

(93d Congress, First Session)

(By Senate Democratic Policy Committee)

Days in Session, 95.
Hours in Session, 501:43.
Total Measures Passed, 317
Public Laws, 48.
Treaties, 5.
Confirmations, 28,365.
Record Votes, 259.

Symbols: P/H—Passed House; P/S—Passed Senate; *Vetoed 1973.

Following is a brief summary of major Senate activity:

AGRICULTURE

Agriculture and Consumer Protection Act of 1973

Amends the Agricultural Act of 1970 and extends, in general, the present farm program for five years with the following and other provisions:

Target prices

Establishes a new method of payment to farmers for the three major commodiites known as target prices ($2.28 per bushel for wheat, $1.53 per bushel for corn, and 43 cents per pound for cotton), beginning with the 1974 crop, whereby the farmer will receive a payment equal to the difference between the target price and the average price received by farmers the first five months of the marketing year.

Payment limitation

Sets a $20,000 payments limitation per farmer which is applicable only to the income supplement portion of payment and not applicable to payments for set-aside, recreational access or conservation.

Dairy program

Extends and broadens the pesticide indemnification for contaminated milk to include indemnity of cows when contamination results in the destruction of the animal; raises the price support levels to eighty percent of parity until March 31, 1974, effective on the date of enactment; and increases dairy import quotas to two percent of domestic consumption.

Wheat, feed grains, and cotton

Extends the voluntary set-aside program for five years; broadens the terms of substitution of crops on allotted acres without loss of allotment; authorizes set-aside payments for public access and wildlife preservation; provides that sales of wheat or feed grains from Commodity Credit Corporation stocks must be made at 115 percent of the loan level or the market price, whichever is higher, and at 110 percent for cotton; authorizes the adjustment of grain bases but limits such adjustments to allotted acres held in reserve; extends the present authority for the Secretary to determine price support loan levels; and provides that target price payments be paid on the projecting yield from all allocated acres.

Miscellaneous provisions

Extends Public Law 480 Food for Peace program for five years authorizing such programs in Communist nations which qualify as not affiliated with Cuba or North Vietnam; provides that in the case of a natural disaster or other circumstances beyond a farmer's control that prevents him from planting his crop, he receives the higher of the differential payment between the target price and the average price, or one-third of the target price; increases the limitation of indebtedness for farmers with Farmers' Home Administration loans; authorizes studies of loss of livestock in transit, production costs for wheat, feed grains, cotton and dairy products and means of improving plant varieties with respect to disease and insect resistance; authorizes the Foreign Agriculture Service to provide more assistance to expanding agricultural exports; authorizes and recommends that an international agreement on grains be negotiated to set a minimum and maximum price on grains; creates a National Agricultural Transportation Committee charged with the responsibility of avoiding emergency situations in the transportation of agricultural commodities; requires the Council of Economic Advisors to report to the President and Congress on food costs and factors causing increases; provides up to 50 percent cost sharing for permanent conservation practices of the Rural Environmental Assistance Program (REAP); and provides for multi-year set-aside contracts for establishing cover crops, wildlife habitats and other conservation practices;

Forestry incentives

Provides cost sharing for small forest owners to assist in reforestation and development of increased lumber supplies.

Food stamps and nutrition

Requires that donations under the food distribution program provide recipients with adequate nutrition requirements; extends the Food Stamp Act for five years; provides for semi-annual review of food stamp allotments to reflect changes in the price of food; maintains eligibility for food stamps of persons receiving public assistance if they satisfy income and resources criteria; permits food stamps to be used to purchase meals at places especially preparing meals for elderly persons; makes comprehensive changes in the food stamp program including minimum resource eligibility criteria, hiring of paraprofessionals, increase in coupons for special diets, simplified certification, and increases Federal payments of 80 percent of all kinds of State costs.

Rural development

Extends the rural fire protection provisions of the Rural Development Act, provides cost sharing for fire equipment in communities of 200 to 2,000 population; mandates $55 million expenditure for Rural Water Districts; and prohibits the President from requiring prior approval of governors or other State officials for business loans under the Rural Development Act and further stipulates that the Secretary cannot require more than 10 percent equity for these loans.

And contains other provisions. S. 1888. P/S June 8, 1973.

Census of agriculture

Authorizes and directs the Secretary of Commerce to submit, within 30 days of enactment of this resolution, an estimate of funds needed to carry out the statutory mandate for conducting a census of agriculture in 1974; requires that funds heretofore or hereafter appropriated for planning the 1974 census shall be utilized for such purpose; and directs the Secretary to take the necessary action to insure that the data acquired from the 1974 census be made public through appropriate publication as soon as practicable following the taking of such census. S.J. Res. 95. P/S June 22, 1973.

Feed grain set-aside program

Increases the payment rate for option B participants in the feed grain program to assure option B participants the same parity guarantees which option A participants now have. S. 1572. P/S April 18, 1973.

Indian River grapefruit promotion

Permits marketing orders for Florida Indian River grapefruit to provide for crediting a handler's direct market promotion expenditures against his assessment for market promotion expenses under the order. S. 1945. P/S June 28, 1973.

Meat and poultry inspection amendments

Amends the Federal Meat Inspection Act and the Poultry Products Inspection Act to increase (beginning fiscal year 1974) the maximum Federal contribution to the cost of any State meat or poultry inspection system from 50 to 80 percent, and provides that the total cost of any cooperative arrangement for meat or poultry inspection purposes to be contributed under the Talmadge-Aiken Act (Public Law 87-718) shall be equal to the highest percentage contributed to any State under either of these acts. S. 1021. P/S April 2, 1973.

Rabbit meat inspection

Makes rabbit meat inspection mandatory, at Federal cost, by extending the provisions of the Poultry Products Inspection Act to rabbits and rabbit products, and sets the effective date of the provisions of the bill at July 1, 1973. S. 43. P/S February 21, 1973.

Rice allotment transfer

Permits rice growers who are unable to plant part or all of their farm acreage allotments in 1973 because of flood or other natural disaster to transfer their allotments to other farms in the same or adjoining county. H.R. 6883. Public Law 93-27, approved April 27, 1973.

Rural electric and telephone loans

Amends the Rural Electrification Act of 1936, as amended, to provide a revised program for rural electric and telephone loans; creates a revolving fund with unlimited borrowing authority, for the making of insured rural electric and telephone loans; provides that such insured loans will bear interest at five percent to two percent, with two percent loans to be available only if the borrower (a) has an average subscriber density of two or fewer per mile; or (b) has an average gross revenue of at least $450 below the average (for electric borrowers) or $300 below the average (for telephone borrowers); or, if the Administrator of the Rural Electrification Administration, in his sole discretion, finds that (c) the borrower has experienced extenuating circumstances or severe hardship; or (d) cannot produce net income before interest of at least 150 percent of its total interest requirements and still meet the objectives of the act; or (e) cannot without an excessive rate increase provide service consistent with the act; authorizes the guarantee of rural electric and telephone loans made by other lenders with interest at rates agreed upon by borrowers and lenders; requires loans made for rural electric and telephone facilities under the Consolidated Farm and Rural Development Act to be refinanced under the Rural Electrification Act of 1936 at the request of the borrower; provides that financial transactions of the Fund in interim notes and insured obligations (section 304), insured loans and advances (section 305(a)), and guaranteed loans (section 306) are not to be included in the totals of the budget of the United States and shall be exempt from any limitation imposed by statute on expenditures and net lending (budget outlays) of the United States; and contains other provisions. S. 394, Public Law 93-32, approved May 11, 1973.

Rural environmental assistance—REAP—and water bank programs

Requires the Secretary of Agriculture (1) to make payments under the rural environmental assistance program (REAP) in the full amount appropriated therefor, and (2) to enter into agreements under the water bank program to the full extent permitted by available appropriations therefor. H.R. 2107. P/H February 7, 1973; P/S amended March 1, 1973; In Conference.

**Rural water and waste disposal grant program*

Requires the Secretary of Agriculture to make grants in the full amounts appropriated for the Farmers Home Administration water and waste disposal grant program which was terminated by the Department of Agriculture effective January 1, 1973. H.R. 3298. Vetoed April 5, 1973. House sustained veto April 10, 1973.

Wheat referendum

Permits the wheat marketing quota referendum with respect to the national marketing quota for the 1974 crop (which, since the Agricultural Act of 1970 extends only to the 1973 crop, otherwise would be required to be held no later than August 1, 1973, for the 1974 crop) to be deferred until the earlier of October 15, 1974, or 30 days after the adjournment of the 1st session of the 93d Congress, thereby permitting Congress a further opportunity to develop new legislation, S. 1938. Public Law 93- —, approved — 1973.

Woodsy Owl

Authorizes the Secretary of Agriculture to establish and collect use or royalty fees for the manufacture, reproduction, or use of the character and name, "Woodsy Owl," and the associated slogan "Give a Hoot, Don't Pollute," originated by the Forest Service; protects Federal use of the "Woodsy Owl" character by prohibiting the knowing manufacture, reproduction, or use of the Woodsy Owl character, facsimile, name, or slogan, except as authorized under rules and regulations issued by the Secretary of Agriculture; and imposes a fine of $250, or 6 months imprisonment, or both for unauthorized use. S. 1585. P/S June 14, 1973.

APPROPRIATIONS

1973

Further continuing appropriations, 1973

Extends the existing continuing resolution (Public Law 92-334) from February 28, 1973, to June 30, 1973, at the annual funding level, to provide further continuing appropriations for the activities covered by the Foreign Assistance and Related Programs Appropriation Act, the Departments of Labor and Health, Education, and Welfare, and Related Agencies Appropriation Act, neither of which have yet been enacted, and authorizes $6,224,000 for the American Revolution Bicentennial Commission; requires the President to submit periodic reports on impoundments to Congress; and contains other provisions. H.J. Res. 345. Public Law 93-9, approved March 8, 1973.

**Second supplemental appropriations, 1973*

Makes supplemental appropriations for the fiscal year ending June 30, 1973, in the amount of $3,362,845,279 for the following: Agriculture-Environmental and Consumer Protection; Defense; District of Columbia; Foreign Operations; Housing and Urban Development, Space, Science, and Veterans'; Interior and Related Agencies; Labor, and Health, Education and Welfare; Legislative; Public Works; State, Justice, Commerce, and Judiciary; Transportation; Treasury, Postal Service, and General Government; and Claims and Judgments; prohibits the expenditure of funds appropriated in this act to aid or assist in the reconstruction of North Vietnam; provides that no funds may be transferred on or after the effective date of this act under the authority of section 735 of the Department of Defense Appropriations Act, 1973, to support directly or indirectly U.S. combat activities in, over or from off the shores of Cambodia or in or over Laos by U.S. forces; and provides that "none of the funds herein appropriated under this Act or heretofore appropriated under any other Act may be expended to support directly or indirectly combat activities in, over or from off the shores of Cambodia or in or over Laos by U.S. forces;" prohibits the use of any appropriation contained in this or any other act for publicity or propaganda purposes for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress except in presentation to the Congress itself; and contains other provisions. H.R. 7447. Vetoed June 27, 1973. House sustained veto June 27, 1973.

Contains identical sums and provisions for the various items of the several departments and agencies as in the vetoed bill; provides that no funds appropriated in this act shall be expended to aid or assist in the reconstruction of the Democratic Republic of Vietnam (North Vietnam); provides that none of the funds herein appropriated under this act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North and South Vietnam or off the shores of Cambodia, Laos, North and South Vietnam by United States forces, and after August 15, 1973, no other funds heretofore appropriated under any other act may be expended for such purposes; and contains other provisions. H.R. 9055. Public Law 93- , approved 1973.

Urgent supplemental appropriations, 1973

Appropriates $1,368,600,000 for supplemental appropriations for fiscal year 1973 for the Civil Aeronautics Board, the Veterans Administration, the Department of Health, Education, and Welfare, and the General Services Administration, of which $122.1 million is for the basic educational opportunity grant program, $210.3 million for the supplemental educational opportunity grant program, $270.2 million for the college work-study program, and $269.4 for the direct student loan program under the Department of Health, Education, and Welfare, and provides additional funding for fiscal year 1973 to schools in Federally impacted areas. H.J. Res. 496. Public Law 93-25, approved April 26, 1973.

1974

Agriculture-environmental and consumer protection, 1974

Appropriates a total of $10,176,926,500 of new obligational authority for fiscal year 1974 of which $5,258,708,500 is for agricultural programs, $412,822,000 for rural development programs, $1,115,246,000 for environmental programs, and $3,390,150,000 for consumer programs. H.R. 8619. P/H June 15, 1973; P/S amended June 28, 1973.

Continuing appropriations, 1974

Makes continuing appropriations to avoid interruption of continuing government functions until: (a) the enactment into law of an appropriation for any project or activity provided for in this joint resolution; or (b) enactment of the applicable appropriation act by both Houses without any provision for such project or activity; or (c) September 30, 1973, whichever first occurs; provides that new obligational authority under this act to carry out the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act, as amended, shall not exceed an annual rate of $2.2 billion, and shall not be funded at a rate exceeding one-quarter of such annual rate; provides that, notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia; provides that, unless specifically authorized by Congress, none of the funds herein appropriated under this joint resolution or heretofore appropriated under any other act may be expended for the purpose of providing assistance in the reconstruction or rehabilitation of the Democratic Republic of Vietnam (North Vietnam); and contains other provisions. Public Law 93- , approved 1973.

Housing and urban development, space, science, veterans, and certain other independent agencies, 1974

Appropriates approximately $19.1 billion for the Department of Housing and Urban Development, Space, Science, Veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for fiscal year 1974; the availability of funds under this act for the Department of Housing and Urban Development (HUD) upon the obligation of the Secretary of HUD of funds appropriated under this act, or previously appropriated, for the housing program; and contains other provisions. H.R. 8825 P/H June 22, 1973. P/S amended June 30, 1973. In conference.

CONGRESS

Budget message, economic report, and impounded funds

Extends to January 29, 1973, the time for the President to submit to Congress the budget for fiscal year 1974; extends to January 31, 1973, the time for transmittal of the economic report; extends the time for the Joint Economic Committee to file its report on the President's economic report not later than March 10, 1973; and requires the President to transmit to Congress by February 10, 1973, a report with respect to all funds impounded from October 27, 1972, and before January 29, 1973, and from July 1, 1972, and before October 27, 1972. H.J. Res. 1. Public Law 93-1, approved January 19, 1973.

Committee meetings—Rule XXV

Amends Senate rule XXV to provide that meetings for the transaction of business of each standing committee of the Senate shall be open to the public, except during closed sessions for marking up bills, for voting, or when the committee by majority vote orders a closed session: *Provided*, That any such closed session may be open to the public, if the committee by rule or majority vote so determines. S. Res. 69. Senate adopted March 6, 1973.

Federal Impoundment Control Procedures Act

Requires, in Title I of the bill, Impoundment Control Procedures, that the President, when a budget authority is impounded, shall send a special message to the Congress specifying the amount of the budget authority impounded, the reasons therefor, and to the extent practicable, the estimated fiscal, economic, and budgetary effect thereof; provides that, unless Congress acts to ratify the impoundment, or if it acts to disapprove it, by concurrent resolution within 60 days of continuous session after receipt of the message, that the obligation of the budget authority is mandatory and those funds may not be reimpounded; sets in Title II of the bill, a ceiling of $268 billion on expenditures and net lending for fiscal year 1974; provides that the President shall reserve such amounts as may be necessary to keep within the ceiling, and that the reservations shall be made proportionately by functional category, and, where practicable, subfunctional category, as set out in the 1974 U.S. Budget in Brief, with the exception that no reservations shall be made from amounts available for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance grants under Title IV of the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries; and contains other provisions. S. 373. P/S May 10, 1973.

Joint economic report—extension

Extends from March 10, 1973, to April 1, 1973, the time for the Joint Economic Committee to submit its report on the President's Economic Report. H.J. Res. 299. Public Law 93-7, approved February 16, 1973.

PRESIDENTIAL ELECTION CAMPAIGN OF 1972

Select Committee on Presidential Election Campaign Activities

Establishes a Select Committee on Presidential Campaign Activities, consisting of 7 members of the Senate, to conduct an investigation and study of the extent to which illegal, improper, or unethical activities were engaged in by persons acting either individually or in combination with others in the presidential election campaign of 1972, and to determine whether, in its judgment, there is a necessity to enact new legislation to safeguard the electoral process by which the President of the United States is elected; provides for the appointment, by the President of the Senate, of the 7-member panel to consist of 4 members of the majority party and 3 members of the minority party, upon the recommendation of their respective leaders; empowers the committee to make a complete investigation and study of matters relating to the breaking, entering, and bugging of the Democratic National Committee in the Watergate Building in Washington, D.C., and sets the time for the committee to file a report of its findings at not later than February 28, 1974; authorizes an amount not to exceed $500,000 for committee expenses to be paid from the contingent fund of the Senate; and contains other provisions. S. Res. 60. Senate adopted February 7, 1973.

Amends S. Res. 60 to increase the authorization for expenses of the Select Committee on Presidential Election Campaign Activities through February 7, 1974, from $500,000 to $1 million of which not to exceed $40,000 shall be available for the procurement of the services of individual consultants or organizations thereof. S. Res. 132. Senate adopted June 25, 1973.

Heads of executive departments

Provides that the head of any executive department as defined in 5 U.S.C. 101 (the Departments of State; Treasury; Defense; Justice; Interior; Agriculture; Commerce; Labor; Health, Education, and Welfare; Housing and Urban Development; and Transportation) shall serve for a term of 4 years, subject to Senate confirmation, beginning at noon on January 20 of the year in which the term of the President appointing such department head begins, except that (1) the term of the head of any executive department serving on the date of the enactment of this act shall begin on such date and expire at noon on January 20, 1977, and (2) a person appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall serve only for the unexpired portion of that term, thus requiring that Cabinet officials retained by a President serving a second term must be confirmed by the Senate prior to reappointment; provides that nothing in this act shall be construed to affect the power of the President to remove any department head; and contains other provisions. S. 755. P/S May 2, 1973.

**Office of Management and Budget*

Abolishes and reestablishes as new offices the offices of Director and Deputy Director of the Office of Management and Budget and provides that the offices shall be filled by the President by and with the advice and consent of the Senate, with the provisions of this act to take effect 30 days after enactment. S. 518. Vetoed May 18, 1973; Senate overrode veto May 22, 1973; House sustained veto May 23, 1973.

Amends the Budget and Accounting Act, 1921, to provide a 4 year term of office for the offices of Director and Deputy Director of the Office of Management and Budget beginning on January 20 of the year the President's term begins, except that the terms of the present incumbents shall expire January 20, 1977, and provides that an appointment made when a vacancy occurs before the expiration of the incumbent's term shall be made only for the unexpired portion of the term; requires that appointments by the President to fill the offices of Director and Deputy Director be subject to the advice and consent of the Senate; provides that this requirement is to become applicable to either office if the incumbents are reappointed or immediately after the individual holding the office ceases to hold the office; transfers from the President to the Office of Director, Office of Management and Budget, all of the functions which were vested by law in the Bureau of the Budget, and its Director, and transferred to the President by Reorganization Plan No. 2 of 1970; and contains other provisions. S. 37. P/S June 25, 1973.

Establishes a 4 year term of office for the offices of Director and Deputy Director of the Office of Management and Budget beginning on January 20 of the year the President's term begins, except that the terms of the present incumbents shall expire January 20, 1977, and provides that an appointment made when a vacancy occurs before the expiration of the incumbent's term shall be made only for the unexpired portion of the term; requires that appointments by the President to fill the offices of Director and Deputy Director be subject to the advice and consent of the Senate, and provides that this requirement is to become applicable to either office upon expiration of the term or immediately after the individual holding the office ceases to hold the office; requires that the Executive Director of the Domestic Council and the Executive Secretary of the National Security Council shall be appointed by the President by and with the advice and consent of the Senate, and provides that this requirement shall apply to appointments made to these offices after the date of enactment of this act. S. 2045. P/S June 25, 1973.

CRIME-JUDICIARY

Civil remedies for victims of racketeering activity and theft

Amends title 18 of the United States Code to strengthen civil remedies for victims of racketeering activity and provide a civil action for damages resulting from violations of section 659 title 18 of the United States Code, which relates to crime involving property in interstate or foreign commerce. S. 13. P/S March 29, 1973.

Commission on Bankruptcy Laws

Requires the Commission on Bankruptcy Laws of the United States to submit a comprehensive report of its activities, including its recommendations, to the President, the Chief Justice of the United States, and the Congress prior to July 31, 1973; provides for termination of the Commission 30 days after the submission of its final report; and provides that appropriated funds shall remain available until expended or until the Commission ceases to exist. H.J. Res. 499. Public Law 93- , approved 1973.

Crime Control Act of 1973

Extends the Department of Justice Law Enforcement Administration (LEAA) program for five years and authorizes appropriations therefor in equal yearly increments from $1 billion in fiscal year 1974 to $2 billion in fiscal year 1978; vests all policy and administrative authority in the Administrators by a Deputy Administrator for Policy Development and a Deputy for Administrative Management; strengthens Federal supervision over the States' planning process; requires a comprehensive program for the improvement of juvenile justice as part of the comprehensive State plan, with a minimum of 20 percent for the first year, and 30 percent thereafter, of Federal assistance for action and corrections improvements grants to be allocated to the juvenile justice program; increases the minimum planning allocation to each State from $100,000 to $200,000 to assure the continued flow of adequate funds to cities; requires regional planning boards to include a majority of local executive officials; places time limits on plan approval in order to expedite funds flow; revises the matching fund requirements to eliminate non-cash matching; reduces the non-Federal matching share from 25 to 10 percent with the new 90 to 10 matching ratio to apply to all grants requiring matching-planning, action, and corrections improvements grants; requires, with a limited transition time for waiver, States to contribute in the aggregate, at least 50 percent of the local share of the costs of both planning and action programs by increasing the State "buy-in" for action grants from 25 to 50 percent, and from 0 to 50 percent for planning grants, and adds "buy-in" provisions regarding corrections grants; authorizes grants from discretionary funds to private non-profit organizations; retains and strengthens the law enforcement education program; authorizes a Federal victim of crime grant program; and contains other provisions. H.R. 8152. P/H June 18, 1973; P/S amended June 28, 1973. In conference.

Methadone Diversion Control Act of 1973

Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91-513, commonly called the Controlled Substances Act, to provide new authority for the regulation of the use of narcotic drugs in the treatment of narcotic addicts; provides definitions of "maintenance treatment" to enable the Attorney General to establish more specific and comprehensive regulatory control over the handling of narcotic drugs used in the treatment of narcotic addicts; requires practitioners who dispense or administer narcotic drugs in the treatment of narcotic addicts to obtain a special registration predicated on the approval of treatment standards by the Secretary of Health, Education, and Welfare and the approval of security standards by the Attorney General; enables the Attorney General to deny, revoke, or suspend *the special registration for failure* to comply with the new standards; makes the full range of civil remedies and felony penalties available under the Controlled Substances Act applicable to practitioners who provide narcotic drugs without obtaining the special registration, in violation of the registration, or after revocation of the registration; and requires the special registered practitioners to keep complete records of narcotic drugs directly administered to patients in their presence. S. 1115. P/S June 8, 1973.

Public Safety Officers' Benefits Act of 1973

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to provide a gratuity of $50,000 to the dependents of public safety officers killed in the line of duty where the crime or death occurs on or after October 17, 1972, and authorizes the Law Enforcement Assistance Administration to make an interim payment, not to exceed $3,000, to an entitled dependent when it is determined such person is eligible to receive the gratuity under the provisions of this act. S. 15. P/S March 29, 1973.

Public Safety Officers' Group Life Insurance Act of 1973

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to establish a means of meeting the financial needs of public safety officers or their surviving dependents through group life, accidental death, and dismemberment insurance (the amount of coverage to be based on individual salary with a minimum coverage of $10,000 and a maximum coverage of $32,000) and to assist State and local governments to provide such insurance. S. 33. P/S March 29, 1973.

Revision of the jurisdiction of three-judge courts

Amends sections 2281, 2282, 2284, and 2403 of title 28, United States Code, to eliminate the requirement for special three-judge courts in cases seeking to enjoin the enforcement of State or Federal laws on the grounds of unconstitutionality; provides for the retention of three-judge courts when otherwise required by act of Congress or in any case involving apportionment of congressional districts or the apportionment of any statewide legislative body; clarifies the composition and procedure of three-judge courts in cases where they will continue to be required; and insures the right of States to intervene in cases seeking to enjoin State laws on the ground of unconstitutionality. S. 271. P/S June 14, 1973.

Runaway Youth Act

Authorizes the Secretary of Health, Education, and Welfare to make grants and to provide technical assistance to localities and nonprofit private agencies for the purpose of developing local facilities to deal primarily with the immediate needs of runaways in a manner which operates outside the law enforcement structure and juvenile justice system which are designed to shelter young people for a short period of time, rather than on a long-term basis, and supply such medical care and counseling as needed, and are equipped to provide a program of field counseling for the runaway and his family after the runaway has moved to permanent living facilities; authorizes funds to conduct research on the scope of the runaway problem in this country focusing on but not limited to "the age, sex, socioeconomic background of the runaway children, the places from which and to which children run, and the relationship between running away and other illegal behavior;" authorizes therefor the appropriation of $10 million for each of fiscal years 1974, 1975, and 1976; and contains other provisions. S. 645. P/S June 8, 1973.

Territorial franchises in the soft-drink industry

Amends the Federal Trade Commission Act and the anti-trust laws to clarify the circumstances under which exclusive territorial licenses to manufacture, distribute, and sell trademarked soft-drink products shall not be deemed unlawful; provides that if the requirements of this bill are met, relevant territorial provisions in which a trademark owner grants licensees the right to manufacture, distribute, and sell trademarked soft-drink products in specifically defined geographic areas are not only lawful but enforceable through judicial proceedings; makes lawful license provisions which have the effect of precluding indirect evasions of the license agreement, thus protecting the exclusive territorial rights of one licensee from direct or indirect sales by the licensor or any of its other licensees into his defined geographic area so long as there is substantial and effective competition within his territory; and contains other provisions. S. 978. P/S June 11, 1973.

Victims of Crime Act of 1973

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to establish a direct Federal crime compensation program for territorial areas of direct Federal concern to provide a means of meeting the financial needs of the innocent victims of violent crime, intervenors acting to prevent the commission of a crime or assisting in the apprehension of suspected criminals, or their surviving dependents; establishes an independent board to administer the program; defines the acts or omissions considered to be crimes for purposes of the program; sets the amount of $100 as the minimum amount for which a claim may be filed and the amount of $50,000 as the maximum amount of a claim; creates a Criminal Victim Indemnity Fund in the Treasury to consist of moneys from (1) criminal fines paid in the various courts of the United States, (2) additional appropriated funds, and (3) contributed funds; authorizes the appropriation of $5 million for fiscal year 1973 and, until specific appropriations are made, authorizes the use of funds appropriated for the Department of Justice or the Law Enforcement Assistance Administration; authorizes the use, through the established mechanisms of the Law Enforcement Assistance Administration, of LEAA grant funds on the usual 75–25 percent basis to assist substantially comparable State programs. S. 300. P/S March 29, 1973.

Victims of Crime Act of 1973—Omnibus

Establishes a Federal crime compensation program for territorial areas of direct Federal concern for innocent victims of violent crime, intervenors, or their surviving dependents, and provides for Federal assistance to substantially comparable State programs; provides group life insurance coverage for public safety officers or their surviving dependents, and assistance to States and local governments to provide such insurance; provides gratuities for dependents of public safety officers killed in the line of duty; strengthens civil remedies for victims of racketeering activity; provides for additional sentences for persons convicted in a United States court of a felony threatening life or property when a firearm is used or carried during the commission of the felony; provides for additional sentencing of persons as a public menance who are convicted of the manufacture, distribution, or dispensing of one-tenth or more of pure heroin or morphine, who are not addicts at the time of the offense; and contains other provisions. S. 800. P/S April 3, 1973.

DEFENSE

Coast Guard authorization, 1974

Authorizes a total appropriation of $109,-239,000 for the Coast Guard for fiscal year 1974 for the procurement of vessels and related pollution abatement programs and an additional helicopter and helicopter search and rescue station, and for construction of shore and offshore establishments and bridge alterations; continues the LORAN–A electron navigation system and authorizes the replacement of equipment for the LORAN–C and approves expansion of the LORAN–C West Coast Project; authorizes an end year strength of 37,607 for active duty personnel; and contains other provisions. H.R. 5383. Public Law 93- , approved 1973.

Dependents Assistance Act of 1950 Amendments

Makes permanent in the law certain provisions of the Dependents Assistance Act of 1950, as amended, which expire July 1, 1973, as follows: (1) continues the current monthly rates for quarters allowances for junior enlisted members, (2) removes the provision in title 37, U.S.C., that junior enlisted members are considered at all times to be without dependents, (3) removes the requirement that junior enlisted members must allot part of their pay before they can receive the higher quarters allowance authorized for members having dependents, (4) provides secretarial authority to grant hardship discharges for certain enlisted members with dependents, (5) establishes procedures for determining dependency of parents, (6) provides that aviation cadets receive the same quarters allowance as an E–4, and (7) provides that monthly quarters allowance to dependents of members shall not, for such period as the Secretary may prescribe, be contingent on a pay status thus permitting payment when an enlisted member is AWOL or incarcerated by a foreign government prior to trial; authorizes a basic allowance for quarters for junior enlisted members in the reserve and guard while on active duty for training for less than 30 days; repeals section 207 of the Career Compensation Act of 1949 which contains obsolete provisions regarding the reenlistment bonus; eliminates certain other provisions of law which are either obsolete or are covered elsewhere in existing law; extends for two years, to July 1, 1975, the authority to pay special pay to physicians, dentists, veterinarians, and optometrists; permits a member to claim as a dependent an unmarried, acknowledged, illegitimate child; extends for one year, to July 1, 1974, the bonus authority for certain enlistments in the combat arms of the armed forces; extends until December 31, 1973, the date after which members in the rank of colonel or equivalent (0–6), or above, in noncombat assignments are no longer entitled to flight pay; provides that the act shall become effective July 1, 1973; and contains other provisions. H.R. 8537. Public Law 93- , approved 1973.

Disposals from national stockpiles

Authorizes the disposal from the national stockpile of various materials, as follows:

ABACA—at 25 million pounds. H.R. 4682. Public Law 93–48, approved June 22, 1973.

SISAL—at 100 million pounds. H.R. 4682. Public Law 93–48, approved June 22, 1973.

Promotions of military personnel in a missing status

Amends section 552(a) of title 37, United States Code, to insure that promotions of personnel carried as missing are valid for all purposes, including Federal benefits to survivors, even when the date of death of the missing member is later determined to have occurred prior to the promotion date. S. 1493. Public Law 93–26, approved April 27, 1973.

Sale of naval vessels stricken from the Naval Register

Amends section 7305 of title 10 United States Code, which permits the sale of naval vessels under strict advertised sealed bid procedures, to provide that no vessel of the Navy may be sold in any manner other than that provided by section 7305, or for less than its appraised value, unless the sale thereof is specifically authorized by law enacted after June 30, 1973, with the exception of a written agreement of sale entered into prior to June 30, 1973, thereby precluding the sale of stricken vessels, including those on loan which may be stricken from the Naval Register prior to loan expiration, to foreign nations under the general category of defense articles under Public Law 90–629, the Foreign Military Sales Act of 1946. S. 1773. P/S May 21, 1973.

DISTRICT OF COLUMBIA

International center complex

Authorizes an additional appropriation of $2.2 million for improvements to the land (streets, sidewalks, water mains, etc.) which was transferred to the Department of State under the authority of Public Law 90–553, for use as sites for foreign chanceries. S. 1235. Public Law 93–40, approved June 12, 1973.

John F. Kennedy Center for the Performing Arts

Authorizes an appropriation of $2,400,000 for fiscal year 1974, and $2,500,000 for fiscal year 1975, to the Secretary of the Interior for maintenance, security, information, interpretation, janitorial, and all other nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. S. 1759. Public Law 93- , approved , 1973.

National Visitor Center Facilities Act of 1968 amendments

Amends the National Visitor Center Facilities Act to authorize the appropriation of $8,680,000 for construction necessary to complete the alteration and renovation of Union Station as a National Visitor Center, and to direct that the Secretary of the Interior provide interpretive transportation services in or between the National Visitor Center, the Capitol Grounds, the Mall, the Ellipse, the John F. Kennedy Center for the Performing Arts, East and West Potomac Park, and such other visitor facilities as may be established pursuant to the National Visitor Center Facilities Act. H.R. 5857. Public Law 93– , approved , 1973.

Robert F. Kennedy Memorial Stadium

Amends section 8 of the Public Buildings Act of 1959 to authorize the Armory Board to borrow $1.5 million to increase the seating capacity of the Robert F. Kennedy Memorial Stadium by up to 8,000 seats for football games and causes 50 percent of the revenues derived from such seats to be the sole security for any loan that the Armory Board might receive. H.R. 6330. Public Law 93– , approved , 1973.

ECONOMY-FINANCE

Ceilings on deposit interest rates and wage and price controls

Extends from June 1, 1973, until August 1, 1974, the authority of the Federal Bank Regulatory Agencies to establish flexible ceiling on the rate of interest payable on time and savings deposits by Commercial Banks, Mutual Savings Banks, and Savings and Loan Associations. S.J. Res. 128. Public Law 92– , approved 1973.

East-West trade policy resolution

Affirms the Congress' general support for increased commercial and non-commercial relations with the nonmarket economy countries, principally the Union of Soviet Socialist Republics, the People's Republic of China, and Eastern Europe. S.J. Res. 131. P/S June 30, 1973.

Economic Stabilization Act Amendments of 1973

Extends for 1 year, to April 30, 1974, the Economic Stabilization Act of 1970 which authorized the President to issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, and salaries; gives the President authority to establish, after public hearings, priorities of use and an allocation system of supplies of petroleum products, including crude oil, in order to meet essential needs in various sections of the country and to prevent anticompetitive effects which could develop from shortages of petroleum products; exempts workers earning less than $3.50 an hour from wage controls; states as the intent of Congress that nothing in this act be construed to authorize or require the President to impound or withhold funds appropriated, authorized, or authorized to be obligated by the Congress; requires business enterprises required to make price reports to the Cost of Living Council (firms with annual sales or revenues of $250 million or more) to make public disclosure of reports, except for proprietary information or trade secrets, which cover periods during which the firm charges a price for a substantial product that is 1.5 percent over the price lawfully in effect for such product on January 10, 1973, or on the date 12 months preceding the end of such period, whichever is later; and contains other provisions. S. 398. Public Law 93–28, approved April 30, 1973.

Federal financing bank

Provides for a Federal Financing Bank through which the marketing of Federal and federally assisted borrowing activities can be centralized; provides for advance submission of financing plans to the Secretary of the Treasury and for Treasury approval of the method and source of financing, timing, rates of interest, maturities, and all other financing terms and conditions of certain obligations issued or sold by Federal agencies or guaranteed by Federal agencies in the securities markets; states as the sense of Congress that the United States should take the necessary measures, including appropriate international measures, to enable it to sell gold from its gold stocks to licensed domestic users at desirable times, taking into account international circumstances, to stabilize domestic gold markets and improve our balance of payments; and contains other provisions. S. 925. P/S June 22, 1973.

Financial institution structure and regulation

Extends for 1 year the Authority of the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to regulate in a flexible manner the interest rates or dividends payable by insured banks on time and savings deposits and by members of the Federal Home Loan Bank system on deposits, shares, or withdrawable accounts; prohibits NOW accounts by which a depositor may remove funds from a savings account through the use of a negotiable order of withdrawal except that such accounts are permitted until June 1, 1974, in the States of Massachusetts and New Hampshire, the only two States in which such accounts are presently being offered; amends the National Housing Act to place, until December 31, 1973, a statutory prohibition on the approval by the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation of conversions from the mutual to stock form by savings and loan associations whose Federal savings and loan associations and national banks to invest in State housing corporations incorporated in the State in which the association or bank is located; establishes a new procedure for payment by insured savings and loan associations of premiums into the reserve fund of the Corporation; and contains other provisions. H.R. 6370. P/H May 9, 1973; P/S amended May 22, 1973; In conference.

Interest Equalization Tax Extension Act of 1973

Extends the application of the interest equalization tax for 15 months, to June 30, 1974; provides, with certain exceptions, that the interest equalization tax exclusion for stock or debt obligations issued by a less developed country corporation shall not apply to stock or debt obligations issued by a less-developed country shipping corporation after January 29, 1973; provides for an exclusion from the interest equalization tax for: original or new issues of stock or debt obligations; stock acquired by conversion of a debt obligation if no additional consideration is paid and the debt obligation itself qualifies for the exclusion; or for a debt obligation issued to refund or refinance an original or new issue which qualified for the exclusion, to finance direct investment in the United States except for the acquisition and exploitation of natural resources, subject to the foreign issuer or obligor agreeing to meet certain conditions with respect to that investment for a period of ten years; provides that a qualified lending or financing corporation, or a U.S. corporation engaged in a lending or financing business through offices located outside the United States, may use domestic source funds to lend for qualified export credit transactions or to buy goods made in the United States for leasing or sale outside of the United States; requires the Secretary of the Treasury to study the effect on international monetary stability of the Canadian exemption from the interest equalization tax and make a report to the Congress not later than September 30, 1973; and contains other provisions. H.R. 3577. Public Law 93–17, approved April 10, 1973.

Istle fiber; agricultural commodities

Continues the existing suspension of duty on certain istle to September 5, 1975; provides that the President shall make appropriate adjustments in the maximum price which may be charged under Executive Order 11723, June 13, 1973, for any agricultural commodity (at any point in the distribution chain) which the Secretary of Agriculture certifies will be reduced to unacceptably low levels of supply as a result of the freeze and that alternative means for increasing the supply are not available. H.R. 2261. P/H June 27, 1973; P/S amended, June 30, 1973.

National banks investment in agricultural credit corporations

Permits a National Bank to purchase for its own account a minority stock interest in an agricultural credit corporation providing the amount invested at any one time shall not exceed 20 percent of the bank's unimpaired capital and surplus. S. 1884. P/S June 28, 1973.

Par value modification

Directs the Secretary of the Treasury to take the necessary steps to establish a new par value of the dollar of $1 equals 0.828949 Special Drawing Right (SDR) or the equivalent in terms of gold of $1 equal 0.023684 of a fine troy ounce of gold, thus devaluating the U.S. dollar by 10 percent and changing the official price of gold from $38 to $42.22 per ounce; requires the President, whenever any funds are impounded by an officer or employee of the United States, to transmit within 10 days to both houses of Congress a special message identifying the amount, date, department or agency affected, period of time, reasons for, and the fiscal, economic and budgetary effect as far as is practicable, regarding the impoundment; requires the cessation of the impoundment within 60 days of continuous session after the message is received by the Congress unless the Congress acts by ratifying the specific impoundment by concurrent resolution, or if the Congress disapproves the impoundment in whole or in part by concurrent resolution, and provides that the effect of failure to ratify or of disapproval shall not only make the obligation of the budget authority mandatory but also preclude the reimpoundment of that specific budget authority; sets a ceiling of $268 billion on expenditures for fiscal year 1974, and provides a mechanism by which the Executive Branch can reduce expenditures by proportional cuts by budget category in order to stay within the ceiling if appropriations exceed it; provides that, after submission of the Budget and upon recommendation of the President, the Congress shall prescribe a ceiling on expenditures every fiscal year; directs the Secretary of the Treasury to prescribe regulations requiring the submission of reports on foreign currency transactions; repeals, effective December 31, 1973, sections 3 and 4 of the Gold Reserve Act of 1934 and provides that no provision of law shall be construed to prohibit any person from purchasing, holding, selling, or dealing in gold; provides that no funds may be obligated or expended to provide assistance of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized hereafter by the Congress, and contains other provisions. H.R. 6912. P/H May 29, 1973; P/S amended May 30, 1973; In conference.

Public debt limit extension

Continues the present debt limitation level of $465 billion by extending the current temporary debt limit of $65 billion from June 30, 1973, through November 30, 1973; extends unemployment insurance benefits in States whose rate of insured unemployment is at least 4.5 percent without regard to present eligibility requirements regarding the rate in the prior 2 years or whether 13 weeks have expired since the last State extended benefit period, until such time as the State's insured unemployment rate drops below 4 percent; extends for one year the authorization for project grants under the maternal and child health program scheduled to expire June 30, 1973, and provides for a transition in funding to a State-coordinated program; requires the presidential campaign checkoff provisions on the income tax return form to be placed in a non-partisan form on the front page of the return or by the side of the page where signature is required, and contains other provisions. H.R. 8410. Public Law 93-   , approved 1973.

Purchase of U.S. obligations by Federal Reserve banks

Extends for 1 year, from June 30, 1973, to June 30, 1974, the authority of Fededal Reserve banks to purchase U.S. obligations directly from the Treasury. S. 1410. P/S June 27, 1973.

Railroad Retirement Act amendments

Simplifies administration of the social security minimum guaranty provision contained in section 3(e) of the Railroad Retirement Act by permitting the Board to disregard postretirement earnings for purposes of all guaranty provision calculations of an employee benefit; liberalizes the eligibility conditions for children's benefits under the act to conform with the liberalizations provided in such benefits under the Social Security Act by Public Law 92-603 whereby a survivor benefit will be paid as follows: after adoption by anyone, instead of only by a close relative; to a child for a disability which began before age 22 instead of age 18; to a student child after age 22 in some cases; to a dependent grandchild who is treated as a child of his grandparent; and extends kidney disease medicare coverage to railroad employees, their spouses, and their dependent children on the same basis as such coverage is now provided for persons insured under the Social Security Act. H.R. 7357. Public Law 93- —, approved —— 1973.

Securities laws amendments

Amends the Securities Exchange Act of 1934 to establish a clear, congressional policy that membership on national securities exchanges is not to be denied to financial institutions so long as brokerage commission rates on those exchanges remain fixed; also provides that at such time as commission rates become competitive (when national securities exchanges cease to maintain or enforce fixed rates of commission, or April 30, 1976, whichever is later) all members of national securities exchanges must cease executing exchange transactions for their affiliates and the institutional accounts which they manage, and would thus, upon the elimination of fixed commission rates, prohibit financial institutions and securities firms which manage institutional accounts from using exchange memberships for their own benefit or for the benefit of such accounts; provides for a two year transition period following the last date upon which a national securities exchange maintains or enforces fixed rates of commission or April 30, 1976, whichever is later, in order to allow exchange members relying upon the income from performing brokerage for managed institutional accounts to phase out this combination of functions; gives the Securities and Exchange Commission (SEC) the authority to regulate the manner in which members of national securities exchanges may trade from on or off the floor of an exchange for their own account and for the account of their affiliates, which, accordingly, will have the authority to control the trading of financial institutions, as long as it is not inconsistent with the purpose of this proposed legislation, which are exchange members during the period before the elimination of fixed commission rates; amends the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to permit a mutual fund manager or investment adviser to cause a fund or client to pay commissions to a broker in excess of the commissions being charged by other brokers for effecting similar transactions, if that broker provides research services of value to the fund or client and the adviser makes appropriate disclosures concerning such payments, as the SEC may require; amends the Investment Company Act to remove the existing uncertainty as to the legality of the transfer for profit of a controlling interest in a mutual fund management company, and provides that a controlling interest in such a management company may be sold at a profit provided that for three years after the transaction at least 75 percent of the directors of the fund are independent of the new and old investment advisers, and that the transaction does not impose an "unfair burden," as defined, on the fund; and contains other provisions. S. 470. P/S June 18, 1973.

EDUCATION

Education of the Handicapped Amendments of 1973

Extends the Education of the Handicapped Act (Public Law 91-230) for three years, through fiscal year 1976, and authorizes therefor a total appropriation of $643.7 million; adds four new leadership positions at the Bureau of Education for the Handicapped to assist the associate commissioner in carrying out his duties; continues the advisory committee through July 1, 1976, at an annual authorization of $100,000; makes grant authorizations for preschool and school programs to the States of $65 million for fiscal year 1974, $80 million for fiscal year 1975, and $100 million for fiscal year 1976; requires each State to set forth a plan of the procedures it will use to identify, locate and evaluate every handicapped child in that State, to submit the plan to the Commissioner of Education for approval by December 31, 1974, to consider any amendment to the State plan a required portion of the State plan after June 30, 1975, and to establish policies and procedures to protect the confidentiality of data and information collected by the State; provides that no State shall expend funds for doing the plan required unless that State receives an amount greater than the amount allotted to that State in fiscal year 1973 and raises the minimum each State may receive from $200,000 to $300,000, increases the maximum allowable funds for administration and planning from $100,000 to $200,000, and provides that unless the aggregate of the amounts allotted to the States in fiscal year 1974 is $45 million or more these provisions shall not apply; authorizes for the three year period a total of $48 million for deaf/blind centers and services, $75 million for early childhood education, $37 million for regional resource centers, $1.5 million for recruitment and information, $135 million for manpower and personnel training, $42 million for research in the education of the handicapped, $55 million for handicapped persons, and $27.5 million for special programs for children with specific learning disabilities; amends the Higher Education Act of 1965, as amended, by allowing an institution to be eligible for funds if 10 percent of this current undergraduate body is composed of GI bill trainees; provides an entitlement of not less than 90 percent of funds obtained in the preceding year to local educational agencies which qualify for a phaseout of impact aid over a 5 year period if: (a) the local educational agencies experience a 10 percent decrease in the number of federally connected children during either of fiscal years 1974 or 1975, or (b) if such a decrease occurs in the 2 year period beginning July 1, 1973, and if these decreases are due to a cessation or decrease of activities announced after April 16, 1973; and contains other provisions. S. 895. P/S June 25, 1973.

National Commission on the Financing of Postsecondary Education

Extends the authorization of the National Commission on the Financing of Postsecondary Education and changes the date on which it must make its final report from April 30, 1973; provides that if fiscal year 1973 appropriations are $385 million or less for the basic educational opportunity grant program that the basic grants shall be limited to full time freshman students. H.J. Res. 393. Public Law 93-35, approved May 16, 1973.

GENERAL GOVERNMENT

American Revolution Bicentennial Commission

Authorizes an appropriation of $2,868,000 between February 16, 1973, and June 30, 1973, for expenses of the American Revolution Bicentennial Commission, of which not to exceed $1,200,000 would be for grants-in-aid to the States. H.R. 3694. Public Law 93-11, approved March 15, 1973.

Arctic winter games authorization

Authorizes an appropriation of $150,000 to the Secretary of Commerce for the purpose of assisting the financing of Arctic Winter Games to be held in Alaska in 1974 and provides for disbursement of such funds on such terms and under such conditions as the Secretary deems appropriate. S. 907. P/S June 18, 1973.

Atomic Energy Commission authorizations, 1974

Authorizes a total appropriation of $2,429,-055,000 for the Atomic Energy Commission for fiscal year 1974 of which $1,740,750,000 is for operating expenses and $688,305,000 for plant and capital equipment including construction, acquisition or modification of facilities, land acquisition, and acquisition and fabrication of capital equipment not related to construction, and contains other provisions. S. 1994. P/S June 22, 1973; P/H amended June 25, 1973.

Commission on Highway Beautification—Extension

Extends to December 31, 1973, the date for the Commission on Highway Beautification to submit to the President and the Congress its final report concerning implementation of the Highway Beautification Act of 1965 and authorizes therefor an additional appropriation of $250,000. S.J. Res. 42. Public Law 93-6, approved February 16, 1973.

Council on International Economic Policy

Amends title II of the International Economic Policy Act of 1972 to provide that, instead of serving as Chairman, the President shall designate a Chairman of the Council on International Economic Policy (CIEP) from among its statutory members; provides that the Executive Director of CIEP may appoint and fix salaries for members of the CIEP staff without regard to the provisions of title 5, U.S.C., governing appointments in the competitive service except, however, for personnel performing functions now performed by career personnel in the Office of the Special Trade Representative (STR) which will, in the future, be merged with CIEP; provides that effective June 30, 1973, the Executive Director of CIEP shall be appointed by the President subject to confirmation by the Senate; and authorizes therefor the appropriation of $3 million for each of fiscal years 1974 and 1975. S. 1636.

P/S June 22, 1973; P/H amended June 28, 1973; In conference.

Department of State Appropriations Authorization Act of 1973

Authorizes a total of $613,666,5000, including $4.5 million for the U.S. share of expenses of the International Commission of Control and Supervision in Vietnam; prohibits the use of funds for further involvement of U.S. forces in hostilities in Indochina or aid to North Vietnam without specific authorization by Congress; establishes a new Bureau of Oceans and International Environmental and Scientific Affairs in the Department of State to be headed by an Assistant Secretary; requires that military base agreements with foreign countries be submitted to the Senate as treaties and also requires that the Azores base agreement with Portugal be submitted as a treaty; requires that funds be cut off for foreign affairs agencies which do not comply with Congressional Committee or General Accounting Office requests for information; prohibits use of funds appropriated pursuant to the act to be used for attempting to influence the outcome of legislation pending before Congress or the outcome of a political election; requires listing by rank order of Foreign Service personnel selected for promotion; provides for the establishment of a Foreign Service grievance procedure consonant with due process; states the sense of Congress that the United States seeks agreement on specific mutual reductions in military expenditures; and contains other provisions. H.R. 7645. P/H June 7, 1973; P/S amended June 14, 1973; In Conference.

DISASTER RELIEF

Emergency disaster bill

Authorizes and directs the President to make grants to units of local government and State and local public agencies for predisaster assistance for fire suppression, tree removal, and reforestation work on public and private lands in the counties of Alameda and Contra Costa, California, to reduce the fire threat caused by a freeze in December of 1972 which killed tens of thousands of eucalyptus trees throughout the area; provides for reimbursement to property owners for actual or reasonable costs in carrying out tree removal activities on private property; and directs the President to exercise the authority conferred on him by section 221 of the Disaster Relief Act of 1970 to carry out the provisions of this act in order to avert or lesson the effects of a major disaster. S. 1697. P/S May 21, 1973.

Emergency loan program for disaster areas

Amends the Farmers Home Administration emergency loan program under the Consolidated Farm and Rural Development Act, which was curtailed by the Department of Agriculture by action announced on December 27, 1972, to provide a source of funds for farmers and ranchers in areas determined to be disaster areas by either the Secretary of Agriculture or the President; eliminates certain features, including the loan forgiveness feature and low interest rates, which became a part of the emergency loan program as a result of the Disaster Relief Act of 1970, Public Law 91-606, and the "Agnes-Rapid City" Act, Public Law 92-385; requires the Secretary to make, insure or guarantee loans to eligible applicants; sets the maximum interest rate on loans at 5 percent; requires that applicants be unable to obtain credit elsewhere at reasonable rates; makes it mandatory that the Secretary designate areas eligible for emergency loans where the criteria for such designation exists; repeals section 232 of the Disaster Relief Act of 1970, which, effective July 1, 1973, requires the Secretary of Agriculture to cancel a part or all of the principal amount of certain loans and charge interest at a rate to be determined by the Secretary of the Treasury; applies the same interest rate to and eliminates the forgiveness feature for Small Business Administration disaster loans made under the Small Business Act in connection with any disaster occurring on or after the date of enactment of this act; and contains other provisions. H.R. 1975. Public Law 93-24, approved April 20, 1973.

Small Business Act amendments

Provides that Farmers Home Administration (FHA) and Small Business Administration (SBA) disaster loans made in connection with disasters occurring prior to April 20, 1973, the enactment date of Public Law 93-24 which amended the emergency loan programs, are to be made on the same loan terms; authorizes, notwithstanding the provisions of Public Law 93-24, loan forgiveness on SBA and FHA disaster loans of up to $4,000 with respect to disasters occurring on or after April 20, 1973; continues the SBA's discretionary authority to refinance mortgages on substantially damaged homes and to suspend disaster loan payments in hardship cases by canceling the present July 1, 1973, expiration date for that authority; and contains other provisions. S. 1672. P/S May 17, 1973.

Emergency Petroleum Allocation Act of 1973

Grants to the President temporary authority until March 1, 1975, to deal with a national energy crisis involving extraordinary shortages of crude oil and petroleum products, or dislocations in their national distribution system, which he may delegate to the Secretary of the Interior or other agency head he deems appropriate; provides that the President shall designate an agency to supervise compliance and promulgate regulations under the act; authorizes that agency to require periodic reports from those subject to the act, subpena witnesses and documents, and to request the Attorney General to bring action to enjoin acts and practices in violation of the act; directs the establishment of an Office of Emergency Fuel Allocation within that agency to receive complaints from State and local governmental units concerning lack of gasoline or fuel oil supplies or price increases in violation of this act, which shall be empowered to order that adequate supplies be made available to communities threatened with the disruption of essential public services; directs the President within 30 days of enactment, after public hearings, to have published priority schedules, plans, and regulations for the allocation or distribution of crude oil and any refined petroleum products which is or may be in short supply nationally or in any region of the United States and authorizes temporary allocation in emergency situations pending their promulgation; provides that the President shall allocate or distribute, pursuant to the priority schedules, plans and regulations, any liquid fuel, whether crude or refined, or imported or domestically produced, which is in extraordinary short supply nationally or regionally; provides that the regulations shall include standards and procedures for determining or reviewing prices of allocated fuels; directs the President to use his authority under this act and existing law to assure adequate crude oil supplies to all refineries; establishes an allocation formula concerning sales to independent refiners and to independent dealers by producers or importers of more than 200,000 barrels per day of crude petroleum and/or natural gas liquids with the provision that this allocation program may be replaced or amended by the priority schedules, plans, and regulations issued to implement this act; provides that actions taken pursuant to the Economic Stabilization Act of 1970, as amended, shall continue in effect until modified or rescinded by or pursuant to this act; contains in sections 108-110 entitled the "Fair Marketing of Petroleum Products Act," provisions for the protection of dealers concerning supply and price and for the protection of franchised dealers in regard to cancellation of a franchise; authorizes suit by a retailer or distributor in the appropriate United States district court, without regard to the amount in controversy, against a distributor or refiner which engages in prohibited conduct; and contains other provisions. S. 1570. P/S June 5, 1973.

Energy Policy Act of 1973

Creates in the Executive Office of the President a three member Council on Energy Policy to be appointed by the President by and with the advice and consent of the Senate which shall serve as the principal adviser to the President on energy policy; be a focal point for the collection, analysis, and interpretation of energy statistics; coordinate the energy activities of the Federal Government and provide leadership for State governments and other persons involved in energy activities; prepare a long-range comprehensive plan (the Energy Plan), to be updated annually, for energy development, utilization, and conservation; and, is to review all legislative recommendations and reports sent to Congress and, if it disapproves, send to the President and the Federal agency involved a statement in writing of its position and reasons therefor; directs the Council to prepare and submit to the President and the Congress on or before January 1, 1974, and annually thereafter, an energy report to accompany the Energy Plan including estimates of energy needs for the ensuing ten-year period, discussion of sources of supply for meeting those needs, and an evaluation of trends in price, quality, management, and utilization of energy resources; authorizes the Comptroller General to monitor and evaluate the operations of the Council and report to Congress with respect to Federal energy programs including his recommendations; authorizes appropriations for the purposes of the act of $1 million for fiscal year 1974, $2 million for fiscal year 1975, and $4 million for each subsequent fiscal year; and contains other provisions. S. 70. P/S May 10, 1973.

Exemption of Federal judiciary from charges for space and services

Relieves the Federal Judiciary and the U.S. Tax Court from all administrative duties in the calculation of charges for service, maintenance, repair, space, quarters or other facilities as required by section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, by requiring the Administrator of the General Services Administration to provide such administrative services. S. 2079. P/S June 28, 1973.

Federal elections

Sets a time for the holding of primary elections or nomination conventions for choosing candidates for election to the offices of U.S. Senator, Representative, Delegate, or Resident Commissioner by providing that they shall be held at any time during the period beginning on the first Tuesday in August; provides that a political party which nominates its candidate for election to the office of President by holding a national nominating convention shall hold that convention beginning on the third Monday of August of the year in which the President and Vice President are elected; makes election day, the first Tuesday next after the first Monday in November, in 1976, and every second year thereafter, a national holiday; provides that the act shall take effect on January 1, 1976; and contains other provisions. S. 343. P/S June 27, 1973.

Flood insurance

Amends the Housing and Urban Development Act of 1968 to increase from $2.5 billion to $4 billion the limitation on the face amount of flood insurance coverage authorized to be outstanding. S.J. Res. 26. Public Law 93-4, approved February 2, 1973.

Increases the authority for the Federal

flood insurance program from $4 billion to $6 billion. S.J. Res. 112. Public Law 93–38, approved June 5, 1973.

Foreign Service Building Act amendments

Authorizes a total of $59,611,000 for fiscal years 1974 and 1975 for the Foreign Buildings program administered by the Department of State of which $13,811,000 is for new construction, acquisition and development, and $45,800,000 is for operations. H.R. 5610. Public Law 93–47, approved June 22, 1973.

Government Printing Office

Provides that certifying officers of the Government Printing Office be responsible for the vouchers they certify for payment to the disbursing officer in the same way as other certifying officers of the Government; and contains other provisions. S. 1794. P/S June 28, 1973.

Grants the Public Printer the authority to adopt an official Government Printing Office seal which would have judicial recognition, and to designate employees to administer and certify oaths. S. 1795. P/S June 28, 1973.

Amends the Act of October 30, 1965, 40 U.S.C. 759(e), known as the "Brooks Bill" to restore full authority to the Joint Committee on Printing in the field of printing and binding, and thereby continue the responsibility for the administration of the contract on marginally punched continuous forms in the Government Printing Office under the direction of the Joint Committee on Printing. S. 1802. P/S June 28, 1973.

Maritime authorization, 1974

Authorizes appropriations for fiscal year 1974 for programs of the Maritime Administration within the Department of Commerce in the amount of $531,315,000, and amends title XI of the Merchant Marine Act, 1936, as amended, to increase the loan guarantee authority of the Maritime Administration from $3 billion to $5 billion. H.R. 7670. Public Law 93– , approved 1973.

Mint buildings

Increases from $45 million to $95 million the authorization of appropriations to the Department of the Treasury for the construction of mint facilities, such funds to be appropriated as may be necessary for each fiscal year beginning after June 30, 1963, and ending before July 1, 1983, with the provision that the aggregate of such sums shall not exceed the $95 million authorization. S. 1901. P/S June 27, 1973.

Motor Vehicle Defect Remedy Act

Amends the National Traffic and Motor Vehicle Safety Act by empowering the Secretary of Transportation to require that the manufacturer of a motor vehicle or an item of motor vehicle equipment (including tires) which contains a safety related defect or a failure to comply with a motor vehicle safety standard to remedy such defect or failure to comply without charge to the consumer; defines the administrative hearing procedure available to such manufacturer; provides for a procedure whereby the Secretary can act immediately to remove an obvious hazard by applying to a District Court for such temporary or permanent relief as may be necessary to protect the public; authorizes therefor an appropriation of not to exceed $46.773 million for fiscal year 1974; and contains other provisions. S. 355 P/S May 17, 1973.

National Commission on Productivity—Extension

Extends for an additional 2 months, to June 30, 1973, the President's Commission on Productivity. S.J. Res. 93. Public Law 93–34, approved May 14, 1973.

National Commission on Productivity and Work Quality

Renames the President's National Commission on Productivity as the National Commission on Productivity and Work Quality; sets the promotion of the productivity of the American economy and improvement of worker morale and work quality as objectives of the Commission and defines its functions; and contains other provisions. S. 1752. P/S May 10, 1973.

National Foundation on the Arts and Humanities Amendments of 1973

Authorizes appropriations at an increased level of funding for the National Endowment for the Arts and the National Endowment for the Humanities, grants-in-aid to States by the National Endowment for the Arts, and matching funds for gifts to the Endowments, in the total amount of $160 million, $280 million, and $400 million for fiscal years 1974, 1975, and 1976, respectively. S. 795. P/S May 2, 1973; P/H amended June 14, 1973; In Conference.

National Historic Preservation Act

Amends the National Historic Preservation Act of 1966; increases authorizations to $15.6 million, $20 million, and $24.4 million for fiscal years 1974, 1975, and 1976 respectively for matching Federal grants to States and the National Trust for Historic Preservation; extends authorizations of $100,000 for each of fiscal years 1974 and 1975 and authorizes $125,000 for fiscal year 1976 for United States participation in the activities of the Rome Centre; and provides that the Advisory Council on Historic Preservation shall continue an existance until December 31, 1985. S. 1201. Public Law 92——, approved 1973.

National Science Foundation Authorization Act of 1974

Authorizes appropriations to the National Science Foundation for fiscal year 1974 in the amount of $643,100,000, and in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, $3,000,000 for fiscal year 1974. H.R. 8510. P/H June 22, 1973; P/S amended June 29, 1973.

Office of Environmental Quality Authorizations

Authorizes (in addition to the standing authorization of $1 million per fiscal year contained in Public Law 91–190) an appropriation of $1.5 million for fiscal year 1974 and $2 million for fiscal year 1975 for the operations of the Office of Environmental Quality and the Council on Environmental Quality. S. 1379. Public Law 93–36, approved May 18, 1973.

Older Americans Comprehensive Services Amendments of 1973

Extends and amends the Older Americans Act of 1965 to enlarge the scope of the services provided therein; improves the organizational structure at the Federal, State, and local level of the agencies having responsibility for the delivery of such services; creates a Federal Council on the Aging to act as an advocate for the elderly with respect to Federal government policies and programs relating to their particular needs and problems; places the Administration on Aging in the Office of the Secretary of Health, Education, and Welfare and assigns primary responsibility for carrying out the act to the Commissioner on Aging; expands the existing program of formula grants to the States by providing funding for a range of social services in accordance with approved State plans; authorizes funds for direct grants to model projects with priority to projects in the areas of housing, education, and special transportation and other services for the physically and mentally impaired elderly; authorizes grants for multidisciplinary centers of gerontology and for multi-purposes senior centers; authorizes grants for training programs for personnel and for research and development projects in the field of aging; provides for a special study and demonstration projects on transportation problems of older Americans; makes surplus commodities available for nutrition programs; authorizes grants to States for older readers services; establishes an Older American Community Service Employment program; and contains other provisions. *Note:* (H.R. 15657 (92d-2d), a measure containing similar provisions, was pocket vetoed by President Nixon on October 30, 1973.) S. 50 Public Law 93–29, approved May 3, 1973.

Peace Corps Act Amendments of 1973

Continues the Peace Corps program on a one year authorization with an authorization of appropriations of $77,001,000 to finance the operation of the Peace Corps during fiscal year 1974, and places the Peace Corps under Federal procurement law. H.R. 5293. Public Law 93–49, approved June 25, 1973.

Preservation of historical and archeological data

Amends a 1960 law under which the Secretary of the Interior, through the National Park Service, conducts archeological salvage programs at reservoir construction to broaden the scope of activity to include all Federal or federally assisted or authorized construction projects which result in alteration of the terrain; authorizes the Secretary to conduct a survey and salvage program upon notification not only by the instigation agency but also by any other Federal or State agency or responsible private organizations or individuals; authorizes construction agencies to use or transfer up to one percent of funds appropriated for a project to the Secretary for survey and salvage work; provides that the costs incurred in connection with public works projects for archeological work under this act would become non-reimbursable project costs; and contains other provisions. S. 514. P/S May 22, 1973.

Public Works and Economic Development Act amendments of 1973

Extends the Economic Development Administration (EDA) programs authorized by the Public Works and Economic Development Act of 1965 to enable disadvantaged local and regional areas to put in place the public facilities essential to economic development, for one fiscal year through June 30, 1974, with a total authorization of $430 million as follows: $200 million for grants under title I for public works and development facilities, of which not less than 25 percent nor more than 35 percent is for newly defined redevelopment areas under section 401(a)(6); $55 million for loan assistance under title II for financing public works and facilities and redevelopment area projects; $35 million for technical assistance under title III for alleviating conditions of excessive underemployment in certain areas; $45 million under title IV for projects in economic development centers and for an increase in grant assistance for projects to redevelopment areas; and $95 million for title V Regional Action Planning Commissions; continues the moratorium on changing the designation of economic development districts for one year; provides for up to 100 percent instead of up to 75 percent funding for administrative expenses of Indian tribes eligible for certain grants-in-aid under title III; and contains other provisions. H.R. 2246. Public Law 93–46, approved June 18, 1973.

Recreation use fees

Amends the Land and Water Conservation Fund Act of 1965 to provide that there will be no charge for the day use or recreational use of certain facilities in recreational areas which most visitors might use. S. 1381. P/S May 16, 1973.

Renegotiation Act Amendments of 1973

Extends to June 30, 1974, the Renogotiation Act of 1951, as amended, which authorizes the Government to recapture excessive profits on certain Government contracts and subcontracts; provides a social security cost of living benefit increase of approximately 5.6 percent effective June 1, 1974; increases the monthly income guaranteed under the Federal Supplemental Security Income (SSI) program for aged, blind and disabled persons from $130 to $140 for an individual and from $195 to $210 a month for a couple for months after June 1974; increases the earnings limitation for persons drawing social security from $2,100 to $2,400; raises taxable wages under social security from $12,000 in 1974 to $12,600; contains provisions to assure that aged, blind, and disabled persons now receiving cash assistance or eligible for Medicaid are protected from a reduction in benefits or loss of Medicaid eligibility when the SSI program becomes effective next January 1975; suspends for 4 months the Department of Health, Education, and Welfare's authority to issue new social services regulations scheduled to become effective July 1, 1973, unless new changes are proposed by the Department and approved by the Senate Finance Committee and the House Ways and Means Committee; and contains other provisions. H.R. 7445. Public Law 93- , approved 1973.

Service Contract Act extension to Canton Island

Amend section 8(d) of the Service Contract Act of 1965 (which provides labor standards and prevailing wage requirements for employees working under Government service contracts) to extend the jurisdiction of the act to Canton Island in the central Pacific which, in 1939, the United States and the United Kingdom jointly agreed to administer until 1989. H.R. 5157. Public Law 93- , approved —— 1973.

Small Business Act amendments

Amends section 4(c)4 of the Small Business Act to increase the total amount of loans, guarantees, and other obligations or commitments outstanding by the Small Business Administration (SBA); consolidates and expands the present authorities in the Small Business Act provided by the Coal Mine Safety Act of 1969, the Occupational Safety and Health Act of 1970, and the Egg Product Inspection Act of 1970, into a new section authorizing loans to help small business concerns comply with standards imposed under any Federal law in order to provide a uniform approach and single framework for the extension of economic disaster loans to aid small business firms in complying with new Federal environmental, consumer, pollution, and safety standards; provides that Farmers Home Administration (FHA) and Small Business Administration disaster loans made in connection with disasters occurring prior to April 20, 1973, the enactment date of Public Law 93-24 which amended the emergency loan programs, are to be made on the same loan terms; authorizes, notwithstanding the provisions of Public Law 93-24, loan forgiveness on SBA and FHA disaster loans of up to $4,000 with respect to disasters occurring on or after April 20, 1973; continues the SBA's discretionary authority to refinance mortgages on substantially damaged homes and to suspend disaster loan payments in hardship cases by canceling the present July 1, 1973, expiration date for that authority; authorizes loans to persons engaged in the business of raising livestock who suffer substantial economic injury as a result of animal disease; authorizes loans to small businesses which suffer substantial economic damage as a result of the closing or reduction in the scope of operation of military bases; and contains other provisions. S. 1672. P/S May 17, 1973.

Trust territory of the Pacific islands

Authorizes $64 million for fiscal year 1974 for the Trust Territory of the Pacific Islands for civil works and administrative programs; authorizes an additional sum of not to exceed $10 million for fiscal year 1974 to be used if necessary to offset reduction in or termination of Federal grant-in-aid programs or other funds made available to the territory by other Federal agencies; extends the authority of the Federal Comptroller for Guam to the Trust Territory of the Pacific Islands and prescribes his duties and responsibilities; and contains other provisions. S. 1385. P/S May 22, 1973; P/H amended June 19, 1973; Senate concurred in House amendment with an amendment June 21, 1973.

Uniform Relocation Assistance and Real Property Acquisition Policies Act amendments

Amends the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to provide, until July 1, 1976, for full Federal funding of the first $25,000 for any single relocation payment for persons displaced by federally assisted programs and projects; expands coverage of the act to persons displaced by eight specified Federal programs; authorizes, through June 30, 1973, the head of a Federal agency to pay a State not in compliance with the act such funds as are necessary, in excess of the first $25,000 of cost, to make all payments and provide all benefits required by the act; and contains other provisions. S. 261. P/S February 2, 1973.

United States Travel Service authorization

Authorizes the appropriation of $22.5 million in each of the fiscal years 1974, 1975, and 1976 for the United States Travel Service which is charged with promoting foreign tourism to the United States. S. 1747. P/S June 13, 1973.

Voter Registration Act

Establishes a voter registration system for Federal elections through the mail; establishes within the Bureau of the Census a Voter Registration Administration to administer the program with an Administrator and two Associates of different political parties to be appointed for terms of 4 years by the President and confirmed by the Senate; provides that an individual who qualifies to be a voter under State law and registers as provided under this act shall be entitled to vote in Federal elections in that State; requires States to provide for an applicant to register up to 30 days before a Federal election; provides that the Administration shall prepare voter registration forms designed to provide a simple method to register by mail to be distributed by the Postal Service at least every two years, which the applicant shall mail or deliver when completed to the local registration agent who must then notify the applicant of his acceptance or rejection; provides, in regard to prevention of fraudulent registration, that, in addition to appropriate action under State law, a State official shall notify the Administration which shall provide assistance, and that when a State official or the Administration determines that a pattern of fraudulent registration or attempted fraudulent registration exists, either may request the Attorney-General to bring a civil action, in any appropriate United States district court to enjoin fraudulent registration; includes criminal penalties for the falsifying of voter registration forms or voting more than once; provides for payment to the States of the cost, as determined by the Administration, of processing registration forms under this act, and provides financial assistance to States adopting this system for State elections; and contains other provisions. S. 352. P/S May 9, 1973.

Wagner-O'Day Act Amendment, 1973

Amends the Wagner-O'Day Act of 1938, as amended by Public Law 92-28, to increase the authorization of appropriations to the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped for fiscal year 1974 from $200,000 to $240,000. S. 1413. P/S June 15, 1973.

GOVERNMENT EMPLOYEES

Central Intelligence Agency Retirement Act amendment

Amends section 236 of the Central Intelligence Agency Retirement Act of 1964 for certain employees to (1) increase the quota on retirements from 800 to 2,100 for the period July 1, 1969, to June 30, 1974, and (2) establish a quota of 1,500 for retirements between July 1, 1974, and June 30, 1979. S. 1494. Public Law 93-31, approved May 8, 1973.

Federal employees retirement

Allows Federal employees, who meet the present requirements for retirement upon involuntary separation of 25 years of service, or 20 years of service at age 50, to retire at their own option during a period when the employing agency is undergoing a major reduction in force. H.R. 6077. Public Law 93– approved 1973.

Library of Congress

Provides pay increases for members of the police force of the Library of Congress. S. 1904. P/S June 28, 1973.

HEALTH

Child nutrition programs

Amends section 6 of the National School Lunch Act which authorizes expenditures for commodities to provide a means to enable the Department of Agriculture to meet school lunch and breakfast program needs for this fiscal year; requires the Secretary of Agriculture, for this fiscal year only, to make an estimate as of March 15 of the amount of commodities which the Department will deliver to schools; requires the Secretary (if this estimate is less than 90 percent of the value of the amount the Department originally planned to deliver to schools) to pay the States, no later than April 15, a cash amount equal to the difference between the initial estimate and the amount to be delivered this fiscal year as determined by the March 15 estimate, and to distribute the money to the States according to their ratio of meals served under the school lunch and breakfast program; directs the Secretary to use section 32 funds and funds from section 416 of the Agricultural Act of 1949 for the purposes of this act and to request, if necessary, a supplemental appropriation; waives the matching requirements for the funds distributed under this bill; and contains other provisions. H.R. 4278. Public Law 93-13, approved March 30, 1973.

Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act Amendments of 1973

Extends for 2 years through fiscal year 1976 the State formula grant program originally authorized by the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, Public Law 91-616, maintaining the annual authorization level at $80 million; extends the contract and project grant authority of the Act of 1970 for an additional 3 years through fiscal year 1976, and authorizes therefor appropriations of $90 million for fiscal year 1974, $100 million for fiscal year 1975, and $110 million for fiscal year 1976; adds a new special grant authority providing an additional allotment of $100,000 plus 10 percent of its formula allotment for each State which adopts the Uniform Alcoholism and Intoxication Treatment Act, or legislation substantially similar to that Act, which requires intoxication to be treated as a responsibility of the community's public health and social service agencies rather than of its criminal justice system; prohibits public or private general hospitals receiving funds from Federal agency sources from discriminating in their admissions or treatment policies against any person solely because of his alcohol abuse or alcoholism; declares the language of the Act of 1970 placing the National Institute on Alcohol Abuse and Alcoholism within the National Institute of Mental Health and substitutes language placing it within the Department of Health, Education, and Welfare, thereby permitting, not requiring, the Secretary to place the Institute elsewhere within the Department; gives the National Institute on Alcohol Abuse and Alcoholism authority for eleven top level positions; places alcoholism project and contract authority under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act; eliminates duplication by deleting section 247 of the Community Mental Health Centers Act; and contains other provision. S. 1125. P/S June 21, 1973.

Emergency Medical Services Systems Development Act of 1973

Amends the Public Health Service Act to add a new Title XII which authorizes the Secretary of Health, Education, and Welfare to provide grants and contracts to States, units of local government, or combinations of local governments to plan, improve, and expand comprehensive and integrated systems for providing emergency medical services, and authorizes therefor the appropriation of $37.5 million, $75 million, and $112.5 million for fiscal years 1974, 1975, and 1976, respectively, of which not less than 15 percent of such sums appropriated yearly shall be made available for grants and contracts for rural areas; requires, as a prerequisite for such funding, the presentation of a plan for a comprehensive and coordinated emergency medical services system (which must meet certain requirements including the training of necessary health care personnel, adequate provisions for transportation of patients, and a plan to meet mass casualties arising from natural disasters), requires the establishment of an Area Emergency Medical Services Planning Council to develop a plan for the emergency medical services system and to monitor and evaluate the operation of the system; establishes the Interagency Technical Committee on Emergency Medical Services to coordinate Federal programs and activities for emergency medical services; authorizes the Secretary of Defense to initiate additional MAST (Military Assistance to Safety and Traffic) programs; establishes a National Emergency Medical Services Advisory Council to advise, consult with, review and make recommendations to the Secretary; authorizes grants and contracts in the case of private entities, for the support of research in emergency medical techniques, methods, devices, and delivery; requires all components of an emergency medical services system supported under provisions of the act to meet standards and criteria established in regulations by the Secretary and permits the waiving of this requirement under certain conditions; requires an annual report to Congress on the administration of programs authorized under this act including an evaluation of the adequacy of the provision on emergency medical services throughout the Nation, a study of legal barriers to the effectiveness of medical care in emergency situations and recommendations for necessary legislation; assures the continuation of operations in certain specified public health service hospitals; and contains other provisions. S. 504. P/S May 15, 1973; P/H amended May 31, 1973. In conference.

Health Maintenance Organization and Resources Development Act of 1973

Defines in Part A of Title I, Health Maintenance Organizations, the functions and requirements for a health maintenance organization and the comprehensive health services to be provided by a health maintenance organization; authorizes funds for use by the Secretary of Health, Education, and Welfare for the fiscal years 1974–1976 for the following: $45 million for grants for planning and feasibility studies of developing or expanding health maintenance organizations; $70 million for grants for initial development costs; $85 million for construction grants; $85 million for grants for initial cost of operation; $60 million for construction loans; $85 million for loans for initial cost of operation; and $100 million for grants and loans to health maintenance organizations or nonprofit entities intending to become HMO's in rural areas; provides, in Part B, for an annual payment to certified health care providers as an initiative award in an amount equal to the administrative costs allowed by the Commission on Quality Health Care Assurance incurred in complying with the requirements of the Commission, and authorizes for this purpose $150 million; authorizes the Secretary to make annual capitation grants to health maintenance organizations during the first 3 years of operation serving persons who cannot meet the expenses of such organizations' premiums; requires that not less than 7.5 percent of the total amount appropriated for Part A of this title be used for this purpose; prohibits transfer of funds within the act; provides for waiver of open enrollment in specified circumstances; requires recipients of Federal funds under this act to keep records of full disclosure of the amount and disposition of funds; and authorizes the Secretary to contract with health maintenance organizations to provide health services to individuals who are eligible for such services from the Indian Health Service; in Title II, Commission on Quality Health Care Assurance Act of 1973, establishes a Commission on Quality Health Care Assurance in the Department of Health, Education and Welfare, composed of 11 members to be appointed by the President with the advice and consent of the Senate; provides that the Commission, among its duties, is to promulgate standards for qualifications of personnel, composition of medical groups, and other characteristics dealing with the adequacy of facilities and equipment; to gather data describing, in statistical terms, the process of health care in various parts of the country; and to monitor and enforce the meaningful and effective consumer disclosure provisions of the legislation; requires the publication of a description of any health care plan covered by this title within 90 days of establishment stating the fees and prices, scope of services, accessibility and availability of services, and a statement of certification by the Commission; authorizes the Commission to suspend certificates of approval of health care providers in certain circumstances; provides for arbitration in malpractice claims; and authorizes a total of $125 million over a three-year period as follows: $15 million for fiscal year 1974, $40 million for fiscal year 1975, and $70 million for fiscal year 1976 to carry out the provisions of title II; and contains other provisions. S. 14. P/S May 15, 1973.

Health Programs Extension Act of 1973

Extends the 12 expiring health authorities in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, for health research and development; health statistics; public health training; migrant health; comprehensive health planning and services; medical libraries; Hill-Burton facilities construction; allied health training; regional medical programs; family planning; community mental health centers; and developmental disabilities for 1 year to June 30, 1974, at a total authorization level of $1,270.6 million; restricts the authorization for project grants under section 304(e)d of the Public Health Service Act to programs respecting neighborhood health centers, family health centers, lead-based paint poisoning prevention, and rodent control, by prohibiting the funding under this section of programs for which an alternative authority is contained in title I of this act; denies any court, public official, or public authority the right to require individuals or institutions to perform abortions or sterilizations contrary to their religious beliefs or moral convictions because an individual or institution had received assistance under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Act; and extends to June 30, 1974, the provisions of section 601, title VI, the Medical Facilities Construction and Modernization Amendments of 1970 (Hill-Burton amendments) designed to assure availability of appropriated health funds. S. 1136. Public Law 93–45, approved June 18, 1973.

Lead-Based Paint Poisoning Amendments of 1973

Amends the Lead-Based Paint Poisoning Act, Public Law 91–695, and authorizes therefor an annual appropriation of $75 million for each of fiscal years 1974–1977; expands the authority of the Secretary of Health, Education, and Welfare to make grants to local and State government units for programs to detect and treat incidents of lead-based paint poisoning to include private, non-profit organizations; increases from 75 percent to 90 percent the Federal share for the cost of such programs; provides that no lead based paint shall be applied to any toy, furniture, or cooking, drinking or eating utensil manufactured and distributed in interstate commerce after enactment of the act; provides that, effective January 1, 1974, that lead-based paint means any paint containing more than .06 percent lead, or if the Secretary after completing the study authorized by this act determines that a .05 percent level is safe, the .05 percent level shall be used instead; and contains other provisions. S. 607. P/S May 9, 1973.

Little Cigar Act of 1973

Amends the Federal Cigarette Labeling and Advertising Act (15 USC 1331–1340) as amended by the Public Health Cigarette Smoking Act of 1969 by expanding the prohibition on advertising media to include "little cigars"; defines the term "little cigar" to mean any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco (other than cigarettes) and weighing not more than 3 pounds per 1,000 units; and provides that it shall be unlawful to advertise little cigars on any medium of electronic communication subject to the jurisdiction of the Federal Communications Commission. S. 1165, P/S April 10, 1973; Reconsidered and P/S April 30, 1973.

National Institute of Health Care Delivery Act of 1973

Amends the Public Health Service Act to establish a National Institute of Health Care Delivery as a separate agency within the Department of Health, Education, and Welfare to carry out an accelerated multidisciplinary research and development effort to improve the organization and delivery of health care in the nation; authorizes up to eight regional centers and two National Special Emphasis Centers, a Health Care Technology Center, and a Health Care Management Center; authorizes appropriations, for both the Institute and the Centers, of $115 million, $130 million, and $145 million for fiscal years 1974, 1975, and 1976 respectively; establishes a 21 member National Advisory Council on Health Care Delivery to advise the Institute on the development, priorities, and execution of its programs; and contains other provisions. S. 723. P/S May 15, 1973.

INDIANS

Glen Canyon National Recreation Area concession operations

Directs that the annual franchise fee received by the Secretary of the Interior from the concessioner in connection with the Rainbow Bridge floating concession operation in Glen Canyon National Recreation Area be placed in a separate fund of the Treasury, and authorizes the Secretary to transfer annually such fees from the fund to the Navajo Tribe of Indians, in consideration of the tribe's continued agreement to the use of former Navajo Indian Reservation lands for the purpose of anchoring the Rainbow Bridge floating concession facility. S. 1384. P/S May 23, 1973.

Indian Claims Commission

Authorizes appropriations not to exceed $1.2 million for the expenses of the Indian Claims Commission for fiscal year 1974, and an additional $900 million for the expense assistance revolving loan fund. S. 721. Public Law 93-37, approved May 24, 1973.

Indian Judgment Distribution Act of 1973

Provides that if neither House of Congress, within 60 calendar days from the date of submission of a recommended plan by the Secretary of the Interior regarding the distribution of funds awarded to Indian Tribal groups by the Indian Claims Commission and the United States Court of Claims, passes a committee resolution disapproving such plan and thus requires authorizing legislation, the plan will become effective and the distribution of such funds made upon the expiration of the 60 day period or earlier if waived by committee resolutions by both the House and the Senate Committees on Interior and Insular Affairs, thereby relieving the Committees of the necessity of having to legislate on all judgment awards except for the most complicated. S. 1016. P/S May 22, 1973.

Joint Committee on Navajo-Hopi Administration—Abolishment

Abolishes the Joint Committee on Navajo-Hopi Indian Administration created during the 81st Congress to consider the problems peculiar to the Navajo and Hopi Tribes and oversee the expenditure of funds appropriated for the development of their reservations, construction of facilities, and other needed improvements, work which was principally completed in 1964. S. 267. P/S February 5, 1973.

Klamath Indian tribal land acquisition

Directs the Secretary of Agriculture to acquire by condemnation the remainder of the Klamath Indian Forest lands, for inclusion in the Winema National Forest, which the Klamath Tribe has directed the United States National Bank of Portland, a private trustee, to sell by the terms of its trust agreement and authorizes for this purpose to be appropriated an amount not to exceed $70 million. H.R. 3867. P/H May 7, 1973; P/S amended June 15, 1973.

Publication of material relating to the constitutional rights of Indians

Amends, for technical reasons, section 701 (c) of title VII of Public Law 90-284 to authorize the appropriation of such sums as may be necessary for the Secretary of the Interior (1) to annually revise and republish the document entitled "Indian Affairs, Laws and Treaties," (2) to revise and republish the treatise entitled "Federal Indian Laws," and (3) to have prepared and printed as a government publication an accurate compilation of the official opinions of the Solicitor of the Department of the Interior relating to Indian affairs. S. 969. P/S June 27, 1973.

INTERNATIONAL

Atlantic Union Delegation

Authorizes the creation of a delegation of 18 eminent citizens (6 each to be appointed by the House of Representatives, the Senate, and the President) to meet with similar unofficial delegations "from such North Atlantic Treaty parliamentary democracies as desire to join in the enterprise" in order to explore the possibility of agreement on a "declaration that the goal of their peoples is to transform their present relationship into a more effective unity based on Federal principles," and empowers the convention to invite other parliamentary democracies to participate in the process, which would also explore the possibilties for a timetable and a commission to move toward the goal by stages. S.J. Res. 21. P/S March 26, 1973.

Foreign Military Sales and Assistance Act, 1974

Authorizes a total of $770 million for the foreign military grant assistance and sales programs and the economic supporting assistance program; authorizes $420 million for military grant aid on a country-by-country basis instead of in a lump sum which is allocated by the Executive Branch; requires military grant assistance recipients to pay 10 percent of the amount of the grant in their own currency to pay official U.S. costs; authorizes $200 million for credit sales to current grant recipients on concessional terms from July 1, 1973, to June 30, 1978; requires prior notification to Congress of military sales over $25 million or cumulative sales over $50 million in one year, which may then be made unless either House of Congress adopts a resolution within 30 days of continuous session thereafter disapproving the sale; prohibits the transfer of naval vessels to foreign countries except under the authority of this act; authorizes $25 million for foreign military training purposes; authorizes $125 million for supporting assistance on a country-by-country basis, of which not less than $50 million is to be available to Israel and $65 million to Jordan; prohibits the use of any appropriation for police or related training programs for foreign countries; emphasizes the authority of the Secretary of State over the military assistance and sales policy by authorizing funds directly to the Secretary rather than to the President; authorizes a program of military assistance for Vietnam and Laos to replace that provided through Department of Defense authorization and appropriation bills; authorizes one-for-one replacement of arms and munitions for South Vietnam and Laos in accordance with the cease-fire agreements; authorizes $150 million in military aid for Cambodia with the provision that if a cease-fire is reached in Cambodia any additional arms or munitions shall be in accordance with the terms of the cease-fire; authorizes the President, in the event of a new offensive by North Vietnam, to provide unlimited military aid to South Vietnam; requires quarterly reports from the President on all U.S. assistance to South Vietnam, Laos, or Cambodia, the nature and extent of the official American presence, and the general status of implementation of the cease-fire agreements; and contains other provisions. S. 1443. P/S June 26, 1973.

International Voyage Load Line Act of 1973

Repeals the Foreign Load Lines Act, 1929, as amended, and substitutes this act, which provides the necessary legislation to implement the provisions of the International Convention on Load Lines, 1966, to which the United States is a party and which came into force on July 21, 1968, making it unlawful for a vessel to be so loaded as to submerge the prescribed load line or the point where an appropriate load line should be marked. E. 1352. P/S June 27, 1973.

People's Republic of China—diplomatic privileges

Authorizes the President to extend to the Liaison Office of the People's Republic of China in Washington and to the members thereof the same privileges and immunities subject to corresponding conditions and obligations as are enjoyed by diplomatic missions accredited to the United States and by members thereof. S. 1315. Public Law 93-22, approved April 20, 1973.

Radio Free Europe and Radio Liberty supplemental authorization, 1973

Authorizes additional fiscal year 1973 appropriations of not to exceed $1.5 million for Radio Free Europe and Radio Liberty to provide for increased costs resulting from the devaluation of the dollar on February 12, 1973. S. 1972. Public Law 93- , approved 1973.

Consular convention with Hungary

Establishes consular relations between the United States and the People's Republic of Hungary which will afford American citizens in Hungary a greater degree of consular protection and guarantee quick and unhindered communication between a citizen and his consul and prompt notification to the consul of any detention or other limitation, and provides for the establishment of consulates and the exchange of consular appointments according each country the facilities, privileges, and immunities afforded under similar bilateral consular conventions in force with a number of other countries. Ex. W, 92d-2d. Resolution of Ratification agreed to March 27, 1973.

Consular convention with Poland

Establishes consular relations between the United States and the Polish People's Republic; guarantees early notification of detention of a country's nationals and access thereto; describes consular functions and responsibilities in such fields as the issuance of visas and passports and the performance of notorial services; provides for the inviolability of consular personnel with regard to legal proceedings in the host country; and contains other provisions afforded under similar bilateral consular conventions in force with a number of other countries. Ex. U, 92d-2d. Resolution of Ratification agreed to March 27, 1973.

Consular convention with Romania

Replaces the convention currently in existence between the United States and the Socialist Republics of Romania; improves consular services in both countries to include the issuance of passports and visas, performance of notorial services, and representation of the interests of nationals in estate matters; assures that consuls whose nationals are detained or whose personal freedom is limited will be notified promptly and will have the right to visit and communicate with such nationals; and contains other provisions afforded under similar bilateral consular conventions in force with a number of other countries. Ex. V, 92d-2d. Resolution of Ratification agreed to March 27, 1973.

Convention with Japan for the protection of birds and their environment

Provides for the protection of species of birds which are common to the United States and Japan or which migrate between them, and provides that each country will develop programs to preserve and enhance the environment of the birds protected by this agreement. Ex. R, 92d-2d. Resolution of Ratification agreed to March 27, 1973.

Exchange of notes with Ethiopia concerning the administration of justice

Terminates the notes exchanged on September 7, 1951, concerning the administration of justice and constituting an integral part of the Treaty of Amity and Economic Relations Between the United States and Ethiopia. Termination of the notes, which set forth special commitments on the part of the Ethiopian Government regarding the trial of cases involving American citizens, would be in conformity with the U.S. policy of basing international agreements, in general, on the principles of equality and reciprocity. Ex. B, 93d-1st. Resolution of Ratification agreed to March 27, 1973.

United Nations Environment Program Participation Act of 1973

Authorizes an appropriation of $40 million for the total U.S. contribution to the United Nations Environment Fund and limits the fiscal year 1974 contribution to $10 million. H.R. 6768. P/H May 15, 1973; P/S amended June 8, 1973.

LABOR

Labor-Management Relations Act amendments

Amends section 302(c) of the Labor-Management Relations Act of 1947 to add legal service programs to the specified employer financed fringe benefits which may be established through joint labor-management administration, with the provision that legal services funds may not be used in suits against contributing employers except in workmen's compensation cases, suits against participating labor organizations, or suits against any employer or labor organization where the matter arises under the National Labor-Relations Act or where a labor organization would be prohibited from defraying the costs of legal services by the provisions of the Labor-Management Reporting and Disclosure Act of 1957. S. 1423. P/S May 16, 1973. P/H amended June 12, 1973. In conference.

Penn Central rail dispute

Provides for Federal intervention to bring about a temporary halt in the strike of certain employees of the United Transportation Union against the Penn Central Transportation Company arising out of the Penn Central's plan to eliminate approximately 5,700 train crew positions by applying the final paragraph of section 10 of the Railway Labor Act (45 USC 160) and extends the 30-day period provided for in section 10, to 12:01 A.M., May 9, 1973, in order to secure additional time for an agreement to be reached; requires the Secretary of Transportation, not later than 45 days following enactment, to file a report to the Congress providing a full and comprehensive plan for the preservation of essential rail transportation services in the northeast section of the Nation; requires the Secretary of Labor, not later than 30 days following enactment, to submit to Congress a report detailing the progress, if any, of all negotiations, and any recommendations for a proposed solution; and contains other provisions. S.J. Res. 59. Public Law 93-5, approved February 9, 1973.

Rehabilitation Act of 1972

Amends the Vocational Rehabilitation Act to provide for more services to handicapped individuals; places greater emphasis on research and training of rehabilitation personnel and the development of innovative rehabilitation techniques, equipment, and devices which would make employment more feasible for a handicapped individual; establishes an Office for the Handicapped within the Department of Health, Education, and Welfare; creates a Federal Interagency Committee on Employment of the Handicapped, a National Commission on Transportation and Housing, and an Architectural and Transportation Barriers Compliance Board to continue and expand services to the handicapped and provides for an order of priority to serve those individuals with the most severe handicaps; and contains other provisions. *Note:* (A similar measure, H.R. 8395 [92d-2d], was pocket vetoed by President Nixon on October 27, 1972.) S. 7 Vetoed March 27, 1973. Senate sustained veto April 3, 1973.

MEMORIALS, TRIBUTES, AND MEDALS

Cable car medals

Authorizes the Secretary of the Treasury to strike and furnish to the San Francisco Cable Car Centennial Committee not more than 150,000 medals commemorating the 100th anniversary of the invention of the cable car, and contains other provisions. S. 776. P/S March 14, 1973.

Commemoration of members of the armed services who served in the Vietnam war

States as a sense of the Senate that on Memorial Day, May 28, 1973, special commemoration be accorded the 359,879 dead and wounded members of the Armed Forces whose loss and suffering were occasioned by the war in Vietnam. S. Res. 117. Senate adopted May 21, 1973.

Eisenhower Memorial

Authorizes the use, for grants to Eisenhower College, Seneca Falls, New York, of $1 of the proceeds of the sale of each of the silver dollar proof coins being offered to the public at $10 each which bear the likeness of the late President of the United States, Dwight David Eisenhower. S. 1264. P/S May 2, 1973.

John Wesley Powell Federal Building

Names the headquarters building in the Department of Interior's Geological Survey National Center now under construction in Reston, Virginia, as the "John Wesley Powell Federal Building." S. 1618. P/S June 27, 1973.

Law Day

Pays tribute to the law enforcement officers of the United States on Law Day, May 1, 1973. S.J. Res. 11. P/S March 15, 1973.

Lyndon B. Johnson

Expresses the profound sorrow and deep regret of the Senate on the announcement of the death of Lyndon B. Johnson, a former President of the United States and a former Representative and Senator from the State of Texas, and designates the Presiding Officer of the Senate to appoint a committee to consist of all the members of the Senate to attend the funeral of the former President. S. Res. 24. Senate adopted January 23, 1973. H. Res. 152. House adopted January 23, 1973.

Expresses the sense of the Congress that in recognition of the long and distinguished service rendered to the nation and to the world by Lyndon B. Johnson, 36th President of the United States, his remains be permitted to lie in state in the rotunda of the Capitol from January 24 to January 25, 1973. H. Con. Res. 90. House adopted January 23, 1973. Senate adopted January 23, 1973.

Provides for payment out of the contingent fund of the Senate of all necessary expenses incurred as a result of S. Res. 24, which provides for members of the Senate to attend the funeral of Lyndon B. Johnson. S. Res. 34. Senate adopted January 24, 1973.

Lyndon B. Johnson Space Center

Designates the manned spacecraft center in Houston, Texas, as the "Lyndon B. Johnson Space Center" in honor of the late President. S.J. Res. 37. Public Law 93-8, approved February 17, 1973.

Members of the Armed Forces missing in action in Indochina

Pays special tribute to the members of the Armed Forces who are missing in action in Indochina on Memorial Day, May 28, 1973, and contains other provisions. S. Res. 115. Senate adopted May 15, 1973.

Monument to First Infantry Division

Authorizes the erection, in the District of Columbia, of a monument to the dead of the First Infantry Division, United States Forces in Vietnam. S.J. Res. 66. P/S February 19, 1973.

Roberto Walker Clemente medals

Authorizes the Secretary of the Treasury to strike and furnish to the Chamber of Commerce of Greater Pittsburgh, Pittsburgh, Pa., one gold medal and not more than 200,000 duplicate medals to commemorate the outstanding athletic, civic, charitable and humanitarian contributions of Roberto Walker Clemente, and contains other provisions. H.R. 3841. Public Law 93-33, approved May 14, 1973.

Vietnam War Memorial

Provides for the erection in the District of Columbia of a memorial in honor of those who served in the Armed Forces of the United States in the Vietnam war; and contains other provisions. S.J. Res. 45. P/S April 12, 1973.

NATURAL RESOURCES-ENVIRONMENT

American Falls dam replacement

Authorizes the Secretary of the Interior to enter into appropriate agreements to permit the water-users to arrange for the financing and construction of a replacement for the existing American Falls Dam. Upper Snake River project, Idaho, which has become unsafe as a result of deteriorating concrete, which would be acquired by the Secretary and operated as a feature of the existing Minidoka Reclamation project. S. 1529. P/S June 19, 1973.

Arkansas River basin compact

Grants the consent of the United States to an interstate compact between Arkansas and Oklahoma, signed on behalf of the two States on March 16, 1970, to provide for the equitably apportionment of the waters of the Arkansas River and tributaries between the two States and encourages each State to maintain active programs of anti-pollution controls to further reduce water pollution in the Arkansas River Basin. S. 11. P/S June 28, 1973.

Clean Air Act extension

Extends for 1 year, to June 30, 1974, the Clean Air Act, as amended; authorizes the appropriation therefor of $475 million for fiscal year 1974; and contains other provisions. S. 498. P/S January 26, 1973.

Extends for 1 year, to June 30, 1974, the provisions of the Clean Air Act of 1970 and extends, at constant dollar amounts the authorization of appropriations in the act, which would otherwise expire June 30, 1973, in the total amount of $475 million. H.R. 5445. Public Law 93-15, approved April 9, 1973.

Flood Control Act of 1973

Authorizes development of flood control, multi-purpose and related projects and provides for studies and surveys to determine whether other plans should be developed. Note: (S. 4018 [92d-2d], a similar measure was pocket vetoed by President Nixon on October 27, 1972.) S. 606. P/S February 1, 1973.

Interstate Environment Compact Act of 1973

Provides the congressional consent required for any two or more States to enter into interstate compacts in the field of air pollution as set forth in section 102(c) of the Clean Air Act, as amended, and in the field of water pollution by section 103(b) of the Federal Water Pollution Control Act, as amended, and gives advance consent to interstate agreements called for the Solid Waste Disposal Act, as amended; permits signatories to enter into supplementary agreements not inconsistent with applicable Federal law with each other, with other interstate agencies, and with the Federal Government and its agencies for the purpose of controlling interstate environmental pollution problems in the fields of land use, coastal zone management, energy production and transmission, and related activities; provides that supplementary agreements are to become binding upon the signatory upon execution of the agreement by the chief executive and signatory legislative action to approve or condition the agreement, and provides that the Congress may by act of law expressly disapprove or condition the agreement within 90 days of congressional session following receipt of the agreement; provides for special supplementary agreements with foreign nations with the advance consent of Congress; provides that a signatory may withdraw from the compact by legislative enactment upon giving notice to all signatories a year in advance of its formal withdrawal; provides that nothing in this act shall affect Federal environmental protection legislation; and contains other provisions. S. 9. P/S June 22, 1973.

Land Use Policy and Planning Assistance Act

Establishes a national land use policy to encourage and assist the States to more effectively exercise their constitutional responsibilities for the planning and management of their land bases through the development and implementation of State land use programs; establishes a grant-in-aid program to assist State and local governments and agencies to hire and train the personnel, collect and analyze the data, and establish the institutions and procedures necessary to develop and implement State land use programs; authorities for grants to states $100 million a year for 8 years; establishes a grant-in-aid program to encourage cooperation among the States concerning land use planning and management in interstate regions and authorizes $15 million a year for 8 years therefor; authorizes $2 million a year for 8 fiscal years for training and research grants and contracts; establishes a grant-in-aid program to assist Indian tribes to develop land use programs for reservation and other tribal lands and to coordinate such programs with the planning and management of Federal and non-Federal lands adjacent thereto, and authorizes for this purpose $10 million a year for 8 years; authorizes the Executive Office of the President to issue guidelines to implement this act; authorizes the Secretary of the Interior to administer the grant-in-aid and other programs established under this act, to review, with the heads of other Federal agencies, statewide land use planning processes and State land use programs for conformity to the provisions of this act, and to assist in the coordination of activities of Federal Agencies with State land use programs; authorizes $10 million each year for five fiscal years to the Secretary for administration of this act; provides that the programs of this act be consistent with anti-pollution regulations and policies already enacted; establishes an Interagency Advisory Board on Land Use Policy to assist in the exchange of data and information pertinent to land use decisionmaking among all levels of government and the public and to recommend to the Congress and legislation it deems appropriate to establish land use policies and any requirement or procedures necesary to assure that such policies are implemented; and contains other provisions. S. 268. P/S June 21, 1973.

National Sea Grant College and Program Act of 1966 amendments

Provides an authorization of $30 million, $40 million, and $50 million for fiscal years 1974, 1975, and 1976 respectively for the National Sea Grant College marine research development programs within the Department of Commerce; authorizes $200,000 for a study of means of sharing, through cooperative programs with other nations, the results of marine research; and authorizes the Secretary to make contracts with and grants to participants for this purpose without matching share requirements; and contains other provisions. H.R. 5452. Public Law 92 —, approved ——— 1973.

Safe Drinking Water Act of 1973

Establishes a program within the Environmental Protection Agency (EPA) to regulate drinking water whereby the Fedral Government will exercise a new responsibility to set standards and provide assistance in order to protect public water supplies from contamination by providing that (1) EPA establish minimum Federal drinking water standards prescribing maximum limits for contaminants as well as standards for the operation and maintenance of drinking water systems and surveillance, monitoring, site selection and construction standards for public water systems to assure safe dependable drinking water; (2) EPA establish recommended standards to assure esthetically adequate drinking water; (3) the States may establish standards which are more stringent than the Federal drinking water standards; (4) the States will be primarily responsible for enforcing the standards, with Federal enforcement if the States fail to act or in cases of imminent hazard; (5) a National Drinking Water Council be established to advise the adminstrator on scientific and engineering matters; (6) EPA conduct and promote research, technical assistance, and training of personnel for water supply occupations; (7) EPA conduct a rural water survey within two years of enactment; (8) EPA make grants for special study and demonstration projects with respect to water supply technology; (9) EPA make grants to the States to defray the costs of State programs; and (10) citizens be authorized to bring injunctive suits against violators of primary drinking water standards and against the Administrator for failing to perform mandatory duties. S. 433. P/S June 22, 1973.

Saline water program authorization, 1974

Authorizes appropriations at an increased level of $9,127,000 for fiscal year 1974 for the Federal Saline Water Conversion programs conducted by the Secretary of the Interior to support a continuing research program into attractive new desalting technologies and to retain a technical capability in the Federal government to support planning and development which involves desalination, and contains other provisions. S. 1386. Public Law 93 —, approved ——— 1973.

Solid Waste Disposal Act extension

Extends for 1 year, to June 30, 1974, the Solid Waste Disposal Act, as amended; authorizes the appropriation of $216 million for fiscal year 1974 to the Administrator of the Environmental Protection Agency and $22.5 million for fiscal year 1974 to the Secretary of the Interior, to carry out the provisions of this act; and contains other provisions. S. 498. P/S January 26, 1973.

Extends for 1 year, to June 30, 1974, the Solid Waste Disposal Act of 1967 (as amended by the Resource Recovery Act of 1970) and extends for 1 year, at constant dollar amounts, the authorization for appropriations therefor in the total amount of $238.5 million. H.R. 5446. Public Law 93–14, approved April 9, 1973.

United States fishing industry

Sets forth congressional resolve to provide all necessary support to strengthen the United States fishing industry and to protect our coastal fisheries against excessive foreign fishing, and to provide interim measures to conserve overfished stocks and to protect our national fishing industry; recognizes, encourages, and supports the key responsibilities of the several states for conservational and scientific management of fisheries resources within the United States territorial waters; and commends Federal programs designed to improve coordinated protection, enhancement, and scientific management of all United States fisheries, both coastal and distant, including presently successful Federal-aid programs under the Commercial Fisheries Research and Development Act of 1964, and the newly developing Federal-State fisheries management programs. S. Con. Res. 11. P/S June 1, 1973.

Wasteland treatment operations training program

Continues through fiscal year 1974 the pilot operator training program for wastewater treatment plants (section 104(g) (1) of the Federal Water Pollution Control Act) at the annual authorization level of $7.5 million. S. 1776. P/S June 28, 1973.

Water Resources Planning Act amendments

Authorizes an appropriation of $3.5 million annually for fiscal years 1974 and 1975 for the Water Resources Council to carry out certain functions assigned to it under the provisions of the Water Resources Planning Act of 1965, as amended. S. 1501. Public Law 93 —, approved———1973.

NOMINATIONS—ACTION BY ROLL CALL VOTE

Nomination of Peter J. Brennan of New York, to be Secretary of Labor: Nomination confirmed January 31, 1973. (81–3)

Nomination of William P. Clements, Jr., of Texas, to be a Deputy Secretary of Defense: Nomination confirmed January 23, 1973. (74–11)

Nomination of Clarence M. Kelley, of Missouri, to be Director of the Federal Bureau of Investigation: Nomination confirmed June 27, 1973. (96–0)

Nomination of Elliot L. Richardson, of Massachusetts, to be Secretary of Defense: Nomination confirmed January 29, 1973. (81–1)

Nomination of Elliot L. Richardson, of Massachusetts, to be Attorney General: Nomination confirmed May 23, 1973. (82–3)

Nomination or James R. Schlesinger, of Virginia, to be Director of Central Intelligence: Nomination confirmed January 23, 1973. (85–0)

Nomination of James R. Schlesinger, of Virginia, to be Secretary of Defense: Nomination confirmed June 28, 1973. (91–0)

Nomination of William L. Springer, of Illinois, to be a Member of the Federal Power Commission: Nomination confirmed May 21, 1973. (65–12)

Nomination of Caspar W. Weinberger, of California, to be Secretary of Health, Education, and Welfare: Nomination confirmed February 8, 1973. (61–10)

PROCLAMATIONS

Digestive Disease Week

Authorizes and requests the President to issue a proclamation designating the week of May 20–26, 1973, as "Digestive Disease Week." S.J. Res. 114. P/S May 17, 1973.

Honor America Day

Declares the twenty-one days from Flag Day, June 14, 1973, to Independence Day, July 4, 1973, as a period to honor America. S. Con. Res. 27. P/S May 31, 1973; P/H June 13, 1973.

International Clergy Week in the United States

Authorizes the President to designate the week of January 28, 1973, as "International Clergy Week in the United States". H.J. Res. 163. Public Law 93–2, approved January 26, 1973.

Jim Thorpe Day

Authorizes and requests the President to issue a proclamation designating April 16, 1973, as "Jim Thorpe Day". S.J. Res. 73. Public Law 93–19, approved April 16, 1973.

Mississippi River

Authorizes and requests the President to issue a proclamation designating June 17, 1973, as a day of commemoration marking the 300th anniversary of the opening of the upper Mississippi River by Jacques Marquette and Louis Joliet. S.J. Res. 102. Public Law 93–41, approved June 14, 1973.

National Arthritis Month

Authorizes and requests the President to issue a proclamation designating the month of May 1973 as "National Arthritis Month", and contains other provisions. H.J. Res. 275. Public Law 93–21, approved April 20, 1973.

National Autistic Children's Week

Authorizes and requests the President to issue a proclamation designating the week which begins on June 24, 1973, as "National

Autistic Children's Week." H.J. Res. 296. Public Law 93-42, approved June 15, 1973.

National Clean Water Week

Authorizes the President to designate the period beginning April 15, 1973, as "National Clean Water Week". H.J. Res. 437. Public Law 93-18, approved April 14, 1973.

National Employ the Older Worker Week

Designates the second full calendar week in March 1973 as "National Employ the Older Worker Week." H.J. Res. 334. Public Law 93-10, approved March 15, 1973.

National Historic Preservation Week

Authorizes and requests the President to issue a proclamation designating the calendar week begininng May 6, 1973, as "National Historic Preservation Week". S.J. Res. 51. Public Law 93-30, approved May 5, 1973.

National Hunting and Fishing Day

Requests the President to declare the fourth Saturday of September 1973 as "National Hunting and Fishing Day". H.J. Res. 210. Public Law 93-23, approved April 20, 1973.

National Moment and Day of Prayer and Thanksgiving

Authorizes the President to issue a proclamation designating the moment of 7:00 P.M. E.S.T., January 27, 1973, a national moment of prayer and thanksgiving for the peaceful end to the Vietnam war and the 24 hours beginning at the same time as a national day of prayer and thanksgiving, and contains other provisions. H.J. Res. 246. Public Law 93-3, approved February 1, 1973.

National Next Door Neighbor Day

Authorizes and requests the President to issue a proclamation designating the fourth Sunday in September of each year as "National Next Door Neighbor Day." S.J. Res. 25. P/S May 22, 1973.

Nicolaus Copernicus Week

Authorizes the President to designated the week of April 23, 1973, as "Nicolaus Copernicus Week" marking the quinquecentennial of his birth. H.J. Res. 5. Public Law 93-16, approved April 9, 1973.

Warsaw ghetto uprising

Authorizes and requests the President to proclaim April 29, 1973, as a day of observance of the 30th anniversary of the Warsaw ghetto uprising. H.J. Res. 303. Public Law 93-20, approved April 20, 1973.

SPACE

NASA authorization, 1974

Authorizes appropriations totaling $3,064,500,000 to the National Aeronautics and Space Administration for fiscal year 1974, as follows: for Research and Development, $2,245,500,000, including for space flight operation, $555.5 million, space shuttle, $475 million, advanced missions, $1.5 million, physics and astronomy, $63.6 million, lunar and planetary exploration, $311 million, launch vehicle procurement, $177.4 million, space applications, $161 million, of which $2 million is provided for NASA to formulate a long-term energy program that would explore options for energy generation and management from the many technologies the agency has developed, aeronautical research and technology, $180 million, space and nuclear research and technology, $72 million, tracking and acquisition data, $244 million, and technology utilization, $4.5 million; for Construction of Facilities, $112,000,000; and for Research and Program Management, $707,000,000; and contains other provisions. H.R. 7528. P/H May 23, 1973; P/S amended June 19, 1973; Senate adopted conference report June 28, 1973.

TRANSPORTATION AND COMMUNICATIONS

Aircraft hijacking

Amends the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy on both the international and domestic levels; implements, in Title I, the Convention for the Suppression of Unlawful Seizure of Aircraft (Hague Convention—Ex. A [92d-1st]) to which the United States is a party and which came into effect on October 4, 1971; provides the President authority to suspend air service between the United States and any foreign nation he determines is not acting consistently with the provisions of the Hague Convention, in effect imposing, unilaterally, a U.S. air transport boycott; permits the Secretary of Transportation, with the approval of the Secretary of State, to restrict, limit, or revoke the operating authority of any foreign air carrier failing to afford necessary security safeguards to the traveling public; provides, in Title II, for the screening of all passengers and carry-on baggage by weapons detecting devices prior to their being boarded on the aircraft; establishes under the Administrator of the Federal Aviation Administration an Air Transportation Security Force to provide Federal law enforcement presence at the nation's major airports; and contains other provisions. S. 39. P/S February 21, 1973.

Airport Development Acceleration Act of 1973

Amends the Airport and Airway Development Act of 1970 and the Federal Aviation Act of 1958 to increase Federal financial assistance for airport development throughout the United States; increases the present minimum annual authorization for airport development grants to air carrier and reliever airports to $275 million, and to general aviation airports to $35 million, for each of fiscal years 1974 and 1975, and the five year limit on obligational authority for the fiscal years 1971-1975 to $1.46 billion, funds which will come from the Airport and Airway Trust Fund; provides that the maximum 50 percent Federal share of project costs will be determined by the total number of passengers enplaned for all air carrier airports operated by the same sponsor and raises the maximum Federal share to 75 percent for general aviation of reliever airports; prohibits the levying by State and local governments of passenger "head" taxes or use taxes on the carriage of persons in air transportation; and contains other provisions. NOTE: (An earlier measure, S. 3755 [92d-2d], was pocket vetoed by President Nixon on October 27, 1972.) S. 38. Public Law 93-44, approved June 18, 1973.

Amtrak Improvement Act of 1973

Amends the Rail Passenger Act of 1970 to upgrade the quality of rail passenger service and put it on a par with quality rail passenger systems operating in other countries; provides for an authorization of appropriations for fiscal year 1974 and for an increase in the ceiling on federally guaranteed obligations of the National Railroad Passenger Corporation; authorizes the Corporation to make all reasonable efforts to insure that elderly and handicapped individuals are given equal opportunity to utilize intercity transportation on passenger trains operated by or on behalf of the Corporation; gives the Corporation the power of eminent domain in order to acquire from owners other than governments and railroads right-of-way, land, or other property, and authorizes an Interstate Commerce Commission (ICC) proceeding through which the Corporation can acquire interests in property owned by a railroad or a government entity; requires the Corporation to initiate one new experimental route each year, and to operate it for a two year period and provides a means of discontinuing such service if it proves unsuccessful; vests jurisdiction over safety-related matters in the Department of Transportation and grants the ICC full and adequate powers to assure that adequate service, equipment, tracks, and other facilities are provided for intercity rail passenger service; allows private firms as well as the Corporation to offer auto-ferry service; prohibits any preclearance of budget requests, legislative recommendations, proposed testimony, or comments on legislation before submission to the Congress, and prohibits the impoundment of any funds authorized and appropriated by the Congress; clarifies the relationship of the Corporation to the Department of Transportation thus giving the Corporation more budgetary freedom and more direct accountability to Congress; and contains other provisions. S. 2016. P/S June 28, 1973; twice reconsidered for amendments and passed June 28, 1973.

Bicentennial Advanced Technology Transportation System Demonstration Act

Authorizes the Secretary of Transportation to make an investigation and study for the purposes of determining the feasibility, social advisibility, environmental impact, and economic practicability, of (1) a tracked air-cushioned vehicle or other high-speed ground transportation system between Washington, D.C., and Annapolis, Maryland, and (2) a surface effect vessel or other high-speed marine transportation system between the Baltimore-Annapolis area in Maryland and the Yorktown-Williamsburg-Norfolk area in Virginia for use as part of the Bicentennial celebration and authorizes therefor an appropriation of not to exceed $300,000; directs the Secretary to report the results of such investigation and study, together with his recommendations, to the President and the Congress, no later than 9 months after enactment of this act; and authorizes the Secretary to enter into such contracts and other arrangements as necessary for the construction and operation of such systems if such study demonstrates their feasibility; and contains other provisions. S. 797. P/S June 14, 1973.

Corporation for Public Broadcasting Authorizations, 1973

Amends the Communications Act of 1934 to authorize appropriations for the Corporation for Public Broadcasting at an increased level for fiscal years 1974 and 1975 of $55 million and up to an additional $5 million in matching funds for gifts for fiscal year 1974 and $65 million and up to an additional $5 million in matching funds for gifts for fiscal year 1975; authorizes appropriations at the present level of $25 million for each of the fiscal years 1974-1977 for funds for construction of educational television and radio broadcasting facilities; requires radio and television stations receiving Federal assistance to make audio recordings of programs involving discussions of important public issues and make them available to the public at cost; and contains other provisions. *NOTE:* (H.R. 13918[92d-2d], a similar bill, was vetoed by President Nixon on June 30, 1972.) S. 1090. P/S May 7, 1973.

Federal-Aid Highway Act of 1973

Reduces the authorization for Interstate highway programs for each of the fiscal years 1974-1976 from the present $4 billion level to $3.25 billion; requires the realinement by June 30, 1975, of the Federal-aid primary, secondary and urban systems based upon functional usage for the year 1980; provides for transfer of Interstate system mileage within a State; strengthens environmental controls over roadbuilding and the highway beautification program; earmarks urban system funds for each urbanized area of 400,000 population or more; allows urban system funds to be "passed-through" to municipalities of 400,000 or more authorized under State law and equipped to manage urban system projects, thus making urban system funds directly available to large cities; authorizes the use of urban system highway funds for fixed rail mass transit systems and the use of urban system and urban extension highway funds for the purchase of buses.

in addition to the use of those funds for the construction of bus lanes, highway traffic control devices, and passenger loading areas and facilities as authorized by the Federal-Aid Highway Act of 1970; provides that equipment purchased for mass transit systems must meet environmental standards set pursuant to the Clean Air Act and the Noise Control Act of 1972, and that the special needs of the elderly and handicapped, as defined in the Urban Mass Transportation Act of 1964, must be considered in planning and designing the mass transit systems; makes highway funds available for bicycle transportation, pedestrian walkways, and equestrian trails; establishes a new toll road reimbursement program; establishes a new special urban high density traffic program; authorizes a rural highway public demonstration program; amends the Urban Mass Transportation Act of 1964 to provide operating subsidies for mass transit systems via contract authority, in an amount not to exceed $800 million through fiscal year 1974, with grants or loans for operating expenses to be made on a two-thirds Federal, one-third local matching basis, and to provide an additional $3 billion in contract authority, for a total of $6.1 billion, through fiscal year 1977 for capital expenditures of mass transit systems and to change the Federal share of cost-sharing for this purpose from two-thirds to 90 percent; prohibits the impoundment or withholding from obligation of highway funds appropriated by Congress for expenditure; and contains other provisions. S. 502. P/S March 15, 1973; P/H amended April 19, 1973; In conference.

Federal Railroad Safety Authorization Act of 1973

Authorizes appropriations of $19,440,000 for implementation of the railroad safety functions under the Safety Act for fiscal year 1974, and authorizes $1,200,000 for implementation of the hazardous materials control functions of the Safety Act for fiscal year 1974. S. 2120. P/S June 30, 1973.

Highway Safety Act of 1973

Authorizes $455 million for fiscal year 1974 and $475 million for fiscal year 1975 for highway safety programs, including $100 million for each of fiscal years 1974 and 1975 for the bridge replacement program; establishes a Federal-aid safer roads system, and authorizes $200 million of the total amounts authorized for each of fiscal years 1974 and 1975, to be available on a 90 percent Federal, 10 percent State matching basis, for the correction of highway hazards on that system; requires States to identify, by June 30, 1974, projects on the Federal-aid safer roads system which have to be corrected and assign priority to the correction of hazards falling within the following three major categories: (1) projects to improve and (3) elimination of hazards at railroad-highway grade crossings; includes bicycle safety in the areas to be covered by highway safety standards and adds bicycle safety to required driver education programs; authorizes the use of appropriated funds for State highway safety programs for use in developing and implementing manpower training and demonstration programs; increases the minimum apportionment to any State for highway safety programs from one-third of one percent to one-half of one percent; authorizes the Secretary to carry out research on the relationship between the consumption of drugs and highway safety and to promulgate a highway safety program standard on drug use and highway safety; and contains other provisions. S. 893. P/S April 12, 1973.

Interim apportionment of interstate and other highway funds

Directs the Secretary of Transportation to apportion, as provided in the act, $1 billion of the sums authorized to be apportioned for fiscal year 1974 for immediate expenditure for the National System of Interstate and Defense highways, and authorizes the appropriation of $500 million from the Highway Trust Fund for fiscal year 1974 funding of the Federal-aid primary and secondary systems and their urban extensions, such funds to be available as follows: 45 percent for projects on the primary system; 30 percent for projects on the secondary system and 25 percent for projects on extensions of the primary and secondary systems in urban areas. S. 1808. P/S May 23, 1973.

Interstate apportionment

Directs the Secretary of Transportation to apportion out of the Highway Trust Fund, $1 billion of the funds authorized for fiscal year 1974 for expenditure on the Interstate and Defense Highway systems. S. Con. Res. 6. P/S March 6, 1973.

Ocean transportation in noncontiguous States and territories

Amends section 607(k)(8) of the Merchant Marine Act, 1936, as amended, to expressly include within the definition of "noncontiguous trade" trade between two or more points within Alaska, Hawaii, Puerto Rico, or any other territory or possession of the United States for the purpose of insuring that vessels trading between points within such States and insular territories and possessions are eligible for assistance from capital construction funds (tax deferred reserve funds) generated by the deposits made by eligible vessel operators under agreements with the Secretary of Commerce, and to make it clear that a vessel which has been built with such funds is legally permitted to between such points. S. 902. P/S June 30, 1973.

Rail freight car shortage

In view of the current railroad transportation crisis caused by a freight car shortage and other factors, declares it to be the sense of the Senate that (1) the Commodity Credit Corporation should make available to farmers the option to reseal loans on farm-stored wheat and feed grains with respect to the 1971 and 1972 crops; and (2) the President is urged and requested to appoint a special committee to conduct a study of the railroad freight car shortage problem and to submit to the President and the Senate Committees on Agriculture and Forestry and Commerce, within thirty days after its appointment, a report along with its recommendations for the most effective and practical means of (A) delivering adequate quantities of wheat to millers and feed grains to farmers and stockmen in the United States dependent upon such grain for feeding their livestock, and (B) alleviating the backup at those ports where numerous ships and railroad cars are waiting to be loaded and unloaded. S. Res. 59. Senate adopted February 19, 1973.

Railroad Retirement Act and Interstate Commerce Act amendments

Increases the tax which railroads are required to pay under the Railroad Retirement Act; provides for retirement eligibility for men at age 60 with 30 years of service; provides for an extension to December 31, 1974, of the temporary railroad retirement benefit increases presently scheduled to expire July 1, 1973; provides for a pass-through of social security benefit increases which might be enacted between July 1, 1973, and December 31, 1974; increases the taxes which railroads are required to pay under the Railroad Retirement Act; provides for the establishment of a labor management committee to recommend a restructuring of the railroad retirement system to insure its actuarial soundness with a final report and recommendations to be submitted to the Congress by April 1, 1974; declares the intent of Congress to enact legislation in 1974, effective not later than January 1, 1975, which will assure the long-term actuarial soundness of the railroad retirement system; amends the Interstate Commerce Act to provide that the Interstate Commerce Commission shall, by informal rule-making under the Administrative Procedure Act, establish the requirements for petitions for adjustments of rates of common carriers occasioned by the tax increases prescribed in this act or by other law on or before January 1, 1975, and provides for expedited freight-rate making procedures applicable to interstate and intrastate rates; and contains other provisions. H.R. 7200. Public Law 93——, approved—— 1973.

Ship construction

Amends section 502(a) of the Merchant Marine Act, 1936, as amended, to extend from June 30, 1973, to June 30, 1976, the authority of the Secretary of Commerce to award subsidies for the construction of vessels on which the price has been established by negotiation between the prospective ship owner and the shipyard. H.R. 6187. Public Law 93——, approved——1973.

VETERANS

Drug and Alcohol Treatment and Rehabilitation Act

Provides for a fully-funded, comprehensive drug and alcohol treatment and rehabilitation program for addicted veterans regardless of service connection or the nature of their discharge; establishes a special medical treatment and rehabilitative services program for any veteran with a drug dependence or drug abuse disability, stressing highly individualized community-based, multimodality, in-house and contract services, including a wide range of vocational and educational counseling and rehabilitative services and job placement assistance; requires the Administrator to carry out a program of vocational rehabilitation for those Vietnam era veterans with addiction disabilities; broadens the eligibility for basic V.A. hospital care and medical services for service-connected disabilities; and contains other provisions. S. 284. P/S March 6, 1973.

Health Care Expansion Act

Improves the ability of the Veterans' Administration (VA) to deliver quality medical care to its beneficiaries by widening the scope of treatment (particularly for ambulatory and nursing care); expands coverage to certain dependents of beneficiaries or former beneficiaries; provides for a voluntary, comprehensive sickle cell anemia screening and counseling program; expands the primary function of the Veterans Administration Department of Medicine and Surgery to include assisting in providing an adequate supply of health care manpower; improves the personnel system of the Department of Medicine and Surgery to provide for major emphasis on recruitment, training and employment by the V.A. of recent veterans with medical military occupation specialities and to make that Department more attractive to skilled health care personnel; improves the staff-to-patient ratio in V.A. medical facilities; ensures that V.A. facilities are structurally safe; and contains other provisions. *NOTE:* (H.R. 10880 [92d–2d], a similar measure, was pocket vetoed by President Nixon on October 27, 1972.) S. 59. P/S March 6, 1973.

National Cemeteries Act

Establishes within the Veterans' Administration (V.A.) a National Cemetery System consisting of those cemeteries presently under the jurisdiction of the V.A. and those to be transferred by September 1, 1973, to the V.A. from the Department of Army with the exception of certain specified cemeteries, including Arlington National Cemetery and those located at the service academies; directs the V.A. to conduct a comprehensive study and submit its recommendations on or before January 3, 1974, as to what our National Cemetery System and national burial policy should be; authorizes the Administrator of Veterans' Affairs to permit the flying of the American flag at cemeteries in the national cemetery system 24 hours a day; authorizes a special burial plot allowance of $150 (in addition to the present V.A. allowance for burial and funeral expenses of $250) in any case where a veteran is not buried in a national or other Federal cemetery; authorizes the burial of an unknown soldier from the Vietnam Conflict at Arlington National Cemetery; and contains other provisions. *NOTE:* (H.R. 12674 [92d–2d], a similar measure, was pocket vetoed by President Nixon on October 27, 1972.) S. 49. Public Law 93–43, approved June 18, 1973.

THE SLIDE OF THE DOLLAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an article entitled "Dramatic Slide of the Dollar Creates a Sense of Panic," written by Hobart Rowen, and published in the Washington Post of July 8, 1973.

There being no objection, the article was ordered to be printed in the Record, as follows:

Dramatic Slide of Dollar Creates a Sense of Panic

(By Hobart Rowen)

The daily reports of the U.S. dollar weakening in foreign exchange markets are getting frighteningly monotonous. One doesn't have to be an international monetary expert to wonder—where does it all end?

According to economists and money men here and abroad, the dollar has become weaker than it ought to be. That is, looking at the economic performance of the United States and comparing it to the levels of activity elsewhere, the conclusion is that speculation against the dollar has been overdone, largely for psychological reasons. The dollar, simply, has become too cheap.

The main worry, of course, relates to the Watergate scandal. It is not, as John Palmer observed in The Guardian the other day, "that the currency dealers are worried about who bugged whom, but that the scandal has literally paralyzed the U.S. government at a time when it is facing a formidable resurgence of price inflation at home and major international negotiations on monetary and trade reform."

The deterioration of the dollar in the last several weeks has exceeded the most exaggerated notions of the wildest gold bugs. For example, between May 7 and the end of this past week the D-mark appreciated by 19.8 per cent against the dollar—and that was *after* the second devaluation.

The loss of the value of the dollar compared to certain strong currencies has been phenomenal. Going back to June, 1970, just three years ago, this table shows the appreciation of certain other currencies against the dollar as compiled by the Morgan Guaranty Trust Co.:

	Percent
Japanese yen	37.2
German D-mark	60.0
French franc	42.4
Swiss franc	63.1
Dutch guilder	45.2
Belgian franc	45.0
Austrian schilling	54.2
Danish krona	35.8
Norwegian krone	38.8
Swedish krona	30.6
Australian dollar	26.5

The dollar slide is beginning to create a sense of near-panic among Europeans. A cheap dollar gives the U.S. a big advantage against European exports. Moreover, it makes it attractive for European manufacturers to build plants in this country as one way of maintaining a competitive edge. That spells a loss of jobs—and when enough people lose jobs, politicians may lose their own.

That's why you're reading statements like French President Georges Pompidou's that Europe must defend itself against "the pernicious sickness represented by a monetary crisis."

The staggering depreciation of the dollar seems to trigger a vicious cycle. For example, it has tobogganed so far that Europeans and Japan are trying to buy all of the soybeans and steel scrap they can, at bargain dollar prices.

But to protect the domestic supply, the U.S. put on export controls. That limits our ability to improve the trade balance. And everybody agrees that there will be no renewed confidence in the dollar while the balance of payments is badly out of whack.

Meanwhile, inflation runs at a merry pace as the Nixon administration tries to dig itself and the country out of the mess it triggered by the rash abandonment last January of Phase II wage-price controls.

Coincident with planning for a new Phase IV, the Federal Reserve Board has been trying to puncture the boom by tightening the monetary screws, running the discount rate up to 7 per cent, triggering an 8 per cent prime lending rate at banks.

The U.S. economy is already slowing down from the fantastic first-quarter level, and the tight money dose applied by the Federal Reserve medicine men will probably hasten the onset of a recession. In fact—strange as it may seem—the U.S. government will find itself happy to announce some statistics soon that will show real economic growth receding. Unemployment will stay high or increase.

This bad news will probably provide a perverse tonic for the dollar, and even for the stock market. For it will imply that the super-heated demand in the economy is cooling down, and with a more relaxed pace, prices should begin to advance more slowly. Thus, the second half should record a better performance than the recent 7 per cent increase in the consumer price index and the 20 per cent increase in the wholesale price index for the first six months of the year.

But no one looks for sharp reversals in psychological attitudes while Watergate hangs like a noose around Nixon's neck.

The extraordinary instability of currency relationships doesn't bode well for an early agreement on a modernized international monetary system. The 5.5 per cent revaluation of the German mark last week, while advertised as a last-ditch effort to keep alive hopes for a common European currency, reflects more than anything else the continued weakness of the dollar. No one would bet that the mark and perhaps the Swiss franc will not be revalued again.

Europeans, when you talk monetary reform to them, want resumption of dollar convertibility. (They are mindful that because of the new export rules, dollars are not convertible into certain commodities like soybeans, to say nothing of gold.)

But convertibility is a far-out dream in a world where the U.S. deficit, piling up yet more dollars abroad, runs merrily along. The end of the Vietnam war is a plus in the long-term outlook, but that's offset by the grim dollar requirements for Middle East oil.

Perhaps the only realistic prospect is for achieving merely cosmetic progress at the big IMF annual meeting coming up this fall in Nairobi, while concentrating on general guidelines for the so-called "transitional float" now in effect. Rules for intervention could be spelled out, giving the financial world some assurance that the float will be managed well while the tougher problems of convertibility and consolidation of debt are worked on.

IS ARAB OIL AN ECONOMIC ATOM BOMB?

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an article entitled "Arab Oil—Is It an Economic Atom Bomb?" published in the New York Times of July 8, 1973.

There being no objection, the article was ordered to be printed in the Record, as follows:

Arab Oil—Is It an Economic Atom Bomb?

(By William D. Smith)

"The day will come when oil will be used as the ultimate weapon in the battle," Libya's mercurial leader, Col. Muammar el Qaddafi warned the Western oil consuming nations in May. Within a month he converted the threat into action, nationalizing Nelson Bunker Hunt, an American company that accounts for 10 per cent of Libya's oil production.

It was the first time a Western-owned property in the Middle East had been nationalized for the explicit reason that the company's country of origin had supported Israel in its confrontation with the Arabs. And it immediately gave rise to three questions: How important is Arab oil to the United States and the rest of the industrialized West? What would be the cost to the Arabs of cutting off oil sales to the West? Are the Arabs willing to pay that price?

There are no simple answers, even though some of the facts are well known. The Arab world and Iran produce about 43 per cent of the non-Communist world's oil and hold about two-thirds of the world's proven reserves. There are about 670 billion barrels in known reserves. Stated in billions of barrels, they are distributed this way: Saudi Arabia, 138; Iran, 65; Kuwait, 64.9; Algeria, 47; Libya, 30.4; Iraq, 29; other Middle Eastern countries, 58.4.

The Middle Eastern dominance of world oil supplies will grow during the rest of the decade. Saudi Arabia, for example, which in 1972 produced 5.2 million barrels daily, by 1980 is likely to be producing more than 10 million barrels a day.

The United States' dependence on Middle Eastern oil is, unfortunately, growing as well. In 1970, the United States obtained less than 3 per cent of its oil from the Middle East. But the demand, expressed, for instance, by the two-car family and the increased use of air conditioning, has risen dramatically. By last year, about 15 per cent of the oil consumed in the United States was imported from the Middle East; by 1980 it could be as much as 35 per cent.

"Arab oil is not just important, it is essential," says John G. McLean, chairman of the Continental Oil Company and head of the National Petroleum Council. "There is no way to replace it now or in the foreseeable future. The situation is such that if the Arabs want to roll the dice against you, it would be a very rough game."

There would appear to be no alternative to Arab oil. Sources such as Canada and Venezuela could not take up the slack if the Middle Eastern flow were cut. In fact, in the past few weeks, Canada has imposed restrictions limiting future exports to the United States so that Canada's own needs can be met before any oil is shipped south.

Given the United States' increasing reliance on Middle Eastern oil, what would the effect be on the Arab nations if they cut off sales to the West?

The old cliché used to hold that "the Arabs can't drink their oil." They still can't, but a number of them have built up such huge monetary reserves that they could halt all oil sales and still keep their relatively small populations in drink, and food, for quite a while. Libya, for example, with a population of just over 2 million, had reserves of foreign currency and gold of $2.9 billion last year.

Another traditional saw was that for a boycott to work, every producing country had to join. Such was the case in 1967 when an attempted boycott of the United States failed. But now, even the restriction of exports by one major producer would put the world and United States energy situation in turmoil, according to John Lichtblau, of the Petroleum Industry Research Foundation.

Boycotts are crude weapons and, as Senator J. William Fulbright has warned, can invite retaliation. In a recent speech he said the United States might "come to the conclusion that military action is required to secure the oil resources of the Middle East, to secure our exposed jugular." The United States might avoid direct military intervention, he said, and leave the action to "militarily potent surrogates" such as Israel or Iran. The Nixon Administration was quick to deny such an intention, but in the Arab world the possibility is taken as real.

To avoid a direct confrontation, yet still exert pressure on Israel's Western supporters, some Arab leaders are discussing a more subtle squeeze; a deliberate restriction, or total stand-still, in the rate at which they have been expanding production. Dr. Nadim Pachachi, former secretary general of the Organization of Petroleum Exporting Countries (OPEC), the producers' bargaining group, said "In the present seller's market for crude oil, reinforced by the emergence of the United States as a large-scale importer of Arab oil . . . this would be quite sufficient to cause a world-wide supply crisis in a fairly short period of time."

He is probably right, but eventually the producing nations would face severe economic problems despite their reserves of gold and cash. Are the Arab leaders bitter enough about American support of Israel to accept such consequences?

Some of them—Libya's Colonel Qaddafi for one—undoubtedly are. The Libyan Government is officially seeking the immediate takeover of three larger oil companies, in addition to Bunker Hunt. Negotiations resumed last week between with the companies, Occidental; the Oasis group (Continental, Marathon, Amerada Hess and Shell); and the Amoseas group (Texaco and California Standard). Compensation—how the Libyans will pay for the installations they take over—is the sticking point.

The Libyans have offered payment equal to the net book value of the installations; the companies seek reimbursement equal to the cost of duplicating the installations today, a much higher figure. Bunker Hunt, like the others unable to reach agreement, has "blacklisted" or threatened to take court action against anyone dealing in oil extracted from its Libyan field before the dispute is settled.

There is no clear sign that other Arab nations are ready to follow Libya's lead; most experts are optimistic in believing that oil will not become a diplomatic weapon. Prof. Charles F. Stewart, of Columbia University's Graduate School of Business and a specialist in international economics, lists a number of factors that will limit the Arab militance. Among them: inter-Arab rivalries, such as that between Iraq and Libya; the fact that damage to the American economy would imperil the Arabs' huge holdings of American dollars; and the differing political inclinations of the various Arab and Moslem governments. Although such nations as Iraq are pro-Communist and hostile to the United States, Saudi Arabia and non-Arab Iran, key countries in providing future oil supplies, are conservative and friendly towards Washington. Even the Soviet Union, in a developing détente with the United States, could be a restraining influence on such states as Iraq and Syria.

But, the problem is not simple. Last week, King Faisal declared that Saudi Arabia would find it "difficult" to continue to cooperate with the United States if American support for Israel remains at its present level.

To the American motorist, newly aware that there is not an endless string of Texas oil wells at the other end of his filling station pump, Middle Eastern oil is a crucial commodity. And therefore, although it is also a risky commodity, some Americans are still prepared to venture their capital in getting Middle Eastern oil to American markets.

Ten days ago, Kidder, Peabody & Co., Bechtel Corp., and First National City Bank of New York announced a $400-million plan to build an oil pipeline in Egypt beside the Suez Canal, the tanker artery severed by the 1967 Arab-Israel war.

RETIREMENT OF JOHN KAMPS

Mr. MANSFIELD. Mr. President, last week one of the distinguished journalists of the Press Gallery, Mr. John Kamps, a former student of mine at the University of Montana, an outstanding reporter, and a man of impartiality and understanding, retired.

John Kamps will be missed not only on the basis of my personal and long-time friendship with him, but also because of the diligence and integrity with which he covered the States which were under his supervision.

I wish John well. I shall miss him, and I am sure that those of us from the West and from Alaska who have been under his wing, so to speak, will miss him.

In his retirement, I hope that he will have the opportunity to get in a little fishing, a little loafing, and a little rest. He has earned it.

ORDER OF BUSINESS

Mr. SCOTT of Pennsylvania. Mr. President, I shall not use my time this morning; I do not want to wake anybody up.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes each.

THE LEGISLATIVE SCHEDULE AHEAD

Mr. MANSFIELD. Mr. President, on behalf of the distinguished minority leader and myself, I wish to state that due to the fact that the Senate has a very heavy workload on the calendar—and there will be a sizable number of appropriation bills to consider—the Senate may look forward to the distinct possibility of Saturday sessions during the 4 weeks we shall be in session. The reason is that we will have to be on top of our work. Come August 3, 4, or 5, or thereabouts, we shall be taking 4 or 5 weeks off.

So I wish to serve notice, with the concurrence of the distinguished minority leader, that Senators should be in Washington, or close to Washington, prepared to face up to their responsibilities on a 6-day-a-week basis from now on.

Mr. SCOTT of Pennsylvania. Mr. President, I agree with what the distinguished majority leader has said.

PHASE IV—JUDGE IT ON SIX PRINCIPLES

Mr. PROXMIRE. Mr. President, the construction of phase IV is the single toughest domestic peacetime problem faced by the Government in years. It comes at a time where there has been a colossal increase in wholesale prices, heavy pressures on the economy, and shortages of both food and fuel at home. The increase in the demand for food is worldwide and in some industrial areas production is near or at capacity. The difficulty in erecting an effective phase IV cannot, therefore, be underestimated.

If phase IV is to succeed it must have the cooperation and approval of the American people. It must not only be vigorously enforced but must also be constructed on the right principles. In these circumstances I believe the program can be tested and judged by the following standards.

JUDGE IT BY THESE STANDARDS

First. Will it work? Will it be effective in holding down price increases and limiting inflationary wage increases? The loopholes, truckholes, and exceptions of phase III, which let almost everyone out from under the program, must be eliminated.

Second. Will it promote an abundance of supply and avoid shortages, especially of food and oil?

Third. Will it be equitable, favoring no group at the expense of all Americans? There must be no loopholes in phase IV which allow corporation executives, for example, to get 100- to 200-percent increases in salaries and bonuses while pay increases to workers in their plants are held to 5.5 percent or less. Last year, while phase II was in operation—and most people considered that to be relatively strict—executives of corporations on the average enjoyed the increases that were three times as high as that of the average worker.

Fourth. Will it promote longrun price and wage stability? If excessive wage or price increases are merely postponed, hitting in later this year, the program will be a failure.

Fifth. Will the program be designed to promote a return to an uncontrolled, free economy soon without disastrous problems of transition?

Sixth. Will the program allow us to improve our balance of trade and reduce our overseas deficits without causing shortages at home?

Some of these principles are contradictory, and obviously they are going to be enormously difficult to achieve. That is why I say it is going to take an effective program, carefully thought out, vigorously administered, and with full cooperation and understanding on the part of the American people.

These principles can form the main basis for evaluating phase IV. These are the tests which I shall apply to the proposals of both the administration witnesses and outside economic experts when they appear before the Banking Committee 10 days from now, in the hearings we will hold on this matter.

QUORUM CALL

Mr. PROXMIRE. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SHARP INCREASE IN INFLATIONARY PRESSURES CALL FOR REDUCTION IN SPENDING CEILING BY AT LEAST $5 BILLION

Mr. PROXMIRE. Mr. President, in view of the colossal increase in interest rates and the sharp and alarming rise in wholesale prices announced Friday, the Government must reduce the $268.7 billion outlay ceiling by at least $5 billion.

WHOLESALE PRICES GOING THROUGH THE ROOF

We now face an entirely new ball game. The wholesale price index released Friday showed that from May to June on a seasonally adjusted annual basis:

The all-commodities wholesale price index rose 27.6 percent.

Farm products and processed foods and feeds rose 60 percent.

Industrial commodities rose 12 percent.

Consumer-finished goods rose 19.2 percent.

In normal years during the decade of the 1960's, the wholesale price index rose at a rate of only 1 to 2 percent per year. June was not just 1 bad month. The quarterly figures—April, May, and June, the 3-month period—were about as bad as was June. The wholesale price index—again on a seasonally adjusted annual basis—was up 23.4 percent. The industrial index was up 14.9 percent. Farm products and food and feed were up 43.2 percent. And consumer finished goods rose at a 15.9 percent rate.

INTEREST RATES UP, TOO

Interest rates have also risen faster and higher than anticipated. The new prime rate established by a number of banks last week was 8¼ percent and may go to 8½ percent shortly. The reason for this is that we have been relying almost entirely on monetary policy, holding down the money supply to fight inflation. It is not enough. We need to rely on controlling the big expansion in Government spending.

CAUSED BY THREE FACTORS

All of this has been caused by at least three major factors; namely, a weak and pusillanimous phase III; excessive Federal spending; and an undue reliance on tight money because of the failure to impose either a tough fiscal policy or tough controls to halt the inflation.

TWO ANSWERS—A TOUGH PHASE IV AND CUT SPENDING

The answer flows directly from these failures.

First, the situation reinforces the necessity for a no-nonsense, hard hitting, we-mean-business phase IV.

Second, Congress and the President must cut spending and impose a lower ceiling so that interest rates and monetary policy do not have to bear the anti-inflationary load all alone.

TIME TO ACT IS NOW

And the time to act is now. None of the major spending bills have yet passed Congress. And the two biggest ones, Defense and HEW could easily absorb the $5 billion cut in spending I propose.

A sharp, clear cut in spending of $5 billion now, first by imposing a $263 billion ceiling and second by slashing the big money bills, plus a tough phase IV, could have the kind of psychological effect this country needs to halt the inflationary spiral.

There is no economic justification for a prime interest rate between 8 and 8.5 percent or to have mortgage interest rates, including points, at the same level. This merely places the burden of fighting inflation on housing, small business, and State and local governments, none of which are the primary or even remote cause of the inflation.

A much better answer is to slash Federal spending and impose an effective phase IV.

It is time for the President of the United States and Congress to act.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Mr. President, I am delighted that the distinguished Senator from Wisconsin, who knows much more than I do about economic matters, has seen fit to take the floor this morning to discuss the situation which confronts this Nation at this time.

The Senator has mentioned a $5 billion cut. I think that is very reasonable. I would hope that a cut could go a little bit deeper. One place where a cut could be made, in my opinion, is in the stationing of our troops and their dependents overseas. It is my understanding that as far as Germany is concerned, where the greatest proportion of our troops and their dependents are stationed, in less than 2 years, beause of the devaluation of the dollar, the costs have increased in excess of 30 percent. In other words, the dollar goes down and the costs go up.

It is my further understanding that from May 1972 to May 1973 the rate of inflation for that 12-month period was 5.5 percent, but this year, for the first half, if we continue at the present rate, the rate of inflation will be in excess of 9 percent.

This is a situation that has to be faced up to. Frankly, I do not know the economic facts and I have to depend on people with more intelligence and understanding of these matters, such as the distinguished Senator from Wisconsin, who now holds the floor, and some of his colleagues; but it appears to me that one of the ways we can bring about rectification of the situation is through reduction of Government expenditures below the President's budget request. May I say, incidentally, that Congress, in the first 4 years of the Nixon administration, reduced the President's budget requests by $20.3 billion, an average of a little over $5 billion a year. During that period the deficits which this Government piled up in the first 4 years of the present administration amounted to $104.2 billion. So something is sadly out of whack. Inflation is becoming rampant.

I would hope that phase IV would be a tough economic program. I was sorry, I might say, in passing, that phase II was abolished so abruptly when it was working so well. If we do not face up to our responsibilities, and that includes Congress as well as the executive branch, I fear this country is in for a recession, and it may well be only part of a worldwide recession.

I commend the distinguished Senator from Wisconsin and I hope he keeps on pounding away at this matter day after day. If something is not done, the dollar will continue to spiral, inflation will grow worse, and the result could be a recession leading to worldwide recession, and chaos, and we can afford neither one in this country at this time.

Mr. PROXMIRE. Mr. President, the majority leader has hit exactly the point on which I think we should be able at long, long last to get congressional action, when he talks about reducing spending by holding down spending on troops abroad, and particularly in Germany.

One of the most fascinating developments in the last week or so was the revelation that this year for the first time in many, many years this is not the richest country in the world.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, if the Chair will recognize me, I yield to the Senator from Wisconsin.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. I thank the Senator.

In all of my lifetime we have viewed our country proudly as being the richest in the world. That is no longer true. On the basis of some criteria, including per capita income, West Germany is today the richest country in the world, thanks to the devaluation of the dollar, the depreciation of the mark, and their remarkable economic progress in the last 20 years.

Under these circumstances, for us to bear this enormous burden of troops in Europe—which the majority leader pointed out is something on the order of an overall cost of $30 billion, and NATO's burden is $14 billion—and for us to continue to do so year after year when West Germany is a richer country than we are, does not make sense. This fact, which is so hard for us to understand and realize, will come home to the American people. Japan, too, will pass us in 2 or 3 years.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Is it not true that just last week West Germany again revalued the deutsche mark upward?

Mr. PROXMIRE. The Senator is correct.

Mr. MANSFIELD. Does not that mean, then, that our costs have increased in West Germany as a result?

Mr. PROXMIRE. Yes. It increases the cost of everything we buy in Germany and the cost to supply our troops.

Mr. MANSFIELD. The ordinary GI finds it extremely difficult on his salary to cope with the economic situation which confronts him. In this country—according to the press, at least—some servicemen at certain military posts are on welfare while serving in the Armed Forces. Something in the way of a compensatory factor may have to be arrived at to give the enlisted men in Western Europe an even break.

Incidentally, I asked the Secretary of Defense some months ago at a meeting of the Subcommittee on Defense Appropriations how many general officers and admirals there are in Western Europe. I told him that my recollection was that the number was 123 about 3 years ago. He said he would supply the information. In going over the testimony week before last I found that at the present time we have 130 general officers and admirals in Western Europe. I just cite that fact for the RECORD.

Mr. PROXMIRE. I thank the distinguished majority leader.

The ACTING PRESIDENT pro tempore. The Senator's 3 minutes have expired.

Mr. PROXMIRE. I yield the floor.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REMARKS OF HON. JAMES R. SCHLESINGER, SECRETARY OF DEFENSE

Mr. HARRY F. BYRD, JR. Mr. President, on Tuesday, July 3, the Hon. James R. Schlesinger assumed the duties of Secretary of Defense. On that occasion he made formal remarks to the Armed Services, and I ask unanimous consent that a copy of the remarks be inserted at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY THE HONORABLE JAMES R. SCHLESINGER

On this occasion of formal welcome as Secretary of Defense many thoughts come to mind. I am duly awed by the responsibilities of the office to which the President has called me. I am deeply grateful for the support and encouragement generously given by all members of the Department of Defense. And for the first time as Secretary of Defense I have the privilege of saluting the men and women of our Armed Forces. The United States has called you to great and sometimes onerous duties, which you have unswervingly performed with dedication and skill. A rekindling of the public appreciation of that dedication is a task of high priority.

Our defense establishment exists for but one objective: to protect the national entity, its commitments and interests. Weapons systems, force structure, doctrine concern all of us deeply. Of vital importance is the effective use of resources. But as we contemplate the national entity in the present climate, we may recognize that these instruments are in some sense, secondary. So, let me take this occasion to speak to you about those larger matters that a Secretary of Defense does not normally have the opportunity to discuss.

At this point in our nation's history our social fabric is, sadly, somewhat frayed—reflecting the conflicts over the war in Southeast Asia as well as nagging domestic discontents. We in this Department draw our strength from a healthy and stable society. Restoration of a sense of national unity and purpose must therefore be our highest objective. Consequently, we should be aware of these deeper ailments—social and economic. Some of these stem from substantive imbalances in our society; some from a currently fashionable spirit of nihilistic individualism troubling all of our Western societies.

It is our high obligation to preserve for the future this nation—and to permit the continued flourishing of the free institutions and the social attitudes it represents. Exemplified within the Department of Defense are, I believe, some of those characteristics necessary to a restored sense of national unity and purpose. The members of this Department demonstrate the type of dedication on which the nation must draw. The Armed Forces historically have displayed the discipline and the pooling of effort for common purposes that serve as cure for self-centeredness and for individualism gone away. This example can assist us as our nation strives after a new—dare I use the term?—consensus.

Within the Department we shall be obliged to exhibit patience and self restraint. We must be prepared to accept adjustment and change. There are luxuries that we shall have to do without. There are apparent necessities which, in light of our budgetary restraints, we shall have to acquire more slowly than some would like. There are some aspects of Service parochialism which we shall have to discard—a parochialism, understandable and even defensible, in light of Service pride and the belief of each Service in itself as a separate mission-oriented organization. But we must temper this parochialism, while retaining Service pride and tradition, and subsume it within the broader mission of this nation's military establishment.

Our nation's military posture cannot depend upon atmospherics or the hoped-for goodwill and forbearance of potential foes. It must be based on a sober assessment of the risks and the military capabilities arrayed on the world scene—rather than on soothing words. A structure of peace—which we all ardently seek—requires the maintenance of a force structure which adequately reflects and maintains the military realities and the balance of political power.

This task requires a long term perspective—unperturbed by euphoria or despair. Logically and realistically this perspective should encompass the same time frame as the generation of peace for which we strive. It requires dedication to purpose, steadiness of effort and stability in attitude.

Let me assure you that I shall do my best to contribute to that stability and steadiness in this Department. I call on all of you for your best effort in the challenging period ahead.

Let us go forward with appreciation of our nation's destiny, with a renewed dedication to our mission, and with high hopes for the future and our own role in achieving this nation's common purposes.

ORDER OF BUSINESS

Mr. COTTON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. MANSFIELD. Mr. President, I want at this time to assign the time allotted to me on the bill to become the pending business at the conclusion of morning business to the distinguished Senator from New Hampshire (Mr. COTTON).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. COTTON. I thank the majority leader. I merely wanted to ask unanimous consent that during the consideration of the airport transportation bill Mr. Arthur Pankopf and Mr. Malcolm Sterrett, of the staff of the Commerce Committee, be allowed the privilege of the floor during the consideration of the bill and the votes thereon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SCOTT of Virginia. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. SCOTT of Virginia. Mr. President, I ask unanimous consent that my assistant, Mr. Donald Musch, be also permitted the privilege of the floor during the same period.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator from New Hampshire will yield, I make the same request for Mr. John I. Brooks, of my staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BEALL. Mr. President, if the Senator will yield, I make the same request for Mr. David Markey, of my staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO CONVENE AT 10 A.M. TUESDAY, WEDNESDAY, THURSDAY, FRIDAY, AND SATURDAY OF THIS WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, and Tuesday, Wednesday, Thursday, and Friday, it stand in adjournment until the hour of 10 a.m. on the morning of Tuesday, Wednesday, Thursday, Friday, and Saturday, respectively.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ACTIVITIES ON CAPITOL GROUNDS ON JULY 4

Mr. CURTIS. Mr. President, the other day a letter came to my attention stating briefly the spirit of the "quiet majority" in the United States.

Through the media, we hear of many demonstrations being staged against the ideals and standards of our great country. One such "gathering" was held on the steps of our Capitol, July 4, 1973. The repercussions of this anti-American demonstration resulted in the blocking of numerous citizens from the Capitol grounds, the stealing of money designated for charity by the demonstrators from the fountain at the base of the Capitol, and the littering of the grounds which our taxpayer's money helps to maintain.

While not publicized, as the demonstrators were, I am heartened to know that there are young people who feel a great respect for our country and thus our Capitol grounds. These young people, quietly and without immediate praise, took it upon themselves to clean the litter left behind by the demonstrators. I am pleased that these young people were members of one of the many 4-H Clubs in the State of Nebraska. My sincere gratitude goes to these young citizens, and I feel that the actions of the Nebraska's 4-H'ers should be brought to the attention of my colleagues.

I wish to read a letter bearing on this matter:

July 5, 1973.

Senator Carl T. Curtis,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Curtis: I am anxious that you and the people of your great state know of an event that happened on the steps of the U.S. Capitol last night, the 4th of July.

As people began to gather to watch the traditional fireworks a group of disruptors attempted to hold one of their anti-American "demonstrations" at the base of the Capitol. Park police handled the situation well and ran them off quickly, but in their wake was left the rubbish that one might expect from their likes.

Those of us that had come to celebrate the day numbered several thousand, but somehow our spirits had been dampened by the thought that such a display could take place in our own country and that such filth remained to litter the shrubs, the fountain, and the grounds of our Capitol.

While we all sat subdued and silent, a wonderful thing happened. Without any noise or showiness, a group of young people began to move to the area that had been left covered with rubbish. One by one, they picked up the papers, the rags, the boxes, the wire, and the like. One youngster quietly produced a trash can, others fished things out of the fountain, and then a second can was filed and carried away. Within a short time the entire area was clean and beautiful again.

While we all watched with heartfelt respect for the real youth of America they quietly moved back up to their spot on the Capitol steps. Everyone seemed to want to say Thank You to those young people, but no one knew quite how . . . until one of them led the way again. Under the grandeur of the Capitol dome as our flag shone in the evening spotlight one of them started to sing God Bless America. The singing spread quickly throughout the crowd and in seconds we were all on our feet deeply understanding the meaning of each word.

For all of us, the evening of July 4th, 1973, will have a special meaning. It was a moment that made us recognize the potential effect of the mob, but also was a moment of reassurance that America's young people, working more quietly and with more determination, will not let this nation suffer irreparable damage at the hands of those who want it destroyed.

It was truly a night of "rededication" thanks to a group of real Americans—the 4-H Club from Nebraska.

Sincerely,

Jack G. Wilson.

I yield back the remainder of my time.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF THE BILL TO PROVIDE AN ELECTED MAYOR AND CITY COUNCIL FOR THE DISTRICT OF COLUMBIA

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the routine morning business on tomorrow, the Chair lay before the Senate, S. 1435, a bill to provide for an elected Mayor and City Council for the District of Columbia; that the unfinished business be then temporarily laid aside, and that it remain in a temporarily laid aside status until the disposition of S. 1435, or the close of business on tomorrow, whichever is the earlier.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that, on June 30, 1973, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 1759. An act authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes;

S. 1808. An act to apportion funds for the National System of Interstate and Defense Highways and to authorize funds in accordance with title 23, United States Code, for fiscal year 1974, and for other purposes;

S. 1938. An act to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1974;

S. 1972. An act to further amend the U.S. Information and Educational Exchange Act of 1948; and

S.J. Res. 128. Joint resolution to provide for an extension of certain laws relating to the payment of interest on time and savings deposits.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Huddleston) laid before the Senate the following communications and letters, which were referred as indicated:

Proposed Amendment to the Budget, 1974, for the Commission on the Organization of the Government for the Conduct of Foreign Policy (S. Doc. No. 93-22)

A communication from the President of the United States, transmitting an amendment to the request for appropriations, for the fiscal year 1974, involving an increase in the amount of $1,100,000 for the Commission on the Organization of the Government for the Conduct of Foreign Policy (with an accompanying paper). Referred to the Committee on Appropriations and ordered to be printed.

Proposed Amendments to the Budget, 1974, for the Departments of Agriculture and Commerce (S. Doc. No. 93-23)

A communication from the President of the United States, transmitting amendments to the requests for appropriations transmitted in the budget for the fiscal year 1974, in the amount of $1,628,000 for the Department of Agriculture, and $1,306,000 for the Department of Commerce (with accompanying papers). Referred to the Committee on Appropriations and ordered to be printed.

Proposed Amendment to the Budget, 1974, for the National Commission on Water Quality

A communication from the President of the United States, transmitting a budget amendment for fiscal year 1974 requested by the National Commission on Water Quality (with an accompanying paper). Referred to the Committee on Appropriations and ordered to be printed.

Proposed Legislation Relating to Energy and Natural Resources

A communication from the President of the United States, transmitting a draft of proposed legislation to promote more effective management of certain related functions of the executive branch by reorganizing and consolidating those functions in a new Department of Energy and Natural Resources, by reorganizing and consolidating others in a new Energy Research and Development Administration, and for other purposes (with accompanying papers). Referred to the Committee on Government Operations.

Interim Report on 1973 School Food Service Equipment Survey

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, an interim report on 1973 school food service equipment survey (with an accompanying report). Referred to the Committee on Agriculture and Forestry.

Report on the Federal Plan for Meteorological Services and Supporting Research

A letter from the Associate Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the Federal plan for meteorological services and supporting research, fiscal year 1974 (with an accompanying report). Referred to the Committee on Appropriations.

Proposed Legislation From Department of the Navy

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit officers of certain foreign navies to serve aboard vessels of the U.S. Navy (with an accompanying paper). Referred to the Committee on Armed Services.

Report of National Tourism Resources Review Commission

A letter from the Chairman, National Tourism Resources Review Commission, transmitting, pursuant to law, a report of that Commission (with an accompanying report). Referred to the Committee on Commerce.

Report of National Railroad Passenger Corporation

A letter from the Vice President, Public and Government Affairs, National Railroad Passenger Corporation (Amtrak), transmitting, pursuant to law, a report of that Corporation, for the month of March 1973 (with an accompanying report). Referred to the Committee on Commerce.

Report on Marine Mammal Species and Population Stocks

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the current status of all marine mammal species and population stocks for which the Department of the Interior has responsibility (with an accompanying report). Referred to the Committee on Commerce.

Reports of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Progress and Problems in Achieving Objectives of School Lunch Program," Food and Nutrition Service, Department of Agriculture, dated June 29, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Potential for Greater Consolidation of the Maintenance Workload in the Military Services," Department of Defense, dated July 6, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reduced Requirements for Modular Electronic Equipment for Aircraft," Department of the Air Force, dated July 3, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

Western U.S. Water Plan

A letter from the Secretary of the Interior, transmitting, pursuant to law, the 1973 Progress Report on the Western U.S. Water Plan (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Concession Permit at Colonial National Historical Park, Yorktown, Va.

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a proposed concession permit at the Colonial National Historical Park, Yorktown, Va., (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

Environmental Impact Statements for Legislative Proposals

A letter from the Acting Administrator of the Environmental Protection Agency transmitting, pursuant to law, environmental impact statements for four legislative proposals (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

Report of the Pacific Tropical Botanical Garden

A letter from the Counsel to the Pacific Tropical Botanical Garden transmitting, pursuant to law, the annual report of audit for the year ending December 31, 1972 (with an accompanying report.) Referred to the Committee on the Judiciary.

Report of Civil Air Patrol

A letter from the Chairman, National Board, Civil Air Patrol, transmitting, pursuant to law, a report of that organization, for calendar year 1972 (with an accompanying report). Referred to the Committee on the Judiciary.

Report of the National Council on Radiation Protection and Measurements

A letter from the General Counsel for the National Council on Radiation Protection and Measurements transmitting, pursuant to law, a report entitled "National Council on Radiation Protection and Measurements—Report on Examination of Accounts, December 31, 1972" (with an accompanying report). Referred to the Committee on the Judiciary.

Orders Suspending Deportation

A letter from the Acting Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders suspending deportation (with accompanying papers). Referred to the Committee on the Judiciary.

Reports Concerning Visa Petitions

A letter from the Acting Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, reports concerning visa petitions which have been approved (with accompanying papers). Referred to the Committee on the Judiciary.

Report of the Equal Employment Opportunity Coordinating Council

A letter from the Equal Employment Opportunity Council, pursuant to law, in the nature of a report on the activities of the Council during the fiscal year ending June 30, 1973. Referred to the Committee on Labor and Public Welfare.

Norfolk, Va., Public Health Service Hospital

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the specific plan for the Public Health Service hospital at Norfolk, Va. (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

Report of the Environmental Protection Agency

A letter from the Acting Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report concerning the development of systems necessary to implement the motor vehicle emission standards (with accompanying papers). Referred to the Committee on Public Works.

Report of the Environmental Protection Agency

A letter from the Acting Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report and plan for the creation of a system of national disposal sites for the storage and disposal of hazardous wastes (with accompanying papers). Referred to the Committee on Public Works.

Renewal of Leasehold Interest

A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a prospectus which proposes renewal of the leasehold interest at 120 Church Street, New York, N.Y. (with accompanying papers). Referred to the Committee on Public Works.

Liquid Metal Fast Breeder Reactor Demonstration Project

A letter from the Chairman of the Atomic Energy Commission transmitting proposed legislation relating to the liquid metal fast breeder reactor demonstration project (with accompanying papers). Referred to the Joint Committee on Atomic Energy.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. HUDDLESTON):

A joint resolution of the Legislature of the State of California. Referred to the Committee on Appropriations:

"ASSEMBLY JOINT RESOLUTION No. 8

"Relative to flood protection studies

"Whereas, The flooding of Brannan-Andrus Island during June 1972 resulted in the inundation of the town of Isleton, causing substantial damage and disruption of essential services; and

"Whereas, The town of Isleton is subject to similar flooding at any time in the event of failure of a nonproject levee on Brannan-Andrus Island; and

"Whereas, A levee constructed to project grade and section between the project levee of the Sacramento River and the project levee of Georgiana Slough would protect the town of Isleton and increase flood protection; and

"Whereas, The Army Corps of Engineers is currently authorized to study flood problems of the Sacramento-San Joaquin Delta by Senate Public Works Committee Resolution of June 1, 1948 and by Section 205 of the 1950 Flood Control Act, although no funds are provided for such studies in the President's Budget for fiscal year 1973–74; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Senate and House Committees on Appropriations to augment the 1973–74 budget of the Army Corps of Engineers in an amount determined by their capability for the resumption of the currently authorized Sacramento-San Joaquin Delta sudy, with the view to determining if additional flood protection can be provided for the town of Isleton; and be it further

"Resolved, That such study be undertaken in coordination with the Delta Multiple-Purpose Levee Study now being carried out by the Department of Water Resources of the State of California pursuant to Senate Concurrent Resolution No. 151 of the 1969 Regular Session; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Chief of the Army Corps of Engineers, to the Speaker of the House of Representatives, to the Chairmen of the Senate and House Committees on Appropriations, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California. Referred to the Committeen on Armed Services:

"ASSEMBLY JOINT RESOLUTION No. 46

"Relative to military cutbacks affecting the employment of United States citizens

"Whereas, The recent cutback by the Department of Defense of military installations throughout the United States will leave thousands of civilian workers jobless; and

"Whereas, The present state of unemployment in the United States and California is excessive by any standard of measurement; and

"Whereas, The above-mentioned cutbacks will aggravate an already critical unemployment situation; and

"Whereas, For years, the Joint Committee on Economic Conversion of the California Legislature has urged the federal government to develop a comprehensive plan for minimizing the adverse effects of military cutbacks; and

"Whereas, The California Legislature passed Assembly Joint Resolution No. 30, Resolution Chapter 270 of 1971, which urged a "Defense Employees Bill of Rights Program" for defense employees laid off as a result of Department of Defense action; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to enact a moratorium on all Department of Defense

military cutbacks affecting employment of United States citizens, until such time as a conversion plan guaranteeing suitable reemployment for the affected employees is completed; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice-President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the Texas Mass Transportation Commission, Austin, Tex., relating to public mass transportation. Referred to the Committee on Commerce.

A resolution adopted by the American Lutheran Church, South Pacific District, Los Angeles, Calif., praying for a conditional amnesty for war objectors. Referred to the Committee on the Judiciary.

A resolution adopted by the American Federation of Musicians of the United States and Canada, endorsing the national health security bill. Referred to the Committee on Labor and Public Welfare.

A resolution adopted by the Borough Assembly of the Greater Anchorage Area Borough, Alaska, praying for the enactment of S. 1305, establishing a National Cemetery at Fort Richardson, Alaska. Referred to the Committee on Veterans' Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOMINICK (for himself, Mr. Bennett, Mr. Fannin, Mr. Thurmond, and Mr. Tower):

S. 2124. A bill to amend the National Labor Relations Act and the Railway Labor Act so as to provide for the certification of representatives only upon vote by secret ballot of 50 percent of employees entitled to vote in the election, and require that employees voting in such elections be afforded an opportunity to vote against representation by any individual or organization. Referred to the Committee on Labor and Public Welfare.

By Mr. DOMENICI:

S. 2125. A bill to amend the act entitled "An act granting land to the city of Albuquerque for public purposes," approved June 9, 1906. Referred to the Committee on Interior and Insular Affairs.

By Mr. EAGLETON (for himself and Mr. Inouye):

S. 2126. A bill to improve educational quality through the effective utilization of educational technology. Referred to the Committee on Labor and Public Welfare.

By Mr. MONDALE:

S. 2127. A bill for the relief of Mrs. Cecile Dutchin;

S. 2128. A bill for the relief of Donald Christian;

S. 2129. A bill for the relief of Hiroshi Sato; and

S. 2130. A bill for the relief of Yukio Ichikawa. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMINICK (for himself, Mr. Bennett, Mr. Fannin, Mr. Thurmond, and Mr. Tower):

S. 2124. A bill to amend the National Labor Relations Act and the Railway Labor Act so as to provide for the certification of representatives only upon vote by secret ballot of 50 percent of employees entitled to vote in the election, and to require that employees voting in such elections be afforded an opportunity to vote against representation by any individual or organization. Referred to the Committee on Labor and Public Welfare.

Mr. DOMINICK. Mr. President, I introduce, on behalf of myself, Mr. Bennett, Mr. Fannin, Mr. Thurmond, and Mr. Tower, for appropriate reference, a bill to amend the National Labor Relations Act and the Railway Labor Act so as to provide for the certification of collective bargaining representatives only upon vote by secret ballot of 50 percent of employees entitled to vote in the election, and to require that employees voting in such elections be afforded an opportunity to vote against representation by an individual or organization.

During the past 38 years much effective and beneficial labor legislation has been enacted. Original labor legislation curtailed the powers and abuses of management by strengthening labor's position through effective labor union machinery. Strengthened labor unions provided sufficient protection from management abuses but created an environment where labor union domination led to union abuse of the workers. Later legislation, principally the Labor Management Reporting and Disclosure Act of 1959, sought to rectify this imbalance by specifically protecting various individual rights from union abuse. The 1959 act was effective but it failed to protect some inviolable individual rights. One such right left unprotected was the democratic principle of majority rule.

One of the important factors in the collective bargaining process is the choice of the union which is to be the exclusive bargaining agent for the whole unit. The present status of labor law is such that a majority of the workers can choose the exclusive bargaining agent. Today, the National Labor Relations Board will recognize a union as the exclusive bargaining agent for a unit if such union presents authorization cards signed by a substantial number of the unit laborers. Certification elections are won by a majority of those voting rather than a majority of the unit. There is no requirement regarding minimum participation in the election by eligible employess.

This bill eliminates such questionable practices by requiring that an election be held in every contest for union representation, thus eliminating the authorization card technique.

It also provides that in order for a union to be certified by the NLRB, at least 50 percent of the employees eligible to vote must participate in the election, and the union must have received a majority of the ballots cast. In the event that a majority preference for a specific union or nonrepresentation is not evinced, then a runoff election will be held in order to determine the final choice of the employees. Finally, the bill requires that each ballot specifically provide a choice for "no union representation," thus making clear to the employee that he does have a choice.

Mr. President, this bill simply guarantees workers the same election rights that all the rest of us take for granted.

By Mr. DOMENICI:

S. 2125. A bill to amend the act entitled "An act granting land to the city of Albuquerque for public purposes," approved June 9, 1906. Referred to the Committee on Interior and Insular Affairs.

Mr. DOMENICI. Mr. President, I introduce for appropriate reference a bill to amend the act entitled "An act granting land to the city of Albuquerque for public purposes," approved June 9, 1906.

This bill is similar to legislation which was introduced in the Senate during the 91st Congress. Unfortunately, no action was taken on the proposal.

The need for this amendatory legislation is now even more urgent because the city has recently condemned 8.42 acres adjacent to Old Town for a park to serve the area and the funds to be received from the sale of the unused land would be needed and would be applied to defray a portion of the cost of acquisition and construction of Old Town Park.

Mr. President, I ask unanimous consent that a letter which I received from Louis E. Saavedra, chairman, City Commission, City of Albuquerque, and the accompanying documentation requesting that this bill be introduced be inserted in the Record at this point.

There being no objection, the letter and material were ordered to be printed in the Record, as follows:

City of Albuquerque,
Albuquerque, N. Mex., June 25, 1973.

Hon. Pete V. Domenici,
U.S. Senator, New Senate Office Building, Washington, D.C.

Re Request for reintroduction of S. 4214—a bill introduced by Senator Anderson on August 11, 1970.

References: Chapter 2064, 59th Congress, 1st Session, Public Law 213, 34 Stat. 277 approved June 9, 1906; Land Patent Number 444176, dated November 23, 1914; and Chapter 717, 81st Congress, 2d Session, Public Law 695, 64 Stat. 448–449, approved August 16, 1950.

Dear Senator Domenici: As you know, the land area comprising Los Altos Park and golf course is a portion of 640 acres of land conveyed to the City by Act of Congress limited to use as a "park and other public purposes."

In 1906 the Congress enacted Public Law 213, Chapter 3064 (34 Stat. 227), approved June 9, 1906 (attachment "A") which provided for the issuance of a Patent to the City of Albuquerque for the South Half, Section 17 and the North half, Section 20, Township 10 North, of Range 4 east, NMPM, containing 640 acres, upon the payment of $1.25 per acre, said land to be used for park and other public purposes only, and to revert to the United States "whenever it shall not be used for the purposes mentioned." Pursuant to this Act, full payment having been made by the City, the President, on November 23, 1914, issued to the City his patent for the above-described land, with the reversionary clause contained in the Act. (attachment"B")

In 1950, the 81st Congress passed at City's request, Public Law 695, Chapter 717, approved August 16, 1950, 64 Stat. 448, which amended the above-cited Act of June 9, 1906, by adding a Section 2 entitled "Conveyance." This amendment authorized the City of Albuquerque to convey without restriction as to use, one-half (320 acres) of the land conveyed by the patent, provided that the proceeds derived from such sales *be used for construction of a public auditorium.* (emphasis supplied)—(attachment "C")

Pursuant to authority contained in the Act of August 16, 1950, supra, the City Commission, on September 5, 1950, approved for filing with the Clerk, Bernalillo County, New Mexico, a plat of an area included in and part of the patented lands. This area was designated "Mesa Village Addition" and contained within its exterior boundaries 327.0986 acres (attachments "D" and "E"). This area was divided into 44 blocks, numbered 1 through 44 inclusive, said blocks did not include any of the areas set aside for public streets, alleys and necessary utility easements. The plat "Mesa Village Addition" was filed for record with the County Clerk, Bernalillo County on October 10, 1950. Of the blocks shown on the plat, Block 35 containing 22.114 acres was reserved for Public School and Park purposes and Block 28, containing 1.3533 acres, was reserved for park purposes. On February 10, 1961, Block 35 was conveyed to the Board of Education of the City of Albuquerque for public school purposes. Block 28 was made into a public park and is still used as a public park. On November 15, and 16, 1950, the remaining 42 blocks, containing a total of 205.5485 acres (attachment "D"), were sold at public auction to the highest bidders, as required by law. Proceeds of the sale were used to pay a portion of the cost of construction of the Civic Auditorium. On May 8, 1961, in Cause No. 77938, District Court, Bernalillo County, New Mexico, entitled State of New Mexico, ex rel, State Highway Commission vs. City of Albuquerque, the State obtained a judgment in an eminent domain proceeding in which the State took 40.533 acres of said land for the public purpose of constructing a portion of Interstate Highway 40 through the City of Albuquerque. (attachment "F"). Of the remaining acreage of the patented land, 20.10 acres is under lease to the Department of the Army at $1.00 per year and 16.71 acres is under lease to the New Mexico National Guard at $1.00 per year, all for public governmental purposes—to wit—military training (attachments "H"). The rest is all devoted to park areas and public roads, except 11.841 acres, which on July 30, 1969, was sold on bid to Import Motors Profit Sharing Trust. The funds derived from this sale were used for partial retirement of the bond issue for construction of the Civic Auditorium and to repay the general fund for money used from that account for prior retirement of Auditorium bonds in accordance with an opinion rendered by the Solicitor of the Department of the Interior. (attachment "I"). The corner area at Wyoming and Lomas across from Richardson Ford, and some other small portions, because of their small size and geographical location cannot possibly be put to public use. Accordingly, these remaining small parcels should be sold and the proceeds used for the purchase of other lands for park purposes. Our real estate office is of the opinion that these parcels would sell for about $250,000.

Since the City has not yet sold 320 acres as authorized by Public Law 695, there is no question but the City can sell these remaining parcels without restriction as to *use* under authority contained in the present statute. However, a problem has arisen as to the *application of the proceeds.*

The contract for construction of the Albuquerque Civic Auditorium was awarded by the City on August 23, 1955. The contract price was paid from the proceeds of a bond issue which has all been now retired except for a small remainder which as of July 1, 1973, will be $15,000 plus interest. The funds the City has thus far received from the sale, and condemnation of parcels of the land concerned was used in retirement of a portion of the auditorium bond issue.

The City has now reached the point where the proceeds from the sale of the parcels mentioned above cannot be used for construction of a public auditorium as required by the Act of August 16, 1950 (64 Stat. 448).

In 1970 and 1971, Senator Anderson and Congressman Lujan introduced companion bills amending the Act of August 16, 1950, to permit the City to sell the unused land and devote the proceeds to the acquisition of lands to be used for park purposes. Neither bill was enacted into law. It was a condition, suggested by Senator Anderson, and wholly agreeable to the City, that the proceeds be applied to acquiring parks only. The need for the amendatory legislation is now more urgent because the City has recently condemned 8.42 acres adjacent to Old Town for a park to serve the area and the funds to be received from the sale of the unused land would be needed and would be applied to defray a portion of the cost of acquisition and construction of Old Town Park. The appraised value of the land required is $550,000.

Accordingly, it is respectfully requested that you reintroduce S. 4214, a copy of which is enclosed, along with a copy of H.R. 4738, and do what you can toward securing its passage this session. A similar request is being made of Representative Lujan.

Very truly yours,

LOUIS E. SAAVEDRA,
Chairman, City Commission.

[Fifty-Ninth Congress, Sess. I, Chs. 3064, 3065. 1906.]

JUNE 9, 1906. [H.R. 18333.] [PUBLIC No. 213.]

Chap. 3064.—An act Granting land to the City of Albuquerque for public purposes.

PUBLIC LANDS. GRANT TO ALBUQUERQUE, N. MEX., FOR PARK, ETC.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a patent shall be, and hereby is, authorized to be issued to the City of Albuquerque, in the county of Bernalillo, Territory of New Mexico, for south half of section seventeen and north half of section twenty, in township ten north, of range four east, New Mexico principal meridian, containing six hundred and forty acres, more or less, upon the payment of one dollar and twenty-five cents per acre therefor, and upon the submission of due proof of the incorporation of said city, said land to be used for park and other public purposes only, and the patent to contain the provision that the land shall revert to the United States whenever it shall not be used for the purposes mentioned in this Act.

Approved, June 9, 1906.

[Patent. Dec. 1, 1914, Santa Fe 021141]

UNITED STATES OF AMERICA TO CITY OF ALBUQUERQUE

Whereas, a Certificate of the Register of the Land Office at Santa Fe, New Mexico, has been deposited in the General Land Office, whereby it appears that, according to the provisions of the Act of Congress approved June 9, 1906, entitled "An Act granting land to the City of Albuquerque for public purposes," full payment has been made by the City of Albuquerque, Bernalillo County, New Mexico, for the south Half of Section seventeen and the north half of Section twenty in Township ten north of Range four east of the New Mexico Meridian, New Mexico, containing six hundred forty acres, according to the Official Plat of the survey of the said Land, returned to the General Land Office by the Surveyor-General:

Now know ye, That the United States of America, in consideration of the premises and in conformity with the said Act of Congress of June 9, 1906, has given and granted, and by these presents does give and grant, unto the said City of Albuquerque, the land above described to have and to hold the same, together with all the right, privileges, immunities, and appurtenances, of whatsoever nature, thereunto belonging, unto the said City of Albuquerque, and to its successors forever: *Provided,* That said land shall revert to the United States whenever it shall not be used for the purposes mentioned in said Act.

In testimony whereof, I, Woodrow Wilson, President of the United States of America, have caused these letters to be made Patent, and the seal of the General Land Office to be hereunto affixed. Given under my hand, at the City of Washington, the twenty-third day of November in the year of our Lord one thousand nine hundred and fourteen and of the Independence of the United States the one hundred and thirty-ninth.

By the President:

WOODROW WILSON
By M. P. LE ROY,
Secretary.

[August 16, 1950 [S. 3584] [Public Law 695]]

AN ACT TO AMEND THE ACT OF JUNE 9, 1906 (34 STAT. 227), ENTITLED "AN ACT GRANTING LAND TO THE CITY OF ALBUQUERQUE FOR PUBLIC PURPOSES"

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act approved June 9, 1906 (34 Stat. 227), entitled "An Act granting land to the city of Albuquerque for public purposes", is hereby amended by adding thereto the following:

CONVEYANCE

"SEC. 2. The city of Albuquerque is authorized to convey, without restrictions as to use, not to exceed one-half of the acreage patented under this Act: *Provided, however,* That all the proceeds derived from such sale or sales shall be used for the construction of a public auditorium, erected either under the sole sponsorship of the city of Albuquerque or, if located upon land owned by the University of New Mexico, as a joint project with that university."

Approved August 16, 1950.

AFFIDAVIT

STATE OF NEW MEXICO—COUNTY OF BERNALILLO

Comes now Gisele Gatignol, clerk of the City of Albuquerque, New Mexico and states:

1. That she is the duly appointed, qualified and acting clerk of the City of Albuquerque, New Mexico, a municipal corporation organized and existing under and by virtue of the laws of the State of New Mexico. That as municipal clerk, in accordance with the duties imposed upon her office by Section 14–12–1 N.M.S.A. 1953 as amended, she is responsible for, and is the official custodian of all the records of the City Commission, the governing body of the City of Aubuquerque, including the minutes, ordinances, resolutions, orders, acts and all other official pronouncements of the City Commission. That pursuant to law she has in her custody the original transcript of all minutes, proceedings, ordinances, resolutions, and orders had and adopted by the City Commission with respect to the sale, gift, conveyance or other type of alienation affecting the lands comprising the South ½ of section 17 and the North ½ of section 20, townships 10 North, range E East NMPM, which lands were patented to the City of Albuquerque by the United States of America on November 23, 1914, to be used for parks and other public purposes.

2. That she has examined all the records of the City of Albuquerque pertaining to the above described lands received from the United States and the records in her office disclose the following:

A. The south half of section seventeen and the north half of section twenty, township ten north of range four east of New Mexico meridian, New Mexico, containing six hundred forty acres, was conveyed to the City of Albuquerque for public purposes by patent number 444176, issued by the President of the United States on November 23rd, 1914, pursuant to an act of Congress (34 stat. 227), said patent having been duly recorded in the land records of Bernalillo County, New Mexico on February 8, 1918.

B. That pursuant to an act of Congress, (64 stat. 448) approved August 16, 1950, the City of Albuquerque was authorized to convey without restriction as to use, one half or 320 acres of the lands conveyed by the above mentioned patent. That pursuant to this authorization the City Commission on September 5, 1950, approved for filing with the County Clerk a plat design drawn by Ross Beyer Engineers of an area included within the lands conveyed by the United States.

C. That said area was designated as Mesa Village Addition and contained within its exterior boundaries 327.0986 acres of land. That the area within the addition set aside for sale was divided into 44 blocks, numbered one through forty four inclusive. That in addition to the blocks shown on the plat an area 130 feet wide was reserved for right of way for Las Lomas Boulevard from Wyoming East to Eubank and other areas were designated for necessary easements, streets and other public ways. That the plat filed for record October 10, 1950.

D. That on October 17, 1950, the City Commission by resolution imposed certain restrictions, designated protective covenants on the use of land in the Mesa Village addition. Included in the restrictions were the following reservations:

Block 35 was reserved for Public Schools and Public Park purposes

Block 28 was reserved for public park purposes

That portion of block 25 north of the drainage easement was reserved for public park purposes.

E. On October 31, 1950, the City Commission authorized the advertising of the lands of Mesa Village for sale and on November 15 and 16, 1950 the blocks shown on the plat, except those reserved for school and park purposes were sold at auction to the highest bidders. The results of the sale were approved and confirmed by the City Commission on November 21, 1950.

F. That on January 5, 1955, the City Commission amended the restrictions on the use of certain blocks of the addition to read as follows:

"That portion of block 4 easterly of the alley and that portion of block 43 westerly of the alley and that portion of block 25 northerly of the drainage easement, shall be used for business, institutional or public purposes only.", and the drainage easement shall be used for park or play ground purposes." shall be corrected to read as follows: "Block 28 shall be used for park or playground purposes." That this amendment was filed with the County Clerk for record on January 10, 1955.

G. That on February 10, 1961, the City of Albuquerque conveyed to the Board of Education of the City of Albuquerque all of block 35 of the Mesa Village addition containing 22.114 acres.

H. That on March 21, 1950, the city leased to the United States of America for a period of fifty years, a tract of land containing 10 acres, located at the intersection of Wyoming Boulevard and Copper Avenue, formerly known as Jemez Road, for the construction of an armory and other Governmental purposes. This tract is a portion of the lands patented by the United States to the City of Albuquerque. That on August 11, 1952, by supplemental agreement to said lease, the area covered by the lease was enlarged to an area containing 50 acres, all to be used for governmental purposes.

I. That on March 26, 1963, the lease to the United States was, with the consent of the United States, further supplemented as follows:

1. A license to occupy a small tract consisting of 0.1102 acre within the area leased to the government was given to Public Service Company of New Mexico for the purpose of installing a 5000 K V A substation.

2. The term of the lease to the government was extended to June 30, 2062.

3. The area leased to the government was reduced from 50 acres to 20.10 acres so that a parcel of the area could be used by the State of New Mexico for National Guard purposes.

J. That on March 26, 1963, the City leased to the State Armory Board, New Mexico National Guard, for a term of 99 years a tract of land containing 16.71 acres for the erection of a National Guard Armory and other National Guard functions. This tract being a portion of that land originally leased to the United States.

K. That on May 8, 1961, the State of New Mexico obtained a decree of condemnation in the case of State ex rel State Highway Commission vs. City of Albuquerque, being Cause No. 77938, District Court of Bernalillo County, in which six parcels of the patented land having a total area of 40.533 acres were condemned for public use in the construction of Interstate Highway 40.

L. That on August 20, 1969, the City sold by bid, 11.841 acres to Imported Motors Profit Sharing Trust.

That the above cited transactions pertaining to the lands patented to the City by the United States, constitute a summary of all the records on file in the office of the Municipal Clerk with respect to sales, leases and condemnations affecting said lands.

GISELE GATIGNOL,
City Clerk,
City of Albuquerque.

CITY OF ALBUQUERQUE,
Albuquerque, N. Mex., May 16, 1969.

To: Thomas J. McMahon, Assistant City Attorney.

Subject: Area of Mesa Village Addition.

Please be advised that a computer run of acreages in the Mesa Village Addition has been completed by the Design Section of the Engineering Division, under the direct supervision of the Assistant City Engineer-Design, with the following results:

Overall area of the Mesa Village Add. based on the exterior boundaries of the plat, as filed on October 10, 1950. 327.0986 Acres.

Total Area of all blocks and parcels, excluding public streets, alleys, easements and other public areas within the Mesa Village Addition, as existed on May 14, 1969, which includes all replats and changes since the original plat was filed. 205. 5485 Acres.

Remaining acreage (streets, alleys, easements, schools and other public areas). 121.-5501 Acres.

WILLIAM T. STEVENS,
City Engineer.

[In the district court of the Second Judicial District sitting within and for Bernalillo County, N. Mex., No. 77,938]

STATE OF NEW MEXICO, EX REL STATE HIGHWAY COMMISSION OF NEW MEXICO, PETITIONER, VS. CITY OF ALBUQUERQUE, NEW MEXICO, A MUNICIPAL CORPORATION, AND THE CITY COMMISSION OF THE CITY OF ALBUQUERQUE, NEW MEXICO, DEFENDANTS

SUBSTITUTE JUDGMENT

This cause coming on to be heard before the Court for entry of judgment in the above-entitled cause in lieu of judgment heretofore entered on March 13, 1961, and the Court being fully advised in the premises finds that the judgment heretofore entered did not describe the properties condemned and that a judgment should issue to replace the judgment heretofore entered.

Judgment be and the same is hereby rendered against the Petitioner and for the Defendants for the taking of all tracts as described in the First Amended Petition and for all damage to the remaining land as follows:

B-14-1	$600.00
B-14-2	261,885.00
B-14-2A	37.00
B-14-2B	120.00
B-14-3	33,835.90

The Court finds that the severance of Tract B-14-3-Q, as described in the First Amended Answer, will render this tract worthless to the defendants and, therefore, assesses the damages to this tract at the full market value of $7,519.30.

It is ordered by the Court that the lands and premises, as described herein by tract number, all owned by Defendant herein. to-wit:

B-14-1 .... Estate: Fee simple

CITY OF ALBUQUERQUE, N. MEX.

(B-14-1) A certain tract or parcel of land, lying and being situate in Tract 4 of the Municipal Addition No. 2 to the City of Albuquerque, County of Bernalillo, State of New Mexico, being more particularly bounded and described as follows, to-wit:

Beginning at a point on the northerly line of Tract 4 distant 3691.39 feet easterly from the northwesterly corner of said Tract 4; thence easterly along said northerly line a distance of 273.40 feet; thence S. 0° 23′ W. a distance of 273.40 feet; thence S. 0° 23′ W. a distance of 25 feet; thence westerly on a 3.801° curve (radius=1507.5 feet) thru an arc of 10° 26′ 58″ to the right a distance of 274.91 feet to the point and place of beginning. Containing 0.080 of an acre, more or less.

B-14-2 .... Estate: Fee simple

(B-14-2) A certain tract or parcel of land, lying and being situate in Tracts 1 and 4 of the Municipal Addition No. 2 to the City of Albuquerque, County of Bernalillo, State of New Mexico, being more particularly bounded and described as follows, to-wit:

Beginning at a point for the northwesterly corner of Tract 4; thence easterly along the northerly line of said Tract 4 a distance of 1454.69 feet to the true point and place of beginning; thence continuing easterly along said northerly line a distance of 1753.45 feet to a point on curve; thence southerly on an 11.506° curve (radius=498 feet) thru an arc of 57° 29′ 36″ to the left a distance of 499.68 feet to a point of tangent; thence S. 61° 01′ E. a distance of 353.36 feet; thence S. 65° 01′ E. a distance of 815.92 feet; thence N. 85° 47′ 49″ E. a distance of 894.50 feet; thence N. 8° 28′ 53″ E. a distance of 507.17 feet to a point on the easterly line of Tract 4; thence southerly along said easterly line a distance of 2,000 feet; thence N. 9° 13′ 48″ W. a distance of 605.99 feet; thence N. 48° 56′ 26″ W. a distance of 1084.03 feet; thence N. 65° 01′ W. a distance of 1880.96 feet to a point of curve; thence westerly on a 4° 00′ curve (radius=1432.5 feet) thru en arc of 24° 36′ to the left a distance of 615.0 feet to a point of tangent; thence N. 89° 37′ W. a distance of 654.01 feet; thence N. 0° 23′ E. a distance of 226.68 feet to the true point and place of beginning. Containing 34.918 acres, more or less.

B-14-2A .... Estate: Fee simple

(B-14-2A) A certain tract or parcel of land, lying and being situate in Tract 4 of the Municipal Addition No. 2 in the City of Albuquerque, County of Bernalillo, State of New Mexico, being more particularly bounded and described as follows, to-wit:

Beginning at a point for the northwesterly corner of Section 20, T. 10 N., R. 4 E., NMPM, County of Bernalillo, State of New Mexico, thence easterly along the northerly line of said Section 20 a distance of 2181.6 feet to a point in the median center line of NMP I–040–3(1)160, County of Bernalillo, State of New Mexico; thence S. 65° 01′ E. along said median center line a distance of 1768.8 feet; thence S. 24° 59′ W. a distance of 125.0 feet to a point on the southerly right of way line of NMP I–040–3(1)160, and the true point and place of beginning; thence S. 65° 01′ E. along said right of way line a distance of 20 feet; thence S. 24° 59′ W. a distance of 12 feet; thence N. 65° 61′ W. a distance of 20 feet; thence N. 24° 59′ E. a distance of 12 feet to the true point and place of beginning. Containing 0.005 of an acre, more or less.

B–14–2B__________________Estate: Fee simple

B–14–2B) ALSO, a certain tract or parcel of land, lying and being situated in Tract 4 of the Municipal Addition No. 2, in the City of Albuquerque, County of Bernalillo, State of New Mexico, being more particularly bounded and described as follows, to-wit:

Beginning at a point for the northwesterly corner of Section 20, T. 10 N., R. 4 E., NMPM, county of Bernalillo, State of New Mexico; thence easterly along the northerly line of said Section 20 a distance of 2181.6 feet to a point on the median center line of NMP I–040–3(1)160, County of Bernalillo, State of New Mexico; thence S. 65° 01′ E. a distance of 1768.8 feet; thence N. 24° 59′ E. a distance of 125.0 feet to a point on the northerly right of way line of NMP I–040–3(1)100, and the true point and place of beginning; thence N. 24° 59′ E. a distance of 35.5 feet; thence S. 65° 01′ E. a distance of 20 feet; thence S. 24° 59′ W., a distance of 35.5 feet to a point on the northerly right of way line of I–040–3(1)160; thence N. 65° 01′ W. along said right of way line a distance of 20 feet to the true point and place of beginning. Containing 0.016 of an acre, more or less.

B–14 __________________ Estate: Fee simple

(B–14–3) A certain tract or parcel of land, lying and being situate in Tracts 1 and 4 of the Municipal Addition No. 2 to the City of Albuquerque, County of Bernalillo, State of New Mexico, being more particularly bounded and described as follows, to-wit:

Beginning at a point for the northwesterly corner of Tract 4, thence easterly along the northerly line of Tract 4 a distance of 821.05 feet; thence S. 72° 01′ E. a distance of 109.63 feet to a point of curve; thence southeasterly on a 4.145° curve (radius=1382.5 feet) thru an arc of 22° 38′ to the left a distance of 546.04 feet; thence S. 0° 23′ W. a distance of 135.0 feet to a point of curve; thence southeasterly on a 23.245° curve (radius=246.5 feet) thru an arc of 47° 15′ to the left a distance of 203.27 feet to a point of reverse curve; thence southerly on a 17.550° curve (radius=326.5 feet) thru an arc of 47° 15′ to the right a distance of 269.23 feet; thence N. 89° 37′ W. a distance of 80.0 feet; thence northwesterly on a 23.245° curve (radius=246.5 feet) thru an arc of 47° 15′ to the left a distance of 203.27 feet; thence S. 43° 08′ W. a distance of 10 feet; thence northerly on a 17.028° curve (radius=336.5 feet) thru an arc of 47° 15′ to the right a distance of 277.48 feet to a point of tangent; thence N. 0° 23′ E. a distance of 11.81 feet to a point on curve; thence westerly on a 3.801° curve (radius=1507.5 feet) thru an arm of 18° 44′ 12″ to the right a distance of 492.94 feet to a point of tangent; thence N. 72° 01′ W. a distance of 200 feet to a point of curve; thence westerly on a 4.221° curve (radius=1357.5 feet) thru an arc of 17° 36′ to the left a distance of 416.96 feet to a point of tangent; thence N. 89° 37′ W. a distance of 289.22 feet to a point on the westerly line of Tract 4; thence northerly along said westerly line a distance of 25.0 feet to the point and place of beginning. Containing 4.478 acres, more or less.

B–14–3–Q________________ Estate: Fee simple

(B–14–3–Q) A certain tract or parcel of land, lying and being situate in Tract 1 and Tract 4 of the Municipal Addition No. 2, an Addition to the City of Albuquerque, New Mexico, as the same is shown and designated on the plat of said Addition, filed in the office of the County Clerk of Bernalillo County, New Mexico, on July 12, 1955, being more particularly bounded and described as follows, to-wit:

Beginning at a point for the northwesterly corner of Tract 4; thence easterly along the northerly line of Trace 4 a distance of 821.05 feet to the true point and place of beginning; thence continuing easterly along the northerly line of Tract 4 a distance of 843.64 feet; thence S. 0°23′ W. a distance of 91.68 feet to a point on curve; thence northwesterly on a 4.145° curve (radius=1382.5 feet) thru an arc of 22°38′ to the right a distance of 546.04 feet to a point of tangent; thence N. 72°01′ W. a distance of 109.63 feet to the true point and place of beginning.

be and they hereby are condemned and appropriated for the use and purposes set forth by the First Amended Petition on file in this cause as an Interstate highway, and the Petitioner, the State Highway Commission of New Mexico, is hereby adjudged to be the owner in fee simple.

It is further ordered that Tract B–14–3–Q be and hereby is condemned and appropriated for the use and purposes set forth by the First Amended Petition on file in this cause as an Interstate highway, and the Petitioner, the State Highway Commission of New Mexico, is hereby adjudged to be the owner in fee simple.

It is further ordered that Petitioner shall pay six percent interest from June 15, 1959, to March 15, 1961, amounting to $31,919.68 for a total amount for all tracts and interest of $335,916.68.

ROBERT W. REIDY,
District Judge.
JAMES L. PARMELEE, JR.,
Associate City Attorney.

LEASE

This indenture, made and entered into this —— day of March, A.D., 1963, by and between the City of Alberquerque, New Mexico, a municipal corporation, hereinafter referred to as Lessor, and the State Armory Board, New Mexico National Guard, hereinafter referred to as Lessee,

Witnesseth:

Whereas, the Lessor is the owner of certain real estate, hereinafter more particularly described, and

Whereas, the parties are desirous of entering into a lease so that the said property may be developed and used for a National Guard Armory and Organizational Maintenance Shop for units of the New Mexico National Guard,

Now therefore, it is mutually understood and agreed as follows, to-wit:

I

The Lessor does hereby lease unto Lessee for a period of Ninety-nine (99) years from the date hereof the following described real estate, to-wit:

A tract of land lying and being situate in tract 3 of municipal addition No. 2, an addition to the City of Albuquerque, New Mexico, as said addition is filed and recorded in the office of the county clerk, county of Bernalillo, State of New Mexico, July 12, 1955, and herein more particularly described as follows:

Beginning for a tie at a point, said point being the section corner common to Sections 17, 18, 19 and 20, T. 10 N. R. 4E., N.M.P.M.; thence. S. 6°26′ E. a distance of 1158.32 feet to a point; thence, S. 3°06′ E. a distance of 176.88 feet to a point; thence, S. 2°09′ E. a distance of 177.67 feet to a point, said point being Corner No. 1, the point of beginning of this description; thence

S. 89°57′10″ E. a distance of 1455.71 feet to a point, said point being Corner No. 2; thence

S. 2°09′ E. a distance of 500.00 feet to a point, said point being Corner No. 3; thence

N. 89°57′10′ W. a distance of 1455.71 feet to a point, said point being Corner No. 4; thence

N. 2°09′ W. a distance of 500.00 feet to a point; said point being Corner No. 1, the point of beginning of this description and containing 16.71 acres more or less.

II

The Lessee agrees to pay as rental for the above described premises the sum of One Dollar ($1.00).

III

The Lessee covenants with the Lessor as follows, to-wit:

That the premises shall be used primarily for the operation of a National Guard Armory, Organizational Maintenance Shop, and other New Mexico National Guard functions, and that there will be no discrimination by the Lessee or its successors in interest, as to the use of said property by any person, regardless of race, color or creed.

(b) That it will not assign or sublet the premises without the written permission of the Lessor.

In witness whereof, the City of Albuquerque has caused this Lease to be executed in duplicate by the Chairman, City Commission and its Clerk under authority of its City Commission, and the State Armory Board has caused the same to be executed under authority of the Laws of New Mexico.

By Mr. EAGLETON (for himself and Mr. INOUYE):

S. 2126. A bill to improve educational quality through the effective utilization of educational technology. Referred to the Committee on Labor and Public Welfare.

Mr. EAGLETON. Mr. President, today I am introducing a bill entitled "The Educational Technology Act." Its purpose is to provide the necessary planning and essential training which will lead to a more efficient use of technology in the field of education.

The rapid advancements and substantial improvements in educational media are becoming commonplace. Yet the effective use of these developments in school and college classrooms lags far behind the potential of this growth.

Nearly every school system, college and university has film projectors, slide projectors, recordplayers, television sets, or other technological devices and materials. But the actual use of this equipment plays a very small part in the total educational process. A 1970 report by the Commission on Instructional Technology estimated that no more than 5 percent of the total school time of students at the elementary and secondary levels involves use of instructional media other than books, blackboards, and pictures, charts, and maps hung on the wall. The Commission also estimated the use of instructional media in institutions of higher education to be no greater—and possibly much less—than at the lower grade levels.

In the past, the thrust of school systems has been toward the acquisition of materials and equipment with very little concern toward the development of programs that increase the effectiveness of their use. This bill recognizes that educational technology is too often inefficiently used. It seeks to provide the framework within which education can better keep pace with technological developments so that it can substantially improve the quality of education at all levels.

In his March 3, 1970, message on educational reform President Nixon indicated his concern about the state of educational research and the accompanying lack of understanding of basic educational processes. He said:

> We must stop pretending that we understand the mystery of the learning process, or that we are significantly applying science and technology to the techniques of teaching, when we spend less than one half of one percent of our educational budget on research, compared with 5% of our health budget and 10% of defense.

Thereafter, the administration proposed the creation of a National Institute of Education to focus and expand the national effort in educational research. The Institute was subsequently established by the Education Amendments of 1972 and will soon begin its work in the field of educational technology. Programs relating to development of educational technology which were previously administered by the Office of Education were transferred to the Institute on July 1. The Appalachian, Alaskan, and Rocky Mountain satellite projects will be the major Institute activity in this area. The Institute, working with NASA, will use satellites to bring educational programs into the local communities in isolated areas. It is my hope that the Institute will go beyond this program and devote much of the time and energies of its staff to developing educational technology as part of an overall instructional strategy.

This commitment from the Government for research must be followed with direct application in the schools and colleges. It should be made clear that when we refer to educational technology, we are not talking about hardware or software. We are talking about a systemized approach to education which embraces modern management techniques: Cost-effectiveness, increased productivity and accountability. It is not the purpose of my bill to foster the acquiring of equipment. In fact, the bill bears a 2-year moratorium on any purchase of hardware except where it is essential for training.

The bill is based on two premises.

The first is that educational technology, when used wisely and well, can be instrumental in improving the quality of instruction. John Gardner, former Secretary of Health, Education and Welfare, speaking at the annual conference of the National Committee for the Support of the Public Schools in March 1970, stated:

> In my opinion, judicious use of videotape, programmed instruction, computer-assisted instruction and other new approaches holds promise of a truly immense gain in the availability of the higher quality instruction—instruction that can be individualized, motivating, powerful in impact and grounded in the best of teaching practices. It is in my opinion the only hope for a radical upgrading of educational quality on a massive scale.

This is not to say that use of media techniques and devices is more effective than teachers, but media can convey an idea—repetitively, if necessary—in less time and with less manpower, thus freeing teachers for more individualized instruction. I believe this bill will provide the vehicle for attaining this improved quality of education.

This leads to the second premise—that without adequate training educational technology will rarely prove to be beneficial. Teachers, administrators, and support personnel all need training in the application of technology to education. A large degree of indifference or antipathy toward using technology is found among educators. Many, familiar with the term "teaching machine" used by early programed instruction enthusiasts, believe that use of educational technology will dehumanize and depersonalize all instruction. When used properly, in the proper environment, this is not the case. The statement of Jerrold R. Zacharias, physics professor at MIT, on the subject of educational technology is instructive:

> If [teachers] haven't used it, or if what they've used has been an irrelevant part of their busy schedules, they're sure they don't have time to use it. If, on the other hand, they *have* used it, and it has been a coherent part of a full set of learning aids, they say they don't have time not to use it.

The bill views educational technology as a complete systems approach to education, a tool to be used to enrich the teaching experience through a proper balance of planning, training and implementation. Only with this balance, with an integrated approach to the full range of human and other resources in the educational process, can educational technology carry out its full potential for education.

The Educational Technology Act is designed to assist in this process. It authorizes grants to local educational agencies and to institutions of higher education for the purpose of improving the quality of instruction through the application of technology to education. To be awarded a grant, an applicant must first submit and have approved a long-range program detailing its particular educational needs and indicating how the application of technology will work to meet those needs. In order to obtain continued funding for its long-range project the applicant must submit an annual plan which would detail the extent to which it had incorporated recent research findings in its program. Educators and education officials have talked for too long about the gap between research in education and action in education. This aspect of the Educational Technology Act will go a long way toward closing that gap.

Following approval of a long-range plan, the applicant is free to begin its first operational phase—training of teachers and administrative staff and of ancillary personnel. During the training phase, schools and colleges would be prohibited from using Federal funds for acquisition of equipment or materials unless they were essential to the training process.

After the training phase is completed to the satisfaction of the State agency vested with responsibility for the program, the school or college could use Federal funds for the hiring of staff for the operation of its program and for the acquisition of equipment and materials.

The Educational Technology Act requires a systematic approach to the problems faced by education today. It is my hope that it will be successful in helping to resolve these problems and in substantially improving the quality of all levels of education.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2126

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Educational Technology Act".

TITLE I—USE OF EDUCATIONAL TECHNOLOGY IN ELEMENTARY AND SECONDARY EDUCATION

STATEMENT OF PURPOSE

SEC. 101. The purpose of this title is to improve the quality of preschool and elementary and secondary education through the effective utilization of educational technology by (1) encouraging significant applications of existing technology to preschool programs and in elementary and secondary education, (2) the development and demonstration of technological innovations in education, (3) the expansion of the current general application of appropriate technologies and materials for instruction and learning, (4) strengthening the capabilities of teaching, administrative, and ancillary staff in schools, (5) research into educational technology, including statistical and information services, and (6) strengthening the leadership resources of State educational agencies in educational technology.

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. (a) There are hereby authorized to be appropriated such sums as the Congress may deem necessary for the purpose of carrying out this title for the fiscal year ending June 30, 1974, and each of the next four fiscal years. There are further authorized to be appropriated such sums as may be necessary for payment to the States for use by them for making grants under this title for the purposes described in paragraphs (2) and (3) of section 103(a) for years other than the initial year of a grant for such purposes.

(b) Of the sums appropriated pursuant to subsection (a) for each fiscal year, 90 per centum shall be available for carrying out section 103, and 10 per centum shall be available for educational technology research in elementary and secondary education in accordance with section 304.

USES OF FEDERAL FUNDS

SEC. 103. (a) Funds appropriated pursuant to section 102, and available for carrying out this section shall be used only for grants in accordance with applications approved pursuant to this title for—

(1) planning for the development and implementation by local educational agencies of educational technology programs, involving the use of appropriate technologies and materials, designed to change and strengthen the learning process in the elementary and secondary schools served by such agencies;

(2) in the case of local educational agencies which have carried out a planning phase as described in paragraph (1), whether covered by a grant under this title or otherwise, preservice and inservice training and development programs to strengthen the capabilities of professional and nonprofessional teaching, administrative, and ancillary staff in elementary and secondary schools served by such agencies to use and apply technology in the educational process, including the acquisition or rental of technological equipment and materials necessary to reinforce or supplement such training and development;

(3) in the case of local educational agencies which have carried out a planning phase as described in paragraph (1) (whether covered by a grant under this title or otherwise) and have made sufficient progress in an inservice training and development phase as described in paragraph (2), the acquisition or rental of technological equipment and materials (other than supplies consumed in use) and the provision of related services, including the employment of educational technology personnel, which are necessary for carrying out the purposes of this title, but the costs of such related services shall not exceed a reasonable portion of the program budget and in no case shall such costs exceed 20 per centum thereof.

(b) A local educational agency which receives a grant under subsection (a) may enter into a contract or other arrangement with a public or private agency, institution, or organization for the performance of planning, training, or related services necessary for the implementation, in whole or in part, or any of the purposes described in subsection (a).

(c) From the funds available for carrying out this section the Commissioner is authorized to pay to each State amounts necessary to enable the State educational agency to provide for—

(1) the planning, development, and operation of programs designed to strengthen the capability of the State educational agency with respect to the implementation of educational technology in elementary and secondary schools in the State, including the provision of technical assistance, demonstrations, workshops, and similar activities designed to assist local educational agencies in using technological equipment and materials to improve education;

(2) the preparation and dissemination by the State educational agency to elementary and secondary schools, institutions of higher education, and other appropriate agencies, of information, including analyses of research and experimentation, relating to educational technology and improved methods of using and applying educational technology;

(3) the evaluation of the effectiveness of programs and projects supported under the State plan in meeting the purposes of this title, and dissemination of the results of such evaluations and other information pertaining to such programs or projects; and

(4) the administration of the State plan.

STATE PLANS

SEC. 104. (a) Any State desiring to receive payments for any fiscal year under this title shall—

(1) have a State advisory council for educational technology (hereinafter referred to as the "State advisory council") which meets the requirements set forth in section 302;

(2) set dates before which local educational agencies must have submitted applications for grants to the State educational agency; and

(3) submit to the Commissioner, through its State educational agency, a State plan at such time and in such detail as the Commissioner may deem necessary.

The Commissioner may, by regulation, set uniform dates for the submission of State plans and applications.

(b) The Commissioner shall approve a State plan, or modification thereof, if he determines that the plan submitted for that fiscal year—

(1) sets forth a program under which funds granted the State under section 103 and not used for purposes described in section 103(c) will be expended through grants to local educational agencies for the purposes described in section 103(a);

(2) provides that, to the extent consistent with the number of children enrolled in nonprofit private schools in the area to be served by a project whose educational needs are of the type which that project is designed to meet, provision has been made for the participation of such children;

(3) sets forth the administrative organization and procedures, including the qualifications of personnel having responsibility for the operation of programs and projects set forth in such plan, in such detail as the Commissioner may by regulation prescribe;

(4) provides for using 10 per centum of the amount expended for programs described in section 103(a) for each fiscal year for making grants to local educational agencies for planning purposes as described in section 103(a)(1);

(5) sets forth criteria for achieving an equitable distribution of assistance under this title, which criteria shall be based on consideration of—

(A) the size and population of the State,

(B) the geographic distribution and density of the population within the State, and

(C) the relative needs of persons in different geographic areas and in different population groups within the State for the kinds of programs and projects described in section 103, and the financial ability of the local educational agencies serving such persons to provide such programs and projects;

(6) provides for adoption of effective procedures—

(A) for the evaluation by the State advisory council at least annually, of the effectiveness of the programs and projects supported under the State plan in meeting the purposes of this title;

(B) for appropriate dissemination of the results of such evaluations and other information pertaining to such programs and projects; and

(C) for adopting, where appropriate, promising educational practices developed through such programs and projects;

(7) sets forth policies and procedures which give satisfactory assurance that Federal funds made available under this title for any fiscal year—

(A) will not be commingled with State funds, and

(B) will be so used as to supplement and to the extent practical, increase the fiscal effort (determined in accordance with criteria prescribed by the Commissioner) that would, in the absence of such Federal funds, be made by the applicant for the purposes described in section 103;

(8) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this title;

(9) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require, including reports of evaluations made in accordance with objective measurements under the State plan pursuant to paragraph (6), and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

(10) provides that final action with respect to any application, or amendment thereof, regarding the proposed final disposition thereof shall not be taken without first affording the local educational agency or agencies submitting such application reasonable notice and opportunity for a hearing; and

(11) contains satisfactory assurance that, in determining the eligibility of any local educational agency for State aid or the amount of such aid, grants to that agency under this title shall not be taken into consideration.

APPLICATIONS FOR GRANTS—CONDITIONS FOR APPROVAL

SEC. 105. (a) An application by a local educational agency for a grant to be used for any of the purposes of section 103(a) may be approved only if such application—

(1) provides that the activities and services for which assistance under this title is sought will be administered by or under the supervision of the applicant;

(2) sets forth a program for carrying out the purposes set forth in section 103 and provides for such methods of administration as are necessary for the proper and efficient operation of such program;

(3) sets forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in section 103, and in no case supplant such funds;

(4) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this title; and

(5) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) An application by a local educational agency for a grant to be used for the purposes of paragraphs (2) and (3) of section 103(a) may be approved only if—

(1) the local educational agency has submitted a long-range program plan, which extends over a period of time of not less than four years, describing the present and projected educational needs and problems of the children in elementary and secondary schools served by the local educational agency, and a schedule for meeting and solving those needs and problems through the implementation of a comprehensive program of educational technology of sufficient magnitude to make a substantial impact on those needs and problems; and

(2) the local educational agency submits for each fiscal year an annual program plan describing the content of, and allocation of funds to programs, services, and activities with respect to the implementation of a comprehensive educational technology program to be carried out during each such year for which Federal funds are sought; indicates how and to what extent such programs, services, and activities will carry out the program of objectives set forth in the long-range program plan provided for in paragraph (1); and indicates the extent to which consideration has been given to the findings and recommendations of the State advisory council in its most recent evaluation report submitted pursuant to section 302 and indicates the extent to which research findings (whether such research is assisted under this Act or otherwise) have been incorporated as part of the annual program plan.

PAYMENTS

SEC. 107. (a) The Commissioner shall pay to each State which has a State plan ap-

proved under this title an amount equal to the total sums expended by the State under the State plan for the purposes set forth therein.

(b) Payments under this section may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

(c) Upon approval of an application submitted by a local educational agency for a grant to be used for the purposes of paragraph (1) of section 103(a) the Commissioner shall reimburse the local educational agency for the reasonable costs of preparing the application.

TITLE II—USE OF EDUCATIONAL TECHNOLOGY IN HIGHER EDUCATION

STATEMENT OF PURPOSE

SEC. 201. The purpose of this title is to improve the quality of higher education through the effective utilization of educational technology by (1) encouraging significant applications of existing technology to education in institutions of higher education, (2) the development and demonstration of technological innovations in such institutions, (3) the expansion of the current general application of appropriate technologies and materials for instruction and learning in such institutions, (4) strengthening the capabilities of teaching and ancillary staff in such institutions, and (5) research into educational technology, including statistical and information services.

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) There are hereby authorized to be appropriated for the purpose of carrying out this title such sums as the Congress may deem necessary for the fiscal year ending June 30, 1974, and each of the next four fiscal years. There are further authorized to be appropriated such sums as may be necessary for payment to the States for use by them for making grants under this title for the purposes described in paragraphs (2) and (3) of section 203(a) for years other than the initial year of a grant for such purposes.

(b) Of the sums appropriated pursuant to subsection (a) for each fiscal year, 90 per centum shall be available for carrying out section 203, and 10 per centum shall be available for educational technology research in higher education in accordance with section 304.

USES OF FEDERAL FUNDS

SEC. 203. (a) Funds appropriated pursuant to section 202, and available for carrying out this section shall be used only for grants in accordance with applications approved pursuant to this title for—

(1) planning for the development and implementation by institutions of higher education of educational technology programs, involving the use of appropriate technologies and materials, designed to change and strengthen the learning process in such institution;

(2) in the case of institutions of higher education which have carried out a planning phase as described in paragraph (1) whether covered by a grant under this title or otherwise, preservice and inservice training and development programs to strengthen the capabilities of professional and nonprofessional teaching, administrative, and ancillary staff in such institutions to use and apply technology in the educational process, including the acquisition or rental of appropriate technologies and materials necessary to reinforce or supplement such training and development;

(3) in the case of institutions of higher education which have carried out a planning phase as described in paragraph (1) (whether covered by a grant under this title or otherwise) and have made sufficient progress in an inservice training and development phase as described in paragraph (2), the acquisition or rental of equipment and materials (other than supplies consumed in use) and the provision of related services, including the employment of educational technology personnel, which are necessary for carrying out the purposes of this title.

(b) An institution of higher education which receives a grant under subsection (a) may enter into a contract or other arrangement with a public or private agency, institution, or organization for the performance of planning, training, or related services necessary for the implementation, in whole or in part, of any of the purposes described in subsection (a).

(c) From the funds available for carrying out this section the Commissioner is authorized to pay to each State amounts necessary to enable the State educational agency to provide for—

(1) the evaluation of the effectiveness of programs and projects supported under the State plan in meeting the purposes of this title, and dissemination of the results of such evaluations and other information pertaining to such programs or projects; and

(2) the administration of the State plan.

STATE PLANS

SEC. 204. (a) Any State desiring to receive payments for any fiscal year under this title shall—

(1) have a State advisory council for educational technology (hereinafter referred to as the "State advisory council") which meets the requirements set forth in section 302;

(2) set dates before which institutions of higher education must have submitted applications for grants to the State higher education commission; and

(3) submit to the Commissioner, through its State higher education commission, a State plan at such time and in such detail as the Commissioner may deem necessary.

The Commissioner may, by regulation, set uniform dates for the submission of State plans and applications.

(b) The Commissioner shall approve a State plan, or modification thereof, if he determines that the plan submitted for that fiscal year—

(1) sets forth a program under which funds granted the State under section 203 and not used for purposes described in section 203(c) will be expended through grants to institutions of higher education for the purposes described in section 203(a);

(2) sets forth the administrative organization and procedures, including the qualifications of personnel having responsibility for the operation of programs and projects set forth in such plan, in such detail as the Commissioner may by regulation prescribe;

(3) provides for using 10 per centum of the amount expended for program described in section 203 (a) for each fiscal year for making grants to institutions of higher education for planning purposes as described in section 203(a)(1);

(4) sets forth standards and methods for determining relative priorities among eligible projects in educational technology, which standards and methods shall—

(A) contribute to achieving the objectives of this title while leaving opportunity and flexibility to accommodate the varied needs of institutions in the State; and

(B) give special consideration to applications, submitted by institutions of higher education, (i) for grants to be used by the institution in a program of teacher education, and (ii) for grants to be used for the development of courses in educational technology for persons preparing to serve in teaching, administrative, or ancillary positions in elementary or secondary education;

(5) provides for adoption of effective procedures—

(A) for the evaluation by the State advisory council, at least annually, of the effectiveness of the programs and projects supported under the State plan in meeting the purposes of this title;

(B) for appropriate dissemination of the results of such evaluations and other information pertaining to such programs and projects; and

(C) for adopting, where appropriate, promising educational practices developed through such programs and projects;

(6) sets forth policies and procedures which give satisfactory assurance that Federal funds made available under this title for any fiscal year—

(A) will not be commingled with State funds, and

(B) will be so used as to supplement, and to the extent practical, increase the fiscal effort (determined in accordance with criteria prescribed by the Commissioner) that would, in the absence of such Federal funds, be made by the applicant for the purposes described in section 203;

(7) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the States under this title;

(8) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require, including reports of evaluations made in accordance with objective measurements under the State plan pursuant to paragraph (6), and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

(9) provides that final action with respect to any application, or amendment thereof, regarding the proposed final disposition thereof shall not be taken without first affording the institution or institutions of higher education submitting such application reasonable notice and opportunity for a hearing; and

(10) contains satisfactory assurance that, in determining the eligibility of any institution of higher education for State aid or the amount of such aid, grants to that agency under this title shall not be taken into consideration.

APPLICATIONS FOR GRANTS—CONDITIONS FOR APPROVAL

SEC. 205. (a) A grant under this title pursuant to a State plan approved under section 204 may be made only to an institution or institutions of higher education, and only upon application to the appropriate State higher education commission at such time or times, in such manner, and containing or accompanied by such information as the Commissioner deems necessary. An application by an institution of higher education for a grant to be used for any of the purposes of section 203(a) may be approved only if such application—

(1) provides that the activities and services for which assistance under this title is sought will be administered by or under the supervision of the applicant;

(2) sets forth a program for carrying out the purposes set forth in section 203 and provides for such methods of administration as are necessary for the proper and efficient operation of such programs;

(3) sets forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in section 203, and in no case supplant such funds;

(4) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this title; and

(5) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) An application by an institution of higher education for a grant to be used for the purposes of paragraphs (2) and (3) of section 203(a) may be approved only if—

(1) the institution of higher education has submitted a long-range program plan, which extends over a period of time of not less than four years, describing the present and projected educational needs and problems of students enrolled in such institutions, and a schedule for meeting and solving those needs and problems through the implementation of a comprehensive program of educational technology of sufficient magnitude to make a substantial impact on those needs and problems; and

(2) the institution of higher education submits for each fiscal year an annual program plan describing the content of, and allocation of funds to programs, services, and activities with respect to the implementation of a comprehensive educational technology program to be carried out during each such year for which Federal funds are sought; indicates how and to what extent, such programs, services, and activities will carry out the program of objectives set forth in the long-range program plan provided for in paragraph (1); and indicates the extent to which consideration has been given to the findings and recommendations of the State advisory council in its most recent evaluation report submitted pursuant to section 302 and indicates the extent to which research findings (whether such research is assisted under this Act or otherwise) have been incorporated as part of the annual program plan.

PAYMENTS

SEC. 206. (a) The Commissioner shall pay to each State which has a State plan approved under this title an amount equal to the total sums expended by the State under the State plan for the purposes set forth therein.

(b) Payments under this section may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

(c) Upon approval of an application submitted by an institution of higher education for a grant to be used for the purposes of paragraph (1) of section 203(a) the Commissioner shall reimburse the institution of higher education for the reasonable costs of preparing the application.

TITLE III—GENERAL PROVISIONS

DEFINITIONS

SEC. 301. As used in this Act—

(a) The term "Commissioner" means the Commissioner of Education.

(b) The term "elementary school" means a day or residential school which provides preschool or elementary education.

(c) The term "secondary school" means a day or residential school which provides secondary education.

(d) The term "appropriate technologies and materials" means hardware or software, which includes television, radio, electronic classroom instructional devices, still and moving picture projectors; computer-assisted or managed instructional equipment and materials; communications equipment for educational applications; and such other equipment and materials as the Commissioner determines to be necessary to assist the process of learning.

(e) The term "institution of higher education" means an educational institution in any State which—

(1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate,

(2) is legally authorized within such State to provide a program of education beyond secondary education.

(3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree,

(4) is a public or other nonprofit institution, and

(5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution to accredited.

Such term also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provision of paragraphs (1), (2), (4), and (5), and, for the purposes of section 203 of this Act, includes a developing institution, as defined in section 302 of the Higher Education Act of 1965. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or association which he determines to be reliable authority as to the quality of training offered.

(f) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school;

(g) The term "Secretary" means the Secretary of Health, Education, and Welfare;

(h) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

(i) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law; and

(j) The term "State higher education commission" means a State agency designated by the Governor or by State law as broadly representative of the public and of institutions of higher education in the State.

STATE ADVISORY COUNCILS ON EDUCATIONAL TECHNOLOGY

SEC. 302. (a) Any State desiring to receive payments for any fiscal year under title I or title II of this Act shall—

(1) establish a State advisory council on educational technology which shall be appointed by the Governor or, in the case of States in which the members of the State board are elected, by such board, and which shall have as a majority of its membership persons experienced in educational technology, including teachers, administrators, and other persons broadly representative of academic or instructional personnel, and

(2) provide that one-third of the funds paid to the State educational agency under section 103(c) and to the State higher education commission under section 203(c) shall be made available for the activities of the State advisory councils, including the costs of obtaining technical, professional, and clerical assistance and the services of experts and consultants to assist such advisory councils in carrying out their responsibilities of disseminating the results of evaluations.

(b) The State advisory council, established pursuant to paragraph (1), shall—

(1) advise the State educational agency or State higher education commission, as the case may be, on the preparation of, and policy matters arising in the administration of, the appropriate State plan, including the development of criteria for approval of applications under such State plan;

(2) review and make recommendations to the State educational agency or State higher education commission, as the case may be, on the action to be taken with respect to each application for a grant under the appropriate State plan;

(3) evaluate programs and projects assisted under this Act;

(4) prepare and submit a report of its activities, recommendations, and evaluations, together with such additional comments as the State educational agency or the State higher education commission, as the case may be, deems appropriate, to the Commissioner and to the National Advisory Council, established pursuant to this Act, at such time, in such form, and in such detail, as the Commissioner may prescribe; and

(5) obtain such professional, technical, and clerical assistance as may be necessary to carry out its functions under this Act.

NATIONAL ADVISORY COUNCIL ON EDUCATIONAL TECHNOLOGY

SEC. 303. (a) The Secretary shall appoint a National Advisory Council on Educational Technology which shall—

(1) review the administration of, general regulations for, and operation of this Act, including its effectiveness in meeting the purposes set forth in sections 103 and 203;

(2) review, evaluate, and transmit to the Congress and the President the reports submitted pursuant to sections 104(b)(9) and 204(b)(8);

(3) evaluate programs and projects carried out under this Act and disseminate the results thereof; and

(4) make recommendations for the improvement of this Act, and its administration and operation.

(b) The Council shall have as a majority of its membership persons experienced in educational technology, including teachers, administrators, and other persons broadly representative of academic or instructional personnel.

RESEARCH

SEC. 304. From the sums made available for the purposes of this section under sections 101(b) and 201(b), the Commissioner is authorized to pay all or part of the cost of research and experimental projects in educational technology carried out by institutions of higher education, State or local educational agencies, or other appropriate public or private agencies, institutions, or organizations.

BUREAU OF EDUCATIONAL TECHNOLOGY

SEC. 305. The Commissioner shall establish at the earliest practicable date not later than December 31, 1973, and maintain within the Office of Education, a bureau of educational technology which shall be the principal agency in the Office of Education for administering and carrying out programs and projects relating to educational technology, including programs and projects for research in educational technology.

WITHHOLDING

SEC. 306. Whenever the Commissioner, after reasonable notice and opportunity for hearing to any State educational agency, or State higher education commission, as the case may be, finds that there has been failure to comply substantially with any provision set forth in the plans of that State approved under title I and title II of this Act, the Commissioner shall notify the agency or commission that further payments will not be made to the State under such title (or, in his discretion, that further payments will not be made under such title to specified local educational agencies or institutions of higher education, whose actions caused or are involved in such failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State under such title, or payments by the State educational agency or State higher education commission, as the case may be, whose actions did not cause or were not involved in the failure.

JUDICIAL REVIEW

SEC. 307. (a) If any local educational agency or institution of higher education is dissatisfied with the State's final action with respect to the approval of an application submitted under section 105 or 205, or if any State is dissatisfied with the Commissioner's final action with respect to the approval of a plan submitted under section 104 or 204, such local educational agency, institution of higher education, or State may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the State or to the Commission, as the case may be. The State or the Commissioner, as the case may be, thereupon shall file in the court the record of the proceedings on which final action was based, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the State or by the Commissioner, as the case may be, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the State or to the Commissioner to take further evidence, and the State or the Commissioner may thereupon make new or modified findings of fact and may modify previous action taken, and shall certify to the court the record of the further proceedings.

(c) The court shall have jurisdiction to affirm the action of the State or the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

PROHIBITIONS

SEC. 308. (a) Section 422 of the General Education Provisions Act is amended by inserting "Educational Technology Act;" after "Higher Education Act of 1965;".

(b) Nothing contained in this Act shall be construed to authorize the making of any payment under this Act for religious worship or instruction.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1687

At his own request, Mr. JACKSON was added as a cosponsor of S. 1687, the Menominee Restoration Act.

S. 2020

At the request of Mr. PROXMIRE, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 2020, a bill requiring Senate confirmation for the position of Administrator, Social and Economic Statistics Administration.

SENATE JOINT RESOLUTION 119

At the request of Mr. BUCKLEY, the Senator from Mississippi (Mr. EASTLAND) was added as a cosponsor of Senate Joint Resolution 119, a joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons.

SENATE JOINT RESOLUTION 132

At the request of Mr. GURNEY, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of Senate Joint Resolution 132, to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving as "National Family Week".

SENATE RESOLUTION 137—ORIGINAL RESOLUTION REPORTED RELATING TO ADDITIONAL EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. JACKSON, from the Committee on Interior and Insular Affairs, reported the following original resolution:

SENATE RESOLUTION 137

Resolved, That the Committee on Interior and Insular Affairs is authorized to expend from the contingent fund of the Senate, during th Ninety-third Congress, $25,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

ELECTED MAYOR AND CITY COUNCIL FOR THE DISTRICT OF COLUMBIA

AMENDMENT NO. 304

(Ordered to be printed, and to lie on the table.)

Mr. COTTON submitted an amendment, intended to be proposed by him, to the bill (S. 1435) to provide an elected mayor and city council for the District of Columbia, and for other purposes.

DESIGNATION OF CERTAIN LANDS AS WILDERNESS—AMENDMENTS

AMENDMENT NO. 305

(Ordered to be printed, and referred to the Committee on Interior and Insular Affairs.)

Mr. CASE. Mr. President, on February 6 of this year, I introduced S. 777, a bill to designate 4,250 acres of the Brigantine National Wildlife Refuge as a wilderness area.

At that time, I emphasized that 4,250 acres was the minimum area of the wildlife refuge which should be given the additional protection as a wilderness area. I said I intended to consider the possibility of proposing additional areas of the refuge that could be appropriately designated as wilderness and that I would offer an amendment to S. 777 when that process had been completed.

Today I am offering, on behalf of Senator WILLIAMS and myself, an amendment to S. 777 to increase the area to be designated as wilderness under the bill. Our amendment will designate a total of about 16,800 acres of the refuge as a wilderness area. This will result in all except about 4,000 acres of the present refuge being designated as a wilderness area.

The principal area to be left as a wildlife refuge contains two artificial impoundments designed to provide habitat for common species of wildlife. This area clearly does not meet the criteria for wilderness because the impoundments represent the work of man. The impoundments should be maintained for future wildfowl management. There is sufficient space available in this area for an additional impoundment if this is deemed necessary in the future.

S. 777 originally proposed wilderness status only for Little Beach Island and a group of associated salt marsh islands each of the intercoastal waterway. There is unanimous agreement, I believe, that this area deserves the highest priority and that it represents the essential core of a wilderness area.

The amendment we are offering today proposes designation of three additional areas—256 acres of the Holgate Peninsula; Shad Island, which lies just to the east of the intercoastal waterway; and the largest part of the refuge, the marshlands on the mainland.

Before offering this amendment, I reviewed carefully the reasons offered by the Bureau of Sports Fisheries and Wildlife for not including these additional areas in its proposal for designating only Little Beach Island and its associated islands as wilderness.

Following are the Bureau's comments about each of these areas and the reasons I believe they deserve designation as wilderness:

First. Holgate Peninsula. The Bureau pointed out that its ownership extends only to mean high tide with the State of New Jersey owning riparian rights. The Bureau said:

> Thousands of people use the riparian lands for boating, swimming, sunbathing, fishing and beach buggy use, which eliminates any opportunity for solitude or wilderness-type recreation on this part of the refuge. Further, there are no unique ecological or geological features present on the peninsula. Our plans are to retain this portion of the refuge in a natural state, thus achieving de facto wilderness status without official designation.

It should be pointed out here that the Wilderness Act seeks to preserve areas that show no substantial evidence of the presence of man but does not seek to preserve areas which cannot be used by man.

The area between low and high tide on the Holgate Peninsula is widely used by the public for swimming, sunbathing, fishing and nature walks. Access to the beach area is controlled by Long Beach Township, which prohibits overnight camping. The only vehicles that are permitted to enter are beach buggies that can travel only in the wet sand area, no further than 25 feet above mean high tide.

The management of the area has sucsuccessfully protected the fragile sand dunes and beaches which are particularly valuable as a nesting area for skimmers and terns. The fact that the bird population of the peninsula has increased dramatically in the last 2 years demonstrates, I believe, that public use of the beaches has not been, and need not be, detrimental to administering the area as a wilderness.

Second. Shad Island. The Bureau pointed out that Shad Island currently is an approved site for disposition of spoils dredged from the Intracoastal Waterway. The Bureau said:

> Continued use of these sites will help safeguard far more valuable estuarine habitat represented in potential alternatives spoiling sites.

The Bureau said:

> Until the Corps of Engineers resumed dumping of dredge spoils on Shad Island this summer, the island was undergoing a process of natural succession which was eliminating the evidence of man. Woody plants had taken hold and animal populations had found a favorable habitat there. The processes in operation there were the same as those changing all of man's works across the whole refuge. If Shad Island is protected, in a few years it will be hard to tell that men have touched it at all.

Rutgers, the State University of New Jersey, currently is studying alternative means of disposing dredge spoils under a grant from the Corps of Engineers. All dredging of the Intracoastal Waterway has been stopped because a new New Jersey State law prohibits dumping of dredge spoils on the marshlands which serve as dump sites in most locations.

Those conducting the study at Rutgers have informed me that Shad Island, if it is protected at this time. would provide a valuable site for studying the effects of dumping dredge spoils, a study that could lead to beneficial uses of these spoils in the future.

Third. The mainland marshlands, west of the Intracoastal Waterway. The Bureau pointed out that "literally hundreds of miles of mosquito ditches lace the marshes." The Bureau said it had encouraged maintenance of the system of ditches as a means of biological control.

Further, the Bureau said adjacent nonrefuge estuarine areas are relentlessly being exploited and destroyed by man. It pointed out that this made the marshlands an increasingly important habitat for wildlife and that future demands for this type of habitat might require additional impoundments like those already established at the refuge.

Ditching as part of a mosquito control program has been carried out on the marshland of the refuge even before it was designated as a refuge. Ditching began as far back as the late 1920's, according to the Atlantic County mosquito extermination commission.

At one time or another, the ditching has been carried out on almost all parts of the refuge, including the 4,250 acres proposed by the Bureau for designation as wilderness.

The practice of ditching as a means of mosquito control has not been entirely successful and other means are being employed and sought to supplement this practice. The commissioner of the Atlantic County mosquito extermination commission stated that no mosquito control ditching has been carried out on the Refuge south of Oyster Creek in over 20 years. This area, which is returning to its natural state, represents about three-fourths of the land area of the refuge. There has been no ditching on any of the refuge lands in the past 3 years and there has never been any ditching on about 1,800 acres north of Oyster Creek.

The Atlantic County mosquito extermination commission said it has not done any ditching on the refuge lands in the last 3 years because the Bureau has refused permission for this work.

Cross sections of the ditches vary from less than 1 square foot to less than 4 square feet and the majority of them are the smaller size. They are observable only from the air.

As I already have pointed out, my amendment would exclude from the wilderness area an area of about 4,000 acres which contains two existing impoundments and provides sufficient room for an additional impoundment if that is considered necessary in the future.

But it should also be pointed out that two of the most valued species of wildfowl, Black Ducks and Atlantic Brant, depend on natural estuarine habitat and impoundments would deprive these species of habitat. Therefore, it is important that the existing marshlands be protected in their natural state for these species.

In its comments on the mainland marshes, the Bureau did not refer to the fact that two corridors, known as Oyster Creek and Motts Creek Landing, both contain residences, fishing enterprises and a restaurant.

The corridors are very small parts of the surrounding tidal marshes but they do not meet the criteria for wilderness areas. Therefore, my amendment proposes to exclude these corridors from the wilderness area.

I am happy to have my colleague, Senator WILLIAMS, join me in offering this amendment. We have given careful consideration to the thoughts of the Bureau of Sports Fisheries and those of concerned citizens, many of whom are represented by an amalgamation of citizens groups known as the Brigantine task force. It is my hope that my colleagues in the Senate will be able to give this amendment favorable consideration in the near future.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 305

> On page 1, beginning on line 6, strike out the words "four thousand two hundred and fifty" and insert in lieu thereof the words "sixteen thousand eight hundred."
>
> On Page 1, beginning on line 8, strike out the words "August 1971" and insert in lieu thereof the words "July, 1973."

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973—AMENDMENTS

AMENDMENT NO. 306

(Ordered to be printed, and to lie on the table.)

Mr. JACKSON submitted an amendment, intended to be proposed by him, to the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

AMENDMENT NO. 307

(Ordered to be printed, and to lie on the table.)

Mr. STEVENS submitted an amendment, intended to be proposed by him, to Senate bill 1081, supra.

AMENDMENT NO. 308

(Ordered to be printed, and to lie on the table.)

Mr. BUCKLEY submitted an amendment, intended to be proposed by him, to Senate bill 1081, supra.

AMENDMENT NO. 309

(Ordered to be printed, and to lie on the table.)

Mr. BUCKLEY (for himself, Mr. MCCLURE, and Mr. BARTLETT) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1081, supra.

NOTICE OF HEARINGS ON S. 663, RESPECTING JUDICIAL REVIEW OF DECISIONS OF THE INTERSTATE COMMERCE COMMISSION

Mr. BURDICK. Mr. President, as chairman of the Judiciary Committee Subcommittee on Improvements in Judicial Machinery, I wish to announce hearings for the consideration of S. 663, to improve judicial machinery by amending title 28, United States Code, with respect to judicial review of decisions of the Interstate Commerce Commission, beginning at 10 a.m. on July 19, 1973, in room 457 of the Russell Senate Office Building.

This legislation will eliminate the requirement for special three-judge district courts in the review of rules or orders of the Interstate Commerce Commission.

Any person who wishes to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, room 6306, Dirksen Senate Office Building.

NOTICE OF JOINT HEARINGS TO CONSIDER DEEPWATER PORT FACILITIES LEGISLATION

Mr. JACKSON. Mr. President, on July 23, 24, and 25 the Committees on Interior and Insular Affairs, Commerce, and Public Works will hold joint hearings to receive testimony from representatives of Federal and State Government, industry and environmental organizations and from independent expert witnesses on issues relating to the development of deepwater ports. The hearings will be held in room 5110 of the Dirksen Senate Office Building and are scheduled to begin at 10 a.m. on each day.

On April 18, 1973, the President proposed in his Energy Message to Congress enactment of a measure entitled "The Deepwater Port Facilities Act of 1973." This measure was subsequently introduced, by request, on May 8, 1973, as S.

1751 and jointly referred by agreement of the Chairman to the Committees on Interior and Insular Affairs, Commerce, and Public Works.

To facilitate the consideration of S. 1751 and the issues relating to the development of deepwater ports, the chairmen of the three committees agreed to designate three majority and two minority members of each committee to serve on a special joint subcommittee for the consideration of deepwater port policy.

In accordance with this agreement, the members of the Committee on Interior and Insular Affairs, Commerce, and Public Works who will serve on the joint subcommittee for deepwater port policy are as follows:

Committee on Interior and Insular Affairs: Senators Henry M. Jackson, Lee Metcalf, Bennett Johnston, Clifford Hansen, and Mark Hatfield.

Committee on Commerce: Senators Warren Magnuson, Ernest Hollings, Russell Long, Norris Cotton, and Ted Stevens.

Committee on Public Works: Senators Mike Gravel, Joseph Biden, Jr., Lloyd Bentsen, James Buckley, and William Scott.

Further information concerning the deepwater port hearings can be obtained by contacting Suzanne Reed of the Interior Committee staff, Bud Walsh of the Commerce Committee staff, or Wes Hayden of the Public Works Committee staff.

ADDITIONAL STATEMENTS

RESOLUTION OF THE PENNSYLVANIA GENERAL ASSEMBLY WITH REGARD TO TREATMENT OF SENIOR CITIZENS

Mr. SCOTT of Pennsylvania. Mr. President, I want to bring to the attention of my colleagues a resolution adopted by the Pennsylvania General Assembly which asks that no senior citizen be discriminated against in any program because he is not a welfare recipient. This was one of my own aims when I introduced legislation which provided needy senior citizens who are not on welfare to participate in the social services program on the same basis that those who are on welfare now do. A similar measure was subsequently adopted by the Senate just before our July 4 recess.

I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Senate of Pennsylvania Resolution

(In the Senate, Mar. 12, 1973)

Resolved (*the House of Representatives concurring*), That the General Assembly of the Commonwealth of Pennsylvania memorialize the President and the Congress of the United States that the statutes, policies, programs and rules and regulations of the United States government relating to programs for the assistance of senior citizens be developed, and amended if necessary, so that no senior citizen shall be discriminated against in any program because he is not a welfare recipient; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States and to the presiding officer of each House of Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States.

MAJ. GEN. HARLEY L. MOORE, JR., RETIRES

Mr. NUNN. Mr. President, at this time I would like to recognize the long and distinguished service of one of this Nation's finest soldiers, Maj. Gen. Harley L. Moore, Jr., who will retire from active duty at the end of this month. General Moore is currently the commanding general of Fort Gordon, Ga., and has ably served our country for more than 33 years.

Harley Moore was born in December 25, 1918, at Carthage, Ill., son of the late Mr. and Mrs. Harley L. Moore, who was then a salesman with Standard Oil of Indiana. He was the oldest of five children, having four sisters, Dorothy, Shirley, Betty, and Jacqueline.

Harley attended Coe College, Iowa, where he was an outstanding scholar and athlete, receiving his varisity letter in track and football. In 1940 he received his B.A. degree in education, was commissioned from the ROTC program as a second lieutenant of Infantry and called to active duty 1 month after graduation. The next year he married Catherine M. Timm, daughter of Mr. and Mrs. John M. Timm of Cedar Rapids, Iowa, having met her at Coe College.

Within 4 years of his commissioning, he had served with the 3d Infantry Regiment, become a battalion commander of the 355th Infantry and at age 26 was promoted to lieutenant colonel. This same year he became the father of his first son, Harley L. Moore III, who graduated from West Point in 1965 and is now doing graduate study at Massachusetts Institute of Technology.

In August 1944, the then Lieutenant Colonel Moore was sent to Europe where he was selected to be the Assistant Provost Marshal for Gen. George Patton's 3d U.S. Army. It was during this 15-month tour with General Patton that Moore made his contact with the Corps of Military Police and was awarded his first Legion of Merit. He would return to that Corps 5 years later, change his branch of service from Infantry to Military Police in 1950, and there remain until his current assignment.

Moore returned to the States in early 1946 to command the 101st Training Battalion at Camp J. T. Robinson, Ark. In August of that same year he was selected to be the senior infantry instructor at New York University and the following month his first daughter, Barbara, now Mrs. T. J. Bowers, was born. His son Michael, now a first lieutenant with the U.S. Air Force and a Coe College graduate, was born in 1948 during this same tour of duty.

The year 1949 saw his return to military police duty and the resumption of a most distinguished career in military law enforcement and crime prevention. In July of that year he was assigned first as the Assistant Provost Marshal and later as Provost Marshal, Headquarters, Eighth Army, then located in Japan. In 1950 he was designated Provost Marshal of the Japan Logistical Command where he would serve until 1952. Upon completion of that assignment, this young officer received his second award of the Legion of Merit.

Between his former assignment in Japan and his new duties as Chief of the Operations Division in the office of the Provost Marshal General, Moore attended Military Police Officers Advanced Course at Fort Gordon, Ga., a post to which he would later return on two occasions. It was while he was stationed in Washington that his youngest child, Shirlee, now a freshman at the Georgia Medical College, was born.

After graduation from the Command and General Staff College in 1955 he returned to Europe as Chief of the Operations Branch and Deputy Provost Marshal for Headquarters, U.S. Army, Europe, where he was promoted to colonel in 1954, some 14 years after entering upon active duty. At the age of 40 he successfully completed airborne training and became a qualified parachutist.

Following his graduation from the Industrial College of the Armed Forces, he was back at Fort Gordon in 1959 as the Assistant Commandant of the Provost Marshal General School and Deputy Commander of the Provost Marshal General Center. He left Fort Gordon in 1962 to become the Deputy Provost Marshal General for 2 years then was ordered again to Europe, this time as the Provost Marshal, U.S. Army, Europe. Three months after his arrival, in August 1964 he was promoted to brigadier general.

In January of 1966 General Moore was ordered directly to Vietnam to be Provost Marshal, U.S. Army, Vietnam and concurrently commanding general, 18th Military Police Brigade. Dinty Moore was to remain there for 22 months and receive the Distinguished Service Medal in recognition of his service. In late 1967 he returned to his former assignment in Europe and there remained until his appointment as commanding general of Fort Gordon, Ga., in June 1971. Three months later he was promoted to major general.

General Moore's accomplishments while at Fort Gordon have been notable and numerous. His efforts to improve the welfare and morale of its servicemen and their families include more onpost housing, broader based resident educational centers, an expanded religious program for the three major faiths and for minority denominational and language groups as well.

General Moore and his charming wife, KT, were particularly close to the civilian community where he is known as "Dinty." As a result of his interest, Fort Gordon personnel were afforded an opportunity to participate in civic clubs, cultural events, and the construction of parks and playgrounds. Dinty personally involved himself in the life of the community and was a familiar sight at local meetings and community activities.

Dinty's candor, honesty and integrity have earned him an international reputation among law-enforcement professionals. He is a member of the Association of International Chiefs of Police, International Federation of Senior Police Officers, Military Police Association and the International Police Association.

While stationed in Germany he was president of the Protestant Men of the Chapel.

His talents and service have been recognized by four foreign governments in the form of the Croix de Guerre by France, the National Order First Class and the National Police Honor Medal by the Republic of Vietnam, the Order of Military Merit Chung Mu by the Republic of Korea and the Grand Cross 2d Class of the Order of Merit by the Federal Republic of Germany.

In 1971 in his appearances before a Senate subcommittee investigating corruption in army club operations, General Moore was often cited by its chairman, Senator ABRAHAM RIBICOFF, for his straightforward answers and complete candor.

Accomplished public speaker, golfer and bowler, member of the Augusta Kiwanis Club, and Our Redeemer Lutheran Church, it is in Augusta that the Moores will make their retirement home.

On behalf of his many friends in Georgia. I welcome General Moore and his wonderful family to our State as "permanent citizens" and I congratulate him on a career of dedicated service to his Nation.

SUPPORT FOR S. 1875, HELP FOR THE HANDICAPPED

Mr. DOMENICI. Mr. President, within the next few days it is expected that S. 1875, a bill to help handicapped individuals achieve their full potential for participation in our society, will be presented to the Senate for a vote. The bill was reported out of the Committee on Labor and Public Welfare on June 25.

Mr. President, I am a cosponsor of this legislation which I believe to be an important step toward opening the necessary doors to those who are significantly handicapped—accepting the fact that they have problems which can be solved with cooperation and understanding. I have always been confident we would have a vocational rehabilitation bill which would do what was necessary to help those in need and yet remain within the national budget.

If passed, S. 1875 would establish an Interagency Committee to push a more aggressive hiring policy for handicapped individuals. In addition, training programs would be provided as never before for handicapped persons. Research into the causes and cures of diseases resulting in handicapped persons would be expanded as would additional training for professionals in this field. To properly coordinate these varied activities relating to the welfare of handicapped individuals, this legislation would further create the Office of the Handicapped in the Department of Health, Education, and Welfare with its own Commissioner.

A recent economic study states that for every dollar spent on the medically disabled, $25 will be returned in lifetime earnings. In 1972 alone, earnings received by 12,221 individuals after vocational rehabilitation reached $41,628,860 as compared to $3,613,480 total earnings before rehabilitation.

I believe that not only will the bill benefit the individuals and families of the handicapped, but it will also benefit society as a whole. I am confident that passage of this legislation will contribute to the hope, dignity, and self-sufficiency of our handicapped people who desire such a chance. By supporting this measure we are making an investment in the future of hundreds of thousands of American citizens who will be able to lead more productive lives as a result of vocational training. Many less fortunate citizens need our help; we do not have many chances to extend such assistance. This is one of those opportunities. I hope we seize it with the vigor it deserves.

CHALLENGE TO THE SENATE

Mr. McGOVERN. Mr. President, today's New York Times carries a superb article by Mr. Anthony Lewis, entitled "Another Senate Test."

Mr. Lewis reminds us that the Senate will soon be passing judgment on the nominations of William H. Sullivan to be Ambassador to the Philippines and G. McMurtrie Godley to be Assistant Secretary of State for East Asian and Pacific Affairs.

Mr. Lewis writes:

> Messrs. Sullivan and Godley were successive American Ambassadors in Laos, from 1964 to 1969 and 1969 to this past April. As such they played a decisive part in what must qualify as the most appalling episode of lawless cruelty in American history, the bombing of Laos. Very few Americans have let the story enter their consciousness, but it was even worse than the neighboring horrors in Vietnam.

Mr. Lewis concludes with this question:

> In Washington, confirmation of these two appointments is still considered likely. That would be the easy way, the way of business as usual. But if the committee and the Senate are serious about restoring the constitutional balance of power, can they really approve nominations that are such symbols of the lawlessness and brutality recorded in Presidential war-making?

Mr. President, I agree with the sentiments expressed by Mr. Lewis, and I hope his article will be carefully read by all Senators before they vote on the Sullivan and Godley nominations.

I ask unanimous consent that this article by one of the Nation's greatest journalists be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANOTHER SENATE TEST

(By Anthony Lewis)

LONDON, July 8.—An American woman who has long been concerned at her country's role in Indochina was told about President Nixon's agreement to stop bombing Cambodia on Aug. 15. "Is that A.M. or P.M.?" she asked.

The ironic question exposed the troubling aspect of the Aug. 15 deadline: the way a great issue of American law was compromised at the expense of other people. For it is the villagers of Cambodia who will pay in death and destruction over the next five weeks for that settlement of the dispute between President and Congress.

But whatever one's moral qualms at any more savaging of that once innocent and beautiful country, the fact is that the compromise was an enormous step in restoring the political health of the United States—in returning our system to law. After Aug. 15, the President promised, he would ask Congress before bombing Cambodia. In other words, he agreed to comply with the Constitution.

It took many years for Congress to work up the determination that forced that result—years of irredeemable tragedy for Indochina and of political trauma for the United States. And the fight is not over by any means. The constitutional and moral questions posed by the war will continue to confront Congress, and all of us, in many ways.

The Senate, for example, will shortly face a new test of its seriousness in opposing brutal and unconstitutional Presidential wars. It is posed by two pending State Department nominations—of William H. Sullivan to be Ambassador to the Philippines and G. McMurtrie Godley to be Assistant Secretary of State for East Asian and Pacific Affairs.

Messrs. Sullivan and Godley were successive American Ambassadors in Laos, from 1964 to 1969 and 1969 to this past April. As such they played a decisive part in what must qualify as the most appalling episode of lawless cruelty in American history, the bombing of Laos. Very few Americans have let the story enter their consciousness, but it was even worse than the neighboring horrors in Vietnam.

Between 1964 and 1973, the Sullivan-Godley years, the United States dropped almost two million tons of bombs on that peasant country. That is two-thirds of a ton for every man, woman and child in Laos.

The human results of being the most heavily bombed country in the history of the world were expectably pitiful. They are described without rancor—almost unbearably so—in a small book that will go down as a classic. It is "Voices From the Plain of Jars," edited by Fred Branfman, in which the villagers of Laos themselves describe what the bombers did to their civilization. No American should be able to read that book without weeping at his country's arrogance.

For five years, until 1969, the bombing was kept a secret from the American people. Ambassador Sullivan was directly in charge of all the C.I.A. and mercenary personnel involved, and approved the targets. He concealed the bombing from visiting members of Congress and its committees. When he finally admitted it in 1969, he still falsely denied that civilian targets had been attacked. In fact, villages and towns had been obliterated, as he well knew.

The bombing of Laos mounted under Ambassador Godley, with the regular use of B-52's for the first time. By the time he finished his term in Vientiane, there were 700,000 refugees in Laos—out of a population of three million.

Sullivan and Godley have the blood of more innocent human beings on their hands than just about anyone who has ever served as an American Foreign Service officer. Some would say that they were doing a professional job of what their superiors ordered. But that raises other disturbing questions—questions directly related to the present struggle to bring the war-making process back under the Constitution.

When Sullivan said a while ago that the justification for the bombing of Cambodia was "the re-election of President Nixon," he was thought merely cynical. But the statement in fact reflected his consistent view of Presidential power.

In 1969 when the Laos bombing became known, Senator Symington asked Sullivan whether he thought "the President has the right to put U.S. military troops in airplanes over a foreign country . . . and direct the bombing of that country." Sullivan answered: "Yes, sir."

On May 10, 1973, testifying before the Senate Foreign Relations Committee on his nomination to Manila, Sullivan was asked by Senator Fulbright whether the United States might intervene militarily in the Philippines if President Marcos asked us to. He replied:

"I think that depends on the decision of the President of the United States. He has the constitutional authority to make that decision."

In Washington, confirmation of these two appointments is still considered likely. That would be the easy way, the way of business as usual. But if the committee and the Senate are serious about restoring the constitutional balance of power, can they really approve nominations that are such symbols of the lawlessness and brutality recorded in Presidential warmaking?

RELIEVING WORLD ECONOMIC TENSIONS: WHAT BUSINESS CAN DO

Mr. SCOTT of Pennsylvania. Mr. President, it is a privilege to introduce for the Record today the remarks of one of the United States foremost business leaders, Mr. John T. Gurash, chairman of the INA Corporation of Philadelphia, who accurately and concisely discusses the world's economic tensions and possible remedies for these tensions. As Mr. Gurash points out, the international economic and trade issues facing us will finally be solved by governments, but there are things that businessmen can do to keep economic rivalry from damaging the traditional close ties between countries. And Mr. Gurash adds:

> We have to look beyond the complex and technical problems of foreign trade and apply some of the God-given commonsense we businessmen pride ourselves in.

Mr. President, I ask unanimous consent that the remarks of Mr. Gurash before the British-American Chamber of Commerce in London on May 21, 1973, be printed in the Record and I commend them to the attention of Senators.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Relieving World Economic Tensions: What Business Can Do

(By John T. Gurash)

". . . the issues will finally be resolved at the highest levels of government . . . but there are things *businessmen* can do to keep economic rivalry from damaging the traditional close ties between countries . . ."

". . . We all have a great deal at stake. Not only the future of our companies. But more important, the future of world peace . . ."

As a businessman whose firm has longstanding international commitments, I'm concerned—as I know you are—about the economic tensions in the world today. We all have a great deal at stake. Not only the future of our companies. But more important, the future of world peace.

That tensions exist is self-evident. The question is, what's behind them? Where have things gone wrong?

I had a clue recently in leafing through a 1946 issue of TIME Magazine, and reading the headlines in that post-war year:

Europe and Japan were on their knees.

America had an unchallenged nuclear monopoly.

Russia and China were a monolithic communist bloc.

And just about the only signs of American business abroad were Hershey bars and nylon stockings.

The advertisements? Every one of them for American products.

And what do we read in TIME Magazine today?

Europe and Japan are at the height of prosperity, with a combined economic clout greater than the United States'.

Dozens of countries are making news. Countries that didn't *exist* in 1946.

And mutual suspicions have divided Russia and China.

The advertisements? Sony and Volkswagen. BOAC and Fiat. Nikon and Volvo. The American products are nearly outnumbered.

Change is what has happened. For years we have been playing by the rules of the post-war period. Now, a quarter-century later, the rules no longer apply.

The early 1970's will probably go down as the time all the changes came to a head. The entry of Britain to the Common Market. The double devaluation of the dollar. The SALT talks. And President Nixon's visits to China and Russia.

The cold war has finally ended. The test now is to make sure an economic war doesn't break out in its place.

Pessimists are predicting that's just what will happen. And on the surface there is plenty of evidence to support them:

An out-of-date monetary system that doesn't seem to work for anyone.

Devastating inflation in almost every major industrial country.

A return of protectionism in the United States.

And an epidemic of economic nationalism in every corner of the globe.

It's not a happy picture. The balance of power—economic power, military power, and political power—has changed. And with it has come a change in the way the countries of the world must deal with each other.

So far as the U.S. is concerned, the American people are coming to the realization that our reign of dominance in the world is at an end.

This has been painful to American pocketbooks, but even more painful to American pride. And some of my countrymen are determined to find simple explanations to a complex problem.

International economics, after all, is not a very stimulating subject to the average citizen.

I recall a story in Sir Harold Macmillan's memoirs about the old Duke of Devonshire who, when he could think of nothing else to say at a public meeting, would shout, "I will stand no tampering with the fiduciary issue."

It always brought great applause from the audience, which hadn't the faintest idea what he meant.

In America the protectionists are playing the same sort of game. Resorting to double-talk and oversimplification to explain away our economic problems.

They are pointing the finger of blame in two directions—at our own multinational corporations on the one hand, and at our allies-turned-economic-rivals on the other.

As for our trading rivals, many Americans feel that Europe and Japan have not accepted responsibility commensurate with their economic power.

These countries have reduced their economic and psychological dependence on the U.S., it is said, without materially reducing the economic barriers that made sense in an earlier time.

Former Treasury Secretary Connally, for example, puts it quite bluntly: "All the major countries with whom we have adverse trade balances," he says, "are imposing competitive disadvantages on the U.S. through quotas, taxes and other restrictions."

As for the multinationals, I don't think I need defend them before this group, or lecture about the evils of the Burke-Hartke bill. But the fact is the great international companies have become a very inviting target. And the critics of multinationalism are using the grossest oversimplifications to make their case.

One referred to the multinationals as "economic arsonists."

Another suggested that if current trends continue, General Motors will cease domestic manufacturing and be simply a U.S. distributor of Japanese automobiles.

And the AFL–CIO charged that with the exodus of U.S. production to overseas plants. "This greatest industrial power in the world's history is in danger of becoming nothing more than a nation of hamburger stands."

With this sort of rhetoric filling the air, one can appreciate the challenge facing President Nixon as he attempts to steer his proposed trade legislation through Congress. Particularly with the domestic political crisis clouding the issue.

I believe the President is an internationalist with a strong commitment to free trade, and his bill is basically a free-trade bill.

But in trying to satisfy many conflicting interests with a single piece of legislation, he has added a fair amount of sugar to help the medicine go down with the protectionists.

Congress has been known to swallow the sugar without swallowing the medicine, so it remains to be seen what happens when the complex issues of international trade are subjected to political barter.

It also remains to be seen whether an angry Congress will set aside its domestic quarrels with the President long enough to grant him the broad new powers he has requested—and needs—in the trade area.

Another question mark is the President's reputation as a tough negotiator, not known for making unilateral concessions. He has declared his intention to treat America's monetary, trade and defense arrangements with Western Europe as an indivisible package, a package that several European leaders have already taken issue with.

The whole climate of economic relations has led to some gloomy prognoses for the future. Someone has called it a "dialogue of the deaf" between the U.S. and Europe.

Hubert Humphrey, ordinarily not a pessimistic man, has said that "The trade wars of the 1920's were child's play compared to what could break out in the 70's."

And Giovanni Agnelli of Fiat, who calls the U.S. and Europe the vital center of the world economy, says, "If this vital center does not hold together, the world economy will break apart."

Let me make it clear, without sounding like Pollyanna, that I do not take the pessimistic view. If I did I would be home building my own economic fallout shelter, instead of visiting with you here in London.

Perhaps it's my insurance background. It breeds optimism. For when you sell an insurance policy against some unforeseen catastrophe, you are betting your money that the catastrophe won't occur.

And that's how I'm betting *my* money on the international business scene. For I think that as long as we keep our heads about us, we'll come out all right.

I believe we have to look beyond the complex technical problems of foreign trade, and apply some of the God-given common sense we businessmen pride ourselves in.

For as Sir Christopher Soames has said, we must have the *will* to reach an understanding if we are to avoid endless bickering on specific issues.

The new round of trade negotiations later this year promises that opportunity. There have been signs of greater flexibility on the European side. And President Nixon's trade bill, plus his scheduled meetings with European and Soviet leaders, certainly offer the possibility of expanded trade opportunities in all directions.

The President's announcement that he will call on Common Market leaders in Brussels is particularly promising. It suggests that the Common Market is coming into its own as a political as well as an economic entity. And it could mean that "the Year of Europe" will be the beginning of a new and healthy relationship between equals.

Part of the new relationship will be a search by businessmen on both sides for new accommodations, new ways of doing business with each other, in fast-changing markets throughout the world.

We will be experimenting with new forms of overseas investment, as we try to find the formula most appropriate to each time and place.

We have seen a number of experiments already—turnkey arrangements, management contracts, joint ventures and participations.

INA Corporation has pursued one such path—the participation—and we have met with enough success to believe we are on the right track.

Our most significant has been with Compagnie Financière de Suez, one of the largest diversified holding companies in Europe.

The virtue of this relationship has been our ability to cooperate in joint ventures and other opportunities overseas that might not otherwise have been available to an American firm. And since we own a significant but not a *controlling* interest in Suez, we avoid the political and social obstacles one might otherwise encounter in the host country.

One offshoot of our Suez participation has been our 10 per cent interest in Assurances Abeille et Paix, a major French insurance company with operations throughout Europe. For each of us the benefit is improved access to markets in which the other is already established.

Another kind of experiment is typified by a trans-Atlantic relationship between two companies for which INA Corporation was the catalyst.

Through our participation in Suez, we were able to help St. Gobain Pont-a-Mousson, the French industrial company, invest in Certain-teed Products Corporation, an American firm.

The benefit for St. Gobain: improved entry to American markets. For Certain-teed: access to St. Gobain's advanced technology.

It may be premature to talk about trends based on such limited experience. The regulatory situation in the various countries is extremely complex. And INA—highly liquid and not restricted by fixed assets—is better suited to this type of arrangement than perhaps other companies.

But a trend *may* be developing. As all of you know, major transactions of this sort have taken place recently in London and Paris, and more will undoubtedly occur.

I'm certain we will see many experiments like this in the future, as we try to find new ways to increase international trade and investment without jarring political nerves in individual countries.

But experimentation takes time. And time may be the one thing we don't have. For while these new arrangements are evolving, events rush ahead and our governments move quickly to respond to short-term concerns at home.

As a result we face the danger that matters demanding the most urgent attention may be treated in isolation rather than in concert. And the even greater danger that we may find ourselves pushed by national selfishness into a future of perpetual crisis.

Thoughtful men recognize this danger.

From government, Dr. Kissinger has called for "A new Atlantic Charter" to overcome the strains between us.

From academia, Professor Brzezinski of Columbia University has called for trilateral cabinet meetings, with the U.S. and Japanese cabinets sitting down with the European Communities Council of Ministers.

And from business, Signor Agnelli has proposed an Atlantic economic summit meeting bringing together the heads of government of the U.S., Canada, and each of the European Nine.

These proposals have one common thread—resolution of differences at the highest levels of government. This process has already begun with President Nixon's visits with European leaders. And it is at this level that the issues will *finally* be resolved.

But the solutions must *begin* at another level altogether. As they say in Detroit, solutions must begin where the rubber meets the road—among the businessmen of the world who deal with each other on a day-to-day basis.

There are things *we* can do to keep economic rivalry from damaging the traditional close ties between countries.

First, a concerted effort on both sides of the Atlantic to bring direct foreign investment more into balance.

In 1971 U.S. direct investment abroad amounted to $86-billion while foreign direct investment in the U.S. was only $13.7-billion.

I've found it puzzling that while American companies are criticized abroad for overwhelming the world with foreign investment, the major European companies have done little to reverse the flow with foreign investments of their own.

Right now the environment for direct investment in the U.S. could not be more inviting.

The dollar has been devalued twice.

There is a substantial dollar surplus in many countries.

And the shares of many U.S. companies are selling at depressed prices on Wall Street.

Reverse investment flow would do much to restore equilibrium to the world monetary picture, and to relieve pressure on the U.S. balance of payments.

As you well understand, balance-of-payments is not an American problem alone, but a world problem. For if the U.S. deficit continues to worsen, other countries will find themselves holding larger and larger amounts of progressively less valuable dollars.

In addition these trans-national participations—like INA's relationship with Suez, or St. Gobain's with Certain-teed—would ease the entry of European companies to the very lucrative but sometimes difficult American market. And they would make it possible to leapfrog the legislative barriers that could well arise in the U.S. if the protectionists carry the day.

Second, we need a determined effort to make our international corporations more genuinely international, if we are to manage our global businesses successfully. And we must begin with our own people.

The job is twofold.

First, increased understanding by top executives of the complex issues of international trade.

Second, the development of a cadre of truly international executives within our own ranks.

On the first point, I am concerned that many business leaders regard the current monetary and trade issues as technical problems, to be dealt with by so-called international specialists.

But the day is past when international business can be dismissed as a specialty. It is no longer possible to place a neat dividing wall between domestic and international operations.

The global marketplace doesn't function in separate compartments. Neither should our companies.

On the second point, few but the largest multinational companies have made a concerted effort to develop global managers.

True, there are Americans in Paris and Britons in New York, but it seldom goes beyond this. The American or Briton returns home after a few years, having had his international "exposure." By and large foreign operations—yours and ours—are managed by foreign nationals.

The global manager, however, must look at business not from an American point-of-view, or a British point-of-view, but an international point-of-view.

This will take training. It will take travel. And it will take an understanding on the part of top management that international affairs are not a fringe specialty, but the very heart of our business.

It will be a costly undertaking. And going as it does against the grain of strong national feelings, I know it will not happen overnight.

But we must begin. Anything else would be penny-wise and pound-foolish. For if we are going to have a truly integrated world economy, we must begin by integrating and de-tribalizing the people who will make that economy work.

Finally, I suggest the creation of a permanent and continuing forum for the great international corporations of all countries, where we can work together on proposed solutions to our mutual problems.

Organizations such as yours are enormously helpful, for they bring together business leaders in an atmosphere of informality and friendship.

But we also have to focus on the specific issues that threaten to divide us—taxation, currency reform, non-tariff barriers and the like—so that when crises arise, as they inevitably will, we can propose to the governments of the world well-thought-out *international* solutions.

Perhaps I am suggesting the business equivalent of the United Nations—comprising the top businessmen in the world.

Not only the heads of private enterprises in North America, Western Europe, Japan and elsewhere. But the heads of government-run industries as well.

The model for such an organization could be the Committee for Economic Development, a U.S. group which—coincidentally—came into being at about the same time as the United Nations.

It was conceived in the early 1940s by a group of American business leaders concerned about a possible post-war economic crisis. They set about to make specific recommendations to avoid the boom-and-bust cycle that had traditionally followed wars.

Though their fears proved unfounded, their motives have met the test of time. Funded by leading American companies, the CED enjoys the *active* participation of the best executive and academic talent in the United States.

And because it is both non-profit and strictly non-partisan, its studies and recommendations have received attention and action in the highest circles of American government and American business.

I think the time is right for an *international* organization like this, supported by companies in many countries, tapping the best economic thinking in the world and the seasoned judgment of its principal business leaders—then making its findings available to all.

This would not be a mouthpiece for the business point-of-view, but a valuable mechanism for advancing the cause of world trade and world peace.

Such an organization would require no enabling legislation, no referendums by voters, no funding by government.

It requires only the *will* on our parts to discuss the issues in an orderly and intellectually thorough way.

It would give our political leaders the benefit of international business judgment and experience as they grapple with the economic complexities of today's world.

I want to close on a note of optimism. A conviction that the forces pulling us together are much stronger than those pushing us apart.

Mistakes have been made in the past; undoubtedly mistakes will be made in the future. On both sides.

But we are mature enough now to understand that mistakes are part of the learning experience. And together we have learned a great deal.

When Benjamin Franklin, who was equally at home in Philadelphia and London, was representing the U.S. in England, he sent a message to his countrymen at the Continental Congress.

He said: "Now is the time to light the candles of industry and enterprise. Let us light the candles of business too."

We have lit those candles and kept them burning together. I'm certain that with a spirit of cooperation and friendship, they will burn brightly for many years to come.

Thank you very much.

LIMITATIONS OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, during the past week and a half, I have dealt with each of the nine articles of the Genocide Convention in some detail. I have discussed many of the misconceptions that have arisen as a result of not comprehending exactly what this treaty does and does not do. To summarize, the first three articles specifically describe the limitations of the treaty—what constitutes a genocidal act and what acts are punishable:

> The contracting parties confirm that genocide, whether committed in time of peace or in time of war, is a crime under international law which they undertake to prevent and to punish.

In the present convention, genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such:

> (a) Killing members of the group;
>
> (b) Causing serious bodily or mental harm to members of the group;
>
> (c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;
>
> (d) Imposing measures intended to prevent births within the group;
>
> (e) Forcibly transferring children of the group to another group.

The following acts shall be punishable:

> (a) Genocide;
>
> (b) Conspiracy to commit genocide;
>
> (c) Direct and public incitement to commit genocide;
>
> (d) Attempt to commit genocide;
>
> (e) Complicity in genocide.

WHAT THE TREATY DOES NOT DO

Understanding, then, the provisions of the convention, I would like to stress what this treaty does not do. The Senate Foreign Relations Committee has listed:

> It does not alter the rules of warfare, or the obligations of parties to the Geneva conventions on the treatment of prisoners of war and protection of civilian persons in time of war.
>
> It does not apply to civil wars as such.
>
> It does not apply to persecutions such as the currently headlined Soviet treatment of its Jewish population.
>
> It does not apply to discrimination, racial slurs, and insults, and the like.
>
> It does not apply to voluntary population control measures.
>
> It does not apply to the past.

Because of all the areas not covered by the Genocide Convention, some critics claim that it has no substance. These opponents add that the remedy to this malady can be achieved by having the United Nations renegotiate a "meatier" treaty. Being realistic, though, it is difficult to conceive of an organization comprised of over 130 member nations renegotiating a document that is a quarter-century old.

We cannot be proud of the fact that 25 years have gone by and still we have not added the United States to the list of more than 75 countries that are signatories to the Genocide Convention. There can be—and must be—no further delay.

THE RESIGNATION OF KENNETH E. BELIEU AS UNDER SECRETARY OF THE ARMY

Mr. THURMOND. Mr. President, I note the resignation of Kenneth E. BeLieu as Under Secretary of the Army, effective June 29, 1973. Ken will be sorely missed by the Army and the Government.

For nearly a third of a century Ken has served our country with selflessness matched by few men. Fewer still have served with such distinction in so many responsible positions in Government during this critical period in our Nation's history.

Beginning with a distinguished Army career followed by civilian service with both the legislative and executive branches of Government, his service has been characterized by dedication and achievement in rare measure. As a staff director of both the Preparedness Investigating Subcommittee of the Senate Armed Services Committee and the Senate Aeronautical and Space Sciences Committee, he contributed importantly to the advancement of our defense and space programs. The Navy was the next beneficiary of his talent. As Assistant Secretary and later Under Secretary of the Navy, he provided inspiring leadership and was instrumental in developing new initiatives which greatly benefited our naval air and sea power.

In January 1969, he joined the administration as Deputy Assistant to the President and representative to the Senate. Ken's keen insights, sound judgement and reputation as a dedicated, capable public servant contributed immeasurably to the legislative program.

He was named Under Secretary of the Army in September 1971 where he has played a significant role in the Army during a key period of transition from a combat to a peacetime posture. His extensive experience, and his great love and concern for the soldier and the Army uniquely equipped him to forge many of the soldier-oriented programs so vital to attaining success in the goal of an all-volunteer Army. Ken's standards of excellence, unstinting dedication and superb performance have left their mark on the Army. Ken BeLieu's record of service to our Nation is truly remarkable.

On the occasion of his departure from service as the Under Secretary of the Army, I extend best wishes to him and his family for happiness and good health in the future.

Mr. President, I ask unanimous consent that Mr. BeLieu's biography be printed in the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

KENNETH E. BELIEU, UNDER SECRETARY OF THE ARMY

Kenneth E. BeLieu, Under Secretary of the Army, was born in Portland, Oregon, February 10, 1914. He attended Roosevelt High School in Portland ('33) and the University of Oregon ('37) at Eugene, Oregon and subsequently the Harvard Business School Advanced Management Program ('55).

Mr. BeLieu was sworn in as Under Secretary of the Army on 22 September 1971.

In 1940, after three years of business in Portland, he volunteered for active duty as a Second Lieutenant in the Infantry. By 1945, he had participated in the Normandy Landing and campaigns in France, the Battle of the Bulge, Germany and Czechoslovakia. He was awarded the Silver Star, the Legion of Merit, the Bronze Star, Purple Heart and Croix de Guerre.

Following World War II, he served in various assignments with the Army in the War Department and Department of the Army General Staff. In 1950, during the Korean Conflict, he lost his left leg below the knee as a result of wounds received in combat. Upon his discharge from the hospital he was assigned to the office of the Secretary of the Army where he served as Executive Officer to two Secretaries of the Army before his retirement as a Colonel in 1955.

From 1955 to 1960, BeLieu was a professional staff member of the Senate Armed Services Committee, the first Staff Director of the Senate Aeronautical and Space Sciences Committee and at the same time was Staff Director of the Preparedness Investigating Subcommittee of the Senate Armed Services Committee.

In February 1961, he was appointed Assistant Secretary of the Navy for Installations and Logistics. In February 1965, he was appointed Under Secretary of the Navy. While with the Navy Mr. BeLieu was awarded the Navy's Distinguished Public Service Award. He returned to private life in July of 1965.

During the period of July 1965 to January 1969, Mr. BeLieu held positions as Executive Vice President, President and Member of the Board of the Leisure World Foundation, Laguna Beach, California; Member, Defense Science Board; Member of the Board of Advisors, Ryan Aeronautical Corporation and Continental Motors; and Member, Technical Advisory Board, RCA.

On January 21, 1969 Mr. BeLieu was appointed by President Nixon as Deputy Assistant to the President for Congressional Relations, the position he held until he was appointed Under Secretary of the Army.

Mr. BeLieu and his family reside in Alexandria, Virginia.

THEY'RE MAKING IT WORK IN KANSAS CITY

Mr. SYMINGTON. Mr. President, Kansas City, Mo., is a city of vitality. In the current issue of Industry Week, the current development in this city is well described.

In an article "They're Making It Work in Kansas City," the author, Charles A. Nekvasil, explains the success of businessmen and government officials as they cooperate to build an even greater community.

At a time when so much attention is devoted to the deterioration of our Nation's cities, it is encouraging to read this success story.

I ask unanimous consent that the Industry Week article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THEY'RE MAKING IT WORK IN KANSAS CITY

(By Charles A. Nekvasil)

Think you know a lot about this country's major cities? What city is in the middle of the largest construction program in the U.S.? What's the fifth-largest city (areawise) in the U.S.? What city has recently opened an airport that should prove a model for other major airports built in the U.S.?

One city can lay claim to all those distinctions. It's Kansas City, on the Missouri side, a major U.S. metropolis that's proving emphatically that business and government can work together. During the 1960s, Atlanta was the hot town, but in the 1970s that honor belongs to Kansas City.

HOW IT GOT STARTED

Kansas City isn't enjoying what you'd call an economic rebirth—because the town never died. It grew steadily but unspectacularly during the postwar years, never losing its "cowtown" image, explains Richard K. Degenhardt, executive vice president, Chamber of Commerce of Greater Kansas City.

Despite that image, though, important things were happening in the Missouri city, observes Ilus W. Davis, Kansas City's mayor during the years (1963–71) when the town's growth accelerated the most.

"This city had a disastrous government during the 1930s—one of the most corrupt machines in the country," he says. "In the early 1940s, business and civic leaders united to throw the machine out."

From that time on, he adds, Kansas City's business leadership realized it couldn't ignore local government. Business didn't want to run the city, but it was interested in who was running it.

Now obviously, most local businesses are concerned about area government, but as Mr. Davis points out, Kansas City's business leaders don't simply confine their efforts to normal bread-and-butter issues such as taxes and urban development.

Instead, business gets involved in community matters. In the early 1960s, for example, Kansas City adopted a controversial civil rights public accommodation ordinance. However, a local group challenged it, and Mayor Davis' administration faced a referendum election on the ordinance.

Civil rights was still a highly emotional issue, and there was far from overwhelming support for the movement in Kansas City, he explains.

Many business leaders would have avoided that controversy, but Kansas City's didn't. Business helped the ordinance's supporters raise money and mounted its own effort to get out the vote. The result: a narrow victory for the public accommodation ordinance.

"Business here isn't afraid to speak out for its interests, or for the community's interests either," Mr. Davis comments.

NO CRISIS

Most U.S. urban economic revivals came as a result of some crisis, notes the chamber's Mr. Degenhardt. Dallas had President Kennedy's assassination, Memphis had Dr. King's, and Atlanta lost much of its business and civic leadership in a disastrous airplane crash.

After these crises, each city's leadership mounted major campaigns to revitalize their towns. Kansas City never suffered a disaster, and for a long time its leaders seemed content with its steady growth.

However, as Mr. Degenhardt explains it, the city simply woke up to the fact that it had a good story to tell and that things happening there could turn Kansas City into one of the country's leading metropolitan centers.

One of those things was the Crown Center, a $200 million total urban community on the fringe of Kansas City's downtown business district. The center, financed entirely by private capital, will eventually add 50 new buildings to the city's skyline.

Crown Center is the brainchild of Joyce C. Hall, founder and chairman of Hallmark Cards Inc., one of Kansas City's largest firms. It was back in 1955 that Mr. Hall first developed the idea of transforming a decaying fringe area into a model business and residential community. After more than a decade of planning, Hallmark formed a subsidiary and announced plans for the center in 1967.

Today, Crown Center is nearing the end of its first of four construction phases. After completion of the final phase in the early 1980's, it will include more than 1 million sq ft of office space, more than 2,200 apartment units, a 730-unit luxury hotel, a 100-unit motor inn, a bank, two retail complexes, a 10-acre central square, various cultural and entertainment facilities, and structured parking for more than 7,000 vehicles.

A LIVING COMMUNITY

One of the most striking aspects of the center is its careful planning, and Donald J. Hall, Hallmark's president and chief executive officer, admits that this was the hardest part.

"From day No. 1, we worked for a living, working community. There are a lot of grandiose buildings and developments around that haven't paid enough attention to people," he explains. Most of those developments, unfortunately, have proved little more than marble and steel monuments to a 9-to-5 existence.

Crown Center typifies Kansas City's boom. A company decided too many firms spent too much time complaining about our cities and too little time trying to improve them. As Don Hall puts it, "We never considered packing up and moving to some wheatfield. We evaluated our downtown location, looked at all the costs, and decided to do something.

"If other companies would revaluate their original locations and try to upgrade them, I think business could make a much larger contribution to revitalizing our cities."

Mr. Hall admits that every firm can't sink millions of dollars into a project like Crown Center, but he does maintain that every company can make some contribution to its city.

Crown Center isn't the only thing changing the face of Kansas City. Today, there's more than $3.4 billion in new construction rising—more than 75% of it financed by private money. The new airport will account for some $250 million of that amount, but most of it is the result of a genuine boom of smaller projects throughout the city.

LET'S CAPITALIZE!

Because Kansas City had a good start on a downtown expansion, its civic leaders saw an opportunity to turn that steady growth into a boom. One important step, they realized, would be building a proper image for Kansas City in the nation's opinion centers.

The result: Kansas City's Prime Time, a three-year program dedicated to telling the city's story. The business community chose the chamber to spearhead Prime Time. Its first phases focused on opinion centers such as Chicago, New York, and San Francisco. Later, the chamber began a local program, building civic pride.

At that time, Kansas City found an unexpected supporter: U.S. Steel Corp. John E. McGrath, sales manager-Kansas City district, attended a Prime Time meeting and saw a natural tie-in with his firm's "We're involved" advertising campaign.

As Mr. McGrath points out, so much of the new construction in Kansas City uses steel—and in some highly innovative applications—that his industry is deeply involved in the city's growth.

"We saw an opportunity to help bring some new business to Kansas City," he explains, but he adds that "we've made no secret of the fact that the name of the game, in our opinion, is selling our products."

U.S. Steel's advertising and public relations staffs developed a detailed communications program designed not only to associate the firm with the city's strong growth, but also to provide an example of how other Kansas City firms could promote their city's renaissance.

For example, it developed a series of five newspaper ads highlighting important Kansas City accomplishments such as the airport, Crown Center, and other major construction projects. Radio and television spots also pushed these messages, while public relations efforts added more impact.

At first glance, it might seem that U.S. Steel is trying to ride on the coattails of Kansas City's boom, but that's not true. What is true is that the firm managed to find a natural connection between its interests and Kansas City's interests—and then developed a program that "showed business and industry that it can help its community develop at the same time it helps build its business," Mr. McGrath says.

The U.S. Steel executive firmly believes that other companies should consider using similar programs, even if they can't tie into a special campaign like Prime Time. "The benefits of our efforts here for both Kansas City and U.S. Steel have been far greater than you'd expect, considering the costs involved," he adds.

CONFIDENCE

Kansas City's business and industry are confident of their city's future, and they're willing to demonstrate that confidence when it counts. A perfect example, observes the chamber's Mr. Degenhardt, is the city's planned convention center.

The Missouri city's central location and growing hotel population make it a natural convention city. Several years ago, the city announced plans for a large convention facility. The plan was to levy a special tax on restaurants, hotels, and motels to support the revenue bonds. However, a taxpayers' group challenged the plan in court, and Kansas City's convention center seemed bogged down while the slow wheels of justice turned.

Fortunately, the city didn't let that happen. Local government leaders came to the chamber and asked the business community to raise $1.25 million so that architectural planning could continue while the court case dragged on. The chamber raised the money from about a dozen local firms.

"There's no guarantee business will ever get its money back," explains Mr. Degenhardt. The court could rule the tax illegal, and that would kill the convention center.

However, the firms realized their city needed that center, and they also realized a long delay could ruin its chances to become a large convention city. Of course, many of the firms that contributed will benefit directly from more conventions, but Mr. Degenhardt is proud to point out that "we even got money from several local insurance companies, and it's hard to see how they'd benefit from more conventions."

SOCIAL RESPONSIBILITY OR GOOD SENSE?

A company that takes a $200 million risk in rehabilitating a large part of downtown Kansas City, other companies that risk more than a million dollars to keep an important project going, and more companies that pour billions of dollars into Kansas City—it sounds as if the old "social responsibility of business" theory has quite a few supporters in Kansas City.

It does, but don't think Hallmark developed Crown Center because someone thought it would be a socially responsible thing to do. And don't think all the other companies building new facilities downtown are doing it, either. As Hallmark's Mr. Hall puts it, "Our first responsibility is to be as strong an economic entity as possible, but within that framework there are many ways we can do things for our community."

The Hallmark executive strongly believes that "Crown Center has to be run on a profitable basis. I'll admit we probably could have found a slighty higher return on our investment in some other areas, but you've got to look beyond the direct costs and benefits."

Kansas City businessmen have put a realistic dollar value on the investment return they'll get ten or more years from now—when they won't face manpower shortages because workers have left the central city, and when they won't face skills shortages because the city's declining tax base has cut the quality of its educational system.

They've also learned to work closely with government, and government has learned that business can play a valuable role in strengthening a city. As Mr. Hall puts it, "Government can't rebuild our cities. It can build a new building or two, but only private business can design and plan an integrated development program like we've got here in Kansas City."

CONCURRENT RESOLUTION ADOPTED BY THE SOUTH CAROLINA GENERAL ASSEMBLY.

Mr. THURMOND. Mr. President, on June 22, 1973, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress and the Governor of South Carolina to mobilize all resources of Federal and State Governments in aid of South Carolina farmers and agricultural workers who are suffering extreme economic hardships as a result of a continuing pattern of disasterous weather for agricultural production.

On behalf of the junior Senator from South Carolina (Mr. Hollings) and myself, I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

A concurrent resolution to memorialize the Congress of the United States and the Governor of South Carolina to mobilize all resources of Federal and State governments in aid of the farmers and agricultural workers who are suffering extreme economic hardship as a result of a continuing pattern of disastrous weather for agricultural production

Whereas, the weather throughout 1973 has had a disastrous effect on agricultural production in South Carolina; and

Whereas, first snow and ice and now rain and floods have severely damaged many crops and destroyed others completely and have also caused great loss to animals, machinery and farm land; and

Whereas, the farmers of this State, particularly in Sumter, Clarendon and Williamsburg Counties, are in dire need of special long-range assistance to enable them to re-order their lives and farming operations.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the Congress of the United States and the Governor of South Carolina are hereby requested to mobilize all resources of the Federal and State Governments to aid the farmers by providing every long-range assistance available to farmers and agricultural workers of this State, particularly in Sumter, Clarendon and Williamsburg Counties, who are suffering extreme economic hardship as a result of the continuing pattern of disastrous weather for agricultural production.

Be it further resolved that copies of this resolution be forwarded to the Governor of this State and to each member of the South Carolina Congressional Delegation.

NATIONAL SPORTS DEVELOPMENT FOUNDATION

Mr. GRAVEL. Mr. President, on May 2 I introduced S. 1690, a bill to establish a National Sports Development Foundation. The proposed Foundation would be concerned with the policy, planning, conduct, and development of all kinds of sports for individuals of all ages. Through the administration of grants-in-aid, the stimulation of research and development, the provision of promotional and managerial assistance, and the dissemination of sports information, the Sports Foundation would strengthen our country's sports program and contribute to the health and physical well-being of our people.

On June 27, the Committee on Commerce agreed to report the Amateur Athletic Act of 1973, which provides in title II for the creation of the National Sports Development Foundation proposed in S. 1690. The contribution such a Sports Foundation could make to the sport and recreation needs of the State of Alaska has been evaluated by a group of Alaskans prominent in athletics. These individuals, who serve as my State advisory committee on the Sports Foundation, have formulated in conjunction with the Alaska Division of Parks a comprehensive Alaska recreation outreach program, which provides a model for applications for funding by the Foundation. I know that Senators will want to study this report of the advisory committee to better understand the significance of a National Sports Foundation.

Mr. President, I ask unanimous consent that there be printed in the Record the names of the members of the State advisory committee on the Sports Foundation, as well as their report on an Alaskan recreation outreach program.

There being no objection, the material was ordered to be printed in the Record, as follows:

State Advisory Committee—National Sports Development Foundation

Mrs. Daisy Bitner, Consultant, Anchorage Borough School District.

Mr. Jim Brown, Chairman, Department of Physical Education, Alaska Methodist University

Mr. David W. Christy, Ski Coach and Professor, Department of Physical Education, Alaska Methodist University.

Dr. John Gilmore, Chairman, Department of Physical Education, University of Alaska at Fairbanks.

Mr. Nat Goodhue. Outdoor Recreation Planner, Alaska Division of Parks.

Mrs. Katherine (Kit) MacInnes, Physical Education Instructor.

Mr. George Mark, Physical Education Consultant, Anchorage Borough Schools.

Mr. Jim Mahaffey, Coach, United States Ski Team and Professor, Department of Physical Education, Alaska Methodist University.

Dr. James Martin, Aquatics Director and Professor, Department of Physical Education, University of Alaska at Fairbanks.

Mr. Lou Struts, Director, Anchorage Borough Park and Recreation Department.

Alaska Recreation Outreach Program: A Preliminary Proposal

(Prepared by Division of Parks, Department of Natural Resources, State of Alaska)

A SPECIAL NEED FOR RECREATION

In a land blessed with an abundance of open space, wildlife, and scenic beauty, the lack of recreation opportunities may not be considered one of the major problems. In Alaska, especially rural Alaska, food, shelter, and clothing, all essential for survival, are not taken for granted, and understandably health, housing, education and employment programs receive the high priority in the allocation of funds and other resources. Nevertheless residents of Alaska's rural communities have expressed their interest in greater recreation opportunities and most villages demonstrate this interest with frosty winter carnivals and colorful native dances

Background

The *Alaska Outdoor Recreation Plan* describes the deficiency of recreation opportunities in rural Alaska, "Lack of enough income and time for mobility also tends to restrict these people from participating in the recreational pursuits available to the more affluent residents of Alaska. Nevertheless . . . bush residents have strong needs and desires for recreation, and deserve attention in future recreational development. At present, almost no recreation areas and facilities are provided in these areas. Because of the small population involved, it appears that these outlying areas frequently do not receive adequate attention in the political allocation of funds for recreational development." (Volume II, VII–15).

The Alaska Resident Recreation Demand Survey indicated that there was a lack of recreation programs for students and others in rural communities. This should not be confused with opportunities for wilderness recreation. Most rural communities are adjacent to some of the world's largest and most beautiful primitive areas and consequently the space for hunting, fishing, boating for pleasure and a variety of over-the-snow sports is unlimited.

Meanwhile, back in the village the programs for some of these activities and the facilities for community recreation, easily accessible to students during class periods and conveniently located for all age groups in the dark winter and sunny summer evenings, are limited. The needs range from the little tots who want to play together close to home to the older folks who would like a centrally located passive recreation area for cultural events and just plain talking.

In between these two age groups, are the energetic students, many of whom place a high value on good physical education, intermural and interscholastic sports and cultural programs. In fact, a high percentage of the high school age students prefer to attend high schools in Oklahoma, Oregon and Sitka, because of the abundance of extra-curricular opportunities. These promising young Alaskans stated that if a local or regional high school were to offer opportunities to be on a varsity sports team or other extra-curricular activity and the opportunity to travel to a variety of places for sports competition and other activities, they would prefer to go to school closer to home. Thus, limited financial resources combined with the vast distances which separate Alaska's approximately 180 smaller communities from each other and from the larger population centers are denying these people, most of whom are Indians and Eskimos, from participation in the sports programs which are at least physically accessible to most other Americans.

Recreation and other programs in rural Alaska

Recreation is closely related to some of the high priority programs in rural Alaska cited above, such as health, housing, education and employment. For example, the students consider sports and cultural opportunities to be a vital part of their education and perhaps are ahead of the educators who for too long have considered such activities as "*extra*-curricular" when in fact for many the physical and emotional experiences of sport, drama, and music may be a superior means of learning. Perhaps being an actor in the performance of an Eskimo legend and in a Gilbert and Sullivan play is a more effective means to understanding both the Eskimo and the western cultures. Perhaps the rugged training program and the joy of becoming the Junior Cross Country Ski Champion of North America is a means of learning how to thrive in the western world and still utilize the quality which enables the northern Indian and Eskimo to survive in a harsh environment.

A recreation program could complement health programs in rural Alaska. Physical exercise contributes directly to good health, and in the process one can learn a great deal about nutrition and other methods of preventing sickness and enjoying a vigorous existence.[1]

The acquisition of knowledge and skills pertaining to specific recreation activities could contribute directly toward meeting qualifications for jobs in the recreation field, or mental attitudes developed as a result of participation in these activities and the knowledge gained about different people and places, and can contribute to meeting the qualifications for a broad spectrum of other major employment opportunities.

Another major program in rural Alaska, village electrification, is now providing the energy which could be used for lighting outdoor and indoor recreational areas during the long winter nights of the Arctic.[2]

Effective coordination of recreation programs with these other programs could make the difference between mediocre and excellent results and perhaps between no program and an excellent program. In other words maximum use must be obtained from all available resources, especially where one program complements others.

Goals. A recreation program along with other programs should meet the basic needs of the people involved. Accordingly, the goals of a recreation program in rural communities and schools includes:

1. Availability of a greater quantity and quality of recreation opportunities.
2. Achievement in activities which Alaskans, especially rural Alaskans, given the climatic conditions, can excel.
3. Preservation of examples of the natural environment within the communities.
4. Preservation of cultural heritage.
5. Promotion of good health.
6. Increased employment and income resulting from acquiring skills and staging events which attract tourists, thereby stimulating the local economy and income levels.

Experience in Northern Canada where challenging sports programs have been made available to Eskimo and Northern Athapaskan Indians indicates that the participants and others benefit in the following ways:

1. That it is possible for indigenous youth to compete successfully in the "modern" world in a field where they have sufficient environment, culture and understanding to excel to greatness.
2. As a result of this success, they can be motivated to strive for greater general achievements and determination in life itself.
3. Positive self-image changes, such as higher self-esteem, which appears to be the kind of quiet, humble, self assurance and acceptance compatible with the sharing, egalitarian, indigenous culture.
4. Gradually taking on the qualities which will stand them in good stead in the more individualistic, future-oriented achievement-type society of the industrial world.
5. At the same time maintaining a very strong commitment to the traditional, egalitarian culture, to the extended family in particular and their home communities in general.
6. Occupational aspirations which involve achievement in leadership roles in the industrial culture and retention of the traditional way of life, thereby being successful in inculating a desire to experience "the best of both worlds".
7. The attainment of fame and honor to themselves, their families, their communities and even their nation.
8. The generation of a great deal of pride among all northern Canadians resulting from the competitive achievements of participants and thereby the provision of an image for all young people to strive toward an image which is vitally important in today's world of rapidly changing values.

(References for the above-cited findings are *Territorial Experimental Ski Training Program—Research Results;* Edmonton, Alberta; January, 1973 and *Territorial Experimental Ski Training Program Annual Report;* 1971–72.)

HOW TO SATISFY THE NEED

An education-recreation or park-school alliance could be the best approach to meet the unsatisfied recreation needs of rural Alaskans. A Choice location for recreation activities would be adjacent to a school because (1) the school curricular and extra-curricular activities would account for most of the use during the week-days and (2) the school often serves as a focal point in the community after school hours and on the weekends for people of all ages.

A park-school is an "outdoor-indoor plant functionally designed to make possible an integrated program for education, recreation, and community activities suitable to the geographic area it serves in addition to the resulting economy in land acquisition and facility use, construction, operation and maintenance; the park-school is designed to integrate both school and community recreation into one overall program." (*Planning Areas and Facilities for Health, Physical Education and Recreation;* revised 1965; American Association for Health, Physical Education and Recreation; Washington, D.C.; page 8.) The concept recognizes that the day-by-day experiences of school children which take place outside the school and many adult recreation activities are educational.

Overall program management

Primary responsibility for the general direction of a recreation program in a specific community would be shared by the local government and school authorities if it is decided that a park-school alliance provides the best means to satisfy recreation-education needs in communities. The responsibility for developing the contents of a recreation program should be delegated to specific sports organizations which have the expertise to create a high quality program. Responsibility for the general administration and coordination of a statewide recreation outreach program should be delegated to a body with statewide and multi-activity interest, such as the Alaska Parks and Recreation Council chaired by the Lt. Governor of the State of Alaska, staffed by personnel of the Alaska Division of Parks.

Cooperative action between school and community authorities is essential if the advantages of a park-school concept are to be realized. "It involves a joint agreement as to the location, development and use of property to be designed for the school physical education program and for the recreation of both school and community groups. Since the park-school concept is based on desirability and economy of dual use it is of the utmost importance that plans be developed jointly by both school boards and municipal authorities." (Ibid.)

The emphasis which has been given to a joint recreation-education approach is not intended to limit the outreach program to school age participants but rather to utilize existing school resources in the rural communities and achieve broad educational benefits. College aged, middle aged, and elderly people should benefit from a recreation program. In fact high priority should be given to assisting programs which will keep the high school graduate involved in sports and thereby cut the drop-out rate among our most promising athletes. Participation by the middle-aged and elderly is even more essential from the point of view of perpetuating good health and physical fitness and could result in the additional benefits of statewide, national and international competition in masters or veterans competition. Sports clubs and institutions of higher education therefore are important agents along with schools and municipalities in the implementation of a recreation program.

Components of a rural community recreation program

Successful implementation of the recreation program involves the provision of the following basic components:

1. *Space* adjacent to schools which can be used by students during a fifty-five minute class period and by entire families during a cold winter evening, thus recreation space which is a part of the community, not apart from the community. The *Alaska Outdoor Recreation Plan* recommends, "Valuable park and open space land and recreation corridors, such as trail rights-of-way, should be selected and acquired before the choicest areas have been lost." (Volume III, II–5)
2. *Recreation Activity and Support Facilities.* The Alaska Outdoor Recreation Plan states that "playfields and winter sports areas are needed immediately." (IBID.) Highest priority should be for those facilities with the highest ratio of benefits to cost, that is, those which provide for large participation at a low cost.
3. *Recreation Equipment* which in some cases may be fabricated locally and in other cases will need to be purchased from an outside source.
4. *Instructional Materials* some of which may be prepared locally and some of which must be purchased from an outside source, including written materials, slides, film strips, movies, video tapes and the apparatus needed to use these aids.
5. *Personnel,* with an emphasis on coaches who can provide the physical skills and inspiration needed to develop the highest degrees of skills and mental development in program participants.
6. *Travel Funds.* To provide a.) participants with the sought-after opportunity to travel to new places and meet new people

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[1] Also the construction of central sanitary facilities containing showers, laundromat, and water supply by the U.S. Public Health Service, the Environmental Protection Agency, and the State Department of Environmental Conservation provides the kind of support facilities needed for sports programs as well as generally contributing to village health. Construction of these facilities in conjunction with "area" high schools, as proposed by the State will support the extra-curricular programs which the rural young people desire.

Physical, rhythmical, and musical activity has proven to be of therapeutic value to the physically and mentally handicapped. Recreation activities designed for handicapped people in rural communities would also enable them to participate in the multi-event olympics for the handicapped at the state and even national and international levels.

[2] Many State Operated Schools have enough electricity available from Alaska Village Electrification Cooperatives or their own power plants that outdoor lighting could be provided for winter skating and skiing when darkness comes shortly after noon and lasts until late morning in northern Alaska. AVEC has provided electricity in 48 communities which had no community-wide electrical distribution.

and b.) coaches with the means to teach skills to the inhabitants of the satellite villages surrounding the regional centers where they would be based. The great distances between Alaskan communities and the great distance separating Alaska from other states and Canadian Provinces means that a considerable amount of travel funding will be necessary to maintain a high degree of motivation among program participants.

Criteria for the selection of recreation activities and geographic areas

Initially the program should be inaugurated in those communities which have demonstrated an interest in and if possible at least limited achievements in the area of sports and recreation.

The type of activities selected should be those which are economical in terms of facilities and equipment, appropriate to the physical environment, thereby guaranteeing the likelihood of high levels of achievement, and be physically and mentally stimulating, thereby taking advantage of the physical endurance of Indians and Eskimos and achieving the previously described benefits.

Funding

A major reason that a recreation program such as that described has not developed in rural Alaska is because funds are not available.[3] The availability of the necessary funds would undoubtedly provide the catalyst for a substantial amount of recreation activity.

However, in order to obtain a maximum commitment of the local people responsible for the program, and thereby a high quality program, it would be wise to give them financial, as well as other interests in the program. Therefore the bodies responsible for such a program at the local level should be required to contribute a portion of the cost of the program. Probably a contribution in dollars or "in kind," amounting to 5% to 10% of the costs of the equipment, instructional materials, personnel, and travel time components, and a 50% to 75% of space and facility components, would achieve the benefits of giving them a fiscal stake in the outcome of the program, yet at the same time provide them the financial assistance which is needed.[4]

A successful recreation program requires all six of the components described above. A given community, school, or organization may need financial assistance to provide some or all of the components. Therefore the grants should be available to provide any of the components, thereby possessing the flexibility to meet varying areas.

An annual budget broken down by the six components, for inaugurating a recreation outreach program follows:

Recreation outreach budget for fiscal year 1974

Eligible costs:	
Acquisition of land and water areas	$100,000
Development of recreation facilities	50,000
Recreation equipment	15,000
Instructional materials	5,000
Personnel	75,000
Travel for participants and instructors	100,000
Total program	345,000

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[3] The State of Alaska, unlike neighboring Yukon and Northwest Territories which have received funds for recreation activity programs from the federal government through the "Sports Canada" Program, has never been involved in an ongoing recreation activity program. Funding from State and Federal sources has been for the acquisition of land and water areas and the development of recreational facilities, leaving any statewide efforts to coordinate and provide instruction for recreational activities in the hands of volunteer sports organizations and the few existing local parks and recreation programs. While the worthy efforts by these groups has done much to expand recreation activity in rural communities, the volunteer sports organizations do not possess the funds to provide all the needed components listed above, and local park and recreation programs must serve their community first, thereby limiting the extent to which they can provide statewide coordination of recreation activities. Once a rural community recreation outreach program is operable, the costs are defined and understood, and the State's financial situation improves, the State government and its political subdivisions would more likely be able to assume some of the costs of the program.

[4] The more favorable matching ratio is for the recreation activity components for which no funding assistance now exists, and is intended to place the emphasis on recreation activity. The availability of funds at a less favorable matching ratio for park space and facilities insures that assistance can provide for any components which might be lacking.

WHAT'S RIGHT ABOUT AMERICA?

Mr. THURMOND. Mr. President, in the recent Miss South Carolina Teenage Pageant, part of the contest involved the preparation of an essay on the subject "What's Right About America?"

The winner of that essay contest was Miss Laura Anne Tallevast of Kingstree, S.C. Her words were brief but her message was clear. In 100 well-chosen words Miss Tallevast has pointed out the guiding American principles of integrity, trust and freedom. She has rightly observed that the universal freedoms we enjoy, coupled with the unlimited opportunities which are available, make this country strong.

Mr. President, the thoughts conveyed in the essay Miss Tallevast wrote can remind us of the blessings we have as part of our citizenship in the United States. I commend the reading of this essay to all Members of the Senate and accordingly, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

WHAT'S RIGHT ABOUT AMERICA?

(By Laura Anne Tallevast)

America, our land, can only be as great as her people. We, the people of America, stand for integrity, trust and freedom. We are striving to ever improve ourselves, our environment, and our homeland.

No other people, of any other country, have ever experienced such freedom to express themselves on subjects such as politics and religion.

Regardless of race, creed, or color, a person, *with determination*, has the opportunity of reaching his or her highest goal.

America, the beautiful, is a country of love, togetherness, and understanding.

As a teenager of today, I thank God I was born an American!

POWER FROM THE WIND

Mr. HATHAWAY. Mr. President, this seems to be the year of the energy crisis. Every day we are confronted with headlines about blackouts and oil shortages, pollution alerts and closed service stations. The major oil companies are suspending their regular advertising and Johnny Cash is providing tips on ways to save gas. In the midst of all this, it is encouraging to me that more and more thought is being given to meeting our energy needs from "natural" sources—that is, sources which are nonpollting and which are not consumed during their use as are oil and coal. I have been pushing this point of view ever since I first came to the Congress 9 years ago in trying to bring to reality the Dickey-Lincoln hydroelectric project in northern Maine. I was pleased to learn recently that another Maine man is embarked on a similar kind of project—one which will enable rural families to meet their own energy needs of a free, nonpolluting, endlessly renewable source—the wind.

Henry Clews of East Holden, Maine, is one of this country's leading experts on the practical application of wind power and is the U.S. agent for Australian and Swiss electrical generating windmills. These marvelous machines, when coupled with a set of storage batteries and an inverter to convert the direct current stored in the batteries into household alternating current, can provide the reasonable electrical needs of a family indefinitely at little or no cost after the initial installation. In addition to these "ready-made" wind machines, Mr. Clews has developed plans for a "do-it-yourself" unit which can be constructed from readily available components for about $300. The Clews household utilizes one of their own units which currently provides them with enough power for six or eight 75-watt light bulbs every evening, radio, television, stereo, electric typewriter, blender, toaster, vacuum cleaner, Skil saw, electric drill and a one-third horsepower deepwell pump.

Obviously, this approach is not appropriate for the solution of all of our power needs but it does represent a significant potential resource for the thousands of rural families too far from the nearest power lines to afford the expense of "hooking in" to the existing system. In addition, large-scale use of wind power, particularly in the North Atlantic, is now being given serious study.

Mr. Clews has published a thorough and fascinating booklet on this subject which is available from him in East Holden, Maine. I urge my colleagues to make this information available to their constituents, particularly those in rural areas.

It is only through imagination and professional application that our future energy needs will be met. I am gratified that these qualities are being brought to bear on this problem by a man from the State of Maine.

At this point, Mr. President, I would like to ask unanimous consent that an editorial on this subject from the Portland Evening Express be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POWER FROM THE WIND

The wind was one of man's original power sources having had early use in propelling ships across the water and, later, through the windmill, as a labor-saving device on the land.

Over in eastern Maine a fellow who got tired of city life and settled his family on a farm is using a wind mill to generate electric power.

It's working quite satisfactorily in supplying his needs. When the wind is blowing the power is used directly and when it isn't blowing, power is taken from storage batteries that are charged when there is wind.

Henry Clews told an Associated Press writer he doesn't expect the windmill will put the power companies out of business. At present it isn't a viable economical alternative.

But there are some who believe that generating electric power by use of the wind isn't just a gimmick. They believe that it is an idea that could be made practical for general use sometime in the distant future.

There's no noise pollution from a windmill. There's no consumption of irreplacable natural resources like coal and oil. There's no nuclear hazard and there's no flooding of the land as in the case of hydro power.

For the present, windmill-generated electric power is practical only in the outback beyond the range of power lines, but with oil in shorter supply and environmentalists growing increasingly edgy about nuclear power, the windmill might someday become an acceptable alternative.

What thousands upon thousands of windmills might do to the appearance of the landscape is something else again, however, and they might generate a whole new lobby against sight pollution.

THE ARKANSAS PINK TOMATO MARKET

Mr. FULBRIGHT. Mr. President, in his thorough and inimitable way, Leland DuVall of the staff of the Arkansas Gazette, has put into perspective a very unusual set of circumstances which occurred in Arkansas last week when the Internal Revenue Service, through its agents, created havoc in the Arkansas pink tomato market. Phase 3½ has brought about some extreme dislocations in the food industry and has created severe problems in grains, poultry, beef markets and others, but, because of the nature of the tomato market, the action of the Cost of Living Council and the Internal Revenue Service in this case is unique.

I ask unanimous consent that the article from the Arkansas Gazette of Friday, July 6, written by Mr. DuVall, be printed in the Record, and I express the hope that by calling attention to this curious occurrence it will have the effect of avoiding a repetition of such action which was so detrimental to the tomato producers of an area of Arkansas who have suffered enough for 1 year.

There being no objection, the article was ordered to be printed in the Record, as follows:

Tomato Exempt in Price Freeze; Check a Charade

(By Leland DuVall)

An April frost nipped or killed the tomato plants in Southeast Arkansas and forced many growers to reset their fields. A July freeze shriveled the ripened fruit and cut sharply into the expected return from a crop that already had been damaged and had become one of the most expensive on record.

Growers who had been in the business for an extended period are accustomed to weather hazards and can prepare to reset fields when floods or cold weather kill the young plants. But even the veterans had taken no precautions against a July freeze.

The experiences of the highly specialized farmers in Bradley and Drew Counties have been well publicized. After having overcome a variety of handicaps early in the season—late frosts, floods, higher prices for production items and dry weather that made irrigation necessary—the growers moved to the auction markets with their earliest pick. Growers in other parts of the country also had experienced difficulties and supplies, on a national scale, were limited. Buyers were eager to bid and growers anticipated some profit, despite the extra cost and the delay in their harvest season.

At the very beginning, prices were good and the tomatoes sold for as much as $9.50 a lug (20 pounds). That works out to 47.5 cents a pound. Prices in stores around the country were at levels that apparently provided an adequate markup for handlers and retailers.

The tomato market follows an unpredictable pattern, but no one in the business is surprised when the early price level is high and when later deliveries command considerably less. The growers have to work on the seasonal average. Early sales at high prices tend to lift the average but they do not assure a profit. If the bidding trails off too soon, so that the latter part of the harvest turns into net losses, the average may work down below the break-even.

Persons who are familiar with costs this year, which are above past levels, estimate that "good" growers would have to receive an average of at least $5 a lug to break even on the crop. During the peak of the harvest, prices have been known to slump far below the average and also well below the break-even point. Growers were prepared to accept this decline if they could sell enough of their crop at profitable levels early in the season.

This year, the freeze—which started June 13 at Washington—hit Bradley and Drew Counties July 3. It stalled the auctions for a day and when the buyers returned they were able to buy the damaged produce at a considerably lower price. In fact, the bidding barely rose above the break-even point for the best growers and, as in all auction markets, there was no assurance that the level would be maintained long enough to provide farmers with a profit for the season.

The whole charade revolved around a couple of mysterious pantomimes.

The Internal Revenue Agents, who showed up as representatives of the Cost of Living Council, had no authority, under the price freeze proclamation, to monitor the market or to check the prices. No violations were possible at Warren, Hermitage and Monticello.

No one is prepared to report how the Council might have become concerned about three small (by national standards) auctions in the piney woods of Southeast Arkansas.

The two points deserve some examination.

First, there is the matter of "authority." The price freeze order, as published in the June 15 issue of the Federal Register, specifically exempts from all controls the "first sale" of farm commodities that reach consumers in their natural or unprocessed form. The matter is covered by a special rule which says:

"The first sale by the producer or grower of those agricultural products which are sold for ultimate consumption in their original physical form are exempt."

The regulation then lists some 60 items, ranging from fresh mint to shell eggs, as examples of those commodities whose "first sale" is not covered. Tomatoes are on the list.

Since the first sale is not covered by the order, the argument over "base periods" and other factors that might govern subsequent sales is moot. The regulation covers provisions for determining the maximum prices of products and, just for the record, here is the way it is figured:

"Part 140–2 (a)—'Freeze base period' means the period June 1–8 [1973]; (b) in the case of a seller who had no transactions during that period, the nearest preceding 7-day period in which he had transactions shall apply. 'Freeze price' means the highest price at which at least 10 per cent of the commodities were priced in transaction with the class of purchasers concerned during the base period."

This section, presumably, would apply at second or subsequent sales of Arkansas tomatoes; it had no connection with the sales at the three auctions.

IRS officials charged with responsibility for administering the price freeze admitted the agents had no authority to quibble about the prices paid farmers at the "first sale" auctions. They said the agents acted in an advisory role. Specifically, the agents asked the buyers if they were aware of the regulations and if they had thought about the price they could afford to pay growers in view of the ceilings that would be applied at the second and subsequent sales.

When the agents raised the question, the buyers simply stopped bidding. Growers, whose trucks were lined up and waiting their turns to unload, fumed while their tomatoes (picked at the "pink" stage) grew progressively riper under the July sun—and lost value by the hour.

When buyers made their calculations and determined the price they wanted to pay—the level at which they could bid and still stay under the ceiling at the next sale and maintain their margin—they had the opportunity to buy from a two-day supply. Growers were in no position to bargain. Their initial advantage had been lost—just as they knew it would be later in the season.

At first glance, it would appear that the IRS agents would have their hands full checking prices in the areas where they were authorized and obligated to investigate without going to a farmers' market, which is specifically exempt.

This brings up the second clue. A charade, by its very nature, is a guessing game and, in this case, the players have to guess how the Cost of Living Council became aware of the Arkansas tomato auction where there was no possibility that a violation could be committed. If a buyer chose to pay $20 a lug for tomatoes that would come under provisions of the freeze at the next sale, neither he nor the seller would be in violation of the regulation as printed in the Federal Register. The transaction is specifically exempt.

Despite the fact that no violation could be committed at the auctions in Southeast Arkansas; despite the manpower shortage that must plague the IRS in its effort to police sellers all over the country; despite the relative obscurity of Hermitage, Warren and even Monticello to those who occupy bureaucratic positions in the nation's capital. somebody at Washington knew the Arkansas farmers had started selling tomatoes. Instead of checking as many as possible of the thousands of stores where violations of the price freeze were theoretically possible, the IRS sent its team to three places where there could be no violation.

The clue in the charade is the alertness of the IRS, coupled with the vulnerable position of those engaged in subsequent sales.

Consider this hypothetical explanation for the speed with which the IRS was able to move to Hermitage, Warren and Monticello on orders from the "highest" level:

The vice president in charge of produce for a corporation that operates a chain of 2,000 friendly supermarkets across the country realizes that the tomato season has moved to the middle region (which includes two counties in Arkansas) but supplies are short. Bidding is likely to be vigorous but the corporation is faced with the difficult problem of maneuvering under a comprehensive price ceiling imposed by a fearless administration.

There is no law governing the amount his agents can pay for a lug of tomatoes; there is a regulation limiting the amount his company can charge when it resells the "love apples" to consumers. Now the vice president-produce is not accustomed to operating in this sort of situation. In order to maintain the necessary profit margin in his department, he must buy cheap and sell higher and he must keep a markup that covers the rising cost of doing business. Then, of course, the corporation must have its profit, narrow though it is in the food business.

Obviously, the price at the "first sale" must be knocked down by one means or another but no one can be certain that the bidders will not get carried away by the threat of shortages and pay too much. The hypothetical executive did not become vice president-produce by thinking small. If his company has friends at Washington—connections acquired by the traditional methods—so much the better.

The trick is to pass the word and make certain the Cost of Living Council is aware of the outrageous prices that might be paid for tomatoes at Hermitage, Ark.

Not even the best weathermen can explain how or why a cold front starts but they can follow its course. In the case of the freeze that hit the tomato market, the only thing that can be proved is that it came by way of Washington.

FOOD GRAIN TO BANGLADESH

Mr. SAXBE. Mr. President, on June 20, 1973, I along with 39 of my colleagues urged President Nixon and General Secretary Brezhnev to divert a large quantity of grain under the United States-Soviet grain agreement to the food-short nation of Bangladesh.

I have learned that the White House has increased our commitment of grain from 100,000 to 280,000 tons for the second quarter of 1973. This amount is in addition to the 200,000 tons already delivered. I applaud this decision although there is still a deficiency of 220,000 tons.

The problem is now one of delivering the grain in time to avert a famine. The diversion of some of the Soviet shipments would help alleviate the crisis. The specifics of the crisis are outlined in my speech of June 20, 1973. I ask unanimous consent to have it reprinted at this point in the Record along with the letter to the President which was inadvertently omitted and the names of my colleagues who joined me in my appeal. Finally, I ask unanimous consent to have printed a fact sheet outlining the problem and articles regarding the crisis.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Congressional Record, June 20, 1973]

Food Grain Shortage in Bangladesh

Mr. President, as my colleagues are all aware there has been and there continues to be a desperate foodgrain shortage in Bangladesh. There is agreement among those involved with this program that before the largest of the Bangladesh rice crops is harvested in November there will be foodgrain shortages that if not met will result in the starvation death of literally millions of people.

The chaos of mass starvation will be accompanied by intensely violent political activity that threatens to throw not only Bangladesh, but large parts of West Bengal into political turmoil. Such turmoil may well involve the United States both directly and indirectly.

It has become apparent during the past weeks that there will be two critical food shortage periods this year in Bangladesh. In normal years there is a food scarcity in the period just before the November harvest; that is, from late September through mid-November.

This year there will be an earlier critical food shortage period as well. This period will be from middle July through middle August. This July shortage is the result of the failure of the major rice crop of last year, which usually allows the Bengali population to survive until the rice crop is harvested in mid-August.

In December of last year the United Nations issued the Chandler report which estimated the overall imported food need at 2.5 million tons. One-third of this amount, or 850,000 tons, was to be purchased by the Government of Bangladesh, spending one-third of the national budget for the purchases, and two-thirds or 1.7 million tons was to be donated by the international community.

Earlier this year it became clear to the Government of Bangladesh that the international community was not responding to its commitment. Immediately the Government of Bangladesh began buying even more food than had been asked of them. To date they have purchased over 1.2 million tons of food grains, spending over $140 million from a total government budget of little more than $200 million.

To date the United Nations operation has delivered approximately 700,000 tons of food to Bangladesh, for a deficit in their commitment of nearly 1 million tons.

The United Nations, supported by the United States, has mounted a large importation program that until May of this year was importing an average of over 300,000 tons of food grains into Bangladesh each month. In May, however, the importation fell off precipitously. This is true of the present month as well. Further, as importations schedules now stand, July will also fail to meet the previous importation levels. In total, for the 3-month period of May, June, and July, the total amount of food grains imported will be some 400,000 tons.

This represents a deficit of 500,000 tons from the previous importation rates, which would have delivered more than 900,000 tons in any 3-month period.

The result is that from the middle of July until the middle of August the Bengali population will suffer from a food deficit that will approach 35 percent of their minimal survival need.

This part of the world has suffered famine before. During the 1943 Bengal famine the food deficit was 6 percent, and more than 2 million people starved to death. We are here confronted with a food deficit of 35 percent that threatens a starvation death for many millions of men, women, and children.

In order to prevent the impending starvation and the political upheaval, some 500,000 tons of food grains must be delivered to Bangladesh before the last week in July, with first arrivals reaching Bangladesh as soon as is possible.

As you all know, the United States cannot provide this quantity of food in this short time period, both for lack of wheat and for lack of adequate rail, port, and shipping capacities.

Each month the Soviet Union is receiving more than 1 million tons of food grains from the United States. The diversion of 500,000 tons, then, represents less than 2 weeks of food-grains diversion, and a very small percent of the total Soviet purchase of last year.

The worldwide food grain shortage has made it impossible for normal donor nations to aid the people of Bangladesh at this time. The total available food grains that could arrive in Bangladesh from Canada, Australia, Japan, the EEC, and Thailand within the necessary time would meet only a small part of the 500,000-ton minimum need.

Even at this late date, however, there is a solution to the desperate situation in Bangladesh. The solution is to have wheat presently going from the United States to the Soviet Union diverted to Bangladesh.

It should be appreciated that the present plight of Bangladesh is in part the result of the unavailability of food grains on the international market which was caused by last year's United States-Soviet wheat sales which accounted for 65 percent of all the wheat that moved around the world.

Wheat presently on the seas and being loaded in the ports can get to Bangladesh within the required time, but only if the decision to divert the wheat is made within the next few days.

It is clear that any delay will seriously reduce the possibiltiy that such a diversion will save the people of Bangladesh from mass starvation.

With this in mind, I am calling for your help in bringing this problem and this solution to the immediate attention of the President, so that he may enter immediately into discussions with Chairman Brezhnev and forthwith take the necessary steps to assure that starvation in Bangladesh is prevented and that the people of Bangladesh are helped in their struggle to establish a viable and peaceful society.

While Secretary General Brezhnev is in Washington it would be a humanitarian effort of the first magnitude if he and President Nixon jointly showed their interest to aid Bangladesh by diversion of some shipments.

I will circulate among you a letter to the President and Secretary General Brezhnev calling for this action. I hope you will recognize the severity of the crisis and join in this letter.

U.S. Senate,
Washington, D.C., June 20, 1973.

Hon. Richard M. Nixon,
President of the United States,
The White House, Washington, D.C.

Dear Mr. President: We are extremely concerned with the critical shortage of food in the newly established nation of Bangladesh.

There is a food shortage, and we are alarmed at the prospect that millions will die this summer. The only way we believe this can be averted is by jointly diverting Russian purchased American grain without delay.

Therefore, we respectfully suggest that you consider diversion of a certain quantity of wheat under our Russian grain agreement with Secretary General Brezhnev during your summit talks.

Much has been achieved and will be achieved during the course of the summit, and it would certainly seem fitting that the immediate humanitarian concern for this small nation be a part of your historic meeting with Secretary General Brezhnev.

Sincerely yours,
William B. Saxbe,
U.S. Senator.

List of Signatories

Senators Bartlett, Beall, Bellmon, Brock, Buckley, Case, Chiles, Church, Clark, Cook, Cranston, Domenici, Eagleton, Fannin, Goldwater, Gurney, Hatfield, Hathaway, Helms, Hollings, Hughes, Humphrey, Javits, Kennedy, McGovern, Mathias, Metcalf, Mondale, Moss, Muskie, Nelson, Percy, Roth, Saxbe, Schweiker, Stafford, Stevens, Taft, and Weicker.

Summary of Current Food Situation in Bangladesh

1. Deficit for calendar year 1973 estimated by UN at the beginning of the year was placed at 2.5 million tons.
2. Bangladesh bought 1.04 million tons while pledges of assistance have totalled 900,000 tons leaving a gap of 600,000 tons more.
3. Current commitments provide for arrivals in Bangladesh between June and December of a total of 1.07 million tons including stock in hand.
4. The current offtake estimates for June to December period is 1.87 million tons.

5. To provide for a build-up of stocks for January '74, minimum imports up to December should be a million tons more.

6. US has agreed to provide 200,000 tons out of grant funds appropriated for Bangladesh relief for fiscal year '73.

7. Bangladesh estimates the deficit for calendar year 1974 at 2 million tons.

8. Bangladesh has asked for 850,000 tons under PL 480–Title I for fiscal year 1974. 400,000 tons out of it must move during July and December.

9. Bangladesh is deficit in edible oil for fiscal year '74 by 140,000 tons. US has been requested to provide 100,000 tons; 60,000 during July and December next.

[From the Washington Post, July 2, 1973]

STARVATION IN WEST AFRICA AND BANGLADESH

In West Africa and Bangladesh, people are starving by the millions, and in Washington, officials are scratching to find quite small amounts of spare food—food not committed to be sold—for relief. This represents a stunning turnabout from the postwar American practice of fighting world hunger and malnutrition. As Lester Brown says in the current New Leader magazine, "For the past 25 years it has been American policy to intervene with our food resources anywhere that famine threatens. Suddenly there is the possibility that we may be abandoning that." Such is the result of the word food squeeze, a condition greatly aggravated in the last year by Soviet grain purchases on a scale which all but erased the United States' (and other exporters') "surpluses." For it was on these "surpluses" that humanitarian food programs had been built.

It could not have happened at a crueler time for the six countries of West Africa being affected now by accumulated years of drought, or for Bangladesh, a grotesquely overpopulated country beset by additional hideous problems arising from its recent turbulent birth as an independent nation. They have had to cope with staggering relief requirements; if these are met, they will then have to face longer-term recovery and development needs even more difficult to contemplate.

Worse yet, there is doubt about whether the relatively modest amounts of food available from the United States will reach West Africa and Bangladesh in a timely fashion. The $20 million worth (156,000 tons) committed in the 1973 fiscal year to the African nations, whose populations total perhaps 25 million, has been almost all delivered. But no decision has yet been made on how much to send in fiscal 1974. American officials, required by law to sell as much food as possible before starting to give away "surpluses," have not yet determined what amounts may be available. Of 700,000 tons of grain pledged to Bangladesh last spring, 200,000 have been delivered and another 100,000 allocated. However, delivery of the rest is uncertain. It should be regarded as unthinkable for the United States to default on any part of that pledge to Bangladesh, or to delay shipments past the period of greatest need. The proposal of Senator Saxbe (R-Ohio) and 38 other senators to divert grain bought by Russia offers one effective way for the United States to do its international duty in this regard.

In the whole area of food exports, humanitarian as well as commercial, American policy appears to be haphazard and careless. Short-range commercial and political considerations have been allowed to undermine the American tradition of helping feed the hungry. No coherent statement has been made which reflects an awareness of all the different values and interests at play. As the possessor of unrivaled agricultural resources in land, technology and related skills, the United States has a commensurate responsibility to assert world leadership in planning the production and distribution of food. Millions of people around the world should not be wasting and starving in 1973.

[From the New York Times, June 26, 1973]

THE RAINS CAME

"The rains have started and the grasses will grow and the herds will come back and grow fat again."

Thus with hope a herdsman in Niger the other day greeted the season's first showers in the Sahel, the sub-Saharan region of Africa where an estimated six million people in six countries face starvation as a result of a five-year drought that has destroyed their crops and decimated their herds of cattle.

Similar hope has been rekindled in India where the 1973 monsoon has arrived on time and in force, apparently ending a drought that directly affected 100 million people and which has sent food prices and political tempers soaring throughout the Indian subcontinent.

If the new rains fulfill their early promise in Africa and India and in other regions which have been afflicted by unusually adverse climatic conditions in recent years, the world may be spared—at least temporarily—from the widespread famine that has been predicted by Addeke Boerma, director general of the United Nations Food and Agriculture Organization. But rain to nourish next fall's crops will not relieve critical current food scarcities in the sub-Saharan region, and in India and Bangladesh. It will in fact wash out roads, impeding the distribution of relief supplies in the afflicted African countries. In Bangladesh, it is too much rain in some areas that is said to have destroyed crops, intensifying the food crisis.

The need for emergency food aid to Africa and the Indian subcontinent remains acute. To forestall the threat of terrible suffering and death, United States support for United Nations-sponsored relief efforts must be sustained, even if it means diverting some supplies for recent Soviet purchases here, as suggested by 39 Senators in an appeal to President Nixon and to Mr. Brezhnev.

Beyond immediate relief requirements, there is an urgent need for international planning and stockpiling to cope with future food emergencies and for concerted local efforts, with strong international backing, to improve agricultural practices in vast areas of the world that are still highly vulnerable to the whims of the weather. In this latter respect, it is encouraging that Indian planners have intensified their research in dry farming techniques and that the leaders of the six sub-Saharan nations will meet in August to organize a regional attack on the encroaching desert. One season's rains must not be permitted to wash away the ominous lessons of the years of drought.

[From the Plain Dealer, June 21, 1973]

SAXBE ASKS RUSSIANS TO DIVERT WHEAT

WASHINGTON.—Sen. William B. Saxbe, R-O., yesterday urged President Nixon and visiting Soviet leader Leonid Brezhnev to agree to divert 500,000 tons of U.S. wheat destined for the Soviet Union to Bangladesh, a nation that is facing starvation.

Saxbe made the appeal in a letter to Nixon, signed by several colleagues, and in a Senate speech.

In the letter, Saxbe said, "The only way we believe (famine in Bangladesh) can be averted is by jointly diverting Russian-purchased American grain without delay."

To prevent starvation, Saxbe said in the Senate, 500,000 tons of foodgrains must be delivered to Bangladesh before the end of July. The United States cannot provide this amount, he said, because of the lack of wheat and shipping capacity.

"Each month the Soviet Union is receiving more than 1 million tons of foodgrain from the United States. The diversion of 500,000 tons, then, represents less than two weeks of foodgrain diversion, a very small per cent of the total Soviet purchase last year," Saxbe said.

Because of the worldwide grain shortage other nations cannot donate at this time, he said, and he pointed out that the plight of Bangladesh is partly the result of the U.S.-Soviet wheat deal last year.

That deal accounted for 65% of all the wheat that moved around the world.

Saxbe said it would be a "humanitarian effort of the first magnitude" if Brezhnev and Nixon were to agree to the diversion.

OLD-FASHIONED APPEAL

It was enough to bring a person up short—Bill Saxbe writing a letter of appeal to President Nixon about the impending famine in Bangladesh and suggesting to him in the midst of Leonid Brezhnez's visit here that it would "certainly seem fitting that the immediate humanitarian concern for this small nation" should be made part of the historic summit meeting by those two leaders.

Here is Ohio Sen. William Saxbe from Mechanicsburg somehow raising a seemingly lost part of the once generous American spirit turned mean by years of national rancor. On the floor of the Senate he has put forward the facts of a Bengal food deficit approaching 35 per cent. He recites that during the famine of 1943 the deficit was 6 per cent when death from starvation claimed two million people.

Last year's rice crop failure has left a shortage that cannot be offset before the mid-August rice harvest this year despite the Bangladesh government's outlay of $140 million from its $200 million budget to import food grains. Senator Saxbe's practical solution is to ask that Soviet leader Brezhnev agree to permit the diversion of ships now at sea and being loaded at eastern ports in the amount of 500,000 tons of food grains. They are part of our big grain deal with the Russians last June. The tonnage is a mere fraction but it would arrive in time, which is the main point.

The United States and the Soviet Union jointly could undertake this humane gesture at a time when the world sorely needs some showing of old-fashioned humanity as once we understood it. Thirty-nine senators—22 Republicans and 17 Democrats covering the whole range of the political spectrum—like and agree with what Bill Saxbe has asked and have joined him in his appeal.

It seems like ages since someone has proposed something that could make all of us feel a little more decent, a litle more American in the ways we used to think of being helpful rather than powerful. Let's hope this can succeed.

JAPAN BUILDING STEEL MILL IN NEW YORK STATE

Mr. BUCKLEY. Mr. President, I ask unanimous consent that there be printed in the RECORD an article which appeared recently in the Wall Street Journal about a Japanese steel mill that is to be built in New York State. The article concerns New York State specifically, and speaks to a point I find myself so often talking about on the floor and in my conversations with constituents. That is the principle of local initiative. Faced with an unemployment rate of more than 7 percent, local officials in Auburn, N.Y., commissioned a study designed to attract industry for Auburn. After the study was prepared, local officials circulated it and pursued any inquiries. Eventually, an agreement was made with Ataka and Kyoei, steel producers of Japan. I commend the people of Auburn for their resourcefulness and determination. The initiative which they have displayed speaks to the truly vital character of local government.

There being no objection, the article was ordered to be printed in the Record, as follows:

Japan, Long an Exporter of Steel to United States, Now Is Building a Mill in New York State

(By Michael K. Drapkin)

Auburn, N.Y.—The Japanese, who for years have shipped steel to this country through Pacific ports, down the Great Lakes, up from Mexico and across the Canadian border, now have found the most direct route yet to U.S. markets: They plan to make the steel here.

Thus, domestic steelmakers, which had begun to breathe a sigh of relief over prospects that surging world demand for the metal and a twice-devalued U.S. dollar would sharply reduce imports later this year, are casting apprehensive glances at this quiet town of 35,000 in upstate New York.

For groundbreaking will begin here next Sunday for the first direct interest in a steel-producing plant in the U.S. by Japanese steel concerns—the most aggressive marketers of steel in the world and long one of the biggest foreign suppliers to the U.S.

Last year, Japan shipped 6.4 million tons of steel to this country, representing more than a third of total U.S. steel imports of 17.7 million tons.

The $18 million plant, including an electric furnace, modern continuous-casting machinery and rolling mill, is to be built in a 190-acre site here, about 30 miles west of Syracuse. It will be a "mini-mill," designed to supply about 150,000 tons a year of concrete-reinforcing bars and bars for construction uses.

(By contrast, big integrated steel plants usually can turn out several million tons of a variety of products. Even bar mills operated by the big producers tend to be larger. U.S. Steel Corp., for example, has opened two bar mills at its Lorain, Ohio, complex, with annual capacity of about one million tons.)

LARGEST SINGLE VENTURE

Town officials here tout the plant as the largest single Japanese venture in the U.S. What's more, it may be just the first in a series of such plants. The U.S. head of one Japanese partner in the mill says confidently: "This is just the beginning."

While the Auburn facility is the first Japanese-owned steel-producing plant in the U.S., it is far from the only Japanese investment in this country. Plants that are either wholly or substantially owned by Japanese interests produce, among other goods, aircraft in Texas, lumber in Alaska, yarn in South Carolina and soy sauce in Wisconsin. Among major Japanese concerns, Sony Corp. builds television sets in San Diego, Hitachi Ltd. owns a controlling interest in a magnet plant in Michigan and Mitsui & Co. holds large tracts of land for possible future development in Seattle, in New Jersey and near Orlando, Fla. And there's more to come. For example, a big Japanese zipper company is building a manufacturing plant in Macon, Ga.

Domestic steelmen, of course, aren't so enthusiastic about the plant here. Privately, they say two aspects of the project are especially galling: It is to be financed entirely by industrial revenue bonds, thus eliminating the need for capital investment by the Japanese. And the ease with which the package was put together, from feasibility study to financing, contrasts sharply with the red tape U.S. executives say ensnarls them when they try to invest in Japan.

"Why the hell are we making it so easy for the Japanese? Imports have been eating us alive for years," one steelman snaps. Another says that when his company proposed a $500,000 investment in Japan. "It took nearly two years to get the required government approval."

The plant here, to be known as Auburn Steel Industries Inc., will technically be owned by the Auburn Industrial Authority, the quasi-government agency that is issuing the bonds. The bonds will be guaranteed by the Japanese companies whose rental payments to the authority will be used to retire the bonds. One of the Japanese firms is Ataka & Co., one of Japan's largest trading companies with a long history as a steel distributor there. The other firm is the steel division of Kyoei Saka Ltd., a big machinery builder.

LOCAL SELF-HELP

Whatever U.S. steelmen think of the plant, the people in Auburn love it. For one thing, unemployment is more than 7% here, and the plant will create at least 200 jobs. For another, local officials claim with undisguised pride that the deal is a classic example of local self-help.

Mayor Paul W. Lattimore, an ebulient second-term Democrat who describes himself as "an insurance man who has spent a lot of time on redevelopment," says he put the package together on his own initiative. He says he began three years ago after reading a newspaper story about another foreign-owned steel plant in the U.S.—the Georgetown, S.C., plant owned by West German interests. "I thought, 'Hell, if they have one, why can't we have one?' " Mayor Lattimore says.

He commissioned a $35,000 study at Batelle Memorial Institute and then circulated the results "at foreign embassies in Washington and around generally," he says.

Responses came from the Japanese and Italians, the mayor says, and "some faint, indirect inquiries" came from domestic steelmakers. A trip to Japan last year by Mayor Lattimore and others from Auburn resulted in the deal with Ataka and Kyoei.

Why didn't Americans take advantage of the attractive financing available? The mayor says he doesn't know, and steelmakers generally decline to talk about the site. But one says privately that U.S. mills in general "haven't seen fit to scatter small plants around the country—it doesn't suit their organization."

The bond package is still in the hands of counsel, but Mayor Lattimore says it will consist of both tax-exempt and fully taxable bonds. There is a $5 million limit on tax-free revenue bonds for plant and equipment spending, but anything that can be included under the label of "pollution-control equipment" also can be financed on a tax-exempt basis. The rest of the costs will be financed by taxable bonds.

A POSSIBLE PROTOTYPE

If the plant proves successful, it could be the prototype for similar Japanese investment elsewhere. Matsuo Tominaga, head of Ataka America Inc., the U.S. arm of the trading company, says that "there are quite a few suitable locations across this nation" for such plants that interest the Japanese. But he declines to say if more are in the works. It is widely believed by domestic producers, however, that Ataka plans at least two more mini-mills, one in the South and another in the West.

The Auburn plant will produce fairly low-profit items that lose their attractiveness if they have to be hauled long distances. (Under usual steel-industry practice the producer absorbs the freight between his customer and the nearest producing point where a competitor can make the same product.)

But Mr. Tominaga believes the market for his plant to be fully satisfactory and, in fact, holds out the hope that some customer-fabricators will choose to locate on the same or adjacent land. Mayor Lattimore says that "some satellites (customers) already are looking around" at Auburn.

POTENTIAL PROBLEMS

Domestic steel executives, though, see what they believe to be a number of potential problems. They say that because Auburn has little in the way of industries that generate heavy scrap, the availability of sufficient scrap to run its electric furnace might be a problem. They also say that such a furnace will take huge quantities of electric power and that expansion of the plant might prove untenable for that reason. One steelman says, "the market for reinforcing bars in all of New York State is such that to survive, in my opinion, Auburn would have to take fully half of it. I'm not sure competitors will let that happen." The implication is that price cutting and thus profit pressure on Auburn Steel might result.

There's a union labor question, too. The United Steelworkers union, which organized the West German mini-mill in South Carolina after a bitter fight, surely would move to organize the Auburn facility. "It's certainly within our jurisdiction," a USW spokesman says.

But Mr. Tominaga is sanguine about these potential problems. "We'll have to see what happens," he says, "but we think this will be a very good plant."

Officials of New York State Gas & Electric Corp., which will supply the power, says the furnace and plant addition will be "the equivalent of adding a very small community" to its present load but will still leave it with "spare capacity" for future growth both at the plant and elsewhere.

THE UNITED STATES AS A GUN MERCHANT

Mr. MONDALE. Mr. President, I would like to bring to the attention of my colleagues a persuasive letter by Rev. John P. Egan to the editor of the New York Times concerning U.S. arms sales to Latin American nations which appeared on Saturday, June 30.

Reverend Egan eloquently criticizes present U.S. policy in selling conventional arms to these less developed countries. He writes:

> The most disgusting part of the arms sales is that their purpose is clearly to make money, to profit from the killing of men, women, and children.
>
> Now, for profit's sake, it is all right to sell instruments of death to other countries. Such a philosophy was and is bound to get us a destructive end. Creative means will bring us a creative end.

Mr. President, my amendment to the Foreign Military Sales and Assistance Act would direct the President to convene an international conference on conventional arms to eliminate the kind of situation which Reverend Egan describes. I hope that the President acts promptly and signs this bill into law so that the United States will eventually cease from being a merchant of death.

Mr. President, I ask unanimous consent that Reverend Egan's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The United States as a Gun Merchant

To the Editor:

Very recently, a local paper reported that the United States was struggling to remain the world leader in the sale of arms to other nations.

It is negotiating to sell, among other things, jet aircraft to Kuwait and Saudi Arabia while at the same time claiming to desire to relieve tension in the Mideast. President Nixon has approved the sale of arms to five South American countries.

The Government claims it does not any longer want to be paternalistic. No matter that the Governments of at least Brazil, Colombia and Argentina treat their peoples paternalistically and military might is not exactly the way to encourage mature political involvement. The reports of torture and repression in Brazil are so constant that it is hard to conceive of any reasonable man denying their presence.

In a Latin-American country where I worked for nearly two years, I witnessed a military coup. It was successful. It snatched power from a legitimately elected President, one chosen by the people, and in their paternalism the armed forces decided what was best for the people. More arms means a greater possibility of war between Latin-American countries where might will decide what is right.

Yet the most disgusting part of the arms sales is that their purpose is clearly to make money, to profit from the killing of men, women and children.

If one man were to sell a gun to another man who he knew was going to use the gun for murder, the seller would be just as guilty as the murderer. Yet when a nation like the United States sells arms capable of mass murder and clearly not intended for target practice, there is hardly a murmur. Do nations act according to a set of morality different from that for individuals? When we make money on the deaths of others, a Watergate comes as no surprise. It is just the top of the iceberg. The corruption is very deep.

This nation has acted as though the means justify the end. In the name of democracy and against real and imaginary enemies, it was all right to spy and to lie and to kill. So it was logical that some in the Administration should see no problem in spying on and in burglarizing the offices of suspected domestic enemies. It was logical to want to put these so-called domestic enemies in jail for life or for a very long time.

The definition of "enemy" began to change and began to mean anyone opposed to the Administration's concept of the Constitution and of democracy. "Enemy" began to mean anyone who effectively confronted the Government on the whole issue of our involvement in the Vietnam war. And so Watergate became a reality.

Now, for profit's sake, it is all right to sell instruments of death to other countries. Such a philosophy was and is bound to get us into serious trouble. Destructive means will bring us a destructive end. Creative means will bring us a creative end.

When will our sorry nation stop destroying and begin creating?

There is so much that is creative in the initial documents of this country. What we need is a return to the Declaration of Independence. We need to live as though we really believe that *all* men are created equal and have a natural right, given by the Creator, to life, liberty and the pursuit of happiness.

FAYETTEVILLE HIGH SCHOOL CHORALETTES RETURN FROM SUCCESSFUL EUROPEAN TOUR

Mr. FULBRIGHT. Mr. President, this week the Fayetteville High School Choralettes returned from a highly successful European tour. During a 3-week stay in Europe the group, which included 13 members plus four accompanists, performed in Meiseheim, Heidelberg, Munich, Garmisch, and Buchs, Germany; Salzburg, Austria; Lucern and Interlaken, Switzerland; and Lyon and Paris, France. They were featured in a special July 4 program in Lyon.

Mr. Don Wright is the director of the Choralettes and accompanied the group on the tour, along with Mrs. Wright, Mr. and Mrs. William E. Carter, Mr. Doug Yates, Mr. Mark Wright, and Miss Sue Ann Brooks, a faculty member at Fayetteville High School.

The Choralettes were organized during the 1962–63 school years as a girls' vocal ensemble to sing in concert and contest events. That marked the beginning of a unique and outstanding high school vocal group. The second year saw the addition of bass and drums to the piano accompaniment and an invitation to perform with the high school band, in Toronto, Canada, for the Lions International convention and at the New York World's Fair.

Since that time the Choralettes have performed for five Lions International conventions, two military tours, the 1969 Presidential Inauguration, Sports Week in Chicago, the Cotton Bowl Parade, beauty pageants, the Breakfast Club in Chicago, and at Atlantic City, Colonial Williamsburg, and Honolulu.

This is a dedicated group of young people who have brought great enjoyment to those who have heard them and I am pleased that we had a fine group such as this representing our country in Europe.

Those members of the Choralettes who made the European tour, after working hard for the money to make the trip, were Teresa Dorman, Cheryl Adams, Patti Ward, Rose Scruggs, Lee Ann Dodson, Laura Chism, Vicky Garton, Cecily England, Jeanie McKinney, Carol Carter, Cosette Bartlett, Teresa Maguire, and Marsha Cravens. The accompanists were Tim Couch, drums; John Sugg, guitar; Paul Duell, bass; and David Bersinger, organ.

Mr. President, I ask unanimous consent to have an article about the Choralettes from the Northwest Arkansas Times of July 5 printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHORALETTES TO PERFORM

The Fayetteville High School Choralettes, a singing group of 12 girls has been asked to give a command performance tonight at a Franco-American banquet in Paris, France.

The Choralettes performed to a crowd of more than 1,000 in Lyon, France, last evening as that city celebrated U.S. Independence Day.

The concert, held in the open-air courtyard of the government building, received a standing ovation.

The invitation to give the performance was extended by John Irwin II, the U.S. Ambassador to France. Irwin extended the invitation after hearing the group perform at Lyon. He and many French government officials will attend tonight's banquet.

The Lyon performance was the final scheduled performance of the ensemble on its 21-day European tour.

The group plans to return to Fayetteville at midnight July 12. A spokesman said their reception throughout the tour has been "fantastic" with capacity crowds and requests for encores. Don Wright directs the Choralettes.

RELEASING MORE FACTS ABOUT NUCLEAR ENERGY

Mr. SYMINGTON. Mr. President, one of the more impressive accomplishments in the executive branch of the Government has been further dissemination of information to the people about nuclear energy—nuclear power—as the result of the lifting of some of the unnecessary veil of secrecy about this vital subject, a secrecy that has been so characteristic of the policies and programs of the past.

With the publication of the Smythe report in the mid-1940's—which in itself ended the need for much if not most of this secrecy—savings to the American taxpayer could have run into billions of dollars; and there could have been more progress in the utilization of this vast new force to better lives instead of concentrating on how to destroy, at one time, as much life as possible.

A leader in this loosening of the secrecy lock on nuclear military matters was the former Chairman of the Atomic Energy Commission, now Secretary of Defense James R. Schlesinger; and also the present Chairman, who we understand was recommended by Dr. Schlesinger, Dr. Dixy Lee Ray. Her policies, programs, and actions have been constructive to this end.

In this connection, I ask unanimous consent that Dr. Ray's letter of June 28 on the subject be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 28, 1973.

Hon. STUART SYMINGTON,
U.S. Senate,

DEAR SENATOR SYMINGTON: As you know, I feel strongly that the Commission needs to improve its communication with the public on the importance of understanding the nuclear energy program. We have, therefore, initiated some new activities, and I thought you might be interested in a report on these, together with a review of the status of some ongoing efforts in this area.

New activities include:

Establishment of a workshop program on energy and the environment designed primarily for concerned citizens with particular emphasis on the housewife. The program, initiated in April, has been conducted in Boston, San Diego, Los Angeles, San Francisco, and Chicago, and reaction has been very favorable, with TV coverage of two sessions in California. The program includes a lecture, a question and answer period, and a unique electronic "game" which graphically demonstrates the complexities of the fuel resources situation. The programs are open to the public; and the staff participating include, besides AEC, the Oak Ridge Associated Universities, Franklin Institute, and several universities. We expect to put a number of these units on the road next year.

Additional efforts to make use of television, including the production of three-minute public service announcements, the first of which will be distributed later this month. The initial series explains the licensing program and invites the public to write for additional information. We have also produced, in cooperation with the National Science Foundation, a six-minute "mini-documentary" on fusion. The response has been so favorable we will produce similar short films on other aspects of the program.

Production of new motion picture films, both for use on television as well as for general public screening, particularly by school groups. Within the next three months we expect to release new films on the breeder reactor, reactor safety, radiation effects, thermal effects, and a general film on nuclear energy applications.

Ongoing activities, which are being continued or expanded, include:

Recorded programs for radio, which have been widely used in the past (up to 1600 stations have broadcast previous series). We now have in production an album dealing with energy which will be ready for distribution in July. This consists of 12 talks, each about 10 minutes long, featuring prominent scientists. In addition, I personally hope to complete an album this summer of about 10 shorter talks on ecology and energy.

Booklets produced for the general public. Over the last decade, about 12 million people have been reached through the booklet series. Seven new manuscripts are in various stages of completion, covering matters of current concern, particularly safety, licensing, and the environment. In addition, we are initiating a program of printing shorter pamphlets which can be reproduced and distributed in volume at small cost.

Posters, which are sent to public libraries and schools. Three such posters are in production and will be distributed in late summer.

Exhibits, which range from unmanned package units to those that involve a lecturer. The manned school demonstration program, which has reached 25 million people, will be carried out by Oak Ridge Associated Universities without Federal funding, beginning in Fiscal 1974. In addition, we have: (a) two new unmanned exhibits on energy and on transportation of radioactive cargoes, and (b) a new exhibit on biological and environmental research. We plan a new fusion exhibit in Fiscal 1974, and we now are completing a large new traveling energy exhibit contained in three trailers which will begin exhibition next month.

As part of the exhibits program, you are aware that a new museum in Oak Ridge will open in December 1974, replacing the older facility which has been in operation since 1949. We hope that annual attendance in the new museum will reach 500,000 annually. Further, we are planning a Visitor Information Center at our Germantown Headquarters to start operation in May 1974. The Center will include exhibits which we believe will appeal to the general public.

In addition to the activities outlined above, members of the Commission and senior staff are making a large number of public appearances which we hope are useful as a means of communication and, of course, the AEC continues to maintain an active public information effort to deal with the press.

Overall, I believe we have a reasonable program consistent with the responsibilities of the agency and with the need for increasing public awareness and understanding of the Commission's activities. I will be pleased to provide any additional information you might like to have.

Sincerely,

DIXY LEE RAY,
Chairman.

DRUG PRICES: DOMESTIC VERSUS FOREIGN

Mr. NELSON. Mr. President, on September 29 of last year I presented to the Senate evidence of discrimination by the drug industry against the American people. Drug companies charge higher prices in the United States than in foreign countries for the same drug, manufactured by the same firm in the same plant, and sold under the same brand name.

As expected, some of the pharmaceutical firms as well as their trade association loudly complained over the disclosures. Eli Lilly & Co., for example, issued a statement trying to justify its practice of charging higher prices in this country:

> . . . market conditions affecting the prices of products—whether pharmaceutical or other goods—differ from one marketplace to another—Major influences on prices include (variations in) wage rates, distribution costs, price and wage controls, taxes, import duties, revaluations of currency, and sources of raw materials.

The explanations and protestations of the drug industry cave in, however, in light of the recent revelations of the Department of Justice of the dual pricing system maintained by the industry. Many American drug companies sell drugs to domestic wholesalers at different prices depending on where the drug is to be used. If the domestic wholesaler states that the drug will be shipped overseas, his price may be a third to a half lower than if he were to sell it to domestic users. I think it would be quite difficult to find a more glaring case of price discrimination against the American consumer than this one. Furthermore, U.S. District Judge Sylvester E. Ryan specifically found that the practice of the drug companies in enforcing this discriminatory two-price system was a violation of the antitrust laws.

So what happens to the drug industry's glib explanations as to why they charge American consumers up to two or more times the prices they charge foreign consumers, in spite of the added transportation costs to ship drugs overseas?

What is the relevance of differences in import duties, in wages and taxes, as claimed by the drug companies since the products are produced in the United States?

The Monopoly Subcommittee of the Senate Small Business Committee has held hearings on this subject for quite some time. We have heard these explanations before. When pressed to explain differences in prices, the explanation given by the president of the Schering Co., a major drug firm, says:

> But the living standards and purchasing power of people abroad differ greatly from those in our country.[1]

In other words, according to this witness, they charge what the traffic will bear. These discriminatory practices have been going on for a number of years, and now Judge Sylvester Ryan has stated that they violate the law.

Differences in the prices charged for use abroad and within the United States can be seen in the following list:

	Wholesale price when used—	
	Overseas	In United States
Bristol-Myers:		
Polycillin caps, 250 mg, 100's	$12.00	$18.20
Polycillin caps, 250 mg, 100's	10.50	18.20
Polycillin caps, 500 mg, 100's	17.00	35.16
Polycillin oral, 125 mg, 60 cm^3	1.25	1.58
Polycillin oral, 125 mg, 80 cm^3	1.40	2.10
Polycillin oral, 250 mg, 80 cm^3	1.95	3.23
Salutensin tabls, 1,000's	35.00	65.16
Travenol:		
Synthroid, 0.1 mg tabs (yellow) 500's	1.75	4.47
Synthroid, 0.2 mg tabs (pink) 500's	2.44	6.28
Norwich Pharmaceutical Co.:		
Furadantin tabs, 50 mg, 100's	8.37	12.08
Furadantin tabs, 50 mg, 500's	38.98	56.25
Furadantin tabs, 100 mg, 100's	16.74	24.17
Pfizer:		
Antivert tabs, 500's	$12.40	$16.96
Diabinese tabs, 1000's	42.75	67.64
Diabinese tabs, 250's	10.60	17.28
Ayerst Laboratories:		
Penbritin, 250 mg. 100's	11.50	18.18
Ortho Pharmaceutical Co.:		
Ortho-novum, 2 mg, dialpak	54.72	86.40
Ortho-novum, 1 mg	51.21	77.04
American Hoechst:		
Lasix tabs, 40 mg. 3,000	25.57	31.37
Lakeside Laboratories:		
Mercuhydrin, 10 cm^3 vials, 100's	63.24	96.80
Norpramin, 25 mg, 500's	11.40	28.80
Norpramin, 50 mg. 500's	17.50	47.50
American Roche:		
Librium, 5 mg, 500's	16.65	20.66
Librium, 10 mg, 500's	18.50	26.78
Librium, 10 mg, 500's	17.50	26.78
Librium, 10 mg, 500's	19.50	26.78
Valium, 2 mg, 500's	18.00	26.69
Valium, 5 mg, 500's	21.00	32.30
Valium, 5 mg, 500's	22.00	32.30
Gantrisin tabs	12.50	20.24
Mallinkrodt:		
Dintensin and Dintensin-R	20.00	32.85
Dorsey:		
Triaminic tabs	10.21	13.80
A. H. Robbins:		
Quinidex extentabs, 250's	22.18	26.67
Dimetapp extentabs, 500's	25.99	31.25
Robaxin-750 tabs, 500's	33.61	40.42
Robaxisal tabs, 500's	19.40	23.34
Donnatal extentabs, 500's	12.61	15.17
Sulla 500's	35.34	42.50
Robaxisal P-H, 500's	19.40	23.34
Robinal P-H	12.82	15.42
Donnatal caps, 1,000's	12.13	14.58
Donnazyme, 500's	12.65	16.17
Robaxin	22.87	27.50
Dimetone ext., 12 mg, 500's	18.02	21.76
Robinal	11.43	13.75
Lederle:		
Declomycin caps, 150 mg, 100's	13.19	15.99
Aristocort, 4 mg, 100's	7.82	14.45

The pattern of exploitation of the American people by the drug industry should now be fairly clear, and can be summarized as follows:

First. On those drugs which are under patent, and which make up the vast majority of drug purchases, the industry sets a high price for consumers in this country and considerably lower prices for consumers in foreign countries, despite added transportation costs. These drugs shipped overseas are prevented from coming back into the United States through litigation and threats of litigation against wholesalers and potential importers. It is this practice which the court in the Southern District of New York has recently condemned as violations of the antitrust laws.

Second. On those drugs which are not covered by patents the drug industry seeks to acquire as large a market as possible through heavy advertising and promotion of brand names. That this has been profitable to the drug industry is manifested by the great number of drugs sold under their brand names even though drugs which perform the same therapeutic function are available at a small fraction of the price. Use of brand names permits the extension of the patent monopoly beyond the statutory 17-year period.

The pricing practices of the drug industry are milking the American public of vast sums of money every year.

I ask unanimous consent that an article on this subject by Morton Mintz of the Washington Post be printed in the RECORD.

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[1] Competitive Problems in the Drug Industry: Hearings before the Monopoly Subcommittee of the Senate Small Business Committee, Part 2, p. 645.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DUAL DRUG PRICE SYSTEM HIT—FIRMS' CUT-RATE SALES ABROAD CALLED ANTITRUST VIOLATION

(By Morton Mintz)

A U.S. District Judge in New York City charged recently that major pharmaceutical manufacturers selling drugs for higher prices in the United States than abroad has engaged in a "violation of the antitrust laws."

Judge Sylvester E. Ryan made the charge in granting a motion for a directed verdict of acquittal made by the five defendants in a mail-fraud prosecution that had been tried for six weeks.

This was a rare slap at the government as well as the pharmaceutical industry. However, Assistant U.S. Attorney Robert Walton denied that the manufacturers had violated the antitrust laws.

Walton urged Ryan not to discharge the jury, so that the Court of Appeals for the Second Circuit could be asked "to pass on this case, with the option . . . of reopening it if they see fit." The judge refused. The case cannot be appealed.

The heart of the judge's ruling is a little-known pricing practice by which United States manufacturers sell medicines destined for foreign governments and foreign hospitals at prices substantially lower than the prices they set for wholesale buyers of the same medicines in the United States.

Bristol-Myers, for example, sold 100 capsules of an antibiotic trade-named Polycillin, in the 500-milligram dosage, to such foreign buyers for $17. The price to domestic wholesalers was $35.16, according to data compiled by Assistant U.S. Attorney John W. Nields.

Frequently, however, the price spread was smaller, according to the government data that Sen. Gaylord Nelson (D-Wis.) cited to the Senate when he introduced an omnibus drug-reform bill on Feb. 21.

Roche Laboratories, for example, sold certain forms of Librium, a popular tranquilizer, abroad for either $17.50, $18.50 or $19.50, while charging U.S. wholesalers a uniform $26.78. The Furadantin sold by Norwich Pharmacal for $8.37 abroad brought $12.08 here.

A plan to take advantage of such price differentials was devised and executed by the five defendants in the New York case, enabling them in a three-year period ending in July, 1971, according to the government, to pay only $1 million for medicine that otherwise would have cost $1.5 million.

As the government alleged in the indictment, the plan was "a scheme and artifice to defraud" pharmaceutical manufacturers and "to obtain money and property" from them by means of "false and fraudulent pretenses, representations and promises."

The indictment, returned last May, named Hyman Boxer, owner of a wholesale drug company in New Rochelle, N.Y., as the leading defendant. The "vast majority" of purchases were made for his company; others were made for co-defendant Madi Ayachi, who allegedly pretended to be a purchasing agent for the Algerian Minister of Health.

All five defendants were named in 41 mail-fraud counts and in five counts charging interstate transportation of property obtained by fraud. A single count accused Boxer, Joseph Fascenelli and Ayachi of impersonating an official of a foreign government. Four additional counts accused Boxer, Fascenelli, Norman Bank and Joseph Scotto of issuing false bills of lading.

According to the indictment, Boxer, using a fictitious name, and Fascenelli obtained the drugs at bargain prices by claiming to represent the governments of Guyana, Haiti, Algeria and Tunisia, and hospitals in those countries.

Boxer and Fascenelli had drugs shipped to the Permanent mission from Guyana to the United Nations in Manhattan, or to a trucking company operated by Bank and Scotto, the indictment said. Then the medicines were sent directly to Boxer Drug, or to Medical Arts Hospital in Guyana for reshipment to Boxer Drug.

As the government pictured this, the defendants engaged in a massive fraud that enabled Boxer Drug to undersell honest competitors who had to pay higher domestic prices.

Prosecutor Walton, denying that the manufacturers violated the antitrust laws, said none had tried to restrict domestic sales. One did use a business form warning against diversion into domestic channels, and others made inquiries in an effort to verify that the drugs really were going abroad as claimed.

The FBI uncovered and investigated the scheme on its own initiative, government sources said. Possibly after the investigation began, an unidentified foreign government asked the FBI to look into the situation, the sources said.

In court on Feb. 13, according to a stenographic transcript, Judge Ryan noted that the defendants had paid in full the prices at which they were billed, "so there is no charge here of larceny." Rejecting Walton's arguments, he said:

"But what is important about this whole case is that all of these drug companies . . . did control or attempt to control the resale of that merchandise here in the United States. . . .

"The antitrust laws provide that once you have sold merchandise to a purchaser you cannot further restrict the market in which that merchandise is sold or is to be sold. . . .

"I find that the activities of the defendants, as charged by the indictment . . . do not and could not constitute a fraud upon these drug companies and do not sustain the charges in the indictment.

"The fraud charged in the indictment must fall when considered in the context of the antitrust laws. The fraud charge is constructed upon the representation and agreement to restrict the use of drug products in the foreign market, and to consequently proscribe their use in the United States market. It is this restriction that is the crux of all of the counts of this indictment.

"I find that the alleged representations and the alleged agreement predicated on it is illegal and is a per se violation of the antitrust laws; it is a violation in and of itself."

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. The time for morning business has now been concluded.

TRANSIT LINES TO DULLES AND FRIENDSHIP AIRPORTS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of S. 2047, which the clerk will report by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (S. 2047) to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport Road and for a feasibility study of rapid transit to Friendship International Airport.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. Time for debate on the bill is limited to 1 hour, to be equally divided between and controlled by the majority leader and the minority leader, with 1 hour on amendments in the first degree except for an amendment to be offered by the Senator from Missouri (Mr. EAGLETON), on which there will be 2½ hours, and with 30 minutes on any amendment to an amendment, debatable motion, or appeal.

Mr. COTTON. Mr. President, I yield myself 10 minutes on the bill.

Mr. President, I do this because I would like to give a little history behind the bill and make a brief comment on what happens to it in every session of the Congress.

If I may be permitted to list my own connection with this matter, way back when I was still a Member of the House of Representatives, there were groups headed up naturally and properly by Senators and Representatives from Maryland and Virginia, each of which was fulfilling its natural duty to its own constituency as to determining whether the Federal Government should undertake building a second Federal airport to serve the Washington, D.C. area. Some Senators took the position that it would be as distant as the Friendship Airport at Baltimore. They also claimed that the Friendship Airport was capable of development so that spending money to develop a second airport in the area was not justified.

At that time the senior Senator from New Hampshire, then a Member of the House, lined up with the Maryland Members of the Congress against those from Virginia, steadfastly taking the position that it was inexpedient and improvement to spend money to build a new airport when the facilities at Friendship were available. However, Virginia prevailed. The second airport was authorized and subsequently appropriations were made.

To date, the Federal Government has invested a total of $108 million in the construction of what is now known as Dulles International Airport, which was built in Virginia. This $108 million includes $20 million expended to construct the access road to the airport.

In the meantime the Senator from New Hampshire had come to the Senate and was on the Commerce Committee. The following represents a summary of developments concerning the pending bill, S. 2047, since that time:

First. During the 89th Congress, 2d session, the Senator from New Hampshire introduced, and the Senate passed on July 20, 1966, the bill, S. 3523, to authorize the Administrator of the Federal Aviation Agency to undertake a comprehensive study of high-speed ground transportation to Dulles International Airport. The House failed to act on this bill.

Second. Again, in the 90th Congress, the Senator from New Hampshire introduced S. 103, which like S. 3523 provided for a high-speed ground transportation study to Dulles, but on which no action was taken.

Third. On December 9, 1969, the National Capital Transportation Act (Public Law 91-143) was approved. Section 7 of that act authorized the Secretary of Transportation to contract with the Washington Metropolitan Area Transit Authority for a feasibility study to extend a transit line to Dulles Airport.

That study, submitted in July 1971, concluded that—

> Dulles Airport rail service merits further study as a vital link with what will be the area's most important airport and as an important branch of the metropolitan Washington rapid transit system.

Fourth. On October 4, 1972, the Senate passed S. 2952, as amended, which was sponsored by former Senator Spong, and Senators BAKER, BIBLE, NELSON, DOMINICK, PELL, EAGLETON, CHILES, HOLLINGS, and TUNNEY, and which provided for such "further study," including designing and other necessary planning.

Fifth. S. 2047, the pending measure, is nearly identical to S. 2952 of the 92d Congress noted above.

The Senator from New Hampshire, having first sided with Maryland in not wanting to build the airport in Virginia, has consistently, since 1966, pointed the facts that Dulles is a Federal airport in which we have invested $108 million; that it is a modern airport; that we have a Federal right-of-way from this side of the Beltway all the way out; and that we would not have to buy or condemn a square foot of ground if a rapid transit system was installed so that people from the Washington area could get to Dulles more rapidly.

Mr. President, I want it distinctly understood that I am not saying one word in reproach. Nothing I am saying, I hasten to assure my friend, the Senator from Maryland (Mr. BEALL), who is presently on the floor, is said to imply that the present Senator from Maryland, his father before him, or any other Senator from Maryland has not done what he should do to represent his State in this body on behalf of his constituents' interests. I am not reflecting on what any Senators have done.

Mr. SCOTT of Virginia. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. SCOTT of Virginia. Mr. President, I appreciate the Senator's yielding to me. I assure the Senator that, at least on the part of this Senator from Virginia—and I am sure my colleagues, the senior Senator from Virginia feels the same way—I do not have the slightest intention of interjecting any opposition to the provision of the bill as it relates to Maryland and Friendship Airport.

I commend the distinguished Senator and the chairman of the committee for their action in bringing this bill before the Senate for consideration at this time.

I feel that the question of rapid access to Dulles International Airport, as well as the scheduling of flights, is preventing this airport, which is an airport for the entire country, from developing into its full potential.

I assure the Senator that the bill as reported by the committee is entirely acceptable to me. I do not have any suggestion as to any amendments to the bill. In fact, I intend to oppose an amendment which I understand will be offered.

Mr. COTTON. I thank the Senator. But, Mr. President, my point is this: I am perfectly willing that we should investigate and should consider the study of rapid transit to both airports, the one in Maryland and the one in Virginia. I certainly would not interject myself into any kind of controversy between the Senators from those respective States. But, the whole point is that it does result in such a controversy and one on which this and prior administrations have recommended that Friendship Airport be deleted from any such rapid transit study. For example, I have a letter in my hand from the Department of Transportation which says:

> In summary, the Department recommends that S. 2047 be revised to call for a detailed feasibility study of various rapid transit modes to Dulles Airport. The bill should assure participation in the study by local official planning agencies such as the Northern Virginia Transportation Commission and the Washington Metropolitan Area Council of Governments. We recommend that the proposed feasibility study of rapid transit to Friendship Airport be deleted from the bill and Amendment No. 286 not be included in the bill.

So we are right back where we started.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. COTTON. I yield myself 2 more minutes.

I am perfectly willing to have a study conducted on the feasibility of rapid transit to both airports. But, the fact remains that Dulles is a Federal airport. Every cent in Dulles came from the Federal Government, to the tune of $108 million. It sits out there, one of the most modern airports we have in the country. We own the right-of-way; we do not have to buy or condemn a square foot to get it. On the other hand, Friendship is not a Federal airport. It is a State facility.

But what happens is that each year we march up this same hill. Sometimes we pass the bill for both airports and sometimes we do not. But, it never gets anywhere, and each year the danger, in the opinion of this Senator—and I have been on the committee now for nearly 20 years—of a catastrophe at National Airport becomes more real.

I do not want to indulge in any scare tactics or put anything in the record to frighten the public, because I am sure every precaution is being taken for safety. But, the fact remains, and we have to face it, that the congestion at National Airport is very heavy.

I wish we could go forward promptly with the designing and other necessary planning for a rail rapid transit line to Dulles alone. But, I am afraid there is no hope of that. So, there being no hope of it, and knowing the insistence that will be made that it include a feasibility study for Friendship Airport, too, I am willing to vote for the bill, provided it is not loaded down with too many amendments. But, I am afraid it is the same old story. We will march up the hill and down again, Mr. President. We will do it every year. I shall not be here, but Congress will do it every year, until something happens out there at National Airport to stir us into acting to do something to relieve the pressure.

Everyone wants to fly into National. That is natural enough. But, we need to fully utilize the large investment we have made in Dulles International Airport.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. COTTON. I gladly yield to the Senator from Wisconsin.

The ACTING PRESIDENT pro tempore. The Senator's 2 minutes have expired.

Mr. PROXMIRE. Just for a question?

Mr. COTTON. Yes; I yield myself 2 minutes more, and yield to the Senator for a question.

Mr. PROXMIRE. I ask the distinguished manager of the bill if it is not true that the administration flatly opposes this bill at this time for two reasons. No. 1, do they not argue that the timing is wrong, that the Dulles line would link up with a Metro K route which will not be completed until 1978, at least; that the Metro K route has been stalled by legal entanglements or for other reasons; and that by 1978 the situation may be entirely different, and there may be changes that would make this either more or less desirable, and therefore the study should be made at a later date than 1973, 5 years before the lines could possibly link up?

The second reason why the administration opposes it is that there is no local involvement and no local cost sharing plans. Under Secretary Beggs, as I understand it, testified that a solution in which the Federal Government provides all the money is very likely to fail, that there should be local cost sharing involved from the beginning, and we do not have that now.

For those two reasons the administration, the Office of Management and Budget and the Department of Transportation, oppose this bill. Is that not correct?

Mr. COTTON. The Senator is essentially correct. However, I would differ with him on minor points. In the first place, with respect to the reference to former Under Secretary of Transportation Beggs, I hasten to point out that Mr. Beggs also said the following:

> There is, in our view, really no question as to the overall desirability of improved mass transportation to Dulles.

This Senator—and I want to make this very clear—the Senator from New Hampshire differs very decidedly with the administration on the bill and the issue of timing. It is all right to defer, but I do not like to defer when we are endangering human life. I know the distinguished Senator from Wisconsin will oppose the bill on the grounds of economy. I shall not quarrel with him.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. COTTON. Two minutes more. Whether the administration likes it or not, I would like to see this bill passed, so that at some time in the not very distant future—not 10 years from now, or 15 years from now—we can get some of the pressure off National Airport in the interest of the safety of the traveling public.

I have no quarrel with the study as to Friendship. My only concern is that the bill not fall of its own weight.

Mr. PROXMIRE. Is there any merit, in the Senator's view, in the objection by the administration that, because of the Metro K route being tied up, and it being essential if we are going to get any effective program to have that available. Is there any merit in their argument that they would not be able to proceed with an effective operation for 5 years anyway? Is that true or not?

Mr. COTTON. I cannot quite agree with my friend from Wisconsin. The Metro plans provide for construction of a rapid transit line to National Airport which will be completed by the mid-1970's. That means 2 or 3 years more. The failure to move forward to facilitate a similar rapid mass transit system to Dulles can only serve to aggravate an already serious imbalance in the use of Dulles and National. Therefore, contrary to the administration's argument for delay, this Senator believes we should move forward now.

However, I am not deceiving myself on the situation regarding the bill. I have every respect for the distinguished Senator from Wisconsin and his judgment. However, we seem to manage to come out of the same hole that we went in; and unfortunately, do nothing.

Mr. PROXMIRE. I apologize to the distinguished Senator from New Hampshire for possibly delaying him, but would the Senator feel that it would be a mistake to require that some of the funds for the program be taken from the highway trust fund?

Mr. COTTON. That is a question which is in the Public Works Committee at the present time. They are in conference with the House on it. I did oppose diversion of highway trust funds when the Senate considered S. 502, but a majority of the Senate felt otherwise. It is now a matter to be resolved in conference with the other body.

As for local participation, Dulles is a Federal airport bought by the Federal Government. The right-of-way was also purchased, and the access road cost $20 million. That was bought. That is all Federal. If we are going to get a rapid transit system out to Dulles, I see no reason for local participation.

Mr. PROXMIRE. I thank the Senator from New Hampshire very much.

AMENDMENT NO. 286

Mr. EAGLETON. Mr. President, I call up my amendment No. 286 and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read the amendment, as follows:

> On page 2, between lines 17 and 18, insert the following:
>
> (e) The Administrator of the Federal Aviation Administration shall not eliminate or reduce any air transportation service between Washington National Airport and any other airport in the United States until either (1) the rail rapid transit line authorized to be planned in this section or (2) the rail rapid transit line authorized to be studied in section 10 is constructed and in operation.

Mr. EAGLETON. Mr. President, this amendment, No. 286, to the pending bill, S. 2047, would preclude the Federal Aviation Administration from eliminating or reducing any air transportation service between the National or any other airport in the United States until either of the two matters being considered in S. 2047 actually have been achieved; namely, a rapid transit system to Dulles, or a corresponding system to Friendship Airport in Maryland.

The FAA, in the Federal Register of January 29, 1973, proposed to discontinue service to National affecting 26 cities. They are located in 20 States. Under the proposed regulation, nonstop service from the following cities to Washington National would be transferred to Dulles:

Nonstop to and from St. Louis, Mo.; Minneapolis-St. Paul; Memphis, Tenn.; Orlando, Tampa, and Miami, Fla. On those six cities, nonstop service will be discontinued to and from National. One stop service beyond a thousand miles to the following cities would be discontinued and transferred:

Seattle, San Diego, Spokane, Las Vegas, Boise, Billings, Albuquerque, Denver, San Antonio, Phoenix, Tucson, Salt Lake City, El Paso, Bismarck, Houston, Dallas, Oklahoma City, Fargo, Tulsa, and Omaha.

Now, Mr. President, the purpose of the instant bill before us is expeditiously to move travelers or passengers from the airports in question to the heart of the metropolitan area. But, as we all know, such passengers and travelers cannot be expeditiously moved at the present time; hence, transfer of these flights to Dulles Airport or to Friendship, as of this time, will cause considerable inconvenience to travelers from the 26 aforesaid cities.

Travel time to Dulles is as much as 1 hour each way in traffic. Time is getting longer each day because the route encompasses the beltway and the parkway. Insofar as costs are concerned, the taxi ride from Dulles is $16. Limousine service is $3.50. Bus service is $2.50.

Without transfers of any kind, that is, if no flight which is now using National is transfered to Dulles, FAA projections at the present time show passengers using Dulles will grow from 2.6 million to 6.6 million.

Friendship, likewise, will have its hands full, as its passengers will grow from an estimated 3 million, which is the current annual passenger load, to 7.1 million by 1980. These statistics are courtesy of the FAA.

National Airport resolved many of its congestion problems with the expansion in 1971 of its terminal at that time, TWA, Northwest, and American Air Lines expanded their facilities and increased the total square footage by one-third.

National's service will also be made more convenient and more expeditious by the opening of its own rapid transit system in July of 1976.

All my amendment seeks to do, Mr. President, is to preserve the vital services which have been in effect at National since 1966. Nothing in my amendment would prevent quieter jets from coming into National. That is certainly permissible under this amendment.

There is nothing in the amendment that will prevent the FAA from channeling future air traffic growth into Dulles or Friendship.

What we are talking about is existing service to the 26 aforementionad cities. If there is to be any growth of service to those cities or other cities in the Nation, that growth can all be channeled by the FAA either to Dulles or to Friendship Airports, or both, if the FAA so desires.

The proposed transfers, it is conceded, and rightly so, by the FAA, will not result in a lessening of traffic at National, but merely absorption by National of a larger share of the expected future growth of air travelers in the Washington area, which growth could double in the next 10 years. So there is nothing, insofar as the transfer of service to these 26 cities away from National is concerned, that would in any way lesson the growth of National, and in no way would my amendment impair the future growth of Dulles or National Airport.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. COTTON. I yield myself 2 minutes on this amendment.

Mr. President, the Department of Transportation's comments on the amendment of the distinguished Senator from Missouri are as follows:

The Department opposes enactment of this amendment because it would seriously restrict the FAA's discretion to respond to changed air traffic conditions at Washington National Airport and it would prevent the FAA from taking necessary steps to insure the safety—I repeat and emphasize "safety"—and convenience of the flying public.

I do not take issue with the distinguished Senator from Missouri about the prospective growth of traffic in all these airports. Dulles is an airport that can readily be expanded. He says that at certain peak times it is carrying its full load now. But, I think those peak periods are comparatively few and far between, and they are only what the words imply—peak periods.

Personally, as a Senator—and I do not say this to frighten anybody—I would not dare take the responsibility of voting for any amendment that tied the hands of the FAA, as it deals with increasing traffic, so as to compel traffic to continue to go into National. We have known for a considerable period of time that, while National may be able to bear the load it is now carrying, it should not be increased. The flexibility and the authority of the FAA, charged with the safety of the public, should not be put in a vise by this amendment.

With all due respect to the Senator from Missouri, I regard this as a dangerous amendment. I could not possibly take the responsibility of voting for it. I therefore must oppose it.

Mr. HARRY F. BYRD, JR. I yield myself 4 minutes, and then I shall yield to my distinguished colleague from Virginia.

Mr. President, I agree thoroughly with the distinguished Senator from New Hampshire. I think this is a dangerous amendment and a very unwise one. I would hope the Senator from Missouri would give consideration to withdrawing it.

Washington National Airport now carries 11 million passengers annually. It handled that many in 1972. Last year, Dulles Airport carried 2,500,000. Dulles was built at a cost to the taxpayers of $110 million. It was meant to be the dominant airport serving the Washington area. National Airport now is at capacity. As the Senator from New Hampshire pointed out, it has reached the point where, if there is expansion of it, an element of danger could be involved.

I think the Senate will want to ponder very carefully before it ties the hands of the FAA in its determination as to how the flights in and out of Washington should be allocated.

After all, the safety and convenience of the flying public should be the foremost consideration, and it is the responsibility and prerogative of the FAA to make that determination.

I would point out that Washington National air operations now average 60 flights per hour. Air operation facilities are already being used to capacity.

Dulles air operations capacity is 100 per hour, and the peak average now is 20 per hour.

So I think that what the Senate would be doing if it adopts the proposal of the distinguished Senator from Missouri would be to tie the hands of the Federal Aviation Administration in determining how best to allocate air flights to the Washington area. That is a highly technical matter. It is one that involves the safety and convenience of the traveling public.

I believe the Senate, instead of trying to determine that question on the floor of the Senate should leave it in the hands of the FAA.

Mr. President, I now yield 20 minutes to my distinguished colleague from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. President, I appreciate my distinguished colleague yielding to me.

I, too, oppose the amendment offered by the Senator from Missouri, and I oppose it for a large variety of reasons. We sometimes think of National Airport as being the more convenient airport for Washington. If we do that, we are thinking about the time it takes to get to National Airport, not the time it takes to get airborne. If we are going out of Washington, oftentimes there is a delay in becoming airborne. If we are coming in, there is a delay in getting back to the ground again. I submit that we are much safer traveling on the ground to Dulles Airport than we are when we are stacked up in the air, trying to get down to National Airport. So convenience is not exactly what it appears to be.

When I heard of the amendment proposed by the Senator from Missouri, I thought, "Well, maybe this is a good way to get Interstate 66 completed from the Beltway into Washington. Maybe it is a good way to get rapid rail transit out to Dulles Airport. The distinguished Senator, by his amendment, only wants to hold this proposal up until these things are completed."

But we do have a safety factor at National Airport. We may get experts to say that it is just as safe at National as it is at Dulles. But that is not what the pilots tell me privately. With as many planes coming in and going out of National Airport as there are, the human factor must be considered. It is altogether possible for an air traffic controller to make a mistake and be scheduling planes to come in and to go out at the same period.

There is also the noise factor. I represented much of northern Virginia in the House before coming to the Senate. A large number of constituents told me that even though planes are supposed to fly over the Potomac River—travel over the Potomac—they deviate from that course. In fact, one gentleman told me he was going to run against me on this count alone; that the noise from aircraft was keeping him awake at night. This threat did not materialize; he did not seek office. But he was extremely serious about the matter. He was urging that something be done to schedule these flights at Dulles.

Mr. President, we have to reflect for a moment on the nature of these two airports. The Dulles International Airport was planned for long range flights. Trees have been planted all around the facility for the purpose of reducing noise that might disturb people who live nearby.

The Senator from Missouri spoke about Dulles International Airport being used to its complete capacity. It is true that during peak hours the terminal facilities are used almost to capacity, but National Airport has that situation all through the day and not just at peak hours. Washington National Airport has a large number of planes going in and out all day. All we have to do is provide the opportunity for Dulles International Airport to increase its facilities in its planned segments.

It is planned as the airport for the future that can accommodate many times the number of flights now being used at Dulles International Airport.

If the amendment of the Senator from Missouri were adopted we would be overruling the Federal Aviation Administration because this is something they have planned. We have created this agency for the purpose of overseeing, together with the Civil Aeronautics Board, the flights of aircraft. They have made an announcement. We should look at portions of the release made by the Department of Transportation, the Office of the Secretary, in January. He said:

> The proposed policy is designed to enhance the short-haul and commuter role of Washington National Airport by phasing out non-stop flights to and from seven cities beyond a 650 mile radius of Washington and one-stop flights to and from points beyond 1,000 miles.

The then Administrator John H. Shaffer, said:

> Our proposal to eliminate long-range nonstop and one-stop flights to and from National reinforces our long-standing policy regarding the proper aeronautical role of that facility in its relationship to Dulles.
>
> Dulles is especially suited for the international and long-haul markets where ground travel time is a less critical factor. Its long runways, large ramp areas and modern terminal facilities were specifically designed for long-range, heavier aircraft and their users.

He goes on to state:

> The 650 mile limit on non-stop flights at National was established by FAA after the airport was opened to two and three-engine jets in April 1966. However, non-stop service to seven cities beyond the 650 mile limit was exempted from the ruling under the provisions of a "grandfather" clause. Four of these seven cities are in Florida—Orlando, Tampa, West Palm Beach and Miami. The remaining three are St. Louis, Memphis and Minneapolis-St. Paul. Together, these seven cities account for 67 flights daily.

We are not talking about a new policy by the Federal Aviation Administration. I can understand the concern of the distinguished Senator representing the State of Missouri, but St. Louis and other cities were excluded from the general policy in April 1966. Now, it is thought by the Federal Aviation Administration that they should no longer be excluded.

I feel when we create an agency and that agency has made a detailed study, it is unwise for us to single out a particular incident and by a floor amendment which has not been considered, insofar as this Senator knows, by the Committee on Commerce, attempt to revoke the action of an administrative agency.

Mr. President, as far as I know all Virginians agree with the actions of the Federal Aviation Administration. We have a Virginia Aviation, Transportation, and Airport Study Commission. They have prepared a very detailed study on the use of National Airport as well as Dulles International Airport, both being located within our State, even though both are Federal airports. The Governor of Virginia issued a statement approving the action of the Federal Aviation Administration. The General Assembly of Virginia by unanimous vote has passed a resolution endorsing the actions. We have within Fairfax County an economic development authority that has written to me and I am sure to other representatives of Virginia in Congress, and they have asked that there be a change in the number of airplane flights from National and that they be transferred to Dulles International Airport. The County of Fairfax also has approved it.

In addition, there has been a preliminary Federal environmental statement made in regard to this matter that I wish to read in part. Today we hear about the environment in the Washington metropolitan area. I hear various Members of this body talk about air pollution, water pollution, and noise pollution. We have a detailed study in which various alternatives in the use of Washington National Airport and the Dulles International Airport are discussed. The study I have before me is 95 pages in length. On page 31 of the report it is stated:

> CONTINUED SCHEDULING PRACTICES VERSUS NEW POLICY
>
> The short haul/long haul future division of air service is the most promising of all of the known alternatives. It would preserve not only our past airport investments, but also preserve the many other positive benefits which economically accrue to the public, both locally and nationally from major airports and the national aviation system.
>
> Therefore the only alternatives that were considered appropriate for full environmental analysis was that of continuing the current scheduling practices and markets or adopting the proposed policy which refines the

> dichotomy between DCA and IAD, the short haul businessman's airport and the long haul international airport. This analysis (Section II) showed the new policy to be advantageous environmentally with no adverse environmental effects as a result of the policy change when the total impact was studied.

There are so many reasons it seems to me why we should move some of the flights from Washington National Airport to Dulles International Airport that I join my colleague from Virginia in urging that the Senator from Missouri reconsider the amendment which he has offered. I would hope that he would see fit to withdraw it. In the event he does not, I hope the amendment is rejected.

Mr. President, I feel we should have the yeas and nays on the amendment. I ask for the yeas and nays at this time.

The ACTING PRESIDENT pro tempore. There is not a sufficient second.

Mr. SCOTT of Virginia. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. SCOTT of Virginia. On the time that has been allotted to me.

Mr. EAGLETON. Mr. President, will the Senator withhold his request?

Mr. SCOTT of Virginia. I am glad to withhold.

Mr. EAGLETON. I have been informed by the acting majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD) that, if possible, he would prefer having no votes on any amendment or on any issue before 2:30 this afternoon.

In his absence, I will propound a unanimous-consent request. I ask unanimous consent that the yeas and nays be ordered.

The ACTING PRESIDENT pro tempore. Is there objection? If there is no objection, it is so ordered.

Mr. EAGLETON. Now that the yeas and nays have been ordered, I ask unanimous consent that a vote on this amendment No. 286 occur at 2:30 p.m. this afternoon.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, does the Senator from Maryland wish the floor?

Mr. BEALL. I was going to ask the Senator from Virginia to yield me 2 minutes so I might speak in opposition to the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, I yield the Senator 5 minutes.

Mr. BEALL. I do not want 5 minutes. I want to speak on the bill itself later, and I do not want to confuse my discussion as between my opposition to the amendment and support of the bill.

I think the ranking Republican member of the subcommittee and the Senators from Virginia have covered the opposition to this amendment quite well. There are many, many good reasons why the amendment should not be adopted.

At the time the FAA announced its decision for transfer of some flights away from National Airport, I objected to the FAA's decision, not as to the reasons for its decision, but as to the way it implemented its decision. I still find fault with the way it implemented its decision, but I cannot find fault with the decision to reduce some flights in and out of National Airport.

It seems to me obvious that there is too much traffic in this overworked facility and that, if possible, this traffic, serving the Metropolitan Washington area, should be moved to other airports in the region.

I cannot find fault with the argument of the Senator from Missouri, because it is quite obvious that National Airport is the most convenient airport to people who travel a great deal in and out of the Nation's Capital, but I can fault the logic of the amendment because it seems to me what we are doing in this amendment is something that the Senate is really not qualified to do. We are making a judgment as to the safety of a particular facility for transporting people in and out of a region, and it seems to me that decision can be made only by the Federal Aviation Administration. I do not think the Senate should be involved in a decision of this kind. We should not be taking over that function in this body.

I hope, in the interest of the people who use the airports of the area, that this amendment is rejected.

Mr. EAGLETON. Mr. President, I shall be reasonably brief in response to the arguments set forth by the Senator from New Hampshire (Mr. COTTON), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Virginia (Mr. SCOTT), and the Senator from Maryland (Mr. BEALL). The main thrust of the arguments of all four Senators just mentioned is the question of safety. I do not know if they are aware that the FAA has repeatedly testified before various, appropriate committees of Congress that Washington National Airport is one of the safest airports in the country for a large metropolitan area. It has a safety record second to none, and that testimony has been given repeatedly by the FAA before various committees of Congress, including the Aviation Subcommittee of the Senate Committee on Commerce.

The FAA testified before the Senate subcommittee 2 years ago that Washington National Airport could safely accommodate as many as 75 flights per hour. It now handles only 40 flights every hour. So, according to the FAA, Washington National Airport is a very, very, very safe airport as it is now functioning and it has the capacity to accommodate additional flights and it could almost double the number of flights it is currently accommodating and still remain a safe airport.

The safety issue raised here, therefore, is a bugaboo. Nevertheless, I will offer a modification of my amendment to clear up the safety question entirely.

Secondly, the junior Senator from Virginia (Mr. SCOTT) pointed out that the Eagleton amendment, in effect would be disagreeing with the findings of the FAA. I say amen. I do disagree with the findings of the FAA when it transfers service to 26 cities away from National but does not transfer flights to or from Chicago. The Senator talks about short-haul, business-special flights. The FAA does not tamper with those precious flights to Chicago, no siree. All hell would break loose if we transferred flights from Chicago away from National Airport to the cornfields in Virginia or near the downtown area of Baltimore. The FAA would not dare think of transferring Chicago flights, but it transferred flights to 26 other cities.

So, I do disagree with the FAA, and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the Senator from Virginia (Mr. SCOTT) also disagree with the FAA, because those two Senators are supporting S. 2047, the basic bill in question, and the FAA does not support it. The FAA says it is a "lousy" bill.

The two Senators from Virginia (Mr. HARRY F. BYRD, JR. and Mr. SCOTT) can find time to oppose the FAA on the basic bill, but they cannot find time to oppose the FAA on another facet that is integrally related to this bill.

We are talking about how quickly people can get from an airport in far off Virginia to downtown Washington. People coming from St. Louis or Los Angeles are not flying to Dulles Airport to spend a pleasant afternoon at the Marriott Motel at Dulles Airport. Presumably when they get here they want to get to the Nation's Capital because they have business to transact either up on Capitol Hill, or the Justice Department, or wherever, and they would be seriously inconvenienced in traveling from such an airport as Dulles, to Washington, which would take an hour each way. The nonstop flight from St. Louis to National Airport is 1 hour and 15 minutes. If we add another hour to that time, and then an hour going back on a round trip, we are talking about an important loss of time. Thus, until the rapid rail line from Dulles to downtown Washington or the arterial line from Friendship are in place, it is grotesquely inconvenient to make thousands of passengers travel that extra hour or hour and a quarter, depending on which airport they are using.

So if the Senator from Virginia (Mr. SCOTT) disagrees with the FAA on the basic premise of the bill because the FAA opposes the bill reported out of the Commerce Committee, then I think he should find it equally easy in his heart to disagree with the FAA on the subject matter covered by the amendment.

Mr. SCOTT of Virginia. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield.

Mr. SCOTT of Virginia. I think there is a material difference between disagreeing with the Federal aviation agency on access, on rapid rail transit, on access with automobiles, and disagreeing with it with regard to the flight of aircraft. I do not know that the Federal Aviation Agency, as distinguished from the entire department, has a particular expertise with regard to ground transportation. It is a question of judgment as to how soon this road should be completed and how soon the rapid rail line should be completed. I would like to see them completed at the earliest possible moment.

If there is a disagreement with regard to the bill as a whole, it relates to matters that the FAA is not especially well qualified in. Their particular expertise relates to the flight of aircraft, and the Senator's amendment relates to the flight of aircraft. So I do not think there is anything actually wrong with the judgment of the two Senators from Virginia and the Senator from Maryland. We are talking about two different matters.

Mr. EAGLETON. Mr. President, I must disagree with the observations of the Senator from Virginia. The FAA and the Department of Transportation both oppose the bill—and the FAA is a part of the Department of Transportation with, I hope, some expertise in ground transportation. I hope he is not saying that the agency of the Federal Government which is in charge of transportation, insofar as the Federal Government is concerned, which is in charge of planning Metro systems and other mass transit system, has no expertise in ground transportation.

If that be the case, I am appalled. Before any new airport site can be approved, the FAA must OK access arrangements. For instance, the FAA must consider locating an airport in southern Illinois. That is a wonderful idea. They will consider locating an airport at Waterloo, Ill. And part of the consideration is whether there are access roads and whether the people in the metropolitan area will be able to conveniently get to such airports. To do this, the FAA has to have expertise in ground transportation.

It has to consider the movement of people from airport to airport as well as their being able to fly from one place to another. They cannot do it by parachute. They must do it by monorail, bus, or whatever other means there are of getting to the airport so that they can travel to a different city.

Ground transportation is part of the overall air transportation and is part of locating the airport. And certainly it is part of the consideration given by the Department of Transportation.

The safety issue, originally raised by the Senator from New Hampshire (Mr. COTTON), I think is really a false issue. However, I intend to take care of it by a modification of my amendment.

All I am saying is that if for some reason there ought to be flights from Memphis, Tenn., to Dulles, that is fine. I do not fault the FAA if it puts a flight there, as long as it does not take away the existing flights into National. That is all my amendment would prevent. If there are any additional flights needed to these 26 cities or any other cities, send them to Dulles, and if the people will fly on them, that is fine.

Mr. President, I ask unanimous consent that my amendment at the desk be modified as follows:

On line 4, after the words "United States", insert the following: . . . except for reasons of air safety . . .

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the amendment is so modified.

The amendment, as modified, reads as follows:

On page 2, between lines 17 and 18, insert the following:

(e) The Administrator of the Federal Aviation Administration shall not eliminate or reduce any air transportation service between Washington National Airport and any other airport in the United States except for reasons of air safety until either (1) the rail rapid transit line authorized to be planned in this section or (2) the rail rapid transit line authorized to be studied in section 10 is constructed and in operation.

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. President, may I say to the distinguished majority leader that during his absence, the assistance majority leader indicated that it would be preferable if no votes were to occur prior to 2 o'clock this afternoon. I therefore obtained unanimous consent that there be a vote on my amendment at 2 o'clock this afternoon.

I am prepared to yield back my time on this amendment.

Mr. MANSFIELD. Mr. President, that is perfectly satisfactory. If there are any amendments or amendments to the amendment, I wish that they would be offered at this time so that they would not be placed in the state of limbo.

Mr. EAGLETON. That was the purpose of my inquiry.

Mr. MANSFIELD. Mr. President, is this the only amendment that will be offered to the pending bill?

Mr. EAGLETON. Mr. President, there are no other printed amendments and no other unprinted amendments at the desk.

Mr. MANSFIELD. Mr. President, if there is to be no further amendment—and a unanimous-consent agreement on the time to vote has been reached which is perfectly satisfactory—I suggest that all time be yielded back on the amendment and that the Senate proceed to the consideration of the Alaskan pipeline bill.

Mr. EAGLETON. Mr. President, I believe that the Senator from Wisconsin (Mr. PROXMIRE) wishes to speak against the bill-in-chief. I wonder if that should occur at this juncture.

Mr. BEALL. Mr. President, I would like to speak briefly for the bill.

Mr. COTTON. Mr. President, I yield whatever time we have remaining on the bill to the Senator from Maryland.

Mr. BEALL. Mr. President, how much time remains on the bill?

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire has 7 minutes remaining on the bill and 26 minutes remain to the other side.

Mr. COTTON. Mr. President, there appears to have been an unfortunate misunderstanding. We allowed an hour on the bill, and an hour on amendments, except that of the Senator from Missouri which had 2½ hours. It was not the intention of the Senator from New Hampshire to use up all the time on the bill. The Senator from Maryland is on the Commerce Committee and has a great interest in the bill. I therefore wonder if the distinguished majority leader would object if I were to ask unanimous consent that the Senator from Maryland have more time?

Mr. MANSFIELD. No. I am sure that the Senator from Missouri would be willing to yield time to him.

Mr. EAGLETON. Mr. President, I ask unanimous consent that my assistant, Mr. Lewis, have the privilege of the floor during the consideration of the pending bill as well as the Alaskan Pipeline bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I yield 5 minutes to the Senator from Maryland.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized for 5 minutes.

Mr. BEALL. Mr. President, I rise to speak in favor of the legislation. I will not speak in regard to the sections dealing with Dulles since that matter has been adequately covered by the distinguished Senator from New Hampshire (Mr. COTTON) and by the Senators from Virginia. However, I would like to say a few words about section 10 which authorizes and directs the Secretary of Transportation to contract with the Transit Authority for a comprehensive study of the feasibility, including preliminary engineering, of extending a rail rapid transit line in the median of the Baltimore-Washington Expressway from the proposed Greenbelt Road Metro Station area near the Baltimore-Washington Expressway to the Friendship International Airport.

Mr. President, the Senator from New Hampshire has quite accurately given the history of this legislation from the time it started in the House of Representatives up to the present time. I think that he is perhaps correct in saying that in previous years the fact that it was sought to include the Friendship Airport may have been a consideration in its defeat. However, that is no longer the case because this legislation came from the Commerce Committee with the Friendship Airport amendment in it.

We are now living in an age of realism, in which we did not live at a previous time.

In Maryland, we are used to considering all matters on a regional area basis. When we deal with health matters, we are asked to deal with them on a regional basis. And when we deal with matters of mass transit, such as we are now dealing with, we deal with them on a regional basis as the problem affects Maryland, Virginia, and the District of Columbia.

When we deal with matters affecting the Potomac River, and most significantly nowadays, the sewage that flows into the river, we do it on a regional basis. And because of that, Maryland is penalized to an extent because we now have a housing moratorium in Maryland that is occasioned by the fact that Maryland is ordered to act on a regional basis with the District of Columbia. That affects the sewage treatment in Montgomery County, and the operation of the Blue Plains Sewerage Plant has the effect of slowing down the progress which Maryland was making in this regard.

We were happy to do it, even though there was some penalty for our State. We are living in an era when we consider our problems on a regional basis.

When we consider air transportation to and from the area, it should be considered on a regional basis. And if we are going to take some of the load off of the National Airport, it is quite logical that in addition to transferring some of the load to Dulles, we also should transfer some of the load to Friendship and put these airports in a position where the public can make a choice as to the airport and we can see that the facilities that are there are served.

I was happy to note, just a few minutes ago, that in today's edition of the Washington Evening Star and Daily News, on page B–2, there appears an article the title of which is "Friendship Gets Facelift, 50 Percent Larger Terminal."

I would point out that this is being done mainly at the expense of the taxpayers of the State of Maryland.

The article points out that:

> Friendship International Airport is undergoing a $39 million facelift designed to make the 23-year-old facility easier for passengers to use.
>
> Improvements include making the terminal 50 percent larger, adding extra parking areas, enlarging the baggage claim section and changing the configuration of airplane service areas so to handle 747s and other large jets.

Elsewhere the article points out that:

> Plans call for expanding the terminal building from its present 350,700 square feet to 514,200 square feet.

It is also pointed out that:

> The extra space would give the airport the capacity to handle 11.2 million passengers by 1982. Currently approximately 2.9 million people use the airport located south of Baltimore, between Baltimore and Washington.

I ask unanimous consent that the entire article be printed in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President, the argument will be made shortly. I think, that this is a costly procedure, that we are authorizing the expenditure of some $10 million under this piece of legislation.

I would point out that section 10 of the bill, which authorizes the feasibility study of the construction of a ground transport facility to Friendship, would cost about $150,000. So of the $10 million authorized in the bill, about $150,000 would be used to undertake and conduct the study of the transit system to Friendship Airport.

I would suggest that this is money well spent.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. EAGLETON. I yield the Senator 2 more minutes.

Mr. BEALL. I would suggest that this is money well spent, because it will help tie together the air transportation system of this region. I would suggest also that if the study proves that such a mass transit system route is feasible, a substantial portion of the cost of construction would be borne by the State of Maryland, and that should come as a great relief to the taxpayers of the United States.

Here we would have a case where the local and State governments were cooperating with the Federal Government to improve accessibility to the air transportation facilities of the entire region. I hope the Senate will look with favor on this measure, because it would improve the flow of traffic to all the major airports of the region, and allow all of the major airports to be considered on an equitable basis. I hope that the Senate will act promptly to pass it.

Exhibit 1

[From the Evening Star and Daily News, July 9, 1973]

Friendship Gets Facelift—50 Percent Larger Terminal

Friendship International Airport is undergoing a $39 million facelift designed to make the 23-year-old facility easier for passengers to use.

Improvements include making the terminal larger, adding extra parking areas, enlarging the baggage claim section and changing the configuration of airplane service areas so as to handle 747s and other large jets.

"We're building for the future," said Melvin Mallonee, public information director for the Maryland State Aviation Administration.

He said the work should be finished in time for the 1976 bicentennial celebration.

Plans call for expanding the terminal building from its present 350,700 square feet to 514,200 square feet and changing the T-shape of the terminal into an upsidedown W.

Mallonee said the extra space would give the airport the capacity to handle 11.2 million passengers by 1982. Currently approximately 2.9 million people use the airport located south of Baltimore.

The expansion will enlarge the present baggage claim area seven times. The remodeling also will add seven passenger entrances, making it possible to drive to the entrance where a passengers' ticket counter is located.

"We're trying to reduce the amount of walking a passenger has to do, especially with his baggage," Mallonee said.

The part of the terminal which services planes will be equipped to handle DC10, 747, and Lockheed 1011 airplanes. There is now only one 747 operating out of Friendship but the airport does not have facilities to service it.

The multi-million dollar facelift is being paid for by the department, which assumed control of the airport a year ago.

The department hopes by refurbishing the airport to draw passengers away from already overcrowded National Airport outside of Washington and from Dulles International Airport, both of which are operated by the federal government.

One major renovation concerns parking, which has long been a headache for Friendship users. Last month the airport opened up a 150-car public parking lot for persons wishing to park for a short period. The airport also has a parking lot with more than 3,000 spaces, and a valet lot for people who want to leave their cars for several days.

The airport recently purchased two "planemates" for $600,000. They are to be used to taxi passengers between the terminal and planes while construction is going on. The 150-passenger mobile lounges will also be used to make quicker connections between planes on international flights.

Mallonee said the construction would begin in earnest next spring. Meanwhile the terminal is being repainted, 300 new signs are being erected to direct people to the airport and an IBM computer-based security system is being installed.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(This order was subsequently modified to provide for the Senate to convene at 9:30 a.m. tomorrow.)

AUTHORITY FOR THE SENATE TO REQUEST THE HOUSE OF REPRESENTATIVES TO RETURN H.R. 8619

Mr. MANSFIELD. Mr. President, if I may have the attention of the acting Republican leader, the distinguished Senator from New Hampshire (Mr. Cotton), I ask unanimous consent that the Secretary of the Senate be authorized to request the House of Representatives to return to the Senate H.R. 8619, appropriating funds for agriculture, environment, and consumer protection for fiscal year 1974, together with the accompanying papers.

I understand that there is some difficulty with the figures, in that they were mistranscribed or transcribed wrongly. It is a technical matter.

Mr. COTTON. Mr. President, I note that the chairman of the Appropriations Committee (Mr. McClellan) is present in the Chamber. I assume that this is a necessary step.

Mr. MANSFIELD. I was going to ask him next.

This is to correct the figures on the appropriation bill. They put the wrong figures on it, apparently. It is a matter of a technical correction of figures, with no substantial difference.

Mr. McCLELLAN. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSIT LINES TO DULLES AND FRIENDSHIP AIRPORTS

The Senate continued the consideration of the bill (S. 2047) to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport Road and for a feasibility study of rapid transit to Friendship International Airport.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 3 minutes.

There are a few figures that I think should be emphasized in considering the amendment offered by the distinguished Senator from Missouri.

One figure is that the number of passengers who used National Airport during 1972 exceeded 11 million. The number going through Dulles was 2.5 million, and the number utilizing Friendship was 3 million. So, if we are to contain the growth of National Airport to a reasonable figure, the FAA must have the authority to channel the flights between the three Washington area airports as it feels necessary to protect the safety and convenience of the traveling public.

In regard to air operations, Dulles has an air operations capacity of 100 flights per hour. Its peak use now is 20 per hour. That is Dulles International Airport. The Washington National Airport has an air operations capacity of 60 per hour, and that is the rate that National Airport is now experiencing, 60 flights per hour. So National is operating at capacity, while at Dulles they are operating at only 20 percent of capacity.

I say again, I think it would be unwise, by legislative act, to prevent the FAA from arranging the flights in and out of these three local airports as the FAA feels is necessary and desirable to protect the safety and convenience of the traveling public.

Mr. President, I yield to my colleague from Virginia.

Mr. SCOTT of Virginia. Mr. President, I appreciate the distinguished Senator's yielding. I would just like to supplement the remarks that he has made about the capacities of the various airports.

I am sure that the distinguished Senator from Missouri did not intend to misrepresent the number of flights, but he omitted to mention the 20 general aviation instrument flights per hour that go in and out of National Airport.

I have in my hand a document prepared by the Federal Aviation Agency entitled "Policy Regarding Role of Washington National Airport and Dulles International Airport." Mr. President, I would like to read a portion of that document, because it does confirm the various statements that have been made by my distinguished colleague. In reading it, I shall change the words slightly. In the document, the phrase "DCA" is used to refer to National Airport, and another group of letters, "IAD," is used to refer to Dulles. I shall refer to those airports by name. Except for that change, this is a quotation from the statement made by the Federal Aviation Administration. It says:

> National Airport, located four and one-half miles from downtown Washington, is currently the most utilized Washington airport. Nearly 10.4 million air carrier passengers used National during fiscal year 1972. Airside capacity of National Airport is approximately 60 Instrument Flight Rule operations per hour, of which 40 have been allocated to air carrier operations and 20 to other aircraft operations. The air carrier allocation is fully utilized during most hours of the day. Present terminal capacity of National is estimated to be approximately 3,500 passengers per hour. The present capacity is occasionally approached during peak hours. Metro service will facilitate handling of passengers at the airport. To reduce the effects of noise in the surrounding residential areas during the night, jet air carrier flights are not scheduled at National between 10 p.m. and 7 a.m.
>
> The two major access roads to Washington National Airport, Route #1 and the George Washington Parkway, are also major commuting routes and are operating at or near capacity during peak hours. Frequent congestion occurs within the internal traffic system at Washington National Airport.
>
> The main terminal building at Washington National Airport was constructed in the early 1940's, and the north terminal building was added in 1958. Although some significant modernization has been accomplished recently by several air carriers, the aesthetic appearance and internal circulation systems are in need of improvement and modernization.
>
> ### 2. DULLES INTERNATIONAL AIRPORT (IAD)
>
> Dulles International Airport, designed by Fero Saarinen, is generally recognized as one of the most beautiful and efficient airports in the country. The airport is located 26 miles from downtown Washington. Since its opening in November 1962, passenger use of Dulles International Airport has grown to a level of just over 2.2 mililon air carrier passengers in fiscal year 1972.
>
> Airside capacity of Dulles International Airport is approximately 100 Instrument Flight Rule Operations per hour. Current peak hour air carrier utilization is approximately 20 operations per hour. Terminal capacity of approximately 1,000 passengers per hour is currently approached only during the peak hours. In contrast to Washington National Airport where air terminal utilization is high throughout the day, off-peak usage of Dulles International Airport falls far below 50% of capacity.

Mr. President, I have taken the time of the Senate to read this because it is an official statement of the FAA and highlights the underutilization of Dulles and the full capacity use at National. It points up the need for the transfer of these limited number of flights from National to Dulles.

I appreciate the distinguished Senator's yielding to me.

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I have an amendment to the amendment of the Senator from Missouri, which is now at the desk, and which I ask to have stated.

The PRESIDING OFFICER (Mr. JOHNSTON). The amendment to the amendment will not be in order until the time on the Eagleton amendment has been yielded back, or done by unanimous consent.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the Eagleton amendment having been yielded back, the amendment to the amendment offered by the Senator from Wisconsin is in order, and will be stated.

The assistant legislative clerk read as follows:

> No. 286
>
> On line 4 of the amendment insert the following after the word "airport" "except Friendship Airport".

Mr. PROXMIRE. Mr. President, I intend to withdraw this amendment and not press it, but wanted time to speak on the bill as I saw no other way in which to secure the appropriate time to do so. I therefore decided to do it in this way and I will withdraw the amendment.

Mr. President, this legislation is wrong. I oppose the entire legislation. It is a Federal giveaway. It is a giveaway that will be transparent to anyone not living in Washington, Virginia, or Maryland.

It is ridiculous for us to provide this kind of special consideration for one or two airports only, just because we fly out of here ourselves. It is, really, self-serving legislation.

It would authorize the expenditure of $10 million for two purposes; namely, one, the planning of a rapid transit system to Dulles and a feasibility study of a rapid transit system to Friendship. It has been flatly opposed by the administration, as I will show in a minute.

We all know that mass transit will be important in relieving some of the pollution and congestion on our highways. But spending $10 million on these two particular projects in this year of budgetary austerity is sheer folly.

Just 2 days ago it was disclosed that we have had another terrific increase in wholesale prices. Interest rates have gone up very sharply. The reason they have done so is that the only weapon we are now using to combat inflation is monetary policy, to hold down the supply of money. What we should be doing is to hold down Federal spending, too. This morning I said that we should cut back our ceiling by $5 billion. It is a small amount we are talking about here, as $10 million could not be considered to have a significant inflationary effect, but it is symbolic. We are spending money here only to make it easier for ourselves, our staffs, friends and neighbors to get out to Dulles or to Friendship a little easier.

This year, when cuts are being made in areas of critical need to many of our citizens—in housing, health, social services programs—we just simply cannot afford this amount of money to help those persons who can afford air travel have a quick and cheap way of getting to two airports to take long-distance flights.

What we are being asked to do in this legislation is take a $10-million step along the way toward providing these rapid-transit links. It is clear from the bill that actual design and construction of the Dulles link would not be far behind, since the legislation would affirm the—

> intent of the Congress . . . that the transit line . . . be designed and constructed as soon as practicable following the date of the enactment of this section.

This $10 million authorization, and this commitment to spend many tens of millions more on construction, flies in the face of the recommendations of the Department of Transportation.

The Department of Transportation expressed its opposition to the construction of the Dulles link in hearings 1 year ago. James Beggs, Under Secretary of DOT, stated the main objections very clearly and succinctly:

> The responsible course of action is to require the region to go through the hard but necessary process of analyzing this project vis-a-vis its other needs . . . The Federal Government is currently operating under extreme financial strictures, and this is not the time, we believe, for a project which will not become operative until six years hence . . . We believe . . . that the authorization of a rail transit link as envisioned . . . is clearly premature at this time.

That was 1 year ago. This year, the $10 million authorization for planning for the Dulles link, and for a feasibility study for the Friendship link, was reported without hearings. No agency comments were received by the committee. However, conversations between my staff and officials at the Department of Transportation affirm that the Department's objections, as outlined by Mr. Beggs, still stand. The situation has not changed since Mr. Beggs' comments were made.

Undersecretary Beggs was not only concerned about the financial aspect of the Dulles plan, however. He made a number of other points against the proposal which still stand.

First, he said the timing is wrong. The envisioned link to Dulles would connect with the K route of the Metro system. The K route has been tangled in legal complications even during this planning stage. The K route was to be constructed in the median strip of I–66, the construction of which was halted by a court order and is stagnated.

Even if the legal problems are solved, the K route will not be completed until 1978 at the earliest. This is 1973. That is 5 years away. Mr. Beggs concluded:

> To construct the airport connection at this time would serve no truly useful purpose. While some costs may be saved by construction now, we may well find in a year or so that newer, faster, and more efficient technology is available for the same

> purpose and that the airport system is outdated before it is operational.

We should not start planning now, either, if the plans could be outmoded by advancing technology.

Under Secretary Beggs also questioned the cost, and with good reason. The ultimate cost of the Dulles line alone—this is not including the Friendship line—was estimated in 1969 to be $90 million in 1969 dollars. Construction would not begin until 1978, and by then the price will have inflated to way over $100 million. Why plan now when we would have to wait for the construction, and then find that the construction might be too expensive or the planning outmoded?

Under Secretary Beggs also questioned local involvement. He said:

> It has been our experience that transportation projects, if they are to be successfully implemented, must be of local concern and carry with them local commitments.

In other words, Virginia and Maryland should also put out money, but of course, they want it when they do not have to pay any.

Continuing:

> A superimposed solution almost always fails; a locally selected solution is normally better suited to the precise needs of the urban area involved . . . The Federal Government . . . should not make the decisions which most properly belong to the local communities themselves. In the area of rapid transit . . . we have found . . . best . . . a funding arrangement which requires the localities to provide one-third of the cost of federally assisted capital projects. . . . We believe that if the local jurisdictions are not sufficiently convinced of the project's merit or importance to contribute a portion of its cost, we may be deceiving ourselves as to its real value.

Mr. President, there have been arguments against the Federal Government putting up $2 for every $1 locally, and I have been one of those critical of it. There have been plenty of arguments against the Federal Government putting up $9 for every $1, as we do with the Federal highway program; but I do not know of any argument for the Federal Government putting up all the money. Under these circumstances, there is no local discipline.

No wonder, then, that the local communities along the proposed Dulles line all testified in favor of it. They are not going to pay 1 cent for its construction. Mr. Beggs' fears would be completely realized if this plan were to go through.

The Chicago airport is one of the busiest in the world, and many of us have flown in there many times. I am sure they would be delighted to have a transit system that would take people from the Chicago Loop out to the airport, paid for 100 percent by the Federal Government. The same would apply to La Guardia Airport, in New York, and Los Angeles airport, and the same is probably true with respect to New Orleans and might be true in a few years in Milwaukee. Why single out Dulles Airport? Is it because we are the ones who make the decision and we are the ones who benefit?

Mr. SCOTT of Virginia. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SCOTT of Virginia. For the purpose of clarification, I am sure the Senator would agree that Virginia and Maryland, the political subdivisions in both States, are sharing in the cost of the Metro System. I assume the distinguished chairman is talking only about the segment that is on Federal property, that goes up the Dulles Access Road from the place on Nutley Road near the town of Vienna, which is the end of the planned Metro System. The distinguished Senator is not talking about the entire Metro System, that Virginia is not participating in the cost—merely where it leads off at Nutley Road within the town of Vienna and goes over Federal property to the Dulles Airport. Is that the statement of the Senator?

Mr. PROXMIRE. I say to the Senator from Virginia that, of course, Virginia and Maryland do share in the Metro system, and they should. They get great benefit from it. We certainly would not have gone through with it without Virginia and Maryland sharing the cost. I recognize that. But so far as this bill is concerned, so far as this study is concerned, the Federal Government will pay all the $10 million. There will be no matching of $1 million or $5 million or $1 from Virginia or Maryland.

I must say that I have great admiration and respect for the junior Senator from Virginia. The Senator is normally one of the best watchdogs in the Senate on Federal spending, and he must be in a rather embarrassing position.

I do not mean any criticism of the Senator from Virginia; but I hope that other Senators would consider what they are doing to their taxpayers, with no benefit at all to them.

Mr. SCOTT of Virginia. I point out that we are talking about construction or planning in this bill, the planning of construction, over Federal property; so there is a distinction. Whether or not the distinguished Senator feels that that is a sufficient distinction is another matter, but there is a distinction, because we are talking about construction on Federal property. The Dulles access road, where the rapid rail transit would go, is owned by the Federal Government and is under the jurisdiction of the Federal Aviation Agency. So there is a difference between it and the rapid rail transit to any other airport in the country.

Mr. PROXMIRE. The Senator makes a distinction, and I think the distinction is interesting. Technically, it perhaps has some persuasive effect on some. But the fact is that this would be a transit system that would benefit primarily people who live in the District, in Virginia, and in Maryland. That is where the benefit would be. It would not benefit the people in Wausau, Wis., or Port Washington or some of the other towns in Wisconsin which would have to pay for it.

I agree with Mr. Beggs and with the administration when they argue that one of the weaknesses in this proposal is that there is no local participation. That was one of the principal objections that Mr. Beggs, speaking as Under Secretary of Transportation, made against this proposal when it came his opportunity to speak before the committee.

Mr. Beggs' conclusion last year was that more preliminary study is needed before taking the kind of action which would be authorized in the legislation we are now considering. He said we need "a thorough analysis of alternative means of providing public transportation service to Dulles." This $10 million authorization, however, would do just the opposite: It would commit $10 million to one alternative, to one plan.

As I mentioned before, these objections still stand. The staff at DOT confirm that the proposal we are now considering is still "too rigid—it is not flexible enough in providing for alternative designs, routes, or timing of construction." In fact, DOT would like to see a new feasibility study made.

The proposal for a feasibility study for a rapid transit link to Friendship Airport is even more far-fetched. I conclude, on the basis of the thoughtful statement made by the manager of the bill, Mr. COTTON, that this was thrown in because of the objections in the past on the part of the Maryland delegation that Baltimore-Friendship should be considered on the same basis as Dulles. So far as I can tell, this proposal was just tacked on to the Dulles bill which was considered last year. No hearings were held on this matter. This would be a half-million-dollar authorization—the Friendship part of it—made practically blindly.

This Friendship Airport link would connect the Washington Metro system with the Baltimore Metro system. The Baltimore system is still in the planning stage. A spur from Baltimore to Friendship airport is still in the planning stage. So we still have only "plans" as far as Baltimore is concerned. The Senator from Virginia (Mr. SCOTT) made the point—and it may be persuasive with some—that the Dulles part of the operation is on Federal property. No such claim can be made with respect to Friendship. The link to Washington is even weaker. The Washington Metro system is planned to extend to the Greenbelt Road area, adjacent to the Baltimore-Washington Expressway. A further extension toward Baltimore, to the city of Laurel, Md., has also been proposed—only proposed. Can we expect that these plans and proposals are sufficiently concrete to justify a feasibility study—probably costing a significant fraction of a million dollars? We may end up with a feasibility study which is based on assumptions which will never be realized.

In fact, a 1968 study by the Department of Transportation said a Friendship-District of Columbia mass transit link would be economically disastrous.

The chief reason given for constructing rapid-transit links to these two airports, Dulles and Friendship, is that links will alleviate the imbalance in the use of the three Washington-area airports. Statistics were brought out when Senator EAGLETON was discussing his amendment, and Senator BYRD brought out some very interesting statistics about the fact that the traffic at Dulles is about a quarter and the traffic at Friendship is about a third to a quarter of what it is at National. We all know that National gets more use than the other two. We also know that the situation is not critical yet, though eventually correction will be necessary. But this authorization is not the way to do it. It is premature and ill conceived.

Just a few days ago, another mass-transit proposal was reported from committee: the "West Coast Corridor Feasibility Study Act of 1973." That is sponsored aggressively by Senator Tunney. It would authorize a feasibility study of a rapid transit link from Tijuana, Mexico to Vancouver, British Columbia.

This preliminary study alone would cost $8 million. I think we are creating with this bill and with the Tunney bill a Federal Government giveaway atmosphere. We do not need a piecemeal approach.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PROXMIRE. Mr. President, I offer another amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. ROBERT C. BYRD. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. A total of 31 minutes.

Mr. ROBERT C. BYRD. How is that time divided?

The PRESIDING OFFICER. The proponents have 7 minutes and the opponents have 24 minutes.

Mr. ROBERT C. BYRD. Who is in charge of the time for the opponents?

The PRESIDING OFFICER. The Senator from Pennsylvania, the minority leader.

Mr. ROBERT C. BYRD. I thank the Presiding Officer.

Mr. PROXMIRE. Mr. President, I offer an amendment to my amendment. Is it required that I send the amendment in writing to the desk or can I do it orally?

The PRESIDING OFFICER. The Senator cannot amend his amendment, but the Senator can withdraw his amendment and offer another.

Mr. PROXMIRE. I withdraw my amendment and at the same place in the bill, instead of Friendship Airport, I offer the amendment to read "the Philadelphia International Airport."

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

The Senator from Wisconsin proposes an amendment on line 4 of Amendment 286, insert after the word "airport" the words "except Philadelphia International Airport."

Mr. PROXMIRE. Mr. President, I was pointing out that the argument in favor of the Friendship part of the authorization, the $10 million authorization, is even weaker. We may end up with a feasibility study based on assumptions that may never be realized. Also, we are proceeding on a piecemeal basis instead of the basis of determining what the areas really need. This is why the Department of Transportation so vigorously is against this legislation.

What we really need is not a piecemeal approach to the important problem of improving transportation—we need a comprehensive plan. Let us not establish the precedent of the Federal Government being victimized and picking up the tab for these systems all over the country. If we are going to fund some parts of these rapid transit systems, let us require the Department of Transportation to decide what areas have a need for Federal intervention in planning and construction, and establish priorities among these areas. But the way we would be starting off in approving this authorization, we will be encouraging haphazard funding. This is not good for the country. It certainly is not good when we have so many other pressing needs that are being neglected because we simply do not have enough money to satisfy them all. The reasons for not authorizing this planning and this feasibility study are myriad. Let us recognize the force of those reasons and hold off on this authorization.

We need changes in our transportation methods and we need to expend money; and that money must come from the Federal Treasury, but I ask that it be done in a fair and orderly way and not on a political basis, not on the basis of having affected Senators and Representatives asking for legislation, or having assistance for one particular airport or area of the country. We would be encouraging haphazard funding. It is not good for the country when we have so many other needs. We do not have the money to satisfy all of our needs.

Mr. President, I conclude as I began by pointing out to my colleagues that this is legislation that will benefit the Senators and Congressmen and their friends and neighbors. This will benefit two States, but this legislation cannot be justified in the view of the administration or in the view of any fair, objective study of what this country needs. If we proceed in this haphazard way, more pressure comes on all of us to get similar legislation for our particular States. If Virginia and Maryland are going to have it, then the west coast should have it, then the Gulf States, and the Great Lakes States. This is not proceeding in an orderly fashion, especially in a year with inflation and when Federal spending is such a problem.

Very serious consideration should be given to requiring studies of this kind being financed from the highway trust fund.

Many of us have argued and feel very strongly that much mass transit should be financed from the highway trust fund. We do so for many reasons. The principal reason is that the purpose of mass transit is to relieve pressure on the highways, to make it easier for people who must use the highways to travel without the very heavy traffic, which is such a burden. For that reason, it would seem to me that it would make sense to have this particular study financed by the highway trust fund. I expect to discuss this question at a later time, before we vote on the bill. At this time, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Who yields time on the bill?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator from Virginia (Mr. Scott) yield back the time under the control of the distinguished Senator from New Hampshire (Mr. Cotton)?

Mr. SCOTT of Virginia. Yes. The Senator from New Hampshire has authorized me to yield back the time allocated to this side.

Mr. ROBERT C. BYRD. Mr. President, who is in charge of the time on the other side on the bill?

The PRESIDING OFFICER. The Senator from Montana (Mr. Mansfield) gave his time to the Senator from New Hampshire, and the minority leader controls the other time.

Mr. ROBERT C. BYRD. And how much time remains under the control of the minority leader?

The PRESIDING OFFICER. Twenty-four minutes.

Mr. SCOTT of Virginia. Mr. President, I believe I am authorized to yield back all time on behalf of this side of the aisle.

Mr. ROBERT C. BYRD. Very well. I thank the Senator.

Mr. President, I ask unanimous consent that the unanimous consent order for a rollcall vote on the Eagleton amendment be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be a rollcall vote at 2:30 p.m. today on the amendment by Mr. Eagleton. I have cleared with Mr. Eagleton the matter of vacating the rollcall vote because it was ordered by unanimous consent, and the leadership feels that only in extreme circumstances should the yeas and nays be ordered on any matter by unanimous consent. There will be a sufficient number of Senators on the floor when 2:30 arrives to get the yeas and nays, I am confident. So there will be a yea-and-nay vote at 2:30 p.m., and there will be a yea-and-nay vote on final passage of the bill immediately upon disposition of the amendment by Mr. Eagleton.

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

Mr. ROBERT C. BYRD. Mr. President, at the present time I ask unanimous consent that the pending measure be set aside temporarily until the hour of 2:25 p.m. today; and that in the meantime the Senate resume the consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

The Senate proceeded to consider the bill.

Mr. GRAVEL. Mr. President, I ask unanimous consent that in the consideration of S. 1081 four members of my staff be permitted access to the floor, namely: Jan Erickson, Bea Oertel, Howard Hickman, and Robert Mitchell. As further amplification, I do not wish to have them on the floor during rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO 1:40 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 1 hour.

The motion was agreed to; and at 12:40 p.m. the Senate took a recess until 1:40 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. JOHNSTON).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the morning business has been concluded, the Senate proceed to the consideration of S. 1435, to provide an elected Mayor and City Council for the District of Columbia, and that the unfinished business be temporarily laid aside and remain in a temporarily laid aside status until the disposition of S. 1435 or the hour of 1:30 p.m. tomorrow, whichever is earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate resumed the consideration of the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

Mr. JACKSON. Mr. President, I ask unanimous consent that during the consideration of S. 1081, the Federal Lands Right-of-Way Act of 1973, Mr. Jerry Verkler, Mr. William Van Ness, Jr., Dr. Arlon Tussing, Mr. James Beirne, Ms. Suzanne Reid, and Mr. Jim Barnes members of the professional staff of the Committee on Interior and Insular Affairs, be accorded the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Mr. Max Gruenberg, Jr., and Mr. Lyell Rushton, of my staff, be accorded the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I ask unanimous consent that David Stang, Harrison Loesch, Fred Craft, and Roma Skeen of the minority staff of the Committee on Interior and Insular Affairs, and Joseph Jenckes and George Pritts of my staff, be accorded the privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

1. THE URGENT NEED FOR RIGHTS-OF-WAY LEGISLATION

Mr. JACKSON. Mr. President, legislation on the granting of rights-of-way over Federal lands is needed immediately because of the February 9, 1973, decision of the District of Columbia Circuit Court that the Secretary of the Interior has no legal authority to grant rights-of-way across Federal lands for the construction of large modern oil and gas pipelines. This decision has also cast a major cloud of uncertainty over the Interior Department's authority to grant many other kinds of transport or utility rights-of-way. The legal uncertainty now extends to gas pipelines, water lines, electrical transmission lines, communication facilities, roads, and other necessary transportation facilities across Federal lands.

The issue with which the Congress is presented is straightforward and urgent. If the Nation's growing energy requirements are to be met and if the crippling fuel shortages increasingly being experienced are to be avoided, Federal legislation must be adopted to provide the additional authority required by the court's decision and to eliminate the uncertainty that flows from it.

Skelly Wright, in his circuit court opinion, placed this issue squarely before the Congress. He said:

> At the heart of (the) discussion is a very simple point, Congress, by enacting Section 28, allowed pipeline companies to use a certain amount of land to construct their pipelines. These companies have now come into court, accompanied by the executive agency authorized to administer the statute, and have said. "This is not enough land; give us more." We have no more power to grant their request, of course, than we have the power to increase congressional appropriations to needy recipients. Article 4, § 3, Cl. 2 of the Constitution provides that "The Congress shall have power to dispose of and make all needful Rules and Regulations respecting the Territory and other Property belonging to the United States." The power over the public land thus entrusted to Congress is without limitations. "And it is not for the courts to say how that trust shall be administered. That is for Congress, to determine."

2. PROVISIONS OF S. 1081

Mr. President, I request unanimous consent to have reprinted in the RECORD at this point that part of the committee report on the Federal Lands Right-of-Way Act of 1973, detailing the purposes of and need for this legislation, S. 1081.

There being no objection, the excerpts from the Committee report were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REPORT ON S. 1081, PURPOSES AND NEED

I. PURPOSE

The purpose of S. 1081, the "Federal Lands Right-of-Way Act of 1973," is to establish a comprehensive national policy and procedure for the granting of rights-of-ways across the Federal lands for those transportation and transmission purposes which meet the requirements of the act.

Federal legislation on right-of-way authority is now needed because the recent decision of the Circuit Court of Appeals for the District of Columbia on the proposed Trans-Alaska oil pipeline has cast a cloud of uncertainty over the Secretary of the Interior's legal authority to grant rights-of-way for oil and gas pipelines, water lines, electrical transmission lines, communication facilities, roads, and other necessary transportation facilities across public and Federal lands.

The full reach and effect of the Circuit Court's decision in the case of the *Wilderness Society et al. v. Secretary* Morton is not entirely known. It is clear, however, that many of the existing Federal rights-of-way statutes which have specific width limitations are no longer adequate. Rights-of-way granted in the past for many different purposes may now, in whole or in part, be illegal in view of the court's decision. In addition, the court's ruling means that with respect to proposals for large oil and gas pipelines, the Secretary and the heads of other Federal agencies with land management responsibilities do not have the legal authority to issue rights-of-way of sufficient width to allow the needed new transportation facilities to be developed.

S. 1081 as reported by the Committee would resolve the major uncertainties which now exist and would vest the Secretary of the Interior and other appropriate Federal agencies with the authority to grant rights-of-way for the purposes provided in the Act and subject to the conditions and terms of the Act which are designed to protect the environment and the Federal lands.

II. NEED

1. Introduction

Federal legislation on authority to grant rights-of-way over Federal lands is needed immediately because the recent decision of the Circuit Court of Appeals for the District of Columbia on the proposed TransAlaska oil pipline* in effect held that there is no authority in Federal law for the Secretary of the Interior to grant rights-of-way across Federal lands for the construction of large oil and gas pipelines. This decision has further cast a major cloud of uncertainty over the Secretary of the Interior's legal authority to grant many other kinds of transport or utility rights-of-way. This uncertainty extends to gas pipelines, water lines, electrical transmission lines, communication facilities, roads, and other necessary transportation facilities across public and Federal lands.

The Secretary of the Interior characterized the urgent need for legislation in an April 12, 1973 letter to the Committee as follows:

Because of the decision of the United States Court of Appeals in the trans-Alaska pipeline case and the recent denial of certiorari by the Supreme Court, *there is a critical need to quickly enact legislation that will enable the Secretary of the Interior to authorize rights-of-way across the public lands. Coming as it did during a period when*

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* *The Wilderness Society, et al.* v. *Morton, et al.*, Nos. 72-1796, 72-1797, 72-1798, United States Court of Appeals for the District of Columbia Circuit, February 9, 1973.

the Nation is facing, indeed is in the midst of, a very real energy shortage, the impact of the decision is magnified greatly. Not only does it affect the proposed Alyeska transAlaska pipeline; it also affects any proposal to construct a trans-Canada pipeline for Alaska North Slope oil and gas. This is so because it affects all major oil and gas pipelines, no matter where located. It now appears that no major pipeline can be constructed under Section 28 of the Mineral Leasing Act under the ruling of the Court of Appeals.

Unfortunately, *the impact of the decision may not stop at pipelines, it may also be applicable to other types of rights-of-way which involve statutory width limitation. Several situations have already been brought to our attention where energy projects may be halted or substantially delayed because of the impact of the Court's decision.* In view of the undoubted need for the legislation, the Department strongly urges that its enactment be expedited. (emphasis added).

(The Secretary's letter appears in full in the "Executive Communications" section *infra* of this report).

2. The responsibility of the Congress

The issue the Congress is presented with is straightforward and urgent. If the Nation's growing energy requirements are to be met and if the crippling fuel shortages increasingly being experienced are to be avoided, Federal legislation to provide the additional authority required by, and to eliminate the uncertainty that flows from the Court's decision, must be adopted.

Skelly Wright, in his Circuit Court opinion, placed this issue squarely before the Congress. He said—

At the heart of (the) discussion is a very simple point, Congress, by enacting Section 28, allowed pipeline companies to use a certain amount of land to construct their pipelines. These companies have now come into court, accompanied by the executive agency, authorized to administer the statute, and have said, "This is not enough land; give us more." We have no more power to grant their request, of course, than we have the power to increase congressional appropriations to needy recipients. Article 4, § 3, Cl. 2 of the Constitution provides that "The Congress shall have power to dispose of and make all needful Rules and Regulations respecting the Territory and other Property belonging to the United States." The power over the public land thus entrusted to Congress is without limitations. "And it is not for the courts to say how that trust shall be administered. *That is for Congress to determine.*" (Emphasis added) *

3. Problems facing the Department of the Interior

Deputy Under-Secretary of the Interior Jared G. Carter stated the Department's position on the need for legislation in an appearance before the Committee on March 9, 1973.

Commenting on the Circuit Court's decision the Deputy Under-Secretary stated:

We disagree with this strict interpretation of the Mineral Leasing Act. *If it is allowed to stand, we believe it will have far-reaching consequences. It will prohibit the construction of any large pipeline over public domain using modern technology. It might even be interpreted to inhibit construction of utility transmission lines and other facilities that cross Federal lands, because the statute governing permits for such lines also contains a width limitation.* In order to give the committee some idea of the consequences of the results of a strict interpretation of right-of-way statutes we have begun a survey of our most recent permits. The preliminary results show that, *during the past 5 years, the Bureau of Land Management has issued 92 rights-of-way for pipelines over 20 inches in diameter, 9 of which were for lines over 30 inches in diameter. Our experts indicate construction of most of these lines would have been affected if the court of appeals' decision had been on the books at the time these right-of-way were granted.*

At this time we have very incomplete data regarding powerlines across public lands that may be affected by the decision. However, there are now major lines under construction in Arizona, which require roads running along the right-of-way, and a special land-use permit, which we believe is valid, has been issued for this purpose. Several major lines that cross public lands are also being constructed in California. *Remedial legislation to remove all doubts about the validity of these efforts is required in the national interest.* This legislation is required, regardless of what position one might hold with respect to the Trans-Alaska pipeline itself.

We must have facilities for transportation of private and public resources to support our expanding economy. To restrict the development of resources by accepting a strict interpretation and failing to modernize a law which did not, and could not be expected to foresee the massive technological developments which have occurred over the past 50 years, would be the height of irresponsibility. (Emphasis added.)

(Page 128, Part I, Hearing Record, Rights-of-way Across Federal Lands, March 9 and 27, 1973).

Later in his testimony the Deputy Under-Secretary stated that:

"The issue before Congress is whether or not we are going to have modern laws to allow the orderly development of resources on the public lands with carefully developed environmental safeguards.

"We have frequently stressed the national importance of prompt development of the petroleum resources on the North Slope. That development, the spread of our electrical transmission line network, and continued access to resources which involve public land rights-of-way in the lower 48, are all in question under the court of appeals ruling. *It is clearly in the national interest to modernize the right-of-way legislation, and to proceed with the orderly consideration of whether the Trans-Alaska pipeline right-of-way or any other right-of-way should be granted on its own merits, in full compliance with the National Environmental Policy Act.*" (Emphasis added.)

The full scope of the problems created by the Circuit Court of Appeals decision was detailed in a letter of April 9, 1973, from the Secretary of the Interior, parts of which are excerpted below:

The problem presented by the width limitations in public lands right-of-way statutes and by the implications of the Court of Appeals decision in *Wilderness Society v. Morton* is not limited to pipelines, but applies also to rights-of-way for powerlines and other facilities. Nor is the problem confined to Alaska; it is truly national in scope, and our ability to grant needed rights-of-way throughout the West is impaired. States such as Washington, Oregon, California, Idaho, Montana, Wyoming, Utah, Colorado, Arizona and New Mexico all are affected.

First, with regard to oil and gas pipelines, we believe only the smallest pipelines may now be authorized across the public lands under the court's interpretation of section 28. During construction of a pipeline anywhere in the United States, all construction equipment is located on one side of the line, with the other side being used for the disposition of spoil. Because the Court of Appeals decision prevents our authorizing the use of additional land during construction—for large pipe laying equipment, passing of large trucks or caterpillar tractors, etc.—*we believe the Court of Appeals decision effectively precludes the construction of any major pipeline on public lands. All this equipment cannot fit within the statutory width.* Special land use permits have also been used in the past in connection with pipeline construction to authorize necessary equipment and supply storage sites, camps, and other similar facilities, as well as for additional construction space. While the court did not rule on the legality of such other permits, our authority to issue them is now at best questionable. Prompt legislation is needed to cure this problem.

We have also used special land use permits to authorize access roads, essentially perpendicular to the right-of-way to allow the transportation of equipment, supplies and material from a public road to a single point on the right-of-way. We do not believe the court's decision bars these permits.

Second, power and utility lines present a somewhat different problem. These rights-of-way, under 43 U.S.C. § 961, can extend to 200 feet on either side of the center line of the lines and poles, and we understand all actual construction activity can take place within the statutory limits. We have issued special land use permits, however, for other purposes in connection with power and utility line construction. These have been for storage sites for towers, supplies and equipment and for construction roads essentially paralleling the right-of-way. These roads, which are used to haul equipment along the right-of-way frequently can be built within the 400 foot statutory limit; but, in rough or mountainous terrain they usually cannot, and they must be routed a distance from the right-of-way. *It is with regard to these permits that there may be a problem.* (Emphasis added)

. . . the decision of the Court of Appeals was not based solely on the quoted language in section 28, but also on the plain meaning of the width limitation and on the legislative history of that act. *It is therefore possible that a court could hold that the rationale of the Court of Appeals in the Wilderness Society case applied equally to the issuance of special land use permits in conjunction with other rights-of-way where the statute specified a maximum width. Because of this possibility, it is essential in our view that legislation be enacted to remove any doubts on this point and to make it clear that we have authority to issue all permits necessary for construction of facilities of the size being built today.*

Third, a problem exists with regard to rights-of-way for tramroads under 43 U.S.C. § 956; these roads are for mining, timber, and water companies. This statute sets a maximum width of fifty feet on each side of the centerline of the road. While in many instances a 100 foot right-of-way is adequate, it is completely inadequate for large mining operations using extremely large trucks for hauling mined material. A case in point here is the road from the coal mine to the Jim Bridger power plant. (Emphasis added)

(The Secretary's letter appears in full in the "Executive Communications" section *infra* of this Report).

As of April 1973, there were pending before the Bureau of Land Management alone 1,236 applications for right-of-way. Approximately 71 percent of these are within four categories: communication sites (18 percent); oil and gas pipelines and associated facilities (17 percent); electrical transmission lines (24 percent); and highways and material sites (12 percent).

4. Problems facing the forest service

In addition to the uncertainty and the legal problems facing the Department of the Interior, the Court's decision has brought to attention a major legal problem facing the Forest Service and the Department of Agriculture.

The problem is well stated in a letter from the Secretary of the Interior to the Committee:

One additional problem, in connection

with question IV-A-7, requires comment. Under section 28 of the Mineral Leasing Act, we have authority to issue oil and gas pipeline rights-of-way across public domain (but not acquired) lands within National Forests. The Forest Service, however, usually authorizes oil and gas pipelines across public domain (as well as acquired) National Forest lands by a revocable special land use permit issued under their organic act, 16 U.S.C. § 551. *We believe their practices under this act are proper. However, section 28 specifically applies to "forest reserves of the United States" that are public lands and provides that "no right-of-way shall hereafter be granted over said lands for the transportation of oil or natural gas except under . . . this section." Thus, it is possible a court could hold that all such pipelines across public domain National Forest lands should have been issued under section 28, and not 16 U.S.C. § 551. Such would be an unfortunate result, and it could be prevented by an appropriate clause in any right-of-way legislation that is enacted.*

The need for prompt right-of-way legislation is a national need, and we greatly appreciate and concur in the importance you have attached to this matter. (emphasis added)

(Letter of April 9, 1973, printed *infra* in the "Executive Communications" section of this report).

The problem presented is whether the rights-of-way granted for oil and gas pipelines by the Department of Agriculture to cross National Forest lands which were originally part of the public domain have any legal validity. The problem is not academic. The Forest Service's response to questions propounded by the Committee on April 3, 1973, indicates that 700 oil and gas pipelines have in the past been authorized by the Forest Service. (See Department of Agriculture Response to Question III-A *infra* in the "Executive Communications" section of this report).

The Forest Service response also indicates that even if the Forest Service *had* legal authority to issue oil and gas pipeline rights-of-way under section 28 of the Mineral Leasing Act, the Court's decision would still create additional legal problems. The response is, in part, as follows:

Nineteen oil and gas pipeline authorizations in the attached listing exceeded the width limitations of Section 28 of the 1920 Mineral Leasing Act. Some of these are wholly or partially across public domain lands and the act would apply. Some are wholly or partially across acquired lands to which the act does not apply.

E. Number and nature of pending right-of-way applications.

Sixty-three proposed projects for major utilities transmission facilities are included in the attached listing. Four of these are oil or gas pipelines crossing public domain lands and will be severely hampered if not blocked by the limited authority provided by Section 28 of the 1920 Mineral Leasing Act.

The Department of Agriculture acknowledges that the validity of previous rights-of-way grants for oil and gas pipelines is uncertain. In a Departmental letter of April 16, 1973, transmitting proposed legislative language to grant grandfather protection to these rights-of-way the Under Secretary of Agriculture stated that:

Under present law, the Secretary of Agriculture has the general authority to issue rights-of-way, easements and use permits affecting National Forest System lands. *A principal exception is the authority of the Secretary of the Interior to grant pipeline rights-of-way across National Forests under section 28 of the Mineral Leasing Act of 1920.*

* * * * *

Because of questions raised by recent litigation, we recommend that legislation be enacted to broaden the Secretary of Interior's authority under section 28 of the Mineral Leasing Act (41 Stat. 449, as amended, 30 U.S.C. 185). This can be accomplished through enactment of S. 1041, which would provide the needed authority regarding oil and gas pipelines on Federal lands and clarify and strengthen other rights-of-way authorities on lands administered by the Bureau of Land Management. *To insure that questions raised in litigation are resolved, we recommend the following perfecting amendments.*

Section 409 in title IV of S. 1041 should be amended to read:

"Nothing in this Act shall have the effect of terminating any right-of-way or right-of-use heretofore issued, granted or permitted by any Federal agency, and such rights-of-way and rights-of-use are hereby confirmed in accordance with their terms. However, with the consent of the holder thereof, the agency head may cancel such a right-of-way and the Secretary may in its stead issue a right-of-way pursuant to the provisions of this Act."

(Department of Agriculture letter and Supplemental Statement of April 16, 1973 *infra* in the "Executive Communications" section of this report).

Under the Circuit Court of Appeals decision the Forest Service advises that the proposed pipelines listed below, which cross National Forest lands which were originally public domain, could *not* be constructed. In each case it is expected that construction cannot be accommodated within a right-of-way twenty-five feet either side of the pipeline. While the first three lines are of local importance, the delivery of Canadian gas to the Los Angeles area is of major significance and is critically needed. Upgrading of this line and construction of the others cannot be accomplished unless appropriate legislation is enacted.

1. Colorado Interstate Gas Company, Northeast Utah to Ault, Colorado. Planned Forest Service permit. Right-of-way needed varies from 25′ to 100′.

2. Arkansas-Louisiana Gas Company, Texas to Oklahoma. Planned Forest Service permit. Right-of-way 40′. Planned 60′ right-of-way during construction.

3. Mountain Fuel Supply Company, Coalville, Utah, to Farmington, Utah. Planned Forest Service permit. Right-of-way 50′.

4. Pacific Gas Transmission, Canada to California. Planned Forest Service permit. Right-of-way 50′.

Mr. JACKSON. Mr. President, title I of the Federal Lands Right-of-Way Act would solve the immediate issue of right-of-way widths posed by the circuit court's decision. It also codifies in one place all legislation concerning right-of-way grants, and in doing so resolves a host of ambiguities and conflicts in present Federal rights-of-way law. The bill provides a uniform and coherent set of standards and Federal policies which would govern all rights-of-way across Federal lands.

S. 1081 continues the requirement of the 1920 Mineral Leasing Act that oil pipelines across Federal lands be operated as common carriers. To help assure that independent producers and refiners can transport their crude oil or products through such pipelines without discrimination, the bill provides new authority for disclosure, review and enforcement regarding common carrier obligations of pipelines and their antitrust implications.

In order to minimize adverse environmental impacts and to prevent the proliferation of separate single use rights-of-way across Federal lands, the act provides for the designation by the Secretary of the Interior of a national system of transportation and utility corridors. Also, wherever practicable, applicants for rights-of-way would be required to make use of common or multiple use rights-of-way.

The legislation deals, in addition, with procedures for granting, suspending or terminating rights-of-way; with protection of the environment, public and private property, and public health and safety; with the liability of right-of-way holders; bonding requirements and with a variety of procedural matters.

3. THE PROPOSED TRANS-ALASKA PIPELINE

The provisions of title I are generally endorsed by the administration and by user and environmental groups. There is, however, continuing debate on the specific right-of-way application pending before the Interior Department for the proposed Trans-Alaska pipeline.

The main public controversies associated with this matter are: First, the merits of alternative transportation routes to carry crude oil from northern Alaska to the Lower 48; second, whether Congress should make a substantive choice between the proposed transportation routes for North Slope oil; third, whether Congress should postpone this choice pending further study and negotiations with Canada; and finally, whether Congress should either waive the requirements of the National Environmental Policy Act or declare them satisfied with respect to the right-of-way for such crude oil transportation system. These issues are addressed by title II of the act.

THE FUELS SHORTAGE

There is no serious question today that it is urgently in the national interest to start North Slope oil flowing to markets. The relative lack of controversy over this issue is in contrast to previous hearings before this and other committees, and reflects rapidly changing public perceptions of the Nation's energy needs.

There is now an obvious and growing deficiency in domestic production of crude oil and natural gas, leading to a rapidly increasing dependence upon insecure Eastern Hemisphere imports. Moreover, imported oil has become more and more expensive; it is no longer the bargain it was several years ago. The low sulfur crude oil from the Prudhoe Bay field has become significantly more valuable as our air quality problems have become more severe. Meanwhile, the risk of environmental damage from development of North Slope oil and its transportation to markets in the "Lower 48" has been substantially lessened as a result of the stricter environmental stipulations, redundant safety systems, contingency planning, and better engineering imposed upon the proposed trans-Alaska pipeline. Finally, until passage of the Alaska Native Claims Settlement Act, many citizens feared—with some justification—that commercial development might leave the Nation without unspoiled scenery, outdoor recreation areas or wilderness in northern and central Alaska. This apprehension was mitigated by the provisions in the Native Claims Settlement Act that at least 80 million acres of land in Alaska will be considered by the Congress for incorporation into new wilderness areas, wild and scenic rivers, national forests, national parks and national wildlife ranges.

THE PROPOSED CANADIAN ALTERNATIVE

Although there now seems to be a broad consensus that Alaska North Slope oil and gas should be developed rapidly, there is still controversy between advocates of a 700-mile, 48-inch oil pipeline to be constructed from the North Slope to Valdez, Alaska, where the oil would be loaded onto tankers for transportation to ports on the west coast, and those favoring a 1,800-mile, 48-inch pipeline overland through Canada to the vicinity of Edmonton, Alberta. This trans-Canada pipeline would join near Edmonton with existing pipelines, whose throughput capacity would have to be increased, in order to deliver the crude oil to the Midwestern States and possibly to the Pacific Northwest.

The Committee on Interior and Insular Affairs and other committees, both in this session and the two preceding Congresses, have heard witnesses from the administration, the State of Alaska, the oil companies, commercial fishermen, Alaska Native and environmental groups, and universities. They have disputed the relative environmental risks of the two routes; the region of the United States which has the most serious crude oil deficiency; and the comparative benefits to the oil companies, the State of Alaska and the national economy. There was debate over the implications of Canadian control, regulation and taxation of an international pipeline, the environmental, economic and scheduling relationships between the crude oil pipeline and a pipeline for gas produced in association with the crude oil; problems of financing; the respective impact of the two pipelines on the U.S. balance of payments; the relative security of the two routes; and their comparative impacts upon competition and market power.

THE COMMITTEE'S DECISION

The committee majority did reach a judgment as to which pipeline should be authorized first. We did not, however, regard any one of the foregoing arguments or any group of them as conclusive in favor of either of the competing pipeline proposals. In some areas of debate the preponderance of evidence and analysis favored one side or another, but each area of controversy had its ambiguous or speculative elements. We realized in addition that even the most expert assessments were likely to be modified by new information or by unforeseen circumstances before either pipeline could be completed.

The majority of the committee concluded that it is in the national interest at this time to go forward with the Trans-Alaska pipeline as rapidly as practical and consistent with the National Environmental Policy Act. We concluded that it was not in the national interest to postpone the delivery of Alaska oil further pending negotiations or studies regarding an alternative route through Canada. Let me be quite blunt about our conclusions, however. We reached our judgment in spite of the testimony and arguments presented by industry and administration spokesmen who advocated construction of the Trans-Alaska pipeline, and not because of that testimony and argument.

Public statements, testimony and exhibits from the industry and the Interior Department over the past 4 years have never taken the trans-Canada pipeline proposal as seriously as it deserves to be taken. Until this committee called it forcefully to their attention, administration and industry spokesmen pretended ignorance of the Mackenzie Valley oil pipeline study, which was sponsored by the very companies which propose to build the trans-Alaska pipeline. Until the most recent hearing of this committee industry and administration witnesses addressed the procedural and political difficulties and uncertainties regarding a pipeline across Canada only in vague, speculative and inexpert terms.

In April of this year, the committee addressed to the Interior Department, the industry and other parties a series of searching questions relating to alternative pipelines for North Slope oil, which I ask unanimous consent to have printed in the RECORD.

There being no objection the list of questions was ordered to be printed in the RECORD, as follows:

LIST OF QUESTIONS SUBMITTED TO WITNESSES

(The following list suggests several questions regarding pipelines for Arctic oil and gas that have not yet been adequately dealt with in Senate testimony; however, the list is not intended to cover the full range of issues to be addressed at the present hearings.)

1. What are the most reasonable expectations regarding onstream operation of either proposed pipeline to bring North Slope petroleum to lower 48 markets? Specifically,

(*a*) Assuming that Congress removes the width limitation in the Mineral Leasing Act as an obstacle to granting a right-of-way for the Alyeska pipeline, what further delays can reasonably be expected in authorization, construction or operation of that pipeline? Consideration should be given to the time required for full resolution of issues under the National Environmental Policy Act; antitrust issues; current litigation between the owner companies and the State of Alaska over the right-of-way, regulation and taxation; current or emerging restrictions upon the use of marine terminals in California and Washington State by tankers from Alaska; and any other foreseeable engineering, legal, or financial difficulties.

(*b*) Assuming that the North Slope owner companies eventually determine to ship all or part of their crude oil by an overland pipeline through Canada, what delays can reasonably be expected in authorization, construction or operation of such a pipeline, in addition to the period required for normal planning, engineering and construction? Consideration should be given to political uncertainties, including environmentalist opposition and Indian claims in Canada, as well as the kinds of delays anticipated for the Alyeska pipeline.

Responses to the foregoing should be addressed to probabilities and not solely to the most optimistic or pessimistic scenarios.

(*c*) In which of the issues enumerated above does the Congress have significant influence? What specific actions by Congress could significantly expedite construction of either pipeline?

2. Are the Alyeska and MacKenzie pipelines necessarily alternatives to each other? Specifically,

(*a*) What is the likelihood that sufficient reserves will be proved on the North Slope of Alaska either to justify two pipelines, or to utilize the full capacity of the Alyeska pipeline plus a substantial part of a MacKenzie Valley pipeline that would also carry Canadian crude oil?

(*b*) Assuming that an application to build either pipeline is approved in the near future, how rapidly can additional drilling be expected to increase proved reserves to levels that would justify two pipelines?

(*c*) Assuming that more than one pipeline from the North Slope will be economically warranted, what are the serious economic, environmental or security grounds, if any, for building one or the other *first?*

(*d*) In light of the continuing delay in authorization of the Alyeska pipeline and the continuing widespread advocacy of a Canadian route, what explains the past (and continuing) reluctance of the owner companies to plan and organize—short of actual construction—for both alternatives?

3. In light of the apparent uncertainty about the Canadian government's response to an actual application to build an overland oil pipeline, is there any reason why the U.S. government should not encourage or require the companies to prepare and submit such an application or, if the companies are not interested, why the government should not itself prepare and submit such an application?

4. Industry and government projections indicate that North Slope production can be fully absorbed by (and will be required by) markets in P.A.D. District V (the West Coast). To what extent do these projections take into account the likelihood of large additions to reserves either in the offshore near Santa Barbara, California, or in the Gulf of Alaska?

(*a*) What is the best current information regarding the probable or indicated reserves and oil in place in offshore California?

(*b*) On what assumptions regarding North Slope production and West Coast oil consumption are the interior department's leasing plans for the Gulf of Alaska conditioned?

(*c*) If large discoveries (2 million or more b/d in southern Alaska and/or offshore California should occur within the next 3–5 years, where and how would this oil, together with North Slope oil, be marketed?

5. What is the current status of plans to build natural gas pipelines from the North Slope and from Northern Canada to the lower 48? How are these plans related to progress of oil pipeline construction?

(*a*) To what extent or at what time will the ability to ship gas place a limit on crude oil production from the Prudhoe Bay field?

(*b*) Which of the objections and obstacles that have been raised with respect to an overland oil pipeline across Canada are also relevant to plans for a gas pipeline (and to what extent)?

(*c*) What studies and analyses have been done to indicate whether there is in fact a market in the United States for base load gas at the volumes and city gate prices (one dollar and more per Mcf) required to justify pipelines for Arctic natural gas? Would the response to this question be different if the Federal Power Commission required pipelines to price such gas incrementally rather than rolling it toegther with lower cost domestic supplies?

Mr. JACKSON. Mr. President, one of the companies made a totally unsatisfactory pro forma response, but other advocates of the trans-Alaska pipeline, including the Interior Department, did not bother to answer the committee's questions at all.

The industry and the administration have been evasive, legalistic and less than credible regarding the possibility of an oil surplus on the west coast of the United States, and regarding plans to export North Slope oil to Japan. Spokesmen of the companies, in evident unwillingness to contemplate such a possibility, have ridiculously downgraded the oil and gas potential of both the Prudhoe Bay field and future North Slope discoveries. In view of this history, the record should show that the committee, although it arrived at similar conclusions, was not persuaded by, and did not adopt the viewpoint of, the Alyeska Pipeline Service Co. or the administration on the two pipeline routes.

The committee's analysis and judgment regarding the two pipeline routes is found in the "Major Issues" section of the report on S. 1081, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REPORT ON S. 1081 "MAJOR ISSUES"

ALTERNATIVE TRANSPORTATION ROUTES FOR ALASKA NORTH SLOPE PETROLEUM

In hearings before this Committee on S. 1081 and other pending bills no witness seriously proposed that it would be in the national interest to postpone the development of Alaska Arctic oil and gas indefinitely. The relative lack of controversy over this issue is in contrast to previous hearings before this and other committees, and reflects rapidly changing public perceptions of the nation's energy needs.

There is now an obvious and growing deficiency in domestic production of crude oil and natural gas, leading to a rapidly increasing dependence upon insecure Eastern Hemisphere imports. Moreover, the prices of imported oil make it no longer the bargain it appeared several years ago. With passage of the Clean Air Act, the low sulfur crude oil that can be produced from the Prudhoe Bay field has become significantly more valuable. Meanwhile, the risk of environmental damage from development of North Slope oil and its transportation to markets in the "Lower 48" has been substantially lessened as a result of the stricter environmental stipulations, redundant safety systems, contingency planning and better engineering imposed upon the proposed Trans-Alaska pipeline. Finally, until passage of the Alaska Native Claims Settlement Act, many citizens feared—with some justification—that unchecked commercial development might leave the nation without unspoiled scenery, outdoor recreation areas or wilderness in the vast and heretofore remote territory of Northern and Central Alaska. This apprehension was mitigated by the provisions in the native claims settlement act that at least 80 million acres of land in Alaska will be considered by the Congress for incorporation into new wilderness areas, wild and scenic rivers, national forests, national parks and national wildlife ranges.

Although there now seems to be a broad consensus that Alaska North Slope oil and gas should be developed rapidly, there is controversy concerning the manner and route of its transportation. Serious consideration has been given in the past to the use of icebreaking oil tankers, submarine barges, railroads (a proposition recently revived and advocated by the Government of British Columbia), and even aircraft. The principal controversy today, however, is between advocates of (1) a 48-inch oil pipeline to be constructed from the North Slope to Valdez, Alaska, where the oil would be loaded onto tankers for transportation to ports on the west coast, and (2) a similar 48-inch pipeline overland through Canada to the vicinity of Edmonton, where it would join with existing pipelines (whose throughput capacity would have to be increased) in order to deliver the crude oil to the Midwestern United States and possibly to the Pacific Northwest as well.

The precise route of the so-called Trans-Alaska pipeline has been set out in the proposal of the Alyeska Pipeline Service Company to the Department of the Interior; the route of the so-called Trans-Canada pipeline is far less certain. Routes considered to the Canadian border are (1) east along the Arctic Coast (through the Arctic National Wildlife Range), (2) south through the Brooks Range and east along the southern edge of that range toward the headwaters of the Porcupine River, and (3) south to the vicinity of Fairbanks, and then southeast up the Tanana River. Through Canada, a route up the Mackenzie River has been most often discussed, but an alternative generally following the Alaska Highway is also under consideration.

Advocates of the Trans-Alaska pipeline include the oil companies with reserves in the Prudhoe Bay field, industry and trade associations, the Alaska and National Administrations, and (apparently) most Alaskans. Those favoring the Canadian alternative include conservation organizations, commercial fisherman groups, state officials and Members of Congress from the, Midwest academicians and Canadian interests.

Apart from the right-of-way width limitation contained in Section 28 of the Mineral Leasing Act of 1920, the principal legal issue in the Federal courts has been whether or not the Interior Department, in evaluating the Alyeska right-of-way application, has given sufficient consideration to its environmental, economic and national security effects relative to an overland pipeline through Canada.

During the Committee's examination of right-of-way policy and proposals for transportation of North Slope oil, the main points of controversy regarding the competing transportation systems have been the following:

(1) *Environmental Impact*—Proponents of the Canadian pipeline contended that its environmental risks are less serious than those of the Trans-Alaska route. They emphasize the latter's crossing of an active earthquake belt, the danger of marine pollution stemming from the ocean leg of the oil transportation system, and the possible reduction of environmental damage if oil and gas pipelines from the North Slope were confined to the common corridor, rather than two or more routes. Advocates of the Alyeska proposal maintain that there are some aspects in which Trans-Canada oil pipeline would be more damaging or more hazardous to the environment, for example, the very length of the pipeline, the number of miles it would cross the zone for discontinuous permafrost, and the number of major river crossings.

(2) *Markets*—A second point of contention is whether or not the West Coast of the United States (PAD District V) will be able to absorb all the crude oil that would be shipped there upon completion of the Trans-Alaska pipeline. A surplus of crude oil on the West Coast of the United States would have to be marketed east of the Rockies with considerably greater transportation expense or else exported. Advocates of the Alyeska project now acknowledge that the pipeline would have created a crude oil surplus on the West Coast if it had been completed in 1972 or 1973 as originally anticipated. The present throughput schedule, however, is not expected to be sufficient to meet all of the District's petroleum demands unless major new reserves are discovered and developed offshore from California or in the Gulf of Alaska. Accordingly, the likelihood of major new oil discoveries in Southern Alaska or off the California coast and the desirability of exporting Alaska oil to other countries during an era of domestic shortages are both among the critical issues of controversy. (See 2. Exports of Alaskan Oil, below.)

The relative dependency of the two regions (the West Coast and the rest of the United States) upon imports from insecure sources is also a point at issue. The likelihood of additional production from new West Coast areas other than the North Slope is critical to this debate. Since Alaskan oil will at the margin be backing out Middle Eastern oil in either market, however, the principal effect of the choice of routes upon the total level of import dependency would be related to the time at which deliveries of North Slope oil began.

(3) *Economic Benefits*—Supporters of the Canadian pipeline proposal point to the fact that crude oil prices are higher in the upper Midwest than in California, and offer transportation cost calculations indicating that the "netback" value of North Slope oil would be greater if it were delivered to Chicago than to Los Angeles. They conclude, therefore, that the oil companies, the State of Alaska (in terms of the value of its royalties and production taxes) and the national economic welfare would all be served best by the Trans-Canada pipeline. The general assumptions of this argument were accepted by the Interior Department in its *Economic and Security Analysis of the Trans-Alaska Pipeline*. But the Interior Department pointed out, and the independent proponents of this argument acknowledge, that such economic benefits would be more or less wiped out by the discounting of future benefits, if a Trans-Canada pipeline would take two or more years longer to construct than a Trans-Alaska pipeline. Some supporters of the Trans-Alaska pipeline now dispute the earlier estimates both of the relative construction costs for the two pipelines (and thereby crude oil transportation costs) and the expected future price differentials between the Midwest and the West Coast; they assert that the netback value of the oil will actually be higher if it is delivered to western markets.

(4) *Ownerships and Control*—Supporters of the Trans-Alaska pipeline point out that a pipeline across Canada would be regulated by the Canadian government, and that statements of Canadian officials indicate that a controlling equity in such a pipeline would have to be held by Canadian citizens. In addition, oil pipelines in Canada must generally be operated as common carriers; this requirement might result in the backing out of Alaskan oil to make room for oil produced in the vicinity of the pipeline in Canada. In addition, Canada's new controls over oil and gas exports raises the possibility that Alaskan oil destined for U.S. markets could in an emergency be diverted to Canadian customers, leaving the United States short of those supplies.

Advocates of the Canadian pipeline reply, however, that there are now no known Canadian reserves in the Arctic whose production could displace Alaskan oil carried by a Trans-Canada pipeline, and that the pipeline's throughput capacity could be increased by "looping" or other means well in advance of the appearance of any excess supply. They argue, moreover, that to the extent that the existence of a pipeline through Canada from Alaska to the Midwest does encourage the exploration and development of Canadian Arctic resources, any oil exported to the United States via that pipeline is a benefit to United States interests because it would displace oil from less secure foreign sources. The notion that Canada might divert oil of United States origin to her own uses is discounted, both because, in that instance, the United States could simply cease shipping the oil, and because the United States holds a comparable Canadian hostage: most of eastern Canada's own crude oil supply enters that country through pipelines across the State of Maine.

(5) *Other Issues*—Other issues raised in the debate have included the economic and scheduling relationship between alternative pipelines to carry Prudhoe Bay crude oil and the pipelines for the natural gas that will be produced in association with it; the prob-

lems of financing a longer pipeline; the respective impact of the two pipelines on the U.S. balance of payments; the relative physical security of the two routes; the employment, economic and inflationary effects of construction within Alaska; and the comparative impacts upon competition and market power.

The Committee on Interior and Insular Affairs did not regard any one of the foregoing arguments or any group of them as conclusive in favor of either of the competing pipeline proposals. In some areas of debate the preponderance of evidence or analysis seems to favor one side or another, but no area of controversy, however, is without ambiguous or speculative elements. Even the most expert assessments made today are likely to be modified by new information that will become available or by unforeseen changes in circumstances occurring before either pipeline could be completed. Much information can be obtained only in the course of construction.

Any assessment based solely upon the foregoing considerations regarding the relative merits of the two pipeline routes clearly must depend heavily upon subjective judgment. There is, however, one consideration in favor of the Trans-Alaska pipeline that the Committee found compelling. This consideration was the additional delay and uncertainty associated with the Trans-Canada pipeline. Regardless whether the 1969 decision of the owner companies in favor of an all-Alaska route was the wisest or the most consistent with the national interest at that time, and regardless whether the Administration's early commitment in favor of that route was made on the basis of adequate information and analysis, *the Committee determined that the Trans-Alaska pipeline is now clearly preferable, because it could be on stream two to six years earlier than a comparable overland pipeline across Canada.*

The necessary business organization, financial arrangements, engineering design and logistical preparations for the Alyeska project have been completed, so that construction could begin as soon as a right-of-way is granted, while *none* of these necessary preparations has been accomplished for a Trans-Canada route. These tasks are expected to take about two years, quite apart from the legal, political and administrative hurdles that must be crossed before construction of a Canadian pipeline would be authorized. In addition to the delays that could be normally anticipated at each of these steps, a number of them suggest the possibility of indefinite delays or even the project's ultimate impossibility.

In the absence of a complex treaty enabling construction and operation of an international pipeline as a unitary enterprise, the interested private parties would have to organize a separate consortium or business organization on each side of the border for financing, building and operating the two segments of the pipeline, and resolve the complicated relationships between them. Discussions would have to be conducted with, and applications submitted to, several Canadian agencies and the final plan would have to be submitted to the Federal Cabinet. Before approval could be granted numerous modifications and perhaps corporate reorganizations would be necessary. The project would run gauntlets of domestic Canadian opposition, and of attempts to influence the shape of the project by such interests as northern Indians and Eskimos, environmentalists, Canadian economic nationalists, and provincial interests. The prospects of ultimate approval by the Cabinet might well be jeopardized by the minority status in Parliament of the Government's party.

A new pipeline route through Canada would, of course, require a new environmental impact statement and public hearings, and involves the possibility of a new round of litigation within the United States.

Any assessment today of the time required required for approval of a Trans-Canada pipeline project or of the probability of its ultimate approval in any form is purely speculative. *It is, moreover, doubtful whether further study could contribute to the accuracy of such speculations.* The seriousness of the obstacles at each organizational, financial and political step are testable only by an actual attempt to get approval for a specific proposal, and no such proposal exists today.

The listing of difficulties and uncertainties involved in getting approval for construction of a Canadian pipeline should not obscure the remaining difficulties and uncertainties facing the Trans-Alaska project: continuing litigation based upon National Environmental Policy Act requirements; litigation between the owner companies and the State of Alaska over a right-of-way across state-owned land and regarding state taxation and regulation; the possible vulnerability of the project under antitrust laws; and coastal zone legislation and regulation, which might conceivably affect the ability to land Alaska oil at West Coast ports.

Except for uncertainties regarding terminals in Washington and California, however, all the real or potential problems of law or political controversy facing the Trans-Alaska pipeline also face its Trans-Canada counterpart. In assessing the probable completion date of the latter project, the time required to resolve these problems must be added to both the additional time necessary for route selection, design, and logistical preparations, and the time involved in obtaining Canadian government approval. Moreover, to the remaining uncertainty arising from United States and Alaskan law and politics, which affect both pipeline proposals, must be added the uncertainty stemming from Canadian law and politics, and from the complexities of the international relationship.

In light of the existence of significant uncertainties which are unique to each of the two routes, it is arguable that the interested companies and the Federal government should have devoted substantial effort to investigations and preparations leading to development of more than one transportation system. The Committee believes that such a two-option strategy was and is warranted, not only because of uncertainty, but because of the high probability that two or more pipelines will ultimately be required to transport Arctic crude oil.

To a limited degree, the companies operating on the North Slope have in fact seriously explored alternatives to the Trans-Alaskan pipeline. Humble Oil and Refining Company (now Exxon) converted the *Manhattan* into an icebreaking tanker for an experimental journey through the Northwest Passage to Prudhoe Bay and return, while the companies with major interests in North Slope reserves joined to conduct the Mackenzie Valley Pipeline Study, which concluded in 1972 that a Trans-Canada oil pipeline would be physically and financially feasible, and environmentally acceptable.

There has, however, been no actual route selection or engineering design leading to a specific Trans-Canada pipeline proposal. The companies have not formed an organization to design or build a pipeline nor have they initiated discussions with Canadian government agencies leading to a right-of-way application. There seem to be several reasons for their failure to move ahead on both alternatives. First, the companies, the Interior Department and the State of Alaska have tended from the beginning to underestimate the engineering, environmental, legal and political difficulties of their preferred route. Also, the advocates of an all-Alaska pipeline seem to have feared that serious consideration of a Canadian route would, by giving it additional credibility as a potential alternative, undermine their effort to get early approval of the Alyeska right-of-way application. Finally, exploration of the Canadian alternative beyond the present feasibility study (which cost about $7 million) requires selection of a specific route, which in turn necessitates even more costly on-the-ground surveys, including extensive core drilling.

Route selection, engineering design, and preparation of an environmental impact statement would involve tens—perhaps hundreds—of millions of dollars. In the past these costly activities might have been conducted in stages after, or at worst simultaneously with, application for and receipt of the necessary governmental permits, but both United States and Canadian policy now require these steps to be substantially completed before applications will even be considered. The companies cannot privately justify the major expense that would be necessary to prepare an application for the permits required to build a Canadian pipeline, if it were only to serve as a hedge against the possibility they would not be permitted to complete the Trans-Alaska pipeline. Hesitation based upon financial prudence has been reinforced by the fear that any such preparation would be used as political ammunition against the pending Alyeska application (as the Mackenzie Valley Study is indeed now being used).

It is likely, however, that Arctic crude oil resources will be much greater than indicated by present proved reserves estimates. Development of these resources will justify and require more than one 48-inch pipeline within a decade, and argues in favor of an early planning and organizational effort to build two pipelines. The probable future reserve additions, however, have so far played no part in corporate planning for transportation of North Slope oil. The 9.6 billion barrels of proved reserves currently estimated for the Prudhoe Bay field barely exceeds the minimum required for the throughput guarantees necessary to finance a single 48-inch pipeline; it certainly cannot be used as security for two such pipelines.

Proved reserves as estimated by the American Petroleum Institute are an exceedingly restricted concept. There is little question that the reserve estimate for the Prudhoe Bay field will grow substantially, as both exploratory and development drilling delineate the field more completely, and as increased crude oil prices and improved methods make more complete recovery of the discovered oil-in-place commercially feasible. Typically, these two kinds of adjustments ("extensions" and "revisions," respectively) increase the proved reserves estimates for a newly discovered oil field by a factor of three to ten over its lifetime. Moreover, North Slope oil production will not be limited to the Prudhoe Bay field; giant oil fields are seldom found alone, and only a tiny proportion of the Arctic Slope's favorable geology has been explored geophysically, much less tested by the drill. It is worth noting that the Committee is currently considering measures to authorize the exploration and development of the 26 million acre Naval Petroleum Reserve, whose boundary is a few miles west of the Prudhoe Bay field.

The excellent prospect for an early expansion of North Slope oil and gas reserves sufficient to justify a second pipeline will not be realized until the industry is reasonably confident that a first pipeline will in fact be built. Throughput guarantees adequate to finance that pipeline are possible on the basis of present reserve figures, so that there is little justification for costly outlays on development drilling beyond the level (already surpassed) that could be accommodated by the Alyeska pipeline's planned initial throughput of 600,000 barrels per day (recently reported to have been increased to 1,200,000 barrels). Exploration on adjacent lands already under lease is also at a low ebb, and it is understandable that the State of Alaska, the Interior Department, and Alaska Native groups would postpone additional lease sales to a time when industry interest—and bonus bids—would be higher. A revival of intensive exploration effort depends above all upon the commencement of pipeline construction.

In weighing these manifold considerations, the Committee concluded that it would be a mistake to view the Trans-Alaska pipeline and Trans-Canada pipelines as competitors, except with respect to which of them could actually be completed first. Title II of S. 1081 authorizes the President to undertake negotiations with Canada and other actions leading toward construction of a crude oil pipeline across Canada from Northern Alaska to the Midwest, and it expresses the Committee's judgment that:

1. Federal planning for transportation systems to deliver Arctic crude oil should take account of the likelihood of greatly increased reserves in the Prudhoe Bay field, on other State, Federal, and Native-owned lands in northern Alaska, from Naval Petroleum Reserve No. 4, and from Northwestern Canada.

2. Two or more pipelines for crude oil from Arctic Alaska, or from Alaska and Arctic Canada together, serving different market areas in the United States (and Canada) will be feasible, desirable and necessary in the foreseeable future.

3. Completion of the first crude oil pipeline from Prudhoe Bay is urgently in the national interest, and construction should begin as soon as there is assurance its construction and operation will be environmentally sound.

4. The Trans-Alaska pipeline proposed by the Alyeska group ought to have priority in time, because of the overwhelming probability that it could be completed two to six years sooner than a Trans-Canada pipeline. The Trans-Alaska project is at a far more advanced stage of preparation and avoids the many uncertainties involved in organizing financing and obtaining approval of an international pipeline.

5. Nevertheless, the very likelihood of extended delays in approval and construction of a Trans-Canada pipeline dictates that concrete efforts leading toward construction of such a pipeline should be started now. This beginning ought to be made notwithstanding the present insufficiency of proved reserves to provide private justification for a second oil pipeline, and without prejudice to the Alyeska proposal.

6. In order to protect both United States and Canadian interests in this multi-billion dollar project, and in order to minimize future international conflict and misunderstanding regarding its operation and regulation, detailed and explicit intergovernmental understandings, and perhaps a treaty are necessary regarding ownership, financing, regulation and taxation.

7. It is possible, prior to the development of proved reserve figures adequate to support the private financing of two pipelines, that no competent private entity will take responsibility for the preparations prerequisite to submitting necessary applications to Canadian governmental agencies. In such an instance, appropriate agencies of the United States government should accept this responsibility.

INEVITABLE DELAYS IN THE CANADIAN PROPOSAL

Mr. JACKSON. Mr. President, There was one major consideration in favor of the trans-Alaska pipeline that the committee majority found compelling. This consideration was the additional delay and uncertainty associated with the trans-Canada proposal. We determined that the Alaska route would be clearly preferable, because it could be on stream 2 to 6 years earlier than a comparable overland pipeline across Canada. This conclusion has yet to be rebutted or seriously contested.

The necessary business organization, financial arrangements, engineering design and logistical preparations for the Alyeska project have been completed and construction could begin as soon as a right-of-way is granted. None of these necessary preparations has been accomplished for a Trans-Canada route. These steps are expected to take a minimum of about 2 years, even if there were no legal, political and administrative hurdles to be crossed before construction of a Canadian pipeline would be authorized. There are also opportunities for indefinite delays or even an eventual determination that such a pipeline is impossible for engineering, environmental, legal, political, or other reasons.

Any private parties interested in a trans-Canadian route would have to organize a separate consortium on each side of the border for financing, building and operating the two segments of the pipeline, and resolve the complicated tax, regulatory and financial relationships between them. Applications would have to be submitted to many Canadian agencies and the final plan would require approval by the Canadian Federal Cabinet.

Before any approval might be granted numerous modifications and perhaps corporate reorganizations would be necessary. The project would run the gauntlet of domestic Canadian opposition, and of attempts to influence the shape of the project by Canadian Indians and Eskimos, environmentalists, economic nationalists, and the provinces. The prospects of ultimate approval by the Canadian Cabinet might well be jeopardized by the minority status in Parliament of the Government's party.

I ask unanimous consent to have printed in the RECORD excerpts regarding the "Time Required for Canadian Action on a Trans-Canadian Oil Pipeline," from an excellent review of the issues of Moving Alaskan Oil by the State of Alaska's Pipeline Coordinating Committee, as well as a series of answers by the Canadian Government to State Department operations on the Trans-Canada pipeline.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM MOVING ALASKAN OIL: TRANS-CANADA OR TRANS-ALASKA? A STUDY OF THE MERITS

TIME REQUIRED FOR CANADIAN ACTION ON A TRANS-CANADIAN OIL PIPELINE

Canadian governmental approval of an application for a Trans-Canadian oil pipeline would require far longer than the one and a half years claimed by Mackenzie Valley Pipeline Research Limited in its 1972 feasibility study. While the Canadian Government has said that it is willing to entertain an application for such a line, the preparation for that entertainment would take years because of procedural requirements that must be satisfied before an application can even be filed with the Canadian National Energy Board. After that, action by the Board, subsequent approval by the Canadian Cabinet and the resolution of any legal challenges to the decisions of the Canadian officials would take more time. The net result is that a Trans-Canadian oil pipeline to the midwestern United States would not likely be in operation until sometime after 1980, and probably the time would be nearer to 1985.

As the State of Alaska has been able to identify them, these briefly are the steps that must be followed: Those interested in constructing the pipeline must agree on a basic project. They must then engage in extensive "consultations" with various agencies of the Canadian Government to determine what requirements the government will impose on the project. At this stage of the matter there would be international negotiations between the United States and Canada on throughput volumes and other matters, and social and environmental impact statements would have to be developed and an agreement reached in Canadian conditions for financing. The project would have to be modified to conform to the requirements of the various government agencies. Then a formal application would be made to the Canadian National Energy Board, which would review it, hold hearings and approve or dismiss it. If the application were dismissed an amended application might be filed. The Board would recommend an approved application to the Canadian Cabinet, which would review it for consistency with national policy considerations. After Cabinet approval, opponents of a pipeline might well raise legal challenges that would have to be resolved before construction could begin.

To get an idea of the time this process would take, one may consider the experience to date of Canadian Arctic Gas Limited, which started studies of the feasibility of a Trans-Canadian gas line from Prudhoe Bay and the Mackenzie River Delta to Emerson, Manitoba, in 1967, and has not yet filed an application with the Canadian National Energy Board.

William P. Wilder, chairman of the Board of Canadian Arctic Gas Ltd., said in Aril 1973 that, as soon as all the necessary information has been obtained from studies still underway:

> We intend later this year, to file applications with Canadian and U.S. Government authorities for approval to construct and operate the proposed pipeline. Regulatory proceedings, including exhaustive examination at public hearings, are expected to take at least one and a half years. By the earliest that we can anticipate approvals—possibly late 1974 or early 1975—Arctic Gas will have invested more than seven years and $50 million. Delivery of materials and construction will take another three or four years.

The Canadian Arctic Gas Limited proposal must make its way through all of the steps discussed here, including formal hearings by the Canadian National Energy Board for a pipeline construction permit and a license to export natural gas if Canadian supplies are involved, as well as a license to import and export Prudhoe Bay gas. The Board must also approve proposed tariffs for the gas line. Considering the procedures involved and the issues they raise, an estimate of 18 months to obtain all necessary governmental approvals, including those from the United States Government, is most optimistic. If the results of the study allow applications for the project to be filed toward the end of this year and governmental approvals take another two years, then the span between the first feasibility study and the start of construction on a Trans-Canadian gas line will have been more than seven years. Adding three or four years for materials acquisition and construction produces a total of approximately 11 years from the initial studies to the initial operation of the gas line.

Although Mackenzie Valley Pipeline Research Limited was formed in early 1969 and completed its initial feasibility study for a Trans-Canadian oil line in 1972, it is likely to take at least a comparable 11-year time span from now to put such a project into operation.

At the present, there is solid agreement among participating oil firms in Alaska that the Trans-Alaska pipeline should be built, not a Trans-Canadian line. This view is supported strongly by both the State of Alaska and the United States Government. The first crucial step toward a Trans-Canadian line is not a study of its feasibility. Rather, it is to persuade the major holders of leases at Prudhoe Bay to abandon their support for a Trans-Alaska line and attempt to agree in principle upon a specific Trans-Canadian project. The magnitude of the project would make participation of all major leaseholders a necessity. Both the United States Government and the State of Alaska would have to reverse their position and support a Trans-Canadian oil pipeline. For the quickest action, environmental groups in Canada and the United States would have to agree not to oppose the Trans-Canadian line, and that is unlikely since their positions on the matter are split.

Obviously, as long as the Trans-Alaska pipeline is a live possibility, no Trans-Canadian pipeline project can be seriously pursued. As a result, continued consideration of a Trans-Alaska pipeline pushes the completion date of any possible Trans-Canadian line farther and farther into the future.

Assuming that a basic proposal for a Trans-Canadian pipeline were advanced, the United States and Canada would have to reach an agreement on the operation of such an international pipeline. New laws or treaties might be required; the ambit of the Canadian National Energy Board's authority to regulate the pipeline would cause difficult and strenuous negotiations at the least.

It appears that the Board has the authority to force a Trans-Canadian pipeline to carry large quantities of Canadian crude oil on short notice. Such action could summarily shut off Prudhoe Bay oil to the Midwest after that region had become critically dependent upon such oil.

Self-sufficiency in crude oil supplies while much of the world grows ever more dependent upon Middle Eastern crude is a policy goal of the Canadian Government. The United States and Canada have worked for more than two years to reach an understanding on how they might cooperate in the event of an international oil shortage. These efforts have had no apparent success up to this time. A bilateral agreement on the operation of a Trans-Canadian pipeline is an essential starting point for further progress on such a line. Without an operating agreement containing throughput guarantees for Alaskan crude, United States oil companies cannot be expected to join in such a venture, and the multi-billion dollar project would founder.

Our examination of the laws under which rights-of-way across federal lands in Canada and the United States would have to be obtained suggests that no single operating entity would be able to obtain rights-of-way from both countries and further that, assuming vigilant administration of the laws by either government, the separate entities that hold these respective rights-of-way would have to be *substantially* independent of one another. Such a segmented operation is the necessary result of the interplay of mutually inconsistent federal laws and can be avoided only by amendatory legislation in each country and a treaty or other international agreement.

Canadian law (R.S.C. 1970, C.N.–6, the National Energy Board Act) authorizes the National Energy Board to permit companies to operate pipelines in Canada and to exercise the power of eminent domain to obtain private lands for that purpose. Before issuing a certificate permitting these things, the Board is required to consider among other things—

"The financial responsibility and financial structure of the applicant, the methods of financing the line and the extent to which Canadians will have an opportunity of participating in the financing, engineering and construction of the line." R.S.C. 1970, C.N.–6, § 66.

The Board has been authorized to attach terms and conditions to any certificate it issues. According to Secretary of the Interior Morton, Canadian officials have indicated that any National Energy Board certificate for a Trans-Canadian pipeline would certainly contain a condition that control, *i.e.*, voting authority through equity ownership, must reside in Canada.

The United States Mineral Leasing Act, however, may not allow the acquisition of a right-of-way under Section 28 by the same entity that owned and operated a Canadian line. The argument for this proposition is stated succinctly by Judge MacKinnon in the passage from his dissent from the Court of Appeals' Trans-Alaska Pipeline case decision that is quoted at pages 10–11 above. To our knowledge the Department of the Interior has not publicly accepted or refuted Judge MacKinnon's reading of the Act.

Just as the laws of Canada and the United States concerning acquisition of rights-of-way for pipelines are mutually inconsistent, the differing economic regulatory regimes imposed by Canada and the United States, together, could not conceivably be tolerated by a single Trans-Canadian pipeline entity. The Canadian National Energy Board is authorized by Part IV of its Act to supervise pipeline tariffs, as is the United States Interstate Commerce Commission under the Interstate Commerce Act. Unfortunately, because of the different national policies each of these agencies must serve, the complexities of tax treatment, the fact that the pipeline would be charging for carrying its parents' oil and other circumstances, it would be impossible for *both* the National Energy Board and the Interstate Commerce Commission to satisfy their statutory obligations with respect to a unified Trans-Canadian pipeline without destroying the climate for investment. Accordingly, in the framework of existing laws at least two independent entities would have to be created to own and operate a segmented Trans-Canadian pipeline as separate but symbiotic enterprises. Due to the magnitude of the project, these entities would of necessity involve conglomerations or consortia of participants, adding new dimensions of financial and regulatory barriers to the rapid development of a Trans-Canadian project.

Each of the independent owner-operators would have a stranglehold on the other by virtue of throughput control. The leverage in the hands of the owners of the first segment would be enhanced further by their ability to manipulate access to the line and that of the owners of the last segment by their control over terminal facilities and services. Even with the contractual devices that the groups would use to provide an element of stability, the conflicting leverage of each group and of the financial and governmental institutions associated with it would seriously jeopardize financing. Perhaps the only expedient solution would be an international negotiation culminating in omnibus legislation in both the United States and Canada, perhaps coupled with a treaty, to create the optimal economic and regulatory environment for a unified Trans-Canadian pipeline by adjusting the federal land and regulatory laws which now conflict.

Financing for a $6.6 billion Trans-Canadian pipeline would be extremely difficult, if possible at all, in the light of the complex consortia agreements and international arrangements involved and of the extent of proven reserves at Prudhoe Bay. Dr. R. D. Howland, Chairman of the National Energy Board, mentioned in a speech on February 3, 1972, that an applicant for a Trans-Canadian pipeline, "must formulate certain financial aspects of its application after full discussion with the Department of Finance and the Bank of Canada." It is uncertain what conditions these agencies might impose on the financing of a Trans-Canadian line, and whether those conditions would be acceptable to United States participants to the extent that United States participation is allowed.

The member companies financing the Trans-Alaska pipeline are some of the world's largest oil companies including Exxon, the largest. Because of the rapidly increasing costs of construction, the oil pipeline companies during the last 25 to 30 years have increasingly had to use debt financing to allow them to build lines of sufficient capacity to meet market demand. Bond holders require reasonable assurances as to the completion and financial adequacy of the project. Thus, sufficient revenues must be generated each year to pay the interest cost and amortize the bonds. Individual companies will be financing the Trans-Alaska pipeline in many different forms, from short-term lines of credit to longer-term corporate bonds. These bonds will be secured both by a claim on the total assets of the debtor company and by throughput agreements obligating the company to ship a certain amount of oil through the line. Presumably the aggregate amount of oil called for by the several throughput agreements would, at the tariff rates to be charged for transportation, pay for the pipeline over its useful life. This, of course, all assumes that there will be sufficient reserves proven to demonstrate to the bond holders that the pipeline can operate for the term of the financing.

The 9.8 billion barrels of proven reserves at Prudhoe Bay are sufficient to allow for approximately 14 years of full production. The participating member companies in the Trans-Alaska pipeline group are thus able to arrange for the necessary financing on this basis, with each company making its own arrangements to finance its share of the cost, using its other company assets as necessary.

For the additional billions of dollars required to finance a Trans-Canadian line, bond holders naturally would be looking even more carefully at the ability of the project to generate sufficient revenue itself on a long-term basis. Clearly, any financing this large would require the utmost of Canadian and United States participation. It would be very difficult to acquire financing for only one segment of the line. For example, bond holders would not purchase bonds secured by operation of just the Alaska portion of the line or the Canada to Chicago portion of the line, or any other portion without knowing that the full complex network would be operating without interruption.

The lack of greater proven reserves in the North American Arctic could seriously hamper the ability to obtain sufficient long-term capital to finance a Trans-Canadian pipeline costing nearly twice as much as a Trans-Alaska line. While it is true that a lower throughput rate would bring the operating life of a Trans-Canadian pipeline closer to the period of amortization of the borrowed capital, it would also necessitate higher pipeline tariff rates and would further weaken the economic feasibility of the pipeline.

Because of the higher cost of a Trans-Canadian line, the amount of debt to be covered by other assets would be significantly higher and could impair the ability of some of the North Slope companies to borrow funds needed for other high priority company projects. Some companies, Canadian and American, would even find it difficult, if not impossible, to borrow the necessary capital for pipeline construction. Even where company assets are sufficient, finding the $6.6 billion required to finance a Canadian pipeline would require a substantial period.

The speech of Dr. Howland, Chairman of the Canadian National Energy Board, that has been referred to above makes clear the course that must be followed by a pipeline applicant in Canada. That course involves what are euphemistically referred to as "discussions" with various government agencies prior to the filing of an application with the National Energy Board.

In Dr. Howland's words:

"Having obtained a clear assessment of

the requirements of the various agencies of government, the applicant could then proceed with its application with the Board. . . . How else can the Board be in a position to fulfill its statutory duty and consider all aspects of the public interest in reaching its conclusions as to the present and future public convenience and necessity of any particular application for a certificate to construct a pipeline through the north?"

These "discussions" in fact constitute an extended period of study, report filing and negotiation with government agencies so that, according to Dr. Howland, "the applicant is clearly aware of the concerns of each government agency," meaning he has come to terms with it, before he files an application. At that point, the National Energy Board Chairman said, the applicant would know such things as the terms and conditions applicable to its acquisition of a right-of-way for its pipeline, requirements for the employment of Canadian residents, requirements relating to financing and the nature of ownership requirements. In order for a Trans-Canadian pipeline proposal to advance to the stage of a formal application to the National Energy Board, these discussions, whether they constitute informal or formal procedures, would have to result in a project concept that was acceptable to Canadian and United States industry, the United States and Alaskan governments and the Canadian governmental agencies involved. Because of conflicting views on the ownership and operation of a Trans-Canadian pipeline, and perhaps on other matters, this entente cordiale could require some time to come into being.

Many of these informal consultations would be needed during the preparation of the detailed environmental impact statement and social impact statement that are required before an application can be made to the Department of Indian Affairs and Northern Development for a right-of-way permit. The consideration of such an application would entail public hearings. The right-of-way permit must be obtained before an application can be presented to the National Energy Board.

D. S. MacDonald, the Canadian Minister of Energy and Mines, said on January 24, 1973:

"Initially, the decisions as to the actual route to be followed and the leasing of right-of-way for this purpose would be taken by DIAND in conjunction with the territorial governments, who would be particularly concerned wtih respect to the impact of the routing on community development, but also concerned about environment, the impact from sociological and regional economic standpoints, and related questions."

The Mackenzie Valley Pipeline Research Limited feasibility study is in effect only a working outline of the detailed route survey and pipeline design work that must be undertaken in order to prepare an adequate environmental impact statement covering the entire 1738 mile pipeline route. On the basis of Alyeska Pipeline Service Company's experience in Alaska (which included preparation of a 29 volume project description), such work can be expected to take at least two years. Work on a social impact statement could proceed simultaneously.

The Minister of the Department of Indian Affairs and Northern Development, Jean Chretien, said on March 1, 1973, that he had decided that public hearings on a right-of-way application "will be held under the Territorial Lands Act at an appropriate time after the Department receives an application." He stressed that any application "must be based on a viable project proposal and must further be accompanied by detailed documentation of research" in areas of social and environmental concren.

Procedures for these required public hearings necessary to obtain a right-of-way across the Northwest Territories have not yet been spelled out. However, it appears that two laws and their related regulations would apply. The Territorial Lands Act requires the preparation of a detailed environmental impact statement before a right-of-way permit is issued or easements are allowed for road work, surveys and construction. The Northern Inland Waters Act requires that public hearings be held before licenses are granted to cross streams with a pipeline. A Trans-Canadian pipeline would make 77 river crossings and 326 stream crossings. Although some of them are on the Alaska portion of the line, most are in Canada.

The degree to which the Canadian Government is prepared to conduct a thorough review of a Trans-Canadian pipeline project description, the social and environmental impact statements and the stream crossings involved is uncertain. Nonetheless, even with the greatest degree of readinss and competence, evaluating a project two and a quarter times as long as the Trans-Alaska pipeline would require considerable time. And if, as was the case with Alyeska, after public hearings further work and review on the project description and environmental impact statement were required, that would further protract the time required before the Department of Indian Affairs and Northern Development was able to issue the needed right-of-way and stream crossing permits.

A Trans-Canadian pipeline would also face serious legal and political difficulties in the Northwest Territories with respect to native land claims. Native organizations asserting aboriginal title might choose to obstruct the acquisition of pipeline right-of-way as a means of forcing the recognition and settlement of their land claims.

There are essentially two categories of natives in the Northwest Territories, Indians and Eskimos. These groups each comprise approximately 13,000 people, and together they make up about 70 percent of the population of the Territories. About one-half of the Indians are subject to treaties that permit them to assert certain claims to land; the other half are denied this right because their treaty status has been extinguished by acts of their ancestors. The latter group, called "status" Indians, are the constituents of the Indian Brotherhood of the Northwest Territories, which has recently filed claims to vast acreages in the Mackenzie River Valley area. A court in Yellowknife will conduct proceedings in May in litigation generated by the filing of the claims and the decision of officials that the claims have at least *prima facie* validity.

It is not known how long this litigation will continue or what claims will remain unresolved when it is concluded.

The Eskimo organization Inuit Tabirisat of Canada, headquartered in Ottawa, is said to be preparing actions for the assertion of aboriginal claims on behalf of the Eskimos of Northern Canada, some of whom also inhabit the Mackenzie River Valley. In addition, the Yukon Territory is about 50 percent native; nearly all of the natives there are Indians with similar potential claims.

The prognosis seems to be as follows: when the litigation is concluded, status Indians may have acquired the lands that are necessary for the construction of a Trans-Canadian pipeline or rights to select such lands. Even if they do not prevail, there will be other significant categories of claims to be made. As in Alaska, the most expedient means by which to resolve the aboriginal and treaty claim problems is likely to be a national legislative settlement followed by an extended period of administration. Such events could mean that the acquisition of the right-of-way necessary for the construction of a Trans-Canadian pipeline would be indefinitely delayed until the land claims of Canada's natives were resolved.

Once the Department of Indian Affairs and Northern Development hearings were completed, right-of-way and stream crossing permits were issued, and discussions and consultations with other governmental agencies were completed, a formal application would be filed with the National Energy Board. Presumably, earlier negotiations with the Board already would have resulted in an operating agreement guaranteeing that some part of the capacity of the line would be available for Alaskan crude oil.

These earlier negotiations might also have settled the question of licenses to import and export Prudhoe Bay oil and a license to export Canadian oil if any were available for export, in order to provide needed assurance to participating companies and investors. If these licenses had not been issued, the Board would have to issue them now, along with its main task of issuing a pipeline construction permit and approving proposed tariffs. Tariff considerations might prove exceptionally difficult because they would affect not only the costs and profits of the Canadian consortium but the total transportation cost from Prudhoe Bay to the Midwest, thus influencing severance tax and royalty revenues due the State of Alaska and the price at which North Slope crude could be marketed.

The National Energy Board would hold a formal hearing at which any interested party could submit his views. In addition to members of the oil industry, the United States Government and various state governments might wish to be represented, as well as the Canadian Arctic Resources Committee, the Committee for an Independent Canada, environmentalist organizations and indigenous native groups, some of which might oppose the pipeline development or seek modifications of it.

The Board would then consider all arguments and conduct its own evaluation of the application. If it found that the application was not in the public interest, the application would be dismissed in a report detailing the reasons for the Board's decision. The final judgment of the Board could require a modified or new project concept that might be totally unacceptable to the industry. The industry would then have to evaluate the new conditions imposed by the Board and decide whether to file an amended application. At this point three years or more could have gone by since the industry had reached its decision to pursue a Trans-Canadian pipeline. The additional time required to file an amended application and, if necessary, hold hearings on it would depend on the nature of the Board's decision on the original application.

National Energy Board approval of an application for a Trans-Canadian pipeline would come in the form of a recommendation to the Canadian Cabinet. The Cabinet could insist on changes in the project because of either policy or political considerations. The Cabinet would consider again whether the project was really in the Canadian public interest. It would consider the long-term implications of the project for the Canadian nation both politically and economically. And it would consider the attitude of the Canadian public toward the project.

Ironically, one possible recommendation that would be given the most serious study by the National Energy Board and the Cabinet is that the national interest of Canada is best served by encouraging the Government of the United States to take up once again plans for an oil pipeline across Alaska. The Trans-Alaska line would likely still afford the quickest means of developing North Slope oil. Although there is much interest in Canadian Arctic oil, the principal established reserves are gas. But these gas reserves could not be economically developed without the contributing volume of gas from the Prudhoe Bay field. Under long-established conservation practices, gas cannot be produced in Alaska until oil has been in production for at least a year to insure proper repressurization. Accordingly, in the interest of developing known Canadian clean fuel resources at the earliest possible time, it may well be in the Canadian national interest as well as the United States national interest to develop a "short" oil pipeline across Alaska first to ensure the earliest completion of a Trans-Canada gas line.

Other factors would have to be considered in the Canadian analysis of self-interest. One is whether it is possible to raise the capital for two projects, a gas line and a crude oil line without a significant interval between. Each project in itself would rank as the largest enterprise ever undertaken privately. Second, the Canadian officials must ask whether there are sufficient skilled construction capabilities to undertake two projects at once or to build a Trans-Canadian line simultaneously for its full length. The undisputed testimony filed with the Congress to date is that there are not. Another factor the Canadians would have to deal with is the effect on the whole Canadian economic system and the risks of inflation and the threat to the solidity of the Canadian dollar that result from undertaking an enterprise that, in the case of the crude oil line, constitutes over half of the national budget, and in case two lines were built simultaneously would exceed the national budget.

These and other similar considerations arising from the magnitude of the enterprise make it extremely unlikely that the Canadian national interest would be served by taking on more than one pipeline at the same time and at least very probable that a gas line, to which the Trans-Alaska line is a condition precedent, is the number one Canadian priority.

If at the time of the Cabinet review the Prime Minister's party was in a minority position in the Canadian Parliament, then the attitude of other political parties would also have to be considered. The current ruling Liberal party is in such a minority position and depends on the support of the NDP party, which is opposed to Arctic pipeline development. The provincial power base of the NDP, it should be noted, is British Columbia, whose NDP premier is an advocate of a trans-British Columbia railroad as the means of developing North Slope oil. It is possible that a single party may gain decisive control of the Canadian Parliament by the time the Cabinet considers a Trans-Canadian pipeline application, but Canada has had a minority government for eight of the last 12 years.

Questions of party alignments could become crucial if the passage of special legislation by the Canadian Parliament were necessary for construction of the pipeline, or if on its own initiative the Parliament intervened in the administrative process leading up to Cabinet review of the pipeline proposal.

Once the administrative and executive hurdles had been cleared, pipeline opponents might try to hold up the project on legal grounds, if they had not already put themselves to that task. Environmental and economic groups in Canada opposed to an Arctic pipeline are reported to be fairly well organized.

One of the imponderables that permeate the consideration of a project so massive yet so hypothetical as a Trans-Canadian pipeline is that the behavior of enterprises and governments, and especially the responsiveness of each to the other, cannot reliably be predicted. The sheer size of the project precludes its being undertaken by any single corporate or other institutional entity; at least one consortium (probably two or three) would have to coalesce before even planning and project design could be initiated.

While usually a project would proceed sequentially from the outset through the various processes of planning and governmental consultation to fruition, a massive Trans-Canadian pipeline would be so fraught with popular issues of delicate public policy (the energy crisis, environmental protection, free trade vs. protectionism, etc.) that none of the parties would be capable of substantial independent motion in any direction without appropriate commitments from each other party. While private parties tread water awaiting signals from the public components of the project, those components would balk at making legal and political commitments in the absence of concrete contractual relationships and financial arrangements among the private Trans-Canadian pipeline participants. Instead of ordering hundreds of millions of dollars worth of pipe before necessary governmental approvals were in hand, as the Trans-Alaska pipeline participants had the now dubious judgment to do, Trans-Canadian pipeline participants might not be able to place such orders until the several governments involved had assented to the project.

As a result, major decisions between the initiation of planning for a Trans-Canadian pipeline and the beginning of its construction are likely to be taken very slowly, since each of these decisions would require essentially simultaneous concurrences of the various public and private participants. The interdependent nature of the process by which decisions on a Trans-Canadian pipeline would likely be made casts a cloud of uncertainty over any effort to lay out a timetable for a Trans-Canadian line. Problems of business organization, land acquisition, environmental politics, financing, engineering, treaty formulation and pre-construction purchasing, while they must necessarily be examined serially for the purposes of analysis, cannot be viewed as independent points on a tidy linear scale; many would be developing, or not developing, simultaneously.

The experience of Alyeska Pipeline Service Company with the Trans-Alaska pipeline indicates clearly that, when one is dealing with a project of the novelty and magnitude of a Trans-Canadian oil pipeline, it is not possible to predict with precision the time required for organization, fundamental agreements, research and design, agency discussions and evaluations and the final governmental approval necessary to begin construction. The process, if it were ever to be initiated, could easily take until the late 1970's to complete, putting the completion of pipeline construction somewhere between 1981 and 1983.

Meanwhile, construction of a Trans-Alaska pipeline can be started within 90 days of a go-ahead, and it will be completed three years after that. If allowed to proceed in the near future, the Trans-Alaska pipeline can be moving oil to the West Coast by 1977. Current plans calls for natural gas at Prudhoe Bay to be reinjected during the first years of production in order to insure more efficient oil recovery. Thus gas will be available for marketing by 1978 or 1979. Considering the advanced stage of studies for the Canadian Artic gas line, that means that vast quantities of natural gas could be moved into the midwestern United States starting at that time.

By contrast, the delays inherent in a Trans-Canadian oil line mean that no North Slope oil would be produced until perhaps 1983, putting off the production of natural gas for the Midwest another two years or so beyond that. To meet the petroleum needs of the West Coast and to satisfy the natural gas needs of the Midwest most promptly, the Trans-Alaska pipeline and the Canadian Arctic Gas line should be pressed toward early completion. This situation would encourage further Arctic exploration for oil and gas, increasing the size of proven reserves. It would also allow time for the deliberate pursuit of the more complex international arrangements, and for the compliance with various governmental requirements, necessary to develop an oil pipeline through the Mackenzie Valley during the next decade.

DEPARTMENT OF STATE,
Washington, D.C., July 7, 1973.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: In my letter of June 22, 1973 I sent you our assessment of possibilities for a Canadian alternative to the proposed Trans-Alaska oil pipeline route. Our judgments were based in part on discussions with Canadian officials undertaken on our instruction by the American Embassy in Ottawa.

In carrying out the Department's instructions, the Embassy posed a number of specific questions to Canadian officials. We have now received from the Embassy detailed written responses to these questions prepared by the appropriate Canadian officials. They set forth in more detail matters which were summarized in my letter to you. I enclose the text of these Canadian responses as of possible interest to you. I believe they bear out our judgment that an oil pipeline through Canada does not offer an alternative to the Alaskan route in terms of the time frame which circumstances require.

We have also just received the text of a speech made on June 20 by the Canadian Minister of Energy, Mines and Resources in which he outlines in some detail the complexity and magnitude of the questions the Canadian Government would have to face in considering a possible Mackenzie Valley oil pipeline. I believe this latest statement further confirms the position we have taken. I enclose a copy of the text.

Sincerely,

MARSHALL WRIGHT,
Assistant Secretary for Congressional Relations.

TRANS-CANADIAN OIL PIPELINE

Q. What is the current status of relevant Canadian environmental studies? What is the expected date of their completion?

A. The Government's environmental social program calls for the publication, as they become available, of 121 reports on all phases of environmental and social concern as related to northern pipelines; of these 39 reports have already been published by Government and an additional 16 by others. It is expected that the complete material thus assembled will place the government in position to adequately assess an application for a pipeline by the end of this year.

Industry has indicated that they expect to file an application for a gas pipeline at the end of 1973 or shortly thereafter.

Q. What is the status of consideration of native claims? What is the expectation as to time required for their settlement?

A. The Indians of the Mackenzie Valley are signatories to Treaties 8 and 11. The Government's obligation under these Treaties has as yet not been fully met; the Government has affirmed that it will meet these obligations and toward this end has offered to set aside the necessary lands. However, recent indications are that the NWT Indian Brotherhood is preparing to advance claims over and above that specified by Treaty. In this respect, the Brotherhood has attempted to file a caveat to protect lands they deem to be covered under the Treaties. The matter is now before the Territorial Courts. The Government has accordingly presented its case, alleging that the caveat by its nature is not registerable. It is expected that the resolution of this specific issue will take a number of months. Although the caveat if registered, would not apply to mining and oil rights, it could affect the granting of a pipeline right-of-way. At the moment it is not clear how and within what time frame this matter could be resolved, should the problem arise.

In the Yukon Territory no treaties are in effect. The Government is, however, in the process of negotiating native claims (Indian and Métis) and indications are that a settlement could possibly be reached there within the next two years.

Depending on the route chosen, the pipeline pass through areas of the Mackenzie Delta where the Inuit (Eskimos) may have certain land claims. These have not as yet been fully defined and the Government has made available funds to the Inuit Tapirisat for further research.

In summary, indications are that settlement in the Yukon could be achieved within approximately two years, during which time the application could be heard and construction commenced. The situation regarding the Native Brotherhood in the NWT is not yet sufficiently clear to allow a precise statement; and considerable research must still be carried out before Inuit claims become fully defined and therefore negotiable. It is the Government's intention to proceed with northern development in the best interests of Canada, as a whole, but at the same time the Government is determined to ensure the just settlement of native claims.

Q. What is the Canadian Government's position likely to be with regard to ownership and control?

A. Speaking on this point in the House of Commons on May 22nd, 1973, Minister Macdonald said:

"Mr. Speaker, I have indicated that the objective of the government would be to give an opportunity to Canadians to acquire 51 per cent ownership in any such pipeline and the expectation that it would remain under Canadian control."

In addition, all interprovincial and international pipelines are under National Energy Board control.

Q. When will the Canadian Government be ready to give active consideration to proposals from the private sector?

A. In respect of a gas pipeline, Minister Macdonald said on May 23rd, 1973, in the House of Commons

"Of course, the laws has always been there with regard to the making of an application, but we have indicated within the past 12 months that we are completing our studies for the purpose of evaluating such an application and that we expect about the end of this year to be in a position to evaluate any application that comes forward. For that reason we have not issued any invitation to any specific group, but we have indicated that we are in a position to deal with such an application under the law."

In respect of an oil pipeline the above statement still applies. However, it should be noted that the Canadian Government has not received an application for construction of such an oil pipeline in the north nor is it apparent that any company or any group of companies is preparing to make such an application in the near future.

Substantial work has been completed by Mackenzie Valley Pipe Line Research Limited and much of this work relates to environmental and social matters. However, there undoubtedly would be additional work required by a prospective applicant in respect of environmental considerations. Additional work on details of engineering design would also be required, although these could proceed concurrently with environmental work.

Q. What would the process of consideration entail (e.g.—public hearings and a finding by the National Energy Board prior to consideration by the Government and Parliament) and how long a time would it likely require?

A. An application to build an oil pipeline would be heard by the National Energy Board which would then make its findings known to the Government. If the National Energy Board rejects the application, no further action is required by the Government. However, if the National Energy Board recommends approval of the application, the final decision must then be made by the Government. There is no legal requirement to refer to Parliament either the National Energy Board finding or the decision of the Government.

Further, the Minister of Indian and Northern Affairs, the Honourable Jean Chrétien, has announced that upon receipt of an application for a pipeline right-of-way, an Inquiry will be held under the Territorial Lands Act with the purpose of assessing the regional socio-economic and environmental implications arising out of the construction and operation of a major pipeline in the Territories. These hearings will be held in addition to those under the National Energy Board Act described above.

The time required for a National Energy Board hearing for an oil pipeline is unknown at this time, but might take perhaps up to one and a half years, including time required to arrange financing. The hearings by the Department of Indian Affairs and Northern Development would also be concluded within that time period.

Q. Are there significant Provincial/Federal differences which are likely to delay an eventual Canadian decision? To what extent would differences of view between eastern and western Canadians obstruct or delay decisions?

A. A northern oil pipeline would be a "federal work". As such, the Provincial Governments are not legally involved. The National Energy Board Act grants to a successful pipeline applicant the right to expropriate lands, including Provincial Crown Lands, if such are necessary to complete the project.

Q. What is the status of Canadian governmental consideration of a possible Mackenzie Valley gas pipeline?

A. The answers given above gave the status of the Canadian Government's environmental work in connection with a possible gas pipeline. It should be noted that under the Task Force on Northern Oil Development, six committees have been established and work has been in progress in most of these committees for a number of years. The Advisory Committee on Northern Pipeline Financing was established in early 1973 and results from its considerations should be available by the time an application to build a gas pipeline could be filed.

Q. Would active Canadian consideration of a Mackenzie Valley oil pipeline delay consideration of the prospective application for a gas pipeline? Are there proponents in Canada of the gas pipeline who oppose encouragement of Mackenzie Valley oil pipeline on these grounds?

A. Canada would likely wish to avoid the necessity of building both an oil pipeline and a gas pipeline simultaneously because of the impacts upon the Canadian economy. If it is decided to proceed with active consideration of the Canadian oil pipeline, it is likely that the question of building a gas pipeline would be deferred, for reasons of gas supply to such a pipeline. This is based on the assumption that some 50 percent of the gas supply would be solution gas from the Alaska North Slope. If an approval to build a Canadian oil pipeline was granted and if the Canadian Government did not wish to have the gas pipeline build simultaneously, it is possible that the construction of the gas pipeline could be delayed by some three years compared with the decision to build the Alyeska oil pipeline.

Q. Any other observations deemed relevant?

A. There are a number of other elements to the Canadian position in respect to the northern oil pipeline.

(1) Canada does not now have commercial oil discoveries in the north, although the prospects are rated very high. There could be some 100 to 150 Mbd of natural gas liquids, if the gas pipeline is constructed.

(2) The Government guidelines on northern pipelines are clear in stating that Canada requires that Canadian production have "access" to such pipelines. Undoubtedly such access would be achieved by adding pipeline capacity rather than "backing out" non-Canadian supplies. Thus Canada does not require any fixed percentage of the throughputs of either a gas pipeline or of an oil pipeline.

(3) There would seem to be no reason why the United States would need a "treaty" or agreement with Canada to cover such pipelines which would cross Canadian territory and carry U.S. supplies to U.S. markets. In this connection, the Canadian Government notes that both loops of the Interprovincial-Lakehead pipeline system cross the United States and that throughputs of these loops are vital to Ontario oil markets. The Montreal oil market is entirely dependent on the Portland-Maine to Montreal pipeline. In addition, approximately half of the Canadian gas markets, east of Manitoba, depend on the Great Lakes pipeline which crosses the United States. None of these important pipelines, across United States territory is covered by "treaty" or international agreement.

(4) Canada continues to view with alarm the prospect of large tanker movements into the Puget Sound area of the Pacific northwestern United States. For that reason, Canada is prepared to consider guaranteeing the total supply to the Puget Sound area during the period that a pipeline might be constructed through northern Canada. Such a Canadian guarantee for the Puget Sound supply would, of course, be limited to the present refining capacity in that area. The amount of *added* Canadian oil required for this purpose would be relatively small compared to the total Canadian exports to the United States and would also be relatively small compared with present Canadian deliveries to the Puget Sound area.

(5) If Alyeska is built, Canada would find little attraction in having a second oil pipeline built through Canada to serve U.S. Midwest markets *unless* and *until* sizeable commercial Canadian oil discoveries have been made in the north. Moreover, Canada is aware that the economic attraction of looping an existing TAPS line would undoubtedly militate against construction of a line through Canada. Admittedly, other circumstances such as markets and security of supply might make it attractive to build such a second line through Canada. However, such circumstances are undoubtedly present even in respect of the first oil pipeline.

Mr. JACKSON. Mr. President, a new pipeline route through Canada would, of course, require a new environmental impact statement and public hearings within the United States, and involves the possibility of a new round of litigation.

Any assessment today of the time required for approval of a trans-Canada pipeline project or of the probability of its ultimate approval in any form is purely speculative. Most important, it is doubtful whether further study could improve the accuracy of such speculations. The Canadian Government is, quite understandably and quite correctly, unwilling to approve in advance a project that has not yet been organized and designed. Those Members of the Senate who suppose that the possibility and conditions for building and operating a trans-Canada pipeline can be definitively resolved in 9 months or a year are letting their wishes get the better of them.

To postpone authorizing a trans-Alaska pipeline for further studies and negotiations assures nothing but a delay. We will have no guarantee a year from now that a trans-Canada line can in fact be built. Congress will have no firmer ground for choosing one route over the other than it has today. The seriousness of the obstacles to a trans-Canada pipeline can be tested only by an actual attempt to get approval for a specific proposal, and no such proposal now exists.

The listing of difficulties and uncertainties involved in getting approval for construction of a Canadian pipeline should not obscure the remaining difficulties and uncertainties facing the trans-Alaska project. But all the real or potential problems of law or political controversy facing the trans-Alaska pipeline also face its trans-Canada counterpart. The time required to resolve these problems must be added to the additional time necessary for route selection, design, and logistical preparations, and the time involved in obtaining Canadian Government approval. And, together with uncertainty caused by U.S. and Alaskan law and politics, which affect both pipeline proposals, we must consider the uncertainty stemming from Canadian law and politics, and from the complexities of the international relationship.

For these reasons, I do not believe that Congress would be acting responsibly in the face of the critical fuel shortages we face if it made a choice now in favor of such a delay or such added uncertainty. Postponing our choice for a year, as some Members propose, will not eliminate either the delay or the uncertainty.

4. NORTH SLOPE OIL RESERVES

Despite self-serving statements from some interested oil companies, belittling the resource potential of the North Slope, almost every independent authority agrees that Arctic crude oil resources will be much greater than indicated by present proved reserves estimates. Development of these resources will probably require more than one 48-inch pipeline within a decade. This argues strongly in favor of an early planning and negotiating effort with the Canadian Government to secure agreement on all of the matters necessary to the authorization and construction of a second pipeline from the North Slope into midwest markets.

The 9.6 billion barrels of proved reserves estimated for the North Slope by the companies and reported to the American Petroleum Institute is an extremely conservative figure, barely exceeding the minimum required for the throughput guarantees necessary to secure the financing of a single 48-inch pipeline. It is clear to me that the reserve estimate for the Prudhoe Bay field will grow substantially, as both exploratory and development drilling delineate the field more completely, and as increased crude oil prices and improved methods make more complete recovery of the discovered oil-in-place commercially feasible. Typically, these two kinds of adjustments increase the proved reserves estimates for a newly discovered oil field by a factor of 3 to 10 over its lifetime.

Some company officials have insisted that there will be no major extensions or upward revisions of the Prudhoe Bay reserves, but this assertion implies that the Prudhoe reservoirs are absolutely unique among the world's oil fields. It is worth noting that in their litigation with the State of Alaska the North Slope owner companies stipulated that they were intending to ship, over the economic life of the trans-Alaska pipeline, a total of 15.3 to 25.6 billion barrels, 1.6 to 2.7 times their current reserve estimate.

The assessment of probable oil and gas reserves is, of course, an art, and estimates by different teams of geologists vary widely. I ask unanimous consent to have printed in the RECORD a summary of authoritative estimates, for the North Slope, which range from 20 to 300 billion barrels.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

ESTIMATES OF OIL RESOURCES OF THE NORTH SLOPE OF ALASKA

1. AMERICAN PETROLEUM INSTITUTE—PRUDHOE BAY PROVED RESERVES—9.6 BILLION BARRELS

The American Petroleum Institute[1] defines "proved reserves" of crude oil "if economic producibility is supported by either actual production or conclusive formation tests." API reports 9.6 billion barrels of ultimately recoverable oil, based on 24 billion barrels of oil originally in place.

2. NATIONAL PETROLEUM COUNCIL—ARCTIC SLOPE RECOVERABLE RESERVES—5.50 BILLION BARRELS

The National Petroleum Council's report, "Future Petroleum Provinces of the United States,"[2] contains a review of geologic investigations of the petroleum potential of Alaska, coordinated by George Gryc, Chief of the Alaska Geology Branch of the U.S. Geological Survey. Gryc reports that the Arctic, or North, Slope contains at least 70,000 square miles of potentially petroliferous area, with a total volume of 210,000 cubic miles of sedimentary rocks, and cites estimates of 5 to 50 billion barrels of "recoverable reserves" on the North Slope. This report was apparently prepared before the API's proved reserve estimate became available.

3. U.S. GEOLOGICAL SURVEY—NPR–4 PROVED RESERVES: 0.1 BILLION BARRELS NPR–4 POTENTIALLY RECOVERABLE: 10–33 BILLION BARRELS

A review by the General Accounting Office[3] of the capability of the Naval Petroleum and Oil Shale Reserves cites estimates by the United States Geological Survey that Naval Petroleum Reserve #4 on the North Slope of Alaska "could contain as much as 10 billion to 33 billion barrels of oil", based on experience with the adjacent Prudhoe Bay field. Only 100 million barrels are currently considered proved, based on drilling by the Navy through the 1950's.

4. U.S. GEOLOGICAL SURVEY—POTENTIAL ULTIMATE PRODUCTION IN ALASKA—30–117 BILLION BARRELS

A recent compilation by Theobald and others of the United States Geological Survey[4] cites several estimates of total ultimate potential production in Alaska, but does not specifically identify the North Slope segment of resources. (According to Gryc, however, the Arctic Slope and the Arctic Ocean Coastal Shelf contain over 60% of the sedimentary rocks in Alaska[2]). Hubbert estimated potential ultimate production in Alaska as 30 billion barrels[5], Hendricks and Schweinfurth at 117 billion barrels.[6]

5. ARCO: HIGHER RECOVERY POTENTIAL

ARCO officials have indicated that they hope to recover 65% to 70% of the oil originally in place in the Prudhoe Bay field,[7] rather than the 40% assumed by the API. Such recovery would increase the present reserve estimates from 9.6 to 15.6–16.8 billion barrels in the Prudhoe Bay field alone.

6. DE GOLYER AND MAC NAUGHTON: NORTHERN ALASKA RECOVERABLE RESERVES: 25 BILLION BARRELS

An analysis based on broad geological indicators,[8] De Golyer and MacNaughton is a respected petroleum consulting firm.

7. DOME PETROLEUM: RECOVERABLE RESERVES: 45 BILLION BARRELS

The President of Dome Petroleum (a major Canadian oil company with experience in the Arctic) based his estimate of Northern Alaska potential[9] on such estimators as cubic miles of sediment, age of sediment, structural condition, and related factors.

8. W. J. LEVY: 1980 PROVED RESERVES: 15–40 BILLION BARRELS

W. J. Levy, another consulting firm, estimated in 1968 and 1969 that Alaskan North Slope reserves "proved up" by 1975 to 1980 would be from a low of 15–20 billion barrels to a high of 30–40 billion barrels.[10]

9. GOVERNOR EGAN: 150–300 BILLION BARRELS

Governor Egan of Alaska was quoted in *The Oil Daily* (July 7, 1971) as saying he thinks that the North Slope may eventually yield 150 to 300 billion barrels of crude. [This estimate is apparently based upon assessments by the State of Alaska Department of Natural Resources, Division of Oil and Gas.]

FOOTNOTES

[1] American Gas Association, American Petroleum Institute, Canadian Petroleum Association, *Reserves of Crude Oil, Natural Gas Liquids, and Natural Gas in the United States and Canada and United States Productive Capacity as of December 31, 1972,* (vol. 27), May, 1973.

[2] Gryc, George, "Region 1. Alaska and Hawaii", in National Petroleum Council, *Future Petroleum Provinces of the United States, Washington, July, 1970.*

[3] General Accounting Office, "Capability of the Naval Petroleum and Oil Shale Reserves to Meet Emergency Oil Needs," B–66927, October 5, 1972.

[4] Theobald, P.K., S.P. Schweinfurth, and D.C. Duncan, "Energy Resources of the United States," United States Geological Survey Circular 650, Washington, 1972.

[5] Hubbert, M.K., "Energy Resources", in National Academy of Sciences—National Research Council, *Resources and Man,* 1969.

[6] Hendricks, T. A., and S. P. Schweinfurth, unpublished data, 1966.

[7] Oil and Gas Journal, April 17, 1972, p. 40.

[8] DeGolyer and MacNaughton, "Report on Estimates of Additional Recoverable Reserves of Oil and Gas for the United States and Canada", Dallas, June 30, 1969, p. 17.

[9] J. P. Gallagher (President, Dome Petroleum, Ltd.), "The Canadian Petroleum Industry and the New Arctic Frontier", excerpts from an address to the Oil Analysts Group of New York, November 22, 1968.

[10] "A Note on Implications of Alaskan Production" (October, 1968), and "A Further Note on Implications of North Slope Potential" (May, 1969), unpublished documents, W. J. Levy Consultants Corporation, New York.

Mr. JACKSON. Mr. President, may I add parenthetically, we should remember those figures in the context of our total known reserves in the United States.

For this year, it is estimated at this time to be 38.7 billion barrels. The total known reserves outside of the Communist world run about 600 billion barrels. Saudi Arabia has half that number.

We are talking here of estimates running in Alaska to as high as 300 billion barrels. In other words, we are really talking about a junior Persian Gulf.

I believe that the Senate should keep

that fact in mind as we approach the decision here regarding the pipeline.

North Slope oil production will not be limited to the Prudhoe Bay field. Giant oil fields are seldom found alone, and only a tiny proportion of the Arctic Slope's favorable geology has been explored geophysically, much less tested by the drill. It is worth noting that the Interior Committee is currently considering strategic reserves legislation to authorize the exploration and development of the 26 million acre naval petroleum reserve, whose boundary is only a few miles west of the Prudhoe Bay field.

No expansion of North Slope oil and gas reserves sufficient to justify a second pipeline will be realized until the oil industry is reasonably confident that a first pipeline will be built. To the companies, there is no financial justification for costly outlays on development drilling beyond the level that could be accommodated by the Alyeska pipeline's planned initial throughput of 600,000 barrels per day. Exploration on adjacent lands already under lease is also at a low ebb, and it is understandable that the State of Alaska, the Interior Department, and Alaska Native groups would postpone additional lease sales to a time when industry interest and lease bonuses will be higher. A revival of intensive exploration effort depends above all upon the commencement of pipeline construction.

5. THE TWO PIPELINES ARE NOT COMPETITORS

In weighing these manifold considerations, the committee concluded that it would be a mistake to view the trans-Alaska pipeline and trans-Canada pipeline as competitors, except with respect to which of them could actually be completed first. Title II of S. 1081 authorizes the President to undertake negotiations with Canada and other actions leading toward construction of a crude oil pipeline across Canada from northern Alaska to the Midwest, and it expresses the committee's judgment:

First, that Federal planning for transportation systems to deliver Arctic crude oil should take account of the likelihood of greatly increased reserves in the Prudhoe Bay field, on other State, Native-owned and Federal lands in northern Alaska, including Naval Petroleum Reserve No. 4, which is adjacent to the Prudhoe field, and from northwestern Canada.

Second, that two or more pipelines for crude oil from Arctic Alaska, or from Alaska and Arctic Canada together, serving different market areas in the United States and Canada will probably be feasible, desirable, and necessary in the foreseeable future.

Third, that completion of the first crude oil pipeline is urgently in the national interest, and construction should begin as soon as there is assurance its construction and operation will be environmentally sound.

Fourth, that the trans-Alaska pipeline proposed by the Alyeska group ought to have priority in time, because of the overwhelming probability that it could be completed 2 to 6 years sooner than a trans-Canada pipeline. The trans-Alaska project is at a far more advanced stage of preparation and avoids the many uncertainties involved in organizing, financing, and obtaining approval of an international pipeline.

Fifth, that the very likelihood of extended delays in approval and construction of a trans-Canada pipeline dictates that concrete efforts leading toward construction of such a pipeline should be started now.

Sixth, that in order to protect both United States and Canadian interests in such a multibillion dollar project, and in order to minimize future international conflict and misunderstanding regarding its operation and regulation, detailed and explicit intergovernmental understandings, and perhaps a formal treaty, are necessary regarding ownership, financing, regulation, and taxation.

Finally, because it is possible that no competent private entity will take responsibility for the preparations prerequisite to submitting necessary applications to Canadian governmental agencies, appropriate agencies of the U.S. Government should be authorized to accept this responsibility.

6. NEPA WAIVER

This bill does not waive the requirements of section 102 of the National Environmental Policy Act, nor does it constitute a congressional determination one way or another on the adequacy of the environmental impact statement on the trans-Alaska pipeline.

The chief remaining legal issues regarding this pipeline under the National Environmental Policy Act is whether that act required the environmental impact statement to give greater consideration than was given to alternative transportation systems—specifically a Canadian pipeline. The committee majority did not favor congressional intervention at this time to resolve the substantive questions, because such an action would permanently moot the pending lawsuits over the scope of NEPA. To do so now might possibly advance the time of pipeline construction marginally—but it could postpone for years a judicial determination of the meaning of NEPA and a resolution of the uncertainty that this issue now casts over many other kinds of Federal actions which require an environmental impact statement.

Moreover, I am advised that the NEPA waivers which are being proposed here might just muddy the legal waters, and in themselves become a new issue of litigation. My assessment is that the most direct and certain way of resolving the NEPA issue is to resolve the width restriction, which 1081 accomplishes, and then to let the present lawsuits go on to conclusion.

The committee does favor a rapid court decision regarding NEPA's requirement for examination of alternatives. The circuit court's February ruling implies that, until Congress corrects the right-of-way width problem, there is no possibility of resolving this NEPA issue. We want that question tried and resolved finally, as rapidly as possible.

Personally, I do not categorically rule out a judgment by the Congress in the future regarding the adequacy of the environmental impact statement and a formal determination in favor of one pipeline route, if the environmental litigation threatens further delay and the loss of another construction season commencing in the spring of 1974. I am afraid, however, if we once establish such a precedent, that each Member of the Congress will ask and expect a legislative waiver of NEPA on his own special projects, and I do not want to open that door and establish that precedent.

7. LIMITATION ON EXPORT OF NORTH SLOPE OIL

One final issue which is dealt with in section 114 of the committee bill deserves attention of the Members. The question of possible exports of crude oil produced on Alaska's North Slope has been raised repeatedly before the Interior Committee and elsewhere in connection with the alternative pipeline proposals for that oil. Some have contended that, despite the national deficiency in crude oil supply, the oil companies with major reserve interests on the North Slope chose the trans-Alaska alternative in order to be in a position to export a significant fraction of its throughput to Japan.

Despite frequent denials by spokesmen for the companies and the administration, these allegations are not totally implausible. There is a possibility that Alaska and California crude oil production could together exceed consumption in west coast markets during the late seventies and early eighties. With rising world oil prices, Japan will certainly be a commercially attractive outlet for any oil that is allegedly surplus to west coast needs, even in the face of a huge national oil deficit in other parts of the United States.

Three companies control more than 90 percent of the proved reserves of the Prudhoe Bay field, the largest in North America. This field, whose production will account for more than half of west coast oil supplies when it reaches full capacity, will be developed and produced as a single unit pursuant to State conservation law. The same three companies will also own 82 percent of the trans-Alaska pipeline, which is organized as an undivided interest joint venture. In some respects, then, the three companies will operate as a single entity and together exercise nearly monopoly market power in west coast markets. West coast crude oil prices, the companies' profits, the State's revenues and fuel prices for west coast consumers, will all be affected powerfully by the amount of oil that the companies and the State allow to be delivered to that market. There is, at present, no assurance that any oil which might be "surplus" to west coast requirements in the companies' eyes and thereby regarded by them as "available for export" will be truly in excess from the standpoint of consumers, of national security or of the national economy.

Section 114 of the act expresses the committee's concern that the companies which control the North Slope oil reserves might decide to make export sales or exchanges that result in a net reduction of crude oil supplies available to the United States, or an increased dependence of the United States upon insecure foreign supplies.

The committee did not believe that a categorical prohibition of oil exports would be wise, however. There might well be situations in which export-for-import arrangements would be of benefit to both the United States and its trading partners. For example, Alaskan crude oil surplus to west coast needs might be exchanged for Latin American or Eastern Hemisphere crude oil delivered to the Northeast or the Midwest, but which would otherwise have been transported to Japan.

Under some circumstances import-for-export exchanges might be a better arrangement to bring the Eastern part of the U.S. additional crude oil supplies than either a transcontinental pipeline or a tanker route around the Horn. A total prohibition of exports might, in addition, encourage other countries to retaliate or to restrict exports to the United States, or cripple efforts to provide cooperation or allocation of oil supplies among consuming countries during times of shortages.

Section 114 provides that any export arrangement must be carefully and critically examined in light of the national interest, to assure that a few pennies per barrel in private transportation expense are not saved at a great cost to the security of national energy supplies. Issues that would be scrutinized in any such examination include whether any export at all is in the national interest, the duration of the export contract, the international consequences of diverting such exports to domestic use in an emergency, the availability of transport capacity to do so, and the net impact of any sale or exchange upon the U.S. balance of payments.

The provisions of the section effectively place the burden upon an applicant for an export license to demonstrate that exports of North Slope crude oil are indeed in the national interest, and by requiring an express Presidential finding, compel an examination of that interest at the highest levels.

Mr. FANNIN. Mr. President, I commend the distinguished chairman of the committee, the manager of the bill, for his statement with which I certainly agree. I feel that we must at the earliest time possible pass this legislation. I appreciate the tremendous amount of work he already has contributed in getting this matter satisfactorily resolved.

Mr. President, the legislation we are considering today, the Federal Lands Right-of-Way Act of 1972, represents a new and welcome stage in congressional action concerning our national energy crisis. For several years industrial and academic spokesmen have been warning us that "the days of cheap and abundant energy are over." Until this year the public recognition of the energy problem was nearly nonexistent.

Now we have reached the point where all of us are feeling the pinch of the energy crisis—gasoline, fuel oil, and natural gas shortages, particularly, are being felt right in our own backyard. S. 1081 may well represent a turning point in congressional attitudes toward solving our national energy problem. This bill is the first legislation undergoing floor debate this year to provide specific measures to increase our national energy supply. It is indeed, a significant change.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Secretary Morton.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 5, 1973.

Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: I understand that early in the week of July 9 the Senate will take up the Right-Of-Way bill recently reported by the Committee on Interior and Insular Affairs, S. 1081. I also understand that Senator Mondale and others will offer an amendment to prevent issuance of a permit for the Trans-Alaska pipeline until the Congress enacts legislation specifically authorizing a pipeline from Northern Alaska. The amendment envisions that Congress will not act until the Secretary of State conducts negotiations with the government of Canada to determine the feasibility of a Trans-Canada pipeline and the National Academy of Sciences conducts an eleven-month study of this subject.

This legislation can materially affect our energy supply picture, the strength of our dollar, our foreign relations and the strength of our bargaining position, vis-a-vis the oil producing countries in the Middle East. Recent events in Lybia, and the expressed willingness of some Middle East countries to utilize their oil exports for political purposes, require all of us to give their matter our most careful attention. I want to explain why I support S. 1081 and oppose any amendment that will delay the Alaska pipeline.

It is clear, and no one disputes, that following the recent Court of Appeals decision in the *Pipeline* Case, new legislation is required before I can authorize construction of any new, large oil or gas pipeline across any public land in the United States. Large pipelines simply cannot be built within a right-of-way no greater than 25 feet on both sides of the pipe.

While I have not favored every provision of S. 1081, I am convinced that it is constructive legislation that will give me the necessary authority to permit construction of large pipelines that are vital to our economy.

Under S. 1081, I could promptly authorize construction of the Trans-Alaska pipeline; and I have expressed my intention to do so for three basic reasons: (1) our national interest requires the earliest possible delivery of North Slope oil to the "Lower 48," (2) the only feasible alternative delivery system is a pipeline across Canada, and it would involve at least a 3–5 year delay in delivery of oil to the lower 48; and (3) a Trans-Alaska pipeline and tanker delivery system can be built and operated under safeguards that will protect the environment and wildlife of Alaska and the Pacific Ocean.

I, and Administration spokesmen from the Departments of State and Treasury, have explained these points and others in detail during numerous appearances before committees of both Houses and in my letter of April 4, 1973, to every member of Congress. It is not my purpose now to repeat the detailed points I have made. Rather, I want to address specifically the three major arguments being made by those who favor amendment of S. 1081 to deny me authority to issue a permit for the Alaska pipeline and require an eleven-month study by the National Academy of Sciences. Those arguments are (1) that our Environmental Impact Statement did not adequately treat the Canadian alternative, (2) that neither I nor anyone else in the executive branch has seriously assessed the practical and political prospects for a Canada pipeline; and (3) that after an eleven-month study by the National Academy of Sciences the Congress will be able to promptly approve either an Alaskan or Canadian pipeline with no overall delay in the delivery of oil to the lower 48 States.

The impact statement on the Trans-Alaska pipeline contains approximately 150 pages of discussion of possible Trans-Canada pipeline routes. This extensive and detailed treatment is the result of inter-disciplinary studies and official and unofficial exchanges with Canadians that extended over a period of at least a year and a half. I personally have given a great deal of careful attention to the environmental problems presented by the Alaska pipeline, with its marine leg, and those that would be encountered in Canada.

I sincerely believe that the environmental costs and risks of a Canada pipeline would be as great as those of an Alaska line, and that the Alaska system will be safely built and operated under the stipulations I will impose in our permit.

Even more importantly, I want to assure you that the feasibility and prospects of building a line through Canada have received my most careful attention and the attention of all concerned members of the Administration. I have discussed these matters with the President and with Secretary Rogers. We are all convinced that we should not delay the Alaska pipeline to consider further the feasibility of a Canada pipeline. For more than three years the Canadian Government has taken the position that it is not prepared to negotiate with the United States Government on the matter of pipelines from the Arctic. By letter of June 22, 1973, to Senator Jackson, the State Department reported the Administration's assessment as follows:

" . . . the Departments of State and Interior are convinced that there is no Canadian alternative to the proposed Alaskan pipeline at this time. Even if the Canadian Government should move expeditiously to approve such a pipeline, which is unlikely, an Alaskan pipeline could be in operation at least 3–5 years, and perhaps 7–10 years earlier than a Canadian pipeline.

"We do not believe that recent Canadian actions limiting exports to the United States of petroleum and petroleum products have a direct bearing on future Canadian consideration of applications for the construction of Arctic pipelines. However, they do emphasize Canadian determination to follow policies which will husband Canadian resources to the maximum extent deemed necessary to meet Canadian needs projected well into the future. This attitude and recent remarks by Canadian officials give no cause to change our view that the Canadian Government has no strong current interest in the construction of a Mackenzie Valley oil pipeline . . ."

Between May 1969 and March 1972, an inter-agency task force devoted many thousand man-hours, including 8 days of public hearings, to studies that finally produced a 6 volume Environmental Impact Statement and a 3 volume Economic and Security Analysis of the proposed Alaska pipeline and its alternatives. The work was done by experts with many years of relevant experience. The product is objective and comprehensive. It has been available for public scrutiny and debate since March 1972. I am convinced that an eleven-month effort by the Academy will not add materially to the information or analyses bearing on the United States Government's decision to grant permission for an Alaska pipeline or to deny such permission and pursue a Canadian alternative. I suspect that even if Congress should later approve the Alaska line the delay involved will extend well beyond a year because the the Academy's study will require more than eleven months and the companies will have to re-mobilize for construction.

I am as concerned as the members of Congress to provide our Midwest and East Coast with adequate supplies of energy in the years ahead. The President shares this concern. But we are convinced that our increasing demand for petroleum presents serious national issues that transcend regional interests, and that it is in the Nation's interest to increase our

> domestic resource base as soon as possible. We hope and expect that Canada will agree to construction of a gas line from the Arctic to our Midwest in the reasonably near future. We anticipate that additional discoveries of oil in Alaska and Northern Canada will justify a second oil line shortly thereafter. And we hope that by the time such a line is required, we will have been able to negotiate terms for its construction through Canada.
>
> Delay of the Alaska pipeline will reduce the total supply of oil available to our economy during the period of delay, thereby increasing all the costs and risks associated with increased dependence on Middle East oil. It is not in the Nation's interest to deny ourselves oil that can safely be delivered by an Alaska pipeline while we further pursue the possibility of building the first pipeline from the Arctic through Canada.
>
> I hope these views will be helpful to you in your consideration of S. 1081.
>
> Sincerely yours,
>
> Rogers C. B. Morton,
> *Secretary of the Interior.*

Mr. **FANNIN.** Mr. President, in his letter Secretary Morton said:

> I want to explain why I support S. 1081 and oppose any amendment that will delay the Alaska pipeline.

He said:

> I want to address specifically the three major arguments being made by those who favor amendment of S. 1081 to deny me authority to issue a permit for the Alaska pipeline and require an eleven-month study by the National Academy of Sciences. Those arguments are (1) that our Environmental Impact Statement did not adequately treat the Canadian alternative, (2) that neither I nor anyone else in the executive branch has seriously assessed the practical and political prospects for a Canada pipeline; and (3) that after an eleven-month study by the National Academy of Sciences the Congress will be able to promptly approve either an Alaskan or Canadian pipeline with no overall delay in the delivery of oil to the lower 48 States.
>
> The impact statement on the Trans-Alaska pipeline contains approximately 150 pages of discussion of possible Trans-Canada pipeline route. This extensive and detailed treatment is the result of inter-disciplinary studies and official and unofficial exchanges with Canadians that extended over a period of at least a year and a half. I personally have given a great deal of careful attention to the environmental problems presented by the Alaska pipeline, with its marine leg, and those that would be encountered in Canada.
>
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>
> ". . . the Departments of State and Interior are convinced that there is no Canadian alternative to the proposed Alaskan pipeline at this time. Even if the Canadian Government should move expeditiously to approve such a pipeline, which is unlikely, an Alaskan pipeline could be in operation at least 3–5 years, and perhaps 7–10 years earlier than a Canadian pipeline.
>
> We are convinced that our increasing demand for petroleum presents serious national issues that transcend regional interests, and that it is in the Nation's interest to increase our domestic resource base as soon as possible. We hope and expect that Canada will agree to construction of a gas line from the Arctic to our Midwest in the reasonably near future. We anticipate that additional discoveries of oil in Alaska and Northern Canada will justify a second oil line shortly thereafter. And we hope that by the time such a line is required, we will have been able to negotiate terms for its construction through Canada.
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> Delay of the Alaska pipeline will reduce the total supply of oil available to our economy during the period of delay, thereby increasing all the costs and risks associated with increased dependence on Middle East oil. It is not in the Nation's interest to deny ourselves oil that can safely be delivered by an Alaska pipeline while we further pursue the possibility of building the first pipeline from the Arctic through Canada.

Mr. President, as much as I welcome legislation intended to remove obstacles to the construction of a trans-Alaska pipeline, this bill partially misses the mark. The fact that it fails to declare that the National Environmental Policy Act has been satisfied with respect to the trans-Alaska pipeline means that even if this bill is enacted into law additional delays will result due to continuing environmental litigation.

Let me note by way of background that when the U.S. Circuit Court of Appeals ruled that the Secretary of the Interior did not have authority to grant the use of adequate space for construction, operation, and maintenance of a modern pipepline across public lands, an urgent national need for remedial legislation was created. The decision was based upon a narrow interpretation of section 28 of the Mineral Leasing Act of 1920 which provides that rights-of-way for an oil or gas pipeline be limited in width to 25 feet on each side of the pipeline. The practical effect of this holding is to prevent the construction of a modern oil or gas pipeline across public lands, not only in Alaska but anywhere in the United States.

Prior to the Court's decision, the Secretary had operated under section 28 of the Mineral Leasing Act by granting special land use permits for temporary construction purposes. There is no indication that pipelines authorized by the Secretary over the past 50 years have not served the public interest in transporting needed natural resources to the American consumer. All that is needed to remedy the effect of the Court's decision is a simple amendment to permit the use of an adequate amount of public land to insure that modern pipeline construction can continue. I introduced legislation restricted in scope to providing such a remedy.

While S. 1081 is considerably more complex than my bill, it too will solve this problem. Consequently, I feel it merits full support because of the immediate necessity of removing obstacles related to right-of-way limitations to the construction of a trans-Alaska pipeline.

Statistics on how our national energy crisis is shaping up spell out the most convincing argument I know of for enacting legislation regarding the trans-Alaska pipeline.

The United States now must import more than 6 million barrels of oil each day in order to meet current demands for energy. Last year, with imports at less than current levels, the first round balance-of-payments outflow was $16 billion. We face the choice of increasing this dependence on other nations or developing our own domestic resources. The Alaska oilfields are our best hope for increasing domestic production. In 1968 nearly 10 billion barrels of oil—25 percent of U.S. proven reserves—were discovered on the North Slope of Alaska. That amount equals the oil reserves of Louisiana, Oklahoma, Kansas and half of Texas combined. Furthermore, North Slope oil is a high-grade oil with low sulfur content. When burned it will produce less air pollution than some oils currently in use.

To date no means to bring that oil to market has been constructed or begun to operate.

A pipeline to transport that oil has been planned and studied for over 4 years. Extensive environmental and technical analyses have insured that the system will be safe, secure, and efficient. The proposal has been scrutinized in congressional and public hearings, and by Federal task forces and the Department of the Interior.

Initially the pipeline will carry up to 600,000 barrels a day.

By 1980 the system could be transporting 2 million barrels of oil per day, under stringent environmental and technical stipulations, to help relieve this country's energy deficit. By virtue of completion of the pipeline, our import requirements in that year would be reduced by almost 20 percent. Our balance-of-payments deficit at current world prices would be reduced annually by more than $2 billion.

Under these circumstances, there is no question in my mind that the trans-Alaska pipeline should be authorized without further delay. As I see it, proposals to scrap the Alaskan line in favor of a Canadian line or to delay the decision are simply not in the national interest.

It is, of course, in the interest of American consumers that their Government investigate every possibility to supply fuel resources from Alaska and Canada to U.S. markets. Title II of S. 1081 would contribute to that goal by authorizing and requesting the President to undertake the necessary negotiations and other actions leading to construction of oil and gas pipelines across Canada to the Lower 48.

This legislation deals with the Canadian route not as an alternative, but rather as a useful supplement to the trans-Alaska pipeline.

Three factors however, demonstrate that the Alaskan line is the best available alternative for supplying North Slope oil to U.S. markets—if one wishes to compare the two.

First, a Canadian route would not be superior from an environmental point of view, particularly because it would cross four times as much wilderness as the trans-Alaskan pipeline. The Alaskan proposal has been planned to insure both that the pipeline will withstand stresses resulting from movement of underground geologic formations and resist earthquakes as strong as the most severe ever recorded in Alaskan history. Every possible precaution has been planned to prevent leakage and to limit the effects in the event a leak should occur. Safeguards against spillage include remote control cutoff valves and emergency procedures to deal with virtually any catastrophe. Additionally, provisions have been made to insure that the maritime leg of the Alaskan route will be operated more safely than any other marine transport system functioning to date. The Magnuson amendments will further strengthen environmental controls.

Second, the Alaskan route is economically preferable. The Canadian Government has specified that any pipeline through Canada must be managed by Canadians, 50 percent owned by Canadians, and at least 50 percent devoted to transporting oil to Canadian markets.

Moreover, it would cost billions more to construct, delay revenue to the State of Alaska and to Alaska Natives under the Alaska Native Claims Settlement Act, and deprive Americans of construction and shipbuilding employment. The line is expected to take 3 years to build and will employ between 5,000 and 10,000 men during actual construction—however, a study published last year estimated that the project will result in the employment of a total of 18,000 additional workers in Alaska in 1975.

Third, the 7- to 10-year delay we can expect before a Canadian line can be put into operation is intolerable in light of the urgent need for North Slope oil in the United States, and even that timing is doubtful.

The trans-Alaska pipeline should be built and it should be built now. Accordingly, I support congressional action to widen the right-of-way limitations, declare that the requirements of the National Environmental Policy Act have been satisfied, and preclude further judicial delay of the project.

S. 1081, as reported, however, contains one cause for particular concern articulated in the additional views of Senators BUCKLEY, MCCLURE, and BARTLETT. That feature is the discretionary authority granted to the Secretary of the Interior or agency head to impose terms and conditions on right-of-way permits.

Specifically, section 104(c) of the reported bill authorizes—

> Such terms and conditions as the Secretary or agency head may prescribe regarding extent, duration, survey, location, construction, maintenance, and termination.

Section 104(d) of the reported bill delegates to the Secretary or agency head broad authority to impose stipulations.

Section 104(f) delegates to the Secretary or agency head the authority to decide whether or not an applicant for a right-of-way permit will be required to "reimburse the United States for all reasonable administrative and other costs incurred in processing an application."

Section 104(h) authorizes the Secretary or agency head to require a right-of-way holder to "furnish a bond, or other security, satisfactory to the Secretary or agency head."

Section 105 specifies that "each right-of-way shall contain such terms and conditions as the Secretary or agency head deems necessary."

Other provisions of the reported bill authorize the Secretary to require from the right-of-way applicant unlimited information concerning the nature of the business activity, a part of which happens to involve the need for a right-of-way across Federal lands.

My colleagues pointed out that such wholesale delegation of authority extends far beyond that needed to insure protection of the public lands. This is one feature of the bill which I would hope to see amended. I understand the Senators intend to propose such an amendment.

As the Senator from Oklahoma (Mr. BARTLETT) emphasized in his own additional views, we have delayed far too long on this matter, and have perhaps failed to "set the proper feeling of urgency that should be associated with our energy crisis."

I urge that S. 1081 be seriously and carefully considered and that the Senate pass this bill. I repeat: This is the first legislative measure to reach the floor this year which could potentially have the effect of increasing energy supplies. That reason alone should be sufficient to warrant its passage.

In conclusion, Mr. President, I mention four important considerations.

(1) Early construction of an Alaskan pipeline is in the national interest because (i) it will reduce dependence on Middle East oil during a period when many Arab countries are willing to use their strong bargaining position to affect our foreign policy, (ii) it will reduce the dollar outflow and thereby protect strength of the dollar, (iii) it will create many U.S. jobs in construction and maritime industries (it should be noted that Labor strongly supports Alaska pipeline).

(2) The Canadian pipeline is not a viable alternative because (i) the minority Canadian government cannot grant a permit because of economic, nationalistic, and environmental opposition, (ii) the companies that own Alaska oil don't want to go through Canada and it would take several years to put together a new deal and get prepared to construct the Canada line even if the Canadian government would grant a permit, (iii) *at least a 5-year delay* is involved *if the Alaskan pipeline is disapproved in favor of a non-existent Canadian route*.

(3) Even if a pipeline could be built through Canada it will *not* mean lower prices in the Midwest following changes in the import program effectuated by the President's Energy Message.

(4) The best approach for the entire U.S. is to build first a pipeline through Alaska, which will encourage increased exploration in the Arctic, and then work with Canada for construction of a gas pipeline and then a second oil line to the Midwest as soon as possible.

ORDER FOR YEAS AND NAYS ON EAGLETON AMENDMENT TO S. 2047

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the amendment by the Senator from Missouri (Mr. EAGLETON) to the bill, S. 2047.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are ordered.

TRANSIT LINES TO DULLES AND FRIENDSHIP AIRPORTS

The PRESIDING OFFICER. The hour of 2:30 having arrived, the Senate will resume the consideration of S. 2047, to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport Road and for a feasibility study of rapid transit to Friendship International Airport.

The PRESIDING OFFICER. The vote on the Eagleton amendment is in order. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alabama (Mr. ALLEN), the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. BIBLE), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), and the Senator from California (Mr. TUNNEY), are necessarily absent.

I further announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE) and the Senator from Alabama (Mr. SPARKMAN), are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that the Senator from North Carolina (Mr. ERVIN) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Florida (Mr. CHILES), the Senator from Washington (Mr. MAGNUSON), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea".

I also announce that the Senator from Illinois (Mr. STEVENSON) would vote "nay".

Mr. SCOTT of Pennsylvania. I announce that the Senator from Kansas (Mr. DOLE) and the Senator from Michigan (Mr. GRIFFIN) are absent on official business.

The Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay".

The result was announced—yeas 29, nays 34, as follows:

[No. 269 Leg.]

YEAS—29

Brock
Brooke
Burdick
Cannon
Clark
Eagleton
Fulbright
Gravel
Gurney
Hart
Hollings
Huddleston
Johnston
Mansfield
McGovern
Mondale
Montoya
Muskie
Nelson
Nunn
Pastore
Proxmire
Randolph
Symington
Taft
Talmadge
Weicker
Williams
Young

NAYS—34

Bartlett
Beall
Bentsen
Biden
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Cook
Cotton
Curtis
Domenici
Dominick
Fannin
Hathaway
Helms
Hughes
Jackson
McClellan
McClure
McIntyre
Metcalf
Packwood
Pearson
Ribicoff
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Thurmond
Tower

NOT VOTING—37

Abourezk
Aiken
Allen
Baker
Bayh
Bellmon
Bennett
Bible
Chiles
Church
Cranston
Dole
Eastland
Ervin
Fong
Goldwater
Griffin
Hansen
Hartke
Haskell
Hatfield
Hruska
Humphrey
Inouye
Javits
Kennedy
Long
Magnuson
Mathias
McGee
Moss
Pell
Percy
Sparkman
Stennis
Stevenson
Tunney

So Mr. EAGLETON's amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2047) was ordered to be engrossed for a third reading, and was read the third time.

Mr. DOMINICK. Mr. President, I rise in support of S. 2047. This bill authorizes funds for use in planning a transit line in the median of the Dulles Airport Road from the vicinity of Virginia Highway Route 7 on the K Route of the Adopted Regional System to Dulles Airport.

As a matter of fact, I testified in favor of this legislation last year before the Senate Commerce Committee.

In order to achieve full utilization of the facilities at Dulles, a means of rapid and inexpensive transportation must be provided. Enactment of the bill would help to accomplish this objective.

Studies indicate that a passenger would be able to travel from downtown Washington to Dulles in 5 minutes at an estimated fare of $1.35 even at times when an automobile might be involved in congested traffic conditions.

This system would extend from the main metro system just north of Falls Church to the airport. Without this method of transportation, the Federal Government will be required to continue large expenditures for the deficits incurred at Dulles.

Present plans provide for a rapid rail to National Airport in the near future. Without a corresponding facility for Dulles, existing problems for the use of both airports would be aggravated. Based on information available, construction of a rapid rail to Dulles would accomplish several desirable objectives:

First. Assure the complete and expanded use of the facilities at Dulles Airport, thereby reducing the annual deficit;

Second. Provide a fast, convenient, and inexpensive link between our Capital and all other areas of national and international transportation; and

Third. Minimize the existing noise and air pollution problems and decrease traffic congestion and safety hazards at National Airport.

Mr. President, as I have said on many occasions on this floor and in committee, Dulles is badly underused and National badly overused. I have even put in a bill banning all but twin-engine jets from using National. As a pilot for some 38 years, it is my opinion that Dulles is the best jet airport in the country and National is the worst. The present bill may be the best method of changing this relationship.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alabama (Mr. ALLEN), the Senator from Nevada (Mr. BIBLE), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), the Senator from California (Mr. TUNNEY), and the Senator from Indiana (Mr. BAYH) are necessarily absent.

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I further announce that, if present and voting, the Senator from California (Mr. TUNNEY), the Senator from Illinois (Mr. STEVENSON), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Florida (Mr. CHILES) would each vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Kansas (Mr. DOLE) and the Senator from Michigan (Mr. GRIFFIN) are absent on official business.

The Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), the Senator from New York (Mr. JAVITS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 46, nays 18, as follows:

[No. 270 Leg.]

YEAS—46

Beall
Bentsen
Brock
Brooke
Buckley
Burdick
Cannon
Case
Clark
Cook
Cotton
Domenici
Dominick
Eagleton
Fulbright
Gravel
Gurney
Hart
Hathaway
Hughes
Jackson
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Packwood
Pearson
Randolph
Ribicoff
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Symington
Taft
Thurmond
Weicker
Williams
Young

NAYS—18

Bartlett
Biden
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Curtis
Fannin
Helms
Hollings
Huddleston
Johnston
Mansfield
McClure
Nunn
Pastore
Proxmire
Roth
Talmadge
Tower

NOT VOTING—36

Abourezk
Aiken
Allen
Baker
Bayh
Bellmon
Bennett
Bible
Chiles
Church
Cranston
Dole
Eastland
Ervin
Fong
Goldwater
Griffin
Hansen
Hartke
Haskell
Hatfield
Hruska
Humphrey
Inouye
Javits
Kennedy
Long
Magnuson
McGee
Moss
Pell
Percy
Sparkman
Stennis
Stevenson
Tunney

So the bill (S. 2047) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 320), is hereby amended by adding at the end thereof the following new sections:

"SEC. 9. (a) The Secretary of Transportation shall make payments to the Transit Authority in such amounts as may be requisitioned from time to time by the Transit Authority sufficient, in the aggregate, to finance the cost of designing and other necessary planning for a rail rapid transit line in the median of the Dulles Airport Road from the vicinity of Virginia Highway Route 7 on the K Route of the Adopted Regional System to the Dulles International Airport.

"(b) The transit line authorized to be planned in subsection (a) of this section shall include appropriate station facilities at the Dulles Internatinal Airport and at the point of intersection with the Adopted Regional System.

"(c) Upon completion of the transit line authorized to be planned in this section, all transit facilities and the underlying real estate interests appurtenant thereto shall become the property of the Transit Authority and shall be operated by such Authority.

"(d) It is the intent of the Congress in enacting this section that the transit line authorized to be planned in this section be designed and constructed as soon as practicable following the date of the enactment of this section.

"SEC. 10. (a) The Secretary of Transportation is authorized and directed to contract with the Transit Authority for a comprehensive study of the feasibility, including preliminary engineering, of extending a rail rapid transit line in the median of the Baltimore-Washington Expressway from the proposed Greenbelt Road Metro Station area near the Baltimore-Washington Expressway to the Friendship International Airport.

"(b) The study to be undertaken pursuant to subsection (a) of this section shall be completed within six months after execution of the contract authorized therein.

"SEC. 11. There is authorized to be appropriated to the Secretary of Transportation, without fiscal year limitation, not to exceed $10,000,000 to carry out the purposes of sections 9 and 10. The appropriations authorized in this section shall be in addition to the appropriations authorized by section 3(c) of this Act.".

Mr. BIDEN subsequently said: Mr. President, I have today voted against a bill, S. 2047, which would authorize $10,000,000 to plan for a high speed rail line to Dulles Airport and to study the feasibility of a similar line to Friendship International Airport. The planning will cost $10 million and the construction of just the Dulles line is expected to be $90 million. Knowing the way construction costs escalate, it will probably be much higher than that. While I have actively supported other proposals before the Senate for mass transit, I could not in good conscience support this one.

This is a year in which the Senate is going to have to make hard decisions as to what the Nation's fiscal priorities should be. With our limited financial resources, we just are not going to be able to do everything we would like to do. Under the circumstances, I felt that this was not a justifiable national priority.

This proposed mass transit project benefits only a specific group of people who use the airways as a means of travel. There are many other mass transit projects throughout the country which would service a significantly larger segment of the population and are more badly needed. In addition all of the other federally assisted transit projects around the country, the local governments bear a portion of the cost. Even Maryland and Virginia have paid for a portion of the regular Metro system, but under this bill would not pay for these proposed extensions of that system.

In the light of the crying need for funds for mass transit throughout the country, I cannot believe that it is right for Congress to completely subsidize one special project which will serve relatively few people. I would much rather see this kind of money made available nationally on a matching basis so that Delaware and other States might have some chance of securing additional funds for mass transit.

I supported the opening of the highway trust fund for mass transit projects and I hope that this provision of the Highway Act will prevail. In fact, if this proposed project were to go forward, I would think it should be financed from highway trust funds. But, frankly, I do not believe it should go forward out of any funds on the basis set forth in S. 2047.

Finally, I would point out that the Highway Act as approved by the Senate (S. 502) contains a provision for a high speed bus demonstration project between Washington and Dulles International Airport. This seems to me to be a more practical approach and one that should be tried before moving to the costly capital improvements required by a rail system.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 275, 278, and 281.

The PRESIDING OFFICER (Mr. COOK). Without objection, it is so ordered.

AMENDMENT OF THE FEDERAL SALARY ACT OF 1967

The bill (S. 1989) to amend section 225 of the Federal Salary Act of 1967 with respect to certain executive, legislative, and judicial salaries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1989

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 225 of the Federal Salary Act of 1967 is amended as follows:

(1) Strike out the first sentence of subsection (b)(3) and insert in lieu thereof the following: "After the close of the 1969 fiscal year of the Federal Government, persons shall be appointed as members of the Commission with respect to the 1973 fiscal year and every second fiscal year thereafter."

(2) In subsection (f)(A), immediately before "and", insert the following: "Delegates to the House of Representatives,".

(3) In subsection (f), strike out subparagraph (E) and insert in lieu thereof the following:

"(E) the Vice President of the United States, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate and House of Representatives, except that the review of rates of pay of positions included in this subparagraph shall be made commencing with fiscal year 1975."

(4) In subsection (g)—

(A) strike out "and (D)" and insert in lieu thereof "(D), and (E)"; and

(B) strike out the last sentence and insert in lieu thereof the following: "Commencing with respect to fiscal year 1973, each such report shall be submitted on such date as the President may designate during the period from January 1 through June 30 of the fiscal year in which the review is conducted by the Commission."

(5) Subsection (h) is amended to read as follows:

"(h) RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO PAY.—Commencing in 1973, the President shall transmit to Congress, not later than the August 31 first occurring after the submission of the report and recommendations of the Commission under subsection (g) of this section, his recommendations with respect to the exact rates of pay which he deems advisable, for those offices and positions within the purview of subparagraphs (A), (B), (C), (D), and (E) of subsection (f) of this section (including recommendations to be effective in fiscal year 1974 in accordance with subsection (i) of this section with respect to positions included in such subparagraph (E))."

(6) Paragraph (1) of subsection (i) is amended to read as follows:

"(1) Except as provided in paragraph (2) of this subsection, all or part (as the case may be) of the recommendations of the President transmitted to the Congress under subsection (h) of this section shall become effective at the beginning of the first pay period which begins after thirty calendar days of continuous session of Congress following transmittal of such recommendations; but only to the extent that, between the date of transmittal of such recommendations and the beginning of such first pay period—

"(A) there has not been enacted into law a statute which establishes rates of pay other than those proposed by all or part of such recommendations;

"(B) neither House of the Congress has passed a resolution which specifically disapproves all or part of such recommendations; or

"(C) both.

The continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period."

OCEAN POLICY STATEMENT

The Senate proceeded to consider the resolution (S. Res. 82) endorsing the objectives of the President's ocean policy statement which had been reported from the Commitee on Foreign Relations with an amendment on page 3, line 8, after the word "coastal", where it appears the first time, strike out "zone" and insert "State".

The amendment was agreed to.

The resolution, as amended, was agreed to.

The resolution, as amended, with its preamble, reads as follows:

S. RES. 82

Whereas the oceans cover 70 per centum of the earth's surface, and their proper use and development are essential to the United States and to the other countries of the world;

Whereas Presidents Nixon and Johnson have recognized the inadequacy of existing ocean law to prevent conflict, and have urged its modernization to assure orderly and peaceful development for the benefit of all mankind;

Whereas the United States Draft Seabed Treaty of August 1970 offers a practical method of implementing these goals;

Whereas a Law of the Sea Conference is scheduled to convene in November-December 1973, preceded by two preparatory meetings of the United Nations Seabed Committee;

Whereas it is in the national interest of the United States that this conference should speedily reach agreement on a just and effective ocean treaty: Now, therefore, be it

Resolved, That the Senate endorses the following objectives, envisioned in the President's ocean policy statement of May 23, 1970, and which are now being pursued by the United States delegation to the Seabed Committee preparing for the Law of the Sea Conference—

(1) protection of—

(a) the freedoms of the high seas, beyond a twelve-mile territorial sea, for navigation, communication, and scientific research, and

(b) free transit through and over international straits;

(2) recognition of the following international community rights:

(a) protection from ocean pollution,

(b) assurance of the integrity of investments,

(c) substantial sharing of revenues derived from exploitation of the seabeds particularly for the benefit of developing countries,

(d) compulsory settlement of disputes, and

(e) protection of other reasonable uses of the oceans,

beyond the territorial sea including any economic intermediate zone (if agreed upon);

(3) an effective International Seabed Authority to regulate orderly and just development of the mineral resources of the deep seabed as the common heritage of mankind, protecting the interests of both developing and developed countries;

(4) conservation and protection of living resources with fisheries regulated for maximum sustainable yield, with coastal "zone" *State* management of coastal and anadromous species, and international management of such migratory species as tuna.

SEC. 2. The Senate commends the United States delegation to the Seabed Committee preparing for the Law of the Sea Conference for its excellent work, and encourages the delegation to continue to work diligently for early agreement on an ocean treaty embodying the goals stated in section 1.

RESEARCH ON AGING ACT OF 1973

The Senate proceeded to consider the bill (S. 775) to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging which had been reported from the Committee on Labor and Public Welfare with amendments on page 1, line 5, after the word "of", strike out "1972" and insert "1973"; on page 3, line 10, after the word "National", insert "Institute on Aging"; in line 11, strike out "On Aging"; at the beginning of line 13, insert "Institute on Aging"; in the same line, after the word "Council", strike out "On Aging"; in line 14, after the word "on", strike out "programs relating to the aged which are administered by him and on those"; on page 4, line 8, after the word "to", strike out "programs for the aged" and insert "functions of the Institute"; on page 6, line 7, after the word "program", strike out "designed"; in line 10, after the word "be", insert "designed"; and, at the beginning of line 13, insert "designed to be"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Research on Aging Act of 1973".

FINDINGS AND DECLARATION OF PURPOSES

SEC. 2. The Congress hereby finds and declares—

(1) that the study of the aging process, the one biological condition common to all, has not received research support commensurate with its effects on the lives of every individual;

(2) that, in addition to the physical infirmities resulting from advanced age, the economic, social, and psychological factors associated with aging operate to exclude millions of older Americans from the full life and the place in our society to which their years of service and experience entitle them;

(3) that recent research efforts point the way toward alleviation of the problems of old age by extending the healthy middle years of life;

(4) that there is no American institution that has undertaken, or is now capable of undertaking, comprehensive systematic and intensive studies of the biomedical and behavioral aspects of aging and the related training of necessary personnel;

(5) that the establishment of a National Institute on Aging within the National Institutes of Health will meet the need for such an institution.

SEC. 3. Title IV of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART G—NATIONAL INSTITUTE ON AGING

"ESTABLISHMENT OF NATIONAL INSTITUTE ON AGING

"SEC. 461. The Secretary shall establish in the Public Health Service an institute to be known as the National Institute on Aging (hereinafter in this part referred to as the 'Institute') for the conduct and support of biomedical, social, and behavioral research and training relating to the aging process and the diseases and other special problems and needs of the aged.

"NATIONAL INSTITUTE ON AGING ADVISORY COUNCIL

"SEC. 462 (a) The Secretary shall establish a National Institute on Aging Advisory Council to advise, consult with, and make recommendations to him on matters which relate to the Institute.

"(b) The provisions relating to the composition, terms of office of members, and reappointment of members of advisory councils under section 432(a) shall be applicable to the Advisory Council established under this section, except that the Secretary may include on such Advisory Council such additional ex officia members as he deems necessary. The Secretary shall appoint to the Council leading medical or scientific authorities skilled in aspects of the biological and the behavioral sciences related to aging.

"(c) Upon appointment of such Advisory Council, it shall assume all, or such part as the Secretary may specify, of the duties, functions, and powers of the National Advisory Health Council relating to programs for the aged with which the Advisory Council established under this part is concerned and such portion as the Secretary may specify of the duties, functions, and powers of any other advisory council established under this Act relating to *functions of the Institute*.

"FUNCTIONS

"SEC. 463. (a) The Secretary shall, through the Institute, carry out the purposes of section 301 with respect to research, investigations, experiments, demonstrations, and studies related to the aging process and the diseases and other special problems and needs of the aged, except that the Director of the National Institute of Health shall determine the area in which and the extent to which he will carry out such activities in furtherance of the purposes of section 301 through the Institute or another institute established by or under other provisions of this Act, or both of them, when both such institutes have functions with respect to the same subject matter, and shall be responsible for coordinating such activities so as to avoid unproductive and unnecessary overlap and duplication of such functions. The Secretary may also provide training and instruction and establish traineeships and fellowships, in the Institute and elsewhere, in matters relating to study and investigation of the aging process and the diseases and other special problems and needs of the aged. The Secretary may provide trainees and fellows participating in such training and instruction or in such traineeships and fellowships with such stipends and allowances (including travel and subsistence expenses) as he deems necessary, and, in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public or other nonprofit institutions. In carrying out his health manpower training responsibilities under the Public Health Service Act or any other Act, the Secretary shall take appropriate steps to insure the education and training of adequate numbers of allied health, nursing, and paramedical personnel in the field of health care for the aged.

"(b) The Secretary shall, through the Institute, conduct scientific studies to measure the impact on the biological, medical, and psychological aspects of aging of all programs and activities assisted or conducted by him.

"(c) The Secretary, through the Institute, shall carry out public information and education programs designed to disseminate as widely as possible the findings of Institute sponsored and other relevant aging research and studies, and other information about the process of aging which may assist elderly and near-elderly persons in dealing with, and all Americans in understanding, the problems and processes associated with growing older.

"SEC. 464. (a) The Secretary, in consultation with the Institute (acting through the Council) and such other appropriate advisory bodies as he may establish, shall within one year after the effective date of this section develop a plan for an aging research program to coordinate and promote research into the biological, medical, psychological, social, educational, and economic aspects of aging. Such program shall be *designed to be* carried out, as to research involving the functions of the Institute, primarily through the Institute, and as to other research shall be *designed to be* carried out through any other institute established by or under other provisions of this Act or through any appropriate agency or other organization unit within the Department of Health, Education, and Welfare.

"(b) The plan required by subsection (a) of this section shall be transmitted to the Congress and the President and shall set forth the staffing and funding requirements to carry out the program contained therein."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate resumed the consideration of the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

Mr. GRAVEL. Mr. President, before launching into my main statement, I should like to compliment the chairman of the Committee on Interior and Insular Affairs, the Senator from Washington (Mr. JACKSON) for his diligent leadership in this very important area. He has been referred to as "Mr. Energy" in this country and, I think, with great merit. Certainly no one is more knowledgeable of the subject at hand than he. He has been occupied with the subject for many years and has a comprehension of the totality of the needs of this country in that regard.

The legislation he has come forth with today contains two very important sections, 1 and 2. Section 1 would relieve about 80 percent of the pipelines in this country from the jeopardy they now face. It is a very fine section, as is section 2, which initiates negotiations with our good neighbor, Canada, for the development of a Canadian route in as soon a period as can be arrived at.

DOLLARS AND ENERGY—DOMESTIC AND INTERNATIONAL CRISES

I. THE ENERGY CRISIS TODAY

Mr. President, there can no longer be discussion as to whether the United States is faced with an energy crisis. The crisis is real, tangible, and here with us today. It is a crisis of our own making, to a large extent, and for that reason we must assume an aggressive role in determining early solutions.

With just 6 percent of the world's population, the United States consumes a third of the Earth's total energy and mineral production. Our use of energy has developed without restriction, under no explicit policy and with little attempt made at efficient consumption. So that presently we find the United States a complex nation dependent in so many ways upon quickly diminishing sources of fuel.

If anything, our energy problems remain tremendously understated. Demand for energy, both national and worldwide, is expanding at such an unexpectedly rapid pace that total depletion of nonrenewable resources within this century may be unavoidable. Increases in population and technological progress form the basis of the dilemma.

For the United States a 50-percent increase in the 25- to 35-year-old age group and a 57-percent jump in per capita use of energy, a byproduct of our highly cybernated society, will concentrate the difficulties. Paralleling our domestic consumption explosion is an even more rapidly accelerating demand throughout the developing countries of the world. This rate is double that of the United States.

Some background information is essential before a discussion of the energy crisis may proceed. National energy consumption has increased almost as rapidly as the national economy, at an annual average rate of about 3 percent. But since 1965, the rate accelerated quickly to an average annual rate of 4.8 percent. Consumption is divided accordingly: industrial, 38.8 percent; electricity generation, 25.6 percent; transportation, 25 percent; and household and commercial, 20.6 percent.

Fossil fuels—coal, oil, and natural gas—supply the largest share of energy needs in the United States. Oil and gas have come to replace coal as a major supplier to the point that these fuels now contribute approximately 75 percent of the total gross energy consumption. Nuclear, hydroelectric, geothermal, and other sources make up the rest.

Domestic production of fossil fuels had remained at about the same level for the past few years and has not expanded adequately enough for increased demands. Instead, the United States has come to rely more and more on foreign imports, mostly from the Middle East, for its crude oil. In 1973 1.7 billion barrels, constituting 29 percent of the total national consumption level were imported.

Our estimates of future levels of importing will continue to be underestimated because of our constricted refinery capacity and its attendant lack of flexibility. The continued decrease in domestic gas will also continue to aggravate oil needs; because regulated wellhead price of natural gas has tended to encourage a flight of capital from this production area denying us the vitally needed domestic replacement stocks.

Additionally, environmental concerns have limited the use of high-sulfur fuels such as coal which, at one time, provided half of the Nation's energy needs. Low-sulfur fuels are scarce. The same concerns have delayed the siting and construction of energy facilities, including hydroelectric and nuclear reactor plants.

Experts glibly predict that in a dozen years our energy needs will double those of 1970. Clearly in the coming years we will have to deal with a series of energy crunches. The main effort will have to be a vectoring on the vast untapped reserves of fuel that we have within our own boundaries.

Over half the world's known coal reserves are in the United States. We have the potential resource of 810 billion barrels of recoverable oil, shale oil, and over 2,000 trillion cubic feet of natural gas. But also the effort must be aimed at an understanding of the disaster built into unrestricted growth. We will need considerable more imagination in our public policy if we are to experience the fruits of a cybernated society. In view of the fact that energy is the most important physical element in our society, the present situation could not be more ludicrous.

Schools and factories were closed or put on a three-day week in the Great Plains by power shortages this past winter. Homeowners in the Middle West had no heating fuel. Filling stations were put on such short allotments of gasoline that they could serve only regular customers and the police had to rescue stranded transients. Grain rotted on the ground for lack of propane gas for drying ovens, or was stranded on barges. Scheduled nonstop transcontinental flights took off with such light fuel tanks that they had to make intermediate stops to refuel.

Ironic touches underscored the power famine in this land of affluence. The University of Texas, which is endowed with hundreds of thousands of oil-rich areas, had to postpone the registration of 38,000 students in mid-January because there were insufficient deliveries of natural gas to operate its facilities.

That was last winter. This summer holds the bleak prospect of additional hardships. Electric utilities throughout the country have warned of impending brownouts and admit they will have to be lucky with the weather to prevent the brownouts from turning into blackouts. All sectors of the country have been touched by gasoline rationing; 1,020 filling stations had been closed by June 1.

Efforts are being made to establish that the current dilemma is a contrivance of major oil and gas suppliers. Somehow, there exists the notion that we can place the blame for our energy ills and punish the culprits. Such exercises are futile. An honest assessment of the energy crisis is imperative now so that we may avert a national paralysis that would result from continued shortfalls.

Prices of energy will inevitably increase due not only to extended inflation, but to additional decreases in the value of the dollar and likely increases in the price of crude oil from the Middle East. Knowledgeable sources predict that by 1980 oil from the Eastern Hemisphere may be costing $7.50 per barrel, compared to the present average cost of $3.70 per barrel. It is a reasonable estimate that the United States will be importing 60 percent of its oil from those sources by 1980.

In an effort to thwart these horrendous hikes in the cost of energy, we should not fall prey to hasty shortsighted reactions. The United States can, and should, develop a sound shortrun plan of action, that is, from now until 1990, and a foresighted and an imaginative long-term course of action to meet the energy needs not only of the United States but also of the world by providing the necessary breakthrough to new energy sources.

II. THE MIDDLE EASTERN SITUATION

The change in the U.S. energy posture from sufficiency to dependency forbodes increasing political and economic dangers. The crux of the energy and financial crisis in the United States is the increasing importation of oil and gas from the Middle East.

Statistics show that of our total consumption of petroleum products in 1972, we imported 27 percent. That figure is expected to rise to 33 percent in 1973, and to 60 percent by the end of this decade. Certainly these figures give us cause for grave concern, particularly so since our continued importation from the Middle East has a high degree of uncertainty.

Since 1970, Arab countries have doubled the price of oil. This escalation, which is steadily gaining momentum, was touched off by Col. Muammar al-Qaddafi, who seized power in Libya by a military coup in 1969. The following year Qaddafi demanded sharp increases in oil prices and the tax rates paid by Western European companies holding concessions in Libya. The companies resisted for seven months, but Qaddafi forced them to settle on his terms by cutting production from 3.3 million barrels per day to 800,000.

Arab leaders and their financial advisers are shrewd businessmen. They are the product of the Western world's finest universities. They are no different from American businessmen exercising their Yankee ingenuity and this means taking advantage of an economic situation to maximize their profits. As champions of the free enterprise system we cannot condemn the Arabs for their policies, much as we deplore the cost to us. Looking at the situation realistically, we have been their greatest teachers.

It was in 1959 and again in 1960 reacting to the economies of affluence that American oil companies forced a price reduction upon the Middle East oil producing countries. These actions prompted the reactions that gave birth to the Organization of Petroleum Exporting Countries—OPEC—by Saudi Arabia, Kuwait, Iran, Iraq, and Venezuela. This group, since expanded to include six additional Arab countries and sheikdoms, has boosted the price of oil periodically and has issued blunt warnings that further increases will be imposed. In March, 1971 OPEC arbitrarily raised the price of exported oil to compensate for the devaluation of foreign currencies—a crisis exacerbated in no small degree by the OPEC's revenue of $16 billion in 1972. Conservative estimates are that the figure will rise to $50 billion by 1980.

Actually, oil has calmed the troubled waters of the Middle East. Arab governments in that area are more concerned with boosting their oil revenues than going to war with Israel. Propaganda against Israel and the United States for our support of that country is merely rhetoric to salve the injured pride of the Arab masses.

It is significant that Arab leaders retaliate faster and more violently against Palestinian guerrillas who try to disrupt the flow of oil than they do against Israeli attacks on their territory. When terrorists blew up two oil storage tanks owned by American companies in Beirut on April 14, 1973, the Lebanese Government risked a civil war by cracking down harshly on the guerillas who had instigated the sabotage. Similar reprisals were made against the guerrillas who cut the pipeline from Saudi Arabia to the Mediterranean after the clash with Israel in 1967.

A movement fomented by Colonel Nasser to bar oil shipments to the United States after the Six-day War was a dismal failure. Oil producing Arab countries valued American money above venting their frustrations after four military defeats by Israel.

We have, however, no assurance that politics will continue to be subordinated indefinitely to economic objectives. The greater economic independence they acquire the greater will be the temptation to use the oil as a political wedge. In recent months there have been some disturbing signs. Governments are demanding more revenue and control of foreign companies holding oil concessions. There were ominous overtones of an impending showdown in March when Sheik Ahmed Zaki al-Yamani, the very able financial adviser to King Faisal, of Saudi Arabia, declared that resistance to OPEC's price policies will mean "war," in which case "all civilization and industries of consuming countries will be destroyed."

The muscle behind such saber rattling is oil revenues of seven Arab states that stagger belief. Authorities who are not in the habit of making absurd statements estimate the total will run as high as $1 trillion dollars during the next 30 years if the United States, Western Europe, and Japan are forced to rely on the Middle East for their oil.

Something more substantial than sheer fantasy has gone into that appraisal. In 1972, oil purchases in the Middle East added up to $8,777,000, a figure that will snowball in a geometrical progression at the projected rate of oil consumption in heavily industrialized nations. Information from international banking institutions indicate that the Middle East's monetary reserves increased more than 50 percent in 1972 alone. Saudi Arabia has tripled its central bank reserves to more than $2 billion in the last 2 years.

Some Arab governments are amassing more money than they can possibly use domestically. For example, Abu Dhabi, a tiny sheikdom on the Persian Gulf with a population of 49,000, had oil revenues last year of $497 million—a per capita income in excess of $10,000.

The mischief—or misery—such concentrations of wealth can cause if one extremist decides to push the panic button is nightmarish. The threat of an oil embargo hangs over every nation that is dependent on the Middle East. George A. Lincoln, Director of the Office of Emergency Preparedness, told the Senate Interior and Insular Affairs Committee in January:

> Certain of the oil states are acquiring large revenues which will eventually permit them to risk losses of revenue for considerable periods of time for political ends.

If the Arabs' domination of the world petroleum market is not challenged by intensive exploration for new sources, a handful of small states on the Persian Gulf will have every industrialized nation over a barrel—an oil barrel. Arab leaders can sit back and cripple targets of opportunity by refusing to sell them oil, a decision that could ruin the victim's domestic economy and its world trade.

The realization that a handful of rulers on the other side of the globe could cripple our quality of life through energy cutoffs or lay waste our economic system by the deliberate movement of the large quantities of dollar currency they can hold in ransom will have a devastating impact on the American people. I do not believe that they will accept it. The American public tacitly approved for several years—too many years—a bloody war in Southeast Asia for a principle that posed no immediate threat to our freedom and the quality of life we enjoy. It is alarming to contemplate the violent reaction of Americans when they cannot heat their homes adequately or secure enough gasoline to drive to work.

III. ECONOMICS—AND THE BALANCE-OF-PAYMENTS DEFICIT

In 1972 our balance-of-trade deficit totaled $6.1 billion and imported petroleum products accounted for fully 60 percent of it—$4 billion. This year the volume of imported petroleum products is running 20 percent higher and currently is supplying one-third of our consumption. If the present trend continues, there is no doubt that we will be calling upon the Middle East for 60 percent of the oil we need by the end of this decade. Expenditures for it will consequently amount to $10 billion annually. The rate of oil and gas consumption in the United States is increasing in such quantum leaps that by the mid-1980's our payments to the Arab countries could reach an untenable level, unless domestic sources of oil are developed. Sheer volume alone does not explain the rising torrent of dollars flowing to the Middle East. The increase in the price of oil has accelerated our flow of dollars, compounding our balance-of-payments problem.

The United States is particularly vulnerable to a dollar disaster. The Arabs have the power to dump their hoard of dollars on the international money market, setting off a devastating chain reaction. This dumping may not be mischievious since some of our finest American multinational corporations have done the same thing as a hedge toward devaluation of the dollar such as occured in February, causing a severe depression at home which, in turn would send shock waves throughout the world which could conceivably result in a world depression.

There are three possible approaches to the dilemma posed by the dollars we ransom abroad to alleviate our energy dependency.

The first is simply to increase our exports of other products—farm and industrial to offset our energy purchases. This approach is easily implemented with the U.S.S.R. in trade agreements which amount to barter. Also, this will work with nations like Iran, Venezuela, Canada, Kuwait, Iraq, and Libya—if united with Egypt—because their populations have consumptive appetites to essentially bring about a barter-type trade relationship with the United States. This would, however, require a little more aggressive commercialism, particularly in the Middle East, than the United States has exhibited in the past.

An extension of this approach, that is, "aggressive Yankee commercialism" in Europe and the Far East, in order to repatriate our dollars could be very destabilizing to both economic communities and not necessarily be in our own long-term economic interests.

As a footnote to this approach one should speculate as to whether or not the United States has the "elan vital" to become an export nation.

The second approach to our dollar drain would be repatriation through foreign dollar investments in the U.S. economy. This approach is the only viable solution to the problem occasioned by recipient dollar nations with small populations and low consumptive abilities. The United States will be buying the lion's share of its oil imports from these nations, Saudi Arabia and the Trucial States. The United States has very limited options for without these Arab investments in the U.S. economy, their money—or our dollar—will float to the money markets of Europe and intentionally or not raise havoc with the stability of the international dollar.

Mature Arab dollar managers will have to secure U.S. investments just as mature U.S. policymakers will have to permit it. The former has to place in perpetuity "the economic blessing of Allah." The income from a depletable resource has to be transformed into an annuity so that future generations of Arabs can similarly enjoy Allah's blessings. Investments in the stable and mature economies of developed nations affords this opportunity. Or for that matter, capital investments in developing economies requiring American products can also effect stable annuities.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. STEVENS. Mr. President, I ask unanimous consent that Bud Walsh, assistant to the Senator from Washington (Mr. MAGNUSON) may be permitted access to the floor during consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Arab fiscal maturity is becoming quite visible

In 1970, the Union des Banque Arabes et Francaises grew out of a partnership formed by 23 Arab banks and Western European institutions. The UBA at last report held more than $700 million in deposits. A subsidiary in London, started only last June with the Midland Bank as a minority partner, already has deposits in excess of $200 million.

These syndicates are underwriting international issues and are reputed to hold a sizable portfolio of bonds, some of which represent the debts of many American companies. Obviously Arab fiscal maturity will have to be complimented by American maturity. In an outburst of monetary chauvinism, Arthur Burns, Chairman of the Federal Reserve Board, expressed grave concern about the burgeoning montary power of the Arab States. He has observed that the oil sheikdoms will be able to take over any U.S. industry simply by going to the stock market and buying up control of it. Saudi Arabia's foreign currency holdings are rising at a rate that could reach $30 billion in monetary reserves today. Through investments, Middle Eastern countries could gain control over sizable amounts of the American economy.

Overreaction to this fear could precipitate public policy measures that could restrict and eventually destroy our free enterprise system.

These fears are groundless for the simple reason that Arab dollar investments in the United States will not have the luxury of gunboat diplomacy to back up irresponsible actions. A luxury, unfortunately, we in the Western World have all too often enjoyed.

Arab dollar managers have no choice but to handle their U.S. investments maturely, a blessing to all parties.

There is, however, a more positive side to this. My recent conversations with Arab leaders convinced me that what they desire most is a classic commercial relationship with the United States—nothing more, nothing less. This requires a relationship between equals.

Businessmen in this country pursue a commercial relationship based on equality. Although the resources of one company may exceed another, they deal with each other because they can fulfill mutual needs. One company has goods or services and the other has money to spend for them.

It is this same type of relationship that the Arabs desire with the United States. One of the biggest roadblocks to this relationship may well be in the United States, not in the Middle East.

A good deal of our foreign policy, both economic and military, has been considerably based on imperialistic attitudes. Our ego, or machismo as some would say, persuades us that we know what is best for ourselves and the rest of the world. Thus, we have been accustomed to getting what we want from other countries at the price we have been willing to pay. A true relationship among equals has been out of character for us.

Although this has changed in recent years with our failures in Southeast Asia, attitudes die hard. Our commercial dealings with European nations, with Japan, and to an extent with the Soviet Union are beginning to develop more realistically. The credit for progress is not all ours since these nations have matured as a product of their own economic successes.

But when we deal with the other so-called developing nations of the world, the relationship among equals vanishes. We expect to get what we want, and what we think they want and need, on our terms, with little or no problem. What a shock it will be to our national ego, to find these tiny Arab nations will have the economic clout to talk to us as equals. Still more shocking is the fact that they want to invest like equals. The vestiges of our imperialism may prevent us from seeing this as a benefit to our Nation and its economy.

For it is our dollars they will use to invest here in the United States. The dollars that have been flowing out of the country to pay for oil we import, will return to this country in the form of capital invested in our industries. That this will improve our balance-of-payments posture should be obvious. But it will also supply us with capital to expand and develop our economy, creating jobs and employment.

Rather than being a danger this will be an insurance policy. We have been accustomed to using the words "deterrence" and "parity" in their military applications. In this case, the words have commercial application. A classic commercial relationship, a relationship of equals, based on a U.S. purchase of Arab oil and on Arab investments in this country, produces a mutuality of interest, a parity. Arab countries would be less likely to nationalize our holdings in their countries knowing that we could, and likely would, in turn, nationalize their interests here. Their investments act as deterrences to the oil blackmail that could take place in an effort to seek unfair advantage in the Arab-Israeli conflict.

This investment of Arab money in the United States can be good for us and for the Arabs. It will make available an investment market for the Arabs that will improve our balance-of-payments posture. It will provide each country with security for its investments. Most importantly, it will bring about commercial relationships between equals.

The key to this occurring is the attitude that must exist here in the United States and in the Arab world. We must both develop the maturity to set aside our outdated baggage. Of course, another and more obvious roadblock to this continuing commercial maturity is the Arab/Israeli conflict. This paper cannot begin to broaden upon that crucible of conflict other than to hope that time and the good will of all parties will someday permit a direct relationship among these Semitic peoples.

But for the goals chartered in this paper let me emphasize that the two approaches outlined above are but minor efforts to the solution of our energy crisis with occasions our financial crisis—the real dilemma before us.

In testifying before the Senate Interior and Insular Affairs Committee on May 3, in support of the trans-Alaska pipeline, the Honorable William E. Simon, Deputy Secretary of the Treasury, stated:

> The United States faces serious economic and monetary problems today because of our rapidly deteriorating balance of payments. We cannot afford to permit these deficits to go on mounting unnecessarily by delaying the development of already proven domestic resources.

We cannot afford to become increasingly dependent upon other countries by deliberately delaying the development of the largest find in U.S. oil history—Prudhoe Bay.

Mr. President, at this point I wish to have printed in the Record a table I have had prepared which shows oil transported from Alaska via the trans-Alaskan line, the northwest passage marine route the Canadian pipeline, the Canadian gas line, and the Alaskan gas line.

There being no objection, the table was ordered to be printed in the Record, as follows:

EFFECT OF ACCELERATING PRODUCTION OF NORTH SLOPE OIL AND GAS

	Oil*			Gas*		Dollars lost to foreign markets without Alaskan oil
	Trans-Alaskan Line	Northwest Passage*	Trans-Canadian Line	Canadian Gas Line [5]	Alaskan Gas Line [5]	
1977	[1] 219, 000, 000	----------	----------	----------	----------	1, 095, 000, 000
1978	219, 000, 000	----------	----------	[6] 274, 000, 000	----------	2, 465, 000, 000
1979	[2] 438, 000, 000	[4] 219, 000, 000	----------	[6] 274, 000, 000	----------	4, 655, 000, 000
1980	438, 000, 000	[4] 219, 000, 000	----------	[6] 274, 000, 000	----------	4, 655, 000, 000
1981	[3] 730, 000, 000	[4] 219, 000, 000	----------	[6] 274, 000, 000	[7] 109, 500, 000	6, 662, 500, 000
1982	[3] 730, 000, 000	[4] 219, 000, 000	[1] 219, 000, 000	[6] 274, 000, 000	[7] 109, 500, 000	7, 757, 500, 000
1983	[3] 730, 000, 000	[4] 219, 000, 000	219, 000, 000	[6] 274, 000, 000	[7] 109, 500, 000	7, 757, 500, 000
1984	[3] 730, 000, 000	[4] 219, 000, 000	[3] 438, 000, 000	[6] 274, 000, 000	[7] 109, 500, 000	8, 852, 500, 000
1985	[3] 730, 000, 000	[4] 219, 000, 000	438, 000, 000	[6] 274, 000, 000	[7] 109, 500, 000	8, 852, 500, 000
1986	[3] 730, 000, 000	[4] 219, 000, 000	[3] 730, 000, 000	[6] 274, 000, 000	[7] 109, 500, 000	10, 312, 500, 000
1987	[3] 730, 000, 000	[4] 219, 000, 000	[3] 730, 000, 000	[6] 274, 000, 000	[7] 109, 500, 000	10, 312, 500, 000
1988	[3] 730, 000, 000	[4] 219, 000, 000	[3] 730, 000, 000	[6] 274, 000, 000	[7] 109, 500, 000	10, 312, 500, 000
1989	[3] 730, 000, 000	[4] 219, 000, 000	[3] 730, 000, 000	[6] 274, 000, 000	[7] 109, 500, 000	10, 312, 500, 000
1990	730, 000, 000	219, 000, 000	730, 000, 000	274, 000, 000	109, 500, 000	10, 312, 500, 000
Total	8, 614, 000, 000	2, 628, 000, 000	4, 964, 000, 000	3, 562, 000, 000	1, 095, 000, 000	104, 315, 000, 000

[1] 600,000 barrels per day.
[2] 1,200,000 barrels per day.
[3] 2,000,000 barrels per day.
[4] 3 supertankers weekly, 1,500,000 barrels' capacity per tanker.
[5] Oil equivalencies.
[6] 4,500,000 000 cu. fl. per day.
[7] 1,800,000,000 cu. fl. per day.

*Estimated reserves in the Prudhoe Bay area are 10 to 40,000,000,000 barrels of oil and 26 to 30,000,000,000,000 cubic feet of gas. Use of the Northwest Passage could be realized as additional fields are opened on the North Slope after pipeline construction begins.

Mr. GRAVEL. Mr. President, the end of the chart shows the translation of this production into dollars from the year 1977 to the year 1990. The total amount of dollars that would be saved to this country by production only in Alaska would be in excess of $100 billion. In other words, production based upon conservative estimates—about 20 billion barrels of oil—we could save $100 billion in balance of payments.

An understanding of this chart and the impact it would have on our balance of payments and the solvency of this Nation should cause the leaders in this country to vote for and support the immediate construction of the Alaskan pipeline.

There is only one way to stop the adverse balance of payments plaguing us that is to stop them. In order for this Nation to avoid bankruptcy, we must avoid the quantity of imports necessitated by our energy needs. We have to produce as much energy as possible domestically.

The significance of our North Slope energy potential is not just the 2 million barrels per day that could someday be delivered through an Alaska pipeline. Nor is it the 10 billion barrel proven reserves in the Prudhoe Bay field. Alaska has far greater potential reserves. Projections indicate that the North Slope has potential reserves of as much as 80 billion barrels. Thus, we might someday achieve an Alaska production of 5 to 8 million barrels per day.

This, in turn, could possibly reduce our first round balance of trade outflows by $7 to $10 billion per year. Production at maximum rates would also materially strengthen our bargaining position with producing countries and increase our ability to meet any supply disruptions with minimum adverse economic consequences. It could, in short, go a long way toward solving our energy and financial problems.

IV. TRANS-ALASKA VERSUS TRANS-CANADA

Contrived obstacles blocking the trans-Alaska pipeline are adding $6 million a day—every day—to this country's balance-of-payments deficits. Oil from Alaska's North Slope can be a tourniquet on the dollar drain that is, and will continue to, bleed the Nation white. Failure to apply the tourniquet is indefensible in view of the worsening situation.

With the background of political problems of the oil producing/exporting countries of the Middle East, our critical energy shortage, the balance of payments dilemma, and Alaska's need for revenue from oil and gas production, the most imperative measure, unquestionably is the immediate start of the construction of oil and gas pipelines from the North Slope of Alaska to the Port of Valdez for transshipment of fuels to the West Coast. The largest oil field ever discovered on this continent was found on the North Slope in February, 1968. Yet more than 5 years later not a single barrel of that oil has been delivered from Alaska despite mounting shortages in the lower 48 States. We are caught up in an energy crunch that is worsening each day.

The trans-Alaska pipeline has been held up through court action to determine the adequacy of an environmental study of the pipeline. The opponents of the trans-Alaska pipeline have recently altered their positions to the extent they are willing to admit that a trans-Canadian pipeline and in so doing have ignored a whole series of problems and constraints that would frustrate construction of an oil line through Canada for a minimum of 10 years.

The Mackenzie Valley Pipe Line Research Ltd. conducted a preliminary feasibility study—and that is exactly what it is, a preliminary feasibility study in 1972 for a trans-Canada line.

The study lists eight conclusions, the third of which states:

> It can be designed, built, and begin operation within a period of four years after a final decision to proceed, providing final approvals are granted within the first year.

Few would argue that a trans-Canada pipeline is not technically feasible and that it cannot be built and operated without major or irreparable damage to the Arctic environment. These conclusions were previously reached in the comprehensive engineering and environmental study conducted on the trans-Alaska pipeline which is the model for Arctic construction, and will undoubtedly be the model for construction of all future pipelines in the United States, if not the world.

The problem of construction of a trans-Canada line is one of timing—against a backdrop of a national energy shortage and our balance-of-payments position. The overriding factor in timing is that construction of the trans-Alaska pipeline can get underway within 90 days after the right-of-way question and environmental roadblocks have been cleared, and completed within 3 years.

The problems and constraints on construction of a Canadian line are many, and time estimates have ranged from 7 to 12 years. While our energy crisis will worsen during the estimated 3 years of construction time for a trans-Alaska pipeline, what will the full impact be to our Nation if we wait 7 years for a trans-Canada line? Or 10 years? Or 12 years?

What are the problems and constraints dealing with the proposed trans-Canada route? They include political, economic, logistic, nationalistic, and environmental considerations involving the Canadian Federal and Provincial Governments and lengthy negotiations between the United States and Canada. Other time-consuming problems will deal with comprehensive engineering and environmental studies, and settlement of Canadian native land claims.

Many proponents of the trans-Canada route have armed themselves with out-dated quotations of responsible Ministers of Canada that appear to favor the building of an oil pipeline down the Mackenzie Delta. There is little doubt in my mind that eventually the Canadians will become convinced that an oil pipelined down the delta is needed. However, at the present time Canada does not even have an energy policy that deals effectively with the question of northern resources and pipeline development, The Canadians, however, have been devising policy options. On January 24, 1973, the Honorable Donald S. Macdonald, Canada's Minister of Energy, Mines and Resources, stated that within the next 6 months he planned to table in Parliament studies which would be the basis of a review of an energy policy for Canada.

In a recent interview with a Canadian oil industry publication, entitled "Oilweek," Minister Macdonald discussed four basic approaches that would be included in the energy statement: first, maximum energy development; second, optimum environmental considerations; third, ultimate conservation; and fourth, continuing development along current lines.

Prime Minister Trudeau has said he expects that the energy policy which will result from discussion of the above options and other studies being presented in the energy policy statements is still a year away. Such a policy must be developed in careful cooperation with the Provinces of Canada when formulating its own. Minister Macdonald specifically points out in his discussions of January 24, when he said:

> Since so much of Canadian energy resources are under the control and jurisdiction of the Canadian Provinces, it is not possible for a Canadian Federal Government to enunciate a comprehensive policy on its own. Rather, what we will be doing is to put before the public, and other levels of government, an analysis of the Canadian energy scene as we see it, the implications in terms of the economy and the environment, and then use this as a basis upon which to attempt to achieve a national concensus on energy objectives.

This was demonstrated forcefully in recent months when a dispute broke out between Alberta, Canada, the main energy-producing Province, and Ontario, the main energy-consuming Province. Alberta successfully denied increased gas exports from that Province to Ontario because they were not satisfied with the current wellhead price in their Province. This illustrates the ability of a single Province to frustrate national objectives and this ability would certainly play a large role in any negotiations that might take place between the United States and Canada.

Aside from the problem of Canada developing a coherent energy policy, it is extremely naive to assume that environmentalists and nationalists will not vigorously oppose the construction of an oil pipeline down the Mackenzie Delta. Such groups will have ample opportunity to make their views known during the lengthy hearings that must take place before any pipeline—oil or gas—is approved in Canada. There is, in fact, already organized resistance to the proposed gas pipeline from the delta.

An application for a gas pipeline from the Mackenzie Delta is expected to be submitted to Canadian authorities sometime this year, and the group hopes that the line can be started in 1975. An oil pipeline application would be in direct competition with a gas line. It is not well understood in the United States that the size of Canadian capital markets and industry is very small in comparison with our own. It is already felt to be a significant problem in Canada to find enough Canadian capital and supplies to make the gas pipeline truly Canadian.

At this point it might be well to present other comparative information on the two proposed lines, and I ask unanimous consent to have table A printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	From Prudhoe Bay to—	
	Trans-Alaska, Valdez	Trans-Canada, Edmonton
1. Length of line	789	1,738
2. Cost of line (billions)	$3	$4.2
3. Construction time (years)	3	4
4. Miles of permafrost	355	482
Miles of discontinuous permafrost	375	918
5. Pumping stations	12	22
6. Differential settlement (feet)	1	3
7. Gravel construction pad (feet)	5	2
8. River crossings (major)	1	8
Stream crossings	25	69

Mr. GRAVEL. Mr. President, it is not realistic that a trans-Canada line more than twice the length of the trans-Alaska line could be built with a cost difference of $1.2 billion. Obviously the higher per-mile cost of the trans-Alaska line provides the safer line with the deeper gravel construction pads for line settlement. In construction the greater environmental threats are posed at river and stream crossings. With the trans-Alaska route only major river—the Yukon, 25 smaller rivers—and would be crossed, as compared to 8 major rivers and 69 smaller rivers for the trans-Canada. Both routes have seismic threat; the greater, however, is in Alaska.

It has been pointed out that the Midwest is an oil deficient area. It also happens to be a severely gas-deficient one. While opposition to the trans-Alaska pipeline was originally based on environmental considerations, the opposition has now turned to arguments setting one regional economic interest against another. The longer this argument persists, the more untenable will be the Nation's position in attempting to resolve a part of its energy and balance-of-payments problems. The actual situation in the Midwest is that the current gas shortage is compounding the oil shortage. As more and more prospective gas customers and existing interruptible gas customers are forced to turn to oil, the oil shortage gets more serious. By approving the trans-Alaska pipeline we will be able to get earlier delivery of gas to the midwest area from Canada and Alaska.

In a recent interview with the Canadian publication Oilweek, Mr. William B. Wilder, chairman of the board of the Canadian Arctic Gas Study, Ltd., made the following points:

> It would be very helpful if the Alyeska Pipeline is cleared this summer to start construction next winter. The longer it is delayed the longer the delay in finding out whether gas can be released from the North Slope. If no substantial volume is likely to be available from this source, Canadian Arctic will have to depend on more reserves from the Delta to support its ultimate development.

He goes on to later say:

> It is important also to integrate the Canadian project with Alaska gas. Alaska gas at this stage is required to provide sufficient reserves. It will also answer to a large extent the public concern over the speed with which Canadian reserves will be used.

An additional delaying factor is that Canada has not settled with the Canadian natives in their aboriginal claims. A total of 7 years was consumed by the Alaskan natives from the time their claims were pressed until Congress finally enacted in December 1971, Public Law 92–746, the "Alaska Native Claims Settlement Act." While it is, of course difficult to predict a time frame for settlement of the Canadian land claims, I think it would be fair to assume that the negotiations and settlement would consume a similar number of years. To think otherwise is simply naive on our part. On May 4, 1973 before the Foundation Francaise D'Etudes Nordiques' Fifth International Congress in Le Harve, France, a statement was delivered by Mr. James Wah-Shee, president of the Federation of Natives North of Sixty Degrees. Mr. Wah-Shee clearly made his point when he said:

> We believe that successful land settlements could lead to a development of the North that would benefit us all. But we need our claims recognized and settled by our Government. We think that unless oil companies wish to be caught in the middle of protracted court proceedings between ourselves and the Government, they should begin to meet with us.

The Supreme Court of the Northwest Territories in Yellowknife has ordered a temporary freeze on clear transfer of Federal—Crown—land titles in the territories, in response to a caveat filed with the office of the territorial registrar of land titles by the Northwest Territories Indian Brotherhood. On May 15, the court adjourned until July 9, and the land-freeze is expected to continue to at least the end of July. It would appear that the court's action presents a similar situation to the stages of the Executive freeze on Federal lands in Alaska back in 1966–1968.

The Proponents of trans-Canada pipeline have proceeded on the blithe assumption that the mere agreement by both United States and Canadian officials the line could be constructed and in operation by 1977. Summing up the problems inherent in a trans-Canadian pipeline, and calculating from 1973, the following basic facts are essential in considering the time frame for construction:

	Dating from—	
	Trans-Canada, 1973	Trans-Alaska, 1966
1. 1st the Canadian Government must develop a national energy policy based upon Canadian Parliamentary procedures, which is at least a year away.	1 yr, 1974	
2. Before an application for an oil pipeline across Canada can be entertained comprehensive cost, engineering, environmental, and economic studies will have to be completed, which studies can run concurrently.	3 yr, 1977	4 yr (1969–72).
3. Settlement of Canadian native land claims. A fair estimate is 7 yr, of which 4 can run concurrently with development of national energy policy and completion of required studies.	3 yr, 1980	7 yr, (1965–71).
4. Environmental suits, legal delays.	?	3 yr (1970–73).
5. Conservative estimate of construction time.	4 yr, 1984	3 yr, 1977.
Total years already consumed in cost, engineering, environmental, economic studies and settlement of Alaska native land claims and legal delays.		8 yr (1966–73).
Estimated years for realization of a trans-Canada pipeline (assuming no time is lost in environmental suits and legal delays).	11 yr (1973–84).	
With NEPA and rights-of-way questions resolved immediately, the trans-Alaska pipeline could be realized in.		3 yr (1977).

The time-frame for the trans-Alaska pipeline differs by 4 years because the Alaska Natives began their fight for land claims settlement 8 years ago.

There are a good many IFS involved in a proposed trans-Canada pipeline. We have been talking about problems and constraints facing the Canadian Government with little thought to possible constraints for the United States. Actually, there is a sixth consideration of paramount importance and that is the resolution of U.S. legal constraints involving Canada's requirement for ownership and control of the trans-Canada pipeline. The possible legal complications are many as cited by a study conducted recently by the Alaska Pipeline Coordinating Committee: [1]

> A Trans-Canadian project would undoubtedly engender a series of new legal problems in the United States. Significantly, few if any of these anticipated problems lend themselves to resolution by the affected governments until the enterprises that would own and operate a Trans-Canadian Pipeline have come into being and the details of the project have crystallized."
>
> "Rights-of-way over Federal land would be required. Regardless of the action that the Congress takes to alter the width limitation of Section 28 of the Mineral Leasing Act, there is possibility that the acquisition of rights-of-way for a Trans-Canadian over Federal lands would run on the shoals of Federal law just as the Trans-Alaska Pipeline did. If, for example, conflicts with Federal withdrawals accomplished by the Alaska Native Claims Settlement Act were encountered, amendatory legislation might be necessary."
>
> If the international agreement necessary for a Trans-Canadian line took the form of a treaty, Senate ratification would have to be obtained. Depending on the nature of the en-

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[1] Moving Alaskan Oil—Trans-Canada or Trans-Alaska? "A study of the merits"—A report of the Pipeline Coordinating Committee, State of Alaska, May 1973.

> tities that were created to own and operate a Trans-Canadian Pipeline or any of its components, upon the circumstances of the financing of the project upon the terms of any relevant international agreement, the existing Federal economic regulatory authority of the Interstate Commerce Commission might prove inadequate, requiring Congressional action.
>
> Further, the dissenting judges of the Court of Appeals in the Trans-Alaska Pipeline case pointed out that a significant legal impediment to the acquisition of a Federal permit under Section 28 of the Mineral Leasing Act for a Trans-Canada Pipeline may lie in the Canadian insistence on 51 percent ownership of any pipeline running through Canada. (see p. 20, *infra.*) Judge MacKinnon said for the dissenters:
>
> > Since United States laws provide that rights-of-ways for oil pipelines through public lands may only be granted by the Secretary of the Interior to applicants who possess the citizenship and nationality qualifications required by section 181 (of Title 30), a Canadian insistence on 51% control of a pipeline through Canada might mean that a United States pipeline *controlled as to its through-put capacity of Canadian citizens* could not acquire a grant of any right-of-way in the United States because Canadian laws, customs and regulations do not permit a pipeline in Canada to be controlled by United States citizens through Canadian corporation." Wilderness Society v. Morton, D. C. Cir. Nos. 72-1798 etc., decided February 9, 1973, slip op. at 135.

Some opponents of the trans-Alaska pipeline who are supporting a trans-Canada route are proposing that the Congress authorize a study comparing the two. On the basis of the completed study, the Congress would then decide which pipeline should be built.

Two things concern me about this approach. One is the "either-or" nature of the decision. There is sufficient oil to supply both pipelines. Both pipelines are needed.

The other matter for concern is the arrogance with which such a decision would be made. If the Congress opted for the Canadian route over the Alaskan, the decision would say that we do not want a pipeline in our country; we want it in someone else's.

It may be that I am naive, or perhaps my Canadian heritage is coming to the front, but I believe Canada's sovereignty as a nation give it the right to make the first move. Although we should be willing and ready to work with Canada for the building of their pipeline, it is arrogant of us to decide that it should be built.

We should be requesting the President to meet with the Canadians to determine if they are interested in studying a pipeline through their country and offering our assistance in that.

The main point is that Canadians decide if it is in their national interest that the pipeline be built. I have already mentioned some of the factors that will go into their decision. We should not be so arrogant as to assume that the Canadians will build a pipeline through their country to meet our needs and desires, simply because our Congress says that is its wish.

We must use Alaska's huge oil reserves to help meet the energy requirements of the United States in the late seventies and through the eighties. Only in doing so, will we be able to retain some control over the horrendous balance-of-payments deficits that our country will be creating to meet our ever-increasing need for oil.

Today, we are importing more than 6 million barrels of petroleum products daily at an approximate cost of $8½ billion annually. And, as our insatiable needs for these critical energy sources grow, we will by 1985, find ourselves in the chaotic position of spending more than $30 billion a year for imported petroleum products. Our Nation cannot afford to incur deficits of that magnitude. With Alaskan oil, we can reduce that cost drastically.

For example, most energy experts agree that if we can make it through the 1980's then our country will have developed the technical expertise necessary to enable us to meet most of our requirements as a result of major breakthroughs in alternate energy sources. If, during this time, we accelerate production of the Alaskan reserves in order to avoid the financial disaster of the 1980's, we could, through the use of a completed Alaskan pipeline in 1977, a Canadian pipeline in 1982, and a Northwest Passage marine route in 1980 provide our country with more than 20 billion barrels of oil. This will save the United States at least $100 billion in balance of payment deficits.

The more we delve into the imponderables of a trans-Canadian pipeline, the clearer the issue becomes that the only alternative to our dilemma is through the immediate construction of an all-American owned/operated/controlled oil pipeline from Prudhoe Bay to the Port of Valdez. The interests of the United States and the State of Alaska can best be served by such an American owned line with an oil flow at the earliest possible time. To delay action, to further ponder our problems only compounds them. Time is rapidly running out. Construction of the tran-Alaska pipeline is imperative.

V. ALASKA'S NEEDS—AND ECONOMIC SURVIVAL

National needs—the energy shortage and the balance of payments deficits—are, of course the overriding concerns of the Congress. The needs of the State of Alaska are of vital importance and must be given consideration. The rugged grandeur of Alaska camouflages the melancholy fact that it is the poorest State in the Union. The lack of agricultural, commercial, and industrial bases of a modern economy had kept my State on the brink of poverty. By the standards of the Social Security Administration, 14 percent of the families in the State and fully 50 percent of the Native families have incomes below the poverty level.

Alaska is trying to rise above its present status as the Nation's impoverished stepchild, forced to take handouts from the Federal Government. Its State income tax is the highest in the Nation, 16 percent of the Federal assessment. The annual general fund expenditures have grown $41 million in 1959 to more than $300 million in 1972. Education, administration of justice, and welfare comprise approximately 75 percent of the State budget. Alaska's operating deficit of $118 million this year is financed by the principal and the interest from the $900 million that was received in 1969 from the sale of oil leases on the North Slope. But that fund is shrinking at an alarming rate and will be virtually exhausted in 5 years.

The development of Alaska's rich natural resources holds the only hope of its people for attaining the quality of life enjoyed elsewhere in the Nation.

The Honorable William A. Egan, Governor of Alaska, detailed Alaska's needs in testifying before the Senate Interior and Insular Affairs Committee on March 9:

> When Alaska became a State in 1959 it did not have the extensive agricultural, manufacturing, transportation, industry, trade and commerce, and population that have been the greatest sources of revenue to other states in our nation. In conferring statehood, Congress acted recognizing that Alaska could become itself, a self-sustaining economic unit *only* by the careful management and timely development of her rich natural resource potential. The promise that Alaskans would be free from the yoke of a territorial form of government in shaping their destiny; it was also a promise by Alaska to the Federal Government that Alaska could develop her resources wisely, so that she would not always be the poor step-child of the States, but could stand on her own, independent of an extraordinary amount of Federal support.

VI. EFFECTS OF DELAYED RESOURCE DEVELOPMENT ON THE ALASKA NATIVES

While further delay in development of Alaska's resources and particularly further delay in the construction of the Trans-Alaska pipeline, will further aggravate the State's economic position, the Natives of Alaska—the people who need help most—are among the principal beneficiaries of further revenue from the pipeline. The Indians, Eskimos and Aleuts of Alaska comprise almost one-fourth of the State's total population. In December 1971, Congress passed the Alaska Native Claims Settlement Act in recognition of their valid aboriginal land claims.

Under the act, village and reginal corporations were established to administer the land and money settlements. Approximately half of that settlement was to have come from a revenue sharing provision of all mineral resources taken in the State of Alaska. Without the Alaska pipeline, revenue sharing from oil production will be nonexistant.

The Native of Alaska are among the most deprived people in the Nation. They have the highest unemployment rate, the lowest educational level, and the lowest average life span of any ethnic group in the United States. In interior and western Alaska, where the majority of Alaska's Natives live, existence is still primarily a subsistence way of life. The primary cause of death in these areas is accidental. The secondary cause is respiratory ailments, particularly pneumonia and tuberculosis. This is due to the harsh environment and the rigorous life they must lead just to survive.

According to the latest Bureau of Indian Affairs statistics, the average unemployment rate is over 65 percent. During the winter months, the unemployment rate can exceed 95 percent in some areas. As late as 1968, one district in Alaska had a median school years completed at 1.6 years. Today, only slightly more than 1 percent of Alaska's Natives have completed college.

The Natives of Alaska were painfully aware of these problems as they negotiated the historic land claims settlement act. It was their hope not only to have the land reserved for them for traditional uses, but to have enough of a cash base so that each village and regional corporation can begin to establish a viable economy. If the funds that they were counting on are not in sufficient amounts, the corporations will fail, and we will not have met our commitment to them when we passed the settlement act.

VII. ENVIRONMENTAL CONSIDERATIONS

The environmental considerations that were triggered by the proposed pipeline are most important, requiring careful study. However, we cannot permit the objections of a handful of individuals to paralyze a project of vital need to the Nation.

I am convinced that the protective measures and devices built into the plans for the pipeline will give full protection to Alaska's environment and wildlife. With the possible exception of the space program, no engineering project ever has been examined more exhaustively than the pipeline from Prudhoe Bay to Valdez.

After the initial discovery of oil and gas fields on the North Slope, the Department of the Interior appointed a task force to study the situation. It spent 2 years and $9 million on the study. An additional $350 million was spent on engineering and environmental studies by the Alyeska Pipeline Service, the private company that will build the pipeline. That was not the full extent of preliminary work before the plans were drawn. The State of Alaska, several Federal agencies and at least a dozen universities and research institutions were involved in investigating all facets of the project. The total expenditure is something in excess of $400 million.

A summary of the features incorporated in the pipeline attests to the overriding concern for protecting the environment, which embraces some of the most hostile, yet delicate, country on the face of the earth. The greater part of the 789-mile pipeline will be underground, even when it crosses three mountain ranges and 350 rivers and streams. The cost of the pipeline has been doubled by putting it below the surface of the tundra to avoid defacing the landscape. When completed, the pipeline and all supporting facilities, requiring one one-hundredth of Alaska's 586,000 square miles, will be as inconspicuous as a line of sewing thread on a golf course extending from the first to the 18th holes.

The entire system will be monitored continuously from a computer-control center in Valdez. Electronic devices will detect any break in the pipeline, immediately, and automatically stop the flow of oil to minimize leaks. Extreme precautions have been taken to control the hazards of earthquakes. The pipeline has been engineered to sustain a horizontal movement of 20 feet and 3 feet vertically. Remote control cutoff values will detect any change in pressure and seal off the line on both sides of a rupture within a few minutes. It should be noted that a gas pipeline across Cook Inlet did not break when Alaska was hit by a violent earthquake in 1964.

Wildlife will not be endangered because of habitat loss since the pipeline will not cross any major breeding areas. One reason for burying or ramping the pipeline is to permit two herds of 400,000 caribou to follow their customary migratory patterns. In widely scattered places where the line is above ground, ramps and underpasses will be built to permit crossing by caribou, moose, bears, and sheep. Experience at Prudhoe Bay has shown that caribou are indifferent to man's presence and use passageways readily. Some small game and fur bearing animals living directly along the route may be disrupted temporarily during the construction, but experts believe they will return after the crews have departed.

A good deal of attention was devoted to studies of fish migration and spawning activities in all rivers and streams crossed by the pipelne. Actually, the pipeline will be buried at least 5 feet under the beds of the waterways and encased in thick concrete to prevent the transfer of heat to the water.

All land excavated for the pipeline will be revegetated with fast growing grasses to prevent erosion and to insulate the permafrost under the tundra. The Institute of Arctic Biology at the University of Alaska agriculture experiment station tested some 40 species of grass at various sites along the route of the pipeline to find the most suitable type at each location.

Finally, in June 1972, the Alaska Legislature passed a bill imposing strict liability, without regard to fault, for any damage caused by oil spills in the water or on the land. The bill also provides compensation for the loss of subsistence resources resulting from the oil spills on land and water by the native population.

The environmental concern about Alaska has been an asset since it now permits us to give assurances to all that oil will be transported in Alaska safer and more sophisticatedly than anywhere else in the world.

Environmentally speaking, the Alaska line will be the model for all. Its construction will provide a new level of environmental attainment for others to strive for. The Alaska line is the environmental position for reasonable environmentalists.

VIII. A SYSTEM FOR SAFE TANKER TRANSPORT

The construction of the pipeline is but one aspect of protection of the environment. Once the oil reaches its terminus at Valdez, I am equally concerned in seeing that it will be transported as safely as modern navigational engineering will allow. To assure this, I have had meetings with the U.S. Coast Guard on that types of navigational systems which could be provided. Information on an ultimate system is now completed, and it should provide tankers moving through Prince William Sound with all-weather, collision/grounding free transit.

Elements of my proposed positive vessel control system include: VHF–FM communications network with complete coverage of Prince William Sound and 30 miles to sea from Cape Hinchinbrook.

Mandatory charted traffic lanes inbound and outbound, with an intervening separation lane;

Augmented aids to navigation;

Complete radar coverage of the tanker route from approximately 30 miles south of Cape Hinchinbrook through Prince William Sound to terminal at Valdez;

Compulsory pilotage;

Positive control of tanker transit including course stray advisories, recommended speed of advance, as well as movement control such as permission to get underway, anchor, et cetera; and

Computerized control center to be located in Valdez with all remote site inputs transmitted by microwave.

To a major extent this system should eliminate the probability of an incident occurring as a result of poor weather, ship master's error, faulty navigational aids, or ice problems.

Cost for installing, operating, and maintaining this system will be returned to the Government out of a fund to be established from moneys paid to the United States equal to one-half cent for each barrel of oil transported. And, to further assure that the most reliable collision avoidance system possible is used, I am also proposing that the ships transporting Alaska's oil to the "Lower '48" be equipped with navigational systems which, through the use of digital computers and display consoles, will provide the ship captains with pictorial displays of the harbor approaches and the dangers around them. This will provide the ship masters with instantaneous assessment of the area and it will further reduce the probability of human error by providing automatic radar fixes in relation to navigational aids, shoal displays, possible collision points and course and speed of ships in the vicinity. This type of system would also include automatic alarm notification to the captain alerting him when the ship is navigating outside of the parameters of its programed course or if it is exceeding its authorized speed.

A most important and unique feature of this type installation is that it allows the ship to use the Navy's navigational satellites to pinpoint its location in any type weather as it journeys from Valdez to Washington or California. This additional equipment, when used with the satellite system, is extremely accurate and will enable the ship to fix its position within 200 yards of its actual location on the ocean's surface.

And, while I am certain that the cost of collision avoidance systems will result in some opposition, I feel that the additional safeguards which they would provide will assure safe, collision-free transit of ships transporting the oil.

IX. NUCLEAR ENERGY: AN UNACCEPTABLE ALTERNATIVE

Obviously our fossil fuels are not going to last forever and alternate sources of energy will have to be developed. The question remains which alternatives are most desirable from variety of standpoints. For years, the United States has assumed that nuclear power will be the future's major source of energy. Billions of dollars have been appropriated by the U.S. Government for research and development of the peaceful use of the atom. Yet after several decades of experimentation with nuclear energy, it is becoming increasingly apparent that we cannot have atomic energy without dangerous risk to public health and safety.

In other words, through peacetime use of nuclear energy, the United States will have the potential of supplying enough radio-activity should a catastrophic accident occur, to annihilate whole populations. No means of assuring against any unforeseen accident or act of sabotage has yet been developed, nor does there appear to be any secure method of perpetual containment of radioactive wastes from our "peaceful" atom.

Presently, 30 nuclear power plants are in operation, providing 1 percent of total U.S. energy. If the program of nuclear plant construction proceeds as now planned, we shall have at least 500 and possibly 1,000 such plants by the turn of the century. Just one of those plants will necessarily generate per year the long-lived radioactive fission products equivalent bombs. By simple arithmetic, we can see that the steady build-up of these deadly materials will over a stretch of time surmount the total megatonnage of all the weapons testing ever performed by the United States, Russia, or Great Britain.

In other words, through peacetime use of nuclear energy, the United States will have the potential of supplying enough radioactivity, should a catastrophic accident occur, to annihilate whole populations. No means of assuring against any unforeseen kind of accident or act of sabotage has yet been developed, nor does there appear to be any truly secure method of perpetual containment of radioactive wastes from our "peaceful" atom.

An unavoidable by-product of the nuclear fission process is strontium-90. A single curie of lethal strontium-90, with a radioactive half-life of about 30 years, will release about 37 billion high-speed particles per second, each with enough energy to break a quarter million chemical bonds in human tissue. Both cancer and genetic defects can start with radiation injury to a single cell. One hundred thousand curies of strontium-90 are produced every year of operation for a 1,000 megawatt power plant.

Another by-product of nuclear fission, plutonium-239, is the most poisonous element ever handled by man. Dispersed as fine insoluble particles, invisible to the naked eye, one pound of plutonium-239 represents the potential for some 9 billion human lung cancer doses. Given the 24,400 year half of plutonium-239, any plutonium dispersed into the biosphere represents a major carcinogenic hazard for more than the next thousand generations. The annual handling of plutonium-239 in a fully developed nuclear power economy will be over the 100-ton category, or some 2 million pounds annually.

The most ordinary observer will have no difficulty in imagining the havoc a small band of political terrorists could wreck by capturing just one atomic powerplant. Enterprising criminals will also be quick to see opportunities in nuclear power blackmail. In order to achieve a minimum amount of public safety under a system of proliferated nuclear powerplants, the United States will, of necessity, require its citizens to restrict their daily habits, open their personal comings and goings to electronic scrutiny, and to submit to pervasive police authority at the least prospect of danger.

We are presently experiencing this police invasion as a result of our dependency on air travel. And this is only when a few hundred lives are at stake. What kind of society will we create when the stakes are millions of lives?

This view may sound like an excerpt from science fiction and many may wish to discount the possibility. But thoughtful analysis will show that all the elements are present. Serious risk is involved in a future society dependent upon nuclear power. Already, minor accidents and a case of sabotage at an unloaded plant have occurred.

The Congress and the general public have yet to take a realistic assessment of the dangers. Hopefully, they will do so soon and demand that a halt be brought to powerplant construction until a high degree of safety can be assured. Legislation to accomplish these ends has been introduced in the Senate. To declare a moratorium at this time would cause little dislocation to our domestic energy network and I believe it imperative to develop necessary safeguards. At the same time, the United States must take the initiative in perfecting cleaner and better ways to produce energy.

X. LONG RUN ENERGY SOURCES

That so much of our resources have been spent on the refinement of dangerous energy sources and so little on cleaning up our dirty energy sources, and little or nothing spent in developing new and compatibly healthy energy sources, are unfortunate commentaries on our society. Many alternative energy sources are known, and many are within the realm of immediate economic possibility.

Prominent among the possibilities is use of the solar energy system. Solar cells have been used with great reliability in the space program for a dozen years. It has been estimated that the total electric energy consumed in the United States in 1969 could have been supplied by the solar energy falling on 0.14 percent of the land area, based on a 10-percent conversion efficiency for the solar cells.

Solar cells are too expensive to use today, but a solar energy panel estimates that the cells could reach public use in 10 to 15 years if some effort is made to reduce the cost.

Again using the sun's energy, we could grow our own clean gas to make electricity. The trick is in conversion to tiny algae plants to methane gas by fermentation, a technology which was demonstrated long ago. A panel appointed by the President's Office of Science and Technology concluded that if solar development programs are adequately supported—synthetic fuels from organic materials could reach public use in 5 to 8 years. The National Science Foundation has said that all the world's energy requirement in the year 2000 could be met by combustion of high energy plants cultivated on only about 4 percent of the world's land surface.

Another governmental study reported in 1970, that domestic animals in this country—cattle, chickens, pigs—produce enough waste every year to make 2 billion barrels of low sulfur oil—or nearly 40 percent of our present consumption. In addition, our cities generate enough organic garbage each year to make another 400 million barrels.

A more exotic form of energy production exists in harnessing the wind. Giant windmills attached to generators and electrolyzers can create storable—and ultimately usable—hydrogen fuel by separating hydrogen and oxygen. Electricity, heat and water can be produced whenever needed. Presently, studies to make use of windpower, particularly along coastal regions are underway.

Perhaps the most promising source of clean, safe energy is underground hot water and steam. By a new method—magmamax—utilizing isobutane to drive a vapor-turbine, heat is exchanged and energy is produced. The production of electricity from geothermal steam is a proven capability. It is being done in California, Russia, Japan, New Zealand, and a number of other countries. Hot springs are prevalent in the western States and even a few are located in the east in Virginia, New York and Arkansas, and along the gulf coast.

We may have a powerhouse at our feet in geothermal energy. The potential electric power of steam and hot water under California's Imperial Valley alone may be as large as 90 percent of the entire country's 1970 electrical production. An additional 1,500 megawatts of geothermal steam is available at the geysers, 75 miles north of San Francisco. That is three times the power of the Hoover Dam.

Presently, Pacific Gas and Electric Co. operate the Geyser geothermal plant north of San Francisco, at 3.05 miles per kilowatt hour. This compares with 3.35 miles at a coal plant in the Pacific system and with nuclear electricity at 5.63 miles from a Humboldt, Calif., plant.

The potential of energy generation which is cheap, pollution free, nonradioactive, and presents little risks to public health and safety is so great that we must plan to make use of those alternatives with all deliberate speed. A brave, new policy of energy research and development should be undertaken.

COORDINATING ENERGY PROGRAMS

A vital step in the direction of a coherent national policy on energy is the establishment of a Federal office charged with the responsibility of directing energy research and development. Such a Federal Energy Administration would develop the technology and information base necessary to support development of the widest possible range of options available for future energy policy decisions.

The administration would not only determine the most effective short term solutions to immediate energy shortage problems but also carry out comprehensive demonstration programs in the fields of nuclear power, geothermal energy, solar, tidal and wind power, and other unconventional sources.

This administration would keep an eye to wise and conservative use of energy with the long-range goal of transferring our present energy base from nonrenewable sources to renewable, self-perpetuating supplies such as wind, solar, waste, geothermal, and so on. An overall objective of the administration would be to determine and support those energy systems which afford maximum benefit to the American consumer.

The Atomic Energy Commission will be transferred to the new administration so as to obtain a necessary means of checks and balances upon their activities.

A specially established trust fund, financed by an excise tax on energy sources, will underwrite costs of the Federal Energy Administration. I believe that the creation of such an entity at the Federal level to be of primary importance to the secure and orderly development of our Nation.

XI. CONCLUSION

The ability of our Nation to properly address itself to the energy crisis will depend upon its perception of the crisis. This perception is not correct today. Not even the leadership is truly aware of the severity and consequences.

The dismal facts of today's problem are not new or surprising. Nor are they part of some oil industry conspiracy. The oil industry is no better and no worse than any other industry. But because oil and the wealth it has drawn became the elements of a free-wheeling and colorful West, a certain attitude has evolved. Images of a few eccentric personalities like John D. Rockefeller, Clint Murchison, J. Paul Getty and others come to mind. Their legends and scandals have been made popular. As a result, the image of oil is not well accepted in many quarters of this country. This is really too bad for below all the imagery and bravado there exists an industry that has served this Nation well and given us power among nations.

Its technology has brought us to a high level of dependency for our energy. However, the industry lacked the ability to inform the Nation about the future. And the Nation refused to believe the bias projections of oil. This unfortunate disbelief has and continues to impair the accurate development of an intelligent public toward energy.

Interestingly, it is new environmental awareness and the adversary role of small enlightened constituencies that tilt to restore the balance and define the totality of our human needs. These are the new forces that will permit us to meet our energy requirements within the parameters of our ecoeconomic system. Profit alone will no longer be the sole arbiter.

Increased oversight and regulation of our energy suppliers may have to come about. Certainly, we can no longer permit any arrogance of great wealth and power to jeopardize our national wellbeing. We have long since passed beyond the injustices of a laissez-faire economy.

Our national policy on energy should not be limited by the artificial boundary of our national economy. The issue of sufficient energy is one of vast international implication. Not only does the environmental factor weigh heavily upon our actions, but so does the prospect of an extended "cold war" for adequate energy supplies. The seeds of tremendous political and economic conflict can be found in the unjust distribution of energy resources.

For the time being, we must act realistically. The issue before us is quite simple. We have not planned for our needs in a cybernated society. As a nation, we have not planned properly for what we are most dependent upon—energy.

The United States has moved from self-sufficiency to dependency. The shortrun consequences of this would not be so dire except for the skewed nature of our economy. The importation of large quantities of oil to meet our needs will put in jeopardy our free enterprise system. The longrun solution to this problem lies in a national resolve, backed by a financial commitment that must exceed our effort which put man on the moon. Regardless of the cost, it is a pittance, for survival is at stake.

The shortrun solution is equally simple for one solution looms above all others: We must maximize our domestic production not only to satisfy our energy needs but more importantly to ward off bankruptcy. The largest single element in maximizing domestic production is the construction of the Alaskan pipeline. Our Nation is bleeding today and will be hemorrhaging tomorrow. The Alaska line can serve as a tourniquet for this Nation. It strikes me as ridiculous that we do not have the good sense to apply it.

It should be understood that we as a body should not contribute to regional argumentation and that if we were to look at the matter fairly, it would seem eminently proper that the Alaskan oil, initially through the Alaskan pipeline, would help satisfy national energy deficiencies. The Alaska line would bring oil to the west coast of the United States and at the same time permit the construction of the Canadian gas line down the Mackenzie Delta so that we could satisfy the energy needs of the north central and east coast part of the United States.

This, in my mind, would be eminently more fair than for one area of the country to vie for the energy and hold it hostage and delay something that could be of benefit to another part of the country by virtue of trying to grab all the energy coming from Alaska.

Mr. President, I would hope that accommodation would be realized and that we would follow the suggestion of the Environmental Minister of Canada who, in a recent statement, stated that it was probably in the best interest of Canada to have the construction of the Alaskan pipeline, that the Canadians could begin prompt construction of a gas pipeline, which would be in their greater economic interest and have a lesser environmental impact upon the Canadian environment than would the oil pipeline.

Mr. President, I would like to conclude shortly and not take the additional time of this body by addressing myself to the environmental argument in what, I think, is a very simple fashion.

At one point in time, the construction of the Alaskan pipeline would probably not have been the soundest course of action with respect to mitigating the environmental impact in Alaska, or, for that matter, in the United States. However, I think that as a result of our energy needs and as a result of the study done at a cost in excess of $400 million, both by governmental and private sectors, that the Alaskan pipeline represents in my mind the best transportation of oil in the soundest environmental fashion.

It is for that very simple reason that the building of the Alaskan pipeline would not pose the environmental threat that existed before. However, in point of fact, it would be of environmental benefit because with the construction of this new model, we would have before the world an example of how to transport oil safely, an example that I think the remainder of the world would certainly follow and would be compelled to emulate.

So, for that very simple reason, rather than taking a position that the Alaskan pipeline would be a detriment to the environment, I take the position that it would be an asset, and the sooner we get to the construction, the greater import and the greater impact we would have on the improvement of the transportation of oil in this country.

Mr. President, in the course of the debate on this subject, many amendments will come forward. I have several amendments addressing themselves to improvements in the environmental aspects of this project, some that address themselves to the immediacy of the course of action that could be undertaken by Congress.

I think that the American people, who are now suffering from what I think is just the beginning of an energy crisis, are aware of the problem. And I think that the American people are desirous of seeing the Alaskan pipeline constructed as soon as possible.

I would hope that our colleagues would join with us in an effort to bring about the immediate construction of the Alaskan pipeline not only because it has a provincial and strong interest to the State of Alaska, but also because I think it is of great import to the people of this country.

The energy crisis is not nearly as severe as the financial crisis is about to become.

We can limit the amount of energy we choose to expend. However, one of the facts we lose control over is that we cannot make the contribution of this much money—possibly as much as $30 billion annually—and still retain a viable economy and maintain a quality of life that we have come to expect from our free enterprise system.

Yet if we do not look at the prospects of limiting the consumption of energy perhaps by as much as 50 percent, we will be faced with such horrendous balance of payments deficits that the dollar hemorrhage that we will suffer as a result of it could trigger an international monetary crisis, which in turn would trigger a domestic financial crisis, which in turn would trigger a domestic depression, and it in turn a world depression.

The specter of the energy crisis which we face in this Nation is one that is difficult to comprehend at this point in time, because of the horrors it holds. One way that we can begin to demonstrate our knowledge of this problem and exercise our good offices toward solving the problem would be by maximizing—which of course is the only sound way—domestic production.

Alaska holds the largest potential reserve within our domestic environment. We must redeclare today, in the face of these sinister problems, that we will not fail to pick up the first and initial tool to ward off what is essentially a visible and comprehensible disaster.

Mr. President, Mr. William Randolph Hearst, Jr., editor in chief of the Hearst newspaper, has rendered another great public service in his analysis of our energy shortage and the unrealistic approach which environmentalists are taking in their quest for what appears to be permanent blockage of construction of the trans-Alaska pipeline.

In a statement before the Senate Interior and Insular Affairs Committee on May 3, I spoke of my concern for both the national environment as well as the environment of the State of Alaska. With the great potential of tourism in Alaska, certainly we must exercise great care in management and use of our land resources. We are a realistic people. We recognize the urgency for oil for the lower 48 States and we well understand the seriousness of the Nation's balance-of-payments problem. We also know that construction of the trans-Alaska pipeline would mean a better life for all Alaskans. The revenue which the line would generate would help us meet our responsibilities to our citizens for better housing, roads, airports, schools, hospitals, public service programs for our elderly and disabled, our returning veterans, and cover monetary settlement with the Alaska Natives. A rational balance can be reached.

I offer Mr. Hearst's column, as it appeared in the May 20th issue of the Seattle Post-Intelligencer, and ask the unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OSTRICH COMPLEX

(By William Randolph Hearst, Jr.)

LOS ANGELES.—Now that Watergate has started spilling out of the tube every day from the Ervin committee hearings, the first order of business for viewers has been trying to get all the names and numbers straight.

Looking at those complicated charts unveiled Thursday to show who's who, along with their relative roles in what's to come, reminded me of a certain Hollywood producer who said of his impending but still unfilmed war epic:

"I don't know yet what the story is going to be, but I sure do have one helluva cast."

Thus, even though we know the general outline of the Senate drama now unfolding—or at least the names of its major figures—we are going to have to wait to the end to see just what final picture develops. Even as Sen. Ervin will.

Meantime, because it is so engrossing and important to Americans, the Watergate story has been having the unfortunate side effect of obscuring other news whose importance—in the long run—could be as great and possibly even greater than our domestic political scandal.

What I have in mind, and want to spotlight here today, are the ominous developments which have been taking recently in the Middle East. At the very least they bode no good at all for this nation's future well-being.

All but buried by the Watergate headlines this week, for example, was an interview in Tripoli with Col. Muammar Khadafy, the fiery young boss man of Libya. In it was summarized an idea which has been making a lot of ever-increasing noise in his world.

"The day is coming," he said, "when Arab oil will be used as a weapon of self-defense in our battle with Israel. You will see."

Couple that with the fact that four Arab countries—Libya, Iraq, Kuwait and Algeria—two days later temporarily halted all flow of oil to the West as a symbolic protest against Israel's existence as a nation.

Couple that with the statement to his Parliament this week by President Anwar Sadat of Egypt:

"We are facing a protracted struggle, and not only the reopening of hostilities with Israel on the Suez Canal. There is the battle of America's interests, the battle of energy, the battle of the Arabs for world position."

Couple that with the article which appeared this week in a Beirut newspaper by Lebanese columnist Faud Matar, regarded as the most knowledgeable and accurate of Arab experts on Egyptian affairs.

"President Sadat's decision for battle with Israel is now irrevocable," he wrote. "There is no certainty about his deadline, but he is not likely to let the June 18 Washington summit meetings between President Nixon and Soviet leader Leonid Brezhnev pass quietly.

"Sadat may somehow blow up the Middle East situation on the eve or during the eight-day summit meeting. His hope would be to force drastic action by the big powers to break the Arab-Israeli deadlock."

Finally, couple THAT with the now-confirmed fact that Syria has secretly transferred to Egypt roughly one-third of the 60 Mirage fighter-bombers it has thus far bought from France, along with their ground equipment, despite a contract agreement to use the jets only for self-defense.

Now all of this may just be more of the same old Mideast sand blowing around, and I certainly hope it is. Israeli Foreign Minister Abba Eban, in fact, not only believes Sadat is bluffing again with his latest war threats, but that it is an even bigger bluff for Arab countries to suggest they might withhold oil from the United States to force a change in our pro-Israel policies.

"There isn't the slightest possibility of that," he said in Miami Beach this week. "The oil-buying countries have alternate places in which to buy. The Arab states have no alternative but to sell their single natural resource."

Despite Mr. Eban's optimism, there is no doubt that Arab leaders—conservative as well as extreme—have been giving the most serious study to the use of their oil riches as an increasingly powerful political tool.

The subject reportedly was discussed at length earlier this year in Cairo at a meeting of the Arab Defense Council, composed of Arab League members. Since then President Sadat has been pushing the idea at both private and public meetings with the chief oil producers including Saudi Arabia, the world's largest.

Saudi Arabia's conservative King Faisal, significantly, was Sadat's guest last weekend before flying to Paris for conferences on oil, arms and politics with French President Pompidou. And Pompidou, significantly, has not canceled Libya's 1970 contract to buy 110 Mirage jets, although the contract terms have flagrantly been violated by the transfer to Egypt of 18 to 20 of the 60 planes thus far delivered.

When Abba Eban made a formal protest on this to France last month, France replied that his evidence was "inconclusive." Yet Pat Sloyan of our Washington office this week was able to get Pentagon confirmation of Eban's claims. An unimpeachable Pentagon source said, flatly, that "a sizable group of those Mirages were moved to Egypt and they remain there now."

When Pompidou was in the U.S. two years ago he assured me in a private talk at the Waldorf-Astoria Hotel in New York that the Mirages were being sold to Libya to preclude the alternative of Russian planes. He said France could guarantee the contract would be honored by the buyer. I believed him, and later even noted with approval the deliberately slow delivery of the planes ordered.

So what now has caused France to look the other way when a really whopping contract violation has occurred? One answer could be that France wants to keep its options open for the big Mideast debate which the United Nations Security Council has called at Egypt's request for June 4—exactly two weeks before Brezhnev's scheduled arrival for the summit meeting with President Nixon.

Maybe France, currently not preoccupied with a domestic political scandal, has put two and two together and suspects the Security Council session has been timed as a prelude to the outbreak of new anti-Israel hostilities threatened by Sadat—an outbreak which surely could cause the direst of consequences for the summit meeting and for a whole lot of other matters also.

Maybe. But what seems basically indisputable to me is that France is primarily interested in maintaining its strong political position in the Arab world—and above all to insure receiving the vital oil it gets as Saudi Arabia's sixth best customer.

France, in a word, already has responded to the great political cloud inherent in Arabian oil and is taking no chances on a cut-off despite Eban's assurance that it would never happen.

Many Americans, meanwhile, don't even realize that their own fuel-hungry country is now importing 2.5 million barrels of Mideast oil every day, and will be needing far more than that in only a few years.

Regular readers of this column may suspect by now that I have been leading up to a further emphasis on last week's theme—the folly of allowing our own vast oil deposits in Alaska to go untapped—and if they have they are dead right.

It is impossible to me to dismiss the thought of those 10 to 40 billion barrels of precious petroleum, resting undisturbed under the waters of Prudhoe Bay while American motorists are wondering if they will be able to get enough gasoline for the summer driving season.

It is impossible for me to forget that we now could be receiving two million barrels a day of that Alaskan oil, especially since that is only a half million less than we are having to buy from people threatening us with a hard time as Number Two on their hate list.

And it is impossible for me to excuse a certain cabal of outrageously single-minded environmentalists, whose unrelenting efforts have been blocking construction of the 800-mile trans-Alaskan pipeline needed to pump out the oil treasure discovered five long years ago.

They are still at it, still working to block the line, still refusing to recognize that laudable protectionist ideals require reasonable attunement to the realities of man's needs—as all practical environmentalists fully realize.

The group of extremists who have been blocking the pipeline, in spite of the negligible effect it would have on the great Alaskan wilderness, are afflicted by what could be called an ostrich complex.

Victims of this disorder have the idea that anything unpleasant to them can be blotted out by burying their heads in the comfortable sands of their illusions.

It has worked so far for the self-blinded lovers of Alaskan caribou, largely because an inattentive public has had its own head buried in other matters, but it won't work indefinitely.

Our human requirements for oil not only won't go away, they are becoming more urgent all the time as the latest energy shortage news continues to demonstrate.

Meantime fanaties among our environmentalists have been rendering their country a total, grave and immense disservice.

Mr. GRAVEL. Mr. President, I recently came across copies of a newsletter published here in Washington four times a month by a Mr. Muhammad Tahir. The newsletter is called Islamic Items. It covers a variety of subjects relating to business, finance, Middle Eastern oil, and the Palestine question, all of which should be of concern and interest to us.

While we would like to think that any potential problems with oil exports from the Middle East are economically oriented, I think it is well to consider that we are faced with possible retaliation because of our commitments to Israel. There appears to be a high degree of uncertainty of uninterrupted importation of oil from some of the oil producing countries of the Middle East based upon political considerations. If this should happen, the energy crisis as we refer to our situation today, would undoubtedly become a crisis of nightmarish proportions.

Construction of the trans-Alaska pipeline would materially ease a portion of our overall energy problem and balance-of-payments deficit. With a go-ahead signal from the Congress, construction of the trans-Alaska pipeline could begin within 90 days and be completed within 2½ to 3 years. The seriousness of our situation merits the prompt consideration of the Congress.

For the information of my colleagues, I ask unanimous consent to have printed in the RECORD the June 1 and June 8 issues of Islamic Items.

There being no objection, the Items were ordered to be printed in the RECORD, as follows:

[From the Islamic Items, June 1, 1973]

PRESIDENT QADDAFI'S OAU VICTORY

The Organization of African Unity (OAU) celebrated its birth ten years ago with a conference which opened in Addis Ababa May 26th. The conference opened on a note that reflected the deep division between Africa's leadership and her people. Algeria asked the conference to mark this historical occasion by breaking relations with Israel.

President Maummar Qaddafi of Libya sent cables to all African Heads of State and he criticised Ethiopia for "backing Israel" and called for the transfer of the Headquarters of the OAU from Addis Ababa to Cairo. In President Qaddafi's cable, he said that a number of African countries, including Ethiopia, still maintained diplomatic relations with Israel, although it occupies parts of an African country, namely Egypt.

The American press has given much notice to certain "diplomatic setbacks" of President Qaddafi at the recent Organization of African Unity meeting in Ethiopia. They have failed, however, to present any idea of the real victory which President Qaddafi won at the OAU meeting. Namely, that the vast majority of African people are now looking to President Qaddafi for their ultimate liberation from "neocolonialism" and see in him hope for the Africanization of their destiny. A. A. Noordin, Head of the Islamic Union of the Comoro Islands, relates for our readers the true feelings of the vast majority of African people toward the noble efforts of President Qaddafi.

President Qaddafi then reminded his fellow African leaders of all that Libya has done and is doing for the cause of freedom on the continent of Africa, which includes:

Libya is the main source of weapons, funds and men for the African liberation movements.

Libya has closed its airspace to all Portuguese, Rhodesian and South African flights.

Libya had offered military assistance and other aid to Zambia when Rhodesia closed their joint border.

Libya is the only African state that has called for the overthrow of the white minority Rhodesian and South African regimes and declared that it is ready to send armed forces to fight them.

PRESIDENT QADDAFI'S OAU VICTORY

For us of the Islamic Union of the Comoro Islands, President Qaddafi is more than a brave leader of both African and Muslim lands, but he is the only leader committed to helping his brothers in struggle and in faith, financially, militarily and by all other means necessary for the liberation of Africa.

Every Comorian of the Islamic Union looks forward to having a glimpse of President Qaddafi, who is referred to by the members of its youth arm, the Young Elephants of Islam, as *Al-Habeeb-l-Rais,* which means the beloved President.

The members of the Islamic Union and the general population of the Comoro Islands as well as the masses of African people refer to him as the "true hero" and the "brave-hearted leader" of our cause. He is the only Muslim leader who is willing to stand up to the strong enemies of our cause, be they Zionism, Imperialism or Communism.

The Islamic Union of the Comoro Islands extend our deep hearted thanks to President Qaddafi and the Libyan Muslim Community for their hard work which they are doing for the liberation of the Comoro Islands and for the liberation of all Africa and the eventual triumph of Islam throughout the world. We pray unto Almighty God for the protection and long life of our *Al-Habeeb-l-Rais*, President Qaddafi. He has given us the courage to continue on our path till we have achieved victory, freedom, justice and progress for all the brothers and sisters of Africa.

In our struggle for the liberation of Africa, we cannot forget the struggle of the Palestinians. We in Africa feel a common bond with our Palestinian brothers in their effort to liberate their homeland and to achieve and to secure their birthright. We cannot forget that the Jewish settlers who drove the Palestinians from their homes were *white* European Jews. Therefore, the Comorian *Ummah* under their Islamic Union supports fully the Palestinian freedom fighters in their just struggle for the liberation of Palestine.

The recent Beirut operation by the Zionist forces are a reminder to us of the acts of terrorism perpetrated by the British Royal Air Force in Kenya during the Mau Mau struggle. The British carried out the same type of indiscriminate bombardments on innocent African villages as the Zionists are now carrying out against innocent Arab villages.

Although we of the Comoro Islands are still struggling to liberate our land from the forces of imperialism, we know that our liberation cannot be complete without the destruction of Zionism. As long as President Qaddafi lives, the flame of liberation will flicker on in the hearts of the African people and their brothers, the Palestinians.

God's help comes to those who strive
With firmness, as it did at Badr
Much can be learnt from the misfortunes
At Uhud. It is not for us
To question God's plan, which is full
Of Wisdom and Mercy for all: Our duty
Is to stand firm and unswerving
To obey, and in steadfast courage
To perserve, to retrieve our mistakes,
Not in grief and despair, but in firm hope
In God and in contempt of pain and death.
Long live Islam
Long live Africa
Long live Palestine
Long live President Qaddafi.

—A. A. Noordin.

NAIROBI, KENYA, *May 26, 1973.*

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LIBYA: QADAFI PAVES THE WAY FOR AN OIL TAKEOVER

Libya's revolutionary mystic, Chief of State Mu'ammer al Qadafi, drove his battered Volkswagen along Tripoli's palm-lined waterfront last week, jammed on his brakes, and strode into the dilapidated offices of Radio Tripoli. "Libya," he announced in a message to the Middle East, "has been able to activate the oil-producing nations of the world to impose their supremacy on oil."

Western oilmen are in no position to dispute Qadafi. They have seen Libyan militance break up contract after contract. And now, Qadafi appears to be heading for a total split with foreign oil companies. This week he flexed his muscles by cutting off one day's worth of Libyan oil exports: 2-million barrels. Oilmen speculate that the 31-year-old Libyan ruler is looking for an even more dramatic act of independence that would symbolize Libya's approaching political union with Egylpt next September. And, as he has in the past, Qadafi hopes to pull his Arab neighbors along with him.

Qadafi has already demanded 100% ownership of foreign oil concessions in return for "assurance" of continued oil supply at "market value" prices. So far, however, the oil companies—Exxon, Mobil, Occidental, Texaco, Standard Oil of Calif., and the Oasis group of Shell, Continental, Marathon, and Amerada Hess—have refused. But the negotiating climate is growing increasingly hysterical, and some form of takeover seems certain.

LEMON SPIES

During last week's negotiations for devaluator compensation, Libyan oil minister Ezzedine Mabrouk delivered such a harangue that company negotiators retreated to their Tripoli hotel and refused to come out. And this week Qadafi accused the Oasis group of harboring Israel spies. As proof, he displayed some Jaffa lemons found at the Oasis camp.

Some Arab rulers ridicule Qadafi, while others try to ignore him. Indeed, oil negotiators hope to isolate Libya by withstanding Qadafi's demands. But Qadafi's wide popular support in the Middle East could make isolation impossible. If Libya wins its demand for 100% control, oilmen fear that Kuwait may have no choice but to go along and to refuse to ratify its own agreement with British Petroleum and Gulf Oil. Under its present agreement, Kuwait only gets 51% control and must wait for that until 1982. Other oil agreements, for similar terms, could collapse just as quickly. Then Qadafi would think the Middle East even closer to his dream of a united Arab world.

Qadafi is already preparing Libya for that time. To promote Libyan independence, his government is forcing foreign oil companies to train increasing numbers of Libyans as technicians. And to ward off any international oil boycott, Qadafi is stepping up his search for new oil customers. So is Brazil. Its state-owned Petrobras has just signed a long-term oil contract with Libya beginning at 12.7 million bbl. a year.

DEVIATIONISM

On a more symbolic level, Qadafi promotes Arab independence by refusing entry into Libya without passport identification written in Arabic. And last week, Qadafi extended a nationwide ban on alcoholic beverages to foreign oilmen and diplomats. In a conciliatory spirit, the Japanese embassy now serves soda pop.

Qadafi's foreign enemies clearly hope that the chief of state's Arab zeal will overextend itself. Only failure in a confrontation with international oil companies, however, would give Qadafi's opponents any real standing.

Qadafi also has underground opposition within Libya. And he has found it necessary to form revolutionary student groups in Tripoli and Benghazi to "comb Libya for deviationism." In particular, the students are attacking government bureaucrats who are less than enthusiastic about the Arab revolution. Last week, for example, Foreign Minister Mansour Kikhia was forced to resign when his brother was condemned as a "deviationist."

Mr. GRAVEL. Mr. President, I yield the floor.

Mr. STEVENS. Mr. President, before commencing my statement on the bill itself, I wish to offer an amendment that would absolutely prohibit the export of Alaskan North Slope oil.

The Senator from Minnesota (Mr. Mondale) has again raised the question of the export of our oil to Japan. S. 1081 as reported from the Interior and Insular Affairs Committee dealt with this question, but the committee's version does not absolutely prohibit the export of North Slope oil. My amendment will absolutely prohibit such export.

This question of exporting oil is a red herring. As I will explain later, the economics of shipment of North Slope oil to a foreign nation just does not make sense. What is more, this oil is vitally needed by the west coast of the United States. And, the question should be answered by an absolute prohibition of export of North Slope oil to any foreign nation.

The committee bill was, in my opinion, sufficient to meet this objective. But, if the opponents of the Trans-Alaska pipeline are going to use this red herring to confuse the issue on the Alaska pipeline, then I believe the bill should categorically prohibit the export of North Slope oil.

I send the amendment to the desk for printing.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. STEVENS. Mr. President, every Member of the Senate, I understand, has received today a letter from the Secretary of the Interior, Rogers C. B. Morton, which sets forth once again a very clear statement of the position of the administration on the bill before the Senate. It particularly recites the viewpoint of the Department of the Interior and the present Secretary of the Interior, who has been most forthright and forceful in his support of action to enable the trans-Alaska pipeline to be commenced.

I ask unanimous consent that the letter be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., July 5, 1973.

Hon. Ted Stevens,
U.S. Senate,
Washington, D.C.

Dear Senator Stevens: I understand that early in the week of July 9 the Senate will take up the Right-Of-Way bill recenty reported by the Committee on Interior and Insular Affairs, S. 1081. I also understand that Senator Mondale and others will offer an amendment to prevent issuance of a permit for the Trans-Alaska pipeline until the Congress enacts legislation specifically authorizing a pipeline from Northern Alaska. The amendment envisions that Congress will not act until the Secretary of State conducts negotiations with the government of Canada to determine the feasibility of a Trans-Canada pipeline and the National Academy of Sciences conducts an eleven-month study of this subject.

This legislation can materially affect our energy supply picture, the strength of our dollar, our foreign relations and the strength of our bargaining position, vis-a-vis the oil producing countries in the Middle East. Recent events in Lybia, and the expressed willingness of some Middle East countries to utilize their oil exports for political purposes, require all of us to give this matter our most careful attention. I want to explain why I support S. 1081 and oppose any amendment that will delay the Alaska pipeline.

It is clear, and no one disputes, that following the recent Court of Appeals decision in the *Pipeline* Case, new legislation is required before I can authorize construction of any new, large oil or gas pipeline across any public land in the United States. Large pipelines simply cannot be built within a right-of-way no greater than 25 feet on both sides of the pipe.

While I have not favored every provision of S. 1081, I am convinced that it is constructive legislation that will give me the necessary authority to permit construction of large pipelines that are vital to our economy.

Under S. 1081, I would promptly authorize construction of the Trans-Alaska pipeline; and I have expressed my intention to do so for three basic reasons: (1) our national interest requires the earliest possible delivery of North Slope oil to the "Lower 48," (2) the only feasible alternative delivery system is a pipeline across Canada, and it would involve at least a 3–5 year delay in delivery of oil to the lower 48; and (3) a Trans-Alaska pipeline and tanker delivery system can be built and operated under safeguards that will protect the environment and wildlife of Alaska and the Pacific Ocean.

I, and Administration spokesmen from the Departments of State and Treasury, have explained these points and others in detail during numerous appearances before committees of both Houses and in my letter of April 4, 1973, to every member of Congress. It is not my purpose now to repeat the detailed points I have made. Rather, I want to address specifically the three major arguments being made by those who favor amendment of S. 1081 to deny me authority to issue a permit for the Alaska pipeline and require an eleven-month study by the National Academy of Sciences. Those arguments are (1) that our Environmental Impact Statement did not adequately treat the Canadian alternative, (2) that neither I nor anyone else in the executive branch has seriously assessed the practical and political prospects for a Canada pipeline; and (3) that after an eleven-month study by the National Academy of Sciences the Congress will be able to promptly approve either an Alaskan or Canadian pipeline with no overall delay in the delivery of oil to the lower 48 States.

The impact statement on the Trans-Alaska pipeline contains approximately 150 pages of discussion of possible Trans-Canada pipeline routes. This extensive and detailed treatment is the result of interdisciplinary studies and official and unofficial exchanges with Canadians that extended over a period of at least a year and a half. I personally have given a great deal of careful attention to the environmental problems presented by the Alaska pipeline, with its marine leg, and those that would be encountered in Canada.

I sincerely believe that the environmental costs and risks of a Canada pipeline would be as great as those of an Alaska line, and that the Alaska system will be safely built and operated under the stipulations I will impose in our permit.

Even more importantly, I want to assure you that the feasibility and prospects of building a line through Canada have received my most careful attention and the attention of all concerned members of the Administration. I have discussed these matters with the President and with Secretary Rogers. We are all convinced that we should not delay the Alaska pipeline to consider further the feasibility of a Canada pipeline. For more than three years the Canadian Government has taken the position that it is not prepared to negotiate with the United States Government on the matter of pipelines from the Arctic. By letter of June 22, 1973, to Senator Jackson, the State Department reported the Administration's assessment as follows:

". . . the Departments of State and Interior are convinced that there is no Canadian alternative to the proposed Alaskan pipeline at this time. Even if the Canadian Government should move expeditiously to approve such a pipeline, which is unlikely, an Alaskan pipeline could be in operation at least 3–5 years, and perhaps 7–10 years earlier than a Canadian pipeline.

"We do not believe that recent Canadian actions limiting exports to the United States of petroleum and petroleum products have a direct bearing on future Canadian consideration of applications for the construction of Arctic pipelines. However, they do emphasize Canadian determination to follow policies which will husband Canadian resources to the maximum extent deemed necessary to meet Canadian needs projected well into the future. This attitude and recent remarks by Canadian officials give no cause to change our view that the Canadian Government has no strong current interest in the construction of a Mackenzie Valley oil pipeline . . ."

Between May 1969 and March 1972, an inter-agency task force devoted many thousand man-hours, including 8 days of public hearings, to studies that finally produced a 6-volume Environmental Impact Statement and a 3 volume Economic and Security Analysis of the proposed Alaska pipeline and its alternatives. The work was done by experts with many years of relevant experience. The product is objective and comprehensive. It has been available for public scrutiny and debate since March 1972. I am convinced that an eleven-month effort by the Academy will not add materially to the information or analyses bearing on the United States Government's decision to grant permission for an Alaska pipeline or to deny such permission and pursue a Canadian alternative. I suspect that even if Congress should later approve the Alaska line the delay involved will extend well beyond a year because the Academy's study will require more than eleven months and the companies will have to re-mobilize for construction.

I am as concerned as the members of Congress to provide our Midwest and East Coast with adequate supplies of energy in the years ahead. The President shares this concern. But we are convinced that our increasing demand for petroleum presents serious national issues that transcend regional interests, and that it is in the Nation's interest to increase our domestic resource base as soon as possible. We hope and expect that Canada will agree to construction of a gas line from the Arctic to our Midwest in the reasonably near future. We anticipate that additional discoveries of oil in Alaska and Northern Canada will justify a second oil line shortly thereafter. And we hope that by the time such a line is required, we will have been able to negotiate terms for its construction through Canada.

Delay of the Alaska pipeline will reduce the total supply of oil available to our economy during the period of delay, thereby increasing all the costs and risks associated with increased dependence on Middle East oil. It is not in the Nation's interest to deny ourselves oil that can safely be delivered by an Alaska pipeline while we further pursue the possibility of building the first pipeline from the Arctic through Canada.

I hope these views will be helpful to you in your consideration of S. 1081.

Sincerely yours,
ROGERS C. B. MORTON,
Secretary of the Interior.

Mr. STEVENS. Mr. President, this bill is of great importance to the United States; it is not just a bill that concerns the Alaska pipeline. S. 1081 is a positive and direct answer toward clearing up the cloudy situation that now surrounds the Nation's power and communication lines, roads, water routes and other important transportation facilities throughout the Nation.

Of special importance is that this bill provides the way for a development of critical importance—authorization for a right-of-way for the trans-Alaska pipeline.

The energy crisis now facing America is not just one crisis, rather a desperate need for energy presents the United States with a number of critical problems that must be solved.

ECONOMIC PROBLEMS

Because the United States has become addicted to foreign oil we have had to pay a staggering price to meet our foreign oil habit. The price this Nation must pay for foreign oil is mounting day by day. Some economists predict that imported oil from abroad could result in a net balance of payments deficit of $10 billion in less than 7 years. A $10 billion yearly drain attributable to oil imports by 1980 is a widely used figure, but some forecast even higher estimates. For example, the Chase Manhattan Bank predicts at least a $30 billion deficit by 1985 if America continues to sit back idly gorging itself on foreign oil.

But these are modest figures; a deficit of threefold this amount may be plausible as the price of oil increases.

The real significance of our Alaskan North Slope energy potential is not just the 2 million barrels a day that could soon be delivered through an Alaska pipeline. Nor is it the billions of barrels of proven reserves in the Prudhoe Bay field. Alaska has far greater reserves. Projections indicate that the North Slope has potential reserves of as much as 300 billion barrels. Thus some day we might achieve an Alaska production alone of at least 5 to 8 million barrels a day.

Consequently Alaska production could reduce our first round balance-of-trade outflows by at least $7 billion to $12 billion annually. Production at maximum rates could also materially strengthen our bargaining position with producing countries and increase our ability to meet any supply disruptions with minimum adverse economic consequences.

A trans-Alaska pipeline will provide the vehicle for the United States to reduce by one-third the amount of oil the United States will have to import.

I think that is particularly important because so many people point out that North Slope oil that is proved and produced at a rate of 2 million barrels a day would account for about 10 percent of our financial expenditures on petroleum. However, this statistic has been used incorrectly, it does not tell the true story. The right statistic is that the amount of oil now imported to America, 6.4 million barrels a day, can be reduced by one-third by using Alaska oil.

Without Alaska oil that can be brought to the lower 48 States quickly and efficiently, the United States will continue to leave itself open to harassment from a handful of Arab nations who will use America's oil weakness to their own selfish advantage.

Economists have suggested that the Arab governments, the largest producers of oil in the world, will be collecting as much as $40 billion annually from their oil reserves by 1980, up from less than $5 billion in 1970. Conversely, these same nations are expected to gain increased control over production and sales policies. Again, as the price of oil increases our energy bill will also increase.

If one assumes that the Arab oil-producing states can spend 50 percent of their annual oil revenues collected from the United States on economic development and investment, their resources of gold and foreign exchange will rise well over $100 billion in 1985. Taking into consideration that the entire world reserves currently amount to about $150 billion, it becomes obvious the extent to which their power and influence in international finance will grow.

If the Arab nations used these funds to build pyramids the case to some might not be so disturbing. But this is not the case. The Arab nations have been converting the dollars America pays for its oil into deutsche marks, Swiss francs and consequently driving the dollar to record depths on the international monetary markets thereby subverting the value of the dollar and playing havoc with the U.S. economy for their own selfish objectives.

The bill now before the Senate will provide the right of way for the trans-Alaska pipeline—a pipeline that will bring billions of barrels of oil to the lower 48 States and reduce dependence on foreign oil by one-third thus taking away from the Arab states the ability to play havoc with the dollar, damage the U.S. economy and disrupt the delicate international monetary system.

Indeed, Mr. President, the trans-Alaska pipeline not only means a stronger U.S. economy and a stable economy; it also means a stronger U.S. dollar abroad. It will help revive confidence in the dollar and not allow our currency to take the severe beating that we have witnessed just this last week and which is occurring again today. Energy is a vital part of the Nation's economy and the pipeline is the vehicle for insuring that this Nation receives the petroleum lifeblood that it so desperately needs.

Mr. President, I ask unanimous consent to have a series of articles prepared by the Governor of Alaska and published in the Hearst newspapers printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

EVERYMAN'S STAKE IN ALASKA PIPELINE DELAY

(By William A. Egan, Governor of Alaska)

On Alaska's North Slope, in just one field, there are upwards of 16 billion barrels of oil available to help meet our nation's critical energy needs. Construction of the Trans-Alaska pipeline to supply this oil to the nation has been stalled for four years, and a national energy emergency has been building that by now touches the daily life of every American.

This past winter in the United States, because of fuel shortages, some schools were forced to operate on partial weeks. Factories had to be shut down for brief periods. Water commerce on some of America's great rivers was halted temporarily. Airlines had to make intermediate stops to refuel on cross-country flights because fuel supplies were not sufficient for them to completely fill their tanks before departing New York. Gasoline for trucks and passenger cars, as well as heating and diesel fuels, are curerntly in scarce supply. With the vacation season just starting, motorists already are encountering shuttered gasoline stations.

TWO MILLION A DAY

That single oilfield on Alaska's North Slope, the Prudhoe Bay field, could at maximum pipeline production supply the nation two million barrels of oil daily—or about 730 million barrels (12 percent) of the current six billion barrel annual consumption.

Also of great importance, the Alaska oil production would replace about half of the 1.5 billion barrels of foreign oil being imported annually and thus would trim about $2.5 billion a year from the U.S. balance of payments deficit in money now being paid for foreign oil. This would help significantly in easing our nation's steadily increasing, and alarming, dependency on foreign oil.

TALKS TO BURNS

Arthur Burns, chairman of the Federal Reserve System, expressed grave concern about the growing monetary clout of the Arab states, due to their huge oil exports, when I talked to him earlier this year during a trip to Washington, D.C., to push for a start on pipeline construction. Alaskan oil coming into production, he said, would have a great psychological effect regarding possible Arab financial manipulations, because it would at least begin reducing our steadily increasing dependence on Mideast oil.

And, as Mr. Burns noted, Alaska is the only area in the nation containing oil reserves in the amounts necessary to have this kind of favorable impact.

ONE OF LARGEST

The Prudhoe Bay oilfield is one of the world's largest. It contains about 25 billion barrels of oil, with 16 to 17 billion barrels of that estimated to be recoverable, plus 26 trillion cubic feet of natural gas. Thus the field's worth, presuming a very conservative price of $4 a barrel when production begins, approaches $70 billion, plus another $26 billion for the natural gas.

There reportedly is speculation in the oil industry of there being 50 to 100 billion barrels of oil throughout the North Slope; and the late William T. Pecora, when he was undersecretary of the interior, estimated the slope's potential at 125 billion barrels.

A BIG SUPPLY

From the standpoint of total estimated reserves, as distinguished from estimated recoverable oil, Alaska contains overall, according to the U.S. Geological Survey, 600 billion barrels of oil in the entire United States.

Alaska is, indeed, an energy storehouse that can contribute greatly to the nation's security and financial stability.

From Alaska's standpoint, economic activity and employment opportunity during pipeline construction, plus oil revenues accruing to the state after it is completed, will serve to advance our state toward its destined role as a strong, full-fledged partner in the American union.

INCREASED ACTIVITY

It follows, also, that increased interest and activity regarding Alaska's numerous other natural resources will accompany the development of our huge energy reserves.

A social-impact study commissioned by the Alyeska Pipeline Service Co., which proposes to build the trans-Alaska pipeline, estimates that 18,000 new workers will be added to the state's work force during pipeline construction. The company expects to train 2,200 Alaska natives for jobs, with native villages being the primary source of hiring.

RESEARCH, PLANNING

Secondary employment in the service and supply industries is expected to raise the total work force to more than 25,000 during the peak construction years.

Both the state administration and the Alaska Legislature are engaged in research and planning work independent of the Alyeska-commissioned study so that the state will be able to guide the dramatic economic growth resulting from the pipeline project in an orderly manner.

As a young state, and after years of neglect as a territory, Alaska still faces great areas of need in improving the lives of its people—in housing, job opportunity, transportation, communications, in easing rural poverty, and many others.

We have made a good start toward meeting these critical needs, but unless we are allowed at an early date to proceed with the development of our North Slope oil resources, we will lose momentum in that effort for human betterment, and the state will face serious financial difficulties in the future.

REVENUE LOSS

The loss in oil production revenues to Alaska, because of the long delay in pipeline construction, already approximately $1.5 billion.

While it has not been generally realized across our nation, the revenue to be realized from the production of Alaska's rich petroleum resources was, from the very first, the financial keystone to Alaska's future as a state.

Congress, in approving statehood, was well aware of Alaska's potentially abundant petroleum reserves and its favorable action was, in fact, premised on those reserves being developed and the resulting revenues paying the new state's way so that it could become a strong and self-sustaining partner of the union.

Nearly $400 million has already been invested in the proposed trans-Alaska pipeline project, including more than $75 million that has gone directly for students, planning to assure environmental protection. Just by itself, the pipeline environmental impact statement prepared by the U.S. Department of the Interior during 2½ years of exhaustive work cost $12 million.

I have sensed during recent months a marked change in national sentiment toward the Alaska pipeline project. I sense a pronounced favorable attitude now for Alaska's position that the project must move ahead as soon as possible.

REASON FOR SHIFT

This encouraging shift in national sentiment, I would point out from my observations, is not from any lessening of the national commitment to environmental projection. It is, instead, from the standpoint of the nation's continuing and growing energy emergency. And it is from the increasing realization of just how seriously our huge oil imports are damaging the United State's monetary position internationally.

EVERYBODY WANTS TO GET INTO THE PIPELINE ACT

(By Alaska Gov. William A. Egan)

Schemes for transporting Alaska's North Slope oil to the nation have run the gamut. One letter writer some time back even urged that prison inmates from across America be marshaled along the 800 miles between Prudhoe Bay and Valdez, Alaska, to carry the oil out in five-gallon cans.

Any number of other plans, plus various alternate pipe line routes, were thoroughly evaluated by the Interior Department during the years of its exhaustive study which established the trans-Alaska pipeline route as the superior route.

Among these were schemes for aerial tramways or elevated conveyors such as those suggested by Brown Enterprises of Scottsdale, Ariz., and more recently by Alexander Nylan of Dover, Mass., in a presentation to a congressional subcommittee. In the pipeline environmental impact statement, the Interior Department concluded that suspended systems such as these "would be generally more vulnerable to earthquakes, landslides, and floods than would be buried pipelines."

A recurring suggestion has been that a railroad be built to haul North Slope oil. With all due regard for the seriousness and sincerity of those promoting this idea, I just honestly cannot conceive how oil in the large volumes that will be involved in North Slope projection could be moved safely and dependably by rail.

$3 MILLION STUDY

A proposal for a railroad from the North Slope to Whittier, Alaska, underwent thorough evaluation costing $3 million in a study that was financed by the state of Alaska and the United States government. I especially recall one conclusion of that study when it was describing the kind of hectic activity that would be involved in keeping the required numerous trains on the move so that necessary schedules could be maintained.

"Rapid unloading," it said, could be accomplished in-motion by discharging crude oil into a continuous trough between the rails."

The study envisioned a total of 42 trains, each made up of five locomotives and * * * tank cars, being dispatched daily on a railroad with 120 high-speed sidings so that trains could "roll off and onto the main line quickly as opposing traffic demanded." Even so, such a system would handle only slightly more than half of the oil that the trans-Alaska pipeline will carry at maximum production.

STAGGERING LOGISTICS

The required logistics of any such plan are indeed highly staggering, even beyond belief. The risk of environmental disaster would be ever present with that much rolling stock and the opportunity it would present for equipment malfunction or failure, under the stress of high speed travel, which could cause accidents and even derailments.

'In contrast, the trans-Alaska pipeline will be buried where possible. It will be out of sight and protected, with the ground above it being replanted to prevent erosion and restore esthetics. And the sections above ground, to assure environmental protection through areas of extra heavy permafrost, will entail far less mileage of altered landscape than would construction of a railroad.

The lingering suggestion that North Slope oil be transported to market by a pipeline built through northern Canada to Edmonton, Alberta, is one that, despite the continuing clamor of those newly discovering it, does not realistically exist at the present time. That routing, as well as presenting potential environmental problems far greater than any encountered on the trans-Alaska route, is just not economically rational. Further, no application has been made for a Canadian oil pipeline route, and no one has seriously proposed to build a trans-Canada line.

Only a very preliminary feasibility study exists on the suggested use of a Canadian route. This study, which was recently analyzed by the Alaska Environmental Conservation Commissioner Max C. Brewer, indicates that investigation of a Canadian crude oil pipeline is at the approximate stage that TAPS, the predecessor to Alyeska Pipeline Service Co., was in late 1969.

That, of course, was when the United States federal interagency task force, coordinated by the Interior Department, presented TAPS with its long list of penetrating environmental and engineering questions and forced a real study, particularly as regards permafrost, of the trans-Alaska pipeline route.

Thus, the massive amount of work that has since been completed to assure environmental protection for construction and operation of the proposed Alaska pipeline would still lie ahead for a Canadian route. Completion of the Alaska line, presuming work gets under way next season, is no more than four years away. In contrast, the time frame necessary for a Canadian line is 10 to 11 years, which would further delay the movement of Alaskan oil and further heighten the nation's energy crisis.

EXPERT ON ARCTIC

Commissioner Brewer is, as former director of the Naval Arctic Research Laboratory at Barrow, one of the world's true experts on the Arctic and on permafrost. He reports that the preliminary Canadian feasibility study "does not provide an analysis of the effects, including damages associated with construction activities, on the environment posed by the construction of such a pipeline although it does provide a general listing of the vegetation and wildlife to be encountered. . ."

He also reports that it "does not provide an analysis of the engineering difficulties to be encountered" and notes that in the Canadian study it is stated that stipulations imposed on TAPS "were not rigidly applied where there was felt to be a rational basis of departure."

Commissioner Brewer adds that "the impression is given that this is a pipeline project to be conducted by pipeline companies. There is no indication of planning for either governmental review or supervision of either engineering plans or environmental protective measures in the proposed (Canadian) project."

ROUTES COMPARED

The proposed Alaska pipeline will be 789 miles long, where a Canadian line would be 1738 miles long. The Alaska line will cross 355 miles of continuous permafrost and 375 miles of discontinuous permafrost. The Canadian equivalents, as envisioned in the preliminary feasibility study, would be 482 miles and 918 miles, for a total of 1400 miles of Canadian route permafrost or almost double the 730 miles on the Alaska route.

The preliminary Canadian study, Commissioner Brewer concluded, "does not offer a plan that is safe from an engineering standpoint or that is even minimally environmentally acceptable for an Arctic area in either Alaska or Canada, particularly a Canadian area having such a multitude of major northward-flowing streams and such a richness in wildlife propagation habitat."

In contrast, detailed design and redesign work filling 29 volumes has been completed for the proposed Alaska pipeline and filed as a project description with the Interior Department. Route selection, surveying and testing have been readied for the construction phase. The procurement of pipe and equipment has been accomplished.

NEGOTIATIONS PROCEED

Time-consuming negotiations and agreements prerequisite to the project have been kept apace of circumstances. Months of study were invested in the Alaska project prior to the filing of an application. Months of subsequent review by governmental agencies have been completed. The laborious process of preparing a final environmental impact statement has been finished. These are all steps which would have to be duplicated if a Canadian line were to be undertaken.

Years of production would be lost in switching over from a largely completed trans-Alaska program to a trans-Canada program which has yet to jell into a specific concept. Those lost years are an unacceptable sacrifice considering the growing urgency of our nation's energy crisis.

ALASKA OIL CORE WORK

(By Bill Rintoul)

Alaska's Lower Cook Inlet will be the scene of a coring program this summer that'll help set the stage for an eventual lease sale in the highly-regarded offshore area.

The Lower Cook Inlet, embracing approximately 400 square miles, is regarded as one of the likeliest places for future Alaskan discoveries.

Exploration Services Co., Inc., Anchorage, will conduct the 45-day coring program for a group of companies said to include most, if not all, of those with interests in the Upper Cook Inlet.

The coring vessel will be the Heron out of Seattle, owned by Associated Marine Services. The vessel, a converted Navy net tender, has been outfitted with over-the-side coring equipment from La Ciencia, a pioneer of early offshore work off California. It'll be supported by La Ciencia as anchor vessel.

Geologically, the lower inlet is said to be similar to the upper inlet, where four offshore oil fields have been discovered as well as one onshore field. The fields have produced about 484 million barrels, or approximately half the estimated recoverable oil.

Ownership of offshore oil and gas rights in the lower inlet is under dispute between the State of Alaska and the Federal Government.

Late last year the U.S. District Court in Anchorage ruled the lower inlet is a historical bay belonging to Alaska rather than an arm of the ocean belonging to the Federal Government. The Federal Government has announced plans to appeal, and it's expected the case eventually will be decided by the Supreme Court.

When the courts finally decide who owns the lower inlet, it's expected that the owner—either the State or the Federal Government—will move rapidly to hold a lease sale. It's no secret that seismic work in the lower inlet has turned up interesting structures.

ALASKA'S OIL AND SEA—ANTIPOLLUTION PLANS

(By Alaska Gov. William A. Egan)

The navigational safety aids and procedures planned for the tanker segment of the route proposed for transporting Alaska's North Slope oil to the nation are extensive and impressive. Careful and detailed planning is going into this part of the planned operation and I am convinced that attention to environmental protection on the tanker route will be unprecedented.

Under the Ports and Waterways Act of 1972, the U.S. Coast Guard has far-reaching authority to exercise very positive control over the movement of oil by means of water transportation.

This includes not only the responsibility for providing safe and complete navigation systems but also the establishment of tanker routes and participation in the design of tankers. It even extends to the design of oil transfer valves aboard ship and for terminal loading and unloading operations.

The Coast Guard is working closely with shipbuilders and terminal operators so that the exacting provisions of this 1972 federal law will be fully implemented to assure the safe shipment of Alaska oil by tanker to the West Coast, after it is transported to Valdez through the proposed trans-Alaska pipeline.

CONTROL SYSTEMS

Very comprehensive control systems for tanker traffic have now been put in operation in Houston, San Francisco, and Puget Sound, and the valuable experience and expertise gained from those will be available in establishing the navigation and traffic control systems for the Alaska tanker route.

The new tankers being built to carry Alaska oil to the West Coast will have separate ballast compartments. Therefore, any ballast water taken on for vessel stabilization in rough seas will come in contact only with clean metal, as opposed to the practice of taking ballast water into empty oil tanks in vessels which do not have separate ballast compartments.

Thus, the risk of pollution through ballast dumping will be eliminated.

As an added measure, the state of Alaska has strict laws against the dumping of oily ballast or bilge waters.

It should also be noted that these new vessels being built are, by no stretch of the definition, in the "supertanker" class as they are prone to be described in news accounts. The largest ones will be 120,000 deadweight ton vessels, only slightly larger than many vessels which have put in regularly over the years at the West Coast ports where the new vessels will call. Others will range in size down to 45,000 tons.

THREE PORTS

Further, their arrivals will be distributed among three West Coast ports and, thus, the volume of traffic will not be unduly increased at any one of the three. The amount of oil destined for Puget Sound's Cherry Point Refinery north of Seattle, for example, will require only 25 tanker arrivals per week. Nine arrivals per week are scheduled for San Francisco and just under nine per week for Los Angeles.

I think the United States Congressman Lloyd Meeds, of Washington state, has a very valid point when he said recently that an oil line across Canada to transport Alaska's North Slope oil to the lower states might cause more tanker traffic on Puget Sound than the proposed Alaskan pipeline/tanker operation would.

Congressman Meeds pointed out that any trans-Canada line would have to have a spur line to the Cherry Point refinery, in order to serve increasing West Coast petroleum needs, and tankers would then load oil at Cherry Point, involving larger amounts and more arrivals and departures, to haul it on to the other West Coast destinations.

The same reasoning would apply, of course, to any plan proposing to bring the total volume of North Slope oil through British Columbia, such as British Columbia Premier David Barrett's railroad proposal, for further delivery on down the line to West Coast ports.

PRECAUTIONS

That such further delivery would have to take place is inevitable when we consider that the West Coast oil-using region (District 5) will be needing an additional 2.4 million barrels of oil a day by 1980, about the time North Slope production would begin flowing through the trans-Alaska pipeline if expeditious action is taken now to allow the project to proceed.

Regarding the tanker route down to the West Coast from the proposed trans-Alaska pipeline terminal at Valdez, Alaska, the vessels will use sea lanes far out in the ocean and far distant from any coastline. For much of the way this distance away from the coast will be 175 miles, for most of the way it will be 100 miles or more, and even on almost all of the approach to Puget Sound it will be 50 miles away from shore. These vessels will not traverse British Columbia waters.

We in Alaska are just as determined as are British Columbians and our fellow Americans on the West Coast that our beautiful coastline not be exposed to the risks of pollution. And, in conjunction with various federal agencies and the oil industry, we are taking steps to insure in every way humanly possible that it will not be.

THE SYSTEM

At Valdez, on the Alaskan end of the tanker route, similar equipment and procedures to the ones I have discussed above will be employed to insure safe loading at the terminal there.

On the approach to Valdez, plans call for tankers to come under control of the Valdez terminal communications center when they reach Cape Saint Elias—well before entering Alaska's Prince William Sound. An approaching tanker's captain will at that point be informed by the Valdez control center whether he can directly proceed through Prince William Sound, or whether he is to reduce speed or anchor at a designated point and wait for traffic lanes to become available.

Through Prince William Sound, inbound and outbound tankers will use separate traffic lanes. Then through Valdez arm leading to the Valdez terminal, only one vessel at a time will be permitted.

In addition, all tankers will take pilots aboard when they enter Prince William Sound. All vessels loading at the Valdez terminal must also, under terminal requirements planned as of now, be equipped with depth finder, radio directional finder, LORAN position finding system, two independent radar systems, UHF and HF and single-sideband radio as well as radio telegraph, and must be capable of ship-to-ship and ship-to-shore communications.

I am convinced, as all of this various attention to navigational aids clearly shows, that the tanker operation from Alaska to the West Coast will be a model for the world as regards operational safety and environmental protection. And I can assure fellow Americans that the state of Alaska will continue to insist that everything must be done to further refine and improve safety measures to the very last degree it is possible to achieve.

ALASKA OIL WITHIN EASY REACH

(By Alaska Gov. William A. Egan)

It is obvious now to all Americans, whether or not some of them may feel sincere uncertainties about why the problem is upon us and how best to overcome it, that our nation is feeling the first staggering blows of a very real energy crisis.

It is touching the daily lives of everyone who in some way, personally or through the use of public facilities, depends on gasoline and other fuels currently in scarce supply.

That our energy crisis is genuine is clearly evidenced by the reaction in some quarters—specifically the idea that we should now, in an emergency situation, stop everything and map out an overall national energy policy, and the lingering suggestion that we should spend additional years of delay in futile further study of how Alaska's North Slope oil should be transported to the lower United States.

CRASH COURSES

Such crash courses of inaction, diversionary action, are never wasted on imaginary problems. They are taken to avoid facing a real problem which people hope will just go away if given enough time.

However America's energy emergency is not just about to go away. All indications point to more of the same for the future.

The attendant ramifications are a steadily increasing dependency on foreign oil which, before too much longer, will reach truly alarming proportions and, in turn, a worsening U.S. balance of payments deficit due in part to money being paid for foreign oil.

There are immediate steps which can be taken now to help ease the nation's energy crisis which are entirely in concert with long-range, overall energy planning. One step is the expeditious development, stalled for four years now, of Alaska's Prudhoe Bay oil field on the North Slope of the 49th state.

In just that one field, there are upwards of 16 billion barrels of oil available to help meet America's critical energy needs. Further, the proposed trans-Alaska pipeline which would carry this Alaska oil to market has been exhaustively studied and planned to assure environmental protection and the project is ready to move ahead now.

Necessary actions for this to the federal 1920 Minerals Congress of an amendment to the federal 1920 Minerals Leasing Act to allow sufficient right-of-way width for the Alaska pipeline, and a favorable court ruling on the adequacy of the environmental impact statement that was prepared at a cost of $12 million by the U.S. Department of the Interior.

In addition some $60 million of private funds invested in the project so far has gone directly for studies and planning to assure environmental protection. Overall, nearly $400 million has already been invested in the proposed Alaska pipeline.

Route selection, surveying and testing have been completed leading up to the construction phase. The procurement of pipe and equipment has been accomplished. Given a final go-ahead reasonably soon, the trans-Alaska pipeline could be completed and supplying oil to the nation in three to four years.

However, some contend the Alaska proposal be postponed for a year's study while considering a trans-Canada route stretching two and one-quarter times the length of the trans-Alaska route. This would pose far greater potential environmental problems over that much longer distance.

Yet another year's delay would be only the beginning where a Canadian pipeline route is concerned. A definitive study by the state of Alaska, the major findings of which have been presented in earlier articles of this series, places the total possible delay more likely at 11 years in the tragic event a Canadian route was decided upon.

This would be so because, on top of the financing problem, a Canadian pipeline proposal would run into a maze of Canadian legal and political complexities as well as requiring an involved international agreement between the United States and Canada.

That state study also shows that the Alaska pipeline, with its seven-year time advantage, could supply the nation 3.4 billion barrels of oil prior to the time oil could even begin to flow through a Canadian pipeline.

And it shows that a Canadian line would not, as has been contended, bring low-price North slope oil to an energy-hungry Midwest.

To the contrary, the much higher cost for a Canadian line because of the far longer distance involved would increase the per-barrel cost of sending Alaska oil to the Midwest by at least 76½ cents over the cost of sending it to the West Coast. That would price the oil out of the Midwest market.

Also, because Canadians have made it clear they will pre-empt 50 percent of pipeline capacity for their own oil, our nation not only would lose, through a Canadian line, half of the Alaskan oil that it would receive through the trans-Alaska pipeline; it would stand to lose that amount of oil period.

Finally, because during the first years of oil production at Prudhoe Bay the natural gas will be re-injected to maintain field pressure for maximum recovery of oil, the much longer time frame for a Canadian oil line would delay the movement of North Slope natural gas to the Midwest and other areas that critically need it.

Oil production, because of the re-injection process, must necessarily precede natural gas production by several years.

AGGRAVATION

We can clearly expect years of continuing aggravation of our energy emergency if a Canadian route is chosen to move the first large volume of North slope oil to the lower states. The proposed trans-Alaska route is the only one that will help us ease our immediate energy needs in a logical manner.

There is no doubt in my mind that our country should develop a comprehensive policy regarding the development, transportation, marketing and consumption of energy. But I am also convinced that, to the extent that our efforts block the existing scheme of decision making while that new policy is forged, the crisis will explode in our faces.

We need an interim energy policy that makes sense in terms of existing conditions. The proposed trans-Alaska pipeline fits logically into that needed interim policy.

PROBLEMS RESOLVED

Opposition to the Alaska pipeline in the courts and in Congress was initially predicated on natural environmental problems. Those problems, I believe, have been resolved through diligence in further research and refinement of the pipeline proposal.

And most concerned Americans would, I believe, be similarly convinced if they had the time to examine the results of that massive research and refinement undertaking.

Opposition to the trans-Alaska pipeline has now switched to an argument that attempts to oppose one regional economic interest against another.

The conflict is a false one.

The whole nation will lose if the trans-Alaska line is not allowed to proceed soon because of the illusion of sectional benefit. The debate has frozen the urgently needed oil resources of Alaska's North Slope too long already.

It is time to get on with the job.

Mr. STEVENS. Mr. President, following my trip to Canada with other Members of Congress, I submitted a report to the Senate on our conference with Canadian officials. This statement set forth clearly my understanding of the Canadian position. It included some articles from the newspapers published in Ottawa which also, I think, were very clear concerning the statements made by Canadian officials.

Subsequent to a comment concerning that visit by a Member of the House, I again addressed myself to the Canadian point of view and wrote a letter to the Washington Star. I ask unanimous consent that my report to the Senate on the Canadian meeting and my letter to the Star be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REPORT TO THE SENATE ON CONFERENCE WITH CANADIAN OFFICIALS

Mr. STEVENS. Mr. President, I have just returned from Ottawa, Canada, where I joined six other Members of Congress in participating in a meeting organized by the Canadian Parliamentary Center for Foreign Affairs and Trade. This is a private Canadian organization, partially funded by the Parliament of Canada.

During this meeting, it was a privilege to meet with the Honorable Donald Macdonald, Minister of Energy, Mines, and Resources, and the Honorable Jean Chrétien, Minister of Indian Affairs and Northern Development. We also met with Canadian officials who deal with Canada's National Energy policies and the problems of Canada's energy supplies. In addition, we met with Canadian newsmen and leaders of Canadian industry. I have attached a list of those with whom we met to this statement—the list is not all inclusive because we met additional Canadian officials—from Parliament and the Federal Government—and other distinguished Canadians at social gatherings hosted by Adolph Schmidt, American Ambassador to Canada and Mr. William H. Johnson, Deputy Chief of the U.S. Mission of the U.S. Embassy in Ottawa.

Mr. President, I ask unanimous consent that the list be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CANADIAN PARLIAMENTARY CENTER FOR FOREIGN AFFAIRS AND TRADE

CANADA

In Attendance—June 1, 1973

A. Brown—Coal Section, Energy Development Sector, Department of Energy, Mines and Resources, Ottawa.

J. Read—Coal Section, Energy Development Sector, Department of Energy, Mines and Resources, Ottawa.

O. J. C. Runnalls—Senior Adviser, Uranium and Nuclear Energy, Department of Energy, Mines and Resources.

W. H. Hopper—Director, Energy Policy, Department of Energy, Mines and Resources.

Wm. A. Scotland—Senior Adviser Oil & Gas—Canada-U.S., Department of Energy, Mines and Resources.

R. B. Toombs—Senior Advisor, Oil & Gas—Canada, Department of Energy, Mines and Resources.

G. M. MacNabb—Senior Assistant Deputy Minister, Department of Energy, Mines and Resources.

Douglas M. Fraser—Vice-Chairman, National Energy Board.

R. Priddle—Director, Oil Policy Branch, National Energy Board.

A. Boyd Gilmour—Assistant Director, Economics, National Energy Board.

R. L. Borden—Chief, International Resources, Industry, Trade and Commerce.

D. W. Fulford—Director, Transport, Communications Division, Department of External Affairs.

R. G. Blackburn—First Secretary, Canadian Embassy, Washington.

E. W. Humphrys—Senior Electrical Advisor, Energy, Department of Energy, Mines and Resources.

Peter Dobell—Parliamentary Centre, Ottawa.

RESUMPTION OF REPORT

Mr. STEVENS. Mr. President, no formal statements were made in those meetings, and again I emphasize they were organized by the center under the guidance of Peter Dobell, a distinguished former member of the Canadian Foreign Service. However, I have decided to set forth for the Senate my impressions of these meetings and my conclusions based upon them. Obviously, these meetings were important to our future deliberations regarding pipelines and transportation of oil or gas from the Alaskan Arctic to markets in the "South 48."

At the outset let me state that the most important consideration in the determination of the merits of the Alaskan route for the pipeline as compared to the Canadian route is time, and, as a result of this meeting, it is clear to me that Canadian officials agree with Secretary Morton that it will take 3–5 years longer to construct an oil pipeline through Canada than it will through Alaska.

This conclusion is inescapable from the following minimum timetable the Canadian officials outlined for the oil pipeline:

First, the National Energy Board of Canada will be prepared to accept applications for a pipeline at the end of this year.

Second, it would take Canadian industry about 1 to 2 years to prepare an application for the Canadian right-of-way and a certificate of convenience and necessity. The right-of-way application is filed with the Department of Indian Affairs and Northern Development; the certificate of convenience and necessity must be obtained from the national energy board—there would also have to be an application to the U.S. Department of the Interior for the portion of the right-of-way in Alaska and an application to the Federal Power Commission in the United States. It was repeatedly emphasized that nothing could be done by Canadian officials until such an application was filed.

Third. The NEB would take from 1 to 2 years to review any applications filed with it—and would, in all probability, have public hearings on such an application. The Department of Indian Affairs and Northern Development would probably appoint a three man commission to review any application for a pipeline right-of-way—this would take at least 1 year.

Fourth. Highly important in this problem of delay if the Canadian route were selected for the pipeline is the issue of Canadian native claims. Canadian natives have claimed that two treaties dealing with their rights are invalid. In addition, we were informed that Canadian Eskimos have not been the beneficiaries of any treaty; consequently, Canadian Eskimos most certainly have claims that must be dealt with.

Industry representatives told us that no corporation would proceed with a pipeline until the Canadian natives' claims were resolved by the House of Commons—and in doing so, they emphasized that the question goes beyond the validity of any right of way, it also goes to the validity of the oil and gas leases issued to the industry in the Northern Territories.

In other words, the 3 to 5 years delay in the time to obtain authorization of the Canadian oil pipeline right of way and certificate of necessity does not include any of the unforeseeable delays in the processing of the two applications—and, in particular, it assumes that there will be no extraordinary delay in the processing of the Canadian native claims. The United States experience does not support the conclusion that this is either rational or reasonable. As one who was deeply involved in the Alaska Native claims issue I feel that the progress which is being made in Canada on this issue, despite the assurances of the Minister of Indian Affairs and Northern Development, does not warrant a conclusion that the Canadian native claims will be disposed of preemptorily. And, attached to this statement is an excerpt from the testimony I gave to the Senate Interior Committee on this subject on May 2, 1973 and the statement I made to the Joint Economic Committee on June 22, 1972.

Mr. President, I ask unanimous consent that the excerpts be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD.

EXCERPT FROM STATEMENT OF SENATOR TED STEVENS BEFORE THE JOINT ECONOMIC COMMITTEE ON JUNE 22, 1972

One of the most important developments which would likely delay any proposed trans-Canada oil pipeline is the land claims of Canada's Native population. In recent years the northern Natives of Canada have organized to press for settlement of their treaty and aboriginal rights, much as Alaska Natives did in the recent past.

In 1968, Canada's Indian population numbered over 237,000, although most of this number have assimilated into Canadian life and live in the more urban provinces. Nevertheless, many groups still have outstanding land claims with the federal government. In 1899 and 1921, Treaties 8 and 11 were negotiated with the Indians of the MacKenzie District in the Northwest Territories, but were never enacted. With other Indians no treaties were ever enacted at all. Finally, with a third group of Indians, no treaties were entered into, in spite of understandings that such treaties would be negotiated. In 1912 complementary federal and Quebec statutes effected a northern extension of the boundaries of the Quebec province. However, although provisions in both statutes record Quebec's recognition of the rights of the Indian inhabitants of the region and its pledge to obtain surrender of such claims by some kind of settlement, no settlement was ever negotiated.

Thus, the claims of the various groups of Canadian Natives vary considerably. The judicial success of Canadian Indians whose ancestors were promised a settlement but which was never negotiated has been very slim. (See MacGuigan, Mark R., "Human Rights and the Native Peoples of Canada" 46 Canada Par Review 695–711 (1968)).

The treaties signed in 1899 and 1921 with the Indians of the MacKenzie District of the Northwest Territories (the area, it should be noted, through which the proposed oil and gas lines would travel) granted the Indians one square mile of land for each family of five. However, these obligations were never fulfilled. A large part of the 8,000 or so Indian population in the Northwest Territories is covered by these two treaties.

In 1959 a Royal Commission was appointed by the federal government which recommended an alternative to granting the land in the form of the payment of $25 million, plus the annual payment of one-half of one percent of any revenues received by the Crown for mineral, gas, and oil reserves in the area of the treaties. This recommendation also was never implemented.

Finally, other Indians are expected to seek settlements on the basis of aboriginal rights, the foundation for the claims of Alaska's Natives. This would include the Eskimos of the Arctic regions and the Indians of the northern Yukon, particularly those in the path of the proposed pipelines from Prudhoe Bay. Most of Canada's present Eskimo population of 15,000 resides in the Northwest Territories and possesses only aboriginal claims.

By legislation enacted in 1965, the Department of Indian Affairs and Northern Development was formed on the federal level with the responsibility of administering Indian Affairs.

The Northern Natives of Canada have at present organized three groups to settle treaty and aboriginal rights. The largest and best organized group is the Indian Brotherhood of the Northwest Territories. The Brotherhood is composed of Treaty Indians who presently live on reservations and receive a stipend from the government.

The second group is the Inuit Tapirisat which consists of Eskimos and also receives governmental assistance.

The third group is the Committee for Original Peoples Entitlement (COPE) consisting of Eskimos, Metis (part Native, part white), and non-treaty Indians i.e., Indians who have left the reservation and no longer receive governmental funds).

The Canadian government has not taken a positive position toward the various treaty and aboriginal claims of Canada's Indians. Prime Minister Pierre Trudeau is on record as stating that the Indians' claims should be dealt with on their legal and not on a basis of moral rights—a statement indicating that he is prepared to deal with the treaty Indians, but not the non-treaty ones—the Eskimos and the Metis. (Oilweek, April 10, 1972).

Moreover, Jean Chretien, Minister of Indian Affairs and Northern Development, in a May 18, 1972 appearance before the House of Commons declared that his government was "prepared to abide by the treaties and we have offered two options to the Indians; either their lands or a compensation. They have not made a choice." (House of Commons Debates, 4th Session, 28th Parliament, May 18, 1972, Vol. 116, P. 2384). Thus, it seems obvious that the Canadian Government is not willing to go beyond its original 1899 and 1921 treaty obligations concerning land allotments, or the settlement figure of $25 million proposed in 1959.

Likewise, Mr. Chretian, in another dialogue this very month (June 5, 1973) in the House of Commons with Robert Stanfield, leader of the Opposition, declared that, although his government was prepared at any time to fulfill its treaties with the Indians of the Northwest Territories, that it intended to proceed with its plans for the development of the North without any effort to settle the question of aboriginal rights. Mr. Chretien declared that only if the Supreme Court of Canada gives a ruling directly with regard to aboriginal rights would the government "take the situation in hand and decide what ought to be done." (House of Commons Debates, 4th Session, 28th Parliament, June 5, 1972, Vol. 116, p. 2836).

The activities of the three Indian groups, however, indicate that they will not accept the present offers of the government, but will press for a settlement to include compensation for their aboriginal claims. Indeed, all of the various chapters of the Indian Brotherhood have refused to meet with the Indian Claims Commissioner regarding settlement of their treaty rights.

The successful efforts of the Alaska Federation of Natives in obtaining a generous settlement of 40 million acres of land, $500 million in each, and gas and oil royalty payments up to another $500 million have served as a highly instructive model for the Canadian Indian groups.

The declared aim of all three Indian groups is at present "no settlement, no pipeline!" (*The Financial Post*, Toronto, April 15, 1972), referring to the proposed oil and gas pipelines down the MacKenzie Valley. The groups plan to go to court to halt construction of any such pipelines if they begin before the Natives have received the kind of settlements they are seeking to both their treaty and aboriginal claims. Thus, obstructing law suits are planned to block any such projects, much as the law suit filed in April, 1970, by five Alaska Native villages resulting in an injunction barring the Secretary of the Interior from issuing a pipeline permit.

It can be expected that the legal battles involved with any such litigation could reach to the Canadian Supreme Court. At present, lawyers for the groups representing treaty Indians are researching the expectations and understandings of the Indians who signed the 1899 and 1921 treaties to portray their belief that the wording of the treaties might not have represented what the signing chiefs thought they were approving. The non-treaty Indians, on the other hand, are trying to win acknowledgment that their aboriginal claims are indeed valid. The fact that the U.S. Congress explicitly acknowledged the validity of similar claims by its passage of the Alaskan Natives Claims Settlement Act last December should provide important legal precedent in this regard.

Also it should be noted that concern has grown greatly in this country with the manner in which our Indian population was treated in past eras. This growing sentiment can be seen visibly by comparing the generous settlement terms which the U.S. Congress finally accepted as part of Alaskan Native Claims Settlement Act and the provisions of a similar bill in the 91st Congress which passed the Senate but not the House of Representatives. That bill passed only 16 months earlier, offered the Alaskan Natives only 11 to 15 million acres of land and $1 billion compared to the 40 million acres and $1 billion agreed to 16 months later. In short although the Canadian government may not now be prepared to accept the validity of the aboriginal claims of its Natives, political reality and public opinion may force it at a later date to accept these claims at a much higher, more costly settlement figure than it could now negotiate.

In summation, the Native groups of Canada are now organizing to press for the settlement of their treaty and aboriginal claims. Whether they can build up sufficient public support and develop the legal arguments necessary for blocking a trans-Canada pipeline until their claims are settled to their satisfaction is impossible to forecast. However, it does seem plain that Canada's Natives, drawing upon the experience of Alaskan Natives, should be able to significantly delay the construction of any pipeline through Canada, be it oil or natural gas.

EXCERPT FROM STATEMENT OF SENATOR TED STEVENS

Recent reports confirm the seriousness of the Canadian Land Claims. It is now apparent that Canada's northern natives have launched an all out drive to establish their right to land. The key element of this drive is native opposition to government approval of construction of a MacKenzie Valley pipeline. With the cry of "no settlement, no pipeline" (The Financial Post, Toronto, April 15, 1972) Canada's natives have raised this issue, which the United States has just taken 15 years to resolve. The Prime Minister of Canada has recently agreed to negotiate treaty claims with the Indians for a cash land settlement, including perpetual royalties on natural resources. However, Mr. Trudeau at the same time refused to say definitely that aboriginal rights existed legally. These treaties involve nearly 7,000 Indians in the territories. 13,000 Eskimos have no treaties, nor do 5,000 Metis, living side by side with the Indians in the MacKenzie area. In any event, the Indians want to do more than just negotiate their treaty claims, and rightfully so. They are organizing with the Eskimos and Metis to settle their aboriginal land claims. It took this country five years to settle Alaska's native claims. The natives of Canada have watched Alaska's 60,000 natives win a 962.5 million dollar cash and royalty payments settlement plus title to 40 million acres of land. Any major proposed trans-Canada pipeline from Alaska to the Lower 48 would have international repercussions that the Canadian Natives could rightfully use to gain additional leverage. By the same token, such Canadian native land claims would doubtless delay the construction of any trans-Canada pipeline.

Another potentially serious setback for the pipeline is court action recently taken by the Northwest Territories Indian Brotherhood that has imposed a temporary land freeze on the thousands of square miles of treaty lands there. The Indians sought an injunction against any land disposal in the 400,000 square miles area until their land claims settlement is reached. The territorial Supreme Court imposed a three month land freeze until a ruling on the injunction can be handed down. This lawsuit is breaking new legal ground and is apparently an issue of first impression in that jurisdiction. But if the injunction is issued by the Supreme Court of the Northwest Territory, a long term land freeze will probably result.

In his testimony before the Joint Economic Committee, Mr. Donald Wright, the President of the Alaska Federation of Natives, stated:

"We have learned from hard experience that it is imperative to settle the question of aboriginal land rights prior to the construction of any pipeline. The resolution of this issue in Canada is still in its early stages and nothing should be done to undermine its opportunity for successful resolution. To advocate a trans-Canada pipeline must include as its premise a fair settlement of Canadian Indian land claims prior to any construction taking place. Based on our experience in the United States, this willl require a number of years of careful and thorough negotiation, perhaps even litigation."

And this is only one major delay. A trans-Canada pipeline would raise significant environmental issues where there is currently no established form for dealing with them and could involve regulatory and jurisdictional delays beyond any reliable estimate. Recently Canadian Arctic Gas Limited President Vernon L. Horte expressed confusion on Canadian federal hearing procedures for the construction application.

The Northwest Territories Minister of Indian Affairs and Northern Development, Jean Chretien, stated that his department will require a separate hearing from that of the National Energy Board. In his speech of March 15, Mr. Chretien stated:

"The Council of the Northwest Territories has formally given its support to the construction of a systems corridor—including a pipeline through the Mackenize Valley, provided there is involvement of the N.W.T. Government, optimum employment of northerners, compensation to anyone adversely affected and adequate protection of the environment. . . .

"I have decided that public hearings will be held under the Territorial Lands Act at an appropriate time after the Department receives an application for a pipeline right-of-way covering Crown lands which are within the Territories and under my administration as Minister of the Department of Indian Affairs and Northern Development.

"The purpose of this enquiry will be to assess the regional, socio-economic and environmental implications arising out of the construction and operation of a major pipeline in the Territories.

"These hearings will be held in addition to those required by law under the National Energy Board Act subsequent to an application of the NEB for a Certificate of Public Convenience and Necessity . . .

". . . any application to my Department for a pipeline right-of-way must be based on a viable project proposal and must further be accompanied by detailed documentation of research pertaining to those areas of social and environmental concern enunciated in the Government's Guidelines for Northern Pipelines.

". . . It is my intention to ensure that any hearings under the Territorial Lands Act are structured in such a manner that all those interested in the project at the time would have an adequate opportunity to be represented and to make their views known. In order to ensure that northern residents, especially the native people, can make a contribution, I would expect that the hearings would be held in part at least in northern centres particularly those closest to the proposed pipeline routes."

A national energy policy for Canada, which may come within the next few months, must be determined before any hearings on the pipeline project will be scheduled. In fact, Mr. Horte, the President of Canadian Arctic Gas Limited, expressed concern that the trans-Canada project might be delayed long enough to require North Slope natural gas to be shipped down through Alaska.

Mr. STEVENS. Mr. President, it is important, I feel, to try to interpret the statements and actions of our Canadian friends and neighbors from their point of view. In the first place, Canada has sufficient oil reserves to meet her future demand. Canada has at least 10 billion barrels of known petroleum reserves and an estimated potential of 120 billion barrels. Canada produced 493 million barrels in 1971 and exported 308 million barrels to the United States in that year. Canada's natural gas reserves indicate a more positive picture. Canada estimates proved reserve at 53 trillion cubic feet, with potential reserves at 725 trillion cubic feet of gas. Canada produced only 2.5 trillion cubic feet of natural gas in 1971 and exported 0.9 trillion cubic feet of natural gas to the United States in that period.

No significant oil discoveries have been made in Canada's McKenzie River area—on the contrary, significant gas discoveries, not included in Canada's gas potential of 725 trillion cubic feet of gas have been made in the McKenzie River area. Clearly, the Canadian national interest lies in the transportation of natural gas—not petroleum.

The major national issue involved in the Canadian appraisal of the Alaskan pipeline is the potential tanker traffic to the Puget Sound with Alaska crude for refineries in Washington State. It was made very plain to me that the Canadian National Government was prepared to commit western Canadian, low sulfur—sweet—crude oil to the Puget Sound to obtain an agreement from the United States that supertankers would not serve Puget Sound. This is an offer we may not be able to refuse.

It is clear that tanker traffic is now a potential political hazard for the Trudeau government. Canada has indicated it will send a note to the United States protesting the proposed tanker traffic to serve the Eastport, Maine, refinery.

This proposed tanker traffic and that proposed for the Puget Sound appears to me to be more of a political reality than a potential environmental risk—and, we should not ignore the implications in such a political risk.

Most significantly, the Canadian Government has enunciated another problem with political and economic considerations. It is apparent that the Canadian Government would not permit an oil pipeline and a gas pipeline to be constructed simultaneously through Canada to transport Alaskan oil and gas to U.S. markets. It was pointed out to us that if both pipelines were constructed simultaneously there would be a severe drain on available Canadian manpower. In addition, challenge has been made to Canada's ability to finance a gas pipeline—let alone a gas pipeline and an oil pipeline at the same time. Canada is also moving forward with other public works projects, such as the James Bay hydroelectric project which will require $6 billion in financing and 6,500 workers per year for 12 years. It is not possible for Canada to finance projects such as James Bay hydro and both pipelines in the decade ahead. This, as I said, most significant decision means that if it was determined that Alaskan oil should go through Canada it would be at least until 1979 before construction of a gas pipeline could be commenced. Obviously, the people of the Midwest cannot wait 10 years to receive any further increment in natural gas supplies. The one great hope that the United States Midwest has for additional natural gas supply lies in the pipeline to tap Alaskan and Mackenzie River reserves for export to the South 48.

Canada is ready to proceed to process a gas pipeline application. Canadian Gas Arctic Study Ltd. and Alaskan Arctic Gas Study Co. have spent about $30 million for research on the Canadian gas pipeline. It is anticipated that this study, which has taken 3 years to date, will be reviewed for about 18 months, and that the gas line could be constructed in about 3 years. In other words, if the Alaska pipeline is started in 1974 and the application for the Canadian gas line is filed in 1974, it is anticipated that the gas line will be completed sometime in late 1978—just in time to commence deliveries of North Slope natural gas—and at least 5 years before gas could be delivered if both the oil and gas lines are required to be located in Canada. Moreover, it is entirely possible that Mackenzie River gas will be exported to U.S. consumers as soon as the gas pipeline reaches the Mackenzie River—2 years after the Alaskan pipeline commences. This would make additional gas supplies available to the U.S. Midwest by 1975.

Canadian needs for a gasline are great—the Mackenzie River discoveries can support about 1 billion feet per day production—but at least 4 billion feet per day is required to support the trans-Canada gas pipeline of 48 inches. This additional supply can come only from Prudhoe Bay gas reserves. Furthermore, while Canada has no immediate need for Mackenzie River natural gas, it is clear that in about 10 years the Mackenzie River deposits will be needed to fulfill Canadian needs. Natural gas production in the meantime would probably be available for export to the United States—thereby augmenting Midwest supplies and actually providing needed hydrocarbon fossil fuel to the Midwest and East of the United States at least 5 to 8 years earlier than it could be delivered if both pipelines are built through Canada.

There are other delay factors—for instance, Canada will not license any pipeline which will disturb gravity flows of rivers crossed by a pipeline. This stipulation alone will require significant research and design of engineering features to prevent disturbance of gravity flow. Furthermore, it was seriously questioned whether Canada has available, without significant environmental damage, enough gravel to supply a footing for two pipelines in Canada and, in my opinion, proponents of the Canadian oil pipeline have ignored completely the warnings being issued by responsible Canadian officials concerning the problems the Canadian gasline will face.

Mr. President, the Toronto Globe and Mail has reported the controversy concerning the problems of financing the gas pipeline and has editorially suggested that even the gas pipeline should be reviewed by the House of Commons. I ask unanimous consent that both the article of Terrance Wills and the Globe and Mail editorial on this subject be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, let me summarize the results of the meetings we held in Canada last week:

First, it will take at least 3 to 5 years longer to construct an oil pipeline through Canada.

Second, Canadian Native claims are a significant cloud on all oil company activity in the Mackenzie River area and these claims must be honorably settled if a gasline is to proceed. If both lines were to be proposed for the Canadian right-of-way, the delay would be even more serious, because it is obvious to me that the Canadian Government is apprehensive about Canadian Native claims.

Third, Puget Sound tanker traffic is a real—political—obstacle to the Alaskan pipeline proposal.

Fourth, the Canadian Government's opposition to constructing both the oil and gas pipelines simultaneously can only increase the delay in making available Alaska natural gas supplies to the U.S. Midwest.

Mr. President, the Alaskan pipeline route has been thoroughly studied. An application has been filed for the appropriate right-of-way.

No delay is necessary of the Alaskan Native claims—we have solved that problem already. And, there is no question that the U.S. capital market could support the Alaskan oil line even while the Canadian capital market financed the gas line. Above all, Mr. President, there is no additional delay to examine the route involved and no question about support from all Alaskans—Native and nonnative—for the Alaskan pipeline.

I am grateful to the Canadian officials who met with us and to Peter Dobell and his staff for organizing the conference. I will be expounding at other times on the need for Alaskan oil now—if it had not been delayed we would not have any shortages today—but this is an issue for another occasion to address the Senate. Suffice it to say for now that Alaskan oil and Alaskan gas will reach U.S. markets sooner, and with less expense in the long run, if the Congress enacts legislation to modify the 1920 Mineral Leasing Act right-of-way limitations and takes action to assure that the Alaskan pipeline proceeds without further delay.

I urge my colleagues in the Congress to study this issue carefully—at question is the basic issue of whether we will act to alleviate shortages here at home by utilizing U.S. reserves or whether a small group of people who do not want any development of our Arctic oil and gas resources will dominate this question. Congress cannot afford to leave 25 percent of the known U.S. reserves of oil and 40 percent of the gas reserves untapped while we dance a jig to the extremists' fiddle.

We must produce Alaska's vast resources to preserve the integrity of our foreign policy and to try to restore the value of our currency.

PIPELINE PLAN PROVIDES LITTLE ECONOMIC BENEFITS, REPORT SAYS PIPELINE UNHELPFUL TO ECONOMY

(By Terrance Wills)

OTTAWA.—The proposed Mackenzie Valley natural gas pipeline will provide relatively little employment and revenue for Canadians while pushing up interest rates, energy prices, and the exchange rate of the Canadian dollar.

"A northern pipeline will not make a major long-term contribution to the Canadian economy in terms of employment or personal incomes," says a confidential intragovernment report prepared by the Economic Impact Committee of the Task Force on Northern Oil Development.

"Even with the most favorable impact on employment, the direct and indirect pipeline labor requirements represent only 1 to 1½ per cent of the estimated Canadian labor force (10,000,000) during the years of construction," says the report, which is dated Oct. 6, 1972.

"Under existing tax regulations, returns to the federal Treasury will be minimal (in the order of $73 million), and substantially less than the Alaska Government expects to realize from the operation of the Alyeska (trans-Alaska) oil pipeline ($300 million)," says the main body of the report. A footnote to one of the tables appended goes even farther:

"Income tax revenues as a result of the pipeline might therefore actually decline substantially, thereby increasing the difficulties of Government finance, and resulting in up to $10 million per year in higher Government interest costs."

Canadian Arctic Gas Study Ltd., a consortium of oil and gas and transportation companies, the majority U.S.-controlled, seeks to build the line to carry gas from Prudhoe Bay in Alaska and the Mackenzie Delta.

"Most if not all of the natural gas transported by the pipeline will be marketed in the U.S.," says the report of the committee, whose chairman is H. G. P. Taylor, director of resource programs in the Department of Finance.

The committee is one of five set up by the Government's task force, which itself comprises four deputy ministers and the chairman of the National Energy Board.

The report also says: "The potential costs of pipeline operations include a continuous upward pressure of up to $183 million per year on the Canadian dollar, making it more difficult for other, more labor-intensive, exports to be sold abroad; and a potentially serious upward pressure on the level of Canadian energy prices.

The net increase in demand for the Canadian dollar during the construction of the pipeline could be up to $600-million a year over three years, it says. "This $600-million would represent a significant source of upward pressure on the Canadian dollar."

The higher the value of the Canadian dollar in relation to the U.S. dollar, the more difficult it is for Canadian manufacturers to sell their goods in the United States.

It concludes that the pipeline would be "a mixed blessing" for Canada.

The construction of the pipeline—the consortium wants to build it over the period 1975–78—would generate at the greatest possible maximum, employment for 105,000 each year. "Unless other projects requiring similar labor skills were developed at an appropriate time, construction of the pipeline could have a destabilizing effect on employment trends in the economy," the report says.

The Canadian portion of the pipeline is estimated to cost $4.5-billion. It is in the financing of the pipeline, and the corollary issue of control, that the report points to some of the largest difficulties.

"Once an application for the pipeline is approved, control of its timing will largely move out of Government hands. At that point it will be difficult, if not impossible, to adjust the timing to accommodate other major capital projects which may be desirable in the same time frame," it says.

"The financing of the $4.5-billion Canadian portion of the pipeline, especially if it coincides with other large resource projects in Canada and abroad, will inevitably put some strain on Canadian and world financial markets. The increased demand for investment funds could push up interest rates in Canada—particularly if one of the conditions imposed by the Government on the pipeline is majority Canadian ownership."

Energy Minister Donald Macdonald has said repeatedly that the Government will insist on majority Canadian ownership—but the report says that this in itself will not guarantee Canadian financial control.

"Financial control of the pipeline by Canadians would tend to ensure additional benefits to Canada. Such additional benefits would not likely be forthcoming if Canadians were simply to achieve majority ownership, since this would not guarantee financial control by Canadians.

"The likelihood of financial control relates to the question of probable shareholder behavior, since normally only a small proportion of total shareholders control corporate policies.

"In contrast to the possible behavior of Canadian investors in the pipeline most foreign investors (especially the American-controlled members of the pipeline consortium) will be interested in controlling the management of the pipeline.

"It is evident, therefore, that something beyond majority ownership by Canadians would be needed to guarantee financial control of the pipeline."

The report recommends that the Government require that a majority of the directors be Canadian, that the executive officers be Canadian, and that the Government be able to appoint a director who would also be a member of the executive committee.

The report estimates that from $250-million to $750-million could be raised in Canadian equity financing for the line. The portion of the cost to be raised in equity capital would be about $1-billion, leaving $3.5-billion to be raised in debt financing.

The Canadian content of pipeline inputs is estimated to lie within a range of from $1.8-billion to $2.9-billion.

The extent of Canadian financing and of Canadian-made materials in the pipeline will, along with the timing in raising the capital, be the important factors governing the behavior of the exchange rate of the Canadian dollar.

That is, the more money raised in Canada and the less spent in Canada on materials for the pipeline, the less the upward pressure on the Canadian dollar. Conversely, the more money raised in the United States and spent in Canada on materials, the greater the upward pressure on the Canadian dollar in terms of the U.S. dollar. And, too, the greater the inflationary pressure within Canada.

There will at least be localized inflationary pressures, as the economy attempts to produce the $3.4-billion to $5.3-billion in goods and services that is estimated to be the total Canadian income directly and indirectly related to the construction of the line.

"The rate of inflation would be made even worse if an attempt were made to absorb any increased foreign demand for the Canadian dollar by means of an expanded domestic money supply," the report says.

"In the absence of such offsetting Government intervention, any increase in demand for the Canadian dollar would tend to push up its value—resulting in higher imports and lower exports.

"The ensuing net shift in the balance of trade could be as much as $1.6-billion over three years.

"In addition to these difficulties stemming from a higher value of the Canadian dollar, the problems of Canadian exporters would be compounded by any further increase in the rate of domestic inflation."

The report urges changes in legislation to gain more revenues from the natural gas and its transportation for the public Treasury, (Mr. Macdonald has said he supports gaining increased revenues from resources.)

There will be not income tax revenues from the line for its first 10 years of operation through tax deferral provisions, the report says, and adds: "TransCanada Pipelines Ltd., the largest gas pipeline in Canada, has not paid any income tax since it began operations in 1958."

The report says that increasing revenues for the federal Treasury by higher royalties on gas would apply only to the Mackenzie Delta gas and not to the Prudhoe Bay gas that the line would carry.

It recommends a throughput levy to tax "the legitimate source of revenue" provided by the transportation of the Alaskan gas. A throughput tax of 10 cents per thousand cubic feet on a throughput of 1.2 trillion cubic feet per year would yield revenues of $125-million and increase costs to the U.S. consumers by 12 per cent.

"What is clear is that for Canada to accept anything less than the maximum possible return would be to subsidize the U.S. user at the expense of the Canadian taxpayers," the report says.

Exhibit 1

A Matter for the House

A confidential report prepared by an internal Government committee suggests that the proposed Mackenzie Valley natural gas pipeline would produce few benefits for Canada and would damage the country in a number of important ways.

The report is dated October 6, 1972. It was prepared by the Economic Impact Committee of the Task Force on Northern Oil Development. The task force is made up of four deputy ministers and the chairman of the National Energy Board, and the economic committee is headed by H. G. P. Taylor, director of resource programs in the Department of Finance. The committee report was released unofficially at the weekend. It is, in other words, one of those papers which the Government, under its secrecy guidelines, would treat as not for public consumption.

Yet it is a report in which the public interest is deeply concerned.

The report finds that the pipeline would provide, either directly or indirectly, relatively few jobs for Canadians ("only 1 to 1½ per cent of the estimated Canadian labor force"). Because these jobs would be temporary, lasting about three years, they "could have a destabilizing effect on unemployment trends in the economy".

Tax returns to the federal Treasury would be minimal (TransCanada Pipelines Ltd., to give a precedent, "has not paid any income tax since it began operations in 1958"). The pipeline might even result in declining tax revenues, "resulting in up to $10-million per year in higher Government interest costs".

"Most if not all of the natural gas transported by the pipeline will be marketed in the United States," says the committee. This would not only give to the United States a limited Canadian resource that is likely soon to be in short supply but, by introducing U.S. competition, elevate the cost of Canadian energy resources about what they need be.

The capital costs of the project would be huge and probably beyond the capacity of Canadian capital markets. Getting the money, both at home and abroad, could have several bad effects. It would increase inflation. It would put upward pressure on the value of the Canadian dollar, cutting Canadian exports of more job-intensive goods. It would play hob with the Canadian balance of payments.

We would be cutting our power to export the goods that create jobs and which we want to export, in order to make it possible to increase our exports of something—natural gas—which it may not be prudent to export.

Shortly before the last federal election Dr. J. Tuzo Wilson, principal of Erindale College of the University of Toronto and a world-famous geophysicist, talked about that prudence to a federal seminar on scientific activities in Northern Canada. Dr. Wilson, quoting a barrage of experts, indicated that Canada itself was going to need all its proven and unproved petroleum resources.

"Surely," he said, "a cautious individual would be concerned to husband his resources lest he soon be left without . . . The only conclusion I can draw from this is that we should sell nothing abroad, but proceed very slowly and cautiously to develop supplies to meet our own needs. This will give us time to do the research required (to find in usable form the other sources of energy that in the lifetimes of some now living will be absolutely imperative)."

The election threw Dr. Wilson's statements into obscurity, but we suggested at the time that they should be studied seriously after the election. They should be studied now, in conjunction with this secret report.

Prime Minister Pierre Trudeau told the Commons yesterday that the report was an early draft; that is, not worth considering. Energy Minister Donald Macdonald said it was "negated in committee discussions." He told Opposition Leader Robert Stanfield the decision on a pipeline would be made after public hearings by the National Energy Board.

This is not good enough. If the findings of the committee have been negated, then the public is entitled to know by whom and with what facts; and the NEB is not a suitable instrument for the examination. It cannot assess how the pipeline would relate to employment, inflation, a dollar forced upwards and making our exports uncompetitive, our balance of payments, Government revenues.

Mr. Stanfield asked that the whole question, with all pertinent reports, be referred to a committee of the House. The New Democrats made similar requests. Mr. Macdonald's suggestion, that to take the matter out of the hands of the NEB would be unlawful, was the sort of arrogant nonsense which we had hoped the Government had put behind it.

A pipeline would touch on too many facets of national life for NEB competence. Examination of the projects, and decisions about it, belong to the Government, Parliament and people.

The Pipeline Problem

SIR. As one who attended the oil and gas pipeline meeting at the Canadian Parliamentary Centre with Representative Anderson and Udall, I have been somewhat amazed since our return by statements they have made.

Canada has no energy crisis, does not foresee one, and her officials stated loud and clear they were not going to permit the United States to export ours to Canada. Furthermore, my congressional colleagues should have received another message: the Canadian government is not going to just go through the motions concerning a U.S. pipeline through Canada—be it oil or gas. These advocates of a Canadian oil pipeline from Alaska's North Slope went to Canada to obtain ammunition to quibble more. They returned urging a crash study of the trans-Canadian proposal, apparently, to offset the categorical setbacks their preferred route received in Canada.

First, Canadian officials agreed categorically with Secretary of the Interior Morton that there would be a minimum delay of 3–5 years more if a Canadian route is selected for the oil pipeline—a schedule, incidentally, which includes no estimated delay because of environmental opposition.

Second, the Canadians did make it clear that they would oppose a second oil pipeline through Canada if the trans-Alaska route is used first *and* tankers go into Puget Sound despite Canada's objection. To meet this problem, Canadian officials suggested it was possible that Canada would commit western Canadian low-sulphur crude to the Puget Sound area to offset the loss of Alaskan oil.

GAS LINES WOULD BE DELAYED

Third, Canadian officials made it very clear that if the United States sought an oil pipeline route through Canada, the Arctic gas pipeline through Canada would be severely delayed. It is not possible, we were told, for Canada to permit construction of both the oil pipeline and the gas pipeline simultaneously. Each would cause severe strain on Canada's money markets and labor force—simultaneous construction of the oil and gas pipelines would disrupt Canada's economic fabric. Furthermore, because gas cannot be produced in volume from Alaska's North Slope for at least two years after oil production starts, with at least a 3–5-year delay for the oil line, Alaska's gas would not reach the U.S. Midwest until 1983 at the earliest.

Fourth, competent industry officials stated categorically that no pipeline, gas or oil, would be built through Canada until Canadian native claims are settled. They predicted that those claims would have to be settled by the House of Commons. Neither side in the Canadian land claims dispute has ever made an opening offer to settle. Alaska's native land claims—settled by the Congress 13 years after statehood and after four years of intensive debate—should be a warning to those who advocate the Canadian route. Again, the 3–5-year delay for the Canadian oil route includes no delay specifically attributed to the Canadian native claims.

Lastly, not just the United States, but the whole continent, is dependent on proving the extent of Alaska's oil and gas reserves. Alaska's proven reserves will support one pipeline—Alaska's estimated reserves will require more than two. The Joint Committee on Atomic Energy report on our energy reserves states:

"Alaska Oil. This particular estimate assumes that the Alaska (Valdez) line will be in operation in late 1977 and would reach about 1,500,000 barrels per day of oil by early 1980. It then assumes construction of an oil line through Canada in the early 1980's, with that line going on stream and at full capacity by 1984. It also assumes that considerable oil will be found in the federally owned Navy Petroleum Reserve No. 4 (on the North Slope) and that such production will be developed. The development of the preceding combination could increase domestic oil production by over 4,000,000 barrels a day. The Alaska North Slope impact is probably 80 or 85 percent predictable, again because the nation is in a position to proceed and has done a great deal of work in the area already. The necessary technology exists and a mature industry is available."

TWO MILLION BARRELS A DAY

Since we will need two oil lines, at least, from Alaska, I hope you continue to tell Congress to stop quibbling about the first pipeline. Alaska's proven reserves can increase U.S. supply by 2 million barrels per day—and, with a Canadian gas pipeline being built simultaneously, the Midwest could receive McKenzie River gas by 1976, and Alaska's gas three years later.

Most importantly, our Canadian friends need to know that if they take the time to explain to us their procedures, their preferences and their political problems, we will try to follow the first, respect the second, and understand the third. Anyone who did all three on the recent Canadian trip, despite his prior position, could not return and indicate, in any way, that the Canadian government favors an oil pipeline through Canada now.

As I have said before, the suggestion that western Canadian crude oil could supply the Puget Sound may be an offer we cannot refuse.

Mr. STEVENS. Mr. President, I want to commend the distinguished Senator from Washington (Mr. JACKSON), the chairman of the Committee on Interior and Insular Affairs, for the very hard work he has done in working out the bill now before us. I also would include in that, my good friend from Arizona (Mr. FANNIN), with the leadership that he has shown in connection particularly with the trans-Alaska pipeline. We are deeply indebted to him and to the other members of the committee.

My hope is, as debate on this bill proceeds, that we will clearly be able to set forth the reasons why Alaskans support the trans-Alaska pipeline and do not support the construction of a pipeline through Canada first. I think that the two-pipeline concept, which has been articulated by the Senator from Washington, is a good one but it is vitally necessary, in our opinon, the Senate realize that concept is only viable if the trans-Alaska pipeline is built first.

I say this, Mr. President, because of my sincere conviction, after my visit with Canadian officials, that there is no way Canada would permit the construction of an oil line through Canada and a gas pipeline through Canada simultaneously.

The midwestern part of the United States is very much in need of and desires the Mackenzie River gas and the North Slope gas. That pipeline could be commenced and the trans-Alaska pipeline commenced at the same time. If that were then started when the construction season begins next year, it would be only 2 years before the midwestern part of the United States would be receiving Mackenzie River gas and another 2 years before it would be receiving North Slope gas.

But there is no question, to anyone who really examines the situation, that the tremendous need of the Midwestern part of the United States for energy must be met by natural gas, and it can only be met by an Arctic pipeline first that connects the Mackenzie River reserves and then the North Slope reserves with the great Midwestern portion of the United States. That line will not be constructed for at least 10 years if the Canadian alternative for the oil pipeline is commenced first.

It is extremely important for the Members of this body and for all Americans to understand that the timing of the need and the timing of our ability to deliver Alaska oil and gas resources to meet that need has led the administration, has led the Committee on Interior and Insular Affairs in this body, as well as the Interior Committee in the other body, and the industry itself, to conclude that the trans-Alaska pipeline must be built first.

It is extremely difficult for Alaskans to face the proposition of any further delay in the construction of the trans-Alaska pipeline. I am therefore hopeful, as we proceed with consideration of this bill, that the Senate will take action to make its intent very plain to the administration, to the courts, and to the American public, that the trans-Alaska pipeline must be commenced, and that it must be commenced no later than the beginning of the construction season of 1974.

DOMESTIC ECONOMY

The construction of a trans-Alaska pipeline will be a tremendous boost to the U.S. economy—indeed it will inject new blood into an ailing economy. Completion of the Alaska pipeline should yield a net benefit to the economy starting at $1 billion a year and increase to $2.4 billion annually by 1980.

A trans-Alaska pipeline will aid the economy in many different ways with benefits to all regions of the Nation.

What is also of great importance to the Nation in a time when we are fighting unemployment is the fact that thousands of new workers will find employment in Alaska during pipeline construction. Secondary employment in the service and supply areas will also add many persons to the list of the employed.

Jobs will be created throughout the United States to provide the numerous products, goods and services as well as support facilities that must be manufactured in the lower 48 States to be utilized in Alaska. These needs will generate new employment throughout the United States—construction of the trans-Alaska pipeline will keep thousands of workers on the job and open employment for the thousands of new workers who enter America's job markets.

The trans-Alaska pipeline will also inject new life into some American industries which are currently depressed.

The Nation's maritime and shipbuilding industry is one case in point. Because the trans-Alaska pipeline will provide for the construction of at least 27 new tankers, 73,480-man years of shipyard employment will be created in addition to 3,800 permanent jobs for operation and maintenance of this modernized tanker fleet. This will bring in more than $1.6 billion to America's shipbuilding industry—an industry that has struggled for survival against cut-throat foreign competition.

When one considers the econometric implications of what the pipeline means in terms of economic development to many related U.S. industries—industries from all parts of the United States, one realizes the great impact—more than $19 billion to the economy by 1980 that the pipeline will bring to America.

Certainly the great impact to the economy and the related jobs that will be created by the trans-Alaska pipeline is why many of the unions of this country representing hundreds of thousands of workers, led by the AFL-CIO and the Teamsters International have endorsed the immediate construction of the trans-Alaska pipeline.

TAPS TO HELP MEET ENERGY DEMAND

If ever there was a need to take positive action to meet America's energy shortage now is the time. Petroleum dealers have been forced to close down, our Nation's industries have had to pay a higher price for energy thus adding even higher prices that consumers must pay. Gas stations throughout the Nation have had to ration fuel, indeed even here in Washington only a handful of gasoline stations are able to serve customers on the weekend because of a lack of fuel. Our farmers are finding it difficult to secure the energy to harvest this season's crops, workers in the Nation's industrial plants face the possibility of layoffs if factories are forced to reduce production, because of a shortage of fuel.

The people of this Nation are looking to the Congress to take decisive action to solve this problem, to insure that their homes will be heated, that they can use their cars and other necessities that require fuel without the fear of running out.

Passage of S. 1081 will be a positive action toward solving America's energy crisis. It will prove to Americans that their Government can act effectively in meeting an important national need.

Throughout our history America has been blessed with an abundance of energy. With one-sixteenth of the world's population, we use one-third of the world's energy to meet our requirements. But this energy has provided the food for America to become the strongest industrialized Nation in the world with the highest standard of living. The energy that has made all this possible is now in doubt. In recent years energy consumption has been rising more rapidly than our gross national product but as our demand for energy has increased, our supply has dwindled causing the United States to become dependent on Middle East oil. Despite this development, our search for new energy reserves has almost come to a halt. We have not even built a refinery in this Nation in nearly 4 years.

However, this need not be the case. Construction of a trans-Alaska pipeline will provide not only billions of barrels of oil to the United States at a time when it desperately needs it, but it will also help provide the incentive for new energy exploration to help prepare us for our distant energy needs.

Construction of the trans-Alaska pipeline is a new lease on our energy life. We cannot sit back and watch America starve for energy when we can provide through passage of S. 1081 a pipeline to bring America the oil it urgently needs.

Alaska's billions of barrels of oil is available now to meet America's needs, but oil is only part of the energy picture. Alaska's North Slope has the largest reserves of gas known on the North American Continent. This gas can be used in the industrial East and Midwest to provide the energy to keep American business running smoothly, efficiently, and with the least amount of environmental damage.

But, Mr. President, we cannot begin to move Alaska gas to America until we move Alaska's oil. I cannot stress the importance of providing the right of way for a trans-Alaska pipeline. It is the catalyst for energy survival in the United States, as well as the premium for providing America with an energy insurance plan until we can develop long-range energy resources.

The trans-Alaska pipeline is a positive step to help meet the entire Nation's energy needs—the trans-Alaska pipeline is truly a national pipeline which will serve the national interest.

In the Midwestern part of our Nation where natural gas is needed more than any other fuel a trans-Alaska pipeline will allow this crucial gas to become available to the Midwest quickly and economically. But Alaska's gas cannot reach the Midwest until an oil pipeline is built first. Construction of a trans-Alaska pipeline will open the door for Midwestern gas.

I recently wrote to many members of the Midwest gas industry to illicit their views on the need and importance of a trans-Alaska pipeline. My office has received numerous letters from those associated with the gas industry throughout the Midwest urging immediate construction of the trans-Alaska pipeline so the Midwest will be able to avail itself of the 26 trillion cubic feet of Alaska gas.

Realizing the need for the Midwest to receive Alaskan gas, the Northern Natural Gas Co. prominent in the Midwestern gas industry, as well as the American Gas Association, are calling for construction of the trans-Alaska pipeline now.

In the South the need for Alaskan gas is also of paramount importance. The Columbia Gas System reports that its service to industrial and institutional customers in West Virginia, Kentucky, Maryland, and the District of Columbia faces disruption if their supply cannot be partially balanced by Alaskan gas.

The need for Alaska gas in the industrial Northeast is also imperative. New clean air standards make Alaska gas an imperative for a cleaner Eastern environment. Economically, shipyards in the Northeast as well as other yards throughout the Nation are potential beneficiaries from increased building activity as a result of a trans-Alaska pipeline.

FOREIGN POLICY CONSIDERATIONS

America's lack of energy is not only an integral part of our domestic policy but it plays an important role in American foreign policy.

It is essential that America be able to chart an independent course in its relations with other nations, a course that need not be altered by dependence on another nation for our essential energy requirements.

Our dependence on foreign oil raises serious doubts as to our ability to chart an independent foreign policy. As long as we remain dependent on Middle Eastern oil our foreign policy decisionmaking must be tempered with the fact that we are now hooked on Middle Eastern oil.

Most of America's foreign oil comes from a handful of Middle Eastern nations who are using America's oil shortage in an attempt to alter our policy toward Israel.

Last year, officials in responsible and influential positions in several Arab nations made no less than 15 threats to use oil as a weapon against their enemies not surprisingly, almost all of them singled out the United States as their enemy.

Just 3 days ago the Washington Post reported that King Faisal of Saudi Arabia—the largest exporter of oil to the United States said that he would find it "difficult" to continue close cooperation with the United States if American support for Israel remains at its present level. Only recently King Faisal's petroleum minister said in Washington that Saudi Arabia may refuse to increase exports of oil to the United States if we do not change our stance toward our Israeli friends.

These are not just words. During their 1967 6-day war with Israel, Arab nations imposed an oil boycott on the United States on the false premise that the United States had participated with Israel on an attack on Cairo. The charges were quickly refuted but the Arabs continued to withhold oil from the United States for more than a month. Fortunately for the United States, the boycott came at a time when we were importing slightly less than half a million barrels a day from the Arab nations.

Only last month, Libya shut off oil production to the United States for a day saying that Arab States should use their oil as a "slap in the face of America."

Today there is strong debate going on among the Arab oil producing states over freezing oil production for the United States at present levels or possibly reducing oil for export to the United States.

This could create problems of catastrophic dimensions for the United States.

Construction of the trans-Alaska pipeline would take the slap away from the Arab nations, because we could rely on North Slope oil to substantially reduce our dependence on foreign oil. America would be assured of charting its own course of policy in the Middle East—not be in the position of having our Middle Eastern foreign policy dictated to us.

But the Middle East is not the only part of the globe where the need for the United States to have a strong supply of domestic fuel is an integral part of foreign policy. We need oil to support our military units and maintain a strong U.S. defense.

TAPS MEANS A CLEANER AMERICA

The trans-Alaska pipeline is not just important to solving America's energy crisis, reducing our balance-of-payments problem, aiding the U.S. economy and insuring our national interest—the trans-Alaska pipeline is of great importance to cleaning up America.

Mr. President, we need energy to clean up our environment. In fact, Alaska energy is an important national asset toward solving America's environmental crisis.

The Environmental Protection Agency told me that many of the Nation's sewage and water treatment plants may have to reduce their operations significantly because of lack of energy. The trans-Alaska pipeline will help provide the energy necessary to keep America's sanitation systems working.

But the trans-Alaska pipeline means much more to the environment for it takes energy to clean up our streams, our rivers, and our lakes. Alaska energy can do much to clean our environment and keep it clean.

Alaska natural gas will mean a cleaner industry, because using Alaska natural gas industrial pollution will be kept to a minimum.

Energy is an important part of protecting the ecology and construction of the trans-Alaska pipeline will make energy available to help protect the ecology. The trans-Alaska pipeline is an important factor in creating a cleaner national environment.

WHAT TAPS MEANS TO ALASKA

As a Senator from Alaska I know that construction of the trans-Alaska pipeline is the single most important event for Alaska since statehood.

A trans-Alaska pipeline to tap our bountiful natural resources is of ultimate importance to Alaska—for natural resources are our greatest asset.

Although Alaska is a large State and a great State we are now an economically troubled State. We have the highest rate of unemployment per capita in the Nation. Our standard of living falls sharply below the national average. We lack many of the modest requirements for life which are taken for granted in the rest of the Nation.

Construction of the trans-Alaska pipeline will help us solve our problems. It will add more than $300 million a year to our State so we can build hospitals, schools, and provide food for the many Alaskans who are horribly undernourished and in many cases starving. We will be able to meet the severe social problems which destroy so many lives and ruin so many of our children and young adults. We will be able to provide funds to Alaska's Natives, funds to which they are entitled under the Native Claims Act.

As you know Mr. President, we in Alaska have been depending on the Federal Government to pay many of our bills and to keep us afloat. Alaskans are independent people who do not want others to carry our burden—we have a great State, a beautiful State, and we want to be responsible for our State—not be dependent on the Federal Government like a child waiting for his weekly allowance. Construction of the trans-Alaska pipeline will change that trend.

As Alaskans we need the trans-Alaska pipeline and Alaskans want the trans-Alaska pipeline.

Construction of a trans-Alaska pipeline will enable us to take care of ourselves thus saving the American taxpayer millions of dollars annually. Millions of dollars that would be made available to meet America's problems in our huge urban centers and other areas where an intensive national effort is so sorely needed.

Because we would be able to take care of ourselves we would not have to come hat in hand asking the Federal Government for help because we will be able to help ourselves.

The trans-Alaskan pipeline will allow us to help ourselves. It would allow us to feed our hungry, build hospitals to care for our sick, and educate our young and at the same time provide the United States with the energy it needs to keep moving and at the same time allow us to restore the value of the dollar and help insure our national security.

Mr. President, construction of the trans-Alaska pipeline is truly a top American priority that will not only allow us to help solve many American problems, but will simultaneously create a stronger America.

The trans-Alaska pipeline will create jobs, will provide the incentive for exploration providing us with exciting new opportunities and positive challenges.

CONCLUSION

Mr. President, passage of the bill now before the Senate is of great importance to the entire country. It is long in coming and we must move now to keep pace with today's requirements. Mr. JACKSON's bill allows us to do that.

A right-of-way for construction of the trans-Alaska pipeline—which is a critical part of this bill—will allow us to face up to the energy crisis. It will provide us with the thrust to move forward in meeting America's energy need. Indeed, it will provide the catalyst for increased energy exploration to meet future needs.

It is important to realize when one considers the urgency of America's energy crisis that a trans-Alaska pipeline can bring the oil we need to the Nation faster than any other method. Passage of S. 1081 will allow us to set the pipeline in motion now. We will not have to wait for continuing delays, because the pipeline is ready to go to work for America now.

The people of America know that we must move now to solve this problem. They are looking toward Congress to act to head off a problem that if nothing is done will become critical.

Providing the right of way for the trans-Alaska pipeline is providing the right of way toward meeting not only the Nation's energy crisis—but it provides the avenues toward alleviating the Nation's balance-of-payments problem, our domestic economic troubles as well as bolstering our national interest in the world arena.

Truly a right of way for the trans-Alaska pipeline is a national necessity, it is in our interest and will help all parts of this Nation not only in the near future, but in the many years ahead.

QUORUM CALL

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SAXBE). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 298

Mr. STEVENS. Mr. President, the distinguished Senator from Washington (Mr. MAGNUSON) has an amendment, No. 298, and I should like to call up that amendment at this time, and ask unanimous consent that my name be added as a cosponsor of it.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will state the amendment.

The assistant legislative clerk read as follows:

At page 32, line 13, add the following new section:

SEC. 115. Section 4417a of the Revised Statutes of the United States (46 U.S.C. 391a), as amended by the Ports and Waterways Safety Act of 1972 (86 Stat. 424, Public Law 92–340), is hereby amended as follows:

"(C) Rules and Regulations published pursuant to subsection (7) (A) shall be effective not earlier than January 1, 1974, with respect to foreign vessels and United States-flag vessels operating in the foreign trade, unless the Secretary shall earlier establish rules and regulations consonant with international treaty, convention, or agreement, which generally address the regulation of similar topics for the protection of the marine environment. In absence of the promulgation of such rules and regulations consonant with international treaty, convention, or agreement, the Secretary shall establish an effective date not later than January 1, 1976, with respect to foreign vessels and United States-flag vessels operating in the foreign trade, for rules and regulations previously published pursuant to this subsection (7) which he then deems appropriate. Rules and regulations published pursuant to subsection (7) (A) shall be effective not later than June 30, 1974, with respect to United States-flag vessels engaged in the coastwise trade.".

Mr. STEVENS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by the chairman of the Committee on Commerce, the senior Senator from Washington, at the time he submitted this amendment.

There being no objection, the statement by Senator MAGNUSON was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

Mr. President, I submit two amendments to S. 1081, the Federal Lands Rights-of-Way Act of 1973, and ask that they be printed.

Mr. President, the Senate will soon take up S. 1081, which provides the Department of Interior with authority to grant broad rights-of-way across Federal lands. Lack of such authority has prevented a decision on the proposed Alyeska trans-Alaska pipeline. It is likely that the entire delivery system for Alaskan oil will be at issue in the consideration of this bill.

As you know, the trans-Alaska delivery system will utilize a marine leg to move the estimated 2 million barrels of oil produced per day by the Alaskan North Slope fields. One of the continental unloading points will be in my own State of Washington. Puget Sound is projected to receive 190,000 barrels per day, or approximately 10 percent of the North Slope production. The Atlantic Richfield Co. has built a large refinery at Cherry Point to accommodate this flow of Alaskan crude.

One of the criticisms of the trans-Alaska delivery system has been the need to utilize a marine leg. The oil will be carried in supertankers of 70,000 to 120,000 deadweight tons with approximate drafts of 43 feet to 52 feet, respectively. Seven of these tankers have already been built and 32 more are on the way.

Just this week, Atlantic Richfield took delivery of the first of three tankers intended for the Alaska route—the 120,000 deadweight ton S.S. *Arco Anchorage*. It is the second longest ship in the American merchant marine at 833 feet. It has a 138-foot beam, and draws 52 feet of water. The cargo capacity of this vessel is an astounding 925,656 barrels of oil.

These tremendous vessels will be moving through narrow straits in Alaska and in Puget Sound where the margin for error is small. The southern terminus of the pipeline will be on the southern shore of Port Valdez, located in the northeastern part of Prince William Sound in the Gulf of Alaska. Tankers must negotiate a narrow 3,000-foot channel at Middle Rock before reaching the terminal.

In Puget Sound, the tanker route begins in the Strait of Juan de Fuca and continues through the narrower Rosario Strait for 50 miles to Cherry Point. The width of Rosario Strait varies from 1.5 to 5 miles and is spotted with isolated pinnacle rocks, some of which are bare at low water. The potential for an incident here is difficult to predict, but it nonetheless exists.

Mr. President, I firmly believe that, if the trans-Alaska delivery system is approved, the marine leg of the system must be designed to be both safe and pollution-free. This is the purpose of the two amendments I am introducing today. The first would make construction standards for tank vessels now being considered by the Coast Guard pursuant to the Ports and Waterways Safety Act applicable to vessels in the Alaska trade by June 30, 1974.

The Coast Guard presently has authority under title II of the Ports and Waterways Safety Act of 1972, Public Law 92–340, to require that tankers be constructed in conformance with certain specifications designed to prevent or mitigate pollution of the marine environment. These construction standards would serve to reduce or eliminate both accidental and intentional discharges of oil into the sea from ships.

However, since the Coast Guard is awaiting the outcome of the 1973 IMCO Conference on Marine Pollution From Ships before promulgating rules and regulations pursuant to the mandates of the Ports and Waterways Safety Act, vessels now being constructed for the Alaska trade will not be equipped with the latest in safety features.

The delayed applicability of rules and regulations drawn up pursuant to the Ports and Waterways Safety Act was a conscious decision made by the Congress so that maritime nations could first attempt to work out international standards applicable to tanker construction.

Accordingly, although the Coast Guard published an advance notice of proposed rulemaking for tank ship construction requirements on January 26, 1973, finalized rules are not anticipated until after IMCO's Conference on Marine Pollution From Ships in October of this year.

But international considerations do not raise the same difficulties when considering whether to apply the Ports and Waterways Safety Act to domestic coastal trade. The Senate Commerce Committee's report on H.R. 8140 stated this clearly:

> As was stated by the Assistant Secretary of Commerce for Maritime Affairs, and with respect to which the Committee is in agreement, regulations for the design, construction, alteration, and repair of vessels for the protection of the marine environment must not competitively disadvantage United States-flag vessels operating in the foreign trade and to foreign vessels entering our navigable waters. Of course, the same rationale does not apply to United States-flag vessels operating in domestic trades in which competition from foreign-flag vessels is precluded by law. (Report No. 92-734.)

Therefore, Mr. President, this amendment is in strict accord with existing law and does not distort or disrupt the considered intent of the Ports and Waterways Safety Act. This amendment would simply require the Coast Guard to implement the mandate of Public Law 92-340 at an earlier date for vessels in the domestic trade and, of course, for vessels in the Alaska trade.

I feel this amendment is basic to the safety of the marine leg of the Alaska system. I urge my colleagues to support them.

Mr. STEVENS. Mr. President, with regard to Senator MAGNUSON's amendment 298, I wish to note my complete support and to elaborate upon its intended effect.

As noted by the senior Senator from Washington in his introductory statement, the delivery system for North Slope oil utilizing the Alaska pipeline will require a marine leg for bringing the crude to west coast ports. The need to transport the estimated 2 million barrels of oil per day by tanker has received heavy criticism by opponents of the Alaska pipeline. Indeed, I would be remiss if I failed to recognize the dangers of transporting oil by sea in bulk, however small they may be. The purpose of amendment 298 is to minimize, to the greatest extent possible, these dangers. I believe this purpose can be achieved.

The Ports and Waterways Safety Act of 1972 was enacted to put emphasis on the prevention of pollution of the marine environment by oil and other hazardous substances. Prior to this law, legislative emphasis had been placed on liability and responsibility for cleanup. Clearly, however, it is better to prevent an incident than to clean one up. Accordingly, the Ports and Waterways Safety Act provides authority for improving marine traffic systems and controls, and for improving the design, construction, maintenance, and operation of tankers. The Commerce Committee in reporting the act stated:

> It is clear that a systems approach to prevention of damage to the marine environment requires not only better control of vessel traffic but an improvement in the vessels themselves.

Moreover, the committee concluded that improved tankers are both technically feasible and economically practical.

As evidence of the correctness of this conclusion, I note the recent award of subsidy contracts by the Maritime Administration for eight vessels to be constructed with double bottoms, one of the construction features recommended by the committee. These tankers, I should also point out, will be built at the lowest subsidy achieved by an American shipyard for the building of conventional type ships since World War II.

As I stated, the incorporation of a double bottom was recommended by the Commerce Committee after extensive hearings. This feature would serve two purposes. First, it could be utilized to totally segregate ballast so that ballast water would not have to be carried in cargo tanks except under exceptionally heavy weather conditions. Presently, normal everyday operation of tankers, primarily from the pumping of dirty ballast water from cargo spaces prior to loading and tank cleaning, accounts for fully 11 percent of the total oil pollution of the sea.

The second purpose of double bottoms is to prevent outflow in the event of a grounding. A U.S. Coast Guard report on grounding given to the committee showed that penetration to the cargo tanks through a double bottom could be excluded in 92 percent of the cases analyzed with a double bottom height of 6 feet. The estimated increased cost of double bottoms would be around 10 percent of the capital cost.

I mention these construction features, Mr. President, as examples of the most modern now available to the tanker industry to abate the danger of oil pollution. The U.S. Coast Guard has issued a notice of advance rulemaking which would require the incorporation of segregated ballast and double bottoms on oil tankers.

But, Mr. President, none of the seven vessels which have been constructed for the Alaska trade will be fitted with this system, nor will any of those presently planned. At present, the regulations contemplated by the Ports and Waterways Safety Act are not in effect due to the delayed applicability dates written into the law. The delay was provided so that international standards could be worked out in the Intergovernmental Maritime Consultative Organization—IMCO—Conference on Marine Pollution From Ships scheduled for this October. I should add that the official U.S. position in the IMCO Conference, as restated by Russell Train recently in hearings before the Commerce Committee, is to require segregated ballast and double bottoms for all large tankers.

As Senator MAGNUSON previously mentioned, there is no reason not to apply the Ports and Waterways Safety Act to the domestic trade where foreign competition is precluded by law as soon as possible. This amendment would require an earlier application and would affect vessels to be used in the Alaska trade.

Mr. President, I stress one final point with regard to amendment 298—it is fully in accord with President Nixon's oil pollution message of May 20, 1970. In that message he boldly stated:

> The best way to protect our ocean resources and coastal areas from oil damage is to prevent the occurrence of oil spills. The establishment of more effective international standards for both the construction and operation of tanker vessels will materially reduce the potential hazard.

Adoption of the Magnuson amendment furthers this policy. It is fully in accord with the intent of the Ports and Waterways Safety Act and the existing position of the administration. Once implemented, it would make the domestic traffic of the United States the safest in the world.

As I have said, I am most pleased to be a cosponsor of this amendment, and I called it up at the request of the Senator from Washington, the chairman of the Committee on Commerce, in his absence.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield.

Mr. JACKSON. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, the Senator from Alaska has stated the case very well.

Senator MAGNUSON spoke to me about the pending amendment, prior to his departure for the trip to China. Senator MAGNUSON would have offered the amendment had he not been detained by reason of the official trip, which consists of Members of the Senate and the House to China. It is because of that delay that the Senator from Alaska, who is a member of the Committee on Commerce, is offering the amendment in behalf of Senator MAGNUSON.

Mr. President, basically, the amendment simply steps up the effective date of the act, the Ports and Waterways Safety Act of 1972, as it pertains to coastwise shipping. The effectve date under the pending Magnuson amendment is June 30, 1974. Under existing law, they are all lumped together. Coastwise, American-flag vessels in foreign commerce and foreign commerce vessels of other nations are in one category.

This amendment makes a great deal of sense, and I urge that the Senate adopt the amendment.

There is a broad consensus that Alaska North Slope oil and gas should be developed rapidly. The strict environmental stipulations, redundant safety systems, contingency planning and better design and engineering which have been imposed upon the proposed trans-Alaska pipeline substantially lessen the risk of environmental damage from development of North Slope oil and for its transportation to markets in the lower 48 States.

After careful consideration, the committee determined and has recommended to the Senate that the trans-Alaska pipeline is preferable to a comparable overland pipeline across Canada for a variety of reasons, but primarily because it could be on stream 2 to 6 years earlier.

As Senators are aware, the trans-Alaska delivery system has a marine leg joining the southern terminus of the pipeline at Valdez on Prince William Sound in the Gulf of Alaska with ports in the "lower 48."

Extensive provision has been made to minimize the environmental impact of the pipeline. As my distinguished colleague, the senior Senator from Washington, noted in submitting amendment 298, we must also insure that every step is taken to guarantee that the marine leg of the system is designed to be both safe and pollution free. That is the purpose of this amendment.

On a worldwide scale, it is estimated that marine pollution from tankers exceeds 1 million metric tons annually. The causes of this pollution are: 70 percent—from the pumping overboard of the residue from the cleaning of cargo tanks; 18 percent—from accidents such as grounding or collision; 7 percent—from the pumping of bilges, leaking tanks, and spills; 5 percent—from terminal operations.

Damage to the ocean environment by the discharge of petroleum products and contaminated sea water need not take place. It can be prevented. Insofar as the movement of needed oil from Alaska to the markets in the United States is concerned, any risk of damage will be prevented or minimized by the adoption of this amendment.

As the figures which I have cited illustrate, 77 percent of the marine pollution incidental to tanker operations—that caused by tank cleaning, the pumping of bilges, leaks and spills—is largely a function of ship design and construction. In the absence of national or international law preventing it, petroleum carriers have heretofore ballasted by filling cargo tanks with sea water during the voyage to the port at which they were to load and, prior to arrival, pumped this oil-contaminated ballast into the sea. In addition, cargo tanks have been cleaned by washing down with sea water and pumping the residue overboard. These practices are estimated to be responsible for 967,000 metric tons of tanker related oil pollution annually.

We are capable of constructing supertankers, and we are also capable of constructing them in such a manner as to prevent or minimize any damage to the environment. For example, the adoption of a requirement for tankers to be constructed with a segregated ballast capability, would eliminate over 90 percent of oil pollution from routine tank cleaning and ballasting.

Congress has recognized the need for legislation to establish standards of ship design and construction for the purpose of protecting the marine environment. Congress adopted specific policies in this regard in enacting the Ports and Waterways Safety Act of 1972.

Under title II of that act, Public Law 92–340, the Coast Guard is authorized to require that tankers be constructed in conformance with the intent of the Congress. The Coast Guard is currently awaiting the outcome of the International Maritime Consultative Organization—IMCO—Conference on Marine Pollution to be held in October of this year before implementing rules on ship construction. At the conference, maritime nations will be afforded the opportunity to arrive at mutually acceptable standards of tanker construction. This would be clearly preferable to the unilateral promulgation by the United States of rules and regulations for foreign-flag vessels in U.S. waters.

U.S. vessels operating in the domestic trade are protected by law from competition from foreign-flag vessels. There is no necessity that the implementation of standards for their construction be deferred.

This amendment offered by the senior Senator from Washington would require the Coast Guard to implement the mandate of Public Law 92–340 at an earlier date for vessels in the domestic trade, and this, of course, includes vessels in the Alaska trade.

It should be noted that though we are here addressing the specific question of the maritime leg of the delivery system for Alaskan oil, adoption of this amendment would serve to protect the ocean environment in the Atlantic, Pacific and Gulf of Mexico as well. To that end I most strongly recommend that it be adopted.

Mr. STEVENS. Mr. President, I should like to have printed in the Record the proposed rulemaking of the Coast Guard as it was published on January 18, 1973. This deals with the proposal to institute the requirement that double bottoms be required for vessels of the type that would be used in transporting Alaska's oil to the west coast. I ask unanimous consent to have the document printed in the Record.

There being no objection, the document was ordered to be printed in the Record, as follows:

Department of Transportation,
U.S. Coast Guard,
Washington, D.C., January 29, 1973.

Proposed Rule Making

(Department of Transportation, Coast Guard [46 CFR Ch. 1] [GCD 72–245P] Construction Requirement for Tank Ships, Advance Notice of Proposed Rule Making)

The Coast Guard is considering certain construction standards for pollution abatement for new tank ships which intend to trade within the navigable waters of the United States. The Intergovernment Maritime Consultative Organization (IMCO) is considering this problem on an international level and the Ports and Waterways Safety Act of 1972 (Public Law 92–340) has directed the Coast Guard to study this problem from the national point of view. The rules which may be proposed are described and discussed in the statement set forth below.

Interested persons may participate in the rule making through submission of written data, views, or comments regarding the proposal to the U.S. Coast Guard (GCMC/82), 400 Seventh Street SW., Washington, DC 20590. Communications should identify the notice number, CGD 72–245P, and the name, address, and organization, if any, of the commentator.

All communications received before March 15, 1973, will be fully considered and evaluated before a Notice of Proposed Rule Making is published. Copies of all written communications received will be available for examination in Room 8234, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC, both before and after the closing date for receipt of comments.

The Coast Guard in cooperation with the Maritime Administration and the American Institute of Merchant Shipping has nearly completed an extensive study of the effects of requiring tank ships to be capable of carrying sufficient ballast for normal operations without recourse to the use of oil tanks for water ballast.

Although the study has not been entirely completed, and no final conclusions reached, the Coast Guard acting independently is giving consideration to proposing regulations which would require a segregated ballast capability on:

(1) Tank ships delivered after January 1, 1976; and

(2) Tank ships delivered before January 1, 1976, whose building contract is placed and whose construction is begun after January 1, 1974.

The capacity of the segregated ballast tanks would be such as to achieve in the ballast condition of displacement not less than approximately 45 percent of the full load displacement of the ship. This segregated ballast capacity would be achieved in part by fitting, throughout the cargo length, a double bottom of a minimum height of one-fifteenth of the beam.

This height would be necessary for two reasons. First, it would be intended that segregated ballast water be carried in the double bottoms to significantly reduce the problem of intentional discharge of oily ballast at sea. Second, the double bottoms would provide a degree of protection against accidental discharge caused by grounding incidents. Consideration is also being given to requiring that all tankships (new and existing) be capable of retaining oil ballast and other wastes such as tank cleaning residues on board for shoreside disposal. Existing tankships and small tankships would be permitted to engage in the practice of retention of oil on board (load on top) with specified discharge criteria.

Comment is also invited as to the desirability of applying these proposals to tank barges 300 feet long or more engaged in ocean and coastwise service.

This notice is issued under the authority of: 46 U.S.C. 391a; 49 CFR 1.46(o) (4).

Dated: January 18, 1973.

T. R. Sargent,
Vice Admiral, U.S. Coast Guard, Acting Commandant.

Mr. STEVENS. I read from the conclusions contained in the report entitled "A Supporting Document to the Position Taken by the United States on Segregated Ballast Tankers Employing Double Bottoms." It is a very interesting conclusion. It reads:

Conclusions

At this point in time, segregated ballast tankers appear to be the most viable solution to the problem of ballasting tankers. It also appears that this solution will remain valid in the foreseeable future; it would be presumptuous to state that the obstacles cited in this report with respect to the development of flexible barriers, and separators or to the acceptance of shoreside facilities will be overcome.

In terms of the segregated ballast designs studied for the VLCCs, the double bottom design is clearly the most cost effective when both operational and accidental pollution are considered. The degree to which any version of segregated ballast is cost effective is dependent upon the complexity of the design (which is directly proportional to the increase in capital investment), the amount of segregated ballast capacity afforded, and the ability of a given design to mitigate both operational and accidental discharges.

At this time, the 45 percent level appears to be adequate for ballast actually needed to safely and comfortably operate VLCCs.

Any of the conclusions given here may be considered as incentive to tanker size throughout the VLCC range; i.e., 100,000 DWT and upwards. The case for small tankers carrying products and crude oil is presently underway; that study will test the sensitivity of segregated ballast to both the lower end of the tanker size range and to cargo variation. It will also dictate the lower limit of tanker size to which segregated ballast may be applicable.

> Appendices I and II reflect the revised wording that the United States would propose to IMCO in their Draft Pollution Convention (MP XIV/3(c)) and to Chapter III, Regulation 2 of DE/VIII/12.
>
> Appendix III shows the effect of a double bottom to GM and accelerations at the navigating bridge as compared to the conventional tanker. In the 45 percent displacement case the double bottom version has an increase in acceleration of 0.12 g.
>
> A preliminary study of survivability was conducted on a 250,000 DWT tanker with and without segregated ballast capability. It indicated that neither the basic ship nor any of the segregated ballast versions have a survivability problem in the fully loaded condition although all segregated ballast versions heel to greater angles and have smaller righting arm ranges. Design 250–A IMCO has good survivability characteristics in all three conditions investigated, 250–B2 also has good characteristics. Designs 250–C and 250–D heel to just either side of the 20 degrees limit in one damaged condition. Both have questionable survivability in another partial load condition, heeling to 27 degrees. Segregated ballast tankers utilizing double sides appear to cause damaged stability problems; this is not true for the double bottom case although its survivability characteristics can be further improved by omitting longitudinal bulkheads in the double bottom.

The report goes on to continue with a recommendation to the executive branch that the double bottom design appears to have the best advantage in terms of trying to prevent pollution and curbing it. In the advantages cited operational pollution would be reduced 95 percent, accidental pollution would be reduced 35 percent, total effective pollution of the seas would be reduced 67 percent by double bottoms.

There would be less frequency of tank cleaning due to sludge. There would be a faster turnaround time, increased structural adequacy as well as expected reduction in insurance and operational cost.

Mr. President, I think the Senator from Washington is correct to accelerate the time at which this becomes effective in terms of coastwise trade. It is merely an acceleration of the requirements of existing law.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I learned during our recent recess that my family has an interest in a firm that could be a core drilling contractor to the Alyeska Pipeline Service Co. Under the circumstances, I ask unanimous consent that I be allowed to abstain from voting on matters relating to the trans-Alaskan pipeline project during the course of the consideration of the Federal Lands Rights-of-Way Act of 1973.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, the Senate has before it Senate bill 1081. This gives the Senate the opportunity to do something toward solving the energy crisis. It is time to act, and it is time to act now. Our country is face to face with serious energy problems. Our economy and our national security are at stake. We are in real trouble. Yet we are hearing requests for more studies, we are hearing that there is a conspiracy, and we are hearing that there is no shortage at all.

In 1972 about $6 billion was paid for the purchase of foreign oil. In 1985, it is estimated, there will be a deficit in the purchase of foreign oil of $30 to $40 billion. This estimate was made by Mr. John Winger, of the Chase Manhattan Bank. But even if we start now to increase our domestic production of oil and gas and increase our production of all sources of energy, by 1976, in just 3 years, the balance-of-payments deficit for oil will be about $17.5 billion. We will be importing, according to Mr. John Winger, about 50 percent of our oil.

North Slope oil will reduce this deficit only partly, but it is important because it is a start. It is a beginning for Congress. It shows that we are doing something about our energy needs. We are taking action.

Way back in February of 1968 the North Slope oil discovery was announced. More than 5 years ago we knew of the tremendous quantity of oil in Alaska. Environmental concern, technical difficulties, and selfish motives have delayed oil that the lower 48 States could and should be receiving today.

Concern for the environment and justice through our court system does not mean interminable delays. Justice delayed is justice denied. That is just as true in the case of the Alaskan pipeline.

In June of 1969 the pipeline application was received by the Department of the Interior. In January 1970 the National Environmental Policy Act took effect upon the heels of rising environmental concern, resulting in an injunction in April of 1970 against construction of the pipeline. But it was not until March 1972 that the final environmental impact statement was issued, and in May of 1972 Secretary of the Interior Morton announced his intention to issue the pipeline permit.

In August of 1972 the district court dissolved the preliminary injunction. However, on February 9 of this year, the now famous appeals court decision in the case of the *Wilderness Society et al.* v. *Rogers C. B. Morton et al.* again enjoined construction on the basis of a width limitation imposed by the Mineral Licensing Act of 1920. Congress must now correct this archaic deficiency in the law to allow not only the Alaskan pipeline to be built, but to safeguard the use of existing pipelines and permit additional pipelines to be constructed in the future.

Secretary of the Interior Morton has assured us that the Alaskan pipeline will be built to withstand the largest earthquake that has ever been experienced in Alaska. And he should know, for the multivolume environmental impact statement prepared by his Department represents 175 man-years of study at a cost of $9 million.

Oil and gas reserves in the Far North should be enough to justify a second oil pipeline and a gas pipeline. These pipelines, too, will undergo the scrutiny of the Department of the Interior and the Environmental Protection Agency. If its environmental impact statement is acceptable and someone wants to build each of these pipelines, they, too, will be constructed.

Affirmative action on this bill is just a beginning. It is not a panacea. The benefits of 2 million barrels of crude oil a day into the United States by the time it is received will be more than offset by the environmental requirement of more oil. However, it is only a beginning. Much more needs to be done.

Congress must address itself to the question of the deregulation of the price of gas at the wellhead. Congress has not yet seen fit to have hearings on this subject. However, Congress should schedule hearings in the very near future.

There has been ample evidence presented to the Senate Committee on Interior and Insular Affairs to the effect that the present supply of domestic gas is much less than it would otherwise be because of the depressed price of gas at the wellhead.

This testimony also shows that the supply of oil and the supply of coal, as well as atomic energy, has been reduced because of the depressed price of natural gas.

Congress must address itself to the siting of powerplants and refineries and to seeing to it that this Nation has this additional security, this additional employment, and this additional energy that can be counted upon.

We must address ourselves to the question of the siting of offshore, deep water ports so that imported oil can be brought into this country at the cheapest possible cost. This will also reduce the matter of the pollution by transport in a well-designed facility.

Congress must also balance the environmental means to control pollution with the human need for progress.

There is a very definite correlation between the growth in the energy requirements of this Nation and the gross national production of this Nation. Over a period of 50 years, in both cases, it amounts to a little more than 3 percent gross per year. This relationship is important for future progress so that our Nation will have additional jobs, an improved health standard, a higher general standard of living, and better opportunities to make progress in social needs and to reduce poverty.

Congress should also address itself to tax incentives for the exploration and development of energy sources.

It is essential that Congress realize that there be several approaches taken. All of them must be started right away, because some of them address themselves to near-term and others to long-term goals.

Hearings are now going on on standards and research and development programs. The hearings to date have been very productive because they have shown severe deficiencies in the program that was presented. However, they were constructive criticisms and will result, in my opinion, in a good program for research and development, sponsored and supported by the Federal Government, supplementing that done by private enterprises.

Congress should also address itself to the question of a price ceiling on energy products which is counterproductive to an increased supply which is so very important so far as this country's national material is concerned, so far as our ability to withstand the threat we now have of blackmail by the Mideastern nations, and the need to provide for a strong economy. However, it is vital that we recognize that now is the time to begin to take a first step in solving our energy crisis, and then we must follow with many more steps if we are to maintain a desirable environment, continue to have a strong viable economy and maintain this Nation as the No. 1 world power.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I ask unanimous consent that during the consideration of this bill, Mr. Carl Bogar, a congressional fellow employed by the General Accounting Office and working in my office, be permitted access to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. What is the will of the Senate?

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

ORDERS FOR RECOGNITION OF SENATORS BARTLETT, RANDOLPH, HELMS, AND COOK TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Messrs. BARTLETT, RANDOLPH, HELMS, and COOK.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that following the recognition of the aforementioned Senators under the order previously entered on tomorrow, there be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1435

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, in the event the Senate does not complete action tomorrow on the bill (S. 1435) to provide an elected Mayor and City Council for the District of Columbia by the hour of 1:30 p.m., the bill (S. 1435) then go over until Wednesday, to be taken up at the close of morning business on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President on tomorrow the Senate will convene at the hour of 9:30 a.m.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Messrs. BARTLETT, RANDOLPH, HELMS, and COOK.

At the conclusion of the aforementioned orders for the recognition of Senators, there will be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 3 minutes, at the conclusion of which the Senate will proceed to the consideration of S. 1435, a bill to provide an elected Mayor and City Council for the District of Columbia.

There is a time limitation agreement thereon allowing 1 hour for debate on the bill, 30 minutes on any amendment in the first degree, and 20 minutes on any amendment to an amendment, debatable motion, or appeal. The yeas and nays may occur thereon.

If the Senate has not disposed of S. 1435 by the hour of 1:30 p.m., which hopefully it will have, then the Senate will resume the consideration of the unfinished business, the so-called Alaska pipeline bill (S. 1081).

Yea-and-nay votes may occur on amendments thereto during the afternoon tomorrow.

ADJOURNMENT TO 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 4:59 p.m. the Senate adjourned until tomorrow, Tuesday, July 10, 1973, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 3, 1973, pursuant to the order June 30, 1973:

DEPARTMENT OF STATE

Robert C. Brewster, of Nebraska, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ecuador.

William I. Cargo, of Florida, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

Robert A. Hurwitch, of Illinois, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

Executive nominations received by the Senate July 6, 1973, pursuant to the order of June 30, 1973:

THE JUDICIARY

John A. Reed, Jr., of Florida, to be a U.S. district judge for the middle district of Florida, vice William A. McRae, Jr., deceased.

DEPARTMENT OF JUSTICE

Harold M. Grindle, of Iowa, to be U.S. marshal for the southern district of Iowa for the term of 4 years, reappointment.

Richard Van Thomas, of Wyoming, to be U.S. attorney for the district of Wyoming for the term of 4 years, reappointment.

Victor Cardosi, of New Hampshire, to be U.S. marshal for the district of New Hampshire for the term of 4 years, reappointment.

William F. Clayton, of South Dakota, to be U.S. attorney for the district of South Dakota for the term of 4 years, reappointment.

Executive nominations received by the Senate July 9, 1973:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be commanders

Walter S. Simmons
John P. Vandermeulen.

To be lieutenant commanders

John J. Lenart
Stephen E. Foster
Robert V. Smart
Efrem R. Krisher
William R. Daniels
Floyd Childress II
Charles N. Whitaker

To be lieutenants

Richard T. Beaupre
Nelson M. Franklin
David W. Yeager
Wayne F. Turnacliff
Robert K. Norris
Glenn E. Freirich
William L. Adams
Bradford B. Meyers
Carl S. Smyth
James R. Hastings
James R. Faris
Michael F. Kolesar
Ludvik Pfeifer

To be lieutenants (junior grade)

Ralph N. Baker
Wayne L. Perryman
Ronald W. Jones

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, section 3370:

ARMY PROMOTION LIST

To be colonel

Acker, Donald J., [redacted].
Adams, Andrew A., [redacted].
Ahrberg, William A., [redacted].
Ahrens, Edward J., [redacted].
Alex, Peter, [redacted].
Allen, Glen W., [redacted].
Allen, John H., [redacted].
Allred, Leonard W., [redacted].
Allred, Robert H., [redacted].
Alton, Robert E., [redacted].
Alvarez, Eduardo, [redacted].
Anderson, C. A., Jr., [redacted].
Andrews. Vernon J., [redacted].
Annunziato, Guy A., [redacted].
Anthony, George, [redacted].
Arlinghaus, Edward, [redacted].
Arnold, Percy A., [redacted].
Atkins, Edward J., [redacted].
Backer, Allen C., [redacted].
Balagia, Edward G., [redacted].
Balaguer-Rivera, J., [redacted].
Ball, Harvey R., [redacted].
Banker, Charles F., [redacted].
Barchi, Michael E., [redacted].
Barnett, John C., [redacted].
Baron, William C. C., [redacted].
Barrett, Edwin C., [redacted].
Bartel, Robert E., [redacted].
Barth, Edward F., [redacted].
Barton, William A., [redacted].
Bartem, Duane H., [redacted].
Bassett, Paul E., [redacted].
Bastek, Joseph J., [redacted].
Bathurst, Marshall, [redacted].
Baxter, Donald L., [redacted].
Baxter, James R., [redacted].
Beacham, Robert G., [redacted].
Beal, Howard G., [redacted].
Beale, Walter H., [redacted].
Beavers, Fred C., [redacted].
Begick, Lester O., [redacted].
Beirne, Daniel R., [redacted].
Beltramini, Henry P., [redacted].
Bender, Reginald, [redacted].
Bennett, George T., [redacted].
Benson, James D., [redacted].
Benzinger, John A., [redacted].
Berg, John C., [redacted].
Berkos, Paul, [redacted].
Berriman, Peter J., [redacted].
Beuhler, William W., [redacted].
Billings, Kenneth D., [redacted].
Binnicker, Marby, [redacted].
Bishop, Chester, [redacted].
Blager, Morton B., [redacted].
Blair, Bernard A., [redacted].
Bloom, Jack L., [redacted].
Bochniak, Thomas R., [redacted].
Bogolub, Milton, [redacted].
Boone, James L., Jr., [redacted].
Borcherding, H. R., [redacted].
Borchert, Earl H., [redacted].
Bostick, Wallace E., [redacted].
Bowden, Joseph H., Jr., [redacted].
Bowman, Eldon E., [redacted].
Boyd, Howell L., [redacted].
Brennan, William F., [redacted].
Brennen, Floyd M., [redacted].
Brett, Thomas R., [redacted].
Briggs, David C., [redacted].
Bright, Glenn H., [redacted].
Brinitzer, Peter H., [redacted].
Bristow, Walter J., [redacted].
Brown, Edward D., [redacted].
Brown, Edward J., [redacted].
Brown, James W., Jr., [redacted].
Brunson, Nolen L., [redacted].
Bryant, Gorge W., [redacted].
Buchanan, George H., [redacted].
Buchman, Paul, [redacted].
Budnick, Herbert J., [redacted].
Buhrow, Paul J., [redacted].
Bullock, Vernon O., [redacted].
Bunoski, Richard L., [redacted].
Burgess, Jay G., [redacted].
Burns, William J., [redacted].
Bush, Shelby T., [redacted].
Byrd, Joseph K., [redacted].
Cadzow, W. S. Jr., [redacted].
Callos, Harry, [redacted].
Campbell, Lawrence, [redacted].
Campilongo, V. M., [redacted].
Cantel, Manuel E., [redacted].
Carnevale, Louis, [redacted].
Carniglia, Joseph P., [redacted].
Carpenter, Claude B., [redacted].
Carroll, James W., [redacted].
Cate, George H. Jr., [redacted].
Cederberg, Richard, [redacted].
Chagnon, Albert E., [redacted].
Chaisson, Camile J., [redacted].
Chaitt, Elliott, [redacted].
Chambers, Gus, [redacted].
Chang, James D. C., [redacted].
Chapman, John C., [redacted].
Chase, George L., [redacted].
Chescheir, Thomas R., [redacted].
Chisholm, Kenneth J., [redacted].
Chmiola, Joseph J., [redacted].
Christ, Christ, [redacted].
Christian, C. R., [redacted].
Christian, James W., [redacted].
Christofk, R. E., [redacted].
Clardy, John C., [redacted].
Clark, Derald G., [redacted].
Clark, Lloyd C., [redacted].
Clarke, Conley I., [redacted].
Clary, Adrian G., [redacted].
Clawson, Gray I., [redacted].
Clayton, Russell L., [redacted].
Clifton, Burton, [redacted].
Clingan, Fred R., [redacted].
Closs, John W., [redacted].
Closson, Thomas C. J., [redacted].
Coates, George E., [redacted].
Cobb, Charles R., [redacted].
Coe, Robert, [redacted].
Cohen, Richard D., [redacted].
Colby, Robert T. S., [redacted].
Cole, Jackie B., [redacted].
Collmar, Hubert E., [redacted].
Compton, Harold C., [redacted].
Condon, Aaron S., [redacted].
Condon, Alvern C., [redacted].
Conway, Vernon L., [redacted].
Cook, James H., [redacted].
Copeland, Billy B., [redacted].
Corley, James K., [redacted].
Cox, Charles D., [redacted].
Cox, James A., [redacted].
Coyle, Harry M., [redacted].
Craig, Alton H., [redacted].
Cramer, Robert J., [redacted].
Crawford, J. S. Jr., [redacted].
Crockett, T. W. Jr., [redacted].
Crommelin, Robert W., [redacted].
Cronia, George S., [redacted].
Crow, Alfred G., [redacted].
Cruciani, Joseph R., [redacted].
Curtis, Billie B., [redacted].
Dahlstrom, Eric B., [redacted].
Daire, Clifford J., [redacted].
Dallam, Harold C., [redacted].
Dallas, Leonard J., [redacted].
Daly, William J., [redacted].
Danter, James F., [redacted].
Davenport, Byron W., [redacted].
Davis, Dale A., [redacted].
Davis, Dean S., [redacted].
Davis, Harley B., [redacted].
Davis, Lowell M., [redacted].
Davis, Oscar R., Jr., [redacted].
Davis, Rolly A., Jr., [redacted].
Day, Richard K., [redacted].
Deadmon, Baxter B., [redacted].
Decosta, David F., [redacted].
Delong, Otis C., Jr., [redacted].
Dennis, Reuben C., Jr., [redacted].
Dennis, William N., [redacted].
Dermann, Kenneth W., [redacted].
Dewhirst, John S., [redacted].
Dias, Julius E., [redacted].
Dickerson, Verna J., [redacted].
Dittmar, Rabun H., Jr., [redacted].
Dockall, Wallace D., [redacted].
Dodson, Therrell J., [redacted].
Dodson, Wilmer B., [redacted].
Doerr, Lyle C., [redacted].
Donaldson, C. H., [redacted].
Doris, William E., [redacted].
Dorris, Lowry H., [redacted].
Dougherty, Joseph C., [redacted].
Dowson, Charles P., [redacted].
Drisdale, Fred, [redacted].
Dubrin, Harry L., Jr., [redacted].
Duffett, John W., [redacted].
Duke, Roy B., Jr., [redacted].
Dulling, William O., [redacted].
Dunham, Milton G., [redacted].
Dunkin, Robert S., [redacted].
Dunn, Kenneth D., [redacted].
Dunn, William G., [redacted].
Dunning, Ralph P., [redacted].
Dwyer, Ralph D., Jr., [redacted].
Earl, Marvin I., Jr., [redacted].
Eastland, William F., [redacted].
Eastmoore, Eugene L., [redacted].
Ellerbe, James E., [redacted].
Ellington, James R., [redacted].
Elser, Irvin L., [redacted].
Emrich, Robert G., [redacted].
Endler, John J., [redacted].
Eng, Joe, [redacted].
Engel, Lawrence J., [redacted].
Engert, Walter J., [redacted].
Enright, William M., [redacted].
Espino, Virgil, [redacted].
Estrella, John R., [redacted].
Evans, Donald H., [redacted].
Evans, Freddie W., Jr., [redacted].
Evans, John E., Jr., [redacted].
Evans, Thomas G., [redacted].
Falkenberry, W. M., [redacted].
Farr, Allan W., [redacted].
Farry, William T., [redacted].
Feaster, Jacob L., Jr., [redacted].
Federici, Anthony G., [redacted].
Feingold, Bernard, [redacted].
Feingold, Jack, [redacted].
Fellman, Marvin R., [redacted].
Fellows, Charles K., [redacted].
Fender, Edward M., [redacted].
Ferguson, G. R., III, [redacted].
Finch, Charles E., [redacted].
Fine, Leland R., [redacted].
Fink, Jules, [redacted].
Fink, Lon R., [redacted].
Finney, Joseph E., [redacted].
Fisher, Jack, [redacted].
Fisher, Lynn A., [redacted].
Flaten, Milo G., [redacted].
Fleming, Samuel E. J., [redacted].
Follett, George L., [redacted].
Fong, Hayward, [redacted].
Font, Eliseo G., [redacted].
Ford, Charles E., [redacted].

Ford, Donald T., [redacted].
Fortie, Thomas M., [redacted].
Foster, Calvin L., [redacted].
Foster, Cecil R., [redacted].
Fouts, Henry, [redacted].
Fowler, Donald D., [redacted].
Fox, Earl F., [redacted].
France, Henry E. Jr., [redacted].
Freeman, Henry L., [redacted].
Frentzen, Joseph E., [redacted].
Fresenborg, Robert, [redacted].
Fricke, Robert L., [redacted].
Fritz, Robert L., [redacted].
Fuller, Tom O., [redacted].
Gaffney, Gerard A., [redacted].
Gallay, Donald B., [redacted].
Gamel, Earl G., [redacted].
Gardner, James H., [redacted].
Gavlin, Frederic J., [redacted].
Gaynes, Seymour J., [redacted].
Geach, Stanley G., [redacted].
Gehrki, Arthur A., [redacted].
Gerber, Ernest, [redacted].
Gibbes, William H., [redacted].
Gilbertson, Carlyn, [redacted].
Gilham, Louis C., [redacted].
Gill, James H., [redacted].
Gillette, John W., [redacted].
Gilpin, David N., [redacted].
Ginn, Keith C., [redacted].
Giordano, Carmine P., [redacted].
Glass, Floyd, [redacted].
Gomez, Leonard, [redacted].
Gordon, Aaron Z., [redacted].
Gordon, William L., [redacted].
Gorsky, Albert F., [redacted].
Goss, Arthur J., [redacted].
Graham, John R., [redacted].
Graham, Seldon B. Jr., [redacted].
Graves, James E., III, [redacted].
Graves, James F., [redacted].
Gray, George H., [redacted].
Gray, Norman J., [redacted].
Gray, Richard C., [redacted].
Gray, Roy C. Jr., [redacted].
Green, Robert W., [redacted].
Griffith, Eugene W., [redacted].
Grimstad, James P., [redacted].
Gump, Theodore E., [redacted].
Haggard, Mickey T., [redacted].
Hague, Benjamin P., [redacted].
Hague, William W. Jr., [redacted].
Hahn, F. C. Jr., [redacted].
Hahn, Robert E., [redacted].
Haines, Ralph C., [redacted].
Hall, Earl W., [redacted].
Hall, Nicholas A., [redacted].
Hamil, Earl C., [redacted].
Hamilton, Robert E., [redacted].
Hammerquist, H. L., [redacted].
Hampton, Joe W., [redacted].
Hancock, Walter J., [redacted].
Hand, Paul E., [redacted].
Hanger, Albert H., [redacted].
Harding, Darrel L., [redacted].
Hardwick, John H., [redacted].
Hardy, Jimmie T., [redacted].
Harmsen, Eugene J., [redacted].
Harpst, Harry C., [redacted].
Harrell, Norris E., [redacted].
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Hassell, Andrew M., [redacted].
Hassett, Bernard T., [redacted].
Hatch, Aram H., Jr., [redacted].
Hatfield, Robert E., [redacted].
Hawkins, Robert L. J., [redacted].
Hawkinson, Norman A., [redacted].
Hawn, Robert W., [redacted].
Headrick, Elmore G., [redacted].
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Hee, Franklin P., [redacted].
Heffernan, John J., [redacted].
Heilborn, George, [redacted].
Heineke, Hilton E., [redacted].
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Hensler, Thomas P., Jr., [redacted].
Herman, Emmett R., [redacted].
Herndon, William C., [redacted].
Hershey, Bernard, [redacted].
Hessel, Howard C., [redacted].
Hester, Elmo C., Jr., [redacted].
Hickey, Bryce K., [redacted].
Higginbotham, Jack, [redacted].
Hill, Charles E., [redacted].
Hinkley, David R., [redacted].
Hinman, Morris E., [redacted].
Hockley, Ralph M., [redacted].
Hodgin, David A., [redacted].
Holden, Jack B., [redacted].
Hollis, William S., [redacted].
Holt, George F., [redacted].
Hopper, Lester E., [redacted].
Horn, Wayne, [redacted].
Hornstein, Joseph L., [redacted].
Housel, Howard C., [redacted].
Howard, Chester A., [redacted].
Howell, Robert L., [redacted].
Hughes, James C., [redacted].
Hughes, Robert D., [redacted].
Hughley, Thomas H., [redacted].
Hungerford, Amede O., [redacted].
Hunt, Donald E., [redacted].
Huntress, M. O., Jr., [redacted].
Hupe, Charles E., [redacted].
Hurley, Borromeo W., [redacted].
Hurney, Joseph H., Jr., [redacted].
Huso, Kennth W., [redacted].
Hutton, Wallace E., [redacted].
Iker, Gilbert H., [redacted].
Ingram, William M., [redacted].
Ives, Lowell W., [redacted].
Ivey, Clinton L., [redacted].
Jackson, S. F., Jr., [redacted].
Jaeger, Bruno G., [redacted].
Jann, William K., [redacted].
Jarrett, Harry T. [redacted].
Jartman, Marc R., [redacted].
Jekel, Eugene E., [redacted].
Jelatis, John G., [redacted].
Johnson, Clayton L., [redacted].
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Johnson, Ruben H., [redacted].
Johnson, Russell J., [redacted].
Johnston, Ralph L., [redacted].
Johnstone, R. V., [redacted].
Jones, Arthur T., [redacted].
Jones, Francis E., [redacted].
Jones, Wallace L., [redacted].
Jordan, Clarence E., [redacted].
Jugler, Leo V., [redacted].
Kaplan, Marshall G., [redacted].
Kath, Raymond H., [redacted].
Kaufman, Siegbert, [redacted].
Keith, Graham R., [redacted].
Kelley, William W., [redacted].
Kelly, William P., [redacted].
Kemp, William L., [redacted].
Kennerty, William C., [redacted].
Kenney, John W., [redacted].
Kennison, Richard A., [redacted].
Kerns, Charles P., [redacted].
Ketcham, Charles R., [redacted].
Kidder, Patrick B., [redacted].
Kiefer, John Jr., [redacted].
Kiker, Jeff L., [redacted].
Kille, Bruce R., Jr., [redacted].
Kilmartin, Ronald F., [redacted].
Kim, Lloyd Y. S., [redacted].
Kimura, Tom T., [redacted].
Kincaid, Paul E. Jr., [redacted].
Kindig, Neal B., [redacted].
Kiraly, Steven, [redacted].
Kitchell, C. M. Jr., [redacted].
Kitts, Marvin H., [redacted].
Kling, Arthur K., [redacted].
Klee, Harry J. Jr., [redacted].
Knoechel, Don V., [redacted].
Koehnen, Fred J., [redacted].
Kormann, John, [redacted].
Krause, Arthur M., [redacted].
Krevitsky, Simon C., [redacted].
Kuekes, George C., [redacted].
Kuhl, Donald G., [redacted].
Kuhn, Paul P., [redacted].
Kuhn, Wilder K., [redacted].
Kupferschmidt, A. L., [redacted].
Kuroda, Joseph T., [redacted].
Kurrus, Clifford M., [redacted].
Lafollette, R. M., [redacted].
Landers, Charles S., [redacted].
Landry, Murray F., [redacted].
Lang, John D., [redacted].
Langley, Edward J., [redacted].
Langston, Needham W., [redacted].
Lanna, Vincent W., [redacted].
Laskey, Richard M., [redacted].
Latham, George R., [redacted].
Laufenberg, Edward, [redacted].
Lavender, Donald E., [redacted].
Lawson, Harold F., [redacted].
Lear, George E., [redacted].
Lecrone, H. P., [redacted].
Lee, Wilburn D., [redacted].
Leon, Gustavo A., [redacted].
Lesky, John F., [redacted].
Lethco, Tilman D., [redacted].
Lewis, Malcolm K., [redacted].
Lewis, Paul G., [redacted].
Lewis, Robert J., [redacted].
Lichty, John C., [redacted].
Liles, Graydon C., [redacted].
Lindow, Arlie T., [redacted].
Lippert, J. R., [redacted].
Liska, Dennis J., [redacted].
Litsis, George J., [redacted].
Litton, Jimmie L., [redacted].
Lott, Robert L. III, [redacted].
Lotz, Jay M., [redacted].
Loupe, Joseph A. Jr., [redacted].
Lovell, Willard M., [redacted].
Lowery, Robert L., [redacted].
Lugli, Richard V., [redacted].
Lunn, Wilburn V. Jr., [redacted].
Lynch, Charles E. Jr., [redacted].
Lynn, Joseph, [redacted].
Lynn, Walter J., [redacted].
Lyons, William M., [redacted].
Lytle, Robert E., [redacted].
Macaluso, J. N., Sr., [redacted].
Mack, Herbert J., [redacted].
Maher, James Jr., [redacted].
Maier, Joseph F., [redacted].
Manion, Marion W., [redacted].
Markert, Frederick, [redacted].
Markham, Jack W., [redacted].
Markiewitz, Kenneth, [redacted].
Markum, Wiley R. Jr., [redacted].
Marshall, C. M. Jr., [redacted].
Martin, Billy E., [redacted].
Martin, Charles D., [redacted].
Martin, James W., [redacted].
Martin, Paul R., [redacted].
Martin, Theodore K., [redacted].
Martinez-De, Andino, [redacted].
Martiniz, Antonio M., [redacted].
Mathison, Henry N., [redacted].
Matsuda, Nobuo, [redacted].
Mattox, William R., [redacted].
Mayo, Carl S., [redacted].
McAdams, Kelly R., [redacted].
McCaleb, Stanley C., [redacted].
McCarthy, Richard F., [redacted].
McClellan, George B., [redacted].
McCloskey, Donald G., [redacted].
McCormick, W. J., [redacted].
McCreary, Val E., [redacted].
McDonald, William J., [redacted].
McGraw, Michael B., [redacted].
McInturff, Don E., [redacted].
McIntyre, George W., [redacted].
McKell, James R., [redacted].
McKeon, Donald J., [redacted].
McMillen, John B., [redacted].
McVae, Douglas K., [redacted].
McWilliams, Donald, [redacted].
Meadows, George C., [redacted].
Melton, James R., [redacted].
Melville, David A., [redacted].
Merryman, W. D., [redacted].
Meyer, Marvin A., [redacted].
Meyerson, Dean W., [redacted].
Miller, Cecil E., [redacted].
Miller, Dale J., [redacted].
Miller, Kelsie R., [redacted].
Miller, Norman E., [redacted].
Miller, Paul F., [redacted].
Mitchell, Guy T., [redacted].
Mixson, James M., [redacted].
Miyamoto, Richard I., [redacted].
Mock, William E., [redacted].
Monteith, Edmund H., [redacted].
Montgomery, Edwin F., [redacted].
Moon, Edward C., Jr., [redacted].
Moon, John W., [redacted].
Moore, Calvin, [redacted].

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Morris, John N., [redacted]
Mortara, Benjamin, [redacted]
Moss, Marvin L., [redacted]
Mott, Harry J., III [redacted]
Moxley, Joe E., [redacted]
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Murphy, Edward F., [redacted]
Murphy, Ira E., Jr., [redacted]
Murphy, W. W., Jr., [redacted]
Murray, William C., [redacted]
Myers, Robert E., [redacted]
Nachman, William B., [redacted]
Nadeau, Alexander D., [redacted]
Neideigh, Robert G., [redacted]
Nelson, Fabian A., [redacted]
Nelson, Hugh B., [redacted]
New, Donald I., [redacted]
Newman, Russel A., [redacted]
Nicholson, Dewey T., [redacted]
Night, Ralph, [redacted]
Niles, Hugh S., [redacted]
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Obert, Thomas W., [redacted]
O'Bryan, Robert H., [redacted]
Ockenfels, Leroy B., [redacted]
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O'Connor, John F., [redacted]
Ohlemeier, Duane C., [redacted]
Olmstead, Henry L., [redacted]
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O'Neal, Henry P., [redacted]
Orear, David M., [redacted]
Oswalt, Bobby J., [redacted]
O'Toole, Donald J., [redacted]
Ouellette, Gaston L., [redacted]
Overstreet, R. P., [redacted]
Owens, Charles H., [redacted]
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Oyama, Herbert K., [redacted]
Paden, Oscar L., [redacted]
Pafenberg, John D., [redacted]
Page, Dena R., [redacted]
Paoletti, Carl, [redacted]
Parascandolo, G. T., [redacted]
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Parrish, Emory C., [redacted]
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Partee, Walter D., [redacted]
Patton, James D., [redacted]
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Payson, Samuel C., [redacted]
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Pearson, Oran Y., [redacted]
Pearson, Robert H., [redacted]
Pedersen, Gunnar C., [redacted]
Peeples, Clyde H., [redacted]
Pelegrina, Miguel A., [redacted]
Pelton, James L., [redacted]
Pena, Noe O., [redacted]
Pendergraft, C. N., [redacted]
Pendleton, Roger L., [redacted]
Perez, Emilie, [redacted]
Perkins, Charles H., [redacted]
Perry, Alvan S., [redacted]
Perry, Hugh W., [redacted]
Pettycrew, Robert B., [redacted]
Pfannstiel, D. C., [redacted]
Pickett, Theodore R., [redacted]
Pilkington, Frederick A., [redacted]
Pitsker, Cooper K., [redacted]
Pittman, Jerold F., [redacted]
Pitts, Philip C., [redacted]
Pleasant, Ernest H., [redacted]
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Polesky, John A., [redacted]
Poletti, Mario Jr., [redacted]
Potter, James M., [redacted]
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Provencher, Conrad, [redacted]
Puhala, Edward S., [redacted]
Randle, Keylon C., [redacted]
Randle, Marlin D., [redacted]
Randle, William Jr., [redacted]
Reames, Harry J. Jr., [redacted]
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Records, Bernard L., [redacted]
Reiff, Elmo E., [redacted]
Reynolds, L. J. Jr., [redacted]
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Rhymes, Ray C., [redacted]
Ridley, Philip E., [redacted]
Riley, Herbert J., [redacted]
Roach, Cornelius II, [redacted]
Roberts, Charles B., [redacted]
Roberts, John W. Jr., [redacted]
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Rogers, Eugene, [redacted]
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Rubenstein, Henry S., [redacted]
Rucker, Talmadge R., [redacted]
Rushing, Talmadge L., [redacted]
Ryan, James W., [redacted]
Ryan, Richard B., [redacted]
Saddlemire, George, [redacted]
Sahlstrom, Stanley, [redacted]
Saladino, Joseph J. [redacted]
Sales, Jimmy R., [redacted]
Samuel, Charles R., [redacted]
Sande, Ervin M., [redacted]
Sanders, Darrell W., [redacted]
Sanders, Samuel M. J., [redacted]
Sanderson, Gerald C., [redacted]
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Santurri, Edmund, [redacted]
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Sather, Paul S., [redacted]
Scarbrough, C. E., [redacted]
Scarbrough, William, [redacted]
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Schneickert, E. T. Sr., [redacted]
Schnurr, Robert S., [redacted]
Schulze, Chester W., [redacted]
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Schwartz, Ralph E., [redacted]
Schwartz, Stanley C., [redacted]
Scofield, John E., [redacted]
Scott, Joseph C., [redacted]
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Seydell, Carl W., [redacted]
Sharpe, Mitchell R., [redacted]
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Shaw, James H., [redacted]
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Shelton, Charles E., [redacted]
Shelton, Kenneth J., [redacted]
Sherrod, Fred C., [redacted]
Shettles, James H., [redacted]
Shields, Paul K., [redacted]
Shotton, E. A. Jr., [redacted]
Shulkin, Jerome, [redacted]
Shymon, Walter T., [redacted]
Silver, George, [redacted]
Simon, George A., [redacted]
Sims, Wilbur T., [redacted]
Skalkos, Andrew G., [redacted]
Skovgard, Fred E., [redacted]
Slauter, Lester V., [redacted]
Sloane, Shepard V., [redacted]
Smith, Buster E., [redacted]
Smith, Donald J., [redacted]
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Smith, Nicholas, [redacted]
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Speth, Mervyn L., [redacted]
Spradling, Donald, [redacted]
Stacey, George J., [redacted]
Staffieri, Benedict, [redacted]
Staples, Paul E., [redacted]
Steed, Lawrence L., [redacted]
Steiner, Samuel J., [redacted]
Stephano, Andrew T., [redacted]
Stephenson, C. D., [redacted]
Stevens, Charles R., [redacted]
Still, Thomas W., [redacted]
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Stribling, Rea, [redacted]
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Strouse, Jacob J., [redacted]
Stuart, Harry J., [redacted]
Stumpe, Warren R., [redacted]
Sturman, William S., [redacted]
Sullivan, Joe B., Jr., [redacted]
Sullivan, Luke J., [redacted]
Summers, Zane H., [redacted]
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Swim, John H., [redacted]
Sylvester, W. P., [redacted]
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Tamanaha, Larry S., [redacted]
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Taub, Ira S., [redacted]
Taylor, Eugene A. J., [redacted]
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Tiemann, Edmund C., [redacted]
Tindal, Paul L., [redacted]
Torres, Roberto, [redacted]
Tow, Philip S., [redacted]
Toxey, Walter W., Jr., [redacted]
Trask, Victor E., [redacted]
Troeschel, Walter, Jr., [redacted]
Trovato, Giorgi J., [redacted]
Tschritter, E., Jr., [redacted]
Tucker, Roy T., [redacted]
Tufts, Edgar, [redacted]
Tuller, Edward A., [redacted]
Underwood, Ewing D., [redacted]
Unfer, Louis, Jr., [redacted]
Valella, Sam, [redacted]
Vandiver, W. H., Jr., [redacted]
Vazquez-Cabrera, Julio E., [redacted]
Voorhess, Robert W., [redacted]
Wagman, Leonard M., [redacted]
Wagner, Bernard A., [redacted]
Wahlen, Carl R., [redacted]
Waldon, Edward W., [redacted]
Walker, Jerry G., [redacted]
Walker, Perry N., [redacted]
Wallace, Clarence C., [redacted]
Wallace, Raymond E., [redacted]
Wallis, Joel D., [redacted]
Walsh, John L., [redacted]
Walters, Jack D., [redacted]
Walther, Richard F., [redacted]
Walton, Charles A., [redacted]
Wampler, James P., [redacted]
Warner, Paul E., [redacted]
Waters, William G., [redacted]
Watson, William T., [redacted]
Webb, John B., [redacted]
Weismantel, Alfred, [redacted]

Welch, Robert S., [redacted].
Welch, William E., [redacted].
Wells, Thomas G., [redacted].
Wharton, Lyle H., [redacted].
Wheatley, Edwin T., [redacted].
White, Daniel A., [redacted].
White, Daniel S., [redacted].
White, Floyd M., [redacted].
White, William C., [redacted].
Whitfield, Marcus L., [redacted].
Wick, Robert L., Jr., [redacted].
Wilczek, Theodore R., [redacted].
Wilde, Camillo, [redacted].
Williams, Carl E., [redacted].
Williams, John R., [redacted].
Williams, John R., [redacted].
Williams, Richard E., [redacted].
Williamson, Dayle E., [redacted].
Wills, Charles M., [redacted].
Wilson, C. P., Jr., [redacted].
Wilson, Leslie R., [redacted].
Wilson, Sterling V., [redacted].
Winchester, T. H., Jr., [redacted].
Winders, Kenneth R., [redacted].
Wise, Floyd W., [redacted].
Wisnioski, S. W., Jr., [redacted].
Witherspoon, E. D., [redacted].
Woodbury, Charles P., [redacted].
Woodward, Marion A., [redacted].
Woodworth, Charles, [redacted].
Woodbridge, R. O., [redacted].
Worcester, Ronald D., [redacted].
Wormser, Hans H., [redacted].
Worthington, Alan., [redacted].
Wright, Lawrence A., [redacted].
Wright, Trenton E., [redacted].
Wynne, George G., [redacted].
Yarbrough, C. R., [redacted].
Yates, George K., [redacted].
Yerkes, William C., [redacted].
Youmans, George M. J., [redacted].
Young, Joe C., [redacted].
Zaback, George H. J., [redacted].
Zaffern, Bernard H., [redacted].
Zeigler, Norman L., [redacted].
Zobel, Walter, [redacted].

CHAPLAIN

To be colonel

Alexis, Edward J., [redacted].
Allen, Edric D., [redacted].
Anderson, James E., [redacted].
Armbrust, John W., [redacted].
Aronsen, Viggo O., [redacted].
Barnes, Hugh N., [redacted].
Beh, Robert F., [redacted].
Bieberle, Victor A., [redacted].
Bush, Warren T., [redacted].
Cabrera, Marcos M., [redacted].
Campbell, Alvin L., [redacted].
Carruth, Hal D., [redacted].
Challman, Merrill O., [redacted].
Clarke, Harold A., Jr., [redacted].
Culler, Ralph G., [redacted].
Cummins, Daniel N., [redacted].
Deese, Wilson C., [redacted].
Dennigan, Patrick J., [redacted].
Edwards, John L., [redacted].
Elias, Woodrow L., [redacted].
Elmer, Charles W., [redacted].
Fackler, William J., [redacted].
Farrelly, Peter T., [redacted].
Fix, Charles E., [redacted].
Foshee, George W., Jr., [redacted].
Fox, Lee V., [redacted].
Garner, Kenneth A., [redacted].
Griffin, Robert F., [redacted].
Hannusch, Hugo A., [redacted].
Heffernan, James F., [redacted].
Hoiland, Theol S., [redacted].
Jennings, Carl G., [redacted].
Johnston, Edwin D., [redacted].
Kloczko, Walter J., [redacted].
Koster, Raymond W., [redacted].
Kuhn, Wesley J., [redacted].
Lehenbauer, Albert, [redacted].
Limkemann, August, [redacted].
Locklair, Benjamin, [redacted].
Macaulay, George M., [redacted].
Mann, Earl H., [redacted].
Manson, W. T., Jr., [redacted].
Mansur, Richard W., [redacted].
Maugans, David E., [redacted].
Mottin, Charles A., [redacted].
Needham, George H., [redacted].
Parsons, Forest L., [redacted].
Pollard, Goldwin S., [redacted].
Powell, Joseph T., [redacted].
Ratte, Gregoire R., [redacted].
Russo, Nicodemus, A., [redacted].
Schildwachter, A., [redacted].
Schwendiman, Kay A., [redacted].
Shaw, Lyle H., [redacted].
Smith, James H., [redacted].
Sosebee, James W., [redacted].
Stannard, John S., [redacted].
Steele, Claude A., [redacted].
Stubenvoll, Carl L., [redacted].
Tomasovich, John A., [redacted].
Urey, John H., [redacted].
Vandecastle, Louis, [redacted].
Van Dyken, Jack, [redacted].
Vickery, Richard F., [redacted].
Wacker, Grant A., [redacted].
White, Willie C., [redacted].
Wright, Ross C., [redacted].
Zick, Louis E., [redacted].

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3366 and 3367:

To be lieutenant colonel

Brock, Leroy C., Jr., [redacted].
Connett, Walter T., [redacted].
Ellis, James R., [redacted].
Gray, John D., [redacted].
Hudak, George W., [redacted].
Konzem, Harry W., [redacted].
Peterson, A. O., Jr., [redacted].
Simpson, John E., Jr. [redacted].
Urruela, Maria L., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Erickson, James H., [redacted].

To be lieutenant colonel

Boccuti, Anthony R., [redacted].
Circeo, Richard B., [redacted].
Hall, Donald L., [redacted].
Henn, Thomas W., [redacted].
Pursalan, Napoleon C., [redacted].
Welch, Richard D., [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

To be colonel

Brown, William D., [redacted].
Bullock, James M., Jr., [redacted].
Burdell, James R., [redacted].
Doering, Darrell E., [redacted].
Greenwell, Charles H., Jr., [redacted].
Hald, Christian P., [redacted].
Jenkins, William H., [redacted].
Kuster, Karl K., [redacted].
Lum, Alexis T., [redacted].
Lynn, Lawson M., [redacted].
Palmer, Ralph W., [redacted].
Peacock, Richard A., [redacted].
Powell, John F., [redacted].
Ray, Richard L., [redacted].
Robertson, Hal F., [redacted].
Schmidt, Gerald W., [redacted].
Upshaw, Joseph W., [redacted].
Walters, William G., Jr., [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

To be lieutenant colonel

Amsler, Edward F., Jr., [redacted].
Bittelari, Thomas J., [redacted].
Boulo, Joseph T., Jr., [redacted].
Brown, Clifford M., [redacted].
Cadwalader, Richard C., [redacted].
Christ, Howard G., [redacted].
Clardy, James D., [redacted].
Cooper, Robert A., [redacted].
Culpepper, Marvin W., [redacted].
Daniel, Manuel, [redacted].
Dunphy, Arthur L., [redacted].
Eagerton, Charles W., [redacted].
Farrell, Thomas J., [redacted].
Fastabend, Robert E., [redacted].
Gilcrist, Richard L., [redacted].
Hardy, Donald C., [redacted].
Helmer, Robert L., [redacted].
Hine, John M., [redacted].
Hollis, Martin L., Jr., [redacted].
Jackson, Ray L., [redacted].
Jones, James W., [redacted].
Knowles, Charles A., [redacted].
Leaphart, William H., Jr., [redacted].
Long, Norman L., [redacted].
Nanartowich, Richard H., [redacted].
Parkhill, Roland L., [redacted].
Penton, Ben H., [redacted].
Powers, Thomas F., [redacted].
Richert, Gordon A., [redacted].
Ritter, Lewis W., [redacted].
Schneider, Elmer, [redacted].
Scott, Edgar H., Jr., [redacted].
Taddeo, Pasquale R., [redacted].
Terpien, Edward S., [redacted].
Teruya, Michael S., [redacted].
Toth, Jack A., [redacted].
Wheeler, Donald L., [redacted].
Wolfe, George A., [redacted].
Woodruff, Willard B., Jr., [redacted].

IN THE NAVY

James R. Lash (Naval Reserve officer) to be a permanent lieutenant commander in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

James M. Klick (Naval Reserve officer) to be a permanent lieutenant in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

Melvin Q. Antonio
Michael A. Froman
Kristopher M. Greene
Karl D. Nielson.

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

Albert E. Becker, Jr.
Daniel W. Carlson
Adrian J. Delaney
Michael E. Golembieski
James W. McLeod
John G. Meyer
Joseph H. Schenk
Charles W. Schwab
William J. Wagner, Jr.

The following-named (civilian college graduates) to be permanent lieutenants and temporary lieutenant commanders in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Ernest P. Myers
William B. Stilley II

The following-named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Cullen L. Athey, Jr.
Harold A. Pebbles, Jr.

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Richard F. Acquavella
Donald G. Cairns
Peter J. Durso
Charles D. Ferguson
Robert J. Fuhrman
John W. Hardgrave
Dean A. Hendrickson
Stanley F. Kapa
Robert S. Parker
Herbert J. Towle III

The following-named U.S. Navy officers to be temporary commanders in the Medical Corps in the Reserve of the Navy, subject to the qualification therefor as provided by law.

Malcolm M. Murdock
Sandro R. Sandri
Walker H. Campbell

John H. Cook III, U.S. Navy officer to be a temporary commander in the line in the Reserve of the Navy, subject to the qualification therefor as provided by law.

The following-named enlisted candidates to be ensigns in the Medical Service Corps (Health Care Administration) for temporary service, subject to the qualification therefor as provided by law.

Stonebraker, Alan F.
Otis, Edward J.
Ebert, Thomas A.
McGarvey, David H.
Powell, Cecil D.
Thayer, Jon E.
Shannon, Patrick A.
Griswold, Lynn C.
Jean, Kenneth L.
Rodell, Robert W., Jr.
Dulude, Edward P.
Gesh, Albert S., Jr.
Holm, Dale L.
Hoffman, Stanley W.
Fuchs, Kurt W.
Adams, Dennis L.
Cruit, Carlton D.
Schnable, Robert M., Jr.
Arrison, Ronald B.
Otlowski, Richard
Howard, Roger H., Jr.
Hynes, Samuel M.
Knox, Frederick M.
Lee, Eddie A.
Dulaney, Jerry D.
Ayers, James L.
Lorenzen, William F.
Cawley, Michael
Betsworth, Richard D.
Cundiff, John H.
Allen, Edward J., Jr.
Niec, Edmund A.
Goulet, Mark B.
Ryan, Thomas A.
Boehm, Russell K.
Rivers, Gussey
Clark, Bobby G.
Eclar, Alexander D.
Mitchell, William L.
Hobday, Edward C.
Long, James J.
Alberti, Caley E.
Hicks, Howard J.
Hetsko, John A.
Mitchell, James T.
Bovasso, Peter
Doe, Wilfred I.
Tompkins, Lee W.
McIndoe, Bruce H.
Brozowski, Dennis R.
Wright, James A., Jr.
Franklin, Kenneth W., Jr.
Bubb, Ronald E.
Shafer, Thomas A.
Edmons, Robert L.
Rasnick, Lannes B.
Libby, Earle S.
Pariseau, Royle J.
Cesar, Niles C.
Poppell, Gordon H., Jr.
Clark, Lewis E.
Wilson, Victor M.
Crowell, John F.
Erichsen, Michael E.
Rodman, Merrill D.
Garnto, Sterling E.
Brown, William E.
Roybal, Eliseo, Jr.
Lawson, Michael P.
Springfield, Walter L.
Goains, Bobby D.
Tucker, Elmo G.
McKenna, Michael R.
Summers, Donn L.
Fallat, James S.
Swafford, James J., Jr.
Rogers, Lester M.
Quinn, Patrick J.
George, Charles L.
Cruz, Romeo G.
Kroutil, Michael L.
Mallea, Richard L.
Shehane, Claude T.
Sledge, Wavely L.
Beale, Calvin C., Jr.
McCourt, Stephen L.
Pitts, Charles G.
Smith, Robert W.

William J. Munro (civilian college graduate) to be a permanent commander and a temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law.

The following-named U.S. Navy officers to be permanent commanders in the Medical Corps in the Reserve of the Navy, subject to the qualification therefor as provided by law:

Philip T. Cunningham
Berkley L. Rish
Gordon J. Weir, Jr.

Peter B. Carroll, U.S. officer to be a temporary commander in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law.

John W. Mooney (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualification therefor as provided by law:

Lewis H. Abulafia
David E. Altaras
Mark A. Brennan
Charles D. Broadbent
Carl J. Coleman
Joseph R. Duda
Donald R. Eakin
Nile P. Ersland
Steven A. Fertig
George H. Graf
Michael G. Jorgensen
Alan R. Kiefer
Robert F. Neuner
Ronald C. O'Boyle
Steven L. Steakley
Charles B. Stuller
Myron J. Taranow
James R. Waytena
James B. Wright

John E. Gray (Naval Reserve officer) to be a permanent lieutenant commander in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

Henry D. Gobbel, U.S. Navy retired officer, to be reappointed from the temporary disability retired as a permanent lieutenant commander and a temporary commander in the Medical Service Corps of the Navy, subject to the qualification therefor as provided by law.

Joseph Honigman (Naval Reserve officer) to be a permanent lieutenant commander and a temporary commander in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

Timothy H. Meyer (midshipman, Naval Academy) to be a permanent ensign in the line or staff corps of the Navy, subject to the qualification therefor as provided by law.

IN THE MARINE CORPS

The following-named temporary disability retired officer for reappointment to the grade of colonel in the Marine Corps, subject to the qualifications therefor as provided by law:

Campbell, Albert W., [redacted], USMC.

The following-named temporary disability retired officer for reappointment to the grade of major in the Marine Corps, subject to the qualifications therefor as provided by law:

Rader, Mischa, [redacted], USMC.

The following-named (Naval Reserve Officer Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Braschler, John E.
Callis, Steven M.
Calvert, Paul A.
Chukes, Frank, Jr.
Denault, Bruce A.
Finley, Riley
Grove, Clemson D.
Kessier, Michael B.
Koen, Joseph C.
Lambert, Bevill F., Jr.
Lang, David A.
Macklin, Gilbert A.
Mahlock, Michael H.
Malone, Richard J.
McCormick, William J.
Menke, Gene
Minter, Michael W.
Piasecki, Richard F.
Smith, Spencer H.
Sudhold, Michael G.
Taylor, Philip M.
Wakefield, Jack S.
Welch, Walter F.

The following-named officers of the Marine Corps for permanent appointment to the grade of major:

William R. Abele, Jr.
William G. Adamaitis.
Jacob K. Albright, Jr.
George N. Allerton
Donald W. Andrews
John F. Angil
Mordecai R. Arnold
Alfred A. Arroyo
Claude A. Austin
James F. Baier
Joseph L. Barker
Henry D. Barratt
Connie A. Barsky, Jr.
Hubert M. Bartel, Jr.
Ernest B. Beall, Jr.
Roderick E. Benton
John C. Bever
David R. Black
Robert N. Bogard
Paschal G. Boggs
Herman R. Bolen
Buford W. Braswell
George W. Brooks
Ronald L. Bub
Kenneth R. Buske
Ronald H. Chalmers
Bobby D. Chambless
James M. Chance
Wiley B. Channell
John L. Clark, Jr.
William B. Clark
Roger J. Claus
John E. Clements
Eric J. Coady
Robin W. Cobble
Bobby F. Cole
Larry M. Collins
Matthew Flessner
Elbert A. Foster
Calvin C. Frantz
David M. Gallegos
Harry R. Gentry
Timothy J. Geraghty
Samuel S. Glaize
Eugene M. Glass
Gerald L. Gill
Jonn A. Goehring
Darcy E. Grisier
Charles R. Gruning
Leon A. Guimond
Louis T. Gundlach
John A. Hadley
Jack B. Hammond
James D. Hardaway
Robert F. Harrington
Harry G. Hartley
Albert E. Harwood
Barclay Hastings
George C. Hearn
James B. Hickok
Billie E. Hicks
Thomas B. Hill
Maurice A. Holder
John M. Holt
Herbert E. Hoppmeyer
Frank J. Horak
Carl O. Hubbell
Richard H. Huckaby
Jerome H. Hummel
Fred L. James
Thomas F. Jessen
Herbert C. Johnson
Robert L. Jones Jr.
Charles F. Kellenbarger
Edmund J. Connelly, Jr.
William J. Cooper
Charles E. Conway, Jr.
William C. Cowperthwait
Edward V. Cox
Frederick B. Craig
William B. Crane
Richard O. Culver
Francis J. Cunningham
Charles A. Cushman
Joseph C. Dangler
Edward D. Dauksz
Lawrence E. Davies
Alber W. Deckel
Christian F. Defries
William E. Deiuliis
Francis T. Dettrey
Ted O. Dickson
Wilson R. Dodge
Robert J. Driver, Jr.
Delbert H. Dupont
Thomas R. Durham
Joseph J. Dzielski
Harold A. Erwin
Timothy J. Fallon
David E. Fanning
Frank Ferrante
Charles G. Mulford
Robert R. Mullins
Donald R. Muncie
Joseph F. Nardo
Robert K. Nixon
Kenneth E. Noland
David S. Norton
Joseph R. Paquette
Robert M. Payne
Ronald E. Pfrimmer
Roger P. Pilcher
Charles M. Pisanchin
Herbert F. Posey
Charles J. Ramsay
Albert J. Ransom
Thomas J. Rauscher
H. L. Redding
John H. Redgate
Thomas L. Reeves
Richard R. Reuschling
Franklin D. Richey
Howard L. Richey
William T. Ridgeway
Jules C. Rivera, Jr.
Ernest G. Rivers
Charles W. Rogers
William B. Rowley
Joseph R. Sales
Phillip J. Samuels
Herbert M. Sanchez
Joaquin S. Santos
Anthony J. Scaran
Harold D. Scarbrough
George R. Schipper
Gordon R. Schlagel
Richard W. Shulz
Manfred E. Schwarz
Theodore J. Scotes
Olen A. Seay, Jr.
John E. Seeburger, Jr.
Delmas D. Sharp, Jr.
James P. Sheehan
Darrell S. Shlor
Paul F. King
Robert E. Kirkpatrick
Julius P. Kish III
Donald R. Knepp
William G. Kogerman
James E. Lary
Arnold T. Lawson
Thomas E. Lewis
Melton G. Lilley
Theodore P. Lingenfelter
Robert E. Lorch
L. J. Lott
Graden E. Loveless
Mark E. Loveless
James L. Lumsden
Kenneth R. Maddox
James T. Magee
Arville D. Martin
Billy R. Massey
Enrique A. Mauri
Joseph C. Mayers
Billy L. McClain
Werner W. McIver
Charles T. McMullin
Gilbert R. Meibaum
Martin W. Meredith
Robert B. Mickey
Thomas P. Miller
George D. Mock
Kenneth E. Sheltor
Billy E. Simpson
James F. Simpson
Gerald W. Sims
Winfield W. Sisson
David T. Sites
Joseph A. Sole
Leonard K. Slusher
Clyde D. Smith
Munson R. Snedeker
Doyle R. Sprick
Donald R. Stanton
Mitchell Steinberg
Donald L. Stoner
John H. Strasser
Jerry L. Stricker
Frank D. Strong
William W. Stumpf
John Telles, Jr.
Richard T. Thomson
William E. Tisdale
James M. Tully
George E. Turner, Jr.
Donald V. Vacca
Igor R. Valentine
John M. Vanes
Fredric M. Vann
Stephen J. Veno
Richard W. Vorreyer
Kimball R. Wakefield
William L. Waters
Philip S. Weigand
James E. Wells
David B. Werner
Gerald A. Wessels
Theodore L. Whisler
David Whittingham
William A. Wile
Morgan L. Wilkinson
Charles A. Williams
Gary W. Williams
Thomas D. Wilson
William E. Wright

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant:

David T. Aldridge
Michael R. Antonelli
Rayfel M. Bachiller
Roberta M. Baro
Scott A. Blair
Judge T. Brock
Dennis R. Brons
Shepard R. Brown
Donald F. Bruey
Johnny Bruntlett
Gerald Buckley
Thomas J. Callan, Jr.
Bruce P. Couturier
Doyce W. Crook
Philip L. Croteau, Jr.
Peter R. Dorn
Kingsley E. Hoemann
John R. Hollcraft
Michael J. Kennedy
Frederick C. Kingston,
Michael A. Kirkpatrick
Richard M. McCool III
Thomas O. McDonald
Ian D. McDonough
Gene S. Mead
Benjamen P. Miller III
James H. Napler
Emile E. Paradis
Reuben B. Payne III
Raymond L. Polak
Lorraine D. Ribalta
Charles R. Rivenbark

Charles O. Duff, Jr.
Alan S. Frederick
Francis O. Galloway
Gregory K. Gordon
James B. Graham
James C. Hardee
Richard V. Hildebrandt
William H. Hill III
Timothy J. Himes
Mitchell E. Shivers
Roger T. Sievers
Alfred J. Talevi
Douglas D. Tyler
Rober R. Ullman
Clark L. Walters
Roger P. Warren
Michael J. Weiss
Peter D. White

The following-named officers of the Marine Corps for the temporary appointment to the grade of first lieutenant:

Johann A. Clendenin.
Raymond Cole.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer (W-4):

Paul E. Clausen.
Billy D. Ivey.
Doyle D. Gracey, Jr.
Robert W. Groom.
Joseph J. Karrer.
Stanley W. Main.
William W. McMillan, Jr.
William B. Norris.
Edwin A. Pluger.
Henry J. Waller.
George O. Walls.
Duane L. Woodson.
Neil E. Wynant.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer (W-3):

Frederick Aguilar
Lloyd Allen, Jr.
Kleve L. Anderson
Samuel M. Ballance, Jr.
Joseph F. Bates
Daniel L. Bayse
Harry L. Bentley
Robert M. Billick
Mason G. Blake
Ralf R. Boedefeld
William M. Bokholt
Philip A. Bream
Harry A. Brown, Jr.
John N. Bruch
Johnnie D. Burtscher
Charles J. Bushey
Charley M. Campbell
Eugene E. Carlton
Edward E. Carmody
Alex H. Caylao, Jr.
Louis A. Chatelle, Jr.
Henry J. Cipolla
Stephan L. Constantine
George S. Cornuet
Ellis L. Crews
Philip T. Cummins
Carl B. Damon
James M. Darnell
Trever E. Darner
John F. Darracott
Vaughn C. Davis
Henry A. Dierker
Edward Dimaio
Ronald L. Dodge
Ronald F. Drummond
James M. Dufriend, Jr.
Harold R. Fischer
Jimmy D. Fitzpatrick
Fredrick L. Fletcher
Jack A. Frost
William R. Fry
William A. Fyles
Rhyne E. Garris
Bruce R. Greisen
James H. Guelich, Jr.
Edward R. Haines
Lorell J. Haugley
Allen J. Hebert
Charles T. Hedrick
Larry G. Heitzman
Frederick P. Heller
William M. Hemlepp
Donald L. Howard
Carlos E. Hoyos, Jr.
Harley L. Huntley
George E. Jones, Jr.
Reginald L. Jones
Phillip E. Jonio
William C. Kahle, Sr.
Arthur M. Kearley
Ronald A. Martin
Wayne B. Mason
Allen W. Massey
Layton E. Mathews
Don E. Mathis
Dale A. Mathys
Marvin K. McAffee
John J. McGraw
Gene V. Messinger
Richard B. Meyers
John J. Mikulsky
Don P. Miller, Jr.
Henry Moore
Theodore M. Moore
James H. Mort
Donald J. Mossey
Michael W. Murphy
Peter B. Murphy
Milford A. Oakes
George E. Oconnor
Tommy S. Oshields
James D. Panknin
Kenneth E. Pettit
Robert D. Pitts
Henry Posthuma
Herman W. Quest
Lewis R. Quill
Arvel H. Raines
Walter A. Reeves
Stanley J. Rembish, Jr.
Larry E. Rhodes
Arthur D. Richmond
Paul E. Ring
Emmett L. Robertson, Jr.
Raymond J. Roettger
John H. Russell
Eugene D. Sanford
Marion G. Satterfield
Leroy A. Scheller, Jr.
Joseph B. Shaughnessy
Thomas J. Sheridan
Warren A. Simmons
Donald J. Smith
Donald J. Snooks
Fletcher B. Sojourner, Jr.
Ronald L. Sousa
James B. Southall
T. J. Stanford
James N. Stewart
Donald Stokes
James M. Stoops
Walter E. Stringer, Jr.
Lawrence T. Struwe
Charles E. Swisher
Elmer L. Thomas
Stanley B. Thomas
James G. Thompson
Edgar A. Toney
Ray A. Keith
Thomas P. Kelly
Gerald T. Kemick
Ben W. King
Mike Kipick
Robert T. Kirchmeier
William E. Knepp
Everett W. Krantz
Leon Lambert
Howard G. Lanis
Duane D. Larson
Samuel P. Lewis
Curtis J. Loehr
Boyzy C. Long
Joel K. Lowell
Ray D. MacPherson
Fred Tucker, Jr.
Robert B. Tucker
Donald L. Vanhoose
Richard A. Voltz
William J. Wallace, Jr.
Joseph E. Ward
Avron J. Watts
Everett A. Weare
Charles B. Whitehurst
Edward E. Wilcoxen
Charles R. Wileman
Wilbur C. Williams
Richard D. Wise
Bascom C. Worley
Clark H. Wylde

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer (W-2):

William A. Armstead
Chester R. Barnes, Jr.
Leon W. Barry
Bonnie H. Bass
Reganold A. Bowser
Dennis A. Braund
Albert K. Britton
Charles J. Bruce
Ben W. Caesar
Robert L. Caldwell
James E. Carter
Donni E. Cavinder
Jackie E. Certain
John H. Cole, Jr.
Gregory Connor
Rex L. Curtis
Eldon L. Dodson
James F. Doner, Jr.
Arthur J. Douglas
John B. Duckett
Terrell L. Dulaney
William L. Dulaney
James M. Edgerton
Dennis Egan
Donald T. Eskam
Charles A. Fitzgerald
Sandra L. Furber
Earl G. Gale, III
Vasco K. Gilbert
Jesse E. Giles
Philip E. Goble
William M. Grant
Richard L. Gregg
Wiliam L. Grinnell
James W. Grooms
Hubert A. Grummer
Charles W. Hahne
Henry D. Halloway
Albert L. Hayes
Harold S. Heinbaugh
David M. Highwarden
William J. Hisle, III
Raymond L. Hug
Guy L. Hunter, Jr.
Robert R. Irvine
Raymond T. Jackson
Harold R. Jacobs
William R. Johnson
Allen F. Kent
Joe Killebrew
Orville P. Kindschy
Leslie C. King
Chester C. Kinsey
Charles E. Lambert
Albert R. Lary
Philip D. Leslie
John E. Lewis
Lawrence G. Lowry
John W. Loynes
Richard J. Beatty
Ronald C. Biggs
Stuart W. Blake
Archie G. Bobo
Robert L. Bowen
Raymond J. Main
John P. Marlowe
Barry E. Marsh
Benjamin A. Marsh
Charles J. McCormick
Howard McDonald
William L. McGinn
Larry G. Merrifield
William H. Miller
John Molko
Allen R. Morris
James T. Morris
Lawrence T. Mullin
Nicholas P. Nester
Hillman R. Odom, Jr.
William D. Penn
Walter D. Perry
Jimmie F. Peters
Charles T. Pettigrew, Sr.
Robert P. Phillips
Alfred M. Pitcher
Wilfred Puumala
William C. Riddle, Jr.
Richard A. Rossi
Michael J. Schulke
John D. Scroggins
John C. Seig
Arnoldo T. Serrata
Albert W. Sheldon
William F. Shidal, Jr.
Charles R. Shoemaker
Dan W. Showalter, Jr.
David E. Shumpert
Wilbert O. Sisson
Charles G. Skinner
Minter C. Skipper, Jr.
Isaac A. Snipes
Jeffery J. Snyder
Elias J. Soliz
Ronald J. Stopka
Joseph J. Stours
George B. Strickroth
Michael E. Thomas
Paul W. Thomas
Paul R. Tippy
Bennie R. Walker
Ford D. White
William T. White
Arthur P. Williams
Jerome K. Williams
Richard K. Wolfe
Robert L. Woody, Jr.
Charles E. Young
Arthur Yow, Jr.

ENVIRONMENTAL PROTECTION AGENCY

Alvin L. Alm, of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency, vice Thomas Edmund Carroll.

DEPARTMENT OF STATE

Ronald I. Spiers, of Vermont, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Commonwealth of the Bahamas.

William N. Dale, of New Mexico, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Central African Republic.

William Perry Stedman, Jr., of Maryland, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Hal F. Reynolds, of Virginia, to be U.S. Alternate Executive Director of the International Bank for Reconstruction and Development for a term of 2 years and until his successor has been appointed, vice Emmett J. Rice, resigned.

IN THE ARMY

The U.S. Army Reserve officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, section 593(a) and 3384:

To be major general

Brig. Gen. Edward Irving Creed, SSN [redacted].

Brig. Gen. Herbert Marshall Martin, Jr., SSN [redacted].

Brig. Gen. Robert Darwin Partridge, SSN [redacted]

To be brigadier general

Col. Chester Lee Finch, Jr., SSN [redacted] civil affairs.

Col. James William Hoerner, SSN [redacted] Infantry.

Col. Jack Jew, SSN [redacted], Medical Corps.

Col. Franklin Lane McKean, SSN [redacted] Field Artillery.

Col. William Allen Newton, Jr., SSN [redacted] Medical Corps.

Col. Ben Lewis Rushing, SSN [redacted], Field Artillery.

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 593(a) and 3385:

To be major general

Brig. Gen. Howard Gurney Garrison, SSN [redacted].

To be brigadier general

Col. Fletcher Clement Booker, Jr., SSN [redacted] field artillery.

Col. Max Arnold Creer, SSN [redacted], field artillery.

Col. Nicholas Joseph Del Torto, SSN [redacted] infantry.

Col. William Paul Hurley, SSN [redacted], infantry.

Col. Robert Earl Johnson, Jr., SSN[redacted] infantry.

Col. Roger Irvin Martin, Jr., SSN [redacted] Ordnance Corps.

Col. Joseph Henry Ritzenhein, SSN [redacted] infantry.

Col. James Read Stallings, SSN [redacted], Military Police.

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 593(a) and 3392:

To be major general

Col. Thomas Sams Bishop, SSN[redacted] 8393, infantry.

To be brigadier general

Col. Calvin Hubert Lanning, SSN [redacted] armor.

Col. Richard Austin Miller, SSN[redacted] infantry.

Col. Albert Ross Morris, Jr., SSN [redacted] armor.

Col. Thomas Martin Phillips, SSN [redacted] field artillery.

Col. Charles Sumner Reed, Jr., SSN [redacted] Corps of Engineers.

Col. Clyde Chester Wright, SSN [redacted] field artillery.

The following named officer for promotion in the Army of the United States under the provisions of Public Law 92-129.

To be colonel

Leach, Jack H., [redacted].

To be colonel, Medical Corps

Mosebar, Robert H., [redacted].

To be lieutenant colonel

Tyanich, Peter N., [redacted].

The following named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3284 and 3299:

ARMY PROMOTION LIST

To be major

Adair, Robert B., [redacted].
Adams, Frank S., [redacted].
Admire, Larry R., [redacted].
Ady, Samuel J., [redacted].
Aikman, Larry P., [redacted].
Akin, Jere H., [redacted].
Aldrich, Harold B., [redacted].
Alexander, Don R., [redacted].
Alexander, Joseph D., [redacted].
Allen, Cullen S., [redacted].
Allen, Donald K., [redacted].
Allen, Frank C., [redacted].
Allen, Lee, [redacted].
Allingham, Edgar R., [redacted].
Allison, Samuel C., [redacted].
Amidon, Bert C., [redacted].
Ammerman, Robert H., [redacted].
Anderson, James P., [redacted].
Anderson, Jimmie M., [redacted].
Anderson, Morris D., [redacted].
Anderson, Philip E., [redacted].
Anderson, Thomas W., [redacted].
Anderson, Warren H., [redacted].
Andrews, Raymond G., [redacted].
Andrews, William R., [redacted].
Applegarth, Donald [redacted].
Arbogast, William R., [redacted].
Archer, C. A., [redacted].
Archibald, Harold R., [redacted].
Archibald, Thomas, [redacted].
Arflack, Kenneth B., [redacted].
Armstrong, Donald R., [redacted].
Arndt, Gary L., [redacted].
Arnold, Joseph V., [redacted].
Ash, Hughes L., Jr., [redacted].
Atseff, Vladimir, [redacted].
Avant, Thomas L., [redacted].
Averill, Ronald H., [redacted].
Avery, Wesley B., [redacted].
Ax, George R., [redacted].
Babcock, Charles S., [redacted].
Babel, Otto, [redacted].
Babine, Alan H., [redacted].
Bagnerise, Joseph W., [redacted].
Bailey, William N., [redacted].
Baker, Charles R., [redacted].
Baker, Larry A., [redacted].
Baldwin, Edward R., [redacted].
Ball, James W., [redacted].
Ballenger, Kenneth, [redacted].
Bangerter, Jerald C., [redacted].
Bare, George P., [redacted].
Barnes, Wilson E., [redacted].
Barnett, John R., [redacted].
Barone, Ercole M., [redacted].
Barr, Grady W., [redacted].
Barrell, Donald H., [redacted].
Barrett, Donald G., [redacted].
Barrios, Roy J., [redacted].
Barrowman, Thomas J., [redacted].
Bartelt, Roger L., [redacted].
Bassett, Franklyn B., [redacted].
Baucom, Billy J., [redacted].
Bauer, David W., [redacted].
Bayha, William T., [redacted].
Beakey, Danny J., [redacted].
Beavers, Leslie E., [redacted].
Beck, William F., [redacted].
Becque, Peter A., [redacted].
Becraft, Franklin L., [redacted].
Belan, Charles G., [redacted].
Belleville, Maurice, [redacted].
Benca, John P., [redacted].
Bendele, James C., [redacted].
Bennett, Larry T., [redacted].
Bennett, Thomas R., [redacted].
Benson, L. J., [redacted].
Benson, Richard D., [redacted].
Benson, Roy, Jr., [redacted].
Bergeron, Gary P., [redacted].
Bernstein, Charles, [redacted].
Berry, John A., III, [redacted].
Berti, John R., [redacted].
Best, David M., [redacted].
Best, James W., [redacted].
Beyer, Eugene A., [redacted].
Bickford, James E., [redacted].
Biddle, David L., [redacted].
Bidgood, Ferdinand, [redacted].
Bierly, Robert N., Jr., [redacted].
Billings, Barry B., [redacted].
Bilyeu, Ronald E., [redacted].
Bireley, Judson L., [redacted].
Bisbey, Jay B., [redacted].
Bistany, Peter J., [redacted].
Bizic, Peter, Jr., [redacted].
Black, Joe D., [redacted].
Black, Ronald L., [redacted].
Blackstone, Anthony, [redacted].
Blackwood, Jerry D., [redacted].
Blake, Phillips L., [redacted].
Blanchard, Charles, [redacted].
Blanchard, Joseph H., [redacted].
Bledsoe, James H., [redacted].
Blevins, Dean S., [redacted].
Blevins, Virgil E., [redacted].
Blewett, John H., [redacted].
Blondell, John V., [redacted].
Bloom, John D., [redacted].
Bochnowski, Frank J., [redacted].
Bogart, William V., [redacted].
Bohach, John L., Jr., [redacted].
Bomersheim, Phil K., [redacted].
Bonifay, Isaac F., Jr., [redacted].
Bonner, John E., [redacted].
Booth, Van D., [redacted].
Bosch, Brian J., [redacted].
Botelho, George E., [redacted].
Bowden, John T., [redacted].
Bowden, Kenneth C., [redacted].
Bowen, Guy P., [redacted].
Bowers, Joseph M., Jr., [redacted].
Bowersox, Wilbur G., [redacted].
Bowker, Charles A., [redacted].
Boyd, Claude D., III, [redacted].
Boyle, Clarence E., [redacted].
Boyle, David J., [redacted].
Boyles, Harry W., Jr., [redacted].
Boznak, Rudolph G., [redacted].
Bradley, Peter W., [redacted].
Bradley, William A., [redacted].
Brady, Edward J., [redacted].
Brailsford, Marvin, [redacted].
Bratton, Vernon W., [redacted].
Bratz, Gordon T., [redacted].
Braun, Thomas R., [redacted].
Bray, Robert F., [redacted].
Breit, William M., [redacted].
Brennan, Patrick M., [redacted].
Brennen, Douglas L., [redacted].
Bretsch, Kenneth P., [redacted].
Brewster, Nathan H., [redacted].
Brice, Donald A. L., [redacted].
Briggs, David B, [redacted].
Brigham, Hugh W., [redacted].
Brisach, Eugene M., [redacted].
Brisker, Morton S., [redacted].
Brock, Donald E., [redacted].
Brock, Orvile L., [redacted].
Brokaw, Robert P., Jr., [redacted].
Brooks, Edwin C., [redacted].
Brooks, Joseph J., Jr., [redacted].
Brooks, Lawrence E., [redacted].
Broome, John M., [redacted].
Brown, James H., Jr., [redacted].
Brown, Stanley M., [redacted].
Brugh, Larry Don, [redacted].
Brugnoni, John J., [redacted].
Brunner, Karl R., Jr., [redacted].
Buchert, Kenneth D., [redacted].
Buckley, Benjamin C., [redacted].
Buff, Max L., [redacted].
Buford, Alfred E., [redacted].
Bunting, Willis R., [redacted].
Burch, Fenwick H., Jr., [redacted].
Burd, Cleve J., Jr., [redacted].
Burden, John R., [redacted].
Burgin, Charles M., [redacted].
Burke, James A., [redacted].
Burley, Edward B., [redacted].
Burnell, Robert W., [redacted].
Burner, Richard A., [redacted].
Butler, Billy C., [redacted].
Butler, Lyle W., Jr., [redacted].
Buzan, Thomas G., [redacted].
Byrnes, David F., [redacted].
Cacolice, John P., [redacted].
Cagle, Charles H., [redacted].
Cahill, Ralph D., [redacted].
Calkin, Ellery F., Jr., [redacted].
Cameron, Carl H., [redacted].
Camp, Junius W., Jr., [redacted].
Campbell, Albert Jr., [redacted].
Campbell, Charles L., [redacted].
Campbell, Dan H., [redacted].
Campbell, Kenneth H., [redacted].
Canant, Raymond G., [redacted].
Candia, Ruben A., [redacted].
Cannon, Joe M., [redacted].
Cantrell, William D., [redacted].
Caraballo, Julian T., [redacted].
Caravania, Richard R., [redacted].
Caraway, Lynn, I., [redacted].
Carey, Arthur T., [redacted].
Carlile, Donald E., [redacted].
Carlisle, Allen D., [redacted].
Carlton, Melvin W., [redacted].
Carmean, Clayton H., [redacted].
Carolan, James M., [redacted].
Carpenter, William, [redacted].
Carr, James A., [redacted].
Carr, Milton B., [redacted].
Carter, Arthur P., Jr., [redacted].
Cartwright, Edward, [redacted].
Cary, Kenneth R., [redacted].
Casey, John L., [redacted].
Cash, John A., [redacted].
Cassada, Thomas W., [redacted].
Catineau, William J., [redacted].
Catlett, Richard W., [redacted].
Cato, Richard W., [redacted].
Catron, George R., [redacted].
Catt, Jackie D., [redacted].
Caulk, Richard R., [redacted].
Cerjan, Paul G., [redacted].
Chabot, Brion V., [redacted].
Chamberlain, Craig, [redacted].
Chamberlain, William, [redacted].
Champ, Alan D., [redacted].
Chapman, Don C., [redacted].
Chapman, Donald R., [redacted].
Chapman, Gerald, Jr., [redacted].
Chapman, Ruthven H., [redacted].
Chapman, William S., [redacted].
Chase, William C., Jr., [redacted].
Cheatham, Fred C., [redacted].
Chichwak, William J., [redacted].
Childrey, Albert B., [redacted].
Childs, Leo M., [redacted].
Chitren, Vincent R., [redacted].
Chittenden, Warde P., [redacted].
Chunco, William R., [redacted].
Chutter, Robert W., [redacted].
Cincotti, Joseph G., [redacted].
Clark, Claude L., [redacted].
Clark, Jack T., [redacted].
Clark, Niles C., Jr., [redacted].
Clark, Vernon L., [redacted].
Cleaver, Donald E., [redacted].
Click, David L., [redacted].
Clifton, Jack H., [redacted].
Clinton, James E., II, [redacted].
Cloud, Leon B., [redacted].
Coates, Albert, [redacted].
Coffman, Joe P., [redacted].
Cole, Julian V., [redacted].
Cole, Raymond D., [redacted].
Cole, Robert H., [redacted].
Cole, Theodore R., [redacted].
Coley, William, Jr., [redacted].
Collins, Charles D., [redacted].
Collins, Robert M., [redacted].
Collins, William O., [redacted].
Comfort, Gary L., [redacted].
Conforti, Gilbert, [redacted].
Connor, George H., Jr., [redacted].
Connors, Francis X., [redacted].
Conte, Ronald D., [redacted].
Cook, Clyde L., Jr., [redacted].
Cook, Grady W., [redacted].

Cooke, Charles B., [redacted].
Coombs, John G., [redacted].
Coombs, Robert M., [redacted].
Cooper, Kenneth D., [redacted].
Coose, Alonzo, Jr., [redacted].
Cope, Robert C., Jr., [redacted].
Cornell, Gerald, [redacted].
Costa, Robert A., [redacted].
Costanten, Leon M., [redacted].
Cote, Joseph R., [redacted].
Cottington, David C., [redacted].
Cox, Billy W., [redacted].
Cox, Richard L., Jr., [redacted].
Cozanitis, Eleas A., [redacted].
Crafton, Walter H., [redacted].
Crasto, Donald L., [redacted].
Cratty, William E., [redacted].
Crawford, George S., [redacted].
Crawford, Robert C., [redacted].
Creekmore, Joseph P., [redacted].
Cremer, Frank N., [redacted].
Cressall, William F., [redacted].
Crinan, James R., [redacted].
Crocker, Aaron O., [redacted].
Crockett William A., [redacted].
Crosby, George T., [redacted].
Crossley, Ross W., [redacted].
Crow, John S., [redacted].
Crowley, Edward M., [redacted].
Crump, John C., [redacted].
Crysel, James W., [redacted].
Culp, Richard B., [redacted].
Cummings, Edward H., Jr., [redacted].
Cummings, Ezra C., Jr., [redacted].
Cunningham, Patrick, [redacted].
Curbow, Elmer E., [redacted].
Curbow, Stanton L., [redacted].
Cypher, Ronald P., [redacted].
Daknis, William R., [redacted].
Daly, Charles F., [redacted].
Daly, William F., Jr., [redacted].
Danforth, William W., [redacted].
Daniel, Richard A., [redacted].
Danielsen, Theodore, [redacted].
Darden, Harold W., Jr., [redacted].
Dassonville, Curtis, [redacted].
Daubenspeck, Lynn A., [redacted].
Daum, Richard S., [redacted].
Davies, Michael D., [redacted].
Davis, Don M., [redacted].
Davis, Medley M., [redacted].
Davis, Michael F., [redacted].
Davis, Paris D., [redacted].
Davis, Paul L., [redacted].
Davis, Peter A., [redacted].
Davis, Russell H., Jr., [redacted].
Davis, Warner A., [redacted].
Dean, George A., [redacted].
Dearman, Charles S., [redacted].
Debolt, Harold F., [redacted].
Decko, Charles, Jr., [redacted].
Dee, David D., [redacted].
Dellinger, George C., [redacted].
Deloach, Javan M., [redacted].
Denney, J. Thomas, [redacted].
Dethlefsen, James D., [redacted].
Devitt, John M., [redacted].
Devlin, Edward T., Jr., [redacted].
Dice, Denis C., [redacted].
Dice, Jack W., [redacted].
Dickerson, Michael, [redacted].
Dickey, Leonard H., [redacted].
Diebold, Jerome A., [redacted].
Dierickx, James E., [redacted].
Digregorio, Anthony, [redacted].
Dillard, Franklin R., [redacted].
Dilworth, Robert L., [redacted].
Dolan, Edmund J., Jr., [redacted].
Dollner, David V., [redacted].
Donaldson, Benjamin, [redacted].
Donlon, Roger H., [redacted].
Dooly, Billy B., [redacted].
Dorsey, Ira, [redacted].
Dorsey, James J., [redacted].
Doty, Richard V., [redacted].
Doubrava, Roy G., [redacted].
Douthit, Robert A., [redacted].
Dowdell, Archie L., [redacted].
Downey, John T., [redacted].
Drewfs, Henry F., Jr., [redacted].
Drisko, Richard W., [redacted].
Driver, Lewis F., III, [redacted].
Drosdeck, John S., Jr., [redacted].
Duckloe, John H., [redacted].
Duckworth, Charles, [redacted].
Duey, William E., [redacted].
Dugas, Sidney P., [redacted].
Duggan, Lawrence W., [redacted].
Dukes, Donald L., [redacted].
Dunford, William H., [redacted].
Dungan, Avalon L., [redacted].
Dunham, Rockwood S., [redacted].
Dunnington, Warren, [redacted].
Dupont, Arnold R., [redacted].
Durbin, Jerome A., [redacted].
Durham, James M., [redacted].
Duryea, Lyman C., Jr., [redacted].
Easom, Earnest E., [redacted].
Ed, Robert C., [redacted].
Edgette, Charles W., [redacted].
Edinger, Jerry D., [redacted].
Edwards, Robert H., [redacted].
Edwards, Robert R., [redacted].
Eggerichs, James M., [redacted].
Eggleston, Howard C., [redacted].
Eidson, Edward W., [redacted].
Elam, Fred E., [redacted].
Elder, Cecil W., [redacted].
Emerson, Lloyd A., [redacted].
Emery, Douglas E., [redacted].
Emond, Rene J., [redacted].
Endicott, James A., [redacted].
Endy, Clarence E., Jr., [redacted].
Enloe, Donald R., Sr., [redacted].
Eppler, Daniel R., [redacted].
Erbe, Henry H., Jr., [redacted].
Erickson, Richard A., [redacted].
Erkelens, Henri F., [redacted].
Estes, Jimmie L., [redacted].
Eubanks, Earl W., Jr., [redacted].
Eubanks, Herman T., [redacted].
Evans, John A., [redacted].
Evans, Kenneth A., [redacted].
Evans, Loyal G., Jr., [redacted].
Faery, Henry F., Jr., [redacted].
Fagan, Ward D., [redacted].
Fairchild, James B., [redacted].
Fairweather, Robert, [redacted].
Fancher, Harry L., [redacted].
Fanning, John P., [redacted].
Farrell, Francis W., [redacted].
Fegan, Charles B., [redacted].
Felber, Joseph G., Jr., [redacted].
Fenton, Roland D., [redacted].
Ferguson, George A., [redacted].
Ferguson, Michael L., [redacted].
Fernandes, Virgil S., [redacted].
Ferns, Gary H., [redacted].
Fero, James P., [redacted].
Ferrari, Robert G., [redacted].
Ferriani, Robert P., [redacted].
Fetkenhour, Gordon, [redacted].
Fields, Clinton A., [redacted].
Fields, Harold T., Jr., [redacted].
Fields, James C., [redacted].
Fields, William R., [redacted].
Fiero, Robert S., [redacted].
Finley, George A., Jr., [redacted].
Finn, Frank D., [redacted].
Fisher, Richard B., [redacted].
Fisher, Thomas P., [redacted].
Fitzgerald, Herman, [redacted].
Fitzgerald, Joseph, [redacted].
Fitzgerald, Richard, [redacted].
Fitzpatrick, James, [redacted].
Flanagan, Thomas P., [redacted].
Flora, John G., [redacted].
Floyd, Howard J., [redacted].
Flynn, Dennis J., [redacted].
Forbus, Jere K., [redacted].
Foster, David H., [redacted].
Fothergill, Robert, [redacted].
Fourson, George R., [redacted].
Foust, Edward D., [redacted].
Fowkes, Reginald B., [redacted].
Foye, Robert, Jr., [redacted].
Francis, Robert G., [redacted].
Frasche, Louis D., [redacted].
Frederick, Theodore, [redacted].
Freeman, Carl L., [redacted].
Freeman, Larry M., [redacted].
Friesz, Leonard L., [redacted].
Frink, Dennis D., [redacted].
Frith, John R., [redacted].
Fritts, Courtney R., [redacted].
Fritts, William D., [redacted].
Fritz, James E., [redacted].
Fry, Charles H., [redacted].
Furey, Bartley W., [redacted].
Gabrysiak, Walter J., [redacted].
Galliers, Richard J., [redacted].
Garner, George K., [redacted].
Garshak, Francis D., [redacted].
Garton, Edward R., Jr., [redacted].
Garvey, James G., [redacted].
Gatanas, Mark D., [redacted].
Gates, Richard H., [redacted].
Gay, Homer G., Jr., [redacted].
Gee, John T., [redacted].
Gee, Leonard C., [redacted].
Geiger, John F., [redacted].
Geisinger, John L., [redacted].
Gennaro, Louis B., [redacted].
Gentle, Gary S., [redacted].
Gergulis, John G., [redacted].
German, Abraham L., [redacted].
Germann, Anthony C., [redacted].
Getgood, John H., [redacted].
Getz, Dwaine E., [redacted].
Gibbs, John S., [redacted].
Gigicos, Chris G., [redacted].
Gilbert, John C., [redacted].
Gillespie, Henry B., [redacted].
Gillespie, Paul H., [redacted].
Gillespie, Richard, [redacted].
Gillespie, Wayne G., [redacted].
Gillette, Samuel G., [redacted].
Gilliam, Taft R., [redacted].
Gilligan, Joseph M., [redacted].
Gilmartin, Michael, [redacted].
Gilmore, Ralph J., Jr., [redacted].
Girard, Valmore J., [redacted].
Glaser, Kenneth R., [redacted].
Gledhill, David W., [redacted].
Glenn, Robert, [redacted].
Godwin, Bobby J., [redacted].
Godwin, James S., [redacted].
Goff, Dewayne B., [redacted].
Golding, Willard E., [redacted].
Good, Walter R., [redacted].
Goodall, Ralph E., Jr., [redacted].
Gorham, Frederick A., [redacted].
Gottfried, Francis, [redacted].
Graham, William C., [redacted].
Grande, Vincent G., [redacted].
Grant, David E., [redacted].
Grantham, Melvin M., [redacted].
Graves, Forrest V., [redacted].
Gray, Robert O., [redacted].
Gray, Ronald E., [redacted].
Gray, Ted J., [redacted].
Grayson, Eugene H., [redacted].
Green, Edward R., [redacted].
Green, Frank D., Jr., [redacted].
Green, George O., Jr., [redacted].
Green, James L., [redacted].
Green, Norris B., Jr., [redacted].
Greene, Earnest L., [redacted].
Greenwood, Everett, [redacted].
Gregor, Charles H., [redacted].
Greife, John L., [redacted].
Grenier, Alfred F., [redacted].
Griffey, Joseph P., [redacted].
Griffin, Tracy W., [redacted].
Griffis, Fletcher H., [redacted].
Griffith, Jack H., Jr., [redacted].
Griffith, Kenneth C., [redacted].
Griggs, James L., [redacted].
Griggs, Joe H., [redacted].
Grimmett, Norman D., [redacted].
Grones, Melvin J., [redacted].
Grundborg, Kenneth [redacted].
Guarino, Harold B., [redacted].
Gudinas, Donald J., [redacted].
Guest, James A., [redacted].
Gulla, John F., [redacted].
Gumm, Donald J., [redacted].
Gunn, Lloyd R., Jr., [redacted].
Gunter, William J., [redacted].
Haber, Sigmund J., [redacted].
Hackett, Robert T., [redacted].
Hagan, Craig A., [redacted].
Hagan, Joe P., [redacted].
Hagwood, Henry M., Jr., [redacted].
Hahn, William F., [redacted].
Halbert, Edward, [redacted].
Hall, James A., [redacted].
Hall, William N., [redacted].

Halley, Fred N., [redacted].
Hallihan, James J., [redacted].
Halus, Michael B., [redacted].
Hamilton, George A., [redacted].
Hammerbeck, Alan W., [redacted].
Hanne, William G., [redacted].
Hanson, Wayne A., [redacted].
Hardaway, John A., [redacted].
Hardin, Alva V., Jr., [redacted].
Harnagel, William R., [redacted].
Harper, John Jr., [redacted].
Harper, Thomas M., [redacted].
Harrell, Pascal B., [redacted].
Harrington, William, [redacted].
Harris, Robby R., [redacted].
Harris, David H., [redacted].
Harris, Franklin N., [redacted].
Harrison, Kent E., [redacted].
Hart, Edward D., [redacted].
Hartley, Bobby J., [redacted].
Hartwell, Edward C., [redacted].
Harvell, Kenneth E., [redacted].
Hasslinger, John B., [redacted].
Hasson, Ross D., [redacted].
Hatcher, John M., [redacted].
Hatcher, Michael J., [redacted].
Hawkins, Cyril A., Jr., [redacted].
Hawkins, Lawrence R., [redacted].
Hawley, Rexford K., [redacted].
Hawn, Darryl R., [redacted].
Haycraft, Thomas J., [redacted].
Hayes, Ralph E., [redacted].
Hays, Loyd J., [redacted].
Hays, Robert O., [redacted].
Healy, Richard W., Jr., [redacted].
Heckman, George M., [redacted].
Hegerich, Robert L., [redacted].
Hempel, Donald R., [redacted].
Henderson, Arthur L., [redacted].
Henderson, John S., [redacted].
Hendrickson, Richard, [redacted].
Henriques, Richmond, [redacted].
Henry, Charles R., [redacted].
Henry, John F., III, [redacted].
Hernaitz, Alfonso M., [redacted].
Herr, Wayne L., [redacted].
Herrick, Curtis J., [redacted].
Herrling, John P., [redacted].
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Scott, Hugh, J., [redacted]
Scott, Walter S., [redacted]
Scudder, William I., [redacted]
Searcy, James W., [redacted]
Searles, Jonathan W., [redacted]
Seaver, James R., [redacted]
Seaward, Richard S., [redacted]
Sellers, Robert P., [redacted]
Sexton, William T., [redacted]
Seymour, Roger G., [redacted]
Shachnow, Sidney, [redacted]
Shafer, Harold S., [redacted]
Shalikashvili, John, [redacted]
Shaul, Charles D., [redacted]
Shaver, Frank J., [redacted]
Shaw, Gene C., [redacted]
Sheehan, William G., [redacted]
Sheldon, Thomas K., [redacted]
Sheppard, John B., [redacted]
Sherrod, Dale E., [redacted]
Shevlin, George L., [redacted]
Shimek, Daniel W., [redacted]
Shine, Joseph P., [redacted]
Shost, Alan T., [redacted]
Siegel, Herbert, [redacted]
Siegling, William A., [redacted]
Sills, Edward G., [redacted]
Simmons, Denis L., [redacted]
Simpson, Andrew R., [redacted]
Simpson, Felix D., [redacted]
Simpson, William C., [redacted]
Sines, Kenneth A., [redacted]
Sloan, Jimmy B., [redacted]
Slovacek, Anthony S., [redacted]
Smallen, Ray H., [redacted]
Smalley, Bruce G., [redacted]
Smathers, Sam T., [redacted]
Smayda, William A., [redacted]
Smith, Charles K., [redacted]
Smith, Daniel A., [redacted]
Smith, Donald E., [redacted]
Smith, Edward N., [redacted]
Smith, Harold B., [redacted]
Smith, Harold L., [redacted]
Smith, Horace A., [redacted]
Smith, John R., [redacted]
Smith, Vernelle T., [redacted]
Snoddy, George R., [redacted]
Snow, Edward F., Jr., [redacted]
Sodano, Guy R., [redacted]
Soder, Marion F., [redacted]
Soland, Donald J., [redacted]
Solliday, Charles W., [redacted]
Sorensen, Ralph L., [redacted]
Sorenson, Wilbert W., [redacted]
Sorini, Laurence F., [redacted]
Southern, Kermitt E., [redacted]
Sowle, Peter H., [redacted]
Spann, Juan W., [redacted]
Speedie, John C., Jr., [redacted]
Spencer, Sherman L., [redacted]
Spigelmire, Michael, [redacted]
Spillane, Robert B., [redacted]
Spitzer, Joel S., [redacted]
Spivy, Berton E., [redacted]
Sponseller, James M., [redacted]
Springer, Anthony T., [redacted]
Stafford, Benjamin, [redacted]
Stang, Arthur C., III, [redacted]
Starling, James D., [redacted]
Starnaud, Charles E., [redacted]
Stearns, Raymond L., [redacted]
Stehling, Joseph M., [redacted]
Steiger, Donald W., [redacted]
Stem, David H., [redacted]
Stephens, Donald G., [redacted]
Stephens, George W., [redacted]
Stephens, William J., [redacted]
Stetson, Sterling L., [redacted]
Stevens, John W., [redacted]
Stevens, Ralph P., [redacted]
Stewart, James M., [redacted]
Stiepock, Robert C., [redacted]
Stiles, Charles E., [redacted]
Stillman, Geoffrey, [redacted]
Stilwell, Joseph W., [redacted]
Stitt, Wilbert, Jr., [redacted]
Stockman, William L., [redacted]
Stofft, William A., [redacted]
Stokes, Orvillee, [redacted]
Stone, James E., [redacted]
Stout, Louis E., [redacted]
Stovall, Rayburn C., [redacted]
Stowe, Wain W., [redacted]
Straetz, Donald F., [redacted]
Straight, Kaye R., [redacted]
Strand, Douglas H., [redacted]
Strickland, Robert, [redacted]
Strimbu, George, [redacted]
Strong, Edward M., [redacted]
Struck, Larry D., [redacted]
Strzelecki, Leonard, [redacted]
Sullenger, Lawrence, [redacted]
Sullivan, Gordon, R., [redacted]
Sullivan, James A., [redacted]
Summers, Don A., [redacted]
Sumner, John H., [redacted]
Suter, William K., [redacted]
Sutter, Ronny L., [redacted]
Swart, Oura L., [redacted]
Sweeney, John P., III, [redacted]
Sylvan, Lawrence D., [redacted]
Symons, John W., [redacted]
Symons, Rodney W., [redacted]
Szabo, Richard M., [redacted]
Taliaferro, Wallace, [redacted]
Tamplin, William F., [redacted]
Tancreti, Roger J., [redacted]
Tanner, Junius I., [redacted]
Tanner, Walter D., [redacted]
Taranto, Monroe J., [redacted]
Tate, George W., [redacted]
Taylor, David L., [redacted]
Taylor, Horace G., [redacted]
Taylor, John E., [redacted]
Taylor, John N., [redacted]
Taylor, Robert P., [redacted]
Teates, Bryan W., Jr., [redacted]
Tenbrook, James J., [redacted]
Terpak, Donald R., [redacted]
Terry, Thomas J., [redacted]
Teska, Thomas E., [redacted]
Tetreault, Raymond, [redacted]
Theofanous, Angelo, [redacted]
Thomas, James E., [redacted]
Thomerson, Gary J., [redacted]
Thompson, James B., [redacted]
Thompson, Richard A., [redacted]
Throckmorton, Thomas, [redacted]
Thurgood, Leon C., [redacted]
Thurston, Joe B., Jr., [redacted]
Tichenor, James R., [redacted]
Todd, John J., [redacted]
Tolliver, Ronald P., [redacted]
Totolo, Robert C., [redacted]
Totten, Robert G., [redacted]
Tower, William E., [redacted]
Tozer, William S., [redacted]
Tracy, Lawrence L., [redacted]
Trauner, Ronald F., [redacted]
Trautmann, Eugene O., [redacted]
Treager, Jeri C., [redacted]
Trebbe, John M., [redacted]
Trodella, Robert A., [redacted]
Tudhope, Lawrence K., [redacted]
Tudor, Robert W., [redacted]
Ullman, Cornell L., [redacted]
Ulmer, Donald J., [redacted]
Vaglia, James E., [redacted]
Valen, William B., [redacted]
Valliant, Charles M., [redacted]
Vanderslice, Gary E., [redacted]
Vaneynde, Donald F., [redacted]
Vanzee, James L., [redacted]
Vargosko, Michael A., [redacted]
Varnon, Jerry R., [redacted]
Vela, Rene A., [redacted]
Vemity, Charles G., [redacted]
Vencill, William A., [redacted]
Vercellone, Joseph, [redacted]
Vermilyea, Carl P., [redacted]
Vespia, Vincent, Jr., [redacted]
Vickers, Anthony M., [redacted]
Villaronga, Raul G., [redacted]
Vinci, Joseph F., [redacted]
Vinson, Billy R., [redacted]
Volponi, Anthony, [redacted]
Waddell, Decatur F., [redacted]
Waddell, Ralph L., [redacted]
Wade, Jerry F., [redacted]
Waghelstein, John D., [redacted]
Waits, John P., [redacted]
Waldhour, Louis G., [redacted]
Waldrop, William R., [redacted]
Walker, Byron G., [redacted]

Walker, Frederick A., [redacted].
Walker, James M., [redacted].
Walker, Lanny K., [redacted].
Walker, Philip A., Jr., [redacted].
Walker, Reuben P., [redacted].
Waller, Calvin A. H., [redacted].
Walsh, Daniel P., [redacted].
Walsh, Thomas A., [redacted].
Ward, Jerido, [redacted].
Ward, Joseph G., II, [redacted].
Ward, Olin S., Jr., [redacted].
Ward, William F., [redacted].
Ware, William M., [redacted].
Warren, Claude H., [redacted].
Warren, James A., [redacted].
Washington, Charles, [redacted].
Watkins, Charlie C., [redacted].
Watkins, John A., [redacted].
Watson, Henry C., III, [redacted].
Watts, Pitt M., III, [redacted].
Weaver, Charles, [redacted].
Weaver, James H., [redacted].
Webb, Gerald E., [redacted].
Webster, Grady F., [redacted].
Webster, Thomas H., [redacted].
Weedel, Joseph F., [redacted].
Weeks, Leo J., [redacted].
Weir, David E., [redacted].
Welch, Michael N., [redacted].
Wells, Hebert D., [redacted].
Welsh, James B., [redacted].
Wendt, Robert L., [redacted].
Wenzel, Paul J., [redacted].
Wesneski, Carl A., [redacted].
West, John J., [redacted].
Westmoreland, Verlo, [redacted].
Whaley, Max, [redacted].
Whatley, David T., [redacted].
Wheeler, Philip A., [redacted].
Whitacre, Dorwin H., [redacted].
White, Billy C., [redacted].
White, Harry N., [redacted].
White, James M., [redacted].
White, Jerry A., [redacted].
White, John W., Jr., [redacted].
White, Neal A., [redacted].
White, Walter S., Jr., [redacted].
Whitlaw, Nathaniel, [redacted].
Whitley, Wade H., II, [redacted].
Whitsett, Richard D., [redacted].
Whitworth, David C., [redacted].
Wicksell, Harry H., [redacted].
Wilder, William B., [redacted].
Wiley, Noble J., III, [redacted].
Wilhelm, Robert S., [redacted].
Wilkes, John S., III, [redacted].
Wilkie, David G., [redacted].
Willey, Frank G., Jr., [redacted].
Williams, Cary E., [redacted].
Williams, David K., [redacted].
Williams, Frank K., [redacted].
Williams, John S., [redacted].
Williams, Jon W., [redacted].
Williamson, James M., [redacted].
Willis, Jerry T., [redacted].
Willison, Darryl L., [redacted].
Wills, James H., [redacted].
Wilson, Bruce E., [redacted].
Wilson, Daniel H., [redacted].
Wilson, David G., [redacted].
Wilson, Gene R., [redacted].
Wilson, John H., [redacted].
Wilson, Walter K., II, [redacted].
Wisby, James M., [redacted].
Witcher, Robert A., [redacted].
Witherspoon, Jerry, [redacted].
Witt, Billy J., [redacted].
Wollmering, Lawrence, [redacted].
Wolpert, Robert A., [redacted].
Wolstenholme, Donald, [redacted].
Wood, Anthony B., [redacted].
Wood, John W., Jr., [redacted].
Wood, William A., [redacted].
Woodbeck, Charles A., [redacted].
Woodhurst, Charles, [redacted].
Woodle, Kenneth J., [redacted].
Worlund, Shyron L., [redacted].
Wrockloff, George E., [redacted].
Wugofski, Eugene T., [redacted].
Yakshe, John S., [redacted].
Yamaguchi, Phillip, [redacted].
Yeagley, John P., [redacted].
Yeomans, William A., [redacted].
Yeosock, John J., [redacted].
Yersky, Ronald F., [redacted].
York, Dennis J., [redacted].
York, Donald, [redacted].
York, James J., [redacted].
Youngblood, David T., [redacted].
Zingle, Paul R., [redacted].
Zoller, Harvey F., [redacted].
Zook, Neil J., [redacted].
Zorn, Burl A., [redacted].
Zutter, Donald S., [redacted].

CHAPLAIN CORPS

To be major

Ackermann, Henry F., [redacted].
Alutius, Joseph F., [redacted].
Beeson, Donald C., [redacted].
Bezanson, Ronald S., [redacted].
Brady, Lester G., [redacted].
Burnett, Lewis G., [redacted].
Compton, David O., [redacted].
Garrett, Robert G., [redacted].
Hagin, J. Ward, [redacted].
Hill, Donald G., Sr., [redacted].
Hopkins, Paul D., [redacted].
Martin, Richard K., [redacted].
Merrill, Thomas R., [redacted].
Peck, Ernest B., [redacted].
Piskura, Joseph H., [redacted].
Selph, Justus P., [redacted].
Snider, Herbert A., [redacted].
Standley, Meredith, [redacted].
Tuller, Jerome D., [redacted].
Venzke, Rodger R., [redacted].
Warren, Donald C., [redacted].
Webster, Norris M., [redacted].
White, Buster P., [redacted].
Woehr, David J., [redacted].

WOMEN'S ARMY CORPS

To be major

Burbank, Arlene G., [redacted].
Cascone, Joan C., [redacted].
Hunter, Nancy A., [redacted].
McCord, Patricia A., [redacted].

DENTAL CORPS

To be major

Battle, Lucius W., Jr., [redacted].
Beatty, Edward J., Jr., [redacted].
Bellizzi, Ralph, [redacted].
Brown, Richard T., [redacted].
Carpenter, William, [redacted].
Ciconte, Joseph A., [redacted].
Coleman, Alfred E., [redacted].
Davisson, Nelson M., [redacted].
Dean, Richard J., [redacted].
Dowdy, Thomas S., [redacted].
Eaton, John D., III, [redacted].
Ellinger, Harley A., [redacted].
Fox, Lonald J., [redacted].
Goldberg, Joel R., [redacted].
Griswold, William H., [redacted].
Hoeksema, Gordon J., [redacted].
Jacobs, Richard C., [redacted].
Klonaris, Nick S., [redacted].
Lebeau, Paul, Jr., [redacted].
Ligon, Charles R., Jr., [redacted].
Lorton, Lewis, [redacted].
Masterson, Martin P., [redacted].
Mattia, Michael N., [redacted].
McClendon, Earl H., [redacted].
Moss, James L., III, [redacted].
Robbins, Frederick E., [redacted].
Shaudis, Thomas C., [redacted].
Spano, Donald M., [redacted].
Tabor, Herman S., [redacted].
Theisen, Frank C., [redacted].
Ward, James P., [redacted].
Wehmeyer, Thomas E., [redacted].
Zehngraff, Paul E., [redacted].
Ziesmer, Dale W., [redacted].

MEDICAL CORPS

To be major

Albert, Harold L., [redacted].
Barry, Michael J., [redacted].
Beard, Graham E., [redacted].
Blalock, James C., Sr., [redacted].
Blumer, Robert B., [redacted].
Bobitt, John R., [redacted].
Bogart, John N., [redacted].
Butler, Melvin L., [redacted].
Carvalho, Richard S., [redacted].
Chase, N. Bruce, [redacted].
Claypool, Robert G., [redacted].
Cottingham, Andrew, [redacted].
Cutting, John W., [redacted].
Dawson, John T., [redacted].
Dean, Arthur J., Jr., [redacted].
Dixon, William L., [redacted].
Dunn, Bruce E., [redacted].
Evans, Roger W., [redacted].
Firestone, Marvin H., [redacted].
Flannery, Eugene P., [redacted].
Fossum, Dale R., [redacted].
Gay, James S., [redacted].
Gerstenberger, Duane, [redacted].
Geschke, Dietrich W., [redacted].
Ghaed, Nasser, [redacted].
Goette, Detlef K., [redacted].
Graven, Richard M., [redacted].
Hansen, Robert E., [redacted].
Hecht, Manfred H., [redacted].
Heilman, John P., Jr., [redacted].
Hill, John C., [redacted].
Hinckley, Marshall, [redacted].
Jirka, Anton J., [redacted].
Keys, David N., [redacted].
Light, Jimmy A., [redacted].
Lowell, George G., [redacted].
McAninch, Jack W., [redacted].
Miles, Philip A., [redacted].
Owens, Bennett G., Jr., [redacted].
Parker, David N., [redacted].
Pastore, Robert A., [redacted].
Powell, George K., [redacted].
Proctor, Richard D., [redacted].
Rahm, Adolf E., Jr., [redacted].
Rodriguez-Garces, Francisco, [redacted].
Ruark, Sylvan R., [redacted].
Saddah, David M., [redacted].
Santaella-Latimer, Luis, [redacted].
Shaw, Jon A., [redacted].
Shelter, Paul L., [redacted].
Sitter, Stephen C., [redacted].
Slaughter, William, [redacted].
Smith, Gerald E., [redacted].
Smith, Gilbert A., [redacted].
Spence, Crumpton R., [redacted].
Stafford, Chester T., [redacted].
Strait, Gail B., [redacted].
Sullivan, Dennis J., [redacted].
Sutton, Richard O., [redacted].
Travis, Richard T., [redacted].
Vansant, Thomas E., [redacted].
Werner, John L., [redacted].
Wheeling, James R., [redacted].
Williams, Troy H., [redacted].
Wurster, John C., [redacted].

MEDICAL SERVICE CORPS

To be major

Baker, George D., [redacted].
Baker, Harlan H., Jr., [redacted].
Barnard, John D., [redacted].
Barnes, Perry A., [redacted].
Barnes, Walter, Jr., [redacted].
Bell, John H., [redacted].
Bennett, Winston R., [redacted].
Black, Baxter F., III, [redacted].
Braddock, Thomas E., [redacted].
Carnahan, Robert P., [redacted].
Coleman, Jerry B., [redacted].
Cooke, James K., [redacted].
Craft, Jimmie L., [redacted].
Creighton, James J., [redacted].
Delane, Charles E., [redacted].
Derrickson, William, [redacted].
Dominguez, Roberto, [redacted].
Donehew, Gerald R., [redacted].
Ellingson, Mayo K., [redacted].
Elsarelli, Leon E., [redacted].
Evans, Harold L., [redacted].
Field, Richard W., [redacted].
Forrer, Dennis B., [redacted].
Fulton, Robert R., [redacted].
Goodman, Dorris C., [redacted].
Gorby, Richard J., [redacted].
Graydon, Donald M., [redacted].
Greene, Fredrick L., [redacted].
Grider, Donald A., [redacted].
Hahn, Ruediger, [redacted].
Hale, Arnold W., [redacted].

Halvorson, Gerald W., [redacted].
Hamilton, John C., [redacted].
Hansen, Louis J., [redacted].
Harris, Cecil B., [redacted].
Harris, Jon N., [redacted].
Heggers, John P., [redacted].
Heitzman, Lawrence, [redacted].
Heraly, Elroy P., [redacted].
Hill, Walter B., [redacted].
Holcomb, Robert E., [redacted].
Houston, William E., [redacted].
Howard, Jimmie B., [redacted].
Iber, Peter K., [redacted].
Jasper, Willard O., [redacted].
Jessen, Gary C., [redacted].
Jones, Ronald C., [redacted].
Kearns, William J., [redacted].
Keller, Thomas E., [redacted].
Kendall, William F., [redacted].
Korte, Thomas H., [redacted].
Labat, Roger J., [redacted].
Lanier, Jack O., [redacted].
Laubscher, John W., [redacted].
Lingle, Kenneth C., [redacted].
Logan, Robert F., Jr., [redacted].
Lynch, George R., [redacted].
Mallory, Lloyd M., [redacted].
Malone, Richard L., [redacted].
Marchand, Francis W.. [redacted].
Marine, Wayne E., [redacted].
McCurley, Robert L., [redacted].
Meiers, Richard E., [redacted].
Mercado, Robert K., [redacted].
Miller, Roger C., [redacted].
Osborn, Thomas E., [redacted].
Osborne, Edward J., [redacted].
Peacock, James L., [redacted].
Pedersen, Edward R., [redacted].
Plaatsman, James P., [redacted].
Pollock, Archie D., [redacted].
Quillin, Robert M., [redacted].
Rasmusson, James A., [redacted].
Reuter, Leroy H., [redacted].
Sandleback, Eugene, [redacted].
Schlaak, James R., [redacted].
Stone, Leland M., [redacted].
Summary, James J., [redacted].
Thompson, Eugene G., [redacted].
Thompson, George E., [redacted].
Travis, Edward E., [redacted].
Turmbla, Thomas E., [redacted].
Turner, John W., Jr., [redacted].
Vallandingham, James, [redacted].
Webb, Byron D., Jr., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be major

Hammond, Charles W., [redacted].
Iacoboni, Frances A., [redacted].
Jolin, Janet P., [redacted].
Lopez, Sarah D., [redacted].
Lucas, Mary E., [redacted].
Von Prince, Kilulu M., [redacted].

VETERINARY CORPS

To be major

Brown, John L., Jr., [redacted].
Fairchild, David G., [redacted].
Fruin, John T., [redacted].
Manus, Allan G., [redacted].
McSweeney, Richard, [redacted].
Morris, James M., [redacted].
Reddin, George B., Jr., [redacted].
Reynolds, Sonny D., [redacted].
Rozmiarek, Harry, [redacted].
Sims, James E., [redacted].
Taylor, James F., [redacted].
Vandercook, Richard, [redacted].

ARMY NURSE CORPS

To be major

Ammon, Kathryn J., [redacted].
Barrington, Tillman, [redacted].
Benedict, Jerry M., [redacted].
Burns, Marlene G., [redacted].
Collins, Neal W., [redacted].
Condon, Kathleen T., [redacted].
Christ, Nancy M., [redacted].
Downey, James S., [redacted].
Faubion, Merle L., [redacted].
Fox, Eileen L., [redacted].
Garlick, John B., [redacted].
Glor, Beverly A., [redacted].
Herman, James W., Jr., [redacted].
Hiers, Frances A., [redacted].
Jims, Madeline P., [redacted].
Kalandros, Konstant, [redacted].
Kucha, Deloros H., [redacted].
Mahoney, Rosemarie, [redacted].
Marsh, Carolyn J., [redacted].
McKenzie, Nancy J., [redacted].
Nolfe, Vera A., [redacted].
Reumann, Albert D., [redacted].
Ruester, Margaret E., [redacted].
Skinner, Fay J., [redacted].
Stepulis, John J., [redacted].
Sullivan, Barbara A., [redacted].
Troniar, Maryrose F., [redacted].
Vineys, Eugenia A., [redacted].
Ward, David A., [redacted].

The following named officer for promotion in the Regular Army of the United States, under the provisions of Title 10, United States Code, Sections 3284 and 3298:

ARMY NURSE CORPS

To be first lieutenant

Smith, Alan P., [redacted].

IN THE ARMY

The following-named officers for promotion in the Army of the United States under the provisions of Public Law 92–129:

To be lieutenant colonel

Denton, Earle L., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Begtrup, Robert O., [redacted].
George, Eugene D., [redacted].
Glass, Richard S., [redacted].
Kleid, Jack J., [redacted].
Parmley, Tim H., [redacted].
Roberts, James G., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

DENTAL CORPS

To be lieutenant colonel

Deane, Clarence E., Jr., [redacted].

To be major

Daly, George M., [redacted].

To be captain

Abbey, George E., [redacted].
Adams, Jerome, [redacted].
Adams, Richard B., [redacted].
Adams, Robert H., Jr., [redacted].
Adams, Robert L., [redacted].
Adams, Tommy D., [redacted].
Adkins, Richard C., [redacted].
Alden, Charles E., [redacted].
Alexander, Urey W., [redacted].
Alich, James A., [redacted].
Allen, James B., [redacted].
Allen, John G., [redacted].
Allen, Roderic D., [redacted].
Allred, Ken, [redacted].
Altieri, Richard T., [redacted].
Alton, John F., [redacted].
Altshuler, Herbert, [redacted].
Alvord, Harold F., [redacted].
Ament, Robert J., [redacted].
Ames, Orrin K., III, [redacted].
Amstutz, Richard E., [redacted].
Andersen, Allen D., [redacted].
Andersen, Timothy W., [redacted].
Anderson, Andrew K., [redacted].
Anderson, Charles W., [redacted].
Anderson, David, [redacted].
Anderson, Frank H., [redacted].
Anderson, George L., [redacted].
Anderson, James W., [redacted].
Anderson, Jerry F., [redacted].
Anderson, John C., [redacted].
Anderson, Leonard G., [redacted].
Anderson, Robert R., [redacted].
Anderson, Roger, [redacted].
Anderson, Thomas W., [redacted].
Andrews, Michael A., [redacted].
Angeli, Robert R., [redacted].
Angell, Gary M., [redacted].
Ansel, Raymond B., [redacted].
Anthes, Louis C., [redacted].
Antholt, Steven M., [redacted].
Anthony, Edward H., [redacted].
Anton, John J., Jr., [redacted].
Antoniuc, Robert P., [redacted].
Applehans, Robert B., [redacted].
Aragon, Randall, [redacted].
Arango, Roger J., Jr., [redacted].
Archer, David M., [redacted].
Archibald, David J., [redacted].
Arlauskas, Joseph, [redacted].
Arnold, Henry H., III, [redacted].
Aronow, William F., [redacted].
Ashcraft, Jack G., [redacted].
Asimakopoulos P., [redacted].
Auger, John D., [redacted].
Avard, John J., [redacted].
Avriett, Robert J., [redacted].
Aylor, Robert L., [redacted].
Baccei, Bruce C., [redacted].
Badger, James L., Jr., [redacted].
Baggett, David L., [redacted].
Bagnell, Jerome, [redacted].
Bagnulo, Michael A., [redacted].
Bahr, James J., [redacted].
Bailey, Albert W., [redacted].
Bailey, Arthur W., [redacted].
Bailey, Max P., III, [redacted].
Baillon, Larry P., [redacted].
Baird, Robert D., [redacted].
Baker, Charles L., [redacted].
Baker, Marvin H., [redacted].
Baker, Thomas W., [redacted].
Baldridge, James H., [redacted].
Ball, John W., [redacted].
Bannon, Michael J., [redacted].
Barbara, James C., [redacted].
Barbee, Steve G., [redacted].
Barber, Theodore M., [redacted].
Bare, Jimmy C., [redacted].
Barney, Michael L., [redacted].
Barnhill, Jerry R., [redacted].
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Baumgartner, Glenn, [redacted].
Beach, Martin H., [redacted].
Beard, John D., [redacted].
Beauchamp, Charles, [redacted].
Beaulieu, Lynn P., [redacted].
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Beaver, John W., [redacted].
Beck, Dwight A., [redacted].
Beck, Edward J., [redacted].
Bedenbender, William, [redacted].
Beech, George W., [redacted].
Beeson, Frank J., [redacted].
Begin, Robert JP., Jr., [redacted].
Behnke, Arthur R., [redacted].
Behrens, Jon S., [redacted].
Bell, Carl H., III, [redacted].
Bell, Ronald D., [redacted].
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Berquist, Kenneth, [redacted].
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Bevill, Edward E., [redacted].
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Bird, David O., [redacted].
Bird, John C., [redacted].
Bird, Robert D., [redacted].
Bise, Lanny C., [redacted].
Bishop, Burke E., [redacted].
Bishop, Charles R., [redacted].
Bitting, Charles R., [redacted].
Black, John H., [redacted].
Black, Richard A., [redacted].
Blackshire, Benny W., [redacted].
Blake, Peter J., III, [redacted].
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Blanchard, David G., [redacted].
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Blue, Donald G., [redacted].
Boaldin, Bobbie R., [redacted].
Bockman, Frank W., [redacted].
Boggs, David L., [redacted].
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Boland, Hayden E., [redacted].
Boles, Edward A., [redacted].
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Chinn, Byron N., [redacted].
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Day, Overton, [redacted].
Deal, Clifford L., Jr., [redacted].
Delaplain, Calvin B., [redacted].
Delisanti, Neal J., [redacted].
Delleo, Michael F., [redacted].
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Dent, Willis J., [redacted].
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Desantis, James P., [redacted].
Devaughan, William, [redacted].
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Dix, Leslie F., Jr., [redacted].
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Doerfler, Donald W., [redacted].
Doheny, Robert C., [redacted].
Dombrowsky, Thomas, [redacted].
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Donihue, Kenneth W., [redacted].
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Donovan, Jack R., Jr., [redacted].
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Dooley, George E., [redacted].
Downs, Gary T., [redacted].
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Dreher, Richard E., [redacted].
Driver, Russell W., [redacted].
Dubuc, Allen A., [redacted].
Ducharme, Jean M., II, [redacted].
Duckworth, Clarence, [redacted].
Duda, Dennis E., [redacted].

Duff, John S., [redacted].
Duffy, James J., [redacted].
Dufief, Thomas A., [redacted].
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Dunn, Jack L., [redacted].
Dunn, Michael E., [redacted].
Durso, Anthony C., [redacted].
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Dwyer, Leo X., Jr., [redacted].
Eastman, Robert J., [redacted].
Ebbitt, Harold K., [redacted].
Eby, Daniel Leroy, [redacted].
Eckel, Nasko K., [redacted].
Edgerton, Thomas J., [redacted].
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Eschrig, Peter A., [redacted].
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Farris, Karl, [redacted].
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Fields, Randall, L., [redacted].
Fincke, Dale E., [redacted].
Fink, Jerry K., [redacted].
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Finney, Earl H., [redacted].
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Flores. Thomas V., Jr., [redacted].
Flynn, William G., [redacted].
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Fonda, Garrett R., [redacted].
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Ford, Francis N., [redacted].
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Forester, Jerry D., [redacted].
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Fox, Gerry L., [redacted].
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Friedel, Richard B., [redacted].
Friesner, Wayne L., [redacted].
Frink, John A., [redacted].
Frizzo, Robert A., [redacted].
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Frost, Billy W., [redacted].
Fuller, David W., Jr., [redacted].
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Funkhouser, Preston, [redacted].
Furrow, Larry D., [redacted].
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Gale, John C., [redacted].
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Gardner, Roy, [redacted].
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Guin, Jerry R., [redacted].
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Hewes, Ricky D., [redacted].
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Hiatt, Ralph J., [redacted].
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Pitman, James M., [redacted].
Pittenger, William, [redacted].
Place, Paul C., [redacted].
Place, Tyrus W., Jr., [redacted].
Plimpton, Robert P., [redacted].
Poe, Charles E., [redacted].
Pollitt, William A., [redacted].
Pollock, Frederick, [redacted].
Ponikvar, Ronald M., [redacted].
Poole, James L., [redacted].
Porter, Edward N., [redacted].
Porter, Ray E., III, [redacted].
Posey, Charles R., [redacted].
Potter, Luther L., Jr., [redacted].
Potts, Gary H., [redacted].
Powell, Raymond F., [redacted].
Powers, Barry E., [redacted].
Pressly, Paul A., [redacted].
Prestidge, James C., [redacted].
Prettol, Donald C., [redacted].
Price, Jerry S., [redacted].
Price, Joseph S., Jr., [redacted].
Prince, Roy A., [redacted].
Pritchett, James L., [redacted].
Probsdorfer, James, [redacted].
Proctor, Frank T., Jr., [redacted].
Pryor, James E., [redacted].
Puckett, Michael R., [redacted].
Puffer, Walter P., [redacted].
Pugh, Homer H., Jr., [redacted].
Puppel, Dennis D., [redacted].
Putlack, Michael, [redacted].
Pybus, Wimpy D., [redacted].
Quick, Van B., Jr., [redacted].
Quinlan, James E., [redacted].
Quinn, Richard L., [redacted].
Raach, George T., [redacted].
Raat, Roy E., [redacted].
Rader, Wayne F., [redacted].
Ragosta, Ralph J., Jr., [redacted].
Rainbolt, Michael T., [redacted].
Raleigh, Daniel P., [redacted].
Ramirez, Andres C. J., [redacted].
Ramos, Jesus, [redacted].
Ramseth, Robert J., [redacted].
Randles, James D., [redacted].
Rank, James L., [redacted].
Rankin, Charles M., [redacted].
Rankin, Gordon L., [redacted].
Ratcliffe, William, [redacted].
Rather, Ralph E., Jr., [redacted].
Raudy, John H., [redacted].
Rauter, Thomas C., [redacted].
Ray, Lewis D., [redacted].
Raymond, James G., Jr., [redacted].
Raznick, Alan E., [redacted].
Rector, Donald F., [redacted].
Reddick, Thomas D., [redacted].
Redding, James K., [redacted].
Reed, Donald E., [redacted].
Reeder, William S., [redacted].
Reedy, Charles J., [redacted].
Rees, Richard M., [redacted].
Reese, Justin M. III, [redacted].
Reid, Terry A., [redacted].
Reifsnyder, Richard, [redacted].
Reinecke, Kris C., [redacted].
Releford, Richard D., [redacted].
Replogle, William S., [redacted].
Reppert, John C., [redacted].
Requa, William V., [redacted].
Ressler, John T., [redacted].
Rexford, Joel E., [redacted].
Reymann, Louis H., [redacted].
Reynold, James, [redacted].
Reynolds, John W., [redacted].
Rhome, Robert C., [redacted].
Rice, Gregory A., [redacted].
Rice, Kenneth A., [redacted].
Richards, William A., [redacted].
Richey, David L., [redacted].
Richey, Philip E., [redacted].
Rickerson, John C., [redacted].
Rickman, Alfred C., [redacted].
Ridgley, Edward E., [redacted].
Riggs, Jerry W., [redacted].
Riley, Charles F., [redacted].
Riley, John H., [redacted].
Riley, Robert H., [redacted].
Riley, Ronald G., [redacted].
Ripley, Ralph R., [redacted].
Riser, James R., [redacted].
Risseeum, Dean P., [redacted].
Ritchey, Charles N., [redacted].
Ritchhart, Peter J., [redacted].
Ritchie, Robin P., [redacted].
Ritter, Gary G., [redacted].
Rizzo, Richard D., [redacted].
Roach, Frank L., [redacted].
Roberts, James E., [redacted].
Roberts, Jan R., [redacted].
Roberts, Michael F., [redacted].
Roberts, Theodore L., [redacted].
Robertson, Robin M., [redacted].
Robinson, David C., [redacted].
Robinson, Edwin R., [redacted].
Robinson, Larry R., [redacted].
Robles, Josue, Jr., [redacted].
Rock, Paul J., [redacted].
Rockelman, Michael, [redacted].
Roddy, Michael A., II, [redacted].
Rodgers, Robert I., [redacted].
Rodriguez, Benjamin, [redacted].
Rodriguez, George A., [redacted].
Roe, Raymond T., [redacted].
Roedel, Frederick C., [redacted].
Rohaly, Andrew S., [redacted].
Roles, Lewis L., [redacted].
Rollow, John A., IV, [redacted].
Rolston, David A., [redacted].
Rominsky, Stephen A., [redacted].
Roper, Robert C., [redacted].
Ross, Gary J., [redacted].
Ross, John G., [redacted].
Ross, John L., Jr., [redacted].
Ross, Robert G., Jr., [redacted].
Ross, Ronald F., [redacted].
Rot, Joseph E., III, [redacted].
Roth, Charles J., Jr., [redacted].
Rothmann, Harry E., [redacted].
Roush, John W., [redacted].
Rubino, Vincent E., [redacted].
Rubinstein, Ronald, [redacted].
Rudolph, Jack M., [redacted].
Ruhl, James F., [redacted].
Rush, James A., [redacted].
Rusin, Johnny D., [redacted].
Russell, David H., [redacted].
Russell, Earl L., III, [redacted].
Russell, James R., [redacted].
Russell, Timothy B., [redacted].
Russell, Tyrone, [redacted].
Ruth, Lorry R., Jr., [redacted].
Ryan, Dennis M., [redacted].
Ryan, Michael E., [redacted].
Sagar, Marvin E., [redacted].
Saikowski, John J., [redacted].
Saine, James H., [redacted].
Sakach, Paul A., [redacted].
Sakas, Karl D., [redacted].
Salaz, Richard C., [redacted].

Sale, Lafayette L., [redacted].
Sander, Thomas F., [redacted].
Sanderlin, Allen P., [redacted].
Sanders, Edward B., [redacted].
Sanford, Winston M., [redacted].
Sargeant, James R., [redacted].
Sarlin, Raymond W., [redacted].
Sas, Martin S., [redacted].
Sasso, Claude R., [redacted].
Saucier, Walter J., [redacted].
Saunders, Richard, [redacted].
Sax, James A., [redacted].
Saylor, Dennis L., [redacted].
Schaible, Raymond A., [redacted].
Schaumberg, Thomas, [redacted].
Scheidemantel, Andrew, [redacted].
Scherer, Robert J., [redacted].
Schick, Melvin E., Jr., [redacted].
Schiemann, Heinz A., [redacted].
Schiller, Arthur A., [redacted].
Schimpf, Roger L., [redacted].
Schlatter, Joseph A., [redacted].
Schleicher, Juergen, [redacted].
Schneider, Jerry B., [redacted].
Schnyder, Nicholas, [redacted].
Schoenborn, Robert, [redacted].
Schrage, Daniel P., [redacted].
Schremp, Frederick, [redacted].
Schroeder, Owen R., [redacted].
Schulz, Bruno N., [redacted].
Schulz, Rainer, [redacted].
Schuman, Richard R., [redacted].
Schwartz, Samuel R., [redacted].
Schwartz, Thomas A., [redacted].
Schweikert, Carl W., [redacted].
Schweinfurth, William, [redacted].
Scott, Huey B., [redacted].
Scott, Leonard P., Jr., [redacted].
Scotti, Frank P., [redacted].
Scully, Edward J., [redacted].
Scully, Francis J., [redacted].
Searls, Daniel W., [redacted].
Sears, George B., Jr., [redacted].
Seetin, Samuel E., Jr., [redacted].
Segal, Jack D., [redacted].
Seibold, Paul M., [redacted].
Seifers, Charles B., [redacted].
Seigrist, Charles D., [redacted].
Semon, Barry H., [redacted].
Sengel, Edward W., II, [redacted].
Senter, Richard L., [redacted].
Sestric, Michael J., [redacted].
Severson, John E., [redacted].
Seward, Douglas J., [redacted].
Sewell, James W., [redacted].
Shadley, Robert D., [redacted].
Sharp, Harry L., [redacted].
Sharp, Thomas S., [redacted].
Sharp, William R., [redacted].
Sharpe, Edward E., Jr., [redacted].
Shaw, Charles C., [redacted].
Shaw, Robert F., [redacted].
Shea, Peter J., [redacted].
Shirilla, George, [redacted].
Shirley, James E., [redacted].
Shoemaker, Dudley C., [redacted].
Shryock, Robert W., [redacted].
Shuler, Richard D., [redacted].
Shumate, Rufus H., Jr., [redacted].
Sides, Richard G., [redacted].
Sienkiewicz, Richard, [redacted].
Sikes, David A., [redacted].
Siket, James R., [redacted].
Silvas, George, Jr., [redacted].
Silvey, Donald K., [redacted].
Simek, Joseph R., [redacted].
Simiele, Frank A., [redacted].
Simmons, John R., [redacted].
Singer, Joseph B., [redacted].
Sither, Charles R., [redacted].
Skidmore, Jack M., [redacted].
Skinner, Robert G., [redacted].
Skripka, Frederick, [redacted].
Skrzysowski, Richard, [redacted].
Slater, Terry J., [redacted].
Small, Robert J. H., [redacted].
Smith, Alan C., [redacted].
Smith, Charles M., [redacted].
Smith, Colin C., [redacted].
Smith, Donald F., [redacted].
Smith, Douglas G., [redacted].
Smith, Edwin P., [redacted].
Smith, Eugene D., [redacted].
Smith, Francis L., Jr., [redacted].
Smith, Henry C., III, [redacted].
Smith, Herbert F., [redacted].
Smith, James L., [redacted].
Smith, James L., [redacted].
Smith, Kenneth W., [redacted].
Smith, Michael K., [redacted].
Smith, Paul E., [redacted].
Smith, Riley J., [redacted].
Smith, Rodney L., [redacted].
Smith, William C., [redacted].
Smith, William E., [redacted].
Smoot, William K., Jr., [redacted].
Snodgrass, James G., [redacted].
Snyder, Albert J., [redacted].
Sobecke, James B., [redacted].
Solomon, James L., [redacted].
Sowa, Alexander P., [redacted].
Spain, Timothy P., [redacted].
Sparks, Gene D., [redacted].
Spear, Robert K., [redacted].
Spears, Ralph C., Jr., [redacted].
Spencer, Robert W., [redacted].
Spielbauer, Joseph, [redacted].
Spieth, James K., [redacted].
Spinello, Michael T., [redacted].
Sporcic, Vincent L., [redacted].
Sporleder, Emil J., [redacted].
Spradling, David K., [redacted].
Spring, Sherwood C., [redacted].
Sprouse, Timothy D., [redacted].
Squires, Richard C., [redacted].
Stacey, Clifford W., [redacted].
Stacy, Aubrey B., [redacted].
Stafford, Fenley D., [redacted].
Stancil, Charles M., [redacted].
Stankovich, Peter, [redacted].
Stanley, Gary P., [redacted].
Stanley, Stanislaw, [redacted].
Starbird, Courtney, [redacted].
Stark, Jeffrey A., [redacted].
Starling, James M., [redacted].
Starr, Douglas H., [redacted].
Starr, John B., Jr., [redacted].
Starr, William J., [redacted].
Stearns, Lester C., [redacted].
Steele, James J., [redacted].
Steele, William M., [redacted].
Steffey, Gary R., [redacted].
Stemberger, Victor, [redacted].
Stephens, Bennie M., [redacted].
Stephens, L., Dale, [redacted].
Stevens, James E., Jr., [redacted].
Stewart, Charles L., [redacted].
Stewart, Clyde F., [redacted].
Stewart, James R., [redacted].
Stewart, John N., [redacted].
Stewart, Larry N., [redacted].
Still, Thomas R., [redacted].
Stillwell, Joseph W., [redacted].
Stirling, William W., [redacted].
Stiver, Vernie D., [redacted].
St. John, Richard L., [redacted].
Stock, Michael L., [redacted].
Stokes, Richard O., [redacted].
Stolz, Anthony L., Jr., [redacted].
Stone, Alan E., [redacted].
Stone, Riley M., Jr., [redacted].
Stone, Virgil W., [redacted].
Strain, John H., [redacted].
Strange, John J., [redacted].
Stratton, Robert A., [redacted].
Straub, Christopher, [redacted].
Streeter, Raymond C., [redacted].
Strickland, Bryant, [redacted].
Stromberg, Robert N., [redacted].
Strye, James W., [redacted].
Stuck, William W., [redacted].
Suits, Charles R., [redacted].
Sullivan, Cavin F., [redacted].
Sullivan, Edward A., [redacted].
Sullivan, John P., [redacted].
Sullivan, Lee J., [redacted].
Sullivan, Patrick L., [redacted].
Sumera, Ronald R., [redacted].
Summers, Peter P., [redacted].
Susko, Gerald D., [redacted].
Sutten, Charles G., [redacted].
Sutton, James C., [redacted].
Swan, Robert C., [redacted].
Swanson, Charles H., [redacted].
Sweet, Brian R., [redacted].
Swett, Thomas N., [redacted].
Swier, Richard M., [redacted].
Swinehart, Lewis S., [redacted].
Swisher, Ted A., [redacted].
Tackett, John A., [redacted].
Takahashi, Daniel T., [redacted].
Takao, Victor K., [redacted].
Tanaka, Rodney S., [redacted].
Tankersley, Milton, [redacted].
Tankovich, James A., [redacted].
Tannehill, George L., [redacted].
Tarbutton, Thomas R., [redacted].
Tasillo, Thomas J., [redacted].
Taylor, Carl T., [redacted].
Taylor, David G., [redacted].
Taylor, David R., [redacted].
Taylor, David W., [redacted].
Taylor, George L., Jr., [redacted].
Taylor, James A., [redacted].
Taylor, Richard D., [redacted].
Taylor, Robert H., [redacted].
Taylor, Samuel A., Jr., [redacted].
Taylor, William J., [redacted].
Teel, Eric R., [redacted].
Templer, Terrell S., [redacted].
Tepe, Kurt L., [redacted].
Terrell, George H., [redacted].
Terrell, Happel D., [redacted].
Terrell, Robert L., [redacted].
Terry, Joseph G., Jr., [redacted].
Terry, Richard A., [redacted].
Tetreault, Gerry E., [redacted].
Thacher, Stephen L., [redacted].
Thacker, Wallace P., [redacted].
Thibeault, William, [redacted].
Thibedeau, Robert J., [redacted].
Thiltgen, John W., [redacted].
Thomas, Bernard P., [redacted].
Thomas, Charles S., [redacted].
Thomas, Daniel W., [redacted].
Thomas, James H., Jr., [redacted].
Thomas, Nathaniel L., [redacted].
Thomas, Robert H., Jr., [redacted].
Thomason, Melvin F., [redacted].
Thome, Robert C., [redacted].
Thompson, James H., [redacted].
Thompson, Richard W., [redacted].
Thomson, John E., [redacted].
Thonus, Francis W., [redacted].
Thornton, Thomas N., [redacted].
Thorpe, William C., [redacted].
Threadgill, Gerald, [redacted].
Thurston, Daniel G., [redacted].
Tibbetts, Walter P., [redacted].
Tice, Gary L., [redacted].
Tifft, Richard P., [redacted].
Timar, Joseph J., [redacted].
Tindall, John R., Jr., [redacted].
Toch, Maximilian, [redacted].
Todd, Albert T., [redacted].
Todd, James M., [redacted].
Todd, Jerry L., [redacted].
Todd, Terry L., [redacted].
Toelle, Steven A., [redacted].
Toneatto, Giuliano, [redacted].
Tooke, Michael S., [redacted].
Topacio, David J., [redacted].
Tormey, Robert D., [redacted].
Torres, Charles B., [redacted].
Trainor, Charles W., [redacted].
Traub, Timothy J., [redacted].
Trawick, John L., [redacted].
Traxler, James H., [redacted].
Traynham, John C., [redacted].
Treneman, Bayard A., [redacted].
Trevathan, Louis B., [redacted].
Trevey, John L., Jr., [redacted].
Trotter, Jesse J., Jr., [redacted].
Trotter, William A., [redacted].
Troxel, Timothy S., [redacted].
Truesdale, Albert J., [redacted].
Trujillo, Arthur H., [redacted].
Trusko, Peter A., [redacted].
Trzupek, Eugene W., [redacted].
Tucker, Harry A., Jr., [redacted].
Tuerke, Theodore R., [redacted].
Turner, Leonard J., [redacted].
Turrell, Robert C., [redacted].
Tye, David L., [redacted].
Tyner, James C., Jr., [redacted].
Tyson, Tony, [redacted].

Umrichin, Alex N., [redacted].
Underwood, James A., [redacted].
Utecht, Kenneth J., [redacted].
Utley, Robert C., [redacted].
Vanallen, Richard, [redacted].
Vanalstyne, John A., [redacted].
Vance, James O., [redacted].
Vandenburgh, Roy W., [redacted].
Vanderpool, Jack R., [redacted].
Vandertuin, Ronald, [redacted].
Vandoren, Garold, [redacted].
Vass, James E., Jr., [redacted].
Vaughn, Donald F., [redacted].
Veliz, Leonard B., [redacted].
Viney, George S., [redacted].
Visconti, Joseph, Jr., [redacted].
Vissers, Christian, [redacted].
Voegeli, Albert H., [redacted].
Vowell, William O., [redacted].
Vukelich, Vincent M., [redacted].
Waddell, Edgar C., Jr., [redacted].
Wade, Patrick C., [redacted].
Wagenaar, Robert S., [redacted].
Wagner, Joseph B., [redacted].
Waity, Raymond T., [redacted].
Waldran, Cook M., Jr., [redacted].
Waldrop, Gerry L., [redacted].
Walker, Harold S., II, [redacted].
Walker, Jerry D., [redacted].
Walker, Wallace E., [redacted].
Wallace, Emitt, [redacted].
Wallace, George R., [redacted].
Wallace, Jerry L., [redacted].
Walsh, Leo E., [redacted].
Walsh, William G., [redacted].
Walters, Billy F., [redacted].
Waltz, Roger W., [redacted].
Walz, Robert D., [redacted].
Waraksa, Thomas J., [redacted].
Warburton, Albert E., [redacted].
Ward, Clifford R., [redacted].
Ware, George A., III, [redacted].
Warga, Russell M., [redacted].
Wark, Richard W., [redacted].
Warner, Bruce E., [redacted].
Warren, Erian C., [redacted].
Warren, Michael H., [redacted].
Warshawsky, Arnold, [redacted].
Washabaugh, Daniel, [redacted].
Waterman, Richard E., [redacted].
Watkins, Richard D., [redacted].
Watkins, Stuart H., [redacted].
Watson, Don R., [redacted].
Watson, Harvey D., II, [redacted].
Weakley, Benjamin L., [redacted].
Weathers, Brandon C., [redacted].
Weaver, James G., [redacted].
Webb, Charles H., [redacted].
Webb, Myrt W., Jr., [redacted].
Webber, Stephen B., [redacted].
Webster, Jimmy N., [redacted].
Weems, Neil M., [redacted].
Weintritt, Wallace, [redacted].
Weir, Garry K., [redacted].
Weiskopf, James D., [redacted].
Weitz, Ronald L., [redacted].
Weker, Joseph C., III, [redacted].
Welch, Dennis E., [redacted].
Weller, James M., [redacted].
Wells, Daniel R., [redacted].
Wells, Peter D., [redacted].
Wells, William J., [redacted].
Wendling, Henry E., [redacted].
Wentink, Michael J., [redacted].
Wentz, William G., [redacted].
Wentzel, Sealon R., [redacted].
West, Charles E., [redacted].
West, Oliver I., Jr., [redacted].
West, Robert M., Jr., [redacted].
Wheeler, Louis O., [redacted].
Wheeless, Douglas C., [redacted].
Whitaker, William E., [redacted].
White, Aubrey, [redacted].
White, Byron W., [redacted].
White, Donel D., [redacted].
White, Emett R., IV, [redacted].
White, Harold G., [redacted].
White, Leslie M., [redacted].
White, Thomas E., Jr., [redacted].
Whitehead, John B., [redacted].
Whitenton, Richard, [redacted].
Whitfield, David, [redacted].
Whitley, Kenny W., [redacted].
Whitney, Robert C., [redacted].
Whitsett, Robert M., [redacted].
Whitsett, Thomas N., [redacted].
Whittle, Claude N., [redacted].
Wideman, John C., Jr., [redacted].
Wieczorek, Robert L., [redacted].
Wikert, Gray A., [redacted].
Wilby, William L., [redacted].
Wilgus, William D., [redacted].
Wilkins, John C., [redacted].
Wilkinson, Donald R., [redacted].
Wilkinson, William, [redacted].
Willer, Clinton W., [redacted].
Williams, Arnold B., [redacted].
Williams, Carroll W., [redacted].
Williams, Clinton L., [redacted].
Williams, Forrest D., [redacted].
Williams, Hugh N., [redacted].
Williams, John S., [redacted].
Williamson, David D., [redacted].
Willis, William W., [redacted].
Willoughby, Michael, [redacted].
Wilson, Gerald P., [redacted].
Wilson, Henry T., Jr., [redacted].
Wilson, Hogan M., [redacted].
Wilson, Thomas W., [redacted].
Wimberley, Ronald J., [redacted].
Windeler, Jack A., [redacted].
Winkel, Raymond J., [redacted].
Winton, George B., [redacted].
Winton, Michael C., [redacted].
Wishik, Jeffrey L., [redacted].
Witherspoon, Larry, [redacted].
Witt, James B., [redacted].
Witt, Kay B., [redacted].
Witte, James E., [redacted].
Wojick, James A., [redacted].
Wokutch, Charles A., [redacted].
Wolfe, Donis R., [redacted].
Wood, Gail W., [redacted].
Wood, Jack B., [redacted].
Woodruff, Robert F., [redacted].
Woolever, Ronald J., [redacted].
Worff, Herbert H., Jr., [redacted].
Worthing, Robert W., [redacted].
Wray, Christopher P., [redacted].
Wray, George L., III, [redacted].
Wright, Gerald W., [redacted].
Wright, James M., [redacted].
Wright, Nelson B., Jr., [redacted].
Wright, Richard W., [redacted].
Wrisley, David B., Jr., [redacted].
Wynkoop, Ricky V., [redacted].
Wyro, Peter L., [redacted].
Yalicki, Edward J., [redacted].
Yamamoto, Richard Y., [redacted].
Yamaura, Lawrence, [redacted].
Yap, Michael W., [redacted].
Yates, Clyde P., [redacted].
Yeargan, Robert G., [redacted].
Yim, Gordon T., [redacted].
York, John F., [redacted].
Young, John R., Jr., [redacted].
Young, Keith L., [redacted].
Young, Stephen H., [redacted].
Young, Stephen T., [redacted].
Young, Thomas F., [redacted].
Young, Thurlow D., [redacted].
Youngblood, Carl E., [redacted].
Zaccagni, Philip J., [redacted].
Zahrndt, Dennis L., [redacted].
Zerance, Michael S., [redacted].
Ziemke, Jack A., [redacted].
Zimmerman, Leroy, [redacted].

CHAPLAIN

To be captain

Dresin, Sanford L., [redacted].
Smith, John B., [redacted].
Sullivan, Max D., [redacted].

WOMEN'S ARMY CORPS

To be captain

Anderson, Shirley R., [redacted].
Dellert, Bette A., [redacted].
Jernigan, Patricia, [redacted].
Kent, Elizabeth N., [redacted].
Leukart, Marie T., [redacted].

MEDICAL CORPS

To be captain

Brown, Frederick B., [redacted].
Casull, Brian H., [redacted].
Clark, Jeffrey R., [redacted].
Clemons, Donald E., [redacted].
O'Byrne, Stuart A., [redacted].
Seglie, Floyd R., [redacted].
Varnado, Jimmie W., [redacted].
Walters, Michael J., [redacted].
Wolcott, Barry W., [redacted].

MEDICAL SERVICE CORPS

To be captain

Allemond, Pierre, [redacted].
Allen, Richard G., [redacted].
Averbuch, Michael E., [redacted].
Ball, Roy, [redacted].
Beale, Donald L., [redacted].
Bentz, Curtis L., [redacted].
Beringer, George R., [redacted].
Beumler, Henry C., [redacted].
Bishop, Ronald M., [redacted].
Bolyard, Marshall K., [redacted].
Bosetti, Larry G., [redacted].
Bosworth, Anthony B., [redacted].
Braendel, Douglas A., [redacted].
Brenner, Paul F., [redacted].
Brooke, Paul P., Jr., [redacted].
Brown, Samuel A., Jr., [redacted].
Butler, Craig D., [redacted].
Cage, Lee E., Jr., [redacted].
Caraway, William C., [redacted].
Casey, Elmer M., Jr., [redacted].
Cavis, Charles A., [redacted].
Champion, Charles H., [redacted].
Childs, Ronald P., [redacted].
Clawson, Donald E., [redacted].
Coleman, Richard L., [redacted].
Cornett, Jesse R., [redacted].
Costanzo, Joseph J., [redacted].
Crow, James L., Jr., [redacted].
Crum, John W., [redacted].
Davis, Francisco S., [redacted].
Delaney, Gerald L., [redacted].
DeMars, Gary A., [redacted].
Devine, Jerry P., [redacted].
Dicey, Bruce B., [redacted].
Dievendorf, Lynn A., [redacted].
Downard, Jerry R., [redacted].
Dunlap, Elijah T., Jr., [redacted].
Earley, Rondal N., [redacted].
Edge, Rodney A., [redacted].
Edgette, Peter J., [redacted].
Enloe, Edmond J., Jr., [redacted].
Evans, Otis D., [redacted].
Fields, Jerry L., [redacted].
Fields, Richard S., [redacted].
Fleming, David C., [redacted].
Freccia, William F., [redacted].
Freeman, Lawrence W., [redacted].
Fulbright, Larry R., [redacted].
Gaston, Gary W., [redacted].
Ginn, Richard V., [redacted].
Goldman, Gilbert L., [redacted].
Gooding, Thomas L., [redacted].
Greene, Stonell B., [redacted].
Griffin, Bruce N., [redacted].
Griffin, Robert F., [redacted].
Hadorn, John R., [redacted].
Hardman, James R., [redacted].
Harrison, Bruce A., [redacted].
Hembree, Stephen C., [redacted].
Herman, Claude P., [redacted].
Herndon, Michael E., [redacted].
Hilt, Martin J., [redacted].
Hiu, Patrick S., [redacted].
Holland, Frank B., [redacted].
Howard, David, [redacted].
Hutchinson, Milford, [redacted].
Jackson, Joseph P., [redacted].
Jasper, William R., [redacted].
Johnson, Dennis H., [redacted].
Johnson, Larry G., [redacted].
Johnson, Nicki L., [redacted].
Johnson, Thomas F., [redacted].
Kaisershot, Gordon, [redacted].
Keller, Larry J., [redacted].
Kelly, Dennis M., [redacted].
King, Robert D., [redacted].
Knisely, Benjamin M., [redacted].
Krebs, Charles A., Jr., [redacted].
Laible, Benjamin E., [redacted].
Langeliers, Leonard, [redacted].
Lascher, Michael F., [redacted].
Leavitt, Ronald N., [redacted].
Lupton, George P., [redacted].

Manning, George, [redacted].
Marsteller, Clyde C., [redacted].
McKinstry, Earl R., [redacted].
McLain, Frederick R., [redacted].
Mertel, Paul T., Jr., [redacted].
Meyer, Dennis E., [redacted].
Michels, George N., [redacted].
Miller, Allan J., [redacted].
Miller, Dewey R., [redacted].
Mitten, Alan K., [redacted].
Mooney, Darrel L., [redacted].
Moore, Reginald G., [redacted].
Morris, Harold B., [redacted].
Morton, Ward D., III, [redacted].
Munnell, Thomas C., [redacted].
Nalepa, Thomas F., [redacted].
Nardozza, Anthony J., [redacted].
Neptune, Calvin, III, [redacted].
Odell, Thomas E., Jr., [redacted].
Ohara, Kerry L., [redacted].
Ortiz, Teofilo, Jr., [redacted].
Parker, John S., [redacted].
Parr, Thomas J., [redacted].
Partin, Daniel H., II, [redacted].
Peacock, Clayton W., [redacted].
Pender, Robert W., [redacted].
Peterson, Lawrence, [redacted].
Philbrick, Jon D., [redacted].
Pitts, Walter G., [redacted].
Pleasant Richard H., [redacted].
Polk, Anthony J., [redacted].
Pollok, James L., [redacted].
Potter, Laurence A., [redacted].
Pozniak, Thomas B., [redacted].
Prather, Ted W., [redacted].
Pryor, William L., [redacted].
Rodman, Terral L., [redacted].
Rogers, Jack A., Jr., [redacted].
Savory, Carlton G., [redacted].
Schaefer, Ken M., [redacted].
Schmuck, Dale A., [redacted].
Schulz, Jeffrey B., [redacted].
Seyfer, Alan E., [redacted].
Slayton, Jack R., [redacted].
Smith, Jack R., Jr., [redacted].
Specht, William T., [redacted].
Steen, David B., [redacted].
Stockand, David B., [redacted].
Stripling, Verlon, [redacted].
Strobel, Fred H., [redacted].
Sullivan, Michael F., [redacted].
Swallow, Gary L., [redacted].
Tansor, James R., [redacted].
Taveau, Horatio S., [redacted].
Taylor, Harvey G., [redacted].
Taylor, James A., [redacted].
Thomas, William G., [redacted].
Thompson, Jerry F., [redacted].
Touchard, George H., [redacted].
Tyler, James M., [redacted].
Urban, Dennis E., [redacted].
Vinson, William W., [redacted].
Visnick, Allan D., [redacted].
Wadsworth, Thomas S., [redacted].
Wall, Henry G., [redacted].
Warren, Stephen F., [redacted].
Weed, Roger I., [redacted].
Wiener, Michael L., [redacted].
Williams, James N., [redacted].
Williams, Robert K., [redacted].
Woodward, Ronald L., [redacted].
Wortham, James T., Jr., [redacted].
Wright, William A., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be captain

Bell, Clyde H., Jr., [redacted].
Chee, Francis K., [redacted].
Ford, Daniel T., [redacted].
Guy, David P., [redacted].
Hassett, Robert B., [redacted].
Jesse, Norris F., II, [redacted].
Kirkman, Elaine M., [redacted].
Linton, Judith S., [redacted].
Martino, Louis A., [redacted].
Pennell, Clifford R., [redacted].
Schofield, Grant A., [redacted].
Sorensen, Allan M., [redacted].
Wheeler, Thomas H., [redacted].

DENTAL CORPS

To be captain

Cheek, Jack Watt, [redacted].

ARMY NURSE CORPS

To be captain

Adams, Gearl V., [redacted].
Arrowsmith, David R., [redacted].
Babson, Beverlyrae, [redacted].
Basta, Patricia J., [redacted].
Blake, Nelson A., [redacted].
Bombard, Charles F., [redacted].
Bowlyow, Ronald G., [redacted].
Brown, Dorothy N., [redacted].
Defazio, Vincent G., [redacted].
Desrosiers, Henri, [redacted].
Dollander, Lowell T., [redacted].
Drummond, William F., [redacted].
Eberlin, Lawrence J., [redacted].
Eckman, Mary K., [redacted].
Froat, Edward F., [redacted].
Gunnell, Kenneth M., [redacted].
Heston, James V., [redacted].
Hoffelt, Donald J., [redacted].
Houser, Oscar S., [redacted].
Hutcheson, Margueri, [redacted].
Jacques, Stanley H., [redacted].
Kraemer, William J., [redacted].
Lang, Frank J., [redacted].
Lawyer, Robert H., [redacted].
Layman, Frances K., [redacted].
Lenig, Richard C., [redacted].
Likens, Wilbur D., [redacted].
Markarian, Clement, [redacted].
McCarthy, Mary M., [redacted].
McManus, John G., [redacted].
Miller, Thomas E., [redacted].
Minahan, Sue P., [redacted].
Mitten, John N., [redacted].
Oakley, Catherine M., [redacted].
Oatway, David M., [redacted].
O'Sullivan, Eileen, [redacted].
Paul, Joseph J., [redacted].
Person, Rodney M., [redacted].
Pfaehler, Karl H., [redacted].
Phelps, Fredrick O., [redacted].
Poduszczak, Edward, [redacted].
Price, Barbara J., [redacted].
Rexrode, Janet S., [redacted].
Riley, Ellen E., [redacted].
Roscoe, Ronald R., [redacted].
Ryan, Elizabeth G., [redacted].
Schultz, Elsie M., [redacted].
Seymour, Richard S., [redacted].
Shovar, George P., [redacted].
Sinclair, Allen L., [redacted].
Smith, Charles L., [redacted].
Sollenberger, Karen, [redacted].
Spencer, Joanne M., [redacted].
Steel, Virginia M., [redacted].
Stegura, Frank H., [redacted].
Steib, Mary E., [redacted].
Strieper, Sarah S., [redacted].
Sylvester, Marilyn, [redacted].
Tassinari, Anthony, [redacted].
Teno, James M., [redacted].
Thompson, Charles R., [redacted].
Touron, Francis L., [redacted].
Tranel, David A., [redacted].
Trover, Robert M., [redacted].
Truscott, Alma P., [redacted].
Urick, George M., [redacted].
Vail, James D., [redacted].
Watters, Thomas S., [redacted].
Welch, Alfred C., [redacted].
White, John T., [redacted].
Wilson, Margaret E., [redacted].
Wolf, Richard C., [redacted].
Ziacik, John E., Jr., [redacted].

VETERINARY CORPS

To be captain

Lewis, George E., Jr., [redacted].
Peterson, Clarence, [redacted].
Sagartz, John W., [redacted].

EXTENSIONS OF REMARKS

FISCAL INTEGRITY

HON. STROM THURMOND

OF SOUTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Monday, July 9, 1973

Mr. THURMOND. Mr. President, an editorial, entitled "Fiscal Illiteracy," appeared in the June 24 issue of the Sunday Chronicle-Herald newspaper in Augusta, Ga.

This editorial points out the importance of correcting our Nation's spending policies by eliminating or reducing unworthy social programs. President Nixon has cited inflation as our No. 1 problem and it is disturbing to me that some Members of Congress fail to recognize this fact by favoring high expenditures in these domestic programs.

The author of this article takes note that many of these social programs could be tightened in order that those truly in need would derive greater benefits while at the same time waste in these areas might also be reduced.

Mr. President, I ask unanimous consent that this editorial be printed in the Extension of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FISCAL ILLITERACY

The ignorance of congressmen as to the economic facts of life—or possibly their indifference, which would be even worse—is well illustrated in contrasting news stories.

On the same day in which a May cost-of-living report showed inflation continuing at would be—if projected—a 7.2 per cent annual increase, the newspapers also carried a story saying that the House Appropriations Committee voted to inflate President Nixon's budget by $1.2 billion by restoring social program cuts in the budgets of the Labor Department and the Health, Education and Welfare Department.

This callous disregard of the welfare of the American people flies in the face of an elementary fact: that the resulting inflation reduces the buying power of the dollar. This spending increase would finance a vast bureaucracy of social workers and politicians ostensibly for the benefit of the poor people, who themselves never seem to get significantly more money in their own pockets as a result of the bureaucratic wheel-spinning. Then inflation's ravages take away what little might have been gained by social programs.

After well over a decade of socialistic programs, the fact is that more persons are below the poverty line than at the start. With government-created inflation robbing blind the persons who are supposed to be helped by the bureaucratic directors, coordinators, supervisors, researchers and all the rest of that crew, is it any wonder at all that persons who formerly were poor but self-supporting are now in dire need?

One thing which at least for the time being will halt the rising tide of living costs is the Nixon-ordered 60-day freeze on prices. Fiscal moves may help, such as the Federal Reserve Board's increase in the discount rate to 6.5 per cent—the highest level in more than 50 years—and action by several major banks to raise their prime lending rate to 7¾ per cent.

These fiscal moves however, will cut back on legitimate business whose expansion could have provided jobs for those in poverty—a factor which partially cancels out the prospective effect on inflation.

If the Congress goes along with the House committee's irresponsible federal spending program, it can further dilute any and all such attempts to keep living costs down. These attempts, as Sen. Herman Talmadge said in a recent statement, "will be only temporary relief until the Administration and the Congress come face to face with a simple economic fact of life:

"In the final analysis, the principal cause of inflation is continued and constant deficits . . . We need to correct our spending policies. Our government for too long has tried to act as banker, Santa Claus and policemen for the world. We cannot continue this policy."

Those who would permit our great Nation to bankrupt itself by assuming a nursemaid role for once-self-reliant Americans do the people—all of them—the gravest sort of injustice. They are on the level of the housewife who spends all her household budget for nice but unnecessary candy, then sees the grocer cut off her credit while the children suffer from malnutrition.

President Nixon, who has recognized that "the No. 1 problem facing the Nation" is inflation, vetoed last year's Health, Education and Welfare bill twice, and has wisely declined to spend all the current money appropriated under the special procedure being followed in the absence of a regular bill.

If the committee's recommendation is adopted, citizens concerned for the welfare of all Americans will hope the President again exercises the veto.

FIXED TERMS FOR FEDERAL JUDGES

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, July 9, 1973

Mr. HARRY F. BYRD, JR. Mr. President, sentiment for fixed terms for Federal judges, including the Supreme Court, is gaining ground.

Federal judges now are appointed for life and, once confirmed by the Senate, are accountable to no one.

Why should anyone in a democracy have lifetime appointment?

In this modern world only kings, queens, emperors—and U.S. Federal judges—have life terms.

I ask unanimous consent to print in the Extensions of Remarks an editorial from the Baton Rouge, La., State-Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CURB POWER OF FEDERAL JUDGES?

A new voice from the Midlands has sounded in support of Sen. Harry Byrd's (Va.) proposed constitutional amendment which would curb the substantially limitless power of federal judges at all levels of that judiciary.

That the voice is that of a distinguished jurist adds to its weight.

Chief Justice Norman Arterburn of the Indiana Supreme Court is the new ally of the senator in the latter proposal that the Constitution require all federal judges to be reconfirmed by the Senate every eight years. This would, in effect, provide an eight-year term for this judiciary.

The Indiana jurist outspokenly attributed the change in his thinking, from opposition to the Byrd proposal to support of it, to what he has termed extremities of the United States Supreme court. He asserted it was his view that this tribunal had overstepped the bounds of constitutional law, got into the legislative field, imposing their ideas as to public policy and good legislation on the people of the country."

On the state level, 47 of the 50 states have fixed terms for the state judges. Only Rhode Island has life tenure for its judiciary. Massachusetts and New Hampshire mandatorily retire their judges at age 70.

Judicial restraint once was a hallmark of the U.S. Supreme Court. It was given its best expressions in the words of eminent justices, among them Oliver Wendell Holmes, Justice Brandeis, Justices Stone, Hughes and Frankfurter. Such restraint was almost an unwritten canon which endured well beyond the first century of the republic.

But, in the present century and especially as it reached its midpoint, first the Supreme Court and later lower courts diverged from the doctrine of judicial restraint and clearly began to legislate.

It is this divergence to which Sen. Byrd and others take exception, to a point of seeking limited tenure for the federal judiciary. That their position now gains support from distinguished jurists, the chief justice of the Indiana Supreme Court notable among them, is significant.

THE OFFICE OF EDUCATION'S ILLEGAL BACKDATING OF CONTRACTS

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1973

Mrs. MINK. Mr. Speaker, the Office of Education's admitted illegal backdating of contracts has caused the loss of certain fiscal year 1973 grants totaling nearly $55 million. Those affected by this illegal procedure were innocent victims of bureaucratic mismanagement. The program losses occurred in the fields of the handicapped, vocational and adult eduction, bilingual education, environmental education, and innovative educational programs.

My own State of Hawaii was one of these victims, having now to absorb a cut approaching 90 percent of a program originally funded at $100,000. The U.S. Office of Education secured diversion of $42,000 of this allotment for an arts program they desired, with a promise of reimbursement with the following year's funds. This promise was never honored, because the U.S. Office of Education was ordered by the Office of Management and Budget to return the misallotted funds. To do this it took Hawaii's title III, section 306 funds again to repay the money to the Treasury. Hawaii was thus robbed twice to account for this administrative boo-boo.

Education for the handicapped, encompassing eight program areas and accounting for nearly 50 percent of the slashed funds, were cut a staggering $26,685,200; however under the second Supplemental Appropriations Act for fiscal year 1973 passed on June 30, 1973, this money was restored. Although there were no provisions for refunding the other programs which were affected by this backdating fiasco, the Senate report contained strong language urging refunding for others. The vocational and adult education programs were reduced by $436-082. The Office of Education contrived caption "Education Renewal" program, which included congressionally approved bilingual and environmental education, dropout prevention, educational statistics, and education professions development lost $17,074,102. The National Institute of Education lost $6,926,690 and Manpower Training Services was shorted $2,331,253. Supplemental programs under elementary and secondary education were cut by $1,481,109.

For the RECORD I submit detailed information regarding the fiscal impact of this backdating of education division grants and contracts:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PLAN FOR ABSORBING 1973 IMPACT OF BACKDATING OF EDUCATION DIVISION GRANTS AND CONTRACTS

			Effect of Backdating Action							
			Loss in base		Loss in expansion or new projects					
Appropriation/activity affected	Original 1973 operating level	Total amount contracted after June 30, 1972	Amount	Percent	Amount	Percent	Reprograming	Funding from 1974 appropriation	Other	Revised 1973 plan
Elementary and secondary education:										
Supplementary services (discretionary	$20,088,000	$1,481,109	$554,555	17	$926,554	10				$18,606,891
Education for the handicapped:										
Deaf-blind centers	10,000,000	5,795,000			1,162,000	46		$4,633,000		4,205,000
Early childhood projects	12,000,000	5,871,020			4,353,557	97	+$1,517,463			7,646,443
Regional resource centers	7,243,000	2,112,652			3,130,115	84	−1,017,463			4,112,885
Innovation and development	9,916,000	3,223,539			3,223,539	33				6,692,461
Media services and captioned films	13,000,000	848,332			1,012,332	34	−164,000			11,987,668
Recruitment and information	500,000	363,095			199,095	89	+164,000			300,905
Special education and manpower development	37,610,000	8,471,562			5,471,562	27		3,000,000		29,138,438

Appropriation/activity affected	Original 1973 operating level	Total amount contracted after June 30, 1972	Effect of Backdating Action: Loss in base: Amount	Loss in base: Percent	Loss in expansion or new projects: Amount	Loss in expansion or new projects: Percent	Reprograming	Funding from 1974 appropriation	Other	Revised 1973 plan
Specific learning disabilities	3,250,000				500,000		−500,000			2,750,000
Total, education for the handicapped	93,519,000	26,685,200			19,052,200			7,633,000		66,833,800
Vocation and adult educational:										
National advisory council, vocational education	330,000	(23,000)					+23,000			330,000
Curriculum development	4,000,000	413,082						413,082		3,586,918
Innovation (discretionary)	13,741,917	23,000			23,000		−23,000			13,718,917
Total, vocational and adult education	18,071,917	436,082			23,000			413,082		17,635,835
Educational renewal:										
Follow through	57,700,000	6,432,775						2,459,323	[1] $3,973,452	51,267,225
Bilingual education	35,130,000	1,852,149	1,624,149	5	228,000	100				33,277,851
Dropout prevention	8,500,000	2,549,867	2,549,867	30						5,950,133
Environmental education	3,180,000	2,025,500			2,025,500	66				1,154,500
Educational statistics	4,250,000	1,774,938			218,000	16		1,213,000	[2] 343,938	2,475,062
Planning and evaluation	10,205,000	30,478			30,478	1				10,174,522
Adult education, special projects	7,000,000	257,256			257,256	3				6,472,744
Right to read	12,000,000	1,072,342						1,072,342		10,927,658
Education professions development—Pt.D, Urban/rural program	53,660,000	1,078,797							[3] 1,078,797	52,581,203
Total, educational renewal	191,625,000	17,074,102	4,174,016		2,759,234			4,744,665	5,396,187	174,550,898
National Institute of Education:										
Experimental schools	103,180,000	4,739,618					4,739,618			96,253,310
Basic research		1,422,494					1,422,494			
District of Columbia school project		764,578					764,578			
Other R. & D					6,926,690		−6,926,690			
Total, National Institute of Education	103,180,000	6,926,690			6,926,690					96,253,310
Transfer from Department of Labor:										
Manpower training services	9,200,000	2,331,253							[4] 2,331,253	6,868,747
Grand total	435,683,917	54,934,436	4,728,571		29,687,678			12,790,747	7,727,440	380,749,481

[1] Prior year unexpended balances ($3,223,452) and savings from limiting project funding period to 12 months ($750,000).

[2] Savings associated with reduced computer and printing requirements.

[3] Early completion of 12 projects.

[4] Prior year unobligated balances.

STATEMENT CONCERNING SUPREME COURT PORNOGRAPHY DECISION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. CRANE. Mr. Speaker, in its recent decision in the case of Miller against California, the U.S. Supreme Court handed down a new set of guidelines on pornography that will enable States to ban books, magazines, plays, and motion pictures that are offensive to local standards, even if they might be acceptable in other places.

Speaking through Chief Justice Burger the Court declared that States may punish the printing or sale of works "which appeal to the prurient interest in sex, which portray sexual conduct in a patently offensive way and which, taken as a whole, do not have serious literary, artistic, political, or scientific value."

The Court also declared that it will no longer be a defense to a prosecution for obscenity that the work involved had "some redeeming social value," as it has been since a 1966 Supreme Court decision.

This decision should be welcomed by all Americans who are concerned with the moral state of their society and with the spread in recent years of the most objectionable kinds of material, portraying sadism, masochism, and a variety of other kinds of sexual depravity.

There are many who hold that pornography is essentially harmless, and that a free society should permit all forms of published material, movies, and other means of communication, no matter how degrading, lest it lose its freedom of speech and of publication.

The fact is, however, that pornography should no more be permitted license than should the distribution of narotics and dangerous drugs. Its effect upon the lives of individuals is, in many respects, the same.

There has been much discussion in recent years about the question of whether pornography has led to acts of violence. Discussing this question, Prof. Ernest Van Den Haag, professor of social philosophy at New York University, expresses the view that—

> The possibility of sadism is in all of us.

He notes that—

> Reading of the fantasies of others may lead to actions no less than other external stimuli. From the fact that not all readers of the Bible become Christians or act as such, and that some non-readers do, few people would conclude that the Bible has no influence. . . . Actions are influenced by ideas; even emotions—such as love or hate—are often shaped by ideas and idea models. Else why write about them, or about anything?

To those who argue that reading pornography does not, in fact, have any effect upon those who do it, Dr. Van Den Haag notes that—

> It is odd (as well as wrong) to defend the freedom of literature by pretending that it has no influence. . . . It is strange that the criminal rampage of, say, a deprived Negro in the U.S.A. is easily ascribed to his deprivation. We are told that we are guilty of failing to remedy it, and thus of his acts (and that he is not). But why are we not guilty then of failing to restrict literature, no less logically connected with the rampage of the sadist who reads it? In neither case can a direct causal connection be established, or such matters as disposition discounted. In both cases, a causal connection of some sort seems quite likely.

What pornography does, in its basic formulation, is make man less human. Dr. Van Den Haag suggests that were literature—

> Directed against a specific human group—e.g. Jews or Negroes—the same libertarian ideologues who now oppose censorship might advocate it. Should we find a little Negro or Jewish girl tortured to death . . . and should we find the murderers imbued with sadistic anti-Semitic or anti-Negro literature—certainly most liberals would advocate that the circulation of such literature be prohibited. But why should humanity as such be less protected than any of the specific groups that compose it? That the hate articulated is directed against people in general rather than against only Jews or Negroes makes it no less dangerous; on the contrary, it makes it dangerous to more people.

As pornography has become more widespread, as crime has grown as the incidence of abortion and venereal disease has increased, we are forced to come to grips with an American society in a serious state of moral decay.

In his essay, "Pornography versus Democracy," Prof. Walter Berns argues that no society can be utterly indifferent to the ways its citizens publicly entertain themselves.

Discussing this subject, Prof. Irving Kristol, Henry Luce Professor of Urban Values at New York University, notes that—

> Bearbaiting and cockfighting are prohibited only in part out of compassion for the suffering animals; the main reason they were abolished was that it was felt they debased and brutalized the citizenry who flocked to witness such spectacles. The question we face with regard to pornography and obscenity is whether, now that they have such strong legal protection . . . they can or will brutalize or debase our citizenry.

What is at stake in our discussion of pornography may be the very basis of our civilization. The idea that "everything is permitted," as Nietzsche put it, rests on the premise of nihilism and has serious nihilistic implications for the future of democratic government and a free society.

Is it a contradiction to both support a free society and also support a ban upon pornography material? Irving Kristol responds to that charge in these terms:

> I don't think so. In the U.S. we have no problem in contrasting repressive laws governing alcohol and drugs and tobacco with laws regulating (i.e. discouraging the sale of) alcohol and drugs and tobacco, Laws encouraging temperance are not the same thing as laws that have as their goal prohibition or abolition. We have not made the smoking of cigarettes a criminal offense. We have, however . . . prohibited cigarette advertising on television.

The Supreme Court has acted wisely in making it clear that our society has had enough of the pornography wave to which it has been subjected in recent years. Perhaps the centers of our large cities will once again become pleasant places in which families may feel free to pursue decent forms of entertainment. Perhaps those who advocate pornography on the basis of free speech will rethink their position, with the full understanding of the very real harm such literature and movies have done and are now doing to Americans, particularly young Americans.

It is no challenge to freedom to make it illegal to kill and rape. It should be no challenge to freedom to eliminate those who have laid the groundwork for a dehumanized society in which such crimes become acceptable and commonplace. This, the Supreme Court understands and has affirmed.

AVERAGE AMERICAN WORKS ONE-THIRD OF 8-HOUR DAY FOR UNCLE SAM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. CRANE. Mr. Speaker, a recent speech by the Secretary of the Treasury, George Shultz, in which he raised the possibility of an increase in taxes on gasoline and other items, has caused grave concern among those of us who put great store by the President's pledge not to raise taxes during his second term.

Now is the time for all opponents of higher taxes to make their voices heard; we must remind the administration that in his acceptance speech at the Republican Convention in Miami, the President very forthrightly declared:

> I oppose any new spending programs which would add to the tax burden of American wage earners.

This statement was confirmed by Press Secretary Ronald Ziegler last September 7th when he said:

> We contemplate and plan no tax increase—period—in the next term.

In his first published interview after his reelection, President Nixon himself put it very well when he said:

> I am convinced that the total tax burden of the American people, federal, state and local, has reached a breaking point. It can go no higher. If it does go higher, I believe it will do much to destroy the incentives which produce the progress we want.

One of the main reasons for President Nixon's landslide victory last fall was undoubtedly this firm promise not to raise taxes in his second term. Mr. Speaker, all of us in this Chamber know very well what a burden the average American taxpayer already carries; to increase it would seriously endanger the proper functioning of the economy.

According to the Tax Foundation, Inc., the average American works 2 hours and 39 minutes out of a typical 8-hour day just to pay his taxes; he works 1 hour to pay for his housing, and 58 minutes for food and drink. Taxes, therefore, are the largest single item in the budget of almost every American family.

The President should take the initiative to implement his pledge of last year. He should drastically slash unnecessary Government expenditures—now swollen to an all-time high—and thereby pave the way to reduce taxes at the earliest possible moment. Those of us who supported the President for reelection have a special responsibility to remind him again and again of his own often-repeated pledge not to raise taxes for 4 more years.

KINSLEY S. BINGHAM

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. BROWN of Michigan. Mr. Speaker, as part of a recently initiated effort on the part of my former district representative, Jerry D. Roe, executive director of the Republican Party in Michigan and a member of the Michigan State Historical Commission, on Saturday, July 7, 1973, an official State of Michigan historical marker was dedicated at the former home in Brighton, Mich., of the late Kinsley S. Bingham, the first Governor of Michigan to be elected as a "Republican" and a former Member of this body and the U.S. Senate.

This dedication was highlighted by special remarks provided by Michigan's Lt. Gov. James H. Brickley; my colleague in the House, Representative WILLIAM S. BROOMFIELD; State Senator Gilbert Bursley; State Representative Thomas Sharpe; and myself. The official dedication of the marker was performed by Mr. Hudson Mead of Grosse Pointe, Mich., president of the Michigan State Historical Commission, and various dignitaries and guests throughout the State were in attendance.

The dedication ceremony and related program were conducted under the auspices of the Kinsley S. Bingham Society, the Michigan Republican Party, the Livingston County Republican Committee, the Livingston County Historical Society, and the Green Oak Township Republican Club.

The Kinsley S. Bingham Society is the second organization of its type founded by Mr. Roe, and he serves as chairman of the board of the society. The other similar organization, also created to memorialize a former leading Republican and founded by Mr. Roe, is the "Friends of Chester A. Arthur." In addition, Roe created the "Twelve-Fifty Club" which was responsible for the purchase and dedication of a similar marker at the site of the famous "Under the Oaks" first Republican convention which was held in this country, such dedication ceremonies having been held in Jackson, Mich., on July 8, 1972.

Inasmuch as many of my colleagues may not be familiar with this prominent Michigandar, I am providing a brief biographical sketch of his life:

GOVERNOR BINGHAM

> Kinsley Scott Bingham was born in Camillus, New York, December 16, 1808, the son of Calvin and Betsy (Scott) Bingham. Calvin Bingham was a farmer who had emigrated from Bennington, Vermont. The son's early life was also devoted to agricultural pursuits. He early obtained a good education in his native State and studied law in the office of General James R. Lawrence, of Syracuse, New York. In the spring of 1833 he married Miss Warden, who had recently arrived from Scotland, and obeying the impulse of a naturally energetic and enterprising disposition he immediately emigrated to Michigan. He purchased a new farm, in company with his brother-in-law, Mr. Robert Warden, in Green Oak, Livingston County, where on the border of civilization, buried in the primeval forest, the late law student commenced the arduous task of preparing a future home, clearing and fencing, putting up buildings, at such a rate that the land chosen was soon reduced to a high state of cultivation.
>
> Becoming deservedly prominent, Mr. Bingham was elected to the office of justice of the peace, and postmaster, under the Territorial government, and was the first judge of probate in the county. He was elected to the first Michigan Legislature, was four times re-elected, and was Speaker of the House of Representatives three years. In 1846 he was elected, on the Democratic ticket, Representative in Congress. He was re-elected to Congress in 1848, during which time he strongly opposed the extension of slavery in the territories of the United States, and voted for the Wilmot Proviso. In 1854 he was nominated as the candidate of the Free Soilers for Governor. At the great mass convention at Jackson, July 6, 1854, the Whigs and the Free Soilers united on a state ticket and he was placed at the head of it for Governor,

as the nominee of the new Republican Party, which then and there sprang into existence and received its name. Sanguine of success, he addressed the people in all parts of the State and the entire ticket was elected; he was again elected Governor in 1856 by a largely increased majority.

During his administration much important legislation was enacted. On the slavery issue, the most significant act was that popularly known as the "Personal Liberty Law," providing that all prosecuting attorneys "diligently and faithfully use all lawful means to protect and defend all persons arrested as a fugitive slave." Another act absolutely prohibited the use of county jails for the detention of persons claimed as fugitive slaves. Of social and educational importance were the prohibitory liquor law, a general law to provide for the organization of charitable societies, a general college act, an act to provide for the holding of teachers' institutes, an act to remit the interest on the University loan, an act establishing a House of Correction for juvenile offenders, and an act to incorporate the State Teachers' Association. Two acts mark the rise of the great lumber industry, presently to grow to gigantic proportions and for a time to make Michigan the foremost lumbering state in the Union, namely, the act "to provide for the formation of companies, for the running, booming and rafting of logs," and the act "to provide for the inspection of lumber." A number of laws were enacted bearing upon the great industrial interests of the State, relating to mining, railroads, canals, building, and lighting. Many new county organizations were provided and villages incorporated. It was during Bingham's first administration that the Michigan Legislature passed, and the Governor approved, the famous "Joint Resolutions respecting slavery in the Territories of the United States" which were to be of far-reaching influence.

Mr. Bingham's was a comparatively short life, of remarkable promise and public activity. Attacked with apoplexy, he died suddenly at his residence in Green Oak, October 5, 1861.

(Bingham was elected to the United States Senate in 1858.)

AMENDMENT ON CASEIN-CASEINATES

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. RAILSBACK. Mr. Speaker, tomorrow, July 10, the House will debate H.R. 8860, the Agricultural Act extension. At that time, I will offer an amendment to the bill that will strike casein and caseinates from the dairy provisions.

In order to insure 5 minutes debate on my amendment and for the review of my colleagues, under the leave to extend my remarks in the RECORD, I include the following:

AMENDMENT TO BE OFFERED BY MR. RAILSBACK

AMENDMENT TO H.R. 8860

On page 6, line 8, strike out "casein, caseinates", and insert in line 9 after "derivatives" the following "(except casein and caseinates)".

EXPLANATION

This amendment would exclude casein and caseinates from the definition of dairy products for purposes of the provision in the bill dealing with dairy import licenses.

POLISH AMERICAN CONGRESS FILES PETITION WITH THE FCC

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. ANNUNZIO. Mr. Speaker, I rise to bring to the attention of my colleagues a petition, filed with the Federal Communications Commission by the Polish American Congress, to force the ABC–TV network to give them equal time for a response to the vicious slurs and sick jokes aired in the last few months by that network which demean and degrade millions of Americans of Polish descent.

The Polish American Congress is a fine and resolute organization which represents over 10 million industrious and hardworking Polish-Americans who have contributed mightily to the growth and development of our country and without whose dedication America would not be the bulwark of democracy and the leader among nations that she is today.

As the Representative of the 11th Illinois Congressional District, and as an American of Italian descent, I rise today to express my wholehearted support for the Polish American Congress' effort against this contemptible defamation of the Polish people. The members of our minority and ethnic groups have every right to be free from the harm directed at them by thoughtless panderers of hatred and discord. Each minority group is justifiably proud of its ancestry, its accomplishments, and its contributions to the advancement of world civilization. When we destroy this pride in "self"—we destroy the very quality Americans possess that has made America great. The mingling of traditions, temperament, and cultures has come to personify the American Union.

Mr. Speaker, I again appeal to my colleagues and urge their strong support for my bill, House Concurrent Resolution 19, cosponsored by over 50 House Members, which would put the U.S. Congress on record in opposition to motion pictures, television, and radio broadcasts which stereotype, ridicule, or defame any ethnic, racial, or religious group.

The press, radio, and television have been derelict in their responsibility to help create a society in which people are proud to make a contribution to their country, and are proud to respect their own heritage and their institutions. The Congress must take a stand against this abuse.

Mr. Speaker, at this point in the RECORD I wish to insert a newsclipping from the July 3 issue of the Washington Post which summarizes the recent action taken by the Polish American Congress:

POLISH JOKES, TELEVISION AND THE FCC

Polish Americans, stung by what they called a barrage of demeaning "Polack jokes" on ABC–TV, petitioned the government yesterday to force the network to give them equal time to respond.

The Polish American Congress, in filing the petition with the Federal Communications Commission (FCC), said it spoke for 10 million Polish Americans.

Attorney Thaddeus L. Kowalski, chairman of the Anti-Defamation Commission of the Polish American Congress said, "We intend to fight the increasing bigotry in the media.

"If necessary, this will be the first of several suits," he said. "ABC–TV is not alone in its responsibility for presenting a negative and insulting image of the Polish American in its national programming."

The petition mentioned several shows but singled out an ABC broadcast of the Aug. 10, 1972, Dick Cavett Show hosted by Steve Allen.

"An alleged 'apology' was made by Steve Allen on Aug. 11, 1972," the petition said. "This statement was not an apology at all, but was surrounded by a comic setting and was the basis for more demeaning humor, rather than a serious expression of regret."

The Polish American Congress said Kowalski made several requests to ABC for equal time but was turned down each time.

Other shows mentioned in the petition were the "Salute to Howard Cosell" on May 21, 1973, and "The Burns and Schreiber Show," June 22, 1973.

ABC was accused of a "consistent policy" of portraying the " 'dumb Polack' image, i.e., lack of intelligence, lack of personal hygiene, comic apparel and obnoxious physical features."

Kowalski said Polish Americans want an "opportunity to show the true character of their culture and heritage and not the false and insulting stereotype that the networks now portray.

"The current barrage of allegedly humorous jokes, skits and monologues is anything but funny to the victims and only encourages prejudice and discrimination," Kowalski said. At this point in history, respect for cultural diversity should be a primary concern of the media."

The FCC was asked to rule that the "Polack jokes" on the Dick Cavett show "constitute a controversial issue of public importance because such jokes in and of themselves belittle a large segment of the population, both young and old.

"Only the application of the Fairness Doctrine, by allowing the presentation of a contrary view, will afford some relief to Polish Americans," the petition said,

Kowalski said the networks should police themselves under the National Association of Broadcasters' Television Code, which states that no group shall be ridiculed or demeaned on the basis of race, religion or national origin.

PROPOSAL TO INCREASE TAX ON CORPORATE PROFITS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. CRANE. Mr. Speaker, on May 16 Mr. Frank Burgert, president of Interlake Corp., of Chicago, addressed 225 people in Steubenville, Ohio on the subject of proposals to increase the effective rate of taxation on corporate profits. Mr. Burgert presents a strong case against such ill-advised proposals. I join him in opposition to any such tax changes and ask unanimous consent to have his remarks reprinted in the RECORD.

The remarks follow:

PROPOSAL TO INCREASE TAX ON CORPORATE PROFITS

My text this evening was provided by the AFL–CIO. Recently their Executive Council and Mr. George Meany have been claiming that business profits:

Are jeopardizing government efforts to control inflation.

Are unfair to workers.

Are increasing prices to consumers.

And are setting the stage for a new recession.

In addition to these incredible observations and—I might add—vicious and destructive criticism of our private enterprise system, they are further attacking our profit system by demanding, among other things, that Congress:

Eliminate tax credits and accelerated depreciation.

Kill tax subsidies for corporations investing and profiting abroad.

Kill tax exemptions for interest income from state and local bonds.

Tax excess profits.

Control prices, and

Establish profit ceilings.

In other words, they seem to want to further undermine the only real creators of general wealth—Commerce and Industry.

At the same time, they want wage controls removed. Union economists further suggest that instead of larger profits, the national economy needs balanced expansion . . . rather than short-lived, one-sided profit and investment booms. Their implication, of course, is that only industry and investors earn a profit . . . and workers get nothing.

Unfortunately, such irresponsible statements mislead millions of Americans about profits . . . and give further exposure to the myth that in order to get more for themselves . . . the government and workers must take more from the industrial goose that lays golden profit eggs.

What I'm trying to say isn't intended to be a blast against organized labor. Time for that is long past. Though management and labor may never become the happiest of bedfellows, we can and must make needed and fruitful progress together.

The "experimental negotiating agreement" reached recently between several of the major steel producers and the Steelworkers Union is just one example that we can work together for mutual benefit of customers, employees, shareholders and all American people. But even though we're sharing more common ground than in recent memory, the fact remains that there's still a vast abyss between us on certain issues. Of these, basic economics is perhaps the most obvious and significant. This is why I feel compelled tonight to comment on—and publicly refute—the AFL-CIO's statements I've just reviewed:

First, on the matter of inflation. Profits, soaring or otherwise, don't cause inflation or hamper a government's efforts to control inflation. Government is the major cause of inflation when it incurs large budget deficits and prints cheap dollars to cover. Last year alone the money supply grew 8.3%. Why? Excessive Government Spending. Almost $20 billion worth.

Second, let's look at the claim that high business profits are unfair to workers and are setting the stage for a new recession. Now . . . about unfairness. Probably the biggest misconception today is a delusion held by the average employee that he is not getting a fair share of a company's profits. Recent polls show Americans believe that workers get only 25% of income divided between gross wages and net profits. In fact, employees receive 90.7% of the income divided between them and net profit. And they receive 94.6% of income divided between them and dividends to stockholders.

Workers in the U.S. also receive 76.5% of total national income.

Next . . . about profits and recessions. Business profits aren't soaring. There has been a recent profit rise, but this must be compared against an historical background and other growth areas of the economy.

The most recent era of inflation in the U.S. began in the mid 60's. It was fired by peak military outlays during Vietnam . . . and, at the same time, by large government expenditures in our domestic economy. To get a true picture of how profits and workers have fared, let's compare profit performance with that of total personal income.

Commerce Department figures show corporate profits rose only 14% in the eight years 1965–1972. Personal income rose 68%. If that's a soaring profit spiral, it's lopsided. Personal income rose more than four times as rapidly as profits.

Another point. Even during the '69–'70 recession, personal income kept right on marching upward . . . but profits staged a special spiral of their own—downward. Thus, the current profit climb is merely one of recovery. In fact, '72 industrial profit climb is merely one of recovery. In fact, '72 industrial profits are only 6.4% above those in 1966 . . . and in 1972 represented a little over 4¢ on sales of $1.00.

Before I leave this point, I want to look at the recent recession more closely . . . and parallel the movement of profit and hourly compensation rates. Our recent recession began in '69 . . . after profits had already been falling for three years. The recession ended in late 1970. During this time, according to the Bureau of Labor Statistics, corporate profits dropped 21%. Hourly compensation rose 13%. With the figures I've cited on the nation's records, I don't see how the union can claim either unreasonable corporate profits . . . or unfairness to workers.

Now, let's look at the claim that rising profits are increasing prices. What nonsense.

A couple more numbers. The Bureau of Labor Statistics Index measures wholesale prices on all finished manufactured goods. Between 1965 and 1972, when profits rose only 14%, the wholesale price of all finished manufactured goods climbed only 22%. But the Index also showed that average hourly employee compensation jumped 56%—two and a half times as much. It would seem, therefore, that rising employee costs—not profits—had the major impact on rising prices.

Speaking of rising prices . . . there's a popular theory that U.S. manufacturers simply "pass along" all higher wage costs through higher prices. What a myth this is! We can pass along some. But not nearly all. No way. If this were so, a producer would pass along every cent . . . if he's permitted by customers in the marketplace. But we can't. Market competition blocks us. And that's part of the checks and balances of our competitive enterprise system.

Thus . . . when previously negotiated wage increases become effective this summer, we'll not be able to pass along all the increases through price adjustments . . . any more than we've been able to do so in the past. As before, the heavy bite will come out of profits, at a time when profits are already too low for the proper support of business.

This is one reason I get up tight when I hear demands for profit ceilings and profit controls . . . and when people urge more expanded tax programs whose prime target is industry's profit base. Profit is not only the incentive to stay in business, profit is the ability to stay in business. Without profit, businesses fail and everyone loses, especially workers . . . union members or not.

Let's look more closely at some of the AFL-CIO urgings. First, their program of "tax loophole closing." Their economists say this would generate another $20 billion annually in tax revenues. What they're after is immediate elimination of what they term "three business tax give-aways" in the Revenue Act of '71. Here they're talking about investment credit, accelerated depreciation and DISC . . . or the Domestic International Sales Corporation. The claim is that these "give-aways" cost the Treasury and the American taxpayer $7 billion a year.

This is a perfect example of how to talk out of both sides of your mouth. If industry doesn't gain the cash flow provided by investment credits and accelerated depreciation provisions . . . business cannot expand properly. Without them, we wouldn't have been able to expand capacity and employment. And obviously, this would have been a damaging blow to all levels of workers in business—and their families!

What AFL-CIO obviously overlooks is a basic fundamental about our profit system: profits require investment . . . and investment requires profits.

Prosperity for every American worker comes essentially from production. Production comes from tools. Tools come from invested money . . . which usually comes from profit. Thus, the real heroes of our private enterprise system are 31 million investor stockholders and many more million indirect owners of business and insurance policies. In their search for profits, they've helped create companies, provided tools, provided jobs, built towns, built our nation.

Thus, capital spending is a key to economic growth, and this is why capital investment is so important. When the AFL-CIO asks our government to eliminate capital investment incentives for business, they're cutting off the life blood of business, which produces 77% of the gross national product and generates 87% of personal and corporate incomes taxes.

We know very well that low profits slow down our ability to improve our economy. Private investments are not made in those companies or industries who can't provide investors with a good return on their investment. Father Hogan, noted steel economist from Fordham University, recently discussed the imminent danger of our industry losing our market mechanisms . . . particularly if our government fails to let prices determine the balance between steel supply and demand.

If companies in our industry don't begin planning new additions within the next year, demand could well outstrip supply as early as '76, Father Hogan says. But, in order for us to invest in the facilities we need, we must be able to achieve today at least a 5½ to 6% return on sales.

Stu Cort of Bethlehem Steel recently noted it would take years and billions of dollars to duplicate the expansion American mills undertook during the mid-60's.

But, he said, and I certainly agree with him, "Unless our industry gets two or three profitable years under its belt, it's not going to have the capital capability to take advantage of the growth in the domestic market."

The AFL-CIO is also after Congress to "eliminate tax subsidies for corporations investing and profiting overseas." They claimed that "these loopholes cost over $3 billion in annual tax revenues . . . are contributing to export of U.S. jobs . . . erosion of America's industrial base . . . and the blighting of American communities." It takes pure gall to suggest these things.

The AFL-CIO has not produced any studies backing up these contentions. Nor do I know of anyone else who has, either. But a Business International Survey of 125 U.S. manufacturing companies categorically refutes AFL-CIO's contentions. Their recently completed study clearly shows that foreign investment creates jobs at home . . . permits overall sales volume . . . increases U.S. exports . . . stimulates investments at home . . . and produces chiefly for overseas markets those products that couldn't be sold profitably from the U.S.

More important, foreign investment improves our balance of trade, as clearly shown in the Department of Commerce recent Survey of Current Business report.

Another action the AFL–CIO recommends is for Congress to kill the tax exemption for interest income from state and local bonds. They claim this provision benefits only banks and the very wealthy. They say nothing about the fact that this is perhaps the best possible way for states and municipalities to generate funds. And they say nothing about the fact that banks are often repositories for pension and profit sharing trusts . . . designed as retirement aids to workers.

And, as many of you in the room know, banks are extending programs of living trusts to moderate-income individuals . . . many of whom pay regular union dues.

Therefore, any action that reduces bank income from its investments will ultimately also have a great impact on those whose funds are being managed by banks.

And, now, for one of my final points, let's look at the AFL–CIO's call for a tax on excess profits . . . whatever excess profits are. As far as I'm concerned, there's no such things. How in goodness name could you define what excess is? For several decades now, the idea of "excess profits" has been growing in American economic thought . . . particularly on campuses and in labor unions. Evidently, the false concept has now gained a foothold on AFL–CIO thinking. Since this labor organization represents a sizeable portion of American workers, the situation has become serious enough to challenge. When they adopt the false premise of "taxing excess profits" . . . whatever this might be . . . they betray the very system upon which workers and all consumers depend. We must set the record straight.

Obviously, someone doesn't understand that the consumer is the only source of business revenues . . . any tax is a business expenses . . . just as wages and raw materials are a business expense. The customer and the worker pay tax costs through higher prices.

Somehow, we in America have to convince the consumer that every action he takes to make business a tax collection agency ups the cost of his or her new car, TV set, or utility bill—and is directly related to the decline in the number of jobs.

Thus, an excess profit tax is just another way of taxing consumers. Last year Interlake paid $9,398,000 in state, Federal, and foreign income taxes. Our other tax payments in the U.S. alone amounted to another $10.8 million. Our net earnings were $13 million, equal to a profit of 3.2% on sales and 6.2% on shareholders' equity. Wages and benefit expenses took 33¢ of our revenue dollar.

Wheeling-Pittsburgh paid in federal, state and local taxes $15,442,000, and net income was $15,197,000. In other words, Wheeling's taxes were more than its income.

Then, if you take a look at National Steel . . . it paid $89,888,513 in taxes, while its net income was $71,176,529 . . . that's $8.7 million more in taxes than income.

Obviously, the companies hardly seem opportune places to begin a search for excess profits.

Looked at more broadly, the average American corporation earned about 4.2¢ on every dollar of sales in 1972 . . . about 1/10 of a cent more than in 1971 and about 2/10 of a cent more than in 1970.

By contrast, personal income in the first quarter of 1973 amounted to slightly more than $1 trillion—roughly 28% higher than $785 billion in the first quarter of '70. Average factory workers' pay in March, 1973 amounted to $162.38—about 25% higher than the comparable level three years earlier.

Surely the 5% increase in corporate earnings over the last three years is not out of line with the 28% growth in personal income and the 25% rise in factory pay.

It seems obvious that if we could hold factory pay increases and overall consumer income growth in line with the piddling progress in corporate earnings, we'd take a giant step toward harnessing inflation.

This brings me to my final point for the evening . . . the foolish recommendation that a ceiling be placed on profits. Nothing could be farther from national interest than to restrict the profit incentive.

Nothing contributes so much to the prosperity and happiness of America as high profits.

Generally, the man who improves his skill or works harder and thereby gets a better wage is—somehow—regarded as having a noble aspiration . . . and is encouraged to go to it. However, even this type of enterprise has its critics today.

Yet, on the other hand, the same man who risks his own dollars and sets up a business enterprise, in order to earn profit, is often viewed as motivated by a lower, or even an evil, motive.

Actually, they are both self-gain motives. The man. And the man with his company. Thus the profit system is, indeed, a two-profit system . . . Not one-sided as the AFL–CIO suggests. Employee and employer both gain. There must be a mutual reward at the end for effort.

That's what it should be all about.

But it isn't anymore. Security is becoming a paramount value in our way of life. Serious discussion and legislation is underway around the proposition that income should be divorced from work . . . that everyone should have a guaranteed and comfortable income . . . regardless of whether or not he choose to work.

If anything else, this is a headlong flight from adult responsibility . . . straight into the arms of an all-mothering state or all-paternalistic government.

Apart from diminishing the dignity of man . . . one of the unhappy aspects from such a flight from responsibility is that it's only a delusion. At best, such a Day of Dreaming will only lead to a shocking Day of Reality.

In our world, no one and nothing can guarantee security or wash away sorrows or difficulties. People can't be sheltered from the abrasive realities of personal economic and moral imperatives. Food stamps, poverty programs and government hand-outs will never get it done in the long run.

People must do it themselves if they want to be free . . .

CONGRESSIONAL ATTITUDES ON WATERGATE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Ms. ABZUG. Mr. Speaker, I would like to share with my colleagues the results of a recent poll taken by the Washington Post which appeared in that paper on Sunday, July 8, 1973. This poll concerns congressional attitudes toward the personal involvement of the President in the Watergate affair, and tabulates House and Senate responses regarding various proposed Presidential sanctions.

I hope my colleagues find the following results as interesting as I have.

CONGRESS AND THE WATERGATE

(By Haynes Johnson)

Congress, at this point in the Watergate affair, appears sharply divided along party lines both on the question of President Nixon's personal involvement in the scandal and on whether he should remain in office.

Of 218 members of Congress who responded to a special Washington Post survey, 56 per cent said they believe President Nixon participated in the Watergate cover-up and thus, by implication, that he has lied on this point. Forty-nine per cent said they believed Mr. Nixon knew of espionage-sabotage plans for his 1972 presidential campaign. And 28 per cent said they think the President knew in advance of plans for the Watergate breakin itself.

But the 41 per cent of the lawmakers who responded not only followed party lines but showed significant hesitation to act against the President.

Most Democrats responding, for example, said they believe Mr. Nixon was personally involved in the cover-up and knew of the 1972 espionage-sabotage plans carried out on his behalf. But they show great reluctance to consider impeachment. Republicans overwhelmingly said they didn't believe President Nixon was involved in the Watergate scandal and therefore were even more strongly opposed to impeachment.

On the Senate side alone, almost 100 per cent of the responding Democrats said they believe the President was aware of the 1972 espionage-sabotage plans, and all said they think he participated in the Watergate cover-up. But 56 per cent of these Democratic senators said they did not think impeachment proceedings should be brought against him.

Senate Republicans, meanwhile, expressed strong faith in the President. Of all Republican senators responding, 90 per cent said they didn't think Mr. Nixon knew of the sabotage-espionage plans, and 81 per cent said they didn't believe the President knew of the Watergate cover-up. When asked if they thought impeachment proceedings should be brought against the President, 62 per cent of the Senate Republicans answered "No."

In the House, similar party-line divisions were evident. Among House Democrats, nearly half of those responding said they believed the President knew in advance of plans for the Watergate break-in, 76 per cent thought he knew of the espionage-sabotage plans, and 88 per cent believed that he was personally involved in the cover-up.

Despite such strong views, 46 per cent of the House Democrats said they did not favor impeachment.

House Republicans, like their Senate party colleagues, lined up solidly behind the President. Of those responding to the survey, 95 per cent said they didn't believe Mr. Nixon knew of the break-in plans in advance, 81 per cent that he knew nothing about the espionage-sabotage campaign, and 71 per cent said he was unaware of the cover-up. When asked about impeachment, 81 per cent of those responding said they were opposed.

CURRENT OF BITTERNESS

The congressional portrait that emerges from the survey shows strong emotions and doubts coupled with a general recognition that all the facts are not yet known and that the final Watergate chapter is far from written. A striking number of Senate and House members from both parties carefully qualified their answers to questions by saying that either their opinions could change as more evidence is made public, or that it is simply too early to begin to judge the question of presidential involvement.

In addition, an undercurrent of bitterness ran through many of the comments. Some vented their bitterness by attacking the President, others by assailing his critics, notably those in the press and specifically this newspaper. "Many of your reporters are members of the lynch mob with only one objective in mind—destroy the President," a Republican congressman wrote. "With nothing direct you resort to inference, innuendo, hearsay and incestuous reporting [of] each other. And you want shield. Indeed!"

A Democratic congressman who said he was "not sure" whether the President should remain in office, whether he should resign, or whether impeachment proceedings should be brought, went on to explain his answer this way:

"Beyond any doubt I believe the President not only guilty of criminal acts, but guilty also of attempting to undermine the very structure of the American political system, and the Constitution, and I believe his motive was greed—for both power and money. Additionally, I doubt his mental stability. Despite this I am not sure if his removal at this time would be good for the country."

The Post survey, containing a questionnaire listing seven basic questions, was mailed to all members of Congress. In every case where possible, the questionnaires were sent to home addresses. The lawmakers were asked to answer the questions and, if they wished, to provide additional comments. They were asked not to sign their names, but merely to indicate their party and whether they were members of the House or Senate.

Questionnaires were mailed in the middle of John Dean's testimony before the Senate Select Committee investigating the Watergate scandal. The answers thus reflect congressional sentiment as of Dean's testimony but before the scheduled public appearances of former Attorney General John N. Mitchell and former presidential aides H. R. Haldeman, John Ehrlichman and Charles W. Colson later this month.

Of the 535 members of Congress, 218 responded to the survey. The party breakdown was: among Republicans, 50 per cent of the senators and 30 per cent of the House members; among Democrats, 29 per cent of the senators and 46 per cent of the House members. Thirteen of the responses were in the form of letters or incomplete questionnaires that couldn't be tabulated.

Some lawmakers thought the survey itself was an act of journalistic irresponsibility. Rep. Frank Horton, a New York Republican, called the survey "a heinous overstepping of the bounds of responsible journalism." He suggested that publishing the findings would "serve no useful purpose whatsoever and in fact would severely damage and distort the difficult and painstaking process of sorting fact from opinion in this entire sordid chapter of American history."

Sen. Ernest F. Hollings, a South Carolina Democrat, also questioned the wisdom of the survey. "I am not prudish enough to believe that off-the-record views are not frequently given but on such a sensitive and critical issue as the President's guilt or non-guilt and whether or not he should be put out of office, it doesn't serve any good purpose to obtain an off-the-record poll of the Congress. What remaining stability of the system there is is further destroyed by such a survey. It gives substance to the impression that The Washington Post is out to get the President and is doing so by bugging the minds of members who haven't got guts enough to stand up and speak their minds."

But such views were in a distinct minority. Indeed, the personal comments offered by so many Republicans and Democrats in many ways provided greater insight into present congressional attitudes than all the statistical complications of the responses, as the accompanying samples of those remarks indicates.

A STATE OF AMBIGUITY

One of the most intriguing aspects of the survey results centers on whether Congress thinks President Nixon should stay in office. When asked that question, 43 per cent of House Republicans who responded said "Yes." But the remaining 57 per cent gave no answer. Many said it was too early to tell, and others presumably did not answer because the question was addressed only to those who believed the President was involved.

On the Senate side, a similar state of ambiguity was evident among Republicans. Fifty-seven per cent of the responding Republican senators gave no answer to that question, for the same reason.

Democratic opinion also showed some uncertainty about that crucial question. Almost a quarter of the responding House Democrats and 13 per cent of the senators gave no answer to the question.

The Post also attempted to gauge congressional attitudes toward alternative actions—whether Congress thinks the President should be censured because of Watergate, or whether he should resign. Here, again, party positions figured largely in the answers.

On the question of censure, 71 per cent of the responding House Republicans were opposed, but 24 per cent of the House Republicans gave no answer. Among Senate GOP members, 52 per cent opposed censure, but 38 per cent of them gave no answer. For the Democrats, 30 per cent in the House favored censure, with more than half giving no answer. And in the Senate, 37 per cent of the Democrats thought censure appropriate, while more than one-third had no answer.

The question of presidential resignation brought a different response. While 71 per cent of House Republicans had opposed censure, only 45 per cent were against Mr. Nixon resigning. And nearly half of the House Republicans gave no answer to that question. In the Senate, 52 per cent of responding Republicans had no answer, while nearly 10 per cent of the GOP senators said they thought Mr. Nixon should resign.

On the Democratic side, 37 per cent of the senators said he should resign, with nearly 44 per cent giving no answer. Almost half of all House Democrats responding said they believe the President should resign while nearly one-third had no answer.

GRAVE DOUBTS

The Post survey, taken at this interim point in the unfolding Watergate episode, does not answer the critical question before the country—whether Congress is prepared to impeach President Nixon. Under the Constitution, once a member of the House has introduced an impeachment resolution the customary procedure is to hold a committee investigation. If the charges are supported by the investigation, and the committee reports to the floor an impeachment resolution, the House then votes on whether to send the case to the Senate. A majority House vote is required to do so. In the Senate, a two-thirds vote of the members present is required for conviction.

But The Post survey does show that the President's congressional standing has been damaged, that opinions are volatile, that grave doubts do exist, and that the crucial point in the Watergate affair has not yet been reached.

COMPUTERIZED WATER DELIVERY SYSTEM SET FOR PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. EILBERG. Mr. Speaker, Philadelphia is well on the way to becoming the first city in the world to control the treatment and delivery of water by computer.

Water Commissioner Carmen F. Guarino has announced the appointment of a "highly experienced" consulting team to develop a comprehensive automation plan for the city's water treatment plants and distribution system.

The team, which will include the local General Electric, Hercules Powder, and Foxboro companies, will be headed by Black, Crow, and Eidness, consulting engineers, of Gainesville, Fla. All of these have extensive experience in the planning and development of automation.

The consultants will, first, prepare a general automation plan; second, survey existing controls and equipment in the treatment plants for adaptation to automation; and

hird desin contract plans and specications for initial automation of the Queen Lane plant and the East Park and Oak Lane Reservoirs in Philadelphia.

Computer control will be first used at the Queen Lane plant in order to gain experience. Later, automation will be extended to the Torresdale and Belmont plants, and to the microwave systems which control water delivery.

The Water Department has been studying automation for several years because it is believed to reduce operating costs, improve efficiency, and upgrade water quality.

Preliminary automation studies were made for the department by General Electric Co. between 1967 and 1972. These studies showed that computer control of water treatment was feasible.

The current consultants—working under a $628,000 contract—will have up to 15 months to turn out "the most effective, practicable, and economical automation plan possible.

This is a pioneering effort, never done before in the waterworks field. No one firm in the country has all the skills needed for it; that is why an unusually qualified team was selected from more than a dozen applicants.

Control of water treatment and distribution by computer has not been adopted anywhere else in the world. Although computers have been used by some water systems—most notably Chicago—these merely log data on treatment and distribution. They do not regulate processes.

Automation in Philadelphia will provide for full "process control." This means that the computer will monitor water conditions flows, chemical applications, et cetera, analyze information transmitted to it by monitoring devices located in the plants and on streams, and then issue "orders" to plant equipment. All of this will be done without intervention of a human operator.

The water department's treatment plants and microwave system are already highly automated, with many "pushbutton" controls. Employees are required, however, to read panels, operate switches, analyze water samples, and make judgments on treatment. The computer will take over such employee activities for the most part.

COMMUNIST CHINA: ALMOST TOO GOOD TO BE TRUE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 30, 1973

Mr. CRANE. Mr. Speaker, American newspapers have a somewhat negative tradition of overlooking the depredations of dictatorship. During the 1930's, for example, Walter Duranty was the New York Times correspondent in Moscow. He was there during Stalin's purge trials, during the forced collectivization campaign, and during the famine in the Ukraine. Yet he reported none of these things accurately to Times readers.

Instead, he became an apologist for Stalin. One example, in the Times of July 19, 1936, described the Soviet Constitution as "an outward and visible sign of an inward and spiritual change in the Russian people and its leaders. . . . In this 19th year of the Soviet state, there is introduced a new constitution, under which the Russian masses merge their tutelage and are called upon to receive their rights and undertake their duties as a free and democratic people."

This came to Times readers during what Eugene Lyons, in his volume, The Red Decade, calls ". . . the eve of the bloodiest period in Russia's history and the final confirmation of Russia's emergence as a totalitarian state. . . . Confessions were being extorted in G.P.U. cellars while Duranty indited these words."

Unfortunately, during the past year, many members of the press have been having a similar romance with Communist China.

In a thoughtful article Sheila K. Johnson, a journalist and anthropologist who has lived in Hong Kong and Japan, analyzes some of the things which have been written about Communist China in recent days.

Writing in the June, 1973 issue of Commentary, Miss Johnson notes that:

> James Reston, for instance, seems to have found in China the perfect vehicle for his nostalgia. After describing the Chinese as "engaged in one vast cooperative barn-raising," he goes on to observe that "they do it against a background of sights and sounds that tend to make Americans outrageously nostalgic and even sentimental. For example, they have plain old-fashioned steam-engine railroads . . ." Even the normally tough-minded Barbara Tuchman is moved to note at one point: "One could almost indulge in the dream that the Chinese might close themselves off from advancing history . . . and having got rid of the oppression of landlords and taxes and the cruelty of real want, might remain, despite the hard life, an agricultural people, for the world's sake and their own. It somehow suits them."

Miss Johnson laments that:

> The whole scene is painfully reminiscent of the 1930s responses by journalists, scholars and others to Soviet Russia.

Why do American liberal intellectuals tend to overlook the millions of men and women murdered by the Chinese Communists, and the brutal tyranny they have inflicted upon China?

In attempting to answer this question Miss Johnson writes that:

> Among scholars with a predilection for planning, the elitist tendency to identify with a country's leadership seems to be a part of their analytical equipment . . . economists such as Wassily Leontief and John K. Galbraith favor planned economies and see any malfunctioning that results as easily remedied by still further planning. Leontief acknowledges that China is too large to be successfully administered entirely from the center . . . He . . . approves of various manpower policies (such as sending students to live in the countryside and drafting large numbers of men and women into the army) which are then brought in to counteract "the undesirable tendencies toward unequalities . . ."

It is shocking to see American journalists and intellectuals heaping praise upon one of the most ruthless tyrannies in the history of the world. Many, Miss Johnson suggests, have "made a career out of denouncing Asian dictatorships" only to "have come away vastly impressed by the biggest one of them all."

I wish to share with my colleagues an abridged version of Sheila K. Johnson's article from the June 1973 issue of Commentary Magazine, published by the American Jewish Committee, as it was reprinted in the June 10, 1973, issue of the Washington Star-News, and insert it into the RECORD at this time:

[From the Sunday Star and Daily News, June 10, 1973]

CHINA: ALMOST TOO GOOD TO BE TRUE

(By Sheila K. Johnson)

"Thronging the streets in Canton and bugging pedestrians to distraction was once the most scabrous passel of beggars this side of Calcutta. There are no beggars now. None . . . Rickshas are gone . . . (but) if there are—as alleged—600 million people in the Middle Kingdom, then there are at least that many bikes, with all of them in action along about seven in the morning on Canton's main stem.

The local hospital in Canton is as modern an institution as could be found in New York, London, or anywhere. . . . Doctors are produced after three years of medical training. There are also great numbers of medical functionaries called by a phrase that translates into 'barefoot doctor,' pretty much what are called 'para-medicals' in the Western world. . . . I presented myself to the acupuncturist. My problem (a sore hip) was explained through an interpreter. I was placed prone on a surgical table and the doctor—an intent 30-year-old type with thick-thick glasses—probed my sitting department with his finger ends."

These descriptions all appeared in a series of five articles published on the front page of the San Francisco Examiner, June 12–16, 1972, by Robert Patterson, a reporter who was last in China during the late 1930s. Mr. Patterson's language may have struck some of his readers as a little slangy—no doubt one reporter's attempt to jazz up what were already familiar observations—but otherwise his reports were certainly no more skeptical or uncritical than many published elsewhere by the growing tide of Americans (more than 1,000 since President Nixon's trip in February 1972) who have visited Communist China.

There was only one small defect in Mr. Patterson's articles: in August 1972, an enterprising journalist from San Francisco's rival newspaper, the Chronicle discovered that Mr. Patterson had, in fact, not been granted a visa to China and that he had filed his first-hand reports from the comfort of a Hong Kong hotel room.

I raise this case not to embarrass Mr. Patterson, who was summarily fired by his newspaper, but to ask whether his easily perpetrated hoax does not contain a moral for the consumer of other, genuine reports by visitors to Communist China.

What, precisely, is it that this endless flow of books and articles has to tell us, aside from noting that there are no flies or dogs in China today, that beggars are gone, the streets are clean, the fields tilled, the peasants well-fed, and the children looked-after—all impressive, but hardly news. The fact is that beyond these surface observations, most visitors are offering us a heady mixture of their personal reactions and enthusiasms.

James Reston, for instance, seems to have found in China the perfect vehicle for his nostalgia. After describing the Chinese as "engaged in one vast cooperative barn-raising," he goes on to observe that "they do it against a background of sights and sounds that tend to make Americans outrageously nostalgic and even sentimental. For example, they have plain old-fashioned steam-engine railroads—what Tom Wicker would call the real thing—with big red wheels and red cow catchers, and engines that pant and snort in station and run with a red glow through the night, and dining cars where the cook comes back and negotiates your dinner, and compartments with fans and lace antimacassars on the seats, and long lonely whistles that trouble your sleep."

Other visitors evidently see in China a perfect example of the well-planned, well-run socialist society that eluded them in Russia. Writes Harrison Salisbury: "It seemed to me that Russia had lost the spark of its Revolution. That it had been overtaken by materialism. The young people chased Western fads like butterflies—the latest song, the latest dance, the latest style. Hippie clothing. Hippie haircuts. Drugs. They were trying to ape the Western drug culture. It was hard to see what remnants of the Revolution were left. Soviet foreign policy differed hardly an iota from Czarist foreign policy. I could not but feel that when the Chinese called the Soviet rulers the 'new Czars' they had touched a very elemental truth. But in China, there was something new. I agreed with those who said that the greatest change in China was in the spirit of the people."

When not engaged in making invidious comparisons between China and the Soviet Union, some visitors delight in pointing out how much better China is run than the United States or other capitalist societies. Wassily Leontief was so inspired by the large, neat fields of the communes that he contrasts them to the messy villages and fields of Hong Kong's New Territories, which he describes as "typical examples of the rural squalor one is accustomed to seeing in India and Puerto Rico, or closer to home, in poor backward areas of the old South." (Actually, these New Territories villages are extraordinarily prosperous, most of the farmers having turned their rice paddies into truck farms, orchards, and fish hatcheries to supply the urban markets of Hong Kong.)

John K. Galbraith notes that in China "medicines have become very cheap. Common antibiotics are available without prescription. Our highly organized extortion being absent, their cost is nominal. The Pill is free. Frank (Tobin) said, 'It's too bad Estes Kefauver (who made cheaper drugs a crusade) never lived to get to China.'"

Still another group of economists is asked by a barefoot doctor to describe medical care in the United States and responds with a recital about "long medical training; not enough medical people to serve the people; charging high prices; emergency treatment without prevention; crisis in rural areas especially; most doctors are in big cities; few women MD's, primarily (doing) only 'women's work' of obstetrics, gynecology or pediatrics; male nurses called 'sissies'; social disease rampant (i.e.,) VD, drug addiction, environmental-respiratory ailments, lead poisoning." The barefoot doctor is so shocked that she comments, "This account of U.S. medicine today reminds us of Chinese medicine before Liberation!"

Finally, still other visitors to China seem to be overcome by a new-found sense of revolutionary camaraderie. For example, Prof. Arthur Galston, a biologist at Yale who together with his wife and daughter spent a few weeks working on a commune, writes that "Our reaction to this hard work regimen surprises us. We are exhilarated by it; we enjoy working together with a group engaged in a mutual, productive effort. We find our appreciation for small things, like tomatoes and cucumbers, heightened by our familiarity with the problems associated with their production. We also feel that the distressing problems of the world, in which we were so recently immersed, have receded and that what is really important is getting the wheat harvested before the rains come, getting the vegetables irrigated before the drought damages them, and increasing the welfare and happiness of our friends on the commune."

What is one to make of this sudden burst of enthusiasm for China? David Caute, in his recent book "The Fellow-Travelers: A Postscript to the Enlightenment," has explored the similar wave of euphoric visitors' reports that came out of the Soviet Union during the 1920s and 30s. He attributes the visitors' admiration for Soviet social planning and their readiness to ignore purges, forced labor, and the political control of all aspects of the society to their infatuation with the ideals of the Enlightenment: "It signified a return to the 18th-century vision of a rational, educated, and scientific society based on the maximization of resources and the steady improvement (if not perfection) of human nature as visualized by objective, unprejudiced brains."

However, Caute also notes that most of these enthusiasts for Russia were true believers in the doctrine of socialism in one country—that is, a country other than their own. Thus Lincoln Steffens, while comfortably ensconced on the Riviera, wrote that "I am for them to the last drop, I am a patriot for Russia; the future is there. . . . But I don't want to live there. It is too much like serving in an army at war with no mercy for the weak."

In a similar vein, John G. Galbraith recently pronounced that "The Chinese economy isn't the American or the European future. But it is the Chinese future. And let there be no doubt: For the Chinese, it works." Caute calls this fellow-traveling, which he defines as "commitment at a distance which is not only geographical but also emotional and intellectual . . . remote-control radicalism."

It would, of course, be unfair to label all current visitors to China as fellow-travelers, for their reactions are often highly personal and complex. This is particularly true of Chinese-Americans, who constitute the largest and most knowledgeable group of current visitors to China but who are almost never heard from in the mass media.

There are various reasons for their silence. Some have gone primarily with business interests in mind: if trade with the mainland is to be resumed they hope to be among the first to import foodstuffs, antiques, and handicrafts. Others have gone to see relatives and are unwilling to air publicly what their relatives may have said to them, both for fear of harming them and because they themselves may wish to pay a return visit.

Still other, often older, Chinese-Americans come away tongue-tied as a result of their ambivalence toward the new China. On the one hand they are impressed; things look so much better than they did during the civil war, when most of them left. On the other hand, there are many disquieting signs, such as the reticence or "unavailability" of their former friends, usually intellectuals or members of the "bourgeois" class.

Among the reporters currently visiting and writing about China there is also a great diversity of outlook. The most perceptive and sensible have been men with long years of experience reporting Asian, particularly Chinese, events—men such as Tillman Durdin, Seymour Topping, Stanley Karnow, and Theodore White.

Joseph Alsop claims status as an "old China hand" by virtue of his World War II experience in China, but he seems to have spent the last 20 years in a set of ideological blinders of his own making, with the paradoxical result that when he finally removed them reality did not enlighten but totally dazzled him. It is rather odd, at all events, to see a man who 10 years ago called China "an internment camp" and who compared the Communist regime to "the Ch'in and Sui dynasties, both police regimes, both regimes which reintegrated and remade China, and both doomed to early extinction because the burdens they imposed on the Chinese people were grossly excessive," argue today that if the Soviets start a war with China, the United States should intervene on the Chinese side.

By a strange path of convergence, no doubt connected with his years as a Russian correspondent, Harrison Salisbury also returned from China wildly pro-Chinese and anti-Soviet. And James Reston, who has made a career out of denouncing Asian dictatorships, seems to have come away vastly impressed by the biggest one of them all.

While it is disturbing to find evidence of bias, naivete, or opportunism in the journalistic world, the situation among academics is much worse, partly because of a conscious policy by Peking. Scholars who are ethnically Chinese have been freely granted visas, regardless of their previous Kuomintang connections or present political opinions, because Peking is trying to woo all Overseas Chinese away from their support for Taiwan.

But when it comes to "white" American scholars, China has made a definite policy of favoring scholars known to be "friendly" to the regime. Among the friendlies has been a group that calls itself the Committee of Concerned Asian Scholars (CCAS), which has so far sent two delegations to China, the first of which was granted a long interview with Chou En-lai.

The CCAS was formed in 1968 by graduate students and young faculty members specializing in Chinese studies chiefly at those few universities that have major China centers: Harvard, Columbia, the University of California at Berkeley, Stanford, and the University of Michigan at Ann Arbor. Their stated purpose was to oppose the "brutal aggression of the United States in Vietnam and . . . the complicity or silence of our profession with regard to that policy." Since their founding they have devoted themselves to research designed to demonstrate that the United States is an imperialist power in Asia and that it started the Korean, as well as the Vietnamese war; that modern Japan is once again a militarist nation posing a grave threat to China; and that in contemporary China we see the best of all possible societies.

Aside from radical scholars such as those affiliated with the CCAS a few politically nonaligned China specialists have been allowed to visit China; they include Professors John K. Fairbank and Jerry Cohen (Harvard), Michael Osksenberg (Columbia), Doak Barnett (Brookings Institution), Alexander Eckstein (Michigan), Lucian Pye (MIT), John Lewis (Stanford), and Robert Scalapino (California).

What scholars such as Doak Barnett and others like him are beginning to publish about their visists to China is a good deal more balanced and better informed than anything we have yet read in the mass media. Nevertheless, many of them privately concede that their visits did not provide any major new insights in Communist China as a society.

Prof. Rhoads Murphey, a Sinologist at the University of Michigan who visited China in May 1972 as a member of an American Friends Service Committee delegation (and who also served as a member of a Friends Ambulance Unit in China from 1942 until 1946), has written that "virtually everything I saw and heard was in effect like 'China Reconstructs' (a glossy Chinese propaganda magazine) come to life . . . I do not come away feeling that American scholars of China are missing an enormous dimension by not being able to visit the country themselves under the conditions which appear to govern virtually all foreign visitors. . . . One sees only the surface, and it is extremely difficult if not impossible to get beyond it except in terms of visual details, which of course do have some importance, but hardly constitute an important new dimension of intellectual understanding."

Part of the reason why many travelers to China end up identifying themselves with the current leadership and reflecting its viewpoints lies in the nature of the trip itself. Foreign visitors are kept in separate hotels, whisked from place to place in curtained limousines, briefed by high officials, and wined and dined by government and party leaders.

I do not mean to imply that experienced journalists such as Reston, Salisbury, and Alsop, who have interviewed many famous world figures, are necessarily swept off their feet by such treatment, but in China they have no opportunity to gather other sorts of data independently either from private citizens or dissident government factions. (It is often pointed out that Westerners learned very little about the inner workings of Soviet Russia until Trotsky went into exile.)

Thus there is a strangely sycophantic tone to many of the books and articles currently being written about China—*viz.* Alsop: "(Chou En-lai) moves like a young man, and the years have failed to blur the remarkable bold, yet fine-cut lines of his face. It is a face, too, with more expression than most Chinese permit themselves. By turns, he is genial or stern, wryly amused or deeply serious. Overall, he conveys a memorable impression of inner strength combined with lucid intelligence."

Or Harrison Salisbury: "I was fortunate enough to spend evenings with two of this remarkable company (of Chinese leaders), Premier Chou En-lai and Mme. Soong, and I concluded that if all of China's leadership was as vigorous, as sparkling and sharp-witted, China was not ill-served by relying on age rather than youth. . . . As each course was served, Mme. Soong rose in her chair . . . and insisted on serving me, as is the Chinese custom. . . . Soon we were eating enormous prawns, and then a Peking fish. . . . The dinner went on and on, from one delight to another."

Only Barbara Tuchman seems to have been driven to the point of churlishness by all of this care and attention lavished on her by China's upper-crust. She writes: "We made the acquaintance of five or six of these comrades (Vice-Chairmen of Provincial Revolutionary Committees) at dinners which the Association for Friendship with Foreign Countries, our sponsoring escorts, insisted on giving in each city to welcome visiting 'foreign friends' (the new official designation for all foreigners). In the presence of the local commissar as presiding host, subordinates hardly venture a word; conversational attempts are left to the guests through an interpreter. The commissar, genial but bored, confines himself to the toast-drinking routine and suavely avoids any conversation above the level of 'How long have you been in China?' and 'How long will you stay?' These men, at least those we met, do not convey an impression of quality above the union-boss level."

Among scholars with a predilection for planning, the elitist tendency to identify with a country's leadership seems to be a part of their analytical equipment. Lewis Feuer has commented on this phenomenon in connection with the appeal that Soviet Russia held for social workers: "At the very outset, Jane Addams called the Russian Revolution 'the greatest social experiment in history.' This enthusiasm became universal among her colleagues during the next years. In the new Soviet society, as they saw it, the social worker was not the 'do-gooder' condescendingly tolerated by a selfish world but was rather the foremost participant and definer of the society's goals".

In a similar vein, economists such as Wassily Leontief and John K. Galbraith favor planned economies and see any malfunctioning that results as easily remedied by still further planning. Leontief acknowledges that China is too large to be successfully administered entirely from the center, and so he approves of the current emphasis on making regions and communes more self-sufficient. He equally approves of various manpower policies (such as sending students to live in the countryside and drafting large numbers of men and women into the army) which are then brought into play to counteract "the undesirable tendencies toward unequalities which a single-minded emphasis on self-help might bring about."

John K. Galbraith is aware that in a highly organized economy, "organization is by its nature hierarchical—it is a built-in class system in which some command, many comply. The officer class has also a tendency to harden into a privileged and self-perpetuating caste which invites the next revolt." But fortunately, he says, the Chinese leaders have found a solution to this problem; the Cultural Revolution; and "there is a hint in the thought of Mao Tse-tung that a periodic churning-up is necessary."

Although such attitudes are clearly elitist—"I, in my wisdom (in concert with the Chinese leadership), know what is best for the Chinese masses"—they are often defended as being anti-elitist. Thus the CCAS finds nothing disturbing about the disappearance of short stories, poetry, and other kinds of creative writing in China today, because "as long as there are millions of partly educated peasants and workers and some highly educated people at the top of a cultural and educational bureaucracy, a culture based on literature will continue to be an elite culture."

And when Ross Terrill expresses some concern over the fate of Chinese intellectuals, Neville Maxwell chides him for being a bourgeois intellectual whose "sympathy [is] that of a member of one elite for those of an elite deprived or an elite *manque.*" One must remember, in dealing with such terminological reversals, that Maxwell and other members of the CCAS are indulging in a remote-control radicalism and that they might not be nearly so sanguine were the locomotive of history running over their own young bodies.

In the case of China, perhaps the most depressing illustration has been the praise lavished by so many Western intellectuals on the so-called May 7th Schools. These institutions, created during the Cultural Revolution, are labor camps where party officials, intellectuals, and bureaucrats are sent to learn the value of working with their hands and to reform their thoughts.

Many foreign visitors have been taken to a model May 7th School in the eastern outskirts of Peking, which Harrison Salisbury has cheerfully described as "a combination of a YMCA Camp and a Catholic retreat." Here, according to other sanguine reports, "The work is certainly hard, though probably not intolerable. Only three days a week are spent in the field . . . The other two days are spent in collective discussion and self-criticisms." (There is something wrong here on the surface, since no one in China adheres to the five-day week.)

The CCAS is convinced that doing time in a May 7th School is not a form of punishment and writes that soon all Chinese officials, intellectuals, and bureaucrats will be sent there periodically for what they placidly refer to as "a revolutionary sabbatical." They also think it would be a wonderful idea for American bureaucrats—"Can you imagine bureaucrats who administer the American government's poverty program ever leaving their isolation in Washington and going to live for even a few months in Appalachia?"—though they say nothing about the desirability of rusticating American students and intellectuals to, say, Utah and Wyoming.

However, John K. Galbraith thinks that "rotating a few professors [of economics] through General Motors, Young and Rubicam, Proctor and Gamble, and ITT would be a wonderful corrective of the myths of the stalwart individual entrepreneur, the sovereign unmanaged consumer, and a government superior to all economic interest—all these being thoughts which we now perpetuate. A spell in the factory might consolidate relations between student supporters of George McGovern and the minions of George Meany."

Harrison Salisbury claims to have met one Chinese official who described his stint in a May 7th School as "the great experience of my life" and praised it for having rid him of selfishness and his tendency to think of his life in individual terms. Salisbury goes on to comment, "And it was true. I knew it had to be true from the emotion in his voice, the reverence with which he spoke." Again, evidently only Barbara Tuchman, visiting a May 7th School in Shensi, noticed "the sad, subdued look and remote eyes of a gray-haired surgeon from the leading hospital of the provincial capital, suggest[ing] that the process does not always work."

At least in part fellow-traveling reports about China appear to be identical in motive and message to those emanating from the Soviet Union during the 1930s. There is the same yearning to see—even if it takes rose-colored spectacles and some selective blind-spots—the perfect society leading, in turn to the perfection of man himself. (Marxist-Leninists do not believe in any intrinsic human nature apart from its shaping by society; Maoists are a little less clear on this point since according to Mao "bourgeois elements" may emerge even when there is no bourgeois class to nurture them.)

This search for a better society is usually given impetus by a profound disillusionment or disgust with one's own. During the 30's, the Depression convinced many people that democratic capitalism was a hopelessly inadequate form of social organization. Today, the Vietnam war, crime, drug addiction, and other social problems serve much the same function. One sees this in the writings of many of the current visitors to China. Salisbury writes that "I had convinced myself that there was in China a new spirit amoung men, a contagious spirit, one on which China could build. But could America match it? . . . When would the New American Man and the New American Woman walk the earth, proud and confident, making the oceans boil and the continents shake?"

And John Fairbank concludes, "If their [the people of China] highly organized and moralistic efforts at regeneration are to be stigmatized as regimentation, then we must ask whether our own unregimented efforts are equally adequate to our far different needs and circumstances." Even Henry Kissinger is recently quoted as saying that he likes the Chinese because they have a *Weltanschauung*. The rest of us have lost our way."

One senses, in such musings, a yearning for complete national unity and perfect order—aspects of totalitarianism that have long attracted intellectuals as diverse as Ezra Pound, George Bernard Shaw, and Herbert Marcuse. It may be that the stresses and ambivalences of modern American life have produced on the Left of the political spectrum impulses similar to those now popular on the Right, and that, since it would not be politically acceptable for leftists to couch such impulses in Agnewish calls for law and order, or Wallaceite attacks on bureaucrats and "pointy-headed" intellectuals, they find respectable expression through an admiration for Chinese society.

China is neat, clean, orderly, China has no drug or crime problem, no pornography, no shoddy consumer goods; Chinese bureaucrats and intellectuals know how to work with their hands. The appeal of China to members of the American Left also coincides with the rural commune movement in this country and the strong desire of many college dropouts to return to the land and live a simpler life.

It is, of course, ironic that many of the measures that would bring about a more Chinese-like society in our own country—the social control of promiscuity, the banning of pornographic literature, the arrest of drug users, and the putting of all personal choices about career, work place, or life-style into the hands of the state—are things to which the Left is violently opposed.

Finally, the current enthusiasm for China also draws on a much older, religious strand in American thought which dates back to the missionary movement of the 19th century, when Americans heard in church every Sunday about the industrious, long-suffering Chinese and were encouraged to help save this "Niagara of souls passing into the dark in China." This missionary-inspired idealization of the Chinese peasant—formerly so prominent in the works of writers such as Pearl Buck and Alice Tisdale Hobart—can once again be found in much of the current writing.

Unfortunately, as Harold Isaacs long ago pointed out in his excellent study "Images of Asia," such one-sided stereotypes are less dependent on facts than on the predispositions of the viewer; hence they can change almost overnight.

The Chinese went from being regarded as hard-working, honest, and frugal during the pre-war and World War II years to being thought of as sneaky, arrogant, and cruel during the 50s and 60s and war years; whereas the postwar period brought about their redefinition as hard-working, honest, and frugal.

It is even possible that these two polar-opposite stereotypes of East Asians are somehow linked in our minds and that when China is up, Japan will be down, and vice versa. Certainly many Asian specialists are disturbed once again to catch a distinctly anti-Japanese tone in the voices of many recent visitors to China, including Richard Nixon and Henry Kissinger. Thus the euphoria over China is not merely misleading in and of itself, but is also likely to have repercussions in our relations with Japan and the Soviet Union.

No one wishes to suggest that improved relations with China are not desirable and long overdue, but to mistake a marriage of convenience for a love-match may lead to much unhappiness for everyone in the future.

SENATE—*Tuesday, July 10, 1973*

The Senate met at 9:30 a.m. and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, in whose keeping are the destinies of men and nations, come upon us in this reverent moment and endue our fallible minds with Thy higher wisdom. Grant us greatness of soul to match the magnitude of our concerns. May the crucial decisions first be formed in our inmost being before being made in the public forum.

"America! America! God mend thine every flaw. Confirm thy soul in self-control, thy liberty in law!"

O Lord, redeem our failures, reward our righteous actions, transform our tasks into a ministry, and crown this day of labor with the benediction of Thy peace.

In Thy holy name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 10, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Leonard, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. BURDICK) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations received today, see the end of Senate proceedings.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, July 9, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader desire to be heard?

Mr. STAFFORD. Not at this time, Mr. President.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma is authorized to proceed for not to exceed 15 minutes.

RESPONSE TO FTC STAFF STUDY

Mr. BARTLETT. Mr. President, it is my pleasure this morning to appear, along with colleagues from the States of Kentucky, West Virginia, and others, to talk about the tremendous problems that exist in the area of energy.

I am going to direct my remarks toward the Federal Trade Commission's staff study that was leaked to the press over the weekend.

The only valid conclusion among much faulty reasoning in the recent Federal Trade Commission's staff report that was leaked to the press is that fuel shortages do, in fact, exist. Thus another of many detailed studies has arrived at the conclusion that the shortages are not a mere hoax.

However, the Federal Trade Commission's interpretation of the facts contains certain inconsistencies—inconsistencies that do not help solve the domestic energy deficiencies.

The FTC report states that the oil companies "have behaved in a similar fashion as would a classical monopolist; they have attempted to increase profits by restricting output."

The FTC report further says that "the petroleum refining industry is the pivotal point in the petroleum industry" and that, for tax reasons, in the oil industry "it pays to raise crude prices up to a point where refinery profits have been reduced to zero." This latter statement does not make sense, but first let us examine the price of crude oil to see if crude oil producers are receiving excessive profits and if crude oil prices are at an unreasonable high level.

Over the past 10 years through 1972 the average return on net worth for the petroleum industry has been less than the same figure for all manufacturing industry—11.8 percent compared to 12.2 percent. In 7 of the last 10 years, all manufacturing industry had a better average return on net worth than did the petroleum industry.

Preliminary figures from the First National City Bank of New York indicate that in 1972, petroleum profits averaged only 10.8 percent of net worth, while all manufacturing industry was earning 12.2 percent.

Antagonists of the petroleum industry have been referring to the first quarter profits of 1973 as excessive and unreasonable. They fail to point out that these profits are compared to a depressed first quarter of 1972 which had been 3.1 percent lower than the first quarter of 1971. In fact, based on a sample of 45 petroleum companies the First National City Bank of New York indicates that petroleum company profits were up 27.3 percent from the first quarter of 1972. What the antagonists of the petroleum industry fail to point out is that the average first quarter of 1973 profits for 1,045 other manufacturing corporations were 31 percent higher than for the corresponding first quarter of 1972.

Oil industry profits are not excessive—they are less than other industry.

Now let us look at the price of crude oil over the same 10-year period through 1972. It increased only 17.6 percent compared to a 26-percent increase in the wholesale price of all commodities—as reported by the U.S. Bureau of Labor Statistics. With inflation removed, the wholesale price of crude oil actually declined during the decade.

An even more recent comparison in May 1973, shows that the price of crude oil has increased 25.3 percent since 1963. The wholesale prices for all other commodities rose 41.3 percent during the same period.

This steady price of crude oil continued in the face of rising costs of operations in the petroleum industry, during the same 10-year period, oil well casing prices rose 44.6 percent, oil field machinery went up 36.4 percent and hourly wages claimed 52.7 percent.

In addition, in 1969, Congress lowered the depletion allowance from 27½ to 22 percent—which reduced by $500 million the capital available to the oil industry for exploration, drilling, production, and refining.

If crude oil prices had been rigged to a high artificial level by monopolistic action of the large oil companies, would not the independent producers who rely almost entirely on the price of crude oil for their margin of profit find themselves on "Easy Street."

Their situation was just the opposite. Rising costs without comparable increases in the price of crude oil cut their numbers in half—from 20,000 to 10,000 independents according to the IPAA.

The cost to drill wells is almost twice as much today on the average. All the easy to find cheap oil has given way to harder to find and more expensive operations—many offshore. The price of oil has not kept pace with such increased costs.

So it becomes evident that the FTC's implication that the oil industry has raised crude oil prices up to a point where refinery profits have been reduced to zero just do not hold water. Crude oil prices did not even rise enough to keep up with operating costs.

Crude oil prices were kept low by the low artificial level of the price of natural gas controlled by the FPC and ever increasing imports of crude oil when a rise in domestic prices was warranted.

There have been several witnesses before the Committee on Interior and Insular Affairs who have indicated very clearly that the low prices of natural gas at the wellhead have resulted in lower prices in crude oil, coal, and atomic energy. These low prices have also resulted in a lower than otherwise supply of the greatly needed resources.

The low domestic crude oil prices resulted in a 50-percent reduction in the exploration, drilling, and completion of oil and gas wells and forced many companies to explore more overseas where profits were more reasonable. I refer in this comparison to the situation over the last few years.

The necessity of an adequate price of domestic crude oil to an increasing supply of domestic crude oil activity is shown clearly by recent drilling activity in my home State of Oklahoma. A price increase of 70 to 80 cents around the first of 1973 increased the number of active rigs to 113 for the last week of May 1973—the comparable week in 1972 was 72, in 1971 was 74 and in 1970, was 81 rigs. This is the first good news for the energy industry in Oklahoma in a long time.

Refinery profits have been squeezed in the past because the refinery product prices were inadequate. In May 1973 the average wholesale price of regular grade gasoline was only 26.2 percent above the average of 1963. The wholesale prices of all other commodities has risen 41.3 percent. The average annual service station price of regular gasoline—again ex-tax—rose approximately 22 percent from 1963 to 1973. While the price of all consumer goods and services rose 36.6 percent. The prices received by refineries for products have been far from excessive—and profits have been low.

This is the main reason, along with environmental restrictions and unreliable supplies of foreign crude oil resulting from an inadequate import program, that there have been no new refineries built in the United States in recent years by either the large companies or the small ones. There has been no economic incentive. The price of gasoline and other pertoleum products has for too long been such a "good deal" in the United States that we have been paying 40 cents or less for a gallon of gasoline when the nations of Europe have been paying 80 cents or more per gallon.

The big companies have been accepting low profitability in both crude oil production and refining and marketing. It appears that, without vertical integration, the price of gasoline would be much higher and our shortages might have occurred much sooner and would have been much more severe than they are now—and they are severe—even critical. If the FTC seeks to assure the refining as well as the producing segments of the oil industry proper profits, it should recommend increasing the market prices of products and crude oil. Decreasing the price of crude oil would have disastrous effects upon supply.

The present price of domestic crude oil is about $1 per barrel cheaper—I repeat cheaper—than so called "cheap foreign crude oil." Is that a bad record for this industry that is being improperly banded as monopolistic?

Perhaps the Federal Trade Commission would do well to investigate the worldwide shortage of petroleum—and it should check on the monopolistic pricing of foreign crude by the OPEC cartel.

The fuel shortages that have occurred in our Nation are the result of inept controls and regulations imposed by the supposed omniscient Government. There is no branch of Government, administrative department, or agency that is more omniscient than the free enterprise marketplace.

The only hope we have to withstand the monopolistic threat of the OPEC cartel is with a strong free enterprise energy industry.

The Federal Trade Commission should try to strengthen it—not destroy it.

Mr. President, it is my pleasure to yield my remaining time to the Senator from West Virginia (Mr. RANDOLPH) who will also participate in the discussion of this matter.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized at this time for not to exceed 19 minutes.

SENATOR RANDOLPH WARNS THAT ELECTRIC UTILITIES BURNING REFINED PETROLEUM PRODUCTS ARE WORSENING THE ENERGY CRISIS

Mr. RANDOLPH. Mr. President, the attention being given in the Senate this morning to the important subject matter which focuses on the continued and perhaps the growing fuels and energy crisis in our country underscores the need for study and understanding by Members of this body in an attempt to do all that they possibly can to spell out the problems that are inherent in the current and increasing energy supply shortages.

The remarks of the able Senator from Oklahoma (Mr. BARTLETT), the Senator from Kentucky (Mr. COOK), the Senator from North Carolina (Mr. HELMS), and myself present four approaches, perhaps in varying degrees, but with a strong thrust as to the need for an understanding of the problems that exist today.

In my case I see the overriding need for an already much-too-long-delayed establishment of policies which will govern the proper and productive uses of fuels and energy in this country.

Mr. President, in recognition of the energy supply shortages, I recall that, on June 5 of this year the Senate passed S. 1570, a bill authorizing the President to allocate crude oil and refined petroleum products during periods of extraordinary shortages or dislocations in the distribution of energy and fuels. And this is an important matter that must not be overlooked. The dislocations can occur, and if we anticipate that they may take place, we can be ready to meet them, not after the fact, but before the fact.

So there was the June 5 action in the Senate on the allocation measure in an attempt to cope intelligently with the fuels and energy problem. Its principal sponsor, the Senator from Washington (Mr. JACKSON), was joined by several of us who have been working on this energy problem for many months.

I believe that action was timely, and I know it was necessary. Our principal concern was the anticipated shortages of gasoline and providing a program, which we hope can be activated to develop a means for the allocation of available supplies among the competing users.

However, throughout those discussions—and the Acting President pro tempore is familiar with them because he gave his attention to that debate—little consideration was given to the finding of solutions to the energy crisis so that the allocations, in fact, would not be necessary. We think, of course, that some measure of allocation system is indicated under present conditions.

We should know, Mr. President, that as long as allocations exist, we are simply coping with the symptoms of the problem; we are in no wise solving it. Now we find that the anticipated gasoline shortage may not materialize as fully as some sources had predicted or indicated. In other words, the petroleum industry was able to find the supplies from which to refine more gasoline than had been expected and announced. But the question is, Mr. President, at what cost?

Yes, it was at a cost. One solution was to produce less distillate heating oil and more gasoline.

That was done last year, too, and was roundly criticized by the government when there was insufficient heating oil during the cold of winter. And there probably will be similar criticism again this coming winter.

Yet, Mr. President, this stepping up of gasoline production, seemingly at the expense of heating oil, as I have indicated, was perhaps the only alternative available to the petroleum industry without creating—and I use the word advisedly—a chaotic gasoline condition in our country, a country that relies in substantial degree on the mobility of our economy, the movement of people, of course, to and from work, and the movement of products from the fields, from the farms, and from the factories. We are a nation literally on wheels and wings, moving constantly, 24 hours a day.

In the process of substantially solving a gasoline supply problem, we may have delayed the solving—and I think we have—of the overall energy problem, especially if the crisis reappears within a few months as a heating oil shortage, and I suspect that there might be a heating oil shortage again. But a winter heating oil shortage will not have such solution possibilities before it, from the standpoint of the settlements of those problems, as are inherent in conservation such as slowing auto driving to conserve gasoline, in accordance with the action taken here in the Senate unanimously on an amendment that I offered to the fuel allocation bill. That accepted amendment expressed the sense of Congress in favor of lowering the speed limits through a hoped-for cooperative effort within the States. The speed reduction was not mandated, actually, even though the bill itself was a mandate for fuel allocation. At that time, I addressed letters to all of the Governors of our 50 States, calling attention to what we had done in the Senate.

We are receiving reports that a substantial number of electric utilities, not finding enough low-sulfur coal or sufficient low-sulfur residual oil, are shifting to refined oil products, even distillate heating oil. In the process, the utilities are placing a demand on the petroleum industry that it did not envision, and these utilities are, frankly—and I make this statement because I believe it is true from the studies I have carried forward—aggravating the energy crisis.

Many energy users—and this includes the utilities that I have mentioned—have several alternatives which are important to consider for coping with both the short- and the long-term problems arising out of our energy-environmental confrontations. These confrontations must not be allowed to continue to the extent that we polarize the thinking of the American citizenry on this subject.

There has to be some give and take. There has to be some realization that we do not need to confront one another in order to solve our energy and environmental problems. But, in a sense, we must move in one direction, hopefully in the direction of conservation and environmental quality, and still supply the energy so vitally and urgently needed in this country.

Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator has 7 minutes remaining.

Mr. RANDOLPH. I thank the Chair.

By taking a short-term perspective and switching to refined petroleum, some major utilities are simply transferring their environmental control requirements to someone else, and thus they are complicating to a very considerable degree the energy crisis in our country.

Mr. President, such electric utilities must be held accountable. I repeat, they must be held accountable for their action in transferring this burden to other sectors of the economy.

As publicly chartered and regulated companies, the utilities have a broader obligation to society than simply meeting energy demands for electric current.

It is generally recognized that our country must undertake to meet a national goal of energy self-sufficiency by the 1990's. Mr. President I wish we could do it earlier, but that, I gather, is the time element of the domestic self-sufficiency goal.

Apparently, we will not be able to do that, but the record will be clear that we had the opportunity. I offered a resolution in 1959, to establish a program whereby we could find the policy or policies necessary to conserve and properly have and use an adequate supply of fuels and energy for our people. This was not done. Then, through the years, our efforts continued with many Senators and Members of the House increasingly active in efforts to have a national energy policy. We could see that the problem was moving in on us with a very strong impact.

Then, a little over 2 years ago, we began, pursuant to Senate Resolution 45, which I offered, with Senator JACKSON, to study through the Committee on Interior and Insular Affairs, the Public Works Committee, the Commerce Committee, and the Joint Committee on Atomic Energy, this subject matter. From those hearings and the work of the task force, and the consultations with everyone who had contributions to make, we have moved until two important items of legislation have come from that work. They have received the attention and the favorable action of the Senate.

Senators are aware—in fact they are not only aware but they understand the urgency of these matters, and that is why we call attention to them here today.

As to domestic energy self-sufficiency that I speak of in the 1990's, we regret, of course, that it won't be here much earlier.

What is this self-sufficiency going to mean? It will involve a shifting away from our current posture that is synonymous with a national oil import policy and work more toward a national energy policy based on increased—not decreased—use of coal in clean burning forms, and on nuclear fuels.

Yet, segments of the electric utility industry are actually going the other direction, actively shifting from domestic sources of coal to imported oil and refined petroleum products. This is the opposite direction from the course representing what I believe to be the broad national interest as distinguished from the corporate interest.

Just as the burning of huge quantities of natural gas under powerplant boilers cut back the supplies of scarce natural gas, so will electric utility burning of refined petroleum products hasten the demise of the world's oil reserves.

Environmental controls—and I want to make this a statement that will be an emphatic one—the environmental controls are legitimate costs of doing business that must be incurred in this decade of the 1970's. The electric utilities are in the unique position of being able to pass these costs on to the consumers.

If our growing energy crisis is to be solved, the utilities must face the fact that coal must be relied on to a greater degree as a source—a prime domestic source—of this Nation's energy supplies.

In turn, this must be accomplished consistent with the Nation's environmental policies.

The utilities should be prepared to install pollution control equipment that makes coal a usable and viable energy supply.

In turn, the utilities must also face the fact that long-term contracts are essential if new sources of coal are to be developed.

In other words, the public utilities of America must meet this responsibility and must accept a part of the responsibility for creating the economic climate necessary to stimulate new domestic energy supplies.

It is unrealistic to consider the demand of the utilities for refined petroleum products as being valid priority use if, in the process, we create energy shortages in other sectors of the economy.

The overriding issue, however, is not where these shortages are to be absorbed in our economy. Rather, the main issue is how to increase available supplies in the future just as quickly as possible.

While we seek to create a new era of fuels and energy policy, we know that we must cease to look for an easy out. We must think of the real, long-term solutions and they will not be forthcoming if we try to short circuit the program.

What is clear is that the Congress must adopt the necessary policies to create a climate conducive to the raising of the massive amounts of capital needed for energy and environmental investments.

For, in the final analysis, the private sector will be called on to meet our country's energy demands.

THE ENERGY CRISIS

Mr. HELMS. Mr. President, the best way to understand why the energy crisis is, indeed, a crisis, is to examine the word "energy."

Ours is an energetic nation. Only an energetic people would have left settled communities in the old world and crossed a dangerous ocean to make an "errand into the wilderness," a dangerous and untamed wilderness.

Only energetic people would have joined the waves of immigrants who helped develop the continent.

Only an energetic people could have built the mighty engine of economic might that made ours the freest, most prosperous nation in the world.

Only an energetic people could have made our Nation the arsenal of democracy, the defender of freedom in its gravest trials.

I mention this to dramatize the fact that the energy crisis is nothing less than a crisis of American civilization. The brutal fact is that, in the modern world, our energetic people depend on complex and increasingly scarce energy sources.

That is, we cannot be energetic, as a people, unless we maintain energy supplies sufficient to match our energetic spirits. We cannot have national prosperity, and we cannot have national security, unless we make prudent provisions for our long-term energy needs.

There is no need to recite again the projected energy needs for the years and decades ahead. Suffice it to say that, extrapolating from the recent geometic rise in energy demands, in this country and worldwide, and the relative slowdown in the discovery of conventional sources, the energy crisis is not a short-term thing. It will be with us for years to come.

The most pressing energy scarcity today involves petroleum product. We are a nation that runs on the internal combustion engine. One in five Americans is employed directly or indirectly by the automobile industry and related industries. If our automobiles sputter to a halt for lack of gasoline, our Nation will sputter to a halt. There is no use wishing this were not so. It is so, and it is incumbent upon us to make hardheaded provisions that face up to this stark fact.

The first order of business must be to speed action on construction of the Alaskan pipeline. It is absurd folly for this Nation to stumble into an energy crisis while we have, ready at hand, a huge domestic source of oil like the reserves on Alaska's North Slope. We cannot let an unimportant technicality in an old law impede development of the pipeline right-of-way. We need not be careless about the environment in getting the North Slope oil south. I see no evidence that the Government and the concerned oil companies have acted other than with full good faith in dealing with anticipated environmental dangers. These environmental matters concerning the migration of caribou, protection of the fragile permafrost, and so forth, are only secondary to building a pipeline sturdy enough to resist possible earthquake damage and able to limit the dangers of spills at the end of the pipeline where the oil is loaded onto tankers. These problems can be solved. So now let us get on with building the pipeline.

In addition, we must finance the research and development necessary to facilitate efficient and environmental safe exploration for new offshore sources.

Today in the American West there are two kinds of resources which, when tapped, will offer this Nation huge new reservoirs of energy. I am referring to the oil shale in and coal reserves of the mountain west.

With regard to oil shale, we need a crash program of research and development to achieve two things. First, we must find ways of removing the shale from the mountain deposits without environmental damage. Second, we must perfect the technology of turning shale into oil. This will be costly. The task will be complicated by the fact that oil shale development requires large amounts of a very scarce mountain resource—water. But it must be done, and Government reclamation projects should be coordinated with the needs of shale exploitation.

With regard to the huge coal reserves, four things must be done. First, we need improved and environmentally sound mining techniques that can get the coal out of the ground at a reasonable cost, and with minimal damage to the environment. Second, we need research and development on new techniques for using coal in ways that contain the air pollution problem. Third, we need reasonable and equitable freight rates to enable us to get the coal from deposits in the mountain west to the big markets in the Middle West and on each coast. Fourth, we need to finance a crash program to facilitate coal gasification programs and to find new markets for this coal-based product.

With regard to the production of electricity, two other things must be done.

First, we must have a more orderly way of resolving disputes about the siting of powerplants. As things now stand, a tiny group of determined persons, acting from environmental motives, or other motives, can generate an astonishing amount of litigation and prevent work from going forward on any particular plant site for an incredibly long time.

The sobering history of the controversy about the Storm King powerplant north of New York City deserves serious study by all concerned citizens. In various parts of the Nation, utilities have been prevented from turning a spade of earth by a running legal war with environmentalists.

I am not here taking a stand on the merits of the Storm King case or any other specific case, but I am deeply concerned about the disorderly, cumbersome, vulnerable process by which we decide on powerplant locations. We need better methods of resolving the conflicts that inevitably will result when utilities must expand.

The second thing that must be done regarding the production of electric power is for us to go full speed ahead on developing new ways of generating electricity. These new ways include the breeder reactor, and solar power and geothermal power.

The breeder reactor is close to becoming an American reality. That is good because it is the single most promising development in the energy field. This reactor actually creates fuel as it uses fuel. The Soviet Union has two such reactors in operation today, and the English, French, and Germans soon will have some. Our first breeder reactor is not due to begin operation until early in the next decade. We must do everything possible to speed the development of these reactors, and to anticipate and meet safety concerns and environmental concerns that, inevitably, will arise.

With regard to solar and geothermal power, we are standing on the edge of an uncharted sea. This much we know: the greatest untapped—in a sense, "wasted"—energy source is the Sun. And the least explored energy source on Earth is the heat energy trapped beneath the Earth's crust. High priority must be given to exploring ways to harness these forms of energy.

Environmentalists have served the Nation by reminding us that environmental values are real values. But, on occasion, environmentalists have been wrong. Not long ago environmentalists were ardently opposing various hydropower projects, arguing that it is immoral to dam a river to produce electricity. But now that we see the alternatives—alternatives like the smoke-belching Four Corners powerplants along the Colorado-New Mexico border—we can see that the clean, efficient production of electricity by hydropower is preferable to the production of electricity by means that require burning fossil fuels.

Finally, we need more and better deepwater port facilities for importation of seaborne fuels. This will require the cooperation of several Federal agencies in the construction of the facilities and in meeting environmental protection standards.

The current energy crisis is just one manifestation—albeit a particularly dramatic, painful and consequential manifestation—of a worldwide phenomenon—a general shortage of commodities. This shortage is a natural consequence of a generally desirable development: consumption is rising rapidly among vast populations which hitherto have been mired in economc stagnation. It would be futile—and morally wrong—to begrudge other peoples the opportunity for some of the economic growth that we in America take for granted. Indeed, it would be contradictory for us to begrudge other people their growth: more often than not it has been an aim of American policy to foster such growth.

But having helped light the fuse of economic growth, now we must use our diplomatic skills to prevent dangerous and mutually destructive kinds of competition for scarce energy commodities.

It is now clear that the Middle East, where petroleum resources are crucial, is not a monolithic political force. Neither, it should be noted, is the free world market for Middle East petroleum monolithic. On the contrary, there are three giant customers—the United States, Japan, and the European Economic Community. In addition, the European Economic Community—the Common Market—is riven with existing and potential rivalries for energy sources.

The time is coming when the leaders of the various Middle Eastern suppliers will strive to perfect the methods of playing free world nations off against one another. Indeed, it is happening now. It must be the two-fold purpose of American diplomacy to dissuade the Middle East suppliers from relying on such methods, and to discourage other free world nations from being susceptible to those methods.

The nations of the Middle East—rich in oil, and poor in everything else—have an understandable desire to profit as much as is reasonably possible from the one blessing nature has bestowed upon them. Thus, it should be the mission of American diplomacy to assure the supplier nations of the Middle East that their route to stable and equitable relationships with the consuming nations lies not in blackmail and confrontation, and least of all in fomenting competition among their customers, but rather in reasonable, calm negotiations.

In addition, special concern must be shown for the great neighbor to the north. Canada is a nation rich in resources and understandably weary of being taken for granted by the giant to the south. It is my belief that Canada and the United States are entering a new era of even closer cooperation, economically. We must do our share to see that, politically, the era is one of good feeling.

Mr. President, my remarks today are designed to indicate my conviction that the energy crisis is very much a crisis;

that it will be with us for a long time; that it has many facets and requires many solutions; and that both the Government and private citizens have roles to play.

One thing remains to be said. As we cope with this problem, the Government must be guided by a sense of equity. No region must be made to bear an unequal brunt of any energy shortage. Similarly, the little man—men like the independent gasoline dealers—must not be pushed to the wall by these problems. Too often in American life public policy in time of difficulty has made it possible for the big organization to survive while the little man has been driven out of business. The Government must not let this happen now.

Mr. COOK. Mr. President, it is amazing to realize that this Nation represents only 6 percent of the world's population, yet we use almost 35 percent of the world's fossil fuel resources. If we continue at the rate we are going now—and after all, everyone got here either by way of the automobile, bus, airplane, or train, and they all use some kind of distillate fossil fuel—and if we continue at the rate we are going, between now and 1985 we will have to increase the sources of supply for the people of the United States by 70 percent. As a matter of fact, today we utilize from foreign sources 5 million barrels of crude oil a day; and between now and 1985, we will have to increase the imports of fossil fuels into the United States from 5 million barrels a day to 15 million barrels a day.

Mr. President, one distinct advantage in taking part in this energy colloquy on its second day is having the benefit of the remarks made by my colleagues during the first session. The June 28, 1973, CONGRESSIONAL RECORD contains 29 pages of comment expressing their concern and offering solution for this national problem. I am very proud of being a U.S. Senator and this pride grows when I see the Members of this body close ranks in a bipartisan effort to solve a problem which poses as real a threat to our way of life as has any we have experienced in my lifetime. Whenever this Nation is threatened from within or from an external force, we have been able to set aside parochial and personal differences in order to preserve our heritage. While I do not suggest a real threat to our national boundaries, I believe most sincerely that there is a very real threat to America as we know it and that this threat is not limited to these boundaries.

It is unfortunate that there are those who believe that America is weak and that because of certain internal problems which exist, her Congress and her President cannot cope with a situation which threatens the very monetary standard upon which almost all nations have depended for so long.

To those individuals both at home and abroad I say that America is a winner and a leader of winners and now is the time to "Buy America" not "Sell America" because I believe we have "bottomed out" and we most certainly have come to grips with our problems and we will solve these problems. Let those who question the value of our dollar make no mistake about that. I personally believe that many foreign powers want us to solve our problems. I believe that many nations look to America as the bulwark upon which they themselves have tangibly and intangibly built their hope for the future. We cannot afford to sell ourselves short. That is why I say the time to "Buy America" is now. Buy into our own ability to develop from within. We still have the same abilities we have always had.

Unfortunately I believe that the confidence that the people have in us as politicians and in our President has been shaken to some degree. I believe that to ignore our new status would make us unworthy, and it is up to us to restore even the smallest degree of confidence loss.

I have stated on the floor of this chamber that power, strength, vigor and resolution are all synonymous with energy. I added to that list one word—America. I believe most sincerely that to the free world America has always represented strength, power and above all energy.

Why is this true and how did it come about—if I were to select one basic reason that this republic has developed into a great world power I would have to say that it has been the abundance of natural resources which provide unlimited amounts of inexpensive energy fuel. This distinct advantage coupled with an ideal handed down from our founding fathers, which we have chosen to develop and defend, has given us a nation which enjoys freedom and a standard of living never before present on this globe. The ideal remains with us, but we now face the realization that the energy fuel is not unlimited and with this realization comes the disagreeable fact that it is no longer cheap.

Unfortunately over the past few years we have come to depend on others outside our boundaries to provide us with an ever increasing amount of energy fuels. This practice while providing fuels cleaner and more efficient than some of our own domestic fuels has placed us in their debt to a degree that we have severely weakened our currency. We can no longer pay the price for this easy way out. The decision we face is very simple. We must find ways to produce and use all our domestic natural resources. We must accept these natural resources in the form in which they exist—not in the form in which we wish they existed. It is our problem to effect the desired conversion from so called dirty fuel to clean fuel.

We can gasify coal.

We can liquefy coal.

We can desulfurize coal.

We can control oxide emissions.

We can develop our oil sands and shales.

We can safely generate electrical power from nuclear energy.

We can develop geothermal and solar sources.

However, in so doing we must not sacrifice our goals of establishing and maintaining a healthful environment for all the people of this country. This is not an impossible task and we have taken important, if belated and minimal, steps to see that it is accomplished.

We have seen a marked change in a 72-day period. When one compares the energy statements made by the President on April 18 and June 29 of this year, aside from the establishment of an Energy Policy Office in the Executive Office of the President, he is struck by one other significant change. That change being the President's realization that it is essential that dynamic Federal research and development programs be initiated immediately. As I criticized his decision of April 18 for the lack of research and development programs, I equally applauded his announcement of June 29.

Mr. President, while we must move forward on these essential research and development programs we must be most careful in avoiding what I choose to call self inflicted wounds. I refer to those well meaning actions taken by segments of our Government which are above and beyond realistic goals and which tend to create undue hardship on the energy industry by requiring accelerated and increased environmental standards which exceed our technological capability.

When State implementation plans under the Clean Air Act go into effect between now and 1975, they will specify the new source performance standard of 0.6 pounds of sulfur per million B.t.u. This will require in the absence of other control means the use of "east of the Mississippi" coal containing less than 0.7 percent sulfur. Unfortunately, this coal is scarce. The U.S. Bureau of Mines estimates that only 8 percent of the coal reserves in this area of the country could meet the requirements.

In addition to meeting the above limits on new plants, I am concerned about how we can burn coal and meet the limits being imposed on existing units. Although the limits established by the EPA call for meeting the primary standards by July 1, 1975, as directed by Congress, the States are calling for the secondary standards to be met by the same date. This requirement makes it even more imperative that we devote increased effort to the problems of desulfurization and stack cleaning.

The Federal Register of May 31, 1972, quoted the EPA as follows:

> The State implementation plans to control SO_x (sulfur oxides), generally have been responsive to the mandates of the Clean Air Act. The plans provide for meeting by 1975 primary air quality standards which are designed to protect the public health. In most cases, the States determined 1975 to be the "reasonable time" allowed by the act to meet the secondary air quality standards for SO_x which are designed to protect the public welfare. Fuel combustion regulations were designed to achieve both the primary and secondary standards by the 1975 date. In most States these emission regulations were made to apply statewide, without regard to the differing air quality in regions within the State.

EPA added the comment:

> It is clear that achieving these rigorous State standards in the time prescribed would significantly enhance air quality in many areas of the Nation, as contemplated by the Clean Air Act. However, in addition to reviewing the effectiveness of each State implementation plan, this agency (EPA) and the Federal Government have an obligation

> to assess the impact of the various plans in the aggregate. From this standpoint, there is strong evidence that the complete implementation of the plans as submitted may not be attainable in the time prescribed.

By this statement EPA admits the real possibility that, under current conditions in the domestic and world fuel markets, all aspects of the State plans in the aggregate cannot be achieved by 1975 despite the best efforts of both Government and the private sector. If this is true then I say to my colleagues that this "best effort" must be increased. It is just not the American way to accept defeat without an extensive counter effort.

I understand that EPA has been completing its studies of the aggregate situation to enable them to suggest necessary compliance schedule changes to the States. Such changes would include the modification of federally promulgated regulations for achievement of the primary standards—health related—by July 1, 1975. I will study this report very carefully and I suggest it be finalized at the earliest date and submitted to Congress and the Nation so that we may all better understand the problems ahead and the proposals to meet these problems.

According to the EPA, the States most likely to be affected by this shortage of clean fuels include Illinois, Indiana, Kentucky, Michigan, Ohio, Tennessee, Alabama, Pennsylvania, West Virginia, Georgia, and New York, but others will also need to consider the availability of fuels in developing compliance schedules. On June 7, 1973, Dr. Fri, Acting Administrator, EPA, highlighted this problem.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the statement by Dr. Fri.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. COOK. Mr. President, the ball clearly is in the States' court, and the Governors of these States are calling the shots. I ask unanimous consent to have printed in the RECORD a copy of a statement made by Mr. Carl Bagge, National Coal Association, which he delivered to the Southern Governors' Conference on June 22 of this year.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. COOK. Mr. President, in his appeal to the Governors Mr. Bagge urged them to assist the President's energy program by deferring the implementation of the secondary ambient air quality standards. He also urged them to adopt regulatory policies which would encourage investment in the utilization of coal as a fuel for electric power generation.

Mr. President, I would like to invite attention to still another energy problem which could well fall into the self-inflicted wound category. I refer to the recent decision by the President to institute a 60-day freeze, and the implementing action by the Cost of Living Council which prevents domestic refiners from passing through all increases in the foreign crude oil cost not heretofore recovered. This single action has had a very severe impact on the operations of the crude deficient independent refiners who must bid for and pay the going price for crude they purchase outside the United States. You will note that I limit this comment to the crude deficient refiners, as their problem differs markedly from that faced by the integrated company which produces, transports and refines its own crude.

I believe that there is a shortage of some petroleum products. The magnitude of this shortage is difficult to determine but it exists and must be reckoned with. In order to overcome this shortage we are encouraging all refineries to increase the amount of petroleum products available to the American consumer. This is a noble goal, and I applaud it. What is unbelievable to me are the stumbling blocks that we place in the road of such an important segment of the industry which is attempting to accomplish this goal. What we are saying to these refineries is that while we recognize that they have no control over the increased price they must pay for imported crude oil they must continue to experience restraint in the recovery of these additional costs in the prices they are permitted to charge for the refined product. These restraints discourage domestic supplies. Without this crude the refinery does not produce to capacity. At a time when we need a marked increase in new refining capability to meet our requirements, we cannot afford to lose the production capability of our existing refineries.

Mr. President, I find it very difficult to argue with industry when it curtails its import program. I agree that certain costs can be absorbed by industry, but I also realize that industry cannot afford to "carry" the consumer to an unlimited degree. The policy of the Cost of Living Council to refuse to recognize any distinction between foreign crude oil which is entirely free of U.S. price controls and crude oil of U.S. origin which is subject to such controls, must be corrected.

I submit that it is absurd to suppose that refineries dependent upon ever increasing volumes of foreign supplies of crude oil can continue to absorb such massive increases in costs.

Most off-shore crude oil production is owned by a relatively small number of international oil companies which are fully integrated into transportation, refining, and marketing, both in the United States and abroad. These companies have suffered no cost increase even remotely comparable to the cost increase incurred by the crude deficient refineries who must pay the going rate on the foreign market as well as for increased tanker charter costs. The supply difficulties of the crude deficient independents and their dependency on foreign supply is further compounded by declining domestic production and cancellation of contracts for the purchase of domestic crude oil from major oil companies.

I believe that the Council's policy is unfair in that it does not recognize the difference between the crude deficient independent refineries and the integrated industry. The inevitable consequence of such inequity will be to increase concentration in the oil industry and thus weaken the competitive thrust of the crude deficient independent oil companies which have contributed so much to the maintenance of a reasonable price to the public over many years.

In addition to the crude importation problem is a problem in the pricing of imports of refined products. The prices of these products, particularly gasoline and heating oil are generally higher than the established ceiling prices for similar domestic products. Until just a few days ago, July 3, 1973, it appeared that higher costs of foreign imports could be passed on only to those customers actually receiving such products. This procedure created a severe geographical discrimination against purchasers located in areas supplied by such imports. Consequently suppliers were blocked in their efforts to supplement domestic supplies by the purchase of refined products from foreign markets.

On July 3, 1973, there was some evidence that the COLC had recognized this problem. On that date it circulated CLC–315—questions and answers No. 15.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of this document. I am encouraged by the Council's action, and I hope that the problem can be solved.

The PRESIDING OFFICER. Without obection, it is so ordered.

(See exhibit 3.)

Mr. COOK. Mr. President, as you will note the answers to questions Nos. 5 and 7 of this document purport to clarify the authority of the oil companies to "roll in" the price of refined foreign petroleum products into their domestic pool price. At first glance it would seem that this interpretation would correct the difficulty faced by these refiners. Unfortunately this may not be the case. A serious question remains as to whether a supplier may average his costs of the imported refined petroleum products over his total sales of like products in the event he has already passed through other increased costs up to the 1.5 percent now permitted. If this cannot be done then the basic problem remains. We are faced with an apparent failure of the COLC to distinguish between those products which are under domestic price control and foreign products over which there are no domestic controls.

Mr. President, I wish to add at this point that some people in the United States wonder why these companies are sending their refined fuels to Europe. It does not take an astute mathematician to figure that out. He can sell it in the United States at 18 or 19 cents, and in Europe at 26 cents, 28 cents, and 30 cents. On the European Continent the lowest price is in Great Britain which is 77 cents a gallon and the highest price is in Greece at $1.14 cents a gallon.

It appears from published reports that there are quantities of gasoline and fuel oil available from offshore sources which could relieve in varying degrees the present production shortages in evidence on the east coast and in midcontinent areas. These shortages are a particular burden to the independent refineries and marketers who are not presently able to obtain adequate domestic production supplies to satisfy their needs.

As I have indicated, the present COLC regulations regarding importation of offshore petroleum products remain unclear, and unless the right of importers to average the higher costs of foreign products over all their sales of like products without the restraints applicable to sales of domestic products is clearly established, these regulations will continue to operate as a real and economically unsurmountable barrier preventing the importation of these sorely needed products. This appraisal of the situation is confirmed by an article in the London Financial Times of July 4, 1973, in which it is stated that—

> The threatened loss of petrol imports from Europe to the U.S. has so far failed to materialize and there are signs that petrol stocks in Europe are reaching capacity at this time. . . . The situation, however, has been somewhat distorted by price controls by consumer governments . . . controls in the U.S. . . . have made it uneconomic for importers to buy petrol at the high European spot prices and bring it back to the U.S. so that actual exports of products from Europe to America have been seriously small this year.

It is good to remove all uncertainty in this matter so that regulatory barriers alone will not block access to essential off-shore supplies.

To obtain a clarification of this matter I have dispatched a letter to the Director of the COLC.

I request that a copy of this letter be placed in the Record at the conclusion of my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 4.)

Mr. **COOK.** Mr. President, the energy industry today faces a problem of establishing and maintaining credibility with the public and with the Congress. The problem is not unlike our own problems which I addressed at the beginning of my remarks.

The other day in the newspaper I read an account of a service station operator selling gasoline at 90 cents a gallon. This isolated price increase, generated by the whim of an individual proprietor, was his way of determining how much markup the market would stand. I surmise that the customer who purchased the product was the victim of a process which has conditioned him to believe that one way or the other the energy companies are "going to get you." They may do it with a false shortage or they may do it with a squeeze on independents—but they are "going to get you."

I believe that we here in the Congress, along with the President, share the blame with the energy industry for the condition in which we have placed the consumer. I do not deny that individual actions which have created this problem have been well meaning and were designed to improve the economic and environmental welfare of the people of America. I could cite many legislative decisions, ranging from our offshore leasing program through the Clean Air Act and down to the Deep Mine Coal Mine Health and Safety Act, which, while improving the health and safety of the environment in which we work and live, have also had side effects which have reduced the production and consumption of available energy fuels. I do not propose that we abandon these goals, but I do believe that we must consider the total impact that they are having on us all. I do not believe that we can call an immediate halt to our petroleum importation program. I do propose that we expend effort to develop our domestic capability to a degree that we are no longer dependent on a foreign power for our energy fuels. Only then can we be sure of our status as a world power.

I submit that the development of our domestic capability is rooted in a dynamic research, development, and demonstration program. The Federal Government must take the lead in this program and industry must participate. Only through the combined efforts of the Congress, the President, and the energy industry can we solve this problem.

We now have before us the President's message which contains this proposal. We have had for some time legislative proposals of a similar nature. Very soon I intend to propose legislation which will provide the funds in the amounts which both have recognized are necessary to establish these vital programs. The 93d Congress can make this possible—we have already accepted the challenge—in the months remaining let us provide the answers.

Mr. President, that concludes my remarks, and I yield back whatever remainder I may have or whatever remainder of my time was made available by the junior Senator from North Carolina.

Exhibit 1

Statement of the Honorable Robert W. Fri, Acting Administrator, Environmental Protection Agency

Good morning, Mr. Chairman and members of the Committee. I appreciate this opportunity to discuss with you some of the many economic, political, and environmental ramifications that attend the use of coal as an energy source.

The principal dilemma posed by coal is its dual status as our most abundant domestic fuel and as one of our major sources of environmental degradation. Thus, against the benefits that would be chalked up in the areas of national security, balance of trade, and economic well-being from an increased use of coal, we must be prepared to enter on the debit side of the ledger the increased costs to our land, water, skies, and health as additional coal is mined and then burned.

However, in contrast to many, we do not consider the dilemma irreconcilable. There are emerging technologies that we feel will allow for the expanded use of coal to meet our nation's future energy needs. But, before turning to these technologies, it must be admitted that there is, as the Committee's background paper calls it, a short to mid-term "liquidity crisis" in the use of coal.

It is to these short term difficulties that I would like first to turn my attention, for if coal is to be relied on as a long-run answer to our energy needs, it must also survive in the short-run.

The crux of the present problem from an environmental standpoint is the difficulty stationary sources using high sulfur coal, particularly utilities and industrial plants, have in meeting the sulfur oxide standards imposed by the Clean Air Act. Under the Act, the Environmental Protection Agency is directed to set ambient air quality standards that protect the public health and welfare. Standards protecting health are called primary standards while those concerned with welfare—such as the impact of pollutants on crops—are called secondary standards. In addition, there are new source standards that apply to all new power plants regardless of location or ambient air quality.

The Act goes on to require that the States meet the primary standards by 1975 and the stricter secondary standards within a "reasonable time." Under the Act, the Administrator may in certain circumstances and upon application from the Governor grant a two-year extension of the 1975 deadline for meeting primary standards. To achieve these standards, States must submit implementation plans to the Environmental Protection Agency for review and approval. To date, these State plans have evinced two characteristics of extreme importance. First, many have chosen 1975 as a "reasonable time" to meet the more stringent secondary standards in addition to the primary standards. Secondly, numerous States have imposed State-wide emission regulations that ignore differences in air quality between regions within the State. This means that scarce low sulfur fuels may be used indiscriminately throughout a State rather than in areas of greatest need.

In order to meet State sulfur standards, several options are open to existing stationary sources burning high sulfur coal. First, they may burn "clean fuels" such as low sulfur coal. Secondly, they may install stack gas cleaning equipment that is being commercially developed. The same choice is also required of new sources. The crunch comes in that our study of the problem indicates that there simply will not be enough clean fuels or reliably demonstrated stack gas cleaning equipment available to meet both primary and secondary standards by 1975 for coal-burning combustion sources. This finding holds true even if we employ the most favorable assumptions regarding increased production or the opening up of new sources of these "clean fuels."

This gap between the "clean fuels" needed and those available has been branded the "clean fuels deficit." Various estimates are available as to the size of this deficit, but the Environmental Protection Agency's estimate of the deficit, which is the lowest of current estimates, is that we are talking about a 1975 gap equivalent to at least 100 million tons of coal, or about one-sixth of the coal currently used.

Our reason for concern over this deficit is that it jeopardizes the achievement of the all important health-based primary standard. The reason behind this is that meeting the more stringent secondary standards would result in fuel shifts by large coal-burning installations to low sulfur oil or gas or in their use of increased quantities of low sulfur coal. This could effectively deny these scarce low sulfur fuels to those who may require them to meet the primary standards. Thus, high priority areas that may desperately need low sulfur fuels to meet primary standards may find themselves unable to procure these clean fuels since they will be siphoned off to meet secondary standards elsewhere.

Thus we have reached something of an ironic impasse. The States, assisted by the Environmental Protection Agency, by fully responding to the spirit of the Clean Air Act and in their desire to protect the health and welfare of their citizens, have by their aggregate response collectively generated a situation which imperils the attainment of the primary standard. Furthermore, their response threatens the economic health of the high-sulfur coal industry, endangers the jobs of 26,000 men who mine such coal, encourages the wasteful use of scarce sulfur-free natural gases in industrial boilers, and places pressure on our balance of payments through the importation of oil.

But despite the gravity of the problem, there are some grounds for hope. The Environmental Protection Agency's optimism, which others may not share, is predicated on our belief that there are sufficient supplies of clean fuels to meet the primary standards provided State sulfur regulations are no more stringent than required to meet these standards. In order to help funnel available low sulfur fuels to areas that need such fuel to meet primary standards, we have initiated, and the President's Energy message has endorsed, a policy tabbed as our "Clean Fuels Policy."

Briefly stated, our objective is to discourage the use of scarce supplies of low sulfur coal, natural gas, or low sulfur fuel oil unless such steps are needed to meet *primary* standards. We are urging States to review their standards, plans, specifications, and regulations to avoid requirements that would conflict with this policy.

Although promoting the production of low sulfur fuels and stack gas cleaning equipment is a crucial ingredient of this scheme, the lynchpin of this policy is our request to the States that they focus on achieving the primary standard first and then phase in implementation of the secondary standard. Along with providing for an orderly transition between attainment of the primary and secondary standards, we have also asked the States to discourage large-scale fuel shifts from coal to other fuels. In addition, we have adopted a variance policy to permit use of oil with a higher sulfur content than is specified in implementation plans. To implement this policy, Environmental Protection Agency Regions III, IV, and V which encompass much of the East, South, and mid-West, where 80 percent of the Nation's combustion coal is consumed, are currently working with the States on a case-by-case basis. We have also provided technical information to each Region for its use and transmittal to the States. At this time we are reviewing the need for additional steps.

It should be stressed that our "clean fuels policy" is designed not to provide a final solution, but merely to buy time until new sources of low sulfur fuel and improved stack gas cleaning equipment in quantity are available. In this regard, I would urge that the Senate take quick action on the Administration's proposed Mineral Leasing and Mined Area Protection Acts, both of which are needed to bring new sources of low-sulfur coal into production while assuring that the environment is fully protected.

While our "clean fuels policy" serves to give coal a breathing space during the 1970's, it is to a variety of new technologies that we must turn our attention when we discuss the environmentally sound long-term utilization of coal.

This precise issue was discussed by Dr. Stanley Greenfield, EPA's Assistant Administrator for Research and Development, before this Committee last year, and is extensively treated in our forthcoming longer submittal for the record. Therefore, today I would like to focus on the question of research alternatives, especially those processes that would ease our dependence on oil imports. Three different methods of accomplishing this are being pursued. The first is conversion of the coal to liquid or gaseous fuels prior to combustion, to leave pollution-causing constituents in residues. Processes that are being investigated include mechanical cleaning, low BTU gasification, solvent refining and coal liquefaction. The second is redesign of the combustion process. The technology under consideration by the Environmental Protection Agency includes use of a fluidized bed or a molten iron bath. Finally, the stack gases may be treated before release to the environment. There are a number of stack gas scrubbers being investigated at this time, and some are being installed at power plants.

In terms of research alternatives, utility stack gas scrubbing technology is advancing to the point of commercial application, but there are still problems of reliability, solid waste disposal, and environmental degradation that must be resolved. New combustion technology is primarily at the bench test and pilot plant stage, and will require much more work to bring it to commercial success. In addition, pre-combustion treatment and stack-gas scrubbing both have the advantage that they can be applied to existing facilities.

Therefore, one of the most urgent coal research priorities is in the area of pre-combustion treatment, which is currently at the pilot stage. These treated fuels could be readily utilized in current power plants once the methods have been proved out on a commercial scale. However, work should also continue on combustion technology to provide better designs for plants to be built in the future. Other areas of research that might also reduce the demand for oil imports are the production of pipeline quality gas and of other light distillates from coal.

In summation, Mr. Chairman, it is my belief that the carefully crafted approach I have outlined this morning will allow the primary standards to be achieved on time, the secondary standards to be implemented in a timely fashion, and, with the successful introduction of the technologies discussed here, coal to continue to be available as a major resource in ensuring the Republic an adequate energy base as it enters the twenty-first century.

Mr. Chairman, this concludes my prepared remarks. I will now be happy to answer any questions that you might have.

Exhibit 2

Megawatts or Negawatts: Governors, the Choice Is Now Yours

(An address by Carl E. Bagge, president, National Coal Association, June 22, 1973)

My old friend and law school classmate Governor Bumpers, our host for this Conference, distinguished governors of the Southern governors conference, their staffs, and guests:

The American coal industry for which I have the singular privilege of speaking before this Governors Conference is today in an uncomfortably ambiguous position. It is like a man who has been assured of a handsome legacy—if he can survive long enough to collect it. Most energy experts have estimated an annual coal demand of one to one-and-one-half billion tons by 1985—trebling our current annual production—and at the same time rigid environmentalists seem determined that for the American coal industry there will be no tomorrow.

I congratulate the governors of our Southern states, not only for raising the problems of energy supply to the highest level of public concern, but especially for stressing the immediacy of those problems by focusing on the next five years. Today this is not popular. Limiting your review of domestic energy supply and needs to the next five years may deprive you governors of much interesting speculation and fascinating talk about how research will save us, but it will provide you a practical basis for action. We have had enough speculation. Even coal research today is popular. But it is practical action which is urgently needed today.

There is much to be said for the long-range view of energy—in fact, the lack of comprehensive national energy policy planning in the past is one of the primary causes of our present energy troubles. But unless we make a fair start on restoring the practical national energy balance—not within the next five years, but now—we may not be able to afford the dignity of making sound energy options available to succeeding generations. Unfortunately, most of the discussion of energy today ignores the practical necessities of getting from where we are to where we want to be. And I feel especially privileged therefore to participate in a governors conference which, while it may not contribute to the advancement of solar power, may contribute to keeping the nation hinged together and running for the next five years. And this, in my opinion, is the critical period.

If current public uneasiness about the reliability of energy supply is protracted, the reasonable popular appeal to government to do something could degenerate into the cry, "Do anything!" That is not a favorable climate for equitable action; it can nourish only more of the kind of pressurized reaction that has already disjointed both the logistics and the economics of the fuel market in the past. And we should have learned something from the past.

Now, therefore, is the psychological moment for both government and industry to be absolutely candid with the energy consumer, when he is concerned enough about the symptoms of an energy crisis to pay, for the first time, some attention to basic causes. The first thing the public must honestly be told is that if it is looking for energy affluence, it is living in the past. Immediately ahead lies a struggle for bare national energy sufficiency, and that effort will be compounded of hard choices.

The United States formerly took its fuel supply for granted—now it must take it wherever it can get it, and pay more for it. There is simply no cheap solution to the nation's present enormously complicated energy predicament. We have lived long enough and well enough to have shrunk our fossil fuel basis—oil and natural gas by accelerated attrition, and coal by arbitrary restraint—and a quarter of a century of intense nuclear power development has not been nearly enough to realize the old optimistic promise of enough cheap power to make the deserts bloom.

The Nation has run through most of its easily claimed inheritance of energy resources. As naturally acceptable fuels become more difficult to find and develop, production costs go up; as supplies of those fuels shorten, prices go up. That is the gist of the dismal science of economics.

The only real choice we have today is not between sitting on our energy dollars and spending them, but between investing them for the best and safest return to our domestic energy economy and contributing them to foreign fuel producers on the mere hope of buying time to keep our industrial machinery running. This is not only a money choice—it is a matter of national integrity, an election between independence in energy and subservience in international and monetary affairs.

If the nation is to have any realistic hope of revitalizing its domestic energy supply, however, it must start playing from strength by using coal in more intelligent proportion to its unique national abundance. Coal reserves—proved in place and geographically well located—comprise 88 per cent of our known total fuel deposits, including uranium, yet coal annually supplies less than 20 per cent of total U.S. energy supply.

In short, national preference has settled on the fuels in shortest reserve to do the bulk of the nation's work, to the willful neglect of coal with its plain assurance of hundreds of years of supply. The energy consumer has been too preoccupied with suiting his fuel convenience to be concerned about the weakening of fuel sufficiency—until now.

There is increasing recognition that increased coal production and utilization is necessary to meet rising energy demand—as a major primary fuel as well as a vital means of stretching out our domestic oil and gas remainders and reducing our dependence on fuel imports. President Nixon has only recently strongly urged increased development and use of coal as a matter of highest national priority. Congressional leaders today are vying with the Administration to increase federal spending on coal research and development, and earlier this month the National Governors Conference heard urgent calls from the chief executives of Southern and other states for immediate and effective nationwide programs to improve coal production and utilization.

In one important sense, these sources of coal support are listed in climactic order. The Federal Government must provide long-range coal help—funding the major part of the huge program needed to advance the technology of coal production and utilization through research. But it is the governors of our states who today hold the decision-making power either to strengthen the American coal industry to meet its tremendous future challenge or to chop away at present major markets that are essential to the industry's economic viability and existency. For we cannot as a nation be mesmerized by the newly discovered need for coal research while ignoring the fact that the American coal industry is today being decimated and virtually wiped out of existence by government fiat.

I refer, of course, to the absolutely crucial role of the states in implementing the federal Clean Air Act, principally by its requirements for implementing stringent air quality standards by focusing on the sulfur content of fuels. The obvious effect of the federal Clean Air Act today is a throttling constriction of coal use in electric utility and industrial markets because the bulk of normal coal supplied to those markets in the eastern half of the nation simply cannot naturally meet the sulfur standards through the methodology imposed by the Environmental Protection Agency.

To say that the bulk of current coal supply could be banished by sulfur limits is really understating the case. Data from the U.S. Bureau of Mines show that only 8 per cent of coal reserves east of the Mississippi could be burned under EPA's irrational benchmark limit of 0.7 per cent sulfur content without additional means of controlling sulfur oxide emissions.

The sheer gravity of the Clean Air Act is crushing enough to raise new alarm about the impact of some of its provisions—and their overzealous enforcement—on the nation's already deteriorating fuel supply. But while the Federal Government—from the President on down—is now clearly anxious to temper the potentially disastrous effects of its own law, most of the states have moved toward all-out enforcement far beyond the letter of the law.

The Act requires the states to meet the primary or health-related sulfur standards by 1975, and the even stricter secondary or welfare-related standards within what the law calls a "reasonable time." The states were required to spell out to EPA's satisfaction how they planned to achieve those standards. It is evident now that EPA got more than it bargained for from the states, which were left their sovereignty in the matter once they passed the federal test.

In his recent Energy Message to the Congress, the President took note of the problem posed by the states' overzealous action in requiring compliance with secondary air standards in 1975. He warned that unless this state policy is reversed, it would prevent the utilization of 155 million tons of coal annually, which would force an increase in demand for oil of 1.6 million barrels per day, with an adverse effect on our balance of payments of $1.5 billion annually. He pointed out that, "If we carry out the provisions of the Clean Air Act in a judicious manner, carefully meeting the primary, health-related standards, but not moving in a precipitous way toward meeting the secondary standards, then we should be able to use virtually all of that coal which would otherwise go unused." He strongly supported the policy of states deferring secondary ambient standards.

Although the President in his Energy Message declared that the "highest national priority" must be given to increased coal utilization, he clearly left the implementation of that policy directly in the hands of the governors of the states. He did this in two significant respects: First, he delegated to the governors the responsibility for altering air quality standards so as to meet our now obvious limitation on fuel supply; and second, he left to the governors, through their utility regulatory commissions, the initiative for formulating a regulatory policy which would stimulate utilities to make the pollution control investments essential to encouraging the increased utilization of coal.

Thus, the Administration has placed squarely on the governors the responsibility for putting this priority for increased coal utilization to work; and it is in the context of this Presidential decision that I appear before you today pleading on behalf of the American coal industry for the kind of responsible leadership that is urgently required of each of the governors of the several states in order to achieve this newly defined national goal. The President has indeed now lobbed the resolution of this crucial part of the energy crisis into your court.

But there exists no mechanism other than the courageous and farsighted decision-making of the governors to bring this resolution about. Since the President's Energy Message, there has been little evidence that lawmakers in either the states or the local communities, which have accepted even higher air quality standards than the Federal Government, have taken any action to comply with the President's request for moderation, which would contribute so essentially to solving our existing national energy dilemma.

Action on your part is urgently needed now, pending a realistic reappraisal by Congress of the Clean Air Act.

EPA is also seriously concerned—disconcerted or even agitated might be better terms—because most of the states have selected the 1975 deadline for the primary standards as the reasonable time for also enforcing the secondary standard. I realize that statehouses are not as well insulated from the heat of environmental controversy as the less visible federal bureaucracy, but this kind of precpitate action by the state is as unlikely to serve the highest purpose of the clean air crusade as it is certain to aggravate the nation's energy problems. Even the Congress, which presumably best reflects the push and pull of public sentiment on the federal level, wrote into the Clean Air Act authority for the EPA administrator to grant, where circumstances required, a governor's application for a two-year extension of the 1975 deadline for meeting primary standards.

If Congress had misgivings back in 1970 about locking the plant door against high-sulfur fuel on a day certain, even to meet primary air quality goals, how have the states generated such confidence in their ability to meet the more demanding secondary standards in minimum time? The Clean Air Act was passed before our long-gathering energy crisis went public—since then the nation's low-sulfur fuel supply has deteriorated and compliant consumers are forced more and more to operate from an import beachhead.

EPA soberly advised the states in accepting their implementation plans that in the aggregate the plans required a degree of sulfur control that "may not be attainable in the time prescribed." I believe it was irresponsible for EPA to accept the states' plans in view of this finding. William D. Ruckelshaus, EPA Administrator, said later in 1972 that further, more comprehensive studies following EPA's acceptance of the states' plans "confirmed the fact that nationwide there will not be enough gas or low-sulfur coal available by 1975 to fill all of the needs required by state regulations." He added that, in most cases, enough low-sulfur oil could be obtained over the next few years to replace existing high-sulfur oil, but he warned that "it is not practical to rely on oil to solve the deficit in low-sulfur coal."

Mr. Ruckelshaus, in effect, was then telling the states that many of their implementation plans were unrealistic and stressed EPA's willingness as a matter of policy to accept state variances or plan revisions where necessary and where attainment of the primary sulfur standard was not jeopardized.

It is precisely the fear that state short-cuts to secondary standard imposition will completely derail the drive to achieve the prized, health-based primary standard that has led EPA to ask the governors of coal-using states to reappraise their implementation plans. EPA cannot order the governors to defer secondary standards, but it is saying as frankly as federal language will permit that if they shoot them in instead of phasing them in, they may kill their best chance to achieve the primary standards as well as their hope for normal energy supply. The "go-for-broke" approach taken in this vital area by the states is for gamblers; it is beneath the statesmanship of you governors.

Acting EPA Administrator Robert W. Fri also made the case for caution in recent testimony to the Senate Interior Committee this month. With not nearly enough clean fuels to go around, nor enough "reliably demonstrated stack gas cleaning equipment" available to allow coal-burning plants to meet both standards by 1975, Mr. Fri testified, meeting the more stringent secondary standards would require large coal-fired installations to shift to low-sulfur oil or gas, or use more low-sulfur coal. "This could effectively deny these scarce low-sulfur fuels to those who may require them to meet the primary standards," he said. "Thus, high priority areas that may desperately need low-sulfur fuels to meet primary standards may find themselves unable to procure these clean fuels since they will be siphoned off to meet secondary standards elsewhere."

This danger of bad distribution of clean fuel supplies, he warned, can only be heightened by another problem created by the states—the inclusion in numerous state implementation plans of "statewide emission regulations that ignore differences in air quality between regions within the state." This could lead to use of scarce low-sulfur fuel indiscriminately throughout a state rather than in areas of greatest need, Mr. Fri said.

It would be completely incredible—to sincere environmentalists and even more to the coal industry—to interpret EPA's present stance on state implementation plans as advocacy of coal over clean air. Nevertheless, EPA is today busily assuring the states that it is not simply leaving them to their own devices, but is urging the states to join in a handcrafted policy solution to the individual state's energy-environment dilemma.

Mr. Fri in his Congressional testimony also put the problem into national perspective. The aggregate state response to the Clean Air Act, he said, "threatens the economic health of the high-sulfur coal industry, endangers the jobs of 26,000 men who mine such coal, encourages the wasteful use of scarce sulfur-free natural gases in industrial boilers, and places pressure on our balance of payments through the importation of oil."

This is an indictment that I am certain

none of you governors is willing to share, whether or not your state produces coal, or depends on coal as a source of revenue and employment. But while it would be patently unfair to blame a truly national problem involving every fuel and energy source on state actions, in this critical matter of applying the federal Clean Air law every governor today has a necessary, immediate and decisive role in solving that problem.

I would be the first to admit that any deferral of sulfur regulations will require careful development of complex plans based on the individual state's air quality needs and energy resources—the theory of national standards itself is diminished in practice by the fact that all states are not alike. The coal industry has also had its feet held to the environmental fire often enough to realize that any action reflecting on the immutability of air pollution control goals is likely to create a more-than-equal reaction.

Nevertheless, you as governors must today accept these difficult challenges to planning skill and political courage if you are to serve the most urgent economic and social needs of your people, which is possible in our society only through the assured continuity of energy supply. The next five years will undoubtedly threaten our energy economy far more than the environment, and power sacrifices—as we are learning from the public uproar over the first squeeze on gasoline supplies—are hardly the way to inspire nobility toward nature. They could, in fact, produce a backlash that would set even rational environmentalism back a decade.

If you governors must justify modification of state plans to permit continued use of high-sulfur coal under the best available safeguards, you can make your case on sheer necessity. Facing a clean fuels deficit across the board, you are miserably short on options.

The options I can best speak to are a resort to low-sulfur coal and reliance on stack gas desulfurization equipment for coal-fired plants. But unfortunately, neither of these promises the solution to our immediate sulfur pollution quandary.

The conversion of coal to synthetic gas and oil or to a virtually pollution-free solvent refined product has been subjected to a painfully slow pace that precludes significant help by 1978. That is one of the penalties the nation is paying now for its past neglect of opportunities to redeem high-sulfur coal.

To put the low-sulfur coal option in realistic terms, we must look not only at the nation's reserves—which are admittedly huge—but their practical availability, especially to consumers who need them most.

The U.S. Department of the Interior has published a document—"Sulfur Content of United States Coals"—which points out that 65 per cent of our estimated national coal reserves contain 1 per cent sulfur or less. But before we translate that into a windfall of more than 1 trillion tons of relatively acceptable coal supply, we had better note that the Interior study covers coal of all ranks and its detailed analysis of sources is far less comforting than its off-the-top conclusion.

Bituminous coal is the mainstay of the coal industry's national electric utility and industrial markets, but the percentage of reserves meeting the 1 per cent sulfur content test drops dramatically below the all-coal average—down to only 30 per cent. That is still a lot of low-sulfur coal, but unfortunately it is like parking space—the most availability and the greatest need seldom coincide. The major tonnages of low-sulfur bituminous coal are laid down in Alaska, Colorado, New Mexico, Utah, Washington, and Wyoming. With the exception of reserves in Virginia and West Virginia, which are already dedicated for the most part to metallurgical use in support of the nation's vital steel industry, little of our low-sulfur bituminous coal is near present hungry markets in the Midwest and the East.

Switch Montana for Utah and the major deposits of subbituminous coal follow the geographic pattern of low-sulfur bituminous; so, despite the fact that 99 per cent of subbituminous reserves are figured at 1 per cent sulfur or less, they are far removed from the electric utility plants that need them. That is even truer for our reserves of lignite, nearly all of which are located in Montana and North Dakota. Ninety per cent of lignite reserves meet the 1 per cent sulfur criterion, but so far that has been a local power blessing—one, by the way, that Texas with its much smaller lignite deposits has started to take advantage of.

Certainly anthracite—locked into northeastern Pennsylvania—does not change the low-sulfur coal supply. Besides, its combustion characteristics make it impractical for use in plants designed to burn bituminous coal.

So far the Interior study shows under scrutiny that the practical national supply of low-sulfur coal is not really the sum of its reserve parts. But there is another important limiting factor—subbituminous coal and lignite are not only low in sulfur but also comparatively low in heat value of Btu. Many air pollution control ordinances have fixed their sulfur limits not in percentage by weight but in a fraction of a pound per million Btu of plant input. Thus, the lower Btu coals that predominate in the West face a tighter restriction on sulfur by weight than even eastern or midwestern high-sulfur but also high-Btu coals. In all cases, however, this method of limiting sulfur according to heat input is another turn of the screw tightening the available low-sulfur coal supply.

Heat value is a heavy consideration in the use of abundant western low-sulfur coals at remote points of need, as well as the more obvious transportation problem. Only this month, the Tennessee Valley Authority apparently gave the Btu difference between western coals and those available in its operating region decisive weight in withdrawing from a coal slurry pipeline venture that was proposed as a means of bringing long-distance coal movements within TVA's economic reach.

From all of this it is obvious that if low-sulfur coal is to be a substantial answer to present clean energy needs, we must move the nation's coal-fired electric generating capacity to where the fuel is—in the West—or develop a massive transportation network to bring the fuel to existing power generation centers. Both options involve mind-boggling costs and physical complexities, and a completion time that would make 1975 or 1977 air quality deadlines fade into bad history.

It should also be clearer now to the most dedicated environmentalist why EPA is talking about a low-sulfur coal gap by 1975. Mr. Fri told Congress that EPA estimates an annual deficit of at least 100 million tons of coal. Even conceding that this is the lowest of current estimates, he pointed out that his figure represents about one-sixtieth of the coal currently used.

That low estimate, according to EPA sources, is conditional—it could stand up if additional clean fuel supplies and some stack gas desulfurization systems became available, and if some fuel switching occurred. Otherwise, the annual low-sulfur coal gap could widen to 250 million tons. That is, in itself, a possibly optimistic revision of the 325 million ton deficit (assuming no fuel switching and no use of flue gas desulfurization) estimated by the Mitre Corporation think-tank in its 1972 draft of a study commissioned by EPA on the impact of state implementation plans on fossil fuel availability in the near term.

Implicit in the Mitre report is the conclusion that the real crunch will come in states with regulations limiting coal to 1 per cent sulfur or less. Specifically, the report listed the states that would be most affected by the clean coal shortage—Michigan, Wisconsin, Illinois, Indiana, Ohio, Kentucky, Tennessee, Alabama, Georgia, and New York. That is a major slice of coal's present and future market.

The report suggested only two alternatives to low-sulfur coal demands in hard-hit areas—modify state sulfur limits to allow more use of higher sulfur coal, or send abroad for low-sulfur oil to make up the low-sulfur deficit at a cost to the national balance of payments of several billion dollars.

EPA has not officially embraced the Mitre report, but its current strategy of urging the states to defer secondary air standards and its open-arms policy on variances from sulfur regulations where necessary for energy supply show that the Federal Government has finally got the message. Now it is up to the governors of our states to take the initiative, to make the controlling decision, and to choose between a speculative incremental increase in air quality and a certain, debilitating loss of energy from coal. Neither the coal industry nor the national energy supply can stand rejection of coal that does not measure up to increasingly arbitrary and exacting environmental ideals.

So we come to the second coal-saving option—removing sulfur pollutants from stack gases. The rationale behind this technology—cleaning the air we breathe—is eminently more sensible than the legislated approach of restricting the amount of sulfur in coal before it is even burned. As we have seen, EPA is hoping that flue gas desulfurization will help trim the low-sulfur fuel deficit somewhat by 1975, and the coal industry sees it as a key tool in its short-term survival kit, but the ominous fact is that this technology, while measurably advancing, is not progressing fast enough for a cavalry charge against the energy crisis.

Some 27 full-scale sulfur dioxide removal systems, using an ingenious variety of methods including boiler additives, chemical scrubbing of flue gases, and catalytic conversion of SO_2, are planned or have been installed on electric generating units of 100 megawatts or more in the United States, and most of them are currently operating under test conditions. But the expert consensus is that none of these process units has yet shown commercial acceptability commonly defined as satisfactory, reliable full-scale performance.

Electric utilities, in short, are searching for an around-the-clock flue gas desulfurization system that will suit their own set of plant conditions, and they will not move up to wholesale ordering of control equipment at multimillion-dollar cost until they are convinced that the equipment will work as specified. Even if that day comes sooner than anyone now expects, it will still take years of grinding expense to build, install, and shake down enough control systems to make a significant dent in our low-sulfur fuel problem.

The development of stack gas cleaning systems must be pursued and greatly accelerated as a national priority effort for both cleaner air and adequate energy, but it is unlikely to bolster that balance of interests enough in the next five years. A federal interagency group, the Sulfur Oxide Control Technology Assessment Panel, reported last April on its share of a government evaluation of state air implementation plans. The SOCTAP report pointed out that the potential 1975 low-sulfur coal deficit of 250 million tons chargeable to state plans is equivalent to 100,000 megawatts of steam-electric plant capacity, but less than 15,000 megawatts of sulfur oxide control is expected to be available by 1975.

As tight as electric power supply is and will continue to be, every megawatt is critical to someone, somewhere—and only the most dedicated environmentalist could grit his teeth and bear megawatt shortfalls when they reach the light switch. I do not believe the American public is ready for the concept of what we might call "negawatts"—the measure of power it must do without as the price of rejecting coal that has even a marginal excess of sulfur.

The heart of the matter, then, is that neither low-sulfur coal nor flue gas desulfurization is ready to preserve a domestic full-energy economy. If we could manage to move big enough tonnages of low-sulfur western coal eastward to existing power load centers, the physical makeup of that coal would impose serious combustion problems on boilers designed for eastern and midwestern high-sulfur coal. Utilities have also found that reducing the sulfur in the coal they burn cuts into the efficiency of the electrostatic precipitators they depend on to remove 99 per cent or more of the fly ash that clean air advocates will not tolerate in plant emissions. TVA, among other power systems, recognizes that low sulfur is a mixed blessing—it now plans to put a little sulfur, in the form of sulfur trioxide, back into stack gases to maintain dust collection performance.

There is also another side to the coin in flue gas desulfurization. These systems will produce large quantities of sulfur products for which a market must be found—and that will not be a simple problem in economics—or they will generate large volumes of so-called "throwaway" chemical sludge materials, and finding a good place to throw them away will become just one more element in our huge environmental waste-disposal nightmare.

So we come back to our normal national coal supply as the only practical prop of rising energy demand for at least the next five years. Redemption of high-sulfur coal is not that close at hand, and we must continue to use the fuel we have or risk the energy consequences. And today the choice of megawatts is yours.

Permitting the continued use of available coal is the crux of the involvement of the nation's governors in this most significant environmental issue that will determine the fare of the American coal industry and the shape of our energy future. As a result of the federal posture on phasing in sulfur standards, the governors have sole responsibility for saving a substantial part of the coal industry's productive and economic strength, thereby providing desperately needed energy within the five-year period we are focusing on today.

The governors can accomplish this by correcting the defects we now all recognize in the states' implementation programs and, in a broader sphere, by affirmatively supporting a congressional reevaluation of the means specified in the legislation to achieve implementation of the Clean Air Act.

Let me emphasize that the American coal industry's argument is with these means, and not with the goals of the Act. We contend that the means of implementation specified in the Act are not irrational but have already proved to be counterproductive in attaining the goals themselves. Practical experience during the past three years should have taught us something—if only that the legislative obsession with the amount of sulfur in the fuel and in the emissions rather than the quality of the air people breathe—which is, after all, the real goal of the Act—has brought our environmental hopes on a collision course with the stark realities of our energy supply.

We must reappraise our implementation of the Clean Air Act today on the basis of those insights acquired during the past three years. Perhaps in the context of a very real energy crisis, a reevaluation of the means of implementation will diminish the present zealous and myopic regard only for fixing absolute and arbitrary limits on sulfur in the fuel.

I want to employ this forum, in which I have the unique opportunity and the high privilege of addressing governors of the United States, to appeal to your courageous vision—to urge you to speak out firmly and boldly for an immediate reappraisal by Congress not of the goals of the Clean Air Act of 1970, but of the means of implementing it.

Your leadership was never needed more. Last week's Supreme Court decision in the nondegradation case makes amendment of the Clean Air Act a matter of urgent national need. I must assume that if we intend to keep this nation hinged together and running, that ruling cannot stand unchanged. But since the Act must necessarily be reopened in any event, I urge you to support the efforts of the American coal industry to achieve more rational and productive means of implementing its goals. Specifically, I urge the Southern Governors Conference to adopt a resolution directed to the Honorable Jennings Randolph, Chairman of the Senate Public Works Committee, requesting that his Committee initiate immediate hearings on the need for essential modification of the Clean Air Act. The National Coal Association is today releasing the contents of my letter dated June 22, 1973, formally requesting Senator Randolph to hold such hearings. The scope of these hearings should include the obvious need to modify the Supreme Court's action on the nondegradation issue. In addition, recognition must be given in such hearings to the fact that abatement standards should relate to ambient air conditions and not simply a universally applied stack emission limit as in the case of the EPA new source standards. That sulfur limit was set without any concern for the ambient air condition in the area in which new power plants were to be located.

In addition, it is illogical to burden every existing plant in a state with one very stringent standard which is based on the single worst condition in the state. Abatement standards for existing plants should also be related to the effect of those plants on local ambient air conditions. In many cases this change would allow power plants to continue to use available coal or return to coal, allowing much needed oil and gas to be restored to farms, trucks, and aircraft.

I also believe that if we are to meet both the energy and environmental needs of the nation, EPA and the Congress must recognize the need to add alternate strategies of control to the present simplistic method of setting fuel sulfur limits. For example, intermittent control strategies involving use of low-sulfur fuels or load switching and load reduction during periods of high pollution would allow use of our available coal supplies for much of the year. High stacks, too, with their resultant dispersion, should be recognized as an additional tool to be used in achieving clean air.

The energy-shortage price the nation is paying today for the clean air ideas of tomorrow is unacceptable, and in the coming peak years of the energy crisis will be intolerable. We still have time to right the balance and avoid creeping disaster, but all of us—you governors, federal lawmakers, fuel suppliers, and energy-dependent citizens—must act now to insure that we can reach the nation's goals of both clean air and adequate energy. But most importantly, the choice of megawatts or negawatts is now in your hands—the governors of these United States.

EXHIBIT 3

[Cost of Living Council News Release, July 3, 1973]

SPECIAL FREEZE GROUP QUESTIONS AND ANSWERS NO. 15

1. Q. A firm imports 98 octane gasoline, the cost of which has increased 2c per barrel since June 12, 1973. The firm commingles this gasoline with naphtha and adds lead. The octane rating remains unchanged. May the firm pass through the increased cost of the 98 octane unleaded gasoline?

A. Increases in the landed costs of imports incurred after June 12, 1973 may be passed through on a dollar-for-dollar basis provided that the import is not physically transformed or used as a component of another product. The addition of lead to imported gasoline does not physically transform the gasoline nor make the gasoline a component of another product. Whether the question of naphtha physically changes the imported gasoline depends upon whether the additives change the octane rating of the gasoline. In this case, the naphtha did not change the 98 octane rating of the imported gasoline. Therefore, the 2c per barrel increase in the cost of the imported 98 octane rating unleaded gasoline may be passed through on a penny-for-penny basis.

2. Q. Seller sold to a particular class of purchasers 98 octane rating gasoline for 43.9c per gallon during the freeze base period. On June 20, 1973, seller substituted 96 octane gasoline and is charging 43.9c to the same class of purchasers. Does the substitution of 96 octane for 98 octane gasoline sold at the same price constitute a price increase in violation of the freeze regulations?

A. Yes. The 96 octane gasoline is of lower quality than 98 octane gasoline and generally less expensive to produce. The substitution of a lower octane for a higher octane gasoline without a proportional price decrease is a price increase and is in violation of the freeze rules. The seller would compute his freeze price for a class of purchasers for the 96 octane gasoline as the price charged that class of purchasers during the period June 1 through 8, 1973. If the seller did not sell 96 octane during that period, he would use the price charged during the most recent 7-day period preceding June 1 through 8, 1973, when he sold 96 octane gasoline. If he has not sold 96 octane during the one year period immediately preceding June 20, 1973, he may use the new commodities rule to compute the freeze price.

3. Q. In Freeze Group Questions and Answers No. 3, Question 1 makes clear that a buyer and seller are obligated to adhere to the freeze prices and may not perform at a contract price above the freeze price. Therefore, a seller may decline to perform completely if he wishes when the contract requires a selling price above the freeze price. How is this ruling applied to the contract sale of petroleum under an allocation system?

A. As set forth in the prior Q & A, the seller may be excused from his contractual obligations. However, a seller of petroleum may have noncontractual obligations to a particular buyer under an allocation program. The price freeze rules may excuse the seller from his contractual obligations, but nothing in the freeze rules releases the seller from his noncontractual obligations under an allocation program.

4. Q. Is the freeze price for crude petroleum determined by the producer or the purchaser?

A. The freeze price for crude petroleum is determined by the producer as the highest price at or above which at least 10% of the transactions from that field and for that grade of crude, and with the class of purchaser concerned were priced during the period June 1 through 8, 1973. In many cases this freeze price may be less than the prices posted by purchasers of that particular crude from that particular field.

5. Q. After June 13, 1973, a firm purchases 2,000 gallons of imported gasoline at 21¢, an increase of 1¢ per gallon over the price the firm was paying for the same gasoline on June 10. The firm also purchased 8,000 gallons of domestic gasoline of the same octane which it commingled with the imported gasoline. The freeze price for the domestic and imported gasoline is 19¢ per gallon. At what price can the firm sell the gasoline?

A. Subject to the limitations of Special Rule No. 1 of the Phase III regulations which is still in effect during the freeze, the firm has two choices: (1) It may sell the 10,000 gallons of gasoline at 19.2¢ per gallon. This figure is derived by calculating the increased cost incurred (1¢×2,000=$20.00), averaging the increase over all 10,000 gallons of gasoline purchased ($20.00 divided by 10,000 equals .2¢) and adding the average increase to the freeze price (19¢+2¢=19.2¢). (2) Instead of averaging, the firm may alternatively add the 1¢ per gallon increase to the 19¢ freeze price of the imported gasoline. If the firm chose this method, it would sell 2,000 gallons of imported gasoline at 20¢ per gallon.

6. Q. During the freeze base period, a producer sold to a single class of purchaser 5% of his crude oil with a specific gravity of 40 degrees from a particular field at $4.00 per barrel, 5% at $3.75 and 90% at $3.50. What is the freeze price?

A. The freeze price with respect to this class of purchaser is defined as the highest price at or above which at least 10% of the transactions with that class of purchaser during the period June 1 through 8, 1973, took place. Here, the highest price at or above which 10% of the transactions took place is $3.75.

7. Q. A company which derives revenues in excess of $250 million from the sale of petroleum products and crude petroleum imports petroleum products for resale. The company passes through increased costs of those imports by commingling the imports with the domestic product and averaging the price increase over the imported and domestic product. Is this company subject to prenotification and profit margin constraints if it has reached a weighted annual average price increase level of 1.5%?

A. Yes. If a company which refines and imports gasoline commingles the domestic and imported gasoline and sells it all at one price, it may increase that price to reflect increases in the landed cost of the imported gasoline incurred after June 12, 1973.

However, the freeze regulations are in addition to the Phase III regulations and do not supersede those regulations. The freeze regulations will not operate to permit prices higher than permitted under Phase III regulations. Special Rule No. 1 of the Phase III regulations requires a firm which derives $250 million from the sale of covered products to prenotify price increases which exceed 1.5% on a weighted annual basis. An increase in the selling price of domestically refined gasoline to reflect increases in the cost of imported gasoline which is commingled with the domestic gasoline is a price increase for purposes of Special Rule No. 1. Therefore, a firm which has increased prices on a weighted annual average basis of 1.5% may not pass through the increased cost of imports by averaging unless the firm has prenotified and received approval for the price increase from the Cost of Living Council. For purposes of prenotification under Special Rule No. 1, the firm must show that the price increase above 1.5% will not cause the firm to exceed its base period profit margin.

8. Q. The posting for crude in X field was $3.50 from June 1 through June 10. On June 11, 1973, the posting was increased to $3.60, retroactive to June 1, 1973. What is the freeze price?

A. $3.50. The freeze price is the highest price at or above which crude was priced in 10% of the transactions during the period June 1 through 8, 1973. A transaction in oil occurs when the oil enters the pipeline. In this case the posting, effective for the oil entering the pipeline on June 1 through 8, 1973, was $3.50. The freeze rules prohibit a producer from charging and a purchaser from paying more than $3.50 per barrel for crude entering the pipeline after 9:00 p.m., e.s.t., June 13, 1973.

9. Q. A product was shipped on June 10, 1973 at a price which exceeds the freeze price. The product and the bill were received by the purchaser on June 15, 1973. Must the customer pay the higher price which exceeds the freeze price?

A. Yes. The freeze applies only to transactions occurring on or after 9 p.m., e.s.t., on June 13, 1973. A transaction occurs when a product is shipped or a service is performed. This transaction occurred on June 10, 1973 prior to the freeze. Therefore, the price charged is not subject to the freeze.

10. Q. A wholesaler sells gasoline in City X and City Y. The wholesaler has established freeze prices at each city, but recently has been cut off by its supplier at City X. The wholesaler can offer gasoline to all its customers from terminals at City Y. May the wholesaler charge his customers at City X the freeze price at City Y plus transportation charges to bring the product from City Y to City X?

A. No. The seller has a freeze price with respect to the customers in each city. He has never charged for the transportation cost in transporting the gasoline and may not now charge for transportation.

11. Q. An importer of crude, has incurred a 10¢ increase in the cost of the crude over the June 12 cost. Pursuant to the import cost pass on rule, the importer increased his selling price of crude by 10¢. The importer sells this crude to a refiner. May the refiner increase the product price on a dollar-for-dollar basis for products refined from the higher priced imported crude?

A. No. The import cost pass on rule allows any person who imports or resells an imported commodity to pass on, dollar-for-dollar, increases in the landed cost of an import incurred after June 12, 1973 only so long as the commodity is neither physically transformed by the seller nor becomes a component of another product. The refiner has physically transformed the imported crude by refining it. Therefore, he may not use the dollar-for-dollar pass through rule to increase the price of products refined from the imported crude.

EXHIBIT 4

U.S. SENATE,
Washington, D.C., July 9, 1973.

Dr. JOHN T. DUNLOP,
Director, Cost of Living Council, Washington, D.C.

DEAR DR. DUNLOP: In the *Special Freeze Group Questions and Answers No. 15*, issued by your office on July 3, 1973, Questions and Answers 5 and 7 deal with the issue of the averaging of increased costs on foreign petroleum products purchased for resale with the costs of domestic manufactured products. I understand this release was issued to clarify the uncertainty within the industry. However, after reviewing these questions and answers, it appears the basic issue has not yet been resolved.

My concern involves the situation wherein a firm desires to purchase extremely high-priced foreign petroleum products for import. Under Phase III rules, as issued on May 11, 1973, a firm was allowed to purchase petroleum products and pass on cost increases without charge against the 1.5% authorized increase and without prenotification so long as it did not exceed its permitted reseller margin on sales of these products. Under prior regulations the firm had been chargeable with all price increases against the 1.5% without regard to the product origin.

Now, under the 60-day freeze regulations and your clarifications of July 3, 1973, the reseller provision is limited to a dollar and cents pass through on imported commodities. So long as the cost of these imports is not averaged into the total product pool, such increase can apparently be passed on to customers purchasing the particular product without charge against the 1.5% authorized increase. However, this pass through will continue the apparent discriminatory treatment against those customers who due to geographical location or some other reason must be served by imports.

In order to sell these higher cost imports at an equitable price, the firm needs to average the cost of these imports over all its sales of the same product including those to customers presently purchasing the lower priced domestic products. I understand that even though such averaging is now "permitted," any firm which prices in this manner will be penalized by absorbing the increased costs within the authorized 1.5%.

It is my understanding that so long as a firm does not exceed the 1.5%, it is not subject to profit margin limitation. Yet by averaging these higher cost imports, upon which the firm can earn no additional profit, if the firm is caused to exceed the 1.5%, it will be bound by the profit margin limitation. If it is presently in excess of the profit margin, but not over the 1.5%, I have been informed that the COLC may not grant approval for further price increases exceeding the 1.5%.

I believe that this policy will effectively discourage additional imports since they can only be sold to certain customers willing to absorb the entire cost increase. Moreover, the prenotification and approval requirement would seem to be impractical in handling the pricing of imported petroleum products. Decisions as to purchases of such products and arrangements of related transportation must be made instantaneously whenever and wherever product and shipping are found. The COLC requirement for approval with attendant uncertainties of outcome and timing are not suited to the conditions of the marketplace, particularly in a period of shortage.

I would appreciate your response to my questions and if I can be of assistance to your office, please let me know.

Sincerely,

MARLOW W. COOK,
U.S. Senator.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 10 minutes, with statements therein limited to 3 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOUTHERN MARYLAND ELECTRIC COOPERATIVE

Mr. MATHIAS. Mr. President, last night I had the interesting experience of attending the annual meeting of the members of the Southern Maryland Electric Cooperative.

Since the Senate, during recent months, has been engaged in legislation dealing with rural electric cooperatives, I thought it might be interesting to see the work that this cooperative is doing, the reflection of that work on the life and progress of Southern Maryland, and some of the difficulties that face the members of the cooperative as a result of some of the legislative changes that have been made in the REA statutory structure.

Therefore, I ask unanimous consent that a copy of the president's annual report and the treasurer's annual report be inserted in the RECORD at this point.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

REPORT OF JAMES P. BOWLING, PRESIDENT OF THE SOUTHERN MARYLAND ELECTRIC COOPERATIVE FOR 1972

Good evening, fellow members, guests and friends: On behalf of your board of directors, I once again welcome you to the annual members' meeting of your cooperative. It is indeed a pleasure to see your smiling faces and I hope you will still be smiling after the prize drawing—good luck!

This is the thirty-fifth such occasion on which we have come together. As the old saying goes, a lot of water has gone over the dam since this, your business, was first organized in 1937. It was quite a feat for a few dedicated people. They are to be commended for their foresight and hard work. However, without your assistance, continued cooperation and interest, as evidenced by your attendance here this evening, your business could not have flourished as it has. We started out with a small office in Welcome and 165 miles of lines. From some of the figures I will pass on to you, you will be able to picture the growth of your cooperative and the entire area in the past thirty-six years.

The quality and continuity of the service you receive is foremost and your board of directors is dedicated to this purpose, as are all of your cooperative's employees. All decisions are made with this thought uppermost in our minds. We are here to serve you to the best of our abilities and we strive to do just that.

Nowadays, we all tend to take electricity for granted but some of us still remember the days of the kerosene lamps, carrying buckets of water, no air conditioning, and so forth. When we remember the "good old days" as they are sometimes called, we realize what a priceless possession electricity is. In this day and age, we would be lost without it. To this purpose we dedicate our energies—to bring you the best, most reliable, low cost electric service possible.

You have all heard recently on the radio, television and other media, the notification by other power suppliers of a reduction in power of up to five percent and have wondered "how is this going to affect us?" So far, this has not affected us too much but it could and we may have to ask our member-consumers to turn off unnecessary lights and appliances, reduce the usage of air conditioners, and in general, economize in any way possible. We hope this will not be necessary; however, if it should—we know we can count on our people to pitch in and switch off—as you have done before when things got tight.

Our last loan from the rural electrification administration and the cooperative finance corporation totaling more than five million dollars got in under the wire and was approved just prior to the order abolishing low cost, two percent interest loans to rural electric cooperatives. These loans are desperately needed by the cooperative for capital to provide service to present and future consumers. Legislation has recently been passed that will allow funds to be provided under guaranteed-insured loans at five percent. These funds are limited, however, to the amount appropriated by the Congress and will fall far short of our requirements. The excess must be borrowed from sources other than the Federal Government at interest rates of at least seven percent.

Due to the curtailment of low interest funds, it will be necessary for many cooperatives to look to the outside money market for loans, at a much higher interest rate of course. In order to do so, a change in the Maryland Electric Cooperative Act was necessary. This legislation was passed during the last session of the Maryland Legislature and on behalf of our board of directors, I would like to again say "thanks" to our state Senators and members of the House of Delegates for their assistance in the passage of this amendment.

Now, we have to amend our bylaws to allow us to borrow operating capital from sources other than REA and CFC. This amendment was set forth in the notice mailed to each member and appears on the ballot. This action is urgently needed and we ask you to vote "for" the amendment to the bylaws. If you have any questions, our attorney will be glad to answer them a little later on in the meeting during the "new business" portion. Again, and I cannot stress this too strongly, the bylaws amendment is vital to our operation and our ability to serve our present member-consumers and to take care of the many new people moving into our area every day.

Due to the rate increase effective in May of last year, we are once again in the black. 1972 saw an increase in almost every way. We are still breaking records. In fact, your cooperative is the largest of the one thousand electric cooperatives in the United States. As of the end of 1972, we were serving more than forty-three thousand consumers with over four thousand miles of lines in operation. This is ten and eight tenths consumers served per mile of line. Almost two thousand new member-consumers were added in 1972. Purchases of electricity increased by over 49 million kilowatt hours. Revenue increase by more than a million seven hundred thousand dollars and expenses continued to increase by over 600 thousand dollars. Since I don't want to spoil your evening, I won't dwell on the price rise as we are all feeling the pinch.

Thirty-eight miles of new lines were built and many heavied up to provide for more capacity and greater reliability of service to our present and new member-consumers.

Members' equity in the system is almost ten million dollars or about twenty-eight percent of the total assets of our cooperative, which are more than thirty-five million dollars. This is an increase over 1971 by about five million dollars. Some idea of the growth of our cooperative can be obtained if these figures are set off against the cooperative's first loan, which was in the total amount of one hundred sixty-five thousand dollars ($165,000). This is quite a record isn't it?

Plans for construction during the coming year include almost thirty-four miles of new and rebuilding of present transmission lines in Charles County, which is the fastest growing county in our service area at this time. We also plan to rebuild three substations at Waldorf, St. Charles and La Plata, to increase the capacity of these stations in order to keep up with the increased demand. During the past year a second circuit was constructed between Chalk Point and Hughesville.

In Calvert County, we expect to increase the capacity of our Sunderland and St. Leonards substations by rebuilding so we can keep up with the development of these areas.

During the past year much work was done in St. Mary's County to keep abreast of the growth being experienced in that county. Two new substations were built, one at Ryceville, which is actually on the Charles County line but will serve parts of both Charles and St. Mary's, and one at Piney Point. New 69,000 volt transmission lines were built, from New Market to Ryceville and from Valley Lee to Piney Point. The existing 69,000 volt line from Hughesville to Milestown was also rebuilt to provide greater capacity.

As reported last year, we are still hoping to receive approval to attach a 69,000 volt line to the new bridge from St. Mary's County to Solomons, Calvert County. This would insure greater capacity and reliability of service to Calvert County as it would be a third supply line, which is needed.

In conclusion, I would like to again thank you for your assistance and support. As you can see, your efforts have indeed been rewarded Your business is continuing to grow and to fulfill its purpose—that of bringing low cost electricity to the area and its people. Your board of directors and employees will continue to maintain the highest standards of service possible. It is a pleasure to be associated with this great organization and the people that make it click.

Good night and have a good year.

REPORT OF JOHN W. WILLIAMS, JR., TREASURER OF THE SOUTHERN MARYLAND ELECTRIC COOPERATIVE FOR 1972

Greetings, fellow members and friends: As your treasurer, it is again my pleasure to greet you and report to you briefly on the financial operations of your business for the past year.

In accordance with established custom, a detailed and comprehensive report was forwarded to each of our member-consumers in the March–April issue of our newsletter, the Co-op Review. This report contains a statement of income and expenses, balance sheet and information section for 1972 with a comparison to 1971. This report also includes a graph showing how your co-op dollar was spent, along with other information of interest to all of us. Please examine this report, if you have not already done so, as it tells the story of your cooperative's finances. If you did not receive your copy or would like to have additional copies, please contact our Hughesville office and they will gladly send them to you.

Our account books were maintained in accordance with the public utility uniform system of accounts and the operating statement and balance sheet were prepared in conformance with these regulations. Your cooperative's financial position is fairly and accurately presented in this report.

The annual audit of the cooperative's books was completed and certified by the public accounting firm of Peat, Marwick, Mitchell and Company of Washington, D.C.

At this time, I would like to review briefly some of the more important items contained in the annual report, which reflect the financial position of your cooperative.

Our total approved loans at the end of 1972 were almost thirty million dollars ($30,000,000.), most of which has been drawn. This does not include the most recent loan of more than five million dollars ($5,000,000,), which Mr. Bowling just reported. Low interest loans, such as that loan, will no longer be available to your cooperative. Some 2% loans will be used by some electric cooperatives, but the guidelines are now so stringent that we could not qualify, and this is where CFC comes into the picture. I want to elaborate on CFC for just a minute, CFC stands for National Rural Utilities Cooperative Finance Corporation. You can understand why we say CFC. CFC is a nationwide organization designed to partially fulfill the credit needs of electric cooperatives. The need arose for CFC due to more capital being necessary for expansion than Congress appropriated for low interest loans. CFC is not a Government agency, but is owned and operated by its members and is similar in some respects to the farm credit system. Your cooperative is a member of CFC and is borrowing money from this source as well as the U.S. Government through R.E.A. Rural Electric Administration.

This leads me into the next subject: The amendment on your ballot. Your cooperative could be in a situation where REA and CFC could not furnish all of our credit needs by voting for the amendment you are allowing the board of directors to borrow from sources other than REA and CFC. This is another step in long range planning for continued improvement of services to all of the consumer members of this cooperative.

Now back to the figures having to do with this report. We repaid more than seven hundred fifty thousand dollars ($750,000.) on principal last year, making the total amount repaid on our loans more than seven million five hundred thousand dollars ($7,500,000) as of the end of 1972. More than four hundred forty thousands dollars ($440,000.) was paid in interest in 1972. As of the end of the year, we owed about twenty-two and a half million dollars $22,500,000.) on our loans from REA and CFC.

All payments of interest and principal were made when due and on time.

As of the end of 1972, the assets of your business were more than thirty-five million four hundred thousand dollars ($35,400,000), with liabilities of more than twenty-five million four hundred thousand dollars ($25,400.00). Your equity in the system is now about ten million ($10,000,000.), almost a million more than 1971.

1972 showed a profit of more than nine hundred thousand dollars ($900,000.) which means that this amount was credited back to your capital credits accounts.

Now, I know you are thinking—when are these capital credits going to be refunded? That's a good question—one to which I would like very much to be able to give you a definite answer. However, there are certain restrictions having to do with our loans to REA and CFC that would not allow us to pay capital credits until our debt ratio is improved. This is sort of an impossible situation. In an area such as these four counties with the demand for additional electric service we are caught in the circle: the more growth, the more money needed for new lines, equipment, the more credit needed to buy these things for the service you need. If this area was not growing, if it was not progressive things would be different. We are glad to be a part of and participate in the growth that is necessary for all of us in today's living. As soon as it is possible to do so, another retirement of capital credits will be made. When this time comes, this announcement will indeed give us great pleasure.

Total revenue for 1972 was more than twelve million dollars ($12,000,000.), an increase of over one million, seven hundred thousand ($1,700,000.). Operating expenses and other costs came to more than eleven million dollars ($11,000,000.), an increase of seven hundred thousand ($700,000.) over 1971.

As evidenced by the number of digits in these figures, your cooperative is big business and your board of directors is constantly aware of its duties and responsibilities to you, its member-consumers. We are doing our utmost to improve the quality of your service and to take care of all of our new member-consumers coming into the area every day.

Real estate and operating taxes in the four counties in our service area increased by more than twenty-five thousand dollars ($25,000.), making a total of more than three hundred thirty thousand dollars ($330,000.). This does not include other state and social security taxes. as you can see—we do pay taxes even though we are a nonprofit organization.

I realize that because of the size of the figures and the complexity of our operation, it is rather difficult to present a report which is readily understandable to everyone. That is why we try to simplify the statement as far as possible. In any event, be assured that the figures properly reflect the condition of your business, which I am glad to say, is excellent. As owners of your cooperative, this information is important. Your board of directors wishes you to be informed of these matters and to know that your interests are the governing factor in all decisions. I again ask you to examine the detailed report so you will know what steps are being taken in the administration of your business.

We will continue to grow, develop and improve. I would like to add that the growing and developing and improving of your electric cooperative will depend to a large degree upon our employees who we believe are trained and qualified and well equipped to handle the ever increasing complexities of keeping up with the times.

With this I say good-night. Thank you for coming out. It shows that you are interested and concerned. It is indeed our pleasure to be of service to you.

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR MATHIAS—DISTINGUISHED MOUNTAINEER

Mr. ROBERT C. BYRD. Mr. President, with many of my colleagues in this Chamber, I have always admired the high levels of intelligence and legislative skills that are associated with the senior Senator from Maryland. This respect is held by his peers on both sides of the aisle.

To this respect, I must now add my admiration for his perspicacity and impeccable good taste. During the Independence Day recess, I noted in a news story in the Washington Post that Senator Mathias is the owner of a sizable farm in West Virginia. We mountaineers are delighted to welcome such a distinguished representative from the Free State.

Though I have been unable to confirm the authenticity of the report, it has been stated that when the distinguished senior Senator from Maryland signed the deed giving him possession of part of the Mountain State, he quoted the famous closing lines from "A Tale of Two Cities"—

> It is a far, far better thing that I do, than I have ever done.

Mr. MATHIAS. Mr. President, if the distinguished assistant majority leader would yield, I can only give a qualified confirmation of that report. I had the good fortune to have a grandmother who was born on a farm in Jefferson County, W. Va. That farm is still in our family. We go to it with great pride and pleasure. I wish I could say that it were mine. However, I enjoy it as much as if it were, and I enjoy my association with the property as a part of family life that we have together.

It is always a pleasure on the all-to-rare occasions that we have occasion to visit Jefferson County to feel that we are under the beneficent influence of the distinguished Senators from West Virginia, Mr. Robert C. Byrd and Mr. Randolph.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator. I know that he will join me in urging my colleagues to visit the Mountain State at every opportunity that presents itself. There they may enjoy the iridescent hills, the iridescent sunsets, good food, and warm hospitality, and hopefully get some rest "far from the madding crowd."

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONSIDER S. 1328, THE HIGH SPEED GROUND TRANSPORTATION SYSTEM IN THE STATE OF CALIFORNIA, TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, in the event action is completed today on S. 1435, a bill to provide an elected Mayor and City Council for the District of Columbia, that on tomorrow, at the conclusion of the routine morning business the Senate proceed to the consideration of S. 1328, a bill to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high speed ground transportation system between the cities of Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California; and that the unfinished business be temporarily laid aside and remain in a temporarily laid aside status until the disposition on tomorrow of S. 1328 or until the hour of 1:30 p.m., whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. BURDICK) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation From Department of Agriculture

A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend Section 602 of the Agricultural Act of 1954 (with an accompanying paper). Referred to the Committee on Agriculture and Forestry.

Report on Construction Project Proposed To Be Undertaken for the Army Reserve

A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on a construction project proposed to be undertaken at Fort Wayne, Indiana, for the Army Reserve. Referred to the Committee on Armed Services.

Proposed Legislation From the District of Columbia Government

A letter from the Mayor-Commissioner, The District of Columbia, Washington, D.C., transmitting a draft of proposed legislation to amend the Act entitled "An Act to regulate the employment of minors within the District of Columbia" (with an accompanying paper). Referred to the Committee on the District of Columbia.

Proposed Legislation From Secretary of the Treasury

A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to provide for increased participation by the United States in the Asian Development Bank (with an accompanying paper). Referred to the Committee on Foreign Relations.

Reports of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Contracts With Foreign Firms Should be Priced in Local Currency", Department of Defense, dated July 6, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Russian Wheat Sales and Weaknesses in Agriculture's Management of Wheat Export Subsidy Program", Department of Agriculture, dated July 9, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

Report of Board of Directors of Federal Prison Industries, Inc.

A letter from the Commissioner, Federal Prison Industries, Inc., Department of Justice, transmitting, pursuant to law, a report of the Board of Directors of Federal Prison Industries, Inc., for the fiscal year 1972 (with an accompanying report). Referred to the Committee on the Judiciary.

Temporary Admission Into the United States of Certain Aliens

A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in the cases of certain aliens temporarily admitted into the United States (with accompanying papers). Referred to the Committee on the Judiciary.

Proposed Legislation From Department of State

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act, and for other purposes (with an accompanying paper). Referred to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. BURDICK):

A joint resolution of the Legislature of the State of California. Referred to the Committee on Agriculture and Forestry:

"ASSEMBLY JOINT RESOLUTION No. 11

"Relative to acquiring land in the Lake Tahoe Basin for public purposes

"Whereas, The Fibreboard Corporation is offering to the United States Forest Service, United States Department of Agriculture, 10,120 acres of land lying mainly within the Lake Tahoe Basin, in exchange for national forest timber in the State of California; and

"Whereas, The County of Placer has approved this transaction by resolution dated January 23, 1973, as being in the interest of Placer County; and

"Whereas, The Tahoe Regional Planning Agency has approved this exchange by resolution dated January 24, 1973, as meeting the objectives of the Interstate Compact which was approved by this Legislature, the State of Nevada, and ratified by the Congress of the United States; and

"Whereas, The Congress of the United States, in approving the Tahoe Regional Planning Compact between the States of California and Nevada directed the Secretary of Agriculture to cooperate with the regional agency in all respects compatible with the duties of his department in attaining the goals for the Lake Tahoe region; and

"Whereas, The acquisition by the United States Forest Service of the lands offered by the Fibreboard Corporation will materially aid the Tahoe Regional Planning Agency in achieving the goals under its adopted general plan for the Lake Tahoe Basin, will bring about more desirable land ownership patterns, provide additional recreational opportunities, protect the environmental qualities of the basin, and yield other public benefits; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California, in recognition of the benefits which would arise from public ownership of the lands offered by the Fibreboard Corporation, urges the Secretary of Agriculture and the Chief of the United States Forest Service to give the utmost favorable consideration to the proposal and to expedite consummation of the proposed land exchange; and be it further

"*Resolved,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to take appropriate steps to reimburse local governments for any loss of funds they would otherwise receive from the sale of the timber involved in such exchange; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Agriculture, the Chief of the United States Forest Service, the Regional Forester for the California Region of the United States Forest Service, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California. Referred to the Committee on Interior and Insular Affairs:

"ASSEMBLY JOINT RESOLUTION No. 36

"Relative to protection of the California desert

"Whereas, The State of California contains substantial desert area under the jurisdiction of the United States Bureau of Land Management; and

"Whereas, These desert areas are presently incurring significantly increased recreational use; and

"Whereas, The United States Bureau of Land Management has determined through its California Desert Study that a comprehensive plan for the development, protection, and use of the desert is urgently needed, and that this effort must be accompanied immediately with a program of critical interim management to protect the valuable and endangered resources of the desert while providing safety for its users; and

"Whereas, The fragile desert environment and its resources continue to be damaged and destroyed and visitors injured or killed because of lack of management and the Bureau of Land Management's program for the current fiscal year is 2.5 million dollars short of the funding level needed to proceed on schedule with the California Desert Program; and

"Whereas, The Bureau of Land Management lacks enforcement authority that is urgently needed to bring management and control to the greatly increasing recreational use of the California desert; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully requests the Congress of the United States to act swiftly to provide the Bureau of Land Management adequate funding to enforce the necessary laws for the protection of the California desert and to bring proper management for the protection of the resources of the lands involved; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint memorial of the Legislature of the State of Colorado. Referred to the Committee on Commerce:

"SENATE JOINT MEMORIAL No. 10

"Memorialzing the Congress of the United States to consider the problems of vehicle emission control at high altitudes

"Whereas, the federal motor vehicle control program has been primarily directed to solving emission problems existing at sea level; and

"Whereas, The larger urban centers in the state of Colorado and other Rocky Mountain states exceed federal primary ambient air quality standards largely because of motor vehicle emissions; and

"Whereas, Properly tuned motor vehicles emit approximately twice the carbon monoxide and hydrocarbon emissions at the altitude in Denver as they do when operated at sea level; and

"Whereas, It is of the utmost urgency that automobile manufacturers continue to proceed diligently toward automobile engine designs that can clean up our air and at the same time not unnecessarily use fossil fuels or unduly increase the costs of automobiles beyond a proper cost-benefit ratio in achieving emission controls; and

"Whereas, Solutions must be found to high altitude motor vehicle emission control problems; now, therefore,

"*Be It Resolved by the Senate of the Forty-ninth General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"1. That Congress amend the federal

'Clean Air Act' to recognize and stimulate solutions to the special problems related to achieving practical automobile emission standards in high altitude areas by:

"(a) Requiring new automobiles to meet federal standards at higher altitudes on a reasonable time schedule designed both to achieve clean air promptly and to assure citizens living at high altitudes of the availability of reliable and practical emission control systems on automobiles;

"(b) Recognizing the need to extend the time limit for achievement of ambient air standards in critical high altitude areas or adopt separate criteria therefor.

"2. That the provision of the federal "Clean Air Act" regarding penalties for dealers and other persons who tamper with air pollution control devices and systems on motor vehicles be amended so that dealers may make necessary modifications or adjustments to motor vehicles to achieve reduced emissions without penalties and provide that state air pollution agencies must specify or approve adjustments or modifications for high altitudes which they determine will result in lower emissions.

"3. That the Environmental Protection Agency actively assist in the solution of high altitude motor vehicle emission problems by furnishing high altitude test data, providing funding and other resources for evaluating high altitude air pollution tuneup specifications, high altitude engine modifications, and retrofit control systems.

"4. That Congress act to stimulate those solutions to the automobile emission problem which will make the least demand on the nation's energy resources.

"*Be It Further Resolved,* That copies of this Memorial be transmitted to the Administrator of the Environmental Protection Agency, the President of the Senate of the Congress of the United States, the Speaker of the House of Representatives of the Congress of the United States, and to each member of Congress from the State of Colorado."

A joint resolution of the Legislature of the State of Colorado. Referred to the Committee on Commerce:

"SENATE JOINT RESOLUTION No. 24

"Whereas, Locally originated radio news is becoming increasingly rare in the Denver area; and

"Whereas, Political leaders in our state and nation have frequently voiced concern about the increasing centralization of news coverage; and

"Whereas, Constant information of overriding public concern, as in the case of Colorado's most recent flooding, can best be dispensed through a 24-hour news operation; and

"Whereas, The broadcast dissemination of information in sufficient detail to responsibly interest citizens in their government is difficult within the constraints of the normal five-minutes-an-hour news format; and

"Whereas, Ongoing coverage of public policy news is economically unfeasible when programming emphasis is on entertainment; and

"Whereas, The existing station, KBTR, has assembled a staff capable of dealing with the varied demands of the daily news; and

"Whereas, The remarkable profitability of the current KBTR operation has not been entered into evidence; and

"Whereas, Any successor all-news station would undoubtedly be faced with an extended period of economic loss before becoming viable; and

"Whereas, The preferences of the people have not been consulted; and

"Whereas, The news-gathering capabilities of KBTR have proved invaluable to other broadcast entities beyond its range; and

"Whereas, An ownership change need not involve a format change; now, therefore,

"*Be It Resolved by the Senate of the Forty-ninth General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That the existence of a 24-hour all-news broadcast service in the Rocky Mountain West has made a valuable and effective contribution to the public interest.

"That the Federal Communication Commission is hereby petitioned to consider the valuable contribution this 24-hour news service has made to the public interest in making any decision involving the nature of the service available to the citizens of Colorado.

"*Be It Further Resolved,* That copies of this Resolution be transmitted to the Chairman of the Federal Communications Commission, the President of the United States, the President of the Senate of the Congress of the United States, the Speaker of the House of Representatives of the Congress of the United States, and the members of the Congress from the State of Colorado."

A memorial of the Senate of the State of Florida. Referred to the Committee on the Judiciary:

"Senate Memorial No. 615

"A memorial to the Congress of the United States objecting to the granting of amnesty to deserters and draft evaders from the armed services of the United States

"Whereas, over two million young Americans have served in the armed forces of the United States of America in the Republic of Vietnam, and

"Whereas, thousands of these young Americans have given of their careers and lives in the service of the United States, and

"Whereas, only now are we seeing the return of those brave Americans who were held as prisoners of war by the adversary in Southeast Asia, and

"Whereas, hundreds of other Americans, refusing to serve in the armed forces of the United States have either obtained conscientious objector status or paid the necessary criminal penalties for violating the laws of our land, and

"Whereas, civil disobedience calls for disobeying a law because one believes that it is immoral and then accepts the punishment for violating that law, it is quite another matter to expect the society that made the law not to punish one for that disobedience, and

"Whereas, for a democratic government to be viable its citizens cannot pick which laws they will obey and which laws they will ignore, now, therefore,

"Be It Resolved by the Legislature of the State of Florida:

"That we are firmly opposed to the granting of amnesty to those individuals who left the United States of America rather than serve in the armed forces or pay the criminal penalties for violating the laws of the land in regard to military service, and, moreover

"We call upon the members of the United States House of Representatives and United States Senate from the State of Florida to oppose any legislative proposal which would grant amnesty to those draft dodgers and deserters who left the United States of America rather than pay the penalties for their actions, and, moreover

"Be It Further Resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate and to the Speaker of the House of Representatives of the United States and to each member of the Florida delegation to the United States Congress."

A joint resolution of the Legislature of the State of Maine. Referred to the Committee on Commerce:

"JOINT RESOLUTION

"Memorializing the Congress of the United States to extend the U.S. fisheries management jurisdiction 200 miles seaward from its boundaries

"We, your Memorialists, the House of Representatives and Senate of the State of Maine in the One Hundred and Sixth Legislature, now assembled, most respectfully present and petition your Honorable Body as follows:

"Whereas, Maine fishermen are currently losing the livelihood of generations through federal failure to control excessive foreign fishing off the coast; and

"Whereas, Federal negotiations at the "law of the sea" conference even if successful will take 6 to 10 years to ratify and implement leaving little or no protection during the interim; and

"Whereas, this inaction has prompted the Maine Legislature to declare Maine's fisheries management jurisdiction 200 miles seaward from its boundaries or to the edge of the continental shelf; and

"Whereas, the Congress of the United States must act now to extend United States fisheries management jurisdiction beyond 12 miles to the 200 mile limit before fishing stocks are exhausted; now, therefore, be it

"Resolved: That We, your Memorialists, respectfully recommend and urge the Congress of the United States to use every possible means at its command to extend the fisheries management jurisdiction of the United States without interfering with Canada 200 miles seaward or to the edge of the continental shelf and thus reduce the chances of certain depletion of fishing stocks by overfishing; and be it further

"Resolved: That a duly authenticated copy of this Memorial be immediately submitted by the Secretary of State to the President of the Senate and Speaker of the House of the Congress of the United States and to each Member of the Senate and House of Representatives in the Congress of the United States from this State."

A concurrent resolution of the Legislature of the State of New Hampshire. Referred to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 6

"Memorial to petition the Congress of the United States of America to call a convention to propose an amendment to the Constitution of the United States permitting voluntary prayer in public schools

"To the Honorable Senate and House of Representatives of the United States Congress Together Assembled,

"We, your memorialists, the Senate and House of Representatives of the State of New Hampshire in General Court Assembled, most respectfully present and petition your Honorable Body as follows:

"Whereas, Article 1 of the Amendments to the Constitution of the United States which povides "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances," has been construed by the United States Supreme Court to not permit organized prayer in public schools; and

"Whereas, the Legislature of the State of New Hampshire believes that voluntary prayer in public schools should be permitted as being consistent with the guarantees the founding fathers of the United States of America intended; and

"Whereas, the Legislature of the State of New Hampshire believes that Article 5, Part First, of the Constitution of New Hampshire has recognized every individual's natural and inalienable right to freedom of worship in accordance to the dictates of their own conscience, and this the Legislature of the State of New Hampshire believes to encompass the right of individual students in public schools to voluntarily say prayers of their own choosing on appropriate occasions in accordance with the dictates of their own conscience;

"Now therefore be it resolved, by the House of Representatives, the Senate concurring:

"1. That the Legislature of the State of New Hampshire, hereby, and pursuant to Article V of the Constitution of the United States, make application to the Congress of the United States, to call a convention for the purpose of proposing an amendment to the Constitution of the United States to the effect that: "Voluntary Prayers Shall be Permitted in Public Schools at Appropriate Times, Daily."

"11. That attested copies of this concurrent resolution be sent to the presiding officers of each House of the Congress and to each member of the New Hampshire delegation in Congress, and that printed copies thereof, showing that said concurrent resolution was adopted by the Legislature of New Hampshire, be sent to each House of each legislature of each state of the United States;

"111. That this application hereby made by the legislature of the State of New Hampshire shall constitute a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states shall have made similar applications pursuant to Article V.

"1V. That since this is an exercise by a state of the United States of a power granted to it under the Constitution, the request is hereby made that the official journals and records of both Houses of Congress shall include the resolution or a notice of its receipt by the Congress, together with similar applications from other states, so that the Congress and the various states shall be apprised of the time when the necessary number of states shall have so exercised their power under Article V of the Constitution;

"V. That since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the states in the exercise of this right has ever been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign rights and the interpretation thereof is primarily in the sovereign government making such exercise and since the power to use such right in full also carries the power to use such right in part, the Legislature of the State of New Hampshire interprets Article V to mean that if two-thirds of the states make application for a convention to propose an identical amendment to the Constitution for ratification with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment and would be limited to such proposal and would not have power to vary with the text thereof nor would it have power to propose other amendments on the same or different propositions;

"VI. That the Legislature of the State of New Hampshire does not, by this exercise of its power under Article V, authorize the Congress to call a convention for any purpose other than the proposing of the specific amendment which is a part hereof, nor does it authorize any representative of the State of New Hampshire who may participate in such convention to consider or to agree to the proposing of any amendment other than the one made a part hereof;

"VII. That by its actions in these premises, the Legislature of the State of New Hampshire does not in any way limit in any other proceeding its right to exercise its power to the full extent;

"VIII. That the Congress, in exercising its power of decision as to the method of ratification of the proposed article by the legislatures or by conventions, is hereby requested to require that the ratification be by the legislatures.

"Adopted May 24, 1973."

A joint resolution of the General Assembly of the Commonwealth of Pennsylvania. Referred to the Committee on Finance:

"SENATE OF PENNSYLVANIA RESOLUTION

"Resolved (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the President and the Congress of the United States that the statutes, policies, programs and rules and regulations of the United States government relating to programs for the assistance of senior citizens be developed, and amended if necessary, so that no senior citizen shall be discriminated against in any program because he is not a welfare recipient; and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the United States and to the presiding officer of each House of Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States."

A concurrent resolution of the Legislature of the State of South Carolina. Referred to the Committee on Finance:

"CONCURRENT RESOLUTION

"Memorializing Congress to enact such legislation as will eliminate inequities and discrimination in the Social Security Act

"Whereas, the Social Security Act incorporates inequities that have translated the application of the provisions of the act into such discrimination that it has created unnecessary hardship and apathy; and

"Whereas, the disparity in treatment of and the quaint computation for determining disposition of benefits to husband and wife, widow and widower and the children of beneficiaries lessens the altruistic and salubrious purposes of the original concept of the act; and

"Whereas, there is grave concern that should the inequities remain uncorrected benefits will be misdirected leaving those most in need unaided; certainly our citizens deserve better. Now, therefore,

"Be it resolved by the House of Representatives, the Senate concurring: That the Congress be memorialized to enact such legislation as will eliminate inequities and discrimination in the Social Security Act.

"Be it further resolved that copies of this resolution be forwarded to the President of the United States, to the two members of the United States Senate of this State, to each member of the House of Representatives of this State, to the Speaker of the House of Representatives and the President of the Senate of Congress."

A joint resolution of the Legislature of the State of Utah. Referred to the Committee on Interior and Insular Affairs:

"H.J.R. No. 28

"A joint resolution of the 40th Legislature of the State of Utah, memorializing the Secretary of the Interior, the Director of the National Park Service, the Superintendent of Grand Canyon National Park, the Superintendent of Canyonlands National Park, the Superintendent of Dinosaur National Monument, and the Congress of the United States to protect and promote proper tourism and preservation of the natural wonders of our waterways in the national parks and monuments

"Be it resolved by the Legislature of the State of Utah:

"Whereas, the majority of the river-running companies of Southern Utah are a decided asset to the environment and the economy of the State of Utah; and

"Whereas, the river-running companies headquartered in the Kane County area are aiding the local economy by hiring over 70 people; and

"Whereas, Kane and Garfield Counties are economically depressed areas with over 14% unemployed; and

"Whereas, there is apparent bureaucratic red-tape and discrimination against these river-runners to the extent that they may be forced out of total operation; and

"Whereas, these companies are totally committed to a clean, humanly sterile environment in the wilderness areas they visit, leaving behind them absolutely nothing but their footprints; and

"Whereas, these companies are being forced to submit to severe reductions in patrons; and

"Whereas, some concessioners who have never functioned at all in the past and who do not have any equipment, any supplies, or any intention of river-running, have been given an equal quota of only 320 patrons with other serious businessmen; and

"Whereas, the river-runners had an extremely short notification of the cut-back in the number of patrons allowed to travel with each company; and

"Whereas, many river-runners will not be able financially to correspond with patrons who have already booked trips with them for the coming season to tell them that they cannot find a place for them in their boats; and

"Whereas, the Kane County area merchants have begun to gear their operations to accommodate the influx of patrons for the river-running companies.

"Now, therefore, be it resolved, by the Legislature of the State of Utah that we call upon the National Parks Service, the Secretary of the Interior and the Superintendents of Grand Canyon National Park, Canyonlands National Park and Dinosaur National Monument to rescind the cut-back on such a blanket restriction, and to reconsider the proper means of accommodating our traveling public in such a way that the ultimate enjoyment of the parks can be achieved with the minimum amount of ecological imbalance, if any.

"Be it further resolved, that the legislature of the State of Utah call upon the Congressional delegation from the State of Utah to work avidly for the implementation of this resolution.

"Be it finally resolved, that the Secretary of the State of Utah, be, and is hereby directed, to send copies of this resolution to the Secretary of the Interior, the Director of the National Park Service, the Superintendent of Grand Canyon National Park, the Superintendent of Canyonlands National Park, the Superintendent of Dinosaur National Monument, to the Senate and House of Representatives of the United States and to the Senators and Representatives representing the State of Utah in the United States Congress."

A resolution adopted by the National People's Action on Housing, Chicago, Ill., in support of House Joint Resolution 512. Referred to the Committee on Banking, Housing and Urban Affairs.

A resolution adopted by the city of Baton Rouge and parish of East Baton Rouge, La., reaffirming support for the general revenue sharing program. Referred to the Committee on Finance.

A resolution adopted by the common council of the city of Buffalo, N.Y., relating to retirement and social security. Referred to the Committee on Finance.

A resolution adopted by the Idaho State AFL–CIO, endorsing the Kennedy-Griffiths Health Security bill. Referred to the Committee on Finance.

A resolution adopted by the Arizona Inter

Tribal Council, praying for the enactment of legislation to designate the fourth Friday in September as National Indian Day. Referred to the Committee on the Judiciary.

A resolution adopted by the city council of Anchorage, Alaska, in support of S. 1305, creating a national cemetery at Fort Richardson, Alaska. Referred to the Committee on Veterans' Affairs

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MONDALE, from the Committee on Labor and Public Welfare, with amendments:

S. 1191. A bill to establish a National Center on Child Abuse and Neglect, to provide financial assistance for a demonstration program for the prevention, identification, and treatment of child abuse and neglect, and for other purposes (Rept. No. 93-308).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

Gary L. Seevers, of Virginia, to be a member of the Council of Economic Advisers.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

Burton W. Silcock, of Virginia, to be a member of the Joint Federal-State Land Use Planning Commission for Alaska.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT OF H.R. 8619

Mr. MANSFIELD. Mr. President, at the request of the Senate the House has returned to the Senate H.R. 8619, appropriating funds for agriculture, environment, and consumer protection. This request was made in order to make certain corrections in the bill as messaged to the House. Therefore, Mr. President, I ask unanimous consent that star print be made of the engrossed amendments as passed by the Senate so as to make them conform to the action taken by the Senate on the bill, which inadvertently was not contained in the desk copy thereof.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HART:

S. 2131. A bill for the relief of Bogdan Bereznicki;

S. 2132. A bill for the relief of Robert J. Ebbert and Design Products Corporation, Troy, Michigan; and

S. 2133. A bill for the relief of Edward Anderson Mabin. Referred to the Committee on the Judiciary.

By Mr. BIDEN:

S. 2134. A bill to provide for annual authorization of appropriations to the United States Postal Service. Referred to the Committee on Post Office and Civil Service.

By Mr. JACKSON (for himself, Mr. PERCY, Mr. RIBICOFF, Mr. ERVIN, Mr. JAVITS, Mr. DOLE, Mr. ROTH, Mr. BROCK, and Mr. DOMENICI) (by request):

S. 2135. A bill to promote more effective management of certain related functions of the executive branch by reorganizing and consolidating those functions in a new Department of Energy and Natural Resources, by reorganizing and consolidating others in a new Energy Research and Development Administration, and for other purposes. Referred to the Committee on Government Operations.

By Mr. SCOTT of Pennsylvania:

S. 2136. A bill to amend section 107 of the River and Harbor Act of 1970. Referred to the Committee on Public Works.

By Mr. SCOTT of Pennsylvania (for himself, Mr. FULBRIGHT, and Mr. JACKSON):

S. 2137. A bill to amend the Act of October 15, 1966 (80 Stat. 953, 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act. Referred to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BIDEN:

S. 2134. A bill to provide for annual authorization of appropriations to the United States Postal Service. Referred to the Committee on Post Office and Civil Service.

Mr. BIDEN. Mr. President, I introduce for appropriate reference a bill to provide for the annual authorization of appropriations to the U.S. Postal Service. A similar measure has been introduced in the House of Representatives by Congressman H. R. GROSS.

The Postal Reorganization Act made a great stride for more efficient mail service when it effectively eliminated the long abused tool of political patronage from postal operations. However, it is obvious that the Postal Service still has a long way to go to call itself efficient. Many tough problems remain to be solved.

At present the authorization for the Postal Service is permanent. This bill would compel postal officials to come before Congress annually to detail and justify their budget requests. It would also afford an excellent opportunity for them to publicly explain the reasons for erratic service, and how it relates to their own methods of management.

For fiscal 1974 this bill would cover over $1.3 billion.

Recently, Postmaster General Elmer T. Klassen stated that he will, in all probability, ask for an increase in first class mail rates to be put into effect next January. Also, the elimination of air mail service has been implied. It is very hard for people to rationalize rate increases at a time when they think that the service they are paying for is deteriorating.

As it stands now, the Postal Service is an independent entity in the executive branch, yet its top management operates independently of the Chief Executive. Only the Governors of the Postal Service can appoint or remove the Postmaster General. Its management is directly accountable to no elected official in the entire Federal Government. This bill, therefore, insures that Congress will have keen oversight over the Postal Service, without hampering its day to day operations. It provides for specific periodic examination rather than the present permanent authorization, thus compelling Congress to exercise its legislative prerogatives with more authority.

Hopefully, this measure will herald another step on the road to something all of us desire—an efficient, high quality mail service.

By Mr. JACKSON (for himself, Mr. PERCY, Mr. RIBICOFF, Mr. ERVIN, Mr. JAVITS, Mr. DOLE, Mr. ROTH, Mr. BROCK, and Mr. DOMENICI) (by request):

S. 2135. A bill to promote more effective management of certain related functions of the executive branch by reorganizing and consolidating those functions in a new Department of Energy and Natural Resources, by reorganizing and consolidating others in a new Energy Research and Development Administration, and for other purposes. Referred to the Committee on Government Operations.

Mr. JACKSON. Mr. President, I join my colleagues the Senators from Illinois (Mr. PERCY), Connecticut (Mr. RIBICOFF), North Carolina (Mr. ERVIN), New York (Mr. JAVITS), Kansas (Mr. DOLE), Delaware (Mr. ROTH), Tennessee (Mr. BROCK), and New Mexico (Mr. DOMENICI) in introducing by request for appropriate reference a bill recommended by the President for the reorganization of a number of executive agencies. The proposed measure would create a new Executive Department of Energy and Natural Resources which would encompass most of the present programs and activities of the Department of the Interior, the Forest Service of the Department of Agriculture, and the National Oceanic and Atmospheric Administration of the Department of Commerce as well as certain activities and programs from the Atomic Energy Commission, the Department of Transportation, the Corps of Engineers, and the Water Resources Council.

The proposed new Energy Research and Development Administration would include the existing research and development programs of the Atomic Energy Commission and most of the fossil fuels research programs of the Department of the Interior. The new agency would be headed by a single Administrator.

The five-member commission form of the present Atomic Energy Commission would be retained as the Nuclear Energy Commission. It would exercise the licensing and regulatory responsibilities of the present AEC and it would no longer be associated with developmental responsibilities in civilian nuclear energy.

Mr. President, this measure, if enacted, would represent a fundamental reordering of Federal agencies which are involved in the management of the Nation's natural resources. It would be a particularly significant restructuring of the Federal organization for research, development, and management of energy resources.

Not only are the energy programs quite heavily affected by the proposed changes, but this also would be the first time that Federal organization was examined and revised with the specific objective of carrying out comprehensive national energy policies.

The proposed reorganization is broad in scope and complex. I cannot endorse it without detailed study. It would have far-reaching impacts upon many programs, and the expertise of many members of the Senate will be required to fully comprehend the nature and evaluate the advisability of those impacts.

I do urge, however, that the Senate give the proposal prompt and thorough consideration. The Senate Committee on Interior and Insular Affairs, in its study of a national fuels and energy policy, has determined that organizational shortcomings have been factors in many of our present energy problems. Furthermore, it is unlikely the existing organizational structure can successfully implement the explicit and comprehensive energy policies which are required. The President's proposal offers an alternative for improving energy organization in many areas. It should be viewed as an opportunity for Congressional consideration of the changes which are needed.

I intend to request the chairman of the Senate Committee on Government Operations to schedule early hearings on the measure. I urge my colleagues to study the proposal closely, and I will be pleased to receive any comments which they may have to guide the committee in its consideration of the bill.

Mr. President, I ask unanimous consent that excerpts from a Senate Interior Committee Print entitled Federal Energy Organization, excerpts from the Summary Outline of the President's Statement on Energy, and organizational charts describing the proposal be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

[Excerpts from Senate Committee on Interior and Insular Affairs, Committee Print No. 93-6, Federal Energy Organization: A Staff Analysis, Mar. 5, 1973]

The Significance of Energy Organization

Until recently, surprisingly little attention has been given to the organization of the Federal government to formulate and implement energy policy. The great size of the energy industries in economic and financial terms and their obvious critical significance to the well-being of society, however, have attracted the interest of all levels of government. A complex body of policy has evolved which constitutes a pervasive, if uncoordinated, Federal involvement in many aspects of the energy system. The policy is presently administered by a diffuse and ill-defined assembly of agencies throughout the Executive branch.

A survey made by the Congressional Research Service of the major Federal reorganization proposals of the past 40 years reveals no specific consideration for fuel and energy matters until the relatively modest energy recommendations of the Ash Council. Similarly, a review of over 100 studies of fuel and energy matters found that they included very few remarks on organization and even those few were in general and vague terms.

These studies are evidence of the fact that energy has not been viewed as an organizing concept for government. The existing Federal energy responsibilities are comprised of narrow programs and activities which were individually initiated in response to relatively specific needs, often not primarily viewed as energy needs.

The major policy areas which have contributed to the Federal involvement in the nation's energy system can be classified as follows:

Management of Fuel Resources of the Public Lands.
Federal Water Policy.
Economic Regulation and Development.
Tax Policy.
National Security.
Health, Safety and Environmental Management.
Research and Development.

A brief history of the development of Federal energy policy in each of these areas is presented in a later section of this paper. The history clearly shows an evolutionary development in which individual policy decisions were made in response to the needs of the time and rarely were concerned exclusively or even significantly with energy supply. Federal policy has been influenced by the growth of the energy industries and has, in turn, influenced their development, but there has been no conscious intent on the part of Federal policy makers to manage the nation's energy system in a comprehensive sense. Most Federal policies with energy significance were not formulated as "energy policy." They were primarily intended to serve other objectives of government.

Recent concern over fuels and energy issues has brought forth a flood of criticisms of the performance of existing Federal administrative mechanisms. These range in scope from specific complaints of inordinate delays in the processing of Federal permits for nuclear powerplant construction to more abstract dissatisfaction with the complex economic and security aspects of oil import policy.

Much of the current criticism has included proposals for reorganization of the agencies which presently have responsibilities in particular issue areas. Most of these proposals are based upon intuition or are responsive only to limited problems. No in-depth analysis of Federal energy organization has been available. At the initiation of the Senate's Fuels and Energy Policy Study, the staff was unable to find even a description of the existing Federal energy organization.

The Senate study which is underway pursuant to Senate Resolution 45, 92d Congress, has covered a wide range of energy problems and issues. Throughout the hearings and studies, it has been apparent that there is a significant organizational aspect to energy problems. The existing organization has contributed to current and emerging problems in at least three respects:

(1) it has failed to anticipate emerging energy problems, such as diminishing fuel reserves and environmental confrontations, and to initiate timely corrective action to forstall crises;

(2) it has failed to react adequately to mitigate those crises which have, in fact, occurred, such as increasing fuel shortages and loss of electric power system reliability; and

(3) it does not appear to have the initiative and sufficient reliable and credible information to develop and support the policy decisions which must now be made.

In addition to these existing shortcomings in the organization's ability to deal with current energy problems, it is clear that much greater demands will be placed upon it in the future. If comprehensive national fuels and energy policies are established, the fragmented, uncoordinated organization structure will be unable to implement them. Furthermore, it now appears that an era of plentiful energy is at an end in our society. The immediate future appears to be one of short supply, and it is probable that intensive management of the available resources must be the objective for the foreseeable future. Considering the size and complexity of the energy system and the pervasive role which Federal policies already play, intensive management of energy resources in the public interest almost certainly implies far more sophisticated and explicit policies for the Federal administration of energy matters than ever before.

In terms of legislative action, policy is probably inseparable from organization. Whatever policies are considered appropriate by the Congress to respond to the "energy crisis," will involve grants of executive authority, directives to act, and appropriations of funds. Executive agencies must be chosen to be the implementing agents for such policies. Expansion or revision of existing agency mandates and reorganization where existing agency authorities and capabilities are inadequate will be necessary.

Effective policy, furthermore, cannot be static. As needs and values change in society, as current problems are resolved and unforeseeable problems emerge, the Executive agencies must be capable of responding to evolving conditions. They also should perform an advisory role; anticipating new requirements for Federal action and developing policy proposals for Congressional consideration.

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Deficiencies in the Existing Federal Energy Organization

INTRODUCTION

In contrast to the general neglect of organization in earlier energy policy studies, most recent commentaries on the "energy crisis" have identified one or more organizational failings or have recommended some organizational changes at the Federal level. There presently are a number of formal reorganization proposals pending through either Congressional or Executive initiative, and more proposals are anticipated.

The deficiencies which have been identified and the proposals which are being made vary greatly in terms of their significance and the scope of their purview. The variety of governmental functions which have energy implications and the complexity of the energy system refute any notion that a single, reasonably simple organizational concept holds the key to the full range of energy problems which has been identified.

The Senate Interior Committee, in its study of national fuels and energy policy, has compiled a tremendous amount of information on the broadest range of current energy issues. The following analysis is based upon the organizational factors which have been identified in these issues and the description of the existing energy organization which has been compiled.

The deficiencies in existing energy organization can be conveniently classified according to their organizational aspects in the following five major categories:

1. High level surveillance of the energy system and policy advice.
2. Coordination and augmentation of Federal operating programs.

3. Energy data collection, analysis, and dissemination.

4. Coordination and augmentation of Federal regulatory functions.

5. Energy-environment conflict resolution.

* * * * *

2. COORDINATION AND AUGMENTATION OF FEDERAL OPERATING PROGRAMS

The Problem.—There are a number of programs in which Federal agencies exercise considerable direct influence over the operations of the energy system. The major examples are (1) Federal leasing programs for oil, gas, and coal; (2) Federal generation of hydroelectric power and operation of transmission systems; and (3) the civilian reactor and fuels programs of the Atomic Energy Commission (AEC).

The first two groups of programs are located primarily within the Department of the Interior. They are scattered among agencies which have varying missions, however, and they have not been coordinated with an energy-oriented overview. The AEC program which deals with an entirely separate and competitive fuel source is not directly coordinated with any of Interior's programs.

Scattered through the Federal establishment are a variety of other energy-related programs such as the rural electrification program in the Department of Agriculture, the pipeline safety program in the Department of Transportation, and energy research programs in the Environmental Protection Agency. The Federal Power Commission carries out functions such as the National Power Survey which are not necessarily related to its regulatory functions.

In individual cases, cogent arguments can be made for the existing placement of energy functions. The overall picture, however, is one of fragmentation and incoherence. A variety of deficiencies is attributed to the existing structure.

Each of the existing officials is concerned with only a narrow segment of the energy system. Therefore, none is equipped nor motivated to be guided by the impacts of his actions upon the total energy system. For example, because of stringent sulfur regulations imposed by the State with encouragement from the Environmental Protection Agency, utilities which formerly used high-sulfur eastern coal (including the Federal Tennessee Valley Authority) have begun to purchase low-sulfur coal from Montana and Wyoming. This action will result in a tremendous expansion of surface mining in the North Central States. Much of the coal is located on public lands under the authority of the Bureau of Land Management, and the Secretary of the Interior has been reluctant to approve the leases for environmental reasons. None of the Federal agencies involved has the responsibility to examine the full range of impacts which these Federal actions will have on the reliability of present and future electrical service in vast regions of the nation.

Similarly, each Federal energy agency is specialized on a narrow base. There exists no Federal center of technological excellence covering the broad range of the energy system. When policy questions of considerable breadth must be addressed, it is necessary to assemble the expertise on an *ad hoc* basis which involves all of the inefficiencies of unfamiliar communications, divided leadership, and interagency rivalry. In recent months, such efforts have been necessary to consider the impacts of surface mining regulation, the need for a deep water seaport policy, and the Federal responsibility for Southwestern (Four Corners) powerplant development.

While there are advantages to the flexibility of task force approaches to high-level policy advice, there is less of an argument for *ad hoc* technical advisory groups. They tend to overemphasize the interests, expertise, and data which is readily available to the detriment of important factors which none of the participants has been involved with. Greater continuity and life expectancy is necessary to permit comprehensive expertise and data bases to be acquired.

Another attribute of relatively narrow agency functions is that the decisionmakers must deal with equally narrow and specialized client groups. The Bureau of Land Management, for example, in its decisions to lease areas of the outer continental shelf for oil production depends greatly upon the views of the oil companies concerning need, timing, and even the areas to be selected. In a recent environmental court case a significant question was whether the Bureau or even the Secretary of the Interior should properly consider the need for the oil or the alternatives to the lease in terms of non-oil sources of energy. Even if such alternatives are considered in the decision, there clearly is no authority for the Bureau to assist actively in bringing most of them to fruition.

In such instances, the agency tends to adopt the attitudes, priorities, and concerns of the client group. The close similarity of policy statements of Interior Department officials to the statements of the National Petroleum Council and, indeed, the very existence of the Council are evidence of intimately shared viewpoints and close alliances.

A particularly significant current issue which is related to narrow agency interests results from the dual role of the Atomic Energy Commission (AEC) in the nuclear industry. The AEC was specifically directed to nurture a civilian nuclear industry, and it has been uniquely successful in expediting practical applications of a new technology. Initially, the limited scientific knowledge of nuclear energy dictated that its development and regulation should reside in the same Federal technical agency. There is an important correlation, however, between the costs of safety and environmental protection in nuclear powerplants and the competitive economic position of the industry in relation to other fuel sources. The conflict of interest between AEC's regulation and promotion roles has been widely criticized and, regardless of the fact situation, the public credibility of Federal nuclear energy regulation has been impaired.

Priority setting also is particularly difficult when related programs are administered by separate agencies. Success in the competition for scarce resources tends to turn upon the relative popularity, vigor, and political strength of the agencies and their principal administrators, rather than the relative needs of society for the outputs of the programs. If there are gaps between the programs, moreover, it is the business of none of the agencies to discover and fill them.

The best examples of this management problem are in the Federal energy research and development (R & D) effort. The Fiscal Year 1973 funding for all such R & D is about $642 million, distributed among programs in eight organizational entities. Of this amount, nearly $480 million or 75 percent is allocated to nuclear research to be primarily conducted by AEC, a particularly strong agency. Only about $20 million is included for coal gasification by the Office of Coal Research. This is a hardware oriented research effort which could doubtlessly be accelerated by additional financing and which offers potential energy options in the same time frames as much of the AEC effort. The Office of Coal Research is a relatively obscure agency within the Department of the Interior which has not pressed vigorously for increased efforts. Most incentive for recent fund increases for coal gasification has come from the Congress.

Less conventional R & D areas which are not within existing agency interest areas, such as solar energy, advanced power cycles, and magnetohydrodynamics, have belatedly been funded at nominal levels largely as the result of public and Congressional emphasis on the energy crisis.

Alternatives.—The energy system is too complex and too pervasive a part of society to contemplate a grand consolidation of all, or even most, Federal programs which impact upon it. Many programs with important energy significance must continue to be managed primarily for other considerations—though hopefully with a greater degree of sensitivity to the energy implications. As an example, the primary concern of the transportation programs of the Department of Transportation must continue to be the national transportation requirements despite the overwhelming influence which transportation policy has upon energy requirements. Greater consolidation of Federal energy management, however, would reduce the existing problems of coordination and provide a number of benefits.

Most proposals for energy reorganization at the agency or departmental level involve the concept of a Department of Natural Resources. The President's 1971 proposal for a Department of Natural Resources included a minor consolidation of energy operating functions under an Energy Administrator within DNR. The Administrator, however, was not to receive the leasing responsibility for fuel resources nor the power marketing functions of Interior. With regard to AEC, he was given only the uranium materials and enrichment program and a vague coordinative relationship with the reactor programs which would remain under the Commission.

Presently, an internal reorganization of the Department of the Interior is underway which will place a greater emphasis upon energy. The fuels and electric power marketing functions will be grouped under a single Assistant Secretary. Of course, no significant new relationship with the non-Interior programs is possible without legislation.

For a number of years, critics have been suggesting that the regulatory functions of the AEC be separated from the remaining functions. The President's Advisory Council on Executive Organization (Ash Council) recommended that the civilian reactor, nuclear fuels, and plowshare programs of AEC be transferred to the proposed Department of Natural Resources.

There no longer appears to be any compelling reason for the AEC regulatory and developmental functions to be associated in a single agency. The developmental functions are among the largest, most aggressive, and most successful of Federal energy activities. Combining them with Interior's fossil fuel and electric programs could be of mutual benefit. It would add balance to the heavy Federal emphasis on the nuclear alternative, and it would apply the management and technical sophistication of the AEC staff to other energy technologies.

Consolidation of these Federal activities might offer other advantages. A Federal administrator who is concerned with both nuclear and fossil fuel sources would have a broader view of the energy system and might be expected to better appreciate the full impact of his actions. If he were also involved with the planning and operation of electric power systems through the power marketing agencies, he would gain some of the viewpoint of the electric utilities which are major consumers of the basic fuels. The pipeline safety program of the Department of Transportation would add another dimension. There might be some logic in including the administration of the REA programs of Agriculture in this consolidation to further extend its involvement in electric energy system concerns.

The countervailing pressures upon an administrator who has wide responsibilities throughout many sectors of the energy system would mitigate agency biases in favor of a particular industry and would assist in setting rational priorities among alternative programs. An energy agency also would become a center of expertise which could provide broad technical support for energy policy decisions.

In terms of R & D management, such an agency might be more receptive to new concepts than the existing agencies (such as the Office of Coal Research and AEC) which are primarily charged with the promotion of particular fuel or a particular competitive industry. Furthermore, the agency would have less vested interest in any single research effort; hence, it might be more objective in setting priorities for the Federal R & D effort.

There is, however, an especially urgent need for the development and implementation of a coherent strategy for energy R & D. In view of the inherent delays of achieving major reorganizations and the trauma which generally results from such reorganizations, it might be advisable to establish an interim interagency coordinative mechanism to manage energy R & D pending the resolution of agency reorganizations.

Conclusions.—The potential values of line coordination argue for a more comprehensive consolidation. All of the present Interior Department functions for fuel resource management and electric power marketing should certainly be included in the major line energy agency. The overriding policy considerations of power system planning and fuel leasing strategy are energy considerations, not primary water resource or land management considerations.

The major opportunity for improved coordination, however, lies in combining the AEC development program with the present Interior programs. This could be accomplished in a variety of ways:

(1) Transfer the AEC civilian reactor program (including R & D) and uranium management functions to the Interior Department and combine it with Interior's fuel programs and power marketing programs under an Assistant Secretary. Consideration could be given to including REA, pipeline safety, and other Federal energy programs. (TVA, as a diverse regional development venture, is far less amenable to reorganization.)

The principal objection to this proposal probably would be the resistance of the nuclear interests to losing the advantages they enjoy from the advocacy of a single-purpose, independent agency within the Federal government. (This, of course, would be one objective of the reorganization.) A particular objection might be made because of the traditional fossil fuel orientation of Interior, but the strength of the nuclear program should be adequate to insure its continued vigor.

(2) The same consolidation might be made within a new DNR. This alternative would essentially follow the recommendation of the Ash Council as it related to the "Energy and Mineral Resources Component." This might have a cosmetic value. (People tend to consider proposals concerning existing agencies in light of the personalities of encumbent officials and the past accomplishments and failures of the programs. They seem more willing to believe that "new" agencies will be staffed by ideal, competent, objective people and will perform according to the design.)

Of course, the creation of a DNR would involve a great many aspects besides energy. It would require resolution of the other responsibilities of the new Department in such areas as Indian policy, land management, and water resources.

(3) The same energy consolidation alternatively could be made within a new independent agency similar to EPA. This approach might have appeal for the nuclear interests, because the AEC components would dominate the new organization by sheer weight of funds and people. This agency, however, would not benefit from the objectivity which could be provided by the Secretary of the Interior as a result of his non-energy responsibilities. An independent energy administration must be expected to relate primarily to the energy industries in a manner similar to AEC's existing relation to a sector of the industry. Energy considerations would be balanced against other values only at the White House level and, therefore, only when the issues were of Presidential significance. A corollary problem is that removing the fuel leasing function from Interior would weaken the coordination of energy aspects of leasing with other multiple purpose land management objectives.

Research and Development.—A number of existing Federal energy R. & D. programs are closely associated with, and support, energy management programs. In any reorganization, a great deal of ongoing program effectiveness is sacrificed to the disruption and costs of the change; hence, existing relationships should be preserved to the extent that they are consistent with the objectives of reorganization. In other words, there should be no reorganization for reorganization's sake alone or simply to preserve the elegance of the organization concept.

If a major reorganization of Federal energy management activities, such as those described above, were carried out, many of the energy related R & D functions would ultimately be situated within the new energy agency, and relationships between R & D and management functions could be preserved. In the interim, until an energy agency has been established, an effort could be mounted to coordinate and supplement existing R & D programs and to develop a governmentwide energy R & D strategy.

An interim mechanism having a minimum of disruptive impact on existing efforts could be a statutory interagency body which would consist of one representative from each agency having significant energy R & D functions.

* * * * *

There are at least three distinct phases in a successful research and development effort:

(1) Discovery and definition of opportunities.—This phase calls for creativity and open-mindedness, but usually not large sums of money.

The strategy should be to seek the broadest effort possible and to bring every potential technology to the point where it can be reliably evaluated.

The work is probably best done in the less structured environments of universities, national laboratories and research firms. It involves such matters as solar energy methods which may have long-range payoffs, but it might also produce immediate, ingenious results in such areas as pollution control, mining methods, etc.

(2) Development of technologies.—This phase is the long-term R & D work on identified promising technologies which brings them to the application stage. It may involve relatively inexpensive creative research (as presently in the fusion process), but in the later phases it usually involves expensive hardware (pilot plants, etc.).

The strategy should be to seek optimum funding for a variety of technologies which can be expected to offer a range of policy options in the future. It is important to maintain progress toward long-term payoffs, as well as to expedite short-term results.

Where expensive hardware programs are concerned, hard priority choices must be made. Development of selected technologies (such as the breeder) can be administered through conventional agency programs, but priorities should be set by the management body until reorganization reduces the present agency biases.

(3) Achievement of commercial viability—Many well-advanced and needed technologies have stuck at the point where R & D ends and commercial application begins (the "prototype" stage). Coal gasification and oil shale development are examples. The risks of the new venture exceed those financially acceptable to industry. Federal subsidization of the risk factor is needed.

The strategy should be to identify those needed technologies ready for commercial application and provide the short-term subsidy and the *single-minded* management effort to get past the prototype state.

The Federal-industry corporation of the type which was proposed in S. 1846 and S. 2510 (92d Congress) is a promising device to get this job done. It would eliminate continuing Federal involvement in each venture, permit industry involvement in management, and create a commercial incentive to achieve success in each technology.

EXCERPTS FROM THE SUMMARY OUTLINE—FACT SHEET, PRESIDENT'S ENERGY MESSAGE, JUNE 29, 1973: ORGANIZATION OF FEDERAL ENERGY AND NATURAL RESOURCE ACTIVITIES

ORGANIZATION OF FEDERAL ENERGY AND NATURAL RESOURCE ACTIVITIES

Summary

The President upgraded and strengthened White House arrangements for energy policy by appointing an Assistant to the President for Energy who will head the Energy Policy Office.

The President is proposing legislation which would:

Establish a Department of Energy and Natural Resources consisting of functions transferred from the Department of the Interior and several other agencies.

Establish a new independent agency, the Energy Research and Development Administration (ERDA), to focus all Federal energy R&D.

Retain the five-member commission organization of the AEC to carry on the licensing regulatory and related environmental and safety functions of that agency but under a new name, Nuclear Energy Commission.

The President has directed that a comprehensive study be undertaken of Federal energy regulatory activities, looking to possible reorganization of these activities.

Energy Policy Office (EPO)

The President has created an Energy Policy Office in the Executive Office of the President. The EPO will replace the Special Committee on Energy. It will also expand upon the role of the National Energy Office (created by Executive Order 11712) which helped guide the development of the Administration's energy policies including the new governmentwide organizational arrangements. The Office will be headed by a Director who will also serve as Assistant to the President for Energy. The Director will serve as the President's principal energy advisor and be responsible for identifying major problems, reviewing alternatives, making policy recommendations, assuring that agencies develop short and long range plans, and for monitoring the implementation of approved energy policies.

The Department of Energy and Natural Resources (DENR)

This new Department would be responsible for the balanced utilization and conservation of our Nation's energy and natural resources. The Department would bring together and realign many related Federal programs which are now scattered among several departments and agencies. DENR would have the responsibility for assuring that future demands for water, timber, minerals and energy resources are met without sacrificing our forests, lakes, wilderness, beaches, and the general environment. It would foster a better understanding of the total environment—the oceans, the atmosphere, the lands and their interaction. It would provide a more modern, effective department for managing and carrying out Federal responsibilities with respect to Indian and Territorial peoples.

DENR would have an organization and managerial capability which could most effectively and vigorously develop and implement comprehensive natural resources policies and programs.

In March 1971, the President proposed creation of a Department of Natural Resources (DNR) but the Congress did not enact that legislation. Today's legislation builds on the earlier proposal. The President has again stressed the need to consolidate key natural resources functions in the new Department so that we can meet better than our national objectives.

Function and Resource Transfers to DENR

The principal functions and resources that would be transferred to DENR are listed below. Estimates are, for the most part, for direct program activities and do not include departmental overhead resources which will be identified later.

	Fiscal year 1973 budget outlay estimates (in millions)	Fiscal year 1973 full-time permanent employment
From Department of the Interior: All functions except Office of Coal Research, the Energy Research Centers of Bureau of Mines and Underground Power Transmission R. & D. which would be transferred to ERDA	$2,554	56,130
From Atomic Energy Commission: Uranium and thorium assessment program	2	78
From Department of Transportation: Oil and gas pipeline safety programs	1	26
From Department of Agriculture: Forest Service	788	21,860
River basin surveys and investigations, and planning and funding for large watershed protection and flood prevention projects from the Soil Conservation Service	67	200
From Department of Commerce: National Oceanic and Atmospheric Administration (NOAA)	322	12,450
From Department of the Army: Corps of Engineers, civil functions (planning, evaluation, policy and funding only)	$1,643	360
From Water Resources Council: All functions	8	45
	5,385	91,149

DENR ORGANIZATION AND MANAGEMENT

The Department would be managed by a Secretary, a Deputy Secretary, an Under Secretary for Policy and an Under Secretary for Management, having cross-cutting department-wide responsibilities. The Department's missions would be carried out largely through five Administrations, each containing programs grouped on the basis of common major purposes. The assignment of functions among Administrations would be the responsibility of the Secretary. Currently it is expected that the primary functions of each Administration would be as follows:

Energy and Minerals Administration. This Administration would include those DENR functions primarily concerned with energy and minerals including Interior's Office of Energy Conservation, Office of Energy Data and Analysis, Office of Oil and Gas, Office of Research and Development, Bureau of Mines (except energy research centers), Mining Enforcement and Safety Administration, and Bonneville, Southeastern, Southwestern and Alaska Power Administrations. It would also include the Uranium and Thorium Assessment Program from AEC and Office of Pipeline Safety from DOT.

Land and Recreation Resources Administration. This Administration would be composed of most functions and resources of the Bureau of Outdoor Recreation, the Bureau of Land Management, National Park Service, and the Bureau of Sport Fisheries and Wildlife from the Department of Interior, the Forest Service from the Department of Agriculture.

Water Resources Administration. This Administration would provide a single management framework for the integration and coordination of national water resources policy and planning. The organizational functions and resources to be included in this Administration include the Bureau of Reclamation, Office of Saline Water, and Office of Water Resources Research from Interior; the policy, planning and funding of the civil functions of the Corps of Engineers; the River Basin Surveys and Investigations Program and Planning and Funding for large projects from the Soil Conservation Service, Department of Agriculture; and the Water Resources Council.

Oceanic, Atmospheric, and Earth Sciences Administration. This Administration would include the functions and responsibilities of the Geological Survey of the Interior Department and the National Oceanic and Atmospheric Administration (NOAA) of the Department of Commerce.

Indian and Territorial Affairs. This Administration would combine Interior's Office of Territories and Bureau of Indian Affairs. The Indian and Territorial Affairs Programs are included in DENR because of their historical association with natural resources and the Department of the Interior. Most Indians in the past have rejected proposals for transfer of Indian programs to other departments and, pending further study, are included in DENR.

In addition to the functions located in DENR's Energy and Minerals Administration, the Secretary would be responsible for and have resources to assemble information with respect to energy resources and demands in all sectors, perform analyses and identify energy policy and program options that would provide guidance to other operating agencies and assistance to the Energy Policy Office and other agencies of the Executive Office of the President.

The Energy Research and Development Administration (ERDA)

This new independent agency would bring together and direct research and development programs on all forms of energy. The agency's objective would be the development in cooperation with industry of new energy sources to meet the energy needs of present and future generations in a manner which protects or enhances the quality of our environment. ERDA would conduct or sponsor nearly all the Federal Government's research and development programs involving all forms of energy.

Function and Resource Transfers to ERDA

ERDA would at the outset be composed principally of the following functions:

All of the functions, authorities and resources of the Atomic Energy Commission, except the uranium and thorium assessment program which will be transferred to DENR, and the AEC's licensing, regulatory and related environment and safety functions. Functions transferred to ERDA from AEC would include nuclear materials production, reaction development, military applications, physical research, biomedical and environmental research, controlled thermonuclear research, non-nuclear energy R&D and other non-regulatory functions.

Most of Interior's fossil fuels R&D, namely the Office of Coal Research and the energy research centers of the Bureau of Mines, the synthane pilot plant for high BTU coal conversion which is under construction in Bruceton, Pa., and underground power transmission R&D.

This agency would be the focal point for the new accelerated energy R&D programs. It is also contemplated that the bulk of the $25 million central fund for energy R&D that was requested in the 1974 budget of the Interior Department would be transferred to ERDA. The principal resources identified thus far for transfer to ERDA are estimated to be:

	Fiscal year 1973 budget outlays estimates (in millions)	1973 employment (full-time permanent)
From AEC: All functions except uranium and thorium assessment program, and licensing, regulatory and related environment and safety	$2,250	5,800
From Interior:		
Office of Coal Research	58	37
Bureau of Mines energy research centers and synthane plant	13	728
Underground power transmission, R. & D	1	5
Total	2,322	6,570

ERDA Organization and Management

The creation of ERDA contemplates building upon the scientific and technical base of the Atomic Energy Commission and making use of the laboratories and technical management capabilities now located in that agency. ERDA would be headed by an Administrator, Deputy Administrator and Assistant Administrators responsible for major programs and supporting functions. Specific proposals for the internal organization of ERDA will be made at a later date, following a study of R&D and production functions that would be transferred from AEC, functions to be transferred from other agencies and new programs. The internal organization would reflect clearly ERDA's role in non-nuclear energy R&D while assuring continued progress on the nuclear energy functions transferred from AEC.

Nuclear Energy Commission (NEC)

The five-member Commission form of organization would be retained to head the licensing, regulatory and related functions of the Atomic Energy Commission. The name of the agency would be changed to the Nuclear Energy Commission.

Resources now directly associated with the AEC's licensing and regulatory functions include approximately $40 million in net 1973 Budget outlays and about 1275 full-time permanent employees. Studies will begin immediately to ascertain which of the functions and resources now under the General Manager of the AEC or directly under the Commission should be transferred to the NEC in support of that agency's licensing and regulatory functions. In addition, it is expected that ERDA would be available to perform work in support of NEC on a reimbursable basis.

Study of energy regulatory activities

The President has directed that a comprehensive study of Federal energy regulatory activities be undertaken to see whether reorganization is desirable. A number of Federal agencies are engaged in such activities, including the Atomic Energy Commission, Federal Power Commission, and others that carry out energy regulatory functions as a part of broader missions such as the Departments of Interior and Transportation, Corps of Engineers, EPA, and Interstate Commerce Commission. A wide variety of interests and objectives are involved, including economic, public health and safety, environment, and adequacy and reliability of energy supply. The study will be undertaken over the next year to determine whether existing organizational arrangements are most efficient and effective for balancing the interests and objectives involved. The interface with State and local regulatory activities will also be considered and opportunity for Congressional and public participation in the study will be provided. OMB will be responsible for assuring that the study is completed.

Mr. PERCY. Mr. President, I take great pleasure in cosponsoring today legislation to implement the President's plan to restructure the organization of the energy and natural resources functions of the executive branch.

The bill we are introducing today evolves from the bill I introduced on April 1, 1971, with 17 cosponsors as S. 1431. This new bill reflects the fast-paced changes in the energy field that have occurred since S. 1431 was introduced. It is designed to better organize our natural resource programs, to provide for broader and more effective energy research and development efforts, and for more effective organization of the agencies dealing with fuel sources and supplies. I am pleased that Senator HENRY JACKSON, who is chairman of the Senate Committee on the Interior and Insular Affairs and second ranking member of the Government Operations Committee, has agreed to be the principal sponsor of this legislation. His expert knowledge in these fields makes him the most competent man in the Senate to chair hearings on the bill. I am also pleased that my distinguished colleague Senator RIBICOFF, chairman of the Reorganization, Research, and International Organizations Subcommittee of which I am a member, has agreed to cochair the hearings.

This bill is only one phase of a broader reorganization of the executive branch agencies that has been recommended by many groups for years. A succession of Presidential advisory commissions on Government organization, serving at the requests of Presidents Roosevelt, Truman, Eisenhower, Johnson, and Nixon, has recommended major executive branch reorganization. The latest of these, the Ash Council appointed by President Nixon, presented its report early in 1971, and the four implementing bills—to create Departments of Community Development, Natural Resources, Human Resources, and Economic Affairs—were introduced soon after in both the Senate and House.

The bill we are introducing today creates three new organizations. It establishes a new Cabinet Department of Energy and Natural Resources, a new Energy Research and Development Administration, and a revised Atomic Energy Commission to be called the Nuclear Energy Commission.

The new Department of Energy and Natural Resources—DENR—would take over all of the present functions of the Department of the Interior, with the exception of the Office of Coal Research and certain other energy research and development programs, which would be transferred to the Energy Research and Development Administration. To this new Department would be shifted the Forest Service and certain water resource activities of the Soil Conservation Service from the Agriculture Department. In order to include in the new Department all major Government water resource functions, the planning and funding of the civil functions of the Army Corps of Engineers would also be included, as would the functions of the interagency Water Resources Council. In addition, the National Oceanic and Atmospheric Administration of the Commerce Department would be added to the new Department. In order to give the Department broad responsibility for all natural resource functions, the uranium and thorium assessment functions of the Atomic Energy Commission would be included. Finally, the gas pipeline safety functions of the Department of Transportation would be included in the new "DENR."

The new Energy Research and Development Administration is intended to be a strong "all-energy" governmental research arm building on the demonstrated competence and accomplishments of the energy research functions of the present Atomic Energy Commission. It is intended to give importance and impetus to research efforts in coal, gas, solar and other potential energy sources. It is intended to use the well-proved system of national laboratories to aid in this new all-energy research effort.

In the creation of the new Energy Research and Development Administration the functions of the present Atomic Energy Commission would essentially be divided. The energy research responsibilities of the AEC would be included in the new Energy Administration, but the strictly regulatory functions of the AEC would be placed in a five-man commission to be known as the Nuclear Energy Commission. This renamed Commission would carry in the important licensing and regulatory activities now within the AEC. Thus, for the first time the AEC's energy development efforts would be separated from its crucial regulatory and control functions.

To many these quite sweeping new plans for reorganizing some of the key functions of our Government will be very highly controversial, and to some they may seem unnecessary. Many of us have grown accustomed to working with departments and agencies that have seemed to be almost permanent fixtures of American Government. We have come almost automatically to conceive and legislate new programs, both small and large, within the framework of the existing structure of departments and agencies.

In the field of energy, however, there has been a sharply increased awareness, as the magnitude of the energy problems we face has become increasingly acute to all of us, of the need for reorganization. I believe there is a consensus that the current governmental structure is inadequate, and that it must be improved. The President's proposal is based on the work of the Ash Council and previous commissions on the organization of Government, but it is also the product of very intensive deliberations within the administration—between the administration and Congress—during roughly the past 6 months. It is a careful effort to present a workable and reasonable structure for congressional hearings, study, and debate.

There is, however, one element of the President's recent energy proposals that has not been included in the bill and which, I believe, should be. This is the new Energy Policy Council which was established by Executive order with former Colorado Gov. John Love as Director. A good case can be made for an overall White House energy coordinating agency, and surely the demonstrated competence of Governor Love will be very fully required in this challenging new capacity. However, I agree with Senator JACKSON and Senator RIBICOFF that this office should have been created by the bill, and that its Director should have been subject to the confirmation of the Senate, and we intend to introduce an amendment to this effect. There is a very apt precedent for this procedure in the bill which we processed in 1971, establishing the Special Action Office for Drug Abuse Prevention. This office was first created by Executive order and then established in law, and Dr. Jerome Jaffe, its first Director, was confirmed by the Senate.

Mr. President, the more efficient organization of our energy and natural resources functions is badly needed. This is an excellent proposal, which we will refine and, hopefully, perfect in committee. I anticipate thorough hearings, in which the Executive Reorganization Subcommittee will hear from all of the groups that are interested in these changes. But let us keep in mind that the larger purpose to be served by the reorganization is critically important. The future of our economy, the balance of payments, the national defense, and the basic level of comfort of our population depend on a much improved energy resource management and research and development effort. To achieve these purposes, some private interests may have to be surbordinated to higher national objectives.

AMENDMENT NO. 312

(Ordered to be printed, and referred to the Committee on Government Operations.)

Mr. RIBICOFF. Mr. President, I am pleased to join with the distinguished chairman of the Committee on Interior and Insular Affairs and the Senator from Illinois (Mr. PERCY) in cosponsoring legislation to create a Department of Energy and Natural Resources. I have long supported the establishment of such a department.

Mr. President, the media daily reports a growing energy crisis. Gasoline is in short supply at thousands of service stations across the country, and the oil companies are already warning of a fuel shortage next winter. At the same time there is an increasing national demand for the preservation of our environment. In response, Congress had enacted strong laws to prevent the further pollution of our air, water, and land.

Some discussions of our energy and natural resource problems treat them as separate issues. But in fact, they are closely linked, as the debate on the Alaska oil pipeline, strip mining, and offshore oil development demonstrate.

For decades, however, the organization and policies of the Federal Government have failed to reflect the close relationship between energy production and conservation of our natural resources. For example, water resource programs are located in three departments—Agriculture, Interior, and Army. The lack of coordination among them was so great that a separate agency, the Water Resources Council, had to be established to reconcile their activities. Nonmilitary Federal lands are administered by five different agencies—the Bureau of Land Management, Forest Service, National Park Service, Bureau of Sport Fisheries and Wildlife, and the Bureau of Reclamation. Energy programs are scattered among at least four separate agencies with no overall coordination or unified policy development. Finally, Federal recreation areas are administered by six different agencies in three departments and one independent agency.

The new Department and complementary Energy Research and Development Agency will consolidate many of these overlapping functions and provide for coordination among our programs for development, utilization, and conservation of natural resources. For the first time the new Department and Agency will bring together all Federal energy and natural resource activities so that they may be effectively managed.

Over the past 50 years many studies have noted the fragmentation in our energy and natural resource policies and recommended reorganization of these programs. In 1949, one of the Hoover Commission Task Forces urged the establishment of a Department of Natural Resources and in 1970 the Public Land Law Review Commission made a similar recommendation. In 1967, the Subcommittee on Executive Reorganization, which I chair, held hearings on such a proposal and developed much valuable information concerning it.

Mr. President, our country contains only 6 percent of the world's population, but consumes 30 percent of its natural resources. It is clear that our advanced individual society will continue to use large quantities of these materials. Accordingly, we need strong Federal leadership to formulate and implement the policies which will promote a wise balance between consumption and conservation. The proposed Department and Energy Agency are an important step in this direction.

In many respects this appears to be an excellent reorganization proposal. The restructuring of our energy and natural resources programs will provide the planning, management, and research needed to achieve coordination among them.

The object of reorganization of course is increased efficiency and economy and the elimination of duplication and overlap. But the reorganization must also enable us to deal more effectively with our problems and so advance us toward our goals as a nation.

Mr. President, while I support many of the provisions in this bill, in one respect it is deficient—it does not provide a statutory base for the Energy Policy Office within the Executive Office of the President, nor does it provide for Senate confirmation of its Director. The President has created this office and position by Executive order. The Office and its Director will have important responsibilities. It should be accountable to the Congress. Accordingly, I am joining with Senator Jackson and Senator Percy in submitting an amendment which would establish the Energy Policy Office and require Senate confirmation of its Director.

Mr. President, the chairman of the Government Operations Committee, Senator Ervin, has informed me that this bill will be referred to my Subcommittee on Reorganization, Research, and International Organizations. Senator Jackson, who is a member of the subcommittee, and I will cochair the hearing on this vital legislation. I look forward to working with him on it, for he has long been one of the leaders in the fight for sound energy and conservation policies. I am confident that the final product of our efforts will be legislation which will improve the organization and operation of our energy and natural resources program.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed at this point in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

DEPARTMENT OF ENERGY AND NATURAL RESOURCES SECTION-BY-SECTION ANALYSIS

Of a bill to promote more effective management of certain related functions of the executive branch by reorganizing and consolidating those functions in a new Department of Energy and Natural Resources, by reorganizing and consolidating others in a new Energy Research and Development Administration, and for other purposes.

PART A—DEPARTMENT OF ENERGY AND NATURAL RESOURCES

Title I

Declaration of Purpose

Section 101 expresses congressional recognition that our natural resources, including energy sources, although abundant, are not unlimited; that their proper conservation, management, and utilization underlies all of the aspirations of the American people now and in the future; and that the Federal Government has a national responsibility to itself practice, and to foster the practice by others of, appropriate resource conservation, management and utilization policies. To best achieve these objectives, and to improve Government operations, the Congress finds that it is necessary to establish a Department of Energy and Natural Resources, bringing together those Federal activities which bear most directly on resource policy. The administration of the trust responsibility for, and selected programs to assist, the Indians, Alaska natives, and territorial peoples is also placed in the Department.

Title II

Establishment of Department

Section 201 establishes the Department of Energy and Natural Resources under the supervision and direction of a Secretary of Energy and Natural Resources, who shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate provided for Level I of the Executive Schedule.

Section 202 establishes the top policy offices in the Department and describes the general structure for the internal organization of the Department. There will be a Deputy Secretary, at Level II of the Executive Schedule, and two Under Secretaries at Level III. In addition, there will be five Level III Administrators heading, respectively, a Land and Recreation Resources Administration, a Water Resources Administration, an Energy and Minerals Administration, an Oceanic, Atmospheric, and Earth Sciences Administration, and an Indian and Territorial Affairs Administration. The bill also provides for an Assistant Secretary and a General Counsel at Level IV. All of the foregoing Level II to IV officers will be appointed by the President by and with the advice and consent of the Senate.

Subsection (e) establishes a pool of twenty-five Level IV and V officers to be appointed by the Secretary to assist in the management of the Department. Subsection (f) provides that all of the Level II to V officers will perform such functions as the Secretary shall specify from time to time.

Section 203 provides for the order of succession in the event of the absence or disability of the Secretary or in the event of a vacancy in the Office of the Secretary.

Title III

Transfers

Title III effectuates the transfer of the functions under existing law which will be carried out by the new Department of Energy and Natural Resources, and section 308 provides for the transfer to the Atomic Energy Commission of certain research and development functions pertaining to fossil fuels. Section 301 identifies the functions that are transferred and provides that they shall be vested in the Secretary. The remaining sections of title III contain technical provisions relating to these transfers. Under the broad definitions in section 401 and the savings provisions of section 601, the operative term "functions" includes all existing relevant powers, rights, duties, etc., whether created, vested, or assigned by statute reorganization plan, executive order, delegation, agreement, or otherwise. Section 506 authorizes the Director of the Office of Management and Budget to make additional incidental dispositions of functions as necessary to accomplish the purposes of the part.

Subsection 301(a) transfers to the Secretary of Energy and Natural Resources all of the functions of the Secretary of the Interior, the Department of the Interior, and all officers and components of that Department except those transferred to the Atomic Energy Commission by section 308 of this Act. The Interior Department operates under the authority of several Department laws, many of which do not appear in the United States Code. Those that are codified are found principally in title 16 of the United States Code, relating to the national park system, outdoor recreation, fish and wildlife, power marketing, and various other resource programs; title 25, Indians; title 30, mineral lands and mining, including mine health and safety; title 42, pertaining to desalination and water resources research; title 43, public lands, reclamation, and Department of the Interior; and title 48, territories.

Virtually all of the authority under these laws is presently vested in the Secretary of the Interior, pursuant to Reorganization Plan No. 3 of 1950, 64 Stat. 1262, 5 U.S.C.A., App., and as provided in statutes enacted thereafter; and subsection (a) transfers this authority to, and vests it in, the Secretary of Energy and Natural Resources. The additional reference in the subsection to all functions of officers and components of that Department similarly transfers to and vests in the Secretary the few remaining miscellaneous authorities that reside expressly or by implication in subordinate officers and components of the Department.

Subsection 301(b) transfers to the Secretary of Energy and Natural Resources such of the functions of the Secretary of Commerce, the Department of Commerce, and officers and components of that Department, as relate to or are utilized by the National (NOAA). NOAA was created by Reorganization Plan No. 4 of 1970 (84 Stat. 2090), which brought together the Environmental Science Services Administration and its major elements, the Weather Bureau, Coast and Geodetic Survey, Environmental Data Service, National Environmental Satellite Center and Research Laboratories (Reorganization Plan No. 2 of 1965, 15 U.S.C. Chapter 9, 49 U.S.C. Chapter 20, 33 U.S.C. Chapter 17); the Bureau of Commercial Fisheries, Marine Fish Research Program and Marine Minerals Technology Center, formerly in the Department of Interior (16 U.S.C. passim); the National Oceanographic Data Center and National Oceanographic Instrumentation Center, formerly administered by the United States Navy; the National Data Buoy Development Project, formerly of the Coast Guard; the National Sea Grant Program, formerly of the National Science Foundation (33 U.S.C. Chapter 22); and elements of the United States Lake Survey, formerly of the Corps of Engineers. This consolidation of activities and functions was designed to improve man's comprehension and uses of the physical environment and its oceanic life.

Subsection 301(c) transfers to the Secretary of Energy and Natural Resources under paragraph (1), such of the functions of the Secretary of Defense, the Secretary of the Army, the Assistant Secretary of the Army for Civil Works, and the Chief of Engineers and the Corps of Engineers of the Department of the Army, as relate to or are utilized for civil works and regulatory functions, with the proviso that the Corps shall continue to prepare feasibility reports and planning of individual projects subject to the guidance of the Secretary, and with the further proviso that all civil works project design, construction, operation and maintenance, flood and coastal emergencies, and related activities so transferred shall be accomplished through and under the direction of the Secretary of the Army and the supervision of the Chief of Engineers. To the extent they are codified, the laws authorizing these programs are found in title 33 of the United States Code.

The civil works functions of the Corps include the investigation, study, planning, construction, and operation and maintenance of measures for navigation, flood control, fish and wildlife enhancement, hydroelectric power, recreation, municipal and industrial water supply, beach erosion control and beach restoration, and water quality. Included are authorities for comprehensive river basin studies, flood plain information studies, emergency flood and coastal protection, a vast number of individual project authorizations, and continuing authorities to construct small projects without the specific authorization of the Congress.

The bill provides that all of the planinng and funding activities associated with the Corps' civil functions will be performed under the authority transferred to DENR by this legislation. The actual conduct of these various planning activities will utilize both Corps and DENR personnel. Specifically, DENR will undertake comprehensive river basin planning, river basin development planning, selection of projects to be proposed for authorization, and coordination of review of proposed projects. An estimated 360 permanent employees of the Corps to be transferred to the Department will assist in the conduct of these activities.

Feasibility studies of projects will continue to be conducted by Corps personnel, under the coordination and direction of DENR. Also, Corps personnel will continue to conduct all postauthorization project planning and the development of plans and specifications relating to the design of projects.

This arrangement will assure the continued training and experience of officers of the Army Corps of Engineers in contract administration, construction, and coordination with civilian authorities; preserve the flexibility, efficiency, and responsiveness of the Corps to meet alternating civil and national defense needs; and maintain the capability of the Corps to provide assistance to civilians in emergencies. At the same time, it will provide the Secretary of Energy and Natural Resources with the degree of authority necessary to coordinate the Corps' projects with other water resource plans programs and activities of DENR.

The civil regulatory functions of the Corps, which would be transferred to the Secretary, pertain generally to the protection of the navigable waters of the United States. No filling, erection of structures, dredging, or diversion of flow in such waters may be done unless permitted by the Secretary, who, in determining whether permission should be granted, considers all matters relating to the general public interest, including navigation, flood control, economic matters, fish and wildlife values, and ecological, esthetic, and environmental values.

Certain study and review functions are vested by law in the Board of Engineers for Rivers and Harbors, the Mississippi River Commission, and the California Debris Commission. These functions are also transferred to the Secretary by paragraph (2) of the subsection.

Subsection 301(d) transfers to the Secretary of Energy and Natural Resources such of the functions of the Secretary of Agriculture, the Department of Agriculture, and offices and components of the Department, as relate to or are utilized by the Forest Service. Forest Service activity covers three major areas of operation concerned with the country's forest and related range, watershed and other wildland natural resources: (1) management, protection, and development of the National Forests and National Grasslands; (2) cooperation with the States in obtaining better forestry on State and private forest lands; and (3) research needed for (1) and (2) and for forest and range lands generally.

There are numerous laws relating to the Forest Service. Of those which have been codified, the principal statutes appear in title 16 of the United States Code, relating to the three major programs of the Forest Service, and in title 7 of the United States Code, relating to the general authorities of the Department of Agriculture. Reorganization Plan No. 2 of 1953 (67 Stat. 633, 7 U.S.C.A. 2201 note) vested in the Secretary of Agriculture all of the functions of the Service, as well as all of the functions of the other components of the Department of Agriculture transferred under this Act.

Subsection 301(e) transfers to the Secretary of Energy and Natural Resources certain functions of the Soil Conservation Service of the Department of Agriculture relating to the conduct of river basin surveys and investigations and the planning and funding of certain watershed protection and flood prevention operations under the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1008). The Soil Conservation Service shall continue investigations and planning on individual projects specified by the Secretary. Any carrying out of plans conducted pursuant to this authority will continue to be accomplished through and under the direction of the Secretary of Agriculture.

Subsection 301(f) transfers to the Secretary of Energy and Natural Resources such of the functions of the Secretary of Transportation, the Department of Transportation, and officers and components of that Department as relate to or are utilized for pipeline safety. The referenced functions consist of all of the authority under the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1671 et seq.); and such of the authority under sections 831–835 of title 18 of the United States Code as relates to pipeline safety. The latter, originally administered by the Interstate Commerce Commission, was transferred to the Department of Transportation for administration through the Federal Railroad Administration pursuant to the subsections 6 (e) and (f) of the Department of Transportation Act (80 Stat. 931, 939, 940).

Subsection 301(g) transfers to the Secretary of Energy and Natural Resources all of the functions of the Water Resources Council, its chairman and members. The Council was established by the Water Resources Planning Act (42 U.S.C. 1962 et seq.) and functions under that and related acts. Its responsibilities include the coordination of all Federal water resource programs, assessment of water supplies and requirements, establishment of principles, standards, and procedures for Federal water and related land resources projects, review of comprehensive regional and river basin plans, and the administration of grants to States for comprehensive planning. River basin commissions established pursuant to the Planning Act would not be affected except that they would report through the Secretary rather than the Council.

Subsection 301(h) transfers from the Atomic Energy Commission to the Secretary of Energy and Natural Resources the responsibility for assessment of naturally occurring uranium and thorium reserves and estimates of quantities of potential uranium and thorium deposits that may exist in unexplored or undeveloped areas.

Section 302 provides that functions vested in hearing examiners by subchapter II of chapter 5 of title 5 of the United States Code will continue to be vested in hearing examiners of the Department of Energy and Natural Resources.

Section 303 provides that in any case in which the head of a department or agency is required to consult or obtain the approval of the head of another department or agency as a condition to his performance of a function, and the functions of both with respect to the matter involved have been transferred to the Secretary of Energy and Natural Resources, or the Atomic Energy Commission, the requirement for such consultation or approval is terminated.

Section 304 provides that personnel, personnel positions, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds relating to functions transferred to the Secretary or the Atomic Energy Commission shall follow those functions and be transferred correspondingly. Appropriations so transferred will be accounted for in accordance with the provisions of section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c) under which transfers of this type normally are made. To the extent that additional incidental adjustments may be needed to accomplish the intent of the Act, section 506 of the Act authorizes the Director of the Office of Management and Budget to make those adjustments. Personnel positions expressly created by statute or Reorganization Plan, personnel occupying those positions on the effective date of the part, and personnel authorized to receive compensation at one of the rates prescribed by the Executive Schedule (5 U.S.C. 5312–5316) would not be transferred to the new Department under this part. Those personnel positions would lapse, as provided in section 501. Persons under the Executive Schedule may be employed by the Department, without loss of pay, under section 306 of the part.

Section 305 provides that non-temporary personnel, other than personnel entitled to compensation under the Executive Schedule (Level I to V), shall not be separated or reduced in grade or compensation, as a result of the enactment of this legislation, for one year after being transferred to the new Department or the Atomic Energy Commission pursuant to the Act. This provision is designed to preclude reduction in force solely as a result of the enactment of this Act for one year after the transfer. However, this provision would not preclude the separation or reduction in grade or compensation of any such personnel under the same circumstances that such adverse action could have been taken if this Act had not been enacted—for example, separation for cause or removal from a Schedule C position. (See Sec. 9(h), DOT Act, 80 Stat. 944.) Personnel transferred from the Atomic Energy Commission to the Department will immediately come under the regular Civil Service System and under the provisions of Chapters 51 and 53 of Title 5 of the United States Code. Personnel transferred from the Department of the Interior to the Atomic Energy Commission will immediately come under the provisions of Section 161(d) of the Atomic Energy Act of 1954, as amended; such personnel will be subject to the provisions of Section 145 of the Atomic Energy Act of 1954, as amended, and the Commission's implementing policies and requirements.

Section 306 provides that persons entitled to compensation under the Executive Schedule (Level I to V) may be employed by the new Department and if that employment is without break in service and if the duties of the new position are comparable to the duties performed immediately preceding the new appointment, such person will be entitled to receive compensation at a rate not less than he received in his previous position for the duration of his service in the new position. (See Sec. 9(h), DOT Act.)

Section 307 provides that the Commissioned Officer Corps of NOAA shall become the Commissioned Officer Corps of the Oceanic, Atmospheric and Earth Sciences Administration of the Department of Energy and Natural Resources. This Corps was established by statute in 1917, as a special personnel system in the Coast and Geodetic Survey, to satisfy the need for the close defense relationship and because of the mobile and short-fuse nature of assignments. It has been continued in the Environmental Science Services Administration and more recently in the National Oceanic and Atmospheric Administration. The Commissioned Officer Corps is one of the seven branches of the uniformed services of the United States. Officers are available and utilized in a broad range of assignments throughout NOAA. Service aboard NOAA's oceanographic fleet is a common and principal factor in the officer's service. Approximately one-third of service career is spent assigned to such vessels.

The provisions relating to the appointment of Corps officers to policy positions in OAESA are the same as those provided in Reorganization Plan No. 4 of 1970 for appointment to policy positions in NOAA except that the requirement for Presidential appointment to such positions has been omitted in keeping with the provisions of subsection 202(c) of the Act.

Section 308 transfers to the Atomic Energy Commission (or to the Energy Research and Development Administration if Part B is enacted prior to Part A) certain research and development programs of the Department of the Interior.

Subsection (1) transfers the functions of the Office of Coal Research which was established pursuant to the Act of July 1, 1960 (30 U.S.C. 661). Through contracts with outside organizations, OCR sponsors research and development involving principally the conversion of coal to other energy forms, such as liquid hydrocarbons, clean fuel gas, substitute pipeline gas, and direct electric power.

Subsection (2) transfers to the AEC those research and development functions conducted by the Bureau of Mines which are directed toward fossil fuel energy research and development, including several energy research centers and a synthane pilot plant now under construction. The Bureau's program includes the conversion of coal into pipeline or low BTU gas, non-polluting oil, and metallurgical coke; the magneto-hydrodynamics generation of power; the production of oil from oil shale in situ; and the improved recovery of oil and natural gas.

The remaining functions of the Bureau of Mines would be transferred to the Department of Energy and Natural Resources under section 301(a). These include research and development of metallurgy and mining systems, the collection and analysis of data relating to mineral resources, and various engineering studies and demonstrations relating to mining.

Subsection (3) transfers to the AEC the program of underground electric power transmission research under the direction of the Office of the Secretary of the Interior. This cooperative government-industry effort which is carried out through the Electric Power Research Institute was initiated in Fiscal Year 1971 to hasten the development of technology and to reduce the cost of undergrounding high power transmission lines.

Definitions and Administrative Provisions

Section 401, Subsection (a) defines "function," "functions," "perform" and "performance" in order to avoid repetitious references to such terms as duties, obligations, powers, authorities, responsibilities, rights, privileges, and activities, and the exercise thereof.

Subsection (b) provides that references in the Act to provisions of law shall be deemed to include, as appropriate, reference thereto as now and hereafter amended or supplemented. This avoids repetitious uses of "as amended" or "as supplemented." It also recognizes that statutory authorities subject to transfer under this legislation may be amended or supplemented by other legislation while this legislation is under consideration or after this legislation is enacted but before it becomes effective. This provision would avoid any issue as to whether statutory authorities transferred by this Act are transferred in their amended forms, and will obviate the need for last minute conforming adjustments in this or any other legislation during final stages of the legislative process.

With respect to the functions transferred from the Atomic Energy Commission to the new department, various provisions of the Atomic Energy Act of 1954, as amended, will continue to be applicable thereto, as well as to the programs remaining with the Commission. However, it would not be feasible for responsibility in several sensitive areas to be diffused. Rather, it is intended that the Atomic Energy Commission shall continue to be responsible for (i) policies, procedures, and requirements relating to the control and declassification of Restricted Data, and to the safeguarding of the common defense and security; (ii) the functions in subsection j. (extraordinary nuclear occurrence) and z. (source material) of Section 11 of the Atomic Energy Act of 1954, as amended; (iii) the functions in Sec. 61 (source material) of the Act, as amended; (iv) the functions in Chapter 7 (source material) of the Act, as amended, with respect to the issuances of licenses and of criteria governing such issuances; (v) the function in Sec. 64 (foreign distribution of source material) of the Act, as amended, with respect to the making of the determination that the activity will not be inimical to the interests of the United States; and (vi) the functions in Sec. 123 (cooperation with other nations) of the Act, as amended. Additionally, none of the Commission's licensing authority and related regulatory responsibilities would be transferred to the Secretary. In regard to Section 152 (patents and inventions) of the Atomic Energy Act, as amended, it is intended that the Secretary, with respect to the program transferred by the Commission, shall have the same rights, powers, and duties as the Commission in the case of contracts, subcontracts, or arrangements entered into for the benefit of the Department, but that the Commission be responsible for the other functions in Chapter 13 (patents and inventions) of the Act, as amended.

Section 402 authorizes the Secretary to prescribe such policies, standards, criteria, procedures, rules, and regulations as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him. (See section 203(b) (1), NASA Act; OEO Act, 42 U.S.C. 2942(n); sec. 9(c), DOT Act, 80 Stat. 944; sec. 7(d), DHUD Act, 79 Stat. 667). The Atomic Energy Commission is granted similar authority with respect to functions transferred to it by section 308.

Section 403. Subsection (a) authorizes the Secretary to delegate any of his functions to such officers and employees of the Department as he may designate and to authorize successive redelegations of those functions. (See sec. 7(d) of DHUD Act, 79 Stat. 667; sec. 9(e) of DOT Act, 80 Stat. 944.) It is intended that the Atomic Energy Commission shall have similar flexibility with respect to functions transferred to it by section 308.

Subsection (b) authorizes the Secretary to organize the department as he deems appropriate. However, the Secretary would not be authorized to abolish the "Administrations" created by section 202(c) of the Act, or any other entity referred to in section 501(b). (This authority is quite similar to that now applicable with respect to the Department of Housing and Urban Development and the Department of Justice.) (See also sec. 203 (b) (8), NASA Act, 72 Stat. 430.)

Section 404 authorizes the Secretary to establish, alter, or discontinue and to maintain such State, regional, district, local, or other field offices as he may deem necessary or appropriate to the performance of his functions. This will expressly permit the Secretary to design and establish the best field office system he can devise to assure effective, expeditious, and responsive implementation of the Department's programs. It would also permit him to alter or discontinue that system and establish another system if experience or changed conditions indicate the advisability of such a change. It is intended that the Atomic Energy Commission shall have similar flexibility with respect to functions transferred to it by section 308.

Section 405 is a standard provision authorizing the Secretary, subject to the civil service and classification laws, to select, appoint, employ, and fix the salaries of such officers and employees, including attorneys, as are necessary to the performance of his functions. (See sec. 7(c), DHUD Act, 79 Stat. 667.)

Section 406 authorizes the Secretary to obtain the services of experts and consultants at rates not to exceed those prescribed for GS–18 of the General Schedule. (See sec. 7(e) of the DHUD Act as amended by sec. 906 of the Housing and Urban Development Act of 1970, P.L. 91–609.)

Section 407 is a standard provision authorizing the Secretary to appoint advisory committees to consult with and advise him with respect to the performance of his functions. (See sec. 7(c) of the DHUD Act, as amended by sec. 905, P.L. 91-609; sec. 9(o) of DOT Act, 80 Stat. 944.)

Section 408 authorizes the appointment, detail, or assignment of members of the Coast Guard, the Commissioned Officer Corps of OAESA, or the Regular or Reserve Commissioned Corps of the Public Health Service to any position in the Department that is not required to be filled by an officer whose appointment is required to be confirmed by the Senate.

Subsection (b) permits members of the Army, Navy, Air Force, and Marine Corps to be detailed for service in the Department under agreements between the Secretary and Secretaries of the Military Departments.

Subsection (c) provides that the status, office, rank, or grade of persons who are appointed, assigned, or detailed to the Department pursuant to this section shall not be adversely affected by service under this section. (See sec. 9(d)(1), DOT Act, 80 Stat. 944.)

Section 409 authorizes payment of transportation expenses and per diem to temporary or seasonal employees from the place of their recruitment to the place of their duty and while at the place of such duty. Such expenses would be paid in accordance with chapter 57 of title 5 of the United States Code which relates to similar payments to other Government employees for official travel. (See 7 U.S.C. 2229.)

Section 410 authorizes the Secretary to enter into contracts and agreements, including grant agreements, with public agencies and private organizations and persons. It authorizes payments in lump sum or by installments or in advance or by way of reimbursement. It also authorizes the Secretary to take such steps as he may deem necessary or appropriate to perform his functions. (See sec. 203(b)(5), NASA Act, 72 Stat. 426.)

Section 411 authorizes the Secretary to acquire facilities required for the maintenance and operation of laboratories, research, and testing sites and facilities, quarters, and related accommodations for employees and their dependents and such other special purpose real property as the Secretary deems necessary. Such special purpose facilities and real property could be acquired by purchase, lease, condemnation, or otherwise. General purpose facilities and real property would continue to be acquired by the General Services Administration. The title to all property acquired pursuant to this section would be in the United States rather than in the Secretary or the Department. (See sec. 203(b)(3), NASA Act, 72 Stat. 426.)

Section 412 authorizes the Secretary to provide, construct, or maintain, as necessary and when otherwise unavailable, certain facilities and sevices for employees and their dependents at remote locations. Included would be emergency medical services and supplies; food and subsistence supplies; messing facilities; audio-visual equipment, accessories, and supplies for recreation and training; living and working quarters and facilities; and transportation for school-age dependents to the nearest appropriate educational facilities. Reimbursement would be required for the medical treatment and for services and supplies so furnished to employees and their dependents. Charges for these services, or any other services under this Act to private persons or organizations, would be determined in accordance with uniform policies, standards, and procedures prescribed by the Office of Management and Budget and with 31 U.S.C. 483a and 5 U.S.C. 5911. (See sec. 9(l), DOT Act, 80 Stat. 946, and 15 U.S.C. 1514.)

Section 413 would authorize the Secretary to permit concessionaires to provide services on property under the custody and control of the Secretary. Concession agreements under this section would have to be in conformity with standards prescribed in regulations issued by the President (See 16 U.S.C. 20-20g, 580d.)

Section 414 authorizes the Secretary to acquire copyrights and patents; interests therein and licenses thereunder, whenever such acquisitions are necessary or appropriate to the performance of his functions. (See 10 U.S.C. 2386).

Section 415 authorizes the Secretary to engage in such basic and applied research and disseminate technology as he may deem necessary to carry out functions entrusted to him. (See title V, Housing and Urban Development Act of 1970, P.L. 91-609; sec. 9(q), DOT Act, 80 Stat. 947.)

Section 416 authorizes the Secretary to undertake joint projects with nonprofit organizations, research organizations, and public agencies and organizations involving matters of mutual interest and to share the costs thereof.

Section 417 authorizes the Secretary, within his own discretion or at the request of any persons, firms, organizations, or others, public or private, to make special studies concerning matters within his jurisdiction; to prepare from the records of the Department special compilations, lists, bulletins, or reports; to furnish transcripts or copies of those studies, compilations, and other records; to furnish copies of charts, maps, or photographs; and to provide services incident to the conduct of the regular work of the Department. For example, the Department may have a specialized piece of equipment, or persons with specialized knowledge, not available elsewhere and, in appropriate cases, the Secretary would be authorized to make those services available to private persons and to public and private agencies and organizations.

Section 418 authorizes the Secretary to accept, hold, administer, and utilize gifts and bequests. (See sec. 905(k) of Housing and Urban Development Act of 1970, P.L. 91-609; sec. 9(m), DOT Act, 80 Stat. 946.)

Section 419 authorizes the Secretary to prescribe a seal for the Department. (See sec. 7(g) of DHUD Act, 79 Stat. 667.)

Section 420 authorizes the establishment of a working capital fund to defray necessary expenses arising out of the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interest of economy and efficiency. (See sec. 9(j), DOT Act, 80 Stat. 954; sec. 7(b), DHUD Act, 79 Stat. 667; and 43 U.S.C. 1467, Interior Department.)

Section 421 is a technical provision. In certain cases authorities under a portion of an Act is transferred to the Secretary by this Act while responsibility for other provisions of the same Act will be retained by the transferring agency. This provision is designed to permit the Secretary to exercise powers vested by the general provisions of any such Act without divesting the transferring agency of authority to exercise those powers with respect to the functions retained by that agency.

Section 422 is designed to make it clear that authority expressly provided by this Act is in addition to and not in substitution for any authority that may have existed prior to the effective date of this Act and is transferred by this Act.

Section 423 requires an annual report to the Congress on the activities of the Department concerning activities during the preceding fiscal year, a statement of goals, and an assessment of progress.

Section 424 authorizes the Secretary, when authorized in an appropriation act, to transfer funds from one appropriation to another so long as such transfers do not increase or decrease an appropriation by more than five percent. This does *not* permit such transfers unless they are authorized in an appropriation act.

Section 425 authorizes the establishment of service funds for each Administration. These funds would be used to defray the initial costs of reimbursable services provided to other departments and agencies or to persons, agencies, or organizations outside the government.

Section 426 directs the Secretary from time to time to prepare and publish compilations of laws and treaties applicable to the various program areas of the Department as he deems to be in the public interest.

Section 427 authorizes the Secretary to employ non-citizens when he deems it to be in the public interest.

Title V

Transitional and Conforming Provisions

Section 501 provides that whenever all of the functions of a department, agency, or other body, or of any component thereof have been transferred, whether by this part, or by a combination of Acts, Reorganization shall lapse. This, in effect, discontinues organization structures when they no longer have functions to perform. It applies only when all of the functions of the agency or component have been transferred to the Secretary. Thus, it would not apply, for example, to the Corps of Engineers, whose military functions and construction and other activities continue; nor would it apply to the Soil Conservation Service.

The section also provides that all Executive Schedule offices and positions in a department or agency that lapses under the first sentence of the section shall also lapse.

Section 502 repeals the section of the Flood Control Act of 1970 which established the position of the Assistant Secretary of the Army for Civil Works, as this statutory office is not covered by section 501.

Section 503 substitutes the Department of Energy and Natural Resources for the Department of the Interior in the definition of "Executive Department" in title 5 of the United States Code.

Section 504 substitutes the Secretary of Energy and Natural Resources for the Secretary of the Interior in section 19(d) of title 3 of the United States Code relating to presidential succession.

Section 505 substitutes the Secretary of Energy and Natural Resources for the Secretary of the Interior in Reorganization Plan No. 2 of 1970 relating to membership on the Domestic Council.

Section 506 authorizes the Director of the Office of Management and Budget to make such additional incidental dispositions of functions, positions, personnel positions, assets, liabilities, contracts, property, records, appropriations, etc., as may be necessary to carry out the intent and purpose of the Part. This is a standard provision in Reorganization plans involving interagency transfer of functions.

Title VI

Saving Provisions

Section 601 is a saving clause that continues the effectiveness of all existing orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges affected by the Act, until such time as they are otherwise modified or replaced by appropriate authority or otherwise expire. This avoids any inadvertent lapsing or impairment of essential Executive orders, directives, documents, and obligations, and will afford the President, the Secretary, and other officials sufficient time to deal with these matters in an orderly fashion.

Section 602 is another saving clause that preserves and continues legal proceedings in being on the effective date of the respective parts. Such proceedings would, in effect, be continued, modified, or terminated as if the Act had never been enacted.

Section 603 is a technical provision. It provides that with respect to functions transferred by the Act, references in laws (including Reorganization Plans) to other officials shall be deemed to be a reference to the Secretary, or other officials as appropriate.

Section 604 is a technical provision. A number of the functions that are transferred by this Act are functions that are vested in the President but were delegated to a transferring agency on the effective date of the respective parts. Under the terms of the Act those functions are transferred to the Secretary. This section is designed to assure that those administrative delegations of functions by the President do not take on a statutory character that would impair the President's authority to modify, terminate, or transfer these delegated functions in the future.

Title VII

Separability

Section 701 is a standard separability clause that avoids the invalidation of the whole part if a single provision is found to be invalid.

Title VIII

Effective Date and Interim Appointments.

Section 801 provides that the part shall become effective 120 days after the Secretary is appointed, or on such earlier date as the President may prescribe and publish in the *Federal Register*. This will give the President time to select, nominate, and appoint the Secretary, and will allow the Secreary sufficient time to arrange and organize the new Department and prepare such rules, regulations, orders, etc., as may be necessary for a smooth transition.

Title IX

Short Title

Section 901 provides that this part may be cited as the "Department of Energy and Natural Resources Act."

PART B—ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Title XI

Declaration of Purpose

Section 1101 expresses Congressional recognition that the general welfare and the common defense and security require effective action to develop all forms of energy sources. The Congress finds that, to best achieve the objectives of this Part, which is cited as the "Energy Research and Development Administration Act", it is necessary to establish an Energy Research and Development Administration to bring together and direct Federal activities relating to research and development on the various sources of energy. The new Administration will be responsible for assessing the requirements for research and development in regard to various forms of energy sources, both in relation to near term and long range needs, for planning in regard to meeting these requirements, and for undertaking and managing the research and development programs, and military support and production activities.

Subsection (b) of Section 1101 expresses Congressional recognition that it is in the public interest that the licensing and related regulatory functions of the Atomic Energy Commission be separated from the performance of the other functions of the Commission, which other functions are transferred by this Part to the new Administrator except the uranium and thorium assessment functions being placed in the new Department. The Congress finds that it is in the public interest that this separation of functions be effected in an orderly manner assuring adequacy for resources necessary for the performance of the separate functions.

Title XII

Establishment of Administration

Section 1201 establishes the Energy Research and Development Administration as an independent executive agency, to be headed by an Administrator who shall be appointed by the President by and with the advice and consent of the Senate. The Administrator will receive compensation at the rate prescribed for Level II of the Executive Schedule.

Section 1202 establishes top policy offices in the Administration and describes the general internal structure of the Administration. There will be a Deputy Administrator, at Level III of the Executive Schedule, who shall be appointed by the President by and with the advice and consent of the Senate. There will also be a General Counsel, at Level IV, and other officials who will perform such functions as the Administrator specifies. The Deputy Administrator, or in his absence the General Counsel or such other official as the Administrator determines, will act for the Administrator in his absence.

More specific legislative proposals for the internal structuring of ERDA will be made after further consultation with members of Congress and after further study of ERDA's managerial and organizational needs. ERDA must be organized to serve as the focal point for an expanding energy R&D program and to provide appropriate priority and balance among its nuclear and non-nuclear energy R&D responsibilities.

Title XIII

Transfers

Section 1301 transfers to the Administrator of the new Energy Research and Development Administration all functions of the Atomic Energy Commission except the licensing and related regulatory functions, including pertinent health and safety, environmental and other responsibilities, which are to be retained by the Commission, and except the uranium and thorium assessments which are transferred to the new Department. The transferred functions, including the military and production aspects, will continue to be carried out under existing law, including pertinent provisions of the Atomic Energy Act of 1954, as amended.

Section 1302 provides that personnel, personnel positions, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds relating to functions transferred to the Administrator shall follow those functions and be transferred to the Administrator.

Section 1303 provides that the transfer of non-temporary personnel pursuant to this part shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer. This provision would not preclude the separation or reduction in grade or compensation of any such personnel under the same circumstances that such adverse action would have been taken if this Act had not been enacted.

Title XIV

Definitions and Administrative Provisions

Section 1401 adopts by reference and makes applicable to this part certain specified sections of part A of this Act.

Title XV

Savings Provisions

Section 1501 adopts by reference and makes applicable to this part the savings clause in part A of this Act that continues the effectiveness of all existing orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges affected by this part, and accomplishes certain other savings aspects.

Title XVI

Separability

Section 1601 is a standard separability provision that avoids the invalidation of the whole Act if a single provision is found to be invalid.

Title XVII

Nuclear Energy Commission

Section 1701(a) provides that the licensing and related regulatory functions of the Atomic Energy Commission shall continue to be performed by the Commission and that these functions, as well as the Chairman and members of the Commission, the General Counsel and other officers and components involved in their performance, are excepted from the transfer to the new Administration under Section 1301 of this part. The result is to place in separate agencies the regulatory and non-regulatory functions exercised by the present Commission. These functions are now separated within the Commission by internal agency arrangements, with the regulatory functions, except those which are adjudicatory in nature, being performed under the direction of the Director of Regulation and the non-regulatory functions under the separate direction of the General Manager. Both of these officials now report to the five-member Commission, which has overall responsibility for all agency activities. The organizational separation of these functions effected by this part is in keeping with the progression of internal steps taken by the agency looking to formal organizational separation at a point in time when the regulatory unit will have available to it the independent resources required to perform its functions within the framework of a separate agency.

Section 1701(b) provides that the Atomic Energy Commission shall be renamed the Nuclear Energy Commission. The changed name more accurately describes the technology which is the subject matter of agency regulation—that relating to the processes of nuclear fission or nuclear transformation.

Title XVIII

Effective Date and Interim Appointments

Section 1801 provides that part B shall become effective 120 days after the Administrator is appointed, or on such earlier date as the President may prescribe and publish in the *Federal Register*. This will give the President time to select, nominate, and appoint the Administrator, and will allow the Administrator sufficient time to arrange and organize the new Administration and prepare such rules, regulations, orders, etc., as may be necessary for a smooth transition. Prior to the effective date, the regulatory arm of the present Atomic Energy Commission will be provided with sufficient resources to enable it to perform its functions within the framework of a wholly separate organization. While presently possessing a substantial independent capability, and progressively increasing its capability base to meet a mounting licensing workload, the regulatory staff of the Commission now requires significant support from the technical resources of the operating arm of the agency.

Title XIX

Short Title

Section 1901 states that this part may be cited as the "Energy Research and Development Administration Act."

NOTICE OF FUTURE HEARINGS

Mr. RIBICOFF. Mr. President, the Subcommittee on Reorganization, Research, and International Organizations will soon begin hearings on legislation to establish a Department of Energy and Natural Resources. All those wishing to present statements on this bill should notify the subcommittee office, room 162, Russell Office Building. The telephone number is 225-2308.

Mr. JACKSON. I thank the able Senator from Illinois and the Senator from Connecticut for their excellent comments.

The Senator from Connecticut (Mr. RIBICOFF) is the chairman of the Subcommittee on Reorganization, which subcommittee will be handling the legislation. I will be the cochairman of the hearings on this particular bill with him.

I would like to take up with the chairman of the full committee as well as the Senator from Connecticut the possibility of having members from the standing committees that are directly involved and directly affected by this proposed new department and any Cabinet position within the executive branch. The measure cuts across a number of committees of Congress.

I believe our task and job will be a lot easier in the Committee on Government Operations with that kind of support.

I now yield to the Senator from Arizona, the ranking Republican member of the committee.

Mr. FANNIN. Mr. President, I express appreciation to the distinguished chairman of the Committee on Interior and Insular Affairs and the manager of the bill that we now have under consideration in referring to the matter which he has just announced.

I feel we have a very important assignment in the Committee on Interior and Insular Affairs in accordance with Senate Resolution 45.

I wish to ask the distinguished chairman if it is not his intent to have a full report go from the Committee on Interior and Insular Affairs in accordance with Senate Resolution 45 to the Committee on Government Operations for consideration. I would assume the Committee on Interior and Insular Affairs will be involved in conducting hearings on the DENR legislation with a view to making recommendations to the Senate as a whole and to the Government Operations Committee regarding Federal organization for energy policy and programs.

Mr. JACKSON. Of course, under the rules of the Senate, this bill will be considered by the Committee on Government Operations. I pointed out earlier that the Committee on Interior and Insular Affairs is directly involved. I would say that of all committees the Committee on Interior and Insular Affairs is most heavily involved. The reorganization plan would take virtually the entire jurisdiction now enjoyed by the Department of the Interior and move it into this Department of Energy and Natural Resources, with a few exceptions.

I would say that probably the best way to go into this matter would be to have a subcommittee from each of the committees. The Joint Committee on Atomic Energy is affected; the Committee on Commerce is affected. Senators from those committees could join in the hearings. The recommendations that our committee may make in connection with energy policy certainly would be a part of the important record that must be made in connection with the Department of Energy and Natural Resources.

Mr. FANNIN. I agree with the Senator. I feel what he stated is an indication that the Committee on Interior and Insular Affairs, as part of its responsibilities under Senate Resolution 45, would be involved and will prepare recommendations regarding this legislation. Let us put it that way. It would be a coordinated program as far as the committee is concerned in connection with the legislation introduced this afternoon.

Mr. JACKSON. I shall look forward to working with all members of the committee, particularly the ranking minority member, the Senator from Arizona.

Mr. FANNIN. I thank the Senator.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JACKSON. I am pleased to yield.

Mr. PASTORE. Mr. President, along the lines being discussed, inasmuch as the Joint Committee on Atomic Energy would be interested, I would hope that the chairman would see fit to send a notice to chairmen of the committees involved so that they can participate in any way that might be arranged.

Mr. JACKSON. Yes. The three committees in addition to the Committee on Government Operations that are directly involved would be notified. Of course, the Joint Committee on Atomic Energy has a large number of current responsibilities in connection with DENR. I will see that all members of the three committees in addition to the Committee on Government Operations—that is, the Committee on Commerce, the Joint Committee on Atomic Energy, and the Committee on Interior and Insular Affairs—are advised of the hearings. I will take up with the full committee and the Subcommittee on Government Operations the interests of the committees.

Mr. PASTORE. I thank the Senator.

By Mr. SCOTT of Pennsylvania:

S. 2136. A bill to amend section 107 of the River and Harbor Act of 1970. Referred to the Committee on Public Works.

ST. LAWRENCE SEAWAY-GREAT LAKES SEASON EXTENSION

Mr. SCOTT of Pennsylvania. Mr. President, I introduce for appropriate reference a bill to extend the St. Lawrence Seaway-Great Lakes navigational season demonstration program for another 2½ years. My bill would also increase the overall authorization for this effort by $3 million; from the $6.5 million originally authorized to a new proposed support level of $9.5 million.

As you know, Mr. President, Congress in 1970 acted for the first time to officially recognize the Great Lakes-St. Lawrence Seaway as "the Nation's Fourth Seacoast." That same year, Congress also authorized, as a part of the 1970 River and Harbor Act, a 3-year navigational season extension demonstration program with the ultimate goal of achieving year round, 365-day shipping through the upper Great Lakes and the St. Lawrence Seaway to the Atlantic Ocean.

Despite higher authorizations, budget restraints have held amounts actually appropriated for this program to only $740,000 in 1972 and $2.4 million in 1973. Even if the total $3.36 million needed to reach the full authorization is appropriated in this final year of the existing program, it is unlikely that the full potential envisioned by Congress will be realized without the extension which the St. Lawrence Seaway Development Corporation, the Army Corps of Engineers, and other participating Federal agencies now deem necessary. It is for the purpose of providing this extension that I am introducing my bill today.

I am advised that the St. Lawrence Seaway Development Corporation, in cooperation with the Corps of Engineers, will complete a systems analysis of the seaway this coming year, leading to alternative solutions for ice control and suppression, frigid weather lock operations, navigational assistance, and other problems which now limit the seaway's shipping season. A 2½-year extension of the program, with appropriate funding, will then enable the Corporation and other cooperating agencies to fully evaluate their findings, and to provide at least the interim navigational systems necessary for any permanent extension of the navigational season.

Mr. President, I think there is every reason to be encouraged by the results obtained from this effort so far. The 1972–73 shipping season went for a total of 309 days, the longest period in the history of the upper Great Lakes. Another record was set by the 268 days of continuous operation which marked the international shipping season last year. The 53.6 million tons of freight which moved through the Great Lakes and through the seaway to Montreal in 1972 was, again, a record "first." Significantly, the navigational season extension demonstration has at last made possible an ever-increasing trend that has, since the program's inception, seen each year surpass the St. Lawrence Seaway's long sought goal of an annual 50 million cargo tons.

Nevertheless, more must be done if the Great Lakes-St. Lawrence Seaway is to become "the Nation's fourth seacoast" in more than name only. Though its cost is modest in terms of other Federal programs, I believe that the Great Lakes-St. Lawrence Seaway navigational season extension demonstration has been, and will continue to be, one of the finest examples of cooperation ever undertaken between Government and industry for the benefit of an entire geographic region.

With this in mind, I urge immediate and favorable action on the bill which I introduce today.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107(b) of the River and Harbor Act of 1970 (84 Stat. 1818, 1820) is hereby amended by deleting "July 30, 1974" and inserting in lieu thereof "December 31, 1976", and by deleting "$6,500,000" and inserting in lieu thereof "$9,500,000".

By Mr. SCOTT of Pennsylvania (for himself, Mr. FULBRIGHT, and Mr. JACKSON):

S. 2137. A bill to amend the Act of October 15, 1966 (80 Stat. 953, 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said act. Referred to the Committee on Rules and Administration.

NATIONAL MUSEUM ACT EXTENSION

Mr. SCOTT of Pennsylvania. Mr. President, on behalf of myself and the distinguished Senators from Arkansas (Mr. FULBRIGHT) and Washington (Mr. JACKSON), I introduce legislation to extend the National Museum Act.

Since its founding in 1846, the Smithsonian Institution, as custodian of the national collections, has endeavored, within the limits of its resources, to be responsive to the needs of other museums. In the early days, these efforts consisted of exchanges of information and publications and, in more recent times, have included the short-term training of museum professionals, consultation services on specific problems, and small grants for special studies.

Mr. President, the National Museum Act of 1966 reaffirmed the Smithsonian's traditional role of assisting museums with specific reference to the continuing study of museum problems and opportunities; training in museum practices; the preparation of museum publications; research in museum techniques, and cooperation with agencies of the Government concerned with museums. Although funds were authorized for fiscal years 1968, 1969, and 1970, none were appropriated.

On December 31, 1970, the President approved legislation providing a 3-year extension of National Museum Act funding. The extension authorized appropriations not to exceed $1 million annually through fiscal year 1974, of which $300,000 each year was specifically allocated to be expended—in one-third shares—for training programs by the National Endowment for the Arts, the National Endowment for the Humanities, and the Smithsonian. An additional amendment clarified grant and contract authority for training in museum practices.

In fiscal year 1972, $600,000 was appropriated, of which $200,000 was transferred to the Endowments, and a modest program was initiated. In fiscal year 1973, $798,000 was appropriated; and $899,000 has been requested in the fiscal year 1974 budget.

Funds appropriated to the Smithsonian for the implementation of the National Museum Act are made available, primarily by grants and contracts, to museums, professional associations, and individuals. Such funding is made available after review by the National Museum Act Advisory Council, which is appointed for this purpose by the Smithsonian. The membership of the advisory council encompasses the principal museum disciplines—art, science, and history—and is broadly representative of the various regions of the United States. The council advises and assists the Secretary of the Smithsonian Institution in determining priorities and assessing the quality of individuals and programs seeking support under the Act. In funding proposals, the advisory council has insisted that all proposals clearly demonstrate how the project will improve the museum profession; its techniques, its methods, and its approaches.

Proposals funded thus far in fiscal year 1973 include stipend support for graduate training in conservation and for the training of minority group graduate students in museum studies; the development of a series of audio-cassette tapes for the technical training of personnel of history museums, and support for six regional seminars on the problems of urban museums.

Three additional projects have been planned to address the management problems of museums: one would provide professional assistance and consultation on general management to small museums; another would analyze the financial resources and salary structures of American museums, and the third would involve the use of computers in museums with emphasis on cataloging.

Other pending proposals deal with matters such as paper conservation; the preservation of wooden ethnographic specimens, and the publication of works on craft documents, historical preservation agencies, and museum practices.

The proposed fiscal year 1974 program will support inservice training opportunities, stipends for graduate and professional training; research in conservation techniques and materials; the study and analysis of new methods and approaches to exhibit design and construction; management and administrative systems; methods of handling and storing objects, and archival and library management.

The Smithsonian Institution, the National Endowment for the Arts, and the National Endowment for the Humanities, through their respective offices of museum programs, regularly consult and review programs and proposals in order to prevent duplication and to meet, insofar as possible, the increasing needs of museums and museum professionals from the point of view of their individual programs. The programs of the endowments focus on the public aspects of specific museums such as exhibitions, renovations, and catalogs and purchases, while those programs that the Smithsonian administers under the National Museum Act are designed to serve the needs of the museum profession generally.

In view of the substantial increases in authorization and budget requests for the endowments, the transfer of funds from National Museum Act appropriations is quite possibly no longer necessary.

One index of the present and growing needs of the museum profession is the fact that in fiscal year 1972 proposals potentially eligible for funding under the National Museum Act totaled approximately $2 million. In fiscal year 1973, that figure exceeded $6 million.

Mr. President, we feel that the need for this bill can be fully documented, and we urge careful consideration.

ADDITIONAL COSPONSORS OF BILLS

S. 1328

At the request of Mr. TUNNEY, the Senators from Washington (Mr. MAGNUSON and Mr. JACKSON) and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 1328, a bill to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle, in the State of Washington, Portland, in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego, in the State of California.

S. 1708

At the request of Mr. CRANSTON, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 1708, a bill to amend title X of the Public Health Service Act to extend appropriations authorizations for 3 fiscal years and to revise and improve authorities in such title for family planning services programs, planning, training and public information activities, and population research.

S. 2068

At the request of Mr. JAVITS, the Senator from Missouri (Mr. EAGLETON) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 2068, the "National Tay-Sachs Disease Screening and Counseling Act."

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973—AMENDMENT

AMENDMENT NO. 310

(Ordered to be printed, and to lie on the table.)

Mr. McINTYRE submitted an amendment, intended to be proposed by him, to the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

AMENDMENT NO. 313

(Ordered to be printed, and to lie on the table.)

Mr. HASKELL submitted an amendment, intended to be proposed by him, to Senate bill 1081, supra.

AMENDMENT NO. 314

(Ordered to be printed, and to lie on the table.)

Mr. JACKSON submitted an amendment, intended to be proposed by him, to Senate bill 1081, supra.

AMENDMENT NO. 315

(Ordered to be printed, and to lie on the table.)

Mr. JACKSON (for himself and Mr. FANNIN) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1081, supra.

AMENDMENT NO. 317

(Ordered to be printed, and to lie on the table.)

Mr. McGOVERN submitted an amendment, intended to be proposed by him, to Amendment No. 240, intended to be proposed by Mr. MONDALE (for himself and Mr. BAYH), to Senate bill 1081, supra.

AMENDMENT NO. 318

(Ordered to be printed, and to lie on the table.)

Mr. McGOVERN (for himself and Mr. CURTIS) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1081, supra.

AMENDMENT NO. 319

(Ordered to be printed, and to lie on the table.)

Mr. NELSON (for himself, Mr. HART, Mr. KENNEDY, Mr. HUMPHREY, and Mr. MCGOVERN) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1081, supra.

AMENDMENT NO. 320

(Ordered to be printed, and to lie on the table.)

Mr. BARTLETT submitted an amendment, intended to be proposed by him, to Senate bill 1081, supra.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 311

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

AMENDMENT TO THE MUTUAL DEVELOPMENT AND COOPERATION ACT

Mr. HUMPHREY. Mr. President, 12 years ago the Congress approved the Humphrey amendment which made the development of credit unions and other cooperatives overseas a matter of national policy. Later, the Congress approved the Fraser/Morse amendments which again made the development of such organizations as tools for social and political democratization a matter of national policy.

Today I am submitting an amendment to increase the size of the technical assistance and loan programs for cooperatives. This amendment is completely in tune with the stated objectives of both the House Foreign Affairs Committee amendments known as the Zablocki bill and the Humphrey/Aiken bill which has the sponsorship of many of my colleagues on the Foreign Relations Committee. These objectives are to assist the poorest of the less developed countries, to provide aid for the "little man," to stimulate self-help and independence, and to use private organizations and resources wherever possible to carry forward our national objectives.

Yet, despite these firm commitments to policy made by the Congress, the implementation of this program has lagged. I am reliably informed, for example, that after 12 years of gradual build-up, AID is not yet spending as much as $5,000,000 a year—this is less than one-half of one percent of the AID funds appropriated by the Congress—for technical assistance in the field of cooperative development.

Self-liquidating loans for sound, economical projects developed by these cooperative programs have been a minimal amount. The loans for these cooperative undertakings over a 12-year period, I am told, have amounted to only $140,000,000 or an average of a little over $12,000,000 a year.

This is in the face of the fact that democratic, nonprofit cooperative institutions now constitute an essential part of American life today and their work overseas is perhaps the most desirable of all of our foreign assistance designed to help people to help themselves. To put it another way, the Congress has felt that cooperative development should have a higher priority in its foreign assistance program, but the cooperatives have not yet secured a high enough priority in AID to make the program work with its maximum effectiveness.

There are innumerable illustrations of the effectiveness of technical assistance work with cooperatives in Latin America; but only a limited amount of that experience has been applied in Africa, the Middle East and Southeast Asia. Most of my colleagues are familiar with the beneficial results achieved by the organization of rural electric cooperatives in Nicaragua, Colombia, Ecuador, Chile, and Costa Rica, Peru, and Bolivia. Electricity has been brought to the farms and farm homes of thousands of families in Latin America as a result of these cooperative undertakings.

A dramatic human interest story is involved in the cooperative rural electrification program in Vietnam. Three electric co-ops were built there during the war and under war conditions. They were built in the highlands area, the delta region and just outside of Saigon. After the National Rural Electric Cooperatives Association had assisted in their organization and construction the cooperatives were left on their own. In a recent visit, a representative of NRECA found that all three of the cooperatives are still in operation. The co-ops are serving more rural families than had been planned when the cooperatives were organized and they are in a position to help rebuild war-torn areas in that country.

The credit unions organized in Latin America under the Humphrey amendment are now serving well over a million members with assets in those credit unions of well over $180,000,000.

The drama of these stories can be repeated in cooperative housing projects in rural areas of Panama where farmers were able to build their own homes at a cost as low as $350. Large-scale urban cooperative communities have been built in a number of other countries under the AID program. These are providing decent housing, not only for farm families, but also for the civil servants, teachers, workers, small merchants, and other families who can afford decent housing once they have the capital loans, the terms and technical assistance that make these projects possible.

Cooperative banks have made a small but important impact in Latin America, but have not yet been reproduced in other sections of the world. The most dramatic project of all has been the $125,000,000 cooperative fertilizer complex built in India with the techncal assistance of U.S. farmer cooperatives in the fertilizer field. Only $20,000,000 of the $125,000,000 investment is coming as a loan from AID, but this is a critical factor in the success of the program. This project probably could have been built years earlier if there had been an assured source of AID loans for cooperatives.

Some of my colleagues are sure to ask how the $50,000,000 a year in loan funds for cooperatives will be used. Let me give you a few specific illustrations.

The rural electric cooperatives have now completed or have in the development stage 77 electric cooperatives in 10 countries with a total loan value of $83,660,000. The leaders of the electric cooperatives tell me that there is an application in the development stage for the construction of additional electric cooperatives in the Philippines and that a loan application will be presented for $20,000,000 for that country alone. Additional electric cooperatives are in the planning stage in Ecuador and Nicaragua. These could use an additional $5,000,000 and would move fairly rapidly if there were assurances that the loan funds are available.

One of the small cooperatives recently brought to my attention illustrates the potential impact on people. The Cuna Indians in the San Blas Islands off the shores of Panama need a loan of $120,000 to increase production and stimulate the marketing of handicraft products, among them being the Molas now being sold in quantities to tourists who visit Panama.

The Cooperative League of the U.S.A. tells me that the co-ops who are developing their insurance services through the cooperative insurance companies now in the development stage could use $1,000,000 for reserve capital and that other such organizations could be organized if there were assurances of capital loan funds.

In the credit union field, an application is now pending for $15,000,000 for lending to credit union members in Guatemala, Honduras, and Panama. In addition, the regional organization COLAC has requested $5,000,000 to be used in its supplementary capital program. A study of 14 Latin American countries shows an additional absorptive capacity of $25,000,000 in the next 5 years.

In other words, the credit unions could use about $45,000,000 in the 5-year period immediately before us.

The agricultural cooperatives have only borrowed $3 million. This has been primarily for facilities, inventories, and other institution-building types of loans. Agricultural Cooperative Development International—ACDI—has programs going in Guatemala and Honduras which could use $3,000,000 in credit immediately. The Cooperative League of the U.S.A. has been working with cooperative agricultural organizations in Costa Rica which could increase their effectiveness tremendously with a $2 million loan. In the Philippines the provincewide agricultural demonstration program served by ACDI would easily apply $5 million for the facilities and inventory needed in that provincewide program.

In the housing field, the Foundation for Cooperative Housing has assisted in the development of local institutions in Panama, Honduras, Colombia, and Chile which have used $17,500,000 in loan funds. FCH reports that a minimum of $10 million per year could be used in housing construction for families of very low income starting immediately. FCH has a "minimum shelter" program designed to help people build their own homes in the $500 to $2,500 bracket. These are simple homes, but a great improvement over the slum and squatter conditions in which the people are now living. Moreover, emerging cooperative housing programs in Africa and Asia also could utilize an equal amount of $10 million.

These projections do not include the funds currently available under the Housing Investment Guaranty which are not appropriated and come entirely from private resources with an AID guaranty.

Such homes are built for families in the lower- and middle-income brackets who have a steady job and can be committed to regular repayment. The $10,000,000 a year proposed for the minimum shelter program is based on earlier pilot programs with a good repayment record. People who will build their homes with sweat equity can be among the best credit risks of all.

Encouraged by the success of the India fertilizer project, the U.S. cooperatives are now examining the possibility of increasing fertilizer production in Latin America to stimulate food production in those countries. These programs may very well be undertaken as joint enterprises with AID funding Latin American participation up to 20 to 25 percent of the total cost of the plants. The program would require $25,000,000 to $30,000,000 in a 5-year period and could be used effectively to the mutual benefit of the United States and its neighbors in Latin America.

In all of these calculations no consideration has been given to the use of AID loan funds for agricultural credit loans to farmers or compesinos in the newly developing countries. Such a program could use almost all of the funds AID now has available, so I am not making a recommendation on that score. As you know, the U.S. Banks for Cooperatives and the Farm Credit System have helped to make American agriculture an example for all the world. These credit systems have been a tremendous success.

The successful development of this program depends, of course, on the continuation and expansion of support for technical assistance provided by the private, nonprofit U.S. cooperative associations.

I have been talking mostly about the nuts and bolts of a cooperative technical assistance and development loan program. I think we should spend a minute to emphasize the private, nongovernmental role that our American cooperatives can play in international development. These people-to-people contacts developed with support of AID have in many countries helped to relieve the strain and pressure of political conflict sometimes generated on a government-to-government basis.

The cooperatives, as private institutions, often give the people in the less developed countries their first experience in democracy, where they can hope to direct and play an immediate and important part in their own economic affairs.

A recent study in the United Kingdom reported that individual experts from the private sector tend to work closely with the personnel in the developing countries and that the contact between the respective institutions in the developed and the developing countries made a firm bond of friendship. The British have recommended core funding for institutions which can then assist their counterpart institutions in the developing countries. Such programs have been less costly and more successful in many cases than parallel government-to-government programs. If such institutions are strengthened, many more of the multinational goals we seek to accomplish can be achieved through private, nongovernmental institutions. The American cooperative movement is a unique American resource and should play an important role in any program of American assistance for economic development.

Mr. President, I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 311

On page 7, after line 14, insert the following new section:

"SEC. 110. DEVELOPMENT AND USE OF COOPERATIVES.—(a) In order to strengthen the participation of the urban and rural poor in their country's development, not less than $50,000,000 of the funds made available for the purposes of this chapter for each of the fiscal years 1974 and 1975 shall be available only for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.

"(b) In addition, in order to permit increased use of the unique services which United States private, non-profit cooperative organizations can bring to development overseas, not less that $7,500,000 of the funds made available for the purposes of this chapter for each of the fiscal years of 1974 and 1975 shall be available only for technical assistance activities carried out by such organizations in less developed countries."

NEW COINAGE DESIGN EMBLEMATIC OF THE BICENTENNIAL OF THE AMERICAN REVOLUTION—AMENDMENT

AMENDMENT NO. 316

(Ordered to be printed, and to lie on the table.)

Mr. DOMINICK (for himself, Mr. McCLURE, and Mr. BUCKLEY) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1141) to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars and half dollars.

Mr. DOMINICK. Mr. President, I ask unanimous consent that an amendment which I intend to offer to S. 1141, a bill to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars and half dollars, be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 316

At the end of bill as reported by the Committee, add the following new section:

Sec. 7. (a) Sections 3 and 4 of the Gold Reserve Act of 1934 (31 U.S.C. 442 and 443) are repealed.

(b) No provision of law in effect on the date of enactment of this Act, and no rule, regulation, or order under authority of any such law, may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing in gold.

(c) Any sale of gold by the Secretary of the Treasury shall be at a price not lower than the average private market price for gold, for the same quantity in the month immediately preceding the date of such sale.

(d) The provisions of this section, pertaining to gold, shall take effect on January 1, 1975, or on the date prior thereto when the President finds and reports to the Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States international monetary position.

NOTICE OF SECOND QUARTERLY OVERSIGHT HEARING ON THE IMPLEMENTATION OF THE RURAL DEVELOPMENT ACT OF 1972

Mr. CLARK. Mr. President, I announce the second of the quarterly oversight hearings on the implementation of the Rural Development Act of 1972. The hearing will be held at 9 a.m., Thursday, July 19, in room 324 of the Russell Building.

It will be our purpose during this hearing to hear from administration and public witnesses concerning the proposed regulations for the administration of the act; what effect the demise of the counselor system will have on the implementation of the act; what general progress has been made; what problems have been created as a result of the fact that there has been no permanent Administrator of the Farmers Home Administration since January 2, 1973; what alternatives are proposed for the rural housing authorities which expire in October of this year; what progress is specifically being made toward implementation of section 603 (b) of the act; what effects massive reductions in force within the Department of Agriculture will have on implementation of the act; and evaluation of what the Department of Agriculture proposes to accomplish with its upcoming training school for rural development leaders.

In addition to witnesses from the Department of Agriculture, the subcommittee will hear from a representative of the Department of Health, Education, and Welfare. As far as I know, that agency is the only one outside of the Department of Agriculture which has taken steps toward implementation of the coordination of services features of the Rural Development Act by setting up an Office of Rural Development.

We also expect to hear from a representative of the General Accounting Office on ways to improve the effectiveness of rural business loan programs.

Finally, if an agriculture appropriations bill has been approved by the time of the hearing, we expect to explore what effects the appropriations will have on the first-year implementation of the Rural Development Act.

Public witnesses will be limited to 10 minutes of oral testimony.

NOTICE OF HEARINGS ON THE USE OF DRUGS BY ATHLETES

Mr. BAYH. Mr. President, I wish to announce that the Subcommittee on Juvenile Delinquency of the Committee on the Judiciary is continuing its hearings on the proper and improper use of drugs by athletes, particularly in college, high school, and amateur sports.

The hearings are scheduled for July 12 and 13, 1973, at 10 a.m., in room 2228, Dirksen Senate Office Building. The following witnesses have been scheduled to testify on July 12: Jack Scott, athletic director and chairman of the Physical Education Department, Oberlin College, head of the Institute for the Study of Sports and Society; Phil Shinnock, director of athletics, Livingston College, Rutgers, New Brunswick, N.J.; Daniel F. Hanley, M.D., college physician, Bowdoin College, Brunswick, Maine, member, International Olympic Committee's Medical Commission; and A. O. Duer, executive director and Donald Spencer, M.D., coordinator of the Medical Aspects of Sports Committee, National Association of Intercollegiate Athletics, Kansas City, Mo. Witnesses scheduled for July 13 are: Harold Connolly, former Olympic champion, four-time Olympian, track and field coach and English teacher at Santa Monica High School, California; Eddie Hart, assistant track coach, University of California at Berkeley, Olympic sprinter; Mike Reid, lineman, Cincinnati Bengals, Cincinnati, Ohio; and David G. Rivenes, president, the Amateur Athletic Union; and Roy Goddard, M.D., chairman of the AAU Sport Medicine Committee, Indianapolis, Ind.

Any person wishing to submit a statement for the record should notify Mathea Falco, staff director and chief counsel of the subcommittee, at 225-2951.

NOTICE OF HEARINGS ON S. 1361

Mr. McCLELLAN. Mr. President, as chairman of the Subcommittee on Patents, Trademarks and Copyrights I previously announced that the subcommittee would reopen the hearings on legislation for the general revision of the copyright law, S. 1361, to receive additional testimony on selected issues.

The dates and issues of the hearings are as follows: July 31, morning—library photocopying; July 31, afternoon—general educational exemptions; August 1, morning—cable television royalty schedule; August 1, afternoon—carriage of sporting events by cable television, and August 1, afternoon—religious broadcasting exemption.

The hearings will commence each day at 10 a.m. and 2 p.m. in room 1114 of the Dirksen Senate Office Building.

The subcommittee will allocate time to the principal representatives of the various points of view on each issue. Those who cannot be accommodated during the hearings may submit written statements for inclusion in the record.

Those who desire additional information should contact the staff of the subcommittee at 225-2268.

ADDITIONAL STATEMENTS

A COURSE ALL HIS OWN

Mr. McINTYRE. Mr. President, the July 7 issue of the Christian Science Monitor featured an article about one of our most distinguished and respected colleagues—the Honorable GEORGE AIKEN, of Vermont.

This profile, written by Edwin P. Hoyt for the Monitor in collaboration with Reader's Digest, appears under a headline as unassuming as its subject—"Vermont's Senator AIKEN."

But featured next to the headline is a quote by the distinguished majority leader of this body which in two short sentences measures the worth of Senator AIKEN. Senator MANSFIELD says:

> There are some people whose advice is worth hearing. George is one of them.

As a fellow Senator, I read this article on Senator AIKEN with considerable envy. As a fellow New Englander, I read it with a great deal of regional pride. I would hope that those reactions are more self-instructive than they are contradictory.

I say this, Mr. President, because Mr. Hoyt's characterization of Senator AIKEN points up some political truths that have been with us always but are more pertinent today than perhaps ever before.

One of these truths Shakespeare articulated in Hamlet:

> To thine own self be true,
> And it must follow, as the night the day,
> Thou canst not then be false to any man.

Mr. President, is there a man in this body—on either side of the aisle—who better meets that standard than GEORGE AIKEN?

As humble, as unpretentious, as the day he first entered this chamber 32 years ago, GEORGE AIKEN has never let power, prestige, influence, or adulation turn his head and make him forget his origins—or the principles and values he brought with him to Washington.

Two paragraphs from the article illustrate this point:

Mr. Hoyt writes:

> Today Senator Aiken thinks of himself not as an important man but as a plain farmer. He tries to answer every letter himself. His second wife, Lola, is his unpaid administrative assistant. He lives frugally in a four-room apartment on Capitol Hill. Each morning he walks to work, feeding the pigeons peanuts as he crosses the Capitol Park. His office in the Old Senate Office Building is as as plain today as it was when he entered the Senate in 1941.

The article continues:

> At least once a month, he drives up to Vermont to his house on an unpaved road in Putney or to Mrs. Aiken's house on a mountain overlooking Montpelier. There, when he is not making speeches or traveling around the State, he chops wood, does the chores, and strolls to town to chat.

Mr. President, those who do not know GEORGE AIKEN, those who do not work with him as we do, may understandably wonder how a Senator from the third least populous State, how a Senator who thinks of himself as a man of the soil instead of a leader; how a Senator whose closest friendships criss-cross the political aisle, how that kind of Senator could become such a force in political, national, and international affairs.

Well, the lesson is there for all of us, but all too few of us, alas, have the character it takes to put that lesson to use.

The distinguished senior Senator from Vermont is a Senator to reckon with because he knows who he is, he knows what he is, he knows where his roots are, he knows why he is in the U.S. Senate, and in those certainties lies an integrity no one questions, an independence everyone respects, an ability demonstrated time and again over more than three decades in this institution.

As a fellow Senator and a fellow New Englander, I salute GEORGE AIKEN with great admiration, with much regional pride, and with more than a little personal envy.

Mr. President, I ask unanimous consent that the full text of the Christian Science Monitor article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VERMONT'S SENATOR AIKEN

(By Edwin P. Hoyt)

Sen. Mike Mansfield (D) of Montana, Senate majority leader: "There are some people whose advice is worth hearing. George is one of them."

Early each morning, as the mists swirl up along the Potomac and official Washington begins to stir, two men can be found sitting in companionable consultation beneath a glittering chandelier in the dignified quiet of the U.S. Senate dining room. One of them is 70, thin-lipped, lean and angular, dressed in a neat dark suit and conservative necktie. The other, although face and figure belie his age, is a decade older, a short, spare white-thatched man who wears a single-breasted jacket, colored shirt, and—always—a bright red tie.

The younger man is a Democrat, Sen. Mike Mansfield of Montana, Senate majority leader and one of the two most powerful men in Congress. The older man is a Republican, Sen. George D. Aiken of Vermont, dean of the Senate, whose twinkling eyes and ready smile hide one of the shrewdest minds in the Congress. In these brief morning sessions. Messrs. Mansfield and Aiken assess the issue of the moment. Neither tries to sway the other, but says the majority leader, "There are some people whose advice is worth hearing. George is one of them."

BALANCE OF THE SENATE

Over his 32 years in the Senate, George Aiken has managed to walk a course all his own. He and Senator Mansfield, for example, vote together about half the time, which is as much as Senator Aiken votes with Republican Party leaders. "He is the balance of the Senate," said former Sen. John J. Williams, Mr. Aiken's old friend from Delaware. "He is neither to the right nor to the left."

The impress of the Aiken personality is felt by many around the Capitol. On the birthday of Sen. John C. Stennis (D) of Mississippi, there appears on his breakfast table a little bottle of maple syrup from the Vermont farm of Senator Aiken's son-in-law, with a few lines of dry humorous verse which Mr. Aiken scrawls for his friends. Freshman senators are surprised and grateful when Senator Aiken suspends his own crowded schedule to befriend them and show them the ropes.

When staff members of the Republican Policy Committee were under fire following publication of a controversial "white paper" on Vietnam, Senator Aiken bounced into the committee rooms to announce with a grin that he wanted a thousand copies. He didn't say he agreed with the document, but he let the staff know that he, for one, stood behind them.

Other senators constantly asked Senator Aiken to cosponsor legislation because they know that his name on a bill would be a big boost for passage (last year he cosponsored 19 bills).

THEY LISTEN WHEN HE SPEAKS

The public seldom sees Mr. Aiken's true effectiveness in the Senate; he prefers to operate behind the scenes. But because of his reputation for quiet competence the Senate listens when he does speak out.

After Easter 1972 the nation was badly shaken by North Vietnam's devastating invasion of the South and President's Nixon's counter with renewed bombing and blockade of the North. The Senate echoed with cries to end the war and the House Democratic caucus voted to bring a tabled end-the-war resolution out of committee.

For six years Senator Aiken had opposed the war in Vietnam. "The way to get out of Vietnam is to declare victory and leave," he had said in 1966.

But now, on the morning of April 25, Senator Aiken sat at his desk in carpet slippers and an old rust sweater, writing in longhand on a big yellow pad. At noon he exchanged sweater for suit jacket and put on well-shined black shoes, then headed across Constitution Avenue toward the Senate. There he rose to speak. "We have no other course than the one the President is following," he said. "I am not about to be a party to a no-confidence vote in the President of the United States."

The whole speech took less than 10 minutes. Senator Aiken then went quietly about his other business. He made no calls to other senators, he sought no support from the Republican leadership nor from his many Democratic friends. But in a few hours word had spread from the galleries across official Washington: Senator Aiken had come to the President's support. In the Senate, his speech tilted the balance for the administration. And when report of that speech reached the House, it lent new strength to the Nixon forces and ended a crisis that might have undermined the whole American position in Vietnam.

UNLIKELY MAN OF POWER

As Senator from the third least populous state, Mr. Aiken seems an unlikely man of power. His seniority is overbalanced by Democratic control of the Congress. He has never sought a party position and is not a wealthy man; he was born of a family of teachers, artisans, and farmers that settled in Vermont in colonial days. After high school, Mr. Aiken became a landscape gardener and nurseryman in the town of Putney.

He did not enter politics until he was 39, when he went to the Vermont House of Representatives. Six years later he was a very vigorous governor, and in 1940 was elected senator. Since then, he has quietly become one of the most powerful men in the United States Senate. The explanation may be found in his unique personality.

Today Senator Aiken thinks of himself not as an important man but as a plain farmer. He tries to answer every letter himself. His second wife, Lola, is his unpaid administrative assistant. He lives frugally in a four-room apartment on Capitol Hill. Each morning he walks to work, feeding the pigeons peanuts as he crosses the Capitol Park. His office in the Old Senate Office Building is as plain today as it was when he entered the Senate in 1941.

At least once a month he drives up to Vermont to his house on an unpaved road in Putney, or to Mrs. Aiken's house on a mountain overlooking Montpelier. There, when he is not making speeches or traveling around the state, he chops wood, does the chores, and strolls to town to chat.

On one such trip he stopped to talk to a rural housewife about her washing and learned that she and her neighbors had to scrub by hand or take their laundry to town, the water supply would not permit her to use a washing machine. On study, Senator Aiken discovered that thousands of American villages faced the same problem—their water systems were inadequate for modern demands. The result was the Rural Water Systems Act, which has enabled small communities across America to build new systems.

LAST CAMPAIGN COST $17.09

Mr. Aiken sends out no newsletters, records, or television tapes, and does almost no election campaigning. In 1968 when he ran for his fifth term, he spent $17.09 on his campaign—for postage, transportation, and telephone calls.

When Senator Williams went up to Vermont to make a speech for him in a school gymnasium in Springfield, he found Republican workers tacking up bunting and hanging pictures of President Nixon and Vermont Gov. Deane Davis. The meeting chairman was in a panic. No picture of Senator Aiken could be found.

The chairman called the state party office and asked it to get a picture from Senator Aiken's headquarters. Senator Aiken has no headquarters. It was suggested he turn to Senator Aiken's manager. Senator Aiken had no manager. Finally, an hour before the meeting, Senator Aiken turned up and the chairman asked him for a picture. "Didn't have any taken," said the Senator cheerily. "Hell, what do you want a picture for? You've got me."

Senator Aiken is one of the most effective legislators in Washington and is known among colleagues of both parties for his hard work. He is never content to let a committee staff frame a bill, he does it himself, as with the Nuclear Power Control law of 1969.

When this bill was suggested, staff members wanted to bring in lawyers to draft the measure. "Dammit," said Senator Aiken crustily, "I can read just as well as any lawyer. We want a bill that people can understand."

Senator Aiken himself made five drafts of the legislation, then presented it to the committee apologetically. "It don't stand out like a blackberry in a pan of milk," he said, "but it's a start." The result was a clear law the Department of Justice could enforce.

Senator Aiken's candor and conscience have guided through the treacherous bog of congressional politics some of the most complex legislation of the century, particularly in the agricultural field. Indeed, for 30 years, every agricultural law passed by Congress has borne the Aiken imprint. Anyone you talk to around the Senate gives you the same answer: no man in America has made a larger contribution to the betterment of American rural life than George Aiken.

Senator Aiken's voting—now with the conservatives, now with the liberals—has puzzled many people over the years, including Ralph Nader and his associates, in their recent survey of Congress. Other representatives and senators are perennially concerned with re-election, Mr. Nader noted, but not Senator Aiken.

Finally, the researchers had to admit that Senator Aiken did not fit the round holes or the square holes of their pattern; they concluded that Senator Aiken was successful in walking a path between isolationism and interventionism in foreign affairs and a lonely independent road in national affairs, and that Vermonters seem to be quite satisfied with Senator Aiken's understanding and representation of their interests. In that regard, Senator Aiken is like independent Vermont. He chooses his issues, as he chooses his friends, for the solidity.

NEW PRESIDENT RECEIVES HELP

Harry S. Truman, another small-town boy, was one of Senator Aiken's close friends when both were in Washington. Senator Aiken used to breakfast with Mr. Truman as he does now with Senator Mansfield. The two had a breakfast date on that spring morning in 1945 when the death of Franklin D. Roosevelt catapulted the stunned Vice-President into the leadership of the nation. Mr. Truman could not keep the date, but called Senator Aiken to the White House and poured out his woes.

President Roosevelt, in the American tradition, had kept Vice-President Truman waiting in the wings in virtual ignorance of governmental affairs. Mr. Truman had not attended Cabinet meetings and the President never discussed affairs of state with him. Now he faced decisions that would affect the whole world. What was he to do? he asked.

Senator Aiken told President Truman to call in Col. Ernest Gibson of Army G–2, who had just returned from the South Pacific. Colonel Gibson thought it vital that the new President receive a crash course of briefings. The Pentagon objected, insisting that it would take time to prepare the material.

Senator Aiken, still at the White House, got on the phone to the Pentagon and arranged a meeting between President Truman, Colonel Gibson, and Gen. Carter Clark, then second in command of G–2. The briefing program began that night, and the President never faltered. Nor did the Aiken-Truman friendship, even in the dark days of the 80th Congress which fought the President on nearly every issue.

Since the Truman days Senator Aiken has been a friend and counselor to every president. Dwight D. Eisenhower asked his advice frequently, and so did John F. Kennedy, whose respect for Senator Aiken dated back to the days when they were both members of the Senate's New England bloc. Lyndon B. Johnson sought Aiken support but seldom took his advice.

When Richard M. Nixon came to the presidency, Senator Aiken felt excluded by the tight staff ring around the President. Then, last year came a crisis in foreign affairs. President Nixon had just returned from his successful China trip when the Vietnam war blew sky high.

A summit visit to Moscow in search of peace was already scheduled and publicized, but in May the Soviets began issuing a bitter stream of propaganda against the bombings of North Vietnam, including veiled threats of Soviet counter-measures.

The President called congressional leaders to brief them on his plans for the trip. Some newspapers had suggested the trip would be canceled. After the meeting Mr. Nixon turned sharply to Senator Aiken, eyes searching. "What shall I do, George?" he asked. "Shall I go to Moscow?"

Senator Aiken looked up in his mild way and smiled.

"Aiyup," he said.

The answer, brief and to the point, was typical of Senator Aiken. He had not wasted a word, but as it turned out he was quite right. The independent Senator from Vermont has that habit.

CLARK MOLLENHOFF ON SENATOR ROBERT C. BYRD

Mr. HARRY F. BYRD, JR. Mr. President, experience teaches us that the public memory is short. Contributions to the betterment of our national life are frequently hailed when they are made, but forgotten as the contribution fades in the memory.

One such contribution was made by the distinguished majority whip during the hearings before the Committee on the Judiciary on the confrontation of L. Patrick Gray to be Director of the Federal Bureau of Investigation. Clark Mollenhoff, noted Washington correspondent and former White House aide, recently wrote a column which appeared in the Richmond Times-Dispatch, that shows that he, at least, remembers.

I ask unanimous consent that Mr. Mollenhoff's column, "Senator R. C. Byrd, Unsung Hero" be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Senator R. C. Byrd, "Unsung Hero"

(By Vlark R. Mollenhoff)

Washington.—The near-success of the Haldeman-Ehrlichman team in imposing their authoritarian policies on the United States should frighten the American people, the Congress and the press.

While the press is congratulating itself on helping to upset the Nixon administration's "game plan," it might ask how it was possible for the dictatorial duo to enjoy success for so long by the use of secrecy and image building.

L. Patrick Gray III, the politically pliable former Navy captain, came very close to winning Senate confirmation as permanent FBI director, with all that could have meant to the Nixon administration in keeping the truth about the Watergate buried.

In February, Gray had such apparent support that even the liberals in the Senate Judiciary Committee were concerned that opposition to him might be politically hazardous.

Somehow, large number of newspaper editors and columnists bought the line that Gray's appointment would mean "a nice guy" would finally be heading the FBI.

Overlooked were his plainly political speeches in the 1972 campaign and his absurd statistical defense of the thoroughness of the FBI probe of Watergate.

It is now apparent that Gray was an essential part of the cover-up of Watergate, with his destroying of records, sending FBI investigative reports to White House counsel John W. Dean III and giving assurances to Watergate conspirators that their cover story was holding.

The unsung hero in unwinding Gray's cleverly concocted deceptions was Sen. Robert C. Byrd, D–W. Va., a hard-working, methodical moderate.

Byrd spent hours at the homework necessary to break through Gray's vague generalizations on his relations with the White House staff in the weeks immediately after the June 17, 1972, burglary-bugging at the Watergate.

Sen. Edward M. Kennedy, D–Mass., Sen. John V. Tunney, D–Calif., Philip A. Hart, D–Mich., and other liberals on the Senate Judiciary Committee used good judgment in permitting the more moderate Byrd to take the lead at a time when strongly partisan criticism of Gray from anti-Nixon liberals might have led to an adverse public reaction.

From the beginning, there was little likelihood that Acting FBI Director Gray could or would conduct an aggressive and objective investigation. His conflict of interest was as plain as his desire to be appointed permanent director upon the re-election of his friend and benefactor, Richard Nixon.

That meant that the old Navy bureaucrat had to keep his fences mended with White Housee chief of staff H. R. Haldeman and special assistant John D. Ehrlichman, the two most influential men in the Nixon White House.

Gray easily moved into the position of using statistics on the number of agents assigned to the Watergate probe, and even reached the preposterous conclusion that anyone who charged a cover-up of Watergate was slandering all of the fine, hard-working and dedicated men and women of the FBI.

In the light of Gray's admission that he burned some Watergate files, it is interesting to review the story he told the Senate Judiciary Committee in February and March.

Only Byrd's detailed questioning broke through the gloss of Gray's general comments.

Without Byrd's questioning, Gray wouldn't have been pushed into the position of admitting that Dean "probably lied" to the FBI officials who asked him whether convicted Watergate conspirator E. Howard Hunt Jr. had a White House office.

Dean had told the FBI agents he would "have to check" when, in fact, he and his assistants had opened Hunt's safe and desk in the White House complex only a few days earlier. Dean knew full well that they had found information and equipment that the FBI would need to pursue its investigation.

Gray's reluctant admission that Dean "probably lied" opened up a whole new range of questioning, which led to the unanimous committee vote that "invited" Dean to appear.

The committee's unanimous vote came after President Nixon had said only a few days earlier, that he would not permit the White House counsel to appear for questioning under any circumstances, because of "executive privilege."

Sen. Sam J. Ervin Jr., D-N.C., dismissed Nixon's statements as "executive poppycock."

Such claims of "executive privilage" have been "executive poppycock" throughout our history, without support in either law or court decision. However, many unthinking editors and reporters accepted the Nixon administration's self-serving declarations of that corruptive secrecy, as they have in the past, as a natural extension of the doctrine of separation of powers.

President Nixon, former Atty. Gen. John N. Mitchell and Ehrlichman and Haldeman had reason to believe that the defense of "executive privilege" would work again to obstruct justice.

A wide range of editors and columnists had defended the right of President Eisenhower, Kennedy and Johnson to arbitrarily pull down the secrecy-curtain and hide corrupt and questionable political deals about which they did not want the public and the Congress to know.

As a starting point on a self-analysis of press performance on the whole Watergate affair, two questions should be asked:

(1) Did you endorse the nomination of Gray as permanent FBI director prior to March 1973?

(2) Did you support the President's claims of an executive privilege to refuse to make an accounting to Congress?

If you answer either of those questions in the affirmative, you were part of the Watergate problem and owe a special debt to Sen. Bob Byrd for saving the nation from "four more years" of Watergate tactics or worse.

ELEVEN BILATERAL AGREEMENTS SIGNED

Mr. FULBRIGHT. Mr. President, during the recent visit to Washington of General Secretary Brezhnev 11 bilateral agreements were signed. Only one of these agreements will be submitted to the Senate for its advice and consent to ratification—an income tax convention, signed by the Secretary of the Treasury and the Soviet Minister of Foreign Trade, which will reduce income tax burdens on the nationals of one country who live and work in the other.

The other 10 agreements were:

First. An agreement on cooperation in the field of agriculture which was signed by the Secretary of State and the Soviet Foreign Minister on June 19, entered into force on that day and will remain in force for 5 years.

Second. An agreement on cooperation in the field of transportation which was signed by the Secretary of State and the Soviet Foreign Minister on June 19, entered into force on that day and will remain in force for 5 years.

Third. An agreement on cooperation in studies of the world ocean which was signed by the Secretary of State and the Soviet Foreign Minister on June 19, entered into force on that day and will remain in force for 5 years.

Fourth. A general agreement on contacts, exchanges, and cooperation which was signed by the Secretary of State and the Soviet Foreign Minister on June 19, entered into force on that day and will remain in force until December 31, 1979.

Fifth. An agreement on scientific and technical cooperation in the field of peaceful uses of atomic energy which was signed by President Nixon and General Secretary Brezhnev on June 21, entered into force on that day and will remain in force for 10 years.

Sixth. An agreement on basic principles of negotiation on the further limitation of strategic offensive arms which was signed by President Nixon and General Secretary Brezhnev on June 21.

Seventh. A protocol relating to the expansion and improvement of commercial facilities in Washington and Moscow which was signed by the Secretary of the Treasury and the Soviet Minister of Foreign Trade on June 22 and entered into force on that day.

Eighth. A protocol relating to the possibility of establishing a United States-U.S.S.R. Chamber of Commerce which was signed by the Secretary of the Treasury and the Soviet Minister of Foreign Trade on June 22 and entered into force on that day.

Ninth. An agreement on the prevention of nuclear war which was signed by President Nixon and General Secretary Brezhnev on June 22, entered into force on that day and is of unlimited duration.

Tenth. An agreement on questions relating to the expansion of air services which was signed by the Secretary of Transportation and the Soviet Minister of Civil Aviation on June 23 and entered into force on that day.

Mr. President, the United States has thus become a party to 10 international agreements, some relating to the most critical questions of national security and all of considerable importance, which are not being submitted to the Senate for its advice and consent. These agreements are accomplished facts. They entered into force the day they were signed.

One of them will remain in force for 5 years, one will remain in force for 5½ years, one will remain in force for 10 years, and one—the most important agreement of all, the agreement on the prevention of nuclear war—is of unlimited duration. The Senate is asked to gived its advice and consent only to the relatively minor matter of an income tax convention. Has the President arrogated to himself powers that should be shared with the Senate? I believe that the above list answers the question.

THE ECONOMICS OF THE ENERGY CRISIS

Mr. SAXBE. Mr. President, Economist Paul A. Samuelson, writing in the July 2 edition of Newsweek, discussed the economics of the energy crisis that is facing this Nation and the world. His treatise on the subject identifies some of the critical factors which have contributed to our dilemma, and reflects the exceedingly broad dimensions of the problem. I ask unanimous consent to have the article, entitled "Energy Economics," printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Energy Economics

(By Paul A. Samuelson)

When the gods look down to see how we humans handle our energy problems, they must chuckle with amusement. Or despair of social rationality.

We have neither engaged in perspicacious planning to meet the emerging and foreseeable problems, nor have we relied on the device of competitive pricing. Instead we have left things to oligopolistic industries, which themselves have had to guess about future government policies.

FOLLIES

Here's the sorry tale.

To use up our continental reserves faster, we long put quotas on oil imports. We gave tax advantages to domestic oil and gas producers.

By deliberate regulation, we underpriced valuable natural gas—so that much of our best supplies of it have been dissipated in uses that might have been as well served by coal, oil and nuclear energy.

When the Mideast oil monopoly was still weak, our State Department and oil companies knuckled under to it. Instead of joining with Europe and Japan in a united front against the Persian Gulf cartel while waiting on alternative supplies from Alaska, Canada, the North Sea and Indonesia, we turn the job over to multinational oil companies—which have every incentive to act as a tax collector for the monopolists.

At the same time that the trend of demand for gasoline, diesel and jet fuel and residual oil has been surging steadily, there has been virtually no new refinery capacity built. And for years ahead, no matter what frenetic decisions are now made, there will continue to be a shortfall of capacity.

For years we had no interest in the environment or human safety. Then suddenly out of belated concern over ecology, we've made it difficult (a) to carry through our planned program for nuclear-energy installations; (b) to expand coal mining, strip and otherwise; (c) to build long-overdue power-generating stations (thermal or nuclear).

To meet requirements of the Clean Air Act, American cars will be fitted by 1976 with catalytic converters. (This is probably the *wrong* technology to achieve the act's purpose.) Since lead in gasoline will, after only a few tankfuls, contaminate the catalyst, every station in the land must by then be prepared to offer lead-free gasoline; and this in an industry that cannot find the refining capacity even to meet the normal growth of old-fashioned gasoline-energy demand. We vacillate between malignant neglect and rhetoric about standards which, if not literally unobtainable, are likely to be later reversed by an explosion of public opinion.

After building colonial-style filling stations, often four to an intersection, and competing for high-margin sales by ingenious fibs in advertising and absurd frills of free service, the oil industry suddenly finds that it can shut down stations evenings and weekends. Spot shortages are met by doling out 10 gallons at a time. This merely multiplies trips to service stations and lengthens waiting lines.

THERAPY

The old-fashioned solution would be to let the prices of gasoline, fuels, coal, gas and other energy go sky high. At 70 cents a gallon of gas, poorer people couldn't drive much. All of us might drive less. The trend toward smaller cars would be speeded up.

But also the oil industry, here and abroad, would make huge profits. Public utilities, freed from onerous regulation, would reap rich earnings as they raised our monthly electricity. That frost-free refrigerator, which just about doubles your monthly refrigeration bill, would no longer be worth buying. Instead of air conditioning, some people would stick to rotary fans.

Such a free-market solution would be bitterly resented by the public as inflationary and inequitable. Even if the government kept the oil industry from reaping the monopoly rents of the shortage by means of stiff tax increase on gasoline—and an exceedingly strong case can be made out for precisely such an act—the increase in the cost of living would have macroeconomic repercussions on the inflation spiral.

At the other extreme, we could immediately introduce a comprehensive program of rationing. Each car gets only so much per month. Each household gets fuel supplies just adequate to keep it 5 degrees cooler in winter. Meantime, a crash R&D program could develop resource substitutes and more efficient techniques.

The gods in heaven know we will not adopt either clear-cut alternative. We will muddle through badly.

ANOTHER FIRST FOR THE FIRST STATE

Mr. BIDEN. Mr. President, the Senate has, over the past months, spent much time and energy discussing the various ramifications of the shortage of available power that this country is now facing.

Among the alternatives which have presented themselves for consideration is the prospect of converting solar energy into usable electricity.

Although solar conversion is still in experimental stages, there is great hope that through stepped-up research projects, science can make this pollution free form of energy consumption readily and inexpensively available to consumers within the next few years.

In the forefront of this research, I am proud to say, is the University of Delaware's Institute of Energy Conservation.

A recent issue of the magazine Delaware Today published an article concerning the work of the institute and its energetic Director Dr. Karl Boer.

Among other things, Dr. Boer and his staff have opened to the public what they call an experimental "solar house"—one heated, cooled, and totally operated by stored solar energy.

The article says, in part:

> Solar energy conversion is very appealing and very difficult, but it is now becoming more do-able. Tremendous amounts of solar energy come down to us every day, even when the sun is not visible. This light can be converted into electricity and heat.

Because of the nature and timeliness of this article, and the importance of the work being done at the institute, I request unanimous consent that the article entitled "Another First for the First State," from the June 1973, edition of Delaware Today be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Another First for the First State—Delaware Is in the Forefront of Solar Energy Conversion, Which May Be an Answer to America's Energy Crisis

(By Vera Duff)

"If the 60's was the decade of the moon, let's make the 70's the decade of the sun," says Dr. Karl Boer of the University of Delaware. As Director of the Institute for Energy Conversion, he heads the most active solar energy research center in the world.

"Solar energy conversion is very appealing and very difficult, but it is now becoming more do-able. Tremendous amounts of solar energy come down to us every day, even when the sun is not visible. This light can be converted into electricity and heat," he continues.

Living with solar energy means never having a power failure or an energy crisis; everything electrical works all the time and without polluting our atmosphere or consuming natural resources.

To demonstrate the feasibility of using solar energy, an experimental "solar house" is being built on the University of Delaware campus and was opened to the public in June. Speaking at the ground-breaking ceremony, University President Dr. Trabant predicted that the successful completion of the project here would put the First State in first place in solar energy conversion. The house will cost about $90,000, a bit much for the general pocketbook, and getting the price down is one of the Institute's first priorities.

Using the sun's energy is not new. Our unmanned space vehicles have been circling the earth using power generated by the light from the sun. The silicon cells produced very costly energy—like $20 per KWH. No wonder that program was expensive. But there is a good chance that the people at the Institute can reduce the cost to 3 cents per KWH, comparable to current electricity costs today. The photo cell on top of the street light that turns it cn and off converts sunlight to electricity, but in small quantities, only enough to operate tiny switches. Converting sunlight to heat, of course, is an old story. Remember when you used a "burning glass" as a youngster?

To make a solar cell, cadmium sulphide powder is pressed into a thin 3" x 3" rectangular sheet looking like gold foil, and encapsulated between glass plates. When light hits the cell, electricity is produced. 70 per cent of the roof of a house would be covered with these cells to generate power to run the appliances for a household. Five hours of sunlight can give 18 KWH of electric energy and 900,000 BTU's of heat may be harvested as well in an average day.

Enthusiasm at the Institute runs so high that deadlines are not only met but met ahead of schedule. The staff was working on developing a new cell made with cadmium sulphide (deposits of which have been found in the mid-West). The schedule called for completion of this work in March, 1973. In a spirit of urgency, the Institute's staff turned on their personal energies and completed the work in mid-December.

Making the first cell was a happy achievement. It was framed and presented to Dr. Trabant. The institute is now making the cells that will be used on the campus "solar house."

It will contain all the equipment necessary to supply the house with heat, air conditioning, humidity control, hot water and electric current for lights and other electrical appliances. It differs from a conventional house primarily in that the roof will be covered with solar cells instead of shingles. At first the house will be occupied by a family of light bulbs instead of humans so that problems in the system may be observed and corrected.

Dr. Boer is an enthusiastic physicist and has gathered about him many experts in the field of solar energy. One of them is Dr. Maria Telkes who has already developed a feasible method for storing solar heat. She accomplishes this by collecting and storing the heat during sunlight hours in a salt and water compound which forms crystals like crushed ice. The compound melts during sunlight hours and freezes during the night, giving off heat as it freezes. Different mixtures of salt give different degrees of heat.

Research is being directed toward increasing efficiency and reducing the cost of the cells. Government money is badly needed. It is hoped that legislative enthusiasm will be generated when the campus "solar house" is in working order.

The proposed equipment would have a lifetime of 15 years and need no maintenance. Reducing the cost of the equipment so that it does not exceed 10 percent of the cost of the house is a realistic goal, says Dr. Boer, and the research team is confident this goal can be reached within five years. The team is receiving active help from the Delmarva Power & Light company, who will be a partner in supplying energy when the sun is not shining.

The Institute for Energy Conversion is a part of the College of Engineering, but many other departments are involved with the project. Areas of work will include design, marketing, social acceptance studies, manpower needs and manufacturing. It's multifaceted endeavor. New industries will result. Says Dr. Boer:

"If we could be a little instrumental in this endeavor there would be no greater pleasure and gratification in our lives."

Harnessing the sun's energy and making it work for mankind is no longer an impossible dream. It is happening in Newark.

The public is invited to see a model of the "solar house" and take a tour of the Institute at 70 South Chapel Street on the first Wednesday of every month at 3 p.m.

JOHN INGERSOLL: PARTING TRIBUTE TO A DEDICATED LAW ENFORCEMENT OFFICER

Mr. PERCY. Mr. President, John E. Ingersoll, Director of the Bureau of Narcotics and Dangerous Drugs, last week resigned his post, leaving public service for employment within the private sector.

Over the past several months, since the tragic, mistaken drug raids on two Collinsville, Ill., families by Federal agents, and in view of other incidents that have come to light, I have been especially vocal in my criticism of some aspects of drug abuse law enforcement. And I have been critical of some of the underlying procedures such as forcible entry into private dwellings with and without prior announcement, searches conducted without search warrants, and arrests attempted without arrest warrants particularly under circumstances where probable cause is not sufficiently established.

I want to emphasize, however, that my criticism was directed to certain failings of the system and to overzealousness on the part of some agents. So far as Mr. Ingersoll is concerned, I believe that he has conducted himself in a position of public trust in a most exemplary and outstanding manner. His tenure has been characterized by forceful leadership focused on priority concerns in drug law enforcement, and by a willingness to adopt innovative techniques where called for.

Though but 43 years of age, John Ingersoll has already compiled a most impressive career in law enforcement. He was appointed the Director of the Bureau of Narcotics and Dangerous Drugs on August 1, 1968, shortly after its creation and has, for the last 5 years, molded it into a highly efficient, energetic, and successful agency. This has been a task of creation from meager beginnings.

Upon his appointment in 1968, he inherited the personnel and responsibilities of two former agencies, the Federal Bureau of Narcotics of the Department of Treasury, and the Bureau of Drug Abuse Control of the Department of Health, Education, and Welfare. These two agencies had been engaging in the sharpest kind of bureaucratic in-fighting, and the new Bureau was thus a "house divided" in every sense of the word. Although both of these agencies contained many experienced and dedicated individuals, their numbers were so small, their resources so thin, and their organization in such disarray, that they were far from being up to the task of coping with the drug crisis which had burst forth upon the Nation. Under Mr. Ingersoll's leadership, these internal problems quickly dissipated and each year saw rapid increases in law enforcement efficiency and sophistication.

Of the many accomplishments which this agency achieved under his guidance, I would like to single out the four most important areas for brief comment, emphasizing that they have each been crucial and rank equally in relative importance.

First among these can be counted the careful development of the strategic concept of striking at the highest levels of the international and interstate illicit drug traffic. For so many years, this had been a law enforcement ideal which went unrealized. Those cases in which big-time organized drug traffickers were apprehended were often talked about, but were, in fact, few in number. John Ingersoll determined that actual Bureau enforcement efforts would better approach this ideal.

It took no small amount of administrative courage to forego the temptation of compiling impressive arrest and seizure statistics in favor of placing the emphasis on qualitative drug law enforcement. Mr. Ingersoll perceived that the apprehension of the "big boys" of the drug traffic was the most effective way to assure a significant impact with limited Federal resources.

A second area of paramount importance is the international offensive developed by BNDD with the aid of the State Department. For years, drug enforcement officers had dreamed of fighting the drug traffic by focusing directly on its roots in France, Turkey, and other foreign nations. One of Director Ingersoll's first acts upon taking office was to consult with our Ambassador in France and thereafter to meet with the French Chief of Judicial Police to discuss suppression of the international heroin traffic. These conversations led ultimately to a special Franco/American agreement concluded in February of 1971, which resulted in a near-complete reversal of former French lack of direction concerning the problem. French forces are now active in investigations of the highest importance, have eliminated several laboratories, and have made the largest single heroin seizure in history of almost 1,000 pounds from a trawler in the Marseille harbor. Similar diplomatic efforts involving Ingersoll's personal participation resulted in the Turkish ban on opium production which became effective in 1972.

In December of 1969, BNDD agents were the first to discover the new move toward heroin production in Southeast Asia aimed at American troops stationed there. Again, Mr. Ingersoll realized the potential significance of the tremendous volume of illicit opium production in that part of the world and immediately initiated enforcement programs designed to cope with the problem. These actions have prevented any permanent linkage from forming between American and Asian traffickers.

During his tenure, BNDD foreign operations have expanded from a mere 13 offices employing 26 agents to 47 offices in virtually as many countries with a total complement of more than 120 agents. This kind of expansion and scope of international operations for a Federal law enforcement agency is without any previous precedent.

While suppression of the heroin traffic is an object of great importance, persons active in the drug area have realized for some time that many drugs—at least some of which may be equally detrimental to heroin—find their way into the illicit traffic from sources of legitimate manufacture within our own country.

Under Director Ingersoll, BNDD undertook far-reaching initiatives to counter this flaw in the system. In the spring of 1971, in accordance with new laws passed by the Congress, he prepared the agency to assume responsibility for annually registering some 500,000 persons and businesses who deal in controlled drugs. A program was created to enforce novel legal controls on the storage and movement of these drugs, and to design measures to prevent and detect diversion. Grasping the full importance of this task, Ingersoll enlarged this function of his agency and appointed a new Assistant Director to head it up.

Perhaps one of the most significant accomplishments in drug control was the Bureau's administrative action in rescheduling amphetamines and reducing legitimate production of these drugs by 90 percent. Year after year, for perhaps two decades, some 50,000 pounds of amphetamines had been manufactured though a far smaller amount would have sufficed for the Nation's medical needs. Much of it was in fact being diverted. BNDD's timely action has finally turned this situation around.

Two related areas of direct concern to me, and about which I have spoken out in strong support of BNDD's initiatives, deserve mention. Last year, Mr. Ingersoll became aware of the magnitude and severity of barbiturate abuse and took prompt action to increase production and distribution controls over that drug as well. And more recently, BNDD proposed similar action with regard to one of the newest drugs of abuse called "methaqualone" or "sopors." Even with so forceful a stance, Director Ingersoll has earned respect and a reputation for fairness with the regulated industry.

The final area of accomplishment which I would like to mention is perhaps more intangible than those enumerated, but certainly of equal importance. Well before coming to the Bureau of Narcotics and Dangerous Drugs, John Ingersoll acquired a reputation for integrity and adherence to the law. One of his first concerns as the new Director was scrupulously to root out corruption, evidence of which was found in one of the Bureau's offices. He promptly expanded the Bureau's Inspection Service, vesting it with responsibility to investigate all allegations coming to its attention and to establish procedures which would safeguard against future breaches of conduct. He insisted upon the selection of qualified and dedicated personnel and their thorough training in all phases of work. Professionalism above all was the hallmark of his administration.

In this context, I think it fair to say that the Collinsville raids and similar horrors are exceptions to the rule. Perhaps no police activity of this sort can be conducted without occasional and tragic mistakes. However, as a society we must always be alert to the danger of police encroachment on our fundamental constitutional rights and civil liberties.

One of the best protections against such abuses is vigorous commitment to the highest degree of professionalism coupled with strict observance of the law and the rights of others by enforcement personnel. I personally believe that John Ingersoll has insisted upon this and has suffered the same indignation as the rest of us—or worse—upon seeing drug law enforcement agents conducting themselves along less than professional lines.

During his tenure, he served the Nation well. Significant advances were made in coping with the illicit drug traffic. The loyalty and esteem which he has consistently won from the agents under him is well known. Perhaps no greater honor can be paid him. I am pleased to take this opportunity to pay tribute to him and to wish him success in his future endeavors.

KENNETH BELIEU

Mr. ROBERT C. BYRD. Mr. President it was with much regret that I noted the retirement, a few days ago, from public service of Kenneth BeLieu.

Mr. BeLieu's resignation from the post of Under Secretary of the Army deprives the Department of Defense, and the Nation, of the services of a man who has devoted the major part of his life to the service of his country in positions of high trust and responsibility, under three Presidents of the United States.

Mr. BeLieu's professional competence and his unfailing courtesy will be remembered by many of my colleagues in this Chamber, during his service as Assistant Secretary and Under Secretary of the Navy in the Kennedy and Johnson administrations, and as Deputy Assistant Secretary for Congressional Relations to President Nixon, just prior to his assumption of the post of Under Secretary of the Army.

For some of us, Mr. BeLieu will be remembered for his outstanding service to the Senate as a staff member of the Committee on Armed Services, the Committee on Aeronautical and Space Sciences, and the Preparedness Subcommittee during the years from 1955 to 1960.

The Nation can ill afford to lose the advice and counsel of a professional of Ken BeLieu's caliber, but I am sure that my colleagues join me in wishing him well in all his future endeavors.

ALCOHOLISM

Mr. HUGHES. Mr. President, nearly 3 years ago the Senate passed the bill that became the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. That act marked the beginning of a national attack on alcohol abuse and alcoholism. The Congress mounted this attack because we recognized that the disease of alcoholism is a major disease, not only because it afflicts at least 9 million Americans but because its impact on the individual victim is disastrous. Just how disastrous, however, we are only beginning to discover.

Dr. Myrvin Ellestad, head of the clinical physiology department at the Long Beach, Calif., Memorial Hospital, has recently reported his conclusion that alcohol causes irreparable damage to the heart and in fact that even one drink may be lethal for some people with abnormal hearts. Dr. Ellestad states that a vital enzyme necessary for heart muscle contraction is destroyed by alcohol, so that the strength of the contraction is weakened when alcohol is present in significant quantities. He believes that alcohol also increases the blood triglycerides, which are the fatty substances now implicated along with cholesterol in the degeneration of coronary arteries. He reminds us that these findings are especially significant when we consider that silent coronary disease is believed to exist in 50 percent of all men in the 40 to 60 age group.

Another startling research finding relates to the effects of alcoholism on the unborn child. A team of pediatric specialists at the University of Washington School of Medicine in Seattle has discovered eight children suffering from a variety of serious physical and mental abnormalities. Two of the children are white, three are black, and three are American Indian. The only common factor is that each child was born of an alcoholic mother. All eight children have subnormal growth rates, three had heart murmurs at birth, one had a heart defect requiring open heart surgery, several have facial and limb abnormalities, and five show signs of mental retardation.

The team of pediatricians has reported these cases as part of a preliminary study which they will continue on a wider scale. The facts are impressive enough thus far, however, to suggest that it would be prudent not to drink at all during pregnancy.

Mr. President. I ask unanimous consent to have printed in the Record following my remarks two recent articles discussing these research findings: "Your Heart and Alcohol" from Parade of June 24, 1973, and "'Bottle' Babies" from the Washington Post of July 6, 1973.

Further research on all aspects of alcoholism must be encouraged. But even with the facts we now have, we know that our national attack on alcoholism must not be permitted to disintegrate. This will happen unless the Congress enacts the legislation needed to carry forward the programs begun in 1970. I was gratified that the Senate strongly supported my bill for this purpose, S. 1125. It was cosponsored by 35 Members and approved by voice vote of the Senate on June 28. I am very hopeful that equally affirmative House action will soon be taken.

There being no objection, the articles were ordered to be printed in the Record, as follows:

YOUR HEART AND ALCOHOL

Dr. Myrvin Ellestad, head of the Clinical Physiology Department at the Long Beach, Calif., Memorial Hospital, has debunked the myth that alcohol is good for the heart.

In a recent column published in the medical center's health information magazine, Ellestad points out that one drink may prove lethal for some people with abnormal hearts; more than three drinks in one hour may adversely affect a healthy heart, and heavy drinking over a period of years may well lead to heart failure.

According to Dr. Ellestad, a leading cardiologist, "If one has an abnormal heart, just two ounces of alcohol markedly reduces function. If we realize that 50 percent of men in the 40–60 age group have silent coronary disease, we can then grasp the implications of the effects of cocktail parties on the hearts of America."

A normal heart can function even under strenuous exercise, if the blood level is low. A healthy heart can tolerate six ounces of liquor or its equivalent in beer or wine over a one-hour period. "Any more than this, however," the researcher maintains, "rapidly weakens the strength of contraction."

Ellestad explains that "alcohol destroys a vital enzyme necessary for heart muscle contraction and when it [alcohol] is present in significant quantities, the strength of the contraction is markedly decreased."

Ellestad concedes that until recently, many doctors advised their patients to have a few drinks to relax or dilate the coronary arteries. With the advent of more sophisticated techniques for the evaluation of heart function, however, the adverse effect of alcohol on the heart is becoming more recognized.

Alcohol apparently not only weakens the contractions of the heart muscle, it also increases blood triglycerides, "the fatty substances which recently have been incriminated as being at least as important as cholesterol in the degeneration of our coronary arteries."

Heavy drinkers who down five to 10 drinks a day may permanently damage their heart muscles. "After about 20 years of drinking," says Ellestad, "their heart contraction gets so weak that they go into heart failure. This condition, called alcoholic myocarditis, can be improved by giving up all alcohol, but rarely does the heart ever return to normal. Even one belt will have a profound effect on such a person."

Dr. Ellestad reveals that alcoholic myocarditis frequently cannot be diagnosed by routine methods. "So," he continues, "patients may go on damaging their hearts for years, thinking that the progressive breathlessness, fatigue and premature aging are due to being out of condition or slightly overweight."

He advises that another adverse effect of regular alcohol consumption is dilation of the blood vessels in the skin, "which increases the blood-flow so much that the heart has to work overtime, the same as if one of its valves were faulty. When this increased work for the heart is combined with the weaker contraction produced by the poisoning of the enzyme systems, permanent damage is sure to follow."

Dr. Ellestad is convinced that alcohol is affluent America's number one health problem.

"BOTTLE" BABIES

(By Thomas O'Toole)

Five are girls, three are boys; all have small cheekbones, eyes and ears, an insufficient blood supply and a frighteningly low rate of growth.

Two of the eight children were born with dislocated hips. One child needed glasses at age 2. Three of them can't extend their arms all the way, and five suffer the deviations of the retarded. Their hands shake when they try picking marbles or coins up off the floor, they have trouble holding onto pencils and crayons and they often bang their heads against a wall when left alone.

These eight children have something else in common. They all had alcoholic mothers, with a combined history of 75 years of heavy drinking behind them. Two of the children lay in their mothers' womb while their mothers were hospitalized with delirium tremens. A third was born at home while his mother was in an alcoholic stupor.

The children are subjects of a study published in a recent issue of The Lancet, a prestigious British medical journal recognized as one of the most important periodicals of its kind. The study was done at the University of Washington School of Medicine in Seattle by a team of pediatric specialists who believe they have found the first set of birth defects triggered by alcohol.

An admittedly small study, involving as it does only eight children and eight mothers, it is also the first known of its kind, breaking new ground in a field where taboos are still very much a part of everyday business.

"We fell into this study almost by accident," explained Dr. Kenneth L. Jones, the Seattle pediatrician who headed the study, "but we think we have the first reported association between maternal alcoholism and what I would call malformations in their offspring."

When Dr. Jones says he fell into the study, he means it. The study began only six months ago, when he and Dr. David W. Smith came upon four children suffering malformities who had obviously alcoholic mothers.

"That sent us back to the files, where we'd been compiling facts on children's syndromes," Dr Jones said, "and we found four more children who answered to the same kinds of problems and had the same kinds of mothers."

The Seattle pediatricians found a pattern of malformity among all eight children, who came from three different ethnic groups. Two were white, three were black and three American Indian.

All eight are small for their age, no matter what their age. Their average growth rate is 65 per cent of normal. Their average weight gain is 38 per cent of normal, a pattern the pediatricians say is most alarming.

Just as alarming are the malformities the children suffer. Three had heart murmurs at birth, all of which corrected themselves. One was born with a condition that forced her blood to bypass her lungs, a defect that must be corrected with open-heart surgery.

Almost all the children have one cheekbone smaller than the other, giving their faces a lopsided look. A few have small eye openings; one has eyelids that don't open all the way; and one 4-year-old girl is so nearsighted she's worn glasses since she was 2. Several have ears with a "cauliflower" look, giving them the appearance of infant prizefighters.

The most striking defect in the eight children is in their limbs, especially their arms and hands. Three have deformed elbows, which means they can't straighten their arms. One has a hand where the fifth finger overlaps the fourth, another has a foot whose toes do the same thing.

The creases in the palms of their hands all show an abnormal alignment, suggesting their hands were stuck in an aberrant position when they were fetuses.

This also suggests that the children had little mobility in their mothers' wombs, which may or may not have been caused by the alcohol crossing the placental barrier from their mothers' bloodstreams.

"I don't want to say that because I don't know that to be the case," Dr. Jones insists. "We hope to do more work on this aspect to our study."

JOE CORGAN—A DEDICATED PUBLIC SERVANT

Mr. HANSEN. Mr. President, I am honored to pay tribute today to Mr. Joseph A. Corgan, who completed a 36-year career of public service at the end of June when he retired from Federal service. He most recently served as the Chief of the Division of the Environment of the U.S. Bureau of Mines.

I first became acquainted personally with Joe Corgan 5 years ago when, at the request of officials of the State of Wyoming and the town of Rock Springs, I asked the Bureau of Mines for help in dealing with a serious coal mine subsidence problem at Rock Springs. It did not take long for me to realize that one of the Government's most knowledgeable and capable employees was working on the Rock Springs project, and that all progress on the effort to deal with the subsidence would be due in very large part to Joe's expertise and willingness to assist.

During the past 5 years, I have worked closely with this man on the Rock Springs project in particular, and on Bureau of Mines programs and natural resource and mining issues in general. I have a tremendous admiration for this most talented and informed public servant.

Joe Corgan's Federal career spans a period of 36 years—34 of these with the Bureau of Mines. A few years ago, Joe was awarded the Interior Department's gold medal for distinguished public service, and I can think of no one more deserving of such recognition.

Mr. Corgan is particularly knowledgeable with regard to environmental problems associated with past mining practices, such as the mine subsidence problem and mine fires which have plagued coal mining regions.

Joe was appointed in 1937 to the National Bituminous Coal Commission at Altoona, Pa. Shortly after his appointment, he was transferred to Washington and given responsibility for analyzing prevailing rates of commissions and discounts allowed by producers to wholesalers and other distributors of bituminus coal. The work with the Commission involved editing of technical points or data on reports received from coal producers.

Mr. Corgan served the Commission until February 1940, when he transferred to the Bureau of Mines as an Assistant Coal Mineral Economist. His background by this time included a B.S. in mining engineering from Pennsylvania State College with 8 years of experience in the various phases of the anthracite mining industry and his work with the National Bituminous Coal Commission.

Since his appointment with the Bureau of Mines, Joe Corgan has continually taken on and performed with the highest degree of astute leadership many responsible assignments concerning conservation and development of fuel resources and associated mining environmental problems.

Mr. Corgan has, over the years, been responsible for programs to extinguish mine fires which are a waste of energy resources and a danger to the public health and safety; carried out vital mining research in the area of hydraulic mining and transportation; gasification of coal, metallurgical fuels development, and fuels utilization processes; directed multi-million dollar public works projects to improve mine area environment—mine subsidence control, mine fire control, strip and surface mine reclamation, mine waste bank fire control, abandoned oil and gas well sealing, and so forth; and most recently had begun extensive research and development work in the control of subsidence by unique new methods—such as the single borehole injection system demonstrated at Rock Springs, Wyo.

Mr. Corgan also has carried out work

on various Interior Department committees and has been a principal worker in the Department of the Interior for proper rules, regulations, and legislation on mining that will assure the Nation the availability of essential fossil fuel energy resources while, at the same time, guaranteeing environmental quality to those areas where the coal must continue to be mined. Joe Corgan is the kind of public servant every citizen believes should typify Federal employees—dedicated, extremely knowledgeable, and concerned about the welfare of those affected by his work.

It has been a personal and professional privilege to have worked with Joe Corgan. I know all in the Congress, in Government, and in the private sector who have come to know Joe for the outstanding person he is join me in thanking him for his exceptional service, and wishing him the very best for the future.

THE MYTHS OF CONSUMER SAFETY REGULATION

Mr. PERCY. Mr. President, one of the highest priorities facing the Nation is to assure continuing protection to American consumers against potentially hazardous products.

In October of last year, the President signed legislation passed overwhelmingly by both Houses of Congress establishing the Consumer Product Safety Commission, an independent regulatory agency with comprehensive authority to set mandatory safety standards for dangerous consumer products. Last month, with the confirmation of four of five Commissioners, the Commission commenced operations under the very able and forceful leadership of Chairman Richard O. Simpson.

In this connection, on June 4, the distinguished chairman of the House Subcommittee on Commerce and Finance, Mr. JOHN MOSS, addressed the Consumer Product Safety Conference of the Commerce Clearing House in San Francisco. Mr. Moss, who was among those in Congress most instrumental in the passage of this legislation, noted that the Commission made it into this world "because of a new sensitivity in Congress to the needs of consumers." I could not agree more with my colleague.

In his speech, Mr. Moss debunks six "myths" which he believes could impair the new Commission's ability to adequately serve the American consumer and achieve the goals set by Congress, namely:

The myth that there is such a thing as a free lunch. On the contrary, product safety regulation needs to be fully funded to be effective.

The myth of the omnipotent computer. Instead, determinations of "unreasonable risk" requires more than the mechanical application of computerized injury data; often commonsense judgment will prove sufficient.

The unfortunate myth of counting the bodies. Clearly, some hazards are obvious and should be judicially eliminated irrespective of how many injuries are traceable to them.

The myth of the nut behind the lawnmower. Consumer education, however useful, is not an adequate substitute for meaningful product safety standards and other regulatory action where appropriate.

The myth that product safety is expensive. As a matter of fact, there can be no better investment for American consumers and American business.

The honeymoon myth. Under no circumstances can we afford or should we tolerate product safety regulation while the new Commission gets organized.

As Mr. Moss observes, if these "myths" serve as the basis for the Commission's decisions "they could undermine the purposes of Congress in enacting the law and could result in disappointment to the public." Congress must be a watchdog and assure consumers that by discriminating use of the new powers that it has authorized, the Consumer Product Safety Commission will act expeditiously to reduce the abhorrent toll of Americans injured each year from unsafe products around the home.

I commend Mr. Moss on his insightful remarks and ask unanimous consent that the full text of his statement be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY CONGRESSMAN JOHN E. MOSS, CHAIRMAN, SUBCOMMITTEE ON COMMERCE AND FINANCE, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, BEFORE THE CONSUMER PRODUCT SAFETY CONFERENCE

It is a pleasure to be here in San Francisco to talk with you about the newest consumer protection law passed by Congress—The Consumer Product Safety Act.

In a sense, this is a birthday party. Three years ago, in June 1970, the National Commission on Product Safety forwarded its final report recommending enactment of a consumer product safety act and the creation of an indepedent Consumer Product Safety Commission. During these past three years, there were many times when I thought there would never be any birthday party—or any birth, for that matter. You see, the Consumer Product Safety Act was not easy to deliver. It took over 5 years, a Presidential Commission, the expenditure of several million taxpayer-dollars and the dedication of many people both in and out of Government.

Pressure from certain special interest groups nearly kept the bill from being reported by the House Rules Committee. A "talkathon" by some of the conferees with only days left before the adjournment of the 92nd Congress, seemed to spell disaster in the House-Senate Conference Committee. And the determined opposition of the Nixon Administration to an independent consumer product safety Commission would have killed off the new agency and put its responsibilities into the Department of Health, Education and Welfare if not for a bi-partisan congressional determination that an independent regulatory Commission was necessary.

Notwithstanding all of the perils, the act and the commission made it into this world after all. Made it, I believe, because of a new sensitivity in Congress to the needs of consumers.

It has not always been this way. In 1906 for example, before hearings on the first pure food and drug bill, a man wishing to speak was asked by a committee member:

"Whom do you represent sir?"

"The people," he answered.

"What people?" he was asked.

But before we all start patting each other on the back, let me say I did not come 3,000 miles merely to engage in mutual congratulations. You might say I came to spoil the party. You see, I came to warn you, "Progress" can be a funny thing. It can mean a better life for all of the people of this nation or mostly for a few. It can solve some of the problems of our inflated, consumption-oriented marketplace, or it can create brand new ones. It can restore some faith in our government, or it can lead to more disillusionment.

Many Americans actually long to return to the "Horse and buggy days". The buggy, for example, was usually well constructed and built to last. There was no deliberate "planned obsolescence". Few buggies had to be recalled by the manufacturer, and if something went wrong, it could usually be repaired by the friendly, local blacksmith for a fair price.

The horse also had definite advantages. It would usually start, even on cold mornings, and it could go long miles on "regular" grass. No oil was needed, and the only additives were an occasional apple or a lump of sugar. Each horse offered a different color style and all came with an automatic fly swatter. There were few paved roads in those days, but at the turn of the century, a horse and buggy in downtown New York City could average 5.2 miles per hour, while today an eight cylinder, 300 horsepower automobile averages less than four miles per hour.

I mean the danger of assuming progress because there are some common myths around Washington relating to protect safety and the new Commission, which I believe could impair its ability to properly serve the American people. If these "myths" became the basis for the Commission's operation, they could undermine the purposes of Congress in enacting the law and could result in disappointment for the public. I do not believe that the American people need another disappointment in their government at this time. The last few weeks in Washington, and in Los Angeles, have caused enough of that.

What then are some of these common myths that stand between the Consumer Product Safety Commission and achievement of the goals set by Congress?

First, the myth that there is such a thing as a free lunch. This myth suggests that once a law is passed and a new agency created it can effectively perform its delegated functions with minimal funding. An illustration is found in connection with the Consumer Product Safety Act. The law passed by Congress authorizes 55 million dollars for the first year of operation. That figure was based on estimates of the Administration furnished to Congressional committees. Undoubtedly, the 55 million dollar figure took into account the fact that the Commission would be taking over the administration of four existing laws, the Hazardous Substance Act, the Flammable Fabrics Act, the Toy Safety Act, and the Poison Prevention Packaging Act; that it would be dealing with a sweeping variety of technical problems ranging from the physical sciences to chemistry, biology and mechanical engineering, and that it would be dealing with perhaps 10,000 different products.

Notwithstanding the immense scope of the Commission's challenge, the Administration's 1974 budget did not seek funding for the full authorized amount, but instead sought only 30.9 million dollars, a forty-four per cent cut, some 24 million dollars, before the Commission ever got started.

A corollary of the free lunch myth is that the Commission does not really need a large scientific and technical staff since it can rely heavily on expertise borrowed from industry. It is folly to think that the Commission can borrow expertise without also borrowing pre-conceptions. That may be fine for the organization which happens to have the last word with an understaffed commission. But if you happen to be a competitor who does not have the luxury of such access, the situation could be very unfortunate indeed. The Commission cannot discharge its enormous task unless it has available to it a highly qualified staff in all of the scientific and technical disciplines in which it must operate. Similarly the Congress meant what it said when it authorized the planning of the Commission's own research, development, and test facilities. We will be awaiting the Commission's definitive plans on the nature and scope of such facilities.

Second, there is the myth of the omnipotent computer. This is based on the assumption that the development of the computer has proceeded so far it has made the bureaucrat obsolete. Now there have been times, dealing with such problems as lead-based Christmas tinsel, flammable fabrics and dangerous toys, when for a moment, I almost wished that might be true. But, then when some Federal agency has moved bravely ahead to protect the consumer—such as in the development of regulations for passive restraint systems by the National Highway Traffic Safety Administration—I have reconsidered. No machine yet developed can tell the consumer product safety commission what products present an "unreasonable risk." And it would be unfortunate if the Commission used the National Electronic Injury Surveillance System (NEISS) or any other system as the exclusive basis for its regulatory decisions. The National Electronic Injury Surveillance System (NEISS) which has been developed to compile injury data from hospitals will indeed be an aid in determining some of the elements of the "unreasonable risk". But there may be hazardous products which require action which never show up on a computer printout. The concept of unreasonable risk includes more than estimates of injuries. It includes consideration of the ability of consumers to protect themselves, alternative products available and the potential effectiveness of remedial action. Only five commissioners exercising the responsibility delegated to them by Congress can make such decisions. I have high hopes they will make them well.

Third, is the unfortunate myth of counting the bodies. Some people, who should know better, have suggested that before taking regulatory action the Commission must know almost exactly how many deaths and injuries are caused by a risk in question. This is unfortunate because sometimes by the time such figures are available it is too late. This is one reason why the Commission was given the power to go to court immediately against imminent hazards. I trust that power will be used in appropriate cases.

Statistics can help. But they cannot always furnish an answer. Often new products just coming on to the market do not reflect themselves in injury statistics. Sometimes engineering analysis can spot an obvious products hazard without the need to await statistics. Some hazards simply will not find their way into hospital emergency rooms or doctors' offices. That does not mean they are unworthy of the attention of the Commission.

Three years ago, the National Commission on Product Safety published a list of categories of products within which there existed unreasonable hazards to consumers. The Commission did not have the benefit of a highly refined system of injury-data collection. Nonetheless, the National Commission on Product Safety's enumeration of hazards continues as a particularly valid indication of problems in the marketplace today. I commend it to the Consumer Product Safety Commission, and I ask, which of you would argue that products such as architectural glass, fireworks, floor furnaces, glass bottles, bicycles, vaporizers, household chemicals, infant furniture, toys, ladders, power tools, protective headgear, rotary lawnmowers, or unvented gas heaters could not be made safer with modest effort.

Fourth, there is the myth of the nut behind the lawnmower. Some of you may, perhaps, have heard of this myth before. In 1966 when Congress was considering the pioneering of the National Motor Vehicle and Traffic Safety Act, quite a bit was heard about a related myth. Currently, the myth of the nut behind the lawnmower reflects itself in the belief that the primary cause of consumer product accidents is consumer misuse, and that the most effective way of reducing product injuries is through educational and public relations programs. Now I do not say that education cannot have an important impact on injury reduction. I believe it can. But educational programs designed to alleviate consumer misuse are not a substitute, and can never be a substitute, for adequate and enforced consumer product safety standards,

Please note that I did not say minimum standards, or consensus standards. I referred to "adequate" safety standards; those of sufficient stringency to meet the Act's mandate to reduce or eliminate unreasonable product hazards. Such standards can be the heart of the Consumer Product Safety Act. But not if they are "lowest common denominator" standards.

We have not yet learned to control human psychology to the extent that carelessness and misuse can be prevented. But we do have in this nation the engineering capability to "build-in-safety" and the legal authority to motivate that capability. One study of injury causation with which I am familiar indicates that between thirty and forty percent of reported injuries either involve the product as a primary or contributing cause. In certain product categories, product causation appears to be as high as 70%.

A fifth common myth is that product safety is expensive. On the contrary, in the long run, it is a bargain. The myth that it is expensive is refuted by the fact that many business people actively supported enactment of the Consumer Product Safety Act. They obviously believe that product safety pays off.

The myth that industry cannot afford good product safety standards ignores the fact that most reasonable safety regulations can be cost effective. The National Commission on Product Safety estimated that the cost of product related injuries exceeds 5.5 billion dollars each year. These costs include the medical expenses and loss of income of the injured, as well as loss of production and consuming power which falls primarily on industry.

Those who suggest that small business, or big business, cannot afford safer products also ignore the fact that Americans are now recovering in much greater numbers for injury caused by product design and malfunction. There were 50,000 product liability suits in 1960. There were 500,000 in 1970—the insurance industry estimates there will be 1 million product liability suits by 1975. And recoveries appear to be increasing in amount as well. By preventing accidents, the Consumer Product Safety Act can save dollars for both consumers and industry.

Finally, we have the honeymoon myth. Perhaps because Americans have always been warm, understanding people, there is a myth that holds everyone, including a new Federal agency, is entitled to a honeymoon. Now please don't go saying that I oppose the institution of marriage. And I am not against honeymoons *per se*. But when it comes to consumer safety, there is no honeymoon.

I do not mean that the Commission should act without adequate deliberation. And I most certainly do not mean that any of the procedures designed to insure fairness and due process to consumers and industry should be shortcircuited.

I *do* mean that there was unseeming lack of haste in appointing the first four Commissioners—and there has been a further lack of haste in the appointment of the fifth Commissioner—who, I have already said, should be a recognized consumer leader. I trust this unfortunate attitude will not carry over to the Commission and its staff. This definitely is no time for a "take-it-easy" mentality. It is not merely a desire to see efficiency in government that leads me to suggest this. It is a knowledge that 30,000 Americans die and 20 million are injured each year in accidents associated with consumer products. Every day a safety standard, a recall, an imminent hazard suit, or a public warning is delayed, as many as eighty Americans may be unnecessarily exposed to death and 5,000 to product-related injury.

So it is o.k. if the lights burn late at the Consumer Product Safety Commission. And we'll forgive you if you can't meet us for lunch. But those are our friends and our children you are protecting—and that is an important job.

There must be fairness in the way the Commission goes about its work. There must also be a sense of urgency and of compassion for those who can be spared death and injury through prompt and effective action.

Thank you for inviting me to meet with you today. I hope in years to come we can gather again and review the progress of a Consumer Product Safety Commission that believed in itself and in its consumer protection mission—and also one that did not believe in myths.

IMPACT OF FISCAL YEAR 1974 HEW BUDGET CUTS ON UNIVERSITY OF MINNESOTA

Mr. HUMPHREY. Mr. President, in the near future the Senate will take up legislation providing for fiscal 1974 appropriations for the Departments of Labor and Health, Education, and Welfare. Much has been said about funds added in the House-passed measure to original fiscal 1974 budget requests by the administration for programs administered by these Departments. But what can all too easily be overlooked is the serious impact of the substantial reductions recommended by the administration in funding for the greater part of these vital programs.

It is urgent that Congress take action to reverse the administration's profoundly ill-conceived plans to undermine or halt critically important programs—for example, in biomedical research, aid to health professions schools, ongoing programs of college student aid and graduate research and training, and the development of school and community libraries, as well as job training programs and assistance across the Nation.

However, we cannot begin to visualize the extensive regression in national domestic policies proposed by the administration in its budget for fiscal year 1974, until these cutbacks are translated into lost human resources and a sudden halt in major advances underway in various fields of knowledge.

Federal dollar reductions are sharply expressed in concrete terms in a recent report sent to me by the office of the vice president for State and Federal relations, of the University of Minnesota This report indicates that some $8 million in Federal assistance could be lost to the university in the current fiscal year, exclusive of student financial aid. The total reduction could amount to about $11 million, as a result of a 4-year phaseout of a research training program previously supported by the National Institutes of Health.

Budget reductions affecting Federal assistance to the university's institute of agriculture translate into the loss of 36 full-time personnel positions in the agricultural experiment station. Further personnel reductions in the Agricultural Extension Service would seriously affect the 4-H program expansion and a food and nutrition program for low-income citizens.

Elimination of NIH training grants would mean that about 40 percent of the graduate students at the college of biological sciences may lose financial support.

Substantial losses in training and research grants to the school of dentistry include financial support for over 13 faculty positions.

Extensive reductions of Federal assistance applied to the college of education would seriously threaten what is probably the strongest graduate program in child development in the Nation. The school psychology training program—put forward as a "showcase" by the National Institute of Mental Health—could lose 70 percent of its budget.

A projected loss of over $1 million in training funds for the college of liberal arts means that the college would lose support for approximately 65 trainees and 15 faculty.

However, the medical school would be the most seriously affected unit of the university under Nixon administration budget reduction recommendations. Termination of NIH training grants and other training projects could mean a loss of $4 million over a 4-year phaseout period.

On top of this, the administration has continued to fail to honor its earlier promise to the university to provide essential support for the construction of educational facilities, on the basis of which the university had earlier responded affirmatively to administration requests to increase medical and dental school enrollments. Last year, the Senate Committee on Appropriations fully concurred with my urgent request that funds be designated for the long-overdue fulfillment of this commitment—under which the Federal Government would assume about 40 percent of a total project cost of $33.1 million, designated as unit B/C of the health sciences capital expansion program, and provide further assistance for additional facilities required at the Mayo Medical School in Rochester, Minn. Subsequent to approval by both Houses of Congress, however, this Labor-HEW appropriations measure was vetoed by the President.

In 1970, the administration asked for an increase in medical students, and the university added 60 students to its entering class. It has sustained that increase in subsequent years, accounting for 14 percent of the total national increase in all the medical schools in the Nation.

Administration proposals to cut back nursing research and capitation grant support would terminate the entire research program at the school of nursing, and would necessitate a curtailment in enrollment only a short time after Federal funds were awarded for the purpose of increasing enrollment. The illogic of this reversal in the administration's policies is simply incredible.

Moreover, it is projected that the school of public health, 1 of only 18 such schools in the Nation, would lose almost $1.5 million under the proposed fiscal 1974 budget. The school would face drastic cutbacks, including the elimination of three-fifths of its faculty positions. In addition, capitation grant reductions faced by the college of veterinary medicine would result in the loss of 22 faculty positions.

Such losses can have a disastrous impact not only upon health sciences professional resources, but also upon health care delivery programs, both of which are of vital importance to the entire upper Midwest. For example, the northlands regional medical program, of vital importance to physician-shortage rural areas in Minnesota, and designed to improve the health care of persons threatened by heart disease, cancer, stroke, and related diseases, will be completely eliminated in the Federal budget for fiscal 1974. And university programs to provide new careers in the health care field—urology assistants, and radiology technology, respiratory therapy, and community health work—are seriously threatened.

These are only some of the highlights of the impact upon people and concrete programs at one major university serving an important region of our Nation, of sweeping cutbacks in education and health care and research assistance funds, which will go into effect unless Congress acts decisively to correct the priorities in the administration's budget for fiscal 1974. I strongly urge the Senate to give sharp attention to such harsh realities when it deliberates legislation on appropriations for the Departments of Labor and Health, Education, and Welfare. The alleged threat of yet another Presidential veto of this vital legislation must not be permitted to be the final determinant of action by the legislative branch. The time has come to firmly and responsibly assert the powers of Congress as a coequal branch of the Federal Government.

THE RESEARCH ON AGING ACT OF 1973

Mr. BEALL. Mr. President, in recent decades, improved nutrition and improved medical services have dramatically extended the average life expectancy of Americans. It is interesting to note that there are, today, over 20 million Americans age 65 and over. This constitutes an almost sevenfold increase since the turn of the century. In addition, the over-65 segment of our population is growing almost twice as fast as is the rest of our society.

In 1962, the Congress responded to this situation by creating a National Institute of Child Health and Human Development containing the Center for Gerontological Research within the framework of the National Institutes of Health. This Institute conducts research into the developmental process as it affects all age groups within our society. Unfortunately, only approximately 11 percent of the budget of NICHD has been devoted to studying the aging process in the upper age ranges. On the contrary, approximately 58 percent of the budget has been devoted to the activities in the field of child health while an additional 31 percent has gone into various aspects of population research.

This unfortunate distribution of resources served to motivate the Subcommittee on Aging's deliberations with regard to the establishment of a separate National Institute on Aging. In addition to granting a greater degree of visibility and momentum to research in the field of the aging process, the establishment of a separate institute should serve to bring together the presently diffused and fragmented research efforts which are presently scattered among a variety of Federal departments and agencies.

It is our desire, in the creation of the Institute on Aging, to produce a coherent and coordinated research program that is capable of systematically unlocking the secrets of the aging process. It is important to note, Mr. President, that the subcommittee did not envision the National Institute on Aging as an agency that would overlap or compete with existing institutes within NIH. We expect that the new institute will primarily concern itself with the biomedical and behavioral aspects of the aging process, rather than undertake the indepth research into various chronic diseases, and so forth, which tend to afflict the aging.

In closing, Mr. President, I would like to say that throughout my career in public service, I have been deeply concerned about the way our governmental system, on all levels, delivers services. A nation that can put men on the moon and explore the far reaches of space, that can conduct medical and scientific research on a scale and in depths unequaled in history, is the same Nation that is often plagued by the unbelievable inability to render coherent and comprehensive services to people in need of them.

Earlier this year I introduced legislation that seeks, on a broader scale, to resolve some of the problems we are alluding to in this bill. My proposal to create an Institute of Health Care Delivery (S. 723) passed the Senate on May 15, 1973, by a 79-to-15 vote. This bill is designed to conduct research on the techniques of delivering health care services so that our citizens can benefit from the truly remarkable work being done at public and private research centers throughout our Nation.

The substantive breakthroughs achieved at NIH and similar research centers cannot begin to benefit the American people until that data "filters down" to the operating level of the health care delivery system. In addition, such benefits are denied to many Americans because our presently inefficient delivery procedures result in prohibitively high costs for medical services.

Mr. President, I enthusiastically support the provisions contained in S. 775, because I believe that the health and welfare of millions of older Americans will be, over a period of time, substantially improved as a result of the research conducted by the National Institute on Aging. I would urge my colleagues to give prompt and favorable action to this important legislation.

REDUCTION IN NARCOTICS TREATMENT PROGRAMS

Mr. BIDEN. Mr. President, unbeknownst to many, the Nixon administration has made important changes in its approach toward drug abuse. Efforts to enforce existing drug laws have been increased while, regrettably, programs for narcotics prevention and education are now receiving less emphasis and funding. These recent modifications in our drug policies were discussed in a New York Times article of July 5 entitled "United States Cutting Narcotics Treatment Programs." I think this piece informative and worthy of attention.

One key way in which the administration is trying to improve enforcement, the Times points out, involves the recent centralization of all drug enforcement authority in a new Justice Department agency called the Drug Enforcement Administration—

> The consolidation was primarily designed to end bureaucratic feuding between the Bureau of Customs and the Bureau of Narcotics and Dangerous Drugs.

An increase of $28.7 million has been budgeted for drug enforcement by the administration for the 1974 fiscal year.

At the same time, the Times article points out, the administration contemplates a reduction of $27.52 million in the overall Federal budget for treatment and rehabilitation programs and the "termination or sharp reduction" in budgets of treatment programs sponsored by Cabinet agencies. It is further reported that—

> The White House Special Action Office for Drug Abuse Prevention has begun to trim its manpower rolls in preparation for a complete phase out by the end of 1974 . . . the agency was set up in 1971 to coordinate antidrug programs and especially efforts against heroin, which President Nixon has labelled "public enemy number one."

The administration's decreased interest in these programs is evident.

I appreciate the need for stronger law enforcement efforts; I regret, however, that these new efforts are being provided at the expense of other essential drug programs. This approach represents a return to the backward attitude that sees drug use as a crime rather than a disease. There can be no real solution to the drug problem that does not include strong efforts at education and rehabilitation.

Mr. President, I ask unanimous consent that the article from the July 5 issue of the New York Times entitled "United States Cutting Narcotics Treatment Programs" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES CUTTING NARCOTICS TREATMENT PROGRAMS

WASHINGTON, July 4.—The Nixon Administration has instituted changes in its anti-drug programs, with increased emphasis on domestic and foreign enforcement efforts and less emphasis on prevention and rehabilitation.

One of the changes—consolidation of all drug enforcement authority within a new Justice Department agency called the Drug Enforcement Administration—became effective Sunday.

John Ries Bartels, Jr., former deputy assistant to the director of the Office of National Narcotics Intelligence, who was named Friday as acting administrator of the new agency, said the consolidation was primarily designed to end bureaucratic feuding between the Bureau of Customs and the Bureau of Narcotics and Dangerous Drugs. They are the nation's two largest drug enforcement agencies.

Other Administration changes include the following:

A reduction of $27.52-million in the overall Federal budget for treatment and rehabilitation programs, from $555.3-million for the fiscal year that ended Saturday to $527.8-million for the 1974 fiscal year, which began Sunday.

An increase of $28.7-million in the amount budgeted for enforcement, from $228.3-million in the 1973 fiscal year to $257-million for the 1974 fiscal year.

Termination or sharp reduction in budgets of some rehabilitation and treatment programs sponsored by Cabinet agencies. There also has been a reduction in the number of Federal agencies providing such programs.

Shifting the leadership of the Cabinet Committee on International Drug Control from the White House staff to the Department of State. This signals that diplomatic priority is to be given to efforts to stem the flow of illicit drugs into the United States from abroad. The committee's budget has been substantially increased in recent years.

The devising by the Department of State of specific plans for curbing the flow of drugs into the United States from 60 key foreign sources.

RECOMMENDATIONS IGNORED

The consolidation of Federal enforcement efforts has been recommended on numerous occasions beginning with the Hoover Commission in 1949. Instead, the Government added enforcement agencies.

The problems of jurisdictional disputes and unhealthy competition cited by some reports, such as that of the General Accounting Office. have led to often vocal hostility between the agencies and, critics say, reduced the efficiency of enforcement efforts.

Members of the same agency have conducted simultaneous raids on the same targets with unfortunate consequences.

An eight-week investigation by The New York Times disclosed that raids against innocent people, involving threats and abusive language by Federal narcotics officers, were common.

Part of the problem apparently stemmed from inadequate training.

Justice Department officials in Washington said that many narcotics agents had little law enforcement experience and went to the agencies right out of college. The average age of narcotics bureau agents is about 25.

The bureau operates the National Training Institute, for narcotics agents. It provides eight weeks of training on searches, seizures and constitutional rights, but attendance is not required. Many officers involved in mistaken raids have not taken the training.

Federal officials have said that a review of training procedures and requirements is under way although no immediate changes are planned.

NARCOTICS CHIEF OUT

John F. Ingersoll, director of the narcotics bureau, quit Friday after being passed over as a candidate to head the new agency. He said he had been forced out because he would not bow to White House pressures. Associates later described those pressures as efforts to influence administrative and personnel decisions.

One associate of Mr. Ingersoll said that two key personnel people had been replaced at the behest of the White House. Another associate said that two new enforcement and intelligence agencies set up during the last 18 months had been given duties identical to those of the narcotics bureau. He would not identify the two. Mr. Ingersoll was unavailable for comment.

There has been further consolidation of treatment and rehabilitation programs.

The White House Special Action Office for Drug Abuse Prevention has begun to trim its manpower rolls in preparation for a complete phase-out by the end of 1974. This was mandated by Congress. The agency was set up in 1971 to coordinate antidrug programs and especially efforts against heroin, which President Nixon had labeled "public enemy number one."

There are currently seven cabinet agencies with prevention and rehabilitation programs, compared with 14 two years ago. Current budget plans call for further reductions to four agencies by the end of 1974. Then only the Department of Health, Education and Welfare—which will be at the hub of activities—and the Department of Defense, the Veterans Administration and the Bureau of Prisons will continue to provide those programs.

Office of Management and Budget sources said that H.E.W. would receive about 75 per cent of all treatment and rehabilitation funds and the Bureau of Prisons the smallest amount.

PUBLIC SERVICE ADS SCORED

An O.M.B. source also said that many of the antidrug public service advertisements would be abandoned and no new ones would be produced this year "because we have learned that their effect has been neutral at best." The official said there would also be a reduction in the number of federally sponsored antidrug counselors in public schools.

An O.M.B. official said the Government would shift its focus from the eradication program for drug-producing crops, which was initiated two years ago, to beefing up foreign law enforcement and intelligence capabilities.

The official said the eradication program had been "oversold and did not solve the problem." "All it did was buy time and temporarily disrupt trafficking," he said.

The official said that $61-million would be provided for the stepped-up enforcement efforts abroad and that the State Department had outlined specific plans for 60 countries that are major sources of illicit drugs smuggled into the United States.

RETIREMENT OF KENNETH E. BELIEU

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Mississippi (Mr. STENNIS), I ask unanimous consent to have printed in the RECORD a statement by him and relevant documents on the retirement of Under Secretary of the Army Kenneth E. BeLieu.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR JOHN C. STENNIS UPON THE OCCASION OF THE RETIREMENT OF UNDER SECRETARY OF THE ARMY KENNETH E. BELIEU

Mr. President, on June 29, Under Secretary of the Army Kenneth E. BeLieu retired.

Those of us who have worked with Ken through the years appreciate his many fine qualities. In public service, as well as in any other field of endeavor all questions finally come down to the character and integrity of the person involved. In this respect the score of Ken BeLieu is of the highest. I do not know of anyone who has served the Army and thus the nation with more honor and loyalty.

I wish to Ken and to his lovely wife, Markie, and to their son, Chris, every success and happiness now and in the years ahead.

I add to my statement the citation of the Medal For Distinguished Public Service (First Bronze Palm), the letter to Ken from the President accepting with regret his resignation, the address of Secretary of the Army, Howard H. Callaway, and the remarks in response by Ken BeLieu, all on the occasion of his retirement on June 29, 1973.

TO KENNETH E. BELIEU

in recognition of his distinguished service to the Department of Defense and to the security of the Nation in positions of great responsibility covering a period of almost 33 years.

His accomplishments are legion. As a professional soldier he served his country on the beaches of Normandy, in the Battle of the Bulge, and in Korea, where he received a disabling wound. After retirement from the Army in 1955, he continued to support a strong National defense as a professional staff member of the Senate Armed Services Committee. From there he was appointed as Assistant Secretary and later Under Secretary of the Navy. In January 1969, Ken became the Deputy Assistant to the President for Congressional Relations. His selection as Under Secretary of the Army in 1971 was the capstone of a unique career of public service. Few Americans have given more to their country. Fewer still have achieved such enviable esteem as a citizen-soldier in the finest tradition of selfless service. I am pleased to present the Department of Defense Medal for Distinguished Public Service (First Bronze Palm) to Ken along with my best wishes for continued success and happiness.

W. P. CLEMENTS, Jr.,
Secretary of Defense (Acting).

June 29, 1973.

THE WESTERN WHITE HOUSE,
San Clemente, June 29, 1973.

Hon. KENNETH E. BELIEU,
Under Secretary of the Army,
Washington, D.C.

DEAR KEN: Your letter of May 31 has come to my attention. I will, of course, abide by your wishes and accept your resignation as Under Secretary of the Army, effective June 29, 1973. I do so, however, with the deepest regret.

President Eisenhower once wrote, "Of all the nations of today the future will say that there were two kinds; those that were intelligent, courageous, decisive and tireless in their support of high principle—and those that disappeared from the earth. The true patriots of today are those who are giving their best to assure that our own country will always be found in the first of these two categories." You are one of those patriots, having served America with the highest distinction both in time of war and during our untiring quest for a lasting peace.

You have served in the three branches of the Federal government, and in each successive position you have justly won the enduring admiration and respect of your colleagues. More importantly, your participation in government has always been founded on the principle that service to our country is, as you yourself have written, the highest calling for every American.

It has been a source of immense satisfaction to me to have you as a key member of the Administration team, both here in the White House and, since September of 1971, as Under Secretary of the Army. I am deeply grateful to you for your many contributions to our Nation, and as you retire from public life, you may be assured you take with you my heartfelt thanks for all you have done and my warmest good wishes for every happiness in the years ahead.

Sincerely,

RICHARD NIXON.

ADDRESS BY HONORABLE HOWARD H. CALLAWAY, SECRETARY OF THE ARMY, AT THE RETIREMENT REVIEW FOR HONORABLE KENNETH E. BELIEU, UNDER SECRETARY OF THE ARMY, FORT MYER, VA., JUNE 29, 1973

We are privileged today to honor a great American. The Army has been privileged on many occasions to honor great men, but today is something very unique. Seldom in our history has a man performed for his nation with distinction as has Ken BeLieu.

As you have heard, Ken served as a combat officer with distinction in World War II. He served again as a combat officer with distinction in the Korean War, during which he lost his left leg below the knee. Undaunted, he continued to serve the military, again with distinction, as Executive Officer to two different Secretaries of the Army. After this assignment, he retired from the Army as a Colonel.

Never being able to really retire, he began a new career. He first served with the Senate Armed Services Committee as a member of that Staff, again with distinction. He then served as Assistant Secretary of the Navy and as Under Secretary of the Navy, again with distinction.

He next served the President of the United States as the Deputy Assistant to the President on Congressional Relations.

And he has served for the last two years as Under Secretary of the Army, again with great distinction.

It is sad, Ken, to say good-bye; but you have a habit of never saying good-bye—we have said good-bye to you so many times, and you keep coming back. We don't know where you will come back this time, but we will welcome you when you do. We know one thing—you will still be serving your country, no matter what you are doing.

I am most grateful to Ken BeLieu for the personal efforts he has made to make my job more pleasant and more helpful to the Army. He has been a great man to work with, and we will all miss him. But I think the Army is most grateful to Ken BeLieu for setting a challenge that we in the Army must fulfill and live up to in the days ahead. The Army has a greater challenge today than perhaps ever before in its history. At least it is a different challenge. We have never before been asked to man a strong Army capable of global missions without any kind of draft—with a volunteer Army. And today we are a major part of the Nixon Doctrine, with strong commitments in Europe and in Asia, and, as you know, with a volunteer force. It is going to be difficult to live up to the challenge that we have, but Ken BeLieu has set the course. Ken has insisted that as we go forward in this new Army, by insisting on quality accessions; by insisting that the young men and women who come in the Army today are the best of America; by insisting that they are truly representative of all America, of all walks of life, of all economic levels, of all ethnic groups; and by insisting that the men and women of the Army today are mature adults and they should be treated as such, without harassment.

The Army has a vital mission to fulfill, a mission that would be accomplished by a disciplined Army and by an Army that is by no means a permissive Army—Ken BeLieu would not allow that. This must be a mission oriented Army where we treat each one alike, each person as a soldier, each soldier judged only by how well he does his job.

That is the legacy that Ken BeLieu has left to us. That is the challenge that he has left to us. And just as Ken BeLieu has gone from one mission to another, each better than the one before, Ken, we are going to use your example to inspire us during the days ahead.

SPEECH BY HONORABLE KENNETH E. BELIEU, UNDER SECRETARY OF THE ARMY, ON THE OCCASION OF HIS RETIREMENT, FORT MYER, VA., JUNE 29, 1973

Secretary Clements, Secretary Callaway, Admiral Moorer, dear friends all, and the officers and men of The Old Guard. I want to commend the troops for their fine appearance. I have been privileged to observe The Old Guard and the band walk these hallowed grounds more years than I care to count. I am deeply grateful for their presence here today. They are always a source of pride to me and to our Army.

Secretary Callaway has talked about a higher calling. I guess there is no discharge from the American Army. There is retirement; but the Army never leaves you and you never leave the Army.

It seems but a short twenty-one months ago that in the old office of the Army Chief of Staff, which in earlier days was at the hub of the area now occupied by the Department of Defense, as had been my privilege before as a Second Lieutenant, I raised my right hand and pledged true faith and allegiance to the Constitution again—this time as Under Secretary of the Army. And I did so with deep pride and humility, because I considered myself to be among the most fortunate of men. I had been given a second opportunity to serve the Army. And on that occasion, so memorable to me, I couldn't help but liken it to return to the old neighborhood of one's childhood and, from a distance, observing the old home. It looked a bit worn. The paint was peeling in spots and a few shingles were awry as the result of some storms; but when you put your hand on the door latch, you knew that the pillars and the foundation were as sound as the original oak. And, once inside, I found that the basic principles which have sustained this great institution—the United States Army—from the beginning remained unchanged. But also there were the unpleasant realities of those days. The Army was having some trouble. It was not threatened with defeat on the battlefield; but it staggered from the more subtle effects of eroding public confidence. I was not so much concerned with the relative few who didn't like our country's uniform; but because the Army's life line is the American people, I was deeply concerned about the number of Americans who, by their silence or seeming detachment, were not forthcoming with the wholehearted support our soldiers deserved.

I recall the late thirties, when I first donned the uniform of an infantryman, that the combination of national priorities and public apathy had resulted in a small and ill-equipped Army, which was then a lesser honored component of our society. In those days, however, the clear and present danger emanating from Hitler's Germany was moving us from isolationism to involvement and the same old historic Army was once again recognized by the public as a necessary national institution. While all Americans did not rally behind our commitment in Korea, the Army emerged generally unscathed and holding its own. For many reasons, some within our control but most beyond the control of the military, Vietnam saw the waning of public support. We are still feeling the result, and the recovery is likely to be slow and painful. Our resolve as a People was and still is being severely tested.

Challenges emerged regarding the very basis of maintaining an Army. Once more it was clear that we needed to reaffirm that our Army is indispensable to the survival of our country. Through words and thoughts, many unspoken, Americans again, as they have after every conflict, were beginning to ask the question, "Do we need an Army?"

And so, as I became reacquainted with the Army, both in the Pentagon and by visits to far-flung outposts, and saw and knew again the soldier's heart, I became convinced of the need to remind both the doubters and the indifferent of the lessons of history. It is difficult for a free society, preoccupied with a good life, to recognize and properly assess external threats and to remain prepared. Yet the facts are, despite our previous isolationism and our desire for peace, we have been involved in nine major wars and more than one hundred campaigns and expeditions in the 196 years of our existence. Will Durant wrote: "In the last 3,400 years of recorded history, only 268 of them have seen no war."

Now, I am not asserting that wars are inevitable. I pray such is not the case. But no one in America or in the world can be certain that our nation has seen the last of war. Our history teaches another lesson: When wars have occurred, we Americans have invariably been caught unprepared.

The United States Army has carried the main burden in these conflicts, regardless of the state of readiness at the time the wars began. Many people say today that a major conflict is unthinkable due to modern nuclear weapons and it should be. But I submit that what has caused wars is not so much the state of military technology, but rather the state of mind of human beings. The imperfect nature of mortal man is the problem. Rivalry and strife will still cause man to fight even though the fear of nuclear holocaust may cause him to try to limit his objectives. Just look at the world around us. Human weakness, tyranny, anarchy always will pose threats to a free society. If history proves anything, this is clear.

The highest mission of the Army is to deter war. To do so it has to be a combat-ready Army. We can only conclude that the United States needs a combat-ready Army sufficient to meet its tasks. It has to be professionally competent—an Army with the highest state of morale, discipline, and moral fiber. Our commitment to an all-volunteer force places that kind of a premium on quality.

If our Army is to have its rightful place of trust and esteem, we must regain and keep public understanding and support. We cannot attract the high quality soldier America needs without it. The single greatest contribution all of us can make is to act as visible, vocal, and affirmative spokesmen for all ranks. The Army and all of our military forces have enough critics. They need more consistent advocates. They need men and women who are informed; who take obvious pride in what the Army has been, is, and ever will be. They need men and women who seize every opportunity to affirm this to soldiers and especially to the public.

Most of us are not called on to shoulder a rifle, but we can shoulder the responsibility of supporting the man who does. Those of us who have had the opportunity to pass through their ranks, along with every American citizen, must take up the soldier's banner, evangelize his virtues, and support his cause. I emphasize the need for affirming the Army's quality and essentiality in positive rather than defensive terms. Like all segments of American society we have had and will have our share of those who choose the easier wrong rather than the harder right. But judged in perspective, the Army's record of competence and integrity compares most favorably with that of the society from which it is drawn. And it is axiomatic that soldiers must do their jobs under unique handicaps, pressures, and dangers. Our actions and our words should reflect this.

We lose credibility if we are not candid as to our problems and our faults. But I think it is also equally axiomatic that we lose even more credibility, internally and externally, and do a great disservice to our nation if in an effort to be candid, we overstress shortcomings and fail to put them in context. Thus, the only honest and effective platform on which our spokesmen can stand is one which admits the problems and shortcomings but puts them in the context of a large organization which historically has been made up of dedicated Americans.

To those who wear the Army green, I say we cannot wait for everybody to tell us. We must daily renew our own sense of purpose, pride, and confidence. We must always, as those who have gone before us, earn our country's respect. As a minimum, the result will be a retreat from emotional bias and stereotyped cheap shots at the military and inevitably a welling of support from those who want to have faith and pride in our military and are longing for strong, affirmative spokesmen.

In today's world we again see some encouraging signs of peace. We must continue searching for peace while maintaining the armor of strength. We should heed the words of our premier soldier, General Omar Bradley, who said of peace on another day:

"It can be lost by timid world leadership and by the premature abandonment of our armed strength. It can be lost when a nation's self-interest is permitted to smother its world role. It can be lost by surrender to doubt. It can be sold out by suspicion. Above all, the easiest way to lose the peace is to lose it by default, by retreating behind our walls to live in dangerous isolation."

To restore, cherish, and hold our Nation's resolve requires commitment and sacrifice, not only by the military but by all Americans. Each of us must articulate our pride in America and rededicate ourselves to the principles which have bestowed greatness upon this people. Let us heed the admonition of Kenneth Clark, the British historian, who said:

"It is the lack of confidence more than anything else that kills a civilization. We can destroy ourselves by cynicism and delusion just as effectively as with bombs."

Our Army, both Active and Reserve, needs public support more than ever before. I believe the people are fully capable of giving that support.

America is a nation born of patriotism. Our national strength is the product of active and devoted citizenship.

From devoted citizens comes the willingness to emphasize duty—to serve, to work, and to fight, if necessary, for that which is moral and just. I know that the majority of Americans are such citizens.

Let us here redetermine and declare that the generations which come after us will find that we were resolved to give completely of our best efforts—to perfect our Army, to sustain our country, and to preserve our Nation's freedom.

In many ways the Army that I leave today bears little resemblance to the one I embraced in 1937. But I rejoice in the fact that, as with the true citizen, the true soldier's dedication remains unchanged. He puts his God, his family, and his country above all else. And I can think of no higher honor than to have it said of me—"he was a soldier".

Markie and I are saddened by leaving many old and dear friends and comrades in arms. But we go with none but fond and cherished memories and blessings beyond measure.

THE LAST FOUR DECADES—GOVERNMENT AND INDUSTRY

Mr. TAFT. Mr. President, I recently came across an Industry Week interview of Mr. Walter Campbell, the editor-in-chief of that magazine. I believe that the magazine has been an intelligent and enlightened spokesman for the views and concerns of the Nation's industries. Mr. Campbell has consistently articulated views which absolutely must be taken into account by Congress as we try to shape policies affecting industry which will increase the well-being of all our citizens.

I believe that it would be valuable for the Senate to have the benefit of some of Mr. Campbell's views and I ask that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM APPLES ON THE CORNER TO PIE IN THE SKY

(By Floyd G. Lawrence)

"These four decades began with apples on the corner and ended with pie in the sky. They included our deepest depression and our boomiest boom. They included a devastating war and an uneasy peace.

"But above all, they were a period of unprecedented growth. Sales of our manufacturing industries increased nearly thirteenfold, from $56 billion in 1936 to $740 billion in 1972. Part was inflation, but most was real growth. And our population has nearly doubled over that same span.

"But the most impressive growth by far has been in the size of government. During the time our population was doubling and manufacturing sales were increasing nearly thirteenfold, government's tax take increased almost thirtyfold. That's 3,000%!"

Editor-in-Chief Walt Campbell's voice was vibrant with indignation. The stem of the pipe in his hand swept upward to symbolize exorbitance and darted downward to skewer "that's 3,000%!" Triumphantly extracting a sheet of yellow tablet paper from the ever-present towering "fact file" beside his typewriter, Walt continued:

"The tax grab went from $12 billion in 1936 to $352 billion in 1972. And that's not just the federal government. Every politician at every crossroads has discovered the happy formula for them of tax and spend, tax more and spend more.

"During these few brief decades we have gone from the idea of government to protect us from our enemies to the idea of government to protect us from ourselves. And this may prove to be a cost too great for us to bear and remain healthy as a nation."

As he paused to reflect a moment, our first conversation with Walt nearly 25 years ago came to mind. Across a battle-scarred desk proudly bearing a Spalding hole-in-one trophy, Walt, then managing editor of *Steel* magazine, was interviewing us for possible employment. In an hour and a half, our thought processes, attitudes, and aptitudes were more thoroughly explored than we would have believed possible. Yet the approach was one of conversation rather than inquisition and the experience was delightfully punctuated with flashes of humor, intelligence, and down-to-earth rationality.

We realized we were experiencing a skilled reporter at work. We realized this was a man and a mind from which we could learn much. And as a result of that interview, we were pleased to accept a job, less to work for *Steel* magazine than to work for Walt Campbell. And we were not the first nor the last to do so.

"Around the end of World War II," continued Walt, bringing us back to the moment, "people all over the world had a deep and profound love affair with big government. Everyone seemed convinced that big government could do anything. People seemed very happy to turn all their problems over to big government, and politicians all over the world were equally happy with this opportunity to seize power. And they did.

"Now, almost three decades later, there is a disenchantment developing very rapidly. After a long and expensive experiment, people are beginning to realize that big government can do just two things well: wage war and inflate the currency.

"When it comes to most other activities, big government makes big promises but fails to deliver what it has promised. Yet, tax collections go on, and we pay and pay and pay—until some of us feel the dollar we invest in taxes might be invested more wisely in a Las Vegas slot machine.

"There has been a great deal of change in the last 40 years, and some of it has been forward. But I think that the great expansion of government and the compounding cost of government and the rising influence and regulation of government has been a phenomenon of this period that presents the greatest menace to the health of our society and our country.

ANTIBUSINESS CONTAGION

"I'm not sure that government growth is related to the growth in antibusiness sentiment. While the private sector people have not done an outstandingly good job in selling themselves to the public and keeping themselves sold to the public, I could excuse that, at least in part. For they have been so busy producing the goods and services that people need and want that they either thought it unnecessary or did not have the time to do a self-selling job to the public.

"So I think the antibusiness sentiment in part arose from default but in part was directed by government in some instances and in others by educators and clergymen who became critical of the industrial sector of our economy. This in turn was picked up in recent years by youth and became contagious, as some of these ideas do.

"But I think it was furthered as much by so-called educators as it was by government. And, of course, the newspapers and the electronic communications media added. I think newspaper reporters and radio and TV reporters and commentators have a lack of understanding of what industry does that contributed to their making it a target for attack.

"But while this antibusiness sentiment has been very much overdone, there has been some basis in fact. Industry and industry people have not always acted wisely, not always acted in the national interest, not always acted as enlightened industry should. These instances have been picked up and held up to ridicule and criticism and have not been adequately refuted. And this has resulted in what I have to consider an unfair and an unfortunate position.

MANAGERS STAND HIGHEST

"Let me pursue that a moment," said Walt, putting his feet on his desk and looking at the ceiling.

"Before I became a magazine editor, I spent many years as a daily newspaper reporter and editor and as a wire service correspondent. And throughout all of those more than four decades in journalism, I have had exposure to and acquaintance with a great many people of all types—politicians, educators, clergymen, professional men—people in every walk of life.

"It is my considered judgment that the managers of industry stand head and shoulders above all others in their ability to contribute those things which our people want and need, and in morality, in ethics, and in general as citizens that I admire.

"There have been disappointments in all types of people—including managers in industry—but all in all I think industry managers stack up best in terms of their complete performance, their dedication, and their ability and intelligence.

"Further, I think the managers of industry have been far more innovative than any other segment. Because of them, industry has contributed more to the quality of our living than any other segment.

"Take mobility, for example. For 50,000 years man was limited to the speed of a horse. Almost within my lifetime we have not only increased that speed immeasurably but also have provided that increased mobility at a very reasonable cost to all. It has made us one world.

"Or take the supply of food. We currently are complaining about the rapidly rising cost of food. Yet I can remember when two-thirds of the workers in this country were devoting their efforts to producing foodstuffs. The problem was supply. It was our main concern.

"But industry, through providing mechanized tools and implements, chemical fertilizers, and insecticides has brought about an agricultural revolution which now permits all the food we need, and more, to be produced by 4% of our workforce. And beyond that, we have more convenient foodstuffs that we take for granted, and so many other things.

"I believe industry ought to tell the people and keep on telling the people over and over what so many industrialists apparently think is obvious: about the contributions industry makes to the quality of living of all the people. This is a really important and meaningful and wonderful story.

NEW CHALLENGES TO MANAGERS

"The challenges that managers in the industrial scene face today are infinitely more complex, as we have more and more regulations and more and more specialization to make *products* that people need and want.

"But I think there ar new challenges coming over the horizon for managers in providing the services that people need and want.

"Heretofore we have thought of these services as being provided by the public sector—services like medical and hospital care, education, and urban development. But the public sector has done an inadequate job.

"So I see in the future a considerable opportunity for the private sector to provide such services that would be better and less expensive, and do it at a profit. For I think that the dynamics of private enterprise when they are unleashed can solve any problem we face, whether of ecology, the energy crisis, the problems of relieving poverty, or whatever.

"We should never underestimate the power of dynamic private enterprise because it will be motivated people who will get things done. Institutions will do very little.

"Perhaps the traditional entrepreneurial challenges have become somewhat blunted by all the regulations and inhibitions imposed by our public sector. But there are certainly new challenges available to the true and real entrepreneur which may be even more exciting than those we had in the past.

AN EXAMPLE: INDUSTRY WEEK

"New challenges, new problems, new opportunities are arising, and they can be recognized if you are watching for them long before most people know they exist. Industry Week itself is an example.

"Of the many privileges and opportunities I have had over these many years, I am confident that my greatest personal satisfaction has been to be a part in the creation of Industry Week.

"The concept of IW was good. We recognized a challenge and an opportunity: to build a magazine uniquely serving the needs of managers of industry. And we must have done something right because the reaction of the readers has been fantastic.

"I have more than 6,000 letters, practically all of which express an enthusiasm for this book. I figure we have 675,000 readers among industrial managers, and they do read and they do think of IW as their magazine. Hardly a day passes but what somebody from Texas or California or Massachusetts doesn't call me just to say, 'Thank you for IW.'

"But one of the satisfactions an editor gets is to recognize a problem before it is generally recognized. For example, many of us knew back in the 1950s that air and water pollution was going to become a problem. And we suggested editorially that this was the type of problem about which all people should be coordinated by a public egency.

"Time proved this to be accurate. But air and water pollution in the 1950s had absolutely no political sex appeal and nothing was done. No one would listen.

"Also in the 1950s, we recognized and brought to light the problem arising in a world market: that the U.S. would no longer be a fat, comfortable island of self-sufficiency. We could see that those countries of Europe and Asia that were devastated during World War II were rebuilding their industrial machines. We could see them preparing to produce quality goods for export which would be increasingly appealing in our markets and often at lower cost.

"We recognized that this fact represented a threat to U.S. industry and to U.S. labor. In 1960, we produced our first impact issue entitled, 'Our fight for survival in the new world market.'

"In 1971 we recognized the combination of circumstances that now threaten the very existence of a strong and healthy U.S. industry. And we called attention to that in another impact issue headed, 'Is there still time to save U.S. industry?'

"That impact report made waves because it focused attention on what has to be a very real problem of great importance to every American, whether he be an industrial manager, an industrial worker, or whatever. For without a strong and healthy U.S. industry this country simply cannot continue to be the kind of country we want it to be.

"And I believe sincerely that we hoisted some warning signals on the weakening of U.S. industry—through excessive public sector demands, continuing increases in labor demands, welfare demands, and sharply declining personal productivity—that have made a great many people think about our problem.

"And the important thing is that when people start really thinking about a problem they are then started on their search for solutions to that problem.

"IS THERE STILL TIME?

"There is still time to save U.S. industry, of course. But the question is a great deal larger than that. The question really is: Can we save the U.S. as the kind of country we want it to be, as a country which is strong and prosperous, as a country that stands for the things that America should stand for?

"There is still time to make the U.S. that type of country, but we will have to work at it as Americans. We will have to realize that there is no such thing as a free lunch. We will have to give up our belief in the devotion to SFN—something for nothing.

"More of us will have to become more productive of the goods and services that our people need and want. And we'll have to quit thinking as minorities. We'll have to stop pitting class against class. We'll have to cease off on the confrontations between labor and management.

"We'll have to start thinking and acting like Americans. We'll have to go to work. And all this of course is a lot easier to say than to do. But that's what must be done.

"And I think there are several signs for hope. One is the no-strike agreement in the steel industry. There are a number of moves toward more cooperation between management and labor as labor leaders and management recognize that there is more to be gained by cooperation than by hostility.

"Recognition in several quarters of need to put increasing emphasis on improving our total productivity shows perhaps small but important beginnings. And we have gotten at least lip service from influential members of the public sector that suggest the 'partnership of purpose' which we advocated is not a complete impossibility.

"Perhaps these are small beginnings. Certainly it is still too early to appraise their real significance. For unfortunately, shifts of this kind take more time than most of us would like.

"But we must begin, and one way to begin is for industry now to absolutely refuse to become a whipping boy for the politicians. I know that many in industry have in the past hesitated to speak out against the politicians for fear of reprisals or because of a hoped-for government contract or because they did not want to rock the boat.

"Now this is really venal. I don't think industry can any longer afford such lack of courage. I think it's important to understand when we cannot afford to be afraid."

EDITORIALS "BY THE POUND"

Walt paused and broke into a grin. "Hey," he observed, "I like that. I think I just coined something."

That made us wonder. "Have you ever added up how many editorials you have written?" we inquired.

"By the number or by the pound?" came the rejoinder as Walt flipped a fistful of notebooks filled with tearsheets on the desk. "I've written an average of perhaps 50 editorials a year for almost 20 years now, so the total must be about a thousand.

"But it gets a lot easier to write editorials as you go along. In part I think that's because there are more things happening to affront us than there used to be. Or it may be because change isn't going forward as change used to seem to go forward. Now we go sidewise and sometimes backward, and either way the cost always goes up.

"But the more you do a job, and particularly a job that you like to do, the easier it becomes. I think that's true in anything you enjoy and believe is worthwhile doing. As you gain practice and experience you do it more easily, hopefully more effectively, and waste less time doing it. And you also get to recognize the things you shouldn't do or can't do, and you don't waste time trying to achieve the impossible.

"By the time I sit down to my typewriter to attack an editorial it's within 30 minutes of being on its way to the copy desk. But before I sit down to write that editorial, I have been thinking about it—perhaps for several hours, perhaps several days, or even for several weeks. That's not consciously working on it but reflecting upon it.

"And sometimes, of course, there is an incident which sparks an editorial reaction almost instantly, almost automatically; those happen on the good days.

"But in all honesty I would have to admit satisfaction in reader reaction to my editorials in IW. And I attribute whatever effectiveness or success may have occurred there to the fact that I always have tried to seize upon real problems of interest and concern to a lot of people.

"Then I have tried to define that problem and to suggest a solution or whatever corrective action might be indicated in the simplest language I know—and I know a lot of simple language," he grinned impishly.

A NEW ROLE

"I would rather be known as a good reporter than anything else, a discerning reporter," added Walt, "and you as a good and discerning reporter, momentarily overcome with courtesy, no doubt wish to ask me of my future plans.

"Let me begin," he said, extracting a well-thumbed copy of *The Prophet* by Kahlil Gibran from his desk, "with a quote: 'This is not a garment that I cast off this day but a skin that I tear with my own hands.'

"I look forward to my retirement, and that anticipation is of course mixed with regret as Kahlil Gibran's words suggest. But I myself made the decision to retire at this time for several reasons, some of which were not even selfish.

"One is that I believe a magazine like IW deserves the most vigorous editorial management available to it, and as the years pass each of us is subject to an unmistakable lessening of vigor. So I wanted to leave before that lessening of vigor became too apparent to me at least, and certainly before I became a bewildered old man. And I think that the succession in editorial management has been well structured to carry on this magazine to a growing destiny.

"But in my 'retirement' I will continue to write an editorial once a month, will be available for consultation by the editors, and will feel free to toss in any ideas for IW that may occur to me. And I will continue to attend certain industrial meetings to continue fine friendships and to keep in touch with industry.

"But at the same time I am looking forward to living in North Carolina. I am looking forward to the enjoyment of more leisure, to playing a little more golf, to spending a little more time fishing, and to growing and developing azaleas and camelias. And to all of these things, as well as my continuing role as a consultant to IW, I look enthusiastically forward."

GRANDPA MURPHY

It was a logical statement with which to conclude the interview but there remained one more question, a monumental question that after all these years we felt had to be asked.

"Walt," we said, fearful of destroying a legend of many editorials' standing, "did you really have a Grandpa Murphy?"

"Not only was my mother's father named Murphy but there really is an association of nonrelatives called the Honorary Descendants of Grandpa Murphy," said Walt. "This society was formed on an executive Convair between Salt Lake City and Denver when one of the engines froze and we were trying to negotiate the peaks of the Rockies with just one engine. The plane was laboring and shuddering, and even the pilot wondered whether we could make it.

"Back in the cabin a group of us had been playing poker, and I had been calling on a little assistance from Grandpa Murphy. The results had been astonishing. From a loser I had become a sudden and spectacular winner, a circumstance which those around me could only attribute to the assistance given me by Grandpa Murphy.

"So when we thought we were in great danger of smacking against one of those cliffs among the Rockies, everyone on the plane had an urgent desire to become an immediate honorary descendant of Grandpa Murphy. We made it through safely, and as a memento of the occasion, membership cards were later given to all who had been aboard that plane.

"But I did have a Grandpa Murphy, and he really was a character and a legend in his own time in Crawford County, Ohio. And Grandpa Murphy has served me well as a sort of alter ego, so that when I needed someone to say something, Grandpa Murphy in spirit was always there at my elbow. And I trust I have not dimmed his memory one whit."

We reflected for a few moments, wondering what Grandpa Murphy might think of his grandson.

We think he would approve of this farmboy who set out for Ohio Wesleyan University to become a lawyer and happened into a newspaper office along the way.

We think Grandpa Murphy might well admit Grandson Campbell to the select group of those who have become characters and legends in their own time.

We reflect also with great pleasure not only upon the rich and full future ahead for Walt and Peg Campbell, but also upon Walt's continuing relationship with all of us. For far better than Grandpa Murphy, Walt will be at our elbow not just in spirit but in fact.

And we'd damned well better not dim his "memory" one whit.

CORVAIR STABILITY REPORT

Mr. RIBICOFF. Mr. President, on March 27, 1973, I inserted in the RECORD the staff report from my Subcommittee on Reorganization, Research and International Organizations concerning Mr. Ralph Nader's charges that representatives of General Motors misled the subcommittee on March 22, 1966, regarding the safety of the 1960–63 Corvair automobile.

Mr. President, at the time I released the staff report, I offered to print Mr. Nader's comments with it in the RECORD. Subsequently, he submitted lengthy views which were included in the RECORD. On the date these documents were printed, Nader's staff prepared a rebuttal to the staff response on his comments; however, it was not included with the other material because it was submitted after I had inserted all the documents for the RECORD. Mr. Nader has asked that it be placed in the RECORD and I shall do so. The memorandum repeats certain arguments Mr. Nader had previously made. They were considered by the staff during the investigation and preparation of the report. However, so that all relevant information on this subject will be available to the public, I ask unanimous consent that Mr. Nader's staff memorandum be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

To: Ralph Nader.
From: Carl Nash, Joan Claybrook, Mark Green.
Re: Ribicoff Staff Rebuttal dated March 27, 1973.

The reply by Robert Wager and John Koskinen simply restates their continuing belief in the virtue of their original paper. The little substantive content it does contain is unimpressive. They argue that, despite the now publicly available PG reports 15699 and 17103, "not one plaintiff's lawyer has moved to reopen any of the five cases on the ground of fraud or deceit." As if it were so easy: Masterson was almost broke at the completion of his Anderson litigation; Harney had to pledge to GM not to reopen his many cases; Davidson in Franklin and Sprouse in Porterfield settled for large sums, effectively eliminating any incentive at this date to reopen.

Wager and Koskinen apparently continue to rely on the (self-interested) view of GM engineers and officials that the PG reports were unsurprising and unimportant—as if there were nothing unusual in a car flipping over in a 28 mph j-turn. Yet they continue the conspiracy of GM and the DOT to withhold evidence which would reveal whether or not similar contemporary cars (for example, the Falcon and Rambler), could be turned over as easily as could the Corvair. To our knowledge there is no such evidence. It is our belief that GM continues to withhold these still secret GM proving ground tests purporting to show rollovers of the Falcon and other American compact cars because by demonstrating the difficulty of turning these cars over they show the aberrant behavior of the Corvair mutation.

The Ribicoff staff claims to have "included and discussed Nader's lengthy attack on the [NHTSA] study in our report," when it is obvious that the detailed "Nash" critique got very short shrift. They justify non-disclosure of GM reports by comparing it to their non-disclosure of GM's investigative report on you. Yet it is absurd to compare a detective's smearing of a private individual with the technical reports on an unsafe car which is in common use.

Wager and Koskinen reiterate their claim to no technical expertise. But they insist on supporting their findings with incomplete or ill-conceived technical arguments for which they refuse to accept responsibility. For example, they again trot out the GM obfuscation, "in severe test maneuvers at high levels of lateral acceleration, (about .9g), well beyond the limit of control of the Corvair and other contemporary cars, the Corvair would overturn." This claim still ignores the fact that the Corvair's unsafe behavior occurs in sudden transient maneuvers during which the lateral acceleration may vary from .3g to .9g in a time span far too short for most driver reactions. Merely quick avoidance by a driver can induce the oversteer which would cause the Corvair to turn broadside to its direction of travel before the driver could take any corrective action. This loss of control and the resultant potential for overturning is clearly unique to the Corvair among the American compact cars of the early 1960's. The unusual phenomenon, revealed in such early GM tests as PG 11106 in 1959 before the Corvair was first marketed put GM on notice that the Corvair did not even meet the low standards for safety prevalent in the industry at that time.

Our criticism of the "low key" treatment of the Corvair aftermarket tire issue was not simply that the GM aftermarket tire study had not been given sufficient public notice, but that the staff had not considered that there was any responsibility for either the NHTSA or General Motors to further associate the importance of the aftermarket tire factor to the safety of Corvair owners and passengers on the roads. Wager's and Koskinen's solution—to hold a conference while Corvairs continue to maim and kill their occupants—is akin to fiddling while Rome burns.

And they blankly state that our reply "contains no significant new facts or documents" relating to the Corvair safety issue, an assertion which conveniently ignores, among other items:

—the memorandum from GM's legal staff to its Corvair witnesses instructing them to withhold and obscure the truth in testimony during litigation (pp. 58–59 and exhibit 15);

—The "Durkin memo," where GM's legal staff itself, to prepare for future eventualities, drafted the most candid case against the Corvair's handling defects (p. 14);

—the Firestone salesman who challenged the superiority of the original equipment Corvair, U.S. Royal (Uniroyal) Tires, and in demonstrating his point, flipped the Corvair on the proving grounds (p. 41);

—the direct contradiction in a deposition of key GM witness Frank Winchell by a former GM technician (pp. 68–71);

—how GM has forced plaintiff's counsel, as a condition of settling a case, to surrender all of their papers and amend their complaints to render allegations of design defects (p. 95);

—the letter from a GM attorney to his corporate chairman, James Roche, protesting that, among other things, the "employees of General Motors Corporation have been guilty of a continuing suppression of evidence that may have criminal dimensions . . ." (p. 100);

—disclosures by Professor David Lewis, former GM public relations official, about GM meetings where an executive admitted that the Corvair was defective (p. 113); and

—the complaint by Consumers Union that the Wager-Koskinen report's use of its Corvair tests was "false and misleading" (pp. 33–34).

Unless repetition alone can create truth, the Ribicoff reply is a plainly inadequate response to the many points raised in our memorandum. Ignoring the arguments of critics is a technique, not a response.*

VERMONT'S SENATOR AIKEN

Mr. SCOTT of Pennsylvania. Mr. President, in Saturday's Christian Science Monitor, Edwin P. Hoyt has written an exceptional feature about an exceptional man—our colleague, the senior Senator from Vermont, George Aiken. I commend this article to each of my colleagues and encourage all who read the Congressional Record to review it so they too can gain a greater understanding of George Aiken, an outstanding leader, a quiet personality, a delightful humorist, a wonderful friend, and my confidant.

I ask unanimous consent that the attached article from the Monitor be printed in today's Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Vermont's Senator Aiken

(By Edwin P. Hoyt)

Early each morning, as the mists swirl up along the Potomac and official Washington begins to stir, two men can be found sitting in companionable consultation beneath a glittering chandelier in the dignified quiet of the U.S. Senate dining room. One of them is 70, thin-lipped, lean and angular, dressed in a neat dark suit and conservative necktie. The other, although face and figure belie his age, is a decade older, a short, spare white-thatched man who wears a single-breasted jacket, colored shirt, and—always—a bright red tie.

The younger man is a Democrat, Sen. Mike Mansfield of Montana, Senate majority leader and one of the two most powerful men in Congress. The older man is a Republican, Sen. George D. Aiken of Vermont, dean of the Senate, whose twinkling eyes and ready smile hide one of the shrewdest minds in the Congress. In these brief morning sessions, Messrs. Mansfield and Aiken assess the issue of the moment. Neither tries to sway the other, but says the majority leader, "There are some people whose advice is worth hearing. George is one of them."

"BALANCE OF THE SENATE"

Over his 32 years in the Senate, George Aiken has managed to walk a course all his own. He and Senator Mansfield, for example, vote together about half the time, which is as much as Senator Aiken votes with Republican Party leaders. "He is the balance of the Senate," said former Sen. John J. Williams, Mr. Aiken's old friend from Delaware. "He is neither to the right nor to the left."

The impress of the Aiken personality is felt by many around the Capitol. On the birthday of Sen. John C. Stennis (D) of Mississippi, there appears on his breakfast table a little bottle of maple syrup from the Vermont farm of Senator Aiken's son-in-law, with a few lines of dry humorous verse which Mr. Aiken scrawls for his friends. Freshman senators are surprised and grateful when Senator Aiken suspends his own crowded schedule to befriend them and show them the ropes.

When staff members of the Republican Policy Committee were under fire following publication of a controversial "white paper" on Vietnam, Senator Aiken bounced into the committee rooms to announce with a grin that he wanted a thousand copies. He didn't say he agreed with the document, but he let the staff know that he, for one, stood behind them.

Other senators constantly asked Senator Aiken to cosponsor legislation because they know that his name on a bill will be a big boost for passage (last year he cosponsored 19 bills).

THEY LISTEN WHEN HE SPEAKS

The public seldom sees Mr. Aiken's true effectiveness in the Senate; he prefers to operate behind the scenes. But because of his reputation for quiet competence the Senate listens when he does speak out.

After Easter 1972 the nation was badly shaken by North Vietnam's devastating invasion of the South and President Nixon's counter with renewed bombing and blockade of the North. The Senate echoed with cries to end the war and the House Democratic caucus voted to bring a tabled end-the-war resolution out of committee.

For six years Senator Aiken had opposed the war in Vietnam. "The way to get out of Vietnam is to declare victory and leave," he had said in 1966.

But now, on the morning of April 25, Senator Aiken sat at his desk in carpet slippers and an old rust sweater, writing in longhand on a big yellow pad. At noon he exchanged sweater for suit jacket and put on well-shined black shoes, then headed across Constitution Avenue toward the Senate. There he rose to speak. "We have no other course than the one the President is following," he said. "I am not about to be a party to a no-confidence vote in the President of the United States."

The whole speech took less than 10 minutes. Senator Aiken then went quietly about his other business. He made no calls to other senators, he sought no support from the Republican leadership nor from his many Democratic friends. But in a few hours word had spread from the galleries across official Washington: Senator Aiken had come to the President's support. In the Senate, his speech tilted the balance for the administration. And when report of that speech reached the House, it lent new strength to the Nixon forces and ended a crisis that might have undermined the whole American position in Vietnam.

UNLIKELY MAN OF POWER

As Senator from the third least populous state, Mr. Aiken seems an unlikely man of power. His seniority is overbalanced by Democratic control of the Congress. He has never sought a party position and is not a wealthy man; he was born of a family of teachers, artisans, and farmers that settled in Vermont in colonial days. After high school, Mr.

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* Given the little time made available for this rejoinder, Mr. Nader's staff would be happy to respond to any further inquiries on its memorandum.

Aiken became a landscape gardener and nurseryman in the town of Putney.

He did not enter politics until he was 39, when he went to the Vermont House of Representatives. Six years later he was a very vigorous governor, and in 1940 was elected senator. Since then, he has quietly become one of the most powerful men in the United States Senate. The explanation may be found in his unique personality.

Today Senator Aiken thinks of himself not as an important man but as a plain farmer. He tries to answer every letter himself. His second wife, Lola, is his unpaid administrative assistant. He lives frugally in a four-room apartment on Capitol Hill. Each morning he walks to work, feeding the pigeons peanuts as he crosses the Capitol Park. His office in the Old Senate Office Building is as plain today as it was when he entered the Senate in 1941.

At least once a month he drives up to Vermont to his house on an unpaved road in Putney, or to Mrs. Aiken's house on a mountain overlooking Montpelier. There, when he is not making speeches or traveling around the state, he chops wood, does the chores, and strolls to town to chat.

On one such trip he stopped to talk to a rural housewife about her washing and learned that she and her neighbors had to scrub by hand or take their laundry to town, the water supply would not permit her to use a washing machine. On study, Senator Aiken discovered that thousands of American villages faced the same problem—their water systems were inadequate for modern demands. The result was the Rural Water Systems Act, which has enabled small communities across America to build new systems.

LAST CAMPAIGN COST $17.09

Mr. Aiken sends out no newsletters, records, or television tapes, and does almost no election campaigning. In 1968 when he ran for his fifth term, he spent $17.09 on his campaign—for postage, transportation, and telephone calls.

When Senator Williams went up to Vermont to make a speech for him in a school gymnasium in Springfield. he found Republican workers tacking up bunting and hanging pictures of President Nixon and Vermont Gov. Deane Davis. The meeting chairman was in a panic. No picture of Senator Aiken could be found.

The chairman called the state party office and asked it to get a picture from Senator Aiken's headquarters. Senator Aiken has no headquarters. It was suggested he turn to Senator Aiken's manager. Senator Aiken had no manager. Finally, an hour before the meeting, Senator Aiken turned up and the chairman asked him for a picture. "Didn't have any taken." said the Senator cheerily. "Hell, what do you want a picture for? You've got me."

Senator Aiken is one of the most effective legislators in Washington and is known among colleagues of both parties for his hard work. He is never content to let a committee staff frame a bill, he does it himself, as with the Nuclear Power Control law of 1969.

When this bill was suggested, staff members wanted to bring in lawyers to draft the measure. "Dammit," said Senator Aiken crustily, "I can read just as well as any lawyer. We want a bill that people can understand."

Senator Aiken himself made five drafts of the legislation, then presented it to the committee apologetically. "It don't stand out like a blackberry in a pan of milk," he said, "but it's a start." The result was a clear law the Department of Justice could enforce.

Senator Aiken's candor and conscience have guided through the treacherous bog of congressional politics some of the most complex legislation of the century, particularly in the agricultural field. Indeed, for 30 years, every agricultural law passed by Congress has borne the Aiken imprint. Anyone you talk to around the Senate gives you the same answer: no man in America has made a larger contribution to the betterment of American rural life than George Aiken.

Senator Aiken's voting—now with the conservatives, now with the liberals—has puzzled many people over the years. including Ralph Nader and his associates, in their recent survey of Congress. Other representatives and senators are perennially concerned with reelection, Mr. Nader noted, but not Senator Aiken.

Finally, the researchers had to admit that Senator Aiken did not fit the round holes or the square holes of their pattern; they concluded that Senator Aiken was successful in walking a path between isolationism and interventionism in foreign affairs and a lonely independent road in national affairs, and that Vermonters seem to be quite satisfied with Senator Aiken's understanding and representation of their interests. In that regard, Senator Aiken is like independent Vermont. He chooses his issues, as he chooses his friends, for the solidity.

NEW PRESIDENT RECEIVES HELP

Harry S. Truman, another small-town boy, was one of Senator Aiken's close friends when both were in Washington. Senator Aiken used to breakfast with Mr. Truman as he does now with Senator Mansfield. The two had a breakfast date on that spring in 1945 when the death of Franklin D. Roosevelt catapulted the stunned Vice-President into the leadership of the nation. Mr. Truman could not keep the date, but called Senator Aiken to the White House and poured out his woes.

President Roosevelt, in the American tradition, had kept Vice-President Truman waiting in the wings in virtual ignorance of governmental affairs. Mr. Truman had not attended Cabinet meetings and the President never discussed affairs of state with him. Now he faced decisions that would affect the whole world. What was he to do? he asked.

Senator Aiken told President Truman to call in Col. Ernest Gibson of Army G–2, who had just returned from the South Pacific. Colonel Gibson thought it vital that the new President receive a crash course of briefings. The Pentagon objected insisting that it would take time to prepare the material.

Senator Aiken, still at the White House, got on the phone to the Pentagon and arranged a meeting between President Truman, Colonel Gibson, and Gen. Carter Clark, then second in command of G–2. The briefing program began that night, and the President never faltered. Nor did the Aiken-Truman friendship, even in the dark days of the 80th Congress which fought the President on nearly every issue.

Since the Truman days Senator Aiken had been a friend and counselor to every president. Dwight D. Eisenhower asked his advice frequently, and so did John F. Kennedy, whose respect for Senator Aiken dated back to the days when they were both members of the Senate's New England bloc. Lyndon B. Johnson sought Aiken support but seldom took his advice.

When Richard M. Nixon came to the presidency, Senator Aiken felt excluded by the tight staff ring around the President. Then, last year came a crisis in foreign affairs. President Nixon had just returned from his successful China trip when the Vietnam war blew sky high.

A summit visit to Moscow in search of peace was already scheduled and publicized, but in May the Soviets began issuing a bitter stream of propaganda against the bombings of North Vietnam, including veiled threats of Soviet counter-measures.

The President called congressional leaders to brief them on his plans for the trip. Some newspapers had suggested the trip would be canceled. After the meeting Mr. Nixon turned sharply to Senator Aiken, eyes searching. "What shall I do, George?" he asked. "Shall I go to Moscow?"

Senator Aiken looked up in his mild way and smiled.

"Aiyup," he said.

The answer, brief and to the point, was typical of Senator Aiken. He had not wasted a word, but as it turned out he was quite right. The independent Senator from Vermont has that habit.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I am delighted to announce that the Wisconsin Conference of the United Methodist Church, at its session during June 7–10, 1973, adopted a resolution urging U.S. ratification of the Genocide Convention.

The Wisconsin conference is a legislative body of over 900 lay and clergy members representing more than 500 United Methodist churches in the State.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

THE GENOCIDE CONVENTION

Whereas, the 1972 Annual Conference deferred action for one year on a resolution supporting ratification of the Genocide Convention and others based on the Universal Declaration of Human Rights; and

Whereas, mass destruction of a racial or ethnic group is repugnant to the Christian principle of love; and

Whereas, seventy-five countries, including all major nations, except the United States, have ratified the Genocide Convention, which has been recommended for ratification by the President and is awaiting Senate approval; and

Whereas, the other human rights conventions on Freedom of Association, Abolition of Forced Labor, and Political Rights of Women are consistent with the American tradition of civil liberties and have also been recommended by the President; and

Whereas, instead of taking the lead in promoting our cherished freedoms for people everywhere, our failure to ratify the Human Rights conventions tarnishes our reputation as a free society in the eyes of the world; therefore

Be It Resolved, that we urge prompt ratification of the Genocide Convention and others based on the Universal Declaration of Human Rights.

THE GOVERNOR AND THE SYSTEMS APPROACH

Mr. SCOTT of Pennsylvania. Mr. President, as one who for the past several years has been interested in the potential value of the application of systems technology to improved management and performance in government at all levels, I invite the attention of my colleagues to an informative report on the use of the systems approach by State governments authored by an acknowledged authority in this field, Robert L. Chartrand, specialist in information sciences of the Congressional Research Services of the Library of Congress. I ask unanimous consent that Mr. Chartrand's article from the June 1973 issue of Government Executive be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GOVERNOR AND THE SYSTEMS APPROACH

(By Robert L. Chartrand)

To be responsive to the general public, the States' leadership has worked hard to learn what forms of assistance are available from Federal agencies. With more than 1,000 Federal domestic assistance programs in existence today, a "tracking" capability is required which can result in valuable financial and technical assistance to the State and its local governments. Simply being aware of the national legislation can be an overwhelming task.

And in an age and Nation where much is made of technological achievement, the Governor must see to it that the State's bureaucratic forces are aware and making use of the tools and techniques developed in the aerospace sector, but more recently applied to such critical problems as air and water pollution, solid waste disposal, urban planning, transportation, law enforcement, education and housing.

Often called "systems technology," this array of "new" and old problem-solving approaches includes all facets of using computer and microform equipment and man-machine procedures, sophisticated planning-programming-budgeting (PPB) routines, and the formalized, systematic methodology variously known as "operations research," "systems analysis," or "management science."

The importance of this new approach to gubernatorial functioning is noted by former Minnesota Gov. Orville Freeman: "Integrated forward planning, quantitative methods and man-machine devices for the first time in American history make it possible for a governor to really direct, measure and control what takes place in his administration and thus govern wisely, efficiently and effectively."

As a Governor moves to carry out the responsibilities of his office, he must combine the talents of the long-range planner, the soothsayer as opportunist, and the day-to-day decision-maker. The essence of his quandary—and indeed, his opportunity—is expressed in a recent statement by the National Governors' Conference Committee on State Planning.

"Every Governor understands that we must develop more sophisticated ways of sorting facts, of facing issues, of opening options, to make better decisions if we, as States, are to continue as effective partners in our Federal system. We must have means to survey where we are, what the gaps in our efforts are, what our goals should be, what the alternative means and ways to these goals are, what the costs and benefits are, what the relative priority between the various goals is."

The relative independence enjoyed by State administrators, insofar as the intrusions of Federal policies and programs are concerned, has been eroded increasingly during the past few decades. Tremendous sums have become available from the Federal government through grants-in-aid, matching funds, revenue sharing, or the direct implementation at the State level of Federal programs which impact State operations.

In addition, local governments and regional development commissions often place demands upon the State planners and program managers which cause, either directly or tangentially, changes in priorities, funding, or the actual nature of services provided. This unprecedented and unrelenting pressure to cope with numerous and sensitive social, economic, and sometimes political problems—environmental pollution, transportation, housing, education, urban development—has forced State leadership to seek out all possible solutions.

THE ROLE OF THE GOVERNOR

The integration of innovative technology into the State government structure is a continuing process with perturbations at many levels. However, both State and local governments throughout the Nation are expanding their applications of the systems approach and automatic data processing (ADP) into an increasing number of management and program areas.

Concern for the validity and effectiveness of State governments is evidenced in a variety of major studies, scholarly writings, and Congressional hearings. While some of the older evaluations such as the Brookings report in the early 1930's understandably did not include any mention of new technology, an increasing number of those undertaken in the past decade include at least some reflection of the existence and roles of planning-programming-budgeting (PPB) and computers. Emphasis on the role of the Governor, from two vantage points, is found in the 1965 "A Study of American States" directed by former North Carolina Gov. Terry Sanford, and the study undertaken by Prof. Deil S. Wright in the same time period which utilized questionnaire responses by 933 department and agency heads from all 50 States.

A report, designed to stimulate comprehensive long-range planning by the States was prepared in 1968 by the Institute on State Programming for the 70s for the National Governors' Conference Committee on State Planning. Entitled "Relevance, Reliance, and Realism," the report set forth a number of key considerations related to establishing effective planning mechanisms, and in a "Charge to the Governors" urged, among other things, the establishment of State PPB and management information systems. Meanwhile, the State-Local Finances Project at The George Washington University was studying the adaption of PPB procedures by 15 governments—the so-called "5-5-5 project"—at the State, county, and city levels, and prepared a report, "Implementing PPB in State, City and County," containing a survey of such implementation by States.

One of the most comprehensive studies of State use of computer technology and systems analysis was performed by the Special Subcommittee on the Utilization of Scientific Manpower of the United States Senate Committee on Labor and Public Welfare. Concurrent with the holding of extensive hearings during the 1965-1967 period, questionnaires twice were sent by the Special Subcommittee Chairman, Sen. Gaylord Nelson, formerly the Governor of Wisconsin, to the Governors of all 50 States, the mayors of the 22 largest cities, and officials of selected regional development commissions. A detailed report entitled "Systems Technology Applied to Social and Community Problems" has been published both as a committee print (1968) and a commercial volume (1969), and has been adopted by a number of universities and colleges as a primary reference work.

Narrative and statistical information derived from these and other studies, surveys and analytical reports offers strong proof that many State governments are now irrevocably committed to the use of ADP and systems methodology. This is but one manifestation, it would seem, of the States' determination to "move with the times" and retain—if not enhance—their independence and power within the fabric of contemporary Federalism.

The criticality of having executive leadership and an organization capable of implementing decisions within a State has never been more acute. Interdepartmental disputes, lackadaisical leadership, and inertia at the program level are less tolerable today than in times past, and the strengthened position of the Governor in most States allows a policy of accomplishment. In his classic work on the American Governor, Leslie Lipson offers this dictum:

SENSITIVITY AND TUMOIL

"Often the important thing in administrative matters is not *which* decision should be taken, but the *some* decision should be taken. Nowadays, the Governor is there to render the decision."

Much has been done to strengthen the organizational support vital to the senior executive, as witnessed by the fact that 35 of the 50 States have established departments of administration in recent decades. The range of services has varied widely, including records management and computer operations to the more recently emphasized long-range program planning and program execution control. In many cases, changing stresses have led to reorganization, often of a sweeping nature. Between 1967 and 1969, twenty States reported that their Governors had made recommendations to the legislatures concerning executive reorganization.

As the Governors and their advisers have added professional systems analysts and operations research specialists to their permanent staffs, the question of where to place them, organizationally, has arisen. In the extensive interviewing of State government personnel reported upon by Prof. Thad Beyle in "State Government Use of Management Techniques," the importance of having management counsel "close to the top" emerged as a fact of life.

While many of the "experts" were assigned positions in the budget-administration-finance realm, others were situated in State planning agencies or specific functional areas.

Regardless of where the technical talent is located, the period during which a new "system" is being established and "shaken down" is a time of considerable sensitivity and turmoil. Often the State officials will follow the lead of the Federal government and industry, contracting with outside "think tank" or data-processing service bureaus for assistance at this time. These groups may serve only in an advisory capacity for a few months, or may be hired to maintain a continuing oversight until in-house personnel are recruited and trained. In other instances, certain categories of ADP support will be arranged for by having data services provided either through an on-line, "time-sharing" arrangement using a remote computer, or by a pickup-and-delivery service for such recurring items as payroll.

In the report prepared for Gov. Nelson Rockefeller by the New York State Business Advisory Committee on Management Improvement, the importance of reliance upon industry technicians in the early phases is stressed, but the longer-range need of the State is reflected in a separate proposal for the establishment of a Center for Advanced Studies which could address the problems and changes affecting the State through "scientific management techniques."

An overview of the States' development of systems analysis capability, as reported to the Nelson subcommittee, appears in Figure 1. The 24 functional categories cover both management and operational program activities. Categories 1 through 6—related to management endeavors—warrant careful attention insofar as staffing is concerned: rarely have the States relied solely upon out-of-house capabilities to perform these duties close to the seat of power.

Apart from staffing problems, the States are hard-pressed to obtain funds for testing new methods or providing new ADP-supported services. Gradually State administrators are learning that use of computers does not necessarily mean cost savings. Indeed, the new system may cost more, but in virtually every case quality and variety of service are increased significantly. Of course there are certain high-priority areas of activity where timeliness of response may be so critical that the question of cost becomes almost academic.

For funding, the State may use its tax revenue or qualify for Federal assistance. During the five-year period 1965–69, States reported spending a total of $56,685,394 on ADP and systems analysis. Total expenditures for both State and major cities were approximately $82 million, with over one-third of this reportedly spent for external consulting and ADP services. Since figures provided often were "approximated," "projected," or "estimated," the total only generally indicates State or local willingness to invest in systems analysis and ADP support.

The extent of Federal assistance has been only randomly publicized and sometimes unappreciated by the public, but funds required to initiate, and sustain, systems-oriented or ADP-supported projects have come from the Departments of Housing and Urban Development; Health, Education, and Welfare; Transportation; Justice; Interior; Labor; and Commerce; and from the Office of Economic Opportunity.

To a lesser extent, such support has been provided by the National Science Foundation, Department of Defense, Veterans' Administration, and National Institute of Mental Health.

It often has been difficult to determine the extent to which the various States are utilizing systems technology, so in his initial letter to the Governors, Sen. Nelson pointed out that his subcommittee was "particularly interested in techniques for the analysis of problems facing government and the development of alternative policies toward their solution."

Both the 1966 and 1968 questionnaires asked for information on: planning and programs areas in which the systems approach was being used; the type of systems performer (in-house or consultant); source of funding support, and amounts spent; function and position of the systems capability within the governmental structure; degree of benefit in terms of cost; possible approaches for new Federal legislation.

STATISTICAL DEMANDS GROW

The 1968 survey form, developed after extensive hearings, was expanded to request data on: the Federal agency or program that supported a systems activity; inclusion of new programs or termination of existing programs since 1966; studies, reports, or other publications resulting from State and local government systems activities; advantages and limitations of the use of systems technology.

So diversified has become the State's use of computer technology and the systems approach that an acute need has arisen for efficient use of computer facilities and trained personnel. No longer can a State afford to have, for example, separate computers—each, in all probability, active only during daytime hours—supporting payroll, highway, procurement, personnel, and program oversight activities. Governors, senior administrators, and program personnel alike are learning of necessity how to share these electronic tools.

Computers are no longer looked upon by the State leadership and line personnel as being either exotic or a threat. Quite the contrary, as demands for accurate, increasingly voluminous statistics have grown, those responsible for guiding the affairs of State often have been grateful for services which can produce a budgetary "crosscut" or a report on the status of an agency program or specific project at short notice.

A Governor now can personally query a computerized data base. Versatile terminal devices, combining a videoscreen with special keyboards, have been developed so that the human operators no longer need know elaborate "machine languages." With each passing year, the number of key State personnel—including advisers and staff persons close to the Governor—qualified to utilize these rapid-access systems has grown. What quicker way to check on the progress of a bill in the legislature or determine the lineup of Senators or Representatives on a certain subcommittee? How better to obtain a display of the latest revenue-vs.-expenditures status?

One computer-supported capability, with an origin in the command-and-control environments of the military and space efforts, features a wall-size display allowing the Governor and a few key counselors to view selected graphic representations—for example, depicting essential elements of information on a regional planning problem.

The role of planning-programming-budgeting within a State government has been the subject of much debate, reflecting concern by administrators and economists alike that it may not be directly relevant for nor applicable to State governments. Discussing the potential "gainers" and "losers" at the State government level, should PPB be introduced, William M. Capron, formerly Assistant Director of the Bureau of the Budget, points out that:

BRIDGE OF INFORMATION

"Even though in many States the Governor has limited official power over large numbers of State programs, he does have influence, and PPB can help him exercise that influence more effectively. Certainly it will help in those parts of the State budget over which he does have official cognizance. Those governors who really want to govern can gain in their ability to do so by improving the kind and quality of information which informs the decisions that they must make."

If it be assumed that a PPB system can be useful to the chief executive—and taking with a grain of salt the declaration that this is, indeed, "a very new and revolutionary system" of program budgeting—then its role in State budgeting procedures will merit continuing scrutiny and evaluation.

Significantly, enthusiasm for PPB is cautious, and its limitations are appreciated. Professor Frederick C. Mosher stresses that PPB systems can, through providing key information to advisers, affect decisions in the administrative maelstrom. And then he restates the now-classic maxim in these words:

"In an intellectualizing society and an intellectualizing government, *information* and its *analysis* are more than ever power." [Italics added]

Reportedly the first State to institute a PPB system was Wisconsin, in 1959 during the administration of Gov. Nelson. Following the recommendations of the Hoover Commission in its Task Force Report on Fiscal Budgeting and Accounting Activities, the State began to take steps to establish a program-type budget.

First, a consolidated department of administration was created to enhance the State's management process and policy decision concepts. The Governor, supported by a bipartisan legislative majority, successfully involved a group of business executives which was charged with studying the State's administrative practices. These men formed task forces, each supported by an administrative analyst from the State budget office, which recommended that all agencies convert to program budgets. This position was subsequently backed by a legislative interim committee and a citizens' committee appointed by the legislature. Finally, after five years of hard work and an unusual degree of executive-legislative cooperation, new forms and instructions were prepared, and Nelson prepared a directive outlining a three-part program to improve financial administration.

CLEAR IMPLICATIONS

In the State of New York, a comparable chain of events occurred. In 1961, Gov. Nelson Rockefeller created a New York State Office for Regional Development, charged with preparing a comprehensive development policy. As a result, a document entitled "Change/Challenge/Response" was published in 1964, including among its 15 recommendations two concerning the systems approach at State level:

Systems analysis studies of the major functional action systems for providing essential services and facilities for the population.

A formalized integrated PPB system.

From these beginnings the ranks of States using the same type of PPB approach have swelled to 24, and several others are tentatively planning to take the step.

The bare evidence that the States' acceptance of the systems approach and ADP is of a lasting nature makes it possible to consider the new potential for information formatting, storage, retrieval and transferability. Sweeping changes have already been instituted by banks, transportation elements (e.g. airlines), credit card groups, and stock exchanges, to mention but a few. The emphasis is on *information exchange*, and the pressure is building in many quarters to create what former Gov. Philip H. Hoff of Vermont called "a bridge of information" between the States, and separate mechanisms for State-Federal exchange.

THE ROLE OF PPB

Proposals to improve the flow of information between Federal, State and local governmental units, with an emphasis on use of technology, have originated both in Congress and the private sector. Sen. Edward M. Kennedy of Massachusetts, in Senate Joint Resolution 110 (90th Congress) pointed out that "scientific advances in computer and information retrieval technology represent a major new capability which may have important applications to the development of a modern intergovernmental information system."

The concept of a National Commission on Public Management also has originated within the Federal Congress. Sen. Hugh Scott of Pennsylvania and former Rep. F. Bradford Morse of Massachusetts introduced prototype legislation which would create such a commission "in order to study and recommend the manner in which modern systems analysis and management techniques may be utilized to resolve national and community problems in the nondefense sector." In responding to those who feared the impact of science and technology on society, and the possible threat to the rights and activities of the individual, Morse had this to say.

"We can avoid that world, the world of '1984,' only if we make the new technology our servant, and not allow it to become our master. The best assurance that the progress of science will not mean the insignificance of man is to recognize the revolution in technology, to anticipate its growth, to assure adequate personal safeguards from its excesses, and to employ it for the betterment of man."

The implication of the new systems technology to the Governors has become increasingly clear. Here is an array of weapons to help contain and eventually overcome the pressures and problems which now confront *all* States. Those who have studied the current challenges facing State government believe that there should be no wavering or procrastination in utilizing every useful governing tool and procedure. Thus, the Governor today is called upon to play the visionary, as well as to fulfill the velvet-and-steel role of the chief executive. And it has been well said that there can be no lasting penalty for creativity and courage.

NEED FOR DAY CARE

Mr. MONDALE. Mr. President, Robert Cassidy recently authored a very sensitive article which appeared in the June, 1973 Parents' Magazine and Better Family Living regarding the overwhelming need for quality day care centers throughout the country.

This article, entitled "The Crisis in Day Care," points out the history of the fight in the Congress to obtain legislation which would alleviate some of the many problems now facing families in which both parents are working. It also describes some of the more successful child development settings, such as the program now being run at the Department of Health, Education, and Welfare; as well as some of the depressing facts uncovered by the report of the National Council of Jewish Women.

Mr. President, because of the need for more public information on this matter and because of the factual material contained in Mr. Cassidy's investigation, I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CRISIS IN DAY CARE

(By Robert Cassidy)

The roof of the Health, Education, and Welfare building in Washington, D.C., may seem a strange place for a day care center, but the 60 children who play and learn there think it's great. When a visitor observed them one recent morning, the youngsters, aged two to five, were having a wonderful time. In one of the four classrooms, children worked with a teacher on an art project. Others were listening to a story. When lunch time rolled around, everybody got a healthy meal.

Following their afternoon nap, the children, supervised by several staff members, played outside in the fenced-in rooftop recreation area, complete with sturdy play equipment, tools and building materials, and lots of running room. After more indoor activity the youngsters were picked up by their parents at five o'clock.

This center, established in 1971 for the children of HEW workers, is intended to show what good day care is like. Children here are provided well-rounded developmental care—not just babysitting services—at a reasonable price. Parents pay according to their family income on a sliding scale: $5 a week for a family with a $6–7,000 income, for example; $9 for families in the $9,000–10,000 range; and $23 for those in the $15,000–17,000 group.

For this, the children get hot lunches and snacks, play activity, and individualized teaching (there are four professional workers and five assistants, plus support staff). According to the Director, Mrs. Constance Mair, a University of Maryland graduate, teachers set up an informal educational program specifically tailored for each youngster, then concentrate on the child's weak areas. The HEW center is run under contract by the educational development division of the Thiokol Chemical Corporation of Clearfield, Utah.

It would be a pleasure to report that all the country's day care centers (there were 16,600 licensed centers in 1970, according to the Department of Health, Education, and Welfare, plus numerous unlicensed facilities) were providing comparable or better services. But it is a shameful fact that many of the 625,000 children in centers throughout the United States are denied satisfactory educational, nutritional, and medical services—and these are not just poor children. Though the federal government will have spent some $1 billion, 374 million on day care in fiscal 1973—and slightly more money is allocated for 1974—the needs of parents and children are far from being met.

In 1972 the National Council of Jewish Women released a lengthy, comprehensive report on day care in 77 cities, compiled from observations made at the local chapter level. (The report, *Windows on Day Care,* was supervised by Mary Dublin Keyserling, former director of the Labor Department's Women's Bureau. It is available for $2.00 from the Council, 1 West 47th Street, New York, N.Y. 10036.)

The national day care situation depicted in the report is not a pleasant one. There are six million children under the age of six with working mothers; only about ten per cent of these youngsters are in licensed day care centers. Many of the four and a half million employed women with preschool children are single, or are working to help their husbands keep the family off the welfare rolls. Some of the poorest families get day care services for their children through two federally supported programs, Head Start and Titles IV–A and IV–C of the Social Security Amendments of 1967. (Of the more than 60 federal programs which provide direct funds for day care services, these two are the most important.) Some of the funds available under the Social Security Amendments are keyed to the Labor Department's Work Incentive (WIN) program, which is designed to train welfare recipients so that they can go to work, Because the federal government requires matching funds from the states, however, this money has gone begging in some states. Too often, mothers participating in WIN have been forced to make their own child-care arrangements.

Money alone, however, doesn't necessarily buy good daycare. An observer from the National Council of Jewish women found on her visit to one of the most expensive private centers (charging some parents as much as $45 a week) that the two- to five-year-olds were cared for by two school-aged children. The kitchen and bathroom were very dirty; one paper towel was used to wipe the faces and hands of all the children. Windows, doors, and outdoor play equipment were broken. Indoor play equipment was non-existent.

Much of the day care available in this country is not offered in centers at all. According to the Office of Child Development, about 40 per cent of all day care is provided in family day care homes where a mother takes in up to six children who may or may not be related to her. Because the vast majority of these homes are unlicensed, it is impossible to know exactly how many there are.

The National Council of Jewish Women included home arrangements in its "Windows on Day Care" study and reached two basic conclusions: 1) the majority of the mothers providing home care for groups of children were warm, affectionate, and well-meaning; 2) most of these women had no training in early childhood education and thus were handicapped in their efforts to provide the kind of developmental care and stimulation most authorities feel is needed. The solution to this problem seems to lie in an increased emphasis on licensing of day care homes and the provision of a broad-based training program for the women involved. In light of the present severe shortage of funds, such homes may be our best hope for significantly increasing the capacity of the national day care system.

As inadequate as some day care homes and centers may be, they are better than nothing—which is what many children of working mothers are receiving. Experts estimate that as many as 100,000 children are cared for by other children under the age of sixteen. Another 100,000 are so-called latch-key kids, youngsters who carry keys to let themselves into an empty house after school. They must care for themselves until one of their parents gets home from work.

Obviously, after-school centers for school-aged youngsters whose mothers work are desperately needed. We also need more compensatory educational programs—Head Start is one model—and programs for the gifted. We need special programs for infants and for handicapped or retarded children. It seems almost fruitless to talk at present about providing space for the children of women who would like to have some time for themselves during the day, to work or continue their education.

The "Windows on Day Care" report called for federal funds to provide developmental day care services on a full-day basis for an additional 200,000 children, half of the programs to be fully subsidized, half to be partially subsidized; and similar subsidies for another 200,000 children who would receive partial day care. The report recommended a $2 billion authorization for fiscal year 1973, to increase by $2 billion annually through the 1970s.

Unfortunately, this dream will surely not be realized for the next four years, and perhaps never. The money is not there, nor is the commitment—despite the rhetoric from the White House about concern about the first five years of life. To fully comprehend the bleak future of day care in the United States, a lesson in recent history is necessary.

During the fall 1972 session of the Congress, considerable interest in day care was shown by two factions. One group, led by Senators Walter Mondale of Minnesota, Gaylord Nelson of Wisconsin, Abraham Ribicoff of Connecticut and Jacob Javits of New York, hoped to see legislation passed for adequate funding a stepped-up national day care program. The other group, led by Senator Russell Long of Louisiana and supported by the Nixon Administration, sought to keep spending for day care down, with the hope of reducing inflation. Caught between the two groups was the government's Office of Child Development, whose director at the time, Dr. Edward Zigler, a former professor of early childhood development at Yale, tried to find a compromise.

But such a compromise was not to come. Although the Nelson-Mondale Bill was passed by the Senate, it was never acted upon by the House of Representatives. President Nixon had vetoed the comprehensive child care bill passed by Congress in the fall of 1971. Further attempts to get a child development component into the Administration's Family Assistance [welfare] Bill failed. By the end of the 92nd Congress, no comprehensive child care measure had been passed. The prospects for getting one during Mr. Nixon's second term are remote.

Almost a year ago, Dr. Zigler resigned his post as director of the Office of Child Development and returned to Yale. In a recent interview, Dr. Zigler, himself the father of a nine-year-old boy, talked about day care. "We need a ten-year program to figure out what can and cannot be done." An increase of about $300 million a year in day care funds would build up the system in a planned, orderly manner, Dr. Zigler thought. About the veto of the 1971 child development bill and the failure of the Family Assistance Bill, he said, "We don't need any new legislation to make day care better. We need standards, moral commitment, and money."

Day care advocates outside the government also see money as the key. Theodore Taylor, executive director of the Day Care and Child Development Council of America, noted that all federal child care programs are aimed at families with incomes below $4,500—and only one-third of the eligible families are reached. So not only are the majority of poor families being denied federally supported child care services, but all middle-class ones as well, including single-parent families and those in which both parents work.

An equally outspoken critic of the status quo is William Pierce of the Child Welfare League of America. Mr. Pierce is completing a major report on day care in which he says that "universal, high-quality, non-discriminatory day care has about as much chance of becoming a reality for Americans as universal, high-quality, non-discriminatory public education." In a recent interview, Mr. Pierce added, "We don't need cheap solutions: what we need is adequate funding." He noted that the administration was at least $750 million short in its original proposals for day care, since all the government's figures were based on 1967 costs which, of course, have been drastically increased by inflation. According to the administration, developmental day care could be provided for $1,600 a year per child. Mr. Pierce said it would take on the average at least $2,300 a year per child to offer "acceptable" day care (based on federal standards) and more than $2,600 to offer "desirable" services.

Finding competent people to staff day care centers is a serious problem today, primarily because of the low salaries. It is not uncommon for professional staff to be paid $5,000–$6,000 a year, while non-professionals often receive salaries just above the minimum wage. Any increase in the number of day care centers will, of course, make it even more difficult to find qualified personnel.

While at the Office of Child Development, Dr. Zigler proposed the creation of a new job category, the Child Development Associate, a person with competence in child care but not necessarily a college degree.

Mr. Pierce sees still another personnel problem: the lack of qualified directors, trained in early childhood development, who can work successfully with both children and adults, and are also good administrators. Mr. Pierce suggests that a program to retrain some of the nation's 100,000 or so unemployed elementary and secondary school teachers could provide a ready pool of day care directors.

The Office of Child Development, under acting director Saul Rosoff, has far from resigned its responsibilities. It was one of the few branches of HEW that did not suffer fund cuts in President Nixon's budget for fiscal 1974, and the Head Start program will continue. New licensing guidelines have been made available to serve as models for state statutes. The Child Development Associate idea is being tested out, and OCD is studying the use of television, both to train personnel for centers and to act as a teaching tool within the centers.

Given the present situation, parents should make the best possible use of existing facilities. Poor families should seek out public and voluntary day care services. Middle-class families should take advantage of the tax benefits now permitted under federal law. Working couples and families with only one employable adult are permitted to deduct up to $200 a month for the care of one child, $300 for two, and $400 for three or more children in outside care. Up to $200 a month can also be deducted for household help, if it frees the mother to work. Specific information on child care deductions is contained in the Internal Revenue Service's Publication 503, "Child Care and Disabled Dependent Care."

Parents should be extremely careful in choosing a day care facility. Particular caution should be exercised before enrolling a child in any commercially run day care center. Some of these centers start out hoping to make a profit, then find that they cannot do so and consequently cut down on the amount spent for the care, feeding, and supervision of children enrolled. Other such centers are run through franchising, arrangements, under which a central office directs the activities of the local centers. A great many franchised day care centers have failed. (For guidelines on selecting a center see recommendations at end of this article.)

With all the problems attendant on providing good day care services, it is important to realize that developing an extensive national day care system is not an impossible task. During World War II, when large numbers of women were needed to work in factories, an efficient nationwide network of child care centers came into existence virtually overnight—and disappeared just about as quickly after the War. Nevertheless, this wartime experience is proof that day care on a wide scale can work. What is needed is a sense of urgency and the commitment of large numbers of citizens. Only when parents begin to make their feelings known to those in power—local officials, state legislators, members of Congress, the President—will the dream of adequate day care for our nation's children become a reality.

NEGLECT AND EXPLOITATION OF AMERICAN INDIANS

Mr. HUMPHREY. Mr. President, two recent reports by agencies of the Federal Government on profound injustices borne by Indians in the Southwest merit early attention and action by Congress.

In May 1973, the U.S. Commission on Civil Rights issued "The Southwest Indian Report," which is based upon hearings held in Albuquerque, N. Mex., and Phoenix, Ariz., last November. The report covers the discrimination and deprivation confronting Indians in the Southwest States in the fields of employment, education, health care, administration of justice, and water rights.

Over 20 percent of the Indian population of the United States resides in Arizona and New Mexico. Yet this major Indian group confronts a staggering unemployment rate of up to 60 percent, a high rate of high school dropouts, an infant mortality rate substantially above that for the U.S. population, frequent arrests on misdemeanor charges, and an almost total uncertainty about water rights which are vital to reservation life.

That the Federal Government bears heavy and direct responsibilities to redress these grievances is beyond question. And yet, for all practical purposes, the only answer the Indian people have received is silence and continued discrimination.

A recent article in the Evening Star-Daily News, of Washington, D.C., has brought to light a second report—a sharp indictment of exploitation of Navajo Indians under the trading post system. Prepared by the Los Angeles Office of the Federal Trade Commission, after public hearings and an extensive survey, the report describes what must be labeled as cruel and inhuman treatment suffered by Indians who find themselves constantly in debt to the trading post and forced to sign over welfare or social security checks before being allowed to purchase any further goods.

The report cites exhorbitant prices paid by Navajo consumers under this trading post system monopoly—people who are without any realistic recourse, largely as a result of ineffective regulation by the Bureau of Indian Affairs.

The FTC report recommends measures to control outrageous interest rate charges, to provide for judicial settlement of trader and consumer claims in tribal courts, and to promote the establishment of cooperatives and stores under tribal control.

I have recently written to the distinguished chairman of the Senate Subcommittee on Indian Affairs (Mr. Abourezk), requesting that the subcommittee undertake a study of the important issues raised by the FTC report at the earliest opportunity. I am deeply concerned that the serious injustice worked upon the Navajo Tribe under this trading post system be corrected without delay.

Mr. President, I ask unanimous consent that the introduction to "The Southwest Indian Report," issued by the U.S. Commission on Civil Rights in May, 1973, and the article, entitled "FTC Cites U.S. Abuse of Navajos," appearing in the June 15, 1973 issue of the Evening Star-Daily News, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

The Southwest Indian Report

INTRODUCTION

American Indians suffer much of the economic, social, and cultural damage that afflicts other minority Americans. Their problems, however, are complicated by additional factors. While American Indians encounter pervasive discrimination not unlike that faced by other minority groups, their plight is traceable, in large degree, to the failure of the Federal Government to carry out its treaty obligations and statutory responsibilities.

Traditional history texts of nineteenth century and early twentieth century America celebrate the heroism of white settlers in the development of the continent and the subduing of "hostile" Indian populations. Expressions reflecting this attitude can be found on monuments throughout the Southwest. For example, in the town square of Santa Fe, New Mexico, the oldest settlement in the West, there is a commemorative inscription:

> To the heroes who have fallen in the various battles with savage Indians in the territory of New Mexico. . . .

Little is reflected, in texts or monuments, of the cultures and histories of the diverse peoples commonly known as American Indians. Less is mentioned of the suffering that Indians have endured and continue to endure. Only recently has a more accurate account of official brutality, displacement, and neglect become recognized and grudgingly acknowledged.

Most Indian tribes and pueblos are conquered nations. In exchange for their rights and privileges as fully sovereign entities, they have received certain guarantees and assurances from the Federal Government. Reservations were created to house tribes retaining a limited form of sovereignty. These reservations are semi-autonomous preserves upon which a combination of Tribal, State, and Federal law applies. Indian people received the Federal Government's commitment to provide certain services and act as trustee for Indian interests. By treaty, many tribes relinquished all legal claim to vast areas of land in return for health care, education, and other services.

This report does not attempt to detail the complex history of the Indian people and the American Government. Rather, it is an attempt to describe the present-day conditions of American Indians. It is the first in a series of reports to be prepared by the U.S. Commission on Civil Rights on the civil rights of American Indians. As part of this project, the Commission held public hearings in November 1972 in Albuquerque, New Mexico, and Phoenix, Arizona.

At these hearings, Indians and non-Indians from the private and public sectors testified under oath concerning employment, education, health service, administration of justice, and water rights. There are, of course, other problems important to American Indians. Many of these will be dealt with in subsequent Commission hearings. There was substantial Indian participation, including that of numerous Indian consultants, in determining priorities for the two Southwest hearings. This report is based upon those hearings and concurrent field investigations by Commission staff.

While the report does not purport to be exhaustive, it does portray Indian experiences described to the Commission during the hearings. As such, it is a chronicle of physical and psychological deprivation. In each of the five problem areas—employment, education, health services, the administration of justice, and water rights—the testimony of witnesses and the investigations of the staff revealed a neglect that was hardly benign.

Employment

Indians suffer, this report shows, from unemployment and underemployment. Their unemployment rate is staggering, just under 40 percent in New Mexico and between 50 and 60 percent in Arizona. This contrasts with an unemployment rate among the general population of 5.4 percent in New Mexico and 4.1 percent in Arizona. The median income of Indian families is some $3,000 below that of the general population in New Mexico, and $4,500 lower in Arizona.

Federal agencies, with the exception of the Bureau of Indian Affairs and the Indian Health Service, do not hire Indians in any appreciable numbers, and the record of State and local governments is even poorer. Within BIA and IHS, Indians all too often are found in lower grade levels and have little opportunity for training, upgrading, or promotion.

The private sector was, with some exceptions, no better in providing employment opportunities for Indians. Even companies working on reservations often employ few Indians, and some doing work under Federal and tribal contract have had few Indian workers. As in government, Indians in the private sector are too often found in lower-paying, menial, and dead-end jobs.

Unemployment and underemployment among Indians may be attributed to several factors: bias on the part of employers; poor preparation on the part of Indians; geographical isolation of reservation Indians; isolation of reservation Indians; failure of the Federal Government to enforce nondiscrimination laws effectively; and widely held negative stereotypes of Indian workers.

Education

Both the BIA schools and the public school systems are failing Indian children. Their educational attainment is two to three years below the general population's. The dropout rate of Indian children, particularly toward the end of high school, far exceeds that of the general population.

Bilingual and bicultural education are all but nonexistent. Until recently, the entire educational effort was aimed at teaching Indians the English language and "American" behavioral patterns. Even now, whether in BIA schools, Indian children are in a classroom environment controlled and dominated by non-Indians. Many Indian children must learn English as a second language if he or she is to survive.

The Indian Advisory Boards of the BIA schools are just that—advisory. The school administration may or may not take their advice. Powerlessness is a major problem of Indian parents, who do not control the type of education given their children. Indian parents are unable to influence the educational programs of the public schools, for they are seldom elected to school boards. Most administrators and a majority of teachers in both the BIA and public schools, are Anglos. Many Indian children have few Indian success models from which to develop a strong, positive self-image.

Health service

Indians have a high infant birth rate, a high infant mortality rate, and a short life expectancy. The Indian birth rate is 38.5 live births per thousand, but the national average is 17.5. This is coupled with an Indian life expectancy of 64 years, against 70 years for the general population. The infant mortality rate within the area served by the Albuquerque Area Indian Health Service is 37.1 per 1,000, contrasted with 22.4 for the U.S. population.

Tuberculosis still plagues American Indians. Their TB rate is nearly eight times the national average. Trachoma remains a serious problem for Indians in the Southwest. Alcoholism causes 6.5 times as many deaths among the Indian population as among the general population. The suicide rate is twice the national average.

The Indian Health Service—formerly a part of BIA but now a part of the Department of Health, Education and Welfare—is responsible for the health care of the Indian population. The report will show that it is seriously underfunded, understaffed, and lacks the capacity to meet the health needs of the Indian people adequately.

Off-reservation Indians frequently are neglected by county or local public health facilities which treat other indigent persons. The Indian Health Service has indicated that the entitlement of non-reservation Indians is in doubt. But even where entitlement is not an issue, priority goes to reservation Indians for health services.

The administration of justice

This report shows that for Indians justice does not have an even hand. On reservations, Indians are subject to Tribal and Federal law. Off the reservation, Indians are subject to the same coverage as all citizens. Indians complained that in "bordertowns" and rural areas near reservations law enforcement is harsher than in urban areas. The arrest rate on alcohol-related charges is much higher for Indians than non-Indians. In Phoenix, for example, where Indians comprise less than one percent of the city's population, about 25 percent of all males and 50 percent of all females arrested for alcohol-related offenses are Indian. Some witnesses testified that they believed Indians were arrested to provide cheap labor for the city.

Indians are concerned about major crimes on the reservations. BIA and the FBI are responsible for investigating major crimes on reservations, and witnesses claimed that neither has taken the responsibility seriously.

Water rights

Water rights are extremely important in the West, and especially to Indians. Only if their water rights are respected and protected by the Federal Government can Indians maintain their reservation life style. Their grazing lands, their herds, their crops, and the game they hunt are dependent on an adequate supply of water.

As the population of the Southwest grows as new communities are built, the need for water becomes ever greater. Indians fear that their water rights are seriously threatened and that the Federal Government is not meeting its obligation to protect those rights.

This report shows that the Federal Government has been derelect in its duties in its "trust relationship" to preserve and protect Indian water rights.

Why Arizona and New Mexico?

Over 20 percent of the total Indian population of the United States resides in Arizona and New Mexico, 95,812 in Arizona (about 5.4 percent of the population) and 72,788 in New Mexico (about 7 percent of the population). In each State over 50 percent of the Indian population is located in two rural counties near the two largest cities in the region. The Commission felt that these factors made Albuquerque and Phoenix appropriate sites for Commission hearings.

It is recognized that the problems of Indians vary from one tribe to another, and from one area of the country to another, but many problems are experienced in common. The problems faced by Indians in Arizona and New Mexico may not be identical, but it is obvious that they are representative of problems faced by Indians in the Southwest.

Although responsibility for these problems may be open to conflicting interpretations, the role of the Federal Government is major, and its responsibility for alleviating these problems is clear. The United States Government has the obligation, on the basis of treaties and specific statutory mandates to provide a full range of services to American Indians. The services which the Bureau of Indian Affairs provides include education, training, job placement, economic development, and land and water management. The Indian Health Service of the Public Health Service provides most of the medical care available to American Indians.

This report will focus on the provision of these services by the Bureau of Indian Affairs and the Indian Health Service, evaluating the effect of these services upon alleviating the serious problems faced by Indians. The report will also touch upon the relationship of State and local governments and private employers to the Indian peoples.

It is hoped that the report will stimulate increased public interest in the problems of American Indians, that it may help local, State, and Federal agencies improve their programs dealing with Indians, and that it may assist Indians in determining courses of action to make more secure their rights as the first Americans.

FTC CITES U.S. ABUSE OF NAVAJOS

(By Bailey Morris)

A grim picture of Navajo Indians chronically indebted to white reservation traders, who routinely overcharge them and sometimes steal from them, is outlined in a new government report.

The report, latest in a long trail of reports charting the abuses against poor and often illiterate American Indians, was prepared by the Los Angeles office of the Federal Trade Commission.

It differs from other reports in its sharp criticism of a sister agency, the Bureau of Indian Affairs, and in its recommendations which would take governing power away from the government and give it to the Indians.

The majority of Navajos, the report says, continue to live in poverty and squalor. Most have no contact with the world beyond their farflung and often barren reservation lands and many are totally dependent on the local trading post for food, clothing and other needs.

Yet despite their poverty and because of their dependency on a noncompetitive trading post system, they pay prices that exceed the national average by 27 percent generally and in some isolated posts by as much as 60 percent on some purchases.

A pound of coffee, for example, averaged $1.25 reservation-wide but costs anywhere from $1 to $2.25 a pound at individual posts, the report said.

Compounding the problem of "exorbitant prices" are overcharges and outright theft of pawned goods, according to the report.

The single most alarming aspect of the trading post system, however, is the "credit saturation" imposed on Indians by traders who make sure the Navajo never has any cash and is compelled to buy on credit at the trading post where he has an account.

The trader extends credit up to a Navajo's known income, placing him in a state "of economic indenture", the report says, by requiring him to sign over his welfare or Social Security checks directly to the post.

In many cases, the trading post owner is also the postmaster and will open government checks directly, then force the Navajo to endorse it over before selling him any goods.

When complaints arise, the Navajo is told he can go buy his necessities at another post which often is more than 100 miles away over a bad road, the report notes.

To correct what it terms "unconscionable practices" which have been allowed to exist largely through ineffective regulation by the Bureau of Indian Affairs, the FTC report offered a series of recommendations.

To correct "feeble enforcement" by the Bureau of Indian Affairs, the FTC staff recommends that primary responsibility for the trading post system be "granted to the Navajo Tribe."

The tribe must be given authority over trader licensing, the report says.

"We feel it would be far better for the tribe to learn by its mistakes than to perpetuate the existing system of non-enforcement," the report explains.

Tribal courts are the proper forum for settlement of private claims against trading posts and should be opened up to traders as well so that they have equal access to "judicial redress."

To eliminate outrageous interest rate charges, the FTC report recommends that maximum rates be established for the reservation and that the Arizona rate of a 24 percent maximum be adopted for trading post transactions.

As an alternative to what in many cases are antiquated trading posts resembling 19th century general stores, the FTC staff proposes establishment of cooperatives to be run by the Navajo community.

At the present time, there are only a few such cooperatives and one particularly has been a great success, according to the report.

Its prices are some 32 percent lower than prices charged at the nearest trading post, the report notes, and the quality of goods and services offered is much better.

Additionally, the report says, a San Diego Calif., discount chain which has already opened one store on a reservation would like to open more and eventually turn them over to the Navajo tribe.

Although this system would not at the present time meet all the needs of the Navajo people, it would well signal the end of the trading post system entirely, the report says.

In reaching its conclusions, the FTC staff said it surveyed 142 trading posts and talked to more than 100 Navajo consumers across the reservation. Additionally, public hearings were held.

AMERICAN ECONOMIC ASSOCIATION'S EXECUTIVE COMMITTEE OPPOSES VINCENT BARABBA TO HEAD THE CENSUS BUREAU

Mr. PROXMIRE. Mr. President, one of the most disquieting aspects of the actions of the Federal Government in recent times has been the treatment meted out to the statistical agencies. First, the Bureau of Labor Statistics canceled its press conferences. Then, its chief nonpartisan experts were organized out of their jobs. Various statistical series were ended altogether. Finally, Dr. Geoffrey Moore, head of the BLS, was fired. All of this challenged the credibility of the statistical agencies which traditionally have been independent, tough minded, and beyond reproach.

TWO UNQUALIFIED MEN APPOINTED

Now the President has appointed two unqualified men to head major statistical agencies. The first is Mr. Edward Failor to head the Social and Economic Statistics Administration—SEBA—at the Department of Commerce. His post does not require confirmation.

In addition the President has appointed Mr. Vincent Barabba to be Director of the Bureau of the Census. Although under SESA, the Director of the Census does require confirmation.

AMERICAN ECONOMIC ASSOCIATION EXECUTIVE COMMITTEE OPPOSES

Mr. Barabba's name is now on the Senate's executive calendar. But in a major action this week, the executive committee of the American Economic Association has approved a statement in opposition to Mr. Barabba's nomination.

The key paragraph reads:

> Our immediate concern is that neither Mr. Barabba nor Mr. Failor appears to have the high professional qualifications required for the demanding tasks of overseeing the gathering and reporting of the Federal statistics on which analysis and forecasting for the U.S. economy are necessarily based.

WHO'S WHO OF ECONOMIC WORLD

This statement was signed by the most distinguished economists in the United States, a Who's Who of the economic world. They include Irma Adelman, Kenneth Arrow, George Borts, James Duesenberry, Robert Eisner, Rendigs Fels, John Kenneth Galbraith, Robert Heilbroner, Walter Heller, Lawrence R. Klein, John Meyer, Guy Henderson Orcutt, Joseph Pechman, Mark Perlman, and James Tobin.

The statement was approved unanimously by the executive committee of the American Economic Association.

DOUBTS ABOUT STATISTICS

The statement also says that—

> Such appointments will reinforce doubts about the integrity of Federal statistics and threaten the quality of Federal data hitherto viewed as among the best, perhaps the best, in the world.

The name of Mr. Vincent Barabba should either be withdrawn by the President or voted down by the Senate. There are a number of positions in the Government for which Mr. Barabba is qualified, but the post of Director of the Bureau of the Census is not one of them.

I hope the Senate will pay close attention to the views of the American Economic Association. They and the American Statistical Association and the group of Federal statistics users have all raised the most serious objections to what has been happening in the statistical agencies and all have either proposed that Mr. Failor and Mr. Barabba be opposed or have established standards for these jobs which neither man can remotely meet.

Mr. President I commend the letter to me and the statement of the executive committee of the American Economic Association to the Senate. This is a most unusual statement by the AEA and a devastating blow against the nomination of Mr. Barabba.

I ask unanimous consent that they be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

American Economic Association,
Nashville, Tenn., July 6, 1973.

Senator William Proxmire,
U.S. Senate,
Washington, D.C.

Dear Senator Proxmire: At the request of Walter Heller, President-elect of the American Economic Association, I am enclosing herewith a copy of a statement on the federal statistical services and the nomination of Vincent Barabba as Director of the Census. The statement has been approved by a mail vote of the Executive Committee of the Association.

Approved: Irma Adelman, Kenneth J. Arrow,* George H. Borts, James S. Duesenberry, Robert Eisner, Rendigs Fels, John Kenneth Galbraith,** Robert Heilbroner, Walter W. Heller, Lawrence R. Klein, John R. Meyer, Guy Henderson Orcutt, Joseph A. Pechman, Mark Perlman, James Tobin.*

Disapproved: None.

Sincerely yours,

Rendigs Fels,
Secretary-Treasurer.

STATEMENT OF THE EXECUTIVE COMMITTEE OF THE AMERICAN ECONOMIC ASSOCIATION ON INTEGRITY IN THE FEDERAL STATISTICAL SERVICES

We are deeply concerned over the issue of intrusion of political influence into the process of reporting and collecting Federal statistics. Symptoms of such intrusion are the increasing use of political rather than professional staff to release and interpret Federal economic statistics, the forced resignations of highly qualified statistician-economists like Dr. Geoffrey Moore as Commissioner of Labor Statistics and Dr. George Hay Brown as Director of the Bureau of the Census, and the appointments of Mr. Vincent Barabba as Acting Director of Census and Mr. Edward D. Failor as Administrator of the Social and Economic Statistics Administration.

Our immediate concern is that neither Mr. Barabba nor Mr. Failor appears to have the high professional qualifications required for the demanding tasks of overseeing the gathering and reporting of the Federal statistics on which analysis and forecasting for the U.S. economy are necessarily based. Their service to Mr. Nixon in the 1972 political campaign may well qualify them for some appropriate recognition, but we question the wisdom of political appointments to such exacting professional positions. Such appointments will reinforce doubts about the integrity of Federal statistics and threaten the quality of Federal data hitherto viewed as among the best, perhaps the best, in the world.

Since Mr. Barabba's appointment is subject to Senate confirmation, we urge the Senate Post Office and Civil Service Committee to submit his qualifications to the most searching scrutiny and to reject his nomination unless evidence of relevant professional qualifications not apparent to us is found in that process.

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*Suggested minor changes in statement.

**Approved in principle orally before statement was written.

Our broader and longer-range concern is over the quality and integrity of the Federal statistical services as a whole. In this connection, we fully endorse the four recommendations of the select committee of the American Statistical Association and the Federal Statistics Users' Conference, as follows:

1. Heads of statistical agencies should be nonpolitical professionals of high stature and reputations and be in the career service.
2. These heads of agencies should have direct control of their own activities particularly with respect to hiring and firing, budget and planning, and publication.
3. Data should be released on a fixed, free stated time schedule by the agency which produced the data.
4. Advisory committees to statistical agencies should be selected without regard for political affiliation with a number of specific appointments from professional statistical organizations.

CONNECTICUT HOSPITAL ASSOCIATION

Mr. RIBICOFF. Mr. President, on Friday, July 6, the Connecticut Hospital Association and 12 randomly selected hospitals from throughout Connecticut filed suit in U.S. District Court for the District of Connecticut to enjoin implementation of recently issued standards of the Cost of Living Council.

Mr. James G. Pettit, president of the association and a trustee of St. Francis Hospital in Hartford, Conn., said that the action was being taken to clarify inconsistent and discriminatory forms and instructions recently issued by that council as revised form S-52 and schedule A to that form.

As Mr. Pettit noted, the suit being brought in Connecticut—like similar litigation being contemplated in other State hospitals and health care organizations—is not an attempt by hospitals to escape the freeze, nor to undermine the Federal cost control effort.

Rather, the suit is an attempt to clarify new Cost of Living Council regulations before they pose serious and possibly damaging problems for health care institutions. Skyrocketing health costs must be curbed. But at the same time, health care providers should be given rules which are understandable.

Among the hospitals bringing this action are the William W. Backus Hospital in Norwich, Bridgeport Hospital, Bristol Hospital, Hartford Hospital, Lawrence and Memorial Hospitals in New London, Manchester Memorial Hospital, Meriden-Wallingford Hospital, St. Francis Hospital in Hartford, the Hospital of St. Raphael in New Haven, Stamford Hospital, Waterbury Hospital, and Yale-New Haven Hospital.

The actions of the Cost of Living Council—and the deliberations of its newly constituted Health Industry Advisory Committee—will have a profound influence on the stability and services of the hospitals and health care institutions of our Nation.

I would hope that the regulations and forms issued by this Council, especially as we begin to formulate plans for phase IV of the economic stabilization program would be shaped with the immense importance of this task in mind.

I know that the hospitals of Connecticut, for example, have made a conscientious attempt over the years to control their own costs, and have also worked within the overall guidelines of the various ESP. As Members of the Senate are no doubt aware, health has been one industry strictly controlled even under phase III.

I hope, therefore, that the Health Industry Advisory Committee and the Cost of Living Council will find ways to negotiate their differences with health care institutions, and that litigation can be avoided where negotiation and compromise will substitute. When necessary, of course, such litigation will resolve those issues which cannot otherwise be negotiated, and I trust that Connecticut's health care leaders—in the CHA and in the individual hospitals taking part in this suit—have the welfare of Connecticut's citizens foremost in their minds as they take whatever actions are necessary.

APPEARANCES BY PRESIDENTS BEFORE CONGRESS OR THE COURTS

Mr. KENNEDY. Mr. President, in the course of research into precedents for appearances by past Presidents before Congress or the courts in connection with controversies arising out of events in their administrations, the Library of Congress has found a number of examples involving President Lincoln and President Grant. Because these precedents will be of interest to all of us in Congress, I ask unanimous consent that the following items may be printed in the RECORD:

First. An article from the New York Tribune of February 14, 1862, entitled "The Premature Publication of the President's Message."

Second. An excerpt from pages 250-251 of volume 2 of "Abraham Lincoln, the War Years," by Carl Sandburg.

Third. An excerpt from page 60 of "Political Power and the Press," by William J. Small.

Fourth. An excerpt from pages 198-200 of volume 2 of "Abraham Lincoln, the War Years," by Carl Sandburg.

Fifth. Excepts from volume III—1861-1865—of "Lincoln Day by Day," published in 1960 by the Lincoln Sesquicentennial Commission.

Sixth. The text of a letter dated January 1, 1862, from President Lincoln to General McClellan. The letter is reprinted at page 88 of volume V, "The Collected Works of Abraham Lincoln," prepared by the Abraham Lincoln Association of Springfield, Ill., and published by the Rutgers University Press in 1953.

Seventh. An article from the New York Times of February 13, 1876, entitled "The Trial of General Babcock."

Eighth. An article from the New York Times of February 14, 1876, also entitled "The Trial of General Babcock."

Ninth. An editorial from the New York Times of February 14, 1876.

Tenth. A copy of the deposition by President Grant in the trial of General Babcock, his personal secretary, from the New York Times of February 18, 1876.

Eleventh. An editorial from the New York Times of February 18, 1876.

Twelfth. An article from the Washington Evening Star of February 19, 1876, entitled "The Babcock Trial, the Closing Arguments."

Thirteenth. An excerpt from pages 794-803 of "Hamilton Fish, the Inner History of the Grant Administration," by Allan Nevins.

The PRESIDING OFFICER. Without objection, the items will be printed in the RECORD.

ITEM 1

[From the New York Tribune, Feb. 14, 1862]

THE PREMATURE PUBLICATION OF THE PRESIDENT'S MESSAGE

President Lincoln today voluntarily appeared before the House Judiciary Committee and gave testimony in the matter of the premature publication in The Herald of a portion of his last annual message. Chevalier Wikof was then brought before the Committee, and answered the question which he refused to answer yesterday, stating, as is rumored, that the stolen paragraph was furnished to *The Herald* by Watt, the President's gardener, who was reported as disloyal by the Potter Committee, and whose nomination to a Lieutenancy the Senate decidedly refused to confirm, but who is still to be seen in the White House, and is said to be an applicant for a foreign appointment. The public can learn from the case in what sewers it is the taste of The Herald to fish for State secrets.

The Chevalier is still in close confinement at the Capitol, in quarters at which his fastidious tastes revolt. An iron bedstead was purchased for him today. His most frequent visitor is said to be Gen. Sickles. The first paper taken by the officers out of the pocket-book of "the special representative of *The N.Y. Herald*," now in Fort McHenry, was a pass admitting Dr. Ives at all hours to the War Department, signed "Geo. B. McClellan."

ITEM 2

(From pp. 250-251, "Abraham Lincoln, The War Years," volume 2, by Carl Sandburg (Harcourt, Brace & Company, New York)

By what means the *New York Herald* gave publication to parts of a message of the President to Congress—before it reached Congress—was a scandal that a congressional committee investigated. Henry (nicknamed "Chevalier") Wikoff admitted to the committee that it was he who had filed the stolen paragraphs at the telegraph office, but he was "under an obligation of strict secrecy" not to tell how he got them. The House ordered Wikoff held in close custody and he was locked up with special accommodations while the inquiry went on. "It was generally believed that Mrs. Lincoln had permitted Wikoff to copy those portions of the message that he had published," wrote Ben Perley Poore, "and this opinion was confirmed when General Sickles appeared as his counsel. The General vibrated between Wikoff's place of imprisonment, the White House, and the residence of Mrs. Lincoln's gardner, named Watt. The Committee finally summoned the General before them and put some questions to him. He replied sharply and for some minutes a war of words raged. He narrowly escaped Wikoff's fate, but finally, after consulting numerous books of evidence, the Committee concluded not to go to extremities. While the examination was pending, the Sergeant-at-Arms appeared with Watt. He testified that he saw the message in the library, and, being of a literary turn of mind, perused, it; that, however, he did not make a copy, but, having a tenacious memory, carried portions of it in his mind, and the next day repeated them word for word to Wikoff. Meanwhile, Mr. Lincoln had visited the Capital and urged the Republicans on the Committee to spare him disgrace, so Watt's improbable story was received and Wikoff was liberated."

ITEM 3

(From p. 60, "Political Power and the Press," by William J. Small (W. W. Norton & Company, Inc., New York)

A news leak that shocked Abraham Lincoln was not invited to share in it as was Simon it to Congress, of a portion of his first State of the Union address. It appeared in the *New York Herald* in an article written by Chevalier Henry Wikoff, a reporter who had befriended Mrs. Lincoln. The suspicion was that the first lady had leaked the speech to Wikoff. When a congressional committee investigated. a White House gardener took the blame, offering a far-fetched story of having seen the speech on a library table as he arranged flowers, memorized sections, and passed them on to Wikoff. Lincoln paid a surprise visit to the committee to declare under oath that his wife was innocent. Wikoff was jailed and later returned to his newspaper but not to report at the White House.

ITEM 4

(From pp. 198–200, "Abraham Lincoln the War Years," volume 2, by Carl Sandburg (Harcourt, Grace & Company, New York)

Amid the snarling chaos of the winter of 1862–63 there were indications of a secret movement to impeach President Lincoln and get him out of the White House. Stubbornly had he followed his own middle course, earning in both parties enemies who for different reasons wanted him out of the way. There were radical Republicans who wanted a man obedient to their wishes. There were reactionaries in both parties who hoped that the confusion of an impeachment would slow down the war, bring back habeas corpus and other civil rights. The radical Republicans who took part in the secret movement, their names, could only be guessed. They felt their way carefully toward throwing Lincoln out of the White House. They knew that in any final vote to impeach they could count on a large block of Ayes from the political opposition. The New York Democratic-party leader, Horatio Seymour, heard of the movement but was the publication, before he ever delivered Cameron of Pennsylvania. Long after this embryo conspiracy had failed of its aim, Cameron said to an interviewer, Howard Carroll, in guarded statements that would implicate neither dead nor living Republicans:

"Late in 1862 or early in 1863 there can be no doubt that a secret effort was made to bring about the ejectment of President Lincoln from the White House. Some time after I returned from the Russian mission, and while I was resting at my home in Pennsylvania, I received from a number of the most prominent gentlemen an invitation to visit Washington and attend a meeting which, according to my information, was to be held in regard to national affairs. I afterward discovered that this invitation was extended to me because it was believed that my somewhat unpleasant exit from the War Department had rendered me hostile to Mr. Lincoln and his Administration. Knowing nothing of this at the time, I went to the capital, and found there assembled a number of prominent men who had come together ostensibly for the purpose of advising with each other regarding the condition of the country. This, I say, was their ostensible purpose, but I soon discovered that their real object was to find means by which the President could be impeached and turned out of office. The complaint against Mr. Lincoln was, that he lacked ability and energy, and that he was not pushing the war with sufficient vigor. These reasons, and the plan of attack, if I may use the expresssion, were all made known to me, and I was asked for my advice. I gave it, stating, with as much earnestness as I could command, that the movement proposed would be a disastrous one, and strongly urging that it would be little short of madness to interfere with the Administration."

Report and gassip finally shaped specific accusations that Mrs. Lincoln was connected with Union disasters, that there was a Southern spy in the White House who was the wife of the President. Newspaper dispatches had reported the killing in battle of two of her brothers, Confederate officers, and a third wounded. They were sons of her father's first wife. A full brother of Mrs. Lincoln, George R. C. Todd, was a surgeon in the Confederate Army. Then there was Benjamin Harlin Helm, brother of Mary Todd Lincoln's half-sister Emilie; a West Point graduate, he had visited his sister-in-law at the White House before war had opened and had gone forth and talked with several West Point friends, including Robert E. Lee, who had said with a sad wag of the head, "I have just resigned my commission in the United States Army," Helm had asked Colonel Lee, "Did you know that Mr. Lincoln is my brother-in-law?" "No, I did not," replied Lee, "but now let me say one word. I have no doubt of his [Lincoln's] good intentions, but he cannot control the elements. There must be a great war. I cannot strike at my own people, so I wrote out my resignation. My mind is too much disturbed to give you any advice. Do what your conscience and honor bid." In the finish Benjamin Hardin Helm put on a gray uniform and was now commanding a brigade with Bragg's army. Confederate Major General John C. Breckinridge was a kinsman of Mrs. Lincoln's stepmother and his name was linked with the President's wife. That General Helm had married into the Todd family fifteen years after Mrs. Lincoln left her Kentucky home, that her brother, Dr. George R. C. Todd, had been estranged from the family for years previous to 1861, with similar matters of fact, did not get into the common report and gossip. Also that she had as much of kith and kin in the Union army did not enter into current conversation. Two of her cousins, Porter by name, had the title of general in the Army of the Potomac; a son-in-law of her sister, Mrs. Wallace, was in a blue uniform. Other Todd relatives were in the Northern ranks.

Yet the talk of a Southern woman spy in the White House arrived at the point where Senate members of the Committee on the Conduct of the War had set a secret morning session for attention to reports that Mrs. Lincoln was a disloyalist.

One member of the committee told of what happened. "We had just been called to order by the Chairman, when the officer stationed at the committee room door came in with a half-frightened expression on his face. Before he had opportunity to make explanation, we understood the reason for his excitement, and were ourselves almost overwhelmed with astonishment. For at the foot of the Committee table, standing solitary, his hat in his hand, his form towering, Abraham Lincoln stood. Had he come by some incantation, thus of a sudden appearing before us unannounced, we could not have been more astounded." There was an "almost human sadness" in the eyes, and "above all an indescribable sense of his complete isolation" which the committee member felt had to do with fundamental senses of the apparition. "No one spoke, for no one knew what to say. The President had not been asked to come before the Committee, nor was it suspected that he had information that we were to investigate reports, which, if true, fastened treason upon his family in the White House."

At last the morning caller spoke slowly, with control, though a depth of sorrow in the tone of voice: "I, Abraham Lincoln, President of the United States, appear of my own volition before this Committee of the Senate to say that I, of my own knowledge, know that it is untrue that any of my family hold treasonable communication with the enemy."

Having attested this, he went away as silent and solitary as he had come. "We sat for some moments speechless. Then by tacit agreement, no word being spoken, the Committee dropped all consideration of the rumors that the wife of the President was betraying the Union. We were so greatly affected that the Committee adjourned for the day."

ITEM 5

(From "Lincoln Day by Day," Volume III: 1861–1865 (Lincoln Sesquicentennial Commission, Washington, 1960))

December 31, 1861—President confers hour and half with Joint Committee on Conduct of War.

January 6, 1862—Cabinet meets 7:30 P.M. at request of Joint Committee on Conduct of War. Lincoln rejects demand of Senator Wade (Ohio) for removal of McClellan.

January 25, 1862—Subcommittee of Committee on Conduct of War interviews Lincoln on military administration of Gen. Fremont.

February 13, 1862—President appears before House Judiciary Committee in matter of premature publication of last Annual Message.

February 15, 1862—Committee on Conduct of War requests 8 P.M. interview with Lincoln.

March 4, 1862—President and Gen. Hunter appear before Committee on Conduct of War regarding Kansas affairs.

April 4, 1862—President receives Sen. Wade (Ohio) and makes appointment to meet with Committee on Conduct of War in evening.

May 28, 1862—President appears before Committee on Conduct of War and describes 400-foot railroad bridge across Potomac built by Col. Haupt as having nothing in it but cornstalks and beanpoles.

April 4, 1863—President receives several members of Joint Committee on Conduct of War.

March 3, 1864—President confers with Committee on Conduct of War regarding commander of Army of Potomac.

ITEM 6

(From p. 88, "The Collected Works of Abraham Lincoln," Volume V, compiled by the Abraham Lincoln Association, Springfield, Illinois (Rutgers University Press 1953))

To George B. McClellan[1]

EXECUTIVE MANSION, Jany. 1, 1862.

MY DEAR GENERAL: I hear that the doings of an Investigating Committee, give you some uneasiness. You may be entirely relieved on this point. The gentlemen of the Committee were with me an hour and a half last night; and I found them in a perfectly good mood.

As their investigation brings them acquainted with facts, they are rapidly coming to think of the whole case as all sensible men would. Yours as ever

A. LINCOLN.

Gen. McClellan.

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[1] ALS–F, ISLA. The Joint Committee on the Conduct of the War was composed of Senators Benjamin F. Wade, Zachariah Chandler, and Andrew Johnson, and Representatives Daniel W. Gooch, John Covode, George W. Julian, and Moses F. Odell. According to the Journal of the committee, all members met with the president on December 31 except Covode and Julian (*Report*, Part I, p. 72).

Item 7

[From the New York Times, Feb. 13, 1876]

The Trial of Gen. Babcock

(*The President's deposition:* An affidavit strongly in favor of Gen. Babcock—The President alone responsible for the changes made—an excellent character given the accused.)

Washington, Feb. 12.—The President's deposition, to be used in the Babcock trial, was taken to-day and forwarded to St. Louis. The Secretary of the Treasury and the Attorney General were the only persons present when the interrogations were answered, excepting of course, the Chief Justice, the counsel, and the stenographers. The deposition will not be used in court till the defense is begun, which, according to present appearances, may not be till near the end of next week. *The examination of the President extended from 11 till 2 o'clock*, and was strongly in favor of Gen. Babcock. The President declared that that officer had not interfered in the appointment of any official involved in the whisky frauds, that even in the case of the revocation of the order directing the transfer of the Supervisors, he [the President] was alone responsible. He explained that he had suspended that order believing that the Government would be better able, by throwing off their guard those engaged in the frauds, to develop their rascality. He stated that while Babcock had not interfered, he had suggested that the examination should be thorough, and should be made, not by inferior men, but, as was the custom in the Army, by men of tried integrity and established character, so as to give force to their reports. Babcock had suggested that any attempt to suppress or prevent thorough examination was attributable to a system of corruption or of blackmailing; that after Henderson's speech and the intimation that Gen. Babcock was in any way involved, that officer was exceedingly anxious for an immediate and prompt investigation, and telegraphed at once to St. Louis to know whether he could appear and be heard without delay. The prosecuting officer having responded that he could not be heard at that time, but there must be delay. Babcock thereupon sought and obtained a court of inquiry as the only immediate means of developing the facts. The President had known Gen. Babcock intimately since the Vicksburg campaign in 1863. He considered him a most efficient and reliable officer, and he believed his reputation to be excellent in the Army, and wherever he was known. He had not seen or heard anything in any way connecting Gen. Babcock with the whiskey rings, or tending to impair his confidence in that officer's integrity. Babcock's explanation of the telegrams signed Sylph, &c., which have excited so much attention, had been explained to his entire satisfaction, and relieved Gen. Babcock of any imputation of complicity in the whisky frauds. Babcock now had his full confidence. The cross-examination emphasized the fact that if Gen. Babcock had been engaged in any wrong transactions the President had no knowledge of it, and he did not believe it. Many of the questions asked were regarded as wholly irrelevant. William A. Cooke was engaged some time ago, and not recently, as has been stated in Gen. Babcock's defense, and has assisted in the preparation of the case from the beginning.

Item 8

[From the New York Times, Feb. 14, 1876]

The Trial of General Babcock

(The President's Deposition: Points of the testimony taken in the White House—the President's evidence fortified by papers and telegrams.)

Washington, Feb. 13.—A full synopsis of the President's testimony was tonight telegraphed to Emory A. Storrs, of Gen. Babcock's counsel, by Mr. William A. Cook, who represented the defense in the taking of the testimony here. The following points of the testimony are those not included in the dispatches sent to The Times last night, and are taken from the counsel's abstract. The President testifies that Gen. Babcock had always performed his duties as Private Secretary to the President's satisfaction. He knows his general reputation in Washington and in the Army. It is good. Nothing was ever heard by him against Babcock until the present charges. He remembers that Babcock showed him a dispatch from Joyce applying for the Collectorship. It was simply shown as other telegrams. This was after the death of Ford. He told Babcock that Ford, having died suddenly and away from home, he the President, should consult Ford's bondsmen in making the appointment. They and others recommended Maguire. He did not think Babcock ever, directly or indirectly, sought to influence the appointment of Maguire; did not remember of Babcock ever speaking to him in reference to any charges made against Joyce or McDonald. He certainly took no lively interest in the matter. Remembered McDonald being in Washington Dec. 18, 1874, and rode with him once. Did not remember a word of conversation on any matter touching his official position or those cases. Saw him as he (the President) was driving and stopped and requested him to ride. Since Babcock's indictment no effort had been made to interfere with the trial. At the time the Court of Inquiry was ordered he supposed Babcock would not be indicted, because he understood that the Grand Jury would adjourn in a day or two. Much of the testimony is fortified by papers and telegrams.

Item 9

[From The New York Times, Feb. 14, 1876]

The President's deposition in the case of Gen. Babcock will no doubt be read with interest everywhere. An abstract only of it has yet been published, but it touches on many important points. The President testified that Babcock never asked for the appointment of Maguire, and never conversed with him on the subject of the charges against Joyce or McDonald. Since Babcock's indictment, "no attempt has been made to interfere with the trial"—a statement which is fully verified by the very proceedings now going on at St. Louis. The prosecution is evidently not constrained by any secret influence in favor of the accused. The President, Gen. Babcock's integrity. The proceedings to it will be observed, still affirms his belief in be held this week will doubtless reveal the full strength of the case for the Government, even if the trial is not concluded.

Item 10

[From The New York Times, Feb. 18, 1876]

Mr. Storrs then asked for the deposition of the President, which was produced by the clerk, and it was read by Judge Porter. As several objections had been made to questions and answers, Judge Dillon, during the noon recess, looked it over and marked the objections overruled or sustained, leaving this deposition, however, it is said, very nearly in the same form as it was originally, and is as follows:

THE PRESIDENT'S DEPOSITION

The following is the President's deposition in full as filed in the United States Circuit Court in the case of Gen. Babcock:

In the Circuit Court of the United States, Eastern District of Missouri—The United States vs. Orville E. Babcock.—Transcript of stenographer's notes at the deposition of U.S. Grant for the defendant, taken at Washington, February, 1876.

Direct examination by Mr. Cook:

Q. How long have you known Gen. Babcock, and how intimately?

A. I have known him since 1863; we first met during the Vicksburg campaign in that year; since March, 1864, I have known him intimately.

Q. Please state in what various capacities he has been employed, and what positions he has held since 1863.

A. From about March, 1864, to the 4th of March, 1869, he was aid de camp on my military staff; since that time up to the time of his indictment, he has been acting as my private secretary, and in addition to that for several years he has been superintendent of Public Buildings and Grounds.

Q. As your private secretary, please state what were his general duties?

A. His general duties were to carry all communications from the President to Congress, to have charge and supervision over all of the correspondence, particularly of official correspondence, and in his capacity of private secretary he received my mails, opened my letters and read them. In regard to many of them, he gave directions to the departments without reference to me, and such as required any dictation or answer from me he submitted to me.

Q. His relations with you were confidential?

A. Very.

Q. Do you know whether during the period of time that Gen. Babcock has been your private secretary, he has been frequently applied to by persons throughout the country to lay their special matters before you or before the various departments?

Counsel for the prosecution objects to the questions as irrelevant and incompetent to that issue in the case.

A. That was the frequent and you might say almost daily occurrence.

Q. In what manner, so far as you have observed with reference to the public interest, has Gen. Babcock discharged his duties as your private secretary?

Objected to by counsel for the prosecution as immaterial and irrelevant.

A. I have always regarded him as most efficient and most faithful.

Q. Are you acquainted with the general reputation of Gen. Babcock in the city where he has lived, among his associates and his acquaintances, in the Army and elsewhere, for honesty and integrity?

A. I suppose that I might say that I have been acquainted with his general reputation in the Army and where he is known; where he has lived elsewhere I do not know anything about it, but I suppose myself to be acquainted with the reputation he has in the Army and in this city.

Q. Now state, if you please, what his general reputation is and has been? A. I have always supposed it to be good: if 12 years' intimate association with a man gives one an opportunity of judging what other people think of him, I certainly have had a good opportunity, not only of knowing his character myself, but of knowing the reputation he sustains.

Q. And from these opportunities what has been his reputation? A. Good.

Q. Were you acquainted with C. W. Ford, of St. Louis, in his lifetime and what, if any position did he hold at the time of his death? A. I was intimately acquainted with Mr. Ford; first in the State of New York when I was a Lieutenant in the Army; he was then a young lawyer, living in the same town where I was stationed; then from 1854 to 1860, we were both living in St. Louis County, and any relations were intimate from 1854 up to the day of his death; he was connected with the United States Express Company in St. Louis, and from 1869 (but I will not be sure about that), to his death he was Collector of Internal Revenue of the First Collection District of Missouri.

Q. State what, if any, applications were made at the time of his decease as to the appointment of his successor?

Question objected to by counsel for the prosecution as unnecessary, irrelevant, and incompetent.

A. It will be impossible for me to remember all of the applications that were made for the place. I do remember, however, of Gen. Babcock bringing me a dispatch that was addressed to him from John A. Joyce, practically applying for the place.

Answer objected to by counsel for the prosecution unless the telegram is produced.

Q. Have you that dispatch? A. I have not.

Q. Do you know where it is personally? A. No; I suppose it could be found. I think very likely either Gen. Babcock's counsel or the District Attorney at St. Louis has it.

Q. Were there any requests or communications with regard to the appointment of Mr. Ford's successor emanating from his sureties?

Objected to by counsel for the prosecution as immaterial, irrelevant, and incompetent.

A. When Gen. Babcock showed me that dispatch from John A. Joyce, I said to him that Mr. Ford having died very suddenly, and away from home, I should be guided largely in selecting his successor by the recommendations or wishes of his bondsmen; that I thought they were entitled at least to approve of the appointment of the man who would go in and settle up the affairs of his office.

Answer objected to by counsel for the prosecution on the ground that it is incompetent for the witness to state conversations between himself and the defendant of the nature given.

Q. What did you ultimately decide to do with reference to the appointment, and to whom, if to any one, did you decide to leave the naming of his successor?

Objected to by counsel for the prosecution, as irrelevant and incompetent.

A. That was answered in my answer to the previous question.

Q. Whom did the bondsmen actually recommend?

Objected to as incompetent and irrelevant.

A. Constantine Maguire.

Q. And on whose recommendation exclusively was he appointed?

A. I could not say on whose recommendation exclusively; he was well recommended and satisfactory to the bondsmen of Mr. Ford.

Answer objected to by counsel for the prosecution unless the recommendations, if in writing, are produced.

Q. Did Gen. Babcock ever in any way, directly or indirectly, urge or request, or seek to influence the appointment of Mr. Maguire, or did he ever exchange a word with you on the subject which indicated that he desired his appointment?

Objected to on the ground of irrelevancy and incompetency. The witness cannot state conversations between himself and defendant.

A. I do not think he ever did; I do not think he was aware of the existence of Constantine Maguire before his recommendation.

Q. Did you inform Gen. Babcock that you intended to leave the name of Ford's successor to his bondsmen, and did you request him to so notify these parties?

Objected to on the ground of irrelevancy and incompetency; the question is answered in a previous answer.

Q. It embraces, perhaps, this addition. Did you request him to notify the parties? Same objection as to previous question.

A. That part I don't remember; it was not expected or thought of that this would ever become a matter of investigation, and therefore my memory would not be accurate.

Q. Are the telegrams now shown you the ones received in relation to the appointment of Mr. Maguire?

Objected to as immaterial and incompetent, and because the papers do not purport to be originals.

A. I have no doubt that these are the dispatches or copies of the dispatches that I received, or if not, telegrams similar in tenor to those that were received.

The papers were marked exhibits Nos. 1, 2, 3, 4, and 5.

Q. There is a letter, Mr. President, connected with these telegrams dated Jan. 4, 1876, from D. O. Pratt, Commissioner. Will you be kind enough to explain how that letter was received by you, and what connection it had with the telegrams?

Objected to as immaterial, irrelevant, and incompetent.

A. The note from the Commissioner of Internal Revenue is in answer to a request for me to be furnished with telegrams recommending Maguire to the office of Collector.

Answer objected to by prosecution as incompetent and immaterial.

Q. Did Gen. Babcock, so far as you know, ever seek in any way to influence your action in reference to any charge made, or proposed to be made, against Joyce or McDonald, or either of them?

Objected to as incompetent, immaterial and irrelevant.

A. I do not remember of his ever speaking to me on the subject at all; he certainly took no lively interest in the matter, or I should have remembered it.

Q. Did Gen. Babcock, so far as you know, ever seek in any way to influence your action with reference to any investigation or alleged whisky frauds in St. Louis or elsewhere?

Objected to as immaterial, irrelevant and incompetent.

A. He did not; possibly I might state right here that I remember but one instance of his ever talking to me at all about the matter of investigations, except since he has been indicted, and then it was simply to say to me that he had asked Mr. Douglass why it was that they threatened all their officials as though they were dishonest persons by sending spies to watch them, and asking why they could not make inspections somewhat as they do in the Army—send a man of character to their distilleries, and take their books and make a report that could be relied on; I believe that he simply told me that he had said this to Mr. Douglass.

Answer objected to by prosecution as immaterial and incompetent in stating conversations between the accused and witness.

Q. Do you remember the circumstances of Gen. McDonald's being in the City of Washington on the 7th of December, 1874? A.—I do not remember the particular date; I remember the time in question.

Q. If I understand you correctly, Gen. Babcock's conception was that in making the investigation it would be wiser to have it done by men of superior character than by men of inferior and suspicious character?

Objected to by the prosecution as immaterial and irrelevant.

A. Yes.

Q. Did you ride with him on or about that date or occasion, and was anything said then by him to you with reference to the investigation of alleged frauds in his district?

Objected to by the prosecution as irrelevant and immaterial. Conversations between John McDonald and witness are not admissible in any theory of this case.

A. I did pick him up on the sidewalk as I was taking a drive, and invited him to get in and drive with me. I have no recollection of a single word of conversation on any matter touching his official position or business.

Q. Did Gen. Babcock, at or about that time, say anything to your knowledge; did he in any way undertake to prevent them?

Same objection as to previous question.

A. I have no recollection of his saying anything about that; he certainly did not intercede with me to prevent them.

Q. Do you remember the circumstances of the promulgation of *any* order transferring the various Supervisors from their own to other districts?

Same objection as to previous question.

A. I do.

Q. State fully with whom the idea upon which that order was based originated, and the particulars of the reasons which induced you to direct it. Same objection.

A. Some time while Mr. Richardson was Secretary of the Treasury—I think, at all events, before Mr. Bristow became Secretary of the Treasury. Mr. Douglass expressed the idea to me that it would be a good plan to occasionally change the Supervisors around from one district to another, and I expressed myself favorably to it, but it was not done then and not thought of any more, but when it became evident that the Treasury was being defrauded of a portion of the revenue that it should receive from the distillation of spirits in the West, Secretary Bristow called on me and made a general statement of his suspicions, and I then suggested to him this idea. On that suggestion the order making these transfers of Supervisors was made. At that time I did not understand that there was any suspicion at all of the officials but I know that each one of the officials had his own way of transacting his business; that these distillers have so much pecuniary interest in deceiving, the officials would learn their ways and learn how to evade them; and my idea was that by putting new Supervisors acquainted with their duties over them, their crooked ways would be detected. Those are the views I had and the reasons why I suggested the change.

Answer objected to by counsel for the prosecution as incompetent. The reasons why the order was made are not material.

Q. Can you state whether Mr. Douglass, at that time Commissioner of Internal Revenue, was aware of the fact that you had suggested or made the order?

Same objections as to previous question.

A. I do not know.

Q. So far as you personally know?

A. I do not know that he knew anything about it.

Q. After the order had been finally issued, were any efforts made to induce you to direct its revocation or suspension?

Same objection as to the previous question.

A. Most strenous efforts were made.

Q. Were such efforts made by prominent public men?

Same objection as to previous question.

A. They were.

Q. Did you resist the pressure that was made upon you for the revocation or suppression of the order, and if you finally decided to direct the revocation of that order, will you please state why you were induced to do so, and by whom?

Objected to as immaterial and irrelevant and incompetent.

A. I resisted the effort to have the order revoked until I became convinced that it should be revoked or suspended in the interest of detecting frauds that had already been committed; in a conversation with Supervisor Tutton he stated to me that if the object of that order was to detect frauds that had already been committed, he thought it would fail; he said this order went into effect on the 15th of February; this was in January when we were talking; that it gave the distillers who had been defrauding the Treasury nearly three weeks' notice to get their houses in order, and to be prepared to receive the new Supervisors; that the new Supervisors would probably go into the district where frauds might have been committed, and he would find everything in good order, and would so report; that the order might possibly and probably would result in stopping the frauds at least for a time, but would not lead to the detection of those that had already been committed; he said, if the order was revoked it would be looked upon as a triumph by those who had been defrauding the Treasury; it would throw them off their guard, and he could then send special agents of the Treasury out to these suspected distilleries; we could send good men, such as one he mentioned—Mr. Brooke; he said they could go out and not be known to the distillers, and before they would be aware of it, their ways would be discovered, the proofs would be all complete, and then they could seize their distilleries and them, and prosecute them; I was so convinced that his argument was good, and that it was in the interest of punishing frauds that this order should be suspended, that I told them I should suspend it immediately, without any further consultation with anybody; I gave the directions for the suspension of the order making the transfers; my recollection is that I wrote the directions for the order on a card with a pencil, certainly before leaving my office that afternoon and on that the order went to the Treasury, signed by one of my Secretaries.

Counsel for the prosecution objected to all conversations with Supervisor Tutton and to the statement of the contents of any written document.

Q. Did Gen. Babcock ever in any way, directly or indirectly, seem to influence your action in reference to that order?

Objected to by the prosecution as immaterial and irrelevant.

A. I do not think he ever did; I do not remember him ever speaking to me about it or exhibiting any interest in the matter.

Q. From anything that he ever said or did, did you know whether he desired that the order should be revoked or suspended?

Same objection as the previous question.

A. That, I think, is already full answered.

Q. Has Gen. Babcock, so far as you know, or any one for him, undertaken to prevent a full or any investigation of his alleged connection with what is known as the "Whisky Ring" at St. Louis or elsewhere?

Objected to by counsel for prosecution as irrelevant, as calling for the judgment of the witness, not for the *acts* of the accused.

A. To my knowledge he has not. General Babcock has complained very bitterly of his treatment after the speech of Mr. Henderson in the *Avery* trial was delivered.

Prosecution objects to any statements made by the accused to witness.

Q. Since his indictment, has any effort been made, to your knowledge to dismiss the indictment found against him, or to enter a *nolle prosequi*, or in any way interfere with or prevent his trial?

Same objection as to previous question.

A. No.

Q. Has Gen. Babcock, so far as you know, ever used any effort with yourself or with any one else to prevent the finding of indictments against any person suspected of complicity with the Whisky Ring at St. Louis?

Same objection as to the previous question.

A. No.

Q. Since the finding of these indictments against those persons, has Gen. Babcock, so far as you know, ever exhibited any desire to interfere with or prevent the trial, or exhibit any interest, any wish in that direction?

Objected to by the prosecution as incompetent and immaterial, and as calling for the judgment of the witness on the acts and conduct of the accused.

A. Not to my knowledge.

Q. At the time the Court of Inquiry was called at Gen. Babcock's request, was it not understood by yourself, and so far as you know by him, that no indictments would be found against him? If so, why did you so understand?

Objected to as immaterial, irrelevant, and incompetent.

A. No indictment had been found against him. I supposed none would be, because I understood from the Attorney General that the Grand Jury, which was then in session, would adjourn in a day or two. That was the only course left to him then, apparently, at the time he made the request.

Counsel for prosecution objects to statements or information derived from the Attorney General.

Q. Was not that court called because it was supposed that Gen. Babcock could have no other way of vindicating himself?

Objected to by the prosecution as leading and incompetent.

A. I so understood.

Q. Was it not called very soon after he was informed that he could not be heard as a witness in that case?

Objected to as immaterial and irrelevant.

A. I cannot say any further than his dispatch to the District Attorney asking to be heard.

Q. Do you know whether he was anxious to appear as a witness in that case?

Objected to as immaterial and irrelevant.

A. I cannot say any further than his dispatch to the District Attorney asking to be heard.

Q. Do you know whether he did send a dispatch to the District Attorney for the purpose of being a witness in that case?

Objected to by counsel for the prosecution as immaterial, and the dispatch should be produced.

A. I know he must have done so because I saw the answer which he received from the District Attorney.

Answer objected to, as the dispatch of the District Attorney should be produced as the best evidence.

Q. So far as you know, what was the substance of the answer of the District Attorney, Mr. Dyer, to the telegrams of Gen. Babcock, desiring to appear as a witness in the *Avery* case?

Objected to by the counsel for the prosecution as irrelevant, immaterial, and calling for secondary evidence.

A. He in substance, informed him that their would be no more criminal prosecutions till, I think, some time in the following month; I do not remember the date accurately.

Q. And I presume his desire could not be complied with? A.—It amounted to a statement that his desire could not be complied with.

Answer objected to by the counsel for the prosecution for the same reasons as applied to the question.

Q. Have you ever seen anything in the conduct of Gen. Babcock, or has he ever said anything to you which indicated to your mind that he was in any way interested or connected with the Whisky Ring at St. Louis or elsewhere?

Objected to by the counsel for the prosecution as immaterial, incompetent and calling for the judgment of the witness on the act of the defendant.

A. Never.

Q. In what manner, as regards the public interests and as evincing his fidelity and integrity, has he performed his duties as your private secretary? Same objection as to the previous question.

A. Always to my entire and full satisfaction.

Q. Have you in any form observed or learned anything in connection with Gen. Babcock's conduct which has tended to diminish your confidence in his fidelity and integrity, and is that confidence in his fidelity and integrity still unimpaired and undiminished?

Same objections as the next preceeding question.

A. I always had great confidence in his integrity and his efficiency, and as yet my confidence in him is unshaken; I have never learned anything that would shake that confidence; of course I know of this trial that is progressing.

Cross examination by Mr. Eaton—

Q. General, of course you do not suppose, do you, that while Gen. Babcock has been your private secretary, and in intimate and confidential relations with you, any one would voluntarily come to you with statements injurious to his reputation?

Objected to by counsel for defendant.

A. I do not know any such thing.

Q. Perhaps you are aware, General, that the Whisky Ring have persistently tried to fix the origin of that Ring in the necessity for funds to carry ont the political campaign. Did you ever have any intimation from Gen. Babcock or any one else, in any manner, directly or indirectly, that any funds for political purposes were being raised by any improper methods?

Question objected to by counsel for the defendant.

A. I never did; I have seen, since these trials, intimations of that sort in the newspapers, but never before.

Q. Then let me ask you if the prosecuting officers have not been entirely correct in repelling all insinuations that you ever tolerated any such means for raising funds?

Objected to by counsel for the defendant.

A. I was not aware that they attempted to repel any insinuations.

Q. Speaking of C. W. Ford, I presume, General, that your confidence in him continued up to the time of his death?

A. I never had a suspicion that anything was wrong.

Q. Did you regard his knowledge of men and affairs in St. Louis as trustworthy?

A. I had as much confidence in him that way as any man I knew in St. Louis.

Q. When did you cease to reside in St. Louis, General?

A. In May, 1860.

Q. From 1860 down to the time of Mr. Ford's death, Mr. Ford's residence was also in St. Louis?

A. Yes, sir.

Q. Did you have private correspondence with Mr. Ford during the time he was Collector?

Objected to by counsel for the defendant.

A. I did.

Q. Did you preserve the correspondence?

A. No, I never kept a copy of a letter that I sent to him in my life.

Q. Did you preserve letters that you received from him?

A. No, sir; I did not preserve those, we corresponded very regularly, because I had such confidence in him that I left him to conduct my own affairs there, and I had to be constantly sending him money; I would send a check of $500, $1,000 and $1,200 at a time, and he would pay out the money and account to me for it; my confidence in him was such that I did this without even saving the letters.

Counsel for the prosecution objects to the latter part of the answer as not responsive to the question.

Q. Do you remember a letter of Mr. Ford to yourself, dated May 30, 1870, in which he spoke of McDonald as "a bad egg," and as saying to you that he was a discredit to the Administration?

Objected to by counsel for the defendant.

WITNESS.—Was that before or after McDonald's appointment?

Mr. EATON. It was shortly after McDonald was appointed; very early in that year, if I recollect.

A. I have no recollection of such a letter; I have an indistinct recollection that when McDonald was first recommended for the position he told me, either in a letter or in a conversation, that McDonald would not do; my recollection is that finally he united with others in recommending McDonald; I have a general knowledge that about the time McDonald was being pressed for the appointment, Ford thought it was not a suitable appointment, but my recollection is that he afterward acquiesced in it, and possibly either joined in the recommendation, which was a written one, and will be on file in the Treasury Department, or else he told me in a conversation.

Q. Do you remember whether John A. Joyce was recommended to you as Ford's successor by Gen. Babcock?

A. He was not.

Q. Was anything said to you by Gen. Babcock between the time of the death of Ford and the appointment of Constantine Maguire touching Joyce's fitness for the place?

A. Babcock presented me a dispatch that he had received from Joyce, saying that he was an applicant or making application for it, I do not remember the wording of it; the substance of it was that he wanted to be Ford's successor; my reply to him was that I should be guided largely in selecting the successor of Mr. Ford by the recommendation of his bondsmen; he having died suddenly, unexpectedly, and away from home, I thought they were entitled to be at least consulted as to the successor who should settle up his accounts.

Q. Did you advise Gen. Babcock to telegraph to Joyce to get the bondsmen of Ford to recommend Joyce for collector?

A. I made the statement in substance that I have given in answer to a former question; whether I told him to do so by telegraph or not it would be impossible for me to say; that might be regarded at least as authority to so telegraph.

Q. Did you see any telegram of that character from Babcock to Joyce at that time?

A. I do not remember to have seen any.

Q. Did Gen. Babcock at that time show you a dispatch from Joyce in these words: "St. Louis, Oct. 28, 1873.—See dispatch to the President. We mean it. Mum. Signed Joyce"?

A. I don't think that my memory goes back to that time; since these prosecutions were commenced I have seen that.

Q. I am asking you in regard to that time?

A. I do not call it to memory.

Q. Did you receive a protest against the appointment of Constantine Maguire, signed by James K. Yeatman, Robert Campbell, and others?

Objected to by counsel for defendant.

A. I do not remember such a letter. If such a one was received, it is no doubt on file in the Treasury Department. Such a protest may have been received.

Q. Your purpose of leaving the nomination of Mr. Ford's successor to his bondsmen was because they were liable on his bond for the administration of his office, was it not?

A. Yes, Sir. Further than that, some of them were men that I know very well, and had great confidence in.

Q. Speaking of Ford's objection to McDonald, were you aware that in the matter of education, McDonald, when he was appointed, was an ignorant man, barely able to write his name?

Objected to by counsel for the defendant.

A. I was aware that he was not an educated man, but he was a man that had seen a great deal of the world and of people, and I would not call him ignorant exactly, he was illiterate.

Q. Did you receive a protest against McDonald's appointment, signed by Carl Schurz, G. A. Finkeinburg, R. T. Van Horn, and other men in Missouri?

Objected to by counsel for defendant.

A. I do not remember it. I may have done so; I do not know that it would have had any particular weight with me if I had received it, his indorsements being good.

Q. Was not that objection based on the ground of his entire unfitness for the place.

A. I do not remember if it was received; it is no doubt a matter of record, and can be obtained.

Q. Did you ever see the paper now shown you? If so, state in whose handwriting it is.

Counsel for defendant objects to any examination in regard to this paper.

A. As to the handwriting, I do not pretend to be an expert; I have had a great many letters from Mr. Ford; that looks like his signature; I do not remember to have ever seen that before, and I do not think I ever did.

Q. Do you know the other signatures to the paper?

A. No. I know all the parties, but I do not know their signatures.

The paper referred to was marked exhibit No. 6.

Q. Did you see at or about the time of its date the affidavits now shown you, made by James Marr, taken from the files of the Treasury Department? [a copy of which, marked Exhibit No. 7, is annexed.]

Objected to by defendant's counsel.

A. If I ever did see that paper it has passed entirely from my memory, and I think it would be impossible that such a document as that could be read by me and I not remember it.

Q. Do you remember at this distance of time on whose recommendation Mr. Joyce was appointed?

A. My recollection is that when McDonald was appointed Supervisor he asked the Commissioner of Internal Revenue to give him an assistant from his office—some one who was acquainted with the duties; I think there was no acquaintance existing at all between Joyce and McDonald at that time; that is my recollection; I never had heard of Joyce myself, and did not know of the existence of such a man until he was appointed on the recommendation, as I understand, of the then Commissioner, who thought him to be the most capable man in his office; I did not remember about these dispatches at all until since the conspiracy trials have commenced; I have heard Gen. Babcock's explanation of most or all of them since that; many of these dispatches may have been shown to me at the time and explained, but I do not remember it.

Q. Did you know at the time that during the Fall of 1875, subsequent to your visit to St. Louis, Gen. Babcock corresponded with John McDonald after the latter was indicted, and sent his letter to McDonald under cover to Major E. B. Grimes?

Objected to by defendant's counsel.

A. No; I was not aware of it at the time.

Q. Did you know at the time that Gen. Babcock sent cipher dispatches to Major Luckey, at St. Louis, over his own and over a fictitious signature, on the 17th or 18th of last November?

A. I do not remember as to particular dates, but we have an Executive Mansion cipher, so that when myself and Secretaries are separated, dispatches can be sent without being read by the operators. We always have had such a cipher. I have no particular knowledge, but I know in a general way that they were corresponding while Mr. Luckey was there during the Avery trial, he having gone there, as I understood, as a witness.

Q. Did you see the dispatches before they were sent?

A. I do not think I saw the dispatches.

Q. Have you any objections to stating the meaning in that cipher of two words only—the words "Hamlet" and "Bandage"?

A. I never keep the cipher, and I never wrote a cipher dispatch; I never travel without having a Secretary with me.

Q. You do not know what these words mean?

A. I do not know; when I want to send a dispatch in ciper, I give it to one of my Secretaries in the ordinary form, and he transmits it.

Q. On or about Dec. 5, 1873, did Gen. Babcock show you a dispatch from Joyce to himself in these words, "Is there any hitch in sending Maguire's name to the Senate? Joyce"?

A. I cannot remember particularly; I think, however, Gen. Babcock did ask me if there was any reason why Maguire's name should not be sent; I have an indistinct recollection of his asking me the question.

Q. You have said that you resisted the pressure brought to bear upon you by prominent public men in regard to the suspension or revocation of the order transferring Supervisors; if you have no objection, will you please state the names of these prominent men who brought that pressure to bear upon you.

A. There were many persons, and I think I could give the names of several Senators and probably members of Congress, but probably I should have to refer to papers that are on file; I do not know that it is material. I know that the pressure was continual from the Supervisors and their friends.

Q. Can you from memory name any Senators or Representatives?

A. I could name two or three, but I do not believe that it is necessary.

Mr. EATON. I will not press it then. Will you please to state whether Gen. Babcock showed you, on or about the time of its date, a dispatch to him in these words: "St. Louis, Feb. 3, 1875. Gen. O. E. Babcock, Executive Mansion, Washington, D.C. We have official information that the enemy weakens. Push things. Sylph?"

A. I do not remember of ever seeing that dispatch until since those prosecutions have commenced.

Q. Did you know that Gen. Babcock was at that time in correspondence with Joyce about the transfer of Supervisors?

A. I know that he received frequent letters from Joyce, for I saw a number of them myself, and those I did see were generally as to what he was doing in the way of writing editorials for the different papers, and inclosing editorials which he would say in his letters he had written, and asking how he liked the tone of them, and so on; I recollect him saying in one letter, that some papers in the State of Missouri, and perhaps in Arkansas—at different points, at all events—were willing to publish as editorial matter what he would write for them.

Answer objected to by counsel for the prosecution as going beyond the scope of the question.

Q. Did you have any conversation with Gen. Babcock prior to May, 1875, in reference to a letter written by J. J. Brooke to Deputy Commissioner Rogers?

Objected to by counsel for the defendant.

A. I do not remember dates, but I remember of his showing me a letter that had been handed him from somebody in Philadelphia to Mr. Rogers, and he said that it appeared in his judgment to be simply blackmailing, and I think that was the occasion on which he told me what he had stated to Mr. Douglass; that is as I remember now.

Q. Do you remember that Gen. Babcock, prior to May, 1875, talked with you about the propriety of sending detectives into the several districts to detect frauds?

A. I do not; I remember of his telling me at one time of what he had proposed to Mr. Douglass, but the date of it I do not remember, and that was not a suggestion to me; it was merely what he had suggested to Mr. Douglass, and this is the same that I have before stated.

Q. Do you remember when that conversation was?

A. No I do not; my recollection is that he had shown that letter to Mr. Douglass before he had to me, and that was the occasion when he told me of his suggestion.

Q. Did Gen. Babcock, about the time of its date, show you a dispatch in these words:

"St. Louis, Oct. 27, 1874. Gen. O. E. Babcock, Executive Mansion, Washington, D.C.:

Have you talked with D.? Are things right? How? J."

Objected to by defendant's counsel.

A. I do not remember anything about it.

Q. Did Gen. Babcock at or about the time of its date show you a dispatch in the following words: "St. Louis, April 23, 1875, Gen. O. E. Babcock, Executive Mansion, Washington, D.C.:

Tell Mack to see Parker, of Colorado, and telegram to Commissioner, Crush out St. Louis enemies. GRIT."

Objected to by counsel for defendant.

Q. Did Gen. Babcock at any time tell you he had endeavored to influence Commissioner Douglass to revoke that order?

A. No.

Q. Since you say that Gen. Babcock has not manifested to you any desire to interfere with or prevent the trial of the indictments against himself and others, will you be so good as to state whether any of his friends, for him, have at any time since these indictments were found endeavored to prevent the trial of the indictments against him or any other of the indicted parties, and if so please state who have made such efforts?

A. They have not, with me.

Q. Will you please state why the order for the Court of Inquiry in Gen. Babcock's case was made before the adjournment of the Grand Jury which found the indictment against him, if you know?

A. It was made because he applied for it, and I thought he was clearly entitled to vindicate himself if he was innocent. He had been denied that opportunity before the Grand Jury.

Q. Did Gen. Babcock show you a telegram from District Attorney Dyer saying that the next conspiracy case would be tried on Dec. 15, 1875?

A. He did. I do not remember about the dates particularly.

Q. Now, I suppose, Mr. President, that the substance of your testimony is, what we all know to be true, that, if there has been any misconduct on the part of Gen. Babcock, it has not come to your knowledge?

A. Yes, Sir; that is true.

Q. You do not know, of course, do you, whether Mr. Douglass suggested to Secretary Bristow the same thing about the transfer of Supervisors which, you say, he originally suggested to you?

A. I do not know anything about it, except from the Secretary himself.

Q. Do you recollect that Supervisor Tutton was ordered from Philadelphia to St. Louis under this order for transfer?

A. That is my recollection, that he was ordered to St. Louis.

Q. You say that Gen. Babcock has made no efforts with you to avoid a trial, but you do not know of your own knowledge, of course, whether he has made an efforts with others?

A. I do not.

Re-direct examination by Mr. Cook [handing a copy of a telegram to the witness]—I wish you would state what you know in relation to that.

A. The dispatch seems to be: "Washington, Oct. 27—To William H. Denton, William McKea and John M. Krum. Your request in regard to the Collectorship will be complied with U.S. Grant." These gentlemen are a part of the bondsmen of Ford, and they have recommended Constantine Maguire for Ford's place as Collector.

Q. The original of that is, I believe, in your writing?

A. Yes, Sir; I wrote that. I saw the original this morning.

The copy of the telegram above referred to is attached, and marked "Exhibit No. 8."

Objected to by counsel for the prosecution on the ground of incompetency, irrelevancy, and immateriality.

Q. What was the character of the correspondence between Mr. Joyce and Gen. Babcock as exhibited to you?

Objected to as incompetent and calling for secondary evidence, and being as a whole irrelevant to the issues of the case.

A. My answer to that is the same as has been given and objected to.

Q. What was the general character of the explanation of the dispatches to which your attention has been directed, as given you by Gen. Babcock?

Objected to by the counsel for the prosecution on the ground that it is irrelevant and immaterial, and that the declarations of the accused as to the dispatches referred to cannot be used as evidence in his favor.

A. The explanations which he gave seemed to me to clear up all grounds of suspicion against him.

Q. What was the general character of these explanations? Same objection as to previous question.

A. It was generally a statement of their meaning and what they were in response to, but I could not probably give at this time his explanation of any one of them.

Q. But the explanations at the time were such as to satisfy you?

Same objection as to previous questions.

A. They seemed to me to be entirely satisfactory.

U. S. GRANT.

After reading the deposition, Mr. Storrs offered the recommendations in favor of the appointment of Gen. McDonald as Supervisor of this district, but the court ruled them out, and the defense closed their case. The court then adjourned.

ITEM 11

[From the New York Times, Feb. 18, 1876]

The President's deposition in the case of Gen. Babcock, which is now published in full, contains very few facts which can be used with much effect on either side of the case. Its general tenor is that the President had unbounded confidence in his private secretary; that he has seen no good reason to suppose that his confidence was misplaced; that Gen. Babcock did not show any special desire to influence his action in regard to the revenue officers at St. Louis; that the order transferring the Supervisors was revoked on perfectly defensible grounds, without respect to any outside pressure, and that satisfactory explanations have been made by Gen. Babcock of the mysterious telegrams which form the chief part of the evidence against him. To all of which, of course, the prosecution may reply that the President was grossly mistaken about the character of his intimate friend, the deceased Collector Ford, and that he may have been equally so in regard to his trusted secretary, Gen. Babcock. As evidence, a large portion of the testimony is obviously irrelevant, and a good deal of it has been stricken out by the court. What will go on the record is likely to rank mainly as evidence to character.

ITEM 12

[From the Washington Evening Star, Feb. 19, 1876]

THE BABCOCK TRIAL: THE CLOSING ARGUMENTS

ST. LOUIS, FEB. 19.—The closing arguments in the Babcock trial were commenced this morning in the U.S. circuit court, by James P. Broadhead, of the special counsel for the government. The court room was crowded, and the outer doors were kept locked all the morning. After speaking of the attention which the jury had given during the ten days of the trial preceding, and his belief that the jurors meant to do their duty, Col. Broadhead said: The government I represent is not the Congress, the President, or the judiciary, but it is the law of the land. The strict enforcement of the law is vital to national existence. It is for you simply to inquire if the law has been violated by this defendant, and if it has it is for you to take cognizance of it, and the punishment is in your hands. The grand jury found an indictment against this man, but you are to pass on the evidence submitted to you, and if you believe that the defendant is guilty you are not to be influenced by his former good character. Men as good as he have fallen before temptation, and a conspiracy may exist by solemn agreement or by a tacit understanding, and one who connives at the purpose of a guilty combination or if he shields it, is himself guilty in the eye of the law.

ITEM 13

(From pp. 794–803, "Hamilton Fish, The Inner History of the Grant Administration" by Allan Nevins (Dodd, Mead & Company, New York 1936))

Babcock's trial opened in St. Louis On February 8, 1876. What scenes occurred in the White House before he left it we do not know. But we do know some of the steps taken there to protect him.

On February 1 the Chicago *Times* published a circular letter which Attorney-General Pierrepont had written the Federal Attorneys in St. Louis, Chicago, and Milwaukee forbidding them to promise immunity to criminals who turned state's evidence. This letter, dated January 26, had obviously been extorted by Grant's pressure. Pierrepont later testified as much, saying that Grant had asked for it four or five times, and had wished it "even stronger." It was immediately republished throughout the land. Pierrepont wrote that he had read reports that immunity would be widely bestowed; and that the attorneys must not do "anything that might look like favoring or even protecting men who have defrauded the government." He ordered them to avoid "even the appearance of such favorable treatment," and ended by stating that he was determined to see "that no one has been maliciously persecuted; that no one has escaped through favoritism or partiality, and that no guilty person who has either been convicted or has confessed his guilt was left unpunished." As the House Judiciary Committee later pointed out, this was highly censurable. "The testimony of accomplices," the Committee stated, "has been used against their associates from the earliest ages of our jurisprudence." Indeed, it has often been the principal weapon of justice. We have seen that once before (page 592) Pierrepont had shown willingness to shield a criminal. Fish learned later that his promise not to let the proposed military court interfere with civil prosecution in St. Louis had meant nothing. After making it, he had telegraphed Attorney Dyer ordering him to furnish the military tribunal with all the evidence against Babcock. Dyer had read Pierrepont a stinging lesson. He replied that evidence procured by a Federal court in St. Louis could not be taken out of its jurisdiction and delivered in time of peace to military officers, especially when daily use was being made of it in grand jury work and the trial of cases. He would be held in contempt of court if he did this.

Pierrepont's circular would have been bad enough if never published. But Babcock—according to Pierrepont's subsequent testimony—filched a copy, which he sent to his counsel, Emory Storrs, and Storrs saw that it was spread in the press. It appeared at a critical moment in the progress of the Chicago prosecutions. Some fifty distillers, rectifiers, gaugers, storekeepers, and others had been indicted in that city. A number of the distillers were rich men, of business and social standing. The Chicago correspondent of the New York *Herald* had predicted on January 5 that they would all plead guilty, and sentence would be suspended on motion of the government. This would be proper for three reasons. First, the conviction of the guiltiest men, the political originators of the Ring, could not be obtained without their evidence. In the second place, most of the distillers and rectifiers had been literally driven into fraud by competition, intimidation, and the general laxity of the revenue service. In the third place, the government meant to insist upon forfeiture of the seized property, and felt that it would be cruel to send these once-honored men to the penitentiary as well. They felt disgrace keenly, while forfeiture would mean utter ruin to some. Much was expected from their evidence. Although no letters had been found signed by Babcock, a number had been discovered from an unidentified Washington official who had been the special informant of the Chicago Ring and whose papers disclosed him as "a person of great commanding influence." On January 14 thirteen distillers did plead guilty in Chicago. It was hoped that one man in especial, Hesing, would implicate Senator Logan and two Congressmen in approving the acceptance of political contributions from the Ring. But Pierrepont's circular smashed all such hopes.[1]

The circular had an immediate effect in St. Louis. Charles Nordhoff, one of the fairest journalists of the day, wrote: "About the time when this letter was sent . . . it became public that one Everest, concerned in the St. Louis Whiskey Frauds, was likely to give important testimony in General Babcock's trial." Everest, paymaster of the Ring, actually gave only minor evidence. In fact, all the conspirators who might have turned states' evidence became silence itself. Babcock could draw an easier breath as his trial opened.

It was unquestionably at Babcock's instigation that Grant thus crippled the prosecution. But no one can doubt that the President knew precisely what he was doing. Were it not for a significant entry in Fish's diary, it might be pleaded that he had acted in ignorance of court procedure and law. But Fish records that on March 17, 1876, Zach Chandler reported to the Cabinet that he had discovered extensive frauds in the Interior Department as Delano had been running it. Corrupt clerks had been padding the lists of persons entitled to quarter-section grants under some legislation of 1872, and about eight hundred fraudulent entries of land had thus been permitted. One minor official had confessed, while the Chief Clerk of the Bureau involved was obviously guilty either of dishonesty or gross neglect. "The President," writes Fish, "directs every effort to be made to obtain evidence, and protection for the Clerk from prosecution to the extent of the law if he can furnish evidence which will convict persons more guilty than himself." In other words, Grant was quick to order immunity promised to an officer in the Interior Department if he would incriminate other men; he was equally quick to stop the grant of immunity to far less censurable malefactors when to do so endangered his own secretary.

In still another way official interference had already been felt in St. Louis. Prompted by someone high in the government, George Bliss, Pierrepont's successor as Federal Attorney in New York, sent west a deputy, Roger Sherman, ostensibly to find evidence for the government. Bliss was what the *Nation* called a bouffe official; he always failed the government and let the rogues somehow win. Fish believed that the breakdown of the case against James Watson Webb was due to his inefficiency or worse. Informed observers were therefore not surprised when Sherman obtained evidence in disreputable quarters for the defendant, which he turned over to Babcock himself! "In bouffe prosecutions," wrote Godkin,[2] "the government always collects the evidence and hands it over to the defendant." It is perhaps significant that Bliss belonged to the Conkling-Arthur-Tom Murphy machine, and that Pierrepont had become a supporter of Conkling for the presidential nomination in 1876. Leaders of this machine were not averse to seeing Secretary Bristow, who was also mentioned for the nomination, checked and humiliated.

On the first day of Babcock's trial, the prosecution introduced telegrams to prove that he had been in constant communication with Ring members; it proved his clandestine intercourse with McDonald after the latter's indictment; and the Ring paymaster, Everest, went so far as to swear that he had seen $500 put into an envelop apparently for Babcock. The President that day called a special Cabinet meeting. Fish observed that he was worried and excited. He announced that he wished the Cabinet to discuss urgent messages from Babcock's counsel in St. Louis, Dubious of the outcome, they had implored Grant by telegram and letter to appear as witness. While the Cabinet sat another telegram arrived. It declared that the opening speech of the prosecution indicated an absolute necessity for Grant's testimony.

"The President," writes Fish,[3] "manifested a great deal of excitement, and complained that they had taken from him his secretaries and clerks, his messengers and doorkeepers; that the prosecution was aimed at himself, and they were putting him on trial; that he was as confident as he lived of Babcock's innocence. (He referred to his long association with him, the entire confidence he had in him, and that he knew he was not guilty; and that were he guilty, it would be an instance of the greatest ingratitude and trickery that ever was.)" Grant added that he had wished to give the Chief Justice a deposition in behalf of Babcock, but that the telegrams from Babcock's counsel indicated that this might not suffice. He therefore made an astounding proposal. "The President expressed his determination to go to St. Louis, to start either this evening or tomorrow morning, and said he should like to take at least two members of the Cabinet with him; and enquired of the Attorney-General whether he would accompany him."

For the President of the United States to rush halfway across the continent and enter a criminal court as witness would shock the nation. Fish protested indignantly. He brought out the fact that no subpoena can be served on the President. "I then remarked," he writes, "that should the President go, it would be a voluntary offering of himself as a witness for the defense in a criminal prosecution instituted by the government, of which the President is the representative and embodiment; that it would therefore place him in the attitude of volunteering as a witness to defeat the prosecution, which the law made it his duty to enforce."

Pierrepont and Butler supported Fish's view. The former called attention to the impending national election, which brought every act of the Administration under sharp scrutiny. So unprecedented a step by the Chief Magistrate would encounter acid criticism. Bristow frankly said that he thought the proposed action undignified and improper. Belknap was silent. Robeson alone favored Grant's plan. He even suggested that the Attorney-General might request the court to subpoena the President; to which Pierrepont tartly replied that as by law he was the prosecuting officer, it was not for him to have special witnesses summoned for the defence. Nevertheless, Grant was still eager to take the stand. He suggested that Robeson might take steps to have the court postpone the case, with a view to the President's subsequent appearance. But Pierrepont and Bristow again objected, while Fish attacked the President's idea in sweeping terms: [4]

"I objected to the form of suggestion proposed, inasmuch as it intimated that the President might at a future time attend in case the case was postponed to another time; that I did not think the President of the United States should in any case allow himself to be brought into court as a witness, and put on the stand to testify. I refer to the trial of Aaron Burr, when an effort was made to bring Mr. Jefferson into court as a witness.

"The Cabinet was unanimous in the opinion that the President ought not to leave Washington during the session to be made a witness of, and there was no dissent expressed to the position which I took, that he ought not, under any circumstances, to consent to appear in court as a witness.

"Various suggestions were made as to the mode of conveying the conclusion that the President would not appear as a witness. . . . While the discussion was going on, the President wrote in pencil what he suggested as an answer at first, with a view of sending it to the counsel for the defense, but this was objected to, on the ground that the government could not advise the line of the defense; some of the expressions were excepted to, and a part of it was rewritten by him."

During the talk Grant sheepishly admitted that he had told Babcock's lawyers, before they went to St. Louis, that he would appear in the trial! Babcock had doubtless extracted this promise. The Cabinet finally agreed that Pierrepont should inform the defense that it was "impossible and unseemly" for the President to attend, but that if the court requested it he would make a deposition. The defense attorneys (upon whom Babcock was said to have spent $25,000, at first retaining Ben Butler) acted on this suggestion. Grant made his deposition in the White House on February 12, the process occupying about five hours. Chief Justice Waite served as notary, and Bristow and Pierrepont were present. The President made a good witness, answering questions without hesitation, and giving emphatic testimony for Babcock's good character.

II

As the case against Babcock proceeded, additional evidence of a damaging character was produced. It was proved that when on several occasions the Ring was trying to prevent Federal investigations, he had furnished the members material assistance. In the spring of 1874 Joyce had telegraphed him from St. Louis to "Make D[ouglass] call off his scandal hounds." Early in 1875 when the Ring was opposing a Presidential order transferring supervisors and revenue agents, Babcock was again active and Joyce telegraphed him: "We have official information that the enemy weakens. Push things." It was proved that Babcock had helped to obtain a Collectorship for a leading Ring member, Maguire. As these facts came out, his counsel fought to have every possible scrap of evidence kept from the jury. It was shown that he had tried to delay the trial. He neither produced nor explained his side of the correspondence with McDonald and Joyce in 1874–75. His lawyers failed to offer any rational explanation of his numerous suspicious messages to Ring members.[5] At one point Judge Dillon intervened on his behalf. Some strange cipher dispatches had passed between Luckey (another of Grant's secretaries) in St. Louis and Babcock in Washington just before the trial began. The prosecution was prepared to submit them. But the court ruled that this correspondence was tantamount to that between counsel and client, and was inadmissible.

Yet even as the injurious new evidence came out Grant's suspicion and resentment increased. Talking with Fish on February 15, he indulged in a new outburst.[6] The prosecution was aimed at himself, he said, not at

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Footnotes at end of article.

Babcock. Bristow, possessed by the idea of his complicity in the frauds, was using every means in his power to destroy him. He had been watched by detectives while in St. Louis; these detectives were still trying to collect evidence that Ring members had paid his travelling expenses. All sorts of small devices were being employed to hold him up to public condemnation. He did not blame Bristow personally so much as a pack of flatterers who hoped to see the Secretary become President, and who were egging him on in his schemes. Grant spoke with equal resentment of Bluford Wilson. His hand was helping to control these intrigues against the President. Though the law gave the Attorney-General exclusive authority over Federal prosecutions, Bristow and Wilson in the Treasury had taken charge of these trials.

"I understand," said Fish, "that the law vests the control of suits for the violation of internal revenue laws in the Treasury Department."

"No," said Grant, "the Attorney-General and I have examined the law, and the Attorney-General has full control over suits. The Babcock trial will soon be over, and as soon as it is, Secretary Bristow will leave the Cabinet."

Fish knew that an attack along a broad front was now being made upon the prosecuting officers. Washington was full of outraged politicians growling, "It is time to stop this thing": "It is killing the party sir"; "There is a higher kind of statesmanship than going about with spies and informers, sir." One sector of the attack lay in efforts to take any connection with the whiskey cases out of the hands of the inflexible Bristow and implacable Wilson, and put them entirely in the hands of the pliable Pierrepont. An Act of 1869 clearly vested the control of such prosecutions in the Secretary of the Treasury. But the President was urged to interfere in spite of this law, and to insist that Bristow keep his hand off. Pierrepont, as the above dialogue indicates, was willing to support this interference. As a result of these manoeuvres a marked coolness sprang up between Bristow and Pierrepont. Another sector of the attack concentrated its fire upon Bluford Wilson. A host of politicians were demanding his outright dismissal. They included Senators who were particularly close to Grant. In Illinois Logan was connected by rumor with the Whiskey Ring, and in Wisconsin Matt Carpenter—two Senators whom Fish disliked for their soft-money, pro-Cuban, bloody-shirt proclivities; much evidence existed that their political organizations had received contributions from Ring sources. They were doubtless keenly interested in getting rid of Bluford Wilson.

Still a third sector, the most alarming of all, was busily occupied with efforts to promote a general Cabinet overturn. If Bristow, Jewell, and Fish could be compelled to resign in a body, many politicians would be jubilant. Some, as Nordhoff wrote, would like to see such an overturn because it would defeat and humiliate the reformers; others, because it would give jobs to themselves or their friends. Why tolerate such men when the example of Hoar and Cox showed how easily they could be ousted?

Fish knew, too, how innocent Bristow was of any wrongful intent, and how keen was his sense of duty. Only a few days earlier the Secretary, who regarded Fish as a kindly mentor, had poured into his ear a confidential lament upon his relations with Grant.[7] He wished to be loyal to the President, he said, and keep his confidence. But Grant was more and more openly hostile. Bristow assured Fish that he had merely assisted with the whiskey prosecutions—he had not tried to control them. Despite his rights under the law of 1869, he had given no orders to Attorney Dyer, but had allowed Pierrepont to direct the cases. He observed with grief that the President's manner was cold, distrustful, and offensive. When Grant talked with him he indulged in cutting thrusts and insinuations. After referring dejectedly to the crippling effect of Pierrepont's circular upon the prosecutions, Bristow went on to say that he was not an active candidate for the Presidency—that he did not see how he could afford financially to take the office so early in life. He spoke again, while Fish protested, of resigning:

"He asks my advice. Remarking on the delicacy of advising in such matters, I expressed the hope that he will not resign; that assuming that his name is to go before the convention as a candidate for the nomination, his resigning at this time . . . would at once be accepted by the public as admission of disagreements between him and the President, and would make him the rallying-point for all those in the Republican Party hostile to the President, which would at once lead to the distraction of the party, and possibly to the nomination of himself on an independent ticket, but would, I thought, defeat his chances of nomination as the regular candidate of the party. . . .

"He reminded me that last summer he had proposed to resign, and that in September he went to Long Branch, having his resignation in his pocket, and had handed it to the President, who had told him that he did not wish to accept it, that he was throwing away a great opportunity, that he was more likely than any one person to be named as his successor, and that there was no one whom he would prefer, and he begged him to take back his resignation, which he did; and that the President added that he would be in Washington about October 1, when they would consider the subject again, if necessary; that the President did not return until some weeks after the time named, and that nothing further had been done on the subject. . . .

"I endeavored to soothe him, and suggested that the President at this moment was naturally sensitive with regard to the pending frauds, and that his friendship for Babcock was very sincere, and his confidence in him was very great; that he naturally disbelieved the charges against him, and possibly also felt that the prosecution of persons who were appointees of his reflected upon the Administration.

"I advised him to wait and take no action. . . ."

Babcock's trial ended February 24 in acquittal. A decisive influence had been produced upon the jury by Grant's disposition. The President swore that he had never noted anything in his secretary's conduct or talk which indicated a connection with the Ring, and that in view of their close relations he believed that if Babcock had been guilty he would have known it. After his emphatic statement, a vote to convict Babcock would have been a vote to accuse Grant of complicity or incredible blindness. But the evidence against him in any event lacked conclusiveness. Most men who studied it were morally convinced of his guilt, but full legal proof was wanting. Organs like the *Tribune*, *Nation*, and Springfield *Republican* were content to see him escape the penitentiary, but they were convinced that his resignation from the public service and the Army ought to be instantly demanded.

Although Grant's eyes were at last partially unsealed to Babcock's true character, it was impossible for him ever to give up completely a prejudice either for or against a man. He now behaved with the most unworthy indecision. The day after the acquittal he announced that he intended to make his son, U. S. Grant Jr. private secretary.[8] "He said it was hard on his son, as it would put him back a year, but he was compelled to have someone whom he could absolutely trust to open letters, and if he did that he could do nothing else." But two days later Babcock boldly returned—and Grant let him resume his desk in the executive office. On February 29 Fish called at the White House, stalked grimly past Babcock, and bearding Grant, protested in outspoken terms. "Yes," said the abashed Grant,[9] "but Babcock is there only temporarily. An article in the New York *Tribune* the other day stated that he was to be ejected. When I saw that I allowed him to take a message to the Senate; but it will not occur again." On March 1 Babock was still in the office. Grant called that afternoon on Fish, who lifted his eyes inquiringly:

"The President said [writes Fish] he would resign today, and that he had appointed his son as his private secretary, and there was no place for Babcock in the office; that he had promised his resignation today, and the President had waited a half hour before coming to see me for it, but it had not come.

"I told him he had nothing to resign. After a moment's pause he smiled and said, 'That's true, he's only got to stay away.' "

That was Babcock's last day in the White House. But he temporarily retained his place as Superintendent of Public Buildings and Grounds; Grant presently appointed him Inspector of Lighthouses; and he saw the President occasionally. In April he was indicted upon the safe-burglary charges, and Shepherd went bail for him. But there was no sign of a movement in the army to force his resignation.

FOOTNOTES

[1] See N.Y. *Herald*, January 5–15, for a mass of material on the Chicago Ring.

[2] *Nation*, March 2, 1876; cf. N.Y. *Herald*, February 18, 1876.

[3] Diary, February 8, 1876.

[4] *Ibid.*

[5] See *Nation*, March 2, 1876, for a careful analysis.

[6] Special memorandum by Fish, dated March 6, 1876; Fish Papers.

[7] Diary, February 6, 1876.

[8] Diary, February 25, 1876.

[9] Diary, March 1, 1876; these passages explode the fictitious account in Coolidge, *Grant*, 485.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DISTRICT OF COLUMBIA CHARTER ACT

The PRESIDING OFFICER. Under the previous order, the unfinished business will be temporarily laid aside and the Senate will proceed to the consideration of S. 1435, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (S. 1435) to provide for an elected Mayor and City Council for the District of Columbia, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment, to strike out all after the enacting clause and insert:

That, subject to the retention by Congress of the ultimate legislative authority over the Nation's Capital which is granted by the Constitution, it is the intent of Congress to restore to the inhabitants of the District of Columbia the powers of local self-government which are a basic privilege of all American citizens; to reaffirm through such action the confidence of the American people in the strengthened validity of principles of local self-government by the elective process; to promote among the inhabitants of the District the sense of responsibility for the development and well-being of their community which will result from the enjoyment of such powers of self-government; to provide for the more effective participation in the development of the District and in the solution of its local problems by those persons who are most closely concerned; and to relieve the National Legislature of the burden of legislating upon purely local District matters. It is the further intention of Congress to exercise its retained ultimate legislative authorty over the District only insofar as such action shall be necessary or desirable in the interest of the Nation.

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TITLE I—DEFINITIONS

DEFINITIONS

SEC. 101. For the purposes of this Act—

(1) The term "District" means the District of Columbia.

(2) The terms "District Council" and "Council" mean the Council of the District of Columbia provided for by title III.

(3) The term "District of Columbia Council" means the Council of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.

(4) The term "Chairman" means, unless otherwise indicated in this Act, the Chairman of the District Council provided for by title III.

(5) The term "Mayor" means the Mayor provided for by title IV.

(6) The term "qualified voter", except as otherwise specifically provided, shall have the same meaning as that provided for a "qualified elector" under paragraph (2) of section 2 of the District of Columbia Election Act.

(7) The term "act" includes any legislation adopted by the District Council (including legislation pursuant to section 503 of this Act), except where the term "Act" is used to refer to this Act or other Acts of Congress herein specified.

(8) The term "District of Columbia Election Act" means the Act of August 12, 1955 (69 Stat. 699), as amended.

(9) The term "person" includes an individual, partnership, association, joint-stock company, trust, or corporation.

(10) The term "capital project", or "project", means (a) any physical public betterment or improvement and any preliminary studies and surveys relative thereto; (b) the acquisition of property of a permanent nature; or (c) the purchase of equipment for any public betterment or improvement when first erected or acquired.

(11) The term "pending", when applied to any capital project, means authorized but not yet completed.

(12) The term "District revenues", as used in title VI, means all revenues derived from taxes, fees, charges, and miscellaneous receipts (including all annual Federal payments to the District authorized by law), but such term does not include revenues derived from the Water Fund, Highway Fund, other special funds, or from the Federal grant-in-aid program.

(13) The term "election", unless the context otherwise indicates, means an election held pursuant to the provisions of this Act.

(14) The term "domicile" means that place where a person has his true, fixed, and permanent home and to which, when he is absent, he has the intention of returning.

(15) The terms "publish" and "publication", unless otherwise specifically provided herein, mean publication in a newspaper of general circulation in the District.

(16) The term "municipal courts of the District of Columbia" means the Superior Court of the District of Columbia, the District of Columbia Court of Appeals, and such other municipal courts as the District Council may hereafter establish by act.

(17) The term "annual budget" means the entire budget for all activities of the government of the District of Columbia as heretofore submitted to the Congress by the President of the United States and shall include both operating and capital outlay expenditures.

TITLE II—STATUS OF THE DISTRICT

SEC. 201. (a) All of the territory constituting the permanent seat of the Government of the United States shall continue to be designated as the District of Columbia. The District of Columbia shall remain and continue a body corporate, as provided in section 2 of the Revised Statutes relating to said District. Said Corporation shall continue to be charged with all the duties, obligations, responsibilities, and liabilities, and to be vested with all of the powers, rights, privileges, immunities, and assets, respectively, imposed upon and vested in said Corporation or the Commissioner of the District of Columbia.

(b) No law or regulation which is in force on the effective date of part 2, title III, of this Act shall be deemed amended or repealed by this Act except to the extent specifically provided herein or to the extent that such law or regulation is inconsistent with this Act, but any such law or regulation may be amended or repealed by legislation or regulation as authorized in this Act, or by Act of Congress.

(c) Nothing contained in this section shall affect the boundary line between the District of Columbia and the Commonwealth of Virginia as the same was established or may be subsequently established under the provisions of title I of the Act of October 31, 1945 (59 Stat. 552).

TITLE III—THE DISTRICT COUNCIL

Part 1—Creation of the District Council

CREATION AND MEMBERSHIP

Sec. 301. There is hereby created a Council of the District of Columbia consisting of eleven members, of whom the Chairman and two members shall be elected at large and the other eight members shall be elected one from each of the eight election wards established under the District of Columbia Election Act. The term of office of the Chairman and other members of the Council shall be four years beginning at noon on January 2 of the calendar year next following the calendar year of their election; except that of the members (other than the Chairman) first elected after the effective date of this provision, one member elected at large and four members elected from wards shall serve for terms of two years. The members who shall serve for terms of two years shall be determined by lots cast before the Board of Elections of the District of Columbia upon a date set and pursuant to regulations issued by the Board of Elections.

QUALIFICATIONS FOR HOLDING OFFICE

Sec. 302. No person shall hold the office of member of the District Council, including the Office of Chairman, unless he (1) is a qualified voter, (2) is domiciled in the District and, if he is nominated for election from a particular ward, resides in the ward from which he is nominated, (3) has, during the three years next preceding his election, resided and been domiciled in the District, and (4) is not engaged in any employment (whether as an employee or as a self-employed individual) and holds no public office or position (other than his employment in and position as a member of the Council), for which he is compensated in an amount in excess of his actual expenses in connection therewith, except that nothing in this clause shall prohibit any such person, while a member of the Council, from serving as a delegate or alternate delegate to a convention of a political party nominating candidates for President and Vice President of the United States, or from holding an appointment in a Reserve component of an armed force of the United States other than a member serving on active duty under a call for more than thirty days. A member of the Council shall forfeit his office upon failure to maintain the qualifications required by this section.

COMPENSATION

Sec. 303. Each member of the District Council, including the Chairman, shall receive compensation, payable in periodic installments, at rates established by act passed by the Council. All members shall receive such additional allowances for expenses as may be approved by the Council to be paid out of funds duly appropriated therefor.

CHANGES IN MEMBERSHIP AND COMPENSATION OF DISTRICT COUNCIL MEMBERS

Sec. 304. The number of members constituting the District Council, the qualifications for holding office, and the compensation of such members may be changed by act passed by the Council: *Provided*, That no such act (other than an act involving compensation or allowances) shall take effect until after it has been assented to by a majority of the qualified voters of the District voting at an election on the proposition set forth in any such act.

Part 2—Principal Functions of the District Council

ABOLISHMENT OF EXISTING GOVERNMENT AND TRANSFER OF FUNCTIONS

Sec. 321. (a) The District of Columbia Council, the offices of Chairman of the District of Columbia Council, Vice Chairman of the District of Columbia Council, and the seven other members of the District of Columbia Council, and the offices of the Commissioner of the District of Columbia and Assistant to the Commissioner of the District of Columbia, as established by Reorganization Plan Numbered 3 of 1967, are hereby abolished: *Provided*, That this subsection shall not be construed to reinstate any governmental body or office in the District abolished in said plan or otherwise heretofore.

(b) Except as otherwise provided in this Act, all functions granted to or imposed upon, or vested in or transferred to the District of Columbia Council or the Commissioner of the District of Columbia, as established by Reorganization Plan Numbered 3 of 1967, shall be carried out respectively by the District Council and the Mayor in accordance with the provisions of this Act.

CERTAIN DELEGATED FUNCTIONS OF CERTAIN AGENCIES

Sec. 322. No function of the District of Columbia Council (established under Reorganization Plan Numbered 3 of 1967) or of the Commissioner of the District of Columbia which such District of Columbia Council or Commissioner has delegated to an officer, employee, or agency (including any body of or under such agency) of the District, nor any function now vested pursuant to section 501 of Reorganization Plan Numbered 3 of 1967 in the District Public Service Commission, Zoning Commission, Zoning Advisory Council, Board of Zoning Adjustment, Office of the Recorder of Deeds, or Armory Board, or in any officer, employee, or body of or under such agency, shall be considered as a function transferred to the District Council pursuant to section 321 of this Act. Each such function is hereby transferred to the officer, employee, or agency (including any body of or under such agency), to whom or to which it was delegated, or in whom or in which it has remained vested, until the Mayor or Council established under this title, or both, pursuant to the powers herein granted, shall revoke, modify, or transfer such delegation or vesting.

PROCEDURE OF ZONING ACTS

Sec. 323. (a) The provisions of section 322 of this Act notwithstanding, before any zoning regulation or equivalent legislation for the District is approved by the District Council, Zoning Commission, or other authority—

(1) the Council, Zoning Commission, or authority shall deposit such regulation or legislation in its introduced form with the National Capital Planning Commission. Such Planning Commission shall, within thirty days after the day of such deposit, submit its comments to the Council, Zoning Commission, or authority, including advice as to whether the proposed regulation or legislation is in conformity with the comprehensive plan for the District of Columbia. The Council, Zoning Commission, or authority shall not pass the regulation or legislation unless it has received said comments, or the National Capital Planning Commission has failed to comment, within the thirty-day period above specified; and

(2) the Council, Zoning Commission, or authority, or an appropriate committee thereof, shall hold a public hearing on the regulation or legislation. At least thirty days' notice of the hearing shall be published, as the Council, Zoning Commission, or authority may direct. Such notice shall include the time and place of the hearing and a summary of all changes in existing law which would be made by adoption of the regulation or legislation. The Council, Zoning Commission, or authority (or committee thereof holding a hearing) shall give such additional notice as it finds expedient and practicable. At the hearing interested persons shall be given reasonable opportunity to be heard. The hearing may be adjourned from time to time. The time and place of reconvening shall be publicly announced before adjournment is had.

(b) The Council, Zoning Commission, or authority shall deposit with the National Capital Planning Commission each such regulation or item of legislation passed by it.

(c) This section shall not be construed to restrict legislation (or regulation) regarding solely the procedure (apart from this section) or mechanism for regulating zoning in the District and not itself regulating such zoning.

APPOINTMENT OF ARMORY BOARD

Sec. 324. (a) The first sentence of section 2 of the Act of June 4, 1948 (62 Stat. 339), is hereby amended to read as follows: "There is hereby established an Armory Board, to be composed of three members who shall be appointed by the Mayor by and with the advice and consent of the Council and who shall serve at the pleasure of the Mayor.".

(b) All functions and authority vested in the President by the Act of June 12, 1934 (48 Stat. 930), as amended, are hereby transferred to and vested in the Mayor.

POWERS OF AND LIMITATIONS UPON DISTRICT COUNCIL

Sec. 325. (a) The legislative power granted to the District by this Act shall be vested in the District Council.

(b) Notwithstanding any other provision of this Act, the Congress of the United States reserves the right, at any time, to exercise its constitutional authority as legislature for the District of Columbia, by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the District Council by this Act, including legislation to amend or repeal any law in force in the District prior to or after the enactment of this Act and any act passed by the Council.

(c) Except as provided in subsection (d) of this section, the legislative power of the District shall extend to all rightful subjects of legislation within the District consistent with the Constitution of the United States and the provisions of this Act, subject to all the restrictions and limitations imposed upon States by the tenth section of the first article of the Constitution of the United States.

(d) The Council shall have no authority to pass any act contrary to the provisions of this Act, or—

(1) impose any tax on property of the United States or any of the several States, or upon the whole or any portion of the personal income, either directly or at the source thereof, of any individual not a resident of the District (the terms "individual" and "resident" to be understood for the purposes of this paragraph as under section 4 of the Act of July 16, 1947 (61 Stat. 332));

(2) lend the public credit for support of any private undertaking;

(3) authorize the issuance of bonds except in compliance with the provisions of title VI;

(4) enact any act, or enact any act to amend or repeal any Act of Congress, which concerns the functions or property of the United States or which is not restricted in its application exclusively in or to the District;

(5) pass any act inconsistent with or contrary to the Act of June 6, 1924 (43 Stat. 463), as amended, or the Act of May 29, 1930 (46 Stat. 482), as amended, and the Council shall not pass an act inconsistent with or contrary to any provision of any Act of Congress as it specifically pertains to any duty,

authority, and responsibility of the National Capital Planning Commission.

(e) Every act shall include a preamble, or be accompanied by a report, setting forth concisely the purposes of its adoption. Every act shall be published, upon becoming law, as the Council may direct.

(f) (1) Subject to the provisions of paragraph (2) of this subsection, an act passed by the Council shall be presented by the Chairman of the Council to the Mayor, who shall, within ten calendar days after the act is presented to him, either approve or disapprove such act. If the Mayor shall approve such act, he shall indicate the same by affixing his signature thereto, and such act shall, subject to the provisions of subsection (g) of this section, become law. If the Mayor shall disapprove such act, he shall, within ten calendar days after it is presented to him, return such act to the Council setting forth his reasons for such disapproval. If any act so passed shall not be returned to the Council by the Mayor within ten calendar days after it shall have been presented to him, the Mayor shall be deemed to have approved it, and such act shall, subject to the provisions of subsection (g) of this section, become law. If, within thirty calendar days after an act has been timely returned by the Mayor to the Council with his disapproval, two-thirds of the members of the Council present and voting vote to repass such act, the act so repassed shall, subject to the provisions of subsection (g) of this section, become law.

(2) In the case of any budget act adopted by the Council pursuant to section 503 of this Act and submitted to the Mayor in accordance with paragraph (1) of this subsection, the Mayor shall have power to disapprove any item or provision of such act and approve the remainder. In any case in which the Mayor so disapproves of any such item or provision, he shall append to the act when he signs it a statement of the items and the provisions which he disapproves, and he shall return a copy of the act and statement with his objections to the Council. No such item or provision so disapproved shall become law unless within thirty calendar days after such copy and statement has been timely returned, such item or provision is repassed by two-thirds of the members of the Council present and voting. Any such item or provision so repassed shall, subject to the provisions of subsection (g) of this section, become law.

(g) The provisions of subsection (f) of this section notwithstanding, acts of the District Council exercising functions not heretofore legally exercisable by the Commissioner of the District of Columbia pursuant to section 401 of Reorganization Plan Numbered 3 of 1967 or by the District of Columbia Council pursuant to section 402 of said plan, shall become law only in accordance with the following:

(1) Within five calendar days following the date upon which such acts (including repassed items and provisions referred to in paragraph (2) of subsection (f) of the District Council would have become law apart from this subsection, such acts of the District Council shall be transmitted to the Congress by the Mayor or, in the case of such acts repassed by a two-thirds vote of the District Council over the Mayor's disapproval, by the Chairman of the Council.

(2) (A) Any act (including repassed items and provisions referred to in paragraph (2) of subsection (f)) so transmitted shall become law upon the date of expiration of a period of thirty calendar days of continuous session of the Congress following the date on which such act is transmitted, unless during such period there is passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representatives, as the case may be, does not approve the proposed act, in which case such proposed act shall be considered void and of no effect. For the purposes of this paragraph, in the computation of the thirty-day period there shall be excluded the days on which either the Senate or the House of Representatives is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

(B) The provisions of sections 910–913 of title 5, United States Code, shall apply to the procedure to be followed in the Senate and House of Representatives in the exercise of their respective responsibilities under subparagraph (A) of this paragraph in the same manner and to the same extent as such provisions apply to the procedure followed in the case of reoganization plans; except that references in such provisions to a "resolution with respect to a reorganization plan" shall be deemed for the purposes of this paragraph to refer to a resolution of disapproval under subparagraph (A).

(h) On or after the effective date of this part, any person appointed to serve as judge of one of the municipal courts of the District of Columbia shall not (1) be appointed to serve for a term of less than fifteen years, (2) serve on the court past the year that the seventieth anniversary of his birth shall occur, or (3) receive as compensation for such service an amount less than the amount payable to an associate judge of the Superior Court of the District of Columbia on the effective date of this part. Appointments to positions as judges of the municipal courts of the District of Columbia, including vacancies therein, shall be made by the Mayor, with the advice and consent of the Senate of the United States. In making any such appointment to fill any such position the Mayor shall do so by appointing one of three persons possessing the qualifications for such position who shall be nominated and whose names shall be submitted to the Mayor by a nonpartisan judicial nomination commission established and organized in accordance with section 326 of this Act. Nothing in this Act shall be construed to change or authorize the change of the tenure of any persons occupying positions as judges of the municipal courts of the District of Columbia on the effective date of this part, and in no case may their compensation be decreased.

(i) Except as limited by subsections (g) (2) and (h) of this section, upon the effective date of this part, jurisdiction over the municipal courts of the District of Columbia shall vest with the District Council in all matters (other than the appointment of the judges) pertaining to the organization and composition of such courts, and to the qualification, tenure, and compensation of the judges thereof, but in no event shall the Council transfer or modify any function performed by the United States marshal or the United States attorney for the District on the effective date of this part.

(j) Nothing in this section or elsewhere in this Act shall be construed as authorizing the District Council to modify or otherwise alter the jurisdiction, established by enactment of the Congress of the United States, of the United States District Court for the District of Columbia or any other United States court other than the municipal courts of the District.

(k) Nothing in this Act shall be construed as vesting in the District government any greater authority over the Washington Aqueduct, the Commission on Mental Health, the National Zoological Park, the National Guard of the District of Columbia, or, except as otherwise specifically provided in this Act, over any Federal agency, than was vested in the Commissioner of the District prior to the effective date of part 2, title III, of this Act.

NONPARTISAN JUDICIAL NOMINATION COMMISSION

SEC. 326. (a) There is hereby established the Nonpartisan Judicial Nomination Commission (referred to in this section as the "Commission"). The Commission shall consist of five members selected in accordance with the provisions of subsection (b) of this section, and shall serve for terms of four years, except that of the members initially selected in accordance with subsection (b) (1) (A), one shall serve for two years and one shall serve for four years, and with respect to the members initially selected in accordance with subsection (b) (1) (B), one shall serve for two years and one shall serve for four years. In making their respective initial appointments, the Mayor shall designate, at the time of such appointments, which appointee shall have the short-term appointment.

(b) (1) Members of the Commission shall be appointed as follows:

(A) two members shall be appointed by the Mayor from a list of not less than three nominees for each such office to be filled submitted to him by the District of Columbia Bar Association; and

(B) two members, who shall be nonlawyers, shall be appointed by the Mayor from a list of not less than three nominees for each such office to be filled submitted to him by the Council.

(2) The chief judge of the District of Columbia Court of Appeals shall be a member of the Commission and shall serve as Chairman.

(3) It shall be the function of the Commission to submit nominees for appointment to positions as judges of the municipal courts of the District of Columbia in accordance with section 325(h) of this Act.

(c) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made. Any person so appointed to fill a vacancy shall serve only for the remainder of the unexpired term of his predecessor.

(d) (1) The Commission shall act only at a meeting and may act only by the concurrence of a majority of its members. The Chairman shall preside at any meeting at which he is present, and, in his absence, the Commission shall choose a member to act as temporary Chairman.

(2) The Commission shall choose one of its members as secretary. It shall be the duty of the secretary to prepare and keep the minutes of all meetings. In the secretary's absence, the Commission shall choose a member to be acting secretary. The minutes shall record the names of the members present, any objections to the holding of the meeting on the ground of lack of or insufficiency of notice, any and all action taken by the Commission, and any other matters that the Commission may deem appropriate.

(e) When it is known that a vacancy will occur at a definite future date, within sixty days, but the vacancy has not yet occurred, the Commission, in order to facilitate the administration of justice by preventing delay in filling court vacancies so that all courts may have all judges ready to dispose of their judicial business as nearly as may be possible, may make its nominations and submit to the Mayor the names of the persons nominated before the occurrence of the vacancy.

(f) (1) The Commission should at all times take cognizance of the fact that the best qualified nominees may be those whom it would be most difficult to persuade to serve. Accordingly, the Commission should not limit its consideration to persons who have been suggested by others or to persons who have indicated their willingness to serve. It shall be in order for the Commission, in its discretion, to tender nomination to one or more qualified persons, prior to, and subject to, the formal action by the Commission in making its nominations, in order to ascertain whether such a person will agree to serve if nominated.

(2) The Commission may, in its discretion, publicize some, all, or none of the names

of the possible nominees who have been suggested to it or whom it has under consideration. In exercising such discretion the Commission should take account of the fact that there may be lawyers who merely desire the publicity, that there may be lawyers whom publicity would deter from agreeing in advance to serve, and that the Commission needs all pertinent information about the possible nominees whom it is seriously considering. In no case shall the Commission describe possible nominees as "applicants" or by any other term suggesting that they are seeking to be nominated.

(3) The action of the Commission in making nominations with respect to any vacancy shall be taken only at a meeting and only by the execution of a certificate of nomination (which may be in the form of a communication to the Mayor), setting forth the nominations thereby made, signed on behalf of the Commission by the Chairman and secretary. The Commission or its Chairman shall forthwith cause the original of such certificate to be transmitted to the Mayor.

(4) After the Commission has nominated and submitted to the Mayor the names of three persons for appointment to fill a vacancy in accordance with this section, any name or names may be withdrawn for cause deemed by such Commission to be of a substantial nature affecting the nominee's qualifications and showing he is not a fit and proper person to hold the office, and another name or names may be substituted therefor at any time before the Mayor acts by making an appointment to fill such vacancy. Nothing herein contained shall be deemed to impose (or to recognize) any obligation whatsoever upon the Commission to reconsider or withdraw any nomination, whether or not the Mayor shall have requested reconsideration thereof, or shall have purported to reject, such nominations. If any nominee dies or requests in writing that his name be withdrawn, the Commission shall nominate another person to replace him. Whenever there are existing at the same time two or more vacancies in the same court, and the Commission has nominated and submitted to the Mayor lists of three persons for each of such vacancies, the Commission, in its sole discretion may, if it desires to do so, before the Mayor acts by making an appointment, withdraw the lists of nominations, change the names of any of such persons nominated from one list to another and resubmit them as so changed, and may substitute a new name for any of those previously nominated when a name has been withdrawn for cause.

(5) The action of the Commission in withdrawing a nomination or nominations and submitting a new nomination or nominations shall be taken only at a meeting and only by the execution of a certificate of withdrawal of nomination and a certificate of substitutive nomination (both of which may be in the form of a communication to the Mayor) signed on behalf of the Commission by the Chairman and secretary of the Commission. If any nomination or nominations being withdrawn have already been transmitted to the Mayor, the Commission or its Chairman shall forthwith notify the Mayor by telegram of the Commission's action and cause the original of such certificate of withdrawal to be transmitted to the Mayor. Meetings of the Commission to consider the withdrawal of nominations may be called by the Chairman or a majority of such Commission. Action of the Commission in withdrawing nominations may be taken at the same meeting at which the nominations were made, or at any later meeting, and such action may be proposed by any member of the Commission.

PART 3—ORGANIZATION AND PROCEDURE OF THE DISTRICT COUNCIL

THE CHAIRMAN

SEC. 331. (a) The Chairman of the District Council shall be the presiding officer of the Council. The District Council shall elect from among its members, for a term of two years, a Vice Chairman.

(b) When the Mayor is unable to act, the Chairman of the Council shall act in his stead. When the Chairman of the Council is unable to so act, the officer designated pursuant to section 402(1) shall so act.

(c) In the event that the Chairman of the Council becomes Mayor by reason of a vacancy in the office of Mayor (as provided in section 401(b)(2) of this Act), the Vice Chairman shall serve as Chairman in accordance with the provisions of section 10(e)(2)(A) of the District of Columbia Election Act, as amended by title VIII of this Act.

SECRETARY OF THE DISTRICT COUNCIL; RECORDS AND DOCUMENTS

SEC. 332. (a) The Council shall appoint a Secretary as its chief administrative officer and such assistants and clerical personnel as may be necessary. The terms of employment of such Secretary, assistants, and clerical personnel shall be governed by existing provisions of law until such time as the Council enacts legislation establishing a District Government merit system as set forth in section 402(4) of this Act. The provisions of any such system so established shall include terms of employment for employees of the Council which are similar to those provisions therein applicable to other District government employees, including such exemptions provided therein as prescribed by the Council. Nothwithstanding the foregoing provisions of this subsection or of any other provision of this Act, the compensation of such Secretary, assistants, and clerical personnel shall be prescribed by the Council.

(b) The Secretary shall (1) keep a record of the proceedings of the Council, (2) keep a record showing the text of all acts introduced and the ayes and noes of each vote, (3) authenticate by his signature and record in full in a continuing record kept for that purpose all acts passed by the Council, including the date and time that each such act takes effect, and (4) perform such other duties as the Council may from time to time prescribe.

(c) The records required by subsection (b) shall be available for public inspection during normal business hours and copies of the records shall be made available for purchase under such conditions and upon the payment of such fees as the Council shall deem appropriate.

MEETINGS

SEC. 333. (a) A majority of the District Council shall constitute a quorum for the lawful convening of any meeting of the Council and for the transaction of business of the Council.

(b) The first meeting of the Council after this part takes effect shall be called by the Chairman of the District Council.

(c) The Council shall provide for the time and place of its regular meetings. The Council shall hold at least one regular meeting in each calendar week except during the month of August. Special meetings may be called, upon the giving of adequate notice, by the Mayor, the Chairman, or any three members of the Council.

(d) Meetings of the Council shall be open to the public and shall be held at reasonable hours and at such places as may be necessary to accommodate a reasonable number of spectators. Any citizen shall have the right to petition and be heard by the Council at any of its meetings, within reasonable limits as set by the Council.

COMMITTEES

SEC. 334. The Council Chairman, with the advice and consent of the Council, shall determine the standing and special committees which may be expedient for the conduct of the Council's business. The Chairman shall appoint members to such committees. All committee meetings shall be open to the public.

ACTS AND RESOLUTIONS

SEC. 335. (a) The Council, to discharge the powers and duties imposed herein, shall pass acts and adopt resolutions, upon a vote of a majority of the members of the Council present and voting, unless otherwise provided herein. The Council shall use acts for all legislative purposes. Resolutions shall be used to express simple determinations, decisions, or directions of the Council of a special or temporary character.

(b)(1) The enacting clause of all acts passed by the Council shall be, "Be it enacted by the Council of the District of Columbia:".

(2) The resolving clause of all resolutions passed by the Council shall be, "The Council of the District of Columbia hereby resolves,".

(c) A special election may be called by resolution of the Council to present for an advisory referendum vote of the people any proposition upon which the Council desires to take action.

PASSAGE OF ACTS

SEC. 336. The Council shall not pass any act before the thirteenth day following the day on which it is introduced. Subject to the other limitations of this Act, this requirement may be waived by the unanimous vote of the members present, if such members present constitute a majority of the Council.

INVESTIGATIONS BY DISTRICT COUNCIL

SEC. 337. (a) The Council, or any committee or person authorized by it, shall have power to investigate any matter relating to the affairs of the District; and for that purpose may require the attendance and testimony of witnesses and the production of books, papers, and other evidence. For such purpose any member of the Council (if the Council is conducting the inquiry) or any member of the committee may issue subpenas and administer oaths upon authorization by the Council or committee as appropriate.

(b) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Council shall have power to refer the matter to any judge of the Superior Court of the District of Columbia, who may by order require such person to appear and to give or produce testimony or books, papers, or other evidence, bearing upon the matter under investigation; and any failure to obey such order may be punished by such court as a contempt thereof as in the case of failure to obey a subpena issued, or to testify, in a case pending before such court.

TITLE IV—MAYOR

ELECTION, QUALIFICATIONS, AND SALARY

SEC. 401. (a) There is hereby created the office of Mayor of the District of Columbia. The Mayor shall be elected as provided in title VIII. The term of office of the Mayor shall be four years, beginning at noon on January 2 of the calendar year next following the calendar year in which he is elected.

(b)(1) No person shall hold the office of Mayor unless he (1) is a qualified voter, (2) is domiciled and resides in the District, (3) has, during the three years next preceding his nomination, been resident in and domiciled in the District, and (4) is not engaged in any employment (whether as an employee or as a self-employed individual) and holds no public office or position (other than his employment in and position as Mayor), for which he is compensated in an amount in excess of his actual expenses in connection therewith, except that nothing in this clause shall be construed as prohibiting such person, while holding the office of Mayor, from serving as a delegate or alternate delegate to a convention of a political party nominating candidates for President and Vice President of the United States, or from holding an appointment in a Reserve component of an armed force of the United States other than a member serving on active duty under a call for more than thirty days. The Mayor shall forfeit his office upon failure to maintain the qualifications required by this section.

(2) When the office of Mayor is vacant, the Chairman of the District Council shall, immediately upon the creation of such vacancy, become Mayor and shall serve for the remainder of the unexpired term of his predecessor vacating such office.

(c) The Mayor shall receive an annual salary in an amount established by act passed by the Council, and an allowance, in such amount as the Council shall establish, for official reception and representation expenses, which he shall certify in reasonable detail to the District Council. Such salary shall be payable in periodic installments.

(d) Subject to the provisions of subsection (c) relating to compensation, the method of election, the qualifications for office, the compensation and the allowance for official expenses pertaining to the office of Mayor may be changed by acts passed by the Council, except that no such act (other than an act involving compensation or allowance) shall take effect until after it has been assented to by a majority of the qualified voters of the District voting at an election on the proposition set forth in such act.

POWERS AND DUTIES

SEC. 402. The executive power of the District shall be vested in the Mayor who shall be the chief executive officer of the District government. He shall be responsible for the proper administratiton of the affairs of the District coming under his jurisdiction or control, and to that end shall have the following powers, duties, and functions:

(1) The Mayor shall designate the officer or officers of the executive department of the District who shall, during periods when the Mayor is unable to act, and the Chairman of the Council is unable to act in accordance with section 331(b) of this Act, execute and perform all the powers and duties of the Mayor.

(2) The Mayor shall act as the official spokesman for the District and as the head of the District for ceremonial purposes.

(3) The Mayor shall administer all laws relating to the appointment, promotion, discipline, separation, and other conditions of employment of personnel in the office of the Mayor, personnel in executive departments of the District, and members of boards, commissions, and other agencies, who, under laws in effect on the date immediately preceding the effective date of section 321(a) of this Act, were subject to appointment and removal by the Commissioner of the District of Columbia. All actions affecting such personnel and such members shall, until such time as legislation is enacted by the Council superseding such laws and establishing a permanent District government merit system or systems, pursuant to paragraph (4) of this section, continue to be subject to the provisions of Acts of Congress relating to the appointment, promotion, discipline, separation, and other conditions of employment applicable to officers and employees of the District government, to section 1001(d) of this Act, and where applicable, to the provisions of the joint agreement between the Commissioners and the Civil Service Commission authorized by Executive Order Numbered 5941 of November 18, 1930, relating to the appointment of District personnel. He shall appoint or assign persons to positions formerly occupied, ex officio, by the Commissioner of the District of Columbia or by the Assistant to the Commissioner and shall have power to remove such persons from such positions. The officers and employees of each agency with respect to which legislative power is delegated by this Act and which, immediately prior to the effective date of section 321(a) of this Act, was not subject to the administrative control of the Commissioner of the District shall continue to be appointed and removed in accordance with applicable laws until such time a such laws may be superseded by legislation passed by the Council establishing a permanent District government merit system or systems pursuant to paragraph (d) of this section.

(4) The Mayor shall administer the personnel functions of the District covering employees of all District departments, boards, commissions, offices, and agencies, except as otherwise provided by this Act. Personnel legislation enacted by Congress, prior to or after the effective date of this section, including, without limitation, legislation relating to appointments, promotions, discipline, separations, pay, unemployment compensation, health, disability and death benefits, leave, retirement, insurance, and veterans' preference applicable to officers and employees of the District government as set forth in section 1002(c), shall continue to be applicable until such time as the Council shall, pursuant to this section, enact legislation establishing a District government merit system or systems. The District government merit system or systems shall be developed by the Mayor for presentation to the Council. The system or systems may provide for continued participation in all or part of the Federal Civil Service System and shall provide for officers and employees of the District government personnel benefits, including but not limited to, pay, tenure, leave, residence, retirement, health and life insurance, and employee disability and death benefits, all at least equal to those provided by legislation enacted by Congress, or regulation adopted pursuant thereto, and applicable to officers and employees of the District government immediately prior to the effective date of the system or systems established pursuant to this Act. The District government merit system or systems shall take effect not earlier than one year nor later than five years after the effective date of this section.

(5) The Mayor shall, through the heads of administrative boards, offices, and agencies, supervise and direct the activities of such boards, offices, and agencies.

(6) The Mayor shall, at the end of each fiscal year, prepare reports for such year of (A) the finances of the District, and (B) the administrative activities of the executive office of the Mayor and the executive departments of the District. He shall submit such reports to the Council within ninety days after the close of the fiscal year.

(7) The Mayor shall keep the Council advised of the financial condition and future needs of the District and make such recommendations to the Council as may seem to him desirable.

(8) The Mayor may submit drafts of acts to the Council.

(9) The Mayor may delegate any of his functions (other than the function of approving or disapproving acts passed by the Council or the function of approving contracts between the District and the Federal Government under section 901) to any officer, employee, or agency of the executive office of the Mayor, or to any director of an executive department who may, with the approval of the Mayor, make a further delegation of all or a part of such functions to subordinates under his jurisdictions.

(10) The Mayor shall appoint a City Administrator, who shall serve at the pleasure of the Mayor. The City Administrator shall be the chief administrative officer of the Mayor, and he shall assist the Mayor in carrying out his functions under this Act, and shall perform such other duties as may be assigned to him by the Mayor. The City Administrator shall be paid at a rate equal to the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, plus $500, except that, effective on and after the establishment of any District government merit system by legislation of the Council, the City Administrator shall be paid at a rate equal to that paid to the highest paid employee of the District government pursuant to such merit system or systems so established by legislation of the Council, plus $500.

(11) The Mayor may propose to the executive or legislative branch of the United States Government legislation or other action dealing with any subject whether or not falling within the authority of the District government as defined in this Act.

(12) The Mayor, as custodian thereof, shall use and authenticate the corporate seal of the District in accordance with law.

(13) The Mayor shall have the right, under rules to be adopted by the Council, to be heard by the Council or any of its committees.

(14) The Mayor is authorized to issue and enforce administrative orders, not inconsistent with this or any other Act of the Congress or any act of the Council, as are necessary to carry out his functions and duties.

TITLE V—THE DISTRICT BUDGET

PART 1—BUDGET

FISCAL YEAR

SEC. 501. The fiscal year of the District of Columbia shall begin on the 1st day of July and shall end on the 30th day of June of the succeeding calendar year. Such fiscal year shall also constitute the budget and accounting year.

BUDGETARY DETAILS FIXED BY MAYOR

SEC. 502. (a) The Mayor shall prepare and submit not later than March 15, to the District Council, in such form and manner as the Mayor shall determine, the annual budget of the District and the budget message and may, from time to time, submit supplemental budget requests.

(b) The Mayor shall, in consultation with the Council, take whatever action may be necessary to achieve, insofar as is possible (1) consistency in accounting and budget classifications, (2) synchronization between accounting and budget classifications and organizational structure, and (3) support of the budget justifications by information on performance and program costs as shown by the accounts.

ADOPTION OF BUDGET

SEC. 503. A budget for each fiscal year shall be adopted by the Council, by act, not later than April 15 of the fiscal year preceding the fiscal year during which such budget is applicable, except that the Council may, by resolution, extend the period for the adoption of such budget. In no event, however, shall any such extension extend beyond June 1 of that preceding fiscal year, unless such extension is authorized by an act passed by the Council which provides for funding expenditures for the next following fiscal year at the same rate as for such preceding fiscal year.

BUDGET ESTABLISHES APPROPRIATIONS

SEC. 504. The adoption of any budget by act of the Council shall operate to appropriate and to make available for expenditure, for the purposes therein named, the several amounts stated therein as proposed expenditures, subject to the provisions of section 505.

FINANCIAL DUTIES OF THE MAYOR

SEC. 505. The Mayor, through his duly designated subordinates, shall have charge of the administration of the financial affairs of the District and to that end he shall—

(1) supervise and be responsible for all financial transactions to insure adequate control of revenues and resources and to insure that appropriations are not exceeded;

(2) maintain systems of accounting and internal control designed to provide—

(A) full disclosure of the financial results of the District government's activities,

(B) adequate financial information needed by the District government for management purposes,

(C) effective control over and accountability for all funds, property, and other assets;

(3) submit to the Council a quarterly financial statement, by appropriation and department, and in such further detail as the Council may specify;

(4) submit to the Council no later than December 31 following each fiscal year, a complete financial statement and report;

(5) supervise and be responsible for the assessment of all property subject to assessment within the corporate limits of the District for taxation, make all special assessments for the District government, prepare tax maps, and give such notice of taxes and special assessments as may be required by law;

(6) supervise and be responsible for the assessment and collection of all taxes, special assessments, license fees, and other revenues of the District for the collection of which the District is responsible and receive all money receivable by the District from the Federal Government, or from any court, or from any agency of the District;

(7) have custody of all public funds belonging to or under the control of the District, or any agency of the District government, and deposit all funds coming into his hands, in such depositories as may be designated and under such terms and conditions as may be prescribed by act of the Council;

(8) have custody of all investments and invested funds of the District government, or in possession of such government in a fiduciary capacity, and have the safekeeping of all bonds and notes of the District and the receipt and delivery of District bonds and notes for transfer, registration, or exchange.

CONTROL OF APPROPRIATIONS

SEC. 506. The Mayor, with the concurrence of the Council, may provide for (1) the transfer during the budget year of any appropriation balance then available for one item of appropriation to another item of appropriation, and (2) the allocation to new items of funds appropriated for contingent expenditure.

ACCOUNTING SUPERVISION AND CONTROL

SEC. 507. (a) The Mayor, through his duly authorized subordinates, shall—

(1) prescribe the forms of receipts, vouchers, bills, and claims to be used by all the agencies, offices, and instrumentalities of the District government;

(2) examine and approve all contracts, orders, and other documents by which the District government incurs financial obligations, having previously ascertained that moneys have been appropriated and allotted and will be available when the obligations shall become due and payable;

(3) audit and approve before payment all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government and with the advice of the legal officials of the District determine the regularity, legality, and correctness of such claims, demands, or charges; and

(4) perform internal audits of central accounting and department and agency records of the District government, including the examination of any accounts or records of financial transactions, giving due consideration to the effectiveness of accounting systems, internal control, and related administrative practices of the respective agencies.

(b) Nothing in this Act shall be construed as affecting the applicability to the District government of the provisions of section 3679 of the Revised Statutes of the United States (31 U.S.C. 665).

GENERAL FUND

SEC. 508. The general fund of the District shall be composed of the revenues of the District other than the revenues applied by law to special funds. All moneys received by any agency, officer, or employee of the District in its or his official capacity shall belong to the District government and shall be paid promptly to the Mayor, or his duly authorized subordinates, for deposit in the appropriate funds.

CONTRACTS EXTENDING BEYOND ONE YEAR

SEC. 509. No contract involving expenditure out of an appropriation which is available for more than one year shall be made for a period of more than five years unless, with respect to a particular contract, the Council, by a two-thirds vote of its members present and voting, authorizes the extension of such period for such contract. Such contracts shall be made pursuant to criteria established by act of the Council.

ANNUAL BUDGET FOR THE BOARD OF EDUCATION

SEC. 510. With respect to the annual budget for the Board of Education in the District of Columbia, the Mayor and the Council may establish the maximum amount of funds which will be appropriated to the Board, but may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for the various programs under the jurisdiction of the Board of Education.

PART 2—ANNUAL POSTAUDIT BY GENERAL ACCOUNTING OFFICE

INDEPENDENT ANNUAL POSTAUDIT

SEC. 521. (a) The financial transactions shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of the auditing procedures to be followed and the extent of the examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of the accounting organizations and systems, internal audit and control, and related administrative practices. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the District and necessary to facilitate the audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. The District of Columbia shall reimburse the General Accounting Office for expenses of such audit in such amounts as may be agreed upon by the Mayor and the Comptroller General, and the amounts so reimbursed shall be deposited into the Treasury of the United States as miscellaneous receipts.

(b) (1) The Comptroller General shall submit his audit reports to the Congress, the Mayor, and the Council. The reports shall set forth the scope of the audits and shall include such comments and information as the Comptroller General may deem necessary to keep the Congress, the Mayor, and the Council informed of the operations to which the reports relate, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The reports shall show specifically every program, expenditure, and other financial transaction or undertaking which, in the opinion of the Comptroller General, has been carried on or made without authority of law.

(2) After the Mayor and his duly authorized subordinates have had an opportunity to be heard, the Council shall make such report, together with such other material as it deems pertinent thereto, available for public inspection.

(3) The Mayor, within ninety days after the report has been made to him and the Council, shall state in writing to the Council, with a copy to the Congress, what has been done to comply with the recommendations made by the Comptroller General in the report.

AMENDMENT OF BUDGETARY AND ACCOUNTING ACT

SEC. 522. Section 2 of the Budgetary and Accounting Act, 1921 (31 U.S.C. 2), is hereby amended by striking out "and the municipal government of the District of Columbia".

PART 3—ADJUSTMENT OF FEDERAL AND DISTRICT EXPENSES

ADJUSTMENTS

SEC. 531 (a) Subject to section 901 and other provisions of law, the Mayor, with the approval of the Council, and the Director of the Office of Management and Budget, are authorized and empowered to enter into an agreement or agreements concerning the manner and method by which amounts owed by the District to the United States, or by the United States to the District, shall be ascertained and paid.

(b) The United States shall reimburse the District for necessary expenses incurred by the District in connection with lawful assemblages, and in connection with marches and demonsrtations in the District, which relate solely to the Federal Government. The manner and method of ascertaining and paying the amounts needed to so reimburse the District shall be determined by agreement entered into in accordance with subsection (a) of this section.

(c) Each officer and employee of the District required to do so by the District Council shall provide a bond with such surety and in such amount as the Council may require. The premiums for all such bonds shall be paid out of appropriations for the District.

TITLE VI—BORROWING

PART 1—BORROWING FOR CAPITAL IMPROVEMENTS

BORROWING POWER; DEBT LIMITATIONS

SEC. 601 (a) The District may incur indebtedness by issuing its bonds in either coupon or registered form to fund or refund indebtedness of the District at any time outstanding and to pay the cost of constructing or acquiring any capital projects requiring an expenditure greater than the amount of taxes or other revenues allowed for such capital projects by the anual budget: *Provided*, That no bonds or other evidences of indebtedness, other than bonds to fund or refund oustanding indebtedness, shall be issued in an amount which would cause the amount of principal and interest required to be paid in any fiscal year on the aggregate amount of all outstanding capital program obligations to exceed fourteen per centum of the District revenues which the Mayor estimates will be credited to all funds of the District for such fiscal year.

(b) The Council shall make provision for the payment of any bonds issued pursuant to this title, in the manner provided in section 631 hereof.

(c) As used in this title, the term "Capital program obligations" means all outstanding obligations incurred by the District as a result of borrowing for capital outlay programs, but not including obligations incurred pursuant to the authority contained in the District of Columbia Stadium Act of 1957 (71 Stat. 619; D.C. Code, title 2, chapter 17, subchapter II), in the District of Columbia Redevelopment Act of 1945 (60 Stat. 790; D.C. Code, sections 5–701 through 719), and in the District of Columbia Alley Dwelling Act (48 Stat. 930), as amended (D.C. Code, sections 5–103 through 5–116).

CONTENTS OF BORROWING LEGISLATION; REFERENDUM ON BOND ISSUE

SEC. 602. (a) The Council may by act authorize the issuance of bonds: *Provided*, That such act shall contain at least the following provisions:

(1) A provision setting forth a brief description of each purpose for which indebtedness is proposed to be incurred;

(2) A provision setting forth the maximum amount of the principal of the indebtedness which may be incurred for each such purpose;

(3) A provision setting forth the maximum rate of interest to be paid on such indebtedness; and

(4) A provision setting forth, in the event that the Council determined, in its discretion, to submit the question of issuing such bonds to a vote of the qualified voters of the District, the manner of holding such election, the manner of voting for or against the incurring of such indebtedness, and the form of ballot to be used at such election, which form shall permit the voters to vote separately for or against the incurring of indebtedness for each of the purposes for which indebtedness is proposed to be incurred.

(b) The Council may call a special election for the purpose of voting upon the issuance of said bonds, such election to be held by the Board of Elections at any date set by the Council not less than forty days after the enactment of such act.

(c) The Board of Elections is authorized and directed to prescribe the manner of registration and the polling places and to name the judges and clerks of election and to make such other rules and regulations for the conduct of such elections as are not specifically provided by the Council as may be necessary or appropriate to carry out the provisions of this section, including provisions for the publication of a notice of such election stating briefly the proposition or propositions to be voted on and the designated polling places in the various precincts and wards in the District. The said notice shall be published at least once a week for four consecutive calendar weeks on any day of the week, the first publication thereof to be not less than thirty nor more than forty days prior to the date fixed by the Council for the election. The Board of Elections shall canvass the votes cast at such election and certify the results thereof to the Council in the manner prescribed for the canvass and certification of the results of general elections. The certification of the result of the election shall be published once by the Board of Elections as soon as practicable following the date of the election, but in no event later than six weeks thereafter.

PUBLICATION OF BORROWING LEGISLATION

SEC. 603. The Mayor shall publish any act authorizing the issuance of bonds at least once within five days after the enactment thereof in substantially the following form:

"NOTICE

"The following act authorizing the issuance of bonds published herewith has become effective, and the time within which a suit, action, or proceeding questioning the validity of such bonds can be commenced, as provided in the District of Columbia Charter Act, will expire twenty days from the date of the first publication of this notice (or in the event the proposition of issuing the proposed bonds is to be submitted to the qualified voters, twenty days after the date of publication of the promulgation of the results of the election ordered by the Council to be held).

"———— ————,
"*Mayor*."

SHORT PERIOD OF LIMITATION

SEC. 604. Upon the expiration of twenty days from and after the date of publication of the notice of the enactment of an act authorizing the issuance of bonds without the submission of the proposition for the issuance thereof to the qualified voters, or upon the expiration of twenty days from the date of publication of the promulgation of the results of an election upon the proposition of issuing bonds, as the case may be, all as provided in section 603—

(1) any recitals or statements of fact contained in such act or in the preambles or the titles thereof or in the results of the election of any proceedings in connection with the calling, holding, or conducting of election upon the issuance of such bonds shall be deemed to be true for the purpose of determining the validity of the bonds thereby authorized, and the District and all others interested shall thereafter be estopped from denying same;

(2) such act and all proceedings in connection with the authorization of the issuance of such bonds shall be conclusively presumed to have been duly and regularly taken, passed, and done by the District and the Board of Elections in full compliance with the provisions of this Act and of all laws applicable thereto;

(3) The validity of such act and said proceedings shall not thereafter be questioned by either a party plaintiff or a party defendant, and no court shall have jurisdiction in any suit, action, or proceeding questioning the validity of same, except in a suit, action, or proceeding commenced prior to the expiration of such twenty days.

ACTS FOR ISSUANCE OF BONDS

SEC. 605. After the expiration of the twenty-day limitation period provided for in section 604 of this part, the Council may by act establish an issue of bonds as authorized pursuant to the provisions of sections 601 to 604, inclusive, hereof. An issue of bonds is hereby defined to be all or any part of an aggregate principal amount of bonds authorized pursuant to said sections, but no indebtedness shall be deemed to have been incurred within the meaning of this Act until the bonds have been sold, delivered, and paid for, and then only to the extent of the principal amount of bonds so sold and delivered. The bonds of any authorized issue may be issued all at one time, or from time to time in series and in such amounts as the Council shall deem advisable. The act authorizing the issuance of any series of bonds shall fix the date of the bonds of such series, and the bonds of each such series shall be payable in annual installments beginning not more than three years after the date of the bonds and ending not more than thirty years from such date. The amount of said series to be payable in each year shall be so fixed that when the annual interest is added to the principal amount payable in each year the total amount payable in each year in which part of the principal is payable shall be substantially equal. It shall be an immaterial variance if the difference between the largest and the smallest amounts of principal and interest payable annually during the term of the bonds does not exceed 3 per centum of the total authorized amount of such series. Such act shall also prescribe the form of the bonds to be issued thereunder, and of the interest coupons appertaining thereto, and the manner in which said bonds and coupons shall be executed. The bonds and coupons may be executed by the facsimile signatures of the officer or officers designated by the act authorizing the bonds, to sign the bonds, with the exception that at least one signature shall be manual. Such bonds may be issued in coupon form in the denomination of $1,000, registerable as to principal only or as to both principal and interest, and if registered as to both principal and interest may be issuable in denominations of multiples of $1,000. Such bonds and the interest thereon may be payable at such place or places within or without the District as the Council may determine.

PUBLIC SALE

SEC. 606. All bonds issued under this part shall be sold at public sale upon sealed proposals at such price or prices as shall be approved by the Council after publication of a notice of such sale at least once not less than ten days prior to the date fixed for sale in a daily newspaper carrying municipal bond notices and devoted primarily to financial news or to the subject of State and municipal bonds published in the city of New York, New York, and in a newspaper of general circulation published in the District. Such notice shall state, among other things, that no proposal shall be considered unless there is deposited with the District as a downpayment a certified check or cashier's check for an amount equal to at least 2 per centum of the par amount of bonds bid for, and the Council shall reserve the right to reject any and all bids.

PART 2—SHORT-TERM BORROWING

BORROWING TO MEET APPROPRIATIONS

SEC. 621. In the absence of unappropriated available revenues to meet appropriations made pursuant to section 504, the Council may by act authorize the issuance of negotiable notes, in a total amount not to exceed 5 per centum of the total appropriations for the current fiscal year, each of which may be renewed from time to time, but all such notes and renewals thereof shall be paid not later than the close of the fiscal year following that in which such act becomes effective.

BORROWING IN ANTICIPATION OF REVENUES

SEC. 622. For any fiscal year, in anticipation of the collection or receipt of revenues of that fiscal year, the Council may by act authorize the borrowing of money by the execution of negotiable notes of the District not to exceed in the aggregate at any time outstanding 20 per centum of the total anticipated revenue, each of which shall be designated "Revenue Note for the Fiscal Year 19 ". Such notes may be renewed from time to time, but all such notes, together with the renewals, shall mature and be paid not later than the end of the fiscal year for which the original notes have been isssued.

NOTES REDEEMABLE PRIOR TO MATURITY

SEC. 623. No notes issued pursuant to this part shall be made payable on demand, but any note may be made subject to redemption prior to maturity on such notice and at such time as may be stated in the note.

SALE OF NOTES

SEC. 624. All notes issued pursuant to this part may be sold at not less than par and accrued interest at private sale without previous advertising.

PART 3—PAYMENT OF BONDS AND NOTES

SPECIAL TAX

SEC. 631. (a) The act of the Council authorizing the issuance of bonds pursuant to this title, shall, where necessary, provide for the levy annually of a special tax without limitation as to rate or amount upon all the taxable real and personal tangible property within the District in amounts which, together with other revenues of the District available and applicable for said purposes, will be sufficient to pay the principal of and interest on said bonds and the premium, if any, upon the redemption thereof, as the same respectively become due and payable, which tax shall be levied and collected at the same time and in the same manner as other District taxes are levied and collected, and when collected shall be set aside in a sinking fund and irrevocably dedicated to the payment of such principal, interest, and premium.

(b) The full faith and credit of the District shall be and is hereby pledged for the payment of the principal of and the interest on all bonds and notes of the District hereafter issued pursuant to this title whether or not such pledge be stated in the bonds or notes or in the act authorizing the issuance thereof.

(c) As soon as practicable following the beginning of each fiscal year, the Mayor and the Comptroller General of the United States shall review the amounts of District revenues which have been set aside and deposited in a sinking fund as provided in subsection (a). Such review shall be carried out with a view to determining whether the amounts so set aside and deposited are sufficient to pay the principal of and interest on bonds issued pursuant to this title, and the premium (if any) upon the redemption thereof, as the same respectively become due and payable. To the extent that the Mayor and the Comptroller General determine that sufficient District revenues have not been so set aside and deposited, the Federal payment made for the fiscal year within which such review is conducted shall be first utilized to make up any deficit in such sinking fund.

PART 4—TAX EXEMPTION—LEGAL INVESTMENT—WATER POLLUTION—RESERVOIRS—CONTRIBUTIONS—TERMINATION OF BORROWING AUTHORITY

TAX EXEMPTION

SEC. 641. Bonds and notes issued by the Council pursuant to this title and the interest thereon shall be exempt from all Federal and District taxation except estate, inheritance, and gift taxes.

LEGAL INVESTMENT

SEC. 642. Notwithstanding any restriction on the investment of funds by fiduciaries contained in any other law, all domestic insurance companies, domestic insurance associations, executors, administrators, guardians, trustees, and other fiduciaries within the District of Columbia may legally invest any sinking funds, moneys, trust funds, or other funds belonging to them or under or within their control in any bonds issued pursuant to this title, it being the purpose of this section to authorize the investment in such bonds or notes of all sinking, insurance, retirement, compensation, pension, and trust funds. National banking associations are authorized to deal in, underwrite, purchase and sell, for their own accounts or for the accounts of customers, bonds and notes issued by the District Council to the same extent as national banking associations are authorized by paragraph seven of section 5136 of the Revised Statutes (12 U.S.C. 24), to deal in, underwrite, purchase and sell obligations of the United States, States, or political subdivisions thereof. All Federal building and loan associations and Federal savings and loan associations; and banks, trust companies, building and loan associations, and savings and loan associations, domiciled in the District of Columbia, may purchase, sell, underwrite, and deal in, for their own account or for the account of others, all bonds or notes issued pursuant to this title: *Provided*, That nothing contained in this section shall be construed as relieving any person, firm, association, or corporation from any duty of exercising due and reasonable care in selecting securities for purchase or investment.

WATER POLLUTION

SEC. 643. (a) The Mayor shall annually estimate the amount of the District's principal and interest expense which is required to service District obligations attributable to the Maryland and Virginia pro rata share of District sanitary sewage water works and other water pollution projects which provide services to the local jurisdictions in those States. Such amounts as determined by the Mayor shall be used to exclude the Maryland and Virginia share of pollution projects cost from the limitation on the District's capital program obligations as provided in this title.

(b) The Mayor shall enter into agreements with the States and local jurisdictions concerned for annual payments to the District of rates and charges for waste treatment services in accordance with the use and benefits made and derived from the operation of the said waste treatment facilities. Each such agreement shall require that the estimated amount of such rates and charges will be paid in advance, subject to adjustment after each year. Such rates and charges shall be sufficient to cover the cost of construction, interest on capital, operation and maintenance, and the necessary replacement of equipment during the useful life of the facility.

COST OF RESERVOIRS ON POTOMAC RIVER

SEC. 644. (a) The Mayor is authorized to contract with the United States, any State in the Potomac River Basin, any agency or political subdivision thereof, and any other competent State or local authority, with respect to the payment by the District of Columbia to the United States, either directly or indirectly, of the District's equitable share of any part or parts of the non-Federal portion of the costs of any reservoirs authorized by the Congress for construction on the Potomac River or any of its tributaries. Every such contract may contain such provisions as the Mayor may deem necessary or appropriate.

(b) Unless hereafter otherwise provided by legislation enacted by the Council, all payments made by the District of Columbia and all moneys received by the District of Columbia pursuant to any contract made under the authority of this Act shall be paid from, or be deposited in, a fund designated by the Mayor. Charges for water delivered from the District of Columbia water system for use outside the District of Columbia may be adjusted to reflect the portions of any payments made by the District of Columbia under contracts authorized by this Act which are equitably attributable to such use outside the District.

DISTRICT OF COLUMBIA CONTRIBUTIONS TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

SEC. 645. Notwithstanding any provision of law to the contrary, beginning with fiscal year 1973 the District share of the cost of the Adopted Regional System described in the National Capital Transportation Act of 1969 (Public Law 91–143; 83 Stat. 320), shall be payable from the proceeds of the sale of District obligations issued pursuant to the authority contained in this title.

TERMINATION OF THE DISTRICT'S AUTHORITY TO BORROW FROM THE TREASURY

SEC. 646. (a) The first section of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City", approved June 6, 1958 (72 Stat. 183); D.C. Code, sec. 9–220), is amended by striking out subsections (b), (c), (d), and (e).

(b) The Act entitled "An Act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system", approved June 2, 1950 (60 Stat. 195; D.C. Code, sec. 43–1540), is repealed.

(c) Title II of the Act entitled "An Act to authorize the financing of a program of public works construction for the District of Columbia, and for other purposes", approved May 18, 1954 (68 Stat. 108), is amended by striking out sections 213, 214, 216, 217, and 218 (D.C. Code, sections 43–1612, 43–1613, 43–1615, 43–1616, and 43–1617), authorizing loans from the United States Treasury for sanitary and combined sewer systems of the District.

(d) Section 402 of title IV of such Act approved May 18, 1954 (68 Stat. 110; D.C. Code, sec. 7–133), authorizing loans from the United States Treasury for the District of Columbia highway construction program, is repealed.

(e) Nothing contained in this section shall be deemed to relieve the District of its obligation to repay any loan made to it under the authority of the Act specified in the preceding subsections, nor to preclude the District from using the unexpended balance of any such loan appropriated to the District prior to the effective date of this provision.

TITLE VII—FEDERAL PAYMENT

ANNUAL FEDERAL PAYMENT TO THE DISTRICT

SEC. 701. (a) In recognition of the unique character of the District of Columbia as the Nation's Capital City, regular annual payments by the Federal Government are hereby authorized to cover the proper share of the expenses of the District government. On or before January 10 of each year, the Mayor shall, with the approval of the Council, submit to the Secretary of the Treasury through the Comptroller General a request for a Federal payment to be made during the following fiscal year, and the amount of such payment shall be computed in accordance with this part.

(b) The Federal payment for each fiscal year shall be determined on the basis of a percentage of the amount of District of Columbia fees, charges, miscellaneous receipts, and tax revenues which the Mayor estimates, on the basis of fees, charges, receipts, and tax rates authorized by law in effect at the time of such estimate, will be credited to the general fund of the District during such fiscal year as follows:

(1) For the fiscal year ending June 30, 1974, such payment shall be an amount equal to 37½ per centum of such fees, charges, receipts, and revenues so estimated for that fiscal year; and

(2) For the fiscal year ending June 30, 1975, and for each fiscal year thereafter, such payment shall be an amount equal to 40 per centum of such fees, charges, receipts, and revenues so estimated for such fiscal year.

(c) Commencing with the fiscal year ending June 30, 1974, the amount of the Federal payment for any fiscal year shall be adjusted by an amount equal to the difference between (1) the Federal payment made for such fiscal year and (2) the per centum in effect for that fiscal year times such fees, charges, miscellaneous receipts, and tax revenues actually credited to the general fund during such fiscal year.

(d) After review by the Comptroller General of the request for Federal payment and certification by him on or before April 10 of the fiscal year preceding the fiscal year for which the annual Federal payment is being requested that such request is in conformity with the provisions of this part, the Secretary of the Treasury shall, not later than September 1 of each fiscal year, cause such payment to be made to the District out of any money in the Treasury not otherwise appropriated, and the Secretary of the Treasury is authorized to advance on or after

July 1, out of any money in the Treasury not otherwise appropriated, without interest, such amounts (not to exceed in the aggregate the total payment in the previous fiscal year) as may be required by the District pending the payment of the amount authorized by this section.

(e) The Comptroller General shall enter into cooperative arrangements with the Mayor whereby adjustments, disputes, differences, or disagreements involving the Federal payment may be resolved.

(f) Nothing contained in this title or any other provision of this Act shall be construed as relieving the United States of its obligations to make payments to the District government pursuant to the provisions of sections 106 and 212 of the Act of May 18, 1954 (D.C. Code, sec. 43-1601, 1611). Such payments shall be in addition to any other payments authorized by this Act.

TITLE VIII—AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

AMENDMENTS

SEC. 801. The District of Columbia Election Act is amended as follows:

(1) The first section of such Act is amended by inserting immediately after "Board of Education,", the following: "the members of the Council of the District of Columbia, the Mayor".

(2) Section 2 of such Act is amended (1) by striking out subparagraph (A) in paragraph (2) thereof and inserting in lieu: "(A) who, for the purpose of voting in an election under this Act, has resided in the District continuously during the thirty-day period ending on the day of such election and who does not claim voting residence or right to vote in any State or territory"; and (2) by adding at the end thereof the following new paragraphs:

"(8) The term 'Council' or 'Council of the District of Columbia' means the Council of the District of Columbia established pursuant to the District of Columbia Charter Act.

"(9) The term 'Mayor' means the office of Mayor of the District of Columbia established pursuant to the District of Columbia Charter Act."

(3) (A) Section 3 of such Act is amended to read as follows:

"SEC. 3. There is hereby created a Board of Elections for the District of Columbia, to be composed of three members appointed by the Mayor, by and with the advice and consent of the District Council. The term of each such member shall be three years from the expiration of the term of his predecessor. Any person appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. When a member's term of office expires, he may continue to serve until his successor is appointed and has qualified. The Mayor shall from time to time designate the Chairman of the Board."

(B) The members of the Board of Elections in office on the date when the Mayor first elected takes office shall continue in office for the remainder of the terms for which they were appointed.

(4) Subsections (h), (i), (j), and (k) of section 8 of such Act are amended to read as follows:

"(h) (1) (A) The Delegate, Mayor, Chairman of the District Council, and the two at-large members of the District Council shall be elected by the qualified electors of the District of Columbia in a general election. Each candidate for the office of Delegate, Mayor, Chairman of the District Council, and at-large members of the District Council in any general election shall, except as otherwise provided in subsection (j) of this section and section 10(d), have been elected as such candidate by the next preceding primary or party runoff election.

"(B) (i) A member of the office of District Council (other than the Chairman and any member elected at large) shall be elected in a general election by the qualified electors of the respective ward of the District from which the individual seeking such office was elected as a candidate for such office as provided in clause (ii) of this paragraph.

"(ii) Each candidate for the office of member of the District Council (other than the Chairman and at-large members) shall, except as otherwise provided in subsection (j) of this section and section 10(d), have been elected as such a candidate at the next preceding primary or party runoff election to fill such office within that ward.

"(2) The nomination and election of any individual to the office of Delegate, Mayor, Chairman of the Council, and member of the Council shall be governed by the provisions of this Act. No political party shall be qualified to hold a primary election to select candidates for election to any such office in a general election unless, in the next preceding election year, at least seven thousand five hundred votes were cast in the general election for a candidate of such party for any such office or for its candidates for electors of President and Vice President.

"(i) (1) Each individual in a primary election for candidate for the office of Delegate, Mayor, Chairman of the Council, or at-large member of the Council shall be nominated for any such office by a petition (A) filed with the Board not later than the forty-fifth day before the date of such primary election; and (B) signed by at least two thousand duly registered voters of the same political party as the nominee, or by 1 per centum of the duly registered members of such political party, whichever is less, as shown by the records of the Board of Elections as of the ninety-ninth day before the date of such election.

"(2) Each individual in a primary election for candidate for the office of member of the Council (other than the Chairman and at-large members) shall be nominated for such office by a petition (A) filed with the Board not later than the forty-fifth day before the date of such primary election; and (B) signed by at least two hundred and fifty persons in the ward from which such individual seeks election who are duly registered in such ward under section 7 of this Act, and who are of the same political party as the nominee.

"(3) A nominating petition for a candidate in a primary election for any such office may not be circulated for signature before the ninety-ninth day preceding the date of such election and may not be filed with the Board before the seventieth day preceding such date. The Board may prescribe rules with respect to the preparation and presentation of nominating petitions. The Board shall arrange the ballot of each political party in each such primary election as to enable a voter of such party to vote for nominated candidates of that party.

"(j) (1) A duly qualified candidate for the office of Delegate, Mayor, Chairman of the Council, or member of the Council may, subject to the provisions of this subsection, be nominated directly as such a candidate for election for such office (including any such election to be held to fill a vacancy). Such person shall be nominated by a petition filed with the Board not less than the forty-fifth day before the date of such general election; and (A) in the case of a person who is a candidate for the office of member of the Council (other than the Chairman or an at-large member), signed by five hundred voters who are duly registered under section 7 in the ward from which the candidate seeks election; and (B) in the case of a person who is a candidate for the office of Delegate, Mayor, Chairman of the Council, or at-large member of the Council, signed by duly registered voters equal in number to 1½ per centum of the total number of registered voters in the District, as shown by the records of the Board as of the ninety-ninth day before the date of such election, or by three thousand persons duly registered under section 7, whichever is less. No signatures on such a petition may be counted which have been made on such petition more than ninety-nine days before the date of such election.

"(2) Nominations under this subsection for candidates for election in a general election to any office referred to in paragraph (1) shall be of no force and effect with respect to any person whose name has appeared on the ballot of a primary election for that office held within eight months before the date of such general election.

"(k) (1) In each general election for the office of member of the Council (other than the office of Chairman or an at-large member) the Board shall arrange the ballots in each ward to enable a voter registered in that ward to vote for any one candidate who (A) has been duly elected by any political party in the next preceding primary or party runoff election for such office from such ward, (B) has been duly nominated to fill a vacancy in such office in such ward pursuant to section 10(d), or (C) has been nominated directly as a candidate for such office in such ward under subsection (j) of this section.

"(2) In each general election for the office of member of the Council at large, the Board shall arrange the ballots to enable a registered voter to vote for as many candidates for election as members at large as there are members at large to be elected in such election. Such candidates shall be only those persons who (A) have been duly elected by any political party in the next preceding primary or party runoff election for such office, (B) have been duly nominated to fill vacancies in such office pursuant to section 10(d), or (C) have been nominated directly as a candidate under subsection (j) of this section.

"(3) In each general election for the office of Delegate, Mayor, or Chairman of the Council, the Board shall arrange the ballots to enable a registered voter to vote for any one of the candidates for any such office who (A) has been duly elected by any political party in the next preceding primary or party runoff election for such office, (B) has been duly nominated to fill a vacancy in such office pursuant to section 10(d), or (C) has been nominated directly as a candidate under subsection (j) of this section.".

(5) Paragraph (3) of section 10(a) of such Act is amended (1) by inserting "(A)" immediately before the word "Except", and (2) by adding at the end thereof the following:

"(B) (i) Except as otherwise provided in the case of special elections under this Act and in subclause (ii) of this clause, primary elections of each political party for the offices of Chairman of the Council and member of the Council (to be filled) shall be held on the first Tuesday in September of each even-numbered year, and general elections for such offices (to be filled) shall be held on the Tuesday next after the first Monday in November of each even-numbered year.

"(ii) Notwithstanding the provisions of subclause (i) of this clause, the initial primary election of each political party for the offices of Mayor, Chairman of the Council, and members of the Council shall be held on the first Tuesday next following the expiration of the ninety-day period following the date of the acceptance of the District of Columbia Charter in accordance with the provisions of title XIV of the District of Columbia Charter Act, and the initial general election for such offices shall be held on the Tuesday next after the first Monday in November of the calendar year in which such primary is held.

"(C) Except as otherwise provided in the case of a special election under this Act, primary elections of each political party for the office of Mayor shall be held on the first Tuesday in September of each Presidential election year, commencing with calendar year 1976, and the general election for such office shall be held on the Tuesday next after the first Monday in November of each Presidential election year commencing with calendar year 1976.".

(6) Paragraph (4) of section 10(a) of such Act is amended to read as follows:

"(4)(A) Runoff elections shall be held whenever (i) in any primary election of a political party for candidates for the office of Delegate, Mayor, Chairman of the Council, member of the Council from a ward, or member of the Council at large where only one at-large position is to be filled, no one candidate for any such office receives at least 40 per centum of the total votes cast in that election for all candidates of that party for that office, and (ii) in any general election for any such office, no one candidate receives at least 40 per centum of the total votes cast in that election for all candidates for that office. The candidates in any such runoff election for any such office shall be the two persons who received, respectively, the two highest numbers of votes in such preceding primary or general election for such office. The candidate receiving the highest number of votes in any such runoff election for such office shall be declared elected.

"(B)(i) When more than one office of at-large member of the Council is being filled in any primary election of a political party, the candidates for such offices who receive the highest number of votes shall be declared elected, except that no candidate shall be declared elected who does not receive at least 40 per centum of the number of all votes cast in that election for all candidates of that party for such offices divided by the number of at-large offices to be filled in such election. Where one or more of the at-large positions remains unfilled, a runoff election shall be held. The candidates in such runoff election shall be those unsuccessful candidates, in number not more than one more than the number of such offices to be filled, who in such primary next preceding such runoff election, received the highest number of votes less than 40 per centum.

"(ii) When more than one office of at-large member of the Council is being filled in any general election, the candidates for such offices who receive the highest number of votes shall be declared elected, except that no candidate shall be declared elected who does not receive at least 40 per centum of the number of all votes cast in that election for all candidates for such offices to be filled in such election divided by the number of at-large offices to be so filled. Where one or more of the at-large positions remain unfilled, a runoff election shall be held. The candidates in such run-off election shall be those unsuccessful candidates, in number not more than one more than the number of such offices to be filled, who in such preceding general election received the highest number of votes less than 40 per centum. The candidate or candidates, as the case may be, receiving the highest number of votes shall be declared elected.

"(C) If any person withdraws his candidacy from any such runoff election (under the rules and within the time limits prescribed by the Board), or dies before the date of the election, the person who received the same number of votes in such preceding primary or general election, as the case may be, next preceding such runoff election as a candidate in such runoff election or who received a number of votes in such primary or general election which is next highest to the number of votes in any such election received by a candidate in the runoff election, and who is not already a candidate in the runoff election, shall automatically become such a candidate in such runoff election.

"(D) Any such runoff election shall be held not less than two weeks nor more than four weeks after the date on which the Board has determined the results of the preceding primary or general election, as the case may be. At the time of announcing any such determination, the Board shall establish and announce the date on which the runoff election will be held, if one is required.".

(7) Section 10(b) of such Act is amended by deleting "and for members of the Board of Education," and inserting ", Mayor, Chairman of the Council, member of the Council and Board of Education,".

(8) Section 10(d) of such Act is amended to read as follows:

"(d) In the event that any official, other than the Delegate, Mayor, Chairman of the Council, member of the Council, member of the Board of Education, or a winner of a primary election for the office of Delegate, Mayor, Chairman of the Council, or member of the Council, elected pursuant to this Act dies, resigns, or becomes unable to serve during his or her term of office leaving no person elected pursuant to this Act to serve the remainder of the unexpired term of office, the successor or successors to serve the remainder of such term shall be chosen pursuant to the rules of the duly authorized party committee, except that such successor shall have the qualifications required by this Act for such office. In the event that such a vacancy occurs in the office of a candidate for the office of Delegate, Mayor, Chairman of the Council, or member of the Council who has been declared the winner in the preceding primary or party runoff election for such office, the vacancy may be filled not later than fifteen days prior to the next general election for such office, by nomination by the party committee of the party which nominated his predecessor. In the event that such a vacancy occurs in the office of Delegate more than twelve months before the expiration of its term of office, the Board shall call special elections to fill such vacancy for the remainder of its term of office."

(9) Section 10(e) of such Act is amended (1) by inserting "(1)" immediately before "Whenever", and (2) by adding at the end thereof the following new paragraph:

"(2)(A) Whenever a vacancy occurs in the office of Chairman of the Council, member of the Council elected from a ward, or member of the Council at large, such vacancy shall be filled at the next general election for any of the offices of Chairman of the Council, member of the Council from a ward, or member of the Council at large, which occurs more than ninety-nine days after such vacancy occurs. In the case of the office of Chairman of the Council, the Vice Chairman of the Council shall fill such vacancy by serving as Chairman until the unexpired term of the vacant office ends, or until January 2 next following the date of the election of a person to serve the remainder of such unexpired term, whichever occurs first. In the case of the office of member of the Council from a ward, or a member of the Council at large, the Council shall appoint a person to fill the vacancy until the unexpired term of the vacant office ends or until January 2 next following the date of the election of a person to serve the remainder of such unexpired term, whichever occurs first. A person elected to fill any such vacancy shall hold office for the duration of the unexpired term of office to which he was elected. Any person appointed under this paragraph shall have the same qualifications for holding such office as were required of his immediate predecessor.

"(B) When a vacancy in an unexpired term for an at-large position is being filled at the same general election as one or more full-term at-large positions, the successful candidate or candidates with the highest number of votes in the general election, or in the runoff election if a runoff election is necessary, shall be declared elected to the full-term position or positions, and any candidate declared elected at the general election shall for this purpose be deemed to have received a higher number of votes than any candidate elected in the runoff election."

(10) The first sentence of section 15 of such Act is amended to read as follows: "No person shall be a candidate for more than one office on the Board of Education or the District Council in any election for members of the Board of Education or Council, and no person shall be a candidate for more than one office on the Council in any primary election."

(11) Section 15 of such Act is further amended (1) by designating the existing text of such section as subsection (a), and (2) by adding at the end thereof the following new subsection:

"(b) No person who is holding the office of Mayor, Delegate, Chairman of the Council, member of the Council or member of the School Board shall, while holding such office, be eligible as a candidate for any other of such offices in any primary or general election, unless the term of the office which he so holds expires on or prior to the date on which he would be eligible, if elected in such primary or general election, to take the office with respect to which such election is held."

DISTRICT COUNCIL JURISDICTION

SEC. 802. Notwithstanding any other provision of this Act or of any other law, the District Council shall have jurisdiction to legislate with respect to matters involving or relating to elections in the District of Columbia, subject to the provisions of section 304, section 401(d), and subsections (g) and (h) of section 325 of this Act.

TITLE IX—MISCELLANEOUS

AGREEMENTS WITH UNITED STATES

SEC. 901. (a) For the purpose of preventing duplication of effort or for the purpose of otherwise promoting efficiency and economy, any Federal officer or agency may furnish services to the District government and any District officer or agency may furnish services to the Federal Government. Except where the terms and conditions governing the furnishing of such services are prescribed by other provisions of law, such services shall be furnished pursuant to an agreement (1) negotiated by the Federal and District authorities concerned, and (2) approved by the Director of the Office of Management and Budget and by the Mayor. Each such agreement shall provide that the cost of furnishing such services shall be borne in the manner provided in subsection (c) by the government to which such services are furnished at rates or charges based on the actual cost of furnishing such services.

(b) For the purpose of carrying out any agreement negotiated and approved pursuant to subsection (a), any District officer or agency may in the agreement delegate any of his or its functions to any Federal officer or agency, and any Federal officer or agency may in the agreement delegate any of his or its functions to any District officer or agency. Any functions so delegated may be exercised in accordance with the terms of the delegation.

(c) The cost to each Federal officer and agency in furnishing services to the District pursuant to any such agreement shall be paid, in accordance with the terms of the agreement, out of appropriations made by the Council to the District officers and agencies to which such services are furnished. The costs to each District officer and agency in furnishing services to the Federal Government pursuant to any such agreement shall be paid, in accordance with the terms of the agreement, out of appropriations made by the Congress or other funds available to the Federal officers and agencies to which such services are furnished.

PERSONAL INTEREST IN CONTRACTS OR TRANSACTIONS

SEC. 902. Any officer or employee of the District who is convicted of a violation of section 208 of title 18, United States Code, shall forfeit his office or position.

COMPENSATION FROM MORE THAN ONE SOURCE

SEC. 903. (a) Except as provided in this Act, no person shall be ineligible to serve or to receive compensation as a member of the Board of Elections because he occupies another office or position or because he receives compensation (including retirement compensation) from another source.

(b) The right to another office or position or to compensation from another source otherwise secured to such a person under the laws of the United States shall not be abridged by the fact of his service or receipt of compensation as a member of such Board, if such service does not interfere with the discharge of his duties in such other office or position.

ASSISTANCE OF THE UNITED STATES CIVIL SERVICE COMMISSION IN DEVELOPMENT OF DISTRICT MERIT SYSTEM

SEC. 904. The United States Civil Service Commission is hereby authorized to advise and assist the Mayor and the Council in the further development of the merit system authorized by section 402(4) and the said Commission is authorized to enter into agreements with the District government to make available its registers of eligibles as a recruiting source to fill District positions as needed. The costs of any specific services furnished by the Civil Service Commission may be compensated for under the provisions of section 901 of this Act.

TITLE X—SUCCESSION IN GOVERNMENT

TRANSFER OF PERSONNEL, PROPERTY, AND FUNDS

SEC. 1001. (a) In each case of the transfer, by any provision of this Act, of functions to the Council, to the Mayor, or to any agency or officer, there are hereby transferred (as of the time of such transfer of functions) to the Council, to the Mayor, to such agency, or to the agency of which such officer is the head, for use in the administration of the functions by the Council, the Mayor, or such agency or officer, the personnel (except the Commissioner of the District of Columbia and the Assistant to the Commissioner, and the Chairman of the District of Columbia Council, the Vice Chairman of the District of Columbia Council, and the other members thereof, all of whose offices are abolished by this Act), property, records, and unexpended balances of appropriations and other funds, which relate primarily to the functions so transferred.

(b) If any question arises in connection with the carrying out of subsection (a), such question shall be decided—

(1) in the case of functions transferred from a Federal officer or agency, by the Director of the Office of Management and Budget; and

(2) in the case of other functions (A) by the Council, or in such manner as the Council shall provide, if such functions are transferred to the Council, and (B) by the Mayor if such functions are transferred to him or to any other officer or agency.

(c) Any of the personnel transferred to the Council, the Mayor, or any agency by this section which the Council, the Mayor, or the head of such agency shall find to be in excess of the personnel necessary for the administration of its or his functions shall, in accordance with law, be retransferred to other positions in the District or Federal Government or be separated from the service.

(d) No officer or employee shall, by reason of his transfer by this Act or his separation from service under this Act, be deprived of a civil service status held by him prior to such transfer or any right of appeal or review he may have by reason of his separation from service.

EXISTING STATUTES, REGULATIONS, AND OTHER ACTIONS

SEC. 1002. (a) Any statute, regulation, or other action in respect of (and any regulation or other action issued, made, taken, or granted by) any officer or agency from which any function is transferred by this Act shall, except to the extent modified or made inapplicable by or under authority of law, continue in effect as if such transfer had not been made; but after such transfer, references in such statute, regulation, or other action to an officer or agency from which a transfer is made by this Act shall be held and considered to refer to the officer or agency to which the transfer is made.

(b) As used in subsection (a), the term "other action" includes, without limitation, any rule, order, contract, compact, policy, determination, directive, grant, authorization, permit, requirement, or designation.

(c) Unless otherwise specifically provided nothing contained in this Act shall be construed as affecting the applicability to the District of Columbia government of personnel legislation relating to the District government until such time as the Council may otherwise elect to provide equal or equivalent coverage as provided in section 402(4).

PENDING ACTIONS AND PROCEEDINGS

SEC. 1003. (a) No suit, action, or other judicial proceeding lawfully commenced by or against any officer or agency in his or its official capacity or in relation to the exercise of his or its official functions, shall abate by reason of the taking effect of any provision of this Act; but the court, unless it determines that the survival of such suit, action, or other proceeding is not necessary for purposes of settlement of the questions involved, shall allow the same to be maintained, with such substitutions as to parties as are appropriate.

(b) No administrative action or proceeding lawfully commenced shall abate solely by reason of the taking effect of any provision of this Act, but such action or proceeding shall be continued with such substitutions as to parties and officers or agencies as are appropriate.

VACANCIES RESULTING FROM ABOLISHMENT OF OFFICES OF COMMISSIONER AND ASSISTANT TO THE COMMISSIONER

SEC. 1004. Until the 1st day of July next after the first Mayor takes office under this Act no vacancy occurring in any District agency by reason of section 321, abolishing the offices of Commissioner of the District of Columbia and Assistant to the Commissioner, shall affect the power of the remaining members of such agency to exercise its functions; but such agency may take action only if a majority of the members holding office vote in favor of it.

TITLE XI—SEPARABILITY OF PROVISIONS

SEC. 1101. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

TITLE XII—TEMPORARY PROVISIONS

POWERS OF THE PRESIDENT DURING TRANSITION PERIOD

SEC. 1201. The President of the United States is hereby authorized and requested to take such action during the period following the date of the enactment of this Act and ending on the date of the first meeting of the District Council, by Executive order or otherwise, with respect to the administration of the functions of the District of Columbia government, as he deems necessary to enable the Board of Elections properly to perform its functions under this Act.

REIMBURSABLE APPROPRIATIONS FOR THE DISTRICT

SEC. 1202. (a) The Secretary of the Treasury is authorized and directed to advance to the District of Columbia the sum of $750,000, out of any money in the Treasury not otherwise appropriated, for use (1) in paying the expenses of the Board of Elections (including compensation of the members thereof), and (2) in otherwise carrying into effect the provisions of this Act.

(b) The full amount expended out of the money advanced pursuant to this section shall be reimbursed to the United States, without interest, during the second fiscal year which begins after the effective date of title V, from the general fund of the District of Columbia.

TITLE XIII—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 3101. (a) As used in this title and title XIV the term "charter" means titles I to XI, both inclusive.

(b) The charter shall take effect only if accepted pursuant to title XIV. If the charter is so accepted, it shall take effect on the day following the date on which it is accepted (as determined pursuant to section 1405) except that—

(1) part 2 of title III and title V shall take effect on the day upon which the Council members first elected take office;

(2) section 402 shall take effect on the day upon which the Mayor first elected takes office; and

(3) title VII shall take effect with respect to the first fiscal year beginning next after the Mayor first elected takes office and with respect to subsequent fiscal years.

(c) Titles XII, XIII, and XIV shall take effect on the day following the date on which this Act is enacted.

TITLE XIV—SUBMISSION OF CHARTER FOR REFERENDUM

CHARTER REFERENDUM

SEC. 1401. On a date to be fixed by the Board of Elections, not more than four months after the enactment of this Act, a referendum (in this title referred to as the "charter referendum") shall be conducted to determine whether the registered qualified voters of the District of Columbia accept the charter.

BOARD OF ELECTIONS

SEC. 1402. (a) In addition to its other duties, the Board of Elections established under the District Election Act of 1955 shall conduct the charter referendum and certify the results thereof as provided in this title.

(b) Notwithstanding the fact that such sections does not otherwise take effect unless the charter is accepted under this title, the applicable provisions of title VIII of this Act shall govern the Board of Elections in the performance of its duties under this Act.

APPLICABILITY OF TITLE VIII

SEC. 1403. Except as otherwise indicated in this title, the provisions of title VIII of this Act shall to the extent applicable govern all aspects (including, but not solely, the registration and qualification of voters, the method of voting, recounts and contests, and election violations) of the referendum election herein, notwithstanding the fact that such title VIII does not otherwise take effect unless the charter is accepted.

CHARTER REFERENDUM BALLOTS NOTICE OF VOTING

SEC. 1404. (a) The charter referendum ballot shall contain the following, with a blank space appropriately filled:

"The District of Columbia Charter Act, enacted ———, proposes to establish a new charter for the District of Columbia, but provides that the charter shall take effect only if it is accepted by the registered qualified voters of the District in this referendum.

"By indicating, in one of the squares provided below, whether you are for or against the charter.

☐ For the charter

☐ Against the charter".

(b) Voting may be by paper ballot or by voting machine. The Board of Elections may make such changes in the second paragraph of the charter referendum ballot as it determines to be necessary to permit the use of voting machines if such machines are used.

(c) Not less than five days before the date of charter referendum, the Board of Elections shall mail to each person registered (1) a sample of the charter referendum ballot, and (2) information showing the polling place of such person and the date and hours of voting.

(d) Not less than one day before the charter referendum, the Board of Elections shall publish, in newspapers of general circulation published in the District of Columbia, a list of the polling places and the date and hours of voting.

ACCEPTANCE OR NONACCEPTANCE OF CHARTER

SEC. 1405. (a) If a majority of the registered qualified voters voting in the charter referendum vote for the charter the charter shall be considered accepted as of the time the Board of Elections certifies the result of the charter referendum to the President of the United States, as provided in subsection (b).

(b) The Board of Elections shall, within a reasonable time, but in no event more than thirty days after the date of the charter referendum, certify the result of the charter referendum to the President of the United States and to the Secretary of the Senate and the Clerk of the House of Representatives.

TITLE XV—TITLE OF ACT

SHORT TITLE

SEC. 1501. This Act, divided into titles and sections according to table of contents, and including the declaration of congressional policy which is a part of such Act, may be cited as the "District of Columbia Charter Act".

The PRESIDING OFFICER. The unfinished business, S. 1081, will be temporarily laid aside and will remain in a temporarily laid-aside status until the disposition of S. 1435 or until the hour of 1:30 p.m., whichever is earlier.

Mr. EAGLETON. Mr. President, I ask unanimous consent that there be a brief quorum call, with the time to be charged to neither side.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, the pending order of business, S. 1435, commonly called District of Columbia home rule, is now before the Senate.

On seven separate occasions during the past 14 years, the last time being in 1971, this body has seen fit to pass such legislation.

Your Committee on the District of Columbia again brings before you a bill to provide home rule for the District. In truth, while there has been a great deal of discussion about the pros and cons of home rule for the District, no bill has actually provided for complete home rule for the District since the Constitution specifically gives to the Congress supervision over the affairs of the District of Columbia.

What this home rule bill would do would be to assign to an elected Mayor and an elected City-Council the functions which are presently being performed by an appointed Mayor and by the Congress of the United States. As will be discussed more fully later, the bill gives each House of Congress a continuing item-by-item veto over any actions undertaken by the Council.

I think that President Johnson, in his message on home rule, summed up most aptly the basic philosophical argument in favor of this delegation when he stated:

> Our Federal, State, and local governments rest on the principle of democratic representation—the people elect those who govern them. We cherish the credo declared by our forefathers: No taxation without representation. We know full well that men and women give the most of themselves when they are permitted to attack problems which directly affect them.
>
> Yet the citizens of the District of Columbia, at the very seat of the Government created by our Constitution, have no vote in the government of their city. They are taxed without representation. They are asked to assume the responsibilities of citizenship while denied one of its basic rights. No major capital in the free world is in a comparable condition of disenfranchisement.

The second reason that the committee believes that this type of delegation to the citizens of the District of Columbia of the affairs of the city is essential is demonstrated by the effectiveness of the working of Reorganization Plan No. 3 of 1967. That plan, which changed the system of government in the District from a three-commissioner system to a system of a Commissioner-Mayor and an appointed Council, has proven, in the opinion of the committee, to be quite successful.

It has relieved the Congress of many legislative burdens. However, it has not been a complete delegation. The Congress has still been called upon to make many decisions, such as the following:

First. After several previous attempts, Congress finally authorized members of the District of Columbia Fire Department and Police Department to play in the Metropolitan Police Department Band;

Second. In order to make life easier in the District of Columbia, we passed a national statute that permits the flying of kites in the District of Columbia so that the International Fly-Out contest could be held at the base of the Washington Monument;

Third. We passed a good procedure for the removal of snow and ice in the District; and

Fourth. In order to alleviate the financial crisis in the District, we reformed licensing fees and by Federal statute now require a registration of 25 cents for each dog owned or kept in the District of Columbia.

Fifth. Recently we enacted a bill which would add seats to the football stadium.

I believe it is not in the interest of this body, nor is it in the interest of the citizens of the United States we are elected to represent, or even of the citizens of the District of Columbia that the time of the U.S. Senate be spent preparing, holding hearings, considering, and debating matters that are purely local in nature. Rather, as your committee proposes in this bill, Congress should delegate the making of these local regulations to a body elected by the citizens of the District of Columbia, with the continuing right to supervise such body to insure that the Federal interest in this, our Nation's Capital, is never violated.

Mr. President, more is at stake than the local matters previously recited, because, as is reflected in S. 1435, the very essence of local government will be mandated and legislated by this bill, once enacted into law, so that an elected Mayor and an elected City Council can make the vital decisions that affect the destinies of three-quarters of a million American citizens. We will find in the bill the right of the City Council and the Mayor to enact into law ordinances relating to taxation, excluding at least two very important things that they cannot act upon: The taxation, of course, of any Federal property is prohibited by the Constitution, and we prohibit them from the imposition of an income tax on nonresidents of the District of Columbia. But with those two exceptions, one constitutional and one that we impose statutorily, the City Council and an elected Mayors, elected by the three-quarters of a million people of the city, can decide in what way and how much to tax their citizens, can enact local ordinances into law, and can begin to shape their own destiny as should be the right of all American citizens.

As I have pointed out, the bill provides for an elected Mayor and an elected 11-member Council, of whom the Chairman and two members would be elected at large and the other eight members would be elected from wards, the same wards that are presently utilized for members of the school board.

The Mayor and Council would take over the functions of the present Commissioner-Mayor and nonelected Council and, in addition, would have the powers which are delegated by this bill, including those relating to issuing debt obligations and generally initiating local legislation. The council would be delegated the right to change all District taxes, not just the property tax. However, as I have pointed out, the bill specifically denies the council the right to tax the personal income of nonresidents, or what is popularly known as a commuter tax.

The Federal contribution toward the needs of the Nation's Capital would be computed as a percentage of the general fund revenues which the District government obtains from its citizens and visitors by means of various taxes and other charges. Under this bill, the Federal payment would rise from 37½ percent the first year after enactment to a permanent figure of 40 percent for succeeding years. I might note that last year the Federal payment to the District of Columbia was in the neighborhood of 39 percent but that the Federal payment this year is 36 percent of the general fund revenues.

That is fairly close, in percentage comparison, to the formula we have spelled out in S. 1435.

In working up this bill the committee was cognizant of the questions that were raised during the 1965 and 1971 debate, most of them centering around the problem of whether or not to have a District delegate, a school board, and a formula for the Federal payment which was then based on an assessment of the value of real estate being used by the Federal Government in the District of Columbia.

I believe we have met most of these old or 1965 objections—the first two through the passage of time, and the third, we think by means of the percentage formula we have adopted in the bill.

Returning to the provisions of the bill, I might further note that the Mayor and the members of the Council are elected for 4-year terms, a portion of the Council running every 2 years. The elections will occur the same year that the District Delegate election occurs and during Presidential election years. The elections will be on a partisan basis, representatives of all political parties in the District having indicated during the hearings that such elections would be acceptable, indeed preferable, to them.

The committee bill does not contain a Presidential veto, but rather has an item-by-item veto by either House of the Congress of the United States. It is the committee's view that a Presidential veto does not truly reflect the provision of the Constitution which delegates to the Congress supervision over the affairs of the District of Columbia. Accordingly the committee has attempted to devise a system whereby the Congress itself may continue to closely supervise the affairs of the District of Columbia. Any proposed legislation which the City Council may enact and which the Mayor approves, or, if he vetoes, two-thirds of the Council approve over his veto, must thereafter be submitted to the Congress for 30 days. During this 30 days, in accordance with the provisions of the act regarding the approval or disapproval of reorganization plans, either House of Congress may consider a resolution disapproving of such proposed act. If either House, during the 30-day period, disapproves of the proposed legislation it shall be null and void, and shall not go into effect. If, and only if, neither House of Congress disapproves the proposed legislation shall the act become law.

In the event Congress is not in session for 30 continuous days after the City Council and Mayor have approved proposed legislation, such act shall have no effect; it being the committee's view that the Council may only enact legislation at such times as to allow Congress 30 days within which to consider the legislation.

I shall not take the time of this body to again enumerate all of the arguments that can be made for allowing the citizens of the District of Columbia to have the right which citizens have in every other jurisdiction in the United States. Suffice it to say that it is the unanimous recommendation of the District of Columbia Committee that the citizens of the District of Columbia be given a new charter so that they may to a greater extent than heretofore, govern themselves.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield myself such time as I may require.

I wish to thank the distinguished chairman of the Committee on the District of Columbia, the Senator from Missouri (Mr. EAGLETON), for the leadership that he has given in bringing the fight for home rule to the Senate floor, not only this year but in previous years. I think he has demonstrated in a very positive and very concrete way that he believes in the principles that are involved in the fight for home rule for the citizens of the District of Columbia. It has been a pleasure for me to serve with him, and to attest to the seriousness with which he takes not only this subject, but all his work in the committee.

Under the chairman's direction, the Senate did pass a home rule bill by the overwhelming margin of 64 to 8 in the 92d Congress. Today, we have another opportunity to produce results as impressive as that. I think we have reason to be more optimistic that home rule will come to the District of Columbia because of the progress that is being made not only in the Senate but also in the other body.

Mr. President, I did not come to Congress some years ago with any dogmatic views about home rule for the District of Columbia. I had no doctrinaire position on it, but I was elected when I came as a freshman Representative to the other body to be a member of the Committee on the District of Columbia of that body. I must say that the more I observed the way the affairs of the District of Columbia were conducted, or perhaps it might be more accurate to say the way in which the affairs of the District of Columbia were not conducted, that I felt home rule was really the only answer.

Because, let me say, in all honesty, if there is a problem affecting the District of Columbia and another problem which arises at the same time affecting the State of Maryland and I am asked to choose where I will devote my time and attention, I am frank to say that it is going to be on the affairs of the State of Maryland and not on the affairs of the District of Columbia.

That, I might say, has been the attitude and the compulsion of members of the Committee on the District of Columbia of both Houses. They have looked after their national responsibilities and the responsibilities they owe to their own States. The District of Columbia gets what time is left over. Frankly, Mr. President, that is not enough.

The legislation we are considering today has been needed for exactly 99 years. It was in 1874 that Congress temporarily suspended local government in the District of Columbia. Like many acts that we label as being temporary, it has been perpetuated far beyond any reason or any excuse.

It was not a unique situation in 1874 that the city government was in trouble. Practically every city government in the United States was in trouble in that same general period of time. In many large cities, the State legislatures which stood in the same relationship to municipal governments that the Congress did in relationship to the District of Columbia, took over the direction of all or a substantial part of the municipal authority. But, in many cases, throughout the country, that municipal authority has now been returned to the people after a period of reform, after a period of consideration of the basic problems which gave rise to municipal corruption and municipal malfeasance which was rampant in the decade of the 1870's.

But here in Washington we never recognized with the passage of time, the possibility that time and effort could have cured the problem. As a result, for over three generations, the people of the Nation's Capital, alone among all American citizens, have been denied the right to choose their local officials and to administer their own local affairs.

The passage of this bill would restore local self-government to the Capital and would return to the citizens of the District of Columbia, after far too long a time, the basic democratic privileges which the citizens of every village, every town, every city, every county, every State now enjoy.

Let me emphasize the word "return," because home rule is nothing novel for the District of Columbia. There was a Mayor of Washington, elected by the people. There was a City Council, elected by the people. In fact, in the very earliest days, there was more than one, because each of the various small communities that had existed prior to the establishment of the District of Columbia had its own elected municipal officials.

So we would merely be reestablishing the grassroots democracy which existed when the Federal Government acquired the immediate authority for the government of this area.

I think that the popular election of local official is an essential step toward perfecting American democracy. It is also the next logical step forward for the District of Columbia which follows on the constitutional amendment which does enable District residents to vote for President and Vice President, the creation of a local elected school board, and the establishment of the office of a nonvoting delegate in the other body.

I think that these acts are a sound progression from the total denial of the rights of citizenship to the opportunity to choose municipal leadership and to enjoy a government, not one appointed by the President and confirmed by the Senate, but one selected by the people and responsible to the people.

Now S. 1435 does, of course, reaffirm the constitutional responsibilities of Congress to oversee the government of the Nation's Capital. This is an historic duty. It arose out of the very unhappy mutiny of the Army in Philadelphia in which Congress itself was threatened by a mob and which was not adequately dealt with by the police authorities of either the city of Philadelphia or the State of Pennsylvania. As a result, Congress determined, and the Constitutional Convention decided, that wherever the seat of the Federal Government would be, the Federal Government itself would have control over the maintenance of peace and good order.

So Congress does reaffirm, in this bill, that historic constitutional responsibility.

As was the case in the bill that was passed in the Senate by the 92d Congress, S. 2435 explicitly reserves to Congress the power to legislate in a few particularly difficult areas.

For example, the elected council would be prohibited from enacting any tax on any property of the United States, which constitutes a substantial portion of the real estate within the District of Columbia, or any tax on the incomes of persons not residing in the District.

The task before us today is to enact legislation that will assign to the elected Mayor and Council substantial administrative and legislative authority, respectively.

There is no question that Congress has to enact self-government legislation for the District of Columbia because the simple fact is that the present way we run the Nation's Capital does not work very well.

I do not lack respect for Walter Washington, the hard-working and diligent Commissioner-Mayor. He is a sensitive public servant who is caught in perhaps the most thankless situation that exists in public service in the entire United States. He is forced to bear many burdens for which he gets very little praise and with which he has almost no authority to deal. The City Council, I think, in its present limited scope, has done admirably in a difficult job of trying to give some feel of representation within the restrictive limits of its charter, trying to represent people without having any way to get a real mandate. But the fact is that we have created a situation in which we are trapped—Congress, the White House, the city government, and most of all the people of the District. We are trapped in a system which hardly deserves to be called a system. It is an obsolete and cumbersome and arbitrary system of arrangements that have been made at various times through which authority is diffused and power is fragmented and decisionmaking is delayed. The Mayor does not have the power, Congress does not have the time, and the people of the District do not have the vote.

This might have been a situation which could have been tolerated in the past, but I do not think it is adequate for the Capital of this Republic, for the Capital of the United States, as we are about to commemorate the two hundredth anniversary of our independence. I think it is past time to say to the people of Washington that they will no longer be dependent on the judgment, however wise, or the wisdom or the considerations, however well motivated, of officials who are elected somewhere else.

I think it is past time for us to delegate responsibility for the day-to-day government of this city to men and women who are elected by the residents of the city. There is no better way for Congress to meet its own obligations to provide for the government of the Nation's Capital, and no better way to show the Nation and the world that the Declaration of Independence does not stop at the District line, than to pass this bill today.

Mr. EAGLETON. Mr. President, I sincerely thank the distinguished senior Senator from Maryland for his eloquent presentation in support of the home rule bill.

No bill that reaches the floor of this body is the product of any one Senator or any one legislator by himself. It takes effective functioning on the committee level, especially, if at all possible, with a bipartisan approach, to bring good, solid, meaningful legislation to the floor of this body.

It has been a distinct pleasure for me, during the 2½ years I have served as chairman of the Senate District of Columbia Committee, to work with the distinguished senior Senator from Maryland (Mr. MATHIAS), not only on this piece of legislation but also other matters relating to the District of Columbia. He is interested, he is informed, he is accommodating, and in all measures he does make a significant contribution.

Thus, this home rule bill 1973 is very much a bipartisan product of the Senate District of Columbia Committee, with a significant input from Members on both sides of the aisle; and a large measure of the credit for what we consider to be a very fine piece of legislation belongs to the distinguished senior Senator from Maryland (Mr. MATHIAS).

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. I thank the distinguished chairman of the committee for his kind remarks.

Mr. President, I yield 3 minutes to the Senator from Virginia.

Mr. SCOTT of Virginia. I thank the distinguished Senator for yielding, Mr. President.

I commend the chairman of the committee and the ranking minority member for the type of bill they have brought before the Senate for consideration. I am very sympathetic with the thoughts expressed by the Senator from Maryland with regard to service on the District of Columbia Committee. I, too, live in a nearby State and have indicated that I did not care to serve on this committee. Serving on the D.C. committee is a thankless job. It does seem desirable to have purely local matters decided by local people, rather than to have the Congress pass upon such matters.

The bill before the Senate, providing for an elected Mayor and an elected Council, has been an effort on the part of the committee to distinguish between the functions that are purely local in nature and the functions that relate to the Federal city, because certainly the city of Washington is a city in which people live, just as they do in every community within the Nation. But it is more than that. It is the Federal city, and I believe that this dual nature has been thought of and incorporated in the bill before the Senate today.

I certainly have no objection to the Mayor being elected or a Council being elected, rather than to have them appointed by the President. I would hope, however, that they would concern themselves with purely local matters.

History tells us, Mr. President, that when the Continental Congress was meeting in Philadelphia in 1782, a group of mutinous Army troops, not then deactivated after the Revolutionary War, marched upon the Capitol—estimates vary from 80 to 250 troops—who gathered around Independence Hall where the Continental Congress was in session. James Madison, in his writings, reports that these troops had disobeyed the orders of their officers and came to Philadelphia to petition the Congress for pay allegedly due them. While no actual violence occurred, Madison reports that they did get liquid spirits from nearby bars, that they did wantonly point their muskets through the windows of the Hall of Congress and offer mock obstruction to Members as they passed through their ranks. A number of the Members of the Continental Congress participated in the writing of the Constitution which provides, as Senators know, for the seat of government to be established on land ceded by the States with the ultimate supremacy of the Federal Government over the ceded territory.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. MATHIAS. I yield the Senator 1 additional minute.

Mr. SCOTT of Virginia. I thank the Senator.

Mr. President, I intend to offer a number of amendments. One would prevent a parking tax on nonresidents of the District in excess of that paid by District residents. That is amendment No. 268. I ask unanimous consent that the name of the Senator from Virginia (Mr. HARRY F. BYRD, JR.) be added as a cosponsor of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT of Virginia. The second amendment would clarify the jurisdiction of the National Capital Planning Commission to restrict its jurisdiction to the geographic boundaries of the District of Columbia. The third amendment would transfer the jurisdiction of the penal institution at Lorton from the District of Columbia government to the Department of Justice.

Mr. President, I ask unanimous consent that the name of the Senator from Virginia (Mr. HARRY F. BYRD, JR.) be added as a cosponsor of Amendment No. 266, also.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT of Virginia. There is also concern, Mr. President, over the appointive power of the various police forces within the District of Columbia and supervision of these policemen. I understand that other Senators will have amendments relating to the police and perhaps other features of this bill. Mr. President, I hope that the managers will accept at least a portion of these amendments so that a bill will be enacted which will permit the citizens of the District of Columbia to decide purely local matters and the Federal Government to decide matters of a Federal nature.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. I yield 3 minutes to my distinguished colleague from Maryland.

Mr. BEALL. Mr. President, I thank my distinguished colleague, the ranking minority member of the District of Columbia Committee, for yielding me a few minutes to indicate my support for the proposed legislation.

At the outset, I congratulate the chairman and the ranking member and the members of the committee for bringing to the floor a balanced piece of legislation which does, indeed, give to the residents of the District of Columbia an even greater opportunity to participate in the government of their own local affairs. I think it is balanced because it also provides that Congress will retain an influence, as it should, with respect to the conduct of affairs in the Federal city.

I particularly commend my senior colleague from Maryland for his untiring efforts and hard work on the District of Columbia Committee.

He served in this capacity as a Member of the House of Representatives and now as a Member of the Senate. As our colleague from Virginia has pointed out, it is not altogether a pleasant duty. It is a duty that is time consuming and it could divert one's attention from larger legislative activities.

But the interests of the State of Maryland and the District of Columbia are inextricably intertwined. We are in an era when we govern on a regional basis, so it is extremely important for the people of Maryland that they have a strong, knowledgeable voice in the government of the District of Columbia. It is extremely important that there be the closest cooperation between the District of Columbia and the State of Maryland, and neighboring suburban counties.

For that reason I think that Senator Mathias has performed yeomen service for constituents in Maryland. He has seen to it that there is this cooperation to protect the interests of all the citizens of the region, to see that they have the best possible government through their social and economic existence.

I rise to support this legislation and to commend my colleague for the job he is doing for the people of Maryland in connection with this matter.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 268

Mr. SCOTT of Virginia. Mr. President, I call up my amendment No. 268 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. SCOTT of Virginia. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objecton, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment, ordered to be printed in the Record, is as follows:

On page 105, line 12, immediately after "(1)", insert "(A)".

On page 105, between lines 18 and 19 insert the following:

"(B) impose any tax, assessment, permit, fee, or other charge whatsoever upon any individual not a resident of the District in connection with the utilization by such individual of highways, roads, or parking facilities (including on-street and off-street parking) within the District of Columbia, which is not imposed upon, or which is in excess of the amount imposed upon, a resident of the District;".

Mr. SCOTT of Virginia. Mr. President, this amendment would merely prohibit the District of Columbia from doing indirectly what the committee bill says that it cannot do directly, and that is to impose a tax on the commuter or visitor to Washington. The pertinent part of the amendment states that the District of Columbia shall not—

> impose any tax, assessment, permit, fee, or other charge whatsoever upon any individual not a resident of the District in connection with the utilization by such individual of highways, roads, or parking facilities (including on-street and off-street parking) within the District of Columbia, which is not imposed upon, or which is in excess of the amount imposed upon, a resident of the District.

We have had the matter of a commuter tax brought up a number of times. Sometimes it is called a reciprocal tax, sometimes it is called an income tax or a parking tax. All these efforts to tax people who work in the District of Columbia but who live in suburban Maryland and Virginia have not been successful.

Mr. President, I do have material that could be presented to the Senate that would amplify this matter, but it is my understanding that the floor managers of the measure are agreeable to accepting the amendment. I ask the distinguished chairman if this is true.

Mr. President, I reserve the remainder of my time.

Mr. EAGLETON. Yes, as the chairman of the committee and manager of the bill, I am willing to accept the amendment offered by the distinguished junior Senator from Virginia.

It can be argued that what he describes is already prohibited by section 325 subparagraph (d) (1) of the bill as presently drafted. As a clarification the amendment is useful and I am glad to accept it and take it to conference.

Mr. SCOTT of Virginia. I thank the Senator.

Mr. MATHIAS. Mr. President, I concur in the statement of the chairman of the committee. I believe that any attempt to impose a discriminatory tax on nonresidents would be a burden on interstate commerce and it is clearly prohibited by the commerce clause of the Constitution.

I think also with the chairman that the bill itself provides safeguards, but to make doubly sure I am happy to join the chairman in accepting the amendment.

Mr. SCOTT of Virginia. Mr. President, I yield to my distinguished colleague from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. I thank the chairman of the committee for accepting the amendment. I commend my colleague, Mr. Scott, for introducing the amendment.

I think the amendment does clarify and make certain a very important point. It would be discriminatory to handle it otherwise where the tax could be placed on nonresidents in a different proportion than residents are taxed.

I think the Senator was correct in presenting the amendment. I thank the Senator from Missouri (Mr. Eagleton) and the ranking Republican member of the committee (Mr. Mathias) for accepting the amendment.

Mr. SCOTT of Virginia. I appreciate the comments of my colleague and the willingness of the managers on both sides of the aisle to accept the amendment.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Missouri yield back his time?

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

AMENDMENT NO. 266

Mr. SCOTT of Virginia. Mr. President, I call up my amendment No. 266.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. SCOTT of Virginia. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment, ordered to be printed in the Record, is as follows:

On page 181, between lines 10 and 11, insert the following new title:

"TITLE XV—TRANSFER OF JURISDICTION OVER PENAL FACILITIES AT LORTON

"Sec. 1501. (a) The facilities operated by the District of Columbia Department of Corrections in the State of Virginia commonly known as the Lorton Reservation and consisting of the Correctional Complex, the Minimum Security Facility, the Youth Corrections Center, and related facilities, all functions, powers, duties, and records of the Commissioner of the District of Columbia and the District of Columbia Council with respect thereto, and the care, custody, discipline, instruction, and rehabilitiation of persons committed to or residing therein are transferred to the Attorney General of the United States.

"(b) (1) The positions and personnel of the District of Columbia Department of Corrections (other than medical positions and personnel) who the Director of the Office of Management and Budget determines were employed in connection with any function, power, or duty transferred by this section are transferred to the Attorney General. All personnel transferred by this subsection shall continue to have the employment rights and privileges which they had on the day prior to the effective date of this title.

"(2) The medical positions and personnel of the District of Columbia Department of Corrections who the Director of the Office of Management and Budget determines were employed in connection with any function, power, or duty transferred by this section are transferred to the Secretary of Health, Education, and Welfare, together with such records as the Director of the Office of Management and Budget determines relate to their functions. Such medical personnel shall continue to have the employment rights and privileges which they had on the day prior to the effective date of this title.

"(c) So much of the property, unexpended balances of appropriations, allocations, and other funds of the District of Columbia Department of Corrections as the Diector of the Office of Management and Budget determines are used, held, available, or to be made available in connection with the functions transferred by this section are hereby transferred to the Attorney General or the Secretary of Health, Education, and Welfare, as appropriate.

"(d) No contract for services or supplies made pursuant to authority granted by law by the District of Columbia Department of Corrections with respect to the Lorton Reservation shall be invalidated by the enactment of this title.

"Sec. 1502. (a) All rules and regulations promulgated by the District of Columbia Department of Corrections with respect to the Lorton Reservation shall continue in force and effect until amended or repealed by the Attorney General.

"(b) A person who is an inmate of the Lorton Reservation on the day prior to the effective date of this title shall be subject to the provisions of law and the regulations governing good time allowances which were in effect with respect to him on the day prior to the effective date of this title.

"(c) A person who, on the day prior to the effective date of this title, has work release privileges pursuant to the District of Columbia Work Release Act, approved November 10, 1966 (D.C. Code, secs. 24-461 to 24-470), shall remain subject to the provisions of that Act until his release from custody.

"Sec. 1503. (a) On the effective date of this title, there shall be transferred to the Federal Prison Industries Fund such portion of the District of Columbia Correctional Industries Fund as the Director of the Office of Management and Budget determines is reasonably attributable to the occupational programs of the Lorton Reservation.

"(b) On the effective date of this title, funds previously paid into the work release trust fund by persons who are inmates of the Lorton Reservation on that date and who have been granted work release privileges prior to that date, shall be transferred to the custody of the Attorney General. Collections made after the effective date of this title with respect to persons who have work release privileges on the effective date of this title shall be made by the Attorney General and disbursed in accordance with the individual work release plan developed under section 7 of the District of Columbia Work Release Act (D.C. Code, sec. 24-466).

"(c) All other funds belonging to or held for the benefit of employees of the Lorton Reservation or inmates therein shall be transferred to the custody of the Attorney General.

"Sec. 1504. (a) Section 937 of the Act entitled 'An Act to establish a code of law for the District of Columbia,' approved March 3, 1901 (D.C. Code, sec. 24-405), is amended—

"(1) by striking out 'the jail or in the workhouse of the District of Columbia' and inserting in lieu thereof facilities operated by the District of Columbia Department of Corrections', and

"(2) by striking out 'superintendent of the Washington Asylum and Jail for those confined in the jail, and upon the certificate of the superintendent of the workhouse for those confined in the workhouse,' and inserting in lieu thereof 'superintendent of the particular facility in which they are confined'.

"(b) The Act entitled 'An Act to require that all inmates of the workhouse and reformatory for the District of Columbia shall be returned to and released in said District,' approved June 10, 1910 (D.C. Code, sec. 24-406), is amended by striking out 'the workhouse and reformatory for the District of Columbia' and inserting in lieu thereof 'facilities operated by the District of Columbia Department of Corrections'.

"(c)(1) The last paragraph of so much of the first section of the Act of June 5, 1920, as appears under the heading 'CHARITIES AND CORRECTIONS' and the subheading 'Reformatory' (D.C. Code, sec. 24-418), is amended by striking out 'the workhouse and the reformatory' and inserting in lieu thereof 'facilities operated by the District of Columbia Department of Corrections'.

"(2) The third paragraph of so much of the first section of the Act of February 28, 1923, as appears under the heading 'CHARITIES AND CORRECTIONS' and the subheading 'Reformatory' (D.C. Code, sec. 24-418), is amended by striking out 'at the reformatory' and inserting in lieu thereof 'at facilities operated by the District of Columbia Department of Corrections'.

"(d) The Act entitled 'An Act to establish a Board of Public Welfare in and for the District of Columbia, to determine its functions, and for other purposes', approved March 16, 1926, is amended as follows:

"(1) Section 6 of such Act (D.C. Code, sec. 3-106) is amended by striking out '(b) the reformatory at Lorton in the State of Virginia;'.

"(2) Section 7 of such Act (D.C. Code, sec. 24-411) is amended by striking out 'the reformatory at Lorton in the State of Virginia,'.

"(e) Section 2 of the Act entitled 'An Act to create a Department of Corrections in the District of Columbia', approved June 7, 1946 (D.C. Code, sec. 24-442), is amended by striking out 'the Reformatory at Lorton in the State of Virginia'.

"(f) Section 304 of the District of Columbia Law Enforcement Act of 1953, approved June 29, 1953 (D.C. Code, sec. 4-134c), is amended—

"(1) by amending subsection (a) to read as follows:

" '(a) Whenever the United States Board of Parole has authorized the release of a prisoner convicted in the District of Columbia, it shall notify the Chief of Police of that fact as far in advance of the prisoner's release as possible.', and

"(2) by adding after subsection (b) a new subsection as follows:

" '(c) Except in cases covered by subsection (a) of this section, the Attorney General shall give notice to the Chief of Police as far in advance as possible, whenever a prisoner who has been convicted in the District of Columbia and is under sentence of six months or more is to be released from an institution under the management and regulation of the Attorney General.'

"(g) The Act of June 1, 1957 (D.C. Code, sec. 24-418a) is amended—

"(1) by striking out 'District of Columbia Reformatory located at Lorton, Virginia, at fair market prices determined by the Commissioners of the District of Columbia,' and inserting in lieu thereof 'facilities under the management and regulations of the Attorney General at Lorton, Virginia, at fair market prices determined by the Attorney General,', and

"(2) by striking out the last sentence thereof.

"(h) The first, second, and third provisos of so much of the first section of the Act of March 2, 1911, as appears under the heading 'CHARITIES AND CORRECTIONS' and the subheading 'Workhouse' (D.C. Code, sec. 24-403), are repealed.

"(i) So much of the first section of the Act of September 1, 1916, as appears under the heading 'CHARITIES AND CORRECTIONS' and the subheading 'Reformatory' (D.C. Code, sec. 24-402), is repealed.

"(j) So much of the first section of the Act of March 3, 1915, as appears under the heading 'JUDICIAL' and the subheading 'United States Courts' and relates to reimbursement of District of Columbia convicts (D.C. Code, sec. 24-424), is amended to read as follows:

" 'The cost of the care and custody of persons convicted of violations of laws applicable exclusively to the District of Columbia and committed to Federal penal or correctional institutions shall be charged against the District of Columbia in quarterly accounts to be rendered by the Attorney General of the United States. The amount to be charged against the District of Columbia shall be ascertained by multiplying the average daily number of such persons in the particular institution during the quarter by the per capita cost for all prisoners in the same institution for the same quarter, but excluding expenses of construction or extraordinary repair of buildings.'

"Sec. 1505. Prosecution for violations of laws applicable exclusively to the District of Columbia which relate to violations of law in or affecting penal or correctional institutions of the District of Columbia (including the Lorton Reservation) committed prior to the effective date of this title shall not be affected by this title or abated by reason thereof and the penalties applicable to such violations shall apply to any person convicted of such a violation occurring before the effective date of this title.

"Sec. 1506. (a) All functions, powers, and duties exercised by the District of Columbia Board of Parole on the day prior to the effective date of this title are hereby transferred to the United States Board of Parole.

"(b) There are hereby transferred to the United States Board of Parole all of the property, records, and unexpended balances of appropriations, allocations, and other funds available or to be made available, of the District of Columbia Board of Parole.

"(c) The positions, members, and personnel of the District of Columbia Board of Parole are transferred to the United States Board of Parole and shall, with respect to all rights, privileges, and benefits, be considered as continuous employees of the United States Board of Parole without break in service. The former members of the District of Columbia Board of Parole and all other personnel transferred by this subsection may be assigned to such duties as the Attorney General deems appropriate, but without diminution of compensation or employment rights previously acquired.

"(d)(1) The positions and personnel of the District of Columbia Department of Corrections who the Director of the Office of Management and Budget determines were employed in connection with the counseling or supervision of persons paroled or mandatorily released from the Lorton Reservation or the Women's Detention Center of the District of Columbia are transferred to the United States Board of Parole and shall, with respect to all rights, privileges, and benefits, be considered as continuous employees of the United States Board of Parole without break in service. Personnel transferred by this subsection may be assigned to such duties as the Attorney General deems appropriate, but without diminution of compensation or employment rights previously acquired.

"(2) Nothing in this subsection shall affect the employment by the District of Columbia Department of Corrections of personnel assigned to or employed in connection with halfway houses or similar community-based facilities of the Department of Corrections.

"Sec. 1507. (a) Persons convicted and sentenced in the District of Columbia prior to the effective date of this title shall be considered for parole and paroled in accordance with the applicable laws in effect in the District of Columbia on the day sentence was imposed upon them.

"(b) Persons on parole in the District of Columbia on the day prior to the effective date of this title shall remain subject to all of the terms and conditions imposed upon them prior to the effective date of this title and their parole shall be subject to termination or modification in accordance with the law in effect in the District of Columbia on the day prior to the effective date of this title.

"(c) Nothing in this title shall affect the validity of warrants issued by the District of Columbia Board of Parole or any member thereof prior to the effective date of this title.

"Sec. 1508. The District of Columbia Department of Corrections and all other agencies and officials of the District shall cooperate with the United States Board of Parole and shall furnish the Board with such information, files, and records as it may deem necessary in the performance of its duties.

"Sec. 1509. (a) The Act entitled 'An Act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes,' approved July 15, 1932, is amended as follows:

"(1) Section 5 of such Act (D.C. Code, sec. 24–205) is amended to read as follows:

" 'Sec. 5. Any officer of a facility of the District of Columbia Department of Corrections or any officer of the Metropolitan Police Department to whom a warrant of the United States Board of Parole for the retaking of a parole violator is delivered, shall execute the warrant by taking such prisoner and returning him to the custody of the Attorney General.'

"(2) Sections 4, 6, 7, 9, and 10 of such Act (D.C. Code, sections 24–204, 24–206 to 24–209) are repealed.

"(b) The Act entitled 'An Act to reorganize the system of parole of prisoners convicted in the District of Columbia', approved July 17, 1947 (D.C. Code, sections 24–201a to 24–201c), is repealed.

"(c) Title 18, United States Code, is amended as follows:

"(1) Section 4202 of such title is amended by inserting 'or District of Columbia' immediately after 'A Federal'.

"(2) Section 4205 of such title is amended by inserting 'or District of Columbia' immediately after 'any United States'.

(3) Section 5025 of such title is amended—

"(A) by amending subsection (b) to read as follows:

" '(b) The Director of the Bureau of Prisons may contract wtih the District of Columbia for the treatment, rehabilitation, or supervision of youth offenders committed to the custody of the Attorney General by courts in the District of Columbia. With respect to youth offenders convicted in the District of Columbia of violations of laws of the United States not applicable exclusively to the District of Columbia, the cost shall be paid from the "Appropriation for Support of United States Prisoners." '; and

"(B) by repealing subsection (c).

"(4) Section 5026 of such title is amended by striking out ', or the Board of Parole of the District of Columbia,', and 'respectively,'.

"Sec. 1510. Such further measures and dispositions as the Director of the Office of Management and Budget shall deem to be necessary in order to effectuate the transfers referred to in this title shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

"Sec. 1511. This title and the amendments made by this title shall be effective on the date of enactment of this Act.".

On page 131, line 11, strike out "XV" and insert in lieu thereof "XVI".

On page 81, line 13, strike out "Sec. 1501." and insert in lieu thereof "Sec. 1601.".

Mr. SCOTT of Virginia. Mr. President, the purpose of this amendment is to transfer jurisdiction over the present complex at Lorton, Va., in Fairfax County from the District of Columbia government to the Department of Justice, to be under the jurisdiction of the U.S. Bureau of Prisons.

This proposal is not new in Congress. It was passed by the House as a part of the District of Columbia Court Reform and Criminal Procedure Act during the 91st Congress. The Senate version of the bill did not include the Lorton transfer and the provision was dropped in conference between the Senate and the House.

Mr. President, as Senators know, the present complex is located in Fairfax County, Va., but Fairfax County has no jurisdiction over it. As a matter of fact, Virginia has no voice over the inmates. It has been a festering sore for many years, so much so that the General Assembly of Virginia earlier this year passed a joint resolution memorializing the Congress of the United States to undertake corrective actions at the Lorton Prison Complex to insure proper administration and security of that facility.

Mr. President, I ask unanimous consent to have printed in the Record a copy of House Joint Resolution No. 229 of the General Assembly of the Commonwealth of Virginia.

There being no objection, the house joint resolution was ordered to be printed in the Record, as follows:

House Joint Resolution No. 229

Memorializing the Congress of the United States to undertake corrective actions at the Lorton Prison Complex to insure proper administration and security of that facility.

Whereas, the District of Columbia's penal institution at Lorton, Virginia is unique in that it is physically located within the confines of the Commonwealth of Virginia; and

Whereas, the administration and control of subject facility is exclusively that of the District of Columbia government with no participation by local or State governmental officials or agencies; and

Whereas, there have been one hundred thirty-seven instances of prisoner escapes during the nineteen hundred seventy-two calendar year, an increase of fifty-eight over nineteen hundred seventy-one, endangering the lives and safety of Virginia citizens; and

Whereas, the administrators of subject facility have responded to local citizen concern in an arrogant and most uncooperative manner; and

Whereas, citizens of Virginia have been captured in their homes, kidnapped and escapees of the Lorton Complex have been charged with the murder of a police officer; and

Whereas, there have been fifteen inmate assaults on prison officers and sixty-three cases of assaults by inmate upon inmate with three violent deaths; and

Whereas, the consumption of alcoholic beverages and use of hard drugs has become commonplace within the prison complex with four recorded instances of death due to drug overdose in nineteen hundred seventy-two; and

Whereas, escapes have taken place at Lorton Prison and gone unreported to Fairfax County, Prince William County, and State law enforcement agencies, for as long as an eight hour period of time, endangering the lives and safety of Virginia residents; now, therefore, be it

Resolved by the House of Delegates, the Senate of Virginia concurring, That the Congress of the United States is memorialized by the General Assembly of Virginia to give its most expeditious consideration to transferring the control of the Lorton Prison Complex to the Federal Prison Systems, and to undertake corrective actions to insure proper administration and security of subject facility.

Resolved further, That the Clerk of the House of Delegates is instructed to send copies of this resolution to the Clerk of the House of Representatives and the Senate of the United States Congress, and to the Virginia delegation in the Congress.

Agreed to by the House of Delegates, February 7, 1973.

Agreed to by the Senate, February 23, 1973.

Mr. SCOTT of Virginia. Mr. President, I would like to read for the information of my colleagues portions of the resolution to which I have referred. The resolution was sponsored by 97 of the 100 members of the House of Delegates which does show the feeling of the people of Virginia. It is indicated in the preface that there have been 137 instances of prisoner escapes during the 1972 calendar year, an increase of 58 over 1971, endangering the lives and safety of Virginia citizens.

The resolution states that the administrators of the facility have responded to local citizen concern in an arrogant and most uncooperative manner and that the citizens of Virginia have been captured in their homes, kidnapped, and escapees of the Lorton complex have been charged with the murder of a police officer.

There have been 50 inmate assaults on prison officers and 53 cases of assaults of inmates upon inmates, with 3 violent deaths. The consumption of alcoholic beverages and the use of hard drugs has become commonplace within the prison complex, with 4 recorded instances of death due to drug overdose in 1972.

The resolution goes on further with recitations, but then states:

> Resolved by the House of Delegates, the Senate of Virginia concurring, that the Congress of the United States is memorialized by the General Assembly of Virginia to give its most expeditious consideration to transferring the control of the Lorton Prison Complex to the Federal Prison Systems, and to undertake corrective actions to insure proper administration and security of subject facility.

Mr. President, I introduced a measure some 5 years ago in the House of Representatives to accomplish the same purpose, and this is the measure that was ultimately included in the House version of the District of Columbia Court Reform and Criminal Procedure Act of 1970.

I did that because the correctional officers came in great numbers to my congressional office and asked that action be taken. They told me of almost unbelievable acts committed within the prison complex.

The House District of Columbia Committee had hearings on this matter.

I shall yield now to my colleague from Virginia and then read a portion from the report of the House Committee on the District of Columbia. I am glad now to yield to my colleague.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I support the amendment offered by the Senator from Virginia (Mr. SCOTT), of which I am a cosponsor. I had hoped it would not be necessary to have legislation on this matter.

Some 18 months ago I wrote the President of the United States and communicated with the Mayor of the District of Columbia, urging that steps be taken to have adequate security for those who are inmates of Lorton, which is situated in the State of Virginia. This is a matter of great concern to the people of Virginia who live in that area, the people of Fairfax County and Prince William County.

It is a matter that I had hoped, as I mentioned before, could have been handled by the District of Columbia government, but since it is not being handled to the satisfaction of the people of Virginia, I think an amendment like this is necessary.

My colleague from Virginia had just pointed out that the Virginia legislature passed a resolution asking that something be done in regard to Lorton. The resolution pointed out that 137 prisoners had escaped in 1972. There seems to be a complete breakdown, for one reason or another, in the handling of that prison. The people who live in the area where Lorton is located, citizens of Virginia, are entitled to have that prison operated in an appropriate way, in a way that will safeguard the residents of that area.

I know of no other way to force action than to present, and hopefully have the Senate approve, legislation turning this matter over to the Federal Government, and taking it out of the hands of the District of Columbia.

It is unfortunate it has come to this state of affairs, but certainly conditions at Lorton demand remedial action, and this is an opportunity for Congress to take such action.

I support the amendment.

Mr. SCOTT of Virginia. Mr. President, I appreciate the comments and the support of my colleague the senior Senator from Virginia.

Mr. President, because of the time limitations, I ask unanimous consent that the findings of the House committee, beginning on page 2 and concluding on page 5 of House Report 91–850 be included in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

HOUSE REPORT 91–850—EXCERPT

During the past five years, the Department of Corrections has spent approximately four millions of dollars for capital improvements. It has operated almost autonomously. Because of these facts and the public complaints, it was imperative that a detailed study and investigation be conducted.

The Special Select Subcommittee has conducted more than four months of study and investigation, held even public hearings,[1] subpoenaed witnesses and documents, received sworn testimony, heard numerous witnesses, examined untold number of papers, reports, surveys and other related matters, as to the Department of Corrections' policies, programs and internal problems.

FINDINGS

1. There is a chain of command that exists ineffectively, and in regulations only, from the Director to the lowest level of paid personnel. The Director on occasions gives direct orders to various paid personnel, on all levels, as well as prisoner, without notice of, or notifying intervening levels of responsibility. (See Transcript of Hearings, Pages 19, 20, 24, 25, 33, 34, 35, 50,, 67, 80, 81, 232, 234, 378, 380, 436)

2. The Director and his staff expressed surprise at developments happening within their areas of responsibility, when such incidents were brought to their attention in hearings before the Special Select Subcommittee. (See Transcript of Hearings, Pages 68, 235, 412)

3. Correctional officers were assaulted by inmates on all too frequent occasions, and it appeared that the proper discipline of prisoners might have prevented most of the incidents complained of. (See Transcript of Hearings, Pages 34, 35, 39, 53, 54, 55, 163, 164, 187, 208, 261, 273, 274, 275, 276, 381, 382, 390, 419, 421, 422, 423, 424, 425, 439, 440, 473, 474, 480, 481, 482, 536, 537, 538, 539)

4. When correctional officers strictly enforced regulations, they were transferred to other duties. (See Transcript of Hearings, Pages 282, 412, 413, 526, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540)

5. The prisoners were allowed to organize an "Inmate Advisory Council." This group gave advice and made demands, which were granted, as to the operation of their facility. (See Transcript of Hearings, Pages 33, 50, 281, 282, 283, 284, 352, 412, 414)

6. Escapes from the five institutions under the control of the Department of Corrections are all too frequent. It appeared that these incidents occurred from lack of proper security at the various institutions and, the permissive policy of the Department of Corrections' staff. (See Transcript of Hearings, Pages 37, 38, 39, 40, 56, 57, 58, 83, 84, 85, 86, 96, 98, 99, 100, 109, 110, 111, 112, 113, 114, 120, 129, 130, 131, 132, 133, 134, 135, 136, 137, 141, 142, 147, 154, 160, 161, 166, 169, 170, 176, 177, 178, 179, 181, 182, 183, 185, 186, 188, 190, 218, 237, 238, 239, 240, 271, 272, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 335, 342, 349, 372, 387, 388, 390, 391, 392, 393, 406, 431, 432, 433, 476, 477, 478, 496, 497, 500, 501, 543, 544)

7. The use of narcotics by inmates is widespread, and there appears very little effort by the administration to control it. (See Transcript of Hearings, Pages 32, 35, 62, 63, 64, 95, 96, 97, 100, 101, 121, 122, 138, 139, 140, 141, 142, 147, 148, 156, 157, 158, 159, 166, 168, 169, 173, 175, 176, 177, 178, 180, 182, 183, 198, 200, 201, 259, 337, 338, 397, 400, 423, 424, 492, 495, 498, 499, 543, 544, 545, 547, 548, 549, 550, 552, 553, 554, 555, 556)

8. The inmates at the Reformatory (Lorton Correctional Complex), Minimum Security Facility and Youth Center at Lorton, Virginia, plus the Women's Detention Center, Washington, D.C. manufactured "moonshine alchol" in copious quantities. This violation of the laws of the District of Columbia, the State of Virginia and the United States has been a long and continuous one through the years. Recently one officer who was very thorough in locating and destroying such alcohol was transferred to other duties and told "he was making waves and the prisoners did not like it." (See Transcript of Hearings, Pages 35, 36, 37, 38, 39, 150, 151, 171, 172, 173, 174, 208, 258, 259, 337, 382, 383, 384, 391, 392, 393, 395, 396, 397, 400, 404, 428, 429, 430, 431, 492)

9. Some of the prisoners who were selected to operate canteens within the prisons, upon inventory were found to have shortages through misappropriation of funds or inventory. In one, of several recent instances, an inmate named GOSKINS, 89798, on November 20, 1969 was found short $1211.97. He was allowed to be released on parole the following day, with only limited efforts undertaken for repayment. (See Transcript of Hearings, pages 440, 441, 442, 443, 444, 445, 446, 519, 520, 521, 522, 523, 524, 525, 526)

10. The practice of homosexuality and lesbianism is widespread and uncontrolled, and no effort is made to segregate these deviates from other prisoners. (See Transcript of Hearings, Pages 102, 103, 104, 105, 106, 107, 123, 349, 398, 399, 400, 483, 490)

11. Rapes of prisoners by other prisoners are commonplace. (See Transcript of Hearings, Pages 53, 54, 55, 86, 87, 90, 91, 94, 95, 394, 421)

12. No control or inventory is maintained by the supervisory personnel of eating utensils used within the institutions. Hundreds, perhaps thousands, of these utensils have been manufactured into deadly weapons, some of which are now in the possession of the Special Select Subcommittee. The prisoners have been known to use these weapons not only on one another but on the officers. Even after this was brought to the surprised attention of the Director of the Department of Corrections and his staff, no efforts were made to correct this deadly situation. (See Transcript of Hearings, Pages 296, 297, 310, 311, 312, 384, 385, 386, 404, 405, 419, 436, 437)

13. The prisoners do not perform even menial tasks and threaten to riot if an effort is made to force them to work. (See Transcript of Hearings, Pages 43, 287, 288, 289, 290, 291, 372)

14. The five institutions are filthy and ill kept. This situation could easily be corrected with prisoner participation in cleanliness, with soap, mops and pails, plus paint. (See Transcript of Hearings, Pages 43, 123, 124, 125, 126, 143, 145, 146, 287, 288, 289, 290, 291, 406, 485).

15. The various institutions maintain schools for prisoners. They are poorly attended, maintained and taught. Some of the vocational equipment is out-of-date and not only outdated, but limited to the very basic fundamentals of teaching. (See Transcript of Hearings, Pages 203, 211, 212, 433, 434, 435, 488)

16. The hiring practices are beyond belief. There are no minimum educational requirements, a starting age of 18 years, and no character or security investigations of these correctional officer personnel are made. (See Transcript of Hearings, Pages 108, 109, 114, 115, 116, 117, 118, 126, 127, 128, 148, 149, 170, 171, 197, 204, 205, 206, 207, 224, 225, 226, 227, 230, 231, 245, 246, 247, 281, 283, 284, 318, 327, 328, 333, 334, 335, 402, 415, 416, 417, 418, 420, 421, 424, 425, 426, 460, 461, 462, 463, 476, 493, 527)

17. Promotions of paid personnel are made without any written criteria, and on the apparent personal whims of the personnel-officer and the candidates' immediate supervisor. The escalation and deescalation of the candidates' grade eligibility, on the Civil Service registers are manipulated at will. (See Transcript of Hearings, Pages 236, 237, 241, 242, 243, 244, 247, 248, 249, 250, 251, 252,

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[1] Hearings, Special Select Committee of the Committee on the District of Columbia, on Department of Corrections, and H.R. 11956 to transfer certain District of Columbia Institutions in Fairfax County, Virginia, to the Attorney General, 91st Cong., 1st sess.

333, 334, 349, 350, 351, 403, 404, 407, 408, 409, 410, 411, 413, 414, 415)

18. The rifling, removal, and destruction of personal and other official files appears to have been done at will, by both authorized and unauthorized personnel. (See Transcript of Hearings, Pages 234, 237, 244, 245, 353, 354)

19. A large segment of the paid personnel have never been fingerprinted, and many of those who were did not have FBI reports on their prints. It appears that none of the higher echelon of administrative employees, and very few, if any, of the department staff have been fingerprinted. Many of those who have been fingerprinted possess criminal records and are allowed continued employment by the Department. (See Transcript of Hearings, Pages 277, 278, 279, 280, 281, 376, 457, 458, 459, 460, 468, 512, 513)

20. There appears to be no criteria for placing inmates in "half-way houses". They attempted to use select or restricted areas in the District, where innumerable prisoners would be allowed to roam at will and terrorize the neighborhood. Not only was the attempt made, but the effort is still being pursued. (See Transcript of Hearings, Pages 175, 357, 358, 359, 360, 362, 363, 364, 365, 366, 367, 368, 369)

21. Outdated and outmoded bookkeeping methods over various funds kept within the Department are maintained with "self-audits". Such "self-audits" were offered to the special Select Subcommittee as proof of balances. (See Transcript of Hearings, Pages 235, 293, 294, 295, 296, 441, 442, 443, 444, 445, 446, 515, 516, 517, 518, 519, 520, 528, 529)

22. There appears to be no specific criteria for the placing of prisoners into "work release programs". The escapes of these prisoners were extremely high, even by the Department of Corrections' statistics. (See Transcript of Hearings, Pages 37, 38, 98, 99, 100, 173, 175, 178, 370, 371, 474, 475)

23. "Moonlighting" (the holding of other jobs), or performing services for hire, is prevalent among a large number of employees. This extra-income producing work was openly condoned, permitted or "winked-at" by the Director's office. (See Transcript of Hearings, Pages 20, 68, 340, 341, 343, 446)

24. Numerous personnel are hired under "contract" (without character investigation or being fingerprinted) which avoided Civil Service procedures and also used funds set aside for other activities or for the hiring of additional guards. (See Transcript of Hearings, Pages 41, 42, 339, 340, 379, 380)

25. The Correctional Advisory Council, Washington, D.C. advised the Director on policies he should follow, and he admitted giving their advice close attention. (See Transcript of Hearings, Page 51)

26. The morale of the paid personnel, especially the guards, or Correctional Officers is at an all-time low. (See Transcript of Hearings, Pages 38, 51, 87, 88, 118, 119, 120, 132, 133, 134, 135, 136, 137, 166, 236, 237, 241, 260, 282, 283, 284, 315, 316, 317, 318, 353, 402, 404, 418, 421, 425, 426, 497, 526, 527, 533)

27. Full inspections or "shakedowns" of the institutions are seldom. According to Directive DO 5000.4A, they are ordered to be done twice a month. This permits contraband of all types to flow freely in and about the various prisons. (See Transcript of Hearings, Pages 64, 101, 102, 165, 210, 259, 260, 401, 402, 404)

28. The training of correctional officers in particular, and personnel in general is from no training at all, to extremely limited courses. (See Transcript of Hearings, Pages 131, 132, 319)

29. No continuing examinations, records or controls are kept on prisoners with contagious diseases. (See Transcript of Hearings, Pages 145, 149, 201)

30. Visitors are allowed physical contact with prisoners, at which time contraband has been apprehended being passed between them. Any sum of money may be deposited to any prisoner's account by any one, ostensibly to pay for contraband. (See Transcript of Hearings, Pages 155, 156, 198, 199, 200, 291, 292, 293, 420, 427, 482, 499, 500, 511)

31. First offender prisoners are commingled with hardened or recidivist criminals, there being no segregation facilities available. (See Transcript of Hearings, Pages 157, 179, 180, 181, 285, 286)

32. The administrators of the various institutions under the Department of Corrections are unbelievably inept and without proper experience or training. (See Transcript of Hearings, Pages 195, 196, 226, 335, 336, 347, 348, 352, 354, 355, 372, 425, 447, 448, 449, 450, 451, 452, 482, 489, 490, 491, 492, 494)

33. The inmate population in the Department of Corrections was found to be below capacity. (See Transcript of Hearings, Pages 228, 229, 230, 268, 269, 270, 460)

Mr. SCOTT of Virginia. Mr. President, these findings coincide very much with the findings of the General Assembly of Virginia, but on page 30 of that same report, there is a concluding paragraph which reads:

> There further appears a quite unique bonus for the Federal Bureau of Prisons, in that by having jurisdiction over the Reformatory at Lorton, Virginia, they will, for the first time have jurisdiction over paroled prisoners. They will have a full opportunity to set up the D.C. penal system, as a model for the Nation to observe, from first admission to an institution, through that of parole.

Mr. President, citizens who live near the prison complex have also contacted the office and shared their concern. The situation has become so bad, Mr. President, that the attorney general of the State of Virginia filed suit in the State court—which has since been transferred to the Federal district court—to have the prison complex declared a public nuisance.

Mr. President, I ask unanimous consent to insert in the RECORD a copy of the complaint filed in the circuit court of Fairfax County by Virginia's attorney general.

There being no objection, the complaint was ordered to be printed in the RECORD, as follows:

[In the Circuit Court of Fairfax County, Va.]

COMPLAINT

Commonwealth of Virginia, Plaintiff v. District of Columbia, a municipal corporation, serve on: Stanley J. Anderson, District of Columbia Council, Washington, D.C.; Kenneth L. Hardy, Director, Department of Corrections, Washington, D.C.; and Delbert C. Jackson, Superintendent, Lorton Reformatory, Lorton, Va., Defendants.

JURISDICTION

(1) The jurisdiction of this Court is invoked pursuant to Title 8, Chapter 25, of the Code of Virginia (1950), as amended, §§ 8-578, *et seq.*

PARTIES

(2) Plaintiff Commonwealth of Virginia brings this action in her *parens patriae* capacity as guardian of the health, safety and welfare of her citizens.

(3) Defendant District of Columbia is a municipal corporation which owns and operates a penal facility, known as the Lorton Reformatory, in Fairfax County, Virginia. Defendant Kenneth Hardy is the Director of the District of Columbia Department of Corrections, which is charged by statute with the administration of the Lorton Reformatory. Defendant Delbert C. Jackson is the Superintendent of the said reformatory.

CAUSE OF ACTION

(4) Within the calendar year 1972 and prior to the filing of this Complaint, at least seventy-nine (79) inmates, most of whom are felons who have been convicted of crimes of violence, have escaped from the Lorton Reformatory, including thirty-nine (39) who have physically breached the security perimeter.

(5) On information and belief, these escapes have been made possible by the inadequacy of the security, staffing and supervision of the said reformatory by the defendants.

(6) The number and frequency of the said escapes and the presence of the escapees in Northern Virginia and particularly in Fairfax County, Virginia, constitutes a continuing danger to the health, safety and welfare of the citizens of the Commonwealth of Virginia who have been or may be injured, taken hostage, robbed or burglarized by these inmates in their desperate flight.

(7) Based on the foregoing facts, defendants are guilty of maintaining a public nuisance, to-wit: the Lorton Reformatory.

(8) If defendants are permitted to continue to maintain the said nuisance, the health, safety and welfare of the citizens of the Commonwealth of Virginia will continue to be endangered as described above.

(9) If defendants are permitted to continue to maintain the said nuisance, the Commonwealth of Virginia will be unable to attract industrial and residential citizens to the area surrounding the Lorton Reformatory, to the detriment of her economy and development.

(10) If defendants are permitted to continue to maintain the said nuisance, the Commonwealth of Virginia will be required to hire and maintain extra and special law enforcement personnel specifically for the protection of her citizens in the Lorton area and for the apprehension of defendants' escapees.

PRAYER FOR RELIEF

(11) Wherefore, plaintiff prays that the Court will take jurisdiction over the complaint and grant the following relief:

a: Declare that the defendants' current operation of the Lorton Reformatory constitutes a public nuisance.

b: Enter an order prohibiting the defendants from continuing to operate the Lorton Reformatory unless measures satisfactory to the Court are implemented forthwith effectively to eliminate the possibility of easy escape from the said facility.

c: Order such other general and special relief as shall seem appropriate upon a review of the evidence.

COMMONWEALTH OF VIRGINIA.

Mr. SCOTT of Virginia. Mr. President, the Board of Supervisors of Fairfax County, where the prison complex is located, has also asked that the prison facility be transferred to the U.S. Bureau of Prisons. Knowing the feeling of the people of Virginia on this matter, I have written to the President and the Attorney General, urging that the executive department take action to improve conditions at Lorton. Escapes have become so routine that I have heard commentators on radio and television joking about their frequency. It would be comical that inmates could walk in and out of an institution as freely as they do if it was not such a serious matter.

I recall an account in the paper that one of the inmates asked a correctional officer to take him to George Washington University, where he was going to lecture at the university. He did go there, and the correctional officer let him out, and he went in the front door while the car was being parked. Then the correctional officer went inside the hospital and asked where the symposium was going on. The people at the hospital knew nothing about it, and he asked where the inmate was. They did not know anything about him, either.

The affairs of the institutions have been conducted so loosely and the correctional heads of the District of Columbia Department of Corrections have been so unresponsive to the people of Virginia where the complex is located that I do feel we have no alternative but to transfer this facility to the Department of Justice. I feel that the prisoners themselves will benefit from this.

You know, Mr. President, we like to believe that in this country we live under the rule of law, but in this prison complex it is the law of the violators that runs the institution. It is an intolerable situation, and I urge that this amendment be adopted.

I reserve the remainder of my time.

Mr. EAGLETON. Mr. President, I rise in opposition to the amendment offered by the Senator from Virginia with respect to the Lorton Reformatory. This is a home rule bill. The title on the hearings report states: "Home Rule, 1973."

The Senator from Virginia giveth and the Senator from Virginia taketh away. We are giving home rule by this bill insofar as the District of Columbia operation of their institution is concerned, insofar as their courts are concerned, insofar as their power to tax, to pass ordinances, zoning, and all of the normal, routine powers that go with a city or a State. The District of Columbia is a curious composite of both city and State.

As we give with one hand, the measure of the Senator from Virginia would take away by saying that they cannot run their own penal system.

No one likes penitentiaries. No one likes incinerators. I take it that the good people of Virginia do not want prisons or incinerators in their backyard. We have many who hold the same feelings in Missouri with respect to penal institutions and incinerators.

The fact is that Lorton is where it is, and that any quasi-state containing 750,000 people has to have a penal institution. There it is in the home State of the Senator from Virginia. I am sure that the immediate residents of that area have written him and are concerned, upset, and dismayed. The Senator's amendment is in response to that concern and dismay.

It still has to be said that a governmental entity comprised of three-fourths of a million people must have a penal institution. And if it is to have true home rule, it must have jurisdiction over that penal institution, including the management, control, and parole practices in connection therewith.

The Senator from Virginia (Mr. SCOTT) for years in the House introduced this penal legislation.

On June 14, 1973, I asked the Attorney General for his comments as to whether this institution should be transferred to the Bureau of Prisons, since that is under the Department of Justice. We have not heard from him since that time. I must say in all candor that I am not anxiously pursuing a response.

The distinguished Senator from North Dakota (Mr. BURDICK), chairman of the Subcommittee on Penitentiaries of the Judiciary Committee, is strongly opposed to this legislation and believes that insofar as jurisdiction is concerned this matter should be heard, if not jointly by his subcommittee and the Committee on the District of Columbia, then exclusively by his Subcommittee on Penitentiaries.

Mr. President, I have one further word to say, and then I will yield back the remainder of my time.

I emphasize that in home-rule legislation, which is designed to give a greater measure of governmental self-control to the citizens of the District of Columbia, it is improper to say that we will give them home rule on the one hand and then with the other hand will remove their penal facilities from their control.

Mr. SCOTT of Virginia. Mr. President, if the Senator will yield, as the Senator has mentioned, the facility is incidentally and actually located in Virginia, rather than in one of the other States. I would be glad to accept an amendment to transfer it to any one of the other 49 States.

When the Attorney General of Virginia wants to have that institution declared a public nulisance—and a suit has been filed in the Federal court for that purpose—that shows how strongly the people of Virginia feel about the facility being located in their own State, a facility over which they have no control.

Mr. EAGLETON. Mr. President, we are having grave trouble trying to devise a mission for the Space Shuttle. Maybe a better solution would be to use the Shuttle to put this penal institution in another planet. That would remove it even further from the mind, sight, and sound of the Senator from Virginia and would trouble him even less. However, we are not going to move the penitentiary to Maine, California, or outer space. It is in Virginia, and as far as I am concerned, that is where it will remain.

Mr. SCOTT of Virginia. Mr. President, in all seriousness, all that the people of Virginia want is a responsible administration of the facility in Virginia. We do not feel that we have had that. The institution should be transferred to the Federal Bureau of Prisons.

All 10 Members of the House of Representatives who represent Virginia have cosponsored legislation identical to this amendment.

I have here a statement by the then president of the American Federation of Government Employees, Mr. John Griner, who has since retired. I ask unanimous consent that this statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN F. GRINER

Once again, as I did on December 11, 1969, I come before you to ask for justice and equity for a group of most loyal and faithful government employees working at the Lorton Reformatory at Lorton, Virginia.

The immediate issue which attends my testimony today is H.R. 4624, a Bill to transfer to the Attorney General jurisdiction over the District of Columbia penal facilities at Lorton. One of the main purposes of that Bill is to incorporate the Lorton facilities into those maintained by the Attorney General of the United States through the Federal Bureau of Prisons.

Our organization has been especially privileged and honored to represent under exclusive recognition both the employees at Lorton Reformatory and those on duty at the Federal Bureau of Prisons. Consequently, we are aware of the problems with which these institutions must contend.

Candor and an awareness of equity require me to state that conditions within both need considerable improvement. As to their problems, I request your permission to insert into the Record of these Hearings on H.R. 4624 the remarks I made on March 3, 1971, regarding the Federal Bureau of Prisons to the Senate Subcommittee on National Penitentiaries. It appears as Annex I to my statement.

I request your permission to insert also into the Record the statement I made on December 11, 1969, before the House District of Columbia Committee on conditions at Lorton Reformatory. It appears as Annex II to my statement.

Bearing in mind the conditions within both penal systems, I believe that it would be most unwise for any of us to assume that the mere legal transfer of Lorton Reformatory to Federal jurisdiction will automatically produce the best possible results. Such a transfer might, I sincerely hope, solve, or at least mitigate, a few of the most difficult immediate problems with which the authorities of the District of Columbia have been contending. I am not sure, however, what impact such a transfer might have on the urgent improvement programs which the Federal Bureau of Prisons itself has initiated to overcome its own past difficulties.

Nor am I sure what the long-range impact of such a legal transfer might have on the general political and psychological climate within the population residing in the District of Columbia. As you know, the government of the District of Columbia is itself undergoing a transition toward greater self-government. Moreover, the populace has just elected a non-voting representative for the District of Columbia to this House, who will be able to speak for them directly on Capitol Hill.

The issue before you therefore is not a single issue and in fact it appears to be more like the knot which ties together and perhaps entangles many problems all of which have been with us unsolved and unraveled too long.

Honesty and forthrightness require me to say two things. First of all, the authorities in the District of Columbia have made great efforts to try to improve the situation at Lorton. They have worked very hard and they should be commended. And conditions have improved.

But, and I say this with understanding for their problems, they have not improved as much as we had hoped. Consequently, it must be conceded that we are still faced with the same basic question that existed when I appeared before the House Committee on December 11, 1969. Does the government of the District of Columbia have the finances and the legal and political determination to transform Lorton Reformatory into a model institution?

Those who say, "It does," will obviously feel that Lorton Reformatory need not be transferred to Federal jurisdiction. Those who say, "It does not," feel that every day of delay makes the solution of the problem so much harder.

As you know, our organization has only two basic interests by right in this question—interests arising from our obligations to the employees both of Lorton Reformatory and the Federal Bureau of Prisons.

OUR FIRST INTEREST

Our first interest is the right to safe and equitable working conditions of the correctional officers who must risk life and limb to maintain modern, legal penal institutions.

This interest involves our organization in problems far more complex than most of us realized before we went through the experiences of the last two years both at Lorton Reformatory and within the Bureau of Prisons.

I shall try to concentrate my next remarks on the new insights, involved in our first interest, which our organization has acquired even as we began dealing with, and solving, some of the old problems.

The first major new insight all of us gained concerns the essential role of the correctional officer.

The correctional officer, no matter what his other duties, is basically a custodian of human beings. In this case, he is the custodian of that category of human beings who have incurred the adverse judgment of their fellow citizens to confine them to a place of detention where their normal human rights to freedom of action are highly restricted.

The correctional officer not only supervises large numbers of human beings in collective groups, but he must carry out his work, at best, among uncooperative human beings and, at worst, among hostile ones.

Even this is not the whole of the problem. The main issue is that neither the public nor Federal management has dealt with the correctional officer in his true professional character. That professional character is just now being realized, largely because of the role of our own union in insisting on good labor-management contracts which spell out clearly the reciprocal rights and duties of these correctional officers.

The specific problems involved in this new insight into the role of the correctional officer are many. They are elaborated in detail in the statement. I made on March 3, 1971, on the Federal Bureau of Prisons and, since that has been inserted into the Record, for the sake of economy of time, I shall omit discussing them here.

OUR SECOND INTEREST

Next to correctly identifying the specific role of the correctional officer, our second interest is in representing them properly not only in their specific professional role but also in the role they share with all other Federal and District of Coluumbia employees of "government employee." They are entitled to the full measure of protections of the statutes concerning "government employees" and they are entitled to be represented fully and properly when they bargain collectively.

And, I regret to say, correctional officers at Lorton Reformatory have not enjoyed the full measure of their rights either under the statutes or under collective bargaining. But I must immediately add, they have not enjoyed these fully under the Federal Bureau of Prisons either.

IS TRANSFER THE SOLUTION?

Taking into account all the different aspects of the problem, it is clear to us that the mere transfer of Lorton Reformatory will not by itself be sufficient to solve the basic issues involved. We concede that there is a great deal of merit to transferring Lorton Reformatory. We concede that, if one leaves out of account the feelings of the populace of the District of Columbia, it might be argued that it is better to transfer Lorton Reformatory to the Attorney General than leaving it where it is. Of course, this raises the unanswered question whether it might not be equally true, if pure logic were our rule, that one should transfer the penal institutions of some states to the Attorney General. But I realize that is a matter beyond the jurisdiction of this Committee.

However, no matter what legal action is taken, our organization believes that time will show that it is a secondary issue beside the more fundamental ones. These basic issues are first far better insights into what "correctional officers" are. And secondly, precisely because of the nature of the duties of correctional officers, it is essential that good and meaningful collective bargaining be instituted between prison management and the correctional officers represented by their union.

SUMMARY AND CONCLUSION

In summary, I should like to state that our organization sees merit to H.R. 4624 to overcome the present unsolved problems at Lorton Reformatory by transferring it to Federal jurisdiction. However, I wish to stress that unless other, more fundamental reforms are introduced into the Bureau of Federal Prisons, the basic goals of H.R. 4624 will not be attained. These goals require new insights into the role of the "correctional officer" and a firm determination to extend the full protections of the statutes and of collective bargaining to correctional officers.

In concluding, I wish to add only that if these new insights and protections had been applied at Lorton in the past, there might not have been any reason for introducing H.R. 4624 and Lorton Reformatory might already have become a model penal institution under the jurisdiction of the District of Columbia.

I appreciate the opportunity afforded our organization to testify and I shall be pleased to try to answer any questions which might have arisen.

STATEMENT OF JOHN F. GRINER, TO THE SENATE SUBCOMMITTEE ON NATIONAL PENITENTIARIES, MARCH 3, 1971

I come before you, distinguished members of the Senate Subcommittee on National Penitentiaries in a matter that is both extremely urgent and extremely complex—the role of the Bureau of Prisons as a model organization not only for resolving the problem of human crime and rehabilitation, as a Federal enterprise, but alo as a model for State and Local governments. The American Federation of Government Employees is interested in both of these issues because we represent in exclusive recognition units not only all correctional officers in all Federal prisons but also those at the Lorton Reformatory, which is the local prison of the District of Columbia.

At the outset, I wish to express our most sincere thanks to your Subcommittee for monitoring the progress made since the President's statement of November 13, 1969, for probing into issues which have arisen in that interval, and for holding these Hearings.

Secondly, I wish the record to show that I have read with deep interest the most sincere and forthright statement made to you by Norman A. Carlson, the Director of the Bureau of Prisons. His testimony reveals the gravity and urgency with which the Federal management authorities view this problem. As I have stated elsewhere, we pledge Federal management our best efforts to help them reach the goals our nation has placed in their hands.

These goals involve changes not only in the size, structure and mechanism of the Federal penitentiary system but in fundamental national and governmental attitudes toward the prison population and its relationship to society as a whole. To achieve these goals, we will, of course, have to mobilize more financial and human resources to improve both staff training and to remove inadequate and overcrowded facilities.

But that will not be enough. We will have to change the attitudes of other government officials also, particularly those dealing with administration of justice and law enforcement.

First of all, we can no longer overlook the fact that forty per cent of those released from confinement return to prison at a later date. Therefore, we must end stop-gap attitudes in government to this problem and deal seriously with the prison population itself, differentiating between the specific problems they present. We need genuine specialists for the distinct categories of offenders, such as juveniles; women; narcotics and alcoholic addicts; the mentally ill criminals; and hard-core criminals.

We need urgently a major change in the attitude of the other Bureaus and offices of the Department of Justice itself regarding the role of the Federal penitentiary system. Judges, prosecutors and the police departments should understand the great impact their actions have on the prison population itself. To the extent that the problems of the Federal Bureau of Prisons continue to be neglected by the Department of Justice, and especially the Federal District Attorneys, to that extent prison reform will lag.

One of the most urgent needs is to elimininate the indifferent and even lenient attitude of too many District Attorneys to crimes of assault committed against correctional officers. Too often these criminals are permitted to plead guilty to lesser crimes on the understanding that the sentences imposed will run concurrently with those already being served. In effect, this means no sentence at all. The impact on the prison population is contempt for the Federal legal and correctional system; the impact on the correctional officers is demoralization.

NEW INSIGHTS NEEDED

I believe that we now know the problem is more complex than most of us realized before we went through the experiences of the last two years. I shall try to concentrate my next remarks on the new insights our organization has acquired even as we began dealing with, and solving, some of the old problems.

The first major new insight all of us gained concerns the essential role of the correctional officer.

The correctional officer, no matter what his other duties, is basically a custodian of human beings. In this case, he is the custodian of that category of human beings who have incurred the adverse judgment of their fellow citizens to confine them to a place of detention where their normal human rights to freedom of action are highly restricted.

The correctional officer not only supervises large numbers of human beings in collective groups, but he must carry out his work, at best, among uncooperative human beings and, at worst, among hostile ones.

Even this is not the whole of the problem. The main issue is that neither the public nor Federal management has dealt with the correctional officer in his true professional character. That professional character is just now being realized, largely because of the role of our own union in insisting on good labor-management contracts which spell out clearly the reciprocal rights and duties of these correctional officers.

SPECIFIC PROBLEMS OF FEDERAL PENITENTIARIES

A complicating additional factor is the vast qualitative changes for the worse in the composition of the prison population. Some of these qualitative changes can be reversed by appropriation of more funds for facilities, for larger staff, for screening of inmates and the other items suggested in the testimony of the Director of the Bureau of Prisons.

But many of them will need other fundamental changes in law and in regulations, not just regarding the inmates but regarding the rights and duties of correctional officers.

What kinds of problems can be solved by appropriations?

First of all, there is a great lack of numbers of employees. Money would help solve this problem.

Second, many posts are unmanned at long periods of time when it is considered less dangerous. When the inmates note this situation, it often results in surprise prison breaks or riots. Money can help solve that problem.

Third, there is overcrowding of facilities which means that the selective supervision of the more incorrigible groups is rendered difficult. Money can help solve that problem.

Fourth, many of the penitentiaries and camps are outmoded or poorly constructed for proper detention, or their environment has changed from rural to semi-urban so that escapes can be easily effected. Money can help solve that problem.

But there are many things that money alone cannot change. Only insight and understanding, with sufficient funds of course, can solve these other problems. This means that the correctional officers should be accepted in their true role which is that of supervisors of human beings. They should be consulted in the development of all programs involving them directly with the prisoners in their charge.

A prime goal of management should be to consult regularly with the correctional officers to avoid situations where these officers will be physically assaulted by the inmates.

Correctional officers should be given timely access to information regarding changes in the character of the prison populations, especially those resulting from mass transfers from one prison installation to another. If the transfers are for reasons of security, the correctional officers should be given proper advance briefings and asked how their own installation can best absorb the new population.

When new supervisors are assigned to a prison installation, the supervisor should be given adequate orientation time for consultations with the permanent staff so that he does not inadvertently precipitate a riot or a prison outbreak by changes in local prison rules and regulations.

Prison wardens should be cautioned not to create situations of conflict by granting inmates access to offices or positions which allow them to expose correctional personnel to assault or abuse or detract from the respect in which they are held by other inmates.

A regular, strictly-enforced system should be installed for recording warnings by correctional officers to supervisors regarding "problem inmates". Too often we hear of regrettable situations where the supervisor disregarded the warnings but, since they were not recorded, he subsequently blamed the correctional officers for negligence of duty.

A strict accounting should be kept of efforts by management to force correctional officers to perform extracurricular "services" for inmates. While our union itself encourages its members to engage in voluntary humanitarian undertakings of "donated labor", it is our experience that these can best be carried out in a context outside one's own job and that employees should not be asked to donate time for work for which they would be normally paid. Moreover, the manner in which some of the "donated time" is obtained violates the clear provisions of title 31, United States Code 665(b) which prohibits Federal officials from receiving or soliciting a donation of free time and voluntary service from Federal employees.

THE PROBLEM OF HAZARDOUS DUTY AND EARLY RETIREMENT

Although the employees of the Bureau of Prisons are "eligible" for earlier retirement under the provisions of subparagraph (c) of Section 8336 of title 5, United States Code, there is a serious inequity which exists in the present law regarding them and all other persons eligible under its provisions.

For more than six years I have been petitioning the several Committees of Congress to redress this inequity.

As the law now reads, employees are "eligible" but cannot exercise this eligibility as a "right" to retire unless "the head of the agency recommends retirement and the Civil Service Commission approves that recommendation".

The time has come to redefine retirement at age 50 after 20 years of service in hazardous duties. We are not content with the language in the Federal Personnel Manual which states that the only reason earlier hazardous duty retirement is available is because, and I am quoting, "certain employees . . . are no longer capable of carrying on efficiently, and their replacement by younger men would improve the service".

At another point, the Federal Personnel Manual states the following:

"A more generous method of computing the amount of annuity is provided, not as a special reward for the type of service involved, but rather because a more liberal formula is usually necessary to make the earlier retirement (with resulting shorter service) economically possible."

The AFGE repudiates this concept. These men are not a special category of charity cases—they have served their country well, risking life and health and limb; and they should be shown the very special gratitude of their employer, the Federal government, for exceptional services well rendered.

We ask the removal of all those features of present law and regulation which require both the Agency Head and the Civil Service Commission to determine that in fact the individual is no longer capable of carrying on efficiently and that his replacement by a younger man would improve the service.

Specifically, we are requesting that, upon application of the eligible employee, his request for retirement must be honored and that the Agency Head and the Civil Service Commission have no other functions than to take note of the application for retirement and to determine whether the applicant is eligible according to his record and length of service. No determination should be made regarding his efficiency or whether any other person could perform the job better, be that other person younger, older, or the same age.

We have been recommending this change in the law not only to eliminate the present branding of the loyal employee as inefficient but also because the Congress, in other laws, has already recognized the principle that the employee need only ask for the retirement to which he is entitled. In this connection, I invite your Subcommittee's attention especially to existing law which states that any Federal employee 55 years of age with 30 years of service will obtain an annuity simply by requesting it. Following this principle, any Federal employee 50 years of age with 20 years in a hazardous occupation should obtain it simply by asking for it. No one should be making humiliating judgments about the employee's "efficiency".

A MEANINGFUL MODEL FOR STATE AND LOCAL CORRECTIONAL INSTITUTIONS

As I stated at the outest of my testimony, our organization is interested not only in the issue of the Bureau of Prisons being a model Federal organization but also being a meaningful model for state and local correctional institutions. Our interest is direct because we represent in an exclusive unit all correctional officers at Lorton Reformatory which is the local prison of the District of Columbia.

On December 11, 1969, I had the privilege to testify on conditions at the Lorton Reformatory, Lorton, Virginia before the House Committee on the District of Columbia. Inasmuch as your Subcommittee is interested in the relevance of the program of the Federal Bureau of Prisons to state and local correctional institutions, I request your permission to include in the record excerpts from the testimony I submitted to the House Committee. Those excerpts appear textually as an annex to my present statement and, rather than repeat them verbally, I should like to propose that you accept them in written form for the record. I believe that my testimony on Lorton Reformatory indicates that state and local correctional systems have the same problems, though different in contexts, as installations of the Federal Bureau of Prisons.

SUMMARY AND CONCLUSION

In summary, I should like to reiterate that we are most grateful that your Hearings have been directed to the comprehensive question of the ten-year program of the Bureau of Prisons to establish a model system.

We endorse fully the views expressed by the Director of the Bureau of Prisons regarding the need for more funds and for new programs. Our union will cooperate with management to achieve these fine goals.

Nevertheless, as I stressed, money alone will not solve the problem. Further changes in governmental attitude, especially in the Department of Justice, are necessary. District attorneys and the courts should deal with crimes committed in prison as serious matters. Further, Federal management should recognize the essential role of the correctional officer and extend to him the full measure of rights, as well as duties, which this role imposes on him. The best way to do this is through a good labor-management relations program based on contract.

I urgently recommend a change in subparagraph (c) of Section 8336 of title 5, United States Code, to permit Bureau of Prisons personnel to retire at 50 years of age after 20 years of duty by right and not by charity.

And in conclusion, I should like to suggest that the Subcommittee may wish to review with the Committees on the District of Columbia information on conditions at Lorton Reformatory, as a basis of comparison to test the Federal program in the light of the needs of local correctional systems.

I thank the Subcommittee members once again for the privilege of testifying and I am submitting for the record as an annex excerpts of my earlier testimony on Lorton Reformatory.

I shall be most pleased to answer any questions the Subcommittee may wish to ask.

ANNEX TO STATEMENT BY JOHN F. GRINER BEFORE THE SENATE SUBCOMMITTEE ON NATIONAL PENITENTIARIES, MARCH 3, 1971

. . ."My appearance before you, in the last two years, have had to deal increasingly with matters which give me and my organization a great deal of concern. The record will show that I have had to appeal to you and other Committees of the Congress to provide legislation assuring the safety not only to the public as a whole but also providing greater security and protection to personnel of the courts and the law enforcement agencies located in the District of Columbia. . . .

The immediate issue which brings me before you today, the situation in the Lorton Reformatory, Lorton, Virginia, confirms the wisdom of our previous testimony before you.

Our organization considers it a great honor that the employees of the Lorton Reformatory elected it as its exclusive representative to bargain with management. It is a privilege, however, which involves duties as well as rights. It is also our right to speak for them.

It is not my purpose to recite to you the state of affairs and the events leading up to the present conditions at the Lorton Reformatory. Least of all is it my function to submit to you judgments as to the responsibility of individuals and of organizations for allowing these conditions to develop.

What is it that we are asking on behalf of these employees?

We are asking only that you assure due process to the employees of the Lorton Reformatory in matters of their grievances and appeals and that you help provide them with proper safety and security during the discharge of their official duties.

What we ask you to give them is, therefore, exactly the same thing we have been asking Congress to give to every employee of the Federal government and of the District of Columbia. We are, in effect, asking for nothing more than we have asked for every government employee.

As to these rights and duties, I should like the record to show that our Local 1550 has consistently sought to have these unfortunate conditions at Lorton Reformatory improved first of all by the management of the government office directly involved. For this reason, they have regularly called them, in a timely fashion, to the attention of the proper authorities at Lorton, Virginia and in the Department of Corrections of the District of Columbia.

I should appreciate the record showing also that, unfortunately, on many occasions our Local 1550 has not been consulted on matters of proper interest to it or apprised even in time of decisions already taken by the management authorities. We would hope that this situation will not continue into the future.

It should be noted also for the record that an exclusive bargaining contract was signed on October 10, 1969, which gave our Local 1550 the right to negotiate on the problems which have arisen within the Department of Corrections. The Commissioner-Mayor of the District of Columbia has stated that the terms of the management-labor contract will be observed. It is my firmest conviction that, if that contract is carried out in good faith by all parties, its provisions will eliminate almost all of the problems that have existed within the Department of Corrections. I therefore most fervently hope that these provisions will be observed scrupulously in the future.

It should be noted also that monies have been appropriated which will give the D.C. Department of Corrections the full amount of revenues requested for the fiscal year 1970. If properly expended, these monies will go a long way to resolve a great number of the problems confronting both management and the employees.

Most of all, I beseech your Committee to take measures to improve the rules and regulations regarding the security of correctional officers and the protection of the other staff personnel at Lorton Reformatory. Our Local 1550 representatives have stated to me that during the current year, for example, a family picnic was held at which about 2,800 people visited the 1,200 inmates at Lorton, all at one time. Thus there were approximately 4,000 persons gathered together in a confined area, under special circumstances where emotions might be easily aroused. I request your Committee to ascertain whether the repetition of such a mass gathering is in the public interest or whether it might not be better to have smaller groups of inmates and family and friends visit together.

I have read reports in the press of other statements before your Committee regarding the presence of knives and other weapons as well as dope on the premises. It is not within the scope of my function as a union representative to provide the proof of these allegations. However, it is my duty to the employees of Lorton Reformatory to request that you assure them that they will not have to work in any establishment under the jurisdiction of the Federal government or the government of the District of Columbia where such conditions are allowed to exist. . . ."

STATEMENT OF JOHN F. GRINER, TO THE HOUSE DISTRICT OF COLUMBIA COMMITTEE ON CONDITIONS AT THE LORTON REFORMATORY, LORTON, VA., DECEMBER 11, 1969

I come before you, distinguished members of the House Committee on the District of Columbia, to ask for justice and equity for a group of loyal and faithful employees of the Lorton Reformatory at Lorton, Virginia.

Our organization, the American Federation of Government Employees, is the largest union in the country of employees of the Federal government and of the District of Columbia. Today we represent about 630,000 employees in exclusive recognition units and we have a dues-paying membership of approximately 320,000.

In the past you have been gracious to allow me to appear on matters affecting not only the pay, the rights and duties of employees of the District of Columbia but to speak also on such other matters, as parking facilities, which concern all Federal and District employees who work here.

As you know, we are steadfastly committed to carrying on our internal affairs, as well as the affairs we have with the public, in a climate of peace and good will. We place our deepest trust in the fullest participation of our members in truly democratic processes, most of all in those kinds of official and private conduct summarized by the words—"due process". As you are aware, the goodly part of our union's activity is concerned with securing grievance and appeal procedures for all employees of the Federal and District of Columbia governments which safeguard fundamental human liberties and rights, especially those included in the definition of "due process".

However, my appearances before you, in the last two years, have had to deal increasingly with matters which give me and my organization a great deal of concern. The record will show that I have had to appeal to you and other Committees of the Congress to provide legislation assuring the safety not only to the public as a whole but also providing greater security and protection to personnel of the courts and the law enforcement agencies located in the District of Columbia.

In October, 1968, I submitted to you a statement in support of H.R. 14430, a Bill to establish a Commissioner of Police for the District of Columbia. In that statement, our organization went on record in favor of placing law enforcement under one head and under one system of uniform administration. We stated that in our opinion this would improve the morale of the personnel in the law enforcement agencies and would also tend to make law enforcement more efficient and, I wish to add, make it both more humane and more human.

The immediate issue which brings me before you today, the situation in the Lorton Reformatory, Lorton, Virginia, confirms the wisdom of our previous testimony before you.

Our organization considers it a great honor that the employees of the Lorton Reformatory elected it as its exclusive representative to bargain with management. It is a privilege, however, which involves duties as well as rights. It is our duty to speak for every employee at that Reformatory, whether he or she is a dues-paying member. It is also our right to speak for them.

It is not my purpose to recite to you the state of affairs and the events leading up to the present conditions at the Lorton Reformatory. Least of all it is my function to submit to you judgments as to the responsibility of individuals and of organizations for allowing these conditions to develop.

What is it that we are asking on behalf of these employees?

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What we are asking you to give them is, therefore, exactly the same thing we have been asking Congress to give to every employee of the Federal government and of the District of Columbia. We are, in effect, asking for nothing more than we have asked for every government employee.

As to these rights and duties, I should like the record to show that our Local 1550 has consistently sought to have these unfortunate conditions at Lorton Reformatory improved first of all by the management of the government office directly involved. For this reason, they have regularly called them, in a timely fashion, to the attention of the proper authorities at Lorton, Virginia and in the Department of Corrections of the District of Columbia.

I should appreciate the record showing also that, unfortunately, on many occasions our Local 1550 has not been consulted on matters of proper interest to it or apprised even in time of decision already taken by the management authorities. We would hope that this situation will not continue into the future.

It should be noted also for the record that an exclusive bargaining contract was signed on October 10, 1969, which gave our Local 1550 the right to negotiate on the problems which have arisen within the Department of Corrections. The Commissioner-Mayor of the District of Columbia has stated that the terms of the management-labor contract will be observed. It is my firmest conviction that, if that contract is carried out in good faith by all parties, its provisions will eliminate almost all of the problems that have existed within the Department of Corrections. I therefore most fervently hope that these provisions will be observed scrupulously in the future.

It should be noted also that monies have been appropriated which will give the D.C. Department of Corrections the full amount of revenues requested for the fiscal year 1970. If properly expended, these monies will go a long way to resolve a great number of the problems confronting both management and the employees.

Most of all, I beseech your Committee to take measures to improve the rules and regulations regarding the security of correctional officers and the protection of the other staff personnel at Lorton Reformatory. Our Local 1550 representatives have stated to me that during the current year, for example, a family picnic was held at which about 2,800 people visited the 1,200 inmates at Lorton, all at one time. Thus there were approximately 4,000 persons gathered together in a confined area, under special circumstances where motions might be easily aroused. I request your Committee to ascertain whether the repetition of such a mass gathering is in the public interest or whether it might not be better to have smaller groups of inmates and family and friends visit together.

I have read reports in the press of other statements before your Committee regarding the presence of knives and other weapons as well as dope on the premises. It is not within the scope of my function as a union representative to provide the proof of these allegations. However, it is my duty to the employees of Lorton Reformatory to request that you assure them that they will not have to work in any establishment under the jurisdiction of the Federal government or the government of the District of Columbia where such conditions are allowed to exist.

I ask your indulgence to allow me to end on an optimistic note.

I know the members of this Committee well, I know the Members of Congress well. I have the fullest confidence that you will find the means to bring peace, safety, security and due process to the employees of Lorton Reformatory. And I request that the record show that I pledge the entire energies of the American Federation of Government Employees to assist you in every way you may designate in achieving these fundamental reforms there.

In conclusion, I wish again to express to this distinguished Committee my deepest appreciation for your allowing me to submit today this testimony to you.

Mr. SCOTT of Virginia. Mr. President, this is not something——

Mr. EAGLETON. Mr. President, do I have the floor or does the Senator from Virginia have the floor?

Mr. SCOTT of Virginia. The Senator from Missouri has the floor.

Mr. EAGLETON. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SCOTT of Virginia. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Virginia has 3 minutes remaining.

Mr. EAGLETON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Missouri has 10 minutes remaining.

Mr. EAGLETON. Mr. President, if the Senator from Virginia wishes additional time, I will yield him some of my time on the amendment.

Mr. SCOTT of Virginia. Mr. President, I appreciate the consideration of the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. SCOTT of Virginia. Mr. President, I would like to summarize my personal feelings and the feelings of the correctional officers who are charged with the responsibility of operating the facility. These correctional officers in the grade of sergeant and below, and one or two higher grades, have come to my office. They have said that the hierarchy within the District of Columbia Department of Corrections is not letting them operate the facility in what they consider to be a proper way.

They say that every time there is a dispute between the correctional officers and the inmates, the heads of the District of Columbia Department of Corrections side in with the inmates. That is the type of facility we have located in Virginia.

Mr. President, we have these inmates who come from the District of Columbia oftimes knowing each other as young people and having been part of the same street gangs. They go to this institution in Virginia, and they continue there some of the operations that they have had in the past on the streets of the District of Columbia.

No effort is made to rehabiliate these men or to teach them to live under a rule of law.

The inmates learn while there how to do some of these criminal acts or how to improve on their criminal activities while they are in that institution. This is a matter on which the people of Virginia feel very strongly.

I would urge just as forcefully as it is within my command that this action be taken. It is something on which hearings have been held before the House Committee on the District of Columbia, although no hearings have been had within the Senate committee. However, the House committee did hold hearings on this matter and they did recommend this. They included it within the legislation that passed the House. This is a good bill, Mr. President. It has been attached as my amendment.

I think it is entirely relevant to the subject matter that is pending before the Senate, and I urge its adoption.

Mr. President, I yield back the remainder of my time.

Mr. EAGLETON. Mr. President, I yield 3 minutes on the amendment to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I feel compelled to oppose the amendment. It is not a new idea. It is something that has been debated in Congress a number of times. I think it is bad in principle. The statement that a city or municipal government should not have control of its own penal facility is contrary to the established practice in penitentiary management and the rehabilitation of criminals.

I can understand the motives which have caused the distinguished sponsor of the bill to bring it forward, and I am not saying that there are not serious problems at Lorton. But it is a problem which goes far beyond the immediate circumstances that have been described. It is one which would have an impact on the entire Federal prison system. The committee has asked the Attorney General for his views on the subject as it is brought forward in S. 375. We do not yet have the opinion of the Attorney General on S. 375.

There is a question of committee jurisdiction which has been raised by the committee, in that there is a possibility that there is primary jurisdiction in the Subcommittee on National Penitentiaries of the Committee on the Judiciary. But in addition to these procedural concerns, I think there is a substantial substantive question about whether we ought to divorce the city's Lorton facility from the correctional system.

I think this whole question was addressed very eloquently by my constituent, Mr. James Bennett, the former Commissioner of Federal Prisons, who is a resident of Bethesda, Md., and who has devoted his lifetime to the operation and improvement of the Federal prison system. He testified before the Senate committee some time ago that it would be absolutely disastrous to divorce the correctional system of the District of Columbia from the Lorton facility, but that if there was any hope of improving both the total correctional system and the Lorton facility, it would have to be adopted as a whole and not in part. Therefore, I feel that I must oppose the amendment.

Mr. EAGLETON. Mr. President, may I inquire of the Senator from Virginia, can we now set aside this amendment and proceed to the next one?

Mr. SCOTT of Virginia. Mr. President, in response to the distinguished Senator's inquiry, I do ask for the yeas and nays, but I am perfectly willing to postpone the rollcall until the conclusion of the bill. The distinguished Senator has asked that the votes be back to back with final passage.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time. I ask unanimous consent that the vote on the amendment on which the yeas and nays have just been ordered occur subsequently, and that in the interim another amendment be considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri? The Chair hears none, and it is so ordered.

AMENDMENT NO. 267

Mr. SCOTT of Virginia. Mr. President, I have another amendment. I call up my amendment No. 267, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. SCOTT of Virginia. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT of Virginia's amendment (No. 267) is as follows:

On page 181, between lines 10 and 11, insert the following:

"TITLE XV—MISCELLANEOUS

"NATIONAL CAPITAL PLANNING COMMISSION

"SEC. 1501. Notwithstanding any other provision of this Act, the Act entitled 'An Act providing for a comprehensive development of the park and playground system of the National Capital', approved June 6, 1924, as amended (D.C. Code, sec. 1–1001), or any other law, the National Capital Planning Commission, on and after the date of the enactment of this Act, shall have no jurisdiction, power, or authority to engage in or carry out any planning, project, development, or other activity or function, outside the exterior boundaries of the District of Columbia."

On page 181, line 11, strike out "XV" and insert in lieu thereof "XVI".

On page 181, line 13, strike out "SEC. 1501." and insert in lieu thereof "SEC. 1601."

Mr. SCOTT of Virginia. Mr. President, the amendment simply provides that the jurisdiction of the National Capital Planning Commission be identical to the exterior boundaries of the District of Columbia. In other words, it provides that the National Capital Planning Commission shall have no jurisdiction in Virginia, in Maryland, or in any of the other States of the Union, but that its jurisdiction shall be confined within the boundaries of the District of Columbia.

In a number of instances the Planning Commission has attempted to exercise jurisdiction in Virginia: With respect to the Dulles Access Road, to the use of commuter buses on that road, and to an additional hangar at Quantico. It also intervened when the Federal Republic of Germany asked to build an air cargo facility at Dulles Airport. The Commission said the proposed cargo facilities did not fit in with the overall plans for Dulles.

It would seem to me that the overall plans for Dulles should be a matter to be determined by the Department of Transportation and by the Federal Aviation Agency rather than by an organization whose primary concern is with the District of Columbia. The Commission should not attempt to tell the people in Virginia what they should do.

The Commission has intervened in the question of bridges across the Potomac River. Even under my amendment, the Commission could still express its views about the bridges. The Potomac is a District of Columbia river along the boundaries of the District of Columbia; it is a Maryland river outside the District of Columbia.

But the Commission would not have any jurisdiction over the access roads leading to the bridges. For example, as to the proposed Interstate 266 that would run as a spur from Interstate 66 to the Three Sisters Bridge. The Commission has expressed an opinion and has attempted to control the construction of that highway. Frankly, I feel that that is a matter for the people of Virginia to decide. Plans for the construction of interstate highways have to be submitted, of course, to the Department of Transportation and the Federal Highway Administrator. My objection to the National Capital Planning Commission, throughout the entire amendment, relates to its activities outside the District of Columbia.

A suggestion has been made that the Commission be abolished and that its functions be transferred to the District of Columbia government. I would support such a proposal. I believe the House is considering something of that nature.

I hope that the Senate will give serious consideration to this matter. Let the people of the District of Columbia decide problems and issues as they relate to the District of Columbia. Let the people of Virginia decide matters that relate to Virginia. I simply do not like to see an agency purporting to regulate planning within the District of Columbia attempting to tell the people of Virginia how they should plan their facilities.

Mr. President, I reserve the remainder of my time.

Mr. EAGLETON. Mr. President, I shall speak briefly in opposition to the amendment and remarks of the Senator from Virginia with respect to limiting the jurisdiction of the National Capital Planning Commission.

The National Capital Planning Commission has approval power over Federal or District buildings only within a small portion of downtown Washington. Its control over Federal building in most of Washington, D.C., and in all of Virginia and Maryland is restricted to recommending and advising. That is all they can do. I read from the appropriate statute:

> Each Federal and District of Columbia Agency prior to the preparation of construction plans originated by such agencies for proposed developments and projects . . . to be paid for in whole or part from Federal or District funds, shall *advise and consult* with the Commission in the preparation by the agency of plans and programs in preliminary and successive stages . . . July 19, 1952, 66 Stat. 787; D.C. Code 1–1005.

Buildings that contain Federal employees but were not constructed and are not owned by the Federal Government, like Crystal City in Virginia or Parklawn in Maryland, are not even subject to the recommendations of the NCPC.

Innumerable bad experiences have taught us the value of proper comprehensive planning. The NCPC has a wealth of interjurisdictional information not available to the localities, like the half-million dollar transportation study or the master plan for the metropolitan area.

Effective comprehensive planning processes which are responsible to and accommodate the interests of both the Federal Government and the District of Columbia government, as well as effective liaison with governments in the National Capital region, are essential for the development of the Federal Establishment at the seat of government. With due regard for the rights and prerogatives of the adjoining States and local governments and which will, in accordance with present and future needs, best promote public health, safety, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development.

The Washington metropolitan area is dotted with products of the fine work of the National Capital Planning Commission, as my distinguished colleague from Maryland, Senator Mathias, will attest. It should also be pointed out that Senator Mathias is the ranking Republican on the Senate District Committee.

So, Mr. President, I think that the amendment offered by the Senator from Virginia (Mr. Scott) avails very little. The authority of the National Capital Planning Commission, I repeat, underscore, and emphasize, insofar as the suburban areas of Maryland and Virginia are concerned, is purely advisory and consultative. It has no power of dictation. It has the power to advise and consult since this is a very much interrelated and National Capital area that affects the totality of the area, including the adjacent States.

Mr. SCOTT of Virginia. Mr. President, in response to the comments of the distinguished Senator from Missouri, of course he is correct that they have only the power to advise and consult, but I am told that 99 percent of their recommendations are accepted. So, to me, that means they do have a little bit of an iron fist under the velvet glove the distinguished Senator talks about.

I am also told that in the District of Columbia Committee of the House, consideration is being given to having two additional members from the District of Columbia appointed to that commission. I would submit, if this is done, then we will have more control by people in the District of Columbia over this Commission.

To me, it is a fine thing when it relates to District of Columbia matters only, but it is a bad thing when it relates to areas outside the District of Columbia. It will be interference by the District of Columbia in the affairs of the States of Maryland and Virginia.

Mr. President, I yield back the remainder of my time.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, when those of us who were up early this morning saw the sun rise, we saw a very unusual, peculiar, and somewhat alarming sight. The sun did not come up bright and shining as it usually does over the hills of Maryland, it came up blood red and smoky. The reason was, of course, smog.

I only raise this point in connection with the amendment, because that smog did not stop at the District line. It was not confined to the District of Columbia. It spread out over Maryland and, I venture to say, it got across the river into Virginia.

Smog is not the only kind of problem that spreads out over the metropolitan area. Air pollution, water pollution, traffic congestion, all these are problems that do not stop at political boundaries.

Mr. President, the purpose of the National Capital Planning Act of 1952, which created the National Capital Planning Commission, is "to secure comprehensive planning for the physical development of the National Capital and its environs; to provide for the participation of the appropriate planning agencies of the environs in such planning, and to establish the agency and procedures requisite to the administration of the functions of the Federal and District of Columbia governments related to such planning." The Congress accordingly found that "the location of the seat of government in the District of Columbia has brought about the development of a metropolitan region extending well into adjoining territory in Maryland and Virginia; that effective comprehensive planning is necessary on a regional basis and of continuing importance to the Federal Establishment; that the distribution of Federal installations throughout the region has been and will continue to be a major influence in determining the extent and character of development; that there is needed a central planning agency for the National Capital region to coordinate certain developmental activities of the many different agencies of the Federal and District governments so that such activities may conform with general objectives; that there is an increasing mutuality of interest and responsibility between the various levels of government that calls for coordinate and unified policies in planning both Federal and local development in the interest of order and economy; that there are developmental problems of an interstate character, the planning of which requires collaboration between Federal, State, and local governments in the interest of equity and constructive action; and that the instrumentalities and procedures provided—in the act—will aid in providing the Congress from time to time with information and advice requisite to legislation."

The general objective of the act is "to enable appropriate agencies to plan for the development of the Federal Establishment at the seat of government in a manner consistent with the nature and function of the National Capital and with due regard for the rights and prerogatives of the adjoining States and local governments to exercise control appropriate to their functions, and in a manner which will, in accordance with present and future needs, best promote public health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development."

Amendment No. 267 would negate all of the very important objectives of the Congress in enacting the National Capital Planning Commission. The National Capital region in which the Planning Commission has jurisdiction over proposed Federal and District of Columbia government developments and projects includes the District of Columbia, Montgomery and Prince Georges Counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia; and all cities now or hereafter existing in Maryland and Virginia within the geographic area bounded by the outer boundaries of the combined area of these counties. Within the Maryland portion of the National Capital region there are numerous Federal agencies, including:

Andrews Air Force Base.

National Agricultural Research Center.

Naval Ordnance Laboratory.

National Institutes of Health.

Naval Bethesda Hospital.

Atomic Energy Commission.

Bureau of Standards.

Naval Research Center at Carderock.

Census Bureau and Hydrographic Office at Suitland.

Walter Reed Army Medical Center at Forest Glen.

Patuxent Wildlife Refuge.

National Aeronautics Space Administration.

These Federal installations house approximately 90,000 civilian and military personnel.

The Planning Commission coordinates the many Federal interests in the region with regional and State authorities and provides a single central source for such coordinating activities.

To assure such coordination, the Commission, in agreement with the Metropolitan Washington Council of Governments and local authorities has established specific referral and review procedures for Federal installations in the region. All master plans and projects pursuant to those master plans are referred to the Council of Governments and to the planning authorities in Montgomery and Prince Georges Counties. The comments of the Council of Governments and the local governments are presented to the Planning Commission. In this way the local jurisdictions are insured a voice in decisionmaking for the development of Federal facilities in the region. The Planning Commission requires Federal agencies to present master plans for installations in order to insure orderly development within the installations as well as a means for coordinating the various activities of the Federal establishments with the jurisdiction in which they are located. For the most part all of the Federal installations in Maryland have an existing master plan approved by the Planning Commission after consultation and in agreement with the local jurisdictions.

There are over 60 individual local jurisdictions in the National Capital environs and many individual Federal installations. It is inconceivable to me that, at the seat of the National Government, there would not be a central planning source to work and coordinate with local jurisdictions in guiding an orderly physical development of the Federal Establishment.

Because the pending amendment would, I think, decrease the kind of coordination throughout the metropolitan area that would give us the opportunity to deal with these areawide problems, I must oppose the amendment.

Mr. EAGLETON. Mr. President, would the Senator from Virginia agree to a voice vote on his amendment?

Mr. SCOTT of Virginia. That will be all right.

The PRESIDING OFFICER (Mr. Hathaway). All time on this amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Virginia (Mr. Scott).

The amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to amendment No. 266, on which all time has expired.

Mr. EAGLETON. That is the so-called Lorton amendment on which all time has been yielded back.

Mr. ROBERT C. BYRD. Mr. President, I would suggest that if there be no further amendment at this time, a quorum call be suggested with the time not to be charged to either side. My understanding is that the distinguished Senator from New Hampshire (Mr. Cotton) may have an amendment.

Mr. EAGLETON. Mr. President I ask unanimous consent to suggest the absence of a quorum with the time not to be taken out of either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. COTTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 304

Mr. COTTON. Mr. President, I call up my amendment No. 304.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Scott amendment again be temporarily laid aside, that the distinguished Senator from New Hampshire (Mr. Cotton) be permitted to call up his amendment, and that the debate proceed thereon, with the understanding that the vote on the amendment by Mr. Cotton will follow the vote on the amendment by Mr. Scott of Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 129, between lines 7 and 8, insert the following:
>
> "(15) Notwithstanding any other provision of this Act or any other law, appointments to the position of Chief of Police of the District of Columbia Metropolitan Police Force shall be made by the President of the United States."

Mr. COTTON. Mr. President, unfortunately, I had the amendment in two forms, and by mistake, the one I presented, which was printed, was the wrong amendment. The amendment I wish to present reads as follows:

> On page 129, between lines 7 and 8, insert the following:
>
> "(15) Notwithstanding any other provision of this Act or any other law, appointments to the position of Chief of Police of the District of Columbia Metropolitan Police Force shall be made by the President of the United States, by and with the advice and consent of the Senate."

By mistake, the version that said "by and with the advice and consent of the Senate" was not handed in at the desk. I ask unanimous consent to substitute the amendment in this form for the one which was just read.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, the purpose of this amendment is not to throw any roadblock in the way of the passage of this bill. It is a source of pride to this Senator that in his 19 years in the Senate and his 8 years in the House, he has voted for every home rule bill that has been presented for the District of Columbia. At times, he has voted for amendments, but he has voted for every home rule bill.

It is the studied opinion of this Senator that when we have States in the Union, which have statehood, with sometimes less than 200,000 or 300,000 population, we have no right to withhold from about a million people—those who reside in the District of Columbia—the opportunity to vote for a proper form of home rule.

I shall vote for this bill, regardless of whether this amendment should or should not be adopted. I make this statement so that there will be no idea that this is intended as a roadblock in the way of the enactment of this measure.

Mr. President, I will take only 5 minutes to present the reasons for this amendment.

Mr. EAGLETON. Mr. President, will the Senator yield? Does he wish the yeas and nays?

Mr. COTTON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. COTTON. Mr. President, the District of Columbia is a Federal city—the city of Washington is a Federal city—which was set aside, of course, primarily for the Government of the United States, for the Executive, the Supreme Court, and the Congress. It has made good progress. Law enforcement in the District has made good progress in recent years. But the members of the Government of the United States, including members of the executive branches of the Government and including the Congress and the families of Congress, are obliged to live here, or at least spend a large portion of their time within the confines of this city.

It is the belief of this Senator that as we move into the area of home rule in the District, in the interest of the safety of Congress and of all members of all branches of government, we should for the time being, retain some control of the law enforcement agencies of this city—namely, the police.

This is not, in my opinion, an amendment that is hostile to the purposes of the bill before the Senate. If there is one thing that this Senator and I think all Members of Congress have viewed with regret and with sorrow during the past few years, particularly during the demonstrations we had over Vietnam and other kinds of unrest, it has been to have Federal troops or the National Guard called out and to appear on the streets, or to surround the Capitol or any other department of government in this District.

It does not improve the prestige of this nation with other nations to have Federal troops or National Guardsmen patrolling and protecting the Government of the United States. I feel it is highly essential that insofar as it is possible all law enforcement within the city of Washington should be in the hands of the police of Washington and that only under the most drastic and desperate circumstances, as a matter of national pride and national self-respect, should we ever have to see the streets of this city patrolled by Federal troops. In addition, of course, to our responsibility to protect the Congress, the courts, the White House, and the departments, we also have the added responsibility of protecting embassies of foreign countries located in the city.

If we are to preserve or restore our reputation abroad for being a law abiding nation, the most necessary thing is to make sure that we have the best possible police force in the District of Columbia, the city of Washington, that can be obtained and that is of vital interest to the Congress of the United States and the citizens of the United States.

Mr. President, for that reason I introduce this amendment which would simply provide that the one office of Chief of the Metropolitan Police Department in this city should be appointed by the President of the United States, whoever he may be, and should be ratified by the advice and consent of the Senate.

I believe that this proposed amendment is not in any way a reproach upon the contemplated city government that is contained in this measure. I believe city government would be responsible. I believe that any President would take into full consideration the desires and wishes of the city government before submitting, selecting, or appointing a Chief of Police, but I do believe this is a safeguard for the protection of the Federal Government in the Federal City, and the protection of foreign embassies. We recently had an example of an assassination. It is necessary for the protection of Congress. We had a Member of this body shot almost to death. We have had numerous employees of departments of Government and Congress assaulted. We have to confess with sorrow and shame that the streets of this city are not safe, despite all the honest efforts being made, and this is a national humiliation.

For that reason I felt compelled to submit this simple amendment that provides that in just one office, the Office of the Chief of Police of this city, the President of the United States holds the power to make the nomination and make the appointment, and that the appointment should receive the advice and consent of the Senate.

Mr. SCOTT of Virginia. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. SCOTT of Virginia. Mr. President, I wish to associate myself with the remarks made by the distinguished Senator.

A question arises in my mind and I do not profess to know the answer. Would the Federal interest be protected by a Chief of Police appointed by an elected Mayor and an elected Council, because, again, we have to recognize that this is a Federal city, and the dual nature of our city. Just having recently recited what is to me an intolerable condition at the Lorton penal institution, I wonder if something akin to that might occur in the District of Columbia.

I wholeheartedly support the amendment of the Senator from New Hampshire.

Mr. EAGLETON. Mr. President, I rise in opposition to the amendment of the Senator from New Hampshire. I repeat again, because the Senator from New Hampshire was not here earlier today when we debated some of the other amendments, that this is a home rule bill. It is a bill which by its basic parameters gives the right and authority to conduct all governmental affairs to the residents of the District of Columbia. They will elect their own mayor and city council, and insofar as compatible with the Federal Constitution, conduct their own government affairs. These 750,000 residents of the District of Columbia do not have, at the present time, any meaningful voice in their own destiny.

At one and the same time when we pass the home rule bill, which gives the Mayor the power to appoint judges, the power to appoint his cabinet, the power to do this and that, and the Council the power to levy taxes and so forth, and all the powers in the bill, we would start dwindling away from that authority. According to the Senator from Virginia, they cannot run their own penitentiary, and now, according to the Senator from New Hampshire, they cannot appoint their own chief of police.

What the Senator is saying by his amendment is that the Mayor, whoever he may be, the individual we now know in office, or some other individual who might be Mayor, is incompetent to appoint a good man or a good woman as the chief of police of the District of Columbia. He implies that the sole wisdom so far as appointing power reposes with the President of the United States with the advice and consent of the Senate.

I am not willing to make that assumption. I am not willing to make the assumption that the Mayor to whom we give authority to do all these other things in this home rule bill would be so incompetent, stupid, or corrupt, as to appoint a sinister or inept police chief.

The chief of the police department exercises a purely local function. There are other Federal agencies in this town to protect the Federal function. We have the excellent Capitol Police force to protect the Capitol, we have the White House Police force to protect the White House and the Embassies, and it has been added to in recent years. There are various other Federal police forces protecting Federal office buildings in the District of Columbia.

The point I am making is that there is an adequate police force and that the local police force, which has jurisdiction over purely local matters, ought to be very much, in my judgment, a part of the home rule concept. It should be under the jurisdiction of the elected city government of the District of Columbia.

So while I appreciate the support that the Senator from New Hampshire has consistently given during his many excellent years both in the House of Representatives and the Senate to various home rule bills that have traveled their course during those years, I must respectfully disagree with him on his amendment today, because I think it is a backward step insofar as home rule is concerned. As I said before, the Senate giveth, and now the Senator wants to take it away.

I think this bill should be what it was when it passed last year—a bill that gives home rule, once and for all, to the people of the District of Columbia, and it is something that should not be done on a piecemeal basis, and we should not whittle away at it even before the bill becomes law.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. EAGLETON. I am pleased to yield.

Mr. COTTON. The only statement made by my friend the Senator from Missouri that I take exception to is his assertion that the Senator from New Hampshire would believe that a mayor would intentionally appoint any unfit or sinister person. As a matter of fact, the Senator from New Hampshire happens to be an admirer of the present Mayor of the city of Washington. I have complete trust in his judgment and complete confidence in his completely impartial and faithful performance of his duty. However, when we create a city government, it is not all lodged in the mayor, and if I read this bill correctly, it is not all lodged in the Mayor now.

So I would like to say first that it is highly conceivable that we would get into a deadlock over the identity of the Chief of Police, just as there has been a long delay and deadlock over the identity of the Superintendent of Schools in the District of Columbia. The choice has been narrowed down; I do not know how far it has been narrowed down.

Second, it is a Federal city, and I think the Federal Government should have a part, and that part would be the ultimate decision of the President, with the advice and consent of the Senate; and I cannot conceive of any President—they are not here today, but there are plenty of presidents around the Senate—who would not most certainly consult with and give due heed to the recommendations of the mayor and/or of the city government in the selection of a chief of police.

Therefore, to that extent only, I must take exception to the remarks of my friend. I think as the years go on in the city government and the more home rule it has and the more it exercises responsibility, the better it will be; this need not be a permanent part of the law.

Mr. EAGLETON. Mr. President, I yield 2 minutes to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I just want to thank the distinguished Senator from New Hampshire for the thoughtful and well-considered way in which he has brought this amendment to the Senate. I think it has been a very useful thing that he has brought it to the Senate, because it puts into focus the very part of the relationship between the Federal Government and the seat of that government in the National Capital, and it brings into historical focus one of the very reasons for which the Federal district, the District of Columbia, was established.

Let me say that I think his amendment should be supported if it were not for the fact that there is the very fine Capitol Police force, the White House force, the Executive Protective Service, which protects the various embassies, the National Park Police, the largest marshal's office in the country, the GSA protective force, the Marine Barracks, the Navy Yard, Fort Belvoir, all of which are under the direct command of the President.

Beyond that, I would feel it would be unwise to add this amendment to the bill because of the structure of the bill itself, and I would simply offer to the Senator from New Hampshire a few words from the committee report, and I am quoting from page 4:

> The delegation of permissible home rule to the residents of the District is given with the express reservation that the Congress may any time revoke or modify the delegation in whole or in part, and further, that the Congress may take such action as, in its wisdom, it deems desirable with respect to any municipal action taken by the people or government of the municipality under the authority of the charter.

If any mistakes are made, we have reserved the power to correct them; and it seems to me that, under those circumstances, this amendment, as well motivated as I know it is, by the Senator from New Hampshire is unnecessary.

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time. I understand we will have back-to-back votes on the Lorton amendment, next on the chief of police amendment, and then on final passage.

The PRESIDING OFFICER. That is correct.

Mr. MATHIAS. Mr. President, since becoming a Member of the Senate, I have come to develop a deep and abiding respect for the opinions of the distinguished Senator from New Hampshire (Mr. COTTON). I can, therefore, understand and share his desire to see the Nation's Capital manned by the finest police force that this country can muster. I also share the distinguished Senator's concern that the police force be led by a chief of the highest professional caliber. I do not, however, believe that it is necessary for the Congress of the United States to deprive the elected Mayor of the District of Columbia of the authority to appoint the chief of police.

Now as I understand the Senator's amendment, he would have the President of the United States appoint the Chief of the Metropolitan Police Department of the District of Columbia with the advice and consent of the Senate. Mr. President, I am confident that the Chief Executive's desire for law and order in Washington, D.C. is unexcelled. There is little question also but that the President's nominee would possess many of the sterling qualities that many of his past appointments have amply demonstrated to the Nation. But I think, Mr. President, that if the Senate is serious in its intent to provide a measure of self-government to the District of Columbia, this amendment takes us in the wrong direction. In fact, this amendment is retrogressive. Historically speaking, the Congress may well have good reason to be jittery about the control or lack of control of the law enforcement apparatus in the National Capital.

According to the records of the Constitutional Convention, the Founding Fathers sought the establishment of a federally controlled permanent seat of government separate from the jurisdiction of any State or locality in order to protect national officials from potential harassment, coercion, or arbitrary arrest by local courts and law enforcement officials. There was, moreover, a reluctance to rely on local officials for protection from potential mob violence or attempts by groups of persons to interfere with or otherwise harass or impede the conduct of the Federal Government's constitutionally prescribed duties. This concern stemmed from an incident which occurred on June 21, 1783, involving the Continental Congress and mutinous Revolutionary Army troops not yet deactivated. On that date from 80 to 250 armed troops—accounts vary on the number—marched on and surrounded Independence Hall in Philadelphia where the Continental Congress was in session. These troops had, disobeying orders of their officers, come to Philadelphia to petition the Congress for many months of pay due them. The troops were intoxicated, leaderless, and threatening to the assembled Members of Congress who had barred the doors and shutters of the Legislative Chamber. Congress requested police or militia protection from the Pennsylvania authorities, but such protection was denied. By evening the mutinous troops retired to their barracks and the Congress voted immediately to move to Princeton where local authorities promised protection from such an incident. This example was brought to the attention of the Delegates to the Constitutional Convention in 1787 and aided in carrying the argument for the "exclusive legislation" clause of article I, section 8 establishing a seat of government under the ultimate jurisdiction of the Federal Government.

Obviously, Mr. President, a presidentially appointed chief of police defeats an important part of the purpose of self-government. The mayor provides the anchor for a clear line of authority from the top, through agency heads to bureau chiefs and line personnel. The mayor and city council represent the points of accountability to the Congress. This, Mr. President, will promote a strong sense of responsibility in the mayor and the city council and give them incentives for assuring strong and responsible performance by the heads of departments and agencies. Imagine the disruption that would occur if all District agencies did not draw their authority and receive policy guidance and direction from the same source. Without question, the chances for effective and concerted action by the mayor in the event of an emergency or crisis or even during the course of the normal day-to-day operations of the Government will be tremendously hampered by having a local police department whose line of authority is anchored to the White House. Mr. President, I urge my colleagues to oppose this amendment.

Mr. COTTON. Mr. President, I am ready to yield back my time.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be 15 minutes on the first vote, and 10 minutes on the two succeeding votes, and as the distinguished Senator from Missouri has said, those votes will be back to back.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I yield back my time.

The PRESIDING OFFICER. Does the Senator yield back his time on the bill?

Mr. EAGLETON. Mr. President, I yield back my time on the bill.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time on the bill.

The PRESIDING OFFICER. All time on the bill has been yielded back.

Without objection, the unanimous-consent request with respect to time on the votes is agreed to.

The question occurs now on amendment No. 266, the amendment offered by the Senators from Virginia (Mr. SCOTT and Mr. HARRY F. BYRD, JR.). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr.

Bayh), the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. McClellan), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), and the Senator from Illinois (Mr. Stevenson), are necessarily absent.

I further announce that the Senator from Louisiana (Mr. Long), the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman), are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh), the Senator from Washington (Mr. Magnuson), and the Senator from Illinois (Mr. Stevenson) would each vote "nay."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from Arizona (Mr. Goldwater), the Senator from New York (Mr. Javits), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

The Senator from Michigan (Mr. Griffin) is absent on official business.

The Senator from Utah (Mr. Bennett) is detained on official business.

If present and voting, the Senator from New York (Mr. Javits) would vote "nay."

The result was announced—yeas 39, nays 44, as follows:

[No. 271 Leg.]

YEAS—39

Abourezk
Aiken
Allen
Baker
Bentsen
Buckley
Byrd, Harry F., Jr.
Chiles
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Fulbright
Gravel
Hansen
Haskell
Helms
Hollings
Hruska
Johnston
McClure
Metcalf
Nelson
Nunn
Pearson
Proxmire
Randolph
Roth
Scott, Pa.
Scott, Va.
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NAYS—44

Bartlett
Beall
Bellmon
Bible
Biden
Brock
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cook
Cranston
Domenici
Eagleton
Fong
Gurney
Hart
Hartke
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Kennedy
Mansfield
Mathias
McGovern
McIntyre
Mondale
Muskie
Packwood
Pastore
Pell
Percy
Ribicoff
Saxbe
Stafford
Symington
Tunney
Weicker
Williams

NOT VOTING—17

Bayh
Bennett
Brooke
Church
Goldwater
Griffin
Javits
Long
Magnuson
McClellan
McGee
Montoya
Moss
Schweiker
Sparkman
Stennis
Stevenson

So the amendment of Mr. Scott of Virginia was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to amendment No. 304. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Utah (Mr. Moss), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), the Senator from Alabama (Mr. Sparkman), and the Senator from Louisiana (Mr. Long) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson), the Senator from Indiana (Mr. Bayh), and the Senator from Illinois (Mr. Stevenson) would each vote "nay."

Mr. SCOTT of Pennsylvania. I announce the Senator from Massachusetts (Mr. Brooke), the Senator from Arizona (Mr. Goldwater), the Senator from New York (Mr. Javits), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

The Senator from Michigan (Mr. Griffin) is absent on official business.

If present and voting, the Senator from New York (Mr. Javits) would vote "nay."

The result was announced—yeas 33, nays 53, as follows:

[No. 272 Leg.]

YEAS—33

Aiken
Allen
Bellmon
Bennett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Gurney
Hansen
Helms
Hruska
McClellan
McIntyre
Montoya
Pearson
Randolph
Scott, Pa.
Scott, Va.
Stevens
Talmadge
Thurmond
Tower
Young

NAYS—53

Abourezk
Baker
Bartlett
Beall
Bible
Biden
Burdick
Case
Chiles
Clark
Cook
Cranston
Domenici
Eagleton
Fong
Fulbright
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Mansfield
Mathias
McClure
McGovern
Metcalf
Mondale
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Saxbe
Stafford
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—14

Bayh
Brooke
Church
Goldwater
Griffin
Javits
Long
Magnuson
McGee
Moss
Schweiker
Sparkman
Stennis
Stevenson

So Mr. Cotton's amendment was rejected.

The PRESIDING OFFICER (Mr. Haskell). The question is on agreeing to the committee amendment in the nature of a substitute as amended.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DOMENICI. Mr. President, today I would like to go on record as voting for S. 1435, the home rule bill, in principle but with some reservations as to the actual mechanics of the local government.

Recently I have had the opportunity of discussing home rule with some of the nominations for District of Columbia counsel and feel that certain pertinent questions were raised. This bill is flexible in nature and I know is long overdue, but I feel that some of my thoughts would be useful.

This concept of home rule is not new to me because as mayor of the largest city in New Mexico, I played a very active role in our desire to gain home rule. Due to these years of experience in city government in Albuquerque, I can really say that I understand the desires of District of Columbia citizens who wish more control over the destiny of their own city. This city more than any other city in the world should have the right of self-government in a manner that is advantageous to both its people and the Federal Government.

My reservations do not involve the concept of home rule but I question the method by which everyday operations are handled. It is my feeling that the mechanics of city government cannot be assumed and that rigid blueprints for the actual operation should be included. Again referring to my past experience I found that our city could function in a more orderly fashion with a city charter. This charter gave specific job descriptions and roles of the basic integral part of the cities' government.

The purpose of my comments are to encourage the passage of S. 1435 because the process is long overdue. A basic point to remember is that we must not let the ball drop because we have a bill that creates home rule. A city cannot function by the passage of a bill alone, but only when the smallest of mechanisms have been carefully incorporated into the overall system will it function.

Recently I received a copy of our Albuquerque Joint County and City Charter Study Committee report. Included in this charter are provisions for mayor, taxes and bonded indebtedness, sheriff, and merit system with code of ethics, and so forth. I am not trying to imply that the Albuquerque charter would fit the role for District of Columbia, but only to point out that here was have an organizational blueprint that helps our city council and mayor to direct the operations of the city.

I think that most of my distinguished colleagues favor a home rule for the District of Columbia, but I have some reservations as to its ability to function both as a city and as the Nation's Capital. If we, as U.S. Senators, are responsible for granting home rule then we should be sure that we give this new form of government every opportunity to properly function. Let us not grant home rule for the District of Columbia, and then assume that the problems of city government will cease, but instead, let us grant home rule with the wish that a city charter be drawn up by Members selected at large to define the organizational structure. Then and only then will the District of Columbia have an effective home rule.

Recently I met with John A. Nevius, Chairman, District of Columbia City Council, regarding the advisability of a charter included in a home rule bill. It seems that Mr. Nevius would concur that a charter would force the city to realistically plan an operational system of government.

I would hope that once the District of Columbia Council has been elected that they realize the value of a city charter. This charter would only be functional if it were to receive the necessary citizen input.

I honestly feel that the combination of home rule while using the mechanics of a city charter would satisfy the needs of the city and the Federal Government.

Mr. HUMPHREY. Mr. President, 99 years ago this month the first home rule bill for the District of Columbia was introduced in Congress. Since then, more than 40 home rule bills have been placed before it. The Senate has passed legislation extending some form of equal citizenship to the people of this city on seven separate occasions since I came here in 1949. In each case our efforts were thwarted in the House of Representatives. Gentlemen, this is incredible.

Nearly 200 years ago this Nation went to war over the issue of self-government—"no taxation without representation" was the rallying cry. We are just ending our involvement in another tragic conflict in which "self-determination of the people" has been a major objective. Even the Virgin Islands now has an elected Governor. Yet, Congress has not acted on the gross perversion of democracy that continues to exist right in its own backyard. We must extend to the people of the District of Columbia the basic privilege enjoyed by all other American citizens to elect the men and women who will control their local governments.

Mr. President, I have been an advocate of home rule since I first came to the Senate. I find it hard to believe that so little progress has been made. The arguments for home rule are as valid today as they were back in 1949. And the wisdom that supposedly comes with age has not diminished the conviction of my youth that home rule is right—morally, legally, and philosophically.

Twenty-four years ago, as a freshman Member of the Senate, I advocated home rule on the floor of the Senate. At that time I said:

> I believe the first thing which should be done by the Congress is to give as much power as possible to the people of the District of Columbia. I submit that when we are dealing with a million people, they should not be dealt with lightly, and we should not try to convert the Congress of the United States into a board of aldermen which occasionally thinks about the municipal problems of the greatest Capital in the world.

This statement, I believe, still rings true.

That this greatest of all democracies withholds from the citizens of its Capital City the right to elect their own government leaders is hypocrisy of the first order and a source of increasing embarrassment to our Nation.

As my good friend Sterling Tucker testified this past April before the House District Committee—

> If our own Federal Government does not believe that it can function democratically at its own seat, then how can it expect to convince the rest of the world that democracy is good for anybody, or can work anywhere?
>
> In the eyes of many people throughout the world, the Federal Government's attitude toward the District of Columbia appears, as suggested by an observing foreign student, like an automobile salesman who drives one make of car, but sells another—a salesman who doesn't have enough confidence in his own product to use it himself.

I wish to commend the members of the Senate Committee on the District of Columbia for again bringing this denial of justice to the conscience of the Congress. I strongly believe that we should unanimously pass S. 1435. To continue to deny basic citizenship to the residents of the District is unconscionable.

The present appointed Mayor-Commissioner and Council have accomplished a great deal and it would be unfair not to recognize this. However, the people of this city have every right to govern themselves.

I believe we should pass this bill, and then move speedily to extend full citizenship for the people of the District by approving full equality of voting representation in the Congress.

Mr. KENNEDY. Mr. President, I would like to take this opportunity to commend my esteemed colleague, Mr. EAGLETON, chairman of the Committee on the District of Columbia, for initiating and designing this essential and long overdue legislation. S. 1435 provides for the election of a Mayor and city council in the District of Columbia. In effect, this bill provides home rule to the 757,000 people in the Nation's Capital.

For almost a century—from 1800, when the District of Columbia was first established by Congress, until 1874, when Congress eliminated all elective offices for the District—citizens had at least some form of self-government.

Since 1874 there have been more than 40 home rule bills placed before the biennial sessions of Congress. All of these bills have failed to be enacted. Since 1874, the people of this city have been unable to select local municipal leaders. Nowhere in America should the basic principle of democracy be more firmly established than in the Nation's Capital. By some cruel irony, a nation founded as a haven from tyranny and oppression denies to the citizens of the Nation's Capital the basic rights of democracy.

Presidents Eisenhower, Kennedy, Johnson, and Nixon have all realized and supported the need for home rule in Washington, D.C. I also feel a strong concern for the injustice that denies a substantial group of our population, the right to participate in the government of their city. Can we really maintain that the citizens of the District are doomed to a perpetual colonial status, to denial of one of the most basic rights in civilized society, the right of self-government? To continue this denial would not only be unjust, but would also continue to adversely affect the lives of almost 1 million people. The citizens of Washington deserve to share in one of the fundamental bases of human dignity and constitutional rights, the rights of self-government.

The residents of the Federal City are deeply concerned about their city's condition and future as are the residents of any other major city. Washington's residents live with precisely the same issues that face every other part of the Nation. War and race, poverty and crime, education and health are the great issues of our time and they vitally affect all our people. But Washingtonians do not share equally with other Americans in the opportunity to make decisions that affect their daily lives. It has been said that the District of Columbia has the Nation's largest city council because the 535 Members of Congress determine the routine policies of local government.

The Capital has expanded into a vast and complex society, the heart of democracy in America. Its citizens are required to fulfill all the obligations of American citizenship but are denied the right of self-government. They are taxed hundreds of millions of dollars each year, and they bear all the other responsibilities of citizenship in a large metropolitan community, yet they do not have the right to elect the people that govern them.

Agonizing debates over many years have produced a wide variety of proposals to resolve the question of home rule. In my opinion, S. 1435 truly embraces the home rule concept of properly returning local control where it ought to be—into the hands of those who are governed.

On July 15, 1961, President John F. Kennedy summed up the plight of these second-class citizens:

> Restoration of suffrage and the responsibility to the people in the District for dealing with their municipal problems is long overdue. It is time to eliminate the last legal and constitutional anomaly in the United States and to reaffirm our belief in the principle that government should be responsible to the people.

The time for debate has long since passed. In S. 1435 we have the opportunity to return to the District of Columbia the right of the people to elect those who govern them. S. 1435 deserves the full support of the Senate in fulfilling that opportunity.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Utah (Mr. MOSS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Alabama (Mr. SPARKMAN), the Senator from Wyoming (Mr. McGee), the Senator from Louisiana (Mr. Long), and the Senator from Washington (Mr. Magnuson) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that if present and voting, the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Washington (Mr. Magnuson), the Senator from Illinois (Mr. Stevenson), and the Senator from Utah (Mr. Moss) would each vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from Arizona (Mr. Goldwater), the Senator from New York (Mr. Javits), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

The Senator from Michigan (Mr. Griffin) is absent on official business.

If present and voting, the Senator from New York (Mr. Javits) would vote "yea."

The result was announced—yeas 69, nays 17, as follows:

[No. 273 Leg.]

YEAS—69

Abourezk
Aiken
Baker
Bartlett
Beall
Bennett
Bentsen
Bible
Biden
Brock
Buckley
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Fong
Fulbright
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Pa.
Stafford
Stevens
Symington
Taft
Tunney
Weicker
Williams

NAYS—17

Allen
Bellmon
Byrd,
Harry F., Jr.
Eastland
Ervin
Fannin
Hansen
Helms
McClellan
McClure
Nunn
Saxbe
Scott, Va.
Talmadge
Thurmond
Tower
Young

NOT VOTING—14

Bayh
Brooke
Church
Goldwater
Griffin
Javits
Long
Magnuson
McGee
Moss
Schweiker
Sparkman
Stennis
Stevenson

So the bill (S. 1435) was passed, as follows:

S. 1435

An act to provide an elected Mayor and City Council for the District of Columbia, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to the retention by Congress of the ultimate legislative authority over the Nation's Capital which is granted by the Constitution, it is the intent of Congress to restore to the inhabitants of the District of Columbia the powers of local self-government which are a basic privilege of all American citizens; to reaffirm through such action the confidence of the American people in the strengthened validity of principles of local self-government by the elective process; to promote among the inhabitants of the District the sense of responsibility for the development and well-being of their community which will result from the enjoyment of such powers of self-government; to provide for the more effective participation in the development of the District and in the solution of its local problems by those persons who are most closely concerned; and to relieve the National Legislature of the burden of legislating upon purely local District matters. It is the further intention of Congress to exercise its retained ultimate legislative authority over the District only insofar as such action shall be necessary or desirable in the interest of the Nation.

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TITLE I—DEFINITIONS

DEFINITIONS

Sec. 101. For the purposes of this Act—

(1) The term "District" means the District of Columbia.

(2) The terms "District Council" and "Council" mean the Council of the District of Columbia provided for by title III.

(3) The term "District of Columbia Council" means the Council of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.

(4) The term "Chairman" means, unless

otherwise indicated in this Act, the Chairman of the District Council provided for by title III.

(5) The term "Mayor" means the Mayor provided for by title IV.

(6) The term "qualified voter", except as otherwise specifically provided, shall have the same meaning as that provided for a "qualified elector" under paragraph (2) of section 2 of the District of Columbia Election Act.

(7) The term "act" includes any legislation adopted by the District Council (including legislation pursuant to section 503 of this Act), except where the term "Act" is used to refer to this Act or other Acts of Congress herein specified.

(8) The term "District of Columbia Election Act" means the Act of August 12, 1955 (69 Stat. 699), as amended.

(9) The term "person" includes an individual, partnership, association, joint-stock company, trust, or corporation.

(10) The term "capital project", or "project", means (a) any physical public betterment or improvement and any preliminary studies and surveys relative thereto; (b) the acquisition of property of a permanent nature; or (c) the purchase of equipment for any public betterment or improvement when first erected or acquired.

(11) The term "pending", when applied to any capital project, means authorized but not yet completed.

(12) The term "District revenues", as used in title VI, means all revenues derived from taxes, fees, charges, and miscellaneous receipts (including all annual Federal payments to the District authorized by law), but such term does not include revenues derived from the Water Fund, Highway Fund, other special funds, or from any Federal grant-in-aid program.

(13) The term "election", unless the context otherwise indicates, means an election held pursuant to the provisions of this Act.

(14) The term "domicile" means that place where a person has his true, fixed, and permanent home and to which, when he is absent, he has the intention of returning.

(15) The terms "publish" and "publication", unless otherwise specifically provided herein, mean publication in a newspaper of general circulation in the District.

(16) The term "municipal courts of the District of Columbia" means the Superior Court of the District of Columbia, the District of Columbia Court of Appeals, and such other municipal courts as the District Council may hereafter establish by act.

(17) The term "annual budget" means the entire budget for all activities of the government of the District of Columbia as heretofore submitted to the Congress by the President of the United States and shall include both operating and capital outlay expenditures.

TITLE II—STATUS OF THE DISTRICT

SEC. 201. (a) All of the territory constituting the permanent seat of the Government of the United States shall continue to be designated as the District of Columbia. The District of Columbia shall remain and continue a body corporate, as provided in section 2 of the Revised Statutes relating to said District. Said Corporation shall continue to be charged with all the duties, obligations, responsibilities, and liabilities, and to be vested with all of the powers, rights, privileges, immunities, and assets, respectively, imposed upon and vested in said Corporation or the Commissioner of the District of Columbia.

(b) No law or regulation which is in force on the effective date of part 2, title III, of this Act shall be deemed amended or repealed by this Act except to the extent specifically provided herein or to the extent that such law or regulation is inconsistent with this Act, but any such law or regulation may be amended or repealed by legislation or regulation as authorized in this Act, or by Act of Congress.

(c) Nothing contained in this section shall affect the boundary line between the District of Columbia and the Commonwealth of Virginia as the same was established or may be subsequently established under the provisions of title I of the Act of October 31, 1945 (59 Stat. 552).

TITLE III—THE DISTRICT COUNCIL

PART 1—CREATION OF THE DISTRICT COUNCIL

CREATION AND MEMBERSHIP

SEC. 301. There is hereby created a Council of the District of Columbia consisting of eleven members, of whom the Chairman and two members shall be elected at large and the other eight members shall be elected one from each of the eight election wards established under the District of Columbia Election Act. The term of office of the Chairman and other members of the Council shall be four years beginning at noon on January 2 of the calendar year next following the calendar year of their election; except that of the members (other than the Chairman) first elected after the effective date of this provision, one member elected at large and four members elected from wards shall serve for terms of two years. The members who shall serve for terms of two years shall be determined by lots cast before the Board of Elections of the District of Columbia upon a date set and pursuant to regulations issued by the Board of Elections.

QUALIFICATIONS FOR HOLDING OFFICE

SEC. 302. No person shall hold the office of member of the District Council, including the Office of Chairman, unless he (1) is a qualified voter, (2) is domiciled in the District and, if he is nominated for election from a particular ward, resides in the ward from which he is nominated, (3) has, during the three years next preceding his election, resided and been domiciled in the District, and (4) is not engaged in any employment (whether as an employee or as a self-employed individual) and holds no public office or position (other than his employment in and position as a member of the Council), for which he is compensated in an amount in excess of his actual expenses in connection therewith, except that nothing in this clause shall prohibit any such person, while a member of the Council, from serving as a delegate or alternate delegate to a convention of a political party nominating candidates for President and Vice President of the United States, or from holding an appointment in a Reserve component of an armed force of the United States other than a member serving an active duty under a call for more than thirty days. A member of the Council shall forfeit his office upon failure to maintain the qualifications required by this section.

COMPENSATION

SEC. 303. Each member of the District Council, including the Chairman, shall receive compensation, payable in periodic installments, at rates established by act passed by the Council. All members shall receive such additional allowances for expenses as may be approved by the Council to be paid out of funds duly appropriated therefor.

CHANGES IN MEMBERSHIP AND COMPENSATION OF DISTRICT COUNCIL MEMBERS

SEC. 304. The number of members constituting the District Council, the qualifications for holding office, and the compensation of such members may be changed by act passed by the Council: *Provided*, That no such act (other than an act involving compensation or allowances) shall take effect until after it has been assented to by a majority of the qualified voters of the District voting at an election on the proposition set forth in any such act.

PART 2—PRINCIPAL FUNCTIONS OF THE DISTRICT COUNCIL

ABOLISHMENT OF EXISTING GOVERNMENT AND TRANSFER OF FUNCTIONS

SEC. 321. (a) The District of Columbia Council, the offices of Chairman of the District of Columbia Council, Vice Chairman of the District of Columbia Council, and the seven other members of the District of Columbia Council, and the offices of the Commissioner of the District of Columbia and Assistant to the Commissioner of the District of Columbia, as established by Reorganization Plan Numbered 3 of 1967, are hereby abolished: *Provided*, That this subsection shall not be construed to reinstate any governmental body or office in the District abolished in said plan or otherwise heretofore.

(b) Except as otherwise provided in this Act, all functions granted to or imposed upon, or vested in or transferred to the District of Columbia Council or the Commissioner of the District of Columbia, as established by Reorganization Plan Numbered 3 of 1967, shall be carried out respectively by the District Council and the Mayor in accordance with the provisions of this Act.

CERTAIN DELEGATED FUNCTIONS AND FUNCTIONS OF CERTAIN AGENCIES

SEC. 322. No function of the District of Columbia Council (established under Reorganization Plan Numbered 3 of 1967 or the commissioner of the District of Columbia which such District of Columbia Council or Commissioner has delegated to an officer, employee, or agency (including any body of or under such agency) of the District, nor any function now vested pursuant to section 501 of Reorganization Plan Numbered 3 of 1967 in the District Public Service Commission, Zoning Commission, Zoning Advisory Council, Board of Zoning Adjustment, Office of the Recorder of Deeds, or Armory Board, or in any officer, employee, or body of or under such agency, shall be considered as a function transferred to the District Council pursuant to section 321 of this Act. Each such function is hereby transferred to the officer, employee, or agency (including any body of or under such agency), to whom or to which it was delegated, or in whom or in which it has remained vested, until the Mayor or Council established under this title, or both, pursuant to the powers herein granted, shall revoke, modify, or transfer such delegation or vesting.

PROCEDURE OF ZONING ACTS

SEC. 323. (a) The provisions of section 322 of this Act notwithstanding, before any zoning regulation or equivalent legislation for the District is approved by the District Council, Zoning Commission, or other authority—

(1) the Council, Zoning Commission, or authority shall deposit such regulation or legislation in its introduced form with the National Capital Planning Commission. Such Planning Commission shall, within thirty days after the day of such deposit, submit its comments to the Council, Zoning Commission, or authority, including advice as to whether the proposed regulation or legislation is in conformity with the comprehensive plan for the District of Columbia. The Council, Zoning Commission, or authority shall not pass the regulation or legislation unless it has received said comments, or the National Capital Planning Commission has failed to comment, within the thirty-day period above specified; and

(2) the Council, Zoning Commission, or authority, or an appropriate committee thereof, shall hold a public hearing on the regulation of legislation. At least thirty days' notice of the hearing shall be published, as the Council, Zoning Commission, or authority may direct. Such notice shall include the

time and place of the hearing and a summary of all changes in existing law which would be made by adoption of the regulation or legislation. The Council, Zoning Commission, or authority (or committee thereof holding a hearing) shall give such additional notice as it finds expedient and practicable. At the hearing interested persons shall be given reasonable opportunity to be heard. The hearing may be adjourned from time to time. The time and place of reconvening shall be publicly announced before adjournment is had.

(b) The Council, Zoning Commission, or authority shall deposit with the National Capital Planning Commission each such regulation or item of legislation passed by it.

(c) This section shall not be construed to restrict legislation (or regulation) regarding solely the procedure (apart from this section) or mechanism for regulating zoning in the District and not itself regulating such zoning.

APPOINTMENT OF ARMORY BOARD

SEC. 324. (a) The first sentence of section 2 of the Act of June 4, 1948 (62 Stat. 339), is hereby amended to read as follows: "There is hereby established an Armory Board, to be composed of three members who shall be appointed by the Mayor by and with the advice and consent of the Council and who shall serve at the pleasure of the Mayor.".

(b) All functions and authority vested in the President by the Act of June 12, 1934 (48 Stat. 930), as amended, are hereby transferred to and vested in the Mayor.

POWERS OF AND LIMITATIONS UPON DISTRICT COUNCIL

SEC. 325. (a) The legislative power granted to the District by this Act shall be vested in the District Council.

(b) Notwithstanding any other provision of this Act, the Congress of the United States reserves the right, at any time, to exercise its constitutional authority as legislature for the District of Columbia, by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the District Council by this Act, including legislation to amend or repeal any law in force in the District prior to or after the enactment of this Act and any act passed by the Council.

(c) Except as provided in subsection (d) of this section, the legislative power of the District shall extend to all rightful subjects of legislation within the District consistent with the Constitution of the United States and the provisions of this Act, subject to all the restrictions and limitations imposed upon States by the tenth section of the first article of the Constitution of the United States.

(d) The Council shall have no authority to pass any Act contrary to the provisions of this Act, or—

(1) (A) impose any tax on property of the United States or any of the several States, or upon the whole or any portion of the personal income, either directly or at the source thereof, of any individual not a resident of the District (the terms "individual" and "resident" to be understood for the purposes of this paragraph as under section 4 of the Act of July 16, 1947 (61 Stat. 332));

(B) impose any tax, assessment, permit, fee, or other charge whatsoever upon any individual not a resident of the District in connection with the utilization by such individual of highways, roads, or parking facilities (including on-street and off-street parking) within the District of Columbia, which is not imposed upon, or which is in excess of the amount imposed upon, a resident of the District;

(2) lend the public credit for support of any private undertaking;

(3) authorize the issuance of bonds except in compliance with the provisions of title VI;

(4) enact any act, or enact any act to amend or repeal any Act of Congress, which concerns the functions or property of the United States or which is not restricted in its application exclusively in or to the District;

(5) pass any act inconsistent with or contrary to the Act of June 6, 1924 (43 Stat. 463), as amended, or the Act of May 29, 1930 (46 Stat. 482), as amended, and the Council shall not pass an act inconsistent with or contrary to any provision of any Act of Congress as it specifically pertains to any duty, authority, and responsibility of the National Capital Planning Commission.

(e) Every act shall include a preamble, or be accompanied by a report, setting forth concisely the purposes of its adoption. Every act shall be published, upon becoming law, as the Council may direct.

(f) (1) Subject to the provisions of paragraph (2) of this subsection, an act passed by the Council shall be presented by the Chairman of the Council to the Mayor, who shall, within ten calendar days after the act is presented to him, either approve or disapprove such act. If the Mayor shall approve such act, he shall indicate the same by affixing his signature thereto, and such act shall, subject to the provisions of subsection (g) of this section, become law. If the Mayor shall disapprove such act, he shall, within ten calendar days after it is presented to him, return such act to the Council setting forth his reasons for such disapproval. If any act so passed shall not be returned to the Council by the Mayor within ten calendar days after it shall have been presented to him, the Mayor shall be deemed to have approved it, and such act shall, subject to the provisions of subsection (g) of this section, become law. If, within thirty calendar days after an act has been timely returned by the Mayor to the Council with his disapproval, two-thirds of the members of the Council present and voting vote to repass such act, the act so repassed shall, subject to the provisions of subsection (g) of this section, become law.

(2) In the case of any budget act adopted by the Council pursuant to section 503 of this Act and submitted to the Mayor in accordance with paragraph (1) of this subsection, the Mayor shall have power to disapprove any item or provision of such act and approve the remainder. In any case in which the Mayor so disapproves of any such item or provision, he shall append to the act when he signs it a statement of the items and the provisions which he disapproves, and he shall return a copy of the act and statement with his objections to the Council. No such item or provision so disapproved shall become law unless within thirty calendar days after such copy and statement has been timely returned, such item or provision is repassed by two-thirds of the members of the Council present and voting. Any such item or provision so repassed shall, subject to the provisions of subsection (g) of this section, become law.

(g) The provisions of subsection (f) of this section notwithstanding, acts of the District Council exercising functions not heretofore legally exercisable by the Commissioner of the District of Columbia pursuant to section 401 of Reorganization Plan Numbered 3 of 1967 or by the District of Columbia Council pursuant to section 402 of said plan, shall become law only in accordance with the following:

(1) Within five calendar days following the date upon which such acts (including repassed items and provisions referred to in paragraph (2) of subsection (f)) of the District Council would have become law apart from this subsection, such acts of the District Council shall be transmitted to the Congress by the Mayor or, in the case of such acts repassed by a two-thirds vote of the District Council over the Mayor's disapproval, by the Chairman of the Council.

(2) (A) Any act (including repassed items and provisions referred to in paragraph (2) of subsection (f)) so transmitted shall become law upon the date of expiration of a period of thirty calendar days of continuous session of the Congress following the date on which such act is transmitted, unless during such period there is passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representatives, as the case may be, does not approve the proposed act, in which case such proposed act shall be considered void and of no effect. For the purposes of this paragraph, in the computation of the thirty-day period there shall be excluded the days on which either the Senate or the House of Representatives is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

(B) The provisions of sections 910–913 of title 5, United States Code, shall apply to the procedure to be followed in the Senate and House of Representatives in the exercise of their respective responsibilities under subaparagraph (A) of this paragraph in the same manner and to the same extent as such provisions apply to the procedure followed in the case of reorganization plans; except that references in such provisions to a "resolution with respect to a reorganization plan" shall be deemed for the purposes of this paragraph to refer to a resolution of disapproval under subparagraph (A).

(h) On or after the effective date of this part, any person appointed to serve as judge of one of the municipal courts of the District of Columbia shall not (1) be appointed to serve for a term of less than fifteen years, (2) serve on the court past the year that the seventieth anniversary of his birth shall occur, or (3) receive as compensatiton for such service an amount less than the amount payable to an associate judge of the Superior occur, or (3) receive as compensation for effective date of this part. Appointments to positions as judges of the municipal courts of the District of Columbia, including vacancies therein, shall be made by the Mayor, with the advice and consent of the Senate of the United States. In making any such appointment to fill any such position the Mayor shall do so by appointing one of three persons possessing the qualifications for such position who shall be nominated and whose names shall be submitted to the Mayor by a nonpartisan judicial nomination commission established and organized in accordance with section 326 of this Act. Nothing in this Act shall be construed to change or authorize the change of the tenure of any persons occupying positions as judges of the municipal courts of the District of Columbia on the effective date of this part, and in no case may their compensation be decreased.

(i) Except as limited by subsections (g) (2) and (h) of this section, upon the effective date of this part, jurisdiction over the municipal courts of the District of Columbia shall vest with the District Council in all matters (other than the appointment of the judges) pertaining to the organization and composition of such courts, and to the qualification, tenure, and compensation of the judges thereof, but in no event shall the Council transfer or modify any function performed by the United States marshal or the United States attorney for the District on the effective date of this part.

(j) Nothing in this section or elsewhere in this Act shall be construed as authorizing the District Council to modify or otherwise alter the jurisdiction, established by enactment of the Congress of the United States, of the United States District Court for the District of Columbia or any other United States court other than the municipal courts of the District.

(k) Nothing in this Act shall be construed as vesting in the District government any greater authority over the Washington Aqueduct, the Commission on Mental Health, the National Zoological Park, the National Guard of the District of Columbia, or, except as otherwise specifically provided in this Act, over any Federal agency, than was vested in the Commissioner of the District prior to the effective date of part 2, title III, of this Act.

NONPARTISAN JUDICIAL NOMINATION COMMISSION

SEC. 326. (a) There is hereby established the Nonpartisan Judicial Nomination Commission (referred to in this section as the "Commission"). The Commission shall consist of five members selected in accordance with the provisions of subsection (b) of this section, and shall serve for terms of four years, except that of the members initially selected in accordance with subsection (b)(1)(A), one shall serve for two years and one shall serve for four years, and with respect to the members initially selected in accordance with subsection (b)(1)(B), one shall serve for two years and one shall serve for four years. In making their respective initial appointments, the Mayor shall designate, at the time of such appointments, which appointee shall have the short-term appointment.

(b)(1) Members of the Commission shall be appointed as follows:

(A) two members shall be appointed by the Mayor from a list of not less than three nominees for each such office to be filled submitted to him by the District of Columbia Bar Association; and

(B) two members, who shall be nonlawyers, shall be appointed by the Mayor from a list of not less than three nominees for each such office to be filled submitted to him by the Council.

(2) The chief judge of the District of Columbia Court of Appeals shall be a member of the Commission and shall serve as Chairman.

(3) It shall be the function of the Commission to submit nominees for appointment to positions as judges of the municipal courts of the District of Columbia in accordance with section 325(h) of this Act.

(c) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made. Any person so appointed to fill a vacancy shall serve only for the remainder of the unexpired term of his predecessor.

(d)(1) The Commission shall act only at a meeting and may act only by the concurrence of a majority of its members. The Chairman shall preside at any meeting at which he is present, and, in his absence, the Commission shall choose a member to act as temporary Chairman.

(2) The Commission shall choose one of its members as secretary. It shall be the duty of the secretary to prepare and keep the minutes of all meetings. In the secretary's absence, the Commission shall choose a member to be acting secretary. The minutes shall record the names of the members present, any objection to the holding of the meeting on the ground of lack of or insufficiency of notice, any and all actions taken by the Commission, and any other matters that the Commission may deem appropriate.

(e) When it is known that a vacancy will occur at a definite future date, within sixty days, but the vacancy has not yet occurred, the Commission, in order to facilitate the administration of justice by preventing delay in filling court vacancies so that all courts may have all judges ready to dispose of their judicial business as nearly as may be possible, may make its nominations and submit to the Mayor the names of the persons nominated before the occurrence of the vacancy.

(f)(1) The Commission should at all times take cognizance of the fact that the best qualified nominees may be those whom it would be most difficult to persuade to serve. Accordingly, the Commission shall not limit its consideration to persons who have been suggested by others or to persons who have indicated their willingness to serve. It shall be in order for the Commission, in its discretion, to tender nomination to one or more qualified persons, prior to, and subject to, the formal action by the Commission in making its nominations, in order to ascertain whether such a person will agree to serve if nominated.

(2) The Commission may, in its discretion, publicize some, all, or none of the names of the possible nominees who have been suggested to it or whom it has under consideration. In exercising such discretion the Commission should take account of the fact that there may be lawyers who merely desire the publicity, that there may be lawyers whom publicity would deter from agreeing in advance to serve, and that the Commission needs all pertinent information about the possible nominees whom it is seriously considering. In no case shall the Commission describe possible nominees as "applicants" or by any other term suggesting that they are seeking to be nominated.

(3) The action of the Commission in making nominations with respect to any vacancy shall be taken only at a meeting and only by the execution of a certificate of nomination (which may be in the form of a communication to the Mayor), setting forth the nominations thereby made, signed on behalf of the Commission by the Chairman and secretary. The Commission or its Chairman shall forthwith cause the original of such certificate to be transmitted to the Mayor.

(4) After the Commission has nominated and submitted to the Mayor the names of three persons for appointment to fill a vacancy in accordance with this section, any name or names may be withdrawn for cause deemed by such Commission to be of a substantial nature affecting the nominee's qualifications and showing he is not a fit and proper person to hold the office, and another name or names may be substituted therefor at any time before the Mayor acts by making an appointment to fill such vacancy. Nothing herein contained shall be deemed to impose (or to recognize) any obligation whatsoever upon the Commission to reconsider or withdraw any nomination, whether or not the Mayor shall have requested reconsideration thereof, or shall have purported to reject, such nomination. If any nominee dies or requests in writing that his name be withdrawn, the Commission shall nominate another person to replace him. Whenever there are existing at the same time two or more vacancies in the same court, and the Commission has nominated and submitted to the Mayor lists of three persons for each of such vacancies, the Commission, in its sole discretion may, if it desires to do so, before the Mayor acts by making an appointment, withdraw the lists of nominations, change the names of any of such persons nominated from one list to another and resubmit them as so changed, and may substitute a new name for any of those previously nominated when a name has been withdrawn for cause.

(5) The action of the Commission in withdrawing a nomination or nominations and submitting a new nomination or nominations shall be taken only at a meeting and only by the execution of a certificate of withdrawal of nomination and a certificate of substitute nomination (both of which may be in the form of a communication to the Mayor) signed on behalf of the Commission by the Chairman and secretary of the Commission. If any nomination or nominations being withdrawn have already been transmitted to the Mayor, the Commission or its Chairman shall forthwith notify the Mayor by telegram of the Commission's action and cause the original of such certificate of withdrawal to be transmitted to the Mayor. Meetings of the Commission to consider the withdrawal of nominations may be called by the Chairman or a majority of such Commission. Action of the Commission in withdrawing nominations may be taken at the same meeting at which the nominations were made, or at any later meeting, and such action may be proposed by any member of the Commission.

PART 3—ORGANIZATION AND PROCEDURE OF THE DISTRICT COUNCIL

THE CHAIRMAN

SEC. 331. (a) The Chairman of the District Council shall be the presiding officer of the Council. The District Council shall elect from among its members, for a term of two years, a Vice Chairman.

(b) When the Mayor is unable to act, the Chairman of the Council shall act in his stead. When the Chairman of the Council is unable to so act, the officer designated pursuant to section 402(1) shall so act.

(c) In the event that the Chairman of the Council becomes Mayor by reason of a vacancy in the office of Mayor (as provided in section 401(b)(2) of this Act), the Vice Chairman shall serve as Chairman in accordance with the provisions of section 10(e)(2)(A) of the District of Columbia Election Act, as amended by title VIII of this Act.

SECRETARY OF THE DISTRICT COUNCIL; RECORDS AND DOCUMENTS

SEC. 332. (a) The Council shall appoint a Secretary as its chief administrative officer and such assistants and clerical personnel as may be necessary. The terms of employment of such Secretary, assistants, and clerical personnel shall be governed by existing provisions of law until such time as the Council enacts legislation establishing a District Government merit system as set forth in section 402(4) of this Act. The provisions of any such system so established shall include terms of employment for employees of the Council which are similar to those provisions therein applicable to other District government employees, including such exemptions provided therein as prescribed by the Council. Notwithstanding the foregoing provisions of this subsection or of any other provision of this Act, the compensation of such Secretary, assistants, and clerical personnel shall be prescribed by the Council.

(b) The Secretary shall (1) keep a record of the proceedings of the Council, (2) keep a record showing the text of all acts introduced and the ayes and noes of each vote, (3) authenticate by his signature and record in full in a continuing record kept for that purpose all acts passed by the Council, including the date and time that each such act takes effect, and (4) perform such other duties as the Council may from time to time prescribe.

(c) The records required by subsection (b) shall be available for public inspection during normal business hours and copies of the records shall be made available for purchase under such conditions and upon the payment of such fees as the Counci shall deem appropriate.

MEETINGS

SEC. 333. (a) A majority of the District Council shall constitute a quorum for the lawful convening of any meeting of the Council and for the transaction of business of the Council.

(b) The first meeting of the Council after this part takes effect shall be called by the Chairman of the District Council.

(c) The Council shall provide for the time and place of its regular meetings. The Council shall hold at least one regular meeting in each calendar week except during the month of August. Special meetings may be called, upon the giving of adequate notice, by the Mayor, the Chairman, or any three members of the Council.

(d) Meetings of the Council shall be open to the public and shall be held at reasonable hours and at such places as may be necessary to accommodate a reasonable number of spectators. Any citizen shall have the right to petition and be heard by the Council at any of its meetings, within reasonable limits as set by the Council.

COMMITTEES

SEC. 334. The Council Chairman, with the advice and consent of the Council, shall determine the standing and special committees which may be expedient for the conduct of the Council's business. The Chairman shall appoint members to such committees. All committee meetings shall be open to the public.

ACTS AND RESOLUTIONS

SEC. 335. (a) The Council, to discharge the powers and duties imposed herein, shall pass acts and adopt resolutions, upon a vote of a majority of the members of the Council present and voting, unless otherwise provided herein. The Council shall use acts for all legislative purposes. Resolutions shall be used to express simple determinations, decisions, or directions of the Council of a special or temporary character.

(b)(1) The enacting clause of all acts passed by the Council shall be, "Be it enacted by the Council of the District of Columbia:".

(2) The resolving clause of all resolutions passed by the Council shall be, "The Council of the District of Columbia hereby resolves,".

(c) A special election may be called by resolution of the Council to present for an advisory referendum vote of the people any proposition upon which the Council desires to take action.

PASSAGE OF ACTS

SEC. 336. The Council shall not pass any act before the thirteenth day following the day on which it is introduced. Subject to the other limitations of this Act this requirement may be waived by the unanimous vote of the members present, if such members present constitute a majority of the Council.

INVESTIGATIONS BY DISTRICT COUNCIL

SEC. 337. (a) The Council, or any committee or person authorized by it, shall have power to investigate any matter relating to the affairs of the District; and for that purpose may require the attendance and testimony of witnesses and the production of books, papers, and other evidence. For such purpose any member of the Council (if the Council is conducting the inquiry) or any member of the committee may issue subpenas and administer oaths upon authorization by the Council or committee as appropriate.

(b) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Council shall have power to refer the matter to any judge of the Superior Court of the District of Columbia, who may by order require such person to appear and to give or produce testimony or books, papers, or other evidence, bearing upon the matter under investigation; and any failure to obey such order may be punished by such court as a contempt thereof as in the case of failure to obey a subpena issued, or to testify, in a case pending before such court.

TITLE IV—MAYOR

ELECTION, QUALIFICATIONS, AND SALARY

SEC. 401. (a) There is hereby created the office of Mayor of the District of Columbia. The Mayor shall be elected as provided in title VIII. The term of office of the Mayor shall be four years, beginning at noon on January 2 of the calendar year next following the calendar year in which he is elected.

(b)(1) No person shall hold the office of Mayor unless he (1) is a qualified voter, (2) is domiciled and resides in the District, (3) has, during the three years next preceding his nomination, been resident in and domiciled in the District, and (4) is not engaged in any employment (whether as an employee or as a self-employed individual) and holds no public office or position (other than his employment in and position as Mayor), for which he is compensated in an amount in excess of his actual expenses in connection therewith, except that nothing in this clause shall be construed as prohibiting such person, while holding the office of Mayor, from serving as a delegate or alternate delegate to the convention of a political party nominating candidates for President and Vice President of the United States, or from holding an appointment in a Reserve component of an armed force of the United States other than a member serving on active duty under a call for more than thirty days. The Mayor shall forfeit his office upon failure to maintain the qualifications required by this section.

(2) When the office of Mayor is vacant, the Chairman of the District Council shall, immediately upon the creation of such vacancy, become Mayor and shall serve for the remainder of the unexpired term of his predecessor vacating such office.

(c) The Mayor shall receive an annual salary in an amount established by act passed by the Council, and an allowance, in such amount as the Council shall establish, for official reception and representation expenses, which he shall certify in reasonable detail to the District Council. Such salary shall be payable in periodic installments.

(d) Subject to the provision of subsection (c) relating to compensation, the method of election, the qualifications for office, the compensation and the allowance for official expenses pertaining to the office of Mayor may be changed by acts passed by the Council, except that no such act (other than an act involving compensation or allowance) shall take effect until after it has been assented to by a majority of the qualified voters of the District voting at an election on the propositions set forth in such act.

POWERS AND DUTIES

SEC. 402. The executive power of the District shall be vested in the Mayor who shall be the chief executive officer of the District government. He shall be responsible for the proper administration of the affairs of the District coming under his jurisdiction or control, and to that end shall have the following powers, duties, and functions:

(1) The Mayor shall designate the officer or officers of the executive department of the District who shall, during periods when the Mayor is unable to act, and the Chairman of the Council is unable to act in accordance with section 331(b) of this Act, execute and perform all the powers and duties of the Mayor.

(2) The Mayor shall act as the official spokesman for the District and as the head of the District for ceremonial purposes.

(3) The Mayor shall administer all laws relating to the appointment, promotion, discipline, separation, and other conditions of employment of personnel in the office of the Mayor, personnel in executive departments of the District, and members of boards, commissions, and other agencies, who, under laws in effect on the date immediately preceding the effective date of section 321(a) of this Act, were subject to appointment and removal by the Commissioner of the District of Columbia. All actions affecting such personnel and such members shall, until such time as legislation is enacted by the Council superseding such laws and establishing a permanent District government merit system or systems, pursuant to paragraph (4) of this section, continue to be subject to the provisions of Acts of Congress relating to the appointment, promotion, discipline, separation, and other conditions of employment applicable to officers and employees of the District government, to section 1001(d) of this Act, and where applicable, to the provisions of the joint agreement between the Commissioners and the Civil Service Commission authorized by Executive Order Numbered 5491 of November 18, 1930, relating to the appointment of District personnel. He shall appoint or assign persons to positions formerly occupied, ex officio, by the Commissioner of the District of Columbia or by the Assistant to the Commissioner and shall have power to remove such persons from such positions. The officers and employees of each agency with respect to which legislative power is delegated by this Act and which, immediately prior to the effective date of section 321(a) of this Act, was not subject to the administrative control of the Commissioner of the District, shall continue to be appointed and removed in accordance with applicable laws until such time as such laws may be superseded by legislation passed by the Council establishing a permanent District government merit system or systems pursuant to paragraph (4) of this section.

(4) The Mayor shall administer the personnel functions of the District covering employees of all District departments, boards, commissions, offices, and agencies, except as otherwise provided by this Act. Personnel legislation enacted by Congress, prior to or after the effective date of this section, including, without limitation, legislation relating to appointments, promotions, discipline, separations, pay, unemployment compensation, health, disability and death benefits, leave, retirement, insurance, and veterans' preference applicable to officers and employees of the District government as set forth in section 1002(c), shall continue to be applicable until such time as the Council shall, pursuant to this section, enact legislation establishing a District government merit system or systems. The District government merit system or systems shall be developed by the Mayor for presentation to the Council. The system or systems may provide for continued participation in all or part of the Federal Civil Service System and shall provide for officers and employees of the District government personnel benefits, including but not limited to, pay, tenure, leave, residence, retirement, health and life insurance, and employee disability and death benefits, all at least equal to those provided by legislation enacted by Congress, or regulation adopted pursuant thereto, and applicable to officers and employees of the District government immediately prior to the effective date of the system or systems established pursuant to this Act. The District government merit system or systems shall take effect not earlier than one year nor later than five years after the effective date of this section.

(5) The Mayor shall, through the heads of administrative boards, offices, and agencies, supervise and direct the activities of such boards, offices, and agencies.

(6) The Mayor shall, at the end of each fiscal year, prepare reports for such year of (A) the finances of the District, and (B) the administrative activities of the executive office of the Mayor and the executive departments of the District. He shall submit such reports to the Council within ninety days after the close of the fiscal year.

(7) The Mayor shall keep the Council advised of the financial condition and future needs of the District and make such recommendations to the Council as may seem to him desirable.

(8) The Mayor may submit drafts of acts to the Council.

(9) The Mayor may delegate any of his functions (other than the function of approving or disapproving acts passed by the

Council or the function of approving contracts between the District and the Federal Government under section 901) to any officer, employee, or agency of the executive office of the Mayor, or to any director of an executive department who may, with the approval of the Mayor, make a further delegation of all or a part of such functions to subordinates under his jurisdiction.

(10) The Mayor shall appoint a City Administrator, who shall serve at the pleasure of the Mayor. The City Administrator shall be the chief administrative officer of the Mayor, and he shall assist the Mayor in carrying out his functions under this Act, and shall perform such other duties as may be assigned to him by the Mayor. The City Administrator shall be paid at a rate equal to the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code, plus $500, except that, effective on and after the establishment of any District government merit system by legislation of the Council, the City Administrator shall be paid at a rate equal to that paid to the highest paid employee of the District government pursuant to such merit system or systems so established by legislation of the Council, plus $500.

(11) The Mayor may propose to the executive or legislative branch of the United States Government legislation or other action dealing with any subject whether or not falling within the authority of the District government as defined in this Act.

(12) The Mayor, as custodian thereof, shall use and authenticate the corporate seal of the District in accordance with law.

(13) The Mayor shall have the right, under rules to be adopted by the Council, to be heard by the Council or any of its committees.

(14) The Mayor is authorized to issue and enforce administrative orders, not inconsistent with this or any other Act of the Congress or any act of the Council, as are necessary to carry out his functions and duties.

TITLE V—THE DISTRICT BUDGET

PART 1—BUDGET

FISCAL YEAR

SEC. 501. The fiscal year of the District of Columbia shall begin on the 1st day of July and shall end on the 30th day of June of the succeeding calendar year. Such fiscal year shall also constitute the budget and accounting year.

BUDGETARY DETAILS FIXED BY MAYOR

SEC. 502. (a) The Mayor shall prepare and submit not later than March 15, to the District Council, in such form and manner as the Mayor shall determine, the annual budget of the District and the budget message and may, from time to time, submit supplemental budget requests.

(b) The Mayor shall, in consultation with the Council, take whatever action may be necessary to achieve, insofar as is possible (1) consistency in accounting and budget classifications, (2) synchronization between accounting and budget classifications and organizational structure, and (3) support of the budget justifications by information on performance and program costs as shown by the accounts.

ADOPTION OF BUDGET

SEC. 503. A budget for each fiscal year shall be adopted by the Council, by act, not later than April 15 of the fiscal year preceding the fiscal year during which such budget is applicable, except that the Council may, by resolution, extend the period for the adoption of such budget. In no event, however, shall any such extension extend beyond June 1 of that preceding fiscal year, unless such extension is authorized by an act passed by the Council which provides for funding expenditures for the next following fiscal year at the same rate as for such preceding fiscal year.

BUDGET ESTABLISHES APPROPRIATIONS

SEC. 504. The adoption of any budget by act of the Council shall operate to appropriate and to make available for expenditure, for the purposes therein named, the several amounts stated therein as proposed expenditures, subject to the provisions of section 505.

FINANCIAL DUTIES OF THE MAYOR

SEC. 505. The Mayor, through his duly designated subordinates, shall have charge of the administration of the financial affairs of the District and to that end he shall—

(1) supervise and be responsible for all financial transactions to insure adequate control of revenues and resources and to insure that appropriations are not exceeded;

(2) maintain systems of accounting and internal control designed to provide—

(A) full disclosure of the financial results of the District government's activities,

(B) adequate financial information needed by the District government for management purposes,

(C) effective control over and accountability for all funds, property, and other assets;

(3) submit to the Council a quarterly financial statement, by appropriation and department, and in such further detail as the Council may specify;

(4) submit to the Council no later than December 31 following each fiscal year, a complete financial statement and report;

(5) supervise and be responsible for the assessment of all property subject to assessment within the corporate limits of the District for taxation, make all special assessments for the District government, prepare tax maps, and give such notice of taxes and special assessments as may be required by law;

(6) supervise and be responsible for the assessment and collection of all taxes, special assessments, license fees, and other revenues of the District for the collection of which the District is responsible and receive all money receivable by the District from the Federal Government, or from any court, or from any agency of the District;

(7) have custody of all public funds belonging to or under the control of the District, or any agency of the District government, and deposit all funds coming into his hands, in such depositories as may be designated and under such terms and conditions as may be prescribed by act of the Council;

(8) have custody of all investments and invested funds of the District government, or in possession of such government in a fiduciary capacity, and have the safekeeping of all bonds and notes of the District and the receipt and delivery of District bonds and notes for transfer, registration, or exchange.

CONTROL OF APPROPRIATIONS

SEC. 506. The Mayor, with the concurrence of the Council, may provide for (1) the transfer during the budget year of any appropriation balance then available for one item of appropriation to another item of appropriation, and (2) the allocation to new items of funds appropriated for contingent expenditure.

ACCOUNTING SUPERVISION AND CONTROL

SEC. 507. (a) The Mayor, through his duly authorized subordinates, shall—

(1) prescribe the forms of receipts, vouchers, bills, and claims to be used by all the agencies, offices, and instrumentalities of the District government;

(2) examine and approve all contracts, orders, and other documents by which the District government incurs financial obligations, having previously ascertained that moneys have been appropriated and allotted and will be available when the obligations shall become due and payable;

(3) audit and approve before payment all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government and with the advice of the legal officials of the District determine the regularity, legality, and correctness of such claims, demands, or charges; and

(4) perform internal audits of central accounting and department and agency records of the District government, including the examination of any accounts or records of financial transactions, giving due consideration to the effectiveness of accounting systems, internal control, and related administrative practices of the respective agencies.

(b) Nothing in this Act shall be construed as affecting the applicability to the District government of the provisions of section 3679 of the Revised Statutes of the United States (31 U.S.C. 665).

GENERAL FUND

SEC. 508. The general fund of the District shall be composed of the revenues of the District other than the revenues applied by law to special funds. All moneys received by any agency, officer, or employee of the District in its or his official capacity shall belong to the District government and shall be paid promptly to the Mayor, or his duly authorized subordinates, for deposit in the appropriate funds.

CONTRACTS EXTENDING BEYOND ONE YEAR

SEC. 509. No contract involving expenditure out of an appropriation which is available for more than one year shall be made for a period of more than five years unless, with respect to a particular contract, the Council, by a two-thirds vote of its members present and voting, authorizes the extension of such period for such contract. Such contracts shall be made pursuant to criteria established by act of the Council.

ANNUAL BUDGET FOR THE BOARD OF EDUCATION

SEC. 510. With respect to the annual budget for the Board of Education in the District of Columbia, the Mayor and the Council may establish the maximum amount of funds which will be appropriated to the Board, but may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for the various programs under the jurisdiction of the Board of Education.

PART 2—ANNUAL POSTAUDIT BY GENERAL ACCOUNTING OFFICE

INDEPENDENT ANNUAL POSTAUDIT

SEC. 521. (a) The financial transactions shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of the auditing procedures to be followed and the extent of the examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of the accounting organizations and systems, internal audit and control, and related administrative practices. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the District and necessary to facilitate the audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. The District of Columbia shall reimburse the General Accounting Office for expenses of such audit in such amounts as may be agreed upon by the Mayor and the Comptroller General, and the amounts so reimbursed shall be deposited into the Treasury of the United States as miscellaneous receipts.

(b) (1) The Comptroller General shall submit his audit reports to the Congress, the Mayor, and the Council. The reports shall set forth the scope of the audits and shall include such comments and information as the Comptroller General may deem necessary to keep the Congress, the Mayor, and the Council informed of the operations to which the reports relate, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The reports shall show specifically every program, expenditure, and other financial transaction or undertaking which, in the opinion of the Comptroller General, has been carried on or made without authority of law.

(2) After the Mayor and his duly authorized subordinates have had an opportunity to be heard, the Council shall make such report, together with such other material as it deems pertinent thereto, available for public inspection.

(3) The Mayor, within ninety days after the report has been made to him and the Council, shall state in writing to the Council, with a copy to the Congress, what has been done to comply with the recommendations made by the Comptroller General in the report.

AMENDMENT OF BUDGETARY AND ACCOUNTING ACT

SEC. 522. Section 2 of the Budgetary and Accounting Act, 1921 (31 U.S.C. 2), is hereby amended by striking out "and the municipal government of the District of Columbia".

PART 3—ADJUSTMENT OF FEDERAL AND DISTRICT EXPENSES

ADJUSTMENTS

SEC. 531. (a) Subject to section 901 and other provisions of law, the Mayor, with the approval of the Council, and the Director of the Office of Management and Budget are authorized and empowered to enter into an agreement or agreements concerning the manner and method by which amounts owed by the District to the United States, or by the United States to the District, shall be ascertained and paid.

(b) The United States shall reimburse the District for necessary expenses incurred by the District in connection with lawful assemblages, and in connection with marches and demonstrations in the District, which relate solely to the Federal Government. The manner and method of ascertaining and paying the amounts needed to so reimburse the District shall be determined by agreement entered into in accordance with subsection (a) of this section.

(c) Each officer and employee of the District required to do so by the District Council shall provide a bond with such surety and in such amount as the Council may require. The premiums for all such bonds shall be paid out of appropriations for the District.

TITLE VI—BORROWING

PART 1—BORROWING FOR CAPITAL IMPROVEMENTS

BORROWING POWER; DEBT LIMITATIONS

SEC. 601. (a) The District may incur indebtedness by issuing its bonds in either coupon or registered form to fund or refund indebtedness of the District at any time outstanding and to pay the cost of constructing or acquiring any capital projects requiring an expenditure greater than the amount of taxes or other revenues allowed for such capital projects by the annual budget: *Provided*, That no bonds or other evidences of indebtedness other than bonds to fund or refund outstanding indebtedness, shall be issued in an amount which would cause the amount of principal and interest required to be paid in any fiscal year on the aggregate amount of all outstanding capital program obligations to exceed fourteen per centum of the District revenues which the Mayor estimates will be credited to all funds of the District for such fiscal year.

(b) The Council shall make provision for the payment of any bonds issued pursuant to this title, in the manner provided in section 631 hereof.

(c) As used in this title, the term "Capital program obligations" means all outstanding obligations incurred by the District as a result of borrowing for capital outlay programs, but not including obligations incurred pursuant to the authority contained in the District of Columbia Stadium Act of 1957 (71 Stat. 619; D.C. Code, title 2, chapter 17, subchapter II), in the District of Columbia Redevelopment Act of 1945 (60 Stat. 790; D.C. Code, sections 5-701 through 719), and in the District of Columbia Alley Dwelling Act (48 Stat. 930), as amended (D.C. Code, sections 5-103 through 5-116).

CONTENTS OF BORROWING LEGISLATION; REFERENDUM ON BOND ISSUE

SEC. 602. (a) The Council may by act authorize the issuance of bonds: *Provided*, That such act shall contain at least the following provisions:

(1) A provision setting forth a brief description of each purpose for which indebtedness is proposed to be incurred;

(2) A provision setting forth the maximum amount of the principal of the indebtedness which may be incurred for each such purpose;

(3) A provision setting forth the maximum rate of interest to be paid on such indebtedness; and

(4) A provision setting forth, in the event that the Council determined, in its discretion, to submit the question of issuing such bonds to a vote of the qualified voters of the District, the manner of holding such election, the manner of voting for or against the incurring of such indebtedness, and the form of ballot to be used at such election, which forms shall permit the voters to vote separately for or against the incurring of indebtedness for each of the purposes for which indebtedness is proposed to be incurred.

(b) The Council may call a special election for the purpose of voting upon the issuance of said bonds, such election to be held by the Board of Elections at any date set by the Council not less than forty days after the enactment of such act.

(c) The Board of Elections is authorized and directed to prescribe the manner of registration and the polling places and to name the judges and clerks of election and to make such other rules and regulations for the conduct of such elections as are not specifically provided by the Council as may be necessary or appropriate to carry out the provisions of this section, including provisions for the publication of a notice of such election stating briefly the proposition or propositions to be voted on and the designated polling places in the various precincts and wards in the District. The said notice shall be published at least once a week for four consecutive calendar weeks on any day of the week, the first publication thereof to be not less than thirty nor more than forty days prior to the date fixed by the Council for the election. The Board of Elections shall canvass the votes cast at such election and certify the results thereof to the Council in the manner prescribed for the canvass and certification of the results of general elections. The certification of the result of the election shall be published once by the Board of Elections as soon as practicable following the date of the election, but in no event later than six weeks thereafter.

PUBLICATION OF BORROWING LEGISLATION

SEC. 603. The Mayor shall publish any act authorizing the issuance of bonds at least once within five days after the enactment thereof, together with a notice of the enactment thereof in substantially the following form:

"NOTICE

"The following Act authorizing the issuance of bonds published herewith has become effective, and the time within which a suit, action, or proceeding questioning the validity of such bonds can be commenced, as provided in the District of Columbia Charter Act, will expire twenty days from the date of the first publication of this notice (or in the event the proposition of issuing the proposed bonds is to be submitted to the qualified voters, twenty days after the date of publication of the promulgation of the results of the election ordered by the Council to be held).

"______ ______,

"Mayor."

SHORT PERIOD OF LIMITATION

SEC. 604. Upon the expiration of twenty days from and after the date of publication of the notice of the enactment of an act authorizing the issuance of bonds without the submission of the proposition for the issuance thereof to the qualified voters, or upon the expiration of twenty days from the date of publication of the promulgation of the results of an election upon the proposition of issuing bonds, as the case may be, all as provided in sction 603—

(1) any recitals or statements of fact contained in such act or in the preambles or the titles thereof or in the results of the election or any proceedings in connection with the calling, holding, or conducting of election upon the issuance of such bonds shall be deemed to be true for the purpose of determining the validity of the bonds thereby authorized, and the District and all others interested shall thereafter be estopped from denying same;

(2) such Act and all proceedings in connection with the authorization of the issuance of such bonds shall be conclusively presumed to have been duly and regularly taken, passed, and done by the District and the Board of Elections in full compliance with the provisions of this Act and of all laws applicable thereto;

(3) the validity of such act and said proceedings shall not thereafter be questioned by either a party plaintiff or a party defendant, and no court shall have jurisdiction in any suit, action, or proceeding questioning the validity of same, except in a suit, action, or proceeding commenced prior to the expiration of such twenty days.

ACTS FOR ISSUANCE OF BONDS

SEC. 605. After the expiration of the twenty-day limitation period provided for in section 604 of this part, the Council may by act establish an issue of bonds as authorized pursuant to the provisions of sections 601 to 604, inclusive, hereof. An issue of bonds is hereby defined to be all or any part of an aggregate principal amount of bonds authorized pursuant to said sections, but no indebtedness shall be deemed to have been incurred within the meaning of this Act until the bonds have been sold, delivered, and paid for, and then only to the extent of the principal amount of bonds so sold and delivered. The bonds of any authorized issue may be issued all at one time, or from time to time in series and in such amounts as the Council shall deem advisable. The act authorizing the issuance of any series of bonds shall fix the date of the bonds of such series, and the bonds of each such series shall be payable in annual installments beginning not more than three years after the date of the bonds and ending not more than thirty years from such date. The amount of said series to be payable in each year shall be so fixed that when the annual interest is added to the principal amount payable in each year the total amount payable in each year in which part of the principal is payable shall be substantially equal. It shall be an immaterial variance if the difference between the largest and the smallest amounts of principal and interest payable annually during the term of the bonds does not exceed 3 per centum of the total authorized amount of such series. Such act shall also prescribe the form of the bonds to be issued thereunder, and of the interest coupons appertaining thereto, and the manner in which said bonds and coupons shall be executed. The bonds and coupons may be executed by the facsimile signatures of the officer or officers designated by the act authorizing the bonds, to sign the bonds, with the exception that at least one signature shall be manual. Such bonds may be issued in coupon form in the denomination of $1,000, registerable as to principal only or as to both principal and interest, and if registered as to both principal and interest may be issuable in denominations of multiples of $1,000. Such bonds and the interest thereon may be payable at such place or places within or without the District as the Council may determine.

PUBLIC SALE

SEC. 606. All bonds issued under this part shall be sold at public sale upon sealed proposals at such price or prices as shall be approved by the Council after publication of a notice of such sale at least once not less than ten days prior to the date fixed for sale in a daily newspaper carrying municipal bond notices and devoted primarily to financial news or to the subject of State and municipal bonds published in the city of New York, New York, and in a newspaper of general circulation published in the District. Such notice shall state, among other things, that no proposal shall be considered unless there is deposited with the District as a down payment a certified check or cashier's check for an amount equal to at least 2 per centum of the par amount of bonds bid for, and the Council shall reserve the right to reject any and all bids.

PART 2—SHORT-TERM BORROWING

BORROWING TO MEET APPROPRIATIONS

SEC. 621. In the absence of unappropriated available revenues to meet appropriations made pursuant to section 504, the Council may by act authorize the issuance of negotiable notes, in a total amount not to exceed 5 per centum of the total appropriations for the current fiscal year, each of which may be renewed from time to time, but all such notes and renewals thereof shall be paid not later than the close of the fiscal year following that in which such act becomes effective.

BORROWING IN ANTICIPATION OF REVENUES

SEC. 622. For any fiscal year, in anticipation of the collection or receipt of revenues of that fiscal year, the Council may by act authorize the borrowing of money by the execution of negotiable notes of the District not to exceed in the aggregate at any time outstanding 20 per centum of the total anticipated revenue, each of which shall be designated "Revenue Note for the Fiscal Year 19 ". Such notes may be renewed from time to time, but all such notes, together with the renewals, shall mature and be paid not later than the end of the fiscal year for which the original notes have been issued.

NOTES REDEEMABLE PRIOR TO MATURITY

SEC. 623. No notes issued pursuant to this part shall be made payable on demand, but any note may be made subject to redemption prior to maturity on such notice and at such time as may be stated in the note.

SALE OF NOTES

SEC. 624. All notes issued pursuant to this part may be sold at not less than par and accrued interest at private sale without previous advertising.

PART 3—PAYMENT OF BONDS AND NOTES

SPECIAL TAX

SEC. 631. (a) The act of the Council authorizing the issuance of bonds pursuant to this title, shall, where necessary, provide for the levy annually of a special tax without limitation as to rate or amount upon all the taxable real and personal tangible property within the District in amounts which, together with other revenues of the District available and applicable for said purposes, will be sufficient to pay the principal of and interest on said bonds and the premium, if any, upon the redemption thereof, as the same respectively become due and payable, which tax shall be levied and collected at the same time and in the same manner as other District taxes are levied and collected, and when collected shall be set aside in a sinking fund and irrevocably dedicated to the payment of such principal, interest, and premium.

(b) The full faith and credit of the District shall be and is hereby pledged for the payment of the principal of and the interest on all bonds and notes of the District hereafter issued pursuant to this title whether or not such pledge be stated in the bonds or notes or in the act authorizing the issuance thereof.

(c) As soon as practicable following the beginning of each fiscal year, the Mayor and the Comptroller General of the United States shall review the amounts of District revenues which have been set aside and deposited in a sinking fund as provided in subsection (a). Such review shall be carried out with a view to determining whether the amounts so set aside and deposited are sufficient to pay the principal of and interest on bonds issued pursuant to this title, and the premium (if any) upon the redemption thereof, as the same respectively become due and payable. To the extent that the Mayor and the Comptroller General determine that sufficient District revenues have not been so set aside and deposited, the Federal payment made for the fiscal year within which such review is conducted shall be first utilized to make up any deficit in such sinking fund.

PART 4—TAX EXEMPTION—LEGAL INVESTMENT—WATER POLLUTION—RESERVOIRS—CONTRIBUTIONS—TERMINATION OF BORROWING AUTHORITY

TAX EXEMPTION

SEC. 641. Bonds and notes issued by the Council pursuant to this title and the interest thereon shall be exempt from all Federal and District taxation except estate, inheritance, and gift taxes.

LEGAL INVESTMENT

SEC. 642. Notwithstanding any restriction on the investment of funds by fiduciaries contained in any other law, all domestic insurance companies, domestic insurance associations, executors, administrators, guardians, trustees, and other fiduciaries within the District of Columbia may legally invest any sinking funds, moneys, trust funds, or other funds belonging to them or under or within their control in any bonds issued pursuant to this title, it being the purpose of this section to authorize the investment in such bonds or notes of all sinking, insurance, retirement, compensation, pension, and trust funds. National banking associations are authorized to deal in, underwrite, purchase and sell, for their own accounts or for the accounts of customers, bonds and notes issued by the District Council to the same extent as national banking associations are authorized by paragraph seven of section 5136 of the Revised Statutes (12 U.S.C. 24), to deal in, underwrite, purchase and sell obligations of the United States, States, or political subdivisions thereof. All Federal building and loan associations and Federal savings and loan associations; and banks, trust companies, building and loan associations, and savings and loan associations, domiciled in the District of Columbia, may purchase, sell, underwrite, and deal in, for their own account or for the account of others, all bonds or notes issued pursuant to this title: *Provided*. That nothing contained in this section shall be construed as relieving any person, firm, association, or corporation from any duty of exercising due and reasonable care in selecting securities for purchase or investment.

WATER POLLUTION

SEC. 643. (a) The Mayor shall annually estimate the amount of the District's principal and interest expense which is required to service District obligations attributable to the Maryland and Virginia pro rata share of District sanitary sewage water works and other water pollution projects which provide services to the local jurisdictions in those States. Such amounts as determined by the Mayor shall be used to exclude the Maryland and Virginia share of pollution projects cost from the limitation on the District's capital program obligations as provided in this title.

(b) The Mayor shall enter into agreements with the States and local jurisdictions concerned for annual payments to the District of rates and charges for waste treatment services in accordance with the use and benefits made and derived from the operation of the said waste treatment facilities. Each such agreement shall require that the estimated amount of such rates and charges will be paid in advance, subject to adjustment after each year. Such rates and charges shall be sufficient to cover the cost of construction, interest on capital, operation and maintenance, and the necessary replacement of equipment during the useful life of the facility.

COST OF RESERVOIRS ON POTOMAC RIVER

SEC. 644. (a) The Mayor is authorized to contract with the United States, any State in the Potomac River Basin, any agency or political subdivision thereof, and any other competent State or local authority, with respect to the payment by the District of Columbia to the United States, either directly or indirectly, of the District's equitable share of any part or parts of the non-Federal portion of the costs of any reservoirs authorized by the Congress for construction on the Potomac River or any of its tributaries. Every such contract may contain such provisions as the Mayor may deem necessary or appropriate.

(b) Unless hereafter otherwise provided by legislation enacted by the Council, all payments made by the District of Columbia and all moneys received by the District of Columbia pursuant to any contract made under the authority of this Act shall be paid from, or be deposited in, a fund designated by the Mayor. Charges for water delivered from the District of Columbia water system for use outside the District of Columbia may be adjusted to reflect the portions of any payments made by the District of Columbia under contracts authorized by this Act which are equitably attributable to such use outside the District.

DISTRICT OF COLUMBIA CONTRIBUTIONS TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

SEC. 645. Notwithstanding any provision of law to the contrary, beginning with fiscal year 1973 the District share of the cost of the Adopted Regional System described in the National Capital Transportation Act of 1969 (Public Law 91-143; 83 Stat. 320), shall be payable from the proceeds of the sale of District obligations issued pursuant to the authority contained in this title.

TERMINATION OF THE DISTRICT'S AUTHORITY TO BORROW FROM THE TREASURY

SEC. 646. (a) The first section of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City", approved June 6, 1958 (72 Stat. 183; D.C. Code, sec. 9–220), is amended by striking out subsections (b), (c), (d), and (e).

(b) The Act entitled "An Act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system", approved June 2, 1950 (60 Stat. 195; D.C. Code, sec. 43–1540), is repealed.

(c) Title II of the Act entitled "An Act to authorize the financing of a program of public works construction for the District of Columbia, and for other purposes", approved May 18, 1954 (68 Stat. 108), is amended by striking out sections 213, 214, 216, 217, and 218 (D.C. Code, sections 43–1612, 43–1613, 43–1615, 43–1616, and 43–1617), authorizing loans from the United States Treasury for sanitary and combined sewer systems of the District.

(d) Section 402 of title IV of such Act approved May 18, 1954 (68 Stat. 110; D.C. Code, sec. 7–133), authorizing loans from the United States Treasury for the District of Columbia highway construction program, is repealed.

(e) Nothing contained in this section shall be deemed to relieve the District of its obligation to repay any loan made to it under the authority of the Act specified in the preceding subsections, nor to preclude the District from using the unexpended balance of any such loan appropriated to the District prior to the effective date of this provision.

TITLE VII—FEDERAL PAYMENT

ANNUAL FEDERAL PAYMENT TO THE DISTRICT

SEC. 701. (a) In recognition of the unique character of the District of Columbia as the Nation's Capital City, regular annual payments by the Federal Government are hereby authorized to cover the proper share of the expenses of the District government. On or before January 10 of each year, the Mayor shall, with the approval of the Council, submit to the Secretary of the Treasury through the Comptroller General a request for a Federal payment to be made during the following fiscal year, and the amount of such payment shall be computed in accordance with this part.

(b) The Federal payment for each fiscal year shall be determined on the basis of a percentage of the amount of District of Columbia fees, charges, miscellaneous receipts, and tax revenues which the Mayor estimates, on the basis of fees, charges, receipts, and tax rates authorized by law in effect at the time of such estimate, will be credited to the general fund of the District during such fiscal year as follows:

(1) For the fiscal year ending June 30, 1974, such payment shall be an amount equal to 37½ per centum of such fees, charges, receipts, and revenues so estimated for that fiscal year; and

(2) For the fiscal year ending June 30, 1975, and for each fiscal year thereafter, such payment shall be an amount equal to 40 per centum of such fees, charges, receipts, and revenues so estimated for such fiscal year.

(c) Commencing with the fiscal year ending June 30, 1974, the amount of the Federal payment for any fiscal year shall be adjusted by an amount equal to the difference between (1) the Federal payment made for such fiscal year and (2) the per centum in effect for that fiscal year times such fees, charges, miscellaneous receipts, and tax revenues actually credited to the general fund during such fiscal year.

(d) After review by the Comptroller General of the request for Federal payment and certification by him on or before April 10 of the fiscal year preceding the fiscal year for which the annual Federal payment is being requested that such request is in conformity with the provisions of this part, the Secretary of the Treasury shall, not later than September 1 of each fiscal year, cause such payment to be made to the District out of any money in the Treasury not otherwise appropriated, and the Secretary of the Treasury is authorized to advance on or after July 1, out of any money in the Treasury not otherwise appropriated, without interest, such amounts (not to exceed in the aggregate the total payment in the previous fiscal year) as may be required by the District pending the payment of the amount authorized by this section.

(e) The Comptroller General shall enter into cooperative arrangements with the Mayor whereby adjustments, disputes, differences, or disagreements involving the Federal payment may be resolved.

(f) Nothing contained in this title or any other provision of this Act shall be construed as relieving the United States of its obligations to make payments to the District government pursuant to the provisions of sections 106 and 212 of the Act of May 18, 1954 (D.C. Code, sec. 43–1601, 1611). Such payments shall be in addition to any other payments authorized by this Act.

TITLE VIII—AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

AMENDMENTS

SEC. 801. The District of Columbia Election Act is amended as follows:

(1) The first section of such Act is amended by inserting immediately after "Board of Education", the following: "the members of the Council of the District of Columbia, the Mayor".

(2) Section 2 of such Act is amended (1) by striking out subparagraph (A) in paragraph (2) thereof and inserting in lieu: "(A) who, for the purpose of voting in an election under this Act, has resided in the District continuously during the thirty-day period ending on the day of such election and who does not claim voting residence or right to vote in any State or territory"; and (2) by adding at the end thereof the following new paragraphs:

"(8) The term 'Council' or 'Council of the District of Columbia' means the Council of the District of Columbia established pursuant to the District of Columbia Charter Act.

"(9) The term 'Mayor' means the office or Mayor of the District of Columbia established pursuant to the District of Columbia Charter Act."

(3) (A) Section 3 of such Act is amended to read as follows:

"SEC. 3. There is hereby created a Board of Elections for the District of Columbia, to be composed of three members appointed by the Mayor, by and with the advice and consent of the District Council. The term of each such member shall be three years from the expiration of the term of his predecessor. Any person appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. When a member's term of office expires, he may continue to serve until his successor is appointed and has qualified. The Mayor shall from time to time designate the Chairman of the Board."

(B) The members of the Board of Elections in office on the date when the Mayor first elected takes office shall continue in office for the remainder of the terms for which they were appointed.

(4) Subsections (h), (i), (j), and (k) or section 8 of such Act are amended to read as follows:

"(h) (1) (A) The Delegate, Mayor, Chairman of the District Council, and the two at-large members of the District Council shall be elected by the qualified electors of the District of Columbia in a general election. Each candidate for the office of Delegate, Mayor, Chairman of the District Council, and at-large members of the District Council in any general election shall, except as otherwise provided in subsection (j) of this section and section 10(d), have been elected as such candidate by the next preceding primary or party runoff election.

"(B) (i) A member of the office of District Council (other than the Chairman and any member elected at large) shall be elected in a general election by the qualified electors of the respective ward of the District from which the individual seeking such office was elected as a candidate for such office as provided in clause (ii) of this paragraph.

"(ii) Each candidate for the office of member of the District Council (other than the Chairman and at-large members) shall, except as otherwise provided in subsection (j) of this section and section 10(d), have been elected as such a candidate at the next preceding primary or party runoff election to fill such office within that ward.

"(2) The nomination and election of any individual to the office of Delegate, Mayor, Chairman of the Council, and member of the Council shall be governed by the provisions of this Act. No political party shall be qualified to hold a primary election to select candidates for election to any such office in a general election unless, in the next preceding election year, at least seven thousand five hundred votes were cast in the general election for a candidate of such party for any such office or for its candidates for electors of President and Vice President.

"(i) (1) Each individual in a primary election for candidate for the office of Delegate, Mayor, Chairman of the Council, or at-large member of the Council shall be nominated for any such office by a petition (A) filed with the Board not later than the forty-fifth day before the date of such primary election; and (B) signed by at least two thousand duly registered voters of the same political party as the nominee, or by 1 per centum of the duly registered members of such political party, whichever is less, as shown by the records of the Board of Elections as of the ninety-ninth day before the date of such election.

"(2) Each individual in a primary election for candidate for the office of member of the Council (other than the Chairman and at-large members) shall be nominated for such office by a petition (A) filed with the Board not later than the forty-fifth day before the date of such primary election; and (B) signed by at least two hundred and fifty persons in the ward from which such individual seeks election who are duly registered in such ward under section 7 of this Act, and who are of the same political party as the nominee.

"(3) A nominating petition for a candidate in a primary election for any such office may not be circulated for signature before the ninety-ninth day preceding the date of such election and may not be filed with the Board before the seventieth day preceding such date. The Board may prescribe rules with respect to the preparation and presentation of nominating petitions. The Board shall arrange the ballot of each political party in each such primary election as to enable a voter of such party to vote for nominated candidates of that party.

"(j) (1) A duly qualified candidate for the office of Delegate, Mayor, Chairman of the Council, or member of the Council may, subject to the provisions of this subsection, be nominated directly as such a candidate for election for such office (including any such election to be held to fill a vacancy). Such person shall be nominated by a petition filed with the Board not less than the forty-fifth day before the date of such general election; and (A) in the case of a person who is a candidate for the office of member of the Council (other than the Chairman or an at-large member), signed by five hundred voters who are duly registered under section 7 in the ward from which the candidate seeks election; and (B) in the case of a person who is a candidate for the office of Delegate, Mayor, Chairman of the Council, or at-large member of the Council, signed by duly registered voters equal in number to 1½ per centum of the total number of registered voters in the District, as shown by the records of the Board as of the ninety-ninth day before the date of such election, or by three thousand persons duly registered under section 7, whichever is less. No signatures on such a petition may be counted which have been made on such petition more than ninety-nine days before the date of such election.

"(2) Nominations under this subsection for candidates for election in a general election to any office referred to in paragraph (1) shall be of no force and effect with respect to any person whose name has appeared on the ballot of a primary election for that office held within eight months before the date of such general election.

"(k)(1) In each general election for the office of member of the Council (other than the office of Chairman or an at-large member) the Board shall arrange the ballots in each ward to enable a vote registered in that ward to vote for any one candidate who (A) has been duly elected by any political party in the next preceding primary or party runoff election for such office from such ward, (B) has been duly nominated to fill a vacancy in such office in such ward pursuant to section 10(d), or (C) has been nominated directly as a candidate for such office in such ward under subsection (j) of this section.

"(2) In each general election for the office of member of the Council at large, the Board shall arrange the ballots to enable a registered voter to vote for as many candidates for election as members at large as there are members at large to be elected in such election. Such candidates shall be only those persons who (A) have been duly elected by any political party in the next preceding primary or party runoff election for such office, (B) have been duly nominated to fill vacancies in such office pursuant to section 10(d), or (C) have been nominated directly as a candidate under subsection (j) of this section.

"(3) In each general election for the office of Delegate, Mayor, or Chairman of the Council, the Board shall arrange the ballots to enable a registered voter to vote for any one of the candidates for any such office who (A) has been duly elected by any political party in the next preceding primary or party runoff election for such office, (B) has been duly nominated to fill a vacancy in such office pursuant to section 10(d), or (C) has been nominated directly as a candidate under subsection (j) of this section.".

(5) Paragraph (3) of section 10(a) of such Act is amended (1) by inserting "(A)" immediately before the word "Except", and (2) by adding at the end thereof the following:

"(B)(i) Except as otherwise provided in the case of special elections under this Act and in subclause (ii) of this clause, primary elections of each political party for the offices of Chairman of the Council and member of the Council (to be filled) shall be held on the first Tuesday in September of each even-numbered year, and general elections for such offices (to be filled) shall be held on the Tuesday next after the first Monday in November of each even-numbered year.

"(ii) Notwithstanding the provisions of subclause (i) of this clause, the initial primary election of each political party for the offices of Mayor, Chairman of the Council, and members of the Council shall be held on the first Tuesday next following the expiration of the ninety-day period following the date of acceptance of the District of Columbia Charter in accordance with the provisions of title XIV of the District of Columbia Charter Act, and the initial general election for such offices shall be held on the Tuesday next after the first Monday in November of the calendar year in which such primary is held.

"(C) Except as otherwise provided in the case of a special election under this Act, primary elections of each political party for the office of Mayor shall be held on the first Tuesday in September of each Presidential election year, commencing with calendar year 1976, and the general election for such office shall be held on the Tuesday next after the first Monday in November of each Presidential election year commencing with calendar year 1976.".

(6) Paragraph (4) of section 10(a) of such Act is amended to read as follows:

"(4)(A) Runoff elections shall be held whenever (i) in any primary election of a political party for candidates for the office of Delegate, Mayor, Chairman of the Council at large where only one at-large position is to be filled, no one candidate for any such office receives at least 40 per centum of the total votes cast in that election for all candidates of that party for that office, and (ii) in any general election for any such office, no one candidate receives at least 40 per centum of the total votes cast in that election for all candidates for that office. The candidates in any such runoff election for any such office shall be the two persons who received, respectively, the two highest numbers of votes in such preceding primary or general election for such office. The candidate receiving the highest number of votes in any such runoff election for such office shall be declared elected.

"(B)(i) When more than one office of at-large member of the Council is being filled in any primary election of a political party, the candidates for such offices who receive the highest number of votes shall be declared elected, except that no candidate shall be declared elected who does not receive at least 40 per centum of the number of all votes cast in that election for all candidates of that party for such offices divided by the number of at-large offices to be filled in such election. Where one or more of the at-large positions remains unfilled, a runoff election shall be held. The candidates in such runoff election shall be those unsuccessful candidates, in number not more than one more than the number of such offices to be filled, who in such primary next preceding such runoff election, received the highest number of votes less than 40 per centum.

"(ii) When more than one office of at-large member of the Council is being filled in any general election, the candidates for such offices who receive the highest number of votes shall be declared elected, except that no candidate shall be declared elected who does not receive at least 40 per centum of the number of all votes cast in that election for all candidates for such offices to be filled in such election divided by the number of at-large offices to be so filled. Where one or more of the at-large positions remain unfilled, a runoff election shall be held. The candidates in such run-off election shall be those unsuccessful candidates, in number not more than one more than the number of such offices to be filled, who in such preceding general election received the highest number of votes less than 40 per centum. The candidate or candidates, as the case may be, receiving the highest number of votes shall be declared elected.

"(C) If any person withdraws his candidacy from any such runoff election (under the rules and within the time limits prescribed by the Board), or dies before the date of the election, the person who received the same number of votes in such preceding primary or general election, as the case may be, next preceding such runoff election as a candidate in such runoff election or who received a number of votes in such primary or general election which is next highest to the number of votes in any such election received by a candidate in the runoff election, and who is not already a candidate in the runoff election, shall automatically become such a candidate in such runoff election.

"(D) Any such runoff election shall be held not less than two weeks nor more than four weeks after the date on which the Board has determined the results of the preceding primary or general election, as the case may be. At the time of announcing any such determination, the Board shall establish and announce the date on which the runoff election will be held, if one is required.".

(7) Section 10(b) of such Act is amended by deleting "and for members of the Board of Education," and inserting ", Mayor, Chairman of the Council, member of the Council and Board of Education,".

(8) Section 10(d) of such Act is amended to read as follows:

"(d) In the event that any official, other than the Delegate, Mayor, Chairman of the Council, member of the Council, member of the Board of Education, or a winner of a primary election for the office of Delegate, Mayor, Chairman of the Council, or member of the Council, elected pursuant to this Act dies, resigns, or becomes unable to serve during his or her term of office leaving no person elected pursuant to this Act to serve the remainder of the unexpired term of office, the successor or successors to serve the remainder of such term shall be chosen pursuant to the rules of the duly authorized party committee, except that such successor shall have the qualifications required by this Act for such office. In the event that such a vacancy occurs in the office of a candidate for the office of Delegate, Mayor, Chairman of the Council, or member of the Council who has been declared the winner in the preceding primary or party runoff election for such office, the vacancy may be filled not later than fifteen days prior to the next general election for such office, by nomination by the party committee of the party which nominated his predecessor. In the event that such a vacancy occurs in the office of Delegate more than twelve months before the expiration of its term of office, the Board shall call special elections to fill such vacancy for the remainder of its term of office."

(9) Section 10(e) of such Act is amended (1) by inserting "(1)" immediately before "Whenever", and (2) by adding at the end thereof the following new paragraph:

"(2)(A) Whenever a vacancy occurs in the office of Chairman of the Council, member of the Council elected from a ward, or member of the Council at large, such vacancy shall be filled at the next general election for any of the offices of Chairman of the Council, member of the Council from a ward, or member of the Council at large, which occurs more than ninety-nine days after such vacancy occurs. In the case of the office of Chairman of the Council, the Vice Chairman of the Council shall fill such vacancy by serving as Chairman until the unexpired term of the vacant office ends, or until January 2 next following the date of the election of a person to serve the remainder of such unexpired term, whichever occurs first. In the case of the office of member of the Council from a ward, or a member of the Council at large, the Council shall appoint a person to fill the vacancy until the unexpired term of the vacant office ends or until January 2 next following the date of the election of a person to serve the remainder of such unexpired term, whichever occurs first. A person elected to fill any such vacancy shall hold office for the duration of the unexpired term of office to which he was elected. Any person appointed under this paragraph shall have the same qualifications for holding such office as were required of his immediate predecessor.

"(B) When a vacancy in an unexpired term for an at-large position is being filled at the same general election as one or more full-term at-large positions, the successful candidate or candidates with the highest number of votes in the general election, or in the runoff election if a runoff election is necessary, shall be declared elected to the full-term position or positions, and any candidate declared elected at the general election shall for this purpose be deemed to have received a higher number of votes than any candidate elected in the runoff election."

(10) The first sentence of section 15 of such Act is amended to read as follows: "No person shall be a candidate for more than one office on the Board of Education or the District Council in any election for members of the Board of Education or Council, and no person shall be a candidate for more than one office on the Council in any primary election."

(11) Section 15 of such Act is further amended (1) by designating the existing text of such section as subsection (a), and (2) by adding at the end thereof the following new subsection:

"(b) No person who is holding the office of Mayor, Delegate, Chairman of the Council, member of the Council or member of the School Board shall, while holding such office, be eligible as a candidate for any other of such offices in any primary or general election, unless the term of the office which he so holds expires on or prior to the date on which he would be eligible, if elected in such primary or general election, to take the office with respect to which such election is held."

DISTRICT COUNCIL JURISDICTION

SEC. 802. Notwithstanding any other provision of this Act or of any other law, the District Council shall have jurisdiction to legislate with respect to matters involving or relating to elections in the District of Columbia, subject to the provisions of section 304, section 401(d), and subsections (g) and (h) of section 325 of this Act.

TITLE IX—MISCELLANEOUS

AGREEMENTS WITH UNITED STATES

SEC. 901. (a) For the purpose of preventing duplication of effort or for the purpose of otherwise promoting efficiency and economy, any Federal officer or agency may furnish services to the District government and any District officer or agency may furnish services to the Federal Government. Except where the terms and conditions governing the furnishing of such services are prescribed by other provisions of law, such services shall be furnished pursuant to an agreement (1) negotiated by the Federal and District authorities concerned, and (2) approved by the Director of the Office of Management and Budget and by the Mayor. Each such agreement shall provide that the cost of furnishing such services shall be borne in the manner provided in subsection (c) by the government to which such services are furnished at rates or charges based on the actual cost of furnishing such services.

(b) For the purpose of carrying out any agreement negotiated and approved pursuant to subsection (a), any District officer or agency may in the agreement delegate any of his or its functions to any Federal officer or agency, and any Federal officer or agency may in the agreement delegate any of his or its functions to any District officer or agency. Any functions so delegated may be exercised in accordance with the terms of the delegation.

(c) The cost to each Federal officer and agency in furnishing services to the District pursuant to any such agreement shall be paid, in accordance with the terms of the agreement, out of appropriations made by the Council to the District officers and agencies to which such services are furnished. The costs to each District officer and agency in furnishing services to the Federal Government pursuant to any such agreement shall be paid, in accordance with the terms of the agreement, out of appropriations made by the Congress or other funds available to the Federal officers and agencies to which such services are furnished.

PERSONNEL INTEREST IN CONTRACTS OR TRANSACTIONS

SEC. 902. Any officer or employee of the District who is convicted of a violation of section 208 of title 18, United States Code, shall forfeit his office or position.

COMPENSATION FROM MORE THAN ONE SOURCE

SEC. 903. (a) Except as provided in this Act, no person shall be ineligible to serve or to receive compensation as a member of the Board of Elections because he occupies another office or position or because he receives compensation (including retirement compensation) from another source.

(b) The right to another office or position or to compensation from another source otherwise secured to such a person under the laws of the United States shall not be abridged by the fact of his service or receipt of compensation as a member of such Board, if such service does not interfere with the discharge of his duties in such other office or position.

ASSISTANCE OF THE UNITED STATES CIVIL SERVICE COMMISSION IN DEVELOPMENT OF DISTRICT MERIT SYSTEM

SEC. 904. The United States Civil Service Commission is hereby authorized to advise and assist the Mayor and the Council in the further development of the merit system authorized by section 402(4) and the said Commission is authorized to enter into agreements with the District government to make available its registers of eligibles as a recruiting source to fill District positions as needed. The costs of any specific services furnished by the Civil Service Commission may be compensated for under the provisions of section 901 of this Act.

TITLE X—SUCCESSION IN GOVERNMENT

TRANSFER OF PERSONNEL, PROPERTY, AND FUNDS

SEC. 1001. (a) In each case of the transfer, by any provision of this Act, of functions to the Council, to the Mayor, or to any agency or officer, there are hereby transferred (as of the time of such transfer of functions) to the Council, to the Mayor, to such agency, or to the agency of which such officer is the head, for use in the administration of the functions by the Council, the Mayor, or such agency or officer, the personnel (except the Commissioner of the District of Columbia and the Assistant to the Commissioner, and the Chairman of the District of Columbia Council, the Vice Chairman of the District of Columbia Council, and the other members thereof, all of whose offices are abolished by this Act), property, records, and unexpended balances of appropriations and other funds, which relate primarily to the functions so transferred.

(b) If any question arises in connection with the carrying out of subsection (a), such question shall be decided—

(1) in the case of functions transferred from a Federal officer or agency, by the Director of the Office of Management and Budget; and

(2) in the case of other functions (A) by the Council, or in such manner as the Council shall provide, if such functions are transferred to the Council, and (B) by the Mayor if such functions are transferred to him or to any other officer or agency.

(c) Any of the personnel transferred to the Council, the Mayor, or any agency by this section which the Council, the Mayor, or the head of such agency shall find to be in excess of the personnel necessary for the administration of its or his functions shall, in accordance with law, be retransferred to other positions in the District or Federal Government or be separated from the service.

(d) No officer or employee shall, by reason of his transfer by this Act or his separation from service under this Act, be deprived of a civil service status held by him prior to such transfer or any right of appeal or review he may have by reason of his separation from service.

EXISTING STATUTES, REGULATIONS, AND OTHER ACTIONS

SEC. 1002. (a) Any statute, regulation, or other action in respect of (and any regulation or other action issued, made, taken, or granted by) any officer or agency from which any function is transferred by this Act shall, except to the extent modified or made inapplicable by or under authority of law, continue in effect as if such transfer had not been made; but after such transfer, references in such statute, regulation, or other action to an officer or agency from which a transfer is made by this Act shall be held and considered to refer to the officer or agency to which the transfer is made.

(b) As used in subsection (a), the term "other action" includes, without limitation, any rule, order, contract, compact, policy, determination, directive, grant, authorization, permit, requirement, or designation.

(c) Unless otherwise specifically provided nothing contained in this Act shall be construed as affecting the applicability to the District of Columbia government of personnel legislation relating to the District government until such time as the Council may otherwise elect to provide equal or equivalent coverage as provided in section 402(4).

PENDING ACTIONS AND PROCEEDINGS

SEC. 1003. (a) No suit, action, or other judicial proceeding lawfully commenced by or against any officer or agency in his or its official capacity or in relation to the exercise of his or its official functions, shall abate by reason of the taking effect of any provision of this Act; but the court, unless it determines that the survival of such suit, action, or other proceeding is not necessary for purposes of settlement of the questions involved, shall allow the same to be maintained, with such substitutions as to parties as are appropriate.

(b) No administrative action or proceeding lawfully commenced shall abate solely by reason of the taking effect of any provision of this Act, but such action or proceeding shall be continued with such substitutions as to parties and officers or agencies as are appropriate.

VACANCIES RESULTING FROM ABOLISHMENT OF OFFICERS OF COMMISSIONER AND ASSISTANT TO THE COMMISSIONER

SEC. 1004. Until the 1st day of July next after the first Mayor takes office under this Act no vacancy occurring in any District agency by reason of section 321, abolishing the offices of Commissioner of the District of Columbia and Assistant to the Commissioner, shall affect the power of the remaining members of such agency to exercise its functions; but such agency may take action only if a majority of the members holding office vote in favor of it.

TITLE XI—SEPARABILITY OF PROVISIONS

SEC. 1101. If any provision of this Act or the application theerof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

TITLE XII—TEMPORARY PROVISIONS

POWERS OF THE PRESIDENT DURING TRANSITION PERIOD

SEC. 1201. The President of the United States is hereby authorized and requested to take such action during the period following the date of the enactment of this Act and ending on the date of the first meeting of the District Council, by Executive order or otherwise, with respect to the administration of the functions of the District of Columbia government, as he deems necessary to enable the Board of Elections properly to perform its functions under this Act.

REIMBURSABLE APPROPRIATIONS FOR THE DISTRICT

SEC. 1202. (a) The Secretary of the Treasury is authorized and directed to advance to the District of Columbia the sum of $750,000, out of any money in the Treasury not otherwise appropriated, for use (1) in paying the expenses of the Board of Elections (including compensation of the members thereof), and (2) in otherwise carrying into effect the provisions of this Act.

(b) The full amount expended out of the money advanced pursuant to this section shall be reimbursed to the United States, without interest, during the second fiscal year which begins after the effective date of title V, from the general fund of the District of Columbia.

TITLE XIII—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 1301. (a) As used in this title and title XIV the term "charter" means titles I to XI, both inclusive.

(b) The charter shall take effect only if accepted pursuant to title XIV. If the charter is so accepted, it shall take effect on the day following the date on which it is accepted (as determined pursuant to section 1405) except that—

(1) part 2 of title III and title V shall take effect on the day upon which the Council members first elected take office;

(2) section 402 shall take effect on the day upon which the Mayor first elected takes office; and

(3) title VII shall take effect with respect to the first fiscal year beginning next after the Mayor first elected takes office and with respect to subsequent fiscal years.

(c) Titles XII, XIII, and XIV shall take effect on the day following the date on which this Act is enacted.

TITLE XIV—SUBMISSION OF CHARTER FOR REFERENDUM

CHARTER REFERENDUM

SEC. 1401. On a date to be fixed by the Board of Elections, not more than four months after the enactment of this Act, a referendum (in this title referred to as the "charter referendum") shall be conducted to determine whether the registered qualified voters of the District of Columbia accept the charter.

BOARD OF ELECTIONS

SEC. 1402. (a) In addition to its other duties, the Board of Elections established under the District Election Act of 1955 shall conduct the charter referendum and certify the results thereof as provided in this title.

(b) Notwithstanding the fact that such section does not otherwise take effect unless the charter is accepted under this title, the applicable provisions of title VIII of this Act shall govern the Board of Elections in the performance of its duties under this Act.

APPLICABILITY OF TITLE VIII

SEC. 1403. Except as otherwise indicated in this title, the provisions of title VIII of this Act shall to the extent applicable govern all aspects (including, but not solely, the registration and qualification of voters, the method of voting, recounts and contests, and election violations) of the referendum election herein, notwithstanding the fact that such title VIII does not otherwise take effect unless the charter is accepted.

CHARTER REFERENDUM BALLOT: NOTICE OF VOTING

SEC. 1404. (a) The charter referendum ballot shall contain the following, with a blank space appropriately filled:

"The District of Columbia Charter Act, enacted   , proposes to establish a new charter for the District of Columbia, but provides that the charter shall take effect only if it is accepted by the registered qualified voters of the District in this referendum.

"By indicating, in one of the squares provided below, whether you are for or against the charter.

☐ For the charter

☐ Against the charter".

(b) Voting may be by paper ballot or by voting machine. The Board of Elections may make such changes in the second paragraph of the charter referendum ballot as it determines to be necessary to permit the use of voting machines if such machines are used.

(c) Not less than five days before the date of charter referendum, the Board of Elections shall mail to each person registered (1) a sample of the charter referendum ballot, and (2) information showing the polling place of such person and the date and hours of voting.

(d) Not less than one day before the charter referendum, the Board of Elections shall publish, in newspapers of general circulation published in the District of Columbia, a list of the polling places and the date and hours of voting.

ACCEPTANCE OR NONACCEPTANCE OF CHARTER

SEC. 1405. (a) If a majority of the registered qualified voters voting in the charter referendum vote for the charter the charter shall be considered accepted as of the time the Board of Elections certifies the result of the charter referendum to the President of the United States, as provided in subsection (b).

(b) The Board of Elections shall, within a reasonable time, but in no event more than thirty days after the date of the charter referendum, certify the result of the charter referendum to the President of the United States and to the Secretary of the Senate and the Clerk of the House of Representatives.

TITLE XV—TITLE OF ACT

SHORT TITLE

SEC. 1501. This Act, divided into titles and sections according to table of contents, and including the declaration of congressional policy which is a part of such Act, may be cited as the "District of Columbia Charter Act".

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination which I sent to the desk and which has been cleared all around. The nomination was reported earlier today.

There being no objection, the Senate proceeded to the consideration of executive business.

JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

The legislative clerk read the nomination of Burton W. Silcock, of Virginia, to be a member of the Joint Federal-State Land Use Planning Commission for Alaska.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

BICENTENNIAL COINS—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the distinguished majority leader, and I have cleared the matter with the minority leadership, to ask unanimous consent that at such time as S. 1141, a bill to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars and half dollars, is called up and made the pending business before the Senate, there be a time limitation thereon of 1 hour, to be equally divided between the distinguished majority leader and the distinguished minority leader or their designees; that time on any amendment, debatable motion, or appeal be limited to 30 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that with respect to the agreement previously entered regarding Calendar No. 231, S. 1141, the time on the bill be limited to one and a half hours, instead of 1 hour, and that an amendment by Mr. DOMINICK and Mr. MCCLURE—one amendment, cosponsored by those two Senators—be in order.

The PRESIDING OFFICER. Without objection it is so ordered.

The text of the unanimous consent agreement is as follows:

Ordered, That, during the consideration of S. 1141, a bill to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars and half dollars, debate on any amendment, debatable motion or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1½ hours, to be equally divided and controlled, respectively, by the majority leader and the minority leader, or their designees: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

ORDER TO LAY ASIDE THE UNFINISHED BUSINESS TEMPORARILY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, following the disposition of S. 1328, the Senate proceed to the consideration of S. 1141, and that the unfinished business be temporarily laid aside and remain in a temporarily laid-aside status until the disposition of S. 1141 on tomorrow, or until the hour of 2 p.m., whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

GEOPHYSICAL MODIFICATION ACTIVITY AS A WEAPON OF WAR, SENATE RESOLUTION 71—ORDER FOR VOTE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 12:30 p.m. tomorrow, the vote occur on S. Res. 71, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty prohibiting the use of any environmental or geophysical modification activity as a weapon of war, or the carrying out of any research or experimentation directed thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. I ask for the yeas and nays on the resolution.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 1636) to amend the International Economic Policy Act of 1972, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Patman, Mr. Ashley, Mr. Rees, Mr. Mitchell of Maryland, Mr. St Germain, Mr. Hanna, Mr. Koch, Mr. Young of Georgia, Mr. Moakley, Mr. Widnall, Mr. Blackburn, Mr. Brown of Michigan, Mr. Johnson of Pennsylvania, Mr. McKinney, and Mr. Frenzel were appointed managers on the part of the House at the conference.

The message also announced that the Clerk of the House had returned the bill (H.R. 8619) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1974, and for other purposes, with all accompanying papers, to the Senate, in compliance with a request of the Senate thereon.

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, S. 1081, which the clerk will state by title.

The bill was stated by title, as follows:

A bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates, the financial and technical capability to use the right-of-way in a manner which will protect the environment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 306

Mr. JACKSON. Mr. President, I call up my amendment No. 306 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be printed in full in the Record.

Mr. Jackson's amendment (No. 306) is as follows:

S. 1081

TITLE III—SUBPENA AND INJUNCTIVE RELIEF

FINDINGS

Sec. 301. (a) The Congress hereby finds that the investigative and law enforcement responsibilities of the Federal Trade Commission have been retricted and hampered because of inadequate legal authority to enforce subpenas and to seek preliminary injunctive relief to avoid unfair competitive practices.

(b) The Congress further finds that as a direct result of this inadequate legal authority significant delays have occurred in a major investigation into the legality of the structure, conduct, and activities of the petroleum industry, as well as in other major investigations designed to protect the public interest.

PURPOSE

Sec. 302. It is the purpose of this Act to grant the Federal Trade Commission the requisite authority to insure prompt enforcement of the laws the Commission administers by granting statutory authority to directly enforce subpenas issued by the Commission and to seek preliminary injunctive relief to avoid unfair competitive practices.

Sec. 303. Section 5(1) of the Federal Trade Commission Act (15 U.S.C. 45) (1)) is amended by striking subsection (1) and inserting in lieu thereof the following new paragraph:

"(1) Any person, partnership, or corporation who violates an order of the Commission after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $10,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the Attorney General of the United States or by the Commission in its own name by any of its attorneys designated by it for such purpose. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure to obey or neglect to obey a final order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense. In such actions, the United States district courts are empowered to grant mandatory injunctions and such other and further equitable relief as they deem appropriate in the enforcement of such final orders of the Commission."

Sec. 304. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following new subsection:

"(m) Whenever in any civil proceeding involving this Act the Commission is authorized or required to appear in a court of the United States, or to be represented therein by the Attorney General of the United States, the Commission may elect to appear in its own name by any of its attorneys designated by it for such purpose."

Sec. 305. Section 6 of the Federal Trade Commission Act (15 U.S.C. 46), is amended by adding at the end thereof the following proviso: "*Provided*, That the exception of 'banks and common carriers subject to the Act to regulate commerce' from the Commission's powers defined in clauses (a) and (b) of this section, shall not be construed to limit the Commission's authority to gather and compile information, to investigate, or to require reports or answers from, any such corporation to the extent that such action is necessary to the investigation of any corporation, group of corporations, or industry which is not engaged or is engaged only incidentally in banking or in business as a common carrier subject to the Act to regulate commerce."

Sec. 306. Section 13 of the Federal Trade Commission Act (15 U.S.C. 53) is amended by redesignating "(b)" as "(c)" and inserting the following new subsection:

"(b) Whenever the Commission has reason to believe—

"(1) that any person, partnership, or corporation is violating, or is about to violate, any provision of law enforced by the Federal Trade Commission, and

"(2) that the enjoining thereof pending the issuance of a complaint by the Commission and until such complaint is dismissed by the Commission or set aside by the court on review, or until the order of the Commission made thereon has become final, would be in the interest of the public—

the Commission by any of its attorneys designated by it for such purpose may bring suit in a district court of the United States to enjoin any such act or practice. Upon a proper showing that such action would be in the public interest, and after notice to the defendant, a temporary restraining order or a preliminary injunction may be granted without bond: *Provided, however,* That if a complaint is not filed within such period as may be specified by the court after issuance of the temporary restraining order or preliminary injunction, the order or injunction may be dissolved by the court and be of no further force and effect: *Provided further,* That in proper cases the Commission may seek, and, after proper proof, the court may issue a permanent injunction. Any such suit shall be brought in the district in which such person, partnership, or corporation resides or transacts business."

SEC. 307. Section 16 of the Federal Trade Commission Act (15 U.S.C. 56) is amended to read as follows:

"SEC. 16. Whenever the Federal Trade Commission has reason to believe that any person, partnership, or corporation is liable to a penalty under section 14 or under subsection (1) of section 5 of this Act, shall—

"(a) certify the facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of such section or subsection; or

"(b) itself cause such appropriate proceedings to be brought."

Mr. JACKSON. Mr. President, this amendment will give to the Federal Trade Commission major new statutory authority which is designed to enable the Commission to carry out its mandate to protect the public interest through prompt and aggressive enforcement of the laws it administers.

The need for this legislation was brought to my attention in connection with the Interior Committee's study of national fuels and energy policy.

Questions were raised by the committee staff as to the present ability and legal authority of the Commission to deal with situations comparable to the current petroleum emergency. On June 15, following discussion between the Interior Committee staff and the staff of the Federal Trade Commission, Mr. Ronald M. Dietrich, General Counsel to the Commission, wrote me a letter on this matter. The General Counsel's letter noted that, while the Commission's investigative powers are broad enough to discover problem situations such as those existing in the petroleum industry, there are shortcomings. The letter states that:

> The shortcomings of the Commission's present power are in the potential for delay in existing subpoena enforcement procedures and in its inability to obtain preliminary relief once the problem has been fully discovered.
>
> The Commission has sought for a long time to have two specific powers to increase its ability to deal in an expeditious manner with such important problems. These two powers are the statutory authority to seek directly in the federal district courts preliminary injunctions against the continuation of anticompetitive conduct ("unfair methods of competition") as well as deceptive practices, and the corresponding statutory authority to proceed to federal district court itself to enforce its own subpoenas and to require reports from businesses under Section 6(b) of the Federal Trade Commission Act. At the present time, proposed legislation, S. 356 and H.R. 20, contain language which would give the Commission power to seek preliminary injunctions in deceptive practice situations. But they do not include the corresponding power to restrain the continuance of anticompetitive conduct. The power to seek such prelminary injunctions should, in my opinion, be available to the Commission in both deceptive practices and in anti-competitive conduct situations.

Mr. President, the purpose of the amendment I am introducing today is to grant the Federal Trade Commission the full range of powers and legal authority it needs to both identify and prevent unfair methods of competition and anticompetitive conduct.

On June 26, 1973, I introduced this legislation in the form of a bill, S. 2074, the Subpena and Injunctive Relief Amendments Act of 1973. At that time I had introduced into the RECORD the text of the correspondence on the FTC investigation of the petroleum industry and the investigation under way by the Permanent Investigations Subcommittee.

Because of the urgent need for this legislation and in view of the fact that similar authority was passed by the Senate in the last Congress as a part of the Magnuson-Moss Warranty Act, I am offering this measure as an amendment to S. 1081, the Federal Lands Right-of-Way Act of 1973.

I hope that the Senate will act favorably on this amendment.

Mr. President, I ask unanimous consent at this point to have printed in the RECORD a statement that I made yesterday in connection with this matter at a press conference.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENRY M. JACKSON, JULY 9 PRESS CONFERENCE ON THE FUEL CRISIS

1. BACKGROUND OF THE FTC REPORT

On May 31 of this year, I asked the Federal Trade Commission to furnish me with a report on the relationship between the structure of the petroleum industry and the critical fuel shortages facing the nation.

My purpose in requesting this report was to ascertain whether the serious and widespread shortages of gasoline, diesel, propane and heating oil were in any manner "contrived". Serious allegations have been made over the past six months in many quarters that there is a deliberate attempt underway on the part of the major integrated oil companies to drive independent refineries, distributors and marketers out of business; to obtain monopoly control of new markets; to cut loose obligations to serve low profit markets; to force major price increases for all fuels; and to obtain the repeal of environmental legislation.

Equally serious allegations have been made that the nature and structure of the industry, when coupled with timid enforcement of inadequate Federal laws and policy, have created a situation in which shortage situations were inevitable and taking advantage of independents and consumers was predictable.

I stated in my May 31 letter to the FTC that "On the basis of available evidence I do not charge or allege conspiracy." I further stated that the purpose of the report was "to get a detailed, objective and judicial judgment on the issues which have been raised in connection with the current fuels crisis."

Late Friday afternoon the report was delivered to my office.

2. IMPORTANCE OF THE FTC REPORT

Entitled "Preliminary Federal Trade Commission Staff Report On Its Investigation Of The Petroleum Industry," the FTC report is an important document. It is the first step forward in what will be a long and difficult—and, I believe, successful—effort to bring purpose, equity and balance to Federal energy policies which govern the structure, behavior and performance of the nation's energy industries.

The FTC report is an important document because it sets the stage for sweeping reforms—reforms which should have been implemented long ago.

The FTC report lays the foundation and states the case for repeal of the oil depletion allowance: tax equity, promotion of competition, and greater economic efficiency.

The FTC report demonstrates that the nation must take direct and positive action—such as the recent Senate action in adopting a Mandatory Fuels Allocation program—if we are to maintain the independent sector of the oil industry as a viable competitive force. By insisting on their survival, we will assure the survival of competition and forestall the forces of cartel and monopoly.

The FTC report documents the need—the absolute necessity—to guard against the establishment of any oil import quota system which benefits only the major oil companies, supports artificially high prices and serves as a barrier to new competitors from entering the market.

The report also indicates that major oil company ownership of pipelines gives the companies an important weapon to control the crude oil produced by independent oil producers and the raw material supply to independent refiners.

The report concludes that it is essential that the nation must develop a program to insure fair competition, and implies that this program may require divestiture of major oil company pipelines and refineries.

The report also concludes that there is "cooperative" rather than "competitive" conduct on all levels in which the large oil vertically integrated companies interrelate.

This is the first time that a report by an agency of the Executive Branch has formally concluded that time honored and, until now, almost sacrosanct Federal oil policies have benefited the major oil companies while working hardship on the average American and the independent small businessman.

The FTC staff report does not say that the present gasoline shortage was deliberately contrived by the major oil companies. It does not blame the shortage entirely upon the anti-competitive structure and behavior of the petroleum industry. It does, however, indicate clearly that vertical integration, concentration and market control had an important role in creating the shortage. The report also says that the major oil companies are indeed using the shortage to eliminate competition and to increase their relative shares in all three sectors of the industry—production, refining and marketing.

The most important implication of the report as a whole is that the anti-competitive features of the petroleum industry do not flow from technical or economic necessity, nor are they the creation of a classical conspiracy in restraint of trade. Concentration and market power in the oil industry are largely the result of government policy. The report states, "The federal and state governments, with the force of law do for the major companies that which would be illegal for the companies to do for themselves."

In other words, many Federal programs and policies have enabled the major oil companies to function at will and with few restraints at the expense of the American consumer and the independent distributors and small oil businesses.

The report identifies the depletion, oil import controls, state prorationing, and—surprisingly—Cost of Living Council price controls as policies that have had anti-competitive results.

The staff report does not recommend specific legislative action. But if it can withstand careful scrutiny, as I believe that in many respects it will, its analysis has many profound implications for National Energy Policy.

For example, if the report is correct, the controversial tax preferences for oil and gas production—the depletion allowance, intangible drilling expenses, and foreign tax credits—are not very effective as incentives to increase petroleum production. But they do encourage vertical integration and economic concentration; they create a profit squeeze on independent refiners; and they make it impossible to find out exactly how profitable the major oil companies are. It is obvious that the Congress must take a hard new look at the oil industry's special tax treatment, and consider phasing it out in favor of more efficient and equitable incentives.

It is apparent that the regulation of pipelines by the Interstate Commerce Commission has not been adequate to prevent a whole range of anti-competitive effects from the concentrated ownership of transportation facilities by the largest companies. The FTC report provides a strong case for divorcement of oil transportation from production and refining. Congress must take a new and very hard look at this question.

The Senate's National Fuels and Energy Policy Study, of which I am Chairman, will look closely at each of these and other related areas and I will be introducing substantive legislation to effectuate fundamental policy changes where the facts dictate they are guaranteed and in the public interest.

That being said, however, the report has shortcomings. It is an abstract and theoretical document. It is written in the language of economists. It lacks hard-hitting and specific recommendations for corrective action which many believe are necessary, and anticipated the report would contain.

The report makes no reference to the nation's changing supply pattern, to growing international problems faced by major oil companies, to OPEC,* nor to other international events which will have major impacts on competition and the structure of the petroleum industry.

The report does not contain specific references to the legality of, or motivation behind any specific activities of companies and individuals which may have been factors in causing the current fuel shortages. In this respect, it must be assumed that the FTC staff has made recommendations to the Commission on these and other matters which may result in major law enforcement actions. Therefore, it is entirely proper not to include in this report specific allegations, facts, theories of law and other pertinent information contained in the more detailed report and staff recommendations now pending before the Commission.

3. NEED FOR CONGRESSIONAL INVESTIGATION AND ACTION

What clearly emerges from the report is that Congress must provide the leadership in the reform of the nation's fuel and energy policies.

I am convinced more than ever before of the necessity for a full-scale Senate investigation into the fuel shortage, an investigation that is fair, constructive and responsible, yet one that pulls no punches in assessing blame where it is deserved, and in laying the basis for legislative action.

For this reason, the on-going inquiry into the causes of this current fuel crisis by the Senate Permanent Subcommittee on Investigations will continue to go forward utilizing all available resources.

At my direction, Subcommittee staff members are at the FTC offices this morning to begin a review of all information and documents that were gathered by the FTC preparatory to this report and the larger report on the petroleum industry which the Commission is now considering.

In seeking definitive answers to all questions and in attempting to pinpoint responsibility, the Subcommittee will receive all testimony under oath. This is consistent with the Subcommittee's rules and procedures. In addition, when appropriate and if necessary, subpoenas will be issued to obtain any documentation needed to develop all of the facts necessary to Congressional and public understanding.

Hearings by the Subcommittee will be announced later this week.

4. RELEASE OF FTC STAFF REPORT

As those who have followed this matter know, one of my major purposes in requesting this report was to obtain a detailed and objective judgment on the many issues, charges and allegations which have been raised in connection with the current fuels crisis. I had hoped that early public release of the report would make the facts known and clear the air of any charges and allegations of conspiracy, monopoly, price fixing and taking unfair advantage which are unfounded or which have no basis in fact. I had also hoped that the report would focus on those causes of the fuel shortage which are amenable to early and effective action by the Congress, the Administration and the industry and point the way to ending this critical shortage.

The American consumer has a very large stake in this matter and is entitled to know, at the earliest possible date, the causes of the shortages and the price increases which have hit at his pocketbook and caused great inconvenience.

Equally important, the Congress has both a right and a responsibility to know so that any needed remedial action which goes to the substance of the problem may be taken and the compelling temptation to engage in unproductive witch hunts for scapegoats may be resisted.

I regret to inform those of you here today that a request to me in Chairman Engman's letter of transmittal of last Friday makes release of the report at this time impractical. The last paragraph of the letter reads as follows:

"While the Commission recognizes its obligation to honor your Committee's request for information, I must emphasize that the Commission would not make this report public and therefore we ask that *care be taken to avoid unnecessary publicity which could jeopardize any future law enforcement action by the Commission in this area.*" (Emphasis added.)

I did not expect such a caveat would accompany the report at the time I requested its preparation. But in view of Chairman Engman's concern as expressed in his letter I feel that release at this time, without further clarification, would not be responsible. And I must make note here that there was a release by an unidentified source to one of the newsservices over the weekend.

At the same time, however, I must candidly acknowledge that my review of the report and the analysis provided to me by the Committee staff lawyers and economists *does not* disclose any specific information about identifiable companies, events or activities which could reasonably be construed to either jeopardize Commission law enforcement activities or to prejudice in any manner the rights or legal defenses of any company or individual against whom legal action might be taken in the future.

I have accordingly written Chairman Engman that I would appreciate being informed as to what particular information, if any, should be deleted from the report before release to the Congress, the media and the public to avoid any prejudice to the Government's case or cases and to the rights of any persons or companies that may be named as defendants in legal proceedings. I have asked for this information by 10:00 a.m. on Friday, July 13, 1973.

I will carefully consider Chairman Engman's suggestions in making my determination as Chairman of the Permanent Subcommittee on Investigations, as to whether all or only a portion of this report will be released by my office.

(Copies of Chairman Engman's July 6 letter of transmittal and my response of July 9 are attached.)

5. AMENDMENTS TO THE FEDERAL TRADE COMMISSION ACT

To facilitate the Federal Trade Commission's ongoing investigation into the structure and conduct of the energy industries, I will be offering an amendment on the Senate floor later in the week to greatly enlarge the Commission's powers.

This amendment will grant new authority to enable the Commission to carry out its mandate to protect the public interest through prompt and aggressive enforcement of the laws it administers.

The shortcomings in the Commission's present powers lie *first*, in the inordinate procedural delays which are caused by the Commission's lack of authority to enforce its own subpoenas; and *second*, in the fact that the Commission lacks authority to obtain preliminary injunctive relief to prohibit anti-competitive practices, deception and unfair methods of competition when they are found to be taking place.

The amendment I propose will grant to the Commission the legal authority to go directly to the Federal Courts to seek subpoena enforcement and to obtain preliminary injunctive relief. This authority will circumvent the delays experienced in the past when the Commission was required to request and persuade the Justice Department to go to Federal Court on the Commission's behalf.

FEDERAL TRADE COMMISSION,
Washington, D.C., July 6, 1973.

Hon. HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman of the Senate Interior and Insular Affairs Committee and the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations, you have requested a report on the relationship between the structure of the petroleum and related industries and the current shortage of petroleum products.

In response to that request, I am enclosing a copy of a preliminary staff report to the Commission prepared at my direction. This report is based upon the comprehensive investigation of the petroleum industry which the staff began in late 1971. This report has not been evaluated or approved by the Commission, and the findings and conclusions contained in the report do not necessarily reflect the views of the Commission.

While the Commission recognizes its obligation to honor your Committee's request for information, I must emphasize that the Commission would not make this report public and therefore we ask that care be taken to avoid unnecessary publicity which could jeopardize any future law enforcement action by the Commission in this area.

Sincerely yours,

LEWIS A. ENGMAN,
Chairman.

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*Organization of Petroleum Exporting Countries.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, I do not believe there are any further requests for time to debate this amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 306 of the Senator from Washington (Mr. JACKSON).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), and the Senator from Utah (Mr. MOSS) are necessarily absent.

I further announce that the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), and the Senator from New York (Mr. JAVITS) are necessarily absent.

The Senator from Michigan (Mr. GRIFFIN) is absent on official business.

If present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The result was announced—yeas 78, nays 11, as follows:

[No. 274 Leg.]

YEAS—78

Abourezk
Aiken
Allen
Baker
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Clark
Cook
Cotton
Cranston
Dole
Domenici
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott, Pa.
Stafford
Stevens
Stevenson
Symington
Talmadge
Tower
Tunney
Weicker
Williams
Young

NAYS—11

Bartlett
Buckley
Chiles
Curtis
Dominick
Hansen
Hruska
Packwood
Scott, Va.
Taft
Thurmond

NOT VOTING—11

Bayh
Brooke
Church
Goldwater
Griffin
Javits
Magnuson
McGee
Moss
Sparkman
Stennis

So Mr. JACKSON'S amendment (No. 306) was agreed to.

Mr. JACKSON. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONDALE. Mr. President, within the next few days, the Senate will take up consideration of the Mondale-Bayh amendment to the Federal rights-of-way bill, S. 1081.

When I submitted that amendment, I remarked on the need for intensive negotiations and an impartial study before Congress made a decision on the routing of Alaskan oil. In addition, I warned that there would not be two oil pipelines coming from Alaska's North Slope within the foreseeable future.

Subsequent events have merely redoubled the need for this amendment. Last week, the State Department released documents received from the government of Canada which clearly indicated that an earlier State Department letter stating that "there is no alternative to the proposed Alaskan pipeline at this time" was in error. While the Canadian documents frankly discussed the areas of difficulty for a Canadian pipeline, they also revealed a willingness to cooperate, if we in Congress give indications of real interest in such a route.

Second, contained in those Canadian documents—which the State Department revealed only after numerous requests to do so—was a clear indication that the Canadian Government would not negotiate with us for a second oil pipeline if we choose to route one oil pipeline through Alaska. Therefore, the choice which we must make is whether we in Congress will make a decision on the routing of Alaskan oil on the basis of adequate negotiations with the Canadian Government and adequate study of the economic, environmental, and national security factors involved. We will inevitably be choosing one pipeline or the other, with virtually no prospect of a second oil pipeline for years to come. We must make that choice carefully, and we can make that choice without delaying the delivery of Alaskan North Slope oil.

Mr. President, I ask unanimous consent that my remarks on introduction of amendment 240 to S. 1081 be reprinted at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. MONDALE. Mr. President, on behalf of myself and Senator Bayh, Mansfield, Haskell, Stevenson, Percy, Proxmire, McIntyre, Stafford, Nelson, Abourezk, Case, Clark, Hathaway, Hughes, Kennedy, Muskie, and Pell, I am introducing an amendment to S. 1081, as reported, to provide for a congressional decision—after a study and negotiations—on the means of transporting North Slope Alaskan oil which would be most in the national interest.

I, along with the Senator from Indiana (Mr. BAYH) and 15 other Senators, have previously introduced legislation dealing with this subject—S. 1565. The amendment which I am introducing today is basically similar to S. 1565.

Both this amendment and S. 1565 have attempted to obtain a speedy resolution of a problem which is now more than 4 years old—how the vast oil deposits on Alaska's North Slope can best be transported to meet the energy needs of the United States. Both have attempted to speed the resolution of the controversy surrounding the Alaska pipeline and bring oil to American markets in the shortest possible time.

I have previously stated that it is my belief that a pipeline delivery system through the MacKenzie Valley of Canada would be the most logical means of transporting this oil to American markets.

A Canadian route would deliver the bulk of North Slope oil resources where they are needed most—in the area east of the Rocky Mountains.

A Canadian route would deliver these resources over an environmentally sounder route than would an Alaskan route.

Costs to consumers for oil in the eastern two-thirds of the Nation would be substantially reduced by a Canadian route.

Finally, I believe the national security interests of the United States would be aided by a Canadian route.

PURPOSE OF AMENDMENT

However, the amendment which I am introducing today does not require that this route for delivery of North Slope oil be taken. All the amendment seeks to do is to give Congress the necessary information it needs to make a well-informed decision on Alaskan oil. Support of this amendment need not imply support for the ultimate feasibility of a trans-Canadian pipeline to transport this oil. All it need imply is a desire to see Congress exercise its responsibilities over national energy policy and over the Federal lands through which any Alaskan oil pipeline will run, and make a decision which will affect American energy policy for decades to come only on the basis of adequate information.

Indeed, if the case for a trans-Alaska pipeline is as compelling as advocates of that route maintain, this amendment will provide a mechanism by which a final decision can be made within 1 year to get construction underway. On the other hand, it gives the unbiased look at a Canadian alternative route which we have not had to date, a study which advocates of a trans-Alaska route seem reluctant to have undertaken.

Central to this effort is our desire to see these resources utilized as quickly as possible. But we must recognize that no pipeline from Alaska will keep our gas tanks full this summer or prevent possible fuel oil shortages this coming winter.

The 10 billion barrels of oil on the North Slope of Alaska are a precious national resource. By the mid-1980's, this field may be supplying up to 10 percent of our annual oil needs. But we must not waste that resource, and we in Congress must not make hasty decisions which may delay the ultimate delivery of North Slope oil.

TWO PIPELINES?

S. 1081, as reported, contains a provision which holds forth the prospect of two oil pipelines from Alaska's North Slope. It would allow the Secretary of the Interior to issue rights-of-way permits for a trans-Alaska pipeline, and seek negotiations with Canada on the possibility of a second, trans-Canadian oil line at some indefinite date in the future.

This prospect must be seriously examined, however. Less than 1 year ago, the Joint Economic Committee in hearings conducted by the Senator from Wisconsin (Mr. PROXMIRE) heard very strong testimony on the likelihood—or lack thereof—of a second pipeline.

"One of the more elaborate arguments put forth by trans-Canada supporters is based upon the hypothesis that a second oil line will be built from Alaska's North Slope to transport additional crude oil to the lower 48. Such speculation borders on fantasy and reveals the absence of even a casual inquiry into the facts.

It is assumed that this phantom oil line will be required for basically three reasons: (1) Extensions to the Prudhoe Bay field; (2) Increases from secondary recovery in the Prudhoe Bay field; and (3) New finds through continued exploration."

To date, 75 developmental wells, excluding dry holes, have been drilled in the Prudhoe Bay field. The balance of the drilling required to fully develop the field will be within the perimeter of the field which has been well defined. The developmental program to date precludes any significant field extension and has substantiated the previously estimated 9.6 billion barrels of recoverable oil.

As to discovery of additional fields through continued exploration, it should be noted that to date no proven commercial oil fields other than Prudhoe Bay have been found, and exploration drilling has either eliminated or revised downward the potential of a number of once exciting projects.

The author of this statement was Edward L. Patton, president of the Alyeska consortium, which wishes to build the trans-Alaska pipeline. No new reserves have been discovered since the date of that statement.

In July of 1972, Secretary of the Interior Morton stated that:

> It is uncertain that a second oil line will be needed at all, since additional reserves must be discovered by future drilling. Such a line, in any case, is many years away.

In an analysis prepared by the Department of the Interior and submitted to the Senate Interior Committee in April of this year, the Department clearly states that:

> Resources to justify a second oil pipeline have not yet been demonstrated.

Mr. President, I believe the prospect of a second oil pipeline, as Mr. Patton indicated, is a "phantom." We cannot simply state that two pipelines can be built without further analysis of whether that statement bears any relationship to reality. And the strong testimony of supporters of a trans-Alaska pipeline indicates that there is no prospect of this happening in the near future. Indeed, any prospect of it occurring at all is at best a long shot which will not occur until 1990, if ever.

TIME OF DELIVERY

The central thrust of the amendment I am introducing today is to speed the decisionmaking process in delivering Alaskan oil. If S. 1081, as reported, is passed unamended, we face a substantial amount of time in the courts litigating environmental issues of real importance and also face the real possibility of lengthy construction time on an Alaska route.

There are now indications from highly placed sources that delays on a trans-Alaskan pipeline—both in the courts and in construction time—may be much more than proponents of such a line may thus far have been willing to admit.

On May 17, J. K. Jamieson, chairman of the board of Exxon Corp., the world's largest oil company, and one of the principal partners in the consortium seeking to build a trans-Alaska pipeline, stated that Exxon's most optimistic estimate on when a trans-Alaska pipeline could be completed was late 1978.

Prior to this statement, backers of a trans-Alaska pipeline had been optimistically estimating completion dates of 1976 or early 1977.

Now, there is a growing realization that as little time as possible should be spent in unending court litigation, provided that Congress has adequate information on which to base its decision. Yet this time in the courts would be the result of passage of S. 1081, as reported from the Interior Committee.

There are also some who would wish to see Congress go on record now as declaring the environmental impact statement completed thus far on the trans-Alaska pipeline as adequate, and remove the courts and the Congress from any further consideration of this issue.

This approach, I fear, would undo years of effort in making the National Environmental Policy Act into an effective means of providing adequate information on which to base crucial decisions. For there is much evidence that the environmental impact statement completed thus far did not adequately consider a trans-Canadian alternative, as required under section 102(2)(c) of NEPA. A variety of factors—including the projected gas pipeline from Prudhoe Bay in Alaska through the Mackenzie Valley of Canada to the Midwestern United States—were not adequately considered in that statement, and to declare this statement to be adopted by the Congress would virtually destroy the validity of NEPA.

THE AMENDMENT

There is an alternative approach, which the amendment I am introducing today exemplifies. That approach is to fill in the many information gaps now missing with regard to a trans-Canadian route by which to transport North Slope oil to the United States, and to build in a congressional decision at the end of this process. This I believe to be the only approach which complies with the spirit of the National Environmental Policy Act, and still offers supporters of both a trans-Alaska and a trans-Canadian pipeline the assurance that a congressional decision—not reviewable in the courts—will be made within approximately 1 year.

The amendment I am introducing today provides the following:

First, negotiations would be conducted by the Secretary of State with the Government of Canada to ascertain the answers to a variety of important questions to which we do not have definitive answers today. The Secretary of State would report the results of these negotiations within 8 months to the Interior Committees of the Senate and House. Points of negotiations would include estimate dates of completion of construction; quantity levels of oil from the North Slope of Alaska which the Canadian Government would guarantee through a Canadian pipeline; the ownership financing, and regulation of the Canadian sector of a trans-Alaska-Canada pipeline, and other questions of similar importance.

Second, the National Academy of Sciences would be directed to undertake a comparative 11-month study of the environmental, economic, and national security implications of both a trans-Alaska and a trans-Canadian pipeline alternative.

With regard to the environmental risks of the routes which would be studied, the language of the amendment exactly parallels the language of section 102(2)(c) of NEPA. This requires the National Academy to undertake the type of study which should have been undertaken by the Department of the Interior, but which has never been undertaken.

The economic and national security aspects of the study would include the relative effects of a trans-Alaska and a trans-Canadian pipeline on American national security; overall economic effects, including effects on consumers in various sections of the country; and effects on American balance of payments. This part of the study would encompass the particularly important questions of regional dependence on insecure foreign oil sources and the cost effects on consumers of routing the pipeline through Alaska or through Canada.

In preparing this study, the Academy would analyze and compare the relative advisability and feasibility of transporting North Slope Alaskan oil through either a trans-Alaskan or a trans-Canadian route.

In undertaking this task, the Academy would have much information at its disposal. In addition to the Department of the Interior's Environmental Impact Statement, which would be the basic document for description and analysis of the trans-Alaskan pipeline alternative, the Academy could make use of over 100 studies—including a $7 million study prepared by a consortium of 16 major oil companies—on a trans-Canadian route. What we need is an unbiased, professional analysis of this information before Congress makes its decision.

Third, this amendment provides for restrictions on exports of North Slope oil. Under provisions of the amendment, no exports could be made unless the President found an "imminent threat to national security" should such exports not be made. If such a finding were made, authority under it for the President to allow exports would expire at the end of 60 days, unless Congress approves of such action. I believe this provision is absolutely crucial whether Congress decides to opt for a trans-Alaskan or a trans-Canadian route. I also strongly believe that if we do choose a trans-Alaskan route—and fail to forbid exports—that a very substantial percentage of the production of an Alaskan line would be earmarked for Japanese consumption. In 1971, the President of the consortium seeking to build the trans-Alaskan pipeline, stated that one-quarter of the production of such a line was earmarked for sales beyond the west coast, most of which presumably would go to Japan.

Recently, University of Washington geology Prof. Eric Cheney, in an article in the Seattle Times, showed that if a trans-Alaskan line is built, the west coast will be unable to absorb the entire production from such a line until 1988.

I believe this provides one more strong reason for a trans-Canadian line. But no matter what decision is ultimately made on the routing of trans-Alaskan oil, we must provide that this oil will stay in the United States—and not fuel foreign industrial competition to American industry during years when American industry will need every gallon of oil it can get.

Fourth, the amendment builds in a procedure to insure a congressional decision within 90 days of receipt of the report of the National Academy.

This decision would not be reviewable in the courts, thereby assuring progress on whichever route Congress selects shortly after that congressional decision is made.

The amendment also prohibits the Secretary of the Interior from issuing rights-of-way permits for any delivery system for North Slope Alaskan oil until Congress has authorized and directed him to issue rights-of-way for a particular route. The amendment does not affect the bill's provisions regarding granting of rights-of-way for any pipeline system other than that from the North Slope of Alaska.

CANADIAN GOVERNMENT

Without doubt, no pipeline through Canada can be built without the cooperation of the Government of Canada. There is no debate on this point. Recently, some have questioned that willingness of the Government of Canada to cooperate in this undertaking. There is no hard negotiating data on this point, once again pointing out the need for negotiations at the earliest possible date.

Should these negotiations prove that the Canadians are not interested, we will have lost nothing, for a final nonreviewable congressional decision would still be made within little more than a year. This decision, while preserving the integrity of the National Environmental Policy Act, would allow construction of a trans-Alaskan pipeline to begin without further delay in the courts if the trans-Canadian route is proven to be unfeasible.

However, I believe that the Canadian Government will express interest in a trans-Canadian oil pipeline, inasmuch as it avoids dangerous tanker traffic off the west coast of Canada and spurs the development of potential oil reserves in the northwestern sections of Canada. As recently as May 14 of this year, Prime Minister Trudeau stated on the floor of Parliament that:

> We do not favour the route from Alaska which would take oil tankers over the ocean into waters that are very narrowly confined between the United States and Canada. That is still our policy, and our policy is still to indicate that the Mackenzie route is one which we would be prepared to consider if there is application made in the proper form, and that we would be very happy to follow up on that.

And on June 8, speaking in the House of Commons, Minister of Energy, Mines and Natural Resources, Donald Macdonald stated again that:

> Our distinct preference is to have a Mackenzie route. . . .
>
> The United States administration, of course, insists on handling its own resources in a different way. We have made clear to the United States the possibilities of a Canadian route, but I do not think we are really in a position to direct them as to how they should dispose of their resources within their jurisdiction.

In sum, the Canadians are receptive—if we in Congress show that the attitude of the American administration is not the attitude of the American people.

Whatever the answer to Canadian willingness to cooperate, we should and must find out quickly. The amendment we are proposing today would enable us to do just that.

In sum, this amendment expresses the desires to proceed as rapidly as possible—consistent with the spirit of NEPA—to develop North Slope Alaskan oil. It will give the Congress the intensive negotiations and study of a Canadian alternative route that we need to make an informed decision. It will enable Congress to make the final decision on how this vast oil resource is best to be transported to the United States, thereby exercising the responsibility we must shoulder for framing national energy policy.

It offers backers of the trans-Alaskan pipeline the assurance that if negotiations with Canada prove unsuccessful, or if Congress for whatever reason decides that an Alaskan route is the wisest means to move North Slope Alaskan oil, that construction of such a pipeline could begin in little over 1 year. It offers backers of a trans-Canadian line the full and fair study that has not yet been done on this alternative, and the ability to get that information to the Congress.

Mr. MONDALE. Mr. President, there has been a great deal of talk regarding possible timetables for Alaskan versus Canadian delivery of gas and oil. In addition, much of the debate surrounding the question of the trans-Alaskan pipeline has centered on the attitude of the Government of Canada toward a trans-Canadian oil pipeline.

Recently, officials of the Wilderness Society, the Environmental Defense Fund, and Friends of the Earth prepared an exhaustive memorandum on these questions. In particular, they addressed the question of delay if a trans-Canadian route is chosen.

It has been consistently assumed, in the environmental impact statement on the TAPS proposal and elsewhere, that a pipeline to deliver North Slope natural gas would be built across Canada. Statements of TAPS proponents regarding the Canadian Government's attitude and the resolution of various practical problems concerning a trans-Canada gas pipeline, however, are radically different from their assertions regarding a trans-Canada oil pipeline.

The same persons who argue that a trans-Canada oil pipeline would be delayed for an unacceptably long time find slight prospect of delay posed by the same issues—native claims, approval procedures, financing, throughput and others—in connection with the expected development of a trans-Canada gas pipeline. For example, Senator STEVENS recently prophesied extreme delay in an oil pipleine because of such factors, yet, in the same statement, glossed over them in optimistic predictions regarding the gas pipeline—CONGRESSIONAL RECORD, June 5, 1973, pages 18038–18043. And while the administration has asserted in the State Department letter to the chairman presumably with reference to an oil pipeline, that—

> [n]egotiation by the United States of a pipeline agreement with Canada does not appear possible at this time.

Secretary Morton has taken a markedly different view of development of a gas pipeline. In a press conference of September 13, 1972, for example, he said:

> [W]e are going to . . . work and stimulate and motivate a consortium to get together and put the money up to build a cold gas pipeline, which through Canada is the logical way for it to go. Interior Department Transcript of Secretary Morton's Press Conference of September 13, 1972, at 38.

The difference between pessimism regarding an alternative trans-Canada oil pipeline and optimism regarding a trans-Canada gas pipeline is inexplicable. For the Canadian Government, as it has repeatedly indicated, has strong reasons to support both. A gas pipeline would provide a means for delivery to market of Canadian natural gas resources. While comparable oil resources in the Mackenzie Delta have not yet been proved, the Canadian Government has repeatedly stated that it favors the alternative trans-Canada oil pipeline because it would avert the threat of oil pollution of the marine environment on its west coast by the trans-Alaska pipeline-tanker plan.

A more consistent position is reflected in the Canadian Government's recent two-volume report, "An Energy Policy for Canada, Phase I." That report estimates a timetable for consecutive construction of gas and oil pipelines. A gas pipeline could begin construction in 1975 and natural gas could reach markets by 1978. An oil pipeline could be constructed in 1978–79 and reach markets by the end of the decade. "An Energy Policy for Canada, Phase I," volume 1, pages 210–211.

By contrast, the "most optimistic estimate" of the chairman of Exxon Corp. for completion of TAPS is "late 1978"—Wall Street Journal, May 18, 1973. TAPS proponents, moreover, have asserted that oil and gas pipelines cannot be constructed simultaneously because of lack of sufficient construction crews and materials. Although there is dispute on this point and TAPS proponents have failed to justify their assertion, if the assertion is true, a gas pipeline would not commence construction until 1979, a full year after gas would reach markets under the Canadian alternative plan.

The inconsistencies in the estimates by TAPS proponents concerning timing and resolution of practical problems with respect to trans-Canada gas and oil pipelines and the inconsistency between delay estimates of TAPS proponents for the alternative trans-Canada oil pipeline and the timetable officially estimated by the Canadian Government clearly should be resolved before a decision to proceed with TAPS based largely on the need for prompt delivery of North Slope petroleum resources to market.

Mr. President, their conclusion, based on statements in the public record, is that the best estimates of delivery for both gas and oil from Canadian pipelines is not substantially different from the best current estimates for a trans-Alaska route.

Second, they addressed the question of Canadian governmental interest—and lack of American Government interest—in a trans-Canadian pipeline, and the resulting information gap which we now confront.

> Notwithstanding the repeated expressions by the Canadian Government of interest in trans-Canada pipelines, the U.S. Government sadly has failed to conduct serious discussions and negotiations with the Canadians regarding specific problems of implementation of trans-Canada pipelines.

I would like to note that the distinguished Senator from Washington (Mr. JACKSON) struck virtually the same note in his opening remarks on S. 1081 yesterday.

> Public statements, testimony and exhibits from the industry and the Interior Department over the past 4 years have never taken the trans-Canada pipeline proposal as seriously as it deserves to be taken.

Both these comments point up the need for intensive negotiations with the Canadian Government before we in Congress decide on the routing of North Slope Alaskan oil. And, I would like to repeat that unless we in Congress indicate an open mind on the ultimate routing of this oil, there is virtually no possibility that any negotiations with the Canadians on an oil pipeline through Canada will be meaningful. The Canadian Government, in an official policy statement last week, made that abundantly clear.

> If Alyeska is built, Canada would find little attraction in having a second oil pipeline built through Canada to serve U.S. Midwest markets *unless* and *until* sizeable commercial Canadian oil discoveries have been made in the north. Moreover, Canada is aware that the economic attraction of looping an

existing TAPS line would undoubtedly militate against construction of a line through Canada. Admittedly, other circumstances such as markets and security of supply might make it attractive to build such a second line through Canada. However, such circumstances are undoubtedly present even in respect of the first oil pipeline.

Third, this memorandum gives an exhaustive listing of the dozens of occasions over the past 3 years in which Canadian Government officials have expressed their willingness to actively discusss specific proposals with American Government and corporate officials.

In spite of this willingness, the stubborn attitude of this administration has prevented meaningful negotiations from taking place.

We must use the opportunity we now possess to tell this administration that we demand good-faith negotiations with Canada and insist that the views of the Canadian Government not be distorted through the filter of U.S. Government agency policies.

Under the amendment which I and Senator BAYH, along with 17 other Senators have introduced, these negotiations, along with a National Academy of Sciences study, could be completed within less than a year, and a binding, nonreviewable congressional decision made on the best means of routing Alaskan North Slope oil. This decision can be made in less time than would be taken up by the litigation which will inevitably occur should the committee bill pass unamended. But it will give us the information which we now lack, and without which we cannot hope to make a rational decision in the best overall interest of the Nation.

Mr. President, I ask unanimous consent that the text of the memoranda referred to above be printed at the conclusion of my remarks in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM REGARDING ATTITUDE OF THE GOVERNMENT OF CANADA TOWARD OIL AND GAS PIPELINE DEVELOPMENT

The attitude of the government of Canada is obviously crucial to a proper consideration of the relative merits of Trans-Alaska and Trans-Canada pipelines. A favorable Canadian government attitude and a willingness to act expeditiously to deal with practical problems of implementation would minimize the amount of delay involved in the Trans-Canada alternative. On the other hand, a recalcitrant attitude on the part of the Canadian government would suggest that approval and implementation of a Trans-Canada pipeline might be significantly delayed.

Spokesmen for the Administration, the oil industry and the State of Alaska have asserted that the Canadian Government attitude toward pipeline development is at best uncertain. They have also argued that in view of uncertainty with respect to specific practical problems, such as native claims; hearings on environmental and other issues; financial and management control; and the share of the capacity of pipelines which would be reserved for transport of Canadian resources, development of a Trans-Canada oil pipeline could be delayed for as much as ten years.

The assertions by proponents of the Trans-Alaska pipeline regarding the attitude of the Canadian Government are entirely contradicted by the public position which the Canadian Government has consistently maintained from the time of the major oil and gas discoveries at Prudhoe Bay. A number of the more significant statements of officials of the government are discussed below. In addition, a compilation of official statements made prior to Secretary Morton's decision, which was prepared by the plaintiffs in the Trans-Alaska pipeline litigation and submitted to Secretary Morton among comments on the environmental impact statement, is attached at Tab A. An updating of those comments, to June 14, 1973, also prepared by plaintiffs, is attached at Tab M.[1]

The statements show, in short, that the Canadian Government has maintained a vigorous, continued and real interest in oil and gas pipelines across Canada for delivery of North Slope petroleum resources. Notwithstanding the repeated expressions by the Canadian Government of interest in Trans-Canada pipelines, the United States Government sadly has failed to conduct serious discussions and negotiations with the Canadians regarding specific problems of implementation of Trans-Canada pipelines. As a result, neither Congress nor the public has concrete information regarding them and much of the current debate on the feasibility of the Trans-Canada alternative has been based on needless speculation and vague assertions.[2]

One purpose of legislation we support, which would require a thorough and objective assessment of the alternative Trans-Canada oil pipeline, is to develop definite information on various questions regarding implementation of that alternative. We believe it is clear, in view of the documented interest of the Canadian Government and the progress the Canadian Government and private industry have made in study of oil and gas pipelines, that the Trans-Canada alternative warrants the careful study it has thus far not received, before a decision on the method of delivery of North Slope oil and gas.

TIMING AND PROBLEMS OF IMPLEMENTATION FOR TRANS-CANADA OIL AND GAS PIPELINES

Before discussing the specific public statements of the Canadian Government, one point deserves particular emphasis. It has been consistently assumed, in the Environmental Impact Statement on the TAPS proposal and elsewhere, that a pipeline to deliver North Slope natural gas would be built across Canada. Statements of TAPS proponents regarding the Canadian Government's attitude and the resolution of various practical problems concerning a Trans-Canada gas pipeline, however, are radically different from their assertions regarding a Trans-Canada oil pipeline.

The same persons who argue that a Trans-Canada oil pipeline would be delayed for an unacceptably long time find slight prospect of delay posed by the same issues—native claims, approval procedures, financing, throughput and others—in connection with the expected development of a Trans-Canada gas pipeline. For example, Senator Stevens recently prophesied extreme delay in an oil pipeline because of such factors, yet, in the same statement, glossed over them in optimistic predictions regarding the gas pipeline (Cong. Rec. June 5, 1973, pp. 18038–18043). And while the Administration has asserted in the State Department letter to the Chairman, presumably with reference to an oil pipeline, that "[n]egotiation by the United States of a pipeline agreement with Canada does not appear possible at this time," Secretary Morton has taken a markedly different view of development of a gas pipeline. In a press conference of September 13, 1972, for example, he said:

"[W]e are going to . . . work and stimulate and motivate a consortium to get together and put the money up to build a cold gas pipeline, which through Canada is the logical way for it to go. Interior Department Transcript of Secretary Morton's Press Conference of September 13, 1972, at 38.

The difference between pessimism regarding an alternative Trans-Canada oil pipeline and optimism regarding a Trans-Canada gas pipeline is inexplicable. For the Canadian Government, as it has repeatedly indicated, has strong reasons to support both. A gas pipeline would provide a means for delivery to market of Canadian natural gas resources. While comparable oil resources in the Mackenzie Delta have not yet been proved, the Canadian Government has repeatedly stated that it favors the alternative Trans-Canada oil pipeline because it would avert the threat of oil pollution of the marine environment on its west coast by the Trans-Alaska pipeline-tanker plan.

A more consistent position is reflected in the Canadian Government's recent two-volume report, An Energy Policy For Canada, Phase I. That report estimates a timetable for consecutive construction of gas and oil pipelines. A gas pipeline could begin construction in 1975 and natural gas could reach markets by 1978. An oil pipeline could be constructed in 1978–79 and reach markets by the end of the decade. An Energy Policy For Canada, Phase I, Vol. 1, pp. 210–211.

By contrast, the "most optimistic estimate" of the Chairman of Exxon Corporation for Completion of TAPS is "late 1978" (Wall Street Journal, May 18, 1973). TAPS proponents, moreover, have asserted that oil and gas pipelines cannot be constructed simultaneously because of lack of sufficient construction crews and materials. Although there is dispute on this point and TAPS proponents have failed to justify their assertion, if the assertion is true, a gas pipeline would not commence construction until 1979, a full year after gas would reach markets under the Canadian alternative plan.

The inconsistencies in the estimates by TAPS proponents concerning timing and resolution of practical problems with respect to Trans-Canada gas and oil pipelines and the inconsistency between delay estimates of TAPS proponents for the alternative Trans-Canada oil pipeline and the timetable officially estimated by the Canadian Government clearly should be resolved before a decision to proceed with TAPS based largely on the need for prompt delivery of North Slope petroleum resources to market.

CANADIAN EXPRESSIONS OF INTEREST IN AN OIL PIPELINE

As recently as June 7, 1973, Canadian Minister of Energy, Mines and Resources Donald Macdonald, discussing the result of a recent visit by members of Congress, set forth both the Canadian Government's position in favor of a Trans-Canada pipeline and the principal reason for the Canadians' interest. He stated [Tab B, Ex. 61]:

"I indicated to the American senators, as I have indicated to the House many times, that the preference obviously is to have a Mackenzie Valley route which would obviate the necessity for tankers at all on the West Coast."

Comparable statements encouraging the pipeline have been made during the past several years by various Canadian officials, including the Prime Minister, the Minister of Energy, Mines and Resources, the Minister of Indian Affairs and Northern Development, the Minister of the Environment, the President of the Treasury Board, and the Chairman of the National Energy Board—in short, every major government official who would be directly involved in the process of approving an application for a pipeline permit.

In March 1971, for example, then Minister of Energy, Mines and Resources Joe Greene told the House of Commons [Tab A, Ex. 4]:

"[T]he Prudhoe Bay oil discovery was disclosed in June of 1968. As early as within one month from the time of that declara-

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Footnotes at end of article.

tion the Chairman of the National Energy Board met with the Presidents of the oil companies who own the oil—ARCO, Humble and BP—and pointed out to them that the Mackenzie Valley Line had advantages and should be considered by them."

The Canadians expressed their interest not only verbally, but with action. By January 25, 1972, A. Digby Hunt, Assistant Deputy Minister, Department of Indian Affairs and Northern Development, was able to tell the World Affairs Council in Boston [Tab. A, Ex. 17]:

"In anticipation that either an oil or a natural gas pipeline, or both, would be built through the Canadian north either from the Prudhoe Bay or from the Mackenzie Delta, or again, from both, the Canadian Government has undertaken a series of extensive research projects and studies to identify environmental sensitivities, to obtain baseline data so that actual impact on the environment can be measured, and, finally, to obtain the information necessary on which to base an assessment of any application that may be made. This work has been going on for some time with over 100 scientists and technical people involved and we expect that by the end of this current year we will have adequate information to deal with any application."

Just nine days later, on February 3, 1972, Robert Howland, Chairman of the National Energy Board, which would conduct hearings on approval of permits for a pipeline, told the Canadian Northern Pipeline Research Conference [Tab A, Ex. 19]:

"The government is on record as being desirous of allowing pipelines under appropriate conditions to be constructed in the North . . . . The progress of research, both in the public as well as the private sector has been such that the government has indicated on several occasions its willingness to examine and discuss any proposals relating to the transport of Alaskan petroleum resources through Canada to market in the United States."

After the issuance of the Final Impact Statement by the Department of the Interior in March, newly appointed Minister of Energy, Mines and Resources Donald Macdonald visited Secretary Morton in Washington to express Canadian interest in the pipeline [Tab A, Exs. 23, 24]. Minister Macdonald, reiterating the Canadian Government's interest in a letter to Secretary Morton on May 4, 1972, declared [Tab B, Ex. 28]:

"There would be many advantages arising from the use of a Canadian pipeline route. We believe it would enhance the energy security of your country by providing an overland route for your Alaska oil production, thereby serving the oil deficit areas of the mid-continent and also the Pacific North West."

As Macdonald clearly indicated, Canada expects to benefit from the pipeline too:

"The Mackenzie route would, of course, be advantageous to Canada in that it would give access to our potential oil resources in the northern Yukon and Mackenzie River areas. Within Canada, also, there would be benefits to the economy of these northern regions from this new activity and opportunities for employment and training of our Native peoples."

"In reciting some of the advantages to the United States and Canada of a co-operative relationship between us in the construction of an oil pipeline across Canada, I am mindful, too, that such a measure would avoid the considerable increase in tanker movements of oil on the Pacific Coast and particularly in the inland waters of Alaska, British Columbia and Washington State, and the resultant significant risk of serious environmental and economic damage. This is an area which, if not solved with reason and wisdom by us today, could produce difficult influences in Canada-United States relations.[3]"

On May 11, 1972, Secretary Morton announced his decision to approve the TAPS permits. On the same day, Macdonald issued a press release saying, "the government of Canada remains convinced that the alternative Canadian route through the Mackenzie Valley is the best from all aspects." [Tab B, Ex. 30]

CANADIAN POLICY REGARDING A COMMON CORRIDOR FOR OIL AND GAS PIPELINES

An important element in criticisms of the Interior Department's approach to comparison of the Trans-Alaska and Trans-Canada alternative pipeline routes is the failure of the Department, in its Environmental Impact Statement and otherwise, to consider that any Canadian oil line would be built in a common corridor with a natural gas pipeline. The Canadians, by contrast, have recognized the obviously significant advantages of such an approach. It has been incorporated in Official Guidelines for oil and gas pipeline construction since August 1970 when they were first issued [Tab A, Ex. 1]. On May 11, 1972, Indian Affairs and Northern Development Minister Chretien reiterated his Government's feeling [Tab B, Ex. 29]:

"There is still some doubt whether the first pipeline will carry oil through Alaska or whether it may come through Canada. The environmental advantages of the 'Canadian alternative' are obvious and well known. There is no doubt, however, that a gas pipeline will be built through Canada. Indeed, a gas pipeline from the Delta now seems a certainty. I can only repeat that the government is ready at any time to receive an application for an oil or a gas pipeline. By the end of the year environmental and social studies will be in our hands. (Emphasis in original)."

One month later, on June 13, 1972 Minister Macdonald again emphasized this point. Speaking in the House of Commons, he said [Tab B, Ex. 39]:

"Mr. Speaker, I tried on Friday to convey to the hon. member the fact that for some considerable time the government of Canada has tried to persuade the United States to ship not only gas but oil down through the Mackenzie delta system. However, the United States government has indicated through Secretary Morton, that it has decided otherwise. We would still be happy to make provision for this. The research we have carried out in respect of Arctic ecology and the Mackenzie Valley generally would apply in respect of both possible gas and oil pipelines."

On June 28, 1972 Canada issued proposed Expanded Guidelines for Northern Pipelines. These Guidelines affirmed Canada's dedication to the common corridor approach. [Tab B, Ex. 40].

"1. The Government of Canada is prepared to receive and review applications to construct one trunk oil pipeline and/or one trunk gas pipeline within the following broad 'corridors':

"(i) Along the Mackenzie Valley region (in a broad sense) from the Arctic coast to the provincial boundary;

"(ii) Across the northern part of the Yukon Territory either adjacent to the Arctic coast or through the northern interior region from the boundary of Alaska to the general vicinity of Fort MacPherson, and thus to join the Mackenzie "corridor";"

The Guidelines additionally require an applicant for an oil or a gas pipeline to demonstrate the suitability of the route for the other pipeline.

After Secretary Morton announced his intention to approve the Trans-Alaska pipeline, talk of an oil pipeline understandably died down, but Canada remained committed to a gas pipeline in the Mackenzie Valley. On January 24, 1973, Minister Macdonald again declared that pipeline development was in Canada's interest. Speaking at a public discussion of a Mackenzie Valley pipeline, he said [Tab B, Ex. 43]:

"In order to keep the cost of transmission, and therefore the ultimate cost of gas, as low as possible for Canadian consumers, it has been proposed that the American demand for gas should be exploited in two ways: by providing a market for some of the Canadian gas, i.e., gas surplus to the foreseeable Canadian needs; and by incorporating Prudhoe Bay gas in the pipeline transmission system so that the American gas consumer will end up paying a substantial part of the cost of construction of the pipeline."

Two days later, again referring to the need for a gas pipeline, Macdonald declared in Parliament, "Without such a pipeline Canadian needs in the future cannot be met." [Tab B, Ex. 44.]

RECENT STATEMENT REGARDING A TRANS-CANADA OIL PIPELINE

On February 9, 1973, the U.S. Court of Appeals for the D.C. Circuit rendered the decision enjoining construction of the Trans-Alaska pipeline until issues concerning right-of-way were resolved by Congress and leaving environmental and other issues for later resolution by the courts or Congress. This reawakened Canadian hopes for an oil pipeline. Speaking to the House of Commons' Standing Committee on Indian Affairs and Northern Development on March 1, Minister Chretien stated [Tab B, Ex. 47]:

"We as a government have said to the Americans many times that we oppose the shipping of oil along the British Columbia coast, and that we would prefer to have an oil line on the ground because there is much less danger of pollution with a pipeline than with a ship."

On April 3, Canada's Secretary of State for External Affairs, when asked at a press conference in Chicago about the Canadian position on TAPS, stressed that Canada was deeply concerned over possible oil spills while transporting the fuel to west coast markets. The Canadian government feels, he stated [Tab B, Ex. 50]:

"That those dangers can be better controlled [by a pipeline through Canada] than they can be on a tanker route down the Pacific coast particularly through these narrow waters. So if the oil companies concerned want to apply to build a pipeline through Canada, Canada is prepared to hear and to listen. We, under the laws of Canada cannot as a government approve or disapprove. Our procedures are rather like those of the United States, we have a National Energy Board. The application to build a pipeline must be made to the National Energy Board which looks at all factors that are involved and makes a decision."

In the last several months alone, there have beeen several reaffirmations of Canadian interest. On June 8, Minister Macdonald reiterated his statement of June 7, quoted above (Tab B Ex. 61). And on June 4 (Tab B, Ex. 59) he stated that he had advised visiting U.S. officials "that the government was prepared to consider a Mackenzie Valley route as an alternative to the Alyeska proposal as one way of protecting the west coast of Canada from the tanker risk." Moreover, on May 14, 1973, Prime Minister Trudeau asserted in answer to a question concerning the Government's attitude toward the TAPS tanker route [Tab B, Ex. 56]:

"I can say that government policy has not changed in this regard. It is that we do not favour the route from Alaska which would take oil tankers over the ocean into waters that are very narrowly confined between the United States and Canada. That is still our policy, and our policy is still to indicate

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Footnotes at end of article.

that the Mackenzie route is one which we would be prepared to consider if there is application made in the proper form, and that we would be very happy to follow up on that."

It is plain from the repeated statements of Cabinet ministers, including the Prime Minister, that Canada has consistently and unequivocally taken the position that an oil pipeline across the Mackenzie Valley is far more acceptable than the Trans-Alaska Pipeline with its dangerous marine leg. Clearly, the statements do not guarantee approval of any oil pipeline, nor do they manifest an intention to consider a pipeline with utter disregard of environmental consequences. No responsible government could do either. What they do show, however, is a government ready, willing and able to consider the alternative necessary to prevent serious degradation of Canada's western waters and shores.

SPECIFIC PROBLEMS IN IMPLEMENTING A TRANS-CANADA PIPELINE

Testimony before this Subcommittee has mentioned certain purported practical problems in implementing the Canadian alternative. These include financing and ownership of the pipeline and requirements for Canadian use of any facilities. Yet statements of Canadian officials indicate that these problems have received careful consideration and reflect the flexible approach of the government to resolution of the problems, which is understandable in view of the government's favorable attitude toward a pipeline. Similarly, the positive government attitude provides a basis for optimism that other factors, such as the native claims problem and the hearing and approval process, will not cause unacceptable delay for either an oil or a gas pipeline.

Financing, ownership and control. On September 28, 1972, in a reply to certain inquiries in a telegram sent by the Committee for an Independent Canada [Tab B, Ex. 41], Minister Macdonald stated that formal legal control of any pipeline would have to be in Canadian hands. Another condition would be that the pipeline be "designed, planned and executed by Canadian scientists engineers and construction companies." As to control of the corporation, Macdonald added that "[t]he government also is concerned that the corporate control of the enterprise should rest in Canadian hands and that Canadians should have the opportunity to hold a majority of the voting shares of the corporation."

The Committee for an Independent Canada sent a follow-up telegram to which Macdonald responded on October 12 [Tab B. Ex 42]. The Minister distinguished between Canadian management of the corporation, which he said "would be a condition of approval," and Canadian ownership of a majority of the equity, which he said would be an "objective" of the government.

On the issue of planning and construction of the pipeline, Macdonald said:

"Our position in this area is that we expect the engineering design team put together by the pipeline sponsors to have majority Canadian ownership and control, thereby providing the opportunity to increase significantly Canadian company competence in the field while, at the same time, being fair to Canadian subsidaries [of foreign corporations] who have operated as good corporate citizens in this country and who employ large numbers of Canadians. . . .

"With regard to pipeline construction companies, significant competence already exists with Canadian-owned and controlled groups. To set a condition which would automatically exclude other companies from bidding on all or parts of the project would, however, severely restrict the competitive nature of the bidding practice and thereby possibly result in unnecessary costs and perhaps unwarranted profits. We do not intend to do this but are expecting that at all times preference be given to Canadian-owned and controlled groups during the construction of the project and in the supplying of materials."

The above statements, made after Secretary Morton's decision, but before the Court of Appeals ruling, refer only to a gas pipeline. Whether the Canadians would ask for similar conditions for an oil pipeline or would be even more flexible if both oil and gas pipelines were involved in a question which presumably could be resolved by negotiations.

While the statements on financing and control of a gas pipeline certainly manifest an intent to maximize Canadian participation, they are tempered by the realization that foreign assistance will be needed. The Canadian approach to these issues has been consistently flexible and realistic. Financial problems have obviously received careful consideration and the Canadians still indicate their willingness to accept an oil pipeline.

On March 18, 1973, in a television interview, Minister Macdonald gave clear evidence of the realistic approach his government takes to these problems. Asked about a possibly adverse impact on the Canadian dollar from the financing of a pipeline, Macdonald replied [Tab B, Ex. 48]:

"If the Americans came back and said to us, "Look, we've had second thoughts on that Trans-Alaska Pipeline. We would like to take you up on your willingness to entertain an application about the oil line through the Mackenzie route," I think the interests of the west coast would dictate that the government of Canada should enable that kind of application to go ahead."

Throughput. It has been clear since the issuance of 1970 Northern Pipeline Guidelines that Canada would insist on any oil pipeline being available for Canadian throughput [Tab A, Ex. 1]. Yet, on February 12, 1971, then Minister of Energy, Mines and Resources Joe Greene, stated [Tab A, Ex. 2]:

"I cannot believe that any serious concern would be expressed in the United States with the reliability of an agreement between our two countries under which Canada, for its part of the bargain, would undertake to ensure the uninterruptibility of the flow of Alaskan oil down a Canadian 'land bridge' line equivalent in volume to any flow which could be put through the TAPS line."

The latest word on oil in Canada came from the March 18 television interview with Macdonald.

"To be quite specific about it there doesn't seem to be a prospect at the moment of— and further drilling could determine this— of bringing oil down from the Mackenzie Valley. The finds just haven't been there."

In an April 11, 1973 appearance before the House of Commons Standing Committee on Natural Resources and Public Works [Tab B, Ex. 53], Minister Macdonald stated that, if marketable oil were found in the Mackenzie Delta, "what very probably would occur would be a looping of an existing facility, rather than displacement of a facility already in place." At present, sharing of throughput of a gas pipeline is much more likely, since Canada does have proven natural gas reserves in the Arctic. In this same appearance, Macdonald had this to say on the question of guaranteed throughput:

"I would think the Americans would like to have some satisfaction that, if such a line is constructed, they could be assured of some minimum capacity, at least through the line."

It is clear that the Canadians appreciate our need for guaranteed throughput and would be willing to negotiate on this point. In the March 18 television interview, Macdonald summed up the security of supply argument most accurately.

"The two major pipelines supplying the eastern Canadian market both run through American territory, so if they feel there's an insecurity in the fact that they would have one crossing our territory, we've got one with regard to theirs, too. I don't think the insecurity argument is one that is a very serious one."

Other Causes of Delay. Further obstacles allegedly contributing to delay are such problems as resolution of native claims and the consideration of environmental and other issues in the hearing and approval process. Once again, it is apparent that the obstacles are far from insurmountable.[4] In a March 30, 1972 press conference [Tab A, Ex. 24], Macdonald estimated total delay at two years. As each day passes, Canadian environmental and economic research continues and the gap between knowledge regarding TAPS and that relevant to the Trans-Canada pipeline along the Mackenzie Valley grows smaller.

The Canadian government itself has conducted an extensive $15 million study program. Many reports have been published during the past year and others are scheduled for completion by the end of the summer.

On May 23, 1973 [Tab B, Ex. 59], Minister Macdonald told the House of Commons that the government will be in a position to assess the environmental impact of a pipeline by the end of this year.

In other words, the basic environmental studies will have been completed before an application is filed. This massive amount of data will enable the applicants, in consultation with Canadian authorities, to develop their applications in a much shorter time than was required for the applicants for the Trans-Alaska pipeline.

Private companies have also conducted comprehensive research. The Committee already has been furnished Mackenzie Valley Pipeline Research Ltd.'s feasibility study of the alternative Trans-Canada pipeline. The Environment Protection Board of Canadian Arctic Gas issued a five-volume study of environmental aspects of a gas pipeline last year which was not considered by the Department of the Interior in its impact statement. Recently, the Board issued an additional seven-volume study, which includes detailed maps dealing with geology and soil conditions along its proposed route. And, on June 27, Arctic Gas announced that routing studies for its pipeline system were complete and had been agreed upon by the parent firms participating in the consortium. The routing studies for the gas pipeline are particularly important since proposed Canadian Guidelines on common corridors require that a pipeline application for either an oil or gas pipeline demonstrate that the corridor for that pipeline route is suitable for subsequent pipelines for oil or gas.[5]

Considering that no application for an oil pipeline has been filed, the Canadians have done all they could to indicate that they are interested in an oil pipeline in the Mackenzie Valley. They have amassed considerable environmental data, and have indicated their desire and willingness to work out solutions to the problems seen by some Americans in a pipeline through Canada so that delay can be minimized. Their position has consistently been one of reasonableness and flexibility.

In view of the economic and environmental advantages of the common corridor approach and the positive attitude of the Canadian government, it is essential that Congress give the Canadian alternative to TAPS the most careful and serious consideration by ordering an independent assessment of oil and gas pipelines through Canada, which will include discussions with Canadians to obtain specific answers on questions regarding attitude, expected delay, and other matters.

FOOTNOTES

[1] The compilation and updating contain summaries of the full statements, which frequently dealt with a number of issues, and quotations pertinent to issues regarding the pipeline. In several instances below, statements quoted which appear in the full text do not appear in the summaries. Copies of the full statements were submitted to the Departemnt of the Interior with the compilation. Copies of those statements, as well as the full text of the more recent statements, which are summarized in the updating, are available to the Committee or its staff, if they are desired.

[2] An excellent example is provided by the June 22, 1973 and June 27, 1973 letters from the State Department in response to the Chairman's request for information regarding Canadian Government attitude. Those letters fail to provide documentation for their broad assertions and even to name Canadian officials with whom the Department has discussed the issues.

[3] For other indications of increasing Canadian opposition to marine shipment of oil along her west coast. see Tab B, Ex. 31, 32, 34, 37, 38, 46, 47, 48, 49, 50, 52, 54, 56, 60, 61, 62.

[4] An excellent summary of the Canadian government's approach to these and other issues is contained in Congressman Anderson's report of his recent discussions with Minister Macdonald and others in Canada (Cong. Rec., June 18, 1973, pp. H4909–11). That Congressman Anderson and Senator Stevens (see Cong. Rec., June 5, 1973, pp. S10371–6) have such different recollections of what was said on the trip at meetings they both attended only underscores the need for detailed discussions on the various issues between the two governments.

[5] The information available from Canadian government and private industry is discussed in greater detail in the testimony of John F. Dienelt, counsel to plaintiffs in the litigation, before the House Interior and Insular Affairs Committee, Subcommittee on Public Lands, on May 17, 1973.

Appendix A

Comment Upon Final Environmental Impact Statement Proposed Trans-Alaska Pipeline: The Attitude of Canadian Government Toward Construction of Pipelines Through Canada for Delivery of North Slope Oil and Gas

(By John F. Denelt, Washington Counsel, Environmental Defense Fund)

The chief asserted advantage of the Trans-Alaska Pipeline over a Canadian alternative route for transportation of North Slope oil is that the TAP can be constructed and put into operation sooner. Estimates of the amount of delay in construction of a pipeline and ultimate delivery of oil which would result from deciding, at this time, to employ a Canadian route range as high as five years (Impact Statement, Economic and Security Analysis, Vol. I, C–21), although lower estimates on the order of two years are considered most reasonable by the Canadian Government. (Exhibit 24, p. 12).

Some portion of the additional time necessary to develop a Canadian pipeline might be required simply because the route is longer.[1] There are, however, other possible reasons why delay would occur. One is the asserted lack of study and planning in connection with a pipeline through Canada. The question of the extent of preparation for an oil pipeline by the Canadian Government and private industry is dealt with primarily in another comment, *Comment Upon Final Environmental Impact Statement Proposed Trans-Alaska Pipeline: Environmental Information and Studies Developed by Canadian Sources.*

Another factor which may contribute to delay is the attitude of the Canadian Government toward permitting construction of a pipeline. If the Government of Canada is willing and able (on the basis of its knowledge of environmental and other aspects of an oil pipeline proposal) to expedite consideration of an application to build such a line, delay obviously would be lessened. On the other hand, if the Government has a negative or ambivalent attitude toward an oil pipeline through Canada, or otherwise expresses reluctance to expedite ultimate approval of a pipeline permit, the delay involved would be increased.

Additional reason for delay in development of a Canadian pipeline is the apparent failure of the United States Government and the applicant oil companies to treat the Canadian alternative as a realistic one early in the process of consideration of the Trans-Alaska Pipeline proposal. Effort was apparently focused almost exclusively on the TAP proposal, permitting accumulation of a body of knowledge, which is primarily pertinent to the Trans-Alaska route, even though it would be useful in construction of a Canadian alternative route. One apparent reason for this premature concentration on the Trans-Alaskan route was the opinion of the Department of Interior that it was required by the National Environmental Policy Act (NEPA) only to consider alternatives within its power. This legal opinion was, of course, entirely erroneous. See *National Resources Defense Council* v. *Morton,* 3 ERC 1558 (D.C. Cir. 1972).

Another factor contributing to the concentration on the Trans-Alaskan route, however, was apparently the U.S. Government's perception of the Canadian Government's attitude toward construction of an oil pipeline through Canada. United States officials have, on several occasions, indicated their view that the Canadian Government was ambivalent, at best, regarding an oil pipeline from the North Slope through Canada. For example, in October, 1971, a representative of the State Department, Mr. Aikens, was reported in the press to have stated that the United States had made a specific proposal for a trans-Canadian pipeline which the Canadians had rejected. (*Washington Daily News,* October 18, 1971, p. 10.) Secretary Morton, on several occasions, has similarly indicated that one difficulty with the Canadian alternative is the unwillingness or inability of the Canadian Government firmly to express its position on construction of pipelines through Canada. Thus, in his press conference of February 15, 1972, Secretary Morton (pp. 22–23) stated:

"[T]here have already been considerable interchanges between the oil companies, the applicants in this case, and the Canadian government. There have also been discussions on a government-to-government basis, and I don't believe we will have to discuss this in terms of presenting any more information or any further discussions that are going to be required as far as the court case is concerned . . . I don't see the need for any further conversation. We have never had an overt position expressed by the Canadian government, as far as—what they are willing or not willing to do, although there has been considerable talk."

It is thus important not only to consider the current attitude of the Canadian Government toward a pipeline in assessing the prospects of delay in development if serious efforts to employ a Canadian route were begun immediately, but also necessary to consider the Government's attitude during the past several years in order to evaluate whether the apparent impression of the U.S. Government that Canada was reluctant or ambivalent respecting approval of an oil pipeline was warranted. This review, in turn, will permit determination whether the premature concentration by the Department of Interior and the oil companies was reasonable.

In the following analysis, numerous statements by Canadian government officials regarding pipeline development in Canada, made in the House of Commons and other public forums, are discussed in chronological order.[2]

Two distinct conclusions emerge from consideration of these statements. First, the Canadian Government has maintained a clear, consistent and explicit attitude of encouraging construction of both an oil pipeline and a gas pipeline through Canada to transport North Slope oil and gas to the lower 48 United States. This position is confirmed in official Guidelines for pipeline development and by frequent statements of various officials, including the Prime Minister, two Ministers of the Department of Energy, Mines and Resources, the Minister of Indian Affairs and Northern Development, the Minister of the Environment, the President of the Treasury Board, and the Chairman of the National Energy Board. Thus, every major government official who would be directly involved in the process of approving an application for a pipeline permit has expressed the Government's position of favoring pipeline development.

The second conclusion is that the Canadian Government will have completed sufficient work on its extensive environmental studies by the end of this year to permit it to pass upon pipeline applications. It is willing, moreover, to expedite the approval process by conducting extensive pre-application discussions, which could take place at any time, to assist the applicant in anticipating environmental and other conditions which will be imposed upon the grant of a permit.

The Canadian Government has, in short, done literally everything it can to promote a pipeline application short of making the firm promise, in advance, that it will approve an application regardless of the applicant's willingness to abide by conditions respecting the environment or other matters which the Government considers necessary—a commitment that obviously neither the Canadian nor the United States Government could ever make. In these circumstances, the failure of the Department of the Interior to give satisfactory consideration to the Canadian alternative in the past on the ground of lack of Canadian Government interest was plainly erroneous. That error is seriously compounded by the Department's apparent continued refusal to devote adequate attention to this alternative.

1. The first significant statement by the Canadian government regarding its attitude toward northern pipeline development was contained in Guidelines issued on August 13, 1970. These Guidelines, published jointly by the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development, set forth the general policy of the government with respect to construction of oil and gas pipelines through the Canadian north. Significant aspects of the guidelines are the requirement that only one oil and one gas pipeline will be permitted within a specified corridor; that both will be required to provide common or contract carrier service; that means for a Canadian financial and other participation

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[1] It is not clear, however, that the pipeline necessarily would, in fact, take longer to construct for this reason. The impact statement has not addressed itself to the question why use of additional men and equipment would not permit virtually the same construction schedule.

[2] The text of the statement is, in each case, attached as an exhibit to this Comment. The exhibit number corresponds to the discussion section number.

in ownership of the line must be provided; and that special programs for training and employment of the natives must be developed. The Guidelines also provide that:

"The National Energy Board will insure that any applicant for a certificate of public convenience and necessity must document the research conducted and submit a comprehensive report assessing the expected effects of the project upon the environment. Any certificate issued will be strictly conditioned in respect of preservation of the ecology and environment, prevention of pollution, prevention of thermal and other erosion, freedom of navigation, protection of the rights of northern residents, according to standards issued by the Governor-General in counsel on the advice of the Department of Indian Affairs and Northern Development." (Exhibit 1, p. 3).

Several documents were attached to the Guidelines as background materials. These included a section on environmental management which referred to the Northern Land Use Regulations, the Arctic Waters Pollution Prevention Act and generally to studies which were being or would be conducted of the northern environment.

2. On February 15, 1971, the Minister of Energy, Mines, and Resources, Joe Greene, spoke to the Vancouver (B.C.) Men's Canadian Club. Excerpts of the speech were issued by the Office of Information of the Canadian Embassy. In the speech, Minister Greene indicated that a Canadian oil pipeline would be favored by the Canadian government. He said that "[t]he Canadian government is not opposed to the construction of oil and gas lines from Alaska through Canada to the continental U.S.A." (Exhibit 2, p. 2). He further added that "failure of the U.S.A. to adequately consider the Canadian route for Alaska oil could render a signal disservice to the growth of the Western Canadian oil economy." (Exhibit 2, p. 30).

3. On March 9, 1971, Minister of Indian Affairs and Northern Development Jean Chretien spoke to the Society of Petroleum Engineers in Dallas. In this speech, which was officially released by the Department of Indian Affairs and Northern Development. Mr. Chretien stressed Canada's desire to develop the resources in its north. He explicitly stated that Canada would welcome a gas pipeline and that "[a]n oil pipeline would also be acceptable" (Exhibit 3, p. 11) although greater precautions would have to be taken with respect to it.

4. On March 12, 1971, the issue of the Trans-Alaska Pipeline was officially debated in the House of Commons.[3] The following motion was proposed, but no vote was taken, as the rule under which the debate took place provides:

"That this House opposes the Trans-Alaska Pipeline and tanker project because of the ecological dangers posed by this project to the people, towns, and cities of British Columbia and the natural resources of Canada's western seas and coasts and that this House therefore urges the government to immediately institute an independent, economic and ecological feasibility study of alternative routes." (Exhibit 4, p. 4212).

The debate covered twenty-six pages in the Hansard and included statements by both Minister Chretien and Minister Greene, generally reiterating their statements regarding the Canadian government's interest in discussions relating to a MacKenzie Valley oil pipeline.

Chretien stated:

"Of course, we have not solved all the problems. We need to know more about the ecology and about building pipelines on the permafrost. In my judgment, however, it was advisable to let Canadians and Americans know 'that the North is there'. Pipelines will be built. If the Americans do not build a pipeline from Alaska, I will not be too upset, because I know that we will find enough oil in the future in Canada to justify an oil pipeline. Perhaps it will take two or three years more, but there will be an oil pipeline.

"So far as gas is concerned, the Americans will have to use the Canadian route. . . . Since they will build a gas pipeline, perhaps factors of economy will prompt them to build an oil pipeline at the same time. We are not pushing the Americans; we are just putting before them the important fact that the North of Canada is opening and that great amounts of resources are there to be discovered. . . . We must make sure that these resources go to market, and pipelines are the safest way." (Exhibit 4, p. 4219).

Minister Greene, indicating the willingness of the Canadian government to discuss pipeline possibilities with the U.S. government and oil companies, stated:

"As I have said, the Prudhoe Bay oil discovery was disclosed in June of 1968. As early as within one month from the time of that declaration the Chairman of the National Energy Board met with the presidents of the oil companies who own the oil—ARCO, Humble and BP—and pointed out to them that the Mackenzie Valley Line had advantages and should be considered by them." (Exhibit 4, p. 4223):

Minister Greene also added:

"At the political level, when we saw that there might be a possibility for the oil line to be the first we did approach our United States colleagues and voice our concern about the ecology of the West Coast in respect of the marine route. We asked that this alternative Canadian route be considered. . . . I think we can assure the United States oil companies and the United States government, to the best of our ability and with the knowledge we have and the certainty we have achieved—and it is not complete yet in respect of the ecological factors—that there will be no unnecessary roadblocks at the Canadian end and Canadian governmental side. The key, as a United States official put it to me, is time. . . . Can it be built more quickly? Will it get through the barriers, if you like, the slow-up processes of regulatory authority; and will the oil be delivered to the market more quickly if it is to go via a Canadian route than if an effort is made to satisfy the various regulatory and environmental agencies and build it through the Valdez marine route?

"Therefore it is incumbent upon us, I believe, to expedite our procedures to the best of our ability, without rushing into something that is so important to Canada's future. . . . I think we are in a position to move with considerable expedition if it appears that the entrepreneurs, the oil companies, and the government of the United States are interested in having the Mackenzie Valley line as the primary line and if it appears to the Canadian interest that this is where we want the oil to flow rather than down the Coast of British Columbia." (Exhibit 4, p. 4226).

5. On March 16, 1971, there were a series of questions during the daily House of Commons question period regarding the government's policy with respect to approval of a Mackenzie Valley route. Prime Minister Trudeau, questioned with respect to Minister Chretien's Dallas speech (Exhibit 3) earlier in March, indicated, with respect to a Canadian oil pipeline, that "if it is desirable in terms of public policy and in terms of government decision-making, a way can be found to do it." (Exhibit 5, p. 4292). On this date also, Minister Chretien briefly discussed the status of government research regarding the pipeline, estimating that, in his opinion, it could be concluded by the end of 1971.

6. On March 19, 1971, in the question period, inquiries focused specifically upon newspaper reports that Ministers Greene and Chretien would shortly meet with oil company executives to discuss the Canadian alternative. Mr. Chretien indicated that such a meeting would take place in the next week for a "preliminary discussion of the alternative solution for routing Alaskan oil through the Mackenzie Valley." (Exhibit 6, p. 4414). He added that the government "does not intend to make a concrete proposal" regarding a Mackenzie Valley route at that time. *Ibid.* Minister Greene again discussed the government's position respecting consideration of an alternative Mackenzie Valley route. He stated that:

"This is an internal matter for the United States of America. The Secretary of State for External Affairs had made Canadian concerns known in regard to marine shipping off the British Columbia coast. I think all authorities in Washington are aware that we should like consideration to be given to the Mackenzie Valley route, subject to Canadian rules and Canadian decisions, before the Valdez decision is made, but certainly we cannot bind the United States government to await that decision." (Exhibit 6, p. 4415.)

7. On March 19, 1971, Fisheries Minister Jack Davis, later to become Minister of the Environment, in a speech to the annual convention of the British Columbia Labor Party, added his support to a Canadian corridor in the Mackenzie Valley for oil and gas pipelines and a general transportation system. Referring to what he considered the inevitability of movement of Alaskan oil to market in the lower United States, Mr. Davis indicated his view that it would be safer to move the oil by pipeline over land than by tankers on the high seas. Thus, he indicated that a land bridge down across Canada made sense. He stated:

"Why not build an oil line and a gas line side by side? Why not add a road, and possibly a rail line as well? Together they would all help to open up our great Northland.

"And put together in a single corridor we would be able to minimize the impact on our northern ecology as well." (Exhibit 7)[4]

Mr. Davis also stated that the Canadian Wildlife Service has been studying a route for two years and that the Fisheries Service and Canadian Geological Survey also were actively studying the ecological implications of pipelines.

8. On March 25, 1971, in the House of Commons question period, several questions were asked with respect to negotiations between the United States and Canadian governments and between the Canadian government and between the oil companies regarding a Mackenzie Valley route. The initial focus of the questions was a report to the effect that President Nixon, in February, 1970, had instructed the U.S. State Department to negotiate with the Canadian government regarding a Mackenzie Valley route. Both the Canadian Ministers for External Affairs and for the Department of Energy, Mines and Resources indicated that there had been no negotiations in 1970 although Minister Greene added that "inferentially in the oil discussions which we had with them in that period, from time to time a pipeline was talked about but no discussions vis-a-vis the pipeline itself were entered into." (Exhibit 8, p. 4567).

With respect to the discussions with the oil companies which had taken place that day, Minister Greene indicated that there had been "a very useful meeting" and that "[i]t would appear that the economics of delivery to the west coast are preferable by the Valdez line but the economics of delivery to the Chicago area may well be preferable by way of an all Canadian line." (Exhibit 8, p. 4568). He added, in response to another question in regard to "how long the representatives of the Alaska oil companies are prepared to wait before they feel it is necessary to make a choice with regard to the route" that:

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[3] Proceedings in the House of Commons are officially reported in *House of Commons Debates* (Hansard).

[4] The Exhibit will subsequently be supplied for the record.

"As I understand it, the position is that a decision was very clearly made by the oil companies to go by Valdez line and then by the marine line along the west coast, by reason of the delays caused by various governmental agencies in the U.S.A., by environmental groups and others, that decision has not been implemented. All we are doing is exploring the possibilities of a review of that decision and assuring that Canada proceeds as rapidly as possible to make its scientific, ecological, and economic surveys so that we are prepared in this regard." (Exhibit 8, pp. 4568–69).

9. On April 6, 1971, Jack Austin, Deputy Minister of Energy, Mines and Resources and Chairman of the Task Force on Northern Oil Development, spoke to the annual meeting of the Canadian Petroleum Association. In his speech, which covered a wide range of subjects dealing with energy policy, he specifically addressed the question of northern pipelines, discussing the earlier meeting with representatives of the oil companies which hold large oil reserves on the North Slope. He indicated that he recognized their preference was for the Trans-Alaskan route, but added that "while it is not the Canadian government's intention to try to persuade the companies to accept a Canadian route for an oil pipeline, there is, indeed, a willingness on the part of the government to explore the possibilities in the event that it may be found advantageous to Canada and to the Alaska producers." (Exhibit 9, p. 12).

10. On June 17, 1971, the House of Commons unanimously approved the report of the Special Committee on Environmental Pollution regarding the tanker traffic along Canada's southwestern coast and in the Puget Sound area which would result from the construction of the Trans-Alaska Pipeline. The Committee took testimony on the issue and concluded:

"That the establishment of the proposed oil tanker route would result in severe environmental damage and substantial economic loss to Canadians. The Committee notes with approval the current discussions between the United States and the Canadian government on the subject and urges the Canadian government to oppose vigorously the establishment of the proposed tanker route between Alaska and Washington State." (Exhibit 10).

The Canadian government officially expressed its concern regarding the proposed tanker traffic to the United States on several occasions in aides mémoires. On June 29, 1971, the Canadian Embassy proposed consultations between officials of the two governments on the environmental hazards of the tanker traffic. The United States Department of State replied, in an *aide mémoire* of July 9, 1971, by suggesting essentially that, instead of another meeting, there should be a continuing exchange of information of interest. The Canadian government thus was invited to submit "any pertinent additional information which has not already been conveyed to the United States Government . . . as expeditiously as possible." The Canadian Government responded, on August 20, 1971, with another *aide mémoire*, providing additional information, in several appendices, supporting its objections to the proposed tanker traffic. The Canadian government also stated:

"In the June 29 discussion, in the context of the expressed Canadian opposition to the proposed tanker movements in the inner coastal waters, the United States side enquired about alternative sources of oil supply for the States in the Pacific northwest. In order to explore this aspect of the question the competent Canadian authorities would be prepared to discuss the technical and other factors which might affect the continuing contribution to the oil needs of the region from Canadian sources."

11. On June 21, 1971, Minister Chretien responded in the Hansard to a written question regarding progress of pipeline research. He indicated the specific aspects of pipeline research being conducted under the Arctic Land Use Research (ALUR) Program, including classification of methods of construction; use of temporary winter roads constructed on soils of high ice content; geologic mapping and soil performance testing in the Mackenzie Basin; and investigations into the energy balance and the exchange properties of permafrost. He indicated that the ALUR budget for 1971–72 was $500,000 and preliminary reports were expected by the end of 1971 with final reports by the fall of 1972.

12. On June 23, 1971, Minister Chretien addressed the Executive Conference of the American Gas Association in Banff, Alberta. In this speech, Mr. Chretien outlined the categories of environmental studies currently being conducted by the government and also announced the publication of Arctic Land Use Regulations "which we believe will insure reasonable protection for the northern environment which industry can live with." (Exhibit 12, p. 7). He did not, in this speech, indicate when the studies, which were in progress, would produce sufficient data for the government to evaluate pipeline applications.

13. On September 21, 1971, Minister Greene was asked, in the House of Commons question period, "whether officials of his department are discussing with his American counterpart the setting up of a pipeline in Alberta to develop Prudhoe Bay oil fields?" Minister Greene replied that "there has been discussion for the last year or two in general vein, but there has not been any in the last few weeks." (Exhibit 13, p. 8035).

14. On September 28, 1971, in the House of Commons question period, the Prime Minister was asked, in light of a statement by Secretary Morton that a Canadian pipeline would be studied, "whether there have been any discussions between the Canadian government and the government of the United States regarding such a pipeline in recent weeks or months and, if so, by whom have these discussions been conducted?" Mr. Trudeau answered: "I am not aware of any discussions which have been held within recent weeks, or even in the last few months. I am not aware of any discussions having taken place since that which was last mentioned in the House, and I believe that was late in the spring or early in the summer." (Exhibit 14, p. 8230). A supplementary question with respect to Canada's providing data, studies, or access to Canadian soil to the U.S. government for gathering of data for their Pipeline Task Force was answered by Mr. Chretien: "I do not know whether there have been some official exchanged between the Canadian and American governments in that connection. I know that some studies are now being made by the Canadian government and private enterprise." *Ibid.*

Minister Chretien was also asked about the prospects for government approval of an oil and gas line and the timing for such. He replied: "We cannot at this time say whether we will accede to a request for the construction of a pipeline for oil and gas. We are studying the situation and, when applications have been received in regard to this, the government will make a decision. We cannot do so at the present time." (Exhibit 14 p. 8230–31).

15. On November 19, 1971, in the House of Commons, Minister Chretien made a very explicit statement regarding the willingness of the government to consider a Mackenzie Valley oil pipeline. An initial question regarding whether statements attributed to Secretary Morton to the effect that the Canadian alternative was not being considered because it did not have the support of the Canadian government was ruled out of order. The question was rephrased: "Can the Minister say whether the suggested alternative oil pipeline down the Mackenzie Valley still has the support of the Canadian government?" Chretien replied: "I should like to advise and confirm to the House the continuing interest and willingness of the government of Canada to examine and discuss any proposals relating to the transport of Alaskan petroleum resources through Canada to market in the United States. Together with the Minister of Energy, Mines and Resources, I announced guidelines to northern pipelines on August 13, 1970." After an interruption, Mr. Chretien continued: "Those guidelines make it clear that, in principle, oil and gas pipelines were acceptable to the government of Canada but on the conditions stated in the guidelines." He added, in response to a supplementary question regarding the environmental and social studies, that "the government has given the highest priority to environmental and social studies on which we have spent millions of dollars. We have made a lot of progress and are ready to entertain any application." (Exhibit 15, pp. 9715–15).

This colloquy was submitted officially to the United States by the Canadian Embassy in an aide memoire of November 29, 1971. (Note 354).

16. On December 22, 1971, the Government replied in the Hansard to a motion filed by Hon. David Anderson, M.P., requesting that "a copy of the United States communication of 1970 proposing the construction of an oil pipeline from Alaska to the southern forty-eight states via Canada referred to by Mr. James Aikens of the United States State Department as quoted on page 10 of the *Washington Daily News* of 18 October 1971. be tabled." (Exhibit 16, p. 10702). The Parliamentary Secretary (Mr. Gaston Isabelle) to the Secretary of State for External Affairs replied:

"[U]nhappily it is not possible to accept the request tabled by the honorable member from Esquimalt-Saanich [Mr. Anderson] since no communication of the kind requested exists. The United States has made no formal or specific proposal involving specific Arctic pipeline projects nor has there been any substantive discussion with the United States government on this subject atlhough it was raised briefly at one meeting, between Canadian and United States officials, on the subject of bilateral trade and energy commodities. I therefore, with great regret, ask the honorable gentleman to withdraw the motion." (Exhibit 16, pp. 10702–03).

17. On January 25, 1972, A. Digby Hunt, Assistant Deputy Minister of the Department of Indian Affairs and Northern Development and a member of the Task Force on Northern Oil Development, addressed the World Affairs Council in Boston, Massachusetts. In his address, he noted that, on several occasions, Minister Chretien expressed the willingness of the Canadian government to examine and discuss proposals relating to the construction of an oil pipeline through Canada to the United States. He also discussed the status of Canadian Environmental studies indicating that "we expect that by the end of this current year we will have adequate information to deal with any application" for a pipeline. (Exhibit 17, p. 10).

18. On February 2, 1972, Mr. C. M. Drury, President of the Treasury Board, addressed the Canadian Northern Pipeline Research Conference in Ottawa. He specifically dis-

cussed the government's attitude toward pipelines and the expected timing which it should follow in acting upon an application. He said:

"There is a good expectation that by the end of 1972 the field work will have advanced to such a stage as to put the government in a position whereby it could appraise, from an ecological point of view, any applications that might be received by companies wishing to build pipelines in the north. There would then, of course, have to be very thorough hearing procedures. . . .

"I want to take this opportunity to restate our view that the Canadian Government would welcome applications to build oil or gas pipelines from Alaska through Canada in a "land bridge" to the continental United States. Any such applicatons would be reviewed in a hearing process subject to the guidelines mentioned earlier and in light of the mounting research brought to bear on these undertakings by private industry and the Government. . . .

"In the resource management of the North American land mass, all the alternatives need to be thoroughly investigated before any unilateral actions are taken. That much seems clear no matter what national strategies are to be pursued by Canada and the United States in satisfying their respective requirements for oil and gas.

"To us it appears that an oil line from Alaska through Canadian territory would have the advantage of ruling out a vulnerable tanker link to markets and would provide more economic transportation of oil to the U.S. Midwest.

"My colleague, the Minister of State for External Affairs has made clear in the House, and the Government in an aide-memoire sent to Washington last August, stated in the strongest possible terms, Canada's reservations with respect to the ecological and other hazards of movement of oil by tanker from Alaska, down the West Coast and through the Puget Sound to north western U.S. refineries. Let no one suppose that the opposition of Canadians—so effectively voiced by Members of Parliament like David Anderson—is not the genuine concern of this Government. We have made clear that full indemnity will be required for the ravages which oil spills could inflict on our coastlines.

"As far as we know, very little study has been given by the proponents of this route to the dangers of tanker movement in the restricted channels adjacent to the southern British Columbia Coast, and what little has been presented by the companies involved would only seem a first faltering step in defining the actual tonnage that would traverse this route and the precautions needed to safeguard our interests." (Emphasis in original) (Exhibit 18, pp. 12–14).

Excerpts from Mr. Drury's speech, including his estimate regarding the time when the government could appraise a pipeline application, were officially submitted to the United States government in an aide-memoire from the Canadian Embassy on February 27, 1972. (Note 49).

19. On February 3, 1972, Robert Howland, Chairman of the National Energy Board, also addressing the Canadian Northern Pipeline Research Conference, discussed requirements for northern pipelines. The National Energy Board is ultimately responsible for approval of permit applications to construct pipelines under the National Energy Board Act, although both the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development also have significant roles in the process. Mr. Howland discussed the August 1970 guidelines issued jointly by those Departments and the National Energy Board's current activity in revising them to provide more detailed guidance to industry in the form of specific regulations. He said:

"The Government announced its guidelines for northern pipelines because it was aware of the large potential benefits of northern development, including pipe lines, for the people of Canada. It wished to convey to industry its willingness to have such pipe lines built, provided that the hazards of developments are properly controlled." (Exhibit 18, p. 11).

Mr. Howland also indicated that the government was quite willing to cooperate with industry in expediting the approval process for a pipeline permit by informal conferences prior to formal application. He thus pointed out:

"Over the years the Board has found it useful to hold pre-hearing conferences with potential applicants for pipeline certificates. It may be that this practice is particularly appropriate in respect of large scale transmission lines from the north. In these instances, however, such conference might, initially at least, be with Federal agencies having specific responsibilities relating to applications for such projects. This procedure may offer a practicable method of ensuring that applications, when heard by the Board, are both complete and meaningful to industry and to government. How else can the Board be in a position to consider all aspects of the public interest in reaching its decision regarding any particular application.

"Such discussions could proceed to the point where the applicant is clearly aware of the concerns of each government agency. Against this background an applicant would be able to draft a particular section of its application and possibly review this with those directly concerned. Thus, before filing an application with the Board, the applicant would know, for example, the terms and conditions of acquiring a right-of-way for its pipeline, the requirements relating to financing both inside and outside of Canada, the nature of ownership requirements, the employment aspects for northerners, etc. Conversely, the agencies would know the nature and extent of the undertakings which the potential applicant was prepared to make and would have had opportunity to express their views as to the adequacy of the proposal.

"This does not suggest that the applicant will have entered into specific agreements with any agency but rather that the applicant will know fairly precisely what the requirements of the agencies will be. It is contemplated that their requirements will be of a detailed nature and they may also be specific to a particular applicant. Clearly, this procedure will require that government agencies have a precise understanding of the requirements which they consider representative of the public interest. Equally, they will also develop an appreciation of the practical problems which will have to be faced by a company building and operating a pipe line under the conditions of those requirements.

"Having obtained a clear assessment of the requirements of the various agencies of governments, the applicant could then proceed with its application with the Board with some confidence that it has understood and had met the detailed requirements. In other words, 'en pleine connaissance de cause.'" (Exhibit 19, pp. 17–19).

In concluding his speech, Mr. Howland stated that:

"The government is on record as being desirous of allowing pipelines, under appropriate conditions, to be constructed in the North . . . The progress of research, both in the public as well as the private sector has been such that the governent has indicated on several occasions its willingness to examine and discuss any proposals relating to the transport of Alaskan petroleum resources through Canada to market in the United States. More specifically, the Minister of Indian Affairs and Northern Development stated in the House of Commons on November 19, 1971, "We have made a lot of progress and are ready to entertain any application." Last evening, the President of Treasury Board forcefully endorsed the government's position "(Exhibit 19, pp. 20–21).

20. On February 3, 1972, Mr. L. V. Brandon, Regional Manager, Department of Indian Affairs and Northern Development, Whitehorse Yukon, addressed the Canadian Northern Pipeline Research Conference in Ottawa of legislation and activities under control of his Department regarding land and water management in the North. He discussed three principal acts, as well as current research programs needed to assist in their implementation.

The Territorial Lands Act of 1950, placing lands in the Yukon and Northwest Territories under primary jurisdiction of the Department of Indian Affairs and Northern Development, provides authority to establish land management zones and issue regulations to control land use operations. Within the zones, existing regulations require an applicant for land use operations to apply for a permit. The application must describe the proposed operation and include information necessary to evaluate its environmental impact. For construction of pipelines, an easement across territorial lands must be obtained. Mr. Brandon commented:

"The Department of Indian Affairs and Northern Development requires full environmental impact reports prior to approving an easement or lease for a pipeline project as well as provision being made for employment and training of native peoples." (Exhibit 20, p. 4).

Under the Northern Inland Waters Act of 1972, the Department is given responsibility to administer water licenses and designate water quality standards in the Territories. A "company wishing to build and operate a pipeline would have to apply . . . for the right to alter any stream where a river crossing was carried out where such a crossing may change the regime of that stream." (Exhibit 20, p. 5). Environmental impact assessment, based in part upon the applicant's report, would take place in the approval process. The Arctic Waters Pollution Act of 1972 deals with waters adjacent to the Canadian Arctic and permits establishment of regulations to control navigation and related matters.

An ultimate objective of the Department's activities, according to Mr. Brandon, is establishment of a formalized land use code under the authority of existing legislation. He indicated that much of the background information currently being developed under the Department's Arctic Land Use Research (ALUR) Program was directed toward this objective.

21. On February 24, 1972, Mr. Donald Macdonald, newly appointed Minister of Energy, Mines and Resources, gave his maiden speech in the House of Commons and discussed, among other things, the question of an oil pipeline through Canada. He stated that:

"[O]ne of the most important issues that has been brought before the House in the recent past has been the question of the West Coast tanker route proposed by the United States [in connection with the Trans-Alaska Pipeline proposal]. My colleague, the Secretary of State for External Affairs (Mr. Sharp), has made clear in the House, and the government in an aide-memoire sent to Washington last August stated in the strongest possible terms Canada's reservations with respect to the ecological and other hazards of movement of oil by tanker from Alaska, down the West Coast and through the Puget Sound, to the northwestern United States refineries.

"The recent report of the United States Coast Guard dealing with potential dangers of such an adventure has only served to enforce the view that all possible alternatives ought to be given serious study before any unilateral action is taken. In this regard, we have made clear, with the government's guidelines for northern pipelines in August 1970, that we welcome applications to build oil and gas pipelines from Alaska through Canada in a land bridge to the continental United States.

"I should here comment that a very effective program of co-operation between government and industry is one reason studies have proceeded to a point where we feel that we will be in a position within a year to receive and consider applications for northern pipeline construction. This cooperation should serve as a model for other government-industry relationships." (Exhibit 21, pp. 224–225.)

Later, in response to a question concerning the status of environmental studies, Mr. Macdonald elaborated that

"[W]e expect to make great progress in the coming field year this summer for the various studies that will be conducted. We hope then to be in a position, particularly from the standpoint of the National Energy Board, to entertain applications and to assess their sufficiency, particularly from the standpoint of economic and ecological considerations." (Exhibit 2, pp. 225–226).

22. On March 21, 1972, Minister Macdonald addressed the Independent Petroleum Association of Canada in Calgary, Alberta. Notes for his address were released by his Department. Mr. Macdonald discussed the oil and gas industry and relationships with the United States. Referring to his forthcoming trip to the United States to meet with Secretary Morton, he stated:

"One item you can be sure will be raised, will relate to the report released on March 20th by the Department of the Interior on the environmental effects of pipelining Alaska oil either by the trans Alaska and tanker route or overland through Canada. Various Ministers in the Canadian Government have made it abundantly clear in the past two years that Canada favors the development of a main oil trunkline on a north-south basis from the Arctic ocean provided it can be constructed in a manner that will stimulate the exploration for the development of our own oil potential; that it can be built to standards which will safely protect the Arctic environment; that it will bring solid benefits to the people of the North and that it is consistent with the sound management of the Canadian dollar and the national economy.

"In order to ready ourselves for the possibility of having to judge any specific applications the Government of Canada has conducted extensive field programs in the past two years and will mount a further program this year. In all we have spent about $15 million with the objective of having in hand the capability of acting on applications made any time after the end of this year.

"None of the work done by Government of Canada was requested by the U.S. authorities in completing their report. We will have to compare their conclusions with our own so that it will take some time before we can make any substantive comment on the detailed facts which they are presenting.

"One of my purposes in talking to Secretary Morton will be to learn more of the thinking of the U.S. Government with respect to their own national policies for the development and transportation of Alaska oil and gas. Will they encourage Alaska producers to make applications for a pipeline through Canada and if so, under what conditions? I will bear in mind that this subject is of fundamental importance to us all." (Exhibit 22, pp. 10–11).

23. On March 28, 1972, Minister Macdonald wrote a letter to Secretary Morton, which he delivered to him personally when he met him in Washington on March 30. He discussed the progress of both the government and industry in planning for Northern pipeline development. He described the $15 million government research program in detail and noted:

"As has been stated publicly on several occasions, we expect to be in a position by the end of this year to be able to appraise any applicaitons that might be received from companies wishing to build pipelines in the north." (Exhibit 23, p. 1).

He added that:

"The progress being made by industry is such that I would anticipate our being able to act early in 1973 to process expeditiously one or more applications to build an oil and/or a gas pipeline originating at Prudhoe Bay and traversing Canadian territory to southern markets." (Exhibit 23, p. 2).

Finally, he explicitly offered to provide information in Canadian studies to the Secretary. He said:

"As the Minister responsible for the coordination of energy policy matters, I will be pleased to keep you informed of progress in exploration and pipeline appraisals in Canada." (Exhibit 23, p. 3).

24. On March 30, 1972, Minister Macdonald held a press conference following his meeting with Secretary Morton. He discussed issues regarding oil and gas pipelines through Canada extensively. He stated:

"The principal purpose in meeting Secretary Morton was to talk to him about what is, of course, an issue of great interest in the United States, but also in Canada, and that was the proposal which has been before the American courts and the American body politic with respect to the construction of a Trans-Alaska pipeline. From the Canadian standpoint, there are two issues which it was useful to make and which I took the opportunity of referring to today. The first was the continuing concern of the Canadian Parliament, the Canadian government, and particularly of Canadians on the West Coast about the prospect of a very massive movement of oil down the West Coast, as a result of a trans-Alaska pipeline and, particularly, into the more confined waters of Puget Sound. The Secretary, I think, recognized the concern which is felt by Canadians on that particular one.

"The second purpose was to make it clear to him that the Canadian government is, and has been for some time, interested in preparing for an application which undoubtedly will be coming sometime towards the end of this year, perhaps early next, for the construction of Mackenzie Valley pipeline. And because there seems to have been a little uncertainty in the past about the government's intentions and what, in fact, it was doing, I left with the Secretary today a brief resume of the programs that we have underway, also with a prognosis as to when we'd be in a position to consider this question." (Exhibit 24, p. 1).

Despite the Canadian expression of interest, Minister Macdonald stated, regarding the attitude of the United States:

"I had the impression that, with so much effort and study invested in the Trans-Alaska pipeline, that it rather looks as though they would be giving that priority in their consideration.

"We, of course, are interested in meeting any further questions they might have about the Mackenzie Valley possibility. But I think that we'd have to face the fact that they're primarily looking at the moment at the Trans-Alaskan pipeline." (Exhibit 24, p. 2).

Mr. Macdonald indicated that the chief apparent basis for the United States government's preference for the Alaska route was that it would permit earlier delivery of oil to market. His best current estimate of the length of delay was two years. (Exhibit 24, p. 12). Discussing the question of the amount of additional imports of oil Canada could supply if restrictions were raised, Mr. Macdonald asserted (Exhibit 24, pp. 5–6):

"Well, I suppose there is an upper limit, both in terms of pipeline capacity and also reserves, beyond which we couldn't go. I think our position would be we'd like to be tested in that regard and find out what the consequences are."

25. On April 18, 1972, Prime Minister Trudeau addressed the National Newspaper Awards Dinner in Toronto. Notes for his remarks were officially released by his office. The Prime Minister, reviewing past major Canadian projects such as the construction of a transcontinental rail line and the St. Lawrence Seaway, announced a "new proposal . . . a transportation system designed to cope with the sparce population scattered resource deposits and peculiar archipelago geography of the Arctic." (Exhibit 25, p. 9). He elaborated:

"I don't know at this time the precise nature of that system. I do know, however, that it will be many-faceted, that it will be expensive, that it will bring immense benefits to Canadians in all parts of the country, and that it will be a reality in a decade.

"Part of that system, without question, will include a Mackenzie Valley corridor incorporating both oil and gas pipeline s and an all-weather highway—the first highway to join southern Canada with our third ocean coast. The cost of construction of that part of the northern transportation system will be in the neighborhood of 10 billion dollars." (Exhibits 25, pp. 9–10).

26. On April 19, 1972, in the House of Commons question period, Minister Macdonald was asked:

". . . In light of American concern over their supply of oil during the two-year period required to evaluate alternative transportation routes to the trans-Alaska pipeline system . . . whether he has made clear to his United States counterpart Canada's willingness to make oil available to the United States during this period so that a proper evaluation of a route can be undertaken free of short-term security considerations?"

He replied that:

"Both in my discussions with Secretary Morton and other officials of the United States administration in Washington and recently with Secretary Rogers last week, I made it perfectly clear that Canada was prepared to supply additional quantities of oil to the United States not only for a two-year period but a longer period and that this would be facilitated by their lifting their quota system." (Exhibit 26, p. 1440).

Appendix B

The Attitude of the Canadian Government Toward Construction of Pipelines Through Canada for Delivery of North Slope Oil and Gas (Supplement)

(By John F. Dienelt, Washington Counsel, Environmental Defense Fund and Alan G. Krams, Research Assistant, The Wilderness Society)

An earlier paper, submitted as a comment on the Final Environmental Impact Statement, Proposed Trans-Alaska Pipeline, reviewed public statements and other expressions of governmental policy by Canadian Cabinet Members and other key officials from the discovery of oil and natural gas on the North Slope to May 1972. Comments, Vol. IV, Tab I. This paper updates the earlier comment, reviewing pertinent government statements from May 1972 to July 1973.

On the basis of analysis of Canadian Government policy statements between 1968 and May 1972, the earlier comment reached two principal conclusions: (1) Canada has maintained a clear, consistent and explicit attitude of encouraging construction of both an oil pipeline and a gas pipeline through Canada to transport North Slope oil and gas to the lower 48 United States; and (2) government procedures for considering and approving an application to construct a pipeline would cause insignificant delay, if any. The statements of the Canadian Government in the past year, analyzed chronologically below, fully reinforce those conclusions.[1]

27. In remarks to a public meeting in Edmonton, Alberta on April 28, 1972, Prime Minister Trudeau, noting "the desire of Canadians to preserve their environment" said (p. 7) that "[t]here is not the slightest doubt that we will soon be able to overcome all of the physical difficulties associated with the construction of all-weather highway and transmission lines for oil and natural gsa from the Arctic slope to the centers of population of this continent. Before we build them, however, we must be equally certain that these facilities will not lead to ecological devastation or disregard for the life-style and the treaty claims of the original inhabitants of the north." Citing the Mackenzie Valley as "the first all-purpose northern transportation corridor" he reminded the people of Edmonton of the economic benefits that will accrue to them from the development of this area.

Trudeau promised that the Canadian government will continue its heavy investments for development of the Northwest Territories. As an example he mentioned Canada's 45% interest in Panarctic, which has made "recent dramatic oil strikes on Ellesmere Island."

The first step is to be construction of an all-weather highway up the Mackenzie Valley, now justified by obvious benefits. Trudeau declared construction would begin in the summer of 1972. "The route will be carefully selected so that it will be of use should oil or gas pipelines be built along the Mackenzie Valley. It will be built ahead of any pipelines and will therefore offer considerable cost savings to them during the construction period. For this reason, the government intends to recover some of the highway construction costs from the pipeline companies."

28. On May 4, 1972, Minister Macdonald wrote a letter to Secretary Morton, discussing the Canadian alternative in some detail In it he said (pp. 2–3):

"There would be many advantages arising from the use of a Canadian pipeline route. We believe it would enhance the energy security of your country by providing an overland route for your Alaska oil production, thereby servicing the oil deficit areas of the mid-continent and also the Pacific North West. Although cost comparisons of the trans-Canadian and trans-Alaska routes are interesting, they will, of course, not in the strictest sense be subject to direct comparison since the Canadian costs provide for placing Alaska North Slope oil directly into the mid-continent and Puget Sound markets. Canada has an interest in the energy security of your country, and this land route for Alaska crude oil would enhance that security of supply to deficit areas in the United States. Furthermore, this security of supply could be further enhanced during the interim period of northern pipeline construction by *extra Canadian* crude, as I indicated in my remarks in the House of Commons on April 19th.

"The Mackenzie route would, of course, be advantageous to Canada in that it would give access to our potential oil resources in the northern Yukon and Mackenzie River areas. Within Canada, also, there would be benefits to the economy of these northern regions from this new activity and opportunities for the employment and training of our Native peoples.

"In reciting some of the advantages to the United States and aCnada of a co-operative relationship between us in the construction of an oil pipeline across Canada, I am mindful, too, that such a measure would avoid the considerable increase in tanker movements of oil on the Pacific Coast and particularly in the inland waters of Alaska, British Columbia and Washington State, and the resultant significant risk of serious environmental and economic damage. This is an area which if not solved with reason and wisdom by us today, could produce difficult influences in Canada-United States relations.

"In considering the environmental impact of oil pipelining in northern Canada, it should not be overlooked that there are current proposals being studied by gas transmission and distribution companies for a gas pipeline from Alaska through Canada to the continental United States. If these proposals are successful, there will be environmental disturbance in any event."

On the matter of environmental studies, Macdonald wrote (pp. 3–4):

"As you are well aware, the comments made in the Report (the FIS) on the so-called Canadian alternative are based on data in the public sector, some of which have become out of date and very little of which was produced in the last two years. Your officials did not ask for any technical assistance from Departments of the Government of Canada in connection with the environmental aspects of this study. I brought to your attention during our meeting, and by way of a letter dated March 28, 1972, the substantial program of work in the environmental field which my Government has been undertaking with the commencement of the 1970 field season. In addition, we have recently made public and have provided to your State Department a list of the thirty environmental and social studies under way at this time and scheduled for completion later this year.

"We are of the view that your consideration of the Canadian alternative could benefit substantially from a knowledge of the work which has been done by both industry and government and which is to be completed this year. A result of detailed consideration would lead, in our view, to an improved appreciation of the advantages in an environmental sense of the Canadian alternative."

Macdonaldc oncluded (p. 4):

"I would confirm to you my comments in Washington on March 30th last that, in the opinion of our technical advisers, there should be no reason why regulatory and governmental consideration could not be given in an expeditious manner commencing with an application filed by the end of this year."

29. In a May 11, 1972 address to the Pipe Line Contractors Association of Canada Jean Chretien, Minister of Indian Affairs and Northern Development told his audience (p. 2–3) that "[T]here is still some doubt whether the first pipeline will carry oil through Alaska or whether it may come through Canada. The environmental advantages of the 'Canadian alternative' are obviout and well known. There is no doubt, however, that a gas pipeline *will* be built through Canada. Indeed, a gas pipeline from the Delta now seems a certainty. I can only repeat that the government is ready at any time to receive an application for an oil or a gas pipeline. By the end of the year environmental and social studies will be in our hand." Then the normal permit process can begin. The money going into the Mackenzie Highway is "a clear indication of the present government's commitment to northern development." (p. 5). The pipeline companies are being consulted to assure that highway construction takes account of the latest thinking on pipeline routes, so that it can be of maximum advantage when pipeline construction begins. Chretien reiterated the government's desire for the pipeline companies to share the cost of the road.

In addition to highway construction Chretien said that at least $15 million is being expended on environmental and social studies in preparation for the pipeline.

30. In a press release issued on May 11, 1972, the day that Secretary Morton indicated his intent to approve TAPS, Minister Macdonald said (p. 1), "the government of Canada remains convinced that the alternative Canadian route through the Mackenzie Valley is the best from all aspects." Citing a letter written to Secretary Morton just days before, the release stated (p. 1). "The letter repeated that the U.S. government had not availed itself of the extensive Canadian studies which have been carried out on the north by the Canadian government and industry on ecological and environmental aspects of the pipeline construction."

The Minister was troubled by the Secretary's apparent requirement that any pipeline would have to be totally under U.S. control and totally for U.S. use. He pointed out that any pipeline in Canada would have to be a common carrier.

31. In the May 15, 1972 Question Period, Mitchell Sharp, Secretary of State for External Affairs was asked if he had received a response from the United States to his April 26 request to Secretary Rogers that the issue of west coast water pollution be considered by the International Joint Commission.

Mr. Sharp indicated (p. H. 2254) that no response was received, either before or after Secretary Morton approved TAPS. Sharp also said he had received no reply to his representations that tankers should not move through the Strait of Juan de Fuca and Georgia Strait.

32. On May 15, 1972, the House of Commons passed a motion that the U.S. be advised of the view of the House that the tanker shipments required by TAPS pose an environmental hazard to the west coast of Canada.

33. According to a letter dated May 15, 1972 from A. B. Yates, Chairman of the Interdepartmental Committee on Northern Roads to the Chairman of the Task Force on Northern Oil Development, reporting progress on the Mackenzie Valley Highway, the Cabinet approved allotting $4 million to Minister Chretien's proposal to accelerate building of the Mackenzie Highway, and asked the Minister to report back with a detailed plan relating the schedule of construction and financing of Mackenzie Highway to the Northern Roads Program as a whole.

Yates also points out (p. 2) "that the principal reason for accelerating the completion of the Mackenzie Highway was to ensure optimum benefits to potential pipelines . . ." A meeting was held with the Pipeline Consortia on May 5, 1972. "Items discussed were route proposals, the corridor, construction, scheduling, access roads, and the location of a pipeline relative to the highway. All Consortia appeared pleased with the Government's decision and were not unduly dismayed by the Government's announced intention to recover part of the cost of the highway from the Pipeline Authority" (p. 2). The Consortia agreed to present their views on a highway route by May 15, 1972.

34. On May 19, 1972, Minister Macdonald delivered an address to the 1972 Western Area Conference of the Financial Executives Institute in Victoria. In his notes for this address, the Minister said (p. 9) that, "[i]n my view Canada has and will continue to be a secure supplier of petroleum products to U.S. markets." Mentioning Secretary Morton's apparent concern that the U.S. have total control over shipments through

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[1] Summaries of the various public statements and other expressions of policy are numbered consecutively from the last number of the original comment. The full text of the statements appear as Exhibits with the same number in the Appendix to the supplemental paper.

any North Slope pipeline, Macdonald said (p. 9), "A condition that Canada could not benefit by the transport of Canadian oil or gas in a pipeline crossing near major Canadian reserves would never be acceptable for either gas or oil pipelines through Canada to the U.S." Macdonald pledged to continue to convey to the U.S. the Canadian concern over pollution of its west coast by oil tankers from Valdez.

35. Minister of Indian Affairs and Northern Development, Jean Chretien, delivered an address to the First Conference of the Canadian Arctic Resources Committee on May 24, 1972. In that address he stated (p. 17) that there would soon be available "a progress report on all environmental projects connected with future pipeline routes." Chretien criticized those who wish further delay in Arctic development to give more time for study. "This approach is no more realistic than that of the exploiter who wants unrestricted freedom to extract minerals without regard to social or environmental consequences" (p. 18).

36. Minister Macdonald spoke to the Canadian Gas Association in Toronto on May 29, 1972. In notes prepared for the address, the Minister said (p. 5) that he was disappointed with the approval of TAPS "because cooperative action would, we believe, have helped reduce the costs of bringing both Alaskan and Canadian hydrocarbons to market."

The Minister emphasized that any pipelines through Canada, either gas or oil, will be required to carry Canadian as well as American throughput.

37. On June 9, 1972, speaking in debates in the House of Commons, Minister Macdonald stated that feasibility studies for a Mackenzie Valley pipeline had been underway for about three years and were expected to be completed by the end of the summer of 1972. The government spent $15 million on this research. In response to opposition charges, the Minister indicated that at least as early as July 1968 the Canadian government had communicated its interest in a Mackenzie Valley pipeline to the oil industry.

The Minister pointed out that the U.S. has been made fully aware of Canada's fears of pollution from oil spills on the west coast. He specifically mentioned a meeting between Canada's SSEA and Secretary of State Rogers on June 10, 1971, and *aides-memoire* from Canada on June 29 and August 20, 1971.

38. On June 9, 1972, the House of Commons unanimously adopted the following resolution (H. 2995):

"That in the light of the damage in Canada and the United States of America arising from the recent oil spill at the Cherry Point refinery, this House supports the urgency of a reference to the International Joint Commission of the environmental consequences of the movement of oil in the narrow waters of the Straits of Juan de Fuca, Georgia Strait, and Puget Sound both now and in the future and of the measures necessary to minimize the hazards, and requests the Secretary of State for External Affairs to immediately convey the terms of this Motion to the Government of the United States of America, and that the International Joint Commission have a mandate to utilize and requisition such financial and other resources of Canada and the United States of America as will best and soonest restore the ecology and environment on the West Coast to pre-spill conditions."

39. On June 13, 1972, Minister Macdonald indicated, in response to questions in the House of Commons, that unofficial information was that two consortiums had agreed to build a gas pipeline down the Mackenzie Valley.

He reiterated the point he made on June 9, 1972, saying (p. H. 3086), "Mr. Speaker, I tried on Friday to convey to the hon. member the fact that for some considerable time the government of Canada has tried to persuade the United States to ship not only gas but oil down through the Mackenzie delta system. However, the United States government has indicated through Secretary Morton, that it has decided otherwise. We would still be happy to make provision for this. The research we have carried out in respect of Arctic ecology and the Mackenzie Valley generally would apply in respect of both possible gas and oil pipelines."

40. On June 28, 1972, the Canadian Government issued a draft of "Expanded Guidelines for Northern Pipelines" which reaffirmed the Canadian Government's desire for a "common corridor" although recognizing the need for flexibility in the application of the concept. The Guidelines show considerable foresight by requiring the applicant for the first pipeline (whether oil or gas) to demonstrate the suitability of the route selected for the other pipeline.

41. On September 28, 1972, Minister Macdonald replied to a telegram sent by the Committee for an Independent Canada. Discussing a possible gas pipeline in the Mackenzie Valley, Macdonald said (pp. 1–2), "From the standpoint of Canadian gas consumers, a pipeline which would also accommodate Alaskan gas for sale in the United States would be advantageous since it would mean that part of the heavy cost for creating a pipeline would be borne by the American consumers."

Macdonald went on to say that formal legal control of any pipeline * * * in Canadian hands. Additionally, he stated (p. 2) "that [t]he government also is concerned that the corporate control of the enterprise should rest in Canadian hands and that Canadians *should have the opportunity* to hold a majority of the voting shares of the corporation." (Emphasis added.) He also stated that a government condition for any pipeline would have to be "designed, planned and executed by Canadian scientists, engineers and construction companies" (p. 2).

Macdonald noted that government approval of a pipeline cannot be given until an application is approved by the National Energy Board.

42. On October 12, 1972 Minister Macdonald replied to another telegram from the Committee for an Independent Canada, written as a follow-up of Macdonald's September 28 reply.

Macdonald was pressed for firmer assurances that majority ownership in any pipeline will be Canadian. Macdonald replied (p. 1), "The objective is to have majority Canadian equity ownership of the company." (Emphasis added). He reiterated (p. 1) that "Canadian management would be a condition of approval."

Elaborating on the question of Canadian ownership of the planning, designing and construction companies, the Minister asserted (pp. 1–2):

"Our position in this area is that we expect the engineering design team put together by the pipeline sponsors to have majority Canadian ownership and control, thereby providing the opportunity to increase significantly Canadian company competence in this field while, at the same time, being fair to Canadian subsidiaries who have operated as good corporate citizens in this country and who employ large numbers of Canadians. . . .

With regard to pipeline construction companies, significant competence already exists within Canadian-owned and controlled groups. To set a condition which would automatically exclude other companies [meaning companies doing business in Canada] from bidding on all or parts of the project would, however, severely restrict the competitive nature of the bidding practice and thereby possibly result in unnecessary costs and perhaps unwarranted profits. We do not intend to do this but are expecting that at all times preference be given to Canadian-owned and controlled groups during the construction of the project and in the supplying of materials."

Macdonald noted that while the government has no prior commitment to a pipeline, its environmental studies are being undertaken to put it in a position to evaluate any applicant (p. 3). "There seems little doubt that a pipeline will at some time be constructed in view of the indications of a successful exploration program in the region of the Mackenzie delta."

43. On January 24, 1973, Minister Macdonald attended a discussion of the Mackenzie Valley pipeline, held in Toronto. In his notes prepared for this discussion he pointed out (p. 3) that [i]n order to keep the cost of transmission, and therefore the ultimate cost of gas, as low as possible for Canadian consumers, it has been proposed that the American demand for gas should be exploited in two ways: by providing a market for some of the Canadian gas, i.e., gas surplus to the foreseeable Canadian needs; and by incorporating Prudhoe Bay gas in the pipeline transmission system so that the American gas consumer will wind up paying a substantial part of the cost of construction of the pipeline."

On the subject of environment, Macdonald had this to say (p. 5):

"Because of the potential impact of such development on the north, the Federal Government has instituted a research program aggregating up to $19.5 million covering a whole range of questions related to a pipeline, from the impact on fish and animal life, water flows, vegetation and permafrost right through to the sociological and archaelogical impact of the pipeline. Many of those studies are now completed, or will be completed in the near future. Their primary purpose is to put government in a position so that it can judge a pipeline application when it comes before it, but there will also be a value to all of those interested in a pipeline, whether the applicant or those putting other viewpoints before the federal agency.

"In addition to these, of course, there have been substantial studies by industry, by the two groups now amalgamated in Canadian Arctic Gas Study Limited, as well as by Mackenzie Valley Pipeline Research Limited, into the question of a possible northern oil pipeline. Unlike the situation in Alaska with relation to the Trans-Alaska Pipeline, a great deal of study and research has gone into resolving these environmental problems before a pipeline proposal has been put forward, rather than contemporaneously with it."

Macdonald added that a National Advisory Committee on Northern Pipeline Financing was being established to study the economic implications of a Mackenzie Valley pipeline. He stated that Canada would desire formal legal control over the pipeline as well as management by Canadians. On the issue of ownership, he remarked (p. 7), "We have made it clear that we would expect that a majority of the equity *would be made available* for Canadians and that the management would be Canadian." (Emphasis added.)

44. Responding to questions, Minister Macdonald indicated in Parliament on January 26, 1973, that the Canadian government considers a Mackenzie Valley gas pipeline essential. "Without such a pipeline Canadian needs in the future cannot be met" (p. H. 684).

With regard to the commingling of Prudhoe Bay and Canadian gas, Macdonald said (p. H. 684):

"The intention would be in the early stages to have a substantial portion of the capacity devoted probably to the transit of Alaskan gas through to the central American market. Of course, the reserves available in the Mackenzie Delta would not be available to Canadian markets without the construction of a pipeline. So at the initial stage no doubt Alaskan gas will form a large part of the throughput, but as Canadian demand rises, as we expect it will, to meet the level of the pipeline, Canadian gas will form a larger portion."

Macdonald expects the throughput of the pipeline, in its early years, to be about 1 billion cubic feet per day above current Canadian needs.

45. In answering questions in Parliament, Minister Macdonald stated on February 14, 1973, (p. H. 1281), that his government was still interested in hearing from the United States with regard to an oil pipeline down the Mackenzie Valley, but that no further representations had been made.

46. On February 16, 1973, during Question Period, Prime Minister Trudeau said that he indicated Canada's displeasure over marine transportation of oil along its coasts directly to President Nixon last spring. He also noted the many expressions of displeasure by various officials in the Canadian government, "which have been made known very strongly at all levels in the U.S.A." (p. 2).

47. On March 1, 1973 Minister Chretien appeared before the House of Commons' Standing Committee on Indian Affairs and Northern Development.

In response to a question about using a railway to bring Arctic resources down the Minister said that the government has an open mind on alternatives:

"But probably those who want to get the resources out will bring some proposition to the government in order to get out the resources they have discovered in the North . . . As a government we are sitting here and we say to those who would like to have the resources out, come to us with some proposition.

"In my judgment, it is quite evident that the gas can be much more easily transported by pipeline . . . The cheapest form of transportation for gas is, at this time in the development of technology, a gas line." (pp. 20–21)

The Minister indicated he is unsure of when or whether an oil pipeline will be applied for because of the TAPS controversy in the United States:

"We as a government have said to the Americans many times that we oppose the shipping of oil along the British Columbia coast, and that we would prefer to have an oil line on the ground because there is much less danger of pollution with a pipeline than with a ship." (p. 21)

48. In a television interview aired on March 18, 1973, Minister Macdonald was asked, "Do you think that they would ever agree to shipping their oil over Canadian territory?"

Macdonald replied (p. 3):

"Oh, yes. From time to time some of the oil companies that are opposed to a Canadian route have suggested there's an insecurity problem but in fact it's not as though there aren't some Canadian hostages to fortune. The two major pipelines supplying the eastern Canadian market both run through American territory, so if they feel there's an insecurity in the fact that they would have one crossing our territory, we've got one with regard to theirs, too. I don't think the insecurity argument is one that is a very serious one."

Later in the interview, Macdonald added (p. 3–4):

"I think there is a basis for very legitimate concern on the west coast about the risk of a tanker spill which the Trans-Alaska route involves. I don't think prima facie the Canadian government would rush into a Mackenzie route as a possible corridor to bring American products down, but faced with the fact that we may be threatened by an oil spill on the west coast, this seemed like a good and more positive approach to offer it to them. The advantage, I suppose, of having American involvement in shipping Alaska products through this kind of a system is that over the long run we can get a transmission system, either a railway or a pipeline, constructed basically at the expense of the American consumer, American producer and consumer. It's clear that in the early years Canada and Canadian needs won't require this kind of shipment of either oil or natural gas down the Mackenzie Valley but if we did construct this kind of a pipeline system basically for their needs in the early stages then we could, of course, phase our own (Voice overlap)—"

When asked how far ahead Canada has no need of Arctic resources, Macdonald said (p. 4):

"To be quite specific about it there doesn't seem to be a prospect at the moment of—and further drilling could determine this—of bringing oil down from the Mackenzie Valley. The finds just haven't been there. The gas finds are substantial and from a Canadian standpoint we can rely with the protection through the National Energy Board, we can rely on western Canadian gas well into the 1980's for our needs."

With reference to his May 4, 1972 letter to Secretary Morton, Macdonald was asked, "Does your first statement still stand that said (1) we are willing to entertain applications for a Mackenzie line and (2) supply them [the U.S.] with oil in the interim if they choose a Canadian line?"

Macdonald replied (p. 4):

"One, yes, and I think that we can meet two, the second objective, as well. Basically the—we are now supplying the Puget Sound refineries on the American west coast through the Canadian Trans-Mountain system. They are starting to get some tanker shipments from overseas. But I think that we would make every effort to try and meet the increased demand of the Puget Sound system in that period of years before the whole system, the whole Alaskan system could come into operation."

Asked about financing of a pipeline adversely affecting the Canadian dollar, Macdonald said (p. 5):

"If the Americans came back and said to us, "Look, we've had second thoughts on that Trans-Alaska Pipeline. We would like to take you up on your willingness to entertain an application about the oil line through the Mackenzie route," I think the interests of the west coast would dictate that the government of Canada should enable that kind of application to go ahead."

49. On March 19, 1973, Minister Macdonald indicated in the House of Commons that the danger of West Coast spills inclined the Canadian Government to be favorably disposed toward a trans-Canada route for North Slope oil even if it did not appear that there were sufficient oil reserves in the Mackenzie Delta to utilize such a system. However, in response to a remark that "the government seems to have pretty well made up its minds . . . to proceed with the Mackenzie Valley project," Minister Macdonald asserted: "In my remarks on television I said that the government would be prepared to entertain an application. Since the jurisdiction rests with the [National Energy Board] it would, of course, have to decide in the first instance whether an application could go ahead." (2341). When pressed further he adhered to his Government's consistent position of not giving advance approval for a Canadian pipeline:

"I repeated on the weekend . . . to all Canadians, as I have repeatedly said in the last year or so, that we would indeed entertain such an application. However, because of the National Energy Board Act and the jurisdiction of the board, of course no government of Canada is in the position to give an advance commitment that such pipeline may be built. We would, however, entertain such an application." (2342)

50. On April 3, 1973, the Canadian Secretary of State for External Affairs, Hon. Mitchell Sharp, held a press conference in Chicago. When asked for the Canadian position on TAPS, he said that Canada was deeply concerned over possible oil spills while transporting the fuel to west coast markets. The Canadian government feels, he stated (p. 1):

"That those dangers can be better controlled (by a pipeline through Canada) than they can on a tanker route down the Pacific coast particularly through these narrow waters. So if the oil companies concerned want to apply to build a pipeline through Canada, Canada is prepared to hear and to listen. We, under the laws of Canada cannot as a government approve or disapprove. Our procedures are rather like those of the United States, we have a National Energy Board. The application to build a pipeline must be made to the National Energy Board which looks at all factors that are involved and makes a decision."

51. In a letter which appeared in The Economist, on April 7, 1973, Minister Macdonald said (p. 2):

"As far as a possible alternative through Canada is concerned, the Canadian government is on record as being willing to consider the movement of oil from Prudhoe Bay by a pipeline up the Mackenzie River Valley, provided the detailed environmental and social studies now being completed indicate that this project could be undertaken and operated without serious environmental or social consequences."

52. On April 9, 1973, Minister of Environment, Hon. Jack Davis, met with CEQ Chairman Russell Train. As reported by Mr. Davis to Parliament, on April 10, Mr. Train was made aware of "the impressive list of studies being carried out by the Canadian government and industry to ensure the protection of our nothern environment, especially in respect to the Mackenzie Valley corridor" (p. H. 3127). Again, Canadian concern over tanker spills was voiced to the United States, and an agreement was reached to jointly study the pollution hazard in the Georgia Strait-Puget Sound-Juan de Fuca Straits area.

53. Minister Macdonald made an appearance before the House of Commons' Standing Committee on Natural Resources and Public Works on April 11, 1973. In response to questions he stated that environmental studies of the Mackenzie Corridor already completed are "very extensive," and Mr. Train, Chairman of CEQ, was given this material in his meeting with Minister Chretien.

"On the last list I saw, I think there were more than 50 studies already published. We are expecting that as many again, if not more, will be available midway in this year, and of course many more will be available a little later in the year." (p. 18)

Noting that Secretary Morton was concerned about the security of the U.S. supply of oil through a Canadian pipeline once Canada develops its own oil in the Mackenzie Delta, Macdonald stated (p. 22):

"Personally, I do not see it as a major deterrent because what very probably would occur would be a looping of an existing facility, rather than displacement of a facility already in place."

The Minister also indicated his belief that there will be an application for a gas pipeline in the last quarter of 1973.

Macdonald reported suggesting to the U.S., in 1972, that oil shipments to Puget Sound refineries be made via pipeline instead of ship to avoid spills in that area. As to American reaction, Macdonald said (p. 20):

"I think it is fair to say that, in the United States administration's enthusiasm for the

Trans-Alaska Pipe Line System and the tanker route, that suggestion was rather brusquely rejected."

Reiterating the Canadian position that they expect to share in throughput capacity of any pipeline, Macdonald said, referring to a gas pipeline (p. 22):

"This will represent a novelty in arrangement and I think it is clear that there may be the necessity for some kind of operating agreement. I would think the Americans would like to have some satisfaction that, if such a line is constructed, they could be assured of some minimum capacity, at least through the line."

54. On April 12, 1973, Minister Chretien appeared before the House of Commons' Standing Committee on Indian Affairs and Northern Development. In a statement to the Committee, Chretien stated (p. 5):

"The decision taken in April (to accelerate building of the Mackenzie Highway) was based on the oil and gas discoveries at Prudhoe Bay and in the Mackenzie Delta; the possibility of a gas or oil pipeline being constructed in the relatively near future to transport the natural gas reserves to market; and the value that an all-weather road alongside a potential pipeline route would have for the construction of that pipeline."

Construction is expected to begin in 1974 on the section from Camsell Bend to Ft. Good Hope. A completion date has not been set. Considerable environmental research has been, and is being done.

In response to questions, Mr. Chretien indicated that a study of environmental problems associated with a pipeline had been completed. A list of people engaged in studies was given to the Committee on March 1.

Chretien indicated that environmental considerations were receiving careful attention in the government. Work was stopped last December to permit more time to gather environmental information and, "[w]e have not yet decided to build the road above the Camsell Bend because we do not have all the information as yet" (p. 13). Chretien says that the pipeline companies are now claiming that they do not need the road, because they do not wish to pay for it. When asked if the pipeline companies will contribute to the road if a pipeline is built, Chretien replied, "If I am the minister, yes . . ." (p. 15).

Chretien again reiterated that Canada had made its view on TAPS very clear and that it was ready to receive applications for a pipeline through Canada, because "[w]e have to be realists and we have to offer an alternative" (p. 16). Chretien added (p. 16) that, in spite of the problems:

"[T]herefore, there are many question marks, but it is the desire of the government to have a pipeline eventually or perhaps other means to get those resources for the benefit of the Canadian people."

When asked how the people in the Mackenzie Valley feel about the highway, Chretien replied (p. 18):

"There will always be a certain number of people who will not be in agreement, however, I believe that the great majority of the inhabitants in the Mackenzie Region are in favour of the construction of the highway."

55. On May 9, 1973, Minister Chretien addressed the Petroleum Society of the Canadian Institute of Mining and Metallurgy in Edmonton, Alberta. In notes for that address, he said (pp. 8–10):

"As I have announced in Ottawa, public hearings will be held under the Territorial Lands Act after the Department receives an application for a pipeline right-of-way covering Crown lands which are within the Territories and under the administration of my Department. The purpose of these hearings, which will be in addition to those to be held by the National Energy Board, will be to assess the regional, socio-economic and environmental implications of the construction and operation of a major pipeline in the Territories.

"Any application to my Department for a pipeline right-of-way must be based on a viable project proposal and must be accompanied by detailed documentation of research pertaining to those areas of social and environmental concern enunciated in the Government's Guidelines for Northern Pipelines. Industry in making its application under the Territorial Lands Act must, by way of environmental and social impact statements resolve these potential problems to the Government's satisfaction, before right-of-way is granted.

"A 'viable project proposal' in this context will be one which in its essentials meets the requirements set down in the National Energy Board Act for inclusion in an application for a Certificate of Public Convenience and Necessity. Of particular concern to us will be evidence as to the availability of oil or gas to the pipeline."

56. In the May 14, 1973 Question Period, Prime Minister Trudeau was asked, "whether it is government policy to give the Alaskan oil tanker route the green light, as published on Thursday?" Trudeau replied (p. H. 3713):

"Mr. Speaker, I am not aware of the publication on Thursday that the hon. member refers to. I can say that government policy has not changed in this regard. It is that we do not favour the route from Alaska which would take oil tankers over the ocean into waters that are very narrowly confined between the United States and Canada. That is still our policy, and our policy is still to indicate that the Mackenzie route is one which we would be prepared to consider if there is application made in the proper form, and that we would be very happy to follow up on that."

57. In the House of Commons on May 16, Minister Macdonald was asked whether a study of a proposed route for oil from Alaska, through the Yukon to British Columbia, indicated a change in Canadian feelings towards the Mackenzie route. Macdonald said (p. H. 3838):

"No, Mr. Speaker. The view we take continues to be that the Mackenzie Valley would be the best route for bringing Prudhoe Bay oil to southern markets. However, in the case of a serious proposal, such as we believe Premier Barrett's was intended to be, the government does feel an obligation to have an investigation of this alternative route to determine whether or not it is feasible and, in general, whether it would be in the national interest to promote it further."

Macdonald also made mention of the fact that Canada had spent $20 million studying ecological problems associated with oil and gas pipelines.

58. On May 22, 1973, in the House of Commons, debate developed around a draft report of the economic impact committee of the task force on northern development. The report supposedly stated that a Mackenzie Valley gas pipeline would have serious unfavorable effects on the Canadian economy as a whole. Minister Macdonald acknowledged the existence of the report, but called it an "internal discussion document" (p. H. 3949) for government use only. While some members of the House called for consideration of any pipeline application by Parliament, Macdonald said the procedure would remain that an application goes first to the National Energy Board and, if approved, to the government for a final decision. The Minister also pointed out that by the end of 1973, he hopes to have available a study on the use of a railway as an alternative to a pipeline.

The discussion turned again to the draft report, with Prime Minister Trudeau commenting (p. H. 3950):

"I am informed that the report to which reference was made is an earlier draft of a report which was part of a series of studies that form the basis of recommendations to the various ministers and, by them, to cabinet. . . . There was a decision made by government. The hon. member has referred to statements by ministers. We cannot, of course, be bound by working papers of officials, especially earlier drafts of working papers by officials. If we want officials to give their unbiased opinions, it is clear that in some cases there will be elements of these things which will be contradictory of the final decision reached by the Government."

Once again, the issue of Canadian ownership was raised. Minister Macdonald said (p. H. 3951):

"Mr. Speaker, I have indicated that the objective of the government would be to give an opportunity to Canadians to acquire 51 per cent of ownership in any such pipeline and the expectation that it would remain under Canadian control."

59. On May 23, 1973, Minister Macdonald indicated in response to questions in the House of Commons, that by the end of the year, the government will have completed the studies necessary for it to assess any application for a Mackenzie Corridor pipeline. Once a specific proposal is before the government, it can render its decision.

60. On June 4, 1973, Minister Macdonald received questions in Parliament about conversations with various U.S. Senators and other officials. Mr. Macdonald stated (p. H. 4383) that he informed the Senators "that the government was prepared to consider a Mackenzie Valley route as an alternative to the Alyeska proposal as one way of protecting the west coast of Canada from the tanker risk."

61. At question period on June 7, 1973, Minister Macdonald referred (p. H. 4529) to discussions recently had with U.S. Senators:

"I indicated to the American senators, as I have indicated to the House many times, that the preference obviously is to have a Mackenzie Valley route which would obviate the necessity for tankers at all on the west coast, but that a second alternative would be, if that were not achievable, to repeat the offer made last year that we would continue to supply the Puget Sound refineries through the transmountain oil pipelines."

62. In the House of Commons Question Period on June 8, 1973, Minister Macdonald received a question about Canadian action to prevent pollution of its west coast because of TAPS.

Macdonald replied (p. H. 4570):

"Our distinct preference is to have a Mackenzie route, subject, however, to an application being made under the law which has been passed by this parliament. The United States administration, of course, insists on handling its own resources in a different way. We have made clear to the United States the possibilities of a Canadian route, but I do not think we are really in a position to direct them as to how they should dispose of their resources within their jurisdiction."

63. On June 14, 1973, Minister Macdonald announced the immediate imposition of temporary controls on oil exports. Speaking to Parliament, Macdonald said (p. H. 4744):

"Because of the very substantial differences which exist between American and Canadian prices, there was no assurance that exports of these products could be voluntarily limited at this time. . . . The duration of the temporary period will be related to improvement in international supplies of refined oil products and also to the expansion of refinery capacity in eastern Canada."

Mr. STEVENS. Mr. President, the Conference of Western Attorneys General adopted a resolution at their 1973 annual meeting urging the earliest possible action by Congress on legislation to permit immediate construction of the trans-

Alaska pipeline with adequate environmental safeguards. Such legislation would include S. 1081, Senator Jackson's bill to permit wider rights-of-way for oil and gas pipelines in Alaska and elsewhere.

As all of us in Congress are aware, section 28 of the Mineral Leasing Act of 1920 imposes an arbitrarily narrow right-of-way limitation—25 feet on either side of the pipeline—on oil and gas pipeline crossing Federal public lands. This limitation formed the basis for the Court of Appeals' holding that the proposed trans-Alaska pipeline violated Federal law and must be enjoined.

It is imperative that at the very least Congress amend this statute to permit oil and gas pipelines in Alaska and elsewhere throughout the United States to be built. Discretion must rest with the Department of the Interior, the agency with jurisdiction over Federal public lands, to permit wider rights-of-way if necessary because of the size of the pipeline and equipment servicing it, and if the construction company and owner can provide assurance that adequate safety and environmental protection features will be incorporated in the line.

Congress will soon be faced with this legislation, which is also being considered in the House Interior Committee at the present time. Many States, including Alaska, in all parts of the country urgently need this legislation.

The resolution of the western attorneys general is but one of a number of such resolutions I have received on the subject. It is indicative of the growing concern throughout the Western United States and other parts of the country.

The trans-Alaska pipeline must be built. We need energy critically at this time throughout our country.

I request unanimous consent that the resolution be printed in its entirety in the Record at this point.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Construction of the Trans-Alaska Pipeline

Whereas our nation is facing an energy shortage of increasingly serious proportions, and

Whereas the development of the oil and gas resources of Northern Alaska, among other potential fuel development initiatives, offers the prospect of significant relief from the deepening energy crisis; and

Whereas the Congress has before it various measures which would expedite the completion of an environmentally sound transportation system bringing this resource to the nation;

Now therefore be it resolved by the Conference of Western Attorneys General in annual meeting assembled on May 16, 1973 at Scottsdale, Arizona, that the Congress is urged to take action to allow the commencement of construction of the trans-Alaska pipeline, under adequate environmental safeguards, at the earliest time possible.

FURTHER EVIDENCE IN SUPPORT OF THE MONDALE-BAYH AMENDMENT

Mr. McGOVERN. Mr. President, as we debate and consider S. 1081, the so-called Alaska pipeline bill, a factual grey area is clearly emerging on whether the Alaskan route would better serve the needs of this country than the Canadian route.

The critical questions are: which pipeline would deliver oil the soonest; which poses the smaller environmental risk; which will cost the consumer the least; and which will provide us with oil and gas where it is needed—in Midwestern and Eastern markets.

The National Journal recently published an excellent article by Richard Corrigan which sheds a good deal of light on those questions.

Among the facts which Mr. Corrigan points out are:

Edward L. Patton, president of the Alyeska Consortium which wants to build the Alaska pipeline, estimates that 25 percent of North Slope oil would be exported to foreign markets commencing in 1980.

Knowlegable experts estimate that the Alaska pipeline would produce a surplus of oil on the west coast of between 600,000 to 1,000,000 barrels per day by 1980.

The oil industry plans to use foreign tankers to circumvent the provisions of the Jones Act.

While oil interests pay lip service to transporting Alaskan oil to the Midwestern and Eastern regions of the United States, they have no realistic plan for actually doing this.

I ask unanimous consent that the text of this article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the National Journal, July 31, 1971]

Resources Report/Japan May Get Some Alaskan Oil; Foreign-Flag Shipping of Exports Is Likely

(By Richard Corrigan)

A growing Japanese presence in Alaska is adding new dimensions to the controversial trans-Alaska oil pipeline project.

If and when the oil beneath the state's North Slope is pumped to market, it will travel across the state in 48-inch steel pipe made in Japan.

And, once the oil reaches the Gulf of Alaska port of Valdez, some of it is likely to be carried in Japanese tankers—to Japan.

"Japan is a natural market" for Alaskan oil, said Hideo Yoshizaki, commercial counselor at the Japanese Embassy in Washington. "We are so much reliant on the Middle East," he said. "We are very hungry for low-sulfur oil. We are expecting a lot from Alaskan oil. I think the majors (the major oil companies) can sell us a substantial amount."

In the past, advocates of the controversial pipeline project have emphasized the rationale that development of Alaska's oil reserves is necessary now to reduce this nation's dependence on foreign sources of petroleum, particularly in the Middle East and Africa.

A $4-million nationwide advertising campaign of the American Petroleum Institute expresses this theme: "A country that runs on oil can't afford to run short."

The Department of the Interior, in its January environmental impact statement on the pipeline, said there is a "compelling" and "unequivocal" need for speedy delivery of North Slope oil to United States markets.

"The prospect of importing increasing amounts of petroleum from Eastern Hemisphere nations," the report said, "contains important implications for United States foreign affairs and national security." The statement said that the United States could find itself in a "vulnerable diplomatic and economic position" if the North Slope were not exploited.

None of the arguments for the pipeline has mentioned possible exportation of the oil.

Yet, there are strong indications that a sizeable percentage of the oil would be consumed in Japan rather than the United States, and that the opportunity to reach the burgeoning Japanese market was a factor in the oil companies' decision to route the pipeline to the Pacific coast—where tankers could reach it—rather than across Canada to the U.S. Midwest.

Judging from *National Journal* interviews with Washington officials, there has not been much discussion at the policy level of the long-run implications of exporting North Slope oil to Japan.

JAPAN'S INTEREST

The Japanese have expressed interest in Alaskan oil to help meet their country's spiraling demand for energy.

The prospects are excellent for sales of Alaskan oil to Japan, said one specialist in Japanese affairs at the State Department.

"Japan wants all the oil it can get, and I certainly wouldn't rule this out," said Hollis M. Dole, assistant secretary (mineral resources) of the Interior Department, when asked about the prospects of marketing Alaskan oil in Japan.

Dole said, however, that 'we're going to need all the oil we can get" by 1985, judging from current projections of U.S. demand.

Administration

The level of oil imports has been a high-priority issue, but the federal government has had little occasion in recent years to consider the question of U.S. oil exports.

Elmer F. Bennett, special assistant to the director of the Office of Emergency Preparedness and adviser to the White House Oil Policy Committee, said: "The policy committee has not had this matter before it. If there were any West Coast surplus, it would be a mighty short-term proposition. We don't see it as any problem of any consequence whatsoever."

Later in the same interview—after a review of plans already under way regarding a fleet of supertankers capable of carrying North Slope oil to Japan—Bennett said that any sale of U.S. oil to Japan "would be an important policy question which would be resolved at the time it came up."

The transaction, he said, could not be made without "a lot of questioning" from the Administration and Congress.

"This is certainly an issue that will be raised and examined very closely," said Jack O. Horton, deputy under secretary of interior and coordinator of Alaska pipeline studies.

These questions have not been raised before publicly, Horton said, although department officials have considered them in private.

"We're going to have to wait and see what they (the oil companies) come up with" in formal submissions of projected foreign traffic. Horton said.

A Commerce Department official said that "there are certainly no export controls" governing possible sales of U.S. oil abroad.

"What you're dealing with here is a question of economics," the Commerce official said. The likelihood is that Alaskan oil would not be competitive with Middle East oil, he said, and that would take care of the national-security aspect.

If shipping a small amount of oil to Japan helps U.S. oil firms develop capital to seek still more oil, he said he could see nothing wrong in that.

He also said that traditionally there are "absolutely no restrictions on any foreign investment in the United States" that would apply to Japanese investments in Alaskan resources.

A White House staff assistant said the Administration is aware of the possibility that Alaskan oil might go to the Far East.

"There is no formulated policy, positive or negative, that I know of," he said.

One proposal for selling oil to Japan would involve shipping North Slope oil to the Japanese and permitting an equal amount of oil to be imported from other parts of the world.

Asked about this arrangement, Edward Mitchell, staff assistant on energy policy for the Council of Economic Advisers said: "There is some logic to that."

But, he said, the proposal does raise some serious questions of national security.

"I don't see that it's gotten much response," he said, "but I think it's interesting."

EXPORT POTENTIAL

Edward L. Patton, president of Alyeska Pipeline Service Co., the consortium seeking permission to build the trans-Alaska pipeline, discussed the prospects for foreign sales during a July 20 interview with *National Journal.*

Targets for 1980

Patton said that, according to confidential estimates recently submitted to the Interior Department by the companies participating in Alyeska, 25 per cent of North Slope oil is targeted for sale beyond the U.S. West Coast by 1980, when North Slope production is expected to reach two million barrels a day.

Patton said the 500,000 barrels a day are lumped under the heading "Panama," a reference to possible movement of the oil by pipeline or tanker through Panama to the East Coast.

The "Panama" total is a catchall listing for oil to be marketed outside the West Coast Patton explained; it could include direct sales to Japan.

Patton estimated that sales to Japan might amount to 100,000 barrels a day in 1980. By 1985, he said, the West Coast will be able to absorb a full two million barrels a day of North Slope oil, according to present forecasts.

Import levels

A 100,000-barrel-a-day business with Japan would account for only 5 per cent of North Slope production, Patton noted.

And the Interior Department's Office of Oil and Gas has estimated that if North Slope oil is not available to the West Coast, overseas imports to that area alone would rise to 2.3 million barrels a day by 1980.

Compared with statistics on current U.S. oil imports, however, the 100,000-barrel-a-day figure takes on some significance.

No single nation in the Middle East or Africa sold more than 50,000 barrels a day to the United States during 1970, according to compilations by the Interior Department's Oil Import Administration.

Total imports from 12 Middle Eastern and African nations averaged about 300,000 barrels a day. Imports from all nations totaled 3.3 million barrels a day—more than half of it from Venezuela and Canada, and four-fifths of the imports coming from the Western Hemisphere.

Imports represented about 23 per cent of the total U.S. demand of nearly 15 million barrels a day.

(These figures contradict a statement in an Alyeska Pipeline Service Co. brochure: "Why do we need Alaskan oil? . . . We import crude oil from overseas sources—primarily the Middle East. We have the choice of increasing our dependency on other nations or developing our domestic reserves.")

Projections

Thus, warnings of U.S. dependence on Middle Eastern and African oil derive from projections of future U.S. production and demand rather than from current import levels.

Patton's estimate of a possible temporary 100,000-barrel-a-day trade with Japan likewise is based on individual oil company projections.

As a common carrier pipeline, Alyeska would have no voice in the ultimate destination of North Slope oil; the amount of oil that might be sold to Japan could be greater than or less than that figure, depending on the marketing policies of the companies.

JAPAN

Japanese interests already have entered the Alaska scene—to such an extent that one federal planning official in Anchorage privately voiced fears that the state could become a "second Manchuria."

Presence

The Japanese presence is widespread. The Japanese own a large timber mill in Sitka, buy salmon eggs from Cordova canners, market Toyotas and Datsuns in the state, and have surveyed Alaska's substantial reserves in coal, iron ore and minerals.

Several major Japanese businesses have established offices in Anchorage, where the Japanese government maintains a consulate and where Japan Air Lines jets are a significant part of the traffic at the Anchorage airport.

Energy interests

Asked about Japanese interest in Alaskan oil, Homer L. Burrell, director of the state's oil and gas division, produced a handful of calling cards from Japanese businessmen.

Natural gas.—Under a 15-year, $375-million contract with Phillips Petroleum Co. and Marathon Oil Co., Japanese utilities are buying 50 billion cubic feet of natural gas a year from the Cook Inlet region of southern Alaska.

The gas is liquefied in Alaska and transported in two new Swedish-built, Panamanian-registered tankers.

Oil exploration.—Japanese oil companies are joining with major oil firms in exploring for new petroleum reserves. They have drilled for oil (unsuccessfully, thus far) on their own, are negotiating for interests in other companies' leases and are awaiting future federal and state lease auctions. (The Interior Department plans to auction offshore leases in the Gulf of Alaska by 1976.)

These ventures are backed by Alaskan Petroleum Development Co. Ltd. of Tokyo, a consortium. North Oil Inc., the Anchorage subsidiary of North Slope Oil Co. Ltd. of Tokyo, operates north of Alaska's Brooks Range; its sister company, Alaskco U.S.A. Ltd., covers the remainder of the state.

Alaskco has teamed with Gulf Oil Corp. to gain rights on several leases; North Oil has been conducting Arctic explorations with three other companies (Cities Service Co., Getty Oil Co. and Skelly Oil Co.) and has been negotiating for North Slope leases, according to Takao Ogino, Anchorage representative of Alaskco.

Pipeline contract

Japanese steel mills furnished the pipe for the Alaska project after the Trans-Alaska Pipeline System (TAPS), predecessor to the Alyeska firm, rejected offers to bid for the project from U.S. Steel Corp. and Kaiser Industries Corp. in early 1969.

At that time, TAPS said it needed the pipe quickly because it expected the project to get speedy approval from the federal government; only the Japanese mills were able to meet the timetable and specifications for the pipe, TAPS said.

In the course of their worldwide trading operations, Japanese firms sometimes provide oil pipeline in exchange for a portion of future oil production, under a "product-sharing" arrangement.

Alyeska's Patton told *National Journal* that the trans-Alaska pipe was purchased under a straight-cash contract for $100 million.

The estimated cost of the construction project, originally placed at $900 million, now is in the $2-billion range.

Petroleum purchases

Japan already buys a limited amount of petroleum products in the United States, such as residual fuel oil and lubricants from refineries throughout the country.

According to the United States-Japan Trade Council, an association sponsored by the Japanese government, U.S. exports of petroleum products to Japan in 1970 were valued at $87 million.

The Interior Department's Bureau of Mines said that Japan bought one million barrels of residual fuel oil from the United States during the first three months of 1971.

Market

Takao Ogino said in Anchorage that Japan's demand for oil by 1985 is projected at 4.5 billion barrels a year—nearly five times the current consumption.

The Japanese government's Oil Industry Council has projected a two-billion-barrel demand by 1975, double the current figure. Japan now relies on the Middle East for about 90 percent of its supply.

Strategy

"Until now, we didn't think that there was any possibility of bringing North Slope oil to Japan," said Katsuyuki Matsumura, a Washington representative for Japanese engineering firms who is returning to his country to deal with oil policy in the government's Ministry of International Trade and Industry.

The old policy was based on the traditionally high price differential between Middle Eastern and U.S. crude oil.

Two factors have changed that, according to Matsumura: recent price increases by the oil-exporting nations of the Middle East and ever-stiffening air-pollution-control programs in Japan that necessitate the use of low-sulfur oil.

The sulfur content of North Slope oil ranges from .9 per cent to 1.5 per cent by weight, according to one industry study submitted to the American Petroleum Institute. This is considered relatively "sweet" or clean, although some desulfurization treatment might be required to meet U.S. and Japanese pollution standards.

"Japanese companies don't like to pay high prices, but they might have to," Matsumura said.

The prime concern of the Japanese government, said Kazuo Nukazawa, research consultant at the United States-Japan Trade Council, is to diversify its source of supply. "That is the main strategy."

INDUSTRY PLANS

Oil companies operating in Alaska generally say that the West Coast will be the prime market for Alaskan oil and that any surplus production might be sent, to the Midwest or to the East Coast via additional pipelines or by tanker.

Otto N. Miller, chairman of the board of Standard Oil Co of California, said, "Obviously, a sizeable part will go to the West Coast."

But he said that it was "a little bit difficult to speculate at this time" about other markets because of questions involving the timing and rate of North Slope production.

But there have been scattered references to the possibility of sales to Japan in state ments that cast doubt on the idea without rejecting it.

British Petroleum

British Petroleum Co. Ltd. of London (BP), through its subsidiaries and associated companies, controls the major share of known reserves on the North Slope's Prudhoe Bay field—some five billion barrels, or about half the estimated discoveries thus far.

BP has no refining or retail sales outlets on the West Coast, which means that the company would have to sell its crude to other companies until it could operate as a fully integrated firm in that region.

On Sept. 30, 1970, Eric Drake, chairman of BP, signed an agreement in Tokyo with a group of Japanese oil firms that included North Slope Oil Co. and Alaskan Petroleum Development Co. The agreement provided for joint exploration projects in the Middle East and the marketing of BP crude oil in Japan.

Speaking of BP's sources of crude oil in connection with future marketing arrangements in Japan, Drake said:

"There was also Alaska where BP has sizeable potential producion; but here I am afraid there does not appear to be much interest for Japan, since, on the basis of statistics I have seen, this oil will almost certainly be completely absorbed in the fast-growing markets of the U.S.A."

Atlantic Richfield

Atlantic Richfield Co., which, along with Humble Oil and Refining Co., a subsidiary of Standard Oil Co. (New Jersey), controls most of the remaining proved Prudhoe Bay reserves, likewise has mentioned the possibility of selling oil to Japan.

In a presentation to the Alaska Science Conference in August 1969, Rollin Eckis, vice chairman of the board of Atlantic Richfield, said:

"Assuming the continuation of import controls . . . , there is little possibility that Alaska oil would move into foreign markets."

However, he said, Japan is a possibility. Japan would be in a "highly sensitive position" in the event of a crisis in the Middle East, he said, and "it is possible that she would be willing to pay a premium for a secure source for a portion of her needs."

Phillips Petroleum

Phillips, which has a relatively small interest in North Slope reserves, has proposed an "import-for-export" program involving Japan.

Under this proposal, which has been submitted to Administration officials and to the House Interior Committee, North Slope oil could be sent to Japan. In exchange, the exporting company would be allowed to import an equal amount of oil from the Middle East or Venezuela to the U.S. East Coast under an exception to present limits on oil imports.

John M. Houchin, president of Phillips, said in a lengthy statement to the House committee in the spring of 1970 that one advantage of this arrangement would be great savings in transportation costs, because U.S.-flag vessels would not have to be used.

"It's just a question of trying to save investments," said one industry executive familiar with the proposal. The plan would allow oil to be brought to the big East Coast market without the necessity of building more pipelines or using U.S.-flag tankers, he said.

"One of the rationales behind this thing, quite frankly, was that we could use foreign-flag ships," he said. This would permit industry to "pull an end run" on the Jones Act, he said.

(The Jones Act or Merchant Marine Act of 1920 (41 Stat. 988) requires the use of U.S.-built, U.S.-manned ships in coastwise trade. It would apply to tankers running from Alaska to the West Coast, but not to tankers operating between Alaska and Japan or between other nations and the East Coast.)

This source said the import-for-export idea has attracted little interest from the major companies thus far.

"We've had so much controversy over the trans-Alaska pipeline already," he said, "that this idea would just muddy the water more."

"I'm telling you, everybody's scared to death to even talk about methods to avert the Jones Act's provisions," he said. "Those sailors are going to be the best-paid sailors the world has ever seen."

Alaskan views

An oil lobbyist in Anchorage, speaking privately of the prospects for oil trade with Japan, said Alaskan oil probably would bring a far higher price in the United States than the Japanese now pay elsewhere.

But, he said, "If the Japanese are willing to pay it, who knows what might happen 10 years from now?"

Thomas E. Kelly Jr., former state commissioner of natural resources and at present an Anchorage oil consultant, said in an interview that Japanese interests could make a profit by selling any oil they might develop in Alaska to U.S. markets, or could exchange their oil for oil from other regions.

Kelly expressed interest in the import-for-export plan: "I was hot as a pistol on it for a while." But he said it does not have much acceptance.

Gregg K. Erickson, an economist and aide to a joint legislative committee on oil policy, also speculated that the Japanese could develop oil in Alaska and sell it in U.S. markets in exchange for surplus Middle Eastern oil controlled by major companies.

U.S. DEMAND

The question of where Alaskan oil will be marketed revolves around various projections of how much oil the United States—particularly the West Coast—is going to need and how much oil Alaska can produce.

Rising estimates

Projections of U.S. oil demand have risen sharply in recent years.

In a 1968 report ("United States Petroleum Through 1980"), the Interior Department predicted that the United States would need 18.2 million barrels a day in 1980.

In February 1970, the Nixon Administration's Cabinet Task Force on Oil Import Control adopted a figure of 18.6 million barrels a day for 1980. *(For a report on the task force recommendations, see Vol. 2, No. 10, p. 494.)*

The task force report included comparable estimates from three other sources. Mobile Oil Corp. (17.7 million barrels), Interior Department staff (18.8 million barrels), and Standard Oil Co. (New Jersey) (19.3 million barrels).

The Interior Department, in a January 1971 statement on the Alaska pipeline, forecast the 1980 demand at 22.3 million barrels a day and the 1985 demand at 27.1 million.

The department's 1980 estimate was 20 per cent higher than the Administration's task force estimate one year earlier.

The National Petroleum Council, an Interior Department advisory board composed of top oil industry executives, on July 15 released its interim forecast of future petroleum needs: 22.5 million barrels a day for 1980, 26 million for 1985.

This report said that the United States would become heavily dependent on Middle Eastern and African oil unless government policies became more conducive to domestic U.S. oil investments.

Council meetings

Transcripts of the National Petroleum Council's private committee meetings provide a glimpse into the preparation of these forecasts.

At a March 29 meeting in Houston of the council's coordinating subcommittee on the U.S. energy outlook, a research consultant from Battelle Memorial Institute said that, in confidential projections from various energy industries, the total energy demand was generally agreed upon, but the forecasts varied widely on future consumption of individual fuels.

"I don't find that either surprising or too disconcerting," said Warren B. Davis, director of economics for Gulf Oil Corp. and chairman of the panel.

Vincent M. Brown, executive director of the council, said during that session, "I would guess right now it's about 50-50 in Washington in government circles" between those who are seriously concerned about the nation's energy needs and those who believe the "energy crisis" is being "whipped up" by the industry.

"All this is evolving so rapidly that the need for an interim report becomes acute, both from I think our point of view and from the Department of the Interior," Brown said.

At another point during the two-day meeting, on March 30, N. G. Dumbros, vice president (industry and public affairs) of Marathon Oil Co. and chairman of the council's government policies subcommittee, said of the Washington climate:

"Christ, they are talking about everything. I mean, you can get—if you just wander around and talk with the policy makers, you can come up with an encyclopedia."

W. T. Slick Jr., assistant manager of Humble Oil's corporate planning department, told the group that "one of the sticky problems to work in this thing is the Alaska problem." He said that, in trying to coordinate various companies' estimates on Alaska's oil reserves, "the people who want to go into the most detail are ones that have the least information."

At a May 26 committee meeting in New York, Harry Gevertz, special projects manager of El Paso Natural Gas Co., said, "It is very difficult, I think, to urge government to change major policy—if you don't see a sense of urgency—I think if you come out with a report that says, well, you know, we are going to find all we can get and if we can't find it, we can import it—that sounds more like some of my Harvard friends than a report out of the National Petroleum Council."

Slick said at that meeting that his panel was reviewing figures from two different subcommittees, one on demand and the other on supply, "and there was next to no chance at all that you could add them all up and get the same answer."

John M. Kelly, an independent Washington oil entrepreneur, said, "When you have the NPC come out and tell the public that by 1985, under present policies, they are going to have to depend on 55 per cent of their oil supplies by imports and 28 per cent of their gas supply by imports, don't you think this is going to have an impact on the Hill and in the executive branch?"

"I hope it does," said Slick.

Interior Department representatives attended these committee meetings, serving as "government cochairmen" of all council panels.

Morton speech

In a speech to the National Petroleum Council on July 15, Interior Secretary Rogers C. B. Morton said, "Even with the North Slope producing two million barrels a day by 1980, the gap between domestic supply and demand would approach eight million barrels a day, equal to 35 per cent of total supply.

"Our central problem is national security. All the experience of the past 20 years, plus what we can infer from the bargaining actions of the O.P.E.C. (Organization of Petroleum Exporting Countries) nations during the past year and the actions of the Soviet Union in the Middle East and the Mediterranean, lead us to conclude that we had better not become overly dependent on our energy supplies from that part of the world."

To lessen that danger, Morton said, one of the things the Interior Department can do is "expedite the safe movement of North Slope oil and gas to market."

WEST COAST OUTLOOK

In a recent submission to the Interior Department, Alyeska said that when the pipeline reaches a two-million-barrels-a-day capacity, 1.5 million barrels would be delivered to the West Coast and 500,000 to "Panama."

Alyeska said 190,000 barrels a day would be delivered to the Puget Sound (Seattle) area, 540,000 barrels to San Francisco and 770,000 to the Los Angeles area.

(Atlantic Richfield has built a 100,000-barrel-a-day refinery at Bellingham, Wash., to receive Alaskan crude. California had a total refining capacity of 1.8 million barrels a day as of Jan. 1, according to the *Oil and Gas Journal*, ranking that state second in refining capacity after Texas.)

"By 1985 the West Coast can take all of it," Patton said. "There's no point in hauling this oil any further than you have to. Common sense says you drop it at the first available market."

Interior projections.—In Interior Department projections, District V includes the states of Washington, Oregon, California, Arizona, Nevada, Hawaii and Alaska.

District V consumed some two million barrels a day in 1970, according to Interior figures. District V produced about two-thirds of that amount and got the remainder from Canada, other foreign sources and other parts of the United States.

In a June 2 speech to the Pacific Coast Electric Association at San Diego, Gene P. Morrell, deputy assistant interior secretary (mineral resources), said that District V demand is projected at 3.2 million barrels a day by 1980.

District V demand is expected to grow at a yearly rate of 4.5 per cent, Morrell said, in contrast with the department's nationwide growth figure of 4 per cent. District V production (excluding the North Slope potential) has been declining at a 10-per cent annual rate.

Other projections.—Others have offered different projections.

Herbert S. Winokur Jr., a management consultant who served on the staff of the Cabinet task force, has projected District V demand at 2.7 million barrels a day by 1980.

"Every projection of North Slope production indicates that it will far exceed the petroleum demands of the West Coast," Winokur said in a statement to the Interior Department, in which he cited advantages of an alternate pipeline route across Canada.

"I estimate that in 1980, the North Slope will produce at least 600,000 barrels per day more than the West Coast can absorb, even assuming the West Coast gives up all its non-Canadian imports," Winokur said.

John H. Lichtblau, director of the Petroleum Industry Research Foundation in New York, told *National Journal* there might be "a million barrels left over" once North Slope oil reached substantial amounts.

"I don't think that they (the West Coast) can absorb a full two million barrels by 1980." The excess North Slope oil would be sent elsewhere, he said.

"They could export some of the oil to Japan," Lichtblau said. But in that case, he said, Japan might pay a far lower price for North Slope oil than the U.S. consumer would pay, since North Slope oil would be competing with low-priced Middle Eastern oil.

An import-for-export plan makes "some sense," he said, but would require "a fairly radical change in our import policy."

Alaskan production

Lichtblau said some companies have estimated that North Slope production might reach three million barrels a day or more. W. J. Levy Consultants Corp., a major New York oil consulting firm that advises the Alaska legislature on state oil policy, has cast North Slope production at three million barrels a day by 1980.

In a December 1970 report to the legislature, the Levy firm said, "It is clear that the West Coast will be able to absorb substantial volumes of North Slope crude. However, indications are that when North Slope production builds up to a large volume, by 1975 or thereabouts, substantial movements beyond District V will be required to absorb the prospective production."

And, at a July 15 press conference at the Interior Department, National Petroleum Council officials said North Slope production—which they had listed at two million barrels in their energy report—might well amount to three million or even four million barrels a day.

TANKERS

In a June 22 tabulation of projected tanker traffic, Alyeska said 41 tankers would carry oil out of Valdez, Alaska, when the pipeline reaches a rate of two million barrels a day.

Of the 41 tankers, Alyeska said, eight would be in the 250,000-dead-weight-ton supertanker class, and 16 would be in the 120,000-DWT class.

There are no U.S.-flag tankers of either of these sizes in operation now, although the Japanese and some international oil firms such as BP have them.

Alyeska said in the tabulation, which was submitted to the Interior Department among stacks of data, that all of the supertankers and some of the 120,000-DWT vessels would be involved in the "Panama" trade, handling an average cargo of 500,000 barrels a day.

None of the supertankers was destined for U.S. West Coast ports, which are not now able to receive vessels of that size.

The Panama Canal cannot handle tankers larger than 65,000 DWT, which suggests that the companies intend to take one of three alternative actions:

Transport oil by supertanker to the Central American Pacific coast and pipe the oil to the Atlantic coast, where other tankers would pick it up, or send it through the canal in smaller tankers.

Send the oil around Cape Horn and up to East Coast markets.

Send the oil to Japan.

The Jones Act might not apply to any of these three alternatives, despite Commerce Department claims that the Alaskan oil trade will bring a boom to America's maritime industry.

COMMERCE CAMPAIGN

Commerce Secretary Maurice H. Stans has been in the forefront of Nixon Admnistration officials in advocating approval of the trans-Alaska pipeline.

Stans spoke before a Washington convention of the Seafarers International Union of North America (AFL–CIO) on June 21 and said that the Alaska oil discovery would help revive U.S. maritime strength.

Advocating a trans-Alaska instead of a trans-Canada pipeline, Stans told the Seafarers the Canadian line would "eliminate all the great maritime opportunities" that the Alaska line would provide.

The Seafarers, agreeing with Stans, adopted a resolution endorsing the pipeline and re-endorsing the Jones Act.

Andrew E. Gibson, assistant secretary of commerce (maritime affairs), told the Portland, Ore., Propeller Club on May 21:

"We have estimated that with the completion of the Alaska pipeline a fleet of approximately 30 new U.S. tankers would be added to the American merchant marine to transport the oil from southern Alaska to the West Coast.

"The construction of these vessels at an estimated cost of $1 billion would give an added stimulus to our shipbuilding industry and would provide approximately 48,000 man-years of work in U.S. shipyards and allied industries.

"Manning and maintaining these vessels would create many additional permanent maritime jobs, while the estimated annual operating and maintenance cost of $30 million would provide added employment in the related service industries.

"It should be obvious that much, if not most, of this increased maritime activity would be of direct benefit to the Pacific Northwest." (*For a report on the progress in the Administration's program to revive the nation's merchant marine, see No. 30, p. 1565.*)

Construction

In 1969, Atlantic Richfield ordered three 120,000-DWT tankers from Bethlehem Steel Corp. for the Alaska oil trade. The oil firm said these were the largest commercial vessels ever to be built in U.S. shipyards.

A spokesman for the Shipbuilders Council of America said that 17 tankers were under construction or on order in U.S. shipyards as of June 1.

In addition to the three Atlantic Richfield vessels, only three were in the 120,000-DWT range or above, and none was necessarily destined for Alaskan traffic. None was as large as 250,000 DWT, he said.

A spokesman for the Maritime Administration said tanker construction orders probably are being delayed pending approval of the Alaska pipeline.

A spokesman for Alyeska, asked where the supertankers would be coming from, said the oil companies have been holding preliminary talks with U.S. shipbuilders about future supertanker contracts.

Levy Consultants Corp., in a report to the Alaska legislature, estimated that construction costs in foreign shipyards are about one-half those in U.S. yards. "The per-barrel cost of moving oil in a foreign built and registered vessel is approximately one-third less than in a U.S. tanker," he said.

Virgin Islands

Oil companies might be able to avert the Jones Act by taking oil from Alaska to the Virgin Islands for refining before moving it to the East Coast market.

The Virgin Islands has been regarded as outside the scope of the Jones Act; but it remains to be decided whether Alaskan oil would be exempt in this situation.

Amerada Hess Corp., an oil firm with lease interests on the North Slope, has expanded its Virgin Islands refinery complex to handle 450,000 barrels a day. Leon Hess, chairman of the company, reported to stockholedrs this spring that the company plans to obtain tankers in expectation of refining oil from the North Slope.

Tankers could dock at the Virgin Islands after picking up oil from a Central American pipeline or after rounding Cape Horn.

Tankers plying the Valdez-to-Japan route would be outside the Act.

OUTLOOK

A well-established oil consultant, speaking on a not-for-attribution basis, said of the Alaska pipeline system, "I say the goddamned line should go down through Canada anyway."

The spokesmen for environmental causes are "an emotional, dishonest bunch of bastards, in the main," he said, but "they're right in this instance" in opposing the trans-Alaska line.

The key to the situation, he said, is that the companies backing the project need to get a cash return for their North Slope investments as quickly as possible, and the trans-Alaska route offers the speediest opportunity.

"Japan will buy it," he said of the North Slope oil, and the amount will be determined in part by the sulfur content of the oil and perhaps by Japanese willingness to provide tankers.

An authoritative Canadian source offered this general appraisal:

Originally, the oil companies figured on supplying the West Coast with oil from the North Slope, building another pipeline from Puget Sound to the Midwest for transshipment of additional oil and selling any surplus to the Japanese.

The idea of a trans-Canada pipeline from the North Slope directly to the Chicago market has been a less-favored plan that the companies have kept alive for the sake of prudence.

Now, the drawing-board proposal for a trans-United States pipeline is losing its attractiveness, in part because "any major oil pipeline system through scenic territory is going to run into a hell of a lot of trouble."

Without a pipeline into the Midwest, "Japan would be the logical market."

The import-for-export proposal was mentioned by Washington economists Charles J. Cicchetti and John V. Krutilla in a critique of the trans-Alaska plan they gave to the Interior Department in March.

The Cicchetti-Krutilla report said: "The most attractive alternative for the oil producers would be the use of North Slope oil for export at world market prices to Japan, while importing a similar amount from Venezuela, selling same at the support price in the United States.

"Since the beneficiaries of the low-cost North Slope oil would be Japanese consumers, while the environmental costs would be borne by the United States, there is an issue of equity and propriety associated with this proposal. . . ."

TAKING INDUSTRY'S CASE TO THE PEOPLE

"(Heartbeat) *The United States of America.* (Heartbeat) *Sometimes it doesn't run the way we'd like it to.*

"(Heartbeat) *But it keeps on running. That's our job.* (Heartbeat)

"We're the oil companies of America . . . working to keep this country working.

"Because a country that runs on oil . . .

"Can't afford to run short."

This message and variations on the same theme are being delivered to the U.S. public in a $4-million (for 1971) advertising campaign sponsored by the American Petroleum Institute, chief trade association and lobbying arm of the oil industry.

The campaign got underway on April 26 and is scheduled for a long run, according to James C. Shelby, advertising manager of API.

"We are using nighttime network television . . . plus the Today Show on NBC. Also, about 180 newspapers and petroleum trade magazines. The newspaper offer of the 'Energy Gap' booklet has drawn excellent response from over 500 cities in 47 states," Shelby said.

COUNTERATTACK

The campaign clearly represents a counterattack by the industry against its critics in government, the news media and the public.

Taking its case to the people, the industry is not adopting a defensive posture of emphasizing its expenditures on pollution-control programs or explaining the intricacies of oil tax laws.

Instead, the industry campaign stresses this theme: "75 per cent of the power and energy this country needs comes from oil and natural gas."

The campaign literature includes statements stressing the need for development of Alaskan oil to lessen U.S. dependence on foreign suppliers.

API President Frank N. Ikard, a former Member of the House (D-Tex., 1951–61), said in a statement announcing the campaign,

"Energy, in ample supply and reasonably priced, is essential to the public's comfort, economic progress, industrial expansion and national security. We believe this program will contribute to a greater understanding of the complexities involved in maintaining an uninterrupted flow of energy for the consumers of this nation."

ORIGIN OF CAMPAIGN

Shelby said that a private survey of the U.S. public taken in 1970 for the oil industry led to the advertising campaign.

Without going into detail, Shelby indicated that the poll showed the general public had little understanding of the industry or sympathy for it.

"I guess when you take a survey you find out what people think about you," he said. The survey showed the need for an "educational" campaign.

TV SPOTS

The television advertisements, which are scheduled for prime-time evening shows and weekend sports programs and news-interview broadcasts, were produced by Leo Burnett Co. Inc. of Chicago.

Shelby said he particularly likes the "heartbeat" commercial.

This advertisement was taped in Grinnel, Iowa (pop. 8,402), a farmland community 55 miles northeast of Des Moines.

The ad shows some of the uses of oil and gas: a housewife making a cup of coffee, a doctor with a hypodermic needle ("Doc Evans may never stop to think that some of his medicines begin with oil"), a grandmother at her sewing machine and lights glowing in comfortable frame houses along quiet, tree-lined streets.

Shelby was asked why no automobiles appear in this ad, since nearly half the petroleum consumed in this nation is used for gasoline.

"I think people are pretty used to the fact" that petroleum is used to power cars, he said. This spot was designed to show people in their homes rather than outside, he said, although consideration had been given to featuring a farmer riding his tractor.

(On June 30, in a unanimous opinion, the Federal Communications Commission ruled that an ad on NBC–TV, in which Standard Oil Co. (New Jersey) described its Arctic Alaska operations, violated the "fairness doctrine" because the ads, in effect, constituted an endorsement of the contested trans-Alaska pipeline system. *See No. 28, p. 1481.*)

FLATTENING THE ENERGY-CONSUMPTION CURVE

One of the few Nixon Administration officials to call for a slowdown in U.S. energy consumption is S. David Freeman, who is leaving government service.

Freeman, assistant director of the Office of Science and Technology and director of the office's energy policy staff, said he worries about the way this nation eats up its natural resources. Privately and publicly, Freeman has suggested ways in which the government could seek to restrict energy consumption.

He also has been involved in devising government policies that seek to encourage development of new and cleaner sources of energy.

"I think there's a big question mark about what the demand (for oil) will be in 1980," he said in an interview. "If we really got serious about it, we could cut down . . . flatten out some of those growth curves."

But, he said, "It's not happening yet. . . . We're hooked on the stuff."

(Projections of future U.S. demand for oil have been cited by proponents of the Alaska pipeline as a justification for developing North Slope oil.)

"It seems to me almost inevitable that one of these days congestion is going to call a halt to it. It makes a hell of a lot of sense to me to ban the internal combustion engine in downtowns of major cities."

Freeman said "there's no reason that I can see" why an urban automobile needs more than 100 horsepower.

Yet, he said, with a trace of irony in his Tennessee drawl, congressional adoption of emission-control standards for automobiles is leading to more consumption of gasoline, rather than less—because the control devices cause a 10- to 15-percent increase in the engine's gasoline consumption.

On the subject of development of Alaskan oil, Freeman said, "The (natural) gas is a more pressing need for the national economy than the oil. It may be that the strongest justification for proceeding with the marketing of the oil is the need for the gas."

(North Slope natural gas is associated with the crude oil reserves, and the gas cannot be brought out until the oil is produced.)

"It's a cold hard fact that there's a shortage of natural gas," Freeman said. "It's much more acute than any supply problem with oil."

Asked about a proposal to market Alaskan oil in Japan in exchange for crude oil from other sources, Freeman said, "I have some question about whether that makes much sense from a national security point of view."

Freeman, 44, holds degrees in law (University of Tennessee) and civil engineering (Georgia Tech). A former Tennessee Valley Authority engineer, he served from 1961 to 1965 as assistant to the chairman of the Federal Power Commission and has been at the Office of Science and Technology since 1967.

Freeman is a strong supporter of President Nixon's proposal to establish a Department of Natural Resources to coordinate federal energy policies.

"The energy problems have reached the point where you need an agency in charge," he said. Until the government establishes an agency to look after energy matters, he said, "I think we'll kind of limp along with paste-together solutions."

Freeman is leaving government to help the University of Pittsburgh establish a degree program in energy resources development and management. He expects to remain based in Washington.

SON OF SANSINENA

In a much-publicized attempt to gain an exemption to the Jones Act, Union Oil Co. of California sought approval from the Nixon Administration in 1970 to use the oil tanker *Sansinena* to transport Alaskan oil.

The *Sansinena*, a U.S.-built, Liberian-registered vessel, was owned by Barracuda Tanker Corp. of Bermuda, a firm that Peter M. Flanigan, assistant to the President, helped organize.

The Treasury Department granted a waiver in March 1970 that would have allowed the vessel to be used in U.S. coastal trade—an extraordinary exemption from a provision of the Jones Act (41 Stat. 988) that requires shipping in U.S. coastal trade to be on vessels built and registered in the United States.

The waiver touched off a political controversy, and the Treasury Department quickly withdrew the exemption. (*See Vol. 2, No. 11, p. 542.*)

Union Oil, which was using the 67,000-deadweight-ton vessel under long-term charter, recently took delivery of a new, similar-sized vessel built in the United States by Bethlehem Steel Corp. for use in the Alaska trade.

Union Oil President Fred L. Hartley christened the new tanker the *Sansinena II*.

Mr. CASE. Mr. President, the friends of the Earth and the Wilderness Society have brought to my attention a statement made this past weekend by Mr. Richard J. Sullivan, New Jersey Commissioner of Environmental Protection, in support of the Mondale-Bayh amendment to S. 1081, the "Alaskan Pipeline" bill.

For the information of my colleagues, I ask unanimous consent that Mr. Sullivan's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY RICHARD J. SULLIVAN

New Jersey Commissioner of Environmental Protection Richard J. Sullivan today issued the following statement on the Alaska pipeline and its relationship to New Jersey and other eastern states:

New Jersey and the rest of the eastern United States have a vital interest in a vote scheduled by the U.S. Senate this week on S-1081, which would remove legal blocks to construction of the Alaska pipeline from the North Slope of Alaska to the seaport of Valdez.

Much recent advertising by the oil industry implies that present and future oil shortages in the east would be offset by building this pipeline. It might be so, but not under the present plan. Actually, piping oil south to Valdez for loading onto oil tankers would provide oil for the west coast—more than it needs. Economies would then dictate that much of that Alaska oil could be shipped overseas by tanker.

"There is no adequate pipeline from the west coast to the eastern U.S. You can't get a tanker through the Panama Canal and I have heard no-one propose to sail them around Cape Horn," commented Sullivan.

There has been spirited discussion about the dangers of the proposed Alaska pipeline passage through highly active earthquake zones in the state. In total the Alaska pipeline now threatens ecological disaster minus any important benefits to the eastern U.S. where much of the oil is consumed.

The answer to this illogical situation may reside in amendments proposed for S-1081 by Senators Birch Bayh and Walter Mondale. They would require our government to open talks with Canada about using an alternate pipeline route from the Alaska North Slope fields southeast along the Mackenzie River in Canada. This route, while requiring an extra 1,000 miles of pipeline, would be less damaging ecologically and would connect in Alberta with the trans-Canada pipeline, which is already built and is capable of delivering great quantities of oil to the eastern U.S.

The Bayh-Mondale amendment would also require an environmental assessment of the Canadian route by the National Academy of Sciences. Thirdly, and perhaps in the long run most important, they would transfer to Congress powers which S-1081 would give the Secretary of the Interior.

The purpose of S-1081 is to bypass restrictions in the Mineral Leasing Act of 1920 which allow the government to permit only a 50-foot right of way on federal lands for such projects. As introduced, this bill would let the Secretary of the Interior grant any size right of way he sees fit on any federal lands for as yet undetermined projects. Such sweeping rights to consume federal lands should only reside in the hands of Congress.

NORTH SLOPE OIL

Mr. TUNNEY. Mr. President, legislation, essentially, is a balancing of the claims of progress with those of justice so that in moving into the future we do not trample our heritage. S. 1081, the Federal Lands Right-of-Way Act of 1973, achieves such a balance in the development of North Slope oil. It balances both the claims of consumers for economical supplies of domestic petroleum and the claims of environmentalists for strict safeguards against spills, slicks and other hazards.

It is a sound bill, and it will assure orderly procedures to provide a full-range of environmental protection before production begins.

My support of S. 1081 is based on several fundamental considerations:

First. It sets forth rigid specifications by which the Alaskan pipeline could be constructed and could offset growing dependence on costlier Middle East supplies.

Second. It will enable the Department of Interior to approve a construction schedule that, for the Alaskan pipeline, could be completed in 4 years, or, for the Canadian pipeline, in 2 to 3 years longer.

The law itself does not give congressional authorization to either the Alaskan or the Canadian pipelines. Specifically, as stated in section 205, the bill—

> Shall not be construed to reflect a determination of the Congress regarding the relative merits of alternative transportation systems for North Slope crude oil or regarding the merits of legality of a grant by the Secretary of a right-of-way to construct a crude oil pipeline within Alaska from the vicinity of Prudhoe Bay to Valdez, nor to prohibit such a grant.

In other words, S. 1081 creates a mechanism whereby the Secretary of the Interior could grant a right-of-way to build the pipeline from Prudhoe Bay to Valdez, but only after certain criteria are met: First, the owners agree to meet obligations as a common carrier, second, the Attorney General advises on the antitrust impact of the proposed grant, third, the right-of-way corridor is reviewed in connection with the needs of a national transportation system, fourth, prior to granting the right-of-way for a new project, the applicant stipulates that it will not violate existing environmental laws, and will comply with Interior Department regulations concerning damage to property and wildlife, as well as hazards to public health and persons in the area, fifth, fair market value is paid for grants, and sixth, the owner agrees to be liable to the United States for damages.

In addition to these specific burdens on applicants, section 113 specifies that—

> Nothing in this act shall be construed to amend, repeal, modify, or change in any way the requirements to Section 102(2)(c) or any other provision of the National Environmental Policy Act.

S. 1081 in no way dilutes or diminishes—in fact, it specifically affirms—the applicability of NEPA.

Beyond the ironclad environmental safeguards, the bill brings into balance grave concerns of national security. Clearly, the potential of blackmail against our Nation increases as our production dwindles and our dependence on overseas sources increases. As we seek more from Arab producers, the more they might seek from us by applying pressures on our foreign policy, particularly our commitments to Israel, by threatening to cut off supplies or to escalate prices.

Other serious implications arise from increased reliance on overseas oil. It prolongs the deficiencies in our balance of payments and further weakens the dollar, and, in the final analysis, it is the American consumer who gets it in the neck. The economic factors may be complex, but it all winds up in simple subtraction in the buying power of American men and women. Let us take a look at the economic data:

In 1972, 60 percent of our $6.1 billion balance-of-trade deficit was due to imports of petroleum products. This year, such imports will be 20 percent higher than last. If present trends continue, that is, barring the development of North Slope by 1979 we will be spending almost two and one-half times as much money abroad for petroleum products.

The balance of trade is a complicated issue, but one that can be reduced to reasonably simple terms. Given current domestic oil sources, petroleum imports will rise from $4 billion in 1972 to $10 billion in 1979. How can we pay for these imports? Fundamentally, we pay, not with dollars, but with the export of American products. To be more specific, we will be financing the expansion of petroleum products mostly through a vast expansion in the sale of American grain and other agricultural products.

We live in a hungry world and we are the world's most efficient agricultural economy. We should welcome the opportunity to sell some of our food products abroad. At the same time, we ought to be fully aware of the consequences.

If the unprecedented explosion of food prices this year has one lesson, it is that the American housewife has moved into competition with housewives around the world. The cost of eating has gone up and it will rise even faster the more we must export agricultural products to pay for mounting petroleum imports.

To the extent we can ease the burden of buying our petroleum abroad, the pressures on food prices can be relieved and American families will be able to eat well once again.

The connection between rapid development of North Slope oil reserves and food prices may sometimes seem remote. Consider, however, that the potential Alaskan production of millions of barrels per day could save several billion a year in U.S. goods that would otherwise have to be shipped abroad. Most of the goods would be food ingredients and products that will end up in American rather than foreign households, and at American rather than the higher foreign prices.

Hopefully, in the long run, we may curb our Nation's insatiable appetite for petroleum by substituting other means of power. This will mean development of other energy sources such as geothermal and solar energy and of an economical and mass produced alternative to the internal combustion engine.

These remedies will not apply soon enough to decrease our need for Alaska's oil. Consequently, we must not only assure we can produce the oil safety, but we can transport it safely.

If the pipeline route is built in the vicinity of Prudhoe Bay to Valdez, then drastically increased tanker traffic can be expected along the west coast of the United States. Already on the books is the Ports and Waterways Safety Act of 1972, which requires the Coast Guard to develop regulations for supertankers. These safeguards must cover a variety of designs and construction features.

In addition to segregated ballast and double bottoms, a sophisticated tank cleaning equipment utilizing high capacity fixed nozzle sprays may reduce oil pollution from daily tanker operations, while oil-water separators, used to extract oil from cleaning residues, may further reduce operation pollution. Requiring that cargo tanks be limited in size may reduce any oil outflow which would result from a collision, grounding or other accident. Maneuvering devices such as lateral thrusters, controllable pitch propellers and twin screw propulsion systems, and auxiliary braking devices, such as brake flaps, parachute drogues, and passive duct systems, which may substantially improve a vessel's ability to change direction or stop quickly, may help reduce the risk of accidents. Collision avoidance aids, utilizing digital computers to automatically process radar data and display encounter situations in a form enabling the vessel to be steered to avoid possible collisions and groundings, further reduce these risks.

Sound Coast Guard regulations must deal with all of these issues. If adequate regulations are not forthcoming, then I am prepared to offer legislation to make these safeguards mandatory.

We need Alaskan oil. We need it for the consumer, for national security and economic stability. Also, we need our wilderness, our wildlife, and our beaches. S. 1081 gives us the means of balancing all these elements.

NEIGHBORHOOD YOUTH CORPS SUMMER JOB PROGRAM

Mr. JAVITS. Mr. President, I wish to call to the attention of the Senate a situation which, to me, seems intolerable and unendurable. The big cities in this country have enough trouble without adding this one. It relates to the Neighborhood Youth Corps, for which I have fought for years. Here is the situation:

The Senate and House made it very clear that they wanted at least $239 million spent for the Neighborhood Youth Corps this summer to provide 600,000 jobs for disadvantaged youth. They made that clear in the conference report when we enacted it. It was made clear in the Senate by voting an additional $44.5 million. But the conferees struck it out reiterating that at the least they wanted a basic appropriation—to wit, $239 million spent.

The administration is engaged in a tug-of-war with young people, teenagers, who have no defenders except us and the mayors of the American cities who have been a strong factor in this matter.

Here it is, July 10, 1973, and, notwithstanding the action of Congress and the action of the U.S. district court in Newark, ordering the Labor Department to release the funds, which took place on June 29, and the refusal of the circuit court of appeals to overturn that district court determination, at this hour the Labor Department still has not released the money. It is hiding behind all kinds of excuses. I am not taking on the Secretary of Labor. He is an administrative official and he is taking orders from the Director of the Office of Management and Budget in the White House. This is the President's responsibility and no one else's. It should be directly laid at his door.

It seems to me the most obdurate kind of stubbornness I have ever seen—notwithstanding the express will of Congress and the decision of the courts—to let time slip through our fingers, with lots of kids throughout the country being denied an opportunity for summer employment, just because the White House is stubborn, and for no other reason.

Mr. President, I ask unanimous consent that an article published in yesterday's New York Times, describing the situation, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OFFICIALS AND STUDENTS IN EIGHT MAJOR CITIES DESCRIBE TEENAGERS' SEARCH FOR SUMMER JOBS AS GRIM

WASHINGTON, July 7.—More teen-agers are employed this summer than last summer, the Department of Labor says, but leaders in eight cities around the country say the search for summer jobs is grim.

The unemployment rate for those between the ages of 16 and 19 dropped from 14.9 per cent in June of last year to 13.3 per cent last month, the Labor Department said in a report yesterday.

However, mayors, other city officials, and high school and college students in eight cities surveyed by The New York Times—San Jose, Calif.; Pittsburgh, New Orleans, Atlanta, Los Angeles, Houston, Baltimore and New York—contend that summer jobs for youths are scarce this year.

"It's just a sorry thing to me," said Mayor Norman Mineta of San Jose, "because kids who depend on this money to continue their education or help their families won't have that opportunity for income."

NEW LEARNING EXPERIENCE

"They won't have a chance," he said, "to have a new learning experience and earning opportunity."

Louis Perez, 14, began his search for a job at the Neighborhood Youth Corps in New York, but he said that officials there would not give him an application.

"They told me they don't need people any more," Louis said. Now he just "hangs around and plays stickball" on 104th Street, he said.

Robert Carruth of New Orleans also has not been able to find work. He said that he had applied at a McDonald's Hamburger stand and was told they would not hire 16-year-olds. At a gas station he was told he was too young. Five grocery stores and a car wash would not take his application because they already had too many applications, he said.

Marianne Marches, 20, a junior at West Virginia Wesleyan College, tried "all the department stores, a health spa, drug stores and supermarkets," in her home town, a suburb of Pittsburgh, and could not find a job.

GOING TO SUMMER SCHOOL

"A lot of kids I know are going to summer school because they can't get a job," she said.

City officials interviewed by The New York Times complained that there were fewer summer jobs this year.

However, statistics representative of the total problem are difficult to find. New York, for example, has only one-third of the Federal funds for summer jobs this year that it had last year. In 1972 the city received $22 million for the Neighborhood Youth Corps program. This year, instead of Neighborhood Youth Corps money, the city has only $8 million from surplus funds of the Emergency Employment Assistance Act.

While the figures on jobs and programs supported by Federal money are easily available to city officials, the number of youths employed by private business is unclear.

Estimates by The New York State Department of Labor indicate there are 450,000 to 500,000 young people looking for work this summer in the city. Only about half of these will find work, officials said.

ACCURATE MEASURE

The only accurate measure of teen-age employment in the private sector is from the Labor Department's unemployment statistics. But they do not account for the 14- and 15-year-olds who are looking for jobs, nor do they measure the number of youths, such as Marianne Marches' friends, who attend summer school and stop actively searching for a job. And they do not break down the problem of unemployment among the disadvantaged—the primary concern of many mayors.

One expert on the Neighborhood Youth Corps program at the National League of Cities said some experts believed that unemployment among the disadvantaged youth would run as high as 40 per cent this year.

Many disadvantaged teen-agers depend on Federal programs to lead them to summer jobs, because they do not have the "connections" to land a job such as a tennis instructor, as did Jeff P. Cardoux of Westport, Conn., a wealthy community.

The bulk of Federal funds the cities need to provide summer jobs for disadvantaged teen-agers this summer is now held up in court. The issue is whether the Administration must release $239 million in funds for the Neighborhood Youth Corps, which would provide about 600,000 jobs for disadvantaged youths.

The suit was brought by 22 community action program directors in New Jersey and two girls who had been promised summer jobs. The battle over the Youth Corps money has been going on for months between Congress and the Administration.

President Nixon asked Congress last year to allocate the money for the Youth Corps and Congress appropriated it. However, the President later imposed a spending ceiling to control inflation, and one of the allocations held up, but not impounded, was the Youth Corps funding.

A United States District Court judge in Newark ordered the Labor Department to release the funds on June 29. The case is on appeal in the United States Court of Appeals for the Third Circuit in Philadelphia.

Robert L. Hawkins, director of Pennsylvania's Allegheny County (Pittsburgh) Office of Manpower, has only 621 federally funded summer jobs to fill this year, compared with 1,000 last year.

"How do you choose 621 kids out of the 8,000 who applied," said Mr. Hawkins. "It's ridiculous."

This year, San Jose has no money from Neighborhood Youth Corps funds. Last year it had $800,000. The city was able to come up with $300,000 in local funds to employ 900 youths.

Los Angeles attempted to take up the slack from the loss of Youth Corps money, which was $10 million in 1972, by appropriating $3.1 million from city funds.

"We will come close to meeting the original need of the cities," if the court releases the funds, said Senator Jacob K. Javits, Republican of New York, who has been a leader in the fight for Youth Corps funding. However, he said, even that will leave thousands of poor youths without meaningful opportunities this summer.

Mr. JAVITS. Mr. President, nobody is anxious to defy anybody about this matter. We fought long and hard. We thought we had worked out some kind of feasible solution—to wit, to use the money already appropriated, not to rescind the appropriation. Congress made it clear that that was what was directed. The courts have made it clear that that is what we directed. Now, the matter is still stalled on dead center. It is most unfair to hundreds of thousands of young people, because the administration now is trying to go to the U.S. Supreme Court.

As I say, we have to call them as we see them, and this is one where it seems to me downright inhuman to continue to hang onto this money despite everything that has happened and while time prejudices hundreds of thousands of kids in the United States.

I appeal to the President, personally and publicly, to put a stop to this charade and to use the money for the purpose for which Congress said it should be used, and for which the courts have now certified and confirmed, and to do it immediately.

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

Mr. PASTORE. Mr. President, I listened with a great deal of interest to the opening remarks made by the distinguished Senator from Washington with relation to why we should not delay in building the so-called Alaskan line, waiting for the so-called Canadian line. I think he was very explicit and very clear. But the argument has been made that in making a choice between these two avenues of approach, for some reason the Canadian line is closer to the Midwest and therefore the Midwest is amenable to the Canadian line, and the so-called Alaskan line would be more amenable to Senators who come from the western coast.

I come from the eastern coast. Naturally, the Midwest is closer to me, although it is not that close. But the fact still remains that we in New England, over the years, have had very serious problems with relation to the paucity of heating oil and residual oil, and we have also had tremendous problems with soaring costs. As a matter of fact, the price has not only doubled, but it has tripled and quadrupled, and I could go on and on and on.

I would like to know from the distinguished Senator from Washington whether or not, in the building of the Alaskan pipeline, if we see fit to do so, arrangements are being made that all of the States will be treated fairly, and that the oil will not be concentrated only in the West and the Midwest and to accommodate it to people who are closer to the spigot.

Mr. JACKSON. Mr. President, the immediate answer to the Senator's question lies in the legislation approved by the Senate in connection with the adoption of a bill on mandatory allocations of energy. Under the bill approved by the Senate, which is now pending in the House, the President is directed to move oil on an equitable basis to the various areas of the country so that there is no discrimination on a geographic basis, so that there is not a surplus in one area and a shortage in another. That legislation, Mr. President, is absolutely essential in order to deal with the problem we are going to face at least for the next 3 years.

The proposition that the Senate must face up to is, How do we get the oil to the other 49 States the fastest? There is not any dispute that the line from Prudhoe Bay to Valdez and then by tanker is clearly the fastest way to do it. The Canadian route is fraught with much trouble, both economically and politically, within Canada.

I would point out to my good friend from Rhode Island that just a short time ago the Canadians cut off finished products and now require licensing of exports to the eastern part of the United States. I refer to the export of gasoline and fuel oil. So there is a serious political problem on this issue in Canada.

The Canadians, in connection with any pipeline through Canada, would require 51 percent Canadian ownership. I believe that if we are going to get an effective agreement, we will have to have a treaty with Canada, and that takes time. We need a treaty in order to safeguard and protect the rights of our country.

Specifically, oil that is delivered to the west coast, of course, can be rerouted from there by trades, so that the east coast can be taken care of directly. For example, we have directed in this bill that there cannot be any exports of oil from Alaska to a foreign country except where the President makes an appropriate finding. I will have an amendment which will stipulate that those exports can be made where the net effect will be to give to another part of the United States an amount equal, in effect, in quantity and quality to that which is exported.

For example, it might be in our interest to sell to Japan x amount of crude oil, and Japan in turn to supply the east coast, from its sources in the Middle East and elsewhere, a quantity of crude equal to the amount that would be exported to Japan and crude that would not otherwise come to the United States because Japan, by contract, has access to it. In sum, the distance from Alaska to Japan is much shorter than it is from the Middle East all the way around to Japan, and the distance from the Middle East to the east coast would be shorter.

I cite this as an illustration of how we would take care of the east coast.

The logistics of the oil business is very complicated. I would point out that in order to get the supply working effectively with demand, we need this kind of flexibility.

I do not want to see a drop of oil exported—and the bill protects that—from Alaska that is not fully covered by another source for the recipient of that oil. There are proposals that we cut it all off from export. I just pointed out that this could be against our own national interest and in the interest of supplying the remote areas of the United States, and it can be done as in the example I have cited.

Mr. PASTORE. Mr. President, if the Senator will yield further, that is not quite the answer to my particular problem. I agree with the example the Senator gives with reference to balancing off of exports and imports, but my immediate problem is this: I realize that we did pass a very strong distribution bill, but it passed only the Senate. It has not been considered by the House, and we do not know whether it is going to be passed by the House at all. I would hope that, if it is considered and passed by the House, it will be signed by the President. Then, of course, all our fears would be allayed.

In the meantime could not there be something written into this bill which would give us the assurance that every State, no matter where geographically it lies, will be treated equally with respect to oil that comes from the pipeline in Alaska, if Congress should pass this bill?

I realize the crisis. I realize that day by day it gets worse rather than better and that, unless we do something, in a short time we are going to be in trouble, and that even now in the corridors we are dimming the lights so that the Capitol Building looks more like a nightclub than the Congress of the United States.

But the fact still remains that if we are going to have a congressional act in order to get the delivery of that oil, no preference should be given to any region, and that we should write a declaration of purpose in this law to the effect that every State will be treated equally.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. JACKSON. First of all, I must say the Senator has made a very telling point. The intent is to do exactly what the Senator has said. I will be glad to draft, and will clear with him, an amendment which will lay down as a matter of policy the very statement the Senator has made.

I did not properly finish my earlier statement. I touched on the east coast. May I conclude, on the handling of oil to the Midwest or middle part of the country?

I would point out that the oil coming down directly by boat from Valdez to the west coast, and primarily to California, would relieve the movement of the oil that is now coming into the Northwest and down the west coast from Canada. Oil is now coming from the Prairie Provinces, Alberta primarily, into the Northwest and down to the west coast. I would point out that the oil coming down from Alaska, and particularly that which is now coming from the Prairie Provinces of Canada, would move into the Midwest.

There is also a pipeline from the Four Corners area to southern California. Since Alaskan oil can meet California's needs, the oil that now travels the Four Corners pipelines can be redirected over existing pipelines to the Midwest or East. Also, if North Slope oil is excess to west coast needs, the flow in the Four Corners pipeline can be reversed, and it can carry Alaska crude oil to Texas, and then to other parts of the country.

What I am suggesting is that we can move oil around the United States on an equitable basis without building pipelines everywhere.

Mr. PASTORE. That is, provided we put it into law.

Mr. JACKSON. Mr. President, I will be glad to accept an amendment embodying the basic declaration of policy offered by the Senator from Rhode Island. I will be glad to accept such an amendment, and we will work it out.

Mr. GRAVEL. Mr. President, will the Senator yield at that point?

Mr. JACKSON. Mr. President, I am happy to yield to the Senator from Alaska.

Mr. GRAVEL. Mr. President, the Senator from Rhode Island raises an excellent point. I think that what the chairman of the committee is referring to is a statement of policy. I hope that satisfies the Senator from Rhode Island. The problem is there. I know of no other way in which to solve it except with a statement of policy.

Oil is located in various parts of the world, and it gets to some places sooner than to others.

Mr. PASTORE. Mr. President, when we passed the Distribution Act several days ago we went beyond policy. We dictated by legislative fiat that there had to be a legislative distribution of oil, so much so that the Senator from Massachusetts suggested an amendment which was agreed to and which gave preferential treatment in a way to independent dealers so that they would not be eliminated completely by the big four or five companies.

I am satisfied with a statement of policy on this bill, because we have the Distribution Act. And if we did not have the Distribution Act, I would expect it to be written into this bill.

We did the same thing with atomic energy, because this is within the national domain. And when we get into the national domain, we have to treat all sections of the country and all people alike.

Mr. STEVENS. Mr. President, if the Senator would yield, I appreciate the comments of the distinguished Senator from Rhode Island. I hope that the Senator keeps in mind on this declaration of policy that the North Slope reserve includes not only oil, but also natural gas, and under the distribution plan the northeastern and middle part of the United States will receive all of the natural gas.

The shortages faced in New England were triggered by the shortage of natural gas. As the natural gas distribution declines and as we look at the distribution of oil, if we have a statement of policy for the national distribution of Alaskan crude oil wells, I assume that we would want to have a national distribution of our national oil wells.

I want to be sure that the Senator from Rhode Island keeps in mind that under the distribution pattern now established the northeastern and midwestern parts of our Nation will get all of that essential gas, and that gas has a bigger volume, particularly with the Mackenzie River production.

That is a major reason we argue the matter the way it is now. I would not want to have to be convinced to the point where we say that the oil will be spread all over the United States and the gas would be confined to one area.

Mr. PASTORE. Mr. President, any time the Senator from Alaska pleads and advocates equity and justice, he will have an ally in the Senator from Rhode Island.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. JACKSON. Mr. President, I yield to the Senator from Alaska.

Mr. GRAVEL. Mr. President, there would be a projection based upon the short falls of this Nation with respect to oil and gas. And I know that the Senator from Rhode Island is as knowledgeable in this field, if not more so, than any other Member of Congress.

In order to avoid the problem of the hemorrhaging of the balance of payments, the only answer is balanced production. And we would have to maximize the production out of Alaska at an accelerated rate.

The Alaskan pipeline addresses itself only to 2 million barrels a day through the pipeline. Obviously, the gas line that will come down from the Mackenzie area will equate about 1 million barrels of gas a day.

That makes only 3 million barrels. If we are to help the Nation, we will have to come down with another line through Alaska and through the Northwest Passage that will satisfy all sections of the United States, except for the gulf area.

Mr. PASTORE. Mr. President, the only reason I rose is because I think that we ought to settle these sticky problems so that every Senator will understand when he votes his conscience and will know that he is voting correctly.

We have to get on with the job. The situation is critical. Something has to be done right away.

There has been a contrast between the Alaskan pipeline and the so-called Canadian pipeline. Some people argue that if this goes through Canada it will be better for the East. Other people say that if this goes from Alaska to the United States that it will be better for the West. I think that it ought to be better for the country. That is what I am pleading for, equity and justice for all.

Mr. GRAVEL. The Senator from Rhode Island has rendered a great service. The Senator from Washington will offer such an amendment.

Mr. JACKSON. Mr. President, the Senator from Rhode Island will offer the amendment tomorrow. I am sure that we can work it out. But the Senator from Rhode Island will be offering that amendment.

Mr. GRAVEL. Mr. President, I would be glad to cosponsor the amendment with him.

Mr. JACKSON. Mr. President, I have an idea that 99 Senators will join the Senator from Rhode Island in that proposal, two from each State.

Mr. GRAVEL. Mr. President, I hope that the Senator from Rhode Island will join in having a leadership role.

Mr. PASTORE. Mr. President, if I may have the last word, I think that when the Senator from Rhode Island rises, he is not performing an exercise in futility. He means what he says and he wants what he says.

Mr. JACKSON. Mr. President, I would observe that that is an unrebuttable presumption.

Mr. President, I yield now to the able and distinguished Senator from Colorado (Mr. HASKELL), a very active and effective participant in the committee work. The Senator has done a lot of work on this subject.

Mr. HASKELL. Mr. President, I thank the distinguished chairman of the Committee on Interior and Insular Affairs.

Mr. President, I rise to submit an amendment—but not to call it up—to S. 1081, the Federal Lands Right-Of-Way Act of 1973. My amendment would make it unlawful for an oil pipeline company or its affiliates to ship their own oil through a pipeline which crosses Federal lands. The amendment is modeled after the railroad commodities clause of the Interstate Commerce Act. That clause prohibits railroads from having an interest in the goods they haul.

I propose to make the same prohibition applicable to pipelines. The idea is not new. Congressional enactment of this legislation is long overdue.

In 1906 the Congress was faced with a situation in which the railroads virtually controlled the coal industry in this country. The situation was deemed to be extremely anticompetitive by the Congress and legislation was enacted to curb the abuses of railroads offering their affiliates free transportation for goods being transported to market. The legislation was in the form of an amendment to the Interstate Commerce Act which forced the railroads to divest themselves of coal companies. That legislation is now known as the Hepburn Act and appears in title 42 of the United States Code, section 1(8).

The Hepburn Act forced the railroads to divest themselves of their coal holdings.

The Senate, in discussing this particular piece of legislation, originally intended to preclude oil pipeline companies from having an interest in the oil transported through their lines. An amendment to do this was offered by Senator Elkins, passed the Senate, and eventually lost in conference. That amendment, originally stated:

> From and after May 1, 1908, it shall be unlawful for any common carrier to transport from any State, Territory, or District of the United States or to any foreign country, any article or commodity, other than timber and the manufactured products thereof manufactured, mined or protected by it . . .

Senate sponsors of the original commodities clause—which included oil pipelines and not just railroad companies—agreed to compromise that so long as pipelines were declared to be common carriers and subject to vigorous regulation by the Interstate Commerce Commission, this was all that would be necessary. The common carrier amendment was offered by Senator Lodge of Massachusetts. It passed the Senate unanimously, survived conference, and was eventually enacted into law. That amendment provided:

> Any corporation or any person or persons engaged in the transportation of oil or other commodity except water and except natural or artificial gas by means of pipelines and partly by water at any place within the jurisdiction or within the governmental authority of the United States, who shall be considered and held to be common carriers with the meaning and purpose of this act.

Those who supported the amendment declared that vigorous enforcement of the common carrier provision by the Interstate Commerce Commission would result in a truly competitive oil pipeline transportation system.

Senator Lodge in 1903 eloquently described the situation which existed then. That situation still exists today:

> Those well owners are absolutely at the mercy of the pipe lines. I have had cases brought to me, which in this fifteen minute debate I can not enlarge upon, where an independent refinery has been deprived of its supply of oil because it would not agree to the prices of the pipelines. A small well owner is compelled to take the price that is offered by the controller of the trunk line.

Congressman Gillespie, a Representative from Texas those decades ago, contended:

> The large oil concern which can pipe its product to distant markets will always enjoy a monopoly, because it can fix the price so low as to destroy a competitor.

The fact that interstate pipelines are by statute deemed to be common carriers is simply not sufficient to force a true spirit of competition in the oil pipeline industry. As evidence of this, I point to the fact that the Interstate Commerce Commission has not brought a single case against a pipeline company in the past 67 years which has challenged its operation as a common carrier.

The confidence of our predecessors that common carrier status would bring about that vigorous competitive spirit within the industry was, unfortunately, sadly mistaken.

Where an oil company owns the line, as is virtually always the case, the pipeline is only theoretically a common carrier. Circumstances and devices can be used by the owner of the pipeline, which in reality is owned by the oil company, to make it virtually impossible for an independent to have his oil carried to market. This in effect makes the independent sell his oil, usually, to the major company that owns the line.

For example, the ICC does not require pipeline companies to put in storage tank or other facilities to hold an outsider's product if the line is full when the outsider wishes to ship his product. The pipeline owners and major companies routinely have storage tanks available for their own use. Furthermore, there is no requirement that a pipeline company shall be forced to make a connection except where it wants to do so. Connections are obviously made for the convenience of the owners and not those smaller producers who simply want to ship through the lines.

The anticompetitive nature of this situation was recognized again just prior to World War II. The Justice Department filed suit against the American Petroleum Institute and most major oil companies. That suit included allegations of a vast array of anticompetitive conduct. The suit was so comprehensive that it became known as the Mother Hubbard case.

The suit was put on the back burner when World War II came along so as not to interfere with the needed oil production for the American war effort. The Department's conclusion after the war was that the suit was so comprehensive and multifaceted that it was deemed to be "untriable" and was dismissed on the Justice Department's own motion. One portion of that suit sought divestiture of oil company ownership of pipelines. Again, the lack of competition has been further documented recently in reports made by Attorneys General William P. Rogers and Ramsey Clark. Their reports, portions of which I will submit for the RECORD at the conclusion of my remarks, have concluded that these supposed common carriers operate according to the wishes and desires of their owners and other major integrated oil interests.

These reports, made pursuant to two joint resolutions consenting to an interstate compact to conserve oil and gas, have both recognized the need for a legislative solution to the problem.

If a pipeline is owned by producing companies it is very unlikely that there will be challenges even as to tariffs set by the pipeline owner. In fact, current Interstate Commerce Commission reports indicate that only three tariff challenges were filed during all of fiscal year 1973. Only two pipelines were involved. All three cases concerned proposed increases and two cases are awaiting report of the Commission. In short only one tariff challenge was successfully concluded in the past year and went to final decision.

Furthermore, if a pipeline is full and an outsider wishes to ship oil he must "tender" his oil for shipment. That is, he must in effect say to the owner or part-owner of the line that he would like to use a portion of the line for shipment of his oil. Thus he would deny owner partial access to the line for a period of time.

The formula for determining the amount of oil an outsider is entitled to ship is extremely complicated. Say, for example, the owner has 100,000 barrels per day he wishes to ship through a 100,000 barrel per day capacity pipeline. The outsider comes in desirous of shipping 10,000 barrels per day. He has roughly one-tenth of the amount of the owner. In theory the owner would be compelled to cut down the amount of oil he ships through his own pipeline in order to guarantee the outsider access for a portion of his oil. In practice it is not quite that simple.

The already complicated situation is compounded even further by the owner setting what is called a "minimum tender" requirement. This minimum tender is the least amount a common carrier can be forced to accept for shipment.

For example, a crude pipeline may have a minimum tender requirement of 10,000 barrels for a single shipment to one consignee or destination. This minimum tender would be a reasonably small amount in terms of regulatory agency requirements.

Then, just for added confusion and protection of the owner, the oil tendered must be of a type that "will not materially affect the quality of other shipments or cause disadvantage to other shippers and/or carriers." Further, it must also be tendered or offered at points established by the owner—by definition the points most convenient to the owner and not to the competitor. The competitor must have his own storage tanks at the point and, usually, connecting facilities for access to the pipeline.

To complicate matters further the outsider wishing to have his own oil shipped must cope with the difficulties of scheduling requirements. The entire scheduling of the oil is precisely calculated by the owner to take advantage of the various companies he wishes to accommodate. Generally these "desirables" are a part of the owner's own company or are a part of another major integrated own company with whom the owner's company has worked out agreements for other pipelines. The intrusion of additional outsider shipments can easily be resisted without direct refusal by using any one or more of these methods.

Attorney General Ramsey Clark also reached this same conclusion in his 1967 report.

The entire regulatory situation results in what I might term a ring-around-a-rosie. The outsider never knows what he can ship or when he can ship. The owners can increase or decrease the amount the outsider is allowed to put through the pipeline by changing their own tenders.

The outsider never knows what is up. In order to do any planning, he is forced to sell his oil to the major integrated company or make some type of deal or arrangement which is satisfactory to the major. This is not what I call a highly competitive system, or a situation designed to encourage competition.

Under the situation existing today, would anyone make the investment to acquire leases, drill, put in a gathering system and tanks, if he knew that the only way to get his oil to market was to go through this type of procedure? Obviously not, unless he could negotiate ahead of time with all the pipeline owners. And who holds all the cards in these negotiations?

The preceding explanation is a rather long introduction which explains the complicated history and rationale of my amendment. Now let us apply this amendment to a situation all of us are familiar with—the problem of transporting oil resources from the North Slope of Alaska to the lower 48 States.

According to the estimates of the U.S. Geological Survey, Alaska's North Slope potential represents 9.6 billion barrels of proved reserves. Other estimates range as high as 16 billion barrels. By comparison, the total U.S. proved reserve at the end of 1971 was calculated to be an additional 38 billion barrels.

The North Slope oil, then, represents approximately one-fifth of the Nation's proved reserves. That figures does not include recent Navy estimates which indicate there are an additional 14 to 15 billion barrels of recoverable oil reserves in petroleum reserve No. 4, administered by the Navy, which adjoins the North Slope oil discoveries.

Unless this amendment which I propose is adopted, we in the Senate, by giving this consortium of major companies the right-of-way for a pipeline from the North Slope will have given this consortium of companies not only the right to transport their own oil to the lower 48 States, but we would also be giving them the right to all the unknown reserves on the Alaskan North Slope.

The Alyeska Pipeline Service Co. is the consortium of major oil companies which propose to build the pipeline. It is owned by Amerada-Hess Corp., ArCo Pipeline Co., British Petroleum Pipeline Corp., Humble Pipeline Co.—which is now Exxon, Mobil Pipeline Co., Phillips Petroleum Co., and Union Oil Co. of California.

The acknowledged major ownership is in the control of three parent companies which have found the most North Slope oil: Arco, BP, and Exxon.

Do we wish to add to this control? What would be the effect of further control by these companies on the pricing of petroleum products? How much would it cost the American consumer? Do we wish to eliminate competition in exploring for further reserves on the North Slope?

Some may oppose this amendment by contending that the pipeline could not be built without the tremendous financial resources of the major oil companies. This is not true.

We have a known, insatiable demand for oil in the lower 48 States. We have a known supply on the North Slope. When we have a known supply and only one way to get that supply to an insatiable market, there is no doubt that the financing will be available. The banks, insurance companies, pension funds, and investment bankers would all be competing for a piece of the action.

As a matter of fact, as an aside, I would be ashamed if my Labrador retriever were unable to finance a pipeline under these circumstances.

As long as integrated oil companies are permitted to own and operate their own lines—with all their attractive anticompetitive features and opportunities for attractive profits—no independent pipeline will ever receive the commitment by the oil companies that they will ship their oil along an independent's line.

The major integrated oil companies would simply rather build the line themselves and insure an even greater profit.

If and when oil companies are barred from pipeline ownership that situation will change. They will have no choice but to use independent lines.

I intend to expand this present amendment in the very near future with comprehensive legislation for referral to the appropriate committee. That legislation would make the same prohibition applicable to all pipelines affecting interstate commerce whether or not they cross Federal land.

This legislation is timely. Just last week the staff of the Federal Trade Commission concluded a report on the relationship between the structure of the petroleum industry and the critical fuel shortages. That report allegedly recognizes the need to provide for independent oil transportation systems. I am unable to quote directly from that report because the chairman's office has refused my office's request for a copy of it.

Evidently it indicates that major oil company ownership of pipelines gives the companies an important weapon to control the crude oil produced by independent oil producers and raw material supply to independent refiners.

This amendment is necessary to protect the American consumer.

This amendment is necessary to help alleviate our energy shortages.

This amendment is necessary to promote vigorous competitive drilling and development of North Slope oil resources.

I ask for the support of my colleagues.

Mr. GRAVEL. Mr. President, will the Senator from Colorado yield?

Mr. HASKELL. I yield briefly.

Mr. GRAVEL. Obviously, the amount of return on the invested capital would be regulated——

Mr. HASKELL. No, that is not what these reports bring out at all. As a matter of fact, what the attempt is, is to take profits from the pipeline and put them back into the oil fields, because when we put the profits back in the oil fields, we have a higher base percentage depletion.

Mr. GRAVEL. I am not questioning what may be going on right now. What I am talking about is, under the Senator's proposal, if we deny the ability of the companies that have oil-producing sites to finance the removal of oil from one place to another, if we do that, and then turn around and say that somebody will finance it, I only know one reason why people finance things and that is because they can make money. So if the pipeline is going to be regulated, which, undoubtedly, under the Senator's proposal it would have to be——

Mr. HASKELL. The Senator is correct.

Mr. GRAVEL. We have the situation of a public utility.

Mr. HASKELL. The Senator is again correct.

Mr. GRAVEL. I do not know of anyone in Alaska who could bring together a combine other than the State of Alaska itself to bring about the construction; yet under the proposed legislation Alaska would be precluded from owning a piece of the pipeline under its own leadership because we have oil to ship through the line. We would be excluded from that proposition. So who under a regulated return would put together the investment?

Mr. HASKELL. Mr. President, I would suggest to the Senator from Alaska—I shall probably use the wrong percentage—but I believe the percentage of total invested capital allowed is somewhere in the neighborhood of 7 to 8 percent. If that is heavily leveraged by the high debt equity ratio, which is usually the case, and if in fact, the interest rate can be lower than that figure because of the certainty of the proposition, the return on the equity can be as high as 20 to 25 percent. It seems to me, if I may suggest it to the Senator from Alaska, that insurance companies, banks, pension funds, investment bankers would be leaping at the chance to finance this venture. I say to my friend from Alaska that this has nothing to do with where the pipeline goes, whether it goes through Valdez or——

Mr. GRAVEL. I appreciate that. The only concern I have is that, precluding the oil companies who presently have a stake in getting the oil out, some magic route will come into being in a fashion that will fill the breech in this regard and I do not know of any situation where this has occurred anywhere else in the country. If we are going to permit inside deals where I can, in an insurance company or a pension fund, turn around and get a little bit of equity out of it, and come out with a 25-percent return on my money, I suspect that the machinations the Senator will have brought about will not have advanced the consumer one step further ahead than he was at the disposal of producing companies which now are regulated.

Mr. HASKELL. All I was pointing out is that it would be an attractive investment opportunity that, for example, a pipeline can easily spin off to its stockholders.

I have here, if I may say to the Senator from Alaska, a report from the Subcommittee on Special Small Business Problems of the House Select Committee on Small Business dated October 1972. It is a House committee report, 92-1617—and I refer the distinguished Senator to page 28 which, at the bottom of shows the attractiveness of such a venture when referring to a pipeline——

Mr. GRAVEL. Who is making this statement?

Mr. HASKELL. This is a report by the House Committee on—the Select Committee on Small Business——

Mr. GRAVEL. My colleague knows as well as I do that the reports are done by staff members and that if one staff member will corroborate the Senator from Colorado, that is fine, that may well be right, except that my local business community is such that no one can get equity capital unless there is a substantial return. When we are talking about a regulated type of business, we do not get equity capital, and essentially they are cooperatives, other than the ones that developed historically prior to regulation. Now even widows and pension funds are investing in them, because it is a very safe type of return. But we are not going to get the entrepreneurial talent to come forward and organize and put this together if there is not going to be a big return or a substantial return.

Perhaps the Senator is correct. Perhaps for the present someone who puts up a dollar is going to get the 25 or 30 percent return. If so, perhaps that is not in the best interest of this Nation.

Mr. HASKELL. I merely suggest that this is the pattern of oil pipelines, with few independent lines. I think there are just a few. This is a pattern they follow. I merely say that where you have a known supply and you have a demand that exceeds the possible supply, it should be a cinch to finance getting the two together. I say to the Senator that I think it would help the competition in exploring for reserves in Alaska. I think it would be helpful to Alaska.

Mr. GRAVEL. I have no argument on that score, and I have no argument with the Senator on his concept that the fractionalization of our economy may not be a benefit to the country. In fact, I think I can agree with the Senator on a philosophical basis, but what we are talking about is a specific course of action that exists with respect to the Alaska problem. Were his amendment removed and brought to us under a different garb, and that is to address itself without involving first our pipeline, I might take a different view. But right now, tomorrow, if his amendment is adopted, we have to find somebody to bring together the construction of this pipeline. I do not know of anybody in this country who is in a position to do that now except the oil companies, who have the incentive, not so much to make money but to get the money they already have locked up, in the ground, out. They count their stars lucky if they can break even with the pipeline and move the oil out. I do not know anybody in this country who is willing to do that on that basis.

Mr. HASKELL. I think our viewpoints differ. I believe oil companies undoubtedly have a double incentive: to make money on the line and get the oil out. Then, how are they going to produce the oil? They already have a monopoly on one-fifth of the oil.

Mr. GRAVEL. It is already regulated as a common carrier.

Mr. HASKELL. As I have pointed out, this regulation is in effect. I should point out that last week the Federal Trade Commission concluded a report on the structure of the petroleum industry. I have not seen the report as yet, except for excerpts. As I understand, they have come to the same conclusion I come to—the same conclusion that Attorney General Ramsey Clark and Attorney General William P. Rogers came to, as others did earlier. I suggest that it is in the best interests of the country and the best interests of Alaska.

Mr. GRAVEL. Would not this be a better proposal? Since the people are trapped there, with an incentive to bring this about, and since the most vital part of any enterprise is the entrepreneurial talent that goes in at the beginning to build it—once it is all built, pushing the oil through the pipe becomes automatic—why not require a divestiture, say, 3 or 4 years after this talent has brought this great act about? Then we would not be stuck in a situation where we would be waiting for some third party to come forward and bring about this development, where we have people who want to bring it about, but the Senator, by his law, says they cannot. Why not let them do their thing? They have the pipe; require the divestiture; and the Senator accomplishes what he seeks to accomplish.

Mr. HASKELL. I would be glad to consider that proposal, and perhaps, under the circumstances, that amendment to my amendment might be a very good idea. Obviously, I would like to think it over until I call up my amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from the reports of Attorney General Rogers and Attorney General Clark.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Excerpts From the Report of the Attorney General William P. Rogers, September 1, 1958, and September 1, 1959, Pursuant to Section 2 of the Joint Resolution of July 28, 1955, Consenting to an Interstate Compact To Conserve Oil and Gas

1958 Report:

"The anticompetitive possibilities inherent in the control of transport facilities by major components of an industry have long been recognized. The peculiar conditions surrounding pipeline operation a half century ago were the justification for excepting these carriers from the operations of prohibitions against carriers dealing in the goods they transported. Recurrently since that time, proposals have been made to impose on pipelines the same prohibition. There are at least some indications that pipeline operation has since developed true common carrier capabilities, perhaps sufficient to permit independent operation. However, any recommendation in this respect must await full and careful investigation."

1959 Report:

"A different problem, however, is posed by the present pattern of pipeline ownership and operation. Only one possible pipeline connection is usually available to a well, and, considering its cost, is likely to endure for the life of the well. The economies of size and trunk-line operation logically impel building one large diameter line to a field or area, sufficient to carry anticipated production and therefore preclusive of economical operation of other lines.

"The position of each pipeline owner is greatly magnified by reciprocal use of pipelines among the select group of integrated companies owning pipelines. Logical and efficient operation of pipelines as a transportation system urges cooperation between lines and avoidance of duplication and cross-hauling. But the pipeline system is more than a transport agency, it is the crude oil market. *And cooperative use of pipelines has a grave potential for control of crude oil markets.* (Emphasis added.)

"Antitrust litigation can perhaps deal with particular cases of pipeline abuse. But the problem is more far-reaching, covering the broad spectrum of this industry's transportation and buying operations, and *singularly suited to legislative action*. Precise definition of the problem requires compulsory process to insure complete information; and *any policy decision on the appropriate solution seems best suited to legislative determination.*" (Emphasis added.)

Excerpts From the Report of Attorney General Ramsey Clark, July 1967, Pursuant to Section 2 of the Joint Resolution of September 6, 1963, Consenting to an Interstate Compact To Conserve Oil and Gas

Clearly an outsider could conceivably induce or force a line operating under such rules to accept its oil for shipment on a regular basis, if enough time were available for a regulatory agency proceeding. Even so, it would take considerable time and substantial investment in facilities to connect with established origin points. Moreover, after this investment, there is no assurance that such an 'origin station' would not be changed in the future, a portion of the line itself changed or discontinued, or the shipping convenience of the other shippers might change. Consequently, it is in most instances far less costly and more convenient for the outsider simply to sell to the line's owner and purchase equivalent oil on a delivered basis.

As a result, virtually all crude oil passing through a pipeline carrier system is oil owned by the carrier's refining affiliate. Some exception is made where the 'outsider' is also an integrated company whose lines elsewhere the carrier's refining affiliate may wish to use. Even in this situation, however, the appearance of discrimination is avoided by the exchange or re-exchange of the oil involved, or its 'sale' and 'repurchase'."

The entire crude oil pipeline system is so dominated by the integrated companies that virtually all shipments even if handled at origin or near destination by one of the few independent lines, must have intermediate access to an integrated company line. And outsiders simply are unable to use these lines as they could other types of common carriers. This is probably due less to direct refusal to accept outside shipment as to the multiple inconveniences which an outsider would encounter in attempting shipment over a line designed and geared almost entirely to handle the refiner-owner's own shipments.

Mr. HASKELL. I thank the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, I followed with interest the statement by the able Senator from Colorado on the question of the pipeline problem.

My view is that there should be an independence of ownership of the pipelines from the actual production of crude oil and petroleum products. My concern relates to a delay that could take place if the pending amendment were to be effective immediately. It would mean that, in order to proceed with the divestiture, a new company would have to be formed, with all the problems that are related to the requirements of the Securities and Exchange Commission Act and other Federal acts that are applicable. It would mean considerable delay, according to the information I have received.

I believe that if this approach were to be followed, there would be a need, first, for a reasonable time for divestiture. Looking at it equitably, we are talking about all pipelines. I do not believe we can apply it just to pipelines that cross the public domain. If the problem is serious—and I believe there is a serious problem here—it should apply to pipeline operations that do not traverse the public domain as well as those which do traverse the public domain. If it is to be fair and equitable, it should be retroactive as well as prospective. I believe there is a need—and there will be a need—for an appropriate time period to enable divestiture and reorganization to take place.

I am in general accord with the history here, which the Senator has outlined so well, of the Hepburn amendment to the Interstate Commerce Act which was passed, I believe, in 1906. I do think the Senator from Colorado has put his finger on a very important problem in this area as it relates to the need to bring about further competition in the industry, to make it possible for the independent operator, in particular, to be in a stronger position to move his product to the marketplace, to make it possible for the independent to be in a position to develop new sources of crude and to move it to the marketplace.

I could make a number of additions to support the validity of this general concept. I would only observe, in conclusion, that one must provide for the kind of adjustment and transition that will not disrupt the operation of an industry that is needed, a business which is involved with the public interest and which is important to the economic and national security of the Nation.

Mr. HASKELL. I thank the Senator from Washington. I think the Senator's suggestion that the provision cover all pipelines irrespective of whether they cross Federal or non-Federal lands is most constructive and a most welcome addition. I also feel the Senator's suggestion of a period of time for divestiture is extremely constructive. I hope it is possible for the Senator from Washington, the chairman of the committee, and others who are interested, to sit down to see if we can work out something.

Mr. JACKSON. I will be happy to do that and I look forward to discussing this tomorrow with the able Senator from Colorado so that we would be in a position to discuss it further on the floor when the amendment is formally called up.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. I would like to address a question or two to the Senator from Colorado, because I am in accord primarily with what the Senator from Washington said, as a general proposition. But I would like to inquire why this amendment, which obviously has a great history, and has been faced by Congress before, should come before us right now. If the Senator from Colorado is addressing his remarks to the area of the North Slope—the primary area of oil and gas deposits we are discussing relative to the bill now before us he is inaccurate. This is not a place for independents. We are not talking about an area which you can go out and for several hundred thousand dollars drill a hole into the ground. We are talking about an area where the cost of operation is millions of dollars a day.

I do not see how we can change the law which the Senator mentions without having the effect of blocking the Alaskan oil development.

Would the Senator from Colorado express any opinion whether or not the amendment is of sufficient importance to take it to the Committee on the Judiciary and hold hearings on it and make certain that it is now in the proper form to be approved by both Houses of Congress.

This has far reaching implications with respect to the development of resources in Alaska. I say again that in general I am in agreement with the principles the Senator has stated, but I am not convinced that this is the appropriate vehicle for its consideration, when the primary result of the amendment would be to delay construction of the trans-Alaskan pipeline or the trans-Canadian pipeline for a substantial period of time. It would cause such a change in the equity position of those presently entitled to the North Slope reserve that the financial delay would be longer than the judicial delay. I do not think the Senator from Colorado wants to delay development of this North Slope reserve.

I believe we disagree about the route to be used, but I have been under the impression that he is sincere in wanting to see the development of the North Slope reserve. This may be the greatest single delay factor we have encountered so far, by requiring in connection with the largest pipeline ever to be constructed, a principle Congress abandoned 50 years ago.

Mr. HASKELL. Mr. President, in response to the Senator from Alaska, first let me say how I got interested in the subject. The oil reserves in the State of the Senator from Alaska are at least one-fifth of the known reserves in this country, perhaps more. My interest was prompted by thinking that if these are discovered reserves, what are the undiscovered reserves? What immense reserves there must be up there in addition to those now proven.

Then I started to analyze the position of the group that wanted to build a pipeline, and they happen to be the owners of the field. That led me into other research. I came to the conclusion that if this consortium of major companies builds that line, we will be giving that consortium not only what they now have and are legally entitled to, but for all practical purposes, we will also be giving them the exclusive right to explore for all undiscovered oil. I framed my amendment so that it would merely affect pipelines going across the public lands. However, I think the Senator from Washington (Mr. JACKSON) has an excellent point in that it should be broadened to include all pipelines.

The colleague of the Senator from Alaska thought that a period of time should elapse before this proposal would go into effect, and that it apply to all pipeline companies. I think this is reasonable.

I say to the Senator from Alaska that this proposal will not delay the building of the pipeline; it will be beneficial to Alaska, in that many more companies will now feel that this is an offer to do exploration on the North Slope.

Mr. STEVENS. Mr. President, let me make certain that the Senate knows, as I am sure my good friend from Colorado remembers, that the oil we are speaking about is owned by the State of Alaska; it is not owned by any of the companies. It is under Alaska State land, on the North Slope. The oil that has been discovered belongs to Alaska under our constitution.

We have granted leases to the people in the oil industry to produce the oil. It does not give them ownership until they have produced it. I am sure the Senator would agree with that. Alaska does not have exclusive rights to the North Slope oil. There is a balance of great potential. There are nearly 300 billion barrels of oil in Alaska. The balance of that oil will be developed, so far as it is on State land, in accordance with State law. It will be produced after full competitive bidding when our director of the department of natural resources sees fit to require it. If it is on Federal land, it will require competitive bidding when the geological structure becomes known.

I think my friend will agree that when we get into that situation, there will be a challenge concerning additional development.

Unless someone is willing to build that first pipeline and demonstrate the capability to transport the oil from the North Slope, no one is going to put money into leases. The first leases amounted to about $900 million, because of the expectation that existed in American industry. Firms bid competitively and consequently to our State's advantage. If those leases were put up today, they would not bring $900 million, because no one would put up the money, having seen the delay in pipeline construction we have had since 1969.

The Senator should take into consideration the development of the North Slope—the millions of dollars for the cost of the pipe; the millions of dollars to build tankers. More than $5 billion are required by the people who are already committed. More than a billion and a half dollars have been invested in that development already. It is to their advantage to have the pipeline built promptly. Their stockholders will demand that they put up the money.

They have not put up the money to build Prudhoe Bay. They have not put up the money to build the Valdez dock. They have not put up the money for the drilling that has proved to be productive.

I would like to cooperate with the Senator. I would cosponsor his bill as a separate measure, and I would help him get it considered. However, that would be looking toward the future. It is not an issue that should be involved with this bill which means so much for the development of my State. This would produce a damaging delaying effect at this time.

Mr. HASKELL. I can only say to the Senator from Alaska that, as far as future development goes, it seems to me that without such a provision, the State of Alaska, the Federal Government, and the Natives who are going to get land under the Native Claims Act, really are going to have to look at possible customers for leasing those lands. This will be due to the simple reason that other companies will now be interested, if the history of the industry is correctly analyzed by many different sources. So I think this opens up competition to the great State of Alaska.

I would also suggest that the companies that have these gigantic reserves certainly want to sell them and, therefore, they would pay a tariff to go through an independent line and sell it to the lower 48.

I would certainly feel that if a reasonable time period for this to take effect is desirable, as suggested by both the Senator's colleague and the Senator from Washington, this is certainly satisfactory. But the main thing, I say to the Senator from Alaska, is that this is a huge national asset, very important to Alaska and very important to the Nation. I submit that my amendment is good for both Alaska and the Nation. I submit there are going to be more companies up there bidding if they know they truly have an independent way to get it down to the lower 48.

Mr. STEVENS. I would say that until we get a pipeline, until someone is willing to continue to invest to get it, there is going to be no interest, whether it involves independents or others, for further development of our great potential. This is my point here. We must have that initial means of transportation from the North Slope, or there will be no interest by any group to provide further transportation, for there would not be any. These people have, are committed heavily already, and unless they can provide a means of transportation, there will be no further interest in exploration and development in Alaska. That is our point.

Mr. HASKELL. As I understand it, there is certainly no engineering problem. A line can be built. I am on firm ground there. I think the Senator will agree with me. In other words, the pipeline can be built. The problem is litigation. Will the Senator agree with me on that?

Mr. STEVENS. I will agree with the Senator on that if he will agree with me on this as we are both lawyers. How would the Senator like to try, through the SEC, for a registration of a new company to build an Alaska pipeline today or tomorrow or any time until this litigation is over? How would the Senator like to do it? He would not be able to do it, would he?

Mr. HASKELL. I know the distinguished chairman of the committee, the Senator from Washington, and I do not see eye to eye on this, but I believe the best way to get the oil from the North Slope of Alaska is to get a congressional decision. After we get that, which will examine the situation from a national viewpoint, and which way the pipeline should go, and avoid environmental litigation, I really think that is the quickest way.

Mr. STEVENS. The Senator did not answer my question. I am sure the Senator would not try to float any security and get the approval of the SEC to get a company to construct a pipeline with this situation. The companies there are the ones who have taken the risk. They have more than $1 billion invested already. They are entitled to the development of this line. In fact, if they do not develop this line, I am very much worried about future development for Alaska. The Senator is worried about the independents coming in. What independent is going to drill on the North Slope?

Mr. HASKELL. We have different definitions of "independent". When the bids were being made in Alaska, there were a great many people up there with money, bidding. Some were successful and some were not. I think in the oil industry the word "independent" includes such vast wealth that in any other industry the company would be called a major. So I think the Senator would see increased development.

Mr. STEVENS. Someone once said that an independent was one who could get a check for $1 million cashed.

Mr. HASKELL. It would be nice to be independent in that sense.

Mr. STEVENS. Again, I would hope the Senator would review what he is doing in view of the situation as it applies now. If this were something that had been received a long time it would be another matter; but with regard to North Slope oil right now, it is not possible for anyone to organize a company to build a pipeline until all factors have been determined and a lawyer could look the SEC in the eye and say, "These are the probabilities. We are making firm representations. We can go ahead and proceed with this line." The Senator could not do that now, but the oil companies that own these leases have so much money invested that they must continue. That is my point. I do not see any point in injecting this proposal now. I hope the amendment will not be called up, because while we must be diametrically opposed to it in connection with this bill, as a general proposition I find it a good idea.

Mr. HASKELL. I will, of course, take the Senator's views and the Senator's very articulate statement into consideration. I am sure he will do the same, and hopefully we can have a resolution of the matter.

Mr. GRAVEL. Mr. President, will the Senator yield for an additional colloquy?

Mr. HASKELL. I yield.

Mr. GRAVEL. I would like to add this counsel. Does the Senator have a preference with reference to shipping the oil through Canada or Alaska?

Mr. HASKELL. I have no preference, I say to the Senator. My position is that we should determine which is the most economical.

Mr. GRAVEL. And that decision would be formed through a study. Is there an amendment that would be offered to that effect?

Mr. HASKELL. There is an amendment to be offered, and I will point out to the Senator that that study is for 11 months, and then Congress must act. When Congress acts, that avoids the environmental litigation. As I mentioned to the Senator's colleague, this is in the interest of speeding up the process.

Mr. GRAVEL. If the study indicated that it would be in the best economic interests of the consumer to ship the oil through Canada, then the Senator would be for a Canadian pipeline?

Mr. HASKELL. That would be correct.

Mr. GRAVEL. The Senator would not want to raise any roadblocks to that possibility taking place—I refer to the construction of a Canadian pipeline—through legislation now?

Mr. HASKELL. Oh, no. This applies either way, no matter which route.

Mr. GRAVEL. That is the point I want to make. Under the plan as it is presently constituted, if the Senator pursues this amendment, he will guarantee that there is no way a line can be built through Canada. I would suggest that by putting the figures together reasonable men would agree that the Canadian line, since it is twice the length of that in Alaska, and assuming the Canadian line would require the same environmental criteria, and assuming the same costs would prevail on a per foot or a per mile basis, would be more expensive than the Alaska line. I think that is a reasonable assumption.

Mr. HASKELL. I would have no idea on the cost basis.

Mr. GRAVEL. If we said the equity requirements in a pipeline going through Canada would be somewhere around 70 to 80 percent, anybody building a Canadian pipeline would have to pay 25 percent of the equity of that line.

Since the Canadian Government—and I think that my colleague is aware of this—has repeatedly stated that it wants 51 percent, that it has to have a 51-percent content, we would be talking about an equity sum that would be somewhere near $800 million, which incidentally would be about the sum—$700 to $800 million—that would be necessary to come up with for an equity investment for the Alaskan pipeline. That is quite a sizable stock issue. However, in the case of Canada, it is not only $800 million, but it is about $400 million more than the Canadian's total equity has been on an average for the last 5 years.

So, what my friend is suggesting, if we codify this into law, would be the inability of the Canadian financial market to permit the construction of a pipeline through Canada.

Mr. HASKELL. Mr. President, I am sorry, but I did not follow the Senator's figures. The Senator concluded that the Canadian line would cost how much in equity?

Mr. GRAVEL. I would say in rough figures somewhere around $600 million. And if we figure 75 percent of that and a Canadian content of 51 percent of that, we come out with about $800 million that we would have to come up within stock equity. Someone would have to sell that stock in Canada, and the Canadian citizens would have to come up with $800 million. In the last 5 years, the Canadian equities in Canada have amounted to $500 million. So, the Senator would mean that for almost 2 years no one in Canada would be able to buy any other stock in any other area except this pipeline up there, financed in Canada which the Canadian Government said is mandatory with respect to a pipeline construction.

So, I think the Senator's amendment would preclude the possibility of any Canadian pipeline.

Mr. HASKELL. Mr. President, I would point out to my friend, the Senator from Alaska, that if his figures are correct the Canadian Government one way or the other has made it impossible to acquire the equity capital for a line through Canada and therefore it must go through Valdez. And if we were to go through Valdez, there would be years of litigation.

Mr. GRAVEL. That is a conclusion that my friend reaches. We can make this judgment. The Canadians have said repeatedly that they want a 51-percent content. That is their position. We, of course, have to put pencil on paper and figure out what it will be and realize that there is no way in which Canada can permit construction of this line under the criteria that the Senate would establish into law.

Mr. HASKELL. I would say to the Senator that until we sit down seriously with the Canadian Government, we will not know what they want. Some people say that we cannot send it through Canada unless we have a treaty and that we cannot get a treaty for 3 years.

Mr. GRAVEL. Mr. President, I do not want the Senator to misunderstand me. I am not addressing myself to the negotiations in what is involved. I am quoting what the Canadians have said time and time again, and that is that for any line that goes through Canada, there will be 51 percent of the stock owned by Canadians. And with the Senator's amendment, Canada cannot afford to have this line go through.

Mr. HASKELL. If the Senator's figures are correct, Canada cannot afford to have this line whether or not this amendment goes through. The Senator from Alaska says that Canada insists on 51 percent ownership, so, Canada cannot afford it, and whether my amendment goes through or not, a Canadian route would be out.

Mr. GRAVEL. I would say that the Imperial Oil Co. of Canada could make some international transactions by which they could borrow money on a debt basis. That could be done in another way. That can be done. No oil companies would stand good for the loan. That is the same reason that my colleague is pointing out why we cannot get this off the ground, because we need somebody to stand for it.

The oil companies will stand for it, because they have so much investment in hostage to that pipeline already. That is why I suggest that it would be a good idea to offer the amendment after the oil line has been created and the oil companies have satisfied their debt.

Mr. HASKELL. Mr. President, when there is an insatiable demand and supply, whether one gets the oil though a pipeline or a railroad, it has to be financed.

Mr. GRAVEL. Mr. President, my friend is making one mistake. He is quoting the economic dictum of supply and demand. However, ahead of that, we have to have that pipeline. So, we take the supply and demand and throw it out of the window because there is no relevancy to it.

The Senator is correct. If there were no restrictions, I could put together a company tomorrow with $1 billion equity without actually having the capital, and I could total up profits for the next 30 years. However, when we talk about supply and demand and have a regulated Government operation, those factors are no longer applicable.

Mr. HASKELL. Mr. President, in national publications and national newspapers, every day there are announcements of stock issues on utilities. And I guess that they sell them.

Mr. GRAVEL. Most of the issues with respect to those equities are financed through debt capital. The equity involved is something quite different, and particularly with something that is a venture that is yet to be developed. And if the Senator can imagine the entrepreneurial talent that would have to be put together, knowing the difficulties we have gone through with the Alaskan pipeline, there would not have been an entrepreneur that would have supported the project if the Senator's amendment had been in existence. There would not have been this pipeline at this point in time.

This was occasioned because of people that have an interest in getting this finished. Over $400 million has been expended at this point in time. Where would be the entrepreneurial equity money, with fighting the economists and fighting court actions and with all of this delay? No one would have touched it had the Senator's amendment been operable. And there are merits to the amendment if it become operable after the fact, but not before the fact. Before the fact is when the entrepreneurial talent is so vital in the incubation of the total picture. In a classic sense, that is the talent that is most rewarded. The people use the entrepreneurial money to make progress in this society.

If we were to take away this reward, this would not take place. What exists in Alaska is that it is not so much a reward. The companies and individuals have an interest, because they have their oil unransomed as a result of this pipeline. That is the entrepreneurial talent that exists in this regard.

Mr. HASKELL. Mr. President, all I want to say is that the Senator mentioned that it would occasion a delay of 3 years from now. The Senator from Washington suggested making the proposed amendment effective for all interstate pipelines and having a limit of time in which divestiture should take place, so that it goes right across the board.

Mr. GRAVEL. Mr. President, I would suggest to my colleague that in looking through this magazine, the $700 to $800 million stock equity sale for utilities is fairly remote. It has happened on occasions when the Fords sold some stock. It has happened with respect to General Motors. However, normally, this is a highly remote and highly unusual type of sale of stock.

Mr. HASKELL. Mr. President, I thank the Senator.

Mr. FANNIN. Mr. President, we are considering a bill which is quite all encompassing, to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment. We are discussing this legislation and attempting to approve the legislation principally because of an energy and fuels emergency that exists today and will be more serious in the future.

The fuel shortage is real, and I would just like to report on a special study conducted at the request of Senator JACKSON as part of the Senate Resolution 45, Fuel and Energy Study by the Library of Congress outlining the causes of the gasoline shortage and listing North Slope oil as part of the solution to the problem. Mr. President, I ask unanimous consent that this summary of the study be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary

The gasoline shortage is the result of several factors acting in conjunction. Limited refinery capacity, flagging domestic production, and a worldwide shortage of low-sulphur crude resulted in restricted supplies. At the same time demand was rising at rates much higher than before. This imbalance, if it continues, could create serious economic problems. The gasoline shortage has already had a major impact on consumers, farmers, and independent marketers. Unfortunately, there are no quick or simple solutions. The only short-term relief is likely to come from imports of foreign oil and oil products and through conservation efforts. A recurrence of gasoline shortages can be expected for at least the next three years until new refineries are built. Until such time as supply once again is sufficient to meet demand, artificial means may be needed to ensure that supplies of gasoline are allocated to those who need them for high priority uses.

Mr. FANNIN. Mr. President, the gasoline shortage is a result of several factors acting in conjunction. Limited refinery capacity, flagging domestic production, and a worldwide shortage of low-sulfur crude resulted in restricted supplies. At the same time demand was rising at rates much higher than before. This imbalance, if it continues, could create serious economic problems. The gasoline shortage has already had a major impact on consumers, farmers, and independent marketers. Unfortunately, there are no quick or simple solutions.

Mr. President, I imagine that most of our colleagues have had reports from their home States in regard to these shortages and the problems that exist as a result of them. Each day's delay in bringing in Alaskan oil to the United States, Mr. President, results in a balance-of-payments loss to the United States of about $5 million. So this is another great consideration that we bear the responsibility for if we do not go forward as rapidly as possible with the passage of a bill that will make it feasible to bring oil from Alaska into the United States, or into the "lower 48."

In a statement presented to the Senate Interior Committee on March 27. Thornton Bradshaw of Atlantic Richfield Co. outlined the prospects for pipeline financing, domestic energy supply and the U.S. balance of payments should Alaskan oil remain on the North Slope. His analysis illustrates that we cannot afford continued delay in resolving the pipeline issue.

He addressed the chairman of the committee as follows:

> It is not possible to construct an oil or gas transmission line of efficient size within a right-of-way limited to 25 feet on each side of the line. The construction of pipelines which touch federal lands requires a continuation of the Secretary of the Interior's historic authority to issue special land-use permits outside of the stautory right-of-way width. The Court of Appeals' decision of February 9 of this year holds that the Secretary lacks such authority and thereby rules out the construction of gas and oil transmission lines across any federal lands.
>
> This is the situation we are faced with today and, according to Government expert estimates, each day's delay in bringing Alaskan oil to U.S. markets results in balance of payments loss to the United States of about $5 million. By the early 1980's, this balance of payments loss will be about $10 million per day.
>
> The country, in my opinion, cannot afford continued delay in bringing this Alaska oil to the people who need it. Senator Jackson put the matter clearly at the commencement of these hearings when he said that: "The issue of right-of-way width limits is straightforward and urgent. I have not heard, and I cannot imagine an intellectually respectable argument against correcting this situation and eliminating the uncertainty that flows from it."
>
> This Committee is deliberating today on a matter that goes beyond short range considerations of national security, international prestige, or profit and loss. The debate over the Trans Alaskan Pipeline System these last years has disguised a deeper issue, one that touches the core of the human condition. I believe what we are really discussing is what sort of world our children will grow up in and how we will help them meet the challenges they will face as adults and a free people.
>
> The news media have made us sharply aware in the last several weeks of the narrow margin of safety that separates us from a serious energy crisis. We have seen the early manifestations in the isolated shutdowns and shortages in the Midwest and Northeast this winter. We in the petroleum industry are working hard to see that these dislocations do not escalate into additional critical problems during the summer driving months, when gasoline demand hits its peak. Speaking for my own Company, I believe these challenges can be met this year. But we can scarely afford to restrict our field of vision to the next few months or so. We need to be thinking about energy challenges we will face next year, five years, ten years, and 20 years from now, and making the appropriate decisions to meet them. I believe the Trans Alaskan Pipeline issue falls into that category.
>
> Failure to move ahead with this project has adverse short range implications for a few of us here, but the negative long range issues touch upon all of us, everywhere in America. The basic question at hand, I believe, is how seriously we need Alaskan oil. Do we need it badly enough to press for the earliest possible delivery at the lowest cost, both environmental and economic? Or can we afford to leave it where it is another two, five or ten years, until our needs are more critical?
>
> For the immediate future we will have to use more foreign oil by increasing oil imports from their present level of 1.7 billion barrels of crude oil and products per year (about 29% of consumption) to around 6 billion barrels per year (about 60% of consumption) by 1985. The cost of foreign crude imports today is around $4 billion. With increases in crude costs, our 1985 outlay to foreign suppliers—mostly the Middle Eastern OPEC nations—will total between $17 billion and $20 billion per year. I need not amplify for this Committee the impact this will have on our balance of payments, and the serious new strain it will put on our already battered dollar.
>
> Some of this deficit will be inescapable. Nuclear and other exotic energy sources simply cannot be marshaled in time to take up the slack. The largest single domestic source of petroleum now at hand is in Alaska. At the moment, there are approximately 9.6 billion barrels in proved reserves at Prudhoe Bay, about 25 percent of all proved reserves in the United States. There is, perhaps, an equal amount in presumed reserves. Assuming we could get this oil on stream to the lower 48 by 1977, we could begin slicing into our negative petroleum trade balance in a meaningful way. When the Trans Alaskan Pipeline is operating at its full capacity of 2 million barrels a day, we would back out approximately $2.5 billion worth of foreign oil per year. As crude costs rise, the trade benefit from Alaskan oil will increase commensurately—and by 1985 it will probably exceed $3 billion annually.
>
> The cumulative effect of Alaskan oil on our trade balance between 1977 and 1987, the first decade of operations of TAPS, will be between $20 billion and $25 billion. And some time around 1980, under these projections, natural gas from the North Slope could begin reaching markets in the Midwest, which could back out some of the liquified natural gas imports now under discussion between our country and the Soviet Union.
>
> There is an instructive lesson in future shock to be extrapolated from these facts. The projected loss in 1980 trade deficits for each 24-hour delay comes to nearly $10 million. This means that the American taxpayer and consumer of 1980 will suffer an added balance of trade deficit of more than $450 million since the Appeals Court decision of last February 9. This cost is increased by inflationary factors which push up construction costs of the pipeline more than a half million dollars a day. This is what I meant about helping children meet the challenges they will face as adults.
>
> Now, these figures are impressive by anyone's standards, but no dollar savings could possibly justify wreaking irretrievable damage on the fragile Alaskan environment. And that is not going to happen. Since the pipeline was originally conceived, its cost has increased by millions of dollars to insure that the stringent challenges of the Alaskan wilderness will be met. It will be easily the safest and best engineered pipeline in the world. It is the shortest possible route, offering fewer environmental hazards at a lower cost, with an earlier completion date than any alternative yet mentioned.
>
> As to the issue of Alaskan right-of-way permits, I believe the Secretary of the Interior has always had discretionary authority under the 1920 Act, and indeed, has exercised that authority throughout the history of the Act. At the moment, there may be as many as 2,200 miles of pipeline projects planned or underway in the U.S. that will be delayed or jeopardized by the decision of the Court of Appeals.
>
> In view of the urgency of the situation, the simplest and earliest solution is called for. What is needed from Congress is confirmation of the Secretary of Interior's long recognized authority to issue special land use permits.

This illustrates just how serious the situation is at the present time and the increasing seriousness of it as the months go by.

Now much has been said about building a Canadian pipeline and that it should go forward. I agree that we should build the Alaskan pipeline as provided in S. 1081. It will go forward with a study and with the hope that negotiations with Canada to build a second oil pipeline will take place in the not-too-distant future. In the case of the Canadian pipeline it might be as much as 7 to 10 years, but still that pipeline should go forward to supplement the capability of the trans-Alaska line.

We also heard comments from William J. Casey, the Under Secretary of State of Economic Affairs, who testified just what has happened in the way of prior negotiations with Canada including efforts to determine whether a Canadian pipeline could go forward at an early date. Much has been said about how we can go forward with a Canadian line but nothing has been done to try to work out the difficulties that might exist so far as negotiations with the Canadians are concerned. It is a fact that the Canadians are not that anxious to approve an oil pipeline through their country.

Now I refer to the Casey statement, in which he said:

> It has been further suggested that a trans-Canadian pipeline could be authorized and constructed in only a few more years than the proposed Alaskan pipeline. With that we disagree.
>
> It is our opinion that no trans-Canadian oil pipeline will be constructed in Canada within an acceptable timeframe unless the Alaskan pipeline is authorized and construction on it begins in the near future.
>
> Deputy Secretary Simon already has outlined for you some of the problems, obstacles and delays which could be expected in seeking to build an oil pipeline from Alaska through Canada to the United States.
>
> I will not repeat them but wish to confirm that these matters have been examined closely by the Department of State and we reach the same conclusions. Real obstacles exist to early construction of the suggested pipeline.
>
> Further, as stated by my colleagues today, no assurances exist that Canada will give timely approval for the pipeline.
>
> During the past 4 years, we have had continuing discussions with Canada on energy matters, particularly concerning the future supply of oil and gas from that country.
>
> Among other things, we have attempted to reach understandings on the provisions to govern the construction of pipelines to bring oil and gas from Arctic regions to markets in the United States and Canada.
>
> However, the Canadian Government has consistently taken the position that the question of pipelines through Canada from the Arctic was not a matter for inter-governmental negotiation and that it was not prepared to negotiate on this matter. We have no reason to believe that this position is changed today.

Mr. President, that is part of the statement by Mr. Casey, Under Secretary of State for Economic Affairs.

Mr. President, I now refer to an advertisement published in the Washington Post of yesterday, headlined "Why Starting the Alaskan Oil Line Now Is Important to You."

This is an advertisement by the Columbia Gas System. Here is what it says:

> Summer gasoline famines. Electric power brownouts. Shortages of heating oil and natural gas supplies for next winter. Jobs threatened by lack of available energy supplies.

Mr. President, this is from a company that operates in this area, and not on the west coast or in the Middle West. The company is referring to the need to build an Alaskan pipeline. The company favors the trans-Alaska line going ahead and certainly they give many arguments here as to why it should be built now. I refer to some of them:

> We need the clean oil and natural gas as soon as possible. And the Alaskan line can be started almost at once. Material is in place. Engineering and environmental studies have been completed. Oil could be flowing by 1978.
>
> A Canadian route for the oil line would delay our use of Alaskan energy for years.

They do not say how many years, but certainly they indicate there would be a long time wait.

> Running the oil line through Canada, as has been proposed by some, will take from five to six years longer. Such a project must start from scratch and the environmental impact of the Canadian route will be as great or greater than the Alaskan route.

But they do not say anything about the 5 or 6 years time involved because of the uncertainties of dealing with the Canadian Government.

> The gas waits for the oil. The tremendous reserves of natural gas on the North Slope of Alaska are in association with the oil reserves and their production can't start until oil production begins. Construction on a gas pipeline must wait for the oil line. It is expected that a pipeline can bring Alaskan gas to this area by 1980, if the oil line starts promptly.
>
> Environmental advantages to the nation greatly outweigh possible minimal adverse effects. The risk of environmental damage from the Alaskan oil line has been substantially lessened as a result of the stricter environmental stipulations, multiple safety systems and contingency planning. The benefits from increased supplies of clean gas and oil far outweigh the minimal risks.

Mr. President, I have talked about the environmental advantages that were reported in this Columbia Gas System advertisement. They repeat what I reported previously, which also has been said by others who have made a study of this matter.

I emphasize that I am talking about a company in this area. The company is not located on the west coast but on the east coast. It stands to benefit, too, from a trans-Alaska pipeline—

> Costs are rising while delay continues. Because of inflation, each day of delay in starting construction makes the oil and gas pipelines more costly. Each lost day on a gas line adds $1 million to a cost estimated currently at $5.4 billion. The same facts apply to the oil line costs. All these higher costs must finally be reflected in what you and other consumers pay for oil and gas.

We are talking about a construction cost and a project cost of $5.4 billion. We need this pipeline. It will be of great aid to the U.S. economy. It will lessen dependence on foreign sources, which we have talked about. It is important to emphasize the full significance of it, not only from the standpoint of the security of this Nation but also from the standpoint of the economy of the Nation. This country cannot afford, in its present position, to import billions of dollars more of Middle Eastern oil. Certainly we cannot afford to be dependent upon countries with which we could have problems—sources which could either increase the cost or stop the flow of oil entirely.

The Columbia Gas advertisement concludes with what must be done now:

> Congress has before it bills which will quickly settle questions concerning right-of-way and environmental studies for the oil line. These bills must be enacted without delay so that badly needed North Slope Alaskan oil and gas can be added to the nation's energy supply as soon as possible.

Mr. President, the idea has been placed in the public's mind that there is a conspiracy, that the industry has conspired to cause shortages and, therefore, the shortages are unreal. It has become popular to blame the oil companies for our energy crisis by alleging conspiracy. Before reaching any conclusions, however, it might be well to consider the facts. The following New York Times article of July 3, 1973, reports on company responses to such charges.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Charge Is Denied on Gas Reserves

WASHINGTON, July 2.—The Gulf Oil Corporation today disputed a Federal Trade Commission official's accusation that it had been understating its natural gas reserves.

In a statement, Gulf said the figures on reserves it had given to the American Gas Association for use in compilation of a national reserves total "were not 'significantly lower' than the reserves which the company has on its corporate books."

The phrase "significantly lower" had been used in the allegation of under-reporting, made against three oil concerns.

The charge of under-reporting was made against Gulf and two other companies (Continental Oil and Union Oil of California) by James T. Halverson, director of the F.T.C.'s Bureau of Competition, on June 27 in testimony before the Senate Antitrust and Monopoly subcommittee.

Through a spokesman, Continental said in response to an inquiry, "We emphatically deny that Continental has deliberately understated its natural gas reserves and further emphatically deny that Continental in any way is involved in a conspiracy to understate its reserves."

PROTEST IS PLANNED

The company accused Mr. Halvorson of "impropriety" in making public information from "documents which were submitted under a confidentiality order." The Continental spokesman said a "letter of protest" would be sent to the Federal Trade Commission, probably by the end of the week.

Inquiry of Union Oil's Los Angeles headquarters elicited no comment.

The F.T.C., with the help of the Justice Department, has brought a civil action against eight other gas producers to compel them to respond to the agency's subpoenas for internal documents.

At the request of the Senate subcommittee's chairman, Philip L. Hart, Democrat of Michigan, the F.T.C. has been trying to determine whether gas producers have habitually understated their gas reserves, at least in figures for public consumption, to create the impression of a shortage and thereby to push prices up.

Senator Hart said later that he thought that the natural gas shortage might be "a hoax."

Mr. FANNIN. Mr. President, the following Wall Street Journal article of June 29, 1973, reports on Chairman Nassikas' testimony that the gas shortage is real and industry is competitive. Let us, therefore, look at the facts before leaping to conclusions.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Gas Shortage and Competition Are Genuine, FPC Chairman Tells Skeptical Senate Unit

WASHINGTON.—Federal Power Commission Chairman John N. Nassikas insisted to a skeptical Senate subcommittee that there is a natural-gas shortage, that it wasn't contrived by the industry and that "workable competition" exists among gas producers.

But Sen. Philip A. Hart (D., Mich.), chairman of the Judiciary Committee's Antitrust and Monopoly Subcommittee, which is holding hearings on the matter, said "information we have seems to point in the other direction." He suggested that the FPC investigate whether gas is being deliberately withheld from the market by producers to force the granting of higher prices by the agency.

Mr. Nassikas, under a subcommittee subpoena issued last week, delivered to the panel some data concerning concentration among big producers of natural-gas reserves that are uncommitted and still available for sale. Such reserves, a key measure of the availability of natural gas, have been declining, according to the FPC. The FPC gets such information from the industry.

The subcommittee said it would examine the material and didn't immediately make it public. The FPC had asked that it be kept confidential because disclosure of information about individual producers' uncommitted reserves would aid their competitors. A summary of the data, as previously reported, shows that in some key natural-gas areas more thn 90% of the uncommitted reserves are controlled by a handful of producers.

"INTERDEPENDENCE" OF PRODUCERS

Sen. Hart said that in addition to concentration of uncommitted reserves among a few companies there is "intermingling and interdependence of producers" because of consortiums, joint operating and marketing arrangements, joint bidding and substantial trading of products and tracts of land. "The industry is much like a family," the Senator said, and "to allow prices to be set on the premise that free market forces are at work in the industry may ignore reality."

The latter is what the FPC and the Nixon administration have proposed to Congress in asking that the price of newly found gas be deregulated—freed from FPC control.

Sen. Hart and Sen. Edward M. Kennedy (D., Mass.) criticized Mr. Nassikas for failing to have any idea of what effect deregulation would have on the consumer price of natural gas. Mr. Nassikas said he hadn't any estimates but that "I assume the price will go up." He said the FPC hasn't done any studies on the matter.

He added that if the price is decontrolled producers would have an added incentive to find and develop more natural gas and alleviate the current shortage. He said that if the shortage is allowed to continue, prices would go up anyway. "Consumers are interested not only in price but also in supply," he said.

Consumer groups and some members of Congress have predicted that prices to consumers would skyrocket in the event of deregulation. Joseph C. Swidler, chairman of the New York State Public Service Commission and a former FPC chairman, said in testimony to the subcommittee that an un-regulated market "cannot be counted on to protect residential and other high priority gas consumers," and may lead to excessive gas prices. He suggested Congress instead extend federal regulation to the intrastate market, as well as to interstate sales.

The FPC data related to a February 1973 study that showed nationwide uncommitted gas reserves had declined to 3.4 trillion cubic feet in mid-1972. According to the FPC study, 79 gas producers controlled the 3.4 trillion cubic feet, with 20 of the largest producers controlling 3.2 trillion cubic feet of the reserves.

The producers weren't named, and it was earlier reported that the FPC had listed, in 1971, the four largest gas producers by total sales.

GULF ISSUES DENIAL

Gulf Oil Corp., one of the companies mentioned in the 1971 report, has denied, however that it should be considered among the major holders of natural gas reserves. "The fact is that while Gulf was the fourth largest seller of gas as shown by the 1971 FPC report, Gulf's uncommitted gas reserves as reported to the FPC were only 10.4 billion cubic feet," a Gulf official said.

"This represents less than one-third of 1% of the total uncommitted reserves of the 79 producers and less than two-thirds of 1% of the reported uncommitted reserves of the four largest producers. Obviously, Gulf couldn't have been one of the four largest or even one of the 20 largest producers measured by its uncommitted reserves," the official added.

Mr. FANNIN. Mr. President, now that some stations around the country have oil and gas where they did not have the product a short time ago, just a few weeks ago, including the area of Washington, D.C., shortages still exist, but not to the extent they did a few weeks ago. Many are saying that the energy crisis is over. But the energy crisis is not over.

As I stated earlier, I believe that many Senators have been contacted by their constituents, as I have been. Even today, I have had calls complaining that some of the stations are not able to get petroleum products. So the North Slope oil is needed now more than ever.

An article published in the Washington Post of July 8 predicts that the gasoline shortage will intensify next year. In some instances, we have had some relief, but the trans-Alaska pipeline is needed now if we are really going to have the relief we have been talking about.

Mr. President, I ask unanimous consent that the Washington Post article, entitled "Gas Shortage Eases; Crisis Seen in 1974," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 4, 1973]

GAS SHORTAGE EASES; CRISIS SEEN IN 1974

(By Thomas O'Toole)

The gasoline shortage that frightened 100 million motorists from coast to coast last month is suddenly not such a frightful shortage after all.

There's no sudden glut of gas either, but service stations that were limiting their hours and sales are returning to normal operations. Surviving independent retailers who saw bankruptcies in their futures are solvent once again, and giant oil companies pondering whether to advertise their products or their scarcity are leaning toward their products once more.

Nobody counts on the crisis going away. Indeed, most oil company executives see only a brief respite this summer. Almost all of them think the shortage will be back again next spring, twice as bad as it was this year.

"We'll make it through this summer alright," said Robert O. Anderson, chairman of Atlantic-Richfield Oil Corp., "but I don't know what to think about next summer except the worst."

Not that the gasoline crisis hasn't taken its toll this summer. More than 2,000 independent gas station owners went out of business this year, victims of the springtime shortage that saw major oil companies simply cut independents loose from their supplies. Among the victims was a 30-station owner in Whittier, Calif., who was one of President Nixon's early political fundraisers.

Victimized also were some of America's most time-honored ways of doing things.

Prince Georges County in Maryland no longer lets its volunteer firemen buy gasoline for 18 cents a gallon from fire station pumps. Pan American World Airways has reduced cruising speeds of its 707 jetliners from 542 to 529 m.p.h., a move that adds as much as seven minutes to flight times but which will save more than 10 million gallons of jet fuel in the next year.

Gasoline consumers have largely escaped the wrath of the shortage, though spot scarcities have hit some states hard. Florida is one of these, stuck as it is without a refinery at the end of the nation's pipeline and stuck as it is with 1 million tourists every summer.

Prices have skyrocketed because of the shortage. Gasoline sells for 10 percent more than on Jan. 1, and black market prices flourish wherever the shortage is severe.

Motorists paid $1 a gallon last month for gasoline in some parts of Nevada. Farmers in Burkbennett, Tex. (right in the middle of the Texas oil fields), had to buy black market gas to haul wheat out of their fields to market. The city of Seattle was forced to pay almost 50 percent more than it did last year just to run the city's buses.

The most interiguing aspect of the crisis is also the most controversial. How did the shortage end so abruptly? How did the nation work its way out of scarcity so quickly?

Observers of the fuel crisis are divided on the reasons. Oil industry critics say the shortage was at least partly a hoax, schemed and orchestrated by the major oil companies to drive prices up and independent oil dealers out of business.

The Interior Department's Office of Oil and Gas noted last week that refinery runs had reached record highs as early as the end of May, when gasoline production ran 15 per cent ahead of May of last year.

"It is difficult to see a shortage situation in the statistics as they are unfolding," the Office of Oil and Gas reported. "There is no doubt, however, that the independent segment of the market is short of supply and is paying a premium price for what they get."

Hearings held in the nation's heartland by Sen. Adlai E. Stevenson III (D–Ill.) last month turned up contradictions of the shortage. Stevenson was told that oil company storage tanks were full from St. Louis to Chicago, that Mississippi River barges were being turned away from terminals up and down the river because there was no place to put the gasoline they carried.

"Who's getting the gasoline?" Senator Stevenson asked the other day. "By the government's own admission, it's not the independents."

Observers closer to the oil industry cite other reasons for the apparent end to the gasoline crisis this summer. They point out that rising oil imports have allowed U.S. refineries to operate at 93 per cent of their rated capacity in the last two months, something that hasn't happened in years.

"The country's crude oil imports have risen 35 per cent since the President eliminated the quotas," said William E. Simon, deputy secretary of the Treasury, who also serves as chairman of the Oil Policy Committee. "This is one of the main reasons the gasoline shortage has eased."

Simon says the other reason is that consumer demand has eased somewhat, triggered by oil company conservation campaigns and federal pleas to conserve gasoline. Some oil company statistics suggest he's right. Standard Oil Co. of Ohio, for one, said gasoline usage grew by only 2 per cent in June, compared with an anticipated growth of 7 to 9 per cent.

"I think people are taking fewer and shorter trips," Simon said in an interview the other day. "I think they're driving slower and not using the air conditioning in their cars. I believe we're getting the message across to the American people."

The American people will need more than a message to turn the gasoline shortage around completely, because the biggest part of the crunch involves more than driving habits.

There are now 100 million cars on U.S. roads, and automakers expect to sell a record 12 million cars this year. The average car gets about 10.5 miles out of a gallon of gas today. New cars get less than that, due largely to pollution controls, air conditioning and car weight.

Air conditioning and car weight are the two biggest factors in the growth of gasoline consumption, which has risen from 735 gallons per car in 1970 to 763 gallons per car this year. The air-conditioned 1973 Vega burns as much gasoline as a 1966 Cadillac without air conditioning.

All U.S. car models have put on weight. A Chevrolet Impala that weighed 4,000 pounds 10 years ago weighs 5,500 pounds today. What does that do to gas usage? The Environmental Protection Agency says a 5,000-pound car burns twice as much gas as a 2,500-pound car meaning that the average U.S. car model gets half the mileage that its European or Japanese counter-part gets.

Americans may be taking fewer and shorter trips this summer, but driving trends tell a different story. Motorists used to average 10,000 miles of driving a year, but a study by the California Highway Patrol last year found that people driving new cars put an average of 16,500 miles on their cars the first year.

People are almost forced into more driving today, partly because of suburbanization and partly because of job relocations. The Ford Foundation's Energy Policy Project discovered that the average daily commuting trip of U.S. office workers had risen to almost 20 miles per day in 1970. Roundtrip visits to doctors and dentists were 16.6 miles. Shopping trips averaged about 10 miles.

Mr. FANNIN. Mr. President, let us look at the facts about the trans-Alaska pipeline rather than the fiction. An article compares the two and rightly concludes that we need the trans-Alaska pipeline.

I refer to an article published in the Oil and Gas Journal of June 25, 1973. It starts out by quoting from an article by Joseph Kraft which appeared in the Los Angeles Times of April 11, 1973:

> A whole range of other considerations asserts the advantage of the trans-Canada route (over the trans-Alaska pipeline): It delivers oil where it is in short supply, the Middle West and East Coast, rather than the West Coast, which is practically self-sufficient. It eases the national security problem by making the most populous areas of this country dependent for oil on Canada rather than on the Arab states.

Now let us look at the facts. The article states:

> The points raised by Mr. Kraft were answered by Interior Secretary Rogers C. B. Morton in a recent report to Congress.

In the first place, Morton reported that Canadian officials have imposed four conditions on any line built through that country.

I think this is very important to all of us. Those conditions are as follows:

(1) Majority of equity interest in the line must be Canadian, (2) management would have to be Canadian, (3) at least half the capacity of the line would have to be reserved for moving Canadian-owned oil to Canadian markets, and (4) preference would have to be given Canadian-owned and controlled groups for construction and materials.

"These four requirements . . . are unacceptable from the point of view of our national interests," Morton said, "especially when we have the alternative of a pipeline through Alaska that will be built by American labor and will deliver its full capacity of American-owned oil to our markets."

Morton added also that "some of the advantages to the Midwest that are claimed for a trans-Canada pipeline will not, in fact, occur. For example, an oil pipeline through Canada will not affect fuel prices in that area, because price is set by the much greater volume of oil coming north from the Gulf of Mexico and North Slope oil would provide only a portion of the total Midwest demand."

"As much as I would like to assure the Midwest even a marginal increase in the security of its total energy supply," Morton continued, "it is more important now to assure that the total economic and energy security interests of all the people of the U.S. are served by getting as much American-owned oil as possible to the U.S. market as soon as possible."

Morton also branded as untrue the claim that the West Coast does not need nor cannot use all of the oil delivered by a trans-Alaska line.

"In 1972, demand in that area was 2.3 million b/d, of which 1.5 million b/d was obtained from domestic sources and 0.8 million b/d was imported," he reported. "The best available projections show that by 1980, and for subsequent years, the West Coast demand will exceed domestic production and Canadian exports available to that area by at least the capacity of the trans-Alaska pipeline."

So, Mr. President, we are talking about a very serious matter. We have Members of this body that very sincerely, I am sure, want to study the Canadian plan for another year. Others want to go forward with negotiations and await the outcome of those negotiations with Canada. Still we have evidence from the different departments—the Department of State, the Commerce Department, the Department of Interior—that negotiations have gone forward. We have had meetings.

In one of our committee meetings it was expressed that we have had negotiations going on for at least 4 years, not just on the pipeline to Alaska but also for the pipelines that would be needed to bring oil and to bring gas into different areas of Canada as well as into the United States.

We must realize that the Canadians have a distribution problem. They have products in the western part of their country that they do not have in the eastern part of their country. This is something we could work out with the Canadians as time goes by, but let us take first things first. Our first problem is to get Alaskan crude into the lower 48. The way that can be done is to go forward immediately, as rapidly as possible, as rapidly as we can to get this legislation through Congress so that this flow will start and then we will have oil. The most important factor is that we do not have further delay. We have spent years on studies and investigations. Now is the time for action. We must go forward at the earliest possible date with the pipeline.

The New York Times, on June 13, 1973, reported that Consolidated Edison made a 5 percent voltage cut in the midst of a record demand caused by a heat wave coupled with out-of-service generators.

This is a national, not a local problem; only Congress has the power to avert future energy crises by enacting legislation designed to do just that. The need for the trans-Alaska pipeline is being felt now.

Mr. President, I ask unanimous consent to have this article placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CON ED REDUCES VOLTAGE BY 5 PERCENT HERE

(By David Bird)

The Consolidated Edison Company cut back its voltage yesterday as the heat wave continued, but it managed to meet a record demand for electricity because it had more generators working and was able to buy more power from outside than on Monday.

Yesterday's voltage cut was 5 per cent. The utility company said the extra power available made it unnecessary to repeat Monday's 8 per cent voltage reduction.

The record demand yesterday, set between 11 a.m. and noon was 7,917,000 kilowatts. The previous record was 7,892,000, set last July 19. On Monday, the demand was 7,611,000, a level held down by the 8 per cent voltage cutback because extra supplies were not available.

Yesterday's high temperature of 93 degrees—two degrees short of Monday's record of 95—helped a little to reduce the power demands of air-conditioners, and a break in the heat wave predicted for today is expected to ease the situation further.

Con Edison had four generators out of service Monday. Yesterday the 325,000-kilowatt Staten Island plant at Arthur Kill and the 600,000-kilowatt Bowline Point plant near Haverstraw were back on the line.

Still out yesterday were the 265,000-kilowatt nuclear plant at Indian Point and the 400,000-kilowatt at Ravenswood, Queens. The Queens plant is expected back in service this weekend and the nuclear plant is scheduled to back in July or August.

POOL ORDERS CUTBACK

It is not unusual for a utility company to have plants out of service for maintenance, but the unexpected early heat wave came at a time when plants were still going through maintenance to prepare them for the expected peaks in July and August.

The cutbacks yesterday began when the New York State Power Pool, which includes all the state's major utility companies, ordered all generators with manual voltage regulating devices to reduce voltage by 5 per cent.

This was a precautionary measure, a power pool spokesman explained from headquarters in Guilderland near Albany, because it was difficult to adjust the manual plants in a hurry if the need arose.

The move affected only about 1 per cent of the state's customer's including some Con Edison customers in Westchester and Queens.

As the power situation became tighter, Con Edison and Niagara-Mohawk, which serves Albany, Syracuse, Buffalo and other upstate areas, were ordered to reduce the voltage to all their customers by 5 per cent at 1 P.M. Con Edison put that reduction into effect at 12:57 P.M.

MAYOR ASKS HELP

At 3:45 P.M.—although the temperature had eased to 91 degrees from the high of 93 reached at 12:30 P.M.—the Long Island Lighting Company was ordered to reduce its voltage by 3 per cent to help out.

By 5:30 P.M., the day's crisis was felt to have eased enough for the utilities to return their voltages to normal.

Despite the added supplies of electricity, Mayor Lindsay called a news conference yesterday to say it "was absolutely essential that there be a maximum conservation of power."

"We must make every effort to reduce the incredible demand for electricity which is straining the limit of Consolidated Edison Company's ability to provide power during the heat of the day," the Mayor said.

Asked if the utility company was doing everything it could to meet power demands here, the Mayor said that Charles F. Luce, the Con Edison chairman, "and his colleagues at Con Edison are working their heads off."

The Mayor said the utility company appeared to be doing its best, but that it was frustrated by being saddled with old plants and the inability to build new ones because of red tape at the state and Federal levels and environmental considerations.

The Mayor showed some irritation when he was asked if there wasn't something that he could do to keep the power crisis from recurring every summer.

"Everybody turns to this goldfish bowl and says, 'What are you going to do?'" the Mayor answered and then added that he really had no legal power to do anything.

BUCK PASSED TO ALBANY

He said the power to do something lay in Albany and Washington, where "no real leadership" was being exerted on allocating the available power or in getting new sources.

Milton Musicus, the city's Municipal Services Administrator who was also at the news conference with the Mayor, agreed that Con Edison was probably doing the best it could in the present crisis, but he did not think the utility was doing the right kind of planning to avert future crises.

Mr. FANNIN. Will there be enough fuel to harvest the Nation's farmlands? This is the question confronting many farmers. Diesel fuels are needed for irrigation of fields; propane gas for drying crops. Both of these fuels are getting harder and harder to come by. That is why the Alaska pipeline is needed.

We need to increase the availability of fuels across the Nation. Mr. President, I ask unanimous consent for this article, which appeared in the Washington Post on July 8 of this year, to be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FUEL SHORTAGE CONCERNS FARMERS

(By George C. Wilson)

"The fuel shortage is catching up with us fast," warns Colorado's director of the Grange. "Already a few tractors have stood idle for a couple of days."

This kind of mail is coming into the Washington offices of farm organizations and lawmakers in increasing volume, according to spot checks made yesterday by The Washington Post.

Already some farmers' fuel tanks have run dry in a few places, but the big fear is whether there will be enough gas and diesel oil when the harvesting season comes to the nation's heartland in a few weeks.

Right now wheat growers in Texas—where the crop comes in sooner than in states farther north—are experiencing problems stemming from fuel shortages.

In Burkburnett, Tex., for example, teams of men and machines which harvest crops on one farm after another are running so short of fuel that farmers fear their wheat may go unharvested.

In Nebraska, Sen. Carl T. Curtis (R-Neb.) complained that some of the farmers have run out of diesel fuel for the pumps that send water into fields of alfalfa and corn. He is among the lawmakers demanding that the federal government impose mandatory, rather than voluntary, allocation of fuel so that independent dealers and other sources for farmers get their fair share.

Curtis is to be the leadoff witness Monday as the Nixon administration's Federal Oil Policy Committee opens hearings on the fuel allocation question.

His view is that the fuel situation for farmers threatens to get worse before it gets better as the demand rises sharply at harvest time. A related worry is whether there will be enough propane gas to dry the corn after it is harvested.

The Colorado Grange leader who wrote his Washington office about tractors running out of fuel added that "Colorado is expecting one of the largest wheat crops in history. That means a lot of gasoline is going to be needed. Most combines use gasoline, as well as all trucks."

A National Farmers Union spokesman said yesterday that some of its members expect the price of propane to rise sharply as the demand exceeds the supply. He said the fuel situation will be "acute" in the heartland of the United States come harvest time.

Already, he added, some harvest crews in Colorado and Kansas are requiring farmers to guarantee that fuel will be available before the harvesters will come into the area.

The American Farm Bureau office here said fuel supplies "are awfully tight" but that it had heard of no farmers in its membership "who cannot plow or harvest" for lack of fuel.

The National Farmers Organization reported from Iowa that none of its members in that state had reported running out of fuel.

Mr. FANNIN. Mr. President, cities across the Nation are being forced to cut back their fuel intake. Petroleum prices are increasing. Gasoline prices are rising.

We need to alleviate this so our farmers will be able to continue production. We need to develop our domestic supplies of petroleum. The trans-Alaska pipeline would help bring needed fuels to manufacturers and farmers.

Mr. President, I ask unanimous consent to have this article, from the Washington Post, June 6, 1973, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Cities Across United States Cutting Fuel Use

(By Susanna McBee)

Caught in a tightening fuel pinch, cities across the country are paying skyrocketing prices for gasoline and heating oil, and some are cutting back on the use of municipal cars.

"Unless the urgent fuel needs of the nation's cities are immediately met, cities will be unable to perform their essential governmental functions and services," the National League of Cities and U.S. Conference of Mayors said this week. The League and Conference represent 15,000 municipalities.

One city, San Antonio, Texas, began yesterday to reduce lighting in city buildings—including police and fire departments and libraries—by 50 per cent because of a shortage of natural gas, which fuels its municipal electric utility plant.

San Antonio officials have set city building thermostats at 78 degrees, instead of the usual 70 to 72 degrees, to cut air conditioning costs. They have also shortened the hours that street lights are burning and have stopped lighting parks and ball fields that are not in use.

In Seattle, Washington, the police department has cut by one hour the time that patrol cars are on the street during each eight-hour shift. Instead of driving, officers must walk beats during that hour.

Other city departments have been ordered by Mayor Wes Uhlman to cut gasoline consumption by more than 15 per cent. His order came last month after the Union Oil Co. notified the city that its gasoline allocation of about 2.8 million gallons a year would be cut 15 per cent.

In Los Angeles, where municipal gasoline costs are expected to exceed $3 million this year compared with $2 million last year, all departments, including police, have been asked to double up on auto travel and cut gas use by at least 10 per cent.

Purchasing Director Warren L. Lintz said the new policy means that police "will make one trip rather than two on non-emergency calls such as investigations."

Norfolk, Va., City Manager G. Robert House Jr. has asked department heads to recommend ways to cut gasoline consumption. He expects all departments except police and fire to make the cuts.

The city has asked for at least eight bids from gasoline suppliers and so far has received no definite bid. Its chief supplier last year, British Petroleum, has offered only a month-to-month allocation guaranteeing only 70 per cent of what the city received in 1972.

Robert M. Martin, purchasing agent for Lynchburg, Va., faced with a 25 per cent increase in regular-gasoline costs, has asked all city departments, including police and fire, to reduce nonessential travel. Firetruck drivers will no longer idle their engines for long periods, and police will not run their engines while listening to their two-way radios, he said.

So far city cutbacks seem relatively minor, and President Nixon's energy adviser, Charles J. DiBona, assured Congress yesterday that the fuel shortage will not interfere with essential municipal services.

However, many cities are reporting that they are forced to pay gigantic price increases and are facing continuing shortages.

Detroit, for example, paid 47 per cent more last month than it did in May, 1972, for gasoline. "Our requirements for this month are covered only up to the 15th," said Art Cope, commissioner of purchases and supplies. "Normally we're six months ahead."

Carl Riedy, Detroit's representative in Washington, added, "We have no guarantee on price, no guarantee on delivery. The oil companies really have us over a barrel."

Cincinnati is paying 45 per cent more for gasoline this year than it did last year and 13 to 35 per cent more for diesel fuels.

Lakewood, Colo., a city of 120,000 people near Denver, is so low on gasoline that it is sending its cars and trucks to local gas stations, where they have to pay retail prices.

City Administrator Walter C. Kane said Lakewood had a one-year contract with Gulf Oil Corp. signed last June, "but the company reneged last November and said, 'If you don't like it, you can sue us.' Now we're down to 600 gallons for a fleet of 200 police cars and other vehicles, and there's no other source in sight."

Philo Hutcheson, Gulf's spokesman here, said the contract was dropped "because we had really critical supply problems." Noting that a substitute Lakewood supplier had also stopped selling to the city because of supply problems, Hutcheson said Gulf "is taking another look" at picking up its old contract.

The District so far has been unaffected by the fuel shortage except for a nearly 3.5 cent increase that the Metro bus system is paying for diesel fuel.

Fuel Lack May Idle Combines in Texas

Burkburnett, Tex., June 6.—A shortage of gasoline and diesel oil, occurring during the 1973 wheat harvest, threatened today to leave combines sitting idle in fields dotted with wells pumping oil from one of Texas' largest oil strikes.

"We had enough (fuel) to supply custom cutters and farmers this morning," Mrs. Harlan Mullins, an agricultural fuel supplier for the area, said. "We will not have any more in the morning."

Custom cutters—people with trucks and combines who harvest grain under contract with growers—are harvesting wheat and barley in the Burkburnett area.

The wheat around Burkburnett is the first in the state to be harvested. Both yield and acreage is about twice what it was last year.

The nation needs grain almost as much as it needs petroleum and gas. A shortage of grain has sent prices up and caused one of the sharpest rises in history in meat prices.

Burkburnett field was one of the big oil strikes years ago in Texas. Most wells now are "strippers"—wells that will not flow of their own accord. So hundreds of pumps clank night and day in the area, lifting the last petroleum, from the wells.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent that a member of my staff by the name of Howard Paster be permitted access to the floor during debate on the pipeline issue and through the vote on an amendment which the Senator from Minnesota and I shall offer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, one of the arguments advanced by those who want the Congress to ratify an oil company decision, accepted by the administration, in favor of the Alaskan land-sea delivery route for Alaskan oil is that there will be a second line through Canada at some subsequent date. This promise of a second line will never be fulfilled.

We had previous statements by Edward Patton, president of Alyeska, the pipeline consortium and Charles Spahr, chairman of Standard Oil of Ohio, a member of the consortium, that there was little chance of two lines.

Now we have outright, unqualified word from the Canadian Government that there will be no interest in considering an oil pipeline through the Mackenzie Valley if we proceed with the Alaskan line. This is a point of great significance, since it renders title II of the committee bill meaningless, and finally removes any possibility of a two-pipeline policy.

Because of the significance of this issue, I would like to include in the Record at this point the text of relevant questions and answers last Friday, July 6, in the Canadian House of Commons, along with news stories on this subject from the Montreal Gazette and New York Times.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

QUESTION AND ANSWER PERIOD—ON THE FLOOR, HOUSE OF COMMONS, OTTAWA, CANADA, JULY 6, 1973

Mr. John A. Fraser [Vancouver South]. Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the statement of the U.S. Government and Senators that when the Alaska Oil Pipeline is approved they will want a second oil pipeline from Alaska through Canada to supply the U.S. Midwest, and in view of this governments' position that it would look favorably on the Mackenzie oil pipeline in order to avoid oil spills off B.C. Coast, can the Minister tell the House if this government would look favorably on an oil pipeline through Canada which does not replace the Alaskan pipeline and tanker route but which would be in addition to the Alaska pipeline and tanker route?

The Hon. Donald S. MacDonald [Minister of Energy, Mines and Resources]. No, sir.

Mr. Fraser. As a supplementary question, can the Minister inform the House whether the U.S. State Department has made any recent inquiries as to whether the Canadian government has any strong, current interest in the construction of the Mackenzie Valley oil pipeline? I emphasize recent.

Mr. MacDonald [Rosedale]. Yes, sir. On behalf of members of the U.S. Congress, the U.S. State Department, through its embassy here, has submitted questions to the government of Canada, not only the question mentioned by the Hon. Gentlemen but a series of other questions, to which the government of Canada has replied in detail. We are hopeful that the U.S. State Department will make certain that message is received by the Senators and Congressmen before any decision is taken within that legislative body.

[From the Montreal Gazette, July 7, 1973]

ARCTIC OIL PIPELINE UNLIKELY IF ALASKA LINE BUILT—OTTAWA

OTTAWA.—Canada would not look favorably on a U.S. application to build an oil pipeline through Canada if the United States first goes ahead with the Alaska pipeline route, energy minister Donald MacDonald said yesterday.

Conservative John Fraser asked "if this government would look favorably on an oil pipeline though Canada which does not replace the Alaskan pipeline and tanker route but which would be in addition to the Alaska pipeline and tanker route?"

The minister's reply was a brief but emphatic, "no, sir."

The Canadian government has consistently opposed a U.S. proposal which would involve heavy tankers carrying oil from Prudhoe Bay, Alaska to refineries in Cherry Point, Washington.

OIL SPILLS

Canadian authorities cite the possibility of oil spills, especially off the coast of British Columbia, when they explain their opposition to the tanker route. The tankers must pass through the narrow Straights of Juan de Fuca before arriving at Cherry Point.

So far court injunctions sought by environmentalists have held up the start of the Alaska part of the pipeline. But the U.S. Senate is expected to examine a bill on the tanker route and take a vote early next week.

MacDonald also said U.S. state department representatives had submitted a series of questions to the government as to the Canadian position on certain aspects of the pipelines.

"The government replied in detail," MacDonald said. "I hope the answers get to the senators and congressmen before any decision is made" he said.

The questions mainly dealt with matters which have already been made public by the Canadian government such as the current status of environmental studies and native claims with respect to the Mackenzie Valley route.

But in the last section under "other observations deemed relevant" the department of energy, mines and resources amplified what MacDonald said in the House of Commons yesterday.

"If Alyeska is built, Canada would find little attraction in having a second oil pipeline built through Canada to serve U.S. midwest markets unless (underlined) and until (underlined) sizeable commercial Canadian oil discoveries have been made in the north.

[From the New York Times, July 10, 1973]

CANADA WARNS THAT PIPELINE IN ALASKA WOULD WEAKEN CHANCES FOR SECOND ROUTE

(By Edward Cowan)

WASHINGTON, July 9.—In a fresh effort to block a trans-Alaska oil pipeline, the Canadian Government has told Washington that if such a line were built the chances would be slim for the laying of a second oil line through Canada's Mackenzie River Valley to the upper Middle Western states.

With the Senate beginning debate today on pipeline legislation, the official Canadian comment seemed to be intended to dissuade members of Congress from the Middle West from voting for a trans-Alaska route.

Answer by Ottawa to questions on a Mackenzie route were made public by Representative John Melcher, Democrat of Montana, after he received them from the State Department.

Canada, rebutting Senator Henry M. Jackson, a leading Democratic advocate of the Alaska route, said no treaty or agreement between Washington and Ottawa would be needed for a Mackenzie line.

Refineries in Senator Jackson's home state of Washington would get Alaska crude oil from tankers that would load at Valdez, at the southern terminus of the 789-mile line from Prudhoe Bay, on Alaska's North Slope.

FORECASTS DELAY

The Senator reiterated at a news conference his view that a Canadian line could not be started for four to six years and that this was an important reason for authorizing an Alaska line.

He also said that if litigation or legislative snarls delayed the start of construction beyond the spring of 1974, he would introduce a bill to build a federally owned and operated line. The issue now before Congress involves a pipe four feet in diameter to be built, owned and operated by a consortium of major oil companies.

This new proposal by Senator Jackson, who as chairman of the Interior Committee is floor manager of the pipeline legislation, was regarded by his opponents as a defensive maneuver following complaints that the committee bill would not immunize the project from challenge in the courts under the National Environmental Policy Act. Mr. Jackson, saying he was the act's author, insisted that it would be unwise policy for Congress to begin granting exceptions to it.

DELAYED SEVERAL YEARS

Environmentalists have already delayed construction of the pipeline for several years with challenges in the courts, resulting in intense frustration of the companies, which have tied up hundreds of millions of dollars in pipe that lies unassembled and idle on the southern shores of Alaska.

The United States Court of Appeals for the District of Columbia, without considering environmental issues, helped a lower court decision blocking construction on the ground that in some places the facility would be wider than the limit of 50 feet in the 1920 Mineral Leasing Act. The Jackson bill would remove that limitation.

With the Nixon Administration backing the Alaska route and the oil industry advertising heavily to rally public opinion behind it, some Midwestern sponsors of a Mackenzie route conceded privately that they appeared to lack the Senate votes to defeat the Jackson bill.

The Midwesterners preference for direct delivery to their fuels-short region, which has been hit hard by heating oil and gasoline shortages in the last year, has been thwarted by the failure of the Ottawa Government to commit itself unreservedly and enthusiastically to a Mackenzie Valley route.

FEAR OIL SPILL

The Canadians dislike the trans-Alaska route because they fear that the tanker shuttle terminating in the Puget Sound area sooner or later will result in a mishap. They fear that an oil spill will pollute the sport fishing and sailing waters off British Columbia and contaminate hidden coves along the jagged coast, many of which are accessible only by water.

Canadian Government ministers have been speaking out against the route for several years. However, as Senator Jackson observed today, the present Liberal government of Prime Minister Pierre Elliott Trudeau has a minority of seats in the House of Commons and needs the support of the New Democratic party.

The New Democrats of British Columbia may be against the Alaska route, as Midwesterners here maintain, but there is no solid evidence that the New Democratic caucus in the House of Commons would support a Mackenzie route.

In the comments released by Mr. Melcher, Ottawa noted that the line could be licensed without Parliament's approval. Observers said, however, that the New Democrats could demand a vote of confidence on the issue and bring down the Government.

In another fuels development, William E. Simon, the Deputy Secretary of the Treasury, declared, "It is neither necessary nor desirable to have gasoline rationing at this time."

That has been the Administration's position for some time, but the question keeps coming up because the Administration has voluntary guidelines for allocation of wholesale supplies of crude oil and petroleum products. Mr. Simon, chairman of the Oil Policy Committee, was interviewed on the National Broadcasting Company's "Today" show.

Mr. Simon denied a rumor that the Government had had printed retail gasoline rationing coupons like those used in World War II.

He said that gasoline inventories were rising, contrary to the usual seasonal pattern, and "the oil industry is responding to this problem we've had."

Mr. BAYH. Mr. President, the disclosure by Canadian Energy Minister Donald MacDonald, in answer to the second question asked in Parliament on Friday, of the existence of written questions and answers between our State Department and the Canadian Government, is of major importance to Senate consideration of this issue.

What these questions and answers show is that the Canadian Government is quite willing to consider an application for an oil pipeline through the Mackenzie Valley, if we do not go ahead first with the Alaskan line. This expressed willingness to cooperate on this matter, and, indeed, to accept an application for an oil pipeline by the end of the year is in direct contradiction with a statement made by our State Department less than 3 weeks ago.

On June 22 Marshall Wright, Assistant Secretary of State, wrote:

> Our most recent inquiries and remarks by Canadian officials give no cause to change our view that the Canadian government has no strong current interest in the construction of a Mackenzie Valley oil pipeline.

When this statement was made it troubled me since it ran counter to public statements by high-ranking Canadian officials, including Prime Minister Trudeau, that Canadian concern about oil spillage from tanker traffic off their west coast would cause them to be sympathetic to an application for a trans-Canadian oil pipeline.

I have studied in some detail the questions and answers referred to by Minister Macdonald and am satisfied that they show a definite Canadian interest in a Mackenzie Valley oil pipeline. This suggests an unfortunate lack of candor in Mr. Wright's earlier letter; a lack of candor which should be distressing to all Senators who want full and honest information before voting on this issue.

So that the Senators might know of a Mackenzie Valley oil pipeline, I would like to read into the RECORD at this point the questions posed by our State Department and answered by the Canadian Government:

Q. What is the current status of relevant Canadian environmental studies? What is the expected date of their completion?

A. The Government's environmental social program calls for the publication, as they become available, of 121 reports on all phases of environmental and social concern as related to northern pipelines; of these 39 reports have already been published by Government and an additional 16 by others. It is expected that the complete material thus assembled will place the government in position to adequately assess an application for a pipeline by the end of this year.

Industry has indicated that they expect to file an application for a gas pipeline at the end of 1973 or shortly thereafter.

Q. What is the status of consideration of native claims? What is the expectation as to time required for their settlement?

A. The Indians of the Mackenzie Valley are signatories to Treaties 8 and 11. The Government's obligation under these Treaties has as yet not been fully met; the Government has affirmed that it will meet these obligations and toward this end has offered to set aside the necessary lands. However, recent indications are that the NWT Indian Brotherhood is preparing to advance claims over and above that specified by Treaty. In this respect, the Brotherhood has attempted to file a caveat to protect lands they deem to be covered under the Treaties. The matter is now before the Territorial Courts. The Government has accordingly presented its case, alleging that the caveat by its nature is not registerable. It is expected that the resolution of this specific issue will take a number of months. Although the caveat, if registered, would not apply to mining and oil rights, it could affect the granting of a pipeline right-of-way. At the moment it is not clear how and within what time frame this matter could be resolved, should the problem arise.

In the Yukon Territory no treaties are in effect. The Government is, however, in the process of negotiating native claims (Indian and Métis) and indications are that a settlement could possibly be reached there within the next two years.

Depending on the route chosen, the pipeline could pass through areas of the Mackenzie Delta where the Inuit (Eskimos) may have certain land claims. These have not as yet been fully defined and the Government has made available funds to the Inuit Tapirisat for further research.

In summary, indications are that settlement in the Yukon could be achieved within approximately two years, during which time the application could be heard and construction commenced. The situation regarding the Native Brotherhood in the NWT is not yet sufficiently clear to allow a precise statement; and considerable research must still be carried out before Inuit claims become fully defined and therefore negotiable. It is the Government's intention to proceed with northern development in the best interests of Canada, as a whole, but at the same time the Government is determined to ensure the just settlement of native claims.

Q. What is the Canadian Government's position likely to be with regard to ownership and control?

A. Speaking on this point in the House of Commons on May 22nd, 1973, Minister Macdonald said:

"Mr. Speaker, I have indicated that the objective of the government would be to give an opportunity to Canadians to acquire 51 per cent ownership in any such pipeline and the expectation that it would remain under Canadian control."

In addition, all interprovincial and international pipelines are under National Energy Board control.

Q. When will the Canadian Government be ready to give active consideration to proposals from the private sector?

A. In respect of a gas pipeline, Minister Macdonald said on May 23rd, 1973, in the House of Commons:

"Of course, the law has always been there with regard to the making of an application, but we have indicated within the past 12 months that we are completing our studies for the purpose of evaluating such an application and that we expect about the end of this year to be in a position to evaluate any application that comes forward. For that reason we have not issued any invitation to any specific group, but we have indicated that we are in a position to deal with such an application under the law."

In respect of an oil pipeline the above statement still applies. However, it should be noted that the Canadian Government has not received an application for construction of such an oil pipeline in the north nor is it apparent that any company or any group of companies is preparing to make such an application in the near future.

Substantial work has been completed by Mackenzie Valley Pipe Line Research Limited and much of this work relates to environmental and social matters. However, there undoubtedly would be additional work required by a prospective applicant in respect of environmental considerations. Additional work on details of engineering design would also be required, although these could proceed concurrently with environmental work.

Q. What would the process of consideration entail (e.g.—public hearings and a finding by the National Energy Board prior to consideration by the Government and Parliament) and how long a time would it likely require?

A. An application to build an oil pipeline would be heard by the National Energy Board which would then make its findings known to the Government. If the National Energy Board rejects the application, no further action is required by the Government. However, if the National Energy Board recommends approval of the application, the final decision must then be made by the Government. There is no legal requirement to refer to Parliament either the National Energy Board finding or the decision of the Government.

Further, the Minister of Indian and Northern Affairs, the Honourable Jean Chrétien, has announced that upon receipt of an application for a pipeline right-of-way, an Inquiry will be held under the Territorial Lands Act with the purpose of assessing the regional socioeconomic and environmental implications arising out of the construction and operation of a major pipeline in the Territories. These hearings will be held in addition to those under the National Energy Board Act described above.

The time required for a National Energy Board hearing for an oil pipeline is unknown at this time, but might take perhaps up to one and a half years, including time required to arrange financing. The hearings by the Department of Indian Affairs and Northern Development would also be concluded within that time period.

Q. Are there significant Provincial/Federal differences which are likely to delay an eventual Canadian decision? To what extent would differences of view between eastern and western Canadians obstruct or delay decisions?

A. A northern oil pipeline would be a "federal work". As such, the Provincial Governments are not legally involved. The National Energy Board Act grants to a successful pipeline applicant the right to expropriate lands, including Provincial Crown Lands, if such are necessary to complete the project.

Q. What is the status of Canadian governmental consideration of a possible Mackenzie Valley gas pipeline?

A. The answers given above gave the status of the Canadian Government's environmental work in connection with a possible gas pipeline. It should be noted that under the Task Force on Northern Oil Development, six committees have been established and work has been in progress in most of these committees for a number of years. The Advisory Committee on Northern Pipeline Financing was established in early 1973 and results from its considerations should be available by the time an application to build a gas pipeline could be filed.

Q. Would active Canadian consideration of a Mackenzie Valley oil pipeline delay consideration of the prospective application for a gas pipeline? Are there proponents in Canada of the gas pipeline who oppose encouragement of Mackenzie Valley oil pipeline on these grounds?

A. Canada would likely wish to avoid the necessity of building both an oil pipeline and a gas pipeline simultaneously because of the impacts upon the Canadian economy. If it is decided to proceed with active consideration of the Canadian oil pipeline, it is likely that the question of building a gas pipeline would be deferred, for reasons of gas supply to such a pipeline. This is based on the assumption that some 50 percent of the gas supply would be solution gas from the Alaska North Slope. If an approval to build a Canadian oil pipeline was granted and if the Canadian Government did not wish to have the gas pipeline built simultaneously, it is possible that the construction of the gas pipeline could be delayed by some three years compared with the decision to build the Alyeska oil pipeline.

Q. Any other observations deemed relevant?

A. There are a number of other elements to the Canadian position in respect to the northern oil pipeline.

(1) Canada does not now have commercial oil discoveries in the north, although the prospects are rated very high. There could be some 100 to 150 Mbd of natural gas liquids, if the gas pipeline is constructed.

(2) The Government guidelines on northern pipelines are clear in stating that Canada requires that Canadian production have "access" to such pipelines. Undoubtedly such access would be achieved by adding pipeline capacity rather than "backing out" non-Canadian supplies. Thus Canada does not require any fixed percentage of the throughputs of either a gas pipeline or of an oil pipeline.

(3) There would seem to be no reason why

the United States would need a "treaty" or agreement with Canada to cover such pipelines which would cross Canadian territory and carry U.S. supplies to U.S. markets. In this connection, the Canadian Government notes that both loops of the Interprovincial-Lakehead pipeline system cross the United States and that throughputs of these loops are vital to Ontario oil markets. The Montreal oil market is entirely dependent on the Portland-Maine to Montreal pipeline. In addition, approximately half of the Canadian gas markets, east of Manitoba, depend on the Great Lakes pipeline which crosses the United States. None of these important pipelines, across United States territory is covered by "treaty" or international agreement.

(4) Canada continues to view with alarm the prospect of large tanker movements into the Puget Sound area of the Pacific northwestern United States. For that reason, Canada is prepared to consider guaranteeing the total supply to the Puget Sound area during that period that a pipeline might be constructed through northern Canada. Such a Canadian guarantee for the Puget Sound supply would, of course, be limited to the present refining capacity in that area. The amount of *added* Canadian oil required for this purpose would be relatively small compared to the total Canadian exports to the United States and would also be relatively small compared with present Canadian deliveries to the Puget Sound area.

(5) If Alyeska is built, Canada would find little attraction in having a second oil pipeline built through Canada to serve U.S. Midwest markets *unless* and *until* sizeable commercial Canadian oil discoveries have been made in the north. Moreover, Canada is aware that the economic attraction of looping an existing TAPS line would undoubtedly militate against construction of a line through Canada. Admittedly, other circumstances such as markets and security of supply might make it attractive to build such a second line through Canada. However, such circumstances are undoubtedly present even in respect of the first oil pipeline.

Mr. BAYH. Mr. President, during this ongoing discussion of how best to expedite the delivery of Alaskan oil, there have been attempts to belittle opposition to the Alaskan land-sea route as "an obstructionist effort to protect a few caribou."

Actually, the issues involved are far more important than this, and opposition to the route chosen by the oil companies is based on a number of highly significant issues.

This is why the amendment which the Senator from Minnesota (Mr. MONDALE) and I are offering has been endorsed not only by every major national environmental group, but by the Consumer Federation of America, Common Cause, and the United Auto Workers.

The Alaska Public Interest Coalition, on behalf of these groups, yesterday circulated a letter to Senators explaining why they favor the Mondale-Bayh amendment. Since this letter shows the wide range of support which this amendment has, and since it points to the major issues involved in this matter, I would like to include that letter in the RECORD.

ALASKA PUBLIC INTEREST COALITION,
Washington, D.C., July 9, 1973.

DEAR SENATOR: This week the hour of decision is at hand for the Alaska pipeline issue in the United States Senate!

WHO SHOULD GET THE ALASKA NORTH SLOPE OIL?

Of the many elements involved in this issue, a prime one is: *to where do we ship the North Slope oil?* Is it to be transported via an all-land trans-Canada route to a point where it will meet existing oil pipelines and from there can be moved both east and west—moved both to the midwest states and points eastward and also to the west coast? Or, is it to be moved via a trans-Alaska route to Valdez (on Alaska's south coast), and thence by supertanker either to the Pacific Coast states or to Japan—leaving out the rest of the United States? For if the Alaska North Slope oil is moved by supertanker to the Pacific Coast states, there exists no feasible means of moving it to the rest of the country.

The west coast is amply supplied with oil from wells in California, from Alberta, Canada via the westward-flow transmountain pipeline and from Latin America and Indonesia. There are no pipelines to move oil from the west coast to the midwest and east. Supertankers are too big to pass through the Panama Canal. Ordinary tankers, which can clear the Panama Canal, could not economically carry enough oil to significantly affect the supply. Moving oil from Alaska clear around Cape Horn at the southern tip of South America and thence to Atlantic seaboard ports is not economically attractive either—even less so when compared with movement by an overland pipeline directly from the Alaska North Slope to American midwest and eastern markets.

In deciding what route to issue a right of way permit for, we urge the Senate to keep foremost in mind the needs of the entire country for our oil resource in Alaska and to choose the route which makes North Slope oil available to the greatest number of the United States. A trans-Canada route tying into the existing transcontinental oil pipeline system (at Edmonton, Alberta, Canada) will serve the midwest and east, provide an additional supply to the Pacific Coast—and will make more Texas-Louisiana-Oklahoma oil available for all southern states. A trans-Alaska route will serve only the three states on the Pacific Coast and/or Japan.

WILL TWO PIPELINES BE NEEDED?

Who says two pipelines will be needed within the foreseeable future to carry all the oil from the North Slope to United States markets? Not Edward L. Patton, president of the Alyeska pipeline consortium which wants to build a trans-Alaska pipeline from the North Slope to Valdez. Said Mr. Patton less than one year ago before the Joint Economic Committee of the House and Senate at Washington, D.C. in commenting on suggestions that a second oil line might be needed from the North Slope: "Such speculation borders on fantasy and reveals the absence of even a casual inquiry into the facts." This quotation and his elaboration thereon appears in the Congressional Record, June 20, 1973, page 20470.

Even Secretary of the Interior Morton stated in July of 1972: "It is uncertain that a second oil line will be needed at all, since additional reserves must be discovered by future drilling. Such a line, in any case, is many years away." (Same source as quotation in above paragraph.)

Further, the Department of the Interior in an analysis submitted to the Senate Interior Committee this April stated: "Resources to justify a second oil pipeline have not yet been demonstrated." (Same source as above.)

The decision facing the Congress is simply, which *one* pipeline shall be built? The informed testimony by both oil company and Interior Department officials is to the effect that there is no basis for thinking in terms of a second oil pipeline at this time. We urge the Senate to make its decision on the basis of the need of the whole country for oil. A trans-Canada route tying into the existing transcontinental oil pipeline system at Edmonton, Alberta, Canada immediately provides for distribution of North Slope oil to both the Pacific Coast and the rest of the United States.

On Friday July 6 in the Canadian House of Commons at Ottawa the Minister of Energy, Mines & Resources Donald McDonald, in response to a direct question, stated flatly that the Canadian Government would *not* be interested in considering a trans-Canada oil line from the Alaska North Slope if a trans-Alaska pipeline to Valdez were to be built first.

WHAT THE MONDALE-BAYH AMENDMENT WILL DO

To vote for S. 1081, Senator Jackson's federal rights of way bill, as it is now written is to give the Senate's approval to a trans-Alaska pipeline route plus supertankers from Valdez to the Pacific Coast and Japan. To vote for the Mondale-Bayh amendment to S. 1081 (No. 240) is to vote for full investigation of the feasibility economically, environmentally and diplomatically of a trans-Canada route so that the Congress will have complete information upon which to make a final choice within one year or less. There is little point in deciding to ship the oil to a part of the country where there is no present need for it while simultaneously denying that oil to a larger portion of the country which has a conspicuously demonstrated need for it. Even more significant is the fact that a trans-Canada route, connecting with the existing oil pipeline systems, will send North Slope oil *both* east and west, as present and future needs determine. It is the Mondale-Bayh amendment to S. 1081 which assures the availability of this choice.

This letter is being sent to Members of the United States Senate by the Alaska Public Interest Coalition, a citizens group composed of conservationists and national organization representatives all concerned for the wise, long-term use of the nation's natural resources in Alaska.

Sincerely,
GEORGE W. ALDERSON, *Coordinator*.

NATIONAL ORGANIZATIONS SIGNING THE LETTER

Friends of the Earth.
The Wilderness Society.
Sierra Club.
Trout Unlimited.
Environmental Defense Fund.
National Parks and Conservation Association.
Defenders of Wildlife.
Common Cause.
United Automobile, Aerospace and Agriculture Implement Workers.
Consumer Federation of America.
Cordova District Fisheries Union.
United Fishermen of Alaska.
Western Division of the National Federation of Fishermen.

Mr. TAFT. Mr. President, I believe that passage of S. 1081 is essential to the energy security of our country. The construction of the trans-Alaska pipeline will provide billions of barrels of oil to the United States at a time when it desperately needs it. Furthermore, it will provide the much needed incentive for new energy exploration to help prepare us for our distant energy needs.

Alaskan oil can provide a catalyst for energy survival in the United States as well as the premium for providing America with an energy insurance plan until we can develop more self-sufficiency.

We cannot sit back and ignore this oil which is available now in our own country to meet our needs, while we continue to rely more heavily on the Arab-bloc nations, some of whom threaten to use their oil to influence foreign policy in the Middle East.

It is vital that America be able to chart a course in its relations with other nations that need not be altered by massive dependence on imported fuels for our essential energy requirements. Our foreign policy must not be shaped by this dependency, and now is the time to work toward this position.

While it has been said that the Midwest, and the State of Ohio in particular, will not benefit from the Alaskan pipeline, this is patently untrue. Major oil companies operate on a tradeoff basis throughout the United States. Ohio companies have been and continue to be crude short, however, they own over 50 percent of the reserves in Alaska. In making their large Alaskan investment they assure themselves that they have oil on the west coast to trade off with other companies holding gulf coast barrels readily available and accessible to be transported to the Midwest.

From the viewpoint of our balance of trade, there is a serious imbalance between energy supply and demand. Almost every region of our country is affected. Last year, it is reported that we imported 1.7 billion barrels of foreign oil at a cost in the first-round balance-of-payments outflows of approximately $6 billion. Despite all the efforts we can and must make to increase our domestic resource base, by 1980 we will probably have to import about 4 billion barrels of oil with first-round balance-of-payments outflows of about $16 billion, in the absence of oil from the North Slope of Alaska. The Alaska pipeline will not avoid the necessity to purchase foreign oil, but it will reduce the amount we have to buy.

It also must be noted that the construction of the Alaskan pipeline does not preclude or nullify the need for the trans-Canadian pipeline. It is not an either/or situation. While the Alaskan pipeline will have oil coming to the United States from 5 to 7 years sooner than the trans-Canadian line, we must continue to study our long-range needs and the impending need for the Canadian pipeline as well. Moreover, the early development of the Alaska pipeline will make possible and likely the building of a Canadian gas pipeline that could help serve the north central part of the United States.

The trans-Alaska pipeline is the most important immediate step that we can take to help meet the entire Nation's rapidly increasing energy needs. It is vital to our national interest.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now may be a period for routine morning business, with statements limited therein to 5 minutes, and that the period not extend beyond 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPUBLICAN LEADERSHIP MEETING AT WHITE HOUSE ON THE ECONOMY

Mr. PERCY. Mr. President, this morning, at the White House, the Republican leadership had the privilege of meeting with the President and some of his top advisers on the state of the economy, with particular reference to the current price freeze and phase IV. It was a free and open discussion, and I welcomed this opportunity to have the input into the White House by those who had been so recently in touch with their constituents, and those of us in Congress who feel that we stay very close to the feelings, aspirations, hopes, and desires of our respective constituencies.

We did discuss the budget, and I am very pleased the Senate Government Operations Committee and its Subcommittee on National Priorities and Budget Control are trying to develop a means by which the Senate can cooperate with the House in finding ways that will lead to putting a ceiling on Federal expenditures, and to make this a high priority early in each session of Congress and in each fiscal year, so that we establish a budget consistent with the role which the Federal budget should play in the economy and consistent with what is good fiscal and monetary policy.

The impact on the Federal budget is very great indeed. Progress is being made in trying to develop procedures and practices consistent with the views of the committee of both the House and the Senate that was established to work out this matter. I hope that before long a bill can be reported by the Committee on Government Operations for the consideration of the Senate, a bill that will enable us to develop responsibly a budget procedure and also will enable us to put a ceiling of our own on congressional expenditures. Until such time as we do this, I think international financiers as well as those watching the problem inside our own country will welcome such action by Congress to solve the problem and establish priorities.

Mr. President, the administration's budget proposal for fiscal year 1974 has excited a combination of praise, consternation, and controversy, and some considerable criticism.

I respect the President for presenting a budget that keeps a lid on spending and commend him for his initiatives that call for a more efficient use of Federal dollars.

I think that one of our responsibilities in Congress is that we have a deep interest in the matter of priorities, because that is one of the constitutional responsibilities we have.

However, I am particularly concerned with one area of the President's proposed budget economies. Budget cuts where health care services are concerned are, in my judgment, false economies. An excellent Chicago Tribune series on health care, written by its science editor, Ronald Kotulak, documents very well the need to commit greater, not fewer, resources toward solving our health care problems. Mr. Kotulak's articles illustrate all too vividly the alarming trends which are becoming increasingly familiar to every American who may need medical care. Despite annual expenditures of $70 to $80 billion for medical care in recent years, millions of Americans do not receive adequate care. Physicians' fees and hospital rates are such that even middle-income people are beginning to be priced out of the market. Doctors, never particularly attracted to rural areas, continue to flee the cities for the suburbs. The hospital emergency room is fast becoming the "family doctor." General practitioners, internists, and pediatricians have become even more scarce in relationship to our population and need. Even those with money to pay for medical care often cannot find a doctor to provide that care.

Most distressing to me, as a Senator from Illinois, is the fact that Mr. Kotulak's articles give evidence that the shortage of doctors appears to be even more serious in Illinois, especially in the low-income communities of Chicago, than in the Nation as a whole. I am, therefore, more convinced than ever that we must expand, not curtail, our national commitment to improve access to quality health care for all Americans.

Mr. President, I ask unanimous consent that several articles heretofore referred to be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Middle Class Finds Medical Crisis on its Doorstep Now

(By Ronald Kotulak)

It came as a shock to the residents of West Lake View, a primarily white middle-class community on the city's mid-North Side.

At first no one noticed it, but one by one of the doctors' offices closed, not to be replaced. The full impact came about two years ago, when alarmed residents discovered that there were only about four doctors left to care for a population of 30,000 to 40,000.

They had become medically disfranchised. Once considered a problem faced by the poor, the inability to get adequate medical care has in the last five to 10 years become a growing problem among the middle class.

The medical gap can now be seen in low-income, working-poor, and middle-class Chicago neighborhoods, as well as in some suburbs. Poverty pockets and rural areas still have a critical shortage of health care, altho, at least for the poor, federally supported health programs are available.

Two forces are at work to deprive an increasing number of blue-collar workers and many other middle-income residents of proper care.

The first is skyrocketing medical costs, which are pushing routine care out of the reach of many. Since 1960 hospital costs have zoomed 204 percent, and doctors' fees have climbed 74 percent.

The average day in the hospital last year cost $90.46. The average fee for an office visit to an internist in 1971 was $24.13.

The second factor is the unavailability of doctors who deliver primary care. In many areas residents simply can't find a doctor, even tho they have the money to pay for care. A growing number of people in both white and black communities have come to rely on the hospital emergency room as their "family doctor."

The financial pinch became acute when Americans decided that more should be done for the poor and elderly. When medicaid and Medicaid went into effect in 1966, millions of dollars were made available for the care of those on welfare and for the elderly.

But since the medical personnel and resources were limited, the influx of huge tem had an inflationary effect.

Prices zoomed. The health-care gap was merely transferred to the working poor and other middle-income groups. They were being priced out of the market and cut off from the limited supply of health-care resources.

Added to this was the flight of doctors from poor and middle-class neighborhoods to the wealthier suburbs. The result is that great blocs of people have become medically disfranchised, said Pierre de Vise, assistant director of the Illinois Regional Medical Program.

As a result more people are beginning to fall through the cracks of the medical-care system.

For many, like Mrs. William Clark on Chicago's far South Side, and Mrs. Donna Hymen on the city's far North Side, there isn't enough money left in their budgets for routine care, preventive medicine, dental care, or annual physical checkups.

One of Mrs. Clark's children developed a bad skin allergy a while back, and the treatments cost $50 a week. The costs had to be paid out of her pocket, because she can't afford medical insurance. She still owes on these medical bills.

"I would like to be able to take the kids to the dentist and for regular doctor visits—they need it—but there isn't enough money," Mrs. Clark said.

It probably would be easier for the Clarks to get medical care if they were on welfare, but her husband is a blue-collar worker, and they don't qualify for state aid.

Mrs. Hymen's problem is similar. She knows she is playing "medical roulette" by neglecting regular medical and dental care to cut down on expenses. But since she and her husband are in their mid-twenties, they feel they can gamble and go to a doctor only when they become sick.

"I can't plead ignorance, because I work in the medical field," she said. "But most of our friends are in the same boat. We are neglecting things that should be done because we can't fit the extra medical costs into our budget."

Another young couple faces a bleak financial future as the result of a catastrophic injury. The husband was hospitalized for eight months with brain and kidney damage suffered in an accident.

The costs came to more than $60,000 of which his hospital insurance paid only $16,000. The Illinois Department of Public Aid, under its program to aid medically indigent people, is helping pay for the rest. But the state aid is being cut off, and the young wife, who holds down a full-time job, will have to find some way of paying for her husband's further care.

Trying to—and failing—to find a doctor can be a frightening experience, said Michael Burack, administrator of the Lake View Citizens Council. The community basically is a mixture of middle-class whites.

"There are thousands of people over 65 in our community, and a lot of people just couldn't find a doctor," he said.

Working with Illinois Masonic Hospital, the council established a free clinic at 3405 N. Paulina St. that cares for patients three evenings a week in an effort to fill the medical gap. But this is only a tourniquet. Much more is needed, Burack said.

Another medical wasteland exists in West Garfield Park, a community of 60,000 on the West Side, which has only 13 physicians. In 1950, when the community was all white, it had 161 doctors.

"Most of our residents don't get enough medical care," said Alfred Portis, executive director of the Christian Action Ministry. To get care residents go to a hospital emergency room or County Hospital, and many wait until they are acutely ill before they go, he said.

The same thing is happening to many suburban dwellers. Families moving out to the suburbs often find that the closest doctors are so busy that they aren't accepting new patients. Newer suburbs frequently don't have enough physicians.

One middle-class surburb hurting for doctors is Schaumburg Township. With a population of 60,000, it has only 12 doctors. It should have about 60.

"Occasional hardships" in obtaining medical care are experienced in Will County, said Dr. Robert Becker, president of the Quad River Foundation for Medical Care.

With a population of 250,000, including Joliet, the county has about 140 doctors providing primary care, he said. "We could use 50 to 100 more doctors, primarily family-practice physicians," he said.

Documenting the increasing difficulty in obtaining care, Dr. Odin W. Anderson of the University of Chicago found in a nationwide study that the number of low- and middle-income residents who do not have private doctors is sharply increasing.

While medical care for the poor has improved substantially in the last 20 years, primarily because of federally financed medicare programs like Medicaid, the problem for the low- and middle-income group has become worse.

Whereas 75 per cent of the middle-income group reported regular care from a doctor in 1963, this had dropped to 68 percent in 1970, Anderson found. Among low-income residents, the number seeing a private doctor dropped from 63 to 56 per cent. The study included 11,822 individuals in 3,880 families.

Twenty-one per cent of the low-income families reported no regular care at all, and 15 per cent of the middle-income group also said they had no regular care.

Mayor Daley recently said more must be done to help people with modest incomes meet their health-care needs.

"These persons do not ask for charity, nor do they want handouts," Daley said. "They are willing to pay for medical care, but the fees must be commensurate with their ability to pay.

"There are hospital facilities for those who are indigent and for those who can afford the costs of private hospital care. What is required is hospital facilities scaled to the various incomes of patients, or some kind of financial support for the low-income patient to compensate for the portion of the bill he cannot pay."

A working man earning $100 to $150 a week cannot afford a serious illness, because in many cases he has little or no health insurance and there is no way to provide for his family's support, Daley said.

It is becoming increasingly certain that low-income persons have less access to medical care, and that the quality and range of services available to them is much lower than those available to persons with more money, reported the Federal Department of Health, Education, and Welfare after a nationwide survey.

Routinely for the poor and low-income groups, and increasingly for those in the middle-income bracket, to be sick is to be incapacitated.

Symtoms, even serious ones, are often ignored or tolerated until disability strikes. Then medical care is an emergency. Serious illnesses that could have been prevented with early care get out of hand. Treatment often is inadequate or too late. As a consequence, the patient suffers more, a bigger demand is placed on the health-care system, and the costs are much higher.

Attempting to grapple with the problem, former Gov. Richard Ogilvie said, "We simply are not getting appropriate health care to most of the people when and where they need it.

Wonder drugs and new surgical techniques have eliminated most of what were once frightening diseases and injuries, Ogilvie said. "Now it is the bill that is frightening."

"Any individual who can't get care has a health-care crisis, and there are a lot of them," said Dr. Mark Lepper, coordinator of the state's health services and chairman of the Comprehensive Health Planning Board of Illinois.

"Collectively, there undoubtedly is a health-care crisis in terms of financing, availability, and manpower," he said.

Most people agree, Dr. Anderson said that 75 per cent of the heads of families in his study believe there is a crisis in health care in the United States.

Private Doctor Is Hard to Find

(By Ronald Kotulak)

For many Americans a private doctor is becoming a vanishing species.

More than 32,000 people called the Chicago Medical Society last year in search of physicians to look after their health and minister to their illnesses. The society expects 36,000 calls this year. Thousands more never called because they have no hope of getting their own private doctors.

One who called was Lynn Taylor, a Tribune reporter who recently moved into the predominantly white Beverly community on the city's far Southwest Side.

The society's referral service gave her the names of three doctors in her area. When she started calling them she discovered that two of the physicians no longer practiced there and the third had a six-week waiting period before seeing new patients.

Trying on her own, Miss Taylor called the Evergreen Park Medical Center and was told that the doctor only took new patients if they were referred by one of his current patients. Being new to the neighborhood, she found this a dead end.

A second call to the medical society got her another list of names. Finally she found a doctor in Evergreen Park who would see her. She got to his office at the appointed time and waited two hours in a crowded waiting room before she saw the doctor for five minutes. Her bill: $30.

The reason why more and more Chicagoans can't find private doctors is because the city is losing physicians at a record rate, according to a new study on the physician exodus by Dr. Donald Dewey, a DePaul University sociologist.

They are fleeing to the wealthier suburbs, leaving behind medical wastelands in communities suffering from dangerously low numbers of physicians. This exodus is one of the main reasons for the medical-care crisis. Experts call it a maldistribution of physicians.

"The trend in physician-office relocation has been toward a greater maldistribution of doctors' offices—toward increased concentration of doctors in a few areas and increased scarcity of them in the others," Dewey said.

Between 1950 and 1970, Chicago lost 2,000 private doctors. In 1940, there were 1.7 doctors per 1,000 residents, but the figure was 1.1 per 1,000 in 1970.

"Chicago, which was once the nation's medical mecca, is the only large American metropolitan area to have fewer private physicians today than 20 years ago," Dewey said.

"Incredibly, the metropolitan Chicago's physician-population ratio in 1970 was one-fifth below that of the average for the nation's large metropolitan areas."

The physician is the gate-keeper of the health-delivery system, and the maldistribution of doctors means that more and more people are being frozen out, said Pierre de Vise, assistant director of the Illinois Regional Medical Program.

"A patient cannot get private hospital care, ambulatory care, nursing care, or even prescribed drugs without the sponsorship of a physician," he said. Thus a majority of America's blacks and a growing number of low- and middle-income people are locked out of the private health system."

In his report, "Where the Doctors Have Gone," Dewey said the ratio of physicians to population is the lowest in the city's history, and it is expected to get worse over the next 20 years.

The main reasons doctors are leaving the city are—in order of importance—the socioeconomic decline of communities; their change from white to black; and doctors' desire to work closer to where they live.

Their favorite suburbs are in the north, northwest, and west. Hinsdale, Oak Park and Glencoe registered the biggest gains.

All sections of Chicago experienced declines, except for some parts of the North Side. Lake, Kane, and Will Counties also suffered heavy losses. South Cook County, which had one of the highest physician-population ratios in 1950 [1.34 per 1,000 population], suffered the greatest loss, down to .17 doctors per 1,000 people.

"One finds a situation where more physicians live in Evanston than in all of south Cook County: more live in Wilmette than in all of southwest Cook County; more live in Winnetka than in all of Will County; more live in Skokie than in all of Kane County; and more live in Lincolnwood than in all of McHenry County," Dewey said.

The stampede of physicians out of some Chicago communities can be seen in West Garfield Park on the city's West Side. In 1950, when the community was all white, it had 161 physicians. By 1970 it had changed to 96.8 per cent black, and only 13 doctors remained to serve 60,000 people.

The physician-population ratio in West Garfield Park plummeted from one doctor for every 300 people in 1950 to one for every 3,700 20 years later.

Oak Park, on the other hand, only two miles west of West Garfield Park, had an influx of doctors. Oak Park, whose racial structure hardly changed over the 20-year period, increased its doctor-population ratio from one per 870 people to one per 225.

One of the chief reasons physicians give for leaving changing neighborhoods is personal safety. "It is like working in a battle zone," a department doctor said.

Dr. Joseph O'Donnell closed his office at 75th and Halsted Streets in 1948 to move west to Glen Ellyn. "Before we left, we were held up three times in six weeks," he said.

"When I went to make a house call in an apartment, I was held up in a dark passageway. They took my bag, wallet, and watch."

O'Donnell said he originally intended to practice on the city's South Side, but because of the rapidly-changing neighborhood he began to worry about his and his family's safety. He also wanted a better life for his family.

Robert Lindley, executive administrator of the Chicago Medical Society, said many such doctors also found it hard to get help, including nurses and other doctors to take over during days off and vacations.

"I suppose it comes down to a question of whether his desire to do a missionary job is stronger than his regard for his personal safety," Lindley said.

With an average income of about $50,000 a year, many doctors prefer living and working in the affluent suburbs, Dewey said.

"Few self-respecting physicians would purchase homes below $50,000," he said. "Most of the homes in this high price range are confined to high-income areas in the North Shore and Skokie Valley."

Physicians like to work close to their homes, and the large new suburban shopping centers with their professional office buildings offer attractive places to work, Dewey said.

While the total number of doctors in the metropolitan area increased from 9,270 to 11,840 between 1950 and 1970, most of the increase was accounted for by nonpracticing physicians, he said. The number of private-practice doctors dropped from 80 per cent to 60 per cent.

Most of the new doctors are specialists, such as anesthesiologists, pathologists, radiologists, and plastic surgeons.

One family may require the services of four to five specialists, making it even more difficult to get primary care, Dewey said. In 1950, 10 per cent of the doctors were specialists, compared with 50 per cent today.

Since many new hospitals are following the doctors out to the suburbs, Dewey recommended that all federal Hill-Burton hospital-construction funds to these hospitals be stopped if they facilitate the flight of hospitals and doctors out of inner city and rural areas.

Instead, these federal funds should be diverted to inner-city hospitals to equip and operate outpatient departments that would provide primary ambulatory care in communities lacking private physicians he said.

EMERGENCY ROOM: NEW "FAMILY DOCTOR"

Curtis Allen, 40, doesn't have a private doctor. He never had one and he has no hope of ever having one altho he can pay for a doctor's services.

Like thousands of the Chicagoans who have found themselves locked out of the traditional health-care system, Allen has come to rely on the hospital emergency room as his "family doctor."

Unfortunately, Allen goes to the emergency room only when he has an emergency and the treatment he gets is emergency care. Since he has no private doctor he can't call up when symptoms first appear and get early care that might head off an emergency.

But he's happy with this treatment, "It's good care and there's no waiting when you have an emergency," he said.

In the last three years he's been to the emergency room at Michael Reese Hospital four times, all in great pain; twice for ulcers, once for a broken leg, and most recently for severe abdominal pains which doctors suspect may be caused by gallstones. He pays cash for his care.

Allen has no private doctor because he can't find one. He lives at 7930 S. Wabash Av., and in his community there are very few physicians. Allen has to bypass the conventional health delivery system in which a patient's private doctor admits him to the hospital when he needs such care.

Because of the inability of many people to find a private doctor, "I know that as much as one-third of this city's population does not have access to a private hospital," said Richard E. Friedman, regional director of the Federal Department of Health, Education and Welfare.

The basic reason is that many doctors are fleeing the older and poorer neighborhoods for the affluent suburbs, he said. In Chicago's 10 poorest communities there are only .26 doctors per 1,000 population compared with 2.10 doctors per 1,000 population in the city's wealthier communities.

But poor, low income, middle class, and rich are flocking to emergency rooms in record numbers. The emergency room has become the catch-all for the medical have-nots.

People go there for different reasons: the poor because they have no private doctors; the middle class because they are having a tougher time finding physilcans in many neighborhoods; and the rich because they can't get care after hours, on weekends, or holidays.

"Many cannot gain access to care because the component parts of the system of care are irregularly distributed thruout the state," said Dr. Morton Creditor, executive director of the Illinois Regional Medical Program.

"With respect to the conventional care system, the situation seems to be getting worse even with widespread acknowledgment of the problem and it will continue to get worse until we examine the reasons why it is bad," he said.

The tremendous upsurge in emergency room usage was documented in a two-year study of 108 hospital emergency departments in the seven-county Chicago Metropolitan region. The study, completed in 1970, was conducted by George Bugbee, Dr. Odin Gibson of the University of Chicago.

Between 1960 and 1969 visits to emergency rooms jumped 112 per cent from 840,700 in 1960 to 1,785,600 in 1969.

For every 100 Chicagoans there are 31 visits each year to a hospital emergency room, double the national rate. The rate of visits has tripled in the suburbs.

Emergency department patients account for about one-quarter of all hospital admissions in Chicago and for no less than one-third of patient days spent in the hospital.

The 15-year period between 1954 and 1969 saw a staggering increase of 315 per cent in emergency room visits.

"Not only has the number of visits increased, but the number and proportion of non-emergency 'walk-in' patients has risen dramatically so that in many urban hospitals the emergency department is now the provider of primary medical care for those lacking private physicians," the University of Chicago team said.

The investigators found that 48 per cent of the people visiting an emergency room went there for nonemergency care.

"Almost one-half of emergency department patients should not have been in the emergency department if they had been able and had chosen to see a private physician," they said.

The nonemergency patients come in with sore throats, colds, flu, headaches, aches and pains, minor injuries, new pregnancies, or simply because they want to see a doctor, said Theodore Leiterman, in charge of ambulatory care facilities at Illinois Masonic Hospital.

Some are the "worried well," people who aren't sure if something is wrong with them and who have nowhere else to turn except the emergency room. After being seen by a physician, one out of four emergency room patients requires no treatment.

"For more and more middle-income people, the hospital emergency room is becoming the community physician," Leiterman said.

Emergency rooms are turning into very large clinics which are creating increasing problems for hospital staffs, he said. Nonemergency cases must wait until all emergencies are taken care of. Illinois Masonic, like many other hospitals, is working on plans to divert nonemergency cases to the hospital's clinics and reserve the emergency room for emergency cases, he said.

The United States is one of the only remaining nations in the world that has continued to make medical services available on an almost exclusively fee-for-service basis said Dr. Merlin K. DuVal, former assistant secretary for health and scientific affairs of HEW.

"With all the strengths and advantages that are inherent in this system, there can be little doubt that such a system appears to be incompatible with a public policy that would presumably provide coequal access to our services for all of our citizens, rich and poor alike," he said.

"The consumer has almost no direct impact on the supply of physicians, where they will locate, what they will practice, whom they will accept as patients, or what their services will cost," Dr. DuVal said.

The University of Chicago study showed that on an average one out of every four patients going to an emergency room does not have a regular family doctor.

Fourteen per cent were people using the emergency department as an after-hour "stand-by" for their private doctor and 11 per cent were patients being treated in an emergency room by their private doctors. Thirty-nine per cent of the visits were accident cases.

Among the reasons given for the big increase in emergency room visits are:

The decrease in the number of general practitioners who function as the primary care physician of first contact.

Private physicians leaving the inner-city areas by relocation or death and not being replaced.

Physicians increasingly unavailable at night or on weekends or holidays.

Physicians reluctant to make house calls.

Patients who often do not like to inconvenience their private physician outside of office hours.

Patients who don't know which doctor to contact because of increasing specialization.

The high level of geographic mobility with substantial numbers of patients without a regular family doctor.

Large low-income areas with few physicians.

"The public has been conscious of the decreasing availability of physicians," the University of Chicago reported. "The fact that emergency departments receive patients at all hours and have physicians available after working hours has not escaped attention."

Lucky Wife Saved From a Medical Nightmare

(By Ronald Kotulak)

Mrs. Betty Hasegawa, like most Americans, can't afford a catastrophic illness. When her husband, Masuo, 59, a severe diabetic, developed a worsened heart and kidney condition, her medical nightmare began.

She knew she had to get care for her husband. She knew that the hospital insurance she had would only cover part of the costs and that she would have to spend all of her savings and sell her property to help pay for them. She knew that when all her money was gone she might not be able to get the proper care for her blind husband anymore.

She knew what lay ahead because she is a nurse who has seen it happen to others. And she knew that the emotional and financial drain would affect her own health.

"The anxiety would have finished me off," she said.

But, like waking from a bad dream, she was spared from being ruined by her husband's major illness. He is getting the best medical care available and it is only costing Mrs. Hasegawa $12 a month even tho in the last eight months her husband's medical bills have totaled more than $6,000.

Thru a new medical insurance plan at Michael Reese Medical Center, where Mrs. Hasegawa works as a registered nurse she can get whatever care she or her husband may need without worrying about costs.

The Reese plan is called a health maintenance organization [H. M. O.], and it is one of a growing number of measures designed to help solve the twin problems of high cost and unavailability of care affecting an increasing number of Americans.

"I hold the view . . . that there is a crisis in the health sector of our society today." said Richard E. Friedman, regional director of the U. S. Department of Health, Education and Welfare.

The crisis has caused rumblings thruout the land. There is a new sense of urgency among the middle class, the poor and the rich that something must be done to guarantee an individual's right to medical care. As a result, said Friedman, HEW has established a new set of goals. They are:

Every American has the right to adequate health care regardless of his race, his income, or locality.

Every American has the right to treatment of major illness without fear that the cost will be disastrous for him and for his family.

Every American has the right to be free from any disease or accident that could have been prevented.

Every American seeking health care has the right to find effective and competent care thru a variety of systems of care and payment.

The H.M.O. is based on the concept that it is cheaper to keep people healthy thru preventive care than to wait until they become sick and require more expensive treatment. American medicine traditionally has been geared to sickness or acute care.

For a fixed fee, usually paid monthly, a member of an H.M.O. has all of his medical needs taken care of from physical checkups to acute care. He pays nothing extra even if he is hospitalized for a prolonged period.

The incentive for the doctors is that they make more money by keeping people healthy. By concentrating on preventive care and reducing hospitalizations and acute care, there is more money left over from the fixed fees at the end of the year to be split up among the doctors.

The granddaddy of all the H.M.O.s, the Kaiser-Permanente groups on the West Coast and Hawaii have demonstrated, according to many experts, that comprehensive care which eliminates the worry of cost and emphasizes preventive medicine, can dramatically reduce sick days and hospital stays.

Reese's H.M.O. has been operating for hospital employes since last July and it is scheduled to go public for employe groups Sunday, said Dr. Monte Levinson, director of the Michael Reese Medical Group which provides medical services for Reese's H.M.O.

The cost for total comprehensive care will be $26 for an individual and $68 per family each month. Hospital employes pay $12 a month for families.

"Under our plan a member will receive whatever medical care is necessary from immunizations to cancer therapy without any financial restrictions," Dr. Levinson said.

The plan will include areas within a 40-mile range of Reese. From three to five satellite clinics that will provide comprehensive outpatient care are expected to be established in outlying regions, he said. The first is expected to open next year in a northern suburb, he said.

The cost of care will be covered only if treatment is rendered at the hospital or a satellite clinic, Levinson said. However, emergency care at any hospital in the Chicago area or out of town will be paid for, he added.

Rush-Presbyterian-St. Luke's Medical Center also has an H. M. O. plan for its employes. Officials there are planning to open it up to selected groups outside the hospital. Northwestern Memorial Hospital officials are studying the feasibility of establishing an H. M. O. Blue-Cross and CNA Financial Inc. also have selected H. M. O.-type programs. At least 15 such plans are in different stages of development thruout Illinois.

Some of the most medically deprived Chicagoans can expect help soon from another program. Thousands of city residents who are not on welfare but who cannot afford adequate medical treatment will be given free care at the city's neighborhood health centers.

The centers, which also will funnel care into physician-short areas, are aimed at bringing better care to the working poor, said Dr. Murray C. Brown, health commissioner.

"Medicaid pays for people on welfare," Dr. Brown said. "We are concerned about those who pay taxes but can't afford proper care for themselves or their families."

The new sliding fee schedule, which is expected to go into effect sometime in September, will mean that a family of four earning up to $7,000 a year will have to pay nothing for regular care at the centers.

A family of four earning $8,000 annually will pay 10 per cent of the medical costs; $9,000, 20 per cent; $15,000, 80 per cent; and those earning $17,000 and up will have to pay the full costs.

The board's five centers see more than 22,000 patients a month. By 1975 when two more centers are in full operation, officials expect that the seven centers will be handling more than 600,000 visits a year.

The four Model Cities supported centers are Uptown, 845 W. Wilson Av.; Daniel Hale Williams, 5034 S. Vincennes Av.; North Kenwood, 43d Street and Greenwood Avenue; and Woodlawn, 6337 S. Woodlawn Av.

The two new centers, expected to be in operation next year, are scheduled to be located near Division Street and Western Avenue and near 18th Street and Ashland Avenue.

Dr. Mark Lepper, chairman of the Comprehensive Health Planning Board of Illinois, said he plans to attack the "medical crisis" at the grass roots level.

Local groups must come to grips with their needs and resources, he said.

Dr. Morton Creditor, executive director of the Illinois Regional Medical Program, envisions new methods of entering the health care system.

The physician won't be the only one to provide care, he said. There will be nurses, military corpsmen, physician's assistants, well-trained community aides, and others who will serve as the remote eyes and ears of the professional corps, he said.

In rural and poverty areas and in crowded physician's offices, the "surrogate physicians" can do many of the routine tasks doctors now do, freeing them to handle serious cases, Dr. Creditor said.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess awaiting the call of the Chair.

The motion was agreed to; and at 4:55 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 6:20 p.m., when called to order by the Presiding Officer (Mr. Tunney).

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, as I recall, at no later than 2 p.m. tomorrow the Senate will resume consideration of the unfinished business. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate resumes consideration of the unfinished business tomorrow the Senator from Washington (Mr. Jackson) be recognized to call up an amendment; that there be a time limitation on amendment

No. 314 by Mr. Jackson of 30 minutes, to be equally divided, in the usual form; that the time on amendment No. 315 by Mr. Jackson be limited to 30 minutes, to be equally divided, in the usual form; that time on an amendment by Mr. Pastore be limited to 20 minutes, to be equally divided, in the usual form.

Provided further, that when those three amendments are disposed of—and they may or may not be called up in that order—the Chair recognizes the Senator from Minnesota (Mr. Mondale) for the purpose of his calling up an amendment; that time on the amendment of Mr. Mondale be equally divided and controlled by Mr. Mondale and Mr. Jackson; that there be a time limitation on the amendment by Mr. Mondale of not to exceed 10 hours; that a vote occur on the amendment by Mr. Mondale at not later than 1 o'clock p.m. on Friday.

Provided further, that at no later than 1 o'clock p.m. on Thursday the Senate resume its consideration of the amendment by Mr. Mondale, and that at that time Mr. Bayh be recognized, he being a cosponsor of the Mondale amendment.

Provided further, that at no later than 11 o'clock a.m. on Friday the Senate resume its consideration of the Mondale amendment.

Provided further, that time for debate on the bill be limited to not to exceed 16 hours, the time to be equally divided between the distinguished manager of the bill (Mr. Jackson) and the distinguished Senator from Arizona (Mr. Fannin).

Provided further, that immediately upon the disposition of the Mondale-Bayh amendment on Friday, the Chair recognize the distinguished Senator from Alaska (Mr. Gravel) for the purpose of calling up an amendment cosponsored by himself and Mr. Stevens.

Provided further, that time on any amendment except those specified in the agreement be limited to 1 hour, to be equally divided in the usual form; that time on any amendment to an amendment, debatable motion, or appeal, be limited to 30 minutes, to be equally divided and controlled in accordance with the usual form.

Provided further, that the vote on an amendment by Mr. Haskell occur at no later than 10 o'clock a.m., on Tuesday next; that the vote on the Gravel-Stevens amendment occur at 11 o'clock a.m. on Tuesday next; that the vote on final passage of the bill, S. 1081, occur no later than 12 o'clock noon on Tuesday next, and that rule 12 be waived; provided further, that Senators in control of the time on the bill may yield time therefrom to any Senator on any amendment, debatable motion, or appeal, and that in all respects the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order for the leadership to call up at any time prior to disposition of the bill, if a hiatus develops, measures on the calendar which have been cleared for action on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon disposition of S. 1081—or prior thereto, for the purpose of making it a first-track item—the leadership may call up either S. 1861 or H.R. 7935, both of which have to do with the amendment of the Fair Labor Standards Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, reserving the right to object, I did not hear the last request.

Mr. ROBERT C. BYRD. The request was that upon disposition of the bill, S. 1081, the so-called Alaska pipeline bill, the Senate proceed to the consideration of the Fair Labor Standards Act. I am leaving it up to the leadership as to which of the two bills it will call up, the Senate bill or the House bill.

Mr. TAFT. Mr. President, reserving the right to object—and I shall not object—I take it that this order would be vacated if the vote on S. 1081 should occur prior to the Tuesday time set for it.

Mr. ROBERT C. BYRD. No. It is the intention of the leadership to go to the fair labor standards bill when the Alaska pipeline bill is disposed of.

Mr. TAFT. Is it the intention of the leadership that it might go to the fair labor standards bill this week under any circumstances?

Mr. ROBERT C. BYRD. I do not see that likelihood. The reason I phrased my request in the way I did was that in the event, during the remainder of the week, the Senate was unable to proceed with action on amendments to the Alaska pipeline bill, rather than just have a hiatus, the leadership could, if need be, go to that bill. Under the agreement we cannot vote on the Gravel amendment until 11 o'clock next Tuesday, and consequently could not vote on passage of the bill until after that vote; if it became absolutely necessary, therefore, in order to make progress on something, the leadership could go to the fair labor standards bill, possibly have some debate on it, but certainly not with the idea of disposing of it before the disposition of the Alaska pipeline bill.

Mr. TAFT. I think I would be constrained to object unless there were some provision that the fair labor standards bill would not be brought up until next week. This has been the understanding informally with the chairman of the committee as to the handling of that particular measure.

Mr. ROBERT C. BYRD. The Senator may have had that understanding. I must say that I have not had that understanding. I discussed it with the chairman of the committee today. But I would be very agreeable to withdrawing that request and renewing it in another fashion, so that the Senator from Ohio would be assured that the fair labor standards bill would not come up this week:

I ask unanimous consent that upon the disposition of the Alaska pipeline bill, S. 1081, the Senate proceed to the consideration of the fair labor standards bill—whichever bill the leadership decides to call up, whether it be the House bill or the Senate bill.

The PRESIDING OFFICER. Is there objection?

Mr. TAFT. Mr. President, reserving the right to object, would the Senator explain a little further? I am not sure I understood the Senator's revised request. Would the Senator's revised request mean that the fair labor standards bill would not, under any circumstances, come up this week?

Mr. ROBERT C. BYRD. It would not, because the Alaska pipeline bill already has an order entered, with a vote to come on the Gravel amendment at 11 o'clock next Tuesday morning, and heaven and all its angels cannot change that order unless the Senate agrees to change the order. The order is already agreed to, and any Senator's objection would prevent a change in it. So if the order I have suggested, providing for consideration of the fair labor standards bill upon the disposition of the Alaska pipeline bill, is agreed to, then the able Senator can be assured that the Senate will not proceed to the consideration of the fair labor standards bill until next Tuesday.

Mr. TAFT. I appreciate the statement made now by the distinguished acting majority leader. I would, however, like to give notice that should the question be raised as to whether we should proceed to the consideration of it prior to disposition of S. 1081, I would expect to object, and I would ask to be notified that this had occurred.

Mr. ROBERT C. BYRD. The Senator is saying that if perchance, because of developments that we do not now foresee, there might be a request at some later time to vacate the order providing for the vote on the Gravel amendment on Tuesday and the final disposition of the bill no later than 12 noon on Tuesday, the Senator would want to be consulted. He has that assurance.

Mr. TAFT. I appreciate that, and withdraw my objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. FANNIN. Mr. President, I should like to have a clarification regarding the hiatus if the consideration of S. 1081 is interrupted. I understand that we will be able to debate any part of that bill and can continue with it until Tuesday at 11 o'clock a.m., when the vote will come on the Gravel-Stevens amendment and the vote on the passage of the bill will come at 12 o'clock. At any time in between, Senators will have the privilege of discussing what is involved. It is the word "hiatus" that was perplexing.

Mr. ROBERT C. BYRD. I can understand how that would be. I probably should not have used the word "hiatus."

I know that the leadership will be accorded a flexibility, if a hiatus arises, in which to shift to another track to consider any bill, of lesser moment than the fair labor standards bill.

Mr. FANNIN. I thank the distinguished assistant majority leader.

Mr. STEVENS. Did the unanimous-consent request include a designation of who controls the time under the specific amendments that are named, the Mondale amendment, the Haskell amendment, and the Gravel-Stevens amendment? Are those designated for control between the majority and minority leaders, or between the proponent and the manager of the bill?

Mr. ROBERT C. BYRD. In phrasing the agreement, I used the "words of art" that the agreement be in the "usual form," which in itself provides for the control of the time.

Mr. STEVENS. I am at a loss to understand "the usual form." Is it that the proponent controls the time, and the manager of the bill?

Mr. ROBERT C. BYRD. The phrase "usual form" provides for the mover of the amendment to control his half of the time and the manager of the bill to control the other half. If the manager of the bill is not opposed to the amendment, the time in opposition to the amendment would then be under the control of the minority leader or his designee.

Mr. FANNIN. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. FANNIN. In order to clarify what the Senator from Alaska has in mind, at any time the time is needed, the minority—the person handling for the minority—the time could be yielded on the bill?

Mr. ROBERT C. BYRD. The Senator is correct, but the question of the Senator from Alaska did not go to that point. As I understood it, his question was as to who would control the time on any amendment, and then, inasmuch as I have used the phrase "in the usual form," it was not clear to him as to who would have control of the time on such amendment.

Mr. STEVENS. But there would be no prohibition of time being yielded to anyone——

Mr. ROBERT C. BYRD. Again an agreement "in the usual form" would provide that the mover of the amendment is in control of his half of the time on his amendment and the manager in control of the opposition; but if the manager of the bill supports the amendment, then the time in opposition to the amendment is under the control of the minority leader or his designee. "The usual form" also provides that Senators controlling time on the bill may yield time from the bill to any Senator on any amendment, debatable motion or appeal. "The usual form" also provides that no amendment not germane is in order.

Mr. STEVENS. That was my last question. Do we have included in this unanimous-consent agreement that there will be no nongermane amendments offered to the bill following this time?

Mr. ROBERT C. BYRD. That is included.

Mr. FANNIN. Is the question answered, I ask the Senator from Alaska?

Mr. STEVENS. Yes.

Mr. FANNIN. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator, and I thank all Senators for their cooperation in working out this difficult agreement.

Mr. BARTLETT. Mr. President, I ask unanimous consent that on consideration of the bill (S. 1081), during debate and voting, that Wade Russell, Ron Frank, and Kevin Olson of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONVENE ON MONDAY, JULY 16, 1973, AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate convenes on Monday next, it meet at the hour of 10 o'clock a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM MONDAY TO TUESDAY, JULY 17, 1973, AT 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business on Monday next, it stand in adjournment until the hour of 9 a.m. Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, let me see if I can now state the program, looking ahead to Tuesday next.

Tomorrow the Senate will convene at 10 o'clock a.m.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business, not to exceed 15 minutes, with statements therein limited to 3 minutes each.

Following the transaction of morning business, the Senate will proceed to the consideration of S. 1328, a bill to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between certain cities in the State of California. There is a time agreement on that bill.

Upon the disposition of S. 1328 tomorrow, the Senate will proceed to the consideration of S. 1141, a bill to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars and half dollars. There is a time agreement on that bill.

At 12:30 p.m. tomorrow, the Senate will vote without debate on Senate Resolution 71, a resolution expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty prohibiting the use of any environmental or geophysical modification activity as a weapon of war, or the carrying out of any research or experimentation directed thereto.

Regardless of whether or not the aforementioned measures are all completed by 2 o'clock p.m. tomorrow, at no later than 2 o'clock p.m. tomorrow the Senate will resume its consideration of the unfinished business, S. 1081. At that time there will be a limitation of time on three amendments, two of them by the Senator from Washington (Mr. JACKSON), Nos. 314 and 315; and one by the Senator from Rhode Island (Mr. PASTORE). The time agreements provide for 30 minutes on each of the Jackson amendments and 20 minutes on the amendment by Mr. PASTORE.

Upon the disposition of those amendments—and as I have indicated, they may not be called up in that sequence—the Chair will recognize the Senator from Minnesota (Mr. MONDALE) for the purpose of calling up the Mondale-Bayh amendment. There is a time agreement on that amendment. It will be debated during the afternoon on tomorrow, and at no later than 1 p.m. Thursday, the Senator from Indiana (Mr. BAYH) will be recognized for the continuation of the debate on that amendment.

At no later than 11 a.m. Friday, the Senate will resume its consideration on the Mondale-Bayh amendment, with a vote to occur thereon no later than 1 p.m. Friday.

It is understood that on Thursday, there will also be first-track measures. I cannot at the moment say what they will be. However, presumably, they would be bills with time agreements thereon. However, in any event, the agreement with respect to the Mondale-Bayh amendment holds.

Then on Friday, upon the disposition of the amendment by the Senator from Minnesota (Mr. MONDALE), the distinguished Senator from Alaska (Mr. GRAVEL) will call up his amendment. There is a time limitation thereon, with a vote to occur on that amendment at 11 a.m. Tuesday next.

In the meantime, debate may proceed on the Gravel-Stevens amendment. It may be set aside, of course, for the taking up of other bills or other amendments if unanimous consent is obtained.

Then on Saturday, the Senate being in session, if it is, debate will continue on the Gravel amendment, with possible first track items on Saturday, and then on Monday the same would again occur, with first track items if they can be cranked in with time agreements, and then in the afternoon of Monday with resumption of debate on the Gravel-Stevens amendment, again with the understanding that that amendment could always be set aside by unanimous consent. Then on Tuesday, the vote will occur at no later than 10 o'clock on the Haskell amendment. It can have occurred earlier; for example, on Monday, for that matter. At 11 o'clock on Tuesday, the vote will occur on the Gravel-Stevens amendment, and then at no later than 12 o'clock noon on Tuesday, the vote will occur on passage of the bill.

On the disposition of the bill (S. 1081) the Senate will then proceed to the consideration of either S. 1861 or H.R. 7935, whichever the leadership prefers. Yea-and-nay votes will occur daily.

I think that wraps it up.

May I ask the Chair if I have correctly stated the program through 12 o'clock noon on Tuesday as far as the agreement is concerned.

The PRESIDING OFFICER (Mr. TUNNEY). It is the Chair's understanding that the wrapup is completely in accord with the unanimous-consent agreement.

Mr. ROBERT C. BYRD. I thank the Chair.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and at 6:46 p.m. the Senate adjourned until tomorrow, Wednesday, July 11, 1973, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 10, 1973:

DEPARTMENT OF DEFENSE

John L. McLucas, of Virginia, to be Secretary of the Air Force, vice Robert C. Seamans, Jr., resigned.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Stanley B. Thomas, of New York, to be an Assistant Secretary of Health, Education, and Welfare, vice Patricia Reilly Hitt, resigned.

U.S. ARMY

The following-named Army Medical Department officers for temporary appointment in the Army of the United States, to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

MEDICAL CORPS

To be major general

Brig. Gen. Robert Bernstein, [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

Brig. Gen. Edward Henry Vogel, Jr., [redacted], Medical Corps, U.S. Army.

To be brigadier general

Col. Kenneth Ray Dirks, [redacted], Army of the United States (lieutenant colonel, Medical Corps, U.S. Army).

Col. George Sawyer Woodard, Jr., [redacted] Medical Corps, U.S. Army.

Col. Spencer Beal Reid, [redacted], Medical Corps, U.S. Army.

Col. William Albert Boyson, [redacted], Medical Corps, U.S. Army.

MEDICAL SERVICE CORPS

To be brigadier general

Col. John Edward Haggerty, [redacted], Medical Service Corps, U.S. Army.

The following-named officers for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3307:

MEDICAL CORPS

To be major general

Maj. Gen. James Arista Wier, [redacted], Army of the United States (brigadier general, Medical Corps, U.S. Army).

Maj. Gen. Spurgeon Hart Neel, Jr., [redacted] Army of the United States (brigadier general, Medical Corps, U.S. Army).

The following-named officers for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general

Brig. Gen. Robert Bernstein, [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

Maj. Gen. Richard Ray Taylor, [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

IN THE AIR FORCE

Gen. George S. Brown [redacted]FR (major general, Regular Air Force), U.S. Air Force, to be appointed as Chief of Staff, U.S. Air Force, for a period of 4 years beginning August 1, 1973, under the provisions of section 8034, title 10 of the United States Code.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. John D. Ryan, [redacted]FR (major general, Regular Air Force) U.S. Air Force.

AMBASSADOR

John R. Stevenson, of New York, Special Representative of the President for the Law of the Sea Conference and Chief of Delegation, for the rank of Ambassador.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Orman W. Ketcham, of Maryland, to be an associate judge, Superior Court of the District of Columbia, for the term of 15 years. He is now serving in this office under an appointment which expired May 16, 1973.

Edmond T. Daly, of the District of Columbia, to be an associate judge, Superior Court of the District of Columbia, for the term of 15 years. He is now serving in this office under an appointment which expired May 16, 1973.

CONFIRMATION

Executive nomination confirmed by the Senate July 10, 1973:

JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

Burton W. Silcock, of Virginia, to be a Member of the Joint Federal-State Land Use Planning Commission for Alaska.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Tuesday, July 10, 1973*

The House met at 12 o'clock noon.

Rev. Newton Wise, First United Methodist Church, Homestead, Fla., offered the following prayer:

Spirit of the living God, silence the great noise within our spirits today. Speak with Thy still small voice. Speak to us through our memory. May the memory of homes and loved ones and past moments that are sacred sustain and strengthen us. Speak to us, O God, through our hopes of a better world. Save us from conformity with the low standards all about us.

Grant to each of us a sacred moment of quiet as we begin our duties of today. Give wisdom to these Congressmen in their decisions, understanding in their thinking, love in their attitudes, and mercy in their judgments. We know that Thou dost see the innermost parts of our minds. Create a right spirit within us.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8825. An act making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8825) entitled "An act making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. MCCLELLAN, Mr. PASTORE, Mr. BAYH, Mr. CHILES, Mr. MOSS, Mr. MATHIAS, Mr. YOUNG, Mr. CASE, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1423) entitled "An act to amend the Labor Management Relations Act, 1947, to permit employer contributions to jointly administered trust funds established by labor organizations to defray costs of legal services," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. NELSON, Mr. EAGLETON, Mr. HUGHES, Mr. HATHAWAY, Mr. JAVITS, Mr. SCHWEIKER, Mr. TAFT, and Mr. STAFFORD to be the conferees on the part of the Senate.

The message also announced that the Secretary was directed to request the House of Representatives to return to the Senate the bill (H.R. 8619) entitled "An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1974, and for other purposes," together with all accompanying papers.

The message also announced that the Senate had passed bills and a joint resolution and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 245. An act for the relief of Kamal Antoine Chalaby;

S. 298. An act for the relief of Sung Wan Kim;

S. 428. An act for the relief of Ernest Edward Scofield (Ernesto Espino);

S. 489. An act for the relief of Janet Lee Davis Brace;

S. 507. An act for the relief of Wilhelm J. R. Maly;

S. 748. An act for the relief of Dr. Tanios (Tony) J. Ma'luf;

S. 775. An act to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging;

S. 816. An act for the relief of Mrs. Jozefa Sokolowska Domanski;

S. 902. An act to amend section 607(k)(8) of the Merchant Marine Act, 1936, as amended;

S. 1272. An act to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution;

S. 2047. An act to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport Road and for a feasibility study of rapid transit to Friendship International Airport;

S. 2120. An act to amend the Federal Railroad Safety Act of 1970 and other related acts to authorize additional appropriations, and for other purposes;

S.J. Res. 131. Joint resolution to express a national policy with respect to the expansion of commerce in goods and services between the United States and non-market-economy countries; and

S. Con. Res. 38. Concurrent resolution favoring the suspension of deportation of certain aliens.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Saturday, June 30, 1973, he did, on that day, sign the following enrolled bills and joint resolution of the House:

H.R. 5452. An act to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended.

H.R. 7445. An act to extend the Renegotiation Act of 1951 for 1 year, and for other purposes.

H.R. 8410. An act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

H.J. Res. 636. Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes.

REV. T. NEWTON WISE

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, our prayer was offered this morning by the Reverend T. Newton Wise, pastor of the First United Methodist Church in Homestead, Fla. Reverend Wise has been an ordained minister of the United Methodist Church of the Florida Conference since 1942. In these 31 years he has diligently served pastorates in West Palm Beach, Jacksonville, Orlando, Tampa, Plant City, St. Augustine, and Homestead where he is presently in service.

Reverend Wise was born and raised in Calhoun, Ga. He received his undergraduate education at Emory College at Oxford and at the University of Georgia. He then received his theological training at Chandler School of Theology. Reverend Wise is married and is the proud father of two sons and a daughter.

Reverend Wise is a highly respected member of the religious community. He is a past chaplain of the Florida State Senate and a past chaplain of Civitan International. He has also been an official delegate to the World Methodist Conference in London, England, and was appointed executive secretary of the American Bible Society for Southern States in 1956. Reverend Wise is widely regarded for his teaching and has been a visiting professor at Flagler College in St. Augustine as head of the department of religion. He has also been the author of two books: "Step by Step" and "Selected Prayers."

Reverend Wise is also very active in civic affairs. He is well known and liked. His dynamic spirit is well recognized in all community endeavors.

I am very pleased that this distinguished pastor from the 15th Congressional District of Florida has had the privilege of the rostrum of the U.S. House of Representatives to inspire us with his prayers.

THE LATE HONORABLE CHARLES R. HOWELL

(Mr. THOMPSON of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON of New Jersey. Mr. Speaker, it is with deep and genuine regret that I must inform the House of the death on July 5 of my immediate predecessor for the Fourth Congressional District of New Jersey, Charles R. Howell.

It is especially painful since Charlie Howell was not only my predecessor but a lifetime friend of myself and of my family. Mr. Howell served in the House in the 81st, 82d and 83d Congresses. He was a distinguished member of the Committee on Education and Labor.

Charles Howell was born on April 23, 1904, in Trenton, N.J., and was educated in the Trenton public schools, Hoosac School, Princeton University, and the University of Pennsylvania.

Charlie was engaged in his own insurance business in Trenton from 1928 to 1955 and was the first person in the Trenton area to receive the chartered Life Underwriters designation from the American College of Life Underwriters. Mr. Howell was the Democratic candidate for the U.S. Senate in 1954 in which he was narrowly defeated by New Jersey's distinguished Senator, Senator CLIFFORD CASE. Notwithstanding that defeat by Mr. CASE the two remained close friends and admirers of each other.

Before being elected to the 81st Congress, Charlie was a member of the New Jersey General Assembly for two terms. In 1955 Mr. Howell was appointed to Gov. Robert Meyner's cabinet as commissioner of banking and insurance in February 1955. He was reappointed to the same position in the cabinet of Gov. Richard J. Hughes and remained New Jersey's commissioner of banking and insurance until illness caused his retirement.

Charlie Howell first distinguished himself in the New Jersey Legislature by his strong and constant advocacy of civil rights, fair employment practices and other social legislation. His career in Congress was marked by the fact that even as a freshman he achieved recognition as a distinguished and outstanding Member of the House. In only three terms Mr. Howell was nationally recognized for his achievements in the field of education and labor.

Following his retirement from the State, Charlie remained extremely active to the extent that his health allowed. He sought unsuccessfully to become a delegate to the 1972 Democratic Convention for his close personal friend, Senator HUBERT HUMPHREY. Charlie left his mark in so many ways because of his lifetime of public service that those whom he knew and served will never forget him. He is survived by his wife, Inez Howe Howell.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to our distinguished Speaker.

Mr. ALBERT. I join my friend from New Jersey in this expression of sorrow for the death of Charles Howell. He was an outstanding Member of the House while he was here. I had the honor of serving with him on a committee and of being his close friend. He was obviously one of the coming Members of the House at the time he decided to run for the Senate, a seat to which he was almost elected. He was a great Congressman and a great American. I extend my deepest sympathy to his family.

Mr. THOMPSON of New Jersey. I thank the Speaker for his comments.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD).

Mr. GERALD R. FORD. It was my privilege to be sworn into the House of Representatives on the same day that Charles Howell was sworn in the first time. This was January 3, 1949. For a variety of reasons we became very good personal friends, and our wives, likewise, became very good friends. I developed a great personal respect and affection for him. He was an excellent legislator. He was a very dedicated person in the views that he held. Whether I agreed with those views was immaterial. I was terribly saddened to learn of Charlie's passing.

I certainly wish his family the very best in this time of sorrow and difficulty. I can only say that, although he was in the House of Representatives only a relatively short period of time, Charlie Howell left an indelible mark on this body and its record.

Mr. THOMPSON of New Jersey. His family will certainly appreciate those very kind words.

Mr. HUNT. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to my colleague, the gentleman from New Jersey.

Mr. HUNT. I thank my colleague for yielding.

I want to associate myself with the

gentleman's remarks insofar as Charles Howell was concerned. I think perhaps I knew Charlie Howell a little longer than anybody in this House. We grew up somewhat together in different towns, and I know Charlie from playing ball. I also got to know him as a legislator, and I always admired the man. Our political philosophy was not, of course, the same brand, but Charlie Howell was really a man among men. His word was his bond. He was one of the most honest individuals I have ever met in my life. I always admired him.

The day he was sworn in in this Chamber, I came to Washington with him as a guest, although we were of opposite political persuasions. It is with deep regret that we lose this fine man, so far as I am concerned; he cannot be replaced. We are losing a good American. We are losing a man who has been so valuable, not only to his native State of New Jersey but to the Nation in general. He was a great commissioner of banking and insurance in New Jersey. He was a great Congressman.

Charlie Howell was just an outstanding individual, and I am saddened by the passing of this very fine gentleman.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to my colleague, the gentleman from Missouri (Mr. Bolling).

Mr. BOLLING. I should like to join with my friend, the gentleman from New Jersey, and others who have spoken. I, too, was sworn in on the same day as Charlie Howell. We became very close personal friends, and I was his great admirer. He was a fine public servant. I hated to see him leave the House. I was sorry he lost the race for the office to which he aspired.

I should like to express my deep sympathy to his family.

Mr. THOMPSON of New Jersey. I thank the gentleman from Missouri for his comments.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I, too, was saddened by the passing of Charles Howell, who served honorably in this body during the years 1949–55.

I first got to know Charlie Howell through a very able Princeton University student named John Sharon, who served in Howell's campaign. I was immediately impressed by this tall, Lincolnesque, soft-spoken man who did not fear to take firm and just positions on foreign and domestic issues of the post-World War II era.

During the period when I served as assistant professor of politics at Princeton University, Charlie Howell was my Congressman. I voted for him. He met with many of my students at Princeton University during that period. He was a man of great inspiration for the young people, and for all groups and classes.

Elected in the great Truman upset victory of 1948, Charlie Howell took his place among the group of reformers who worked to democratize the House of Representatives and curb the tyrannical power of the House Committee on Rules. He also took the lead on issues such as European cooperation, better housing, the furtherance of the fine arts, fair employment practices, and other issues emerging from the House Education and Labor Committee on which he served.

While I was serving as a special assistant to President Harry Truman in the White House in the late 1940's and early 1950's, it was with great pride that I watched Congressman Howell develop into the quiet and persistent role of persuasive leadership which he naturally assumed. He lost a very close race for the U.S. Senate in 1954, when he battled down to the wire with Senator Clifford Case, who still ably serves New Jersey in the U.S. Senate.

In recent years, our late colleague served as New Jersey's commissioner of banking and insurance. I am very proud to recall my personal friendship with this man of towering integrity, who served the Fourth Congressional District of New Jersey.

Mr. RODINO. Mr. Speaker, my friendship with Charley Howell extends from the day I was first elected to this Chamber. We came to the 81st Congress together and over the years my respect and high regard for his beliefs, his goals, and his efforts continually grew. He was a man of deep sensitivity and great compassion, a man who captured the love and esteem of both colleague and constituent. His dry humor and penetrating insights would often ring through this body. His devotion, his dedication, and his commitment toward defending the public interest was carried on long after he left our legislature.

I, therefore, would like to take this moment to join with my colleagues here today to extend my deepest sympathy to Charley's wife Inez during this most difficult time. The work of Charley Howell has meant a great deal to us all and his ideals and endeavors shall certainly take their place in the legacy of our land.

GENERAL LEAVE

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable Charles R. Howell.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMUNICATION FROM THE SECRETARY OF THE SENATE

The SPEAKER laid before the House the following communication from the Secretary of the Senate:

> That the Secretary be directed to request the House of Representatives to return to the Senate the bill (H.R. 8619) entitled "An Act making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1974, and for other purposes", together with all accompanying papers.

The SPEAKER. Without objection, the request from the Senate is agreed to and the bill (H.R. 8619) making appropriations for agricultural-environmental and consumer protection programs for the fiscal year ending June 30, 1974, and for other purposes, together with all accompanying papers, will be returned to the Senate.

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1636, AMENDING INTERNATIONAL ECONOMIC POLICY ACT OF 1972

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1636) to amend the International Economic Policy Act of 1972, with a House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. Patman, Ashley, Rees, Mitchell of Maryland, St Germain, Hanna, Koch, Young of Georgia, Moakley, Widnall, Blackburn, Brown of Michigan, Johnson of Pennsylvania, McKinney, and Frenzel.

THE SPEAKER AND MAJORITY AND MINORITY LEADERSHIP COMMENDED

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, I have commented previously and I wish to reiterate the statement that the services of the Democratic whip organization are now far superior to anything we have had in the past. The whip advisories on bills are very useful; so are the daily advisories which are telephoned to our office about the schedule. I am most appreciative and I am confident this appreciation is shared by the Democratic membership.

Now let me go one step further. I note criticism of the Democratic leadership in some segments of the news media because there is a disposition on the part of Mr. Albert and others in the leadership to seek a better degree of understanding with the administration. This was demonstrated in the vote on the August 14 cutoff of the war in Indochina. To me this is a very commendable situation. The Congress is not all powerful and it does not possess dictatorial powers over the affairs of the United States. Nor is it subordinate to any other branch of Government. It is separate and coequal. It is our responsibility to work with the administration in seeking solutions to America's problems which are attainable and which are good for America.

The fact that the House and subsequently the Senate did accomplish a meeting of the minds on this and other problems which had deadlocked Congress and the administration represents an achievement to be desired.

The Founding Fathers never intended the Congress and the administration to stand off and glare at each other. They expected mutual effort and sometimes compromise in order to achieve progress. Certainly stalemate is the last thing they had in mind. So I commend the Speaker and the leadership, both majority and minority, for the fact we are moving in a sensible direction.

ANNOUNCEMENT OF HEARINGS ON THE CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH-SPEAKING PEOPLE

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, I would like to announce that the Civil Rights and Constitutional Rights Subcommittee of the House Committee on the Judiciary will hold hearings on Wednesday, July 11, 1973, on the Cabinet Committee's Role in Providing Equal Opportunity for Spanish-Speaking People.

The hearings will commence with testimony from Mr. Henry M. Ramirez, chairman of the Cabinet Committee, at 10 a.m. in 2237 Rayburn House Office Building.

Those wishing to testify or to submit statements for the record should address their requests to the Committee on the Judiciary, U.S. House of Representatives, Washington, D.C. 20515.

VOTE FOR FARM BILL

(Mr. MAYNE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MAYNE. Mr. Speaker, I wish to call the attention of the House to the "Dear Colleague" letter which I sent to all Members yesterday, asking for support of H.R. 8860, the 4-year farm bill which we will be considering this afternoon.

Mr. Speaker, I speak as one who has a special interest in the feed grain section of the bill, arising from the fact that my northwest Iowa district leads the Nation in corn production. But I strongly believe that the provisions of the bill guaranteeing a target or minimum price for corn will also benefit consumers and are very much in the national interest. We cannot increase meat production without increasing corn production. After all it is corn that puts meat on livestock.

Mr. Speaker, while our farmers are presently growing more corn, they will continue to do so only if provided reasonable safeguards against overproduction which would create price-depressing surpluses. The safeguards now in effect will expire with the 1970 act at the end of this year. It is reasonable for farmers to ask Government to assume part of the risk of overproduction when Government and all other sectors of the economy are imploring them to hike production.

Your vote for H.R. 8860 will encourage farmers to produce the additional corn necessary to meet increased consumer demand for meat.

PROTECT US FROM GOVERNMENT AGENCIES WHICH TRY TO PROTECT US

(Mr. CRANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CRANE. Mr. Speaker, I have just received a letter from a constituent which, I believe, very adequately sums up the feelings of many people, not only in the 12th Congressional District of Illinois, but throughout the country. Because of its timeliness and without any further ado I include the letter in the RECORD at this point:

JUNE 20, 1973.

Congressman PHILIP M. CRANE,
Longworth Building,
Washington, D.C.
Subject: Seat Belts—1974 Cars.

DEAR CONGRESSMAN CRANE: It's outrageous that the taxpayers' representatives are insisting that they must protect us against ourselves. The new plan for seat belt/ignition systems requiring belts to be fastened in order to start the car is ridiculous. We have to get in and out of our car several times in order to get into our house. What a bunch of idiocy! Protect us from these government agencies that are trying to protect us! ! !

Now we hear the FTC has nothing more important to do but to investigate shampoo and hair conditioner advertising claims. We also note that other regulations have been passed concerning child-proof closures which cause much pain and irritation and save virtually no lives since once people get these damned closures off the bottle, they leave them off.

Don't our regulatory bodies have more important things to do with the taxpayers' money?

CONFERENCE REPORT ON H.R. 7645, STATE DEPARTMENT AUTHORIZATION, 1974

Mr. HAYS submitted the following conference report and statement on the bill (H.R. 7645) to authorize appropriations for the Department of State, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93–367)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7645) to authorize appropriations for the Department of State, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Department of State Appropriations Authorization Act of 1973."

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) There are authorized to be appropriated for the Department of State for the fiscal year 1974, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for the "Administration of Foreign Affairs", $282,565,000;

(2) for "International Organizations and Conferences", $211,279,000;

(3) for "International Commissions", $15,568,000;

(4) for "Educational Exchange", $59,800,000;

(5) for "Migration and Refugee Assistance", $8,800,000.

(b) In addition to amounts authorized by subsection (a) of this section, there are authorized to be appropriated for the Department of State for the fiscal year 1974 the following additional or supplemental amounts:

(1) not to exceed $9,328,000 for increases in salary, pay, retirement, or other employee benefits authorized by law;

(2) not to exceed $12,307,000 for additional overseas costs resulting from the devaluation of the dollar; and

(3) not to exceed $1,165,000 for the establishment of a liaison office in the Peoples Republic of China.

(c) In addition to amounts otherwise authorized, there are authorized to be appropriated to the Department of State $40,000,000 for protection of personnel and facilities from threats or acts of terrorism.

(d) In addition to amounts otherwise authorized, there are authorized to be appropriated to the Secretary of State for the fiscal year 1974 not to exceed $36,500,000 to carry out the provisions of section 101(b) of the Foreign Relations Authorization Act of 1972, relating to Russian refugee assistance.

(e) In addition to amounts otherwise authorized, there are authorized to be appropriated to the Department of State for the fiscal year 1974 not to exceed $4,500,000 for payment by the United States of its share of the expenses of the International Commission of Control and Supervision as provided in article 14 of the Protocol to the Agreement on Ending the War and Restoring Peace in Vietnam Concerning the International Commission of Control and Supervision, dated January 27, 1973.

(f) Appropriations made under subsections (a), (b), and (c) of this section are authorized to remain available until expended.

INTERPARLIAMENTARY UNION

SEC. 3. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union," approved June 28, 1935 (22 U.S.C. 276), is amended—

(1) by striking out "$102,000" and inserting in lieu thereof "$120,000"; and

(2) by striking out "$57,000" and inserting in lieu thereof "$75,000".

STUDY COMMISSION RELATING TO FOREIGN POLICY

SEC. 4. Section 603(b) of the Foreign Relations Authorization Act of 1972 (22 U.S.C. 2823(b)), relating to the reporting date for the Commission on the Organization of the Government for the Conduct of Foreign Policy, is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

USE OF FOREIGN CURRENCY

SEC. 5. Subsection (b) of section 502 of the Mutual Security Act of 1954 (22 U.S.C. 1754) is amended—

(1) by striking out "$50" in the first sentence of such subsection and inserting in lieu thereof "$75";

(2) by inserting immediately before "appropriate committees" the following: "Members and employees of"; and

(3) by striking out the colon and all that follows thereafter in such subsection and inserting in lieu thereof a period and the following: "Within the first ninety calendar days that Congress is in session in each calendar year, the Department of State shall submit to the chairman of each such committee a report showing the amounts and dollar equivalent values of each such foreign currency expended during the preceding calendar year by each Member and employee with respect to travel outside the United States. Such reports of that committee shall be available for public inspection in the offices of such committee."

AMBASSADORS AND MINISTERS

SEC. 6. From and after the date of enactment of this Act, each person appointed by the President as ambassador or minister shall, at the time of his nomination, file with the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives a report of contributions made by such person and by members of his immediate family during the period beginning on the first day of the fourth calendar year preceding the calendar year of his nomination and ending on the date of his nomination, which report shall be verified by the oath or affirmation of such person, taken before any officer authorized to administer oaths. As used in this section, the term "contribution" has the same meaning given such term by section 301(e) of the Federal Election Campaign Act of 1971, and the term "immediate family" means a person's spouse, and any child, parent, grandparent, brother, or sister of such person and the spouses of any of them.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

SEC. 7. (a) Section 2(2) of the Act of September 19, 1966 (80 Stat. 808; 22 U.S.C. 277d–31), is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(b) Section 3 of the Act of August 10, 1964 (78 Stat. 386; 22 U.S.C. 277d–28), is amended by striking out "$20,000" and inserting in lieu thereof "$30,000".

(c) The last paragraph of the Act of September 18, 1964 (78 Stat. 956; 22 U.S.C. 277d–29), is amended by striking out "$23,000" and inserting in lieu thereof "$50,000".

EXTENSION OF PUBLIC LAW 92–14

SEC. 8. Section 2 of the Act entitled "An Act to authorize the United States Postal Service to receive the fee of $2 for execution of an application for a passport", approved May 14, 1971 (85 Stat. 38; Public Law 92–14), is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

SEC. 9. There is established within the Department of State a Bureau of Oceans and International Environmental and Scientific Affairs. In addition to the positions provided under the first section of the Act of May 26, 1949, as amended (22 U.S.C. 2652), there shall be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, appointed by the President, by and with the advice and consent of the Senate, who shall be the head of the Bureau and who shall have responsibility for matters relating to oceans, environmental, scientific, fisheries, wildlife, and conservation affairs.

FOREIGN MILITARY BASE AGREEMENTS

SEC. 10. No funds may be obligated or expended to carry out any agreement entered into, on or after the date of enactment of this Act, between the United States Government and the government of any foreign country (1) providing for the establishment of a military installation in that country at which units of the Armed Forces of the United States are to be assigned to duty, or (2) revising or extending the provisions of any such agreement, unless such agreement is approved by concurrent resolution of the Congress or is submitted to the Senate for its advice and consent and the Senate gives its advice and consent to such agreement.

FOREIGN SERVICE PROMOTIONS

SEC. 11. Section 623 of the Foreign Service Act of 1946 (22 U.S.C. 996) is amended to read as follows:

"RECOMMENDATIONS FOR PROMOTIONS

"SEC. 623. (a) The Secretary shall establish, with the advice of the Board of the Foreign Service, selection boards to evaluate the performance of Foreign Service officers; and upon the basis of their findings, which, except for career ambassadors and career ministers, shall be submitted to the Secretary in rank order by class or in rank order by specialization within a class, the Secretary shall make recommendations in accordance with the findings to the President for the promotion of Foreign Service officers. No person assigned to serve on any such board shall serve in such capacity for any two consecutive years. In special circumstances, however, which shall be set forth by regulations, the Secretary shall have the authority to remove individual names from the rank order list submitted by the selection boards or to delay the inclusion of individual names until a subsequent list of nominations is transmitted to the President.

"(b) The Secretary may, pursuant to a recommendation of a duly constituted grievance board or panel or an equal employment opportunity appeals examiner—

"(1) recommend to the President the promotion of a Foreign Service officer;

"(2) promote Foreign Service Staff personnel and Foreign Service Reserve officers with limited or unlimited tenure; and

"(3) grant to Foreign Service personnel additional step increases in salary, within the salary range established for the class in which an officer or employee is serving.

"(c) The Secretary may, in special circumstances which shall be set forth in regulations, make retroactive promotions and additional increases in salary within class made or granted under the authority of this section."

REIMBURSEMENT FOR DETAILED STATE DEPARTMENT PERSONNEL

SEC. 12. (a) An Executive agency to which any officer or employee of the Department of State is detailed, assigned, or otherwise made available, shall reimburse the Department for the salary and allowances of each such officer or employee for the period the officer or employee is so detailed, assigned, or otherwise made available. However, if the Department of State has an agreement with an Executive agency or agencies providing for the detailing, assigning, or otherwise making available, of substantially the same numbers of officers and employees between the Department and the Executive agency or agencies, and such numbers with respect to a fiscal year are so detailed, assigned, or otherwise made available, or if the period for which the officer or employee is so detailed, assigned, or otherwise made available does not exceed ninety days, no reimbursement shall be required to be made under this section.

(b) For purposes of this section, "Executive agency" has the same meaning given that term by section 105 of title 5, United States Code.

ACCESS TO INFORMATION

SEC. 13. (a) After the expiration of any thirty-five-day period which begins on the date the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives has delivered to the office of the head of the Department of State, the United States Information Agency, the Agency for International Development, the United States Arms Control and Disarmament Agency, ACTION, or the Overseas Private Investment Corporation, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report of other material in its custody or control relating to such department, agency, or corporation, none of the funds made available to such department, agency, or corporation, shall be obligated unless and until there has been furnished to the committee making the request the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested.

(b) The provisions of subsection (a) of this section shall not apply to any communication that is directed by the President to a particular officer or employee of any such department, agency, or corporation or to any communication that is directed by any such officer or employee to the President.

(c) Subsection 634(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2394(c)) is amended—

(1) by striking out "(1)"; and

(2) by striking out all after the phrase "so requested" and inserting in lieu thereof a period and the following: "The provisions of this subsection shall not apply to any communication that is directed by the President to a particular officer or employee of the United States Government or to any communication that is directed by any such officer or employee to the President."

OVERSEAS KINDERGARTEN EDUCATION ALLOWANCE

SEC. 14. Section 5924(4)(A) of title 5, United States Code, is amended by inserting immediately before "elementary" the following: "kindergarten,".

REQUIREMENT FOR CONGRESSIONAL AUTHORIZATION FOR THE INVOLVEMENT OF AMERICAN FORCES IN FURTHER HOSTILITIES IN INDOCHINA, AND FOR EXTENDING ASSISTANCE TO NORTH VIETNAM

SEC. 15. Notwithstanding any other provision of law, on or after August 15, 1973, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress. Notwithstanding any other provision of law, upon enactment of this Act, no funds heretofore or hereafter appropriated may be obligated or expended for the purpose of providing assistance of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized hereafter by the Congress.

LIMITATION ON PUBLICITY AND PROPAGANDA PURPOSES

SEC. 16. No appropriation made available under this Act shall be used—

(1) for publicity or propaganda purposes designed to support or defeat legislation pending before Congress; or

(2) to influence in any way the outcome of a political election.

HOUSING SUPPLEMENT FOR CERTAIN EMPLOYEES ASSIGNED TO THE UNITED STATES MISSION TO THE UNITED NATIONS

SEC. 17. The United Nations Participation Act of 1945 (22 U.S.C. 287) is further amended by adding the following new section at the end thereof:

"SEC. 9. The President may, under such regulations as he shall prescribe, and notwithstanding section 3648 of the Revised Statutes (31 U.S.C. 529) and section 5536 of title 5, United States Code—

"(1) grant any employee of the staff of the United States Mission to the United Nations designated by the Secretary of State who is required because of important representational responsibilities to live in the extraordinarily high-rent area immediately surrounding the headquarters of the United Nations in New York, New York, an allowance to compensate for the portion of expenses necessarily incurred by the employee for quarters and utilities which exceed the average of such expenses incurred by typical, permanent residents of the Metropolitan New York, New York, area with comparable salary and family size who are not compelled by reason of their employment to live in such high-rent area; and

"(2) provide such allowance as the President considers appropriate, to each Delegate and Alternate Delegate of the United States to any session of the General Assembly of the United Nations who is not a permanent member of the staff of the United States Mission to the United Nations, in order to compensate each such Delegate or Alternate Delegate for necessary housing and subsistence expenses incurred by him with respect to attending any such session.

Not more than forty-five employees shall be receiving an allowance under paragraph (1) of this section at any one time."

MUTUAL RESTRAINT ON MILITARY EXPENDITURES

SEC. 18. It is the sense of the Congress that the United States and the Union of Soviet Socialist Republics should, on an urgent basis and in their mutual interests, seek agreement on specific mutual reductions in their respective expenditures for military purposes so that both nations can devote a greater proportion of their available resources to the domestic needs of their respective peoples; and the President of the United States is requested to seek such agreements for the mutual reduction of armament and other military expenditures in the course of all discussions and negotiations in extending guaranties, credits, or other forms of direct or indirect assistance to the Soviet Union.

EXPRESSION OF INDIVIDUAL VIEWS TO CONGRESS

SEC. 19. Section 502 of the Foreign Relations Authorization Act of 1972 (2 U.S.C. 194a) is amended by striking out "appointed by the President, by and with the advice and consent of the Senate, to a position in" and inserting in lieu thereof "or employee of".

And the Senate agrees to the same.

WAYNE L. HAYS,
THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WILLIAM S. MAILLIARD,
VERNON W. THOMSON,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
FRANK CHURCH,
CLAIBORNE PELL,
GEORGE D. AIKEN,
CLIFFORD P. CASE,
JACOB K. JAVITS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7645) to authorize appropriations for the Department of State and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text, and the House disagreed to the Senate amendment.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment.

The differences between the House bill, the Senate amendment thereto, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

The following table shows the sums in the House bill, in the Senate amendment, and in the conference agreement.

	House	Senate	Conference agreement
Administration of foreign affairs	$282,565,000	$277,219,500	$282,565,000
International organizations and conferences	211,279,000	211,279,000	211,279,000
International commissions	15,568,000	15,568,000	15,558,000
Educational exchange	59,800,000	59,800,000	59,800,000
Migration and refugee assistance	8,800,000	8,800,000	8,800,000
Salary increases	9,328,000	(1)	9,328,000
Devaluation adjustment	2,307,000	(1)	12,307,000
Liaison office in China	1,165,000	(1)	1,165,000
Security provisions	$50,000,000	-------------	$40,000,000
Soviet Jewish refugees in Israel	36,500,000	$36,500,000	36,500,000
Interparliamentary Union	120,000	-------------	120,000
International Commission of Control and Supervision		4,500,000	4,500,000
Mexico-United States Boundary Commissions		105,000	105,000
Total	687,432,000	613,771,500	682,037,000

[1] Sec. 3 of the Senate amendment authorized appropriations for necessary additional or supplementary amounts for increases in salary, pay, retirement, or other employee benefits authorized by law, or other nondiscretionary costs.

AUTHORIZATION FOR ADMINISTRATION OF FOREIGN AFFAIRS

The House bill authorized an appropriation of $282,565,000 for the category "Administration of Foreign Affairs".

The Senate amendment authorized an appropriation of $277,219,500 for this purpose.

The Senate receded.

CERTAIN ADDITIONAL AUTHORIZATIONS OF APPROPRIATIONS

The House bill provided specific authorizations for three additional or supplemental purposes: (1) for increases in salaries or other employee benefits; (2) for overseas costs resulting from devaluation; and (3) for the establishment of a liaison office in the Peoples Republic of China.

The Senate amendment contained language that would permit appropriations for such additional or supplemental amounts as may be necessary to meet salary and employee benefit increases or other nondiscretionary costs.

The Senate receded.

PROTECTION OF PERSONNEL AND FACILITIES AGAINST TERRORISM

The House bill authorized an appropriation of $50,000,000 for the protection of personnel and facilities from threats or acts of terrorism.

The Senate amendment did not contain a comparable provision.

The Senate receded with an amendment limiting the authorization to $40,000,000.

RUSSIAN REFUGEE ASSISTANCE

The House bill authorized an appropriation of $36,500,000 for fiscal year 1974 for assistance to Israel in the resettlement of Jewish refugees from the Soviet Union.

The Senate amendment contained an identical sum but did not limit the authorization to the fiscal year 1974.

The Senate receded.

AVAILABILITY OF APPROPRIATIONS

The House bill provided that appropriations made pursuant to sections 101 (a), (b), and (c) of the House bill (relating to authorities, functions, duties, and responsibilities in the conduct of foreign affairs; supplemental items; and protection against acts of terrorism) were authorized to remain available until expended.

The Senate amendment limited such availability only to appropriations to carry out the authorities, functions, duties, and responsibilities in the conduct of foreign affairs. It did not include supplemental items.

The Senate receded.

AUTHORIZATION FOR INTERNATIONAL COMMISSIONS OF CONTROL AND SUPERVISION IN VIETNAM

The Senate amendment authorized the appropriation of $4,500,000 for payment of the U.S. share of the expenses of the International Commission of Control and Supervision as provided in article 14 of the Protocol to the Agreement on Ending the War and Restoring Peace in Vietnam concerning the International Commission of Control and Supervision, dated January 27, 1973.

The House bill did not contain a comparable provision.

The House receded.

TRANSFER OF APPROPRIATION AUTHORIZATION

The House bill authorized the transfer of unappropriated authorizations between paragraphs (1) through (5) of section 101(a) of the House bill. Such transfers were not to exceed 10 percent of the amount authorized by each paragraph.

The Senate amendment had no comparable provision.

The House receded.

INTERPARLIAMENTARY UNION

The House bill contained a provision to increase the authorization for United States participation in the Interparliamentary Union from $102,000 to $120,000.

The Senate amendment did not contain a comparable provision.

The Senate receded.

USE OF FOREIGN CURRENCY FOR CONGRESSIONAL TRAVEL

The Senate amendment contained a section modifying the restrictions on the use of foreign currencies in connection with travel by Members of Congress and requiring that overseas travel be financed (at a rate not to exceed $75 per day) directly out of funds appropriated to congressional committees for their operating expenses and removed all reporting requirements.

The House bill contained a similar provision with respect to the amount ($75 per day) of local currencies which may be used for travel and changed the reporting requirement to eliminate publication of reports in the Congressional Record.

The conferees agreed to an amendment requiring the Department of State to submit a report (during the first 90 days that Congress is in session in each calendar year) to the chairman of each congressional committee showing the amount of foreign currency (and the dollar equivalent thereof) expended during the preceding calendar year by each Member and employee with respect to travel outside the United States. Such reports are required to be available for public inspection in the office of each such committee.

AMBASSADORS AND MINISTERS

The House bill contained a provision that an individual nominated by the President as an ambassador or minister, at the time of his nomination, file with the Committee on Foreign Relations and with the Speaker of the House of Representatives a report of contributions made by him and by members of his immediate family during the period beginning on the first day of the fourth calendar year preceding the calendar year of his nomination and ending on the date of his nomination. Such report shall be verified by the oath or affirmation of the nominee, taken before any officer authorized to administer oaths. Individuals nominated from the career service or for the personal rank of ambassador or minister in connection with special missions not to exceed 6 months were excluded from the reporting requirement. The term "contribution" has the same meaning as given such term in the Federal Election Campaign Act of 1971.

The Senate amendment did not contain a comparable provision.

The Senate receded with an amendment which deleted the exclusion of individuals from the career service or those serving as ambassadors in connection with special missions not to exceed 6 months.

NO FUNDS FOR NORTH VIETNAM

The House bill contained a provision prohibiting the use of funds under this act to aid or assist in the reconstruction of the Democratic Republic of Vietnam (North Vietnam).

The Senate amendment contained similar language as part of a provision relating to the involvement of U.S. forces in Indochina, which was agreed to by the conferees.

The House receded in view of the fact that a similar prohibition is contained in section 15.

AUTHORIZATION FOR INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

The Senate amendment contained a provision raising the authorizations for certain projects of the International Boundary and Water Commission, United States and Mexico.

The House bill contained no comparable provision, but a comparable bill was passed by the House in 1972.

The House receded

USE OF POSTAL SERVICE FOR PASSPORT APPLICATIONS

The Senate amendment contained a section that extended from June 30, 1973, to June 30, 1974, the authority of the Postal Service to execute passport applications.

The House bill did not contain a comparable provision since the House had already passed an identical measure in a separate bill.

The House receded.

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENT AND SCIENTIFIC AFFAIRS

The Senate amendment contained a provision establishing within the Department of State a Bureau of Oceans and International Environmental and Scientific Affairs.

The House bill contained no comparable provision.

The House receded with an amendment. The effect of the conference agreement is to establish the new bureau; require that it be headed by an additional Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, without reducing the number of Assistant Secretaries now authorized for the Department; and require the Secretary of State to carry out his functions relating to oceans, environmental, scientific, fisheries, wildlife, and conservation affairs through the new Assistant Secretary.

AZORES AGREEMENT

The Senate amendment included a section prohibiting the obligation or expenditure of funds to carry out the agreement signed by the United States with Portugal relating to the use by the United States of military bases in the Azores until such agreement is submitted to the Senate as a treaty.

The House bill did not contain a comparable provision.

The Senate receded.

FOREIGN MILITARY BASE AGREEMENTS

The Senate bill contained a provision prohibiting the obligation or expenditure of funds for implementing certain military base agreements with foreign countries to which the Senate had not given its advice and consent.

The House bill contained no comparable provision.

The House receded with an amendment under which foreign military base agreements can be approved either by passage of a concurrent resolution by both the House and the Senate or by the Senate's giving its advice and consent to the agreement.

RECOMMENDATIONS FOR PROMOTION

The Senate amendment amended the Foreign Service Act of 1946 as amended to require the Secretary of State to recommend individuals for promotion in accordance with the rank order made by selection boards. In special circumstances the Secretary of State may recommend for promotion a Foreign Service officer who has been recommended for a promotion by a grievance panel.

The House bill did not contain a comparable provision.

The House receded with two amendments. The first permits the Secretary of State, in accordance with regulations, in special circumstances to remove the name of an individual from the rank order list to delay the inclusion of an individual until a subsequent list of promotions is transmitted to the President. The second amendment extends to Foreign Service Staff personnel and Foreign Service Reserve officers the right to be recommended for promotion as a result of a grievance board or an equal employment opportunity appeals examiner's recommendation. It also permits the Secretary of State to make retroactive promotions and additional salary increases based upon similar recommendations.

REIMBURSEMENT FOR DETAILED STATE DEPARTMENT PERSONNEL

The Senate amendment contained a provision requiring reimbursement to the Department of State for the services of certain State Department personnel detailed to other agencies or the White House.

The House bill contained no comparable provision.

The House receded with an amendment which exempted from the reimbursement requirement Department of State personnel detailed for 90 days or less.

ACCESS TO INFORMATION

The Senate amendment included a section to assure access to information by the General Accounting Office or any committee of Congress having jurisdiction over matters relating to the principal foreign affairs agencies. After the expiration of any 35-day period following a written request by the General Accounting Office or a congressional committee for any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody of such agency, none of the funds available to such agency shall be obligated unless and until the request has been honored. The only exclusion covered communications between the President and any officer or employee of the agencies. The Senate amendment also amended section 634 of the Foreign Assistance Act and provided for a similar exclusion of Presidential communications.

The House bill did not contain a comparable provision.

The House receded with an amendment that limited the applicability of the general provision to the Committee on Foreign Relations and the Committee on Foreign Affairs. Any request for materials will be over the signature of the chairman of either committee upon a majority vote of the committee. It was the opinion of the committee of conference that any classified material supplied will be kept under appropriate security safeguards in the committee offices and will be available only under existing committee rules dealing with access to classified information. The House also accepted the Senate amendment to section 634 of the Foreign Assistance Act.

OVERSEAS KINDERGARTEN EDUCATIONAL ALLOWANCES

The Senate amendment contained a provision authorizing an educational allowance for kindergarten schooling for dependents of Government employees overseas.

The House bill contained no comparable provision.

The House receded.

INVOLVEMENT OF U.S. FORCES IN INDOCHINA

The Senate amendment contained a provision prohibiting the use of funds to finance the further involvement of U.S. military forces in hostilities in Indochina or to provide assistance of any kind to North Vietnam unless authorized by law.

The House bill contained no comparable provision concerning further involvement of U.S. military forces in hostilities.

The House receded with an amendment to make the restriction on U.S. military involvement effective on August 15, 1973. The managers on the part of both the House and the Senate emphasize that in reaching this agreement they in no way condone or endorse any military action the President has taken, or may take, before August 15, 1973, in Indochina. The prohibition against assistance to North Vietnam will still be effective on the date of enactment of this legislation.

LIMITATION ON PUBLICITY AND PROPAGANDA PURPOSES

The Senate amendment contained a provision prohibiting the use of funds under this act for publicity or propaganda purposes in connection with legislation pending before the Congress and for purposes of influencing the outcome of a political election. Similar provisions have been contained in the Department of State appropriations acts.

The House amendment contained no comparable provision.

The House receded.

UNITED STATES MISSION ASSISTANCE TO MEMBERS OF CONGRESS AND STAFF

The Senate amendment contained a section providing that Members of Congress and congressional employees traveling abroad on official business shall be given access to any part of the premises of the United States diplomatic mission if they have appropriate security clearance and, if possible, provided with office space in the mission. Further, such individuals shall be provided upon request with a copy of any communications with respect to them.

The House bill did not contain a comparable provision.

The Senate receded. It was the opinion of the committee of conference, however, that the Department of State should allow visiting Members of Congress and congressional investigatory personnel access to all parts of the premises of U.S. missions if they have adequate security clearances, appropriate working space if possible, and that Members and employees should be allowed to see any communications concerning them.

FOREIGN SERVICE GRIEVANCES

The Senate amendment contained a section providing details for the handling of grievances by Foreign Service personnel.

The House bill had no provision on this subject.

The Senate receded.

HOUSING SUPPLEMENT IN NEW YORK

The Senate amendment contained a provision authorizing the payment of a housing supplement for certain employees assigned to the United States Mission to the United Nations in New York.

The House bill contained no comparable provision.

The House receded with an amendment which puts a ceiling of 45 on the number of personnel assigned to the U.S. Mission to the United Nations who can be paid the supplemental allowance and authorizes a similar allowance for U.S. delegates and alternate delegates to the U.N. General Assembly who are not attached to the U.S. Mission.

MUTUAL RESTRAINT ON MILITARY EXPENDITURES

The Senate amendment contained a provision expressing the sense of the Congress on mutual restraint by the United States and the Soviet Union on expenditures for military purposes.

The House bill contained no comparable provision.

The House receded.

EXPRESSION OF INDIVIDUAL VIEWS TO CONGRESS

The Senate amendment contained a provision modifying a provision of law relating to the expression of individual views by certain executive branch witnesses before congressional committees so as to include all officers and employees rather than only those officers appointed by the President and confirmed by the Senate.

The House bill contained no comparable provision.

The House receded.

WAYNE L. HAYS,
THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
W. S. MAILLIARD,
VERNON W. THOMSON,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
FRANK CHURCH,
CLAIBORNE PELL,
G. D. AIKEN,
CLIFFORD P. CASE,
J. JAVITS,
Managers on the Part of the Senate.

PROVIDING FOR CONSIDERATION OF H.R. 8860, AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 478 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 478

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 8860, the Committee on Agriculture shall be discharged from the further consideration of the bill S. 1888, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and inserts in lieu thereof the provisions contained in H.R. 8860 as passed by the House.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

Mr. Speaker, as the reading of the resolution makes clear, it provides for an open rule with 2 hours of general debate on H.R. 8860. There are no waivers of points of order in connection with the legislation.

Mr. Speaker, this is a bill to extend and amend the Agricultural Act of 1970 for 4 years. House resolution 478 also provides that it shall be in order in the House, after the passage of the bill, to move to strike out all after the enacting clause of the bill S. 1888 and insert in lieu thereof the provisions contained in the House bill.

Mr. Speaker, H.R. 8860 lowers the maximum payment from $55,000 per crop to $37,500 per crop. It also sets the following target prices for 1974 crops:

Wheat—$2.05 per bushel;

Feed grains—$1.38 per bushel; and

Cotton—$.38 per pound.

The bill also extends the food stamp program for 4 years through June 30, 1977.

It also further extends Public Law 480. There are certain other provisions dealing with the basic commodities. This is, of course, the basic farm legislation under which we have been operating, the so-called 1970 act. It is an extension of that act with major modifications.

Let me say, Mr. Speaker, that this is a complete change in direction, actually, since there are no minimum guarantee payments or subsidy payments to producers. The intent of the legislation is to tie commodities to the market place. It simply sets a target on the three basic commodities.

Of course, at the present time, considering the prices at which these commodities are selling, substantially above those target prices, therefore today there would be no payments of any kind if this bill were in effect. According to projections it is doubtful there would be any payments under these provisions in 1974, and very unlikely even in 1975.

I believe it is a move in the right direction, again getting back to the market place and giving to the farmers an opportunity to grow with greater freedom and to depend upon the market place and the law of supply and demand to determine the income of the American farmers and, of course, basically to build a foundation which will give some assurance that is so necessary if we are to continue to produce the food and fiber so desperately needed in this country at this time.

With that, Mr. Speaker, I urge the adoption of House Resolution 478 and reserve the remainder of my time.

Mr. LATTA. Mr. Speaker, I agree with the statement just made by my friend from California (Mr. SISK). This is a noncontroversial rule.

Mr. Speaker, House Resolution 478 provides for the consideration of H.R. 8860, the Agriculture and Consumer Protection Act of 1973. This is an open rule with 2 hours of general debate. The rule also makes it in order to insert the House-passed language in the Senate bill, S. 1888.

The primary purpose of H.R. 8860 is to extend and modify the Agricultural Act of 1970.

Of the many provisions in this bill, a few of the most notable are the following:

First. Payment limitation which applies to the 1974 through 1977 crop of wheat, feed grains, and cotton. This bill lowers the existing $55,000 payment limitation to $37,500, but excludes compensation for resource adjustment and public access for recreation purposes from the definition of payments.

Second. Extension of titles I and II of Public Law 480 for 4 years. The bill prohibits Public Law 480 assistance of any kind of North Vietnam unless assistance is subsequently authorized by Congress.

Third. Extension of food stamp program authorization for 4 years. The bill maintains eligibility for food stamps of persons receiving public assistance under title XVI of the Social Security Act if they satisfy the eligibility criteria in the Food Stamp Act. In addition the bill authorizes a new program making persons in approved drug rehabilitation and alcoholic treatment centers eligible for food stamps.

Mr. Speaker, I urge the adoption of House Resolution 478 in order that the House may begin debate on H.R. 8860.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. TEAGUE).

Mr. TEAGUE of California. Mr. Speaker, I have no fault to find with the rule, and I do not oppose it.

I cannot let this opportunity go by, however, without differing with my friend from California (Mr. SISK), as to his use of the words "target prices." These are guaranteed prices; they are not target prices.

I have a word of unsolicited advice to offer to my colleagues. We are going to be dealing this afternoon with a real Christmas tree. It is laden with tinsel and electric lights and candles and packages done up in red and green ribbon, with envelopes stuffed with millions and hundreds of millions of dollars, and even more important, post-dated checks worth several billions of dollars.

Nevertheless, I have reason to believe the administration will accept this bill although I will not vote for it. I believe it will be acceptable to the administration if it is passed by the House, as I assume it will be, because I believe the tracks have been greased, without additions to it. The Senate version of the same bill was totally unacceptable to the administration.

So my advice to those of my colleagues who really want a farm bill is not to add more sweeteners, more sugar, more gifts on the Christmas tree, because if they do the whole darned thing will break down.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 324]

Arends
Ashley
Badillo
Biaggi
Bingham
Blackburn
Blatnik
Buchanan
Carey, N.Y.
Carter
Cederberg
Chisholm
Clark
Cronin
Danielson
Dorn
Dulski
Eckhardt
Esch
Fascell
Fisher
Flood
Ford, William D.
Frenzel
Frey
Gettys
Giaimo
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hansen, Wash.
Hawkins
Hébert
Heinz
Jones, Okla.
Kuykendall
McFall
Mailliard
Metcalfe
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Nelsen
Nix
Pepper
Pettis
Pike
Powell, Ohio
Rangel
Rees
Reid
Robison, N.Y.
Roe
Rosenthal
Sandman
Slack
Stephens
Teague, Tex.
Vander Jagt
Ware
Whitten
Zablocki

The SPEAKER. On this rollcall 370 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 8860, with Mr. Natcher in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. Poage) will be recognized for 1 hour, and the gentleman from California (Mr. Teague) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas.

Mr. POAGE. Mr. Chairman, the legislation which we bring before the House today is not merely an extension of the existing farm bill—it is a far reaching act involving many aspects of agricultural production, distribution and, indeed, end uses. It is a bill which has been tailored to fit the needs of the times. It seeks to provide the incentives needed to encourage American farmers to increase their production to the level necessary to meet and sustain all of our domestic and export needs.

For a good many years, American agriculture policy has emphasized the need of balance between supply and demand. For most of these years, our productivity has greatly exceeded the demand. In order to enable farmers to maintain production under these circumstances, we have long used a subsidy system which, while increasing farmer income, has materially reduced the cost of food and fiber to the American consumer. For the last two decades, the American housewife has spent a smaller portion of the family income on food than has the housewife of any other major nation. Our program has been far more successful than most of our people have realized and it has been far more consumer-oriented. But it has been bitterly criticized because the public has looked upon it as a program of paying farmers not to produce.

Over the years this cheap food program has resulted in exactly what the economists said it would result in; that is, in an expanded demand for food. This, coupled with the substantially increased buying power of the American workingman, has finally brought the pot to a boil and farm prices have moved upward explosively. While they have not yet brought the income of farmers up to that of nonfarm workers, they have greatly improved farm income. Last year the average nonfarm worker's annual wage amounted to $7,592, while the average personal income of farmworkers, from both farm and nonfarm sources, was a little less than one-half that amount—or $3,495.

In addition to the increased purchasing power of our own people, there has been a growing affluence in many nations of the world enabling them to increase their purchases of American food products. While this has helped the U.S. balance of trade, it has at the same time added to the inflationary pressure on prices to consumers, both at home and abroad.

And, finally, there has been a very significant built-in increase in food demand generated by our food stamp program for low-income Americans. This program is now absorbing approximately $2.2 billion of our food supplies and bringing assistance to more than 12 million persons.

While food prices have reacted sharply, they have not yet made nearly as much upward progress over the past 20 years as have industrial wages or industrial prices. But this sharp increase in demand has raised serious questions as to our ability to feed and clothe our own people and has brought grave doubt as to our ability to move the volume of agriculture products which we moved in the past into world trade. We need the stabilizing influence of substantial sales of agriculture exports and we must have the adequate supplies demanded by our own people. I think there is no question but that we can have the production that we need but we can only have it if we are willing to create an atmosphere which will be attractive to producers.

This bill attempts to create that atmosphere. We do it first by providing the needed basis for financing crop production. Everyone who understands the nature of agriculture production realizes that it has become highly mechanized. The investment per farmworker in America is today greater than the investment per factory worker. The production period is far longer on the farm than in the factory and on most farms there is no such daily cash flow as industry enjoys.

Agriculture production must be financed by thousands of local banks and other lending institutions. To secure this credit, farmers must be able to present some showing or prospect of assurance of prices which will repay the loan. This bill makes that provision by setting so-called target prices: 38 cents a pound for cotton, $1.38 per bushel for corn, and $2.05 per bushel for wheat.

So long as the market stays above these prices, there will be no payments to farmers, but there will be loans available at approximately 25 cents for cotton, $1.19 for corn, and $1.49 for wheat. These figures are what we believe to be reasonable and fair. They are above the figures suggested by the administration. They are below the figures placed in the Senate bill. We believe they are attainable and with these figures we can hope to have a bill signed into law. In short, we are seeking a program, not an issue.

We recognize that certain farm organizations have criticized the committee in general, and the chairman in particular, for accepting what they call a poverty level for farmers. Frankly, I would like to see farmers receive more than these target figures, and I think they will receive more. As a matter of fact, they are receiving more right now. But as one who has done a little farming most of his life, these figures are quite comforting to me. I know they will assure an income which will keep many farmers on the farm.

The whole philosophy of these target prices is exactly the same as the target price in the present wool program. There will be no wool payments this year because the price of wool is above the target price but just 2 years ago it was the wool program which kept many of our producers in business. These target payments are made on production. We want production and since the more one produces, the more his costs, we have recognized that payments must be in proportion to production. Much of our modern farm production comes from large farms. If we are to have the advantage of the most efficient operations, we must give the large operators the same kind of protection we give small operators, just as we extend direct subsidies to large steamship companies and to large airplane companies as well as to small. Unfortunately, were we to establish a farm program which would keep no one in the industry except the very smallest producers, costs of food would inevitably go far higher than at present. That is why the bill places a limitation on payments at $37,500—which is higher than this House put in the Appropriations bill.

I think it is clear that if we are interested in efficiency and in keeping down the costs of food that we should place no limit, but since it is equally clear that a majority of the House feels that there should be a limit imposed on farmers which is not imposed on other subsidy supported operations, we have tried to arrive at a compromise which would do a minimum of harm.

This change in the method of encouraging production will, of course, enable us to make some other changes which, although not basic, are important and I think desirable. For instance, it enables us to eliminate the so-called bread tax; the 75 cents per bushel wheat certificate which is now required of processors. Processors have long complained about this and have suggested that it resulted in a substantial increase in the price of bread. Frankly, I have been convinced that most of the increase in the price of bread is attributable to other factors and I am not here predicting this is going to result in any reduction in the price of bread. It will, however, enable many small bakers to continue in business whereas I fear that without this relief they would have to go out of business.

The bill authorizes the continuation in substantially its present form of what is commonly known as Public Law 480, the program under which we give aid to many foreign countries. I do not anticipate that this will be of as much importance in the future as it has been in the past, but it is important that we have the authority to donate food in cases of disaster.

The second great provision in this bill is an effective restoration of the environmental and conservation program. The bill restores this program but eliminates the two points on which most of the objection to the program was based. When the President eliminated the REAP program, it was pointed out that the program was for only 1 year at a time and relatively little lasting work was accomplished. This bill provides for 3-, 5-, 10-, and in the case of forests, 25-year contracts to install and maintain environmental and conservation practices.

In the second place, it was pointed out that the present law, as a result of a rider on the appropriations bill, required the approval of payments for liming all over the United States. Our bill leaves this entirely discretionary with the Secretary. He can authorize liming as an approved practice wherever and whenever he wants to, but he can eliminate it when and where he pleases.

The other major feature of the bill is a continuation of the food stamp program. I will ask our colleague from Washington (Mr. FOLEY) to discuss this phase of the bill.

The CHAIRMAN. There will be no disturbance in the gallery. The Doormen will maintain order in the gallery.

The Chair would like to remind those in the gallery that they are the guests of the House. They are welcome guests, but they must conduct themselves properly and not manifest approval or disapproval of proceedings on the floor.

Mr. TEAGUE of California. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I am afraid you just threw out my rooting section. That is with all due apologies, Mr. Chairman. I realize you are just fulfilling the obligations and duties of the chair.

Mr. Chairman, the opportunity to legislate the level of food prices for the next 4 years is now here. That opportunity is called H.R. 8860, the "Agriculture and Consumer Protection Act of 1973."

However, a word of caution is necessary at the outset. Do not let the "Lorelei-like" title of this bill mislead you, for hidden behind this glamorous description is an elaborate program of farm subsidy payments which, if enacted, will be our country's farm policy for the next 4 years. And make no mistake about it—farm policy is food price policy.

Proponents of this bill will tell you what a bold new approach to farm policy this bill represents, but I warn you, this "bold new approach" is simply a revised version of the same old policy in a different dress—a direct subsidy approach which was proposed in the late 1940's.

This bill has many pitfalls and should be rejected by the House because it weds the worst of the past farm programs to an unsound and expensive system of agricultural price fixing for the future.

It is bad for consumers who are weary of high food prices artificially enhanced by Government price fixing and payment for nonproduction.

It is bad for taxpayers who will continue to be burdened by a multibillion-dollar subsidy system that will surely increase in cost and complexity in the years ahead.

It is bad for farmers who are hoping for a market-oriented rather than a government-oriented agriculture, a market-oriented agriculture that would aim for a greater opportunity and expansion of markets, both at home and overseas.

It is, in short, bad for the Nation.

Do we really want another 4 years of the status quo in farm legislation? A vote for H.R. 8860 will do this.

However, I would like to be on record that I do not want high food prices and farm program costs, and I, therefore, urge the rejection of H.R. 8860.

As those of us who signed the minority views pointed out, its defeat and interment would not mark the demise of most farm programs even if no further legislative action were to occur. Instead, its defeat would merely postpone for a brief and tolerable time the development of a more reasonable, a more rational, and a more responsible farm program to serve the national interests of all Americans.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman and Members, sometimes one wonders when a Member who comes from a city district gets up to speak about agriculture, but for the information of the Members of the House, about one-third of my district has been agricultural during all my political life.

That is not the point I want to make. After reviewing the past performances and past legislative enactments this Congress has gone through in the matter of agricultural legislation, I believe that the chairman and his committee are really trying to take a step toward the eventual takeover of the so-called subsidy system in favor of an earn-as-you-go or cost of production index.

Mr. Chairman, we are tied to a very false premise. Everyone knows that the only way that this economy can survive is to have farm prices meet the cost of production on a consumer cost equity basis.

Every philosopher who has ever had anything to do with a farm economy, or speaking as a philosophical economist on farm legislation, realizes that the basic wealth of the Nation starts from the ground. The dollar that is earned on the farm has a flight through the economy consisting of seven steps, each dollar gaining in each step, produced first from the ground and then in the transportation, into the processing, and from the processing on through the distribution and eventual consumption.

When we cut that income off at the base, we destroy the flight of that dollar and the entire capital structure of the economy starts to fall.

Every time that this Nation has gotten down below the parity of farm prices based upon a cost of production, then we injected into it a false premise, a premise that we could make it up to the farmer and to the economy itself by paying the subsidy. There was a reason for that, and every Member of this Congress knows what that reason was: Because the cost to the consumer is no cheaper under a subsidized plan than it is under a cost of production plan.

That is because the differential is paid by the taxpayer. But we have had such a very, very bad trade balance of payments in this country for the last 15 years that in order to try to survive on balance of payments basis, we have subsidized farm products and denied the economy of earned farm dollars. We have given a subsidy out of taxpayer dollars in order to sell at a market price that was below the cost of production in the United States. No other nation on the face of the Earth has attempted or will ever attempt that kind of an economic base for the production of raw goods. No nation can sell raw materials or minerals taken from the ground at less than it would cost to produce them any more than we could subsidize manufactured goods in order to have a favorable balance of payments regardless of the climbing debt and the climbing rate of interest on the debt in the United States.

Last year we were supposed to have a $19 million deficit in this country. Yet the interest on the debt was high. It should never have been there and we never should have had a debt of any kind because of the fact that money comes from the Federal Government itself and it was not the backing from the Federal Reserve notes but from the country itself that the faith and credit comes. The Federal Reserve buys the bonds from the U.S. Government, so the only faith and credit involved, really, is that of the U.S. Government.

So, when we start out to create debt, we can always pay it off, but we can never pay off the interest. There is not anything funny about compounded interest on debt. It is a very serious matter.

The farmers all through the years have pleaded with this House to give the farmer a minimum wage and bring him into the class of earnings which would establish him at least as having a minimum standard equal to the American working man. After all, why should a farm worker be working for less than anyone else? The farmer then would have had his price fixed at an equity cost ratio and he would have been paid the wages that others were paid. He had nothing on which to base his price because of the corporate ties to the farm economy. The subsidies were paid out of the Treasury to the corporate type of farm, and therefore, the little farmer was lost and started selling off his land and started selling off his rights and started selling off to the big corporate type of farmer. That killed the crossroads community which was made up in essence of an American plant, that is, a hardware store, a feed store, a variety store, a post office, and a church.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield to the gentleman 1 additional minute.

Mr. DENT. This is not the time to give you what I think is wrong with our program, but sooner or later the farmer must take his place in the economic earnings cost ratio of this Nation of ours. That is why I am supporting the gentleman from Texas (Mr. Poage).

I think now when he has put the leveler on this bill we are in the position of bringing the farmer in with an addition to the minimum wage laws that we put through this House and then the farmer will be standing on an equal footing with the manufacturers and the producers of goods in this Nation.

Mr. Chairman, I would like to more specifically address myself today to a feature of the legislation in which I have had an abiding interest since 1965. I refer of course to the sections of the bill which repeal the 75 cent processing tax on wheat.

In 1965, joined by Mr. Quie and others, I offered an amendment which prevented this inexcusable tax from being increased to $1.25. I must point out that the climate then was quite different than today. The increase of the "bread tax" was a central part of a farm program submitted by an administration which enjoyed nearly undefeatable support in Congress. The adoption of my amendment came only after a long, difficult, bipartisan struggle. It was a strong and positive action in 1965 and I applaud the Agriculture Committee for taking the final positive step in eliminating the tax altogether in this legislation.

I opposed the increase in the "bread tax" in 1965 for the same reasons I now wholeheartedly support its repeal. It has always been an unsound and unfair method of raising revenue.

This 75 cents per bushel tax is collected only on wheat used for domestic human consumption—not that exported or used for animal food and other nonhuman consumption. Wheat is the only commodity covered by the current programs on which such a processing tax must be paid—users of competing commodities such as corn, rice, and oats have no similar obligation.

The tax is regressive—penalizing those consumers least able to pay. The consumer pays approximately 2 cents per 1 pound loaf as a result of this tax. It is the poor who must often rely on a large proportion of bread and wheat products as a relatively cheap and filling source of food energy.

The tax is inelastic—while wheat prices and Government contributions to wheat growers vary the processor must pay the standard 75 cents per bushel, an inelastic tax in an elastic marketplace.

The tax is automatic—no appropriation is required so the Congress and the public have no control over this expenditure; there is no review and analysis of its merits.

The tax is hidden—it is a special tax levied on a specific product at a specific stage of its processing. It is more responsible public policy to finance this program from the General Treasury than from the people least able to pay for their daily bread.

Mr. Chairman, this program, with all of its inequities has survived too long. It has had an increasingly negative impact on the consumer, and the milling and baking industry. I congratulate the committee for repealing it.

Mr. Chairman, inasmuch as the arguments made against the "bread tax" in 1965 are as pertinent now, as then, I would like to insert portions of that debate as part of today's Record.

The portions of the debate follows:

Excerpts From the Statement of John H. Dent, Aug. 12, 1965

. . . Mr. Speaker, let us look at title V of the bill. We find that it proposes raising the marketing certificate tax on the wheat provision for wheat contained in food products from 75 cents for the 1965 crop year to at least $1.25. That certificate cost of $1.25, plus a loan rate of $1.25, would, under this measure of certificate liability adopted by the Secretary of Agriculture, result in a wheat cost to the miller of at least $2.50 per bushel.

What would $2.50 mean in the way of increased cost to the American housewife, and particularly bread consumers who account for by far the largest part of domestic wheat consumption?

To answer that question we must go back to 1963, the last year before the certificate program imposed its tax on wheat processors. Prior to that time the program was financed from general Treasury revenues. The loan level for the 1967 crop year was $1.82 per bushel. During 1963, the average retail price per pound loaf of white bread was 20.7 cents.

Congress provided in the Agricultural Act of 1964 for the certification program beginning with the 1964 crop year. The loan level was set at $1.30, and the Secretary has collected 70 cents per bushel of wheat processed, making a minimum cost of about $2 to the miller. The price of bread, however, according to the Department of Agriculture's statistics, remained at 20.7 cents. The increased wheat prices were absorbed by the milling and baking industries through a set of circumstances not likely to recur.

Now, the Secretary proposes to increase the minimum cost of wheat to $2.50. That would mean a 68-cent increase in the price of wheat over 1963. A 68-cent increase in the cost of a bushel of wheat is a $1.60 increase per hundredweight of flour. Roughly, 100 pounds of flour will produce 150 pounds of bread. Thus, this increases the cost of the flour in a 1 pound loaf of bread by more than 1 cent. In many markets, the leading loaf is 1¼ or 1½ pounds, and the added costs would be proportionately higher for these larger loaves.

Secretary Freeman testified on the bill and said the result would be a 0.7-cent increase in the cost of a pound loaf of bread. The executive message, however, on H.R. 7097—the original bill—states that the proposal would "increase the cost of a loaf of bread by little more than 1 cent." This is a more reasonable estimate.

To the direct flour cost increase of more than 1 cent there must be added an additional charge for all costs which increase automatically when the selling price of bread increases, such as salesmen's commissions, and so on. It must be further understood that bread is sold in multiples of 1 cent only.

The housewife pays 21 cents, not 20.7 cents—the average cost. Finally, the retailer's markup must be added. With these increases, the housewife will pay at the retail level an additional 2 cents for a pound loaf of bread as a result of this program alone, and 2 cents on a 21 cent item is nearly 10 percent.

. . . Mr. Speaker, low farm prices are not the fault of the consumer, who consumes more and pays more than ever. The blame instead rests with an agricultural system which produces surpluses at a very high overhead. The farmers' problem is the combination of low prices and high production expenses. And the high productivity of the farmer is the result of mechanization which has driven the expense of farming up and up.

In the pre-World War II era, when farm production almost matched consumption, farms were largely self-sufficient. The farmer fed himself. Home bred animals, fed on home-grown pasture and gain, powered his few pieces of simple machinery. The cash crop was small and so were out-of-pocket costs.

Now his power comes from an electric line and a gasoline tank, accompanied by monthly bills. He needs larger, complicated equipment—expensive to buy, operate, and maintain. Furthermore, the Government limits his acreage, so that he must produce as much as possible on every acre he is allotted. To gain this productivity, he must buy top-price seed, fertilizer, insecticide, and herbicide.

A whole profitable complex of industries has developed to provide the farmer with the means of achieving this increased productivity. This individual complex, under the marketing certificate program, does not share in paying the subsidy to the farmer it profits from. If the subsidy were paid with tax money from the Treasury, farm-related industries would bear the same share that other taxpayers would. But no, under the bill to come before us, the share falls more heavily on the consumer; the same consumer who is not responsible for the low farm prices.

Mr. Speaker, the bill's proponents say this is a tax of only part of the wheat subsidy because the total subsidy is $625 million and the consumer tax is only $150 million. Of course, this is the foot-in-the-door approach, for if putting one-fourth of the tax on the consumer is logical, apparently it follows that not to put the whole subsidy on the consumer is illogical. We are also told this will save the taxpayer approximately $150 to $200 million. This, of course, assumes that bread buyers are not taxpayers.

In truth, have not we really placed the

burden of maintaining the wheat grower's economy on the shoulders of the wheat users? Why then do we not insist that the same burden be placed upon the users of other subsidized products—such as cotton, peanuts, and tobacco?

The main thought we must keep in mind in this situation is that if part of the wheat subsidy support program can be transferred from the Treasury to the shoulders of the consumer, it is just as sound and logical for all of the load of the wheat program to be placed on the same shoulders; and if this is sound and logical for wheat, why then not for other subsidy programs? We would then be in the same position in agriculture as we are in industry, where there is no doubt about industry passing the cost of production on to the consumer.

We have had and will continue to have farm subsidies. They have been paid by the whole economy. This was considered proper since all the community benefits from the subsidies paid to farmers. The benefits are not the exclusive property of any group and especially not the final user—in this case, the housewife.

What is this tax? Why is it before this Congress? The answers can be found in the export-import policies of this and other nations. The answers can be found in the growth of our surplus in farm products under a subsidy program that does not differentiate between the small family farmer and the large corporate-type farmer, whose income is in the millions of dollars. The answers can be found in the strength of the cotton and textile bloc, the tobacco bloc, and the peanut bloc as against the unorganized bread buyer, the housewife, the family farmer of the eastern so-called industrial States; and above all, the prevailing idea among Congressmen that farm problems only affect farm districts.

The answers are available and it takes only a little effort and a little commonsense to figure them out . . .

. . . Mr. Speaker, it is not the needy little farmer who will be the beneficiary of this tax. The fact is that 85 percent of the farmers in America receive only 25 percent of the subsidy, while 15 percent receive the remaining 75 percent.

. . . Mr. Speaker, the arguments against this wheat proposal are sound and endless. I trust the House will not permit such an inequity to be ratified. I am certain when the impact of the proposal becomes obvious, it will be resounding in defeat.

Mr. TEAGUE of California. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, I want to thank the gentleman from California for yielding me this time to discuss this major legislation, legislation which is urgently needed by the American people if they are to have adequate supplies of food during the next 4 years.

I am not going to attempt to cover all of the many facets of this bill in the time allotted me. It has already been covered in considerable detail by the distinguished chairman and ranking minority member and I am sure others who will follow me will deal with other sections of the bill. I have neither sufficient time nor familiarity with some of the sections to make a very significant contribution to my colleagues' consideration of those sections.

Rather, I am going to confine my remarks largely to the bill's feed grains section to which I have devoted not an inconsiderable portion of my attention and effort during the past 6 months while the Subcommittee on Livestock and Grain and the full Committee on Agriculture have been spending almost full time trying to develop appropriate legislation to take the place of the Agricultural Act of 1970 which expires on December 31.

I would like to emphasize to the House that the protections and safeguards of the 1970 act are going to go out of existence and expire at the end of this year, so that it is, therefore, very incumbent on us to enact something adequate to take their place.

As I stated in the "Dear Colleague" letter which I addressed to all Members yesterday, I do have a special interest in the feed grains section arising from the fact that Iowa's Sixth Congressional District, which I have the honor to represent, leads the Nation in corn production and has the largest number of feed grain base acres, some 3,941,112 acres in that one congressional district.

As the ranking minority member of the Subcommittee on Livestock and Grain, I have tried conscientiously to attend all hearings, discussions, and markup sessions of both our subcommittee and the full Committee on Agriculture during long and careful consideration of many widely varied proposals which have finally culminated in the committee bill which is before us today.

I have also tried to keep in close touch with the farmers of my district at the grassroots level, both through direct contacts and through my district farmers advisory committee of 22 county farm chairmen, all of whom are actual farm operators, real dirt farmers, representing a broad section of Midwest agriculture.

For example, I was in Iowa all of last week, and on every day I availed myself of the excellent opportunity to listen to the views of many independent, self-reliant family farmers throughout the Sixth Congressional District. On Tuesday night of last week I met with 21 of the county chairmen, and the district chairman of my farm advisory committee, and we had a frank, hard-hitting and thorough discussion of the pros and cons of this legislation.

So I do believe, my colleagues, that I am able to come to the Members in a position to report to the House with considerable accuracy just how the feed grain farmers of the corn belt feel about the present situation, and specifically about the feed grains section of this bill.

And when I have done so, I sincerely hope that the Members will believe, as I have come to believe, that the provisions for a target for a minimum price guarantee of $1.38 a bushel and for a 19-cent increase in the minimum loan rate for corn are very much in the national interest.

There is no doubt in my mind that such provisions will benefit consumers as well as farmers by encouraging the additional corn production which is necessary to meet increased consumer demand for meat.

As I stated in my letter to the Members yesterday, we cannot increase meat production without increasing corn production, for it is corn that puts meat on livestock.

Now, everyone has been telling the farmer that it is his patriotic duty to grow more corn. I do not think there is a day that goes by without his being lectured on this subject by those in all other sectors of the economy, in the Department of Agriculture, and in other agencies of the Government. I am sure that most Members will have to agree with me that the corn farmer has, indeed, been responding magnificently to this appeal. This year under provisions of the 3-year 1970 act it is being predicted that a record 5.9 billion bushels of corn will be grown. That is up from 5.54 billion bushels last year and 5.6 billion bushels in 1971.

But what about next year? What about the year when the incentives and safeguards of the 1970 act will have expired? Does anyone think that farmers will be sufficiently motivated to increase production again next year simply by being lectured on their duty to provide cheaper food to the consumers, not only of America but of the entire world, and an increasingly affluent population in many countries of the world? If anyone does think so, my friends, they have another think coming, because our feed grain farmers have been taken down that path before. That is what happened to them back in 1967. That is when they were persuaded to increase planted acreage dramatically in response to overoptimistic, rosy predictions by the Department of Agriculture that there was going to be a greatly expanded world demand for food.

That demand, as it happened, never materialized, and the excess production which resulted created a surplus which seriously depressed the price of corn and overhung the market for years thereafter, depriving our farmers of an adequate income or even the chance to recoup their actual production costs.

No. 2 yellow corn plummeted down to less than 85 cents a bushel in central Iowa markets at that time, and it was taken us nearly 5 years to recover from that fiasco.

In talking with many corn farmers last week, I found that they are understandably very wary of being trapped in a similar situation next year, or the year after that, or even later during the 4-year life of this bill. But they are deeply worried that if they do increase corn production again, they will be left holding the bag if another surplus results which would drive the market price below rising costs of production. They know that the built-in safeguards of the 1970 act, under which they have been ready, willing, and able to produce 3 successive bumper crops, are about to expire, and I can tell the Members that without any doubt whatsoever many of them are simply going to be unwilling to take the gamble all alone of increasing production. They will do so only if we in the Congress today enact some mechanism obligating the Government to share at least some reasonable part of the risk involved in increased production, something to take the place of the 1970 act.

The target or minimum price guarantee of $1.38 a bushel and the 19-cent increase in the minimum loan rate for corn provisions of this bill are a sensible and a reasonable solution to this problem.

There will be no cost at all to the Government in connection with the $1.38 guarantee in the absence of a very substantial drop in the market price.

The price of No. 2 yellow corn in central Iowa markets yesterday was in a range of from $1.75 to $1.86 a bushel, and under this bill the guarantee would become operative in any marketing year only if the national average price during the first 5 months of that year were to fall below $1.38.

A minimum price guarantee is absolutely essential if farmers are to respond to the kind of production goals necessary to meet expanding domestic and world food needs. Surplus feed grain production has plagued the farming industry every year until 1972 with the exception of the World War II and Korean war years and in those years when widespread drought was experienced. Surpluses with resulting depressed prices have been the nemesis of agricultural producers driving millions of them from the land into already overcrowded cities where they have been unable to find employment.

It is true that the situation has temporarily changed. Decreased world tensions along with drought conditions in many parts of the world and increased sales to Russia, Red China, and other foreign lands have pretty well liquidated surplus stocks. Farmers are being asked to increase planted acreage to meet these very real, new market opportunities. But there is no assurance that current demand will continue year after year. Foreign markets are so dependent upon decisions made by those far removed from the producer himself. Many of these decisions are made in the State Department; others in the Department of Commerce; still others in the Department of Agriculture. The farmer has no influence over many of these decisions, yet he will be asked to produce for anticipated demand and bear the entire loss when such demand fails to develop if we fail to enact the minimum price guarantee provision of this bill.

Even considering the risk of adverse weather, farmers have always had greater control over production than they have ever had over the marketing of their products. Even after years of effort at cooperative marketing and other efforts to gain bargaining power, the farmer is still left pretty much at the mercy of the market. He has not been able to set his price. The farmer has the know-how and the management ability to produce that which is needed. He wants to produce it. But he also wants at least some chance of a fair price—the cost of production plus a reasonable profit for his efforts. He is, however, not willing to go all out on production without some assurance that he will be able to recover his costs and provide a decent living for his family. In short, he wants the same economic opportunities and freedoms as nonfarmers.

If anticipated demand worldwide continues as is now predicted, the $1.38 minimum price guarantee of this bill will cost the Government nothing. But should these very optimistic predictions miss their mark the producer will have at least some protection against economic disaster. It should be noted also that the bill gives the Secretary of Agriculture authority to adjust production so that the cost to Government will not be excessive in the event surpluses accumulate and prices fall. Under such circumstances he would be empowered to prohibit payments or loans or other cost sharing to farmers unless they participated in the production adjustment program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TEAGUE of California. Mr. Chairman, I yield 1 additional minute to the gentleman from Iowa.

INCREASE IN LOAN RATE

Mr. MAYNE. I would like now to address myself to the modest 19-cent increase in the minimum loan rate which is an extremely important part of this bill. Such an increase is barely sufficient to cover sharp increases in the cost of production which have already been incurred. There is every likelihood that during the 4 years before us production costs will continue to rise and at an even faster rate.

The commodity loan program provides farmers helpful credit tools which they can use in different ways. For those who must make preparation in the fall for the following crop year, the loan proceeds are used to purchase production inputs, such as fertilizer, fuel, and equipment. Because the producer is able to borrow on his crop he will not glut the market with it at harvest time overtaxing elevator storage and the transportation system. Instead, sealing his corn under loan enables him to market the crop in an orderly manner. This also benefits the consumer in many ways. It evens out the production of crop inputs over a greater period of the year providing more economic stability in the rest of the economy. It gives more stability to prices, helping to prevent a boom-bust farm economy. It spread the workload for farmers creating greater efficiency. It provides greater incentive for farmers to produce to meet expanded needs, for they know that low cost credit will be available as soon as the crop is produced. In many instances it helps finance livestock programs which will eventually utilize the crop. This, in turn, will help meet the current very strong demand for meat products. The importance of the loan program should not be minimized, and under present conditions the 19-cent increase in the minimum loan rate is a good investment for the American taxpayer.

I, therefore, would have preferred the 25-cent increase in the minimum loan rate which was reported by the Subcommittee on Livestock and Grain. However, the full Committee on Agriculture in its wisdom saw fit to lower this to 19 cents, and I do very urgently recommend to the House that anything less than that would be clearly insufficient to cover the increased costs of production which are already upon us.

I believe everyone who has given even passing attention to the problem of inflation, recognizes it is vitally necessary that we increase meat production in this country. Meat production can only be increased if corn production is increased first. While farmers are growing more corn, they will continue to do so only if provided reasonable safeguards against overproduction which would create price depressing surpluses.

I earnestly recommend to Members on both sides of the aisle that their vote for this bill H.R. 8860 will encourage farmers to produce the additional corn necessary to meet increased consumer demand for meat.

FEED GRAIN BASE POOL

Before closing, I want to express my gratification that the committee bill continues the provision in the 1970 act for a national feed grain base acreage pool, of which I was the original sponsor when it was first offered in 1970.

Ever since the 1961 farm program was enacted, basing feed grain allotments on the crop history of the 1959 and 1960 crop years, there had been gross inequities associated with these allotments on individual farms. Until the 1970 Farm Act, which for the first time included a base acre pool division, it was not possible to do very much to correct these inequities. Indeed, many farmers with extremely low bases were discouraged from participating in any production adjustment programs. However, with the adoption of this provision in the 1970 Farm Act it became possible to gather the unused base acres into a pool and redistribute them to farmers who were victims of inequitable bases. The first distribution was made in the 1972 crop year and I have many letters to substantiate the good use to which the redistributed acres were put.

H.R. 8860 gives the Secretary the discretion of announcing a national feed grain allotment. This allotment will be distributed to States, counties and, finally, to individual farms. It is absolutely essential that this be done on as equitable a basis as is possible. The feed grain base acre pool is a very important part of this legislation and should be left intact. If we are going to continue the feed grain allotments on the basis of history, the national acreage pool is the best available way to correct any inequities that still exist.

In conclusion, I urge my colleagues to join me in a resounding "aye" vote in support of H.R. 8860 as reported by the committee.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, title X has been approved by the Senate. The forestry incentive program will help the small woodland owners to improve their production of timber. This is the largest unimproved source of timber in the Nation. It will be an investment in America's future. It will help the people who need help the most.

As a Member of the House I have been in close touch with the problems of forestry for more than three decades. During this period I have been concerned with the long-term trends and I have introduced a number of proposals to improve forestry programs.

I support the bill before us and the forestry incentives program which is contained in title 10 of the bill. The program has been approved by the Senate. A similar bill passed the Senate last year but was not reported by the House committee. This year's bill is generally similar to the forestry incentives bill which I and many others introduced both last year and this year in the House.

The need for forestry incentives is clear cut. Our population is growing faster than we are producing timber. Even today there is a desperate situation in the lumber market. Materials are scarce and prices are extremely high. The two go hand in hand. Housing costs are soaring because the demand for lumber exceeds the supply. As a result, many lower-income families have been priced out of the market for housing. They simply cannot afford the homes they need.

The forestry incentives program will help the small woodland owner to improve his production of timber. This is the biggest unimproved source of timber. It will be an investment in America's future and it will help the people who need help the most.

An incentives program will help to prevent serious shortages in the future because it will help to insure a more dependable and a larger supply of lumber. This is not a problem that will go away. By the year 2000, the Nation will need twice as much wood as it is using now.

There is a solution—grow more timber. It takes time to grow a tree to sawlog size. The trees for harvest in the year 2000 should have their roots in the ground now. Consequently, many of us are proposing an investment for the future, an investment which surely will be of benefit to America.

We can also assist in bridging the gap by applying cultural treatment to existing forests. Removal of defective and diseased trees and those of inferior species will give desired trees better quality and more room in which to grow.

The best opportunity for corrective forestry is on the lands of private, nonindustrial forest owners. They own about 60 percent of all commercial forest land in tracts which average about 70 acres each in size. These small private forests have contributed much to the development of our Nation. They provided posts to fence the fields, timbers to gird farm buildings, and lumber to build the cities. On occasion, they also provided a rabbit for some hungry family.

Let me be more specific. I am advised that nonindustrial forest land on the eastern seaboard has an average ownership of 68 acres. Of these plots, 72 percent are less than 50 acres in size. Wage earners, housewives, widows, and retired people own 37 percent of all the property. Farmers own 36 percent. Undivided estates comprise 8 percent. Businessmen own 7 percent, and professional people own 4 percent. The average owner is 55 years of age and has the equivalent of a junior high school education. Two-thirds of all owners live on their property and one-third of the tracts of land has been in the owner's family for more than one generation. One-fourth of the owners have sold timber to meet some pressing financial need. Let me make this point very clearly—the incentives bill for forestry will help the little people of the land, the ones who need it most. That is why we are limiting the application of the bill to owners of less than 500 acres.

An incentives bill is needed because generations of unmanaged use during two centuries of national growth have reduced private woodlands to a low level of productivity. About one-fourth of them require tree planting, and nearly one-half need cultural treatments such as thinning, weeding, and improvement cuttings.

It is in the public interest to provide an ample supply for future needs. If we do not do so, then the public will pay excessive prices for the wood it uses in future years, and we will become dependent upon other nations.

There are corollary public benefits, also, including protection of watersheds, improvement of wildlife habitat, and enhancement of the environment.

Therefore, I believe the Federal Government should share with private, nonindustrial forest owners the costs of long-term investments in reforestation and in forest improvement. Much of the money so invested will flow back to the Government in time in the form of increased taxes. The economies of rural areas will be strengthened.

The bill before you suggests an initial annual authorization of $25 million. This would permit a sound beginning. Future requirements will depend upon many things. Forestry officials estimate that an effective program should include planting or improvement of 800,000 to 1,000,000 acres per year. This is only a small part of the 309 million acres of nonindustrial private ownership in our country.

The present estimate is that assistance should be in the range of $25 per acre for planting and $13 per acre for timber stand improvement. It is also estimated that the cost of administering the program will be about 15 percent of the total. The administration as provided in the bill would be primarily through State agencies. Assuming about an equal mix of planting and timber stand improvement, a program of this magnitude would cost in the range of $25 million per year.

This would be a threefold increase over the acreage planted and treated last year under the REAP program. However, it would be less than the 920,000 acres planted last year by industrial owners. Public agencies, both Federal and State, planted 318,000 acres last year.

There is concern about the costs of the program. Objections are being raised in some quarters to additional subsidy programs. I do not think this program should be looked at in the light of a subsidy. It provides payments to producers, yes, but payments are for increased production of timber which is for the national good. It is an investment in America. It does not pay people not to produce. It pays them to produce more of a needed product.

Even if there are those who insist on calling this a subsidy. I must remind my colleagues that just about everything in this country is subsidized in one way or another. Most assuredly this is true of agricultural products. In the forestry incentives program, we will be paying people to produce more and to supply a definite need against future scarcity.

Admittedly a new program such as this would have some growing pains. Mistakes obviously could be made but I have confidence in the Forest Service and in agencies such as ASCS and Farmers Home Administration. I believe that they with the help of the State forest services, would administer the program soundly with a minimum of the kind of problems which accompany any new program.

We now have an opportunity to capitalize on the experiences of the past and to tailor make a comprehensive forestry incentives program that can build upon the combined experience of Federal and State agencies and forest landowners. That is what is envisioned in these bills.

I am most enthusiastic about this proposed legislation. The time is ripe for the House to complete action which already has taken place in the Senate of this legislative program.

Now let me reiterate—successive increases in prices of lumber, plywood, and wood products in recent months foretell more severe economic pressures in the decades ahead if steps are not taken now to bring future timber supplies up to demand levels.

This impending supply-demand squeeze is common knowledge. Consequently, we are proposing a nationwide program to meet a nationwide need.

In 1969 the forest industries analyzed the situation in a report, the South Third Forest. They concluded that:

> The quality and quantity of growing stock must be increased on a huge scale, if demands are to met . . . that present and projected programs are wholly insufficient to get the job done . . . that the greatest single need is to materially increase timber growth . . . on nonindustrial, private forests.

Soon afterward, conservationists, working in a "Trees for People" task force, reached a similar conclusion. They recommended that the Federal Government "share the cost of capital investments in long-term activities that are in the public interest, such as planting trees, applying intensive management practices, and maintaining esthetic values for public enjoyment."

In 1972 Federal foresters also probed the future in a Forest Service report entitled, "The Outlook for Timber in the United States." They noted that:

> Demands for industrial timber products in the United States rose 70 percent during the past three decades and comparable increases are projected in future years.

These independent findings and recommendations prompted many Congressmen to join me in sponsorship of a forestry incentives measure that would stimulate private, nonindustrial owners to make more productive use of their forests. This proposal has been incorporated in the general farm bill, H.R. 8860, under title X "Rural Environmental Conservation."

Section 9 of this title authorizes the Secretary of Agriculture to carry out a pilot forestry incentives program of afforestation, reforestation and intensive forest management. This objective is very important because one-quarter of the land of small forest owners lies idle and nearly one-half of the forests need thinning, weeding, removal of defective trees, and similar treatments.

The bill authorizes the Secretary to share with private owners a portion of the actual costs incurred. The amount of participation is in the discretion of the Secretary. This, too, is important because rehabilitation of private, nonindustrial forests involve long-term investments that are of benefit primarily to the general public in terms of adequate supplies of timber at stable prices.

Again let me stress the fact that the measure provides that incentives contracts shall not be approved for individual ownerships greater than 500 acres each, unless the Secretary finds that significant public benefits will result. Most small forests fall within this classification because the average private woodland is only 70 acres in size.

Again it is notable that H.R. 8860 requires that the Secretary of Agriculture shall consult with the State forester or other appropriate official in each State in matters pertaining to forestry incentives. This provision will strengthen efforts to secure application of the proper treatment to each private forest. It also will enable administrators to concentrate the expenditure of available funds on the most productive sites.

The Federal investment in the incentives program is protected by the provision in section 3(A)(2) that requires a landowner "to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage."

Mr. Chairman, this forestry incentives measure adds a much needed tool to the basic kit of fire protection, forest management, forest pest control, and forest research.

It has been my privilege to be involved personally in each one of these measures. My faith in the program has been rewarded time and time again.

Therefore, I heartily endorse the Forest incentives provisions of H.R. 8860 and urge your support. This is the primary unfilled need in the field of forestry legislation.

Mr. POAGE. Mr. Chairman, I yield 8 minutes to the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Chairman, distinguished Members of Congress, each day when we are in session I come over here and cast my votes on issues about which I have no particular expertise. Granted, I do as much homework as I can, and I always know how my constituents feel, but frankly I do not claim to be an expert on atomic energy, foreign trade, or urban development. On these subjects, I try to listen closely to those of you who are knowledgeable in these areas.

I do not often belabor this body with my thoughts and opinions. Today, however, is my turn. While I cannot claim to be the master of all disciplines, I do know a little about agriculture. It has been my lifelong profession—and I have operated under every farm program since their beginning. My experience in agriculture and my evaluation of the current situation led me to the conclusion that this country has rarely needed a strong farm program more than it does today. Notice that I said that the country needs a farm program; that doesn't mean just farmers either. It means all of our citizens, all of our constituents, yours and mine.

In the past several weeks we have all seen news reports in the press and on TV about impending food shortages. Many people were shocked, but most agricultural leaders have seen this coming for some time. There is little doubt that our current short supplies will be even shorter next year.

Several legitimate reasons have been given for the short supplies. No doubt, demand for protein feeds, soybeans, and cotton seeds has been given a boost by the lack of anchovies to make into fish meal. Food production was off in many parts of the world last year, while at the same time consumer income was up and people wanted to eat better. U.S. food prices have been driven up by the President's agricultural trade initiatives.

But let us look for a moment at prospects for the next several months and prospects for this fall's harvest. As the month of June ended broiler growers in 21 States had 5-percent fewer chicks than a year ago. The production of broiler-type eggs was 8 percent below the 1972 level.

The commodity which has given us the most trouble this year, soybeans, has a less than optimistic outlook for next year. For the week ending July 2, Tennessee farmers had only planted about 85 percent of their soybeans. This is basically due to the floods we experienced this spring but a similar situation exists throughout the Missisippi River Valley. And any Tennessee farmer can tell you that soybeans planted after July 4 are very risky.

This same flood is responsible for the cotton crop's being at least 2 or 3 weeks later than usual. An early frost this fall could have a disastrous effect on next year's supply of cotton fiber and cottonseed meal, a much used protein feed.

Milk production is 2 percent below last year. Dairy farmers are selling their milk cows because their cost of production is higher than the price they receive for milk.

I have noticed recently an interesting trend in the rhetoric of the Nation's consumer advocates. For months we heard complaints about high food prices, we had boycotts, and it seemed as if farmers were always being displayed as villains. However, today, we do not hear this so much. People realize that we are faced with serious food shortages. They are realizing that unless farmers are allowed to make a decent living—that they will not continue to produce food. Consumers are realizing that as wages go up, prices must go up also, including the price of food.

However, the real price U.S. consumers pay for food is still very low. In 1965 workers were averaging $2.61 per hour, it took 10.9 minutes of labor to earn enough to buy a half-gallon of whole milk. In 1972, workers were averaging $3.78 per hour and it required only 9.5 minutes of labor to buy a half-gallon of milk. In March of this year the labor requirement had dropped to 9.3 minutes. The real price of milk is falling and has been for the last 20 years. Let me mention here that my figures come from the University of Tennessee and not the Department of Agriculture.

USDA's figures have fallen into dispute lately. They have had to make significant revisions on their estimates of existing food supplies, and it seems they now require farmers' income tax returns to tell us things we thought they had been telling us all along.

One figure that has been controversial is their estimate of the amount of disposable income Americans spend on food. USDA's figure is in the 16 percent range, and many people quarrel with this.

However, other institutions have conducted costs of food studies and while the figures vary, the United States is always listed as having about the cheapest food relative to consumer income. One study was reported in the July 1973 issue of Harper's magazine. This study was conducted by the International Labor Office in Geneva, Switzerland. It gives the percentage of household expenditures used for food and drink. The U.S. percentage was listed as 24.1 and was the lowest of the 22 countries listed. Morocco had the highest at 70.6 percent. Western Europeans all spend more for food than Amercians such as 46.2 percent in France, 38.2 in Germany, 57.7 percent in Spain, and 33 percent in England.

It is a fact that we are not as bad off as some would have you believe. I am proud to report that the Consumer Federation is supporting this bill. This group testified before my Dairy and Poultry Subcommittee and I am awfully glad that farm groups and consumer groups are developing lines of communication. It is about time that both farmers and consumers realize that their interests are not necessarily in conflict.

This bill before us today is a compromise version already. Many people wanted to extend the traditional farm program concepts. The administration and others wanted to get the Government completely out of agriculture. This bill attempts to strike a balance between philosophies. Under the target price concept, farmers will be getting more of their pay out of the marketplace rather than out of the Government budget. However, it also provides a Government backup in case the bottom falls out of the market. This is basically fair to all involved.

I will probably have more detailed remarks later on in the various sections of the bill. But before I close I want to commend my friend and colleague, the distinguished Representative from Texas—Chairman BOB POAGE.

When I came to Congress I thought I was fairly knowledgeable in agricultural matters. But, Chairman POAGE's knowledge of agriculture has made me feel like a student again. He discusses complete details off the top of his head and does not have to refer to the law books. His knowledge is only superseded by his leadership abilities. He takes the job representing American citizens seriously and his dedication is recognized and respected. Respect is a basic ingredient of leadership and Chairman Poage ranks high as a leader.

During the committee debate on this bill the chairman came under many pressures. His legislative skills were put to the test and he won. He displayed both strong leadership and tremendous flexibility. Compromises were called for. The chairman studied both sides and came up with rational and logical solutions. We are indebted to this man and I just want him to know that we appreciate his efforts.

The CHAIRMAN. The doormen will establish order in the galleries.

The Chair would again like to admonish those in the gallery that they are guests of the House and they must comply with the orders of the House and the rules of the House.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Chairman, first of all, I would like to direct a question to our very able chairman of the committee, the gentleman from Texas (Mr. Poage).

I was wondering if the chairman of the committee would respond to this question: The first section of the bill encompasses about 50 pages, so if we read it by section, it could be quite a disorderly procedure as we consider amendments from one commodity to another.

Will the gentleman, therefore, agree that the bill be read by paragraph instead of by section?

Mr. POAGE. Mr. Chairman, I think that I would have to object to that, because I understand that the rule then would provide that we could never get consent to limit debate. That is exactly what I had hoped we could do, but I understand our rules are such that we would run into other problems.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman. I regret that very much. I wish that the Committee on Rules had made in order the reading by paragraph instead of by section.

Mr. Chairman, it is my understanding that it is not likely that I will be the first Member to be recognized for an amendment. Instead another Member will offer an amendment to the payment limitation section simply reducing the figure from $37,500 to $20,000.

I want to point out to those Members who are here and who may not be here during the consideration of the amendment that such will not be much of a limitation. It will leave in the language of the bill not only the loopholes which have permitted Big Cotton so far to evade almost totally the $55,000 limitation voted in 1970, but it also adds another big loophole in that dollars paid to farmers for not farming will not be counted in determining the money to be subject to the limitation. So I want the Members not to be fooled into thinking that by supporting the amendment simply to reduce the figure from $37,500 to $20,000, that simple change will actually amount to much in the way of a limitation.

Second, the unfortunate outburst that occurred a moment ago in the gallery does demonstrate that consumers do have an interest in this bill, and one part of the bill is the dairy section, which has two very unfortunate features. First of all, it raises the minimum level of price supports from the present level of 75 to 80 percent.

The market price may now be about 80 percent or more, but there is no question in any economist's mind but that the effect of increasing the minimum dairy support for dairy products, to 80 percent has the effect of lifting milk prices higher and other dairy products higher, too.

Mr. Chairman, there is another very novel feature in the dairy section which, I think, is a "first." I thought that I had seen just about everything in the form of clever farm legislation, but there is a new feature in dairy. It is there in order effectively to limit competition from abroad, which, of course, is one of the very few disciplines upon the giant dairy monopolies, one of the few things that tend to give the consumers a reasonable price for dairy products. That discipline is the possibility of imports.

The dairy section of this bill has a very novel provision which permits the producers and processors of dairy products here in this country to control the importation of dairy products from abroad.

This is just like letting General Motors Corp. or Ford be in charge of how many Volkswagens can be imported.

So consumers do have an interest here, and although the gallery outburst was unfortunate, it should remind consumers to pay more attention to the work of the Committee on Agriculture.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. Yes, I am glad to yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, I thank the gentleman for yielding.

In respect to the comments which the gentleman has just made, one of the items that would be controlled by the domestic producers is a chemical called casein, and it is my understanding—I have some figures on it—that although at one time in this country we did produce casein, that is not the case now for all practical purposes.

There is not any domestic production; yet they still include casein as one of the defined dairy import products.

Mr. FINDLEY. Mr. Chairman, the amendment which I plan to offer will strike out this very novel and, I believe, ridiculous import control provision of dairy products, as well as keep the level of price supports where it is today, at 75 percent instead of going to 80 percent. This will correct the problem that the gentleman mentioned.

I want to mention, also, that once the payment limitation amendment is disposed of to change the figure from $37,500 to $20,000 I will offer an amendment at $20,000 which will be without loopholes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TEAGUE of California. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FINDLEY. I thank the gentleman very much. So, if you want to see written into this bill a limitation on payments that will work and actually reduce the program cost, and cut down on welfare to wealthy farmers, you will have that opportunity when I offer my amendment.

Mr. STEIGER of Wisconsin. Will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman.

Mr. STEIGER of Wisconsin. I appreciate the gentleman yielding.

I assume you want to offer two amendments on the dairy section, one relating to the 75–80 question.

Mr. FINDLEY. I am glad to have them separated. I do not see why they should not be offered en bloc inasmuch as each serves the public interest in a similar way.

Mr. STEIGER of Wisconsin. Will the gentleman yield further?

Mr. FINDLEY. I yield to the gentleman.

Mr. STEIGER of Wisconsin. I have to respectfully disagree with your analysis of the effect of the 80 provision. I support the committee's action in that regard. I think it is the right answer.

I have questions about section 205 of the bill, I hope the gentleman from Illinois will be willing to separate the two issues, because I think they are different issues and ought to be treated on their own merits and not tied together.

Mr. FINDLEY. It would be most unfortunate if in this body we legislate higher dairy prices whether by higher price supports or by shutting off imports.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. Foley).

Mr. FOLEY. I know that the members of the committee who have had an opportunity to look at the bill and the report know as usual this agriculture bill is complicated and not easy to fully comprehend.

I want very briefly and in a very general way to discuss some of the changes in the wool, wheat, and feed grains programs that the Committee on Agriculture brings to the floor this afternoon.

The wool program, which has worked well since it was initiated in 1954, is continued in this program for another 4 years. There was no great controversy about this during the committee's consideration. It has the general support of the wool and mohair producers and industry in this country.

There is an additional section to the Wool Act which expands the market production authority of the National Wool Act to cover information dissemination and production management and marketing improvement and to provide for oversea promotion of U.S. mohair and goats. The United States exports a good part of its mohair production.

Now to turn to the wheat section of the bill, there are some major changes in the bill we bring before the committee this afternoon.

Under the 1970 amendments, wheat producers who cooperated in the program were given a payment in the form of a wheat certificate which represented the difference between average market prices during the 5 months of the marketing year and parity. That was on the domestic portion of the crop, that is, the portion of the crop estimated to be needed for domestic food purposes or about one-third of the average crop.

To give you an example, today parity in wheat is $3.39 a bushel. Under the present program farmers are paid the difference between their average market prices on that third of the crop during the 5 first months of the marketing year and parity which is $3.39.

In recent months wheat prices have strengthened remarkably.

They are on the average about $2.50 today.

But it might be interesting to know that in 1947 wheat was selling for about this price. We had in the 1960's, particularly in the middle 1960's, a depressed wheat price. It is stronger now. The committee felt that a more appropriate method of giving some protection to farmers was to set a target price on wheat which would cover the whole crop.

The House committee set that target price at $2.05 a bushel.

The gentleman from Iowa (Mr. Mayne) has ably discussed the valid provisions in the feed grain program, and I will not go over those again, except to repeat that the target price on corn would be $1.38 a bushel. Again, current prices are higher than that.

About $2.50, the target price on wheat, compares with $2.50 a bushel for wheat today, so that the price of wheat would have to come down 20 percent before there would be any obligation on the part of the Government to make payments.

Similarly, our national average corn prices are near $2, not that in the Midwest, as I know the Members from the Midwest know, but they are at least $1.65 to $1.70 anywhere the country. The target price on corn, which is the leading feed grain, is $1.38, again substantially below the $1.70 to $1.99 that represents corn prices today.

So, as the distinguished chairman of the Committee on Agriculture, the gentleman from Texas (Mr. Poage) said in his opening statement, this bill gives protection to the producers by encouraging the kind of production we need without incurring substantial Government payments, at least, in the immediate foreseeable future.

The farmer has the protection, if he cooperates in the program, of knowing that he is going to get at least $2.05 for wheat, and $1.38 for corn. If average prices are higher than that in the marketplace, the Government does not have any obligation to make payments to him. If the national average falls below the target price of $2.05 in wheat or $1.38 in corn, then he receives the difference between what the target price is and what the national average price may be.

One other important thing——

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. POAGE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I thank the gentleman for yielding me this additional time.

Mr. Chairman, I would like to point out that one very important additional change is made in this bill. The present law requires processors of wheat and flour to purchase a certificate, a 75-cent-a-bushel certificate, which is used to finance the payments to wheat producers under the current program.

The distinguished gentleman from Illinois (Mr. Findley), who just left the well of the House, and others, including myself, have urged that this program and this tax be terminated in order to take some of the pressure off the cost of flour.

This bill provides for termination of that tax on July 1, 1973, a date we have already passed, and provides for the necessary machinery to make adjustments to adjust to that termination date.

I do not think this will bring down the price of bread or bakery products, but it will hold off the need for additional increases for a time. It will be a real savings to bakers, and other flour users, and of course ultimately to the consumer.

The loan rate in wheat has been raised in this bill from $1.25 to $1.49.

As the gentleman from Iowa (Mr. Mayne) has pointed out, the loan rate has been raised on corn from a minimum of $1 to $1.19.

These loan rate changes I think are moderate, and they are justified. I think the wheat and feed grains sections of the bill have been well considered by the committee, and will guarantee some protection for producers, and at the same time offer, I am sure, a welcome opportunity to reduce the Treasury's cost in the support of these programs, and I urge the adoption of these provisions by the committee.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Chairman, I would like to commend the gentleman from Washington (Mr. Foley) for his very fine statement, and to say that the gentleman certainly has provided very excellent leadership to the Subcommittee on Livestock and Grains on which the gentleman serves as its distinguished chairman.

Mr. FOLEY. The gentleman from Iowa is the distinguished ranking minority member of the subcommittee and I appreciate his comment and support.

Mr. TEAGUE of California. When the proponents of this bill talked about there being no cost involved, I can understand why they said that. Is it not true that they ignore the fact that there are likely to be substantial costs for what we used to call the soil bank or setting aside the virgin acreage payments?

Mr. FOLEY. There would be no cost to the Treasury if the average market price in wheat and feed grain stayed at or below the target price. I would concede to the gentleman that if we were to have a sharp drop in market prices of wheat or feed grains, it would have to be very substantial—nearly 50 percent—in that event substantial Treasury costs could occur.

Mr. TEAGUE of California. The Government will have to pay farmers not to grow.

Mr. FOLEY. I think there is little likelihood that the Government will, in the foreseeable future, move to limit production. I think the problem now is getting production. And I see no likelihood that the Department of Agriculture will need or wish to limit production for the foreseeable future.

Mr. TEAGUE of California. Mr. Chairman, I yield 7 minutes to the gentleman from Minnesota (Mr. Zwach).

Mr. ZWACH. Mr. Chairman, I thank the ranking Member, Mr. Teague, for yielding me this time. I want also to compliment the chairman of the committee, Mr. Poage, and the chairman of our Subcommittee on Feed Grains, Mr. Foley, for the tremendous work that they did in developing this bill. I want to associate myself with all of those who spoke of its importance, its significance, and in favor of the bill. I think what transpires here today is indicative of the need for us to communicate, for all of the people of our country to communicate with each other if we are not going to go hungry.

If we use heat instead of light on this entire subject, within a year we may well be hungry together. I want to make a few points that have not been made, although I associate myself with the remarks that have been made.

First of all, I have been a lifelong producer of food. The average producer of food in America is my age. The average producer of food is over 55 years of age. The young people of America, the young people of the farms, have not taken up to the land because the economics of farming made them second- and third-class citizens so far as equity of incomes is concerned. This is fundamental. So the producers of food today are in their declining years. They cannot take hold. We must right now, with this bill, bring into the field of agriculture young blood, young people, with the assurance that they are not going to be third-class citizens like their fathers and their grandfathers basically have been.

This is fundamental that these young folks come in now. It is fundamental that that happen, or our country is certainly going to be in deep trouble.

The need for this bill is paramount because it does share some of the risks of increasing production. We, as producers, are not only now asked to produce for Americans but to feed a hungry world. That is not a very secure market. We need some sharing of that risk, which is provided in this minimum target price in this bill.

A young man needs $100,000 to get into this business of agriculture today.

Without any assurance of a reasonable stability of price, he cannot take that risk and his banker, his supplier of capital also cannot take that risk. That is agriculture today. That is how involved it is. This is just an ordinary family operation. There is a tremendous need for capital. The banker must know that there is some stability of price, that disaster will be prevented because he is lending other people's money, and the man who borrows, that young man, must be given the same assurance.

Let me indicate to the Members that since 1962 the farm debt has gone up 175 percent. Since 1951 farm prices have not gone up until the last 6 months and the farmers have lived by increasing his debt. The farm debt today is $72 billion. It is 175 percent of what it was 12 years ago. So the Members can see that things are not all well and they can see that the people who boycott do not know at all the true situation that is involved in this relationship.

There are other good features in this bill for consumers, sportsmen and the general public. Members know we have always tried to protect wildlife, the upland game and waterfowl. We reinsert the water bank bill in this bill. We put the long-time upland game preserves into this bill so our grandchildren and children may have a place and game to hunt. We provide for cover and diverted acres—all of them features that our environmentalists have long wanted. We are sort of entering a new age in this entire area. This bill repeals the bread tax which has already been mentioned.

It has another unique feature. It has a cost of production index that is fundamental in any farm legislation. In this House bill we have compromised that. The Members know in social security we have a cost-of-living index. In our Federal employee salary legislation and all over the country we have cost-of-living indexes. We have a cost of production that is exactly the same. But we compromised in the committee to satisfy others so that only about one-half of the actual cost of increased production costs will be added to increased target prices. The rest will be absorbed by the producers themselves, which is I think more than it ought to be and I think it is unfair but it is all we could get.

Finally let me say that at these target prices the American farm products will be very competitive in the world markets. The world now realizes the wonderful quality of American food and the cheapness of American food and the miracle of American food production. The rest of the world realizes it. Our people yet do not realize it. I think they are gradually beginning to come to this realization. But we will be very competitive in the world markets.

Mr. Chairman, it is imperative that we pass this bill.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman from Ohio.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. TEAGUE of California. Mr. Chairman, I yield 1 additional minute to the gentleman from Minnesota so he may respond.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from California for yielding the time and to the gentleman from Minnesota for yielding for a question.

I am concerned about two statements the gentleman from Minnesota just made. One was to the effect that there is something in this bill for everyone, and I think maybe that emphasizes the difficulty with farm programs over the years. Additionally, what the gentleman has said in effect is that the present system of price supports and subsidies has not worked because our young people are leaving the farm and most farmers are about the age of the gentleman from Minnesota. Would the farmer not be better off in a free market situation especially at this time when there is great demand for farm products and farmers have had substantial increases in the amount paid to them for their products?

Mr. ZWACH. At the present time when prices are up this bill will not cost a penny. The really good feature in this legislation is that for the first time it gears Government out when prices are reasonable and it gears Government in when disaster would hit.

Keep the food production stable and give some assurance that increased production will not result in disaster.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. TEAGUE of California. Mr. Chairman, I yield 1 additional minute to the gentleman from Minnesota (Mr. ZWACH).

Mr. WYLIE. Mr. Chairman, will the gentleman yield further?

Mr. ZWACH. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, that is exactly the point I wanted to make. At this time, when there would be few or no subsidy receipts as the Chairman of the Agriculture Committee mentioned, and as the gentleman in the well has said, it seems to me that the farmer would be better off if he could operate in the open marketplace.

For example, fruit and vegetable farmers and a multitude of others have not had price supports. They have prospered, I think, psychologically, as long as we keep a floor on prices, we say in effect that there is something wrong in the farm marketplace.

Mr. ZWACH. Mr. Chairman, nobody in America operates under the free market. Automobiles are not $100 less tomorrow than they are today; or when we have a surplus of labor, we do not see labor costs half of what they were yesterday or last year.

This free market for food producers is a hoax. We are not operating that way at all. Except for farm prices which go up and down, all other prices are rigid and for a long time have gone only one way—upward.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Chairman, as chairman of the Cotton Subcommittee I, along with some of my colleagues, have had the problem of carrying what is sometimes called the whipping boy of the farm program, the cotton program. I think this is a tragic commentary on what I believe to be the importance of cotton to the United States of America.

I think, if we take a look back through the last 150 years and look at the balance of payments, whether it was favorable or unfavorable, to the extent it was a favorable balance normally the amount of exports of cotton from this country to the world markets was the difference between a zero balance and a favorable trade balance. Cotton has truly been an important commodity in the history and development of our country. It has slipped in recent years for a variety of reasons.

Mr. Chairman, in this particular legislation and in connection with some of the research programs which are involved herein, our attempt to restore cotton to its rightful place as an important cog in our international trade, as well as to do the things from the standpoint of our own domestic economy, becomes very important.

If I had the time, which I certainly do not have, and I know the Members do not have the time to listen, I would explain some of the significance and some of the important things with reference to cotton and the cotton culture.

There is the fact, for example, that a pound of cotton fiber which, after all, is still the finest fiber in the world for wearability, for comfort, for all kinds, types and varieties of uses, can be made with one-fifth the energy output of manmade fibers. It takes five times the energy to create a pound of wearable fiber out of manmade fiber than it does for cotton.

This, my colleagues, is terribly important in this age in which we live when we are concerned about environment, concerned about air pollution and water pollution; when we are concerned about conserving energy. We are in an energy crisis, and yet we are talking of a commodity here which has done a great job for man. As I say, throughout our history, it can produce the fiber which we so desperately need for one-fifth the output of energy of manmade fibers.

Mr. Chairman, I am not here to knock or downgrade manmade fibers because I think it has a place in our scheme of things, but as I say, basically in connection with the cotton program we are attempting here to do some of the things that will restore cotton to its proper place, we believe, in the order.

I want at this time to express my deep appreciation to the members of the subcommittee, particularly on my side: My good friend, Mr. DE LA GARZA, our ranking member; DAVE BOWEN, ED JONES, CHARLIE ROSE and all those who worked. Also, I am grateful to our good friends on the Republican side; the ranking Republican, BOB MATHIAS, ED YOUNG from South Carolina, BOB PRICE of Texas, and my good friend "VINEGAR BEND" MIZELL from North Carolina.

We were faced with some serious problems. Cotton, because of the competition which is involved, as I have already indicated, does represent certain very serious problems. I feel, in connection with this legislation, we will see a new era in cotton and in cotton production that will be to the good of this country. It will be helpful to the American taxpayer, because it will reduce the cost of this program.

Because of these reasons I would urge Members to support the committee in connection with the cotton provisions here outlined and to vote against crippling amendments of any and all kinds which might possibly be offered.

I should like to conclude, in the brief time I have, by explaining briefly that I will be offering one amendment. As all of us know, it is impossible in connection with legislation to pass a Democratic farm bill or a Republican farm bill or an administration farm bill or a Farm Bureau farm bill. It takes unity. It takes effort. It takes working together.

The administration had grave reservations about the target prices which our committee has adopted. They had even more concern about that adopted by the other body.

There has been a continuing round of negotiations going on with reference to trying to reach some conclusion. I believe we all agree that all good legislation is the result of compromise, of give and take. As a result of some of the efforts and work, I am going to offer an amendment a little while later.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. POAGE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SISK. Mr. Chairman, I am going to offer an amendment which will remove the escalator provision from the cotton program as well as from the wheat and feed grains program. I will elaborate on it further.

Let me quickly state that this finally came down to be the so-called straw that broke the camel's back. The administration wanted to reduce the target prices; 35 cents on cotton, $1.28 on corn, and $1.84, I believe, on wheat. After a great deal of thought and consideration and effort and consultation with many of my colleagues on both sides, we came to the conclusion that for the 4-year program, in view of the fact that for 1974 and 1975 there could be no possible use made of the escalator provision, in view of the prices of present farm products, and in view of the fact that there would be no payments, in all probability, that was, let us say, the best possible bargain we could make. As a result, I will be offering that amendment. Of course, each individual Member will have to make his own choice.

I do believe, frankly, it will be a bill, as I understand it, with that provision, which the administration will be in full support of, and that they will recommend the President sign into law. Therefore, at the appropriate time I hope Members can see their way clear to support that amendment, because I do not believe it will do any serious damage or harm to this farm legislation.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I appreciate this opportunity to discuss H.R. 8860, the Agriculture and Consumer Protection Act of 1973.

I am vitally interested in this legislation. My district grows more wheat than any State in the Union. Right now Kansas is finishing a record bumper crop of 400 million bushels of hard red winter wheat to help supply the consumers of bread and bread products not only in the United States but all over the world.

Daniel Webster once said:

> When tillage begins, other arts follow. The farmers, therefore, are the founders of human civilization.

At no period has the wisdom of this statement been more evident. Agriculture is the Nation's biggest industry. It employs almost 4.5 million workers, almost as many as the combined employment of transportation, the steel industry, and the automobile industry.

Agricultural assets total about $339 billion, equal to about three-fifths the value of capital assets of all corporations in the United States or about half the market value of all corporate stocks on the New York Stock Exchange. One out of every five jobs in private employment is related to agriculture. About 2 million people have jobs providing the supplies farmers use for production. Eight to 10 million people have jobs storing, transporting, processing and merchandising the products of agriculture.

Recently, the burden of erasing our Nation's balance-of-payment deficit has fallen directly on the shoulders of American agriculture. U.S. farmers responded by contributing approximately $3.5 billion to erase a part of the $7.5 billion deficit in the nonfarm sector.

American farm productivity is an example to the Nation. Output per man hour on farms is 3.1 times higher than 20 years ago. In manufacturing industries, output per man is only 1.7 times as great, thus output per man hour on farms is increasing nearly twice as fast as in industry and is an unmatched record in efficiency.

In 1952, each farm worker supplied 15 persons with food. Now he produces enough for 51 people or three times as many as only 20 years ago. This is unmatched anywhere else in the world.

This remarkable increase came at a time when farm prices were rising less than 1 percent on an annual basis compared with increases in industrial wages averaging about 7 percent per year.

If we plan to continue this productivity record in American agriculture, farmers must have price incentives the same as other citizens who make their living in other sectors of our economy. I think with proper administration of the Agriculture and Consumer Protection Act of 1973, these incentives will be provided to the benefit of the farmer, the consumer, the laboring man and the U.S. economy.

Since the 1930's, Federal farm programs have guaranteed American consumers an abundant supply of food and fiber at reasonable prices. In fact, today, in spite of rising food prices, U.S. farmers still produce the best quality diet at the lowest cost in the world.

In 1972, less than 16 percent of U.S. disposable income was spent for food as compared to about 18 percent in Canada, 25 percent in England, about 50 percent in the Soviet Union and as high as 90 percent in many developing countries.

In 1952, consumers spent 23 percent of their disposable income dollar for food. Reducing this figure to 15.7 percent in 1972 released over $54 billion for the consumer to spend on nonfood items. As a result, consumers in our Nation have a better standard of living, better income, and more jobs—and our society has become more affluent.

This would not have been possible without some orderly framework to stabilize food supplies and to insure proper stewardship of our limited land resources. Government farm program payments could easily be labeled consumer subsidies. In reality, that is what they are. However, these payments alone have not been adequate for farmers to make the substantial investment necessary to satisfy the skyrocketing demand both at home and abroad for food and food products.

We are at a crossroads. To satisfy the growing demand for meat and food products, agriculture must be given the incentive to produce. The farmer must receive equity at the marketplace and a fair return on his investment, labor, and management. The Agriculture and Consumer Protection Act will provide these incentives and will provide protection for consumers and jobs for laborers as well.

We have made considerable progress in laying the foundation for these necessary incentives under administration of the Agricultural Act of 1970. We must now build this framework to guarantee adequate food supplies through a period of unprecedented food demand both at home and abroad.

The farmer must not only have a price incentive, he must also have protection against the pendulum of increased production swinging too far. The fear of a boom-bust cycle, similar to 1966–67, has made farmers apprehensive about committing their resources and investing in the equipment and technology necessary to dramatically increase domestic production.

H.R. 8860 provides this protection at reasonable levels on all allotted production. In fact, the target price levels established by this bill would get the Government out of the farm payment business if prices remained at present levels. In fact, the support prices in some instances are below the cost of production. For example, the Grain Sorghum Producers Association cites the national average cost of producing grain sorghum at $2.50 per hundredweight. The grain sorghum target price in H.R. 8860 is $2.34 per hundredweight.

With this in mind, it is imperative that the target price be adjusted annually to reflect cost of production and productivity changes. Without this escalator clause, the production incentives in this bill could become inoperative throughout much of the bill's duration.

Under the provisions of this bill, the wheat processing certificate would be abolished. I am hopeful that the milling and baking industry will use this provision to stabilize their industry and as a means of achieving equity at the marketplace for wheat growers by offering the finished product at a reasonable, and in some cases, a reduced rate to consumers. Before supporting such a modification in existing farm law, I want an understanding that whatever funds are needed to finance the wheat section of this bill will be made available to farmers without reduction or discount consistent with the terms outlined in the act.

I would caution my colleagues who mistakenly believe that in order for us to increase food supplies to stabilize our food price picture that all we have to do is increase production. We must also be careful not to deplete our limited resources. I am also most gratified that this bill provides for a program of permanent soil and water conservation practices, a program which was abruptly terminated last winter.

The final admonition I would like to extend to my colleagues in closing is the same statement I use to close off my "Big First District" farm report, "Be fair to the farmer—he is the backbone of the Nation." This bill will help the farmer achieve equity. I hope that an overwhelming majority will join me in support of H.R. 8860, the Agriculture and Consumer Protection Act of 1973.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I rise to ask the distinguished chairman of the Committee on Agriculture a question or two.

I am curious to know, Mr. Chairman, where I can find in this bill—and it is a very thick bill—anything whatsoever, just a word, a phrase, a section, or a sentence, which would bear out the title of this measure as the "Agriculture and Consumer Protection Act of 1973."

Granted that anything in the bill which contributes to the production of more food would ultimately benefit consumers, if price supports are not too high, what is there in the legislation which constitutes the "Consumer Protection Act?"

Mr. POAGE. Mr. Chairman, the entire bill is predicated upon providing a program that would enable farmers to produce the food and the fiber that American consumers need. We are not under the present situation producing it.

We are drowing thousands of chickens in my part of the country; they will never come on the table. They are sending thousands of dairy cows to market these days. They will never produce milk and you will never get any milk in St. Louis or anywhere else from them.

We are providing a program here that will enable producers to feed those chickens and we are providing a program to keep those cows producing milk and getting the milk on the table. It comes from somebody's farm who produces these things, and they will not and cannot produce them if they have a level of prices such as we have today which is below the cost of production. We believe we are doing more for consumers than any legislation I have seen in this House.

Mrs. SULLIVAN. I thank the gentleman for his answer.

Perhaps the committee took its cue on this from the title of the annual appropriation bill, which contains funds for the Department of Agriculture, but I would point out to the gentleman that when that appropriations bill comes from the Whitten Subcommittee of the House Appropriations Committee it does in fact contain funds for many of the consumer protection agencies of the Government—the Federal Trade Commission, the Food and Drug Administration, the Product Safety Commission, and so on. Does not the bill now before us, suffer from violation of the truth in bill titles concept—just putting the words Consumer Protection Act in the title certainly does not provide any consumer protections that I can see. I hope to offer an amendment to delete Consumer Protection from the title of the bill.

Mr. TEAGUE of California. Will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman.

Mr. TEAGUE of California. I thoroughly agree with the gentlewoman and comment further that in my opinion one reason for the drowning of little chickens and pigs and so forth is the very fact the farm programs we have had took feed grain acreage out of production and forced the price up so high that people cannot afford to buy feed grains to feed the little chickens and pigs.

Mrs. SULLIVAN. Mr. Chairman, I have one further question, dealing with the food stamp program. I think the Members who were here in 1959 or in 1964 when food stamp legislation was battled over so bitterly, getting it started as a national program after 10 long years of effort, know that it was like pulling teeth to get the Agriculture Committee to let the bill out. Today, everybody claims to be in support of the idea of feeding the hungry through food stamps. But the Agriculture Committee has never really believed in food stamps. Oh, the Chairman has always supported it, but very few other members of that committee did so over the years. Now, however, they want to administer it, deciding who can qualify down to the minutist detail. There were grievous blunders made in 1970 in enacting the most recent amendments, including the setting of national uniform standards of qualification, which treat the needy family in high cost New York or San Francisco in exactly the same way as the needy family in the rural reaches of the South.

Now you want to require the people to cash in their burial insurance in order to qualify for food stamps. I hold no brief for chiselers who get food stamps they are not entitled to—they should be prosecuted. But, in trying to cross every "t" and dot every "i" in the administration of the program, you are denying the State welfare departments any discretion whatsoever in deciding eligibility. This will not stop cheating; it will merely keep self-respecting needy people from participating if it means cashing in and spending the cash value of their burial insurance. To me that is cruel and unnecessary.

Mr. TEAGUE of California. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I think I should point out to the membership of this House that most actors lose their audience after they have had a chance to perform. My good friend from California lost his audience before he ever had a chance to open his mouth. That is some sort of a record, I think.

Mr. Chairman, today we consider the Agriculture and Consumer Protection Act of 1973. More appropriately, it should be called the Santa Claus Act of 1973 and should have been scheduled during the Christmas season, since there is something in it for everybody, everybody, that is, except the taxpayer.

This legislation is a hodgepodge of unrelated spending, certain to shock the millions of American taxpayers who have willingly and trustingly supported current programs in the belief that agriculture was at long last turning away from Government subsidies to earn its own way in the commercial markets of the world.

We were headed for high ground—at least that is what some thought. Many hailed the bipartisan support for the Agricultural Act of 1970. They lauded farmers for making their own individual farm adjustments to gear up for meeting consumer demand. They recognized the cost involved in such transition and willingly supported part of that cost because it was helping farmers rely more on the marketplace for income and less on the Federal Treasury.

Farm income rose rapidly. Last year net farm income set an all-time record of $19.2 billion. The Department of Agriculture is projecting at least $22 billion in net farm income for this year.

Agriculture was a major contributor to our balance of payments, with exports of over $11 billion in fiscal year 1973. Our agricultural policy contributed to this record.

Now, we are about to discard many of the gains we have made. While consumers cry out for relief from the high cost of living, H.R. 8860 would increase farm subsidies, reverse our direction and head us once more in the wrong direction—away from farmer independence and down the road toward increasing Government control of agriculture.

H.R. 8860 would establish target prices at high levels for wheat, feed grains, and cotton. It would permanently raise dairy support price to 80 percent of parity—a nebulous word difficult to define and an antiquated standard based on 1910–14 conditions. This would deny additional markets to our dairymen and tend to price nutritious dairy products out of the diets of people who need them most.

Now, let us talk for a moment about the cost of this proposed legislation.

Mr. Chairman, I am as bullish on America as anyone. As a farmer with 50 years experience, I am also a realist. We are not likely to have the high volume of farm export sales every year between now and 1977 that we enjoyed in fiscal year 1973.

I am optimistic about strong demand and good prices for farm production contining this year, and I am certain there are market opportunities yet to be explored and expanded in the years ahead. But I am not willing to buy the idea that H.R. 8860 would not cost the taxpayers anything.

People who say the program would

not cost money are so intent on the candy coating of current farm prices they ignore the possibility that inside that coating may be the bitter pill of lower prices as export demand slackens, world production increases, and foreign competition gets tougher. Let us be honest with the taxpayers and with ourselves and admit that we do not know what prices are going to be in 1974 through 1977. Crystal balls have a way of becoming cloudy.

The Department of Agriculture predicts that for 1974 the average price for wheat will be $1.60 per bushel; for corn, $1.30 per bushel; and for cotton, 30 cents per pound. These are all below the target prices proposed in H.R. 8860.

Based on these assumptions, the Department also estimates that for each cent below the $2.05 target price on wheat, taxpayers would have to pay farmers $18 million. For each cent below the $1.38 target price on corn, taxpayers would pay farmers $68 million. And for each cent below the 38-cent target price on cotton, taxpayers would pay farmers $55 million.

Mr. TEAGUE of California. Mr. Chairman, would the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, I would ask the gentleman from Pennsylvania to repeat what he has just stated so that each one of the Members will be sure to understand what the cost of this may be. I would ask the gentleman to repeat his last sentence about the cost as the prices go down one cent. I beileve this is important for the Members to understand. If the gentleman from Pennsylvania needs additional time, I will yield additional time to the gentleman.

Mr. GOODLING. Mr. Chairman, to repeat what I just stated, based on these assumptions, the Department also estimates that for each cent below the $2.05 target price on wheat, taxpayers would have to pay farmers $18 million. For each cent below the $1.38 target price on corn, taxpayers would pay farmers $68 million. And for each cent below the 38-cent target price on cotton, taxpayers would pay farmers $55 million.

Mr. TEAGUE of California. Mr. Chairman, I thank the gentleman.

Mr. GOODLING. Mr. Chairman, if these estimates are correct, the cost to taxpayers just for 1974 grains, cotton and dairy payments would be more than $2 billion. That cost could escalate to $3.4 billion by 1977, the final year of the programs. When you add the cost of other titles in the bill—such as the forestry incentive program, the rural environmental conservation program and food stamps—the price tag zooms from around $3.4 billion for fiscal year 1974 to $6.3 to 7.4 billion in fiscal year 1978.

Let us not be naive. This legislation carries a potentially large price tag.

That price tag worries me. A few days ago, the President took to the air waves to discuss by radio and television the strong, productive economy we enjoy in the United States. But he pointed the finger directly at inflation as our number one problem today, and most people agree on this.

I share the President's pride in our accomplishments. The U.S. Congress and the President together are responsible for the economic climate and the programs that have made our national progress possible. Industry also deserves its credit. We have the highest standard of living in the world. We are in a strong business boom. The average worker today is earning more than ever before. His income buys more today than it ever has in the past. We have created 4½ million new civilian jobs in the past 2 years.

That climate now is threatened with serious erosion due to inflation, the upward spiral in the cost of living, and reckless spending by the Congress.

This bill could contribute to that erosion. President Nixon has said:

> If the Congress sends me a farm bill, or any other bill, that I consider inflationary, I shall veto such a bill.

The most searching examination of the many different kinds of payments to farmers authorized by H.R. 8860 shows its cost-increasing potentials.

Consider these items, for example:

Deficiency payments to make up the difference between the market price and the guaranteed price.

An escalator clause that would further increase the guaranteed price for each of the crop years: 1975, 1976 and 1977;

Payments based on total production of wheat, rather than just the percentage grown for U.S. consumption;

Increased support prices for milk;

Production payments for wool and mohair;

Indemnification to dairy farmers for pesticide-contaminated milk; also indemnification for cows destroyed because they ate pesticide;

First option to dairy producers and processors for dairy import licenses;

Payments to farmers for letting the public on farmland to hunt, fish, picnic, hike, et cetera;

Payments for protecting wildlife on the farm;

Payments to share the cost of conservation practices;

Cost sharing for farmers to help put a vegetative cover crop on set-aside land, for which the farmer is already getting a government payment;

Payments to farmers who can't plant because of natural disaster;

Payments to beekeepers for loss of bees due to pesticides;

Funds for complete eradication of diseases, pests and insects injurious to cotton. Let me add we do not eradicate but control insect pests and disease;

$1 million for eradication of wheat diseases and pests; and

Loosened eligibility rules for use of food stamps.

Mr. Chairman, in a nation growing at the rate of about 2½ million people a year—where 71 million, or 36 percent, live in urbanized areas of over 1 million people—we have to be concerned about national policies that may discourage production of food in response to people's needs.

Surely there is a better way to accomplish our goals than by putting farmers back into the strait-jacket from which they escaped with the Agricultural Act of 1970, and it, too, was not perfect.

Surely it is possible to devise a program that protects farmers from the wild swing of markets, yet lets them choose to produce for growing markets rather than for the Government. The Commodity Credit Corporation has had many bad dreams in the past in the surplus agricultural products it was required to purchase.

Surely American farmers, like other sectors of the economy, would rather have the risk—and the profit—that comes from free enterprise agriculture, than to return to the security blanket of Government payments.

Mr. Chairman, this legislation is an inflationary jumble of costly Treasury outlays. It is not responsible, market-oriented farm legislation. I urge you to give serious thought to it before casting your vote.

It is important that every incentive be given to the States to include the cash value of food stamps in their supplementary payments to individuals under the supplemental security income program beginning January 1, 1974. The possibility that Congress may reinstate eligibility for food stamps and commodities for these individuals would have a detrimental effect on State decisionmaking currently taking place. Including the cash equivalent of the bonus value of food stamps in the SSI checks would benefit substantially greater numbers of recipients eligible under the adult assistance program. It would be consistent with the philosophy that older people would prefer to have extra available cash rather than stamps or commodities.

We believe that consideration of the following points would support continuation of the food stamp cash-out authorized by Public Law 92–603:

Through the SSI program and the food stamp cash-out, a potential 6.2 million aged, blind, and disabled persons could receive the bonus value of food stamps as part of their monthly check. This contrasts with the low percentage of participation by current recipients in the adult programs—18 percent receive commodities and 28 percent purchase food stamps.

It has been stated that 1.5 mllion persons currently receiving food stamps or commodities would be disadvantaged. This is not true. It is possible that most, if not all, of these persons would receive in their monthly SSI check the same bonus value they now receive. Furthermore, an additional 4.7 million individuals would be eligible to receive the bonus value. In neither case would recipients have to spend a set amount for stamps in order to get the bonus value. The cash would be sent to them as part of their monthly check.

It is critical that checks be mailed to our needy aged, blind, and disabled citizens on time under the new Federal program beginning January 1, 1974. We are well underway in planning with the States. Federal decisions on State supplementation under Federal administration have just been announced. States will begin to make final decisions on payment levels very shortly. This orderly process, designed to insure that the program is ready January 1, must not be slowed by possible legislative change.

Further, if the States believe that SSI recipients will be eligible for food stamps, they very likely will not include the cash equivalent of the bonus value in their supplementary payment.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. RARICK).

Mr. RARICK. Mr. Chairman, I thank the chairman for yielding me this time to speak on this very important piece of legislation.

Mr. Chairman, many Americans are particularly pleased that the committee included forestry incentives provisions in the general farm bill as a pilot program designed to encourage timber production on presently idle lands.

The distinguished Senator from Mississippi, JOHN STENNIS, the author of similar provisions in the other body, has summarized the need for this program quite well:

> The purpose of this Forestry Program is to aid the small landowner to get his idle or very low production acreage started on a tree growth program. Strong provisions put a firm ceiling per year as to total expenditures, a ceiling for the total acreage that can go into the program, and other safeguards which amply protect the Federal expenditure. The entire Forestry Program is strictly an "investment for growth" in forest products for the entire national economy.

Calling forestry incentives an "investment for growth in forest products for the entire national economy" is correct. These provisions are needed and needed now to insure that there will be timber available to meet the increased demands of housing construction in America. Timber depends on trees and trees require time for growth. The final report of the National Commission on Materials Policy, released 28 June 1973, states in part:

> The commercial forest land in non-industrial private ownership is generally poorly managed and least productive of all our forest land, although it includes much of the most fertile and accessible land suitable for growing trees. There is needed a strong and consistent program of increased financial and technical assistance to encourage small owners to grow and market timber crops.

Mr. Chairman, the forestry incentives program outlined in section 1009 of the bill before us would help meet this need. The cost of this program is limited to a maximum of $25,000,000 annually providing up to 25-year contracts, cost sharing limited to 75 per cent, or grants on tracts up to 500 acres. This is certainly a reasonable amount of money for this purpose, especially when we consider that, during the recently passed Interior appropriations bill Chairman HANSEN reported that the Forest Service spends approximately $20,000,000 annually simply to clean up and repair the damage done in our forest lands by visitors and vandals.

Mr. Chairman, the $25 million authorized by these provisions is an investment in America. It is an investment that will reap benefits to all. I would remind our colleagues that we have gone on record time and again in support of more and better housing for all Americans. It is impossible to build these houses with the words expended in this Chamber. It takes timber to build these houses and demand threatens to outstrip supply. Enactment of these forestry incentives provisions will be a major step to insuring that future Americans will have enough timber to supply their needs.

I commend our distinguished chairman from Texas (Mr. POAGE) and the members of this committee for bringing this bill to the floor. H.R. 8860 is a good bill which will be beneficial to U.S. agriculture and American consumers. I urge support for this legislation.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I rise in support of the legislation before us, better known as the General Farm bill. H.R. 8860 is the result of months of hearings, consultation and deliberation on the part of the Commitee on Agriculture. While it is doubtful that a single member of the Committee is totally satisfied with all of the provisions of the bill, I do feel that it provides the basis for maintaining a sound agricultural economy during the next 4 years.

American agriculture must be considered one of our greatest national resources today. At a time when we hear so much discussion of rising food prices, we may be tempted to overlook some important and basic facts. To do so would have unfortunate consequences, not only for the American farmer but for the consumers of this Nation.

The authority contained in this legislation builds on a complex of agricultural legislation and programs that have been laid down almost since the beginning of this Nation. Recognition of the need to foster a strong agricultural economy has been an important element of our national philosophy. Early national efforts in this direction aimed at opening up and settling the vast agricultural areas of this country. Along with these programs were efforts to expand the transportation and communications networks so that those in our rural areas could bring their products to market.

With the passage of the frontier, the emphasis has shifted toward programs that encourage more efficient production and marketing of farm commodities, improved utilization and conservation of our soil and water resources, and the stabilization and maintenance of agricultural income.

There have been successes in these efforts. There have also been false starts and failures. The inescapable fact, however, is that the American consumer has been the beneficiary of an agricultural abundance unknown or unimagined at any other time, in any other nation.

Today, 4.5 percent of our population provides the food and fiber to make the American consumer the best fed, best clothed in the world. Food today requires a smaller portion of the consumer's real income than ever before.

In its deliberations, the committee sought to lay the basis for continuing this situation. Agricultural production can only be assured if producers have the expectation of reasonable returns for their investment, labor and management. This is what is aimed at in this legislation. The basic programs laid down in this bill will give the American farmer the assurance so necessary for him to continue to meet the demands of the Nation's markets at price levels that are reasonable to the consumer.

I cannot emphasize too strongly that this legislation must be viewed as more than just a "farm bill." The ultimate beneficiary of these programs is the consumer. Failure to provide the basis for a strong agriculture will result in heavy penalties in the form of reduced food supplies at higher prices for the consumers of the Nation.

As the ranking Republican member of the Dairy and Poultry Subcommittee of the Committee on Agriculture, I am deeply interested in and concerned over the dairy provisions of H.R. 8860. We have proposed continuing a number of important dairy programs that provide for improving the efficiency of our marketing system and improved nutrition. In addition, we have recommended strengthening several key programs so as to assure the continued production of adequate milk and milk products for the markets of the Nation.

Paragraph 2 of the bill contains a number of amendments to the Agricultural Marketing Agreement Act of 1937 and extends the authority for the use of seasonal base plans, seasonal incentive plans, and class I base plans under Federal Milk Market Orders.

The class I base plan is a system under which the value of fluid milk sales in a given market is apportioned among producers on the basis of the past deliveries of milk. For deliveries within his base, the producer received the higher class I price, while for marketings in excess of base, he receives a lower surplus price.

By assuring the producer of the class I price for his marketings up to the level of his base, the program permits the individual farmer to more nearly tailor his production to the actual needs of the fluid milk market.

At the present time, only two market order areas have class I base plan programs in operation. These are Puget Sound, Wash., and Atlanta, Ga. It should be emphasized that such a plan can only be made a part of a milk market order following full public hearings by the Department of Agriculture and the development of a proposal by the Secretary of Agriculture. After the Secretary has made his recommndations, all interested parties have the opportunity to comment on it before a final decision is made. Even following the Secretary's final decision, the proposal must be approved by two-thirds of the producers in the market voting individually in a referendum.

The seasonal base plan and seasonal incentive or so-called Louisville plan authority in the present law would also be extended for 4 years. Both of these provisions provide tools for use in milk market orders to encourage farmers to manage their dairy operations so that milk production throughout the year more nearly meets the demands of the market.

In addition, paragraph 2 of the bill amends the Agricultural Marketing Agreement Act to require the Secretary of Agriculture to hold a hearing on a proposed amendment to a Federal milk market order if requested to do so by one-third or more of the producers in a market. Another amendment to the Marketing Agreement Act makes clear the requirement that the minimum prices established under Federal milk market orders provide for income levels which will maintain adequate productive capacity to meet future market demands. Both of these amendments are aimed at improving the ability of the Federal milk market order program to respond to the changing needs of consumers and producers alike.

In the past, milk producers operating under Federal milk market orders have experienced difficulty in obtaining hearings on proposed changes in market orders. This reduces the responsiveness of the program to the needs of producers and it can have the effect of reducing the supplies of milk available in the market. As an example of this, last winter producers from most of the major dairy areas of the country requested market order hearings on a proposed emergency price increase under the market orders. The need for the increase was the rapidly rising cost of feed and other production inputs which had, for many farmers, eliminated any profit margin they had. These requests were summarily denied. Thus, the Department of Agriculture effectively denied these dairy farmers an opportunity to present their case on the need for increased prices. Since that time, milk production has continued to decline. We are, in fact, rapidly approaching a milk production situation of crisis proportions.

Requiring that future supply needs be taken into account when establishing minimum price levels under milk market orders simply makes explicit the factor which should already be considered when taking such action. The dairy business is not an enterprise that can be stopped and started on short notice. It requires a high level of investment. The management and labor demands are great when compared to some other types of agricultural production. Farmers entering the dairy business do so on the basis of their estimate of market conditions years into the future.

If actions are taken which reduce milk production today, it will be years, not months, before that production can be restored. You cannot lay a cow idle. When a dairy cow is removed from production, she is slaughtered. It takes about 3 years to put a replacement for that slaughtered animal into production. Similarly, the facilities for milk production often have little use in other lines of agricultural production. Once a dairy herd has been disbanded and the equipment and facilities disposed of or allowed to lay idle for a period of time, the cost of renovating or replacing them is a major outlay which will not be made unless assurance is provided that the needed returns will be available over time.

This is why it is so essential that the level of future market needs must be considered when making price decisions under our market order program. It has been argued that this is already done; however, the committee language makes this explicit as a requirement in formulating the minimum order prices.

Paragraph (3) of H.R. 8860 makes permanent the suspension of the requirement to support butterfat at 75 to 90 percent of parity. It also amends the Agricultural Act of 1949 to establish the minimum price support level for milk at 80 percent of parity and more specifically defines the adequate supply objective of the dairy price support program.

Section 202 of the Agricultural Act of 1970 suspended the requirement that price support be provided on butterfat at between 75 and 90 percent of parity. At the time this provision was enacted, it was argued that this step could be taken without adversely affecting the dairy price support program. It was aimed at providing the Secretary of Agriculture with additional flexibility in the administration of the dairy price support program, while improving the competitive position of milkfat and of butter.

Experience since that time has proven this action correct. Failure to extend this suspension would result in severe dislocations within dairy markets, reduce consumption of dairy products such as butter, increase consumer prices and raise the Government costs of the dairy price support program.

At the time the Agricultural Act of 1949 was enacted, the production of farm-separated cream was a major farm enterprise. The rapid change in the character of the American dairy industry is nowhere more clearly demonstrated than in this area. Today, less than 1 percent of marketings by dairy farmers is made up of farm-separated cream.

Reinstatement of the mandatory support provision for butterfat would result in a 12- to 15-cent-per-pound increase in the price of butter. This would add to consumer costs and would raise the cost of the dairy price support program, as less butter would be consumed and the Commodity Credit Corporation would acquire more at the higher price.

The amendment clarifying the adequate supply objective of the dairy price support program is similar in nature to the new requirement in the Marketing Agreement Act which requires consideration of the level of prices needed to assure the maintenance of adequate production capacity to meet future needs. For the first time, this proposal actually spells out in the law that an adequate supply not only means what is needed for current needs, but that the price support level established must assure adequate income for dairy farmers to maintain productive capacity to meet anticipated future needs. As I have already explained, this is essential because of the long-term nature of the dairy business.

The increase in the minimum price support level for milk to 80 percent of parity is a question of basic concern to dairy farmers and to consumers across the Nation. At the heart of the issue is the continued production of adequate milk at reasonable prices.

Early this year, I joined the distinguished chairman of the Dairy and Poultry Subcommittee, Mr. Jones of Tennessee, and more than 100 of our colleagues in introducing legislation to establish the dairy price support level for the current marketing year at 85 percent of parity. Early in February, our subcommittee held extensive hearings on this question. At that time, dairy farmers from all over the country documented the need for this action to assure the production of adequate supplies during the coming year.

The provisions in H.R. 8860 establish the minimum price support level for milk at 80 percent of parity. This is clear recognition of the need for the increase price assurance to bring forth an adeuate supply of milk for the Nation's markets. Dairy farmers today face an economic squeeze of great intensity. Under normal circumstances, milk production declines during periods of overproduction and falling prices. Today, even though milk prices are higher than ever before in this country, production costs have risen at such a rapid rate that dairy farmers are being forced out of business. Supply and demand are in very close balance now at the peak of the flush production season. When we get to the short production season later this year, we will face very real problems in meeting the needs of the market.

We stand today on the threshold of a major crisis in milk production in this country.

As I have mentioned, farmers are leaving the dairy business and milk production is declining despite the fact that supply and demand for milk and milk products are in close balance and milk prices are at levels that have been, until recently, considered relatively good. The concern which is being expressed concerning the adequacy of milk supplies in some of the Nation's major markets is very real. Action is needed to signal the Nation's dairy farmers that their market prospects are improving and that there will be a reasonably adequate pice level for their production.

Since the prices paid farmers for virtually all milk produced in this country is directly or indirectly affected by the price support level set for manufacturing milk, increasing the minimum price support level for milk to 80 percent, as H.R. 8860 does, is one of the most effective means of giving farmers the needed assurance. Without this, we face the very real prospect of continued heavy culling and complete dispersal of herds as dairymen cut back their operations.

The seriousness of the economic problems facing dairy farmers cannot be overstated. This problem will become very real for the American consumer as well, if shortages in the marketplace force consumer prices much higher than a reasonable adjustment in the support level would.

Milk production can be lowered easily through heavier culling and herd dispersals. However, we must remember, it can only be increased over relatively long periods of time, because of the necessary investment in production facilities, equipment, and dairy cattle.

The high investment required in the dairy business makes it a long-term planning proposition. In 1970, the U.S. Department of Agriculture reported that the average investment in a 40-cow dairy operation in southeastern Wisconsin was over $123,000. That was 3 years ago. The investment needed on that same farm had risen from $81,000 in 1964.

With the rising costs and increased investment required in connection with meeting State and Federal animal waste management requirements, it would not be out of line to project an investment requirement of $150,000 on that same farm today. In my State of Virginia, the investment and operating costs would be at least as high, or higher.

Before a dairyman will continue the investment necessary to keep him in the business, he must have some degree of assurance that his return will be in line with what he can obtain from alternative investments. He must have some degree of assurance that prices within the industry are not going to be forced to disaster levels by administrative action.

Milk is a highly perishable product and its production follows a seasonal pattern. Demand for milk and milk products, on the other hand, is almost constant throughout the year.

Milk production during the spring and early summer is relatively high and falls off to a low point in the late fall and early winter months. Given this pattern, it is impossible to avoid seasonal surplus production if adequate supplies are to be had during the low production period.

Under today's condition, dairy farmers do not have the price assurances needed to stay in business with price supports at the 75 percent of parity level. This is evidenced by the decline in cow numbers and the drop in milk production during the last 7 months. If they cannot make a decent lving for themselves and their families, they are not going to stay in business. If they do not adequate supplies of milk will not be produced.

A higher price support level for milk is needed to assure an adequate supply of milk for consumers as required by the Agricultural Act of 1949. Milk and dairy products have remained a bargain on the retail shelf and demand strengthened greatly over the last year and a half. In 1972, per capita consumption showed an increase for the first time in 15 years. Our population increase and the number of people employed are increasing steadily. Total earnings by employees, expressed by higher wages and the number employed, have increased and are projected to continue to grow. Per capita income which increased 6 percent in 1972 will show gains of that magnitude during the upcoming marketing year.

During 1972, gains in milk and dairy product consumption outstripped the increase in production by 2 to 1; thus, it is extremely important to assure dairy farmers of prices commensurate with their cost if we are to maintain sufficient milk production to meet the needs of consumers not only for today, but in future years.

The price support program is a major bulwark of the legislation designed to stabilize the dairy industry, improve incomes to dairy farmers, and to assure adequate supplies of milk and dairy products to consumers at reasonable prices. The Congress, in enacting agricultural legislation consistently, has declared parity prices to farmers as its goal. The attainment of parity prices to farmers is essential if they are to fulfill their responsibility to the consuming public and if they are to participate in the economy on an equitable basis with other segments of the population.

The average net cost of the dairy price support program, since its inception has been about $225 million per year. Many of the dairy products acquired under the program have been utilized in the child nutrition and food distribution programs of the Department of Agriculture. The value of these programs and the need for them was clearly illustrated last winter when there arose considerable controversy and publicity because of the curtailment of nonfat dry milk deliveries by the Department of Agriculture to participate in these food programs. The simple fact was, and it remains, that there was insufficient product available for use in these necessary programs.

Today, the Commodity Credit Corporation holds no stocks of nonfat dry milk or cheese and only nominal stocks of butter.

When all factors are weighed, there is every reason to increase the minimum price support level for milk to 80 percent of parity. The strengthening of the market at this time is essential to assure farmers that they will have prices in the years ahead which will warrant their staying in the milk production business. Clearly, a minimum price support level at 80 percent of parity for manufacturing milk is in the public interest.

Section 203 of the Agricultural Act of 1970 extended the authority to transfer stocks of dairy products held by the Commodity Credit Corporation under the price support program to Veterans Hospitals and to the Armed Forces. This authority expires at the end of this year and would be extended for 4 years by paragraph (4) of the bill.

Through the years this program has been in effect, substantial quantities of nutritious dairy products have been made available to the Armed Forces and the Veterans Administration. Since it was established in 1954, transfers have totaled 442 million pounds of butter, 26 million pounds of cheese, 1 million pounds of nonfat dry milk, and 5.7 billion pounds of fluid milk have been utilized.

This represents good management of commodities acquired under the price support program and a highly beneficial use of those stocks. Extension of this authority would continue to assure our servicemen and former servicemen receiving care in our Veterans Hospitals of these high-value food products, rather than have them accumulate in Commodity Credit Corporation inventories.

Authority for the dairy and dairy products indemnity program contained in the Agricultural Act of 1970 expired on June 30, 1973. Under this program, dairy producers and operators of dairy manufacturing plants are reimbursed for losses resulting from milk and milk products being barred from markets because of traces of chemical residues. Paragraph (5) of H.R. 8860 extends this authority for five years and provides an important amendment to the program.

Where it can be established that these residues have not resulted from any pesticide misuse by the farmer, he has been eligible under this program for reimbursement of his losses.

In terms of total government costs, the program has not been a costly one. Since its inception in 1964, total outlays have been less than $1.5 million, or about $165,000 per year. For those producers whose milk has been barred from the market, however, it has meant the difference between staying in business or suffering a loss from which they could never recover. Even though few in number, these occurrences continue. As long as this is the case, it is essential that the program be continued.

As reported by the Committee on Agriculture, the indemnity program is expanded to authorize the purchase of cows whose tissues contain the pesticide residue causing the milk to be withheld from the market. This amendment is aimed at providing increased flexibility in the administration of the program and possibly reducing the program costs. In some instances, it may be more economical for the Secretary of Agriculture to make a one-time payment for the contaminated animal than to make payments over a period of time for the milk produced by that cow.

The importation of dairy products into the United States has long been a major concern to the domestic industry. In recognition of this problem, import quotas have been established under section 22 of the Agricultural Adjustment Act. Since most of the dairy products entering international trade carry substantial export subsidies, these quotas have been and continue to be essential to prevent the United States from becoming the dumping ground for foreign produced dairy surpluses.

Section (6) of the bill provides an amendment to section 22 which lays down a procedure for domestic producers and processors of dairy products to receive priority treatment in the issuance of licenses for new imports of dairy products. Since these are the people responsible for maintaining and operating the primary dairy product markets in this country, this procedure can be helpful in preventing market disruption.

Mr. Chairman, I cannot overemphasize the importance of passing solid farm legislation. I believe that H.R. 8860 is the best that can be developed at this time. I urge the support of my colleagues.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, I thank the chairman for yielding to me, particularly because I understand that those who are involved in this debate are those who represent farm producers. I can understand that. I lived in Georgia during the time when the Florida land boom collapsed and the farm economy of the South collapsed, and I remember it very well.

I lived in Iowa after that during the time the first farm subsidy referendums were offered and I can remember when corn was 8 cents a bushel and the first programs came in with the Commodity Credit Corporation offering to pay 50 cents a bushel.

I later lived on my grandfather's farm and worked on that farm, and life there was just as hard then, I am sure, as it is now, so I have a great deal of sympathy for the farmers of America. I think independent small farmers should get protection in the marketplace and we now need an organized system for the supply of food in the United States.

I am very concerned about this particular bill and I know the work that has gone into it. I believe however that a program which we set up in the 1930's and which we still have under this bill, the Commodity Credit loans, as the gentleman from California pointed out and now have added to the law "target prices" which will give the difference between this target price and whatever the market price may be. What we are really talking about is an unlimited minimum price, a part of the old Brannan plan, without a limit on the total amount to be paid to any producer.

In 1965, when the appropriation bill was before the House, I made a series of remarks on the 26th of May pointing out how the farm program would get us into great trouble if we came to a time when there was any shortage of food. That is precisely what has happened.

We have had sales overseas and we have had high prices while continuing in effect, a floor under the market.

We have not had anything to limit the top prices on the market, and as the gentlewoman from Missouri said, there is nothing to protect the consumer from prices going up.

Another thing concerns me and I want to know, if the future market in soybeans and the futures market in feed grains was cornered in Kansas City or Chicago which caused the prices of feed grains to go out of sight. This accounts for some of the things mentioned by the chairman of the committee such as the killing of chickens when prices were frozen but the price of food was not. If this continues we simply cannot afford to provide the necessary proteins for the United States. We have a very difficult and complex problem, and I am very much afraid this bill does not give the necessary answers.

One reason I support the $20,000 limitation is because if we do floor prices, Mr. Chairman, we get to the situation, if the prices drop and we do not have any kind of limitation in there, then we can have a situation where the subsidy payments, as was pointed out by the gentleman from Pennsylvania, can become astronomical and the price of this program can go from $1 billion to $7 billion per year because, as the program is written, we are going to pay everybody who sells for a price below the target price.

We already have Commodity Credit loans which farmers can use, and I think we probably should continue those as a floor for the small farmer who is in trouble. We have had a parity system that may not have been administered as well as the producers would like, but at least it has formed a floor. But, when we get into this target legislation unless we put a limitation on it, as in the Brannan plan we will be in real trouble because it says that we will pay each individual farmer whatever money is involved in his productions times his price differential.

What the set aside program does and what we will do with this target program is force the young people off the land because the money raises the price of land rather than helping the income of the farmworker or the small farmer.

As one puts acreage allotments on and begins to pay for set asides then a value goes on that land over and above the value of the actual use of the land, and this keeps young families from being able to pay for that land.

I do know a little something about agriculture. I do not pretend to be the expert that other gentlemen are, but I just know that the small farmers in my area were put out of business. The chicken farmers could not buy feed grains, because the cost was so high they cannot stay in business. The small dairy farmer is gone because he could not afford to buy the necessary feed for his cows.

We must remember that in the farm community there is tugging and hauling. When we set artificially high target prices we not only injure the consumer in St. Louis, but we have to be very careful not to injure the farm community itself.

I am deeply concerned that if there is a drop in farm price we will pay a huge bill. We should maybe help the farmer but not necessarily with a guaranteed annual income. I hope we will have some amendments to this bill brought in to protect us from abuses.

When I arrived in Congress in 1965, we soon had a farm bill on the floor. At that time, I was appalled that we were still using the agriculture system of the 1930's as a basis for a farm program in the decade of the 1960's. At that time, I expressed grave reservations about the future course of our farm program and felt that we should consider some major changes immediately. I said then, and still believe:

> We should state flatly now that our agricultural programs are not working and we should look at the problem and make a fresh start.
>
> The farm community of the 1960's and 1970's is far different than the community of the 1930's and 1940's when our present farm policy evolved. The new types of equipment, the fertilizers, insecticides, and weedicides have changed production drastically in the last 10 years. These items are available to the well-financed large corporate-type farm complexes and are very effective there. They are not as effective in the small family farm. These items provide great productive capacity on the large commercial farms enabling them to receive large subsidy payments while providing only a trickle to the small family farmer. The payment of subsidies under these circumstances without production controls has led to the creation of large surpluses and imbalance of income whereby a small percentage of our farmers receive the great bulk of our farm subsidy payments.
>
> For example, the family farmer must farm "fence to fence" to maintain a bare existence and he cannot participate in voluntary soil bank programs. Whereas the large commercial farmer through use of new techniques and equipment can both maintain his past production and participate in the soil bank program, with the result that we have not reduced surpluses or controlled production or substantially aided the small farmer.

Because I have lived on a farm, I appreciate how much has been done to make conveniences available to farm communities. I have always known, however, that these Commodity Credit Corporation loans and farm set-aside programs and other subsidy programs have not really helped farm labor or even the very small farmer. On a small farm, there is no acreage to set aside and the subsidy which the small farmer gets is usually just enough to keep him alive until the next year.

The granting of large farm subsidy payments either to support artificially the price of a product or to pay farmers to remove acreage from production rarely benefits even the medium size farmer, but it is a bonanza to the very large farmer. The allotment system drives up the cost of land, forcing farmers to consolidate in order to have set-aside land available. As a result, it makes it almost impossible then for the new young farm family to obtain land to start a small farm enterprise.

I make these remarks to indicate that I know the beginnings of America's farm programs and that I am deeply concerned about the economic well-being of our farmers. I cannot justify, however, using a 1930's program to put a floor under prices and, in the case of this bill, to ask consumers in the cities to spend anywhere from $1.5 to $7 billion in tax money a year—depending on the market conditions—to raise artificially the price of the food which they must buy in the supermarkets.

The depression of the 1930's justified a parity price system to provide a floor for farm producers. But this bill before us not only provides an artificially high floor or "target price" which taxpayers will have to pay for, but these target prices will also raise the price of food, creating yet more cost to taxpayers. The increase in farm income guarantees, due to target prices, will increase capital costs in farmland, which, in turn, will lead to higher production costs and, finally, to higher food costs.

Initially, higher incomes may seem to be a boon for the farmer, the local feed dealer, the elevator operator, and the other agriculture-related business in small rural towns, but these people will soon find that the sharp rise in costs and prices will further drive out the small and medium size farmers. They will find that they cannot compete with the large conglomerates who will both control items sold to the farmer and will receive the maximum benefits from the high prices. Agri-business will also be the only beneficiary of the rapidly escalating land costs.

We can no longer afford to cater to agri-business. We must look into the large agricultural conglomerates as potential antitrust violators. We should also investigate the Commodity Credit exchanges dealing in futures for food. It would appear from an early examination that certain speculators cornered large portions of the market in feed grains, soybeans, and many other agricultural commodities, and that this is directly contributing to the high cost of these products.

I believe we now need management over the supply of food in the United States in order to assure a sufficient supply of food to feed our people at fair and not artificial prices, as well as providing to farmers a fair return on their investment. But this means a balancing, within the economy. This includes the farm industry, as for example, those who consume feed grains against those who produce them. Farmers who raise cattle or chickens will find their costs skyrocketing. It also means letting market prices go down if there is sufficient food to cause such a reduction.

In an attempt to strike a balance between consumer interests and farm interests, I advocate a $20,000 per farmer payment limitation; $20,000 represents, I believe, a reasonable level for farm income payments. It is also extremely desirable in that it will restore some control in the marketplace by removing much of the incentive for large producers to use artificial pricing.

Finally, and most importantly, this $20,000 payment limitation will save literally millions in tax dollars. As I stated when the agriculture appropriations bill came up: "American taxpayers, plagued by rising costs in every area, cannot afford to pay the extravagant sums provided for large farm subsidies. Overall, we paid about $1.9 billion in farm subsidy payments in 1972—a 77-percent increase over payments in 1971. Specifically, in payments of $20,000 and over, in 1968 we paid $273.3 million to 5,914 farmers. In 1972, those payments shot up to $655.8 million to 18,585 farmers. In addition, since the enactment in 1970 of the $55,000 per crop subsidy limitation, we will have shoveled out up to $23.4 million more in tax dollars than if that limitation had never been instituted."

The national list of all those who receive subsidy payments over $20,000 was recently printed in the CONGRESSIONAL RECORD at the request of my distinguished colleague, Congressman PAUL FINDLEY. The list runs 90 pages long. What is even more shocking to me than the fact that this group numbers almost 19,000, is that of this group, many recipients are not even farmers. Oil companies, chemical companies, movie stars, Federal judges, Federal legislators, a bowling alley, a municipal airport, a radio station—the list goes on and on. In fact, if I may reiterate a bit of detective work done by my distinguished colleague Congressman SILVIO CONTE, we went as far as paying Queen Elizabeth of England a farm subsidy last year in the amount of $68,000 through a Mississippi company controlled by Her Majesty.

In view of these extravagances, I think you all will agree that a $20,000 per farmer payment limitation is imperative. But, I submit at this point, that such a limitation alone will not do the job that is necessary to cut the padding out of farm subsidies. The limitation would let market conditions control prices to a greater degree because then large producers have some incentive to compete.

I, therefore, support my friend Congressman FINDLEY's amendment to prohibit farmers from leasing or selling part of their land—in most cases, cotton allotments—and to delete the provisions excluding from the farm payment limitation "resource adjustment" payments, better known as payments for not growing crops.

Prohibiting the selling or leasing of acreage allotments will cut down tremendously on costs to taxpayers and virtual gifts to agribusiness. Farmers can now transfer their valuable acreage allotments and thus avoid the current $55,000 per crop payment limitation. Under Congressman FINDLEY's amendment, this practice would be eliminated and would thereby save the taxpayers millions of dollars in farm payments.

The last, but certainly not the least, of the subsidy-trimming amendments which I support is the measure to delete funding now in the amount of $10 million for Cotton, Inc. It is incredible to me that taxpayers' hard-earned money should be used to promote the sales of one product at a time when apparently we are in short supply of and high demand for both food and fiber.

Funding for Cotton, Inc. was supposed to be determined by the amount saved through the implementation of the $55,000 payment limitation. However, instead of waiting to see how much that savings would be in actual dollars—it turned out to be $2.2 million—the Government went ahead and paid what it estimated that savings might be. So, Cotton, Inc. got $10 million in 1971, and again in 1972, and has again been authorized that amount this year.

Much has been written about how extravagantly and ineptly that extra money has been used. But the point is that for 2 years, and possibly more, American taxpayers have had over $7.8 million a year taken from them by Cotton, Inc.

I am deeply concerned that "target prices" will be paid to raise prices to the consumers. Thus tax funds from consumers will be used to raise prices to consumers. It is time to strike that balance I was talking about between the farmers and the consumers. The Sisk amendment to remove target escalators would help, and we can start today by supporting some vital amendments to this bill to bring some sense and economic justice into this agricultural system of this great country. If we cannot improve this bill to guarantee fair prices instead of just guaranteeing minimum prices, then I shall be forced to oppose it.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for stating his support of a $20,000 limitation on payments. I assume the gentleman wants a limitation which does not have loopholes big enough to drive a tractor through.

Mr. ADAMS. I do, because I am concerned about the set-aside provisions and the acreage allotments.

Mr. TEAGUE of California. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. MIZELL).

Mr. MIZELL. Mr. Chairman, I rise in support of the legislation before us, the Agriculture and Consumer Protection Act of 1973.

This legislation is the product of many weeks of intensive investigation and painstaking work within the Committee on Agriculture, on which I am privileged to serve, and there are several provisions of this bill with which I am particularly pleased.

Among the most important of these is the new provision for "target prices." Under the target price approach, the Congress establishes fair unit prices for producers of the three major commodities—wheat, feed grains and cotton. Such income protection would be available to all farmers who agree to cooperate with the Government in supply adjustment programs.

If farmers could not obtain target prices in the open market, such as when there is an oversupply, the Government would pay farmers the difference between what they actually received and the target prices. If farmers receive target prices or higher in the marketplace, the cost of the Government would be virtually nothing.

This is an historic departure from the agricultural philosophies of old. It brings the farmer much closer to the marketplace, where his opportunities for greater income are much improved, and it effectively removes the Federal Government from the patronizing position it has held for so many years. The only Federal participation now would be more an insurance policy against bankruptcy than a complicated system of income management.

The time has come that we could take additional steps to phase out farm subsidies, but with the tremendous increase in the cost of farming equipment and farm labor, there was a great deal of apprehension in the Agriculture Committee about a complete phaseout at this time. I believe we have charted a better course with this legislation.

Secondly, the bill improves the food stamps program, the only program financed by the Federal Government that actually assures that food will be on the table at mealtime for the less fortunate. With this legislation, we clearly define the terms of eligibility for participation in the food stamp program, with the view toward maximizing the participation of those really in need, and minimizing or eliminating the participation of those who could provide food for themselves.

Thirdly, the legislation transfers from the Department of Labor's Occupational Safety and Health Administration to the Secretary of Agriculture the responsibility for protecting farm workers from hazards associated with exposure to organophosphorous pesticides.

I sponsored this section in the committee, and I am convinced with the overwhelming majority of the committee, that the Secretary of Agriculture is better equipped to provide for the protection of farmworkers while still insuring an adequate supply of food and fiber for the Nation.

A fourth major provision amends the Consolidated Farm and Rural Development Act to provide grants of up to 50 percent of the total costs to eligible rural volunteer fire departments for firefighting equipment and for training these firefighters in the use of such equipment. These grants would be made available to towns, villages or unincorporated areas with populations of 200 to 2,000 persons.

The bill also broadens the scope of assistance available to rural communities for fire protection. By changing the program from "wildlife" protection to general fire protection, more rural communities can qualify for assistance to organize, train and equip local firefighting forces.

Fifth, the legislation terminates the wheat certificate program—for the period July 1, 1973–June 30, 1978—under which processors are now required to pay 75 cents to the Government for each bushel of wheat processed.

And sixth, the bill establishes a new rural environmental conservation program, consolidating the best features of the old rural environmental assistance program, the water bank program, and the Great Plains conservation program. The new program will embody many of the tried practices that have been found effective in dealing with environmental pollution and wildlife preservation. It also sets a new direction for obtaining a better environment for the rural areas of the United States by recognizing that the critical problems of conservation and pollution abatement in rural areas will not all be solved by complete reliance on year-to-year practices of individual landowners, but instead require multi-year direction and planning by the Federal Government.

All of these provisions are good ones, Mr. Chairman. They are provisions I strongly support and provisions that deserve the support of my colleagues, as well. I urge the adoption of this act.

Mr. TEAGUE of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska (Mr. THONE).

Mr. THONE. Mr. Chairman, as a member of the Committee on Agriculture I attended all the hearings for weeks and months on this bill.

Mr. Chairman, I rise in support of H.R. 8860. It is a bill that has been agreed upon by a strong consensus of the committee. But what does it take to get a bill with as much support as this one?

First, it takes thorough consideration. This bill has indeed been very carefully considered by the Committee on Agriculture on which it is my privilege to serve as a member, and as a result it has received the overwhelming endorsement from the members of that committee.

In fact, Mr. Chairman, there were only four opposing votes out of a total membership of 36 when the roll was finally called after weeks and months of detailed and thorough consideration.

I think it is interesting to note from the committee report on this bill that in the course of its deliberations the committee considered some 120 amendments and, I might add, several of them more than once.

What else does it take then to get a "consensus" as great as exists on this bill? It takes a sincere bipartisan effort to get a bill, not just an issue.

That effort was apparent all through the consideration of this bill as our chairman, the distinguished gentleman from Texas (Mr. POAGE) did what I felt was his level best to work toward a bill that could both pass the House and be enacted into law.

The next thing that is needed for a broad-based bill is the support of the various farm and commodity groups that are most directly affected.

With the exception of one major farm organization, I believe I am accurate in saying that the other farm and commodity groups are nearly unanimous in their support of the comprehensive thrust of this bill.

Finally, of course, a major bill like this needs the support of the public and of the Members who represent districts that are not as agriculturally oriented as mine, for example.

To those who are in this position, let me point out that this bill is basically an "insurance policy" for both farmers and consumers. Of course, there will be some cost to it—that's the premium that must be paid for the policy—but that cost, according to the Department of Agriculture's best projections, should be less than the cost of the present program.

This bill provides farmers with both the incentive and stability to produce—and this is the necessary key to getting adequate food and fiber for our growing domestic and world markets in the years ahead.

As in the case of any omnibus-type legislation, there are some provisions included in the bill which I, for one, would change, and there are some amendments which would no doubt improve the bill. Our debate today will decide those issues, but when our work is complete, I hope the House will pass H.R. 8860 so it can go on to conference.

Basically, it is a good bill. A bill that will serve the producers, consumers and taxpayers well.

In conclusion, Mr. Chairman, this bill is a bipartisan consensus bill because it was very thoroughly and fairly considered by the committee. It represents the broad interest of many Members of the House from both agricultural and nonagricultural districts. And finally, it is pretty well endorsed by most of the agricultural community.

I certainly urge its passage.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, a farmer cannot do a good job of plowing his fields when his tractor is in reverse gear. Likewise, this farm bill would not do a good job of "assuring consumers of plentiful supplies of food and fiber at reasonable prices" so long as it has its priorities backwards.

Later this afternoon, I will introduce and support several amendments to the farm bill that are necessary to properly realine this Nation's agricultural priorities.

First, I will introduce amendments to terminate two of the most wasteful subsidy programs ever devised by the Federal Government: the annual $10 million payment to Cotton, Inc., a public relations firm for the cotton lobby, and the payment of millions more annually to beekeepers for their dead bees.

Second, I will support amendments to limit the total payments a farm can receive from the Federal Government to $20,000 a year. And I will also fight to plug the present gaping loopholes in the law that allow big farmers to lease or subdivide their holdings solely for the purpose of circumventing the payment limitation.

I urge my colleagues to support these amendments.

I am rankled quite a bit, as I would think that many of my colleagues are, that the House must take the time to debate and vote on the payment limitation and Cotton, Inc., amendments again so soon. Just 3½ weeks ago, the House approved such amendments to the agriculture appropriations bill by the margins of 195 to 157 and 234 to 125.

It is very disappointing after those overwhelming votes to see the committee recommend a subsidy payment limit of only $37,500 per crop and loaded with loopholes. It would be a futile gesture to pass such a provision. And it's doubly disappointing to see the committee not only propose more taxpayer financing for Cotton, Inc., but also demand that the payment of the full $10 million sum be made mandatory. No longer would the amount paid to Cotton, Inc., be based on savings to the Federal Treasury from the payment limitation; now it would be mandatory to pay the full $10 million. In this case, even the payment of another penny would be scandalous.

Mr. Chairman, I am sure we can all agree that agriculture in the United States is in sorry shape. In my district of western Massachusetts, dairy and poultry farmers are caught in the feed grain shortage and price spiral on one hand and the phase IV price freeze on the other. The Federal Government got them in this jam, but it is not doing anything to help them out of it. This farm bill will not help them or other farmers either.

It will not relieve the drive toward higher prices. With its target prices and escalator clauses, this bill is highly inflationary. It could cost taxpayers as much as $10 billion a year. That is 2½ times the size of the present subsidy bill, which is bad enough. At a time when this country is facing critical inflation and foreign trade problems, this farm bill seeks to perpetuate the same policies that have given us phase IV price contols and commodty export embargoes.

The bill offers no protection or assistance to this Nation's millions of family-sized farms. They are disappearing at an alarming rate. Instead, the cream of this bill is being skimmed off the top by the big fat-cat farmers.

The title of this bill is the Agriculture and Consumer Protection Act of 1973. I challenge the proponents of this bill to show me where this bill protects the farmers who need protection the most, or even the farmers who need a little assistance. And I challenge them to show me how this bill "protects" the consumer.

It does anything but protect the consumer. By perpetuating the present scheme of restrained production and high prices, this bill gouges the consumer.

Before I find this farm bill acceptable, it will be necessary to rid it of the outrageously wasteful subsidies to Cotton, Inc., and to the beekeepers. Furthermore, a strict payment limitation of $20,000 per farm must be applied on subsidy payments for wheat, cotton, and feed grains.

I urge my colleagues to vote for these amendments.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi (Mr. BOWEN).

Mr. MATHIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. Mr. Chairman, I rise today in support of this legislation which is essential to the continuation of the efficient and effective agricultural system that we enjoy in this Nation. This bill is the result of long hours of hearings by the House Committee on Agriculture and various subcommittees thereof. This bill has flaws; this bill is not perfect; but this bill represents what a vast majority of the members of the committee felt was the best legislation we could draw.

The mechanics of the bill have been explained by the distinguished chairman (Mr. POAGE) and by others. I feel that the explanations of the chairman should answer any questions that any Member of this House might have about the legislation.

Let me address myself briefly to the need for a farm bill—reasons why this Congress must continue to support the American farmer as he operates the most efficient agricultural machine in the world. The American housewife and consumer ofttimes does not realize just how dependent she is on the farmers of this Nation—nor does she often stop to consider just what contributions the farmers of this Nation are making to her livelihood. To reduce it to its simplest form, without the farmers we do not eat. Yet we continue to abuse verbally and otherwise the farmers of this Nation when we should be pausing to say "thank you" to them for what they are doing.

We have heard complaints recently about high prices in the supermarkets of this Nation, with most of the criticism reserved for the farmer. I would like to point out again to the Members of this House that we, as Americans, spend less of our disposable income on food in this Nation than do any other peoples in the world. Examples of what other peoples are paying come to us from the agricultural attaches at our embassies around the world. In Bonn, for example, sirloin steak is currently selling for about $3.94 per pound, while eggs are more than $2 per dozen. In Tokyo that same sirloin steak would cost you almost $13 per pound, and you could expect to pay almost $2.25 per pound for pork chops. In Stockholm broilers are currently selling for about $1.20 per pound, and eggs are $1.25 per dozen.

The point I am attempting to make is that we should forget about party lines or philosophical differences in the consideration of this bipartisan, or actually nonpartisan, legislation and think about what is good for this Nation and our people, both urban and rural. The passage of this legislation, as reported by the Committee on Agriculture, is, I believe, essential to the survival of agriculture in America. I urge your favorable vote.

Mr. BOWEN. Mr. Chairman, I rise in support of H.R. 8860, the Agriculture and Consumer Protection Act of 1973.

In any discussion of farm legislation, I hope that my colleagues will keep in sight the basic goal of American agriculture. That goal has been and continues to be to furnish the American consumer with sufficient quantities of high quality food, fiber, and timber products at reasonable prices.

In addition to that fundamental goal, we must keep in mind the economic importance of agriculture to the American economy. While we pride ourselves on being an industrial Nation, the fact remains that agriculture is by far still the largest single industry in the United States. Agriculture, directly or indirectly, provides jobs for nearly 40 percent of the American work force. Farm investment in land, buildings, livestock, and equipment totaled $339 billion in 1972, but farm debt exceeded $66.9 billion in that year.

Up until now, American agriculture has achieved its ambitious goal and has strengthened its position in the economy of our country in spite of a great deal of public misunderstanding.

Recognizing the rapidly developing crisis in supplies of essential food, fiber, and timber crops, the American consumer is up in arms. As in the past, the tendency is to blame the farmer and to press the Congress and the administration to freeze the prices of farm products and to eliminate what some see as subsidies to farmers.

Food prices have indeed increased over 46 percent during the last 20 years, but farm prices have only increased by 11 percent during that time. For example, average food prices rose $21 during 1971, but the farmer only received $1 of that increase. In fact, farmers receive only one-third of each U.S. food dollar, and this is down from the 1952 return of 50 percent.

In spite of the increased food prices, the American consumer is still receiving a bargain. Twenty years ago, the average consumer spent 25 percent of his take-home pay for food. However, by 1972, this figure had dropped to 16 percent.

Farm price increases are significantly below price rises in other segments of our economy. During the past 20 years, transportation rose 55 percent; housing went up 64 percent; medical care increased 123 percent; wages jumped 240 percent; and the total price increase for all consumer items 58 percent.

While farm prices have increased only 11 percent in 20 years, farm costs have jumped 109 percent in that time. Fertilizer costs jumped 64 percent; farm machinery prices have increased by 196 percent; and farm wages are up 240 percent.

The American farmer has been able to survive high costs and low farm product prices by first, dramatically increasing his productivity—output per man-hour is 310 percent higher than 1952; and second, accepting a lower—3.9 percent—return on his capital investment. In fact, the average income of farm people still lags 17 percent behind the average income of nonfarm people, and nearly half of the income of farm people comes from off-farm sources.

If we will but provide the American farmer with the cost of production and a very meager incentive, we need not fear that Americans will go hungry or face astronomical prices. Our farmers will then provide all the food needed at home and a large part of that needed abroad. But that cost of production and modest return on investment must be forthcoming from one source or another.

The farmer must buy in a protected market, and this includes salaries, wages, and equipment, and he is required to sell in a free and competitive market at world prices. The American farmer has been able to provide this bargain to the American consumer—farm products at less than the cost of production—because of the support payments made under our farm program and continued in this act. They are subsidies for the consumer, and without them there would be a major exodus from agriculture and a sudden drop in farm production with an inevitable jump in the price of farm products.

The American taxpayer and consumer would end up paying a great deal more out of his pocket for food than the modest cost of the price support program contained in the act.

Farmers, of course, are not alone in receiving Federal financial assistance. Virtually every segment of the economy has received subsidies in either direct or indirect form. Railroads, steamships, and airlines long have enjoyed subsidies. Tariffs and quotas which protect American manufacturers from ruinous foreign competition are in indirect subsidy and clearly increase the cost of things to farmers as well as urban dwellers

Many of you would regard it as strange indeed to place restrictions on some of our transportation susbidies which would deny the largest, best organized, and most efficient operators the benefits of these programs or to limit their participation. This would serve only to reward inefficiency and provide less incentive for efficient organization, ultimately cutting back on the scope of services available and increasing the cost.

Under our new target price concept of farm price supports, we have abandoned the rigid support payments of the past and have introduced a payment based upon a differential between the average market price of the product and an agreed target price. In the case of cotton it is 38 cents, which represents only 65 percent of parity, in effect 65 percent of what is estimated to be a decent living income for the farmer.

In good years, such as this year, there will be no payments, in heavy surplus years, when the price falls, there will be some payments made, depending upon this differential.

Under this new flexible support system, there is, in my opinion, no justification for any kind of ceiling on participation in the program. A limitation on payments serves only to penalize the larger and more efficient growers, cause reductions in production, and inevitable increases in prices.

During the last 8 years, between 50 and 70 percent of all American cotton grown has been sold below the cost of production. What do you think would happen to this cotton without supports? It simply would not be grown and the conseqently higher prices would be paid by the consumers.

Realizing that politics is the art of the possible, the committee has arrived at a compromise between the political misunderstanding of farm payments and the economic necessity for their being made. That figure, $37,500, halves the difference between the present $55,000 limitation and the $20,000 figure advocated by the more extreme critics of a farm program. To go below this $37,500 level to the $20,000 level would cut the income of American cotton farmers alone by $86 million per year and national production by almost 2 million bales per year.

With a huge nationwide consumer demand for increased production and lower prices, this is no time to engage in actions which are directly calculated to reduce production and increase prices of food and fiber. This would be contradictory and counterproductive to everything which we as a Congress are seeking to accomplish, namely to feed and clothe those who depend on American agriculture at the lowest cost possible.

I urge you to support the committee's bill as a thoughtful and sound solution to a great American and international problem, and a major step forward in the history of agricultural legislation.

Mr. TEAGUE of California. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Oregon (Mr. WYATT).

Mr. WYATT. Mr. Chairman, today, increasing demands are being placed on this Nation's forest land to provide for a multiplicity of uses. I do not have to elaborate on the tremendous increases in demand for timber products, recreational areas, and improved water quality and quantity. To date the controversy between the various user groups has centered on the publicly owned forests. However, the legislation before us today addresses another critical segment of forest land ownership, namely the small nonindustrially owned forest land.

Title X of H.R. 8860 would establish a pilot incentives program to stimulate investment in improved management practices on 60 percent of the Nation's commercial forest land. In the majority of cases, the approximately 4 million owners of this land are not financially capable of nor willing to bear the long run risk necessary to improve the management of these lands. I do not think there is any question as to the need to get these lands producing at their full potential. Such a move would help to both relieve the burdens being placed on our publicly owned forests and meet the projected increases in demand which our forests must satisfy in the future.

Not only will the 4 million landowners benefit from this program but the Nation as a whole will benefit through better housing, more recreational opportunities, improved water, and more wildlife. Certainly there can be no better investment in the future of this Nation than to invest in a few renewable natural resources. I strongly urge my fellow Members to support title X of H.R. 8860 in its present form.

Mr. TEAGUE of California. Mr. Chairman, I yield myself the balance of our allotted time.

Mr. Chairman, I should like to read to the House an excerpt from an editorial which appeared in the New York Times a few weeks ago which referred to the Senate farm bill, and the same comments and the same observations are equally applicable to the bill before us now. I will read a portion of that editorial:

> Actually, the bill constitutes an outrageous, guaranteed lien on the housewife's pocketbook. An even worse aspect is that, if farm supply should again catch up with booming domestic and world demand, the Government would either have to pay out enormous subsidies or else remove vast amounts of land from production in order to cut supplies of farm goods and thereby hold prices up to "target" levels. Since this would mean higher United States farm prices than world market prices, "target-pricing" would necessitate major increases in export subsidies—unless the United States were to find itself priced altogether out of the world market.

Mr. Chairman, in connection with this I should like to repeat what I said during the debate on the rule covering this bill, and that is that I am against this bill. I hope that I have made that clear, both in the minority report, my remarks during the debate earlier, and now.

I think probably the bill will pass, so I am going to give once more some unsolicited and probably unwanted advice. I have every reason to believe that if this bill—this Christmas tree, which now contains so many gifts—is let alone, that the President would probably sign it, if the position of the House prevails in the conference. On the other hand, if we load it up with even more candy canes and presents and, as I said earlier, envelopes filled with hundreds of millions of dollars, and with promissory notes and postdated checks, then the bill is not going to become law.

So my advice, even though I am against the bill, is that those in the House who want a bill and feel that they must have a bill, that they would be very wise indeed not to make it any more costly than it is already.

Mr. POAGE. Mr. Chairman, I yield the remaining 2 minutes of our time to the gentleman from Minnesota (Mr. BERGLAND).

Mr. BERGLAND. Mr. Chairman, I thank the gentleman from Texas (Mr. POAGE) for yielding to me.

Mr. Chairman, the distinguished ranking minority member, the gentleman from California (Mr. TEAGUE) referred to an editorial that appeared in the New York Times on the 14th day of May, and the last sentence in that editorial reads as follows:

> The over-all farm problem is no longer one of surplus and deflation but scarcity and inflation. Residual poverty among small farmers will not be ended by present subsidies and acreage restrictions, but requires a different approach aimed directly at increasing the small farmer's income.

On that same day I wrote to Mr. Oakes, the editor of the editorial page of the New York Times in New York, and I will quote from the concluding paragraph of my letter:

> Would you please detail your views on what sorts of changes you think ought to be incorporated in farm legislation—particularly as it could benefit the nearly two million American farm families living in or on the edge of poverty?

On the 30th day of May I received a letter from Adelaide Sharry, the secretary to Mr. Oakes, in which she said:

> This is to acknowledge your letter of May 14 which arrived in Mr. Oakes' absence. It will, of course, be brought to his attention upon his return to the office.

Mr. Chairman, I have not heard from the editor of that great newspaper, so I cannot share his wisdom with this committee. He simply made a charge that I think he is not prepared to detail.

Mr. ROYBAL. Mr. Chairman, I rise in support of the Bergland amendment which would delete section 2 of H.R. 8860.

I object to section 2 because the May 1, 1973, regulations have already been superseded by amended regulations published June 29, 1973; and therefore, this provision is meaningless. I also object to the transfer of authority to the Department of Agriculture because occupational health and safety is a labor problem which the Department of Labor is much more capable of administering.

In support of my position—and in opposition to section 2—let me discuss the following points:

First of all, OSHA has already substantially revised the standards originally proposed on May 1. In the amended version, OSHA made the following changes: Instead of promulgating standards for 21 pesticides, OSHA prescribed standards only for the 12 most toxic organophosphates; standards for the other 9 are proposed but do not go into effect at this time. The reentry intervals of many of the pesticides were shortened. The definition of "wet areas," where reentry intervals are shorter than in dry areas, was set at over 25 inches of average rainfall per year, an action reducing the impact of the regulations for the East and South. Employers were given the option of choosing which type of warning to give—field posting, bulletin board notice, or oral. Requirements for protective breathing apparatus and clothing were reduced, and the time period of reentry was divided into two parts: 24 hours—when protective measures must be taken in full; and after 24 hours until expiration of the reentry time—when only persons engaged in "substantial contact," such as picking and hand thinning, need take full protective measures. Persons going to their homes or just passing through treated areas need not wear protective clothes or devices during reentry intervals.

All of these changes clearly give a great deal of flexibility and discretion to the employer. As set forth on June 29, these requirements represent the minimal precautions which should be taken to protect both employer and employee.

Second, I would like to point out that these regulations do not impose an unreasonable burden on the farmer. We have heard the argument that these requirements would cause considerable expense for the farmer; this is not true. In most cases the cost will be zero or virtually so; and the requirements will not be difficult to meet.

The Department of Agriculture's Economic Research Service analyzed the cost factor in a February 1973 report entitled the "Economic Implications of Improving Field Reentry Limits for Seven Crops Treated With Organophosphate Insecticides." The Service found that costs would be minimal. It stated that for "apples, grapes, oranges, grapefruit, and lemons, direct production costs and consumer prices would remain unaffected."

Further, the Service based its analysis on a set of proposed reentry intervals which were, for the most part, longer than the reentry intervals set by OSHA. Hence, the costs and management difficulties would be even less under the current standards.

The report states that of the five crops studied; namely, apples, peaches, grapes, citrus, and tobacco, it saw no significant impact on production costs except on peaches and one type of tobacco—and in both of these cases the revised standards minimize or eliminate that difficulty. The standards simply establish requirements already followed by prudent farmers.

Another point proves that the standards are not onerous. In recent years California has had pesticide reentry standards. We all know that California's agriculture has been very successful—and this has been accomplished under reentry standards generally substantially more stringent than OSHA's. If Californian agriculture can adapt and succeed under stricter standards, surely the rest of the Nation can adapt successfully to less stringent reentry requirements.

Third, these regulations are needed. We have all heard quoted and criticized the figures of 800 dead and 80,000 ill per year, figures cited by OSHA in its May 1 proposed regulations. I ask you to listen for a moment to California's annual report on "Occupational Disease in California Attributed to Pesticides and Other Agricultural Chemicals," and to an evaluation of data on pesticides and occupational health by the Stanford Research Institute.

The California report points out that:

> In 1969, 45 percent of the 388 occupational poisonings in California were attributed to pesticides and other agricultural chemicals . . .
>
> Agricultural service workers continued to have more than double the rate of occupational disease due to agricultural chemicals (5.9 reports per 1,000 service workers) than for all workers in agriculture (2.0 reports per 1,000 agricultural workers).

Moreover, the report states that 36 out of 163 accidental deaths in California since 1951 implicating agricultural chemicals were occupationally incurred.

In 1969, 32 percent of the 727 occupational disease reports attributed to agricultural chemicals involved organic phosphate pesticides.

> Organic phosphate pesticides were responsible for 80 percent of 175 cases diagnosed as systemic poisoning and 47 percent of another 160 reports describing digestive and other nonlocalized symptoms of illness.

Finally—

> farm laborers accounted for more than half (381) of the 727 reports of occupational disease attributed to agricultural chemicals . . .

The Stanford Research Institute stresses that these findings are only partial and in fact, understate the real problem.

It reports that—

> Many occupational pesticide "poisonings" are never reported for treatment, particularly by migrant and itinerant workers.
>
> Many occupational pesticide "poisonings" that are reported are inaccurately diagnosed.
>
> Data on some occupational pesticide poisonings that are reported and are accurately diagnosed may never be brought to the attention of state and federal data collection agencies.

Thus we must conclude that organophosphate pesticides pose a real problem of unknown dimensions. Prudence indicates that we take reasonable steps to minimize the hazard.

Fourth, I oppose the idea of transferring the authority to set reentry standards to the Department of Agriculture. It is illogical to expect Agriculture to regulate farmers regarding field reentry. If the history of regulation teaches us anything, it is that an agency cannot effectively regulate its clients.

By interjecting this Department between the competing interests of the farmer and the farmworkers. Agriculture will be placed in a position of having to choose between often conflicting interests.

Let us leave the responsibilities separated, so that the Department of Agriculture can focus on farm production and the Department of Labor on occupational problems. Then proper channels for each activity will be maintained.

Moreover, it must be recognized that Agriculture's regulatory record on pesticides is very poor. As you may recall, this agency regulated pesticides until the creation of the Environmental Protection Agency in 1970. Before that reorganization, the Government Accounting Office and investigatory committees of the House found grave deficiencies in Agriculture's regulation.

In September of 1968, the General Accounting Office issued a highly critical report concerning enforcement procedures followed by the Department's Pesticides Regulation Division—PRD—through mid-1967. The report included the following disclosures:

> (1) When its inspectors found a potentially hazardous or ineffective product, it was PRD practice to take seizure action against only the quantity of pesticide at the location where the sample was obtained. No action was taken to locate and remove from the market additional quantities of the same product being held for sale at other locations.
>
> (2) Despite evidence of repeated violations by some shippers, PRD had not initiated a single criminal prosecution for 13 years.
>
> (3) Notices of judgments obtained in actions (primarily seizures) instituted under the Federal Insecticide, Fungicide, and Rodenticide Act had not been published as required by the act.

The Committee on Government Operations found:

> 1. Until mid-1967, the USDA Pesticides Regulation Division failed almost completely to carry out its responsibility to enforce provisions of the Federal Insecticide, Fungicide, and Rodenticide Act intended to protect the public from hazardous and ineffective pesticide products.
>
> 2. Numerous pesticide products had been approved for registration over objections of the Department of Health, Education, and Welfare as to their safety without compliance with required procedures for resolving such safety questions.
>
> 3. The Pesticides Regulation Division had approved pesticide products for uses which it knew or should have known were practically certain to result in illegal adulteration of food.
>
> 4. The Pesticides Regulation Division failed to take adequate precaution to insure that pesticide product labels approved for registration clearly warned users against possible hazards associated with such products.
>
> 5. Information available to Federal agencies concerning pesticide poisonings was inadequate and incomplete. The Pesticides Regulation Division failed to make effective use of even the limited data available.
>
> 6. The Pesticides Regulation Division did not take prompt or effective cancellation action in cases where it had reason to believe a registered product might be ineffective or potentially hazardous.
>
> 7. The Pesticides Regulation Division consistently failed to take action to remove potentially hazardous products from marketing channels after cancellation of a pesticide registration or through suspension of a registration.
>
> 8. The Pesticides Regulation Division had no procedures for warning purchasers of potentially hazardous pesticide products.
>
> 9. The Agricultural Research Service failed to take appropriate precautions against appointment of consultants to positions in which their duties might conflict with the financial interests of their private employer. Facts disclosed by the subcommittee investigation raised a number of serious conflict of interest questions.

Among the most important of these nine findings is evidence that the Department of Agriculture failed to carry out all requirements of the law, that it did not accept recommendations of other Departments, that it ignored evidence of health damages, and that it became involved in potential conflict of interest situations.

On the basis of this record, I believe we make a grave mistake in entrusting occupational health responsibilities in the Department of Agriculture.

I urge your support of the Bergland amendment which would return the safety and health provisions to OSHA and protect the interest of the farmworker.

PESTICIDE REENTRY PERIODS: PROPOSED OSHA AND THE CALIFORNIA STANDARDS

Chemical	Crop								
	Citrus			Peaches			Grapes		
	OSHA			OSHA			OSHA		
	Wet	Dry	California	Wet	Dry	California	Wet	Dry	California
Guthion	14	3	30	10	3	14	14	3	21
Trithion	14	3	14	10	3	14	14	3	14
Systox	4	3		5	3	7	5	3	7
EPN	14	3	14	10	3	14	10	3	
Methyl parathion				10	3	21	14	3	21
Phosdrin	4	2	4	5	3	4	4	3	4
Meta-Systox				5	3		4	3	
Parathion	14	3	30	10	3	21	14	3	21
Phosphamidon	14	3							
TEPP	3	1	4			4			

Mr. MATHIAS of California. Mr. Chairman, as a member of the Agriculture Committee, I want to voice my support for the farm bill. I think the committee has prepared a bill that will be good for the farmers and good for the consumers. By retaining and modifying some sections of the 1970 Agriculture Act and make some basic changes in a number of programs, this bill will accomplish its objective of encouraging and assisting our farmers to produce adequate supplies of food and fiber for all Americans. And this will be accomplished without jeopardizing the interests of farmers or taxpayers.

I am particularly pleased with the cotton section of the bill. Under this section, cotton farmers will retain the freedom and flexibility in planning their farming operations which were established in the 1970 act by the set-aside program. They will also have the benefit of a target price. Even though the House and Senate have different figures on the amount of the target price, I support this concept. The target price will assure cotton farmers the availability of credit to produce their crop as well as the opportunity to produce without the fear of suffering undue loss in the event of overproduction. Even if market prices should drop from their current levels, a target price for cotton would not impose an undue cost to the Government.

I urge my colleagues to support H.R. 8860, the omnibus farm bill, because it is a bill that will enable our farmers to supply the Nation's agriculture needs.

Mr. DAN DANIEL. Mr. Chairman, I rise in support of H.R. 8860. It is my desire to commend members of the Committee on Agriculture for the long hours of work on this legislation and for the serious-minded approach which they have taken to what I believe is one of the most pressing problems in America today.

The title of this bill is about as descriptive as any which has been before the House this year—

> To extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

This is the objective, I believe, of every Member of this body—and is positive recognition of the fact that this is not a bill solely for farmers, but for consumers as well.

This is not a perfect bill. Few are—but it is a reasonable and measured attempt to deal with a real and obvious problem.

On the one hand, we in America have been blessed with bountiful harvests for many years and on the other this very fact creates for us a gigantic problem of how to deal with the surplus beyond our immediate needs.

The Government's involvement in agriculture is well established and obviously will be around, in one form or another, for many years to come. Obviously, agriculture involves us all and the Government's role legitimately must be to create a climate in which the farmer may produce and expect to receive a fair return for his labors, while at the same time assuring that the ultimate consumers have available that which they need at a price which is fair and reasonable. It is important that a farm program be legislated which will serve all our people. I am firmly convinced that any Government program, in order to be justified, must serve a broad base of our population and not just a limited sector of our economy.

One of the biggest fallacies abroad in the land today is that the farm program only serves farmers—and that it is the natural adversary of the city dwellers. Nothing could be further from the truth. The Department of Agriculture offers many services to city consumers—such as school lunches, nutrition research, countless publications, meat inspection, development of food standards and numerous other activities which benefit millions all across the country.

In testifying earlier this year before the Committee on Agriculture, I set forth the following principles which a workable agriculture program should recognize:

First. Every farmer has a right to expect a fair return for the products of his labor.

Second. Every farmer has a right to expect that Government action in and of itself should not unduly restrict his initiative or his opportunities.

Third. Government programs should be realistic and afford for the producer no less benefits than are derived by those who come between him and the consumer.

Fourth. The Government should not by artificial means take steps that will be detrimental to the overall economy nor should it unduly tamper with the law of supply and demand.

Farm programs are never totally satisfactory to everyone. Naturally, this bill lacks sufficient emphasis in some categories, but I believe it is a good compromise. It is well for us to recall that within the memory of some the farm population represented the largest single element of our society. Today, this has diminished to the point where 5 percent of our people are involved in feeding the remaining 95 percent, plus a good part of the outside world. This miracle of production has been achieved through technical improvements, better management and greater productivity per acre.

Let us not look upon the good fortune of our fields as a liability but let us strive to find ways of utilizing these advantages both for ourselves and for the starving and hungry peoples elsewhere in the world.

Many of us are greatly concerned about the future of agriculture in America. We have brought to the attention of the Cost of Living Council certain inequities in the control procedures which are causing a reduction in production. It is simply unrealistic to expect that farmers are going to continue producing when their return is less than the cost of production. It is also unrealistic that consumers will continue paying increased costs for food items at retail when those who are involved in production are caught in the pinch.

These, of course, are problems which will be better dealt with in future legislation, but the basis for reasonable solutions lies in the bill before us.

I recommend its passage.

Mr. PODELL. Mr. Chairman, 9 years ago, the Congress of the United States absolutely asserted its obligation to eliminate all hunger and malnutrition across the land. In landmark legislation, a food stamp program was created which was succeessful in both supplementing the diet of the impoverished and stimulating economic growth. The bill before us today, H.R. 8860, would severely limit the number of needy and deserving individuals who would be eligible for the food stamp program, and for that reason I must oppose it in its present form.

If H.R. 8860 is adopted without amendments, thousands of senior citizens, Vietnam veterans, migrant workers, and students, who are presently receiving food stamps, will be cut off from all assistance. Instead of extending a compassionate and helping hand to these needy individuals, this legislation would rob them of the little aid they now receive. I cannot believe that it is the intent of this Congress to ignore the commitment which the Federal Government made to these citizens just a short 9 years ago.

Under the present provisions of H.R. 8860, thousands of households which have one elderly member, and are currently receiving assistance, would be wiped off the food stamp eligibility list. To maintain their eligibility, many other senior citizens would be forced to liquidate the small life insurance policies which they have worked all their lives to retain. It is inconceivable to me, that with all the present economic hardships our senior citizens already bear, this Congress intends to further diminish their limited income. That is exactly what this bill would do.

For years, America has taken pride in the extensive opportunity it offers to all its citizens, regardless of income, to take advantage of a quality education. This legislation, however, would discourage many poor students from continuing their higher education. For example, under the new eligibility requirements contained in this bill, unmarried or divorced women with children would not be able to attend college and still receive food stamps, Single Vietnam veterans living on a university campus would be thrown off the food stamp rolls. Students from an otherwise eligible household, would be forbidden from collecting food stamps while attending an out-of-town college. Obviously, these regulations are in direct opposition to traditional American ideals. Ambitious citizens would be penalized for trying to advance their education. In America, under this legislation, it would no longer pay to try.

Under present U.S. Department of Agriculture regulations, in an emergency situation, applicants may be issued food stamps for a period of 30 days without verification of eligibility. Experience shows that this provision has been exercised only when it was imperative for the health and well-being of the individuals involved.

For some groups of Americans, such as the migrant farmworkers, this flexibility has been lifesaving. The proposed regulations contained in this bill, would totally stifle the Department of Agriculture's ability to adapt to any emergency short of a natural disaster.

Finally, this bill fails to provide any cost-of-living adjustments in food stamp allotments. Present benefits are being calculated according to December 1972 food costs. Yet, since that time home food prices have risen 10.9 percent. The food stamp program cannot fulfill its purpose of providing "a nutritionally adequate diet" unless proper adjustments are made to offset inflation.

The House of Representatives will have the opportunity today to demonstrate its legitimate concern for America's poor. I trust that we will not shrink from our responsibility. I urge all my colleagues to support those amendments to H.R. 8860 which will restore or expand current eligibility requirements and which will provide for cost-of-living adjustments.

Mr. DON H. CLAUSEN. Mr. Chairman, there are a number of issues presented by the Agriculture Act of 1973 which have important significance to most Americans. We are all either producers or consumers of American agriculture so we have a very great stake in making certain that we can maintain a strong and stable farm economy.

I am deeply concerned over the impact the present temporary price freeze has had on farmers, farmworkers, and, inevitably, consumers. I have contacted the President asking that he not permit the freeze to continue for the full 60 days.

It is easy and convenient to say that we shall be seeking low food prices. However the consumer, in my judgment, does not want to have low prices without having something to buy at the low price.

Already we have seen an 8-percent drop in the supply of broilers because poultry producers cannot afford to bring to the market their full productive potential. Other segments of agriculture face similar situations.

This problem will worsen as the freeze continues and its full impact will not be felt for several months.

The point I want to make then is that we must try to achieve a high degree of reasonableness in our policies. We must be responsive and responsible in meeting the needs of the farmer and the consumer.

The farmer demands only a fair return for his labors. If he gets that fair return, the consumer can be assured of an abundant, inexpensive supply of the goods he needs.

I am not at all certain the bill before us this afternoon meets the standard of reasonableness but it does have a number of provisions which I strongly support.

The committee should be particularly commended for including in the bill an authorization for a forestry incentives program which is similar to a bill I have introduced with the gentleman from Florida (Mr. Sikes).

This legislation is an attempt to encourage reforestation efforts by small, private landowners. Such a program will be extremely beneficial both in terms of the increased supply of timber it will create as well as the environmental and esthetic benefits these smaller forestlands will provide.

This program is the partner of the National Reforestation Act which I introduced in the last Congress and which was enacted into law. It provides for increased reforestation of public lands.

Enactment of the private lands forestry incentives program—we will be indicating our support for reforestation generally and providing assistance where it is most needed. The growing demand for housing dictates a growing supply of the least expensive and only renewable resource used in housing construction.

In the past, Federal farm programs have not provided the smaller farmer with an adequate return on his investment nor have they tended to minimize the cost of agricultural products to the consumer since taxes paid for farm supports are not included in the cost of food at the supermarket.

This policy should be reversed both in economic stabilization programs under the jurisdiction of the Cost of Living Council and farm programs under the Department of Agriculture.

Mr. DORN. Mr. Chairman, the agriculture bill now before the House is vital to the security and the well-being of the entire Nation, consumers and farmers alike. metropolitan areas as well as the rural areas. I urge its overwhelming approval. Americans traditionally have been accustomed to spending less proportionately of their income on food than any other people. American agriculture has performed miracles. Through hard work and efficient farming methods. One American farmworker now supplies 51 consumers with food, as compared to 15 consumers in 1951.

This unparalleled accomplishment of American agriculture has required of each of our farmers an extremely heavy and risky investment in time, labor, and financial outlay. The farmer daily has to cope with unpredictable weather, ruinously high interest rates, the high cost of land and taxes, and an unfair inheritance tax system that often forces a farm family to sell the farm to developers in order to pay the tax.

The bill now before the House will continue to provide farmers with some measure of assurance with respect to the wheat, feed grain, and cotton programs. It would be a tragic, shortsighted error during this time of rising prices and possible future food and fiber shortages for this House to adopt arbitrarily low payment limitations that would tend to restrict production of wheat, feed grains and cotton.

This bill would also establish a new permanent program of land, wildlife, and water conservation and rural pollution control to carry on the splendid work of the REAP program. In our own area, Mr. Speaker, with the establishment of thousands of farm ponds that catch the water where it falls and thousands of acres of grass we have truly an environmental paradise where once we had exposed red gullies and dust-clogged skies. We commend our dedicated farmers who have contributed so much to environmental improvement through the REAP program and we look forward to even greater success under the new, permanent program recommended by the Agriculture Committee.

As for pesticides, this bill rightly transfers jurisdiction over pesticide control application and reentry standards from the Labor Department to the Department of Agriculture. A forestry incentive pilot program is authorized by this bill to encourage more efficient timber production from the Nation's 296 million acres of nonindustrial private land and non-Federal public forest lands. The pilot program would encourage private owners of small forest lands to apply forestation practices which will provide for more efficient use of cutover, nonstocked and understocked forest lands.

Mr. Chairman, this important legislation is a great tribute to the wisdom and leadership of our distinguished chairman, the gentleman from Texas (Mr. Poage) and his great Committee on Agriculture. We urge approval of the Agriculture and Consumer Protection Act of 1973. Mr. Chairman, I rise to oppose the amendment of the gentleman from Illinois. Let me state at the outset that I am and always have been opposed to any level of payment limitation. Traditionally it was difficult to justify economically or morally. However, it has been justifiable politically, and that is why in my opinion we now have a limit and it also accounts for the annual effort to lower that limit.

Mr. Chairman, I realize that this House approved a similar amendment offered by the gentleman 3 weeks ago on the agricultural appropriations bill. I understand also that there is a great deal of misunderstanding on the part of our urban friends about farm payments.

But I would urge members to look at this issue in the light of the current agricultural production crisis which we face and which we read about daily in even the larger metropolitan newspapers.

Everyone agrees that farm policy needs to be geared to increased production. The Boston Globe stated editorially on June 28:

> We think that Congress should look carefully into possible farm subsidies connected with stimulation of production rather than restriction, as in the past.

The New York Times on July 2 stated:

> It may be possible for the United States to overcome the impact of a profit squeeze on food by changing the farm subsidy program to boost rather than curtail production.

And here, Mr. Chairman, is a real shocker. My good friend the distinguished author of the production cutting amendment now before us, stated in the June 21, 1973, CONGRESSIONAL RECORD:

> With further cuts in production a major meat shortage will soon follow, unless action is taken to encourage production.

My dear friend further goes on to say in a letter to Dr. John Dunlop, executive director, Cost of Living Council:

> The only hope for better food prices for American consumers is higher food production. Government policy should be directed to this end.

Later on in his letter to Dr. Dunlop the gentleman cites the closing of a major oilseed processor in his district because of raw material shortages and freeze regulations.

Mr. Chairman, I have taken the time of the Members to cite these calls for increased agricultural production because I think it is all important and most relevant to the vote we shall soon cast on this amendment. The situation in the last 3 weeks has considerably worsened and has underlined the importance of increased production.

I think it would be unconscionable for this House to vote for a lower limit on the production incentive payments than those proposed by the House committee. We must do all that we can to encourage production. We must not build roadblocks in the paths of farmers. In 1972, 44 percent of the U.S. cotton crop was produced on farms which received over $20,000. With the food crisis at hand, it would be the worst sort of brinkmanship to curtail production of cottonseed, wheat, and feed grains when they are desperately needed in the Nation's feed lots. That would be the effect of this amendment and I urge its rejection.

Mr. VANIK. Mr. Chairman, tomorrow, during the further consideration of H.R. 8860, I expect to offer several amendments to limit taxpayer contributions to support the export sales of agricultural commodities.

A case can be made for taxpayer supported agriculture, when it is designed for domestic needs. The American taxpayer should be willing to support programs which will insure adequate supplies of food, fiber, and meat at reasonable prices and with a fair return to the farmer for his production. But taxpayer support of export sales are unconscionable and should be eliminated.

The first amendment reads as follows:

> Page 11, strike out lines 1 and 2 and redesignate the following clauses accordingly, and on page 13, line 14, strike out "(less imports)", and on page 13, line 15, strike out "and for export".

This amendment would eliminate estimated export sales from the criteria for establishing the number of acres receiving or eligible for taxpayer "guaranteed" supports.

The second amendment is as follows:

> Page 23, line 17, strike out "(less", on line 18, strike out "imports)", and on line 19, strike out "and for export".

This amendment eliminates the expansion of the acreage allotment for feed grains and maintains the present system of acreage allotments only for domestic needs and consumption. Under the amendment, acreage allotments would not be provided for estimated export sales.

With respect to both of these programs, the criteria for taxpayer support and subsidy should be determined by domestic sales and consumption rather than by export sales.

The third amendment which I expect to offer would prohibit the Commodity Credit Corporation from making export subsidy payments—the type of massive subsidy payments which marked the Soviet wheat deal of last fall. The amendment reads as follows:

> Page 32, immediately after line 22, insert the following new paragraph:
>
> (24) Section 610 is amended by inserting "(a)" immediately after "Sec. 610." and by inserting at the end thereof the following new subsection:
>
> "(b) In carrying out its powers and duties under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation may not make or provide for payments of export subsidies or similar payments to exporters of commodities."
>
> Redesignate the following paragraphs accordingly.

Agriculture has now become a mature industry in the United States and should stand on its own without taxpayer subsidies in the world market. A case has not been made for continued taxpayer supported agricultural subsidies for export trade. As yesterday's General Accounting Office report on the Soviet deal stated:

> The Department of Agriculture should review its wheat export subsidy program "and predicate its reinstatement on a meaningful justification for its existence."

Finally, I also expect to offer the following amendment to insure that imported meat is available for purchase under the food stamp program. The chairman of the Agriculture Committee has many times stated that the food stamp program is not a farm program and this amendment is designed to insure that low-cost meat and meat products are available to those eligible for food stamp purchases.

The amendment follows:

> Page 58, line 15, immediately after the colon insert: "and such food and food products as may be determined by the Secretary to be of low or insignificant nutritional value."

I hope that every Member will take part in this important debate. We should not permit a farm bill to be written solely by farmers and farm representatives. It affects every section of the United States. It affects all citizens; it will be paid for by all taxpayers. The legislation should receive the very careful and serious consideration and participation of every Member of this body.

In my judgment, we can write legislation which can, indeed, insure adequate supplies of food to the American people at reasonable prices which will provide the farmer with proper compensation for his work and the investment of his capital, and still permit him to participate in foreign export sales.

The success of American farm technology, undoubtedly one of America's greatest achievements, was paid for by all of the taxpayers of America. Therefore, this bill should endeavor to serve the consumers of America as much as it endeavors to provide for proper recognition to the contribution of the American farmer.

Mr. RINALDO. Mr. Chairman, whatever the merits or demerits of the pending legislation, H.R. 8860, I believe it is important to note the action of the Committee on Agriculture in eliminating the requirement of a 75-cents-per-bushel certificate imposed on the processors—and, ultimately, on the consumers—of wheat.

The burden of this "bread tax" has been carried by millers, bakers, and consumers since 1962, and repeal of this inequitable tax could not be more timely. Already faced with record high wheat prices arising in part from the huge sale of wheat to the Soviet Union, the recent freeze on the retail price of processed foods has created a serious marketing crisis for millers and bakers. Elimination of the 75-cent certificate will help ease the crisis both for processors and consumers.

The bread tax alone accounts for 2 cents of the price of each loaf of bread. Without relief from this tax, prices must go up or vitally important businesses must come tumbling down. And since the beginning of 1972, a total of 81 bakeries have closed their doors—an ominous indicator at a time when healthy competition in the food industry is more important than ever.

The pending bill, Mr. Chairman, would repeal the wheat certificate program as of July 1, 1973. In its version of the legislation, the other body has provided for repeal of this requirement as of the date of enactment of the bill. While the objective of both provisions is the same—relief from a particularly regressive tax—there appear to be distinct advantages to making repeal effective on the date of enactment. This approach would save the Department of Agriculture and the industry from the potential administrative difficulties involved in the retroactive rebate of funds collected between July 1 and the enactment of the legislation, and it would avoid possible inventory control problems. I have every confidence, however, that the conferees will reach a rational resolution of this question.

In the meantime, Mr. Chairman, I applaud the committee for taking this timely action. I share with our colleagues on the committee the conviction that the processing certificate program represents a most onerous, hidden, and basically unfair charge against a single industry and against consumers of a very basic commodity. This tax violates both the principle of ability to pay and the principle of compensation for a benefit as a mode of raising revenue. Its repeal will stand as a major achievement of this Congress.

Mr. BIAGGI. Mr. Chairman, I rise in support of the Agriculture and Consumer Protection Act of 1973, but also wish to endorse two amendments to H.R. 8860 which would, in my opinion, greatly refine and improve this needed legislation. The bill extends the Agricultural Act of 1970 for 4 years and alters in several ways the farm and food stamp programs authorized by that act.

One long overdue provision which I am most pleased to see in this bill is the elimination of the bread tax. This tax requires wheat processors to pay 75 cents per bushel to help maintain the price support program. This cost has recently become prohibitive for a great many processors, a number of whom have been forced out of business. Since the payment has traditionally been passed on to bakers and then to consumers, the tax has proven to be entirely counterproductive.

Mr. Chairman, a provision of this bill which should be amended, on the other hand, is one which would force senior citizens who now receive food stamps to cash in their life insurance and use it for living expenses if they wish to retain their eligibility. I feel this would be a cruel and unnecessary step to take, and that we should rather increase the asset limit for the elderly to $3,000 and keep the definition of assets which appears in the current regulations.

The second provision of H.R. 8860 which I dislike is the farm payment limitation level of $37,000 per crop. However, this figure represents a marked improvement over the present exorbitant $55,000-per-crop level, but is still far too generous with the taxpayer's dollar. I would instead urge my colleagues to vigorously support the Findley amendment, which imposes a payment limitation of $20,000 per farmer. This would allow for reasonable profits while resulting in a program savings of approximately $200 million. With the inclusion of the Findley amendment in H.R. 8860, I feel that we would have before us an excellent measure designed to provide fair and equitable treatment both for the farmers and the consumers of this Nation.

Mr. VEYSEY. Mr. Chairman, the legislation before us to extend the farm program contains a number of measures which are essential compromise among divergent interests within agriculture, as well as between agriculture and other segments of our economy.

And I am certain that there will be further compromise made between our version of the bill here in the House and the Senate version of the legislation.

In my estimation, the most important fact to keep in perspective as we continue this second day of debate on the farm bill, is the mutual interdependence shared by all of agricuture and all consumers.

It is vital to the interests of the American consumer to maintain a healthy agriculture—and it is vital to the American farmer to produce food and fiber at the lowest possible cost to the consumer.

During the past 20 years, the American farmer has given to this relationship, above and beyond the call of duty. While his costs of production have increased by at least 200 percent in most cases—his returns have remained roughly the same. More than half of the Nation's farmers have gone out of business during the past generation, and the trend is continuing.

The American consumer today is able to buy food cheaper than consumers in any other part of the world. While wages have gone up some 250 percent during the past 20 years—food in the grocery stores has gone up only 40 percent.

While the average American worker works 3 minutes to buy a loaf of bread, the average Englishman must work 4 minutes, the average German 5 minutes, the average Frenchman 6 minutes, the average Swede 6 minutes, and the average Japanese 8 minutes.

The American worker spends 15 minutes on the job to buy a pound of roast beef, while the average worker in Sweden must toil 34 minutes, in Germany 36 minutes, in England 37 minutes in France 46 minutes, and in Japan almost 2 hours.

The American consumer spends slightly over 15 percent of his disposable income for food—by far the lowest in the world.

I offer these figures, Mr. Chairman, to point out the fallacy in the argument that consumers have been taken for a ride by American agriculture. Quite to the contrary, the farmer in this country has been operating for at least 20 years at negligible profit levels.

And I particularly want to make the point that it is imperative that we in the Congress take full recognition of the longstanding economic inequities suffered by the American farmer, and make decisions on extending farm legislation upon that basis.

I am fully convinced that it is time for the Government to begin to get out of the business of managing American farm production. Yet, it would be tragic to drop all controls and all price supports without sufficient time for an orderly phaseout—time for the market system and the production machinery to adjust.

I am supportive of efforts to limit farm payments to large corporations, and yet it will be counterproductive if such action sharply limits farm production in certain crops or otherwise upsets the natural production levels of affected crops.

I implore my colleagues, both rural and urban oriented, to consider this legislation seriously. It would be disastrous if contrived, politically inspired sparring between rural-oriented and urban-oriented Members of this body were to irreparably injure this bill. It will also be tragic if one group of farmers tramples the rights of other growers who have different problems.

We need to begin phasing out Government subsidies and controls in agriculture. This legislation is intended to do that.

At the same time, we need to provide basic protection for the farmer in order to assure a healthy agriculture which produces a reliable supply of high-quality food and fiber at the lowest possible price. This legislation is intended to provide that.

The interests of all Americans are encompassed within this legislation. Those interests are very similar and, at the same time, interdependent.

We must have a healthy agriculture, a stable and abundant food supply, and continued low-cost food to American consumers.

We need to pass this legislation with those goals in mind.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 8860

A bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Act of 1970 is amended as follows:

PAYMENT LIMITATION

(1) Section 101 is amended by—

(A) amending subsection (1), effective beginning with the 1974 crop, to read as follows:

"(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1977 crops of the commodities shall not exceed $37,500."

(B) amending subsection (2) effective beginning with the 1974 crop, to read as follows:

"(2) The term 'payments' as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation."

DAIRY PROGRAM

MILK MARKETING ORDERS

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1977", and by striking out "1976" and inserting "1980", and

(B) adding at the end thereof the following:

"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

"(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: ': *Provided further,* That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the

Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.'

"(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase 'to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs'."

MILK PRICE SUPPORT, BUTTERFAT PRICE SUPPORT SUSPENSION

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs"; and

(C) inserting in subsection (b) in the first sentence "80 per centum" in lieu of "75 per centum".

VETERANS HOSPITALS

(4) Section 203 is amended by striking out "1973" and inserting "1977".

DAIRY INDEMNITY PROGRAM

(5) Section 204 is amended by—

(A) striking out "1973" and inserting "1977"; and

(B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:

" 'SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.' "

(6) Title II is amended by adding at the end thereof the following:

"DAIRY IMPORT LICENSES

"SEC. 205. Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is amended by adding at the end thereof the following:

" '(g) The President is authorized to provide that dairy products may be imported only by or for the account of a person or firm to whom a license has been issued by the Secretary of Agriculture. In issuing a license for dairy products not currently being imported but sought to be imported under this section during any period after the enactment of the Agriculture and Consumer Protection Act of 1973, the Secretary shall make licenses available for a thirty-day period before issuing licenses to other applicants to domestic producers and processors who agree to import such dairy products. For purposes of this subsection, dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) industrial casein, industrial caseinates, or any other industrial products, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles: *Provided*, That dairy products in any form, in any such article are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product.'

"PRODUCER HANDLERS

"SEC. 206. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by the Agriculture and Consumer Protection Act of 1973 as it was prior thereto."

WOOL PROGRAM

(7) Section 301 is amended by—

(A) striking out "1973" each place it occurs and inserting "1977", and by striking out the word "three" each place it occurs; and

(B) adding at the end thereof the following:

"(6) Strike out the first sentence of section 708 and insert the following: 'The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States.'."

WHEAT PROGRAM

WHEAT PRODUCTION INCENTIVES

(8) Effective beginning with the 1974 crop section 401 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977" and section 107 is amended by—

(A) amending section 107(a) to read as follows:

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: *Provided*, That in no event shall such level be in excess of the parity price for wheat or less than $1.49 per bushel."

(B) substituting the word "payments" for the word "certificates" in section 107(b);

(C) striking the quotation mark at the end of section 107(b); and

(D) adding at the end of the section the following:

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop is less than the established price of $2.05 per bushel, adjusted for each of the 1975 through 1977 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates, times (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of wheat for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of wheat for the three calendar years preceding the year previous to the one for which the determination is made. If the Secretary determines that the producers are prevented from planting, or if planted, prevented from harvesting any portion of the farm acreage allotment to wheat or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis."

TERMINATION OF WHEAT CERTIFICATE PROGRAM, FARM ACREAGE ALLOTMENTS

(9) Section 402 is amended by inserting "(a)" after the section designation and adding the following at the end of the section:

"(b)(A) Section 379b of the Agricultural Adjustment Act of 1938 (which provides for a wheat marketing certificate program) shall not be applicable to the 1974 through 1977 crops of wheat, except as provided in paragraphs (B) and (C) of this subsection.

"(B) Section 379b(c) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section (which provides for a set-aside program), shall be effective with respect to the 1974 through 1977 crops of wheat with the following changes:

"(i) The phrase 'payments authorized by section 107(c) of the Agricultural Act of 1949' shall be substituted for the word 'certificates' and the phrases 'certificates authorized in subsection (b)' and 'marketing certificates' each place they occur.

"(ii) The word 'domestic' shall be stricken each place it occurs.

"(iii) The second sentence of section 379b(c)(1) is amended to read as follows: 'If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments authorized by section 107(c) of the Agricultural Act of 1949, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the wheat allotment for the farm as may be specified by the Secretary and will be estimated by the Secretary to result in a set-aside not in excess of thirteen and three-tenths million acres in the case of the 1971 crop; plus, if required by the Secretary, (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary.'

"(iv) The third sentence in 379b(c)(1) is amended to read as follows: 'The Secretary is authorized for the 1974 through 1977 crops to limit the acreage planted to wheat on the farm to a percentage of the acreage allotment.'

"(v) '1971 through 1977' shall be substituted for '1971, 1972, and 1973' each place it occurs other than in the third sentence of section 379b(c)(1).

"(vi) After the second sentence of section 379b(c)(3) the following shall be inserted: 'The Secretary may, in the case of programs for the 1974 through 1977 crops, pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences.'

"(C) Sections 379b (d), (e), (g), and (i) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section, shall be effective for the 1974 through 1977 crops amended to read as follows:

"'(d) The Secretary shall provide for the sharing of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"'(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"'(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"'(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.'

"(D) Section 379c of the Agriculture Adjustment Act of 1938, effective only with respect to the 1974 through 1977 crops of wheat, is amended to read as follows:

"'SEC. 379c. (a)(1) The farm acreage allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim the national acreage allotment not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. Such national allotment shall be the number of acres he determines on the basis of the estimated national average yield for the crop for which the determination is being made will produce the quantity (less imports) that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks are excessive or an increase in stocks is needed to assure a desirable carryover, he may adjust the allotment by the amount he determines will accomplish the desired decrease or increase in carryover stocks. The national acreage allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national acreage allotment for the preceding crop (1973 national domestic allotment in the case of apportionment of the 1974 national acreage allotment) adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm acreage allotments, and other relevant factors.

"'(2) The State acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the wheat allotment for the preceding crop, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm allotments, and other relevant factors.

"'(3) The farm allotment for each crop of wheat shall be determined by apportioning the county wheat allotment among farms in the county which had a wheat allotment for the preceding crop on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm allotment shall be adjusted downward to the extent required by subsection (b).

"'(4) Not to exceed 1 per centum of the State allotment for any crop may be apportioned to farms for which there was no allotment for the preceding crop on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"'(5) The planting on a farm of wheat or any crop for which no farm allotment was established shall not make the farm eligible for an allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"'(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography.

"'(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm allotment, the farm allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm allotment, but such reduction shall not exceed 20 per centum of the farm allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has an allotment, such farm shall lose its allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to wheat because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans, feed grains for which there is a set-aside program in effect, guar, castor beans, cotton, triticale, oats, rye, or such other crops as the Secretary may deem appropriate and considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"'(2) Notwithstanding the provisions of subsection (b) (1), no farm allotment shall be reduced or lost through failure to plant the farm allotment, if the producer elects not to receive payments for the portion of the farm allotment not planted, to which he would otherwise be entitled under the provisions of section 107(c) of the Agricultural Act of 1949.'"

REPEAL OF PROCESSOR CERTIFICATE REQUIREMENT

(10) Section 403 is amended by inserting "(a)" after the section designation and by inserting at the end thereof the following:

"(b) Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processed or exported during the period July 1, 1973 through June 30, 1978; and section 379g is amended by adding the following new subsection (c):

"'(c) The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the certificate program provided for under section 379d to a program under which no certificates are required. Notwithstanding any other provision of law, such authority shall include, but shall not be limited to the authority to exempt all or a portion of wheat or food products made therefrom in the channels of trade on July 1, 1973, from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products made therefrom at such price and under such terms and conditions as the Secretary may determine. Any such certificate shall be issued by the Commodity Credit Corporation. Nothing herein shall authorize the Secretary to require certificates on wheat processed after June 30, 1973.'."

SUSPENSION OF WHEAT MARKETING QUOTAS

(11) Section 404 is amended by striking "1971, 1972, and 1973" wherever it appears and inserting "1971 through 1977", and by striking "1972 and 1973" and inserting "1972 through 1977".

STATE AGENCY ALLOTMENTS, YIELD CALCULATIONS

(12)(a) Section 405 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977"; and by repealing paragraph (2) effective with the 1974 crop; by inserting "(a)" after the section designation; by changing the period and quotation mark at the end of the section to a semicolon; and by adding at the end of the section the following:

"(b) Effective with respect to the 1974 through 1977 crops section 301(b)(13)(K) of the Agricultural Adjustment Act of 1938 is amended by adding after 'three calendar years' the following: '(five calendar years in the case of wheat)', and section 708 of Public Law 89–321 is amended by inserting in the second sentence after 'determining the projected yield' the following '(except that in the case of wheat, if the yield is abnormally low in any one of the calendar years of the base period because of drought, flood, or other natural disaster, the Secretary shall take into account the actual yield proved by the producer in the other four years of such base period)'."

SUSPENSION OF QUOTA PROVISIONS

(13) Section 406 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

REDUCTION IN WHEAT STORED TO AVOID PENALTY

(14) Section 407 of the Agricultural Act of 1970 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Secretary may authorize release of wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop, whenever he determines such release will not significantly affect market prices for wheat. As a condition of release, the Secretary may require a refund of such portion of the value of certificates received in the crop year the excess wheat was produced as he deems appropriate considering the period of time the excess wheat has been in storage and the need to provide fair and equitable treatment among all wheat program participants.".

APPLICATION OF THE AGRICULTURAL ACT OF 1949

(15) Section 408 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

(16) Section 409 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

SET-ASIDE ON SUMMER FALLOW FARMS

(17) Section 410 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

FEED GRAIN PROGRAM

(18) Effective only with respect to the 1974 through 1977 crops of feed grains, section 501 is amended by—

(A) striking out that portion which precedes the first colon and inserting the following:

"SEC. 501. (a) Effective only with respect to the 1971 through 1977 crops of feed grains, section 105(a) of the Agricultural Act of 1949, as amended, is further amended to read as follows:

" 'SEC. 105. Notwithstanding any other provision of law—

" '(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.19 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

" '(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.'."

(B) adding at the end thereof the following:

"(b) Effective only with respect to the 1974 through 1977 crops of feed grains, section 105(b) of the Agricultural Act of 1949, as amended, is further amended to read as follows:

" '(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley, computed by multiplying (1) the payment rate, times (2) the allotment for the farm for such crop, times (3) the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The payment rate for corn shall be the amount by which the higher of—

" '(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

" '(2) the loan level determined under subsection (a) for such crop

is less than the established price of $1.38 per bushel, adjusted for each of the 1975 through 1977 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates: *Provided,* That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of feed grains for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of feed grains for the three calendar years preceding the year previous to the one for which the determination is made. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. If the Secretary determines that the producers on a farm are prevented from planting or if planted, prevented from harvesting any portion of the farm acreage allotment to feed grains or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price.

" '(2) The Secretary shall, prior to January 1 of each calendar year, determine and proclaim for the crop produced in such calendar year a national acreage allotment for feed grains, which shall be the number of acres he determines on the basis of the estimated national average yield of the feed grains included in the program for the crop for which the determination is being made will produce the quantity (less imports) of such feed grains that he estimates will be utilized domestically and for export during that marketing year for such crop. If the Secretary determines that carryover stocks of any of the feed grains are excessive or an increase in stocks is needed to assure a desirable carryover, he may adjust the feed grain allotment by the amount he determines will accomplish the desired decrease or increase in carryover stocks. State, county, and farm feed grain allotments established for the preceding crop (for 1974 on the basis of the feed grain bases established for 1973), adjusted to the extent deemed necessary to establish a fair and equitable apportionment base for each State, county, and farm. Not to exceed 1 per centum of the State feed grain allotment may be reserved for apportionment to new feed grain farms on the basis of the following factors: suitability of the land for production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain allotments.

" '(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the feed grain allotment for the farm, the feed grain allotment for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than the feed grain allotment for the farm, but such reduction shall not exceed 20 per centum of the feed grain allotment. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain allotment, such farm shall lose its feed grain allotment: Provided, That no farm feed grain allotment shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain allotment not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain bases as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the feed grain allotment shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans, wheat, guar, castor beans, cotton, triticale, oats, rye, or such other crops as the Secretary may deem appropriate, considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain or soybean program.'."

(C) striking out "1971, 1972, 1973" where it appears in that part which amends section 105(c)(1) of the Agricultural Act of 1949 and inserting "1971 through 1977", and by amending the second sentence of section 105(c)(1) to read as follows: "If a setaside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to (i) approved conservation uses an acreage of cropland equal to such percentage of the feed grain allotment for the farm as may be specified by the Secretary, plus, if required by the Secretary (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary.",

(D) amending the third sentence of section 105(c)(1) to read as follows: "The Secretary is authorized for the 1974 through 1977 crops to limit the acreage planted to feed grains on the farm to a percentage of the farm acreage allotment.",

(E) striking out paragraphs (1) and (3) of subsection (e), inserting a period after the word "topography" in the first sentence of paragraph (2) and striking out the balance of such sentence and striking out all of subsection (g),

(F) inserting after the second sentence of section 105(c)(3) the following: "The Secretary may, in the case of programs for the 1974 through 1977 crops, pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences.".

COTTON PROGRAM

SUSPENSION OF MARKETING QUOTAS FOR COTTON, MINIMUM BASE ACREAGE ALLOTMENT

(19) Section 601 is amended by—

(A) striking out "1971, 1972, and 1973" wherever it appears therein and inserting "1971 through 1977",

(B) striking "1970, 1971, and 1972" from paragraph (2) and inserting "1970 through 1976",

(C) effective beginning with the 1974 crop, striking out the following from section 344a(a) in section 601 "for which a farm base acreage allotment is established (other than pursuant to section 350(e)(1)(A))",

(D) striking "1974" from paragraph (3)(1) and inserting "1978", and by striking "1972 and 1973" from paragraph (4) and inserting "1972 through 1977",

(F) effective beginning with the 1974 crop, adding at the end of section 350(a) in paragraph (4) of section 601 the following: "The national base acreage allotment for the 1974 through 1977 crops shall not be less than eleven million acres.",

(F) effective beginning with the 1974 crop. striking "soybeans, wheat or feed grains" from the last sentence of section 350(e)(2) in paragraph (4) of section 601 and inserting "soybeans, wheat, feed grains, guar, castor beans, or such other crops as the Secretary may deem appropriate".

(G) effective beginning with the 1974 crop, striking the word "an adjoining" in the first sentence of section 350(h) as found in paragraph (4) of section 601, and inserting in lieu thereof "any other nearby",

(H) effective beginning with the 1974 crop, striking subsection 350(g) in paragraph (4) of section 601 and redesignating subsection (h) as subsection (g).

COTTON PRODUCTION INCENTIVES

(20) Section 602 is amended by—

(A) striking "1971, 1972, and 1973" wherever it appears therein and inserting "1971 through 1977", by striking "the 1972 or 1973 crop" where it appears in that part amending section 103(e)(1) of the Agricultural Act of 1949 and inserting "any of the 1972 through 1977 crops", and by striking out "acreage world price" in that part amending section 103(e)(1) of the Agricultural Act of 1949, and substituting "average price of American cotton in world markets";

(B) in that part amending section 103(e)(1) of the Agricultural Act of 1949 striking out "two-year period" whenever it appears therein and substituting "three-year period"; and by striking out that part beginning with "except that" in the first sentence and substituting "except that if the loan rate so calculated is higher than the then current level of average world prices for American cotton of such quality, the Secretary is authorized to adjust the current calculated loan rate for cotton to 90 per centum of the then current average world price.";

(C) effective, beginning with the 1974 crop, amending section 103(e)(2) of the Agricultural Act of 1949, as it appears in such section 602 to read as follows:

"(2) Payments shall be made for each crop of cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(1) the average market price received by farmers of upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under paragraph (1) for such crop

is less than the established price of 38 cents per pound adjusted for each of the 1975 through 1977 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of cotton for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of cotton for the three calendar years preceding the year previous to the one for which the determination is made. If the Secretary determines that the producers on a farm are prevented from planting, or if planted, prevented from harvesting any portion of the allotment to cotton, because of drought, flood, or other natural disaster, or condition beyond the control of the producer, the rate of payment for such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The payment rate with respect to the producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(a)), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3)."

(D) effective beginning with the 1974 crop, section 103(e)(3) of the Agricultural Act of 1949 is amended (a) by striking out all of the first sentence after the word "multiplying" and substituting "the farm base acreage allotment for the farm for the crop by the average yield established for the farmer." and (b) by striking out the second sentence,

(E) the fourth sentence of section 103(e)(4)(A) of the Agricultural Act of 1949 as found in section 602 is amended to read as follows: "The Secretary shall permit producers to plant and graze on set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income."

(F) inserting after the second sentence of section 103(e)(5) of the Agricultural Act of 1949 as it appears in such section 602 the following: "The Secretary may in the case of programs for the 1974 through 1975 crops, pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences."

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR COTTON

(21) Section 603 is amended by striking out "1974" and inserting "1978", and by deleting "110 per centum" and inserting in lieu thereof "115 per centum".

MISCELLANEOUS COTTON PROVISIONS

(22) Sections 604, 605, 606, and 607 are each amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

COTTON MARKET DEVELOPMENT

(23) Section 610 is amended by inserting after the words "shall be" in the second sentence the following words "10 million dollars." and by striking the balance of said sentence, and further by striking out "1972 and 1973" and inserting "1972 through 1977" in the third sentence.

COTTON INSECT ERADICATION

(24) Title VI is amended by adding at the end thereof the following:

"SEC. 611. Section 104 of the Agricultural Act of 1949, as amended, is amended by adding a new subsection (d) as follows:

"'(d) In order to reduce cotton production costs, to prevent the movement of certain cotton plant insects to areas not now infected, and to enhance the quality of the environment, the Secretary is authorized and directed to carry out programs to destroy and eliminate cotton boll weevils in infested areas of the United States as provided herein and to carry out similar programs with respect to pink bollworms or any other major cotton insect if the Secretary determines that methods and systems have been developed to the point that success in eradication of such insects is assured. The Secretary shall carry out the eradication programs authorized by this subsection through the Commodity Credit Corporation. In carrying out insect eradication projects, the Secretary shall utilize the technical and related services of appropriate Federal, State, private agencies, and cotton organizations. Producers and landowners in an eradication zone, as established by the Secretary, and who are receiving benefits from any program administered by the United States Department of Agriculture, shall, as a condition of receiving or continuing any such benefits, participate in and cooperate with the eradication project, as specified in regulations of the Secretary.

"'The Secretary may issue such regulations as he deems necessary to enforce the provisions of this section with respect to achieving the compliance of producers and landowners who are not receiving benefits from any program administered by the United States Department of Agriculture. Any person who knowingly violates any such regulation promulgated by the Secretary under this subsection may be assessed a civil penalty of not to exceed $5,000 for each offense. No civil penalty shall be assessed unless the person shall have been given notice and opportunity for a hearing on such charge in the county, parish, or incorporated city of the residence of the person charged. In determining the amount of the penalty the Secretary shall consider the appropriateness of such penalty to the size of the business of the person charged, the effect on the person's ability to continue in business, and the gravity of the violation. Where special measures deemed essential to achievement of the eradication objective are taken by the project and result in a loss of production and income to the producer, the Secretary shall provide reasonable and equitable indemnification from funds available for the project, and also provide for appropriate protection of the allotment, acreage history, and average yield for the farm. The cost of the program in each eradication zone shall be determined, and cotton producers in the zone shall be required to pay up to one-half thereof, with the exact share in each zone area to be specified by the Secretary upon his finding that such share is reasonable and equitable based on population levels of the target insect and the degree of control measures normally required. Each producer's pro rata share shall be deducted from his cotton payment under this Act or otherwise collected, as provided in regulations of the Secretary. Insofar as practicable, cotton producers and other persons engaged in cotton production in the eradication zone shall be employed to participate in the work of the project in such zone. Funding of the program shall be terminated at such time as the Secretary determines and reports to the Congress that complete eradication of the insects for which programs are undertaken pursuant to this subsection has been accomplished. Funds in custody of agencies carrying out the program shall, upon termination of such program, be accounted for to the Secretary for appropriate disposition.

"'The Secretary is authorized to cooperate with the Government of Mexico in carrying out operations or measures in Mexico which he deems necessary and feasible to prevent the movement into the United States from Mexico of any insects eradicated under the provisions of this subsection. The measure and character of cooperation carried out under this subsection on the part of the United States and on the part of the Government of Mexico, including the expenditure or use of funds made available by the Secretary under this subsection, shall be such as may be prescribed by the Secretary. Arrangements for the cooperation authorized by this subsection shall be made through and in consultation with the Secretary of State. There are hereby authorized to be appropriated to the Commodity Credit Corporation such sums as the Congress may from time to time determine to be necessary to carry out the purposes of this subsection.'."

(25) Section 374(a) of the Agriculture Adjustment Act of 1938, as amended, is hereby amended by adding the following new sentence: "Where cotton is planted in skiprow patterns, the same rules that were in effect for the 1971 through 1973 crops for classifying the acreage planted to cotton and the area skipped shall also apply to the 1974 through 1977 crops."

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(26) Title VII is amended—

(A) by striking out "1973" and inserting "1977" in section 701; and

(B) by adding a new section 703 as follows:

"SEC. 703. Title IV of such Act is amended by adding at the end the following:

"'SEC. 411. No agricultural commodities shall be sold under title I or title III or donated under title II of this Act to North Vietnam, unless by an Act of Congress enacted subsequent to July 1, 1973, assistance to North Vietnam is specifically authorized.'"

MISCELLANEOUS PROVISIONS

(27) Title VIII is amended as follows:

BEEKEEPER INDEMNITIES

(A) Section 804 is amended by striking out "December 31, 1973" and inserting "December 31, 1977".

EXPORT SALES REPORTING

(B) By adding the following new sections:

"SEC. 807. All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities the Secretary may designate produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period: (a) type, class, and quantity of the commodity sought to be exported, (b) the marketing year of shipment, (c) destination, if known. Individual reports shall remain confidential but shall be compiled by the Secretary and published in compilation form each week following the week of reporting. All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as he may request. Any person (or corporation) who knowingly fails to report export sales pursuant to the requirements of this section shall be fined not more than $25,000 or imprisoned not more than one year, or both. The Secretary may suspend the requirement for publishing data with respect to any commodity or type or class thereof during any period in which he determines that there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements, and that total supplies of such commodity in the exporting countries are estimated to be in surplus, and that anticipated exports will not result in excessive drain on domestic supplies, and that to require the reports to be made will unduly hamper export sales. Such suspension shall not remain in effect for more than sixty days unless extended by the Secretary. Extensions of such suspension, if any, shall also be limited to sixty days each and shall be promulgated if the Secretary determines that the circumstances at the time of the commencement of any extension meet the conditions described herein.

"WHEAT AND FEED GRAINS RESEARCH

"SEC. 808. In order to reduce fertilizer and herbicide usage in excess of production needs, to develop wheat and feed grain varieties more susceptible to complete fertilizer utilization, to improve the resistance of wheat and feed grain plants to disease and to enhance their conservation and environmental qualities, the Secretary of Agriculture is authorized and directed to carry out regional and national research programs.

"In carrying out such research, the Secretary shall utilize the technical and related services of the appropriate Federal, State, and private agencies.

"There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not more than $1,000,000 in any fiscal year."

"EMERGENCY RESERVE

"SEC. 809. (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall under the provisions of this Act establish, maintain, and dispose of a separate reserve of inventories of wheat, feed grains and soybeans for the purpose of alleviating distress caused by a natural disaster.

"Such reserve inventories shall include such quantities of grain that the Secretary deems needed to provide for the alleviation of distress as the result of a natural disaster.

"(b) The Secretary shall acquire such commodities through the price support program.

"(c) Except when a state of emergency has been proclaimed by the President or by concurrent resolution of Congress declaring that such reserves should be disposed of, the Secretary shall not offer any commodity in the reserve for sale or disposition.

"(d) The Secretary is also authorized to dispose of such commodities only for (1) use in relieving distress (a) in any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, and (b) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855 et seq.), or (2) for use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251–2297).

"(e) The Secretary may sell at an equivalent price, allowing for the customary location and grade price differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such reserve.

"(f) The Secretary may use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this Act; and to the maximum extent practicable consistent with the fulfillment of the purposes of this Act and the effective and efficient administration of this Act shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

"(g) The Secretary may issue such rules and regulations as may be necessary to carry out the provisions of this Act.

"(h) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

"IMPORTED COMMODITIES

"SEC. 810. Notwithstanding any other provisions of this Act, the Secretary shall encourage the production of any crop of which the United States is a net importer and for which a price support program is not in effect by permitting the planting of such crop on set-aside acreage and with no reduction in the rate of payment for the commodity."

(28) By adding the following new title X:

"TITLE X—RURAL ENVIRONMENTAL CONSERVATION

"SEC. 1001. Notwithstanding any other provision of law, the Secretary shall carry out the purposes specified in clauses (1), (2), (3), (4), and (6) of section 7(a) of the Soil Conservation and Domestic Allotment Act, as amended, section 16(B) of the Great Plains Act, and in the Water Bank Act (16 U.S.C. 1301 et seq.) by entering into contracts of three, five, ten, or twenty-five years with, and at the option of, eligible owners and operators of land as determined by the Secretary and having such control as the Secretary determines to be needed on the farms, ranches, wetlands, forests, or other lands covered thereby. In addition, the Secretary is hereby authorized to purchase perpetual easements to promote said purposes of this Act, including the sound use and management of flood plains, shore lands, and aquatic areas of the Nation. Such contracts shall be designed to assist farm, ranch, wetland, and nonindustrial private forest owners and operators, or other owners or operators, to make, in orderly progession over a period of years, such changes, if any, as are needed to effectuate any of the purposes specified in clauses (1), (2), (3), (4), and (6) of section 7(a) of the Soil Conservation and Domestic Allotment Act, as amended; section 16(B) of the Great Plains Act; the Water Bank Act (16 U.S.C. 1301 et seq.); in enlarging fish and wildlife and recreation sources; improving the level of management of nonindustrial private forest lands; and in providing long-term wildlife and upland game cover. In carrying out the provisions of this title, due regard shall be given to the maintenance of a continuing and stable supply of agricultural commodities and forest products adequate to meet consumer demand at prices fair to both producers and consumers.

"SEC. 1002. Eligible landowners and operators for contracts under this title shall furnish to the Secretary a plan of farming operations or land use which incorporates such practices and principles as may be determined by him to be practicable and which outlines a schedule of proposed changes, if any, in cropping systems or land use and of the conservation measures which are to be carried out on the farm, ranch, wetland, forests, or other land during the contract period to protect the farm, ranch, wetland, forests or other land and surrounding areas, its wildlife, and nearby populace and communities from erosion, deterioration, pollution by natural and manmade causes or to insure an adequate supply of timber and related forest products. Said plans may also, in important migratory waterfowl nesting and breeding areas which are identified in a conservation plan developed in cooperation with a soil and water conservation district in which the lands are located, and under such rules and regulations as the Secretary may provide, include a schedule of proposed changes, if any, to conserve surface waters and preserve and improve habitat for migratory waterfowl and other wildlife resources and improve subsurface moisture, including, subject to the provisions of section 1001 of this title, the reduction of areas of new land coming into production, the enhancement of the natural beauty of the landscape, and the promotion of comprehensive and total water management study.

"SEC. 1003. (a) Approved conservation plans of eligible landowners and operators developed in cooperation with the soil and water conservation district or the State forester or other appropriate State official in which their lands are situated shall form a basis for contracts under this title. Under the contract the landowner or operator shall agree—

"(1) to effectuate the plan for his farm, ranch, forest, wetland, or other land substantially in accordance with the schedule outlined therein;

"(2) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the land if the Secretary, after considering the recommendations of the Soil and Water Conservation District Board, or the State forester or other appropriate official in a contract entered into under the provisions of section 1009 of this title, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of the contract;

"(3) upon transfer of his right and interest in the farm, ranch, forest, wetland, or other land during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract;

"(4) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

"(5) to comply with all applicable Federal, State, or local laws, and regulations, including those governing environmental protection and noxious weed abatement; and

"(6) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program: *Provided*, That all contracts entered into to effectuate the purposes of the Water Bank Act for wetlands shall contain the further agreement of the owner or operator that he shall not drain, burn, fill, or otherwise destroy the wetland character of such areas, nor use such areas for agricultural purposes: *And provided further*, That contracts entered into for the protection of wetlands to effectuate the purposes of the Water Bank Act may include wetlands covered by Federal or State government easement which permits agricultural use, together with such adjacent areas as determined desirable by the Secretary.

"(b) In return for such agreement by the landowner or operator the Secretary shall agree to make payments in appropriate circumstances for the use of land maintained for conservation purposes as set forth in this title, and share the cost of carrying out those conservation practices and measures set forth in the contract for which he determines that cost-sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation practices and measures under the contract, but, in the case of a contract not entered into under an advertising and bid procedure under the provisions of section 1009(d) of this title, not less than 50 per centum or more than 75 per centum of the actual costs incurred by the owner or operator.

"(c) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest, and may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to other similar conservation, land use, or commodity programs administered by the Secretary.

"SEC. 1004. The Secretary is authorized to make available to eligible owners and operators conservation materials including seeds, seed inoculants, soil conditioning materials, trees, plants, and, if he determines it is appropriate to the purposes of this title, fertilizer and liming materials.

"SEC. 1005. (a) Notwithstanding the provisions of any other title, the Secretary may establish multiyear set-aside contracts for a period not to extend beyond the 1977 crop. Producers agreeing to a multiyear set-aside agreement shall be required to devote this acreage to vegetative cover capable of maintaining itself throughout such period to provide soil protection, water quality enhancement, wildlife production, and natural beauty. Grazing of livestock under this section shall be prohibited. Producers entering into agreements under this section shall also agree to comply with all applicable State and local law and regulation governing noxious weed control.

"(b) The Secretary shall provide cost-sharing incentives to farm operators for such cover establishment, whenever a multiyear contract is entered into on all or a portion of the set-aside acreage.

"SEC. 1006. The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this title. The total acreage placed under agreements which result in their retirement from production in any county or local community shall in addition to the limitations elsewhere in this title be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired, if any, as compared to the average productivity of eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community.

"SEC. 1007. (a) The Secretary of Agriculture shall appoint an advisory board in each State to advise the State committee of that State (established under section 8(b) of the Soil Conservation and Domestic Allotment Act) regarding the types of conservation measures that should be approved to effectuate the purposes of this title. The Secretary shall appoint at least six individuals to the advisory boards of each State who are especially qualified by reason of education, training, and experience in the fields of agriculture, soil, water, wildlife, fish, and forest management. Said appointed members shall include, but not be limited to, the State soil conservationist, the State forester, the State administrator of the water quality programs, and the State wildlife administrator or their designees: *Provided*, That such board shall limit its advice to the State committees to the types of conservation measures that should be approved affecting the water bank program; the authorization to purchase perpetual easements to promote the purposes of this title, as described in section 1001 of this title; the providing of long-term upland game cover; and the establishment and management of approved practices on multi-year set-aside contracts as provided in section 1005 of this title.

"(b) The Secretary of Agriculture, through the establishment of a national advisory board to be named in consultation with the Secretary of the Interior, shall seek the advice and assistance of the appropriate officials of the several States in developing the programs under this title, especially in developing guidelines for (1) providing technical assistance for wildlife habitat improvement practices, (2) evaluating effects on surrounding areas, (3) considering aesthetic values, (4) checking compliance by cooperators, and (5) carrying out programs of wildlife management authorized under this title: *Provided*, That such board shall limit its advice to subjects which cover the types of conservation measures that should be approved regarding the water bank program; the authorization to purchase perpetual easements to promote the purposes of this Act, as described in section 1001 of this title; the providing of long-term upland game cover; and the establishment and management of approved practices on multiyear set-aside contracts as provided in section 1005 of this title.

"SEC. 1008. In carrying out the programs authorized under sections 1001 through 1006 of this title, the Secretary shall, in addition to appropriate coordination with other interested Federal, State, and local agencies, utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary is also authorized to utilize the facilities and services of the Commodity Credit Corporation in discharging his functions and responsibilities under this program. The Secretary shall also utilize the technical services of the Soil Conservation Service, the Forest Service, State forestry organizations, soil and water conservation districts, and other State and Federal agencies, as appropriate, in development and installation of approved conservation plans under this title.

"SEC. 1009. (a) In furtherance of the purposes of this title, the Secretary of Agriculture is authorized and directed to develop and carry out a pilot forestry incentives program to encourage the development, management, and protection of nonindustrial private forest lands. The purposes of such a program shall be to encourage landowners to apply practices which will provide for the afforestation of suitable open lands and reforestation of cutover and other nonstocked and understocked forest lands and intensive multiple-purpose management and protection of forest resources so as to provide for production of timber and related benefits.

"(b) For the purposes of this section, the term 'nonindustrial private forest lands' means lands capable of producing crops of industrial wood and owned by any private individual, group, association, corporation, or other legal entity. Such term does not include private entities which regularly engage in the business of manufacturing forest products or providing public utilities services of any type, or the subsidiaries of such entities.

"(c) The Secretary shall consult with the State forester or other appropriate official of the respective States in the conduct of the forestry incentives program under this section, and Federal assistance shall be extended in accordance with section 1003(b) of this title. The Secretary shall for the purposes of this section distribute funds available for cost sharing among and within the States only after assessing the public benefit incident thereto, and after giving appropriate consideration to the number and acreage of commercial forest lands, number of eligible ownerships in the State, and counties to be served by such cost sharing; the potential productivity of such lands; and the need for reforestation, timber stand improvement, or other forestry investments on such land. No forest incentives contract shall be approved under this section on a tract greater than five hundred acres, unless the Secretary finds that significant public benefit will be incident to such approval.

"(d) The Secretary may, if he determines that such action will contribute to the effective and equitable administration of the program established by this section, use an advertising and bid procedure in determining the lands in any area to be covered by agreements.

"(e) In implementing the program under this section, the Secretary will cause it to be coordinated with other related programs in such a manner as to encourage the utilization of private agencies, firms, and individuals furnishing services and materials needed in the application of practices included in the forestry incentives improvement program. The Secretary shall periodically report to the appropriate congressional committees of the progress and conduct of the program established under this section.

"SEC. 1010. There are hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions of this title. The programs, contracts, and authority authorized under this title shall be in addition to, and not in substitution of, other programs in such areas authorized by this or any other title or Act, and shall not expire with the termination of any other title or Act: *Provided*, That not more than $25,000,000 annually shall be authorized to be appropriated for the programs authorized under section 1009 of this Act."

Mr. POAGE (during the reading). Mr. Chairman, the first section is 52 pages long. I ask unanimous consent that the section be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. BERGLAND

Mr. BERGLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BERGLAND: Section 1, paragraph 1 at page 2, line 5, strike out "$37,500" and insert "$20,000".

Mr. BERGLAND. Mr. Chairman, this is a proposition that has been brought before the House on a number of occasions in the last 3 years. The law we are extending provides for $55,000 per crop limitation as adopted in 1970.

Mr. PRICE of Texas. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred and four Members are present, a quorum.

The Chair recognizes the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, when this bill was pending before the committee, I offered an amendment in the nature of a substitute to the amendment offered by the gentleman from Illinois (Mr. FINDLEY). The amendment I offered would place a limitation of $20,000 per crop, which was subsequently amended in committee, and the committee bill was reported with a limitation of $37,500. This $20,000 limitation has been offered on a series of appropriation bills during the last 3 years, and I am one of those who voted against imposing a $20,000 payment limitation on an appropriation bill, because I felt this constituted a break in faith on a commitment. But now is the time, and this is the place in which to impose a $20,000 pay limit so that we can remedy those defects that have been so eloquently pointed out by various Members of Congress over the last 3 years.

May I point out that with the crop prices that are currently being paid, if our bill had been in effect this year, there would have been no subsidy payment whatsoever. The bill that expires does carry a mandatory 75-cents-a-bushel payment on feed grains and corn and on half the base, it will cost an estimated $1.1 billion. The bill requires a 15-cents-a-pound payment on cotton. It will cost an estimated $600 million.

In spite of the fact that we now have very strong prices for grain, under the terms of the bill pending before this committee today, these grain prices can drop substantially from present levels before any money goes into the program, before there is a dime's worth of taxpayers' money laid out.

As a matter of fact corn prices can drop 42 cents a bushel from current market prices, which represents a drop of 23 percent, before a dime is paid in Federal subsidies. Likewise the wheat prices can drop 35 cents a bushel, or drop 15 percent, before any money is paid out in this program. Also the cotton prices can drop 12 cents a pound from current prices before a dime's worth of taxpayers' money is paid out.

It is highly unlikely that any payments will be made in the next 2 years, but in the unlikely event that circumstances change drastically in the world and farmers have responded to this increased production to meet the demands and needs at home and abroad, find these world markets no longer open and the price drops to disaster levels, then the payment provision will be invoked.

I submit a $20,000 per crop limitation is proper and fitting, because I do not think this Congress or country ever intended to subsidize the huge farm combines in the United States at the expense of the taxpayers.

Mr. Chairman, I urge adoption of my amendment.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it may strike some Members as strange that I would raise a critical voice against an amendment to establish a $20,000 limitation on individual payments under a farm bill, but I must.

I will not say this amendment is a deliberate effort to mislead, because I do not think it is, but it certainly has the effect of fooling the public into thinking the limitation at $20,000 is effective. First of all, it is not a $20,000-per-former limitation. It is $20,000 per commodity, which means a $60,000 limitation per farmer. It retains the very same loophole that was in the Agricultural Act of 1970, which enabled the cotton farmer to sell and lease the right to grow cotton separated from the land. In other words he was able to detach the allotment from the land and pass it on either by lease or sale and thus effectively evade the limitation completely. Members will remember when the Agricultural Act of 1970 was before this body the proponents of the limitation said it would reduce the program cost by $35 million. This disappeared almost to zero because of this big loophole in the lease and sale of cotton allotments. That same loophole is left intact by the amendment offered by the gentleman and the amendment adds another loophole in a sense even bigger than the other one, because it provides that the dollars paid to the farmer not to farm will not even be counted. Money paid not to farm is not to count as money in determining the number of dollars that a farmer can get under this limitation.

So it really is not a $20,000 limitation at all. It is not an effective limitation at all. It is less effective than the language that was in the Agricultural Act of 1970.

Once this amendment is disposed of—and frankly, I do not think it matters much whether it is voted up or down—I will seek recognition for the purpose of offering a limitation that will be effective, one that closes the loopholes and will save taxpayers some money and will reduce what I deem to be welfare payments to wealthy farmers.

Let me quote a prominent Democrat, former Under Secretary of Agriculture in the Johnson years, Dr. John Schnittker when he testified just recently before the Joint Economic Committee. He said this about amendments to establish limitations which are so full of loopholes they really do not work:

> If Congress is not willing to enact strict controls on farm splitting and to require USDA to enforce it, there is no point in a payment limitation on individual farms at any level. The real outcome of an exercise such as the $55,000 limitation in the 1970 Act is to make it inconvenient for farmers to collect their welfare grants for growing cotton, but not so inconvenient as to stop the payments.

Let us dispose of the amendment pending and then take up an amendment providing a $20,000 limitation on individual payments that will really work.

SUBSTITUTE AMENDMENT OFFERED BY MR. DENHOLM FOR THE AMENDMENT OFFERED BY MR. BERGLAND

Mr. DENHOLM. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. DENHOLM for the amendment offered by Mr. BERGLAND: page 2, line 5, strike out "37,500.00" and insert in lieu thereof the following:

"$20,000.00 provided that any such person or persons shall be entitled to such payments only if 25 per centum or more of his annual adjusted gross income is derived from his actual production and sale of food and fiber as an operator or owner of land used in the production of food and fiber under a leasehold, sharecrop, or tenancy agreement".

Mr. DENHOLM. Mr. Chairman, this amendment is intended to preserve the benefits of this program for farmers, and for no other people, including myself. I own a farm but I have more income, of course, as a Member of Congress than I do from the farm.

I am suggesting that if a man does not earn at least $1 out of every $4 on the farm, he will not qualify for any of the payments under this program if at least 25 percent of his annual income does not come from actual production and sale of agricultural commodities. Farmers have been blamed for high subsidy payments too long and for taking money from the Treasury when other people have been the actual recipients. My amendment will eliminate hobby farmers, sidewalk farmers, Members of Congress. It will not, however, eliminate the bona fide farm corporation which actually is engaged in the production and sale of agricultural commodities and farm crops. A farm corporation is a corporation that has a bona fide interest in the production of agricultural commodities.

Mr. Chairman, the amendment speaks for itself. It will answer the questions of the gentleman from Illinois (Mr. FINDLEY) who is concerned about the loopholes of subsidy payments. It will also answer some of the questions of the gentleman from Massachusetts. I urge the Members to support and adopt this program which will provide a continuation of a very decent farm program for farmers.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, what about the farmer who has a bad crop one year, and therefore secures a parttime job under your amendment—the small farmers in a year when he needs the help most, he would be eliminated from benefits of the program.

Mr. DENHOLM. I do not know what his overall annual income might be, but if he did not have at least 25 percent——

Mr. SMITH of Iowa. What if he lost money on the farm that year?

Mr. DENHOLM. He would not be eligible for subsidy payments if he had more than three times as much income from other sources.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from Iowa (Mr. Mayne).

Mr. MAYNE. Mr. Chairman, do I understand the gentleman's purpose in offering this amendment is to confine the benefits of the farm program, such as they are, to what he calls genuine, bona fide farmers?

Mr. DENHOLM. I think the Internal Revenue Service prescribes much higher standards than this in ascertaining the identity of a farmer. I believe the IRS requires that a person must have at least 50 percent or more of his income from the actual production of agricultural commodities to be classified as a farmer.

I submit that if an individual has 25 percent of his income from the production and sale of agricultural commodities, he woud qualify for all the payment benefits under this program. If he does not, he would be deemed to be a bona fide farmer.

Mr. MAYNE. Mr. Chairman, if the gentleman will yield further, is he saying that someone who only gets one-fourth of his income from farming is a genuine, bona fide farmer?

Mr. DENHOLM. I submit that he would qualify under the law. At the present time, there is no limitation.

Mr. MAYNE. Mr. Chairman, I will say to the gentleman that someone who gets only 25 percent of his income from farming does not fit my definition of a farmer. I do not think the gentleman's amendment goes far enough.

If what the gentleman is trying to do is confine the provisions of this program to farmers, I will say to him that anyone who gets as much as 75 percent of his income from some activity other than farming is no farmer in my book.

Mr. DENHOLM. At the present time there is no applicable limitation. He can obtain any amount of income from any number of other sources. I am suggesting that he must have at least 25 percent of his gross annual income from farming.

Mr. MAYNE. If the gentleman will change his amendment to make that provide that a person must receive at least 75 percent of his income from farming in order to receive payments, I will be glad to support his amendment.

Mr. DENHOLM. The amendment that I have submitted as a substitute provides that the producer must have at least 25 percent of his income from farming.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. I should like to ask the gentleman what impact his substitute amendment would have on the farmowner who is retired and is renting out his land?

Mr. DENHOLM. He would qualify if he had at least 25 percent of all his annual income from land production.

Mr. BURLISON of Missouri. I thank the gentleman.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from Ohio.

Mr. VANIK. The gentleman offers an interesting suggestion with respect to his amendment. I wonder whether he would include or would consider including language which would limit the payment of any kind of subsidy or supplement, to that part of the production which is designed for domestic use.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words, and I should like to have my colleague further respond to an inquiry.

I believe we have to support a supplement or subsidy program if we produce the food for domestic purposes, but I have a strong objection to having a taxpayer subsidy paid for that part of the crop which goes into export. It seems to me in order to insure adequate supplies of food at decent prices to the American consumers we ought to do everything we can to encourage farmers to produce, but when the farmer goes into the export business he ought to do so at his own peril. I do not believe the taxpayer contributions ought to be used to stimulate sales by export. Those sales should stand on their own.

Otherwise, if taxpayer subsidies should be paid for agricultural exports why should not we have a subsidy program for the sale of American automobiles and other things made in this country. If we are to justify agricultural subsidy programs, I believe it should be limited to domestic consumption.

Will the gentleman address himself to that?

Mr. DENHOLM. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I am happy to yield to the gentleman from South Dakota.

Mr. DENHOLM. I thank the gentleman for his observation. He has made some excellent comments.

All I am trying to do by this amendment is to preserve for the farm people the farm program.

Mr. VANIK. The gentleman is endeavoring to reach the "hobby" farmer?

Mr. DENHOLM. I am reaching the "hobby" farmer and others.

Mr. VANIK. I believe, so far as the amendment seeks to address itself to those who seek to engage in farming operations for the purpose of reducing tax obligations generated by other income, it is a step in the right direction, although I believe that the payment limitation should be addressed to the person as a total limitation rather than a payment limitation per crop.

Mr. DENHOLM. The farmers have historically absorbed unfair abuse on the issue of farm subsidies. I am saying that if it is a bona fide farmer, he is actually the backbone of the food and fiber industry of this country and he should be compensated. Let us admit that this payment is a subsidy on food in this country. Let us preserve the subsidy payments for the benefit of the farm people. That is all.

Mr. VANIK. I thank the gentleman.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not intend to take 5 minutes, but I concur with the remarks of the gentleman from Illinois (Mr. Findley). I will support an amendment which he will offer, and cosponsor it with him, and I will discuss it at that time.

The amendment offered by the gentleman from Minnesota (Mr. Bergland) and the amendment to it, offered by the gentleman from South Dakota, certainly does not help the situation at all.

The House has voted repeatedly for a $20,000 limitation. The House wants a $20,000 limitation.

Believe me, when we see individuals from the farm belt offering this type of amendment, all I can say is "Beware." All they are doing here is offering an amendment which on the surface looks good but actually does nothing. When they offered the amendment on the $55,000 limitation I took the floor to point this out.

And I said, "This is a farce. It is a joke. It is not going to save any money." And it did not save any money.

Mr. Chairman, what this amendment does is to give more to every farmer who was collecting large subsidy payments. The Members will recall the ones whom I have listed here day after day, the large corporate farmers, not the little guy.

These are the large oil companies, the barons, the people who own airports, big corporate enterprises, you name it. It will allow them to continue collecting these subsidies. All it does is to give them a license to get around the present law. All it will do is allow them to subdivide their land or sell their allotments, as the gentleman from Illinois said, and it will do nothing more at all.

On the surface we will have a $20,000 limitation, but in reality, they will be collecting as much subsidy when this amendment is adopted, if it is adopted, as they are collecting under the present law today.

So, Mr. Chairman, I recommend that we defeat the amendment offered by the gentleman from Minnesota (Mr. Bergland). I admire the gentleman greatly. I do not blame him for offering that type of an amendment; it is a good one for the large corporate farmer.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Chairman, may I ask the gentleman, wherein does the Bergland amendment differ from the Conte amendment which was offered here 2 weeks ago?

Mr. CONTE. If the gentleman is referring to the Conte amendment, with the Findley substitute to my amendment, it tightens it up.

Mr. POAGE. No. Mr. Chairman, I asked this: How does it differ from the Conte amendment offered on this floor 3 weeks ago? I did not refer to the Conte-Findley amendment.

Mr. CONTE. Mr. Chairman, I have just told the gentleman that with the perfecting amendment which the gentleman from Illinois offered, we plugged the hole in the present law, and this is what the Findley-Conte amendment will do when the gentleman offers it today; this will plug the holes and prevent those things from happening that I was speaking about.

The gentleman knows that if the Bergland amendment is adopted, our subsidy payments will be $4 billion next year. The only way to stop it is by way of defeating the Bergland amendment and defeating the substitute to the Bergland amendment, and then let us vote up the Conte-Findley amendment which will be offered next.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, may I ask the gentleman, Is it not true that a very real difference is that the Bergland amendment is for a limitation of $20,000 per crop, whereas the Findley and Conte amendments are for a limitation of $20,000 per person?

Mr. CONTE. Yes, Mr. Chairman, under the Findley amendment there will be a $20,000 limitation per person, whereas the Bergland amendment means a $60,000 payment limitation rather than a $20,000 limitation. It is a cute little amendment. It looks good on the surface, but it really does nothing.

Mr. MAYNE. Mr. Chairman, will the gentleman yield further?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Chairman, I thank the gentleman for yielding.

I would just like to suggest to the gentleman that he be a little more selective when he warns Members to "beware" when they "see individuals from the farm belt offering" amendments. I would point out to the gentleman from Massachusetts (Mr. CONTE) that the gentleman from Illinois (Mr. FINDLEY) comes from a State which is very highly regarded for its corn and soybean production, and that the gentleman from Iowa who is now speaking also comes from the farm belt, in fact from the congressional district which leads the Nation in corn production. Both the gentleman from Illinois and I have consistently supported the $20,000 amendment, and in so doing we have faithfully reflected the views of your farmer as well as our nonfarmer constituents.

Mr. CONTE. Mr. Chairman, I agree with the gentleman. Perhaps I should have been a little more selective.

Let me say that the gentleman from Iowa (Mr. MAYNE) time and time again has shown great courage on the floor of the House, and I know there have been other times when the $20,000 amendment was offered that he was the only member of the Committee on Agriculture who stood up and spoke in behalf of the amendment.

Mr. Chairman, I hope the Members vote down the Bergland amendment.

Mr. SISK. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, let me say that I am not terribly committed in my opposition to the amendment offered by my good friend, the gentleman from South Dakota (Mr. DENHOLM). I think what he seeks to do is to accomplish something that many of us have been rather sympathetic with.

Mr. Chairman, I have been concerned about syndication in connection with agriculture. We are faced nationally with some very large conglomerates in our syndicates, as we refer to them, which have created some serious problems. The peculiar thing about some of these syndicates and some of the large organizations which have gotten into agriculture, though, if one has been close to the situation in the last year or so, is that we find a lot of them have been pulling out of agriculture.

In other words, agriculture was not all of the sinecure that, let us say, the Purex Corp. or Tenneco or any number of other oil or chemical companies thought it was. They have come to find out that actually, as a practical matter, the most efficient type of agriculture in America and the most efficient way to run a farm is still the independent farm operator who works on that farm and who is there 365 days out of the year and who watches his expenses and does a good job. That is still the most efficient type of agriculture.

Very frankly, some of us are beginning to see, as I say, the so-called conglomerates and syndicates running for cover. We have had several sell out in California recently. As much as I would like to see them totally eliminated overnight if that were possible, I question whether the amendment that the gentleman offers might necessarily do that.

In a number of cases that I know of operating in California they are not directly involved in any of the subsidy programs, if you want to call them that, in terms of basics, that is, because they are dealing with specialties such as fruits and nuts, almonds, and so on.

Mr. DENHOLM. Will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. DENHOLM. I thank you for yielding. The amendment that I have offered would not exclude a single corporation from the benefits of this bill as a bona fide producer in the agricultural industry if it produces at least 25 percent of its annual income from the production and sale of agricultural commodities. It would not adversely affect any of them.

Mr. SISK. I understand the gentleman's amendment, I think, very well. Let me say that I am not carrying anything for any of these corporations that might or might not receive anything under this, because, as I say, there are none of them involved in my area because they are not involved in that particular type of agriculture. I just feel it would be a difficult thing to administer. I am not sure how it would work. I do not think it is quite practical, although I am sympathetic with the intent of my good friend from South Dakota.

Let me say I rise in support of the Bergland amendment. Very frankly, in principle I am totally opposed to payment limitations. If these programs are worth anything and, in fact, if they induce the production of food and fiber essential to the American public, then I think the producer is entitled to whatever type of assistance he can get subject to the contribution he makes.

I opposed the $55,000 limitation when it was put in, because to me it was a silly adventure. We predicted in time that it would go to 20 to 5 or 10 or something else.

I have been called a political realist, and I think we are faced with the political facts of life here. Therefore, in spite of the fact that I would very much like to have retained at least for the period of the next 4 years the $37,500 and hoped to support it, I can assure that, as I understand the situation between my two expert friends in agriculture—and incidentally it is amazing how ready-made experts come running out of the woodwork when we get a farm bill on the floor—they are very good friends of mine, and I appreciate their interest.

Let me say to them that the other day I voted for a subsidy of $500 million, an operating subsidy, and I was very glad to vote for it because I know we have to subsidize the maritime industry and the shipbuilding industry because they cannot operate without it. That came out of the subcommittee headed by the gentlewoman from Missouri.

I took the floor the other day and voted for an extra $1 billion for cities. I recognize in various areas and in various segments of American life they have problems.

However, I am a little bit curious, in the light of what my friend from Massachusetts had to say, because it was my understanding what Mr. BERGLAND offered was the same amendment identically that the gentleman from Massachusetts offered back here a few weeks ago.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SISK was allowed to proceed for 2 additional minutes.)

Mr. SISK. Mr. Chairman, I appreciate the kindness of the Members in allowing me this second 2 minutes, and I will conclude shortly.

Frankly, Mr. Chairman, if we are going to have a program that is going to be worth anything to American agriculture and to the consumers—because, in spite of some of the comments that we have heard here today, I think the consumer should be very much interested in this legislation—I do not believe there is any question but that unless there is some kind of an inducement to produce that we can get hungry in this country, and let us not kid ourselves. Therefore this bill is important.

The percentage of people who can qualify for $60,000, as my good friend, the gentleman from Massachusetts (Mr. CONTE) indicated a little bit ago, are infinitesimal in number. I think there would be less than 1 percent of the total people involved in the program who would qualify because they would have to be people who were in a position or in an area where they could grow cotton, wheat and feed grains, and there are very few of those kinds of operators. I have none in my district. I have only one commodity that is covered.

Mr. Chairman, very frankly what we are doing in the Bergland amendment is putting on the $20,000 limitation, and that is my understanding. Frankly, if this is the desire, politically, on the part of the House as to what the House wants to do, then I would hope on that basis that the House would agree to what I think is a reasonable approach, and that is the Bergland amendment as proposed.

Mr. PRICE of Texas. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this afternoon I would like to speak to the subject of the Denholm substitute to the Bergland amendment. They are both members of the Committee on Agriculture, and I respect them very much. We have worked extremely hard on this bill this year. I hope that the Members of the House will adopt the $37,500 that was adopted by the Committee on Agriculture after many hours and days of debate.

Mr. Chairman, this really gets down, I think, to what my good friends, the gentleman from Massachusetts (Mr. CONTE) and the gentleman from Illinois (Mr. FINDLEY) are very much concerned about—and they have a right to their opinion with relation to the problems we are talking about. But I must say, Mr. Chairman, that in my district we have over 4 million acres of dry-land farming, and a little over 4 million acres of irrigated farming as compared to approximately 168,000 acres in the State represented by the gentleman from Massachusetts (Mr. CONTE).

I would also say that it is amazing to me that these gentlemen, who have no background in agriculture, but have the right to present their case. I say to the Members that today they are talking about plugging a loophole, and that if this amendment offered by them is adopted, they are going to plug the loophole that feeds this country? It is agriculture.

And anyone who is familiar with agriculture at all, who has lived with it, and has worked with it throughout their lives, can testify that the small farmers—and we are all talking about the small farmers—but, Mr. Chairman, what constitutes a small farmer today? Can anyone give a description of a "small farmer"? It is said that is anyone who makes $10,000 a year or more from farming. The Bergland amendment is a fine amendment when it comes to per crops, but when you put the $20,000 limitation on you are limiting that man who has had the guts and the fortitude to go out and expand his operation versus the man who has not had that fortitude to want to take that chance to expand his farming, and to expand his operation into an operation that is feasible in order for him to buy the machinery that he has to have today to operate his farm. If you do this, you are going to eliminate the rest of the so-called small farmers of America, and they will be coming to town, and we will be spending that money on welfare.

I assure you that if this $20,000 limitation is adopted the farmers of this country who produce 85 percent of the feed and fiber in this country are going to go out of the Government program, and they will produce so many crops that the small farmer will not be able to stay, and he in turn will go into the city and go on welfare.

It is a good political maneuver. There is a hue and cry before the public to have these people limited to $20,000 per person, but I say to the Members again that we have all seen from the years before us where the man who farmed on 80 acres could make it. And then he went to 160 acres. One cannot justify a $12,000 tractor today, a $15,000 or $18,000 combine, and the other machinery that it is estimated to cost close to $80,000 to $100,000 to equip the average farm today. How can we justify this on an 80- or a 160-acre farm?

So the man knowingly has to expand to get the most efficient work from his material and his investment. Therefore, he has had to expand. Some call them conglomerates; I call them efficient farmers that have progressed in America—just like every other business. They, too, are entitled to the same as the rest of the public, and they have not been getting it for over 20 years.

As Mr. SISK said, it is all right for us to subsidize shipbuilders in this country; it is all right for us to give social security an increase in the cost of living. It is all right for us to give the armed services and the veterans an increase, and adjust the food stamps to the escalation in the cost of living, aerospace industries minimum wage, civil service employees a 25-percent increase over a short period of time, but we say "No" to the farmer. You ought to live on 70 percent of what everybody else in this Nation is getting for their product and their labor. That is what it boils down to.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PRICE of Texas was allowed to proceed for 1 additional minute.)

Mr. PRICE of Texas. Mr. Chairman, I say in conclusion that the farmers of today are not going to feed the hogs and the cattle and raise the grain for the stipends they have been getting for the last 20 years. There is going to be rationing in this country if we do not encourage people to raise food. Oh, yes, there are those who say the farmer is getting rich. These people pay taxes, too, on farms. They are the largest users of tires, trucks, automobiles, tractors, and so forth—the largest users of equipment and supplies in this country that labor derives their wages from.

So I say to the Members to adopt this would be cutting the American farmer short and, in turn, in the long run the consumers of this country are the ones who are going to pay for higher costs than they have ever seen in the history of our country, and there is the possibility of rationing food.

Mr. POAGE. Mr. Chairman, I believe that we have gotten some distance away from the immediate question before us which went to the substitute amendment offered by Mr. DENHOLM for the amendment offered by Mr. BERGLAND.

I think if we will go back in our memory, we will understand that the Denholm amendment simply ties more knots and tries to make it a little harder for the larger farmer to operate. I think the Bergland amendment is bad, but it is not nearly as bad as the Denholm amendment or the Findley amendment, or those that try to go further.

After all, what we are trying to do is to encourage the production of food and fiber so that America may have an adequate supply of food.

When we go to transportation, when we go to Boston Bay and begin to subsidize shipping there, we do not simply subsidize a 2-man rowboat; we subsidize the biggest ships that float. We subsidize in direct proportion to their size, no matter what that size may be. When we go to subsidizing airplanes—and we are subsidizing air transportation in South Dakota—we do not subsidize it on the size of the line; we subsidize it on the miles that they fly and the people that they carry.

Mr. DENHOLM. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from South Dakota.

Mr. DENHOLM. My amendment would not discourage the largest corporation in the world from participating in the farm program if they produced 25 percent of their income from farming.

Mr. POAGE. The gentleman talks about the largest corporation in the world making 25 percent of its income from farming. That largest corporation in the world is the American Telephone and Telegraph Co., and they do not get a dime of their income from farming. Of course, the gentleman full well recognizes that none of the large corporations get their major income from farming. All these amendments are doing is to try to see that fewer and fewer people can receive the benefit of the assured income this bill provides.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I thank the gentleman from Texas for yielding.

Mr. Chairman, I have said this on the floor, and I will say it here again. Obviously a geography lesson is needed for my distinguished colleague from Texas. He seems to imply that I come from the Boston Harbor area.

My First District of Massachusetts, of course, is a landlocked district which is comprised of the beautiful Berkshire Hills, the lovely Connecticut River Valley, and other fine scenic areas. Mine is the westernmost district in the State and extends all the way to the New York State border.

If ships are being built in my district to ply the oceans of the world, I can only say they are going to have a devil of a time getting to those oceans. The Housatonic River is a nice stream, but anything larger than a rowboat would have a tough time navigating it.

I appreciate my colleague's interest in my district, but I suggest that before he again takes to the floor of this chamber to talk about it, he visit the district with me. Together we can roam the lovely hills and mountains of the First District in search of those "overseas shipping firms" that apparently are just taking a hint from Noah and waiting for the next great flood.

Mr. POAGE. In Texas we are hopeful we can navigate those streams 200 miles up inland. I had supposed the folks in New England were as energetic in that respect. If they are, then I supposed that they would be interested in Boston Harbor.

But be that as it may, the point is if we are going to have food and fiber at the prices we would like to have, they have got to be produced more efficiently, just as we must have more efficiency with ships and airlines. If we are going to have efficiency, then we must keep the larger operations in the program.

We do not need to destroy these larger operations. We need to help everybody, large and small. I do not believe we ought to try to eliminate the most efficient farmers or make it harder or more expensive for them to produce than for anybody else to produce. I think we ought to take advantage of all the savings that they can make, and that is what we would do only if we eliminate all of the limitations on payments.

But the proposal offered by the gentleman from South Dakota simply adds to and makes more vicious an already vicious and hurtful proposal offered by the gentleman from Minnesota. I hope we will turn down the substitute amendment.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, American agriculture is doing a tremendous job for the Nation and for the world. It is because of the great productivity of American agriculture that this is being accomplished. Yes, American agriculture is doing a great job. This year our agricultural exports will total about $13 billion. This exceeds last year. Think of how desperate the dollar would be if we did not have agricultural exports to the tune of more than $10 billion a year.

Some want to make cotton the whipping boy. This year this Nation is exporting $900 million worth of cotton. That helps everybody who is interested in preserving the dollar and the American economy.

So, agriculture having done such a wonderful job, shall we now try to destroy the efficiency of this system? There are those who are speaking on the floor against the big farmer. They are against the big farmer. We should all be for the small farmer and the middle-sized farmer and the big farmer, all of whom have made it possible for agriculture to do this magnificent job. Our huge productive machine has done a big job helping the dollar and the balance of payments situation. This huge production was not the work of the small farmer. It was accomplished by the larger farmer. If we destroy that larger farmer, then the $13 billion export program will not be available.

So, we have got to help enable the small farmer and the big farmer to survive. Of course, it is impossible for one man and a mule to farm successfully anymore and pay the high prices which are required for farm equipment and supplies.

Therefore, I hope that we will not try in this legislation to destroy the big farmer or the little farmer or the middle size farmer. I hope that we will bear this in mind—that if we destroy the participation by the big farmer in the farm program, we threaten the survival of our agricultural system. Without the participation of the big farmer in the farm program over the long pull the smaller farm operators could very well be squeezed out completely. On the other hand, if the big farmer ceases to produce effectively the welfare of the Nation is jeopardized. Production is our aim and we need to keep alive a workable farm program.

I continue to oppose all farm payment limitations but if we must have some kind of a limitation on payments, for heaven's sakes, adopt the Bergland amendment over the Conte and Findley amendments, as they are completely unreasonable and confiscatory. The Findley amendment would be disastrous. The proviso as to the transfer of allotments would be confiscatory.

Yes, I am against all limitations. I think every operator in all fairness should be treated on the same basis as every other operator. This is in accordance with the American tradition. Yes, and I would say as to the amendment of the gentleman from South Dakota, that it, in my judgement, is absolutely intolerable.

I hope the House today, in seeking to work out a way to meet the problems of agriculture, will not destroy the industry which has done the most magnificent job of any industry in this Nation. It would be tragic and indefensible.

Mr. DENHOLM. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I do not yield to my friend.

My point is that we somehow must enable American agriculture to continue to do the job.

If we take drastic and irresponsible action here today, then it is going to be hurtful not only to agriculture; it is going to be hurtful to industry, big and little, to labor and to the economy of this country generally.

Mr. MADDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have, again the amendment for limiting the agricultural subsidy to reimburse farmers for idle acres under the pretense that it eventually might be beneficial to the agricultural economy. I also have heard some of the Members propagandize this agricultural bonanza as indirectly being beneficial to the consumers of America. The vast majority of the Members of Congress in the House and Senate would gladly go along with a moderate subsidy for the small or needy farmer.

A couple of years ago, I supported legislation that limited the maximum subsidy for any one farm or farm organization to $20,000 per year. At that time it was revealed that hundreds of farmers were receiving annual subsidies in six figures. A great number of the annual payments of various farmers were as high as $500,000 and up. It was revealed that five different farm conglomerates in California, Arizona, and Texas were receiving over a million dollars per year under the farm subsidy. It was stated at that time that in some of these large corporate rural farm operations upon which payments were being authorized was nonproductive acres in deserts, swamp lands, and for land that was underproductive.

Mr. Chairman, the Members of Congress were astounded when they read in the CONGRESSIONAL RECORD of May 3, 1973, less than 2 months ago, the names of farmers in the various States of the Union who were enjoying annual checks of over $20,000 per year in 1972. When that bill was debated in the other body, the $20,000 limitation which was passed by the House was defeated and the agricultural relief bonanza was allowed to continue for the benefit of these large farm operations to enjoy fabulous checks on a relief program for themselves which has been expanded to such fabulous proportions that thousands of wealthy farmers and farm conglomerates are enjoying a govenment relief progam which should have been terminated years ago. I do hope the Members of Congress gave close study to the 94 pages in the CONGRESSIONAL RECORD of May 3 when each State and each county in each State named the farmers in each county that have been receiving over $20,000 a year of this agricultural relief bonanza.

The astounding figures reveal, and I just wish to call your attention to four or five States where subsidy figures would startle the American public if the newspapers of our Nation would only inform their readers of the true facts concerning this fabulous raid on the Federal Treasury.

As one example: In 1972 Dawson County, Tex., 193 farmers including farm conglomerates received $6,266,487; in Deaf Smith County, Tex., 205 farmers received $7,618,125; in Gaines County, Tex., 205 farmers received $10,189,358; 5,195 farmers and farm operators in Texas received in 1972, $171,194,423.

These figures do not include farmers receiving under $200,000 a year.

Maricopa County, Ariz., four farmers received over $100,000 in subsidies during 1972—322 farmers in the county received a total of $14,359,440. Three-fourths of the 322 farmers in the county received from $40,000 to the highest paid farm operation of $145,846.

In Pinal County, 320 farmers received $14,953,930—887 farm recipients in Arizona received $39,717,951—these figures do not include farmers receiving less than $20,000 annually.

Fresno County, Calif., 340 farmers and farm operators received in 1972, $16,478,777.

Kern County, Calif., 528 farmers and farm operators received in 1972, $22,494,600.

In 1972, 1,861 farmers and farm operators in the State of California received $80,165,284.

Sunflower County, Miss., one farm operation called the Parchment Farms received from taxpayers in 1 year, 1972—$358,787; 213 farmers received $8,310,053.

I might refer to one of the great agricultural States of the Union, Iowa, a farming State that tries to produce food and fiber for the American public. Many counties in the State of Iowa have as low as 3, 4, and 5 farms claiming under the subsidy and the total number of farmer payees number 540 and the amount paid out is $15,797,148—a ridiculously small sum compared to some of the large Southern and Western States whose farm applicants over the $20,000 receive as high as $171 million, et cetera.

In Indiana, there are 210 payees receiving a total of $5,496,281.

Time does not permit me to name other States whose large corporate farms have made an annual racket out of approximately $4 billion Federal bonanza.

I am very much in favor of helping the small farmer partake of a reasonable Federal relief farm subsidy when he is in financial trouble or his production is jeopardized on account of consumer demand. If the American public were fully acquainted with the true facts of the present farm subsidy operation, a scandal would be revealed almost on a par with Teapot Dome and the Watergate mess.

I do hope this Congress will limit the farm subsidy payment to any one farmer, whether individual or conglomerate, to a maximum of $20,000 per year.

But we do not come to the taxpayers in order to get fat on the taxpayers all over the Nation. In Indiana there are only 210 payees receiving a total over the entire State of Indiana, one of the biggest farming States of the Union, $5,496,000. And when you get up to these other States with $170 million, now, that is a real farming State.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for bringing this information to our attention. I want to remind the Members that the pending amendment which is now before us is so shot full of loopholes that these gigantic payments for welfare to the wealthy farmers will continue.

Mr. MADDEN. Absolutely.

Mr. FINDLEY. So we ought to defeat this amendment and then get onto an amendment that works.

Mr. MADDEN. And if this Congress does not change this rockbound limitation so the small farmers of this Nation can get some benefit out of it instead of the racketeers and the big corporate farmer fatcats, we will hear about it in the next election. It will develop into a bigger scandal than what is going on over across the way in—what do they call that, Watergate?

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened with great interest to the debate pro and con. I do not profess to be an expert. I cannot challenge any of the members of the Committee on Agriculture, nor can I challenge my friend, the gentleman from Massachusetts, or his associate, the gentleman from Illinois, as to competence and expertise in reference to this controversy we have on the floor. But, as I listened and made some inquiries, I believe the imposition of a $20,000 limitation is academic under current prices.

As I understand it, at the terminal markets yesterday corn was $2.20 a bushel; the target price in this bill is $1.38 a bushel. Cotton yesterday in the market was 53 cents a pound; the target price in the bill is 38 cents. Wheat was $2.68 a bushel; the target price is $2.05.

As long as we have the price in the marketplace above the target price, all of this limitation argument is academic; we are just wasting a lot of time and a lot of words.

Mr. Chairman, it seems to me from everything I have heard that at least for the next 2 out of the next 4 years we are going to have prices in the marketplace well above the proposed target prices, and so for the next 2 out of the next 4 years for sure it will develop that all the time we have been taking on using for talk here today is a waste of time.

Now, from the point of view of agriculture we are entering into a totally different circumstance in the next 2 and probably the next 4 years. We are going from a period of relative abundance to a period of relative scarcity. When I first came here in January 1949 for the years thereafter, we had bale after bale after bale of cotton in storage and the same for wheat in bins and corn in storage up to our ears.

Today at home and abroad we are in a period of scarcity, and we are probably going to be in a period of scarcity for the next 4 years, and certainly for the next 2 years.

Now, I am told by those whom I respect, and whom I think are experts, that if we are too tough on the payment limitation and if we follow the bad advice of my friend from Illinois with his prospective amendment, we are going to interfere with the incentive for farmer to produce.

What do we want, food? Or do we want scarcity? Mr. Chairman, I am willing to gamble. I am willing to gamble for at least 2 years, and maybe 4 years, that we ought to produce as much as we can of every farm commodity. I happen to think that some of these rigid, inflexible limitations are going to hurt us rather than help us in the production of our necessary food.

Now, I have been pretty categorical in saying that for the next 2 years there is no danger of the market price going down to the target price. Some people have cautioned me and said that in the third year and the fourth year perhaps these payment limitations would be a wise policy. But my answer to that is very simple. Worry then; not now. Right now we want to stimulate production.

If by chance in the third or fourth year we want to limit production, my friend, the gentleman from Illionis (Mr. Findley) and his associate and my friend, the gentleman from Massachusetts (Mr. Conte) have an opportunity on the appropriation bill for the Department of Agriculture to put on limitations as they have in the past.

So in my judgment, although I am going to vote for a $20,000 limitation, I am going to vote against the Findley restrictive and inflexible amendment. And therefore, I hope we defeat the Denholm amendment, approve the Bergland amendment, and defeat the Findley amendment.

Mr. HUNT. Mr. Chairman, would the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Chairman, I would like to have the minority leader clear up one question for me. Is the gentleman saying that if the price of the commodity on the market exceeds the target price in this bill that then there are no subsidies forthcoming?

Mr. GERALD R. FORD. With one exception, as I am informed. If there is any set-aside, there would be a subsidy, but I am told the set-aside acreage last year was 60 million acres, and the most in this current fiscal year will be 15 million acres. And that is the least productive acreage. The amount that will be paid for those 15 million acres of set-aside, or unproductive land, would not probably approach the figure of $20,000 per person, or per farm, or per crop.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Hunt, and by unanimous consent, Mr. Gerald R. Ford was allowed to proceed for 1 additional minute.)

Mr. HUNT. Will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from New Jersey.

Mr. HUNT. If this price does hold up as it has been holding up this year so far, and as of today, and if the target price set forth in this bill would prevail, then we need not worry about these horrendous so-called subsidies that have been outlined by the gentleman from Indiana?

Mr. GERALD R. FORD. That is as I am told by the experts, with the one exception of the 15 million acres of set-aside. I am told those are the least productive acres, and the prospective of most of them having anything above $20,000 is very remote. Therefore I think as long as the prices are above the target prices the debate is academic.

Therefore, Mr. Chairman, I am against the Denholm amendment, for the Bergland amendment, and against the Findley amendment.

Mr. BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I join with my other colleagues who have indicated their support of the Bergland amendment, and their opposition to the Findley amendment.

I would like to remind my colleagues from the urban and suburban areas—that our country, as I have stated in the well of this House before, is uniquely blessed with the fact that we have the smallest percentage of the American people producing the food and fiber in our land than in any other comparable society on the face of the Earth.

There have been some things about the current program that may or may not need some correction, but it is impossible to quarrel with the success of the American agricultural economy, a success alluded to in the programs advanced and managed by the distinguished gentleman from Texas (Mr. POAGE). The committee has come out on the farm side with an essentially sound program.

The Bergland amendment is an improvement on that program. I urge my urban and suburban colleagues to join me in the effort to support the Bergland amendment.

Mr. QUIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, after listening to the minority leader speak here on the farm bill, I am beginning to wonder about the Bergland amendment and why it is so good. Perhaps the gentleman from Minnesota (Mr. BERGLAND) could listen to me and if I am wrong, then he could correct me.

It is my understanding in the bill right now we have a $37,500 payment limitation per commodity. So there is a $37,500 per-commodity limitation in the bill right now. The gentleman from Minnesota is reducing that to $20,000 per-commodity. Right now in the law we have a $55,000 per-person limitation on a crop, that is, on a commodity. But let me check this under the present law.

The set-aside payments are included, are they not, the payments that one receives for setting aside acres?

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Minnesota.

Mr. BERGLAND. That is correct.

Mr. QUIE. Then what this would mean is that in the future if there is an overproduction and we have to have a substantial set-aside, those payments will not be counted in the limitation, and there will be a $20,000 limitation of remaining payments per person per crop under the gentleman's amendment; is that correct?

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Minnesota.

Mr. BERGLAND. In the event, in the unlikely event, that we do increase production beyond the capacity of the American consumer or world markets to utilize that production, it may become necessary to set aside, in order to reduce supplies, to maintain some business-like balance. That could happen in the United States, but it is a very, very remote possibility.

Mr. QUIE. So if a person lived in a part of the country where he could raise both feed grains and wheat, then there is a $40,000 limitation, adding those two commodities together, and he could still divide the farm up among his relatives so that each of the relatives can get $40,000; would that be correct?

Mr. BERGLAND. There is no law that prevents a legitimate sale of a piece of land, as the gentleman well knows. None is contemplated. This bill does not provide any prohibition against the legitimate sale of land. With the proposition pending, a farmer could sell a portion of his land. He could divide a portion of his allotment base that would go with the sale. I think this is perfectly proper and ought to be preserved.

Mr. QUIE. As we saw, when a $55,000 limitation was placed on a crop, a number of the farmers then expressed their ownership in a number of individuals in that corporation or in that family, which was not the case before, but that was a so-called legitimate division of the farm.

In the southern part of the United States, if I am correct, there are three commodities that have the limitation on them.

Sugar does not have a limitation on it. Then the payment limitation with this amendment would be $60,000 on the total operation times the number of people who own a farm. Would that be correct?

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield, yes, that is theoretically correct. However, I am not aware of a single farm in the United States that would jump up to $60,000 payment limit. I have inquired of the Department of Agriculture. They know of no farm that is big enough to earn $20,000 on feed grains and $20,000 on wheat and $20,000 on cotton, so I think that is an academic question.

Mr. QUIE. Then if I could find out from the gentleman from Illinois what his amendment would do. We would also have a $20,000 limitation but this would not be on a commodity it would be the entire production from the farm?

Mr. FINDLEY. Mr. Chairman, if the gentleman will yield, yes.

Mr. QUIE. And they could not divide that farm up listing a number of different people?

Mr. FINDLEY. Unless they actually sold off pieces of the farm, no. It would prevent the use of leasing as a means of evading the limitation. It would also count the resource adjustment payment money in computing the limitation. It would also eliminate the use of lease and sale of cotton allotments separately from the land as a means of evasion.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from South Dakota (Mr. DENHOLM) for the amendment offered by the gentleman from Minnesota (Mr. BERGLAND).

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. BERGLAND).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BERGLAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 313, noes 89, present 1, not voting 30, as follows:

[Roll No. 325]

AYES—313

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Aspin
Badillo
Bafalis
Baker
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Bolling
Brademas
Brasco
Bray
Breckinridge
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton
Butler
Byron
Carney, Ohio
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conyers
Coughlin
Crane
Cronin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Derwinski
Devine
Diggs
Dingell
Donohue
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fish
Flowers
Foley
Ford, Gerald R.
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Goldwater
Goodling
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hanley
Hanna
Hanrahan
Hansen, Wash.
Harrington
Harsha
Harvey
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Keating
Kemp
Kluczynski
Koch
Kyros
Latta
Leggett
Lehman
Lent
Litton
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKay
McKinney
McSpadden
Macdonald
Madigan
Mann
Maraziti
Mathias, Calif.
Mayne
Meeds
Metcalfe
Mezvinsky
Milford
Miller
Mills, Ark.
Minshall, Ohio
Mitchell, Md.
Mizell
Moakley
Moorhead, Calif.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Neill
Owens
Parris
Patman
Patten
Perkins
Peyser
Pike
Podell
Powell, Ohio
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reid
Reuss
Riegle
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Saylor
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steele
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague, Calif.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Ullman
Vander Jagt

Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Zablocki
Zion
Zwach

NOES—89

Barrett
Beard
Bevill
Boland
Bowen
Breaux
Brinkley
Brooks
Burleson, Tex.
Burlison, Mo.
Camp
Casey, Tex.
Cochran
Collins, Tex.
Conte
Corman
Cotter
Daniel, Dan
Davis, Ga.
de la Garza
Dennis
Dickinson
Dorn
Downing
Evins, Tenn.
Fascell
Findley
Flynt
Ginn
Gonzalez
Grasso
Gray
Griffiths
Gross
Hammerschmidt
Hansen, Idaho
Jones, Ala.
Jones, Tenn.
Kazen
Ketchum
Kuykendall
Landgrebe
Landrum
Long, La.
Lott
Madden
Mahon
Mallary
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Matsunaga
Mazzoli
Melcher
Michel
Mink
Mollohan
Montgomery
Myers
Passman
Pickle
Poage
Price, Ill.
Price, Tex.
Rarick
Rhodes
Rinaldo
Rose
Satterfield
Scherle
Sikes
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Stephens
Stuckey
Sullivan
Symms
Teague, Tex.
Treen
Van Deerlin
Vanik
Waggonner
White
Whitten
Wilson, Bob
Yates
Young, Tex.

PRESENT—1

Minish

NOT VOTING—30

Annunzio
Ashley
Blackburn
Carey, N.Y.
Carter
Cederberg
Danielson
Dent
Fisher
Flood
Ford, William D.
Frenzel
Giaimo
Green, Oreg.
Green, Pa.
Hays
Hébert
Johnson, Calif.
King
McFall
Mailliard
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Nix
O'Hara
Pepper
Pettis
Rangel
Roe

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Strike the language on page 1, lines 4 through 7, and on page 2, lines 1 through 12 and insert the following:

Title I is amended to read as follows:

"TITLE I—PAYMENT LIMITATION

"SEC. 101. Notwithstanding any other provision of law—

"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1978 crops of the commodities shall not exceed $20,000.

"(2) The term 'payments' as used in this section includes all price support payments, set-aside payments, diversion payments, and resource adjustment payments but does not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for public access for recreation.

"(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

"(4) (a) In any case in which the owner or operator of a farm leases any portion of the farm to one or more persons, the payment limitation applicable to such person as prescribed by this section, shall be reduced in the same proportion as the allotment remaining on the farm bears to the total allotment prior to such lease: *Provided*, That the payment limitation shall also be reduced on the leased portion of the farm in proportion to the allotment accredited to such portion if the lessee is a member of the lessor's family or is a corporation in which the lessor or member of his family is a stockholder, or a partnership in which the lessor or a member of his family is a partner.

"(b) In any case in which the owner or operator of a farm sells or leases any portion of the acreage allotment for the farm to one or more persons, the payment limitations prescribed by this section shall apply in the same manner as if the lessor or seller had not leased or sold the acreage allotment.

"(5) The Secretary shall issue regulations defining the term 'person' and prescribing such rules as he determines necessary to assure an effective and economical application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary."

Mr. FINDLEY. Mr. Chairman, this body just voted an amendment at the $20,000 level but one that is markedly different from the one that I have offered and which will be considered at this time.

This one closes the loopholes not only which were created deliberately in the act of 1970 to permit wholesale evasion of the limitation by cotton interests in the country, but it also closes another very serious loophole that would be created if the language now in the bill as amended stays in.

The effect of this language that is before us is to strike out all of the language under the subhead "Payment Limitation" now in the bill and replaces it with the language read by the Clerk.

This language is somewhat lengthy. It was worked out very carefully in consultation with attorneys with the Department of Agriculture and with their specialists in program administration to make sure that it is not only fair to all farmers but administratively sound.

This amendment is very similar to the one that my good friend and strong supporter of payment limitations, Mr. CONTE, prepared for the Agricultural Appropriation Act. Mr. CONTE for years has done effective work to establish common sense in farm programs.

The Conte language closed effectively the loophole that had been created in the Agricultural Act of 1970, namely, the loophole under which a cotton farmer can take the allotment that attaches to his cotton farm and separate that allotment from the land and put it in his pocket and walk off with it and then sell it or lease it to anybody else he wants to and thus effectively evade the limitation.

However, this new bill that is before us now contains another loophole and some very clever language which would disqualify any payments made to a farmer that would be termed resource adjustment payments in computing the payment limitation.

Now, if that loophole stays in the law it means that there will be hardly a farmer in the corner belt area—even the very biggest—who will be touched—even touched—by the payment limitation of $20,000. The same can be said for the wheat farmers too. Thus by eliminating the money paid for not farming, this means that very few dollars would remain subject to the limit. So it just nullifies the effect of the limitation. And, in addition, it gives the big cotton farmers another loophole through which to crawl.

The limitation that has now been voted for looks good on the surface.

All payments to farmers under my amendment will be counted in determining the $20,000 level. In addition, it is not $20,000 per commodity, such as $20,000 for cotton, and $20,000 for wheat, and $20,000 for feed grains. It is $20,000 per person. It establishes a $20,000 ceiling for each individual under any aggregate arrangements of these payments for the various commodity programs.

About half of the language in this amendment—and I will be glad to take time to explain any of the details—but about half of it is taken out of the language in the Agricultural Act of 1970. First of all, to make adjustments in set-aside requirements where payment limitation hit the farmer, and it also excludes from the payment limitation political subdivisions which of course is a feature very popular with a number of the Members. The heart of the amendment in addition to the $20,000 level per person is a provision for effectively stopping the lease and sale of cotton allotments separated from the land. And also effectively stops another form of evasion of the limitation, that evasion by which a farmer would simply lease off on a year-by-year basis a portion of his land to some business friend, for example, and thus find a way to evade the $20,000 limitation.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FINDLEY was allowed to proceed for 2 additional minutes.)

Mr. FINDLEY. Mr. Chairman, it may well be, as my friend, the gentleman from Michigan (Mr. GERALD R. FORD) the minority leader, has said, that this program will be so effective that no payments will ever be made. If that is the case, I cannot see why there would be the slightest concern about the nature of the limitation on payments. The simple fact is that the report—and here I am not referring to the minority report, but to the committee report which is before the Members—estimates that within the lifetime of this bill payments would reach nearly $3 billion a year. You can be sure that, coming from the committee, that is going to be a conservative estimate of the cost. The cost will probably be much more. So it is important in a 4-year bill like this to have an effective limitation on payments.

I think it is high time that we put a curb on the depth to which wealthy farmers can reach into the U.S. Treasury.

Mr. CONTE. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

Mr. Chairman, I rise to support the amendment of my distinguished colleague from Illinois (Mr. FINDLEY) to limit farm subsidy payments to $20,000 per farm. This is essentially the same amendment the House passed overwhelmingly on June 15 during the debate on the agriculture appropriations bill for 1974.

Two points about this bill are important: one, it limits payments to $20,000 per farm, not per crop; and second, by prohibiting additional payments where acreage allotments have been leased or land holdings have been subdivided, this amendment plugs the major loophole in the present law.

In his inflation message last month, the President said:

> In its consideration of new farm legislation, it is vital that the Congress put high production ahead of high prices, so that farm prosperity will not be at the cost of higher prices for the consumer. If the Congress sends me a farm bill, or any other bill, that I consider inflationary, I shall veto such a bill.

I need not remind my colleagues how high farm prices are—

Six years ago, in 1967, I tried to limit farm subsidy payments to $20,000 for the first time.

Since that time 6 years ago, the Labor Department's wholesale price index for farm products has increased by 82.3 percent. Increases in this index in the past 3 months have also been astronomical. In April it increased by 1.1 percent, in May by 4.8 percent, and in June by 6.3 percent.

Since I first offered this amendment to limit subsidy payments in 1967, the price index for food has leaped by 67 percent. By limiting production and supporting high prices, the farm subsidy program has been a prime contributor to inflation.

The principal purpose of the farm subsidy program originally was, as I understand it, to help the family-sized farm prosper by restricting production and inflating prices. Recently, a new rationale was added: The big corporate farmer had to be included in the Federal feast too, or else he would not participate in the set-aside programs, and that would mess up the entire market mechanism.

In 1973, it is time to unleash the farmer; especially the big farmer. If he is big enough to pull the plough, let us pull him away from the public trough. If limiting subsidy payments means losing the big corporate farmers from the program, so be it. Everyone will be better off.

The big farmers will be free to produce all they want at a time when prices are high and foodstuffs are scarce throughout the country and the world. No longer will they be restricted by artificial set-aside programs that require them to place a certain portion of their land in fallow.

In a series of speeches on the House floor, I have exposed some of the worst scandals of the farm subsidy program. I have shown how the biggest giveaways have gone to the biggest farms, which need this Federal money the least.

Who are some of the big recipients of farm subsidies?

This list includes a bowling alley in Dallas, the municipal airport at Kearney, Nebr., a radio station in Ohio, a State mental hospital in Alabama, State prison farms, State universities and governments, the Southern Pacific Railroad, and even the Queen of England.

In addition, there are also huge subsidies going to oil barons and coal companies, large insurance companies, and industrial giants like Reynolds Metals and Alcoa.

The time is ripe to end the harvest of huge farm subsidies. The present program helps neither the small farmer nor the consumer, so there cannot be any purpose in continuing it in the present form.

One way to help the small farmer is to reduce the farm subsidies that go to large corporate farms. Large payments to big farms aggravate the competitive advantages they enjoy over small family farms. By giving huge subsidies to these corporate giants, the Federal Government is hastening the demise of the small family farm.

This amendment sets a reasonable limit on subsidy payments. It insures that Federal funds are not wasted on farmers who do not need them. I urge my colleagues to support this amendment.

Mr. MAYNE. Mr. Chairman, I rise in support of the Findley amendment.

Mr. Chairman, we have voted many times on the issue of whether or not there should be a limitation on payments under the farm program. I think almost all Members have in good faith thought that when we talked about a $55,000 limitation or a $20,000 limitation, that would be the actual limit and that was how it would be interpreted and that was how it would be enforced, and even with a $55,000 limitation no one, corporate or otherwise, in this country could continue to receive payments of millions of dollars under the farm program. You thought that and I thought that.

I happened to disagree with the $55,000 limit when we passed it in 1970. I thought it ought to be $20,000, but I did believe, I was naive enough, and I was gullible enough to think that the $55,000 limit we adopted meant that no one would get more than $55,000. I did not anticipate that there were going to be these leasings and allotments and subdivisions and situations where every member of the family, and all of his sisters and his uncles and his cousins and his aunts, to paraphrase Gilbert and Sullivan, each was going to qualify individually for a $55,000 payment.

Perhaps those of us who were taken in by the language of the 1970 act and the way it was so loosely interpreted can be excused for having been gullible then. But I feel that today none of us can be excused for still being so gullible or naive as to think that the 1970 language is sufficient. I think we should support the Findley amendment which will make it clear that $20,000 per person is actually the limit, that it says what it means and it means what it says.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I appreciate the point the gentleman is making. I think the House has just shown by the last vote that this monkey business has been going on long enough. But I think neither the gentleman from Massachusetts nor the gentleman from Illinois nor the gentleman in the well has talked to this point. As I understand it, if the Secretary of Agriculture determines that production cutbacks are necessary and goes out to in effect rent land and cut back production under this amendment the cutbacks in production will necessarily be taken from only the small farmer because of the limitation. This will put a disproportionate shock on the communities which have a large number of smaller family farms, will it not?

How does the gentleman explain this part of the amendment, the rest of which I am most happy to support because I think it is much needed?

Mr. MAYNE. Mr. Chairman, I will be happy to yield to the author of the amendment, the gentleman from Illinois, who can explain that better than I.

Mr. FINDLEY. Mr. Chairman, the gentleman's interpretation is correct. I will point out any farmer who is eligible for resource adjustment payments coming to $20,000 is a mighty big operator and most of the farms in the United States would therefore not be adversely affected by the $20,000 limitation. This is a great deal of money, as the gentleman I am sure will agree, and the level is sufficiently high, in the words of Dr. Schnittker, former Under Secretary of Agriculture, to permit these programs to function properly without adverse effect.

Mr. ANDREWS of North Dakota. If my friend will continue the conversation with me, I do not go along necessarily with everything that Dr. Schnittker says and I feel many of the family-sized farms particularly in the upper Midwest, in North Dakota and South Dakota and Minnesota, if there is a sufficient cutback in acreage called for would be severely affected if the Secretary would not be able to go out to the big farms and get them to cut back. It is an advantage to the big farms not to cut back because they could make more by producing from those acres than they could from the Government payments.

As a result, we would have a disproportionate shock on the small family farms and on their community.

Mr. MAYNE. Mr. Chairman, I must

decline to yield further because of time limitations.

I would say in response to the last item raised by my good friend from North Dakota that there is no question, at least as far as farmers of Iowa are concerned, that they strongly favor a much lower limitation. This was shown by a survey taken by the Des Moines Register in which 3 out of 4 farmers favored limitation of payments, and the average annual amount suggested by those answering the poll was about $11,000. Only 3 percent suggested a limit of more than $25,000.

The GAO in its investigation of the way the program was working last year found that "these large producers most frequently either leased their acreage allotments and kept a per acre commission, or merely spread payments formerly made to a partnership as an entity among the various partners. In many cases, new partnerships were formed to qualify each person in a farmer's family to receive up to the $55,000 ceiling.

"The end result, of course, was little or no savings for the taxpayers."

The end result was that the savings to the taxpayers were aborted. We did not accomplish what we thought we were going to accomplish.

I think that the amendment of the gentleman from Illinois has teeth in it which will make the limitation of payments an actuality. I strongly urge its support because I think it will restore faith in this program.

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to question the gentleman from Iowa (Mr. MAYNE) a little bit further on my own time.

Mr. Chairman, he brought up the point that his farmers were in favor of limitation of payments. I just had a poll of my district, which is probably the most agricultural district in the country, and only 10 percent of the people responding favored the payment of more than $25,000.

The farmers themselves are in favor of payment limitations, because they know what this misunderstanding has been doing to them in the eastern centers where their customers are. But, the farmers want to make absolutely 100 percent sure that when production cutbacks come, they be applied across the board and the big farmers have the same percentage cutbacks that the small farmers have.

If the Secretary of Agriculture 2 years hence has to make a 50-million-acre cut in feed grain, if he puts all of that 50-million-acre cut, because of this amendment, on the small farmers, it would be a true disservice to the small farm families of this country. While I agree with the stress the gentleman is putting on the amendments covering up the loopholes and the limitation itself, I am still concerned and would appreciate any further explanation he might have on how we are going to avoid this problem when cutbacks come.

Mr. MAYNE. Mr. Chairman, I would say to the gentleman that I cannot conceive of any Secretary of Agriculture being so unwitting or unaware of the mood that this country is in to inflict all the cuts on the small family farmers and avoid any cuts for the large farmers.

I would certainly join the gentleman, and I think that almost all of us unanimously, the ladies and gentlemen of this House, would join him in denouncing any such action. I do not believe that that is a reasonable thing to anticipate. I just cannot believe that this Secretary or any Secretary would be subverting the true intent of the act in that way.

Mr. ANDREWS of North Dakota. Mr. Chairman, is it not true, however, that this bill is a voluntary bill? There is no compulsion to get into it? So the large operator, when cutbacks were ordered, would stay out of the program and make much more producing than they could get from the payments. The small operator would then bear essentially the entire cutback.

Mr. MAYNE. Of course, the little fellow can stay out and starve if he wants to. He has the freedom to be driven from the land and not receive the payments.

One of the things I object to is that these very payments, these large payments, have been used to gobble up the land of the small farmers, who really are the ones we should be trying to help.

Mr. ANDREWS of North Dakota. The point I am trying to make is not that the little man would stay out. The little farmers would stay in, but the cutback would then be disproportionately large on the small farmer because the big fellow would stay out and keep on producing. This is why I feel this amendment hurts rather than helps the small farmer.

I appreciate the gentleman's comments.

Mr. HANNA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not an agricultural expert. In fact, I am not an expert in anything. The definition I heard about an expert is that "ex" is Latin for "has been" and "spurt," as anyone knows, is a small squirt under pressure. With that kind of definition I could hardly say I am an expert without being in jeopardy.

I am convinced, as I listen to this argument, that it misses completely the point that would serve the farmer. It seems to me the argument we are talking about today would have some merit if it were 5 years ago and we were settling the problem of surplus. Today it has a ring of falseness in it that disturbs me, because we are now facing shortages. If I were a farmer and had nothing but the commonsense to guide me, I would want to do something about this administration and this Congress, because, as I see it, the plight of the farmer is that he has been faced with some very peculiar economics.

First of all, we have been looking backward, and have said we do not like surpluses. So what do we do when we have surpluses? We pay them not to grow, on the one hand; and then we went out into the world and encouraged everybody to come to America to buy agricultural products. We started cutting off the candle at both ends.

Ultimately what happened is that we ran out of farm commodities to sell. We ran out for our own people as well as for the customers we encouraged from abroad. We set a ceiling on the prices of food, and we let the farmers be caught up in a cost squeeze. By virtue of the President's embargoes we told him he could not use the best customer he had to pay a price commensurate with the cost of doing business, our foreign buyers.

Here we are talking about surpluses, and I will say what we ought to do is to be intelligent about the use of surpluses. We should provide ourselves with some very good customers, which we jolly well need in the world, and we should get our trading partners to join with us in a program to take care of surpluses.

Farming has become an extremely capital intensive activity. We have to encourage investment not discourage it. We need surpluses. So we should pay farmers to make the surplus. While we are in a shortage we ought to be encouraging production and not worrying about surpluses that do not exist.

To encourage more production one has to have some intelligence to see how it looks further down the road, as the gentleman said about the wheat crop, to a time when we might have surpluses.

The people we have on our buying list now—trading partners needing food—ought to sit down and say that they will help us take care of surpluses, so that they will not run into a shortage.

Does that not make sense?

Do Members realize that a large percent of the foodstuff to be consumed by the Japanese, now comes from the United States, and in the last 5 years we talked them out of producing certain foods and into coming to us, and buy our food products. As soon as we talked them out of producing their own food we tell them they cannot have ours.

It seems to me we ought to start thinking this through. It reminds me of a story about a paint job done on a missile in my district.

There was a fellow in the paint department of the Minuteman missile production line who thought that he could save the company $500 by changing the paint. So he changed the paint.

What he did not realize when he changed the paint was that he changed the metallic input of the paint. This changed the induction ratio and ruining the electronic circuitry and all the electronics had to be changed.

When they changed the induction of the circuits, that made it mismatch with the power supply, so they had to find a new power supply to put in the missile.

So by the time they changed the missile circuitry and changed the power supply, eventually the problem was solved, and the man in charge said, "That was one hell of a paint job."

What they are trying to arrange here, it seems to me, is what has been exhibited in every move the administration has been taking up to now, and that is to give the American farmer "one hell of a paint job."

AMENDMENT OFFERED BY MR. PRICE OF TEXAS TO THE AMENDMENT OFFERED BY MR. FINDLEY

Mr. PRICE of Texas. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Price of Texas to the amendment offered by Mr. Findley: In the amendment strike out $20,000 and insert "$37,500 per crop."

Mr. PRICE of Texas. Mr. Chairman, we have, of course, addressed ourselves to this subject every year that the farm program has been before us. The Members may recall that in the past farm legislation we had unlimited payments in the bill. In the 1970 Act we reduced that to $55,000.

In the committee bill that is before this Congress today, in the wisdom of the committee, we adopted a $37,500 limitation of payments per crop.

Mr. Chairman, a lot of these people who have had faith in farming and in producing the food for this country have depended upon the programs that have been passed by Congress. They depend on them when they go to the banks for credit as they make long-term leases on land on which to produce the food for this country.

Now, it was said a while ago by my friend, the gentleman from Indiana, (Mr. Madden) that he had 160-some-odd farmers who received very little subsidies in his State's small farm acreage. Because of the many lists that are floating around nowadays, I felt rather badly that my district was not included in his remarks, because my district is one of the largest agriculture-producing districts in the United States.

Mr. Chairman, I want to say again what I reiterated before when the gentleman from Minnesota (Mr. Bergland) had his amendment under consideration here: That if we prevail in curtailing the American farmers and subjecting them to a $20,000 limitation per person, then the agriculture programs that we have known in the past will die, at a time when we are now asking that the American farmer produce food and fiber for the world, as well as meat, which will soon be rationed.

And I say to the Members that it will be rationed if we continue along under the guidelines that we presently have, with beef being frozen, with crops that are not frozen except for a few protein products. There can be a shortage in American agricultural products if we do not stimulate the American farmer to produce.

Mr. Chairman, I say to the Members that is a very serious problem. These two gentlemen in all good faith have offered these amendments, but, nevertheless, they are going to jeopardize the production of food and fiber in this country, and we probably will rock along here asleep, as we have in the energy crisis, and say, "Oh, well, everybody is getting rich. There is no shortage of food."

The same thing is going to happen in farming. I say to the Members again that we are restricting that person who has had the guts to go out and increase his holdings, to take a risk and to increase his farming activities, by buying $10,000 tractors or $80,000 worth of machinery. For machinery and items of that type, it costs approximately $80,000 to $100,000 on an average per farm in this country today.

How can he produce efficiently if he does not expand his farming operation? He cannot pay for a $10,000 or $12,000 tractor or a $14,000 combine. He has to get bigger or else get out.

So I say to you I hope you will consider the committee-adopted figure of $37,500 per crop.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Price) to the amendment offered by the gentleman from Illinois (Mr. Findley).

The amendment to the amendment was rejected.

Mr. QUIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to ask a couple of questions of the gentleman from Illinois about his amendment.

He put a limitation on leasing and sale of allotments. The commodity that permits sale of allotments is cotton. Is that correct?

Mr. FINDLEY. That is correct.

Mr. QUIE. My question is, would this only limit the sale and lease of allotments in determining the amount of the payment but not in any way limit the lease and sale of allotments if the owner of those allotments wanted to do so to any other person?

Mr. FINDLEY. This would not actually prohibit the lease and sale of cotton allotments separate from the land, but if the lease and sale did occur, in administering the program, the Secretary would ignore the fact that the lease and sale had occurred.

Mr. QUIE. Does the gentleman contemplate that this would be a loophole? Even though originally I did not consider the sale and lease of cotton allotments to be justified, I think now that it is practical and should be continued. But does the gentleman have in mind the large cotton producer might lease or sell a portion of his allotment to someone else and then that person hire him or his corporation to farm that cotton land and therefore that person get the payment from it when in fact it is a part of the large cotton operation?

Mr. FINDLEY. That is exactly what happens under existing law. This is a type of evasion and practice that my amendment would stop.

Mr. QUIE. I thank the gentleman.

Mr. POAGE. Mr. Chairman, I move to strike the last word.

I rise to suggest that this is a most dangerous type of amendment.

If we are going to adopt a policy of trying to set goals below which we will not let prices fall—and that is what this bill does—then we need to set that price overall. You cannot set one set of prices for part of the crop and another set for another part of the crop very successfully. If you are going to say to producers who have been fortunate enough to operate on a large and efficient scale that they cannot receive the same kind of treatment for their production that other procedures are receiving, then you are establishing two classes of citizenship and you are discouraging the very thing most of us want, which is the cheapest and most efficient production we can get.

Much of that comes from large operations, just exactly like the subsidies that you pay to airlines. Most of it goes to those who are carrying the larger portion of freight or passengers and just as you pay more on a steamship that carries 100,000 tons than you do on one that carries 10,000 tons.

So it seems to me that we should apply the same rules to agriculture that we apply to all of the other elements of our economy.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am delighted to yield to our distinguished Speaker, the gentleman from Oklahoma (Mr. Albert).

Mr. ALBERT. Mr. Chairman, I hope the Members, now that we have established a $20,000 limitation, which is a considerable reduction below the limit in the 1970 act, will defeat this amendment.

It seems to me that there is definite danger in going any further than the Bergland amendment went. We need at this stage of our history to encourage, not to discourage agricultural production. We need to feed and clothe our people at home at reasonable prices. We need to sell the products of our farms abroad in order to help with our balance of payments.

Farmers are in a very risky occupation, and they know it. Supply, demand, weather, and thousand things make farming a gamble. If we do not deal with farmers intelligently they are not going to take the risks that they have to take to give us the production we need.

It would seem to me that we have gone far enough. I think the amendment offered by the gentleman from Minnesota (Mr. Bergland), although it goes pretty far, expresses the will of the House. It would be a serious mistake to go further.

Therefore I hope this amendment is voted down.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will be very brief. I just want to say to my good friends, the gentleman from Massachusetts (Mr. Conte), and the gentleman from Illinois (Mr. Findley) that I believe they have gone to the well once too often.

When they started offering these amendments we were in a situation in this country where we did have an agricultural surplus. Their amendments were offered, I think, in a twofold effort, one to try to control surpluses, and the other to try to keep individual farmers who were making a lot of money off of the Government from doing so. At that time I think their amendments were somewhat worthwhile, and they were well received by the House.

But, may I say to the Members of the House, that is no longer the situation. The situation now is that we need more food and fiber, not less. We need to grow more in this country, and this is not the way to do it.

In order for a farmer to grow a crop he has to make an investment. This bill which the Agriculture Committee has voted out would place a reasonable prop under the investment which we are asking the American farmer to make.

We need not only to have the American farmer make that investment to feed our people, but we also need the American farmer to make that investment so we may continue foreign trade in agricultural products.

I do not believe I need to tell the Members of this House that we are in serious difficulty so far as the balance of payments is concerned.

At one time we manufactured products better than anyone, but we are not doing that any more. We are not manufacturing products of as high a quality and at as low a price as we used to do, for various reasons. But we still have one thing that we can do better than any nation in the world. We can grow more farm products and we can grow them cheaper than any nation under the sun.

So for that reason it is very important, especially for the balance of payments, that we encourage the American farmers to grow a surplus which we will be allowed to export to help the balance of payments situation.

This amendment will not do it, and therefore the amendment should be defeated.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I want to congratulate my friend and colleague, the gentleman from Arizona (Mr. RHODES) for the excellent sense of the statement the gentleman is making. The gentleman is dead right. The situation has turned around. We need to stimulate production on our farms. This amendment that has been offered, while it might have been well intended and might have been effective, and might have been needed in the past, is not needed today.

So, Mr. Chairman, I join my colleague from Arizona in hoping that the amendment will be rejected.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the distinguished Speaker.

Mr. ALBERT. The gentleman has said much better than I said in the 1 minute that I took what I was trying to say. This is a poor time to embark on this kind of a program.

Mr. RHODES. The Speaker is absolutely right, as is my friend, the gentleman from Arizona.

The committee has brought out a bill which is well calculated to help the American farmer to grow more food and fiber. We need it, and we need it now. Let us not cripple this bill by adopting ill-advised amendments which would move us backward.

Mr. Chairman, I yield back the balance of my time.

Mr. KUYKENDALL. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I should like to ask two questions of the gentleman from Illinois (Mr. FINDLEY). It is my understanding that the thrust of the gentleman's amendment is that if a cotton farmer had 1,000 acres and he would have without limitation gotten $40,000 in payments, then he is prohibited by the gentleman's amendment from forming a separate corporation, leasing half of his land in that corporation, and collecting $20,000 twice; is this correct?

Mr. FINDLEY. The effect is that if he does lease it, he automatically reduces his entitlement to payments under the program.

Mr. KUYKENDALL. So the gentleman is saying that the cotton farmer cannot collect the $20,000?

Mr. FINDLEY. That is right; he cannot evade the limitation by leasing under the program.

Mr. KUYKENDALL. What if one were a wheat farmer and did exactly the same thing? He could collect it twice; could he not?

Mr. FINDLEY. The language of this amendment has the same effect on the leasing of allotment land, whether it be cotton or whether it be feed grains.

Mr. KUYKENDALL. But the cotton is the only one that has this allotment; is this correct?

Mr. FINDLEY. No, the gentleman is mistaken. Under this program the allotment is recognized for wheat, for feed grains, and for cotton. It is true that under the present law the leasing and sale of the allotment separated from the land is permitted only for cotton, and the only reason that device was ever cooked up was that the cotton interests saw that as the only way they could effectively evade the limitation that, in good faith, Members of this body wrote into the law in 1970. It was a very skillful job of stealth, and I think it is high time that we prevent the cotton interests from literally dominating this legislative body when it comes to farm programs.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. KUYKENDALL. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. I thank the gentleman from Tennessee for yielding to me. I should like to ask the gentleman from Illinois one question. Under the present market prices for cotton, for wheat, and for corn, will the gentleman's amendment or the Bergland amendment have any impact whatsoever?

Mr. FINDLEY. If prices prevail next year, which would be the first year of operation of this proposal, at the levels that exist today, there would be no payments, assuming the Secretary does not require a set-aside arrangement. It is conceivable that the effect of the set-aside could create some payments, but my expectation is that it would not. However, the committee report that accompanies this bill forecasts that annual payments during the lifetime of this bill will come as high as $2½ billion, so we have to assume that large payments are part of the 4-year package we are considering.

Mr. KUYKENDALL. I did not get my last question answered of the gentleman from Illinois.

Mr. FINDLEY. I am sorry.

Mr. KUYKENDALL. I think we had better get this straight. Does the gentleman's amendment say that if a man sold a piece of land that had an allotment with it, he could not move that allotment to its new owner?

Mr. FINDLEY. It does not say that. There is, in all frankness, a way to evade even this limitation, and that is by bona fide sale of the farm, breaking it up into smaller parts and actually engaging in the bona fide sale of the individual parts. That remains as a possibly for all three commodities. This goes only to the leasing of land as a subterfuge to evade the limit, and the leasing and sale of allotments.

Mr. KUYKENDALL. The gentleman is saying a man could not lease a piece of cotton land to a completely unrelated neighbor and move his allotment with him?

Mr. FINDLEY. He could make a bona fide sale of a portion.

Mr. KUYKENDALL. I said lease.

Mr. FINDLEY. He can lease it but he loses entitlement to a portion of the payment he would otherwise get.

Mr. KUYKENDALL. The same with wheat?

Mr. FINDLEY. The same with wheat and the same with feed grains. They are all treated alike and every individual is treated alike, too.

Mr. SISK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to say I know my friend, the gentleman from Illinois, does not wish to misrepresent but he just made a statement that is absolutely incorrect. The gentleman indicated, any maybe I misunderstood him, that this lease and sale of allotments of cotton was an arrangement coming in for surreptitious purposes. Is that not what the gentleman said?

Mr. FINDLEY. That is certainly my understanding of it. It may have predated that year but I will tell the gentleman it was for surreptitious purposes whenever it came.

Mr. SISK. I have great respect for my friend, the gentleman from Illinois, and his memory may be better than mine, but the lease and sale of cotton allotments has been in for 20 years and it was put in for a very good purpose, and the Department of Agriculture still supports that today, and that was to permit cotton to move into areas other than where it was originally produced. That has been in effect for 15 or 20 years.

Mr. FINDLEY. The Agricultural Act of 1970 had a section in it very carefully hidden which authorized the lease and sale of cotton allotments separated from the land and there is no doubt in my mind or in the mind of anybody who had anything to do with that, that it was for the purpose of permitting that.

Mr. SISK. The gentleman is still distorting the facts. The language of the 1970 Act in connection with the sale and lease of allotments was not changed one iota. It has been in the law for years and years. In Texas, as the distinguished chairman just indicated, in one county all the cotton moved out 15 years ago.

Mr. FINDLEY. The point is that big cotton has been getting payments that have been much too big.

Mr. SISK. I will remind the gentleman this was not put in in 1970 for any ulterior motives. It has been in for years. I think the gentleman ought to recognize that.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the Findley amendment and ask leave to revise and extend my remarks.

Mr. Chairman, I realize the membership is ready to vote. As you all know I have had the responsibility of handling appropriations for the Department of Agriculture for a number of years, and there are several facts which we cannot afford to overlook. One is that the agricultural program was initiated to restore the purchasing power of those engaged in agriculture which pulled us out of the depression of the 1930's that came about because those engaged in agriculture lost their purchasing power. They did not have the income. Banks to which they were indebted went bankrupt and factories closed leaving the labor force unemployed.

We had the Great Depression, and so it has been throughout history, for every depression has been set off by a break in farm income. Keep that in mind before you set such a situation in motion here today by voting for the Findley amendment.

The gentleman from Illinois acknowledges that his amendment could well lead to a splitup of economic farms into smaller uneconomic units. Of course, any man can divide his land up into small farms by selling. However, if we try to feed and clothe this country with production of small farms we would be about as sensible as to try and furnish automobiles for the entire country by factories whose maximum production capacity is 50 automobiles or less. It could not be done.

Agriculture receive a return now of only 3.6 percent of its total investment. What is the result? The result has been that 409,000 people have left the farm each year since 1965. What happens when the others leave? We will go hungry and lead ourselves into another depression.

My friends, we are dealing not only with the food and fiber so necessary for all of us, but we are also dealing with the economy of this country. We can argue the details of this provision but one thing is certain, it will lead to inefficient agriculture, vacated farms, and perhaps to a depression. We are short of food supplies, cotton, grain, and other crops. We are now short of beef, poultry, and eggs, not only to meet our domestic needs but also foreign demand, where we so urgently need to strengthen our dollar position in the world market. I repeat, the Findley amendment would make bad matters worse.

We had better give attention to these facts. We are in trouble. People are leaving the farm and crowding into our cities, and under these conditions, we had better pat the farmer on the back rather than kicking him in the teeth.

This bill provides for food stamps. Do you realize that food stamps are valuable only so long as food is on the shelves. The day when people receive food stamps and go to the store and the shelves are bare, they are worthless.

The committee has done a fine job with a tough subject. A $20,000 limit per crop has now been adopted. To adopt the Findley amendment which would limit all totals to $20,000 per person would be to return to small inefficient farms and in the long run, we would not only go broke, but hungry as well.

This, we pointed out earlier in the year in the report of the Subcommittee on Agricultural Appropriations of which I serve as chairman.

My colleagues, we need to defeat this amendment for the protection of all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FINDLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 246, noes 163, present 1, not voting 23, as follows:

[Roll No. 326]

AYES—246

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Biaggi
Biester
Bingham
Blatnik
Boland
Bolling
Brademas
Brasco
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Butler
Byron
Cederberg
Chamberlain
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniels, Dominick V.
Delaney
Dellenback
Dellums
Dennis
Derwinski
Devine
Dingell
Donohue
Drinan
Dulski
Duncan
du Pont
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Fascell
Findley
Fish
Ford, William D.
Forsythe
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Gaydos
Gibbons
Gilman
Goodling
Grasso
Green, Pa.
Gross
Grover
Gude
Guyer
Haley
Hamilton
Hanley
Hanrahan
Harrington
Harsha
Harvey
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hutchinson
Ichord
Johnson, Colo.
Johnson, Pa.
Jordan
Karth
Kastenmeier
Keating
Kemp
Kluczynski
Koch
Kyros
Latta
Lehman
Litton
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McKinney
Macdonald
Madden
Mallary
Martin, N.C.
Mayne
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Minshall, Ohio
Mitchell, Md.
Moakley
Mollohan
Moorhead, Calif.
Mosher
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nelsen
Obey
O'Brien
Owens
Patten
Peyser
Pike
Podell
Powell, Ohio
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Rogers
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Saylor
Schneebeli
Schroeder
Seiberling
Shuster
Smith, N.Y.
Staggers
Stanton, James V.
Stark
Steele
Steelman
Steiger, Wis.
Stratton
Studds
Sullivan
Symington
Thompson, N.J.
Thone
Tiernan
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ill.
Zablocki
Zwach

NOES—163

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Arends
Baker
Beard
Bergland
Bevill
Boggs
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Broyhill, N.C.
Burleson, Tex.
Burlison, Mo.
Burton
Camp
Carney, Ohio
Casey, Tex.
Chappell
Cochran
Collins, Tex.
Conable
Conlan
Daniel, Dan
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Denholm
Dickinson
Diggs
Dorn
Downing
Eckhardt
Edwards, Ala.
Evans, Colo.
Evins, Tenn.
Flowers
Flynt
Foley
Ford, Gerald R.
Fountain
Fuqua
Gettys
Ginn
Goldwater
Gonzalez
Gray
Griffiths
Gubser
Gunter
Hammerschmidt
Hanna
Hansen, Idaho
Hansen, Wash.
Hays
Henderson
Hicks
Holifield
Hunt
Jarman
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Ketchum
Kuykendall
Landgrebe
Landrum
Leggett
Lent
Long, La.
Lott
McEwen
McKay
McSpadden
Madigan
Mahon
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Melcher
Mills, Ark.
Mink
Mizell
Montgomery
Moss
Myers
Natcher
Nichols
O'Hara
O'Neill
Parris
Passman
Patman
Perkins
Pickle
Poage
Preyer
Price, Tex.
Quillen
Rarick
Rhodes
Roberts
Roncalio, Wyo.
Rose
Roy
Roybal
Runnels
Ruth
Satterfield
Scherle
Sebelius
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Stokes
Stubblefield
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.

Teague, Calif.
Teague, Tex.
Thomson, Wis.
Thornton
Towell, Nev.
Treen
Udall
Ullman
Veysey
Waggonner
White
Whitten
Winn
Wright
Young, Alaska
Young, Ga.
Young, S.C.
Young, Tex.
Zion

PRESENT—1

Daniel, Robert W., Jr.

NOT VOTING—23

Ashley
Blackburn
Carey, N.Y.
Carter
Danielson
Dent
Fisher
Flood
Frenzel
Giaimo
Green, Oreg.
Hébert
Johnson, Calif.
King
McFall
Mailliard
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Nix
Pepper
Pettis
Roe

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: On page 21, line 16, after the word "corn" insert the following:

"(3) Notwithstanding any other provisions of law, no funds of the Commodity Credit Corporation shall be used, directly or indirectly, to finance or guarantee the sale of any wheat or feed grains to the Union of Soviet Socialist Republics or to the Peoples Republic of China, subsequent to the date of enactment of this subsection."

Renumber the following lines and paragraphs accordingly.

Mr. SYMMS. Mr. Chairman, the purpose of this amendment is simple and to the point. The amendment would prohibit the financing of future grain deals—or should I say grain steals—with Russia and Communist China out of the pockets of the American taxpayer. It would disallow the extension of any Government credit to these countries for wheat and feed grain transactions.

At the same time the measure would in no way interfere with trade of these commodities by any other means, including cash deals and private financing. Coming from a district which includes some of the most productive wheat growing lands in the country, I would be the last person to discourage honest commerce in this area. But when the farmer must pay out of his right pocket in taxes and higher prices for what he gets back in his left, then his interests are not justly served.

Now that we have had a full year to assess the results of the Russian grain deal it has become painfully apparent that the only ones to benefit from the transaction were the grain exporters who made windfall profits and the Russians who got fed at American taxpayers' expense.

The cost of this blunder to individual Americans was threefold. First, they paid out $300 million in grain subsidies and another $400 million in transportation subsidies to insure that while Americans were buying domestic wheat at $2.12 per bushel, the Soviets would only pay $1.65 per bushel, with the taxpayers making up the difference. Second, the Commodity Credit Corporation financed the deal with $750 million in American taxes at an interest rate lower than what the U.S. Treasury must borrow at in the marketplace. Third, as the General Accounting Office just yesterday confirmed, the massive sale caused shortages in the U.S. grain supply which were directly responsible for the huge food price increases during the 9 months following the transaction. The deal not only had a severe impact on flour-based products, but caused Americans to pay $1.2 billion more for pork and beef and $800 million more for eggs, poultry, and dairy goods. When one considers that the price of soybean mash, for example, has gone up more than 500 percent since July of 1972, this is not difficult to imagine. I cannot cover all aspects of the Soviet grain sale in terms of its adverse effects on our economy at this time. Suffice to say that this blunder, during the 9 months following the deal, cost the American public a total of over $3.2 billion. That is a high price indeed to pay for a $1-billion credit transaction.

Mr. Chairman, before we consider risking literally billions of American tax dollars in similar credit transactions in the future, we must first determine if credit with these two nations is trustworthy. Here the record speaks for itself. Those who agree that Russian credit is good have simply not examined the facts.

Presently, Russia owes the United States $385 million in past debts dating back as far as 1910. Furthermore, the Soviets owe $722 million in lend-lease debts from after World War II. They have shown no indication to make good on either of their obligations. I suppose this is why we have now extended their deadline to pay the lend-lease funds to July 1, 2001.

The Soviets have been no kinder to other Western creditors. Italy and West Germany, for example, are experiencing severe collection problems with Russia as a result of the Soviets' failure to make good their contractual obligations to those countries.

Indeed, the list of Soviet credit defaults would go on and on. It would seem that if we cannot learn from our own past mistakes, that we can at least learn from the mistakes of others.

Some would raise the question of whether Russia or Communist China could afford to buy American grain if we failed to supply them with government credit. The fact of the matter is that with their present food shortages, they could not afford not to. Presently, the Soviet Union is supplying Castro's Cuba with $2 million a day in direct aid. In 1972 she gave $250 million in aid to Chile. She is also spending 40 to 50 percent of her GNP, approximately $88 billion on armaments in a massive effort to outstrip the United States in sophisticated offensive weaponry, in short we have to feed them so they grow up to be big strong soldiers. Likewise, Communist China has spent tens of millions of dollars in Africa in an effort to touch off wars of national liberation in that part of the world.

Mr. Chairman, it does not take an astute observer to realize that our credit transactions with these nations only enable them to devote more and more of their own resources to their warmaking ability and to subversive activities abroad. If Russia and China can pay for these kinds of expenditures, then they can certainly pay for our wheat to feed their own people. Is this an unreasonable request?

Mr. Chairman, as you know, Russia is the second largest producer of gold in the world. She possesses $7 to $8 billion in gold reserves. In comparison, our gold reserves are pitifully inadequate. At present 80 billion U.S. dollars are floating in European and other financial markets. What possible reasoning can there be for the United States, while experiencing a major currency crisis and serious imbalance of payments, to finance the gold-rich Soviet Union? Let us be smart for a change. If Russia is going to call upon us to stabilize its food supply, then why should we not call upon them to pay us in gold in order to stabilize our dollar? In the interest of good business sense and the future security of our Nation, I strongly urge the adoption of my amendment.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SYMMS was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Mr. Chairman, I should just like to say that this would not hamper trade. We are in a seller's market. The Russians and Chinese have to come to America to get their wheat. All it will do, Mr. Chairman, is force the business community, which makes the deals, to accept cash for the deals. That would be very simple—cash on the barrelhead—or if a private business or company want to offer the credit they can privately but not risking the taxpayers' money.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment was offered in the Committee on Agriculture by the gentleman from Idaho (Mr. SYMMS). As I recall, it receives two votes from the combined membership of the Committee on Agriculture.

It is simply not correct to imply that the Russian grain sale was a concession sale. It was a standard commercial sale under standard commercial terms, backed up by letters of credit. The sale has been criticized in part because of the payment of export subsidy by the Department of Agriculture, and some Members may have seen the General Accounting Office report that came out this week. That is an entirely separate issue.

This amendment would sharply restrict the ability of the United States to make sales to two of the largest potential customers of agricultural products of this country, the Soviet Union and the People's Republic of China. We can argue about the reliability of payment. It is true there are some prerevolutionary debts of the czarist regime in Russia that have not been paid. There are lend-lease payments that are under negotiation, but I think most in international trading community would argue that on commercial transactions the Soviet Union is a very responsible nation and the Chinese are considered to be scrupulous. In fact the Chinese resist credit arrangements that the gentleman from Idaho seeks to prohibit.

Today at 3:30 p.m. the Department of Agriculture released its July 1 crop report. That crop report, I am pleased to say, projects a 5.9-billion-bushel crop in corn, an increase of 6 percent; a wheat crop of 1,749,000,000 bushels, a record for our entire history; a sorghum crop of 867 million bushels, and a soybean crop of 1,588,000,000 bushels—a 24-percent increase over last year's crop.

These optimistic reports are welcome but it must be clear that there will be a need to keep our markets for export open and active.

In wheat, for example, we use only about 535 million bushels annually for domestic food uses. That means that well over a billion bushels must be exported from the 1973 crop. This is surely not the time to devise ways to stifle our export markets.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Ohio.

Mr. VANIK. Can the gentleman tell me really why agriculture should be singled out for export subsidies? Why should agriculture be singled out in having a system of export subsidies paid through the Commodity Credit Corporation at the taxpayers' expense?

Mr. FOLEY. I should be glad to carry on that discussion with the gentleman from Ohio at a later point. Export subsidy is not particularly the issue of this amendment.

Mr. VANIK. That is right.

Mr. FOLEY. However, I should like to, if I may, finish a few remarks on this amendment, and then I should be glad to yield to the gentleman for that question.

The problem of this amendment is that we are now faced with the necessity of developing production to meet our domestic needs at reasonable prices and to meet our export possibilities which last year realized $11 billion in balance-of-payments advantage. The one area of American economic activity in exports that has been successful is agriculture. Now with a large new crop we have the opportunity to continue to provide adequate sources of supply at home and continue to supply those export markets abroad to our great advantage.

This effort by the gentleman from Idaho would potentially cut off two of our major possibilities to say nothing of reversing what most people in this country regard as a favorable new attitude of detente with the Soviet Union and the People's Republic of China. One place where most of us on this side of the aisle believe the President of the United States deserves great credit is in his efforts to remove old tensions and develop new and favorable relations with Russia and China. This amendment would do nothing but exacerbate those old hostile feelings and reverse that great thrust in foreign policy which has come about in recent years. It would turn away from an opportunity for profitable and beneficial foreign trade. It would benefit no one, serve no interest, particularly not the interest of either our taxpayers or our consumers—the amendment should be defeated.

Mr. TEAGUE of California. Mr. Chairman, I rise in opposition to the amendment. I oppose the amendment offered by my friend, the gentleman from Idaho, reluctantly. At first blush when it was offered in the committee it seemed to me to have appeal, but I think our balance of trade and our balance of payments situation being what it is, the gentleman from Washington has very well stated the case against the amendment and I associate myself with his remarks and urge the amendment be defeated.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to point out to my ranking minority member that we are being paid on the credit which was extended, as the gentleman from Washington pointed out, by a dollar which has been devalued 40 percent since the transaction. This alone was a $100 million windfall to the Russians. All we could do was furnish cash on the barrelhead at the time of the transaction, or private credit, and this would have meant we could have taken gold at $50 an ounce and gold is now $127 an ounce and we would not have forfeited or jeopardized our so-called friendship with the Soviet Union in any case. They have the grain and we have the money. It seems commonsense to force them to pay cash for grain. We have to support our Army in Western Europe and they have the army in Eastern Europe. It would force that issue and it would in no way damage the detente. In fact it might make the world a better and safer place to live in.

Mr. TEAGUE of California. I think the gentleman stated his arguments very well but I must oppose the amendment.

Mr. KUYKENDALL. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Tennessee.

Mr. KUYKENDALL. Is it not true the line of credit with the Soviet Union was not used? They actually paid their bill even better than our arrangement with them required?

Mr. TEAGUE of California. I cannot answer that.

Mr. KUYKENDALL. I believe that will be found to be true.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I strongly oppose the amendment offered by the gentleman from Idaho. Under present law we are trying to stimulate agriculture production. As the gentleman from Washington indicated, we have prospectively the greatest wheat crop and the greatest corn crop and the greatest soybean crop and the greatest sorghum crop, and under this legislation which we are considering we are seeking to stimulate more production of agricultural commodities. The amendment offered by the gentleman from Idaho wants to knock off our two best world customers. Does that make sense? It just does not make any sense to me.

As I understand it, and I was in China just about a year ago, the Chinese People's Republic literally paid cash on the barrel head. So this one proviso in here is perfectly academic.

It is my understanding, No. 2, that the Soviet Union got a 3-year regular line of credit to buy whatever agricultural commodities they purchased. They have maintained a perfect payment record on the agreements that they made at the time they signed the purchase order. They are not delinquent. As a matter of fact as I understand it they are somewhat prepaid, so they did not get any concessions. They were given the same kind of deal any other customers for American commodities get.

No. 3, let me say this: The only real plus in the balance of payment, the only real plus in the balance of trade we have had in the last year or two has been agricultural commodities. The gentleman's amendment wants to knock out the two best customers, present and prospectively.

In my judgment, the amendment should be defeated, and I urge its defeat.

Mr. DU PONT. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, and I take the time for only one reason. The reason is that yesterday GAO released its report on the Russian wheat deal. I was the original Member of Congress who requested that study to be done.

I am very critical of the policy followed by the Agriculture Department in granting the export subsidies that were granted in that transaction, but the export subsidies were the problem with that transaction, not the line of credit. I notice the gentleman from Idaho has various copies of last night's Washington Star article on the table, but let us not be confused. We are not talking about the problem of export subsidies here.

The Agriculture Department, in the opinion of GAO and in my opinion, was in error in paying export subsidies, but they were not in error in granting a line of credit to the Soviet Union.

Sales of wheat to China and to Russia are good for the American economy. They are good for the balance of payments, which was some $700 million worth; they are good for the farmers who receive higher wheat prices; they are good in that they create jobs; they are good in that they reduce subsidy costs within the United States, and our sales to the Soviet Union and to China would be a good thing to do.

So, the problem is not with the line of credit. I suggest that the gentleman's amendment would do a great deal of damage and we ought to keep clearly distinct in our minds the problems of export subsidies and the problems of a line of credit.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Chairman, is it not true that the reason that sale was made possible was because the average taxpayer of this country subsidized that sale to the tune of 60 cents a bushel, and that is not a normal overseas sale? On what other kinds of overseas sales do we subsidize to that degree?

Mr. DU PONT. The gentleman can note the gentleman from Ohio's argument that we should not have export subsidies at all, but the subsidy the gentleman refers to was paid through the subsidy program, which is not the subject of the gentleman from Idaho's amendment.

Mr. ROUSSELOT. I understand that, but the gentleman from Texas said that this was just a normal sale. The minority leader also indicated this is just another normal sale and that Russia and China potentially are great purchasers of wheat. Then, why is the American taxpayer asked to pay substantially to subsidize that type sale?

Mr. DU PONT. We should not be asking them to do that in terms of the credit we are offering, and we should offer them the same commercial credit terms as we offer anybody else, but to prohibit any sale on credit to China or the Soviet Union would be a step backward.

Mr. ROUSSELOT. If the gentleman will yield, that is the reason the gentleman from Idaho is offering this amendment. It is to correct the impropriety of forcing the American taxpayer to subsidize the sale.

Mr. DU PONT. I would say to the gentleman from California that if he is offering the amendment for that purpose, it is not reaching the problem. He should be offering an amendment dealing with export subsidies, not dealing with credit.

Mr. ROUSSELOT. Mr. Chairman, for the sake of clarity, let us review some of the facts in the financing of the recent United States-Soviet grain deal This deal was financed by credits from the Commodity Credit Corporation—CCC—at 6⅛ percent, repayable in 3 years. The credits the Soviets received from the CCC were more than half of the total amount the CCC gave in credits for that year.

Now, let us look at these terms. Three years is not the usual period for credits in commercial agricultural deals. Ninety days—or at the most 1 year—is the usual. Nations when they need to purchase such commodities usually deal in straight commercial deals. None of the terms of this recent Soviet deal fall in that category.

The credits that the CCC has granted already and may grant in the future do not qualify as commercial credits. Some observers—particularly in Europe—view this type of credit as treating the Soviet Union as if it were a developing country—the credit program simply being a thinly disguised foreign aid program for the Soviet Union.

We give foreign aid to many countries. Are we now adding the Soviet Union to that list of countries?

I am opposed to subsidizing the Soviet system in any way with American tax dollars. I therefore rise to support the amendment of the gentleman.

In addition to these problems with the recent Soviet grain deal, yesterday the GAO released a report which said that the deal "caused a dramatic rise in the price of wheat." This rise has resulted in higher costs for consumers in many daily necessities such as beef and poultry.

This report by the GAO confirms what some of my colleagues and I have been saying for some time about the wheat deal. On May 17 of this year I inserted the text of a paper prepared by Miles Costick, staff assistant to Congressman BLACKBURN, which detailed the costs of this deal to consumers, to taxpayers, and to the economy as a whole, as well as the political costs of the deal and the cost to all free economies. At that time I urged my colleagues to acquaint themselves with all aspects of the deal in order to appreciate its full implications.

The wheat deal resulted in the expenditure of a needless $300 million in subsidies, and the American taxpayer has had to pay for much of the wheat which the Soviets desparately need to feed their people. Now there is talk of negotiating a similar deal to cover the coming grain season and the additional shortages which the Russians will face. From the taxpayers' viewpoint it is as though they invited an unwelcome guest over for breakfast and he decided to stay for dinner.

The amendment of the gentleman from Idaho (Mr. SYMMS) is a step in the right direction to prevent the continuation of the misguided policies which characterized the first deal, and I urge its adoption. At this point, I wish to insert in the RECORD an article from the July 9 edition of the Washington Star-News, GAO Hits Soviet Wheat Sale, as follows:

GAO HITS SOVIET WHEAT SALE

(By Ronald Sarro)

The General Accounting Office said today that bureaucratic ineptitude in the Agriculture Department during the huge Russia wheat deal has resulted in higher food prices in the United States.

The GAO said the department's lack of viligance and failure to act also resulted in unnecessary payment of more than $300 million in subsidies to U.S. exporters who sold the wheat to the Russians and others.

In a report to Congress, GAO said it found no apparent corruption in the deal, which the Russians used to corner about one-quarter of the U.S. crop to make up for Soviet crop failures.

Citing the domestic impact of the wheat deal, GAO said prices of wheat at home increased from about $1.68 a bushel in July 1972 to $3 in May 1973.

Consumer costs attributed to the sales included higher prices for bread and flour-based products and increased prices for beef, pork, poultry, eggs and other products because of higher costs for feed grains and a disruption of transportation facilities.

"The large sales of U.S. wheat to Russia and other exports in the summer of 1972 caused a dramatic rise in the price of U.S. wheat," the report said.

The price of wheat rose by nearly 50 percent in the first two months after the deal and nearly doubled by this past May, the report said.

Since livestock and poultry depend on feed grains for their food, the increase in the price of wheat caused a proportional increase in the cost of meat and poultry, the GAO said.

Russian negotiators, intimately familiar with the U.S. market, bought up the wheat from U.S. grain dealers at "target" prices set by the Agriculture Department in the range of $1.63 and $1.65 a bushel.

GAO said the deal "caused a dramatic rise in the price of U.S. wheat" and cost the government subsidies which need not have been paid.

Information supplied to the United States by the Soviet Union on the condition of its crops and its wheat needs "was adequate to at least alert Agriculture to the possibility of large purchases by the Russians," GAO said.

The demand for wheat in Russia and in other parts of the world put Agriculture in a position to allow prices to rise, "thereby reducing subsidy levels and increasing balance-of-payment benefits," GAO said.

"Nevertheless, despite what seemed to be clear signs of a strong position (for the U.S.) in world wheat, Agriculture perpetuated a policy of target prices from October 1971 to late August 1972, before finally terminating the program in September," the GAO report said.

If the Agriculture Department had not assured exporters that the government would subsidize the difference between lower prices charged the Russians and higher domestic prices, the exporters would have had to charge the foreigners more.

GAO said: "We believe that Agriculture relied too much on the competitiveness of the wheat export trade to police its program." It called for a new monitoring system, better dissemination of information on foreign crop conditions, and more flexibility in the department.

GAO said it was "difficult to understand" why Agriculture did not impose new ground rules in its handling of wheat export registrations.

The Russian wheat deal was one of the largest and most complex short-term commercial transactions in history, allowing the Soviets to corner one-quarter of the 1972 U.S. wheat crop while operating in almost total secrecy.

Rep. Pierre S. du Pont, R-Del., who requested the GAO investigation of the wheat deal, said the report's findings are "damning."

"The failure to think, evaluate and act effectively led to a $300 million charge to the American taxpayers. I'm gratified that GAO found the over-all sale to be a good thing and the Agriculture Department to be free of corruption in this case."

But du Pont said he was "appalled by the laxity and tunnel vision (GAO) found to be normal operating procedure in the department. The American consumer has paid dearly for that bureaucratic ineptness."

He said "it appears that more thought goes into the can of soup off a grocery shelf than went into the 1.1 billion bushels of wheat sale."

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is interesting to hear this debate. I would like to roll the clock back just a few years for the Members of the House.

On December 24, 1963, I was sworn in at 7 o'clock in the morning as a Member of this House. The vote that was before us was a sale of wheat to Russia. I believe it was some $10 million, gold, cash on the barrelhead.

The amendment passed by, I think, six votes. I do not believe we got more than four or five votes on this side of the Republican aisle.

I see the gentleman from Massachusetts (Mr. CONTE) who voted for it. He surprises me more and more each day.

It did barely carry. Time and conditions change. Today, we may look back with some amusement on that vote.

Now we see in the years 1972 and 1973 that this big sale of wheat to Russia is proclaimed as one of the greatest trade victories the United States has ever seen. My, how time changes and how it goes by in such a hurry, and how viewpoints change.

The point I make this afternoon is not so much a discussion of the merits of that sale of wheat to Russia or this proposed amendment. I do make it for two reasons.

The first is, it is obvious to everybody on either side of the aisle that what we did last year: we sold too much wheat for too quick delivery and through one port. That was the problem. It was a matter of excess, and great excess.

Perhaps there was some namby-pamby going on among the exporters, but at any rate I do not believe that we in fairness ought to stand here and criticize the fact that we did sell some wheat to Russia.

The gentleman from Michigan (Mr. GERALD R. FORD) is correct that some trade is a matter of good business for us. Hitting the proper balance is the thing we have to do, and we did not do it last year. We may have intended to sell perhaps half that amount, but the Russians called and raised us before we got away from the conference table, and we were snookered.

The second point I want to make is this: While we must admit that that big sale of wheat was the single one factor that spiraled our cost of living more than anything else, the fact is that what was probably as cruel as anything else was that we chose to move it in one short time, from May 1972 to May 1973. In 12 months we attempted to move 423 million bushels of wheat through the Port of Houston. Obviously, as every Member has felt, that caused a congestion at ports and terminals, a freight car shortage, and a shortage in shipping all other goods throughout the United States. It nearly choked us. We have to avoid that repetition for now.

I come back to my point. I will introduce a bill tomorrow that will provide that any time one exporter enters into a big sale of grain, such as in excess of 100 million bushels, to Russia or to China, that person must file a plan with the Department of Transportation, and they must certify that that plan is operable, that it will operate, and that it is workable, and that the shipment can be moved without disrupting our transportation system.

Second, the Secretary of Agriculture will have to say that our reserves can stand it, that the shipment is not too large.

Until we actually, through proper planning, control the movement of such a sale of wheat or other grains, then we are going to have the same kinds of congestion we have had in years past. And it will hurt our economy just as much.

I am going to send a letter to my colleagues about the bill. I hope I will have some people join me in support of the bill. I believe it is time to do this. Perhaps it can be the beginning of a transportation plan, which we do not have in this country now. That might be a good beginning.

Rather than to debate the merits of any sale of wheat, let us think in terms of moderate sales and controlling them with proper plans of movement.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shared that vote with the gentleman from Texas, on the sale of wheat some years ago to the Soviet Union. This sale, however, has had more, shall we say, misinformation about it than any other action of this Government in a long time.

The gentleman from California pointed out that was an export subsidy to the Russians, which subsidized the Russians to the tune of 60 cents a bushel. That is absolute bunk. There was not a subsidy of 60 cents a bushel. The average export subsidy was 37 cents a bushel, and the reason why that export subsidy was necessary was because of what my friend from Texas pointed up, our transportation system in this country is groaning at the seams and going downhill rapidly.

The Canadians, who produce a major amount of wheat on the northern part of our border, can ship wheat for export at 26 cents a bushel less than the North Dakota farmer who lives 5 miles away. The export subsidy in a sense makes up for the difference in the cost we have in our part of the country because of the archaic transportation policies in moving the wheat from the central part of the country to the coast for export.

It is not a subsidy, I say again, to the Russians or to the purchaser.

Point No. 2 is one that ought to be made clearly, and that is this: The reason we had this sale is not just because the Russians needed wheat, but because the entire world is short of food, and the price of wheat in Europe is $4.50 a bushel; the price of wheat in Latin America is $3 and some-odd cents a bushel, and if the Russians had not purchased it, someone else would have.

As another example of U.S. comparative food costs, beef in our country sells for one-half of what it does in Europe and for one-fourth of what it does in Japan. One of the reasons for the condition of our dollar, is because of the unfavorable balance of payments. The reason the dollar slid so much last month was because of the inane, insensible actions taken on the part of the administration that cut off the export of grains, making it impossible for those countries to spend the dollars which they have of ours.

So I say that we should quit beating this Russian wheat sale over the head. We should salute our farmer for having the capacity to supply the wheat. If we did not have that capacity and if we had not supplied it, our balance of payments would be in a lot tougher way, and instead of spending $100 million in export subsidy, we would have had to pay $1,127,000,000 more in farm program costs which we got as a savings because of this Russian wheat sale. We actually then saved the U.S. Government close to a billion dollars by the transaction.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding.

I was fully aware that the subsidy was not made to the Russians. The Russians purchased it at the world price for wheat. It was because the United States had a subsidized domestic market and were thereby generating domestic sales at a higher price, and as we understand it, the subsidy basically went to entice the American grain dealers and others to help with the purchase. The U.S. Government made that very clear. The grain dealers came to the administration and asked for a subsidy. They did not think the sale could go through unless there was a subsidy and because the Russians wanted to pay the world price, which at that time, was roughly 60 cents a bushel less than the American domestic price.

So what I am saying is that I do not think in my opinion that the sale to Russia would have been possible without the American taxpayer having to pay the subsidy and unless the grain dealers were willing to make the sale at the world price.

Mr. ANDREWS of North Dakota. Mr. Chairman, let me make this point: As far as the price is concerned, the so called "world price" is the price for wheat that has no market available. This amounts to only 10 percent or so of the wheat in the world. The vast majority of wheat is sold to consumers at far higher prices. This is the reason the Russians, the Chinese, and all the rest have been coming to us for farm products which are bargain priced here in the United States.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, there has been a misconception. There was not a 60-cent differential involved in this sale. The Russians purchased wheat at $1.63 to $1.65 in the month of June 1972, which was approximately what the price of wheat was in the United States at that time. It rose very shortly in the months following that, as the result of a substantial purchase that was made, but at the time it was nothing like a 60-cent differential.

Mr. ANDREWS of North Dakota. The Russians, as you point out, got no bargain. They paid the going price in the

United States at that time.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, it is my understanding the discussion of subsidies has nothing to do with this amendment. The subsidies on these items is a matter of permanent law, and it is not related to the amendment.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I think the gentleman is missing the point.

The president of the Cargill Grain Co. has told me just recenty that this amendment would in no way jeopardize any wheat deals to Russia; it would force them to have the cash on the barrelhead. That would help us in our balance-of-payments deficits, and it would not interfere with our trade in any way. The problem was we were in a sellers market—we thought it a buyers market—we are in a sellers market so we can allow private citizens to write their own terms.

Mr. HUNGATE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to say that I have heard the debate and the speeches concerning surpluses which we had that were going to solve our problems this year. These surpluses have been mentioned in the debate here today, and they have been mentioned by high officials elsewhere.

I do not know where the rest of the districts of the Members are, but anybody along the Mississippi River in Missouri knows that we do not look very much to surpluses today. We had a flood, followed by a flood and then followed by a 200-year flood. There have also been floods on the Missouri River, and that water runs down past Missouri, Arkansas, and down through some of the finest farmland in our country.

The people in the farming districts can tell you that after you lose so many weeks putting in your corn crop you lose so many bushels, and they have lost wheat, also, which has rust on it. They had torrential rains and they lost the soybeans. The only way you can eat the surpluses is if you eat the press releases.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 139, noes 264, not voting 30, as follows:

[Roll No. 327]

AYES—139

Addabbo
Archer
Ashbrook
Bafalis
Baker
Beard
Bevill
Biaggi
Brasco
Brinkley
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Byron
Casey, Tex.
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collier
Collins, Tex.
Conlan
Cotter
Crane
Cronin
Daniel, Dan
Davis, Ga.
Davis, S.C.
de la Garza
Derwinski
Dickinson
Dingell
Donohue
Downing
Drinan
Duncan
Eilberg
Flowers
Flynt
Fountain
Frey
Froehlich
Fuqua
Gaydos
Gettys
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gross
Gunter
Haley
Hanrahan
Harsha
Hechler, W. Va.
Heckler, Mass.
Hinshaw
Holt
Holtzman
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jones, Okla.
Kazen
Kemp
Ketchum
Koch
Landgrebe
Landrum
Long, Md.
Lott
Lujan
McClory
McCormack
McDade
Macdonald
Madigan
Mann
Mathis, Ga.
Miller
Minish
Moakley
Montgomery
Moorhead, Calif.
Nichols
O'Brien
Parris
Pike
Podell
Powell, Ohio
Price, Tex.
Quillen
Randall
Rarick
Regula
Riegle
Rinaldo
Rogers
Rooney, Pa.
Rosenthal
Rousselot
Runnels
Ruppe
Ryan
Satterfield
Saylor
Scherle
Schroeder
Seiberling
Shuster
Slack
Smith, N.Y.
Snyder
Spence
Steele
Steelman
Steiger, Ariz
Stephens
Stuckey
Symms
Taylor, Mo.
Treen
Vanik
Waldie
White
Wilson, Charles H., Calif.
Wolff
Wyatt
Yates
Yatron
Young, Fla.
Young, S.C.
Young, Tex.
Zion

NOES—264

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burlison, Mo.
Burton
Butler
Camp
Carney, Ohio
Cederberg
Chamberlain
Chappell
Clark
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dennis
Devine
Diggs
Dorn
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Foley
Ford, Gerald R.
Ford, William D.
Forsythe
Fraser
Frelinghuysen
Gibbons
Goodling
Gray
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harvey
Hastings
Hawkins
Hays
Heinz
Helstoski
Henderson
Hicks
Hillis
Hogan
Holifield
Horton
Hosmer
Howard
Hunt
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Keating
Kluczynski
Kuykendall
Kyros
Latta
Leggett
Lehman
Lent
Litton
Long, La.
McCloskey
McCollister
McEwen
McKay
McKinney
McSpadden
Madden
Mahon
Mallary
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Mills, Ark.
Mink
Minshall, Ohio
Mitchell, Md.
Mizell
Mollohan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Obey
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Perkins
Pickle
Poage
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Reid
Reuss
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roncalio, Wyo.
Roncallo, N.Y.
Rose
Rostenkowski
Roush
Roy
Roybal
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Ullman
Van Deerlin
Vander Jagt
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wydler
Wylie
Wyman
Young, Alaska
Young, Ga.
Young, Ill.
Zablocki
Zwach

NOT VOTING—30

Ashley
Blackburn
Breaux
Burke, Calif.
Carey, N.Y.
Carter
Chisholm
Danielson
Dent
Fisher
Flood
Frenzel
Fulton
Giaimo
Green, Oreg.
Hébert
Johnson, Calif.
Karth
King
McFall
Mailliard
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Nix
Pepper
Pettis
Peyser
Roe
Rooney, N.Y.

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. POAGE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, had come to no resolution thereon.

CONFERENCE REPORT ON S. 504, EMERGENCY MEDICAL SERVICES ACT OF 1973

Mr. PICKLE, on behalf of Mr. STAGGERS, filed the following conference report and statement on the bill (S. 504) to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical services systems:

CONFERENCE REPORT (H. REPT. No. 93–370)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 504) to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical services systems, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Medical Services Systems Act of 1973".

EMERGENCY MEDICAL SERVICES SYSTEM

SEC. 2. (a) The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XII—EMERGENCY MEDICAL SERVICES SYSTEMS

"DEFINITIONS

"SEC. 1201. For purposes of this title:

"(1) The term 'emergency medical services system' means a system which provides for the arrangement of personnel, facilities, and equipment for the effective and coordinated delivery in an appropriate geographical area of health care services under emergency conditions (occurring either as a result of the patient's condition or of natural disasters or similar situations) and which is administered by a public or nonprofit private entity which has the authority and the resources to provide effective administration of the system.

"(2) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(3) The term 'modernization' means the alteration, major repair (to the extent permitted by regulations), remodeling, and renovation of existing buildings (including initial equipment thereof), and replacement of obsolete, built-in (as determined in accordance with regulations) equipment of existing buildings.

"(4) The term 'section 314(a) State health planning agency' means the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a).

"(5) The term 'section 314(b) areawide health planning agency' means a public or nonprofit private agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b), and the term 'section 314(b) plan' means a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b).

"GRANTS AND CONTRACTS FOR FEASIBILITY STUDIES AND PLANNING

"SEC. 1202. (a) The Secretary may make grants to and enter into contracts with eligible entities (as defined in section 1206 (a)) for projects which include both (1) studying the feasibility of establishing (through expansion or improvement of existing services or otherwise) and operating an emergency medical services system, and (2) planning the establishment and operation of such a system.

"(b) If the Secretary makes a grant or enters into a contract under this section for a study and planning report respecting an emergency medical services system for a particular geographical area, the Secretary may not make any other grant or enter into any other contract under this section for such project, and he may not make a grant or enter into a contract under this section for any other study and planning project respecting an emergency medical services system for the same area or for an area which includes (in whole or substantial part) such area.

"(c) Reports of the results of any study and planning project assisted under this section shall be submitted to the Secretary and the Interagency Committee on Emergency Medical Services at such intervals as the Secretary may prescribe, and a final report of such results shall be submitted to the Secretary and such Committee not later than one year from the date the grant was made or the contract entered into, as the case may be.

"(d) An application for a grant or contract under this section shall—

"(1) demonstrate to the satisfaction of the Secretary the need of the area for which the study and planning will be done for an emergency medical services system;

"(2) contain assurances satisfactory to the Secretary that the applicant is qualified to plan an emergency medical services system for such area; and

"(3) contain assurances satisfactory to the Secretary that the planning will be conducted in cooperation (A) with each section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) such area, and (B) with any emergency medical services council or other entity responsible for review and evaluation of the provision of emergency medical services in such area.

"(e) The amount of any grant under this section shall be determined by the Secretary.

"GRANTS AND CONTRACTS FOR ESTABLISHMENT AND INITIAL OPERATION

"SEC. 1203. (a) The Secretary may make grants to and enter into contracts with eligible entities (as defined in section 1206(a)) for the establishment and initial operation of emergency medical services systems.

"(b) Special consideration shall be given to applications for grants and contracts for systems which will coordinate with statewide emergency medical services system.

"(c) (1) Grants and contracts under this section may be used for the modernization of facilities for emergency medical services systems and other costs of establishment and initial operation.

"(2) Each grant or contract under this section shall be made for costs of establishment and operation in the year for which the grant or contract is made. If a grant or contract is made under this section for a system, the Secretary may make one additional grant or contract for that system if he determines, after a review of the first nine months' activities of the applicant carried out under the first grant or contract, that the applicant is satisfactorily progressing in the establishment and operation of the system in accordance with the plan contained in his application (pursuant to section 1206(b) (4)) for the first grant or contract.

"(3) No grant or contract may be made under this section for the fiscal year ending June 30, 1976, to an entity which did not receive a grant or contract under this section for the preceding fiscal year.

"(4) Subject to section 1206(f)—

"(A) the amount of the first grant or contract under this section for an emergency medical services system may not exceed (i) 50 per centum of the establishment and operation costs (as determined pursuant to regulations of the Secretary) of the system for the year for which the grant or contract is made, or (ii) in the case of applications which demonstrate an exceptional need for financial assistance, 75 per centum of such costs for such year; and

"(B) the amount of the second grant or contract under this section for a system may not exceed (i) 25 per centum of the establishment and operation costs (as determined pursuant to regulations of the Secretary) of the system for the year for which the grant or contract is made, or (ii) in the case of applications which demonstrate an exceptional need for financial assistance, 50 per centum of such costs for such year.

"(5) In considering applications which demonstrate exceptional need for financial assistance, the Secretary shall give special consideration to applications submitted for emergency medical services systems for rural areas (as defined in regulations of the Secretary).

"GRANTS AND CONTRACTS FOR EXPANSION AND IMPROVEMENT

"SEC. 1204. (a) The Secretary may make grants to and enter into contracts with eligible entities (as defined in section 1206(a)) for projects for the expansion and improvement of emergency medical services systems, including the acquisition of equipment and facilities, the modernization of facilities, and other projects to expand and improve such systems.

"(b) Subject to section 1206(f), the amount of any grant or contract under this section for a project shall not exceed 50 per centum of the cost of that project (as determined pursuant to regulations of the Secretary).

"GRANTS AND CONTRACTS FOR RESEARCH

"SEC. 1205. (a) The Secretary may make grants to public or private nonprofit entities, and enter into contracts with private entities and individuals, for the support of research in emergency medical techniques, methods, devices, and delivery.

"(b) No grant may be made or contract entered into under this section for amounts in excess of $35,000 unless the application therefor has been recommended for approval by an appropriate peer review panel designated or established by the Secretary. Any application for a grant or contract under this section shall be submitted in such form and manner, and contain such information, as the Secretary shall prescribe in regulations.

"(c) The recipient of a grant or contract under this section shall make such reports to the Secretary as the Secretary may require.

"GENERAL PROVISIONS RESPECTING GRANTS AND CONTRACTS

"SEC. 1206. (a) For purposes of sections 1202, 1203, and 1204, the term 'eligible entity' means—

"(1) a State,

"(2) a unit of general local government,

"(3) a public entity administering a compact or other regional arrangement or consortium, or

"(4) any other public entity and any nonprofit private entity.

"(b) (1) No grant or contract may be made under this title unless an application therefor has been submitted to, and approved by, the Secretary.

"(2) In considering applications submitted under this title, the Secretary shall give priority to applications submitted by the entities described in clauses (1), (2), and (3) of subsection (a).

"(3) No application for a grant or contract under section 1202 may be approved unless—

"(A) the application meets the application requirements of such section;

"(B) in the case of an application submitted by a public entity administering a compact or other regional arrangement or consortium, the compact or other regional arrangement or consortium includes each unit of general local government of each standard metropolitan statistical area (as determined by the Office of Management and Budget) located (in whole or in part) in the service area of the emergency medical services system for which the application is submitted;

"(C) in the case of an application submitted by an entity described in clause (4) of subsection (a), such entity has provided a copy of its application to each entity described in clauses (1), (2), and (3) of such subsection which is located (in whole or in part) in the service area of the emergency medical services system for which the application is submitted and has provided each such entity a reasonable opportunity to submit to the Secretary comments on the application;

"(D) the—

"(i) section 314(a) State health planning agency of each State in which the service area of the emergency medical services system for which the application is submitted will be located, and

"(ii) section 314(b) areawide health planning agency (if any) whose section 314(b) plan covers (in whole or in part) the service area of such system,

have had not less than thirty days (measured from the date a copy of the application was submitted to the agency by the applicant) in which to comment on the application;

"(E) the applicant agrees to maintain such records and make such reports to the Secretary as the Secretary determines are necessary to carry out the provisions of this title; and

"(F) the application is submitted in such form and such manner and contains such information (including specification of applicable provisions of law or regulations which restrict the full utilization of the training and skills of health professions and allied and other health personnel in the provision of health care services in such a system) as the Secretary shall prescribe in regulations.

"(4) (A) An application for a grant or contract under section 1203 or 1204 may not be approved by the Secretary unless (i) the application meets the requirements of subparagraphs (B) through (F) of paragraph (3), and (ii) except as provided in subparagraph (B) (ii), the applicant (I) demonstrates to the satisfaction of the Secretary that the emergency medical services system for which the application is submitted will, within the period specified in subparagraph (B) (i), meet each of the emergency medical services system requirements specified in subparagraph (C), and (II) provides in the application a plan satisfactory to the Secretary for the system to meet each such requirement within such period.

"(B) (i) The period within which an emergency medical services system must meet each of the requirements specified in subparagraph (C) is the period of the grant or contract for which application is made; except that if the applicant demonstrates to the satisfaction of the Secretary the inability of the applicant's emergency medical services system to meet one or more of such requirements within such period, the period (or periods) within which the system must meet such requirement (or requirements) is such period (or periods) as the Secretary may require.

"(ii) If an applicant submits an application for a grant or contract under section 1203 or 1204 and demonstrates to the satisfaction of the Secretary the inability of the system for which the application is submitted to meet one or more of the requirements specified in subparagraph (C) within any specific period of time, the demonstration and plan prerequisites prescribed by clause (ii) of subparagraph (A) shall not apply with respect to such requirement (or requirements) and the applicant shall provide in his application a plan, satisfactory to the Secretary, for achieving appropriate alternatives to such requirement (or requirements).

"(C) An emergency medical services system shall—

"(i) include an adequate number of health professions, allied health professions, and other health personnel with appropriate training and experience;

"(ii) provide for its personnel appropriate training (including clinical training) and continuing education programs which (I) are coordinated with other programs in the system's service area which provide similar training and education, and (II) emphasize recruitment and necessary training of veterans of the Armed Forces with military training and experience in health care fields and of appropriate public safety personnel in such area;

"(iii) join the personnel, facilities, and equipment of the system by a central communications system so that requests for emergency health care services will be handled by a communications facility which (I) utilizes emergency medical telephonic screening, (II) utilizes, or, within such period as the Secretary prescribes will utilize, the universal emergency telephone number 911, and (III) will have direct communication connections and interconnections with the personnel, facilities, and equipment of the system and with other appropriate emergency medical services systems;

"(iv) include an adequate number of necessary ground, air, and water vehicles and other transportation facilities to meet the individual characteristics of the system's service area—

"(I) which vehicles and facilities meet appropriate standards relating to location, design, performance, and equipment, and

"(II) the operators and other personnel for which vehicles and facilities meet appropriate training and experience requirements;

"(v) include an adequate number of easily accessible emergency medical services facilities which are collectively capable of providing services on a continuous basis, which have appropriate nonduplicative and categorized capabilities, which meet appropriate standards relating to capacity, location, personnel, and equipment, and which are coordinated with other health care facilities of the system;

"(vi) provide access (including appropriate transportation) to specialized critical medical care units in the system's service area, or, if there are no such units or an inadequate number of them in such area, provides access to such units in neighboring areas if access to such units is feasible in terms of time and distance;

"(vii) provide for the effective utilization of the appropriate personnel, facilities, and equipment of each public safety agency providing emergency services in the system's service area;

"(viii) be organized in such a manner that provides persons who reside in the system's service area and who have no professional training or financial interest in the provision of health care with an adequate opportunity to participate in the making of policy for the system;

"(ix) provide, without prior inquiry as to ability to pay, necessary emergency medical services to all patients requiring such services;

"(x) provide for transfer of patients to facilities and programs which offer such followup care and rehabilitation as is necessary to effect the maximum recovery of the patient;

"(xi) provide for a standardized patient recordkeeping system meeting appropriate standards established by the Secretary, which records shall cover the treatment of the patient from initial entry into the system through his discharge from it, and shall be consistent with ensuing patient records used in followup care and rehabilitation of the patient;

"(xii) provide programs of public education and information in the system's service area (taking into account the needs of visitors to, as well as residents of, that area to know or be able to learn immediately the means of obtaining emergency medical services) which programs stress the general dissemination regarding appropriate methods of medical self-help and first-aid and regarding the availability of first-aid training programs in the area;

"(xiii) provide for (I) periodic, comprehensive, and independent review and evaluation of the extent and quality of the emergency health care services provided in the system's service area, and (II) submission to the Secretary of the reports of each such review and evaluation;

"(xiv) have a plan to assure that the system will be capable of providing emergency medical services in the system's service area during mass casualties, natural disasters, or national emergencies; and

"(xv) provide for the establishment of appropriate arrangements with emergency medical services systems or similar entities serving neighboring areas for the provision of emergency medical services on a reciprocal basis where access to such services would be more appropriate and effective in terms of the services available, time, and distance.

The Secretary shall by regulations prescribe standards and criteria for the requirements prescribed by this subparagraph. In prescribing such standards and criteria, the Secretary shall consider relevant standards and criteria prescribed by other public agencies and by private organizations.

"(c) Payments under grants and contracts under this title may be made in advance or by way of reimbursement and in such installments and on such conditions as the Secretary determines will most effectively carry out this title.

"(d) Contracts may be entered into under this title without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(e) No funds appropriated under any provision of this Act other than section 1207 or title VII may be used to make a new grant or contract in any fiscal year for a purpose for which a grant or contract is authorized by this title unless (1) all the funds authorized to be appropriated by section 1207 for such fiscal year have been appropriated and made available for obligation in such fiscal year, and (2) such new grant or contract is made in accordance with the requirements of this title that would be applicable to such grant or contract if it was made under this title. For purposes of this subsection, the term 'new grant or contract' means a grant or contract for a program or project for which an application was first submitted after the date of enactment of the Act which makes the first appropriations under the authorizations contained in section 1207.

"(f) (1) In determining the amount of any grant or contract under section 1203 or 1204, the Secretary shall take into consideration the amount of funds available to the applicant from Federal grant or contract programs under laws other than this Act for any activity which the applicant proposes to undertake in connection with the establishment and operation or expansion and improvement of an emergency medical services system and for which the Secretary may authorize the use of funds to carry out a grant or contract under section 1203 or 1204.

"(2) The Secretary may not authorize the recipient of a grant or contract under section 1203 or 1204 to use funds under such grant or contract for any training program in connection with an emergency medical services system unless the applicant filed an application (as appropriate) under title VII or VIII for a grant or contract for such program and such application was not approved or was approved but for which no or inadequate funds were made available under such title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1207. (a) (1) For the purpose of making payments pursuant to grants and contracts under sections 1202, 1203, and 1204, there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1974, and $60,000,000 for the fiscal year ending June 30, 1975; and for the purpose of making payments pursuant to grants and contracts under sections 1203 and 1204 for the fiscal year ending June 30, 1976, there are authorized to be appropriated $70,000,000.

"(2) Of the sums appropriated under paragraph (1) for any fiscal year, not less than 15 per centum shall be made available for grants and contracts under this title for such fiscal year for emergency medical services systems which serve or will serve rural areas (as defined in regulations of the Secretary under section 1203(c)(5)).

"(3) Of the sums appropriated under paragraph (1) for the fiscal year ending June 30, 1974, or the succeeding fiscal year—

"(A) 15 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1202 (relating to feasibility studies and planning) for such fiscal year,

"(B) 60 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1203 (relating to establishment and initial operation) for such fiscal year, and

"(C) 25 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1204 (relating to expansion and improvement) for such fiscal year.

"(4) Of the sums appropriated under paragraph (1) for the fiscal year ending June 30, 1976—

"(A) 75 per centum of such sums shall be made available only for grants and contracts under section 1203 for such fiscal year, and

"(B) 25 per centum of such sums shall be made available only for grants and contracts under such section 1204 for such fiscal year.

"(b) For the purpose of making payments pursuant to grants and contracts under section 1205 (relating to research), there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1974, and for each of the next two fiscal years.

"ADMINISTRATION

"SEC. 1208. The Secretary shall administer the program of grants and contracts authorized by this title through an identifiable administrative unit within the Department of Health, Education, and Welfare. Such unit shall also be responsible for collecting, analyzing, cataloguing, and disseminating all data useful in the development and operation of emergency medical services systems, including data derived from reviews and evaluations of emergency medical services systems assisted under section 1203 or 1204.

"INTERAGENCY COMMITTEE ON EMERGENCY MEDICAL SERVICES

"SEC. 1209. (a) The Secretary shall establish an Interagency Committee on Emergency Medical Services. The Committee shall evaluate the adequacy and technical soundness of all Federal programs and activities which relate to emergency medical services and provide for the communication and exchange of information necessary to maintain the coordination and effectiveness of such programs and activities, and shall make recommendations to the Secretary respecting the administration of the program of grants and contracts under this title (including the making of regulations for such program).

"(b) The Secretary or his designee shall serve as Chairman of the Committee, the membership of which shall include (1) appropriate scientific, medical, or technical representation from the Department of Transportation, the Department of Justice, the Department of Defense, the Veterans' Administration, the National Science Foundation, the Federal Communications Commission, the National Academy of Sciences, and such other Federal agencies and offices (including appropriate agencies and offices of the Department of Health, Education, and Welfare), as the Secretary determines administer programs directly affecting the functions or responsibilities of emergency medical services systems, and (2) five individuals from the general public appointed by the President from individuals who by virtue of their training or experience are particularly qualified to participate in the performance of the Committee's functions. The Committee shall meet at the call of the Chairman, but not less often than four times a year.

"(c) Each appointed member of the Committee shall be appointed for a term of four years, except that—

"(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(2) of the members first appointed, two shall be appointed for a term of four years, two shall be appointed for a term of three years, and one shall be appointed for a term of one year, as designated by the President at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office.

"(d) Appointed members of the Committee shall receive for each day they are engaged in the performance of the functions of the Committee compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Secretary shall make available to the Committee such staff, information (including copies of reports of reviews and evaluations of emergency medical services systems assisted under section 1203 or 1204), and other assistance as it may require to carry out its activities effectively.

"ANNUAL REPORT

"SEC. 1210. The Secretary shall prepare and submit annually to the Congress a report on the administration of this title. Each report shall include an evaluation of the adequacy of the provision of emergency medical services in the United States during the period covered by the report, an evaluation of the extent to which the needs for such services are being adequately met through assistance provided under this title, and his recommendations for such legislation as he determines is required to provide emergency medical services at a level adequate to meet such needs. The first report under this section shall be submitted not later than September 30, 1974, and shall cover the fiscal year ending June 30, 1974."

(b)(1) Section 1 of the Public Health Service Act is amended by striking out "Titles I to XI" and inserting in lieu thereof "Titles I to XII".

(2) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title XII (as in effect prior to the date of enactment of this Act) as title XIII, and by renumbering sections 1201 through 1214 (as in effect prior to such date), and references thereto, as sections 1301 through 1314, respectively.

TRAINING ASSISTANCE

SEC. 3. (a) Part E of title VII of the Public Health Service Act is amended by inserting after section 775 the following new section:

"TRAINING IN EMERGENCY MEDICAL SERVICES

"SEC. 776. (a) The Secretary may make grants to and enter into contracts with schools of medicine, dentistry, osteopathy, and nursing, training centers for allied health professions, and other appropriate educational entities to assist in meeting the cost of training programs in the techniques and methods of providing emergency medical services (including the skills required in connection with the provision of ambulance service), especially training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act.

"(b) No grant or contract may be made or entered into under this section unless (1) the applicant is a public or nonprofit private entity, and (2) an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(c) The amount of any grant or contract under this section shall be determined by the Secretary. Payments under grants and contracts under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary. Grantees and contractees under this section shall make such reports at such intervals, and containing such information, as the Secretary may require.

"(d) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(e) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1974."

(b) Section 772(a) of such Act (42 U.S.C. 295f-2(a)) is amended—

(1) by striking out "or" at the end of paragraph (12),

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; or", and

(3) by inserting after paragraph (13) the following new paragraph:

"(14) establish and operate programs in the interdisciplinary training of health personnel for the provision of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act."

(c) Section 774(a)(1)(D) of such Act (42 U.S.C. 295f-4(a)(1)(D)) is amended by inserting "(including emergency medical services)" after "services" each time it appears.

STUDY

SEC. 4. The Secretary of Health, Education, and Welfare shall conduct a study to determine the legal barriers to the effective delivery of medical care under emergency conditions. The study shall include consideration of the need for a uniform conflict of laws rule prescribing the law applicable to the provision of emergency medical services to persons in the course of travels on interstate common carriers. Within twelve months of the date of the enactment of this Act, the Secretary shall report to the Congress the results of such study and recommendations for such legislation as may be necessary to overcome such barriers and provide such rule.

PUBLIC HEALTH SERVICE HOSPITALS

SEC. 5. (a) Except as provided in subsection (b), the Secretary of Health, Education, and Welfare shall take such action as may be necessary to assure that the hospitals of the Public Health Service, located in Seattle, Washington, Boston, Massachusetts, San Francisco, California, Galveston, Texas, New Orleans, Louisiana, Baltimore, Maryland, Staten Island, New York, and Norfolk, Virginia, shall continue—

(1) in operation as hospitals of the Public Health Service,

(2) to provide for all categories of individuals entitled or authorized to receive care and treatment at hospitals or other stations of the Public Health Service inpatient, outpatient, and other health care services in like

manner as such services were provided on January 1, 1973, to such categories of individuals at the hospitals of the Public Health Service referred to in the matter preceding paragraph (1) and at a level and range at least as great as the level and range of such services which were provided (or authorized to be provided) by such hospitals on such date, and

(3) to conduct at such hospitals a level and range of other health-related activities (including training and research activities) which is not less than the level and range of such activities which were being conducted on January 1, 1973 at such hospitals.

(b)(1) The Secretary may—

(A) close or transfer control of a hospital of the Public Health Service to which subsection (a) applies,

(B) reduce the level and range of health care services provided at such a hospital from the level and range required by subsection (a)(2) or change the manner in which such services are provided at such a hospital from the manner required by such subsection, or

(C) reduce the level and range of other health-related activities conducted at such a hospital from the level and range required by subsection (a)(3),

if Congress by law (enacted after the date of the enactment of this Act) specifically authorizes such action.

(2) Any recommendation submitted to the Congress for legislation to authorize an action described in paragraph (1) with respect to a hospital of the Public Health Service shall be accompanied by a copy of the written, unqualified approval of the proposed action submitted to the Secretary by each (A) section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) the area in which such hospital is located or which is served by such hospital, and (B) section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) such area.

(3) For purposes of this subsection, the term "section 314(a) State health planning agency" means the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314 (a) (referred to in paragraph (2) as a "section 314(a) plan"); and the term "section 314(b) areawide health planning agency" means a public or nonprofit private agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) (referred to in paragraph (2) as a "section 314(b) plan").

(c) Section 3 of the Emergency Health Personnel Act Amendments of 1972 is repealed.

And the House agree to the same.

The Senate recedes from its disagreement to the amendment of the House to the title of the bill and agrees to the same.

Harley O. Staggers,
Paul G. Rogers,
David E. Satterfield,
Ancher Nelsen,
James F. Hastings,
Managers on the Part of the House.
Edward M. Kennedy,
Harrison A. Williams,
Gaylord Nelson,
Thomas F. Eagleton,
Alan Cranston,
Harold E. Hughes,
Claiborne Pell,
Walter F. Mondale,
Richard S. Schweiker,
Jacob K. Javits,
Peter H. Dominick,
J. Glenn Beall, Jr.,
Robert Taft, Jr.,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 504) to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical service systems, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

Short Title

The Senate bill provided the following short title: "Emergency Medical Services Systems Development Act of 1973".

The House amendment substituted the following short title: "Emergency Medical Services Act of 1973".

The short title provided by the conference substitute is "Emergency Medical Services Systems Act of 1973".

Place of Amendment for Programs of Assistance for Emergency Medical Services Systems

The Senate bill added a new title XII to the Public Health Service Act for the program of assistance for emergency medical services systems. The House amendment included its programs within title III of that Act. The conference substitute conforms to the Senate bill, except for the new program of assistance for training which is included in title VII of that Act.

Requirements for Emergency Medical Services Systems' Components

SUMMARY

The Senate bill authorized grant and contract assistance to governmental entities for support of emergency medical services systems but only if the entities had plans for the development of each of the emergency medical services system components specified in the Senate bill and if each component of the systems met (or in certain instances would meet within one year after assistance is provided) such requirements as the Secretary prescribed.

The House amendment authorized grant and contract assistance to public and nonprofit private entities for support of emergency medical service systems which contained, to the maximum extent feasible, each of the system components specified in a definition of emergency medical service systems.

Under the conference substitute the requirements for an emergency medical services system's components are contained in the requirements for approval of applications for grant and contract assistance. Thus, in lieu of the Senate bill requirement for a plan and the House amendment definitional requirements, the conference substitute provides (in new section 1206(b)(4))[1] that a grant or contract for establishment and initial operation (new sec. 1203) or expansion and improvement (new sec. 1204) of an emergency medical services system may not be approved unless, among other things, the applicant demonstrates that the system will meet each of the specified component requirements within a specified period of time and provides a plan for meeting such requirements within such period; except that this demonstration and plan prerequisite will not apply in the case of any component requirement which an applicant has shown cannot be met by the applicant's emergency medical services system within any specific period of time. With respect to any such requirement, the applicant shall provide in his application a plan for the activites to be undertaken for the system in connection with the matters with which such requirement is concerned. (See also description, *infra*, of conference substitute under heading *"Special application requirements"*).

SPECIFIC DIFFERENCES BETWEEN EMS SYSTEM REQUIREMENTS IN CONFERENCE SUBSTITUTE AND THOSE IN SENATE BILL AND HOUSE AMENDMENT

Staffing: The House amendment contained a provision not in the Senate bill which required each system to include an adequate number of health professions and allied health professions personnel who would meet such training and experience requirements as the Secretary would prescribe.

The conference substitute is the same as the House amendment except that (1) it is made clear that other health personnel who technically might not be considered as allied health professions personnel are to be included in the system, and (2) in lieu of a specific direction within this component requirement for the making of regulations to define the requirement, the Secretary is directed (in a provision applicable to each component requirement) to establish by regulations standards and criteria for this and each of the other component requirements after considering the relevant standards and criteria established by other organizations (public and private). (Sec. 1206 (b)(4)(B)(i))

Training: The Senate bill required each plan to contain proposals for training and continuing education either supported under another Federal program or coordinated with it. Such programs were (1) to give priority for the recruitment and training of appropriate public safety personnel and of veterans with appropriate military training, (2) to meet criteria prescribed by the Secretary, and (3) in the case of paraprofessionals, to include supervised clinical training for at least one-half of the training program.

The House amendment required each system to provide such training and continuing education programs as the Secretary prescribed.

The conference substitute requires each system to provide for its personnel appropriate training (including clinical training) and continuing education programs which (1) are coordinated with other programs in the system's service area which provide similar training and education, and (2) emphasize recruitment and necessary training of veterans of the Armed Forces with military training and experience in health care fields and of appropriate public safety personnel in such area. (Sec. 1206(b)(4)(B)(ii))

Public Safety Agencies: The Senate bill contained a provision not in the House amendment which required each plan to provide for the inclusion in the system of personnel and facilities of public safety agencies providing emergency services in the system's service area.

The conference substitute conforms to the Senate bill by requiring each system to provide for the effective utilization of the appropriate personnel, facilities, and equipment of each public safety agency providing emergency services in the system's service area. (Sec. 1206(b) (4) (B) (vii))

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[1] Section references in explanations of conference substitute are to sections of amendments made by conference substitute to the Public Health Service Act.

Communication Facilities: The Senate bill required each plan to contain a provision for a communications system including, at least, a central areawide communications network with appropriate linkages with other area, State, and national networks, and with maximum accessibility for the public through a universal emergency telephone number, telephonic triage screening, and other means. The system was required to allow transmission of information by voice, telemetry, or other electronic method and to provide for cross-frequency patching capability.

The House amendment required each emergency medical service system to join its personnel, facilities, and equipment by central communications facilities which would utilize the emergency telephone number 911 and would provide direct communication connections with all such personnel, facilities, and equipment.

The conference substitute requires each system to have a central communications system which (1) utilizes emergency medical telephonic screening, (2) utilizes, or within such period as the Secretary prescribes will utilize, the emergency telephone number 911, and (3) will have direct communication connections and interconnections with the personnel, facilities, and equipment of the system and other appropriate EMS systems. (Sec. 1206(b) (4) (B) (iii))

Transportation: The Senate bill required each plan to provide for an emergency medical services transportation system which would include such air, water, and ground transportation as would be necessary to meet the individual characteristics of the system's service area.

The House amendment contained a similar requirement except that the transportation facilities were required to meet standards of the Secretary relating to location, design, performance, and equipment and the operators for the transportation facilities were to meet the Secretary's requirements for training and experience.

The conference substitute combines the requirements of the Senate bill and the House amendment.

Facilities: The Senate bill required each plan to contain a provision for the operation of easily accessible, continuously operational emergency medical services facilities, with appropriate nonduplicative and categorized capabilities, situated at strategic locations in the system's service area; and to contain a provision for emergency access to specialized critical medical care units in such area or in neighboring areas if access would be feasible in terms of time and distance.

The House bill required each system to have an adequate number of hospital and other facilities for the delivery of emergency health care services, which facilities were to meet standards of the Secretary relating to capacity, location, hours of operation, personnel, equipment, and coordination with other facilities.

The conference substitute requires each system to (1) include an adequate number of easily accessible emergency medical services facilities which are collectively capable of providing services on a continuous basis, which have appropriate nonduplicative and categorized capabilities which meet appropriate standards relating to capability, location, personnel, and equipment, and which are coordinated with other health care facilities of the system; and (2) provide access (including appropriate transportation) to specialized critical medical care units in the system's service area or in neighboring areas where access to such units is more feasible in terms of time and distance. (Sec. 1206(b) (4) (B) (v), (vi))

Access to services: The Senate bill required each plan to assure that necessary emergency medical services would be provided to all patients requiring services and would be provided without regard to or prior inquiry as to ability to pay.

The House amendment required each system to provide necessary emergency medical services to all patients requiring such services.

The conference substitute requires each system to provide, without prior inquiry as to ability to pay, necessary emergency medical services to all patients requiring such services. (Sec. 1206(b) (4) (B) (ix))

Transfer of patients for further care: The Senate bill required each plan to contain a provision for the transfer of patients to other facilities and programs providing follow-up care and vocational rehabilitation where such care and rehabilitation would be necessary to effect the maximum recovery and restoration of the patient.

The House amendment is the same as the Senate bill except that there is no specific reference to vocational rehabilitation.

The conference substitute conforms to the House amendment. (Sec. 1206(b) (4) (B) (x))

The conferees adopted the language in the House amendment with the understanding that the term "rehabilitation" in the House bill included within its meaning "vocational rehabilitation". The conferees further understood that provision for transfer of patients to facilities and programs for followup care should in all cases be carried out consistent with accepted medical practice to serve the best interests of the patients and should not be premised on financial considerations alone.

The conferees further noted that these transfer requirements would include any necessary emergency services to newborn infants needing, for instance, emergency transfer to regional newborn intensive care units.

Public education: The Senate bill required each plan to provide for public education and information programs, especially programs which stress the dissemination of information regarding appropriate methods of medical self-help and first aid and regarding the availability of first aid training programs.

The House amendment is comparable to the Senate bill except that there is no emphasis placed on information respecting medical self-help and first aid.

The conference substitute conforms to the Senate bill. (Sec. 1206(b) (4) (xii))

Evaluation: The Senate bill required each plan to contain a provision for periodic, comprehensive, and independent review and evaluation of the extent and quality of the system's services. The evaluation was to be measured in terms of norms and standards established by the Secretary after formal rule-making proceedings. The reports of the reviews and evaluations were to be submitted to specified entities.

The House amendment is comparable to the Senate bill, except that the evaluation is not required to be based on national norms and standards established by the Secretary and there is no specific provision for distribution of the results of the evaluations.

The conference substitute conforms to the House amendment. (Sec. 1206(b) (4) (B) (xiii)). In separate provisions (secs. 1208 and 1209(e)) reports of the reviews and evaluations are to be analyzed by the unit of DHEW administering the program, and copies of such reports are to be submitted by the Secretary to the Interagency Committee on Emergency Medical Services.

Plan for disasters: The Senate bill contained a provision not in the House amendment requiring each plan to contain a provision for the submission to the Secretary (within one year of receiving a grant or contract) of a plan assuring an operational system for providing emergency medical services during mass casualties, natural disasters, or national emergencies.

The conference substitute requires each system to have a plan to assure that the system will be capable of providing emergency medical services in its service area during mass casualties, natural disasters, or national emergencies. (Sec. 1206(b) (4) (B) (xiv))

Arrangements with neighboring areas: The Senate bill contained a provision not in the House amendment requiring each plan to contain a provision for the establishment of arrangements with systems or similar entities serving neighboring areas for the provision of emergency medical services on a reciprocal basis.

The conference substitute conforms to the Senate bill. (Sec. 1206(b) (4) (B) (xv))

Service area of system: The Senate bill contained a provision not in the House amendment which required that the service area of a system be congruent with the area of one or more section 314(b) areawide health planning agencies. The conference substitute does not contain such a requirement, but does require that the system provide services in an *appropriate* geographical area. (Sec. 1201(1))

The conferees agreed that an appropriate geographical area would be an area of sufficient size, population, and economic diversity to establish and maintain a system so that emergency medical services are provided in an economical and effective manner, and that such area should be designated after giving due consideration to the boundaries of appropriate and effective section 314(b) and other health planning agencies.

Consumer input: The Senate bill required in another provision (see discussion of area emergency medical services councils *infra*) that consumers be included on councils which were required to be established in connection with systems receiving assistance under the new program. The House amendment contained no comparable provision. The conference substitute requires a system to provide consumers (referred to as persons without professional training or financial interest in the provision of health care) an adequate opportunity to participate in the making of policy for the system. (Sec. 1206(b) (4) (B) (viii))

PROGRAMS OF ASSISTANCE

SUMMARY

The Senate bill authorized two separate programs of assistance in connection with emergency medical services systems. One grant and contract program authorized assistance to governmental entities for planning and development or expansion of such systems. Funds provided under that program could be used for planning, modernization of facilities, communications, transportation, coordination of services and facilities, training (but only to extent assistance not available under other Federal programs), and other components of a system. The second grant and contract program authorized assistance to public and private entities for research, in connection with the implementation of a plan for a system, in emergency medicine techniques, methods, devices, and delivery.

The House amendment authorized for public and nonprofit private entities five separate assistance programs as follows: Grants and contracts for planning and feasibility studies, grants for establishment and initial operation, grants for expansion and improvement, grants for research, and grants for training.

The conference substitute authorizes for public and nonprofit private entities three separate programs of grant and contract assistance in title XII of the Public Health Service Act and one program of assistance in title VII of that Act. The three programs in the new title XII are as follows: Grants and contracts for projects which include both feasibility studies and planning for emergency medical services systems; grants and contracts for the establishment and initial operation of such systems; and grants and contracts for expansion and improvement of such systems. The new program in title VII authorizes grants and contracts for training programs especially those that afford clinical experience in systems assisted under the new title XII. Training programs may not be assisted with grants or contracts under the new title XII unless an application for assistance was submitted under title VII or VIII (as appropriate) and was not approved or was approved but for which no or inadequate funds were made available under such title.

SPECIFIC DIFFERENCES

Eligible recipients of grants and contracts: Under the general program of grant and contract assistance in the Senate bill for emergency medical services systems only governmental entities were to be eligible to receive such assistance. Under the Senate bill, compact agencies and other similar regional public entities would be eligible for assistance if the compact or other regional arrangement included each unit of general local government of each standard metropolitan statistical area in the service area of the system for which the agency or entity sought assistance. Both public and private entities would be eligible for assistance under the Senate bill's program of grant and contract assistance for research.

Under the House amendment, public and nonprofit private entities were eligible for grant and, to a limited extent, contract assistance except that (1) only educational entities could receive grants for research and training, and (2) only individuals and private entities could receive contracts for planning and feasibility studies.

Under the conference substitute, public and nonprofit private entities are eligible for grant and contract assistance for feasibility studies and planning, establishment and initial operation, and expansion and improvement; but (1) preference is to be given to the applications of States, units of general local government, and public entities administering compacts or other regional arrangements or consortiums, (2) any other public entity and any nonprofit private entity is eligible only if it provides a copy of its application to each entity described in clause (1) which is located in the service area of the system for which assistance is sought and it has provided each such entity a reasonable opportunity to submit to the Secretary comments on its application, and (3) in the case of an application submitted by a public entity administering a compact or other regional arrangement or consortium, the compact or other regional arrangement or consortium must include each unit of general local government of each standardized metropolitan statistical area located (in whole or in part) in the service area of the system for which assistance is sought (Sec. 1206). Grants for research may be made to any public or nonprofit private entity and contracts for research may be entered into with private entities and individuals (Sec. 1205). Only educational entities are eligible for grants and contracts under title VII for training programs (Sec. 776).

The conferees understand that any governmental unit (including any public compact agency or similar entity) receiving assistance under this title may designate a public or private nonprofit agency in the area for which application for assistance is made as the agency to carry out the responsibilities and undertakings of such unit or units in connection with an emergency medical services system if the Secretary is satisfied that such agency has the ability to develop and carry out directly or through contractual arrangements such responsibilities and undertakings and will do so under the general supervision and direction of such unit.

SPECIFIC DIFFERENCES

Special application requirements: Under the Senate bill, no application for grant or contract assistance could be approved unless (1) the section 314(a) State health planning agency and the section 314(b) areawide health planning agency had been given an opportunity to comment on the application and the applicant submitted to the Secretary a reply to such comments, (2) the applicant agreed to maintain and furnish required records and reports, and (3) the application specified laws and regulations restricting the full utilization of the training and skills of health personnel. The National Advisory Council established under the Senate bill was to make recommendations to the Secretary with respect to the approval of grants and contracts for amounts in excess of $35,000.

The following application requirements were specified in the House amendment:

(1) Applications for planning grants.—Such applications were required to show (A) the need of the area for which the planning would be done, (B) assurances as to the applicant's qualifications to plan, and (C) assurances that the planning would be done in cooperation with the section 314(b) areawide health planning agency (or, if none, the section 314(a) State health planning agency) and with the emergency medical service council or other entity responsible for review and evaluation of the provision of emergency medical services in the area. In addition, such section 314(b) agency (or, if none, such section 314(a) agency) was to be given an opportunity to review the application and submit comments to the Secretary.

(2) Applications for establishment and initial operation grants.—Such applications were required to (A) specify the time required for establishment and (B) demonstrate that existing facilities and services would be utilized to the maximum extent feasible. In addition, the section 314(b) agency (or, if none, the section 314(a) agency) was to be given an opportunity to review the application and submit comments to the Secretary.

The conference substitute contains the following special requirements for applications (and their approval):

(1) Applications for grants and contracts for feasibility studies and planning.—Such applications shall (A) demonstrate the need of the area for which the study and planning will be done for an emergency medical services system, (B) contain assurances respecting the applicant's planning qualifications, (C) contain assurances that the planning will be conducted in cooperation with each appropriate section 314(b) areawide health planning agency and with the emergency medical service council or other entity responsible for review and evaluation for the provision of emergency medical services in such area, and (D) specify applicable provisions of law or regulations which restrict the full utilization of the training and skills of health professions and allied and other health personnel in the provision of health care services in emergency medical services systems. In addition, each appropriate section 314(a) State health planning agency and section 314(b) areawide health planning agency is to have not less than 30 days in which to comment on the application, and the applicant is to agree to maintain such records and make such reports as the Secretary requires (Secs. 1202, 1206(b)).

(2) Applications for grants and contracts for establishment and initial operation and expansion and improvement.—In addition to the requirements described above for section 314(a) agency and section 314(b) agency review, maintenance of records and making of reports, and specification of restrictive laws or regulations, such applications are subject to the following requirements: In general, each applicant must demonstrate to the Secretary that the system for which assistance is sought will meet each of the specified system requirements and must provide in the application a plan for meeting each such requirement. The period within which such requirements must be met by a system is the period of the grant or contract for which application is made; except that in the case of a requirement which the applicant has shown his system cannot meet within such period, the period within which such requirement must be met is such period as the Secretary may prescribe. The conferees expect that only if an applicant makes a showing by clear and convincing evidence of his systems' inability to meet a requirement within the period of assistance applied for will the Secretary prescribe a different period within which the applicant must meet such requirement. It is expected that the period prescribed by the Secretary will be the shortest period feasible. If an applicant makes a showing with respect to more than one requirement, the Secretary may prescribe different periods of compliance for each such requirement. Further, if the Secretary approves the application of such an applicant, it is expected that the Secretary will provide the applicant such technical assistance as may be necessary to assure that the applicant's system will be able to meet each system requirement within the prescribed period. If an applicant demonstrates that his system cannot meet a requirement within any specific period of time, the demonstration and plan prerequisites described above will not apply with respect to that particular requirement. Instead, the applicant will provide in his application a plan for achieving alternatives to the requirement(s) in question, which plan must be satisfactory to the Secretary. Again, it is expected that the Secretary will accept such alternative plans only when confronted with clear and convincing evidence that the requirement cannot be met.

The conferees expect that applications for systems which cannot meet each system requirement within the period of assistance applied for will be approved by the Secretary only after the most careful consideration of the potential effects such inability will have on the capacity of the system to provide effective emergency medical services.

(3) Applications for grants and contracts for research.—Any such application for a grant or contract in an amount in excess of $35,000 must be recommended for approval by an appropriate peer review panel designated or established by the Secretary. (Sec. 1205)

Special consideration for certain applications: The House amendment contained a provision not in the Senate bill which provided that special consideration was to be given for applications for grants for establishment and initial operation of systems which will be part of a statewide system. The conference substitute provides that special consideration shall be given to applications for grants and contracts for establishment and initial operation of systems which will coordinate with statewide systems.

Authorization of appropriations: The Senate bill provided the following authorizations of appropriations:

(In millions)

All assistance other than for research:

Fiscal year 1974	$37.5
Fiscal year 1975	75.0
Fiscal year 1976	112.5
Subtotal	225.0

Assistance for research:	
Fiscal year 1974	$5
Fiscal year 1975	5
Fiscal year 1976	5
Subtotal	15
Totals:	
Fiscal year 1974	42.5
Fiscal year 1975	80
Fiscal year 1976	117.5
Total	240.0

The House amendment provided the following authorizations of appropriations:

[In millions]

Planning and feasibility studies:	
Fiscal year 1974	$5
Fiscal year 1975	10
Subtotal	15
Establishment and initial operation:	
Fiscal year 1974	25
Fiscal year 1975	50
Fiscal year 1976	20
Subtotal	95
Research and training:	
Fiscal year 1974	5
Fiscal year 1975	10
Subtotal	15
Expansion and improvement:	
Fiscal year 1974	10
Fiscal year 1975	10
Subtotal	20
Totals:	
Fiscal year 1974	45
Fiscal year 1975	80
Fiscal year 1976	20
Total	145

Amounts authorized.—The conference substitute (in section 1207) makes the following authorizations of appropriations:

[In millions]

For grants and contracts for feasibility studies and planning (sec. 1202), establishment and initial operation (sec. 1203), and expansion and improvement (sec. 1204):	
Fiscal year 1974	$30
Fiscal year 1975	60
For grants and contracts for establishment and initial operation and for expansion and improvement:	
Fiscal year 1976	70
For grants and contracts for research sec. 1205):	
Fiscal year 1974	5
Fiscal year 1975	5
Fiscal year 1976	5
For grants and contracts for training (sec. 776):	
Fiscal year 1974	10
Total authorizations:	
Fiscal year 1974	45
Fiscal year 1975	65
Fiscal year 1976	75
Total	185

The conferees expect that not more than 25 percent of the sums made available for grants and contracts under section 1203 for any fiscal year and not more than 25 percent of the sums made available for grants and contracts under section 1204 for any fiscal year will be used for grants and contracts for systems which cannot meet each of the system requirements within the period of the grant or contract.

Special requirements: The following requirements apply with respect to funds authorized to be appropriated under the new title XII:

(1) *Allocation of appropriations for FY 74 and FY 75.*—Of the sums appropriated for the fiscal years 1974 and 1975 (other than sums appropriated for research)—

(A) 15 percent of each year's appropriation shall be made available only for feasibility studies and planning,

(B) 60 percent of each year's appropriation shall be made available only for establishment and initial operation, and

(C) 25 percent of each year's appropriation shall be made available only for expansion and improvement.

(2) *Allocation of appropriations for FY 76.*—Of the sums appropriated for fiscal year 1976 (other than funds appropriated for research)—

(A) 75 percent of that year's appropriation shall be made available only for establishment and initial operation, and

(B) 25 percent of that year's appropriation shall be made available only for expansion and improvement.

(3) *Set aside for rural areas.*—Of the sums appropriated for any fiscal year (other than sums appropriated for research), not less than 15 percent of each year's appropriation shall be made available for support of emergency medical services systems which serve or will serve rural areas.

Limitation on use of other funds: Section 1206(e) (which includes most of the Senate provision for which there was no House counterpart) provides that funds appropriated under the Public Health Service Act (other than under the new title XII or title VII (training)) may not be used to make a *new* grant or contract for any fiscal year for a purpose for which funds may be used under the new title XII unless two conditions are met. First, all funds authorized to be appropriated for the fiscal year in question must have been both appropriated and made available for obligation in that fiscal year, and secondly, the new grant or contract must be made in accordance with the requirements of the new title XII which would apply if the grant or contract were made under it. A *new* grant or contract is a grant or contract for a program or project for which an application is first submitted after the date of the enactment of the first appropriation Act making appropriations under the new title XII.

Limitations on number and duration of grants and contracts: The House amendment contained provisions not in the Senate bill which prescribed the following limitations on the number and duration of grants and contracts:

(1) Feasibility studies and planning.—Only one grant or contract could be made for any area and the final report on the activities under a grant or contract had to be submitted within one year.

(2) Establishment and initial operation.—Grants for initial operation were to be available to a grantee over the two-year period beginning on the date the Secretary determined the grantee's system was capable of operation.

(3) Expansion and improvement.—A project could receive a grant for a period of up to two years.

The conference substitute prescribes the following limitations on the number and duration of grants and contracts:

(1) *Feasibility studies and planning.*—If a grant or contract is made for a project for a particular geographical area, no other grant or contract may be made for that project or for another project for that area or an area which includes (in whole or substantial part) such area. Final reports must be made within one year of date of receipt of assistance.

(2) *Establishment and initial operation.*—Each grant or contract is to cover the costs incurred in one year. A second grant or contract may be made for the establishment and initial operation of a single system but only if the Secretary's review of the activities of the recipient shows that the recipient is progressing satisfactorily in developing the system (see next item for a more detailed explanation). In addition, no grant or contract may be made for fiscal year 1976 to an entity for establishment and initial operation unless he received a grant or contract for the same purpose for a preceding fiscal year.

Review and termination of assistance: Under the Senate bill the plan of the recipient of a grant or contract and the performance of the recipient under the plan were to be reviewed annually by the Secretary. In addition, the Secretary was authorized to terminate assistance if after a formal adjudicatory process he determined that performance of the recipient was not substantially in compliance with the plan.

The House amendment contained no comparable provision.

The conference substitute provides in section 1203 for review in the case of grants and contracts for establishment and initial operation. Under that section two grants or contracts may be made to an entity for establishment and initial operation, but the entity may not receive the second grant or contract unless the Secretary determines that the entity is progressing satisfactorily in the development of a system which will meet the prescribed system component requirements. The review is to be conducted nine months after the entity receives its first grant or contract and is to be based on the plan submitted by the entity (see application requirements) for the development of a system.

Limitations on grant and contract amounts: The Senate bill contained two limitations on grant and contract amounts: First, the amount of a grant or contract for an entity was to be determined after taking into account the other sources of Federal financial assistance available to the entity, and secondly, the amount of a grant or contract for establishment and initial operation costs or expansion and improvement costs could not exceed 75 percent of such costs.

The House amendment contained the following limitations: Establishment and initial operation grants could not exceed 50 percent of the first year costs or 25 percent of the second year costs and expansion or improvement grants could not exceed 50 percent of the project costs.

The following limitations are contained in the conference substitute respecting grants and contracts for establishment and initial operation and expansion and improvement:

(1) *In general.*—In determining the amount of a grant or contract the Secretary is to take into consideration the amount of funds available to the recipient from other Federal programs (under laws other than the Public Health Service Act).

(2) *Establishment and initial operation.*—Grants and contracts for first year costs may not exceed 50 percent of the costs except in case of exceptional need where the limit is 75 percent. Grants and contracts for second year costs may not exceed 25 percent except in case of exceptional need where the limit is 50 percent. In the case of applications which demonstrate exceptional need, special consideration is to be given to those that are for rural areas.

(3) *Expansion and improvement.*—Grants and contracts may not exceed 50 percent of the project costs.

Area emergency medical services planning councils: Under the Senate bill applicants for assistance were required to establish an area emergency services planning council to assist in the development of the plan required before assistance could be received. Each council was to include representatives of the State agency and areawide agency or agencies established under section 314, regional medical programs in the area, public safety agencies within the area, hospital councils and other agencies concerned with health or health education, local governments, the uniformed services of the Federal Government, Veterans' Administration medical facilities, communication networks and mass media, public utilities, other entities having responsibilities relating to the provision of emergency medical services, and the general public. The general public was to comprise at least one-third of the council's voting membership. To the maximum extent feasible, representatives of providers were to be selected so as to represent professional, paraprofessional, and nonprofessional personnel, and representatives of the general public were to be selected so as to represent all significant segments of the population to be served.

Under the House amendment planning was to be carried out in cooperation with any emergency medical service council or other entity in the area responsible for review and evaluation of the provision of emergency medical services in the area for which the planning was to be done.

The conference substitute makes the provision of the House amendment applicable to planning done under grants and contracts for study and planning projects.

The conferees agreed to delete the Senate bill requirement for the establishment of an area emergency medical services planning council for each emergency medical services system since the conferees recognized that any community, in developing and carrying out plans for a system meeting the requirements of the legislation, will in the normal course of events need to establish some kind of coordinating mechanism to bring together in the system all the diverse elements of the community to be served (including public safety agencies, consumers, and Federal medical facilities); and it was felt that prescribing the precise composition and functions of such a mechanism would create unnecessary rigidity. The conferees believe that effective implementation of an emergency medical services system will necessitate substantial, ongoing consultation with and cooperation by a broadly-based, representative group of both providers (including representatives of Federal medical facilities in the area) and consumers of emergency medical services. Any system should provide for representation from such groups and from public safety agencies in the process of its development and operation.

National Advisory Council: The Senate bill contained a provision not contained in the House amendment or the conference substitute which required the establishment of a National EMS Advisory Council which the Secretary would consult in administering the title XII programs. The Council would also make recommendations respecting approval of grants and contracts for more than $35,000 and respecting program budget matters and would be responsible for the collection and dissemination of data. The membership of the council was to include the Secretary or his designee, the membership of the Interagency Technical Committee, the Director of the National Institutes of Health, the Administrator of the Health Services and Mental Health Administration, and 15 additional members appointed by the President (7 of which were to be members of the general public and 8 of which were to be individuals experienced in emergency medical services programs). Various aspects of the Senate provision were included elsewhere.

Administration of grant and contract programs: The House amendment contained a provision not in the Senate bill which required that the program of grants and contracts for emergency medical services systems be administered through an identifiable administrative unit within DHEW. The conference substitute conforms to the House amendment and includes a provision that the unit be responsible for the collection, analysis, and dissemination of data useful in the development and operation of emergency medical services systems. Under the Senate bill the National Advisory Council had this function. The conferees agreed that the unit should be placed under the office of the Assistant Secretary for Health.

Annual report: The Senate bill contained a provision not in the House amendment which required an annual report on the administration of the program of assistance. The report was to include an evaluation of the adequacy of the provision of emergency medical services in the United States and recommendations for its improvement. The conference substitute conforms to the Senate bill. The first report is due not later than September 30, 1974, and is to cover fiscal year 1974.

Definition of State: The Senate bill contained a provision not in the House amendment which broadened the definition (for purposes of the new program of assistance) of the term "State" to include Guam, American Samoa, and the Trust Territory of the Pacific Islands. The conference substitute conforms to the Senate bill.

INTERAGENCY TECHNICAL COMMITTEE

Under the Senate bill the Secretary was to establish an Interagency Technical Committee on Emergency Medical Services to coordinate the aspects and resources of all Federal programs and activities which relate to emergency medical services. The Committee was to evaluate the adequacy and technical soundness of such programs, and provide for communication and exchange of information as needed to maintain the coordination and effectiveness of such programs. The Secretary or his designee was to chair the Committee with membership which was to include appropriate representation from the Department of Transportation, the Department of Defense, the Veterans' Administration, the National Science Foundation, the National Academy of Sciences, the Federal Communications Commission, and such other Federal agencies as the Secretary determines have functions or responsibilities concerning EMS systems.

The provision in the House amendment was generally comparable except that the Committee was to include 5 individuals from the general public.

The conference substitute combines the provisions of the Senate bill and the House amendment. Because the National Advisory Council proposed by the Senate bill was not included in the conference substitute, the Committee's functions were broadened to include making recommendations to the Secretary respecting the administration of the new title XII (including the issuance of regulations) and accordingly the name of the Committee was changed to the Interagency Committee on Medical Services. In addition, the 5 members from the general public are to be appointed by the President (for 4-year staggered terms) and may be compensated for duty on the Committee. The Secretary is to provide adequate staff and funding support. The Committee is to receive copies of all review and evaluation reports of EMS systems assisted under section 1203 or 1204.

OTHER TRAINING PROGRAMS

The Senate bill amended section 772 of the Public Health Service Act (special project grants and contracts) to include in the list of eligible projects, projects for the interdisciplinary training of health personnel for the provision of emergency medical services, with special emphasis to be placed on projects affording clinical experience in systems assisted under the new title XII. The Senate bill also amended section 774 of that Act (health manpower education initiative awards) to include in projects assisted under that section projects respecting training in the use of the team approach to delivery of emergency medical services. The House amendment contained no comparable provisions. The conference substitute contains the amendments made by the Senate bill.

MISCELLANEOUS

Arrangements with the military: The Senate bill contained a provision not in the House amendment which authorized the Secretary of each military department to enter into agreements with EMS systems to provide transportation and other services in emergency situations to the extent the provision of such services would not interfere with the primary mission of the armed force involved. The conference substitute does not contain a comparable provision. The House has passed a separate bill (H.R. 7139) providing comparable authority. Senate action on such a bill is expected. The Senate receded from its position at the request of the Senate Armed Services Committee sponsors of such legislation.

Conflict of laws rule: The Senate bill contained a provision not in the House amendment which established a conflict of laws rule that provided that in the case of medical emergencies in interstate travel, the law governing the provision of medical care would be the law of the provider's place of residence or in the case of a health care provider, the law of the place in which he regularly provides services.

The conference substitute directs the Secretary to include in a study directed to be made of the legal barriers to the effective delivery of medical care under emergency conditions (which study was required in both the Senate bill and House amendment) consideration of the need for such a conflict of laws rule. The study is to be completed within one year of the date of the enactment of the legislation.

PUBLIC HEALTH SERVICE HOSPITALS

The Senate bill directed the Secretary to continue the operation of seven Public Health Service hospitals (Seattle, Boston, San Francisco, Galveston, New Orleans, Baltimore, and Staten Island) at the level of operation in effect on January 1, 1973. The Senate bill would have permitted the Secretary to close a hospital if he could receive the approval of the section 314(a) State health planning agency of the State in which the hospital is located and of each section 314(b) areawide health planning agency serving the area in which the hospital is located.

The House amendment contained a comparable provision except that it included all PHS hospitals and contained no authority for the Secretary to close a hospital.

The conference substitute applies to the PHS hospitals in Seattle, Boston, San Francisco, Galveston, New Orleans, Baltimore, Staten Island, and Norfolk. Those hospitals must be kept in operation and provide services and conduct health-related activities at the level in effect on January 1, 1973. The Secretary may close or transfer control of a hospital or reduce its services or activities only if specifically authorized to do so by a law enacted after the date of the enactment of this legislation. Further, no recommendation may be made for such a law unless the recommendation has the approval of each affected section 314(a) and 314(b) agency.

The conferees were aware, in adopting these provisions, that the DHEW had submitted a 90-day notice of proposed closure of inpatient services in some of the affected hospitals. While the notice was submitted pursuant to the requirements of P.L. 92-585, the conferees felt that it did not meet the requirements of that law in that it did not present a plan assuring competent care to PHS beneficiaries. Further, passage of the proposed legislation will serve to keep these services open until the Congress enacts its approval of a plan to the contrary submitted by the Department.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
ANCHER NELSEN,
DAVID E. SATTERFIELD,
JAMES F. HASTINGS,
Managers on the Part of the House.

EDWARD M. KENNEDY,
HARRISON A. WILLIAMS,
GAYLORD NELSON,
THOMAS F. EAGLETON,
ALAN CRANSTON,
HAROLD E. HUGHES,
CLAIBORNE PELL,
WALTER F. MONDALE,
RICHARD S. SCHWEICKER,
JACOB K. JAVITS,
PETER H. DOMINICK,
J. GLENN BEALL, Jr.
ROBERT TAFT, Jr.
Managers on the Part of the Senate.

IN RECOGNITION OF INDEPENDENCE OF COMMONWEALTH OF THE BAHAMAS

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of House Resolution 482 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Whereas, July 10, 1973, marks the achievement of full independence by the Commonwealth of the Bahamas;

Now, therefore, be it resolved, That, in recognition and celebration of this achievement, the United States House of Representatives, on behalf of the people of the United States:

Welcomes the Commonwealth of the Bahamas to the family of nations able to chart their own courses in world affairs; and

Extends to the citizens and the Government of the Commonwealth of the Bahamas heartfelt best wishes upon this significant occasion; and

Expresses the fervent hope that a spirit of mutual affection, understanding, and cooperation will forever continue to characterize the relations between our countries and our peoples.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HEARINGS ON THE VALUE OF THE PANAMA CANAL

(Mr. LEGGETT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. LEGGETT. Mr. Speaker, I am pleased to announce that the Panama Canal Subcommittee of the Merchant Marine and Fisheries Committee will hold the first of a series of hearings on operations of the Panama Canal entitled "U.S. and Foreign Shipping" on Tuesday, July 17, 1973, at 10 a.m., in room 1334, Longworth House Office Building. Subjects to be covered in these hearings include importance of the canal to shipping interests, current commodities and products transported and future for these and others, adequacy of the canal and problems encountered in its use, future shipping requirements for the canal to the year 2000 and effects of current tolls structure with considerations as to revision of tolls. Witnesses will include representatives from the Panama Canal Co., and U.S. and foreign shipping companies.

As chairman of the Panama Canal Subcommittee, I feel these will be very important hearings as they are designed to lead to a quantification of the value of the Panama Canal. The economic value of the canal to our country and to the other user nations of the world has never been measured and this is the underlying purpose of holding these hearings. It is one thing to record the tonnage of the some 15 thousand ships and the type and value of the cargoes which pass through the canal on an annual basis but the real value of this most important international waterway to the economies of the nations concerned is a far different matter. The very existence of the Panama Canal has established sea routes, influenced ship design, and has played a major part in the development of other modes and paths of transportation. Without this canal some markets would not exist, transportation expense would be higher between certain points, and far different transportation patterns would be predominant.

The Panama Canal is of particular interest these days because it has become a focus of so-called U.S. imperialism abroad. There have been talks which apparently soon will resume with the Republic of Panama in regard to a new treaty to replace the 1903 Treaty as amended in 1936 and 1955. This matter is highly contentious with widely divergent attitudes existing not only in the Congress but elsewhere in the United States and apparently also in Panama itself. The canal is also the center of another controversy having to do with its current operating capacity and there are those who would continue to update this capacity in the form of minor alterations, those who would add additional locks capacity and those who would build a new sea level canal. The points here are that we have jurisdiction and control considerations plus the fact that modernization of the canal has become of major concern.

In summary, Mr. Speaker, there are major issues which we are facing in regard to the Panama Canal. To properly address them, I feel very strongly that we must have the best understanding possible as to the real value of this canal to our country and to the other user nations of the world. The hearings on the 17th will serve as a beginning in determining this value and I earnestly seek the interest and attention of all of us in pursuing this worthy goal.

ENERGY STATEMENT OF THE PRESIDENT—DEPARTMENT OF ENERGY AND NATURAL RESOURCES

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HORTON. Mr. Speaker, I would like to place in the RECORD the President's statement of June 29 on an agenda to meet this Nation's energy needs. I am also submitting a summary outline—fact sheet of the President's statement on energy.

One important aspect of this agenda is legislation to create a Department of Energy and Natural Resources and an Energy Research and Development Administration. Chairman HOLIFIELD and I introduced these draft legislative proposals as H.R. 9090. Chairman HOLIFIELD has announced that our Subcommittee on Legislation and Military Operations will hold the initial phase of hearings on the bill on July 24, 25, and 26.

STATEMENT BY THE PRESIDENT

One of the most critical problems on America's agenda today is to meet our vital energy needs.

Two months ago I announced a comprehensive program to move us forward in that effort. Today I am taking the following additional measures:

First, I am appointing John A. Love, Governor of Colorado, to direct a new energy office that will be responsible for formulating and coordinating energy policies at the Presidential level.

Second, I am asking the Congress to create a new Cabinet-level department devoted to energy and natural resources and a new independent Energy Research and Development Administration.

Third, I am initiating a $10 billion program for research and development in the energy field, which will extend over the next five years.

Finally, I am launching a conservation drive to reduce anticipated personal consumption of energy resources across the Nation by 5 percent over the next twelve months. The Federal Government will take the lead in this effort, by reducing its anticipated consumption by 7 percent during this same period.

America faces a serious energy problem. While we have only 6 percent of the world's population, we consume one-third of the world's energy output. The supply of domestic energy resources available to us is not keeping pace with our ever-growing demand, and unless we act swiftly and effectively, we could face a genuine energy crisis in the foreseeable future.

Progress since April

On April 18, I submitted a message to the Congress discussing the energy challenge and the steps necessary to meet it. That message emphasized that as we work to conserve our energy demands, we must also undertake an intensive effort to expand our energy supplies. I am happy to report that many of these steps are already underway, and that they are proving effective.

At least eight oil companies have made firm decisions to undertake significant refinery construction projects. Within the next three years these projects will increase refinery capacity by more than 1.5 million barrels daily—a 10 percent increase over existing capacity.

We have announced and carried out a voluntary oil allocation program to help provide farmers and essential government and health services, as well as independent refiners and marketers, with an equitable share of available petroleum.

A great deal of oil from the Outer Continental Shelf and other Federal lands, which has traditionally been retained by the producers, has been allocated to small independent refiners to augment their present supplies. That figure has already reached 100 thousand barrels of oil per day and will increase to 160 thousand by mid-August.

The Council on Environmental Quality has begun a study of the environmental impact of drilling on the Atlantic Outer Continental Shelf and in the Gulf of Alaska. The study is scheduled for completion by next spring.

The Senate Committee on Interior and Insular Affairs has reported out legislation which would finally permit the construction of an Alaskan pipeline. Legislation will shortly be reported out in the House of Representatives. Since construction of that pipeline would provide two million barrels of domestic oil a day, I again urge that the Congress give swift approval to this legislation.

The Office of Energy Conservation and the Office of Energy Data and Analysis have been established at the Department of the Interior. Although not yet fully staffed, they are now beginning to provide information we must have to proceed with our developing energy policy.

The Commerce Department has proposed regulations covering the labeling of household appliances so that consumers can make comparisons of the efficiency with which the appliances consume energy.

The Environmental Protection Agency has published information on gasoline mileage for 1973 automobiles.

The Department of State is taking steps to consult with the major oil-producing nations to develop the cooperative arrangements needed to ensure adequate and stable sources of oil in the future. We are also working closely with the other major oil-consuming nations in studying ways of meeting growing world demand for energy supplies. These include emergency sharing arrangements, as well as stockpile and rationing programs which might lead to more coordinated policies for meeting oil supply shortages should they occur in the future.

Several of the steps which I announced in April were in the form of legislative proposals which will help to increase energy supplies. They called for the Alaskan pipeline, competitive pricing of natural gas, licensing of deepwater ports, streamlining of powerplant siting, and a rational framework for controls over surface mining. Only the pipeline request has been finally acted on in committee. I hope the Congress will now act quickly and favorably on my other requests.

These steps are a beginning. But they are only a beginning.

REORGANIZATION

The acquisition, distribution, and consumption of energy resources have become increasingly complex and increasingly critical to the functioning of our economy and our society. But the organization of the Federal Government to meet its responsibilities for energy and other natural resource policies has not changed to meet the new demands. The Federal Government cannot effectively meet its obligations in these areas under the present organizational structures, and the time has come to change them.

Energy Policy Office

Effective immediately, the duties of the Special Energy Committee and National Energy Office which I set up 2 months ago to advise and assist the preliminary organizational phases of the Federal response to the energy challenge will be combined in an expanded Energy Policy Office within the Executive Office of the President. This office will be responsible for the formulation and coordination of energy policies at the Presidential level.

This office will be headed by Governor Love, who will be an Assistant to the President as well as Director of the Energy Policy Office. He will spend full time on this assignment and will report directly to me. My Special Consultant on energy matters, Charles DiBona, will continue in his present advisory capacity, working within the new office.

Department of Energy and Natural Resources

Two years ago I sent to the Congress my proposals for a sweeping reorganization of executive departments and independent agencies to provide an executive branch structure more responsive to the basic goals of public policy. One of those proposals called for a Department of Natural Resources.

During the time these proposals have been receiving the consideration of the Congress, my Administration has continued to refine and improve them. It has become increasingly obvious that reorganization is imperative, and nowhere more clearly so than in the areas of natural resources and related energy matters.

I am therefore proposing today the establishment of a new Cabinet-level Department of Energy and Natural Resources, responsible for the balanced utilization and conservation of America's energy and natural resources.

The Department of Energy and Natural Resources would take charge of all of the present activities of the Department of the Interior, except the Office of Coal Research and certain other energy research and development programs, which would be transferred to a new Energy Research and Development Administration. It would also assume the responsibilities of the Forest Service and certain water resources activities of the Soil Conservation Service from the Department of Agriculture; the planning and funding of the civil functions of the Army Corps of Engineers; the duties of the National Oceanic and Atmospheric Administration of the Department of Commerce, the uranian and thorium assessment functions of the Atomic Energy Commission, the functions of the Interagency Water Resources Council, and gas pipeline safety functions of the Department of Transportation.

Energy Research and Development Administration

I am further proposing to the Congress that we create an Energy Research and Development Administration.

The new Administration would have central responsibility for the planning, management and conduct of the Government's energy research and development and for working with industry so that promising new technologies can be developed and put promptly to work. The new Administration would be organized to give significant new emphasis to fossil fuels and potential new forms of energy, while also assuring continued progress in developing nuclear power.

In order to create the new Administration, the present functions of the Atomic Energy Commission, except those pertaining to licensing and related regulatory responsibilities, would be transferred to it as would most of the energy research and development programs of the Department of Interior. The scientific and technological resources of the AEC should provide a solid foundation for building a well-conceived and well-executed effort.

Under my proposal, the five-member organization of the AEC would be retained to provide direction for a separate and renamed Nuclear Energy Commission which would carry on the important licensing and regulatory activities now within the AEC. In addition, I have asked that a comprehensive study be undertaken, in full consultation with the Congress, to determine the best way to organize all energy-related regulatory activities of the Government.

RESEARCH AND DEVELOPMENT

While we must rely on conventional forms of fuel to meet our immediate energy needs, it is clear that the answer to our long-term needs lies in developing new forms of energy.

With this necessity in mind, I am taking three steps immediately to enlarge our Federal energy research and development efforts.

First, I am initiating a Federal energy research and development effort of $10 billion over a five-year period, beginning in fiscal year 1975. To give impetus to this drive, I am directing that an additional $100 million in fiscal year 1974 be devoted to the acceleration of certain existing projects and the initiation of new projects in a number of critical research and development areas. At least one-half of the funding for the new initiatives for this coming fiscal year will be devoted to coal research and development with emphasis on producing clean liquid fuels from coal, improving mining techniques to increase coal mining safety and productivity, accelerating our coal gasification program and developing improved combustion systems. The remainder of the $100 million will be for research and development projects on advanced energy conversion systems, environment control, geothermal steam, conservation, and gas-cooled nuclear reactors. While it is essential that we maintain the present budget ceiling for fiscal year 1974, these vital programs must and can be funded within that ceiling.

Second, I am directing the Chairman of the Atomic Energy Commission to undertake an immediate review of Federal and private energy research and development activities, under the general direction of the Energy Policy Office, and to recommend an integrated energy research and development program for the Nation. This program should encourage and actively involve industry in cooperative efforts to develop and demonstrate new technologies that will permit better use of our energy resources. I am also directing the Chairman, in consultation with the Department of the Interior and other agencies, to recommend by September 1 of this year specific projects to which the additional $100 million would be allocated during fiscal year 1974. By December 1 of this year, I am asking for her recommendations for energy research and development programs which should be included in my fiscal year 1975 budget.

Third, I am establishing an Energy Research and Development Advisory Council reporting to the Energy Policy Office, to be composed of leading experts in various areas of energy research and development from outside the Government.

I feel that these steps will greatly improve and expand our current energy research and development effort and will ensure the development of technologies vital to meeting our future energy needs.

CONSERVATION

The Federal effort

In my Energy Message of April 18, I announced preliminary steps to conserve America's fuel supplies. I said at that time that while energy conservation is a national necessity, conservation efforts could be undertaken on a voluntary basis. I still believe this.

However, public persuasion alone is not sufficient to the challenge confronting us. The Federal Government is the largest consumer of energy in the country and, as such, it has its own unique role to play in reducing energy consumption and thus setting an example for all consumers.

Effective today, I am therefore ordering the Federal Government to achieve a seven percent reduction in its anticipated energy consumption over the next 12 months.

I have directed the heads of all Cabinet departments and other Federal agencies to report by July 31 on the specific steps they will take to meet this target. Secretary Morton will be responsible for monitoring agency efforts and reporting their progress to me.

These conservation measures are to be designed to ensure that no vital services are impaired nor the proper functioning of these departments and agencies curtailed. Exceptions will be permitted only in unique circumstances, such as the program of uranium enrichment at the AEC where a substantial reduction in energy consumption would have a detrimental effect on our efforts to provide new forms of energy.

While the precise means of conserving energy will be left to the discretion of Cabinet and agency heads, I am directing that conservation efforts include the following measures:

Reduction in the level of air conditioning of all Federal office buildings throughout the summer.

Reduction in the number of official trips taken by Federal employees.

Purchase or leasing of automobiles and other vehicles which provide good gasoline mileage.

Each department and agency is expected to review all of its activities to determine how its own demands might be reduced. The Department of Defense, the largest single consumer of energy within the executive branch, has already examined its activities and has taken steps to reduce its energy demands by 10 percent over last year—steps which will in no way jeopardize our military preparedness.

Conservation in the private sector

I am also directing all departments and agencies to work closely with Secretary Morton and the Office of Energy Conservation in the development of long-term energy conservation plans and recommendations for both the private and the public sector.

At my request, the Secretary of the Interior, the Secretary of Commerce and Governor Love are to meet with representatives of American industry to discuss ways of cutting back on unnecessary consumption of energy and to urge their active participation in the conservation effort.

Further, I have directed the Secretary of Transportation to work with the Nation's airlines, the Civil Aeronautics Board, and the Federal Aviation Administration to reduce flight speeds, and, where possible, the frequency of commercial airline flights. This effort is now underway. By effecting only a small reduction in speeds and flights, it is possible to achieve significant reductions in energy consumption.

Placing the challenge in perspective

As these measures cover a broad range of activities in the public and private sectors, I want to put both the problem and the proposed conservation measures into perspective. We all need to understand the dimensions of the challenge, as well as the significance of the role every single American has to play in meeting it.

The Department of the Interior estimates that under the conditions of current usage, our available supply of gasoline this summer could fall short of demand by one or two percent and possibly as much as five percent should the most adverse conditions prevail. To overcome this potential shortage, and to reduce pressure on supplies of other energy resources, I am suggesting that a reasonable and attainable national goal is to reduce anticipated energy use by individual consumers by five percent.

We can achieve this goal by making very small alterations in our present living habits, for steps such as those we are taking at the Federal level can be taken with equal effectiveness by private individuals. We need not sacrifice any activities vital to our economy or to our well-being as a people.

Raising the thermostat of an air conditioner by just 4 degrees, for instance, will result in a saving of an estimated 15-20 percent in its use of electricity.

Just as the Government can obtain energy efficient automobiles, private citizens can do the same. Nearly three-quarters of the gasoline used in America is consumed by automobiles.

Those who drive automobiles can also assist by driving more slowly. A car travelling 50 miles per hour uses 20 to 25 percent less gasoline per mile than the same car travelling 70 miles per hour. Carpooling and using public transportation will result in further fuel savings.

In order to help reduce driving speeds, I am today taking the additional step of writing to each of the Nation's Governors, asking them to work with their State legislatures to reduce highway speed limits in a manner consistent with safety and efficiency, as well as with energy needs.

I also continue to urge the Congress to pass highway-mass transit legislation which would provide States and localities flexibility to choose between capital investment in highways or mass transit. Diversion of some commuter traffic from single occupant automobiles to mass transit will result in significant energy and environmental benefits, and at the same time, permit the highways to be operated in the efficient manner for which they were designed.

Energy conservation is not just sound policy for the country, it is also good economics for the consumer.

Changing to a more efficient automobile, for example, could produce savings of as much as one thousand gallons of gas in the course of a year. A savings of one thousand gallons of gas equals a personal savings of approximately $400.

Cutting down on air conditioning and heating, of course, also cuts down on the family gas or electric or oil bill.

Actions to reduce the rate of growth in energy demands will also improve our ability to protect and improve the quality of our environment.

The conservation of existing energy resources is not a proposal; it is a necessity. It is a requirement that will remain with us indefinitely, and it is for this reason that I believe that the American people must develop an energy conservation ethic.

As a matter of simple prudence and common sense, we must not waste our resources, however abundant they may seem. To do otherwise, in a world of finite resources, reflects adversely upon what we are as a people and a Nation.

CONCLUSION

We face a challenge in meeting our energy needs. In the past, the American people have viewed challenges as an opportunity to improve our Nation, and to move forward. The steps I have outlined above are not meant to be conclusive. They are part of the ongoing process.

I urge the Congress to act with due concern for our energy needs by rapid consideration of all of my legislative proposals in this field, especially my request to clear the way for the Alaskan pipeline.

Over the coming years it is essential that we increase our supplies of energy.

I urge the members of the Federal Government to play their role in meeting the spirit and the letter of my energy-conservation directives.

I urge private industry to respond with all the imagination and resourcefulness that has made this Nation the richest on earth.

But the final question of whether we can avoid an energy crisis will be determined by the response of the American people to their country's needs. In the past, whenever we have been faced with real challenges, the American people have joined together to share in the common interest.

I am confident we will do so now.

The White House—President's Statement on Energy Summary Outline—Fact Sheet

BACKGROUND

On April 18, 1973, the President's Energy Message to the Congress outlined the energy challenge facing America and announced initial steps to meet that challenge. That message pointed out that the United States has only six percent of the world's population but consumes approximately one-third of the world's total energy production. For the past several years, the United States has been consuming energy at a faster rate than it has been developing new domestic supplies. The result has been increased reliance on foreign energy sources, with over 30 percent of our current petroleum needs coming from abroad and the increasing likelihood of domestic energy shortages.

The President's Energy Message announced a number of initiatives to encourage the development of the Nation's domestic energy resources base and he called for a comprehensive effort to reduce the growth in our energy consumption.

Seven pieces of legislation important to the improvement of our energy situation have been submitted to the Congress and are now awaiting action. This proposed legislation includes:

Electric Facilities Siting Act.
Mined Areas Protection Act.
Mineral Leasing Act Amendments.
Bureau of Land Management Organic Act.
Santa Barbara Channel legislation
Deepwater Port Facilities Act.
Natural Gas Supply Act.

SIGNIFICANT DEVELOPMENTS SINCE APRIL 18

Since the President's April 18 message, the following actions have been taken:

Eight oil companies have decided to build new refinery capacity The expanded refinery capacity of about 1.5 million barrels per day—a 10 percent increase over existing capacity—will be available in about 3 years. Additional decisions are expected shortly.

A voluntary oil allocation program has been established in an effort to provide priority customers, refiners and marketers and equitable share of gas and oil.

The Office of Energy Conservation and the Office of Energy Data and Analysis have been established in the Department of the Interior.

The total allocation to small refiners of royalty oil available to the Government from leases on the Outer Continental Shelf and on Federal lands has reached 100,000 barrels per day. It is anticipated that about 60,000 additional barrels per day will be available for allocation and that this will be completed by mid-August.

The Senate Committee on Interior and Insular Affairs has reported out legislation which would remove right-of-way restrictions preventing construction of the Alaska Pipeline. Hearings are being held in the House. The pipeline would be able to provide 2 million barrels of oil per day.

The Council on Environmental Quality has begun a study of the environmental impact of drilling on the Atlantic Outer Continental Shelf and the Gulf of Alaska; the study is to be completed next spring.

The Commerce Department has issued proposed regulations covering the labelling of household appliances to show energy efficiency.

The Environmental Protection Agency has published information on gasoline mileage for all 1973 automobiles.

The Department of State is taking steps to consult with the major oil producing and consuming nations to develop cooperative arrangements to provide adequate and stable ways to meet the world's growing energy demands.

ORGANIZATION OF FEDERAL ENERGY AND NATURAL RESOURCE ACTIVITIES

Summary

The President upgraded and strengthened White House arrangements for energy policy by appointing an Assistant to the President for Energy who will head the Energy Policy Office.

The President is proposing legislation which would:

Establish a Department of Energy and Natural Resources consisting of functions transferred from the Department of the Interior and several other agencies.

Establish a new independent agency, the Energy Research and Development Administration (ERDA), to focus all Federal energy R&D.

Retain the five-member commission organization of the AEC to carry on the licensing, regulatory and related environmental and safety functions of that agency but under a new name, Nuclear Energy Commission.

The President has directed that a comprehensive study be undertaken of Federal energy regulatory activities, looking to possible reorganization of these activities.

Energy Policy Office (EPO)

The President has created an Energy Policy Office in the Executive Office of the President. The EPO will replace the Special Committee on Energy. It will also expand upon the role of the National Energy Office (created by Executive Order 11712) which helped guide the development of the Administration's energy policies including the new government-wide organizational arrangements. The Office will be headed by a Director who will also serve as Assistant to the President for Energy. The Director will serve as the President's principal energy advisor and be responsible for identifying major problems, reviewing alternatives, making policy recommendations, assuring that agencies develop short and long range plans, and for monitoring the implementation of approved energy policies.

The Department of Energy and Natural Resources (DENR)

This new Department would be responsible for the balanced utilization and conservation of our Nation's energy and natural resources. The Department would bring together and realign many related Federal programs which are now scattered among several departments and agencies. DENR would have the responsibility for assuring that future demands for water, timber, minerals and energy resources are met without sacrificing our forests, lakes, wilderness, beaches, and the general environment. It would foster a better understanding of the total environment—the oceans, the atmosphere, the lands and their interaction. It would provide a more modern, effective department for managing and carrying out Federal responsibilities with respect to Indian and Territorial peoples.

DENR would have an organization and managerial capability which could most effectively and vigorously develop and implement comprehensive natural resources policies and programs.

In March 1971, the President proposed creation of a Department of Natural Resources (DNR) but the Congress did not enact that legislation. Today's legislation builds on the earlier proposal. The President has again stressed the need to consolidate key natural resources functions in the new Department so that we can meet better our national objectives.

Function and resource transfers to DENR

The principal functions and resources that would be transferred to DENR are listed below. Estimates are, for the most part, for direct program activities and do not include departmental overhead resources which will be identified later.

	Fiscal year 1973 outlay estimates (in millions)	Fiscal year 1973 full-time permanent employment
From Department of the Interior:		
All functions except Office of Coal Research, the Energy Research Centers of Bureau of Mines and Underground Power Transmission R. & D. which would be transferred to ERDA	$2,554	56,130
From Atomic Energy Commission:		
Uranium and thorium assessment program	2	78
From Department of Transportation: Oil and gas pipeline safety programs	1	26
From Department of Agriculture:		
Forest Service	788	21,860
River basin surveys and investigations, and planning and funding for large watershed protection and flood prevention projects from the Soil Conservation Service	67	200
From Department of Commerce:		
National Oceanic and Atmospheric Administration (NOAA)	322	12,450
From Department of the Army:		
Corps of Engineers, civil functions (planning, evaluation, policy and funding only)	1,643	360
From Water Resources Council:		
All functions	8	45
	5,385	91,149

DENR organization and management

The Department would be managed by a Secretary, a Deputy Secretary, an Under Secretary for Policy and an Under Secretary for Management, having cross-cutting department-wide responsibilities. The Department's missions would be carried out largely through five Administrations, each containing programs grouped on the basis of common major purposes. The assignment of functions among Administrations would be the responsibility of the Secretary. Currently it is expected that the primary functions of each Administration would be as follows:

Energy and Minerals Administration. This Administration would include those DENR functions primarily concerned with energy and minerals including Interior's Office of Energy Conservation, Office of Energy Data and Analysis, Office of Oil and Gas, Office of Research and Development, Bureau of Mines (except energy research centers), Mining Enforcement and Safety Administration, and Bonneville, Southeastern, Southwestern and Alaska Power Administrations. It would also include the Uranium and Thorium Assessment Program from AEC and Office of Pipeline Safety from DOT.

Land and Recreation Resources Administration. This Administration would be composed of most functions and resources of the Bureau of Outdoor Recreation, the Bureau of Land Management, National Park Service, and the Bureau of Sport Fisheries and Wildlife from the Department of Interior, the Forest Service from the Department of Agriculture.

Water Resources Administration. This Administration would provide a single management framework for the integration and coordination of national water resources policy and planning. The organizational functions and resources to be included in this Administration include the Bureau of Reclamation, Office of Saline Water, and Office of Water Resources Research from Interior; the policy, planning and funding of the civil functions of the Corps of Engineers; the River Basin Surveys and Investigations Program and Planning and Funding for large Watershed Protection and Flood Prevention projects from the Soil Conservation Service, Department of Agriculture; and the Water Resources Council.

Oceanic, Atmospheric, and Earth Sciences Administration. This Administration would include the functions and responsibilities of the Geological Survey of the Interior Department and the National Oceanic and Atmospheric Administration (NOAA) of the Department of Commerce.

Indian and Territorial Affairs. This Administration would combine Interior's Office of Territories and Bureau of Indian Affairs. The Indian and Territorial Affairs Programs are included in DENR because of their historical association with natural resources and the Department of the Interior. Most Indians in the past have rejected proposals for transfer of Indian programs to other departments and, pending further study, are included in DENR.

In addition to the functions located in DENR's Energy and Minerals Administration, the Secretary would be responsible for and have resources to assemble information with respect to energy resources and demands in all sectors, perform analyses and identify energy policy and program options that would provide guidance to other operating agencies and assistance to the Energy Policy Office and other agencies of the Executive Office of the President.

The Energy Research and Development Administration (ERDA)

This new independent agency would bring together and direct research and development programs on all forms of energy. The agency's objective would be the development in cooperation with industry of new energy sources to meet the energy needs of present and future generations in a manner which protects or enhances the quality of our environment. ERDA would conduct or sponsor nearly all the Federal Government's research and development programs involving all forms of energy.

Function and resource transfers to ERDA

ERDA would at the outset be composed principally of the following functions:

All of the functions, authorities and resources of the Atomic Energy Commission, except the uranium and thorium assessment program which will be transferred to DENR, and the AEC's licensing, regulatory and related environment and safety functions. Functions transferred to ERDA from AEC would include nuclear materials production, reactor development, military applications, physical research, biomedical and environmental research, controlled thermonuclear research, non-nuclear energy R&D and other nonregulatory functions.

Most of Interior's fossil fuels R&D, namely the Office of Coal Research and the energy research centers of the Bureau of Mines, the synthane pilot plant for high BTU coal conversion which is under construction in Bruceton, Pa., and underground power transmission R&D.

This agency would be the focal point for the new accelerated energy R&D programs. It is also contemplated that the bulk of the $25 million central fund for energy R&D that was requested in the 1974 budget of the Interior Department would be transferred to ERDA. The principal resources identified thus far for transfer to ERDA are estimated to be:

	Fiscal year 1973 budget outlays estimates (in millions)	1973 employment (full-time permanent)
From AEC: All functions except uranium and thorium assessment program, and licensing, regulatory and related environment and safety	$2,250	5,800
From Interior:		
Office of Coal Research	58	37
Bureau of Mines energy research centers and synthane plant	13	728
Underground power transmission, R. & D	1	5
Total	2,322	6,570

ERDA organization and management

The creation of ERDA contemplates building upon the scientific and technical base of the Atomic Energy Commission and making use of the laboratories and technical management capabilities now located in that agency. ERDA would be headed by an Administrator, Deputy Administrator and Assistant Administrators responsible for major programs and supporting functions. Specific proposals for the internal organization of ERDA will be made at a later date, following a study of R&D and production functions that would be transferred from AEC, functions to be transferred from other agencies and new programs. The internal organization would reflect clearly ERDA's role in non-nuclear energy R&D while assuring continued progress on the nuclear energy functions transferred from AEC.

Nuclear Energy Commission (NEC)

The five-member Commission form of organization would be retained to head the licensing, regulatory and related functions of the Atomic Energy Commission. The name of the agency would be changed to the Nuclear Energy Commission.

Resources now directly associated with the AEC's licensing and regulatory functions include approximately $40 million in net 1973 Budget outlays and about 1275 full-time permanent employees. Studies will begin immediately to ascertain which of the functions and resources now under the General Manager of the AEC or directly under the Commission should be transferred to the NEC in support of that agency's licensing and regulatory functions. In addition, it is expected that ERDA would be available to perform work in support of NEC on a reimbursable basis.

Study of energy regulatory activities

The President has directed that a comprehensive study of Federal energy regulatory activities be undertaken to see whether reorganization is desirable. A number of Federal agencies are engaged in such activities, including the Atomic Energy Commission, Federal Power Commission, and others that carry out energy regulatory functions as a part of broader missions such as the Departments of Interior and Transportation, Corps of Engineers, EPA, and Interstate Commerce Commission. A wide variety of interests and objectives are involved, including economic, public health and safety, environment, and adequacy and reliability of energy supply. The study will be undertaken over the next year to determine whether existing organizational arrangements are most efficient and effective for balancing the interests and objectives involved. The interface with State and local regulatory activities will also be considered and opportunity for Congressional and public participation in the study will be provided. OMB will be responsible for assuring that the study is completed.

ENERGY RESEARCH AND DEVELOPMENT

In addition to the major legislative proposals to improve energy and natural resources organization, the President announced three major steps to accelerate and to improve coordination of our Federal energy R&D efforts:

The President has concluded that:

Federal funding for energy R&D should be $10 billion over the next 5 years beginning in FY 1975.

As a start on this program, funding of $100 million would be devoted to new or accelerated high priority energy R&D projects in FY 1974. This amount is in addition to the $25 million energy R&D fund requested in the Department of the Interior's FY 1974 budget.

At least half of the $100 million funding would be used for coal R&D, including programs on clean liquid fuels from coal, improved mining techniques to increase safety and productivity, accelerated coal gassification and improved combustion.

The remainder would be for projects in:

Advanced energy conversion R&D to achieve greater efficiencies in energy utilization and less waste heat, including work on high temperature conversion cycles, low temperature conversion cycles, magnetohydrodynamics, alternate gas cycles and advanced automotive power systems.

A new program on energy conservation R&D to improve efficiency and reduce energy consumption in transportation, residential, commercial and industrial sectors.

Additional environmental control R&D to accelerate work on power plant SO_x removal, including work on improved processes resulting in useful byproducts and reduced wastes.

Geothermal R&D with emphasis on resource appraisal and exploration, developing and demonstrating technology for utilizing hot brine and hot dry rock resources, and examining environmental and systems problems.

Gas-cooled nuclear reactor R&D, including funds for a program to permit use of thorium as an additional nuclear fuel and funds for additional high temperature gas-cooled reactor (HTGR) safety and fuel research.

The President has directed the Chairman of the AEC, with assistance of the Department of the Interior and other Federal agencies to:

Conduct a comprehensive review to provide the detailed elements of our high priority FY 1974 energy R&D program. The review will be under the general direction of the Energy Policy Office and is to be completed by September 1, 1973.

Organize immediately a review of Federal and private energy R&D activities for the purpose of recommending an integrated R&D program for the Nation. Industry is to be involved actively in a number of cooperative efforts to develop and demonstrate new technologies. Recommendations for future increases in R&D programs are due from the AEC chairman by December 1 of this year so that the President's FY 1975 budget can adequately reflect such recommendations.

The President also directed that a high-level energy R&D Advisory Council composed of leading experts from outside the Federal Government in various areas of energy technology be established to advise the Energy Policy Office. The Council will provide technical advice on major directions and the substance of an integrated R&D energy program.

ENERGY CONSERVATION

Several energy conservation actions were announced in the President's April 18 message. Since then additional steps have been announced by industry, Government agencies and other groups. The measures announced today are major new actions to reduce the rate of growth in demand for energy—focusing particularly on gasoline and electricity.

Actions to reduce the rate of growth in energy demands will improve our ability to meet the important objectives of protecting and improving the quality of our environment.

The most immediate energy problem facing the Nation is a shortage of gasoline. The Department of the Interior estimates that, unless we take actions to conserve fuel, the summer gasoline shortage nation wide over the next three months under expected conditions may be 1–2 percent of total demand. Under less favorable conditions, these shortages could reach the neighborhood of 5 percent of demand.

Even a 1–2 percent shortage nation wide could cause significant problems in some areas. Shortages may be more severe in the last few weeks of the summer when many Americans take their annual vacations.

The Nation uses approximately 294 million gallons of gasoline per day (or 7 million barrels). 95 percent of all gasoline is used for transportation, over 70 percent of which is used for automobiles. The rate of gasoline consumption is over 5 percent higher than last year. Production and imports are not keeping pace with increased demand. Gasoline inventories currently are about 5 percent below last year.

The removal of all quantitative restrictions on petroleum imports announced in the President's April 18 Energy Message is allowing domestic suppliers to import increased amounts of gasoline from abroad. In addition, the voluntary allocation program and the allocation by the Interior Department of the Federal Government's royalty oil to small refiners will ease the summer gasoline shortage by creating a more equitable distribution of gasoline and crude oil among all consuming segments with special attention to high priority users. However, conservation measures are essential if the shortfall in gasoline is to be minimized.

Gasoline, diesel fuel, jet fuel, heating fuel, and residual oil used by the electric utility industry are all made from petroleum. The modern refinery can be adjusted to vary the amount of each kind of product produced from a barrel of oil, and this is done each year to maximize gasoline production for the summer and heating fuel production for the winter. In short, each gallon of gasoline and kilowatt of electricity we save this summer will increase our heating fuel supply next winter.

The steps being announced are a beginning in the process of slowing growth in the total demand for energy.

National goal

The President has indicated that a reasonable and attainable goal is to reduce anticipated personal consumption of energy by 5 percent over the next 12 months.

Reduce Federal Government energy use

The President has directed each executive department and agency to participate in a government-wide program to reduce anticipated energy consumption by 7 percent over the next 12 months.

All Federal departments and agencies are being instructed to report through Secretary Morton to the President, and to:

Review the activities of the agencies and their contractors which place demands on our energy resources and determine how demand can be reduced.

Report by July 31, 1973 on their energy consumption and specific actions and timetables to reduce demands.

Consider such steps as:

Reduce air conditioning and encourage appropriate relaxation of dress standards in offices this summer. (A 4 degree increase in temperature saves 15–20 percent of energy required to run an air conditioner. For all Federal buildings combined this will amount to an annual savings of 113 million kilowatt hours or 270,000 barrels of fuel per year.)

Use more energy efficient automobiles in Federal activities.

Reduce business trips. (Federal employees travel 250 million miles per year. A 10 percent reduction in travel would save 25 million miles per year or 1.7 million gallons annually, assuming 15 passenger miles per gallon.)

Reduce unnecessary lighting in Federal buildings and offices.

Encourage employees to use carpools and mass transit.

Reduce demand in Government-owned laboratories and industrial-type facilities operated by the Government for contractors.

The President has directed the General Services Administration to establish new regulations to require the use of more efficient automobiles in Federal activities, i.e., to reduce substantially the size of cars and engines to be purchased and used by the Government, and require Federal agencies to purchase and lease more energy efficient automobiles when feasible.

The Department of Defense has already taken steps to reduce their fuel consumption in FY 1974 by 10 percent.

Reduce airline fuel requirements

The Secretary of Transportation has asked the Civil Aeronautics Board, Federal Aviation Administration and the Air Transport Association representing scheduled airlines to consider immediate reductions in flight frequencies and aircraft cruising speeds. The idea for this action came from the airline industry. A 3 percent reduction in aircraft speeds adds only 12 minutes to a transcontinental flight, but saves 200 million gallons of jet fuel per year. Raising the national average aircraft load factor from 52 percent to 60 percent by reducing flight frequencies can save 1.3 billion gallons of jet fuel per year.

State and local governments and industry

State and local governments and industry are being urged to follow the Federal Government's lead in finding ways to conserve energy.

The President has sent a letter to each Governor asking for his support and cooperation.

The President has directed the Secretaries of the Interior and Commerce, and his Assistant for Energy to meet with representatives of American industry to encourage their strong participation in energy conservation efforts.

Actions by the public to conserve energy

The President is asking the public to reduce voluntarily speed on highways. (The potential fuel savings nationwide from a 10 mph reduction would be 2 percent. Miles per gallon of gasoline vary significantly with speed; e.g., a car consumes 20–25 percent less fuel per mile at 50 mph than at 70 mph.)

The President asked Governors to support this request and to work with State legislatures as soon as possible to reduce highway speed limits, taking into account the objectives of mobility, safety and energy conservation.

The President has urged motorists to reduce gasoline consumption in additional ways:

Reduce non-essential driving.

Use carpools and mass transit more frequently.

Consider taking the bus or train on long trips.

Keep cars well-tuned and tires properly inflated.

Consider energy efficiency when purchasing a new car. If more than one is owned, use the most efficient car.

The President has also urged conservation of energy at home by:

Raising thermostat settings on air conditioning by 4 degrees, thus saving 15 to 20 percent of the energy required for air conditioning.

Lowering winter home heating temperatures as much as 5 degrees, thereby saving up to 10 percent of the energy required for home heating.

Congressional action on highways—Mass transit legislation

The President has again urged the Congress to pass highway-mass transit legislation which provides states and localities flexibility to choose between capital investment in highways or mass transit.

Key legislation on this matter is now being considered in a Senate-House conference committee.

Diversion of some commuter traffic from single occupant autos to mass transit would result in significant savings of gasoline.

Long-term conservation

The President has directed other departments and agencies to work closely with Interior Secretary Morton's new Office of Energy Conservation in the development of long-term energy conservation plans. The Secretary has identified the following items for further study:

Incentives to encourage use of carpools and mass transit.

Horsepower, weight or other taxes on automobiles to encourage more energy efficient automobiles.

Incentives to encourage recycling of waste materials.

More energy efficient commercial and residential building construction and operation. (Has potential to reduce nationwide space heating and cooling energy requirements 10 percent by 1985.)

Methods and exchange of ideas for conservation in industrial and commercial uses of energy.

An awards program for industrial energy conservers, and for manufacturers whose products are efficient.

Other Federal actions

The Environmental Protection Agency will soon publish proposed procedures for voluntary labeling of automobiles and accessories to show fuel consumption. This will permit consumers to compare similar cars to determine their relative efficiency.

Major departments and agencies have designated energy conservation coordinators who will work with the Department of the Interior in the Federal effort.

Interior's Office of Energy Conservation, in cooperation with the President's Adviser on Consumer Affairs and other agencies, will develop and implement a consumer information program on energy conservation.

U.S. DESALINIZATION RESEARCH HAMPERED

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. LONG of Maryland. Mr. Speaker, by closing the San Diego test facility of the Office of Saline Water, the White House is aborting a plan which would advance American desalting technology and, as a byproduct, would help to alleviate the pressing water shortage in the Middle East.

This project is the joint development with Israel of a prototype water treatment and desalting plant. The proposed testing program will provide the United States with new technology which could hasten a low-cost desalting process, thus assuring a life-giving supply of fresh water for our arid Southwestern United States.

In addition, more important even than military defense, fresh water is vital to the future of the United States and Israel. It is incredible that this administration would force a stoppage of this Government desalinization project which means so much to the future of the tremendous arid regions of the United States, Israel, and elsewhere in the world.

I include the text of my letter to the President on this urgent matter, in which I ask for quick action to prevent the administration's planned closure of the only suitable testing site for this project, the Office of Saline Water's San Diego test facility, and to approve a recommendation forwarded by the State Department last December that the United States enter into this joint project with Israel. That letter reads as follows:

JUNE 28, 1973.

Hon RICHARD M. NIXON,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The search for a low-cost and efficient process of converting saline or brackish waters into a life-giving supply of fresh water is of crucial importance in the arid Southwestern United States. I am writing to urge you to take steps to advance American technology, and, as a by-product, to help alleviate the pressing shortage of water in the Middle East.

First, I urge action to prevent the closure of the Office of Saline Water's important San Diego Test Facility. Second, I urge approval of a recommendation forwarded to you by the Department of State last December to enter into a joint venture with the government of Israel in developing a new water treatment technology. These new desalting techniques are planned for testing at San Diego.

The Foreign Assistance Act of 1969 authorized up to $20,000,000 for the development of a large-scale water treatment and desalting prototype plant in Israel. Funds for the project were appropriated in the Foreign Assistance Appropriations Act of 1970. Pursuant to these actions by the Congress, the Departments of State and Interior negotiated a Memorandum of Understanding with the government of Israel, dated November 3, 1972, which included a long-range development plan. Under the terms of the Memorandum, the Office of Saline Water in the Department of Interior was to build and test a "module"—a full-scale working slice of the proposed completed plant—at its San Diego Test Facility.

Under the authorizing legislation for the prototype desalting plant, Presidential approval is required in order to proceed with development. On December 6, 1972, the Department of State forwarded to the White House a recommendation that such approval be granted in order that, subject to Congressional consultation, this project may be implemented. I strongly urge that your review be completed as soon as possible so that this water treatment program can go ahead.

I have noted that the Administration presently plans to close the Office of Saline Water's San Diego Test Facility. This closure would both restrict the advancement of American desalting technology and eliminate the only site presently suitable for the test module planned in the joint United States–Israel project. The Administration must therefore act to keep the San Diego Test Facility open.

It is an acknowledged fact that the proposed testing program will provide the United States with access to an alternative desalting technology which could significantly advance the realization of a process for producing low-cost desalted water. The United States, which in many regions is itself facing an urgent shortage of potable water, stands to gain much from participation in this joint venture.

In addition, as important as military help is to Israel, it is obvious that fresh water is even more vital to Israel's continued existence. The proposed desalting plant is a key step toward meeting that crucial need.

To help achieve these twin goals, I urge you to act quickly to assure that the planned testing of the prototype desalting plant is not impaired by the closure of the Office of Saline Water's San Diego Test Facility, and to approve the foreign assistance recommendation forwarded to you by the Department of State on December 6, 1972.

Sincerely,

CLARENCE D. LONG.

COMMEMORATING THE INDEPENDENCE OF THE COMMONWEALTH OF THE BAHAMAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 30 minutes.

(Mr. FASCELL asked and was given permission to revise and extend his remarks, and to include extraneous matter.)

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of Bahamian independence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, I would like to draw the attention of the Congress and of the American people to a historic event which is taking place today, July 10, in Nassau. This morning the flag of Great Britain was lowered and the new flag of an independent Commonwealth of the Bahamas took its place before Government House.

As chairman of the Subcommittee on Inter-American Affairs, I would like to take this opportunity to join with President Nixon in congratulating the Bahamas on this significant achievement.

Although the Bahamas obtain their independence today, they have long been an active member of the world community. Nestled only a few miles from Florida, Cuba, and Hispaniola—Haiti and the Dominican Republic—the estimated 700 islands and hundreds more islets of the Bahamas have often been an attractive haven for foreigners in times of trouble. The Bahamas, in turn, has had to rely on its neighbors to an unusual extent, since few mineral deposits exist and the soil is not particularly suitable for agriculture. Bahamians, therefore, are well acquainted with the intricacies of foreign affairs.

This experience with foreigners even dates to pre-Columbian days when Arawak Indians sought the islands as refuge from the fierce Carib Indians to the south. Soon after Columbus discovered the Bahamas in 1492, the Spaniards proceeded to remove the Arawaks to Hispaniola. Left uninhabited for almost 150 years, the islands were first settled in 1648 by English Puritans seeking a haven from religious strife on Bermuda. In 1670, Charles II named lords from the Carolinas as proprietors of the new British colony.

Proprietors living overseas in America, however, proved incapable of providing the strong government needed to prevent marauding pirates from using the numerous islands as sanctuaries. As a result, King George I in 1718 dispatched soldiers and a royal governor, Woodes Rogers, to establish the supremacy of the Crown. In his two terms as governor, Rogers, eliminated piracy, increased trade, and founded an elected general assembly which has governed 60 years longer than has the U.S. Congress.

The Bahamas received still another spurt of development when the end of the American Revolution brought an influx of American Loyalists and their black slaves. Although the slaves outnumbered their masters for the first time in Bahamian history, the plantation system failed agriculturally even before the Crown emancipated all slaves in 1834.

Two periods of enormous prosperity and growth marked the next century. During the American Civil War, Confederate blockade runners seeking to trade cotton for guns turned Nassau, the capital of the Bahamas, into a boomtown overnight. The islands did a similarly brisk business during the American prohibition period with bootleggers trying to smuggle liquor into the United States.

The dark, early days of World War II when our ships were being sunk en route to beleaguered Britain brought about a new era of cooperation between the Bahamas and the United States. In response to the area's defense needs we were invited to establish certain military facilities in the islands. From bases with wartime purpose, our facilities have in the intervening years either been phased out or transformed into stations primarily for research. I note that the Government of the Commonwealth of the Bahamas has expressed its willingness that these few bases be retained in the post independence period.

Not until the post-World War II years had tourism become particularly important to the islands. Despite the beautiful beaches, warm waters, and temperatures from 70 degrees to 90 degrees Fahrenheit, the average American had found the sea voyage inconveniently long. With the improved transportation of the air age and the increased leisure time of many prosperous Americans, however, Bahamians could count on a steady annual flow of tourists—and income. Today more than 1 million visitors, most of them from the United States, annually account for three-quarters of the island's revenue, and officials expect 2.5 million tourists annually by 1980.

The prospects for tourism, however, have not blinded Bahamians to the need for diversifying their economy. Already, the Bahamas is an international financial center with one bank for every 550 citizens. Also, with the development of forestry on several of the "out islands," wood products have become the leading export.

In an effort to continue attracting other industries, the new Bahamian Government of Prime Minister Lynden Pindling has promised not to enact individual or corporate income taxes. At the same time, the Pindling administration has stressed that the local population rather than foreigners must obtain many of the jobs created by increased industrialization. As a further spur to economic growth, I am pleased to note that the new government has declared that it hopes to maintain a favorable climate for foreign investment and that it welcomes new investors as it has welcomed the investments of many Americans over the years.

Bahamian political achievements are equally impressive as are the islands' economic accomplishments. Although the British-appointed governor retained control of foreign affairs, national defense, and internal security, a constitution promulgated in 1964 granted the islanders a high degree of self-government. After Lynden Pindling's Progressive Liberal Party—(PLP)—defeated the British-oriented United Bahamian Party in 1967, the constitution was further revised to reduce the governor's powers. When Bahamians in 1972 reelected the Pindling government with a mandate for independence, Great Britain acquiesced and sponsored the Bahamas Independence Conference in London to draft an independent constitution for the islands. Elections, not violence, had proved decisive.

Although the Bahamas now becomes the country with the smallest population in the Western Hemisphere, its reputation for peaceful political change will gain the new government important prestige in international affairs. Moreover, with Great Britain offering to sponsor Bahamian membership in major world bodies, the Bahamas promises to add an unusually effective voice to those countries concerned with protecting the world's oceans. In fact, the Pindling government has already expressed keen interest in the United Nation's Law of the Sea Conference scheduled to begin later this year.

Mr. Speaker, throughout the Bahamas' long history there has been a close and cordial relationship between our two peoples. It is my hope that this friendly relationship will grow stronger with each passing day for, in fact, this newly independent neighbor is so near to our shores I am certain many of my countrymen will find it difficult to imagine it as a foreign land. In truth, it is far from foreign; it is as near to our hearts as it is geographically close.

Upon this historic occasion, on behalf of every Member of the House of Representatives, I extend our heartfelt best wishes and congratulations to Prime Minister Pindling, the government, and the people of the Commonwealth of the Bahamas.

Mr. Speaker, I would like to call to the attention of the House two editorials regarding Bahamian independence from today's edition of the Miami Herald and Washington Post.

[From the Miami Herald, July 10, 1973]

The Bahamas Nation Is Born Full of Hope and Promise

Today, the Bahama Islands are an independent nation. All the benefits and all the problems have become theirs alone.

The islands, for the most part, are eager to assume their new role. The last trappings of paternal British rule are gone. Now Bahamians control Bahamian destiny.

On this emotional day, hope outraces the concerns. Bahamians' eyes on the horizon, not on any potholes that might complicate the first steps.

This, of course, is both understandable and proper. Did not the American rhetoric of 1776 reflect a confidence that in itself became a major weapon of survival?

Prime Minister Lynden O. Pindling has proclaimed this the "happiest, most congenial, most peaceful of all nations in the Western hemisphere." The Bahamas, he said, have an atmosphere in which there can be found a solution to the problems.

For him, the task is to lead Bahamians into full majority rights and privileges without altering democratic rule or forgetting minority rights and privileges.

As the pendulum swings to correct old abuses, for the good of the Bahamas he must find ways not to let it swing so far as to create new ones. His every statement indicates recognition of that fact, and he has pledged to find that proper balance.

Because of foreign dependency (and for now at least this means principally the United States), through the necessity for tourism and investment from abroad, the economy of the Bahamas hinges on Mr. Pindling's success in finding and maintaining that balance.

As Bahamians reach for their own improved lives, how they treat foreigners who come among them will be a critical factor in what they are able to achieve.

But the emphasis in Nassau, and all the Bahama Islands, this week has leaned heavily to the positive.

Young Prince Charles has given the Queen's blessing and a broad range of foreign dignitaries has indicated the goodwill present in the rest of the world.

Even the old guard, the remnants of the once powerful Bay Street Boys, have largely accepted the inevitable and are trying to make the best of it.

The Bahamas has charted for itself a new course seeking enemies nowhere and friends everywhere—and is fortunate to begin its life as a nation with no historical sins sufficient to deter that approach.

Today, say the celebrants, is the greatest day in the history of the Bahamas. Our wish for them is that history will so record it.

[From the Washington Post, July 10, 1973]

THE BIRTH OF THE BAHAMAS

A new state comes into being today just 50 miles off Florida: the Bahamas, a 100-island archipelago sweeping 750 miles to the Caribbean. Stirred by nationalism and racial pride, the large black majority of its 185,000 citizens wanted the status and self-respect of nationhood. The British were pleased to let their colony of two centuries go. The Bahamas becomes the region's fifth English-speaking state and will doubtless work closely with the other four.

Though a mini-state in terms of population, the Bahamas is a "maxi-state" if measured by its problems. Many blacks are offended that so many of the country's assets—resorts, casinos, banks, recently some oil refineries—are owned and run by whites. They worry of becoming a nation of black bellboys for white guests. "Bahamians-first" hiring pressures have aggravated differences in a country where 24,000 Americans live. To satisfy his people's impatience and at the same time to assure the confidence of essential investors is the main challenge facing Prime Minister Lynden O. Pindling, a London-educated lawyer regarded as a moderate in the Bahamian political spectrum.

The United States cannot fail to be intensely interested in independent Bahamas. The archipelago cuts a strategic swath across our southern approaches: the new government is expected to drop support for the British principle of the three-mile territorial sea and, at the pending Law of the Sea Conference, to press for extension both of its territorial sea and of a still wider zone of exclusive fishing jurisdiction. New terms must be negotiated with the Bahamas for our missile-tracking station and Navy test and research facilities. The interests of the resident Americans, not to say the 1½ million American tourists a year, must be taken into account. Special problems may arise with the $1 billion in American investments attracted in part by easy local legislation. Mr. Pindling, for instance, had to issue an independence-eve statement on political contributions he received from financier Robert Vesco. Bahamians need help in policing their distant deserted easternmost islands, used for narcotics smuggling and, sometimes, by Haitian or Cuban exiles.

Many Americans may think of the Bahamas simply as a lovely beach. In fact, it is a country with a full complement of cares. Americans surely wish their newest national neighbor well.

Mr. MARAZITI. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I am delighted to yield to the gentleman from New Jersey.

Mr. MARAZITI. Mr. Speaker, let me say on behalf of the minority that I associate myself and the minority with the gentleman's remarks. We welcome the Commonwealth of the Bahamas among the society of nations.

Mr. FASCELL. I thank the gentleman very much.

Mr. RANGEL. A bloodless revolution has occurred in the West Indies. The 40 islands of various sizes and descriptions which comprise the Bahamas and the 173,000 inhabitants of those islands have once again demonstrated the ultimate sovereignty of the people. The Bahamian people, 85 percent of whom are of African descent, have secured from Great Britain the rights of self-government and self-determination after approximately three centuries of foreign occupation.

The history of the Bahamas, like that of most of the West Indies, is characterized by foreign occupation, exploitation, and economic deprivation. But trying times, combined with sporadic periods of economic prosperity and longer periods of severe economic depression have not dampened the spirit of the vibrant Bahamian people. They have forged ahead valiantly to create a prosperous, progressive nation and the celebration today of Bahamian Independence Day is the culmination of their successful struggle.

The struggle for self-government in the Bahamas was spearheaded by the Progressive Liberal Party which was formed in 1953 by Mr. William Cartwright. The party was formed to effectively organize black Bahamian workers who had begun their struggle to remedy the inequities of their system resulting from social degradation and political oppression.

The PLP sought to confront the unopposed political bloc which controlled the House of Assembly, which is similar to our House of Representatives. This political bloc was predominantly white, whereas whites composed less than one-third of the people. The PLP was the people's party. Its campaign was taken to the streets and meetings were held in places and at times most accessible to the people. The PLP was truly a party of the people, for along with equal representation they championed the cause of female suffrage.

Having developed such a rapport and sense of commonality with the people the success of the PLP party was inevitable. Lynden O. Pindling, a London educated lawyer and now Prime Minister of the Bahamas, was to play an instrumental role in the development of the PLP as the dominant political power.

Lynden Pindling joined the PLP shortly after its creation. His first task was to prepare the party platform for the 1956 election. From then on it was an uphill battle directed first toward equal representation and subsequently toward independence. The struggle, which was supported by the people, was against illegal electioneering, threatened economic reprisals and the gerrymandering of district boundaries.

In 1962, Lynden Pindling took office as the leader of the PLP members in the House of Assembly. He fought for the equitable redistribution of seats. This idea was rejected in 1965 by the House of Assembly. In an impressive show of conviction to the people, Lynden Pindling threw the mace of authority out the window of the Assembly Chamber and declared that as a symbol of authority and government, the mace belonged to the people. This incident touched off a wave of events known as the "black Tuesday" demonstrations which evidenced the great degree of support enjoyed by Lynden Pindling and the PLP.

The PLP took its grievances to the United Nations' Special Committee on Colonialism and charged Britain with actively supporting the ethnic minority which controlled the government. Demands were made upon Britain to remedy this situation. United Nations intervention was not needed however. PLP initiatives resulted in new seats being added and the changing of election boundaries. As a result the PLP gained a one seat majority in the House of Assembly in the election of January 1967.

In 1968, the people displayed massive support for the PLP by giving them more than a two-thirds majority in the House of Assembly. Independence was now a concretized goal of the government, because in supporting the government the people supported its goals and one of its goals was self-government.

Increased concessions of power to the Bahamian Government and a public announcement in 1971 by the British Minister of State as to the inevitability of independence for the Bahamas were the types of events which characterized the final transition of the Bahamas from a colony to an independent nation.

The concept of struggle is a key one in the history of developing nations. It is a concept which can join together two nations which otherwise have nothing in common. So it was with the United States and the Bahamas. Important eras in American history have precipitated important eras in Bahamian history. The relationship was usually economic, but nonetheless crucial. Three such relationships occurred during the American War for Independence, the American Civil War, and the prohibition era.

The American War for Independence brought an influx of Loyalists from the United States to the Bahamas. The Loyalists brought with them a strong allegiance to Great Britain and their slaves. This great influx of slaves and Loyalists was to have a magnified effect on the future social and political makeup of the Bahamas. Prior to the arrival of the Loyalists, the population of the Bahamas was two-thirds white. By 1970, more than two-thirds of the population was black. For the first time in Bahamian history, the secure position enjoyed by the white settlers was threatened.

The political aspects of the Civil War held very little consequence for the Bahamas. While the war in the United States symbolized the struggle by the President and the Government to save the union, it brought economic prosperity to the dying Bahamian economy. The Bahamas was one step ahead of the United States in that it had abolished slavery in 1834, an act which dampened thoughts of action against the British Government or the British inhabitants of the islands by the slaves.

Economically, the Bahamas profited from the blockade of southern ports by the U.S. Government. With Nassau serving as a base, Bahamians made the short trip to southern ports to secure cotton, which was badly needed by the British and to deliver sorely needed guns and ammunition provided by the British Government.

The economic relationship between the two countries reached a high during the Prohibition Era in the United States. The period between the Civil War and the Prohibition Era saw the Bahamas plagued by detrimental economic trends, with the economy rising and falling but never achieving full prosperity. Prosperity, at least for the merchant class, was achieved during the Prohibition Era, which created the very profitable industries of bootlegging anl smuggling.

The relationship of the United States and the Bahamas has expanded to the cultural and political as well as the socioeconomic arena. The sizable emigration of Bahamians to the United States during periods of economic depression have brought a new culture to this country. A new culture and tradition to add to the already rich recipe of varied cultures which comprise the United States.

Tourism is a major source of revenue in the Bahamas and the United States provides 90 percent of those tourists. Thus the economic relationship between the two countries is continued.

Prior to its independence, the relationship between the Bahamas and the United States was a subconscious one. It developed as a consequence of political turmoil in one country and economic turmoil in the other. But now that independence has been achieved by the residents of these magnificent islands, let us seek to consciously develop a relationship of equality and mutual respect.

The Bahamas are a set of beautiful islands characterized by magnificent beaches, a warm temperate climate, a rich, bountiful culture and a people whose spirit of friendliness and determination is unsurpassed by any other developing nation.

Thus, on this day, July 10, 1973, Independence Day for the Bahamas, I congratulate the Bahamian people in their relentless struggle for freedom. I thank them for the strength, leadership and hope that they have given to minority groups in America who are fighting for their civil rights. I thank them for the rich dimension they have added to American life.

Mr. FUQUA. Mr. Speaker, at 1 minute past 12 today, the Bahamas became the 33d independent member of the British Commonwealth. This is a time for congratulations and best wishes to this land of 3,000 isles, small cays and rocks in the Atlantic archipelago.

Starting about 50 miles off the Florida coast and dribbling southeasterly for 500 miles toward the island of Hispaniola, shared by Haiti and the Dominican Republic, is a nature's paradise. It has been blessed with magnificent scenic wonders and a fabulous climate.

Their new flag is a black triangle superimposed over horizontal bars of aquamarine, gold, and aquamarine again.

This land has been a colonial possession of Britain for 300 years. Now these hardy people will go it alone in a fast changing modern world.

There will be problems, but what nation hasn't had problems.

I want to join today in saluting our new neighbor on its day of independence. I want to join my colleagues in warm words of encouragement.

Certainly there are problems in the economy of this fabled land today. I believe that freedom will lead to progress in the well-being of Bahamians.

Welcome to the community of nations. As a Floridian, the closest American neighbors to this fabled land, I bid a double welcome. You will find America to be a good neighbor. We want you to progress. We want for your people a bountiful life.

Just as our land celebrates July 4, so will your children and children's children celebrate July 10. Self-determination and freedom are the most priceless of a nation's possessions.

Mr. MITCHELL of Maryland. Mr. Speaker, I speak today as an American and as a black man to congratulate the former Commonwealth of the Bahamas on their birth as an independent nation. I speak as an American because, historically, America and the Bahamas could not be more closely related. October 12, 1492, the day we salute as the founding of our own country, was actually the day on which Columbus landed on San Salvador Island. Since then the Bahamas have played a major role in America's Revolutionary and Civil Wars and in World Wars I and II. Since 1880, American tourists have delighted at the beautiful, unpolluted, and peaceful atmosphere of the islands. And, of course, it is fitting that Bahamians rank sixth in the number of foreign nationals who visit the United States annually.

As a black man I view the Bahamian attainment of independence with pride. The 85 percent black population of the Bahamas has shared many of the trials experienced by the black population in this country. They too knew slavery, suppression, educational deprivation, and the "No room at the top" policy of the government and of labor. But, like their brothers in this country, there were those who refused to give up. William Cartwright was one of those, Lyndon Pindling, another. Under their leadership the Progressive Liberal Party was formed and has, in the past 20 years, grown in number and in influence until today, when it clearly represents the majority of the islands' population. In fact, it would not be an exaggeration to say that the independence we are commemorating today has come about almost entirely through the efforts of that party.

Independent black government achieved by black men. It was not a gift. Nor was it a battle won in the streets. It was a battle won at the ballot box. That fact in itself should demonstrate how ready to accept the responsibilities of self-government the people of the Bahamas are.

Black Americans, young Americans, and all Americans who seek to reform the "American way," so that it is a way of all, not the narrow way of a few, should look at the Bahamian independence and see it for what it is. The Bahamians undertook the battle from within and won. We can, and must, do the same thing.

Many trials lie ahead for the new government of the Bahamas, just as they do for many of us here. Mistakes will be made, but they will serve in the end to strengthen the foundation of government.

I can say nothing more except: Together in the struggle, brothers.

Mr. DIGGS. Mr. Speaker, I would like to join my colleagues today in rejoicing with the people of the Bahama Islands in the Caribbean as they celebrate their Independence Day.

It has been a long, involved journey for the people of the Bahamas to this point in their history. From the landing of Christopher Columbus in 1492, the human resources of these islands have been exploited just as those of other "colonized" areas—the mineral and agricultural riches of the islands were plundered while the inhabitants were forced into slavery in their own land and carried off to work in the mines and on the sugar plantations of neighboring islands. Through the centuries colonial powers sought to rule the people and the land, using them as pawns in power struggles and international imperialism.

Between the first enslavement and today's independence, history has created a mutuality of interests for blacks across the face of the globe, and woven ties between peoples of African descent on all continents and inhabited areas. Today, 85 percent of the population of the Bahamas is directly descended from African peoples. Our concern for the Caribbean and Latin America is enhanced by the cultural, social, and philosophical ties which bind many of us.

History demands, then, that we actively and constantly support the liberation movements in the Caribbean as well as the continent of Africa and in other third world nations. The people of the Bahamas have voted, and chosen their government. Today the rule of others is ended and liberty begun. Members of Congress, the U.S. Government, and the American people should rejoice in this continuation of the revolution for freedom in the Americas, and pledge our cooperation with our neighbors of the Bahamas to maintain their just and equitable place in the world community.

Mr. STOKES. Mr. Speaker, I would like to thank the gentleman in the well (Mr. FASCELL) for having taken this special order to commemorate this momentous occasion.

As the Commonwealth of the Bahamas begins its new life as a fully independent self-governing nation, I would like to take a moment to join Mr. FASCELL, other Members of the House, and people the world over, in congratulating the people of the Bahamas and Prime Minister Pindling on their major accomplishment.

The people of the Bahamas have struggled for some 250 years for the right to govern themselves. Their struggle has, in many ways, paralleled the struggle waged by the leaders of the American Revolution, and many of the African nations who have recently been freed from the strangling ropes of colonialism.

The Bahamian independence signifies man's seemingly endless struggle for recognition of one's own dignity and the right to social justice in one's own country and in one's own time. But, let us not forget that with the victory of independence also comes the conquest of another struggle, a struggle to maintain that independence with a strength and glory that no man can put asunder.

Today, July 10, 1973, will be a day long remembered by those who look to the Bahamas and gratefully observe the survival of human rights. This day is but another milestone in the struggle of man to govern himself, remembering just how far he has come, and not forgetting how far he has to go. However, man still possesses the right to determine his own destiny.

I congratulate and applaud the efforts and great strides the Bahamian people have made. May all our hearts be with them at this most important hour.

THE NEW AMERICAN-SOVIET TRADE POLICIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. ICHORD) is recognized for 60 minutes.

Mr. ICHORD. Mr. Speaker, I had scheduled this special order to discuss the new American-Soviet trade policies.

The decision on the part of the Nixon administration to greatly expand trade with the Soviet Union may well have more far reaching consequences than any other decision made by this administration. It is impossible for any of us to know at this point what effects this decision will ultimately have on the future of the United States, the Soviet Union or the entire world. Will it be a major step toward world peace? Will the political benefits of the decision outweigh the economic benefits? Will it be a plus or a minus to our economy in terms of our relationship to the economies of the world's great powers?

In a study recently published by the House Foreign Affairs Subcommittee on National Security Policy and Scientific Developments many of these questions are raised and some possible consequences are examined. The study makes one point that should not be ignored by any Member of this House:

> The linkage of the new commercial relationship to the U.S.-Soviet political relations highlights the need for careful scrutiny by the U.S. Congress.

This is especially true, the study further states, in view of the fact that the President has requested authorization "to extend most-favored-nation—MFN—status to the Soviet Union." The U.S. Congress certainly has the responsibility to carefully evaluate these trade relationships at every point in their development. The foreign affairs study refers to the Peterson report of 1971 which states that the administration should work closely with Congress in shaping a new international economic order but makes this observation about the trade negotiations with the Soviet Union:

> However, no effort was made to involve Congress in U.S.-Soviet trade negotiations. Congress did not pass enabling legislation to facilitate a trade agreement between the two countries. Only after the trade agreement has been concluded did the Nixon Administration turn to Congress for enactment of a law providing most-favored-nation treatment for the Soviet Union. The various executive department delegations to the Soviet Union did not include congressional representation, nor was the Summit meeting attended by representatives of Congress. Moreover, the bi-partisan official visits to China by congressional leaders were not repeated in the wake of the Moscow Summit, and the Joint U.S.-U.S.S.R. Commercial Commission set up at the Summit did not include congressional representation. Finally, the Peterson Report in August, 1972 on the first meeting of the Commission made no direct reference to Congress.

Perhaps the most penetrating question asked in the House foreign affairs study is how the apparent Soviet change in foreign economic policy relates "to Soviet military-strategic goals." The fact that the Soviets might get the best of us from a purely economic standpoint is obviously minimal in comparison to the possibility that this trade relationship could be of great importance to the U.S.S.R. military goals.

Every nation's military power is always linked to its economic position. For many years now the Soviets have spent as much or more on defense than the United States. This has happened in spite of the fact that their GNP is roughly half of ours. In the last 3 years, for example, we have spent around 6 percent of our GNP on defense and during that same period Russia has spent over 12 percent of its GNP on military matters. Many people in our country argue that the amount of money we spend on military items has caused us to neglect urgent domestic needs. Can you imagine what it would be like if we spent twice as much on defense as we do? This is exactly what is happening in the Soviet Union. In terms of their economy they are spending more than twice as much as we are on defense. We cannot ignore the fact that the Soviets get much more for their military dollar than we do in the Unitde States. For example, 58 to 59 percent of our defense budget goes for manpower due to our wage structure while their manpower costs only about 25 percent of their military budget. In addition they have a dual pricing system for materials that go into weapons and materials that go into domestic products which further stretches the military dollar. The military-related industries in the Soviet Union also exist to serve their military needs much more so than ours do.

Mr. Speaker, since the end of World War II this Nation has shied away from extensive trade relations with the Russians for fear that our exportation of technology, needed domestic products, and assistance to them in expanding their commercial enterprises would assist them in their military goals. It is rather obvious that a military-oriented society such as the Soviet Union would impose hardships on their people in terms of their domestic needs. By their own admission there is a great technology gap between the Soviet Union and the Western World in every domestic area. The more of these domestic needs they could receive through foreign trade the more resources and manpower they would be able to commit to military developments. If we export the technical know-how and machinery to enable the Soviets to enter the modern age in agriculture and industrial output we may be enabling them to make even greater military strides. In a study released in May 1970 by the Commission on International Trade and Investment Policy, appointed by President Nixon, they concluded with certain important reservations about trade with the Communist countries:

> Within the bounds set by strategic considerations, the United States should attempt to expand its trade with the Communist countries. To this end, we should align our export restrictions with those of other Western nations.
>
> However, transfers of technologies, production processes, and/or assistance in the establishment of manufacturing facilities should continue to be subject to careful review by appropriate government agencies to ensure that they do not contribute significantly to the military capabilities of Communist countries.

Even as late as last month President Nixon warned us in his foreign policy message to the Congress that we should realize that with all the relaxing of tension between the United States and the Communist powers that "the current trend toward détente with the Soviet Union and China may not prove durable." It seems to me that as Members of Congress we would be remiss in our responsibilities if we fail to keep a keen eye focused on any possible military advantages we might be giving the Soviets in our trade relations.

As most of the Members of this body will realize the current balance of strategic military power is in a position of precarious balance. In the SALT agreements we conceded a superiority in numbers of nuclear missiles to the Soviets in view of the fact that we have a certain amount of technological superiority in our missile systems. In terms of the overall strategic offensive weapons balance, including ICBM's, SLBM's, and strategic bombers—which were not covered in the SALT agreement—we have conceded superiority to the Soviets in numbers of delivery vehicles, and in megatonage while retaining a lead only in numbers of strategic offensive warheads. Our lead in numbers of warheads is based on the fact that we have MIRV missiles and the Russians do not at this time. However, they do have operational MRV missiles and are testing a MIRV system. All experts generally agree that the Soviets will perfect a MIRV system in the next few years and might well equal or overtake us in numbers of warheads during the period of the interim SALT agreement limiting strategic offensive weapons.

Mr. Speaker, just to briefly remind the Members of the strategic military balance between the two countries I would like to refer to the relative positions of the two superpowers: In terms of ICBM's and SLBM's the SALT I agreement limited the United States to an overall strategic missile launcher ceiling of 1,710 while the U.S.S.R. was granted a ceiling of 2,359 missile launchers. The Soviets could elect to have 62 "modern ballistic missile submarines" in operation with 950 SLBM launchers and then have no more than 1,409 ICBM launchers or they could elect to have 1,618 ICBM's—not more than 313 of which may be the heavy types deployed after 1964—and 740 SLBM's—not more than 710 to be on the Yankee and Delta classes of submarines. The United States on the other hand could elect to replace the 54 older Titan II ICBM of our total ICBM force of 1,054 with modern SLBM's and have 44 "modern ballistic missile submarines" carrying no more than 710 modern SLBM launchers and reduce our ICBM force to 1,000.

Today, we have 210 Minuteman III's—which are MIRV'ed—operational and another 20 undergoing conversion and we expect to have 550 Minuteman III's operational by mid-1975. Also at the present time 208 of our SLBM's are Polaris A-3 which have a MRV capacity and 320 are Poseidons which are MIRV'ed. At the time of the interim agreement the SS-N-6 missile installed on the Yankee class submarines by the Russians had only a 1,500 nautical mile range while our Poseidon missiles had roughly a 2,500 nautical mile range. However, we now believe that the Soviets are installing SS-N-8 missiles on their Delta class subs—one of which is operational—with a 4,000 nautical mile range. Our Trident C-4 SLBM will also have a 4,000 nautical mile range but is not expected to be completed until late 1978.

Mr. Speaker, the most important matter in this whole strategic military picture as far as I am concerned is the fact that we must strive to keep our technological advantage if we are to maintain an adequate nuclear deterrent capacity in the free world. The Russians are outspending us by a ratio of one and a half to two to one on research and development. They are presently testing three new ICBM's, they have been working on a MIRV system for years, they are developing new bombers and fighters as well as new aircraft carriers, missile destroyers and the Delta class submarine.

Mr. Speaker, if we export our technology to help the Soviets develop their resources, provide them with needed agricultural and domestic goods, and loan them billions of dollars to undertake programs to improve their standard of living what will this mean in terms of their attitude? Do we have any indicators that they intend to devote more of their resources and manpower to domestic concerns and less to global military concerns? In the past the Soviet consumer has been sacrificed not only to a gigantic military budget at home but to foreign policy considerations such as military aid to the Arab world, the financing of "wars of national liberation" such as Vietnam, and to military actions such as the occupation of Czechoslovakia. Do we have any hard evidence that they now want to turn to peaceful pursuits? In 1963 President Nixon expressed grave reservations about the selling of wheat and other agricultural goods to the Russians by the Kennedy administration in these words:

> I think that this will turn out to be the major foreign policy mistake of this administration, even more serious than fouling up the Bay of Pigs. What we are doing is subsidizing Khrushchev at a time that he's in deep economic trouble . . . this will allow him to bring economic pressure on his satellites. He now has a weapon he didn't have before. It pulls his economy out of a very great hole and allows him to divert the Russian economy into space and military activities that he otherwise would have to keep in agriculture.

Has the situation changed so drastically? Have the Soviets stopped supporting "national wars of liberation," occupying other nations, spending two and three times as much of the GNP on defense as free world nations? Have they liberalized their laws in regards to basic human rights such as the right to emigrate? What are we receiving in return for the establishment of these trade and development relationships? Are we not placing the cart before the horse? Should we not have a mutual reduction of arms and forces before entering into such agreements? These are questions that it behooves us as Members of Congress to ask.

Mr. Speaker, I also have deep concern over the extensive trade agreements Dr. Armand Hammer, the president of Occidental Petroleum Corp., has recently signed with the Soviets. Dr. Hammer, who is publicly known as a longtime associate, and admirer of Soviet leaders from Lenin to Brezhnev, has negotiated the biggest commercial contracts in the history of Soviet-American trade relations. The multibillion dollar trade agreements, including the one Dr. Hammer recently signed in Moscow with the U.S.S.R. Foreign Trade and Chemical Ministries cover such vital products as oil, gas, metal, and fertilizers including "developing the oil and gas deposits of Siberia and building oil and gas carriers" as reported in an April 19, 1973, English language broadcast from Moscow.

In view of the current energy crisis in the Soviet Union and in the United States and Dr. Hammer's well-known pro-Soviet background, I cannot help but question the effect such trade agreements might have on our national security. Should we in effect deal through agents and even if it is desirable to deal through agents, is Dr. Hammer the proper person to carry on such extensive trade negotiations? Are these trade agreements negotiated by Dr. Hammer of benefit to the United States or are they designed to further Soviet ambitions of world conquest? Could the Soviets take advantage of these trade agreements to create future energy crises in the United States?

It is my understanding that no real study has been made by the executive branch of the impact of the Hammer-Soviet agreements despite the fact that critical materials are involved and despite the lesson of last year's wheat deal with the Soviets which we now find had an adverse effect on our economy and cost the U.S. consumers more than $300 million. Should not the unusual step by the administration of the issuance of a letter of approval of the Hammer-Soviet agreement have been preceded by a thoroughgoing economic study? The fact that there was not such a study is a matter of grave concern to me—a concern which I note is shared by Senator JACKSON but which has been criticized in Moscow propaganda broadcasts on the basis that the Senator was improperly raising the question of whether the Soviet trade agreements were "helping the Communists."

The Soviet news agency, Tass, in giving editorial prominence to the signing of the trade agreements has pointed out that Dr. Hammer is working for better relations between the U.S.S.R. and the United States.

Any U.S. citizen who is aware of Dr. Hammer's close association and friendship over the years with Kremlin leaders can very well question whether he is acting entirely in the best interests of the United States in these trade matters. As a matter of fact there is ample reason to question Dr. Hammer's motives.

The entire history of the Soviets' desire for trade with the United States and their affinity for doing business with Armand Hammer dates back to the days of Lenin. The fact that the Soviets have had a longstanding desire for trade with the United States has a number of facets: First, Lenin stated quite frankly that it was of great importance "politically" for the Russians to do business with the Americans. Second, the Soviets have consistently stated their desire for world domination and have, as I have indicated, worked toward this end by spending an inordinate proportion of their GNP on military weapons. Their military spending has created without question shortages and hardships on their citizens in terms of domestic goods. The United States is obviously in the best position from their point of view to supply these needed items.

Let us look at these considerations in some depth and try to ascertain the significance of certain trade arrangements that involved Dr. Armand Hammer. Dr. Armand Hammer's father, Dr. Julius Hammer, was a Russian-born gynecologist who figured prominently in the formation of the Communist Party in the United States in 1919 serving on the steering committee to establish the Communist Party USA. In 1920 the millionaire Julius Hammer was sentenced to a prison term for performing a criminal abortion which resulted in the death of a

Russian woman whose husband had been a Russian attaché in Washington, D.C., during World War I. Soviet leader V. I. Lenin stated his opinion at the time that Dr. Julius Hammer was really imprisoned because of his "communism" rather than because of the abortion.

On October 14, 1921 Lenin wrote a letter to the members of the central committee of the Russian Communist Party with reference to this imprisonment and a trade proposal by the senior Hammer. The letter reads as follows:

> Reinstein informed me yesterday that the American millionaire Hammer, who is Russian born (is in prison on a charge of illegally procuring an abortion; actually, it is said in revenge for his communism), is prepared to give the Urals workers 1,000,000 poods of grain on very easy terms (5 percent) and to take Urals valuables on commission for sale in America.

Then in reference to Armand Hammer he continues:

> This Hammer's son (and partner), a doctor is in Russia, and has brought Semashko $60,000 worth of surgical instruments as a gift. The son has visited the Urals with Martens and has decided to help rehabilitate the Urals industry.
>
> An official report will soon be made by Martens.
>
> LENIN.

This offer to supply grain on the part of the Hammers led to the appointment in 1921 of Dr. Armand Hammer as Resident Manager of the asbestos concession called Alapievsky which was the first Soviet concession to an American citizen. After the Communsts had taken over Russia they had neglected the asbestos mines and through this agreement Hammer was allowed to rehabilitate the mines with American equipment and then export the product to the United States. The letters of Lenin leading up to this asbestos concession to Hammer are most interesting.

In a letter to L. K. Martens, dated October 19, 1921, Lenin expressed his desire to do busness with Hammer in these words:

> If Hammer is in earnest about his plan to supply 1 million poods of grain to the Urals (and it is my impression from your letter that your written confirmation of Reinstein's words makes one believe that he is, and that the plan is not just so much hot air), you must try and give the whole matter the precise juridicial form of a contract or *concession*.
>
> Let it be a *concession*, even if a fictitious one (asbestos or any other Urals valuables or what have you.) What we want to show and have in print (later, when *performance begins*) is that the Americans *have gone in* for *concessions*. This is important politically. Let me have your reply.
>
> With communist greetings,
>
> LENIN.
>
> (Emphasis Lenin's.)

L. K. Martens was the first representative of the Soviet Government assigned to the United States.

Eight days later in a letter to L. I. Radchenko, who signed the contract with Hammer and a partner named Mishell, stated—

> I believe this contract to be of enormous importance, as marking the beginning of trade.

One week later on November 3, when Armand Hammer was leaving Russia for a trip back to the United States Lenin wrote him a very warm note expressing his apologies that he was not able to personally see Hammer again before his trip and concluded the letter with these words:

> Once more best greetings to you and your friends in connection with flour for our workers and your concession. The beginning is extremely important. I hope it will be the beginning of extreme importance.
>
> With best wishes,
>
> LENIN.

Several months later on May 11, 1922, Lenin again writes to Armand Hammer stressing the importance of trade between the two countries.

The letter follows:

> DEAR COMRADE HAMMER: Excuse me please; I have been very ill; now I am much, much better.
>
> Many thanks for Your present—a very kind letter from American comrades and friends who are in prison. I enclose for You my letter to Comrade Zinoviev or for other comrades in Petrograd if Zinoviev has left Petrograd.
>
> My best wishes for the full success of Your first concession: such success would be of great importance also for trade relations between our Republic & United States.
>
> Thanking You once more. I beg to apologize for my bad English. Please address letters & telegrams to my secretary (*Fotieva* or *Smolianinoff*). I shall instruct them.
>
> Yours truly,
>
> LENIN.
>
> (Emphasis Lenin's.)

In the note to his secretaries, Fotieva and Smolianinoff, Lenin wrote—

> Have this translated for you both, read it; make note of *Armand* Hammer and *in every way help* him on my behalf if he applies." (Emphasis Lenin's.).

In the letter Lenin sent to Hammer to give to Comrade Zinoviev, also dated May 11, 1922, he wrote:

> I beg you to help the comrade Armand Hammer; it is extremely important for us that his first concession would be a full success.
>
> Yours,
>
> LENIN.
>
> I beg you to give every assistance to the bearer, Comrad *Armand Hammer*, an American comrade, who has taken out the *first concession*. It is extremely, extremely important that his whole undertaking should be a complete *success*.
>
> With communist greetings,
>
> V. ULYANOV (LENIN).
>
> (Emphasis Lenin's.)

In a telephone message to Zinoviev, which was to be written down and not lost according to Lenin's instructions, also dated May 11, 1922 (first published in Lenin's "Collected Works" in 1965) Lenin emphatically states how advantageous the trade arrangement is to the Russians. The recorded message reads:

> Today I wrote a letter of reference to you and your deputy for the American Comrade *Armand Hammer*. His father is a millionaire and a Communist (he is in *prison* in America). He has taken out our first *concession*, which is very advantageous for us. He is going to Petrograd to be present at the discharge of the first wheat ship and to arrange for the receipt of machinery for his concession (asbestos mines).
>
> It is my earnest request that you issue orders at once to see that there is no red tape and that reliable comrades should personally keep an eye on the progress and speed of all operations for this concession. This is of the utmost importance. *Armand Hammer* is traveling with the director of his company, *Mr. Minshell.*
>
> LENIN.
>
> (Emphasis in the text printed from the original.)

In a May 5, 1922 memo to Stalin, which was marked "urgent and secret," with a request to circulate all Politbureau members—being sure to include Comrade Zinoviev—Lenin writes:

> On the strength of this information from Comrade Reinstein I am giving both *Armand Hammer* and *B. Mishell* a special recommendation on my own behalf and request all C.C. members to give these persons and their enterprise *particular* support. This is a small path leading to the American "business" world, and this path should be made use of *in every way*. If there are any objections, please telephone them to my secretary (Fotieva or Lepeshinskaya) to enable me to clear up the matter (and take a final decision through the Politbureau) before I leave, this is within the next few days.
>
> 24/V. LENIN.
>
> (Emphasis in original.)

Lenin's instructions to Stalin that the path to the American business world opened up by the Hammer concession should "be made use of in every way" indicates the strong desire of the Soviets to trade with us for political as well as economic reasons.

After the first venture with the asbestos mines, Armand Hammer along with his father, who had recently been paroled, and his brother Victor, traveled back to the Soviet Union and went into a joint business venture with the Russians. According to a Pravda article dated August 24, 1923, the Allied American Corp. was a Soviet "mixed" company set up to trade with the United States. The company, which represented 38 large American firms, was financed by the Soviets and run by the Hammers. Julius Hammer was president, Armand was secretary, and Victor was on the board of directors. The profits from this corporation were split 50 to 50 between the Soviets and the Hammers.

The burning desire on the part of the Soviets for trade with the country they have always regarded as the seat of capitalistic imperialism and the country they had announced that they intended to bury led to a new business for the Hammers in Russia in 1925. In that year the Hammers set up a pencil factory in Moscow known as A. Hammer, Inc., which became the most profitable of the Hammer business deals with the Russians. Considerable profits were made and once again the Hammers, unlike other concessions in the U.S.S.R., were allowed to export at least a part of these profits. In 1931, the pencil company was liquidated by the Soviets in an "atmosphere of mutual friendliness" and the plant renamed the Sacco-Vanzetti, in honor of two martyred American communists.

Benjamin Gitlow, the former CPUSA leader who quit the party and told of his activities in a book entitled "I Confess," wrote that he and Jay Lovestone, leaders of the CPUSA faction that had fallen out of favor with Soviet leader Stalin, had contacted Julius and Armand Hammer in Moscow in 1929. With respect to this matter, Gitlow wrote:

> The afternoon after the (Soviet) Presidium meeting, Lovestone and I went to call on

> Dr. Julius Hammer. He was glad to see us for he had some very startling news to give us concerning the American (Communist) Party. . . . He volunteered the information that his son Armand had seen Walter Duranty of the *New York Times* that morning and that he had been given the news. . . . (of Stalin's decision to replace Gitlow and Lovestone as leaders of the American Communist Party.)

Armand Hammer is the author of the book, "The Quest of the Romanoff Treasure," which was published in 1936. The book is an account of the 10 years Armand spent in Russia and goes into some details concerning his admiration for V. I. Lenin, the architect of the Soviet power apparatus. On page 127 of his book, Armand Hammer set forth the following information:

> Lenin needs no praise from me. History will give him his place among the Great of the world, but for myself, I am proud to think that I have talked with him, that I was able to earn even a small measure of his approval and that he took my hand in friendship.

After returning to the United States in 1931, the Hammer Galleries, with Armand and Victor Hammer as directors, were established to sell confiscated Tsarist art treasures on the American market. These included jewelry, silverware, and other items which once belonged to the Romanov family. Among them was a solid-gold egg as big as a pineapple and decorated that Czar Nicholas II had presented to his mother on Easter morning 1895.

In 1933, Armand Hammer made a deal with the Soviet trading company Amtorg and established the A. Hammer Cooperage Corp. which aided the Soviets through the exportation of Soviet oak barrel staves to the United States.

After a brief but successful career in the whiskey distillery business, Armand Hammer acquired the Occidental Petroleum Corp. in 1957. Operating from this base, he built a worldwide fertilizer marketing and production empire. The Occidental-Nordac process was used to build two $100 million fertilizer plants in the U.S.S.R., which was a very real advantage from the Soviet viewpoint.

In 1961, Armand Hammer was sent to Moscow as an unofficial representative of the Commerce Department in an effort to bring about an increase in U.S. exports. He held a 2-hour conference on February 17, 1961 with Soviet Premier Nikita Khrushchev. The meeting was arranged through a "mutual acquaintance," Soviet Deputy Premier Anastas Mikoyan, who was a minor official when Hammer first met him in 1922. Hammer again met with Khrushchev in 1964, when he traveled to Moscow to explore the possibility of expanding his fertilizer business. After Khrushchev's fall from power, Hammer continued his negotiations with the new Soviet Premier Aleksei Kosygin.

Dr. Armand Hammer's public claim that he's something of a "hero" to the Soviet Union, is not an exaggeration. An article which appeared in the May issue of the Russian publication "Soviet Life" contained a glowing tribute to him and his services to the Soviet Union, including a photograph of Lenin's study in the Kremlin showing a collection of Charles Darwin's work surmounted by a bronze monkey. Visitors to the sacred shrine are told by Soviet guides that these were gifts to Lenin from Dr. Hammer.

Mr. Speaker, it appears to me that when we view Hammer's relationship to the Soviet Union, the fact that he does owe his fortune to past deals with the Soviets, his praise for the Soviet Union from its very beginning, it is valid to ask that the agreements be closely scrutinized to determine whether they are in the interest of the United States of America.

Mr. Speaker, we are living in an age of detente and coexistence. None of us want to cut off communications and close all doors of cooperation. We want peace in the world and we are horrified by the thought of a major nuclear war. This country has been and should be willing to go the extra mile to prevent any hasty actions from touching off any such holocaust.

My point is this: We should carefully scrutinize the business transactions that are carried out with the Soviet Union and the Congress should set up the machinery to play a meaningful role in the trade developments with the Soviets. Can we afford to lose sight of the type of society with which we are dealing? I'm sure I do not have to remind you that even today on the heels of the visit by the Soviet leader, with all of the gestures of friendship, that the Soviet Union is still a nation which allows no freedom of press, no freedom of assembly, no freedom of religion, no freedom to emigrate to another country. We have no real evidence nor can we safely conclude on the basis of their own statements that they have abandoned their long-range goal of world conquest.

In a column by Crosby Noyes on May 27, 1973, he quotes some very penetrating words from Charles E. Bohlen, our former Ambassador to the Soviet Union and one of the foremost authorities in this country on the Soviet Union, from his book Witness to History, published in the spring of 1973. Ambassador Bohlen observes:

> It is my gloomy conclusion that the United States faces a decade of uneasy relations with the Soviet Union. . . . Nearly 20 years after Stalin's death, the political philosophy of the Soviet Union remains virtually unchanged. . . . It means that there can be no harmonious relations with Moscow in the customary sense of the word . . . the leaders in the Kremlin still regard every government of a non-communist state as in a transition phase on the way to achieving Soviet status. Thus, all settlements with such countries are temporary, to be altered when the correlation of forces is more favorable to Moscow. . . . There is not even any indication that the Kremlin, which is more conservative than in Khrushchev's day, will ever modify its policies. There is no sign of evolution of the Soviet state to make it more reasonable in dealing with other nations. . . . I do not think we can look forward to a tranquil world so long as the Soviet Union operates in its present form. The only hope, and this is a fairly thin one, is that at some point the Soviet Union will begin acting like a country instead of a cause.

It is said that our trade agreements will be carried out on a fluid pro quo basis. Well and good, however up to this point, it appears to be practically all fluid for the Soviets and little quo. All I have seen to date is the proposed exchange of American resources for Soviet IOU's of dubious value. Let us first see the Soviets begin to act like a country rather than a cause with new liberal emigration policies, meaningful arms and force reductions, and less military production before we exchange our production for Soviet IOU's.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, I just want to take this opportunity to commend the gentleman from Missouri (Mr. ICHORD) for his leadership in allowing us this opportunity to speak on this very critical matter. I think it is obvious from the comments that have been made on the floor of the House today that this is a matter which the Members are very much concerned about and it is a matter about which I hope that some caution would be used in the future.

I certainly would not be one to advocate that we sever our relations with these countries that we at long last have opened the door on, and I think we ought certainly to have some trade with them. But I would like to take this opportunity to say that we must exercise a great deal more caution than was used last year. I hope that this will be done by taking under advisement some of the suggestions and recommendations of the recent GAO report which was made public just today.

Mr. Speaker, when President Nixon returned last year from his historic visit to Russia, the ink barely dry on a number of important new pacts and agreements, I hailed that trip as a major breakthrough, for it at least opened a door that had been tightly closed for too long. I still hold that view today, but any discussion of expanded trade relations with the Soviet Union still must proceed with extreme caution. For that matter, we must be careful when we explore the possibilities of expanded trade relations with any foreign power.

This is not to say that increased trade with Russia is completely out of the question, but we do need to take our time and look very closely at both sides of the coin, particularly when these trade agreements deal with our agricultural products. Certainly, we cannot afford a duplication of last year's disastrous wheat deal with the Russians, where we literally lost our shirt.

It is generally concluded today that our inability to gage prospects for wheat sales to the Russians has been a significant factor in rising food prices here in the United States. In fact, a recent General Accounting Office report cites a domestic rise in wheat prices from about $1.68 a bushel in July 1972 to $3 a bushel in May 1973. The report continues:

> Consumer costs attributed to the sales included higher prices for bread and flour-based products, increased prices for beef, pork, poultry, eggs, and dairy products resulting from higher costs for feed grains, and a severe disruption of transportation facilities with attendant higher costs and

> shortages or delays in delivering certain supplies.

Quoting further from that same report:

> Congress should consider requiring that agencies develop definitive ground rules so that expected benefits from exports can be appropriately weighed against their impact on various segments of the domestic economy.

I will be among the first to agree that we certainly need to keep an open line of communication with the Soviet Union, but do we need to place our reputation and our economy—as well as our products—on the line before we know the return we can expect? Are the Russians suddenly so dependable and reasonable and honorable that we throw our good business judgment to the wind?

I think not, Mr. Speaker. And I urge the President and the Congress to pass sober judgment on the prospects of expanded trade relations with the Soviet Union.

Mr. ICHORD. Mr. Speaker, I thank the gentleman from Mississippi for his contribution.

Mr. LANDGREBE. Mr. Speaker, will the gentleman yield very briefly?

Mr. ICHORD. I yield to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Speaker, I, too, would like to commend the gentleman for bringing this important subject up, even though the hour is late, and the Members have left, generally speaking.

Mr. Speaker, we have talked about this a good bit today in the agriculture bill. If the gentleman will allow just a comment or two, it is amazing how the people of our country seem to criticize any expenditures on military matters, and yet they never criticize the Soviet Union for spending vast amounts. In fact, we tend to forget that Russia even has a military.

However, I have seen them marching a great number of men down the street at 4 o'clock in the morning when I was in Russia in 1971.

What concerns me—and I am sure it concerns the gentleman in the well—is the fact that Russia has at no time indicated a lessening of its determination to rule the world. This is the creed of the Communist philosophy, the real goal of the true Communist. Of course, to see the way they hold their people in slavery over there makes me just a little concerned.

Mr. Speaker, I think we could use some of these grain deals, and so forth, as a little bit of a leverage to help bring a bit of freedom to the people of Russia.

I also have had the privilege of being in Warsaw, Poland, for 1 day. The people of Poland have at least gained some freedom; it is a little bit better than it is in Soviet Russia.

I have written to the President about this and said:

> Please, when you talk to these people, will you consider this?

I have no objection to talking, but let us talk about freedom of men and of women. It is impossible for me to believe that we can have really open and aboveboard deals with a country that insists on keeping its 240 million people in abject slavery, compared to the freedom we enjoy.

Mr. ICHORD. Mr. Speaker, let me say to the gentleman that I have no objection whatsoever to trade with Russia as long as there is a mutual benefit, but I do agree with the gentleman from Indiana, at this time these agreements have been explained only on the basis that they involve a quid pro quo. However, up to this time I see all of the quid in favor of Russia, and I do not see much quo in favor of the United States of America.

Certainly if they need our trade, for example, we should be assured that they will not continue to devote such a large part of their resources to production of military hardware. I think we should get some understanding about a change in their emigration policy, and about a meaningful reduction in forces and arms before we at least go into any extended credit arrangement with the country of Soviet Russia.

Mr. LANDGREBE. Mr. Speaker, if the gentleman will yield for just one brief comment, and I wanted to get this in during our discussion earlier on the agricultural restrictions, and that is that the people of this country are unable to even approximate the food production of America. However, Russia did produce abundant foodstuffs before the rule of the Communists. The reason there is a shortage of food in Russia is because the people are refusing to produce, hoping to use this as a leverage for freedom. They are even refusing to bear children except for one or more children per family, and this was told me by four different employees of the Russian Government in England.

So, Mr. Speaker, would not the gentleman from Missouri tend to agree with me that we are playing into the hands of the Communist rulers when we come to their rescue with food and other products of this great free Nation, when their whole problem is the fact that the people are trying to lift the Communist domination and pressure from their shoulders by refusing to produce?

I would say that America is walking right into this situation and actually prolonging the control of the good people of Russia, and the Russian people are good people. But, as I say, they are under slavery by their Communist rulers. And when we make these deals with the Communist rulers we are perpetuating the slavery of the Russian people. Would the gentleman from Missouri agree with me in that?

Mr. ICHORD. I would say to the gentleman, as I pointed out previously, the Soviet Union is now using 12 percent of its gross national product for the production of weapons.

Certainly when we extend credit to Russia for the purpose of obtaining food and fibre we are indeed making it easier for them to continue to devote a large percentage of their resources to the production of military hardware.

Mr. MARAZITI. If the gentleman would yield further, does the gentleman not think, in this day and age of the cold war, and living in a practical world, that perhaps some consideration should be given toward opening the doors of the great nations of the world, and that perhaps some attitude should be taken toward conciliation so that we can look ahead to a generation of peace? And would not the gentleman consider that by perhaps making these commercial arrangements and going to the aid of a great nation that we cannot and do not desire to enter into combat with, that these considerations should be thought of? And that we should attempt to have some sort of accommodation and possibly take a different course that has been taken during the last 30 or 40 years, and that possibly this may lead to friendly relations?

Mr. ICHORD. Let me point out to the gentleman from New Jersey that I certainly agree that we do live in an age of détente. A nuclear war is a holocaust which we not only want to avoid, but which I am sure the Government of Soviet Russia and also the people of Soviet Russia want to avoid.

But I am quite concerned about some of the statements coming out of Russia by Soviet leaders. I think we are getting the cart before the horse. They say we can have trust, we can have confidence, if we will extend them credit. But I would say at the same time that one also should have trust in the debtor before the creditor extends credit.

What I am saying is that I think that trade is to the advantage of both nations, but I think we should drive for a harder bargain. I think we need to see some changes in their emigration policy, for example. I think we need to get along with our SALT talks and see if we can obtain some meaningful permanent restrictions upon nuclear armaments. I think we also need to see some reduction in the Warsaw Pact forces and that we need to scrutinize all of the trade relationships we have with the Soviet Union before we get too far into the matter.

Mr. MARAZITI. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New Jersey.

Mr. MARAZITI. Certainly I concur with the gentleman that the objectives he has stated are desirable, and I, for one, do not agree with the emigration policy of the Soviet Union or with the philosophy of communism. I know what that philosophy is, I do agree that perhaps the most perfect arrangement was not made, and I can concur with the gentleman's thoughts along those lines. I concur with the gentleman's thought, too, perhaps in future arrangements that we should attempt to bargain to the best interests of our nation and the entire world, and certainly to look forward to that, but I say that we must extend the hand of friendship in every way. I do not agree with their philosophy. I do not agree with the philosophy of China.

Mr. ICHORD. Let me say to the gentleman I am not putting this on an ideological basis at all. There is an old Jewish proverb, I believe, to the effect that words without deeds are like trees without roots, and I want to see some deeds before we get too far into this matter.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I should like to commend the gentleman for the leadership he has given to stand up for a strong America and for a stable, free society that we are striving to keep here in America.

I appreciated the gentleman's support of my amendment that was just offered earlier in the committee on a bill which would in effect make it more difficult for bureaucrats to trade with bureaucrats instead of people trading with people. This is one of the problems that sometimes we fail to recognize.

I think the gentleman from New Jersey and I differ on this point. When we deal with the Russian bureaucrats, we are not dealing with the Russian people, and they have been able to take the goods we have traded with them and use that productivity to develop their armed forces at a stronger rate. I think this is the point often missed. I think if everyone in the House had heard the debate, my amendment might have carried. My amendment would not have interfered with trade, but it would have discouraged the Russians from robbing one segment of their economy to build their army. They would have to take the actual net productivity out of their economy to purchase grain which they so badly need to get this thing on a commonsense approach.

Mr. ICHORD. I wholeheartedly agree with the gentleman from Idaho.

Mr. TREEN. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Louisiana.

Mr. TREEN. I thank the gentleman for yielding.

I want to commend the gentleman from Missouri for taking this special order and for bringing to the attention of the House this very grave question, one with which I have been very much concerned.

I am, of course, interested, as is the gentleman, in peace in this world, but I am very much concerned that many people will misinterpret what has happened in the past few months with respect to Russia and China and that we will be tempted to let down our guard.

I remember so very well the admonition of Walter Judd, who talked on this subject many times; that is, that when the Communists feel they are blocked in one direction we can be sure they will try to take an end run. That could well be what is happening today.

I hope I am wrong on that. I hope that perhaps there has been a change in the goals and the mission of international communism. But I do not believe we can assume that is so, nor do I believe there is any credible evidence that is so. It is necessary that we keep up our guard and exercise extreme caution in this area.

I want to commend the gentleman for taking this special order. I wish more Members were present in the House to participate.

Mr. ICHORD. I thank the gentleman for his contribution. Let me say I agree with him wholeheartedly.

I would point out I did vote for the amendment a few minutes ago of the gentleman from Idaho.

I believe that his amendment did point up a very serious problem, but I think probably the gentleman from Idaho really wanted us to scrutinize these agreements more carefully rather than prohibit credit altogether. I voted for the amendment, but I cannot say that I would be opposed to credit extended to Russia at all times.

I want to put these matters on a quid pro quo basis. I am not opposed to trade. In fact, as does the gentleman from New Jersey, I strongly agree that we should trade, but first I want to get something, and I want to see, as Charles E. Bohlen stated, that they are acting like a country rather than a cause.

Mr. MATHIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. Mr .Speaker, I thank the gentleman for yielding.

I, too, would like to extend my thanks to the gentleman for taking the time for this special order this afternoon, and I join with the gentleman from Louisiana (Mr. TREEN) in saying that I wish more Members were here on the floor to hear the statements of the gentleman from Missouri and the colloquy.

In regard to the statement that was made by the gentleman from New Jersey that we should strive for some kind of a world in which we can live together in peace, I think that all of us ascribe to that theory. But I wonder if the kind of trade agreements that have been consummated, such as the grain deal, have really been mutually beneficial to us.

As the gentleman from Missouri has pointed out, we do not know who has gotten the better end of this deal. I think history will record that this grain deal has been the major factor in raising food prices in this country and that we have in essence been feeding Russian soldiers while we have denied certain classes of our citizens access to particular type of food from their supermarkets.

Mr. Speaker, I thank the gentleman very much for yielding.

Mr. ICHORD. Mr. Speaker, I thank the gentleman from Georgia for his contribution.

Mr. MARAZITI. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New Jersey.

Mr. MARAZITI. Mr. Speaker, I certainly concur with the gentleman that the Congress should take some action, as the gentleman says, to set up the machinery for a proper role for the Congress to play in the scrutinizing and working out of agreements with Russia or with any other nation. But certainly I would like to point out that Congress has not done that, and perhaps the gentleman's suggestion is a good one. I concur with it.

I think that Congress ought to recognize that it has played no part or attempted to play no part in this, and there has been a vacuum created, although some others may have participated. I do concur that Congress in this matter should assert its authority in this as well as many other areas. I would like to point out, however, that Congress has taken no such steps.

Mr. ICHORD. Mr. Speaker, I agree that Congress has been remiss. I think we would have had some very complicated jurisdictional problems in this area.

What committee does it really come under? Is it Interstate and Foreign Commerce? Is it the House Committee on Foreign Affairs? Or the Banking and Currency Committee? Is it Ways and Means?

It appears to me that there should be one committee that could look at the broad ramifications of this entire problem. This is one of the reasons why I scheduled this special order: To direct attention to the fact that there is a need for the Congress to set up the machinery so that Congress can be a partner in these negotiations in developing trade relations.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding further.

I would point out that my amendment—and I will also say to the gentleman that this will not be the last time we will hear of this amendment—will in no way jeopardize trade in the future or a line of credit.

However, the credit would come from private individuals. In most cases, from my past experience, it has been true that when one is dealing with one's own money, he is much more careful to get a quid pro quo agreement.

What happened here was that we were dealing with taxpayers' money and we were looking at the other end of it.

I know that hindsight is beautiful, but the fact is that we were looking at a deal where we thought we were in a buyers market.

We were truly in a sellers market.

Mr. ICHORD. According to the GAO report it cost the taxpayers of the United States better than $300 million.

Mr. SYMMS. All I am saying, had this deal been arranged through private credit, that we would have been more careful not to give away a $100 million windfall on the dollar devaluation. This deal was made prior to the dollar devaluation.

This subject will be coming up again, and I think we will probably have a chance to vote on an amendment very similar to this tomorrow on the Farm bill which will be offered by another Member on the gentleman's side of the aisle, and which will address itself to this point.

Mr. ICHORD. I concur with the gentleman that government bureaucrats do not have the reputation of being very efficient businessmen.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. ICHORD. There being no further

discussion, Mr. Speaker, I yield back the balance of my time.

Mr. CRANE. Mr. Speaker, there is, at the present time, much discussion of East-West trade and the possible gains which such trade can represent to the American economy.

Unfortunately, the kind of trade which is most often discussed is tailored to the terms set forth by Communist leaders, terms which make such transactions more akin to subsidization than to trade in any traditional sense.

The recent wheat deal with the Soviet Union and Communist China is an example of that kind of arrangement. On the basis of figures supplied by the House Agriculture Subcommittee, the total cost to the American consumer over the 9 months following the transaction in increased price of bread and other flour-based products was estimated, conservatively, at $290 million. In addition, because large quantities of corn and other grains fed to cattle were included in the Soviet deal, the American consumer felt the inflationary effects at the meat counter as well. The cost of feed grains plays a large role in determining the price of meat, and people in the feed grain, cattle and hog-raising businesses now estimate that it will cost the American consumer $1.2 billion over the next 9 months to eat the amount of meat that he has been consuming. This figure does not include expected rises in the price of poultry, eggs, and dairy products, whose costs are partially determined by the price of feed grain.

What happened in the wheat deal, of course, was that the United States sold the Soviet Union and Communist China wheat at a low, subsidized price, with the difference being made up by American taxpayers. As a result, the Soviet Union was saved from famine, and was saved from having to reform its system of forced collectivization. In addition, consumers throughout the United States continue to pay for this policy in higher food prices—and will, far into the future.

The kind of trade the Soviets want, and which we have been willing to participate in, is not trade for consumer goods, such as refrigerators, radios, television sets, and automobiles. They want heavy-industry help, such as machine tools, ball bearings, and precision calibrators. These have military potential, and will hardly improve the living standards of the Russian people.

More important, perhaps, is the fact that the kinds of business arrangements sought by the Soviet leadership are those in which no hard currency changes hands. Discussing this fact Prof. William Stanmeyer points out that:

> The Russians refuse to pay cash. They want credits—long term credits of up to 10, 12, and even 15 years. Yet when Western countries trade with each other, 90 days is "normal," or six months, or possibly a year. The 1934 Berne agreement pledged export credit institutions not to guarantee commercial credits for a period of more than 5 years maximum. With such long term credit—i.e., subsidy—as the Soviets want, "trade" equals aid—given on the dubious premise that the World's Number One Credit Risk will someday see fit to repay.

Those who argue that the Soviet Union, in addition to receiving subsidized trade arrangements, should be granted most-favored-nation status, tell us that the cold war is now over, and that communism is no longer a threat. This argument overlooks the fact that during the past 5 years the United States has not increased the number of land-based missiles and missile-carrying submarines, while we cut back on the number of our strategic aircraft at the same time that the Soviet Union increased her arsenal of land-based missiles to numbers 50 percent greater than our own. Her missile-launching submarine fleet is nearing equality with our own Polaris-Poseidon fleet.

Beyond this, Soviet activity in the Middle East, the Mediterranean, the Caribbean, and the Indian Ocean provides no indication of any change in policy. In addition, the Soviet Union continues to provide over 80 percent of military and other supplies to North Vietnam and is, as a result, a major contributor to the continued conflict in Vietnam, Laos, and Cambodia. The burden of proof has certainly not been met by those who argue that the Soviet Union has, in any way, abandoned its traditional goals of world domination.

Soviet goals in the field of trade are an intrinsic part of over-all Soviet world ambitions. Discussing these goals in today's world, Joseph Gwyer, a former senior research specialist in industrial engineering with the Library of Congress and one of the foremost experts on Soviet technology and East-West trade, notes that:

> It is obvious that the Soviet Union seeks to attain the any price such goals as scientific and technological as well as military superiority, improve sociopolitical cohesion and organizational efficiency, and higher rates of economic growth, while encouraging and seeking to control the revolutionary process in the world.

At the very moment when Soviet military strength is surpassing our own, we are considering East-West trade proposals in the area of the most sophisticated machine tools, chemical processing, and electronics. These, notes Mr. Gwyer:

> Should be carefully scrutinized, since our conflict with communism is economic as well as political. We have little of anything to gain in this struggle by helping the Soviet Union to fill gaps in her technology.

To provide the Soviet Union with the sophisticated technology it needs to surpass us, while not demanding any concessions in return, and subsidizing the transaction in addition, is a one-sided policy designed solely to our own detriment. Mr. Gwyer points out that:

> The Soviets use trade as a weapon of political as well as economic warfare. The Soviets clamor for trade with the West and then they campaign to disrupt world markets. They use the innocent bait of commerce to entice unsuspecting or perhaps naive nations into their political web.

A. P. Chevyakov, a Soviet authority on foreign trade, makes this clear. He declared that:

> Due to the basic antagonism between communism and capitalism, trade between the East and West will always be influenced, if not dominated, by political considerations and motivations. The U.S.S.R.'s foreign trade policy is an integral part of its foreign policy.

The only kind of trade which makes sense, from our own viewpoint, is trade in consumer goods for which we exact payments in hard currency. Such trade would benefit the people of the Soviet Union, by making such consumer goods available to them, and would benefit American business and our total economy. What we should not do is to provide, even for hard currency, technical processes which the Soviet Union can use to enhance its power to make war.

Trade with the Soviet Union can only be helpful in the cause of freedom, Professor Stanmeyer points out:

> If we refuse to deal with Communist cartels but instead demand to deal with individuals or private firms or be allowed to set up our own corporate subsidiaries within the Communist nation and if we exact political concessions from the Communist leadership.

The essence of all trade is that each side seeks something it wants. Dr. Stanmeyer notes that:

> The side that is more eager to acquire benefits from the other must make the larger concessions—pay a higher price. That price need not be monetary. Since the Communists anxiously want our help, we should demand 'payment' not in furs or timber, which we don't need, but in things we do, nor for ourselves, but for the subjugated peoples. Things ranging from decent medical care for inmates of Communist labor camps to the beginnings of a free press or free assembly or even the right to form a second political party.

It is essential that we understand what the Soviet Union seeks to gain from East-West trade and that we decide exactly what it is that we wish to gain. If we do not, and if we continue to subsidize trade with the Soviet Union at the expenses of American taxpayers, we will be acting against our own best interests. Before we take too many steps down this mistaken path it is necessary for the Congress to carefully consider our goals in this area. Those goals should include a hard bargaining position and should refrain from the utopian thinking inherent in those who advance the view that the cold war has ended and that trade, even subsidized trade, can lead to improved relations. That path is precisely the one which the Communist leadership would like us to take, and is the one which would, in the long run, do the most damage—to us, and to the millions of men and women who are forced to live under communism.

Mr. MONTGOMERY. Mr. Speaker, I would like to commend my two colleagues for taking this time to discuss fully our new trade policies with the Soviet Union. It is right and proper that the Congress conduct a full discussion on the possibility of freer trade with Russia and the ramifications of such trade on the American economy.

My remarks will be brief because I know Congressman LOTT and Congressman ICHORD have already gone into great detail on past trade agreements with Russia and those that are pending, as well as the Soviet Union request for favored-nation status. My purpose today is to urge caution on the part of the administration and request that America not enter into any hasty agreements which will have serious economic repercussions on the American consumer such as the wheat deal of last year. While we need to maintain open lines of communication with the Soviet Union and promote detente between our two great nations, we must make certain that we do not give more than we receive and we must also make certain that the American taxpayer does not come out on the short end of the stick.

Mr. PICKLE. Mr. Speaker, I am very pleased that Mr. ICHORD and Mr. LOTT have reserved time today for a discussion of trade with the Soviet Union.

I want to focus my discussion on one aspect of the recent grain sale to Russia. This one aspect is the transportation chaos caused by the massive movement of wheat necessitated by the wheat deal.

My interest in this matter began long before the media and public realized that the sale of wheat to Russia was not as rosy as the administration was leading the American people to believe.

On February 27 of this year, Congressman HARLEY O. STAGGERS, chairman of the House Interstate and Foreign Commerce Committee, and I issued a statement announcing the dispatching of field investigators around the country. These investigators, staff members of the Special Subcommittee on Investigations of the Interstate and Foreign Commerce Committee, were to discover why America's rail system had nearly come to a standstill.

In our joint statement of February 27, we pointed out—

> The average daily shortage of freight cars to move grain is three times greater than the peak in any previous year. The shortage is most severe in the Midwest grain belt, including Minnesota, the Dakotas, Iowa, Missouri, and Kansas.
>
> Congestion is reported in most port cities trying to load grain. Less than 7 million metric tons of the nearly 20 million tons of grain purchased by the Russians have been moved to date. While the movement of so much grain is impressive, this only amounts to 36 percent of the entire sales, not including sales to China.
>
> Rail centers in Chicago, St. Louis, and Kansas City are congested with loaded cars traveling south to Gulf ports.
>
> The Interstate Commerce Commission has advised us that the storage facilities at the Gulf coast ports of Pascagoula, Mississippi, and Mobile, Alabama, are already so overloaded that they are embargoed.
>
> Congested conditions threaten New Orleans and Houston, and the embargoes are resulting in grain being stored out in the open on the ground in the mid-West.

Our statement described the situation as of February 27. Even then, however, I suspected that the massive movement of wheat to Russia was the root of our rail transportation problems. I stated in the same release:

> This grain shipment and congestion is bordering on a national disaster.

I must confess, though, that I at this time had no idea as to the eventual price the American consumer was to pay for the enrichment of a few large grain dealers.

On March 6, 1973, Chairman STAGGERS and I issued another statement outlining the initial findings of the Investigations Subcommittee's field men.

Besides detailing the facts of the massive rail tie-up, which we felt could break a viable rail system, we stated:

> The export value of one Soviet grain deal may be offset if economic losses are heavy within our domestic economy because shippers cannot move goods.

The truth of the matter is, Mr. Speaker, that Chairman STAGGERS and I both knew that the complete ramifications of the Soviet grain deal could not be explored fully in a short field trip by Washington investigators.

We knew that governmental officials here in Washington had the keys to the truth about the grain deal.

So on March 23, Chairman STAGGERS and I announced that I would chair an all-day panel discussion of the rail transportation crisis as it related to the massive movement of grain.

In our March 23 statement, we pointed out:

> The Soviet-American grain agreement of last year apparently triggered transportation and transfer problems unequalled in the peacetime history of this nation.
>
> Investigators from the Subcommittee staff have completed field trips to areas that have reported rail congestion, freight car shortages and difficulties in transporting this grain.
>
> These trips updated the facts gathered last year during hearings by the Committee on freight car shortages. We hope now that by bringing all the parties into one room at one time, the Committee can get to the bottom of this situation and offer legislative recommendations to prevent a recurrence of what is happening in the rail transportation industry.

Mr. Speaker, I ask that at this time, a list of the participants of the panel discussion, held on the 26th of March, be listed in the CONGRESSIONAL RECORD.

LIST OF PARTICIPANTS OF THE PANEL DISCUSSION—FREIGHT CAR SHORTAGE SITUATION

Mr. Thomas Byrne, Chief, Section of Railroads, Interstate Commerce Commission.

Mr. William Van Slyke, Executive Director and Chairman, Association of American Railroads.

Mr. Gordon Randall, Vice Chairman, Car Service Division, Association of American Railroads.

Mr. James Hagen, Associate Administrator, Federal Railroad Administration (Office of Economics).

Mr. John West, Transportation Specialist, Office of Economics, Federal Railroad Administration.

Mr. Donald Beattie, Executive Secretary, Congress of Railway Unions.

Mr. Robert Post, Vice President for Transportation, National Grain and Feed Association.

Mr. James Krzyminski, Assistant General Counsel, National Council of Farmer Cooperatives.

Mr. Edwin Wheeler, President, The Fertilizer Institute.

Mr. Bennett Ensley, Director, Transportation and Warehousing Division, Agricultural Stabilization and Conservation Service, Department of Agriculture.

Mr. Paul Mills, Chief, Transportation Services Branch, Consumer and Marketing Service, Department of Agriculture.

Mr. George Shanklin, Assistant Sales Manager, Export Marketing Service, Department of Agriculture.

Mr. Donald Rasmus, Assistant to Deputy Assistant Secretary for Maritime Affairs, Department of Commerce.

Mr. Albert Mayio, Director, Office of Food Policy and Programs, Bureau of Economic and Business Affairs, Department of State.

Mr. Kenneth Roden, Manager, Grain Elevators, Port of Houston Authority.

Mr. Greg Perry, Consultant to Board of Commissioners, Port of New Orleans.

As is clear from the list, we gathered most everyone who was connected to the sale of grain to Russia, and the movement of that grain to Russia.

The hearing record of the March 26 discussion is soon to be printed in its final form, and I recommend it as good reading for all interested Members of Congress.

Mr. Speaker, I would want to comment on the general tenor of the hearings. The general tenor was, "It is not my fault; it is someone else's fault."

Private industry said it was the Government's fault, and the Government said it was a private business deal.

My position is this: Whoever's fault it is, the American consumer took it on the chin. The consumer paid for the grain deal in higher food prices. The public has to realize, and the Congress has to realize, that transportation snarls result in higher prices. The consumer pays these higher costs.

Furthermore, Mr. Speaker, my position is that the major cause, I repeat, the major cause of the recent spiraling cost of living, can be laid directly at the feet of the Russian grain deal of last year.

Why was there this massive transportation tie-up that led to a higher cost of living? The answer is very simple, Mr. Speaker; no one had made any effective plans for moving the grain.

This factor of no planning should never have occurred.

I intend to introduce legislation this week that could prevent a reoccurrence of last year's fiasco.

With everyone knowing that next year's wheat sales to other countries will probably be 950 million bushels, there must be a mechanism whereby transportation plans can be made for moving the grain.

Here is the proposal that I will be making: Whenever an exporter contracts to export over 1 million bushels per harvest, he would have to submit a transportation plan for moving that grain to the Department of Transportation. DOT would have to certify the plan as not jeopardizing the transportation system of America, or no export subsidy could be paid to the exporter by the Department of Agriculture.

This is my bill in simple terms. Of course, the guidelines are somewhat more complicated, but I will provide the Members of Congress the full draft of my proposal in the near future.

Before concluding, may I say that at this time there is no planning for the movement of any commodity. And no planning is poor planning.

The administration admits this, but I do not think that the administration is going to do anything about the transportation problem until Congress passes legislation such as I am proposing.

Again, let me repeat. Transportation costs are paid by the American consumer. The lack of planning for moving last year's grain exports added to our transportation costs.

Put these costs with the increase of grain prices due to rather questionable market manipulation by the grain exporters, and the $300 million subsidy to these grain exporters. You then have the biggest cause of the recent domestic inflation.

I have been saying this since March. Now a GAO study backs my earlier position, and details this $300 million subsidy payment. This wheat deal has turned into a bad deal for the American taxpayer.

Mr. Speaker, let us stop all this shouting about rollbacks, setbacks, and feedbacks. Let us stop all this jawing about phases I, II, III, III½, IV and ad infinitum.

Let us bring order to the export of our agricultural commodities.

I want more trade. It helps the dollar and our balance of payments.

But trade such as last year's bungling with Russia hurts our economy.

I conclude asking that we all work together to insure that adequate planning is done for next year's grain exports.

I have legislation that will move toward this goal.

I commend it to my colleagues, and I appreciate the time given me by Mr. ICHORD and Mr. LOTT.

I thank the gentlemen.

Mr. ASHBROOK. Mr. Speaker, détente "implies a definite concession by the United States and, moreover, a forced concession, imposed on it in defiance of its doctrines and concepts. That alone should make it clear that a telling blow is being dealt imperialism's ideological position," boasted the World Marxist Review, one of Moscow's foremost Communist organs a few months ago, as reported in National Review in June 1973.

Leonid I. Brezhnev, General Secretary of the Communist Party of the Soviet Union, has recently visited the United States for the ostensible purpose of forging a détente in several areas of binational relations. But Webster's Dictionary 'defines détente as a relaxation of strained relations or tensions—as between nations—a statement in marked contrast with the dealing of telling blows as expressed in that leading Communist directive organ issued under the general auspices of the very personage seeking détente.

If one finds such matters confusing, well he might. The Communists are masters at the art of forked-tongue dialectics, a skill matched only by the gullibility of Western officials and their inability to read between the forks.

Mr. Brezhnev appeared to be piqued that potential American-Soviet trade relations might possibly be employed as the quid pro quo for the opening of his nation's borders to the emigration of Soviet Jews. By the same token American authorities may perhaps now envision themselves as stern horse traders in the good old American tradition of hard-nosed, free enterprise. If so, they live in a world of myths.

Was not there something recently about a wheat deal? And who got dealt a fast shuffle in that agricultural poker game? And subsequent to that masterful ripoff, was it the Russian housewife who had to pay the higher meat prices because of the shortage of feed grain for our cattle? And was it the Russian taxpayer who footed the bill for the shipping subsidies?

Moreover, it is not conceivable that the leading member of the Soviet's proletariat, champagne sipping, limousine-loving Brezhnev, fully aware of America's interest, at home and abroad, in minority rights, intends to milk the plight of Russian Jewry for all its material worth. Does he not know us well enough to expect that he may possibly be rewarded for ceasing to do what he should not have been doing in the first instance—for ceasing to do what a normal, rational nation would not do—that is, blackmail, by the sale of freedom, its citizens as a condition to emigrate to a country of their choice? Had it not worked for the Cuban Communists?

The Senators who had lunch with the world's leading Bolshevik on June 19, were reportedly to remark later that they were impressed by his preparations for his trip. Surely the First Secretary of the Central Committee of the Communist Party would have a tourist's awareness of a certain statue standing tall in New York Harbor with an inscription graven on her pedestal which in effect symbolizes U.S. immigration and, by inference, emigration policy:

> Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tossed to me, I lift my lamp beside the golden door.

The right to emigrate, according to Dr. William Korey, director of B'nai B'rith's U.N. office, had been referred to by the Magna Charta as part of the natural law. At a conference at the University of Uppsala, in June 1972, attended by 70 distinguished international legal luminaries from 20 countries, a declaration was adopted specifying that there shall be no restrictions, no reprisals, no sanctions, no penalties, no harassments for the exercise of the right to leave one's country, and no special fees, taxes or similar devices for inhibiting that right.

The ransom rate to part the doors of the ruble rampart in the U.S.S.R. range from 4,500 rubles—$6,000—for a graduate of an institute for humanities, which probably also includes teacher's academies, to 24,800 rubles—$33,230—for a doctor of science. In March 1971, individual payments also began to be exacted: 400 rubles—$530—for an exit permit and 500 rubles—$670—for the "renunciation of citizenship." Although the Soviets have announced that the education fee has been suspended it remains to be seen whether this action is of a permanent nature. The U.S.S.R. has many other restrictions to impede the departure of its citizens. No emigrant for example can leave the county wth more than $100 and moreover quotas are also placed on personal belongings which must remain in the U.S.S.R. if they are less than a year old.

Dr. Korey noted that the Universal Declaration of Human Rights, article 13, paragraph 2, called for the right of everyone to leave any country, including his own. Interestingly, the U.S.S.R., papered itself into a corner when it sponsored a Declaration on Colonialism later which was adopted by the U.N. in 1960. It called upon all states to observe faithfully and strictly all the provisions of the former resolution, which would, of course, include article 13, and by so doing placed the Soviet Union in standing violation.

Moreover, while the U.S.S.R. has refused to permit the Jews to emigrate, she has been working the other side of the street so to speak. Since 1946, it has been encouraging the nationals of other countries who are of Russian descent—in the political sense—to emigrate to the U.S.S.R. It has been appealing to Armenians in the United States, Europe, and Canada to return to Soviet Armenia. And since 1955 her appeals have been addressed to Byelorussians, Georgians, Ukranians, and Russians who have fled Communist persecution from the time of the 1917 Red Revolution.

Is it possible that Brezhnev is unaware of the American "doctrines and concepts," noted in World Marxist Review, which are to be scrapped in the face of "forced concessions" imposed by Communism? Hardly. He must be mindful of the fact that at least 10 American Presidents, from Grant to Nixon, have directly or indirectly intervened on behalf of Russian Jewry in the past 100 years.

He should be mindful also of the interest the legislative branch has shown. In 1868 Congress passed an act which made the right to emigrate an indispensable ingredient for the exercise of certain other rights.

In 1879, the House adopted a resolution, introduced by Ohio Congressman Samuel Cox, criticizing a czarist policy that forbade Jews the right to own real estate.

In 1883, the House, by resolution, called upon the administration to intercede with the Russian Government in order to alleviate its persecution and discrimination of Jews.

In 1892, the House refused to allocate funds for food shipments to Russia on the grounds that its treatment of Jews had shocked the moral sensibilities of Christians everywhere.

In 1911, there was a legislative effort to abrogate the 80-year-old Russian-American commercial treaty. The State Department used arguments which are echoed today in not dissimilar circumstances: America's commercial and industrial interests might be harmed; anti-Semitism would increase in Russia. Other statements made at the time included the fear that the United States might be charged with intervening in the internal affairs of another nation.

The public clamor against the treaty grew and took the form of public rallies held in various cities. In December 1911, many Congressmen arose in the House to express sympathy for the Jews and to condemn the barbarism of the czar. The vote for abrogation of the treaty was 301 to 1.

The Secretary of State was forced to advise the Russian Foreign Office that the United States was terminating the 1832 treaty on January 1, 1913. As reported at the time, the Russians were astonished and failed to understand "how a moralistic crusade could dictate political action" in America.

The comments made by that student of American life, the Frenchman, Alexis de Tocqueville, seem pertinent:

> For the Americans, the ideas of Christianity and liberty are so completely mingled, that it is almost impossible to get them to conceive of the one without the other.

As one Senator has repeatedly remarked in the current circumstances, America is a land of immigrants and, therefore, has a vital interest in the right to emigrate.

The issue of Jewish emigration from Russia should stand on its own merits. However, the United States is not negotiating with a civilized regime. Its psychopathic, paranoiac personality may allow its leaders to sip and sup in the best of Western circles on the one hand and yet permit them to send hundreds of thousands of tank-escorted troops to invade defenseless nations on the other in order to ward off imagined threats.

How many of Brezhnev's well-mannered hosts who sympathized with him when he spilled his champagne reflected for a moment and sympathized for the fallen nationals of Czechoslovakia whose blood was spilt by this "jovial politician" from Moscow who purified Prague of its budding bid for freedom?

Notwithstanding a charge of first-degree party-pooping however, who can honestly say that he trusts the head host who suggested that "we came here to consolidate good things, not to quarrel." Is his concept of a good thing, and ours, one and the same? Did not Moscow have a good thing going on wheat—but only for them. So why not the whole bit, from computers to credit? When life-of-the-party, supersalesman Brezhnev says let us not quarrel—about the Jews—he is asking for "business as usual" and, indeed, he could not have struck a more appealing theme here in the cradle of capitalism.

Brezhnev is not the czar; but he is a student of Lenin which suffices. It will be his intent to further his economic ends by exploiting the "moralistic crusade" concerning the Jewish question.

To regard the U.S.S.R. with most-favored-nation status in exchange for Jewish freedom will be to make us the most miserable nation in the eyes of our people and of the world for our pragmatism. Cut off the economic advantages it now enjoys unless it frees the Jews, if we must, but reward them at the expense of others who will be disadvantaged such as the worker and many businesses—never.

Mr. CHAPPELL. Mr. Speaker, it is with a great deal of concern that I rise to speak on the ramifications of what expanded trade with the Soviet Union means to the United States.

There are many points, but one which concerns me greatly is what the wheat deal has done to agriculture. The wheat deal has driven the cost of feed grain for domestic users to precipitous heights. For example, largely as a result of that deal, American dairymen face one of the worst, if not the worst, cost-price squeeze in their history.

What is their reaction? Bluntly, they are responding by culling their herds closely, feeding less concentrates, and, in many cases, dispersing their herds to the obvious end result that milk production is decreasing at an alarming rate. Let there be no mistake about it, further reduction will result in milk shortages and, in some cases, outright absence of milk and some milk products from the shelves of our supermarkets.

Do not forget: Once these shortages occur, the situation cannot be remedied overnight. When the dairy cattle population shrinks, it is a long, time-consuming process to restore the capacity to produce milk.

When our Flannigan-type trade experts advised the decisionmakers on what to trade off in exchange for rather illusionary Soviet concessions, they little considered the American farmer or, for that matter, the American consumer and his need for—indeed, his right to have—an adequate supply of fairly priced and wholesome milk.

When they bargained to sell American grain, they little considered they left our own bins bare. They little considered floods, wet weather, and late plantings in the bread basket States of our country. They little considered the fuel shortage or the freight tieups. They little considered anything except the profits to a few grain moguls.

Take a look at the overwhelming cost increase in the feed area, shown by "Indexes of Selected Categories of Prices Paid by Farmers, United States 1967–72 (Index 1967=100)," reported from Agricultural Prices:

Year or month:	*Feed*
1967	100
1968	95
1969	97
1970	102
1971	106
1972	108
September 1971	103
October 1971	100
November 1971	100
December 1971	102
September 1972	108
October 1972	110
November 1972	113
December 1972	126
January 1973	135
February 1973	140
March 1973	144
April 1973	141
May 1973	155

Then, look at the price index of feedstuffs with year ago comparisons—index 1967 equals 100—published by Feed Market News:

Month and year:	*Index*
January 1972	106.5
February 1972	107.1
March 1972	113.4
April 1972	115.4
May 1972	115.6
June 1972	115.9
July 1972	122.4
August 1972	124.4
September 1972	130.9
October 1972	132.6
November 1972	150.7
December 1972	195.9
January 1973	227.6
February 1973	256.0
March 1973	208.4
April 1973	232.1
May 1973	366.8
June 1973	384.3

Candidly, trade with Russia has been no plus for the dairy industry of America. In the long run, it might be of some value to other farm groups, but unless policymakers reexamine their bases for expanded trade with the Soviet Union, I, for one, am fearful that the next time the administration negotiates some other major industry—not just the dairy industry—will be the goat.

Unless negotiations are done with benefits to the great majority of our people in mind, I am sure afraid Mr. Khrushchev's warning, "We will destroy you," will come about sooner than we might suspect.

Mr. KEMP. Mr. Speaker, I believe all Americans and their representatives are encouraged by the bettering of relations between the world's two most powerful nations, the United States and the Soviet Union and Mr. ICHORD and Mr. LOTT are to be congratulated for their efforts to focus attention on how we can use our trade policy to advance the cause of human freedom.

I believe we must continue to encourage the improvement of these relations but never at the expense of human liberty.

The hoped-for bilateral reduction in the costly and dangerous arms race, mutual force reductions in Europe, cooperation in the development of atomic energy, mutually beneficial trade pacts, cultural exchanges, and cooperative space exploration appear as precursors for a more peaceful world.

But while we work to implement better relations, we cannot lose sight of the need to assure adequate safeguards for national security through inspection. Nor can we, the people of the free world's leading nation, relax our continuing efforts in behalf of the self-determination and freedom for of millions of people in the captive nations Soviet Jews, and Ukrainian intellectuals seeking to emigrate to countries of their choice.

I believe that the Soviets' need for trade credits, most-favored-nation status and other concessions from our Government gives us an unprecedented opportunity to bargain for the human rights of these oppressed peoples.

I cosponsored the amendment of my distinguished colleagues, Mr. MILLS and Mr. VANIK, the Jackson amendment to the Trade Reform Act because of my conviction that our Government cannot be silent while those desiring to emigrate from the Soviet Union are denied this fundamental human right.

I cannot agree with the Soviet leaders and others who contend that the basic human right to emigrate "is an internal matter."

I believe that we are concerned with international, human justice covered by the International Convention on the Elimination of All Forms of Racial Discrimination ratified by 46 nations, including the U.S.S.R. Among other provisions, this convention guarantees the right to leave any country, including his own, and to return to his country.

Mr. Speaker, I do not consider it unreasonable to insist that the Soviets honor this agreement in return for agreement to credit and tariff pacts.

I believe, as we approach our 200th anniversary of independence, that we still have the moral fiber to stand for the freedoms we fought for and won.

I believe that the Soviets respect tough and reasonable bargaining. And I believe that the oppressed people of the world, including those seeking new lives and opportunities in new lands, should expect us to remain firm in our convictions because we are the hope of the world and if the light should ever go out here it will surely go out around the world.

Mr. BLACKBURN. Mr. Speaker, those of us who must be aware of political trends in either national or international affairs recognize that a decision has been made at a top level of both the United States and the Soviet Union Governments that expanded economic relationships between the two countries is a desirable objective. The theory has been advanced by spokesmen for the United States that through a greater expansion of trade between the United States and the U.S.S.R., there will evolve a "web of vested interests" in the field of commercial relations that will somehow remove the pressures of confrontation and cold war as it has existed for the past 28 years. It is further advanced that this mingling of vested interests will prove highly beneficial in meeting the balance of payments deficits which this country now faces and will create a new dependable source of energy as an alternative to the instabilities of the Middle East.

The purpose of my statement is to point out what I consider to be clear indications that these top level decisions have been dictated primarily by political considerations and to a much lesser extent by economic rationale.

Further, I would like to point out that the political considerations which have led the leadership in this country to clasp the Soviet Union to its bosom as a profitable and beneficial trading partner are not consistent with the political objectives of the Soviet Union's leadership. The economic arguments for expanded trade with the Soviet Union are extremely questionable when viewed in the pragmatic light of experience and the realities of the world in which we live.

THE BENEFITS TO THE SOVIET UNION

Objectives: She will develop within the confines of her own geographic boundaries, resources and potential which today are denied to her by reason of the backward nature of her technology and she will develop these resources largely through the investment of American capital, capital either provided directly by the U.S. taxpayer or capital invested by reason of guarantees supported by the U.S. taxpayer. In either event, the capital is provided as a subsidy to the Soviet military-industrial complex with no direct or equal benefit to the U.S. taxpayer. On the contrary, I must conclude from the available evidence, that the transfer of American technology, industrial knowhow, financed or guaranteed with American taxpayer's money will be used to threaten the security of the United States.

Our present economic ills, such as deficits in the balance of payments and dollar crisis, could be directly attributed to the Bretton Woods Agreements, to our unwise monetary policy, and to discriminatory trade policies of our major trading partners, Japan, Canada, and the European Economic Community. Consequently, the economic rationale for expansion of the so-called East-West trade is, in the best case, of minute importance and the primacy goes to the political considerations. And there, our rationale should be guided by the criterion of whether it is in the interest of the United States to increase the military and subversive potential of our enemy.

While it has been a firm policy for this country to separate political from economic considerations in discussions or negotiations affecting trade, we must never forget that for the Soviet Government, trade is nothing more than an extension of political objectives. To paraphrase, in more contemporary context, Baron Von Clausewitz, the trade for the Soviet leadership is nothing else but continuation of war by other means. Every student of the Soviet system of government and economic policy recognizes that every aspect of life under the Soviet system. is subordinate to the political objectives.

NOTHING HAS CHANGED

Careful scrutiny of Soviet internal and external policies imperatively suggests that there has been no significant change in Soviet long-established practice. The Soviet Union is still a police state and its long-term objective is to establish the Soviet Union as the unparalleled world power. In fact, the Brezhnev strategy is designed to further Moscow's new relationship with America as a double-edged sword toward that end.

The Kremlin needs and wants American technology, industrial know-how, and American capital in order to solve Soviet problems arising out of her industrial backwardness and its technological lag. The Soviets are anxious to have assurances that they will be able to get American grain on credit when their abysmally inefficient agriculture system fails again. Politically, they would like to have the U.S. support in neutralizing their Communist adversary, Red China, and in stabilizing East Europe.

Now, on one side the Soviet leaders see in the aura of good feelings the best opportunity so far to solve the Soviet's tremendous domestic problems and eventually achieve economic stature equal to that of America—just as the Soviets have reached, or possibly tipped, a balance of nuclear power with the United States in their favor.

With the other of the two cutting edges of the sword, Brezhnev reasons that in an atmosphere of détente, an atmosphere of warmth and cooperation, there is a good chance of gradually tilting the political balance among the U.S. allies toward the Soviet Union.

It comes as no surprise that former Ambassador Charles Bolen in his recent book, "Witness to History," makes a statement to the effect that since 1934 nothing has changed in Soviet policies either at home or abroad; the objective remains the same. Certainly no one can accuse Mr. Bolen, with his liberal reputation, of right-wing bias.

THE SOVIET REAL AIMS

According to "The Economist" of London—issue, June 23, 1973—Marshall Sokolovsky then Commander of the Soviet forces in Germany, said the following:

> Westerns, always look for immediate successes from any policy; we think and plan in terms of decades and even longer.

In the 2½ decades since then, there have been several changes in the direction of Soviet policy toward the West; but the underpinning provided by Marxist-Leninist dialectics, and therefore presumably the long-term aims, have remained remarkably constant.

Georgi Arbatov, the head of the Soviet Institute for American Studies, expressed it clearly enough a few months ago:

> Relations with capitalists will remain the relations of struggle, however successful normalization and detente may be . . . the essential question is what form that struggle will take.

Last month, while Mr. Brezhnev was talking to the Germans in Bonn about long-term cooperation, the Soviet Union's "Journal of World Economy and International Relations" was carefully explaining that economic ties between opposite systems are essential, "since they cannot but fight each other." In recent "Pravda," Mr. Khraminov helped to clear up any confusion by insisting that—

> Only naive people can expect that recognition of the principles of co-existence by the capitalists can weaken the main contradiction of our times between capitalism and socialism, or that the ideological struggle will be weakened

The start of Mr. Brezhnev's present policy can be dated pretty precisely, March, 1969. The news of the fighting between the Soviet and Chinese troops on the Ussuri River came on the heels of Czechoslovakia's attempt to establish an independent communism. The Soviets were appalled by the prospects of trouble on two fronts at once. A few days after the skirmish on the Chinese border, Mr. Brezhnev was in Budapest for a Warsaw Pact conference originally planned to discuss military integration but at which, according to men who were present, Mr. Brezhnev had one thing uppermost in his mind—China. The meeting adopted a resolution renewing the idea of a European security conference, this time with much greater urgency than when it was mooted in Bucharest in 1966.

Lenin is now being heavily invoked in the Soviet press as an authority for cooperation between Communist and free countries. "The Journal of World Economic and International Relations" quoted him a few weeks ago as seeing "no reason why a socialist state cannot have unlimited business relations with capitalist countries." An historian called Mr. Sanakoyev, added the comment that the Party's "entire international activity depends upon the steady growth of the Soviet Union's economic, political, and defensive might."

Some people argue that they are merely phrases, repeated through force of habit or for domestic use. But they are views constantly advanced in minority journals by Soviet specialists on international relations. Thus, a Mr. Ivov in "New Times" insists that ever since Lenin's day, "Soviet foreign policy has been compounded of setbacks to imperialist aggression, settlement of international problems, extensive aid to friends and liberation movements everywhere, together with coexistence with capitalist countries."

Some confusion is caused in the West by the idea that the Soviet definition of "coexistence" means acceptance of the status quo. It does not. The planners of Soviet foreign policy regularly use a technique which they call "correlation of forces." It amounts to a centralized measurement of the advantages—military, economic, and the rest—enjoyed by each side. It is on the basis of this that decisions are taken about where pressure can be applied in pursuit of Soviet objectives and what risks it is safe to take. The Americans' acceptance of the fact that the Soviets now have nuclear parity with them may suggest to these planners that the scope for ideological expansion may be able to grow wider. At any rate, the Chinese Foreign Minister, Mr. Chi Peng-fei, seemed to think so when he warned the Iranians this month of "the expansionist and subversive politics of certain great powers." Coexistence does not mean, says Pravda:

> A discontinuation of the class struggle, but only the renunciation of military methods.

Mr. Brezhnev himself put it this way last July:

> We must be ready to see the struggle intensify and become an even sharper antagonism between the two social systems . . . with the truth of history on our side.

A Communist Polish Army journal points out that out of the so-called free movement of people and ideas between the two parts of Europe the erosion is already "threatening the west." It said:

> The question is who will be better able to defend himself.

The unquiet equilibrium that has survived in Europe since the 1950's does not stem from any acceptance by the Soviet Union of an international identity of interests, but from a conviction that, in due course, its system will prevail—if it is adroit enough, without a shot being fired. And this comment comes from "The Economist" of London, a worldwide known and respected British journal.

THE CHANGES IN SOVIET INTERNAL POLICIES?

Domestically, despite its assurances to the contrary, the Soviet Union is living up to its image of the police state. She is suppressing the rights of its people in spite of some paragraphs in the Soviet Constitution which suggest that certain rights of its citizens are guaranteed.

For instance, the persecution of Soviet Jews who wish to immigrate to Israel is the most flagrant example of the violation of basic human rights. For years the Soviet Union has been practicing a trade with human beings charging the Israeli Government $10,000 per head for each Jew who immigrates to Israel. And this, in addition to all sorts of discouragement, intimidation, persecution, and exit taxes on those who wish to immigrate to Israel. Today, we witness a series of trials in the Soviet Union involving Jews, in the first place those who expressed the desire to immigrate. Many Soviet Jews are subjected to house arrest, loss of jobs, shipment to slave labor camps, denial of medical care, and in a number of instances to slow starvation.

> People in both of our countries will be interested, I am sure, to see and listen to the best works of literature, music, theatre, and fine arts of the country.

So goes Leonid Brezhnev in his recent statement during his visit to the United States. People in the United States and elsewhere are, indeed, interested in the Soviet Union's best creative works, and many Soviet subjects are similarly interested in the best works of the West.

> But Mr. Brezhnev fudged. He skipped mentioning that his government does everything it can to insure that the best Soviet works—"best by every measure but its narrow own"—are kept from Soviet as well as foreign audiences, and that the best western works are kept out of the Soviet Union, too.

I am quoting an editorial article of Mr. Stephen S. Rosenfeld in the Washington Post, June 20, 1973.

For all that, Mr. Brezhnev and other spokesmen indicate that the Soviet Union is assuming its proper place in the company of cultured nations, and determination to keep closed the eyes and ears and minds of their subjects may even have been strengthened by fear of internal unraveling effects of détente. Foreign radio broadcasts are still jammed; KGB "heavies" still shepherd Soviet groups traveling abroad; a great writer, Alexander Solzhenitsyn, is hounded and banned and recently his life has been threatened by KGB hoodlums unless he divests himself in their favor of $100,000 from the proceeds of his most recently published work in the West, "August 1914."

To quote an editorial from the Washington Post of June 20, 1973:

> A musician of international stature like Rostropovich is, as we noted in an editorial last November, "outlawed and caged by his government for his long and honorable record of standing up for human rights." Others of lesser prominence but of no less courage are shunted into insane asylums for sane and honest work.

Many Soviet experts feel that the more the Soviet propaganda stresses the loosening up of its political and economic relations with the West, the more it tightens the cultural and political screws at home.

In what limited and tightly controlled contacts it has permitted with the United States, the Soviet Government has consistently tried to resist American efforts to broaden and liberalize genuine cultural exchanges. According to the Washington Post editorial entitled, "A Bad Soviet-American Agreement," published on June 20, 1973, "the basement of the American Embassy in Moscow is full of copies of the popular exchange magazine Amerika which Soviet authorities refuse to have distributed. American radio broadcasts continue to be jammed even while Mr. Brezhnev is in Washington with Mr. Nixon toasting the new agreement on 'contacts, exchanges, and cooperation.' "

The Soviet Constitution guarantees "its subjects the religious freedoms." In reality, the clergy, and those who practice their religious beliefs are sent either to forced labor camps or locked into lunatic asylums.

Soviet acceptance of the Universal Copyright Convention—UCC—turned out to be just another method to control internal dissent and information of the outside world about the Soviet Union, only in a more subtle way. According to Stephen S. Rosenfeld's aforementioned article in the Washington Post of June 20, 1973:

> The copyright issue is a current case in point. The Russians have never signed the Universal Copyright Convention (UCC) chosing instead simply to pirate the works of foreign authors. Last February, under American prodding, they agreed to sign; the effective date is Sunday. Cheered at first to find the Russians finally deciding to play by international rules, some foreigners soon awoke to the possibility that Soviet officials would abuse the UCC to block foreign publication of unauthorized literature. McGraw-Hill's Curtis G. Benjamin visited Moscow in April and, on his return, told Publisher's Weekly, "As expected, we found Soviet officials annoyed by the several speculative stories that have appeared in the American press"—stories based on the theme that by joining the UCC, the Kremlin opens to itself new possibilities of extending internal censorship to all countries adhering to the UCC. Mr. Benjamin added that "it makes little sense to argue that the main Soviet motive for adhering to the UCC is to further suppress dissident writers."

The Soviet propaganda against the democratic societies and the United States in particular, is still one of the pillars of their public education.

SOVIET FOREIGN POLICY FROM BANGLADESH TO IRELAND

In the international arena, we can observe the continuation of Soviet promotion of unrest and subversion in the non-Communist parts of the world. Hard evidence indicates that the U.S.S.R. is now using its enhanced military technological power to change the geopolitical map of the world. The victory of India over Pakistan was a clear indication of the rise of Soviet influence on the Indian Subcontinent and in the Indian Ocean. The U.S.S.R., quite aware of its greatly increased power in the strategic balance, assisted India with both advice and military hardware. Indeed, it may well be that the Soviets not only encouraged India to attack both East and West Pakistan but actually targeted the undeclared war. For, only a few days following Soviet Deputy Foreign Minister Nikolai Firyubin's long consultations with Indian officials, the commander-in-chief of the Soviet Air Force, Marshal and Deputy Minister of Defense Pavel S. Kouthakov, arrived in New Delhi on October 30, 1971. The Soviet air chief spent about a week in India and, following his departure, the U.S.S.R. organized the large airlift of military equipment for India by way of Egypt. The invasion of East Pakistan by the Indian Army and Air Force and air attacks on selected targets in West Pakistan in December 1971 followed.

Not surprisingly, among the first of the countries to grant recognition to Bangladesh were the four Soviet satellite states of East Germany, Bulgaria, Poland, and Mongolia. The close collaboration of this new "state" with the U.S.S.R. was further indicated by the appearance of a Bangladesh contingent at the Fifth Conference of the Afro-Asian People's Solidarity Organization—AAPSO, a major Soviet supported front organization. This occurred in mid-January of 1971 in Cairo, Egypt. It is heavily dependent on the Soviets hosting the conference. AAPSO has served for some time as a Soviet vehicle for education and propaganda.

The dismemberment of Pakistan—a member of the SEATO and CENTO defensive treaty organizations—sponsored by the West and the creation of the new state of Bangladesh is, above all, a victory for the U.S.S.R. India will, more and more, be drawn into the Soviet orbit and Bangladesh can easily follow in India's steps. The Soviet fleet in the Indian Ocean was increased in numbers during the undeclared India-Pakistan war and shows no signs of departure, unlike the U.S. Navy task force which was briefly in the Indian Ocean but was later withdrawn. India, while not wanting the ships of the United States or of some other naval powers in the Indian Ocean, has viewed the Soviet naval buildup without concern, and indeed, has upgraded the port facilities for Soviet submarines. While India has kept Western nations away from the strategic Andaman and Nickobar Islands, it has permitted the U.S.S.R. to use these Indian Ocean islands for fueling Soviet ships and for other purposes.

Bangladesh, India's Soviet cooperation, Soviet naval expansion in the Indian Ocean, a weakened Pakistan on the brink of internal chaos—all of these add up to a pattern of Soviet style "peace" for the 1970's; or, to put it rather more bluntly, Soviet willingness to embark on a strong foreign strategy in world politics, emboldened by the steady rise of Soviet strategic striking power.

Soviet willingness to take somewhat greater risks in the 1970's than in the past in exploiting conflict far from the Soviet borders and on grounds not favorable to the Soviets, was revealed by the defection of Oleg Lyalin at the end of September 1971. Lyalin, the chief of the Soviet KGB's sabotage and assassination section for the British Isles and, possibly, for part of Europe, defected in London. Some of the targets on his sabotage list appear to have been: First, the Early Warning Radar Network; Second, the U.S. submarine base at Holy Lock, Scotland; third, the British submarine base at Faslane in Scotland from which missile firing submarines of the Royal Navy operate; and, fourth, the antisubmarine warfare base at Portland, a key site for the research and development of detection aids to counter the growing Soviet submarine threat. Information given to the British counterintelligence service by Lyalin led to action by the British Foreign Office in declaring 105 Soviet diplomatic officials persona non grata for using diplomatic cover in Great Britain to engage in espionage and related activities.

Lyalin also has given the British the information which led to the seizure of a very large shipment of Communist arms and munitions designed to further exacerbate the conflict in Northern Ireland. The markings on the weapons and on the ammunition indicate that they had been made in the U.S.S.R. and Czechoslovakia. Perhaps it was only a coincidence that on the following day, October 17, 1971, the day on which the arms and munitions would have arrived in Ireland had the cargo aircraft not been seized in Holland—the Second Congress of the Irish Communist Party met. The Congress called for the overthrow of both the Government of Erin headed by Prime Minister Lynch and the Government of Northern Ireland—Ulster.

Ninety delegates of the Irish Communist Party were present from both the north and south Ireland as well as Prof. Nikolai Matkevsky, a member of the U.S.S.R. Academy of Sciences and of the Supreme Soviet. Matkevsky, representing the Supreme Soviet, has been very active in the past in Soviet-sponsored front organizations. Soviet front groups, such as the World Federation of Trade Unions, the International Organization of Journalists, the World Federation of Democratic Youth, the International Union of Students, and the like, have long been used by the U.S.S.R. as a vehicle for political warfare and for the exploitation of conflict situations. The Soviet fire brigade arrives on the scene of a conflict and then throws gasoline—in the form of agents, agitators, arms, and munitions—on the fire. This was openly admitted by a Cuban delegate to the Eighth World Youth Federation in Helsinki, Finland, when he said:

> We were here to teach the Africans and Asians how to conduct revolutions.

The Communist Cuban was speaking, however, in February of 1962.

Some more concrete evidence has been discovered linking Communist bloc countries with terrorists of the Irish Republican Army—IRA. When the terrorists last December stepped up their fighting in Ulster with their first coordinated series of rocket attacks, which claimed four lives, a rocket launcher was recovered by British troops in Londonderry. British intelligence sources described the launcher as a weapon of Soviet manufacture; one of a shipment to IRA units received in Ulster 2 weeks before the attacks.

According to the Washington Evening Star and Daily News of December 10, 1972:

> British authorities said yesterday they were convinced the Soviet Union is involved in the Northern Ireland conflict. They based this conclusion on the discovery of Russian-made rockets in the armory of the outlawed IRA and on their "certain belief" that Soviet agents are operating on both sides of the shooting war between extremists of the Protestant and Roman Catholic communities. British intelligence sources said they believed both the Catholic based IRA and die-hard Protestant groups have been infiltrated by Soviet agents in great numbers. These agents, according to the British sources also are involved in political activities. At least one of these was described by intelligence officers as "a respectable operator in moderate politics".

The independent News of the World said in its story:

> Intelligence agents have discovered that the Russian government is directly involved in the supply of rocket launchers and other arms to the IRA.

Furthermore, the Soviet Union is the chief supporter and supplier of North Vietnam in spite of all the talk about détente and in spite of the fact that the Communist government of North Vietnam is continually and flagrantly violating the peace agreement. One may argue that the Soviet Union, because of its relationship to the Communist Chinese, is not able to control the North Vietnam Communist government. However, it certainly does not hold that they cannot control the two Communist members of the International Control Team in Indochina—Poland and Hungary. It has been recently reported in the American and world press that the colonel in charge of the Hungarian control team has declared that their role is not to insure compliance with the "peace agreement" but on the contrary to see the Communist forces triumph throughout Indochina.

The Soviet Union continues to finance Cuba at a rate of $2 million a day. In 1972, the pro-Communist Government of Chile received $250 million in Soviet aid. Soviet support of revolutionary elements in the Middle East as well as their support of aggressive Arab governments is a matter of record. In September of 1972, the U.S.S.R. made its first direct delivery of Soviet-made weapons to Arab terrorists, including Al Fatah, the overt Arab guerilla organization, and Black September, reputed to be its secret assassination squad. It was Black September that claimed credit for the murders of 11 Israeli athletes at the Munich games.

The U.S.S.R. is reported to have shipped during November and December of 1972 about 60 advanced surface-to-air missiles to Egypt and has turned them over to Egyptian forces, the first time the installations have been manned by indigeneous crews. They are SA-6 missiles, which are especially effective against the low altitude manner in which Israeli fighter-bombers have attacked targets in Egypt. Five SA-6 batteries have been spotted around Cairo.

According to the Washington Post of April 11, 1973, two Soviet military attachés have been quietly returned to Moscow because they were discovered recruiting Latin diplomats for a spy ring in the United Kingdom. The two departed diplomats were Col. Yuri Chelpanov, the top military attaché, and Capt. Gennady Mikhailov, the assistant naval attaché at the Embassy here.

In an 83-page report entitled "The Peace Time Strategy of the Soviet Union," the prestigious Institute for the Study of Conflict, a London-based research organization, contends that three out of every four Soviet diplomats based in the capitals of Western Europe today are spies.

The institute for this report drew on some of the West's most highly respected experts on Soviet and Communist affairs. "We list as spies—only—those whom we know to be members of the KGB or the GRU—the civilian and military agencies—," said Institute Director, Brian Crozier. In an interview published in Newsweek of April 2, 1973, Mr. Crozier declared:

> The objective of this exercise was a cautionary one. A lot of people . . . think the cold war has eased and that relations with the Soviet Union are getting much better. What we are trying to say is, "hold on a minute, think about it."

Just before a visit to Bonn by the Soviet Communist Party Chief, Leonid Brezhnev, according to the Washington Post of April 27, 1973, Bonn has forced the departure of a Soviet diplomat charged with espionage.

On May 7, 1973, the Washington Post reported that the widespread spying in Hong Kong has been laid to the Soviets. The New China News Agency accused the Soviet Union of using its diplomats, technical personnel, businessmen, and tourists in foreign countries to carry out espionage activities. The Agency quoted British statistics indicating that during the last 10 years, Soviet diplomats accused of spying or caught in spying activities have been expelled from 36 countries, including the 105 personnel who were expelled from Britain in 1971.

In the most recent "sex scandal" of Great Britain involving two members of Mr. Heath's Cabinet, the links have been established between the call-girl operation in London with an international call-girl operation directed from Eastern Europe. According to the reports in the British press and such journals as the New York Times and the Washington Post of the week of June 18, the statement has been attributed to the Prime Minister, Edward Heath, that a British commission probing the resignation of the two Government Ministers involved in the vice scandal is investigating the existence of an international ring with connections in Eastern Europe. He also told the Commons the probe will consider in the first place whether Government security procedures have been properly followed and whether they should be changed.

According to the former Secretary of Defense, Elliot L. Richardson, the flow of Soviet and Red Chinese arms through North Vietnam is responsible for the present fighting in Cambodia.

It is remarkable to observe on the front page of the Washington Post on the day of the departure of Mr. Brezhnev from his official visit to the United States his smiling face accompanied by declarations of a generation of peace, peaceful trade and cooperation and on the same front page of the Washington Post that several American planes have been lost in Cambodia, victims to the most sophisticated and recently supplied Soviet antiaircraft missiles.

Only this spring, the Soviets have supplied Syria with ships, 40 Mig–21 jet fighters, an unspecified number of SAM–2 and SAM–3 missiles, OSA-type rocket-firing launchers, and M–16 helicopters, which are capable of carrying 65 persons.

In its quest to control the energy resources of the Middle East and Persian Gulf, the Soviet Union has been involved in a serious operation leading toward that objective using as a base Iraq. One arm of that strategy was the Iraqui seizure of a small but strategically situated section of Kuwait territory at the head of the oil soaked Persian Gulf. The other arm of the same policy objective has been pressure via the pro-Communist and Marxist oriented government of South Yemen, where, according to the Washington Post of June 25, 1973, under Soviet management Castro's Cubans have begun training pilots to fly the advanced Mig–21 jet fighters which the Soviet Union is now supplying to Yemen. There are more than 100 Cubans in South Yemen, many of them military advisors training the South Yemen militia and air force.

With the arrival of Cuban military advisors in South Yemen, the only leftist region in Arabia which contains the world's largest oil reserves, and which is the key to the solution of the American energy crisis, is definitely linked to a step-up in the delivery of Soviet aircraft and other arms to the country.

Strategically located at the Red Sea entrance, South Yemen whose capital Aden was a former British crown colony, has provided the Soviets with their only toe-hold on the Arabian peninsula.

The military buildup there has become a major concern not only of U.S. officials but also of North Yemen and Saudi Arabia which have turned to the West for diplomatic support and increased military assistance.

In March of this year, the Cubans flew two South Yemen Mig's in an attack on a Saudi Arabian border post.

According to the report in the Washington Post of May 27, 1973, the Federal authorities are quietly trying to trace illegal automatic weapons, such as a Soviet-designed automatic rifle, that were in the possession of militants during the occupation of Wounded Knee, S. Dak. The news photographs of a militant brandishing a model of the Soviet AK–47, known as Koletchnikov, is a matter of public record.

It comes as no surprise that Gen. Andrew Goodpaster, Allied Commander of the North Atlantic Treaty Organization, not long ago said in Heidelburg that—

> The Soviet Union is building the world's mightiest military machine and that it is doing so behind a screen of "wooly-headed euphoria" in the west resulting from the east's apparent willingness to negotiate.

The general warned that the West must substitute careful thought for wishful thinking. In the context of the Soviet behavior in the international arena, his message should be clear.

It should be noted that the most desired objective by the administration during the recent United States-Soviet summit has been the placement of a limit on the Soviet MIRV development. MIRV's, as known, are highly accurate multiple independently targeted warheads for missiles, a weapon that has been at the heart of the nuclear arms race for 6 years. However, the Soviets refused to come to any terms, because in their quest for strategic supremacy over the United States, the development of their MIRV's SS–9, SS–11, and the most recent SS–17, have been for several years at the top of their priorities.

At the moment, the 35-nation European Security Conference is wrestling with the Soviets. According to the Washington Post of July 4, 1973, Soviet Foreign Minister Andrei Gromyko has left no doubt that the Soviet Union wants so-called "detente" on its own terms and that it will fight in the negotiations headed to shape the Security Conference to its own design. In addressing this subject, Gromyko made a strong attempt to limit ideas of "human contacts" to a question of some insignificant "cultural exchanges."

Consequently it comes as no surprise that Secretary of State William P. Rogers was compelled to state that meaningful détente in Europe required "A continent open to the free flow of people and ideas."

Of course, under the given realities, his meek statement reminds one more of a politician's pipedream.

SOVIET STRATEGIC BUILDUP AND AMERICAN TECHNOLOGY

Since 1952–53, the Communist countries have again and again attempted to increase their economic and scientific contacts with the West and not without good reason. It is seldom easy to analyze Moscow's motives for making contact, which only increases the danger. The real reasons for the Communist powers' attempted commercial expansion with the West are to be sought in the blatant inadequacies of their technological and management know-how, as well as their need for capital. Following this line of reasoning, one should be careful not to omit their main criterion. It is imperative to find out what the military and political grounds are which make the cure or alleviation of their shortcomings so urgently necessary.

The Neue Zuricher Zeitung of April 8, 1965 quotes Lenin from the Lenin archives:

> On the basis of observations gathered during my years of exile, the "cultured" class of the capitalist countries of Western Europe and America, i.e., the ruling classes, the financial aristocracy, the bourgeoisie and the idealistic democrats should be regarded as deaf-mutes and treated accordingly. . . .
>
> The deaf-mute capitalist hoarders, their governments, the Chambers of Commerce, the federations of industry, bank groups, steel kings, rubber kings, aluminum kings and others will close their eyes to the above-mentioned truth and so become blind, deaf and dumb. They will grant us credits, which will fill the coffers of the Communist orga-

> nizations in their countries while they enlarge and improve our armaments industry by supplying all kinds of wares, which we shall need for future and successful attacks against our suppliers.

The aims of "peaceful coexistence" and "détente" may not be disregarded when the risks deriving from United States-Soviet trade are considered. Every United States-Soviet deal—that includes passing on scientific discoveries and techniques—is an act of international politics. It becomes so owing to the Communists' use of trade as a political tool. Every Western businessman, scientist, and technician in contact with the East becomes, consciously or unconsciously, an exporter of foreign policy. This is self-evident, but has not yet been generally recognized in the West. In Soviet Military Strategy, Marshal Sokolvsky commented:

> In the present epoch, the struggle for peace and the fight to gain time depend above all on an unremitting increase in Soviet military power and that of the entire socialist camp, based on the development of productive forces and the continuous growth of its material and technological base.

It may, therefore, be assumed that the wish to import articles, installations, scientific discoveries, and technical processes of military value is the underlying reason for expanding trade with the West. The security risk the West incurs through its deliveries is difficult to overlook, because today hardly any goods, equipment, or processes have no military significance. The continuous Communist appeal for peaceful expansion of trade and for lifting "American trade control" and removing other measures for "impeding trade" reveals what goods and processes particularly interest the East. It also shows that Western defense measures, despite all Soviet assertions to the contrary, are effective. According to the draft of the 1966–70 U.S.S.R. 5-year plan, one of the "chief objectives in the development of the political economy is consolidation of the country's economic and defense potential." Pravda, February 20, 1966. From this, it follows that in the 1970's the Soviets still consider their economic potential from a military angle.

To estimate the importance of Western deliveries to the East, the interaction between the economy and military planning must be investigated. Even in the early epoch of the communist movement, this nexus was studied with interest. According to Karl Marx and Freidrich Engels in collective works,

> The victory of power rests on the production of weapons, which rests in turn on production generally; consequently on "the economic power," "on the economic situation," on the "material means" available for the application of force.

This dependence has steadily increased with the growth in technology. In 1924, the Soviet military theoretician, M. V. Frunze—after whom the Soviet Military Academy is now named—was quoted by Marshal Sokolovsky in his book Soviet Military Strategy as stating:

> In every new undertaking, economic, cultural etc., one must always ask the question: How will the results of this undertaking fit into the defense of the country? Is there a chance to ensure also the attainment of definite military purposes without detriment to peacetime requirements?

The difficulties the Soviet economy burdened itself with in creating a highly-developed armaments industry will still weigh on it today. Not only because the capital invested there was missed elsewhere, but also because technical experience was notably deficient. Getting Western knowledge for its industry therefore is a priority task. All sources, both legal and illegal, have been and are being exploited. The acquisition of strategically valuable goods and raw materials is stressed in foreign trade planning. A legion of spies was and is being put to purloining the results of Western research. Soviet interest in this is demonstrated by the trouble they went to in order to get the most important data about atomic energy and the manufacture of atomic weapons. Fuchs, Harry Gold, Nunn May, Hiskey, Chapin, Weinberg, Sidney Weinbaum, Sandford Simmons, Franklin Reno, Fox Lominitz, Hsue-shen Tsien, Ethel and Julius Rosenberg and many others delivered mounds of materials to the Soviets. The activities of Klaus Fuchs alone saved the Soviets 2 years' research.

> Two years is not even an optimistic estimate, quite possibly it was more.

That was the opinion of the late Professor Dr. H. Barwich, who worked from 1945 to 1955 on the development of Soviet atomic weapons, for which he won the Stalin prize. From 1960 to 1964, he was vice director of the atomic research center at Dubna, near Moscow. Not only did the Soviets carry off a large number of German scientists after the war, but they also got their hands onto the entire German groundwork in rocket, power unit, and radar research. As late as 1947, Great Britain delivered 85 Rolls-Royce engines for jet propelled aircraft. These were copied and developed by the Soviets. In Korea, American fighter planes encountered Soviet fighters whose engines were based on these Rolls-Royce products. Even now, Soviet espionage is focused on the armaments industry. At their first meeting, Oleg Penkovsky handed British exporter Greville Wynne a list of places a Soviet delegation wished to visit. This included a radio telescope at Jodrell Bank, atomic power stations and computer firms. There was, therefore, agreement among the Atlantic Treaty members that neither the Soviet Union nor the Communist sphere of influence should receive support or development aid from the West in the field of highly developed armaments. The supply of such equipment and the electronic systems it requires would directly affect the members' security.

To demonstrate the nature of the Soviet quest for Western technology and specifically their quest for sophisticated military systems, I would like to point out that recently at a Paris Air Show, the assistant air attaché of the Soviet Embassy, Lt. Col. Eugene Evgueni Mironkine, was arrested after security agents said he stole electronic equipment from a stand. Mironkine was carrying a packet containing a gyroscope and laser beam equipment when he was arrested as he was getting into his car. This information comes from both the New York Times and the Washington Post of May 31, 1973.

In the last decade, as well as during the previous 40 years, Soviet allocation of resources for defense has taken primacy over the economic sector. These policies have permitted a strategic weapons build up sufficient to accomplish parity in many areas with the United States and in some other areas, even to surpass our capabilities. By many estimates, the Soviet defense burden has not been on the decline but on the contrary, it has been constantly rising. It is interesting to note that two anonymous Soviet economists from Leningrad published in the Soviet underground publication their estimate of the Soviet Union's gross national product and its percentage spent on defenses. It is curious that their estimates coincide with studies and estimates done on my behalf. Two anonymous Soviet economists have estimated that the Soviet Union spends 40 to 50 percent of its gross national product on defense. And computations, according to Robert G. Kaiser, writing in the Washington Post of April 13 of this year set the Soviet defense budget at $88 billion in 1969 and on the rise. And that is out of a gross national product in that year of some $240 billion. In the same year, the U.S. defense budget was $77.8 billion, and for fiscal year 1974, the figure is $78.2 billion—or about 6 percent of our gross national product.

Col. William F. Scott, who returned last fall from his second tour of duty as U.S. air attaché to the Soviet Union, reviewed Prof. Harvey Goure and Prokofleff's book, Science and Technology as an Instrument of Soviet Policy published by the Center for Advanced International Studies, University of Miami, in the March 1973 issue of the Air Force magazine. Colonel Scott drew attention to the 1972 Soviet investment in science and technology, which he estimated as being the equivalent of some 30 billion U.S. dollars. Colonel Scott supports the author's point that the Soviet effort to attain supremacy in science and technology is related especially to direct military power. The authors estimated that approximately 80 percent of the Soviet investment in science and technology went into military requirements. Thus, Colonel Scott's estimate is that in 1972, the Soviet effort in military research and development amounted to a U.S. investment of $24 billion and in 1973 to some $25.8 billion. The $24 billion, which is Colonel Scott's estimate of the Soviet military R. & D. investment for 1972, should be compared with the Department of Defense budget for fiscal year 1972 of $8 billion. Even assuming some average in the authors' and Colonel Scott's estimates, that comparison is a startling indication about the nature of Soviet priorities and at the same time a warning that the United States had best take the Soviet challenge seriously.

I would like to point out that in the recent study by the Joint Economic Committee entitled, "Soviet Economic Outlook," four experts participating in the study project concluded on page 136 as follows:

The two sectors operate on different technical levels, and according to quite different rules, and with a complete secrecy barrier. It is clear that the leaders have had a very difficult time trying to transfer to the civilian sector the managerial techniques, the innovative behavior, and high quality that seem evident in the military and space sector.

Despite the existing situation, in a few words, there is no such thing as Soviet technology.

Almost all—perhaps 90 to 95 percent—came directly or indirectly from the United States and its allies. In effect, the United States and the NATO countries have built the Soviet Union, its industrial and its military capabilities. This massive construction job has taken 50 years since the revolution in 1917. It has been carried out through trade and the sale of plants, equipment, and technical assistance. These are the results of a 10-year-long study and research on Soviet technology performed by Prof. Antony Sutton of the Hoover Institute at Stanford University.

Soviet emphasis on rapid development of the SS–9, the SS–11, and especially MIRV SS–17 and on development of sophisticated weapons systems based on laser power, clearly signifies their military and strategic objectives. According to the information made available to my office, the transfer of American scientific computers to the Soviet Union will save the Soviet Union at least 1 to 2 years in accomplishing their objective of a perfected SS–17, their edition of our MIRV's, and in perfecting a weapon based on laser power.

The Soviet Union's strategic rationale, which is behind their present policy of extension of international economic relations, is based on three objectives. Namely to obtain from the United States and developed nations of the West, advanced technology, industrial knowhow, and massive credit necessary for the buildup of their military-industrial complex.

The past has demonstrated that there can be changes in Moscow's tactics, manners, and theatrics. But the goal—that of attaining preeminent world power—never changes.

Therefore, in order to insure a de facto detente and a "generation of peace" we would like the U.S. Congress to consider the following recommendations. Because we believe that only by following these ideas can we be instrumental in liberalizing the Soviet society. And it goes without saying that without drastic changes in the nature of the Soviet Union's society and its objectives, there is no guarantee for our children and grandchildren that they will enjoy the "generation of peace."

We suggest that:

First. Every dollar of U.S. Government credits and/or U.S. Government credit guarantees involving tax moneys or funds raised by the Federal Government or its agencies in financial markets for the financing of commercial transactions with the Soviet Union and/or investment in the Soviet economy and/or investment in joint ventures with Soviet state business enterprises must be matched by an equal amount of U.S. dollars provided by the Soviet Government. The purpose of this provision is twofold. First, to ascertain that the Soviets are not going to divert their resources from civilian into military areas, or to divert their resources for promotion of conflicts and subversion around the world. Second, we believe that if we demand from our local governments and communities to match every Federal dollar invested into their area with a local dollar, that it is only fair to apply the same criteria to the Soviet Union.

Second. No transfer of American technology, relevant for the development of sophisticated weapons systems, is to be allowed, directly or indirectly, to the Soviet Union.

Third. The Soviet Government should be required to permit American corporations to invest in the Soviet economy and operate its enterprises in accordance with well-established international business criteria.

Fourth. American financial institutions should be permitted to establish their branches in the Soviet Union and operate on its territory in accordance with long-established international financial and commercial practices.

I believe that only with the establishment of American presence on the territory of the Soviet Union and by application of sound economic and business practices in the Soviet economy can we assure the liberalization of the Soviet system, which is the only guarantee for a meaningful detente and a better world for our children.

In closing, I should like to enjoin my colleagues to remember the words of Patrick Henry when he said:

> I have but one lamp by which my feet are guided, and that is the lamp of experience. I know no way of judging of the future but by the past.

Mr. DENT. Mr. Speaker, one of the most unwarranted generalities which has been heard during the recent visit here of Soviet Communist Party leader Leonid Brezhnev is that the Soviet Union has mellowed and has given up its bad ways which should, therefore, usher in a new era of cooperation in trade relations between the two countries. This apparent complacency and seemingly disregard for the importance of the recent U.S.-Soviet commercial trade agreements have presented the Soviets with a real opportunity to achieve a transcendent advantage in its continuing struggle with capitalism.

I would hope that last year's grain sale disaster is not indicative of the kind of transactions we can expect with the Soviet Union in the future and I additionally hope that we in this country can expect more than the type of the deal promulgated by Occidental Petroleum and the Russian Government. I draw particular attention to these two for obvious reasons.

The grain sale has by all accounts shortchanged American farmers, consumers, and taxpayers because of the failure of the Department of Agriculture to properly assess wheat demand. The Russians, who made the massive purchases, benefitted the most. The resulting convulsions in the prices of wheat, bread, beef, pork, poultry, eggs, flour-based products, and dairy products, as well as the serious disruption of transportation facilities have certainly offset any positive aspects of the Russian sales.

The Russian-Occidental Petroleum agreement bears witness to Kosygin's statement to the American trade mission. Kosygin, at that time, stated flatly that there would be no currency exchange between the two countries, and that barter would be the only basis of trade. The Russian-Occidental deal is obviously a part of that policy.

A recent editorial in the New York Times entitled "Ruble Diplomacy" highlights the political significance of Mr. Brezhnev's interest in large-scale American credits for the long-term development of Siberia's resources. The informative editorial which appeared in the June 26, 1973 issue of the New York Times represents the kind of journalistic analysis which must be carried on if the true impact of the commercial trade agreements is to be made known to the public. I commend the editorial to all of my colleagues who share an interest in the development of United States-Soviet trade relations:

Ruble Diplomacy

During his entire visit here, Leonid I. Brezhnev repeatedly underlined his enormous interest in large-scale American credits for the long-term development of Siberia's resources. It remained for Mr. Brezhnev's public spokesman, Leonid I. Zamyatin, head of Tass, to underline the political significance of what the Soviet leader had in mind.

At a news conference last week, Mr. Zamyatin told reporters that long-term trade agreements "create a tremendous potential of trust." He then added that "it is always easier to settle such questions" as the reduction of strategic arms "when there exists trust." Mr. Zamyatin was evidently hinting, and none too subtly, that large-scale American credits were the *quid pro quo* expected for cooperation in halting the arms race.

There is enormous irony in all this. The Soviet Union has for decades denounced American capital investment in and credits to other countries. The standard Soviet line has always been that such credits and investment are means of "economic enslavement" of the recipients. Oceans of inky tears have been spilled by Soviet propagandists lamenting the unhappy fate of Arabs "saddled" with American oil investments, Latin Americans "afflicted" with American investments in copper or other raw materials, and West Europeans "burdened" with American investments in modern manufacturing.

Historically the Soviet Union has long urged the countries so "victimized" to expropriate American investments, evict American businessmen and technicians, and refuse any demand for payment of principal or interest. Castro's behavior toward American investors and investments in Cuba has been the perfect realization of the traditional Soviet attitude.

How then is one to explain Mr. Brezhnev's sudden enlightenment as to the virtues of American credits, and Mr. Zamyatin's conversion to the belief that long-term credits mean long-term international "trust." Mr. Brezhnev provided the answer obliquely during his long luncheon monologue to a blue-ribbon group of American capitalists last Friday. Women, he explained, are all for trade in consumer goods. Then he added: "We men are all right, we can get by just wearing one old coat on our shoulders, but the women all want to change their clothes at least three times a day." What he seemed to be saying was that he, too, is stuck with the international revolution of rising expectations, and that consumer demands are putting pressure on him he cannot satisfy without American capital.

It is gratifying that the leader of the Soviet Union understands the advantages of international trade and finance. However, in such matters trust is a two-way street. Mr. Zamyatin argues that the debtor who has received large credits tends to trust his creditor. But if he were more used to capitalist ways, Mr. Zamyatin would know that the creditor must first have trust in the would-be debtor.

Similar reservations regarding U.S.-Soviet trade expansion are additionally voiced by AFL–CIO President George Meany. Mr. Meany was interviewed on May 24, 1973, by Gerhard Lowenthal, chief editor of the Second German Television Network in the Federal Republic of Germany. I submit excerpts from that interview for the additional consideration of my colleagues.

LOWENTHAL. How would you analyze the aims of present Soviet policy?

MEANY. The Soviets have not given up their expansionist designs. They are seeking Western help to overcome their serious economic difficulties and to continue their speeded-up rearmament. The Federal Republic's Defense Minister, Gerog Leber, recently explained what Russia's mounting military might means for the Federal Republic.

The Soviets are trying to get all kinds of diplomatic concessions in order to achieve these two goals. At the same time Moscow tries to create a false sense of security among the West European peoples and to undermine the American presence in Europe. If they get away with this game, the Soviets will sooner or later succeed in the "Finlandization" of Western Europe. This would be only a step towards their complete domination of the continent.

The Soviets are pursuing the same strategy in the Middle East: Here they are not seeking real peace. While not encouraging immediate war, they continue to aid and arm the guerrillas and the most warlike Arab regimes and build up their fleet in the Mediterranean.

Brezhnev himself explained what detente means to the Kremlin and what the Soviet rulers are trying to get out of it. Addressing a conference of select Communist representatives at Karlovy Vary, the Soviet dictator said on April 24, 1967:

"Experience teaches, in particular, that the 'cold war' and the confrontation of military blocs, the atmosphere of military threats, seriously hampers the activity or revolutionary, democratic forces. In conditions of international tension in bourgeois countries, the reactionary elements become active, the military raise their heads, anti-democratic tendencies and anti-Communism are strengthened.

"And conversely, the past few years have shown quite clearly that, in conditions of slackened international tension, the pointer of the political barometer moves left. Certain changes in relations between Communists and Social-Democrats in certain countries, a noticeable falling off in anti-Communist hysteria and the increase in the influence of West European Communist parties is most directly correlated with the reduction in tension which has taken place in Europe."

LOWENTHAL. You have very recently criticized industry to be too keen on expanding trade in the Soviet Union and you have warned the industrialist that the Russians might only be interested in the expansion of technological and economic relations with the West to overcome their own difficulties. Do you think that an expansion of economic relations with the East is also in the interest of Western countries?

MEANY. I have already mentioned the two main reasons why Moscow is trying so hard to get massive economic and technological help from the Federal Republic, the U.S. and other Western democracies. One thing is clear, the Kremlin is much more interested in advancing Russian world influence and power than in promoting the wellbeing, living standards, and human rights of the Russian people. Actually, recent months have seen a tightening of Russian tyranny and repression against Soviet intellectuals and Jews seeking to exercise their basic human rights of emigration in line with the Charter of the United Nations.

As I see it, Moscow should not be given the aid it now seeks unless and until it gives up its expansionist designs which are a threat to democracy in Germany as well as a threat to world peace. Experience has shown that free world economic help to the Soviet rulers does not make them more peaceful abroad or less repressive at home. Over the years, German, American, and other Western industrialists, bankers and governments have given much economic and technological aid to the Soviet regime. What good did it do?

Let me remind you that an American firm, the McKee Corporation, built the world's biggest iron and steel plant at Magnitogorsk. Ford built the first Soviet automotive plant. General Electric planned, equipped and constructed the famous Dnieper hydroelectric dam. Some years ago, Stalin himself told the American industrialist, Eric Johnson, that "about two-thirds of all the large industrial enterprises in the USSR have been built with U.S. materials or technical assistance."

So you see, big economic help to Moscow did not prevent it from causing crisis after crisis over Berlin, building the Wall of Shame, denying the German people the right of self-determination, aiding and abetting subversion of the democracies and wars of so-called national liberation. The huge expansion of this type of Soviet collaboration with the West will not help the German, American, or any other people. For the Russian people it has meant and can only mean a strengthening of the dictatorship which exploits and oppresses them. Why repeat and even enlarge this mistaken policy? In a human and moral sense, and in the long range even from the viewpoint of profits, this kind of policy is bad business—fatally short-sighted.

Mr. LUJAN. Mr. Speaker, an interesting and timely editorial entitled "A Bad Soviet-American Agreement" appeared in the June 20, 1973, issue of the Washington Post.

The Post editorial in commenting on the recent agreements on "contacts, exchanges and cooperation" President Nixon signed with the Soviet Union, throws renewed light upon the Soviet's internal policy of absolute suppression of any indication of democracy, liberalism or independence. It points out that in the Soviet Union, a great writer is hounded, while a great musician is caged and humiliated by the Soviet Government for his "long and honorable record of standing up for human rights." Further, the article notes that even while Soviet leader Brezhnev was in Washington, meeting with President Nixon, American radio broadcasts in the Soviet Union continued to be jammed.

The editorial makes the particularly interesting point that surely the principles of relations between the U.S.S.R. and the United States which commits the two countries to deepen cultural ties with one another and to encourage fuller familiarization with each other's cultural values does not require President Nixon to facilitate and sanctify Soviet practices which are anathema to a free people.

I am sure that many of my colleagues will agree with the wisdom of the Post editorial. To contribute to the ongoing discussion concerning the recent Soviet-American agreements, I am inserting the Post article in the RECORD:

A BAD SOVIET-AMERICAN AGREEMENT

It was, we believe, a serious error for President Nixon to put the imprimatur of his office, his presence and his personal word on the agreement on "contacts, exchanges and cooperation" signed yesterday with the Soviet Union. The other three accords signed, on agriculture, transportation and oceanography, are of the useful functional sort which do not actually need a summit blessing but which do not suffer from one either. The agreement on what is called "cultural exchange" is something very different, involving not technological and economic interests which Americans and Soviets share but fundamental values which they do not share at all. That Mr. Nixon, in his eagerness to carry off a successful summit with Mr. Brezhnev, should act in a way to sweep aside those differences is a matter for deep regret.

Consider that in the Soviet Union, a great writer, Solzhenitsyn, is hounded and banned. A musician of international stature like Rostropovich is, as we noted in an editorial last November, "humiliated and caged by his government for his long and honorable record of standing up for human rights." Others of lesser eminence but no less courage are shunted into insane asylums for saying an honest word. Many experts feel that the more the Soviet Union loosens up its political and economic relations with the West, the more it tightens the cultural screws at home. In what limited and tightly controlled contacts it has permitted with the United States, the Soviet government has consistently tried to resist American efforts to broaden and liberalize genuine cultural exchanges. For instance, the basement of the American Embassy in Moscow is full of copies of the popular exchange magazine, Amerika, which Soviet authorities refuse to have distributed. American radio broadcasts continue to be jammed, even while Mr. Brezhnev is in Washington with Mr. Nixon toasting the new agreement on "contracts, exchanges and cooperation."

Given these harsh facts, what was called for at this summit was, at the least, continuation of the modest but valuable exchange programs of the last 15 years or, at best, a candid statement by Mr. Nixon of his intention to make American participation in the exchanges more reflective of American values than of Soviet controls. Instead, Mr. Nixon presided personally over the new agreement as though there were no hitch to it at all. Not only that: by extending the agreement from two to 6½ years, he relinquished some of the all-too-small bargaining leverage with which Americans had protected the substance of the exchanges. This extension was justified by the two sides on the basis of the "Basic Principles of Relation" which Mr. Nixon and Mr. Brezhnev signed in Moscow a year ago. In fact, it has the effect of adding legitimacy to Soviet cultural controls and of letting the Kremlin pass off its regimented culture as the genuine Western article.

The ninth of those "Basic Principles" committed the signatories "to deepen cultural ties with one another and to encourage fuller familiarization with each other's cultural values." Surely this "Principle" does not require the President of the United States to facilitate and sanctify Soviet practices which are anathema to a free people. If that is what Mr. Nixon means to extoll in the name of "detente" and a "generation of peace," he risks giving a bad name to what is an otherwise welcome accommodation between two great powers with a common interest in coming to terms in certain hard-headed and mutually benefiical ways.

IN SUPPORT OF THE REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. Lott) is recognized for 5 minutes.

Mr. LOTT. Mr. Speaker, this past May more than 50 Members of the House of Representatives participated in a special order for which I requested time to discuss the necessity of keeping close relationships with our friend and ally, the Republic of China. At that time, the case was developed why it is important to maintain close political, military, economic, and cultural relations between our two free countries. While different viewpoints were expressed on the wisdom of our current policy to Mainland China, there was complete agreement that the U.S. Government should make no declarations, come to no agreements, or take no actions which would compromise the position or the existence of our free Chinese friends on Taiwan and the other islands.

With the recent announcement that Henry Kissinger again will be going to Peking for discussions and reports that Chou En-lai may be visiting the United States, 10 of my colleagues and I have decided to introduce a resolution in the House expressing support for the Republic of China. The Arizona Republic, in an editorial, has stated:

> At a time when the United States is under attack from many sides, we believe Congress could well approve such a resolution as evidence that Americans do indeed remember their friends and honor their commitments.

I will reintroduce this resolution with additional cosponsors. I urge those of my colleagues who have not already indicated their willingness to cosponsor it to do so.

When the United States does not periodically reaffirm its basic commitment to certain principles and friends, some in the world mistake that absence for abandonment. Let the world make no mistake that there are many in the Congress who will never sanction any such abandonment of our free Chinese allies.

The text of the resolution and the names of the other 10 Members introducing it are as follows:

[93d Congress, first session]

H. Con. Res. —

(In the House of Representatives, June 10, 1973)

Mr. LOTT (for himself, Mr. Don Clausen, Mr. Hanley, Mr. Leggett, Mr. Sikes, Mr. Waggonner, Mr. Zablocki, Mr. Del Clawson, Mr. Derwinski, Mr. Kemp, and Mr. J. Kenneth Robinson) submitted the following concurrent resolution; which was referred to the Committee on ———.

A concurrent resolution providing for continued close relations with the Republic of China

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States Government, while engaged in a lessening of tensions with the People's Republic of China, do nothing to compromise the freedom of our friend and ally the Republic of China and its people.

ENERGY CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Hogan) is recognized for 10 minutes.

Mr. HOGAN. Mr. Speaker, it is clear that a short-term energy crisis is upon us. But there is a long-term energy crisis which may become just as real unless we make those decisions necessary for the long term.

From 1968 to 1971 gasoline demand has risen at an annual rate of approximately 5 percent. In the last 2 years this demand has risen at 6 percent per year. Energy demands in the United States are growing at an annual rate of about 4 percent per year and it is anticipated that by 1990 our energy demands will have doubled.

Nearly every person in the United States has an interest in energy conservation, but such a goal cannot be achieved with any reasonable degree of success without several basic changes in our system.

Our country has continued through the years to consume the available energy resources without the formulation of a National Energy Policy. The lack of a national policy has resulted in mismanagement of energy resources, unacceptably high adverse environmental impact, inadequate incentives for efficient utilization and conservation of energy resources, shortages of supply and soaring energy prices. A lack of a national policy has also stymied the necessary research that needs to be done in order to utilize additional sources of energy. America's energy needs today are supplied overwhelmingly by fossil fuels, with oil and gas providing 77 percent. There are all kinds of estimates on fossil fuel reserves and a confusing array of predictions on how long they will last under varying degrees of husbandry. One thing is certain—fossil fuels are finite.

Mr. Speaker, because of the need to formulate a national energy policy and a need to centralize all energy related projects within the Government, I am today introducing a bill which would create in the Executive Office of the President, a Council on Energy Policy. This Council would consist of three members who would develop a long-range, comprehensive plan for energy utilization in the United States and would provide assistance to any executive agency concerned with energy and power in the United States. They would constantly review the energy situation, both short- and long-range problems, taking into account both international and domestic developments. It would assume the responsibility for making policy recommendations to the President, and would oversee the implementation of the policies which are adopted. The Council would answer to the Congress and its various committees in developing its specific responsibilities and as to budgetary matters.

Energy consumption cannot continue to increase indefinitely into the future at its present rate, since our planet cannot cope with the vast amounts of thermal and material pollution which this would produce. Research programs directed toward more rational and efficient utilization of energy, health, and safety of our people, and protection of the national environment should have the highest priorities.

For these reasons, Mr. Speaker, I am today introducing a joint resolution which would create a Council on Energy Policy. I urge the Members of this body to take prompt action in assuring that these priorities are met by enacting this legislation.

The text of the joint resolution is set forth below.

H.J. Res. —

Joint resolution relating to nationwide gasoline and oil shortages

Whereas the Nation is threatened by an immediate crisis in fuel supplies; and

Whereas there are serious shortages of gasoline, heating oil, and diesel fuel in all parts of the United States which have resulted in the closing of schools, the suspension or limitation of industrial operations, and thousands of homes without heat, serious cutbacks in railroad and motor transportation, the closing of independent gas service stations, and electric power shortages during peak use periods; and

Whereas thousands of oil dealers and suppliers are threatened with bankruptcy because their supply of fuel has been terminated; and

Whereas the combination of petroleum product shortages and relaxation of price controls has already raised prices substantially; and

Whereas major oil companies have instituted systems of gasoline rationing in the marketing of their products; and

Whereas the President's recent action to remove the limit on the power of the Oil Import Appeals Board to issue hardship allocations, while commendable, will not bring relief to the Midwest and other inland areas due to limited supplies of domestic crude oil and to the prohibitive cost of foreign finished products as well as increasing prices of foreign crude oil; and

Whereas there is at present no comprehensive national energy policy; and

Whereas the lack of such policy has resulted in the mismanagement of energy resources, unacceptably high adverse environmental impacts, inadequate incentives for efficient utilization and conservation of energy resources, shortages of supply, and soaring energy prices; and

Whereas notwithstanding such national policies respecting the protection, development, and allocation of energy resources as may be recommended in a message to the Congress from the President or provided for in legislation enacted by the Congress, there exists an emergency fuel shortage requiring that certain extraordinary measures be taken by the Government of the United States to address transportation, heating, and power requirements in the Nation; and

Whereas it is contended that no Federal agency has authority to allocate fuel except with a declaration of a national emergency; and

Whereas immediate action should be taken by the Government of the United States to establish a system on an emergency basis for the equitable allocation of scarce petroleum products to assure that all areas of the Nation obtain a fair share of available petroleum supplies and to prevent anti-competitive practices in the petroleum industry: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there shall be created in the Executive Office of the President a Council on Energy Policy (hereinafter referred to as the "Council"). The Council shall be composed of three members, appointed by the President, by and with the advice and consent of the Senate, and selected from different interest groups. The members of the Council shall serve for five-year terms, except that of the three such members first appointed one shall be appointed for a two-year term and one for a four-year term, as designated by the President at the time of appointment. The President shall designate one of the members of the Council to serve as Chairman. Each member shall be a person who, as a result of his training, experience, and attainment, is well qualified to analyze and interpret energy trends and information of all kinds; to appraise programs and activities of the Federal Government in the light of the energy needs of the Nation; to be conscious of and responsive to the scientific, economic, social, esthetic, and cultural needs and interests of the Nation; and to formulate and recommend national policies with respect to energy. Not more than two members of the Council shall be appointed from the same political party.

(b) (1) The Council shall serve as the principal adviser to the President and Congress on energy policy, exercising leadership in formulating Government policy concerning domestic and international energy issues, and shall assist in developing plans and programs which take full advantage of the Nation's technological capabilities in developing clean energy and in conserving energy resources. In addition the Council shall help formulate policies for, and coordinate operations of, energy resources and facilities owned or controlled by the Federal Government. The Council shall prepare for the President in cooperation with the Council on Environmental Quality and with the assistance of other interested departments and agencies the annual Energy Report required by subsection (f).

(2) (A) All legislative recommendations and reports to Congress of Federal agencies, to the extent such recommendations and reports deal with energy matters, shall be subject to the approval of the Council.

(B) The Council shall make recommendations to the President and Congress for resolving conflicting policies of Federal agencies.

(C) The Council shall recommend policies to Federal and State agencies respecting power emergencies.

(D) The Council shall advise Federal agencies as to appropriate research and development projects.

(3) The Council shall develop a long-range, comprehensive plan for energy utilization in the United States, and shall provide assistance to any executive agency concerned with energy and power in the United States.

(4) All agencies of the Federal Government shall include in every recommendation or report on proposals for legislation and other major Federal actions having a significant effect on energy availability or use a detailed statement by the responsible official on whether such proposal or action is consistent with the long-range plan formulated under paragraph (3). If such proposal or action is not consistent with such plan, the statement shall also contain a detailed justification for the proposal or action.

(5) Neither the Council nor its members may refuse to testify before or submit information to either House of Congress or any duly authorized committee thereof.

(c) In exercising its powers, functions, and duties under this section, the Council shall—

(1) consult with representatives of science, industry, agriculture, labor, conservation organizations, State and local governments and other groups, as it deems advisable; and

(2) utilize, to the fullest extent possible, the services, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided, thus assuring that the Council's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by established agencies.

(d) Members of the Council shall serve full time and the Chairman of the Council shall be compensated at the rate provided for Level II of the Executive Schedule Pay Rates (5 U.S.C. 5313). The other members of the Council shall be compensated at the rate provided for Level IV or the Executive Schedule Pay Rates (5 U.S.C. 5315).

(e) The Council may employ such officers and employees as may be necessary to carry out its functions under this section. In addition, the Council may employ and fix the compensation of such experts and consultants as may be necessary for the carrying out of its functions under this section, in accordance with section 3109 of title 5, United States Code (but without regard to the last sentence thereof).

(f) The President shall cause to be prepared and submitted to the Congress on or before 1, 1974, and annually thereafter, an Energy Report. The report shall include—

(1) an estimate of energy needs for the ensuing ten-year period to meet the requirements of the national defense, the commercial and industrial life of the country, and the general welfare of the people of the United States;

(2) an estimate of the domestic and foreign energy supply on which the United States will be expected to rely to meet such needs in an economical manner with due regard for the protection of national security, and the environment and the conservation of natural resources;

(3) current and foreseeable trends in the quality, management and utilization of energy resources and the effects of those trends on the social, economic, and other requirements of the Nation;

(4) a review and appraisal of the adequacy and appropriateness of technologies, procedures, and practices, including regulatory practices, employed to achieve the foregoing objectives;

(5) recommendations for the development and application of new technologies, procedures, and practices which he may determine to be required to achieve such objectives; and

(6) recommendations for legislation.

(g) There are authorized to be appropriated to carry out the provisions of this section not to exceed $300,000 for fiscal year 1974, $750,000 for fiscal year 1975, and $1,000,000 for each fiscal year thereafter.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. YOUNG) is recognized for 2 minutes.

Mr. YOUNG of Illinois. Mr. Speaker, I was absent from the House of Representatives on Saturday, June 30, 1973, for the purpose of conducting a congressional hearing on airport noise pollution in Park Ridge, Ill. I was unable to vote on three measures that were considered on that date. If I had been present, I would have voted "aye" in favor of the passage of H.R. 8410 on the public debt limitation; I would have voted "aye" on House Joint Resolution 636, the continuing appropriations resolution; and I would have voted "aye" on H.R. 7445 extending the Renegotiation Act of 1951 for 1 year and providing for an increase in certain social security programs.

OLDER AMERICANS NEED HELP—NOT LIPSERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. FORSYTHE) is recognized for 5 minutes.

Mr. FORSYTHE. Mr. Speaker, Charles de Gaulle once described old age as a shipwreck; a shipwreck of a once useful life cast aside on the shoals of inactivity by a society that has grown increasingly youth oriented. I cannot accept this definition. The pages of history and the pages of our newspapers clearly trace the accomplishments and the active role of our senior citizens. The society that ignores the wisdom and experience of its senior citizens is truly forfeiting a resource of independent thought and leadership.

But in one sense, Mr. de Gaulle might have been distressingly accurate. Old age can be a financial shipwreck. With the highest income earning years behind them many senior citizens are now living on fixed incomes guaranteed by social security or private pension programs. But the term fixed income is a deceptively cruel one; for there is no such thing as a fixed income for senior citizens. Anyone who has witnessed the relentless upward march of prices knows that with each passing month senior citizens receiving a so-called fixed income are actually the recipients of a steadily declining income.

This is why I have introduced and supported legislation to increase the maximum allowable earnings under the social security program and to provide for adequate and automatic cost of living increases for social security pensioners. This is why I support reforming private pension programs that too often yield only an empty promise. This is why I support efforts to alter certain aspects of the medicare and medicaid programs.

Today, however, I rise to discuss a specific matter directly related to the income and nutritional needs of America's senior citizens. The omnibus farm bill, now being debated on the floor of the House, contains numerous sections affecting the supply of food stamps to America's elderly.

When H.R. 1 was enacted by the 92d Congress it contained provisions which stripped the eligibility for food stamps from 1.5 million elderly persons. Effective January 1974, those persons receiving benefits under the supplemental security income—SSI—program will be declared ineligible for food stamps simply because they are receiving a very modest SSI benefit. After all the talk about ending hunger and providing adequate income assistance to senior citizens, we are on the way to insuring, via a Government program, that millions of elderly will be denied the means to meet their nutritional needs. I do not believe this is wise. The major national organizations who represent the elderly do not think it wise.

In fact, it is not only unwise but directly contrary to what the Government set out to do last year through Project Find. Project Find was a multimillion dollar outreach program conducted last year which enrolled 190,000 elderly persons in the food assistance program.

Now after all that effort these persons are being told that they cannot have these food benefits. This is nothing less than giving with the one hand and taking away with the other. I understand that the administration's position is that restoring food benefits will somewhat undermine the workings of the SSI program, giving the States disincentives to meet their obligations.

Frankly, I find these kinds of intricate accounting questions somewhat esoteric and difficult to follow. What is clear though is that unless the Congress acts decisively to protect its commitment to hungry poor, then we will be risking hunger and malnutrition for over a million of our elderly. I strongly urge my colleagues to support that section of the bill which restores food stamp eligibility to those persons who will be denied this benefit in January 1974.

I further urge adoption of those sections of the bill which increase the maximum financial resources an elderly person may have before loosing his or her eligibility for food stamps. Currently, that figure is $1,500. If we pass this legislation that figure will be increased to $3,000 for households with two or more elderly persons. While I must confess that I prefer the Senate version of this bill which provides for an increase in the eligibility standards to $3,000 per person, I will today support the best possible measure that is acceptable to the majority of the House.

Raising the eligibility standards for food stamps and restoring eligibility to SSI recipients are two of the surest ways to banish poverty and hunger from the homes of this Nation's elderly. And I hasten to add that many experts have argued that perhaps half of the health problems of the elderly are attributable to inadequate nutrition.

In computing who is eligible under the $3,000 resource limitation rule the committee bill directs the Department of Agriculture to exclude certain items, notably a senior citizens home, one car, clothing, and personal effects. However, I am gravely disturbed that the committee has chosen to include the cash value of life insurance policies as available income. Mr. Speaker, it will be a sorry day for this Nation when her elderly are required to cash in and spend their life insurance, which may represent their only significant financial reserve in case of emergency before they are eligible for food stamps.

I cannot understand the committees' reasoning in this. I do not accept the committee's argument that senior citizens will not have to cash in the policy, but only borrow against it. To me it is the same thing. To me it represents another way to further deplete the small financial reserves that senior citizens may have, facing them with even greater penury. We must not allow this to happen and I urge my colleagues to delete this section from the bill.

Mr. Speaker, many thousands of elderly persons reside in my district and I am acutely aware of the income and food needs of these citizens. It is for this reason that I support the provisions of this bill, with the amendment I have outlined above. I urge my colleagues to do likewise.

ADMINISTRATION'S TRADE PROPOSALS ARE CAUSE FOR CONCERN: AMERICAN SELLING PRICE IS BEING READIED FOR GIVEAWAY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, the members of the Ways and Means Committee are now considering trade legislation in executive session, and I want to outline some of my reasons for concern about proposals contained in the administration's bill.

The administration bill seeks congressional approval to grant sweeping powers to the President: The authority to reduce, and even eliminate import duties; the authorization to negotiate agreements on nontariff trade restrictions, though subject to subsequent congressional veto; and the unprecedented authority to raise duties without limit. Also of great concern to me are the provisions relating to adjustment assistance. Although they would make it easier to obtain such aid, the benefits would be considerably reduced below existing levels, and I would hardly call such a change an improvement.

I most strongly urge the members of the Ways and Means Committee to deliberate long and hard on the wisdom of doing what the President himself, in his trade message, termed the delegation of "significant new negotiating authorities to the executive branch." From my own experience over past years, I am most concerned about the proposed grant of power to negotiate agreements on nontariff trade restrictions, for under such authority the President could agree to eliminate the very vital American selling price.

We have been told that the President must be "armed" to negotiate, and we have been told there are safeguards in the bill. But in the 1962 trade legislation we really learned what "arming" means. In the use of the negotiating power granted under that measure, "arming" nearly cost us our U.S. benzenoid chemical industry. I am very familiar with this problem for it is a most important industry in the State of New Jersey, and I believe a review of what nearly befell the industry, through proposed repeal of the American selling price, may be useful to all our colleagues.

Congress authorized the President's negotiators to cut tariffs by 50 percent. Chemical tariffs were cut 50 percent and that competition is being felt in the industry. But that was not enough. The negotiators brought back an extra "dividend"—not authorized—in which they agreed to repeal the American selling price for the benzenoid chemical industry.

The benzenoid chemical industry employs 115,000 workers in the United States, but the strength of it is in New Jersey according to industry sources. United States sales in the industry were $4.5 billion in 1972. From 1967 to 1970, an effort was made to get the Congress to ratify the American selling price repeal. Congress never did this. One reason was that the authority had not been granted and American workers were suffering job losses, often because of tariff-cutting authority that had been granted and used.

The existence of the benzenoid chemical industry affects not only New Jersey, but its principal city of Newark itself. Newark has suffered high unemployment all through this period. There has been continued import competition in this and other industries in and around Newark. Even in June of this year, while the national unemployment rate went down a little, Newark still was listed as an area of "persistent" unemployment. That means 6 percent or higher unemployment and between 50 or 100 percent greater than the national average unemployment, according to the Labor Department definition. That means joblessness.

Yet in the face of such high unemployment, in the face of mounting foreign competition, in the year 1973, the President's trade bill asks for advance authority that would allow him to get rid of the American selling price. Congress has not given such authority in the past; Congress rejected an unreciprocal package on benzenoid chemicals once. Now Congress is asked to give up all chance to know what is going on. The request to "arm" the President merely means that Congress is asked to authorize the President to cut further into an industry already facing serious inroads from foreign competition. This time the mechanism proposed is a blank check—with no questions asked by the Congress.

Our colleagues who have not followed this part of the trade legislation may be interested to know that the American selling price would be removed under authority to eliminate "nontariff barriers." But the so-called barrier under the American selling price is a tariff—a tariff based on the price at which the item sells in America, not the price of the product abroad. The President's trade proposal has this repeal, this advance authority, in a section supposedly designed to get rid of "nontariff barriers." It is merely lumped in with some other requests for advance authority. It is found in section 103(c) which gives the President power to change the methods of valuation now provided in the law of the United States passed by the Congress.

Mr. Speaker, I know how repeal of the American selling price would affect Newark. But no one has examined what other kinds of valuation methods will affect other industries in Newark, and indeed throughout the country. If the President is given this kind of authority, many industries will be adversely affected and the Congress will not even be consulted.

If this is what "arming" the President means, every Member of the Congress should be worried about what other words used to describe the administration's legislation mean.

The word "safeguard" is also used to talk about the President's proposed trade bill. However, there is certainly no safeguard for benzenoid chemicals—or for any other industry which could be affected by a change in customs valuation. That authority is given up in advance. How can the benzenoid chemical industry be "safeguarded" under this legislation?

The American selling price has the same purpose in 1973 as it had when it was first put into U.S laws: to protect American industry from dumping by foreign cartels. It does not shutoff all trade. In fact, the imports of benzenoid chemicals rose 124 percent between 1967 and 1971, according to U.S. Tariff Commission figures. That is a rise from $82.5 to $185 million worth of imports. That means that foreign competition has been increasing. But the repeal of the American selling price would make possible the dumping of even more imports—the rise of over 100 percent in imports could become over 1000 percent. Is this a safeguard for the benzenoid chemical industry, for the workers in Newark, N.J., for the Nation as a whole?

The chemical industry has a record of a favorable trade balance—$2.2 billion more exports than imports in 1972. Should that go the way of other American industries which suffered so much damage that U.S. trade had a deficit—$6.4 billion more imports than exports last year? Benzenoid chemicals were only part of that industry. But they felt the impact of the import competition. And $2.2 billion in the overall balance does not describe how much worse off the United States was in 1972 in chemicals. The Commerce Department shows that chemicals lost more of the U.S. share of world exports than all manufactures in the 1960's—that is, the United States exported more, but it did not export a rising share of total exports to other countries in the 1970's.

Thus the chemical industry in the United States, and particularly the benzenoid chemical part of it, will be threatened by the kind of "arming" and "safeguards" that appear to be in the trade legislation proposed by the President in 1973.

Mr. Speaker, I strongly urge our colleagues on the Ways and Means Committee to develop a reasonable and realistic trade bill that will not hand over such sweeping powers as the President seeks and which will assure Congress the opportunity to exercise its proper role in the formulation of an effective trade policy.

ROONEY LAUDS CATASAUQUA BAND ON ITS 100TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 5 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, it is with great pleasure that I announce to my colleagues that the Catasauqua Band, Inc., of Catasauqua, Pa., is celebrating its 100th anniversary during the week of July 8 through July 14, 1973. The occasion will be marked by daily concerts by the Catasauqua Band, Inc., and by several other bands in the 15th Congressional District.

The 100-year history of this band has been highlighted by its faithfully providing quality music for both civic and community affairs, which it continues to do today under the very capable direction of Vincent V. Suppan.

I would herewith like to insert in the RECORD the following brief history of the Catasauqua Band, Inc., and its outstanding service to the community:

A BRIEF HISTORY OF THE CATASAUQUA BAND, INC.

The first band in Catasauqua was organized in 1865 as the Star Band under the baton of Artillion BenVenutti; however, it was disbanded several years later. The present band was organized July 11, 1873 as the Star Band of Catasauqua, Pennsylvania. Eleven members were present in Laubach's Building for the organization meeting. The first officers were H. A. Beitelman, president; William Fusselman, secretary; William Steward, treasure; and Jocob Berkenmeyer, leader. The instrumentation consisted of three cornets, one bass, two drums, three alto horns, and two tenor horns. This was a true brass band but by February 1875 mention is made of a piccolo and in September 1876 the sum of $2.50 was spent to repair a clarinet.

The minutes of Sept. 4, 1873 state "a report was given by the president to furnish music for a lecture in Town Hall on September 10th in the evening, and the majority of the Band were for to furnish the music." This was the first public performance of the newly organized band.

The minutes of January 19, 1874 refer to the Catasauqua Cornet Band but in November of the same year the name Star Band again appears. On May 7th, 1881 the name was officially changed to Pioneer Cornet Band of Catasauqua and on September 5th of that year the band was incorporated. By 1886 the name had been shortened to Pioneer Band of Catasauqua. In 1910 the band is referred to as Catasauqua Band, Inc. and that name was officially adopted on October 23, 1919. The band was re-incorporated on January 4, 1926.

It appears that at times the members had some difficulties selecting a leader (conductor). On July 8, 1879 O. Nevins was elected with the following notation in the minutes: "Meeting closed. No more scraps for tonight." A partial list of conductors includes Jacob Berkenmeyer, Anton Bush, Artillion BenVenutti, C. C. D. Lentz, O. Nevins, C. F. Roth, John Walker, Clyde Walp, Ignatius Suppan, and Vincent V. Suppan. The leadership of the band was stabilized with the election of O. F. Roth on July 22, 1880. He served, except for a two-month period period to January 3, 1913 when Ignatius Suppan, Assistant Conductor, served an interim period to January 3, 1913 when Ingatius Suppan, recently deceased Director Emeritus, was elected. The present conductor, Vincent V. Suppan, was elected to the position December 6, 1947.

On September 25, 1916 the members voted to join the Musicians' Protective Association A. F. of M.

After rehearsing in various rented halls in the community, the organization acquired a permanent home with the purchase of a building at 208 Front Street (Rear) on August 10, 1925. The Ladies' Auxiliary was organized September 24, 1934 but ladies were not admitted as band members until 1957.

The tradition of the organization is to serve the musical needs of the community. Throughout the years the band has played for various civic and community functions. Between 1925 and 1937 the band gave a series of concerts each summer at the Catasauqua Playgrounds. This custom was revived in 1958. For the past twenty years an annual Spring Concert has been scheduled.

LET US STAND FIRM FOR FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LEHMAN) is recognized for 10 minutes.

Mr. LEHMAN. Mr. Speaker, during his visit to the United States last month, Russian Communist Party Secretary Brezhnev held a meeting with a number of U.S. Senators and Congressmen. At that meeting he sought to soften congressional opposition to special trade concessions for his country by offering very misleading data on Jewish emigration.

Mr. Brezhnev claimed that over 60,000 exit visas had been issued in 1972. In fact only 31,700 people received exit visas last year with more than 100,000 others still waiting.

Mr. Brezhnev also claimed that 10,000 exit visas had been granted in the first 5 months of 1973. This is a lower rate of emigration than the 1972 rate. On an annual basis, this would mean a 25-percent reduction in emigration from the previous year.

Another of his claims referred to the recent announcement that the notorious exit tax was no longer being enforced. History has shown us that the Soviet Union enforces and then ignores its own exit tax statutes whenever it hopes to win a particular favor from the West. Does any one seriously believe that Russian Jewry would be safe from the reimposition of the "ransom" tax once the Soviet Union received the unrestricted trade concessions they now seek?

Mr. Brezhnev said that many of those denied permission to leave are individuals involved in matters of state security. This is merely a pretext to deny emigration to hundreds of scientists and prominent personalities in the arts who have had no contact with classified information, or in a few cases dealt with secret material 15 to 25 years ago. These people are kept as virtual hostages as an example to deter others from applying for exit visas.

On the subject of special emigration restrictions against Jews in the central Russian population centers of Moscow, Leningrad, Kiev, and Odessa, Mr. Brezhnev was silent.

Mr. Brezhnev also failed to mention the well-known policy of the Soviet

Union regarding the basic human rights of Jews and other minorities within its territory. Freedom of religion is strictly limited. Jewish schools, books, newspapers, plays, films, and all other forms of cultural expression are forbidden. Russian Jews who declare their wish to return to their traditional homeland are immediately fired from their jobs and are subject to every conceivable form of harassment including imprisonment.

There can be no excuse for this pattern of systematic repression against tens of thousands of individuals who seek only to build a new life for themselves in Israel.

Since Mr. Brezhnev's visit there has been talk that we should ignore the plight of Soviet Jewry in the interests of the new Russian-American détente.

I am certainly in favor of détente with our most formidable adversary. But I am even more strongly in favor of freedom.

As long as Russia restricts freedom of religion, freedom of thought, freedom of expression, and freedom of movement, it cannot be counted as a responsible member of the family of free nations.

Détente will not automatically make Russia our friend. How can we believe that all the conflicts between the Russian and the American ways-of-life are about to be resolved as long as Russia persists in its suppression of individual liberties?

It is one thing to sit down and talk with your opponent and it is another to offer him aid and comfort. In the interest of détente we should talk with Russia, but in the interest of freedom we must not give Russia most-favored-nation status, trade credits or loan guarantees until freedom of emigration is guaranteed.

Only when Mr. Brezhnev grants visas to the more than 100,000 persons who wish to leave, only when he stops using the phony excuse of state security to prevent the departure of prominent individuals, and only when he allows free emigration from all regions of the Soviet Union, should he be granted special American trade concessions.

I was proud to be one of the original cosponsors in this Congress of the Jackson-Mills-Vanik legislation to prohibit most-favored-nation trade concessions and credits to any country which limits freedom of emigration.

As introduced in the House, this bill would additionally require the President to report to Congress every 6 months that recipients of American trade concessions do not restrict freedom of emigration. Concessions would have to be terminated if a country were to reimpose emigration restrictions.

Congress has moved to restore the moral basis for our foreign policy by strongly supporting the Jackson-Mills-Vanik legislation. It now has the endorsement of 362 of our highest elected officials—285 Congressmen and 77 Senators.

The Nixon administration opposes this legislation.

Soon after the Jackson-Mills-Vanik bill was introduced in the House last February, I wrote to President Nixon:

> I urge you to support the goals of this legislation and deny the Soviet Union any concessions regarding trade until all Soviet Jews are allowed their freedom to emigrate.

In March, I received a reply from a deputy assistant which offered no explanation of the administration's position, but which merely said:

> You may be assured your letter will be called to the President's attention at the earlist opportunity and in addition it will be presented for consideration by the appropriate members of the staff.

That was the last I heard from the White House on this matter.

There is no question in my mind that if the true facts about Jewish emigration rates and exit taxes and special restrictions are made known, Congress will stand firm in its insistence on basing our foreign policy on the ideals of individual freedom. It is my strongest hope and belief that the Congress and the Nation will continue to support freedom of emigration for Soviet Jewry and will never agree to bargain with human rights.

TRIBUTE TO KEN BELIEU

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. HÉBERT) is recognized for 10 minutes.

Mr. HÉBERT. Mr. Speaker, I want to speak on the occasion of Mr. Kenneth E. BeLieu's resignation on June 29, 1973, as Under Secretary of the Army. I regret the departure from public service of such a great American and count it as a rare privilege to have the opportunity to recognize Ken BeLieu's magnificent contributions to our Nation.

Men of Ken BeLieu's selfless devotion to duty and total commitment of service to country come infrequently to a nation. During the recent period of rapid change in the country and within the Army he contributed steadfast and inspiring leadership in tackling the myriad of difficult problems associated with the Army's transition from active combat toward a peacetime posture.

His long, distinguished career both in the Army and in the Government combined with his sensitive appreciation for the needs of people led the way to sound and innovative Army programs during a period of great need. A man of great vision, ever mindful of the preeminence of human beings and the power of the spirit in shaping the course of events, he labored with great success to broaden the base of mutual respect between the Army and the Nation it has served so magnificently and so faithfully.

Our Nation was fortunate to have had Ken BeLieu's distinguished and inspiring leadership during these critical times. I join together with my colleagues in wishing this giant of public servants best wishes in all his future endeavors.

PRESIDENT BHUTTO'S VISIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, President Zulfikar Ali Bhutto of Pakistan will arrive in Washington next week for a state visit. Although the major problems of the subcontinent are still unresolved, Mr. Bhutto's visit comes at a time when the prospects for peace appear brighter than at any time since the India-Pakistan war ended more than 18 months ago.

President Bhutto has taken the realistic attitude that Pakistan must recognize Bangladesh as an independent country. In turn, he has a right to expect that the 93,000 Pakistani prisoners of war will be repatriated. These individuals, of whom more than 15,000 are civilians, are still being held in 53 POW camps in India.

This incarceration represents the largest number of people in foreign captivity since World War II. The large civilian contingent includes teachers, doctors, craftsmen, and merchants, in addition to the families of some of the captured soldiers. Their only crime was that they happened to be in East Pakistan when the war broke out. They sought sanctuary with the Pakistani Army, and when the troops surrendered, the civilians were also taken prisoner.

Bangladesh has announced its intention to try 195 of the prisoners for war crimes. But it is unconscionable for more than 90,000 persons to be held indefinitely in POW camps because a small minority may be guilty of war crimes.

President Bhutto, despite some opposition in his own country, has adopted a pragmatic approach toward the issue of recognition. Early this morning the National Assembly gave President Bhutto authority to recognize Bangladesh. Mr. Bhutto has also called for an official level meeting between India and Pakistan, which, hopefully, will take place shortly after his return from the United States.

This high-level meeting, coupled with Pakistani recognition of Bangladesh, would constitute a major break in the impasse. I am very hopeful that the three great nations of the subcontinent will soon be able to negotiate a just settlement. Last week, President Bhutto declared:

> My government and my people will make every endeavor to achieve an honorable peace, and in doing this we hope to carry the people with us, inside as well as outside the National Assembly.

President Bhutto's state visit offers an excellent opportunity for the United States to lend its good offices toward achieving a lasting peace in an area which has known only tension for the past quarter century.

WHO IS BENEFITING FROM AGREEMENTS WITH THE SOVIET UNION?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. MATHIS) is recognized for 10 minutes.

Mr. MATHIS of Georgia. Mr. Speaker, I am concerned that the United States seems to have embarked on a program of increased trade with Moscow that may severely compromise our Nation's ability to challenge the Russians on either a military or ideological level.

In substance, we are offering them technological know-how for Russian industrial development and the bountiful output of our farms to enable the Kremlin to feed the captive peoples of Eastern Europe. In return, the Soviets are offering us certain raw materials that will make us potentially dependent on the Communists for such energy sources as natural gas and, perhaps, some strategically vital metals.

With all due respect for our Government's efforts to reduce sources of tension between East and West, I am fearful that we may be going much too far without taking the proper precautions.

Everyone in this House wants to see the achievement of a "generation of peace." But let us make certain that we are not paying too high a price for that peace.

Since the end of World War II, the Soviet Union's goal has been to become the No. 1 military power in the world. At great sacrifice by the peoples of Eastern Europe, the Soviets have now surpassed the United States in the field of strategic weapons, according to all reports from the intelligence community.

However, Moscow finds itself faced with increased grumbling and unrest from a population that wants more to eat and the greater availability of consumer goods and creature comforts so long enjoyed by the non-Communist West.

To enjoy a guns and butter economy, the Russians must turn to us for help and it appears we are going to give them all the help they can use. I am not sure we are demonstrating much wisdom in complying so readily.

Mr. Speaker, ever since communism came into power in 1917, it has been obvious that the Achilles heel of that totalitarian system has been agriculture. The Communists have never been able to successfully explain this shortcoming in the Marxist-Leninist formula for achieving a workers' "paradise."

It has been most embarrassing to the Russians that while they have experienced almost perennial food crises, crop failures, and harvest headaches, the free American farmer was demonstrating to all the world that under our system of government we knew how to produce food in abundance. Wherever communism has gotten control of the government—in Cuba, China, Eastern Europe, North Korea, North Vietnam—agriculture has suffered. Now, in effect, we are offering to rectify that by becoming the breadbasket for the Soviets.

In exchange, the Russians are offering us certain raw materials—metals, natural gas, perhaps even oil—to balance off their food buying from us, but I fear that this will tend to make us dependent upon the Communists for some of our energy needs and rare metals.

Unfortunately, we have refrained from striking a hard-nosed bargaining stance with the Soviets. In fact, we seem to go out of our way to make the terms convenient to them and at the expense of our own farmers and consumers. Consequently, the world prices of grains have climbed so sharply since we started supplying Russia and Red China that many of our livestock and poultry producers are caught today in a critical financial squeeze.

Trade that benefits the buyer and hurts the seller simply does not make sense.

If, in our eagerness to trade with the Soviets, we commit so much of our grain to meet Communist reqirements that it forces up the price of food and feed grains here at home, the trade cannot be said to be beneficial. And, if we agree to purchase raw materials and energy materials in such volume from Moscow that we become dependent upon them as a source of strategic supply, our Nation is further harmed.

Those who defend the trade agreements being worked out with the Kremlin argue that this enhances the chance for achieving a lasting peace. But is it not fair to ask what kind of peace will have been achieved?

The trade commitments we seem to be making with the Soviet Union will undoubtedly make it easier for the tyrant to perpetuate the tyranny. These agreements could give the Kremlin planners greater flexibility in devoting ever larger percentages of their national wealth and manpower toward continuing the buildup of Soviet armed might.

All I see in these agreements, Mr. Speaker, is that we are seeking to bail the Communists out of their own dilemma while placing ourselves in a new dilemma involving a U.S. food shortage and increased dependence on our traditional enemies for vital raw materials.

I think it is high time we called a long enough halt to our agreements with the Soviet Union to see just who is benefiting. To date, I have seen no evidence that we are.

THE OUTSTANDING SERVICES OF THE HONORABLE FRANK SANDERS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, when the Under Secretary of the Navy, the Honorable Frank Sanders, leaves government service, the Pentagon will lose one of its ablest public servants, a man of unquestioned integrity, with vast experience both on Capitol Hill and in the Department of Defense. He has been one of the most effective appointees of the present administration.

I have known Frank longer than either of us cares to admit. I first came to know him when he was a staff member of the Appropriations Committee, specializing in matters dealing with the Department of Defense, Public Works, and the Marshall plan. He was particularly expert in the field of military construction with long experience as chief staff member for the Subcommittee on Military Construction. He was serving in this capacity at the time that I became chairman and continued to serve the subcommittee with great ability until he joined the Defense Secretariat.

It was no accidental choice when Mel Laird, as a newly designated Secretary of Defense, picked Frank from among the top-rated Hill staffers to accompany him to the Pentagon. He knew of Frank's intimate knowledge and outstanding ability in these matters. Frank's departure from the committee was a great loss to me personally for I had leaned on him heavily in the work of the committee. It was a greater loss to Congress because of the need for his expertise in defense and military construction on Capitol Hill but it was a great gain to the Nation to have the benefit of his stellar qualifications in the Department of Defense.

Mr. Sanders was born in Tarboro, N.C. He attended junior college in Savannah, Ga., and later went to law school at George Washington University. In addition to his juris doctor, he holds a masters degree in government and politics from the University of Maryland.

Frank served his Nation in uniform as well as in high-ranking civilian posts. He entered the Army as a private in 1941 and was discharged a captain in 1945. Later he advanced to the rank of lieutenant colonel in the Army Reserves. During World War II he served in the intelligence and survey section. He holds the Bronze Star and the European theater ribbon with three battle stars.

When he left Capitol Hill for service in the Pentagon in 1969, Frank first was named Assistant Secretary of the Navy, I. & L. Later he became Assistant Secretary of the Navy for financial management. He was nominated to be Under Secretary in 1972.

Thus, for over 31 years as a civilian and military officer, Frank Sanders has served his Nation well. I have been very proud of the warm friendship we have shared and I respect him for his keen judgment, intense dedication to duty, deep love of country, and an overriding sense of responsibility to do what is right and what is best for his Nation.

Mr. Sanders has a delightful family: a beloved wife, Mary Ellen, and two sons, Douglas and Frank, Jr., both of whom have shown fine promise and initiative. They reside at Potomac, Md.

Frank Sanders will be missed in Government circles by all who have known and worked with and for him. I especially will miss his wise counsel in defense matters, his sound judgment, and his unswerving friendship over the years. I wish him and his family well in all that they undertake in the years ahead.

PUBLIC BENEFITS FROM FLOOD CONTROL PROTECTION

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, a dramatic example of the value and importance of adequate flood control protection is the experience of the Alton-Wood River, Ill., area during the recent floods in the Mississippi River Valley.

While many areas were devastated by rampaging floodwaters and swollen streams, the Alton-Wood River area remained dry and protected from flooding because of a 22-mile levee system along the Mississippi River and the dedicated efforts of the Wood River Levee and Drainage District headed by Fred Grenzebach.

Major industries, homes and highways were protected by the levee system and the work of the levee district. The levee system more than paid for itself by protecting the area from severe loss and disruption. The levee district proved its worth by making certain that its equipment kept functioning around the clock.

It has been my privilege to help obtain funds for the construction of the levee system and assist the levee district with its responsibilities. Moreover, I am proud to know Fred Grenzebach as a friend and to have worked with him.

At this point in the Record I want to include a July 3 article in the Alton Telegraph concerning the excellent public service rendered by the levee district and the public benefits of the levee system.

Wood River Levees Kept Area Industries Dry During Floods

The record flood this spring was kept from Alton-Wood River industries by the more than 22 miles of levees maintained by the Wood River Drainage and Levee District.

If it hadn't been for the levees, all industries would have been flooded out, according to Fred Grenzebach, chairman of the board of commissioners of the district.

He said all seven pump houses were in operation around the clock during the flood, and there was never a malfunction in the equipment.

Extra employees were hired to man the pumping stations during that time, and they worked in eight-hour shifts to make sure all equipment functioned properly.

Grenzebach said that if it hadn't been for the levees, all industries from Owens-Illinois in Alton to Shell Oil in Wood River would have been flooded, costing hundreds of workers their jobs during the time the Mississippi River was out of its banks.

For the first time in the history of the levees, most of the flood gates were closed, protecting industries, homes and highways, Grenzebach said.

He said the levees were completed in 1950 to protect the land from river waters getting higher than 445 above sea level. The highest water level this year, and the highest ever recorded, was 432.11 above sea level.

Grenzebach said that 92 per cent of the levee tax money comes from the manufacturing industry, but that farm land is taxed on the basis of 50 cents per acre, per year, vacant lots in cities is taxed at 60 cents per lot, and that lots with homes on them are taxed at $2 per year.

"This is very low cost for the protection," Grenzebach said.

On the average, Grenzebach said, the district operates on about $83,000 per year, but that figure will be higher this year due to the flood.

The federal government is expected to reimburse the district for additional costs during the flood.

Grenzebach praised the operation of the district, which is watched over by a three-man board of commissioners, and said all the equipment the district has is in excellent condition.

He said there were no malfunctions in the equipment during the flood.

The history of the district goes back to 1908 when it was formed as a drainage and levee district.

At that time there were no levees, but industry provided funds for maintenance of a crude drainage system.

In 1936 Congress passed the Flood Control Act, so the board of commissioners began to think about a drainage and levee system.

However, it wasn't until 1945 that the district obligated itself to construction, which didn't begin until 1948, with completion two years later.

Although the district has "drainage" in its name, it no longer is responsible for drainage, only the providing of a levee system under the jurisdiction of the U.S. Corps of Engineers, Grenzebach said.

Besides the three commissioners, there are two other employees of the district, a secretary in the office on Ferguson Avenue in Wood River, and a maintenance man.

The commissioners, especially 74-year-old Grenzebach, do much of the work of the district, such as seeing that all pumps are in good working condition, and that all flood gates are operable.

THE ADMINISTRATION PENSION PROPOSALS

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, the ever-increasing public concern over the administration of private pension plans is being paralleled in the House of Representatives. It is my hope that meaningful and effective legislation will be forthcoming during the 93d Congress.

Even the administration has acknowledged the plight of those who have been shut out by private pension plans and has offered a bill of its own which would purport to rectify the situation. The June issue of Pension and Welfare News contains an editorial which reviews the President's proposal. I would like to submit this editorial for publication in the Congressional Record for the information of my colleagues.

The Administration Pension Proposals

This spring President Nixon submitted his proposals for pension reform to Congress in a message which is likely to increase the pace of a movement which has had the inevitability, and the speed, of a glacier.

Except for a moderate proposal on compulsory funding of vested liabilities, the Administration message requested legislation similar to the President's proposals of December 1971.

CONTENTS OF BILLS

In two bills, the Retirement Benefits Tax Act and the Employee Benefits Protection Act, the Administration-backed legislation would require vesting according to the Rule of 50 (50% vesting when age and years of participation equal 50, with 10% for each year thereafter) and funding of 5% of unfunded vested liabilities each year, allow deduction of employee contributions to $1,500 per year or 20% of earned income, increase allowable HR 10 deductible contributions to $7,500 or 15% of earned income, allow transfer of lump-sum termination benefits tax-free to another qualified plan, and provide for stricter fiduciary and disclosure provisions.

Compulsory vesting is a necessary part of pension reform. The Administration's proposals are, therefore, steps in the right direction. The Rule of 50 does not go far enough, however. Nothing less than the Williams-Javits bill's provisions should be accepted by the legislators in Congress at this time. Williams-Javits calls for vesting 30% at the end of eight years, with 10% annually thereafter. Adoption of Williams-Javits vesting would establish a platform from which further progress could be achieved in future sessions of Congress.

EMPLOYEE DEDUCTIONS

The Administration proposals for funding are, again, moves in the right direction. Funding should be required, however, for all pension liabilities over 30 years.

The Administration proposal to give tax-deductibility to employee contributions to $1,500 or 20% of earned salary (whichever is less) deserves strong support. At present, employer contributions to qualified plans enjoy income-tax deduction. The Treasury forgoes large amounts of income, which must be replaced by income tax payments of all taxpayers. Beneficiaries of qualified plans, however, derive a benefit, whereas those persons not covered by such plans do not.

It is difficult to follow the rationale of persons opposed to reasonable deduction of employee contributions. A number of advanced industrial countries allow income-tax deduction for such contributions. This measure would benefit chiefly employees in the lower and middle bands of the middle economic class. It would help employees where an employer cannot or will not set up a plan, bringing into the private pension system people who are now unfairly excluded. It is hard to see how allowing a maximum of $1,500 to be exempt from income tax would unduly benefit the rich, they have minimal need of a pension anyway.

Increasing the HR 10 (Keogh) contribution limits would make retirement plans for the self-employed more nearly approach those available to corporate employees of similar income. This, too seems desirable for purposes of equity.

LUMP SUMS ON TERMINATION

The present tax on lump sums received by employees on termination can be onerous. Where such sums go into another retirement plan it makes sense to defer taxation until retirement. This the Administration legislation would do.

Improved fiduciary and disclosure legislation is recognized by all involved in pensions as essential and needs no further comment.

It is disappointing that the Administration proposals contain no guaranty fund to protect beneficiaries of plans which are discontinued. Surely ingenuity of pension technicians is equal to this task. Critics of a guaranty fund say that cases are relatively few where it would apply. The economic blow is nevertheless hard on those on whom it does fall. If the cases are indeed few it should be that much easier to devise a workable insurance plan at reasonable cost.

TAIWAN—ON THE ROAD TO INDEPENDENCE

(Mr. LEGGETT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. LEGGETT. Mr. Speaker, for almost a quarter of a century, the Republic of China on Taiwan has maintained a peacefully independent existence. Despite the severe tensions and hostile relationship with nearby mainland China, the republic has steadily gained in strength, particularly in developing a structure of internal political stability.

The succession to President Chiang Kai-shik, now approaching his 90's, has quietly been settled. Since the President has not appeared in public for over a year, Chinese and foreigners alike believe the man now in charge is his son, Chiang Ching-kuo. Mr. Chiang has been premier since February of 1972 after serving as vice-premier since 1969.

Mr. Chiang has proven himself to be a man of decision ready for the trials of the modern world. With a long background and association with the military, he has also developed a strong contingent of men representing such fields as education, finance and economic planning who are more concerned with the future of Taiwan rather than any ghosts of the past.

A further development to political stability in Taiwan is the admission of native Taiwanese to government, which for many years still was under the eyes of the mainland Chinese who came to Taiwan with General Chiang in 1949. The number of mainland Chinese in the Legislative Yuan is still great, but it is gradually being reduced through elections to include representatives of the 12 million native Taiwanese who outnumber the mainland Chinese on the island four to one.

It was rightfully felt that native Taiwanese should be allowed to take part in their government. To better meet the demands of time and to secure the nation's vigorous existence and continuous struggle to bring freedom to all the people, it is necessary to have young talents and truly patriotic individuals at home and abroad directly taking part in national affairs.

For Premier Chiang these elections are a way of building a new base support for the time when the hope of returning to the mainland will—with the passing of his father—be finally laid to rest.

Although the Taiwanese Government still runs around a tight circle and there are a few Communist political prisoners, government spokesmen state proudly they are beginning to move away from authoritarianism. They claim other non-Communist allies of the United States have taken opposite roads in reacting to the ever changing great-power relationships.

One sees Taiwan to be taking tremendous steps toward progress and prosperity under a democratic government, but the independent nature of the island can be preserved only in one way—formal secession from China. With Taiwan being the third largest economic trader on the Pacific Ocean, behind only Japan and California, it is difficult to see how the United States, or any other non-Communist country, could fail to recognize instantly, the independent country of Taiwan.

If President Chiang were to make this secession a reality, this gesture of reality would only contribute to the hope and aspirations of the people of Taiwan. Geoffrey Godsell of the Christian Science Monitor points up this program as follows:

TAIPEI MAKES INROADS OF THREE BIG PROBLEMS

(By Geoffrey Godsell)

TAIPEI, TAIWAN.—The Chinese Nationalist Government has made progress in varying degrees on three issues which—if not faced up to and tackled—could threaten the internal political stability of Taiwan.

These are:

1. The succession to President Chiang Kai-shek, now approaching his 90's.
2. The admission of native Taiwanese to government, which had long remained a monopoly of the mainland Chinese who came to Taiwan with General Chiang back in 1949.
3. The easing of the conservative and authoritarian grip General Chiang and his original associates imposed on the island nearly a quarter of a century ago.

SUCCESSION SETTLED?

Chinese and foreigners alike believe that the succession to General Chiang has quietly been settled. The elderly president has not appeared in public for a year, and the man now in charge is his son, Chiang Ching-kuo. Mr. Chiang is in his early 60's, and he has been Premier since February of last year.

When Mr. Chiang began to move toward center stage with his appointment as vice-premier in 1969, there was widespread misgiving among many here who felt deeply the need for a more reformist government than hitherto. He had been partly educated in the Soviet Union, where he spent 12 years. (His wife, incidentally, is Russian.) His background is more military than political, and he had long been associated with military intelligence. This led many to believe that he would be tough on the modernists and insensitive to the political aspirations of the Taiwanese.

PERFORMANCE A SURPRISE

But to the surprise of many, Mr. Chiang has proved himself over the past four years a relatively modern man.

He is decisive. He has surrounded himself with a few key men—young by Chinese standards—in such fields as education, finance, and economic planning who are more concerned with the future than obsessed with the past. And he is cracking down on corruption, the latest to feel his firm hand being a kinsman, Wang Cheng I, a former personnel chief in the civil service who is alleged to have accepted kickbacks over a public housing project.

Mr. Chiang has started a move—believed by many to be irreversible—to bring native Taiwanese into both the executive and legislative branches of government.

REPRESENTATION UPPED

There are now six Taiwanese in the executive Yuan, or cabinet; and last December elections were held to fill 53 new seats created in the legislative Yuan, or parliament, mainly to give Taiwanese better representation there.

(Admittedly there are still in the legislative Yuan some 400 of the nearly 800 members elected to it before the transfer from the mainland in the late 1940's. In effect they are holding their seats for life—but the passage of time is gradually reducing their number.)

Thus representatives of the 12 million native Taiwanese are gradually being edged into government alongside representatives of the 3 million mainlanders who came to the island after the Communist take-over on the mainland in 1949.

Not surprisingly, there are Taiwanese who feel that this is still being done too slowly; but they have adjusted their complaint from one of being totally excluded from government to one of having to acquiesce in their being dominated in government by the mainland minority.

ELECTIONS HAILED

Last December's partial elections are pointed to proudly by government spokesmen as evidence that Taiwan is beginning to move away from authoritarianism when other non-Communist allies of the United States in Asia (such as the Philippines, Korea, and Thailand) have reacted to changing great-power relationships in their area by becoming more authoritarian.

This is actually correct, but the government leadership here still runs a tight ship.

When a senior government official was asked whether there were political prisoners in Taiwan, he conceded that there were. He said they were in the hundreds, but were fewer than a thousand. He said they were Communists—although the official interpretation of that term could be subjective.

MAINLAND POLICY TOUCHY

The greatest offense is apparently caused by failure to follow the government's line on policy toward the mainland. A Chinese intellectual returning to Taiwan with a recording of a seminar in the United States on the two Chinas got into serious trouble. Taiwan newspapers cannot carry pictures of the mainland leaders. If Chairman Mao is referred to in print, the word "chairman" must be in quotes. And Peking must always be called Peiping, since "Peking" carries with it the meaning "capital."

At the same time, the Kuomintang (KMT)—the Nationalists' official party—manages to dominate the political life of Taiwan.

An official said KMT has upward of a million members, while the two other parties which contested the December elections (the Social Democrats and the Young China Party) numbered their members in only "scores of thousands." Of the KMT candidates running in last December's elections, no fewer than 97 percent were elected.

THE PRESIDENT DESERVES HIS DAY IN COURT

(Mr. LEGGETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LEGGETT. Mr. Speaker, the unprecedented aura of secrecy which has characterized the Nixon administration has long been a concern of all of us. Whether or not the President's insulation from the affairs around him has extended to the actions of his own staff is one of the most important issues before us today. In an effort to answer this question and to facilitate the wider investigation into the Watergate affair, I wholeheartedly concur with Mr. William Randolph Hearst's statement in a recent editorial that "the President deserves his day in court".

However, I disagree with Mr. Hearst's position that the best forum for an encounter with the President would be a press conference. The inherent superficiality and, moveover, the susceptibility to manipulation of press conferences are to be avoided in such a grave matter. I feel that the solution could be found in an interview of the President by selected Members of Congress, generally described as a Select Congressional Committee. This would give him an opportunity to reply to the charges that have been made against him in a sober and unhurried atmosphere. There is no reason at all for a subpoena to issue to the Chief Executive on a matter of mutual concern to his office, the Congress and the country.

I commend Mr. Hearst for his editorial and offer it for inclusion in the RECORD:

OF MEN AND LISTS AND ACCUSATIONS

(By William Randolph Hearst, Jr.)

The list of so-called Nixon political enemies and opponents made public during testimony of John Dean III before the Senate Watergate investigation this week recalled to mind immediately the old cops-and-robbers movies. In the Nixon White House, as in those wild kid thrillers, everybody was divided up into two categories: either a good guy or a bad guy. They were either for or against the hero.

There is a big difference, though. Those myopic White House aides who put together the names of purported anti-Nixonites didn't just regard them as bad guys; they thought of them as enemies of the state—security risks.

This was a childish exercise, to say the least. Grown men, charged with running our complex government, should have more important things to do than make up lists of newsmen, public officials, senators, clergymen, businessmen and other private citizens against whom they plan reprisal.

I do not know whether President Nixon sanctioned the preparation of those lists or even knew of their existence.

The Good Lord knows Nixon has plenty of reason to be mad at a lot of members of the news media, especially those who are vicious rather than informed in their constant criticism of his policies.

But you can't think much of a President's staff who put together rosters of private individuals because they have criticized the President, and label them enemies.

What the lists do is focus attention once again upon the basic cause of the whole Watergate scandal: The fact that the President had around him in the White House a number of assistants of narrow vision whose mentality and tactics were reminiscent of those of Nazi Germany's Gestapo and Soviet Russia's NKVD.

I am not willing, as are many of my colleagues in American journalism, to indict the President before he has had a chance to answer fully the accusations made against him by John Dean, Jeb Stuart Magruder, James McCord and others.

But I do think he is guilty of permitting his associates to spin a web of secrecy around him that prevented him from actually knowing what was happening in the government.

For more than a quarter century, I have known Dick Nixon as a personal friend, admired his talents and often supported his policies. But any President who closes himself behind office doors, listening only to the square-headed likes of John Ehrlichman and H. R. Haldeman, is bound to run into trouble.

There seems no question now that Dean, Ehrlichman, Halderman, John Mitchell, Charles Colson and numerous other close associates of the President were up to their necks in this cheap, clumsy affair. Under the circumstances, it is a little hard to believe that the President did not have at least some inkling what was going on.

But the President deserves his day in court. When all the testimony is in, he should make his own documented reply to the charges against him.

If we had the British system, the President would have to stand up before Congress—as a prime minister does before Parliament—and subject himself to a rigorous questioning about every aspect of this case.

Since we do not have that system, the next best thing is the press conference. Had the President had regular press conferences over the past year, he would have had to face up to very pointed questions and inferences regarding the roles of his key lieutenants in the Watergate case.

He would have been forced by the nature of the questions of reporters to probe more deeply into what was happening and to realize that those around him were working on the principle that the end justifies the means.

I think I understand a little bit about Dick Nixon and his desire for privacy. By nature, he is not a hail-fellow-well-met.

Although I have seen him relaxed on occasion, enjoying his associates and surroundings, I feel often that he is forcing himself into situations where he must shake hands and pat backs.

Like one former President of our century, Herbert Hoover, and a defeated presidential nominee, Adlai Stevenson, Nixon finds it hard going when he must sacrifice his privacy for public gatherings.

He also has reason to be wary of those who would come to him willy-nilly offering advice and service.

Even as gregarious a fellow as Lyndon Johnson told me when I last saw him in October that a President had to be exceedingly selective in his friends and in those who are permitted to get close to him.

"Once you get in that oval office, you never know who is trying to use you or whom you can trust," said Johnson as we lounged beneath the giant live oak trees on his ranch three months before his death. In that context, he stoutly defended Nixon's friendship with Bebe Rebozo, because he felt Rebozo offered Nixon the kind of comfortable, relaxed relationship he was denied in the White House.

This is a problem for any President. I don't know of any corporation executive who must operate full time against a constant atmosphere of antagonism and negativism as does the President of the United States.

The President desperately needs those around him whom he can trust and in whom he has faith. But he must also be aware that his faith can be misplaced and he should never want or let those he trusts cut him off from the American people.

As I see it, this has been Nixon's big problem. He surrounded himself with non-professionals who shielded him too much and possibly agreed with him too much.

It was his responsibility to know what they were up to. For that negligence, he must be held responsible.

The nation will be anxiously waiting to hear his official reply to the charges that he was aware of the cover up of the Watergate crowd's misdoings.

Our President is a serious-minded, intensely patriotic man. For his sake and to restore respect to the office of the Presidency, I hope with all my heart that he can successfully convince the American people of his intellectual integrity and that he did tell the truth the last time he addressed them.

TWO CHINAS, TWO GERMANYS—WHY NOT TWO KOREAS IN U.N.

(Mr. LEGGETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LEGGETT. Mr. Speaker, for the 25 years, the Republic of Korea has been engaged in a struggle to achieve internal stability and national unification. As we all know, this struggle has frequently been bloody and destructive. The past 2 years have witnessed definite advances however, mainly in the form of a continuing dialog between the North and the South. Though this dialog could hardly be considered a total success, it has set a tone of optimism and peaceful coexistence of the two Koreas.

On June 23 of this year, President Park Chung Hee of the Republic of Korea set forth a number of guidelines for a foreign policy intended to preserve the existing peace on the Korean peninsula and improve conditions for the attainment of national unification. Most notable among the points introduced by President Park are those dealing with his country's willingness to participate in international organizations. Specifically, he declared that the Republic of Korea would not be opposed to its own admittance to the United Nations together with North Korea, provided the eventual unification of these two countries would not be hindered by such a move.

In light of the U.N. Security Council's recent recommendation to grant admission to East and West Germany to the General Assembly, it is to be hoped that the two Koreas might become members of that body. Membership in the U.N. might be expected not only to profit each of the countries individually, but also to increase understanding between the two and augment the spirit of cooperation which has been established during the past 2 years.

The guidelines announced by President Park follow:

Special Statement by President Park Chung Hee on Foreign Policy and Reunification of Korea

Attached is the full text of a special statement by President Park Chung Hee of the Republic of Korea on foreign and reunification policy issued in Seoul at 10:00 a.m., Saturday, June 23, 1973, Korean Standard Time.

Dear Fifty-Million Fellow Countrymen:

Today, I wish to announce the guide-lines of our foreign policy for peace and unification to improve substantially conditions for the attainment of our long-cherished national aspiration—the unification of our fatherland. I make this announcement, taking into account our experiences in the south-north dialogue and the recent developments in international situation.

At the conclusion of World War II, Korea was liberated, but our land was divided and our people were separated against their will.

The 38th parallel, originally known as a military demarcation line for disarming Japanese forces, turned later into an iron curtain. As a result, the south and the north were cut off from each other in political, economic, social, cultural and all other fields.

In the meantime, negotiations were conducted at the meetings of the U.S.–U.S.S.R. joint commission to remove the barrier of the 38th parallel and to establish a unified democratic government. Yet, these negotiations ended in failure due to basic differences in the positions of the two parties. The Korean question was, then, submitted to the United Nations.

At the second session of the United Nations General Assembly convened in 1947, a resolution was adopted calling for free general elections throughout the whole of Korea. The United Nations Temporary Commission on Korea (UNTCOK) was then dispatched to Korea to facilitate this objective.

However, the general elections were held only in the southern part of Korea because of the negative attitude on the part of north Korea. Thus, the Government of the Republic of Korea was established on the 15th of August, 1948 and was subsequently recognized by the United Nations as the only lawful government in Korea.

On 25th June, 1950, the north Korean Communist forces launched an unprovoked aggression against the Republic of Korea. During the Korean War thus caused, an innumerable number of our brethren lost their lives and the whole country was subjected to destruction by warfare. An armistice was put into effect after three years of war, but the country still remained divided and the prospect of unification of the divided country became even dimmer.

In my commemorative address delivered on the occasion of the 25th anniversary of National Liberation on 15th August, 1970, I called for a relaxation of tension between the south and the north with a view to alleviating the sufferings of our compatriots arising from the division of the country and also to building the foundations for a peaceful unification of the fatherland. On 12th August of the following year our side proposed the South-North Red Cross Talks, and on 4th July last year the South-North Joint Communique was issued.

The south-north dialogue was thus started. Yet, the results of these dialogues lasting for almost two years since their beginning have been far from our expectations.

In our talks with the north, we have taken the position that both sides should endeavor to gradually remove the artificial barriers between the south and the north by solving easier and more practical problems first and to phase out feelings of mutual distrust and replace them with those of mutual confidence through concrete results. We further pointed out that such an approach would best serve to make the talks productive and would also serve as a short-cut to the eventual unification of the country by peaceful means.

The north Korean side, in disregard of the existence of deep-rooted feelings of distrust between the south and the north, insisted that military and political problems, which might endanger the security of the Republic of Korea, must first be dealt with, as a package, in the talks. While the very problem of re-unification was being discussed at the talks, the north Korean side was continuously engaged in such external activities as would practically perpetuate the division of the country.

In view of the current status of south-north relationship, it is anticipated that not only many difficulties lie in the way of the dialogue, but a considerable length of time will also be required before the results of the dialogue originally expected can be attained.

Moreover, if the present state of affairs were to be left as it is, the existing feelings of distrust might be deepened and even the tension between the south and the north might be aggravated.

Now, as for the recent developments in the international situation, it may be said that the era of cold war after World War II came to an end. We have embarked upon a new era of peaceful coexistence, based on the status quo, through the balance of power among the major powers.

Judging also from a series of events witnessed in this part of the world, it seems unlikely that the unification of our fatherland can be attained within a short period of time.

These internationla trends give rise to a most serious problem in the history of our nation. The problem is how to pursue the national unification—the supreme aspiration and objective of the entire Korean people—in the face of the start realities of international situation.

My Dear Fifty-Million Fellow Countrymen:

We must tackle these realities in an active and positive way. We must formulate wise and firm policies for attaining the goal of national unification in the face of internal and external realities. Then, we must assiduously implement such policies.

We should have peace rooted firmly in this land and should achieve, without fail, the ultimate goal of peaceful unification by our own self-reliant efforts.

With these considerations in mind, I now declare the following policies:

1. The peaceful unification of the fatherland is the supreme task of the Korean people. We will continue to exert every effort to accomplish this.

2. Peace must be maintained in the Korean Peninsula by all means. The south and the north should neither interfere with each other's internal affairs nor commit aggression against each other.

3. We will continue to make efforts with sincerity and patience to secure concrete results from the south-north dialogue based on the spirit of the South-North Joint Communique dated fourth July, 1972.

4. We shall not oppose north Korea's participation with us in international organizations, if it is conducive to the easing of tension and the furtherance of international cooperation.

5. We shall not object to our admittance into the United Nations together with north Korea, if the majority of the member-states of the United Nations so wish, provided that it does not hinder our national unification. Even before our admittance into the United Nations as a member, we shall not be opposed to north Korea also being invited at the time of the U.N. General Assembly's deliberation of the Korean question in which the representative of the Republic of Korea is invited to participate.

6. The Republic of Korea will open its door to all the nations of the world on the basis of the principles of reciprocity and equality. At the same time, we urge those countries whose ideologies and social institutions are different from ours to open their doors to us.

7. Peace and good-neighborliness are the firm basis of the foreign policy of the Republic of Korea. It is reaffirmed that we will continue to further strengthen the ties of friendship existing between friendly nations and our country.

I wish to make it clear that matters concerning North Korea in the policies enumerated above are interim measures during the transition period pending the achievement of our national unification and that the taking of these measures does not signify our recognition of North Korea as a state.

My Dear Compatriots in the South and the North:

Upon an objective and realistic appraisal of the internal and external situations surrounding our fatherland, I have a firm conviction that these policies are the only shortcut to the achievement of peaceful unification by our own self-reliant efforts amidst international currents of relaxation of tension without impairing the dignity and pride of our nation.

There can be no despair or frustration for a wise and courageous people.

Let us march together, with hope, courage and wisdom, toward the attainment of peace in the Korean Peninsula, prosperity of the nation and unification of our fatherland.

SANCTITY OF GRAND JURY TESTIMONY RAVISHED

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, one of Ohio's most respected citizens, Paul M. Herbert, wrote of his deep concern about recent revelations from grand jury testimony.

Mr. Herbert has a long and distinguished record of public service in Ohio. He served two terms in the Ohio House of Representatives, two terms in the Ohio Senate, and five terms as Lieutenant Governor. He also became known as one of the outstanding criminal lawyers in the State, and capped his career as a justice on the Supreme Court of Ohio.

Now retired, Mr. Herbert continues to maintain an active interest in public affairs, and is particularly concerned about what is happening to our traditional system of jurisprudence. Specifically, violations of the sanctity of grand jury testimony. His comments follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C.:

I am writing to you, as my Congressman as well as a friend, relative to the Watergate mess. The disclosure of the secret testimony presented to the Watergate grand jury was a wanton violation of the law i.e. Rule 6(E) of the Federal Rules of Criminal Procedure. It struck at one of the historic freedoms of the American people. This illegal disclosure established a precedent that, if followed, will destroy effective constitutional law enforcement thruout the entire country. Amendment V of the Federal Constitution adopted by the people in 1971 provides: "No person shall be held to answer for a capital or otherwise infamous crime, unless on a presentment or indictment of a grand jury."

Under the Watergate procedure it will be a practical impossibility to gather sufficient evidence to support an indictment in the war against organized crime such as bank robbery, violent demonstrations, Mafia, narcotics abuse, etc. The strict secrecy which the law provides for grand jury proceedings is an absolute necessity for its successful functioning. Use a bank robbery for example. Witnesses to the robbery are plentiful, but the difficulty arises from the problem of identifying the criminals. By running down rumors, gossip, etc. the police will secure witnesses who can identify the robbers. This appears in the grand jury records. Under the Watergate dispensation these records are made public. An ominous note may be received by said witnesses warning them not to testify, under threat of bodily harm to the witness and his loved ones.

Furthermore, Watergate has practiced a gross deception upon the great majority of the news media and, thereby, the American people.

Circumstantial evidence makes it apparent that more than one person was involved in this unlawful disclosure of grand jury testimony. Therefore, a conspiracy comes to light. Who were the conspirators? The answer to that question should come from the Senatorial Investigating Committee. The American people are entitled to know the truth, as Senator Ervin has frequently announced at his committee hearings.

It is clear that whoever procured the secret testimony was thoroly familiar with the precautions taken to maintain secrecy between sessions of the grand jury and, if kept under lock and key, one of the conspirators had secured possession of the key. Other conspirators were professionally equipped with "know how" to secure almost simultaneous coverage over the wire services, newspapers, television and broadcasting facilities. This was not a "leak". The coverage was too massive and widely diffused, and required quite a crew to do the job. Furthermore, the New York Times Service, an ardent defender of the unlawful disclosure, concedes that practically all of the secret testimony taken since the disposition of the cases of the seven defendants already indicted and convicted, was disclosed. In a recent article the Service, referring to Len Garment, the new White House counsel, states that, "* * * he is not acquainted with the *testimony before the grand jury*." (Emphasis added)

Later in the same article, "***but now texts of grand jury testimony are beginning to circulate." (Emphasis added) It seems to me those quotes indicate a massive disclosure rather than mere "leaks." Whether massive or "leak" there is a violation of law. Most certainly the Senatorial committee would not stoop to "cover up."

When the conspirators read the secret testimony of the grand jury they were disappointed. They did not find evidence that would support any more indictments. What they did find was the mere recital by witnesses of rumors, gossip, hearsay, speculation, personal opinions, etc.—all perfectly proper to aid the grand jury in its exploration to identify other participants, if any, but would not be admissible in evidence in a public trial, before an impartial jury upon an indictment.

In their dilemma the conspirators prepared their own release, failing to reveal, however, that the grand jury testimony was based on rumor, gossip, etc. and would not be competent in an open trial on an indictment, inferring to the news media and the American people, that the witnesses were testifying from their own direct personal knowledge. Many innocent people mentioned in the release were irreparably harmed in their reputations and character.

This was a deception practiced upon the news media and the American people.

Our system of representative government cannot function effectively without a news media of the highest ethics and sincere efforts to publish only the truth. The vast portion of the media meet these requirements and take pride in so doing.

Now that there has been a disclosure of secret testimony why does not the Senate committee, or perhaps the House Committee on Internal Security, display to the people an exact copy of this one time secret testimony and also a copy of the release given the wire services? Let the people see the evidence and then determine where the truth is.

Senator Proxmire, Democrat of Wisconsin, recently in a speech on the floor of the Senate said: "President Nixon is being tried, sentenced and executed by rumor and allegation."

Much more could be added but I will cease and desist.

Sincerely,

PAUL M. HERBERT

MURDER IN MARYLAND

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, I rise to extend my condolences to the wife and children of Josef Alon, the Israeli military attaché who was brutally shot to death in front of his Maryland home last week. Murder is an ugly crime, the worst that one human being can commit against another. How much worse it is, then, when the murder is totally devoid of sense, when it is past all bounds of anger or revenge, when it is merely another blow in the "cause" of Palestinian "liberation."

Josef Alon's job at the Israeli embassy was to assist in the procurement of aircraft and other weapons under existing agreements between the United States and Israel. He was not engaged in secret work. There was nothing which would single him out as a choice target for murder. But perhaps this is why he was chosen, because of his essentially inconspicuous nature.

Since the killing, we have been very careful—in our newspapers and in our police and other statements—to avoid mentioning the possibility that Alon's death was the work of Palestinian terrorists. But the Palestinians themselves rushed to take credit for this man's murder. They view it as another trophy collected in their long march to the depths of human degradation. While residents of the area in which the murder took place, in addition to police officials, cautiously voiced the hope that this was a shooting as part of a street crime, the nature of the killing—pumping five bullets into the body, the sound of a car speeding away after the shots were fired, the fact that nothing was taken from Alon's body—would indicate that this was no ordinary street crime, but another terrorist assassination.

I do not know how many times I and my colleagues have stood here denouncing the activities of political assassins and terrorists. Not too long ago I was speaking similar words on the death of Ambassador Cleo Noel and two of his colleagues. I hoped then that this would be the last such incident. I earnestly prayed that this attack upon an American serving his country overseas would bestir our Government to take the lead in the world fight against terrorism. But nothing came of it.

Now we have a terrorist killing on American soil. It is so much more frightening because of its proximity to the Nation's Capitol. Are terrorists so free to roam this country, this world, that they may strike at will. How many more people must die until the nations of this world realize that their greatest enemy is not other nations, but bands of madmen such as those who struck at Lod Airport in Tel Aviv, or at the U.S. Embassy in Saudi Arabia, and now in our very backyard in Chevy Chase, Md.?

Tragedy can be a learning experience once the grief has subsided. The Greeks knew this well, and their tragic dramas also taught the audience a lesson in human weaknesses and psychology. This tragedy which has befallen the Alon family also has its painful lessons to teach us.

Most important is the way it drives home the point that until there is peace, or at least a state of detente, between Israel and her Arab neighbors, Israelis and Americans—as supporters of the State of Israel—will not be safe anywhere in the world. Witness the unconscionable detention of over 100 Peace Corps volunteers in Uganda, with General Amin prating that these boys and girls may be "Zionist agents." As long as the United States remains in the slightest way committed to the survival of Israel—and we must remain committed, if Israel is to survive—then we must also commit ourselves to the goal of bringing peace to the Middle East.

We must make this commitment not for the sake of our own selfish interests in oil or in shipping, but for the sake of protecting world peace. For as long as terrorists are free to strike at will wherever and whenever the mood grabs them, there can be no true peace. A generation of peace, to use one of President Nixon's favorite phrases, is not limited to a state visit to China, or even a satisfactory political settlement in Indochina. It must include an end to the hostilities in the Middle East. As this region becomes daily more important because of the world's growing needs for oil, it becomes more crucial by the moment that we defuse the time bomb ticking away there.

It seems at times that in order to get the attention of this administration and other world governments focused on a problem, a gun must literally be held to their collective heads. Well, it would appear that in the murder of Josef Alon, the terrorists are in fact waving that gun around, and God alone knows where it may be pointed next. If I sound like an alarmist, that is exactly what I want, for this is an alarming situation. Why did the terrorists strike just at the time when it seemed that Israel and Tunisia would begin negotiations hopefully leading to a peaceful settlement of a quarter century of Middle Eastern strife? Why, for every step forward in dealing with international terrorist activity, must there be at least two steps back?

Many of us, perhaps because it is stylish, feel our hackles rise whenever "national pride" is mentioned. But in striking at Josef Alon the way they did, his murderers have given the United States a grave insult. If we let the murderers go unfound and unpunished, that would be bad enough. But how much worse will it be, not just for the memory of Josef Alon, but for the United States and the whole world, if we take no action, either alone or in concert with other nations, against the Palestinian terrorists. How many more people will become victims of this new generation of night riders before we finally say, "Enough?"

THE MILITARY MAW—PART I

(Mrs. SCHROEDER asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, from time to time I plan to speak out on what I believe are wasteful and unnecessary programs within our military budget. As a member of the House Armed Services Committee, I have had an opportunity to examine these programs in some detail, and subsequently I have become convinced that they are a waste of taxpayer's money and will add little or nothing to our overall military strength.

I believe in maintaining a strong American military establishment, one capable of defending us from all realistic foreign threats. But I do not think it follows that being strong means always spending "more" and always building things "bigger" and "faster." This preoccupation with "more," "bigger" and "faster" is dangerous thinking, and those with such limited vision of our military requirements end up, I am convinced, doing more harm than good to this country. They are like those French politicians who thought a bigger Maginot line would provide more defense. They are like our own nuclear strategists who argue that killing an enemy 15 times over makes us more secure than if we can kill him only 5 times over. They remind me, to use a nonmilitary example, of those people who believe we would honor George Washington more if we increased the height of his monument.

I am particularly concerned that our military has developed a voracious appetite for the taxpayer's money. For instance, in fiscal year 1969, our entire military budget at the height of the Vietnam war was $81.4 billion, of which $26 billion went for Vietnam. Today, in fiscal year 1974, the military is asking to spend $89 billion, of which only $2.9 billion is for Vietnam.

What I want to know is: Where did the $23 billion go? Surely inflation and the military pay increase did not eat it all up. But the most distressing fact is that here we are at peace for the first time in 10 years, here we have détente with the Soviet Union, here we are negotiating for the mutual reduction in balance of forces in Europe, and yet our military is telling us we must spend more than before all this occurred. It is almost out of Alice in Wonderland.

In order to justify this huge sum, the Pentagon has embarked on a program of poor-mouthing our military strength. Despite the vast sums we have spent in the past, and despite the détente we have with the Soviet Union, we are told, for instance, that the Soviets are about to take over control of the seas.

This is simply not true. Our Navy is the strongest in the world and will continue to be far into the future, even without an accelerated building program.

In order to maintain our supposedly "eroding" supremacy at sea, the Navy tells us, we must build a fourth—repeat a fourth—nuclear attack carrier, to add to the 11 nonnuclear carriers we already have. The Soviets, in comparison, have two small helicopter carriers—to our seven—and one mini-nonnuclear carrier, still under construction. This fourth nuclear carrier, the CVAN–70, will cost us $1 billion, plus $1 billion more for a full complement of planes.

To cite another example, we are being asked to buy F–14 fighter planes for $20 million each, versus $1 million or so for the F–4 Phantom, which is still the best all-around fighter-bomber in the world today. The six missiles which the F–14 will carry will cost $400,000 each. Therefore, whenever an F–14 must land on a carrier in rough seas, it must dump $2.4 million worth of missiles into the ocean.

A third example: despite our naval supremacy, last year's naval vessel appropriation was $2.9 billion. This year's request, in contrast, is for $3.9 billion.

These are just a few of the huge sums we are being asked to approve. In subsequent sessions, I plan to point out in detail where the fat can be found in the military procurement authorization bill.

The military claims that such expenditures will keep us strong in the years ahead. But the true fact of the matter is that the balance since Vietnam has tipped in favor of fat rather than muscle. Take, for instance, the ratio of civilians to military employed by the Pentagon. In 1969 the ratio was 35 civilians to 100 men on active duty. In 1972, the ratio had increased to 42 civilians for every 100 men on active duty.

These huge costs are aggravated, as has been pointed out by others on occasion, by outmoded and wasteful procurement practices, a reluctance by the Pentagon to hold a contractor's feet to the fire, by empire building, by the three services coming before Congress as a united front, and by a philosophy that requires every weapons system to incorporate the very latest technology. Combined with the procedural inadequacies of the House Armed Services Committee, which I will discuss at some later date, all this makes it nearly impossible for a person to oversee military procurement requests with any sense of control.

In conclusion, I ask my colleagues to examine in the days ahead the Military Procurement Authorization bill in detail, so that we can strip the fat from it.

AMENDMENT TO H.R. 8660 BY MR. SMITH OF IOWA

(Mr. SMITH of Iowa asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SMITH of Iowa. Mr. Speaker, I would like to announce to Members of the House that tomorrow, I expect to introduce the following amendment.

Strike everything from page 39, line 9, through page 41, line 3, and insert in lieu thereof the following:

"BASIC FOOD RESERVE

"Sec. 809. (a) Notwithstanding the provisions of any other law, the Secretary of Agriculture shall in accordance with the provisions of this section establish, maintain, and dispose of a separate reserve of inventories of wheat, feed grains, and soybeans.

"Such reserve inventories shall include not more than the following quantities: (1) 3 hundred million bushels of wheat; (2) a total of 25 billion tons of feed grains; (3) 100 million bushels of soybeans. The Secretary is authorized to proportion reserve stocks of feed grains to correspond to usual marketing demands.

(b) The reserve shall be constituted by:

"(1) First offering to producers who have eligible commodities under a Commodity Credit Corporation loan or purchase agreement, an opportunity to enter into a storage agreement for a period of five years providing for the storage of such grains at the producer's option either in approved producer owned facilities or in commercial warehouse facilities. The Secretary may, at his option, reconcentrate all grains stored in commercial warehouses at such points as he deems to be in the public interest, taking into account factors including transportation problems and normal marketing patterns.

"Rotation of stocks shall be permitted to facilitate maintenance of quality; however, the storing producer or warehouseman shall, at all times, have available in the designated place of storage, both the quantity and quality of grain covered by his commitment.

"Any producer entering into such a storage contract may not redeem the grain under loan or dispose of grain under purchase agreement at a price lower than the minimum price at which the Secretary may offer reserves under the provisions of this subsection. Such contracts shall contain a provision permitting cancellation by the Secretary under the same price requirements set forth in this subsection for offering reserves for sale.

"(2) The Secretary shall be authorized to buy feed grains, wheat and soybeans subject to the following limitations. The maximum price the Secretary shall pay for any commodity shall be the average price farmers received for such commodities during the preceding five marketing years adjusted to reflect the customary location and grade price differentials. "The net additional quantity of any commodity procured under this section in any marketing year shall be the lesser of the following:

"(1) 80 per centum of the net additional estimated total carryover in excess of normal for the marketing year; or

"(2) the amount the maximum reserve inventory specified in subsection (a) above exceeds the total stocks of such commodity owned by the Commodity Credit Corporation at the beginning of the marketing year.

"Such maximum prices and the quantity to be procured during the marketing year and the estimates used in arriving at the same shall be announced during such marketing year on the last Friday of July for wheat, on the last Friday of October for feed grains, and on the last Friday of September for soybeans: *Provided*, That for the 1973–74 marketing year for wheat such announcement shall be made as soon after the effective date of this section as is reasonably possible.

"The Secretary is authorized to proportion purchases of the various varieties and grades of each of the above commodities to correspond to usual marketing demands.

"Except when a state of emergency has been proclaimed by the President or by concurrent resolution of Congress declaring that such reserves should not be sold, the Secretary shall offer each commodity in the reserve for sale at a price of 150 per centum of the average price farmers received in the United States during the preceding five marketing years for the commodity involved or 110 percent of the established price for the commodity involved as provided in this Act, whichever is higher, and such release price shall be adjusted to reflect the customary location and grade price differential or at such greater amount as may be obtained through normal market channels: *Provided, however*, That sales during any marketing year shall be limited to the net quantities by which estimated domestic consumption and exports exceed estimated domestic production and imports.

"The Secretary is also hereby authorized to dispose of commodities in such reserves as follows:

"(1) For use in relieving distress (a) in any State, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, or the Pacific Trust Territory, declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (b) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855 et seq.).

"(2) For use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251–2297).

"(3) For sale in assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats and their offspring, under section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), and to provide feed for livestock in any emergency area under the Act of September 21, 1959, as amended (7 U.S.C. 1427, note).

"The Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such reserve. Such purchases to offset sales shall be made within two market days.

"The Secretary may accept warehouse receipts in lieu of taking physical possession of the grain, but in such cases the obligor under the warehouse receipt shall be required at all times to have the grade stated on the warehouse receipt or a better grade available for delivery.

"The Secretary shall make a daily list available showing the price, location, and quantity of the transactions entered into hereunder.

"(c) The Secretary shall use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this section; and to the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

"(d) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

THE FUTURE OF THE AMERICAS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, one of this country's most eloquent and experienced spokesman on United States-Latin American relations, the Honorable Sol M. Linowitz, delivered a most timely address on "The Future of the Americas" on June 27 at an international conference on "Science and Man in the Americas" jointly sponsored by the American Association for the Advancement of Science and the Consejo Nacional de Ciencia y Tecnologia of Mexico.

In his speech, Ambassador Linowitz calls for a hemisphere wide summit meeting during the President's trip to Latin America later this year. In addition, he proposes a significant expansion of U.S. trade preferences for hemisphere products, far beyond what the President's trade bill would provide. Because of the importance of the speech and the major substantitive recommendations it contains, I want to take this opportunity to call to the attention of the House some excerpts from Sol Linowitz' address.

THE FUTURE OF THE AMERICAS

It is clear that the future of the Americas will in large measure depend on how effectively we can deal with the staggering problems of development—on how successful we are in helping Latin America rid itself of the social and economic inequities that darken so much of its immense potential.

Yet at the time when the need for cooperation and coordination of effort is greater than ever, the United States and Latin America seem to be pulling further apart. The Alliance for Progress has been superseded by a policy of noninvolvement in which slogans have replaced commitments. The tragic effect has been that at this critical time in hemispheric affairs, Latin America and the United States are pursuing separate paths—each with apparent disregard for the other.

Ironically, the abandonment of the Alliance for Progress has taken place at a time when—despite its problems and failures—it was managing to achieve an annual average of 2.4% real per capita growth and was showing gratifying signs of progress in a number of areas. During the decade of the sixties, the United States had contributed over 8 billion dollars in bilateral aid and was responsible for much of the 6.5 billion dollars in loans from international institutions such as the World Bank and the Inter-American Development Bank. More significantly, Latin Americans themselves contributed at least 90% of the capital required to fuel development and build up a sizeable infrastructure of public works projects and social programs.

On his recent visit to Latin America the United States Secretary of State indicated his recognition that a new policy for Latin America is long overdue—one which can again set forth the common objectives of the nations of the hemisphere and would restore the spirit of cooperation and mutual commitment. What should be the outlines for such a policy? Tonight I would like to focus on the basic ingredients for such a policy in five vital areas.

1. *Common Goals for the Future.* It is urgently important that the countries of Latin America and the United States promptly agree upon common goals for the future of the Americas and the commitments necessary to achieve these goals through multilateral cooperation. We have long since passed the point where statements of good intentions and high motives will be sufficient to counter the tensions and antagonisms already aroused. What is needed is a new beginning in fact—a credible and realistic partnership which must begin at the top. The President of the United States has already announced his intention to visit Latin America later this year. Such a trip could be the occasion for a summit conference between the Presidents and Chief Executives of all the countries of the Americas in order to discuss openly and freely, goals for the future and commitments to be undertaken if the goals are to be achieved. From my participation in the summit conference at Punta del Este, Uruguay, in April 1967, I saw for myself what a real thrust toward hemispheric cooperation could result from such a summit conference at a time when it was sorely needed. In my judgment such a conference is even more necessary today in order to open up a whole new era of understanding and cooperation and to delineate the objectives for hemispheric cooperation.

2. *Regional Cooperation.* During his recent Latin American visit United States Secretary of State Rogers stated: "Our policy is to encourage regional cooperation." Essential to full and effective regional cooperation is clear agreement on the role of individual governments in multilateral inter-American institutions and responsibilities assumed by each nation by virtue of such membership. Above all else there must be full recognition of the principle of multilateralism whereby decisions are made on a truly multilateral basis, representing the concerted judgment of the members and divorced from the political control or influence of any one country. The OAS, the Inter-American Development Bank, and other inter-American institutions are able to make great contributions toward regional development and progress and hemispheric cooperation. They are staffed by dedicated international civil servants who must be assured of the full support of all member governments in proceeding toward common objectives.

Some regional efforts such as the Andean Pact and the Central American Common Market—should properly involve regional cooperation without United States participation. But in the OAS, the Inter-American Development Bank, and other similar inter-American institutions, the clear need is for full United States participation and commitment on a truly multilateral basis.

Recently a suggestion was put forward that the United States might consider withdrawing from full membership in the OAS in order that the OAS might undertake to deal with hemispheric problems as a wholly Latin American instrumentality. In my judgment such a move would be an ill-advised step inimical to the best interests of both the United States and Latin America. For it would be regarded as a withdrawal by the United States from cooperation and commitment precisely at the moment when what is needed is increased commitment and cooperation by the United States in inter-American multilateral institutions such as the OAS.

A helpful step would be the participation of Japan and the European countries in lending institutions such as the International Development Bank. These nations have capital for investment in Latin America and could make available resources which could be well used for coordinated regional projects by the Inter-American Development Bank and the several regional counterparts. At the same time the participation of these countries would assure that such institutions are truly multilateral, not dominated by the political influence, express or implied, of the United States.

It is appropriate to add one further word about the responsibility of nations as members of multilateral institutions. Some Latin American countries—frustrated by the apparent tone deafness of the United States in responding to Latin American needs—have tended to make multilateral institutions sounding boards for complaints and charges. While their frustration is understandable, such a cacophony of complaints hinders the effective operation of multilateral institutions and exacerbates differences. Multilateral institutions can function effectively only when member nations agree upon their objectives and work together effectively to further their progress.

3. *Trade.* One of the foremost and urgent needs of Latin America has long been the growth of trade and industrial development Here both Latin American countries and the United States can do much to assure essential progress. Latin American economic integration—the development of a Common Market—made considerable headway during the 1960's but has now come to a standstill. One of the most important steps Latin America could do to bring itself to a position of dealing on an equal basis with the United States would be to achieve the economic strength which regional integration can accomplish. Coordinated development of key industrial and agricultural sectors, withdrawal of quotas to flow of people, capital, and trade among countries—these are the essential keys to a better relationship with the United States, which has long championed integration of the development and trade of the region.

The United States could help to stimulate progress toward economic integration by offering to become a non-reciprocal member of a Latin American Common Market—opening up its own markets but not insisting on the same from Latin America. Such a step might stimulate the countries of Latin America to push forward with their regional integration program, to set their export goals, and to develop ways to reach them.

Increased trade has long been an essential goal for Latin America. For a number of years the United States has promised a trade preference for manufactured and semi-manufactured products of Latin America. The new Trade Bill put forward by President Nixon includes a proposal in that direction. But to Latin Americans it does not represent a clear and unambiguous assurance of the kind of general trade preference they have long been promised.

Today Latin America has a 2 billion dollar trade deficit with the United States. While the United States is plagued with its own balance of payments problems, there is no reason why it should make its mark at the expense of Latin America. I would therefore propose that the United States undertake to allow Latin American manufactured and semi-manufactured products to come into the United States free of all duties and quotas to the extent of the 2 billion dollar trade surplus which the United States has with the region. Such a step would be a significant one for Latin America and would be politically feasible in the United States, specially if Latin American countries would indicate their willingness to reduce their barriers against United States exports to the degree they benefit from increased exports to the United States.

4. *United States Private Investment in Latin America.* It is essential to develop a clear understanding between the countries of Latin America and the United States as to the precise relationship of the United States government and United States subsidiaries operating in those countries. For conflict on this issue too often arouses antagonisms with widespread ramifications. It is time for the countries of Latin America and the United States to formulate together a Code of Conduct for Responsible International Companies. Such a Code would specifically set forth the rights a United States company would be able to expect and the duties it would have to the host country in which it seeks to operate. Provision would be made for recourse to an international tribunal for resolution of any dispute thereby avoiding unilateral action. Under such a Code, a United States company could, in good conscience, call upon the United States government for help if it had been wronged. By the same token, the United States would be in a position to insist that American companies fulfill their obligations to the host country.

During recent years various Latin American countries have, in pursuance of their national policies, imposed restraints and restrictions on United States companies and investments. Admittedly some such limitations have been helpful to the developmental effort. But it would be appropriate for Latin American countries to re-examine restraints and restrictions imposed, in order to be certain that they are actually proving of benefit in advancing the countries' goals. For clearly some such restrictions keep out vital goods, services, and needed capital with little or no concomitant gains for the local economy. In such instances, there would be value in removing the limitations and restrictions not only because they are not beneficial, but also because they constitute formidable psychological blocks to cooperation and serve as a deterrent to further United States investment.

In the light of its great development needs, Latin America should be able to obtain the benefit of United States investment and technology on a more mutually fair basis. Perhaps a clearinghouse could be established in the United States that would undertake to provide Latin American countries with direct access to technical assistance from smaller, non-international United States firms and individual technical experts that abound in the United States. In addition, the United States might try to help meet financial requirements by considering ways to facilitate floating of Latin American bonds on local exchanges in the United States, perhaps supported by some kind of a guarantee program. Steps such as these could be both timely and helpful and help to further cooperation.

5. *Respect For Differences.* Of critical importance to the future of the Americas is the need to respect differences among nations and to recognize that Latin America is seeking to fulfill its own destiny in its own way. Basic to this concept is the recognition of the fact that each nation must have the freedom to determine for itself its own political, social, and economic system; and when a particular government has been freely chosen by a country, that choice must be accepted and respected.

This means that the United States must be careful not to try to elbow its way in or to lecture the countries of Latin America on what they must do and how they must do it. Recognizing our own problems and our own unfulfilled aspirations, we can only approach the problems of others with humility. For if with all of our wealth and know-how, we continue to have such major difficulties in dealing with our own urban ghettos and rural blight—if, with all of our technological and scientific knowledge, people in the United States are still hungry—if, with all of our commitments to democratic institutions, there are still those among us—even in very high places—who resort to undemocratic means—we should have some sense of the effort which will be required in Latin America as it seeks to achieve its own goals.

In Latin America today there are frequently recalled the words of the Spanish poet, Antonio Machado: "Traveler, there is no path, paths are made by walking".

The 270 million people of Latin America are today trying to make their own path. In doing so, they need the cooperation, the commitment, and the support of the United States. With the assurance of our true partnership and our commitment to one another, we can all take hope that we can yet move forward together toward a brighter tomorrow in a hemisphere free from war and free from want.

THE CASE FOR OVERSEAS TROOP CUTS—III

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, in conjunction with my resolution offered in the Democratic caucus calling for reductions in overseas troop levels, I inserted into the Record on June 15, 1973, a series of questions that I posed during my testimony on this issue before the Armed Services Committee.

On June 18. I received a lengthy document back from the Department of Defense containing the DOD response to my questions. Over the past 2 weeks, I have attempted to analyze the DOD response.

Today, I want to put before my colleagues both the DOD response to my original questions and my response to the DOD position. Suffice to say, I found the DOD responses generally unsatisfactory and not direct answers to my specific inquiries about the rationale for assigning over 600,000 American troops in foreign nations and afloat.

I hope that the responses to this new set of questions will be more direct and specific, and I assure my colleagues that I will inform them when I receive the next response from the Department.

The material follows:

Department of Defense Report on Testimony by Congressman Ronald V. Dellums Before Manpower Subcommittee, House Armed Services Committee

1. BACKGROUND AND OVERVIEW

With approval of the United States Senate, subsequent to World War II the United States entered into eight collective defense treaties—four multilateral and four bilateral—for the purpose of providing mutual security and collective defense against major threats to the common interests of the United States and its treaty partners.

The four multilateral treaties are:

The North Atlantic Treaty;

The Southeast Asia Collective Defense Treaty;

The Inter-American Treaty of Reciprocal Assistance; and

The Security Treaty between Australia, New Zealand, and the United States of America.

The four bilateral treaties are with:

Japan;

The Republic of Korea;

The Republic of China; and

The Republic of the Philippines.

(In addition, the United States joined with the members of the Central Treaty Organization (formerly the Baghdad Pact) in a declaration which stated their intention to cooperate for security and defense. As a result, although the United States is not a member of CENTO, it does participate in some CENTO activities.)

Response

In what specific CENTO security and defense activities does the United States participate?

None of these eight collective defense treaties contains a provision which commits the United States to deploy its military forces overseas.

Response

If none of the eight mutual defense treaties to which the U.S. is a signatory party contain any provisions which requires the overseas deployment of U.S. military forces; then why does the Department of Defense indicate on pages 191–194, Appendix A., Military Manpower Requirement Report for FY 1974, that the NATO, SEATO, and "various Pacific Mutual defense and aid treaties" are the "primary applicable treaty" justifying the overseas commitment of the military units listed?

Rather, our overseas deployments are for the purpose of implementing the principles of mutual security and collective defense which were codified in these treaties. It was both logical and necessary that U.S. and allied combat forces be stationed in those areas covered by the treaties where it was necessary to deter a real military threat to mutual security, U.S. security and U.S. interests. Concomitantly, it was sometimes necessary to deploy small numbers of military personnel to certain non-threat areas to perform such essential functions as communications and logistics support to the combat forces deployed in the threatened areas.

Response

Please enumerate specifically what military requirements make it "logical and necessary" that U.S. combat forces be stationed in many areas where there is no treaty article that provides a basis or requirement for their commitment?

Please specify the "non-threat areas" where U.S. military personnel have been deployed and the number of personnel so deployed.

These collective defense treaties and the associated deployments of U.S. armed forces personnel overseas have been and continue to be a highly visible demonstration of our interest in preserving mutual security arrangements and our commitment to protect our national interests in areas where threats to those interests exist. Our deployments have been a major contributor to deterrence of military aggression and political coercion in many areas of the world, and hence have been a vital factor in providing local security and the opportunity for relatively unfettered political and economic development. Although in Europe and some parts of Asia there appears to be a growing interest in detente and a diminished likelihood of a military confrontation, detente still remains an objective rather than an achievement. It would not be in the interests of the United States to reduce overall U.S. and allied military capabilities, until there is tangible evidence that detente is a reality. On both continents many complex and inter-related problems are yet to be solved through political processes before the likelihood of military confrontation approaches an acceptably low level. It is through a position of sufficient combined U.S. and allied military strength that we have been able to enter this era of improving detente and a lessening of tensions. Unilateral force reductions in certain overseas areas, unaccompanied by corresponding reductions or other concessions by the potential adversaries who are threatening our interests in those areas would, at this point in history, be premature and not augurwell for real progress toward detente, reduced tensions and a diminished possibility of military confrontation. Since a fundamental tenet of U.S. foreign policy has been and is a durable peace, such reductions and the probable consequences would not be in our security interests.

Response

Explain how you relate the deployment of five (5) U.S. divisions in Europe and past Soviet military actions and political coercion in East Germany, Hungary, and Czechoslovakia with the statement that U.S. deployments have been a major contributor to deterrence of military aggression and political coercion in many areas of the world. How does this statement relate to the 1950 deployment of four U.S. divisions in Japan and the aggression of the North Koreans in Korea and how can this statement be related to the 1964–65 deployment of U.S. combat forces in the Western Pacific and political and military actions in Indochina?

A case in point is Europe, where for 25 years NATO forces—with the United States making a vital contribution—have successfully deterred aggression, maintained the security of the Atlantic Alliance, and established a climate which makes possible the conduct of meaningful negotiations leading toward a detente in Europe. However, the capabilities of Warsaw Pact forces have recently grown in both quantitative and qualitative terms, and detente remains an objective rather than a reality.

Response

Please specifically enumerate the quantitative and qualitative growth that has recently significantly changed and improved the capabilities of the Warsaw Pact forces.

We therefore believe it is important that NATO forces maintain their strength relative to the Warsaw Pact by not reducing existing force levels and by making qualitative improvements in capabilities. If our allies continue to pursue a similar policy, we should maintain and improve our forces in Europe, and make reductions only in the context of mutual and balanced force reductions (MBFR) negotiated between NATO and the Warsaw Pact.

Response

Please state the specific actions that our NATO allies have taken in the past year that have significantly improved the "qualitative" capabilities of their armed forces. If, as stated in the reply, U.S. military forces are stationed overseas with other than combat mission, how have these noncombat military forces stationed in over 25 countries been "a major contributor to deterrence of military aggression and political coercion . . . and hence have been a vital factor in providing economic development" as stated in the reply? Please explain.

If we were to make a large unilateral withdrawal of U.S. forces from Western Europe, our NATO allies would be left in a position of having a very significant military disadvantage *vis-a-vis* the Warsaw Pact countries, providing the Soviets an opportunity to exercise political coercion and hegemony in Europe which, in the judgment of many, they would soon use to their advantage. Soviet domination of Western Europe's human, economic, and industrial resources would clearly be to our profound disadvantage.

Response

Please define in specific number the scope of what the Department of Defense meant by "a large unilateral withdrawal of U.S. forces from Western Europe" placing our NATO allies at a very significant military disadvantage. Could any U.S. military personnel be withdrawn from Western Europe without placing our allies at a disadvantage? If so, what type units and how many personnel could be withdrawn? Why did the withdrawal of the French divisions from NATO command, and the withdrawal of over 75,000 U.S. troops during the period 1964–1969 provide a climate for a Berlin agreement, detente in Central Europe? Why did the Soviets not use these large unilateral withdrawals as an opportunity to "exercise political coercion and hegemony in Europe," as the Department of Defense postulates they will do with any subsequent withdrawals?

SOUTH KOREA

Question

"Why is it necessary for the United States to maintain 38,000 military personnel (including one division of 13,000 U.S. soldiers) stationed in South Korea 20 years after the war there ended?"

Answer

Due in large part to the increasing military capabilities of the Republic of Korea (ROK), we reduced the number of U.S. military personnel in the ROK by approximately 20,000 in 1971. The remaining forces are in support of the U.S.-ROK Mutual Defense Treaty and in the interest of maintaining regional stability. Even though North Korea is presently participating in the bilateral discussions initiated by the ROK for the purpose of improving relations with the North, little visible progress has been made in the rapprochement between the two sides and there is no indication the North has abandoned its ultimate objective of uniting all Korea under its political control, possibly through the use of military force.

In this context, a U.S. presence continues to assist in the deterrence of possible large-scale North Korean military aggression, thus promoting our security interests and foreign policy objectives by providing an important stabilizing influence in a strategically important area where the outbreak of hostilities would impinge on the interests of four major Western Pacific powers—the United States, the Soviet Union, Japan, and the People's Republic of China. During the present period of realignment in international relations, it is indeed significant that the contributions to stability made by the remaining U.S. combat units in Korea have been recognized by all of these area powers.

Additional improvements in ROK military capabilities will of course permit further consideration to be given to the realignment of our military presence in the ROK. However, the planned build-up rate in defensive self-sufficiency through the ROK Forces Five Year Modernization Plan has been delayed by Congressional reductions to the security assistance funding levels requested for FY 1972 and 1973. Passage of the FY 1974 security assistance request would greatly enhance the creation of more balanced ROK Armed Forces and would facilitate the transfer of a larger share of the U.S. mutual security responsibility to the ROK in line with the goals of the Nixon Doctrine.

Response

What article in the U.S.-ROK Mutual Defense Treaty specifies or requires, the number of U.S. military personnel stationed in South Korea? If no treaty article requires their presence, under what other specific national authority are U.S. military personnel stationed in South Korea?

Please explain how each of the following U.S. military units stationed in Korea assist in "maintaining regional stability":

8th U.S. Army
I U.S. Army Corps
COMNAVFOR Korea
2nd Infantry Division
4th Missile Command
38th Artillery Brigade
Air Forces Korea
KORSCOM

In view of the fact that the ROK active duty ground forces number over 600,000 men—many of whom have recent combat experienc in Vietnam—and the North Korean active ground forces number around 360,000 men that have not been in sustained combat operations since 1953, why is "large-scale North Korean military aggression" considered possible wthout the presence of the above U.S. military units?

If there is any chance for the "outbreak of hostilities" in Korea that "would impinge on the interests" of the Soviet Union and the Peoples' Republic of China, why don't those powers also have combat units stationed in North Korea as we do in South Korea?

Please cite the statements wherein the Soviet Union and the Peoples' Republic of China have indicated that they recognize the "contributions to stability made by the remaining U.S. combat units in Korea."

Please give the specific reasons why the numerically superior and more combat experienced South Korean Armed Forces now need a Five Year Modernization Plan to build up their defensive self-sufficiency to a point that they can cope with an offensive threat from the less numerous, less combat experienced North Korean Armed Forces. Also, please explain why passage of the FY 1974 security assistance request is required to "enhance the creation of more balanced ROK Armed Forces." The JUSMAG-Korea has been stationed there since 1949 with a mission of creating, training and equipping a balanced ROK Armed Force capable of self defense. After 24 years training and furnishing several billions of dollars worth of assistance and equipment, why is creation of a "more balanced" ROK armed force now contingent on passage of a security assistance request in FY 1974? Didn't the U.S. JUSMAG assist in properly creating a balanced ROK force over the past years?

WESTERN EUROPE

Question

"Why is it necessary to maintain 319,000 U.S. military personnel in Western Europe, when prior to the Berlin Crisis of 1962 there were only 311,000 military personnel there?"

Answer

The security of Western Europe is essentially inseparable from our own. We are linked to the countries and peoples of Western Europe in the most profound and complex historical, cultural, political and economic ways. The overwhelming majority of our citizens are descendants of European immigrants. Our own concepts of democracy, freedom and individual dignity, as well as our language, social and legal institutions, are basically the products of hundreds of years of European philosophical and political development. More recently, in two world wars we have committed hundreds of thousands of our young men to the maintenance of freedom and security in Europe, and have invested billions of dollars of assistance in its economic health and well-being as a democratic society. To protect Europe from outside aggression during the long years of economic recovery, we sponsored and assumed a leadership role in the North Atlantic Treaty Organization (NATO).

All three of those investments—our wartime commitments, our post-war economic aid, and NATO—have paid off. Free from outside aggression, Western Europe has sustained remarkable economic recovery from the devastation of World War II; Western European countries collectively have the second largest gross national product in the world, one-third larger than the Soviet Union's and over three times as large as Japan's. It is virtually impossible to overstate the net effect on US interests—political, economic, and security—that would result if this economic and industrial capacity were to come under the domination of countries whose interests might conflict with ours.

To deter this domination from being sought by military means, and to help provide a military posture adequate to support resistance to political coercion, we maintain significant deployments of US military forces on the continent and in adjacent waters. We believe these forces, in conjunction with those of our NATO allies, are adequate to deter military aggression against Western Europe.

At the beginning of the Berlin Crisis (1961 vice 1962 as indicated in the question), there were approximately 380,000 U.S. military personnel in Europe and related areas. By the end of 1961 the number had been increased to 417,000. At the end of 1972 there were only 307,000 U.S. military personnel in Europe and related areas, a net *reduction* of 73,000 from the pre-crisis levels. We plan to retain deployments at approximately these levels in FY 1974. An important point to consider is that although these deployments represent a vital element in deterrence and defense in Europe, they are not the dominant component of NATO's military strength, accounting for just over 10 percent of the ground manpower and about 20 percent of the ships and 25 percent of the aircraft.

Some of the salient reasons for maintaining our military presence in Western Europe were discussed by former Secretary of Defense Richardson in testimony on 26 March before the Senate Subcommittee on Department of Defense Appropriations. His testimony may be summarized as follows:

Our NATO commitment has been consistently supported for more than two decades by each President and every Congress.

Unilateral reductions at this time would destroy the current tenuous military balance between Eastern and Western Europe, and would also destroy the prospect for orderly, balanced, mutual force reductions.

Returning forces to the United States will not save money unless we disband those forces and reduce our ability to protect our security interests and our ability to meet our obligations for common defense.

It has been argued that conventional forces are only a symbol of the U.S. commitment, that their numbers are not relevant, and therefore sizable reductions can safely be made. It *is* true that U.S. forces are symbolically important, and that they are regarded as a barometer of American political interest and commitment. But it is *not* true that the size of our conventional forces in Europe is irrelevant, that their numbers do not matter. We are now in an age of approximate nuclear parity. This means that strong conventional forces are more important, rather than less important, for they give the U.S. and its allies the option of an initial conventional defense without necessarily resorting to the early use of nuclear weapons. This option adds to the plausibility of our commitment to defend our vital interests, and thus strengthens the total deterrent.

Lastly, until agreements are reached on Mutual and Balanced Force Reductions, we may be sure that unilateral reductions would undermine deterrence, reduce Warsaw Pact interest in negotiating such reductions, and create a serious crisis of confidence in Europe with respect to the U.S. contribution and commitment to the Alliance.

In accordance with the Nixon Doctrine, which requires our allies and friends to assume greater responsibility for their own security as their capabilities permit, the Department of Defense keeps overseas troop deployments under continuous review and plans to make adjustments whenever the changing situation permits or requires that adjustments be made. In addition to the significant reductions in deployments in South Vietnam and Thailand, since 1969 there have been 249 realignment and base closure actions in 19 foreign countires and areas, resulting in an elimination of 56,000 military and 41,000 civilian positions, and an annual decrease in Defense expenditures of approximately $670 million. In making these reductions we have concentrated on eliminating unnecessary support forces and cutting back on headquarters staffs in order to maintain the highest combat capabilities possible.

Response

Since 1969 there have been 249 realignment and base closures in 19 foreign countries resulting in elimination of 56,000 military positions. Please provide the number of realignments and base closures by country and the specific U.S. headquarters and support units or personnel withdrawn from each country.

Although these deployments have been and continue to be in our security interests, they admittedly have had an adverse effect on the U.S. balance of payments (BOP) situation. However, the effect has been smaller than many may realize. *Less than 13 percent* of the total U.S. deficit in official FY 1972 Reserve Transactions was attributable to the net Department of Defense account. Put another way, neary all of the U.S. BOP deficit stems from other than Defense causes; it is these causes which should receive the most critical attention if the deficit is to be corrected.

Response

Please furnish, by country, the Balance of Payments deficit resulting from the military accounts of U.S. forces stationed in the country. Also, please indicate the dollar amount that each of these countries contributes to assisting the U.S. in reducing our BOP deficits caused by military accounts.

However, we have not ignored that the stationing of U.S. forces overseas does contribute to the U.S. BOP deficit. In conjunction with our allies who are economically able to help, we have sought to eliminate that contribution to the greatest extent possible. The Federal Republic of Germany, recognizing that the BOP implications of stationing U.S. forces in the Federal Republic are a major contributor to the DOD BOP deficit, has been particularly forthcoming in this regard. We will continue to seek arrangements designed to share more equitably the burdens of defense in Europe and in other parts of the world.

A final general comment might be in order regarding the use of the word "deployments" to characterize U.S. military forces stationed overseas. In a military sense, forward deployment is used to denote the presence of U.S. combat forces in overseas areas whose principal mission is to be prepared for possible U.S. military action to protect U.S. security interests in the region or country of deployment. Our forces in Western Europe and the Republic of Korea are two examples of this type of deployment.

Response

Are the ground combat elements of the II and III MAPs that are either stationed or serving afloat, at Guantanamo Bay, Cuba, in the Mediterranean, Okinawa and Western Pacific counted as "forward deployed" forces?

U.S. military forces are also stationed overseas with missions which are other than primarily combat in nature but which are just as essential to protect our security interests, further foreign policy objectives, and provide support for deployed combat forces. Examples of this type of stationing overseas are as follows:

Military Assistance Advisory Groups (MAAGs) and military missions, which serve in an advisory capacity to assist important friends and allies in developing a capability to defend themselves and protect their sovereign rights to independence and self-determination.

Response

Please explain how the presence of each of the following MAAGs or military missions in the indicated countries fulfills the U.S. national security objective of "contributing to the security of other nations with whom we have treaties or whose security significantly impacts upon our security." Please indicate the length of time each MAAG or Mission has been stationed in the host country and explain specifically how the presence of each of these MAAGs or missions is "assisting important friends and allies in developing a capability to defend themselves." State any specific contributions that each MAAG or mission has made in assisting the host country to "protect their sovereign rights to independence and self-determination."

MAAGs/Military Mission/MILGP and Country

MILGP, Argentina.
MAAG, Belgium/Luxembourg.
MILGP, Bolivia.
MILGP, Brazil.
MILGP, Chile.
MILGP, Colombia.
MILGP, Costa Rica.
MAAG, Denmark.
MAAG, Dominican Republic.
MILGP, El Salvador.
MAAG, Ethiopia.
MAAG, France.
MAAG, Germany.
JUSMAG, Greece.
MILGP, Guatemala.
MILGP, Honduras.
DLG, Indonesia.
ARMISH-MAAG, Iran.
MAAG, Italy.
JUSMAG, Korea.
LIBMISH, Liberia.
MUSLO, Morocco.
MAAG, Netherlands.
MILGP, Nicaragua.
MAAG, Norway.
MILGP, Panama.
MILGP, Paraguay.
MAAG, Peru.
MAAG, Philippines.
MAAG, Portugal.
USMTM, Saudi Arabia.
JUSMG/MAAG, Spain.
MAAG, Taiwan.
JUSMAG, Thailand.
USLOT, Tunisia.
JUSMMAT, Turkey.
MILGP, Uruguay.
MILGP, Venezuela.
MAAG, Zaire.

Communications and logistic personnel who provide essential support to existing deployments of U.S. combat forces, or who provide a basic infrastructure in the event new or additional deployments of combat forces may be in our national interests. For reasons of efficiency and operational effectiveness, these personnel are not necessarily co-located with the combat forces they support.

Personnel and facilities assigned to important early warning, surveillance (e.g., of Soviet ballistic-missile carrying submarines) and reconnaissance missions, to facilitate both defense of the United States and implementation of our mutual security responsibilities. These personnel are also not necessarily co-located with U.S. combat forces.

Response

How many military personnel are assigned overseas with duties in communications, logistics, early warning surveillance and reconnaissance mission? What provisions have been provided to protect these personnel when they are not co-located with U.S. combat forces?

II. ANSWERS TO SPECIFIC QUESTIONS

In the order in which they were asked, following are answers to specific questions raised by Congressman Dellums.

NOTE: The answers below to the separate questions regarding Italy, Germany, Portugal, Spain, and England should be considered in view of the fact that our military forces in those countries are an integral part of NATO forces, designed to implement a NATO strategy that must satisfy security and defense requirements which range from the Norwegian Sea on NATO's Northern flank to Turkey on the Southern flank.

Responses

Past Department of Defense reports have indicated that as of June 30, 1961 there were 311,600 U.S. troops in Europe. On page 188 of the Military Manpower Requirements Report dated February, 1973, the Department of Defense states that in FY 73 there were 319,000 military personnel in Europe and related areas, and this Report indicates a projection of 319,000 for FY '74. Please explain the contradiction between the 307,000 U.S. military personnel indicated in your reply as being in Europe at the end of 1972, and the 319,000 total reported in the FY 1973 and FY 1974 Department of Defense Military Manpower Requirements Reports submitted to the Congress under the provisions of P.L. 92–436.

What percentage of NATO ground and air forces stationed in Central Europe are U..S.? What percentage of FY 1974 U.S. active duty ground, sea and air forces will be assigned to NATO missions or NATO-related missions?

In the admitted absence of any NATO treaty article that requires a U.S. military force presence in Europe, please be more specific as to the particulars of "our NATO commitments" that has been consistently supported for more than two decades.

Please explain the specific ways by which any reductions in our NATO based forces would destroy the prospects of the meeting in October to discuss mutual force reductions. With a present reported NATO imbalance of 3 to 1 in tanks, 2 to 1 in combat *manpower, 2 to 1 in tactical aircraft, what do you mean by "the current tenuous military balance between Eastern and Western Europe"?*

Why would returning and deactivating only two divisions from our NATO based force reduce our ability to defend our security interests. And how would the deactivation of two divisions reduce our ability "to meet our obligations for common defense," when no article of the NATO treaty establishes any level of military obligation?

The Department of Defense indicated on page 44, Part 1 of the Hearings on the FY 1793 Authorization Bill (S. 3108) that U.S. conventional forces are "spread thin" in West Germany, and that early reinforcement by the Reforger units and two divisions plus ten support units, were necessary in order to have "the minimum essential" force to conduct an initial non-nuclear conventional defense of Central Europe, then how does the current size of our conventional forces in Europe "give the U.S. and its allies the option of an initial conventional defense without necessarily resorting to the early use of nuclear weapons"?

Give examples of how a unilateral reduction of 100,000 in the site of U.S. forces in Europe will:

"reduce Warsaw Pact interest in negotiating such reduction"

"create a serious crisis of confidence in Europe with respect to the U.S. contribution and commitment to the Alliance"

Explain how U.S. military forces in non-NATO member Spain "are an integral part of NATO forces, designed to implement a NATO strategy."

THAILAND

Question

"What U.S. national defense commitment requires the presence of 43,000 U.S. military personnel stationed in Thailand after U.S. military forces have been withdrawn from South Vietnam?"

Answer

Thailand is a member of the Southeast Asia Treaty Organization (SEATO). U.S. forces deployed there are in furtherance of our participation in SEATO, as well as in support of U.S. policies in Indochina and Southeast Asia. In furtherance of these policies elements of U.S. forces in Thailand are flying combat air operations in Cambodia at the request of the Khmer Government. Although our military forces have been withdrawn from South Vietnam in keeping with the Vietnam accords, we plan to retain most of our operational forces in Thailand until North Vietnamese intentions and actions in regard to those accords become clearer than they are now and until the situation in Indochina becomes more stabilized than at present. Given the current fluidity and uncertainties in the situation in Indochina, it is impossible at this time to predict how long it will be necessary to retain these forces as a contingency against continued North Vietnamese violations of the Vietnam accords. We will, however, continually be reassessing the situation with a view to drawing down our forces in Thailand on a gradual, phased basis as soon as it appears prudent to do so.

Responses

The Department of Defense answer does not address the question of why U.S. national defense requires the presence of U.S. military personnel committed indefinitely in Thailand.

Under the provisions of what article of the SEATO Treaty are these 43,000 U.S. military personnel deployed in Thailand?

RYUKYU ISLANDS

Question

"Since the Nixon Doctrine rules out the future use of U.S. ground forces in combat in Asia, why is it necessary to continue to maintain 42,000 U.S. military personnel (including most of a marine division) stationed in the Ryukyu Islands?"

Answer

In the Ryukyus, Okinawa continues to serve as the principal offshore operational and logistical supply base for the U.S. forces in Northeast and Southeast Asia, and is the base for U.S. Air Force, Navy, and Marine Corps forces, consistent with our national policy of maintaining a military presence to protect our interests and promote stability in the Western Pacific region.

As elsewhere, our force levels and facility requirements in Okinawa undergo continuous and intensive review with the objective of minimizing the number of military personnel deployed to Okinawa. At the reversion of Okinawa to Japanese administration in 1971, we reduced the number of U.S. military facilities and areas in the Ryukyus by approximately 40 percent. Further reductions are being discussed with the Government of Japan. For FY 1974, we plan an authorized force level of about 38,000 military personnel.

It should be noted that the Nixon Doctrine per se does not completely rule out the use of U.S. ground forces in Asia; it provides that we will keep our treaty commitments, but we expect the nation directly threatened to assume the primary responsibility for providing the manpower needed for its defense. To implement the Nixon Doctrine, we are looking to our Asian allies to assume a greater portion of our common responsibilities for mutual security and common defense on an orderly basis as their improving economic capabilities and regional security conditions permit, but there are still areas in Asia—e.g., the Korean Peninsula—where it is not yet in our interests to completely eliminate the presence of U.S. ground forces.

Response

If the Nixon Doctrine does not "completely rule out the use of U.S. ground forces in Asia" which treaty articles specifically establish a U.S. commitment that will require maintaining the military presence of 38,000 U.S. military personnel in Okinawa in FY 1974?

TAIWAN

Question

"At a time when the U.S. is establishing an embassy in Peking, why does it continue to be necessary to station 9,000 U.S. military personnel in Taiwan?"

Answer

At this time only a Liaison Office, not an Embassy, has been established in Peking.

In his Foreign Policy Report to the Congress dated May 3, 1973, President Nixon reaffirmed the principle that we do not plan to improve our relations with the Peoples' Republic of China (PRC) at the expense of the Republic of China (ROC) on Taiwan. He stated that "(w)hile simultaneously moving toward the goal of normal relations with Peking, the United States has maintained a policy of friendship for the 15 million people of Taiwan. We retain diplomatic ties, commitments under the Mutual Defense Treaty of 1954, and close economic contacts with them."

In connection with an eventual peaceful settlement of the Taiwan question by the ROC and the PRC themselves, the U.S. affirmed in the Shanghai Communique its ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan. Our deployments will be periodically reviewed and adjustments made as security conditions in the Western Pacific and Asia warrant. U.S. military personnel on Taiwan are assigned the following missions:

Some forces are primarily responsible for assisting in the security and defense of Taiwan under the Mutual Defense Treaty Between the United States of America and the Republic of China, e.g., Taiwan Defense Command and the Military Assistance Advisory Group.

Other forces are primarily responsible for fulfilling theater requirements, e.g., air transport units; and

Still other forces support both of the previous types, e.g., communication units.

It should be noted that there have been no indications from the PRC that the presence of these forces has been a debilitating influence on the evolving U.S.–PRC relationship.

Responses

The question referred to "establishing" an embassy in Peking, it was understood that that the U.S. Liaison Office was a logical first step in the eventual establishment of a U.S. Embassy.

Please cite the specific article of the 1954 U.S.-ROC Mutual Defense Treaty that provides the basis of a U.S. commitment requiring the stationing of 9,000 military personnel in Taiwan?

JAPAN

Question

"What is the purpose of the forward deployment of nearly 20,000 U.S. military personnel (including nearly 10,000 ground troops) in Japan? What treaty article requires this U.S. commitment?"

Answer

The primary purpose of the U.S. military presence on the Japan mainland is to maintain an operational, logistical, and communications base structure which is viewed as minimally necessary to promote U.S. security interests and foreign policy objectives in the Far East. We maintain no U.S. combat troops based on the mainland.

The legal basis for a U.S. presence in Japan is Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, which does not require U.S. forces to be stationed in Japan but provides that "for the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan."

Response

In reference to the statement of the reply on forces in Japan, that "we maintain no combat troops based on the mainland," are there no combat-related personnel with the 3d MAF/1 Marine Aircraft Wing stationed at Iwakuni, Japan?

ITALY

Question

"Why is it necessary to continue to station 10,000 U.S. military personnel (including nearly 8,000 ground troops) in Italy? What is the specific mission of the Southern European Task Force (SETAF) and what is the treaty article that requires this U.S. forward deployment?"

Answer

U.S. forces in Italy are an integral part of the NATO military posture, designed to implement NATO strategy and operational plans as approved by the Supreme Allied Commander Europe after consultation and agreement with national authorities concerned.

As of 31 December 1972 the U.S. Army had approximately 2,700 troops in Italy, vice 8,000 as indicated in the question.

The mission of the Southern European Task Force is to provide support to NATO forces in Italy and to be prepared to provide logistic support in the Mediterranean area.

The answer to the question on Italy is incomplete:

(1) no answer was furnished in response to the request for the treaty article that requires the U.S. forward deployment of 10,000 military personnel to Italy.

(2) A request was made for the "specific mission" of SETAF. The answer furnished included only the general support mission.

In regard to the general support mission, to what U.S. and NATO forces is SETAF prepared to "provide logistic support in the Mediterranean area"?

GERMANY

Question

"Of the 211,000 military personnel stationed in the Federal Republic of Germany, how many are assigned to combat skill jobs? What is the mission of these 211,000 personnel? What treaty article requires their presence in the Federal Republic of Germany? What are the annual direct costs for maintaining these forces? What is the total balance-of-payments benefit that accrues to the Federal Republic of Germany as a result of their presence?"

Answer

At the end of 1972 there were 221,000 U.S. military personnel stationed in the Federal Republic of Germany (FRG). During FY 1974 we plan that the number of military personnel in the FRG will be approximately the same, of which approximately 80 percent will be in combat skill jobs. In conjunction with other NATO forces in the FRG, the mission of these personnel is to deter aggression against Western Europe by confronting Warsaw Pact forces with a strong military capability and, in the event deterrence should fail, to implement approved NATO military strategy in response to the aggression.

There is no treaty article which *per se* requires U.S. military personnel to be stationed in the FRG. U.S. forces in the FRG are an integral part of the NATO military posture, designed to implement NATO strategy and operational plans as approved by the Supreme Allied Commander Europe after consultation and agreement with national authorities concerned.

The operating cost of maintaining U.S. forces in the FRG in FY 1972 was $2.420 billion. This includes the costs related to maintaining all military and civilian personnel in the FRG and the cost of operating and maintaining facilities. It should be noted that approximately 90 percent of these costs would still be needed to maintain these forces in the United States. If we maintained these forces in the United States and wanted to be able to return them quickly to Europe in the event of a crisis, we would have to spend more than we presently spend on pre-positioned unit equipment in Europe or on airlift and sealift forces. To reduce defense expenditures, we would have to deactivate the forces, thereby essentially abandoning the NATO commitment.

U.S. defense expenditures in Germany entering into the international balance of payments (BOP) totaled approximately $1.388 billion for FY 1972. However, this and the FY 1973 BOP amount (yet to be determined) should be viewed in light of the current U.S.-FRG offset agreement for the two-year period, which calls for FRG expenditures of $2.065 billion, including the procurement in the U.S. of $1.227 billion worth of military equipment by the FRG and rehabilitation of barracks and other facilities used by U.S. forces in the FRG valued at $186 million.

Responses

Please explain the contradiction between the statement of the reply that in FY 1974 "approximately 80 percent" of the U.S. military personnel in the FRG will be serving in combat skill jobs; and the information furnished to the Congress on page 177 of the Military Manpower Requirements Report for FY 1974, which gives the following percentages for combat skill manpower in each service in FY '74:

Army, 24%; Navy, 12%; Marine Corps, 28%; and Air Force, 8%.

If, as the reply indicates, there is no treaty article in the NATO Treaty which requires U.S. military personnel to be stationed in the FRG, then why on page 191 of the Military Manpower Requirements Report for FY 1974 is it stated that the "Primary Applicable Treaty" for the stationing of 4⅓ U.S. Army divisions in West Germany is the "North Atlantic Treaty"? Under what treaty article are these U.S. military personnel present in the FRG?

Who are the "national authorities concerned" with whom the Supreme Allied Commander Europe conducts consultations and agreements that evidently determine the location of U.S. military forces in the FRG?

What is the specific "NATO commitment" that would be "abandoned" by the withdrawal and deactivation of say two U.S. divisions from the FRG?

Isn't the U.S.-FRG offset agreement more of a loan-deferral action rather than a pure offset of dollar costs? And is it not a fact that the FRG will obtain eventual ownership and possession of the U.S.-seized World War II vintage barracks and other facilities that they are paying to rehabilitate?

ETHIOPIA

Question

"Under what treaty article does the U.S. maintain 1,000 military personnel stationed in Ethiopia? What is the mission of the U.S. Military Assistance Command in Ethiopia? Has this command provided counterinsurgency training to elements of the Ethiopian Army? Have U.S. military advisors visited or accompanied Ethiopian Army units engaged in counterinsurgency operations? Why does it require a major general to command this 1,000 man force?"

Answer

The United States has no treaty with Ethiopia. We do have a facilities agreement that permits us to operate a communication station in that country. At present about 800 U.S. military personnel are assigned to operate that facility. The United States also maintains a Military Assistance Advisory Group (MAAG) of about 85 U.S. military personnel. The MAAG supervises and administers the U.S. Military Security Assistance Program for Ethiopia. We have provided counterinsurgency training to elements of the Ethiopian Army, but U.S. military advisors do not participate in or accompany these elements while engaged in counterinsurgency operations.

The U.S. Military Assistance Advisory Group in Ethiopia is headed by a Brigadier General vice Major General as indicated in the question. The primary reason that the senior officer in a group such as the MAAG is a general officer is one of protocol, to ensure that the MAAG is able to maintain contacts at the appropriate command and staff levels in the military establishment of the host country.

Response

Please cite the specific paragraph in the U.S.-Ethiopian Facilities Agreement which authorizes the stationing of U.S. military personnel in Ethiopia. Also cite the pertinent clause or article of the agreement which governs the stationing and size of the U.S. MAAG in Ethiopia. What specific phases of counterinsurgency training have been provided to the Ethiopian Army? Does the Brigadier General commanding the MAAG also command the communications station? Please furnish copies of the authorized manning tables for MAAG-Ethiopia.

MOROCCO

Question

"What is the treaty article that requires the forward deployment of 1,000 U.S. military personnel in Morocco? How many of these personnel are assigned to combat skill jobs? What is the mission of this U.S. force deployment?"

Answer

The U.S. has no treaty with Morocco. There are about 800 military personnel (including approximately 150 Marine guards) stationed in Morocco, none of whom are assigned to combat skill jobs. Their mission is the operation of a communications facility which is part of our Sixth Fleet and worldwide communications system. As such, this communication facility supports U.S. collective defense responsibilities and national security interests around the globe.

Response

In the absence of any treaty which authorizes the stationing of U.S. military personnel in Morocco, what is the legal basis for the current presence of 1,000 military personnel?

In view of the reply that none of these U.S. personnel (including marine guards) are assigned to combat skill jobs, and in view of the volatile internal political situation existing in Morocco, what provisions have been made for the security of U.S. personnel (and dependents) stationed there? Can the operational function of the communication facility in Morocco be performed by an afloat capability or by facilities at Rota or San Pablo-Moron in Spain?

PORTUGAL

Question

What is the mission which requires the forward deployment of 1,000 U.S. military personnel to Portugal? What treaty article requires this amount of men?

Answer

There is no treaty article which *per se* requires U.S. military personnel to be stationed in Portugal. A few U.S. military personnel fulfill NATO assignments in Portugal. However, the predominant portion of our forces nominally labeled as being in Portugal are stationed in the Azores primarily to accomplish the following missions: (1) antisubmarine warfare and ocean surveillance; (2) aircraft staging and overflight; and (3) communications. The Azores have become increasingly important in recent years for antisubmarine operations because of the buildup of Soviet missile-equipped and attack submarines in the mid-Atlantic. This mission would not be performed as efficiently in any other location. Lajes Air Base is important for aircraft refueling and staging because of its location and favorable prevailing weather.

This stationing of personnel is permitted, but not required, under the terms of a U.S.-Portuguese Defense Agreement concluded pursuant to Article 3 of the North Atlantic Treaty on 6 September 1951. This Agreement, through various extensions since that date, continues to grant the use of Lajes Air Base by U.S. forces. Similar agreements for stationing of our forces to implement the provisions of the North Atlantic Treaty have been concluded with Belgium, Canada, Denmark, Germany, Greece, Iceland, the Netherlands, Turkey, and the United Kingdom.

Response

Since there is no article in the NATO treaty that requires U.S. military persomnel to be stationed in Portugal, cite the specific article in the U.S.-Portuguese Defense Agreement under which U.S. military personnel are currently in Portugal and the Azores Islands. Has the U.S.-Portuguese Agreement been ratified by the U.S. Congress? Please provide a monthly breakout of the number of transient aircraft using Lajes Air Base for refueling, staging and overflight missions during FY 1973.

SPAIN

Question

"What treaty article requires the forward deployment of 9,000 U.S. military personnel stationed in Spain? What is the current mission of the Joint U.S. Military Assistance Group/Military Assistance Advisory Group? What is the mission of the 16th Air Force? How many of the military personnel assigned to the 16th Air Force are assigned to combat skill jobs? How many combat aircraft does

Headquarters 16th Air Force command? What is the annual cost to maintain the San Pablo-Moron Air Base in stand-by status? What is the annual cost to the U.S. to operate the air base at Zaragoza?"

Answer

The U.S. is not required by any treaty or agreement to station forces in Spain. Our military presence there is permitted under the terms of the 1970 U.S.-Spanish Friendship and Cooperation Agreement whereby Spain, without the benefit of a security guarantee, allows the U.S. to use Spanish bases and facilities in support of overall western defense in Europe, the Atlantic, and the Mediterranean basin. U.S. Polaris and Poseidon submarines, operating out of Rota, continue to be a vital factor in the maintenance of an overall U.S. strategic force posture designed to be sufficient to deter Soviet nuclear aggression against the United States, and at the same time make important contributions to deterrence in Europe. In return for this contribution to our national security and mutual security in Western Europe, Spain receives a modest amount of U.S. materiel and economic aid.

The Joint U.S. Military Assistance Group/Military Assistance Advisory Group in Spain serves as a point of contact between U.S. military forces, the U.S. Embassy, and the Spanish government for matters concerning implementation of the U.S.-Spanish Friendship and Cooperation Agreement. It also assists in the development of plans and programs for and administers the U.S. Military Security Assistance Program for Spain, including the international sales and logistics aspects of that Program.

The mission of the 16th Air Force is to provide command, administrative, and logistical support as directed by the Commander-in-Chief, United States Air Force Europe (CINCUSAFE), for U.S. units located on or near facilities assigned to the Commander, 16th Air Force. The Headquarters, 16th Air Force, also acts as the point of contact for Air Force matters with U.S. embassies and pertinent governmental agencies of Spain, Portugal and other national entities in his area of geographical responsibility with the concurrence of the United States Commander-in-Chief, Europe, and/or Chiefs of Military Assistance Advisory Groups and U.S. Military Missions.

Approximately 50 percent of the authorized strength for the 16th Air Force are in "combat skill jobs."

Normally there are about 100 combat aircraft in the 16th Air Force area of responsibility.

The cost to maintain the San Pablo-Moron Airbase in stand-by status was approximately $2 million in FY 1972; the cost to operate the airbase at Zaragoza was approximately $4 million in FY 1972.

Responses

Since there is no treaty or agreement which requires the stationing of U.S. military forces in Spain, cite the specific article or paragraph in the 1970 U.S.-Spanish Friendship and Cooperation Agreement under which 9,000 U.S. military personel are stationed there. Has this 1970 agreement been ratified by the U.S. Congress?

Couldn't U.S. Polaris and Poseidon submarines operate from an afloat tender? Why is it necessary that they operate from a fixed land base? How much US. material and economic aid did Spain receive during FY 1971–1973?

Does the U.S. JUSMG/MAAG Spain act as a point of contact between NATO and the Spanish Armed Forces? How much post-Korean War military equipment (excluding international sales), did the JUSMG/ MAAG plan, program and administer for the Spanish Armed Forces in the period FY 1969–FY 1973. What was the cost to the U.S. government of this equipment and the services of personnel in JUSMG/MAAG?

If the Headquarters 16th Air Force is designed to act "as the point of contact for Air Force matters with governmental agencies of Spain, Portugal and other national entities in his area of geographical responsibility," does this mean that the Air Attaches and the Air Force Sections of JUSMG/MAAG Spain, MAAG–Portugal, MAAG–Italy, MAAG–Greece and JUSMAT–Turkey do not serve as points of contact on Air Force matters. Please explain this apparent duplication of mission.

Also explain the contradiction between the statement that "approximately 50 percent of the authorized strength of the 16th Air Force are in combat skill jobs," and the information on page 177, Military Manpower Requirements Report for FY 1974 which shows that only 8 percent of the entire U.S. Air Force is assigned to combat skill jobs.

Please respond to the question concerning how many combat aircraft does Headquarters 16th Air Force command. It is not a satisfactory reply that "normally" there are "about" 180 combat aircraft "in" the 16th Air Force area of responsibility. What is desired is the exact number of combat aircraft permanently assigned on a day-to-day operational basis under the command of Headquarters 16th Air Force.

What steps, if any, has the Department of Defense taken since 1971 to obtain another firing range and base in a NATO member area to replace the Zarogoza airbase and firing range?

TURKEY

Question

"What treaty article stipulates a U.S. commitment which requires the stationing of 7,000 U.S. military personnel in Turkey? How many of these military personnel are assigned to combat skill jobs? How many are assigned to headquarters or support duties? What is the current mission of the Joint U.S. Military Assistance Group Turkey? How many officers and non-commissioned officers are included in the total U.S. military strength in Turkey?"

Answer

There is no treaty article which per se requires U.S. military personnel to be stationed in Turkey. U.S. forces in Turkey are an integral part of the NATO military posture, designed to implement NATO strategy and operational plans as approved by the Supreme Allied Commander Europe after consultation and agreement with national authorities concerned.

Approximately 25 percent of the U.S. military personnel in Turkey are assigned to combat skill jobs; the remainder are assigned to combat support and other responsibilities. Slightly over 10 percent of the total are commissioned officers.

The mission of the Joint U.S. Military Assistance Group, Turkey, is to assist the Turkish Armed Services in developing their strength, thereby improving Turkey's capability to implement approved NATO strength and to contribute to the defense of NATO's Southern Flank.

Responses

Since there is no article in the NATO treaty which requires U.S. military personnel to be stationed in Turkey, cite the specific article or paragraph of the agreement or accord under which 7,000 U.S. military personnel are currently present in Turkey.

Explain the contradiction between the statement in the reply that "approximately 25 percent of the U.S. military personnel in Turkey are assigned to combat skill jobs," and the information furnished the Congress by the Department of Defense on page 177, Military Manpower Requirements Report for FY 1974 that shows only 18 percent of all DOD manpower is assigned to combat skill jobs. Also, please enumerate the specific types of "combat support" duties that U.S. military personnel in Turkey are performing.

Please respond to the original question of how many non-commissioned officers are included in the total U.S. military strength in Turkey.

Furnish specific examples of how the JUSMAT is assisting the Turkish Armed Services in developing their strength, and how this assistance has substantively improved Turkey's capability to aid U.S. national security objectives and contribute to NATO strategy. State the threat to the defense of NATO's Southern Flank, and specifically how U.S. military forces in Turkey assist Turkish Armed Forces in countering this threat.

ENGLAND

Question

"What treaty article requires a U.S. commitment of 21,000 military personnel stationed in the United Kingdom? How many of these personnel are assigned to combat skill jobs? How many are officers or non-commissioned officers? What is the mission of the 3rd Air Force? How many combat U.S. aircraft does this headquarters command? What is the mission of the Commander-in-Chief U.S. Navy Europe? How many U.S. combat warships and submarines does this headquarters command?"

Answer

There is no treaty article which *per se* requires U.S. military personnel to be stationed in the United Kingdom. U.S. forces there are an integral part of the NATO military posture, designed to implement NATO strategy and operational plans as approved by the Supreme Allied Commander Europe after consultation and agreement with national authorities concerned.

Approximately 30 percent of the total number of U.S. military personnel in the UK are assigned to "combat skill jobs." Approximately 8 percent of the total are commissioned officers.

On behalf of Commander-in-Chief Air Forces Europe (CINCUSAFE), the mission of the 3rd Air Force includes supervision of forces assigned to its headquarters, such as major fighter and reconnaissance wings stationed in the UK. Headquarters 3rd Air Force is also the Department of Defense's executive agency for any negotiations with the UK Ministry of Defense, providing such support as establishing with the UK the standby deployment bases necessary to receive forces such as might be required in a time of crisis. It also helps in the coordination of all air and sea deployments for both peacetime and wartime objectives in the immediate area on the approaches to Europe, a mission made more important since the denial of important access routes for those objectives by the Government of France since General de Gaulle.

Headquarters 3rd Air Force commands over 200 combat aircraft.

The Commander-in-Chief U.S. Naval Forces Europe (CINCUSNAVEUR) has operational control of naval forces assigned to the Commander-in-Chief U.S. Forces Europe (USCINCEUR), including the Sixth Fleet in the Mediterranean. He is also assigned duties as U.S. Commander in the Eastern Atlantic under the Commander-in-Chief Atlantic Fleet (CINCLANT). He reports directly to the U.S. Chief of Naval Operations on all matters relating to administration, personnel, U.S. and allied training, logistics and other naval matters outside the area of his operational responsibilities.

CINCUSNAVEUR Headquarters currently commands approximately 30 combat warships, including four submarines.

Responses

Since there is no article in the NATO Treaty that requires U.S. military personnel to be stationed in the United Kingdom, cite the specific article or paragraph in any agreement or accord that has been signed to authorize the presence of 21,000 U.S. military personnel there.

Explain the contradiction between the statement in the reply that "approximately 30 percent of the total number of U.S. military personnel in the UK are assigned to 'combat skill jobs'"; and the information furnished to the Congress on page 177, Military Manpower Requirements Report for FY 1974 which shows that no individual U.S. Military service had that percent of combat skill personnel in FY 1973 and that the total DOD manpower in combat skill jobs was only 18 percent.

Please respond to the original question of how many non-commissioned officers are assigned in the 21,000 U.S. military personnel in the United Kingdom.

What is the wartime mission of the Commander-in-Chief U.S. Naval Forces Europe? Approximately how many combat warships would he command under this wartime mission?

Why does it require a land-based headquarters to command afloat elements off Europe and in the Mediterranean? And why does it require the presence in London of 5 admirals, 21 captains, and 39 commanders to command 30 combat warships (including 4 submarines) in the Mediterranean that have authorizations for at least 8 additional admirals and 12 captains?

WESTERN PACIFIC (AND THE MEDITERRANEAN)

Question

"What treaty article requires a U.S. commitment of over 68,000 military personnel afloat in the Western Pacific? What treaty article requires a U.S. commitment of 24,000 military personnel afloat in the Mediterranean?

Answer

There is no specific treaty article which requires either of these deployments. In the Western Pacific, U.S. forces afloat are in support of and demonstrate our continuing national commitment to the principles of mutual security and common defense as codified in the Southeast Asia Collective Defense Treaty (SEATO), the Security Treaty between Australia, New Zealand and the United States of America, and bilateral treaties with Japan and the Republics of Korea, China, and the Philippines. U.S. forces afloat in the Mediterranean demonstrate our continuing support of the North Atlantic Treaty and our resulting commitments to NATO. They also help to support other national policies and objectives in the Mediterranean area.

Among the missions performed by U.S. forces afloat in the Western Pacific and the Mediterranean in furtherance of U.S. national interests, policies, objectives and commitments are the following:

Maintain the forward deployment of POLARIS and POSEIDON submarines with their ballistic missiles as a vital part of the U.S. strategic nuclear deterrent to aggression by other nuclear powers, against either the United States or its allies.

Deter actions contrary to U.S. interests and objectives by maintaining the presence of military forces adequate to protect those interests and objectives against the most likely threats.

Demonstrate a visible U.S. commitment to freedom of the seas and access to ocean resources.

Control sea lanes in the event of hostilities or other actions which threaten our vital national interests or foreign policy objectives. (We must be prepared to defend the sea lanes to and from the continental United States—some of which are very long and potentially vulnerable—and, if necessary, to permit the deployment and logistics support of U.S. military forces overseas to ensure our continued access to vital overseas resources such as oil from the Middle East.

Responses

Please cite any provisions in the SEATO, ANZUS, and bilateral treaties with Japan, ROK, Nationalist China and Philippines that have been used to form the basis for a commitment of U.S. military afloat in the Western Pacific.

Enumerate the "other national policies and objectives" that U.S. military personnel afloat in the Mediterranean help support.

What specific actions that are "contrary to U.S. interests and objectives" are envisioned as being deterred by U.S. military personnel in the Western Pacific and Mediterranean? Specifically, what are "the most likely threats" to U.S. interests and objectives in these two areas?

What U.S. overseas military forces would be deployed and logistically supported to ensure continued U.S. access to "oil from the Middle East"?

IRAN, AUSTRALIA, CYPRUS

Question

"What military agreement or treaty article obligates the forward deployment of nearly a thousand U.S. military personnel in the following countries: Iran, Australia, and Cyprus?"

Answer re Iran

We have two agreements with Iran which have resulted in the stationing of U.S. military advisors in that country:

Agreement between the Government of the United States of America and Iran to constitute a U.S. military mission to Iran whose purpose is "to cooperate with the Ministry of War of Iran and the Iranian Army with a view to enhancing the efficiency of the Iranian Army;" and

An agreement for the employment of an American Advisory Mission to the Imperial Ministry of War.

The former agreement, the more important of the two, relates to the assignment of U.S. military personnel to the U.S. military mission with the Imperial Iranian Army and the Military Assistance Advisory Group to Iran (ARMISH/MAAG). This Mission was established in 1947 and its presence has been extended annually by mutual agreement. Its authorized strength for FY 1974 is 208 officers and enlisted personnel, down over 50 percent since 1967.

The second agreement was first entered into in 1943 and has resulted in the establishment of the U.S. Military Mission with the Imperial Iranian Gendarmerie (GENMISH). The GENMISH is much smaller than the ARMISH/MAAG—a total of 16 officers and enlisted men are authorized for FY 1974.

Under the provisions of the Foreign Military Sales Act, we are providing on a temporary basis several Technical Assistance Field Teams (TAFT) composed of technicians who will train Iranian military personnel in the operation of maintenance of the military equipment Iran has purchased from the U.S. Although the number of military technicians will fluctuate, at no time do we expect the number to exceed 500.

It might be misleading to consider the U.S. personnel in Iran as being a "forward deployment" which, in a military sense, connotes the presence of combat forces overseas in preparation for possible U.S. military action. U.S. military personnel in Iran are neither combat forces nor do they have a combat mission. They are advisors and technicians who assist an important friend and ally to develop its capability to defend itself and protect its sovereign right to independence. This is totally in consonance with the Nixon Doctrine. It should be added that the government of Iran is obtaining much of its military equipment from the United States, all of which is purchased, and is also reimbursing the U.S. for the services of many of the technicians it needs.

Responses

Are there two military advisory groups in Iran—i.e. ARMISH/MAAG and GENMISH? If so, why has one of these U.S. advisory duties not been eliminated or consolidated?

Please give specific examples of how noncombat U.S. military advisors in Iran "assist an important friend and ally to develop its capability to defend itself and protect its sovereign right to independence," and how the presence of these noncombatant advisors relates to the two basic U.S. national security objectives.

Answer re Australia

The Security Treaty between Australia, New Zealand and the United States (ANZUS) formalized an alliance which the Secretary of State's Foreign Policy Report for 1971 declares "is as vital to the three partners in the changing circumstances of the seventies as it was during the cold war of former years." The United States and Australia are both parties to the Southeast Asia Collective Defense Treaty Organization (SEATO) which commits the parties to act in the event of overt Communist aggression in accordance with their constitutional processes.

The United States maintains several important military facilities in Australia, including a U.S. Naval Communications Station which supports our naval forces in the Pacific and Indian Oceans. In addition, we have a small number of defense related projects and several small DOD and service detachments present in a support role.

In view of the foregoing, our military personnel investment in Australia is very modest for the essential missions being discharged in coordination with the Australian Government.

Response

Please specifically enumerate and explain the "several important military facilities" and "defense related projects" that require the presence of U.S. military personnel in Australia. Under what article of the ANZUS Security Treaty are U.S. military personnel stationed in Australia?

Answer re Cyprus

There is no military agreement or treaty article *per se* which requires the deployment of military personnel in Cyprus. However, during the period of British sovereignty in Cyprus, U.S. radio communications facilities were established. Subsequent to independence, an "agreement for the Operation of U.S. Communications Facilities in Cyprus" was consummated in 1968 between the Republic of Cyprus and the United States for the continued operations of these facilities.

Response

Since there is no military agreement or treaty article which requires the deployment of U.S. military personnel in Cyprus, cite the article of the 1968 Agreement between U.S. and Cyprus under which U.S. forces are currently present on the Island. How many U.S. military personnel are stationed on Cyprus? What provisions have been made for their protection? Could present radio communications be accomplished for afloat facilities?

APPENDIX

IDENTIFYING "COMBAT SKILL JOBS"

The identification of "combat skill jobs" is a problem with which the Department of Defense has been working for some time. There is no single definition of what should be included in combat-related jobs; it varies from Service to Service because of different organizations and different missions.

The following is reproduced from the first three pages of Section XIV, "The Combat-to-Support Ratio," in Military Manpower Requirements for FY 1973, the Secretary of Defense's annual report to the Congress on this subject pursuant to P.L. 92–120. These pages explain seven methods for identifying combat-related jobs, and contains calculations on a Service-by-Service basis for each method and for five fiscal years, including FY 1974. The method used in this report to determine "combat skill jobs" is based on the Five Year Defense Programs (FYDP).

THE COMBAT-TO-SUPPORT RATIO

A. Introduction

In earlier chapters of this Report we discussed the forces of the Department of Defense and the manpower required to operate those forces. Although a comparison of combat elements and support is inevitable, it is of questionable value as a managerial or decisionmaking tool. Our forces are structured to accomplish missions in support of attaining national objectives. The mix of resources required to support these forces is designed to provide required capability at minimum cost. No "support" or "overhead" resources are applied which are not essential, directly or indirectly, for accomplishment of the combat mission. Combat-to-support ratios, however constructed, are merely statistical byproducts of this force/manpower structuring. The combat and support manpower resources requested in the DOD budget submission for FY 74 represent our best estimate of the most efficient mix.

B. Defining the Ratio

There is a wide range of valid answers to the question, "What is the combat-to-support ratio?" There is no "best" definition. The definition of what can be included in combat varies by Service because of differing organizations and missions; for example, the Navy and Air Force tend to be weapons systems oriented, requiring fewer men directly engaging the enemy than do the Army and Marine Corps. Therefore, there are many ways to define combat and support and no simple ratio can be used as an adequate measure of whether there is a proper balance between mission forces and support.

This Report presents seven different views of combat and support for each Service, beginning with a very detailed level (i.e., individual skills) and ranging up through the broad level of Major Defense Programs. A detailed discussion of each method is shown below.

Combat Skills. This category includes all individuals whose primary duty is to fire at the enemy. For the Army and Marine Corps, it includes infantry, armor/cavalry, artillery skills, and aircraft crews. For the Navy, it includes unrestricted line officers, torpedomen, fire control technicians, aviation antisubmarine warfare operators, gunners mates, and minemen. For the Air Force, it includes pilots, navigators, aircrew members, and missile launch crews.

Intermediate Combat Units. This category includes units at the battalion, squadron, and ship level whose primary mission is to fire at the enemy. For the Army and Marine Corps, it includes infantry, armor/cavalry, and artillery units of battalion or smaller size. For the Navy, it includes combat ships. For all Services, it includes aviation units and missile units, if applicable, of squadron or smaller size.

Major Combat Units. This category covers large organizational elements that engage in combat as an entity even though parts of the organizations may not directly face hostile fire as their primary mission. For the Army and Marine Corps, it includes divisions and their deployed supporting units, separate brigades, regiments, and separate combat units such as artillery, air defense, combat engineers, aviation, target acquisition, and special forces. For the Air Force and Marine Corps Air Units, it includes the total wing structure, including aircraft and missile squadrons, maintenance, munitions, weapons system security and command functions. For the Navy, it includes the fleet structure, encompassing fleet commands, type commands, and all subordinate units.

Manpower Planning Categories. This ratio is based upon the manpower planning category structure dealt with throughout this Report. The number shown is the percentage of total manpower in Strategic Forces, General Purpose Forces, and Auxiliary Forces. As discussed in Chapters III, IV, and V, the logic here is that the Services are given primary missions, and they require a certain amount of support, as discussed in Chapters VI and VII, to accomplish those missions. In addition, in arriving at total manpower, the Services must provide spaces in the Individuals accounts (Chapter VIII) to keep structure units manned at authorized levels.

Five Year Defense Programs (FYDP) I, II, IV. This category includes the Five Year Defense Programs I (Strategic Forces), II (General Purpose Forces), and IV (Airlift, Sealift Forces). In addition to combat and combat support units, these programs include all base support, crew and unit training, logistics support, and command and control support necessary to accomplish the missions of the programs.

Operating Forces. This category consists of all combat units, combat support units, and all deployed support. This represents a close approximation of the Operating Forces categories that were previously used in budget presentations to the Congress prior to FY 62, the main categories of which were Operating Forces, Supporting Forces (including special activities), Training Forces, and Individuals (transients, patients, and prisoners).

Structure Spaces. This grouping is identical to the Manpower Planning Categories discussed above, except for the removal of Individuals from total manpower in computing the percentages. That is, the percentages shown represent Strategic Forces, General Purpose Forces, and Auxiliary Forces manpower divided by total structure spaces manpower. The logic here is that support *per se* is not provided by Individuals. Rather, Individuals spaces are programmed to allow all force units, both combat and support, to maintain the authorized strength levels necessary to accomplish their missions. . . .

Using the preceding seven definitions, the table below indicates for each Service the percent of total military manpower which could be considered as "combat." In general, there has been a slight decline in these percentages since 1964, for reasons which are explained later in this section.

PERCENT OF MILITARY MANPOWER IN COMBAT/MISSION FORCE UNITS, FISCAL YEAR 1964–74[1]

	Fiscal year—				
	1964	1968	1972	1973	1974
Army:					
Combat skills	(2)	(2)	23	24	24
Intermediate combat units (battalions)	(2)	(2)	27	29	30
Major combat units (divisions)	(2)	(2)	51	54	57
Manpower planning categories	(2)	(2)	55	50	62
FYDP I, II, IV	63	52	52	57	60
Operating forces	64	55	60	63	65
Structure spaces	(2)	(2)	68	72	74
Navy:					
Combat skills	(2)	(2)	12	12	12
Intermediate combat units (battalions)	38	35	39	39	38
Major combat units (divisions)	53	53	50	52	50
Manpower planning categories	(2)	(2)	53	55	54
FYDP I, II, IV	63	63	58	60	58
Operating forces	62	63	59	61	60
Structure spaces	(2)	(2)	64	65	65
Marine Corps:					
Combat skills	(2)	(2)	28	28	28
Intermediate combat units (battalions)	(2)	(2)	32	32	32
Major combat units (divisions)	(2)	(2)	54	54	55
Manpower planning categories	(2)	(2)	51	56	57
FYDP I, II, IV	68	61	61	64	64
Operating forces	69	60	65	66	67
Structure spaces	(2)	(2)	66	70	71
Air Force:					
Combat skills	(2)	(2)	8	8	8
Intermediate combat units (battalions)	9	11	12	12	12
Major combat units (divisions)	61	61	58	57	57
Manpower planning categories	(2)	(2)	46	46	46
FYDP I, II, IV	63	64	59	57	57
Operating forces	74	77	74	74	73
Structure spaces	(2)	(2)	50	51	52

[1] Except for the structure spaces category, numbers shown are "combat" personnel as a percent of total manpower in each service (including trainees, transients, etc.).

[2] Data not available.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Danielson (at the request of Mr. O'Neill), for today, on account of illness in family.

Mr. Rangel (at the request of Mr. O'Neill), for today, on account of attendance at a funeral.

Mr. Johnson of California (at the request of Mr. O'Neill), for from 2:30 p.m. today and balance of week, on account of illness.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Dent (at the request of Mr. Hays), for today, on account of death in family.

Mr. Frenzel (at the request of Mr. Gerald R. Ford), for today, on account of illness.

Mr. Mitchell of New York (at the request of Mr. Gerald R. Ford), for today and the balance of the week, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Maraziti) to revise and extend their remarks, and include extraneous material:)

Mr. Smith of New York, for 30 minutes, July 12, 1973.

Mr. Lott, for 5 minutes, today.

Mr. Hogan, for 10 minutes, today.

Mr. Young of Illinois, for 2 minutes, today.

Mr. Steiger of Wisconsin, for 10 minutes, today.

Mr. Forsythe, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Mathis of Georgia), to revise and extend their remarks, and to include extraneous matter:)

Mr. RODINO, for 10 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ROONEY of Pennsylvania, for 5 minutes, today.

Mr. LEHMAN, for 10 minutes, today.

Mr. HÉBERT, for 10 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. FLOOD, for 60 minutes, on July 18.

Mr. CHAPPELL, for 10 minutes, today.

Mr. MATHIS of Georgia, for 10 minutes, today.

Mr. HOLIFIELD, for 40 minutes, on July 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FASCELL to extend his remarks on Rev. T. Newton Wise.

Mr. HORTON and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $992.75.

Mr. DON H. CLAUSEN to extend his remarks during debate on H.R. 8860.

Mr. MAHON to revise and extend his remarks in connection with the farm bill.

Mr. ROUSSELOT to follow Mr. DU PONT during general debate today in the farm bill.

Mr. DELLUMS, to revise and extend his remarks and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,306.25.

(The following Members (at the request of Mr. MARAZITI) and to include extraneous material:)

Mr. RHODES in five instances.

Mr. WYATT.

Mr. HANRAHAN.

Mr. SNYDER.

Mr. KEATING in two instances.

Mr. CRANE in five instances.

Mr. TALCOTT in three instances.

Mr. HOSMER in three instances.

Mr. WYMAN in two instances.

Mr. SMITH of New York.

Mr. BROTZMAN.

Mr. BAKER.

Mr. ANDERSON of Illinois in three instances.

Mr. DERWINSKI in two instances.

Mr. NELSEN.

Mr. MCKINNEY.

Mr. VEYSEY in six instances.

Mr. BAFALIS in five instances.

Mr. RONCALLO of New York.

Mr. COUGHLIN.

Mr. HUBER in two instances.

Mr. FREY.

Mr. ASHBROOK in three instances.

Mr. STEIGER of Wisconsin in three instances.

Mr. CONTE in two instances.

Mr. HINSHAW.

Mr. YOUNG of Illinois in two instances.

Mr. ROUSSELOT.

Mr. DU PONT.

Mr. PARRIS in five instances.

Mr. KEMP in two instances.

Mr. MCCLORY.

Mr. HEINZ.

Mr. BUCHANAN in two instances.

(The following Members (at the request of Mr. MATHIS of Georgia), and to include extraneous matter:)

Mr. STOKES in 10 instances.

Mr. DIGGS.

Mr. TEAGUE of Texas in six instances.

Mr. GONZALEZ in three instances.

Ms. ABZUG in 10 instances.

Mr. RARICK in three instances.

Mr. HELSTOSKI in 10 instances.

Mr. WOLFF in five instances.

Mr. CARNEY of Ohio in three instances

Mr. COTTER in two instances.

Mrs. GRIFFITHS.

Mr. REUSS in six instances.

Mrs. BURKE of California in 10 instances.

Mr. SEIBERLING in 10 instances.

Mr. EDWARDS of California in four instances.

Mr. PATTEN.

Mr. HARRINGTON in 10 instances.

Mr. EVINS of Tennesseee.

Mr. HANNA in six instances.

Mr. MAHON.

Mr. BURKE of Massachusetts.

Mr. KASTENMEIER.

Mr. BOLLING in four instances.

Mr. DONOHUE.

Mr. JAMES V. STANTON.

Mr. BINGHAM in five instances.

Mr. GINN.

Mr. GAYDOS in two instances.

Mr. BRINKLEY.

Mr. ADAMS.

Mr. WALDIE in two instances.

Mr. JONES of Alabama.

Mrs. GRASSO in 10 instances.

Mr. DE LA GARZA in 10 instances.

Mr. KYROS.

Mr. SIKES in five instances.

Mr. FASCELL.

Mr. OBEY in three instances.

Mr. ANDERSON of California in two instances.

Mr. ROGERS in five instances.

Mr. MADDEN.

Mr. DORN in two instances.

Mr. CONYERS.

SENATE BILLS AND A JOINT RESOLUTION AND CONCURRENT RESOLUTION REFERRED

Bills and a joint resolution and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 245. An act for the relief of Kamal Antoine Chalaby; to the Committee on the Judiciary.

S. 298. An act for the relief of Sung Wan Kim; to the Committee on the Judiciary.

S. 428. An act for the relief of Ernest Edward Scofield (Ernesto Espino); to the Committee on the Judiciary.

S. 489. An act for the relief of Janet Lee Davis Brace; to the Committee on the Judiciary.

S. 507. An act for the relief of Wilhelm J. R. Maly; to the Committee on the Judiciary.

S. 748. An act for the relief of Dr. Tanios (Tony) J. Ma'luf; to the Committee on the Judiciary.

S. 775. An act to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging; to the Committee on Interstate and Foreign Commerce.

S. 816. An act for the relief of Mrs. Jozefa Sokolowska Domanski; to the Committee on the Judiciary.

S. 902. An act to amend section 607(k) (8) of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

S. 1272. An act to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

S. 2047. An act to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport Road and for a feasibility study of rapid transit to Friendship International Airport; to the Committee on the District of Columbia.

S.J. Res. 131. Joint resolution to express a national policy with respect to the expansion of commerce in goods and services between the United States and nonmarket economy countries; to the Committee of Foreign Affairs.

S. Con. Res. 38. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5452. An act to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended.

H.R. 7445. An act to extend the Renegotiation Act of 1951 for 1 year, and for other purposes.

H.R. 8410. An act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

H.J. Res. 636. Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on June 30, 1973 present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 5383. To authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes.

H.R. 5452. To extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended.

H.R. 6187. To amend section 502(a) of the Merchant Marine Act, 1936.

H.R. 7445. To extend the Renegotiation Act of 1951 for 1 year, and for other purposes.

H.R. 7670. To authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce.

H.R. 8410. To continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

H.R. 8537. To amend titles 10 and 37, United States Code, to make permanent certain provisions of the Dependents Assistance Act of 1950, as amended, and for other purposes.

H.R. 9055. Making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes.

H.J. Res. 636. Making continuing appropriations for the fiscal year 1974, and for other purposes.

ADJOURNMENT

Mr. MATHIS of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 23 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 11, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1104. A communication from the President of the United States, transmitting proposed amendments to the appropriations requested for fiscal year 1974 for certain Departments (H. Doc. No. 93–123); to the Committee on Appropriations and ordered to be printed.

1105. A communication from the President of the United States, transmitting a proposal to consider amendments to the request for appropriations transmitted in the budget for the fiscal year 1974 for the Department of Commerce (H. Doc. No. 93–124); to the Committee on Appropriations and ordered to be printed.

1106. A letter from the Under Secretary, Department of Agriculture, transmitting a draft of proposed legislation to amend section 602 of the Agricultural Act of 1954; to the Committee on Agriculture.

1107. A letter from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting a notification of construction project proposed to be undertaken for the Army Reserve at Fort Wayne, Ind., pursuant to 10 U.S.C. 2233 a(1); to the Committee on Armed Services.

1108. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for increased participation by the United States in the Asian Development Bank; to the Committee on Banking and Currency.

1109. A letter from the Mayor-Commissioner, the District of Columbia, Washington, D.C., transmitting a draft of proposed legislation to amend the act entitled "An Act to regulate the employment of minors within the District of Columbia"; to the Committee on the District of Columbia.

1110. A letter from the Mayor-Commissioner, the District of Columbia, Washington, D.C., transmitting a draft of proposed legislation to authorize the Government of the District of Columbia to control the manufacture, sale, and storage of alcoholic beverages, and for other purposes; to the Committee on the District of Columbia.

1111. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to promote the effective administration of Federal employees' compensation for work-related injuries; to the Committee on Education and Labor.

1112. A letter from the Chairman and members, Equal Employment Opportunity Coordinating Council, transmitting the Second Annual Report of the Council, covering fiscal year 1973, pursuant to section 715 of Public Law 92–261; to the Committee on Education and Labor.

1113. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements entered into during the period of May 10, 1973 and July 1, 1973, pursuant to section 112(b), Public Law 92–403; to the Committee on Foreign Affairs.

1114. A letter from the Secretary of the Interior, transmitting the 1973 progress report on the Western U.S. water plan, pursuant to section 201, Public Law 90–537; to the Committee on Interior and Insular Affairs.

1115. A letter from the Chairman, National Water Commission, transmitting final report entitled "New Directions in U.S. Water Policy", pursuant to the National Water Commission Act of 1968; to the Committee on Interior and Insular Affairs.

1116. A letter from the Secretary of Health, Education, and Welfare, transmitting an additional plan to provide hospital care for merchant seamen and other beneficiaries through the use of community facilities for the hospital at Norfolk, Va., pursuant to section 3, Public Law 92–585; to the Committee on Interstate and Foreign Commerce.

1117. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a report and plan for the creation of a system of national disposal sites for the storage and disposal of hazardous wastes, pursuant to 42 U.S.C. 3254f; to the Committee on Interstate and Foreign Commerce.

1118. A letter from the vice president for public and government affairs, National Railroad Passenger Corps., transmitting the financial report of the corporation for March 1973, pursuant to section 308(a) (1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1119. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

1120. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a) (28) (I) (ii) of the Immigration and Nationality Act [8 U.S.C. 1182(A) (28) (I) (ii) (b)]; to the Committee on the Judiciary.

1121. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens under the authority contained in section 13 (b) of the act of September 11, 1957, pursuant to section 13(c) of the act [8 U.S.C. 1255b (c)]; to the Committee on the Judiciary.

1122. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d) (3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d) (6) of the act [8 U.S.C. 1182 (d) (6)]; to the Committee on the Judiciary.

1123. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

1124. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to section 244(a) (1) of the Immigration and Nationality Act, as amended [8 U.S.C. 1254(c) (1)]; to the Committee on the Judiciary.

1125. A letter from the Commissioner, Federal Prison Industries, Inc., Department of Justice, transmitting the Annual Report of the Board of Directors of Federal Prison Industries, Inc., for fiscal year 1972, pursuant to 18 U.S.C. 4127; to the Committee on the Judiciary.

1126. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting environmental impact statements for four legislative proposals, pursuant to section 102(2) (C) of the National Environmental Policy Act of 1969; to the Committee on Merchant Marine and Fisheries.

1127. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 14, 1973, submitting a report, together with accompanying papers and illustrations, on San Bernard River, Tex., authorized by section 209 of the Flood Control Act approved October 23, 1962; to the Committee on Public Works.

1128. A letter from the Acting Administrator of General Services, transmitting a prospectus renewal of the leasehold interest at 120 Church Street, New York, N.Y.; to the Committee on Public Works.

1129. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a revised draft of proposed legislation to amend Public Law 91–273; to the Joint Committee on Atomic Energy.

1130. A letter from the Secretary of the Army and the Secretary of Agriculture, transmitting a joint report of intention to interchange jurisdiction of civil works and Forest Service acquired lands at Laurel River Lake Project, Ky., pursuant to 70 Stat. 656; 16 U.S.C. 505a,b; to the Committee on Agriculture.

Received From the Comptroller General

1131. A letter from the Comptroller General of the United States, transmitting a report on Russian wheat sales and weaknesses in Agriculture's management of wheat export subsidy program; to the Committee on Government Operations.

1132. A letter from the Comptroller General of the United States, transmitting a report that contracts with foreign firms should be priced in local currency (Department of Defense); to the Committee on Government Operations.

1133. A letter from the Comptroller General of the United States, transmitting a report on the potential for greater consolidation of the maintenance workload in the military services; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. H.R. 1751. An act prescribing the objectives and functions of the National Commission on Productivity and Work Quality (Rept. No. 93–366). Referred to the Committee of the Whole House on the State of the Union.

Mr. DORN: Committee on Veterans' Affairs. H.R. 9048. A bill to amend title 38 of the United States Code to provide improved medical care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery (Rept. No. 93–368). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee of conference. Conference report on H.R. 7645 (Rept. No. 93–367). Ordered to be printed.

Mr. HANLEY: Committee on Post Office and Civil Service. H.R. 8929. A bill to amend title 39, United States Code, with respect to the financing of the cost of mailing certain matter free of postage or at reduced rates of postage, and for other purposes (Rept. No. 93–369). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee of conference. Conference report on S. 504 (Rept. No. 93-370). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX (for himself, Mr. Bevill, Mr. Conyers, Mr. Corman, Mr. Fraser, Mr. Gaydos, Mr. Gilman, Mr. O'Hara, Mr. Roncallo of New York, Mr. Symington, and Mr. Charles H. Wilson of California):

H.R. 9147. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

By Mr. BREAUX (for himself, Mr. Bevill, Mr. Conyers, Mr. Corman, Mr. Fraser, Mr. Heinz, Mr. Roncallo of New York, Mr. Symington, and Mr. Charles H. Wilson of California):

H.R. 9148. A bill to amend title 38 of the United States Code to clarify the circumstances under which the Administrator of Veterans' Affairs may pay for care and treatment rendered to veterans by private hospitals in emergencies; to the Committee on Veterans' Affairs.

By Mr. BROOMFIELD:

H.R. 9149. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. DEVINE:

H.R. 9150. A bill to regulate interstate and foreign commerce as it relates to the conduct of organized amateur athletic competition within the United States and the participation of American athletes in international amateur athletic competition; to the Committee on Education and Labor.

By Mr. DORN:

H.R. 9151. A bill to amend the Food Stamp Act of 1964, to exclude from coverage by the act every household which has a member who is on strike, and for other purposes; to the Committee on Agriculture.

By Mr. FRASER (for himself, Mr. Diggs, Mr. Leggett, Mr. Donohue, and Mr. Mezvinsky):

H.R. 9152. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community; to the Committee on Foreign Affairs.

By Mr. HOGAN:

H.R. 9153. A bill to provide for the awarding of a Medal of Honor for Policemen and a Medal of Honor for Firemen; to the Committee on Banking and Currency.

By Mr. HOWARD:

H.R. 9154. A bill to improve the conduct and regulation of Federal election campaign activities and to provide public financing for such campaigns; to the Committee on House Administration.

H.R. 9155. A bill to amend the Immigration and Nationality Act to transfer to the Secretary of State the powers, duties, and functions of consular officers relating to the granting or refusal of visas; to the Committee on the Judiciary.

H.R. 9156. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for depreciation on capital expenditures incurred in connecting residential sewer lines to municipal sewage systems; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 9157. A bill to extend the Drug Abuse Education Act of 1970 for 3 years; to the Committee on Education and Labor.

By Mr. RANGEL:

H.R. 9158. A bill making supplemental appropriations to carry out the lead-based paint poisoning prevention program for the fiscal year ending June 30, 1974; to the Committee on Appropriations.

H.R. 9159. A bill to provide for increased international control of the production of, and traffic in opium, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RHODES:

H.R. 9160. A bill to provide a practicable precipitation management program for the Nation; to the Committee on Interior and Insular Affairs.

H.R. 9161. A bill to provide that chief judges of circuits and chief judges of district courts shall cease to serve as such upon reaching the age of 66; to the Committee on the Judiciary.

By Mr. RINALDO (for himself and Mr. Roncallo of New York):

H.R. 9162. A bill to amend the Immigration and Nationality Act to transfer to the Secretary of State the powers, duties, and functions of consular officers relating to the granting or refusal of visas; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 9163. A bill to amend the Internal Revenue Code of 1954 to provide that blood donations shall be considered as charitable contributions deductible from gross income; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 9164. A bill to amend the Apostle Islands National Lakeshore in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. THONE:

H.R. 9165. A bill to repeal the recently added limitation on Federal payments to States for skilled nursing home and intermediate care facility services under the medicaid program; to the Committee on Ways and Means.

By Mr. WHITTEN:

H.R. 9166. A bill to amend the Social Security Act to provide for medical and hospital care through a system of voluntary health insurance including protection against the catastrophic expenses of illness, financed in whole for low-income groups through issuance of certificates, and in part for all other persons through allowance of tax credits; and to provide effective utilization of available financial resources, health manpower, and facilities; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California (for himself, Mr. Dominick V. Daniels, Mr. Clay, Mr. Moakley, Mr. Adams, Mr. Addabbo, Mr. Annunzio, Mr. Aspin, Mr. Bevill, Mr. Biaggi, Mr. Breckinridge, Mr. Brinkley, Mr. Brown of California, Mrs. Burke of California, Mr. Conyers, Mr. Corman, Mr. Davis of Georgia, Mr. Drinan, Mr. Edwards of California, Mr. Esch, Mr. Fish, Mr. Flowers, Mr. Frey, Mr. Gubser, and Mr. Harrington):

H.R. 9167. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. CHARLES H. WILSON of California (for himself, Mr. Buchanan, Mr. Hawkins, Mr. Kyros, Mr. McCloskey, Mr. McKinney, Mr. Melcher, Mr. Minish, Mr. Mitchell of Maryland, Mr. Mollohan, Mr. Moorhead of Pennsylvania, Mr. Moss, Mr. Owens, Mr. Pepper, Mr. Podell, Mr. Rees, Mr. Rhodes, Mr. Roe, Mr. Rosenthal, and Mr. Roybal):

H.R. 9168. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. CHARLES H. WILSON of California (for himself, Mr. Sisk, Mr. Smith of New York, Mr. Stark, Mr. Stokes, Mr. Studds, Mr. Thompson of New Jersey, Mr. Veysey, Mr. Walsh, Mr. Wolff, Mr. Won Pat, and Mr. Yatron):

H. R. 9169. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. WRIGHT:

H.R. 9170. A bill to provide that certain interests of the United States retained in certain lands heretofore conveyed to the State of Texas shall be conveyed to such State; to the Committee on Government Operations.

By Mr. WRIGHT (for himself and Mr. Sisk):

H.R. 9171. A bill to regulate interstate and foreign commerce as it relates to the conduct of organized amateur athletic competition within the United States and the participation of American athletes in international amateur athletic competition; to the Committee on Education and Labor.

By Mr. YOUNG of South Carolina (for himself and Mr. Mathis of Georgia):

H.R. 9172. A bill to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1973 in certain disaster areas in Georgia and South Carolina; to the Committee on Agriculture.

By Mr. BROTZMAN:

H.R. 9173. A bill to establish a Federal scholarship program in petroleum, mining, and extractive metallurgical engineering to assist the United States to meet its future energy requirements; to the Committee on Education and Labor.

By Mr. CLEVELAND:

H.R. 9174. A bill to encourage consideration of nonstructural alternatives to flood damage prevention; to the Committee on Public Works.

By Mr. CONYERS (for himself, and Mr. Fish):

H.R. 9175. A bill to provide Federal assistance to cities, combinations of cities, public agencies, and nonprofit private organizations for the purpose of improving police—community relations, encouraging citizen involvement in crime prevention programs, volunteer service programs, and in other cooperative efforts in the criminal justice system; to the Committee on the Judiciary.

By Mr. CRONIN:

H.R. 9176. A bill to amend the Federal Aviation Act of 1958 and the Interstate Committee Act to authorize reduced-fare transportation on a space-available basis for persons who are 65 years of age or older; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 9177. A bill to regulate interstate and foreign commerce as it relates to the conduct of organized amateur athletic competition within the United States and the participation of American athletes in international amateur athletic competition; to the Committee on Education and Labor.

H.R. 9178. A bill to require executive agencies to report to a person who is elected to the House of Representatives on the scope and nature of their activities within such Representative's district during the previous Congress; to the Committee on Government Operations.

H.R. 9179. A bill to amend title 18 of the United States Code to prohibit certain officials of the United States from engaging in certain aspects of partisan politics; to the Committee on House Administration.

By Mr. YOUNG of Illinois:

H.R. 9180. A bill to amend the Food Stamp Act of 1964, to exclude from coverage by the act every household which has a member who is on strike, and for other purposes; to the Committee on Agriculture.

H.R. 9181. A bill to provide that appointments to the offices of Director and Deputy Director of the Office of Management and Budget shall be subject to confirmation by the Senate; to the Committee on Government Operations.

By Mr. DENT:

H.J. Res. 654. Joint resolution: National Education Policy; to the Committee on Education and Labor.

By Mr. GINN:

H.J. Res. 655. Joint resolution proposing an amendment to the Constitution relating to school busing; to the Committee on the Judiciary.

By Mr. HOGAN:

H.J. Res. 656. Joint resolution relating to nationwide gasoline and oil shortages; to the Committee on Interstate and Foreign Commerce.

By Mr. LOTT (for himself, Mr. Don H. Clausen, Mr. Hanley, Mr. Leggett, Mr. Sikes, Mr. Waggonner, Mr. Zablocki, Mr. Del Clawson, Mr. Derwinski, Mr. Kemp, and Mr. Robinson of Virgina):

H. Con. Res. 263. Concurrent resolution providing for continued close relations with the Republic of China; to the Committee on Foreign Affairs.

By Mr. STUDDS (for himself, Mr. Burke of Massachusetts, Mr. Moakley, and Mr. O'Neill):

H. Con. Res. 264. Concurrent resolution reaffirming the intent of the Congress that the U.S.S. *Constitution* continue to be berthed in the Port of Boston, Mass.; to the Committee on Armed Services.

By Mr. WOLFF (for himself, Mr. Murphy of New York, Mr. Vigorito, and Mr. Dominick V. Daniels):

H. Con. Res. 265. Concurrent resolution providing recognition for Columbus; to the Committee on House Administration.

By Mr. FASCELL (for himself and Mr. Steele):

H. Res. 482. Resolution in recognition of the independence of the Commonwealth of the Bahamas; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, and Mr. Rosenthal):

H. Res. 483. Resolution creating a Select Committee on Children to conduct an investigation and study of social conditions adversely affecting the development of children; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

269. By the SPEAKER: A memorial of the Legislature of the State of California, relative to military cutbacks affecting the employment of U.S. citizens; to the Committee on Armed Services.

270. Also, memorial of the Legislature of the State of Utah, relative to protecting and promotion of tourism and preservation of the natural wonders of the waterways in the National Parks and Monuments; to the Committee on Interior and Insular Affairs.

271. Also, memorial of the Legislature of the State of Colorado, relative to the problems of vehicle emission controls at high altitudes; to the Committee on Interstate and Foreign Commerce.

272. Also, memorial of the Legislature of the State of, Texas, repealing the resolution calling for a constitutional convention relative to bicameral State legislature's apportionment; to the Committee on the Judiciary.

273. Also, memorial of the Legislature of the State of Maine, relative to extending the U.S. fisheries jurisdiction; to the Committee on Merchant Marine and Fisheries.

274. Also, memorial of the Legislature of the Commonwealth of Pennsylvania, relative to assistance to senior citizens; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURGENER:

H.R. 9182. A bill for the relief of Fernando Labrador del Rosario; to the Committee on the Judiciary.

By Mr. WYATT:

H.R. 9183. A bill to incorporate in the District of Columbia the American ex-prisoners of war; to the Committee on the District of Columbia.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

250. By the SPEAKER: Petition of Milton Mayer, New York, N.Y., relative to redress of grievances; to the Committee on the Judiciary.

251. Also, petition of Steven Louis Washington, Baltimore, Md., relative to redress of grievances; to the Committee on the Judiciary.

252. Also, petition of the Borough Assembly, Greater Anchorage Area Borough, Alaska, relative to the establishing of a national cemetery at Fort Richardson, Alaska; to the Committee on Veterans' Affairs.

253. Also, petition of the Common Council of the City of Buffalo, N.Y., relative to retirement and social security for New York State policemen and firemen; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

WHILE WE SLEEP

HON. JESSE A. HELMS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 10, 1973

Mr. HELMS. Mr. President, TV station WRAL-TV in Raleigh, N.C., frequently devotes its regular editorial period to commentaries by citizens of the area. The various guest commentators cover the spectrum of political and economic philosophy.

This opportunity for open discussion was the idea of Mr. A. J. Fletcher, chairman of the board and chief executive officer of the broadcasting company. Needless to say, citizens appear on WRAL-TV expressing views with which Mr. Fletcher and his associates do not agree. There are others with whom they do agree. The idea, Mr. President, is to offer a broad variety of views from which the WRAL-TV viewers can formulate their own opinions.

Recently I heard a commentary on the WRAL-TV series which seemed to me to be highly instructive. It was written and presented by Mr. Carl A. Gray, a retired citizen of nearby Durham, N.C. I was so impressed that I wrote to obtain a copy of Mr. Gray's commentary.

Mr. President, I ask unanimous consent that Mr. Gray's commentary be printed in the Extensions of Remarks.

There being no objection, the commentary was ordered to be printed in the Record, as follows:

While We Sleep

(By Carl A. Gray)

Russian dictator, Lenin, said, "There is no surer means of overturning the existing basis of society than to debauch the currency. By continuing a process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of its citizens."

It is a shock when one suddenly realizes the currency has been devalued, inflation has crept up on us and the national debt, in excess of $426 billion is getting out of hand. This is $90 billion more than the combined debts of all the countries in the world. If medical science doesn't stop making some of us Grandfathers live longer—our grandchildren will be telling us to go pay off the national debt ourselves.

Underlying conditions for out-of-control inflation have been in the making for 40 years.

People often blame the wage and price spiral for this—but as economist Milton Friedman states, "Government deficit spending is the primary cause of inflation." The wage-price spiral is the result of inflation.

Because of excessive spending, failure to balance the budget, and deficit financing—we have created the "process of inflation" recommended by Lenin. Add to this the misuse of Government authority over the economy without sufficient public defenders to oppose it, we now have slow strangulation "secretly and unobserved" of our free enterprise system.

This situation has been enhanced by politicians who argue for more government controls and regulations over the economy, by liberals who argue for the redistribution of private wealth, by the wars we have fought, by social scientists making loud noises like cause preachers demanding the Government provide for the welfare of some groups at the expense of another; by every businessman and his lobbyist who argue for Government to subsidize his industry while protecting him from foreign competition, by those advocating farm subsidies, ship subsidies, by economists who advocate stimulating the economy.

Our fiscal foolishness, billions wasted for social programs and the fact that even the best politicians will not resist the public clamor for more social and welfare benefits, has forced the country into a spending and borrowing spree of frightening proportions. Deficit spending and deficit financing (that is, money spent but not obtained by taxes) with the concurrence of the courts—might well be called legal Government counterfeiting. Congressional authority to create deficit financing is the greatest loophole of all time. It is a political gimmick that poses constant danger to our financial stability.

Alexander Hamilton warned, "Power over a man's subsistence is power over his will."

It therefore is the duty of everyone who realizes the untold benefits of free enterprise and the present threat of its destruction to expound his convictions.

ABRAHAM ROTHBERG: GREAT AND NOBLE PUBLIC SERVANT

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. PATTEN. Mr. Speaker, it has been my privilege to have known thousands of public officials during my career. Almost all of them were able, some were distinguished, but very few were great—and noble.

One of the great—and noble—public servants I have had the honor of knowing is Abraham Rothberg, of Linden, N.J., a member of the Linden Board of Education and present chairman of the Education and Finance Committees.

Why is he great, Mr. Speaker? I can think of several reasons, but will only list a few at this time: He has dedicated his life to helping people—without any ulterior motives. He has the kind of integrity that every person should have—impeccable. And also because of a recent decision made by Abe Rothberg—a typical decision for him.

Yet I wonder how many other officials would have made such a decision in this entire country: The Linden Board of Education wanted to name a new school after Abraham Rothberg, but he declined the honor, because "a lot of others helped." Mr. Speaker, I insert the article from the Linden Leader, covering this amazing story about a great and noble public servant:

ROTHBERG DECLINES BID TO NAME SCHOOL AFTER HIM

A resolution naming the new vocational school the Linden High School Vocational and Technical Building was passed by the Linden Board of Education last Wednesday evening, only moments after the senior member of the board declined to have the school named in his honor.

Abraham Rothberg, a member of the board for more than 25 years and chairman of its education and finance committees declined the honor of having the school named for him, saying it was not appropriate to have the school named after any one person and mentioning the names of others who helped plan the school.

"I am thankful to the board for giving me this honor," Rothberg stated, "but I must decline.

"The vocational school, although a different building, is still the Linden High School, and students attending the school will still receive a diploma from Linden High School."

Morris Smith, president of the board, in making the recommendations, noted that Rothberg was influential in getting state funds to finance half, or \$1½ million dollars, for construction of the vocational school.

But Rothberg noted that a "lot of others helped to plan the school." He cited former superintendents of schools, the late Emanuel Bedrick and Dr. John O'Brien, as well as Mayor John T. Gregorio, Dr. John Cummings of the State Department of Education in charge of vocational and technical training.

Immediately after Rothberg's rejection of the proposal the board passed a resolution directing the architects to erect a sign in front of the school bearing the name.

The vocational building will open for classes in September. The board also approved the acceptance of 20 out-of-town students to the school. The tuition rate is \$650 per student. The students are from Roselle and Rahway and will receive academic training in their own school for half a day and vocational training in Linden for the remainder of the school day.

ENERGY CRISIS

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. KEATING. Mr. Speaker, President Nixon announced on June 29 several new initiatives to encourage development of the Nation's domestic energy resources, and he called for a comprehensive effort to reduce the growth in our energy consumption.

The President's new actions included:

First. Legislation to establish a Department of Energy and Natural Resources consisting of functions transferred from the Department of the Interior and several other agencies;

Second. Legislation to establish a new independent agency, the Energy Research and Development Administration—ERDA—to coordinate all Federal energy research and development;

Third. Legislation to retain the five-member commission organization of the Atomic Energy Commission to carry on the licensing, regulatory, and related environmental and safety functions of that agency, but under a new name, the Nuclear Energy Commission.

The President also created an Energy Policy Office in the Executive Office of the President. The EPO will replace the Special Committee on Energy, and it will also expand upon the role of the National Energy Office which helped guide the development of the administration's energy policies.

The administration's overall energy policy, however, still contains many serious gaps—gaps which must be filled if the United States is to continue to function effectively, both on the domestic front and as a world leader. Specifically, the administration's energy policy is deficient in three important respects:

First, the administration does not have a policy which is prepared to deal with the possibility of serious fuel shortages this winter and next spring. As a minimum, the administration should have a plan to assure the continued operation of essential components of this society, such as schools, major industries, and the homes we all live in.

To date, there has been no suggestion from the administration that they have a plan or a policy to assure that these essential components of society can be maintained in the event of a crisis. The administration should act now to identify who the essential users of energy products are, in order that we are fully prepared to deal with an emergency if one should occur. The very fact that more than 2,000 retail service stations have been forced out of business over the past few months should serve as a reminder that real hardships can occur, and that we must work diligently to avoid them.

Second, while the indefinite removal of oil import restrictions may temporarily ease any potential shortage problems, this action may pose serious dangers to our national security by encouraging a greater reliance on foreign oil, especially Arab oil, while aggravating our balance-of-payments problem at a time when the dollar is in serious trouble abroad.

In this regard, it should be noted that while Arab nations presently sit on more than 70 percent of the world's oil reserves, the United States reliance on imported oil has been increasing steadily over recent years, with this country importing nearly 28 percent of its oil in 1971. Yet oil imports are projected to jump anywhere to 50 to 65 percent of that domestic consumption by 1980. Clearly, a heavy reliance on Arab oil could have a profound impact on our foreign policy in areas of the world which play a key role in the formulation of a national defense strategy.

The impact of such great reliance on Arab oil could also have a dramatic effect on our balance-of-payments situation, as former Secretary of Commerce Peter Peterson recently estimated that an increase of just \$1 for each barrel of imported oil could add about \$4 to \$5 billion to the annual U.S. import bill. Unless this trend can be reversed, predicted Mr. Peterson, the United States may be paying out some \$25 billion annually for foreign oil by 1980, with effects on our domestic economy which are certain to be extremely damaging.

The administration should move immediately and decisively to guarantee the cooperation of the world's major powers, in order to minimize any potential threats to either our national security or our domestic economy.

Third, the administration has failed to implement a plan which will increase domestic production of crude oil, and the administration has postponed for a full year the drive needed to develop adequate, alternative energy sources.

Even if the United States were to utilize the full potential of its domestic sources of oil, those sources are still finite. Unless coupled with a massive effort to perfect the technology relating to nuclear energy, solar energy, geothermal energy, coal gassification, and a host of other alternative fuel sources, the United States will not be taking those actions necessary to deal with the energy crisis in a comprehensive way.

The President did announce on June 29 a \$10 billion research and development effort, to begin in fiscal year 1975, aimed at developing these alternative fuel sources. In my judgment, however, the country can ill-afford any more delays in getting such a program underway. The President should implement this program immediately, and wait no longer before putting this country's great research and development potential into a program to move us away from complete dependence on the fossil fuels.

The President also announced on June 29 a policy to begin the process of slowing growth in the total demand for energy. The President announced a national goal of reducing anticipated personal consumption of energy by 5 percent over the next 12 months.

The President also directed each executive department and agency to participate in a governmentwide program to reduce anticipated energy consumption by 7 percent over the next 12 months.

Certainly, the spirit of conservation and the control of energy demand should be primary goals in any policy concerned with meeting the challenges of the energy crisis. It is not realistic to suggest, however, that these goals can be attained by asking State legislatures to reduce highway speed limits, as such action would be a completely unenforceable and unworkable solution to the energy conservation problem. Greater emphasis should be placed on encouraging use of mass transit facilities, carpools, and other nonautomotive means of transportation.

Mr. Speaker, I hope the administration will move promptly and decisively to head off many of these potential problems. How the United States responds to these challenges of the energy crisis will have a profound impact on our future foreign policy, our balance-of-payments situation and, therefore, the health and vitality of our domestic economy, our national security, and on virtually everything relating to the ability of this great country to maintain a position of leadership in the world community.

GILBANE BUILDING CO. OF PROVIDENCE, R.I.

HON. JOHN O. PASTORE

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, July 10, 1973

Mr. PASTORE. Mr. President, the New England construction publication of April 9, 1973, has rightfully recognized the Gilbane Building Co., of Providence, R.I., on its centennial.

The Gilbane Building Co. has achieved great success and distinction in the building industry, not only in the United States but abroad as well. One of its achievements which is most familiar to the Members of Congress is the expansive auditorium in the Sheraton-Park Hotel.

The company is presently under the management of two brothers who are dear friends of mine, Thomas and William Gilbane. This company was founded by their grandfather, who was an Irish immigrant, and all of us in Rhode Island have been grateful for the employment that it has afforded many of our people and the recognition that it has received for its fine quality of workmanship.

On this occasion of its 100th anniversary, I congratulate the officers and members of the company and extend to them and all its workers my best wishes for continued success.

THE EXCLUSION OF AUTISM—A MISTAKE

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mrs. BURKE of California. Mr. Speaker, on June 20, I introduced a bill to amend the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 to expand the definition of "development disability" to include autism. I plan to reintroduce it again in 2 weeks.

The term "autistic children" as defined by the National Society for Autistic Children includes persons, regardless of age, with severe disorders of communication and behavior whose disability became manifest during the early development of childhood. Such children are typically multihandicapped in their ability to receive and communicate information, resulting in behavior unsuited to the physical and social demands of their environment.

Dr. Rocco Motto of the Reiss-Davis Child Center, Los Angeles, Calif., whose excellance in pediatric treatment and study is well known throughout California and the country, believes legislation of this type is desperately needed for centers like Reiss-Davis to begin to study and treat autism effectively.

Dr. Motto said:

> A broadened definition of developmental disability to include the autistic, schizophrenic, and severely mentally disturbed child will permit centers and programs throughout the country to offer better diagnostic and treatment services that are badly needed but until now have not been available to so many deserving families.

Dr. Motto added:

> A broadened definition will encourage more states to develop effective programs. In those states where day treatment programs have been available for the autistic child (a combined clinical, social, and educational program), the costs have been well established at $10,000–$12,000 per child per year. Such programs operate a six to seven hour day five days a week. Children receive the full range of physical, psychological, psychiatric, and educational care as needed.

Mr. Speaker, as of now there are 30,000–50,000 children diagnosed as autistic. They and their families have not benefited from existing statutes under the Mental Retardation Act, not because autism is a disorder of secondary importance, but because of a legislative oversight in the original bill's formulation 10 years ago.

This oversight has delayed the parents of autistic children from receiving the professional guidance and education needed to psychologically endure the burden of autism.

This oversight has made it virtually impossible for State and private medical facilities to coordinate effective and practical regional programs allowing families to reside in the general vicinity of the health center. My amendment would enable health centers throughout the country to develop these type of programs. It is my belief, Mr. Speaker, that a personal program geared to community orientation is far more beneficial and in the long run less costly than massive institutionalism which is the tragic result of our present policy.

And finally, Mr. Speaker, this oversight has stifled medical research for the severely disturbed child. Although cures and tangible results for autistic disorders will not be solved by our allocation alone, or, quite frankly, by any allocation in the near future, the data and observations recorded by the physicians in their treatment of autism will be invaluable treatment of less severe malfunctions of a similar nature.

It is my belief, Mr. Speaker, that Congress must provide adequate funds to treat and diagnose autism so that our battle against this treatable disease can be won.

A GOOD NEIGHBOR

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. RONCALLO of New York. Mr. Speaker, a good friend and neighbor of mine, Lucille Virgilio, was recently acclaimed by her associates. Her efforts and contributions to the benefit of others have indeed been outstanding and I would like to share with my colleagues the well-earned tribute which was accorded Mrs. Virgilio:

> TRIBUTE ACCORDED MRS. VIRGILIO
>
> It would take more than just one outing at Camp Conron to fully describe the next person whom I shall speak of—Mrs. Edward Virgilio known to all of us here as Lucille—more than the time we have simply to list all of her accomplishments in the name of civic service. Born in Brooklyn. Graduated from St. Joseph's Convent elementary school and high school in Monticello, New York. Married to Edward Virgilio in 1938. In 1950, this couple moved to Bayside. From that time onward, both of the Virgilios have been selfless, very active citizens, participating continually in civic matters. It just is not possible to cover all of Lucille's contributions. Some of her activties include (1) Cub Scouting—Boy Scouting—Explorer Scouting (2) Girl Scouting (3) The Talbat Perkins Adoption Service as administered by St. Mel's Church (4) Mentally ill children of Lifeline Center (5) Drug addicted young people of Samaritan Halfway Society (6) Children in the Manhattan Memorial Cancer Hospital.
>
> There exists an organization in Greater New York City known as the Woman's Service Club Council, subscribed to and supported by five prominent New York City women's service clubs: These five organizations—not always publicized but nevertheless performing countless services to the sick and needy are named Altrusa, Pilot, Quota, Soroptomist, and Zonta. At an annual dinner held May 31st of this year at the Women's National Republican Club Headquarters in Manhattan, our own Lucille Virgilio received the Woman's Service Club Award for "Woman of the Year." Mind you, this award is for all of New York City. I certainly could not improve on this paragraph—to describe Lucille Virgilio—which I now read from a letter dispatched to Lucille of April 30, 1973 written and signed by Mrs. Bette J. Van Beck, Chairman of the Women's Service Club Council: "The Service Clubs Council is the umbrella organization representing the five classified service clubs of executive and professional women in New York: Altrusa, Pilot, Quota, Soroptomist and Zonta. Each year the

Council honors one woman who has an exceptional and outstanding service record. After meeting and speaking with you at Girl Scout Headquarters, I was most impressed with the quality of your volunteerism. When I presented your name to the Council, I was really not prepared for the instant, unanimous vote of endorsement—seems like 'somewhere' they had all heard about you. I personally am delighted and I hope you are too."

What can I add to that? Lucille, not only is it a privilege to be associated with the likes of you, but more important, knowing you as we all do, after these many years, it's a pleasure, a real source of happiness.

WVIZ COVERAGE OF WATERGATE HEARINGS PRAISED BY CLEVELAND VIEWERS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. STOKES. Mr. Speaker, it is with a great deal of pride that I have learned that public TV in Cleveland, station WVIZ, has received almost unanimous support for its coverage of the Watergate evenings. This tells me, among other things, that the voters of this Nation are coming out of their apathy and lethargy with respect to national affairs.

PBS is to be heartily congratulated for its comprehensive evening coverage of the Watergate hearings. Without this, millions of working Americans would be unable to observe the most important event in American political history.

Included below is an article that appeared in the Cleveland Plain Dealer on June 19, 1973, concerning Clevelanders' reaction to their public television station's programing:

WATERGATE POPULAR, WVIZ SAYS

The televised Watergate hearings aren't in the same class with "Sesame Street" but they're drawing the largest nighttime viewing audiences Cleveland's public television station has ever had, the station's general manager said here yesterday.

Although WVIZ (Channel 25) does not take surveys of its viewing audience, manager Betty Cope said she is certain from the "incredible" amount of mail that the station's nightly televising of the hearings is drawing a record-breaking number of Greater Cleveland viewers.

Miss Cope said the station is now beginning to solicit viewer response "to see if this is the kind of thing they want to see." She said mail—hundreds of letters weekly—has been running "99.9% in favor of our broadcasting the hearings."

"The phones start ringing about 5 p.m. with people wanting to make sure the hearings are going to be on that night," Miss Cope said. WVIZ, owned by the Educational Association of Metropolitan Cleveland, broadcasts the hearings five hours nightly beginning at 8.

Unlike the majority of public TV stations televising the Watergate hearings, WVIZ is not having membership drives asking viewers to pledge money.

Miss Cope added that the station may find it necessary to have membership drives in the future to meet the high costs of the hearings—between $500 and $600 an evening—if they continue into July.

The station chose not to have membership drives, according to Miss Cope, because community response had "already been so great."

Miss Cope agreed with a contention held by those within the Public Broadcasting System (PBS) and those watching public TV that if Watergate had not burst, the Nixon administration would have taken over control of public TV.

"WVIZ was a beneficiary of Watergate because, when Watergate hit, the Nixon administration backed off areas where Nixon had been trying to get control," Miss Cope said.

The Nixon-controlled Corporation for Public Broadcasting (CBP) and PBS had been battling until recently over how much control CBP was to have over PBS, according to the terms of the 1967 charter.

"PBS has turned out to be Nixon's other Watergate," Miss Cope said.

YOUNGSTOWN SHEET & TUBE CO. RECEIVES GOVERNOR'S AWARD FOR COMMUNITY ACTION

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. CARNEY of Ohio. Mr. Speaker, Gov. John J. Gilligan of Ohio, recently presented the Governor's Award for Community Action to the Youngstown Sheet & Tube Co. located in Youngstown, Ohio. In making the award, Governor Gilligan cited Youngstown Sheet & Tub Co.'s efforts to cooperate with and assist the Ohio Environmental Protection Agency in its air pollution control program.

Mr. Speaker, I want to take this opportunity to commend Mr. Frank A. Nemec, chairman of the board and chief executive officer of Youngstown Sheet & Tube Co. and also the other officers of the company, for their public-spirited attitude. If other companies follow the example set by Youngstown Sheet & Tube, our country's pollution problems would quickly be solved.

Mr. Speaker, I insert the Governor's announcement in the RECORD at this time:

THE GOVERNOR'S ANNOUNCEMENT

YOUNGSTOWN.—Governor John J. Gilligan today presented a Governor's Award for Community Action to Youngstown Sheet and Tube Company, commending the company for its efforts to provide adequate funding for the installation of pollution control equipment in its Ohio plants.

The Governor and Ohio Environmental Protection Agency (Ohio EPA) Director Ira L. Whitman discussed Youngstown Sheet and Tube's desire to issue industrial bonds totaling $55 million which the company will issue to provide funds for the purchase and construction of pollution control equipment.

"It is gratifying to see a large company begin such an ambitious program in the field of pollution control. We know the equipment that can be bought as a result of these bonds will go a long way in solving Youngstown Sheet and Tube's pollution problems," said Gilligan. "Since this company is the biggest steel producer in Youngstown, area citizens will benefit greatly from the cleaner air resulting from this move."

"In the problem areas that still remain, we know that the company and the state will continue to jointly work for a successful resolution," the Governor commented.

Whitman complimented Youngstown Sheet and Tube Company on its dealings with the Ohio EPA.

"We have found Youngstown Sheet and Tube Company to be cooperative and straightforward to their business with us."

According to the company, $45 million out of the $55 million of bonds will be spent in Ohio. The remaining $10 million will be used in the company's out-of-state operations.

RONSON FIGHTS BACK

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. GAYDOS. Mr. Speaker, as one deeply concerned over the sudden change in this Nation's economic standing in the world generally, I glory in the fight being waged by the management of Ronson Corp. of Woodbridge, N.J., against the threat of a foreign takeover.

Ronson, as everyone knows, is a viable, though relatively small, U.S. industrial corporation which has made its brand name for cigarette lighters and other consumer products, a household word everywhere.

It has had its good times and its bad. Right now its stock price is depressed due in large part to the tail-offs the space program which affected its rare earth metals division. But things otherwise are looking up. Ronson's sales are rising and so is its profit figures. It has a new product, a disposable butane lighter, for which great acceptance is expected.

The new optimism of Ronson's directors and managers, however, was suddenly shattered the other day by a tender offer made to the corporation's stockholders by Liquifin Aktiengesellschaft, a company organized under the laws of Liechtenstein, of all places, and a subsidiary of an Italian company, Liquigas S.P.A.

The offer came without prior notice, according to Ronson President Louis V. Aronson II, and apparently after months of secret preparation. The foreign interests are seeking to buy 2.2 million or 52 percent, of Ronson's shares at $8.50 a share. The stock has been selling at a dollar or so below that in recent weeks.

So here we have another instance in which dollar-rich Europeans are trying to take advantage of our Nation's economic troubles to gather up a U.S. firm. I am sure no such offer would have been made for Ronson had not our dollars piled up in Europe, or our stock market have become so deflated as to enable U.S. shares to go at bargain prices.

I am glad Ronson's management has decided to battle to keep control of its company, the firm which it and its predecessors founded and built up, Mr. Aronson and his associates already have filed suit in U.S. District Court in New Jersey to stop the tender offer and have obtained a temporary restraining order pending a hearing. They also have filed complaints with the Federal Trade Commission, claiming the Europeans failed to file a required report and that their offer may violate our antitrust laws.

Ronson operates a helicopter service too which, Mr. Aronson holds, may bring the Civil Aeronautics Board and the Federal Aviation Administration into the picture also.

The Ronson people thus are pulling out all stops to hold on to their firm and I compliment them for it. If these were normal times, then, perhaps, a matter such as this could be accredited to the regular play of the world's business. But this is no normal time for us, or a fair one. The battle to keep Ronson America is one which warrants the attention and the respect of every one of us.

GWYNEDD-MERCY COLLEGE MARKS 25TH ANNIVERSARY

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. COUGHLIN. Mr. Speaker, I am proud and honored to advise my colleagues that Gwynedd-Mercy College, an outstanding institution of higher education located in Gwynedd Valley, Pa., is celebrating its 25th anniversary this year.

This 4-year college of arts and sciences, staffed by the Sisters of Mercy, opened in 1948 with an enrollment of 28 students, 8 faculty members, and one building to serve as the academic center. After 25 years of growth and change, today over 1,000 students stroll across the college's 312-acre spread of rolling green land, originally the manorial estate of the affluent Roland Taylor family, from whom the Sisters of Mercy acquired the land.

Today, the college provides both 2- and 4-year curriculums; the campus is dotted with nine beautiful buildings; and, the faculty now totals 87 full- and part-time members. Students enrolled in the college's day sessions enjoy a student-faculty ratio of approximately 11 to 1, accounting for just one of Gwynedd's attractive advantages. The personalization which such a ratio affords could never be achieved by a large college or university, illustrating Gwynedd-Mercy's accent on community and communications, not anonymity.

Until 1955, Assumption Hall, the former mansion, served as the academic center. Currently it is a faculty house and the site of the business offices. Today, classes are held in the modern classrooms of such buildings as Mercy Hall, Fatima Hall, and St. Bernard Hall, which, combined with Julia Ball Auditorium and the administration wing—Madonna Hall—form the McAuley Center. The center honors the foundress of the Mercy order, Mother Catherine McAuley.

Lourdes Library, constructed in 1956, was the first of the newer buildings included in the college's expansion program. The other structures include Loyola hall dormitory, Waldron Student Center, the Gustav Martin Research Center, and the McAuley unit. Expansion of the research center, in which a cancer research project is currently conducted, is now underway.

Although Gwynedd-Mercy consists mostly of a female enrollment, it is coeducational in all its divisions.

Sister Isabelle Keiss, president of the college, states that—

> The growth of the College can be attributed to the importance placed on the individual and her role in the academic community.

The academic leader of Gwynedd-Mercy, in describing the direction of the college and its curricular structure, says that—

> The conviction behind the college offering both the associate and baccalaureate degrees is that we feel such a structure facilitates an upward mobility for those students who either do not have the means financially to stay in college for four uninterrupted years or who do not desire at this time to remain in college for four years.

They have a credential which after 2 years will provide a good employment opportunity. At the same time, if they choose ot remain here, the curricular structure will promote a cohesive educational experience.

Sister adds:

> Our strength here is in the service-oriented career programs integrated with a liberal arts curriculum.

Of course, Gwynedd-Mercy did not always have this strength. Its first graduates received associate degrees in liberal arts transfer, merchandising, secretarial studies, and pre-laboratory technology. With the granting of a 4-year charter in 1963, bachelor of arts and bachelor of science degrees were added. The 4-year programs place particular emphasis on such programs as medical technology, liberal arts, nursing, and elementary, secondary, special, and business education.

Associate degrees are still granted in executive secretarial, medical secretarial, nursing, cardiovascular technology, and medical laboratory technology. In September 1973 programs in radiation therapy and nuclear medicine will be added to the allied health fields.

Among curricular assets, Sister Isabelle cites the dual nursing program. A student can become a registered nurse after the first 2 years of study, and may then continue her studies in the upper division to acquire her bachelor of science degree in nursing.

An integral and pervasive aspect of academic life at Gwynedd-Mercy is the college's honor code. Administered by the student government, the honor system fosters the idea that students are expected to maintain responsibility for their own conduct and to show consideration for other members of the community in academic matters. The success of the honor system depends upon the integrity of each of Gwynedd's students.

In addition to its day sessions, Gwynedd-Mercy conducts evening and Saturday classes. A summer session makes Gwynedd a year-round educational center. Thirty percent of the current enrollment are taking courses in these sessions.

Gwynedd's location provides another plus for the college. More than 300 acres of rolling country, shaded by tracts of towering trees and woodlands, and enlivened with a variety of wildlife—Canadian geese have marked the ponds on the campus as a favorite resort since 1966—provide an interesting setting for the contrast between the old patrician mansion and the new contemporary architecture. The peace of the landscape adds a pleasant note of serenity to the rush of campus life.

Gwynedd has a proud past. More important, however, than its past is its present. Times have changed. Gwynedd-Mercy has changed with the times, a pattern which the administration pledges to continue.

Nevertheless, in the most important ways, Gwynedd has remained what it was in 1948—a small personal college where a student is much more than a number, a school with excellent diverse educational offerings.

In its silver jubilee year, Gwynedd-Mercy not only looks back upon its contribution to higher education with a sense of pride and accomplishment, but also looks to the future with a renewed spirit of continued dedication to "knowledge in the service of man."

WHAT BREZHNEV FAILED TO TELL: UNITED STATES-SOVIET BARRIERS REMAIN

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HUBER. Mr. Speaker, lest we overlook the realities of the world situation as it applies to relations between the U.S.S.R. and the United States, in the aftermath of having a smiling Leonid Brezhnev in every newspaper, magazine, and television picture tube, we would all do well to ponder the situation as viewed by Paul Wohl of the Christian Science Monitor, a long time and well-known observer of Soviet affairs. As Mr. Wohl points out, the Soviet Union is still preparing for war; jailing dissenters, both political and religious, by the thousands; and in general remaining as bellicose toward the free world as ever. The article follows:

> WHAT BREZHNEV FAILED TO TELL: UNITED STATES-SOVIET BARRIERS REMAIN
>
> (By Paul Wohl)
>
> The Soviet party leader Leonid I. Brezhnev's television address to the American people of June 24 contained many statements which longtime students of Soviet affairs will find hard to understand, and omissions even harder to explain.
>
> Missing from the address was any reference to the basic Soviet tenet of "uncompromising struggle against bourgeois, capitalist ideology." This was the headline of a front-page editorial in Red Star, the daily of the armed forces of April 24.
>
> Lest a reader think that Soviet policy has evolved noticeably since April, one might refer to a lengthy article by Vasily B. Stepanov, an editor of the leading party biweekly, Kommunist. The article appeared in the June issue of Partinaya Zhizn (Party Life). It was on the "triumph of Leninist principles of party building."
>
> As others before him, Mr. Stepanov harps on the "incompatibility of capitalist and Communist ideology."

In a bristling, militaristic article in Kommunist No. 7, which went to press on May 8, Defense Minister Marshal Andrei Grechko, a member of the Politburo, hewed to the same line.

"To live at peace, we must trust each other, and to trust each other, we must know each other better," said Mr. Brezhnev. "We, for our part, want Americans to visualize our way of life and our way of thinking as completely and correctly as possible," he continued.

Why then, one asks, are Western correspondents restricted to a radius of 30 miles from the Soviet capital and even within this limitation allowed to use only certain roads?

And how could Americans learn to visualize the way of life and the way of thinking of the Soviet rural population, when collective farmers are refused an internal passport and can stay in a city not longer than five days?

There are, said Mr. Brezhnev, "still too many people who would rather make noise about military preparations and the arms race than discuss . . . peaceful cooperation."

Yet Marshal Grechko, who since April is Mr. Brezhnev's colleague in the ruling Politburo, wrote only a few weeks ago that "military-patriotic training now has assumed even greater significance than during the war."

ANALYSIS

"We take pride in having built . . . a most stable and confidently developing society which has assured all our citizens of social justice," said Mr. Brezhnev.

Yet the Soviet Union still has hundreds of corrective labor camps from one end of the country to the other. These camps, many of which are only a few hundred miles from Moscow, hold about a million political and religious dissidents. Precise data on these camps has been compiled by Prof. Peter Reddaway of the London School of Economics with the help of the Soviet Baptists.

"The nations and nationalities in our country have become genuinely equal," Mr. Brezhnev told the American people. Yet scores of Ukrainians are arrested every week. Thousands of Ukranians languish in labor camps where conditions, as reported by reliable ex-inmates, are as brutal and sordid as in Stalin's day. Georgians, Lithuanians, and many other nationalities are subjected to harsh administrative measures.

While everyone agrees that West and East should "know each other better," the fact remains that Soviet citizens have access only to Western publications put out by Western Communist parties. Pravda, Izvestia, and a whole galaxy of Soviet newspapers and journals can be bought openly in most Western countries, but Western tourists look in vain for the newspapers and journals which they are accustomed to read at home.

Mr. Brezhnev and the vast majority of the Soviet peoples certainly seek peace "in the historically foreseeable future," but the Soviet Government and party so far have been determined to maintain military and political structures of a kind unknown in the major democratic countries of the West.

What Mr. Brezhnev and his party were most concerned about was the establishment of ever closer economic ties based on massive American credits—ties so stable and close that, to use Mr. Brezhnev's words, a "renunciation of cooperation would be pointless." They seek a relationship of creditor and debtor, in which, in the long run, the latter on the international plane is the stronger.

Whether the cooperation, which everyone desires, would lead to the two peoples' actually learning to know each other better depends upon whether or not the Soviets will drop their suspicions and open their society to Americans as much as American society is open to them.

THE UNITED STATES AND RHODESIAN CHROME

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. RANGEL. Mr. Speaker, the United Presbyterian Church recently contacted me concerning the importation of Rhodesian chrome and H.R. 8005, introduced by Representative Fraser, of which I am a cosponsor.

The letter which I have received clearly and eloquently articulates what the U.S. policy should be concerning these Rhodesian imports.

I now submit the text of the letter for the collective attention of my colleagues in Congress:

The United Presbyterian Church

The 93rd Congress will have before it legislation which is an amendment to the United Nations Participation Act of 1945. Senator Hubert Humphrey in the Senate and Congressman Donald Fraser in the House of Representatives have introduced identical bills (S. 1868 and H. 8005), the intent of which is to negate the Byrd Amendment only with respect to chrome and other imports from Rhodesia.

The Byrd Amendment has been in effect for almost two years allowing this country to make an exception to its official policy of supporting U.N. sanctions against the rebel regime in Rhodesia. We believe this state of affairs has seriously eroded the credibility of the United States in so far as its commitment to racial justice and to the United Nations is concerned.

The arguments for and against the present policy are argued and debated along familiar lines: whether or not chrome ore is in strategic demand; the quality and price of one country's grade of ore over against another's; the political ramifications of trading with a racist or a communist government; the economic repercussions in the United States of one or another policy, etc. All of these are important considerations to be weighed. We believe that experience under the Byrd Amendment has shown that United States dependence upon the importation of chrome from the Soviet Union has not lessened. Further, American workers are losing their jobs because of the importation of Rhodesian chrome processed by political slave labor.

However, we would maintain that the overriding consideration in this case can be very simply stated: Will the Congress be guided in its decision by any value more than that of the integrity of our word to support sanctions and to oppose the denial of fundamental human rights to a majority population by a minority? In our view no value can be formulated or conceived in this case which could supercede commitment to this principle of national integrity.

At a time when America's avowed dedication to its own constitutional freedoms and to their attainment by other nations throughout the world is seriously questioned here at home and elsewhere, the debate and vote on this particular piece of legislation is extremely significant. We do not hesitate to state this so strongly in view of the evidence to date that our current policy on the importation of Rhodesian chrome ore is overwhelmingly deplored by so many except for the few corporate enterprises who benefit from it and the supporters of white racial superiority, whether witting or unwitting.

Congress can ill afford to dissipate further the credibility this country can claim to have with respect to the forgotten and oppressed people in white-ruled Southern Africa.

Following the intention of the General Assembly of our denomination, we "call upon the U.S. Government to cease violating United Nations sanctions against Rhodesia" and in particular we ask for your support of the Humphrey/Fraser amendment to the United Nations Participation Act of 1945, which in effect would negate those portions of the Byrd Amendment relating to the importation of material from Rhodesia.

Sincerely,

Clinton M. Marsh,
Moderator.
William P. Thompson,
Stated Clerk.

BEEKEEPERS INDEMNITY PROGRAM

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. CONTE. Mr. Speaker, I rise to offer an amendment to end the sweetest farm subsidy of them all—the beekeepers' indemnity program. This Federal giveaway should really set my colleagues off buzzing, if it does not make them break out in hives.

My waxing rhetorically would be very funny if it were not for the taxpayers who are getting stung.

Under the beekeepers indemnity program, we are paying beekeepers for dead bees. Worse yet, we are paying for dead bees that are allegedly killed by pesticide programs approved by the Federal Government.

To collect under this program, a beekeeper from an area where pesticide spraying has been conducted goes to his local ASCS office and tells the agent how many hives of dead bees he has. Then he collects $15 for each hive.

In the past, the Federal Government paid without checking up on these claims. It did not determine if the bees died from pesticides—or from old age, arthritis or too much high living. What is more the Department of Agriculture took no action against those people who used pesticides in such a way as to cause massive bee deaths. As was brought out last year in an appropriations subcommittee hearing, a person can fly over bee colonies laying down pesticides, and, regardless of his liability, the Federal Government will routinely go ahead and pay for the bee losses.

I ask my colleagues to forbear from saying that I am making too much of a small thing. Look at the size of the claims submitted under the beekeeper indemnity program and you will get a taste of what a honey of a deal Congress has created. If Congress were to continue this program, it would lay itself bare to the stinging indictment of taxpayers that it has may I say, bees in its bonnet.

Last year, over $6 million in this honey money was ladled out to bereaved beekeepers. The queen bee of all recipients in 1972 was Stover Apiaries in Mayhew, Miss. This beekeeper waxed the taxpayers for $457,000. At 15 bucks a hive, that is a lot of dead bees.

The all-time champion keeper of dead

bees is Jim's Valley Apiaries of Sunnyside, Wash. Jim has submitted claims for over $1,725,000 over the past 6 years. With all the piles of dead bees Jim must have, I cannot imagine how the sunshine still penetrates into his valley.

According to the claims Jim has submitted for the past 6 years, he has lost a minimum of 13,085 hives from pesticide activity each year for the past 6 years. If I were the Administrator of this program, I think that by now I would be a little suspicious.

I cannot bear the thought that our Federal Government seeks to protect our bees by dipping its paw into the Federal nest of honey money to pay a huge bounty for their tiny corpses. This illustrates how, once it has taken wing, a Federal program can become sticky after it has jelled.

I trust my colleagues will forgive me if my honey-laden words seem to be dripping with sarcasm. But I believe that this Federal program is misdirected. It should try to protect the bees. Live bees pollinate crops. But under current Federal law, dead bees pollinate private pocketbooks.

I urge my colleagues to take the stinger out by passing this amendment to end the beekeeper indemnity program.

LISTEN WORLD

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. ADAMS. Mr. Speaker, John Brodie is a ninth grader at Rainier Beach High School in Seattle, Wash. This year John won the King-Kitsap County Optimists Club oratorical contest with a speech entitled "Listen World" that addresses the problem of poverty. In his speech, this fine young man expresses a great deal of optimism as well as an ingrained compassion for his fellow man and I would like to share his thoughts with you today:

Optimists Club Listen World Oratory Contest

(By John Brodie)

Honorable judges, fellow contestants, and friends, the title of my speech is "Listen World."

In this world there are two and one-half billion people, one-half of which live on or in poverty by American standards. This is a terrible tragedy because poverty is needless and could be erradicated. But the world must stop and listen to these silent cries and respond unselfishly.

For poverty is a multi-faceted beast; with it comes disease, depravity and despair. Half of the world may never experience freedom, equality, and humanity because of the crushing force of poverty. Even the affluent cannot escape its icy touch. It has been established by criminologists that the majority of household robberies are committed by those who live in or understand the meaning of poverty.

In our country, the most affluent country in the world, it still survives, Twenty-six million of us live in poverty. When one mentions poverty, one often conjures up an image of gaunt bow-legged children drinking milk from a tin bowl. Few realize that poverty seeks out it's victims from those who are least able to defend themselves against it. Of course, this includes the old, those too sick or too feeble to go back to work again. Although one in eight children born in America are given to poverty, one-half of all Americans over sixty-five live in poverty!

In a country as wealthy as ours . . . this is needless suffering to say the least. *This vicious cycle must be stopped.* And so we ask ourselves: What causes poverty? Some say it's ignorance. Others claim it's all a state of mind. But the plain truth is people cause poverty.

And all of what I have just said is to give hope, not despair; for those who are capable of causing poverty, can also destroy it.

There are many solutions to the problem, although welfare is not one of them. Welfare is not equipped with the weapons necessary to slay the beast.

For those who claim ignorance causes poverty are partially right. Education is one weapon that is absolutely necessary in combatting poverty. Without it, poverty is indeed eternal.

And for those who insist that poverty is only the condition of having little or no goods and claim that poverty no longer exists once handouts are provided are doomed to fail, for they are treating its symptoms, while ignoring the disease itself. Handouts provide little incentive, no aspiration, and no dignity. Work programs give the people the self dignity they need to pull themselves up. Then they are no longer helpless. They too can feel the joy of providing for themselves and their families through hard work, instead of waiting for humiliation handouts.

The money saved through this program could be used for rehabilitating the handicapped, and for a program for our senior citizens. The eyes of the world will bow in silent respect to any nation that succeeds in slaying this beast from their land. Our Nation can show the world that poverty need not exist forever.

PROPOSED AMENDMENTS TO THE IMPOUNDMENT CONTROL BILL

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, when the impoundment control bill, H.R. 8480, comes to the House floor later this month, I intend to offer seven amendments which I feel will greatly improve this legislation, six of which I offered unsuccessfully during the Rules Committee markup session. At this point in the Record I include the text and explanation of each of these amendments for the information of my colleagues. I would also like to call the attention of my colleagues to my separate views beginning on page 21 of the committee report, House Report 93–336:

Antideficiency Act Impoundment Exemption

On page 3, at line 23, after the period, add the following:

"If the Comptroller General determines that the impoundment was in accordance with section 3679 of the Revised Statutes (31 U.S.C. 665), commonly referred to as the "Antideficiency Act", the provisions of section 102 and section 104 shall not apply. In all other cases, the Comptroller General shall advise the Congress whether the impoundment was in accordance with other existing statutory authority and sections 102 and 104 of this Act shall apply."

Explanation: This amendment, identical to the language in the Senate-passed Ervin bill (S. 373, Section 2(c)), would exempt from the impoundment control procedures of H.R. 8480 those impoundments which, in the determination of the Comptroller General, are in accordance with the authority granted to the President under the Antideficiency Act to establish reserves to provide for contingencies, to reflect savings, and to make account changes in requirements subsequent to the appropriation action, and to reserve funds because of changing circumstances.

CONCURRENT RESOLUTIONS OF DISAPPROVAL

On page 4, strike line 24 through line 2 on page 5, and insert in lieu thereof the following:

"By the Congress by passage of a concurrent resolution in accordance with the procedure set out in section 104 of this Act."

Explanation: This amendment restores the language of the Mahon bill (H.R. 5193) to require that resolutions of disapproval must pass both Houses of Congress and not just one House as provided in the Madden bill.

COMMITTEE FLEXIBILITY ON IMPOUNDMENT MESSAGES

On page 6, strike lines 5 through 14 and insert in lieu thereof the following:

"(b)(1) For the purposes of this section and section 102 the term 'resolution' means only a concurrent resolution which expresses the disapproval of the Congress of an impoundment of funds set forth in a special message transmitted by the President under the first section of this Act, and which is introduced and acted upon by both the House of Representatives and the Senate before the end of the first period of sixty calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress. Where a special message specifies more than one impoundment of funds, the resolution may relate to any one or more of such impoundments; and the resolution with respect to any impoundment may express the disapproval of the Congress of any amount thereof and may set forth the basis on which the impoundment is disapproved."

Explanation: This amendment restores the language of the Mahon bill which specifies that resolutions of disapproval must be concurrent and pass both Houses before the expiration of the 60-day period. In addition, the Appropriations Committees may report a resolution which deals with only selected parts of a President's impoundment message or which may disapprove only a selected amount of any one impoundment.

DISCHARGING DISAPPROVAL RESOLUTIONS

On page 7, strike lines 12 through line 9 on page 8 and insert in lieu thereof the following:

"(d)(1) If the committee to which a resolution with respect to a special message has been referred has not reported it at the end of thirty days of continuous session after its introduction, and if such resolution (or identical resolutions) is sponsored or cosponsored by at least one-fourth of the Members of the House in which it is introduced, the committee shall be discharged from further consideration of the resolution.

"(2) If the committee has reported or has been discharged from further consideration of such a resolution, it shall not be in order at a future date for the committee to report or to be discharged from further consideration of any other resolution with respect to the same special message."

Explanation: This amendment would make it possible to automatically discharge the Appropriations Committee from further consideration of a resolution of disapproval if it has not been reported within 30-days after its introduction, if the resolution or identical resolutions are cosponsored by at least one-fourth of the membership of the House involved. The Madden bill, on the other hand, would require a motion to discharge, seconded by one-fifth of a quorum and approved by a majority vote of the House involved.

AMENDING DISAPPROVAL RESOLUTIONS

On page 8, at line 23, strike all after the period through line 2 on page 9, and insert in lieu thereof the following:

"Amendments to the resolution shall be in order provided that such amendments relate to the same special message to which the resolution refers but do not violate the exemption under section 101(c)(2) of this Act. It shall not be in order to move to recommit the resolution or to move to reconsider the vote by which the resolution is agreed to or disagreed to."

Explanation: This amendment simply makes it in order to amend resolutions of disapproval on the floor of the House involved so long as the amendment is germane to the special message and does not violate the Antideficiency Act exemption of amendment #1 above.

EFFECTIVE DATE OF TITLE I

On page 11, after line 10, add the following new section:

"SEC. 109. The foregoing provisions of this title shall take effect on the effective date of legislation which improves congressional control over budgetary outlay and receipt totals in a comprehensive manner."

Explanation: This amendment would make the effective date of the impoundment control procedures and requirements of Title I contingent upon the effective date of legislation which reforms the congressional budgetary process in a comprehensive manner.

CONGRESSIONAL RESPONSIBILITY FOR SPENDING CONTROL

On page 12, strike line 1 through line 10 on page 14, and insert in lieu thereof the following:

"SEC. 202. (a) It shall be the responsibility of the Congress to take such action as may be necessary to keep expenditures and net lending during the fiscal year ending June 30, 1974, within the limitation specified in section 201.

"(b) Before the close of the first session of the Ninety-third Congress, the Congress shall complete action on a concurrent resolution which reaffirms or revises the limitation specified in section 201.

"(c) For the purposes of this section, if such concurrent resolution or any amendment thereto, provides for an increase in the limitation specified in section 201, such resolution or amendment shall also provide for a corresponding increase in the overall level of revenue or in the public debt limit, or a combination thereof.

"(d) For the purposes of this section, if estimated expenditures and net lending will exceed the limitation specified in section 201, a concurrent resolution reaffirming such limitation, and any amendment thereto, shall provide for appropriate reductions in existing budget authority consistent with such limitation."

Explanation: This amendment would strike the provisions of the Madden bill which place the responsibility for holding expenditures within the fiscal 1974 limitation on the President by giving him authority to make pro rata impoundments. Instead, this amendment would place the responsibility with the Congress to hold spending under the ceiling and provides for the passage of a concurrent resolution before the close of the first session of the 93rd Congress either reaffirming or revising the limitation. If the limitation is revised upward, provision must be made in the resolution for a corresponding increase in revenues, the debt limit, or both. If the concurrent resolution reaffirms the limitation, but estimated expenditures and net lending will exceed the limitation, the resolution must provide for appropriate reductions in existing budget authority consistent with the limitation. This amendment is patterned after the recommendation of the Joint Study Committee on Budget Control that the Congress reaffirm or revise the limitation on expenditures and net lending by concurrent resolution before the close of each session of Congress.

RETIREMENT OF JOSEPH F. SANTOIANA, JR.

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. FREY. Mr. Speaker, an outstanding law enforcement professional, Joseph F. Santoiana, Jr., has ended his 33-year career with the FBI, and it seems appropriate that we take official note of his retirement.

This quiet, unassuming American of Spanish heritage headed the FBI's Field Office in Tampa, Fla., from the time it was established in 1960 until his retirement June 29, 1973.

He leaves his post amid expressions of admiration and respect by the news media, public officials, his superiors, and the Agents whom he supervised—admiration and respect well earned.

For this is a man whose career through three decades has manifested steadfast dedication, utmost competence and unquestioned loyality, and his contribution to the FBI, law enforcement, and his country, can hardly be measured.

Proficient in four languages, Mr. Santoiana was an educator for alomst 10 years before joining the FBI in 1940. A native of Bridgeport, Conn., he was graduated with honors from Georgetown University School of Foreign Service in 1931 and was offered a scholarship to the University of Paris.

He chose to teach, however, and taught at a college in Algeria for a year before returning to the United States to attend Massachusetts State College.

From 1935 to 1940, Mr. Santoiana served as supervisor of English for the elementary schools of Puerto Rico. But he was inevitably drawn to a career in law enforcement, and when he entered the FBI in 1940, his linguistic ability and knowledge of Spanish culture proved most valuable.

Before his first year with thje FBI had expired, Mr. Santoiana had established a Spanish language school at FBI Headquarters.

He voluntarily served in key assignments in South and Central America during World War II, working with police in several countries to detect and combat foreign espionage operations.

Having clearly demonstrated his ability and dedication, Mr. Santoiana was designated Assistant Special Agent in Charge of the New Haven, Conn., Field Office of the FBI in 1946.

Thereafter, he served as special agent in charge of FBI field offices in San Diego, Calif.; Houston, Tex.; Portland, Oreg.; Springfield, Ill.; San Juan, Puerto Rico; and, of course, Tampa.

Two facets of Mr. Santoiana's capabilities have shone brilliantly: His accomplishments as a law enforcement administrator, and his achievements in the field of police training.

His official FBI service record abounds with commendations and incentive awards.

He has worked on many of the FBI's most famous cases, including the Mackle kidnaping case in Florida. In personally commending Mr. Santoiana for his efforts in the Mackle case, the late J. Edgar Hoover commented:

> Without regard for your own safety you and your associates took courageous action which led to the apprehension of (Gary Steven) Krist, who was convicted of the kidnaping of Barbara Jane Mackle.

It was Mr. Santoiana who leaped from a hovering helicopter and pursued Krist through a mangrove swamp at Hog Island, Fla.

In the field of police training, he has served in many ways. In San Diego he was chairman of the training committee of the California Police Officers Association. In 1962, he was FBI representative at a pilot class of the Inter-American Police Academy at Fort Davis, Canal Zone, the purpose of which was to train foreign police officers in law enforcement matters. He is currently a member of the board of directors of the Tampa Bay Area Chiefs of Police.

The community in which he spent his last 13 years of FBI service appreciates Mr. Santoiana's contributions. He recently received an outstanding citizens award from the Tampa Chamber of Commerce. He was honored at a special ceremony conducted by Federal judges of the middle district of Florida on June 29.

An editorial that appeared in the Tampa Times on May 26 said this:

> Santoiana is typical of the FBI Agent of the J. Edgar Hoover era. He was always quiet, unobtrusive but very much in control of matters. He certainly inspired confidence in the FBI Office here. . . .
>
> While he was never prominent in the headlines, many of us in the press have been conscious of Santoiana's presence and influence. His opinion, although rarely volunteered, was highly respected. He was as dependable as he was circumspect.

Mr. Hoover wrote a personal letter to Mr. Santoiana commemorating his 30th anniversary of service with the FBI, which I quote in part:

> The years during which you have been with the FBI have been a period of tremendous expansion in the obligations which the Bureau has been called upon to discharge. This, I know, has meant increased responsibilities for our personnel.
>
> The willingness with which you have voluntarily given of your personal time and energy has been a source of gratification to me and I want you to know of my deep appreciation for your steadfast loyalty and your conscientious devotion to your job. Such an attitude has indeed been an example to those associated with you.

I suggest, Mr. Speaker, that this professional lawman's career exemplifies the qualities of leadership, efficiency, integrity, and dedication that elevated the Federal Bureau of Investigation to its position of preeminence in the law enforcement field.

Floridians, and, indeed, all of us who cherish a free and lawful society, are indebted to Joseph F. Santoiana, Jr., and other lawmen like him.

WYATT QUESTIONNAIRE

HON. WENDELL WYATT

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. WYATT. Mr. Speaker, again this year I have asked the people of my district, the First District of Oregon, for their opinions on certain important issues facing our Nation. As in the past, the participation of my constituents was excellent. I am proud to report that over 35,000 persons responded to my annual questionnaire.

I have just sent my constituents the results of my 1973 questionnaire. At this time I would like to share these with my colleagues in the House, as I believe the results are most interesting and informative:

QUESTIONNAIRE

1. Do you feel the President should be able to impound federal monies which the U.S. Congress has already approved for spending? (In Percentage)

Yes	35
If Congress approved	20
No	38
No opinion	3
Other alternatives	1

2. Should the Social Security Tax be absorbed into the Federal Income Tax structure?

Yes	15
No	61
Change in some other way	5
No opinion	13
Other alternatives	1

3. Should members of the press (newspapers, magazines, radio and TV) be protected by law from having to disclose their sources of information even if a court, legislatures, or executive branches of government feel that they should disclose their information sources?

Yes (Newsmen's sources should be protected)	64
No (Newsmen should be forced to disclose)	23
No opinion	3
Other alternatives	6

4. Now that there is a cease fire in Vietnam and the U.S. prisoners are being returned should those persons who have deserted from the armed forces or evaded the draft during the Vietnam War be granted some form of amnesty?

Now	17
Sometime in the future	8
Never	42
Equivalent Service	28
No opinion	5
Other alternatives	2

5. Even if it might result in higher taxes to you, would you favor substantial federal incentives in the form of federal grants, tax incentives and strong federal controls on industry and state and local governments to reduce air, water, land and other pollution?

Yes	50
No	34
No opinion	4
Other alternatives	9

6. Should access to and use of marijuana be treated in the law much the same as alcohol now is?

Yes	39
No	52
No opinion	3
Other alternatives	3

7. Do you think the federal government should provide a medical insurance program to everyone, even if it meant higher taxes to you?

Yes	39
If "yes," how should it be financed?:	
Social security taxes	24
Income taxes	34
National sales tax	20
Other alternatives	18
No	46
No opinion	3
Other alternatives	3

8. In order to slow inflation should the Federal Government:

Continue the present program of wage and price controls pretty much as the Administration is now doing	9
Increase taxes	3
Reduce Federal expenditures	41
Place stronger controls on:	
Wages	23
Prices	6
Profits	3
None of the above	1
Other alternatives	3

9. Do you feel that there should be some legal constitutional constraint by Congress on the President's power to commit U.S. troops outside the U.S. to hostile actions?

President should be limited to committing troops to hostile action for only 60 days unless specifically approved by Congress	59
No change should be made in the present powers of the President to commit troops to hostile action outside the United States	21
Other alternatives	14

POLAND JOINS THE LIST

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. GAYDOS. Mr. Speaker, the Wall Street Journal the other day carried a two-paragraph item to the effect that the Singer Co. has signed a long-term contract with Poland's Universal Foreign Trade Enterprises to produce sewing machines in Poland.

Under terms of the pact, the Journal reports, Singer will provide designs and technical blueprints to the General Walter factory in Radom, Poland, which expects to get into production next year. One-third of the Polish factory's output will be taken by Singer for sales in other markets.

How many Americans' jobs, I ask, will vanish in this arrangement? Also, how much cheaper will Poland with its low cost labor be able to make these machines for Singer? I fear that we are seeing in this another movement of business and employment away from us and to another land.

I suggest that the Federal agencies with a responsibility to our workmen and to our economic well-being generally check into this Singer deal. We have sat back too long while this kind of exportation of American know-how and American jobs has taken place. It is time that we do something to stop it.

WE MUST ALSO PURGE OURSELVES OF THE ERROR THAT CONFUSES POLITICAL OPPOSITION WITH DISLOYALTY

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BOLLING. Mr. Speaker, David Broder's column in the Washington Post of July 4 is recommended reading. It follows:

WE MUST ALSO PURGE OURSELVES OF THE ERROR THAT CONFUSES POLITICAL OPPOSITION WITH DISLOYALTY

(By David S. Broder)

The one proposition upon which all Washington, and, I would guess, the whole country would agree is that we can be grateful this is not the year of our Bicentennial. It would be a little difficult, not to say hypocritical, to proclaim the success of the American experiment in this season of Watergate. Three years from now . . . who knows, our case may look better.

What we have come to understand—luckily, in time to purge ourselves of it—is that we have been governed by men who feared and distrusted the people they were supposed to be serving, the very people in whose name they exercised their great power.

Whether it was a President affronted by the sight of a single demonstrator in Lafayette Park or a White House underling enthusiastically compiling an "enemies' list," these men were determined to brook no opposition. It was their fear and their arrogance that led to the pattern of lawless, unconstitutional actions we have come to call Watergate.

It is not enough to rid ourselves of the perpetrators of these crimes. We must also purge ourselves of the error that confuses political opposition with disloyalty. We need to relearn our own democratic tradition and regain the habits of freedom and dissent which these men sought so ruthlessly to suppress.

Here, in the spirit of the Independence Day holiday, are three brief thoughts to ponder:

The first, from a Founding Father: "I tolerate with the utmost latitude the right of others to differ from me in opinion without imputing to them criminality. I know too well the weakness and uncertainty of human reason to wonder at its different results. Both of our political parties, at least the honest part of them, agree conscientiously in the same object—the public good; but they differ essentially in what they deem the means of promoting that good. . . .

"Which is right, time and experience will prove. . . . With whichever opinion the body of the nation concurs, that must prevail. My anxieties on this subject will never carry me beyond the use of fair and honorable means, of truth and reason; nor have they ever lessened my esteem for moral worth, nor alienated my affections from a single friend, who did not first withdraw himself from me."

The second passage, by a 20th-century philosopher, is this: "If we are to preserve democracy, we must understand its principles. And the principle which distinguishes it from all other forms of government is that in a democracy the opposition not only is tolerated as constitutional but must be maintained because it is in fact indispensable . . . For in making the great experiment of governing people by consent rather than by coercion, it is not sufficient that the party in power should have a majority. It is just as necessary . . . that it must listen to the minority and be moved by the minority. . . .

"A good statesman, like any other sensible human being, always learns more from his opponents than from his fervent supporters. For his supporters will push him to disaster unless his opponents show him where the dangers are. So if he is wise, he will often pray to be delivered from his friends, because they will ruin him. But, though it hurts, he ought also to pray never to be left without opponents; for they keep him on the path of reason and good sense."

The third, and final text, by a contemporary political leader, is this: "A politician knows that his friends are not always his allies, and that his adversaries are not his enemies. A politician knows how to make the process of democracy work and loves the intricate workings of the democratic system. . . .

"A politician knows that his words are his weapons, but that his word is his bond. A politician knows that only if he leaves room for discussion and room for concession can he gain room for maneuver.

"A politician knows that the best way to be a winner is to make the other side feel it does not have to be a loser. And a politician . . . knows both the name of the game and the rules of the game, and he seeks his ends through the time-honored democratic means."

The first passage comes from Thomas Jefferson, the author of the Declaration, in an 1804 letter to Abigail Adams. The second is from Walter Lippmann's 1939 essay "The Indispensable Opposition."

And the third passage, interestingly is from Richard M. Nixon's eulogy of Everett M. Dirksen on Sept. 9, 1969.

Had the men in power understood and heeded those thoughts, this would have been a happier 197th birthday of the Republic. Perhaps by 1976, we will have found leaders who grasp their meaning and give more than lip service to keeping them alive.

CAPTIVE NATIONS WEEK

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. COTTER. Mr. Speaker, each year since 1959, the third week of the month of July has been designated and observed as Captive Nations Week, under Public Law 86-90. Proclamations by the President, State Governors, and mayors have marked this event for the captive nations of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Romania.

Certainly, our concern for the people of these lands is not limited to the 1 week of Captive Nations Week; however, Captive Nations Week presents itself as an exceptional opportunity for a show of public support and solidarity for all Europeans in Central and Eastern Europe who seek liberty.

The recent summit talks between President Nixon and Soviet Party Leader Brezhnev and the improving relations in general between the United States and Russia, provide a basis for hope for those "captive" Europeans toward whom Captive Nations Week is directed.

I appeal to the people of the United States to remain cognizant of the destiny of those in Central and Eastern Europe who seek freedom but cannot obtain it, and to recognize the opportunity that Captive Nations Week affords us.

HOUSE OF REPRESENTATIVES—*Wednesday, July 11, 1973*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

O come, let us worship and bow down; let us kneel before the Lord our maker.—Psalms 95:6.

O God and Father of us all, we lift our hearts unto Thee with thanksgiving for the rest and recreation our recess has made available to us. May it also have renewed us in body and in spirit making us ready for the tasks that lie ahead. Move Thou within our hearts that we may meet our duties with courage, manage our responsibilities with confidence, and master our difficulties with a creative faith.

Reveal to us the decisions we should make, the procedures we should follow, and the paths we should tread. May all our endeavors be based upon intelligent good will, dynamic faith, and a vital patriotism.

Sustain us in our efforts to make our Nation a better nation and our world a better world. Lead us all in the ways of peace, unity, and good will for Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 21, 1973:

H.R. 4443. An act for the relief of Ronald K. Downie.

On June 25, 1973:

H.R. 5293. An act to authorize additional appropriations to carry out the Peace Corps Act, and for other purposes.

On July 1, 1973:

H.R. 8410. An act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

H.R. 9055. An act making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes.

H.J. Res. 499. Joint resolution providing for an extension of the term of the Commission on the Bankruptcy Laws of the United States, and for other purposes.

H.J. Res. 636. Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes.

On July 6, 1973:

H.R. 5157. An act to amend the Service Contract Act of 1965 to extend its geographical coverage to contracts performed on Canton Island.

H.R. 5857. An act to amend the National Visitor Center Facilities Act of 1968, and for other purposes.

H.R. 7357. An act to amend sections 3(e) and 5(1)(1) of the Railroad Retirement Act of 1937 to simplify administration of the act; and to amend section 226(e) of the Social Security Act to extend kidney disease medicare coverage to railroad employees, their spouses, and their dependent children; and for other purposes.

On July 9, 1973:

H.R. 5383. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes.

H.R. 8537. An act to amend titles 10 and 37, United States Code, to make permanent certain provisions of the Dependents Assistance Act of 1950, as amended, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Secretary had reengrossed the Senate amendments to the bill (H.R. 8619) entitled "An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1974, and for other purposes," and returned the same with the bill and accompanying papers to the House of Representatives.

TAX DEDUCTIONS FOR BLOOD DONORS

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was delighted to read this morning of the announcement by HEW Secretary Caspar Weinberger of the development of a new national blood policy which is designed to achieve an all-volunteer blood donor system. It is necessary that such a policy be established to increase the supply of blood, to insure the safe quality of that blood and to lower the cost of blood to patients.

I have introduced legislation, cosponsored by 31 Members of the House, which provides that blood donations be considered a charitable contribution deductible from a taxpayer's gross income. This bill permits a $25 deduction for each pint of blood donated to a nonprofit blood collecting agency, setting a $125 annual limitation for each donor. I first introduced this legislation in the 91st Congress, then in the 92d, and again in the 93d Congress. Its need is apparent with each passing year as the need for blood grows.

The dangers of contracting hepatitis are far greater from a commercial pint of blood than from a donated pint. In the United States, approximately 20,000 people will contract hepatitis this year, the majority of them by means of contaminated blood. Of these, up to 1,000 may die. This is a tragic loss and one that can be averted by insuring safe supplies of voluntarily donated blood.

The opposition to the bill has been on the basis that to give a tax deduction for blood demeans the gift. Not so at all as we recognize when we give a tax deduction to those who give cash gifts to the Red Cross.

I have today written to Secretary Weinberger asking that he consider this proposal during the conference to be held in August on the implementation of the national blood policy. I am sure our colleagues would acknowledge the importance of voluntary blood giving and I would urge them to support the Secretary's proposal.

APPOINTMENT OF CONFEREES ON H.R. 8510, NATIONAL SCIENCE FOUNDATION AUTHORIZATION

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8510) to authorize appropriations for activities of the National Science Foundation, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. TEAGUE of Texas, DAVIS of Georgia, SYMINGTON, HANNA, MOSHER, BELL, and WYDLER.

CONFERENCE REPORT ON H.R. 7528, NASA AUTHORIZATION, 1974

Mr. TEAGUE of Texas. Mr. Speaker, I call up the conference report on the bill (H.R. 7528) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 28, 1973.)

Mr. TEAGUE of Texas. Mr. Speaker, the House and Senate conferees met on June 27, 1973, to resolve the differences in the House and Senate passed versions on H.R. 7528, the fiscal year 1974 National Aeronautics and Space Administration authorization bill. The bill passed the House on May 23 and passed the Senate on June 19. In acting on the bill the Senate struck all after the enacting clause and substituted new language.

The committee of conference agreed to accept the Senate amendment with certain substitute amendments and with certain other stipulations insisted upon by the managers on the part of the House. There were 11 items in disagreement involving amounts to be authorized for appropriations; seven other items of legislative language were to be reconciled.

The House had authorized a total of $3,073,500,000 and the Senate authorized $3,046,000,000 in its bill. Thus, the amount passed by the Senate was $27,500,000 lower than the House amount. The conference substitute would authorize $3,064,500,000 which is $48,500,000—1.6 percent—more than the budget request, $18,500,000 above the Senate version, and $9,000,000 below the amount previously passed by the House.

The Senate adopted two House language amendments prior to conference. In addition, seven language differences were resolved as follows: the House receded on four of the amendments; the Senate receded on one amendment; and compromise language was adopted on two amendments.

Highlights of the substitutes agreed upon by all members of the committee of conference are as follows:

SPACE SHUTTLE

The House had authorized an increase of $25 million more than the NASA request of $475 million. The conference adopted the Senate position which authorized $475 million.

EARTH RESOURCES TECHNOLOGY SATELLITE

The Senate and the House both restored the ERTS–B to the fiscal year 1974 program in the amount of $8 million. The House bill contained offsetting decreases for the entire amount, whereas the Senate bill had no offsetting decreases. The compromise position was an offsetting reduction of $2 million in other programs.

AERONAUTICAL RESEARCH AND TECHNOLOGY

The House added $20 million to reinstate the Quiet Short Take-Off and Landing Research Aircraft (QUESTOL); the Senate did not concur with this action. The conference agreed with the House position.

SPACE AND NUCLEAR RESEARCH AND TECHNOLOGY

Both the House and the Senate increased this line item by $10 million to continue nuclear power and propulsion activities. The Senate bill called for a partial offsetting reduction of $3 million in other categories. The conference accepted the Senate position.

TRACKING AND DATA ACQUISITION

The House reduced this program total of $250 million by $10 million, and the Senate reduced it by $2 million. The conference adopted a compromise reduction of $6 million.

The conference report contains a detailed listing of program areas and projects and amounts to be authorized for each as recommended by the committee of conference. The joint explanatory statement of the committee of conference provides additional details on the foregoing and other actions taken during the conference on the various differences.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, the amendments adopted in the conference, if any, are germane to the bill?

Mr. TEAGUE of Texas. They are germane to the bill.

Mr. MOSHER. Mr. Speaker, the conference report which is before you at this time has the unanimous support of the minority members of our committee. It embodies an austere but overall well-balanced NASA budget. The language in the statement of managers expresses the priorities of both Houses of Congress.

Although the budget agreed to in conference is higher than the administration request, by some $48.5 million, I should emphasize that these increases were all in areas on which the Congress has placed a high priority.

The conference committee agreed to an increase in the Space Applications program. This increase is intended to permit NASA to launch another Earth Resources Technology Satellite as quickly as possible. NASA will also be able to replace their research airplane which was lost in an unfortunate mishap earlier this year. This aircraft was used extensively to test the sensors which are ultimately used for such things as weather forecasting, fire detection, and astronomical observations. A portion, approximately $2 million, of these added funds will also be used by NASA for primarily solar energy research.

The conference committee also increased the NASA budget for aeronautical research and technology. The United States is rapidly losing its position of world leadership in civil aviation. The funds provided in the NASA budget by the conference committee will assure that our Nation will have at least one continuing civilian aircraft program which is capable of not only serving our domestic needs, but also of improving our international aircraft sales.

Increased emphasis was given to nuclear power research. The conference committee felt that with the increasing severity of our energy shortages, every possible route toward increased clean energy sources should be examined by our Nation. NASA has a unique capability and experience in certain aspects of nuclear power. The possible large benefits derivable from the very small amount of money added was considered more than ample justification for increasing the NASA budget in this area.

Mr. Speaker, again I wish to state that this conference report has the unanimous support of the minority members of our committee. The provisions in this report were given a great deal of thought and consideration by all the members of our committee. I hope our colleagues will join us in passage of this authorization bill.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WHITTEN. Mr. Speaker, I take this time to call attention to the fact that I was present in the quorum call of yesterday. The record shows I was not present. I understand that with the present recording machine this cannot be corrected. I have no great disturbance about the fact that my name was erroneously listed as being absent, but I do think there should be some means whereby the record of this machine when in error could be corrected, when the equipment itself needs to be corrected, because that is the situation here.

This is something I realize, Mr. Speaker, you cannot do from the chair but I wanted to express my feelings about this problem.

PHASE IV IS KILLING POULTRY INDUSTRY

(Mrs. GRIFFITHS asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. GRIFFITHS. Mr. Speaker, in announcing the second price freeze in 22 months, the President declared it his goal to prevent food from being priced off the American dinner table. In terms of the success the new freeze has exhibited the President may achieve this goal, which is great, but few Americans will be able to afford breakfast or lunch the same day that dinner is on the table.

If the current price freeze goes on much longer, or if the present restrictions on the poultry industry are carried on to phase IV of the President's new, but rapidly aging, economic policy, eggs will enter the same classification as caviar and poultry the same as filet mignon—delicacies that only a very small percentage of the American people can afford. With the increasing price of feed grains, and with no promise of relief in sight, poultry producers have been killing baby chicks by the thousands and selling hens for slaughter. The poultry industry is dying with these chicks and hens, and upon its death more than 600 workers will have lost their jobs in the Detroit metropolitan area alone, with thousands more nationwide.

Poultry is one of the richest foods in terms of protein content and one of the cheapest for the consumer to buy. The President may be able to control the price of poultry products, but it will do little good if none of these products are on the market shelves.

The Republican Members of the House should note my words, for it would be ironic, indeed, if we Democrats regain control of the White House in 1976 because the Republican Party allowed us to pick their own 1928 Presidential campaign promise of "Two Chickens in Every Pot."

PERSONAL EXPLANATION

(Mr. MINISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MINISH. Mr. Speaker, on rollcall No. 325 yesterday, I am recorded as voting "present" on the Bergland amendment to the Agriculture Act. I meant to vote "no," but inadvertently voted "present" on the electronic recording device.

I was opposed to the Bergland amendment because, while it may have represented an improvement over present law, it did not close the loopholes in the farm payment program and applied per crop, rather than per farmer.

Subsequently, I supported the stronger Findley amendment to limit farm payments to $20,000 per farmer and close loopholes.

I ask that my statement appear at this point in the RECORD.

QUARTERLY REPORT OF THE ECONOMIC STABILIZATION PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

I am herewith submitting to the Congress the most recent Quarterly Report of the Economic Stabilization Program, covering the period January–March, 1973.

This report indicates that during this quarter our economy was making strong, impressive gains. Our national output grew at an annual rate of $43 billion. Some 600,000 more men and women obtained jobs. Real per capita disposable income—what people have left to spend after paying for taxes and adjusting for inflation—continued to rise, reaching a record high.

During this same period, while America's rate of inflation was lower than other major industrial nations, it is also clear that the rate was far higher than it should have been. There was an unexpectedly rapid increase in prices during the quarter, primarily in agricultural products.

The acceleration of price increases during the quarter led, in part, to my actions on June 13 to impose a price freeze for a maximum of 60 days. This freeze will be followed by Phase IV, a system of controls which will be designed to curb our recent bout of inflation while also preserving the gains we have made in other sectors of our economy. My ultimate goal—a goal I believe we can and must meet—is to return this country to a strong and free market system.

RICHARD NIXON.

THE WHITE HOUSE, *July 11, 1973.*

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 328]

Ashley
Bowen
Carey, N.Y.
Carter
Chisholm
Clark
Collier
Coughlin
Danielson
Dennis
Dent
Evins, Tenn.
Fisher
Flood
Ford,
  Gerald R.
Frenzel
Giaimo
Gray
Green, Oreg.
Gude
Harsha
Howard
Johnson, Calif.
Kemp
Landgrebe
McFall
Madden
Mailliard
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Murphy, N.Y.
Passman
Pepper
Pettis
Powell, Ohio
Reid
Rodino
Rosenthal
Sandman
Stephens
Symington
Tiernan

The SPEAKER. On this rollcall 390 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE CONCEPT OF HOMESTEADING IN THE FEDERAL HOUSING PROGRAM

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, much concern has been expressed by the Members of this body over the future of the Federal housing program.

I have always maintained that the key to a successful housing program is the encouragement of private ownership. Community pride and improvement will only occur when residents have a stake in its future. Ownership provides an incentive which is lacking from rental projects.

Currently, the Department of Housing and Urban Development is holding or has foreclosed on almost 95,000 housing units, the majority of which are single family units. I believe that this mounting problem can be turned into a real opportunity in our metropolitan areas through the use of the concept of homesteading.

Several governments have initiated programs embodying this concept which deserves our scrutiny. The cities of Wilmington and Philadelphia give the homesteader a city-owned abandoned house in return for $1 and a pledge to rehabilitate the house and live in it for 5 years. No property taxes are levied against the house during this 5-year period.

The benefits of this program are many, including the restoration of badly needed living quarters and a simple means of homeownership for people dedicated to the future of the community. In addition, I believe that such a program could be cost effective.

The Department of Housing and Urban Development is scheduled to unveil its revised housing program on September 7, 1973. I am contacting the Secretary and urging his consideration of the homesteading concept as a part of this new plan. I fully believe in this day of comprehensive plans and massive bureaucracy that there is a need for programs which deliver the goods to people with a minimum of redtape and Federal financial involvement.

CONGRATULATIONS TO THE HONORABLE EDWARD P. BOLAND

(Mr. CONTE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CONTE. Mr. Speaker, never have I come to the well of this Chamber with happier news for my colleagues.

My very good friend, and our distinguished colleague, Congressman Edward P. Boland, this week became engaged to a very charming young lady from his hometown of Springfield, Mass., Miss Mary K. Egan.

There were time when I despaired of ever having the opportunity to make such an announcement to this body. Now that it has finally occurred, I am sure that everyone here joins me in extending our deepest congratulations to the happy couple.

Miss Egan is a graduate of Newton College of the Sacred Heart and Boston College Law School. She is an attorney at law and a member of the Springfield City Council, so she is no stranger to the political life.

While having avoided the matrimonial waters up to now, our colleague is wasting no more time. The private wedding ceremony has been set for August 9 in Springfield.

Mr. Speaker, on behalf of all my colleagues, I extend our fondest best wishes to one of the most able and admired of this House, Mr. Boland.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill—H.R. 8860—to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8860, with Mr. Natcher in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, it had agreed that the first section of the bill, ending on page 53, line 2, be considered as read, printed in the Record, and open to amendment at any point.

Are there further amendments to be proposed?

AMENDMENT OFFERED BY MR. RAILSBACK

Mr. RAILSBACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Railsback: Page 6, line 8, strike out the words "casein, caseinates,"; and page 6, line 11, after the figure "(1)" insert the words "casein, caseinates,"

Mr. RAILSBACK. Mr. Chairman, a simple change in section 205 of the agriculture bill now before us could be of significant benefit to many companies, their employees, and to the American consumer.

This section gives the President the authority to establish a new import licensing program for dairy products. Only those products may be imported by or for persons or firms to whom a license has been issued by the Secretary of Agriculture. The Secretary shall make licenses available for a 30-day period before issuing licenses to other applicants to domestic producers and processors who agree to import such dairy products. Included in these dairy products are casein and caseinates. Casein is the principal protein in milk, and, nutritionally, is one of the most complete proteins known. It may be precipitated from milk by the addition of dilute acids. Caseinates, on the other hand, are the salt form of casein.

Before World War II, the United States had a fairly substantial casein industry. However, the industry rapidly declined after the institution of the dairy price support program in 1949. At the present time, there is little, if any, casein produced domestically—less than 1 percent—and there is less than 5 percent of all caseinates produced in the United States.

Currently, about half of casein consumption is in food products—cheese, coffee whiteners, instant breakfasts, and desserts and toppings. It is also used in the production of such varied products as paper, paints, glues, and plastics.

Because of their widespread use and because of the fact that the imports do not threaten domestic production—since there virtually is none—I oppose subjecting the companies which use these imports to licensing regulation.

In addition, for the sake of the American consumer, we must take casein and caseinates out of this bill. Not everyone can afford cream and other real dairy products. We must not endanger their access to dairy substitutes.

I urge immediate and favorable action on my amendment this afternoon. Thank you.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield at this time to the gentleman from Texas, the distinguished chairman of the committee (Mr. Poage).

Mr. POAGE. Mr. Chairman, speaking as an individual, and with the assurance that a number of Members agree, as far as I can see, there is no objection to this amendment. I think it fits well, and there is no objection on my part, at least, and I trust on the part of the committee.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, I, too, have no objection and accept the amendment. I know of no member of the committee who has any objection.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate the gentleman's yielding. I want to commend him for the amendment.

I support the Railsback amendment which would eliminate from the dairy import provision casein. There is almost no casein produced in the United States and if this amendment is not adopted the result will be higher costs and disruption. With milk demand at an all time high and supply off to cause a further demand by effectively limiting casein from coming in would be a mistake.

I urge adoption of this corrective amendment and would hope that the conferees will stick by this position.

Mr. ALEXANDER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. Railsback).

This amendment would exclude casein and caseinates from the definition of dairy products for the purposes of the provision on this bill which deals with dairy import licenses.

For those of you who may be unfamiliar with this product, let me explain first that the Food and Drug Administration classifies casein and its derivatives as a chemical—not a dairy product. This, then, is the major argument for excluding casein from a portion of a bill dealing with dairy imports.

It takes 100 pounds of skim milk to yield approximately 3 pounds of dried casein. This same amount of skim milk would yield 9 pounds of nonfat dry milk. Thus, domestic producers have found that they can make much more processing the dry milk than casein. In fact, I think I am safe in saying there is no casein at all produced in the United States. For this reason, I would question the need and wisdom of licensing this product which is becoming more and more widely used in the production of feed and food by processors in this country.

In a year when the United States has allowed an additional 85 million pounds of nonfat dry milk to be imported over its usual quota and at a time when domestic production of dairy products is at a low and prices of dairy products are at a high, I ask my colleagues to support this amendment which I believe makes a necessary and noncontroversial change in this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Railsback).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Smith of Iowa: Strike everything from page 39, line 9, through page 41, line 3, and insert in lieu thereof the following:

"BASIC FOOD RESERVE

"SEC. 809. (a) Notwithstanding the provisions of any other law, the Secretary of Agriculture shall in accordance with the provisions of this section establish, maintain, and dispose of a separate reserve of inventories of wheat, feed grains, and soybeans.

"Such reserve inventories shall include not more than the following quantities: (1) 3 hundred million bushels of wheat; (2) a total of 25 billion tons of feed grains; (3) 100 million bushels of soybeans. The Secretary is authorized to proportion reserve stocks of feed grains to correspond to useful marketing demands.

"(b) The reserve shall be constituted by:

"(1) First offering to producers who have eligible commodities under a Commodity Credit Corporation loan or purchase agreement, an opportunity to enter into a storage agreement for a period of five years providing for the storage of such grains at the producer's option either in approved producer owned facilities or in commercial warehouse facilities. The Secretary may, at his option, reconcentrate all grains stored in commercial warehouses at such points as he deems to be in the public interest, taking into account factors including transportation problems and normal marketing patterns.

"Rotation of stocks shall be permitted to facilitate maintenance of quality; however, the storing producer or warehouseman shall, at all times, have available in the designated place of storage, both the quantity and quality of grain covered by his commitment.

"Any producer entering into such a storage contract may not redeem the grain under loan or dispose of grain under purchase agreement at a price lower than the minimum price at which the Secretary may offer reserves under the provisions of this subsection. Such contracts shall contain a provision permitting cancellation by the Secretary under the same price requirements set forth in this subsection for offering reserves for sale.

"(2) The Secretary shall be authorized to buy feed grains, wheat and soybeans subject to the following limitations. The maximum price the Secretary shall pay for any commodity shall be the average price farmers received for such commodities during the preceding five marketing years adjusted to reflect the customary location and grade price differentials. "The net additional quantity of any commodity procured under this section in any marketing year shall be the lesser of the following:

"(1) 80 per centum of the net additional estimated total carryover in excess of normal for the marketing year; or

"(2) the amount the maximum reserve inventory specified in subsection (a) above exceeds the total stocks of such commodity owned by the Commodity Credit Corporation at the beginning of the marketing year.

"Such maximum prices and the quantity to be procured during the marketing year and the estimates used in arriving at the same shall be announced during such marketing year on the last Friday of July for wheat, on the last Friday of October for feed grains, and on the last Friday of September for soybeans: *Provided*, That for the 1973–74 marketing year for wheat such announcement shall be made as soon after the effective date of this section as is reasonably possible.

"The Secretary is authorized to proportion purchases of the various varieties and grades of each of the above commodities to correspond to usual marketing demands.

"Except when a state of emergency has been proclaimed by the President or by concurrent resolution of Congress declaring that such reserves should not be sold, the Secretary shall offer each commodity in the reserve for sale at a price of 150 per centum of the average price farmers received in the United States during the preceding five marketing years for the commodity involved or 110 percent of the established price for the commodity involved as provided in this Act, whichever is higher, and such release price shall be adjusted to reflect the customary location and grade price differential or at such greater amount as may be obtained through normal market channels: *Provided, however*, That sales during any marketing year shall be limited to the net quantities by which estimated domestic consumption and exports exceed estimated domestic production and imports.

"The Secretary is also hereby authorized to dispose of commodities in such reserves as follows:

"(1) For use in relieving distress (a) in any State, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, or the Pacific Trust Territory, declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing or agricultural commodities and (b) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855 et seq.).

"(2) For use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251–2297).

"(3) For sale in assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats and their offspring, under section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), and to provide feed for livestock in any emergency area under the Act of September 21, 1959, as amended (7 U.S.C. 1427, note).

"The Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such reserve. Such purchases to offset sales shall be made within two market days.

"The Secretary may accept warehouse receipts in lieu of taking physical possession of the grain, but in such cases the obligor under the warehouse receipt shall be required at all times to have the grade stated on the warehouse receipt or a better grade available for delivery.

"The Secretary shall make a daily list available showing the price, location, and quantity of the transactions entered into hereunder.

"(c) The Secretary shall use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this section; and to the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

"(d) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

Mr. SMITH of Iowa (during the reading). Mr. Chairman, in view of the fact that this is printed in the RECORD at page 23128, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, the title of this bill is Agricultural Act of 1970 For the Purpose of Assuring Consumers of Plentiful Supplies of Food and Fiber at Reasonable Prices. My contention is that we cannot assure consumers of plentiful supplies of food and fiber at reasonable prices unless we establish a reserve in this country. We have in this country 205 million people, where at one time there were only 1 million people. It is a completely different situation today than it was then. Back then they had a reserve in the timber. They could always find fowl and meat there. We do not have that any more. The timbers have been eradicated. We plant corn on that land and if we do not have some corn in the reserve and we have a bad year, we do not have a reserve in the timber to take its place.

The same thing is true with wheat or soybeans or whatever it may be.

In 1930 we used only 2.6 billion bushels of corn. It did not take very many bushels to provide a reserve for that kind of volume, but in 1972 it shot up to more than twice as much.

Obviously, there must be a bigger reserve, and it has become obvious in the last year or two we cannot depend upon commercial dealers to provide the reserves in this country. The minute they can make a dollar—and this is what they are in business for—they will sell it, and it will not be available for our purposes when most needed.

We have become a world supermarket for grain because we have the capacity and can produce it cheaper in this country than they can in other parts of the world. In 1971, we had a huge surplus. We passed a bill in the House on December 8, 1971. The provisions of that bill which passed the House of Representatives, would have permitted us to put away some of that surplus so we would have it when we need it.

Here we are only 1½ years later and we surely do wish we had some of that surplus. That bill was stopped in the Senate. It did not pass. Instead of putting some into a reserve, we just dumped it and we just gave away a great deal of extra grain that year which we need right now. That year it took 600 million bushels of corn to get the same number of dollars from exporters that we got for 516 million bushels the year before. In effect we made a gift of the other 84 million bushels. We did not absorb their dollar credits they had. We permitted them to keep those. They were willing to pay the price but we did not do anything to stabilize prices so they kept those dollar credits and used them to help devalue the dollar.

This approach just does not make any sense at all. Here we are 1½ years later talking about export controls. We should have saved some of our surplus instead of dumping it and not had export controls now.

Export controls gets us into a great deal of trouble in two different ways. It denies us the opportunity to export to earn dollar credits we need and in addition to that if for example the oil producing countries cannot buy grain in the quantities they want they will raise the price of the oil they sell us. Of course they will.

It does not make any sense for us to fail to manage our great abundance in this fashion. We alternate between surplus and shortage. For example with tin, we have a government owned reserve of 375 percent of an annual supply on hand. We have the tin for the tin cans but we do not have any provision for reserves to put something into the cans.

The provisions of this bill are very similar to those of the one on December 8, 1971, and what has occurred since that time should make it absolutely crystal clear we ought to have a reserve in this country, and this should not need any great further explanation in this country, but if there are any questions, I shall try to answer them.

I want to say I offer this amendment on behalf of myself and the gentleman from Minnesota (Mr. BERGLAND) who was an exponent of the amendment in the committee and who has added a provision to the bill which is very important.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I commend the gentlemen for their efforts on this proposal. I have always supported this reserve proposal and hope it will receive favorable action today.

Mr. TEAGUE of California. Mr. Chairman, I rise in opposition to the amendment. I should like to point out to my colleagues that this or something very similar to it was rejected in our House Committee on Agriculture. It was rejected overwhelmingly in the Senate. It would cost nobody knows how much money but certainly hundreds of millions of dollars to build up a grain reserve.

Furthermore, for those who want a farm bill—I repeat, I do not—it is one more reason to be almost sure to get a veto, so I strongly recommend this amendment be defeated.

Mr. POAGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is one of those amendments which looks pretty good on the outside but nobody knows what is in the package or what it is going to do. The author of the amendment does not know what it will achieve. We do not know. The Secretary of Agriculture does not know. Nobody can possibly know.

It carries us out into a field of unknowns and into a field of speculation both as to the cost, and on that I agree with the gentleman from California it will be tremendous if it is effective at all, as well as with respect to the effect it will have. I have never agreed with the philosophy of those who believe that we can simply store grain and in that way control the price without hurting the producers when the price is low.

That grain is considered a part of the available supply, just the same as any other grain in the world, and every market takes that into consideration. I think the surplus always has a depressing influence on the market. I think it hurts the farmers. It is hurtful to everybody concerned for the Government to carry large stocks.

Mr. Chairman, I recognize that we must have enough stock on hand to take care of immediate emergencies. Our bill does provide that. This very proposal was considered in the committee. It was turned down by a vote in the committee on almost an identical proposal, which was turned down for the very reason that we felt that we were going far enough.

At the present time, the bill before us authorizes the Secretary to buy at the support price. That is, at the target price which is $2.05 for wheat and $1.39 for corn. This amendment provides that the secretary shall go into the market and shall buy at the average price of the last 5 years.

Mr. Chairman, if we have a substantial increase in the price, as we have had during the past 5 years, it gives no protection to farmers because it means we have got to take into consideration an average in those very low years which will drag this average down to where it does not give producers any protection. On the other hand, if the market should suddenly begin to drop, it would impose an unfair and unendurable burden on the effectiveness of this amendment, as I see it, because it will require that the Federal Government pay the average price of those past good years back when the price of corn on the market has dropped. For instance, we would have to be paying $1.75 or $2 with today's price history.

Mr. Chairman, I think that is an unwarranted and completely unreasonable approach, one with which we could not live. For that reason, I hope that the committee will reject this amendment and will use the more moderate approach which was provided by the Committee on Agriculture.

Mr. BERGLAND. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, for 40 years we have lived with surpluses of grain in the United States, and for 40 years these surpluses have been condemned as an intolerable burden on our society. A new day has arrived. Today we have shortages—shortages of fuel, shortages of soybeans. Embargoes have been placed on the export of soybeans creating all kinds of disturbances in the normal market channels. There is talk of imposing an embargo on corn and wheat these days because we are running short. Forty years ago, the United States produced food for itself, and was not much interested in the world markets, but times have changed.

This year, we are going to export three-quarters of our wheat, half of our soybeans, one-fourth of our feed grains; those are all going abroad and will bring 11 billion foreign dollars into our trade balance.

The bill we are considering today contemplates that we continue to urge production of grains to meet these international markets. No one has any control over this market. Nobody in this world has any idea how much grain the Russians will be buying, if any, from the United States. That is true in the rest of the grain markets around the world.

Therefore, the fact is that we are today living in a very volatile condition in which we can predict with no degree of certainty the kind of situation we will meet a year hence.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. BERGLAND. I yield to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I would like to inquire of the author of the amendment whether or not he has provided in his language that the reserve will be set aside for domestic needs. I think we have reached a point in history where the American people have to be provident. We have to be certain that our cupboards do not go empty because of foreign sales.

Mr. Chairman, I think we have to assure the consumer of the United States that someone is thinking about his needs. Does the amendment provide that the reserves will be set aside are for domestic needs?

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield to me for the purpose of answering that question?

Mr. BERGLAND. I yield to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, it is set aside for the world market. There is a world market in grain and we are principal suppliers of the world market. If there is more grain available in the world market, there is more grain available to us when we need it.

So it does the very thing the gentleman from Ohio desires.

Mr. VANIK. But the language does not specifically give the domestic needs a priority to the reserve.

Mr. SMITH of Iowa. It is not an export control bill. It could not be.

Mr. VANIK. I do not intend it should be. If it is a reserve bill, I want to know for whom we are reserving. Are we reserving for the world market? The gentleman has said that. I hope the amendment will provide that we reserve for the American people giving the American taxpayer who is going to pay for this program a priority on the reserve.

Mr. SMITH of Iowa. If we had created a reserve out of those $2.45 soybeans we had a few years ago there would be more available for the American people today, because that would be a part of the world supply.

Mr. BERGLAND. The gentleman from Iowa is absolutely right. I can assure the gentleman from Ohio that if this matter had been adopted by law there would be reserves, available for our consumers. This amendment would provide a method by which we could in periods of surplus take those grains off the market, and hold them, store them on farms, until such time as the market demanded these grains be released, and so we would not find ourselves either in periods of skyrocketing high prices or chaotic low prices.

This provides a kind of stability which is good for the consumer and good for the farmer. It would protect us in surplus years from devastating prices at the lower end, and in the short years would protect us from the skyrocketing prices which have created so much difficulty for the American consumer.

I urge the adoption of the amendment.

Mr. ZWACH. Mr. Chairman, will the gentleman yield?

Mr. BERGLAND. I am delighted to yield to the gentleman from Minnesota.

Mr. ZWACH. As the gentleman will recall, in the committee when he offered this principle I believe it provided that the release price would be at 110 percent of the target price. I understand the release price here is at 150 percent of the average for the last 5 years or 110 percent of the target price, whichever is greater. Is this a change in this amendment?

Mr. BERGLAND. The gentleman is correct. That is a change.

Mr. ZWACH. My opposition in the committee was that the release price was too close to the target price. I believe, considering the shortage, that it is a tremendous improvement. There is a great deal to be said for some storage of grain in good years to tide us over the bad years. There is just no question that principle sometime is going to have to be considered.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I am not clear as to the difference between the committee provision dealing with this subject and the amendment offered by the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. The committee provision deals with the acquisition and distribution of distress grains, from whatever source the Commodity Credit Corporation may secure them.

The amendment has in it a provision for using some of the reserve for distress purposes, so it replaces that provision in the bill but adds also a provision for buying grain when it is so cheap—$1.18 for corn, $1.39 for wheat—so when it is that cheap they can buy some, and when it gets up to something like the prices are now, they would sell.

Mr. GROSS. What does the gentleman mean specifically by "distress grains"?

Mr. SMITH of Iowa. Drought, and floods, and those kinds of situations, where there has been an emergency declared.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Washington.

Mr. FOLEY. I believe in further response to the question the section of the bill in page 39, entitled "Emergency Reserve," was designed by the committee to be a very limited reserve provision under which grains would be acquired for the purpose of release in case of a natural disaster. That is not a natural disaster affecting the grains that are acquired, but a natural disaster which might make livestock feeding and other use of reserve grains needed. An example would be the recent problem in the State of Louisiana. The gentleman from Louisiana (Mr. RARICK) was a sponsor of this legislation.

Mr. GROSS. Let me ask the gentleman a question. How much is it contemplated to put in this disaster inventory, if we can call it that, under the committee bill?

Mr. FOLEY. Mr. Chairman, the bill is open as to the amount. It authorizes a reserve as needed within the Secretary's discretion. I would like to have the gentleman from Iowa (Mr. SMITH) correct me on this, if I am mistaken, but his amendment goes far beyond the committee provision.

The intention of the committee section was for a very limited type of reserve, and in fairness to the gentleman from Iowa, he is considering a much more extensive kind of reserve for broader purposes. The committee reserve probably would not reach 10 percent, of the reserve size contemplated by the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I say to my friend, the gentleman from Washington, that the argument has been made that the reserve always looms above the market and, therefore, has an effect upon the free and cash market.

Mr. FOLEY. Mr. Chairman, if the gentleman will yield further, I think the difficulty with that argument, as far as the committee bill is concerned, is that the committee bill does not contemplate a large reserve; it is a very small one, subject to strict release requirements.

For example, the committee reserve contemplates that supplies will only be released only for purposes of relieving shortages from national disasters. For example, if we were to run short of wheat or feed grains, the emergency reserve will not be released for national needs; it would have to be as the result of a flood or some natural disaster.

Mr. GROSS. Mr. Chairman, it is my understanding that we have an inventory in this country each year of approximately $90 billion to $100 billion worth of items such as, let us say, iceboxes, automobiles, appliances of kinds, and other products.

I would not want to see these inventories, essential to the welfare of this country, cut to the point where there would be no immediate replacement of some essential product. I believe in an adequate inventory that is maintained for the consumers of this country.

I am willing to pay my share of the inventory cost in the ultimate price of an industrial product, and I should think that the people of this country, the citizens, the consumers of this country, would be willing to pay for a reasonable reserve of feed grains in order that there would never come a time when they would face disaster through crop failure.

Mr. Chairman, I agree with the gentleman from Ohio (Mr. VANIK) in his view that this reserve, if established, ought to be for the purpose of replenishment of feed supplies for domestic purposes only.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I would note also that the Government has something like $8 billion worth of metals which are Government-owned and Government-stored. Congress has approved having some tin with which to make tin cans, and metal to make guns, but apparently it has been felt that food is not that important, for we do not have a planned reserve for food.

Mr. GROSS. The point is that I do not want to see huge supplies overhanging the market and I hope that is not the purpose of the amendment offered by the gentleman from Iowa. The pending bill apparently has no limitation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. SMITH).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SMITH of Iowa. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. A recorded vote has been demanded.

The Chair would like first to advise the Members that the electronic device is not working at this time. A recorded vote will require tellers on either side of the aisle, as the gentleman from Iowa (Mr. SMITH) knows.

Does the gentleman from Iowa insist upon his request?

Mr. SMITH of Iowa. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

AMENDMENTS OFFERED BY MRS. SULLIVAN

Mrs. SULLIVAN. Mr. Chairman, I offer several amendments.

The Clerk read as follows:

> Amendments offered by Mrs. SULLIVAN: Page 4, line 25, Page 5, line 24, page 7, line 1, page 53, line 22, and page 61, beginning on line 4, strike out "and Consumer Protection."

The CHAIRMAN. The Chair would like to inquire of the gentlewoman from Missouri whether she would like the amendments to be considered en bloc?

Mrs. SULLIVAN. Yes, Mr. Chairman. Since we are only working on section 1 of the bill, up to page 53 line 2, I would like to ask unanimous consent that pages 53 and 61 also be included in this amendment en bloc since this amendment merely deletes the words "and Consumer Protection" in the five places mentioned.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mr. POAGE. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the gentleman.

Mr. POAGE. I understand a rose by any other name would smell just as sweet, and as far as the committee is concerned, I have no objection to deleting the words "and Consumer Protection".

Mr. TEAGUE of California. Will the gentlewoman yield?

Mrs. SULLIVAN. I am glad to yield to the gentleman.

Mr. TEAGUE of California. I compliment the gentlewoman on the amendment. In my opinion, this bill does not do the consumers one bit of good; quite to the contrary. Certainly on behalf of myself and the Members on this side, I accept the amendment.

Mrs. SULLIVAN. Mr. Chairman, from what I understand, the distinguished chairman of the Committee on Agriculture has said he would accept the amendment.

Mr. Chairman, these five changes in the text of the bill simply take out of the title the misleading and deceptive words which indicate that it is in some way a "Consumer Protection" Act.

There are no provisions of this bill which could accurately be described as "Consumer Protections."

I think we should reserve the term "consumer protection" when used in the title of any piece of legislation to the kind of legislation which deals with consumer issues in a direct and straightforward manner.

This bill is a farmer's protection act, a beekeeper's protection act, a dairyman's protection act, and perhaps even a narcotics addict protection act, and I do not say these things in a derogatory sense, but it is certainly not a Consumer Protection Act.

To the extent that any provisions of the bill encourage the production of more food, consumers may or may not benefit—depending upon how much of the food so produced is exported and under what circumstances it is exported. But let us not try to fool ourselves or the public that this huge agriculture bill, full of special interest provisions, is a consumer bill. We have enough trouble here passing worthwhile consumer bills without pretending we are passing consumer bills when we are not doing so.

The title of the bill will not make out of this bill something it is not. So why pretend? I urge the adoption of my amendments.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Missouri.

The amendments were agreed to.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 32, strike out lines 17 through 22.

Mr. CONTE. Mr. Chairman, again I rise, as I did just 3 weeks ago, to offer an amendment to call for an end to the all Government subsidies for Cotton, Inc., a quasi-public organization ostensibly in the business of cotton promotion and research.

On June 15, the House accepted this amendment to the 1974 agriculture appropriations bill by the overwhelming margin of 234 to 125. I urge my colleagues to repeat the acceptance of this amendment so that we can forget this outrageous giveaway of taxpayers' money for at least 4 more years.

The sordid financial history of Cotton, Inc., reveals a gross misuse and abuse of taxpayer moneys. Let me remind my colleagues of some of the worst ploys practiced by Cotton, Inc.

For 1971 and 1972, the budget for Cotton, Inc., was $20 million a year. Half of this sum came from private cotton producers, based on a dollar-a-bale checkoff. The other $10 million came from the Federal Treasury.

Rather than spend all this money, Cotton, Inc., put between $12 and $15 million into a reserve fund and spent mostly Government subsidy funds.

In 1972, Cotton, Inc., budgeted an astronomical $1,278,000 for the move into, and renovation of, new offices in New York City and Raleigh, N.C. The Secretary of Agriculture, who has the power to disapprove specific projects of Cotton, Inc., declared this figure amounted to an "injudicious use of funds by a quasi-public organization that is heavily dependent on tax revenues and on backing of cotton farmers."

Subsequently, Cotton, Inc., was told it could spend $800,000 on these moves, but that it had to cut excessive moving and renovation expenses. Contrary to the Secretary's orders, Cotton, Inc., went ahead and spent the entire original budget of $1,278,000. It made up the difference of $478,000 by drawing on its reserves of unspent funds from private producers.

Included in this exorbitant expenditure was $25,000 for a private elevator between three floors in the New York office; $160,000 for the purchase of telephone equipment; $96,000 for cabinetry and workwork; $125,000 for floor, wall, and window coverings—which sounds expensive for cotton drapes—and $7,200 for granite in the reception room.

Three weeks ago, during the debate on the Agriculture appropriations bill, I defied the executives of Cotton, Inc., to explain to me why these extravagant baubles were indispensable to cotton promotion and research. I am still waiting for their answer.

Salaries paid to the top executives of Cotton, Inc., are excessive and injudicious. The firm's president receives $100,000 a year, almost twice the salary paid to the Secretary of Agriculture. Six other executives receive salaries ranging between $44,000 and $35,000.

Even without its extravagant spending and excessive salaries, Cotton, Inc., would earn the rating of a first-class Federal boondoggle based on its sorry performance alone. As far as cotton promotion is concerned, Cotton, Inc., has been a flop. In 1970, when Cotton, Inc., began its operations, domestic cotton consumption was 8.1 million bales. Two years later, domestic consumption had fallen to 7.8 million bales, our lowest level since 1948.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. HAYS. Mr. Chairman, reserving the right to object, and I shall not object, I would ask the gentleman from Massachusetts whether all that horrible list of expenses that the gentleman just read was for the improvement of San Clemente? If it was, I could believe it.

Mr. CONTE. They are about as bad, I would say to the gentleman.

Mr. HAYS. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Chairman, the irony is that cotton is becoming a commodity in demand and this demand is driving its price up. Higher prices force manufacturers to use more synthetic fibers in place of cotton to save money. And from here on, you can see the vicious cycle.

Textile mills in my district complain that they cannot buy enough high grade cotton. They cite heavy buying by the Japanese. I am not carping against the Japanese, because they order well in advance, and everyone knows we have done enough damage to them lately with the soybean embargo. My point is that there is more demand for cotton than there is supply; but, despite this and the overrated activities of the cotton lobby's oversubsidized promotion outfit, domestic consumption of cotton is in a tailspin.

Mr. Chairman, Cotton, Inc.'s poor performance, its lack of effectiveness, its exorbitant spending practices, and its willingness to violate or ignore legitimate government directives concerning these practices are a sum of failures that add up to a demand for an immediate end to all Federal funding for this outfit.

Of the "big six" commodity crops, cotton is the only one that receives Federal money for promotion and research. For corn, wheat, and feed grains, funds for these purposes come from the private sector. I cannot understand why cotton alone receives such favored treatment.

Further Federal subsidies for this cotton boondoggle are intolerable. With many worthwhile human resource programs being slashed and abolished with reckless abandon, I cannot justify throwing any more Federal seed money into this cotton gin. Cotton producers and consumers are not receiving a thread in return.

I call upon my colleagues to support my amendment and end this wasteful, arrogant scandal once and for all.

Mr. FINDLEY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

Mr. FINDLEY. Mr. Chairman, as my colleague, the gentleman from Massachusetts (Mr. CONTE), pointed out, the authorization for Cotton, Inc., initially came as a result of a very skillful and stealthy maneuver in a House-Senate conference. This is really the first time on a legislative bill that the House has had a chance to examine this proposal.

It is the first time that the House Committee on Agriculture has ever had what I would call the "cotton picking" nerve to bring a proposal to the floor of the House recommending an appropriation out of the U.S. Treasury to support advertising of a particular commodity; namely, cotton.

This on its face is a dangerous precedent. If we can justify expenditures of public funds to promote through Madison-Avenue techniques the cotton commodity, then why not other commodities-too? How can we be indifferent to the promotional needs of synthetics, the competitors to cotton; How can we justify seeking out one commodity over all others as justifying the use of U.S. Treasury resources for advertising?

It is true that Cotton, Inc., is engaged in some research activities, too, but it is interesting to note that Cotton, Inc., has used up every penny of the $10 million appropriated annually under the Agricultural Act of 1970, but it has not seen fit to use the approximately equal sum of $10 million that it realizes from the dollar-a-bale checkoff which is assessed against cotton producers and which also goes into the financial resources of Cotton, Inc. It has seen fit to set aside most of the revenue from the dollar-a-bale checkoff, and put them into the reserve funds.

This, first of all, calls into question as to whether there is really a need for the $10 million annually out of the U.S. Treasury to support Cotton, Inc., but I think it also calls into question the tactics of this firm. It realizes, of course, that it cannot get the full $10 million funding in the following year unless it uses it up every year. This may account for its decision to use the taxpayer contribution fully each year and let the rest of it ride in reserve.

I am aware that there is a great effort under way today by telephone and otherwise to rally bipartisan opposition to this provision of the bill. I know that some of the calls are inspired by the ASCS organization of USDA.

The effort is to line up votes to support the $10 million each year for Cotton, Inc., as provided in the committee recommendation.

I think it is worth noting that the head of the ASCS Division of the Department of Agriculture is a chief beneficiary himself of the cotton program. Kenneth Frick, the administrator, last year got quite a sum because he is also a cotton farmer. According to the report of the Department he received $36,863. Records also show that a F. B. Frick received $44,935, and a James Frick received $29,956. This is no reflection upon the administrative competence of Kenneth Frick, but I think it does call into question just where his loyalties would necessarily lie. In fact, reports I receive indicate he is an honest and able administrator, on the facts, however, it is clear that a grave conflict of interest exists. Persons with a substantial personal financial stake in payment programs should never be put in positions of responsibility over such programs.

As the Members receive calls from the Department of Agriculture in behalf of the $10 million annually for Cotton, Inc., they might just bear in mind the varied interests of those inspiring the calls.

Two days ago I received a report from the General Accounting Office which I had requested on Cotton, Inc. That report indicated that neither the Department of Agriculture nor Cotton, Inc., has conducted an evaluation of this costly cotton advertising program. But the committee, nonetheless, voted to extend the funding of this program without knowledge of its effectiveness.

We do know however that domestic cotton consumption which Cotton, Inc., purportedly is promoting has declined substantially since 1970 when the program began. In fact, in 1972, domestic cotton consumption declined to 7.8 million bales, the lowest it has been since 1948.

Certainly we should not continue to fund an ineffective program. But more importantly, we should not approve the expenditure of Government funds for the advertising of a commodity that is competing in the marketplace without the advantage of public funds for advertising.

FACT SHEET ON COTTON, INC.

Never before has the House Committee on Agriculture recommended that general tax revenues be used to finance advertising for a particular commodity. Nor has the House directly approved this program other than approving the conference report in 1970 when few members knew Cotton, Inc., was added in the conference report. The House voted on June 15 on the Agricultural appropriations bill to deny funding in 1974—234 to 125. The Senate dropped this amendment from bill. House conferees have not yet been named.

Page 6 in the GAO report on Cotton, Inc., stated:

> The Department (USDA) had not evaluated, or established a system for evaluation, the effectiveness of Cotton Inc.'s research and promotion program.

Mr. SISK. Mr. Chairman, I rise in opposition to the amendment.

(By unanimous consent, Mr. SISK was allowed to proceed for 5 additional minutes.)

Mr. ARENDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. ARENDS. Mr. Chairman, I have just learned the computers are broken down and I withdraw my point of order.

Mr. SISK. Mr. Chairman, our good friends, the gold dust twins, are back with us today and we have another attack of course on cotton. I am not entirely sure what has caused the apparent unpopularity of cotton. Many years ago I was born in a part of the world where cotton was pretty predominant. I left that area some years later and said I never wanted to be around cotton any more and I ended up in California, thinking I was in a grape haven. But I now find my home county grows as much or more cotton than all but three or four States in the Union, so we are back in cotton. I have never quite understood, as I say, the apparent unpopularity of cotton among a few of our colleagues but I do not think it warrants this kind of attack.

I think cotton has done a great deal for America. As indicated yesterday in the discussion, it was the one thing in many cases that kept us in a favorable trade balance throughout the last 150 years because traditionally we were the primary supplier of the world's cotton supply.

I want to get to the point, and that is the reason I have asked for the extra 5 minutes. We have been hearing all kinds of wild charges with reference to Cotton, Inc., in the last few months. I first heard of these charges last December. At that time I dispatched my own people from my own office in Washington to New York to immediately take a look at what was going on in their New York office.

There are all kinds of rather wild stories circulating about the elaborateness of the facilities and the salaries which some of these people are being paid and a whole variety of charges.

Let me simply say, because even in 10 minutes I am not going to have the opportunity to make the kind of defense that I think this organization warrants, I am not here to defend any single individual which the gentleman from Illinois has mentioned. I think it is unfortunate if we get into personalities, but there was an implication that something surreptitious had been done by the use of some name which may have some similarity to some other name with respect to the Department of Agriculture.

My own personal investigation has been carried on continuously during the past 6 months of this operation both in Raleigh where the research laboratories are and in the New York office, and it proves beyond any question of doubt in my mind that the charges are wholly unfounded.

My good friend, the gentleman from Massachusetts, goes into great elaboration here about some funds that were spent, as though they were expended without the approval of the Secretary of Agriculture. Frankly that is not correct. This $1,278,000, or a good part of it, went to the research laboratory in Raleigh which is very important to the cotton industry in this country. We have a number of problems facing the industry. For instance we have byssinosis, or the more common term brown lung. We refer to black lung in the coal industry, but we have brown lung in the cotton industry. We have also a number of other problems where research is needed.

The Congress saw fit in 1967 to create a dollar checkoff in which the cotton-grower himself is putting some $10 or $12 million into this program each year. In addition, in order to try to meet some of the needs in the area of research Congress saw fit to authorize an additional amount. We did not do it behind anybody's back or in any closet, I might say to my friend, the gentleman from Illinois.

It was printed in the RECORD and was made public to everybody, just as everything else is. It authorizes $10 million for research from the Federal Government, and I think it is money that was well worthwhile; money that has basically been well spent. Certainly, there have been some mistakes made. This is a new operation. It actually has only had about 18 months of actual operation.

Mr. Chairman, I had been critical of some of the things which have happened, but what I am trying to say to the Members here today is that we have attempted to get on top of this and see to it that it does the job that it was intended to do. In fact, we feel they are doing that today.

I might say that I have a copy of the minutes, for example, of a recent meeting in which, by a unanimous vote of the Cotton, Inc., board of directors, men who are all cotton growers in the United States, voted on 610 funds, which is what we are talking about here and the only thing we are talking about here, that the Federal part of it must go for research. This is in the minutes. I have a copy here for anyone and will be glad to have them take a look at them.

The gentleman commented on the salary. Again, someone seems to be quite concerned over the fact that the head of this concern—and let me say that this is a corportion dedicated not only to research, but also to the promotion of cotton. The $1 checkoff for the promotion is the part that is spent for salaries. It has a large obligation and a great responsibility. They have good people, because it is necessary to have good people—the head of that corporation is paid $100,000 per year. It sounds pretty good, because we think we do a fairly good job back here and we are only getting $42,500. Let me just give the Members quickly some figures. The head of Burlington in the textile industry, and all of these are geared to that industry, gets $234,000 per year. E. I. duPont gets $288,000 per year. J. P. Stevens gets $139,000 per year. The president of Monsanto gets $325,000 per year. In fact, I have a long list of them here, none of whom get as little as the president of this particular corporation. Many of them have nowhere near the responsibility of that particular group.

Mr. MATHIAS of California. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California (Mr. Mathias).

Mr. MATHIAS of California. Mr. Chairman, I wish to associate myself with my colleague from California. I think for the cotton industry this corporation is necessary, so that I plan to support the concept of the management organization such as Cotton, Inc.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. SISK. I shall yield to the distinguished gentleman from Massachusetts if I have the time.

Mr. Chairman, the gentleman knows that he has made a number of charges, and I am speaking of my colleague from Illinois, who has made a number of charges, and I have the charges one by one. I am not kidding the gentleman when I say we have spent hours and days going over some of the problems. I think there are answers to every single charge which has been made.

My colleague from Illinois asked for a GAO investigation of this. I was surprised that he did not quote from that. The report just came out, and really, it is not all that bad. Very frankly, although they had some minor criticisms here and there, basically the GAO reported that this was a new corporation that was just getting under way and basically indicated a pretty clean bill of health. I know my friend was looking and hoping for something more.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to my colleague from California (Mr. Teague).

Mr. TEAGUE of California. Mr. Chairman, in the past I had supported the Conte-Findley approaches to this problem. I am quite sure that they are accurate, and certainly if they are inaccurate, it is not intentional, concerning some of the past abuses. But I have great confidence in my colleague from California (Mr. Sisk) and what he has just told us concerning his riding herd on this outfit and keeping his eye on it.

Mr. Chairman, that is sufficient to convince me, as I am going to vote against the Conte amendment. I do not have one bale of cotton grown in my district.

Mr. SISK. Mr. Chairman, let me conclude. I have met on several occasions with the Cotton, Inc. board and also with the Cotton Board.

These people are appointed by the Secretary of Agriculture. The Secretary of Agriculture has just recently approved their latest budget. I backed him 100 percent in demanding and insisting that those budgets be completely explanatory and that they show reasons and purposes for which everything will be used.

I do say, yes, there may have been some looseness here and there, but the facts are that this organization is new and it is accomplishing something.

In spite of the criticism of my friend from Massachusetts, we have records which indicate, if we had the time to lay them out, that they have made accomplishments. I might say that I spent 4 hours with them recently, on a presentation of what they have accomplished. It is an outstanding record.

I hope the amendment will be defeated.

Mr. GOODLING. Mr. Chairman, I rise in support of the amendment. It is an extremely important amendment, and it involves a basic principle—the provision of funds from the Federal Treasury to finance the operations of an essentially private group established to promote the interests of a limited number of citizens.

As a member of the Committee on Agriculture I have come to understand some of the problems faced by the cotton industry in our Nation. It is my conviction that many of the problems of cotton producers have been created by the unsound Government farm programs of the past.

There are many things which we can do to assist the cotton industry, but provision of funds raised by taxes paid by all of the citizens of this country to pay for an advertising and promotion is not, in my opinion, an appropriate activity.

I am a fruit grower. Fruit is a healthful and appetizing food. I support programs designed to tell consumers why they should buy more fruit. But I do not come to the Congress and ask my colleagues to provide tax money to advertise my apples. The meat industry has an excellent program, and it is financed by the industry. The dairy industry has an outstanding promotion program financed entirely from private funds. So does the poultry industry. The soybean growers are spending their own money to develop new markets for their commodity.

Is it unreasonable to ask why, if we provide Federal funding for a cotton promotion program, we do not provide Federal money to promote milk, meat, eggs, vegetables, fruit, peanuts, rice, and dozens of other wholesome and nutritious farm products?

It is my understanding that the Federal funds made available to Cotton, Inc., in the past were to have come—but did not come—from savings which the Commodity Credit Corporation was supposed to have built up because of the limitation on payments to cotton growers. May I suggest that the Commodity Credit Corporation is saving billions of dollars by not making any payments whatsoever to beef producers, pork producers, poultrymen, vegetable producers, fruit growers, and countless other farmers and ranchers in 50 States. How fortunate we are that to date these producers have not come to Congress and asked for some of the money we have saved by not giving them anything at all.

Mr. Chairman, it is fortunate indeed that we do not make Federal moneys available to promote farm products of all kinds. If we did, we could expect a proliferation of programs such as Cotton, Inc., has developed—with salaries of $44,000 to $100,000 per year for the fat cats who run the operation from plush offices in New York City.

Make no mistake. We could have dozens of such programs if we wished to provide the money. There is nothing about the cotton industry which makes it unique. I am certain that we fruit growers could develop an equally wasteful means of spending Federal money if we were faced with the opportunity. I, for one, am very happy that we are not. And I give you my word that I shall never vote for any bill or any amendment which authorizes the expenditure of tax funds to promote fruit.

During hearings on this legislation I asked cotton producers if they were not asleep in their easy chairs while synthetics were taking over. They admitted they were and now they are asking the taxpayer to bail them out. I for one object to this Treasury raid.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I am glad to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to congratulate the gentleman from Pennsylvania for a very fine statement and for the very courageous stand that he takes, being a fruit grower and not asking for subsidy.

The gentleman from California had a whole litany of people in the private sector who were getting much more money than Mr. Wooters, $100,000 per year, who is president of Cotton, Inc., but what he failed to tell the House was that all these people were in the private sector, and there were no Federal taxpayer dollars involved. Mr. Wooters gets $100,000, and the Secretary of Agriculture, who runs the whole agriculture program, gets $60,000. He gets almost twice as much money for running this little agency out of Federal taxpayer money, and this is what we are complaining about.

All of the examples I used in my speech came out of the Comptroller General's office.

Mr. GOODLING. Mr. Chairman, I am in complete agreement with the gentleman from Massachusetts (Mr. Conte).

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to associate myself with the sound views of the gentleman from California (Mr. Sisk) the chairman of the Cotton Subcommittee on Agriculture in regard to the urgent need of supporting the program of Cotton Incorporated. If I did not come from a cotton district, a cotton area, and wanted objective information, I would be glad to turn to a man of unimpeachable integrity and knowledge such as the gentleman from California (Bernie Sisk) for information, because he knows something about the problem. And he has a genuine interest in the success of the effort.

Cotton is not produced in quantity in the State of Massachusetts, and so it would seem to me that in making up our minds as to what we should do about the amendment which is pending, we would be inclined to support the views of the gentleman from California (Mr. Sisk) and of the Committee on Agriculture, the people who have made a deep study of this problem.

Mr. Chairman, this Government is spending, not millions, but billions of dollars on all kinds of research. Agriculture is the wonder story of the century. There has been a lot of money spent in research, but the cost to the taxpayer would have been less had we spent more money on research. The proposal here is that we not add the $10 million which is provided in the pending bill for agricultural research in the area of cotton and cotton fibers.

Now from the farmer himself there is collected about $10 million a year, and that money is available for use in promotion and marketing. This is not the taxpayers' money but the cotton farmers' money.

I would hope, Mr. Chairman, that we could vote down this amendment. We are confronted with a straightforward proposition. This is not an emotional issue.

This is a matter of trying to provide a more effective program for agriculture, and we need a more effective program for agriculture. This is research for that purpose.

If we are going to export, as we are, according to agricultural reports, about $900 million worth of cotton this year, which is so valuable from the standpoint of maintaining the validity of the dollar in the money markets of the world, we must cease lambasting this industry at every turn. We must encourage it, because it is performing a tremendous service to the American public.

So I would hope that the Members who may be in doubt as to the issues involved here will rely upon the study and the investigation and the sound judgment of Members like the gentleman from California, Bernie Sisk, who have studied this matter and find the program highly worthwhile and with great promise for the future.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise, first of all, as a representative from the County of Kern in California. We are a large cotton-growing area.

I further associate myself with the remarks of Congressman Sisk of Fresno, Calif., the chairman of the cotton subcommittee.

Primarily, the reason why I rise is because of the depth to which we sink in debating a bill. I would defend to the death the right of Mr. Conte, my colleague from Massachusetts, and Mr. Findley, my colleague from Illinois, to be for or against anything they want to be for or against, but when we start to bring names into these debates I think we lower ourselves in the eyes of all the people.

I rise to defend the name of the Frick family in Kern County, who came there and who had the guts to come there when there was not any water and hardly anything to grow. The senior member of that family just died. One of the members of that family is associated with the Department of Agriculture and placed all of his land in trust, and the balance of that family work just as hard as any other farm family in America.

I think it is despicable when my colleague from Illinois takes their name in vain in an attempt to pass an amendment.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I cannot remember the last time, if ever, when I spoke on an agricultural bill. I want to say I do not have a single cotton plant or, as far as I know, a boll weevil in my district, but I do happen to know that cotton is one of the principal dollar earners in export. I think anything that we can do which will improve the potential of increasing our favorable balance of trade we ought to do.

There is no question in my mind but what we waste a lot of money in this Government. I could reel off a lot of statistics about that. I do not know whether any of you saw the little exchange in the morning paper where we were examining the head of the U.S. Information Agency which wants $19 million to build a new transmitter. He admitted it had been published in the paper where they were going to build it, but he could not tell the committee because it was to be secret. I just cite that as one example of money that might be put down the drain, because we sent out a questionnaire to several thousand people around the world, and we found that many Americans in these foreign countries did not know the Voice of America broadcast in English, and God knows, if they do not know, then you cannot expect foreigners to know.

However, I will not belabor that point. I am saying an industry which is willing to have a checkoff system by itself, which the cotton industry does, is entitled to a little bit of money from the Federal Government to help out on research and to help out on promotion.

Our problem today with the lack of confidence in the dollar is an unfavorable balance of trade. If there is anywhere that we are going to make up that unfavorable balance of trade, it is in agricultural exports in the surplus category.

You know, soybeans, I guess, are the biggest earner, but we do not have enough of them to go around right now, and you cannot grow soybeans everywhere. But you can grow cotton. If we can grow cotton and export it and earn dollars to offset that balance-of-payments deficit and if this organization can help to promote that, then I say we ought to defeat this amendment and go ahead and give them this amount of money, which, taken in the total Federal budget, is a mere pittance in any case.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. PRICE of Texas. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Ohio, and to ask the gentleman if it is not also true that we have a 16-million-acre allotment for cotton in this country which we have not grown for a number of years, and we are down now to 10 million acres of cotton, and are raising approximately 10 million bales of cotton? Also is it not a fact that we are using domestically about 8 million bales, with a 4-million bale carryover?

As the gentleman from Ohio said, if we are going to be in the world market we have to help these people promote their product because it has fallen for years now down to the position where cotton farming is at the point where many people do not want to plant cotton, and yet we must have the cotton product to help in our balance of payments.

Mr. HAYS. I thank the gentleman from Texas. And I just say this, Mr. Chairman, that if we could double the sale of cotton abroad I would be willing to quadruple the amount of money that this organization is spending in order to promote it.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on the one side of the coin I strongly favor, and I suspect the gentleman from Illinois (Mr. Findley) and the gentleman from Massachusetts (Mr. Conte) do too, anything we can do to promote agricultural products and their sale domestically and internationally.

I suspect that there can be no argument, and I certainly do not have any, against effective and affirmative merchandising of an agricultural commodity. We have heard over the years that it is highly desirable to put more and more of our tax dollars into research so we can broaden the use and we can broaden the merchandising of our agricultural commodities.

So, if Cotton, Inc., did all of these things in the right way, I think everybody would favor the organization. As far as I know in these areas the organization has improved significantly, I now am told there are assurances that in the future the research aspect with tax dollars will be done more effectively and more energetically.

On the other side of the coin, I do not approve, and in fact I strongly disapprove, of any exorbitant salaries that have been paid to any of these employees of quasi-governmental organizations, and I do not condone the figures that I have heard. It is pretty hard for me to justify that kind of a salary scale.

Also, I do not condone any poor judgment in the spending for office furnishings or otherwise, whether they are tax dollars or checkoffs from the funds given by cotton farmers. I thoroughly disapprove of anything that is unwise or unjustified, and I must say the weight of evidence would indicate to me that they did use very poor judgment.

But every once in a while people do that, and they ought to be castigated, and if they are smart they learn a lesson. I hope these people have.

Let us go back to June 15 of this year. I heard my good friends, the gentleman from Massachusetts (Mr. Conte) and the gentleman from Illinois (Mr. Findley) make their pitch when we had the agricultural appropriation bill on the floor of the House. I must say I was impressed. But, in the interim between June 15 and this date I have made some investigations on my own. For this reason, after consulting independent sources, I am convinced that we ought to defeat the Conte-Findley complex in this instance. I honestly believe we ought to give this organization another chance. They have about 12 months between now and the next agriculture appropriation bill, and they will have to improve their record. I will give them the benefit of the doubt after this personal investigation of the circumstances that I heard described on the floor of the House on June 15.

But I want to put them on notice that they are not going to be scot-free; that performance is going to dictate my judgment a year from now.

On the basis of that investigation and this commitment, I am going to oppose the amendment, and hopefully this organization will perform the function of promotion of the product, merchandising of the commodity, and the necessary research of the commodity.

For those reasons and under these circumstances I urge the defeat of this amendment.

Mr. VANIK. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I support the Conte amendment. First of all, I oppose the effort of the Committee on Agriculture to impose taxes. This is a tax. I think it should be handled by the tax-writing committee. I do not think the Committee on Agriculture ought to write tax law. I feel that the committee in its judgment exercised very sound discretion this year in eliminating the bread tax. Like most Americans, like most Members of this Congress, I was shocked that bakers had to pay a processing tax on baking flour to create a fund for farm subsidy purposes. It is my hope that the bread tax will end this year.

I would say to my good friend, the gentleman from Michigan, the distinguished minority leader, the Honorable Gerald Ford that there is no checkoff on automobile sales, on refrigerator sales, on furniture sales. I think that the trend toward checkoffs is universal. I think that if we continue it in this area, it is going to become contagious, and it will extend throughout the whole spectrum of industry.

I think the research funds that are provided through this device are insignificant when compared with the research funds that are provided at the taxpayers' expense. I think it is fine to promote the use of an agricultural product and the sale of such products. I think it can be voluntarily done.

As our good friend, the gentleman from Pennsylvania (Mr. Goodling) has indicated, it can be done on a voluntary basis, and it should be done on a voluntary basis.

Imposing a tax of this kind on every bale of cotton and then having people privately dispose of that fund is not the way we should be doing things here. I think it leads to the establishment of cartels; I think it leads to the establishment of price control policies and controlled marketing arrangements.

I think that cotton is already one of the most heavily subsidized industry in the United States. I deplore and I oppose the imposition of this kind of a tax. I think it is unnecessary. I think it is a step in the wrong direction. I think we ought to stop this kind of procedure before it gets out of hand and spreads to every other industry.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I am happy to yield to the distinguished gentleman from Iowa (Mr. Gross).

Mr. GROSS. Do I understand that the checkoff on cotton of so much per bale has resulted in the establishment of a $12 million to $15 million fund which today is drawing interest of some $3 million a year, approximately $3 million?

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Massachusetts.

Mr. CONTE. That is exactly right. What they have done is spent the Federal money that the Federal Government has put up, and they have put their money into a bank account, and they are drawing interest on it. The gentleman is exactly right.

Mr. VANIK. I will be happy to yield to my colleague, the gentleman from California, for an answer to that question.

Mr. SISK. In answer to the question, the truth of the matter is that there is no such amount piled up. I know the gentleman is getting ready to have a conniption fit, but I have the budget which has been approved by the Secretary of the Department of Agriculture in which the money is committed for the coming year. Let me say to my good friend that every dollar in the budget that is now approved by the Secretary of Agriculture—I have a complete budget—is committed. I am talking now about checkoff funds.

In fact, they have a commitment now that overrides into this coming year to the tune of $3 million, which is, in other words, on the assumption that, of course, we are going to make a cotton crop. The truth of the matter is that this is not money which is piled up and just drawing interest.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, Members will notice that is for the coming year. It is because I exposed this 5 weeks ago on the floor of the House and the records of Cotton, Inc., on inspection of the U.S. Government discloses that they have between $12 million and $15 million in reserve which represents unexpended funds in dollar checkoffs. They spent the Federal funds and they kept their own at interest.

I say Members should take a look at who got up to speak on this. Of course, the leadership did, and we can see why, but every individual who got up to speak should be noted.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(On request of Mr. Gross, and by unanimous consent, Mr. Vanik was allow to proceed for 1 additional minute.)

Mr. GROSS. Mr. Chairman, if the gentleman will yield, do I understand that the Secretary of Agriculture or whoever is in charge of this matter has not yet made this year's contribution of $10 million; that payment is being held in abeyance although it was supposed to have been made on June 30 or July 1?

Mr. FINDLEY. That is correct.

Mr. GROSS. The official is apparently awaiting whatever action the House might take in this respect.

Mr. SISK. The annual budget has been approved.

Mr. GROSS. But the money has not been made available by the Department of Agriculture.

Mr. CONTE. That is exactly correct.

Mr. VANIK. I might say to the gentleman from Iowa that is my understanding. I share the concern of the gentleman from Iowa (Mr. Gross).

Mr. GROSS. Then it is important that the House take some action today and I support the amendment. I thank my friend from Ohio for yielding.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I know no one would want to leave a misapprehension about this amendment. Cotton, Inc., is directed entirely at domestic research and promotion and it is not developing international markets. The Department of Agriculture is cooperating with an international cotton promotion organization which is doing effective work in developing world markets for cotton, but Cotton Inc., has nothing to do with that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Conte).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 241, noes 162, not voting 30, as follows:

[Roll No. 329]

AYES—241

Abzug
Adams
Addabbo
Anderson, Calif.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Biaggi
Biester
Bingham
Blatnik
Boland
Brasco
Bray
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Butler
Byron
Carney, Ohio
Cederberg
Chamberlain
Chisholm
Clancy
Clark

Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Wis.
Delaney
Dellenback
Dellums
Dennis
Derwinski
Devine
Diggs
Donohue
Drinan
Dulski
du Pont
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Forsythe
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Gaydos
Gibbons
Gilman
Goodling
Grasso
Green, Pa.
Gross
Grover
Gunter
Guyer
Hamilton
Hanley
Hanrahan
Harrington
Harsha
Harvey
Hastings
Hawkins
Hechler, W. Va.
Heinz
Helstoski
Hillis
Hinshaw
Hogan
Holt
Rees
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Karth
Kastenmeier
Keating
Kemp
King
Koch
Kyros
Latta
Leggett
Lent
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McKinney
McSpadden
Macdonald
Madden
Madigan
Mallary
Maraziti
Martin, N.C.
Mayne
Mazzoli
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Moakley
Moorhead, Calif.
Mosher
Moss
Murphy, Ill.
Nix
Obey
O'Brien
Owens
Parris
Peyser
Pike
Price, Ill.
Pritchard
Railsback
Randall
Rangel
Regula
Reuss
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rosenthal
Rostenkowski
Roush
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Saylor
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Smith, Iowa
Smith, N.Y.
Snyder
Stanton, J. William
Stanton, James V.
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Thomson, Wis.
Thone
Tiernan
Towell, Nev.
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waldie
Walsh
Ware
Whalen
Widnall
Williams
Wilson, Charles H., Calif.
Winn
Wolff
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ill.
Zablocki
Zion
Zwach

NOES—162

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Arends
Baker
Beard
Bergland
Bevill
Blackburn
Boggs
Bolling
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Broyhill, N.C.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Camp
Casey, Tex.
Chappell
Cochran
Conable
Conlan
Daniel, Dan
Davis, Ga.
Davis, S.C.
de la Garza
Denholm
Dickinson
Dingell
Dorn
Downing
Duncan
Eckhardt
Edwards, Calif.
Evins, Tenn.
Flowers
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Fountain
Fuqua
Gettys
Giaimo
Ginn
Goldwater
Gonzalez
Gray
Griffiths
Haley
Hammerschmidt
Hanna
Hansen, Idaho
Hansen, Wash.
Hays
Henderson
Hicks
Hungate
Ichord
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Kazen
Ketchum
Kluczynski
Kuykendall
Landgrebe
Landrum
Lehman
Litton
Long, La.
Lott
McEwen
McKay
Mahon
Mann
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Meeds
Melcher
Mills, Ark.
Mizell
Mollohan
Montgomery
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
O'Hara
O'Neill
Passman
Patman
Patten
Perkins
Pickle
Poage
Podell
Preyer
Price, Tex.
Quie
Quillen
Rarick
Reid
Rhodes
Roberts
Robinson, Va.
Rooney, N.Y.
Rose
Rousselot
Roy
Roybal
Runnels
Ruth
Satterfield
Scherle
Sebelius
Sikes
Sisk
Skubitz
Slack
Spence
Staggers
Stark
Steed
Steiger, Ariz.
Stephens
Stubblefield
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Thompson, N.J.
Thornton
Treen
Udall
Ullman
Veysey
Waggonner
Wampler
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles, Tex.
Wright
Wyatt
Young, Alaska
Young, Ga.
Young, S.C.
Young, Tex.

NOT VOTING—30

Ashley
Bowen
Carey, N.Y.
Carter
Collier
Conyers
Danielson
Dent
Fisher
Flood
Frenzel
Green, Oreg.
Gubser
Gude
Hébert
Heckler, Mass.
Holifield
Johnson, Calif.
McFall
Mailliard
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Pepper
Pettis
Powell, Ohio
Riegle
Rooney, Pa.
Stuckey
Wiggins

So the amendment was agreed to.

Mr. MOORHEAD of California and Mr. YOUNG of Florida changed their votes from "no" to "aye."

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. TEAGUE OF CALIFORNIA

Mr. TEAGUE of California. Mr. Chairman, I offer a number of amendments. These amendments are a page and a half long. I ask unanimous consent that they may be considered as read and printed in the RECORD, and I will explain them, as they are very simple in nature but wordy on paper.

The CHAIRMAN. Will the gentleman inform the Chair as to just where the amendments come in the bill?

Mr. TEAGUE of California. Yes. They are on pages 41 through 48 and 50 through 52. They all have to do with references to the Forest Incentive Act.

I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The amendments offered by Mr. TEAGUE of California are as follows:

Page 41, line 20, strike out the words "ten, or twenty-five years" and insert the words "or ten years".

Page 41, line 24, strike out the word "forests,".

Page 42, line 12, strike out the semicolon and the balance of line 12, all of line 13, and the words "forest lands" on line 14.

Page 42, line 17, strike out the word "forest".

Page 43, line 2, strike out the word "forests,".

Page 43, line 3, strike out the word "forests".

Page 43, lines 6 and 7, strike out the words "or to insure an adequate supply of timber and related forest products".

Page 43, line 22, strike out the words "or the State forester".

Page 44, line 10, strike out the words "or the State forester".

Page 44, line 20, strike out the word "forest,".

Page 47, line 1, strike out the word "trees,".

Page 48, line 18, strike out the words "fish, and forest" and insert the words "and fish".

Page 48, line 20, strike out the words "the State forester,".

Page 50, lines 11 and 12, strike out the words "the Forest Service, State forestry organizations,".

Page 50, line 16, strike out subsections (a), (b), (c), and (e) of Section 1009 and redesignate subsection (d) as subsection (a).

Page 52, line 24, strike out the colon and insert a period and strike the balance of line 24, line 25, and on page 53, line 1, strike out lines 1 and 2.

Mr. TEAGUE of California. Mr. Chairman, this bill contains a proposal to embark on a brandnew subsidy program; it is called the forest incentive program. It would provide Federal funds from $10 to $25 an acre to plant trees on private lands not in the national forests or national parks. The Federal contribution would be up to 75 percent of the total cost of the forestation program.

It is true the bill provides for only $25 million as a so-called pilot program, but there are 300 million acres in this country which would be eligible for this forestation operation, which means you could be talking about a cost of $3 billion even at the minimum cost of $10 per acre.

What it is supposed to do is this: It will be argued there is a shortage of timber, and I do not doubt that there is. To start with, I do not know where the decision will be made as to what locations in the country will be selected for this so-called pilot program; $25 million out of a total of $3 billion involves some pretty discretionary action on the part of someone.

What they would do is go in in some cases, I suppose, and strip out the natural undergrowth and natural beautiful areas and replace this type of countryside with tree orchards which would be harvested in 10, 15, 20, and 30 years from now.

I think this is important. I have not heard one word from a conservation organization in the country in support of this measure.

It is not a conservation program. We will be replacing or displacing beautiful, natural countryside, some of it may be with only clumps of trees, these may remain, other acreages with shrubbery which protect our natural wildlife, and that will be taken out and replaced with tree orchards. Then after a few years there is nothing to prevent the operator or the owner of these tracts of land, which are limited to 500 acres each, from going in and clearcutting the whole thing, and we will end up with a scarred countryside.

The thing that concerns me most is not only the environmental aspect of it, but the fact that it is embarking on a program with only—and I would put that in quotes—$25 million, and it could run up to a great many billions of dollars. I think this is no time to be starting on a new forestry program.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, the gentleman has just said, I believe, and I would ask the gentleman to correct me if I am wrong, that the gentleman did not know where this pilot program would be conducted.

Mr. TEAGUE of California. I said that because I did not know.

Mr. WAGGONNER. Then if the gentleman does not know where the pilot program is going to be conducted, how can the gentleman say that there will be clearcuting carried out?

Mr. TEAGUE of California. I assume that is the purpose of the legislation.

Mr. WAGGONNER. If the gentleman is assuming that, then that is what is wrong with the gentleman's argument.

Mr. TEAGUE of California. I will yield further to the gentleman, but first permit me to answer the question raised by the gentleman.

The problem is that the objective of the program is to grow trees, and to harvest those trees for timber. Certainly I assume since there is nothing in the bill to prohibit clearcutting of the timber in the bill, then is it not fair to assume that there is at least a potential danger that this could take place?

Mr. WAGGONNER. I think there is a potential of removing unproductive trees from good forest land, but to assume that there is going to be clearcutting of productive timber is just a wrong assumption to make, because it just will not happen.

Mr. TEAGUE of California. Why do we grow the trees if we are not going to cut them and convert them into lumber, or pulpwood?

Mr. WAGGONNER. The growth that is on this land now is considered to be trash, and is not suitable for actual use by our timber people.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RARICK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chariman and Members of the Committee, I rise in opposition to the amendment offered by my beloved friend, the gentleman from California (Mr. TEAGUE). All of us are aware that there is a timber shortage in the United States. Many times in this Chamber over the past years we have made commitments to provide suitable housing for all of the American people. I would remind the committee that unless we encourage the small landowners to start producing timber, we will never be able to fulfill our commitments to provide adequate housing for all Americans.

I pointed out during the general debate on the floor that the forestry incentive provision establishes a pilot plan program to encourage timber production on presently idle land. These provisions represent an investment in the expansion of forestry products for our entire national economy.

The bill limits funds for this program to $25 million annually. This is certainly a modest sum and will be money well invested.

I would remind the members of the committee that during the consideration of the Interior appropriations bill, it was brought out that the Forest Service spent approximately $20 million every year simply to clean up the debris and the vandalism caused in our national parks.

Mr. Chairman, the provisions in the bill are modest and propose a pilot program to encourage timber production on presently low yield or idle acreage. Certainly the program will not encourage the small landowner to take high yield acreage out of annual production. This simply would not be economically feasible for the farmer.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. RARICK. I will yield to the gentleman in just one moment.

Mr. Chairman, there is no attempt here to take all of the wheat land or soybean land out of production and say that we are going to plant the Nation's farmland in trees.

All we are trying to do is start a pilot program to encourage people who are accustomed to having a crop which would be productive each year to get started in a 15- to a 25-year investment. It will be years from now before they will ever realize any actual return, but certainly if we are going to supply the future timber needs of this country, we must start now.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. RARICK. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I should like to ask the gentleman a question because he is the chairman of the subcommittee that put together this section of the bill. I should like to ask, for the purpose of making some legislative history, as I understand it, these tracts are limited to 500 acres in size; is that correct?

Mr. RARICK. The gentleman is correct.

Mr. ANDREWS of North Dakota. Is there any limitation on how many tracts an individual or corporation can own? We passed a payment limitation section yesterday, if the gentleman will recall, and I was wondering what the intent of the committee was. The bill is not exactly clear on that point.

Mr. RARICK. If there is a 500-acre tract on a farm in an area where reforestation is in order, this would be a fine program. I would hesitate to be a party to subsidizing 500-acre tracts all owned by a gigantic corporation at the public's expense.

I would say to the gentleman that the bill contains a definition of eligible landowners. Clearly the intention and thrust of this entire program is to aid small nonindustrial, private landowners, but there is no express limitation on the subdivision of tracts. Again, we are simply trying to encourage people who are not in forestry production to enter into it.

Mr. ANDREWS of North Dakota. Was the intent of the committee to concentrate on the small tract owner rather than making this a boondoggle for a large corporation?

Mr. RARICK. This is the committee's intent. This program is designed to encourage farmers to place idle or low yield acreage in timber production. If they have large land acreage, they either have it in timber today, which is often owned by timber companies, or they have it in some other form of corporate production. We are not concerned about them.

Mr. ANDREWS of North Dakota. I appreciate the gentleman's explanation.

Mr. BURTON. Mr. Chairman, will the gentleman yield?

Mr. RARICK. I yield to the gentleman from California.

Mr. BURTON. I should like to commend the chairman of the subcommittee and our colleague from Florida, Mr. SIKES, for their leadership in constructing this very useful program.

I urge that the amendment deleting the reforestation provision from the bill be defeated.

Mr. RARICK. I thank the gentleman.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. RARICK. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I rise in opposition to the Teague amendment which eliminates the forestry incentives program. I wish to add my support to this needed legislation and urge my fellow Members to do likewise. This piece of legislation has been sponsored in the Senate by my Senator, Senator STENNIS. Almost every conservation organization has at one time or another expressed its support for the forestry incentives concept as a necessary step to improving the management on approximately 60 percent of the Nation's commercial forest land acreage. Such far-ranging support cannot be ignored, especially when it comes from those individuals most intimately involved and knowledgeable about our forest resources.

Similar incentives legislation has been before the Congress many times in the past. Controversy over such proposals has never centered on the need but rather upon the proper tools to satisfy that need. I am convinced that the procedures outlined in title X of H.R. 8860 will efficiently achieve the stated goal of improved forest management on the nonindustrial private forest lands of this Nation.

Trees do not grow overnight to maturity but rather take many decades. No individual small landowner can afford to tie up large sums of capital for such long time periods. The risks are just too high. The public sector must be willing to assume some of this risk in the interest of enhancing the Nation's welfare through the many products which will flow from these lands. The time is growing short for debating the issue in Congress instead of getting the job done on the ground. Demands on these lands are increasing daily while the results of an incentives program will not be forthcoming overnight.

As we face impending shortages of energy and resources, I find that this Congress could make no better investment than in our few renewable natural resources. I heartily support the passage of title X of H.R. 8860 as it is presently written.

Mr. RARICK. I would remind the members of the committee again that if we want to help solve the housing problem by making timber available, certainly we must start now. I think $25 million annually is a very modest sum, and I urge defeat of the amendment and retention of the forestry incentives provisions that the bill now contains.

Mr. BAKER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment to delete the pilot forestry incentives program provisions.

At this point, I think we are all aware of the rapidly rising demands being made on all the Nation's forest resources—and the demands will continue to rise. Thus, it is only logical that non-Federal forest lands will be playing an increasingly important role. And we have got to provide for an adequate supply of timber and related products.

Our public and industrial lands are producing pretty much near their capacity, and the greatest potential for long-term and large-scale increases in timber supply is on our small privately owned lands.

The U.S. Department of Agriculture advises that 4 million nonindustrial private ownerships control 296 million acres—which constitutes three-fifths of our commercial forest lands available for sustained timber production.

USDA also advised us during our hearings on H.R. 2904—which I cosponsored—and other bills providing for forestry incentives that these small properties are producing no more than half of their potential. Forestry investments are often not made—so the bulk of these lands are either cut over, understocked, or otherwise in a poor productive condition.

The typical small private landowner is often not able to make the financial commitment needed to bring his property up to its productive potential. These small private owners are many in number, but they are scattered, and they have many differing objectives for managing their own forest tracts. We have to remember, too, that the time span involved in the range of management practices is much longer than the life of any other crop.

Thus the private owner does need encouragement, or some form of incentive to improve the condition of his forest resource.

What we want to do here is provide just that catalyst so that private forest landowners will blend sound forestry practices with their land management objectives and actions.

Perhaps this approach to motivating private forest landowners will not prove to be the most effective. Let is find out. Let us authorize this pilot program as a step in the right direction.

(By unanimous consent, Mr. SIKES was allowed to proceed for 5 additional minutes.)

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the distinguished gentleman from California, for whom I have great respect, has offered an amendment to strike the forestry incentive section from the bill. He also has stated he is opposed to the bill in its entirety in addition to being opposed to the forestry program in the bill. I think that tells the story. If the House follows his counsel on the farm bill, there will be no farm program, and that would be an invitation to disaster for the economy. If we follow his amendment and his leadership on the forestry program we will be leaving undone the one major uncompleted portion of the forestry legislative package.

Let me call attention to the fact that the Assistant Secretary of Agriculture, Mr. Long, and the Chief of the Forest Service, Mr. McGuire, made it clear in testimony to the committee that they support the concept of forestry incentives. They recognize the need.

Mr. Chairman, everybody on the floor knows the importance of the Nation's forests. What some may not know is that 300 million acres of these forests are in private ownership, most of them small ownerships, and these are the private nonindustrial forest lands. The average is 70 acres of timberland per individual. That is an important fact and we will get back to it in a moment.

The chances are the owner of the average small tract has had to sell off his timber to pay hospital bills or send his children to college or buy new farm equipment and he has not had money for reforestation or timber stand improvement. The result is that he has trash timber which has no market value. Sound timber will not grow under most circumstances after the original stand is removed without clearing and replanting or least having timber stand improvement.

This section is devoted—please hear this—to the small timberland owner. No one with more than 500 acres can participate. We are not talking about a great deal of money for the individual. A figure of $25 an acre has been suggested to help with replanting. Probably half of that amount would be used if only timber stand improvement is required. That averages out to about $20 an acre.

For the average owner of 70 acres of woodland, we are talking about something in the neighborhood of $1,400. That is not a very big payment. This bill, obviously, is to help the little fellow. Why is it important to help him?

Mr. Chairman, I think that every Member of the House is aware of the increasing cost of lumber and the scarcity of lumber. This has brought about serious difficulties in construction, large cost increases for homebuilders. The effect is most adverse in the lower cost housing area. More and more housing is being priced out of reach of the average family. We require a lot more timber than we are growing, and the situation is going to get worse before it gets better.

The forestry incentive program will not cure that problem today or next year, but it will help to overcome the problem in the years ahead. The trees which are needed to prevent more aggravated shortages of lumber in future years ought to be in the ground just as quickly as possible. The forestry incentive program is intended to help the largest remaining area of underdeveloped timberland to become more productive.

The bill authorizes $25 million a year. A scare figure of billions in cost has been thrown out. There is no basis whatever for that apprehension. This program can cost only what Congress authorizes and appropriates. The figure is $25 million, not billions. I realize that more is actually needed but by spending this much, we can have an effective program of about a million acres. It will be controlled through State departments of agriculture. This, too, is important.

There will be strict requirements on the disbursement of funds. Participants must carry out certain planning and management practices. There is a forfeiture clause for noncompliance. This is a tough bill. These funds are not handouts.

Everybody knows the problem exists. Everybody knows the demand for lumber is going up. Everybody knows the area covered by this section of the bill is one where better forestry practices are needed most. Everybody should know that this is an investment in America. This program does not pay people not to produce; it pays them to produce more of a needed product. It helps the people who need it most. It does not help the big landowner, the big producer. It helps the small landowner. We seek to give him an opportunity to help America.

Mr. Chairman, we cannot afford to lose more time getting this program underway. The House has an opportunity now, by defeating the amendment, to approve a program which twice—not once—twice has passed the other body without opposition. Senator STENNIS, one of America's great leaders, has called this an investment in forest products for the entire national economy, and that is exactly what it is.

Mr. Chairman, I ask that the amendment be defeated.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I would like to associate myself with the gentleman from Florida. I think the situation in the housing industry has been outlined by a number of speakers very well.

Mr. Chairman, I think this amendment should be defeated, and I agree with what the gentleman said.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Mr. Chairman, I yield to my colleague from Florida (Mr. HALEY).

Mr. HALEY. Mr. Chairman, I join with my colleague from Florida in asking for the defeat of this amendment, because I think it is a very vital thing that we proceed along the lines the committee has urged.

Mr. SIKES. Mr. Chairman, I am very grateful for this comment from the distinguished chairman of the House Committee on Interior and Insular Affairs.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Mr. Chairman, I yield to the dean of the South Carolina delegation (Mr. DORN).

Mr. DORN. Mr. Chairman, I want to thank my distinguished friend from Florida for yielding to me, and commend him for the excellent statement he has made here today.

Mr. Chairman, our good friends, the environmentalists, are for this type of legislation because 1 acre, I am told, of pine trees gives off enough oxygen every year to keep 18 people alive, plus filtering water and cleaning the air. This is an investment of great importance.

Mr. SIKES. Mr. Chairman, I appreciate my distinguished friend's contribution.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Mr. Chairman, I yield to my colleague from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, I want to

commend the gentleman for his remarks and also join with the gentleman from South Carolina (Mr. Dorn) in commending him and in asking that the amendment be voted down.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Virginia (Mr. Robert W. Daniel, Jr.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, the language of the bill says that—

> No forest incentives contract shall be approved under this section on a tract greater than five hundred acres.

Just for clarification, an individual owning 2,000 acres, could he participate in 5 successive years in 500-acre lots?

Mr. SIKES. Mr. Chairman, I think the language is clear. This program, as it now is written, is intended for the small landowner who does not own more than 500 acres.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not planned to take any part in the discussion of this part of the bill, and I hesitate to follow my good friend the gentleman from Florida (Mr. Sikes) who just spoke, because he was the chief sponsor of the bill incorporated into this legislation.

There are a few things, however, I should like to point out to the Members of the House.

I asked both the chairman of the full committee and the chairman of the subcommittee to hold a few additional hearings. Both agreed we should probably do that, but these hearings were never held. This is my concern about the bill as we see it today.

All of us know that the pseudo-environmentalists—I like to call them "instant experts," because that is exactly what a lot of them are and EPA are making it very difficult to preserve timber we have. Make no mistake about that.

The Tussock moth is taking over in the Pacific Northwest. EPA some time ago was asked to allow the use of DDT to control the Tussock moth. What happened? EPA refused the request. As a result, in one block alone, I am told, they will lose over 400,000 acres of good fir or spruce. It does not matter what variety it is.

I need not tell the people in the Northeast section of the country that the gypsy moth is eating us up, and it is getting worse and worse every year. EPA will not allow us to do anything to control the gypsy moth.

They tell us they have some pesticides to control them, but they are minor pesticides and are not doing the job.

I asked the chairman of the subcommittee to have EPA and some of these pseudo-environmentalists come in to our committee and to assure us we would be allowed to protect these trees once we have them planted.

We do not know what they are going to do. My guess is that unless we do something about EPA and some of these environmentalists I have been talking about, instead of having more timber we will have less.

I agree with the gentleman from Florida that this will produce more timber. Unless we are going to protect trees, once planted, we will throw the money down the drain in planting trees.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I am glad to yield to the gentleman from Idaho.

Mr. SYMMS. The gentleman from Pennsylvania I believe was in the subcommittee the day that Assistant Secretary Long and Chief Forester McGuire testified.

If I remember the testimony correctly, Chief McGuire of the Forest Service and Assistant Secretary Long testified that the length of time for pulp timber to mature in the southeast is 10 years from the time of planting until it can be harvested, and there are some experimental blocks with cottonwood varieties they find they can harvest in 5 years.

I am sure that testimony was brought out in the subcommittee. I wanted to ask the distinguished gentleman, a member of the committee, how long it takes to start returning a profit on an apple orchard he plants, after planting. Would it be 10 years?

Mr. GOODLING. We do not need to wait 10 years, but it is at least 8 years to get a reasonable crop and I should add we are not subsidized for planting our fruit trees as the gentlemen from Idaho knows.

Mr. SYMMS. Has the gentleman ever been paid a subsidy for reforesting lands in Pennsylvania with apple trees?

Mr. GOODLING. I am happy to say that the Government never got into the business of fruit growing. I trust, for the gentleman's sake and mine, it never will. When Government gets into farm programs we do more harm than good. I should like to see the Government out of farming. I believe the gentleman would, also.

Mr. SYMMS. The gentleman has been on the Committee on Agriculture for some time. When the first food stamp bill came through the Committee on Agriculture, how much money was authorized?

Mr. GOODLING. As I recall, about five $1 million pilot programs.

Mr. SYMMS. And how much is in the bill this year?

Mr. GOODLING. Well, it is going to be some $2.5 billion, and this disturbs me.

Mr. SYMMS. Mr. Chairman, I think that this does point out, if the gentleman would agree with me and with the ranking Member, the gentleman from California (Mr. Teague) that there is a possibility this program could grow enormously in years to come, and the principal involved here is not if we should plant more trees but who should do it—Government or the private property owner.

Mr. GOODLING. Mr. Chairman, I thank the gentleman from Idaho.

Mr. Chairman, I want to say just one more word.

As I stated originally, I am for the principle of this bill, but if this amendment does not prevail then I think it is incumbent upon each of us here to see that we do everything possible to protect these forest trees once they are planted. I am sure that if the gentleman from Idaho (Mr. Symms) and I do not take care of our apple trees after we plant them, we will never get a return, and I am afraid unless we do something in this regard, the American people will pay the price and receive no return.

Mr. DELLENBACK. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, we have vast Federal timber ownerships in this country. Many of the timbered acres that are owned by the Federal Government lie in the Pacific Northwest. Those Federal lands on which commercial timber is growing are managed on a sustained yield basis. These programs have been worked out by both the Forest Service and the Department of the Interior so that as trees are cut new seeds or seedlings are planted, and we end up with a standing board footage and an annual allowable cut which is stable. This is projected so that in the long run, so far as Federal ownership is concerned, we are going to be able to continue to supply the raw materials which are so badly needed for construction throughout the country.

But this is not true, Mr. Chairman, so far as private ownerships are concerned. In spite of the fact that prices have climbed, and in spite of the fact that extensive acreages have been made available for cutting so far as private ownerships are concerned, over the years the Nation has done a very poor job of reforesting private cutover lands. If we are in the long run going to have the supply of raw material that is going to be necessary to go forward with construction in this country, it is absolutely imperative that we devise some programs which will serve as an incentive to the owners of small woodlots, private ownerships, to do what needs to be done now to get into the ground the trees that 30 or 40 or 60 years from now are going to be the source of the lumber and the plywood which is going to make construction possible.

We do not have a perfect way to do this. I commend the committee for moving forward with what is in the bill. This is a program which will not solve the problem, but it may grow in future years; in fact, it will have to grow in future years if the Nation's needs are going to be met.

But time works against us in this program. If we wait until the crisis is here, we will not be able to meet that crisis because of the fact that when we put a seedling in the ground, there is no way to speed up its growth to produce the raw material for the lumber and the plywood which is so badly needed and necessary.

Mr. Chairman, too often we do not plan in advance before a crisis hits us. The committee in this instance has planned for the crisis. I commend the committee for what it is doing in this particular regard.

Mr. Chairman, I urge for the sake of the Nation the defeat of this particular amendment.

Mr. FOLEY. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I rise in opposition to the amendment. I think this section is a wise beginning in an effort to try to stimulate adequate reserves of timber for the growing demand in this country and in utilizing small woodlot owners and small timberland owners as the holders of a resource for the entire Nation.

I wish to emphasize that the talk about billions of dollars of cost simply is not founded on the bill. The bill specifically limits this program to an authorization of $25 million, and in no way can the Committee on Appropriations exceed that amount.

Mr. WYATT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment, and I do so with considerable pain, because I do not like to be on opposite sides of an issue with my good friend, CHARLEY TEAGUE.

I listened very carefully to my colleague and friend from Florida (Mr. SIKES) who has been a leader in the movement for this type of legislation, and commend him for that leadership.

We all know the prices of lumber and plywood have been at an alltime high in recent months. Lumber prices have been up and down the peaks and valleys along with the interest rates and building demands over the years.

The reason I am speaking on this issue is that the bill would primarily benefit the great third forests of the South, the small wood lot owners, and because I am thoroughly familiar with the demand for wood fiber in the United States.

The only way we can level out these peaks and valleys is to increase the supply of wood fibers in this country. Our wood fiber is grown on national forest land and in the State and local public forests and in the great third forests, the private forests. We are doing an abysmal job of managing the national forests. We are investing approximately 10 percent of what we should invest in the reforestation of our national forests. We are investing virtually nothing as far as the public sector is concerned in our private forests by way of incentive.

I disagree with my colleague from California that this is not a conservation measure. I think it is a conversation measure in the truest sense of the word. I am speaking of the Forest Incentive Act. Conservation, as far as I am concerned, is the wise use of our natural resources. I do not think it is a wise use of our natural resources to permit our lands to grow over in trash trees which have no use at all and allow our lands to be overgrown with blackberry vines and the like.

My friend also mentioned clear cutting. I would say in some areas of our country clear cutting under some restrictive circumstances is perhaps the best way to grow commercial timber. But there is no indication that you would have it on a large scale under the provisions of this bill.

Lastly, I point out that we are dealing with timber and wood fiber as a renewable natural resource, a crop which can be grown over and over again.

There is much talk about getting away from timber and turning to building substitutes. Every time you use a building substitute you use energy, and we do have an energy crisis in the world and it is getting worse. In the use of timber we do not use energy to any large degree as we would in converting other natural resources to building substitutes.

In addition to that, the substitute substances we are talking about are all finite, and we are starting to run out of some of the finite substances.

I would point out that we are facing a worldwide shortage of natural resources, including wood fibers, and we should do all we can to see that these natural resources are renewed.

I think it would be a tragic thing at this moment in our history if we did not take every step we should to renew our natural resources. In a sense, we are embezzling from our children if we permit land capable of growth not to be so grown in commercial timber.

I commend the committee for its work and urge the defeat of the amendment.

Mr. BOWEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. TEAGUE).

Rapidly rising demands will be made on all of the Nation's forest resources in the next few decades.

During the past three decades, lumber consumption rose 49 percent, use of pulp products climbed 236 percent, and consumption of veneer and plywood increased 475 percent. All in all, demand for wood products increased 70 percent during the last 30 years.

According to USDA's Forest Service, demand for forest products will increase another 70 percent by the year 2000.

Under current levels of forest management, only modest increases in timber harvests will be available in the next few decades. Because Federal and industrial private forest lands will be producing near maximum capacity by 1985, the burden of meeting these demands must increasingly be borne by nonindustrial private and non-Federal public forests.

By far, the greatest potential for increasing timber supply is on the 296 million acres of small private, nonindustrial forest holdings. These acres, which make up three-fifths—59 percent—of all commercial forest land, are in 4 million private parcels and they contain most of the high production sites. Present production on these parcels is only one-half of the potential, but by intensifying management and protection, these 296 million acres could more than double their annual growth.

Opportunities for expanding timber production on nonindustrial private lands must be captured now if unacceptable price rises are to be avoided in the 1980's and beyond. Public lands must supply most of the increased softwood demands in the next 15 years and industry lands are expected to reach higher levels of productivity during this period. After 1985, however, nonindustrial private lands will have to assume the burden of increased demand.

Since an intensive program of reforestation, planting, and forest culture will not bring increases in supply for 10 years, it is imperative that we adopt this pilot program now.

Financial incentives, including cost-sharing and earmarking of funds for special forest conservation practices in a total and integrated resource context, are needed and desirable if management of private forests for purposes in addition to wood production is to occur. This is because of the long-term nature and relatively low rate of return on such investments, and because such management usually results in benefits of an intangible nature, or benefits that accrue to the public generally rather than the individual who bears the burden of establishing the conservation practice. This is particularly true for forest recreation, wildlife protection, watershed erosion control, and beautification practices where many of the effects are external to the sites of application and, the benefits accrue to the advantage of the general public and adjacent landowners, or to future generations rather than the present landowners.

A program of reforestation and timber stand improvement, as proposed, would do more than add to the needed future timber supply. The beneficial effects of trees on the environment would be enhanced. People would enjoy the forests as these were growing up. Watersheds would be protected from erosion. Idle land would contribute again its share to the strength of our country. An important benefit of the program would be the creation of jobs for the unemployed and a strengthening of the entire rural economy.

A 10-year program with a $25 million annual appropriation will go a long way toward meeting our wood product needs in the years to come. USDA estimates that the 10-year, $225 million program will increase the supply of softwood sawtimber by 2.1 billion board feet annually by the year 2000.

In fiscal year 1973 alone, the Federal Government expended over $3,000 million in the development, management, and upkeep of public forest lands and 1974 projections call for public expenditures of approximately $325 million.

A $25 million annual appropriation to develop the remaining three-fifths of our Nation's forest resources must surely be one of the most cost effective programs that we could envision in these days of skyrocketing inflation.

I believe that it is imperative that we do not adopt this amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. TEAGUE).

The amendments were rejected.

AMENDMENTS OFFERED BY MR. SISK

Mr. SISK. Mr. Chairman, I am offering amendments, and the amendments do go to three different places in the bill. Therefore, Mr. Chairman, I ask unanimous consent that the amendments may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. SISK: On page 9, line 5, after "bushel", strike out down through "rates" in line 8; and in line 12, change the colon to a period and strike out the remainder of the sentence.

On page 22, line 12, change the comma to a period, and strike out the remainder of the sentence.

On page 30, beginning with line 1, strike out down through the word "made" in line 11.

Mr. SISK. Mr. Chairman, this is quite a simple amendment. I am not sure that with the record I have for the past 2 days that we are going to be any more successful in this than I have been in my position on a number of other amendments.

But, Mr. Chairman, I learned a long time ago, at least for the last 20 years, that you have to keep battling, but even though you lose the battles you hope to win the war. So we are still hoping to wind up with a decent farm bill.

This particular series of amendments—and I know there is substantial objection to the amendments—but first let me explain the reason I am offering the amendments.

First may I say that they do only one thing, they remove the escalator provision in all the basic commodities. The language the Clerk has just read simply removes the escalator provision in connection with cotton, in connection with wheat. In other words, the target prices as set forth in the legislation will be the price for the life of this particular piece of legislation if it becomes law.

I originally offered this amendment, and was a rather strong supporter of it at the time. It was modified to a considerable extent by a request of the administration to provide for offsets of any escalation due to increased income by virtue of research and increased yields, to the point that I am not altogether sure exactly what the amendment amounts to as it presently exists in the legislation in the way of actual dollars and cents. I would predict that it does not mean one dime, in fact, I am certain that it will not mean one dime in 1974, and I doubt that it will mean one dime in 1975. It is possible, if this remains in the bill, that it could mean a small amount in the last 2 years.

However, as I have often said, all legislation is the result of compromise.

The administration, as I think we all know, was very much opposed to this legislation as it came out of the Committee on Agriculture. They opposed very vigorously the target prices that were set forth. In fact, as many of you know, I am sure, who have seen the letter from the Secretary, they indicated their very strong opposition to the legislation as we reported it. We continued to work with the administration and with other Members of the Congress in an attempt to try to reach a reasonable compromise in order to pass agricultural legislation because I believe that it is important to this country. I believe it is important to the American consumer as well as to the American farmer that we have such legislation.

The truth of the matter is that after long and lengthy consideration, OMB was finally willing to indicate, according to the information that we are being given, that with the elimination of the escalator they would remove their opposition and would support the bill as the committee brought it out.

Now, I recognize that some of my colleagues may say, "Well, the bill is far different now from what the bill was when the committee brought it out," and I will agree with that. I will say that for those of us with particular concern for cotton that we are, for all practical purposes, out of the bill today. I guess we will have to do the best we can on the go-it-alone basis, or, as I say, work out some way finally to win the war after having lost most of the battles.

But because of agreements made and agreements that, as far as I am concerned, I feel bound to support, I am offering these series of amendments which will simply firm up the present target prices in the legislation as the so-called guaranteed prices that the producers of these committees will receive during the life of this legislation without consideration of any increase in costs. That is very simple. I am trying to lay it out as simply as it can be.

It has been indicated by OMB that this particular escalator clause could add an extra $1 to $3 or $4 billion in additional costs to this program over a period of 4 years. I do not so advocate. I doubt very seriously, as I have already indicated, that it would cost that, but these are the kinds of figures that they are concerned about. For that reason they felt very, very strongly about it, so I am proposing that we eliminate the escalator provision from this bill.

Mr. SCHERLE. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I am getting a little sick and tired sitting here as a farmer myself seeing various methods in deception utilized in the field of agriculture. It escapes me as to why agriculture, the farmer, always has to be the culprit, why he is blamed for all of the ills of our society. Everybody else seems to get a fair break, a fair shake, but let us not give one to the farmer. Let us relegate him to the old model "T," to the old outhouse, to no new additions on his home, and no education for his children. Let us just make sure that the consumers are always protected.

Let me tell the Members something. The farmer, himself, is a consumer, and he always has been. A large one. If it were not for agriculture itself, there would be a lot of people in this country unemployed.

The escalation referred to this afternoon is something that is imperative and necessary if agriculture is going to exist and expand. Incentives are necessary to production.

Last year, for instance, I called the Iowa State University and asked them, What does it cost this year, 1972, to produce a bushel of corn? They told me it was $1.08. This year in 1973 it is $1.16, or 8 cents more. If escalation is to continue as far as costs are concerned, why is not this escalation good for the farmer to entice him and to enhance his ability to produce?

We talk about a cost-of-living increase for the people on social security. Not too long ago we passed a bill in this very chamber setting up minimum wages. What is so wrong with the farmer getting a minimum wage? What is so wrong with the farmer getting a cost-of-living increase? If it were possible for the farmer to be locked in at present prices and could guarantee him no additional expenses, fine. He would go along; he would produce all that this country needs and all that is necessary for exports overseas.

We are talking about target prices. The farmer will produce. I do not know of anybody in this country who can blame the farmer for the lack of food or that the farmer has failed to fulfill his obligation to feed the Nation.

They need the incentive; they need the escalation. They have to remain in business. I should suggest to the House this afternoon if they want to hurt the farmer permanently, if they want him to go out of business, if they want a shortage of food, just support this amendment. My recommendation to everybody in this House is to vote "No."

Mr. BERGLAND. Mr. Chairman, I rise in opposition to the amendments.

(Mr. BERGLAND asked and was given permission to revise and extend his remarks.)

Mr. Chairman, I am opposed to the amendment offered by my good, able colleague, a member of the committee, the gentleman from California (Mr. SISK). I call attention to the language in the bill that would be stricken by this amendment. I am reading now:

> Adjusted for each of the 1975 through 1977 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates:

It applies to any changes in costs, up or down. In the event the costs of production come down, it would mean there would be an automatic reduction in the target price as established by this bill, or in the more likely event there is an increase in the cost of production there would be an automatic increase in the target price tempered by any changes in the yields for that crop for the 3-year period.

I am one of those who voted to increase the minimum wages for the working poor of the United States when that issue was before the House, because I was persuaded those working poor people were entitled to a better wage because whatever increases had been provided by the last wage rate increase had been consumed by increased living costs. I voted for that minimum wage to meet their increased costs. Wage contracts in the United States generally carry escalator clauses to take care of the cost-of-living increases.

I was home last week and I was told by people there the price of fuels will probably go up by 50 percent next year, a factor over which they have no control. They do not bargain over those things. They have to have fuel.

The world market price for phosphate fertilizers is $25 per ton higher than in the United States, and our fertilizer costs are bound to go up next year. We have no choice in that matter. If we are to have a crop we must have fertilizers.

I suggest the amendment offered by the gentleman from California would be a tragic mistake. I would like to ask the author of the amendment, the gentleman from California, a question. He stated in all probability his amendment would have no effect on the target prices because he doubted there would be any change in cost. If that is true in fact, if the gentleman does not think it would have any effect, why not leave it in?

Mr. SISK. I suppose we could argue the matter both ways. The point I was making is I would predict it would not make one dime's difference in what the farmers take would be under this legislation.

As the gentleman knows I have pushed on this amendment and worked on this and in fact there have been some modifications of some parts of it. I very frankly tried to make this as clear as I could and tried to make clear what I was doing in offering this amendment, which was to work out a compromise so we could have a farm bill.

The gentleman knows my sympathies in this area. As the gentleman said I am for minimum wage and I also think the farmer is entitled to a cost of living. The point is and I think it is an erroneous feeling, but there is a very strong feeling by the administration that this adds substantial obligation in connection with the future expenditures and their fears became so great that this became a substantial issue. My own point is I do not think there is that much money involved. If I did I might have other feelings on it as far as the amendment but I just do not see it as meaning anything much to the farmer in the next few years.

Mr. BURTON. Mr. Chairman, will the gentleman yield?

Mr. BERGLAND. I yield to the gentleman from California (Mr. BURTON).

Mr. BURTON. Mr. Chairman, I commend Congressman BERGLAND for his leadership and associate myself with his remarks. I would point out that those who work and produce the food deserve this kind of income protection if we are going to provide the kind of encouragement and incentive to have the American farmer produce all he is capable of producing. It only makes sense if they are going to take this risk that at least they are entitled to some minimum protection if the unanticipated happens. The escalator section provides the one assurance the American consuming public will have that the American farmer can produce without running the risk of seriously crippling the agricultural segment of the economy.

Mr. TEAGUE of California. Mr. Chairman, I rise in support of the Sisk amendment.

Mr. Chairman, the gentleman from California (Mr. SISK) and I have been around here a long time now. We do not always agree and we do not always vote the same and I shall vote against this farm bill and he will vote for it.

I do support his amendment, and I think those of you who want a farm bill will be very well advised to take his experienced judgment, and if they want the bill to become law, they certainly should vote "aye" on the Sisk amendment. If not, they are taking a very, very serious risk of having no farm bill, of this nature, at least.

Mr. ABDNOR. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, certainly there is ample justification for the escalator clause found in this bill. I have been close to agriculture my entire life. In the past few months the prices farmers received for their commodities equalled the prices they received for these commodities in 1948, 1949, and 1950. In the years between 1948 and 1973 prices were consistently lower than these levels. Do you know of any other business that is just now receiving a price for its commodity or service equal to what it received back in 1950?

Had it not been for the increase in productivity, the farmer would not have been able to stay in business. I do not mean to cast any reflection on other industries, but had other industries equaled the productivity of those engaged in agriculture, our dollar abroad would be in a much more prestigious position today. The statistics have been cited many times to demonstrate that although an individual farmer is both his own manager and his own primary source of labor, his income level is lower than that of most other workers—in labor or management.

The recent rise in prices paid to farmers have helped bring their incomes closer to those received by other occupational groups. The wage a farmer receives for his management and labor, as represented by the price he receives for his products, is ridiculously low by comparison to other occupations. The comparison becomes even more absurd when one considers that the price he receives should also represent a reasonable return on his investment. Let anyone who doubts that a farmer must be a businessman consider the huge investment required. At the same time, any farmer knows that he would be better off financially to sell his farm and buy Government bonds for the return on his investment that he would receive. Considering the ridiculously low return to agricultural investment, is it any wonder we find so few young people involved in the business of agriculture? It is common knowledge that lending institutions are most reluctant to lend the necessary capital to finance a young man starting out in the farming business.

Today we find farm prices somewhat comparable to what they were more than 20 years ago. It is interesting to note that operating costs incurred by the farmer have risen by a considerable amount.

Here are some example of increases in expenses that farmers have incurred over the past 23 years:

Interest payable per acre has increased 788 percent, taxes payable per acre have risen 347 percent, wage rates for hired farm labor are up 191 percent. Other increases are farm machinery, 134 percent; motor vehicles, 98 percent; building and fencing materials, 74 percent; livestock—mainly feeder livestock—65 percent; feed, 41 percent; seed, 39 percent; motor supplies, 38 percent; and farm supplies, 28 percent.

We must also remember that the farmer has to contend with the same increases in the cost of living as any other consumer.

Of course, low food cost for the consumers of America is an admirable goal to strive for. The simple fact of the food cost-farm price controversy is that the American farmer has been producing the best quality food, in the most abundant supplies, at the cheapest cost of anyone on Earth at any time in history. We must exercise extreme caution in tampering with the system which has produced such excellence, and we must realistically take into account costs to the producer.

We must remember many prices received by farmers have fluctuated for the past 20 years with little or no gain over that period. If we deny the farmer the necessary adjustment which the escalator provision can provide, we are in effect saying that although his income is just now approaching that of other groups, we mean once again to freeze indefinitely the prices he may receive.

Given the proper incentives, the American farmer will continue to improve on his past record of excellence. I believe that H.R. 8860 will help to provide those incentives, and I support its passage with the escalator clause as the best means currently achievable to assure consumers plentiful supplies of food and fiber at reasonable prices.

Mr. SEBELIUS. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I rise in opposition to the amendment that would delete the cost-of-living escalator clause from the farm bill.

I have the privilege of representing the district that produces the most wheat in our Nation. The 57-county "Big First" District of Kansas also contains more tillable acres than any other in our Nation. My primary purpose in serving in this distinguished body is to do what I can to help revitalize our rural and smalltown areas.

The admonition that I would like to extend to my colleagues, who are quite naturally interested in rising food prices, is that we are at a crossroads for both the consumer and the farmer. To satisfy the growing demand for meat and food products, farmers must be given the incentive to produce. The farmer must receive equity at the marketplace. He must receive a fair return on his investment, labor, and management.

With this in mind, I feel it is imperative that the target price be adjusted annually to reflect the cost of production and productivity changes. Without this escalator clause, the production incentives in this bill could become inoperative throughout this bill's duration.

There is absolutely no way the Government can force farmers to produce for a loss. We are witnessing now the effect of an ill-conceived price ceiling that has, in effect, frozen prices at the farm level. The result has been that farmers are destroying hatching eggs, killing baby chicks, culling dairy herds, and sending breeding cows to market. The feedlots in my district are now running at a 75-percent capacity and that figure is dropping daily. Obviously, well-intentioned but impractical Government action has resulted in jeopardizing our Nation's entire food supply to the point we may soon witness food shortages.

I know many of my colleagues are rightfully concerned about the cost involved regarding the escalator clause. I would leave you with this thought: I am confident that with this escalator clause we can enable farmers to produce the necessary food and fiber for our Nation—and for a troubled and hungry world as well. Viewed in this perspective and considering the problem we could very well experience with food shortages, I believe this clause is better described as an investment rather than a cost—an investment in a quality food supply for the constituents of every Member in this distinguished body.

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, most of the points have been made, but I believe the Members of the House should understand the way that this language came into the bill.

If Members will turn to pages 9, 22, and 30 they will see the original language which provided for the escalator index.

The committee itself was almost unanimous in favor of the escalation and the index for the escalation. I believe we took two votes. One of the votes was 25 to 3 in favor and the other vote was 25 to 6 in favor of the index.

The administration representative, Dr. Brunthaver, came before the committee, and he said they wanted to have the language of the index modified. So we put the modification into the language. The very language that the administration requested was put into the language of the bill, and it is here.

It provides that in the event there are increases in farm production the escalation itself will be modified. We tried to get along with the administration. This escalation index is vital and very important.

If Members believe in the target price concept they will have to go along with the escalation index. We are paying these people approximately 63 percent of parity. If the costs go up they ought to have the escalation along with it.

I do not believe that we should pay too much attention to the estimates made by OMB. Originally they said that the bill might cost as much as $10 billion. When we asked them to justify where they got the figure of $10 billion they said they did not know, but they would provide statistics. They never provided the statistics. The next time I heard that they estimated the cost of the bill might be $7 billion. They are playing with the figures, and do not know any more than the rest of us do.

Mr. LITTON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Missouri.

Mr. LITTON. I should like to associate myself with the comments of the gentleman, and I would add that the escalator clause is a most logical part of the bill. All they do is see to it that the target prices go up or down as the costs of production go up or down. I would certainly like to go on record as supporting the gentleman's position in opposition to the amendment.

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in opposition to the amendment.

This House in the past, Mr. Chairman, has passed many pieces of legislation containing escalator clauses for various segments of our economy.

This is not a case of something special for the farmer. This bill is constructed to specifically encourage production for the benefit of the consumer.

We have heard a lot in the past few months about an energy crisis coming on in this country of ours, and about the increased cost of gasoline and the increased cost of natural gas. Some of the Members who are not privileged to come from the rural areas my not know that the farmer is the biggest consumer of petroleum products in this Nation.

We talk about car pools and say, "Let us save gasoline. Let us use a car pool. Let us slow down a little, to 40 miles an hour instead of 70, and save gas."

There is no darned way to get around the fact that one must use from 6 to 10 gallons of gas for every acre of wheat he produces. If the cost of petroleum goes up—and it will go up in the next year or two—this will be an additional cost of a dollar or a dollar and a half per acre that will go into the farmer's cost of production.

Nitrogen fertilizer is needed to grow the types of crops we need to have in this country, if we are to give the consumers the quantity of food, they need and the quality they expect nitrogen fertilizer is made from natural gas. The cost of fertilizers, as my colleague from across the river, Mr. BERGLAND, said, is one of the biggest costs of production today, and with the cost of natural gas escalating this is another reason for the escalator clause.

So I think that we ought to take a look at the unique impact of the energy crisis that is going to face farmers, as an example of why an escalator clause is more important now than it ever has been before in any other piece of legislation.

Mr. Chairman, I urge my colleagues to vote down the amendment.

Mr. ZWACH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we would be making a serious mistake to adopt this amendment. I do not know the history of this amendment, but the paper says that it was worked out by the Committee on Agriculture. I want it known that I had no part of anything that was worked out in this matter.

This amendment in the bill was offered by the administration itself. It only goes part way in absorbing the increased costs of production, because increased efficiency is deducted. The Senate bill went all the way on costs of production. We went lower than the Senate bill on target prices, because of this escalator, this cost of production feature. The fact is that the target price for corn, for wheat, for cotton is only 63 percent of parity.

Mr. Chairman, that is low enough to start with, but here we will say to the producers of America, "You must absorb all the increased costs that are passed on to you by your city cousins, the increased costs of production, increased costs of trucks, increased costs of machinery, increased costs of fuel, lumber, et cetera."

Just since the passage of the last farm bill, fuel costs on my farm have gone up 47 percent, and I think they are going up another 47 percent.

We will say to the producers, "You have to absorb all of this." We will again make second-class citizens of the producers; we will again make it so that young men will not get into this business. And the one thing we need now desperately is to get young men into the production of food or we will all suffer.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, I thank my friend for yielding.

Does my friend see any evidence that the rate of the rise of these costs he has been referring to will be reduced in the next 4 years, the life of this bill? I do not. The farmer ought to have the protection this amendment takes away.

Mr. ZWACH. If inflation is reduced, this cost-of-living factor will not work toward increased costs in any way. But, if they go the way they did during the last 5 years, we know what is going to happen. Parity will be at 50 percent of the target price.

Mr. Chairman, I believe it is imperative that we do not adopt this amendment.

Mr. DENHOLM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

We must recognize that included in the most essential requirements of all mankind is food. That is as true in this country as it is elsewhere around the world. Profit incentive is the key to production in the American economy; it is the key to production of food, and the income of farmers, growers, and ranchers and it is directly related to the quality and the quantity of production and, in particular, to the prices received by the producers in compensation for the ever-increasing cost of production and the constant risk of natural disasters.

Mr. Chairman, the provision that is in the bill represents the most fair and equitable solution that we could provide as a committee. We have substracted, as the gentleman from Minnesota said, the rate of efficiency and productivity from the increase in the cost of production. It is a formula that is less than reasonable, equitable, and right. It is the formula that was recommended by the officials of the administration.

Mr. Chairman, I urge that the amendment offered by the gentleman from California be defeated and the committee language in the bill be sustained.

Mr. MICHEL. Mr. Chairman, I rise in support of the Sisk amendment. As Mr. SISK pointed out his reason for offering the amendment was to assure passage of a farm bill—and to get action on a good bill early. I would like to add that this is essential so farmers can get on with the production of badly needed food in an atmosphere of understanding what Government holds in store for them. This is in the best interests of not only farmers, but consumers and taxpayers as well.

Further, I should like at this time to spell out for you some of the reasons these amendments are needed if we are to act in a responsible manner on behalf of farmers and the American people.

The title of H.R. 8860 is: "The Agriculture and Consumer Protection Act of 1973."

The legislation purports to:

First. Extend the Agricultural Act of 1970.

Second. Assure consumers of plentiful supplies of food and fiber at reasonable prices.

H.R. 8860, as written, fails on both counts.

Perhaps its biggest fault is that the escalator concept runs counter to the basic principle of market-orientation which was the keystone of the Agricultural Act of 1970. It mandates price increases for commodities without regard to the market demand for those commodities.

Producers like the freedom they have under the 1970 act. They have turned from dependence on Government payments as a major source of income and have adjusted their individual farming operations to produce for the dollar demand of commercial markets.

And farmers are finding those dollars in the marketplace. In 1972, net farm income reached a record high of $19.2 billion. This year—the final year under the act of 1970—farmers anticipate an even more prosperous year with net farm income expected to reach $22 billion.

The escalator concept in H.R. 8860 is a step backward for consumers and for farmers. It violates the intent of the Agricultural Act of 1970.

As for the claim that H.R. 8860 assures consumers of plentiful supplies of food and fiber at reasonable prices—that is simply a play on words.

What are reasonable prices?

We had ample evidence during the meat boycotts that consumers and producers do not agree on what constitutes reasonableness in price.

Consumers want to continue buying food and fiber at prices they "used to pay," without regard for the actual production and marketing costs to producers, processors, and retailers.

The producer wants to sell his product for as high a price as he can without losing the repeat business and good will of consumers. Farmers, like other producers, want to maintain a comfortable margin of profit. That's understandable.

We accept this method of doing business for the manufacturer.

But for the farmer we have grown accustomed to another standard.

In the past we have had Government programs which stimulated overproduction, then have offered Government payments to producers of farm commodities to make up for weak markets and farming inefficiencies we have fostered. We have, in effect, used Government programs and payments to farmers as a form of subsidy for the consumer who wanted cheap food as a sort of right. Now, when farm prices are catching up consumers are unhappy.

When the cost of tractors goes up—and they do; when farm machinery gets larger, and more specialized, and more expensive—and it does; when the cost of producing food and fiber has gone up and up year after year, we have shied away from facing the higher consumer cost problem by putting a little more sweetening into farm programs and thereby we have hidden the economic facts of agricultural production from the consumers of food and fiber.

Now the day of reckoning has arrived. We must either face up to the facts and tell it like it really is, or else we shall wind up forcing farmers back into production programs that depend on Government payments instead of commercial markets to provide needed farm income.

That almost sounds welcome now that we are tinkering with the price system so farmers are unable to increase food production as fast as they would under a free price system. But the howls of high cost would rise again when we get back to the surplus, high storage situation, when taxpayers feel the brunt of farm program costs.

Today's food price situation is unusual in one way. The people of the United States, and the people of the world, are affluent. We have increased the competitiveness of 15 million Americans at the grocery market through the all-time high use of food stamps. People today have purchasing power and they want to use a great deal of it on better food and clothing. Upgraded diets have put tremendous pressure on available quantities of food and feedstuffs. Suddenly, there is not enough of everything to go around.

But instead of sticking by our resolve, which we demonstrated with the market-oriented Agricultural Act of 1970, we appear now to be running for cover as fast as we can.

That is all the escalator clause in H.R. 8860 is—a vehicle to carry us away from reality where we can hide from the fact that farmers would be getting more of their income out of the Public Treasury instead of out of the free market.

Mr. Chairman, I call on my colleagues to give this legislation careful and serious thought. We can have any kind of farm program we want. But we cannot have it both ways. If we want an inflationary program with probable high and escalating costs, that would add nearly $2 billion in program payments, then there is nothing except our own good sense to prevent our passing H.R. 8860 as it is written.

On the other hand, if we want to continue and advance the progress so boldly conceived and courageously launched with the Agricultural Act of 1970, we need to eliminate the escalator provision in its entirety. Farmers need greater profits through increased productivity, lower unit costs, less Government interference, and expanding markets. We should be getting Government out of agriculture, not more deeply involved.

Target prices of $2.05 per bushel for wheat, $1.38 per bushel for corn, and 35 cents per pound for cotton are sufficiently high to encourage and protect producers—in fact, they are considerably higher than the target prices recommended by the Department of Agriculture.

Likewise, the loan levels of $1.49 per bushel for wheat, $1.19 per bushel for corn, and a cotton loan based on the 3-year average world price for Middling 1-inch American cotton, provide a substantial floor to protect producers in the event of some unforeseeable situation where the bottom might drop completely out of the market.

By eliminating this inflationary, unneeded escalator, we would allow consumers to pay the true value of commodities they buy in a free market. Consumers would, as taxpayers, also guarantee to farmers the established, or target, prices necessary to produce the quantity and quality of grains and cotton the markets indicate they want.

There is no good reason why taxpayers should be further gouged in order to unduly shield either farmers or consumers from the orderly operation of a free market system.

If there are additional profits to be made for farmers—and I believe there are—they should come because of increasing demand, larger returns from the marketplace, and the benefits of progress in productivity, technology, and individual farmer efficiency.

At the same time, consumers should be told the facts about how they have benefited for years from low prices at the food counter, although they have been asked to pay for those prices through Government payments to farmers.

Let us get it all out on the table and quit hiding the economic facts about agriculture from consumers.

Our first step in that direction should be to eliminate the escalator provision from H.R. 8860. I ask the support of my colleagues to accomplish this vitally important step.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Illinois (Mr. MICHEL), and to highly compliment the gentleman.

Mr. Chairman, I came to this Congress dedicated to the propositions of reducing Government spending, of defending the free enterprise system, of eliminating excessive bureauracy and of minimizing taxation on my constituents.

This amendment is a very small step toward my dedicated goals. Therefore, I support the Sisk amendment.

Just this past week, I had several meetings with business groups in my district. The farm bill was discussed with them. Within these groups were business owners of every type found in urban areas. They asked me some rather pointed questions and made some very basic observations about the "Agriculture and Consumers Protection Act of 1973."

To begin, they were insulted by the title of the act. How, they asked, does this bill protect the consumer? After hearing debate, I must also ask the question. It appears to me that only the farmer receives protection.

These business owners pointed out that they had to also invest their life's savings and borrow money to the hilt to operate their businesses. Why, they ask, is the farmer the only businessman that is given a Government-backed guarantee of a return on his investment?

Each of the businessmen in my district have to operate according to the demands of the market. If they stock up, build, contract, or manufacture a product that has no market demand; they lose their money. The Government does not step in to guarantee them a $20,000 annual income with a built-in escalator clause.

The arguments that have been offered by members of the Agriculture Committee are somewhat illogical in the business world. For example, each member has stated that we need the farm bill to encourage farmers to grow more. They say that the world demands for more food and fiber. I say that these facts are prima facie evidence that we no longer need a farm program.

One elementary fact of life in the business world is: "A product in demand produces the greatest profit potential."

I lived on a farm when the Government farm programs first began during the tenure of Franklin D. Roosevelt. They were needed at that time. In subsequent years, many good features have been developed through Government farm programs. There have also been some very bad developments—many quite contrary to our national philosophy.

During these years, the agricultural industry has changed. When I lived on a farm, a few acres supported a family that worked the farm. There are no longer small family farms. Agriculture is now a business, often run by large corporations and combines owned by investors that live in the city.

While claiming to be businessmen and demanding the personal independence of businessmen, the farmer also demands that Government stand behind him. According to the arguments during floor debate, the farmer claims to be a member of management—yet demands the Government guarantee him the rights of labor and minimum wage.

If we are to logically follow through on the arguments offered on this floor, then it could be said that we should nationalize all farm land and operate the way the Russians farm.

I must contend that the farmer is just another businessman. As such, he is entitled to no guarantees from the U.S. Government, over and above those offered to any other businessman. At a time when the world is demanding every ounce of food and fiber that his business can produce, I see no need whatsoever for the American taxpayer to shell out money to support his enterprise.

Many of the members of the Agriculture Committee have offered the argument that, "this bill protects the consumer by keeping prices low." This does not make sense. If we are supporting the farmer it is costing us tax money. While a free market might result in higher food costs, the difference would be far less than the taxes we pay. Government supports result in a bureaucratic army to administer it. Bureaucrats are expensive and the taxpayer foots the bill.

This Agriculture Act prostitutes our free enterprise system when we build in artificial props, such as crop support. The farmer ceases to plant for the market. Instead, he plants for the Government. For example: On the open market, an unsupported commodity may be in demand and may sell for a high price. The farmer has an option of gambling on the higher price of the unsupported commodity or "being sure" by planting for the Government.

In a free enterprise market system, without artificial Government supports, prices would stabilize and keep an inherent balance. The taxpayer keeps his money and spends it the way he wants to spend it.

If we are ever going to get the Government out of the business of farming, now is the time. Farm income is now at a reasonable level and there is a healthy demand for his products. The farmer is a much better judge of what should be planted, how much, when and where than the bureaucrats in the Department of Agriculture. He now has a chance to be free.

Surely we have all seen ample evidence of the disasters of Government intervention in our free market system. At this very moment, farmers and ranchers are being hurt by inept Government controls. Chicken raisers are going out of business, hog raisers are reducing stock, dairy men are butchering milk cows—all because of Government meddling in our free market system.

The free market system is a complicated mechanism. If left alone, in the presence of competition, it will possess an inherent stability. Like people, there will be business sicknesses and deaths. Also like people, new ones will be born in replacement. In further likeness to people, surgery must be done with great care, lest the person die. While it is biologically possible to keep dying people and businesses alive short periods, the cost is tremendous and no long-term benefits are derived.

I have no objection to some parts of this bill. It is a proper role when Government steps in to protect the public interest. For example, it is proper for Government to provide help in matters that are beyond the capabilities of free enterprise. The reforestation program is a good demonstration. The various Departments of Agriculture research programs are commendable and should be continued. There should be provisions for disaster relief during periods of flood and drought or other uncontrollable disasters. No American would object to paying taxes for these programs.

In summary, the people in my district object primarily to crop support and payment guarantees to the businessman farmer and to payments of farm improvements that should be done in the normal course of his business. They would not object to helping him in an emergency nor would they object to assistance in research for a better product. They would prefer to keep their tax payments in their pockets even though it may mean higher prices for food, temporarily.

Therefore, unless these objectional features are removed from this Agricultural Act, I intend to vote against the entire bill. As a step in the amendment process, I urge each of you to vote for this amendment.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. SISK) and I do so with California (Mr. SISK) the gentleman from California (Mr. SISK) is a very distinguished member of the Committee on Agriculture. I believe, however, this amendment is not justified. Simple equity to the producers who are covered under this act, demands its defeat. There needs to be some provision for changes in the cost of production.

Just to cite an example, this year under the wheat program the average guaranteed price when it is blended in with the certificate is probably going to range anywhere from $2.75 to $3 a bushel on wheat. We are talking of target prices in this bill of $2.05, which is far, far below that. I do not believe there is any likelihood that in the next year or two there will be any payments made under these programs, or very, very modest ones. But looking 3 and 4 years down the line, considering the cost of fuel, taxes, labor, and the normal increases in fertilizer and feed costs, machinery costs that the farmers have to pay, why is it unreasonable to adjust these payments in terms of the increasing costs the farmers bear?

The committee adopted an amendment that mitigates this escalator clause by any increases in productivity so that if the cost goes up on the price index by 4 percent, and increased efficiency is at 2 percent, there is only a 2 percent increase in the target prices.

We provide for cost-of-living adjustments to many, many segments of our economy, and I think this so-called escalator is based on a similar concept of equity and fairness.

I hesitate to say it again, but frankly the present act as it is applies to cooperators this year is so much more generous than what this bill proposes for the next 4 years that this modest escalator cannot be excessive in any way. The escalator provision should be retained in the bill.

So, Mr. Chairman, I ask my colleagues to oppose the amendment offered by the gentleman from California (Mr. SISK).

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to compliment the gentleman from California (Mr. SISK). He is taking a very statesmanlike view and his words, I think, should be listened to.

I have listened to most of the other speeches that have been made here in reference to the Sisk amendment, and most of the speeches have been made by members of the Committee on Agriculture who had a part in putting together this bill and obviously they had a very important part in this particular provision, the so-called escalator provision. I can understand their reluctance to have this provision deleted or stricken from the bill. But the same Members who have opposed the Sisk amendment are the most avid and anxious to have this legislation enacted. They are the ones that want this proposal to become law.

I have some doubt—in fact, I have rather good reasons to believe that if the escalator clause stays in the bill that the bill will not become law. Speaking for myself, I do not see how the President could approve legislation which includes this escalator provision. I believe the President would undoubtedly have to veto the bill.

So we come down to the practicalities of this legislation. If we approve the Sisk amendment, the odds are very good; in fact, I would say excellent, that the legislation will become law. If the Sisk amendment is defeated, the odds are much the other way.

On the other hand, I would urge my friends who are not directly affected in agricultural areas to take a look at the dollar cost.

According to the Department of Agriculture, the following is the estimated cost of this legislation if we have the escalator clause in the bill. In 1974 the likely payments to farmers for wheat, feed grains, and cotton would total $2,600 million.

In fiscal year 1975 the taxpayer cost would likely be $2,800 million. In 1976 the cost would likely be $3,200 million, and in 1977 the probable cost would be $3.4 billion.

It seems to me that those who do not come directly from agricultural areas ought to be very cognizant of the prospective cost of this legislation if the escalator clause remains in it—something over $12 billion. I do not think it can be justified under the circumstances. Therefore, because I want a farm bill and because I want a bill that is not going to penalize the taxpayers, I urge support for the Sisk amendment.

Mr. PRICE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my good friend, Mr. Sisk, chairman of the Agriculture Committee, and the minority leader, Mr. Gerald R. Ford. With all due respect to this amendment, I must oppose it for the following reasons. First of all, we had an agreement in the committee that this amendment be put into the bill.

We had a much stronger amendment when we first started out on the bill. Then the administration sent up the language on this escalator clause that is included in the bill. They approved it. They sent it up. They said if we adopt this they will go along with it. So now it is said that if this escalator clause is put in here it is going to cost possibly $900 million.

Possibly the food stamp program could cost $3 or $4 billion and possibly the Social Security escalator could cost an untold amount of money. Possibly the escalator for the military services personnel of this country could be excessively expensive. Possibly the veterans' program could be escalated to large sums. Possibly the shipbuilders could be escalated and the aerospace industry could be escalated and the $2.20 per hour minimum wage increase could be escalated to untold billions of dollars.

We say, "What? The farmer is going to get $900 million?" The farmer has been getting approximately 70 percent of parity for over 20 years. He has been shortchanged by 30 to 35 cents on the dollar for every year for the last 20 years. He is just now getting for his product what he received in 1952.

How many businessmen and workers in this country are willing to take 70 percent of what every other person is getting for his labor and for his product in this Nation? Name me one. There is not one, I daresay. But we are saying to the American farmer, "Oh yes, you produce the food, you produce the meat, you produce the fiber for this country, but you be the sucker." They are not going to do it any longer because there were 10 percent less cattle put on feed last month and another 12 percent less a month before that. There were less hogs put on feed because they are selling their sows. They are not going to feed these animals for nothing because they cannot. The bankers will not lend them the money.

We want to remember in this program that approximately $3.5 billion of this money is spent for direct subsidies to the American farmer. The rest of it is spent for food stamps, welfare programs, and consumer programs that benefit the consumers. Someone asked the other day what the consumer is going to get out of this. They are going to get the difference between the $3.5 billion and the $7 or $8 billion that is in this program. They are the ones who are getting subsidized, the American consumers.

The food has to be planted and it has to be grown before we can eat it. I think it is being very unfair to say it is all right for the 6 to 8 million civil service employees to get a regular 5.4-percent increase. This is great, is it not? And it is great for the 30 million social security people to get an escalator, is it not? That is great. But let the less than 3 million farmers ask for an escalator in their prices so they can get around 70 percent of what everyone else is getting for their labor and their product, and that is terrible, is it not?

We want the farmer to continue to farm, but we talk about a second-class citizen, and he is. We will be encouraging the continuation or the starting of shortages of food in this country. We took away yesterday the $37,500 limitation and put in a $20,000-per-farmer limitation. We took away the cotton man's chance to promote his product so he can sell it. Now we want to take away any fairness we have given to every other segment in this country. We want to take that away from the farmer. I think that is unfair and unwise.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. Price of Texas was allowed to proceed for 1 additional minute.)

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Texas. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I think it ought to be stated right now that the Department of Agriculture seems to have a department of misinformation down there. They gave the figures to the minority leader that he has just quoted. He pointed out that according to this information furnished him the cost of this program will be $2.6 billion in 1974.

If Members will go out in the Speaker's lobby and pick up a copy of the Wall Street Journal and look at the commodity futures prices for 1974 for wheat, corn, and cotton, they will find that every one of them is well above the target price of the bill.

Mr. Chairman, I am afraid that the USDA has fed us a red herring. They are trying to use this misinformation to steer the Members of the House today in the wrong direction. These costs are not what they say. You can hedge these crops today for 1974 at figures well above the target levels. A $2.6 billion cost cannot result in 1974 if we put this escalator clause in there. In fact, the farm program cost for 1974 may well be far less than in any of the last 30 years.

I think what we have to look at is whether the escalator clause is necessary in order to stimulate the production that our Nation needs. It is and it will serve, then, the consumer as well as the farmer.

Mr. POAGE. Mr. Chairman, I ask unanimous consent debate on this amendment and on all other amendments to section 1 terminate at 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. SCHERLE. Mr. Chairman, I reserve the right to object.

Mr. VANIK. Mr. Chairman, reserving the right to object, I would like to say that I, as a nonmember of the committee, have three or four amendments here. So far, the only amendments really substantially considered are those of committee members. I think this bill is a national bill which involves all the people of the United States.

Mr. Chairman, I think Members not on the committee should have an opportunity to offer these amendments.

The CHAIRMAN. Does the gentleman from Ohio insist upon his objection?

Mr. VANIK. Mr. Chairman, I do.

Mr. SCHERLE. Mr. Chairman, will the gentleman from Ohio withhold his objection for a moment?

Mr. VANIK. I will.

Mr. SCHERLE. Mr. Chairman, may I inquire from the Chairman as to how many amendments remain to section 1?

The CHAIRMAN. The Chair would advise the gentleman from Iowa that there are 16 amendments at the desk for section 1.

Mr. SCHERLE. Mr. Chairman, if the gentleman from Ohio does not object, I will.

The CHAIRMAN. Objection is heard.

The question is on the amendments offered by the gentleman from California (Mr. Sisk).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. TEAGUE of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 174, noes 239, not voting 20, as follows:

[Roll No. 330]

AYES—174

Adams
Anderson, Calif.
Anderson, Ill.
Archer
Arends
Ashbrook
Bafalis
Bell
Bennett
Biester
Blackburn
Boland
Bray
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio

Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Butler
Byron
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Dennis
Devine
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Findley
Fish
Ford, Gerald R.
Forsythe
Frelinghuysen
Frey
Gaydos
Gilman
Grasso
Grover
Gubser
Gude
Gunter
Hammerschmidt
Hanrahan
Harvey
Hastings
Heckler, Mass.
Heinz
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Pa.
Jones, Okla.
Keating
Kemp
Ketchum
King
Leggett
Lent
Long, Md.
Lujan
McClory
McDade
McEwen
McKinney
Madigan
Mallary
Maraziti
Martin, Nebr.
Martin, N.C.
Mazzoli
Michel
Milford
Mills, Ark.
Minish
Mink
Minshall, Ohio
Moorhead, Calif.
Mosher
Myers
O'Brien
Parris
Peyser
Pike
Powell, Ohio
Pritchard
Quillen
Railsback
Regula
Rhodes
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncallo, N.Y.
Rousselot
Ruppe
Sandman
Sarasin
Satterfield
Saylor
Schneebeli
Seiberling
Sisk
Smith, N.Y.
Snyder
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Studds
Talcott
Taylor, Mo.
Teague, Calif.
Treen
Udall
Van Deerlin
Vander Jagt
Vanik
Veysey
Walsh
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Fla.
Young, S.C.
Zion

NOES—239

Abdnor
Abzug
Addabbo
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Baker
Barrett
Beard
Bergland
Bevill
Biaggi
Bingham
B'atnik
Boggs
Bolling
Brademas
Brasco
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Broyhill, N.C.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Camp
Carey, N.Y.
Carney, Ohio
Casey, Tex.
Chisholm
Clay
Cochran
Collins, Ill.
Conyers
Culver
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Derwinski
Dickinson
Diggs
Dingell
Donohue
Dorn
Downing
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Flowers
Flynt
Foley
Ford, William D.
Fountain
Fraser
Froehlich
Fulton
Fuqua
Gettys
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Green, Pa.
Griffiths
Gross
Guyer
Haley
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hawkins
Hays
Hechler, W. Va.
Helstoski
Henderson
Hicks
Hillis
Holifield
Holtzman
Howard
Hungate
Ichord
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Latta
Lehman
Litton
Long, La.
Lott
McCloskey
McCollister
McCormack
McKay
McSpadden
Macdonald
Madden
Mahon
Mann
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Mitchell, Md.
Mizell
Moakley
Mollohan
Montgomery
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Perkins
Pickle
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Quie
Randall
Rangel
Rarick
Rees
Reid
Reuss
Roberts
Rodino
Roncalio, Wyo.
Rooney, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruth
Ryan
St Germain
Sarbanes
Scherle
Schroeder
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Spence
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stubblefield
Stuckey
Sullivan
Symington
Symms
Taylor, N.C.
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Ullman
Vigorito
Waggonner
Waldie
Wampler
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NOT VOTING—20

Bowen
Carter
Collier
Danielson
Dent
Fisher
Frenzel
Giaimo
Gray
Green, Oreg.
Hébert
Johnson, Calif.
Landgrebe
McFall
Mailliard
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Pepper
Pettis

So the amendments were rejected.

Mr. STRATTON changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY: Page 41, between lines 10 and 11, add the following:

"SEC. 811. Notwithstanding any other provision of law, loans and purchases may be made available to non-cooperators under the wheat, feed grains and cotton programs at such levels not in excess of the level to cooperators, as the Secretary determines will facilitate the effective operation of the program."

Mr. FOLEY. Mr. Chairman, the committee has determined to limit the payments to cooperators under the wheat, feed grains, and cotton programs to not more than $20,000 per person, and authorized provisions that diminish the payments in the event that allotments are leased or transferred.

The effect of this action will be to strongly impact the present character of the cotton program, and the result, I think, will be that those producers who account for about 40 to 50 percent of our cotton today, deciding not to participate in the program.

Unfortunately, if this occurs, the loan levels on cotton will probably not function as they are intended in maintaining a minimum price support for cotton. And in the event, there would be a dramatic softening of cotton prices. There would be a real danger that prices would slip beneath the loan level.

Should that occur, the Government would have no choice under the nonrecourse loan provisions of the act, but to acquire cotton stock.

Although the amendment I am offering is intended to apply to all programs, I think, frankly, its principal effect will be on cotton. It is designed to prevent the Government from having to acquire stocks of cotton, wheat or feed grains which it might have to sell at a loss. The authority it will give the Secretary is discretionary. Hopefully the Secretary would never have to use this authority.

All the amendment does is authorize the Secretary to extend the loan provisions of the act, not the payments, but the loan provisions of the act, to all producers regardless of whether they are cooperators or not.

As I say, its principal function is to protect the Government against acquiring of stocks of commodities it does not want, should the market price of such commodities fall beneath the loan level.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. FINDLEY. Could the gentleman inform the members of the committee the effect of this, assuming the Secretary does implement this discretionary authority? At what level would loans be extended to producers of cotton who are not cooperators?

Mr. FOLEY. It would be under this discretionary authority.

Mr. FINDLEY. I know, but at what level would he exercise the discretion?

Mr. FOLEY. I assume the level would be not more than the level he provides for cooperators. It could be less.

Mr. FINDLEY. What is, therefore, the maximum level at which he could extend a loan to cotton producers who are not cooperators?

Mr. FOLEY. The maximum level would be that permitted to cooperators.

Mr. FINDLEY. What is that?

Mr. FOLEY. It is 25 cents.

Mr. FINDLEY. What level would it be for wheat?

Mr. FOLEY. $1.49.

Mr. FINDLEY. What level would it be for feed grains?

Mr. FOLEY. It would be $1.19 for corn, and adjusted from corn to other feed grains.

Mr. FINDLEY. Even though these loan levels were established as an adjustment to the cooperators in return for their cooperation in the program under the terms of this amendment, notwithstanding that decision by the committee to extend loans only to cooperators, it would be possible to extend these loans to noncooperators who do nothing as a condition of eligibility; am I correct?

Mr. FOLEY. The gentleman is correct, but I want to point out to the gentleman that the cooperators will always have the benefit of the loan. The only time that noncooperators would get the benefit of the loan would be if the Secretary decided that it was necessary to give them loan protection—not to give them assistance or reward them, but to prevent the Government from being required to purchase stocks of wheat, feed grains, or cotton.

The experiences of 1950 where the Government had to acquire and hold substantial stocks of wheat, feed grains, and cotton is one we should not forget. In the late 1950's the Government was paying $1 million a day for grain storage alone.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FOLEY

was allowed to proceed for 3 additional minutes.)

Mr. FOLEY. I am not quarreling again with the adoption of the Findley amendment. This committee has decided to accept it and has absolutely determined and accordingly, it has in effect mandated that large producers who account for 40 to 50 percent of the cotton crop will not continue to participate in the program. The result of such nonparticipation, most probably, will be that the loan will not sustain the price. The Government will then be required to take over cotton stocks, hold them, sell them at a loss, and pay storage on them. This is an undesirable eventuality which I am sure everyone in the committee will want to oppose.

My amendment merely gives precautionary, discretionary authority to prevent that from happening. This is in the interest of the taxpayer, not in the interest of producers, either large or small.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. MAYNE. I am particularly interested in the effect that this would have on the feed grain program. The gentleman has referred to the ruinous surpluses which were accumulated in the 1950's. As I recall, one of the major causes of a big surplus in corn being built up was that Ezra Taft Benson made a lot of noncompliance loans on corn.

Mr. FOLEY. I will tell the gentleman I have absolute confidence that there would be no reason for this authority to be applied in the feed grain program, because feed grain payments do not exceed on the average $10,000.

Mr. PRICE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the chairman of the Livestock and Grains Committee for further comments and questions.

Mr. FOLEY. I thank the gentleman from Texas.

In the feed grains area I think the gentleman from Iowa knows we have a great number of producers, most of whom do not produce enough to receive payments that are even approaching $20,000. Accordingly, the limitation that the House committee placed on payments is not going to affect most feed grain cooperators.

Such a limitation is not going to affect the wheat program to any great extent but it is going to seriously affect many cotton producers. I think the gentleman from Illinois well knows it and he has evidenced this knowledge many times.

I think I can assure the gentleman from Iowa that there are not any conceivable circumstances in which I can envisage the Secretary of Agriculture's needing to use this authority in the feed grain programs.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Texas. I yield to the gentleman from Iowa.

Mr. MAYNE. It does seem to me though this type of nonparticipating farmer is not required to participate in the program and he does not assume any obligations under the program but still he gets the loan, and it will drive people from the program, but the gentleman seems quite sure this would not happen.

Mr. FOLEY. If the gentleman would yield, I am aware of the fact that if we make too many attractive provisions for noncooperators there would be little incentive to cooperate in this program. The only time the Secretary of Agriculture would use his authority is if he felt the loan levels would not support the price. I think there is no likelihood of this occurring in feed grains so I do not see the Secretary of Agriculture offering noncooperators in the feed grain program the opportunity to participate in the loan.

Because it affects the cotton farmers so severely, most substantial cotton producers would not participate in the program. Their exodus would destroy the price support program by making it ineffective and the smaller cotton producers would get the price advantage. But in order to benefit, the smaller cotton producers, will have to turn their crop over to the Government to hold it because they will not be able to sell it. Who will lose under such a program? The taxpayer and the Government.

This amendment is designed to protect the taxpayer and the Government, by giving the Secretary sensible, discretionary authority to insure that producers outside the program are not hurt. The gentleman knows the usual effect of the loan program when most producers are also cooperators is to give price support to all producers whether they are cooperators or not. This merely protects the public from having the price slip below the loan level, leaving the Government owning stocks it may have to dump.

Mr. PRICE of Texas. Is it not true, I ask the gentleman from Washington (Mr. FOLEY), using that as an example, we usually carry over 4 million bales of cotton for those who participate. If we have the 4 million bales turned over and held by the Commodity Credit and stored, and if the nonparticipating goes below that, it will affect the cotton in the Commodity Credit Corporation and it will affect the price and the Government will lose more money.

Mr. FOLEY. The gentleman is precisely correct.

Mr. PRICE of Texas. That is the understanding we have.

Mr. FOLEY. We do not want the Government to acquire these stocks anyway. We want them to move in commerce. If they are acquired there will be storage costs on them and probably eventually they will have to be dumped on the market at a loss to the taxpayers. The amendment I am offering is an attempt to avoid such a situation by giving the Secretary some discretion to prevent such a loss to the taxpayers. The amendment is not designed to reward anybody in the agriculture community but ultimately to protect the taxpayers and the Government.

Mr. PRICE of Texas. But in addition I think there are two points which need to be made here. One is this is a loan and this is not a subsidy and this is not a give away. This is a loan that has to be paid back by these people.

Mr. TEAGUE of California. It is a nonrecourse loan.

Mr. FOLEY. It is a nonrecourse loan but it either has to be paid back or the pledged stocks have to be turned over to the Government.

I urge the members of the committee to support this amendment. I know it is a very technical one, but it is important if we wish these programs to be feasibly and effectively managed.

AMENDMENT OFFERED BY MR. FINDLEY TO THE AMENDMENT OFFERED BY MR. FOLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. FINDLEY to the amendment offered by Mr. FOLEY: Strike the period and quotation marks at the end of the amendment and insert the following:
>
> "*Provided*, That in the event that the Secretary makes loans and purchases available to non-cooperators under the provisions of this section, the levels of such loans and purchases should not exceed $1.25 per bushel on wheat, $1.00 per bushel on corn, or 19.5 cents per pound on cotton."

Mr. FINDLEY. Mr. Chairman, the cotton interests, I guess, have even more than the proverbial nine lives, because they keep coming back with still another device to thwart the will of the Congress in trying to establish an effective limitation on how much money is going to come out of the U.S. Treasury for big cotton operators.

I can understand why the amendment is offered, because it would authorize nonrecourse loans to everybody in the country who grows cotton; authorize nonrecourse loans at the level of 25 cents per pound to everybody who grows cotton, whether they signed up in the program or not. There would be no distinction as to the loan level between those who cooperate, who meet all the conditions of eligibility as cooperators, and those who do not.

The gentleman from Washington was bemoaning the prospect of Government takeover of cotton stocks unless an amendment such as this is enacted. Actually, the effect of this amendment is most certainly going to be that Government will take over the cotton if we guarantee the loan on a nonrecourse basis of 25 cents a pound and the market price goes below 25 cents a pound. This means the taxpayers are going to start buying cotton by the hundreds of bales again and making up the difference when they later sell the cotton at a discount.

Mr. Chairman, the effect of my amendment to the amendment is to establish a lower level of loans for noncooperators in cotton, feed grains, and wheat. In fact, establishing as the lower level for such noncooperators the same lower level that is written into the Senate farm bill and is presently in the law at $1.25 per bushel on wheat, $1 per bushel on corn, and 19 cents per pound on cotton. This would leave the noncooperators with a way to get substantial marketing loans.

Frankly, I do not think we should extend the program to noncooperators, but, if we do, it certainly makes a lot more sense for us to have a lower level of loans to noncooperators than we extend to those who cooperate under the programs and meet all the conditions of eligibility.

Frankly, the amendment ought to be rejected, but if Members see fit to write this amendment into the law, I urge that they add the amendment to the amendment which I have now offered and which gets the lower level down to a reasonable level, which would, I think, virtually eliminate the possibility of the Government having to take over the cotton and losing money on every pound.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. Mr. Chairman, I yield to the gentleman from Washington (Mr. Adams).

Mr. ADAMS. Mr. Chairman, is it not true that the Commodity Credit Corporation loans actually form, because of their nonrecourse nature, the floor under which prices cannot go without the Government moving into the market and picking up the product?

Mr. FINDLEY. Yes.

Mr. ADAMS. And the amendment of the gentleman from Illinois is to put that floor at a low enough level so that those who do not cooperate are not encouraged to go in and do it?

Mr. FINDLEY. Exactly.

Mr. POAGE. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, I feel that there is considerable misunderstanding about this amendment. It is perfectly natural that there should be, because many of us do not understand what we have done. Yesterday, we passed legislation which is going to inevitably result in keeping a great amount, or a large part of the cotton crop, a smaller part of the wheat crop, and probably none of the feed grain acreage from staying in the program, because when we said that the man who is growing 10,000 bales of cotton cannot get but $20,000, that means he cannot possibly get more than $2 per bale and he cannot afford to stay in the program for that, so he has to stay on the outside.

Mr. Chairman, the House has already spoken on that and I am not trying to change that, but it did open the door for tremendous losses to the U.S. Government.

What the Foley amendment attempts to do is to try to keep the Government from suffering those kinds of losses.

In the past, when practically everybody was in the program, we had an effective floor. That floor on cotton has been around 19 cents, as the gentleman from Illinois suggests. We had a floor at this figure, because we offered a loan of approximately 19 cents which was available to practically all producers.

As a consequence of that, nobody would be willing to go on down and sell on a 15-cent market, because he could put his cotton in the loan. That stopped the decline, and the market could never drop very much below that figure. Somebody might take a half-cent less in order to make the sale, but for all practical purposes the loan stopped the decline. It did the same for wheat.

That situation was worth a great deal both to the farmer and to the Government. Of course, if everybody were still going to be in the program under this bill, that would be fine, but since we limited the payments, we effectively removed all of the large producers. They are not going to be in the program. In the production of cotton probably not more than 60 percent of the production will be in the program, and about 40 percent will be on the outside.

So if there were a disastrous decline—and all of this is predicated on a disastrous decline—then in that disastrous decline the price would come down here and hit this level, which would be about 25 cents—the support level in the bill. They would hit this level of 25 cents, but it would not stop the market from going down as we have stopped it in the past.

What would happen is that the Government would begin to take over all of the cotton of the cooperators, say 60 percent, at 25 cents, but there would be 40 percent more on the outside on which the Government would not make a loan, and the market would keep on going down. It might go down, let us say, to 20 cents.

One could say, "That is all right; that is the misfortune of the big grower, and we are not interested in him as such."

I am not asking Members to be interested in him. But they are all interested, or should be, in the Treasury of the United States.

Who will take that loss? The big grower, of course, will take a loss. I will grant that. It would be $25 a bale, if we had the situation I have suggested.

We would have 60 percent of the cotton crop going into the loan at 25 cents. If the market dropped to 20 cents, the U.S. Government would take a loss on possibly 3 or 4 million bales of cotton, or possibly 300 or 400 million bushels of wheat. The U.S. Government would take that loss, because the U.S. Government would take all of the loss below the loan on all the commodities on which there is a loan, and there would be a loan on all of the cooperators' part of the crop.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. FINDLEY. Who does the gentleman believe is going to take the loss on the nonrecourse loans which are to be extended to noncooperators under this proposal?

Mr. POAGE. The whole point is to prevent a loss. The point is to prevent a loss. If we can stop the market from going down, if we can stop it at 25 cents, there is not going to be a loss to anybody. But if we let it go on down to 20 cents, then the Government will take the loss on everything that it has in the loan. Everybody who is a cooperator will put cotton in the loan, and the Government will take the loss on about 60 percent of the crop.

It is perfectly true that some of the large operators, whom the gentleman dislikes so intensely and would like to see suffer complete bankruptcy, probably would go bankrupt.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. Poage was allowed to proceed for 5 additional minutes.)

Mr. POAGE. There would be an opportunity to break a lot of people, if that be the object of the House, and if that is so the Members ought to vote against this amendment. But if they want to protect the U.S. Treasury, if they want to protect the investment of this Government, then by all means they ought to vote for the amendment, because the amendment will protect the U.S. Government from taking this tremendous and unnecessary loss.

Of course, it will help some people as an incident to protecting the Treasury. If Members are so convinced that they ought to penalize somebody, that they do not want to do anything that would help anybody even though the help would help the U.S. Government, then of course they would vote against the amendment.

Mr. Chairman, I am merely suggesting that this is an amendment which is essential under the present situation. The Secretary of Agriculture is advised of this amendment, and he has offered no objections.

I think that all of us must recognize that this is a situation in which we are not trying to simply undo what we did yesterday; this is an amendment by which we are trying to see that what we did yesterday is not going to cost the Government an unreasonable amount of money.

Now, we may not need it in feed grains; we may not need it in cotton and wheat. The amendment does not require that it be applied where not needed; it leaves it to the Secretary of Agriculture.

The amendment provides that notwithstanding any other provisions of the law, loans or purchases may be made available to noncooperators under the wheat, feed grain, and cotton programs at such levels not in excess of the level of cooperators as the Secretary of Agriculture determines will effectuate the operation of the program.

If it is not desirable for feed grain producers—and I believe in some cases it might not be—the Secretary does not have to use it for the feed grain producers. The Secretary only uses what he determines is going to be helpful to the effectuation of the program.

Mr. Chairman, I do not see how we could ask for anything which is more fair than that. We leave the authority to make the determination in the hands of the Secretary.

Now, if the Members believe the Secretary of Agriculture is committed to trying to waste the Government's funds on behalf of some unworthy individuals, then, of course, they will vote against the amendment. But if the Members have any confidence at all in the administration's own Secretary, then they had better vote for the amendment.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Chairman, what puzzles me is that yesterday the gentleman was arguing that the price outlook was so good that the bill will not cost the taxpayers a penny. Now he is worrying about the price of cotton falling through the floor.

Mr. POAGE. If it does fall through the floor we need this amendment. The whole thing is predicated upon a disaster that may not occur, but if it does, let us not have the U.S. Government in a position of suffering an unnecessary $2 or $3 billion loss just because we want to penalize some cotton growers whom we do not know.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hope that I can have the attention of the gentleman from Illinois (Mr. FINDLEY) as well as the attention of the members of the committee.

I served in this capacity, as chairman of the committee handling appropriations for agriculture since 1949, and I believe one of the things we have learned through the years is that we must have orderly marketing for the producer of a farm commodity in order that he may pay his bank and not be forced to dump his commodity on the market all at one time.

In recent weeks, we have been reading about the high prices of farm commodities. The reason the price is so high is that the farmers have not had any commodities for months; they are all in the hands of the speculators if they exist at all.

Mr. Chairman, I would hope that the gentleman from Illinois would give some thought to adding his amendment: "or such other level as might provide for orderly marketing."

Now, with the victory the gentleman won yesterday—and I differed with him—I believe he would not want that undone by another amendment.

Mr. Chairman, I do not wish to question anybody's motives here, because I think all the Members mean well and we are all doing what we think is right, but from my experience since 1949, I think we must provide, if we are going to maintain a healthy agriculture and a healthy economy, for some method that would enable the farm producer to have orderly marketing and not be forced to unload his entire production on the market at any specific time. I feel sure that any Secretary of Agriculture would set the loan rate at such a figure for the noncooperator as would keep the commodity moving in the marketplace.

If we do not provide for this, the results will be those described by the gentleman from Washington and the gentleman from Texas. If we have a program that is sufficiently unattractive to the big producers, they will not cooperate, and if they do not cooperate, that means that the cooperators are almost 100 percent in the hands of the Government, and the Government under those conditions, I believe, would lose much.

So in order to carry out what I believe the gentleman from Illinois has in mind by his amendment and so that it would not cost us a whole lot of money, which he does not intend, I believe the amendment which he has offered should now provide: "or at such level as the Secretary feels is necessary for orderly marketing."

I think he would do much to lessen the dangers of yesterday's action in adopting his limitation admendment and would help to carry out the purpose he has in mind today.

Mr. FINDLEY. Will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. I can see that the gentleman sees some weakness in the language offered by Mr. FOLEY. Certainly what he has suggested accords with my objectives.

The reason why I chose the figures I placed in my amendment to the amendment is that it has been accepted in the law and the gentleman accepted it as a loan level for orderly marketing. That is the only reason why I have done it.

Mr. WHITTEN. If that is so, the gentleman can accept this language without any disruption of his thinking.

Let me say this about Mr. FOLEY. I do not differ with what Mr. FOLEY has in mind, but I do think that Mr. FOLEY's language entrusts the Secretary to do what we are talking about. It is not required, but it might be well to set out guidelines for the Secretary's actions. I discussed this with Congressman FOLEY after the fact. I did not know he was going to offer his amendment. However, I do think what I suggest is in line with what he intends. It leaves it up to the Secretary to make the determinations and, as the gentleman from Illinois says, it will not promote noncooperation.

I am suggesting, if the language can be modified, it would improve the bill and might avoid some of the dangers of the amendment which we adopted yesterday. An amendment which I think is too far-reaching with some unforeseen bad results. It may be that the gentleman cannot accept the language I suggest, but I believe the language offered is in accord with what the gentleman from Washington has in mind.

Mr. FOLEY. Will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. FOLEY. I say to the gentleman the purpose of this amendment is to provide the orderly marketing of crops affected, and I would be glad to accept language which says "in order to facilitate orderly marketing of wheat and feed grains, and cotton the Secretary shall do" and so forth.

Mr. WHITTEN. I thank my friend from Washington and hope it will work out that way.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have come to the well again in opposition to the amendment to the amendment. I will not take the full 5 minutes, but I want to clear up one fact which I think is very important.

The purpose of this amendment is to keep the Government from acquiring stocks. The gentleman from Illinois has suggested in his amendment to my amendment a second loan level rate below those loan levels that would be available to cooperators. The difficulty with that position is if the price of a commodity like cotton gets down to about 25 cents, which is the loan level to cooperators, and half of the producers are out of the program and the Secretary can only make loans available to cooperators at the lower level, the price will continue down and hover above the lower loan level of 20 cents a pound. Those who are cooperators will not be able to sell their cotton at 25 cents a pound and will be forced to turn it over to the Government. It is an amendment that does not solve the problem but, rather, exacerbates the problem.

We need to provide for an effective mechanism to avoid Government takeovers of cotton stocks.

I hope the committee will vote to defeat the amendment to the amendment and accept the principal amendment.

Mr. YOUNG of South Carolina. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

Mr. Chairman, I would like to speak as a small cotton farmer from South Carolina. Most of the people I know over the years have developed the habit of eating, and the way they eat is they get things from the farmer. Our population on the farm decreased to 5 percent of the Nation. This amendment would further drive out those of us who are on the farm, because the big farmers will continue to produce. They are sort of like cats. You throw them up and they land on their feet.

However, the smaller producers will be the producers who will be eliminated from the farms.

Then we move into the time when those small farmers are no longer there, and then 1½ percent of the people left in this Nation, which today are producing 80 percent of the food, will say to the consumer, "You will pay us such and such a price for what we grow."

There is an effort here made today to take the Federal Government out of farming, and well it may be, but I think we should look beyond this time to the time when the marketplace will pay the bill for our food. The woman who stood in the balcony yesterday and threw down the brochure, saying "I do not have milk for my baby," was talking about the high price of milk.

I would like to remind those friends of mine from the urban areas that the price of everything that you buy is going to continue to go up if we continue in this fashion of eliminating the small farmers in this country.

I would hope, even though I may be a lone voice crying in the wilderness, that we would look at what we did yesterday and what we are doing today, because the repercussions may well be felt in the years ahead. And even though you win on this floor today, the ultimate people who will pay for this that we are doing now will be paying for it in the marketplace.

Mr. ADAMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to ask a question of the chairman of the committee, and also the gentleman from Washington (Mr. FOLEY), who offered the amendment, so that I am very certain on this:

That is, as I understand it, with the $20,000 limitation, it applies to all payments that take place?

Mr. FOLEY. That is correct.

Mr. ADAMS. We have taken principally in this case the cotton industry, and if a person in that industry decides he does not want to participate in the program then he would not receive any payments, or he would not be under the $20,000 limitation; is that correct?

Mr. FOLEY. That is correct.

Mr. ADAMS. But there is another provision which provides for commodity credit loans which are not, in effect, payments under the $20,000 process, but they could be caught by the Findley amendment?

Mr. FOLEY. The Findley amendment, I will tell my colleague, the gentleman from Washington, specifically excepts loans from the payment limitation.

Mr. ADAMS. That is what I want to be certain of. The person who is not setting aside cotton could still qualify under the commodity credit program.

Mr. FOLEY. The large producers could, under the Findley amendent, stay in the program but subject, of course to the $20,000 limitation on payments. That limitation would not apply to loans however. To repeat, if a producer elects to stay in the program, he then could not get any more in payments than $20,000, but he then could get more than that in loans.

Mr. ADAMS. Under the commodity credit loans?

Mr. FOLEY. Under the Findley amendment.

Mr. ADAMS. I think that is what the chairman was talking about, that the producer can obtain a loan from the Commodity Credit Corporation system, and can qualify for other payments if he goes in the program.

Mr. FOLEY. That is correct.

Mr. ADAMS. If he does not go in the program, which is what was being discussed by my colleagues on both sides of the aisle, he then still qualifies for loans from the Commodity Credit Corporation?

Mr. FOLEY. Under present law if he does not go in the program at all, a producer is not eligible for either payments or loans.

Mr. ADAMS. So there is no increase set aside for him, and there is no payment for him?

Mr. FOLEY. And no loans.

Mr. ADAMS. Under this provision if he were not in the program he could go ahead and get a loan?

Mr. FOLEY. If the Secretary at his discretion for orderly marketing purposes made it available, but normally he could not get a loan. As a noncooperator he would not be entitled to any loans, as a matter of right; it would be completely a matter of discretion with the Secretary under what conditions a noncooperator could get a loan.

Mr. ADAMS. Mr. Chairman, the problem that I face with this is that if we go into a situation where there is a slide in the price of cotton which goes below 25 cents, we will then be having the Government buy up cotton under the Commodity Credit Corporation. The price can still go down, as the chairman pointed out, so then the Government will be holding cotton, and in effect what we try to do with it is to hold it until the price goes back up and the Government gets its money out. What I am worried about with the gentleman's amendment is that this allows the big producer who refuses to accept acreage limitations to use the Commodity Credit loan system to get money out of the Federal Treasury and come out whole, without accepting the acreage limitations that those who are in the program have to accept.

So we go from 11 million acres in cotton back up to 16 million acres, and we begin to pile up again the surpluses that we lived with back in the 1960's. So are we not going around and in effect paying people who are going to be producing the surplus, because they are the large producers, who use the Commodity Credit Corporation instead of the set-aside acreage provisions?

Mr. FOLEY. The purpose of extending the loans to noncooperators is to keep the price above the loan rates, so that, hopefully the Government does not acquire any stocks from any producers, cooperators, or others.

Mr. ADAMS. But if we have a surplus, the price is going to drop.

Mr. FOLEY. If we have a loan rate that is applicable to virtually all the cotton that is produced, our experience is that the price will generally stay above the loan rate.

Mr. ADAMS. That is if one manages supplies, as the gentleman has mentioned.

Mr. FOLEY. Well, one is not going to sell it at much below that point, because the Government is going to be there if it goes much below that point.

Mr. ADAMS. But to manage supplies, one has to have the large producer stay in the program.

Mr. FOLEY. The gentleman has just made an excellent argument against the Findley Amendment which we should not have adopted. It has always been difficult for me to understand how we could effectively manage these commodity programs with stringent payment limitations. Unfortunately the committee has adopted the Findley Amendment so we are now attempting to prevent some of the more adverse consequences of our own.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY) to the amendment offered by the gentleman from Washington (Mr. FOLEY).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY).

The question was taken; and on a division (demanded by Mr. FOLEY) there were—ayes 45, noes 39.

RECORDED VOTE

Mr. FINDLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 160, noes 247, not voting 26, as follows:

[Roll No. 331]

AYES—160

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Aspin
Bafalis
Baker
Barrett
Beard
Bergland
Bevill
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Brown, Calif.
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Camp
Casey, Tex.
Chappell
Chisholm
Clausen, Don H.
Clay
Cochran
Collins, Tex.
Daniel, Dan
Davis, Ga.
Davis, S.C.
de la Garza
Dickinson
Dorn
Downing
Duncan
Eckhardt
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Fountain
Fulton
Fuqua
Gaydos
Gettys
Ginn
Gonzalez
Griffiths
Hammerschmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Hawkins
Hays
Helstoski
Henderson
Hicks
Holifield
Hungate
Ichord
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kazen
Ketchum
Kuykendall
Landrum
Leggett
Litton
Long, La.
Lott
McKay
McSpadden
Mahon
Mann
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Meeds
Melcher
Mills, Ark.
Mizell
Montgomery
Myers
Natcher
Nichols
Obey
O'Neill
Passman
Patman
Patten
Perkins
Pickle
Poage
Preyer
Price, Tex.
Quie
Quillen
Randall
Rarick
Rees
Rhodes
Roberts
Rooney, Pa.
Rose
Roy
Roybal
Runnels
Ruth
Ryan
Satterfield
Sebelius
Seiberling
Sikes
Sisk
Smith, N.Y.
Spence
Stark
Steed
Steelman
Stephens
Stokes
Stubblefield
Stuckey
Symington
Symms
Taylor, N.C.
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thornton
Towell, Nev.
Treen
Udall
Ullman
Vigorito
Waggonner
Walsh
Wampler
White
Whitten
Wilson, Bob
Wilson, Charles, Tex.
Wright
Young, Alaska
Young, Ga.
Young, S.C.
Young, Tex.
Zwach

NOES—247

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bell
Bennett
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boland
Bolling
Brademas
Brasco
Bray
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Butler
Byron
Carey, N.Y.
Carney, Ohio
Cederberg
Chamberlain
Clancy
Clark
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Crane
Cronin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dennis
Derwinski
Devine
Dingell
Donohue
Drinan
Dulski
du Pont
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Findley
Fish
Ford, William D.
Forsythe
Frelinghuysen
Frey
Froehlich
Giaimo
Gibbons
Gilman
Goldwater
Goodling
Grasso
Gray
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hanna
Hanrahan
Harrington
Harsha
Harvey
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Karth
Keating
Kemp
Kluczynski
Koch
Kyros
Latta
Lehman
Lent
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKinney
Macdonald
Madden
Madigan
Mallary
Maraziti
Martin, Nebr.
Mayne
Mazzoli
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Moakley
Mollohan
Moorhead, Calif.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nelsen
Nix
O'Brien
O'Hara
Owens
Parris
Peyser
Pike
Podell
Powell, Ohio
Price, Ill.
Pritchard
Railsback
Rangel
Regula
Reid
Reuss
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rostenkowski
Roush
Rousselot
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Saylor
Scherle
Schneebeli
Schroeder
Shipley
Shoup
Shriver

Shuster
Slack
Smith, Iowa
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Steele
Steiger, Ariz.
Steiger, Wis.
Stratton
Studds
Sullivan
Talcott
Taylor, Mo.
Teague, Calif.
Thone
Tiernan
Van Deerlin
Vander Jagt
Vanik
Veysey
Waldie
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Charles H., Calif.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ill.
Zablocki
Zion

NOT VOTING—26

Brooks
Carter
Collier
Coughlin
Danielson
Dent
Diggs
Edwards, Calif.
Fisher
Fraser
Frenzel
Green, Oreg.
Hébert
Johnson, Calif.
Kastenmeier
King
Landgrebe
McFall
Mailliard
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Pepper
Pettis
Rosenthal
Skubitz

So the amendment was rejected.

Messrs. QUIE and BEFALIS changed their votes from "no" to "aye."

Mr. RONCALIO of Wyoming changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BURLISON OF MISSOURI

Mr. BURLISON of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURLISON of Missouri: Page 21, immediately after line 16, insert the following new paragraph:

"'(3) The Secretary shall make available to producers loans and purchases on each crop of soybeans at $3 per bushel.'."

Page 21, line 16, strike out the quotation marks.

Mr. BURLISON of Missouri. Mr. Chairman, in the bill, in addition to the target level price concept, we have also an increase in the loan levels in each of the major commodities, wheat, feed grains, and cotton. The loan level for soybeans remains the same under this committee bill. For many years it has been at the level of $2.25 per bushel.

Mr. Chairman, I remember just a few years ago when we still had the same loan level as the present rate, and soybeans were selling for $2.30 a bushel. Now, just a short time later, a few years later, we still have the same $2.25 per bushel loan rate and we have soybeans, if you have them to sell, in recent months going at between $11 and $12 a bushel.

We have also seen in recent years restrictions for impeding the planting of soybeans. In the Agricultural Act of 1970 I pleaded with the Committee on Agriculture to permit the planting of soybeans on set-aside acreages. Even at that time, 3 years ago, in 1970, we had a tremendous demand for soybeans and a short supply of them. My position in the Committee on Agriculture did not prevail.

I made the same pleas with the Secretary of Agriculture to permit, in his discretion, the planting of soybeans on the set-aside acreage for the same reason. Again I did not prevail. Two years later we have seen the Secretary exercise that discretion, and in the program for 1973, the present crop year, we see there is no set-aside acreage.

I may say, also, Mr. Chairman, I was the author in the 1970 bill of a provision in that act to permit soybean substitution for cotton acreage in the discretion of the Secretary. He has not seen fit to permit substitution.

Mr. Chairman, in view of the fact that we have a bill here to increase the loan level for the major commodities, it seems only equitable and proper to me that we increase the loan level for soybeans. Our Government has pulled all the stops in recent months to get increased soybean acreage for this coming year.

I have already mentioned to you that if you had soybeans to sell in recent months you could get $11 to $12 a bushel for them.

This point is further emphasized by the fact that our Government just put an embargo on soybeans. You cannot even export them now.

Mr. SCHERLE. Will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from Iowa.

Mr. SCHERLE. I thank the gentleman for yielding.

I think my colleague from Missouri makes a very interesting point in his amendment in a request for soybeans to be listed at $3 a bushel. It is entirely appropriate, because they are selling at the present time for $10 a bushel and we have a 24 percent increase contemplated this year by the Department of Agriculture. There is no doubt in my mind but what they will reduce it quite drastically.

We have said this before, but even if it does not reach that particular amount, we are also guaranteeing us a target price for corn and wheat, and that point will not be reached, either.

I do not think it is out of order or out of line to make this simple request to include soybeans in the target price.

I compliment my colleague for his amendment.

Mr. BURLISON of Missouri. I thank my friend.

Mr. Chairman, the Federal Government is insisting on full production of our acreage of soybeans, and it is only fair that the general public share in the risk this entails of full production of this commodity over the next 4 years.

Mr. MAYNE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. MAYNE. Mr. Chairman, I think it might be well to recall some of the recent history of soybean loan rates in this country. I well recall in 1969 strong pressures which were put on the new administration of the Department of Agriculture to increase the loan rate on soybeans, very similar to what is being attempted here today. At that time the loan rate was $2.50. There were some enthusiasts who wanted the loan rate raised even higher, saying that because soybeans were selling for only $2.40 that raising the loan rate would also raise the price. Well, a very different school of thought in the Department prevailed and that was that if you lowered the loan rate instead of raising it you would become more competitive in the world markets, and you could sell enough soybeans so that the price would rise.

Fortunately that school of thought prevailed. The loan rate on soybeans was lowered from $2.50 to $2.25, exports did increase, and the price of soybeans has gone up steadily ever since, every year, and soybeans have been the success story in American agriculture.

Mr. BURLISON of Missouri. Mr. Chairman, if the gentleman will yield, my friend from Iowa, Mr. MAYNE, would not suggest that we have $11 to $12 prices on soybeans in the last few years because the loan level was lowered several years ago from $2.40 to $2.25 a bushel?

Mr. MAYNE. I will stand by my statement, I would say to the gentleman from Missouri, that in every year there has been a substantial increase in the price of soybeans since January of 1969, and this was before the great increases of the past year. There has been a substantial increase in soybean production, and there has been a substantial increase in prices year after year. Production went from 1.17 billion bushels in 1971 to 1.27 billion bushels in 1972 and predictions are there will be another increase to 1.58 billion bushels this year. The additional production being made available under the present $2.25 lower rate is desperately needed. And we do not want to tamper with something that is working so successfully.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I will yield to the gentleman in just one moment.

The soybean organizations are not asking for this increase in loan rate. Our committee and our subcommittee have considered all facets of this problem very carefully, and I am unaware of a single request from the American Soybean Association or any other group representing either soybean producers or processers to raise the loan rate on soybeans.

I say to the Members of this House let us not mess up something that is working so beautifully. We have too often seen what happens when we tinker with the economy, and if we start changing the soybean loan rate without any need to do so the results can be far different than might be anticipated. I say let us vote down this amendment.

I am now happy to yield to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for yielding.

I would like to say to the gentleman from Iowa that my State of Illinois ranks 11th in the production of soybeans, and I can subscribe to what the gentleman from Iowa has said. I have not heard from one soybean producer for several years in support of a higher loan rate for soybeans. I would like to associate myself with the remarks the gentleman from Iowa has just made.

Mr. MAYNE. Mr. Chairman, I yield back the balance of my time.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time in order to make an announcement, and that is that the people who have charge of the voting panel and the electronic voting system think that they have found the problem, and they want to activate the panel for 3 or 4 minutes to make sure that it works. So when it comes on it will not mean anything except that those people are determining if it works properly and is available for use.

The Chairman will then announce at the next vote whether it will be held by electronic vote or not. So, Mr. Chairman, I just wanted to alert the Members that if it comes on it does not necessarily mean that there is a vote being taken, unless the Chairman so announces.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I probably would not have suggested this exact amendment, but I think that in view of the debate that has just taken place that perhaps a couple of points should be made.

It was only a couple of years ago that soybeans were selling on the farm for $2.45 a bushel. Can you imagine that? We export more than half of the soybeans we grow in this country, and we were letting foreign customers get them at $2.45 a bushel. They would willingly have paid $3 or $4. They have shown that in the last year. They are buying more at higher prices. Price was not the obstacle to greater sales. We let them keep all those extra dollar credits they would have paid for those soybeans and pile them up to help cause devaluation of the dollar. We did not have sense enough in this country to get a better price for the product we were selling overseas, hardly half of what they were willing to pay.

The way to create a reserve and accomplish the objective most efficiently and most effectively would be to put aside some soybeans in surplus years into a reserve and keep them for a year like this, so that we not only would have had more to sell overseas but more for domestic users, too, but the administration has opposed and the Congress has been unwilling to establish that kind of reserve.

This is a more expensive way of doing the same thing. It is the less preferred of two alternatives, not as good as the other, but since the other way has been turned down, I think we ought to do it.

As far as the Soybean Association is concerned, they have sought low loan rates and opposed things like establishing a reserve which would be good for producers and consumers in this country over a period of years. That organization has been supported by processors. That is who helps finance them. We have known that for years. There is a small growers organization centered in Indiana, but let no one come in here with a story about the National Soybean Association is the strong voice of the average soybean grower in this country.

Go out, go down the road and get a little dust on one's shoes. Talk to those farmers and find out how many of them oppose increasing the $2.25 loan level.

As far as the consumers are concerned, if they want soybeans produced, they can get them by having a $3 loan level. That is far below the present price but is still an incentive. In 1959, Benson put $1.05 loan on corn to all producers. We had so much corn the next 2 years it about drowned us. If we are really interested in getting more soybeans and getting more soybean meal and more soybean oil, then vote for this amendment. That is the fact of the matter, as far as the consumers are concerned.

I am not enthusiastic about having too high a loan rate because I think farmers can produce so much it could cause prices to drop to too low a level, but under the circumstances I think that a loan level of $3 would not be too high for a year or two in view of the fact that the House has not been willing today to adopt a reserve program. The administration has opposed having a reserve that is under guidelines prohibiting them from dumping it, and also prohibiting them from making foreign sales when they ought not to be making them. So the lesser of the alternatives is to vote for this amendment, and if it results in a big enough production to result in a Government financed reserve under the reseal program, then a reserve will be created that way. I urge the adoption of the amendment.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Will the gentleman agree that if there is any purpose or reason for increasing the loan level of wheat, feed grains or cotton, that it is certainly equitable, fair, and reasonable that the same thing be done for soybeans and other staple commodities?

Mr. SMITH of Iowa. That is true. If the purpose is to encourage more production, obviously a loan level increase would help. When they lowered the soybean loan from $2.40 down to $2.25, they did it to discourage production. That was the avowed purpose in doing that. So if they want to encourage production, they would need to increase the loan level.

Mr. MAYNE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Iowa.

Mr. MAYNE. It does seem to me it is very hard to reconcile the gentleman's statement with the fact that in every year within the last 5 years there has been a very substantial increase in the soybean production, and in these last 3 years it went from 1.17 million bushels in 1971 to 1.27, and this year, according to yesterday's report, it is going to be up another 24 percent to 1.58 million bushels, which is breaking all records in history; in fact, it has broken all previous records each year for the past 6 years.

Mr. SMITH of Iowa. Acreage of soybeans corresponds to the acreage in corn and other production. Whenever the number of acres in corn set-aside, conservation acres and grain crops are reduced, it results in an increase in the acreage in soybean production.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. BURLISON).

The question was taken; and on division (demanded by Mr. BURLISON of Missouri) there were—ayes 34, noes 44.

Mr. BURLISON of Missouri. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 8, line 2 strike out "Wheat Production Incentives".

On page 8, strike out line 21 and insert in lieu thereof the following: "(c) Payments shall be made for the 1974 crop of wheat".

On page 9, strike out lines 5 through 20 and insert "is less than the established price of $2.05 per bushel times (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. If the Secretary determines that the producers".

On page 10 between lines 5 and 6, insert the following:

"Payments shall be made for the 1975 and 1976 crops of wheat to producers on each farm in such amounts as the Secretary may prescribe in order to achieve a complete phaseout of such payments to producers after the 1967 crop. In determining the amount of such payments, the Secretary shall take into consideration the amount paid on the 1974 crop, the market conditions, and such other factors as he deems appropriate."

On page 11, line 20, strike out "1977" and insert "1976".

On page 11, line 23, strike out "1977" and insert "1976".

On page 12, line 3, strike out "through 1977 crops" and insert "crop".

On page 12, between lines 6 and 7, insert the following:

"(vii) Effective with respect to the 1977 crop, section 379b(c)(1) is amended to read as follows:

"'(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excesive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph, then as a condition of eligibility for loans and purchases on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to such percentage of the cropland base for the farm as may be specified by the Secretary. For the purpose of this section, the cropland base shall be the acreage devoted to major crops as determined by the Secretary. The Secretary is authorized to limit the acreage planted to wheat on the farm to such extent as he determines necessary to adjust the acreage of wheat to desirable goals. The Secretary shall make payments to producers on a farm who set aside acreage under this section. The payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and productivity of the acreage diverted.'"

On page 21, line 23, strike out "each" and insert "the 1974".

On page 22, strike out lines 12 through 24 and insert "is less than the established price of $1.38 per bushel. The payment rate for grain sorghums and, if des-"

On page 23, after the period in line 10, insert the following:

"The Secretary shall also make available to producers payments for the 1975 and 1976 crops of such commodities in such amounts as he may prescribe in order to achieve a complete phase out of such payments to producers after the 1976 crop. In determining the amount of such payments for 1975 and 1976, the Secretary shall take into consideration the amount paid on the 1974 crop, the market conditions, and such other factors as he deems necessary. The payments for grain sorghums and, if designated by the Secretary, barley, for the 1975 and 1976 crops shall be at such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn."

On page 23 strike out lines 11 and 12 and insert " '(2) The Secretary shall prior to January 1 of the 1974 through 1976 calendar years, determine and proclaim for the crop produced' ".

On page 26, line 1, strike out "1977" and insert "1976".

On page 26, line 16, strike out "1977" and insert "1976".

On page 27, line 1, strike out "through 1977 crops" and substitute "crop".

On page 27, between lines 3 and 4, insert the following:

"(G) Effective with respect to the 1977 crop, paragraph (1) of subsection (c) of section 105 is further amended by striking out 'feed grain base' and substituting 'cropland base' and paragraph (1) of subsection (e) of section 105 is amended by adding at the end thereof the following: 'For the purpose of this section, the cropland base shall be the acreage devoted to major crops as determined by the Secretary' ".

On page 27, line 18, strike "1978" and insert "1976".

On page 27, line 20, strike "1977" and insert "1976".

On page 27, in line 24, strike "1977" and substitute "1976".

On page 28, line 14, strike out "Cotton Production Incentives".

On page 29, line 15, strike out "for each crop" and insert "for the 1974 crop".

On page 29, insert a period at the end of line 24.

On page 30, strike out lines 1 through 11 and insert the following:

"Payments shall be made for the 1975 and 1976 crops of cotton to producers on each farm in such amounts as the Secretary may prescribe in order to achieve a complete phaseout of such payments to producers after the 1976 crop. In determining the amount of such payments, the Secretary shall take into consideration the amount paid on the 1974 crop, the market conditions, and such other factors as he deems appropriate. "If the"

At end of line 25 on page 31, insert the following:

"(F) effective with respect to the 1977 crop, paragraph (4)(A) of section 103(e) of the Agricultural Act of 1949 as it appears in such section 602 is further amended by striking out 'farm base acreage allotment' and substituting 'cropland base', and by adding at the end thereof the following 'For the purpose of this section, the cropland base shall be the acreage devoted to major crops as determined by the Secretary' ".

On page 32, line 1, strike out "F" and insert "G".

Mr. MICHEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, in view of the copies being made available at both desks and in order to expedite the business of the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Chairman, I am fundamentally opposed to Government controlling our lives, our businesses, our farms, or the economy. My position has been fairly consistent as I voted against wage and price controls each time, acreage allotments, quotas, pegged prices, target prices—name it. I support the concept of an unfettered free-enterprise system, whether it be in our factories and businesses in the cities or out on the farms.

This country is what it is today because we have the natural resources and because we are a producing nation. Yet, we are also a consuming nation, but the consumers have always fared better because we have had this great capacity to produce both in our factories and out on the farms.

I will be quite frank with the Members that, before the Sisk amendment was defeated, I had no great illusions over the amount of support I would get for my amendment, as good as I think it is. I have been monitoring those teller votes here for the past several weeks, and I do not underestimate the crafty and wily ways of the chairman of the Committee on Agriculture. The die may very well have been cast, but I think, particularly in view of the defeat of the Sisk amendment, there still are many Members of this House who feel as I do that we ought to move in the direction of a market-oriented agriculture and the amendment which I offer is designed to provide Members an opportunity to vote for legislation which will make possible the gradual return of American agriculture to the market system.

As I said to the House on June 10 in a special order:

> We can vote for this bill and move agriculture and consumers and taxpayers and the country backward. Or we can move to positive legislation which will move farmers in the direction of greater freedom and less dependence on Government, less dependence on outmoded allotments and quotas and production patterns based on decades-ago planting needs.

This amendment provides a positive approach. Its purpose is threefold. It is designed first to separate payments made to supplement farm income from performance payments made to encourage needed adjustments in resource use; second, to provide for an orderly phaseout of income payments over a 3-year period; and, third, to shift the set-aside program to a cropland basis at the end of the phaseout period.

The target price approach embodied in H.R. 8860, it seems to me, is unsound farm policy. I would prefer to have a bill which makes no reference to target prices. However, since it is my objective to improve this bill rather than to defeat it, my amendment would provide that income payments would be made in 1974—if needed—to attain the target price set forth in the bill. Income payments could also be made in 1975 and 1976 at such levels as the Secretary determines necessary to achieve an orderly phaseout of income payments. In determining the amount of such payments the Secretary would be required to take into account the amounts paid on 1974 crops, market conditions, and such other factors as he deems appropriate.

Acreage allotments would be used to determine distribution of target price payments in 1974 and the phaseout payments authorized for 1975 and 1976.

In 1977 payments would be made only for contributions to resource adjustment through participation in the set-aside program. Such payments would be performance payments—not income payments.

Also, in 1977 the set-aside program would be based on cropland rather than the outdated historic bases now used to determine set-aside requirements. Cooperating producers would be required to set aside a percentage of their total cropland rather than a percentage of the acreage historically devoted to specific crops. This would result in a more equitable distribution of set-aside requirements and would give producers more freedom to adjust their production to changing market requirements.

The times cry out for a change in the direction of Government farm policy. The widely respected liberal National Planning Association says—

> America faces critical decisions in food and agricultural policy. The Nation needs not a blueprint based on the assumption of a known future but a strategy capable of dealing with any situation likely to appear.

D. Gale Johnson, the eminent chairman of the department of economics at the University of Chicago agrees. In a recent study published by the American Enterprise Institute for Public Policy Research, he says that in 1973, because of the coincidence of the expiration of major farm legislation and the beginnings of trade negotiations, an opportunity exists to make changes that will benefit consumers and taxpayers. He says:

> Americans cannot have it both ways: freer access to markets in other countries will require changes in U.S. domestic farm programs and trade measures.

William J. Kuhfuss, president of the American Farm Bureau Federation—the largest general farm organization—and a resident of the district which I have the honor to represent, says farmers are the closest they have been for many years to a market-oriented system, and the market continues to work well. He says:

> If we can maintain the general health of agriculture, farmers will adjust their production to produce what consumers want as reflected in the market.

The target price concept embodied in H.R. 8860 is similar to the target price plan embodied in the common agricultural policy of the European Economic Community. This European program has been cited by our Department of Agriculture as a major roadblock to the expansion of American exports of agricultural commodities. If we adopt such a program for American agriculture we shall make future trade negotiations with EEC nations far more difficult than they otherwise would be.

The pitfalls of the target price concept have been outlined in detail on page 193 of the excellent minority report on H.R. 8860. The minority has accurately identified the target price concept as the Brannan plan.

There are undoubtedly many Members of the House who do not recall the original Brannan plan. But there are others of us who well recall its debut in 1949 when the then Secretary of Agriculture first proposed to abandon the established system of supporting farm prices in the marketplace in favor of making the farmer dependent upon appropriations from the Federal Treasury for a large part of his income.

At that time it was my privilege to serve as the assistant to my distinguished predecessor, Judge Harold Velde. I well recall how he felt about this scheme to hold out the lure of high prices to farmers and cheap food to consumers with the promise that "it ain't going to cost anybody much."

I recall the day, July 21, 1949—nearly 24 years ago—when my predecessor, Mr. Velde, cast his vote against a trial run of the Brannan plan. I recall that he was joined in that successful effort by the present minority leader (Mr. GERALD R. FORD). The present minority whip (Mr. ARENDS), and our distinguished colleague and associate on the Committee on Appropriations (Mr. WHITTEN).

The gentleman from Mississippi, whose competence as an expert on both agriculture and government finance is recognized by Members on both sides of the aisle, had this to say about the Brennan plan at that time:

> What Mr. Brannan asks the farmer is to take whatever low price the buyers and the middlemen want to pay him and get the rest from the Federal Treasury. To ask the farmers to submit to such a program is the same as asking labor to let employers pay whatever low wages the employers want to pay, the difference to be made up by Federal payments. Such a plan would not be fair to labor. It is not fair to the farmers, not to the fact that there is not enough money in the country to finance such a plan.

There are other Members of this House who were here in 1949 and cast their votes against the Brannan plan at that time. They are Members of both parties, from both rural and urban districts. I urged them and all other Members of this body to support the amendment which is now before us.

We owe it to our farmers, consumers, and all taxpayers to reject the 1973 model of the Brannan plan.

We have a responsibility to move ahead, to let farmers take advantage of the opportunity for increasing production and profits which now are so obvious. We have a responsibility to let our farmers produce for expanding markets at lower unit costs and increased profits. Then, and only then, will our actions benefit the consumers, taxpayers, farmers, and people around the world.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to my colleague from Illinois.

Mr. ANDERSON of Illinois. I want to congratulate the gentleman from Illinois for offering this very significant amendment. If I understand it correctly, it is in two main parts.

First, it would phase out by 1977 the income payment. Second, it would make a very substantial and very substantive change in the present method of establishing allotments for those farmers who participate in the set-aside program. Instead of using an outmoded historic base, it would be fixed on the basis of a percentage of their total cropland.

Mr. MICHEL. That is correct.

Mr. ANDERSON of Illinois. I know in my own State of Illinois, as is true in the gentleman's case, we have had many complaints from farmers who say that agriculture is a dynamic industry and has changed vastly from the period on which the present allotments are based. Many farmers have gone from dairying to cash grain types of farming. Therefore, in order to introduce greater equity into the set-aside program, I hope the gentleman's amendment will have the support of the committee.

Mr. MICHEL. I thank the gentleman for his valuable support of my amendment.

For those of you concerned about too drastic a change may I remind you that we propose a 3-year phaseout of the income supplement program.

This certainly offers ample opportunity for adjustment. And finally, Mr. Chairman, if we are ever going to make this move toward freeing up agriculture, now is the time—when prices of all farm commodities are up and everything looks good for a continuation of these good prices for some time to come.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to get into the details of the proposal submitted by the gentleman from Illinois (Mr. MICHEL). I support the amendment, and I support it because I believe it has a great deal of substantive good.

I also support it because I believe as a practical matter its approval by this body will permit the conference between the House and the Senate to come up with the best possible solution to keep America's agriculture productive for consumers and beneficial to farmers at the same time.

If this amendment is approved, it will go to the conference with the bill from the other body, and the conferees will have more flexibility to solve the problems of agriculture than we could possibly imagine under any circumstances. So if Members want the conferees to have an opportunity to work their will with the maximum of flexibility they ought to vote for the Michel amendment whether they agree with every detail in it or not.

Now, if the Michel amendment does not prevail, I will repeat, as I said a few moments ago, that I think any bill that comes from this body and is combined with that of the other body does not have a prayer of being approved by the White House. It is just that pragmatic.

So on substantive as well as practical grounds, I strongly urge that the members of the committee support the Michel amendment.

Mr. POAGE. Mr. Chairman, I move to strike the last five words.

Mr. Chairman, my viewpoint on this is somewhat different from that which has just been expressed by my good friend, the minority leader.

I recognize that we do not have much of a farm bill, and that apparently the House does not want very much of a farm bill, and that perhaps the country wants scarcity instead of protection for farmers, and, therefore, probably we may wind up with scarcity of food in the United States for the first time.

Mr. Chairman, that is what we are going to have if we do not have a farm program, and I do not think that it should be any surprise to anyone if we so arranged this situation so that there cannot be any profit in agriculture. I cannot see how we can reasonably expect the farmers to continually provide the chicken and the beef and the soybeans and the rice that we are eating. I know that this comes as a shock, and most people do not believe it when it is suggested that we could have scarcities in the United States. But less than a year ago there is not a Member of this House who would have believed that soybeans would have brought $10 a bushel either.

They would not have believed it, and they did not believe it. We do not now believe that we can have scarcity. But the fact is we can have scarcity if we create a situation which does not make production remunerative.

Now, the suggestion has been that since the bill as amended goes so far toward trying to keep people out of production rather than putting them in, through the amendments that we have adopted, that we can take this bill to conference.

The suggestion has been offered by the gentleman from Illinois, that we take it to conference and see if we cannot work out something else.

This Michel amendment proposes to phase out all agricultural programs in the course of 3 years. Now, I do not believe in phasing out agricultural programs this year, next year, or 3 years from now. I think we will be just as hungry 3 years from now as we are now, and as for me I am not going to vote to phase out all agricultural programs, as the Michel amendment would suggest.

If we want to talk about the present law, we could do lots worse than to continue the present program.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes, I yield to the minority leader.

Mr. GERALD R. FORD. Mr. Chairman, I assure my good friend, the chairman of the Committee on Agriculture, that I do not believe in phasing out agricultural programs, but I do not want to put farmers in straitjackets either, and the bill that we have been working on, as it has worked out, in effect, puts the farmers in straitjackets.

Mr. POAGE. I think it puts them out in the cold without any kind of a jacket.

Mr. GERALD R. FORD. Is it not better, then, to take a vehicle that continues the program which the committee recommended for 1 year and then consider the phaseout features later on in the conference. It could be combined with the version of the other body, which is quite a different bill. If we did that, I believe the gentleman through his wisdom and the wisdom of his conferees and the wisdom of the other body and their conferees, could end up with a very constructive farm bill.

Mr. POAGE. Mr. Chairman, I think it would make a good deal more sense if we would take the farm bill which our committee brought in and limit it to 1 year only, without any phaseout provisions in it, except that it is limited to 1 year, and take that to conference.

As far as I am concerned—and I only ask my colleagues to make up their own minds—I am not going to vote here for a bill to phase out the agricultural programs and say to the farmers of America that we will not have you have any program whereas everybody else in the United States does. If you will eliminate all Government help for transportation, for banking, for labor and all other groups I will talk with you about phasing out all help for agriculture. For that reason I think it would be a great mistake to accept the Michel amendment.

Mr. MAYNE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think that the distinguished chairman of the House Committee on Agriculture has expressed the situation very well. I am sorry that I have to disagree very respectfully but very emphatically with the minority leader.

This proposal which the gentleman from Illinois (Mr. MICHEL) has offered was very, very carefully considered by the Subcommittee on Livestock and Grain and by the full Committee on Agriculture of the House. It was presented in testimony in the hearings by its proponents. We gave it every consideration, and after 6 months of hearings and discussions and markups, we decided that that was not the way to get food on the tables of the American people.

The farmers of this country do not want to be left high and dry with absolutely no kind of guarantee or assurance that if they respond to these present urgent pleas for more production that they will not be left holding the bag with a tremendous surplus. They are not going to continue to produce more and more food next year if the provisions of the present law expire and we do not put something in their place.

The gentleman from Illinois would propose that just 3 years from now, in 1977, there would be no farm program at all. That is awfully stiff medicine for me to go up to Iowa with and talk with the farmers, as I did last week, and say to them, "Fellow, no farm program at all starting in 1977." That is not going to wash out there, and I do not presume to suggest to the gentleman from Illinois how the rank and file farmers in his district feel, but I would be very much surprised if they felt any differently inasmuch as they grow the same things as my farmers do. I do not believe they want to be left without any farm program at all.

Mr. MICHEL. Will the gentleman yield?

Mr. MAYNE. I will be happy to yield to the gentleman.

Mr. MICHEL. Of course, we are talking now, when you say phasing out, of a period of 4 years. That is a considerable period of time in the future. For example, if after the first or the second year we have discombobulated things to such a degree, why, there is nothing wrong with this House meeting again in this kind of a setting and amending the bill to get what the Members wish. There is nothing wrong with that.

But it seems to me we have been talking, generally speaking, in terms of freeing up agriculture and giving it an opportunity in the free market system to work. We ought to give it that chance. I am convinced that if there is a buck to be made, the farmer is going to produce.

As I said in my earlier remarks, I think we have to change our thinking a little bit and believe that the farmer is entitled to his fair share and that the consumer should expect a few increases in price because the farmer is entitled to a little more, but I believe the farmer will produce if there is a buck to be made.

Mr. MAYNE. The gentleman's amendment says very clearly on page 4 on the copy furnished me that there will be a complete phaseout of payments after the 1976 crop.

I just feel that in our economy this is an unrealistic approach. Our farmers are willing to go ahead and increase their productivity as they have been doing. They have increased soybean production this year 24 percent, corn production 6 percent, but they have done it with the safeguards of the 1970 act available to them. They are not going to go ahead and do it without some comparable safeguards to protect them if they do produce, and then it turns out there is overproduction when this demand does not materialize, as could well happen.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. I thank the gentleman for yielding.

Mr. Chairman, I seem to get the impression that the gentleman from Illinois doubts the adequacy of his own proposal here when the gentleman says, "Well, if it does not work then we will come back 2 years from now and try to undo the damage," which we could not do.

If the gentleman from Illinois wants to cast the farmers of our country to the tender mercies of a subsidized economy all around them, that is one thing, but I for one will not do it.

When he has subsidies in the subsidized economy all around him, then I am perfectly willing to turn him loose, but not until then.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent, Mr. MAYNE was allowed to proceed for 2 additional minutes.)

Mr. MAYNE. Mr. Chairman, I want to thank my colleague, the gentleman from Iowa, for his contribution, and to suggest to the Members that the House Committee on Agriculture, which represents a very broad cross section of this country, has worked diligently for 6 long months trying to effect this legislation. We can make mistakes just like anyone else, but it seems to me that to completely throw out our work product except for the first year of a 4-year bill is really going to be a tremendous waste of manpower of this House.

It is a great pleasure to serve on the Committee on Agriculture, but I think that if the labors of 6 months are to be treated in this cavalier fashion it would be frustrating in the extreme.

The distinguished chairman of the Committee on Agriculture, the gentleman from Texas (Mr. POAGE), has given great leadership and guidance to the evolution of this bill. I think it would be a tragedy for us now to junk it and to abandon the American farmers. We need the American farmers. The consumers need the American farmers. We have got to give them some incentive to increase production.

Frankly, I think the proposal made by the gentleman from Illinois will just scare the daylights out of the American farmer, and put an effective end to any further expansion of production.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I congratulate Mr. MICHEL on the excellence of this amendment. It provides an orderly way to terminate the separate programs for each major commodity, and establish in their place a general cropland retirement program.

This would permit the farmer to manage his resources in the most efficient manner possible, the market system to operate to greatest advantage to the consumer, and still provide, through cropland retirement, a cushion against adverse fluctuations of market prices.

Mr. VIGORITO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would say that some of the Members have completely missed the point of the whole farm program. Let me cite some statistics:

In 1950 we had 5.8 million farms in the United States. Twenty-three years later we are down to 2.7 million farms in the United States—and this is with farm programs.

If we did not have farm programs we would accelerate this downward slide so that, instead of arriving at 500,000 farms in the year 2000, we would probably arrive at that point by 1980. And when we get down to 400,000 or 500,000 farms, we will have free enterprise in our farm economy about as much as we have free enterprise in the oil industry, or in the steel industry, or in the automobile industry.

No one can get up and say that we have free enterprise in the giant industries I have just mentioned.

They all have administered prices. We have today 80 to 100 million acres of land lying idle that the big farms could put under the plow, and we would see such a tremendous output of food and fiber, it would knock the price completely out. The farmer must be protected as much as he can be by us. There is no free ride on the backs of the farmers for cheaper food prices. Either we guarantee the farmer fair prices and subsidize where he cannot get fair prices, or else the Federal Government is going to have to guarantee the income. I repeat, there is not going to be low food prices on the backs of the farmers. Somebody has to work.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MICHEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 186, noes 220, not voting 27, as follows:

[Roll No. 332]

AYES—186

Anderson, Calif.
Anderson, Ill.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Beard
Bell
Biaggi
Biester
Blackburn
Bray
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Delaney
Dellenback
Dennis
Derwinski
Devine
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Fascell
Findley
Fish
Ford, Gerald R.
Forsythe
Frelinghuysen
Frey
Froehlich
Fulton
Gaydos
Gilman
Goldwater
Goodling
Grover
Gubser
Gude
Hanrahan
Harrington
Harvey
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Pa.
Keating
Kemp
Ketchum
Koch
Kuykendall
Lehman
Lent
Long, Md.
Lujan
McClory
McCloskey
McDade
McEwen
McKinney
Macdonald
Mallary
Maraziti
Martin, Nebr.
Martin, N.C.
Mazzoli
Michel
Milford
Minish
Minshall, Ohio
Mizell
Moorhead, Calif.
Mosher
Moss
Nix
O'Brien
O'Hara
Parris
Peyser
Pike
Powell, Ohio
Pritchard
Quillen
Railsback
Regula
Rhodes
Rinaldo
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rousselot
Ruppe
Ryan
St Germain
Sandman
Sarasin
Satterfield
Saylor
Schneebeli
Shuster
Smith, N.Y.
Snyder
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Symms
Talcott
Taylor, Mo.
Teague, Calif.
Tiernan
Towell, Nev.
Treen
Van Deerlin
Vander Jagt
Veysey
Walsh
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Zion

NOES—220

Abdnor
Abzug
Adams
Addabbo
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bennett
Bergland
Bevill
Bingham
Blatnik
Boggs
Bolling
Bowen
Brademas
Brasco
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Broyhill, N.C.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Casey, Tex.
Chappell
Chisholm
Clay
Cochran
Collins, Ill.
Conyers
Corman
Culver
Daniels, Dominick V.
Davis, S.C.
de la Garza
Dellums
Denholm
Dickinson
Diggs
Dingell
Donohue
Dorn
Eckhardt
Eilberg
Edwards, Calif.
Evans, Colo.
Flood
Flowers
Flynt
Foley
Ford, William D.
Fountain
Fraser
Fuqua
Gettys
Giaimo
Gibbons
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Hawkins
Hays
Henderson
Hicks
Hillis
Holifield
Holtzman
Howard
Hungate
Ichord
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Kyros
Latta
Leggett
Litton
Long, La.
Lott
McCollister
McCormack
McKay
McSpadden
Madden
Madigan
Mahon
Mann
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Mink
Mitchell, Md.
Moakley
Mollohan
Montgomery
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Neill
Owens
Passman
Patman
Patten
Perkins
Pickle
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Quie
Randall
Rangel
Rarick
Rees
Reid
Reuss
Riegle
Roberts
Rodino
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruth
Sarbanes
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Spence
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Udall
Ullman
Vanik
Vigorito
Waggonner
Waldie
Wampler
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Yates
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NOT VOTING—27

Boland
Carter
Collier
Coughlin
Danielson
Davis, Ga.
Dent
Evins, Tenn.
Fisher
Frenzel
Hanna
Harsha
Hébert
Johnson, Calif.
King
Landgrebe
Landrum
McFall
Mailliard
Mills, Ark.
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Pepper
Pettis
Rooney, N.Y.
Wright

So the amendment was rejected.

Messrs. PEYSER, TIERNAN and BEARD changed their votes from "no" to "aye."

Mr. RUTH changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

Mr. POAGE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, had come to no resolution thereon.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a.m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CLARIFICATION OF LEGISLATIVE PROGRAM

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GERALD R. FORD. Mr. Speaker, I ask for this time simply to inquire of the distinguished majority leader if my understanding of the previous announcement was correct, that there would be no session on Friday. I ask this question because many Members have inquired, and I would like some verification of this understanding.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the majority leader.

Mr. O'NEILL. Mr. Speaker, we intend to follow the program we had set out earlier in the year, and under that program we stated that there would be no Friday session.

Mr. GERALD R. FORD. Mr. Speaker, I thank the majority leader.

GENERAL LEAVE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the NASA authorization conference report which was agreed to earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROPOSED AMENDMENTS TO H.R. 8860

Mr. CONTE. Mr. Speaker, under the rule, I submit the following amendment which I will offer to the farm bill (H.R. 8860) tomorrow:

> Amendment offered by Mr. CONTE to H.R. 8860, as reported: Page 37: strike out lines 5 through 7; page 37, line 9, strike out "(B)."

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to insert into the RECORD an amendment I intend to offer to H.R. 8860.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The proposed amendment is as follows:

AMENDMENT TO H.R. 8860

> Strike everything from page 37, line 10, through page 38, line 19, and insert in lieu thereof the following:
>
> "SEC. 807. All exporters of wheat flour, feed grains, oil seeds and products thereof, produced in the United States shall, within seventy-two hours after a contract for such a commodity has been concluded with a foreign buyer, report as to the kind, class, quantity, and destination of that commodity to the Secretary of Agriculture. The Secretary shall promptly make public such reports. The Secretary shall further determine and make public the effect of such exports on domestic supply and demand of such commodities at regular intervals, but not less than twice each month. Any person who knowingly fails to report export sales pursuant to the requirements on this section shall be subject to penalties not to exceed $25,000 or one year in jail, or both.

THE NEED FOR ACTION ON INTEREST RATES

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PATMAN. Mr. Speaker, in April, the Banking and Currency Committee reported out H.R. 6168 which among other things was designed to prevent interest rates from rising to destructive levels.

Unfortunately, the interest rate section of this wage-price legislation drew a great deal of fire and failed to pass the House of Representatives. The Nixon administration, of course, was right in the forefront of the effort to eliminate any strengthening of the strictures on interest rate increases.

The bill was defeated on April 16 and at that time the prime rate stood at 6½ percent and the discount rate of the Federal Reserve stood at 5½ percent. Today, the prime rate is 8¼ percent and the discount rate has risen to a full 7 percent.

Neither the prime rate nor the discount rate are fully indicative of what is happening to the interest rate picture across the Nation. The prime rate is basically a "fake rate" which is enjoyed only by the largest and most affluent customers of the banks while the rest of the borrowers pay much higher prices for money. But as the prime and the discount rate have moved up, the mortgage interest rate picture has grown bleak and today the effective interest rate on a home is in the vicinity of 8¼ percent.

With these new pressures, both the Federal Home Loan Bank Board and the Federal Reserve Board have authorized new and higher ceilings on savings accounts. While I am in favor of consumers receiving as much as possible on their money, it is a fact of life that these new regulations issued last week will mean new pressures on mortgage interest rates. The interest rate cycle is moving and the new savings rates will ratchet up new increases on the mortgage side of the ledger.

Mr. Speaker, these are not mere percentages and numbers. Underneath this numbers game are real people seeking to buy homes, to borrow money for their children's education, and to meet the basic necessities of everyday life. These new rounds of interest rate increases and the tightening of money, prices millions of good, hard-working, patriotic American citizens out of the credit and home markets.

Today's home mortgage rates effectively place at least half of the American people out of the home mortgage market. Many people—including well-respected financial writers—talk about rising interest rates as an integral part of the policy on inflation, but I question in the strongest terms possible any national policy which simply cuts off the low- and moderate-income family from sources of credit and from the opportunity to own a home. Surely, in a nation as great as this, we can find economic policies and solutions to our problems without resorting to cruel and unusual and unwarranted punishment of low- and moderate-income families, the small businessman, and the family farmer. These are the people who are penalized by high interest rates and tight money and they are the ones who cannot compete in the open market for the available credit which now carries these premium prices.

In any event, Mr. Speaker, the idea that high interest rates can fight inflation is nonsensical and totally unproductive. Interest is a cost. It is a cost which must be passed on to the consumer. When the businessman must pay more to finance his inventory, the additional cost goes to the consumer as the price of every product on the shelves is increased. As homeowners know, increased interest rates mean substantially higher monthly payments. The farmer must charge more for his products when he must pay the local bank more for his farm-production loans. It is obvious that high interest rates contribute tremendously to high prices and inflation.

Mr. Speaker, despite the defeat of the strengthening amendments to the wage-price bill in April, it remains a fact that the Economic Stabilization Act—through amendments adopted in 1971—contains the authority for the President to control interest rates and to mandate rollbacks where necessary and proper. In fact, I am convinced that the President is operating in violation of the Economic Stabilization Act at this moment by his failure to take more substantive actions on these latest interest rate increases. I want to quote from the Economic Stabilization Act, section 203(e):

> Whenever the authority of this title is implemented with respect to significant segments of the economy, the President shall require the issuance of regulations or orders providing for the stabilization of interest rates and finance charges, unless he issues a determination, accompanied by a statement of reasons, that such regulations or orders are not necessary to maintain such rates and charges at levels consonant with orderly economic growth.

As this language plainly indicates, the President is required to either control interest rates or issue a formal determination as to why this is not necessary. This determination under the history of this act is required to be specific and by category.

In truth, the President has issued no determination on interest rates since December 22, 1971. In the intervening 18 months, the interest rate picture has changed drastically and, in fact, in the past several months interest rates have moved up at a record rate. It is absurd to think that a finding of December 22, 1971, is legally sufficient to serve as a determination on monetary matters in July of 1973. The Economic Stabilization Act obviously requires the President to take a new look at the interest rate picture and to institute mandatory controls or come up with an economic rationale for allowing interest rates to rise to record levels.

Mr. Speaker, I do not believe that the President can give us an economic rationale for these rising interest rates and I am convinced that the Economic Stabilization Act requires him to immediately implement mandatory controls across the board on all interest rates.

Mr. Speaker, I call on the President of the United States to live up to the law and to take specific action under either the Economic Stabilization Act or Public Law 91-151, the Credit Control Act of 1969.

Unless the President so acts, and unless the Federal Reserve System is required to start performing in the public interest, the Nation will face a credit crunch even greater than that of 1969 and 1970 which saw the highest interest rates in our history. This credit crunch will lead to a major recession with sharply increased unemployment, severe housing problems and hardships for consumers everywhere.

In controlling interest rates and implementing the Economic Stabilization Act in this area, the President will be required to assert his constitutional authority over monetary matters. This will mean that he will have to place the law, the Constitution, and specifically the requirements of the Economic Stabilization Act above the misguided policies of the Federal Reserve.

In 1951, President Truman faced great monetary problems and the Federal Reserve was attempting to dictate policy to the Chief Executive and the Nation. President Truman did not allow this to happen and he had the courage to force the Federal Reserve to back down on interest rate increases. It would be well for President Nixon to take a page from President Truman's book and place his authority above that of the Federal Reserve and carry out monetary policy in the public interest so that the American people can have relief from high interest rates and the destructive consequences of another credit crunch.

HOUSE VIGILANCE REQUIRED

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO of Wyoming. Mr. Speaker, the Portland Oregonian has recently come forth with an editorial which has been reprinted as far from the west coast as Casper, Wyo. Recently, Tom Howard, editor and publisher of the Casper Star-Tribune, carried the following excellent editorial regarding the need for legislation to rein in the FBI and the CIA, and by inference, such agencies as the Secret Service and others that have been used for purposes other than for which statutorially created. The editorial follows:

FBI, CIA NEED REIN

> President Nixon's revelation of plans, in 1970, for a clandestine operation against what were considered domestic subversives, which has been supported by other testimony, points up a need for closer control over U.S. intelligence services.
>
> Chief among these are the Federal Bureau of Investigation and the Central Intelligence Agency. The FBI is assigned the duties of domestic intelligence and the CIA those abroad. It has become clear through the Watergate disclosures that the CIA has confused its assignment, undertaking in this country some of the sub rosa operations in which it engages in its mission of keeping track of U.S. interests in other countries. Strangely enough, this CIA aberration may have been the result of the refusal of the

FBI under patriarch J. Edgar Hoover to monitor domestic subversion.

Now is the time, with new directors in both the FBI and the CIA, to define the limits of both. For many years, Mr. Hoover was considered untouchable by Congress and the White House. His exclusive position had been earned by great achievement in keeping the FBI free of political pressure. But he also managed to keep it beyond the control of elected officials. The same has been true of the CIA for other reasons. Because of the clandestine nature of its duties overseas, it has claimed immunity from congressional and public scrutiny.

Recent events have indicated that new legislation may be necessary to keep the CIA in line. It has not been enough to deny it by statute a function in domestic affairs. This is also an opportune time to reassess the role of the FBI, which had become Mr. Hoover's special province.

This is not a police state, as some militant critics have claimed, and we certainly do not want it to become one. But where there is undue secrecy in policing and intelligence operations there is the germ of oppression with the authority of government. Let's make it clear just how far the FBI and the CIA can go with such authority.

FBI CODDLES RUSSIAN WHEAT DEAL

(Mr. MELCHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, I have been attempting to get the Department of Justice to tell me if the major grain companies deliberately concealed from the Department of Agriculture the quantities of wheat involved in the big Russian wheat deal on which they expected to collect huge export subsidies.

An officer of one of the exporting companies told me that, "Of course we indicated the quantities involved to the USDA," but he refused to be identified or quoted, saying he had made a sworn statement on this point to the FBI.

I asked the Department of Justice for the statement but was denied access to it.

I then asked the Department of Justice to check themselves and advise me whether the FBI had been given information that conflicted with the repeated public statements that USDA had absolutely no knowledge last July of the amounts of wheat involved in the deals on which they had committed Federal export subsidies.

The Department of Justice has again denied me access to any information the FBI obtained, or a direct verification or denial of the discrepancy I was questioning. I have been advised that the Continental Grain Co. refused to cooperate in the investigation unless assured confidentiality. It appears to me to be a brand new device for tying the hands of the government's top criminal investigators. The formula is to tell them everything but get their pledge not to tell anybody else. Get an assurance of confidentiality, even in relation to an inquisitive Congressman.

To placate me, Deputy Attorney General Joseph T. Sneed did send me a copy of an 11-page mimeographed summary of the FBI's summary. This is the summary that Secretary of Agriculture Butz used one day early this year to announce that the FBI had found no wrong doing in the Secretary's effort to blanket General Accounting Office criticism of the deal which would be appearing in the newspapers of the same day.

I have examined the summary and it is a whitewash job.

It was accomplished Tom Sawyer fashion. The FBI got together with the Inspector General of the Department of Agriculture and with the Commodity Exchange Authority. They each took a limited field for investigation and, except for a recent Commodity Exchange Authority civil action against Continental Grain Co., the public has not been allowed to learn one substantive fact about what was found until I was given this summary which I will include in full in the RECORD at the end of these remarks along with the Deputy Attorney General's letter transmitting it.

The FBI summary indicates that the CEA found that several grain companies—not just Continental—made false findings during the summer of 1972 as to their futures and/or cash position on wheat.

It also indicates that the Inspector General found excessive or duplicating files for export subsidiaries, about which we have been told nothing at all at this point.

The so-called FBI investigation was a patchwork job, Tom Sawyer style, and I am sure that if Tom had ever turned in a whitewash operation as poor as this one his Aunt Polly would have polished his posterior.

The FBI summary raises serious questions of possible fraud against the Government, particularly if the official version of USDA's lack of information is true.

If it is accurate that the grain companies did not advise the Department of Agriculture about the quantity of grain on which they would be claiming export subsidiaries, and then filed false daily and weekly reports with the CEA and concealed how much grain and futures contracts they were acquiring, we would have a very serious picture.

Wheat prices were moving up. If the grain companies acquired large quantities of grain and then held them back secretly as the CEA complaint cites Continental Grain Co., without registering them for export subsidy, they could have made huge gains—tens of millions of dollars—by registering for the export subsidy at a later date when the export subsidy was higher.

As Members will recall, the Department of Agriculture finally called a halt to its policy of raising the subsidies almost daily to protect the exporters of a net target price of around $1.65 per bushel for Gulf on the wheat. The Department said, in effect: "All right, boys, we will give you 1 more week to register for subsidy on all the rest of your sales commitments at 47 cents a bushel, but no more escalation." And the grain companies then came marching in and they did register between 200 and 300 million bushels for the 47-cent subsidy, much of which grain they had obviously been holding, but not registering, because the subsidy level was steadly rising. Question arises, of course, whether the Department would have to put an end to escalating the subsidy much sooner if the companies had accurately reported their cash and futures holdings to the CEA.

If we are to believe the statement that the Department did not know how much wheat was involved in the 440 million bushel Russian wheat deal—had no idea at all of its size—and a grain company filed false reports, the possibility that a fraud was illegally perpetrated on the Government and the taxpayers of the United States exists and it requires more than casual attention.

And what about those excess bookings on registrations for subsidy that the FBI says the Inspector General uncovered?

Why has the Inspector General not released his findings?

Why are we not told what this amounted to? Why is that report not sent up to the House Agriculture Committee, which has had this deal under investigation? There is much that can be said about the FBI's portion of the whitewash. They looked into conflict of interest on the part of two employees who left the Department and went to work for the big grain companies, and then to the case of a subordinate in the Department who, on instruction from his boss, phoned the grain companies to warn them that the Department's subsidy policies were being changed.

The FBI found no fault here.

In its final paragraphs, the FBI tells us of the Commodity Exchange Authority discovery that Continental Grain Co. filed inaccurate weekly position reports with the Commodity Exchange Authority which "resulted from Continental's internal security procedures which were employed to keep the details of Continental's sale secret from the rest of the trade."

The grain experts at the FBI then assured us that, "The inaccurate reports in no way adversely affected the government. . . .," which is a judgment, I think, that Congress ought to put to a very careful test. Those inaccurate findings could have also kept the details secret from the people in charge of our multimillion dollar export subsidy program if the official "know-nothing" version about the USDA's information is accurate.

Finally the FBI tells us that the Inspector General found a few little knotholes in the section of the fence assigned him to whitewash, indicating that some excess subsidy claims were made. The FBI reassures us that this resulted from a dispute over the proper interpretation of a regulation, and that "the audit fails to reveal indications of criminal fraud. . . ."

I cannot controvert that statement, but having been educated by some of the recent developments in the Watergate case in relation to FBI operations in that period, I am convinced that our House Agriculture Committee should get back into this deal in a big way to determine for itself if a fraud occurred.

If the big grain companies filed false reports with the CEA to keep concealed details of their deal from their competitor, and had not told the Department the size of their sales either, then they were also concealing information from the administrator of the exports subsidy program who might well have terminated several weeks and tens of millions of dollars earlier than they finally did.

There are unanswered questions, Mr. Speaker, that this Congress has an obligation to get answered for the benefit of the taxpayers who must foot the bill.

A copy of the FBI summary with Department of Justice letter from Deputy Attorney General Joseph T. Sneed follows:

OFFICE OF THE
DEPUTY ATTORNEY GENERAL,
Washington, D.C., July 5, 1972.

Hon. JOHN MELCHER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This is in further response to your letter of June 8, 1973, about whether Continental Grain Company disclosed to the Federal Bureau of Investigation whether prior to July 5, 1972 Continental told the Department of Agriculture about Continental's wheat sale to Russia. This is also in response to your recent request to the FBI for the results of its investigation relating to Continental Grain Company and the Russian wheat sale.

Insofar as your request might include access to FBI reports, we wish to advise you that Departmental policy does not permit release of such reports.

Furthermore, Continental Grain Company agreed to cooperate with this Department in its investigation provided that certain information given to the Department would be treated confidentially. That agreement must be respected.

However, a summary of this Department's investigation has been prepared and is provided herein for your information. We hope that this response is sufficient for your purposes.

Sincerely,

JOSEPH T. SNEED,
Deputy Attorney General.

INVESTIGATION OF MATTERS RELATED TO THE UNITED STATES-SOVIET UNION GRAIN SALE AGREEMENT

This memorandum contains a review of the events which prompted this investigation, and sets forth the findings of the investigation as related to possible conflict of interest, disclosure of confidential information and fraud against the Government violations.

BACKGROUND

On August 27, 1972, the Washington Post reported that Clarence D. Palmby, former Assistant Secretary for International Affairs and Commodity Programs, United States Department of Agriculture, and Clifford G. Pulvermacher, former General Sales Manager, Export Marketing Service, United States Department of Agriculture, might have violated Federal conflict of interest statutes. By letters dated August 29, 1972 and sent to both the Department of Justice and the Department of Agriculture, Richard A. Frank of the Center for Law and Social Policy charged that based on the facts which were contained in the Washington Post's article, both Palmby and Pulvermacher had apparently violated Department of Agriculture conflict of interest regulations and Federal conflict of interest statutes. By letter dated August 29, 1972, Congressman Benjamin S. Rosenthal, 8th district, New York, requested that the Inspector General, Department of Agriculture, conduct an investigation to determine whether or not Palmby and Pulvermacher had committed conflict of interest violations.

The allegations which are contained in the newspaper article and the two letters are basically: that while employed by the Government Palmby was negotiating for employment with Continental Grain Company, a major grain exporter; that while employed by the Government, Pulvermacher was negotiating for employment with Bunge Corporation, a major grain exporter; that both Palmby and Pulvermacher participated personally and substantially in the U.S.-U.S.S.R. grain sale agreement which was announced on July 8, 1972; that Palmby and Pulvermacher both possessed inside information of great value to the grain exporters; that Palmby and Pulvermacher unlawfully passed such information on to some grain exporters; and that Palmby and Pulvermacher have acted and are acting as agents for their respective employers in regard to their companies' grain sales to the U.S.S.R. The assertion is that these activities violate 18 U.S.C. 207(a), 18 U.S.C. 207(b), and 18 U.S.C. 208.

Because a complaint of possible violations of Title 18, United States Code, by former senior Government officials had been made, on September 1, 1972 the Department of Agriculture transmitted this matter to the Department of Justice for its review in accordance with Section 535 of Title 28, United States Code, and Attorney General Mitchell's February 1971 memorandum to all department and agency heads. Following coordination between the Department of Agriculture and the Department of Justice, the Office of the Inspector General, Department of Agriculture, conducted an internal inquiry to more fully develop the facts material to this matter. On September 19, 1972 the Inspector General submitted a preliminary inquiry report to the Department of Justice which was reviewed immediately in the Department of Justice. On September 20, 1972, representatives from the Department of Justice and the Federal Bureau of Investigation met and the FBI was requested to initiate an investigation into possible criminal violations related to the U.S.-U.S.S.R. grain sale agreement.

Additional coordination meetings were held to more precisely define the scope of the investigation. It was determined that the most probable violations fell into two categories: conflict of interest/disclosure of confidential information and fraud against the Government. It was further determined that the Commodity Exchange Authority, whose function is to maintain fair and honest trading practices and competitive pricing on commodity exchanges designated as contract markets under the Commodity Exchange Act, and auditors from the Office of the Inspector General, Department of Agriculture, could be of substantial assistance in this investigation. Accordingly, it was decided to employ the Commodity Exchange Authority and the auditors from the Office of the Inspector General to assist in the investigation of possible fraud against the Government. The FBI was to have sole responsibility for the conflict of interest/disclosure of confidential information aspects of the investigation.

THE INVESTIGATION

General

In regard to possible conflict of interest/disclosure of confidential information, the FBI was to determine:

1. whether Clarence Donald Palmby violated the provisions of 18 U.S.C. 207 and 18 U.S.C. 208 and whether he unlawfully disclosed confidential information in violation of 18 U.S.C. 1902 and 18 U.S.C. 1905;
2. whether Clifford George Pulvermacher violated the provisions of 18 U.S.C. 207 and 18 U.S.C. 208 and whether he unlawfully disclosed confidential information in violation of 18 U.S.C. 1902 and 18 U.S.C. 1905; and
3. whether Charles W. Pence, Director of the Grain Division, Export Marketing Service, Department of Agriculture, unlawfully disclosed confidential information when on August 24, 1972 he contacted various grain exporters and discussed export payment policy with them.

In regard to possible fraud against the Government, the Office of the Inspector General was to conduct a special investigation of those exporters who submitted offers to the Commodity Credit Corporation (CCC) under the Wheat Export Program (GR-345) EMS Announcement No. 73-39A, System I, during the period August 25 through September 1, 1972, Special Agents of the FBI were to accompany the Inspector General's auditors. This special investigation, as related to the criminal investigation by the Department of Justice, was to determine whether any of the companies being investigated had made false statements and false claims in violation of 18 U.S.C. 1001 and 18 U.S.C. 287 when they submitted their offers for export under System I.

In addition, the Commodity Exchange Authority was to conduct a review of market activity on the various commodity markets and Boards of Trade to determine whether there were any indications of manipulation of the prices of wheat sold in interstate commerce in violation of 7 U.S.C. 13(b).

Conflict of Interest and Disclosure of Confidential Information

1. Clarence Donald Palmby

Clarence Donald Palmby met with Michel Fribourg, President, Continental Grain Company, in late January, mid-February, and again in early March of 1972. In February, Palmby told Secretary Earl Butz about being contacted by Continental. Although no firm job offer was made to Palmby by Fribourg during those meetings, a job for Palmby with Continental was mentioned at each one and a job description was given to Palmby at the meeting in early March. During this same general period, Palmby looked for an apartment in New York City and in mid-March 1972, Palmby submitted an offer to buy an apartment in New York City. Four Continental Grain Company executives were listed by Palmby as references. The purchase was financed by Palmby with his own funds. A firm job offer was made to Palmby in early May and he accepted it within a week.

In early April 1972, Palmby went to the U.S.S.R. as a key member of a U.S. trade delegation and outlined for the Soviets a U.S. offer to extend credit to the Soviets in return for their purchase of U.S. grain. The credit terms outlined by Palmby were fixed by statute and there was no room for negotiation of alternate credit terms. The terms offered the Soviets were terms which had been strongly advocated by Palmby during the February and March planning stage for the April visit to the U.S.S.R. The terms also were identical to those finally arrived at in Washington, D.C. and announced on July 8, 1972. The Soviets rejected the U.S. offer outright and the U.S. delegation returned to the United States empty-handed.

In early May 1972, Palmby was visited at the Department of Agriculture by the Soviet Deputy Minister of Foreign Trade who was interested in the details of the U.S. credit offer. Palmby and others from USDA explained in detail the U.S. credit terms. As was the case during the April meeting in Moscow, the Soviets did not disclose the extent of their need for grain.

At no time during April and May was Continental Grain Company a party to the discussions with the Soviets in regard to the U.S.-U.S.S.R. grain sale agreement, nor was Continental Grain Company a party to the final agreement which was announced on July 8, 1972. On June 8, 1972, the day after his leaving the Government, Palmby began work with Continental Grain Company. On that day a meeting was held between Palmby and senior Continental executives during which Palmby was assured by the company's president, Fribourg, that he would not be asked to do anything which might violate conflict of interest statutes.

During Continental Grain Company's Soviet grain sale, Palmby was invited to attend several meetings so that he could gain some knowledge of how Continental operated. He took no part in Continental's negotiations with the Soviet buying team.

Palmby did accompany two members of the Soviet buying team and one of Continental's sales specialists to luncheon and a brief tour of Washington, D. C. and vicinity on July 2, 1972. This was prior to Continental's sale negotiations with the Soviets and business was not discussed.

Since his employment by Continental Grain Company, Palmby has had no known significant contacts with Government employees regarding matters which were under his official responsibility while he was with the Department of Agriculture.

18 U.S.C. 208

Section 208 of Title 18, U.S.C., prohibits an officer or employee of the Government from participating personally and substantially as a Government officer or employee in a particular matter in which to his knowledge a person or organization with whom he is negotiating or has an arrangement concerning prospective employment has a financial interest.

Palmby's participation in the U.S.-U.S.S.R. grain sale agreement discussions in Moscow in April and his May 9, 1972 meeting with the Soviet Deputy Minister of Foreign Trade did not violate 18 U.S.C. 208. The particular matter which Palmby was personally involved in during both meetings was the United States' credit offer, the terms of which were fixed by law and not subject to negotiation. Continental Grain Company had no financial interest in those credit terms.

No other known actions taken by Palmby subsequent to his employment discussions with Fribourg even remotely appear to violate 18 U.S.C. 208.

18 U.S.C. 207(a) and 18 U.S.C. 207(b)

Section 207(a) of Title 18, U.S.C., is a lifetime bar which prohibits a former employee or officer of the Executive Branch from knowingly acting as agent or attorney for anyone other than the United States in connection with a particular matter involving specific parties in which the United States is a party or has a direct and substantial interest, in which he participated personally and substantially as an officer or employee.

Section 207(b) of Title 18, U.S.C., prohibits a former Government employee from within one year of the ceasing of his employment from appearing personally before any department or agency of Government as agent or attorney for anyone other than the United States in connection with a particular matter involving a specific party in which the United States is a party or directly and substantially interested which was under his official responsibility as a Government employee at any time within a period of one year prior to termination of such responsibility.

In regard to Section 207(a), there are no facts which indicate that Palmby has acted as agent or attorney for Continental Grain Company in regard to the U.S.-U.S.S.R. grain sale agreement or any other particular matter which he was personally and substantially involved in while with the Government.

In regard to Section 207(b), there are no known facts which show that Palmby has appeared personally before the Department of Agriculture or any other department or agency of the Government as Continental Grain Company's agent or attorney in connection with matters which were under his official responsibility.

Disclosure of confidential information—18 U.S.C. §§ 1902 and 1905

No facts were obtained during the investigation which indicate that Palmby ever revealed confidential information while employed with the Department of Agriculture or solicited or received such information while employed with Continental Grain Company.

2. Clifford George Pulvermacher

Walter Klein, President, Bunge Corporation, contacted Pulvermacher in January and mid-May of 1972 and on both occasions offered Pulvermacher a job. On both occasions, Pulvermacher informed Klein that he would not discuss employment with anyone prior to his retirement from the Government. Pulvermacher retired on June 30, 1972. On July 18, 1972, he met with Klein, a job offer was made and Pulvermacher accepted the offer on July 24, 1972.

Pulvermacher participated with Palmby in the events which led up to the April trip to Moscow. During that trip, Pulvermacher provided technical advice for Palmby's use as required.

Pulvermacher played no role in Bunge Corporation's sale of grain to the Soviets.

Since going to work for Bunge as manager of its Washington, D.C. office, Pulvermacher has maintained frequent contact with various Government employees. Those contacts have been for both social and business reasons. Pulvermacher has discussed with USDA officials the procedures for documentation of exports, general views on subsidy policy, the administration of various elements of USDA and other subjects of a general nature. It is his responsibility to stay abreast of Government policies which might affect Bunge's business.

On June 28, 1972, Pulvermacher read a cable from the American Embassy, Moscow, which indicated that a Soviet delegation was en route to the United States and that some of the members were on the Soviets' buying team. There is no evidence that Pulvermacher disclosed the contents of the cable to anyone.

18 U.S.C. 208

In that there is insufficient evidence to establish that Pulvermacher was negotiating with or had an arrangement concerning prospective employment with Bunge Corporation prior to his retirement from the Department of Agriculture, no violation of 18 U.S.C. 208 exists.

18 U.S.C. 207(a) and 18 U.S.C. 207(b)

The investigation failed to disclose particular matters involving specific parties in which Pulvermacher acted in violation of either 18 U.S.C. 207(a) or 18 U.S.C. 207(b). His known contacts with various Government employees subsequent to his employment with Bunge were investigated with negative results. And his actions on behalf of Bunge fail to reveal a violation.

Disclosure of confidential information—18 U.S.C. §§ 1902 and 1905

No facts were obtained during the investigation which indicate that Pulvermacher ever revealed confidential information while employed with the Department of Agriculture or solicited or received such information while employed with Bunge Corporation.

3. Charles W. Pence

For approximately ten months prior to August of 1972, wheat export payments (subsidies) where based on a fixed target price. Following the wheat sales to the U.S.S.R. in July and August, the price of U.S. wheat began to rise. As a result, subsidy costs began to increase sharply. Concerned over these costs, the Assistant Secretary for International Affairs and Commodity Programs, Dr. Carroll G. Brunthaver, initiated action on August 24, 1972 to inform the exporters who had sold wheat to the Soviets that the Department of Agriculture, as of close of business on August 23, 1972, was no longer maintaining the fixed target price. Also, key exporters were to be invited to a meeting with Brunthaver to be held on August 25, 1972. Brunthaver desired to use the meeting to elicit information from the exports regarding their Soviet sales.

When instructed by Frank G. McKnight, Associate General Sales Manager, Export Marketing Service, to make the necessary telephone calls, Charles W. Pence advised McKnight that in his opinion the decision to no longer maintain the target price should be disclosed to the entire trade so that the Department of Agriculture would not be accused of showing favoritism to just a few selected exporters. As a result, the change in policy became known throughout the trade. The effective date of the policy change which was released on August 24, 1972, was the previous day, August 23, 1972.

On August 25, 1972, the Department of Agriculture, by Announcement 73–39A, set forth a policy change which for all practical purposes was the same as that which became known throughout the grain trade on August 24, 1972. The principal difference was that the effective cut off date was changed from August 23, 1972 to August 24, 1972.

Disclosure of confidential information—18 U.S.C. §§ 1902 and 1905

The information which was released by Pence on August 24, 1972 concerned policy which had gone into effect on August 23, 1972. The information was widely disseminated throughout the grain trade and grain traders took no significant market action because of the information. Therefore, the information was not market sensitive when it was released. The release of information on August 24, 1972 did not violate 18 U.S.C. §§ 1902 and 1905.

Fraud Against the Government

1. Submission of inaccurate weekly CEA Form 204's to the Commodity Exchange Authority by Continental Grain Company:

The Continental Grain Company submitted several inaccurate weekly position reports to the Commodity Exchange Authority. The reports failed to show Continental's sale of grain to the Soviets. The inaccurate reports resulted from Continental's internal security procedures which were employed to keep the details of Continental's sale secret from the rest of the trade. The inaccurate reports in no way adversely affected the Government and in fact could have operated to Continental's disadvantage.

The FBI investigation of this matter did not disclose a basis for criminal prosecution. The Commodity Exchange Authority has taken action to obtain corrected reports and to insure that errors are not made in future reports. In addition, the Commodity Exchange Authority is continuing with administrative inquiries into inaccurate reports which have been received from other grain traders in addition to Continental Grain Company. The administrative inquiries are now outside of the scope of this criminal investigation and are being handled as a separate matter.

2. Overbooking of wheat under System I of USDA Announcement No. 73–39A, dated August 25, 1972:

Auditors from the Office of the Inspector General, Department of Agriculture, accompanied by Special Agents from the Federal Bureau of Investigation, conducted a special audit of the subsidy claims which were made under System I of USDA Announcement No. 73–39A dated August 25, 1972. Excess claims which were disclosed during the audit were attributable to sharp disagreement between the Department of Agriculture and some exporters over the proper interpretation of the terms of the announcement. The audit fails to reveal indications of criminal fraud against the Government. Further administrative action between the Department of Agriculture and the grain companies concerned to resolve their differences is expected.

THE BLACK ECONOMY

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, the administration is engaged in the attempted destruction of many programs and projects necessary and vital to black Americans as well as other Americans. The administration's actions are predicated on a false picture of the status of blacks in America.

Dr. Karl D. Gregory, chairman of the Caucus of Black Economists, and associate professor of economics and management at Oakland University, Rochester, Mich., has given a trenchant analysis of the black economy.

I submit his speech, given at the third national symposium on the state of the black economy, sponsored by the Chicago Economic Development Corp. on May 10, 1973, for the RECORD. I am certain my colleagues will view the attempted destruction of human-welfare programs from a better perspective after having read Dr. Gregory's presentation:

BRIEF REPORT ON THE STATE OF THE BLACK ECONOMY*

(By Karl D. Gregory)

First of all, let me express my pleasure to the Chicago Economic Development Corporation for its kind invitation to me to address it on the State of the Black Economy. This is the third year in which an officer of the Caucus of Black Economists has been requested either to speak on this topic or to open the Symposium. As many of you know, the Caucus of Black Economists is an organization which seeks to increase the supply of black economists and to promote their professional development. The Caucus encourages its members to do research and to apply their professional skills to the analysis of economic matters. Individually and as members of the organization, they have placed much emphasis on reviewing the current state of the black economy and on evaluating programs that would significantly improve the social and economic welfare of citizens of the United States, with special emphasis on black Americans and members of other minority groups. It is, therefore, altogether fitting and proper that an officer of the Caucus of Black Economists has again been selected to review briefly the state of the black economy.

HAS THE STATE OF THE BLACK ECONOMY CHANGED?

The term "black economy" refers to the system of relationships through which black, brown, and red Americans gain resources; produce, distribute, and consume goods and services; and otherwise promote their economic well-being. What is the state of the black economy? At the first symposium sponsored by CEDCO, Professor Thaddeus H. Spratlen responded to this question in an excellent paper presented on June 4, 1971, from which I quote:

"Many adjectives, most of them negative, aptly describe the present black economy. It is a depressed economy in view of the gross under-utilization of human and physical resources. It is a ghetto economy with respect to the immobility that prevails in the marketplace characterized by widespread involuntary segregation, persistent racial discrimination and the existence of severely restricted choices for blacks. . . . the black economy is underdeveloped in its extremely limited supply of capital, technology, entrepreneurship, and other resources generally considered to be prerequisites for improving the economic conditions in and increasing the effectiveness of institutions which serve the black community. These characteristics are significant because they identify many of the basic causes of the marked disparity which exists between the black economy and the larger urban (regional or national) economy of which it is a segregated and neglected part." [1]

Professor Spratlen, who, incidentally, is the Secretary-Treasurer of the Caucus of Black Economists, went on to expand on these assertions in his lengthy paper.

Last year, at the Second Annual Symposium on the State of the Black Economy, the Vice President for Academic Affairs at UCLA and the then Chairman of the Caucus of Black Economists, Charles Z. Wilson, began to answer the question, "What is the state of the black economy?" by stating:

"The black economy is not merely an aberration of the larger American economy. It has soul and cultural dimensions that pose some legitimate concerns for those of us seeking change and growth. . . . Through prosperity and peace, to say nothing of recessions and Vietnam, blacks have been plagued by persistent high rates of unemployment, low money and real wages, and low overhead social investments. Blacks have also been plagued by a scarcity of developed social and economic organizations and by a collective feeling of inadequacy because of low economic status." [2]

It is my considered judgment that there has been little significant change since Professor Spratlen and Vice President Wilson spoke to this symposium on the state of the black economy. Indeed, Reverend Jesse Jackson of PUSH (People United to Save Humanity) called together a group of black economists in 1972 to again look at the state of affairs in which blacks found themselves and to recommend programmatic changes for promoting major advances in black social and economic welfare. The result was a publication entitled *Economic Bill of Rights* which recently was reprinted in an issue of *The Review of Black Political Economy*, Volume 3, 1972.[3] This document, along with "The True State of the Union Overview," is required reading for persons who would wish more information on the status of black America. "The True State of the Union Overview" [4] is an extensive statement by members of the Congressional Black Caucus which discusses public policy as it relates to Afro-Americans. This statement appears in the January 31, 1973, issue of the *Congressional Record of the House of Representatives*. Were I to have more than twenty minutes, I would summarize the many elements of these two documents which deserve your attention.

ANOTHER VIEW—WATTENBERG-SCAMMON RHETORIC ON BLACK PROGRESS

Rather than expound again upon the state of an economy that remains severely wanting, let me turn to a highly significant and optimistic viewpoint. A much publicized article by Ben J. Wattenberg and Richard M. Scammon argues that there has been significant progress for black Americans in recent years—so much so, in fact, that a majority of blacks—albeit a slender majority—has attained middle-class status.[5] The article, entitled "Black Progress and Liberal Rhetoric," which appeared in a recent issue of *Commentary*, should not be ignored by blacks. It is now attracting and will continue to receive wide recognition like Moynihan's *The Black Family in the United States*. It is likely to be used as a rationalization for current public policy and the acceleration of benign neglect. The Wattenberg-Scammon thesis is based upon an extremely broad definition of the middle class. It includes in the middle class persons with incomes above $8,000, if they reside out of the South, and above $6,000 for persons residing in the South, regardless of size of family. The authors show that black-family income as a ratio of white-family income has climbed from 53 per cent in 1961 to 63 per cent in 1971. They point to the fact that the percentage of black families earning above $10,000 increased from 13 per cent in 1961 to 30 per cent in 1971, using figures in constant 1971 dollars. They neglect to point out that, although the ratio has risen, the absolute gap in purchasing power between whites and blacks has expanded. For example, the dollar gap between black and white families has widened, growing from $2,700 in 1947 to $3,700 in 1970.[6] Large gains in education are said to be demonstrated by the fact that the median years of school completed for young blacks in 1950 were 3.5 years below that for whites, whereas 20 years later it was only four-tenths of one year of school below that for whites. The authors feel that a difference in the quality of education received, which is not reflected in the data, does not discount the significance of the data.[7]

Wattenberg and Scammon recognize that there has been a large growth in the per cent of black families that are female-headed—from 17.6 per cent of all black families in 1950 to almost one-third, or, more accurately, 30.1 per cent of black families in 1972. However, they are consoled by the observations that the per cent of blacks in poverty has decreased from 49 in 1959 to 29 in 1971 and also because a larger proportion of the poor is now receiving public aid.

Summing up the thesis of the Wattenberg-Scammon argument, and I quote, "By most of the standards by which Americans measure middle-class status, then, blacks in the last decade have made mighty strides—both absolutely and relative to whites—and the time has come for this fact to be recognized." [8] The authors also ask, "Why have the data of black advancement been kept secret by those who presumably have an interest in making them known? . . . the answer is, of course, that civil-rights leaders do know what has happened, and even acknowledge it in private; but they have elected as a matter of policy to mute any public acknowledgement or celebration of black accomplishments in order to maintain moral and political pressure on the Administration and public opinion." [9]

THE DISTORTION OF BLACK PROGRESS ANALYZED

This is a very unfair criticism of civil rights leaders. In each of the earlier symposiums and at many public meetings I have attended, due recognition was given to the areas in which blacks have made gains. However, the state of the black economy was and is viewed among black spokesmen in much broader terms than those relied upon by Wattenberg and Scammon. The basic underlying difference between Wattenberg-Scammon and black spokesmen revolves around the criteria used to determine the economic well-being of an individual or of a group. From a technical point of view, this question is quite similar to one that economists have posed through recent decades with regard to how income should ideally be measured for tax purposes.[10] Much of the literature that answers this question eschews the narrow definition of income used by Wattenberg and Scammon to conclude that the majority of blacks are now of middle-class status and looks instead to a measure such as the net accretion concept of income, according to which income or well-being should be gauged by increases in one's wealth and one's real consumption. The income in any period, according to the net accretion measure, would be the sum of one's real consumption and the change in one's wealth. Such a definition would have avoided many of the Wattenberg-Scammon crudities. According to the net accretion concept, if one earns more than one consumes, the difference is added to net worth, and is so included. Further, if one's wealth appreciates during the period, that appreciation is also included in the net accretion concept of income, but not in the concept used by Wattenberg and Scammon, whether or not that income is realized, for capital gains are excluded from the Census

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data. Since wealth is distributed much more unequally than income, analyses of economic welfare that exclude wealth are bound to be spurious. Black families own about two per cent of the nation's wealth, and almost 70 per cent of the little that they own is in a form least associated with power and privilege, namely, equity in a home.[11]

Even from a non-technical perspective, it is a matter of common knowledge that the Census figures on income exclude vast amounts of earnings properly regarded as income, as is recognized, say, in the national income and product accounts.[12] Herriot and Miller estimated that, in addition to the $543 billion of income in 1968 that was reported by the Census Bureau, there were other amounts that were excluded, such as $76 billion of under-reported money income, $67 billion of imputed income (i.e., in-kind income where, in simple terms, goods rather than money is paid as compensation), $27 billion is retained corporate earnings, and $18 billion in capital gains.[13] These exclusions amounted in 1968 to 35 per cent of the income reported by the Census and accrued primarily to the upper income groups.

Moreover, comparing the status of blacks to whites on the basis of income figures to derive relative states of well-being ignores a very important consideration. As Caplovitz and others have shown, the poor pay more; hence, it takes more income on the part of the urban poor to obtain the same level of well-being as is enjoyed by many whites who do not have to pay elevated ghetto prices, and particularly on "Mother's Day," that is, the day each month the welfare checks are distributed to ADC recipients.

Wattenberg-Scammon also do not consider the sources of income. They, therefore, fail to include in their analysis such considerations as the impact of some technological and productivity advances which eliminate blue-collar jobs and generate a shift from manufacturing to services at the disadvantage of the elements of the population having the least skills, seniority, and ability to benefit from nepotism or other advantaged status.

Further, real income as a measure of well-being should include a consideration to differentiate between persons who earn income without rendering labor—and, therefore, also have the leisure—as contrasted to others who have to surrender leisure in order to work and obtain income. The former have leisure as well as income, while the latter have only income and perhaps sweat. Stated in other words, leisure also is an economic good and should be included as consumption in the measure of one's real income, particularly if comparisons are to be made between groups which portend to indicate differences in degrees of well-being. The exclusion of leisure from income understates how relatively well-off the affluent are.

Relative differences in the distribution of money income exclude externalities which lower the real income of persons affected. Economists use the word externalities to encompass such things as noise, air and water pollution, communicable diseases and mental health problems, crimes, all of which affect minority groups more than majority groups. According to one writer, "Columnist Jack Anderson reported (*Detroit Free Press*, December 19, 1971) that the Environmental Protection Agency has (and is withholding from publication) a study showing that the incidence of negative urban externalities falls *primarily* on the poor."[14] The exclusion of these quality-of-life factors also understates the well-being of the affluent population.

Still another weakness in the Scammon-Wattenberg argument is it assumes that the relative income gains made by young blacks entering the labor force will be maintained in subsequent years. The progress that has been made toward getting better pay for minority groups at entry-level jobs, sometimes at a premium, is well-known. Comparable gains have not been made in obtaining promotions and pay increases in accordance with seniority and ability, particularly at the higher echelons of government and business. The income gap narrowing that has taken place chiefly because of a disproportionately young black population being confronted with reduced discrimination at entry-level jobs may not continue. Indeed, although starting out equally, blacks may well tend to fall behind as the years pass beyond the entry level. The income gap of blacks as a group would then rise as the average age of this relatively young population group increases.

The maintenance of that income which the black community now derives from black-owned-and-operated firms, not to mention the expansion of income from this origin, will require that blacks shift from being represented primarily in declining industries to establishing new firms and expanding existing firms in growth industries. As Andrew Brimmer has shown, if this shift does not take place, even if the gross receipts of black-operated business were to expand at a rate equivalent to the gross receipts of white firms, the proportion that black receipts are of total receipts would decline.[15]

A critical shortcoming of the Wattenberg-Scammon thesis is its failure to shift from static comparisons to a dynamic inquiry which places the spotlight on changes in the power, relative importance, and direction of causative forces. If a lagged impact reflected in the Census data were to have as its basic cause a set of forces which reached their major strength years ago, measures of the impact could continue to rise temporarily long after the underlying forces either became weaker or turned in a negative direction. For example, the expanded college enrollments of blacks in recent years may have resulted in part from several formerly strong but now deteriorating forces. Some young blacks viewed as models the college students who swarmed to the South in the 1960's during the heyday of the civil rights movement. Universities responding to pressures in the late 1960's adjusted admissions standards and allocated funds for supporting low-income students. The federal government responded to the same pressures by expanding programs providing aid to needy students. One after another college official has stated in recent months that financial aid and programs for needy students have been placed in jeopardy, in part because of the President's budget for fiscal 1974. Barring a return to these and other previously strong forces which encouraged higher education for blacks, it is to be doubted that the rate of educational gap closing discussed by Wattenberg-Scammon can be continued in the future. There are many other examples of current data reflecting earlier positive forces which have become less strong or have turned in a negative direction.

A few technical matters plague the Wattenberg-Scammon analysis. Among them is the greater reliability of the Census data for whites than for blacks, since blacks are undercounted relative to whites. Their thesis is further weakened to the extent that the uncounted blacks preponderantly fail to have middle-class attributes.

To illustrate another similar fault in the analysis, the authors make dramatic statements without adequately qualifying them, leading the reader to draw conclusions that are unwarranted:

"When one combines all these factors—youth, non-southern residence, and an unbroken family—a truly striking statistic emerges. The median income of black husband-wife families, in the North and West, with the head of family under 35 years of age, rose from 78 per cent of white income in 1959 to 96 per cent in 1970. There is a word to describe that figure: parity. And if we were to add a fourth variable to the equation, and examine families in which both the husband and wife work, the figures come out to 85 per cent in 1959, and in 1970, 104 per cent! For such families, parity has not only been achieved, it has even been surpassed: young, married blacks, outside of the South, with husband and wife both working, earn as much as or a trifle more than comparable whites . . . ."[16]

Do these data really indicate that parity has been reached? First, whatever reliability the data have is reduced with each additional variable added, for, among other things, the sample becomes much smaller and more subject to bias. Second, it is not clear whether the authors are referring to "Negroes" or to "Negroes and other races." If the latter, one can no longer assume that the data are also descriptive of blacks when the geographic area is so limited. The Census data do show, as the authors indicate, that, nationally, blacks are over 90 percent of "Negroes and other races." In the West, however, they are a much lower proportion. Since the median income of "other races" is higher than the median for blacks, such a comparison overstates the proportion of blacks in the middle-income group. Third, even if blacks received the same income as whites, real parity would not hold if blacks (1) with, say, a high school education earn as much as whites with an eighth grade certificate, as is the case, and (2) have to work longer hours, more weeks a year, or have more members of the family working in order to have the same income as whites.

SOCIAL POLICY AND ACHIEVING REAL PARITY

It is particularly important for Wattenberg-Scammon to consider all of the factors that could invalidate their analysis, since the margin by which the majority of blacks were found to be in the middle class amounted to only 2 per cent of the counted black population. *The fact remains that, even in the Wattenberg-Scammon analysis, the median income of the blacks is about 40 per cent below that of whites.* Removal of this gap in a reasonable period of time, and we are talking about two decades *at best,* were there a commitment to do so, would involve major changes in public and private policies. There would have to be a mobilization of political power to influence decisions toward redistributing income and wealth, while maintaining a progressive tax-rate structure for the combined state-local-federal tax system, fiscal and monetary policy to reach full employment while repressing inflation, a reordering of national priorities to provide quality public services on a much expanded scale, particularly in education, health, urban and rural community development, and reform of the public decision-making system so that it reflects a one-man, one-vote basis rather than one in which campaign contributions and contrived episodes can alter decisions.

A major requirement for accelerating social change involves the building of black institutions for analyzing, planning, and offering intellectual direction for change and for monitoring, evaluating, and reporting on the progress being made. There also needs to be more informed dialogue within the black community involving careful analysis, goal setting, prioritizing of objectives and evaluating performance in achieving them. It is interesting to observe that there is no black-operated institution of higher education that offers a graduate degree in all of the major disciplines relevant to urban and rural development in a domestic context, much less in a third-world context. The establishment of such an institution is of the highest priority for not only training students with the skills and sensitivity for analyzing change and staffing change agencies, but also for increasing our supply of researchers, scientists, intellectuals, community developers, managers, and other professionals.

Current national public policy as recommended in the budget of the President of the United States for 1974 is a major deterrent to significant positive social change. Although the fiscal posture of the budget, in overall terms, is just about right, I would prefer a somewhat higher level budget with strengthened wage and price controls to repress inflation, while permitting a higher level of public services and giving more attention to achieving full employment by the end of 1973.

The expansion of defense by about $8 billion net and the cutting of social programs reflect a set of priorities that is in conflict with the requirements for lending national government support to positively addressing the state of the black economy. An exception to the perverse public priorities implied in the budget this year is the rather limited expansion of OMBE and certain aspects of the striving for greater efficiency in government, both of which should be applauded. The response of the administration to criticism of the priority given to civilian programs usually points to the rapid increase in human resources programs. Upon examination, this budget increase is explained primarily by the Social Security program. Income security for senior citizens is an absolute necessity for any civilized society with the ability to bear the cost. Doing so, however, by a regressive tax system which unduly burdens the poor is heinous by itself. But to use the receipts to pay for benefits which blacks and others with a life span shorter than the average person will not on the average enjoy as much institutionalizes the very oppression that a short average life span symbolizes. I might note in this context that an article in *The New York Times* on February 11, 1973, reported that a study by the Michigan Department of Health found the average life expectancy of black males in Michigan had declined by 2.6 years in the last decade. This was attributed to a "soaring" increase in the use of alcohol, drugs, and the hard jobs that are the only ones some black males can get.

THE NEW FEDERAL THRUST—REVENUE SHARING

The new emphasis in both general and special revenue sharing is also unfortunate. State and local governments have in the past been much less imaginative and innovative than the federal government. At the local level, there is much more exposure to corruption, inefficiency, and, perhaps, undue attentiveness to the wishes of local power structures rather than the masses. If citizens were to have waited for local action to secure a voting rights bill, legislation regarding equal employment opportunities, the local counterpart to a federal executive order barring discrimination in federally assisted housing and other similar gains in the 1960's that have been made at the national level, it would still be waiting, perhaps 'till Hell freezes over, in many local jurisdictions. Further, it is very possible that local block grants in some areas will be used to subsidize racism and to finance tax reductions benefiting the more well-to-do population. In the short run, there will be a deleterious impact, since special revenue sharing funds, if passed by the Congress, will become available toward the end of fiscal 1974, while the programs to be replaced will be terminated before the new funds become available. In the interim, many persons working for the agencies providing these terminated and impounded programs will become unemployed permanently or, perhaps, for a short period of time until the new special revenue sharing funds become available, provided that local power structures decide to use the funds to operate social programs that will hire persons fired in the terminated programs.

Should the President's recommendation for special revenue sharing be approved by Congress, it will be necessary for black community groups to reorganize their resources for gaining more influence at state and local levels where the large sums will be controlled. For example, there is the need to insure that state and local governments adopt a set-aside program similar to Section 8–A at the federal level. Given the adversity of the budgetary impact on minorities, and particularly its relegating of the level of unemployment to secondary importance behind inflation, combined with the disproportionate burden unemployment places on minority groups, it is all the more important that community groups now begin to organize for affecting state and local decisions on the use of revenue sharing funds. These governments, by themselves, can do little to reach and maintain full employment, but they can ameliorate to some extent its uneven impact, should they choose to attempt to do so.

CONCLUSION

In the first message on the State of the Black Economy, Professor Thaddeus Spratlen concluded his paper with, and I quote:

"The all-too-familiar signs of disparity and depression which characterize the black economy have been documented. . . . The general position expressed foresees these continued gains, but relatively little gap-closing in the remaining decade. The pattern rather than the relative magnitude to the gains of the 1960's will prevail. That is, the young who are college-educated or have technical skills which are in general demand in the larger economy will register disproportionate gains. Likewise those blacks who are in the West and major urban centers of a rapidly industrializing South will experience a considerable rise in economic position in the 1970's. But the lagging and more severe problem areas will remain. Resources from the government and corporate sectors seem likely to continue to flow in the customary niggardly fashion. Highly skilled and well-paid jobs in the trade, craft and service fields will probably not open up significantly in terms of overall numbers. The really difficult problems seem destined to remain unsolved for both black and white segments of the U.S. economy." [17]

Clearly, this conclusion is just as valid today as it was during the first Symposium sponsored by the Chicago Economic Development Corporation.

It is my fervent hope that next year's message on the State of the Black Economy will present much more progress than this one has. Without a drastic reordering of national priorities and the maintaining of full employment while repressing inflation and curbing the market power of large firms and unions, I am not optimistic. Moreover, the Watergate incident adds uncertainty in the short run. The immediate period ahead, it seems to me, is a period for consolidating past gains, building institutions, unifying persons both within and between minority groups, preparing the foundation for further advances, as well as being extremely vigilant in searching out opportunities for change and effectiveness in seizing and taking advantage of those opportunities.

FOOTNOTES

[1] Thaddeus H. Spratlen, "The Black Economy in the 1970's: Prospects for Growth and Development," Symposium on the State of the Black Economy, Chicago Economic Development Corporation, Chicago, Illinois, June 4, 1971.

[2] Charles Z. Wilson, "The State of the Black Economy: From Fantasy to Fact," *Symposium, 1972, State of the Black Economy*, ed. Gerald F. Whittaker. Bureau of Business Research, Graduate School of Business Administration, University of Michigan, 1973.

[3] Black Economic Research Center, "The Economic Bill of Rights," *The Review of Black Political Economy*, Vol. 3, 1972, 112 West 120 Street, New York, New York.

[4] Congress of the United States, "The True State of the Union Overview," *Congressional Record of the House of Representatives*, Proceedings and Debates of the 93rd Congress, First Session, Vol. 119, No. 17, pp. H617 to H642.

[5] Ben J. Wattenberg and Richard M. Scammon, "Black Progress and Liberal Rhetoric," *Commentary*, April 1973, pp. 35–44.

[6] U.S. Department of Commerce, "The Social and Economic Status of the Black Population in the United States, 1971," *Current Population Reports*, Series P–23, No. 42, p. 30.

[7] The authors are aware of the lower reading levels that are achieved by black children and the presence of factors other than education which affect economic success. Wattenberg, *op. cit.*, p. 38.

[8] *Ibid.*, p. 38.

[9] *Ibid.*, p. 43.

[10] See virtually any introductory text in public finance or the economics of the public sector.

[11] Henry S. Terrell, "Wealth Accumulation in Black and White Families, The Empirical Evidence," *Journal of Finance*, Vol. 26, No. 2, p. 367.

[12] See Roger A. Herriot and Herman P. Miller, U.S. Bureau of the Census, "Who Paid Taxes in 1968," paper (mineographed) prepared for the National Industrial Conference Board Meeting in New York on March 18, 1971.

[13] *Ibid.*, p. 2.

[14] Lon Polk, "The Radical Paradigm and Urban Economics," a paper presented to the Conference on Urban Economics, Wayne State University, May 11–12, 1972, pp. 19, 20, 27.

[15] Andrew F. Brimmer, "The Road Ahead: Outlook for Blacks in Business," Presidential address before the 57th Annual Meeting of the Association for the Study of Negro Life and History, October 19, 1972, Washington, D.C.

[16] Wattenberg, *op. cit.*, p. 36.

[17] Spratlen, *op. cit.*, pp. 29, 30.

THE LATE HONORABLE JAMES V. SMITH

The SPEAKER pro tempore (Mr. BURTON). Under a previous order of the House, the gentleman from Oklahoma (Mr. CAMP) is recognized for 60 minutes.

Mr. CAMP. Mr. Speaker, the untimely death of Jim Smith has come as a terrific blow to all who knew him. Not often does one find in a man that special blend of courage, integrity, character, and dedication. Jim served this body only one term, but in that short time he left his mark as a man who looked after his constituency and his country. When he left the Congress, he became the Administrator of the Farmers Home Administration and showed the same dedication to the rural needs of the whole United States as he had in the Congress representing Oklahoma. Jim had returned home only a few short months ago, back to his beloved farms from which he had come to Washington.

His tragic death has left a void with all of us who knew him so well.

My heartfelt condolences go out to his wife, Mary Belle, and his children, Jay, Sarah, and Lee Ann. I hope they may bear this great loss with the determination and the strength which we knew in Jim.

Mr. Speaker, the Oklahoma delegation received a letter from the Honorable Page Belcher, former Representative of the First District of Oklahoma, which I think well expresses the deep sense of loss we all feel. I insert his remarks in the RECORD at this point:

To my former colleagues and good friends of the Oklahoma Delegation.

From Page Belcher:

Knowing of the tremendous heartfelt loss incurred by all of us over the recent parting of our dear friend and former colleague, James V. Smith, I wanted to communicate some fond thoughts of a man who loved God, his country, and the people of Oklahoma as few have or ever will.

Jim's dedication needs no praise from me since it is known by any and all who came into contact with him over the years. In Jim Smith, we had a rare person indeed. Here was a man who knew but one philosophy—hard work, love of fellow man, and love of God.

This basic attitude guided him in his pursuit of life from his early days as a farmer to a Member of the greatest legislative body on this planet, and later as Administrator of the Farmers Home Administration.

When Jim lost his re-election bid at the end of the 90th Congress, he once again fully demonstrated the type of man he was. He took on the job as Administrator of the FHA; and during his four years as a public servant, did more for the people of Oklahoma, the farmers and the rural residents of our nation than any predecessor.

The love Jim had for his native state really defies description; but it can perhaps be in some way demonstrated by his feelings regarding a front-page story published in the Wall Street Journal of February 22, 1973. I suppose the reason behind the article was to be critical of Jim's efforts on behalf of Oklahoma, but Jim saw it in a different light, in fact, more like a backhanded compliment. In short, Jim was proud to be criticized for helping the people of his home state; and I am sure when the people of Oklahoma read the story, they felt great satisfaction that someone in Washington wasn't just a typical bureaucrat, but rather a hardworking public servant who wanted to see people of his home state and rural residents throughout the country truly benefit from a Federal program.

It is common knowledge that there were a very few who were jealous of the accomplishments of this humble but great man, and also that he had countless friends in Congress. Those very few sought to destroy or discredit him at every turn. In the short run, I am sure they felt they succeeded; but they lost sight of the fact that it is impossible to ever destroy a man who lives by hard work and the fear of God. Those of us who really knew him were well aware that he would never abdicate his principles and would continue to work hard to benefit the people. In this light, Jim was recognized by his former colleagues in the House of Representatives on January 18th for what he really stood for; and I know this meant more than just a great deal to him.

On June 22nd, God took him from us for His own reasons which we must regard as being in the best interest of all mankind. But I must confess it is hard not to be selfish and ponder over God's way. However, knowing Jim as I did while he was working on this great earth, I am certain that he now continues to help watch over all of us in a different capacity.

My deepest sympathy goes out to Mary Belle, his loving and devoted wife, and his loving children—the only people on this earth who miss him more than I do.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I was unbelievably shocked when I first heard of Jim Smith's passing. It was a tragic way to go, and it was a tragedy for so many of us in the Congress that Jim has passed away.

Jim Smith served just 2 years in the House of Representatives, but he made a tremendously impressive record in that short span of time. He was the most diligent, the most constructive, the most desirous of doing a good job of almost anybody I have ever come in contact with as a freshman Member of the House of Representatives. He unfortunately lost in his first bid for reelection. But that defeat did not daunt him. He volunteered to come to Washington and serve in the new administration. He served 4 years in the job as head of the Farmers Home Administration. I have never known anybody in that position or a comparable position who worked harder, who worked with Members of Congress better than did Jim Smith. He always had his open mind, and if he could in good conscience, bearing in mind the law and regulations, be helpful, Jim Smith took that step.

I had personally hoped at some future date Jim Smith might return to the House of Representatives. I think it is tragic that he will never have that opportunity in the future.

I just want to say to my friend, the gentleman from Oklahoma, that we have lost a good friend, and I think the country has lost a first-class public servant.

I extend to his lovely family my deepest condolences at this time.

Mr. WINN. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Kansas.

Mr. WINN. Mr. Speaker, I appreciate the gentleman from Oklahoma's yielding to me. I wish to associate myself with the remarks he has made about our very good mutual friend, Jim Smith.

Jim Smith came to Washington as a Member of the 90th Congress after the 1966 elections. Immediately he made many, many friends among the new Members of Congress. I had the privilege of being in the same class with our good friend, Jim Smith. He was a gentleman; he was concerned about other people; he was extremely friendly and most cooperative. In our class of the 90th Congress we could call upon Jim Smith for any assignment, and Jim was always more than willing to shoulder his share of the load.

When I received the news of the tragedy that happened in Oklahoma, it not only ruined my day, it ruined that entire week.

I should like to point out to the Members of this body that Jim Smith was not only a good man, as the gentleman from Oklahoma has pointed out, but he was always a strong participant in the Congressional Prayer Breakfast. He not only made many friends in Washington and in his home State of Oklahoma, but he made many friends and was of great service to many people in the work that he did, seeing that many rural residents of this nation had water available to them and to many schools in my congressional district.

The rural residents of three of my four congressional districts will never forget the services and the cooperation of Jim Smith of Oklahoma.

Mrs. Winn and I should like to join the others in paying our respects to Mary Belle, his wife, and his lovely family, and we share their great loss.

Mr. JARMAN. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Oklahoma.

Mr. JARMAN. Mr. Speaker, it is with sadness that I join in paying tribute to my good friend and former colleague, James V. Smith. It was a privilege to serve in the Congress with Jim and I feel fortunate to have been counted among his friends. He was the kind of public official who gave confidence in our form of government, and the tragic and untimely death of this fine and decent man is a great loss to our State of Oklahoma, to the Nation, and to all who knew him. Jim's devotion to his family, his church, his community, and his country stands as a fine example for all of us. I extend my heartfelt sympathy to Mrs. Smith and the family. I am sure their sorrow is lightened by the knowledge that Jim's life was an inspiration to others and that he will long be remembered for his contribution to the betterment of mankind.

Mr. MAYNE. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Speaker, I certainly would like to associate myself with the remarks of the gentleman from Oklahoma and with those who have preceded me in paying honor and homage to Jim Smith today.

He and I were members of the 90th Congress. We were first elected to the Congress in the fall of 1966. It was a real privilege to work with him during the time he was a Member of the House of Representatives. He was extremely conscientious in his approach to all of his legislative duties. He was a man of sunny disposition and a man who gave his friendship openly and who was very loyal and constant in all of his associations. His charming wife Mary Belle was also I know extremely active among the wives of the Members of Congress and was dearly respected and beloved by all of us. I certainly extend my deep sympathy to Mary Belle and to Jim's children and state that his departure leaves a great void which will not soon be filled.

Mr. STEIGER of Arizona. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Speaker, I am not a very good hand at ritual and I certainly cannot add much in terms of eloquence to what has been said. I think those of us who knew Jim as a Member of Congress recognized that he was a good Congressman. Those who worked with him as a member of the executive branch know he was an exceptional member of the administration. But perhaps best of all Jim was genuinely a good man. As I go through life in Washington and elsewhere I become increasingly aware of how rare such an individual is. A good man is always missed. Jim Smith is certainly going to be missed.

Mr. Speaker, I thank the gentleman for yielding.

Mr. PRICE of Texas. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Texas.

Mr. PRICE of Texas. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. CAMP) for taking this time to eulogize a man we all loved. Former Congressman Jim Smith was born in western Oklahoma, which adjoins my district. He came from a heritage of people who loved the soil and the land in which he was raised. We all will miss Jim.

This Congress I know wants to pass on its condolences to his lovely wife Mary Belle and to his family.

Jim was liked by all the Members of the 90th Club as we all came in together. He was one of the hardest workers. However many of us did not recognize how dedicated he was and how hard he worked for his people in his own State and in the Nation. Jim did not let the fact that he lost his second bid for Congress blunt his wish to be a servant to the people. Before he came to the Congress he belonged to a church in which he was an elder and in which he was elected by the people because he was a great Christian man. He believed in what he was doing. Many people I think today fake what they believe in this area but Jim lived it, if any man ever did.

As a Congressman he came here and worked hard. He went into the Farmers Home Administration where I think perhaps he made more strides in helping the American farmer in rural America than perhaps any other man who has held that position in the past years during which the program has been in effect.

He believed in what he was doing. He believed he was helping people. He did help people. He changed the poverty in which many of those people lived and helped them to have a livable home and a habitable area. I think we will remember Jim for a long time, because we all looked up to him.

Many of us attended the very wonderful funeral which was attended by so many people.

I do not look upon it as a tragic thing in which Jim passed on. I think Jim, being the dedicated man he was, the believer and Christian that he was, certainly is much happier where he is, having laid down his burdens in this life. It is something we all are going to have to face up to sometime in the future, but I think if there was ever a man who accepted death graciously, it was Jim, because he sincerely believed in God and in the hereafter.

Therefore, Mr. Speaker, I think this is an era in which many of us cannot understand why it happened, how it happened, but none of us are the ones to control how and when we will leave this life. With that, I say to the distinguished gentleman from Oklahoma, that I think we all miss Jim, and I thank the gentleman from Oklahoma for bringing this to the attention of the House and giving members the opportunity to express themselves in behalf of our beloved friend, Jim Smith.

Mr. CEDERBERG. Mr. Speaker, it is with a deep sense of loss that I take this opportunity to join my colleagues in mourning the passing of the late Jim Smith of Oklahoma. The tragic nature of his death makes this moment all the more distressing.

Those of us who had the pleasure of knowing Jim closely during his 2 short years in this body remember him as a totally dedicated individual—one to whom the people of the Sixth District of Oklahoma and the Nation were a personal obligation. Jim's long history of participation in civic causes was ample indication of his devotion to the people of the State of Oklahoma and the betterment of life for each of them.

Defeated in his bid for a second term in the Congress, Jim found an opportunity to continue to serve the Nation and the farming people who were his constituents. As Director of the Farmers Home Administration he distinguished himself by the quality of his work and his genuine concern for the interests of the farming community. Leaving that position after 4 years of service, Jim left behind an agency which was much the better for his having been at the helm. After these 6 years of fine service to his country here in Washington, Jim returned to his native Oklahoma, his first love, for a well-deserved rest. His tragic death, in the prime of life, certainly removes from our midst one who would have continued to make significant contributions to national life. We shall all miss his wise counsel and leadership.

Mr. MIZELL. Mr. Speaker, it is with great sadness that I join my colleagues in mouring the loss of our friend and former colleague, James V. Smith, but it is with equally great appreciation and respect that I join in the tribute to him today.

Many of my colleagues have already commented on the fact that Jim Smith served in this body with distinction during the 90th Congress before assuming the leadership of the Farmers Home Administration for 4 very successful years.

I came to Washington with the beginning of the 91st Congress and did not have the privilege of serving with Jim here, but over the last 4 years, I developed an excellent working relationship with him as we labored together in the service of rural America.

In the 4 years of Jim Smith's tenure at FHA, that agency distinguished itself as one of the most effective, efficient and popular programs in the Government. That excellent record is due in no small measure to the personal efforts and talented guidance that Jim Smith gave to the program.

In the Fifth Congressional District of North Carolina, which I am privileged to represent, Jim Smith's name was a popular one, and his record of service is respected and appreciated there—and his passing is mourned there—just as it is throughout rural America and in the Congress.

The cause of rural America is an urgent and vital cause, and Jim Smith was a strong and tireless advocate of that cause. His death represents a great loss for rural America, but his service in the Government has added immeasurably to rural America's strength and growth.

And so it is with sadness, but with abiding affection and respect, that I join my colleagues in this formal eulogy to Jim Smith, but the greater and more fitting epitaph to him is written across the face of rural America, which he loved and served so very well.

Mr. ALBERT. Mr. Speaker, I appreciate the distinguished gentleman from Oklahoma (Mr. CAMP) taking this time today to pay tribute to our late former colleague, the Honorable James V. Smith. I was saddened and shocked when I received word last month of Jim's suddren and tragic death. It had been such a short time since we had paused to take note on this floor of Jim's retirement from his duties as Administrator of the Farmers Home Administration. Many of us on that occasion had remarked on the outstanding job Jim had done as leader of the Farmers Home Administration and all of all had wished for him every success as he returned to the Oklahoma he loved so well.

It is indeed sad that this fine man has been taken from us in the prime of life, when he still had so much to give to the country he loved and the people he so ably served. He was a credit to this House when he served here and a credit to the great State which gives us our common heritage. Jim was justifiably proud of the record of the Farmers Home Administration during the 4 years he served as its administrator. He approached every task with deep sincerity and extreme conscientiousness. He was always responsive and responsible. He always gave me complete cooperation and valuable assistance.

When Jim Smith left Washington earlier this year the Government lost a valued and valuable public servant. When Jim Smith died so suddenly and unexpectedly last month Oklahoma and the Nation lost a valued son. To his wife and family Mrs. Albert and I extend our deepest sympathy.

Mr. BROOKS. Mr. Speaker, it was my honor and privilege to serve in this House with a distinguished and able Member from Oklahoma, the Honorable James V. Smith.

Although he was here in Congress for only one term, 1967–68, he was known as a dedicated and able representative.

Until last February, he was the Administrator of the Farmers Home Administration. Under his leadership, the "Build Our American Communities" program was established—a program which encourages young people to become rural community leaders. In 1970, he received an honorary American farmers degree from the Future Farmers of America.

I knew him to be a gracious, intelligent, decent man. I respected and admired him, as I am sure did the many people who had the opportunity to know and work with him.

The loss of James Smith is a loss not only to his family and friends but to the people of this Nation and to the Members of the U.S. Congress.

Mr. BAKER. Mr. Speaker, it is appropriate that those who knew Jim Smith join in memorializing him. I did not serve in the Congress with Jim, but after I came to Congress in 1971, I had several occasions to work closely with him as the Administrator of the Farmers Home Administration and I saw him often at the Thursday morning Prayer Breakfasts. He and I belonged to the same church. I cherished his friendship.

I will always remember March 31, 1972, when Jim came to the Third District of Tennessee to speak at a Farm Family luncheon and Awards ceremony in Cleveland, Bradley County, Tenn.

The qualities which made him a good Congressman and an excellent administrator were never more evident than they were on that day. He was gracious, humble and intensely interested in people as people. Being honored by the Farmers Home Administration as represented by Jim Smith was a great occasion for the people he recognized. They knew from him that their Government was not too big to take notice of their accomplishments and to recognize them.

A tragic accident has taken Jim Smith from us. He was a young man but his record of service in the years he worked in education, civic affairs, government and politics was bright with accomplishments. An even brighter future lay ahead of him.

The primary responsibility in Jim Smith's life was his family. Mrs. Smith and the children can carry on secure in the knowledge that Jim Smith left his mark in this world and they can be proud of a husband and father who cared about people and won the friendship and admiration of all who knew him.

In paying tribute to Jim Smith, I also memorialize his family. They will carry on, and all that was good in this man will be reflected in his greatest pride and joy—his family—as they emulate the true wisdom and character of James V. Smith.

Mr. JONES of Oklahoma. Mr. Speaker, it was with deep regret that all Oklahomans received the news of the tragic and untimely death of our former Oklahoma Congressman, Jim Smith.

Although I did not have the privilege of being a Member of the House when Jim was in office, it was my good fortune to be serving in Government at the White House under former President Lyndon B. Johnson when Jim served here in the House as Oklahoma's Sixth District Congressman. During that time, I came to respect and admire Jim's dedicated efforts not only in behalf of the people of his district and his State, but to the Nation as well. He was an effective spokesman for both the large rural population of his district, and the Altus and Lawton areas with their large concentrations of Federal civilian and military employment.

As we all know, Jim's service to the Nation did not stop after his membership in the 90th Congress, but extended to his service as Administrator of the Farm Home Administration during President Nixon's first term of office. Jim Smith was sensitive to the needs of rural America, and he worked tirelessly to obtain maximum support from the Congress for his agency's programs. I believe his term as Administrator was a period in which FHA demonstrated a remarkable record in improving and enhancing the quality of life for the rural citizens of our Nation.

I consider it an honor to currently be a member of the same committee on which Jim served during the 90th Congress, the House Armed Services Committee, and I only hope that I will be able to discharge my duties on the committee and represent the views of all Oklahomans in as dedicated a manner as did Jim Smith.

Jim will be deeply missed, and I join my colleagues in the Oklahoma congressional delegation in extending our very deepest sympathies to his wife and family.

Mr. THONE. Mr. Speaker, the tragic accident that took the life of James Vernon Smith represents a loss for all Americans involved in agriculture. I did not have the pleasure to know him when he served in Congress, but I became very familiar with his work as Administrator of the Farmers Home Administration The well-being of farmers was very important to him. Since he had been a farmer and had raised cattle, he knew the needs and requirements of agriculture. James Vernon Smith of Oklahoma served his State and Nation well.

Mr. MILLS of Arkansas. Mr. Speaker, we were all deeply saddened and sorrowful at the untimely death on June 23 of our friend and former colleague, James V. Smith, who represented the Sixth District of Oklahoma in this body in the 90th Congress.

It is unfortunate in the extreme, Mr. Speaker, that a tragic accident should cut short the very promising career of this distinguished and public-spirited citizen from my neighboring State of Oklahoma. Both in the House and later as Administrator of the Farmers Home Administration, James Smith served the Nation with dedication and devotion. We shall all remember him as one of the hardest-working Members of this body and one who represented his constituency effectively and with great distinction.

We all mourn James Smith's passing and our heartfelt sympathies go out to his family and loved ones.

Mr. STEIGER of Wisconsin. Mr. Speaker, Jim Smith was a good friend. I feel profoundly saddened in taking part in this tribute to his memory.

Jim and I shared the privilege of serving our first year in the 90th Congress. We also shared not only the same political affiliation but similar interests as well. Before his election to the House, Jim's consuming interests were education and agriculture. He had served with distinction as a member of the board of regents of the Oklahoma Four-Year Colleges and of the board of trustees of Oklahoma Christian College.

From 1969 to 1972, as the Administrator of the Farmers Home Administration, Jim performed ably and energetically—achieving a record level of homebuilding activity in the rural parts of this Nation. Thanks in no small measure to his personal dedication and leadership, literally thousands of modern homes now exist where, before 1969, there had been substandard housing and seriously inadequate water systems.

It was only 1 year ago I noted in remarks to the House of Representatives that, in my experience in working with small communities, no Federal administrator showed more understanding and was more responsive to the plight and needs of rural areas than was Jim Smith at the Farmers Home Administration. He is sorely missed.

Mrs. Steiger and I convey our deepest sorrow to the Jim Smith family. John Mansfield once wrote:

> . . . death takes toll
> Of beauty, courage, youth
> Of all but truth.

I can but believe that, although "beauty, courage, youth" have been lost through his death, there are throughout the rural plains and valleys of this country hundreds upon hundreds of modern farmhouses which stand as humble monuments to Jim's work.

Mr. BLACKBURN. Mr. Speaker, my close association and friendship with the Honorable James V. Smith since my arrival in Washington has been one of my more rewarding experiences.

Jim was a man of deep political and personal conviction. His performance of duties as a Congressman and as Administrator of the Farmers Home Administration was a constant repetition of demonstration of his high personal ideals and dedication to service.

He was a warm person, easily met, whose sincerity of friendship was quickly recognized by those with whom he came into contact. The Nation and his State are better places that Jim Smith came to Washington to act in the legislative function and later in the administrative function. His untimely and tragic death has deprived his State and Nation of a great leader, and me of a dear friend.

My wife Mary and I extend our heartfelt condolences to Mary Belle and Jim's surviving children. The greatest tribute that Jim could hope for would be to have his children attempt to emulate their father's dedication and unswerving efforts toward the betterment of his family and his country.

Mr. ZION. Mr. Speaker, Jim Smith's tragic accidental death has touched this House deeply. All of us who knew him well were shocked when the news of this sad event reached Washington.

As a 90th club colleague of Jim's I came to like and respect the man a great deal. After his electoral reverse and his subsequent much-deserved appointment as FHA Administrator, Jim's counsel and assistance proved to be most important to my office and to the welfare of the people I represent in Congress. On countless occasions, Jim's able assistance helped move vital FHA projects to reality.

Jim will be sorely missed in this town, I join with his colleagues and many friends in expressing my deep sympathy to his family and his State of Oklahoma. We have all lost a good friend.

Mr. GOODLING. Mr. Speaker, events in life occur that are most difficult to understand. The untimely and tragic death of our friend and former colleague Jim Smith of Oklahoma falls into that category.

Many years ago, a girl about to graduate from the high school in which I was a teacher passed away rather suddenly. of mine, preached the funeral sermon. An elderly minister, a very good friend I recall the text he used because it appeared to be so appropriate. It was part of verse 9 in the 15th chapter of Jeremiah:

> Her sun is gone down while it is yet day.

I am certain all agree Jim's sun went down while it was yet day. Here was a young man with a great deal of potential who served with distinction in this House of Representatives. He also, as it was very evident, was a conscientious and able Administrator of Farmers Home Administration.

Jim was planning to return to public life. The last time I spoke to him he informed me he was returning to his ranch, where the tragedy that took his life occurred. He already had an organization whose purpose it was to assist him in his goal.

Jim had that rare quality of speaking softly, never raising his voice, but he possessed the ability of accomplishing his purpose because he was a clear thinker. He sounded no trumpets, yet he accomplished much in his quiet way. We need more Jim Smiths in responsible places.

I join my colleagues in extending heartfelt sympathy to the family of Jim Smith in their great loss.

Mr. EDWARDS of Alabama. Mr. Speaker, I rise to join my colleagues in paying tribute to the late former Congressman from Oklahoma, James V. Smith. Jim Smith was a good friend of mine, and it was a pleasure to serve with him in the Congress. He discharged his responsibilities commendably and was highly regarded by everyone with whom he came in contact.

He was also a good friend of his constituents in the Sixth District of Oklahoma and later of all rural Americans when he served as Administrator of the Farmers Home Administration. Jim Smith always did his job well, whether it was as a successful farmer-cattleman in Oklahoma, an energetic Congressman, or as a very effective Administrator of the Farmers Home Administration.

The people of Oklahoma have suffered a great loss, as have all of his many friends here in the Congress. However, the memory of Jim Smith will continue through the accomplishments of his distinguished career in public service. It is a pleasure to join my colleagues in paying tribute to Jim Smith.

Mr. HANSEN of Idaho. Mr. Speaker, the shocking news of the death of my good friend Jim Smith brought a deep sense of personal loss. While I did not have the pleasure of serving in Congress with Jim, I learned to know him well and to value his service as Administrator of the Farmers Home Administration for the Department of Agriculture for the past 3 years until January 1973. He was unfailingly helpful and knowledgeable. The outstanding progress in FHA during his tenure and for which he was largely personally responsible is reflected by the widely expanded assistance to farming operations, not only in my own Second District of Idaho, but throughout our national agricultural economy. At the time Jim left that position to return to Oklahoma I expressed to him the hope that we would see him again soon in Washington.

We who were privileged to have known Jim Smith are poorer for his passing, but richer for having shared his friendship.

Mr. ICHORD. Mr. Speaker, I wish to join my fellow members of the House of Representatives in expressing my great sorrow at the untimely death of my good friend and former colleague, James V. Smith.

Jim was a most capable man, both in representing his beloved Oklahoma in the U.S. Congress and in serving the best interests of this country as the Administrator of the Farmers Home Administration until January of this year.

As you know, Mr. Speaker, Jim was a rare individual with great personal ability and an unusual devotion to our country and our system of government. Jim was a man who was highly respected by his former colleagues from both political parties. He was a dedicated American whose presence and contributions will be sorely missed.

I extend my sympathy to his family for whom his life and service must serve as a great source of comfort.

Mr. RHODES. Mr. Speaker, I was deeply saddened and shocked to learn of the untimely passing of our former colleague, James V. Smith. Jim Smith became a close personal friend during the time we served together in the House, and my respect and admiration for him continued to grow throughout his administration of the Farmers Home Administration. I valued his friendship highly, and have greatly missed our relationship since his retirement.

Mr. Speaker, the Nation has lost a dedicated American, whose accomplishments in public office are now a lasting testimony to the concern Jim Smith felt for his fellowmen. I join my colleagues in mourning his passing, and Mrs. Rhodes and I extend our sincere and heartfelt sympathy to Mrs. Smith and his family.

Mr. McCLORY. Mr. Speaker, it was with a sense of personal loss that I learned of the tragic death of our former colleague, James V. Smith of Oklahoma.

Mr. Speaker, in addition to the warm friendship which developed during the period when Jim Smith served with us in the House of Representatives, I came to respect him as the Administrator of the Farmers Home Administration during the past 4 years.

During hearings which were held by the Civil Rights Oversight Subcommittee of the House Judiciary Committee, I was proud to receive the testimony of this dedicated Christian gentleman whose high principles transcended his partisan views, and who served his congressional district, his State, and his Nation with such distinction and honor.

Mr. Speaker, the Nation has experienced a great loss in the passing of Jim Smith. All who were touched by his life have benefited in some way, and his noble deeds and the spirituality which he expressed are a part of the immortality of this exemplary Oklahoman.

Mr. Speaker, I extend to his widow, Mary Belle, and other members of his family my affection and deep sympathy.

Mr. DERWINSKI. Mr. Speaker, like so many of my colleagues, I was shocked and saddened to hear of the fatal accident which took the life of our former colleague, Jim Smith.

During his term in Congress, Jim was a hardworking and dedicated member, especially interested in agriculture matters in his district and State. As the national administrator of the Farmers Home Administration, Jim achieved a well-deserved reputation for effectiveness and innovativeness. During his tenure at the Farmers Home Administration, he did as much to revitalize governmental programs in rural areas as any other individual.

In the years of our Washington association, I grew to respect and admire Jim Smith's ability and convictions. His tragic accident, coming at a time when he had many more productive years ahead of him, is truly a loss to the Nation.

I extend my heartfelt condolences to Mrs. Smith and their three children: James, Sarah and Lee Ann. As the wife and children of Jim, they, above all others, knew him to be a dedicated public servant; a man who not only believed but practiced the greatness he felt in America and its heritage. All of us who worked with Jim regret his untimely passing.

Mr. COLLINS of Texas. Mr. Speaker, it is a privilege to join my good friend HAPPY CAMP of Oklahoma in paying tribute to James V. Smith. His death came as a blow and surprise to all of us. Here was a young man in perfect health who was killed in a most unusual accident.

The first thing that came to my mind was Jim Smith was a sincere, dedicated Christian man. His deep religious spirit carried over and manifested itself wherever he went.

Jim made a great record in Washington. He represented the Sixth District of Oklahoma with distinction. He served for many years as Director of the Farmers Home Administration. Those of us on the Hill appreciated the way that he was always out here and wanted his administration to be responsive to the Hill. James Smith was the kind of man who always kept up with his business.

I lost a great friend. Oklahoma lost an outstanding neighbor. We will all miss Jim Smith.

Mr. MAHON. Mr. Speaker, I am pleased to join my colleagues in paying tribute to the memory of James V. Smith, a man who served as a distinguished Member of Congress and later as Administrator of the Farmers Home Administration.

Coming from one of the large agricultural districts of this Nation, I am particularly aware of the outstanding contributions which Jim Smith made as Administrator of the FHA. Having worked as a farmer, Jim Smith understood what the problems and needs of the farmer were. It was a privilege to work with him in the interests of American agriculture.

It is tragic that a man of only 47 years will not have an opportunity to fulfill his promising career of public service. But certainly his friends and family can all be proud of the contribution that he made as a public servant and as a friend of his fellow man. I join in extending sympathy to his family.

Mr. JOHNSON of California. Mr. Speaker, it is with a heavy heart that I rise today to pay tribute to a good friend, Jim Smith. It was not many months ago that those of us who had served in the House of Representatives with Jim congratulated him upon his outstanding service with the Farmers Home Administration and wished him well for whatever the future held for him. Tragically his future was shortlived and it was a shock to learn of the accident which took his life late last month.

Jim Smith came to the House of Representatives in 1966, bringing with him a wealth of background and technical knowledge in farming and business. He was a true farmer who had been on the farm, so to speak, since his youth. He was a man who spoke with authority and skill and one who served the State of Oklahoma well in the House of Representatives.

When he went downtown to be Administrator of the Farmers Home Administration he broadened his horizons, serving the Nation in an extremely important capacity. As Farmers Home Administrator he undertook to build our American communities and with emphasis on the smaller communities which must be rebuilt and stabilized if we are to revitalize rural America.

His leadership was admired and respected by all generations but I was especially impressed with the young people who looked to him for guidance and counsel.

An accident has snuffed out the life of Jim Smith but not before he instilled in these young people his dedication to their communities and the Nation. Jim Smith's works will go on for years to to come through the efforts of these young people.

I am proud to have known and served with this fine gentleman, a dedicated public servant, one who was an outstanding example of what is great and good in American politics.

Mr. STEED. Mr. Speaker, 3 weeks ago it was my sad duty to announce to the House the untimely death of our former colleague, James V. Smith, killed in a tragic accident June 23.

It is still hard to grasp that such an active, hard-working figure is so abruptly gone.

Charles Drew, editor of Jim Smith's hometown newspaper, the Chickasha Daily Express, gave a final tribute in the fine editorial that follows:

A Tribute to a Friend

(By Charles Drew)

The hearts of multitudes of people in Grady County, the state of Oklahoma and the nation are heavy today over the tragic passing of James V. Smith.

Jim Smith was a personal friend. We've spent many hours just visiting and exchanging ideas and viewpoints on matters, particularly the problems of the world and mankind. Although we personally differed in our choice of a political party, Jim and I shared closely many of the same ideas and philosophies.

Not only have we lost a personal friend, but mankind has lost a man whose dream was for a better world in which to live, a man who devoted many hours to helping his fellow man. He was a man who rose from a small country farmer to the heights of his ambition as a United States congressman and later head of the Farmers Home Administration. He was a man who was a leader in his church and respected by his brethren and a man who was a devoted husband and father.

Our deepest sympathy is expressed this day to his wife, Marybelle, his son, Jay, his two daughters, Sarah and Lee Ann, and to all those who join with us in this moment of sorrow.

Ron Acree, editor and publisher of the weekly Chickasha Star, summarized Mr. Smith's career thus:

A Final Farewell

(By Ron Acree)

The tragedy of last Saturday in the wheat field fire that was fatal to our friend, James V. Smith, was indeed a great loss for all of us who knew him.

Jim Smith was a truly remarkable man, dedicated to his family, church and his country. His integrity was always above reproach, and his likeable manner made even the coldest stranger feel comfortable in his presence. His honesty and decisiveness made him many friends wherever he went, because everyone knew that if Jim Smith told you it was so, then that's the way it was.

I was a member of the Chickasha Jaycees in 1958 when he was awarded the "Outstanding Young Farmer Award" by the Jaycees, and those of us on the committee who interviewed the candidates for this award, saw in Jim Smith that extra something that is not found in too many citizens today. In addition to his accomplishments on the farm, Jim had his eyes on accomplishing a task that he later said he felt was intended for him, as a Representative of his people, in Washington, D.C.

His tenure as a servant of the people of this area, and those throughout the nation, who felt the benefits of the programs he instituted as Administrator of the Farmers Home Administration, will always be remembered, not alone for the help we might have received, but because we were privileged to be represented by such an outstanding man.

To Marybelle, his wife, and the three children, we join with many, many others in extending our deepest and heartfelt sympathy, but we too share in this loss, and we bid a final farewell to our friend.

The Oklahoma City Times summed up his career in this excellent editorial tribute:

A Tragic Loss

There is special tragedy in the death of any man taken in the prime of his life. The loss of James V. Smith while fighting a fire in a wheatfield on his farm near Chickasha was certainly such a tragedy.

Smith was the kind of public figure around whom the traditions of this country were built. He was first of all a leader in his community, and in the organizations devoted to farming and cattle-raising. He was a devoted family man, and a leader in his church. Then when he became more and more concerned about the trend of public affairs, he became active in politics.

When he became a candidate for the old Sixth District seat in Congress, he refused to engage in personal criticism of the man who then held that seat. Instead, he campaigned on the basis of what policies he would support in Washington, and what kind of representation the district ought to have to accurately reflect voters' views. He was successful, and served a single term in the House of Representatives. When redistricting pitted him in the next race against the veteran Tom Steed, with many new areas in which he was not well known, he lost out. But he had become well acquainted in the agricultural circles in Washington, and became an active candidate for the directorship of the Farmers Home Administration, which was to be filled by newly-elected President Nixon. After some weeks of doubt, he was named to the post.

To the amazement of many Washington observers, who generally take the view that a farmer is a rube, Smith proved adept at the department's internal politics, as well as an able administrator. He kept old friends in Congress and made new ones. But when his resignation was accepted at the start of the second Nixon term, he was applauded in Congress for a job well done. And he returned to the farm with the same professionalism and vigor he had always applied to that work.

City dwellers forget, or don't know, how much of a farmer's work is done when he is alone, either in the fields or at the barns. Jim Smith's final battle, against the fire that was sweeping his fields, was a lonely one. There is no time to go for help when such a fire erupts; the farmer must deal with it, as with so many other crises, by himself.

The Altus Times Democrat, Robert Gilmore, publisher, had this to say:

James V. Smith Served Us Well

The tragic death of James V. Smith, which occurred while he was fighting a fire in a wheat field on his farm, was a great blow to his family and many friends in Oklahoma and throughout the nation.

The former member of Congress from the old Sixth District served his country and his people well, both while representing them politically and also later as director of the Farmers Home Administration.

He truly epitomized the type of man upon which our country was founded, as he was a devoted family man, leader in his church, successful farmer and rancher, and above all this, he was willing to serve his people in the highest way and great tradition, as a member of Congress.

Were it not for redistricting, which put him in the same political race with veteran Congressman Tom Steed, it is very likely that James V. Smith would still be serving his constituents today. For he was a man who campaigned on the highest plane, never putting the individual into the situation, but rather choosing to let the policies he favored be his guide.

Though losing to Steed, after one term in Congress, a testimony to the ability, strength and courage of James Smith, was shown when he was appointed to head the FHA by newly-elected President Richard Nixon.

Smith proved adept in his new position and turned out to be a very efficient administrator. When his resignation was submitted just prior to the start of the second Nixon term in office, it was accepted with regret. He was lauded by Congress for a job well done while serving his nation.

He returned to his home and his farm with the same type of enthusiasm, warmth and manner that was characteristic of his role on the political scene, and we join with his many friends to express our sympathy for the loss of a man who truly made an indelible impression in whatever work he entered, whether it dealt with the farmers he loved or the people he just loved to see and visit.

We mourn the loss of James V. Smith, but just as Congress said, we agree that in all his endeavors, he always did his best to do "a job well done."

Jim Smith will be remembered as a man who made a real and tangible contribution to the betterment of our farm economy.

Mr. ANDERSON of Illinois. Mr. Speaker, those of us who knew Jim Smith were deeply saddened at the news of his tragic death last month in Oklahoma. I first met Jim Smith when he came to this body as the newly elected Representative of the Sixth Congressional District of Oklahoma back in 1967. While Jim only served one term in this body, he was quick to learn the ways of the House, make friends, and distinguish himself as a diligent member of the Armed Services Committee. It was therefore not surprising to those of us who knew and respected him when he was tapped by President Nixon in 1969 as Administrator of the Farmers Home Administration. Jim was ideally suited for this new responsibility with his prior experience as farmer, businessman, and Member of Congress.

Jim Smith was born July 23, 1926, in Oklahoma City, Okla., the son of a wheat farmer. He attended Tuttle High School and the Oklahoma College of Liberal Arts at Chickasha. Jim went on to build a very successful wheat, cotton, and cattle farm in Grady County near his birthplace. From 1954 to 1957 he was a member of that county's Farmers Home Administration Committee. In 1958, at the age of 32, he was chosen Outstanding Young Farmer of the year by the Chickasha Jaycees.

In addition to his farm responsibilities, Jim was active in civic affars and public service, and was particularly devoted to youth affairs. He served on the Grady County School Board, the Board of Regents of Oklahoma's 4-year colleges, the Board of Governors of the American Heritage Center at Oklahoma Christian College in Oklahoma City, and was a trustee of the Intercollegiate Studies Institute, Inc. It is little wonder that Jim received the Outstanding Citizen Award from the Chickasha Jaycees in 1965, and that he was elected to the 90th Congress the following fall by the people of that area.

After leaving the Congress, Jim went on to achieve outstanding success during his 4-year tenure as Administrator of FHA, the rural credit service of the Department of Agriculture. Under his vigorous leadership, FHA credit outstanding approached the $9-billion mark, a two-thirds increase during his administration. He breathed new life into the FHA and shaped it into the spearhead of the rural development effort. One of his typical innovations was the "Build Our American Communities Program" which was designed to develop young people as rural community leaders through the vocational agricultural education system.

He was also responsible for establishing the annual National Farm Family of the Year competition and award in recognition of the valuable contributions made by farm families to our national life. Jim Smith was a family farmer and believed in the family farm, and this was reflected in his personal, personable, and conscientious leadership at FHA. Those of us in the Congress who dealt with Jim at FHA were most grateful to him for the personal attention he gave to even the smallest problems of our farm constituents; and I know the farmers of America greatly appreciated the fact that they had such a sympathetic friend at FHA who was concerned about their problems.

Jim Smith was born on a farm, and it was on a farm that he died when he was taken by a tragic accident and fire in his wheatfield on June 23, just a month before his 47th birthday. We all mourn his passing and extend our deepest sympathies to his wife, Mary Belle, and his three children, James, Sarah, and Lee Ann.

Mr. CARTER. Mr. Speaker, I wish to pay tribute to a former colleague of ours, the Honorable James V. Smith of Oklahoma, whose tragic passing we all mourn deeply. I had the privilege of working with Jim when he served as a Representative from Oklahoma in the 90th Congress. He has a long tradition of dedication and support to the young people of our country.

Jim served most creditably as Administrator of the Farmers Home Administration. We have him to thank for the "Build Our American Communities" program which encouraged young rural Americans to become community leaders. He was instrumental in obtaining legislation authorizing loans to young people in 1972. He also spent a great deal of his time and energy serving on various school and college boards.

Jim was a true friend of all rural Americans, whom he served as Administrator of the FHA. During his period in office, he helped to triple the loan capacity of that organization.

I ask all of you to join me in tribute to this public-spirited friend and ex-colleague of ours and to join me also in expressing heartfelt sympathy to his family.

Mr. DON H. CLAUSEN. Mr. Speaker, I am pleased the House has set aside this time to express the sadness and loss we all feel at the death of our former colleague and friend, Jim Smith.

Only 6 months ago, many of us stood here on the floor of the House to comment on Jim's outstanding service as Administrator of the Farmers Home Administration. We lamented the loss of a man of his caliber to public service but we wished him the best in his semiretirement to his ranch in Oklahoma.

His work on his ranch was tragically cut short by the accident that took his life. I have lost a very close friend and a man who represented the very best in unselfish service to his fellow man.

We worked closely together, Jim and I, both during his service in the Congress and his service in the executive branch. We were able to achieve many shared goals which will represent lasting monuments to him. Jim Smith was a man of high ideals, intense dedication, and a strong Christian conscience.

His family has suffered a grievous loss and my sympathy goes out to them. Let us all strive to achieve the standards of conduct in our personal and professional lives that Jim Smith set while he was among us.

We, in the Congress, and the people of this Nation—particularly rural America—shall remain eternally in his debt for his extraordinary service to this country.

Mr. DENHOLM. Mr. Speaker, it is with a sense of sorrow that I acknowledge the death of former Congressman James V. Smith, as a result of a tragic automobile accident in Oklahoma on June 23, 1973.

James Smith served well the best interests of the people of the Sixth Congressional District of Oklahoma. He sought to better the lives of all Americans.

He was born in Oklahoma City, July 23, 1926, and educated in the public schools of Tuttle, Okla. He attended Oklahoma College of Liberal Arts at Chickasha, and later he was recognized as the Nation's outstanding example of the successful farmer-cattleman. So successful, in fact, that he won the Chickasha Junior Chamber of Commerce Outstanding Young Farmer Award in 1958. In addition, in 1965, he was given the Jaycee Outstanding Citizen of Chickasha Award.

James Smith served as a member of the board of regents of the 4-year colleges of the State of Oklahoma and in November of 1966, he was elected to the 90th Congress of the United States.

After serving as the U.S. Representative from the Sixth District of Oklahoma—James Smith became the Administrator of the Farmers Home Administration, U.S. Department of Agriculture in February 1969. In less than 4 years in that office, the value of loan programs available for small farms, rural housing, and rural community services almost tripled—from $1.2 billion to $3.4 billion.

He was instrumental in the passage of a bill in the Congress that provided lending authorty for the "youth loan program," designed to aid youth interested in farming, and to help them become successful businessman-farmers. He also worked actively to help the organization that is known as the Future Farmers of America, and the popular theme of "build our American communities" program.

Mr. Speaker, the untimely passing of James V. Smith, former U.S. Congressman from Oklahoma, is a loss for all of us, and for all Americans. His sense of commitment, and his dedication to duty fulfilled, were qualities that were a part of the man during his entire life. He shall be remembered as a man of deeds in the interest of others—and by all that knew him—he shall not be forgotten.

Mrs. HECKLER of Massachusetts. Mr. Speaker, the death of James V. Smith represents not only a loss of a dear friend to all of us who knew him as a Representative in the 90th Congress, but also an incalculable loss to all rural Americans.

Congressman Smith and I were both newly elected to the 90th Congress.

As the representative of a highly urbanized area, dealing with exclusively urban problems, I received from him an insight into the thinking of rural residents and an understanding of their problems.

Congressman Smith made his primary concern the improvement of life in the farmlands of this country. Recognizing trends toward urbanization which threaten to undermine the growth of farming communities, he became an effective crusader for rural development programs.

In his campaign to attract new industry and new people into rural areas, the Congressman initiated the build-our-American-communities project, designed to encourage the participation of young people in rural community affairs. Serving as the Administrator of the Farmers Home Administration since 1969, he tripled the number of FHA loans extended to farmers and fought for legislation last year which granted loans to future farmers under 21 years.

I hope that the enthusiastic efforts Congressman Smith made to expand the horizons of rural development by involving future farmers will be continued by his associates at the Farmers Home Administration and by his bereaved colleagues in the 93d Congress, so that we may see the completion of his dream of rural development.

Mr. CONTE. Mr. Speaker, when a man is struck down in the prime of his life, it is always tragic. When that man has a past replete with accomplishments and a future full of potential, the tragedy is compounded.

Such a tragedy occurred in June with the untimely death of James V. Smith, former administrator of the Farmers Home Administration and distinguished former Member of this body.

On January 18 I stood here on the floor of the House of Representatives to wish godspeed to Jim Smith, who was leaving this city and his official position with the FHA. I never dreamed I would return here again so soon for such a sad reason, to say a final farewell.

In January, I recalled for my colleagues my long association with Jim, dating back to our work together in the 90th Congress when he served in the House as the Representative of the Sixth District of Oklahoma.

As I said at that time, our warm relationship continued when he assumed the duties of Administrator of the FHA in 1969. Once in that position, Jim performed in a manner which brought great praise to him and his agency. Loan volume of the agency nearly tripled in his tenure, he initiated the build our American community program for youth, and established the FHA farm family of the year. He proved himself to be an abundantly able administrator.

The residents of my First District of Massachusetts certainly owed Jim Smith a debt of thanks for his help in securing a full-time FHA office in Berkshire County—an office I was privileged to open just last December.

Today, I join with my distinguished colleague from Oklahoma, Mr. CAMP, sponsor of this special order, and all of my colleagues in paying tribute to the memory of James V. Smith, dedicated public servant and great American. I offer my most sincere condolences to Jim's widow, Mrs. Mary Bell Smith, and their three children.

Mr. HAMMERSCHMIDT. Mr. Speaker, it is with deep sorrow that I speak today in tribute of James V. Smith, our former colleague who departed us on June 23 as the result of a tragic accident on his Chickasha farm. His beloved America and home State of Oklahoma have lost an outstanding citizen and leader. There is a great need in the Nation today for men of Jim Smith's caliber and this is a sad loss for all of us.

It was my honor to come to Congress with Jim when we were elected to represent neighboring States in the 90th Congress. During the next 2 years, our offices were located in the same area of the Longworth Building. In addition to these ties, we shared many mutual involvements and activities due to the proximity of our districts and the numerous common interests in our part of the country.

I can speak from personal observation on the respect and friendship which Jim gained during his service in Congress. He represented the Sixth District of Oklahoma in an exemplary manner, exhibiting a genuine concern over the needs of his constituency the responsiveness to follow them through. He proved his abilities in many ways through his duties on the Armed Services Committee. In all areas of congressional work, Jim proved himself to be a Christian gentleman with high ideals, firm convictions, and absolute integrity.

As Administrator of the Agriculture Department's Farmers Home Administration, Jim earned a highly commendable record as a fine Government executive. He applied his managerial skills and made significant contributions to good Government. He was a totally dedicated public servant and had a natural deep feeling for the problems of all Americans—but especially rural America.

I share the grief of the Smith family. My wife, Virginia, and I had the privilege of getting acquainted with Jim's wife, Mary Belle, and the Smith children—Jay, Sarah, and Lee Ann. Our sincere sympathy to the Smiths in their great personal loss, and I know that they will carry forth in their hearts the comfort that Jim's good works touched many of our lives. And we are much the better for it.

Mr. MILLER. Mr. Speaker, it is with a profound sense of shock and sorrow that I learned of the tragic death of our former colleague and good friend from Oklahoma, Jim Smith.

I had the honor of serving in the U.S. House of Representatives with Jim Smith, and I remember him as an able legislator and a man devoted to the principles which have made this Nation strong. He was always responsive to the needs of the residents of his home district, as well as to the demands of this Nation in general. During his tenure on Capitol Hill, he obviously won the admiration and the respect of his colleagues who are joining with us today to eulogize this fine man. His talents, too, were also recognized by the President.

When President Nixon named Jim to the Administrator's post of the Farmers Home Administration in the Agriculture Department, I know that I was personally convinced from the start that the high standards of assistance that FHA has historically provided to America's rural areas would continue to be upheld. As a representative of a predominately nonurban area, I have witnessed firsthand the positive impact the Farmers Home Administration has had in helping people to help themselves. Under the effective leadership of Jim Smith, FHA provided much welcomed aid in the construction of water and sewer facilities to areas of southeastern Ohio which had been in need of such services for decades. In that respect, I know that I am expressing the feelings of southeastern Ohio as a whole today in this tribute to a man who played a direct role in bringing progress to areas where it had before been lacking.

On this occasion, I extend my deepest sympathy to Jim's family.

GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I know many Members will wish to express themselves, some of whom could not be here this afternoon; therefore, I ask unanimous consent that all Members desiring to do so may have 5 legislative days to extend and revise their remarks and include extraneous material.

The SPEAKER pro tempore (Mr. BURTON). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

INTRODUCTION OF THE OFFICIAL ACCOUNTABILITY ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 15 minutes.

Mr. KASTENMEIER. Mr. Speaker, the United States, historically, has been in the forefront of efforts to fashion legal limitations on recourse to war by nations. After World War I this concern was expressed in the Kellogg-Briand Pact which outlawed war as an "instrument of national policy," and which sealed the fate of the Nuremberg defendants. At the end of World War II, the Congress, the Executive, and the public insisted that violations of the laws of war be tried and punished in courts of law. The Nuremberg and Tokyo trials, the Charter of the United Nations, the attempts to enact a code of war crimes—all reflected an impetus provided by American leaders.

These efforts were not undertaken by fools, rather they were espoused by the most experienced statesmen and politicians. Critics have charged that idealism and vengeance were the primary motivations. In fact, however, our leaders were guided by the most pragmatic considerations. They realized that if war were to be proscribed, leaders and bureaucrats would have to be held responsible for their acts. Robert Jackson, the chief counsel for the United States at the Palace of Justice in Nuremberg, summarized this view—

> The ultimate step in avoiding periodic wars which are inevitable in a system of international lawlessness is to make statesmen responsible to law.

This tradition was interrupted by the cold war and the creation of the national security system. Now as the tragic and regrettable—and yes, criminal—war in Indochina hopefully draws to a close, we must return to this tradition and assert legal standards which will govern and limit executive behavior.

It is in light of this that several of my colleagues have joined with me today in introducing a bill entitled the "Official Accountability Act of 1973" which would establish a code of legal responsibility for civilian officials charged with the operation of national security policy. It does so by incorporating the international laws and customs of war—to which this Nation already subscribes—into the Federal Criminal Code, and by establishing an institutional mechanism for the investigation and prosecution of violations of those laws. It, in essence, reiterates, and strengthens our national commitment to lawful international behavior. To the international community, it upholds the principle of symmetry—declaring that the standards to which the United States has held the leaders of other nations accountable shall be equally applicable to the policymakers of this Nation. To the American public, it asserts the principle of official accountability—insuring that executive officials are responsible to the limitations of laws passed by the Congress.

There are at present no operative legal mechanisms by which civilian officials may be clearly charged with and prosecuted for violations of the laws of war. Members of the Armed Forces are held responsible under the Uniform Code of Military Justice, but civilian officials remain legally unaccountable. In an era in which civilian strategists increasingly plan a more active role in devising and directing military operations, this imbalance can result in the conviction of an enlisted man for implementing an illegal plan devised by an unaccountable civilian official. This bill would meet the pledge made at Geneva and redress this basic imbalance. It would make it far more likely that the United States would once again practice the restraints which its international treaties proclaim.

The weapons and strategies the military has employed in Indochina have been determined by the legally constituted heads of our civilian Government. We have not used nuclear and biological weapons there because the President of the United States has not authorized their use. On the other hand, we have carpet-bombed North Vietnam, blasted forests, jungles, rice paddies, towns, and villages in South Vietnam and Cambodia, spewed flaming napalm on both friend and foe, defoliated hundreds of square miles of Asia, herded millions of people about the country like cattle, and crushed and made governments at will, because the Presidents of the United States, past and present, either initiated or approved the use of these strategies of war in that land. Rarely has there been any evidence that the military of the United States violated any instructions of the administration in power regarding limitations on the use of weapons or the strategies to be employed.

As I noted, there is no operative legal standard at present by which civilian strategists—bureaucrats and officials—are clearly accountable. When no one is accountable for a crime, crime does pay. And in the last 10 years, war crimes in Indochina have been paying off daily in promotions for managers at all levels of the U.S. bureaucracy of death while the only payoff for the citizens of Southeast Asia has been death and devastation. Clearly, the time has come to lay out a very different framework in which our officials must operate—one that insists that certain things are, indeed, not permissible. We must get away from the situation where the practices of war are affected most profoundly by what each military commander or civilian strategist can get away with at a particular time.

Institutional and political changes are essential. Yet even if these changes do occur, I believe that we cannot avoid much worse crimes and horrors than we have seen in the past unless the many individuals within the Government are forced to assume greater responsibility than they have taken in the past decade.

This is not a partisan issue. Both Democratic and Republican administrations have exhibited the lawlessness which now threatens to engulf us. We must relearn the lesson our forefathers taught us—that unchecked power leads to arrogance and arrogance to tyranny.

This bill seeks to take a first step to a return to accountability. It amends title 18 to provide for national security crimes—taking as its guide those standards to which this country is already committed and which it has already applied to the behavior of others. The provisions prohibit the waging of aggressive war, and the commission of war crimes—murder, torture, deportation, destruction not justified by military necessity, assassination, mass bombing of civilian populations. The bill establishes an independent, legal Office for National Security Affairs—modeled after the General Accounting Office—which is empowered to investigate and, if necessary, prosecute violations of this act.

This Nation was founded on the principle that every citizen and official was responsible to law. To be free entails that one must also accept responsibility for his actions. To be freely governed, we must hold strictly accountable those entrusted with leadership. Either there will be a rule of responsibility or there will be a rule of irresponsibility—by officials who feel themselves beyond the law, and above the law.

It is time to return to our traditions, to search for moral guidelines and legal principles which will reassert the notions of law, personal responsibility and peaceful relations upon which our Nation was founded. We in the Congress must now begin a slow process of postwar reconstruction.

It is to strengthen that principle that I introduce this bill which simply requires what every American must demand—that no person be above the law because of the loftiness of their position, the depth of their wealth, or the stealth of their actions.

Our overriding task continues to be the hastening of the day when solutions to such conflicts will no longer be sought by resort to force, but by other means that hold out more hope of resolving them and assuring human survival.

We may not be able to free ourselves of all war. But we can free this land from a war that is not wanted, that is not understood, that brutalizes not only our enemies but those who fight it, that takes as its victims not only those who threaten us but our freedom and heritage as well.

Mr. Speaker, I would like to take this opportunity to include at this point a memorandum in explication of the bill which offers a more detailed analysis of its background and contents:

MEMORANDUM IN EXPLICATION OF THE OFFICIAL ACCOUNTABILITY ACT

SECTION 2

Section 2 outlines the purposes and justifications for the proposed bill. The primary function of the bill is to reassert a national commitment to lawful international behavior by incorporating the international laws and customs of war into the federal code, and establishing an institutional mechanism for the investigation of, and possible prosecution of, violations of those laws.

Historically, the United States has led the attempt to fashion legal limitations on recourse to war as an instrument of national policy. After World War II, this historical tradition found expression in the insistence of the Congress, the President, and the American public that violations of the accepted norms of international behavior be punished in courts of law. The post-war tribunals were convened not merely in a spirit of vengeance, but in the hope that lawful behavior could be enforced upon national policy-makers in the future. Robert Jackson, at the time Chief Counsel for the United States at the Palace of Justice in Nuremberg, stated the prevailing sentiment that, "(t)he ultimate step in avoiding periodic wars which are inevitable in a system of international lawlessness is to make statesmen responsible to law." He therefore announced that it was the view of the United States that "(w)hile this law is first applied against German aggressors, if it is to serve any useful purpose it must condemn aggression by any other nations, including those which sit here now in judgment."[1]

This historic initiative was stalled by the obstacles of the Cold War. For the United States, the post-war years featured the growth of Executive license in the management of foreign and military policies. A result of this internal lack of accountability was an increasing disregard for restraints of international laws, most of which were Congressionally mandated.

With this bill, the Congress would reassert its power to pass laws which regulate the behavior of Executive officials, and would reiterate the national commitment to lawful international behavior. Substantively, the bill expresses two fundamental principles. To the international community, it upholds the principle of symmetry—declaring that the standards to which the United States has held the leaders of other nations accountable shall be equally applicable to the policymakers of this nation. To the American public, it asserts the principle of official accountability—insuring that Executive officials are responsible to the limitations of laws passed by the Congress.

The necessity for such legislation is clear. The Geneva Conventions of 1949 which have been ratified by the Senate contain the common pledge that:

"The High Contracting Parties undertake to enact any legislation necessary to provide effective penal sanctions for any persons committing, or ordering to be committed, any of the grave breaches of the present Convention defined in the following Article.

"Each High Contracting Party shall be under the obligation to search for persons alleged to have committed or ordering to be committed, such grave breaches, and shall bring such persons, regardless of their nationality, before its own courts . . ."[2]

In spite of this pledge, there are at present no operative legal mechanisms by which civilian officials may be clearly charged with and prosecuted for violations of the laws of war. Members of the Armed Forces are held responsible under the Uniform Code of Military Justice, but civilian officials remain legally unaccountable. In an era in which civilian strategists increasingly play a more active role in devising and directing military operations, this imbalance can result in the con-

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Footnotes at end of article.

viction of an enlisted man for implementing an illegal plan devised by an unaccountable civilian official. This bill would meet the pledge made at Geneva and redress this basic imbalance. It would make it far more likely that the United States would once again practice the restraints which its international treaties proclaim.

TITLE I

Section 7001. Persons subject to this part

This section defines the class of persons covered by the proposed bill. Under its provisions, all civilian federal employees would be covered. Moreover, persons receiving compensation from the U.S. under contract or subcontract are also covered.

Section 7002. Prohibitions

Section 7002 outlines the laws and customs of war to which officials will be held accountable. The general language of 7002 (b) incorporates all of the laws and customs of war which the United States recognizes as a member of the international community. The listing of some violations with specificity in 7002 (b) (1–3) and (c) (1–7) is therefore not intended to be comprehensive. The bill assumes, as the post-war tribunals assumed, that the conventional and customary laws of war are sufficiently clear to make specific drafting of every standard unnecessary. This position was affirmed by the Supreme Court in the case of *in re Yamashita* 327 U.S. 1. In taking an oath of allegiance to the laws and Constitution of the United States, federal employees already pledge themselves to follow such norms.

Section 7002(a) proscribes wars of aggression and wars in violation of international treaties or assurances. The language parallels that of Principle VIa(1) of the Nuremberg Principles, and adheres to the fundamental distinction between wars of aggression and defensive wars.

Modern American support for this principle may be traced to a Senate Resolution introduced by Senator William Borah, formerly Chairman of the Senate Foreign Relations Committee. The resolution declared that "It is the view of the Senate of the United States that war between nations should be outlawed as an institution or means for the settlement of international controversies by making it a public crime under the law of nations . . ."[3] The direct result of this resolution was the Kellogg-Briand Pact of Paris of 1928 which outlawed war as an "instrument of national policy," and specified that such was is "illegal in international law."[4]

In the aftermath of World War II, the distinction between aggressive and defensive war was once again asserted. Fifteen German leaders and twenty-four Japanese leaders were found guilty of waging a war of aggression and held criminally liable.[5] At the initiative of the United States in 1945, the General Assembly of the United Nations unanimously affirmed "the principles of international law recognized by the Charter of the Nuremberg Tribunal" in Resolution 95 (I). At the direction of the membership of the United Nations, the International Law Commission formulated the principles of Nuremberg in 1950. One of them summarized the proscription against wars of aggression, declaring such war to be a "crime against peace."[6]

The same fundamental commitment to peaceful resolution of international conflicts is reflected in the United Nations Charter. Article 2(4) of the Charter provides that "All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations."[7] Article 51 declares that "Nothing in the present Charter shall impair the inherent right of individual or collective self-defense, if an armed attack occurs against a Member of the United Nations . . ." Section 7002(a) therefore merely codifies a distinction and standard to which the United States is already committed, and to which it has already held others accountable.

The Section forbids planning of or preparation for a war of aggression as well as its initiation or waging. This follows the Nuremberg standard which outlawed "planning, preparation, initiation or waging of a war of aggression." This standard is crucially important in deterring wars. Plans or preparations for an aggressive war create a threat to which the target state must respond if its leaders are responsible. That response sets in motion the deteriorating spiral of threat and counter-threat which often results in war. The state which undertakes the initial planning or preparation must therefore be held legally responsible. Needless to say, the section does not outlaw contingency planning for defensive reactions to the aggressive acts of other states.

Section 7002(b) proscribes violations of the laws and customs of war, enacting the standards which govern behavior once armed conflict has been initiated. As demonstrated in the post-war trials, this generic category is a term of art in international law defining war crimes generally recognized by the international community. All such crimes are prohibited under this paragraph even if not included in the listing of 7002(b) (1–3). Under Article I, Section 8, Clause 10, of the Constitution, Congress is empowered to "define and punish . . . offenses against the law of nations." This does not mean that in every case Congress must codify that law or mark its precise boundaries before prescribing punishments for infractions thereof. In *Ex parte Quirin*, the Court found that by a reference in the Fifteenth Article of War to "offenders or offenses that . . . by the law of war may be triable by such military commissions" . . . Congress had "exercised its authority to define and punish offenses against the law of nations by sanctioning . . . [the trial of persons] for offenses which, according to the rules and precepts of the law of nations, and more particularly the law of war, are cognizable. . . ."[8] 317 U.S. 1, 28 (1942).

Section 7002(b) (1) prohibits inhumane treatment of civilian populations in other nations. Protection of civilian persons in time of war is governed primarily by the provisions of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War of 12 August 1949 (hereinafter referred to as the Geneva Convention-Civilians).

Article 3 of that convention—an article common to all of the conventions of 1949—mandates humane treatment for all "(p)ersons taking no active part in the hostilities." In furtherance of this standard, the article proscribes the following actions among others: "Violence to life and person, in particular murder of all kinds, mutilation, cruel treatment and torture; taking of hostages; outrages upon personal dignity . . ." This guarantee extends to all noncombatants "at any time and in any place whatsoever."

Article 49 of the Geneva Convention-Civilians prohibits "individual or mass forcible transfers as well as deportation," from the "occupied territory to the territory of the Occupying Power . . ." Article 147 defines as "grave breaches" numerous acts including, *inter alia*, "willful killing, torture or inhuman treatment, . . . unlawful deportation or unlawful confinement."

Principle VIb of the Nuremberg Principles defines the following acts among others as war crimes: "murder, ill-treatment or deportation to slave-labor or for any other purpose of civilian populations of or in occupied territory . . ."

These provisions are recognized as governing the actions of American forces in the field, as illustrated by the Department of Army's *Field Manual on the Law of Land Warfare*.[9] Section 7002(b) (1) thus merely summarizes conventional laws already applicable to the United States.

Section 7002(b) (2) prohibits pillage and unjustified destruction of public or private property. Pillage has been specifically outlawed in Articles 28 and 47 of the Hague Convention No. IV of 18 October 1907 Respecting the Laws and Customs of War on Land, and the Annex, embodying the Regulations Respecting the Laws and Customs of War on Land (hereinafter referred to as the Hague Regulations).[10] Article 33 of the Geneva Convention-Civilians reiterates the proscription; paragraphs 47, 272 and 397 of the Field Manual reflect American recognition.

The general prohibition of destruction not justified by military necessity is based upon both the distinction between unlawful and lawful objectives and the principle of proportionality. The former is derived from the declaration of Article 22 of the Hague Regulations that "the belligerents have not an unlimited right as to the means they adopt for injuring the enemy," an assertion which applies both to weapons used and methods of fighting adopted.[11]

Essentially, the distinction between lawful and unlawful objectives seeks to protect civilians and institutions of a civilian nature from destruction during time of war. Thus, Article 25 of the Hague Regulations prohibits the "attack or bombardment, by whatever means, of towns, villages, dwellings or buildings which are undefended." American recognition of the distinction is illustrated by the Army Field Manual which provides that bombardments from the air of combatant troops, defended places, or other legitimate military objectives are not prohibited.[12]

It has been suggested that the massive bombing and devastation wrought during World War II, the Korean War and the Vietnam War erased the distinction in practice. However, in each of these conflicts, the belligerents on both sides continually reasserted their adherence to this fundamental distinction, and sought to justify their actions within its limitations. It is now generally accepted that international practice since World War II has demonstrated that the *opinio juris* concerning the legal distinction between lawful and unlawful objectives is indeed permanent.[13]

The distinction between lawful and unlawful objectives is important because it limits the notion of military necessity. There can be no attacks upon unlawful objectives even if justified by the most dire military straits. As the Nuremberg Military Tribunal stated,

"It is an essence of war that one or the other side must lose, and the experienced generals and statesmen knew this when they drafted the rules and customs of land warfare. In short these rules and customs of warfare are designed specifically for all phases of warfare. They comprise the law for such emergency. To claim that they can be wantonly—and at the sole discretion of one belligerent—disregarded when he considers his own situation to be critical, means nothing more or less than to abrogate the laws and customs of war entirely.[14]

The notion of military necessity therefore is acceptable only within the limitations of law and refers only to the destruction of lawful targets. Lawful objectives may be destroyed in accord with military necessity. This limit of proportionality seeks to lessen unnecessary human suffering and material destruction. Thus, Article 23g of the Hague Regulations prohibits the destruction or seizure of "the enemy's property, unless such destruction or seizure be imperatively demanded by the necessities of war." Article 53 of the Geneva Convention-Civilians prohibits any destruction of real or personal property belonging to "private persons, or to the State, or to other public authorities or to

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Footnotes at end of article.

social or cooperative associations . . . except where such destruction is rendered absolutely necessary by military operations." This principle of proportionality is also incorporated in the Army Field Manual.[15] Principle VIb of the Nuremberg Principles defines as a war crime, the "plunder of public or private property, wanton destruction of cities, towns or villages, or devastation not justified by military necessity." Thus 3(b)(2) also would enact a principle to which the United States already subscribes and to which it has already held other officials of other nations accountable.

Section 7002(b)(3) prohibits inhumane treatment of prisoners of war. Both the Hague Regulations and the Geneva Convention Relative to the Treatment of Prisoners of War (hereinafter referred to as the Geneva Convention-Prisoners) have extensive and detailed provisions concerning the treatment of prisoners of war. The language of this paragraph is intended to incorporate those provisions.

The paragraph also gives members of insurgent groups and resistance movements prisoner-of-war status. Under the Geneva Convention, even those members of resistance movements and insurgencies who violate the standards of military oragnization (e.g., wearing a distinctive uniform or sign recognizable at a distance) are accorded the minimum protections of Article 3. This article prescribes humane treatment for all persons "taking no active part in the hostilities, including members of armed forces who have laid down their arms . . ."

In the post-World War II trials, moreover, American authorities defined as a major offender in post-war Germany anyone who "is responsible for outrages, pillaging, deportations or other acts of brutality, even if committed in fighting against resistance movements."[16] A student of this period has noted that the American representatives "promulgated the view in Germany that resistance movements had to be treated with the same attention to rules of war as armies in 'proper' insignia and badge."[17] Thus the provisions of Section 7002(b)(3) reflect the standards enforced by the American authorities in post-war Germany.

Section 7002(c) lists specific acts as violations of the laws and customs of war and of this bill. The section does not purport to be comprehensive, but merely to indicate some acts which should not be condoned under this bill.

Section 7002(c)(1) proscribes assassination. Assassination is outlawed by Article 23 of the Hague Regulations which provides: "it is especially forbidden . . . to kill or wound treacherously individuals belonging to the hostile nation or army." As the Army Field Manual elaborates, this is construed to prohibit "assassination, proscription or outlawry of an enemy, or putting a price upon an enemy's head, as well as offering a reward for an enemy 'dead or alive.'"[18]

Paragraph 2 of Section 7002(c) prohibits the mass bombing of civilian populations, of other non-military objectives, or for the purpose of terrorizing. Paragraph 3 of Section 7002(c) prohibits the destruction of crops or livestock or natural habitat unless imperatively demanded by the necessities of war.

Both of these paragraphs elaborate the distinction between lawful and unlawful objectives which was discussed in reference to 7002(b)(2). Needless to say, mass bombings of civilian populations, of non-military objectives or for the purpose of terrorizing are unlawful objectives in armed conflict.

The limitation on the destruction of property has two major applications. First, it limits the property which can be expropriated, converted or destroyed in the conduct of military operations (e.g., troop maneuvers, construction of bases, placement of air strips), requiring that such usage be held to a strict and imperative minimum.

Second, it limits targets which may legitimately be destroyed in an enemy country. Enemy crops and livestock are not legitimate military targets. To include them as such would legitimatize the mass starvation of civilian populations. Agriculture is therefore considered a civilian occupation (in which prisoners of war may lawfully be put to work) under Article 50 of the Geneva Convention-Prisoners. Any destruction of the natural habitat must be imperatively demanded by military necessity, a standard which at the very minimum requires a close connection between the "destruction of property and the overcoming of the enemy's army."[19]

Section 7002(c)(4) prohibits the overthrow of the leadership of another nation by force, violence or bribery. Nonintervention in the internal affairs of other states has been a principle constantly supported by American leaders. While one may question the desirability of total nonintervention, this paragraph prohibits only unilateral intervention by force or bribery for the purpose of overthrowing the leadership of another nation, it is well within the minimally accepted international principle of nonintervention. The Charter of the United Nations provides that "All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any manner inconsistent with the Purposes of the United Nations."[20] The unilateral use of force, threat of force, or bribery to overthrow a government may be considered an act of war. Therefore, Section 7002(c)(4) falls well within the limitations of the international rule.

Section 7002(c)(5) prohibits the use of biological weapons in any form. The use of weapons is governed by the general interdiction of the Hague Regulations that "the right of belligerents to the conflict to adopt means of injuring the enemy is not unlimited." Biological weapons were included in the prohibitions of the Geneva Protocol of 1925 which was signed on behalf of the United States but has not yet been ratified by the Senate. By December 1969, eighty-four states had ratified it.[21] In December, 1969, the General Assembly of the United Nations passed a resolution declaring that the Geneva Protocol "embodies the generally recognized rules of international law prohibiting the use in international armed conflicts of all biological and chemical instruments of warfare."[22] Indeed, virtually every student of the law agrees that the prohibitions formulated in the Protocol have been transformed into a rule of international customary law. No state has ever claimed the right to use biological or bacteriological weapons. The United States has repeatedly affirmed its agreement with the objectives of the Protocol. In November, 1969, President Nixon announced that "The United States shall renounce the use of lethal biological agents and weapons and all other methods of biological warfare." Section 7002(c)(5) merely reaffirms this pledge and associates the Congress with it.[23]

Section 7002(c)(6) enlarges the prohibition of 7002(c)(5). The Hague Regulations of 1907 prohibit the employment of "poison or poisoned weapons," and the employment of "arms, projectiles or material calculated to cause unnecessary suffering." The United States is a party to this convention.

Section 7002(c)(7) proscribes agreements between federal officials and private individuals or associations to achieve indirectly what is prohibited in the bill. This prohibition of the use of civilian deputies adheres to the standard applied in the post-war tribunals.[24]

Section 7002(d) lists the sources of international laws which are incorporated into the criminal code by this bill. The list reflects a commitment by the United States to adhere to and enforce those standards which the United States and the international community as a whole have established for international behavior. It also expresses a willingness to apply the laws enforced in the post-war period on officials of other countries to American officials.

Section 7003. Defense of superior

Section 7003(a) provides that superior orders are not a defense to the commission of a war crime. The wording here simplifies the Army Field Manual's elaboration on the Nuremberg Principle, but retains its concern for an objective standard of knowledge and responsibility.[25]

Section 7003(b) reiterates Principle III of the Nuremberg Principles, incorporated in paragraph 510 of the Army Field Manual, and removes official immunity from those officials who commit war crimes.[26]

Section 7004. Sanctions

The sanctions reflect the need to punish those who violate minimal standards of behavior in the management of national security policy. Crimes against the peace and war crimes are among the most fundamental violations of the social order proscribed by the law. The seriousness of the defense need not be measured by the severity of punishment. Rather the enforcement process itself should serve the purpose of publicly condemning such acts.

Therefore the penalties listed here are not severe. Provision is made for offenders. Such a sentence seeks to reintegrate the offender with the social order at a different level. An offender might be sentenced to serve as a health aide in a hospital. He becomes reacquainted with social ties and norms at an immediate and human level. Such service will rid him of the insulation and arrogance which led him to ignore the fundamental dictates of humanity.

TITLE II: ADMINISTRATION AND ENFORCEMENT

Sections 3101 and 3102 establish the Legal Office of National Security Affairs which, like the General Accounting Office, is to be independent of the executive departments.

The National Security Solicitor and Assistant Solicitor are to be appointed by the President with the advice and consent of the Senate as mandated by Article II, Section 2 of the Constitution. Their term of office mirrors that of the Comptroller General. Section 3102(b)(3) provides that either may be removed by a concurrent resolution which cannot be vetoed by the President. This provision is intended to protect against the selection of a Solicitor who feels indebted and responsible to the President. It seeks to increase the Solicitor's independence from the President and emphasize his responsibility to the Congress. The Congress has an unquestionable power to pass an act which permits repeal of an action by the President (in this case the appointment) by concurrent resolution.[27] Section 3102(e) (1), (2), and (3) make provision for the pay and retirement of the Solicitor and Deputy Solicitor, making these the same as that of the Comptroller General and the Assistant Comptroller.

Section 3103 outlines the authority of the Solicitor to make the appointments and establish the regulations necessary to manage the Legal Office.

Section 3104. Powers and duties of solicitor

Section 3104 outlines the powers and responsibilities of the National Security Solicitor. The Solicitor shall be responsible for enforcing the provisions of this bill upon enactment. Enforcement may be sought by criminal prosecution and injuntive proceedings. The Solicitor replaces the Attorney General in enforcement of the crimes listed in this bill.

Section 3104(b) provides for periodic open hearings at which citizens may provide information germane to the provisions of this bill to the Solicitor and to the public at large.

It is hoped that such hearings will help inform and educate the public about the nature of such issues.

Section 3104(c) provides that the Solicitor may provide advisory opinions on proposed programs or activities to the President or the Congress. Such opinions may forestall the initiation of programs which violate the provisions of the bill and thus avoid unnecessary criminal or civil proceedings. By their nature, such opinions are merely advisory and do not foreclose later action by the Solicitor. Publication of the Solicitor's opinions must adhere to classification regulations. It is hoped that the publication of various opinions will stimulate the education of the legal community and the bureaucracy in such matters.

Section 3104(d) mandates the Solicitor as a matter of first priority to prepare a detailed code of war crimes which includes recommendations for up-dating the laws to which the United States subscribes. This code, modeled perhaps on the form of the Army Field Manual, can then be considered in detail by the Congress for passage into law. Enforcement of the provisions of this bill does not depend on subsequent passage of such a code.

Section 3105. Injunctions

Section 3105 outlines the procedure for civil proceedings to enjoin programs in violation of the act. Injunctive relief is a supplementary remedy to normal criminal prosecution under the act. The Section provides the standard procedure for seeking injunctive relief before a three judge court. A three judge court is provided for because it is assumed that such suits will be of utmost gravity and importance.

Section 3106

Section 3106(a) empowers the Solicitor to collect information necessary to enforce the provisions of this bill. The Solicitor is empowered to collect information normally unavailable because of the exemptions and privileges which have been developed and espoused by the Executive in the post-war period. As with other Executive officials, the Solicitor must make a showing of "his need to know" such information if it is classified. The language quotes that used in Executive Order 11652. The power delineated here is similar to that given to the Comptroller General in 31 U.S.C. 54.

Section 3106(b) provides for protection of persons who disclose information to the Solicitor. The intent is to protect employees who fulfill their legal obligation under the Nuremberg Principles and reveal information to the Solicitor concerning the commission of violations of this act.

FOOTNOTES

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[1] Opening Statement at Nuremberg by Robert Jackson, 1945, Department of State Document No. 27833, 1947.

[2] See e.g., Article 146, Geneva Convention Relative to the Protection of Civilian Persons in Time of War of 12 August 1949, *TIAS* 3365.

[3] As quoted in Raskin, Marcus, *Being and Doing* (1972) p. 52.

[4] 94 *League of Nations Treaty Series* 57.

[5] Taylor, *Nuremburg and Vietnam* (1971) p. 32.

[6] For a discussion of the role of the United States see Asamoah, *The Legal Significance of the Declarations of the General Assembly of the United Nations* (1968) p. 122f.

[7] See Falk, *Legal Order in a Violent World* (1968) p. 63f.

[8] *Op. cit.* n. 2.

[9] Department of Army, *The Law of Land Warfare,* Field Manual FM 27–10 (1956).

[10] 36 *Stat* 2277; *Treaty Series* 539.

[11] See Bindschelder-Robert, *The Law of Armed Conflicts,* Carnegie Endowment for Peace (1969) pp. 14–27.

[12] *Op. Cit.,* Army Field Manual, par. 42. See also pars. 33, 39 & 56.

[13] See *e.g.* Oppenheim, *International Law* 7th ed. (1952) p. 524; Schwarzenberger, Self-Defense under the Charter of the United Nations and the Use of Prohibited Weapons, *International Law Association Report* (1962) p. 214; Spaight, *Air Power and War Rights* 3d ed. (1947) p. 277; Adler, Gerald L., Targets in War: Legal Consideration, in Falk, Viet-Nam War and International Law, Vol. 3, p. 296.

[14] *Trials of War Criminals Before the Nuremberg Tribunal,* Vol. 9: The Trial of A.F.A. Krupp, Halback and Eleven Others (1950) p. 1347.

[15] *Op. Cit.,* Army Field Manual, par. 56.

[16] Department of State, *Occupation of Germany—Policy and Progress 1945–1946,* p. 13.

[17] Raskin, Marcus, "The Case for Legal Action on War Crimes," *University of Chicago Magazine,* November 1972, p. 25.

[18] *Op. Cit.,* Army Field Manual, par. 31.

[19] *Ibid.,* par. 56.

[20] Article 2(4) of the United Nations Charter.

[21] General Assembly Resolution 2603A (XXIV), 16 December 1969.

[22] See *e.g.,* Schwarzenberger, *op. cit.,* p. 219.

[23] The President's statement is quoted in *Falk et al., The Crimes of War* (1971) p. 62.

[24] See Scott, The Hague Conventions and the Declarations of 1899 and 1907 (1915).

[25] *Trials of War Criminals Before the Nuremberg Tribunal,* The Trial In re List and Others (1950).

[26] *Op. Cit.,* Army Field Manual, par. 509.

[27] *Ibid.,* par. 510.

AMENDING TITLE 35, UNITED STATES CODE, PATENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Railsback) is recognized for 10 minutes.

Mr. RAILSBACK. Mr. Speaker, today I am introducing legislation to amend title 35, United States Code, Patents. A number of situations have arisen where a patent applicant has failed to make timely payment of the issue fee. Under section 151 of title 35 the Commissioner of Patents can accept a late payment if the late payment is made within 3 months of the due date and if sufficient cause is shown for the late payment, but there is no discretion in the Commissioner to excuse late payments made more than 3 months after due date. Some late-payment situations may have involved circumstances beyond the applicant's control and private bills have been introduced to direct the Commissioner to accept the late payment, notwithstanding the expiration of the 3 months. The major thrust of the legislation which I have introduced today would eliminate the necessity for such bills by giving the Commissioner authority to accept a late payment upon a showing that the delay was unavoidable.

Also, Mr. Speaker, on the recommendation of the Department of Commerce, my bill provides limited retroactivity. However, the bill is not retroactive to a date prior to October 25, 1965, when present section 151 of title 35 became effective. Prior to that date, section 151 provided for payment of the issue fees within 6 months of the sending of a notice of allowance, but with a provision for late payment within an additional 12-month period in the discretion of the Commissioner. And to my knowledge, there were few, if any, difficulties under this section prior to 1965. Also, the term of any patent as to which a late payment of the issue fee is made and accepted, the retroactivity period would be shortened by an amount equal to the time elapsed between the due date of the issue fee and the date when the delayed payment is submitted. An additional limitation on retroactivity is provided in the bill for the case wherein another person may have learned of the abandonment of a patent application for failure to pay the issue fee and made an investment relying on the fact that the invention was in the public domain. Such a person's rights would be protected.

In addition, Mr. Speaker, section 1 of this legislation enumerates the officers of the Patent Office and makes a number of changes in section 3 of title 35 of the United States Code. The current position of First Assistant Commissioner would be known as Deputy Commissioner. It is provided in this bill that the Commissioner of Patents, the Deputy Commissioner, and the two Assistant Commissioners shall be appointed by the President with the advice and consent of the Senate. The current requirement for Senate confirmation of the Patent Office examiners-in-chief is eliminated, but the rate of their compensation is unchanged—not in excess of GS–17. Section 2 of this legislation amends section 7 of title 35 of the United States Code relating to the composition of the Board of Appeals of the Patent Office. The only change made in the existing section 7 is the inclusion of the Deputy Commissioner among the members constituting the Board of Appeals.

Mr. Speaker, the bill I am introducing has wide support and to my knowledge, no opposition. I urge its early consideration by the Committee on the Judiciary.

CLARK CLIFFORD'S GOVERNMENT OF NATIONAL UNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, in a premature, naive, and entirely inappropriate piece of public policy advice, President Johnson's Secretary of Defense, Clark Clifford, recently called for the formation of a Government of National Unity in which a congressionally chosen President would assume the responsibilities of the Presidency; of course, after the voluntary resignation of President Nixon and Vice President Agnew.

Under the guise of the 25th amendment to the U.S. Constitution, which was originally drafted to make provision to fill a vacancy in the Office of the Vice Presidency, Mr. Clifford attempted to supersede the intent of that amendment and the American people.

I was interested in observing the response to this effort at constitutional revisionism. Apparently, many Americans see the Clifford proposal as just that, a constitutional revision. The New York Times, which originally printed Clifford's proposal on the Op. Ed. page, recently printed several letters in response to Mr. Clifford's plan. I am interested that most of them recognize the inappropriateness of the Clifford proposal.

For the edification of my colleagues, I am including for the Record, several letters to the editor, a New York Times column by Arthur H. Dean, and a column by William F. Buckley, Jr., who, in his inimitable style, reduces the Clifford proposal to its native air of ridiculousness:

The Clifford Plan

(By Arthur H. Dean)

In an article on this page on June 4, Clark Clifford, former Secretary of Defense, put forth an ingenious proposal that President Nixon and Vice President Agnew resign their offices to permit the formation of "a government of national unity." This result could be accomplished, he suggested, through the mechanism provided by the 25th Amendment to the Constitution for filling a vacancy in the office of the Vice President. Thus, Mr. Agnew would resign first, Mr. Nixon would appoint a new Vice President subject to confirmation by both houses of Congress, then Mr. Nixon would resign and the new Vice President would succeed him. Mr. Clifford further proposed that Mr. Nixon should select his successor from a list of "three qualified individuals" named by Congress.

Apart from the broader issues it raises, the constitutional legitimacy of Mr. Clifford's proposal would appear to be more formal than substantial.

The amendment was intended to provide an appropriate means for maintaining an orderly succession to the Presidency when a situation of necessity exists, not to provide for the replacement of a duly elected President whenever men knowledgeable about public affairs might consider such a replacement desirable. Moreover, the amendment does not itself speak of the President's appointing a new Vice President from a list of qualified individuals submitted by Congress (or any other body) but vests the appointment power exclusively and mandatorily in the President, and the President alone, subject to confirmation by a majority of both houses of Congress.

At the beginning of his article Mr. Clifford suggests, "Under our system of government, a President cannot function without the confidence of the American people. Parliamentary systems recognize this fact and a government resigns following a vote of no confidence."

The parliamentary system was well known to the framers of the Constitution who were not "inexperienced doctrinaires," and because of the unsuccessful and trying years under the Articles of Confederation when the Federal Government could not legislate unless all of the states agreed, the Founding Fathers were well aware of the differences that separated the Thirteen Colonies and of the risks to a new Republic of following the parliamentary system and having the Government fall upon a vote of no confidence. Consequently, they opted in Article II, Section 1, for an independent Executive Branch headed by a President and Vice President, each elected for a fixed term of four years.

Mr. Clifford's proposed course of action thus runs contrary to one of the most basic decisions made in the Constitution.

Similarly, it ignores the basic principle that the people themselves have the sole right to choose the President through the electoral process on the basis of their own weighing of whatever considerations they may deem material. At the time of the 1972 Presidential election, the Watergate break-in had received widespread publicity. Much more, of course, is known now, and Mr. Clifford may be correct that even at this point we have merely seen more of the tip of an iceberg.

With respect to national stability and the effective functioning of the executive branch, which are Mr. Clifford's stated concerns, it would appear that the resignation of President Nixon after his bold and long-needed intervention in foreign affairs would most likely cause greater instability than his continuance in office, unless further properly corroborated revelations make it clear to the leaders of Congress that he must either resign or be impeached. Even then, there would appear to be no substantial basis for demanding the departure of Mr. Agnew, who, so far as is known or even suggested, has had no part in any aspect of Watergate or improper methods of surveillance.

Mr. Clifford's new President "of outstanding ability and the highest character" would nevertheless be an unknown quantity to the country and the world. Until his views on a multitude of important questions were developed and made known, public uncertainties could be so great as to cause a sharp economic recession and a severe dislocation in the conduct of foreign affairs. At the same time, Mr. Clifford's description of the benefits to be derived from selection of a new President seems unduly rosy.

Mr. Clifford's whole proposal is, of course, based upon the premise that both the President and the Vice President would be willing to resign and turn the Government over to a President who might well be of another party and whose views on basic questions of policy might differ drastically from their own. I am not sure of the reality of this premise or of its acceptability at this time to the American public.

[From the New York Times, June 16, 1973]

What They Are Saying of Mr. Clifford's Plan

To the Editor:

This [Clifford] article is, in my opinion, one of the most insidious as well as treasonable utterances yet expressed by those persons seeking, on the unfortunately conceived action of a group whose efforts were prompted by their desire to uncover subversive practices for which the object of their search has been so noted, to undermine the work of a man who is without question the most honest and loyally oriented President this country has had since Theodore Roosevelt.

Why your paper is so ready to print the vapid outpourings of men like Muskie, Humphrey, Jackson and Ted Kennedy along with those of renegades like Percy, Weicker and McCloskey has long been a puzzle to me and, I am certain, to many others. The first four mentioned long since forfeited any confidence that may have at one time been held in their veracity. Renegades like Percy and Weicker do not have the courage to tell their real reason for their attitude, which is simply that the companies in which there is such concern on their part, financially, do not any longer enjoy the fat war contracts which were so profitable to them.

President Nixon's accomplishments have been so outstanding in bringing our Vietnam debacle to a virtual close; in bringing about rapprochement with the Soviet Union and the People's Republic of China; in bringing business at home to a high level of prosperity; in disposing of the huge surpluses of farm products; that it is only to be expected that the forces that constantly seek to destroy our country would grasp any straw to keep their ship of disloyalty from foundering.

Have you got the nerve to print the truth?

CHARLES P. LOVELAND.

SCARSDALE, N.Y.

To the Editor:

Clark Clifford's article proposing the resignation of President Nixon is in itself an affront to the American code of justice that holds innocence until proven guilty as its cornerstone.

His further proposal that Vice President Agnew also resign simply because he is part of the Nixon Administration has to be considered sheer demagoguery and knavery.

This type of thinking on the part of supposedly responsible and respected men is the greatest danger our country faces. The Constitution and its amendments have served us well and when we begin to tamper with its provisions and trample its traditions, we are veering sharply toward government by fiat and whim which is a sure road to fascism.

THOMAS MICHAEL DESMOND.

MASSAPEQUA, L.I.

To the Editor:

Despite the seriousness of the subject, I couldn't help but be amused at the naiveté of Mr. Clark Clifford. Does Mr. Clifford really believe that the Richard Nixon of Jerry Voorhis and Helen Gahagan Douglas fame would make a "magnanimous action" or show "unselfish dedication to the nation's good"?

Mr. Nixon's political career has not been marked by any noticeable ethical or moral standards. To believe that he would resign his life's goal for unselfish reasons is at the very least unrealistic.

SYLVIA DUNN SCHLAFF.

BROOKLYN.

To the Editor:

As Clark Clifford outlines in his well-reasoned arguments for the resignation of both President Nixon and Vice President Agnew, the United States Constitution is a flexible document. There is yet another constitutional way in which a person of unquestioned integrity, sound administrative experience, impeccable credentials and with no political ambitions for 1976 can become President.

The rule of succession provides that the Speaker of the House become President if both the President and Vice President are no longer available for service. At the moment that Speaker is Carl Albert. It is unlikely that he could serve the purpose of unifying and leading the country in a nonpartisan manner.

However, in Article I, Section S, the Constitution states that "the House shall choose their Speaker." The Constitution does not seem to require that the House must choose a Speaker from among its own members. The Speaker could be anyone. He or she need serve for only five minutes as Speaker (long enough for the resignations to be acted upon), and then Carl Albert could be reelected as Speaker after the other person moves into the Presidency.

There is some question whether the method outlined by Mr. Clifford, since it places the ultimate responsibility for selecting a successor in President Nixon's hands, could achieve the purpose of removing all question of "partisan politics" from the new President's ascension. Leaving the matter entirely in the hands of Congress might have that effect.

MICHAEL SCOTT.

BROOKLYN, N.Y

To the Editor:

I was appalled to read the article by Clark Clifford. What is this drivel coming from a man who has been prominent in the Government?

The United States is fortunate to have a Constitution which provides for the orderly removal of the President in case of wrongdoing on his part. This country can be well served if the law of the land is observed.

Obviously, Mr. Clifford puts his own suggestion above the Constitution of the United States. He has a long way to go to rival the

Founding Fathers. I found his article to be truly offensive.

JOSEPHINE MANICONE.

OLD TAPPAN, N.J.

To the EDITOR:

I read with grim horror Clark Clifford's proposed solution for the Watergate tragedy, which he views with grim foreboding for the future of our country. To what depths of despair have some of our best brains sunk!

Fortunately, I have a high regard for Clark Clifford's sanity. Otherwise, I would think the plan a product of Rube Goldberg's twenty-fifth method of how to commit suicide, by tying a string to one's big toe on the left leg, and setting off a gun on the ceiling.

DR. MORRIS ZUCKER.

BRONX, N.Y.

To the EDITOR:

Clark Clifford's solution to the Watergate crisis and method of insuring President Nixon's place in history is no doubt a thinking individual's response. However, the suggestion involves a myriad of maneuvers and politicking that would take up at least three-quarters of the balance of the Presidential term and that period of time would leave our nation in an even worse situation, as far as uncertainty, lack of leadership, and a generally malfunctioning bureaucracy.

Instead, I suggest that we "rally 'round the flag, boys," bring the Watergate situation to a close as quickly as possible, punish those who have misused power, or acted wrongly, and get back to running the country. This will do more to strengthen our morale and our belief in our system than Mr. Clifford suggests.

JOHN B. MCCARTHY.

FAIR HAVEN, N.J.

To the EDITOR:

Clark Clifford's article is another glaring example of the unrealistic, naive, even childish thinking swirling around the Presidency and the President in these sad and tragic Watergate days.

I fully agree with his conclusions that Watergate has resulted in a deep loss of confidence in the Government, that Mr. Nixon's credibility has been severely affected, that the President has treated Congress as an inferior branch of Government. The remedy suggested, however, is hardly one that is sound either factually or legally. Given Mr. Nixon's makeup, particularly an all-pervading streak of stubbornness when confronted by crisis, it is hardly likely that he would surrender.

Mr. Clifford, probably with tongue in cheek, suggests that, by resigning, Mr. Nixon would be assured his place in American history. What place, one must ask? A resignation under these circumstances would only consign him to the very darkest page in our history.

Mr. Clifford is not really anxious to assure Mr. Nixon an honorable, or, as he puts it, a noble place in our history. Quite the contrary, he is, even at this date, before all the evidence is in, ready to find him guilty on all counts. That may well prove to be the case. But, until the hearings of the Ervin Committee and the investigation by Archibald Cox have been completed, we should endeavor to allow the normal processes of Government to continue as best they may, with as little recrimination as humanly possible.

It serves no useful purpose at this time to speculate on the course to take in the event of adverse findings by either the Select Committee or by the Special Prosecutor.

IRVING SWEET.

NEW YORK CITY.

To the EDITOR:

I don't want to be "governed" by The New York Times nor by The Washington Post.

You were not elected by the American people—nor will you be. Yet you will use every dirty trick in the editorial "book" to chase from the Presidency (if you can) Richard Nixon who was elected by a landslide.

You have overblown the Watergate case in a deliberate attempt to create a governmental crisis—and use such "wheeler-dealers" as Clark Clifford to suggest a way in which Nixon and Agnew would (could) "step down" for a President and Vice President of your choice, no doubt.

And your "leak" of John Dean's supposed testimony that President Nixon was involved in the first four months of this year in more than 30 discussions of the cover-up aspect of the Watergate case. Your story (second-hand) was carried by UPI (third-hand) with an acknowledgement in paragraph 13 that "According to the Post, Dean has no documentation to back up his claims."

You blow up, create mountains out of molehills. It's all very evident.

You and yours have helped to destroy the secrecy of the grand jury. And you are destroying any possibility that an impartial (unbiased) jury could be drawn to hear Watergate cases.

If your colored cases are as strong as you would like other people to believe, why don't you cry for "impeachment"? Cry long and loud. Then see what you get. Let's see how powerful you really are; then let's see what the American public does. Put it all on the line if you have the guts! I don't think you have.

E. L. ROBINSON.

LIVERPOOL, N.Y.

To the EDITOR:

As one of the overwhelming majority that voted for the Nixon-Agnew ticket, after Watergate, I deeply resent the suggestion by Clark Clifford that Nixon and Agnew resign.

After all, it was to protect the Republic from the Clark Cliffords that we elected Nixon and Agnew. We are not so much interested in how they got in as in that they got in. To lose them now would be a disaster.

Granted that, for the moment, all cards seem to be stacked against the President; a hostile prosecutor, a hostile investigative committee, a hostile press. He has won against these odds before, and I've got a hunch he will do it again.

BERT GOLDSMITH.

NEW YORK CITY.

[From the Evening Star, June 14, 1973]

NIXON'S ENEMIES ARE GOING TO SAVE HIM

(By William F. Buckley, Jr.)

Hey, kids, do you want to know what they are talking about in the New York salons? Probably not, and for good reason, but the philanthropic imperative prevents me from keeping it to myself. It is the article in the New York Times by Clark Clifford on how to cope with the mess in Washington.

It is all just this simple:

1) Nixon gets Agnew to resign.

2) Nixon asks Congress to nominate a successor v.p.

3) Nixon selects from Congress' nominees.

4) Congress confirms the nominee.

5) Nixon resigns.

6) The new guy becomes President.

The result?

7) A transformation of "the next three and a half years from years of bitterness, divisiveness and deterioration to years of healing, unity and progress."

The turgidity of Clifford's presentation makes it sadistic to dwell on the analysis, but one must, one absolutely must, since such chutzpah requires recognition. Clifford speaks of this as being "no time for partisanship"—while proceeding to write as though it were a bipartisan conviction that Spiro Agnew, though he was elected vice president of the United States and though he is utterly unimplicated in Watergate should not, in the event of the President's resignation, proceed to the post for which he was designated by the American people.

Clifford says that President Nixon has by his contempt for the press and our institutions "irreparably" damaged himself. Clifford's respect for the press is best recalled by his willingness to serve President Johnson when Johnson asked Clifford to visit Washington publishers in 1964 and beg them to suppress the news that Johnson's assistant, Walter Jenkins, had been caught in a compromising position at the YMCA washroom.

Johnson went on to win a landslide election, and Clifford was not very resonantly accused of trying to suppress Johnson's attempt at coverup, nor did anyone in sight suggest an auto-da-fe for him.

Clifford says that the "present administration has come to treat Congress as an inferior branch of the government." That's true. But so did the Johnson administration treat it, and so did Kennedy's, and so did FDR's. The truth of the matter is that Congress has earned the reputation as an inferior branch of the government and it is historically the fault not of Nixon, but of Congress.

Clifford says that after all, Lyndon Johnson in 1968 did the noble thing. "On that occasion, President Johnson said: 'What we won when all of our people united must not now be lost in suspicion and distrust and selfishness and politics among any of our people.' "

Right, that's what Johnson said. And what happened was that the people remained disunited and distrustful and selfish, and politics continued. Johnson's self-removal had nothing to do with healing the wounds of the nation to the extent that they were healed. That was the result of the practical policies of Richard Nixon. And the nearest the country ever came, in recent years, to being united was in preferring Nixon to the Democratic choice of the Democratic party, George McGovern, whose singular contributions to disunity were reproached neither by Clifford nor by the New York Times.

By God, I do believe that Richard Nixon is going to be saved by his enemies, and he deserves to be.

REGULATION OF COMMUTER TRANSIT OPERATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WALSH) is recognized for 10 minutes.

Mr. WALSH. Mr. Speaker, there is today a serious problem being faced by commuter bus and rail transit operations conducted within the States.

When the Interstate Commerce Commission, the Railway Labor Board, and other Federal regulatory agencies were originally set up, the purpose was to regulate the trunk line railroads throughout the country. Since then, their jurisdictions have extended even to those commuter bus and rail transit operations conducted by transportation authorities within each State.

These intrastate operations are of a nature totally dissimilar to and incompatible with the history, custom, tradition, and usage of the trunk lines. Through judicial precedents, and specific provisions of the Interstate Commerce Act, the Railway Labor Act of May 20, 1926, and other congressional enactments, it has been determined that urban and suburban transit systems whose operations are carried on exclusively within the geographical confines of one State are, nevertheless, still to be construed as interstate in character.

I feel that this situation is one which should be changed. Bus and rail mass transit activities which continue to be operated by transportation authorities throughout a given State are subject to Federal statutes often conflicting with State laws.

This hampers efficient operation, is detrimental to the public welfare and is incompatible with the best interests of those desiring to use these facilities as well as those employees and others engaged in their operation.

Therefore, I am today introducing a resolution which would remove these transportation facilities from regulation by the Federal Government if they are operated wholly within a State by a transportation authority created under the mandate of the State legislature.

I urge the support of all my colleagues in this most important matter.

MEDAL OF HONOR TO POLICEMEN AND FIREMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Hogan) is recognized for 5 minutes.

Mr. HOGAN. Mr. Speaker, I am sure that each of us is aware of the outstanding services rendered by the police and firemen of this country. These public servants have the responsibility for upholding the law and this often means that they must endure the kind of abuse, animosity, and antagonism that no other human being can rightfully be expected to endure.

To honor these men, I am introducing a bill to provide for the awarding of a Medal of Honor to worthy police and firemen throughout the United States. The legislation would authorize the President to award the medals each year to one policeman and one fireman from each State. The recipients would be selected by the Governor of the State in which the policeman or fireman serves.

Mr. Speaker, acknowledgement of the services performed by these men is long overdue. I urge the Members of this body to take prompt action to assure that these men receive some measure of recognition by enacting this legislation.

BOATOWNERS ARE GETTING A RAW DEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Biaggi) is recognized for 5 minutes.

Mr. BIAGGI. Mr. Speaker, I have introduced legislation, H.R. 2804, which would permit an itemized tax deduction for part of the cost of installing "marine sanitation devices" in motor boats required by the Federal Water Pollution Control Act.

The recreational boatowners of this country are getting a raw deal. When they purchased their boats they were in compliance with all Federal, State and local laws. Then in 1970, Congress came along and told them that they must meet new standards that will cost these working Americans $100 or more in new equipment. There is no question that the fight against water pollution must go forward, but the Federal Government should assist the average American not only in the fight, but in the cost of fighting pollution.

When the air pollution control standards were established, no requirements were placed on automobile owners to install equipment to make their old cars comply with the new emission regulations. Similarly, old jets were not forced to clean up their exhaust or noisy engines. Yet we are requiring old boats to conform to these new regulations.

We have in the past established special benefits for businesses that modified a pollution source. Businesses, of course, can deduct the entire cost of pollution control devices as a business expense. Moreover, the 1969 Tax Reform Act provided a special amortization formula to help owners of old business plants to write off the cost of pollution control. In addition, local government agencies can use the interest on tax-free bonds to finance pollution control projects for private industry. Yet there are no special benefits, options, or deductions for the individual boatowner.

Therefore, I have introduced my bill which would permit a tax deduction of 50 percent of the cost of purchase and installation of a marine sanitation device. This is a fair and equitable sharing of the cost of these devices which, once installed, will result in a significant public benefit.

What will this cost the Government in terms of tax losses? The Environmental Protection Agency estimates that there are only 550,000 privately owned vessels that are affected by the new requirements. The EPA estimates the average cost for all the required adjustments is about $100. Therefore, the total amount of tax loss would be less than $3 million. Since all new vessels are being built to comply with the new EPA standards, this $3 million loss is a maximum, one-time-only cost.

I urge my colleagues in the House to join with me in support of this bill. I urge the chairman of the Ways and Means Committee (Mr. Mills) to hold hearings on this measure as soon as possible and to favorably report it out of the committee to the full House. The time for compliance is at hand and the need for this tax relief urgent.

AMENDING THE ACCOUNTING AND AUDITING ACT OF 1950

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Gibbons) is recognized for 5 minutes.

Mr. GIBBONS. Mr. Speaker, recently I introduced H.R. 9082, to amend the Accounting and Auditing Act of 1950 to provide for the audit of Federal agencies by the Comptroller General that are not now audited.

These agencies are the Federal Reserve System, the Internal Revenue Service, the Comptroller of the Currency, the Office of Alien Property, the trust funds of the Smithsonian Institution, and the U.S. Soldiers' Home in Washington, D.C.

These agencies spend taxpayers' moneys and they should be held accountable to the public as other Federal agencies of the Government are.

The General Accounting Office which was created to assist Congress in providing legislative control over the receipt, disbursement, and application of public funds should be required to audit the agencies that are not now audited. I believe it is in the interest of these agencies that their funds be audited. I believe the people of the United States are entitled to an accounting.

My bill has been referred to the Government Operations Committee for consideration. A copy of this legislation follows:

H.R. 9082

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 of the Accounting and Auditing Act of 1950 (31 U.S.C. 67) is amended by adding at the end thereof the following new subsection:

"(d) (1) The Comptroller General shall make, under such rules and regulations as he shall prescribe, an audit for each fiscal year of the Federal Reserve Board and the Federal Reserve banks and their branches, the Internal Revenue Service, the Comptroller of the Currency, the Office of Alien Property, the Trust Funds of the Smithsonian Institute, and the United States Soldiers' Home, Washington, District of Columbia.

"(2) In making the audit required by paragraph (1) of this subsection, representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the entities being audited, including reports of examinations of member banks of the Federal Reserve System, and they shall be afforded full facilities for verifying transactions with balances or securities held by depositaries, fiscal agents, and custodians of the Federal Reserve Board and the Federal Reserve banks and their branches.

"(3) The Comptroller General shall, at the end of six months after the end of the year, or as soon thereafter as may be practicable, make a report to the Congress on the results of the audit required by paragraph (1) of this subsection, and he shall make any special or preliminary reports he deems desirable for the information of the Congress."

MRS. COLLINS WITHHOLDS IMPOUNDMENT SUPPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. Collins) is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, it is my understanding that legislation concerning the President's impoundment of funds will be brought to the floor of the House for consideration in the very near future.

I am taking this opportunity to state that I will not be able to support any legislation which gives the President the implied right or implied power to impound funds that have been appropriated by the Congress.

I do not believe that the American people are desirous of having their representatives in Congress abrogate their responsibilities to another branch of the Government. This would violate the spirit and the intent of the Constitution. We, as Members of Congress, must not violate that spirit.

KEEP MEAT PRICE CEILING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, I urge the administration to "tough it out" against food industry pressures to lift the ceilings on meat prices.

If the administration caves in to demands to remove the meat price ceilings, then I am convinced that meat and pork prices will skyrocket and make last spring's prices which prompted the meat boycott look like bargains.

Since "tough it out" is the operative phrase at the White House, I suggest that they do just that on meat prices.

Two recent events are now driving down the price of feed grain to poultry, hog, and cattle producers, thus relieving the cost squeeze which the food industry is using as justification for removal of price ceilings.

First, export controls have knocked the slats out of the absurdly high soybean market making this all-important protein feed available to producers at more reasonable prices. Second, the July 10 crop report augurs well for expanded corn and soybean crops this fall which should naturally depress the price of feed and, consequently, the price to packer, retailer, and consumer.

To be stampeded into a premature removal of the price ceilings is absurd in light of these factors.

Instead of moving to raise meat prices, the administration should be working in a way to lower family food bills by enacting tough phase IV guidelines.

GUIDELINES FOR REFINERY PRODUCTS ALLOCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. RUNNELS) is recognized for 5 minutes.

Mr. RUNNELS. Mr. Speaker, on May 23, 1973, the Office of Oil and Gas published in the Federal Register, volume 38, number 99, page 13588, a set of guidelines relating to the allocation of refinery products.

Today this is a voluntary program. Shortly a modified version of it may become mandatory. Since the program is so important, I am hereby submitting it for publication in the CONGRESSIONAL RECORD as follows:

Office of Oil and Gas

CRUDE OIL AND REFINERY PRODUCTS GUIDELINES FOR ALLOCATION

A voluntary program for allocation of crude oil and refinery products was announced by the Honorable William E. Simon, Deputy Secretary of the Treasury, in testimony before the Senate Committee on Banking, Housing and Urban Affairs on May 10, 1973. This program will be voluntary and will be backed up by: (1) Guidelines established by the Federal Government; (2) a mechanism for providing continuing scrutiny of compliance with the guidelines; and (3) the authority for imposition of mandatory allocation if necessary. General policy direction will be vested in the Oil Policy Committee; day-to-day administration of the program has been assigned to the Office of Oil and Gas, Department of the Interior. This program calls for suppliers to make available to each of their customers the same percentages of their total supply of crude oil and products that they provided during the corresponding quarter in a base period. It also provides that suppliers of priority customers unable to obtain needed supplies under their allocations by their suppliers may apply to the Office of Oil and Gas for assistance in obtaining supplies. The following guidelines have been established by the Office of Oil and Gas for the administration of the program for allocation of crude oil and refinery products. Comments on these guidelines may be submitted in conjunction with the hearings to be held by the Oil Policy Committee (see section 8 below, changes in program).

1. *Agreements*—a. *From whom.*—Agreements by each producer, crude oil buyer, gas plant operator, refiner, marketer, jobber and distributor are assumed unless the Office of Oil and Gas is notified to the contrary.

b. *Implied content of agreements.*—That they will make available in each State to each of their customers (including those purchasers in the spot market), the same percentage or amount of their total supply of crude oil, natural gas liquids, liquified petroleum gases, and petroleum products that they provided during the corresponding quarter of the base period (fourth quarter of 1971 and first three quarters of 1972), whichever is lower. This program is not intended to obligate a supplier beyond the extent of his base period supplies to a customer, nor is it intended to limit the supplies to the obligated amounts. A customer is defined as any person who purchased crude oil or petroleum products from the supplier during the base period.

2. *Allocation by suppliers*—a. *Voluntary allocations.*—In establishing total supply for allocation, it is not intended that any supply be withheld for possible allocation by the Office of Oil and Gas to meet priority needs. Rather, up to 10 percent of production might be distributed to meet the needs of customers. Suppliers may voluntarily supply priority needs and follow up with documentation to the Office of Oil and Gas for credit in supplying their share of priority needs in relation to section 3 below.

b. *New customers.*—All suppliers are urged to continue to supply customers that they have added since the base-case period and to provide a listing of such customers and supplemental supply commitments to the Office of Oil and Gas for consideration in the assigning of suppliers under section 3.

3. *Allocation by Government*—a. *Who may request Government assistance.*—Suppliers of priority customers (see section 3(e)) unable to obtain needed supplies under allocations by their suppliers as discussed in sections 1(b) and 2(a) may apply to the Office of Oil and Gas for assistance in obtaining supplies. Requests for assistance to priority customers made directly to oil companies by responsible Federal, State, or local government officials may be honored by those oil companies. The Office of Oil and Gas should be notified of the assistance so provided, the source of the request for assistance and the percent of quarterly supply involved. If a supplier provides assistance to priority customers without an official request, that supplier may request that the Office of Oil and Gas include that assistance as a part of his share of supplying priority needs.

Nonpriority customers who do not have a supplier with a supply obligation may apply to the Office of Oil and Gas for assistance on the basis that they are not otherwise covered by the program.

b. *Allocation by the Office of Oil and Gas.*—The Office of Oil and Gas may request each producer, crude oil buyer, gas plant operator, refiner, marketer, jobber, and distributor to provide allocations for priority customers still unable to obtain needed supplies of crude oil and products. The Office of Oil and Gas will request allocations for those not otherwise covered by the program.

c. *Basis.*—This request by the Office of Oil and Gas must be based on demonstrated need. The basic purpose of priority allocations must be to assure adequate supplies of crude oil and products to priority users who are not well served under the proportional allocation program described in sections 1(b) and 2(a) above. Supplier assignments also shall be made to fulfill the needs of new customers who have entered the marketplace since the base periods.

d. *Priority.*—Priority will be given by the Office of Oil and Gas to supplying the following activities or to independent marketers, jobbers, and refiners who supply the following activities:

(1) Farming, ranching, dairy, and fishing activities and services directly related to the cultivation, production, and preservation of food.

(2) Food processing and distribution services.

(3) Health, medical, dental, nursing, and supporting services except commercial health and recreational activities.

(4) Police, firefighting, and emergency aid services.

(5) Public passenger transportation, including schoolbuses and other buses, rail intercity and mass transit systems, but excluding tour and excursion services.

(6) Rail, highway, sea, and airfreight transportation services, and transportation and warehousing services not elsewhere specified.

(7) Other State and local government activities.

(8) The fuel needs of residents in States or parts of States unable to obtain sufficient crude oil or products.

(9) Difficulties caused by natural disasters.

(10) Public utilities.

(11) Telecommunications.

Whenever possible without detriment to the above priorities, preference shall be given to independent refiners and marketers (1) in the carrying out of such priorities, and (2) in other cases where all other conditions are equal and a choice must be made between allocation of supplies to an independent or to a major company.

e. *Where to request assistance.*—Requests for assistance should be sent to the appropriate regional office of the Office of Oil and Gas, or to the Office of Oil and Gas representative at the regional office of the Office of Emergency Preparedness with a copy to the Director, Office of Oil and Gas, Department of the Interior, Washington, D.C. 20240. Appendix A provides addresses of these regional offices and the States covered by each office.

4. *Complaints.*—The Office of Oil and Gas will receive complaints from anyone who feels he is not receiving a proper allocation of supplies. Complaints should be made in writing, documenting the bases for the complaint, to the addresses in appendix A to be consid-

ered officially. Suppliers are requested to provide each regional office with the appropriate contracts to facilitate informal review and resolution of problems by mutual consent.

If it deems it necessary, the Office of Oil and Gas may require a public hearing and submission of data, by suppliers, on their 1971 and 1972 exchanges and/or sales of crude oil, unfinished oil, and products. These data will include the names and addresses of customers, the amounts of crude oil and products sold to them, the legal relationship between major oil companies and customers, and whatever other information the Office of Oil and Gas believes necessary to conduct the hearing. The Office of Oil and Gas will then verify the accuracy of complaints against a supplier and, if justified, impose mandatory allocation on the supplier.

5. *Price*—a. *Products.*—The price at which petroleum products (including liquified petroleum gases) shall be sold by refiners and wholesale distributors to independent marketers, wholesale distributors, and other unaffiliated customers shall not exceed normal refinery or terminal rack prices, or normal delivered domestic contract barge or cargo prices charged by major companies.

b. *Crude oil.*—The price at which major oil companies shall sell crude oil to independent refiners shall not exceed the posted crude oil prices at the time of sale, plus an applicable pipeline transportation charge.

c. *Limitation.*—No price controls are contemplated in this program other than these promulgated by the Cost of Living Council.

6. *Preemption.*—For the allocation program to be successful it is imperative that supplies of crude oil and refined products be made on a coordinated national basis. Accordingly, the States should refrain from adopting independent allocation programs which would obstruct the smooth and equitable functioning of the national program. To the fullest extent legally permissible under the authority granted by the Economic Stabilization Act Amendments of 1973, it is the intent of this program to federally preempt the States from entering the field of allocation of crude oil and refinery products.

7. *Exceptions.*—The intent of this program is to assure adequate supplies for essential needs and provide an equitable basis for assuring that independent members of all segments of the industry obtain sufficient supplies to meet their customers' needs. If the results of some aspects of the program are contrary to this intent, the supplier affected may request that the Office of Oil and Gas grant an exception on the basis of unintended results.

8. *Changes in program*—a. *Revisions.*—Immediately following the initiation of this program, the Oil Policy Committee shall begin hearings to determine any changes that may be required to make the program equitable to all classes of suppliers and purchasers, and whether the program should be made mandatory. The Chairman of the Oil Policy Committee will designate an ad hoc board to conduct such hearings and report its findings to the Oil Policy Committee. The board shall be composed of representatives of the Interior, Treasury, Justice, and Commerce Departments. GSA/OEP, and any other representatives as the Chairman of the Oil Policy Committee may feel appropriate. The Chairman of the Oil Policy Committee shall designate the Chairman of the Board.

Supplemental guidelines and procedures published by the Office of Oil and Gas may be issued as appropriate.

b. *Additional measures.*—The Oil Policy Committee will also investigate and recommend additional measures that should be undertaken to encourage allocations by major suppliers.

Dated May 21, 1973.

DUKE R. LIGON,
Director.

APPENDIX A

OOG REGIONAL OFFICES
AND
STATES COVERED BY EACH REGION

Regional Offices:	*States covered by each region*
OOG Region 1: Custom House Building, 10th floor, 2 India Street, Boston, Mass. 02109, telephone: (Temporarily not occupied; call OOG Representative at OEP Region 1).	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
OOG Representative, OEP Region 1: JFK Federal Building, room 2003, E. Boston, Mass. 02203, telephone: 617-223-4271.	
OOG Representative, OEP Region 2: 26 Federal Plaza, room 1347, New York, N.Y., telephone: 212-264-8980.	New Jersey, New York, Puerto Rico, and Virgin Islands.
OOG Representative, OEP Region 3: 2 Penn Center Plaza, suite 915, Philadelphia, Pa. 19102, telephone: 215-597-9403.	Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and District of Columbia.
OOG Region 4: South Street Federal Building, Old Federal Square, room 650, 600 South Street, New Orleans, La. 70130, telephone: 504-527-6681.	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Canal Zone.
OOG Representative, OEP Region 4: Suite 750, 1375 Peachtree Street NE., Atlanta, Ga. 30309, telephone: 404-526-3641.	
OOG Region 5: 300 South Wacker Drive, room 565, Chicago, Ill. 60606, telephone: 312-353-5119 and 353-1818.	Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.
OOG Representative, OEP Region 5: 300 South Wacker Drive, room 520, Chicago, Ill. 60606, telephone: 312-353-1500.	
OOG Region 6: Federal Center, Denton, Tex., telephone: 214-749-9371.	Arkansas, Louisiana, Oklahoma, New Mexico, and Texas.
OOG Representative, OEP Region 6: Federal Building, 1100 Commerce Street, room 13C28, Dallas, Tex. 75202, telephone: 214-749-1411.	
OOG REGION 7: Building 710, Denver Federal Center, Denver, Colo. 80225, telephone: 303-234-2596.	Iowa, Kansas, Missouri, and Nebraska.
OOG Representative, OEP Region 7: Trader National Bank Building, 1125 Grand Avenue, room 1500, Kansas City, Mo. 64106, telephone: 816-374-5916.	
OOG REGION 8: (Covered by region 7.)	Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming.
OOG Representative, OEP Region 8: Building No. 67, room 370, Denver Federal Center, Denver, Colo. 80225, telephone: 303-234-3271.	
OOG REGION 9: 450 Golden Gate Avenue, Box 26032, San Francisco, Calif. 94120, telephone: 415-556-2833.	Arizona, California, Hawaii, Nevada, American Samoa, Guam, and Trust Territory of the Pacific Islands.
OOG Representative, OEP Region 9: 120 Montgomery Street, San Francisco, Calif. 94104, telephone: 415-556-8794.	
OOG REGION 10: (Covered by region 9.)	Alaska, Idaho, Oregon and Washington.
OOG Representative, OEP Region 10: Room M-16, Arcade Building, 1319 Second Avenue, Seattle, Wash. 98101, telephone: 206-442-1310.	

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TRIBUTE TO SENATOR WALLACE F. BENNETT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, although I have served in the U.S. House of Representatives for only a short time, my long involvement in political affairs has given me an opportunity to follow the activities of the senior member of the Utah delegation in Congress.

From my perspective, I have learned that Senator WALLACE F. BENNETT is a man of courage, forthrightness, and action who will leave a significant mark on the laws governing our country. His announced retirement plans for next year have resulted in many Utahans looking back on his nearly 23 years of service in the U.S. Senate, to thank him for help in assisting in Utah projects, and calling attention to his hard work and honesty in pursuing Utah's interests in the Congress.

To be candid, I do not agree with much of Senator BENNETT's political philosophy, but the Senator has always made his position on issues and policies clear, for citizens and voters to know and evaluate freely. Our political system is made more viable when all sides debate issues openly and candidly. Senator BENNETT has never been accused of hedging on his views, and thus he has furthered the cause of honesty in political dialog.

Former President Harry Truman once said of his friend, and long-time political opponent, Senator Robert Taft:

> He and I did not agree on public policy, but he knew where I stood and I knew where he stood. We need intellectually honest men like Senator Taft.

In Senator BENNETT, the people of Utah have been fortunate to have had a man who let them know where he stood.

But while we have disagreed on political issues, I have supported many times his efforts in behalf of the State of Utah. In fact, his service to the State began years before I began active work in politics and has continued for two decades.

Others have described in detail the Senator's Utah accomplishments, but I feel they warrant noting. He was long a champion of the upper Colorado storage project, and he was influential in seeing the missile industry grow to national prominence in Utah. He worked hard to see the Great Salt Lake lands be conveyed to the State, and his help was necessary to the continued development of Utah's lead and zinc industry which was threatened by foreign imports.

Senator BENNETT was first elected to the Senate in 1950, and today many Americans, confused and worried at the immense problems that confront us, have sought the simplicity of earlier times. Nostalgia has replaced hope.

We cannot accept such an attitude. There will be challenges, even great ones, in the future. Old ideas will be replaced by new. Men will disagree. Because of this, there will always be a need for a two-party system. Political competition, if fought on the issues and in the open, is the very basis of the American democratic system. We will always need more honest warriors like Senator BENNETT.

PRIVATELY MANAGED ENERGY RESULTS IN PUBLIC CRISIS

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, for months now we have been hearing about a shortage of gasoline and other petroleum products. It started last winter, when there were shortages of heating oil throughout the Midwest and other sections of our country. It was only thanks to a fairly mild winter that the worst effects of such shortages were averted.

Up until just a few days ago, there were daily news stories about how there was not enough gasoline to meet the demand that summer motoring had placed upon the petroleum industry. There were shortfalls in the production of various other kinds of fuels. The farmers in the Midwest threatened that they would not be able to harvest their crops—thus adding to the projected shortages of food we have also been hearing so much about—unless they could be assured of adequate supplies of fuel for their tractors, combines, and other heavy equipment.

Now we are told there is going to be enough oil and gasoline to go around. Stations which had been closed on weekends are now opening, and are open for longer hours at that. The rise in gas prices seems to have reached some kind of plateau. The scare appears to be over.

But is it really? And more importantly, was there ever really a scare? Did we ever really run out of gas?

The Federal Power Commission recently released a study that implicates a number of major oil companies in an unspoken conspiracy to take advantage of a genuine temporary shortage in oil, and use that shortage to drive small independent marketers out of business. This is an idea that many people have put forth in the past few weeks, and one which has been vehemently denied by the giants of the oil industry.

They say that the shortages are caused by many complex factors, among which are the fact that refineries for some reason have not been producing gasoline at peak capacity, that there are not enough refineries to meet the demand for petroleum products, that the lead time to build new refineries, and their cost, would make it unlikely that any new refineries could be built in the near future. These are all technically valid reasons, but each of them raises serious questions.

First, why are the refineries not producing at peak capacity when there is peak demand? Based on figures compiled by the American Petroleum Institute, the 250 refineries in the United States are operating at an average of 93 percent of their rated capacity. Is this simply a problem of there being not enough refineries to meet current and projected needs? I doubt it, for any new refineries built may well be operating below capacity as well. What is needed is not merely more refineries, but ways to keep all refineries operating at or near their full capacity.

The American public is literally at the mercy of the oil industry. There is ultimately nothing in this country which a consumer uses that does not in some way rely on an adequate supply of fuel oil. That goes for everything from the produce on the grocer's shelves, to the eight-track stereo in our cars, to the power for the overhead lamps in a hospital operating room. Since the more stringent emissions controls have gone into effect, our consumption of gasoline and other petroleum products has increased even more. Coal is no longer being used in many large cities as a source of power and light. Cars with the new emissions control devices guzzle more gas than ever before.

I would not for a moment suggest that we ease our fight against air pollution for the sake of easing the energy crunch. What I would suggest is that we take a lesson from recent events. They have taught us, if nothing else, that what this Nation needs is a coherent policy on the development and use of our energy resources. We have not had such a policy in the more than 30 years since World War II, and in those 30 years, the United States has become the major source of energy consumption in the world. We are 6 percent of the world's population, and we use one-third of the world's supply of energy. We used this energy without any thought as to whether we really needed so much, or what effects it would have on the rest of the world, or what we would do when the supply began to run low.

It is not just the consumer who must think about the cost of gasoline for his new car. It is also the responsibility of the Federal Government, for it is they who put the consumer in a position in which he would have to use more gasoline. It is not just power-generating plants who must think about how to retool from coal to low-sulfur fuel oils, and the cost of doing so. It is also the responsibility of the Federal Government, whose clean-air regulations made this retooling necessary.

It is ludicrously shortsighted to rush headlong into an antipollution program without giving serious thought to the spillover effects throughout the economy. One cannot decree that high-sulfur coal may not be used without taking into consideration what will happen when replacements for this fuel must be found. One cannot require cars to be built with more efficient emissions control devices without taking into account what this will do to the gasoline supply and demand picture.

The President has finally taken a first step in appointing the distinguished Governor of Colorado, John Love, as the new energy "czar." If fuel shortages are to be a way of life for this Nation for the next few years, then it is vitally important to have a strong administrator taking charge of how our supply of fuels is to be used to greatest advantage. But a strong administrator is only of limited effectiveness without a clear-cut energy policy, and this is something which we simply do not have. Nor do I see anything promising on the horizon.

There are numerous suggestions as to how we may ease the energy shortage, but so far none of these have been incorporated into an official response to the energy crisis. The Senate has passed a mandatory fuel allocation program, but such rationing is viewed with extreme disfavor by many Members of the House of Representatives and by the administration. I ask you, Mr. Speaker, can we afford to make the fuel crisis a political football, or to kill any hope of an integrated energy policy by arguing over syntax and word meanings? The interests of the country, of the 210 million men, women and children who look to us for leadership require no less than a total commitment to working out a fuel policy which meets the needs of consumers and producers alike.

We need more than a list of do's and dont's for consumers. We need a set of tangible incentives for conservation of our gasoline supplies. Why not impose a set of progressive taxes on cars of varying size and horsepower? If someone wants to own a big car, which uses gas uneconomically, why should he not pay for the privilege? And further, ought not the Federal Government itself set the pace by limiting its procurement to automobiles which are small and economical? What a slap in the face it is to consumers who must pay nearly half a dollar for a gallon of gasoline, to see some Assistant Under Secretary driving around in a chauffered limousine that gets 8 miles to the gallon. Is this really necessary, Mr. Speaker?

Since the fuel industry is so vital to the well-being of our people, we should seriously consider whether it is in the best interests of the country to leave it entirely in private hands—and that is where it is now. Something which we have come to rely on so thoroughly ought to be regarded as a public utility, and regulated accordingly. Such a proposal merits serious and judicious consideration by this body.

And the foreign policy implications of the energy crisis must not escape us either. Already, King Faisal of Saudi Arabia has threatened to cut off our supply of oil from that country unless American policy toward Israel changes radically. The more reliant we become on oil from the Middle East, the more susceptible we will become to such political blackmail. Importation of oil from the Persian Gulf states will be a necessity in the years ahead, no matter how much we curtail our use of petroleum products through conservation and the development of other sources of power. But we must, if we are to maintain our commitment to Israel, never become so dependent on Middle Eastern oil that we are forced to make unwise concessions in our foreign policy.

It is not just for the sake of our relations with Israel that we should seek to curtail our use of Middle Eastern Oil. Western Europe and Japan have long been dependent on the Middle East to supply their petroleum needs, and they, unlike the United States, have few other resources to look to. If we become competitors with our allies for Middle Eastern oil supplies, we may well be courting international havoc.

The Europeans and Japanese have learned how to live with limited supplies of petroleum fuels. Their automobiles are on the average, half the size of American cars, and use half as much fuel to get the same mileage. We overcool and overheat our homes, wasting still more fuel. European petroleum reserves are at the level of a 65-day supply, while in the United States, the reserve would last for less than 40 days. European oil refineries have taken advantage of technological advances which allow the production of petroleum products with little or no air and water pollution.

Mr. Speaker, when we hear talk of an energy crisis in the United States, we are not just hearing talk manufactured as part of a vast anticompetitive conspiracy. There is indeed an energy crisis, but it is not one limited to temporary shortages in gasoline. It is a crisis of nationwide proportions, one in which it becomes every day more apparent how little the Federal Government has done to provide for this Nation's future energy needs.

There is no such thing as a perpetual motion machine. A machine needs fuel to run. The American machine is running out of fuel, at least the kinds of fuel we have come to rely on. Those ultimately in charge of the machine—the Federal Government—have done little to see to it that fuel supplies are maintained. At a time when we are anxiously looking for new sources of oil, research funds to the Bureau of Mines to carry on their shale oil project have been cut by half. Shale oil reserves in the Western United States are estimated to be able to produce 5 million barrels of oil per day for the next 300 years before the reserves are exhausted. With such rich reserves, it could only be in the best interests of the Federal Government to increase funds for development of economical extraction methods.

Coal is another rich energy resource. Use of coal has drastically declined since clean air standards went into effect. But there are ways, technologically feasible and not prohibitively expensive, for turning coal into high-quality pipeline gas. The Bureau of Mines estimates that the U.S. coal reserve is 1,600 billion tons. If 75 percent of our energy needs was met by coal—six times the current level of utilization—it would take nearly 200 years to deplete our known reserves. But where is Government interest in developing this vast untapped potential? Is it possible to make use of it and at the same time not lessen the quality of our environment—either by air pollution or by strip mining? Is it economically feasible, given the necessity of some increase in price over more conventional sources of gas and oil? These are questions which deserve answers.

Mr. Speaker, I wish it were otherwise, but we must face the fact that the United States can no longer go on using gas and oil as though there were no tomorrow. There is a tomorrow, and it is here now. We must, if we are to survive into the next century, take decisive measures to develop new sources of energy, to allocate that energy as efficiently as possible, and to use it sparingly. We have not only ourselves to think of, but our Nation's future.

THE GREAT TRAIN RESCUE

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, the June 19, 1973, issue of Newsday carried an editorial entitled "The Great Train Rescue," which discussed the Northeast railroad crisis and some of the solutions which have been proposed. The editorial concludes that:

> The profit motive cannot be the sole determining factor for an essential public service.

I have introduced a bill, H.R. 7373, which would insure the continued operation of the lines of the bankrupt railroads in the Northeast. Later this week, I will reintroduce this legislation with cosponsors. The Newsday editorial correctly emphasizes the Federal Government's role in finding a long-range solution to the railroad crisis, and I am inserting this article at this point in the RECORD:

THE GREAT TRAIN RESCUE

Plans are well under way to revitalize Western Europe's already adequate railroad systems. The hope is that by 1980 most of Europe's major cities will be linked by trains capable of carrying passengers and goods at speeds up to 150 MPH. Japan, which already has one 150-MPH line, is now laying track for several others. Only in the United States, and particularly in the northeastern states, are trains regarded as white elephants hardly worth saving.

Six of the Northeast's 11 railroads are already in bankruptcy, and three of them have petitioned the courts for permission to end service and sell off their assets. And it's entirely possible that two weeks from now a federal judge will rule that the Penn Central, the nation's largest railroad, should go out of business.

That would be a body blow to the economy of the entire northeastern region, and there is a broad consensus in Congress that it cannot be allowed to happen. But there is no consensus whatsoever on how to save the Penn Central and its sick sisters.

Transportation Secretary Claude Brinegar has added to the confusion by putting forth an inadequate and unrealistic proposal that would, in effect, wash the federal government's hands of any responsibility for maintaining rail service in the Northeast.

Brinegar would leave the problem in the lap of private enterprise—which has already demonstrated that it can no longer provide adequate service. He advocates a one-time federal outlay of $40,000,000 as sufficient inducement for private investors to rush in with several billion in new capital.

We doubt that. It took $350,000,000 of public funds to turn the Long Island Railroad into a reasonable facsimile of an adequate rail line—and the LIRR still loses more than $40,000,000 *every year*. A $40,000,000 subsidy wouldn't even cover the annual debt service of the Penn Central.

Brinegar would sweeten the kitty for private investors by establishing a quasi-public Northeast Railroad Corporation, which would be sponsored by the government but financed and run mostly by private enterprise. And he would have Congress give the new corporation authority to drop routes—or entire railroads—if they fail to show a profit.

Brinegar's plan relies almost entirely on the balance sheet to determine which routes will be retained and which abandoned. There is general agreement in Congress that many overlapping routes in the Northeast can be phased out without creating undue hardship. The Transportation Department is now working on a "core system" of service that would be maintained, but Brinegar refuses to tell Congress which routes his department considers essential. He implies that in most cases that decision would be left up to private entrepreneurs, which means placing in jeopardy the economic lifelines of hundreds of companies and municipalities.

The idea of creating a quasi-public agency to consolidate and run the Northeast's failing railroads has considerable merit. But the agency must be adequately financed by Congress, and the public must have a voice in determining what constitutes essential service. The profit motive cannot be the sole determining factor for an essential public service.

The outlook now is that Congress will come up with some short-term financing to keep the Penn Central and the other bankrupt lines running for another year or so. That will buy time, but it will do nothing to rehabilitate the railroads, nor will it solve their long-range problems. That will take a complete reorganization, and the quicker Congress gets on with that job the better. Surely we Americans are resourceful enough to do at least as well as the Europeans and the Japanese.

NIXON REFUSES TO FILL AMTRAK VACANCY

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, nearly a century ago, one of the wealthy railroad magnates was asked whether he felt any responsibility to the public. His reply was: "The public be damned."

Although intercity passenger service has now been transferred to a quasi-public board, this attitude still seems to prevail.

Several years ago, the Congress established the National Railroad Passenger Corporation, or Amtrak. The Board of Directors of Amtrak was to include representatives of the Federal Government, the railroad industry, rail labor, and one consumer representative. In view of the dubious quality of Amtrak's service, we might well question whether one representative of the general public was enough. But what is really shocking is that this consumer seat on the Board has been vacant for a long time, and that the President has taken no action to fill it.

During the 92d Congress, Mr. Nixon submitted to the Senate the name of Rose Fannucci to be the consumer representative on the Board. The credentials of the nominee, a San Francisco attorney, were not particularly strong, but a confirmation hearing was scheduled in the Senate. Then, a day or two before the hearing, Ms. Fannucci decided that her appearance on Capitol Hill would interfere with a trip to Europe. She asked the Senate to postpone the hearing, which they quite properly refused to do.

That was the last any of us heard about the consumer position until 2 months ago, when, during testimony before the Senate Commerce Committee, an administration official indicated that an appointment might be made "within 6 months."

Mr. Speaker, the inaction of the President on this vacancy is an affront to the millions of Americans who depend upon passenger rail service. There are under consideration at the present time plans to abolish the present Amtrak Board, and to replace it with a more responsive body—with more consumer representatives. But for the time being, I call upon President Nixon to name a candidate for the present vacancy—hopefully, someone who is truly concerned with the quality of rail passenger travel in this country. The taxpayers are supporting Amtrak, and they have a right to at least this token representation on the Board of Directors.

So that my colleagues may see the disproportion of industry-oriented members on the Amtrak Board, I am inserting a list of the present members:

David Kendall, former vice president, Chrysler Corp.

Gen. Frank Besson, former U.S. Army Chief of Transportation.

John Gilhooley, president and chairman of the board, Transport of New Jersey.

Louis Menk, chairman of the board, Burlington Northern Railroad.

William Moore, president, Penn Central Transportation Co.

William Quinn, chairman of the board, Milwaukee Road.

Hon. Claude Brinegar, Secretary of Transportation.

Roger Lewis, president, Amtrak.

David Bradshaw, attorney.

Charles Luna, former president, United Transportation Union.

Vacancy, consumer representative.

SUPREME COURT RULING ON OBSCENITY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I congratulate the majority members of the U.S. Supreme Court for their ruling on obscenity. The decision was close—5 to 4 against present day permissiveness. It reverses earlier obscenity rulings by which the liberal Earl Warren court had struck down long-standing statutes against obscenity and allowed obscene material to be forced upon the American public. Justice Douglas was a dissenter, as expected. The liberal press disagreed with the decision. This also was to be expected.

While the ruling does not go as far as many Americans wish, it does represent a step toward the needed goal of eliminating smut from the newsstands and movie houses of America. By placing the primary decision as to what is unacceptable back into the hands of local authority, the Court has returned to the communities the right to decide what will be seen and sold. The effects already are apparent in that some objectionable material has been banned from the newsstands. The net result can be nothing but good for our Nation.

The key to the new ruling lies in Chief Justice Burger's opinion that "contemporary community standards" must be a guide to determining what is obscene. Second, the Court has left it to the States to determine by law that which is "offensive" and finally, the outlawed material must lack "literary, artistic, political, or scientific value." The Court went on to say this value must be "serious." The ruling will not take smut from the American scene, but it will help.

And so, we have taken a small step back toward the kind of society which is decent for our children and grandchildren. This is as it should be. This is what many of us have been hoping for.

There have been many instances, Mr. Speaker, when I have not agreed with rulings by the Supreme Court, particularly those of the Warren court. I felt they were consistently undermining our Nation's Constitution. I sincerely hope that the present Court will continue to restore sound precepts in moderation.

WATERGATE WITCH HUNT

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, the Cincinnati Enquirer on Sunday, July 1, 1973, reprinted an article from the London Daily Express. This point of view should give the domestic media, including networks, newspapers, editorial writers, commentators, and others a suggestion that there is, indeed, more than one point of view.

We should all study the following:

[From the Cincinnati Enquirer, July 1, 1973]

BEHIND THE GREAT WATERGATE WITCH HUNT

(By Angus Maude MP)

[The following expression of opinion, by a member of the British House of Commons, is reprinted from London's Sunday Express.]

Have the Americans taken leave of their senses? Looking objectively at the handling of the Watergate affair and its ramifications, one is almost forced to the conclusion that they have.

It is pretty horrifying to watch the way in which supposedly responsible Americans in the higher echelons of politics and public affairs are going about the business of discrediting not only their President, but the whole system of government in the United States.

The press and the other media are enthusiastically urging them on and reveling in the resultant mess. Every accusation against President Nixon and his staff, however, untested and however tainted its source, is given the widest publicity.

Every possible innuendo is used to slant the impression given to the public apparently in the hope of fixing the people's verdict before half the evidence has been heard.

Perhaps the most nauseating feature of the campaign is the self-righteous pretense of the smearers that they are only "acting in the public interest" and "helping to get at the facts." The only facts that they are interested in are those that can be used to discredit the President; and the way the campaign has been handled is not in the public interest at all, but deeply damaging to the United States and to all the best things for which America stands.

All the half-forgotten, elderly whiz-kids of the Jack Kennedy era have been writing articles—many of them syndicated over here—viciously venting their traditional hatred of President Nixon, but adding sententiously that the whole horrible business is really a blessing in disguise which will lead to much-needed reforms in the system of government.

Clearly they see it as a Heaven-sent bandwagon on which they can hitch a ride toward the ultimate triumph of Sen. Edward Kennedy. That a victory for this deplorable man would be for them and for most of the Eastern American liberal establishment a desirable consummation of the present campaign is sufficient guide to their sense of values.

Of course, the Watergate affair is a sorry mess. It is at least obvious that the President appointed some pretty strange people to his personal and political staffs. But the widespread assumption that he himself is guilty of corruption and illegal practices is still unsupported by convincing evidence.

In default of this, his detractors have resorted to the argument that if he were not guilty he would already have proved himself innocent—which is a typical inversion of the principles of fairness and justice for which they purport to stand.

The important point, however, is this: Whatever truth emerges at the end of the inquiries, whether the President is vindicated or brought down, the whole business is being handled and exploited in a way calculated to do the most, not the least, lasting damage to America and to the true interests of its people.

Mr. Nixon's enemies, of course, are saying smugly that it is his handling of the affair that is doing all the damage; but even a cursory study of the American press coverage makes it clear that this is not true. They are out to destroy him, and they do not seem to care who or what suffers in the process.

Of course, I do not know what, if anything, the President has to hide. But at this critical juncture for both the American economy and his own foreign policy, he carries a burden of responsibility that must make him hesitate to become personally involved too deeply in the comparative irrelevancy of the Watergate inquiries. Any responsible householder is more concerned about an imminent threat to the fabric of his building than about a temporary smell in the drains.

You would have thought that any educated American could foresee the desperate consequences of a major constitutional crisis at this time. And that any responsible commentator over here would hesitate before light-heartedly handing out more ammunition to America's enemies in this country. Yet the British Broadcasting Corp. (BBC) seems to be positively reveling in it.

Why have the BBC—and indeed ITV—news and current-affairs men been playing up the Watergate business so assiduously? They cannot really believe that the British public find it all that riveting.

They, like their American counterparts, seem to be actuated by a compulsive hatred of Mr. Nixon. Everything is slanted against him. Often they refer to him contemptuously just as "Nixon"—a familiarity they would never resort to with, say, Mr. Brezhnev or General Amin.

Is this just a fixation of intellectual liberals? Or are our media too so deeply infiltrated by anti-American leftists that they feel compelled to attack the one man who seemed likely to save America and restore its influence in world affairs?

Let us remember two things about President Nixon:

He won his landslide election victory because the American people recognized his practical achievements and wanted him to complete the job.

He seemed to be halting the hopeless drift toward anarchy and violence in which the country was involved. Peace had returned to the chaotic university campuses. A stand was at last being made for law and order. He was getting to grips with the problem of inflation.

Mr. Nixon brought to its only possible end the hopeless, bloody struggle in Vietnam—a struggle to which Kennedy and Johnson had committed America at the wrong time and on the wrong terms. He had laid the foundation of detente with Russia and China.

America, and indeed the whole Western world, already owes him quite a lot. If he survives we may come to owe him a great deal more. No possible successor is likely to be a statesman of anything like his caliber.

TO ALL U.S. SENATORS AND REPRESENTATIVES

The backlash to the Watergate spectacular is growing throughout America and Europe. Friends and business acquaintances in West Germany, France and Italy express views similar to those above by a British Statesman.

The grand jury has to investigate and the prosecutor has to prosecute those guilty, regardless of the Senate Show. Why was there not a Senate investigation in 1960 and 1964, when the political linen was much dirtier than now? Could it be because it was Democratic linen?—James A. Gardner, Netherland-Hilton, Cincinnati.

IMPOSSIBLE "DEMANDS" AND THE FUEL CRISIS

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, Earl W. McMunn, editor of the Ohio Farmer, wrote an editorial in the current July issue which should be of interest to all Americans concerned with energy and environment.

The article follows:

IMPOSSIBLE "DEMANDS" AND THE FUEL CRISIS

(By Earl W. McMunn)

If we're to have a favorable environment, we must tip the balance of nature in favor of people. This is something the rabid environmentalists have overlooked. In their zeal for returning everything to the hands of nature, they ignore the most important consideration of all. It is that our country is swarming with people.

Mother nature, working alone, has harsh but effective methods of keeping populations under control. But the people are here, thanks to the bounty of our production system. We can do a better job of cleaning up the environment. We have already made giant steps in this direction. But we can't let over-zealous activists destroy the economy and with it our ability to support the people of this country.

Already, there are signs that people in increasing numbers are getting the message. It is that there are trade-offs in almost everything we do. A price tag is always attached. There are undesirable waste products from every production operation. This is true whether it is a cattle feedlot, or a giant industrial plant. We must handle these waste products in an acceptable manner. But we dare not demand such sterility that we force the entire operation to close.

There is little question but what irresponsible demands of ill-informed activists were a big factor in creating the energy crisis. These demands slowed down development and production of energy just at a time when it was needed most. Now, many of the same critics are trying to point the accusing finger at someone else.

An example is Ralph Nader, the so-called "consumer watchdog." Passing through Columbus recently, he declared that the big gasoline companies have created the gasoline shortage to win concessions from Washington. And, that their goals are to gain tax breaks and win permission to build the Alaskan pipeline.

There is need for economic reward if we are to have adequate fuel supplies. Some of this may take the form of tax incentives. And, the Alaskan pipeline is no doubt needed to bolster our domestic fuel supplies. But, the energy crisis is the result of soaring demand which has outstripped our ability to produce—at least within our present pattern of costs.

What has happened is that we have used a large share of our cheap energy. We have had abundant supplies of coal, oil, and gas. Some of the coal has been converted into electric power. These fuels powered our automobiles, ran our industrial plants and transformed farming into a power operation.

The energy crisis was no doubt triggered by the Federal Clean Air Act of 1970 which called for drastic action to remove polluting substances from the atmosphere. Under standards called for in the act, much of the nation's soft coal was no longer suitable for generating electric power—largely because of the high sulphur content. This caused some electric power companies to turn to oil and gas.

Car manufacturers were also required to meet rigid emission standards. The standards were met, but at the expense of greater fuel consumption. During the same period, a greater number of affluent Americans were also adding to the number of cars on the road. These and other factors all helped trigger the energy crisis.

But whatever our feelings about clean air, there is good evidence that present stringent regulations are adding to the energy crisis. Alan G. Loofbourrow made this point when he spoke recently at a symposium on the energy crisis at the Battelle Memorial Institute in Columbus. He is vice-president for engineering and for research of the Chrysler Corporation and estimated that catalytic devices to control nitrogen oxides in automobile exhausts will add $42 billion to the U.S. oil import bill between 1975 and 1985.

The question is how much of the cost is really justified. Loofbourrow said: "If the health of the nation were at stake, then there would be no doubt that any control system would be worth almost any cost. But as the National Academy of Sciences said, the standards have been set without any apparent regard to the health effects of automotive emissions."

The engineer pointed out that the yield of gasoline is less when producing unleaded gasoline, and that cars running on this kind of fuel have higher fuel consumption. "The Office of Emergency Preparedness puts the penalty in the range of 15 to 20 percent," he said.

We still have massive coal supplies. But demand was shifted from sulphur-bearing coal and fuel oil to natural gas. This created shortages where none had existed before.

It is also true that demand is so great that we have been exhausting our cheap and easily-available supplies of oil and gas. One short-sighted policy of the federal government was regulation of natural gas prices at the well head by the Federal Power Commission.

This price regulation was started in 1954. It held prices to artificially low levels. It increased the demand for gas, but reduced the incentive to take risk in drilling to explore for new supplies. The result was predictable. Demand now exceeds the available supply.

It is a safe bet that fuel costs must continue to rise. We have used up much of the supply which is easiest and cheapest to reach. New environmental regulations are making coal mining more expensive. The same applies to off-shore drilling for gas and oil. Some groups even attempt to block oil imports because of the danger that there may be a spill at sea. And it is clear that we must draw an increasing share of our oil supplies from overseas sources. Here we run into problems of balance of payments and uncertainty of supplies.

Figures from various agencies studying the energy situation confirm the expectation of higher costs. The National Petroleum Council, for instance, predicts that oil prices will rise from 60 to 125 percent between now and 1985. This is in terms of constant dollars. It is also estimated that natural gas may go up by 80 to more than 200 percent in price. Coal and uranium are likely to increase by 25 to 30 percent.

So it's clear that the people of this country have some choices to make. It is a question whether we will do the things that are needed to increase supplies of oil, gas, coal and nuclear energy. A basic question is whether suppliers are permitted to operate in an economic climate which offers the chance for a profit. Oil drillers react to price controls in the same manner as cattle feeders. In both cases, controls result in less production.

Our Nation runs on purchased energy. This is true for farming just as it is for the rest of the economy. We can live with reasonable efforts to improve the environment. We can't tolerate the demands of those who are against every effort to increase our energy supplies.

Secretary of the Interior Rogers Morton said it well in recent testimony on the energy crisis:

"Give us an energy policy, they say, that will provide the consumer with the type of fuel he wants in the amounts he needs—at the time he must have it—and at the lowest possible price. Assure us this energy will be from secure and reliable source.

"But don't drill offshore on my coastline—don't build any pipelines across my land—don't strip any coal—don't build any refineries or storage facilities in my area—abolish the oil import program—but don't move oil in by tanker for this might pollute our waters.

"Give us an energy policy that guarantees protection of the environment and where use of energy does not intrude upon our asthetic values or damage the ecology of the land. Give us an energy policy that will maximize national security—and yet not impinge upon normal trade between nations."

PERSONAL ANNOUNCEMENT

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I was unavoidably absent from the floor for rollcalls 138, 192, 197, 198, 199, 202, 230, 251, and 257. Had I been present and voting, I would have voted "aye" on rollcalls 138, 197, 198, 199, 202, 230, and 251. I would have voted "nay" on rollcalls 192 and 257.

CONSTITUTIONAL CRISIS

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, more and more distinguished political commentators are pointing out the intolerable paralysis of the Federal Government which confronts the Nation. This situation is the result of the public's loss of confidence in the administration which has been brought on by daily revelations of misbehavior in office by high Government officials.

Under the Constitution as presently written, the President and Vice President are locked in for a 4-year term, and the only way out is by resignation or impeachment. In a recent Newsweek editorial, Stewart Alsop, the distinguished columnist, presented a powerful commentary on the constitutional dilemma in which we find ourselves, entitled "A Paraplegic Presidency."

Marquis Childs also has written a strong column in the Washington Post, "The Major Issue: Can Mr. Nixon Govern?" I am including these articles for reprinting in the Congressional Record at the conclusion of my statement, and I urge my colleagues to take serious note of the sentiments they express.

In the May 26 issue of the New Republic, "T.R.B." has written that—

> (A fault of the American form of government) is the frozen four year term. Under a parliamentary system if a credibility collapse occurs a vote of no confidence is taken for granted, then an election and a new mandate. But our 18th-century government lacks it. It is like a building with no fire escape. Today we have a President who probably can't govern and we are stuck with him for three years. Impeachment, resignation?—hardly likely. Quaintly enough, Mr. Nixon last week embraced the Mansfield proposal of a Constitutional amendment to let the chief executive serve only one term, for six years. So if burglaries discredited him in the first year, we should have him and his Watergate clowns for five years and couldn't chuck him.

These three commentators, without explicitly saying so, point to the need for interim elections as a solution to this type of constitutional crisis.

On May 9 I introduced H.J. Res. 547, a constitutional amendment which would permit the Congress, by a majority vote of both Houses, to call a new Presidential election at any time, if it determined that the President had so lost public confidence that he was unable to govern effectively. If such an election vote were vetoed by an incumbent President, a two-thirds vote of both House and Senate would be required to override. In such an election, the President would be eligible to stand for reelection.

I developed this proposal and offered it for congressional consideration as a solution to the form of constitutional crisis presently confronting the Nation—the President, having lost public confidence, no longer governs effectively, but he is unwilling to resign, and the Congress is not yet inclined to initiate impeachment proceedings. As a result, the Federal Government is virtually paralyzed and drifting aimlessly. Necessary policies are not being formulated in the executive branch, essential social programs flounder, the "energy crisis" is exacerbated by conflicting policies of various Government agencies, and international confidence in the dollar has nose-dived to an all-time low.

Unfortunately, under our present constitutional framework, no mechanism exists for coping with this type of governmental crisis. Presidents are elected for 4-year terms, and, unless Congress is willing to take the step of removing the President from office through impeachment proceedings, no amount of loss of public confidence can force out a President. Impeachment itself would be a lengthy procedure which literally could immobilize the Government for the duration of the congressional proceeding probably many weeks, and risk tearing apart the fabric of our American society. The "cure" of impeachment for a President who has lost public confidence might well be as dangerous as retaining him in office.

Other forms of parliamentary Western government avoid this dilemma by providing that if the Government loses public confidence, new elections are called and the voters give their mandate as to who should lead the Nation. This "safety valve," which characterizes the English, German, Italian, and Scandinavian forms of government, permits an orderly public referendum and transition of power, if necessary, when an elected government can no longer function effectively. The legislation which I have proposed would provide our constitutional structure with this vital flexibility.

The present lamentable state of our National Government, caused by widespread loss of public confidence and Presidential inability to govern, underscores the necessity for enactment of this constitutional amendment to provide a mechanism for a new Presidential election before a President's 4-year term of office has run its course.

The articles follow:

[From Newsweek, July 9, 1973]

A Paraplegic Presidency

(By Stewart Alsop)

Washington.—To continue to believe that President Nixon was wholly innocent of any involvement in the Watergate cover-up requires, by this time, a major act of faith. Mr. Nixon is not the sort of man who inspires major acts of faith.

John Dean III, in the week that was, resembled a small, quietly competent spider, weaving his web slowly, inexorably, around his far larger victim. It was useless to remind oneself that spiders are not nice insects, and that squealers are not nice people. Dean's seemingly total lack of human qualities—that soporific, gravel-voiced monotone, that blandly meaningless face—made the spider's performance all the more convincing.

If Dean was lying, his lie was the most complex, the most detailed, the most carefully prepared, in the long history of lies since Ananias. A heroic effort to keep an open mind remains necessary, but if the pro-Nixon witnesses, or Mr. Nixon himself, can extricate the President from the web John Dean has woven, it will be a miracle.

The miracle will be all the more miraculous because we have had a preview of the President's defense, in the long, pettyfogging memorandum sent the Ervin committee by White House counsel J. Fred Buzhardt. If the Buzhardt memorandum is the President's best defense, then the President has no defense.

TOUGHING IT OUT

Suppose, then, that the President is stuck in the web woven by spider Dean. Suppose that most of the Congress and most of the country become convinced that the President was guilty of obstruction of justice, which is a felony, a major criminal act. What then? Bar an act of God, there seem to be three possible answers.

The first and most likely answer is that Mr. Nixon will "tough it out," a favorite White House phase, that he will remain in the White House until Jan. 20, 1977. This is a way of saying that the country will probably be presided over for the next three years and more by a paraplegic President.

The Presidential paralysis is evident already in several ways. As the Cambodia votes in the House indicate, he can no longer count on the conservative coalition that was his basic constituency on Capitol Hill . From now on, any White House proposal is likely to be fought on the Hill just because it comes from the White House.

The President no longer fully controls even his own White House turf. With the appointments of Elliot Richardson and Archibald Cox, the President has in effect abdicated control of the Justice Department, an essential instrument of Presidential power. Back to Woodrow Wilson and beyond, the No. 2 man in the White Hosue has always been totally the President's man. Melvin Laird is his own man, not the President's.

Unless the miracle of extrication can be achieved, the Presidential paralysis will spread as the President's prestige and popularity sink. By some, the enfeeblement of the Presidency is regarded as a Good Thing, on the theory that it is past time that the power of the Presidency be reduced and the power of Congress restored. In fact, the brief periods of Congressional domination have been sad and futile, from the Reconstruction era on. The reason is simple. It is not possible for a committee of 535, or even a committee of 100, to run a big country sensibly.

IMPEACHMENT

The breakup of the inner Nixon Administration, which has already occurred, was certainly a Good Thing, and its goodness becomes clearer with every day of testimony. The picture of the inner Administration that emerges from the testimony of Dean, Magruder and company is a picture of a nest of vipers—and incompetent, paranoiac vipers at that. The vipers were blandly willing to use any Federal instrument of power, including the taxing power, to "screw our political enemies," in John Dean's elegant phrase. It was essential to clear the vipers' nest out of the White House.

The vipers, as noted many weeks ago in this space, exuded a genuine Fascist smell. But Presidential paraplegia probably involves more real danger of an American form of Fascism than any nest of vipers. To judge from the Italian and German precedents, the prime preconditions for authoritarian government are the paralysis of government authority, economic crisis and the erosion of confidence in national institutions. All three conditions seem all too likely to be met.

This is why the prospect of a paraplegic Presidency is so frightening. An obvious alternative—impeachment—is almost as frightening, and maybe more so. An attempt to impeach the President could tear this country apart like no event since the Civil War, and the disaster would be multiplied if the attempt failed to gain the necessary two-thirds vote in the Senate.

This is one reason why impeachment still seems highly unlikely. There is another. The Democrats are quite aware that there would be no political advantage to them in making Vice President Agnew the incumbent President and President Nixon a martyr to millions. Yet it must be added that there is beginning to be serious impeachment talk on Capitol Hill.

RESIGNATION

There is a third way out—the resignation of the President. Resignation is probably as unlikely as impeachment. The "I'm not a quitter" syndrome is deeply a part of the Presidential psyche, right back to his days as an animated punching bag on the Whittier College football team. There is also a practical reason why the President seems unlikely to resign.

If President Nixon were to cease to be President, he would become plain Citizen Nixon, theoretically as liable to a summons or a subpoena or even an indictment for felony as any Citizen Smith. As the testimony has made obvious, Mr. Nixon sees himself as a man surrounded by enemies, and he may also see the White House as a necessary fortress to protect him from those enemies.

Resignation is not to be ruled out completely all the same. The President no doubt meant what he seemed to mean when he told his daughter Julie: "I want to do what is good for the country—if resigning would be good for the country, well . . ." Although there are those who will never believe it, Mr. Nixon sees himself, and has always seen himself, as a deeply patriotic man.

The time could come when it will be obvious to him and to everyone else—including the grand panjandrums of the Republican Party—that "resigning would be good for the country." Indeed, if one considers the three alternatives, it seems clear already that the President's resignation is the only tolerable way out of the tragic mess in which this country finds itself. But three years and more of a paraplegic Presidency seems a far more likely prospect. It is a frightening prospect.

[From the Washington Post, July 6, 1973]

THE MAJOR ISSUE: CAN MR. NIXON GOVERN?

(By Marquis Childs)

The issue is no longer who is telling the truth and who is falsifying. The issue is whether President Nixon can govern the country for the next three years.

With the massive evidence accumulating the answer must be in the negative. And it is not alone Watergate. The disclosures about the chiseling on the Nixon private homes at San Clemente and Key Biscayne touch the average citizen struggling to keep up his mortgage payments and maybe fix up his backyard.

The trouble is that under the American presidential system, in contrast to parliamentary government, there are only two ways the office may be vacated. One is by resignation, the other by impeachment. The process of impeachment would paralyze the government to a far greater extent than the prolonged Senate hearings into the Watergate scandal.

The House must vote articles of impeachment, which would be a lengthy and deeply disruptive process. Then the Senate must sit as a court with the chief justice presiding, in this case Chief Justice Warren Burger was appointed by President Nixon, and he would certainly be at odds with the Democratic majority trying the President. Thus a further element of dissension would be injected into what would surely be a fierce conflict enduring for weeks if not months.

Republicans who recoil in horror from the very word impeachment seem to forget that they instituted that proceeding not long ago. Rep. Gerald Ford, minority leader in the House, proposed to impeach Justice William O. Douglas for "high crimes and misdemeanors" and he was joined by 109 other members. Ford asserted that an "impeachable offense" is whatever the House with concurrence of the Senate "considers (it) to be." Seeming to give the Congress unlimited power, this shocked many observers.

The charges against Douglas grew out of private financial dealings while he served on the court. It is one thing, of course, to impeach a judge of the high court and quite another to impeach a President of the United States. At the beginning of the last century articles of impeachment were brought against Justice Samuel Chase who was acquitted by the Senate.

If impeachment is a source of even worse paralysis than presently prevails, the other recourse—resignation—calls for an act of will on the part of the President. No man in the office has ever resigned and the odds on Nixon taking this recourse are put at 70 to 1 or higher even. His friends are saying that it would be contrary to everything in his background and temperament to quit.

What is shocking to this observer is to find influential Democrats on Capitol Hill playing politics as usual. We don't want Nixon to resign, they are saying, for then we would have Spiro Agnew built into the office for three years. With an outpouring of public sympathy and with even moderate good luck he would be entrenched for 1976 and we would have a hard time finding a candidate who could beat him.

The politics of replacing Nixon with Agnew might turn out that way. Whether the Vice President in the President's office, seemingly untouched by the scandals, could govern the country and restore confidence is another matter. The opinion widely held is that the indices, including the New York Stock Exchange, will continue to drop until confidence is restored.

In August 1923, just before a Senate investigation began to reveal the depths of the Teapot Dome scandal, President Warren Gamaliel Harding died. If he had lived he would have been implicated in that scandal by the betrayal of his cronies whom he had appointed to high office. His attorney general and his Secretary of Interior were deeply involved with payments by big oil men.

The Vice President, Calvin Coolidge, inherited the office. Silent Cal, as he was called, had said nothing. Naming able and independent prosecutors, he stood clear of the wreckage. With rising prosperity in what was to become known as the Coolidge boom, he was re-elected in 1924 over a weak candidate picked by the deeply divided Democrats.

Teapot Dome was essentially a money scandal in comparison to Watergate, which goes to the corruption of the system itself. Embedded in that corruption is the dark shadow of whether we have a workable government. Walter Lippmann will probably never finish the book on which he has long been working with the tentative title, "The Ungovernability of Man." The present scandal would be at least a chapter.

U.S. PASSPORT SERVICE

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, the bill which I am proposing today would provide three much needed changes in the structure of a vital public service organization, the Passport Office of the Department of State.

In 1955, when the present Director, Miss Frances G. Knight, took over its operation, the Passport Office was inundated with an increasing volume of work and saddled with an antiquated system more appropriate to the 1920's than the 1950's. With the help of Congress, the Passport Office was reorganized and reequipped to bring it into line with the increasing demands made upon it by the American public. I emphasize "with the help of Congress" because this seems to be the only way to get anything done for this seriously neglected service of the State Department. The Passport Office and its Director have been described as "not in the mainstream of the Department's thinking." This may be in fact a recommendation: from my personal observation I have found the Passport Office to be very progressive; dedicated to its public service role; responsive, truthful, and forthright in its contacts with the Congress and the public; and most important it has demonstrated exceptional foresight in trying to plan for the future.

The modernization of the Passport Office which took place in the mid-1950's was a major and beneficial change but the demand for services increased to the point where a system adequate for the mid-1950's and early 1960's could no longer cope with the demands of today.

Consider that in 1955, the Passport Office was composed of about 350 employees and issued a half million passports. This volume grew in 1965 to 450 employees and 1¼ million passports. In fiscal year 1972 the Passport Office had 786 employees and issued over 2.6 million passports. Some projections indicate continuing growth to 4 million passports in 1976 and over 6 million in 1980.

Due to a lack of foresight, support, and assistance by some people in the State Department, the Passport Office is not organizationally or financially equipped to render the kind of service which the public demands and for which it pays. In recent years the State Department, while denying or ignoring all recommendations for improvements from the Passport Office, attempted to meet these demands with short-range interim solutions, obviously too little and too late. To provide more passport acceptance facilities, the Department authorized some 700 post offices to accept passport applications. While this provides an additional convenience for the public and to some small extent lessens crowds at the courts and 10 passport field agencies, the post offices do not issue passports and this is where the real crisis exists. Another patchwork remedy was the establishment of second shifts at night in two Passport Agencies but this is obviously a short-term project which has caused more problems than it has solved. The training, supervision, attrition rate of night shift employees pose more problems than are solved by this experiment.

To cope with these very real problems which presently exist in passport operations, my bill provides first for an organizational change which recognizes the importance of this public service in the hierarchy of the State Department. It would establish a U.S. Passport Service within the Department of State with a Director responsible directly to the Secretary of State for the administration of the service. The structure of the service would be comparable to the Immigration and Naturalization Service in the Department of Justice and it would clear away some of the bureaucratic deadwood which has consistently impeded the progress of the Passport Office. The Passport Office is presently a constituent office of the Bureau of Security and Consular Affairs which is responsible through the Under Secretary for Management to the Secretary for its administration. This Bureau, which is largely foreign service oriented is not equipped to manage a growing public service organization. It has, for the most part, duplicated functions and snarled progress in endless redtape. The value of this Bureau can be judged by the fact that in 1970, a committee appointed by the Secretary of State headed by former Senator Leverett Saltonstall and composed of high ranking officials, both public and private, recommended that it be abolished as unnecessary.

Two previous inhouse surveys of the Bureau of Security and Consular Affairs have come to the same conclusion. Since the Bureau was established by Congress, it can and should be abolished by Congress as a costly duplication of work performed by other areas of the Department of State.

My bill would provide that the Director of the new U.S. Passport Service would be appointed by the Secretary at the GS-18 level. What is most important about this proposal is that it would not subject the Service to the vagaries of either politically oriented Schedule C appointees or itinerant Foreign Service officers neither of which are equipped to provide the kind of continuity which a business type, technically oriented public service requires. It is a known fact the Passport Office citizenship attorneys, fraud detectors, and adjudicators require years of precedent experience to rate as experts in their fields.

The next major change which my bill would effect is to provide the Service with the authority to establish and maintain passport agencies and service offices where there is a need for convenient and efficient public service. My bill provides, with one exception, that any such agency or office must be self-sustaining within 1 year of its establishment. This means, in essence, that the fees which it collects must exceed the direct cost of its operation. At the present time, the Passport Office, in addition to its own facilities in Washington, operates 10 agencies located strategically around the United States. Each of these facilities returns revenue in excess of the direct cost of their operation.

There is an urgent need for the establishment of additional facilities in various parts of the country to meet the growing passport, travel, and citizenship requirements of the public. Our Nation has grown rapidly and has become increasingly involved in international travel. The tremendous growth in air travel has created international ports of entry in areas never envisioned even 10 to 15 years ago.

The Passport Office watching this trend over the years has consistently recommended that new agencies and offices be established in areas such as Michigan and Texas where the volume of work and need for public service can easily justify them. The State Department, ill-advised by an inherent bureaucracy, not knowledgeable, not interested nor concerned with the practical facts has consistently rejected these recommendations despite ample evidence of their need. In other words, the State Department has refused to participate in an orderly expansion and decentralization of the passport function for over 5 years.

The State Department has denounced all attempts of the Passport Office efforts at decentralization as "proliferation" despite the President's repeated requests and support of decentralizing services to U.S. citizens. Many of us have received lengthy bureaucratic explanations attempting to justify the Department's negative position on virtually all recommendations for the support and improvement of passport services. None of these communications have been responsive to the inquiries nor to the public need.

The State Department would be well advised to heed the words of two Presidents. President Lyndon Johnson in a memorandum to Department heads on November 1, 1965, stated:

> The task of Government is to serve the public. It has been my deep and continuing concern to assure that each American receives from his government the fastest, most efficient and most courteous service.

He directed the then Chairman of the Civil Service Commission to provide a program to "improve the quality of service and to make the government more accessible to the people it serves."

On March 27, 1969, President Nixon in a statement on restructuring Government service systems stated:

> Business learned long ago that decentralization was a means to better performance. It's time the government learned the same lesson.

The third major provision of my bill would establish a passport service fund. This is essentially a revolving fund which would permit the Passport Service to use some of the revenue which it returns each year to the Treasury to provide the more efficient and convenient service to the public. The Passport Office has for years returned millions of dollars to the Treasury over and above its direct costs. In fiscal year 1972, for example, the Passport Office collected $25,955,783 in passport fees in the United States. Its direct domestic operating cost was $11,382,548. An excess or revenue of $14,573,235 was returned to the U.S. Treasury. To charge up the high cost of the Foreign Service to this revenue in order to show a loss is absurd and deceptive.

So-called revolving funds are neither new nor unusual in the Federal Government. In 1968 there were 127 such revolving fund accounts in the Treasury Department. Of these, 89 were so-called public revenue enterprise funds such as established by my bill. A public enterprise fund is one which derives its revenue from sources totally outside the Government.

In 1970, the Bureau of the Budget set up five criteria for the establishment of revolving funds. The organization for which such a fund is established must:

First. Have a continuing cycle of operation in which expenditures generate receipts.

Second. Have a fund which is substantially self-sustaining.

Third. Have many transactions of a purely business nature.

Fourth. Systematically disclose the relationship between revenue and expense and the subsidy, if any, supplied by the Government.

Fifth. Have a substantial need for flexibility to meet unforeseen requirements.

The U.S. Passport Service as established in my bill precisely meets each and every one of these criteria.

It is important to point out here that the establishment of this fund does not provide the Passport Service with authority for unbridled expenditures. My bill also provides for elaborate accounting procedures, an annual business-type budget and periodic audits by GAO with reports to the President and the Congress. The fund would simply provide much needed flexibility in financing the Passport Service which the outmoded budget procedures of the State Department simply cannot do. A prime example of the lack of ability or willingness of this system to respond occurred in connection with a request by the Passport Office for funds to carry out vitally needed research to design a new passport and develop new methods for its issuance to meet the ever-increasing demand. The original request was made in August 1968. These urgently needed funds were not provided until July 22, 1971, some 23 months later, despite a declaration of support by the President. The stultifying effects of the State Department's bureaucracy cannot be permitted to torpedo the public service to U.S. citizens by the Passport Office.

In summary, Mr. Speaker, I think that this bill will provide the organizational and financial flexibility needed in the passport operation to provide the kind of service to the public advocated by Presidents of both parties and, indeed, by a great many of my colleagues on both sides of the aisle in both Houses of the Congress. In this regard, I do not want to leave the impression that my bill is unique. Over the years since 1955 some 30 bills have been introduced in the House and the Senate containing some provisions similar to my proposal. Each one in turn has been objected to by the Department of State. However, I believe that the bill which I am introducing today contains a composite of the best from all of these bills and provides a vehicle which can command the bipartisan support required to pass this much needed reform, which already is several years too late.

The need for legislation of this type is urgent requiring expeditious action by Congress. I ask my colleagues to demonstrate the ability of Congress to respond quickly and effectively when the situation demands.

THE MILITARY MAW—PART II

(Mrs. SCHROEDER asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, the Military Procurement Authorization Bill, H.R. 6722, on which we will be voting in the near future, is bloated with unnecessary programs.

Because I do not believe that a fat military is necessarily a strong one, I think we would all benefit if this legislation were cut back to what is absolutely necessary to maintain our strong national defense posture.

Particularly wasteful is the $657 million authorization for further construction of the CVAN-70 nuclear aircraft carrier. Of all the fat in the military budget, this item stands alone for sheer wastefulness. I object to it for the following reasons:

First, our attack carrier fleet is currently and in the foreseeable future more than adequate to meet assigned tasks and threats even under "worst-case" conditions. We will soon have three nuclear carriers in the fleet, not counting CVAN-70, and they will stand alone in the world in their size and strength. One of these three carriers has twice the firepower of an old carrier. The Soviet Union, in comparison, has no attack carrier fleet, and the one flattop it has is limited in its function and poses virtually no threat to our military superiority at sea.

Second, attack carriers such as this contribute only marginally to any realistic, or desirable, mission. They have no strategic role at all. It is a ship in search of a mission. They are highly vulnerable. The Navy justifies their construction on the basis of "power display and projection" and "sea control." Ignoring the questionable wisdom of such mission definitions, and their undesirable foreign policy implications, these jobs can be done better and less expensively by other weapons now deployed or under active development.

Third, this ship will cost nearly $1 billion, not counting possible cost overruns. The first of five necessary complements of aircraft will cost an additional billion dollars, and the essential nuclear support ships a further billion dollars. Thus, the true initial costs of this weapons system will exceed $3 billion.

Under the circumstances, the cost is just not worth it, and I believe the money could be put to better use elsewhere.

To cancel this boondoggle means that we would have to pay whopping termination costs to contractors. The total may reach as high as $100 million. But I believe it is worth it. After all, it makes good sense to get out if it only costs us three percent of the total project costs. While I would have preferred that our military planners had been sufficiently foresighted not to have drawn us into this mess in the first place, I believe we would be doing everyone a service by stopping the project now, at vast savings to everyone, particularly the hard-pressed taxpayer.

"RIGHT ON, HANK" DANIELS SAYS TO AARON—14TH DISTRICT CONGRESSMAN SAYS "RECORDS ARE MADE TO BE BROKEN"

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, on a Saturday in May 38 years ago at Pittsburgh's Forbes Field, George Herman Ruth hit three towering homeruns, numbers 712, 713 and 714 of his brilliant career. These homeruns were the last hit by the immortal Babe as he was ending his days as an active player with the down at the heels Boston Braves, then owned by the late Judge Emil Fuchs, who, oldtimers will recall, managed from a swivel chair in the dugout.

Mr. Speaker, having been born in Jersey City and having lived all my life in Hudson County I qualify as one of the most long standing fans of the "Bambino." As a young boy I can recall many of his epic four-baggers at the Polo Grounds in Manhattan just across the river from Jersey City and later at Yankee Stadium in the Bronx which even today is known by the sobriquet "The House that Ruth Built." I yield to no one as an admirer of Babe Ruth.

For almost 40 years, his lifetime total of homeruns—like Lou Gehrig's record of playing 2,130 consecutive games—seemed to be a mark far out of reach of mortal man. I could not conceive of anyone hitting 715 homeruns and indeed until recently there were no challengers. Such sluggers as Hank Greenberg. Mickey Mantle, Ted Williams, and Joe DiMaggio fell far short of the Babe's lifetime mark.

This year, however, it appears likely that Atlanta's great outfielder Henry Aaron will top the Ruth mark and will become the home-run champion of all time. Today he is within 18 round-trippers of the Babe's total of 714.

Mr. Speaker, even as Hank Aaron approaches the total, he has been the victim of some ugly racism because there are some white bigots who resent a black man breaking the record of a white star. This is, of course, an idiotic attitude and unworthy of both the national pastime and of Babe Ruth himself.

Mr. Speaker, I am sure that if Babe Ruth were alive today he would be saying "Right on, Hank" just as millions of other Americans, white and black, are saying today. Somehow I can hear the Babe's raspy voice saying "Give it a ride, kid" as Hank cranks up for 714, an event which should take place some time late this season or early next year.

Records are made to be broken and the memory of Babe Ruth will live on in the hearts of all who loved him. I am proud to join with my friend from California (Mr. Anderson) in paying tribute to Hank Aaron, a worthy successor to the mantle of the Sultan of Swat. Hank Aaron has been a great baseball player and a fine example for young America. I am proud to cosponsor this resolution and wish him every success in the future.

JOINT RESOLUTION HONORING SAMUEL E. SANDERS

(Mr. BROYHILL of North Carolina asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROYHILL of North Carolina. Mr. Speaker, during my service on the House Select Committee on Small Business, I have been extremely impressed by the work of the Service Corps of Retired Executives—SCORE—a management counseling program organized by the Small Business Administration. SCORE has been instrumental in the continued development and success of many small businesses by providing them with the valuable business and management expertise of retired businessmen. The result is a reinforcement and strengthening of the free enterprise system and community services in America.

I am particularly pleased to commend the 1973 SCORE Man of the Year for North Carolina, Mr. Samuel E. Sanders of Asheville, N.C. Mr. Sanders, a successful businessman and active promoter of SCORE, also became a double winner when he was named the 1973 SCORE Man of the Year for the southeastern region of the United States.

I know my colleagues will join in my congratulations to Mr. Sanders, a man who through his dedication to SCORE and America's small business system, has earned a deserved honor as SCORE Man of the Year for 1973 for North Carolina and the southeastern region.

Mr. Chairman, I would like to insert for the Record the resolution passed by the North Carolina general assembly honoring Mr. Sanders for the service he has rendered his community, State, and America's free enterprise system.

A Joint Resolution Honoring Samuel E. Sanders, the 1973 Southeastern Regional SCORE Man of the Year

Whereas, Samuel E. Sanders was born in Raleigh, Wake County, North Carolina, on January 20, 1892, and was graduated from Oak Ridge Military Institute and attended North Carolina State University; and

Whereas, after becoming a District Sales Manager for a nationwide concern in charge of their North Carolina Office in Raleigh, he applied for Officer's Training Camp in 1917 and was commissioned a Second Lieutenant, Field Artillery, and was promoted to First Lieutenant before his discharge in 1919; and

Whereas, after the war he became Eastern Sales Manager for Butler Brothers of New York and the General Sales Manager of Monument Mills, a textile manufacturer; and

Whereas, he moved to Asheville in 1938 to start his own business which later became S. E. Sanders Company; and

Whereas, he has been active in civic and cultural affairs in Asheville by serving as a Director of the Asheville Chamber of Commerce, a Director of the Asheville Art Museum, Vice President of the Civic Arts Council, Treasurer of the Tri-States Arts Council, President of the Land of the Sky Civic Ballet, President of the Asheville Kennel Club, and President of the Chapter of the Americans United, as well as a Mason for fifty-three years, and a Shriner for twenty-eight years; and

Whereas, for five years Mr. Sanders has been a Volunteer for SCORE, the Service Corps of Retired Executives, a management counseling program sponsored by the Small Business Administration, and has been Chairman of the Asheville Chapter for two years; and

Whereas, in this capacity, he has been responsible for television editorials promoting SCORE, he has appeared on a half-hour television interview program devoted entirely to SCORE, he has contacted all of the financial institutions in Asheville and surrounding communities on behalf of SCORE, and he has encouraged them to sponsor a series of ads in the Asheville Citizen and the Asheville Times, which resulted in a dramatic increase in requests for counseling; and

Whereas, for his contributions, Mr. Sanders has been selected not only SCORE Man of the Year for the State of North Carolina, but also SCORE Man of the Year for the Southeastern Region of the United States;

Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

Section 1. That Samuel E. Sanders is hereby commended and congratulated for being selected SCORE Man of the Year for the State of North Carolina and for the Southeastern Region of the United States.

Sec. 2. That the General Assembly of North Carolina wishes Mr. Sanders all good fortune in the competition for the National SCORE Man of the Year.

Sec. 3. That a copy of this resolution shall be duly certified by the Secretary of State and by him transmitted to Samuel E. Sanders.

Sec. 4. This resolution shall become effective upon ratification.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Pepper (at the request of Mr. O'Neill) for today on account of illness.

Mr. Danielson (at the request of Mr. O'Neill) for today on account of illness in family.

Mr. Gude (at the request of Mr. Gerald R. Ford) for today on account of death in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Kastenmeier, for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Maraziti) and to include extraneous matter, and to revise and extend their remarks:)

Mr. Anderson of Illinois, for 30 minutes, today.

Mr. Railsback, for 10 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mr. Walsh, for 10 minutes today.

Mr. Hogan, for 5 minutes, today.

(The following Members (at the request of Mr. Breaux) to revise and extend their remarks and to include extraneous matter:)

Mr. Vanik, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. O'Neill, for 5 minutes, today.

Mr. Biaggi, for 5 minutes, today.

Mr. Gibbons, for 5 minutes, today.

Mrs. Collins of Illinois, for 5 minutes, today.

Mr. Cotter, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Runnels, for 5 minutes, today.

Mr. Owens, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Mitchell of Maryland, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $467.50.

Mr. Alexander, immediately following the remarks of Mr. Railsback in the Committee of the Whole today.

Mr. Kastenmeier, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $627.

(The following Members (at the request of Mr. Maraziti) and to include extraneous matter:)

Mr. Derwinski in two instances.

Mr. Towell of Nevada.

Mr. Hanrahan in three instances.

Mr. Bell.

Mr. Price of Texas.

Mr. Anderson of Illinois in two instances.

Mr. Froehlich.

Mr. Hunt.

Mr. Smith of New York.

Mr. Symms in two instances.

Mr. Miller in six instances.

Mr. Forsythe.

Mr. Kemp.

Mr. du Pont in two instances.

Mr. Nelsen.

Mr. Esch in two instances.

Mr. Frey.

Mr. Roncallo of New York.

Mr. Whalen.

Mr. Goldwater.

Mr. Cohen.

Mr. Johnson of Pennsylvania.

Mr. Parris in five instances.

Mr. Hinshaw in two instances.

(The following Members (at the request of Mr. Breaux) and to include extraneous matter:)

Mr. Giaimo in 10 instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Andrews of North Carolina.

Mr. Mann in five instances.

Mr. Thompson of New Jersey in 10 instances.

Mr. Leggett in six instances.

Mr. Litton.

Mr. Evins of Tennessee in three instances.

Mr. Ichord.

Mr. de Lugo.

Mr. Harrington in three instances.

Mr. Mahon.

Mr. Edwards of California.

Mr. Rangel in 10 instances.

Mr. Brasco in six instances.

Mr. Anderson of California in two instances.

Mr. Adams.

Mr. William D. Ford.

Mr. Dominick V. Daniels.

Mr. Bennett.

Mr. Rooney of New York in two instances.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which were thereupon signed by the Speaker:

H.R. 7528. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

ADJOURNMENT TO 11 O'CLOCK ON THURSDAY, JULY 12, 1973

Mr. CLAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), under its previous order, the House adjourned until tomorrow Thursday, July 12, 1973, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1134. A letter from the Director, Office of Management and Budget, transmitting the administration's views on proposed legislation (H.R. 8606) to amend the Small Business Act; to the Committee on Banking and Currency.

1135. A letter from the Assistant Secretary of Defense, Installations and Logistics, Department of Defense, transmitting a report of procurement from small and other business firms for July 1972 to March 1973, pursuant to section 10(d) of the Small Business Act; to the Committee on Banking and Currency.

1136. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the enlistment and commissioning of women in the Coast Guard Reserve, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1137. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting a report entitled "Alaska Village

Demonstration Projects" pursuant to section 113 of Public Law 92-500 (86 Stat. 816); to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 484. Resolution providing for the consideration of H.R. 8547. A bill to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand (Rept. No. 93-371). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 485. Resolution providing for the consideration of H.R. 8606. A bill to amend the Small Business Act (Rept. No. 93-372). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 9184. A bill to amend titles 39 and 5, United States Code, to eliminate certain restrictions on the rights of officers and employees of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 9185. A bill to amend the Postal Reorganization Act of 1970, title 39, United States Code, to provide for uniformity in labor relations; to the Committee on Post Office and Civil Service.

By Mr. DEVINE (for himself and Mr. Clancy):

H.R. 9186. A bill to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the "U.S. Passport Service", to establish a Passport Service Fund to finance the operations of the U.S. Passport Service, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FASCELL (for himself, Mr. Bafalis, Mr. Burke of Florida, Mr. Frey, Mr. Fuqua, Mr. Gibbons, Mr. Gunter, Mr. Lehman, Mr. Pepper, Mr. Rogers, and Mr. Young of Florida):

H.R. 9187. A bill to establish the Fort Zachary Taylor National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FASCELL:

H.R. 9188. A bill to amend the Communications Act of 1934 for 1 year with respect to certain agreements relating to the broadcasting of home games of certain professional athletic teams; to the Committee on Interstate and Foreign Commerce.

By Mr. FROEHLICH:

H.R. 9189. A bill to repeal section 131 of title 13, United States Code, providing for mid-decade censuses of manufactures, mineral industries, and other businesses; to the Committee on Post Office and Civil Service.

By Mr. GINN:

H.R. 9190. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 9191. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. HOGAN:

H.R. 9192. A bill to amend title 28 of the United States Code to create an additional judicial district in southern Maryland; to the Committee on the Judiciary.

By Mr. McSPADDEN (for himself, Mr. Jones of Oklahoma, Mr. Camp, Mr. Jarman, and Mr. Steed):

H.R. 9193. A bill to provide for the conveyance of certain real property to the State of Oklahoma for National Guard purposes; to the Committee on Armed Services.

By Mr. MIZELL:

H.R. 9194. A bill to provide for the study of the alternative uses including the recreational, conservation, and preservation uses, of the New River; to the Committee on Public Works.

By Mr. O'HARA (for himself, Mr. William D. Ford, Mrs. Burke of California, Mr. Podell, Mr. Rees, and Mr. Talcott):

H.R. 9195. A bill to amend the Federal Meat Inspection Act in order to provide that States may not have less strict standards with respect to marketing, labeling, packaging, and ingredient requirements than those made under the Federal Meat Inspection Act; to the Committee on Agriculture.

By Mr. O'HARA (for himself and Mr. Dellenback):

H.R. 9196. A bill to amend section 411 (a) of the Higher Education Act of 1965, as amended, with respect to the dates of and procedures for submission and disapproval of the basic opportunity grant family contribution schedule; to the Committee on Education and Labor.

By Mr. OWENS:

H.R. 9197. A bill to amend title 13, United States Code, to assure confidentiality of information furnished in response to questionnaires, inquiries, and other requests of the Bureau of the Census, to provide for a mid-decade sample survey of population, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PICKLE:

H.R. 9198. A bill to provide that the Secretary of Transportation shall protect the needs of interstate commerce for railroad freight cars by certifying his approval or disapproval of plans submitted to him by grain exporters regarding their proposed use of railroad freight cars in connection with certain sales of grain for export, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RAILSBACK:

H.R. 9199. A bill to amend title 35, United States Code, "Patents," and for other purposes; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself and Mr. Cohen):

H.R. 9200. A bill to amend title 18 of the United States Code by adding a new chapter 404 to establish an Institute for Continuing Studies of Juvenile Justice; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. Drinan, Mr. Conyers, and Mr. Rangel):

H.R. 9201. A bill to amend title 18, United States Code, to permit a Federal court, upon the recommendation of the U.S. prosecutor, to place certain persons charged with Federal crimes in programs of community supervision and services; to the Committee on the Judiciary.

By Mr. RANDALL:

H.R. 9202. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of income tax returns by Federal agencies; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 9203. A bill to reform consent decree procedures, to increase penalties for violation of the Sherman Act, and to revise the Expediting Act as it pertains to appellate review; to the Committee on the Judiciary.

By Mr. ROONEY of Pennsylvania:

H.R. 9204. A bill to amend section 223 of the Communications Act of 1934 to prohibit harassing telephone calls made to collect alleged debts, and to inform the public of their right to be free from harassing, coercive, abusive, and obscene telephone calls; to the Committee on Interstate and Foreign Commerce.

By Mr. ALEXANDER:

H.R. 9205. A bill to amend the Agricultural Adjustment Act of 1938 with respect to peanuts; to the Committee on Agriculture.

By Mr. ANDERSON of California (for himself, Mr. Rooney of Pennsylvania, Mr. Kyros, Mr. Gude, Mr. Hechler of West Virginia, Mr. Horton, Mr. Helstoski, Mr. Lehman, Mr. Harrington, Mrs. Grasso, Mr. Nix, Mr. de Lugo, Mr. Davis of Georgia, Mrs. Griffiths, Mr. McCloskey, Mr. Bafalis, Mr. Edwards of California, Mr. Whitehurst, Mr. Keating, Ms. Abzug, Mr. Rodino, Mr. Patten, Mr. Stark, Mr. Thompson of New Jersey, and Mr. Studds):

H.R. 9206. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDERSON of California (for himself, Mr. Rooney of Pennsylvania, Mr. Kyros, Mr. Gude, Mr. Waldie, Mr. Frenzel, Mr. O'Brien, Mr. Charles Wilson of Texas, Mr. Brown of California, Mr. Conyers, Mr. Corman, Mr. Buchanan, Mr. Hudnut, Mr. Williams, Mr. Bingham, and Mr. Coughlin):

H.R. 9207. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of California(for himself and Mr. Corman):

H.R. 9208. A bill to establish the National Professions Foundation; to the Committee on Education and Labor.

By Mr. BROWN of California:

H.R. 9209. A bill to establish in the State of California the Channel Islands National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 9210. A bill to provide information for more effectively dealing with national energy problems by directing the National Science Foundation to conduct a study of emission control equipment and techniques applicable to the smokestacks of coal-burning powerplants and offer recommendations for their improvement; to the Committee on Science and Astronautics.

By Mr. CRONIN:

H.R. 9211. A bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance the national attack on diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN (for himself, Mr. Donohue, Mr. Harrington, Mr. Moakley, and Mr. Studds):

H.R. 9212. A bill to amend the National Science Foundation Act of 1950 in order to establish a framework of national science policy and to focus the Nation's scientific talent and resources on its priority problems, and for other purposes; to the Committee on Science and Astronautics.

By Mr. GRAY (for himself, Mr. Kluczynski, Mr. Blackburn, and Mr. Murphy of Illinois):

H.R. 9213. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself, Mr. Badillo, Mr. Brown of California, Mr. Burton, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Drinan, Mr. Eckhardt, Mr. Edwards of California, Mr. Harrington, Mr. Helstoski, Ms. Holtzman, Mr. Koch, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Owens, Mr. Rangel, Mr. Rees, Mr. Reuss, Mr. Rosenthal, Mr. Seiberling, Mr. Stark, and Mr. Waldie):

H.R. 9214. A bill to amend title 18 of the United States Code to provide a code of accountability and liability for Government officials engaged in making national security policy; to the Committee on the Judiciary.

By Mr. NELSEN (for himself and Mr. Fuqua):

H.R. 9215. A bill to amend the National Capital Planning Act of 1952 as amended, and for other purposes; to the Committee on District of Columbia.

By Mr. ROE:

H.R. 9216. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

H.R. 9217. A bill to establish a U.S. Fire Administration and National Fire Academy in the Department of Housing and Urban Development, to assist State and local governments in reducing the incidence of death, personal injury, and property damage from fire, to increase the effectiveness and coordination of fire prevention and control agencies at all levels of government, and for other purposes; to the Committee on Science and Astronautics.

By Mr. ROONEY of New York:

H.R. 9218. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. STEED (for himself, Mr. Jarman, Mr. Camp, Mr. Jones of Oklahoma, and Mr. McSpadden):

H.R. 9219. A bill to declare that the United States hold certain land in trust for the absentee Shawnee Tribe of Indians of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. GINN:

H.J. Res. 657. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.J. Res. 658. Joint resolution, a national education policy; to the Committee on Education and Labor.

By Mr. SANDMAN:

H.J. Res. 659. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged, or the incapacitated; to the Committee on the Judiciary.

By Mr. WALSH (for himself, Mr. McEwen, and Mr. Roncallo of New York):

H.J. Res. 660. Joint resolution providing that certain mass transit service operated wholly within one State shall be subject to regulation by that State, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITTEN:

H. Con. Res. 266. Concurrent resolution to provide for the printing of committee hearings on the Relationship of Pesticides to Environmental Issues and other matters; to the Committee on House Administration.

By Mr. ANDERSON of California (for himself, Mr. Brown of California, Mr. Rangel, Mr. McDade, Mr. Eshleman, Mr. Davis of Georgia, Mr. Rosenthal, Mr. Conyers, Mr. Henderson, Mr. Gunter, Mr. Obey, Mr. Rodino, Mr. Buchanan, Mr. Dominick V. Daniels, Mr. Hawkins, Mr. Williams, and Mr. Steiger of Wisconsin):

H. Res. 486. Resolution saluting Hank Aaron for his achievements both on and off the baseball field; to the Committee on the Judiciary.

By Mr. ANDERSON of California (for himself, Mr. Harvey, Mrs. Collins of Illinois, Mrs. Chisholm, Mr. Dellums, Mr. Young of Georgia, Mrs. Burke of California, Mr. Clay, Ms. Abzug, Mr. Danielson, Mr. Young of Alaska, Mr. Riegle, Mr. Minish, Mr. O'Brien, Mr. Kemp, Mr. Dorn, Mr. Montgomery, Mr. Stark, and Mr. Michel):

H. Res. 487. Resolution saluting Hank Aaron for his achievements both on and off the baseball field; to the Committee on the Judiciary.

By Mr. CRONIN:

H. Res. 488. Resolution relating to the employment of student congressional interns in the House of Representatives; to the Committee on House Administration.

By Mr. GIBBONS (for himself, Mr. Andrews of North Dakota, Mr. Aspin, Mr. Bergland, Mr. Brasco, Mr. Burgener, Mr. Cleveland, Mr. Collier, Mr. Dan Daniel, Mr. Dulski, Mr. Edwards of California, Mr. Gunter, Ms. Holtzman, Mr. Huber, Mr. Ketchum, Mr. Long of Maryland, Mr. Milford, Mr. Moakley, Mr. Nix, Mr. Podell, Mr. Rees, Mr. Rosenthal, Mr. Roy, Mr. Runnels, and Mr. Sikes):

H. Res. 489. Resolution to amend the Rules of the House of Representatives to establish as a standing committee of the House the Committee on Energy, and for other purposes; to the Committee on Rules.

By Mr. GIBBONS (for himself, Mr. Thone, Mr. Tiernan, Mr. Veysey, Mr. Wolff, and Mr. Won Pat):

H. Res. 490. Resolution to amend the Rules of the House of Representatives to establish as a standing committee of the House the Committee on Energy, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

275. The SPEAKER presented a memorial of the Legislature of the State of California, relative to funding to enforce the necessary laws for the protection of the California desert; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. CHISHOLM:

H.R. 9220. A bill for the relief of Albert and Margerita Harris; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H.R. 9221. A bill for the relief of Bogdan Bereznicki; to the Committee on the Judiciary.

By Mr. SHOUP:

H.R. 9222. A bill for the relief of John E. Voth; to the Committee on the Judiciary.

SENATE—*Wednesday, July 11, 1973*

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou, in whose life we find our life, through the gift of whose spirit we do our work and bear our burdens, grant us now the sense of Thy nearness. We would open our hearts freely to Thy spirit, our minds to Thy law, and our wills to Thy quickening energy. Dwell in us and make us fruitful. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 10, 1973, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar, beginning with New Report.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nomination on the Executive Calendar, under New Report, will be stated.

COUNCIL OF ECONOMIC ADVISERS

The second assistant legislative clerk read the nomination of Gary L. Seevers, of Virginia, to be a member of the Council of Economic Advisers.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER FOR STAR PRINT OF S. 1560

Mr. ROBERT C. BYRD. Mr. President, on July 6, the Emergency Employment

Amendments of 1973 (S. 1560) was reported to the Senate. On receiving a copy of the bill, an error was noted due to a technical mistake in the filing of the bill. There are two section 5's—one of which should have been omitted in the reported committee amendment.

I ask unanimous consent that the bill as reported be star-printed as corrected.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSCRIPT OF "FACE THE NATION"—JULY 8, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a transcript of a broadcast over the CBS television network entitled "Face the Nation" on July 8, 1973, in which I participated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

"FACE THE NATION" AS BROADCAST OVER THE CBS TELEVISION NETWORK AND THE CBS RADIO NETWORK, SUNDAY, JULY 8, 1973

GEORGE HERMAN. Senator Byrd, the President's recent letter refusing to testify or to open Presidential and White House papers to the Ervin Committee means that John Dean, for example, cannot, as he promised, make available to the committee copies of his own papers still inside the White House. Do you think the Senate would support an Ervin Committee subpoena of such pertinent White House papers?

Senator BYRD. In the first place, Senator Ervin has indicated that he will not support the issuance of such a subpoena. At the present time, I think the Senate would be likely to go along with whatever recommendation that Senator Ervin would make.

ANNOUNCER. From CBS Washington, Face the Nation, a spontaneous and unrehearsed news interview with the Majority Whip of the Senate, Senator Robert Byrd of West Virginia. Senator Byrd will be questioned by CBS News Correspondent Marya McLaughlin, Milton Viorst, Syndicated Columnist for the Washington Star-News, and CBS News Correspondent George Herman.

HERMAN. Senator Byrd, I'm not sure that I recall Senator Ervin saying that he would not subpoena the papers, for example, of John Dean. If he should, or if the committee should try to subpoena such documents which witnesses have testified about—if that should happen, do you think the Senate would support an all-out confrontation with the President?

Senator BYRD. I may have misunderstood your original question. I think my reference to Senator Ervin may have been with respect to subpoenaing the President himself. I think that the Senate will probably support the position of Senator Ervin if he should elect to subpoena such papers. I would hope that such a confrontation would not occur just now.

VIORST. Senator, the Gallup Polls published this morning say that seven of ten Americans now believe that the President actually participated in the Watergate cover-up. What do you consider, assuming the acquisition of appropriate evidence, as grounds for impeachment, and what trend do you discern within the Senate now on the prospect for impeaching the President?

Senator BYRD. I think that talk of impeachment at the present time is premature. I don't think that there's hard evidence to support impeachment. I think that this is a last resort, and I would hope that we would wait and be a little bit patient before we determine that somebody's guilty.

VIORST. Why do you think seven of ten Americans then have told the Gallup Poll that they think the President's participation was real?

Senator BYRD. In the cover-up?

VIORST. Yes.

Senator BYRD. Well, I think that's the way they feel, but I still don't think the hard evidence is there to support the drastic move for impeachment.

MCLAUGHLIN. Senator, do you think that the way the President has handled this whole situation himself may be a cause for the reflection of that poll?

Senator BYRD. Yes, I do. I think he has contributed to suspicions and doubts by giving a little bit of information at a time, just that which is inevitable and which is required by public opinion.

MCLAUGHLIN. And you think that may give the people the impression that he is trying to cover up?

Senator BYRD. Yes. And on each occasion—you will recall he spoke on August of last year at which time he said that no one on the White House staff or in the administration was involved in this bizarre incident. And then on April 17 he said that he had new information and had launched a new and intensive inquiry, and then on April 30 of course he accepted the resignations of certain White House people, and then on May 22 he gave a new story which involved security aspects. So from time to time he has seemed to condescend to give a little more and a little more by way of explanation, and I think that these variations in his stories and the fact that he has continued to isolate himself from the people and from the press—all of these things I think have contributed to growing suspicions and doubts with respect to the veracity of his stories, and as to whether or not he is indeed telling the whole truth.

HERMAN. Are you ready to amend your own statement of last May, May 23, when you said to this day there is no direct testimony or evidence of Presidential involvement, and unless and until convincing evidence is presented, no man should jump to hasty conclusions based on rumor or hearsay? Have you amended that to a certain extent?

Senator BYRD. No, I still stand by that.

HERMAN. You think there is some convincing evidence now or direct testimony?

Senator BYRD. There is some testimony, but it comes from an individual whose own credibility has been impaired to a considerable extent. Now if that evidence that was presented by Mr. Dean is not discredited, then the situation I think will look worse. I must say that Mr. Dean's credibility has been enhanced by, one, the fact that the White House reluctantly agreed that the President had met with Mr. Dean 30 to 35 times earlier this year, and Mr. Dean's testimony is enhanced also by the fact that he was unflappable and unshakeable during five days of intense questioning. Furthermore, the reluctance of the President or his adamant position, may I say, in refusing to give to the Ervin Committee any of the papers, any of the White House papers—which would include Mr. Dean's papers—would also I think lend additional credibility to Mr. Dean's testimony.

VIORST. Senator, you are a leader of the Senate, and the Constitution provides that if there is to be impeachment, it is the Senate which must actually vote it. Of all the various allegations running across the board associated with the Watergate, which, in your mind as a lawyer and as a constitutionalist, do you believe would be adequate to meet the standards of the Constitution for high crimes and misdemeanors, if indeed the evidence were there?

Senator BYRD. Well, various felonies have been committed here—bribery, the obstruction of justice, conspiracy to obstruct justice, perjury, subornation of perjury. There are several areas in which I think if it could be shown that the President had actively participated, or that he was an accessory to an act, then it would become very serious. I think that—

VIORST. Would that more or less force the Senate's hand, in conjunction with the House which also has certain constitutional obligations?

Senator BYRD. There could be developments which would force, I think, the House and the Senate to act, but, first of all, I think before one can expect impeachment proceedings to begin, public opinion really has to support such a move, and I don't think that public opinion has crystallized to that point.

MCLAUGHLIN. Senator, what would you—if you could tap President Nixon on the shoulder and suggest what he should do next to extricate himself and as much of his administration from this as he possibly can—what should he do?

Senator BYRD. Well, I think he has missed the opportunity to have done something, and that was in the very beginning to have stated fully and frankly and candidly to the American people precisely what happened insofar as he truthfully knew it.

MCLAUGHLIN. What can he do now?

Senator BYRD. I think that the only thing that he can do now is, one, to stop isolating himself from the public; two, to speak to the people yet about the questions that are on the minds of the media and the public. And it would seem to me that the best forum in which he could do this would be a press conference. I don't think that the issuance of press releases, such as that one on May 22, or a televised appearance, such as the one on April 30, will convince the people because there is not the free play of questions, the give and the take, the spontaneity of the questions and the answers, that are so much needed in order to convince the people that the truth, the full truth, is being told.

HERMAN. Well, now, your answer to both Mr. Viorst and Miss McLaughlin lead me to the conclusion that you are in some doubt as to whether the President, as things now stand, can govern the country freely and strongly and without difficulties because of the popular doubt of him.

Senator BYRD. I don't think that we have reached the point yet at which one could say that the President ought to resign because he cannot govern the country. That time may come. I think the possibility of that happening is probably greater than the possibility of impeachment, but even that, I say, is in the future—if it is ever reached.

HERMAN. Are you saying though that there is some loss of ability to govern already?

Senator BYRD. I don't think there is any question about that, but I don't think that it is so mortal at this point as to leave the President no other way out.

HERMAN. Is it perhaps good? Some of his loss of power?

Senator BYRD. No. Well, I would rather say that what has happened is not good for the presidency, for the President, for his party, or for the country.

VIORST. Senator, if we get down to this resignation-impeachment dilemma at some point off in the future, do you think that the President will be able to rely on members of his own party on a partisan basis to support him both within the House and the Senate, or do you think that this is going to be an issue that will be judged apart from partisanship and much more on its merits?

Senator BYRD. If that time ever comes, it will be judged on the basis, I think, of what's good for the country, and will not be so much determined on a partisan basis. I think really that if Mr. President—if the President is ever forced to resign, it will be because, by and large, the people in his own party feel that that is the only thing to do.

VIORST. And you don't think he is going to be able to count on them when the chips are down if the evidence is overwhelming?

Senator BYRD. If the evidence is overwhelming, I don't think he could count on them.

McLaughlin. Senator, there's been some talk that the Congress is reasserting its powers. As a leader, do you see that as a true fact or is it simply because Watergate has so devastated the President that—I'm not indicating that you're trying to hit a man when he's down, but a lot of Republicans who had been backing the President now feel freer not to. Is there any new reassertion of power in the Congress, or is it just Watergate that's given you a little road to travel?

Senator Byrd. I think a reassertion of congressional power was in the making before Watergate came upon the scene. I do think that the President has been wounded, and there's an old line in an old reader which I recall from many years ago which says, that the bird with a broken pinion never soars as high again. Now the President has suffered a broken pinion. Depending upon future developments, he may be able to retrieve some of the confidence and the credibility that have suffered, but at this point I would have some doubts about it. I think in any event the President has been weakened, and I think we can see this in the compromise that came about with respect to the ban on bombing in Cambodia. I don't think that the President would have compromised at all for the setting of any date had it not been for Watergate.

McLaughlin. He—I mean, there's some indication that he may want to come back to you again and extend that bombing. He may not have compromised.

Senator Byrd. Well, he did compromise.

Herman. He still has to ask Congress——

Senator Byrd. He still has to ask Congress, and I don't think that—I don't think that Congress will respond to such a request.

Herman. You named one example, Cambodia. How about the rest of the horizon? Has the dollar suffered, has the—is the FBI demoralized? What are the other symptoms, if any?

Senator Byrd. There are many other symptoms, and you've named two of such. The devaluation of the dollar, the jittery stock market; the loss of confidence in other countries, in this administration's ability to deal with the economic situation—all of these things, I think, are to some degree phenomena of Watergate.

Viorst. Senator, before you said that you thought the—going back to this impeachment business—the impeachment or resignation decision would be based on the question of the good of the country. Do you mean that in terms of a political decision—I don't mean a partisan decision, but a political decision, as opposed to a decision based upon a clear violation of the law and a violation of constitutional duties?

Senator Byrd. Well, of course, if there were a clear violation of the law, impeachment proceedings might then begin and might succeed. But barring that, there could—and I hope there never will—but there could develop a situation in which the President simply could no longer govern because of the lack of credibility in any of his actions. Take, for example, the economic situation. The greatest disease feared by Wall Street and foreign money markets is the disease of uncertainty. Watergate breeds uncertainty. And the panicky situation that we've seen developing overseas, I think, is to a great extent to be attributed to a feeling on the part of foreign money markets that the administration is in trouble, that it has been badly shaken because of Watergate, and that it does not have the will or the ability to deal with the economic situation. Now if that situation should develop into a serious economic crisis, then it seems to me that the question of the President remaining in power would not be presented in moral and ethical terms alone, but it could shift to the economic and the more material terms. And then I think it would become very serious.

Herman. Let's try to explore how far can we push blaming everything on the Watergate. Is the Watergate responsible for inflation? Is the Watergate responsible for the gasoline shortage? How far does it go?

Senator Byrd. No, the Watergate is not in itself responsible, but it is a factor because of the loss of confidence in foreign governments that this government can act with effectiveness as an agent in controlling its—our own economic problems. And I think the strength or weakness of the dollar overseas reflects the strength or weakness of the economy at home.

Herman. Well, now, we're in this position where we're banning the exports of soybeans and other feed—high protein feed grains. Every time we ban an export we weaken our position overseas, don't we? It's the exports that help our balance of trade. What's to be done? How do we balance our interests between those two incomes?

Senator Byrd. We're in a very tough situation. I think that there must be an advent of a new, tough Phase IV control program, and hopefully long before the full sixty days that were set for the freeze have terminated. And I think that control program must have the credibility of strong leadership behind it. And in addition to that—

Herman. Will it?

Senator Byrd. Well, you say will it? Mr. Shultz is an honorable man; he's a very capable man. But both he and Mr. Dunlop, I think, are strong advocates of the Chicago monetary school of thought, which says that all bets must be placed on free economic forces.

Viorst. Senator, you've mentioned——

Senator Byrd. And I—I agree with this in normal times, but we're living in an abnormal situation.

Viorst. You mentioned Cambodia before. You supported the amendment to cut off funds, and then supported the so-called compromise to continue bombing until August 15. It's been said that that compromise was arrived at only in order to save the President's face—another facet of Watergate—and didn't really make much sense either militarily or diplomatically. Do you have a good explanation for that compromise, for bombing Cambodia up until the fifteenth of August? And what about the administration's talk now about asking for another extension?

Senator Byrd. May I come to that shortly? I want to say further in addressing the question which you gave to me, Mr. Herman, as long as—what I tried to say, I think, or what I was getting to, was that as long as you have men like Mr. Shultz administering the program of tight controls, and daily saying that we—well, we really don't want this and we're going to do away with it as soon as possible—then I think its credibility suffers. And I say this without any reflection upon Mr. Shultz. I think he's a man of the highest caliber, and I have a great deal of respect for him. But I think the President has been—has received conflicting advice, he's received bad advice, and I think that all of these things put together shake the confidence of foreign governments, and our own people, in the control programs that have come along thus far—with the exception of the initial freeze in August of 1971, and Phase II—Phase II, which was prematurely lifted.

Now, what brought about the compromise? In the first place, I think there's a recognition on the part of the leadership in Congress, certainly in the House of Representatives, that the Congress would not be able to muster the two-thirds votes necessary to override a presidential veto. Now it probably could have been done in the Senate. But with this fact of life facing us, we felt that it was—that it was at least a partial achievement of our goal, and the wishes of the people, in setting the August 15 deadline. There—I would say there are a majority of the members of both houses who look with great disfavor upon the continued bombing, even between now and August 15. But legislation really is the art of the possible, and in this instance it was what we could get rather than the doctrinaire position of what we would like to——

Viorst. What argument did the President and his people make that this bombing from now to August 15 would serve some purpose? I—the utility of it is sort of elusive, it seems to me.

Senator Byrd. I agree with you, and I think I come with pretty good credentials in this field. I supported the President on Viet Nam, on his Vietnamization program, and Mr. Laird said that was a success. I supported the President in his efforts to get the prisoners of war home, and he stated that we had achieved an honorable peace. I supported him throughout. But once we had achieved that honorable peace, in his words—once we had—once the Vietnamization program had been a success, once the prisoners of war were home, once Mr. Thieu stated that South Viet Nam would be able to defend itself, then I felt that our job was done, and I think that the American people, in the main, feel the same way. So I don't—I, like you, do not feel that there's any justification for the continued bombing. I'm fearful that a bomber will be shot down, there'll be new prisoners taken, and we'll get deeper and deeper into another Viet Nam.

McLaughlin. Senator, I hate to make you jump around to a lot of different things, but you did mention earlier, when you were talking to George Herman, some of the things affected by the Watergate. The FBI was one of the things mentioned. How do you get credibility back in the FBI, and is it a good idea to keep it under the thumb of the Attorney General, who is an obvious political appointee?

Senator Byrd. Credibility, to use your term in this respect—

McLaughlin. Well, I don't mean to put words in your mouth, you use your—

Senator Byrd. Well, thank you. I think what we both have reference to is a rebirth of confidence in the FBI—from within, and on the part of the American public. I think this confidence will be regained, because under the leadership of Mr. Kelly I would want to believe that the FBI—that the morale will be restored, and that the confidence will be regained.

Herman. That's kind of a modest statement—you would want to believe it. Do you not actually believe it?

Senator Byrd. Well, one can only hope—one cannot see into the future what will happen, and we have to accept Mr. Kelly on the basis of his testimony and on the basis of his record of experience. He had 21 years in the FBI, 12 years as the chief police officer in a large American city. And so we think that he is a good man. If he is, I think that that confidence will be restored.

I am concerned, and have been, about the fact that the FBI is so subordinate to the Attorney General—and without any reference to personalities, the Attorney General is a politically-motivated cabinet officer, under any administration, whether it be Democratic or whether it be Republican. And it concerns me that the largest intelligence-gathering network in the free world, and the most effective law enforcement agency, has to get its directives largely from this politically motivated cabinet officer. I think there ought to be a greater degree of independence from that cabinet officer, so that the FBI cannot be used in a partisan way by an administration as a secret police force. I don't know that full independence can ever be given to the FBI. I do think that there ought to be adequate congressional oversight, and I feel that this will come.

Viorst. Senator, you're a member of the Senate Rules Committee. The New York

Times this morning reported that this committee in secret session voted actually to weaken current laws on campaign—political contributions to campaigns, specifically reporting requirements and corporation and labor union gifts. Is the story true? Did you vote for this—this weakening? And in view of Watergate, is this the time to be weakening our laws on campaign contributions?

Senator BYRD. I must say I did—in answer, in direct answer to your question—I did not vote in committee. I was busy with my own bill on the floor while the committee was marking up this bill—my bill shortening the campaign periods. I think that there will be a vigorous fight on the floor, and there will be, I think, many efforts to improve whatever legislation is reported. And I think that in the final analysis we will get a strong bill.

HERMAN. And on that note, thank you very much, Senator Byrd, for being with us today on Face the Nation.

ANNOUNCER. Today on Face the Nation, the Majority Whip of the Senate, Senator Robert Byrd of West Virginia, was interviewed by CBS News Correspondent Marya McLaughlin, Milton Viorst, syndicated columnist for the Washington Star-News, and CBS News Correspondent George Herman.

ORDER OF BUSINESS

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. SCOTT of Pennsylvania. Mr. President, I yield back my time.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes.

A TRIBUTE TO HON. JAMES A. SIMPSON OF BIRMINGHAM, ALA.

Mr. ALLEN. Mr. President, in the death of Hon. James A. Simpson, of Birmingham, Ala., on July 8, 1973, the State of Alabama and the Nation lost one of their greatest citizens.

Senator Simpson, born in McEwen, Tenn., on January 28, 1890, and a 1912 graduate of Vanderbilt University, began the practice of law in Birmingham, Ala., on his admission to the Alabama bar in 1912. Rapidly he became recognized as one of the outstanding lawyers in the State of Alabama, and his law firm, Lange, Simpson, Robinson, and Somerville, one of the most eminent.

He combined a great mind, a rare legal talent, dedication, and love of his profession with a tremendous capacity for hard work which others found it difficult to match. Add to those qualities his sterling character, his loyalty, his faith in God, his love of his country, his family, and his fellow man and you have a portrayal—inadequate though it is—of this great man. How thankful I am that he remained in his prime, with his full force and vigor right up until this death.

Senator Simpson served with distinction in the Alabama House of Representatives in 1927–31, and in the State Senate 1935–47, during the last 4 years of which he was President pro tempore of the Senate.

With a great career of successes in many fields, it must have been a disappointment to him that he was not given the privilege of rounding out his great career by serving the people of Alabama in the U.S. Senate.

In 1944 and 1946 he ran strong races for the U.S. Senate. What an outstanding U.S. Senator he would have made, what an eloquent spokesman for Alabama and the South, what a supporter of States rights and of constitutional government. Had he been elected he would have been a Senator in the mold of Oscar W. Underwood, Gen. John Tyler Morgan, and Gen. Edmund W. Pettus, great Alabamians who were giants in the U.S. Senate.

Many times I have had the occasion to give my appraisal of Senator Simpson. My view is and has ever been that Senator James A. Simpson is the ablest man we have had in the political life of Alabama in my memory. Having had the privilege of being numbered among his friends and having admired and respected him so much through the years, I feel a deep sense of personal loss in his death.

On behalf of the people of Alabama and in my own behalf I salute this great Alabama patriot, statesman, attorney, and outstanding citizen. Mrs. Allen joins me in expressing our deepest sympathy to his widow, Mrs. Florence Simpson, and to his sons, Joseph W. Simpson, James E. Simpson, and Henry E. Simpson.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

NOTICE OF INTENTION TO INTERCHANGE JURISDICTION OF CERTAIN CIVIL WORKS

A letter from the Secretary of the Army, and the Secretary of Agriculture, reporting, pursuant to law, on the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and Forest Service acquired lands at Laurel River Lake project, Kentucky (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

REPORT ON DEPARTMENT OF DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms, for July 1972–March 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION FROM DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to transfer to the Secretary of Commerce certain functions of the Secretary of the Interior relating to encouraging, promoting, and developing travel within the United States, and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

PROPOSED LEGISLATION FROM SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the enlistment and commissioning of women in the Coast Guard Reserve, and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

PROPOSED LEGISLATION FROM DISTRICT OF COLUMBIA GOVERNMENT

A letter from the Mayor-Commissioner, the District of Columbia, Washington, D.C., transmitting a draft of proposed legislation to authorize the Government of the District of Columbia to control the manufacture, sale, and storage of alcoholic beverages, and for other purposes (with an accompanying paper). Referred to the Committee on the District of Columbia.

INTERNATIONAL AGREEMENTS ENTERED INTO BY THE UNITED STATES

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements entered into by the United States (with accompanying papers). Referred to the Committee on Foreign Relations.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS OF NATIONAL WATER COMMISSION

A letter from the Chairman, and Members, National Water Commission, transmitting, pursuant to law, a Summary, Conclusions, and Recommendations of that Commission (with an accompanying document). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION FROM CIVIL SERVICE COMMISSION

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to promote the effective administration of Federal employees' compensation for work-related injuries (with accompanying papers). Referred to the Committee on Post Office and Civil Service.

REPORT OF ALASKA VILLAGE DEMONSTRATION PROJECTS

A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Alaska Village Demonstration Projects," dated July 1, 1973 (with an accompanying report). Referred to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration, with amendments:

S.J. Res. 110. Joint resolution to establish a nonpartisan commission on Federal election reform (Rept. No. 93–309); and

S. 372. A bill to amend the Communications Act of 1934 to relieve broadcasters of the equal time requirement of section 315 with respect to Presidential and Vice-Presidential candidates and to amend the Campaign Communications Reform Act to provide a further limitation on expenditures in election campaigns for Federal elective office (Rept. No. 93–310).

By Mr. CRANSTON, from the Committee on Labor and Public Welfare, with an amendment:

S. 1148. A bill to provide for operation of all domestic volunteer service programs by the ACTION Agency, to establish certain new such programs, and for other purposes (Rept. No. 93–311).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

John R. Wilks, of Indiana, to be U.S. attorney for the Northern District of Indiana; and

George W. F. Cook, of Vermont, to be U.S. attorney for the district of Vermont.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. ROBERT C. BYRD (for Mr. Fulbright), from the Committee on Foreign Relations:

James A. May, of California, for promotion from a Foreign Service officer of class 3 to class 2 and to be also a consular officer;

William H. Sullivan, of Rhode Island, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary to the Philippines;

Paul Rex Beach, of Virginia, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador;

William G. Bowdler, of Florida, for promotion from class 1 to the class of career minister in the Foreign Service;

William B. Buffum, of New York, for promotion from class 1 to the class of career minister in the Foreign Service;

Jack B. Kubisch, of Michigan, for promotion from class 1 to the class of career minister, in the Foreign Service;

Thomas W. McElhiney, of the District of Columbia, for promotion from class 1 to the class of career minister, in the Foreign Service;

Albert W. Sherer, Jr., of Illinois, for promotion from class 1 to the class of career minister, in the Foreign Service;

Malcolm Toon, of Maryland, for promotion from class 1 to the class of career minister, in the Foreign Service;

Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary to Denmark;

William D. Brewer, of Connecticut, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Democratic Republic of the Sudan; and

William I. Cargo, of Florida, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Nepal.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HATHAWAY:

S. 2138 A bill to amend the provisions of the Small Business Act with respect to certain reporting requirements relating to Government procurement. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PROXMIRE:

S. 2139. A bill to amend the provisions of law making it a crime to issue a false Government crop report in order to expand such provisions to cover the issuance of any Government report of statistics or information. Referred to the Committee on the Judiciary.

By Mr. DOMINICK:

S. 2140. A bill to amend the act of October 21, 1972, the Indian Peaks study law (Public Law 92-528), to provide for management as a wilderness area during the review period and to provide a date for completion of the review. Referred to the Committee on Interior and Insular Affairs.

By Mr. THURMOND:

S. 2141. A bill to amend the act entitled "An act to authorize the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, South Carolina." Referred to the Committee on Agriculture and Forestry.

By Mr. STEVENSON (for himself, Mr. Mathias, and Mr. Metcalf):

S. 2142. A bill to establish a U.S. statistical commission. Referred to the Committee on Government Operations.

By Mr. BELLMON:

S. 2143. A bill to amend the Natural Gas Act in order to authorize the Federal Power Commission to exempt the production and gathering of natural gas by small producers from the provisions of such act. Referred to the Committee on Commerce.

By Mr. FONG:

S. 2144. A bill to liberalize eligibility for cost-of-living increases in civil service retirement annuities. Referred to the Committee on Post Office and Civil Service.

By Mr. HOLLINGS:

S. 2145. A bill to aid and encourage civilian oceanographic underwater research by providing for standards for underwater research facilities, and for other purposes. Referred to the Committee on Commerce.

By Mr. CHILES:

S. 2146. A bill to amend title II of the Social Security Act to increase to $3,600 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings. Referred to the Committee on Finance.

By Mr. DOMENICI:

S. 2147. A bill to authorize and direct the Secretary of the Interior and the Administrator of General Services to conduct a study relating to the procurement and use by the Federal Government of products manufactured from recycled materials. Referred to the Committee on Government Operations.

By Mr. LONG:

S. 2148. A bill to amend the Merchant Marine Act, 1936, to expand the mission of the U.S. Merchant Marine Academy and to change the name of the Academy to reflect the expanded mission. Referred to the Committee on Commerce.

By Mr. LONG (for Mr. Magnuson) (for himself and Mr. Cotton) (by request):

S. 2149. A bill to amend title 10, United States Code, to provide certain benefits to members of the Coast Guard Reserve, and for other purposes. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATHAWAY:

S. 2138. A bill to amend section 10 (d) of the Small Business Act with respect to certain reporting requirements relating to Government procurement. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. HATHAWAY. Mr. President, I introduce, for appropriate reference, a bill to amend section 10(d) of the Small Business Act in order to require all executive agencies which contract for goods and services to report quarterly their contract expenditures. This amends the Small Business Act, which presently obligates only the Department of Defense to make this report on a monthly basis. The proposed change calls on all executive agencies to show the appropriated funds which they have expended or obligated under contracts to small business and large business firms during the preceding quarter.

In the Small Business Act, Public Law 85–536, there is a declaration of policy that the "Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts or subcontracts—be placed with small-business enterprises." In order that we can make this determination, we need the statistical data from the procuring agencies.

The Government Procurement Subcommittee of the Select Committee on Small Business held hearings on May 17 and 18, 1973, to consider several recommendations of the Commission on Government Procurement. As a result of our examination of the recommendation for the development of new standards for determining whether small business is receiving a fair proportion of the Federal contracts, we noted that the Small Business Act, in section 10(d), obligates only the Department of Defense to report its procurement statistics. Not to require the same statistics from the civilian agencies and consider them in this determination seems inconsistent with the policy statement at the commencement of the act. While it is true that the Department of Defense continues to award the bulk of the Government's contracts, its relative share of the total procurement effort is declining. Specifically, in fiscal year 1972, the Department of Defense spent 76 percent of the nearly $60 billion procurement dollars. This is to be compared with fiscal year 1962, when the Department of Defense accounted for 85.4 percent of the total procurement of $42 billion.

This proposed modification to the reporting requirements should not pose an undue hardship to the procuring agencies. At present the Defense Department must make a report each month; hence this bill would lighten that obligation. With respect to the civilian agencies, they are currently providing this information on a consolidated basis semiannually.

Under the authority of section 1–16.804 of the Code of Federal Regulations, each civilian executive agency must report its procurement data for the agency as a whole and for each bureau or comparable major organizational unit of the agency to the General Services Administration. I see no reason why this practice should not continue but on a more frequent basis.

Thus the bill I propose today brings into line the reporting obligation of the executive agencies. It is my belief that this is necessary if we are to achieve our statutory goal of assessing the participation of small business in Government contracting.

Mr. President, I ask unanimous consent to have the text of my bill printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2138

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section

10(d) of the Small Business Act is amended to read as follows:

"(d) For the purpose of aiding in carrying out the national policy to insure that a fair proportion of the total purchases and contracts for property and services for the Government be placed with small-business enterprises, and to maintain and strengthen the overall economy of the Nation, each department and agency of the Executive branch which procures goods or services by contract shall make a quarterly report to the President, the President of the Senate, and the Speaker of the House of Representatives, not less than forty-five days after the close of the quarter, showing the amount of funds appropriated to the department or agency which have been expended, obligated, or contracted to be spent with small-business concerns and the amount of such funds expended, obligated, or contracted to be spent with firms other than small business in the same fields of operation. Such reports shall show separately the funds expended, obligated, or contracted to be spent for basic and applied scientific research and development."

By Mr. PROXMIRE:

S. 2139. A bill to amend the provisions of law making it a crime to issue a false Government crop report in order to expand such provisions to cover the issuance of any Government report of statistics or information. Referred to the Committee on the Judiciary.

BILL TO MAKE ISSUING FALSE STATISTICS A CRIME

Mr. PROXMIRE. Mr. President, the chilling prospect of a statistical Watergate, far more potent in effecting the outcome of any election than any bugging or other dirty tricks, needs to be stopped in its tracks by legislation making the willful falsification of Government statistics a crime.

No one has yet "cooked" or falsified the statistical figures. But the temptation to do so is enormous. The announcement of a big drop in unemployment or a huge reduction in the cost of living on the eve of an election could do more to help any administration in power than all the bugging, breaking and entering, and scandalous activities associated with Watergate could ever do.

NOT IMPOSSIBLE

And those who say it is impossible should consider, merely, the fact that equity funding falsified or fabricated hundreds of millions of dollars of phoney insurance policies through computer manipulation.

MAY NOT NOW BE A CRIME

And they should also consider that as of now it appears that juggling the unemployment or cost-of-living figures may not even be a crime.

Under chapter 101 of the code it is a crime to conceal records, make false crop reports, false weather reports, or false entries in connection with money or securities or court records, or to fail to make certain reports, but it is not clearly a crime to falsify the statistical series put out by the Government on which so many activities rely.

It is for that reason that I am introducing this bill today.

RECENT DISTRESSING EVENTS

I think there is a real danger of statistical manipulation. A series of recent events makes this legislation imperative. Here is what has happened.

First, the administration ordered that the press briefings of the Bureau of Labor Statistics be ended when their statistical experts with high professional reputations refused to put the glowing optimistic interpretation on them that the White House and the Secretary of Labor had done.

Second, these same BLS professionals were gagged and then reorganized out of their jobs.

Third, one of the major statistical series was ended when the facts proved unpalatable to the administration. This was the so-called poverty index.

Fourth, the highly competent and professional head of the BLS, Mr. Geoffrey Moore, was himself fired. Until this happened that position was one which was filled for the duration of the 4-year term and one where the head was generally reappointed year in and year out by whatever administration was in power.

Fifth, gross political interpretations have now been placed on the statistical series—unemployment and cost-of-living figures, especially—by political spokesmen from the steps of the White House itself.

Finally, the administration has just appointed two highly unqualified individuals to fill key statistical posts; namely, the Director of the Bureau of the Census and the Commerce Department's Social and Economic Statistical Administration—SESA—which puts out at least 16 major statistical indicators.

FINES, IMPRISONMENT, AND LOSS OF OFFICE

For all of these reasons I send to the desk and ask that it be appropriately referred, a bill which specifies that to falsify, willfully, any of the statistical series can bring with it a fine of $5,000, imprisonment for up to 5 years, forfeiture of office, and disqualification from holding any other office under the United States for the remainder of one's life.

This bill is needed. It is a proper precaution for us to take.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2072 of title 18 of the United States Code is amended (1) by striking out "False crop reports" in the heading and inserting in lieu thereof "False reports of statistics or information", (2) by striking out "relating to the products of the soil" in such section, and (3) by adding at the end of the section "and shall forfeit his office and be disqualified from holding any office under the United States."

(b) The table of contents of chapter 101 of such title is amended by striking out "2072. False crop reports." and inserting in lieu thereof "2072. False reports of statistics or information.".

By Mr. DOMINICK:

S. 2140. A bill to amend the act of October 21, 1972, the Indian Peaks study law (Public Law 92–528), to provide for management as a wilderness area during the review period and to provide a date for completion of the review. Referred to the Committee on Interior and Insular Affairs.

Mr. DOMINICK. Mr. President, in the 92d Congress I cosponsored a bill to establish the Indian Peaks Wilderness. The area was to be studied by the Secretary of Agriculture and he would have been required to report his recommendations within 2 years after the enactment of that bill. The bill further required that the area be managed as a wilderness area during the 2 year study period, so that its suitability for a potential wilderness designation not be impaired. This bill passed the Senate but was amended in the House to delete the time requirement and to delete the provision which would have given the area interim protection prior to a congressional designation as wilderness. The Senate subsequently accepted the House amendment and the bill was signed into law on October 21, 1972.

The legislation which I am proposing today would not only insure that this beautiful area be protected to the highest degree during the Forest Service's study—and for 2 years afterward—but would give the Service ample time within which to complete that review. Study was begun in January pursuant to the law passed last October, the Indian Peaks study law—Public Law 92–528 Thus, the December 1975 deadline in the bill I am introducing would give the Forest Service a total of 3 years to complete its study.

The Service has the enormous task of completing the review of all "primitive areas" by 1975 as required under the Wilderness Act of 1964, as well as having to review a vast number of "roadless areas" such as Indian Peaks. The bill takes this into consideration and will not only protect Indian Peaks from encroaching pressures stemming from the Denver metropolitan area 1 hour away, but will also provide the Forest Service with a reasonable time frame into which it can fit this review project.

There is no question in my mind that this area is worthy of consideration as part of the Wilderness Preservation System. The lands, about 70,000 acres, from the south boundary of Rocky Mountain National Park to Arapaho Pass have been designated by the Forest Service and by the Indian Peaks study law as the "roadless area" presently under consideration. The original Indian Peaks study law was necessary since under the Wilderness Act, the Secretary of Agriculture is authorized to review only those areas classified as primitive on the date of its enactment. This magnificent area is practically untouched by man, yet it suffers from not being classified as "primitive." Thus, although the Forest Service generally maintains a policy of protection for the areas it reviews, this bill will prevent any environmental damage done to the area which could occur under the act as it now exists. Indeed, the vertical walls which overlook the area, the forests which have never been logged, and the wealth of wildlife are deserving of this added insurance.

Proposals for the final boundaries of this unique area vary substantially. However, this bill will provide a stronger mandate for determining the suitability of Indian Peaks Area for inclusion in the Wilderness Preservation System. On January 26 of this year, several of our distinguished colleagues in the House introduced a bill similar to the one we are introducing today. Mr. President, I now encourage the Senate to recognize the need for this amendment to the Indian Peaks study law.

By Mr. STEVENSON (for himself, Mr. MATHIAS, and Mr. METCALF):

S. 2142. A bill to establish a U.S. Statistical Commission. Referred to the Committee on Government Operations.

NEW AGENCY PROPOSED TO ASSURE "TRUTH IN STATISTICS"

Mr. STEVENSON. Mr. President, I am today introducing legislation, with Senators MATHIAS and METCALF to create an independent Statistical Commission to establish, coordinate, and carry out statistical policy for the United States. This "truth in statistics" bill is designed to protect the integrity, accuracy, and confidentiality of Government statistics and to insure that the process of collecting, analyzing, and publishing these statistics is free of political interference.

Public confidence in our political institutions has fallen to an historic low in the wake of the Watergate disclosure. Men have misused power to retain power. Evasion and dissembling have replaced truth and decency.

Watergate warns us of imperfections in our system of government. This bill will, if enacted into law, correct one of those imperfections.

If the public cannot trust the pronouncements of its Government, then the very legitimacy of that Government is called into question. It is to help insure this does not occur that we are introducing this bill.

Events over the course of the past 3 years have cast doubts upon the integrity of governmental statistics in the minds of those who work most closely with them. The American Statistical Association, in conjunction with the Federal established a committee on the integrity Statistical Users Conference, recently of Federal statistics. The committee, in its report, states:

> During the past two years the integrity of the Federal statistical system has come into question. There is growing concern that the Federal statistical system may become politicized to the extent that political expediency may override the canons of professionalism and objectivity which have long characterized major statistical agencies of the U.S. government.

Philip Hauser, the director of the Population Research Center at the University of Chicago, also addressed this situation in an article in the American Statistician. Hauser writes:

> Developments over the past several years have raised serious questions about the extent to which political pressures are being exerted on government statisticians so as to compromise the integrity of their product; and about the way in which the statistical product is being used in the interest of the Administration or the administrator of an agency, rather than in the interest of the general public. The political smoke which has risen from developments in the Bureau of Labor Statistics and the Bureau of the Census, and smolderings in a number of other statistical agencies, including those in the Department of Agriculture, the Department of Health, Education and Welfare, and the Statistical Policy Division of the Office of Management and Budget, have incited many, including statisticians, politicians, businessmen, labor leaders, reporters and editorial writers, to look for statistical fires. After all, it is part of our folk wisdom to assume that "where there is smoke there must be fire."

I ask unanimous consent to have Professor Hauser's article in its entirety printed in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. STEVENSON. Mr. President, recently, the President has underscored Professor Hauser's point by appointing to head the Social and Economic Statistical Agency and the Census Bureau—two of the most important statistical posts in the U.S. Government—men who appear to have no professional background or qualification for these offices. Indeed, the only qualification of these men appears to be political: One is a former official of the Committee to Re-elect the President, and the other is a market researcher who conducted political polls for Mr. Nixon. Rather than going out of its way to avoid appearances of playing politics with statistics the White House has appointed men who are clearly partisan Republican politicos. I ask unanimous consent to insert in the RECORD at the conclusion of these remarks a Washington Post article describing these appointments and an editorial commenting upon them.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits B and C.)

Mr. STEVENSON. Mr. President, in order to protect the integrity of our statistics from political intrusion, this bill could create a new U.S. Statistical Commission. The Commission would be insulated from partisan politics. Of the seven appointees, three would be made by the President, with the advice and consent of the Senate, two by the President pro tempore and two by the Speaker of the House. The appointments would be on an overlapping basis for a period of 7 years, and the appointees could not be removed by the President except for cause, such as neglect of duty or malfeasance in office. The Commissioners would select their own chairman.

Several agencies and statistical functions would immediately be transferred to the new Commission: the Bureau of Labor Statistics, the Social and Economic Statistical Administration—which includes the Census Bureau and the Office of Business Economics—the National Technical Information Service of the Department of Commerce, and the Statistical Reporting Service and Economic Research Service of the Department of Agriculture.

The transfer of these units into a single agency within the executive branch was recommended to the President by the Advisory Council on Executive Organization, chaired by Roy Ash, in 1970. The President's initial proposal for a Department of Economic Affairs reflected the Ash committee recommendation. This bill accepts that recommendation but places the new unit not within an executive department where it is fully susceptible to political influence, but in an independent statistical agency isolated as much as possible from political intrusion.

The bill I am introducing today also transfers the statutory statistical functions of the Office of Management and Budget to the new Statistical Commission. Under authority granted by chapter 35 of title 44, United States Code, OMB approves all records and forms of any Federal agency used to collect statistical data. The Statistical Policy Division of OMB uses this authority as the lever to coordinate statistical policy throughout the Government.

It may be that other statistical functions in addition to those recommended by the Ash Commission report and the President, ought to be transferred to the new statistical agency. As a rule statistical functions which are intimately related to ongoing program operations ought to remain within the agency administering the program, while statistical functions divorced from program operations are candidates for transfer. Under this criteria there are many important statistical functions which are not included in the initial transfer but which ought to undergo further study for possible transfer.

This bill, therefore, sets up a temporary 1 year blue ribbon commission to study and make recommendations to Congress concerning what other statistical functions and units should be transferred to the new Statistical Commission. The mandate for the temporary commission directs it to particularly investigate the feasibility of transferring FBI crime statistics to the Commission.

Provisions assuring confidentiality of information are included in the bill. The very strict provisions now applying to data collected by the Census Bureau would apply to all data collected by the new agency.

In addition to assuring the integrity of Federal statistics, a single U.S. statistical agency would greatly improve coordination of statistics, enhance efficiency, encourage analysis, and avoid duplication.

A staff study published last year by the Subcommittee on Census and Statistics of the House Committee on Post Office and Civil Service concluded that—

> Consideration should be given to the feasibility and desirability of establishing one central independent agency to collect and process all general purpose statistical data for the federal government.

The report concluded that such an agency would:

First. Reduce the opportunity for an incumbent administration to exercise a partisan effect on or influence vital statistical information which should bring about more credibility in published data.

Second. Focus Federal statistics at one point where the data could be used to the greatest public advantage.

Third. Remove the fragmentation and diffusion of overall Government statistics now being produced by four principal Government agencies.

Fourth. Reduce duplication of gathering and reporting certain related statistical data.

Fifth. Increase efficiency and economy in statistical data operations by better utilization of enumerators and complex automatic data processing hardware.

Sixth. Reduce confusion and inconvenience experienced by the general public and lower levels of government—State, city, and county—which arise because several statistical data gathering agencies approach the public and lower government levels at different times to obtain information. Also, all statistical data could be obtained from one source in the Federal Government.

Seventh. Combine the existing separate gathering and publication of statistics affecting the economic picture—parts of the overall economic picture are now being developed by Agriculture, BLS, and Census.

Eighth. Bring about uniformity in publishing statistical data.

Ninth. Create an ability on the part of the Government to assign responsibility and accountability for all Federal statistics.

This bill would accomplish all these worthwhile purposes.

Mr. President, I ask unanimous consent that a section-by-section analysis and a copy of the bill be included in the RECORD following these remarks.

There being no objection, the analysis and bill were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Sec. 1—States title of Act as "Federal Statistical Information Act"

Sec. 2—Findings and Purpose: Finds that integrity, accuracy, and confidentiality of government statistics is indispensable to faith and trust of U.S. Citizens in their government and to effective operations of that government and that intrusion of political considerations into statistical operations serves to compromise the integrity of government statistics and diminishes public confidence in the government. States that the purpose of the act is to safeguard the integrity of government statistics.

Sec. 3—Establishes a U.S. Statistical Commission as an independent agency. This establishment and the transfer of functions set forth below shall take effect within 90 days of enactment of this Act.

Sec. 4—Functions: The function of the Commission shall be to establish, co-ordinate and execute *a statistical policy* for the U.S. government. Transfers to the Commission functions now performed by the BLS, Social and Economic Statistics Administration (that is, Census) and the National Technical Information Service from the Commerce Department, and the Statistical Reporting Service and Economic Research Service of the Agriculture Department. The President may at any time transfer additional functions to the Commission. The statistical policy coordinator functions now performed by statute by the Office of Management and Budget are also transferred.

Sec. 5—Commission membership; Commission shall be composed of 7 members, 3 appointed by the President, 2 by the President pro tempore of the Senate, and 2 by the Speaker of the House, all with the advise and consent of the Senate. The Commission shall select its own Chairman. The Commissioners shall be people of professional eminence with respect to the Commission's functions. No more than 4 shall be members of the same political party. They shall serve 7 year terms, which will be staggered so that the term of one commissioner shall expire each year. The Commissioners may not be removed by the President except by reason of inefficiency, neglect of duty, or malfeasance of office.

Sec. 6—Personnel of Commission: The Commissioners shall appoint an administrator and a deputy administrator who shall administer the agency on a day-to-day basis.

Sec. 7—Confidentiality of information: The Commission may not 1) use information it receives for any purposes other than statistical purposes, 2) make any publication or disclosure which would identify it by individual or establishment, and 3) permit anyone other than officers and employees of the Commission to examine reports of individuals or particular establishments. The Commission may furnish copies of tables and aggregate data upon request and may make special statistical surveys for other federal agencies, state or local officials, private concerns or individuals upon payment of the actual or estimated cost of such work.

Sec. 8—Advisory Committee on Statistical Agency: Establishes an advisory committee of eminent professionals to advise the Commission (similar to the Advisory Committee of statisticians which now advises the Statistical Policy Division of OMB).

Sec. 9—Temporary Study Commission: Establishes a temporary study commission of one year duration to make recommendations to the President and Congress concerning other functions and units of the federal government that should be transferred to the Statistical Commission. It shall particularly consider crime data and income tax data. The Temporary Commission shall be composed of 12 members appointed as follows: 4 by the President, 2 from the Executive Branch and 2 from private life; 4 each by the President of the Senate and the Speaker of the House respectively (in each case, two members of the body—one from each political party—and 2 from private life. The Temporary Commission shall make its report and recommendations to the President and Congress no later than one year after its first meeting.

Sec. 10—Transfers: Transfer of personnel, assets, liabilities, property, records, etc.

Sec. 11—Powers: technical provisions; also Commission's budget goes directly to Congress as well as to OMB.

Sec. 12—Annual report: Requires Commission make an annual written report to the President for submission to Congress.

Sec. 13–14—Technical provisions.

Sec. 15—Effective date: Act shall take effect 90 days after enactment or on such prior date after enactment as President shall prescribe and publish in Federal Register.

S. 2142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Statistical Information Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that the integrity, accuracy, and confidentiality of the statistics collected, analyzed, and published by the United States Government are indispensible to the faith and trust of United States citizens in their Government and to the effective operations of that Government. The Congress further finds that the intrusion of political considerations into the statistical operations of the United States Government or the appearance of such intrusion can only serve to compromise the integrity of Government statistics and to cast doubt upon the legitimacy of the Government itself.

(b) The purpose of this Act is to safeguard the integrity, accuracy, and confidentiality of the statistics of the United States Government and to assure that the administrative mechanism charged with collecting, analyzing, and publishing these statistics is independent and free of political influence.

ESTABLISHMENT

SEC. 3. There is established, as an independent establishment of the executive branch of the United States Government, the United States Statistical Commission (referred to in this Act as the "Commission").

FUNCTIONS

SEC. 4. (a) The Commission shall have the primary function of establishing, coordinating, and executing a statistical policy for the United States Government.

(b) In order to assist the Commission in carrying out such primary function, there are transferred to the Commission, and the Commission shall perform, those functions carried out by—

(1) the following agencies:

(A) the Bureau of Labor Statistics, Department of Labor;

(B) the Social and Economic Statistics Administration, Department of Commerce;

(C) the National Technical Information Service, Department of Commerce;

(D) the Statistical Reporting Service, Department of Agriculture; and

(E) the Economic Research Service, Department of Agriculture; and

(2) by the Secretary of Labor, the Secretary of Commerce, the Secretary of Agriculture, and by the heads of such agencies, insofar as any such function relates to a function transferred under this subsection from any agency referred to in clause (1) of this subsection.

(c) There are transferred to, and the Commission shall perform, those functions of the Secretary of Labor, the Secretary of Commerce, and the Secretary of Agriculture with respect to, and being administered by such Secretary, through any such agency referred to in subsection (b)(1) of this section.

(d) At any time after the effective date of this section, the President may transfer to the Commission any function of any other agency or office, or part of any agency or office, in the executive branch of the United States Government if the President determines that such function relates primarily to the primary function of the Commission or to functions transferred to the commission by this section.

(e) On and after the effective date of this section, any agency referred to in subsection (b)(1) of this section shall cease to exist.

(f) Chapter 35 of title 44, United States Code, is amended as follows:

(1) In section 3503—

(A) in the section caption, strike out "Director of the Bureau of the Budget" and insert in lieu thereof "United States Statistical Commission"; and

(B) in the text of the section, strike out "Director of the Bureau of the Budget" and insert in lieu thereof "United States Statistical Commission".

(2) In section 3504, strike out "Director of the Budget" and "Director" wherever they appear and insert in lieu thereof "United States Statistical Commission" and "Commission", respectively.

(3) In section 3506, strike out "Director of the Bureau of the Budget" and "Director" and insert in lieu thereof "United States Statistical Commission" and "Commission", respectively.

(4) In section 3507, strike out "Director of the Bureau of the Budget" and insert in lieu thereof "United States Statistical Commission".

(5) In section 3509—

(A) in the section caption, strike out "Director" and insert in lieu thereof "United States Statistical Commission";

(B) in clause (1), strike out "Director" and "Director of the Bureau of the Budget" and insert in lieu thereof "United States Statistical Commission" and "Commission", respectively; and

(C) in clause (2), strike out "Director" and insert in lieu thereof "Commission".

(6) In section 3510, strike out "Director of the Bureau of the Budget" and insert in lieu thereof "United States Statiscal Commission".

(7) In the anaylsis of such chapter—

(A) amend item 3503 to read as follows: "3503. Duties of United States Statistical Commission."; and

(B) in item 3509, strike out "Director" and insert in lieu thereof "United States Statistical Commission".

COMMISSION MEMBERSHIP

SEC. 5. (a) The Commission shall be composed of seven commissioners appointed as follows:

(1) Three commissioners appointed by the President, by and with the advice and consent of the Senate, not more than two of whom shall be from the same political party;

(2) 2 commissioners appointed by the President pro tempore of the Senate, from different political parties; and

(3) 2 commissioners appointed by the Speaker of the House of Representatives from different political parties. Persons shall be appointed on the basis of their professional eminence with respect to the functions to be performed by the Commission. The Commission shall elect a chairman and vice chairman from among its members.

(b) The commissioners shall exercise all powers necessary to carry out the purposes, functions, and powers of the Commission. The commissioners may delegate to any officer, employee, or agency of the Commission such powers vested in the commissioners as the commissioners deem appropriate.

(c) Commissioners shall serve for terms of 7 years, except that—

(1) (A) such 3 commissioners first appointed by the President under subsection (a) (1) of this section shall serve, as designated by the President at the time of appointment, 1 for a term of 2 years, 1 for a term of 4 years, and 1 for a term of 6 years;

(B) such 2 commissioners first appointed by the President pro tempore of the Senate under subsection (a) (2) of this section shall serve, as designated by the Majority Leader at the time of appointment, 1 for a term of 3 years, and 1 for a term of 7 years; and

(C) such 2 commissioners first appointed by the Speaker of the House of Representatives under subsection (a) (3) of this section shall serve, as designated by the Speaker at the time of appointment, 1 for a term of 1 year, and 1 for a term of 5 years; and

(2) any commissioner appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

(d) Each commissioner shall receive $125 a day (including traveltime) during which he is engaged in the actual performance of his duties as a commissioner. In addition, each commissioner shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(e) Vacancies in the membership of the Commission, as long as there are 4 commissioners in office, shall not impair the powers of the Commission to execute the purposes, functions, and powers of the Commission. Four commissoners shall constitute a quorum for the transaction of business.

(f) Any commissioner may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office.

PERSONNEL OF THE COMMISSION

SEC. 6. (a) (1) The Commission shall appoint an Administrator and a Deputy Administrator who shall perform such duties as the Commission may determine. Such appointments may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Deputy Administrator shall serve as Acting Administrator during the absense or disability of the Administrator. The Deputy Administrator shall, in addition, perform such other duties as the Administrator may determine.

(2) Section 5314 of title 5, United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following new item:

"(60) Administrator, United Statistical Commission."

(3) Section 5315 of such title, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following new item:

"(98) Deputy Administrator, United States Statistical Commission."

(b) The Commission is authorized to appoint and fix the compensation of such officers and employees, and prescribe their functions and duties, as may be necessary to carry out the provisions of this Act.

(c) The Commission may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

CONFIDENTIALITY OF INFORMATION

SEC. 7. (a) Neither the Commission, nor any other officer or employee of the Commission may, except as provided in subsection (b) of this section—

(1) use the information furnished to carry out this Act for any purpose other than the statistical purposes for which it is supplied;

(2) make any publication whereby the data furnished by any particular establishment or individual to carry out this Act may be identified; or

(3) permit anyone other than the sworn officers and employees of the Commission thereof to examine the individual reports.

No department, bureau, agency, officer, or employee of the United States Government, except the Commission in carrying out the purposes of this Act, shall require, for any reason, copies of reports which have been retained by any such establishment or individual. Copies of reports which have been so retained shall be immune from legal process, and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

(b) (1) The Commission may furnish transcripts or copies of tables and other records and make special statistical compilations and surveys for State or local officials, private concerns, or individuals upon the payment of the actual, or estimated cost of such work. In the case of nonprofit organizations or agencies, the Commission may engage in joint statistical projects, the cost of which shall be shared equitably as determined by the Commission and provided that the purposes are otherwise authorized by law.

(2) In no case shall information furnished under the authority of this subsection be used to the detriment of the persons to whom such information relates.

(3) All moneys received in payment for work or services enumerated under this subsection shall be deposited in a separate account which may be used to pay directly to costs of such work or services, to repay appropriations which initially bore all or part of such costs, or to refund excess sums when necessary.

ADVISORY COMMITTEE ON STATISTICAL POLICY

SEC. 8. (a) (1) There is established within the Commission an Advisory Committee on Statistical Policy (hereafter referred to in this Act as the "Committee"). The Committee shall advise the Commission with respect to the statistical policy of the United States Government. The Committee shall continue in existence unless hereafter abolished by law.

(2) The Committee shall be composed of 15 members appointed by the Commission, to serve at the discretion of the Commission, from among individuals having special knowledge and distinguished backgrounds with respect to matters relating to statistics and statistical information. The Committee shall elect a chairman and vice chairman from among its members.

(3) Each member of the Committee who is appointed from private life shall receive $125 a day (including traveltime) for each day during which he is engaged in the actual performance of his duties as a member of the Committee. A member of the Committee who is otherwise employed by the United States Government shall serve without additional compensation. All members of the Committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

(b) In accordance with the applicable provisions of the Federal Advisory Committee Act, the Commission shall provide the Committee with such personnel, facilities, and financial and supportive services as the Commission considers appropriate.

TEMPORARY STUDY COMMISSION

SEC. 9. (a) There is established a temporary commission to make a complete study and investigation with respect to other functions and units of the United States Government that should be transferred to the United States Statistical Commission in order to carry out its functions and the purposes of this Act.

(b) (1) The temporary commission shall be composed of the following twelve members:

(A) Four members appointed by the President, two from the executive branch of the United States Government and two from private life;

(B) Four members appointed by the President of the Senate, two from the Senate (one from each of the two major political parties) and two from private life; and

(C) Four members appointed by the Speaker of the House of Representatives, two from the House of Representatives (one from each of the two major political parties) and two from private life.

(2) Any vacancy in the temporary commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made. Seven members shall constitute a quorum, but a lesser number may conduct hearings.

(3) The temporary commission shall elect a chairman and vice chairman from among its members.

(4) Each member of the temporary commission who is appointed from private life shall receive $125 a day (including traveltime) for each day during which he is engaged in the actual performance of his duties as a member of the commission. A member of the temporary commission who is otherwise employed by the United States Government shall serve without additional compensation. All members of the temporary commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

(c) (1) The temporary commission or, on the authorization of that commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this section, hold such hearings as may be required for the performance of its functions under this section, and administer oaths for the purpose of taking evidence in any such hearings. Any member authorized by the commission may administer oaths or affirmations to witnesses appearing before the temporary commission, or any subcommittee thereof.

(2) Each department, agency, and instrumentality of the executive branch of the United States Government is authorized to furnish to the temporary commission, upon request of the chairman or vice chairman, such information as the commission deems necessary to carry out its functions under this section.

(d) The Commission shall furnish the temporary commission such personnel, facilities, and financial and supportive services as the Commission considers appropriate to carry out this section.

(e) The temporary commission shall submit to the President, the Congress, and the Commission a report on its study and investigation not later than one year after the temporary commission first meets, together with such recommendations, including recommendations for legislation, as it deems advisable.

(f) The temporary commission shall cease to exist 30 days after the submission of its report.

(g) Appropriations made available to the Commission may be used to carry out this section.

TRANSFERS

SEC. 10. All personnel, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of section 4 (including amendments made by that section), are transferred to the Commission.

POWERS

SEC. 11. (a) The Commission may, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to the Commission by this Act, delegate any of its functions to such officers and employees of the Commission as the Commission may designate, may authorize such successive redelegations of such functions as it may deem desirable, and may make such rules and regulations as may be necessary to carry out its functions.

(b) In order to carry out the provisions of this Act, the Commission is authorized—

(1) to adopt, alter, and use a seal;

(2) to adopt, amend, and repeal rules and regulations governing the manner of its operations, organization, and personnel, and the performance of the powers and duties granted to or imposed upon it by law;

(3) to accept gifts or donations of services, money, or property, real, personal, or mixed, tangible or intangible;

(4) to enter into contracts or other arrangements or modifications thereof, with any government, any agency or department of the United States, or with any person, firm, association, or corporation, and such contracts or other arrangements, or modifications thereof, may be entered into without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(5) to make advance, progress, and other payments which the Commission deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(6) to take such other action as may be necessary to carry out the provisions of this Act.

(c) The Commission is authorized to obtain information from any Executive agency but only—

(1) if the information is in the form of statistical totals or summaries;

(2) if the information as supplied by persons to the Executive agency had not, at the time of collection, been declared by that agency or by a superior authority to be confidential;

(3) when the persons supplying the information consent to the release of it to a second agency by the agency to which the information was originally supplied; or

(4) when the Executive agency to which another Executive agency releases the information has authority to collect the information itself and the authority is supported by legal provision for criminal penalties against persons failing to supply the information.

Upon request of the Commission, the Executive agency shall furnish such information to the Commission. For purposes of this subsection, "Executive agency" has the same meaning given that term under section 105 of title 5, United States Code.

(d) Notwithstanding any other provision of law—

(1) in any civil action, the Commission is authorized to act in its own name and through its own attorneys; and

(2) attorneys for the Commission shall supervise, and may in the discretion of the Commission conduct, all litigation in any civil action to which the Commission is a party.

(e)(1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States Government shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States Government for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

ANNUAL REPORT

SEC. 12. The Commission shall, as soon as practicable after the end of each fiscal year, make a report in writing to the President for submission to the Congress on the activities of the Commission during the preceding fiscal year.

SAVINGS PROVISIONS

SEC. 13. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this Act, by (A) any agency or office, or part thereof, any functions of which are transferred by this Act, or (B) any court of competent jurisdiction; and

(2) which are in effect at the time this Act takes effect;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Commission, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any agency or office, or part thereof, functions of which are transferred by this Act, except that such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Commission. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the agency or office, or part thereof, before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Commission, by a court of competent jurisdiction, or by operation of law.

(c)(1) Except as provided in paragraph (2)—

(A) the provisions of this Act shall not affect suits commenced prior to the date this section takes effect; and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any agency or office, or part thereof, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any agency or office, or part thereof, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Commission as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this Act takes effect, any agency or office, or officer thereof in his official capacity, is a party to a suit, and under this Act—

(A) such agency or office, or any part thereof, is transferred to the Commission; or

(B) any function of such agency, office, or part thereof, or officer is transferred to the Commission;

then such suit shall be continued by the Commission (except in the case of a suit not involving functions transferred to the Commission, in which case the suit shall be continued by the agency, office, or part thereof, or officer which was a party to the suit prior to the effective date of this Act).

(d) With respect to any function transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any agency, office, or part thereof, or officer so transferred or functions of which are so transferred shall be deemed to mean the Commission or the officer in which such function is vested pursuant to this Act.

(e) This Act shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function transferred under this Act.

(f) Orders and actions of the Commission in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Commission.

(g) In the exercise of the functions transferred under this Act, the Commission shall have the same authority as that vested in the agency or office, or part thereof, exercising such functions immediately preceding their transfer, and actions of the Commission in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

CODIFICATION

SEC. 14. The Commission shall submit to Congress, within 2 years after the effective date of this section, a proposed codification of all laws which contain functions transferred to the Commission by this Act.

EFFECTIVE DATE; INITIAL APPOINTMENT OF OFFICERS

SEC. 15. (a) This Act, other than this section, shall take effect 90 days after the enactment of this Act, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Notwithstanding subsection (a) of this section, any of the officers provided for in sections 5 and 6 (a) of this Act may be appointed in the manner provided for in this Act, at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office, at the appropriate rates provided for this Act or amendments made by this Act. Such compensation and related expenses of such officers shall be paid from funds available for the functions to be transferred to the Commission under this Act.

EXHIBIT A

STATISTICS AND POLITICS

(By Philip M. Hauser)

Statistics had its origin in politics—in the broad sense of the term. Historically considered they were "state-istics" and statisticians were once "statists." But "politics" in the title of this essay is used in the narrow sense—in the narrow usage associated with the way in which this nation conducts its system of governance on the federal, state and local level. That is, examined here is the relationship between the politician in office and the collection, compilation and analyses of quantitative data which are derived from government records or censuses and sample surveys conducted by government. In the broad sense this involves the consideration of the role of statistics and of the statistician in government and the use of the statistical product by policy officials in government, elected and appointed.

More specifically, what is examined is the extent to which statistics and statisticians are subjected to pressures to make a given administration, administrator or agency "look good," 'make a case" or support a decision already taken on other than factual grounds.

First, it is well to state at least some of the basic assumptions on which this discussion rests. Among them are:

1. Statistics are quantitative facts collected, aggregated and analyzed to provide intelligence, to facilitate understanding and to serve as a foundation for formulation of policy, development and administration of programs and evaluation of the impact of programs.

2. The statistician is the professional specialist whose function it is to design, produce and analyze statistics and to present his findings in an objective manner with probity and integrity for use by policy makers, administrators, researchers and consumers in general.

3. The consumers of statistics constitute the audience for whom statistical intelligence is produced and who, it is assumed, want to "know the facts."

4. Although the relationship between consumers and producers of statistics must be a close one so that the information produced is relevant to the problems which confront consumers, this relationship should not in any way have the effect of impairing the integrity of the statistical undertaking as a fact finding enterprise or requiring the equivalent of a "directed verdict."

THE PRESENT SITUATION

Developments over the past several years have raised serious questions about the extent to which political pressures are being exerted on government statisticians so as to compromise the integrity of their product; and about the way in which the statistical product is being used in the interest of the Administration or the administrator of an agency, rather than in the interest of the general public. The political smoke which has risen from developments in the Bureau of Labor Statistics and the Bureau of the Census, and smolderings in a number of other statistical agencies, including those in the Department of Agriculture, the Department of Health, Education and Welfare, and the Statistical Policy Division of the Office of Management and Budget, have incited many, including statisticians, politicians, businessmen, labor leaders, reporters and editorial writers, to look for statistical fires. After all, it is part of our folk wisdom to assume that "where there is smoke there must be fire."

The widespread suspicion that unwholesome pressures have been placed by the present Administration on statistics and statisticians and much public airing of the matter in the mass media have, thus far, produced no clear-cut evidence *pro* or *con*. Even to those of us close to the production and analysis of government statistics the situation is a complex one with, at best, mixed or or conflicting information about even the most publicized cases.

As a statistician, with now more than 42 years of continuing contact with government statisticians and statistics, I have, of course, become aware of the statistical "smoke." Specific instances which have occasioned suspicions of undue political pressure include:

1. The sequence of events which lead to the premature retirement of the Deputy Director of the Census, the Chief of the Population Division, the Chief of the Construction Statistics Division, and a number of other senior statisticians in that Bureau.

2. The sequence of events which led to termination of the monthly press conference by the Assistant Commission of the Bureau of Labor Statistics *in re* the *Monthly Report on the Labor Force,* his reassignment and, eventually, his premature retirement.

3. The contemplated reorganization of statistical activities within the Office of Management and Budget, fortunately rescinded, which would have made the old Division of Statistical Standards an arm of that Bureau's management personnel and which did remove the title of Assistant Director of the Office from the head of statistical activities in that office.

4. The reported political pressures from the Secretary's office in the Department of Agriculture on the statistical activities within that Department.

5. The conflict within the Department of Health, Education and Welfare in regard to the conduct of a survey on nutritional deficiencies of children in this nation.

6. The order to the Bureau of the Census to stop using "Poverty" in the title of its annual report on the poor in the United States. (This was almost an ingenious and quick way to abolish poverty in this nation.)

7. The reprimand of the Census staff associated with the release of the 1971 poverty report.

8. The cancellation of the Urban Employment Survey during this election year 1972, which since 1969 had been providing labor force and other information about residents in "poverty areas" in much of urban America.

9. The imposition of political clearance procedures for members of statistical as well as other advisory committees. This has initiated a widespread search for Republican statisticians, demographers, and other scientists. (Perhaps there can now be developed new fields of Republican mathematical statistics, Republican demography, Republican physics, Republican medicine and so on.)

10. The placement within the Bureau of the Census of five persons who are not inaccurately described as "political commissars" whose function it was to oversee statistical operations and analyses. In one flagrant situation the Assistant Chief of one of the Census divisions was peremptorily removed from his office for the convenience of the political functionary who was then provided with amenities not previously afforded assistant division chiefs. (I have the names of the five political functionaries now reduced to two by reason of presures brought to bear.)

11. The collapse of morale among statisticians in a number of agencies by reason of the "reign of terror" generated by the presence of political functionaries placed at the statistical operating and analytical levels. This, of course, was one reason for the premature retirement of many able career service statisticians.

12. The tendency to delay or withhold statistical reports deemed adverse to the interests of the Administration.

I am sure that many other instances could be added to this list which would further bolster the suspicion that statistics and statisticians are being subjected to unprecedented political pressures. I say unprecedented having in mind the scale of events generating suspicion. On the basis of my own experience with government statistics I know of no administration in which some zealous politician or politically minded press relations "eager beaver" did not, at some point, try to impair the integrity of statistical reports; but never have I witnessed as widespread and insistent efforts to politicize the statistical enterprise.

Furthermore, in the midst of the clamor about possible political contamination of statistics the President's Commission on Statistics in the Federal Government issued its report without even a reference to the importance of safeguarding the integrity of the Government's statistical output. The Commission included statisticians of unquestionable competence. I do not challenge either their integrity or their competence. But I do think that they can legitimately be faulted for their collective insensitivity to the political issue.

Another piece of possible evidence of protecting the Administration, even if this were not the explicit intent, is to be found in the Commission's position on the proposed quinquennial census of population. Despite the fact that this issue has been before the nation for a century, during which time a quinquennial census has been recommended repeatedly and, most recently, by the Decennial Census Review Committee of the Secretary of Commerce (of this Administration) in the Spring of 1971, the Commission stated that the evidence on behalf of a quinquennial census was neither positive nor negative and suggested that the Bureau of the Census, which has been on record for it for many years, make still another study of the matter to see if one was needed in 1975. The fact that the Administration opposed such an undertaking as an element in its Budget policy may well have had an impact on the Commission—deliberate or unconscious.

In most of the instances cited above there is not as yet clear-cut evidence that the Administration acted only and entirely out of political motives. In placing political appointees in statistical agencies below the level of Presidential appointees the political motive is clear and perhaps can be defended, at best (or worst?), as examples of patronage not unknown on the American scene. Similarly, the insistence on political clearance of members of advisory committees is certainly politically motivated and may similarly be defended as another instance, even if carried to an extreme, of political patronage. There is reason to conclude, however, that these actions constitute a deliberate effort to place into statistical agencies an ideological point of view comparable to the placement of "conservatives" and "strict constructionists" on the Supreme Court. Some Administration supporters have explicitly stated that in their judgment too many "New Dealers" and "liberals" have been frozen into civil service status in the statistical agencies; and that, consequently, this Administration must protect its own ideology and political interests. It would seem reasonable to take the position that the burden of proof for this assertion rests upon this Administration, a burden which certainly it has not yet assumed.

In the other instances listed, there is no case in which the Administration has not given reasons, other than political, for the actions taken. For example, in the case of the Deputy Director of the Census it was true that the time schedule on the production and release of 1970 Census information was not kept; and that the Deputy Director was not always responsive to the wishes of his political superiors. Furthermore, it is also true that he was offered a position of the same civil service grade in another agency which he declined. In the case of the reprimands to census staff associated with the 1971 Poverty report it was alleged that release procedures were violated and that some elements of the press were given a priority over others. In the case of the Assistant Commissioner of Labor, it had been previously decided that a civil servant should not be asked to hold a press conference on the employment and unemployment statistics because he would necessarily be subjected to political questions and placed "on the spot." Furthermore, his reassignment was the result of a reorganization of the entire statistical system set in motion before the conflict in the interpretations of the labor force report of the Assistant Commissioner and the Secretary of Labor.

The proposed reorganization of the Office of Management and Budget in which the Division of Statistical Standards would be abolished and merged with a management function could be defended in terms of some prevailing concepts of management structure and function. The abolition of the word "poverty" and substitution of "low income" for the term can be defended as insistence on a more neutral designation than that adopted by the previous administration for its political purposes. The abolition of the Urban Employment Survey can be justified by the need to revise the sample of "poverty areas" in the light of the 1970 Census returns.

Examples of pure political pressure uncontaminated by other factors are difficult, if not impossible, to find. Yet the total picture, if not any one specific instance, certainly justifies suspicion and action to assure that the integrity of Federal statistics is not impaired.

REACTION AND OUTLOOK

Fortunately, the statistical and social science fraternity, both within and without government, is endowed with professional *elan* and political independence. In their professional capacities, statisticians can often be browbeaten but never subdued. Fortunately, also, the Government is not a monolithic structure and not all Republicans, nor all Democrats, are subservient to political pressures from their respective political parties. In consequence, it should not be surprising to learn that forces within as well as without this Administration are resisting and are determined to resist any political contamination of the government statistical product. Resistance and reaction to the types of pressures described are mounting even among the ranks of those in high office appointed by this Administration. In general, it may be said that both statistical and non-statistical personnel with professional backgrounds are resisting attacks on the probity of statistics and exerting pressures of their own against their Republican colleagues playing the pro-Administration political and public relations game. Evidence of such resistance is to be found even within the Executive Office of the President, for the Chief Statistician and head of the new Division of Statistical Policy within the Office of Management and Budget, supported at least by the former Director of that Office (now the Secretary of the Treasury) have pursued courses to maintain the probity of Federal statistics. (The Chief Statistician, before reorganization, was an Assistant Director of the Bureau of the Budget and head of the Division of Statistical Standards.)

For example, a significant step has been taken to protect the integrity of government statistics in Circular No. A–91, originally issued in February, 1969 and revised on April 26, 1972, which calls for the prompt compilation and release of statistical information. This Circular, addressed to "Heads of Executive Departments and Establishments," requires that "the shortest practicable interval should exist between the date or period to which the data refer and the date when compilation is completed." Moreover, it states that "prompt public release of the figures should be made after compilation." The Circular applies to "the principal statistical series . . . issued by agencies to the public annually or more frequently . . . and that the publication dates . . . are made publicly available in advance." In accordance with the objectives of the Circular, release dates for principal economic indicators appear each month in the OMB *Statistical Reporter* and agencies are required to submit reports to OMB on the release of statistical series.

Although Circular A–91 constitutes a significant step in the right direction, its enforcement is beset with problems, especially in respect to statistical reports that are intermittent and not usually on a rigid time schedule. Obviously, the action taken by OMB is designed to prevent deferring or advancing the release of statistics better to serve political interests. It cannot but help to protect statistics against, at least, one form of political interference.

Perhaps the most significant feature of this Circular is that requiring a "one-hour separation between the issuance of the release by the statistical agency and related commentary." This provision clearly separates the professional statistical product from subsequent "interpretations" which may be politicized. Each administration certainly has the prerogative of interpreting the data as it sees fit at its own risk; but it is important to distinguish such interpretations from the original statistical report.

Another example of efforts to protect the integrity of statistics within the Administration is afforded by the pressures brought to bear by OMB upon the Department of Commerce and the Director of the Census to eliminate three of the five political functionaries placed within the Census Bureau. Of the two that remain one, I understand, achieved civil service status and in this new role, hopefully, this person will serve the Government as a professional rather than as a political overseer.

The Committee on Statistical Policy, which is advisory to the OMB and which is appointed by the OMB in consultation with the ASA, has also been active on behalf of the integrity of statistics. This Advisory Committee comprises mainly past presidents of the American Statistical Association. It exerted pressure upon the OMB to restore the independence of the Division of Statistical Policy, an action that was taken; and it recommended to the Association the creation of a Committee to investigate any possible political interference with statistics or statisticians. Other organizations joined in this recommendation. In consequence, as reported in *The American Statistician* (Vol. 26, No. 3, June 1972, p. 2) the Board and Council of the Association on January 28th authorized the President to appoint a Committee on Integrity of Federal Statistics to work with a similar committee from the Federal Statistics Users' Conference, which had expressed similar concerns. This Committee, which is holding its first meeting at this annual meeting of the Association, includes: Daniel H. Brill, Commercial Credit Corp.; A. Ross Eckler, a former President of the Association and former Director of the Census; Robert S. Schultz, New York State Council of Economic Advisers; and De Ver Sholes, Chicago Association of Commerce and Industry. The Population Association of America and the American Sociological Association have been invited to send observers to the meeting. A Committee of the Conference on Income and Wealth has also asked to be kept informed of the new Committee's work. Other professional societies will undoubtedly follow the work of the Committee with interest and may join in its work.

Another instrumentality that may be expected to exert increasing influence on behalf of statistical integrity is the newly created Committee on National Statistics of the National Academy of Science. This Committee, of which William Kruskal, a member of the now defunct President's Commission on Statistics, is Chairman, has as its terms of reference a continuing review and evaluation of the national statistical output. It is, in effect, a semi-private mechanism for, among other things, monitoring the probity of government statistics.

Pressures in behalf of preserving the integrity of government statistics are to be found in many other significant places; but the ability to resist political interference is not always successful even when such resistance is offered by Bureau heads who, in the last analysis, must serve their political superiors or exercise their option to resign.

CONCLUDING OBSERVATIONS

The American Statistical Association and related interest professional association can, of course, expect an impartial and competent report from its Committee on the Integrity of Federal Statistics. I am sure that its major work will come after the confusion of this election year and that it will have implications and impact transcending the tenure of this Administration. In the meantime, it is essential that all statisticians be alerted to the possibility of political pressures and make such information as they may acquire available to the Association's Committee.

With the increasing complexity and interdependence of our society requiring increasing government interventionism, statistics are becoming ever more important in providing a basis for policy and action, both in the government and private sectors. In consequence, the temptation to use statistics for administration, agency or other interest, as distinguished from public interest, will increase.

Although the politician may be able adversely to influence statistics in the short run, there can be no doubt that his cause is a hopeless one in the long run. The Association and the other professional associations are aware that just as "eternal vigilance is the price of liberty," similar vigilance is required to defend statistics and statisticians from political contamination. If necessary, the professional fraternity can appoint statistical "truth squads" that can hold their own press conferences to counter political distortions or falsifications, delays or withholdings of the data. In defending the probity and integrity of statistics, statisticians and related professional personnel are not only exercising an important professional and citizenship right and obligation but, also, in the long run they are defending the politician for himself; for nothing could undermine the politicians as much as accumulated and intense public distrust and the generation of both a credibility and incredibility gap.

EXHIBIT B

FLAP STIRS ON NONSTATISTICIANS PLACED IN KEY U.S. DATA POSTS

(By Morton Mintz)

A dispute is developing over the choice of men without statistical training or experience to head two key federal statistical agencies, the Bureau of the Census and the

Social and Economic Statistics Administration.

The principal antagonists are the president of the American Statistical Association, who has attacked the appointments as being "in direct conflict with the judgments of responsible statisticians," and the Secretary of Commerce, who says the men were chosen to provide necessary "intensive administrative management."

Vincent P. Barabba, a market researcher in Los Angeles who did political polling, primarily for Republicans, faces a confirmation hearing—on a date not yet set—on his nomination to be director of the Census Bureau.

Barabba's nomination should be "examined in the greatest detail," Sen. Hubert H. Humphrey (D-Minn.) said in a letter to committee chairman Gale W. McGee (D-Wyo.).

Humphrey also asked McGee to call the president of the association, Prof. Clifford Hildreth of the University of Minnesota, to testify on the nomination.

The other appointment, announced by Commerce Secretary Frederick B. Dent, was of Edward D. Failor, a former official of the Committee for the Re-election of the President, to head the statistics administration.

"Appointments of this kind merely deteriorate the professional competence of the government's statistical agencies," Humphrey said.

His Minnesota colleague, Sen. Walter F. Mondale (D), agreed, saying that "even the appearance of political control" over the preparation of government statistics should not be allowed to impair their integrity.

Barabba himself declined to comment on the ground that it would be "inappropriate" to do so while his nomination awaits Senate action. However, a bureau spokesman said that four of his six predecessors since 1941 also were not professional statisticians.

The spokesman also said that the statistical association, at the administration's invitation, suggested its own list of possible candidates for the Census post; that the Office of Management and Budget had contacted those on the list, and that all, for one reason or another, had said they didn't want the post.

Failor told a reporter that he was chosen for his management capability on the basis of a record that "spoke for itself."

Before joining the re-election committee, Failor was for a time enforcing the coal-mine safety law as chief of the Office of Assessments and Compliance Assistance in the Interior Department's Bureau of Mines.

His performance in that role was sharply criticized by the General Accounting Office last August, Failor rejected that criticism as "inaccurate."

The controversy over the appointments began with a letter from Dr. Hildreth to Secretary Dent.

"It is our firm conviction that our efforts and those of statisticians in government cannot be highly effective unless the programs are headed by good administrators of demonstrated statistical profession," Hildreth said.

Except for Barabba's "brief service on a Census Advisory Committee, I find no evidence" that either Barabba or Failor "has had statistical training, experience or contact with the statistical profession," Hildreth said.

His protest is the latest in a series made by economists and statisticians against purported politicalization of government statistics by the Nixon administration.

Secretary Dent, in a letter of reply to Hildreth, said it is his expectation that Barabba and Failor "will sustain and strengthen the present high quality and integrity of the statistical and analytical functions" of the Commerce Department.

EXHIBIT C

STATISTICAL INTEGRITY

The federal statistics on the economy need to be above suspicion. But the Nixon administration is now attempting to fill two crucially influential jobs in the statistical agencies with men who have no visible qualifications but active service in the President's re-election campaign. These choices suggest that the administration's current adversities have not, unfortunately, sharpened its sense of propriety.

After the last election, among dozens of other officials, the White House ousted George Hay Brown, the head of the Census Bureau, and Geoffrey Moore, the commissioner of labor statistics. Both are entirely reputable and competent economists. Census and the Bureau of Labor Statistics come under a Commerce Department division called the Social and Economic Statistics Administration. That agency was run by the equally reputable and competent assistant secretary of commerce, Harold C. Passer, who was also ousted.

As the new head of the Social and Economic Statistics Administration, the White House now chooses a former official of the Committee to Re-Elect the President, Edward D. Failor. He is a newcomer to the world of statistics and economics. But that, apparently, is not what counts. To head the Census Bureau under Mr. Failor, the White House has picked a Los Angeles market researcher named Vincent P. Barabba. The relevant part of Mr. Barabba's past experience is that he took polls for Mr. Nixon during the last campaign. The Bureau of Labor Statistics has had no permanent head since January. The administration mutters that it can find no statistician who meets its requirements, an explanation that may well be correct.

These technical agencies compute the statistics on inflation, unemployment, economic growth, the balance of payments, and a hundred other issues of acute political interest. Suppose that you were a public official, or a union negotiator, or a businessman. Would you want to stake your decisions on the reliability of figures prepared under a former Nixon campaign pollster, who reports to a former employee of the Committee to Re-Elect the President?

By Mr. BELLMON:

S. 2143. A bill to amend the Natural Gas Act in order to authorize the Federal Power Commisson to exempt the production and gathering of natural gas by small producers from the provisions of such Act. Referred to the Committee on Commerce.

SUPPORTING LEGISLATION TO EXEMPT OIL PRODUCERS OF NATURAL GAS FROM THE NATURAL GAS ACT

Mr. BELLMON. Mr. President, in December of last year, the U.S. Court of Appeals in the District of Columbia, in a 2 to 1 decision set aside the Federal Power Commission Order 428 which would have exempted small natural gas producers from area price ceilings. This unfortunate action in the words of the small natural gas producer caused "confusion and bitterness among producers who relied on that government order and sold their gas interstate when they could have sold it to the intrastate market." At a time when this Nation faces a severe energy shortage, this kind of action resulting in clear-cut disincentive for the hundreds of independent natural gas producers, it is clearly not in the national interest. Under the FPC order, a small natural gas producer is identified as one who produced not more than 10 billion cubic feet of gas in any calendar year. The exemption, if upheld, would relieve these small producers from much of the filing requirements and other administrative burdens required in area pricing decision. These proceedings are lengthy and expensive. For example, permian basin decision initially ordered by the FPC in December 1960; it was not until 7½ years later that a decision was rendered. It was an enormous undertaking requiring 250 days of hearings and over 30,000 pages of transcripts. After it was all over, 7½ years later, the natural gas producers finally learned what price they could charge for gas sold in interstate commerce. The costs of the producers has not been tabulated. It can be assumed that it is substantial. Clearly, the small producer does not have the kind of economic wherewithall that would give him the luxury to participate in these kinds of proceedings without imposing severe economic restrictions. Additionally, time and money spent by the producers and the accompanying uncertainty arising from the lack of decision for so many years clearly must have had a negative impact upon the development of this Nation's natural gas resources.

Mr. President, the decision of the court was based upon the lack of language the Natural Gas Act would permit the FPC to grant exemptions for small natural gas producers.

Mr. President, I therefore propose in the legislation that I am introducing that the Natural Gas Act be amended to authorize the Federal Power Commission to exempt the production and gathering of natural gas by small producers from the provisions of the Act. However, Mr. President, my proposal is clearly intended to be a provisional measure. A measure that would give immediate relief to the small producer under the Court ruling in jeopardy of his existence, but yet by no means does it tend to preclude the most vital and necessary step of all—that of total deregulation of wellhead prices by the FPC and this should be the primary and overall objective.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Natural Gas Act (15 U.S.C. 717) is amended by inserting at the end thereof the following:

"(d) The Commission may exempt the production and gathering of natural gas by small producers, as defined by the Commission, from the provisions of this Act for the purpose of promoting such production and gathering by small producers and promoting competition among all producers."

By Mr. HOLLINGS:

S. 2145. A bill to aid and encourage civilian oceanographic underwater research by providing for standards for underwater research facilities, and for other purposes. Referred to the Committee on Commerce.

Mr. HOLLINGS. Mr. President, just a few short weeks ago, this Nation was moved by the agonizing plight of four American ocean explorers who lay helplessly trapped at the bottom of the sea. As the hours fled by, we all had initial hope that the scientists in the *Sea Link* would be rescued. After all, we knew almost exactly where they were. We are a nation of great technical ability and resourcefulness, so we indulged in an abiding conviction that the means of rescue, safety, and life were close at hand.

But as time passed, Mr. President, there slowly came upon us the realization that perhaps the lives of these men were beyond our capacity to save.

Indeed, subsequently, two of these oceanographers finally perished. I know that many Americans shared my deep sense of frustration. I do not intend in any way to prejudge the investigations of this tragedy which are presently being conducted. But there is a clear course of action through which we, in Congress, can make a necessary contribution to the well-being of future ocean explorers as a result of this unfortunate instance.

In taking action to insure the safety of future deepsea explorations, we can give constructive meaning to the loss of these dedicated men.

No one can say whether the steps I propose would have saved these lives. But future oceanographers and, in essence, the future of oceanography clearly will be aided by the enactment of the legislation which I propose today. It provides for the first time specific, technically oriented and meaningful safety standards for all civilian underwater research facilities financed directly or indirectly with Federal funds. This, I believe, will effectively include almost all underwater research facilities.

It took an event such as the loss of the lives of many men helplessly trapped at the bottom of a coal mine to bring to light an urgent legislative requirement for mine safety. This recent event should lead us to doing the same for civilian underwater research.

Oceanography is a highly technical and specialized task and is presently limited in the numbers of persons and facilities involved. It cannot be compared to underground mining. But the highly technical nature of the legislative subject as well as the growing dimensions of the art should not deter us from providing the means of saving human life and keeping pace with new developments in the field. The Subcommitte on Oceans and Atmosphere, of which I am chairman, has considered the many ramifications of this rapidly developing scientific field.

Under Commerce Committee is the National Oceanic and Atmospheric Administration—NOAA—created in 1970. It has been a great experience to be so directly involved in this country's civilian oceanic activity. The creation of NOAA, on the recommendation of the Stratton Commission, was a milestone event. Through NOAA, the scientific expertise of our Government and our private institutions is focused upon the resources of the seas. Our subcommittee has been involved since the beginning and, as its chairman, I see a great need which the legislation I am introducing is designed to meet. In committee, we will devote the necessary time and study to this issue to insure that the bill will come back to this body in a form to meet the requirements to preserve human life. In so doing, my bill is designed to promote oceanography by encouraging more ocean scientists to become involved in moving into phase II of our Nation's oceanography program.

Our purpose also is to insure that the provisions of the new act do not unduly burden the emerging oceanographic research industry, both governmental and private. In the past few years, we have seen occasions where legislation was enacted in the name of safety which had a stifling effect upon the industries involved. This was because the requirements were laid out in too broad and general a fashion and without any understanding of each affected industry, its needs, manner of operation and special circumstances. My bill is designed to prevent this from occurring. We do not want, and cannot afford, to inhibit this vital research effort by imposing unnecessary or superfluous requirements. My subcommittee will explore this consideration in depth so that we know that only necessary requirements for oceanographic research will be imposed.

I know, for instance, that the U.S. Navy has developed standards for military underwater operations and that the American Bureau of Shipping and the Marine Technology Society have published standards for the safe operation of manned underseas systems. We will work closely with these and similar groups. The bill provides that they and the U.S. Navy, as well as other groups and agencies, will be involved in the process of developing national standards for underwater research facilities. The guidelines which these groups have developed, I might add, are presently followed by NOAA in its manned underseas science and technology—MUST—program.

NOAA during the past 2 years has utilized underwater research submersibles and habitats of the type which will be included under the provisions of my bill. NOAA knows this field and will, I am confident, provide the experienced, technical ability which is necessary to carry out this program.

As the bill specifically pertains to underwater research facilities financed directly or indirectly by Federal funds, both my subcommittee and NOAA already have knowledge and contact with most of those to whom the bill will apply.

The act will be helpful to those sponsoring underwater research and those building underwater research facilities. Once the standards are developed, they will have available to them carefully developed minimum guidelines.

Extensive scientific studies from surface ships utilizing remote sensing instruments have essentially outlined the main features of living and nonliving resources of the continental margins. We now have a good feeling for the depth, geology, oceanographic parameters, biological productivity, and potential resource value of the continental margins of the United States and to a much lesser extent other parts of the oceans. But this knowledge is not nearly sufficient to allow for safe and economical retrieval of resources. More precise observations and measurements are needed. The next phase of our scientific investigations and the supportive technological advancements will require detailed onsite observations and measurements. This is especially true if we are to fully understand and utilize the resources of the submerged continental margin and the vast space of the world's oceans to the extent we are currently using the land masses of the world.

The development of standards to protect these ocean pioneers will encourage them to successfully undertake the challenge of deepsea research. The standards which need to be developed and enforced apply only to civilian underwater research programs supported directly or indirectly by Federal funds. The need for legislation of this nature is clear when one considers that many operations take place at some distance from shore where extensive support and rescue capabilities are not readily available unless special provisions are made.

One means of underwater research is through the use of deep diving submersibles. On June 22, I addressed the woeful inadequacy of this Nation's support of the Manned Underseas Science and Technology—MUST—program in the National Oceanic and Atmospheric Administration. I pointed out that, "Of the 16 submersibles now operable, only five are being used and they are only being put to part-time operation."

This, Mr. President, is the time to act—before the operation and construction of underwater research facilities continues further. We should not wait for further tragedies, and we should act before extensive capital is invested in the construction of facilities which may not meet national standards.

I ask unanimous consent to have printed in the RECORD a section-by-section analysis of my bill and the bill itself.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2145

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for a comprehensive, long-range, and coordinated national program in marine science, to establish a National Council on Marine Resources and Engineering Development, and a Commission on Marine Science, Engineering and Resources, and for other purposes", approved June 17, 1966 (80 Stat, 203), as amended (33 U.S.C. 1101–1124, 86 Stat. 1280), is further amended by adding at the end thereof the following new title:

"TITLE IV—CIVILIAN OCEANOGRAPHIC UNDERWATER RESEARCH FACILITIES ACT OF 1973

"SEC. 401. This title may be cited as the 'Civilian Oceanographic Underwater Research Facilities Act of 1973.'

"FINDINGS

"SEC. 402. The Congress hereby finds that—

"(a) The oceans represent the dominant feature of our physical environment;

"(b) In the future, use of the oceans, and other waters, as a source of raw material will increase and marine foods will play an increasing role in providing the nutritional needs of this nation for which future civilian underwater research is a prerequisite;

(c) There is an immediate and compelling need for better protection from natural hazards and for a better understanding of the total environment through civilian underwater oceanographic research;

(d) Increased civilian underwater oceanographic research is essential to the present and future health, welfare and safety of this nation;

(e) Increased civilian oceanographic research can be promoted and encouraged by the provision of standards of safety for underwater research facilities, both mobile and stationary, to protect human life and safety while occupying such facilities;

(f) The National Oceanic and Atmospheric Administration, in the Department of Commerce, is the civilian agency designated with responsibility to provide "leadership in developing a national oceanic and atmospheric program of research and development" and to "coordinate its own scientific and technical resources with the technical and operational capabilities of other government agencies and private institutions" (Reorganization Plan No. 4 of 1970) and, as such, is the primary Federal agency responsible for encouraging and promoting both Federal and private non-military underwater research. Human safety in underwater oceanographic research facilities is hereby determined to be an integral part of such responsibility in the fulfillment of which the National Oceanic and Atmospheric Administration shall prescribe standards as hereinafter provided by this Act.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(a) "Secretary" means the Secretary of Commerce in whose Department the National Oceanic and Atmospheric Administration is operating, utilizing the said National Oceanic and Atmospheric Administration to the fullest possible extent.

(b) "Underwater Research Facility(ies)" means any civilian facility, laboratory, vessel or habitat designed for, or engaged in, civilian underwater research within which a person, or persons, is housed apart from the water while underwater, including both stationary and mobile underwater research facilities, when said underwater research facility is used under waters subject to the jurisdiction of the United States, including the waters of the contiguous fisheries zone and also includes the waters of the high seas when the said underwater research facility is owned or operated by persons subject to the jurisdiction of the United States. The term includes underwater research facilities owned or operated by private persons, including corporations and other entities and owned or operated by the United States, or an agency thereof, a political subdivision thereof or any other government or agency.

(c) "Civilian" means not military, either in ownership or operation. "Civilian" also does not include research performed by contract for the military.

(d) "Standard(s)" means standards of human safety prescribed pursuant to Section 4 of this Act.

(e) "Federal Agency" means any civilian Department, agency or other instrumentality of the Government of the United States.

STANDARDS

SEC. 4(a) The Secretary, not later than 12 months of the effective date of this Act shall prescribe, by regulation, minimum standards of human safety for the use, occupation, inhabitation, maintenance and intrinsic construction of underwater research facilities;

(b) Such standards shall be developed as provided in Section 5 of this Act;

(c) Such standards shall include, but not be limited to,:

(1) Necessary external support facilities, mechanisms, procedures, devices, equipment and personnel for the reasonable assurance of the safety of occupants of the underwater research facility.

(2) Necessary external and internal support, mechanisms, procedures, devices, equipment and personnel for safe rescue of the occupants of the underwater research facility, promptly in the event of a threat to their safety requiring such a rescue.

(3) Adequate warning, alarm and communication mechanisms devices, equipment necessities and procedures.

(4) Other necessary procedures, equipment, devices and mechanisms and personnel for operation, maintenance and intrinsic construction, including inspections and reports.

(d) Such standards shall be revised from time to time as may be required;

(e) Such standards may be prescribed in recognition of pertinent distinct classes or categories of underwater research facilities and their uses such as depth, duration of use, extent of external and internal support, whether mobile or stationary, and similar such pertinent distinctions;

(f) The Secretary shall conduct such research as is necessary to assure that standards prescribed under this Section are adequate; and

(g) The Secretary shall consider existing applicable standards prescribed, or recommended, for safety in such underwater research facilities.

ADVISORY BOARD

SEC. 5(a). There is hereby established the "Underwater Research Facilities Safety Advisory Board" (hereinafter referred to as the "Board");

(b) The Board shall be comprised of—

(1) The Administrator of the National Oceanic and Atmospheric Administration who shall be its Chairman.

(2) A representative of the Maritime Administration located in the Department of Commerce and such representatives of such other relevant agencies, or key officers, of the Department of Commerce as the Secretary may designate, including the General Counsel of the National Oceanic and Atmospheric Administration who shall advise the Board.

(3) The Secretary of the Department in which the Coast Guard is operating or his designee.

(4) The Secretary of the Navy, or his designee.

(5) The Secretary of the Interior, or his designee.

(6) The Secretary of the Department in which the Corps of Engineers is located, or his designee.

(7) The Secretary of Labor, or his designee.

(8) The Secretary of the Smithsonian Institution, or his designee.

(9) The Director of the National Science Foundation, or his designee.

(10) Representatives from non-Federal entities, associations and institutions engaged in ocean research or knowledgeable in underwater research facility safety as may be appointed by the President upon the recommendation of the Secretary which shall include the American Bureau of Shipping and the Marine Technology Society.

(d) The Board, utilizing the resources of the respective agencies, Departments and organizations of each member, shall provide technical assistance and guidance to the Secretary to assist him in the prescription of safety standards for underwater research facilities as provided in Section 4 of this Act and in his other duties.

The Board, in the performance of its duties shall review existing standards, criteria and guidelines which may be made applicable to underwater research facilities and provide recommendations to the Secretary thereon. The Board shall meet at the call of the Chairman beginning the month after the effective date of this Act and not less than biweekly until the initial standards have been published and, thereafter, shall meet on the call of the Chairman, but not less than bimonthly.

PROHIBITION

SEC. 6(a). No appropriated funds of the Federal Government shall be used to finance directly or indirectly, in whole or in part, any underwater research utilizing an underwater research facility unless the underwater research facility is determined to meet the applicable safety standards prescribed pursuant to Section 4 of this Act;

(b) The prohibition of this Section is applicable to the construction of underwater research facilities with Federal funds, directly or indirectly;

(c) In the event the Comptroller General of the United States, in consultation with the Secretary, determines that any Federal agency owns, or has directly operated, an underwater research facility, without compliance with the standards prescribed pursuant to Section 4 of this Act, funds appropriated for that project, or projects, shall not be available therefor and if already paid, they shall be recovered:

(1) I shall be the duty of every Federal agency to be assured that it is in compliance with such standards and to notify the Comptroller and the Secretary if it ascertains that it may have owned or directly operated an underwater research facility which was utilized in violation of such standards after their effective date.

(d) In the event the Comptroller General of the United States, in consultation with the Secretary, determines that an underwater research facility, or facilities, has been, or is proposed to be, utilized with financing in whole or in part, with appropriated funds, indirectly such as by grant, cost sharing, contract, rebate, reimbursement, credit, offset, other benefit or in any way to which subsection (c) of this section does not pertain and such underwater facility is not, or was not, in compliance with the standards prescribed pursuant to Section 4 of this Act, when utilized, such appropriated funds, or benefits, shall not be paid so as to provide such indirect financing. In the event such funds, or benefits, have already been paid, the amount or value thereof shall be recovered from the recipient in the same manner as other mispaid funds of the United States and shall be so regarded. It shall be the responsibility of the Federal agency paying the funds or providing the other benefits to see that the recovery is made in the same manner as other mispaid funds or benefits by that Federal agency.

(1) It shall be the duty of every Federal agency providing such indirect financing or benefits with appropriated funds to be assured that the underwater research facilities so utilized are in compliance with such standards and to notify the Comptroller General and the Secretary if it has cause to believe that it may have provided such funds or benefits where an underwater research facility was not in compliance with such standards.

DETERMINATIONS OF COMPLIANCE AND VIOLATIONS

SEC. 7(a). On request, the National Oceanic and Atmospheric Administration shall provide advice and assistance to Federal Agencies and others affected by Section 6 of this Act in interpreting the standards prescribed pursuant to Section 4 of this Act;

(b) In the field, the Coast Guard shall be responsible for making investigations, discovering violations, or potential violations, and making determinations of compliance and shall report its findings to the Comptroller General of the United States, the Secretary and the affected Federal agency, all pursuant to rules and regulations promulgated by the Secretary with the concurrence of the Secretary of the Department in which the Coast Guard is located.

(c) The Comptroller General of the United States shall be responsible for audits and reviews of all Federal agency activities and records to determine compliance and noncompliance by such agencies with the requirements of this Act and for taking action thereon as provided by this Act.

OTHER FEDERAL AGENCIES AND LAWS

Sec. 8(a). Nothing in this Act shall be deemed to supplant or modify any Federal statute or existing authority of Federal agencies, nor shall it affect or modify any treaty or provide exemption from any Federal or State law.

EXISTING UNDERWATER RESEARCH FACILITIES

Sec. 9 (a). Underwater research facilities in existence on the effective date of this Act shall be subject to all its requirements just as those which in the future are constructed. *Provided,* however, that the Secretary may, upon application of any interested party or Federal agency, grant exceptions from applicable standards relating to conditions of such facilities which cannot be altered without substantial expense or hardship and which such applicant demonstrates, to the satisfaction of the Secretary, will not pose an unreasonable threat to human safety in the underwater research to be undertaken.

(b) Exceptions granted pursuant to subsection (a) of this Section shall be granted only with such conditions as the Secretary, in the premises, determines necessary and proper for protection of human safety which may include, but shall not be limited to—

(1) Depth limitations and specifications

(2) Location limitation and specifications

(3) Special equipment requirements, both internal and external and including support equipment

(4) Reporting and inspection requirements

(5) Other procedural requirements, such as length of operation and special training

(6) Insurance policies or funds for occupants' safety

(7) Time periods in which to achieve compliance

(8) Notifications to intended occupants

(c) Exemptions granted pursuant to this Section may be revoked or modified by the Secretary at any time without cause shown.

(d) This Section shall be applicable to underwater research facilities which are in compliance with the initial, or subsequent, standards but are not in compliance with more recently adopted standards as a result of modifications or additions thereto of which the owner, operator, or maker did not know, or could not reasonably have anticipated, in time to incorporate the necessary modifications in the said underwater research facility.

REGULATIONS

Sec. 10. The Secretary is authorized to adopt such regulations as are necessary to carry out this Act.

APPROPRIATIONS

Sec. 11. There is hereby authorized to be appropriated $2,000,000 for the fiscal year 1974 and each fiscal year thereafter for the purposes of administering this Act.

Section-by-Section Analysis

SHORT TITLE: THE CIVILIAN OCEANOGRAPHIC UNDERWATER RESEARCH FACILITIES ACT OF 1973

Section 402—*"Findings"*—declares that oceanography is an ever increasing important science upon which this nation is dependent for sources of material and food and for protection from natural hazards; that the Science of Oceanography will be aided and advanced by the provision of standards for operation and maintenance of civilian underwater research facilities and that the National Oceanic and Atmospheric Administration ("NOAA") as the civilian agency responsible for national oceanic research, should be responsible for establishing the technical standards for such underwater research.

Section 403—*"Definitions"*—defines "Secretary" as the Secretary of Commerce. "Underwater Research Facilities" are defined as civilian facilities, laboratories vessels or habitats, occupied for underwater research, both stationary and mobil. The definition specifies the applicability of the Act to waters within the territory of the United States, the Contiguous Fisheries Zone and, if a facility is owned or operated by a person subject to United States jurisdiction, it also includes the High Seas. It is specified that the Act does not apply to facilities owned by, operated by, or doing research for, the military.

"Federal Agency" includes all forms or divisions of the United States Government.

Section 404—*"Standards"*—provides that the Secretary, within 12 months, shall establish necessary minimum standards of human safety for underwater research facilities and deliniates types and methods of standards contemplated, internal and external, including external support equipment and methods and procedures for safe rescue. The standards, of course, will additionally go to the integrity of the facility itself for occupation and use in underwater research and other necessary requirements to reasonably assure the safety of ocean scientists in such facilities.

Provision is made for recognition of categories of facilities, necessary research by the Secretary, and consideration of existing standards.

Section 405—*"Underwater Research Facilities Safety Advisory Board"*—comprised of NOAA's Administrator, other pertinent Commerce Department representatives, such as from the Maritime Administration, the Coast Guard, the Secretaries of Navy, Interior, Labor and of the Department in which the Corps of Engineers is located. Also, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, and representatives from other nonfederal groups, including the Bureau of Shipping and the Marine Technology Society.

The Board, using its members' resources, advises and assists the Secretary of Commerce in developing the standards under the Act.

Section 406—*"Prohibition"*—The "teeth" of the Act are in its prohibition of the use of appropriated funds, directly or indirectly, to in anyway finance in whole, or part, underwater research in facilities not meeting the applicable standards. Construction of such facilities is included.

The Comptroller General of the United States (GAO) is responsible for policing the various agencies to assure the expenditure of funds only in accordance with the Act.

Provisions are made for the recovery of mispaid funds and for the responsibility of each Federal agency to refrain from making expenditures contrary to the Act.

Section 407—*"Determinations of Compliance and Violations"*—The Administration of NOAA provides assistance to those engaged in underwater research in interpreting the standards. The Coast Guard is charged with responsibility for making field investigations and determinations.

Section 408—*"Other Federal Agencies and Laws"*—It is provided, the Act is not intended to modify any existing federal law or authority or treaty. Nor shall it provide exemption from any Federal or State law.

Section 409—*"Existing Underwater Research Facilities"*—Although the Act is applicable to existing facilities, discretion is permitted the Secretary to grant specific exemptions on grounds of hardship or substantial expense for existing facilities. Such exemptions are subject to conditions that the exception will not pose an unreasonable threat to human life and, further, that the Secretary shall provide offsetting restrictions to assure human safety, such as special equipment standing by, depth limitations, etc.

Section 410—*"Regulations"*—authorizes the adoption of requisite regulations to carry out the Act.

Section 411—*"Appropriations"*—authorizes $2M. for each fiscal year to carry out the Act.

By Mr. CHILES:

S. 2146. A bill to amend title II of the Social Security Act to increase to $3,600 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings. Referred to the Committee on Finance.

Mr. CHILES. Mr. President, during my years in the State Legislature and in the U.S. Senate, I have become more and more concerned about the need for a better understanding of the problems facing the aged. In this Congress, I have been appointed to the Special Committee on Aging in the Senate, and we are holding hearings regarding "Future Directions in Social Security," a matter of vital concern to almost all older Americans. Also in my efforts to listen and learn from the people themselves with regard to their specific problems, I sponsored two conferences in my home State of Florida. These conferences were attended by about 70 representatives of the government, specialists in geriatrics, and thousands of concerned senior citizens.

In these various contacts with the elderly, I was continually confronted with their desperate cry of frustration. These Americans, many able-bodied and willing to work, are being penalized and discouraged in their efforts by the present earnings limitations we have placed on social security payments. The situation is critical and therefore, Mr. President, I am introducing a bill today, which would allow a social security recipient to earn $3,600 per year as compared to the present amount of $2,100 per year, without being forced to receive a reduction in benefits. Considering the present spiralling cost of living, I can not stress enough the need for our direct and immediate action.

We all hear complaints in our home States that America has become a welfare haven; but still, we deny over 8 million self-sufficient citizens an opportunity for a sense of fulfillment that gainful employment provides. Can we continue to force many of these people to remain in poverty, unable to improve their situation, for fear of a loss of benefits?

It seems to me that we have forgotten that social security recipients are not seeking handouts, but rather benefits that are justly earned in a lifetime. Even more absurd, we deny ourselves the benefits of their talents and labor—contrary to the American tradition of stressing the worth of the individual. Somehow, the original theory of social security as a retirement insurance has become muddled in a multitude of restrictions and qualifications.

Mr. President, the bill I am introducing simply seeks to remove somewhat, penalties we have placed on those senior citizens who want to work but are thwarted by present arbitrary limitations. In essence, the bill proposes to allow involved Americans who seek more than mere existence, a chance to live with the self-respect and dignity they justly deserve.

By Mr. DOMENICI:

S. 2147. A bill to authorize and direct the Secretary of the Interior and the Administrator of General Services to conduct a study relating to the procurement and use by the Federal Government of products manufactured from recycled materials. Referred to the Committee on Government Operations.

Mr. DOMENICI. Mr. President, the production and use of materials in America has grown concurrently with our economic power. Two centuries ago, early settlers developed an effective agricultural economy and planted the roots of our materials production system. In the 19th century, increasing amounts of labor and capital were imported, chiefly from Europe, to exploit our natural resources. These resources, a gift of providence, are what made it possible for America to become industrialized, for without them we would have remained a chiefly agricultural Nation.

Thus, the transition from an agricultural society to an industrial power took place at this time, and with the continued intensive application of labor, capital, and energy, made possible the explosive productivity gains that we have witnessed in the 20th century. However, these gains have not come without paying a price. The successful development of our natural resources at our current levels of production has taxed many of our local ecosystems. The foulness of the air and water in our major cities is witness to this. Congress has already taken steps to remedy the production byproducts of pollution and ecosystem destruction; however, we should explore all means available to us to improve our environment and to conserve our natural resources.

Recycling of waste material is just such a move. If we can learn to recycle our waste material rather than throw it away, we will also alleviate one of the Nation's fastest growing urban problems—solid waste disposal.

Many cities are running out of disposal sites for their refuse; it is predicted that the eastern seaboard sanitary landfill areas will virtually all be filled by 1978. The danger to our environment of nonsanitary landfill disposal sights is obvious: they are an eyesore to the community, breeding ground for rats and infectious diseases, ordorous, and dangerous to children, who seem to have a natural affinity for them. Yet paper, which constitutes 35 percent by weight and 60 percent by volume of urban waste, and which could be recycled to extend the life of these disposal sights, is not recycled to a significant extent. Paper recycling alone should be one of our highest priority goals.

Additionally, the large scale recycling of waste material would conserve our natural resources. Since the earliest times, Americans have considered their natural resources limitless; today we are learning just how false this supposition was. The oil crisis provides the most current and vivid example of the finite character of our natural resources. Recycling waste material and returning it to the economy would turn waste into a natural resource and thereby alleviate some of the strain on our environment and on our natural resources.

At present, there are over 40 bills that have been introduced into the 93d Congress on the subject of recycling. Yet only four House resolutions come close to dealing with the overall question that can be eventually answered by the passage of this bill—what materials can and should be recycled or should use recycled goods as part of their composition.

The bill I am introducing today will deal directly with this question by setting up a committee to study the Federal Government's capacity for use of recycled materials. Limiting the bill to Government use of materials was done for two reasons. First, it will allow the study to be done in a reasonable amount of time with a minimum amount of expense. Second, the findings of this report can be made to apply to the many other facets of our economy. Additionally, I have placed particular emphasis on the recycling of paper due to the vast amount of it that is used and discarded in Government operations.

I am convinced that action of the kind contemplated by my proposal is absolutely essential and I urge prompt consideration and passage of this bill in order to help conserve our precious natural resources and eliminate one of our most pressing pollution problems.

I ask unanimous consent that the text of my proposal be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2147

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds that—

(1) there are many products and materials which, after they have been used or damaged, are discarded or scrapped as waste matter;

(2) the accumulation of this waste matter presents a danger to the health and welfare of the citizens of the United States;

(3) many products and materials (otherwise discarded as waste matter) could be recovered and reused as the raw material for new products and materials;

(4) such recovery and reuse of such waste matter will abate the noxious and dangerous accumulation of such waste matter and will aid in the effort to conserve our scarce natural resources; and

(5) the Federal Government has the responsibility to lead in the effort to utilize recycled material by procuring, using, and recycling, to the greatest extent possible, those products and materials which have, as part of their composition, recycled or recyclable material.

SEC. 2. The Secretary of the Interior, through the Bureau of Mines, and the Administrator of General Services are authorized and directed to jointly conduct a full and complete study of (1) which products and materials procured or used by the departments, agencies, or instrumentalities of the Federal Government could be required to have, as part of their composition, recycled and recyclable material while meeting the use specifications of such departments, agencies or instrumentalities, and (2) the feasibility of recycling waste paper from all Federal offices. For the purposes of this study, waste paper means any paper which (A) has served the purpose for which it was originally manufactured, (B) has been scrapped or otherwise discarded as an element of solid waste, and (C) can be recovered in whole or in part and reprocessed into a new raw material used in the manufacturing process of new paper.

SEC. 3. (a) The Secretary of the Interior and the Administrator of General Services, in carrying out the joint study under this Act, are authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Federal Government any information, suggestions, estimates, and statistics for the purposes of this Act, and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed, to the extent permitted by law, to furnish such information, suggestions, estimates, and statistics directly to the Secretary and the Administrator, upon their joint request.

(b) For the purposes of securing the necessary scientific data and information the Secretary and the Administrator may jointly make contracts with universities, research institutions, foundations, laboratories, and other competent public or private agencies to conduct research into the various aspects of the problem of using products and materials which have, as part of their composition, recycled and recyclable material. For such purposes the Secretary and the Administrator are authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, of the United States Code.

SEC. 4. The Secretary of the Interior and the Administrator of General Services shall report to the Congress, from time to time, the findings and results of the study conducted under this Act. The final report shall be made on or before the expiration of the twelve calendar month period following the date of enactment of this Act. Such final report shall include the findings and results of the study, and specifically—

(1) recommendations as to the necessary and proper legislative, administrative, or other actions that should be taken in order to ensure that the departments, agencies, and instrumentalities of the Federal Government procure and use (whenever possible) products and materials which have, as part of their composition, recycled and recyclable material; and

(2) the feasibility, economically and otherwise, of recycling waste paper from all Federal offices.

SEC. 5. (a) For the purposes of this Act, the term "recycled material" means any product or material completed for sale or use which has been scrapped, used, damaged, or otherwise discarded; and—

(1) recovered in whole or in part and reused as all or part of the contents of any new material or product; or

(2) the salvageable wastes or byproducts of post-consumer use which are recovered and reused as all or part of the contents of any new material or product.

(b) As used in this Act, "Recycled Material" does not include any waste or byproduct that results from the production or manufacture of goods intended for sale or use.

SEC. 6. There is authorized to be appropriated such sum as may be necessary to carry out the provisions of this Act.

By Mr. LONG (for Mr. MAGNUSON) (for himself and Mr. COTTON) (by request):

S. 2149. A bill to amend title 10, United States Code, to provide certain benefits to members of the Coast Guard Reserve, and for other purposes. Referred to the Committee on Commerce.

Mr. LONG. Mr. President, on behalf of the Senator from Washington (Mr. MAGNUSON), for himself and Mr. COTTON, by request, I introduce for appropriate reference, a bill to amend title 10, United States Code, to provide certain benefits to members of the Coast Guard Reserve, and for other purposes, and ask unanimous consent that the letter of transmittal and statement of purpose be printed in the RECORD with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 684 of title 10, United States Code, is amended by striking out "or Marine Corps" and inserting in place thereof "Marine Corps, or Coast Guard" in subsections (a) and (b).

SEC. 2. Section 1005 of title 10, United States Code, is amended by striking out the period at the end of the first sentence and adding "or chapter 21 of title 14."

SEC. 3. Section 1006 of title 10, United States Code, is amended—

(1) by adding "or chapter 21 of title 14," after "or 863 of this title" in subsections (a) and (b);

(2) by striking out "of the Army or the Air Force" in subsection (c);

(3) by adding "or section 291 of title 14," after "or 8911 of this title," in subsection (e);

(4) by adding "or section 787 of title 14," after "or 3852 of this title," in subsection (e); and

(5) by adding "or section 789 of title 14," after "or 863 of this title" in subsections (e).

DEPARTMENT OF THE NAVY,
Washington, D.C., June 15, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of proposed legislation "To amend title 10, United States Code, to provide certain benefits to members of the Coast Guard Reserve, and for other purposes."

This proposal is part of the Department of Defense Legislative Program for the 93rd Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to expand the scope of those sections of title 10, United States Code, applicable to members of the reserve components of the other armed services to include members of the Coast Guard Reserve. This will have the effect of providing the Coast Guard Reservist, while on active duty, the same benefits enjoyed by members of the other reserve components.

Members of the Coast Guard Reserve are subject to recall to active duty in the same way as members of reserve components of the Army, Navy, Air Force, and Marine Corps. They can be, and often are, subjected to the same type of duty as other Reservists, including duty in hostile fire areas. It is therefore only equitable that they receive the same rights and benefits as these other Reservists.

The provisions of this bill will make members of the Coast Guard Reserve eligible for the same compensation now provided members of other Reserve components, will insure that officers of the Coast Guard Reserve are not discharged or transferred from an active reserve status before completing the service required by section 651 of title 10, United States Code, and will insure that officers of the Coast Guard Reserve who have completed 18, but less than 20, years of service are afforded the same opportunity for retention available to members of other reserve components. Finally, the proposed legislation provides that an officer of the Coast Guard Reserve who is retained under its provisions will be an additional number to those otherwise authorized. It is felt that enactment of this legislation will place members of the Coast Guard Reserve on an equal footing with reserve members of the other armed forces.

It is arguable that most, if not all, of the above benefits are currently available to Coast Guard Reservists by virtue of the assimilation provisions contained in section 755 of title 14, United States Code. However, it is felt that in order to be certain that all of the benefits are provided, title 10 should be amended to specifically include the Coast Guard Reserve.

Subsection (c) of section 1006, title 10, United States Code, provides that an officer of the Army or the Air Force who is retained in an active status under subsection (a) or (b) of that section is an additional number to those otherwise authorized. It is felt that this provision is inequitable as it now stands and should apply to all the armed forces. Therefore, the phrase "of the Army or the Air Force" is stricken in section 3(2) of the proposed bill.

COST AND BUDGET DATA

There will be no increased cost to the Department of Defense nor to the Department of Transportation as a result of this proposed legislation.

Sincerely yours,

JOHN W. WARNER,
Secretary of the Navy.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1199

At the request of Mr. HOLLINGS, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1199, amending the Internal Revenue Code to permit a married couple to deduct certain household and dependent care expenses when one spouse is a full-time student to the same extent that a deduction would be allowable were both spouses employed.

S. 1418

At the request of Mr. HATFIELD, the Senator from Vermont (Mr. STAFFORD) the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Colorado (Mr. DOMINICK) were added as cosponsors of S. 1418, to provide a fitting memorial to our 31st President, Herbert Hoover.

S. 1535

At the request of Mr. BELLMON, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 1535, to amend the Internal Revenue Code of 1954 to provide for the recovery of reasonable attorneys' fees, as a part of court costs in civil cases involving the Internal Revenue laws.

S. 1610

At the request of Mr. Moss, the Senator from New Jersey (Mr. WILLIAMS), the Senator from Colorado (Mr. HASKELL), and the Senator from Indiana (Mr. HARTKE) were added as cosponsors of S. 1610, to require the installation of airborne cooperative collision avoidance systems on certain civil and military aircraft, and for other purposes.

S. 1769

At the request of Mr. MANSFIELD (for Mr. MAGNUSON), the Senator from Michigan (Mr. HART), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 1769, to establish a U.S. Fire Administration and a National Fire Academy in the Department of Housing and Urban Development, to assist State and local governments in reducing the incidence of death, personal injury, and property damage from fire, to increase the effectiveness and coordination of fire prevention and control agencies at all levels of government, and for other purposes.

S. 1796

At the request of Mr. MATHIAS, the Senator from Nevada (Mr. BIBLE) was added as a cosponsor of S. 1796, to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for grants to interstate metropolitan organizations.

S. 1855

At the request of Mr. MATHIAS, the Senator from North Dakota, (Mr. ABOUREZK), the Senator from Nevada (Mr. BIBLE), the Senator from Utah, (Mr. BENNETT), the Senator from New Mexico, (Mr. DOMENICI), the Senator from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Vermont, (Mr. STAFFORD), and the Senator from Illinois (Mr. STEVENSON), were added as cosponsors of S. 1855, to promote the development of American handcrafts.

S. 1954

At the request of Mr. MATHIAS, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 1954, the Federal Election Finance Act of 1973.

S. 1954

At the request of Mr. STEVENSON, the Senators from South Dakota (Mr. ABOUREZK and Mr. MCGOVERN) were added as cosponsors of S. 1954, the Federal Election Finance Act of 1973.

S. 1983

At the request of Mr. WILLIAMS, the Senator from Iowa (Mr. HUGHES), the Senator from Michigan (Mr. HART), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 1983, the Endangered Species Conservation Act of 1973.

S. 2029

At the request of Mr. WILLIAMS, the Senator from Indiana (Mr. BAYH), the Senator from Utah (Mr. MOSS), the Senator from Alaska (Mr. GRAVEL), the Senator from Maryland (Mr. MATHIAS), and the Senator from Minnesota (Mr. MONDALE) were added as cosponsors of S.

2029, to provide assistance for Vietnamese children.

S. 2089

Mr. MATHIAS. Mr. President, Senators Magnuson and Beall have offered legislation, S. 2089, providing that 20 percent of the oil imported into this country be carried on American-flag ships. I would like to take this opportunity to express my support for this bill and my desire to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Today we are confronted with competition from foreign-flag vessels which are directly or indirectly subsidized by their governments. We have only to look to the Baltimore Harbor where some of our greatest passenger liners lie idle and rusting to contemplate what fate befalls those ships that no longer have a competitive role on the high seas, It would be indeed tragic if our merchant fleet, too, was put out of business by foreign competition. Yet, if we cannot find a way to put our tankers to work, they, too, will soon go to the wreckers or to foreign flags.

At a period in history when exports and imports throughout the world have been expanding, our merchant fleet has suffered the humilitation of carrying less and less of our Nations' trade and commerce. Presently, virtually none of the oil imported into this country is carried in U.S.-flag vessels. While I am not suggesting the U.S. move all of its imported oil on its own ships, I believe that 20 percent is an equitable figure. I am convinced that this legislation will go far toward assuring that the American shipping industry remains vital, competitive and healthy.

SENATE JOINT RESOLUTION 124

At the request of Mr. Nelson, the Senator from Utah (Mr. Moss) was added as a cosponsor of Senate Joint Resolution 124, to establish a Joint Committee on Individual Rights.

SENATE RESOLUTION 138—SUBMISSION OF A RESOLUTION RELATING TO NATIONAL CONSUMER EFFORT TO SAVE GAS AND ARRIVE ALIVE

(Referred to the Committee on Commerce.)

Mr. GURNEY Mr. President, I am today submitting for myself and my distinguished colleague from West Virginia, Senator Jennings Randolph, a Senate resolution which encourages a national consumer effort to slow down traffic on high-speed roads in order to save gas and arrive alive. I am pleased to say that Senators Beall, Bible, Brock, Eastland, Gravel, Moss, Pell, and Stevens have joined us as cosponsors.

This resolution is substantially the same as Senate Concurrent Resolution 36, which we introduced on June 26, 1973. However, because of the immediate importance of this matter, I believe that the Senate should express its opinion as quickly as possible in the form of a Senate resolution. I know that the House of Representatives faces a crush of business and I, therefore, do not want to bind the finality of this measure to the legislative schedule of the House of Representatives.

This resolution calls for all motor vehicle operators traveling on high-speed roads on weekends and holidays, from the date of passage of the resolution through Labor Day, September 3, 1973, to:

First. Travel at a speed no greater than 10 miles per hour less than the posted speed limit.

Second. Turn on their headlights to encourage fellow travelers to join in this summertime, nationwide campaign to slow down, save gas, save lives, and save money.

The resolution also encourages the Nation's Governors and Federal, State, local, and private agencies to make funds available for an appropriate publicity campaign throughout the summer months. It also solicits the crucial support of our Nation's media in this endeavor.

Mr. President, here are the differences between Senate Concurrent Resolution 36 and the resolution I am submitting today:

First. Senate Concurrent Resolution 36 called for a national consumer effort between the Fourth of July and Labor Day. Today's resolution calls for the effort to begin immediately upon passage of the resolution.

Second. Senate Concurrent Resolution 36 limited the publicity effort to encouraging motorists to slow down on high-speed roads. Today's resolution asks that the publicity include efforts to make the public aware of various other means of conserving gasoline, including but not limited to, the connection between efficient gasoline consumption and excessive idling, unnecessary travel and abrupt acceleration and deceleration. This change is made because additional, substantial amounts of gas can be saved through a series of better driving habits in addition to slower travel alone.

I am today asking the members of the Senate Commerce Committee to exert every possible effort to consider this resolution at its next executive session, now scheduled for July 17, 1973.

Mr. President, I ask unanimous consent that an updated portion of the remarks I made on June 26, 1973, and the resolution, be printed in the Record following these remarks.

There being no objection, the resolution and remarks were ordered to be printed in the Record, as follows:

S. Res. 138

Resolved, by the Senate of the United States of America in Congress assembled,

Whereas, our nation faces a shortage of retail gasoline supplies; and

Whereas, the causes of and solutions for this shortage are now being investigated by Congress, and any solutions proposed may not be implemented in time to alleviate the predictable exacerbation of the shortage of such supplies due to increased motor vehicle traffic on our nation's roads between the date of passage of this Resolution and September 3, 1973; and

Whereas, there is substantial evidence that for each mile per hour traveled above 45 miles per ("high speed travel") there is a substantial increase in gas consumption per mile in contrast to that at lower speeds, and that the cost per mile of gasoline at high speed travel is greater than that at lower speeds; and

Whereas, substantial amounts of gasoline can be saved if motor vehicles are driven less frequently, or without excessive idling, rapid acceleration or deceleration; and

Whereas, that there is substantial evidence that safety will be increased on our nation's roads if motor vehicles travel at lower speeds; Therefore, be it

Resolved, That it is the sense of the Senate that:

(1) Each operator of a motor vehicle should, when traveling during weekends or holidays between the date of passage of this Resolution and September 3, 1973, on any road where the posted speed limit is fifty-five (55) per hour or greater—

(a) travel at a speed no greater than ten (10) miles per hour less than the posted speed limit;

(b) turn on the headlights of his or her motor vehicle in order to publicize his or her participation in a national consumer effort to decrease consumption of motor vehicle gasoline and to increase safety on the nation's roads.

(2) The Governor of each state should, as soon as practicable, make state funds available on an equitable basis and encourage private and other governmental organizations within the state to make funds available on an equitable basis, to state and local agencies, including but not limited to state highway patrols and traffic safety organizations, and to appropriate private organizations or individuals, for the purpose of encouraging motor vehicle operators to observe the provisions of 1., above, and to inform motor vehicle operators that substantial amounts of gasoline can be saved if motor vehicles are driven less frequently, or without excessive idling, rapid acceleration or deceleration.

(3) The television, radio and print media should publicize, to the maximum extent possible, the details of this Resolution in such a fashion as to encourage motor vehicle operators to observe the provisions of 1., above, and to inform motor vehicle operators that substantial amounts of gasoline can be saved if motor vehicles are driven less frequently, or without excessive idling, rapid acceleration or deceleration.

(4) Each Federal agency which has or can make funds available through such agency's own programs or to state or local governments or to private organizations or individuals, for the purpose of publicizing traffic safety efforts, should do so to the maximum extent possible, and as soon as practicable, for the purpose of encouraging motor vehicle operators the provisions of 1., above, and to inform motor vehicle operators that substantial amounts of gasoline can be saved if motor vehicles are driven less frequently, or without excessive idling, rapid acceleration or deceleration.

Revised Remarks

Mr. Gurney. Many people, including certain petroleum companies, have indicated that if motor vehicles were to travel at slower speeds, enough gas might thereby be saved to get us through the summer with a minimum of gasoline shortage problems.

Everyone knows that traveling at slower speeds is part of intelligent defensive driving—it simply decreases the risk of accidents. My own State of Florida, in June of 1970, launched a publicity campaign for safety on the State's roads called the "arrive alive" program. Using publicity films given to various public interest and public service groups, spot radio announcements, and publicity campaigns by the highway patrol, it achieved, with Federal sponsorship, tremendous success. The Florida highway death rate, measured by deaths per million miles driven, dropped from 5.8 in June of 1970 to 4.5 in December of 1972.

Furthermore, there is substantial evidence that for each mile per hour traveled above 45 miles per hour there is a drastic increase in fuel consumption per mile. With today's high prices, for fuel and almost everything else, all of us are looking for ways to save money. Traveling at slower speeds is one way to do it.

Therefore, let us call upon our Nation's citizens, the media, and our State governments, to join in a national effort, between now and Labor Day—September 3, 1973—to travel at lower speeds on high speed roads on weekends and holidays.

Senator RANDOLPH successfully introduced an amendment to Senator JACKSON's bill, S. 1570—the mandatory fuel allocation bill, which expressed that it was the sense of the Senate that, in general, posted speeds on Federal-aid highways ought to be permanently reduced, and that Federal, State and local agencies should make the public aware of the need to conserve gasoline.

S. 1570 passed the Senate and now awaits action by the House of Representatives. That bill is an important one. Hearings are now scheduled to begin in the House of Representatives in mid-July.

But we in Congress can do more than sit back and wait for that bill to make its way through the rest of the legislative process.

The gasoline shortage is upon us; the great surge of summer traffic is upon us. We should therefore tap the goodwill and intelligence of the American people by enlisting their immediate support in alleviating the gasoline shortage, and increasing safety on our Nation's roads.

I want to emphasize that while gasoline companies claim that the gasoline shortage is a result of inadequate supplies of crude oil, others allege that this shortage is a result of anticompetitive structure of the gasoline industry or a conspiracy of premeditated plan by members of that industry. I am a member of the Senate's Antitrust and Monopoly Subcommittee and the Permanent Investigations Subcommittee, and we are investigating those allegations. But the ultimate solution to the shortage will take time. What we need in the meantime is action which will alleviate the shortage.

Mr. President, this Senate resolution is based upon a need and a desire—a need to do something fast to help assure that Americans have sufficient gasoline to travel in their automobiles and the desire of many Americans, who see inadequate or tardy Government action on the energy crisis, to do something to help our country meet this important challenge.

In view of the fact that in today's society the American citizen so seldom feels he can help his Government, we in Congress should do all we can to let the citizen know when he has a real opportunity to do so.

What will it really mean for our citizens to travel at lower speeds? The statistics are dramatic. The following information is provided by Concern, Inc., of Washington, D.C.:

"Speeding is a costly consumer of fuel. The average car driven between 75 and 80 miles per hour will consume almost twice as much per mile as the same car driven at 50 miles per hour."

Furthermore, I am informed by various experts in the gasoline industry that down to forty-five—45—miles per hour, every ten——10—miles per hour reduction in speed results in an approximate, average savings in fuel consumption of ten—10—percent. These statistics vary between different cars and driving conditions, as well as with driving techniques. But the clear consensus of opinion supports these statistics.

Mr. President, my Senate resolution targets this national effort to motor vehicle travel during weekends and holidays on high speed roads. It is limited in this fashion in order to maximize the most crucial element of all—the publicity potential. Here, the media, television, radio and newspaper, can play a key role. If we simply launched a summer campaign, the effect of the initial publicity would soon fade. But if just before each summer weekend and holiday, publicity efforts by the media and State and local agencies is renewed, the American citizen will have a fresh reminder all through the summer months of the continuation of this national campaign.

I am informed by the American Automobile Association that automobile travel during the summer months of July, August, and September is greater than any other 3-month period. The revelant statistics of fuel consumption are approximately as follows:

	Percent
Jan., Feb., and March	23.05
April, May, and June	25.18
July, Aug., and Sept	26.18
Oct., Nov., and Dec	25.58

These statistics are even more revealing when one breaks out monthly surges of gasoline consumption. The U.S. Department of Transportation figures for monthly gasoline consumption in 1972 are as follows:

Month:	*Percent*
January	6.45
February	6.83
March	7.73
April	8.20
May	8.58
June	9.34
July	9.92
August	9.98
September	8.80
October	8.61
November	7.99
December	7.57

Statistics compiled by the U.S. Department of Transportation from traffic counter stations in Illinois indicate clearly that fuel consumption surges on Saturdays and Sundays, and even to a significant extent on Fridays.

Mr. President, my Senate concurrent resolution provides an easy way by which Americans can publicize their low speed travel. If, when traveling on high speed roads on weekends and holidays, they simply turn on their headlights, they can encourage their fellow travelers to join with them in the campaign to slow down, save gas, save lives, and save money.

Mr. President, in addition to calling for consideration of this Senate resolution at the earliest possible time, I ask each of my distinguished colleagues in the Senate to contact the Governors of their respective States and appropriate individuals and groups, including the media, in their own States in order to enlist their support in this nationwide, summertime campaign.

I have myself informed authorities in the State of Florida of this proposed resolution and have asked that where possible funds be made available to sponsor appropriate publicity efforts throughout the State, including the use of publicity efforts by the State highway patrol—such as the mounting of signs on highway patrol cars—and other law enforcement agencies. I have also contacted the U.S. Department of Transportation and asked that any funds available for the publicity of safety campaigns be made available on an equitable basis to Federal, State, local, and/or private entities in such a fashion as to maximize the publicity potential of this effort.

In conclusion, I would like to emphasize that Congress must press forward in its various efforts to deal with the energy crisis in general and the gasoline shortage in particular. This means rapid action on S. 1570, and on another bill by Senator JACKSON, of which I am a cosponsor, S. 1283, the National Energy Research and Development Act of 1973. We also must press forward on the hearings before the Senate Antitrust Subcommittee and the Subcommittee on Permanent Investigations, to learn more about the causes of our gasoline shortage.

SENATE RESOLUTION 139—SUBMISSION OF A RESOLUTION TO ESTABLISH A SENATORIAL SCHEDULING SYSTEM

(Referred to the Committee on Rules and Administration.)

Mr. COOK. Mr. President, on behalf of myself, Mr. INOUYE, Mr. BAKER, Mr. BROOKE, Mr. PEARSON, Mr. HUDDLESTON, Mr. ROBERT C. BYRD, Mr. CHILES, Mr. HUGHES, Mr. BROCK, Mr. DOLE, Mr. TAFT, Mr. SAXBE, Mr. ROTH, Mr. STAFFORD, Mr. KENNEDY, and Mr. MONDALE, I am today submitting a resolution authorizing the establishment of a system for the scheduling of committee meetings which is to be known as the Senatorial Scheduling System.

As is evident to each Member, the committee system in the U.S. Senate has expanded significantly, resulting in an increased amount of committee and subcommittee meetings. The large number of meetings inevitably lead to conflicting time schedules for all of us. These conflicts severely limit the ability of each Senator to fulfill the responsibilities of his various committee assignments and prevent the efficient conduct of committee business.

The proposed scheduling system would considerably improve the functioning of the committee system. It would provide an easily accessible record of each meeting scheduled, with the members of the committee or subcommittee, the date, time, and location of each meeting, as well as whether the meeting is either open or executive.

Each Senator could be sent a list of all meetings scheduled for any day or during any week. By keeping a chairman informed of those unable to attend his committee or subcommittee meeting, rescheduling would be possible; and by using the open or executive classification, those open meetings anticipating a large public audience could be assigned to larger rooms.

With the eventual use of computer terminals in committee offices, the information could be keyed in and returned immediately, or returned within a 24-hour period. In addition, the individual Senator's personal appointments and meetings could be incorporated into the system, making each schedule complete and readily accessible.

There is no question that we must seek and implement every possible way to modernize the operation of the Senate. I strongly believe that this proposal would be one step toward a more efficient committee system, and thus, toward greater care for the welfare of the public.

I ask unanimous consent that my resolution be printed in full in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 139

Whereas the committee system in the United States Senate has expanded significantly in recent years; and

Whereas this expansion has resulted in a substantial increase in the number of committee and subcommittee meetings; and

Whereas the number of committee and subcommittee meetings has resulted in regular conflicts of meeting times; and

Whereas these conflicts severely limit the ability of the members of the Senate to fulfill the responsibilities of their various committee assignments and likewise prevent the efficient conduct of committee business; and

Whereas a system for organizing and scheduling committee and subcommittee meetings will significantly improve the operation of the committee system and the Senate as a whole;

Now, therefore, be it

Resolved, That there is authorized to be established a system for the scheduling of committee meetings to be known as the Senatorial Scheduling System. The System will keep an easily accessible record of all committee and subcommittee meetings. The record will include the following information: a list of the Senators who serve on those committees and subcommittees; the date, time, and room for such meetings; the classification of such meetings as "open" or "executive," and any other information which will promote the more efficient operation of the Senate committee system.

SENATE RESOLUTION 140—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Referred to the Committee on Interior and Insular Affairs.)

Mr. JACKSON submitted the following resolution:

S. RES. 140

Resolved, That the Committee on Interior and Insular Affairs is hereby authorized to expend from the contingent fund of the Senate $4,400, in addition to the amount and for the same purposes and during the same period specified in Senate Resolution 231, 92d Congress, agreed to March 6, 1972.

FEDERAL LANDS RIGHTS-OF-WAY ACT OF 1973—AMENDMENTS

AMENDMENT NO. 321

(Ordered to lie on the table, and to be printed.)

Mr. HUMPHREY submitted an amendment, intended to be proposed by him to amendment No. 319 to the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

AMENDMENT NO. 323

(Ordered to be printed, and to lie on the table.)

AN ALTERNATIVE APPROACH TO THE ALASKAN PIPELINE ISSUE

Mr. EAGLETON. Mr. President, I send to the desk an amendment to S. 1081, a bill to authorize the Secretary of the Interior to grant rights-of-way across Federal lands and other purposes.

Mr. President, this amendment represents a conscious effort to bridge the differences that exist between those favoring a trans-Alaskan pipeline and those favoring a trans-Canadian line as an alternative.

As a Senator from the Midwest, quite naturally I would prefer a line which would bring crude oil into the midwestern parts of the country where fuel shortages are most severe. The Mondale-Bayh amendment would at least lay the groundwork for the possibility of such a pipeline.

However, I am acutely conscious of the national dimensions of our energy crisis and the undesirability of excessive dependence on foreign oil supplies—considerations which incline me to favor the pipeline that can be constructed at the earliest date consistent with environmental protection. Senator JACKSON's bill, as reported by the committee, would expedite the process of tapping the North Slope oil resources by authorizing the immediate grant of right-of-way for a trans-Alaska pipeline and allowing the court to resume consideration of the environmental aspects of such a line.

So I am less than comfortable, Mr. President, with the choice that confronts us:

First. Either we commit ourselves now to the construction of a trans-Alaskan pipeline without a full exploration of the feasibility of a route across Canada that would bring fuel directly into the Midwest; or

Second. We delay construction of the trans-Alaskan pipeline in favor of the possibility of a Canadian route, but in so doing we insure additional delay in tapping the great fuel resources of the North Slope—a delay we can ill afford in view of the energy shortage facing the Nation.

The amendment I am introducing today seeks to avoid this dilemma. It is grounded on the undisputed premise that work on the trans-Alaskan pipeline will be delayed for at least a year pending resolution of litigation brought under the National Environmental Protection Act regarding the environmental impact of this line. At the same time, this environmental litigation cannot be disposed of until a right-of-way for the trans-Alaskan pipeline is granted.

Thus, my amendment would have the following effects:

First. It leaves unchanged the authorization for the Secretary of the Interior to grant an expanded right-of-way—exactly as provided in Senator JACKSON's bill—which is necessary before the courts will resume consideration of the evironmental aspects of the trans-Alaskan Pipeline case.

Second. It adopts, for the most part, the language of the Mondale-Bayh amendment calling for the initiation of negotiations with the Canadian Government and commissioning a study of the feasibility of a trans-Canadian route. It departs from the Mondale-Bayh amendment in that the Alaskan and Canadian routes are not presented as mutually exclusive and there is no prohibition against a grant of right-of-way for the Alaskan route pending the study of the Canadian prospect. The Mondale-Bayh language providing for an expedited action by Congress at the conclusion of the Canadian study is retained.

Third. It makes clear the congressional intention that the litigation regarding the environmental impact of the trans-Alaskan line shall continue. Once the Secretary grants a right-of-way for the trans-Alaskan pipeline, the court will have before it a live question with respect to the environmental impact of that line regardless of the pendency of the Canadian study and the possibility that Congress will take another look at the matter 1 year hence.

Fourth. Finally, my amendment opens up the study to a consideration of three possible findings: to proceed with the Alaskan line only; to proceed with a trans-Canadian line only; or to proceed with both lines.

This approach to the question avoids any further delay in the court's consideration of the Alaskan case while at the same time preserving the option of Congress, a year from date of enactment of this bill, to make a final judgment on whether to change the route or supplement the trans-Alaskan route with a trans-Canadian route. Most importantly, the judgment would be based on solid facts both with regard to the economic and environmental feasibility of a trans-Canadian line and the willingness of the Canadian Government to enter into an agreement.

Mr. President, there is one other major provision in my amendment which, again, seeks to resolve the differences between the bill as reported by the Senate Interior Committee and the Monrale-Bayh amendment. The committee bill provides that none of the oil extracted from the Alaskan fields shall be exported from this country unless the President makes an express finding that such export is in the national interest. On the other side, the Mondale-Bayh amendment requires a finding that a failure to export oil would imperil the national security and, in addition, requires that Congress approve the export within a period of 60 days or no such export shall take place.

I support a stronger provision than is in the bill reported by the committee, but I believe that asking Congress to take affirmative action in each instance of an export license is cumbersome and unreasonable. The same purpose would be adequately served by adopting the procedures formerly used in consideration of executive reorganization plans, that is, to allow either House of Congress to disapprove a specific export license within 60 days, acting under established procedures for assuring that a resolution of disapproval is reported and opportunity is given to the Members to vote on it. My amendment carries that kind of provision.

Mr. President, I believe my amendment comes as close to meeting the very persuasive arguments offered on both sides of the question as is possible. I hope that it will be adopted.

AMENDMENT NO. 325

(Ordered to be printed, and to lie on the table.)

Mr. HUMPHREY submitted amendments, intended to be proposed by him to the amendment No. 240, intended to be proposed by Mr. MONDALE (for himself and others), to the Senate bill 1081, supra.

AMENDMENT NO. 326

(Ordered to be printed, and to lie on the table.)

Mr. ROBERT C. BYRD submitted an amendment, intended to be proposed by him, to Senate bill 1081, supra.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 322

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

Mr. McGOVERN (for himself and Mr. HATFIELD) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1711) to amend the Foreign Assistance Act of 1961, and for other purposes.

EXTENSION OF EMERGENCY EMPLOYMENT ACT OF 1972—AMENDMENTS

AMENDMENT NO. 324

(Ordered to be printed, and to lie on the table.)

Mr. HATHAWAY submitted amendments, intended to be proposed by him, to the bill (S. 1560) to extend the Emergency Employment Act of 1972, to provide public service employment for disadvantaged and long-term unemployed persons, and for other purposes.

ANNOUNCEMENT OF CHANGE OF HEARINGS ON S. 794

Mr. CRANSTON. Mr. President, the Subcommittee on Labor of the Committee on Labor and Public Welfare has rescheduled public hearings on S. 794, a bill to extend the protection of the National Labor Relations Act to employees of nonprofit hospitals, to Tuesday, July 31, Wednesday, August 1, and Thursday, August 2 at 9:30 a.m. in room 4232, DSOB.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Ralph F. Keil, of Delaware, to be U.S. attorney for the District of Delaware for the term of 4 years, vice F. L. Peter Stone, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, July 18, 1973, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

"VOLUNTEER FOR AMERICA" PUBLIC SERVICE ADVERTISING CAMPAIGN

Mr. BENTSEN. Mr. President, on July 31, the President's authority to induct men into the Armed Forces will expire and the volunteer Army program will be on its own without the support of a possible draft. A good sendoff is important to any new venture and this is certainly true of the all-volunteer force program which has been building toward this important date for nearly 2 years now.

In response to this need the radio and TV broadcasters of Texas have launched a "Volunteer for America" public service advertising campaign. The campaign was originated by Mr. Stan Wilson, president of Texas State Networks, and will run for approximately 13 weeks on radio and TV stations throughout Texas.

It is expected that some 16,000 nonpaid, public service ads will be run during the campaign which will have a commercial value of nearly $1 million. This is a significant new contribution to the recruitment effort of the Armed Forces in Texas and is a major public service on the part of Texas broadcasters. At the present time, the military services are inhibited from purchasing broadcast time, because of language included in an earlier military appropriations measure.

Such a restriction has little logic and would appear to discriminate in favor of other advertising media without any benefit to the armed services. I hope that other broadcasters will follow the example of Texas broadcasters in support of the all-volunteer force, in spite of this apparent discrimination, and that the Congress will act early to eliminate this abuse.

EFFECTS OF NEW MINIMUM WAGE LEGISLATION ON YOUTH EMPLOYMENT AND SMALL BUSINESS

Mr. BUCKLEY. Mr. President, the Senate will turn very shortly to the consideration of new minimum wage legislation. A great deal of attention will once again be focused on the youth differential debate. And such attention is entirely proper, because the outcome of that debate will determine whether or not Congress will persist, with the very best intentions, in paving the road to a social and economic hell for our Nation's most needy teenagers. An increase in the minimum wage causes an increase in marginal unemployment. Perhaps no other economic fact of life has been so widely agreed upon by businessmen and economists alike. And yet we are faced again this year with the possibility of minimum wage legislation that will force too many of our Nation's teenagers, particularly among minority groups, out of the job market.

Mr. President, in recent weeks my mail on minimum wage legislation has picked up considerably, and I can report that the mail concerned primarily with youth employment has been overwhelmingly in favor of some kind of youth exemption from the minimum wage. And when I say overwhelmingly, I mean literally 100 to 1. These letters come from all over New York State; they come from small independent businessmen, from retailers, and from concerned lawyers and citizens. These businessmen speak from experience—they know firsthand how important it is for a youngster first entering the job market to acquire the work skills and good work habits required to retain a job and to insure future success. They also know that businessmen like themselves simply cannot afford to offer teenagers these training opportunities at a minimum wage rate set higher than an apprentice's productivity is worth. A businessman from Buffalo put it succinctly when he wrote recently:

> If we are to continue to employ youths in our business, there must be a wage differential to compensate for their inexperience.

Mr. President, I ask unanimous consent to print at this point in the RECORD a sampling of the mail I have received concerning the effects of new minimum wage legislation on youth employment and small business.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

JUNE 21, 1973.

Hon. JAMES L. BUCKLEY,
U.S. Senate Office Building,
Washington, D.C.

DEAR SIR: I am asking your support for the Dominick-Taft (S. 1725) Federal Minimum Wage Bill.

If we are to continue to employ youths in our business, there must be a wage differential to compensate for their inexperience. Also, the slower increase in the wage rate will be helpful to all retailers.

Yours very truly,
W. E. GOECKEL,
President.

JUNE 28, 1973.

Hon. JAMES L. BUCKLEY,
U.S. Senate Office Building,
Washington, D.C.

DEAR MR. BUCKLEY: At this time when inflation is running rampant throughout the United States and is being felt by every citizen, I find it difficult to believe that the House of Representatives would pass a Bill raising the minimum wage almost immediately from $1.60 to $2.00 with another increase to $2.20 on July 1, 1974.

There is no saving grace in the House Bill in the way of a general allowance of a lower rate for teenagers. The only individuals allowed a lower rate would be full-time students at $1.60 per hour. I am fully aware that the efforts of organized labor are 100% behind this Bill even though none of their membership are affected. However, they rationalize this push to the new minimums will bring up the bottom rates threby forcing the union rates to higher extremes.

Large numbers of people will lose present or prospective jobs as costs go up and unions could care less. I am requesting you to effectively negate the impact of this Bill to a realistic figure for the benefit of all.

Sincerely,
A. C. ALLEN.

JULY 3, 1973.

Hon. JAMES L. BUCKLEY,
New Senate Office Building,
Washington, D. C.

DEAR SENATOR: We urge you to vote and support the Dominick-Taft bill (S. 1725) for minimum wage.

Our company operates many stores in your state and it is the feeling of our company that the Dominick-Taft bill will help all of our employees and control inflation at this time.

The provision for the young is also helpful in (S. 1725) and will create new job opportunities for teenagers without confusion. The (S. 1725) measure will not destroy all of the provisions that retailers, and those engaged in retailing, have lived with for all these many years.

As a constituent and one who has on its staff thousands of constituents, we urge you to support the only sensible bill to come before the legislature, S. 1725.

Thank you for your consideration.

Respectfully,

M. Brecker.

July 5, 1973.

Hon. James L. Buckley,
U.S. Senate,
Washington, D.C.

My Dear Senator Buckley: Senate Bill S. 1861 now being considered in executive session is of great concern to me and I would like to register my objection to this bill. While I am not a resident of your state, I am a citizen of this country and a registered voter and I would like to ask your consideration.

If we must have a minimum wage increase at this time, in lieu of Bill S. 1861, I respectfully request that you support the Dominick-Taft Substitute (S. 1725). This substitute bill would eventually raise the minimum wage to $2.30 by 1977, but by doing it gradually as recommended in this bill, it would give Industry time to adjust more easily to the change. A most important part of this bill is the Youth Differential. If Bill S. 1861 is passed as presented, no one in Industry will be able to afford to give the 16 and 17 year olds that important first job. Given time, Industry can adjust to this change and thereby the Youth of our Country, and our economy will not have to suffer.

It is my understanding that Senator Dominick is also sponsoring a Bill, S. 1147, trying to get some OSHA Relief, but there seems to be some problem in getting it scheduled for hearing—it needs more co-sponsors. Your support of this bill is respectfully requested.

Thank you for your consideration and support.

Sincerely,

Miss Nancy Williams,
Assistant Business Manager.

June 25, 1973.

Re S. 1725.
Hon. James L. Buckley,
Senate Building,
Washington, D.C.

Dear Honorable Buckley: I would appreciate your support of S. 1725, if a minimum wage bill is going to be passed by the Senate.

We feel that Bill S. 1861, by Senators Williams, D-N.J. and Javits, R-N.Y., is very inflationary. Bill S. 1861 proposes wage rate increases of 37.5% in little more than a year. The impact will create higher youth unemployment, and it will also increase unemployment to the low wage earner. It is in these two areas where we have a very high unemployment rate at the present time.

While we are not 100% in agreement with Dominick-Taft, Bill S. 1725, we feel it isn't as inflationary and damaging as Bill S. 1861.

Thank you.

Very truly yours,

S. R. Thompson,
Personnel Manager.

June 27, 1973.

Hon. James L. Buckley,
Old Senate Building,
Washington, D.C.

Dear Senator Buckley: The Manufacturers Association of Syracuse, representing one-hundred and five area industries employing in excess of 40,000 people, went on record at their Board Meeting of June 14, 1973 in support of increases in Federal minimum wage rates as contained in S. 1725.

In our judgment, this measure, as opposed to S. 1861, lessens the possibility of increasing the intensity of the inflationary spiral we're now experiencing, would not markedly increase unemployment because of marginal employers and employees, and most importantly, has the attribute of providing a youth minimum wage so necessary to reduce unemployment in a group plagued by lack of jobs.

We would appreciate your support of S. 1725 when it comes to the floor, or support of amendments to any bill on the minimum wage issue to bring it in line with the provisions contained in S. 1725.

Thank you.

Sincerely,

James B. Schneider,
Executive Vice President.

Hon. James L. Buckley,
U.S. Senate,
Washington, D.C.

Dear Senator Buckley: As a concerned business man with empathy for the general well being of our society, I respectfully request you support the Dominick Taft (S–1725) minimum wage proposal.

At this time our sensitive economy could not accommodate the inflationary Williams-Javits proposal.

I have experienced first hand, the rounds of price increases, the reductions in staff of unskilled employees and students and the narrowing of pay differentials between trained and untrained employees as a result of legislated wage increases.

With our economy in its present state the more moderate approach would be the wisest move.

Very truly yours,

Eugene L. Ferguson.

July 5, 1973.

Hon. James L. Buckley,
U.S. Senate,
Washington, D.C.

Dear Senator Buckley: We believe that it is very essential that if a new minimum wage bill is presented, the Dominick-Taft bill (S. 1725) which will raise the minimum to $1.80 now, $2.00 one year later and consecutive yearly increases to $2.10, $2.20 and finally to $2.30 in 1977 be given your support. We believe that bill S1725 also would retain all of the present exemptions and would, as well, permit young people to work at a special entrance rate of 85% of the minimum, or $1.60, whichever is greater.

The other bill being presented (S. 1861) would have serious impact on the ability of the New York State retailer and would also be a major cause of further unemployment in our area, in our opinion.

Your support of the Dominick-Taft bill (S. 1725) is very important to the well-being of our general economy.

Sincerely,

Daniel G. Ransom.

June 14, 1973.

Hon. James L. Buckley,
Senate Office Building,
Washington, D.C.

Dear Senator Buckley: I am writing to urge your support of S. 1725 when it comes up for consideration in the Senate. In my opinion the Williams bill, S. 1861, is grossly inflationary, unduly expands coverage, and would deny younger people an opportunity to enter the labor market at a rate more befitting their youth and inexperience.

The constant arbitrary lifting of minimum rates has been responsible to a considerable extent for loss of employment through expansion of imports into this country, so I feel your opposition to the Williams bill and your support of the Dominick bill is more important in today's circumstances than ever before.

Do you agree with and will you support the position recommended in this letter?

Very truly yours,

David L. Benetar.

June 14, 1973.

Senator James Buckley,
Senate Office Building,
Washington, D.C.

Dear Senator Buckley: I note that the House has passed a new minimum wage law, which in a short period of time will increase the minimum wage almost 40%. On top of this, it has left out any clause enabling unskilled young people to get jobs at lower than the minimum, thus making it even more difficult for them to get work than it is now.

To me this bill seems absolutely inexcusable and entirely inflationary. I can see no reason for such a tremendous jump in the minimum wage over the short period of time envisaged.

I realize that the labor lobby is very powerful in the way the unions run the country, but I do think that some of the rest of us are entitled to some consideration.

Sincerely,

Fred M. Stein.

June 21, 1973.

Senator James L. Buckley,
U.S. Senate Chambers,
Washington, D.C.

Dear Senator Buckley: As you are aware, there are currently two proposals before the Senate concerning an increase in the Federal Minimum Wage. The Rochester Chamber of Commerce urges you to support the Dominick-Taft Bill and oppose the Williams-Javits Bill.

A recent telephone and personal contact survey of area businesses reveals that if the Williams-Javits Bill were to pass, the end result would be the curtailment and possible lay-off of the elderly, the youth and marginal employees. Without an exemption for the youth, the bill would hinder rather than help our young people obtain employment. Such a dramatic increase, as proposed in the Williams-Javits Bill, would force many small businesses to close their doors and curtail any plans for expansion.

You can see why we are asking your support of the Dominick-Taft Bill. This bill represents logical steps for any increase in the Minimum Wage and takes into consideration our youth, employer and employee.

Sincerely,

Worth D. Holder, CCE,
Executive Vice President.

NEIGHBORHOOD YOUTH CORPS FUNDS RELEASED

Mr. WILLIAMS. Mr. President, on June 29, U.S. District Court Judge Leonard I. Garth ordered that $239 million of impounded Neighborhood Youth Corps funds be immediately released so that this year's nationwide summer employment program will in fact be the reality that Congress intended it to be. Yesterday, the U.S. Court of Appeals unanimously denied the Government's request to stay Judge Garth's decision, and, in effect, affirmed the trial court's opinion.

By ruling that the administration had illegally withheld moneys specifically authorized and appropriated by the Congress, Judge Garth's decision will enable some 600,000 poor and disadvantaged youths from our cities to obtain meaningful employment, and at least for a few months, gain a sense of pride and achievement not often found among their peers. In New Jersey alone, it is expected that nearly 12,000 youths will benefit from the program.

Exactly 1 month ago, a group of two dozen Community Action Program Directors and Neighborhood Youth Corps officers met in my office to discuss the ramifications of the President's impoundment of funds intended to help ease some of our domestic ills which confront our society today. From this meeting, a lawsuit was conceived to challenge the President's action.

My staff was immediately directed to develop legal strategy which would bring equitable relief not only to these constituents, but to the literally thousands of citizens nationwide who were similarly situated.

Despite the complex and difficult task, the first legal papers were filed in Newark a little more than a week after the suit's Washington, D.C., genesis. The New Jersey public interest law firm—Baumgart & Ben-Asher—retained for the case, exhibited a rare quality of zeal and skill which in no small measure created the environment for Judge Garth's favorable decision.

Not only was the expeditious handling of the case a remarkable achievement, but it should be particularly noteworthy to those who in the past have rejected "the system" as unresponsive and insensitive to human need. If, as a result of this case, just one person's faith has been restored, and a sense of hope instilled for those who have despaired so long, our efforts will have been rewarded. But I shall not, and cannot, be fully content until our national priorities are completely reordered.

It is for this reason that I ask unanimous consent that the complete text of Judge Garth's decision be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

[Community Action Programs Executive Directors Association of New Jersey, Inc., et als., Plaintiffs, v. Roy Ash, Director, Office of Management and Budget, et als., Defendants]

DECLARATORY JUDGMENT AND PERMANENT INJUNCTION

(In the United States District Court for the District of New Jersey, No. 899–73)

This matter having come before the Court upon plaintiffs' verified complaint for mandamus, declaratory judgment and permanent injunction, order to show cause, motion for preliminary injunction and motion for certification as a class action, and the Court having consolidated the final hearing herein with the hearing on the order to show cause and the motion for a preliminary injunction, and the Court having considered the points and authorities in support of and in opposition to the order to show cause and motions, and having considered the pleadings and affidavits, and having heard argument of counsel, and it appearing that the parties have submitted upon the evidence presented and the parties having consented to have the proceeding treated as a final hearing and the Court having found and declared that:

A. It is clear from the face of the statutes and their legislative history that the unequivocal intent of Congress in enacting the 1972 Amendments to the Economic Opportunity Act, Pub. L. 92–424, 86 Stat. 688, 42 U.S.C. Sec. 2771 and the Supplemental Appropriations Act, 1973, Public L. 92–607, 86 Stat. 1493, was to appropriate at least $239,143,000.00 nationally for the summer Neighborhood Youth Corp for the fiscal year, 1973, and was also to make mandatory and not discretionary the obligation, release and expenditure of the appropriation period.

B. To the extent that the defendants have failed to release, obligate and expend the above-mentioned funds, this action is illegal in violation of the Economic Opportunity Act of 1964, as amended, 42 U.S.C.A. § 2701, et seq. the Supplemental Appropriations Act, 1973, Public L. 92–607, 86 Stat. 1498, and Article II, Section 3 of the United States Constitution, and beyond the scope of their legal authority.

C. The sum of at least $239,143,000.00 has been appropriated by Congress for the summer Neighborhood Youth Corp for Fiscal Year 1973 but has not been released, obligated or expended and the failure to do so threatens the plaintiffs with standing to sue with immediate and irreparable injury, by reason of the reversion of said funds to the general treasury on June 30, 1973 in contravention of the law, unless and writ of mandamus or an injunction issues, and the Court having announced its findings of fact and conclusion of law in its oral opinion on June 28, 1973, in accordance with said ruling of the Court, it is hereby Ordered, adjudged and decreed, that:

1. The plaintiffs' motion to certify this action as a class action pursuant to Rule 23(b)(2) on behalf of all community action agencies established and qualified under the Economic Opportunity Act of 1964 which community action agencies sponsor summer Neighborhood Youth Corp programs on behalf of all individuals eligible, qualified and designated as participants of the Neighborhood Youth Corp summer program do and hereby is granted, with no notice to the classes required.

2. The compaint is dismissed for lack of standing to sue as to Community Action Programs Executive Directors Association of New Jersey, and New Jersey N.Y.C. Directors Association.

3. The defendants and their agents, employees and successors in office, be and hereby are preliminarily and permanently enjoined and restrained from taking any action or failing to take any action which will cause or permit the reversion to the general fund, withholding, non-obligation or loss of at least $239,143,000.00 and unobligated funds for purposes of the summer Neighborhood Youth Corp for the Fiscal Year 1973.

4. The defendants with responsibility to release and obligate the above-mentioned funds shall not later than 10 a.m. on June 30, 1973, record the sum of at least $239,143,000.00 appropriated for the summer Neighborhood Youth Corp for Fiscal 1973 as in obligation of the United States and shall forthwith release and expend that sum for the summer Neighborhood Youth Corp for fiscal 1973.

5. The defendants shall retain all such sums obligated pursuant to paragraph four (4) of the Order as in obligated balance against the appropriation referred to herein until further Order of this Court or until released and expended for the summer N.Y.C. for fiscal 1973 pursuant to the Economic Opportunity Act of 1964 as amended.

6. Court retains jurisdiction of this Act for such additional and supplemental relief as may be required.

7. Defendant's motion to stay this order as to the expenditure of the above-mentioned funds pending appellate review be and hereby is denied.

8. Clarence Clark (Monmouth City CAP) is hereby especially appointed to serve this order on the defendants no later than 12 noon on June 29, 1973, by serving a true copy on the United States Attorney Herbert J. Stern, as to all named defendants by 4 P.M. June 29, 1973.

(S) LEONARD I. GARTH,
United States District Judge.

Dated: June 29, 1973. Time: 10:50. We hereby consent to the form of the within declaratory judgment and permanent injunction.

OEO WILL CONTINUE FUNDING LEGAL SERVICES BACKUP CENTERS THROUGH DECEMBER 31, 1973

Mr. JAVITS. Mr. President, on June 28, joined by 10 Senators, I wrote Alvin J. Arnett, Acting Director of the Office of Economic Opportunity urging that funds be utilized to continue current legal services backup centers at least through December 31, 1973 or until a national legal services corporation can be established. I was joined by Senator WILLIAMS, chairman of the Committee on Labor and Public Welfare, and by Senators SCHWEIKER, PELL, MONDALE, CRANSTON, EAGLETON, KENNEDY, HUGHES, and HATHAWAY of that committee, as well as by Senator BROOKE.

Our action was motivated by our concern that the legal services backup centers—which have been such an essential—albeit controversial, element of the legal services program—might be given "short shrift" by the Office of Economic Opportunity in its last minute decisions under court order to obligate remaining fiscal 1973 funds before the close of that year; indeed, information led us to believe that as of June 27, the Office of Economic Opportunity was intending only to fund those backup centers for 1 month beyond June 30.

I am very pleased to report that at our urging and that of others, the Acting Director of the Office of Economic Opportunity now has given assurance of funding of the centers through December 31 as requested.

In the case of six centers, funding would have expired on June 30, but for this new commitment. They included the national employment law project in New York City, the Harvard Center for Law and Education in Cambridge, Mass., the national housing and economic development project at Berkeley, Calif., the Indian Law Center in Boulder, Colo., the migrant legal action program in Washington, D.C., and the national senior citizens law center in Los Angeles, Calif.

The Acting Director of the Office of Economic Opportunity has assured me that other centers that come up for funding between now and December will also be continued except, of course, if they are not being conducted in accordance with the provisions of the Economic Opportunity Act of 1964.

Mr. President, I commend the Acting Director of the Office of Economic Opportunity for this very affirmative response to this initiative, a response which will mean so much to those who are charged with the conduct of the current crucial legal services program, even as we all consider legislation for the establishment of a new corporation for its conduct in the future.

It is my hope that the spirit of accommodation reflected in the action of the

Acting Director of OEO will prevail also in the negotiations surrounding the establishment of such a corporation, so that vital service to the poor can be continued and expanding without a break in continuity.

Mr. President, I ask unanimous consent that there be printed in the RECORD, a copy of our letter of June 28 to Acting Director Arnett and a copy of his response dated June 29.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 28, 1973.

Mr. ALVIN J. ARNETT,
Director,
Office of Economic Opportunity,
Washington, D.C.

DEAR MR. ARNETT: As members of the Senate Committee on Labor and Public Welfare and others concerned with the legal services program, we urge you to utilize, and obligate existing funds appropriated for fiscal year 1973 and funds that we expect the Congress to appropriate for fiscal year 1974, to continue the current support centers at least through December 31, 1973, or until a national legal services corporation can be established.

As you know, the sixteen support centers throughout the Nation currently funded by the Office of Economic Opportunity provide essential specialized legal assistance for legal services attorneys and their clients, thus serving as the vertebrae of the entire program, in such crucial areas as employment, migrant and other law.

The Economic Opportunity Act Amendments of 1972, signed into law by the President on September 19, 1972, provides that of the authorized amounts in each of the fiscal years 1973 and 1974, the Director of the Office of Economic Opportunity shall "reserve and make available" not less than $71.5 million for legal services programs. On October 31, 1972, the President signed into law (P.L. 92–607) the Supplemental Appropriations Act, 1973, appropriating $71.5 million for legal services for the current fiscal year 1973.

And, under recent decisions in the Federal courts, the Office of Economic Opportunity is obligated to make fiscal 1973 funds available before the close of this fiscal year for continuation of the legal services, as well as other OEO programs.

Moreover, with respect to fiscal year 1974, the Congress has already made clear its intent that the legal services program, including support centers should continue to be funded through fiscal year 1974 in the Office of Economic Opportunity, pending the establishment of a national legal service corporation.

The House has passed both H.R. 8877, the Labor-HEW Appropriations Act, 1974, specifically including $71.5 million for continuation of legal services under OEO through fiscal year 1974, and pending action by the Senate on that measure, H.R. Res. 636, continuing the legal services programs, at the rate of $71.5 million through September 30; the latter will be acted upon by the Senate this week.

It is also already clear that the Senate favors similar actions; in connection with H.R. 7447, the Second Supplemental Appropriations bill, the report of the Senate Committee on Appropriations, dated May 18, adopted by the Senate on May 31, states:

"In the budget submitted to Congress on January 29, the President indicated that a proposal would be forthcoming to establish a new legal services corporation. Since this legislative proposal has just been submitted (May 11), the Committee is somewhat concerned that the fiscal year will end and no funds will be available to continue the 900 neighborhood offices *and sixteen support centers* now in operation throughout the country. Since there is existing authority under the Economic Opportunity Act and further, since appropriations for legal services covering FY 1973 have been enacted this program would normally be covered under a continuing resolution at a level of $71,500,000. Should the Congress fail to complete action on the FY 1974 legislative proposal and subsequent appropriation, the Committee would work to ensure that this program is provided for under a continuing resolution based on existing authority and present level of funding." (emphasis added).

We support fully the concept of a national legal services corporation, and expect prompt action by the Committee on Labor and Public Welfare on the Administration's proposal, which has already passed the House.

But in the interim, until the corporation can be established and ongoing, it is essential that these vital back-up centers be fully funded in accordance with Congressional intent.

We recognize that the future of legal services support centers under a new corporation is an issue in dispute and we will welcome a review of that question in the context of considering legislation to establish a new corporation. However to permit these centers to go out of existence in the meantime would serve only to undermine the objective evaluation that is necessary, cause a diminution in current effective legal services for the poor and constitute a demoralizing and cost-ineffective break in continuity, should it later be determined that such centers are to be a part of the program under a new legal services corporation.

Even if legislation to establish a national legal services corporation is promptly enacted—as we hope it will be—it is doubtful that it could be fully ongoing before January 1, 1974. Accordingly we urge that you take appropriate affirmative action on pending applications under their terms for continuation, and in any event at least through December 31, 1973 or until a new corporation is ongoing.

Sincerely,

JACOB K. JAVITS, RICHARD S. SCHWEIKER, EDWARD W. BROOKE, ALAN CRANSTON, THOMAS F. EAGLETON, HAROLD E. HUGHES, HARRISON A. WILLIAMS, Jr., CLAIBORNE PELL, WALTER F. MONDALE, EDWARD M. KENNEDY, WILLIAM D. HATHAWAY.

OFFICE OF ECONOMIC OPPORTUNITY,
Washington, D.C., June 29, 1973.

Honorable JACOB JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This responds to your letter of June 28 regarding funding of legal services back-up centers.

Prior to receipt of your letter, I had, as an administrative matter already lifted the month-by-month funding arrangement for these centers. In lieu of the month-by-month, I directed funding be made in each case for a six month period. I think that action, in effect, substantially meets the concern of your letter.

Sincerely,

ALVIN J. ARNETT,
Acting Director.

THE NEED FOR TERMINATION INSURANCE IN PENSION REFORM

Mr. HARTKE. Mr. President, the need for reform of the private pension system in this Nation has never been greater. A recent incident involving workers in an industrial plant in Jamestown, N.Y., provides a grim illustration of the tragedies that occur under the present private pension system. I feel it is my responsibility to bring this incident to the attention of my distinguished colleagues.

In the mid-1960's, the Art Metal Construction Co. was acquired by the Heller Corp. of Chicago which after 3 years decided to divest itself of the company. At this point a "professional liquidator" from Rochester purchased Art Metal and combined it with the Yawman Co. Within 9 months both companies went out of business and all production within the plant at Jamestown terminated.

Amidst all this transfer of ownership and corporate finance, there was little regard for the welfare of the hundreds of workers in the Art Metal Co. The initial pension plan covered about 1,400 employees and began in 1960. But, in 1969, the company switched over to the Machinists' plan—IMAW union—and covered 600 to 700 employees. When production in the plant terminated, all those covered under the new plan lost their rights to pension benefits. The only employees who collected anything at all were those 178 workers who had retired under the original plan. Some others received benefits for 8 to 10 months under the new plan before the plant shut down, but then payments stopped.

Many who had contributed to both plans lost all claims to benefits. A considerable number of workers who had 35 years of service with the company found themselves with no financial support. I hope my colleagues can appreciate the great personal loss which these hundreds of working men and women had to endure. Mr. Sam Forscey, a representative for the Machinists Union, told me about the great "emotional impact" that this loss of pension rights had on his fellow workers.

This incident is precisely the kind of tragedy which points to the urgent need for reform in the private pension system. I should add that this example is not at all untypical of what occurs in industry. Between 1950 and 1965, 4,300 pension plans were terminated. These plans covered 225,000 workers. On the average, approximately 20,000 persons a year had their pensions affected by plan failures. On May 21, I introduced the Federal Pension Plans Protection Act of 1973 (S. 1858) which provides a termination insurance program designed to protect workers from a calamity like this one in Jamestown, N.Y. It would insure vested benefits up to 80 percent of the highest average wage over a 5-year period or $500 a month, whichever is less. Under this plan, workers with 35 years of service to a company, as well as younger employees, would be protected from financial uncertainty and disaster.

I strongly urge my colleagues to give utmost consideration to the many legislative proposals before us which would provide relief to the millions of working men and women of our Nation. We have a moral obligation to act quickly to alleviate the great inequities which exist in this Nation's private pension system.

JAMES D. FELLERS

Mr. BELLMON. Mr. President, one of Oklahoma's leading lawyers and distinguished citizens, James D. Fellers of

Oklahoma City, has been named the president-elect nominee of the American Bar Association.

This is an honor that has not heretofore come to our State, but it is an achievement that is richly deserved by this outstanding Oklahoman. It would be difficult to match the record of civic leadership, community service and prominence in his profession that has earned Jim Fellers the highest respect and recognition by his peers.

The Oklahoma Legislature recently adopted a resolution commending and congratulating Mr. Fellers on his selection to head the American Bar Association, which cites some of his accomplishments.

Mr. President, I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Enrolled Senate Resolution No. 62

A resolution commending and congratulating James D. Fellers for being elected as president-elect nominee of the American Bar Association; and Directing Distribution

Whereas, for the first time in the history of the American Bar Association an Oklahoma lawyer has been named the president-elect nominee of the 95-year-old organization; and

Whereas, James D. Fellers, a native of Oklahoma City and past president of the Oklahoma Bar Association, was elected as the president-elect nominee of the American Bar Association during the mid-winter House of Delegates meeting and shall stand for formal election by the House of Delegates at their 1973 annual meeting; and

Whereas, President-elect Fellers has been in the general practice of law since 1936 when he was admitted to the Oklahoma Bar upon his graduation from the University of Oklahoma Law School; and

Whereas, James D. Fellers has been active in the American Bar Association since 1937, during which time he has gained valuable leadership experience, in that he has been a member of the House of Delegates since 1945 and has served as its Chairman, a member of the Board of Governors from 1962 to 1965, in addition to being Chairman of many major committees and sections and he currently heads the studying committee on professional career development; and

Whereas, during 1964 under the leadership of Jim Fellers, the Oklahoma Bar Association commenced a legal internship program, created a brief and research bank, formulated the uniform jury instructions, established a clients security fund and inaugurated a Bar-Media Relation Committee, and all of these accomplishments were in addition to the usual administrative responsibilities required of the President of the State Bar; and

Whereas, James Fellers has given of his time and abilities throughout the years to civic organizations and community affairs, his activities including Charman of the Civic Committee of Oklahoma City, President of the Cosmopolitan Club, Director and Division Chairman of the Chamber of Commerce, as well as a member of various city government committees and commissions; and

Whereas, in addition to a distinguished record of service in his profession and to his community, James D. Fellers served this country and fought for freedom in the United States Military during World War II and was awarded the Bronze Star in recognition thereof; and

Whereas, the august Body of the Oklahoma Legislature stands in awe at the accomplishments, the dedication and the service of this one individual, James D. Fellers.

Now, therefore, be it resolved by the Senate of the 1st Session of the 34th Oklahoma Legislature:

That James D. Fellers be and he hereby is commended for his service to mankind and congratulated for being elected as president-elect nominee of the American Bar Association, a well deserved honor.

That duly authenticated copies of this Resolution be forwarded to the Honorable James D. Fellers, the President of the Oklahoma Bar Association, the President of the Oklahoma County Bar Association, the President of the University of Oklahoma, and to each member of the Oklahoma Congressional Delegation.

Adopted by the Senate the 16th day of May, 1973.

THE U.S. ROLE IN DRAFTING THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, since the Genocide Convention was adopted by the United Nations General Assembly on December 9, 1948, 75 nations, including most of our NATO and SEATO allies, have ratified the treaty. The United States is not among these. This absence is even more surprising—and sad—considering the key role played by the United States in the drafting of this convention.

The efforts of our country were summarized in a September 1972 article by William Korey, director of the B'nai B'rith U.N. office entitled "On Banning Genocide: We Should Have Been First." Mr. Korey states:

> Today it is all but forgotten that, in fact, the United States played a key role in the drafting of the treaty that was reflected in the text itself. Formulated in terms of familiar Anglo-American legal theory and couched in the language of traditional common-law concepts, the treaty drew upon the precise wording of common-law crimes long accepted in American jurisprudence. Most important, it was the United States that insisted that a specific *intent* to commit genocide must be proven before an offender could be punished. And the American delegation led the fight for its adoption. The chief of the delegation, Assistant Secretary of State Ernest A. Gross, shortly before the final vote, told the General Assembly:
>
> "In a world beset by many problems and great difficulties, we should proceed with this convention before the memory of recent horrifying genocidal acts has faded from the minds and conscience of man. Positive action must be taken now. My government is eager to see a genocide convention adopted at this session of the Assembly and signed by all member states before we quit with our labors here."
>
> The United States delegation was among the first to sign. Only two days after its adoption, the formal American signature was appended to the treaty.

Mr. President, it is ironic that, after putting so much effort into formulating this treaty, we still have not ratified it in nearly 25 years. Let us hope that former Chief Justice Earl Warren was wrong when he said almost 5 years ago,

> We as a nation should have been the first to ratify the genocide convention. . . . Instead, we may well be near the last.

I hope we can act on the Genocide Convention in the near future.

COLLINSVILLE, ILL., CHRONOLOGY OF A NATIONAL TRAGEDY

Mr. PERCY. Mr. President, the mistaken raids by Federal narcotics agents on two Collinsville, Ill., families have justifiably received national attention.

The concern generated by reports that the Giglotto and Askew families were subjected to indecencies and deprivation of fundamental civil rights appear to be more than warranted. The inexcusable conduct of agents who initiate raids and forcible entries of private dwellings without good cause and without warrants, and who resort to such actions as destruction of personal property and personal threats and obscenities, should be exposed, writ large, and dealt with appropriately by the courts.

From the outset, consistent, in-depth reporting of the Collinsville and related incidents, and their ramifications, has been done by the St. Louis Post-Dispatch. In particular, exceptional reportage has been evidenced in articles by staff writers Curt Matthews of the Washington bureau and Robert L. Joiner in St. Louis, who, together with Ted Gest, Robert Adams, Linda Eardley, and Taylor Penseneau, have conducted a thoroughgoing probe. Their investigation contributed to particularly fine editorials on the subject, also appearing in the Post-Dispatch. More than 20 articles have thus far been published since the April 23 raids. The editorial board and management of the Post-Dispatch deserve commendation for the priority attention they have given these incidents, which have nationwide importance.

An example of excellent followup coverage of the Collinsville incidents was seen as recently as July 4, 1973, in the New York Times. Andrew H. Malcolm reports the Giglotto and Askew families have been subject to continual harassment since they were victims of the senseless drug raids more than 2 months ago. The Giglotto family has found it necessary to flee from their home in downstate Illinois and look for a new life elsewhere.

Mr. President, I ask unanimous consent to have the entire collection of articles concerning the Collinsville incidents that have thus far appeared in the St. Louis Post-Dispatch and the New York Times article "Harassed Victims of Drug Raid Are Moving" printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, July 4, 1973]

Harassed Victims of Drug Raids Are Moving

(By Andrew H. Malcolm)

Chicago, July 3.—The Herbert Giglottos, one of two Illinois families illegally raided in April by Federal narcotics agents, have fled their home in downstate Illinois to start a new life somewhere else.

"We just can't take the harassment any more," the 29-year-old Mr. Giglotto said last night as he loaded his furniture and pets on a rented truck in Collinsville. "We're getting out of here."

Today the Donald Askews, the other Collinsville family whose doors were kicked in by unshaven, plainclothes narcotics agents on April 23, said that they too had been harassed and that someone broke in and stole their television set on Monday.

This afternoon an official of the Federal Bureau of Investigation said his office had been asked by the Department of Justice to investigate the possibility of a conspiracy by Federal narcotics agents to violate the civil rights of the Collinsville families. But the official indicated that the F.B.I. investigation was concluded some time ago. He would not disclose the findings.

In Washington tonight, Robert Feldkamp, a spokesman for the Office for Drug Abuse Law Enforcement, said, "if indeed the families are being harassed, I can assure you it is not by representatives of our office."

SAY THEY WERE FOLLOWED

In Collinsville, Mr. Giglotto and his wife, Evelyn, said they had been followed since their story—telling of shabbily-dressed narcotics agents ransacking their home, shouting obscenities and threatening their lives with cocked guns—received nationwide circulation.

The Giglottos said there had been mysterious telephone calls in the night. When answered, there is only silence on the other end.

Both of their cars were sideswiped while parked recently and seriously damaged.

Friends and neighbors tell of visits by unidentified agents inquiring about the Giglottos.

And there have been reports of strange men appearing at a bar frequented by the Giglottos and passing the word, "We're going to get Giglotto one way or the other after all this publicity dies down."

"After you see these guys in action on a raid," Mrs. Giglotto said, "you can imagine all sorts of things happening."

Then last night an anonymous caller phoned Mr. Giglotto's mother and said that her other son, John, had been shot in the head and dumped in a lake.

THEN SON RETURNED

The 58-year-old mother became hysterical. But a few hours later John returned home from the movies, unaware of the call.

Mr. Askew, the second victim of the raid by agents of the Federal Office for Drug Abuse Law Enforcement, said he too, had received mysterious phone calls in the night, although his phone number is unlisted.

"You know you think maybe it's just some teen-agers," said the 40-year-old Mr. Askew. "You know how teen-agers are. But then Monday someone broke in and stole my color TV set. And they came in the same way those agents did that night—kicking in my back door."

Mr. Askew, whose wife has been in and out of a hospital psychiatric ward since the raid, has also spent so much time talking to Government investigators and lawyers about the incident, its aftermath and his $100,000 damage suit that he fell behind in business and had to sell his service station.

He hopes to return to the construction business "if we can just get things straightened out."

DOZENS OF OTHERS

The claims of harassment and intimidation followed by one week publication of the results of an investigation of such drug raids by The New York Times. It disclosed that dozens of other mistaken, violent, often illegal and sometimes fatal drug raids had been executed on innocent citizens across the country by Federal, state and local narcotics agents, often acting on uncorroborated tips from drug addicts who were pressed for information.

The agents involved in the Collinsville incidents, who had no search warrants, no arrest warrants and no authorizations for their forcible entries, attributed the raids to "a bum tip." Further details of the raid's background, presumably contained in internal investigative reports compiled by the drug abuse office and the Bureau of Narcotics and Dangerous Drugs, have never been released publicly.

Washington officials say they do not want to affect the deliberations of a Federal grand jury in Springfield, Ill., that is considering the case.

Until the incidents in Collinsville, a town of 19,600, 15 miles east of St. Louis, the other mistaken raids were little known across the country, apparently because many of the citizens involved were unaware of any legal recourse and feared reprisals by the agents.

In some cases, lawyers told The New York Times, the police arrested innocent persons during mistaken raids and then offered to drop the charges if those persons would forget about the incident.

The Giglottos received no such offer. And no apologies were extended, although some men were sent to inspect the damage. The Giglottos have sued for $1-million.

Mr. Giglotto, a boilermaker, said he has encountered some harassment among fellow workers who did not believe he was not making substantial sums of money from the incident.

And the couple said several friends broke off relations with them after the raid, apparently out of fear.

DOESN'T BLAME THEM

"I guess I can't blame them," Mr. Giglotto said. "They don't want their life history checked too and maybe their door kicked in."

The couple said they had received scores of sympathetic messages from individuals around the country, but none from Collinsville.

Mr. Giglotto said he also sensed a change in the attitude of the local police, who were not involved in the raids. One officer checked recently to see if the car the Giglottos were driving was stolen, Mr. Giglotto said, and another policeman told him, "You've brought us nothing but aggravation."

"He's got aggravation!" Mr. Giglotto exclaimed. "My door was the one kicked in. And I didn't ask to be raided, you know."

For protection recently, Mr. Giglotto arranged from friends to stay with his wife when he went to work. Occasionally a friend would spend the night with them in their modest town house apartment on Arrowhead Drive near Collinsville's catsup factory.

WILL TRY TO FORGET

"We're going to try and relax a while and forget the whole thing," Mr. Giglotto said as he left. He declined to say where he and his wife were moving.

"We've got a few towns in mind," he said. "We'll settle down, both go back to work and start over again because I'm afraid those agents are not going to stop all this as long as they are running around busting into homes."

Today Fred Fehl, special agent in charge of the Cleveland F.B.I. office, said his men were asked on June 18 to investigate the Collinsville incidents. But he indicated the work was completed some time ago.

It was also learned that F.B.I. agents interviewed other persons seized by agents assigned to the St. Louis office of the drug abuse office.

The narcotics agents involved in Collinsville were suspended with pay but have reportedly been seen at other raids during their suspension.

On Sunday their parent agency, the Bureau of Narcotics and Dangerous Drugs, was merged with the drug abuse office into a new Federal Drug Enforcement Administration.

[From the St. Louis Post-Dispatch, Apr. 25, 1973]

DRUG AGENTS SUED AFTER RAID ON HOME

(By Linda Eardley)

A Collinsville couple filed suit today in U.S. District Court in Springfield, Ill., against the Federal Government charging assault, false imprisonment and violation of their civil rights because of a raid at their home Monday night.

Mr. and Mrs. Donald Askew, 313 Garnet Street, said about five men forced their way into their home, announced they were special federal narcotics agents, searched the house while holding the couple at gunpoint, then abruptly left, saying they had made a mistake.

Another Collinsville couple, Mr. and Mrs. Herbert Giglotto, 1003B Arrowhead Drive, is considering similar action against the Government for a search Monday night of their home apparently by the same narcotics agents.

Collinsville Police Chief Paul Cigliana confirmed that the men who searched the two homes were federal narcotics agents. More than 20 agents were stationed inside and outside the homes, he said. Collinsville police were called to the homes after the raids.

Giglotto said he and his wife were sleeping when the agents who were "dressed as hippies" broke down the door at about 9:30 p.m.

"They came into the bedroom and put a gun to my head and said they were going to shoot us," Giglotto said. "They pointed to my wife and said, 'Who's that thing in bed with you?' Then they tore up my house. They were looking for someone or drugs, I don't know. Not until after they finished searching did they identify themselves as narcotics agents.

"I think one of them flashed a badge but I didn't really see it. I was lying face down with a pistol to my head. My hands were handcuffed behind my back. My wife was handcuffed like I was and made to lie down on the floor like an animal.

"They acted like animals. They said profanity. You just wouldn't believe it. If they were representatives of the Federal Government, we're all in trouble."

Giglotto said pieces of furniture were knocked over and scratched. Books were strewn over the living room.

"I don't know why they were here. I wouldn't have a thing to do with narcotics. I rarely take an aspirin," said Giglotto.

Giglotto said a former neighbor might have been involved in drugs and the agents might have been looking for his apartment. The neighbor moved three weeks ago.

The only damage to the Askew home was the broken back door. Askew said one of the special narcotic agents after * * * breaking into the house. Askew asked for more identification or a search warrant and they said they had none.

"We didn't know what to think," Askew said. "I thought they were some sort of motorcycle gang. All the while they pointed guns at us and my wife fainted."

When the search proved futile, one of the agents told the couple. "It was a mistake. We got a bad tip," Askew said.

The agent gave Askew the phone number of the Department of Justice Bureau of Narcotics and Dangerous Drugs in St. Louis to call for reimbursement for property damaged in the search.

Dennis Moriarty, an investigator with Drug Abuse Law Enforcement of the Department of Justice in St. Louis, refused to comment to the Post-Dispatch.

Askew's attorney, Richard Shaikewitz of Alto, said Moriarty talked with him and confirmed that federal narcotics agents searched the Askew home. Moriarty told Shaikewitz that the Askews should send the bill for property damage to his office.

The only damage was the broken back door.

"Those were Gestapo-like tactics," Shaikewitz said. "I can see if the agents were in hot pursuit of a criminal, they might break down a door. But in this case, there was no reason for it. And suppose they did have a tip someone they wanted was there, they easily could have gotten a search warrant."

Askew, 40 years old, is a contractor and operates a service station in Collinsville.

Henry A. Schwarz, United States District Attorney of the Eastern Illinois District in East St. Louis said he will request a full report about the searches.

"If these people's allegations are true, I would consider an investigation, but I know one address (Askew's) is not in my district and I'm not sure about the other one."

Daniel Bartlett, the U.S. Attorney in St. Louis and Donald A. Mackay, the U.S. Attorney of the Southern Illinois District in Springfield, would not comment on the searches because they had no information about them.

Both said they thought an investigation would be out of their jurisdiction.

Federal narcotics agents were criticized last summer after a raid on the home of Mrs. Gene King, 5217 Emerson Avenue.

Clothing and bedding were strewn over the floors at the house when a reporter visited it June 14, the day after the raid. Lamps, tables, a record player and television set had been smashed and an oil painting slashed. Baseboards, ceilings and wall panelings were severely damaged.

After that incident the legal adviser to the Bureau of Narcotics and Dangerous Drugs in Washington said that agents may use "reasonable force" when they are authorized to make a search and if it is necessary in executing a search warrant.

If excessive force has been used, Louis F. Bussler said, the Government is responsible for reparations.

Heroin was found in the raid on the King home, former United States Magistrate Garnet Taylor, who issued the search warrant, said.

Last November, attorneys for the American Civil Liberties Union of Eastern Missouri filed suit on Mrs King's behalf. The suit, filed in St. Louis Circuit Court, sought $18,395 in damages.

It charged that Dennis W. Harker, Kenneth R. Bloemker, Dennis R. Moriarty and other unknown agents "engaged in a personal vendetta of wanton destruction of property and personal effects."

The suit charged that the "deliberate, wanton and willful destruction" was not necessary for discovery of evidence and constituted an unreasonable search and seizure in violation of the Fourth Amendment.

Fred Epstein, president of the ACLU of Eastern Missouri, said that the suit is stymied because of the difficulty of serving summons on the three defendants.

"The federal people have some sort of rule against any of their employes accepting a summons from a sheriff on government property and they will not give out the home addresses of the three agents," Epstein said.

"So here we are about six months later and can't get the suit underway. It is a very peculiar condition," he said.

[From the St. Louis Post-Dispatch, Apr. 26, 1973]

DRUG RAIDS APPEAR TO VIOLATE U.S. RULES

(By Curt Matthews and Ted Gest)

Drug raids made at two Collinsville homes Monday night by pistol-brandishing federal agents dressed as hippies apparently were conducted in a manner that violated established federal procedures, the Post-Dispatch has learned.

The raids apparently were made by mistake at the home of Mr. and Mrs. Donald Askew, 313 Garnet Street, and Mr. and Mrs. Herbert Gigliotto, 1003B Arrowhead Drive, by agents of the Drug Abuse Law Enforcement program based here.

United States Attorney Daniel Bartlett Jr. and Frederick J. Dana, acting attorney in charge of the antidrug program here, both refused to comment on the raids. Both said they had received instructions "from Washington" to say nothing about the matter, which is to be investigated by a team from the capital.

Myles J. Ambrose, special assitant attorney general in charge of the antidrug program, said eight months ago, "under no circumstances will I permit my agents to violate anyone's constitutional rights. Preserving those rights is the greatest responsibility of law enforcement officials. I believe that firmly."

Ambrose has ordered the investigation of the drug raid in which the Collinsville families were terrorized at gunpoint by agents.

A high law enforcement official here, who works with the anti-drug unit, said that a source had told him that the raid was either based on an incorrect tip from an informant or on correct data that the agents misinterpreted.

Edmund C. Irvin, chief agent of the antidrug unit, was out of the area when the raids took place.

Gigliotto said that he and his wife were sleeping when agents "dressed as hippies" broke down the door, "came into the bedroom and put a gun to my head and said they were going to shoot me."

Askew had a similar report. He said, that after the agents had broken through the back door of his home, he "thought they yere some sort of motorcycle gang. All the while they pointed guns at us and my wife fainted," he said.

The Askews have filed suit in United States District Court in Springfield, Ill., against the Federal Government as a result of the raid, charging that their civil rights were violated. The suit, filed yesterday, charges the Government also with assault and false arrest.

Federal officials in Washington have said that the St. Louis unit of the anti-drug agency was the only one of the 38 similar offices around the country to be the subject of complaints about raids allegedly conducted with undue force.

A suit against three antidrug agents was filed last November by the American Civil Liberties Union of Eastern Missouri after a drug raid in July in which the homeowner charged that the agent engaged in wanton destruction. Similar charges were made after an antidrug raid on another northside home in December.

Robert Feldkamp, special assistant for public information for the agency, said that the agency's 300 officers were guided in their drug search and seizure operations by written manuals that point out the importance of preserving constitutional rights.

Feldkamp said that the Drug Abuse Law Enforcement officers, drawn into the agency from the Bureau of Narcotics and Dangerous Drugs in the Department of Justice, received training on the proper procedures to follow in executing search and arrest warrants. Feldkamp said the purpose of the training and of the manual for operations was to assure that the rights of innocent persons were not violated.

The antidrug agents broke into and rummaged the Askew and Giglotto residences without identifying themselves as police officers or presenting warrants for search or arrest, the families said.

The Fourth Amendment of the Constitution, the basis for establishing deferal procedures for police searches and seizures, says:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated."

The Fourth Amendment provides that no search warrants will be issued by Government authorities or the courts unless law officers have "probable cause" to believe that a search is necessary to prevent a crime or gather evidence of a crime. To obtain a search warrant, police officers must state under oath that "probable cause" exists and describe in detail the place to be searched and the persons or things to be seized.

Feldkamp said yesterday that one matter under investigation was whether or not the antidrug agents who took part in the mistaken raids obtained search warrants.

He pointed out that in some cases antidrug agents did not need warrants and could enter private residences on the basis of "probable cause" or evidence that announced entry would result in the destruction of evidence or physical harm to the police officers.

Feldkamp said that the question of who ordered the raid Monday night and the circumstances leading up to it were matters that would be covered in the investigation of the incident.

Charles Morgan, director of the national office of the American Civil Liberties Union in Washington, said that the normal procedure for executing search warrants is for police officers "to knock on the door and present the warrant." (Only the District of Columbia has passed a "no-knock" law that permits officers to enter without announcing themselves to seize suspects or evidence.)

Morgan points out that the law officers handbook says that only when law officers have "probable cause" to believe that announced entry will make the search ineffective or bring harm to the investigating officers, is the constitutional bar of unannounced entry lowered. Probable cause, when used for justification of a search, must subsequently be demonstrated in court proceedings.

Assistant United States Attorney Jerry Murphy, who is in charge of the St. Louis office of the antidrug agency, has made no comment so far about the Collinsville incident. Murphy has been in Washington conferring with justice department officials all week, according to Feldkamp.

St. Louis Police Chief Eugene J. Camp, nine of whose men are detached from the Police Department to serve on the antidrug unit, said that he had not been informed of the Collinsville raids. The Collinsville police chief was not consulted or informed either.

"If what I read about the (Collinsville) raids is true," Camp said, "I could not condone that activity."

Camp said that St. Louis policemen had made erroneous raids on occasion. In those cases, he said, the policemen could only apologize and offer to pay damages.

A United States Supreme Court decision in 1971 gave private citizens the right to sue federal officials for damages in improper raids.

The St. Louis operation of the Drug Abuse Law Enforcement office is one of 38 city offices throughout the United States that were established last year after President Richard M. Nixon signed an executive order creating the agency in January 1972.

Murphy and Dana in the St. Louis office report directly to a regional office in Kansas City one of nine regional offices. The Kansas City office is directed by Robert Elliott who reports directly to Myles Ambrose in Washington.

"The idea behind DALE is to provide leadership in the prosecution of persons engaged in drug traffic," Feldkamp said. "Lawyers direct the program and take a case from beginning to end—from the arrest and gathering of evidence, through the grand jury, to prosecution and conviction."

Feldkamp said that in addition to the involvement of lawyers from the Justice Department, the DALE operations used lawyers assigned temporarily from such federal agencies as the Bureau of Customs and the Internal Revenue Service.

The antidrug program involves, in addition to the 300 agents drawn from the Bureau of Narcotics and Dangerous Drugs, about 1000 state and local police officers and about 175 assistant U.S. attorneys.

In 38 of the cities where Dale operations are carried on, grand juries have been empaneled to consider only evidence related to traffic of heroin and cocaine.

[From the St. Louis Post-Dispatch,
Apr. 27, 1973]

TERRORISTS IN COLLINSVILLE

The outrageous "drug" raids on two innocent Collinsville households by pistol-brandishing federal agents attired as hippies merits the strongest possible condemnation. There is simply no excuse for the Nazi-like tactics employed by the operatives of the Drug Abuse Law Enforcement program based in St. Louis, and anyone found to have had a hand in directing it ought to be fired.

Unfortunately, what these people did seems to reflect the cavalier attitude of the Nixon Administration toward civil rights. It is said that the raid was either based on an incorrect tip from an informant or on correct data that the agents misinterpreted. Mistakes can be made, but it seems to us that an agency with any sense of responsibility before the law would have been more certain of what it was doing before its representatives broke down the doors of innocent citizens' homes in the hours of darkness and terrorized the occupants.

The hapless victims of these ruffians naturally did not know what to make of it all. One victim said the violent intruders put a gun to his head, handcuffed his wife and himself, tore up his house and "acted like animals." They flashed some sort of badge at one point, but did not identify themselves as federal narcotics agents until they had finished their search. No one seems to know, or will say, whether the raiders had search warrants; if they did, they did not display them.

The special assistant attorney general in charge of the DALE office in Washington, Myles J. Ambrose, has sent a federal team to St. Louis to make an investigation of the incident, and has ordered the lawyers in the St. Louis headquarters to remain silent until that is completed. No doubt Mr. Ambrose's order was welcome to those responsible for the raids; who wants to have to acknowledge his own stupidity?

The St. Louis office of the DALE program is one of 38 established last year to take the lead in the apprehension and prosecution of persons engaged in the drug traffic. The program has had a certain amount of success, but it obviously will not take many incidents like those in Collinsville to wreck it. Washington officials say the St. Louis unit is the only one to have been the subject of complaints, which gives this community a black eye.

When innocent citizens are not safe in their homes at night from government thugs, this is not America. Let us hope that the incidents are isolated, that they will not be repeated, and that those found to be guilty of instituting these Nazi-like measures be dismissed from the federal service.

[From the St. Louis Post-Dispatch, Apr. 27, 1973]

ARRESTED BY ERROR AS DRUG PUSHER, IS TRIED FOR ASSAULTING U.S. AGENTS

(By Linda Eardley)

Agents of the Drug Abuse Law Enforcement agency, who raided two Collinsville homes Monday night apparently by mistake and terrorized the occupants, made another mistaken identification last October of a man they suspected was a drug pusher.

The suspect, a clerk at City Hospital who had no previous trouble with the law, scuffled with the agents, not knowing who they were. He subsequently was placed on probation for assaulting them, although they conceded he was not the drug pusher they were looking for.

The clerk, Sterling Bell Jr., 4711 Thrush Street, was on his way home from work on Oct. 17 when the agents stopped him. Bell said they did not clearly identify themselves and used obscenities. When Bell resisted, there was a fight and Bell and an agent were injured.

Bell was charged with assault.

Bell pleaded guilty Dec. 18 to assaulting a federal officer in United States District Judge James Meredith's court and was found guilty Jan. 23 by St. Louis Circuit Judge Carl Gaertner on a reduced charge of common assault on a St. Louis policeman.

"I admit I hit them, but I was doing it in self-defense," Bell said. "At the time I didn't realize they were narcotics agents."

Donald Asked, 313 Garnet Street, and Herbert Giglotto, 1003B Arrowhead Drive, both of Collinsville, whose homes were raided Monday by federal agents, said they did not realize the men were policemen.

Both said the men were dressed like hippies, used obscenities, did not clearly identify themselves and brandished pistols. Askew and Giglotto said that if they had had guns, they would have used them against the men in self-protection.

Bell, 29 years old, is on five years probation for the assault convictions. He had no previous arrests. He is a student in pre-dentistry at Southern Illinois University at Edwardsville and works as an admitting clerk at City Hospital. He is married and has three children.

Bell described the incident with the narcotics agents: "I had just got off work at 3:30 p.m. and I was walking to my car. I heard some guy hollering 'Hey, hey!' I turned and saw this man. He said, 'You no-good . . . son-of-a-bitch, I want some identification.'

"I said 'What?' and he repeated the same thing. I asked 'Who are you?' and he flashed a gold badge and said something I didn't understand. He seemed very nervous and excited. We were standing in front of Malcolm Bliss Mental Hospital and I thought he was some sort of nut from there.

"I turned to walk away. He grabbed me by the shoulder and cocked his fist like he was ready to swing. I beat him to the punch.

"The next thing I knew I was jumped by four other guys. None of them had on uniforms. They got me on the ground, hit me, kicked my head and I kept asking, 'Who are you?'

"Then they put handcuffs on me real tight. It hurt. I gritted my teeth and bit one man's ear. Then I realized if they had handcuffs, they must be police. So I said 'Okay, okay,' and gave up.

Bell was treated at City Hospital for a cut above his left eye, and Ronald Olive, a detective in the St. Louis Police Department, lost a piece of his ear. Olive is assigned to the federal drug unit.

Bell said he then was taken to an office where the agents questioned him about selling narcotics. He said they beat him with blackjacks. He subsequently was charged with assaulting a federal officer and assaulting a police officer with malice and intent to maim.

A month ago Olive filed suit against Bell for $20,000 damages for injury to his ear.

Frederick J. Dana, the attorney for Drug Abuse Law Enforcement who prosecuted the cases against Bell, denied that the agents had used obscenities. He said the agent who approached Bell, Michael Hillebrand, clearly identified himself orally and by showing his badge.

"He (Bell) matched the description of the man we wanted, both physically and in manner of appearance," Dana said. "They went out to talk to him and he started swinging."

Besides Olive and Hillebrand, the agents involved in the incident were Dennis R. Moriarty, Donald Trentham, Gene Crosby and David Swan. Trentham, Crosby and Swan also are members of the St. Louis police department.

Moriarty is believed to have been involved in the Collinsville raids. He and two other agents from Drug Abuse Law Enforcement have been charged with "deliberate, wanton and willful destruction" in a suit filed by the American Civil Liberties Union in connection with a drug raid last June at the home of Mrs. Gene King, 5217 Emerson Avenue.

Bell's attorney, Richard L. Turner, said he would look into the possibilities open to his client for suing the agents for their alleged behavior.

Mr. and Mrs. Askew have filed a $100,000 suit in U.S. District Court Wednesday against the Federal Government charging assault, false imprisonment and violation of their civil rights. Mr. and Mrs. Giglotto also are considering taking legal action.

The Giglottos visited the Drug Abuse Law Enforcement office yesterday. They said they received apologies but no explanation.

Myles J. Ambrose, special assistant attorney general in charge of the Drug Abuse Law Enforcement program, dispatched an investigator from Washington to find out what happened in the Monday night raids. A spokesman for Ambrose said in Washington today that he did not know whether the investigator's report to Ambrose would be made public.

Federal officials in Washington have said that the St. Louis office of Drug Abuse Law Enforcement was the only one of 38 such units around the country to become the subject of complaints about raids allegedly conducted with undue force.

Drug Abuse Law Enforcement, an agency under the Department of Justice, was created last year by executive order of President Richard M. Nixon.

The entire program involves about 300 agents from the Bureau of Narcotics and Dangerous Drugs, about 1000 state and local police officers and about 175 assistant U.S. attorneys.

[From the St. Louis Post-Dispatch,
Apr. 28, 1973]

WARRANT IN DRUG RAIDS

(By Curt Matthews)

WASHINGTON, April 28.—An arrest warrant was issued by a United States magistrate in the St. Louis area authorizing the drug raid last Monday night in which federal narcotics agents invaded, apparently mistakenly, the homes of two Collinsville families.

Robert Feldkamp, the information officer for the Office of Drug Abuse Law Enforcement in Washington, confirmed yesterday that a federal magistrate had issued the warrant, but said that further details would have to come from Jerry Murphy, the assistant United States Attorney in charge of the anti-drug agency's office in St. Louis. Murphy, however, said he was under orders—to say nothing about the case.

The officers who conducted the raid failed to present search or arrest warrants, according to the two couples whose homes were invaded.

Donald Askew, 3313 Garnet Street, said he had asked the officers for identification and a search warrant after they had completed a search of his home, but was told by the officers that they did not have a warrant.

Mr. and Mrs. Herbert Giglotto, 1003B Arrowhead Drive, said the officers who entered their home were dressed in casual clothes and did not identify themselves as law enforcement officers until after a search of the home had been completed.

Both couples were held at gunpoint and Mr. and Mrs. Giglotto were handcuffed as the officers searched their home.

Myles J. Ambrose, assistant attorney general in charge of the Drug Abuse Law Enforcement office within the Justice Department, has ordered an investigation of the incident. An inspector from the Office of Inspection within the Justice Department's Bureau of Narcotics and Dangerous Drugs is in St. Louis looking into the raid.

Feldkamp explained yesterday that the Office of Inspection examines and audits all operations in the field of drug abuse law enforcement.

The inspector arrived in St. Louis on Wednesday and was expected to confer with Murphy, who was in Washington earlier this week and returned to St. Louis Thursday.

Feldkamp said he did not know whether the full report or even parts of it would be made public.

A manual of procedures to be followed by the antidrug agency's officers, which includes sections on the proper conduct of lawful searches and seizures, will not be made public, Feldkamp said.

He did not know under whose authority the manual was made confidential within the Government, but said he had been assured that all sections dealing with search and seizure conformed to federal, state and local laws.

Under the Fourth Amendment of the United States Constitution, "unreasonable searches and seizures" are prohibited. The Constitution provides that normally before a search can be conducted law officers must first obtain a warrant for search or arrest from a federal court or magistrate (a special officer of the court).

To obtain a warrant for entering private property to conduct a search or make an arrest, police officers must describe in detail the place to be entered and precisely whom or what they are after.

[From the St. Louis Post-Dispatch, Apr. 29, 1973]

VICTIMS OF RAIDS DESCRIBE ORDEAL

At about 9:30 last Monday night, Herbert Giglotto, 29 years old, a construction worker, and his wife, Evelyn, 28, were in the bedroom of their apartment at 1003B Arrowhead Drive, Collinsville. A sudden loud noise aroused Giglotto, and he found himself the chief suspect in what turned out to be a mistaken raid by federal narcotics agents.

A short while later, Donald Askew, a contractor and his wife underwent a very similar experience in their home a few blocks away at 313 Garnet Street, Collinsville.

Federal narcotics agents attached to a group known as Drug Abuse Law Enforcement have refused to say anything about the two raids, even to acknowledge that they made the raids. The two families have not been reticent, however. In tape-recorded interviews with Post-Dispatch reporter Linda Eardley, the Giglottos and Askew described their experiences. First the Giglottos:

Giglotto: We were sound asleep and at 9:30 we heard a noise and a loud bust, and I got about three steps out of bed, and I went and looked up the hall, and about that time I saw five men, all with pistols. One had drawn one, and he cocked it to my head and threw me down.

They threw me down on the bed on my stomach and put handcuffs behind my back and pointed a pistol and says, "You so-and-so, you move, you're dead. I'm going to shoot you." And my wife started screaming, "Don't shoot him," and then he took the gun and put it to her and said, "You shut your mouth."

Mrs. Giglotto: There was a lot of screaming and hollering. It seemed like they were all yelling different things.

Giglotto: I know one thing he said—"Where's it at?" And all of a sudden he had the gun, and he handed it to me and said, "I'm going to kill you, you so-and-so." And I said, "Please check my identification before you do anything."

It happened so fast, and I said, "I'm Herbert Giglotto," and then he says, "Who is that, uh, . . . in the bed." I said, "That happens to be my wife, and that happens to be her bed." He proceeded to use foul language to her and myself.

When they finally realized they made the mistake, they couldn't get the handcuffs off because I'm stockily built, and it took about five minutes to do that. While they were taking them off they still had the pistols at my head. Once they got 'em off, I said was it all right to put my pants on. I reached for my pants and they ripped my pants. They grabbed them and yanked them out of my hand. He said, "I told you not to move."

As they were leaving the house I walked downstairs and I said, "Sir can you explain to me? You just kicked in my door, threatened my life, my wife's—you know, it was terrible. Can you explain to me why you did this"

And he pointed at me and said, "Shut your mouth, boy."

Mrs. Giglotto: I was in a nightgown, a negligee-type thing, and I had to ask to be covered. At one time there were about 15 men in our bedroom, all dressed like hippies. They looked terrible.

When they had my husband on his back, they did bring out some kind of a badge, and I don't know what he expected my husband to do because he had the gun to his head, and he flashes this badge in front of my husband. Well, of course the only thing he's looking at is the gun.

Giglotto: Before they even asked me who I was or tried to look for identification, they ransacked the whole upstairs. They didn't care about nothing. And that one person acted like a flat maniac. This man acted terrible. He was the only one who wasn't dressed like a hippie. He was dressed with a London Fog coat.

Mrs. Giglotto: A short jacket. And he had on nice sports pants. He had blond hair that was short cropped. Every time my husband would turn, the man would said, "Don't move or I'm going to kill you."

Giglotto: And another thing. When they were coming up the steps, the first thing I thought of was them hippies coming back and going to kill my wife, and I said, "Oh, God, we're dead." And that's when they hit me—knocked me down—and put the gun on my head and to my wife. They had my wife in the same position as I was, which I couldn't hardly endure the pain.

Mrs. Giglotto: He was laying on the bed this way, and I was laying on the bed this way. And when they released me and let me up so I could sit up and cover myself, and that's when I was able to see what was going on a little.

I think the reason they didn't get to the downstairs so bad is because they had gone through some papers. Bank book, wasn't it honey? And we had some insurance papers we had just received that had our names and addresses and so forth on it. There was kind of a murmur—someone came upstairs, and the guy said, "Well, we have the wrong people," and they did not apologize.

Giglotto: We had some clown in my basement.

Mrs. Giglotto: Yes, this is ridiculous.

Giglotto: This ain't funny. Its ridiculous. I got all my working stuff—I wear a hard hat—and he put my hard hat on and he comes around and sneaks around the house.

Mrs. Giglotto: They were so quiet our dogs didn't even bark. We have three dogs, and the dogs didn't even bark. We have a beagle that you cannot walk on the gravel without him barking, especially at night. They were just so quiet.

We didn't get to see exactly what was happening because we were not in a position, and everything was going on so fast. But they broke a few things. They broke a television, books are scattered all over, clothes were pulled out of my closet, the Polaroid camera's broken.

Giglotto: They scratched the furniture up.

Mrs. Giglotto: I've got a Thomasville furniture set and its' scratched, a bookcase that's broken. It's just a mess. It's unbelievable.

Giglotto: They broke an antique left there. We had an antique like a dragon. It's priceless. You don't know the value of it.

Reporter: Did they mention any names of the people they were looking for?

Giglotto: Yeah, they mentioned them. They was just screaming. All I seen was the barrel of that pistol. That's all I could see and that's all I can see now.

Mrs. Giglotto: They told us they had our house under surveillance for three weeks. It was impossible that they could have made that kind of a mistake and had our house under surveillance for three weeks. And that's when the man told my husband, after he had him handcuffed and everything, he said, "We've had this place under surveillance for three weeks, and don't you lie to me, boy."

Giglotto: I go to work in the morning. I come home from work filthy because I work inside of a boiler, and I don't know what possible thing he thinks I could be doing in the daytime you know. There is no possible way I could, you know . . . It's just all a big, bad mistake.

Mrs. Giglotto: And there was no apology. All you heard was this boy saying: "I think we made a mistake." And there was no apology when they left. They did not show us a warrant. They did not say anything. They just left the house. They left the house open.

I was crying and all upset. I couldn't find my animals, and they threw one—I've got a 5-month-old puppy, very—large—but they put him on a back porch that has an open railing. No light on. The dog could just walk right over the railing.

Reporter: Do you have any idea how long this incident lasted?

Giglotto: To me it lasted like forever with that pistol, but I imagine it lasted from 15 to 20 minutes. To have a pistol at your head for that amount of time . . .

Mrs. Giglotto: If this is what is protecting us, then we all, all the normal everyday man, woman and child, then we are in very bad trouble.

Reporter: Didn't you say that you were contacted by some federal agency the day afterward?

Giglotto: Yes, they sent two young men out the next day to take an appraisal for what damages they did. They were very polite. And that's when it started getting to me, and I realized when they were talking, and my wife mentioned a few things. I don't think the impact of what they did to our lives—and what they did—all they were interested in was how much to replace the bookcase, and how much does it cost to repair the television.

I'm excitable anyway, and I just said the damage is done to me and my wife.

Mrs. Giglotto: They haven't made any offers. They said they would pay for damage, but they haven't made an offer. We didn't jump up and say we're going to sue or we're going to do this or that. We're trying to be decent about it, which is more than they did.

Giglotto: They said they got the bad job. They got the apologetic job. I said why don't you send that man—that deranged man with that pistol to my head—why don't you send him out here for the apology? He's the man that should be coming to apologize, I said, not you.

They had the dirty job, the talking and apologizing. But once, if I'd had a gun or if I had made one move I'm a dead man, and all my wife has got is the memory of myself, and the Government says, "I made a mistake ma'am, your husband's dead." That's all my wife's got. Or they just could have killed my wife. It's simple. When you've got a pistol cocked into someone's head, all it takes is a slight move of one or two persons, and you're dead. It's as simple as that.

I made a comment. I don't know if I should say it. I'd think we lived in Russia.

Mrs. Giglotto: I'll never forget his face as long as I live. Joey (her husband) is trying to look up at him when he's talking to him, and he's telling him not to move. By this time I'm up and I watched him and this man had sweat pouring down his face, and he was shouting and very maniac-type of a . . .

Giglotto: He was the one who was all excited and all that.

Mrs. Giglotto: The rest of them were fairly cool, but he was the one that was doing all the yelling and screaming.

Reporter: All through the deal, they were obscene in their language, nasty in their manner?

Giglotto: Nasty, period. They were just nasty.

Mrs. Giglotto: They were just gross and rude.

Reporter: They didn't approach anything you would think would be the behavior of a federal agent?

Giglotto: They approached me for what they looked like.

Mrs. Giglotto: They acted like what they looked like.

Giglotto: Like animals.

Reporter: There are some people who always criticize the police. Were you one of these?

Giglotto: If the officers conducted themselves like the police chief of Collinsville there would be no trouble whatsoever.

Mrs. Giglotto: They're very necessary people. We're not down on them. Its just that . . .

Giglotto: There should be an older man, more mellow, who's got some say-so and and not let a bunch of radical kids run around thinking they're tough because they got pistols. If you're tough, you're tough. You don't need a pistol.

I wish in Washington that they would investigate this and make sure this doesn't happen to another couple. Next time they might not be so lucky. You end up with a couple of dead agents, and a widow with a couple of kids.

Reporter: We certainly do appreciate your coming here.

Giglotto: We've been in the home for two days, and we just had to get away from it today.

Mrs. Giglotto: I had to get out of it because I was getting too depressed.

Giglotto: We might stay at a motel, you know, just stay away from it. Let somebody take care of the dog and go away for a couple of days.

DONALD ASKEW'S STORY

It was about 10 o'clock or 10:15. My boy and I had just come home from work. We were eating supper, and the dog started raising all kinds of heck at the living room window, really violent-like.

My wife ran in there to see what was going on and she says, "My God, there's a man out here at the window." By this time there was somebody at the kitchen door so I got up and went over there and pulled the curtain apart and seen this guy standing there with a riot-gun or a sawed-off shotgun. I don't know the difference. There was one guy standing next to him and another guy at the storm door.

So I held the door and locked it and said, "Get the God damn hell out of here." And then my boy jumped up and yelled at them, "My God, what's the matter with you guys?" and ran in the other room.

They were hippie looking, long-haired and dressed like my boy. I figured my boy had been in a fight or something and they were going to shoot him.

I was holding the door and they kicked it, so I hollered to my wife, "Go call the police." So she went into the living room to pick up the phone and there was a man at that window with a gun and he said, "Don't call the police." So then she ran into the bedroom where my boy was at and she fell on the bedroom floor and passed out just a short while.

Then my boy picked up the phone and they said, "Leave it alone, boy," or "Put it down, boy," something like that.

By this time this guy on the porch—I had the curtains pulled back—he pulled out a badge, just a round gold badge, that said Special Agent and he says, "We're special agents."

I looked at him kinda funny, I didn't know what to think, so I unlocked the door. When I turned around there was this big guy with a riot gun standing in the hallway. He kicked in the other door while I was distracted trying to hold the kitchen door shut.

I told them, "I could buy a badge like that in the dime store." I didn't know what to think.

Then my neighbors came over, Arnold Blass and Jack Freiberg, and said, "What's going on?" I said, "Jack, get the police out here," and I didn't know it at the time, but there was 20 more of them outside, plus the four or five inside with guns.

My wife sat down in the living room with her head leaned over and said, "Don, I can't breathe." One guy says, "Don't worry, we're really federal agents. Don't worry, take it easy."

She says, "What do you want?" He said they were looking for a man named . . . and it had been reported he was staying here.

Reporter: By this time were you starting to believe they were really federal agents?

Askew: I really didn't know for sure. But by this time they had walked through the house and out and that was it. They were in the house 10, maybe 15, minutes.

Reporter: Did they disrupt anything?

Askew: No, outside of kicking my door down. They didn't touch nothing. Nobody said anything besides that one man. They didn't use no bad language. They treated us very respectful after they . . . scared . . . us. They said they got a bad tip.

They asked for no identification from me and my wife and my boy. I asked for more identification, and the one guy pulled out the badge and said, "That's it, nothing else."

He gave me a phone number. We called it the next morning and it was the Bureau of Narcotics and Dangerous Drugs. Our attorney talked to a man there. He said to send them a bill for damages and they would pay.

After they left I went to see Chief Cigliani (Collinsville police chief Paul Cigliani). I had to wait for three of the agents to come out of his office. They came out, passed by me and didn't say a word.

The chief told us, These men were really federal agents. I don't approve of their tactics, but that's the way they do it."

Reporter: During the search were the men pointing guns at you?

Askew: No, they wasn't pointing guns, but they was holding them like this, kinda dropped down.

Reporter: Did your neighbors watch the whole incident?

Askew: Arnold and Jack were next door at Arnold's house. They (the agents) stopped Jack and frisked him before they got to my house.

Arnold is just as shook up as I am. He said if he would've had a gun, he would've started shooting. I don't keep a gun, but if I would've drawn one on them, I know one of those fellows would've shot me.

Reporter: How has this incident affected your life these past few days?

Askew: In a lot of ways. I can't get no rest. My business has really suffered. Plus my reputation. People see my name associated with drugs and they jump to conclusions. My wife is going today to her mother's for awhile. She's had a lot of problems with her nerves anyway.

Let me say this, if they would have accomplished any good by these tactics, I would've gladly moved out and let them tear my house apart to get it—that's the way I feel about narcotics.

[From the St. Louis Post-Dispatch, Apr. 29, 1973]

FBI INVESTIGATING RAID VICTIMS

(By Linda Eardley)

The phone finally had stopped ringing Saturday and Mr. and Mrs. Herbert Giglotto were beginning to unwind. They were relaxing in their back yard and they felt good for the first time since Monday night when their lives had been threatened and their home raided by federal narcotics agents.

Then they received a phone call that ruined their day.

"It was my father," Giglotto said. "He said FBI agents have been visiting my old friends and neighbors asking them questions about me. Questions like what kind of a guy am I, have I ever been in trouble, where can they get in contact with my ex-wife.

"They're trying to discredit me. If they keep going around asking about me, people are going to get the impression that I am mixed up with something. This is going to affect my family, my job, everything I've tried to work for."

Giglotto said he had been told that the harassment would occur, but he did not expect the Government to be "that lousy that fast."

"The FBI is a very powerful organization and I guess they're trying to create suspicion or dig up something from my past. But I've never had anything to do with drugs.

"And that stuff about my ex-wife. That should never be brought out. She's got her life to live. We've got our new lives. This is going too far. We're not the ones who made the mistake. What kind of a place do we live in?"

Mr. and Mrs. Giglotto said they had received an apology Thursday from the Drug Abuse Law Enforcement office here for the mistaken raid.

"Now we feel they owe us a public apology," Mrs. Giglotto said.

[From the St. Louis Post-Dispatch, Apr. 29, 1973]

DRUG RAIDS EVOKING PRIVACY RIGHT ISSUE

(By Curt Matthews)

WASHINGTON, April 28.—When Federal narcotics agents mistakenly stormed across the thresholds of two homes in Collinsville, Ill., last Monday, they may have trampled a sacred right—the right to privacy.

The agents, members of the Drug Abuse Law Enforcement (DALE) office in St. Louis, possessed an arrest warrant and apparently were searching for someone engaged in drug traffic.

However, the blunder of invading the wrong homes, plus questionable conduct by the officers engaged in the raids, has prompted a lawsuit against the Federal Government and an investigation of the incident by the Bureau of Narcotics and Dangerous Drugs in Washington.

"A man's home is his castle, and his assurance of privacy against the world," Supreme Court Justice William O. Douglas wrote in a book entitled "The Living Bill of Rights."

In the book, Douglas quoted an early English philosopher, who said: "The poorest man may in his cottage bid defiance to all the force of the crown. It may be frail—its roof may shake—the wind may blow through it—the storm may enter, the rain may enter—but the King of England cannot enter."

Assuming more power than the King of England, the band of narcotics agents who descended on the two residences in Collinsville entered the homes unannounced—in one case breaking down a door—and searched the residences while holding two innocent couples at gunpoint and in handcuffs.

The fourth Amendment of the Constitution states:

"The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, shall not be violated."

The drafters of the Constitution recognized that the term "unreasonable" was subject to interpretation and so in the same amendment they set down the ground rules for a reasonable search.

If the government has strong reason to believe that a search is necessary to maintain order and serve the public interest, the Constitution provides that a warrant—that is, an order from a court officer—shall be issued authorizing a search or arrest.

But the Constitution states, "No warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized."

Although a spokesman for the office of Drug Abuse Law Enforcement in Washington said Friday that an arrest warrant was issued prior to the Collinsville raids, they have refused to disclose who issued the warrant or what "probable cause" was sworn to by the agents.

The DALE officers who took part in the raids failed to present a search or arrest warrant even after they had searched the homes, according to the two couples who were accosted in their residences.

Neither the DALE office in Washington nor Jerry Murphy, the special United States attorney in charge of the DALE office in St. Louis, has so far disclosed any information about the issuance of the arrest warrant that reportedly served as the basis for the raids.

One purpose of requiring law officers to obtain court warrants prior to a search or seizure is to create a public record of the rationale behind the government's action.

However, as one Washington lawyer familiar with government operations points out, "there still may be some legitimate interest on the part of the government justifying secrecy about the details of the arrest warrant. For example, to name the person sought in the warrant would alert that person to avoid the police and make apprehension more difficult."

Murphy acknowledged last Thursday that the legal subtleties of the Fourth Amendment are an integral part of the daily operations of the DALE office, since so much of the agency's work involves the search for contraband drugs.

"The Fourth Amendment is a very complex area of the law," Murphy said.

His comment is supported by the recent docket of the Supreme Court. The high court has heard arguments in three "search and seizure" cases already this year and is expected to render decisions soon.

Moreover, under the title of criminal law and procedure on the Supreme Court's docket, there are more search cases listed—over 100 each year—than any other criminal law case.

The problems of law raised under the Fourth Amendment by seemingly routine acts by police officers are illustrated by the questions presented in three case now before the Supreme Court:

(1) Must police officers advise the owner of an automobile prior to a search that he has the right to refuse access to his car?

(2) May police officers scrape beneath the fingernails of a murder suspect without first obtaining a search warrant?

(3) Is it an unlawful search for a police officer to open the trunk of an automobile if he stops the driver for drunken driving?

Earlier this year the Supreme Court decided not to rule on a case in which a resident of California maintained that it was unlawful for police to rummage through trash he had placed at curbside—but still on his property—to be picked up by city collectors.

Although such questions are far removed from that at issue in the raids in Collinsville, the guarantees of the Fourth Amendment apply in all cases since they require the government to have specific and detailed warrants for searches.

In 1914, the Supreme Court ruled that if federal officers seized evidence illegally, then it could not be introduced in federal courts. In 1961, in a case that originated in Cleveland, the high court extended this rule under provisions of the Fourteenth Amendment to state and local courts. In effect, the court barred "official unlawfulness" in the gathering of evidence under the rationale that two wrongs do not make a right.

Not only must law officers obtain warrants prior to a lawful search, but they must be specific and detailed in requesting the warrant according to another high court decision handed down several years ago.

A Texas court had issued a warrant for search on the grounds that law officers wanted to seize "Communist Party literature." The defendant in the case, a San Antonio bookseller named John W. Stanford, claimed that the warrant was too vague in describing the place to be searched and the things to be seized.

The high court upheld Stanford's appeal. In the court's opinion, Justice Potter Stewart looked to the American revolution and the causes behind it in referring to "those general warrants known as writs of assistance under which officers of the crown had so bedeviled the colonists."

Historians have said that the general warrants—broadly worded court orders giving great powers to police and military authorities—goaded patriots in Boston toward rebellion in the 1770s.

Stewart said: "the Fourth and Fourteenth amendments guarantee to John Stanford that no official of the state shall ransack his home . . . under the unbridled authority of a general warrant."

[From the St. Louis Post-Dispatch, Apr. 30, 1973]

No Raid Warrants, United States Now Admits

(By Robert L. Joiner and Curt Matthews)

Two abortive narcotics raids on homes in Collinsville last week were made without search or arrest warrants, the Drug Abuse Law Enforcement office said today in Washington.

Reversing an earlier statement, a spokesman for the agency in the Department of Justice said he made "an out-and-out error" last Friday when he told the Post-Dispatch that an arrest warrant had been obtained from a federal magistrate prior to the raids.

Agents who conducted the raid in Collinsville last Monday night invaded the wrong homes and terrorized the residents. One of the two families has filed a $100,000 civil suit against the Government.

Senator Charles H. Percy (Rep.), Illinois, said today he was "shocked and appalled by the storm-trooper tactics" used by the agents involved in the two raids, and said he was asking for a personal report from Myles J. Ambrose, special assistant attorney general in charge of the Drug Abuse Law Enforcement office in the Justice Department.

Percy said also that the Collinsville incident would be brought up at Senate hearings scheduled May 18 in Chicago. The subcommittee on government reorganization is considering a recommendation by President Richard M. Nixon for establishment of a drug enforcement office within the Justice Department.

Robert Feldkamp, a spokesman for the enforcement office, said that a preliminary report on the Collinsville raids had been received in Washington today. Ambrose, who was in New York and is returning to Washington, was expected to review the report late this afternoon.

It is not known when he will make a statement after seeing the report, although Feldkamp has said repeatedly that such a statement would be made. One source indicated that Ambrose might go to St. Louis to discuss the incident. He told reporters yesterday that the matter "has the highest priority" at agency headquarters in Washington.

Feldkamp said today he erroneously reported that an arrest warrant had been obtained prior to the raids because he had been led to such a conclusion by Jerry Murphy, special United States attorney in charge of the enforcement agency's office in St. Louis. "There apparently was just a lack of communications," Feldkamp said.

One purpose in requiring law officers to obtain search and arrest warrants is to avoid mistakes such as that which occurred in Collinsville.

Search and arrest warrants are issued by a judge or magistrate only after the police present justification for a search or arrest and describe in detail the place to be searched and the property or person to be seized.

Meanwhile, the credibility of DALE officers is now being questioned as a result of recent narcotics raids in which agents mistakenly searched the wrong homes and terrorized the occupants, according to Judge Theodore McMillan of the Missouri Court of Appeals at St. Louis.

"In his zealousness to enforce the law, an officer shouldn't be the one to break it," McMillian said. "These events make the credibility of these officers an issue. Jurors and law enforcement people will be slow to accept their credibility."

In addition to the Collinsville raids, DALE agents made an apparent mistaken identification of a man who they suspected of selling drugs.

In the two recent raids in Collinsville, the homes of Donald Askew, 313 Garnet Street, and Herbert Giglotto, 1003B Arrowhead Drive, were searched by DALE agents. The other incident involving a man clerk at City Hospital took place last October. The man, Sterling Bell Jr. of 4711 Thrush Street, said he scuffled with the agents and was later placed on probation for assaulting them. The agents later conceded that Bell was not the suspect they were seeking.

"We just can't tolerate this type of conduct from the Government or police or anyone else," McMillan said. "When I read about it, it was hard to believe that this could happen in this day and age."

McMillan indicated that DALE was generally doing a good job in dealing with the flow of drugs.

"But they can't afford to make these kinds of mistakes," he said: "Before they move in, they must make sure a thorough investigation has been made to make sure they have the right people and the right conduct.

"The supervisor will have to exercise more control over the street people and make sure they've conducted a thorough investigation. The officer should go to the magistrate for a search warrant. The magistrate could look at the matter objectively and determine whether there is probable cause. This could avoid the overzealousness of an officer who sometimes makes that determination."

In other comments on the Collinsville raids, some police chiefs praised the work of DALE, but said that the public deserved both an explanation and an investigation into events surrounding the recent raids.

"I'm not criticizing the federal agents, but these people are responsible to supply justification for what they did," said Collinsville Police Chief Paul Cigliana. "We have one side of the picture and we need to see their side.

"These are all intelligent professional men who should be knowledgable of the search and seizure laws. I would never act the way they allegedly acted, even if I knew positively that drugs were in the homes.

"I think many people in law enforcement are upset about this because it sheds a bad light on all of us."

Cigliana said he was willing to work in conjunction with DALE personnel, and continued, "If my men would have been with them, I would have been briefed about what was going to happen and many of these things would not have happened."

Police Chief James P. Damos of University City described the raids as "a tragic mistake."

"I think that the concerted effort now occurring in the fight against drug abuse is long overdue," Damos said. "But if you have a concerted effort, you must closely observe the operation and observe stringently the constitutional rights of citizens. You can never condone anything of this nature. Whether the facts by those involved are stated correctly or not, a complete investigation should be undertaken.

"No matter how laudable your objectives are, those objectives should be reached within the realm of the constitution. There has been in recent years outrage on the part of the public over the problem of narcotics. This outrage could now be stemming over to police officers. A tragic mistake should make efforts to see that it's not repeated.

Police Chief Fred Zinn of Webster Groves suggested that perhaps the raids could have been planned better.

"In our department, raids are planned weeks in advance," Zinn said. "We generally know all we need to about a house. We take every step to make sure we don't get into the wrong house. It's just as important to protect people's rights. It's unfortunate that they went into the wrong house."

Zinn said also that DALE officials owed the public an apology.

"It probably would be a little frustrating, but if this happened out here, we'd probably transfer some people and get some more people in the unit. I think I'd see it as an obligation to make a public statement.

[From the St. Louis Post-Dispatch, May 1, 1973]

FOUR AGENTS IN MISTAKEN RAIDS SUSPENDED

(By Curt Matthews and Robert L. Joiner)

Four agents of the Drug Abuse Law Enforcement office here were suspended today for taking part in the mistaken raids of two homes in Collinsville last week and terrorizing the innocent residents.

Myles J. Ambrose, special assistant attorney general in charge of the drug abuse enforcement program in Washington, announced the suspensions at a press conference in the capital city. Ambrose, in his first public comment giving details of the raids, last Monday night, said also that local police officers assigned to the enforcement program who participated in the raid were being withdrawn from the narcotics-abuse unit.

Ambrose deplored the action of the agents assigned to the agency's operation in St. Louis who were involved in the raids and said he has asked a federal grand jury to investigate the incident. A state grand jury in Madison County also is expected to look into the raids.

At a news conference in his office, Ambrose said, "The suspension of those who were involved in this incident should have some effect on other police officers who think the Fourth Amendment is just a piece of paper."

The Fourth Amendment to the Constitution prohibits "unreasonable search and seizure" by Government authorities.

Ambrose said that the conduct of the agents and police officers who conducted the Collinsville raids would have been reprehensible even if the two homes invaded had been the proper ones.

"People who use their police badge to violate other people's constitutional rights are worse than criminals," Ambrose said.

He made these other disclosures:

(1) The raids were made despite advice from Frederick J. Dana, an attorney with the agency's program in St. Louis, that search or arrest warrants should first be obtained.

(2) The raiding parties acted independently without knowledge of their superiors and acted on "tips" from as yet unidentified sources.

(3) Although the raids occurred at 8:30 last Monday night, the agents and police officers involved did not report their activities to their superiors until 2 p.m. on Tuesday.

(4) The raids were made on the basis of an unsubstantiated report from an undercover agent working with the agency's office that he had purchased heroin from a suspected drug dealer.

Ambrose said today that one of two men supposedly the object of the two raids last week—a Robert Piker—was subsequently apprehended late last week. He did not say where or under what circumstances.

In detailing the events of last Monday, Ambrose said there were two separate raiding parties, although some agents went on raids to both homes. He said the raids grew out of an investigation that was started by the agency in the St. Louis area last September and is still continuing.

In addition to the action suspending the four federal agents, the various police departments in the St. Louis area that have provided personnel to the Drug Abuse Law Enforcement operation have been asked to withdraw their officers from the program if they participated in the Collinsville raids. About 15 agents and officers took part in the two raids.

Ambrose said the suspensions were "with pay" and would continue pending the outcome of the grand jury investigation.

Ambrose said the grand jury investigation will begin in Springfield, Ill., "perhaps as early as Thursday and certainly no later than next Monday." Donald McKay, United States Attorney in the Southern District of Illinois, will conduct the investigation before the grand jury, Ambrose said.

Describing events that led up to the abortive raids, Ambrose said that last Monday agents assigned to the antidrug agency in St. Louis arrested five suspects and sought to apprehend four more as a result of several months of investigation. The agents discussed the situation with Dana, who was in charge of the agency's office in St. Louis in the absence of Jerry Murphy, the special attorney who normally heads the office in St. Louis.

Dana telephoned the U.S. Magistrate in Alton, Ill., to discuss obtaining a warrant for the arrest of the suspects believed to be in the Collinsville area.

The Magistrate told Dana that he would be unable to issue a warrant because on that date he was conducting a trial in Edwardsville. Dana informed the agents of this and plans were made to obtain the necessary warrants on Tuesday.

However, before concluding their conversation with Dana, one of the agents requested permission to arrest any of the suspects on sight. Dana granted that permission. He did not, however, authorize forcible entry of any premises in order to make an "on sight" arrest, Ambrose said.

Ambrose acknowledged during the press conference today that the agents forced their way into two homes in Collinsville and that "some property damage" occurred.

"The extent of the damage and exactly what transpired while the agents were inside the apartment remain to be determined," Ambrose said.

After mistakenly entering the home of Mr. and Mrs. Herbert Giglotto at 1003B Arrowhead Drive, the agents proceeded to 313 West Washington Street, Collinsville, and apprehended one of the suspects they were after.

Following an unconfirmed tip, they then proceeded to the home of Mr. and Mrs. Donald Askew, 313 Garnet Street, and mistakenly entered the Askew home.

Ambrose said that neither the Giglottos or the Askews have had anything to do with drug traffic, according to the investigation that has been made.

U.S. Magistrates Robert Schneider of Belleville and Ronald Mottaz of Alton both said that they had not had any word from antidrug officials last week regarding warrant applications.

Richard Shaikewitz, attorney for Donald Askew, whose home was searched by agents, said that he and his client had been informed by Nicholas G. Byron, state's attorney for Madison County, that the state would present the case to the state grand jury Thursday morning.

"My client was advised to be at the courthouse in Edwardsville Thursday morning to see Robert Trone (an assistant state's attorney)," Shaikewitz said. "At that time, we were advised, the case would be presented to the Madison County grand jury, which will decide whether criminal indictments will be issued against agents involved in the raid."

Byron would neither deny nor confirm the comments by Shaikewitz or that he had met with Askew and Shaikewitz yesterday morning.

"We're looking into the matter and are contacting federal authorities involved in this situation," Byron said. "I'm not going to comment any further."

In other developments late yesterday, Mr. and Mrs. Giglotto met with Sorks J. Webbe, an attorney, to discuss the filing of a suit against the Government in connection with the raid. The Giglottos said last night that they had not been consulted by a representative from the state's attorney's office.

Webbe said that his firm—Rooney, Webbe, Davidson and Schlueter—was looking into the possibility of a suit against the Government and that it probably would be filed next week. He would not speculate on how much would be sought. The Askews have filed a $100,000 civil suit against the Government.

Webbe said the suit's purpose would be to bring out facts surrounding the case because the Government had not been cooperative.

Mr. and Mrs. Giglotto sent a telegram to President Richard M. Nixon last night. The message reads: "My wife and I were one of the citizens involved in the mistaken raids by the Federal Bureau of Narcotics in Collinsville, Ill. We are now being investigated by the FBI after an apology from them. We would be greatly honored if you would look into this matter as we believe you are a fair and honest man that believes in justice and the rights of private citizens.

* * * suspended or give details about who

was in charge of the two raiding parties. He stressed at the start of the press conference that the facts he was offering came from a preliminary report and that investigation of the incident—particularly the conduct of officers inside the homes that were invaded—is continuing.

A spokesman for the agency's office in Washington said that the raiding party included, in addition to four federal agents, at least one police officer from the city of Caseyville on the East Side, a number of policemen assigned to the agency from the St. Louis Police Department, and one officer from the Illinois Bureau of Investigation.

Giglotto said that he and his wife were sleeping when agents dressed as hippies broke down the door, "came into the bedroom and put a gun to my head and said they were going to shoot me."

Askew made a similar report. He said that when the agents broke through the back door of his home, he "thought they were some sort of motorcycle gang. All the while they pointed guns at us and my wife fainted."

An Evil Business

The admission by the federal Drug Abuse Law Enforcement office in Washington that the agents who mistakenly raided two Collinsville (Ill.) households last week were not even bearing search or arrest warrants compounds the outrage of these reprehensible acts. Senator Percy of Illinois is more than justified in saying he was "shocked and appalled by the storm-trooper tactics" of the hippie-attired bully-boys who burst into the homes and terrorized the occupants.

Mr. Percy says the Collinsville incidents will be brought up at Senate hearings scheduled for May 18 in Chicago. They should be, and Mr. Percy also ought to investigate reports that after the wrong-place raids on the homes of innocent persons the Federal Bureau of Investigation began an investigation of the victims, apparently seeking a way to make them look bad and thus justify the DALE raiders.

This is an evil business, and an inquiry into it ought not be left to the agency itself. The civil rights of the victims may have been violated, and if so it is up to the United States District Attorney having jurisdiction to present the evidence to a grand jury. The public will want to know who directed these operations, who was responsible for the failure to obtain warrants, and who was responsible for the actions of the agents on the scene.

[From the St. Louis Post-Dispatch, May 2, 1973]

Three of Four Suspended Drug Agents Were Accused of Previous Abuses

(By Robert L. Joiner)

Three of the four federal narcotics agents who were suspended yesterday for their participation in mistaken raids on two Collinsville homes last week had been accused prevously of abusing their power.

The three are defendants in a suit filed by a St. Louis woman whose home was ransacked by narcotics agents last June.

The raids on the Collinsville homes, conducted by about 15 local and federal law enforcement agents assigned to the St. Louis Drug Abuse Law Enforcement office, was headed by Dennis R. Moriarity. Moriarity was involved also in the mistaken arrest of a City Hospital employe last October.

The other suspended agents are Kenneth Bloemker, Dennis W. Harker and William C. Dwyer.

The St. Louis Board of Police Commissioners removed all nine of its policemen from the Drug Abuse Law Enforcement group today. The nine were reassigned to regular drug investigation work for the department. Only seven of the nine were involved in the raids.

Additionally, Police Board President Theodore D. McNeal ordered Chief Eugene J. Camp to conduct a thorough investigation of the officer's involvement in the Collinsville break-ins.

The seven St. Louis policemen involved in the raids were Sgt. Donald Spicer and Detectives Daniel Duffy, Denny Green, Ronald Olive, Sam Lackland, Gene Crosby and Dennis Stolte. The names of the two other officers serving with the group but not involved in the raids were not immediately available.

The reassignments were made at the regular weekly session of the Police Board today.

Although the Federal Government recommended removal of just the seven St. Louis policemen from the total group, Chief Camp said he preferred to have all nine removed—from a practical standpoint—rather than split up the nine.

In the Collinsville incidents, Moriarity led a Drug Abuse Law Enforcement team by mistake to two homes. The occupants contend they were terrorized by the agents.

Moriarity had no warrants and made the raids without authorization of his superiors.

Of the four federal agents Dwyer is the only one who did not figure prominently in at least one previous incident in which agents have been accused of physical violence and profanity or destruction of personal property.

Moriarity, Harker and Bloemker are being sued by a woman whose home was severely damaged in a raid by agents in June of 1972. Mrs. Dorothy King filed a suit for $18,395 last November in St. Louis Circuit Court.

The suit, filed by attorneys for the American Civil Liberties Union of Eastern Missouri, charges that the three along with other unidentified agents "engaged in a personal vendetta of wanton destruction of property and personal effects."

The agents searched the home in connection with a warrant issued by United States Magistrate Garnet Taylor. A quantity of heroin was found and Gene King, husband of Mrs. King, was indicted and subsequently sentenced on charges of distribution and possion of heroin.

After the raid, Capt. Charles Croft, then head of the narcotics section of the St. Louis Police Department, said that the condition in which the King home was left was contrary to rules city police had been given. Nine St. Louis policemen are working full time with Drug Abuse Law Enforcement.

"If anything is in disarray you should put it back," he said.

In another incident, Moriarity was one of the agents who made a mistaken identification last October of a man suspected of being a drug pusher.

In that incident, Sterling Bell Jr., a clerk at City Hospital, who has no previous arrest record, was placed on probation for assaulting federal officers, although the officers later conceded that Bell was not the man they were looking for.

Bell said that he was on his way home from work when he was stopped by agents who did not clearly identify themselves and used profanity.

Bell said he resisted the agents and scuffled with them, not knowing who they were. He said that in the scuffle, in which Moriarity took part, he was handcuffed and taken to an office where agents questioned him about selling narcotics and beat him with blackjacks.

Bell was charged with assaulting a federal officer and assaulting a police officer with malice and intent to maim.

One of the families whose home was raided, the Herbert Giglottos, 1003B Arrowhead Drive, said the person who appeared to have been in charge of the investigation acted menacingly during the incident.

"As they was leaving the house I walked downstairs and I said, 'Sir, can you explain to me? You just kicked in my door, threatened my life, my wife's—you know, it was terrible. Can you explain to me why you did this?'

"And he pointed at me and said, 'Shut your mouth, boy.' That one person acted like a flat maniac. This man acted terrible. He was the only one who wasn't dressed like a hippie. He was dressed with a London Fog coat."

Mrs. Giglotto said, "He had blond hair that was short cropped. Everytime my husband turned, the man would say, 'Don't move or I'm going to kill you.' . . . I'll never forget his face as long as I live. Joey (her husband) is trying to look up at him when he's talking to him, and he's telling him not to move.

"By this time I'm up and I watched him and this man had sweat pouring down his face, and he was shouting and very maniac-type of a . . ."

Giglotto, who said he had been asked by Government lawyers to meet this morning with Drug Abuse Law Enforcement officials, did not think much of the action taken against the agents. He said it was like giving the agents a vacation.

"They got suspended all right—with pay," he said. "What kind of penalty is that? I don't understand it."

The federal grand jury investigation of the matter, expected to begin in a few days, will be headed by United States Attorney Donald B. McKay of the Southern District of Illinois, whose office is in Springfield.

McKay said his investigation of the raids would concentrate on whether any violations of Federal Civil Rights Act occurred.

"I'm prepared to pursue this inquiry in the most vigorous and forthright fashion and let the chips fall where they may, but under no circumstances will I prejudice this investigation by premature comments before all the facts are in," he said.

"He was the man who was excited and all that," Giglotto interrupted.

"The rest of them were fairly cool," Mrs. Giglotto continued, "but he was the one that was doing all the yelling and screaming."

Unlike its "no comment" stand in previous cases in which agents have been acused of wrongdoings in connection with raids, Drug Abuse Law Enforcement officials responded reluctantly to the Collinsville raids by promising to take action against the officers.

Myles J. Ambrose, special assistant attorney general in charge of Drug Abuse Law enforcement, suspended Moriarity and the other three federal agents who took part in the raid. He asked police departments that have provided personnel to the agency's operation to withdraw their officers from the program if they took part in the Collinsville raids.

[From the St. Louis Post-Dispatch, May 3, 1973]

Nine More Drug Agents Are Removed

(By Ted Gest)

Investigations conducted by the Federal Drug Abuse Law Enforcement office here have ground nearly to a halt because 12 of its 19 full-time agents have been suspended or removed as a result of last week's mistaken raids by the agency on two Collinsville couples.

"It's like a tomb around the agency's office in the Louderman Building, 317 North Eleventh Street.

Nine St. Louis policemen assigned to the agency were removed yesterday; four federal agents, three of whom had been assigned to the agency, were suspended Tuesday.

The agency had just recently begun to make arrests of cocaine pushers, after having concentrated on heroin dealers in its one year of existence so far. The cocaine investigations should be stymied by the suspensions.

St. Louis policemen attached to the agency's office were reassigned to regular duty with the Police Department pending an inquiry into their role in the Collinsville raids.

The four Drug Abuse Law Enforcement lawyers with the office have not been affected and are preparing cases for trial and briefs on those convictions that are being appealed.

Agents were investigating a ring of cocaine dealers on the East Side last week when they erroneously invaded the homes of Mr. and Mrs. Herbert Giglotto and Mr. and Mrs. Donald Askew. The Askews sued agents for $100,000 in damages over the raid.

Federal officials disclosed yesterday that a man arrested later last week for selling cocaine gave his address as 1003C Arrowhead Drive, a townhouse apartment in the same building as that of the Giglottos, who live at 1003B Arrowhead Drive.

Robert E. Piker, 27 year old, was released on $15,000 bond after his arrest last Thursday night at the Rock Spring Manor Trailer Court in St. Clair County, about two miles from Collinsville.

Piker was found in a trailer he said belonged to a friend. He gave the Arrowhead Drive address to authorities. The Giglottos had reported that they had suspected a neighbor of dealing in drugs, but that he had moved out three weeks earlier.

Drug Abuse Law Enforcement officials in Washington said Piker was arrested on a warrant issued by a United States magistrate in Belleville after a federal undercover agent reported that he had purchased cocaine from Piker on several occasions between last November and last week.

The officials would not explain why the warrant for Piker's arrest was issued April 24, the day after the raids on the two couples.

The St. Louis police officers were removed from the Drug Abuse Law Enforcement force at the request of the Department of Justice, Police Board President Theodore D. McNeal said after yesterday's board meeting.

"I'm assuming the request was for the purpose of getting everybody to stop that particular activity (the Collinsville raids) for the time being until it could be straightened out," McNeal said.

McNeal said that none of the city officers involved in the raids would be subject to disciplinary action until Police Chief Eugene J. Camp had completed an investigation of their involvement in the raids and federal and state grand jury investigations of the incident had been completed.

The St. Louis officers who participated in the raids were Sgt. Donald Spicer and Detectives Denny Green, Daniel Duffy, Ronald Olive, Sam Lackland, Gene Crosby and Dennis Stolte.

The other two St. Louis officers who had been detached to the antidrug agency's office were Detectives Robert Biemslager and Daniel Swan.

McNeal said that if federal authorities decided to de-emphasize investigations of drug pushers, "we might continue such efforts at municipal, county and state levels. The drug traffic does not recognize any boundaries."

The four federal agents suspended were Dennis R. Moriarty, who directed the raids; Kenneth Bloemker, Dennis W. Harker and William C. Dwyer. All were full-time Drug Abuse Law Enforcement agents except Dwyer, who participated in the raid as a representative of the federal Bureau of Narcotics and Dangerous Drugs.

Drug Abuse Law Enforcement officials here refused to provide any background information on the suspended agents. The Post-Dispatch learned that Moriarty is 29 years old and has been a federal narcotics agent since Oct 28, 1968.

* * * * *

eral narcotics agent here after serving three years in the Navy, was involved in a widely-publicized case here only a week after he returned to St. Louis from an eight-week training session in December 1968.

In that case, Moriarty and another agent were beaten severely and robbed in a south St. Louis tavern where they had gone with an informant to make a narcotics purchase.

The agents were attacked by four suspects with chairs; one suspect pointed a revolver at Moriarity and pulled the trigger, but the gun misfired.

Officials have defended the strong-arm tactics used by narcotics agents on the ground that lives of the agents often are placed in danger by suspects.

In another development yesterday, the Giglottos gave their version of the raids to Drug Abuse Law Enforcement officials from Washington in a two-hour meeting in the office of the Giglottos' attorney, G. Richard Fox.

Fox said after the meeting that the agency officials wanted to talk to the Giglottos to clear up internal problems in the antidrug agency.

The Giglottos have not selected a defendant in a suit they are preparing in connection with the raids. The Government, the antidrug agency and individual agents could be named in the suit.

Drug Abuse Law Enforcement officials assured the Giglottos in the meeting that the agency was conducting no investigation of their backgrounds. Giglotto told the Post-Dispatch last week that the Federal Bureau of Investigation had been making inquiries about him.

The resident manager of the townhouse complex in which the Giglottos live said yesterday that he told the landlord that the occupants of apartment C—the apartment given by Piker as his address—"were disrupting the whole complex." He said two persons had signed the lease, but he would not say if Piker was one.

The manager, who refused to be identified, said that the landlord later had asked the tenants to depart, and that they had complied. The tenants moved out the second week of April after having lived in the $200-a-month, seven-room apartment less than a month, the manager said.

With his voice filled with contempt, Giglotto told the Post-Dispatch yesterday that the occupants of apartment C were persons who appeared to be hippies.

He said they stank, that their hair was longer than shoulder length, and that they disturbed him by playing loud music as late as 4:30 a.m. Several times, he said, he asked the landlord to evict them.

[From the St. Louis Post-Dispatch, May 4, 1973]

Bureaucratic Rivalry in Drug Raiding Cited

(By Curt Matthews)

WASHINGTON, May 4.—Bureaucratic infighting may lie behind the raids that federal narcotics agents mistakenly made on two Collinsville homes on April 23, a spokesman for Senator Charles H. Percy (Rep.), Illinois, says.

The spokesman said that in recent months agents assigned to the new Office of Drug Abuse Law Enforcement and those of the Bureau of Narcotics and Dangerous Drugs have been competing to pile up arrests and make spectacular drug seizures.

Both of these agencies within the Department of Justice have carried on a running competition with Department of the Treasury agents in the Bureau of Customs, another federal office responsible for curbing drug traffic.

"The Bureau of Narcotics and Dangerous Drugs has been charged with controlling the traffic of illicit drugs, and the Bureau of Customs has had the responsibility for preventing the smuggling of drugs," Percy said in Senate hearings.

"But the right arm of this network has been unaware of what the left arm has been doing, such that the end result has been a comedy of errors—or, perhaps more properly, a tragedy of errors."

Percy said that the competition and lack of co-ordination among federal drug enforcement bureaus had resulted in men in different uniforms, wearing different badges, using different criteria and different techniques in a way that frequently frustrated the work of the agencies.

"Petty jealousies, jurisdictional squabbles, and bureaucratic red tape in the assembling of critical intelligence data too frequently have made this feuding between agents an unworkable and self-defeating situation," he said.

A source who has worked with the antidrug agencies mentioned by Percy said that since Drug Abuse Law Enforcement was created about a year ago it had been resented and criticized by officials and agents at the Bureau of Narcotics and Dangerous Drugs.

"A natural competition developed," the source said. "The Bureau of Narcotics and Dangerous Drugs agents concentrated on the big guys—organized crime. The agents were supposed to go after the street pushers—but too often they seemed more interested in arresting addicts just to pile up a lot of arrests."

The raids were performed last week in the homes of Mr. and Mrs. Herbert Giglotto and Mr. and Mrs. Donald Askew of Collinsville with the intention of arresting suspected heroin dealers. Agents, however, invaded the wrong homes and subjected the two families to verbal and physical abuse.

Giglotto was the first to testify yesterday before a Madison County grand jury investigating the Collinsville raids.

The grand jury, in session for more than six hours, heard testimony also from Mrs. Giglotto, Askew, Askew's son, Michael, and five agents from the Illinois Bureau of Investigation. It was not learned what part the Illinois agents had in the grand jury proceedings.

Mrs. Giglotto emerged from the courtroom in tears and was embraced by her husband, "I messed up what they (the narcotics agents) said," she sobbed.

Mrs. Askew did not appear before the grand jury. She is in a Belleville Hospital with a nervous condition.

The grand jury will reconvene next Thursday.

A spokesman for Donald McKay, United States Attorney for the Southern District of Illinois, said today that a federal grand jury in Springfield would begin investigating the Collinsville raids Monday morning.

Four federal agents assigned to the Drug Abuse Law Enforcement office in St. Louis who led the raid have been suspended with pay, pending a federal grand jury investigation of the incident.

Nine St. Louis police officers assigned to the agency have been removed from the agency at the request of the Department of Justice. Seven of the men were involved in the Collinsville raids.

The St. Louis County Police Department also has been asked to remove its two officers from Drug Abuse Law Enforcement by the Justice Department. The two officers are Detectives Donald L. Trentham and Richard C. Hemphill.

Maj. William T. Owens, chief of detectives, was in the process of having the officers removed yesterday.

Myles J. Ambrose, special assistant attorney general in charge of the Drug Abuse Law Enforcement office in Washington, called the raids stupid and the conduct of the officers involved reprehensible.

A $100,000 civil suit has been filed by one of the two couples whose homes were invaded by the armed federal agents.

In testifying April 12 before the Senate subcommittee on executive reorganization, Percy recommended adoption of a plan advanced by President Richard M. Nixon to place all drug law enforcement responsibility under one office in the Justice Department.

"With the implementation of this plan, all federal narcotics agents will wear a common badge and have a common mission—to control and eradicate the traffic of illicit drugs," Percy said.

Senator Abraham A. Ribicoff (Dem.), Connecticut, chairman of the government reorganization subcommittee, has named Percy as chairman of a hearing in Chicago on May 18 to discuss changes in federal drug law enforcement with state and local officials.

"The purpose of the hearing is to determine the impact on state and local anti-drug agencies if the new single drug enforcement agency is set up at the federal level," Stuart M. Statler, counsel for Republican members of the committee, said.

A tentative list of witnesses includes James Thompson, Donald MacKay and Henry Schwarz, the three United States Attorneys assigned to jurisdictions in Illinois.

MacKay already has impaneled a federal grand jury in Springfield to investigate the Collinsville raids.

Other witnesses invited to testify include John Evans, regional director of the Bureau of Narcotics and Dangerous Drugs in Chicago and J. Michael Fitzsimmons, regional director of the office of drug abuse law enforcement in Chicago.

Although the mistaken drug raids took place in Illinois, they were carried out by agents from the St. Louis office. Statler said it was possible that persons involved in the Collinsville raids would be invited to testify at the Chicago hearing.

Ambrose, who frequently has been mentioned as the frontrunner to direct the proposed new Drug Law Enforcement Agency in the Justice Department, insisted earlier this week that the Collinsville raids were only the third instance of alleged impropriety by Drug Abuse Law Enforcement agents since the agency was formed.

He said Drug Abuse Law Enforcement agents over the last year had made more than 2000 raids, executed 1200 search warrants and served 500 subpenas.

The program, which operates in 39 cities including St. Louis, has resulted in 6804 arrests and 3000 indictments from illegal drug traffic, Ambrose said.

[From the New York Times, May 4, 1973]

LAW AND ORDER IN COLLINSVILLE

"There are those who say that law and order are just code words for repression and bigotry; this is dangerous nonsense," President Nixon declared last month as he unveiled harsh new anti-crime proposals, "Law and order are code words for goodness and decency in America."

As if the unfolding Watergate scandals were not enough, two fresh disclosures further serve to underscore the extent to which goodness and decency have been despoiled in this country through the perversion of justice that poses as law and order today in Washington.

In the small southern Illinois town of Collinsville, it was revealed, two families were terrified by unkempt men shouting obscenities who kicked down doors, overturned furniture and threatened them with guns. The men were federal narcotics agents, acting apparently without warrants. After discovering they had entered the wrong houses, the agents withdrew without apologies. These were not isolated incidents. A Massachusetts family suffered similar indignities at the hands of errant narcotics agents last January.

The Administration's haphazard approach to law and order which leads to such outrageous abuses of the rights of ordinary citizens does not extend to all who may be suspected of criminal activity. Government sources in Los Angeles reported that top-ranking officials of the Justice Department have turned down a request by the Federal Bureau of Investigation to continue authorized electronic surveillance that they say had begun to penetrate connections between the Mafia and the Teamsters' union, whose president, Frank E. Fitzsimmons, is the Nixon Administration's staunchest ally in all of labor.

To ride roughshod over the constitutional rights of citizens in the reckless pursuit of one class of criminal while failing to use every available legitimate means to detect possible crime among those who enjoy favor in high places subverts the American system of justice. There can be no order when those entrusted with law enforcement themselves show contempt for the law. Law and order under such conditions became code words for repression and hypocrisy.

[From the St. Louis Post-Dispatch, May 7, 1973]

U.S. GRAND JURY TO HEAR VICTIMS OF ERRONEOUS RAIDS

Two Collinsville families whose homes were erroneously raided and ransacked by federal drug law enforcement agents last April 23 were to tell their stories today to a grand jury convened in United States District Court at Springfield.

The federal investigation is being headed by U.S. Attorney Donald B. McKay of the Southern District of Illinois.

Mr. and Mrs. Herbert Giglotto and Mr. and Mrs. Donald Askew have testified before a Madison County Circuit Court grand jury at Edwardsville.

After the raids, four federal narcotics agents were suspended and the St. Louis Board of Police Commissioners has removed all nine of its policemen who had been working with the federal agency in the drive against narcotics in eastern Missouri and southwestern Illinois.

Myles J. Ambrose, chief of Federal Drug Law Enforcement, has acknowledged from his Washington office that the agents conducted the raids without search warrants.

"It is clear beyond cavil that our agents forcibly entered the homes of people who were not subjects of any investigation," Ambrose said.

He warned his agents throughout the country against "odious and reprehensible" raids on private homes. Ambrose ordered the use of "great care and judgment in every way possible" in the preparation and execution of searches and arrests.

Askew has filed a $100,000 damage suit against the Government, and Giglotto plans to do the same.

Both families told of long-haired men waving firearms and shouting obscenities as they ransacked the homes and threatened the families in a search for drugs.

[From the St. Louis Post-Dispatch, May 11, 1973]

DRUG AGENCY'S ATTORNEY AT GRAND JURY RAID INQUIRY

A Drug Abuse Law Enforcement attorney was allowed Monday to sit in on proceedings of a federal grand jury in Springfield, Ill., that is investigating two erroneous drug raids by Drug Abuse Law Enforcement agents last month in Collinsville, the Post-Dispatch has learned.

The attorney, Thomas O'Malley of New York, was present when the grand jury opened its inquiry and heard testimony from Mr. and Mrs. Herbert Giglotto, one of the Collinsville couples whose homes were raided mistakenly. However, O'Malley was not present on Tuesday when the other couple, Mr. and Mrs. Donald Askew, testified.

Richard Shaikewitz, attorney for the Askews, criticized federal officials for allowing O'Malley to be present during the opening of the proceedings.

"It seems like the Government is starting a whitewash," he said. "We (attorneys) have no right to be in the grand jury room and neither should anyone else.

Normally, prosecutors are the only persons other than the witness and the jury present when grand jurors hear testimony. Attorneys for witnesses or for persons under investigation are not allowed to appear before the grand jury.

"O'Malley visited me and my clients in my office and he represented himself as being here strictly on an internal investigation," Shaikewitz said.

"He represented himself as being the staff attorney of the DALE office in New York. And now he turns up sitting in on the federal grand jury proceedings."

Shaikewitz said that he had been assured by United States Attorney Donald B. Mackay, who is conducting the grand jury investigation in Springfield, that the grand jury would concern itself only with an investigation of the raids.

"Mackay had assured me that he recognized that there was a conflict between the civil (suit) and the criminal (investigation) and that he would only concern himself with the criminal (investigation)," Shaikewitz said.

The Askews have filed a $100,000 civil suit against the agents. A similar suit is expected to be filed by the Giglottos early next week.

A spokesman for Mackay said in Springfield that O'Malley was present during Monday's grand jury proceedings at Mackay's request.

"Because O'Malley has been involved in trial interviews of both agents and people involved in the raids, Mackay wanted him in there to help ascertain who the Giglottos could identify in this matter, such as the agents involved," the spokesman said.

The spokesman said that the Bureau of Narcotics and Dangerous Drugs had requested that one of its chief counsels be present during the second day of the grand jury proceedings.

Mackay decided, however, that this would be inappropriate and would possibly constitute a conflict of interest if the bureau later found it necessary to take "adverse administrative action" against any of the agents as a result of the raids, the spokesman said.

He said that before the grand jury proceedings began Tuesday, Mackay had decided that he did not need further assistance from O'Malley and that O'Malley was not present during further proceedings.

The spokesman emphasized that O'Malley was a Drug Abuse Law Enforcement prosecuting attorney and not an in-house counsel.

[From the St. Louis Post-Dispatch, May 11, 1973]

CALLS COLLINSVILLE RAIDS OUTRAGEOUS

(By Robert Adams)

WASHINGTON, May 11.—Federal drug agents "acted like common criminals" and used gestapo-style tactics in a recent raid on two Collinsville, Ill., homes, Senator Sam J. Ervin, Jr. (Dem.), North Carolina, said yesterday.

In a strongly worded Senate speech, Ervin called the raids outrageous and said he has asked Myles J. Ambrose, director of the Office of Drug Abuse Law Enforcement in the Department of Justice, for an explanation.

Ervin, who heads the Senate's subcommittee on constitutional rights, said he would ask that the federal law allowing no-knock raids be changed if Ambrose's explanation was not satisfactory.

He noted that the raids on the homes of Donald Askew and Herbert Giglotto in Collinsville were, according to federal authorities, conducted without search or arrest warrants. It was disclosed later that the agents had raided the wrong homes.

"No-knock searches are bad enough, especially where the search takes place on the wrong house," Ervin said. "But a no-knock search without a warrant is totally unjustifiable, and indeed is clearly illegal."

If news accounts of the incidents are correct, he said, "this means that certain agents of the Department of Justice see themselves as above the law."

Ervin said the Collinsville raids were not the only examples of abuse of the no-knock law, which allows agents to enter private homes without warning if they suspect illegal drugs are present.

On Jan. 10, Ervin said, state police raided the home of Mrs. Anna Majette of Portsmouth, Mass. A similar raid took place on Jan. 26 at the home of Mr. and Mrs. William Pine in Winthrop, Mass.

Ervin cited news accounts indicating that, in both cases, state police in Massachusetts had raided the wrong house by mistake.

The North Carolina Senator said similar cases had occurred in Arizona and Virginia in 1970 and in Maryland in 1971. "Although the Majette and Pine incidents and the 1970 and 1971 cases involved state police, all of these illustrate the danger of no-knock raids," he declared.

Of the four raids this year, Ervin said:

"In at least one case the occupants likened the raids to Nazi Gestapo tactics, but they all qualify in that regard.

"By far the most outrageous of the four incidents involved federal agents in the Giglotto and Askew raids in Collinsville," Ervin went on. According to news reports, he noted, drug abuse enfocement agents "entered two houses without warrants, kicked in the doors without warning, shouted obscenities and threatened the inhabitants with drawn weapons. The Giglottos and Askews were terrified and only temporarily relieved when the agents left after discovering they had entered the wrong house."

Ervin said his mail indicated that citizens around the country were outraged by the actions, and would support a move in Congress to limit the government's no-knock authority.

"I fervently believe that, if we do not react quickly and without mercy against government lawlessness, our republican form of government is in mortal danger," Ervin said.

In his two-page letter to Ambrose, Ervin asked for an explanation of the raids and for information about disciplinary action taken against the agents.

He asked for figures on how many no-knock warrants had been requested by the drug abuse enforcement agency, how many had been granted, how many raids had been made without warrants, and how many raids had resulted in citizen complaints.

[From the St. Louis Post-Dispatch, May 13, 1973]

Suspended U.S. Drug Agent Testified Before Inquiry Jury

(By Ted Gest and Taylor Pensoneau)

The same grand jury that is investigating erroneous raids by federal narcotics agents on two Collinsville homes indicted five persons last week for drug law violations partly because of testimony from an agent suspended because of the raids, the Post-Dispatch has learned.

Grand jurors at United States District Court in Springfield, Ill., returned indictments against alleged members of a cocaine ring last Tuesday—the same day members of the Donald Askew family presumably made accusations in their testimony before the jury against agents of the Drug Abuse Law Enforcement agency.

Richard Shaikewitz, the Askew's attorney, assailed the manner in which prosecutors were proceeding in the two cases simultaneously.

"Here's a grand jury on one hand asked to believe testimony of DALE agents and on the other hand is hearing testimony which may lead to indictments against them," he said.

"Is this fair? You're asking untrained people on the grand jury to make these technical decisions."

Federal and local officers who participated in the raids have been suspended with pay while their actions are being investigated. The Askews and Mr. and Mrs. Herbert Giglotto, whose homes were raided, have vehemently criticized the agent's tactics.

Drug Abuse Law Enforcement officials in St. Louis said Friday that only two of the agency's 19 full-time agents here would remain on the job while the Collinsville raids were under investigation.

Richard K. Coffin, an attorney for the drug agency, confirmed that when agents broke into the homes of the Askews and the Giglottos they had been seeking some of the nine persons who were indicted last week on the cocaine charges.

Federal officials defended their handling of the two cases, but they later backtracked when asked on Friday about a previous denial that Kenneth Bloemker, an agent suspended in the raid, had testified before the grand jury in the cocaine cases.

A spokesman for U.S. Attorney Donald B. Mackay in Springfield said in an interview, "It is inconceivable to me that Bloemker would have presented a matter to the grand jury if he were under suspension. No. I am sure he did not help present the cases Tuesday."

Meanwhile Coffin said in St. Louis that although he could not legally disclose who had testified before the grand jury, the normal procedure was for persons who had investigated the case to testify. Coffin had said that Bloemker was one of three agents who directed the cocaine investigation.

Later, the spokesman for Mackay called the Post-Dispatch, withdrew his previous statement that Bloemker did not testify, and said that it is "inappropriate to comment on who testifies before the grand jury."

The spokesman said also, "It is true that there may be some of the same people involved in the investigation of the Collinsville raids and in the possible criminal prosecutions against individuals in the drug ring.

"But the grand jury assesses each situation independently. I just do not see the conflict."

The Post-Dispatch disclosed Friday that a drug agency attorney was allowed to sit in on some of the grand jury's proceedings investigating the erroneous raids.

That procedure might have violated a federal regulation that only prosecuting attorneys—and not lawyers for persons under investigation—are allowed to view grand jury proceedings when witnesses are being interrogated.

Coffin's statement was the first official confirmation by the antidrug agency that the mistaken raids were linked to the investigation of cocaine sales.

The Department of Justice has generally prohibited the local drug prosecutors from talking about the Collinsville case.

Robert E. Piker, one of the nine persons indicted, told authorities when he was arrested that he had formerly lived next to the Giglottos—the victims of one of the raids by armed agents dressed like hippies.

The Askews, whose door was broken down by agents the same night, have filed a $100,000 suit against the Government. The Giglottos are expected to file a similar suit soon.

G. Richard Fox, the Giglottos' attorney, said of the fact that the same grand jury was looking into both cases, "It's possible that this could affect whether federal indictments (against the agents) are delivered, but it won't affect the civil suit."

In another development, Senator Charles H. Percy (Rep.), Illinois, issued a statement that he intended to make the Collinsville raids a major issue at a congressional hearing in Chicago on Friday.

Percy, who had previously denounced the raids, will preside at a hearing **to help determine** whether federal antidrug agencies should be consolidated.

Critics such as Percy have cited rivalry among the agencies as a contributing factor to problems such as the Collinsville raids.

Jerry J. Murphy, an assistant to the presidentially appointed U.S. Attorney in St. Louis, is also in charge of the Drug Abuse Law Enforcement office, which reports directly to officials in Washington.

Some observers believe that confusion over who was ultimately responsible for the actions of agents in St. Louis was another factor in the Collinsville foulup.

Murphy said Friday that Drug Abuse Law Enforcement's accomplishments here should not be overlooked. He said that as of mid-April, 214 persons had been arrested as a result of investigations by agents assigned to the agency's office in St. Louis.

More than 100 of those have been indicted for drug offenses. Only two of the nearly 100 persons who have been accused based on Drug Abuse Law Enforcement investigations have been acquitted.

[From the St. Louis Post-Dispatch, May 18, 1973]

Other Victims Report Mistaken Drug Raids

(By Robert L. Joiner)

Chicago, May 18.—Letters from more than 50 persons who said that they had been victims of erroneous federal drug raids were given today to a congressional committee by a Collinsville, Ill., couple who were the targets of a similar mistaken raid.

The couple had received the letters since the mistaken drug raids took place at their home on April 23.

Mr. and Mrs. Herbert Giglotto, who reported they were terrorized by agents of the Drug Abuse Law Enforcement agency, were among the first witnesses to appear before the Senate subcommittee on reorganization, research and international organizations.

Senator Charles H. Percy, (Rep.), Illinois, was conducting the hearing into the raid on the Giglotto home and a similar one the same night on the home of Mr. and Mrs. Donald Askew, also of Collinsville.

Askew, and his son, Michael, both of whom were home the night the narcotics agents kicked in their door in what later was admitted to have been a raid on the wrong house, also were to testify today.

The Giglottos, in an interview with the Post-Dispatch, said that the letters on other mistaken raids had been received since the widesperad publicity after the raid on their home.

"We have received over 50 letters and several hundred telephone calls where people told us that things like this have happened to them," Giglotto said.

Percy said that the subcommittee was convened "to determine whether the terrorizing raids on two Collinsville families last month represent a larger breakdown of fundamental due process safeguards in America."

The hearings were to focus on President Richard M. Nixon's proposed Reorganization Plan No. 2, which would place primary responsibility for federal drug law enforcement in the Drug Enforcement Administration of the Department of Justice.

In a statement prepared for the hearing opening, Percy said: "The plan arises in part from a situation where there is substantial evidence that federal drug law enforcement agents—donning the badges of different agencies and employing different standards and tactics—have not infrequently frustrated the good intentions of several agencies involved.

"There is evidence of devotion to the agency rather than the cause; of jurisdictional disputes, petty jealousies and an unwillingness to share critical intelligence information," Percy continued.

The Illinois Senator said that the subcommittee would leave the question of individual responsibility for the Collinsville raids to be decided by the Madison County grand jury and the Federal grand jury at Springfield, Ill. The juries are determining whether indictments should be issued against the agents involved in the Collinsville incident.

"If the lesson of Collinsville is that 'being a narc means never having to say you're sorry' then I pledge here and now to do everything in my power to change that," Percy said. "It is absolutely senseless in the name of the law to get tough with innocents."

Three Illinois U.S. Attorneys urged support of the President's reorganization plan because they said that under the present plan the fight against drug abuse is fragmented and seriously hampered by the proliferation of drug abuse agencies.

The three were Donald Mackay of the southern district with headquarters at Springfield; James R. Thompson of the northern district at Chicago and Henry A. Schwarz of the eastern district at East St. Louis.

"The multifaceted enforcement problem on the federal level will be relieved of the burden of separate investigative agencies that have failed to consolidate efforts to share intelligence and at worst get in each other's way when conducting surveillance on other aspects of a narcotics investigation," Schwarz told the committee in support of the single agency proposal.

[From the St. Louis Post-Dispatch, May 20, 1973]

PERCY ASSAILS U.S. AGENCY ON DRUG-RAID TACTICS

(By Robert L. Joiner)

CHICAGO, May 19.—Senator Charles H. Percy (Rep.), Illinois, assailed the Drug Abuse Law Enforcement agency at a congressional committee hearing here for employing "gun-toting terrorism" and "no-knock tactics" in a mistaken raid on two Collinsville homes last month.

Comments came after testimony by Herbert Giglotto before the Senate subcommittee on reorganization, research and international organization.

Giglotto, whose Collinsville home was one of two that was mistakenly raided last April 23 by Drug Abuse Enforcement agents, told the sub-committee that he would have shot the agents if he had had a weapon in his home.

"Four men would have been dead," Giglotto testified. "If I had had a pistol I'd probably have killed them."

Percy said that Giglotto's testimony points up the tremendous risk where someone could be killed during a no-knock raid.

"The essential question is what are you trying to gain from no-knock in exchange for the kind of risk where someone could get killed," Percy said.

Michael Fitzsimmons, regional director of the agency in Chicago, described no-knock raids as indispensable to fighting drug abuse.

"No knock does give us the extra time needed to get in and secure an area," Fitzsimmons told the subcommittee. "The basic reason behind the no-knock raids is to keep narcotics from being flushed down a toilet or otherwise destroyed."

Donald Askew, whose home also was raided by mistake on the same night, said he pleaded with the agents to allow him to call the Collinsville Police Department. When asked by Percy what their reply was, Askew said, "One of them told me, 'No, I've got four other places to go tonight.' "

The comment drew laughter from the audience during an otherwise solemn day of hearing at which Mrs. Evelyn Giglotto was on the verge of tears at one point.

Both Mrs. Giglotto and Askew's son, Michael, told the subcommittee of being ostracized and stigmatized as a result of the raids.

"Some of my friends kind of shy away from me now," Askew said.

However, Mrs. Giglotto said that generally persons had been helpful in providing moral support and telling similar experiences they've had with narcotics agents.

At the hearings, Percy expressed misgivings over the fact that the federal agency had not yet furnished him with a report on the raids. Two investigators from the Bureau of Narcotics and Dangerous Drugs conducted the investigation after the raids. They submitted their report to Myles J. Ambrose, head of the Drug Abuse Agency Operations in Washington.

The focus of the hearings were on President Richard M. Nixon's Reorganization Plan No. 2, which would place primary responsibility for federal drug law enforcement in a new agency, the Drug Enforcement Administration, in the Department of Justice.

In announcing the hearing, Percy indicated that the subcommittee would attempt to determine whether the raids on the homes of the Collinsville families represented isolated incidents or were part of a broader problem.

Information presented to the subcommittee by the Giglottos as well as comments by Percy appeared to indicate that local and state narcotics agents, not Drug Abuse Enforcement agents, had conducted the most erroneous raids.

Percy cited from the Congressional Record cases in Massachusetts, where state and local policemen raided the wrong homes. In one incident in Winthrop, Mass., 15 armed policemen in civilian clothes smashed the door of the home of Bill Pine.

As in the case of the Collinsville raids, the officers broke into the wrong homes, terrified the occupants and refused to comment after realizing that they had made a mistake.

The Giglottos presented several letters to the subcommittee. Most of the letters were from families around the nation who said that they had been abused by either local or state narcotics agents.

Many of the letters simply expressed sympathy for the Giglottos. In one case, Clifford Taylor of Nashville, wrote: "Incidents such as what happened to you is an everyday occurrence in the black community and, believe it or not, these things have reached the news."

A similar point was made by two former narcotic addicts, Spellman Young and Claude Rhodes, before the subcommittee hearings.

One of the addicts told the subcommittee that the Collinsville incident was an ordinary occurence in his neighborhood.

"It was nothing to have my door beaten down and pistols waved at my mother and sister who had nothing to do with drugs," Young said.

Rhodes told Percy that persons from his neighborhood "enjoy Collinsville, enjoy Watergate because we hope it wakes you up."

The hearing will continue next month in Atlanta, Ga., with Senators Sam Nunn (Dem.), Georgia, who joined Percy in Chicago, as chairman.

[From the St. Louis Post-Dispatch, May 27, 1973]

ASKS PANEL FOR INQUIRY ON TWO RAIDS

Representative Melvin Price (Dem.), East St. Louis, has requested the House Judiciary Committee to investigate the circumstances surrounding the erroneous raids on the homes of two Collinsville couples by federal narcotics agents.

In a letter to Representative Rodino (Dem.), New Jersey, chairman of the Judiciary Committee, Price noted that there had been "a great deal of concern in the community over their (federal agents) actions."

The couples, Mr. and Mrs. Herbert Giglotto and Mr. and Mrs. Donald Askew, have accused the narcotics agents of terrorizing them by breaking into their homes on April 23. Both couples have filed suits against the Federal Government.

Price asked the committee to look into the administrative controls, guidelines, training procedures, and operating directives of the Office of Drug Abuse Law Enforcement, which conducted the raids.

"The fight against drug abuse, particularly heroin trafficking, is too important to have it collapse because of bureaucratic improprieties and misconduct on the part of officials charged with the responsibility," he said.

[From the St. Louis-Dispatch, June 10, 1973]

CIVIL RIGHTS UNIT INVESTIGATING DRUG RAIDS AT COLLINSVILLE

(By Curt Matthews)

WASHINGTON, June 9.—The Civil Rights Division of the Department of Justice has been brought into the investigation of the mistaken drug raids that federal agents made last April 23 on two Collinsville homes.

A source close to the case has told the Post-Dispatch that a federal grand jury in Springfield had heard testimony indicating "a lot of aspects" to the case not previously disclosed.

The criminal section of the Civil Rights Division is conducting the investigation into the Collinsville incident. The section generally handles cases involving "the deprivation of civil rights of private citizens".

A representative of the Civil Rights Division was in Springfield last week, a source close to the case said, working with Donald MacKay, the United States Attorney in Springfield, who is conducting the grand jury investigation.

MacKay, William O'Connor, deputy assistant attorney general in the Civil Rights Division, and representatives from the offices of Senator Charles H. Percy (Rep.) Illinois, met Friday to discuss the latest developments of the Collinsville case.

The grand jury's inquiry in Springfied is continuing a spokesman in Percy's office said. Percy was said to be "exasperated" and "greatly disturbed" by what had recently been learned about the Collinsville case.

One source who has followed closely the Government's handling of the investigation of the drug raids said circumstances before and after the erroneous raids required investigation by the Civil Rights Division.

The Civil Rights Division took responsibility for the investigation last week, replacing investigators assigned from within the Bureau of Narcotics and Dangerous Drugs. Agents drawn from the bureau and assigned to the Drug Abuse Law Enforcement office in St. Louis led the misdirected raids in Collinsville.

Federal authorities have already acknowledged that the raids were made without first obtaining search warrants as required by law, that agents went to the wrong homes, and that a number of federal regulations and procedures were violated in the raids. Both of the Collinsville families whose homes were mistakenly entered have sued the Government.

Four federal agents assigned to the Drug Abuse Law Enforcement office in St. Louis have been suspended as a result of the raids, and local police authorities were asked by Myles J. Ambrose, assistant attorney general in charge of the Drug Abuse Law Enforcement agency, to withdraw from the St. Louis office any of their personnel involved in the raid.

The Civil Rights Division investigation of the incident is expected to go beyond the conduct of the raids and look into charges that the Bureau of Narcotics or Dangerous Drugs personnel investigating the incident harassed the two Collinsville families involved.

Herbert Giglotto, one of those whose homes was entered mistakenly by the agents, says that after the raids an intensive investigation of his life and background was conducted and that some of those making the inquiry identified themselves as agents of the Federal Bureau of Investigation.

William D. Ruckelshaus, acting director of the FBI, told Senator Percy in a letter dated May 25 that "the FBI in no way was involved in this matter."

The FBI will be involved in the Civil Rights Division's investigation of the Collinsville incident, a Justice Department spokesman said.

[From the St. Louis Post-Dispatch, June 11, 1973]

SUSPENDED AGENT "COURIER" IN RAID

(By Curt Matthews)

WASHINGTON, June 11.—A suspended federal drug agent who was involved in a narcotics raid Friday night in Maryville, Ill., had a "nonenforcement" role, a spokesman for the Drug Abuse Law Enforcement office in Washington said today.

Dennis Moriarty, one of four agents suspended in April for taking part in a mistaken raid on two Collinsville homes, served as a "courier" for the Bureau of Narcotics and Dangerous Drugs driving to Alton, Ill., to obtain a search warrant for the raid Friday, the spokesman for DALE said today.

Although other DALE agents still under suspension for their part in the Collinsville raid two months ago were reported to have taken part in the raid Friday night, a spokesman for DALE said that to his knowledge Moriarty was the only suspended officer involved in the Maryville raid.

The spokesman said that the raid Friday night was an operation by the Bureau of Narcotics and Dangerous Drugs and that the DALE office in St. Louis provided only legal assistance in securing the necessary search warrant.

The suspended DALE agents have been working in administrative jobs at the St. Louis office of BNDD for the last six weeks. A DALE spokesman said that Moriarty's role as courier in securing the search warrant for the Maryville raid would not violate the terms of his suspension.

Moriarty delivered the search warrant to Ed Irvin, special agent in charge of the St. Louis office of the BNDD, but reportedly did not participate in the raid in Maryville in which two men were arrested and a half-pound of what is believed to be cocaine was seized.

Jerry J. Murphy, attorney in charge of the Drug Abuse Law Enforcement office in St. Louis, said today he believed that none of the suspended agents had participated in the search of the motel room in Maryville.

The suspended agents have been working in the drug unit's office in downtown St. Louis since their suspension with pay was announced, Murphy said. That work included co-ordinating preparations for the Maryville raid, he said.

Murphy said he was not aware of the exact terms of the suspensions and had not been given a written statement outlining what the suspended agents could do or could not do.

The suspended agents generally are not being allowed to participate in official activities outside of the office that required them to be armed, Murphy said.

Murphy referred questions on the Maryville search to Irvin. Murphy explained that he had not been present at the raid and that Irvin, who is the chief agent in the antidrug office in St. Louis, would be the proper source of information.

According to information provided by the DALE office in Washington, Moriarty was the only available agent in the BNDD office when the call came late Friday afternoon indicating the necessity of securing the search warrant.

Moriarty gathered the necessary data to secure the warrant, took it to Richard K. Coffin, a special attorney for the Department of Justice working in the DALE office in St. Louis, and Coffin signed the affidavit requesting the warrant.

Moriarty then drove in a private automobile to Alton, where the affidavit for the warrant was presented to Federal Magistrate Ronald C. Mottaz.

Although Moriarty's mission to Alton required overtime work, he was not paid overtime because of his suspension. A spokesman for Dale said that under terms of his suspension he neither carries a firearm nor wears a badge when working at the BNDD office in St. Louis.

The Maryville raid came as part of a six-week investigation into shipments of cocaine from South America, through St. Louis and on to the West Coast. The investigation has been a joint operation of the Bureau of Narcotics and Dangerous Drugs in the Justice Department and the Bureau of Customs in the Treasury Department

A story in yesterday's editions of the Post-Dispatch quoted Irvin as saying that of the four to six agents who participated in the Maryville raid several were officers who had been suspended with pay last month for participation in the Collinsville raids. Irvin said the agents used their own automobiles and were not paid for the Maryville raid.

[From the St. Louis Post-Dispatch, June 12, 1973]

SUSPENDED DRUG MEN BACK ON JOB IN WEEK

(By Curt Matthews)

WASHINGTON, June 12.—Four federal narcotics agents reported suspended for conducting mistaken drug raids in Collinsville two months ago were back at work for another federal drug unit in St. Louis within a week after their suspensions, the Post-Dispatch has been told. They have been working regularly since that time.

The agents were not suspended from work in the drug enforcement program, only from "investigative activities," a spokesman for the Bureau of Narcotics and Dangerous Drugs said yesterday.

Such a distinction was not made on May 1 when Myles J. Ambrose, special assistant attorney general for the office of Drug Abuse Law Enforcement in Washington, announced that the four DALE agents were being suspended. He said: "the BNDD agents assigned to DALE involved in the (Collinsville) incident have been suspended from further assignments until this case is concluded."

The erroneous drug raids in Collinsville are the subject of a grand jury investigation in Springfield, Ill., and a continuing investigation by the criminal section of the Civil Rights Division in the Justice Department.

The agents were assigned from the Narcotics Bureau to the Drug Law Enforcement office in St. Louis when they took part in the raids mistakenly directed at two private residences in Collinsville on April 23. After suspension from investigative work with DALE, the agents began reporting daily, at full pay, to the office of Bureau of Narcotics and Dangerous Drugs in St. Louis. Both the DALE and the Narcotics Bureau offices are in the Federal Building at 317 North Eleventh Street, St. Louis.

Investigation by the Post-Dispatch has disclosed that the four agents suspended "from further assignment" with DALE on May 1 were actually back on the job in limited status five days later with the narcotics bureau in St. Louis.

Following up on Ambrose's announcement of the suspension, John E. Ingersoll, director of the Bureau of Narcotics and Dangerous Drugs, sent a telegram on May 1 to Vernon D. Meyer, regional director of the bureau's office in Kansas City who has jurisdiction over the St. Louis office of the agency.

The telegram said: "This is to confirm your authority to place the following named personnel in a nonduty status, with pay, effective beginning of business May 1, 1973." The telegram then named Moriarity, Bloemker, Harker and Dwyer and cited the federal regulations that gave Ingersoll the right to place them in "nonduty" status.

However, a few days after the telegram was sent, Meyer says he received a telephone call from the narcotics bureau office in Washington pointing out that under Civil Service regulations the men could be held in nonduty status for only five days without some action to resolve their case—either suspension without pay or reinstatement to duty.

"The BNDD did not feel it was prepared at that point to suspend the men—the agency didn't have the necessary facts—so they were placed in a limited duty status," Meyer explains.

Sources in Washington contend that to suspend the men without pay would have been an implicit acknowledgement by the bureau and DALE that the men were guilty of some wrongdoing in relation to the Collinsville raids. Neither agency apparently wanted to go that far prior to completion of the grand jury investigation in Springfield.

Both the narcotics bureau and DALE do essentially the same kind of work—enforcement of the federal narcotics laws. The distinction between the agencies is sometimes hazy and, as one Department of Justice spokesman said, "the strucutre in St. Louis is confused."

A spokesman for the narcotics bureau in Washington said that under the terms of the suspension, the four St. Louis narcotics agents were permitted to work in the narcotics bureau office after suspension from DALE. They were permitted to make courtroom and grand jury appearances, do backup work related to investigations and generally assist other agents not under suspension.

The suspended agents, who were required to surrender their weapons and official identification (badges), were not permitted to engage in surveillance, out of office interrogations, or other "investigative work" related to enforcement of drug abuse laws.

The four suspended agents, who since the first week in May have been working daily in the narcotics bureau office in St. Louis, are Dennis R. Moriarity, leader of the mistaken drug raids in Collinsville; Kenneth Bloemker, Dennis W. Harker and William C. Dwyer.

The continued participation of the supposedly suspended agents in drug law enforcement in St. Louis came to light Monday when it was learned that Moriarty was involved in obtaining a search warrant for a successful drug raid last Friday in Maryville, Ill., near Collinsville.

A spokesman for DALE originally said that Moriarity was merely "a courier" and not involved in last Friday's raids because he was the only one in the bureau's office when the need for a search warrant arose. Moriarity drove to Alton to obtain the warrant from a federal magistrate there.

However, later it was learned that Richard K. Coffin, a special attorney for the Justice Department working in the DALE office in St. Louis, followed Moriarity to Alton in a separate automobile. It was Coffin who signed the affidavit requesting the search warrant that led to last Friday's raid.

After obtaining the warrant, Coffin returned to St. Louis and Moriarity took the warrant to Maryville where he delivered it to Edmund Irvin, special agent in charge of the St. Louis office of the narcotics bureau.

Although Moriarity was in Maryville shortly before the raid took place, Irvin insists that the suspended agent did not take part in the raid at the Bo Jon Inn in Maryville.

The only law enforcement agents who actually entered the motel room where two men were arrested and a half pound of contraband substance seized were Irvin, Maryville Police Chief Ray Hasty, Sgt. John C. Lucas Jr., of the Maryville police department, and an unidentified under-cover agent with the narcotics bureau.

Two agents of the Bureau of Customs were on the motel grounds at the time of the raid, but did not enter the building.

A spokesman for the narcotic's bureau in Washington said the undercover agent must remain anonymous to protect his "cover." The spokesman said he was not one of the four suspended agents and in fact had never been assigned to a DALE office.

Meyer says he communicated by telephone the information on May 1 that the four DALE agents in St. Louis were to be placed on nonduty status. He said that it is his responsibility to see that the men conform to the terms of their status and any restrictions placed upon their activities. He said he did not think that Moriarity's role in the raid in Maryville last Friday violated his "limited duty" status.

Jerry J. Murphy, attorney in charge of the DALE office in St. Louis, said yesterday that he believed that none of the suspended agents had participated in the actual search of the Maryville motel room.

The suspended agents generally are not being allowed to participate in DALE activities outside of the office that required them to be armed, Murphy said.

But he conceded that he had not been provided with written, detailed guidelines by DALE officials in Washington of what work the suspended agents should be allowed to do while they were under suspension.

[From the St. Louis Post-Dispatch, June 14, 1973]

Agents Uncontrolled

A successful raid by law enforcement officers is usually an occasion for pride among the authorities involved. Thus it is some indication of the curious state of affairs within the federal antidrug program that a raid was conducted last week in Maryville, Ill., some suspicious substance was confiscated, two arrests were made and yet all agencies involved are emphatically denying responsibility for it. The office of Drug Abuse Law Enforcement says the Bureau of Narcotics and Dangerous Drugs was in charge of the raid, while the BNDD claims it was a DALE operation.

Federal antidrug offices are not usually reluctant about taking credit for arrests or drug seizures, so one might conclude that the Maryville raid was more of an embarrassment than anything else—as it probably is, inasmuch as one of the officers helping with the affair was one of four DALE agents who the public had been led to believe were suspended for conducting a Gestapo-like raid in Collinsville two months ago. The fact that each agency is trying to fob off the responsibility for the Maryville raid on the other suggests that supervisory officials in regional offices and in Washington are unable to control the activities of their local agents and, indeed, are ignorant of what their field operatives are doing.

Fortunately, both DALE and BNDD are scheduled to become absorbed July 1 along with two other federal narcotics agencies into a single office in the Justice Department, the Drug Enforcement Agency. At the very least, the new agency should bring a much needed element of co-ordination into federal antidrug activities. President Nixon is expected to announce shortly the appointment of an administrator for DEA, and the selection of a strong and able personality is imperative if any semblance of central control is to be established within the federal narcotics program.

[From the St. Louis Post-Dispatch, June 19, 1973]

Admits Error on Drug Agent

(By Curt Matthews and Ted Gest)

WASHINGTON, June 19.—A federal narcotics agent, under suspension of his part in two mistaken drug raids in Collinsville on April 23, should not have taken part in a raid June 8 in Maryville, Ill., near Collinsville, a spokesman for the Bureau of Narcotics and Dangerous Drugs has confirmed.

"The guy should not have been there," the spokesman said. "There's no question about that."

The reference was to Dennis Moriarty, an agent in the St. Louis office of the Bureau of Narcotics and Dangerous Drugs. Moriarty, along with three other federal narcotics agents, was suspended after the Collinsville incident by Myles J. Ambrose, special assistant attorney general in charge of the Drug Abuse Law Enforcement (DALE) office in Washington.

In another development, the Federal Bureau of Investigation yesterday began investigating the Collinsville raids. The investigation is under the direction of Fred Fehl, special agent in charge of the FBI's Cleveland office.

Fehl refused to comment on the scope of the investigation. He said that the FBI had been ordered to investigate the case by the Department of Justice. The FBI, the narcotics bureau and DALE are all units within the Justice Department.

An FBI spokesman in Washington said the agency was entering the Collinsville case apparently because of allegations that the civil rights of two couples were violated by federal narcotics agents.

The FBI normally does not investigate other federal investigative agencies unless a civil rights issue is involved, the spokesman said.

Agents from other cities often are brought in to investigate civil rights cases to assure impartiality, he said.

The narcotics bureau source has confirmed that immediately after learning of the agent's role in the Maryville raid, John E. Ingersoll, director of the Bureau of Narcotics and Dangerous Drugs, ordered the agency's regional office in Kansas City to clarify the status of the four suspended agents.

His directive was addressed to Vernon D. Meyer, the agency's regional director in Kansas City, who exercises administrative authority over the federal drug law enforcement program in St. Louis. The directive was reported to have been sent on Tuesday or Wednesday of last week.

Ingersoll's directive is said to state more forcefully the terms of the limited duty status of the four narcotics agents who were suspended by Ambrose after the Collinsville raid.

It was disclosed after Moriarty's participation in the Maryville raid that the four suspended agents began working regularly in the narcotics bureau office in St. Louis five days after their "suspension from further assignment" by Ambrose on May 1.

A source at the bureau said the directive sent last week by Ingersoll, which has not been made public, specified that the four suspended agents were to engage only in "administrative work in the office" except when testifying about pending cases before grand juries or courts.

The spokesman said that the directive redefined the jurisdiction of the St. Louis office of the Bureau of Narcotics and Dangerous Drugs and placed off limits to the St. Louis office all drug law enforcement operations in Illinois.

Henceforth, narcotics enforcement throughout Illinois, including those areas in Madison and St. Clair Counties near St. Louis, will be under the jurisdiction of the Chicago office of the narcotics bureau.

The bureau spokesman, reversing an earlier statement, confirmed that the Maryville raid was an operation carried out by the Bureau of Narcotics and Dangerous Drugs. Earlier he had insisted that it had been an operation of the Drug Abuse Law Enforcement agency in St. Louis.

The spokesman denied reports that Moriarty not only was on the scene of the Maryville raid but also searched the premises involved and seized various items—including a substance believed to be cocaine—from two men arrested in the raid.

"Moriarty was present, but he did not take part in the search and he did not seize anything," the spokesman said.

The Collinsville raid in which Moriarty and the other suspended narcotics agents mistakenly broke into two homes of persons not suspected of dealing in drugs, is under grand jury investigation in Springfield and by the Civil Rights Division of the Justice Department.

In responding to the directive from Ingersoll, Duane Leiter, acting head of narcotics bureau here, said that Moriarty and the other officers would be placed on limited duty.

"The directive simply reaffirmed what the original directive said about the limited duties of Moriarty," he said. "He and others will be cut to administrative work and testifying in cases."

He indicated that no confusion existed between the bureau and DALE in connection with the Maryville raid.

"We knew that BNDD was in charge. A spokesman from the Kansas City office had indicated that. But your paper checked with the regional director in Chicago, who had been away from the office and was not completely familiar with the raid, although all information was at his office."

Leiter said that taking the East Side out of the jurisdiction of the bureau's office here would not mean that law enforcement would suffer.

"We see no change in the law enforcement efforts in Illinois as a result of the change," he said. "Chicago still will have plenty of manpower."

Leiter confirmed also that Edmund C. Irvin, chief investigator for the DALE office in St. Louis, had been shifted to the Kansas City office. Irvin was in charge of the recent Maryville raid, but not the Collinsville raids.

The announcement of Irvin's new duties was part of Ingersoll's directive that was issued after one of four narcotics bureau agents who were suspended after the Collinsville raids took an active role in the Maryville incident.

Irvin, as DALE's chief investigator, was held accountable for the Maryville incident in which Moriarty, one of the four suspended officers, participated.

It is reported that Irvin was transferred to the Kansas City office, pending an investigation of the raid, but Leiter said: "He has not been transferred. He's on temporary duty in Kansas City. It's not a transfer."

An investigation of the Collinsville drug raids was started May 7 by a federal grand jury in Springfield. However, Donald B. Mackay, the United States Attorney at Springfield, has repeatedly refused to comment on that inquiry.

Mackay has refused to answer questions concerning the scope and extent of the inquiry, its possible length and the nature of the specific parts of the raids under investigation.

Mackay has emphasized that a federal grand jury proceeding is secret, and has said that his policy is not to comment on any such proceedings, even one with the significance of the Collinsville raids.

[From the St. Louis Post-Dispatch June 20, 1973]

FBI Widens Inquiry on DALE's Actions

(By Robert L. Joiner)

The federal investigation into the operations of the St. Louis office of the Drug Abuse Law Enforcement office is spreading beyond the mistaken raids in Collinsville last April, the Post-Dispatch learned today.

Federal Bureau of Investigation agents, just assigned to the investigation, are looking into previous incidents in which DALE operatives were involved, including a mistaken identification of a City Hospital clerk suspected of being a drug pusher.

The man, Sterling Bell Jr., said that he was called by the FBI yesterday and agreed to discuss details of his experience with DALE last October. Bell's story, published earlier in the Post-Dispatch, was that DALE agents approached him in a threatening manner as he left work and failed to clearly identify themselves. When Bell resisted, he was charged with assaulting an officer. No drug charges ever were placed against him.

At least three federal units now are involved in the inquiry into the DALE operations, which first came under question after the drug agents mistakenly raided two homes in Collinsville and terrorized the innocent residents.

A federal grand jury in Springfield began investigating the Collinsville raids shortly after they occurred. Last week, the civil rights division of the Department of Justice announced it had entered the investigation, on the ground that civil rights violations might be involved. Now the FBI has come in, reportedly at the request of Donald B. Mackay, United States attorney at Springfield, who is in charge of the grand jury inquiry.

Disclosure of the approach to Bell is the first concrete indication that the investigation has gone beyond the Collinsville incidents. Federal agencies are reported to have received numerous complaints from others who have had dealings with DALE.

The Collinsville investigation is being directed by Fred Fehl, special agent in charge of the FBI's Cleveland office.

Fehl said yesterday that the Department of Justice had ordered the investigation.

An FBI spokesman in Washington said yesterday that the agency was entering the Collinsville case apparently because of allegations that DALE agents had violated the civil rights of two couples.

The FBI normally does not investigate other federal agencies unless a civil rights issue is involved, the spokesman said.

In the Collinsville cases, the Herbert Giglotto and Donald Askew families charged that they were terrorized by DALE agents who later admitted that they had invaded the wrong homes. Both families have filed suits against the agents.

The Bell incident occurred last October, when agents stopped him as he was leaving City Hospital, where he works as a clerk. He was approached by agents who, Bell said, did not clearly identify themselves.

A scuffle ensued and Bell was placed on probation for assaulting the officers. Bell, who had had no previous trouble with the law, said that he planned to sue the agents.

He talked about the incident yesterday as he waxed his automobile in front of his modest, white brick home at 4711 Thrush Street in a quiet neighborhood in north St. Louis.

"The FBI contacted me and asked me to come down tomorrow," he said "They told me that they want to discuss the incident of last October."

Bell said that since the incident, legal fees had forced him to drop out of Southern Illinois University at Edwardsville, where he was a predental student.

"I'm out of about $2000 altogether," he said. "This incident has also caused my family a lot of problems.

"My wife's nerves are shot. It has been quite an ordeal. My wife has been forced to quit her job because of her nerves."

He said that he would file a suit after he appealed his conviction of last Jan. 23, when he was found guilty on a reduced charge of common assault on a St. Louis policeman after he had pleaded guilty Dec. 18 of assaulting a federal officer.

"I come out of the same exit every day," he said. "The incident plays back again and again. I find myself looking both ways when I come out. My nerves have been pretty bad and I'm too young to be having bad nerves."

He said that the incident had haunted the family as well.

"When my wife hears a car outside, she rushes to see who it is. I find myself constantly looking out the window all the time, being extra cautious, something I never did before.

"I try not to go anyplace by myself. I always try to take someone with me."

The DALE office came under fire prior to the Bell case when agents allegedly smashed furniture and severely damaged the home of a woman in a raid in June 1972.

The woman, Mrs. Dorothy King, filed a suit for $18,395 last November in St. Louis Circuit Court. The suit, filed by attorneys for the American Civil Liberties Union of Eastern Missouri, charges that DALE agents "engaged in a personal vendetta of wanton destruction of property and personal effects."

The agents searched the home in connection with a warrant issued by United States Magistrate Garnet Taylor. Some heroin was found and Gene King, husband of Mrs. King, was found guilty and sentenced on charges of distribution and possession of heroin.

It has not yet been determined whether FBI agents will include the King raid in its present inquiry into the conduct of DALE officers here.

[From the St. Louis Post-Dispatch, June 21, 1973]

Suspended Agent Had Major Role in Maryville Raid

(By Robert L. Joiner)

A suspended federal drug agent played a major role in a recent raid in Maryville, Ill., although his superiors have insisted publicly that he simply obtained the warrant for other officers to conduct the search.

In documents filed with the United States District Court in Springfield, Ill., Dennis R. Moriarty, the suspended agent, says, "I searched the premises described in the warrant . . . I swear that this inventory is a true and detailed account of all the property taken by me on the warrant."

His signature appears on both the return of a warrant issued by United States Magistrate Ronald C. Mottaz of Alton, Ill., and on an inventory statement.

Moriarty's name was scratched from the warrant return and replaced by that of his superior, Edmund C. Irvin, who was in charge of the raid.

Mottaz said the warrant return was brought to his office by Irvin, who was told that Moriarty's signature was invalid and that the return would have to be signed in the magistrate's presence.

Mottaz said that Irvin simply scratched out Moriarty's name and signed his own.

Vernon Meyer, regional director of the Bureau of Narcotics and Dangerous Drugs, said that he was not aware that Moriarty had signed the return on the warrant.

Mottaz said he had assumed that the person who signed the return was one of those present in the raid.

"The purpose of a return is to say that certain items were found during a search," Mottaz said. "So the person who signs the return would have to know that the items were there. I'd assume that the person was supposed to be present when the items were taken."

Mottaz said that Moriarty had applied for the warrant for the raid.

"I'm relatively certain that the person who signed the warrant was Moriarty," he said. "Mr. Irvin brought the return back and I noticed that it had been signed by Mr. Moriaty. I told Mr. Irvin that he would have to sign it in my presence."

It was at this point that Irvin scratched Moriarty's name and signed his own, Mottaz said. He said that he had not questioned the procedure because he had assumed that both men had been present in the raid. He said he had not remembered that Moriarty had been suspended.

"I don't notice the name, but I wish I had," Mottaz said. "As a matter of fact, I didn't recognize the name 'Moriarty' as being the suspended agent until I began to get inquiries from the newspaper."

When asked why Moriarty had signed the documents if he had not participated in the raid, Meyer said, "I wasn't aware of that. I thought that I had gotten all the facts together, but that's the best account I can give based on information that Mr. Irvin gave me."

The documents led Meyer to admit that Moriarty had done more than obtain the warrant and serve in a so-called "nonenforcement" role in the raid.

Meyer's comments yesterday ran counter to statements from a spokesman for the Drug Abuse Law Enforcement office in Washington.

The spokesman had said that Moriarty's only role in the raid had been as a "courier" for the bureau, driving to Alton, Ill., to obtain the search warrant for the raid on June 8.

After the Post-Dispatch confronted him with the documents, Meyer conceded that Moriarty had played a larger role in the raid than officials had admitted, but he stopped short of saying that the agent had participated in the search.

Meyer said that Moriarty went to the scene of the raid to assist officers shortly after two men were arrested and a half pound of a substance suspected of being cocaine was seized.

Meyer said he based his comments on information provided by Irvin. Meyer would not allow the Post-Dispatch to discuss the Maryville raid with Irvin.

"I don't want to be quoted as saying that Mr. Moriarty had no active role in the raid," Meyer said. "I want to be quoted as saying that from information given me (by Irvin) that Mr. Moriarty had no active role."

Based on his conversation with Irvin, Meyer gave this account:

"Mr. Moriarty sat in the car while the raid was conducted and the arrests made. After that, Mr. Moriarty went to the motel room and assisted agents in preparing inventory of goods seized.

"The other agent up there (in the motel) needed some help. That's why Mr. Moriarty went up there. The agent needed some assistance in preparing the inventory of goods seized."

Meyer said that officers at the scene of the raid were two members of the Maryville Police Department, and seven federal agents, including Moriarty.

Meyer conceded that Moriarty had exceeded restrictions place on him when he and three other federal agents were suspended for taking part recently in mistaken raids on two Collinsville homes.

The agents were limited to administrative duties and were ordered not to participate in drug raids. Moriarty was the only suspended officer involved in the Maryville raid, Meyer said.

"The position is yes, Mr. Moriarty did exceed his restrictions by his presence out at Maryville. But the raid was procedurally correct. Drugs were seized and the office performed its mission. But, yes, Mr. Moriarty exceeded his restrictions."

Moriarty is among three of four suspended narcotics agents who have been accused of abusing their power in several instances.

The raid on the two homes in Collinsville, conducted by about 15 local and federal law enforcement agents assigned to the DALE office here, was headed by Moriarty.

Agents Moriarty, Kenneth Bloemker and Dennis W. Harker are being sued by a St. Louis woman whose home was severely damaged in a raid by agents in June of 1972. The woman, Mrs. Dorothy King, filed a suit for $18,395 last November in St. Louis Circuit Court.

She alleges that the agents "engaged in a personal vendetta of wanton destruction of property and personal effects."

In the Collinsville raids, one of the families whose home was raided, the Herbert Giglottos, 1003B Arrowhead Drive., said the person in charge of the investigation acted menacingly during the incident.

"As he was leaving the house I walked downstairs and I said, 'Sir, can you explain to me? You just kicked in my door, threatened my life, my wife's—you know, it was terrible. Can you explain to me why you did this?'

"And he pointed at me and said, 'Shut your mouth, boy.' That one person acted like a flat maniac. This man acted terrible. He was the only one who wasn't dressed like a hippie. He was dressed in a London Fog coat."

Mrs. Giglotto said, "Everytime my husband turned, the man would say, 'Don't move or I'm going to kill you.' I'll never forget his face as long as I live.

"Joey (her husband) is trying to look up at him when he's talking to him, and he's telling him not to move. By this time I'm up and I watched him and this man had sweat pouring down his face, and he was shouting—a very maniac-type of a . . ."

Moriarty was one of the agents who made a mistaken identification last October of a man suspected of being a drug pusher.

In that incident, Sterling Bell Jr., a clerk at City Hospital, who had no arrest record, was placed on probation for assaulting federal officers, although the officers later conceded that Bell was not the man they had been looking for.

Bell said that after the scuffle, in which Moriarty took part, he was handcuffed and taken to an office where agents questioned him about selling narcotics and beat him with blackjacks.

Bell was charged with assaulting a federal officer and assaulting a police officer with malice and intent to maim.

Moriarty has consistently been unavailable for comment.

Mr. PERCY. Mr. President, in a related development, the Illinois House of Representatives adopted a resolution sponsored by Representatives Weber Borchers, Clyde Choate, Robert Blair, Gerald Shea, and Leland Kennedy and brought to my attention by State Representative Don Brummet. The resolution highlights several of the most repugnant facts of the Collinsville incidents and calls for an immediate investigation of the conduct of participating agents. I ask unanimous consent that it be included in the Record at this time.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

House Resolution 293

Whereas, Mr. and Mrs. Herbert Giglotto of 1003B Arrowhead Drive, Collinsville, Illinois, were terrorized in their home on April 23, 1973; and

Whereas, Federal agents from the Bureau of Narcotics and Dangerous Drugs entered their residence by smashing through the front door; and

Whereas, numerous agents entered the Giglotto's bedroom handcuffing the unfortunate couple; and

Whereas, vile and profane language was used while a cocked pistol was held to Herbert Giglotto's head; and

Whereas, this raid lasted 15 minutes before the agents discovered they had entered the wrong residence; and

Whereas, the agents, while conducting the "search", damaged the property of the Giglottos beyond repair; therefore, be it

Resolved, by the House of Representatives of the Seventy-eighth General Assembly of the State of Illinois, That an immediate investigation be made regarding the conduct of the agents participating in the "search" of the residence of Mr. and Mrs. Herbert Giglotto; that full reparation be made for this gross miscarriage of justice; that a suitable copy of this preamble and resolution be forwarded by the Secretary of State to Mr. Elliot Richardson, Attorney General of the United States, and to each member of the Illinois delegation to the Congress of the United States.

Mr. PERCY. Mr. President, I am pleased to say an inquiry is now being carried out by the Federal Bureau of Investigation and that the results will be made a part of a special Federal grand jury investigation into the raids and related activity. The new grand jury will be convened next week under the direction of Deputy Assistant Attorney General for Civil Rights, Mr. K. William O'Conner, assisted by the Deputy Chief of the Criminal Section of the Civil Rights Division, Mr. William L. Gardner.

The new grand jury investigation will focus on whether there has been a deprivation of the civil rights of the victims of the Collinsville drug raids in violation of Federal law, and whether there has been an obstruction of justice by Federal agents and others involved in those raids.

If justice is to be done, I believe it is imperative that the most thorough investigation be undertaken. No citizen can feel secure in the privacy of his own home if fundamental civil liberties are to take a back seat to vigilante behavior even when inspired by the best of motives.

I am outraged by indications that the innocent victims of these mistaken raids may have been subjected to further harassment as a result of the activities of Federal drug agents and others in the days and weeks following the original raids. I cannot believe that it is standard operating procedure for law abiding citizens to be intimidated in this manner.

But if such abuses have occurred, then it is the responsibility of the new special prosecutor to present these facts before the grand jury. Until this case is resolved, the entire Federal drug law enforcement effort will remain under a cloud of suspicion which, on the whole, I believe, is undeserved.

I welcome this decision by Deputy Attorney General Joseph Sneed. The excellent choice of Mr. O'Connor as a special prosecutor signals a commitment on the part of the Department of Justice to carry out a no-holds-barred investigation into the serious charges which have been leveled. I expect the new investigation to build on the wealth of information uncovered earlier by U.S. Attorney Donald Mackay, and am willing to assist in whatever way I can.

THE SURPLUS CHILDREN OF SOUTH VIETNAM

Mr. KENNEDY. Mr. President, the Congress will soon begin consideration of this year's foreign assistance authorization for Indochina (S. 1711), evaluating both the administration's bill as well as several amendments which have been offered to it, including amendment No. 255, which I introduced on June 22.

As we begin considering America's responsibility to help provide assistance to the people and nations of Indochina, I believe we must first and foremost focus our attention on the massive humanitarian needs left in the wake of a decade of war. Nothing reminds us of this more, nor symbolizes these humanitarian needs better, than the faces of the millions of homeless, maimed, and orphaned children spread throughout Indochina.

Their plight, seen through the image of one child, has been eloquently stated in an article by Chester L. Cooper in today's New York Times. Mr. Cooper argues that in our future aid programs the children must come first—the bridges and roads and rail lines will, sooner or later, be rebuilt. The lives of children may not, unless we start now. He writes:

> What we must do, if we are serious about a "lasting peace," is to concentrate on the Vietnamese people, rather than on the Vietnamese things.

Mr. President, as chairman of the Judiciary Subcommittee on Refugees, I have long tried to make this case. I believe the people problems must command the highest priority in all American assistance programs, but especially those for Indochina. That is the principal thrust of the amendment I have introduced, and which I hope will be given every consideration by the appropriate committees of Congress.

Until the humanitarian needs of refugees, civilian war casualties, orphans, and all war victims, are the overriding concern and objective of American assistance programs in Indochina, I fear America will remain "part of the problem, instead of part of the answer" in building peace in that area.

Mr. President, I commend Mr. Cooper for his excellent essay and would draw it to the attention of my colleagues. I ask unanimous consent that the text of Mr. Cooper's article, along with the text of my amendment—No. 255 to S. 1711—be printed in the Record.

There being no objection, the article and amendment were ordered to be printed in the Record, as follows:

The Surplus Children of South Vietnam

(By Chester L. Cooper)

The terrace of Saigon's Hotel Continentale is one of the few constants in the capital's kaleidoscopic physical and human landscape. In the late afternoon and on into the evening, the good and the evil sit cheek by jowl sipping and nibbling, buying and selling, drinking and brooding. The players change, but the cast is always the same—

foreign soldiers, local hustlers, expatriate Frenchmen, world-weary newsmen. Along the side and rear walls are the prostitutes—male, female and indeterminate. And shuffling around from table to table are the beggars and the pushers. The mood music is a melange of turned-up rock, flatulent Honda, occasional siren.

Two "regulars" recently provided a leitmotif. Big Bob and Little Babe met each afternoon after Big Bob finished pushing papers or driving a truck or doing whatever he did at MAC–V, the Pentagon East. At about 5:30, khaki shirt stained and black face streaked with the sweat of the hot afternoon, he would lumber up to the terrace, look sternly at the score or so of street kids running and shrieking after any soft-looking touch, and shout: "Where's my date?" and then out of the crowd would emerge little Babe. Barefoot, scruffy, scrawny, 7-going-on-30.

"Hi, Little Babe!" and a hug. A scream of joy and skinny arms embracing enormous thighs.

Across the terrace they went, and into the dank men's rooms rich with the aroma of decades of urine. Bob would scrub 24 hours' accumulation of street grime from Babe's face and hands and run his comb through her matted hair. Hand in hand, they went back to the terrace and to their table in the shade. And then, to the music of her giggles and his belly-laughs, Little Babe had her ice cream, cookies and milk and Big Bob his beer. A peck on the cheek and Babe would be off to her home, the street, and Bob disappeared into the crowded square—until 5:30 tomorrow.

Big Bob has long since returned to the States—hopefully, to a houseful of giggling little girls. Little Babe? Who knows?

Babe has at least a hundred thousand counterparts in Saigon and Hue and Danang. There are probably 50,000 Babes, courtesy of three million G.I.'s who passed through during the last decade. Some, the lucky ones, are in the few Vietnamese orphanages; most, like Babe, live on the streets. They provide an unbroken link with the wretched progeny of the French Foreign Legion and the Japanese Imperial Army. Together with the orphaned, the abandoned and the lost they comprise a pathetic legacy of the American struggle to provide the Vietnamese with free choice and a miserable souvenir of peace with honor.

Voluntary agencies have been doing what they can in South Vietnam. And thousands of compassionate Big Bobs have brought a moment of laughter to thousands of miserable youngsters. But the voluntary agencies, as well meaning and effective as they are, are not adequate for the job—and the Big Bobs have all gone home.

In North Vietnam the problem must be quite different in both scale and kind. Even under the fury of bombing, the Hanoi Government probably had some minimal organized arrangements for coping with lost, strayed, orphaned or abandoned youngsters. At least, visitors do not report them drifting around the streets of Hanoi or Haiphong. And, of course, during the last decade or so, the North has been spared the thousands of offspring of Vietnamese women and foreign troops. But, surely, there must be a problem of substantial dimensions; a country as poor as North Vietnam cannot experience years of war without being overwhelmed by maimed, fatherless, sick, frightened and homeless children.

Highly motivated American officials, at this very moment, are wrestling with the problem of programs and modalities for postwar assistance to both North and South Vietnam. Perhaps the sordid terrace of the Hotel Continentale can help us get our priorities straight. Little Babe comes first—the bridges and the roads and the rail lines of North and South Vietnam will, sooner or later, one way or another, be rebuilt.

What we must do, if we are serious about a "lasting peace," is to concentrate on the Vietnamese people rather than on the Vietnamese things.

Schools, mental health clinics, pediatric services, vocational training centers, orphanages, teacher training, foster-parent programs, remedial education are but a few of the objectives of a five-year, children-oriented aid effort. The program, of course, should be wholly Vietnamese in character, not American. We have learned, or we should have learned, that we cannot and, indeed, should not, try to export our own standards and values.

The most expeditious way of accomplishing the task of salvaging a generation of young Vietnamese would be to turn over the major part of our aid directly to UNICEF, which is already operating in South Vietnam.

[From the Congressional Record, June 22, 1973]

Amendment No. 255

Section 17 is amended to read as follows:

"Section 17. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

"Part V

"Chapter 1—Policy

"Sec. 801. (a) The Congress, recognizing that the realization of human hopes and aspirations are important in contributing to a stable peace in Indochina, affirms the willingness of the United States to provide assistance for the humanitarian relief, rehabilitation, and reconstruction of the peoples and countries of Indochina. Assistance for such purposes shall have a primary concern over restoring the life and spirit of refugees, civilian war casualties, war orphans, and other persons disadvantaged by hostilities or conditions related to those hostilities, and over rebuilding civilian facilities damaged or destroyed by those hostilities in the war affected areas of Indochina.

"(b) Assistance for such purposes shall be distributed to the maximum extent practicable under the auspices of and by the United Nations, other international organizations, multilateral institutions, and private voluntary agencies with a minimum presence and activity of United States Government personnel. The Congress urges the President to solicit the cooperation of other governments to support and participate in the humanitarian relief, rehabilitation, and reconstruction of the people and countries of Indochina under international auspices.

"(c) The Congress further urges the President to solicit the cooperation of other governments in encouraging the United Nations Secretary General to establish immediately an autonomous United Nations Fund for Indochina, or other appropriate institutional arrangements, to receive humanitarian and developmental contributions to support to the maximum extent practicable the humanitarian relief, rehabilitation, and reconstruction of the people and countries of Indochina under international auspices.

"Chapter 2—General Authority and Authorization

"Sec. 821. General Authority—The President is authorized to furnish, on such terms and conditions as he may determine, and to the maximum extent practicable under international auspices, assistance for the humanitarian relief, rehabilitation, and reconstruction of the people and countries of Indochina, especially humanitarian assistance for restoring the life and spirit of persons disadvantaged by hostilities or conditions relating to those hostilities, and for rebuilding civilian facilities damaged or destroyed by those hostilities in the war affected areas of Indochina.

"Sec. 822. Authorization—There is authorized to be appropriated to the President to carry out the purposes of this chapter in South Vietnam, Laos, and Cambodia, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed $390,000,000, which amount is authorized to remain available until expended."

IMPEACHMENT TALK UNJUSTIFIED

Mr. BELLMON. Mr. President, the melange of accusations that have sprouted from the weed of Watergate has led to some talk of impeachment of the President.

Impeachment is a word that Oklahomans do not bandy about because our State has had considerable experience in this area. Two of Oklahoma's Governors were impeached and removed from office.

One of Oklahoma's longtime newspaper publishers, James C. Nance, of Purcell, served as a member of the legislature during both of these impeachment proceedings. He recently wrote his observations of this process in a column in the Purcell Register, which was reprinted by Paul John, editor of the Sulphur Times-Democrat.

Mr. President, because of its timely application to current affairs, I ask unanimous consent that this material be printed in the Record.

Mr. President, I also ask unanimous consent that an article by Richard Wilson, appearing in the July 7, 1973, edition of the Washington Star-News, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Editor Views the News

(By Paul John)

Impeachment is a word which has been surfacing periodically during the current Watergate investigation. Impeachment is an ugly word and one which by its nature can divide and destroy. We were interested in the observations of our former partner in the newspaper business for many years, James C. Nance, publisher of the Purcell Register. After having served in a position of power in the Oklahoma legislature during the impeachment of two Oklahoma governors, Mr. Nance is qualified better perhaps than any other Oklahoman, to discuss the implications of impeachment, both state and national. Here is his editorial.

By James C. Nance, Purcell Register

Even any attempt to impeach the president of the United States would further disorganize the whole administration of the far flung national government.

Impeachment borders on political rebellion because it brings on confrontation between the executive department and the legislative bodies.

Impeachment is the extreme political punishment imposed by the constitution of the United States.

If impeachment proceedings, against the president, shall be instituted for any reason, that move will bring on immediate chaos to our leadership programs and decisions in the national government. Further progress will be temporarily abandoned. The great problems facing this nation would go unsolved until the impeachment proceedings are concluded.

As a person experienced in impeachment proceedings, I would like to enter my protests against any proposition to impeach the president. The president has not, in my opinion, committed any crime that would justify impeachment.

Under the process of impeachment the House of Representatives would conduct an investigation of the accusations being filed against the president. If the evidence adduced by the investigating committee shall be sufficient to sustain a charge, the house will then vote on the articles of impeachment. If a majority of the house members, present and voting, support the articles, the articles of impeachment are then filed with the Senate. The Senate will in turn adopt rules to govern the trial of the president and will set the charges down for hearing in open session.

When the hearing is concluded the Senators will then vote on each article separately and if two thirds of the Senators, present and voting, should favor any article the president would then stand impeached and removed from office.

The process of investigation and impeachment would require many days, possibly many months, before the charges are brought to final vote before the house and senate.

This writer served as Speaker of the House at the time Henry Johnston, the governor of Oklahoma, was impeached and removed from office. I also served as a member of the house at the time Jack Walton, the governor of Oklahoma, was impeached and removed from office. Impeachment of the two governors seriously divided the people of this state and progress of progressive government was brought to a temporary standstill. Politics played a big hand in the impeachment of both governors.

Impeachments are often based on political feuding. Politics is usually the instigator of the proceedings.

The country would better suffer embarrassment of having to follow a president accused of some misconduct than to launch into a long range political crusade of impeachment proceedings.

The president, in our considered opinion, has not committed any crime that would justify impeachment.

NIXON SHOWING GOVERNMENT NOT PARALYZED

It was modish for a while to say the government was paralyzed by the Watergate scandal, but this was not true at the time and is not true now that administrative changes have been made on a large scale.

These changes were all for the good—a better White House staff, a strong attorney general, a strong secretary of Defense, a professional Central Intelligence Agency director, and an experienced Federal Bureau of Investigation director.

As for policy, President Nixon has been forced to make no change directly attributable to a collapse of confidence from the Watergate affair. The changes in economic policy, the compromise on ending the bombing of Cambodia, the agreements with the Soviet Union, the on-going negotiations with the Chinese, the new energy conservation program were all products of pressures other than Watergate.

In the midst of the worst scandal of the century, the Senate still confirmed Nixon's nominees for high government posts, high-level diplomatic matters of great importance progressed, both Congress and the President backed away from an all-out constitutional crisis on war powers. Needless to add, the mail was still delivered without a noticeable increase in efficiency, and July income tax payments were not rescinded.

Of course, it is Nixon's conscious intention to create the impression of on-going affairs in the normal development of his policy to show that he is not now and will not in the future be a paralyzed president. He does not intend to resign nor expect to be impeached, nor will he sink into paralysis.

Any detached and non-hysterical evaluation of this attempt would have to conclude that so far he has done fairly well in this respect, and more of the same is due to unfold with the submission to Congress of some additional legislative proposals.

His measured response to the Dean testimony before the Ervin committee until former officials of his administration have been heard from is additional evidence of the "calm at the center" motif of his presidency. He is now preparing for a possible visit of Chinese Premier Chou En-lai to this country, and for another presidential visit to both Russia and China in 1974 as if nothing had happened or would happen to diminish his ability to conduct the nation's large affairs.

It is of vital importance to him to remove any impression that even though not convictable upon impeachment, he is so damaged that the nation will suffer irremedial harm unless he resigns. This is subject to demonstration to the contrary by several different measures. First, he will have to improve the economic climate. Climate is the right word because all the economic indicators are good and it is fear about the inflationary future which is causing the trouble. Phase IV of economic controls will have to work.

By another measure, the Cambodian war will have to be brought to an end, and there are indications that it will be, possibly by a compromise which Nixon may not like but at least will get this issue out of the way. Another measure may be the fading away of the short-run effects of the energy crisis—the gas shortage and so on, which also may be in the making.

If all of these results materialize, which is not wholly unbelievable, a very substantial argument can be made on practical grounds that the presidency is far from paralyzed and Nixon's resignation is not necessary to set the country right. The moral question may be something else, and it does not now appear likely, with half the country believing Nixon was involved in some very bad things, that there will ever be a consensus on his culpability. Credibility is also a problem, but in greater or lesser degree, Nixon shares this problem with preceding presidents. It is not necessarily a paralyzing factor.

The country would have to be in a very bad fix for Nixon to bow out. He is not, in fact, under the same pressures as Lyndon Johnson when he despaired of uniting the country and so did not run again. Nixon does not have to run again.

Let us suppose the extreme for a moment and assume Nixon was criminally liable and knew it. Would he reason that the country would be harmed or helped if he uttered mea culpa and went off to jail?

The President's strategy is to show that he was not criminally or morally liable, and, even if half the country thinks to the contrary, he is still able to serve the whole country well. This leaves the Ervin committee in the position of having to show that the President is convictable, which it has not yet done to its own satisfaction.

LAND BANKING

Mr. HARTKE. Mr. President, on May 21, I introduced S. 1857, the National Growth Policy Employment Act of 1973. Title II of that bill concerns the need for land banking in our Nation's urban areas. Title II of my bill is almost identical to H.R. 5808, the Urban Employment Act of 1973, which was introduced by Congressman JAMES STANTON, of Ohio, earlier this year. We have both come to the conclusion that the issue of growth or no growth and the corollary effects on employment in our urban areas is a crucial one. We hope to be able to work together in bringing that issue to the attention of the American public. An article in the Washington Post recently commented on the need for land banking as a means of controlling national growth. I ask unanimous consent that that article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAND BANKING: IS IT COMING?

(By Benjamin Ronis)

The debate centering around the issues of land use regulation, "growth or no-growth" and corollary topics seems to be spreading into almost every aspect of our national life. Discussions on ways and means to resolve the issues are cropping up in some of the unlikeliest places. But this is evidence of the gravity of the subject.

One "unlikely" place was the recent 50th annual meeting of the American Law Institute at the Mayflower. That body of eminent legislators and jurists, in between its usual discussion of how to improve the American system of jurisprudence, spent almost one entire day discussing the draft of one of its projects, a proposal to create a Model Land Development Code for use anywhere in the United States.

The code, still in a draft stage, contains suggestions from the code committee on provisions to be included covering powers for municipalities to regulate development, planning, land acquisition, discontinuance of existing land uses and enforcement of regulations.

It also contains some comments on "land banking", a topic which has recently come onto the local scene via being sponsored by the Fairfax County Board of Supervisors.

Land banking is the purchase by any governmental agency or substantial quantities of land and holding these parcels in the public name as a means of influencing development patterns and controlling land prices. It is being argued by many students of the land development process that land banking is the only feasible way to resolve a number of the more serious problems arising from our present methods of developing urban land. While the institute does not take a stand either way as yet on whether or not to include land banking in its model code, its draft committee does recommend that all members read the many arguments that have been developed.

No discussion of the use of land acquisition powers to control growth and development would be complete without consideration of the concept of land banking. The term is one that appears frequently in the literature of land use law, economics and planning. Although the term is not always used uniformly, in general we may define it as follows:

A system by which a governmental entity acquires a substantial fraction of the land in a region that is available for future development for the purpose of controlling the future growth of the region.

Land banking has been used in a number of European countries, notably Sweden and the Netherlands, where it has been widely acclaimed as a means of encouraging orderly urban growth. The technique has acquired a substantial number of proponents in this country.

This tentative draft does not include authorization for land banking. Instead, it attempts to summarize the arguments made by the proponents of land banking and the arguments that can be expected from its opponents, and discusses some of the issues that are involved in the drafting of a workable land banking system.

This approach has been chosen because a majority of the advisory committee supported the idea of land banking, though there were differences in opinion on the desirable nature and scope of the system.

Proponents of land banking have relied

primarily on two basic arguments: (1) that it will reduce the cost of land through elimination of land speculation, and (2) that it will permit more rational patterns of development rather than urban sprawl. Large scale municipal acquisition of land for planning purposes was advocated extensively in the 1930s with considerable emphasis being placed on the high costs alleged to result from land speculation. In 1936, James Ford advocated ". . . the condemnation of land for housing purposes and, as rapidly as possible, the perpetual ownership of land through some unit of government. Extension of public ownership of land is necessary to avoid recurrence of the evils of exploitation of land against the public interest and to give the government firm control of the housing situation."

Lewis Mumford wrote:

"What one proposes now is that a bad land policy, which confused stable occupation and security of tenure with the irrelevant concept of individual ownership, should be obliterated. In its stead, one proposes a sound land policy which shall vest ownership in the community, and guarantee tenure, for definitely assigned periods, to those who work the land thriftily and pay their communal taxes. This policy can be put into effect piecemeal, by permitting cities to buy up land necessary for their development and to hold it permanently: an indispensable aid in four-dimensional planning."

Perhaps the most persuasive evidence that land banking can cause a general reduction in land costs is provided by the land banking program that has been undertaken by Saskatoon, Saskatchewan, since the 1930s. A federal task force in Canada studied the Saskatoon experience as part of an over-all study of housing and urban development and found land prices in the area around Saskatoon substantially lower than around comparable cities, and it recommended that the program be duplicated in other Canadian Communities.

The Task Force noted . . . that land costs in Saskatoon had been held in check despite the fact the city's population has more than doubled in the past five years and that the pattern of urban development there showed a certain rationale that appeared lacking elsewhere

During the depression, however, many entrepreneurs defaulted on their property assessment payments and the municipality thus acquired ownership to large tracts of development land. Looked upon at that time by city fathers as a doubtful, unrealizable asset, this "bank" of publicly owned land subsequently provided the foundation for an effective system of municipally-assembled and serviced land. Through it, the Saskatoon government has been able to provide land for private development at reasonable prices while at the same time planning the development pattern in a comprehensive sense and retaining, again on a planned basis, sufficient land at the proper sites for public uses such as schools, libraries, parks and the like.

Starting with the original depression windfall, Saskatoon has continued to acquire land, sufficiently ahead of development to keep prices down, to the point where it has been able to accommodate rent urban expansion and still build up an inventory of some 5,000 acres which should meet development needs for the next 20 years.

In a recent paper, Professor Charles Haar has argued that a land bank is needed to stabilize the market for land in a manner similar to the way the Federal Reserve Bank stabilizes the market for money.

Professor John Reps, a leading planning educator, advocates land banking as a means of controlling urban sprawl.

"The proposed method of directing urban expansion would promote contiguous development rather than the wasteful, discontinuous pattern which now prevails and which results very largely from the whimsical characteristics of the peripheral land market. In order to find land on which to build, the developer must often leap-frog over near-in tracts which are held off the market for one reason or another. The expense and the cost to individuals in time and money is increased by this useless and unessential dispersal."

The National Commission on Urban Problems has recommended that state governments enact legislation enabling state and local development authorities or agencies of general purpose governments to acquire land in advance of development for the following purposes: (a) assuring the continuing availability of sites needed for development; (b) controlling the timing, location, type and scale of development; (c) preventing urban sprawl; and (d) reserving to the public gains in land values resulting from the action of government in promoting and servicing development.

Land banking obviously involves a degree of governmental intervention in the land development process that goes beyond the role of government as regulator with which we are accustomed. Additionally, land banking may be called a scheme to socialize the ownership of land and be described as a deterrent to prevent initiative in designing new and better forms of land development. As a result of these pressures, a land banking agency might be forced into quick turnover of land to private developers, thus hindering the goals. Similar pressures were evident in urban renewal.

Opponents of land banking will also argue that it cannot really achieve the purposes claimed for it. Sylvan Kamm of the Urban Institute, author of a highly critical study of land banking, argues that it is impossible to achieve both better quality development and lower land prices. Says Kamm:

"The essence of orderly development is that varying land uses will support each other and there will be no wastage of land through scatteration. Given such a pattern the functional utility of all parcels will be increased—an increase which would be reflected in price."

Opponents of land banking will also object to the great discretion the agency must be given in determining which land to acquire and in deciding when, for what purpose, and to whom the property must be sold. They will point to the extensive opportunities for corruption that will be presented by such a program.

Assuming the creation of a land banking system were found to be desirable, a number of difficult issues would remain to be resolved before such a system could be designed. These include:

(1) Which agency will run the land bank? The federal government? The state? A regional agency created for the purpose? The central city? Existing suburban governments?

(2) How is it to be financed? General revenues? A special tax on land transactions? Should its sales of its own land eventually make it self-sufficient?

(3) To what extent should the land bank agency subsidize particular land uses? Which land uses?

(4) Can the agency acquire land secretly or must its planning involve public participation? If it operates secretly, how can we be sure it will act consistently with the comprehensive land development plan? If it operates publicly, will it end up paying extremely high prices?

(5) Should the land bank agency pay property tax on banked land? If so, would premature development be stimulated? If not would local government revenues be severely reduced?

(6) Should land held by other governmental agencies be treated as part of the land bank? Should provisions be made for compensating such agencies? If not, should there be a method for insuring that such agencies are not working at cross purposes with the land banking agency?

(7) Should the land banking agency's decision to sell land be subject to review? If so, will prospective purchasers be deterred? If not, can we be sure the agency's operations are consistent with public purposes?

The American Law Institute and its Model Land Development Code Committee made an excellent presentation of these timely arguments. Meantime, this makes excellent homework for politicians, planners, citizens and land developers.

THE GREAT OIL PRICE RIDDLE

Mr. ABOUREZK. Mr. President, I recently received a series of articles published in the Wichita, Kans., Eagle and Beacon, written by Ted Brooks, a columnist for this newspaper. Mr. Brooks in this series of articles discusses crude oil pricing. His viewpoints, I believe, deserve the attention of all of us who are interested in this subject. I request unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wichita (Kans.) Eagle and Beacon, Mar. 4, 1973]

CRUDE PRICES—FACT AND FANCY

(By Ted Brooks)

If the oil industry was ever flabbergasted, it was Friday, when National Cooperative Refinery Association, McPherson, Kan., boosted the price it pays for Kansas crude to $3.85 per barrel.

The price change, effective Monday, March 5 (not Feb. 5 as mistakenly recorded here) upset some of the industry's most cherished rules of the game.

Independents constitute about 84 per cent of the refining companies in the U.S. If that sounds good, then reflect that they control but 15 per cent of the nation's daily refining capacity of 13.2 million barrels. The top 21 refiners have a capacity of 11.2 million daily. Of these, the top ten, control 64 per cent of U.S. capacity.

NCRA is no midget ranking No. 31 on the U.S. list with 50,000 barrels daily. But in the ways that really count NCRA is a lightweight. It is doubtful if the president of Exxon ever heard of it. Its weakness is that which is shared by most independents—a lack of crude oil production, its own supplies. NCRA's crude production amounts to but 18 per cent of its refining capacity. The top 21 own or control about 66 per cent of U.S. production and the top 10 virtually monopolize the importation of up to five million barrels daily of additional foreign oil needed.

So there's no doubt as to who is running the petroleum industry. At least there wasn't until Friday. Theretofore it was deemed improbable that an independent would be so rash as to presume he could offer the price he thought the oil was worth.

This paradox in what is called a free enterprise system has never been properly explained. It probably never will be.

Economists, usually researching the subject under industry sponsorship, have described a mystic realm in which independent and major purchasers stalk through the fields in deadly competition for every barrel. No one ever explained how this peculiar form of aggressiveness always ended in identical price offers.

Experienced sinners have always concluded that this was evidence of collusion. Nothing could be more satisfying than imagining a smoke-filled room populated by greedy tycoons bent on the ruination of small business men and the milking of consumers. This is not true. It is not equally certain that the results are much different.

The established pattern of crude price increases is well known. Agitation among independent producers becomes embarrassing. It might even end in splitting the industry along a few political goals more or less commonly sought. The need of an increase ultimately becomes the consensus. This spreads among corporate executives, none of whom live in isolation.

Some, long on production, have ulterior and sympathetic interests. Others, long on marketing, may view the prospect with horror. These men can and do talk the thing over. At some given time their own consensus gels, and only the most obtuse among them would be unaware of it.

By happenstance, not design, one of them assumes leadership. The rest join in at unpredictable intervals calculated to discourage suspicion of an overt agreement, which in fact did not exist. A community of like interests is enough.

This process may be changing. Crude oil is in short supply. Consumers need more oil, gas and fuel. Producers need more money if they are to find those supplies.

NCRA's price hike is a challenge that suggests a free and uninhibited supply and demand market is the best way to bring forth the energy that must be had.

THE GREAT OIL PRICE RIDDLE—1

(By Ted Brooks)

Almost everyone agrees that crude oil and other goods should command prices which reflect supply and demand in a competitive market. In theory, this is one of the virtues of the private business system.

In practice, it works exasperatingly well in the fields of food, clothing, shelter and services. The doctrine's soundness is repeatedly extolled by sellers in a rising market. In a falling market, they suspect something is out of kilter.

It works less efficiently at the raw material level where sellers become buyers. It works not at all when buyers of raw material control the source of supply.

Crude oil happens to be among those raw materials most effectively contained by the latter condition. Competition appears to be intercepted. This is revealed by current events.

Crude is in very short supply. Kansas and midcontinent crude of high quality sells for an average of less than $3.50 per barrel, perhaps $3.70 delivered. No free market theory can explain how Canadian oil supplements the supply at close to $4 per barrel.

The scarcity radiates outward. Deprived refiners may pay more than $4 per barrel for foreign crude at Gulf ports. This is an opportunity price. It has nothing to do with the real cost of foreign oil, which remains below that of domestic.

In a genuine free market, Kansas' problem would be solved by raising the price of crude. This would do three things: divert some supplies to Kansas plants; bring forth new supplies, since higher profits would attract drilling capital; extend the life of many marginal wells now near the point of abandonment.

This is what a Kansas refiner is attempting to do.

National Co-op in McPherson has raised the price to $3.85 per barrel. In effect, it is betting nearly $6,000 per day that enough guts remain in the free market system to sustain a price that will bring forth the supplies it needs. NCRA could lose its bet. It may have to retract its posting, justified or not.

If this occurs, one has no alternative but to conclude that the claimed market does not exist. At some obscure point it has been intercepted.

Other independent refiners with similar problems did not immediately join in the price boost. One wonders why. They have reason to re-establish some measure of participation in a market now administered to guarantee their ultimate demise.

Some crude producers have switched their connections. Many more have expressed appreciation of the NCRA effort, but appreciation will not fill the tank farm.

Not so obscure is the current order of the Cost of Living Council. Covering both crude and products it limited price increases to one or one and one-half per cent. It directly affected only about 15 per cent of the oil refiners in the U.S. But those firms are the beneficiaries of 95 per cent of the sales dollars.

Ostensibly, the rule was made on behalf of consumers—consumers who may soon run out of gasoline at any price. The timing was such as to nip any change in the status quo of crude and product price controls.

But in effect, it gave government backing to an industry pricing system already controlled by a few dominant firms. None of these had responded to NCRA's posting. The Council's edict relieves them of the burden. Their supplies are adequate. Their prices are their own.

It appears that independent refiners must somehow exist without adequate supplies; that producers must abandon hopes of reviving oil and gas production. For some independent marketers it may be the end of the line.

There is a growing conviction that there is more than just awkward policy-making behind intertwined government and industry edicts. If so, the answer lies in world crude oil supplies and the way in which the industry has structured itself around them. This will be discussed in a subsequent column.

THE GREAT OIL PRICE RIDDLE—2

(By Ted Brooks)

It has been contended here that the Cost of Living Council's edict restricting crude and product prices has but formalized price policies and systems already in effect. It gives government an overt share of responsibility in a small consortium of price-leading buyers whose domestic price stance had won tacit approval.

This is not apparent in the published reactions of the price-setting corporations and their spokesmen. They are not politically naive. They deplore the Council's ruling as being injurious to the domestic industry. Some are silent.

But the years of the immediate past are difficult to ignore. They were then the sole arbitrators of price. They then expressed similar concern while they let fully one-half of the domestic producing industry slide into an undeserved grave. A considerable part of the independent refining industry went with it.

Those events are the real sources of oil and gas scarcity today.

As a matter of record, the agonizingly slow but steady gas price increases permitted by the Federal Power Commission since 1953 have amounted to better than 100 per cent—from about nine to 20 cents per thousand cubic feet. Crude prices, administered privately, have gone up but 28 per cent in the same period—from $2.82 to $3.52 per barrel.

On the face of it, FPC gas controls in the public interest have outperformed industry crude prices controlled by corporate interests.

One is required to ask if what is said comports with what is actually being done. While deploring the plight of the domestic industry, the principal interests of the dominant corporations are deployed elsewhere. The followers of Mohammed are avidly cultivated; the shipyards hum with tanker orders; great petroleum enterprises are launched throughout the world.

Make no mistake. These worldwide ventures are necessary. Moreover, the large international firms are the only ones who possess the capital and high degree of technology and organization needed to do the job.

But the full potential of U.S. domestic reserves also must be developed. If the internationals are to be praised for their enterprise in the first case, they must be condemned for their obstruction in the second. Unless the country is to become a beggar energy nation, the economic structure must accommodate domestic development too.

Closer to home, the Mid-Continent Oil & Gas Association also deplored the restriction on domestic prices. At the same time it employed a lobby in Topeka to vigorously oppose a last ditch stand by Kansas independents to get a price increase.

The independents seek legislation empowering the state to fix a minimum crude oil price. This would be set at a point judged necessary to assure the conservation of present reserves and the development of known or probable reserves.

Mid-Continent and its spokesmen for the companies which have already preempted price controls based their opposition on the grounds that the bill would introduce government controls. It requires a gymnastic form of reasoning to deem price controls by a few for the benefit of the few acceptable while even a partial public control for the benefit of many is deemed unacceptable.

Again, it must be noted that a minimum price poses no threat to enterprise; it is the control of maximums that has pulled the stopper on the domestic industry.

All of these problems and many more are not the deliberate contrivances of wicked men. They are the outgrowth of an industry which grew at random. In the course of that growth it was structured around crude supplies. And to this these columns will belatedly turn.

THE GREAT OIL PRICE RIDDLE—3

(By Ted Brooks)

Minds can be lost and found while engaged in unraveling the complexities of crude supply and pricing. That loss or discovery may not make the earth shake. But it will certainly lead to the intelligence that crude supplies and prices are strikingly entangled and different things to different people. This accounts for the enduring hullaballo.

For example, the current increase of 25 cents per barrel being attempted by two refiners would seem to be of a clear-cut significance to one engaged only in the production of crude. Assuming his wells were operating at some profit previously, it would appear that he has achieved an additional and splendid 25 cents per barrel profit.

The splendor is evaporated by realities. An eighth, about three cents, goes to the royalty owner. If the producer is fortunate enough to be in the 50 per cent tax bracket and the quality of his wells is high, he will recoup 2.5 cents through the federal percentage depletion allowance; he may get as much through the state allowance. So it would seem that after royalty and tax deductions are accounted for he gets 26 cents on a 25-cent boost.

Alack, this is not the end of the matter. He must pay out of this about 10 cents in federal taxes on the 19-cent profit shown after depletion and royalty deductions. Then he must pay out an indefinite but lesser amount for state income and ad valorem taxes.

The small print makes this more complex and expensive. Anyone filling out his returns on the basis of these rough figures must be resigned to life in the penitentiary. It is in the ballpark to say that the producer may have seven cents left out of the 25.

The conditions outlined are ideal. Actually, many Kansas operators (perhaps most of them) are not in the 50 per cent tax bracket. The depreciation allowance is correspondingly less. Also, since the allowance is tied to net profit, very few Kansas wells qualify for the full 22 per cent allowance. Estimating on the basis of previous studies, the current allowance is about 15 per cent.

This is not to say that one can't become disgustingly rich in the oil business. But it takes a magnificent run of luck. The same may be said for other businesses where it is more polite to ascribe success to genius.

It does mean that, on the average, where the average well produces less than five barrels daily, the oil business in Kansas is not what it is cracked up to be.

To the refiner, crude supplies and prices are quite another thing. If he is without production of his own, they represent a cost that is undiluted by any tax concession.

The posted price, over which he may have but slight influence, is at the wellhead. Until recently, the average cost of transporting the oil to the refinery in Kansas was about 20 cents a barrel. The 600-mile pipelining of supplemental supplies from Canada is boosting this enormously. Currently, oil is laid down at Kansas refineries at an average cost of about $3.85 per barrel.

It is now more convenient to convert that to a more revealing figure—a little more than nine cents a gallon.

There is a professed ignorance in the refining industry of the exact cost of turning crude into any given product. Enough is known to estimate this at two cents a gallon without engendering too much ire. Thus gasoline, with an additional one cent delivery cost, may be peddled to wholesalers at 14 cents a gallon, a common price. It nets the refiner two cents, or 84 cents a barrel, a handsome profit, or so it seems.

The wholesaler is supposed to prosper with another three-cent mark-up; the retailer ideally gets 10. So the motorist fills up for 27 cents a gallon, adds another 11 cents for state and federal excise taxes and proceeds joyfully to the scene of his next accident.

Refiners and marketers may be forgiven for laughing themselves to death at this sequence. In practice, the retail price is much lower. The selling profits are frequently shaved to half. The refiner often will be forced to sell below his nine-cent-per-gallon crude price.

This is why refiners and marketers are nervous wrecks and frequently talk to themselves. Their afflictions are derived from the fact that they have no real control over either their costs or selling prices.

The keen mind of the avid reader will also recall that the independent producer suffers this self-same inadequacy. The reader may further surmise that enterprises in which there is no control of either costs or prices are doomed to extinction. And so they are.

This condition aside, the businesses that have been described seem to fulfill the requirements of the enterprise system. Producers who are just that and nothing else and refiners who are just refiners might get along despite normal difficulties, and so too with marketers.

A competitive push and pull would ensue that would stop short of suicide and deliver products to consumers at the lowest price consistent with the continued production of crude and the manufacture and sale of products.

Unfortunately, the examples described compose an insignificant part of the petroleum industry. The pace is set by another world. It is dominated not by separate producers, transporters, refiners and marketers, but by a small group of immense firms which embrace all of these functions under integrated management.

This is structured around the worldwide control of crude supplies and prices. The amazing mechanics of their operations will be the subject of subsequent columns that will delight some and horrify others.

The Great Oil Price Riddle—4

(By Ted Brooks)

One of the most treasured articles of faith in the private enterprise doctrine holds that free and equal competitors have equal access to free markets. This in turn is ruled by highly informed consumers who unerringly pick the highest quality goods at lowest possible prices.

It is further adumbrated that the worth of the seller and his products are justly measured in this rigorous system; that success or failure proceeds from the sagacity or stupidity of the enterpriser; that the market accurately measures the ingenuity with which the enterpriser administers his costs and prices and adjusts the quality of his goods in competition with equals. The autonomy of each is presumed.

The doctrine is testily defended by those who at any given point in time feel themselves safely ahead of the bank. Though it smells strongly of newly mown hay, it has prevailed with certain refinements since economists first found they could earn a livelihood by rationalizing the ever-changing techniques of market dominance.

It is a source of growing lament among small business men in hock at double the prime rate. Its weirdly mythological content is nowhere better demonstrated than in the oil business. Here, the foundations of the dogma are washed away one by one.

It has been shown that few of the articles of faith exist in practice. Refiners and some marketers are unable to obtain adequate supplies at any price. Crude producers are unable to command prices that permit them to retain existing production and drill for new. Both the crude raw material and the crude products are fungible—being of broad uniform quality for which no particular claims of superiority can be sustained except in gasoline advertising copy.

The competitors, it turns out are not free, not equal and do not have equal access to crude and product markets. As dramatically revealed by present conditions, crude producers, refiners and marketers have no real control of either their costs or their prices. Yet the control of either one or the other, and preferably both, is one of the absolute prerequisites of business success, even existence.

It is by now clear to the thoughtful reader that the producers, refiners, and marketers described here have represented a particular class.

They are loosely known as independents. This is a poor word. They are anything but independent in fact. It is more correct to say their operations are limited principally to but one phase in the well-to-consumer sequence. As the economists say, they are not integrated.

In fact, some small companies are well integrated in a minimal sense. A refiner may own some production, pipelines and extensive marketing facilities. Yet, he will not have the slightest control over his supply costs or selling prices.

Scale, sheer size and muscle, and a balance between the integrated segments of the operation are potent factors. But this is not all. A relatively large crude oil operation that approaches, is equal to, or exceeds refining needs is the ultimate key to a dominating position at both ends of the market. Large firms who attain this position are the only ones properly defined as "majors."

It is widely held that the resulting advantage is solely a function of the depletion allowance. This is partly true. The very large companies own most of the wells of the high quality needed to qualify for the full allowance. Their fabulous wells in foreign countries absorb about 40 per cent of an allowance originally intended to prevent energy shortages in this country only.

Supporting evidence has been documented by the Treasury Department; firms in the $100-million-and-up category get more than 85 per cent of the total amount of the depletion allowance; small domestic producers of less than $1-million annual gross get less than three per cent.

They fight for this crumb because, though it is a poor substitute for an adequate price, it provides some return in addition to that obtained on marginal markets controlled by the buyers.

It is true, so often claimed, that integration of crude production, together with tax advantages, permits the major production departments to subsidize marketing and thus dictate product prices.

In a well-to-consumer firm, tax advantages but shift to the general public a portion of the product price load that normally would be borne at the market by product consumers alone. They are hidden prices paid indirectly at the tax level by everyone. Since they yield effortless returns, they greatly hasten the process of integration.

But this is not decisive. The opportunities inherent in the mechanics of integrated operations alone are sufficient to create a ruling class of corporations.

This passing phase in corporate development and its impact on crude prices will be discussed.

The Great Oil Price Riddle—5

(By Ted Brooks)

It has been contended here that the large, integrated firms known as "majors" have effectively intercepted the petroleum market both at the crude supply and product level.

But evidence which appears to refute this is now current. Some of the smaller majors are willing to go along with the current 25-cent field price increase launched by an independent. Others may follow.

If this is evidence of virtue, it is cheaply won. These columns recently have recounted drilling and production cost increases far in excess of the current eight per cent price boost. The difference is a measure of the speed with which needed production is being shut down and small operators are being forced out of business. This deserves an instructive digression.

The real and aggregate cost of finding and producing domestic crude is vastly underrated. Aggregate costs, including social costs, must include the burdens of the losers as well as the winners. These were calculated by an economist unattached to the industry (Henry Steele) in about 1960. He arrived at an aggregate cost of more than $5 per barrel. It now must be at least $7.

This is wildly more than authoritative studies showing costs of around $2 per barrel. The truth is obscured by the fact that reserves may indeed be purchased for around $2 per barrel.

But absolute, aggregate costs do not appear in this figure. It reveals only the costs and profits of the winners who were successful in finding and developing a particular reservoir. It reveals nothing about the majority of less fortunate independent operators who eke out reserves at much higher costs. It discounts as nothing the thousands of dry holes which yield zero barrels at infinite cost.

The problem has vexed economists, so they ignore it. They charge off exploration to another industry—gambling. Costs are calculated on what it takes to find and develop a winning reservoir.

This has a deluding appeal. It is argued that extremely lucky Company "A," finding oil at $2 per barrel, is not justified in getting

$5 per barrel because Company "B" drilled 44 dry holes in a row. Yet, Company "B's" dryholes may have led directly or indirectly to Company "A's" success.

So it's a vexing problem indeed. Independents attempt to solve it by procuring a flow of outside venture capital. This comes from people with oodles of dough who are willing to risk it to make more. They bear the social overhead of the independent production business—the cost of dry holes that must be drilled in order that about one out of every 40 wells will reveal a really good oil field.

Their enthusiasm is not unlimited. It is restrained by three factors: First is the abundance of so-called "tax dollars" which a grasping Treasury Department would take if they were not immediately spent in some worthy cause.

More important to the industry-investor relationship is the incidence of dry holes and the return on successful wells. As the former rises, so must the latter. This means a higher crude price. It must bear some relationship to rising dry hole incidence (social overhead) and rising exploratory, development and production costs.

Otherwise, even fortunate investors find the risk not worth taking. They are remarkably quick in seeing that, even when winning, a $3.50 crude posting cannot cover a $7 aggregate cost without an improbable amount of luck.

Unsophisticated investors misconstrue the source of their losses and sue everyone in sight. In fact, they, and the producers too, are the victims of what might be described delicately as a systemic deficiency, or more harshly, a lousy set-up.

The integrated corporation has neatly avoided this problem with a marvelous structure. Its social overhead is defrayed by everyone who buys petroleum products or pays taxes. In effect, everyone is an investor.

Crude oil prices mean nothing, since the crude is their own. Its cost is the cost of production. The price is administered only to contain competition from outside the brotherhood.

Their crude oil does not surface as a real price factor until it hits the products market at about $7 per barrel. Hence they are far more protective about the retail prices that concern them than the supply prices that concern others.

The details of this sequence, its blessings and inequities will be discussed in the long-awaited, concluding column.

Oil Shutdown—Wise or Rash?

(By Ted Brooks)

Independent oil producers of Kansas, Oklahoma, Texas and several other states are gathering here to consider the practicality of countering a desperate plight with desperate measures.

To dramatize an untenable business position, some of them would shut down oil production in Kansas and as many other states as possible. Others advocate the formation of a cooperating marketing company to buy and sell independent oil at the prices needed to stay in business. Some want a little of both.

They cannot be blamed for considering these extremities. Conventional action has failed. For 15 years they have been left behind as the rest of the economy soared. Their inability to keep present reserves on the pump and find new reserves at present prices is one of the principal reasons for the current energy shortage.

The confrontation they are bringing to a head is a form of economic warfare. Before they move on the opposition they must identify the enemy, assess its power, determine their objectives, estimate their own resources and their prospects of success.

It is not enough to dramatize and attract attention. There are all kinds of notoriety, and not all of them are good.

They must act with full realization that any damage, intentional or not, inflicted on either their friends in the industry or the general public could bring irreparable damage and wreck the project.

The goal is specific—higher crude prices. This identifies the enemy: a dozen or so large corporations who effectively administer supplies and prices. To this must be added an entrenched federal petroleum bureaucracy whose leadership and policies are provided or dominated by the same corporate group. This amounts to a $100-billion oligopoly and a federal bureaucracy sharing common economic and political goals at home and abroad.

Obviously, little material damage can be inflicted on any such concentration of power. By the same measure, however, it is vulnerable to attack on moral, political and public interest grounds.

The difficulty lies in bringing this off without wrecking the rest of the scenery. A Kansas shutdown would cost operators $665,000 per day. Only a few affluent independents could feel as enthusiastic about it on the 30th of the month as they did on the first.

Regionally, it would bring distress to many innocent bystanders. Some independent refiners, already crude short, might be wrecked for good. Shortages and possible rationing on the product market might ensue. No one could survive the resulting public wrath. It could easily be the independents' last hooray. The effect would be correspondingly grave if other states joined.

It might close the door forever on any attempt to establish a pipeline of responsible influence with an administration that will continue for four more years. That administration is not crossed with impunity; it does not hesitate in the use of retaliatory power.

Previous statewide shutdowns, which were not successful, were made to bolster prices too. But they were in times of surplus. No one outside of the industry was affected. In times of scarcity, it would affect everyone.

If drama is desired, a one or two-day shutdown would provide it without putting the independents under the perpetual stigma of sponsoring calamity.

The idea of a cooperative marketing organization is something else. It could be financed at infinitely smaller cost than a shutdown. It could be launched if each independent participated at the outset to the extent of one or two days net production. It could even yield modest returns above an adequate crude price.

But it poses formidable problems. Crude purchasing and selling is no simple game. The advice and management of recently retired, top notch refining and purchasing men might be obtained. The cooperation of independent refiners would be necessary.

If this seems beyond reach, why wouldn't it be possible to collect a very large fund and match the public relations and political action of the large companies? It could be done at a fraction of the cost of a shutdown.

Whatever is done, the independents must understand that scarcity gives them an awesome power. It derives from controlling vital crude supplies at the margin of need. And power is best utilized as a threat. Once used it destroys itself.

The Great Oil Price Riddle—6

(By Ted Brooks)

Independent producers, refiners and marketers squander some of their most inspired and thoughtful maledictions in the wrong direction. Finding the sources of their misery invisible or impregnable, they turn on each other.

Their basic difficulties are identical. They should be inseparable friends. All lack discretionary control over their costs, prices and supply for the same reason. Such control is a prerequisite of any viable business.

Honed to perfection, it is the secret of the astounding success of the major petroleum corporations. Their enigmatic bookkeeping to the contrary, they are the biggest money-makers of all. They provide one of the soundest stock investments one can make. It is a constant embarrassment to them to feel duty-bound to deny the former and immodestly confess the latter.

By accident rather than wicked design the relative perfection of their cost, price and supply controls denies similar autonomy and privilege to others. The basis of their success, while not invisible, is an intangible thing, a system, a structure.

The fortunate reader, with total recall capability will identify this instantly as integration. This amounts to well-to-consumer participation in each industry function—producing, refining, pipe-lining and marketing. The structure is enhanced mightily by bigness, but the essential attribute of those commonly defined as "majors" is a plentiful supply of crude oil.

It is interesting to note in passing that neither Ashland nor Coastal, both $1-billion-plus firms, is a major by this definition. And so indeed one finds them responding like independents to current crude and product difficulties, though far more circumspectly.

The flow of crude oil accounts for this. It will be recalled that the independent refiner with no or little production buys his crude in Kansas for about $3.85 delivered, or nine cents a gallon (now nearly 10). Most of the major's crude is self-produced. It flows into his plant at cost of production.

This may range from less than a dollar a barrel at his best wells (two and one-half cents a gallon) to several times that at his worst. It is not wildly speculative to average his cost at about $2.10 a barrel, or five cents a gallon. It is delivered in his own pipelines, which are not unprofitable. His real cost of supply is about half that of the independent refiner.

But this is an unreal world. The producing department charges the refining department the mythical posted price of crude set by the purchasing department. The distraught Internal Revenue Service lets this stand for tax purposes no one but the company can genuinely admire.

The inflated and unreal price is passed on to the marketing department. To the marketing executives is assigned the difficult task selling the product in volume and adding additional profit. Depending upon how far forward into the market the product is sold, it brings on the order of 16 cents a gallon (gasoline), or $7 per barrel.

Who needs a crude hike?

The remarkable thing about this is that it is the first bona fide price to appear. The crude, produced at cost, flows upward through an intricate, interdepartmental price system that is an intra-company tax game. Except for tax purposes, the firm is immune to the ostensible price it sets for that portion of supply it may buy. It makes no difference if the crude is 10 cents or $10 a barrel.

All must buy some crude, even those who produce in excess of refining capacity. It is a matter of geography. This does not alter the ultimate advantage. A barrel purchased here is recouped by a barrel sold there, whatever the price.

As a group, the majors refine seven-eighths of the nation's oil and produce two-thirds of the crude. They buy or import the balance. The purchases are financed all or in part by duplicate barrels sold in worldwide positions.

Only the top international companies get the full benefit of the ideal conditions related. They thus qualify to run the show. Lesser (but still quite large) firms prosper in descending order of their structural perfection.

Further results of this structure and the partly accidental politico economic advantages the major firms have inherited will be discussed in Sunday's final column.

THE GREAT OIL PRICE RIDDLE—7

(By Ted Brooks)

The cock is certain that his crowing accounts for the sunrise. This must appear as an unmistakable truth to all chickenkind. It is manifestly of high importance to astral mechanics and getting people out of bed.

Cause and effect are similarly confused by mankind. One is daily subjected to all manner of representations purporting to show that established institutions are vital to existence. Considerable wealth is deployed to this purpose. Nowhere is it more lavishly distributed than in the corporate petroleum industry. It has more to prove.

Thus it is claimed that the dominance of the integrated oil companies indicates their superiority in an economy that is based on private enterprise and free markets. They imply that it is slightly subversive, even dangerous, to hold otherwise. Gravely considered, this is for the chickens.

For it has been shown that the majors (as previously defined) have subordinated supply, product and crude markets to their own use. Moreover, this has denied smaller firms a useful amount of decisiveness in controlling their costs and prices.

Independent producers, stewards of badly needed but high cost crude must sell their product at an arbitrary price imposed by the majors—now about $3.70 a barrel in Kansas, or less than nine cents a gallon. The major produces his own oil at cost, from the world's best wells—estimated at $2.10, or five cents a gallon. His crude does not appear on the real market until it emerges as a product at $7 per barrel, or 16 cents a gallon. He is thus immune to the price he sets for others.

The independent refiner buys at the domestic and foreign price similarly set. His supply is now commonly delivered for close to 10 cents a gallon or $4.20 a barrel. To this we have added a refining cost of two cents and a delivery and marketing cost of a cent, though the latter may be somewhat more.

The product leaves his refinery gate with a profit of two cents a gallon—IF the retail market holds at about 37 cents a gallon, which it doesn't. As a result, he frequently sells at or below his supply and manufacturing cost margin.

Meanwhile the major, obtaining his supply at half the cost, has a five cent edge at the supply level and two-cents at retail. The latter is due entirely to his powers of persuasion in claiming a superior product.

In between these wholesale and retail prices, the retailers and jobbers bear the brunt of both pressures. Usually uninformed, they superstitiously blame their predicament on producers of all kinds and greedy competitors. They are now lucky to obtain supplies at any cost.

It would seem logical that if the major can market so cheaply the business should be handed to him along with certain restraints. The thought is dissipated in Alaska and Hawaii. In both places, the oligopoly utilizes the cheapest crude in the nation to post the highest of retail prices.

Clearly, the integrated structure is the principal instrument of this pervading control of costs, supply and prices. Just as obvious, is the ruinous effect on competition and domestic crude and product supplies when that power is extended to control the costs and prices of others.

The depletion allowance augments this control. It was not tailor-made for majors. They were tailor-made for it.

Because it was awkwardly designed to accommodate the owners of the best and most profitable wells, the major firms have appropriated 85 per cent of the total allowance. Coupled with integration, it is correctly described as a handout.

It inadequately compensates independent producers for their lack of price determination.

They unwisely support the principle. This derives partly from the medieval notion that it is better to escape the king's tax collectors than attempt to get a fair price at the market. Again, they have no other recourse. The market, being subordinated to the use of others, is beyond their influence. So they compound their basic difficulty by asking for greater tax advantages, most of which would be absorbed by the majors. A short term gain is traded for an additional long term sacrifice of self-determination.

The allowance is cultivated for good reason by the majors. It is set on the basis of the posted price. Thus, though their crude may flow at a producing cost of $2.10, it may earn a 20 per cent allowance based on a posting of about $3.75 (not all wells earn the full 22 per cent).

At tax time they get 36 cents for every barrel they produce. One may invoke a little math to show that a major who produces about 84 per cent of his own oil need not raise his product postings when crude prices are increased. The allowance on his production makes up for the increased cost of supplemental supplies. Those producing more than 84 per cent, may actually reduce the price of products when crude prices are raised.

It is doubtful if this will ever happen.

Wheresoever one turns, be he producer, refiner, marketer or consumer, the baleful effects of corporation integration intrude. Soon it will completely eclipse the market. It is inevitable so long as small business permits itself to be placated by marginal price increases and preferential tax advantages that disproportionately augment the power of the majors.

The separation of the various segments of the industry into specific functional parts (divorcement) appears to be the only way in which equity and competition may be restored. Producers would act like producers, refiners like refiners and marketers like marketers. The major companies themselves, relieved of bumbling, overlapping management and interdepartment subsidization, would prosper. The erstwhile production departments, standing on their own, would utilize all of their own profits to find new and more reserves. More efficient refiners and marketing firms would stand on their own feet. Single company stockholders would have more profitable and diversified holdings. Products would be relatively cheaper. Independents would thrive on an even footing, taking and giving competition.

This will come to pass, but not tomorrow. Meanwhile, one may be assured that though the cock stops crowing the sun will rise.

QUICK THINKING SAVES LIFE OF INJURED CHILD

Mr. MATHIAS. Mr. President, on rare occasions, there appear news reports of individuals who, when confronted with an emergency, are quick to act positively to save themselves or others from harm. Many of us, I am sure, have wondered how we would react in similar situations. Ronald Herman, of Gaithersburg, Md., need not wonder, for he has shown that he is capable of acting quickly and effectively to avert possible tragedy in an emergency situation.

Recently, while driving in his car, Ronald Herman witnessed the collision of a school bus and a pickup truck. Within seconds he reached for his mobile phone and alerted local police and rescue officials who were able to reach the scene of the accident in time to save the lives of two small children. Mr. Herman has my deepest respect for his immediate reactions and I ask unanimous consent that an article from the Gaithersburg Gazette detailing these events be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

QUICK THINKING SAVES LIFE OF INJURED CHILD

Spontaneous action on the part of a local businessman when he witnessed the collision of a school bus and a pickup truck, saved the life of at least one, and maybe two children, who could have otherwise died from injuries, according to a police official's report.

Ronald Herman, owner of the Double Knit Men's Clothing Store in the Shady Grove Shopping Center was driving along a road in Rising Sun last Thursday about 3 p.m. on his way home from Philadelphia.

A school bus driver apparently did not see that the driver of a pickup truck who had been parked beside the road, was pulling out onto the highway. The school bus slammed into the truck.

Herman witnessed the accident. But before he got out of his car to aid the victims he used his mobile phone to call the Rising Sun police department. Within about five minutes ambulances and policemen were on the scene. The ambulance was immediately used to transport two of the most seriously injured children to the hospital. One was suffering from a ruptured spleen and the other had internal injuries.

Police told Herman that at least one of the children could have died had it not gotten to the hospital as soon as it did. And police attributed Herman's quick thinking to summon aid before he even got out of his car, as making it possible for the ambulance and police to get to the scene as fast as they did.

Herman also put five of the frightened children in his car and comforted them. He remained at the scene of the accident for some three hours, helping to get things in order.

And it was a tired Mr. Herman who arrived at his home on Westside drive, Gaithersburg, that night at 10:30. His good deed delayed his travel time enough to put him in a traffic jam at the tunnel.

Herman said on Monday that he called the hospital Sunday to check on the injured children. He said he was pleased to learn that both were reported in good health and had even been released.

CONGRESS RESPONDS TO RECOMMENDATION OF WHITE HOUSE CONFERENCE ON AGING—RESEARCH ON AGING ACT OF 1973—S. 775

Mr. CRANSTON. Mr. President, as ranking majority member of the Subcommittee on Aging of the Senate Labor and Public Welfare Committee, and an original cosponsor during the last Congress of S. 887—the Senate version of H.R. 14424, the vetoed Research on Aging Act of last year—I am delighted with the unanimous action by the Senate on Monday to move ahead on this important legislation, S. 775, this year's Research on Aging Act, on which I have joined with Senator EAGLETON again as an original cosponsor.

I would like to take this opportunity

to express my appreciation to Senator EAGLETON, the very dedicated chairman of the Aging Subcommittee, for the fine job he has already done this Congress in responding so effectively to the President's two aging bill pocket vetoes—not only of the legislation we are considering today, but of S. 50, the Comprehensive Older Americans Services Amendments Act of 1973, signed by the President on May 3, as Public Law 93–29. I am hopeful that the same spirit of cooperation which resulted in the enactment of the Older Americans Act will prevail when S. 775 reaches the President's desk.

I am particularly pleased that three amendments which I offered in subcommittee last year were retained in this year's Research on Aging Act. These are the provisions: First, charging the Secretary with the responsibility of insuring the education and training of an adequate number of allied health, nursing, and paramedical personnel in the field of health care for the aged; second, mandating that the new Institute conduct scientific studies to determine and measure the impact on the psychological, physiological, and sociological aspects of the process of aging of all programs and activities assisted or conducted by HEW designed to meet the needs of the aging; and, third, charging the Institute with the responsibility of carrying out public information and education programs and disseminating the findings of relevant aging research and studies and other information about the process of aging which may assist all Americans in dealing with and understanding the problems and processes associated with growing older.

These three provisions are designed to broaden the scope and focus of activities to be carried out by the new Institute.

On March 3 and 4 of last year, I was privileged to chair hearings of the Subcommittee on Aging on the Research on Aging Act in San Francisco and Los Angeles. During these hearings I was very much impressed by the strong support of many, many knowledgeable witnesses for the new institute. Also, just last month in San Francisco, I chaired a joint hearing of the Aging Subcommittee and the Special Subcommittee on Human Resources—which I chair—on alternatives to institutional care for the aged. One of the questions I posed to several of the witnesses at this recent hearing was regarding the need for a new Institute on Aging. The support for this legislation was again very strong, and I was particularly struck by testimony indicating that one of the most significant impediments to significant progress in research on aging was professional reluctance—caused by limited research funds and low priority within the National Institutes of Health. S. 775 is directed right at resolving this problem.

Mr. President, I strongly believe that the Federal Government's effort in the area of research into the process of aging must be greatly intensified and expanded and that present efforts are severely hampered by the limited visibility and allocation of resources within the National Institute of Child Health and Human Development—NICHD. The subcommittee hearings, both here and in San Francisco and Los Angeles, support my belief.

There is presently a very low level of Federal financial support for research into the aging process. The total fiscal year 1973 NICHD budget was over $109 million—of which only $12.3 million was earmarked for aging research. The fiscal 1974 budget request NICHD is $106.7 million—of which $11.8 million is earmarked for aging research. This represents only a bit more than 10 percent of the NICHD budget; and less than one-tenth of 1 percent of the Federal expenditures in health programs for the elderly. Experience has clearly indicated that the focus on aging research within NICHD is not nearly what it should, and must, be.

The White House Conference on Aging recommendations on research and demonstration called for the "immediate" establishment of a national institute "to support and conduct research and training in the biomedical and social-behavioral aspects of aging." I would point out that this recommendation was made in December of 1971. It is now June of 1973.

Senior citizens are the fastest growing segment of our population—the total population of the United States has tripled in size since 1900, while the older population has increased more than twice as fast, multiplying by seven times. We must focus more of our attention, and our institutions and resources, on our older citizens' needs—be they health, income maintenance, education, employment, housing, transportation, nutrition, or recreation.

The Congress has done its utmost to respond to these needs as well as the specific recommendations of the White House Conference on Aging. I am hopeful that the White House will recognize the efforts to meet its objections to this legislation by striking the nongermane provisions, and that S. 775 will finally be enacted in this session of Congress.

We must do much more to enable older Americans, to enable all our people, to make the most of their later years. I believe that this legislation will aid us significantly in developing the expertise to meet this goal.

The testimony presented last year in California, and confirmed again this year at the June 4, San Francisco hearing and the subcommittee's hearing on S. 775 in Washington, pointed to the marvelous potential for enriching and lengthening the human lifespan in order to enable each of us to live more creative, productive, and healthful lives. It is long past time for use to begin to realize this potential, and I am pleased as the ranking majority member of the Subcommittee on Aging, to have been able to participate in the development of legislation in what I consider so very exciting and vital a field.

Mr. President, in passing S. 775 on Monday, we have taken one more step toward fulfilling our commitment to older Americans—a commitment which has too long been neglected.

PRESERVATION OF THE NATURAL WONDERS OF OUR WATERWAYS

Mr. BENNETT. Mr. President, I ask unanimous consent that a joint resolution passed by the Legislature of the State of Utah calling for the protection and promotion of proper tourism and preservation of the natural wonders of our waterways in the national parks and monuments be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

H.J.R. No. 28

A joint resolution of the 40th Legislature of the State of Utah, memorializing the Secretary of the Interior, the Director of the National Park Service, the Superintendent of Grand Canyon National Park, the Superintendent of Canyonlands National Park, the Superintendent of Dinosaur National Monument, and the Congress of the United States to protect and promote proper tourism and preservation of the natural wonders of our waterways in the national parks and monuments

Be it resolved by the Legislature of the State of Utah:

Whereas, the majority of the river-running companies of Southern Utah are a decided asset to the environment and the economy of the State of Utah; and

Whereas, the river-running companies headquartered in the Kane County area are aiding the local economy by hiring over 70 people; and

Whereas, Kane and Garfield Counties are economically depressed areas with over 14% unemployed; and

Whereas, there is apparent bureaucratic red-tape and discrimination against these river-runners to the extent that they may be forced out of total operation; and

Whereas, these companies are totally committed to a clean, humanly sterile environment in the wilderness areas they visit, leaving behind them absolutely nothing but their footprints; and

Whereas, these companies are being forced to submit to severe reductions in patrons; and

Whereas, some concessioners who have never functioned at all in the past and who do not have any equipment, any supplies, or any intention of river-running, have been given an equal quota of only 320 patrons with other serious businessmen; and

Whereas, the river-runners had an exextremely short notification of the cutback in the number of patrons allowed to travel with each company; and

Whereas, many river-runners will not be able financially to correspond with patrons who have already booked trips with them for the coming season to tell them that they cannot find a place for them in their boats; and

Whereas, the Kane County area merchants have begun to gear their operations to accommodate the influx of patrons for the river-running companies.

Now, therefore, be it resolved, by the legislature of the State of Utah that we call upon the National Parks Service, the Secretary of the Interior and the Superintendents of Grand Canyon National Park, Canyonlands National Park and Dinosaur National Monument to rescind the cut-back on such a blanket restriction, and to reconsider the of the State of Utah call upon the Congresing public in such a way that the ultimate enjoyment of the parks can be achieved with the minimum amount of ecological imbalance, if any.

Be it further resolved, that the legislature of the State of Utah call upon the Congressional delegation from the State of Utah to work avidly for the implementation of this resolution.

Be it finally resolved, that the secretary of the State of Utah, be, and is hereby directed, to send copies of this resolution to the Secretary of the Interior, the Director of the National Park Service, the Superintendent of Grand Canyon National Park, the Superintendent of Canyonlands National Park, the Superintendent of Dinosaur National Monument, to the Senate and House of Representatives of the United States and to the Senators and Representatives representing the State of Utah in the United States Congress.

BRAZIL AND UNITED STATES FOREIGN POLICY

Mr. KENNEDY. Mr. President, recently several articles have appeared in the press charging that repression, torture, denial of civil rights, and press censorship are continuing in Brazil.

The archbishop of Recife, Dom Helder Camara was reported to have made these charges as recently as on June 10 of this year.

Many of the details of these charges including the names of several of the victims and the descriptions of their ordeals were reported in articles by Jack Anderson.

These continued indications of brutality and terror in Brazil conflict with administration assertions that the model for development undertaken in Brazil since 1964 should be followed by other nations.

If social justice remains one of the goals of our foreign assistance program, then the pattern of development in Brazil leaves much to be desired. In an article analyzing Brazil's course of development over the past 8 years, American University Prof. Brady Tyson, has concluded that there has been a widening gap between those at the top of the economic ladder and the 80 percent of the population at the bottom.

The review of our foreign assistance program now underway within the House and Senate Foreign Relations Committees hopefully will provide an opportunity for these questions to be explored in detail. In fiscal year 1973, we transferred some $70.4 million re resources to Brazil in a variety of programs ranging from military credit sales to technical assistance in educational curriculum development. In the previous fiscal year, we permitted Brazil to obtain $300 million in Export-Import Bank assistance.

When the United States is providing this kind of assistance to a government and that government is charged with carrying out political repression and torture against political opponents, there is a serious question in my mind whether we can divorce ourselves from those actions. I believe that at the most, only those programs providing humanitarian relief or directly in support of social development can be justified.

I ask unanimous consent for these articles on conditions in Brazil to be printed in the Record along with a table provided by the Senate Foreign Relations Committee on direct transfers of resources by the United States.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, June 10, 1973]

Regime Like Hitler's, Cleric in Brazil Says

Rio de Janeiro.—Dom Helder Camara, outspoken archbishop of Recife and Olinda, has accused Brazil's military government of methods "reminiscent of the hideous days of Stalin and Hitler."

He appealed for an end of such abuse in a speech last week to the State Assembly of Pernambuco during nationwide celebration of the 150th anniversary of legislative power in Brazil.

Government censors, under orders to bar publication of any statement from Archbishop Helder, stopped Recife and national media from reporting the speech, a copy of which was obtained over the weekend.

SILENCE UNWORTHY

"When the church speaks of oppression, we would be unworthy of Christ if we kept quiet before institutionalized injustices which keep two-thirds of the population of the country and of the world in a situation unworthy of the human condition," the prelate said.

"Or if we did not lend our voice to those who were savagely tortured and not infrequently were killed by various extralegal methods sadly reminiscent of the hideous days of Stalin and Hitler."

"Unfortunately," Archbishop Helder said, "the church on the question of torture must have the loyalty to concede that through the human weakness of the Inquisition, it has been the predecessor of this."

Though his enemies call him "the Red Bishop of Recife," Archbishop Helder is not a Marxist. But his attacks on poverty and political repression have made him the leader of a liberal wing of Latin-American Roman Catholicism.

[From the Washington Post, June 30, 1973]

Brazil Leaders Rule by Torture

(By Jack Anderson)

The fourth in a line of military dictators, General Ernesto Geisel, has just been anointed as Brazil's next President. He helped plot the 1964 military coup, which ousted the corrupt, left-leaning government of President Joao Goulart.

The military leaders have achieved an impressive economic growth and financial stability. But the price has been repression and torture. As one of Brazil's sternest judges and a member of the National Security Council, Geisel had condoned the torture tactics that kept the military regime in power.

In the august chambers of government, he is removed from the cries of the victims. But the cries have been heard by priests who have collected the grisly details. The methods of torture and the names of the torturers have been whispered to ecclesiastics. At great personal risk, couriers have smuggled the information to us.

The Methods—The documentation furnished us describes how the victim's wrists are lashed to his ankles, then he is hung upside down from a pipe passed under his knees. This is called the "Parrot's Perch."

In this helpless position, he is tortured with a magneto machine, sometimes called a "Little Piano," which is used to send high-voltage shocks into the victim's genital organs, nipples, eyes, ear lobes and lips.

As a variation, the upside down victim is gagged and tubes are thrust into his nostrils. Water is slowly dripped into the tubes causing convulsions. This is called the "drowning torture."

The documents also charge that "broom handles are inserted in the anus or the vagina of those being tortured'.' Lighted cigarettes and cigars are also applied to the most sensitive parts of the body. "This process is jocularly called 'turning the folks into ash trays'," report the priests.

The Tortured—We have space to mention only a few of the victims whose cases have been documented by the priests. A journalist named Carlos Nicolau Danielli, for example, was arrested in Sao Paulo last December and "intensely tortured," swear the priests. "In his cell, he wrote on the walls with his own blood. 'This blood will be avenged!' "

A woman psychology student, Aurora Maria Nascimento Furtado, was arrested last November in Guanabara, hung upside down and tortured with electrodes then beaten to death. "When her family and her lawyer went to claim the body, they saw a deep wound two centimeters long on her forehead," report the priests. This was evidence, they say, that "Aurora had been tortured by 'The Tourniquet' " a piece of metal driven into the flesh by tightening a cloth or leather band.

Another student, Frederico Eduardo Mayr, was arrested in February, 1972, and strapped to a galvanized metal chair. High-voltage electricity was run through his body, declare the priests, until he died. Although "covered with blood and with many hematomas," he was able to whisper the names of his torturers to a fellow prisoner.

The priests also describe the tortures of Jose Julio de Araujo who was so abused he was "incapable of any significant movement" when the police finally murdered him in August, 1972. All told, the priests cite 28 torture deaths, plus 15 others whose deaths are suspected of being caused by torture.

The Torturers—The names whispered by the victims in many cases have been identified as Army officers. To list a few, there are Captains Homero Cesar Machado, Dalmo Luiz Cirillo, Mauricio Lopes Lima, Benoni de Arruda Albernaz, Inocencio Fabrcio de Matos Beltrao and Major Carlos Alberto Brilhante Ulstra.

Albernaz, for example, allegedly thrust an electric wire into a tortured priest's mouth, "telling him that it was the Host of the Sacrament."

In many cases, the dying men were able to gasp to other prisoners only the partial names or nicknames of their torturers. For an Army captain called "Attila," an "Investigator Dirceu who calls himself 'Jesus Crist' " and such other colorful characters as "Dr. Ney" and "Pretty Joe."

The Nixon administration, which has had plenty to say about the torture of American prisoners in North Vietnam, has kept silent about the outrages in friendly Brazil. Indeed, the United States will help subsidize the torturers by sending $58 million in military aid. A new U.S. Ambassador, John Crimmins, is also preparing to leave for Brazil.

We have been assured, however, that the Senate Foreign Relations Committee will question Crimmins on what he thinks about torture in Brazil and what he can do to discourage it.

Footnote: The Brazilian Embassy has refused to return our calls for comment. Nevertheless, we are prepared to send reporters to Brazil, if the regime will grant them complete freedom of access, to verify the details furnished by the priests.

[From the Washington Post, June 17, 1973]

Political Oppression in Brazil

(By Jack Anderson)

Hidden from the tourists who swarm over Brazil's fabled white beaches and the investors who visit the bustling factories is an unspeakable world of political oppression. Hundreds of priests, students, workers and revolutionaries are dying at pistol point or living with terror, torture and tuberculosis.

The military dictatorship which oppresses them will get at least $58 million in U.S. military aid in fiscal 1974. Some 100,000 of the police, who do the torturing, have received assistance from a U.S. "public safety" mission to Brazil. As in the controversial film, "State of Siege," involving American support of foreign police, at least 344 of Brazil's top officers have been trained in Washington's International Police Academy, courtesy of the U.S. taxpayer.

The story, of course, can't be read in Brazil's suppressed newspapers. However, priests have just set up an "underground railway" for smuggling the stark facts out of Brazil.

Two Brazilian couriers, at considerable personal risk, arranged a rendezvous with us outside Washington and delivered the first detailed documentation of prison conditions.

One stack of documents, developed by a priest-led committee, was presented to the bishops of Brazil at their 13th convocation in February. It is credited, in part, with convincing wavering bishops to join the majority in opposing Brazilian oppression.

"Every totalitarian regime," begins the basic documents, "generates its own political enemies that oppose it with some degree or another of violence which corresponds with the degree of oppression and suppression that the government imposes upon the nation.

"If the people participate in the government . . . then evidently the people will not rebel against the authorities. But when they are oppressed, exploited and their rights are arbitrarily limited, no other way remains except to rebel . . ."

The priests writing in Portuguese, charge the government with "unimagined violence, murdering students who marched peacefully in the streets and workers who organized strikes for higher wages and the return of their rights."

"The jails . . . were inadequate to hold the avalanche of citizens of every social class . . . Army barracks were transformed into dungeons . . . and in the barracks, (the military) were beyond the observation of any who might denounce what was happening there."

The priests allege that some prisoners have been tortured and then killed quickly thereafter. Others were kept for "several years without any trial." Still others were given "incredibly long sentences to justify the long time that the prisoner has already been in jail awaiting trial."

Brazil's courageous Cardinal Paulo Evaristo Arns visited the prisons until recently. Suffering from a limp, he sometimes needed the support of others. The prisoners would rush up to help him and use the moment to whisper urgently in his ear their tales of horror. But now the regime has banned him from ministering to the prisoners.

The priests, picking up the mission from Cardinal Arns, have formed a "Committee for Solidarity with the Political Prisoners of Brazil." They have delivered to us, as an addenda to their basic document, a prison-by-prison report.

At the capital of Brasilia, they report, a hunger strike was organized "to protest against the tortures and abuses, especially (of) a woman who was late in pregnancy." Still, the brutality continued.

At the penitentiary of Linhares, "any little incident can be the cause of beating, or solitary confinement. . . . Often these incidents are provoked by the jail guards and soldiers. . . . The violent reaction . . . is unimaginable."

In Recife, "the violence . . . became so great at one time that Amaro Luis de Carvalho, a militant peasant organizer, was murdered simply because his sentence was about to be completed and he would soon have had to be freed."

At the Tiradentes prison, in Sao Paulo, "the infamous 'Death Squadron' of Sao Paulo took some of its victims (out), only to murder them almost immediately after leaving the prison. . . ."

At the penitentiary of President Wenceslau, three Dominican priests are reportedly held. And at Porto Alegre, the hatred between common criminals and political prisoners is "explosive."

One of the most harrowing descriptions is of the state penitentiary of Sao Paulo. There, young jailed students are threatened constantly with "rampant homosexuality and all its attendant vices." The criminals with whom they share cells are "the most dangerous and violent in the state." The students have almost "no access to newspapers, books, or magazines, except comic books." Their visiting privileges are only 30 minutes a week.

"The food is terrible," say the investigating priests. "Among the diseases the political prisoners are suffering are pulmonary tuberculosis, decalcification and vitamin deficiencies; . . . there are thousands of rats in every part of the prison." Shaken as they are by malnutrition, the young inmates still must carry "150 large containers of water a day a distance of more than 200 yards per trip" in addition to other chores, according to the priests' committee.

Page after page of the report tells similar tales, complete with specifics, about the naval prison on the Island of Flowers, Sao Judas Tadeu Prison for Women, Vila Military, Bangu, Ilha Grande, and numerous others.

Not once has the State Department made a public protest to Brazil about this misuse of American military funding and training. U.S. officials tell us, however, that the Brazilian dictatorship is aware of America's concern.

At the Brazilian embassy, a palace on Washington's "embassy row" where the work day is 10 a.m. to 1 p.m. and 3 p.m. to 6 p.m., the ambassador and press attache refused to return our calls.

[From the Worldview, July 1973]

BRAZIL: NINE YEARS OF MILITARY TUTELAGE

(By Brady Tyson)

The "Brazilian Model of Development" has been the subject of a good deal of comment and analysis during the past few years. Some of those who once looked with hope upon the experiments of the "democratic left" of the fifties as a potentially viable and dynamic alternative to Communist and totalitarian models for less developed countries have now begun to consider that the "modernizing military managers" might offer a more relevant model. Indeed, current interest seems to be in comparing the Chilean and Brazilian models in terms of social and human cost and benefit, though it is certainly too early for any conclusive judgments of net results in either case.

This is an interim, summary and provisional judgment on the Brazilian experiment of the past nine years, that is, since the military took power on April 1, 1964. To try to give an impression of the results of the interaction among the values of political democracy, equality and economic growth, and the present levels compared with those of 1964, as well as what appear to be the trends, I have chosen six "indicators":

1. The autonomy and integrity of the legal system.
2. Torture and police brutality.
3. Freedom of the mass media.
4. Income distribution patterns.
5. Education distribution patterns.
6. The quality of life of the people of the city of greater São Paulo.

Many of the results and trends are not entirely the result or the intention of the military regime, and conclusions as to cause and effect in some fields are necessarily very tentative. By way of conclusions I have offered four questions that are of general concern and are also important in considering the Brazilian case in particular.

THE AUTONOMY AND INTEGRITY OF THE LEGAL SYSTEM

Through the legal system many areas of "human rights" are defined and, to some degree, "operationalized." A legal system that could offer an orderly and equitable process for resolving disputes, that could protect society from persistent antisocial behavior and protect the legal rights of individuals and groups against intrusions by public and private groups has never been even a near reality in Brazil. Recourse to law and the courts has always in effect been denied the great majority of the poor and illiterate, not only because of their lack of resources, but through informal systems of intimidation and social control. Nonetheless, granting all the weaknesses of the pre-1964 legal system in Brazil, there did exist a vigorous tradition of law, a popular belief that the legal system did exist to promote the general welfare and to protect human rights and dignity, and a belief that this legal system could and should be respected and strengthened. This legal system, which was overthrown by the military in 1964—and its remnants steadily eroded since then—was rooted in the same political philosophy and values as those of most of the rest of Western nations.

From the first week of military rule the Brazilian army declared itself not only above the law but the source of law, and has in practice been the interpreter of law and the only official expression of the sovereign will of the nation. The Prologue to the First Institutional Act of April 9, 1964, declares: "The victorious revolution vests the constitutive power in the Army. This is the most expressive and radical form of the constitutive power. The victorious revolution as the constitutive power legitimizes itself. . . . This Institutional Act can be issued only by the victorious revolution as represented by the Commanders in Chief of the Armed Forces. . . . [Only the revolution] is empowered to establish the ways and means of constituting the new government and vesting in it the power and judicial instruments necessary. . . ."

More than eight years later, in July, 1972, President-General Medici gave an important speech in which he tried to lay to rest certain rumors of an impending liberalization of the regime. He said, among other things: "The current regime will modify and correct, in a permanent process of institutionalization, the guidelines of our juridical order in order that they will faithfully carry out the objectives of the political decision of March 31, 1964." *Visão*, a Brazilian newsweekly, commented on the speech: "The insistence on the extraordinary powers [of the executive] is not being made now in the face of some crisis, in which representative democracy is seen as threatened by its enemies of the extreme left. It is made in the name of an antiliberal doctrine of the role of the State. For this reason, the speech of the President, of a known ideological inspiration, ought to please those groups that, in other times, sought to replace representative democracy with a corporatist regime."

In an unpublished paper on "The Role and Rule of Law in Post-1964 Brazil," Professors Trubek and Henry Steiner conclude that "The politicization of legal institutions and processes has surely lessened the 'legitimacy' of law in the public eye. 'Law' must be perceived by many Brazilians ever more clearly as an instrument of state planning and state power, hardly as a structure of norms and institutions that are designed to afford a degree of predictability and security in private life, and to protect areas of private life from governmental interference. Law at once structures the evolving regulatory and administrative state, and loses its identity into administration." Professors Trubek and Steiner also conclude that ". . . a decline in the autonomy, integrity and thus inherent legitimacy; of the legal system has been one of the prices paid by the regime for economic growth within a closed society," and that the purpose of the legal system has been radically changed so that, coupled with the activities of the police and military security agencies, law has become an integral part of a system designed to "make potential opponents of the regime fearful of acting in any way that might lead to midnight arrest, etc."

Since 1964, then, an authoritarian government has tended to rule more and more by administrative fiat, in arbitrary and even secret ways. The legal system has thus largely ceased to be a system designed to promote and protect human rights and welfare and has become an instrument of national policy, as arbitrarily decided by the President or his appointees.

TORTURE AND POLICE BRUTALITY IN BRAZIL SINCE 1964

Like most nations with a history of small but prosperous minorities profiting from the misery of the poor majority, Brazil has traditionally used police repression and brutality as a means of social control. Peasants and poor and illiterate or semi-literate people in general have always been subject to arbitrary and brutal behavior on the part of the police. However, except for a few highly repressive years of the *Estado Novo* of Getulio Vargas, political dissenters or those of the middle and upper classes were rarely treated harshly.

Since 1964, however, two important changes from traditional Brazilian practice have been institutionalized. First, political dissent, if coupled with anything that appears to be clandestine or mobilizational, has become the instant object of police brutality, regardless of the social class, reputation or profession of the persons suspected. For instance, according to the best information available, the well-known ex-Federal Deputy, Rubem Paiva, was literally beaten to death by police in January, 1971. Secondly, as distinguished from mere police brutality, systematic, officially sanctioned scientific torture has become a common and regular practice in Brazil, especially since late 1968. It is almost totally limited now to several military security agencies.

In spite of the absence of certainty, given the nature of the problem, we can with reasonable assurance give some statistical dimensions. Probably between 40 and 120 people have been beaten to death, tortured to death or died in prison from some such treatment since 1964, the great majority of them since 1968. The practice has continued into this very year. If anything, though the rate of torture probably began to decline last year, the number of deaths is increasing. This number does not include the estimated 200 to 300 people killed by the so-called "Death Squads," usually off-duty policemen, during the past ten years. There have probably been over 20,000 people detained at one time or another for political reasons since 1964. There are probably about 1,000 political prisoners in Brazilian jails at this time, and the high was probably in November, 1970, when there were perhaps near to 12,000. About 2,000 have been the victims of what is usually called "police brutality," but which I am distinguishing from systematic torture.

The number of people tortured and beaten is not large compared with other, recent epidemics of state savagery. What is significant is that the Brazilian army has institutionalized and protected torture and brutality as instruments of social control and that such methods have, and are intended to have, far-reaching consequences of intimidation.

FREEDOM OF THE MASS MEDIA SINCE 1964

Censorship is important because it is a means of social control for governments that are governing against the will of the majority of the nation in question, and the presence and degree of censorship, along with police repression, present at least the presumption that the government is afraid of the consequences of the free press and media and has something to hide. Given the narrow literacy base compared to most nations its size, the Brazil media have in times past exercised a considerable influence and have been the means of communicating most political information, at least about the national political system. With the exception of the most difficult days of the *Estado Novo*, the Brazilian press was remarkably free and uninhibited.

Beginning in 1964 a process of steadily increasing pressure, both formal and informal, has continually narrowed the scope of permissible subjects for discussion in the media. This process has had its periods of greater and less pressure, but the general tendency is clear. As Professor Beverly May Carl has written in a recent article on "The Erosion of Constitutional Rights of Political Offenders in Brazil," "A review of the rights still available to the common criminal . . . shows that, technically at least, an armed robber in Brazil today is in a better position than an editorial writer." What has emerged is a code of rules promulgated by the government that give it some sort of "legal" justification for almost any act of prepublication or postpublication censorship imaginable. The Brazilian press is not completely muzzled: far from it. But it is closely watched, and there are no more than five or six newspapers or magazines in Brazil today that dare to use the remaining freedom to criticize. The rule of thumb seems to be that subjects that irritate the generals or that might excite large numbers of people are proscribed.

INCOME DISTRIBUTION PATTERNS AND TRENDS IN BRAZIL SINCE 1964

Though income distribution patterns are certainly not entirely susceptible to government planning and policy, the Brazilian government has attempted to realize a conscious mode. The level of income and share of national income various groups receive tell much about their welfare, opportunities, status and self-esteem. Furthermore, the nature of the "Brazilian economic miracle" is vitally linked with the patterns of income reconcentration that have become characteristic of Brazil since 1967.

In 1960 Brazilian income was distributed much like that of the United States in about 1929, except that the per capita GNP of the U.S. was about five or six times that of Brazil. But whereas the United States has shown a slow tendency toward more equal distribution, the rapid economic growth that has been characteristic of Brazil since 1967 (averaging about 7 per cent per year, after discounting for the growth in population) has been accompanied by a "reconcentration" of wealth in the upper strata of society. For instance, in 1960 the poorest 40 per cent of the Brazilian population received about 11.57 per cent of the national income, but according to the statistics of the most recent research, this fell to 10 per cent by 1970. On the other hand, the richest 10 per cent had received 39.66 per cent of the national income in 1960, but had increased its share to 47.79 per cent by 1970.

Though the interpretation and adequacy of the statistics is always open to some doubts, it seems reasonable to assume that the real purchasing power of only 30 to 40 per cent of the population has actually increased during the past ten years and that the bulk of the increase in consumer purchasing power has been concentrated in the upper 10 per cent of the population. Likewise, it is reasonable to assert that the proportionate share of the national income has actually decreased for all but the upper 10 per cent. When all is taken into account—and there are many contradictory indicators—probably less than 30 per cent of the Brazilian people have profited from the economic growth, about 20 to 25 per cent have suffered some decline in their real wages, and the rest of the population (perhaps 50 per cent) remain in the level of "absolute poverty." Almost all analysts agree that the real minimum salary in 1970 was about 30 to 38 per cent lower than it was in 1960. There are some indicators that the drift downward of the real wages of the urban workers may have been slowed or even, in some areas, stopped during the past two years, but the data are still too tentative to draw firm conclusions.

The process of economic growth that has characterized the Brazilian economy, especially since 1967, and that has been so warmly received by the multinational corporations, has tended to increase rather than decrease the distance between the "two Brazils": the poor majority of about 70,000,000 people and the relatively prosperous, modernizing sector of 30,000,000 or less people. It is difficult to know exactly whether this decline in proportionate share of national income has been accompanied by an absolute decline in living standard, or whether the living standard has remained essentially the same, or whether there has been a small increase for some of the lower 70 per cent of the population.

Two other aspects of the process of economic growth in Brazil must be at least mentioned. First, the emphasis of this growth has been on durable consumer goods (which must be considered "luxury goods" in a nation such as Brazil—goods such as refrigerators, private automobiles, electric toasters, TV sets, etc.) and manufactured goods for export. In other words, the increase in domestic consumption has been very largely limited to the upper 20 to 30 per cent of the population, and there has not been a significant increase in the production of perishable consumer goods (clothes, processed foods, etc.), goods that might have improved the quality of life of the lower 70 per cent of the Brazilian population. Secondly, the Brazilian government has affirmed (at the Stockholm Conference) that industrial pollution is not a significant concern for developing nations at this time, and, in truth, there are no stringent pollution regulations in Brazil as yet. This means that the rapid expansion of industrial production in the city of São Paulo, for instance, has been accompanied by a consequent decline in the quality of the environment.

EDUCATION DISTRIBUTION PATTERNS AND TRENDS IN BRAZIL SINCE 1964

Educational opportunities are generally regarded as an indication of general equality of opportunity and social equality. The Brazilian army has always shown an interest in education, albeit in particular kinds of education, and has placed some emphasis on improving and expanding the educational system. Almost since the founding of the republic (in 1889) Brazil has entertained two strong but basically incompatible theories of education: First, a traditional, Iberian élitist concept that only an aristrocratic élite really needs much education and that the system should be presided over by a few traditional intellectuals in the small universities that maintain and transmit the values and civilization of the past; second, a positivist concept of education and training for everyone, reenforced by North American liberal (John Dewey) concepts of popular education for citizenship. The Brazilian army, building on its traditional positivist attitudes, has adapted for the purposes of national development (as it understands what development is)the concept that an educational system should be designed to provide the number and types of skills and knowledge needed at a particular time for the process of national modernization.

There has been a steady decline of illiteracy in Brazil each year for over twenty-five years, from 47.4 per cent literate in 1946 to 61.5 per cent literate in 1970. It is not possible at this time to evaluate the impact of the present government's adult literacy program, *Mobral*, on the educational profile of Brazil, except to comment that in content it represents what Paulo Freire would call a "domesticating" approach, inculcating in a catechetical way a simple but rigid concept of patriotism and citizenship. In other words, it is not designed to create a critical citizenry, whatever its technical competence or final impact in teaching literacy on Brazilian society.

In keeping with the kind of economic system sought, priorities in education have been assigned to training those workers, managers and technicians who can operate a technically sophisticated, capital and technology intensive modern industrial plant designed to produce the diverse and sophisticated products of a middle- and upper-class market. At the same time that the number of Brazilians who are economically active has dropped and the productivity per worker has increased, the average level of education has increased, especially among those in the industrial sector. Again, some tendency toward a modernized version of a dual society is evident.

According to recently released statistics of the Ministry of Planning, there has been a 56 per cent increase in enrollment in primary schools since 1964 (but there has also been in increase of probably 20 to 25 per cent in the age group). But during the same period enrollment in secondary schools increased 208 percent, with approximately the same increase in the age group, and, most significantly, enrollments in institutions of higher education have increased an amazing 460 per cent (from 124,000 university students in 1963 to 694,000 in 1972). In other words, the concentration of income in the upper 20 to 30 per cent of the population has been accompanied by the concentration of years-of-education in the same group, and the distance between the educated minority and the uneducated majority has been increased, not decreased, by the government's application of resources.

THE QUALITY OF LIFE OF THE PEOPLE OF THE CITY OF GREATER SÃO PAULO SINCE 1964

There are probably more and better statistics on this area than on Brazil as a whole, and the analysis of this data provides some sort of check on national accounts. The city of São Paulo and the south of Brazil in general are often looked upon as the chief beneficiary of the process of economic growth in Brazil. This economic growth is often used to justify the imposition of a repressive and authoritarian regime and to justify the claims that the present government is very popular with the Brazilian people, who are supposedly sharing in the largesse of economic growth. It ought to be possible to verify these claims to some degree by looking at this "fastest growing city" in the world, the heart of the Brazilian industrial boom and the center of the richest part of Brazil.

Far less than any of the other indicators in this series can the present situation of the city of São Paulo be considered an intentional outcome of government plans and programs. The problems of urban sprawl, decay and inadequate human support systems are worldwide and are bound to be more acute in a city as large and as fast growing as São Paulo. Nonetheless, the policies of the present government have had the effect of exacerbating all the problems of this city. Such policies as the priority given (though this is to be modified this year) to middle-class housing at the expense of low-cost housing, the tremendous investment in freeway construction in a city that already has more automobiles than any other city in the world except Los Angeles, in encouraging the rapid expansion of the industrial plant without any significant regulations against pollution (thus creating a smog problem already worse than Chicago's), and, most importantly, the wage-and-price policies and controls that have been designed to concentrate wealth in the upper strata of society and to extract the savings necessary for industrial expansion from the urban workers—such policies have all contributed significantly to a quite obvious situation, even though it appears to contradict somewhat some of the statistics above. That fact is that the majority of the people of São Paulo have suffered a significant decline in the quality and standard of life during the past ten years, even though statistics show that their average purchasing power has risen.

Because the channels of expression, such as labor unions, the press, free elections, etc., of popular dissatisfaction—never very satisfactory—have been silenced, the decline in welfare of the majority of the people of São Paulo has not been adequately noticed. Last October, when the newspapers published studies showing that the rate of infant mortality in the city of São Paulo was continuing to rise and that for the first time since records have been kept was about 80 infant deaths per 1,000 live births in 1972, many people were shocked. Such an infant mortality rate should not be surprising in a city of about 9,000,000 people, growing at the rate of nearly 500,000 people per year, in which 48.5 per cent of the people live in substandard housing, 60 per cent of the people are not served by a sewage system and 35 per cent do not have running water.

Even though the per capita monthly income of the city of São Paulo is about $70, which is considerably higher than the average for the whole of Brazil (which is between $40 and $45), almost half 49.1 per capita monthly income of $35 or less, or about $175 or less per family. Sixteen and nine-tenths per cent of the families of São Paulo have a monthly income of $70 or less, or $14 per capita per month, or about $170 per year. Real wages in São Paulo for industrial workers dropped over 30 per cent from 1965 until 1971 though there has been a small recovery since. In 1971 it took a worker on minimum salary 113 hours and 26 minutes to earn sufficient buying power to buy his own minimum diet for a month, as determined by the official standards of minimum nutrition, whereas in 1965 it took a worker on minimum salary only 87 hours and 20 minutes to do the same.

São Paulo is a "sick city," according to the newspaper O Estado de São Paulo. The Archbishop of São Paulo, Cardinal Arns, said last year that the people of the city live "in distress, full of tension and increasing neurosis because of the crime rate." There were 3,750 robberies and assaults in 1968, 7,750 in 1970 and 11,400 in 1971. These are not indications of a rising standard of living. So, in spite of the aggregate statistics and their per capita averages, there are significant indications that the majority of the people of São Paulo have probably experienced a decline in their standard of living, their purchasing power, a deterioration in the urban support systems and environment—in sum, a deterioration in the quality of life during the past ten years. Even though, given its growth rates and the low estate of urban planning and administration all over the world, some decline might have happened under any government, the question before us is whether or not the policies of the present government and its encouragement of the expansion of the consumer market of the middle and upper class has not contributed substantially to this decline.

São Paulo is a booming city, with perhaps up to 40 per cent of its population enjoying a rapidly rising standard of living, but with the rest of its population participating only marginally in this expansion and paying a high cost as a result of a policy of not-so-benign neglect. The city of São Paulo is a Westchester County set in the middle of a Calcutta. High-rise, luxury apartment house buildings, with built-in mini-quarters for two or three domestic servants, expansive urban freeways, luxury boutiques, its own jet set, its own jockey clubs, country clubs, private and very expensive luncheon clubs for executives, coexist peacefully—given the extensive repressive system—with the quiet misery of over half of the population. And the pattern repeats itself, the gap between the two São Paulos widens.

SUMMARY

Slowly and haltingly at first, and recently more rapidly and with more certainty, the Brazilian army has moved to remake the nation over in its own self-image. This has involved a flexible and complicated series of steps and phases, like a prolonged military campaign, with changes of allies now and then and different immediate objectives and tactics for different phases. In the long run the Brazilian army (if we can imagine it has a composite will and attitude) desires a modern, efficient, harmonious, unified, tranquil, prosperous, as nearly autonomous as possible, productive, strong, internationally respected Brazil. To achieve these goals they have over the first nine years of their rule chosen policies designed to stimulate the concentration of capital in the middle and upper classes, promoted the production of goods for export and luxury items for domestic consumption and the attraction of foreign capital.

Because the social and human costs of these policies have been, and remain, high, as well as because the army probably has some built-in antipathy to the untidiness and tensions of public, free debate of national policies and is distrustful of initiatives from below, the army has had to become increasingly repressive and to assume more and more power during the same period in order to maintain the stability that it values and avoid the aggregation of the dissenting groups that it fears. Though a minority of about 20 to 30 per cent of the Brazilian people have profited materially from this process, the great majority of the nation has either been relatively unaffected (because their situation was, and remains, marginal to modernizing Brazil) or, in the case of the great majority of the urban poor and industrial workers, their situation has tended to deteriorate, certainly in terms of their proportionate share of the national income, and almost certainly in terms of their standard of living and quality of life.

Though there have been some signs during the past two years that the deterioriation of real wages has been slowed, or perhaps in some cases stabilized at a considerably lower level than in 1965, it is too early for any definitive conclusions on this. The benefits of the economic growth of the past few years have accrued almost entirely to the top 20 to 30 per cent of the population, and this in terms of a greatly expanded and more sophisticated consumer market of durable goods and luxury items.

But even if the Brazilian government can reverse the trend and begin again the tortuous process of redistributing income more equitably rather than reconcentrating it as is now occurring, and thus achieve what has happened to a limited degree in Spain in the past ten years, Brazil still has another massive problem that will not necessarily be affected by even such a radical reversal of present policy. Even if the benefits of economic growth could be more evenly distributed among those already active in the money economy, there remains the nearly 50 per cent of the population who live at best only on the fringes of the money economy at a near-absolute poverty level. The present trend of reconcentration of wealth through the development of a capitalist, consumer economy seems hardly a wise first step toward an adequate standard of living for all Brazilians.

Furthermore, the steadily increasing use of repression and censorship, the utilization of torture and brutality against political dissenters, the debasement of the legal system through the arbitrary use of its channels for administrative purposes, all seem illogical steps if the goal is truly the "redemocratization" of Brazil. It is much more likely that a new form of what might be called a "modernizing, corporate state" dominated by a managerial and social-engineering mentality is beginning to emerge. But until some degree of law and freedom is restored, the government must remain repressive, and may tend to become even more so, and must remain arbitrary and very closed within a very small group because the social tensions generated by the so-called "economic miracle," as well as those generated by political repression and military and police brutality and torture and arbitrariness, cannot be otherwise contained.

President Medici summed up well the situation of human rights and economic growth in Brazil today when he said in 1970: "Brazil is doing very well, but the people are doing poorly." Indeed, the present economic policies of the military government may be far more cruel and far-reaching than the systematic torture of political prisoners it uses to repress and intimidate dissent. The results of the first nine years show clearly that, in the words of Celso Furtado, policies "geared to satisfy the high levels of consumption of a small minority of the population increase the social cost of an economic system." The results of this policy are to leave, Furtado continues, ". . . a large majority of the population living at a physiological subsistence level, increasing masses of underemployed people in the urban zones, etc."

The concentration of wealth in the hands of 20 to 30 per cent of the people, and the concentration of political power in the hands of less than 1 per cent of the people, continues, and the maintenance of the pauperism of the great majority of the Brazilian people has become state policy. Though the population is expanding, there is no equivalent increase of Brazilians actively sharing in the market of consumer goods.

Consequently, it would seem that the denial of political liberty and constitutional government has produced no significant gain for the overwhelming majority of the Brazilian people and that the Brazilian army has, perhaps unwittingly and unknowingly, been made the guardian for a dynamic but highly exploitive economic system, favoring a small minority of the nation. Political repression and economic exploitation thus go hand in hand. Brazil is creating a Scandinavian-size consumer economy superimposed on an Indonesian-size pauperized mass, presided over by a cruel and increasingly isolated army.

I would like to pose four questions for consideration, against the backdrop of the past nine years of deterioration of human rights and welfare in Brazil:

First, were the Bishops of the Roman Catholic Church, meeting in their world synod of 1971, correct when they said:

"Unless combatted and overcome by social and political action, the influence of the new industrial and technological order favors the concentration of wealth, power and decision-making in the hands of a small public or private controlling group."

Second, was Radomiro Tomic, former Chilean Ambassador to the United States, correct when he said in a speech in this country in January of this year:

"There is no room for illusions. It is already too late for any Latin American country to emerge from underdevelopment through a production system simultaneously based on capitalism and democracy. . . . It is more than likely that the dilemma imposed by history on the Latin American countries for the remainder of this century will no longer be between capitalism and socialism, but between totalitarian, dictatorial and oppressive socialism, or communitarian, pluralistic and self-managing socialism. Whoever fails to understand this will be working against history and against the essential interests of democracy in Latin America."

Third, was Professor Albert Fishlow correct last March when, referring specifically to the present situation in Brazil, he said in Santiago:

"In the absence of effective and far-reaching alteration in governmental attitudes, there is likely to be little progress and, quite possibly, retrogression in the distribution of income. It is mistaken to view such a result as an unfortunate but inevitable consequence of rapid growth. There is no necessary inconsistency between greater equity and expanding output."

And *lastly,* in their message to President Medici of last December, was the Order of Brazilian Lawyers correct in saying:

"There is not any reason why it is necessary to sacrifice the principles of law upon the altar of development, because the legitimate social and economic progress of the country can only be realized if it is consonant with the principle of a government of law and respect for the fundamental right of man. If it is true that peace and security are indispensable for development, it is not less true that tranquility and peace do not exist when there is no liberty and no justice."

TRANSFERS OF UNITED STATES RESOURCES TO BRAZIL

[In thousands of dollars]

	Fiscal year—		
	1972 actual	1973 estimated	1974 proposed
Total of all U.S. resources transferred	49, 75	70, 435	76, 916
Security assistance (subtotal)/	22, 136	19, 194	58, 770
Military assistance program	750	820	
Country costs	(750)	(820)	
International military education and training program			800
Military assistance advisory group			
Administrative and training costs	1, 386	1, 474	1, 970
Ships transfers (loan leases)		1, 900	
Foreign military credit sales	20, 000	15, 000	56, 000
Development assistance (subtotal)	27, 617	51, 241	18, 146
Agency for International Development			
Development loans		296, 00	
Development grants	9, 965	7, 050	6, 000
International narcotics control		4	100
Peace Corps	2, 932	3, 148	3, 232
Public Law 480	13, 928	10, 661	7, 947
Mutual education and cultural exchange	792	778	867

RAILROAD RETIREMENT AMENDMENTS OF 1973

Mr. BEALL. Mr. President, I am pleased to note that the President has signed the Railroad Retirement Amendments of 1973 (H.R. 7200) into law. In doing so, the President has guaranteed the security of over 1 million railroad retirees. This legislation also marks a significant milestone in our efforts to strengthen the railroad retirement system so that the employees contributing to this program as well as the recipients currently receiving benefits can be assured that their retirement fund is viable, strong and able to fulfill its commitments.

To fully understand the intricacies of the railroad retirement system, it is important for us to briefly survey the history of the Federal Government's involvement in this pension program. During the closing years of the 19th century the railroad companies established a pension system designed to serve their employees.

Because the railroads were, at this point in our history, so productive it was not deemed necessary to establish a pension fund. Instead, the benefits were paid out of the corporation's revenue. Needless to say, such a system functions well in a thriving and expanding industry. The depression, however, brought to an end the companies ability to shoulder this burden, and the Federal Government intervened to establish the quasi-public railroad retirement system in 1935. Today, approximately 1 million beneficiaries receive monthly benefits from this program, and about 600,000 employees are currently contributing to the railroad retirement fund.

Two major factors are currently contributing to the substantial deficit the fund incurred each year. First, as the railroad industry has declined, the number of employees has likewise diminished. Thus, approximately 1.6 people are drawing monthly benefits from the railroad retirement system for each employee who is paying taxes into the fund. Second, Congress has enacted temporary increases in the benefits levels, parallel to those given to social security recipients. Between 1970 and 1972 Congress enacted three temporary benefit increases of 15 percent, 10 percent, and 20 percent. During this period, the chairman of the Railroad Retirement Board advised us that the enactment of increased benefits without a compensatory tax increase would bring about the depletion of the fund by the mid-1980's.

In addition, the three temporary benefit increases were due to expire on June 30, 1973. Thus, it was necessary for the 93d Congress to expedite consideration of legislation that would serve to achieve three basic goals: First, extend the temporary benefit levels so that the current recipients would not be faced with a sharp reduction in the payments they receive; second, codify various aspects of the labor-management agreement which was completed this spring between representatives of the major rail corporations and the unions representing their employees. This agreement provided for some expansion of benefits as well as a significant transfer of the railroad retirement tax burden from the individual employee to the rail corporations. Third, to seek ways of strengthening the railroad retirement system so as to insure the solvency of this fund plus guaranteeing benefits to the current recipients as well as to those who will be covered by the program in the future.

Because our Nation's economic health depends in part upon the strength of our rail system, we must recognize the need to provide rail employees with an adequate retirement system which will help to attract able people into this vital industry. The rail industry has long been an important element in the economic strength of the State of Maryland. Because of its overall importance to our Nation's economic security, I was pleased, Mr. President, to have served in a unique capacity throughout the Senate's consideration of this legislation.

After passing the House of Representatives on May 22, 1973, H.R. 7200 was forwarded to the Senate where it was referred to several separate committees. As a member of the Labor and Public Welfare Committee's Subcommittee on Railroad Retirement, I had the opportunity to actively participate in the structuring of title I. As a member of the Commerce Committee's Subcommittee on Surface Transportation, I participated in the deliberations regarding title II. Thus, my committee assignments made it possible for me to view this legislation as a whole and to participate in all aspects of the deliberations of the Joint Conference Committee which resolved differences between the House- and Senate-passed versions of the measure.

From this vantage point, it is possible for me to conclude that the enactment of H.R. 7200 serves the best interest of the railroads, their employees and the current recipients of railroad retirement benefits, as well as the general public. It became clear during the hearings of the Railroad Retirement Subcommittee and the Surface Transportation Subcommittee that the railroads and the unions representing their employees had bargained in a far more positive and constructive atmosphere than had been the case in recent decades. While the agreement reached on March 7 did not completely resolve all of the problems confronting the rail industry, it can truthfully be said that, insofar as the railroad retirement fund was concerned, great progress was made in resolving the fundamental problems of this system.

Both rail labor and rail management have agreed to begin negotiations on the remaining problems confronting the railroad retirement system, and they have committed themselves to reporting back to the Congress no later than April 1, 1974. The goal of the negotiators is to achieve the restructuring of the railroad retirement system so that it will remain solvent and able to fulfill all of its commitments to its current and future beneficiaries. If these negotiations should fail to achieve this objective, the Congress would have 9 months in which to structure the necessary legislation prior to the expiration of the provisions of H.R. 7200.

Mr. President, I sincerely believe that H.R. 7200 is a significant step forward in our efforts to stabilize and secure the railroad retirement system. We have extended for an additional 18 months the "temporary increases" in benefits which we have enacted in recent years, provided for retirement at age 60 with 30 years of service beginning July 1, 1974, and achieved the necessary streamlining of the railroad ratesetting mechanisms—both inter- and intrastate rates—so as to insure that the rail industry can receive prompt consideration of requested rate adjustments that result directly from the provision contained in H.R. 7200.

I have compiled, Mr. President, a title-by-title summary of this legislation, and I ask unanimous consent that this summary be printed in the RECORD at the conclusion of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

TITLE-BY-TITLE SUMMARY OF THE RAILROAD RETIREMENT AMENDMENTS OF 1973

Title I—Amendments to the Railroad Retirement Act, the Railroad Retirement Tax Act, and certain public laws.

This title deals primarily with the benefits of the Railroad Retirement program. H.R. 7200 extends until December 31, 1974, the temporary railroad retirement benefit increases which have been enacted between 1970 and 1972 and which were scheduled to expire on July 1, 1973. In addition, this act extends to male railroad employees the right to retire at age 60 with 30 years of service. This provision is a permanent liberalization of retirement eligibility which takes effect on July 1, 1974.

Currently, both the railroad employees and the industry are contributing a 10.60 percent. Under the provisions of this act, the employees tax rate would be reduced to 4.85 percent (plus 1 percent for medicare) which is equal to the tax imposed by the Social Security Act. The rail companies have agreed to increase their tax burden from 10.60 percent to 15.35 percent, thus compensating for the reduction in employee payments. This transfer of the tax burden from the employee to the employer does not, however, resolve the basic problem of inadequate income into the fund. To correct this situation, H.R. 7200 creates a joint labor-management committee composed of the major rail companies and the unions representing their employees. This committee is directed to negotiate the necessary restructuring of the railroad retirement system and present its recommendations to the Congress no later than April 1, 1974. In addition, the Congress has declared its intention to "enact legislation in 1974, to take effect on or before January 1, 1975, which will assure the long-term actuarial soundness of the railroad retirement system."

Title II—Amendments to the Interstate Commerce Act.

H.R. 7200 provides an expedited procedure for considering rail rate increase requests resulting from the higher tax burden which is assumed by the rail industry pursuant to this act. Under these provisions, the Interstate Commerce Commission must adopt procedures for handling applications for rate increases directly attributable to railroad retirement taxes no later than August 1, 1973. The ICC must establish an interim rate within 30 days after the petitions are filed. The Commission must commence hearings for the purpose of making a "final rate determination" within 60 days of the establishment of the interim rates. If the final rates are less than the interim rates, refunds may be ordered. Intrastate rail rates will remain within the jurisdiction of the various state regulatory agencies for a period of 60 days. If the State agencies fail to act or if they deny a petition for an increase, the case is automatically referred to the Interstate Commerce Commission which has 30 additional days to make a ruling. If they grant part of, but not all of, the carriers request, the carrier may appeal to the Interstate Commerce Commission which has an additional 30 days in which to act.

Title II only affects increases directly related to the tax provisions of H.R. 7200. Increases attributable to other aspects of the recently completed negotiations must be applied for in accordance with existing procedures. It was the opinion of the conferees that the rail companies, which have been plagued by many problems in recent years, should not have to absorb an increased tax burden imposed by the Congress.

THE UNSTABLE DOLLAR

Mr. HUMPHREY. Mr. President, the American people are regularly confronted with news of declining strength of the dollar abroad. And even when there are promising reports about the dollar, it is difficult to understand the seemingly constant fluctuations in what was once the most stable of all currencies.

Therefore, it serves a needed informational purpose to call attention to an article in the July 6, 1973, New York Times by David P. Calleo entitled "The Shaky Dollar: Its Troubles Are Also Political." Professor Calleo presents a unique examination of one aspect of the international monetary upheaval now affecting the strength of the dollar—the deeply political implications of the current round of international economic uncertainty.

Mr. Calleo offers a sound diagnosis of the strictly economic ailments reflected in the decline of the dollar, but his assessment of the possible cures for these problems is perhaps more enlightening for the public's appreciation of the present difficulties. He notes that the United States apparently has no viable policy toward controlling the international monetary situation. Moreover, he suggests that it is unlikely that European countries will provide one for us. These countries, as well as Japan, benefit from the influx of money that accompanies our military presence on their territory. And despite the drain on U.S. resources created by these commitments, we are unwilling to abandon the posture we adopted in Europe after World War II.

In sum, Mr. Calleo's article encourages a reevaluation of our vision of an economically and politically dominant United States, for the reluctance to engage in this needed appraisal of our strength may have serious consequences for both the United States and its trading partners in Europe and Japan. As Mr. Calleo warns,

> The American failure to retrench voluntarily, and the European failure to force us to do so, may very well lead not only to a world of blocs, which is probably inevitable, but to a world of hostile blocs, where the prolonged disintegration of American hegemony will have embittered trans-Atlantic relations for a generation.

Mr. President, the prospect of such a development, I feel, is sufficiently alarming that the American people should be informed about the underlying causes and repercussions of this situation. I therefore ask unanimous consent that Mr. Calleo's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SHAKY DOLLAR: ITS TROUBLES ARE ALSO POLITICAL

(By David P. Calleo)

WASHINGTON.—The troubles of the dollar are only one expression of a fundamental economic and political dislocation within the postwar "Pan-Atlantic" international system. This dislocation, or crisis, has been gathering force since the early nineteen-sixties. The monetary crisis has its own technical economic causes and explanations. But as the monetary system itself is only part of an overall international order, political as well as economic, so the monetary system's present problems are deeply political as well as economic.

The economic causes are not especially

mysterious. The United States has run a balance-of-payment deficit for nearly every year since 1950. For most of this long period, these payments deficits existed despite a substantial trade balance in America's favor, fortified by an ever-mounting return on American capital invested abroad. But continuing heavy capital outflows for new direct investments, plus the exchange cost of American troops stationed abroad, and other Government expenditures overseas, as well as a substantial tourist deficit, all regularly managed to overwhelm the normal trade surplus. Starting in the later sixties, America's domestic inflation greatly accelerated the outflow.

The resulting deficits have been financed either by foreign central banks, or by private individuals and institutions. Both have held their surplus dollars as reserves in U.S. Government securities or Eurodollar deposits.

After nearly twenty-five years of this American deficit and corresponding foreign accumulation, foreign holders have gradually come to hold a pool of short-term dollars which greatly exceeds American currency reserves. Not unnaturally, foreign confidence has wanted. Once America's trade also went into deficit, that crisis of confidence within the currency markets, which was always likely, became inevitable. At the same time, European governments, perhaps more sensitive to the charge that their accumulation of dollars was financing American military and corporate "imperialism," and, in any event, increasingly concerned with a domestic inflation fueled by excess liquidity, have grown increasingly reluctant to accumulate still more dollars. Hence, their increasing tendency either to float or to impose controls.

These public and private tendencies have had a cumulative, snowballing effect. As private confidence has eroded and official displeasure been more evident, the tendency of private holders to liquidate, or at least diversify their dollar reserves has grown into a series of rushes. On each of these occasions, the dollar has tended to depreciate further. Nor is it unlikely that it may continue to do so, at least until something effective is done, not only to redress America's trade balance but also to fund the huge pool of dollars outstanding, as well as stop any massive new outpourings of American dollars for currency speculation or capital investment abroad. Restoring the monetary system to tolerable technical working order may well also require some substitute for the dollar—both as a source of new international liquidity among central banks and as a private reserve currency for international corporations.

If the ailment is not difficult to diagnose, the cure has been elusive. Indeed, over the years, the American Government has pursued a series of remedies which, in retrospect, seem remarkably inappropriate. Trade liberalization, for example, has not only been an article of official faith, but has often been promoted as a means for alleviating American deficits. Yet there is little evidence, except in the special case of agriculture, that further liberalization would help the American trade balance. Quite the contrary.

Official policy has long dwelled on the need for more world liquidity, as if the American deficits stemmed from an altruistic concern for expanding the world's money supply, and would be ended as soon as an alternative form of liquidity were available. Hence the American campaign to create the S.D.R. While creating the S.D.R. has helped finance our deficits, simply because it gave us more credit, it has predictably had no effect on ending them.

A Machiavellian view, which at least gives more credit to official intelligence, sees the S.D.R. not as a remedy within the existing system, but as an important victory in the long-range American campaign to demonetize gold, and what is really at issue—to establish firmly a world dollar standard. While the U.S. has never officially embraced such a goal, many policies have pressed in its direction. In the long run, however, such a policy seems unlikely to succeed. For the capitalist world's economic and military colossus to fill such a role implies a degree of American political and economic hegemony which becomes increasingly unlikely as European states and Japan return to something like their normal weight. Moreover, the growing inflationary influence which the present international system presses on European domestic economies makes it increasingly unlikely that their governments will continue indefinitely to acquiesce in a dollar standard.

In any event, the American Government has, in recent years, played down its emphasis on liquidity and turned instead to adjustment. This most recent official enthusiasm, flexible exchange rates, hopes to end the basic U.S. deficit by a dollar depreciation big enough to cause a turnaround in American trade sufficient to restore our whole balance of payments to surplus. To succeed, such a policy would seem to require that other countries, in particular Europe and Japan, be willing to sacrifice their current account surpluses. But the great significance of exports for European and Japanese economies means that they will strongly resist losing their surpluses. And while they may not be able to prevent the dollar's further depreciation, they can be expected to counteract its trade effects by more and more rigorous restraints on American money and goods. In particular, the Common Market countries—collectively or separately—can be expected to become increasingly protectionist as the dollar continues to fall.

They will justify their protectionism by noting, first, that they are themselves generally in bilateral trade deficit with the United States, and second, that the American payments deficit is not primarily a trade deficit, but stems from America's heavy foreign capital investments and large foreign political expenditures. They will go on telling us to control our inflation at home, and to stop exporting it abroad.

If the United States has no viable policy, it is highly uncertain that European governments will provide one for us. While the Europeans may be expected to protect themselves increasingly against inflation induced by dollar capital flows, and to guard their current account surpuses against the effects of dollar depreciation, they are unlikely to take the initiative to relieve the U.S. of those noncommercial burdens which continue to play such a large role in our basic balance-of-payments deficits.

In particular, neither Europe nor Japan will pay the heavy exchange costs of our various external military commitments relevant to their defense—even if the costs of these commitments are an important element in our continuing payments deficit. But they will nevertheless resist any American effort to abandon those commitments. In short, they would like the continuing benefits of a hegemonic American military protection, but are increasingly unwilling to pay the economic compensation. At the same time, the U.S. is itself unwilling to abandon its military hegemony, for security and political reasons, and ironically because it provides bargaining leverage in economic relations.

Beyond particular American considerations lingers the old Wilsonian dream of an American-led world political and economic order. According to this vision, the undoubted predominance of the United States over Western Europe and Japan during the post-war era is not temporary, but permanent.

Those strongly influenced by this view, on both sides of the Atlantic and in Japan, can be expected to resist any step, economic or military, which appears to lessen Atlantic interdependence. The American failure to retrench voluntarily, and the European failure to force us to do so, may very well lead not only to a world of blocs, which is probably inevitable, but to a world of hostile blocs, where the prolonged disintegration of American hegemony will have embittered trans-Atlantic relations for a generation.

And more unfortunate still, the struggle over American devolution may gravely impair the intimate economic cooperation and the potential for wider political cooperation built up among the European states in the Common Market. Thus the Atlantic and European ideals may well defeat each other, to the detriment of any rational and peaceful evolution away from the disintegrating postwar system.

We can only hope that such a prognosis proves excessively gloomy. But the present situation ought not to lend itself to complacency. For chaos and conflict normally come at precisely those moments in history when an old order is decaying but will not die, and the forces for change are not quite strong enough to impose a new system.

The steady erosion of the ability of national governments to exercise rational control over their domestic economic environments, an ability we have perhaps unwisely learned to take for granted, suggests that disorder and the reaction against it will not limit itself to the inernational context. Whether the postwar international liberal order can be salvaged from the collapse of American hegemony remains a very open question.

AMERICA'S ECONOMIC DETERIORATION

Mr. MATHIAS. Mr. President, in the July 5 edition of the Daily Times there appeared the following article on America's economic deterioration. Economist, William D. Pardridge, discoverer of the debt-production ratio, says therein:

> This 6.9 per cent pure economic increase means the inflation rate for 1973 will be either that high or higher, depending upon downward changes in product quality, which deter price increases, and upon the human factors of greed and consumer anxiety.

Given our critical economic situation and our need to understand the ways to remedy inflation, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ECONOMIST SEES DETERIORATION

The Debt-Production Ratio for 1972 increased to 2.47 from a ratio of 2.31 for 1971.

William D. Pardridge, editorial director of the massive book, Economic Inequities, which now has 40 blue-ribbon co-authors, and discoverer of The DPR, says, This 6.9 per cent pure economic increase means the inflation rate for 1973 will be either that high or higher, depending upon downward changes in product quality, which deter price increases, and upon the human factors of greed and consumer anxiety."

Economist Pardridge, who works out of Washington, D.C. and the hill country of Stanardsville, Va., divides old private-sector net debt by the nation's Gross National Product less government expenditures, less new private net debt to determine The DPR, which ratio has fairly accurately forecast annual inflation for some years past. His DPR's for the seven years 1966–1972 were 1.90, 2.01, 2.15, 2.27, 2.22, 2.31, and 2.47. The last figure means that in 1972 the U.S. private sector owed two-and-a-half times its economic production.

The annual DPR calculation is based upon U.S. Commerce Department data on debt transactions, released the end of each May for the preceding calendar year.

Total U.S. public and private net debt increased in 1972 by $209 billion to a grand $2,227 billion. The 1971 annual net increase was $164 billion, meaning the 1972 increase was 27 per cent greater than 1971. Private-sector net debt in 1972 increased by $177.4 billion, which is 5.6 times greater than the public-sector net debt increase of $31.5 billion.

Despite this large difference, Pardridge accuses, almost all businessmen. economists, and public figures blame public deficit spending for inflation, leaving the private sector lily white. He says:

"The reason for this is that pillars of the permissive socieity resent terribly and reject summarily any reports that endanger their materialistic affluence and public image."

U.S. corporate business in 1972 increased its net debet by $93.7 billion, from $858.6 billion in 1971 to $952.3 billion. Corporate business accounted for this new, additional net debt through tax liabilities ($41 B.), dividends ($26 B.), and undistributed "profits" ($? B.), a curious total of the same $94 billion.

"While this is bootstrap economics, the more ominous meaning is that Wall Street is deluding itself," Pardridge said, "and when this delusion runs its course, a credit collapse could change substantially the very structure of our society."

Another indication that the U.S. economy is steadily deteriorating, Pardridge claims, is the economic GNP, which is the total GNP less government expenditures (which are not economic sales, they being achieved by funds legislated away from the private sector and by public deficit spending), as a per cent of total private net debt. These decreasing percentages for the seven years 1966–1972 were 56.6, 63.5, 51.9, 50.0, 48.5, 47.8, and 46.2.

Pardridge asks the disturbing question, "At what percentage point of economic production as a part of private net debt does the credit structure of the private sector collapse?"

In 1972 alone, a 6 per cent interest liability of private-sector net debt of $1,667 billion came to $100 billion due the money markets. This is a lot of rent to pay for affluence and image. If 6 per cent interest payments also are deducted from the economic GNP, then the above Production-Debt percentages for 1966–1972 become 50.6, 47.5, 45.8, 44.0, 42.5, 41.8, and 40.8. Pardridge says no amount of economic controls can stop such inflationary pressures.

He adds:

"Either prices go up or quality and quantity of economic production go down. The only solution standing in front of collapse is a lid on credit, but such economic preventive medicine is both politically impossible and beyond the admissibility of business, corporate economists."

REMARKS OF HENNING K. FRIIS, "SOCIAL SCIENCE: CREATIVITY IN AGING," AT THE ETHEL PERCY ANDRUS GERONTOLOGY CENTER, FEBRUARY 14, 1973

Mr. KENNEDY. Mr. President, as a member of the Subcommittee on Aging, which has jurisdiction over the Older Americans Act as well as research on aging, I want to share with my colleagues a most informative address, by Henning K. Friis, the distinguished Danish gerontologist, on the status of social science research on the elderly.

Mr. Friis' remarks were delivered on February 14, 1973, during the dedication ceremonies of the Ethel Percy Andrus Gerontology Center at the University of Southern California.

Mr. Friis provides an excellent summary of the value of existing social science findings with regard to older people, but he adds that we need more major international surveys at "regular intervals, not only to keep the knowledge up to date, but also in order to study the changes which are taking place."

Mr. President, I ask unanimous consent to print Mr. Friis' remarks in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY HENNING K. FRIIS

This paper is to a great extent a review of my personal experiences in the field of social gerontology, first as advisor to the Danish Ministries of Labor and Social Affairs, later as head of an institute of applied research. In the second part of this paper I will deal with policy aspects of welfare programs for the aged, while the first part will be devoted to more scientific problems.

INTERNATIONAL GERONTOLOGICAL ASSOCIATION

My contact with social gerontology as a scientific endeavour began in the mid-fifties when the International Gerontological Association created a Social Science Research Committee with two branches, one for Europe and one for America. The Committee, which is still active, has organized the Social Gerontology Section of the International Gerontological Congresses and has initiated a number of seminars, bringing together social scientists from Europe and the United States. Several of those present at this occasion have participated in this work from which we all have benefited.

The congresses and the seminars have produced results in the form of international acquaintances, leading to discussion of mutual research interests, international visits and development of parallel or cross-national studies. Several volumes of papers have emerged from this collaboration beginning with the report of a Conference at Copenhagen in 1956 on The Need For Cross National Surveys Of Old Age. I mention this first report not because the Conference was held in Copenhagen, from where I come, but because this meeting and successive European and cross-Atlantic seminars led to the establishment in 1960 of a team of researchers from Denmark, Great Britain and United States which carried out the first major comparative survey on living conditions and attitudes of aged in the three countries, which was substantially supported by American Government grants.

LIMITED DATA

The interest in social gerontology had grown enormously in the decade after the II World War. In the Western world and in particular in USA a large number of specialized studies on particular problems as well as some broader surveys had been undertaken with a view to establishing a body of knowledge on living conditions and behavior of the aged. Social gerontology was, however, still at an early stage. Most countries were lacking basic statistical knowledge on most aspects of the life of the aged, and theoretical thinking regarding the social aspects in the aging process were only beginning.

Most of the empirical studies were limited to particular local communities or social groups and it was doubtful to which extent they had wider applications. Neither did they easily lend themselves to cross-national comparisons which was clearly demonstrated in the comparative study "Aging In Western Societies" (ed. by Ernest W. Burgess, Chicago 1960) which had to rely upon material of a very heterogenous character.

Only the summary data from demographic and economic statistics were fully comparable, while on most other matters comparisons had to be based on fragmental evidence or at the best on national sample surveys which, however, used different questionnaires and research designs.

As a result scientific accumulation was hampered, and the development of empirically tested generalizations regarding behaviour patterns of the elderly and comparisons of their relation to environmental factors was retarded.

UNTESTED MYTHS

The result was that a number of untested postulates and myths were prevailing on the aged in Western countries. Some of these common beliefs were perhaps correct, others might not stand up to a study of facts. These postulates were repeated over and over again not only in popular writings but also in more serious literature. The picture which was painted was as a whole pessimistic indicating that the life of aged people had undergone "catastrophic changes" and that most aged people in Western countries were socially and psychologically in a bad state.

Among the more frequently expressed generalizations regarding the situation of the aged in developed countries were the following:

(1) Most aged people are living in poor economic conditions.

(2) Most aged people are in poor health.

(3) Most aged people want to continue to work.

(4) Most aged people are isolated from their families.

To the extent that such assumptions are generally accepted they are influencing the public attitude to the problems of the aged and have a direct or indirect impact on social policies.

DEFEATIST CONCLUSIONS

Generalizations such as those mentioned may lead some policy-makers to the defeatist conclusion that the problems of the aged are too overwhelming for social action; others are led to conclude that programmes for the aged must aim at all or most aged people and thereby perhaps overshoot the target. The defeatist view is well known in social policy discussions in developing countries, where mass poverty is concealing the fact that there are many shades of black. The over-ambitiousness can be spotted in wealthy countries in particular with regard to pension programmes to which I shall return later.

There was, and still is, a tendency to treat the aged in policy as a homogeneous group rather than as a rather heterogeneous section of the popultaion with diverse needs, with the effect that policies for the aged may offer too little flexibility and choice. Retirement and pensions policies are well-known examples, but similar inflexibilities are found in social services for the aged.

MAJOR NEW SURVEYS

It was against the scientific and political background which I have outlined that our international gerontological discussion took place in the late 1950. We were convinced, that it was necessary to initiate integrated cross-national sample surveys covering major areas of concern to the aged including health, family relations, work and retirement, and financial resources. At first a group of sociologists and economists from three countries, Britain, Denmark, and USA accepted the bid. The results of their endeavors were published in 1968 in the volume "Old People In Three Industrial Societies."[1] Subsequently other countries showed interest and similar surveys have since been undertaken in Israel, Poland and Yugoslavia with support from the American Government.

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[1] Ethel Shanas, Peter Townsend, Dorothy Wedderburn, Henning Friis, Poul Milhoj, Jan Stehouwer: Old People In Three Industrial Societies. London and New York 1968.

The comparative study aimed to provide fundamental information for social policy decisions in the gerontological field by giving a more balanced and varied picture of the state of the elderly than that given by the prevalent generalizations. The study should contribute to the testing of hypotheses about integration or segregation of the aged in Western societies to which has been devoted so much space in social gerontology.

MAIN CONCLUSIONS

The main conclusion of the cross-national study has a dual emphasis. On the one hand, we found that persons aged 65 and over are more strongly integrated into Western societies than is often assumed either by the general public or by sociological theorists. Physically they are largely self-sustaining. The personal and household functions they perform, in the services they receive from their families and in the frequency of their contacts with children and other relatives, most old people are fairly securely knitted into the social structure.

Integration with the family and the local community is maintained by a network of personal relationships. Retirement does not necessarily mean disengagement from other activities. On the other hand, major problems are found among the aged. To a varying extent we found poverty, isolation, lack of adequate care and insufficient meaningful occupation among them, though not to a degree which corresponds to the common generalizations on the situation of the aged. It appeared quite clearly that the aged can not be lumped as one big marginal category in society. They are in most respects as varied as other age groups. There are serious problems among the aged in all the countries studied, but they do not assume dimensions that are inherently unmanageable.

Let me now mention some of the findings from the three-country study, which can throw light upon the generalizing postulates regarding the aged, which I mentioned earlier.

Postulate 1. Most aged are living in poor economic conditions

Through the survey a detailed investigation has been made of income sources of the aged in each country. It is clearly demonstrated that aged people do not form any homogeneous group where income is concerned.

Most aged in all three countries have other income sources besides pensions or assistance from Government. Only ⅕ of the elderly persons in Denmark were wholly dependent on Government benefits while ⅓ in Great Britain and the United States depended on Government benefits.

The various comparisons between the countries based on the survey data indicate that the absolute living standards of the aged in the United States are, on average, higher than in the two European countries, which reflect the higher levels of living generally of the United States' population. The median total money income of the aged from all sources is in all countries about half of the average level of industrial earnings, but income inequalities within the aged population tend to be greater in the United States than in Denmark and Britain.

The survey does not confirm the proposition that most aged in the three countries are living in poor economic conditions. A considerable proportion in the United States and Britain have, however, incomes below generally accepted poverty lines; this is in particular the case for single women. The percentage of substandard aged is smaller in Denmark and the position of aged women is here markedly better than in the two other countries, which is due to differences in income maintenance programmes.

Postulate 2. Most aged are in poor health

The survey was confined to persons living in private households. This means that a number of those who are particularly incapacitated are not included in the survey. However, only a tiny minority of 4–5 pct. of all old people are living in hospitals or other institutions. Around another 10 pct. are bedridden or housebound at home in all three countries, whereas 90 pct. were ambulatory. A special index of incapacity was used to measure the broad ability of the old people to perform those minimal tasks which make them independent of others for personal care.

In all three countries, persons aged 65–69 are functioning quite well as measured by this index of incapacity. It is first with the cohort aged 70–74 in Denmark and Britain, and that aged 75–79 in the United States that there is a change in physical capacity but still not very sharp. The very old in USA report less incapacity than the very old in Denmark and Britain. In the age cohort 80 and over only 2 of every 10 men and 4 of every 10 women in Denmark report no incapacity. In Britain 3 of every 10 men and 2 of every 10 women in the oldest age group report no incapacity, but in the United States 5 of every 10 men and 4 of every 10 women report no incapacity.

The conclusions which one can draw from these and other findings of the survey does not confirm the proposition that most aged in the three Western industrial countries are in poor health condition. A majority are in active function up to the end of their 70's. For comparison it can be mentioned that the surveys in Israel, Poland and Yugoslavia show rather similar results on the physical capacity index, but the old people in those countries describe more often their health as poor.

Postulate 3. Most aged people want to continue to work

A considerable proportion of the elderly men retire at the minimum national pension age, which is 65 years in Britain and USA and 67 in Denmark. However, many go on working after that time. The percentage of men in the age group 67–69 years still working in 1962 was 37 in Britain, 42 in USA and 52 in Denmark. These percentages have decreased somewhat during the following decade in all three countries, but there is probably not important relative changes between the countries. The main reason why men work longer in Denmark than in the other two countries is the higher pension age. The higher percentage of the labour force in agriculture and the higher employment rate in Denmark have also contributed.

Ill-health or strain of work is the main reason given for retirement. This is more often mentioned in Denmark (61 pct.) than in Britain and USA (44 and 50 pct. respectively). But since more in Denmark retire in the late 60'ies and 70'ies than in the other countries this is understandable. Compulsory retirement is less frequent in Denmark (20 pct.) than in Britain and USA (ab. 30 pct.). USA has a relatively larger number who retired early because they "could afford to" (25 pct. against ca. 15 pct. in the other countries).

About ¾ of the men over the pension age who are still at work say that they do not want to stop working. Relatively more of the white collar than of the blue collar workers want to continue. Of those who have been retired for less than three years about ⅓ in Britain and USA but only 14 pct. of the Danes say they want work.

There are marked country-by-country differences in what retired men say they miss about their past work. Half of the British and the Danes report that they missed nothing, while most of the Americans say that they missed something about their work. Almost half of the retired Americans missed "money". The later surveys in Poland and Israel show that the attitude of the Poles and the Israelites are more like the American than the European.

The fact that so many retired in all the countries say that they miss nothing about the job or that they primarily miss the money they earned suggest that work may not be so interesting to them as has often been postulated. The retired men who would like to return to work are mainly those who have recently retired and are in good health and men who feel their income is inadequate. The great majority of the retired do not want to return to work. There is, however, a minority who is able and willing to go on working and this group will probably increase if there were more possibilities for flexible transition between pre- and post-retirement in the form of part-time employment and sheltered employment.

Postulate 4. Most aged people are isolated from their families.

About ¾ of the aged couples in Denmark and USA and ⅔ in Britain are living alone. Of the single 62 pct. in Denmark and less than half in the other two countries live alone. For comparison I can mention that in Poland less than half the aged couples and less than 30 pct. of the single are living alone.

80 pct. have children alive. 42 pct. of the aged in Britain, 20 pct. in Denmark and 28 pct. in USA live with at least one of their children.

The fact that most aged are living alone does not necessarily mean that they are isolated. Almost 80 pct. of those with children had at least one of their children living with them or within maximum 30 minutes transport distance. About ⅔ of the elderly people with children report seeing a child the same day or the previous day. The figures in Poland was of course higher (80 pct.) because more aged lived together with children. Only 6 pct. of the elderly in Denmark and Britain and 10 pct. of the old in the United States have not seen one of their children within the last month (but several of these had seen a sibling or other relatives).

Around ⅔ in Britain and the United States reported receiving help from their families, including money. Considerably fewer in Denmark, though still a substantial minority, reported such services.

In illness about a third relied for help with housework, meals and shopping upon children or other relatives. Between 8 and 9 in every 10 of the bedridden at home depended primarily on members of their families for meals, housework and personal aid.

The conclusion which can be drawn from the surveys is that although most elderly people in the three countries are living alone, it is only a small minority of the elderly which live in isolation. We have not explored the emotional quality of the family contacts but the statistical evidence seems sufficiently formidable to demand revision of earlier theories on relations between generations in Western society.

LIMITATIONS OF THE SURVEY

I have now given you some highlights from one of the gerontological research activities I have had the pleasure to participate in.

It has its obvious limitations. First, the cross-national survey is not dealing with such aspects of the life of the elderly as recreation, religion and politics, and only the British and the Danish survey has included housing.

Second, it can to some extent be looked at as a macro-study, giving a statistical frame for more detailed studies. We have suggested such studies on many points.

Third, it is a cross-sectional study at a given point in time, 1962.

It will in my opinion be useful to repeat this kind of macro-survey with regular intervals not only to keep the knowledge up to date, but also in order to study the changes which are taking place.

CHANGING CONDITIONS

It is difficult to assess how fast living conditions and behaviour of the old age are changing. New cohorts have moved into their

60'ies and 70'ies who have had higher earnings and better education than preceding cohorts. Pension and health programmes have expanded and will expand further. The actual retirement age of men is decrasing in all countries studied, but we also know that a large percentage of women are now gainfully employed up in their 60'ies. Further, the general increase in the employment rate of married women in all ages has perhaps had a negative effect on the extent of help which the incapacitated old persons receive from their daughters and daughters-in-law.

By repeating such cross-national surveys we will be able to establish a set of social indicators on the conditions of the aged which will be valuable for each country but also for international comparisons.

WEAKNESS OF RESEARCH

The surveys are cross-sectional surveys comparing social conditions and behaviour patterns of certain age groups at given points in time. The weakness of this type of research is that the aged are studied without sufficient knowledge about their earlier social situation and behaviour. This is a very unusual situation, but it has the effect, that many social problems of the aged tends to be attributed to aging when in fact they have been with the individuals far back in their life-histories. For example, when studying the economic situation of elderly people, the picture may look worse than it is because we do not always undertake comparisons with their level of living at an earlier time. When studying relations of the aged to their children we may tend to attribute a low or high degree of contact to aging, forgetting that parents and children over life may have been more or less close.

There is an increasing interest in life-cycle studies of cohorts of persons at the same age. Such longitudinal studies can contribute to a correction of some of the misleading interpretations of cross-sectional studies. But longitudinal studies of cohorts are time consuming and money consuming. Our Institute is carrying out a longitudinal survey of a national sample of 900 persons, who were 62–64 years old in 1962 but we should also have followed a sample of persons at least 10 years younger.

RESEARCH AND PUBLIC POLICY

I am not going to give suggestions for needed research in social gerontology. It will be futile to try to compete with the systematic lists in Russel Sage Foundation's volume on "Aging and Society" and the research proposals which are found in every issue of the valuable American journal The Gerontologist. I only want to stress the sad fact that a considerable portion of research in social gerontology as well as in other areas of social science, dealing with important social issues, have only little impact in social policies. The reason is not that the research is irrelevant. According to my experience the explanation is partly that it has not been presented in a way that has made its implications understandable for policy-makers, administrators, unions and personnel management. For their part, the prospective consumers have usually not shown serious interest in using research results even where these might be relevant to their work.

I am sure that this Center will apply itself to the improvement of the communication between the scientists and the public which is required if its work shall have a real impact on attitudes and policies beneficial to the aged.

One of the chief aims of the cross-sectional survey was to derive knowledge that could be of value in the evaluation of social policy. The growing role of public organized social service is a universal phenomenon in industrialized countries and the real problem is how efficiently public resources are adjusted to the needs.

NATIONAL POLICY AND THE AGED

In the second part of this paper I will deal with certain aspects of welfare policies for the aged, again based upon personal experiences.

I am coming from a country where 20 pct. of the gross national product goes into social security, health and social services. ⅓ of our social expenditures are used for national old age pensions, and for institutions and housing, home help services and other activities for the aged. To this is then added the considerable part of the general health service which is used by older people.

NATIONAL PENSIONS

The cost of national pensions has increased enormously in the last decade. The reason is partly the rise in benefit levels, partly an expansion of the coverage of national pensions to everybody from the age of 67 irrespective of their private incomes. This is a trend which you see in all Scandinavian countries. 15 years ago the national pension system was selective in the sense that pensions were paid only to persons with small incomes. This was administered through deductions in the pensions for all other earnings. This principle gave way in the 60'ies to an universalistic trend. The rules for deductions in pensions for earings were gradually liberalized with the effect that more and more people were receiving pensions. Beginning in 1970 the full pension was awarded to everyone over 67 years.

In Sweden this development came somewhat earlier and the increase in the pension level has been higher in Sweden, where the pension for married couples both receiving pensions is ¾ of the typically net income for metal workers (after tax). The corresponding figure in Denmark is about 50 pct. I am here talking about the basic flat rate pension. To this is gradually added a supplementary payment.

The basic national pension is in Denmark and Sweden tax financed while the supplementary pension is financed by contributions from employer and employee.

The value stability of pensions are secured through automatic cost-of-living adjustment which have been in force in Denmark since the beginning of the 1930'ies. Besides this adjustment pension levels with intervals have been increased in order to keep step with the increase in real income level in the active population.

I mentioned that until recently the right to pensions in old age was confined to those with smaller incomes. Why has this system been abolished? The reasons given for the abolishment of income deductions in the basic pensions were the supposed evil effect of such income deductions on an individual's savings during his life-time and their influence on his willingness to continue work in old age.

These are very important postulates on which one would expect economists and sociologists to have something to say. It has actually been discussed at some of the international social gerontology seminars which I mentioned at the beginning. When the discussion on introduction of universal pensions was going on I and other social scientists tried to cause some doubt among the politicians for whom it was axiomatic that income deductions in pension were economically unhealthy. With regard to savings I indicated that payment of the full pension to those who would hitherto only have received a lower pension amount, meant that they could count on an income increase in old age, and that it was doubtful whether such persons would be induced to save more. They would rather be inclined to save less.

I referred to our findings on retirement patterns, which showed that it is to a great extent the individual's health which determines when he retires. It was also argued that abolition of the deduction rules, as well as the many existing tax favours for self-pensioners, mainly favour those with higher incomes and that those still working would receive the pension in addition to their ordinary income.

The law on full pensions for everyone over sixty-seven, however, was passed unanimously by the Parliament without any serious discussion.

When evaluating the factors which have had a major influence on the level of pensions during the 1950'ies and 1960'ies in Denmark, it has to be taken into account that a widespread view that pensions were too low has influenced politicians of all parties.

PERCEPTIONS OF THE ELDERLY

One of the reasons for this attitude toward the size of the pensions is presumably that most persons in the active years compare the nominal size of the pension with their own nominal income, but they do not relate it to the actual cost of living in old age, when the children have disappeared, and taxes and other expenditures are of less importance.

This is perhaps the reason why old people's own opinions on their circumstances were very different from those in the active population. In our survey of persons 62 years and over in 1962, 28 pct. said that they managed better now than they did when they were fifty-five; 44 pct. thought that their circumstances were about the same as earlier; only 17 pct. felt that they could not manage as well. (10 pct. could not make the comparison.)

PRESSURE GROUPS

Another factor affecting the increase in pension policies has been an influential pressure group, the Association of Old Age and Invalidity Pensioners. Individual pensioners are also active at political meetings and in the press. The fact that 20 pct. of the electorate is above sixty-five years of age has undoubtedly had its impact on the attitudes of political parties toward pension policies. No party would dare go against proposals for increases in pensions put forward by any of the other major parties in Parliament.

The gradual extension of the National Pension Scheme to encompass all income groups in Denmark through the abolition of income deduction rules probably has one further important reason. This is the feeling of relative deprivation that has grown among those affected by these deduction rules as they compared themselves with public and private employees who receive pensions without deductions for any income. This feeling was often aired when politicians met with their electorate. It is probable that the feeling of relative deprivation, by comparison with employees who have earnings-related pensions, will in the future promote changes in that direction in the pension system.

PENSIONS AND RETIREMENT BEHAVIOR

As I mentioned earlier, pension policies have a close relation to *retirement* behaviour. The national pension minimum age in Denmark and Sweden is 67 years; in Norway it is even 70 years. However, women can get pension with income deduction from the age of 62 and this is also possible for men in poor health. In Sweden and Norway it is now under discussion to lower the minimum pension age. This is advocated by labour groups.

FLEXIBLE POLICY REQUIRED

In Denmark which during recent decades have had very full employment there is no desire to move the pension age downwards. My personal view is that it is neither necessary nor economically sound to lower the general pension age in a country with an overall scarcity of manpower and when this scarcity is expected to continue. I would prefer to give men in poor health a wider possibility for getting pensions at an earlier stage with income deductions. This view is based on our findings in the cross-national survey that on the one hand a number of persons with some difficulty are hanging on to their job until they can get the pension at the age of 67 years while on the other hand a considerable number go on working after that time. There is no need to give those who are still able to earn a normal income a pension on the top of it but it is reasonable to give those who feel very strained an opportunity to retire earlier. We are hereby coming closer to gearing the pension system to a more flexible retirement system. Actually the Danish surveys show a much greater flexibility than we expected.

First of all changing of position is a not uncommon aspect of the process of retirement. Half of those still active, who has changed working position, has done so after the age of 60. Secondly, many of the older workers have reduced working hours.

I take this as an evidence for the possibility of alternative forms of employment in old age.

This is made easier in the situation with scarcity of manpower but also through the general interest in all age strata, in particular among the women, for more services for the aged.

If we again turn to the Danish statistics of welfare expenditures it is significant, that the expenditure on *services* for aged persons during recent years has increased by a much higher rate than the cost of pensions. The expenditure for municipal institutions for the aged has spiralled, partly by an increase in capacity, partly because of improved standards. But there has also been a strong trend towards expansion of home-help services and recreation facilities. The aged are eagerly pressing for more services. The municipalities faced with choice between their tradition of institutions for the aged and aid to the old people in their private houses have gradually come to understand the need for more of both types of service. The Danish Institute of Social Research has recently undertaken empirical studies in order to evaluate the needs of the old for institutional and home care, in five municipalities including Copenhagen. Four parties assisted in the evaluation of each case: The old themselves, their general practitioners, the municipality social welfare officers and our own interviewers. The result of the investigation was that about 10 pct. of elderly people aged 70 and over was deemed to be in need of institutional placings. Among the number of people aged 70 and over, living in their own homes, it was estimated that about one-fourth needed home help, and that about two pct. needed home nursing. There were differences between the assessments of the need in the five areas and between those making the assessments in the individual cases.

The most important result of the analysis is perhaps that whatever the capacity of existing services was, high or low, the assessment showed the same relative degree of need for further services.

If this result can be interpreted dynamically, the consequence must be that irrespective of the proportion of help offered, there will still be waiting lists. This entails that there is a need for a social-political priority setting as well as for more systematic local visitation and assessment. If not, the services shall expand to a degree, which is out of proportion with what the municipalities can carry.

The necessity for control and priority-setting is not only a matter of public expenditures. It is also a problem of manpower and in particular qualified staff. While we in my country has developed staff training for institutions for children and handicapped reasonably well, training of staff for care of the aged has hardly started except short-courses for home-helpers. A Government Committee has recently presented proposals for an overall programme for training of staff for the welfare services. Training at various levels for all types of services for the aged has been given the highest priority in this programme.

The Committee, however, emphasizes, that it is necessary alongside with the development of training programmes to study how it will be possible in a longer perspective to reduce the expected increase in manpower demands without a lowering of the level of service for the aged. It suggests "that the care of the aged must change direction in order that the aged to a higher degree are helped to self-activity and cooperation in the development of a satisfying life in their old days. The social welfare activities will hereby be of a preventive, pedagogic character".

EQUALITY OF COMPETITIVE OPPORTUNITY FOR U.S.-FLAG AIRLINES

Mr. HOLLINGS. Mr. President, William T. Seawell, chairman and chief executive officer of Pan American World Airways, in a recent speech before the Wings Club in New York City urged the U.S. Government, labor and the airline industry, both scheduled and supplemental, to work together toward the elimination of unfair competitive handicaps under which U.S.-flag airlines currently operate abroad.

Mr. Seawell suggested that the airline industry should have as one of its goals equality of competitive opportunity. He indicated that one way to accomplish it is for American international trade policy to give to service industries, such as the airlines, the same quality of attention that the administration has indicated in its philosophy toward the American goods industries.

Mr. President, I think that my colleagues will find Mr. Seawell's remarks interesting and I request unanimous consent that they be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

EQUALITY OF COMPETITIVE OPPORTUNITY IN A COMPETITIVE WORLD

(Remarks by William T. Seawell, April 18, 1973)

Today, I am going to talk about keeping the United States strong. The framework for my remarks is the economic competition between the United States and the rest of the world. Within that framework, I am going to invite you, as a group of people interested in aviation, to consider the contribution of the American-flag international air transport industry to American economic strength.

I will suggest that our industry should have as one of its goals equality of competitive opportunity: that one way to achieve it is for American international trade policy to give to the services account the same quality of attention that is in prospect for the goods account; and that, given that attention, our industry's net contribution to the national balance of payments might increase from 1972's estimated $700,000,000 to $1,500,000,000 five years from now.

The background to my remarks is that since the end of World War II, the United States has been giving economic assistance to the world. This has been enlightened policy. But as recently noted by a State Department official, "The United States is no longer the overwhelmingly predominant economic power in the world; we are now only the first among equals."

A new era has begun. In this new era America no longer has the obligation to handicap itself in order to give advantage to its competitors. Now that we've helped to make the rest of the world competitive, we'd best figure out how most effectively to compete with it. That, as I understand it, is the goal of President Nixon's emerging U.S. foreign economic policy. It is a worthwhile goal for our industry to support.

Some months ago—in 1971—President Nixon said . . . "This nation welcomes foreign competition. But we have a right to expect that our trading partners abroad will welcome American competition. It is a healthy development that the world has come to understand that America believes in free trade as long as it is fair trade" . . . The President expressed a similar philosophy when he sent the Trade Reform Act of 1973 up to Congress for consideration on April 10.

It is important for the world to understand that American trade includes American services as well as American goods.

Anybody who looks at the world of international airlines is struck by the very large number of airlines engaged in foreign trade. One is also struck by how large a proportion of the business is provided by the American citizen. On the North Atlantic, for example, the American citizens provides two-thirds of the travel. So it is his patronage that international airlines seek and largely depend on.

When we at Pan Am last counted them, we found 66 scheduled competitors on our routes, 15 of them flying the American flag. Nobody knows how many supplemental airlines there are worldwide, but they are numerous and some of them are very effective, particularly those represented at this luncheon.

The sheer numbers of the competition are significant. The conditions of competition are even more significant. For American-flag airlines do business abroad in an environment of limitations and government-mandated charges that deny equal competitive opportunity to the American-flag industry and which also deny the American-flag airline the benefit of their superior efficiency.

And the American-flag international airlines are among those components of the American economy that are still more efficient than foreign competitors. If you take major foreign-flag airlines serving the North Atlantic, you will find that average cost per revenue ton mile ranges from 43.1 to 55.5 cents. The same figure for three major U.S. domestic trunks ranges from 41.9 to 47.9 cents. Pan Am's, incidentally, is 38.2 cents. Pan Am, of course, has longer average stage lengths than the three domestic trunks.

We all know that differences between airlines sometimes make comparisons complicated and even misleading. But in the case of unit operating costs, there is no doubt but what the American-flag operators are more efficient than their foreign-flag competitors.

Foreign-flag airlines start off with a lower wage level than that of American-flag airlines. It is a tribute to the men and women who work in it that the American-flag trunk-line industry, domestic and international, has lower unit costs than can be found in the rest of the world.

What sort of handicaps do American-flag airlines face abroad? My discussion today of those subjects cannot be exhaustive. Indeed, I believe neither the government nor the American-flag airlines have made a full listing. But it is nevertheless possible to be reasonably illustrative.

Let us consider, briefly, four major types of limitations: Restrictions on frequency of service; limitations on doing business in a foreign country; financial assistance making possible non-compensatory fares; government-mandated, non-negotiable charges.

FREQUENCY OF SERVICE

Foreign-flag airlines as a general principle have freer access to the American market than American-flag airlines do to foreign markets. Under Bermuda principles, the United States government does, of course, undertake to review and control excess airline capacity between the United States and other countries, although specific foreign carrier abuses have continued far too long. But, as a general rule, the United States Government has taken a more generous view of access to its market than foreign governments have taken with respect to their own.

The basic fact of life behind that situation was stated in a 1972 report issued by the Organization for Economic Cooperation and Development.

Said that report . . . "In the field of air transport there is little prospect of . . . genuine international competition as long as governments wish to protect their own airlines . . ." And most governments do.

Restrictions on American-flag schedules come about in two ways, generally speaking. The foreign government imposes specific restrictions on American-flag operations while its airline continues to have unrestricted access to the American market. Or, in specific cases, where foreign governments have taken a very hard line, the United States Government itself has agreed to prescreen the amount of American-flag capacity.

Is it a fair balance if both the American-flag and the foreign-flag have one flight a day? Not really—because overall, the American market today is far larger than reciprocal foreign markets.

LIMITATION ON DOING BUSINESS ABROAD

Foreign-flag airlines do business in the American market on exactly equal terms with American-flag competitors.

As a generality, American-flag airlines can simply not do business abroad on equal terms with the foreign national airlines. For example, currency or visa regulations may dictate travel on the national airline or in close liaison with government policy. Private financial or commercial interests may bring pressures on shippers and travelers to use the national airline. Or, a country may create conditions under which its long-haul international airline effectively controls long-haul passengers from their point or origin onwards.

Partly in preparation for my appearance here today, we at Pan Am asked some of our foreign stations about government policy either directing, or persuasively suggesting, that government employees and other nationals travel on the national airlines of those foreign countries. We received responses from 34 countries, some small, some large. The total diversion in revenue from Pan Am due to this single policy was estimated at $24,000,000 annually.

And the survey, as you will appreciate, was incomplete.

FINANCIAL ASSISTANCE MAKING POSSIBLE NON-COMPENSATORY FARES

Several weeks ago I had a conversation with a very high official of a foreign government on the other side of the Atlantic. He told me that his government did not care whether it had to give financial support to its national airline, because the government had an interest in fares low enough to continue to bring foreign currency—especially dollars—into the country and to support the national tourist industry. They still do like dollars! The object of the national economic policy of some countries is to develop tourism, not a profitable air transport industry.

In those cases the policy is that the air transport system must serve the national tourism industry even at the price of operating below cost.

It would be wrong to say that in all cases of foreign government financial assistance to foreign-flag airlines, the object is to set fares below the level of operating costs. But it is a fact that financial assistance by foreign governments does exist, and is not confined to what Americans would consider operating subsidy or construction subsidy. One other way is the provision of capital, either through forgiveness of debt or infusion of equity. Another way is the availability of low interest loans.

On the world market, lowering the price of goods through government financial assistance is not considered good form. It is called dumping. Should not a similar view be taken of services offered in the world market place?

Pan Am's accounts in 1972 provided an instructive example of what an enormous difference fractions of pennies can make on a passenger-mile basis. Due in large part, though not exclusively, to fare levels on the North Atlantic, Pan Am's yield in 1972 was 4.95 cents per scheduled passenger mile. That compares, by the way, with the average yield for the domestic trunk lines of 6.20 cents, certainly not too high a level for the domestic system. If Pan Am's yield had been just half a penny below the domestic yield, which had been the differential for some years prior to 1968—the company in 1972 would have shown an operating profit of $146,700,000 instead of the nominal operating profit of $200,000 in 1972.

So fares need be only a fraction of a penny per passenger mile below compensatory levels to make an enormous difference to the financial results of any substantial international operation. North Atlantic fares in effect for the remainder of 1973 are still below compensatory levels.

GOVERNMENT-MANDATED, NONNEGOTIABLE CHARGES

The phrase is a mouthful, but has the merit of saying exactly what it means: Charges, including landing fees, imposed unilaterally by governments on international airlines for the use of air navigation and other facilities. These charges are typically very much higher abroad than in the United States. In the case of one country, we must pay over $3,000 every time we land a Boeing 747, as compared with average payments by that country's airline of $400 at United States airport.

In principle under bilateral air agreements, foreign government facilities abroad charge all airlines performing the same service the same fee, although charges tend to be weighted against long-haul operations. But in the case of government-owned airlines, the money can move from one pocket to another. We learned just a few weeks ago of a case where a foreign government is in part subsidizing its own airline out of user charges paid by Pan Am and other international airlines.

What is the size of the user charge problem? In 1969, user charges cost American-flag airlines $82,000,000 annually. In 1972, they amounted to $124,000,000. It is estimated that they will reach $188,000,000 by 1975 and $375,000,000 by 1980, unless there is an effective intervention by government policy. The figures are from a study by the Air Transport Association of America.

Establishing equality of competitive opportunity for the American-flag industry would seem to be a sensible objective. How to go about it?

There may be several effective ways. But one good way would be for national policy to give American services parity of importance with American goods in negotiations with other countries. There is an effort under way to create competitive equality for American goods. American services are just as important. After all, the American economy is now sometimes described as a service economy. The American-flag airlines are an example of a superior American service. They will stay that way, given equality of competitive opportunity.

Perhaps our industry has been a little modest in pointing out the contribution it can make. For example, Pan Am's net contribution to the United States balance of payments in 1972 has been calculated by a respected outside analyst at $375,000,000, one of the largest contributions of any United States company.

The 1972 net contribution of the American-flag international air transport industry can be set as high as $700,000,000. As a consequence of nominal growth, that net contribution should be at the annual rate of $1,000,000,000 in 1977.

With a vigorous, systematic national policy of fostering our own flag system, as through equalizing competitive opportunity, there is no reason why the goal for the net contribution of the American-flag international air transport industry to the nation's balance of payments should not be set as high as $1,500,000,000 a year by the end of 1977. Were that goal to be realized, the industry's net contribution during the five-year period could be as much as six billion dollars.

That is not a modest goal. But Americans in today's highly competitive economic world have the obligation to establish large goals in international commerce.

Having a goal, if you are serious about it, involves having a plan. The plan should be a joint government-labor-industry plan. There is no reason to think our government would not be receptive to such an effort. There is no reason to think our employees and our unions would not welcome it. Is there any reason to think our own industry should not collectively take the initiative in urging it and helping to devise it?

Our industry is, of course, competitive within itself, scheduled airline against scheduled airline, supplemental against supplemental, the scheduled and supplemental against one another. That competition would remain. But what we are talking about here today is greater competitive opportunity for all airlines flying the American Flag, scheduled and supplemental alike.

Given the circumstances our country faces in this decade, does it not make sense for us to work together on national policies and programs to give American-flag airlines the same quality and scope of support, and of opportunity, that foreign-flag airlines receive? If it does make sense, let us begin soon.

ANNOUNCEMENT OF POSITION ON A VOTE

Mr. STEVENSON. Mr. President, on Monday, July 9, I was necessarily absent from the Senate. On Mr. Eagleton's amendment No. 286 to S. 2047, a bill to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport Road and for a feasibility study of rapid transit to Friendship International Airport, if present and voting I would have voted "no." I was previously positioned "aye" on the final passage of S. 2047.

MINIMUM WAGE

Mr. EAGLETON. Mr. President, the Women's Political Caucus of St. Louis has prepared a very interesting and compelling position paper on the minimum wage. I urge my colleagues to consider this position paper.

I ask unanimous consent that it be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

Position Paper of the Women's Political Caucus of St. Louis

The Women's Political Caucus of St. Louis urges this Congress to pass improved minimum wage legislation. By this we mean an increase in the minimum wage and an extension of its coverage.

We urge you to pass an increase because we know that life at the minimum wage level is hard indeed. We submit to you an actual budget for a single person living alone in St. Louis, Missouri, who works 40 hours per week at $1.60 per hour (the current federal minimum) and we ask you; Could you support your family on this budget?

Gross Salary: $277 per month ($3,324 per year).

Net Income after taxes:
(State, City, FICA, Federal) $221.74

Rent	$70.00
Utilities	26.00
Telephone	8.81
Hosp. & Life Ins	70.00
Food	60.00
Transportation	21.60
Newspaper	3.00
Clothing	10.00
Church Donation	4.00
Total	213.41

(This leaves $8.33 for any emergency)

Do we need to say that this is almost an impossibility? Do we need to add that this woman, an older woman, already has that furniture, the appliances, the household equipment she needs? And this fact is not true of all people earning this salary. This person lives alone, with no children. Could she take responsibility for a family? And yet this same yearly income of approximately $3500 represents what 53% of the White females and 66% of the Black females in our own state of Missouri earn. Thus many women who are heads of households are continually faced with this grave economic problem of "too little money," even when they work 40 hours a week. And by "too little money," we are sure you realize that we do not mean she cannot afford luxuries, we mean she cannot adequately care for a family.

In our Caucus, we saw this situation as dire. We became very interested in working for minimum wage reform and thus sought to support the purposed $2.20/hr. wage. However, when we began our research, we found that this amount would only lead to an annual income of $4500. Further exploration made us aware that the government's own recommendation from the Department of Labor, Bureau of Labor Statistics, was approximately $7,000 for a family of 4 on a Low Budget Scale in Urban and Metropolitan areas. This raised a serious contradiction for our committee. After careful deliberation we have concluded that we must support an hourly wage of $3.50, for this amount would be consistent with the government's suggestion.

Having reached this decision with regards to the amount of the minimum wage, we turned to the question of coverage. It is our recommendation that the new law be extended to cover all employees not now covered under the present law.

The desire to be economically independent is one that is shared by anyone who works. The workers who are not presently covered, these workers who perform tasks no less useful to the functioning of society than do covered workers, look to the Congress to give them the minimum wage floor it already given other workers.

Because we are a woman's interest group, we have studied the situation in which women find themselves in our economy. We learned that, in 1969, the Median Money Income of Families and Unrelated Individuals for a male head of household was $9,965; and for a female head of household, the income was $4,822. This discrepancy is appalling. And yet it is approximately 36% of the working women who find themselves in this position. Besides the fact that women are earning less in the same industries, it is also true that many women are just not covered by the current minimum wage laws.

Being from Missouri, we are particularly sensitive to this aspect of minimum wage legislation. In Missouri alone, which has no state minimum wage, there are 337,000 employees not now covered by the Federal Minimum Wage; that is, 337,000 employees are virtually unprotected in the economic gain game. And across the country, most of the states that do have minimum wage legislation continue to leave many of their workers out of the picture.

We would at this time ask you to recall that all people, rich or poor, covered or uncovered by minimum wage, must pay the same price for bread and eggs. There are no special supermarkets for those in uncovered employment. When the landlord comes to collect rent, he does not ask whether or not the tenant works in covered employment. In short, there is nothing special about living without minimum wage protection except the fact of living without minimum wage protection.

In this land of opportunity, does it make sense for someone to spend her days cleaning someone else's home, preparing meals for someone else's family and taking care of someone else's children, but to receive such low remuneration that she cannot adequately feed, clothe, and care for her own family? Are her needs any less than those she works for? Are her desires for her children less? She, the domestic, is a member of the working poor. She works hard at a useful job and yet she must struggle to maintain economic independence and dignity for herself and her family. It seems to us that while this country has consistently protected the employer from having to pay adequate wages, it has not protected the employee from the exploitation inherent in this situation.

In conclusion, we might say, we support any effort of the Congress to improve minimum wage legislation in any way. While we cannot support any specific piece of legislation, we urge Congress to do all it can to eradicate the tragedy of the working poor.

THE DEATH OF FORMER CONGRESSMAN CHARLIE HOWELL

Mr. METCALF. Mr. President, yesterday Congressman Frank Thompson of New Jersey announced the death of former Congressman Charlie Howell of New Jersey.

When I was elected to the 83d Congress I was assigned to the Labor and Education Committee. Congressman Howell was the most helpful of all the members of that committee, indeed of all my colleagues, in giving me the counsel and advice all new Members need. I shall never forget his patience and consideration and shall try to repay his courtesy by similar help to new colleagues. I surely regret his untimely death and Mrs. Metcalf and I extend our heartfelt sympathy to Mrs. Howell.

DR. C. R. BROWNELL, MAYOR OF MORGAN CITY, LA.

Mr. LONG. Mr. President, for nearly a quarter of a century Dr. C. R. Brownell has given unselfishly of his time and his energies to be mayor of the great city of Morgan City, La. This past Sunday, July 8, 1973, Morgan City saw fit to honor its mayor with a celebration entitled "Dr. C. R. Brownell, Jr. Day" in appreciation for all the work that this great Louisiana citizen has done.

The list of Mayor Brownell's accomplishments could go on and on, but his most recent endeavor will certainly rank among his greatest. C. R. Brownell personally helped coordinate local, State, and National efforts to relieve the flood threat to the Morgan City area that was caused by what is now known to be the greatest flood of the century. Morgan City, La., won its flood fight, and I want my colleagues to know today that this victorious effort was led by this great mayor.

I ask unanimous consent that a feature story discussing Mayor Brownell's life and work be printed in the Record following my remarks. This excellent article was written by Maxine Henthorn, and it appeared in the New Orleans Times-Picayune newspaper on July 8, 1973.

There being no objection, the article was ordered to be printed in the Record, as follows:

Morgan City Sets Day Aside To Honor Its Mayor-Doctor

(By Maxine Henthorn)

Morgan City, La.—Sunday, Morgan City will celebrate "Dr. C. R. Brownell Jr. Day," an occasion set aside to honor its mayor, who is serving his 24th year as head of a city of extremes.

Blessed with abundance—offshore oil, shrimp, crawfish, oysters, fur producing wild animals, the state's fourth largest seaport, and headquarters for some of the largest oil producing support industries in the world—the city, at sea level and below, is also the recipient of nature's ambivalence.

Situated at the neck of the funnel of one of the nation's most abundant wildernesses, the Atchafalaya Basin, Morgan City in recent weeks has with ingenuity fought just to be. The Atchafalaya, Mississippi's turbulent 130-mile tributary that feeds the basin on its way to the Gulf of Mexico, has continuously threatened to take Morgan City along.

While it has been a time of crises that required the efforts of many, crises per se, seem to be a way of life for the mayor, now in his 60th year.

CHANGE LABELS

Mrs. Blance Bourgeois, the mayor's long time secretary and a force in the city office, has said, "Every day is a crisis here. We just change the labels."

Actually, it was a time of family crises when the mayor first came home to Morgan City to begin the real work of his life.

It was a historical day, Aug. 14, 1945, the day World World War II ended. "I was flying over the Pacific on my way home when the news (that the war was over) came," Dr. Brownell, then a U.S. Army medical officer, said. "My father had suffered a heart attack, and I was coming home on an emergency leave to help him."

At that time C. R. Brownell Sr. was a state representative, and a third generation owner of vast tracts of cypress timber lands supplying the family lumber mills.

Helping his father, the young doctor soon learned, was helping a city in dire need of medical services.

"We had four M.D.'s and between 6–7,000 people here then," the mayor's wife "Pye" recalls. She was then working in his office as a registered nurse. "The whole staff worked 7 to 11 (a.m. to p.m.)," she laughs.

ASSEMBLY LINE

"It was a general practice," Mrs. Brownell said, "and we organized on an assembly line basis. Like everybody who needed shots would line up for that. Those who had wounds to treat and bandage would get in another line for that."

The people themselves took the long waits in stride. They simply planned to spend the day in the doctor's office, and they visited among themselves. Of the office calls, they made a social occasion, Mrs. Brownell said.

One night just as they were seeing the last patient, a police officer came to the office located upstairs over a drug store. He was looking for a lost child. As it turned out, a youngster had fallen asleep under the sofa, and had been left behind by his mother, when she left late in the evening after spending the day with her children in the doctor's office.

In addition to the office practice, Dr. Brownell also made house calls, some of which were "up the bayou" and "down the river." Working late at night, taking his boat named for his father, "The Rusty," Dr. Brownell remembers some of the calls literally as a matter of life and death, and some as an interesting comment on human nature.

HEADACHE GONE

Once after a particular hectic day, the doctor set out across Grassy Lake to answer a call for help that a woman was very ill. He arrived in the early night hours, having had neither lunch nor dinner, to find the "patient" sleeping comfortably. The patient had recovered from her headache and was now doing fine, she explained.

Dr. Brownell's entry into politics was born of an interest in legislature. At the time of his father's death in 1947, Dr. Brownell ran successfully to finish his father's term, something for which he felt a responsibility.

"I've always worked best at things I don't really like," the mayor said. "I hated politics. I was bashful about public speaking. No experience or talent along those lines. I guess what it amounts to is that the things I don't really like the the things I have to work at, really work at, and of course, when you really work at something, most of the time it comes out."

After the election, Dr. Brownell functioned between the state legislature and the Morgan City medical practice.

"I would leave Baton Rouge as soon as I could get away," the mayor said. "Then I would stop along the way and phone the hospital to get ready for whatever I had to do."

LABOR PATIENT

Once, he remembers, he was told to please, please hurry, a labor patient was having a difficult time.

"I drove about 75 to 80 miles an hour, kind of bouncing off the bridges," the mayor said, "and I got into the delivery room, just in time to catch the baby as it was born."

When Dr. Brownell was elected mayor, he functioned in a triple role. The mayor's term and the state representative's term overlapped for awhile, and, of course, he continued with the practice.

The jeep candidate bought for Wednesday afternoon campaigning was functional for housecalls on all manner or roads around Tiger Island, particularly, in rainy weather, which was almost always. Once he parked the jeep, climbed a raw, new muddy levee to reach a patient's riverside home. The astonished trapper expressed surprise that the doctor, now a state representative and mayor of the town, would go to all that trouble to see him and when he was feeling "puny."

"I promised myself when I was in a field hospital (European Theater) working on the critically wounded that if I ever got home, back to my own people, I would never complain," the mayor said. "No experience could be so brutal as a wartime field hospital on the front, and I was truly grateful to be back, mud and all."

This has been a working philosophy for these wetlands. "It's a rough environment these marshes and the (Atchafalaya) basin. But I was shaped by my father. He knew how to live in the swamplands. He taught me to cope."

WEIGHT LIFTING

Learning to cope as a young man meant being in top physical condition. Before he was felled by a coronary heart attack which ultimately resulted in open heart surgery, the mayor maintained a vigorous physical fitness program through weight lifting and various sports, a favorite of which was power boat racing.

Even after his own physical problem developed, it was difficult to slow down. His heart attack came at a New Orleans municipal meeting. Typically, when he collapsed on the floor at the gathering of mayors, a page went out for Dr. Brownell to come to the assistance of the stricken, unbeknowing to the help seeker that Dr. Brownell himself was the patient.

Another time when he was riding in a river parade as king of carnival, he left his royal seat to give aid to an accident victim and return to take his place wearing blood on the royal garb.

During his almost quarter-century as the city's titular head, the changes have come. Mostly, in the spirit of the people. From a small, frontier community where you knew everyone and his history, it's now a place of new faces where few have a past.

CHANGED LESS

Perhaps the mayor's own life style has changed less than most of the townspeople. He lives in the same house in which he grew up. Situated on four lots, the interior and gardens represent the culture. There is no backyard grass to be mowed. Rather, walkways meander among the palms, graceful old oaks, lacy forms and flowers peculiar to the swamplands.

"Old Bull," a 25-year old alligator suns himself quietly. When Old Bull came to live in the Brownell's back yard, the mayor brought him home in his pocket. Now, the 'gator has his own pond, and in an adjacent pen four 7-8-year-old smaller alligators sleep close to each other in the late afternoon sun.

Out beyond, "Tiny," a six-month-old fawn, comes running. The most gentle of nature's wilds, she waits patiently for her bottle which she get four times a day along with a head rub.

A formal garden supplies flowers in seasons for each room in the house, and cucumber vines provide dill pickes, some 85-gallons already this season. Lush tomatoes stand ready for picking for the kitchen.

Fresh fruit, bananas, oranges, figs, pears, lemons, grapefruit grow at the Brownell camp, Land of the Lakes, part of 30,000 acres owned by the family. Accessible only by boat and maintained as a private game reserve, the Brownells like to take their grandchildren, and his only child, Mrs. Ann Magee, along with close friends for weekends and holidays of fishing, picnicking, boating, and good cooking of fresh native foods.

During his years as mayor, Dr. Brownell has received many honors, such as mayor of the year, physician of the year, and he has plaques, trophies, and a photographic history of what has happened here. But the one trophy in which he takes pride in showing is one that came not to him, but to his daughter when she was named student nurse of the year the day she received her R.N. degree.

In terms of Morgan City's future, it will always be a city of extremes. "We have been blessed, but it takes a special kind of strength, a special kind of man to live productively in these marshes."

Sunday, Morgan City salutes a man who apparently came to terms with it.

NEIGHBORHOOD YOUTH CORPS SUMMER JOB PROGRAM

Mr. JAVITS. Mr. President, as Members know, for the past 5 months I have joined with many of our colleagues in the Senate and House to seek, in connection with consideration of the second supplemental appropriations bill and otherwise, to get the administration to release at least the $239.2 million in funds already previously appropriated by the Congress for the Neighborhood Youth Corps summer job program.

This has been a tough struggle on our side and on the side of the administration, but I am pleased to report to those who joined in this effort and to my colleagues that finally, with the aid of the Federal courts, the issue has been resolved in favor of some effective result.

Just yesterday, the Third Circuit Court in Philadelphia in the case of Community Action Programs Executive Directors Association of New Jersey, Inc., the New Jersey Neighborhood Youth Corps Directors Association, Mary Ann Weston, Yvette Young, et al., against Roy L. Ash, Director of the Office of Management and Budget; Peter J. Brennan, Secretary of the Department of Labor; William Kolberg, Assistant Secretary of Manpower of the Department of Labor; and Howard Phillips, former Acting Director of the Office of Economic Opportunity, denied defendants'—U.S. officials—request for a stay of the U.S. District Court's order that the $239.2 million in funds be made available for the program for the current summer.

And just late yesterday afternoon, the Department of Labor, while reserving its right to appeal the matter to the Supreme Court, began complying with the order—as I urged that it should in the Senate after the circuit court had acted—by informing each of the 10 regional Labor Department offices orally and by telegram that funds would be released.

Each regional office is being advised that it will be able to conduct for each State and in cities within the State a summer job program at a level equal to, and in some cases greater than, that conducted last year.

Last year a total of $312,606,000 was made available in Neighborhood Youth Corps funds for approximately 740,222 opportunities.

This year, the $239.2 million together with $78,643,000 in discretionary funds under the Emergency Employment Act, will provide an aggregate of $317,843,000—actually an increase over last year.

It is clear that at least the same number of opportunities will be provided and probably even more youth can be accommodated as in some areas a full 9-week program—as originally intended—will not be possible due to the late hour at which this action is being taken.

Mr. President, I regret that our efforts in the second supplemental to obtain more funds for the Neighborhood Youth Corps summer job program itself to maintain it at the level of last year were only partially successful in the Senate and then dropped in the House-Senate conference. Had they been maintained, then it would not have been necessary to use any public employment funds.

But at least, the actions of the courts and of the administration in response thereto, means that to maintain last year's level in the summer job program, cities will not have to cut into their "basic"—as opposed to "discretionary"—funds under the Emergency Employment Act, as the administration had urged to the tune of an additional $255,357,000 beyond the $78,643,000 in discretionary funds which the Department specifically allocated in March to the major cities for the purposes of summer jobs for youth.

Mr. President, this result would not have been reached but for the determination of the Congress, the repeated actions and expressions of intent of which, were the basis for the decisions by the Federal courts.

Accordingly, at this point I would wish to acknowledge the gratitude of about 600,000 American youth who will be benefitted to the Members of the Senate who over the past 5 months have joined in positive action on this subject—including letters to the President and attempts to increase the funds. They are: Senators Abourezk, Bayh, Beall, Bible, Biden, Brooke, Burdick, Cannon, Case, Church, Clark, Cranston, Eagleton, Fulbright, Gravel, Hart, Haskell, Hatfield, Hathaway, Huddleston, Hughes, Humphrey, Kennedy, Mathias, Mondale, Moss, Muskie, McGee, McGovern, Nelson, Pell, Randolph, Stafford, Taft, Tunney, Weicker, and Williams.

I also wish to express the appreciation due to Senator McClellan, the chairman of the Senate Committee on Appropriations and to Senator Magnuson, chairman of the Subcommittee on HEW-Labor Appropriations, as well as to other members of that committee who have been so steadfast in insuring that the will of the Congress be clearly expressed and maintained as to the funds that had already been appropriated.

Also, I believe that the great support given to the New York City summer job program by the National League of Cities-U.S. Conference of Mayors—which at all times backed its requests with hard facts—should be gratefully noted.

Mr. President, in the end this is not a battle won by the Congress but of poor youth themselves. The lawsuits which led to these actions were commenced by individuals who were deprived of summer jobs by reason of the administration's refusal to carry out congressional intent. It is their victory and it is they who, in the most human terms, will reap the benefits. At least 600,000 youth who otherwise would have spent nonproductive summers which may in turn lead to more meaningful lives.

It must be reassuring to them that the so-called establishment—in this case the legislative and judicial branches—can work for them and that they are not forgotten citizens.

I hope very much that this experience will lead to a new reconciliation between the Congress and the executive branch which will be of major benefit to the country.

Mr. President, I ask unanimous consent that information concerning allocations provided by the Department of Labor at my request, together with an article of this subject set forth in the New York Times of today, June 11, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Fiscal Year 1973 Summer Youth Program

A decision by a U.S. District Court of June 28, 1973 requires that $239,143,000 of FY 1973 EOA funds be obligated for the 1973 NYC Summer Program.

Regional allocations. The new allocations below have been prepared in relation to the FY 1972 allocations of $312,606,000 issued by TWX on May 30, 1972, and the issuance this fiscal year of $80 million of FY 1973 PEP discretionary funds for Summer Youth Programs. The new EOA funds together with the FY 1973 PEP funds permit a 1973 program total of $317,786,200, or an increase of 1.657 percent over the 1972 level for the NYC Summer Program. To obtain new levels for the 1973 Summer Youth Programs including both EOA and PEP funds, the FY 1972 NYC Summer Program allocations for each region were increased by 1.657 percent. The allocations already made to the regions from the $80 million of PEP discretionary funds were then subtracted from the total to determine the amount of FY 1973 EOA funds to be allocated to each region.

The allocations to Indian reservations from the $80 million of PEP discretionary funds were not included in the calculations and are an increase to the 1973 total discussed above.

SUMMER YOUTH PROGRAM FUNDS, FISCAL YEAR 1973

[In thousands]

Regions	Total	PEP summer youth funds	Allocation of new EOA program funds
Region I	$16,605	$603	$16,002
Region II	47,230	9,825	37,405
Region III	29,318	10,199	19,119
Region IV	55,803	19,265	36,538
Region V	58,973	14,193	44,780
Region VI	34,692	10,753	23,939
Region VII	14,665	2,746	11,919
Regon VIII	7,484	1,191	6,293
Region IX	35,481	6,658	28,823
Region X	11,363	970	10,393
DCMA	6,172	2,240	3,932
U.S. total	317,786	78,643	239,143

State and city allocations. To the extent practical RMAs should follow the procedure outlined above to determine state and city funding levels, i.e. an equal proportionate increase over the FY 1972 NYC funding level considering amounts from both the $80 million of PEP discretionary funds and the $239,143,000 of EOA. However, it is recognized, that the extensive use of regular Sec. 5 and Sec. 6 PEP funds for Summer Youth Programs in some areas, or other factors, may justify adjustments to an equal proportionate increase for areas within a region.

Slot levels. Communities operating Summer Youth Programs with the newly authorized EOA funds are not to exceed the slot levels authorized for FY 1972 including slots funded by both the new EOA funds and the $80 million of PEP discretionary Summer Youth funds.

Slot limitations by region, including slots funded from both the new EOA funds and the $80 million PEP Summer Youth funds are as follows:

Region	slots
1	38,706
2	110,093
3	68,339
4	130,078
5	137,469
6	80,869
7	34,183
8	17,445
9	82,708
10	25,948
DCMA	14,384
U.S. total	740,222

Limitation on use of funds. The EOA allocations contained in these guidelines may be used only for the 1973 NYC Summer Program. Funds unused at the end of the summer program are not to be used to extend the contract beyond the current summer nor can they be used to support the FY 1974 In-School program as in previous years in the case of combined In-School and Summer contracts.

Unit costs. The $80 million of PEP summer limitation of slots permits an overall NOA funds plus the new EOA funds, and the unit cost of $429. RMAs should keep their average NOA unit cost within this total, whether or not the full slot level authorized is achieved. Slot costs in Alaska may average 25 percent higher, or $536.

Program sponsor. To the extent practical RMAs should contract the newly allocated EOA funds with the same organizations that operated the program in 1972. However, if such contracting will result in serious inefficiencies in the quality of the program in terms of meaningful worksites, supervision, or services to the enrollees, or unnecessary and significant duplication of administrative costs, or in serious delay in the initiation, of the program, the RMA is authorized to contract with other available sponsors including PEP agents currently operating Summer Youth programs.

Wage rates. All projects, except those in the territories, must pay $1.60 per hour, or last summer's wage rate, or the applicable State minimum wage, whichever is higher. Projects in the territories may pay the local minimum applicable to those newly covered in the 1966 amendments to the Fair Labor Standards Act (Minimum Wage Law).

Hours and weeks. Enrollees may work a maximum of 234 hours during the summer, or generally 26 hours per week for 9 weeks. Adjustments to these standards may be made if judged appropriate by the Regional Manpower Administrator provided that the total paid hours worked by an enrollee do not exceed 234 for the summer. Because of the tight unit costs, regional staffs and sponsors may budget for a normal underuse of allowed hours due to absences and enrollees leaving before completing 234 hours of paid participation. Conversely, the authorized enrollment level in a project is intended to refer to full term equivalent slots. To the extent that individual enrollees leave the program after enrolling, or underutilize the allowed hours for other reasons, the sponsor is to be permitted to add enrollees to make use of the unused hours, provided that total costs do not exceed the project budgeted amount.

Despite the relatively late allocation of additional funds, programs must not be permitted to run beyond the normal termination date in previous summers or be permitted to continue after the start of the new school year in each area.

The scheduled workweek should allot sufficient time for remedial education, medical services, counseling and guidance.

Project staff may be paid for a longer period as needed for effective program operation. However, administrative costs, as distinct from enrollee supportive services, should be kept to the minimum level needed for effective program management.

Program components. It is anticipated that project sponsors will develop high quality programs for many thousands of high school age youth from poverty income families. Project sponsors will be expected to provide counseling, remedial education, medical services as appropriate, meaningful work stations, and effective supervision of enrollees.

Sponsors who are unable to provide a quality program should not have their contracts renewed. RMA's may contract with another sponsor in the same community. Recommendations of Mayors and Governors, that are made through the CAMPS process, for Summer Youth programs should be followed to the extent possible.

Remedial education. Enrollees who require assistance with their studies to remain in school until high school graduation may spend up to an average of 10 hours of each week's compensated time in educational programs sponsored by accredited educational agencies as recommended by a school counselor. Under special circumstances, this limit may be exceeded at the discretion of the Regional Manpower Administrator.

Counseling. Counseling should emphasize the completion of high school and continuing education. It should assist trainees to assess their skills and aptitudes, provide information on possible careers and opportunities for post-high school education and training, and on attitudes necessary to maintain employment.

Program design and worksites. Sponsors should develop work stations that will broaden the experience of the enrollees and provide an introduction to possible careers or to skills useful in obtaining post-high school employment.

Special summer projects. Sponsors should utilize special summer projects, such as NYC Goes to Community College, Sesame Street, etc., to the degree possible. (See FM 172–72 for examples of possible worksites.)

REPROGRAMMING PEP FUNDS FOR SUMMER

If $239 million of EOA funds is made available for NYC Summer activities as a result of the Newark law Suit, program agent may wish to reprogram PEP funds to cover the regular participants program. Such reprogramming is authorized at the option of the program agent for reprogrammed Section 5 and Section 6 funds, and his share of the $33 million allocation. His share of the $80 million allocation must remain in the Summer Program.

If the reprogramming of PEP funds would result in the lay-off of any participants already hired with PEP funds, efforts should be made to transfer these participants to the appropriate NYC sponsor. Since this reprogramming will result in a change to the quarterly expenditure ceilings shown in item 4 of the expenditure & employment plan, MA6–113, a grant modification should be accompanied by a revised MA6–133 showing the revised plan and new quarterly expenditure ceiling. Also to the extent possible any summer participants out-stationed to Federal worksites should be transferred to the NYC Summer Program.

The accomplishment of these transfers should be affected by local agreement. No further out-stationing of summer participants to Federal worksites should be made with PEP funds.

If and when you are advised to proceed to make EOA summer grants you should also advise PEP program agents that they may take action with regard to PEP grants as described above.

LETTER CONTRACT

A short form contract which will permit quick sponsor funding is attached. The RMA may elect to use the short form to provide additional time in which to complete the definitive contract while permitting prompt program initiation.

Subject: Summer Youth Employment Program 1973.
Contract No. ———.
Dollars $ ———.

DEAR SIR: You are hereby awarded a contract in the above dollar amount to conduct in accordance with Title I–B of the EOA, a NYC Summer Youth Employment Program in accordance with the attached guidelines. Period of performance shall be ———, 1973, through ———, 1973. Advance payment is hereby authorized upon submission of invoice and executed fidelity bond together with joint bank account agreement (as may be required). Terms and conditions are hereby attached and will become a part of the definitive contract. It is agreed that the definitive cost reimbursement contract will be entered into within thirty days.

The following person is designated as my authorized representative (GAR): ———.

Your slot allocation and goal for accomplishment is ———.

Reporting shall be in accordance with attachment no. 2.

Commence immediately to perform to fulfill the requirements of this contract.

——— ———.
Contracting officer.

Accepted. ——— ———, contractor.

Enclosures:

Attachment 1—Guidelines Summer Youth Program.

Attachment 2—Reporting Requirements.

A. *Statistical*–BWTP–9 "Sponsor's Activity Report" and MA–6A "Summary-Characteristics of NYC Enrollees" as covered in Section II–D (page 24) and Section II–E (page 27) of Attachment to Field Memorandum 234–71 dated July 1971.

B. *Financial*–BWP–24 "Sponsor's Invoice" and BWP–25 "Sponsor's Detailed Statement of Cost" as covered in Chapter II, Section L, pages 52 to 59 of Handbook entitled "Financial Management Requirements for Bureau of Work Program Sponsors" and U.S. Department of Labor MA Manual, Title 3–100, Chapter 3161, pages 1 to 8.

Attachment 3—General Provisions Cost Reimbursement Contract with Series A.

MANPOWER ADMINISTRATION, U.S. DEPARTMENT OF LABOR

To: All regional manpower administrators & DCMA
Subject: 1975 NYC summer program.

A Federal judge in New Jersey ordered the department to release $239 million of BOA funds appropriated for the 1973 NYC summer program. The order is being appealed and no final decision has been rendered.

The following guidance is being provided to the regions for your information and planning purposes. No obligation of funds or contract executions are authorized at this time, but each RMA should initiate in-house planning based on the following:

1. A dollar target is provided for each region based upon the FY 72 NYC program level and the % increase represented by the combination of the $80 million per summer allocation and the new $239 million EOA summer allocation. This results in an increase of 1.65% over the 1972 levels issued by TWX on 5/30/72. See item # 6 for regional office planning allocations.

2. Priority in sponsorship of the EOA funded summer program should be last year's program sponsors, but other sponsorship may be considered if last year's summer project contracts have expired or if sponsors no longer are viable organizations to mount a summer program within the current time constraints.

3. Allotments and authority to execute contracts and obligate funds will be issued when a final decision is rendered. In the meantime, the funds will be obligated by June 30 in the national office to comply with the order.

4. RMA should immediately initiate in house planning to determine which sponsors are capable of conducting a 1973 summer program. RMAs should not at this point in time contact potential summer project sponsors. RMAs are not to enter into executed agreements until officially notified to do so.

5. A proposed one page "boiler plate" contract plus the guidelines for the summer youth employment program will be mailed to you on 6/30/73. The guidelines will require that the 1973 summer program shall not exceed the termination date of last year's program. In addition, it will be required that the 1973 slot level shall not exceed the level of last year's summer program.

6. FY 1973 NYC summer allocations—region —— $———.

FY 1973 NYC summer allocations

Region I	$16,002,000
Region II	37,405,000
Region III	19,119,000
Region IV	36,538,000
Region V	44,780,000
Region VI	23,939,000
Region VII	11,919,000
Region VIII	6,293,000
Region IX	28,823,000
Region X	10,393,000
Region DCMA	3,932,000

U.S. DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

To All RMAs and DCMA.
Subject NYC summer program.

You are hereby authorized to implement the enlarged NYC summer program in accordance with my TWX of June 29, 1973 and the guidelines mailed to you the following day.

Required language to be incorporated into all summer contracts reads as follows:

Payments are being made under this contract pursuant to the order of the United States District Court in the District of New Jersey dated June 29, 1973, at 10:50 a.m., in the case of Community Action Programs Executive Directors Association of New Jersey, Inc. et al.—Roy L. Ash, Director, OMB, et al., Civil Action No. 899X73.

As previously indicated, your FY 1973 OPCS allocation for line 4B(1) is increased by the following amount.

Region	Amount in thousands	OPCS change No.
1	$16,002	125
2	37,405	100
3	19,119	150
4	36,538	156
5	44,780	146
6	23,939	136
7	11,919	102
8	6,293	117
9	28,823	140
10	10,393	102
OCMA	3,932	51

Regional offices are to provide information on funds and slots for 1973 Summer Youth employment programs for each of the large cities identified below. Funds and slots are to be reported separately for each of the following fund sources:

"New" EOA funds authorized by this TWX.

Other fiscal year 1973 or earlier EOA funds.

MDTA funds (if any).

PEP $80 million discretionary funds.

All other PEP funds.

Data are to reflect the situation after planned, as well as actual, reprogramming from summer programs to other uses, of "other" PEP and "other" EOA or MDTA funds previously planned for current summer programs, but no longer needed for that purpose as a result of the release of the new EOA funds.

TELEGRAPHIC MESSAGE

The data are required for the following cities:

REGION I

Boston.

REGION II

Jersey City, Newark, Buffalo, New York, Rochester.

REGION III

Baltimore, Philadelphia, Pittsburgh, Norfolk.

REGION IV

Birmingham, Dade County (Miami), Tampa, Atlanta, Louisville, Memphis.

REGION V

Chicago, Gary, Indianapolis, Detroit, Minneapolis, St. Paul, Akron, Cincinnati, Cleveland, Columbus, Dayton, Toledo, Milwaukee.

REGION VI

New Orleans, Oklahoma, Tulsa, Dallas, El Paso, Ft. Worth, Houston, San Antonio.

REGION VII

Kansas City, St. Louis, Omaha.

REGION VIII

Denver.

REGION IX

Phoenix, Los Angeles (incl. Long Beach), Oakland, San Diego, San Francisco, Honolulu.

REGION X

Portland, Seattle, Washington, D.C.

TELEGRAPHIC MESSAGE

Data are to be sent to me attention Harry Greenspan by July 18, 1973. Questions on this TWX should be addressed to Harry Greenspan, area code 202-961-4555.

PIERCE A. QUINLAN,
Director, Office of Field Coordination.

U.S. DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

To: All RMAs and DCMA.
Subject: Enlarged NYC summer program.

You are authorized to contact program sponsors for the proposed enlarged NYC summer program and to negotiate contracts in accordance with my TWX of June 29, 1973 and the guidelines issued on June 30, 1973.

However you are not authorized to execute the contracts or to authorize expenditures until further notice.

This action is taken to permit the quick implementation of the program pending; a decision on the appeal.

PIERCE A. QUINLAN,
Director, Office of Field Coordination.

[From the New York Times, July 11, 1973]

YOUTH CORPS FUND IS ORDERED FREED

WASHINGTON, July 9—The Labor Department announced today that $239-million in nationwide Neighborhood Youth Corps funds had been released to the states to provide summer jobs for poor youths.

The action came after the United States Court of Appeals for the Third Circuit in Philadelphia, refused earlier in the day to grant the Government's request to halt the release of the money.

"We have released the funds pursuant to the court order," said James Pembroke, a spokesman for the Labor Department's Manpower Administration, which runs the program. Mr. Pembroke said the regional offices of the agency would be notified of the decision by telegram or telephone.

Today's court ruling appeared to end the legal battle that began last month in a suit brought in the Federal District Court in Newark by 22 Community Action Program directors in New Jersey and two girls from Neptune, N.J., who had been promised summer jobs.

The suit was brought after Congress refused to approve a Government "rescission request" to remove the Neighborhood Youth Corps funds appropriation from the budget for the fiscal year 1973.

Without action by Congress until June 19, manpower officials contended that they did not have time to spend the $239-million.

Last year, New Jersey agencies provided 11,591 jobs for poor youths, while New York found jobs for 50,000. This summer 930 organizations over the country are expected to find summer employment for about 600,000 youths.

The Neighborhood Youth Corps is a nine-year-old program that provides summer jobs for poor youths between 14 and 21 years of age. The jobs are usually in public agencies or nonprofit organizations and are service oriented. Many youngsters work in parks, recreational activities or hospitals.

Senator Jacob K. Javits, the New York Republican who has criticized the Nixon Administration for "hoarding" the youth corps funds for some "unknown future purpose," called today's release of money "a recognition of Congressional determination in this matter.

"In addition to the humanity involved," Senator Javits said, "it will give approximately 600,000 youths in our cities a productive summer instead of a wasted one."

NEW AGRICULTURAL DATA SYSTEM NEEDED

Mr. YOUNG. Mr. President, there has been some question whether we will have a census of agriculture in 1974 as required by law. Few people realize a far more accurate census could be taken by the U.S. Department of Agriculture at considerably less cost than in the past when the agriculture census was taken by the Department of Commerce.

Mr. President, an excellent paper on this subject has come to my attention through the American Agribusiness Associates, of which Mr. Frank Frazier is president. This paper, entitled "New Agricultural Data System Needed," is an excellent analysis of the subject. I ask unanimous consent to print this in the RECORD as part of my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

NEW AGRICULTURAL DATA SYSTEM NEEDED

INTRODUCTION

High risks and low margins so essential for survival in today's modern, efficient food and fiber industry, spell headaches, nightmares, and even disaster for the uninformed.

This situation is creating growing demands for new and better statistical data, as well as improved data collection systems. But it is also giving birth to a new type of decision maker . . . one who has the sophistication to analyse and use the data wisely.

These new decision makers, through use of new technology and organization structures within production and processing systems, are creating a rapidly changing economic environment . . . one in which capital requirements have an increasingly dominant role.

This rapid evolution in data requirements is taking place in all phases of the food and fiber industry. Accuracy, speed, frequency and greater timeliness of official statistics are of growing importance for risk takers whose profit margins are so narrow there is little room for error.

What is the true significance of these dramatic changes in the nation's on-farm and off-farm activities? Were they in the public interest? Agri-business economists, government administrators, and Congress, as well as farmers and others need to know.

In the final analysis, judgments will be based on data from some source, and these data should be both accurate and adequate or the nation's food and fiber industry will be in jeopardy.

Before taking a detailed look at new data needs and systems, consideration must first be given to the adequacy of all agricultural statistics and the capabilities of data collection systems from which they flow.

STATUS OF AGRICULTURAL STATISTICS

Agriculture is fortunate in having a very comprehensive statistical program that, for the most part, has provided pertinent and timely data. But the program needs to be remodeled and updated. The overall resources for statistical purposes (funds, technical staff, and knowledge of survey techniques) are generally adequate and many parts of the program are well suited to the needs for information. But, owing to changes in the structure of agriculture and in other parts of the economy, a new model is needed so the statistics will be more in tune with reality and hence more useful. In other words, some old concepts of agriculture have persisted too long in the statistical system. This report gives a brief review of the situation and offers recommendations for redirection.

Within the field of agriculture, a distinction is needed among: (1) commodity statistics (e.g., statistics on production, marketing, and prices of various commodities), (2) statistics for the food and fiber industry (e.g., statistics on various agricultural inputs, production efficiency, agricultural income, structural changes in agriculture), and (3) statistics pertaining to people or households. This distinction is important because there is a difference among these categories in the nature of survey problems in the state of development and in terms of the organizations responsible. During the last 10 to 15 years, substantial improvements in the statistical methods for the commodity statistics program have occurred and some adjustments in the content of the program have also been accomplished. Less well developed is the category of industry statistics. In fact it is in urgent need of attention. The concepts for this category have been rather static for decades. According to a report of the American Agricultural Economics Association Committee on economic statistics, ". . . the systems producing our data have never had more sophisticated statistical capabilities," but serious trouble has developed because the conceptual foundation of the system has become obsolete.[1] The third category, statistics pertaining to rural and farm people, is underdeveloped and a big void exists.

A statistical situation, unique to agriculture, developed many years ago because there was a close correspondence between farms as business enterprises and farm households. Thus, it was possible to use data for a statistical universe of farm enterprises as a source of information about the economic status of farm households. Now, however, the correspondence between agricultural enterprises and households has diminished, and it is no longer practical, or advisable, to continue such statistical concepts, except perhaps for family farms. Statistics based on farm enterprises as reporting units no longer accurately reflect the economic status of households. Several other aspects of the present statistical system in relation to the needs for data could be discussed, but the key point is that the time has come for formulating new precepts, and two statistical systems: (1) one based on rural households (with family farm households as a subset) as reporting units for statistical purposes, and (2) one based on business enterprises in the food and fiber industry as reporting units, with family farm enterprises as a subset. This probably can be accomplished within the total financial base for agricultural statistics.

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[1] Committee on Economic Statistics of the American Agricultural Economics Association, "Our Obsolete Agricultural Data Systems: New Directions and Opportunities," Statistical Reporter, October 1972.

AGRICULTURAL DATA SOURCES

Considering the contributions of all producers of statistics—private business, local and State Governments, Universities and the Federal Government, the statistical measurements related to agriculture are probably more extensive than for any other sector of the United States economy. The major suppliers of these statistics are:

1. The Census of Agriculture of the Bureau of the Census, U.S. Department of Commerce.
2. The program of current agricultural statistics as conducted by the U.S. Department of Agriculture.
3. The program of agricultural statistics supported by a number of state governments.

Statistics produced by the Land Grant and other Universities are excluded from this category because they cannot be clearly identified and quantified. However, a considerable body of survey data is collected from agricultural establishments and rural households by academic institutions. In addition, there is an undetermined amount of resources expended by local governments and large business and marketing firms as they seek statistical measurements especially useful to their particular problems or operations. Expenditures are not believed to compare in size to the 3 groups noted above.

More detailed statements relative to resources used by each of the three principal producers of agricultural statistics follow:

A. The U.S. census of agriculture

At 5-year intervals starting in 1920, the Bureau of the Census has conducted a canvass of American farmers. (Earlier censuses starting in 1840 were conducted at 10-year intervals.) Until the last census (1969), this census has always been carried out by means of a farm-by-farm visitation by thousands of enumerators employed for this purpose. The period of employment was short (a few weeks) and training was very limited. The content of the historic Censuses of Agriculture is well known—crop acreage and production, livestock numbers by species, and information on several other characteristics of the individual farm operator and his farming operation. For many decades, census data provided invaluable information about agriculture and "benchmarks" for all other agricultural statistics programs.

All phases of the agricultural censuses have been carried out under close cooperative working relationships between the Department of Agriculture and the Bureau of the Census. The attitude displayed by the Census Bureau in attempting to provide accurate and appropriate statistics for government and public use has always been commendable. Nevertheless, the data compilations have had important shortcomings. Furthermore, the long period between data collection and publication made the results less useful than desirable. The census generally was not available as a tool for revising important, current statistical series until 1–2 years or longer after the census reference date. This often resulted in criticism from data users on the grounds that they had been denied the opportunity to make better production and marketing decisions at an earlier date.

The Census of Agriculture has always been buffeted by more demands for data related to the agricultural economy than it was ever able to accommodate. The fact that choices had to be made among data demands naturally created dissatisfaction. The Department of Agriculture always participated in these decisions and was subject to the same criticism. Another deficiency has been the inability to achieve complete coverage of all units (farms) in the Nation. This "census" has been accepted by many data users as a complete count of farms which has never been a correct assumption.

The marked change in the structure of agriculture in recent decades has torn deeply into the validity of historic concepts and procedures. In 1969, the census abandoned the enumerator canvass procedure and collected the information by mailing questionnaires to lists of persons who were presumed to be operating farms. From a long-term viewpoint, this change was appropriate, but the new techniques also created problems that detracted from the usefulness and timeliness of the census results.

Current information indicates that the total cost of the 1969 Census of Agriculture was about 28 million dollars distributed over a 5-year period. The Agricultural Census of 1964 is reported to have cost about 25.0 million dollars.

B. The current statistics programs in the U.S. Department of Agriculture

The principal program of current agricultural statistics (commodity, price and labor statistics) is carried out by the Statistical Reporting Service. Current statistics are usually defined as those pertaining to the current year's crops or livestock population, prices farmers are currently paying for goods or services purchased, and prices received for commodities sold. Stocks of commodities on hand and the number of people working on farms and the hours worked on specified dates are also statistics of a current nature.

Typically, the procedures employed by the Statistical Reporting Service have involved the use of questionnaires tailored to a commodity or activity and mailed to relatively small samples of farm operators, or other agricultural establishments. These samples are drawn from incomplete lists of the units in the Universe being measured. The Statistical Reporting Service enumerates a nation-wide sample of small areas (segments) each June and December as well as making field observations for yields of major crops during the growing season. In addition, a significant amount of enumerator-type follow-up, either by telephone or in person, is employed in most of the major mailed surveys. Such follow-up activity in data collection is mostly aimed at obtaining a high level of response from so-called "large" farm operators or establishments.

Data from practically all of these samples are collected very rapidly with the elapsed time between the mail out and issuance of a report, generally being 30 calendar days or less. The program of current statistical reports is established at the beginning of each calendar year with the day and hour of issuance published for the benefit of data users. These issuance dates are rigidly adhered to and some 550 statistical reports are distributed at weekly, monthly, quarterly, annual or other periodic dates in the course of each year. Much of the data, particularly perishable and new forecasts are issued as the crop season develops. Revised estimates based on data obtained after commodities have been marketed or processed also are issued.

The Economic Research Service carries out an extensive program of current statistics involving the following:

Agricultural Production and Efficiency, Land Values and Farm Finance, Consumption and Utilization of Agricultural Products, Agricultural Marketing Costs and Charge, Farm Population and Employment, Rural Economic Indicators.

Data in Economic Research Service statistical reports are compiled primarily from statistical output of other Agencies, such as Statistical Reporting Service, and from special surveys.

The Agricultural Research Service issues periodic reports on household food consumption and about once every 10 years sponsors a national survey of food consumption.

Other Department Agencies are engaged in data collection, and, in some cases, reports are issued containing statistics having current significance.

The Market News Service of the Agricultural Marketing Service operates an extensive system to collect data and quote market price actions in a wide variety of market places on a daily basis. Livestock, fruit, vegetable, and other commodity markets are monitored and information designed to assist the farm operator in making his marketing decisions are issued through the various news media.

The Forest Service conducts the National Forest Survey and maintains a running inventory of rates of growth, volume cut, and future trends with respect to forest products.

The Soil Conservation Service (in association with other Department Agencies) compiles a great deal of statistical information related to land resources and conservation needs. Resources expended for this activity are not clearly identified but the subject is one that appears eligible for close evaluation as it might relate to a total system for agricultural statistics.

Additionally, major program agencies such as Agricultural Stabilization and Conservation Service, Commodity Exchange Authority, Agricultural Marketing Service, Animal and Plant Health Inspection Service, Food and Nutrition Service, Foreign Agricultural Service and others carry out statistical and reporting activities for the purpose of administering their programs. Some of these administrative series are useful in the programs of current statistics, but their chief use is as check or support data for the Statistical Reporting Service sampling systems.

Much of the data in compilations of administrative statistics are potentially relevant to current activities on farm enterprises. In addition, some of the Agencies have access to sophisticated electronic record-keeping equipment that could result in data availability on a current basis. These administrative statistical systems ought to be studied with the view to making them more useful as inputs to the total program of statistics on agriculture. Furthermore, there are administrative statistics related to the food and fiber sector in some other Government Agencies (e.g., Internal Revenue Service, Environmental Protection Agency), that should be examined in relation to the proposed total system.

As the structure of agriculture has changed, the demands for more accurate current statistics for decision-making purposes have increased dramatically. The Statistical Reporting Service has altered its methods and coverage to meet these demands. Starting in 1960, the Statistical Reporting Service has gradually replaced a good share of its historic survey and estimating procedures with sophisticated probability sampling techniques. Additionally, in a planned cooperative effort with data users, the program of statistical reports has been closely culled. Numerous historical statistical series, reports and procedures have been abandoned and the resources rechanneled to the more important commodities, using the newer, more expensive statistical techniques. (About 150 statistical reports have been eliminated since 1967.)

Federal resources applied to statistics programs in the Department of Agriculture have been rising and appropriations for the last 5 fiscal years are shown in Table 1.

TABLE 1.—APPROPRIATED FUNDS FOR STATISTICS PROGRAMS, USDA

[Million dollars]

Fiscal year	SRS	ERS	AMS [1]	ARS [2]	Total
1973	22.8	5.0	7.5	0.5	35.8
1972	20.5	4.8	7.5	.5	33.3
1971	19.0	5.0	7.5	.5	32.0
1970	16.9	3.6	7.5	.5	28.5
1969	14.8	3.5	7.5	.5	26.3

[1] Market news service.

[2] Food consumption statistics.

In addition, the Statistical Reporting Service has cooperative agreements with the State Governments in 48 States, which are discussed on page 10.

A serious limitation for the Statistical Reporting Service program is the Census law prohibiting access to individual data. This fact prevents a much wider use of sophisticated probability list sampling techniques by Statistical Reporting Service that have a potential for improving the program in terms of content, timeliness and accuracy within the boundaries of reasonable costs. It is believed that these goals could be accomplished with the same or less cost than is now required in the total system of agricultural statistics, operated by the Department of Agriculture and the Department of Commerce.

C. Current agricultural statistics program of State governments

The Statistical Reporting Service has cooperative arrangements with 48 State Governments to produce current statistical information to accommodate particular needs of the States. The policy of the Department of Agriculture provides for agricultural statistics by States and for the Nation, but not for sub-areas of the State. Except for county data from the 5-year Census of Agriculture, this latter is considered to be a financial responsibility of the State. The agricultural data needs and interests within the respective States are highly variable, both with respect to subject matter and scope.

It was long realized that at the State level a combination of available State and Federal funds into a single effort would yield needed statistical information at less cost and with greater usefulness for both parties. This cooperative arrangement is now in effect in 48 of the 50 States. The level of financial input is highly variable by States, being correlated to considerable extent with the relative importance of the State's agriculture. Nevertheless, the total financial contribution to current agricultural statistics by the States is substantial as shown in Table 2.

TABLE 2.—*Funds appropriated for agricultural statistics, by the States*

[State funds in millions of dollars]

Fiscal year:	
1973	4.2
1972	3.9
1971	3.5
1970	3.5
1969	3.1
1968	2.9

In addition, a number of States conduct an annual State Farm Census to meet their particular needs. The enumerative cost of these State Farm Censuses is not included in the preceding table.

RELATIONSHIPS AMONG DATA SUPPLIERS, COLLECTORS AND USERS

The interest in and need for more relevant, accurate and timely information on agriculture pervades the agricultural economy. The preceding discussions should also underline the fact that the data collection "traffic" on the decreasing number of units in the population of food and fiber enterprises has greatly increased the load on respondents. Respondent burden has become a problem of serious concern for data collectors. On the other hand, the Nation is continually being confronted with new major problem areas such as environmental protection which give urgent rise to new or changing data needs. For example, data required for decisions related to use of pesticides or livestock waste disposal. Therefore, statistical systems must be highly efficient and dynamic or fall into disarray.

Three observations should be emphasized: *The first* is that the demand in recent years for better agricultural statistics and the efforts to increase the financial support for such, have come from non-Government elements of agriculture. It is not a case where the Federal bureaucracy has imposed the newer programs on data users—users have forced the issue primarily through their Congressmen. *Second*, the same elements in the food and fiber sector that have supported the current statistical programs in the Department of Agriculture have also strongly supported the Census of Agriculture. Their efforts to obtain added resources may not have been equally successful but their interest in improved census data is no less intense. Clearly, the two Agencies have identical publics. *Third*, the successful efforts by the food and fiber sector to get increased resources for improved statistics has not been made at the expense of other statistical systems of the Federal Government. In that sense, the current systems of agricultural statistics do *not* compete with other Federal statistics efforts. The thrust and philosophy has been to acquire a greater share of the total resources allocated to Agriculture for acquisition of better measurements about that industry.

A new combined system for agricultural statistics would improve relationships between respondents and data collectors and, most important, provide agriculture with information that is more useful and more timely.

There are four major parts of a well-developed data system which should be recognized because they have organizational significance: (1) Comprehension of informational needs for making decisions, for general public use, and for economic and social research and development. This is a matter of formulating the broad specification of the purposes of data systems in total and in part. (2) Formulation of the data specifications (definitions of parameters to be estimated), timing and frequency of estimates, and levels of accuracy needed. (3) Development of detailed specifications of data to be collected, the survey methods to be used, and the actual collection of data and preparation of estimates. (4) Analysis and interpretation of results, additional or special tabulation to acquire more information about related problems.

Obviously, there needs to be a substantial intellectual and cooperative input in all four parts and the old adage, "a chain is no stronger than its weakest link" is apropos. Presently, parts (1) and (2) are the weakest links in the chain. Full communication between data collectors and users is essential to achieving (1) relevancy in data specifications and tabulations, (2) support for the resources needed for the survey work, and (3) a dynamic system with capability of adjustment to changing needs.

EXCHANGE OF INFORMATION

The Census of Agriculture operates under a law that prohibits access by other than Census staff to any source data collected from persons or firms as part of the census process. This law is rigidly adhered to by the Bureau of the Census. The Department of Agriculture also operates its program of current statistics under very strict security procedures to assure confidentiality of the source data, and to prevent any advance knowledge of a sensitive crop production forecast prior to the date and hour of the scheduled release for public use. These processes are promulgated under Department Regulations rather than under precise laws as in the case of Census.

There is no intent here to make a case against confidentiality of source data. It is essential to protect the individuals concerned and the integrity of the system. However, personnel of both the Bureau of the Census and the Department of Agriculture are accustomed to handling confidential data and are subject to severe penalties for any abuse. A common set of regulations permitting exchange of certain types of information would provide adequate protection of confidentiality and at the same time offer definite advantages. In fact, the present constraints create one of the greatest impediments to improving the entire system of agricultural statistics. Present laws and regulations on the confidentiality of individual source data have precluded the possibility of Statistical Reporting Service and the Bureau of the Census making a joint effort to share information on individual farm operations. The Census of Agriculture files contain data that would be of utmost importance to the Statistical Reporting Service in the design of its sample surveys, but such is not available. Minimum information needed is the name and address of an agricultural enterprise, a measurement that denotes its relative size and an indicator of the type of agricultural enterprise.

On the other hand, the Statistical Reporting Service has not totally prohibited the Census of Agriculture from access to selected information in its files. For each 5-year census, the Statistical Reporting Service has provided the Census Bureau with names and addresses, particularly of large agricultural operations. The Agency has also assigned professional personnel, on a reimbursable basis, to assist the Census with data collection and data analysis. Nevertheless, the existence of this "one-way" street rather than an equal exchange of important data between the two agencies has probably reduced the amount of meaningful assistance the Statistical Reporting Service might have provided to the Census of Agriculture and vice-versa.

RELATIONSHIPS BETWEEN THE CURRENT STATISTICS PROGRAM AND THE CENSUS OF AGRICULTURE

(a) Commodity statistics. Nearly all of the commodity statistics originate in the Department of Agriculture and, except for marketings, originate in Statistical Reporting Service. The dependence of the commodity statistics program on the Census of Agriculture has gradually diminished so the Census of Agriculture as a support, in terms of providing benchmarks, is no longer one of the major needs for a Census of Agriculture—especially if a complete list of agricultural enterprises were available as discussed below.

(b) Agricultural industry statistics. The Census of Agriculture, taken every 5 years, is the major source. Some current statistics, though inadequate, originate as by-products or secondary data from various current commodity statistics programs of the Department of Agriculture. Also, various special surveys provide data for economic studies of agriculture.

(c) Technical relationship between sample surveys and censuses. Experts in survey methods make very little logical distinction between a sample survey and a census. They view a census as a survey wherein one attempts to get data from all units rather than some specified fraction (sample) thereof. All surveys, whether they are censuses or samples, are subject to the impact of a multitude of factors causing inexact results. It is possible for some of these factors to influence a census to a greater degree than a sample, so a census is not necessarily more accurate than a sample. The idea of taking a census to check the results from samples has changed drastically owing to experience and better understanding of the magnitude of errors attributable to various censuses. In fact, sampling is now often employed to evaluate the accuracy of a census.

(d) Sampling frames. For purposes of this report, a "sampling frame" refers to a list of units that are included in a statistical universe that is to be surveyed. An accurate complete list of agricultural establishments, including a small amount of information about each, is of vital importance. To date, neither Statistical Reporting Service nor the Bureau of the Census has established a satisfactory list and means of keeping it current for statistical purposes.

In the absence of a complete list, Statistical Reporting Service has been using a combination of sampling incomplete lists and of area sampling in what has become known as multi-frame surveys. If a virtually complete list existed, including some data on the characteristics of the units on the list, a very important new capability would be provided. It provides a means of doing more efficient sampling than is now possible; that is, smaller samples could achieve the same results. It would provide a readily available and effective means of sampling for surveys having a wide variety of purposes. It could also enable annual surveys in lieu of the census every 5 years. But, this immediately raises the question, "What about county or other small area data?"

The list itself, as envisaged, could provide a small amount of information on the number and kind of establishments by counties. For selected items where county data might be essential, a well designed 25 percent sample selected from the list would probably provide data by counties every 5 years that are about as accurate as the data now available. For intervening years, 5 to 10 percent samples, under a suitable plan for rotation of samples and the content of questionnaires, would provide timely statistics much more in accord with present needs and at favorable costs.

Both in terms of survey methods and survey objectives, the Census of Agriculture and the current agriculture statistics program should no longer be two separate programs. Rather, a single unified program is needed—a program that can provide improved timeliness and a statistical output better suited to informational needs, especially with reference to the category referred to above as industry statistics.

STATISTICS FOR HOUSEHOLDS IN RURAL AREAS

The Census of Agriculture and, to a much lesser extent the decennial censuses of population and housing, have been the primary sources of information about farm people. The Census of Agriculture and farm surveys are no longer considered to be satisfactory vehicles for obtaining economic and social data pertaining to farm households; and there has been a dearth of data about rural farm and nonfarm people from household type of surveys. For rural welfare and economic development programs, important needs for data have been emerging—data that should be obtained from household surveys rather than surveys of agricultural enterprises.

ADVANTAGE OF COMBINING RESOURCES FOR AGRICULTURAL STATISTICS

A. Financial

The foregoing discussions clearly demonstrate that the financial base for the total program of statistics in the Department of Agriculture is substantial (see Table 1 above). The total does not include funds for statistical purposes appropriated by the State for the State-Federal cooperative program.

The $28.0 million required by the 1969 Census of Agriculture averages $5.6 million annually over a 5-year period. Combined with the Department of Agriculture's $35.8 million, the identifiable funds being devoted to agricultural statistics by the Federal Government in FY 1973 amounts to nearly $41.4 million.

The major accomplishments to be expected under a combined statistical system include:

First, improved data for the current commodity statistics program as well as the basic census-type information for local area needs.

Second, a stabilized professional and clerical staff. The 5-year Census of Agriculture has had some managerial problems due to the need for rapid staffing and contraction.

Third, a new program of current statistics for the food and fiber industry.

Fourth, the urgently needed Directory of Agriculture maintained on an annual basis.

Fifth, collection of meaningful data from rural households on an annual basis. This is the biggest single data gap in the existing statistical systems.

Sixth, economies from the combination and re-direction of available resources. The new improved statistical program might well be operated with the funds now being expended.

The new combined system for the food and fiber industry statistics would require about $3.5 million of the annualized sum of $5.6 million of census funds. The remaining $2.1 million (a total of $10.5 million over a 5-year period) could be used for other statistical purposes, particularly to start acquisition of meaningful information regarding the rural population of the Nation. Some pertinent changes in legislation pertaining to both the Census of Agriculture and agricultural statistics will be required.

TABLE 3.—SUGGESTED FINANCIAL STRUCTURE FOR A COMBINED SYSTEM OF AGRICULTURAL STATISTICS

[Excludes funds now employed for statistics by Market News Service of Agricultural Marketing Service, the Agricultural Research Service and State Governments; dollar amounts in millions]

Source of funds (annual)		Suggested activity		
			Current statistics	
Agency	Amount	Directory maintenance	Food and fiber industry [1]	Commodity statistics
Census of agriculture	$3.50	$1.50	$2.00	
ERS	5.00	.50	.75	$3.75
SRS	22.80	2.50	2.50	17.80
Total	31.30	4.50	5.25	21.55

[1] Annual survey based on the Directory in lieu of the 5-year Census of Agriculture.

It seems appropriate to make some observations concerning the State-Federal cooperative program ($4.0 million) and the Market News Service program ($7.5 million). In a new combined statistical system a modest input of Federal funds into selected major agriculture-producing States could result in data that would provide significant support for the Agricultural Directory and also yield more useful local area information. There is a trend in some States to place less reliance on personal property taxation which, in turn, lessens the need for the annual State Farm Census where one has been part of the basis for the tax system. This result in the disappearance of statistical data that have been important to meet data needs for countless and other sub-areas of a State. A re-evaluation of this situation by State and Federal officials might result in a new type State Farm Census or other statistical system that would provide the local data and accrue to the benefit of both State and Federal programs. The subject would seem to warrant discussion with State officials, since relatively small financial inputs might well result in significant statistical gains.

In the case of the Market News Service, the opportunity will be provided to carefully evaluate the current procedure with the objective of making the collected data more useful to data users for marketing decisions and as input into current statistical systems, particularly with respect to prices for commodities.

B. Confidentiality

The laws and regulations governing the confidential nature of reported data must be maintained. Under no circumstances should the proposed Directory of Agriculture be made available for use as a mailing list by any or all survey planners, either Government or private.

Under a combined system, access to confidential data among Statisticians who have a legitimate need for it would be facilitated rather than impeded. In contrast to the present situation, this should lend some economy because, in many cases, more efficient sampling would be possible and there would be a single effort rather than separate efforts to develop and maintain a Directory. Also, the greater ability to relate data on an individual basis from more than one survey could reduce the amount of data that needs to be collected and could enhance the opportunity for fuller analytical use of the data.

C. Coordination of data systems

Statistical definitions of the agricultural sector of the U.S. economy must be consistent with those used in other sectors and fit into the system of national accounts. The present organizational structure of the Federal Government is adequate for coordinating major data systems with one another. But, needed statistical reform in agriculture calls for consolidation of the Census of Agriculture with the current statistics program to facilitate remodeling the agricultural data system and to achieve greater economy. Under present organization, if annual sample surveys in lieu of a Census of Agriculture were adopted, two agencies would have field forces and facilities for collecting current agricultural statistics—a situation that would be wasteful.

Administrative data systems ought to be examined for possible modifications that would make the output of such systems more useful for analytical purposes or perhaps supplement statistical data systems. Some gains should be expected from better coordination of administrative data systems for various government programs with the statistical systems.

RECOMMENDATIONS

The main recommendation of this report is to remodel the agricultural data system. An opportunity is available to establish a new, total system for agricultural statistics within existing resources rather than to continue to add appendages to existing systems. With this in mind, the following recommendations are offered for consideration:

1. Agriculture's prerogative to administer and care for its needs should include the total agricultural data system. Therefore, the entire agricultural statistics program should be in the U. S. Department of Agriculture. The location of the agricultural statistics should not place it in competition with other statistical programs. That is, it should be in competition for resources within the agricultural sector of the economy rather than within the scope of resources for all statistics.

2. The analysis indicates that the Census of Agriculture in its present form can be superseded and the resources ($5.6 million per year) reallocated as follows:

a. About $2.0 million be pooled with about $3.25 million of Department of Agriculture funds for annual sample surveys of the food and fiber industry. These annual surveys would replace the 5-year Census of Agriculture, and parts of the current statistics program of the Department of Agriculture. Once every 5 years, statistics by counties would be made available by increasing the size of the sample.

b. About $1.5 million be allocated for the development and maintenance of a Directory of Agriculture in accordance with an updated definition of agriculture as a food and fiber industry. This will be combined with about $3.0 million from the Department of Agriculture program.

c. The remaining $2.1 million should be considered for development of rural area statistics because of the growing importance of rural area programs.

3. The Department of Agriculture should restructure its statistical program to achieve the following:

a. The current statistics of the Department of Agriculture, the new program of statistics indicated in 2(a) above, and the task of list development and maintenance, 2(b), should be together organizationally and become part of a unified program of agricultural statistics based on updated concepts.

b. Probability sampling should be extended to all eligible parts of the statistical program as rapidly as possible.

c. Under the proposed total system, there would be opportunity to re-evaluate other statistical programs of the Department of Agriculture as follows:

(1) The Economic Research Service will be able to take advantage of the modified data systems. Furthermore, the proposed system should provide improved access to types of administrative statistics both in and outside the Department of Agriculture that are essential to meaningful economic analysis in a changing world.

(2) The statistical program of the Market News Service of the Agricultural Marketing Service should be re-examined with the view to making the output more useful for current marketing decisions and for analytical purposes, particularly in the area of price statistics.

(3) Also, the Agricultural Research Service household surveys on food consumption and nutrition should be re-examined in relation to household surveys of other Federal Agencies.

4. The annual expenditures by State governments in the cooperative State-Federal statistical program are substantial. It is recommended that these programs be re-evaluated by both parties since small financial inputs from the proposed combined system of Federal agricultural statistics may well result in upgrading the statistics at three levels—local, State and National.

5. The Department of Agriculture should set up a task force to develop a master plan or model of a new data system for agriculture and for rural areas, keeping in mind needs for consistency with other systems. This will require substantial intellectual endeavor by knowledgeable persons from all parts of the agricutural economy interested in agricultural statistics.

RESOURCE RECYCLING AND CONSERVATION ACT OF 1973

Mr. MOSS. Mr. President, there has been a substantial demand for copies of S. 1593, the Resource Recycling and Conservation Act of 1973 which I introduced April 16. In order that this bill be more readily available to the public, I ask that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1593

A bill to promote and enhance interstate and foreign commerce in recyclable and recycled materials; to encourage the utilization of reclaimable postconsumer waste materials; to encourage conservation of our precious energy reserves and natural resources through effective recycling; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—FINDINGS, PURPOSE, DEFINITIONS

Sec. 101. This Act may be cited as the "Resource Recycling and Conservation Act of 1973".

Sec. 102. (a) The Congress finds—

(1) that existing practices and procedures in interstate and foreign commerce are effectively proscribing, preventing, limiting, and impeding the reclamation, recycling, and reuse of solid waste materials; unnecessarily increasing the problems and costs of solid waste disposal; and contributing to the undefensible depletion of our precious energy reserves and natural resources;

(2) that unreasonable, discriminatory rates and charges for the transportation of recyclable and recycled materials in interstate and foreign commerce licensed by Federal regulatory agencies under existing Federal statutes and adversely affecting and defeating the reclamation, recycling, and reuse of solid waste materials and contributing substantially to the accelerated depletion of our energy reserves and natural resources;

(3) that existing methods of Federal procurement are actually inhibiting commerce in and market demand for recyclable materials and for products which contain recycled materials and are thus also contributing effectively to the senseless depletion of our energy reserves and natural resources;

(4) that existing Federal tax laws discriminate reasonably and unnecessarily against manufacturers who utilize or desire to utilize recyclable solid waste materials in their manufacturing operations in interstate and foreign commerce and thus simultaneously promote and even require continuous depletion of precious virgin natural resources;

(5) that such tax laws inadvertently lead to unnecessary and undesirable consumption of scarce energy supplies by encouraging interstate commerce in energy-intensive products;

(6) that other existing Federal laws, programs, and policies regulating interstate and foreign commerce have served unfairly to stigmatize or discriminate against recyclable materials and products which contain recycled materials and have thus restricted commerce in and market demand for such materials and products;

(7) that unnecessary use of natural resources in manufactured products and unsupportable limits on and impediments to effective recycling of solid waste materials have led to (a) an overburdening of the Nation's solid waste systems, (b) a continuation of solid waste disposal methods which result in scenic blight and serious hazards to commerce and public health, (c) adverse effects on land values, and (d) creation of public nuisances such as litter which interfere with commerce, community life, and development;

(8) that present commercial and municipal solid waste management practices ignore the energy resource potential of solid waste materials;

(9) that such problems of solid waste management and disposal, depletion of our natural resources and energy reserves and unnecessary, outdated impediments to recycling of materials in interstate and foreign commerce are matters national and international in scope and concern and thus require effective Federal action. (b) The purposes of this Act therefore are—

(1) to direct Interstate Commerce Commission and the Federal Maritime Commission to investigate, identify, and eliminate, within the scope of their respective jurisdictions under the Interstate Commerce Act, the Intercoastal Shipping Act and the Shipping Act of 1916, all rates, practices, and procedures governing the transportation of recyclable or recycled materials which are unreasonable or discriminate against recyclable or recycled materials and in favor of competing virgin natural resource commodities; and

(2) to stimulate and encourage interstate and foreign commerce in recyclable and recycled materials by directing the Administrator of the Environmental Protection Agency, in cooperation with the Administrator of the General Services Administration and the Public Printer, to promulgate a system of regulations and procurement specifications to require all agencies of the Federal Government and those who contract with the Federal Government to procure and use paper and paper products which contain recycled solid waste materials and other recyclable materials and products containing recycled materials to the maximum degree feasible and proper; and

(3) to provide for an energy consumption adjustment creating incentives and disincentives for the purchase of materials reflecting the energy consumed in manufacturing processes required for their production; and

(4) to insure rapid dissemination and adoption of developments in recycling and solid waste management by creating a technology transfer program; and

(5) to stimulate energy recovery as well as recovery of material resources from solid waste, encourage regionalization, increased productivity and efficiency through the creation of below-market interest rate loans; and

(6) to provide reasonable and necessary income tax incentives and tax equilization to encourage the utilization of recyclable and recycled solid waste materials and to offset existing income tax advantages which promote depletion of virgin natural resources; and

(7) to amend and modify certain other Federal statutes, regulations, and policies governing interstate and foreign commerce which unfairly stigmatize, discriminate against, or otherwise discourage the utilization of recyclable and recycled solid waste materials; and

(8) to establish product standards for goods manufactured and distributed in commerce which will require the utilization of minimum percentages of recyclable or recycled solid waste materials and maximum permissible quantities of materials which produce adverse environmental effects when such products are discarded.

DEFINITIONS

Sec. 103. For the purposes of this Act, the term—

(a) "Administrator" means the Administrator of the Environmental Protection Agency;

(b) a "recyclable material" or "recyclable solid waste material" means any material such as scrap metal, wastepaper, and paper products, discarded textiles, rubber, plastic, glass, and others which still have useful physical or chemical properties after serving a specific purpose and can, therefore, be usefully recovered from solid waste sources such as garbage, refuse, or trash or from industrial, commercial, or agricultural operations for reuse or recycling;

(c) a "recycled material" or "recycled solid waste material" means any recyclable material which has been usefully recovered from solid waste sources for reuse or recycling;

(d) "recycling" means the process by which materials recovered from solid waste sources are transformed into new products;

(e) "virgin natural resource" means raw materials such as previously unused copper, aluminum, lead, zinc, steel, and other metals, woodpulp, and new or virgin textile materials which have useful physical or chemical properties which exist, unused, in nature;

(f) "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

TITLE II—INCREASING SUPPLIES OF AND DEMAND FOR RECYCLED MATERIALS IN INTERSTATE COMMERCE

SEC. 201. (a) The Interstate Commerce Commission and the Federal Maritime Commission, within the maximum scope of their respective jurisdictions under the Interstate Commerce Act, the Shipping Act of 1916, and the Intercoastal Shipping Act of 1933, shall, within twenty-four months after the date of enactment of this Act and on a continuing basis thereafter—

(1) investigate and formally identify all rates charged by transportation carriers subject to their respective jurisdictions for the transportation of recyclable or recycled solid waste materials and shall, in each case, determine whether the rates charged and the terms and conditions of transportation for such materials are fair and reasonable and whether they unjustly discriminate against the movement or shipment in interstate or foreign commerce of recyclable or recycled solid waste materials and in favor of competing virgin natural resource materials or commodities; and

(2) issue appropriate orders in all cases where the rates charged or terms and conditions of transportation applicable to recyclable or recycled solid waste materials are found to be unfair, unreasonable, or discriminatory pursuant to which such rates and conditions of transportation will be effectively canceled and repealed and replaced by rates, tariffs, and conditions of transportation which are found to be fair, reasonable, and nondiscriminatory; and

(3) file annual and terminal reports with the President and the Congress regarding the results of their respective investigations and all actions taken to establish fair, reasonable, and nondiscriminatory rates for the transportation of recyclable or recycled solid waste material.

(b) When, during the course of any investigation or other proceeding pursuant to this section, it appears that a carrier's rate or rates for the transportation in interstate or foreign commerce of a recyclable or recycled solid waste material are equal to or higher than the rate or rates charged for the same transportation of a like quantity of a competing virgin natural resource or commodity possessed of a higher commercial valuation, such rate or rates shall be presumed to be unreasonable and discriminatory and the burden of rebutting the prima facie case thus made by showing justification shall be upon the carrier or carriers who charge such rates, and unless justification shall be affirmatively shown, the Commission conducting such investigation shall issue an order terminating the discrimination and establishing a fair and reasonable rate or rates for the transportation of the recyclable or recycled solid waste material.

RECYCLING INCENTIVES; FEDERAL PROCUREMENT

SEC. 202. (a) The provisions of this title shall apply to all purchases and contracts for materials, products, services, and supplies made by—

(1) the General Services Administration, for the use of such agency or otherwise; or

(2) any other executive agency; or

(3) the Public Printer or the Joint Committee on Printing.

(b) It is the declared policy of the Congress that all channels of Federal procurement be utilized to expand recycling of solid waste materials in interstate and foreign commerce and to eliminate unnecessary depletion of our precious natural resources.

(1) Accordingly, every invitation for bids, contract, or purchase by an executive agency, the General Services Administration, the Public Printer, or the Joint Committee on Printing or by any person contracting with the Government to furnish materials, products, supplies, or services shall require that all materials, products, or supplies to be delivered to or for the Government's account shall be comprised of recyclable or recycled materials in such percentages as required by regulations or directives issued after a public hearing by the Administrator of the Environmental Protection Agency.

(2) The President may grant exemptions for any facility of any department, agency, or instrumentality in the Federal Government or any limited category of activities from compliance with regulations issued under this section if he determines that the interests of the national security of the United States require such action, or that the only recycled materials available are priced at unreasonably high levels. Exemptions may be granted for periods not to exceed one year, with one year extensions granted on the basis of a new determination for each extension. The President shall issue a semiannual report to the Congress listing all exemptions granted during the previous six months and stating the reasons for each exemption.

(c) Not later than ninety days after the enactment of this Act, the Administrator, in cooperation with other appropriate Federal agencies, including the Administrator of the General Services Administration, the Public Printer, and the Joint Committee on Printing, after a public hearing, shall propose a system of regulations which require the utilization to the maximum extent feasible of recyclable and recycled materials and products which contain recycled materials by agencies of the Federal Government and public and private agecies, individuals, and organizations that contract with the Federal Government. Such regulations shall—

(1) require purchasing and contracting practices and procedures which, to the maximum extent feasible, assure purchase of recyclable or recycled materials or products which contain recycled materials and may be further recycled or reused when discarded;

(2) establish feasbile content percentages of recyclable or recycled solid waste materials to govern the procurement or production of particular products, supplies and materials required by the Government or its contractors;

(3) provide guidelines and information to Federal agencies, procurement officials, and contractors on the availability of recyclable and recycled materials and products which contain recycled materials, the sources of supply and the existing and potential uses of such materials and products.

Following public hearings on the proposed regulations, the Administrator shall publish final regulations to implement this subsection within ninety days after publication of the proposed regulations.

(d) The President shall prescribe regulations to carry out this title which shall direct every executive agency (as defined in section 105 of title 5, United States Code) to bring its own procurement and contracting activities into compliance with the provisions of this Act and the regulations to be issued by the Administrator pursuant to subsection (c).

(e) The Joint Committee on Printing and the Public Printer shall likewise adopt regulations, standards, and procurement specifications for paper and paper products purchased for public printing and other Federal utilizations which are consistent with the provisions of this Act and the regulations to be issued by the Administrator pursuant to subsection (c).

TAX EQUALIZATION FOR INCREASED UTILIZATION OF RECYCLED MATERIALS

SEC. 203. (a) That part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) be amended by adding at the end thereof the following new section:

"SEC. 189. AMOUNTS PAID TO ACQUIRE RECYCLABLE OR RECYCLED SOLID WASTE MATERIALS

"(a) IN GENERAL.—There shall be allowed as a deduction the percentages specified in subsection (b) of the amounts paid or incurred during the taxable year by the taxpayer to purchase recyclable or recycled solid waste materials for manufacture by the taxpayer into useful raw materials or saleable products.

"(b) PERCENTAGES ALLOWED.—The percentages referred to in subsection (a) are as follows:

"(1) 22 percent for recycled metals other than those referred to in paragraph (2);

"(2) 15 percent for recycled copper, iron, steel, gold, and silver;

"(3) 18 percent for recycled wastepaper, wastepaper products, and textiles; and

"(4) 15 percent for all other recycled solid waste materials.

"(c) Deductions established in subsection (b) of this section are restricted to purchase costs that exceed the average yearly costs incurred by the taxpayer for similar purchases during the previous 5-year period.

"(d) A deduction equal to one-half of the depletion rate established in subsection (b) shall be allowed the taxpayer for purchase costs described in subsection (a) not to exceed the average yearly cost established above: *Provided*, That such deduction shall be allowed only on the condition that all tax savings resulting from such deductions be used wholly for the expansion of recycling facilities, expanded utilization of recyclable or recycled solid waste materials, or devices for the control of air, water, or land pollution.

"(e) LIMITATION.—Notwithstanding any other provision of this section, the Administrator, after receipt of a written request by any person and after public hearings held in accordance with the requirements of the Administrative Procedure Act, may issue regulations suspending for 1 year any deduction established in this section with respect to any specific recyclable or recycled solid waste material during any tax year. Such regulations shall be issued only if the Administrator determines that significant evidence does not exist to indicate that such a deduction is needed to alleviate the depletion of any virgin natural resource or to promote the purposes of this Act or the solid waste recycling purposes of the Solid Waste Disposal Act, as amended."

TO INCREASE SUPPLIES OF RECYCLED MATERIALS INVESTMENTS

SEC. 204. (a) Part VI of subchapter B of chapter I of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) be amended by adding at the end thereof the following new section:

"SEC. 190. AMORTIZATION OF SOLID WASTE RECYCLING FACILITIES.

"(a) ALLOWANCE OF DEDUCTION.—Every taxpayer, at his election, shall be entitled to a deduction with respect to the amortizable basis of any solid waste recycling facility (as defined in subsection (d)), based on a period of 60 months. The amortization deduction provided by this section with respect to any month shall be in lieu of any depreciation deduction wtih respect to such month provided by section 167. The 60-month period shall begin, as to any such facility, at the election of the taxpayer, with the month following the month in which such facility was completed or acquired, or with the succeeding taxable year.

"(b) ELECTION OF AMORTIZATION.—The election of the taxpayer to take the amortization deduction and to begin the 60-month period with the month following the month in which the facility is completed or acquired, or with the taxable year succeeding the taxable year in which such facility is completed or acquired, shall be made by filing with the Secretary or his delegate, in such manner, in such form, and within such time, as the Secretary or his delegate may by regulation prescribe, a statement of such election.

"(c) TERMINATION OF AMORTIZATION DEDUCTION.—A taxpayer which has elected under subsection (b) to take the amortization deduction provided in subsection (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month or year specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month or year. The depreciation deduction provided by section 167 shall be allowed, beginning with the first month or year as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such solid waste recycling facility.

"(d) DEFINITIONS.—For purposes of this section—

"(1) SOLID WASTE RECYCLING FACILITY.—The term 'solid waste recycling facility' means any plant, facility, land, building, machinery, vehicles, tools, or equipment, or any part thereof, constructed, reconstructed, erected, installed, improved, put into operation, utilized, or acquired by the taxpayer for the purpose of reclaiming, collecting, sorting, baling, packing, shipping, transporting, processing, or manufacturing recyclable or recycled solid waste materials.

"(2) AMORTIZABLE BASIS.—The term 'amortizable basis' means that portion of the adjusted basis (for determining gain) of a solid waste recycling facility which may be amortized under this section."

(b) The table of sections for such part VI is amended by adding at the end thereof the following:

"Sec. 189. Amounts paid to acquire recycled solid waste materials.

"Sec. 190. Amortization of solid waste recycling facilities.".

(c) Sections 189 and 190 of the Internal Revenue Code of 1954, as added by this section, shall apply to amounts paids or incurred more than ten days after the date of the enactment of this Act in taxable years ending after such tenth day.

MODIFICATION OF OTHER FEDERAL IMPEDIMENTS TO RECYCLING IN COMMERCE

SEC. 205. (a) Section 2 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68) is amended by deleting subsections (c) and (d) and inserting a new subsection (c) to read as follows:

"(c) The term 'recycled wool' means the resulting fiber when wool has been woven or felted into a wool product which, without ever having been utilized in any way by the ultimate consumer, subsequently has been made into a fibrous state; or the resulting fiber when wool or recycled wool has been spun, woven, knitted, or felted into a wool product, after having been used in any way by the ultimate consumer, subsequently has been made into a fibrous state."

(b) Section 2(e) of the Wool Products Labeling Act of 1939 (15 U.S.C. 68(e)) is redesignated "(d)" and the following subsections, now "(f)" through "(i)" are redesignated "(e)" through "(h)" and redesignated subsection "(d)" is further amended to read as follows.

"(d) The term 'wool product' means any product, or any portion of a product, which contains, purports to contain, or in any way is represented as containing wool or recycled wool."

(c) Section 4(a)(2) of the Wool Products Labeling Act of 1939 (15 U.S.C. 68b(a)(2)) is amended by deleting the words "(2) reprocessed wool" and "(3) reused wool" wherever they appear and inserting in their place the words "(2) recycled wool", and by thereafter renumbering subsections "(4)" and "(5)" to read "(3)" and "(4)".

SEC. 206. Section 12 of the Fair Packaging and Labeling Act of 1966 (15 U.S.C. 1461, 80 Stat. 1302) is amended by replacing the period at the end thereof with a colon and adding the following: "*Provided, however,* That, notwithstanding any other provisions of this Act or the laws of the States or political subdivisions thereof, any recyclable or recycled solid waste material which is not a consumer commodity as defined in this Act and which historically has been labeled and sold on the basis of gross weight with a stated maximum percentage of such weight for tare or packaging, may continue to be labeled and sold in that manner and without any other weight designation."

TITLE III—CONSERVATION OF RESOURCES IN INTERSTATE COMMERCE

LIMITATION OF DEDUCTION FOR UNNECESSARY CONSUMPTION OF ENERGY RESOURCES

SEC. 301. (a) Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 191. ENERGY RESOURCE CONSUMPTION ADJUSTMENT.

"(a) Beginning not later than 2 years after the date of enactment of this Act the applicable energy consumption adjustment must be subtracted from the deduction allowed in any tax year for the purchase of each major material used to form any product manufactured by the taxpayer when that material is not a recycled material.

"(1) The energy consumption adjustment shall not exceed one-half of the deduction that would otherwise be available to the taxpayer for such purchases, and shall be computed by—

"(A) determining the total energy costs involved in extracting, refining, transporting, and otherwise producing the material from virgin resources,

(B) determining the total energy consumed in collecting, separating, transporting, and otherwise producing comparable material from recyclable materials,

"(C) subtracting (B) and (A).

In the event (B) is larger than (A), the energy consumption adjustment shall be computed by subtracting (A) from (B) and subtracting the result from the deduction allowed for the purchase of that recycled material."

(b) Not later than fifteen months after the enactment of this Act the Administrator, in consultation with the Internal Revenue Service and after appropriate studies and a public hearing, shall issue a schedule of the energy cost information necessary to compute the energy consumption adjustment defined in section 301 for all major materials used in manufactured products. The Administrator, in consultation with the Internal Revenue Service and after a public hearing, shall issue a revision of this schedule at least every three years, unless the Administrator determines that such a revision is unnecessary and reports the reasons for such a determination to the Congress.

(c) The Administrator may issue a one year certification exempting a specific material from the provisions of this section if he determines that substantial evidence indicates that application of the provisions of this section to that specific material would have effects contrary to the purposes of this section. Annual extensions of exemptions may be granted upon a separate determination by the Administrator. An annual report shall be made to the Congress by the Administrator each November listing all exemptions and stating the reasons for such action.

RESOURCE CONSUMPTION STUDY

SEC. 302. The Administrator, in cooperation with other appropriate Federal agencies, shall conduct a study of resources which are adversely affected by the consumption of virgin resource materials and products. Not later than two years after the enactment of this Act and Administrator shall report the results of such investigation and study together with appropriate recommendations to the President and the Congress.

TITLE IV—REDUCING THE VOLUME OF NONRECLAIMABLE PACKAGING AND PRODUCTS IN INTERSTATE COMMERCE

RECYCLING INCENTIVES; PRODUCT AND PACKAGING STANDARDS FOR GOODS IN COMMERCE

SEC. 401. It shall be unlawful for any person to introduce or deliver for introduction into interstate commerce of the United States any manufactured product or container or package for which the Administrator has prescribed product standards pursuant to section 402 of this title and which does not conform to such standards prescribed by the Administrator.

SEC. 402. (a) Within one year from the enactment of this title, the Administrator shall promulgate such standards regulating the manufacture, distribution, reuse, and recycling of products, containers, or packages in commerce as are necessary to protect against unreasonable burdens on commerce and risks to health or the environment associated with the disposal of such products. Such standards shall include minimum percentages of recyclable materials which shall be contained in such products, containers, and packages, maximum permissible quantities of component materials which produce adverse environmental effects when such products, containers, or packages are discarded, and may prescribe methods of distribution for certain products and containers and prohibitions against the manufacture and sale of specific products and containers.

(b) The Administrator, upon receipt of a written request by any person and after public hearings, may exempt from the requirements of this section any products, containers, or packaging which he determines are—

(1) composed of unique properties or designed for unique purposes that make such requirements inappropriate; or

(2) not contributing to solid waste management or disposal costs, endangering public health or public welfare, or creating adverse environmental impact. In cases where exemptions are given, the Administrator shall prescribe special regulations for the manufacture, distribution, reuse, and recycling of the products, containers, or packaging covered by exemptions. Such regulations shall be in accordance with the purposes and policies of this Act.

SEC. 403. Any person who knowingly or willfully violates any provision of this title, or any regulation or standards issued hereunder, shall, upon conviction, be fined not more than $5,000 for each such violation or be imprisoned for not more than one year or both.

SEC. 404. Any person other than a person who commits a violation the penalty for which is prescribed by section 403 of this title, and who is found by the Administrator to be in violation of section 401 of this title, shall be assessed a civil penalty by the Secretary of not more than $5,000 for each such violation. No penalty shall be assessed unless such person is given notice and opportunity for a hearing with respect to such violation in accordance with section 554 of title 5, United States Code. Each violation shall be a separate offense. Any such civil penalty may be compromised by the Administrator. Upon any failure to pay the penalty assessed under this section, the Administrator may request the Attorney General to institute a civil action in a district court of the United States for any district in which such person is found, resides, or transacts business, to collect the penalty, and such court shall have jurisdiction to hear and decide any such action. In the case of Guam, such actions may be brought in the District Courts of Guam; in the case of the Virgin Islands, such actions may be brought in the District Court of the Virgin Islands; and in the case of American Samoa such actions may be brought in the District Court of the United States for the District of Hawaii. Such court shall have jurisdiction of such actions. In hearing such actions, the court shall sustain the Administrator's action if such action is supported by substantial evidence.

Sec. 405. (a) Notwithstanding any other provision of this title, no product shall be deemed in violation of this title when intended solely for export to any foreign nation.

(b) The Secretary of the Treasury shall refuse entry into the United States of any product, container, or packaging material offered for entry if it fails to conform with standards promulgated under section 402 of this title. If a product is refused entry, the Secretary of the Treasury shall refuse delivery to the consignee and shall cause the disposal or storage of any such product or container which has not been exported by the consignee within three months from the date or receipt of notice of such refusal. The disposal or storage of such product or container shall be in accordance with such regulations as the Secretary of the Treasury may prescribe, except that the Secretary of the Treasury may deliver to the consignee such product or container pending examination and decision in the matter on execution of bond for the amount of the full invoice value of such product together with the duty thereon, and on refusal to return such product for any cause to the custody of the Secretary of the Treasury, when demanded for the purpose of excluding them from the country, or for any other purpose, said consignee shall forfeit the full amount of said bond. All charges for storage, cartage, and labor on products or containers which are refused admission or delivery under this section shall be paid by the owner or consignee; and in default of such payment shall constitute a lien against any future importation made by such owner or consignee.

PRODUCT DURABILITY STANDARD

Sec. 406. (a) Not later than one year after enactment of this Act the Administrator, in cooperation with the Secretary of Transportation and the Secretary of Commerce where appropriate, and after a public hearing, shall publish—

(1) a classification system of major items of solid waste based upon—

(A) the solid waste and resource consumption problems caused by the item,

(B) the potential for increasing the useful life of the item, and

(C) such other factors as deemed appropriate; and

(2) proposed regulations etablishing product durability standards setting the minimum life for major items classified as contributing significantly to solid waste or resource consumption problems and having substantial potential for increased useful life.

(b) Not later than ninety days after publication of the proposed regulations the Administrator, after public hearings, shall publish final regulations governing the minimum life of items as described in paragraph (2) of subsection (a) of this section, which regulations become effective fifteen months after publication.

(c) Not later than four years after the date of enactment of this Act the Administrator shall publish—

(1) a revision of the classification system required in paragraph (1) of subsection (a) of this section, and

(2) proposed regulations further establishing product durability standards.

(d) Not later than ninety days after publication of the proposed regulations the Administrator, after public hearings, shall publish final regulations governing product durability standards as described in paragraph (2) of subsection (c) of this section, which regulations become effective fifteen months after publication.

(e) The Administrator, in cooperation with other appropriate Federal agencies, shall conduct a study to determine the feasibility and desirability of adopting product durability standards designed to increase the minimum useful life of a broad range of products classified in subsection (a) of this section. The Administrator shall report the results of such investigation and study to the President and the Congress no later than fifteen months after the date of enactment of this Act.

LOAN PROGRAM

Sec. 407. (a) The Administrator is authorized to make loans to any State, municipality, or interstate or intermunicipal agency for the purchase of solid waste collection and separation systems that encourage the flow of recycled and recyclable materials in interstate commerce.

(b) A loan under this section may be made only if the proposed system is consistent with the purposes of this Act and the Solid Waste Disposal Act, as amended.

(c) The amount of the loan may cover 100 per centum of the project and shall be available at an interest rate not to exceed 3 per centum per annum, as determined by the Administrator, conditioned upon repayment within twenty years from the date of the loan.

(d) Loans must be consistent with State and regional plans, all Federal, State, and local pollution control acts, and provide for a system of distributing the costs of construction, operation, and maintenance of the system equitably among the users of the system.

(e) The Administrator shall, on an annual basis, reduce the payment of principal and interest due by a fixed amount for each feature of a given year if the system produces any of the following features:

(1) recovery and/or sale of energy resources;

(2) recovery and/or sale of other resources;

(3) regionalization of systems; and

(4) increased efficiency and productivity. Payment reduction schedules for each feature shall be established by the Administrator not later than ninety days after the enactment of this Act: *Provided*, That no loan payment may be reduced by more than one-half in any given year.

TITLE V—GENERAL PROVISIONS

TECHNOLOGY TRANSFER

Sec. 501. (a) The Administrator shall establish a Research and Development Advisory Board with membership composed of representatives from State and local government, private industry, and the general public for the purpose of providing broad guidance for research, development, and demonstration decisions and to improve the communication of results to interested persons.

(b) The Administrator shall assign broadly interdisciplinary evaluation teams to review the results of research and development projects, disseminate such results widely and frequently, and collect, review, and make available public and private comments regarding research and development projects.

(c) The Administrator shall—

(1) establish a central reference library of the actual performance records and cost effectiveness of various methods of solid waste management for State and municipal officials, and

(2) implement a program of technology transfer for the rapid dissemination of information relating to all aspects of recycling, solid waste management, and related resource conservation practices to public and private entities.

CITIZEN SUITS

Sec. 502. (a) Except as provided in subsection (b) of this section, any person may commence a civil action on his own behalf—

(1) against any person (including (A) the United States, and (B) any other government instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any standard or requirement which has become effective pursuant to this Act; and

(2) against the Administrator of the Environmental Protection Agency or the Secretary of the Treasury where there is alleged a failure of such Administrator to perform any act or duty under this Act which is not discretionary with such Administrator.

The district courts of the United States shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such standard or requirement or to order such Administrator to perform such act or duty, as the case may be.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the violation (i) to the Administrator of the Environmental Protection Agency and (ii) to any alleged violator of such standard or requirement, or

(B) if the Administrator has commenced and is diligently prosecuting a civil action to require compliance with such standard or requirement, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice to the defendant that he will commence such action.

Notice under this subsection shall be given in such manner as the Administrator of the Environmental Protection Agency shall prescribe by regulation.

(c) In an action under this section, the Administrator of the Environmental Protection Agency or the Secretary of the Treasury may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such an award is appropriate.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any standard or requirement in this Act or to seek any other relief (including relief against the Administrator).

PUBLIC RULEMAKING

Sec. 503. (a) After publication of any proposed standards or regulations under this Act, the Administrator shall, after adequate notice, hold a public hearing on the proposed standards or regulations and shall also allow the public an opportunity to participate in rulemaking in accordance with section 553 of title 5, United States Code.

(b) Any Federal agency, including, but not limited to, the Office of Management and Budget, that desires to comment on any proposed standards or regulations under this Act shall be allowed only the same opportunity to comment as provided to the public under subsection (a) of this section, and all such comments by any Federal agency shall be in writing and made available for public inspection during regular business hours at a place to be designated by the Administrator.

JUDICIAL REVIEW

SEC. 504. (a) Any judicial review of final regulations promulgated under this Act shall be in accordance with sections 701–706 of title 5, United States Code, except that with respect to relief pending review, no stay of any agency action may be granted unless the reviewing court determines that the party seeking such stay (a) is likely to prevail on the merits in the review proceeding, and (b) will suffer irreparable harm pending such proceeding.

(b) If the party seeking judicial review applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court either (1) that the information is material and was not available at the time of the proceeding before the Administrator or the Secretary of the Treasury, or (2) that failure to include such evidence in the proceeding was an arbitrary or capricious act of the Administrator or such Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Administrator or such Secretary, and to be adduced upon the hearing, in such manner and upon such terms and conditions as to the court may deem proper. The Administrator or such Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file with the court such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

EFFECTIVE DATE

SEC. 505. Except as otherwise specifically provided herein, the amendments made by this Act shall become effective on the date of enactment of this Act.

SEPARABILITY

SEC. 506. If any particular provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

ONE OF THE 17 PERCENT DEFENDS MR. NIXON

Mr. DOMENICI. Mr. President, our country is captivated by one of the largest scandals in the history of our Nation, and by the most severe political crisis of this century. The Senate Watergate committee hearings are being carried into millions of homes daily. One of the reasons Americans are interested in Watergate is because of our curiosity. We are enthralled by mystery. Watergate is to many a "who-done-it," complete with midnight meetings, mysterious characters, payoffs and espionage plans.

But because the scandal involves vital elements of our democracy—our political system—that mystery takes on intense importance. It involves the Presidency, the adminstration and its effectiveness, and the balance of power within our Government as well as our election processes.

That shroud of mystery and the overwhelming importance of the whole Watergate affair have caused hundreds of thousands—millions—of words to be printed and spoken in the media during the time since the bugging of Democratic National Headquarters was discovered. The Washington Post and newspapers throughout the country have carried almost daily articles for over a year.

I am pleased today to bring to your attention an article printed in this morning's Wall Street Journal. Editorial writer Jude Wanniski has given us a perspective on the Watergate hearings, he has thoroughly analyzed the testimony John Dean presented before the Senate Watergate committee, and he has reminded us of the President's constitutional right of innocence until guilt is proven.

The article shows Watergate in a perspective it would have taken most of us a year or more to develop. The arguments are concrete and basically objective; but in presenting a defense of Mr. Nixon, Mr. Wanniski gives us a look at Watergate from a seldom seen angle.

I believe in fairness to the President. we in the U.S. Senate should listen to both sides of the case. Mr. Wanniski has analyzed Mr. Dean's testimony and he has found concrete discrepancies. He has presented a case for Mr. Nixon that I believe we should consider.

I would like to ask that the Wall Street Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE OF THE 17 PERCENT DEFENDS MR. NIXON

(By Jude Wanniski)

Although there may have been some wavering in the rough spots, it has never been difficult for quite a few Americans—17% of us according to Gallup—to believe Richard Nixon is telling the truth when he says he was not involved in the planning or cover-up of Watergate.

Indeed, the week of John W. Dean III that persuaded many Americans the President must be guilty had the opposite effect on this embattled minority group of Nixon believers; the assumption of Mr. Nixon's veracity and innocence was steadily reinforced.

That basic assumption took shallow root among most Americans with the very first reports of the Watergate break-in. A year ago, Mr. Nixon's most devoted admirers simply judged that he was too good a man to be involved in any way with so sordid a business. His critics have always believed that Richard Milhous Nixon is unscrupulous, capable of anything. But at least at the start, they too seemed to judge that their nemesis of more than a quarter century would never be so foolish as to risk the scandal of the century in order to find out what Larry O'Brien was saying on the telephone.

These varied judgments came easily to Americans because they've had more exposure to Richard Nixon than to any other person in public, political life. After 27 years on stage, he has been so thoroughly dissected and analyzed that there is almost nothing we don't know about the man. Friends and foes agree he's solitary, resilient, combative, intelligent, moody and short-tempered under stress, prone to exaggeration and hyperbole, capable of pettiness and magnanimity, moderately puritanical, and distinctly lacking in style, flair, charisma or what have you.

We also know that in 27 years of political life he has never been caught in a lie. He has pushed and pulled on the truth, infuriating his critics with his "trickiness," his ability to twist weakness to advantage. But so far as the public record shows he's never been nailed to an out-and-out falsehood. If he had lied and been caught, by now we surely would have been reminded of it.

STRETCHING THE IMAGINATION

Knowing him as well as we do, neither friend nor foe should be able to imagine him vowing, as New York City mayoral candidate Mario Biaggi did, that he did not take the fifth amendment in testimony before a grand jury, knowing all the while that conclusive proof to the contrary was at hand. It is only slightly less implausible to imagine him thinking he could get away with an unequivocal denial of the Watergate cover-up; he would have to believe that men like Archibald Cox, Elliot Richardson and Sam Ervin would fall asleep while the network of cover-up conspirators remained silent, and imprisoned, in order to preserve his place in history. To a President who spent his first-term reading about the most secret decisions of his administration in Jack Anderson's column, it would have taken monumental optimism to think he could get away with it at all.

These surmises allow us to assume the President is innocent even while we keep an open mind to his possible guilt. But there are two surmises that cut against the grain.

The first is that Mr. Nixon, if he really wanted to clear himself in a hurry, would have issued a definitive statement on what really happened. As it is, he gives the appearance of a man who has something to hide. But if the President did not orchestrate Watergate or his cover-up, he would no more be able to issue a definite statement at this point than is Sen. Ervin or Mr. Cox. To do so, he would have to pick and choose among the myriad statements, allegations, recollections, and denials of guilt of a host of his subordinates. This is a process the Ervin Committee will find difficult even after months of extensive hearings; for the President to now throw together his theory of what happened would be as inappropriate as his 1970 faux pas when he announced the guilt of Charles Manson before the jury rendered its verdict.

The other surmise that cuts against the grain is that it is hard to see how all these dismal things were going on all around Mr. Nixon at the White House and he didn't know about them. Again, friend and foe credit the man with intelligence, tenacity, inquisitiveness; it's hard to believe these virtues became inoperative in the face of Watergate.

Yet we learned from Mr. Dean, the person who so far more than any other sought to implicate the President by telling all, that the President did not understand "the full implications" of the cover-up until March 21 of this year. The president himself told us that this was the day on which he learned of "a real possibility that some of these charges were true."

Mr. Dean, who admits to being a central, active participant in the cover-up, was not moved to tell the President about those implications from June 19, 1972 to March 21. The thrust of his testimony was that he assumed all through this period that the President was generally aware of White House involvement in the cover-up even as he was repeatedly telling the nation that there was none. It's also clear from his testimony that he, Dean, also assumed the President wasn't fully informed on the specifics of the cover-up; otherwise, there is no conceivable reason why Mr. Dean should have been driven to seek a meeting with Mr. Nixon on March 21 in order to catalog many of those details.

NO "FIRST-HAND" KNOWLEDGE

No matter how Mr. Dean chooses to characterize the bulk of his testimony, it could in no way be considered "first-hand" knowledge of Mr. Nixon's complicity in the cover-up. Nearly every point he attempted to make to that end, beginning with his Sept. 15 conversation with the President, rests solely on his, Dean's, impression of what was on Mr. Nixon's mind.

The only evidence that fits into Sen. Baker's category of first-hand knowledge was two bits of conversation with Mr. Nixon, the two remarks Mr. Dean remembers as Mr. Nixon having made on March 13 regarding a million dollars of hush money and executive clemency for Howard Hunt.

The President's recollection of these remarks—as reflected in an unofficial secondhand account of his meetings with Mr. Dean—is that these subjects first came up in his March 21 meeting, and that he, the President, ridiculed the idea of paying blackmail, and that he only then learned from Mr. Dean that Charles Colson had discussed the idea of executive clemency with Hunt.

These impressions and recollections on Mr. Dean's part are nevertheless damaging to the President if we are willing to place a higher degree of faith in Mr. Dean's memory than in Mr. Nixon's veracity. Yet if what Mr. Dean remembered discussing with Mr. Nixon on March 13 actually was a part of the March 21 conversation, there is no irresolvable conflict between the two.

The fact that these two Nixon-Dean talks were only a week apart, a frantic week for Mr. Dean, and that Mr. Dean made no notes of them but reconstructed them from memory in *June*, must also weigh in the balance. But more than that, the Dean recollection imparts a strange coloring to the two meetings; the sequence has an inner implausibility, one that might be credible only if we can believe Mr. Dean looked on the President as a person possessed of childlike naivete.

On the 13th, according to Mr. Dean, here is the President telling him a million dollars hush money is no problem and that Hunt has been promised executive clemency. A week later, Mr. Dean the lawyer sits down with Mr. Nixon the lawyer and explains to him "the full implications" of all this.

Along the way in the meeting of the 21st, Mr. Dean informs the President "that Kalmbach had been used to raise funds to pay these seven individuals for their silence . . . and for this cover-up to continue it would require more paying and more money. I told him that the demands of the convicted individuals were constantly increasing." Why did Mr. Dean bother to bring all this up on the 21st if Mr. Nixon not only knew about it a week earlier, but also was nonchalant in agreeing to pay blackmail?

The unofficial White House account of that Nixon-Dean meeting of the 21st, as relayed to the Ervin Committee via telephone by Presidential Counsel Fred Buzhardt, asserts that Mr. Dean "stated Hunt was trying to blackmail Ehrlichman about Hunt's prior plumber activities unless he was paid what ultimately might amount to $1 million. The President said how could it possibly be paid. 'What makes you think he would be satisfied with that?' Stated it was blackmail, that it was wrong, that it would not work, that the truth would come out anyway. Dean had said that a Cuban group could possibly be used to transfer the payments. Dean said Colson had talked to Hunt about executive clemency."

Two days after this meeting, Mr. Dean went to Camp David. There's some disagreement on whether he was asked before he went or after he got there to write a full report on Watergate, but no dispute that he was asked to write a report. Neither did Mr. Dean testify that he was asked to write a doctored version of what he knew to be the truth. Thus, we are supposed to believe that the President and his chief of staff, Mr. Haldeman, were anxious to have Mr. Dean write the indictment that would surely guarantee the President's impeachment.

Of course, what Mr. Dean did write at Camp David (Exhibit No. 39 in the Senate Committee) does not form the basis for articles of impeachment against the President. It implicates Messrs. Mitchell, Magruder, Haldeman and Ehrlichman in the Watergate cover-up, but pins Watergate directly and solely to G. Gordon Liddy: "He told me that this was his operation that had gone bad . . . I asked him if anyone from the WH was involved in any way and he said no."

Furthermore, instead of encompassing Mr. Dean's alleged desire to end the cover-up and remove the "cancer" from the presidency, his Camp David report not only makes no mention of his "first-hand" knowledge of President Nixon's involvement, but also exonerates Charles Colson. According to Mr. Dean's Senate testimony, Mr. Nixon himself told Mr. Dean on March 13 that Hunt was promised executive clemency by Mr. Colson. Yet at Camp David, Mr. Dean writes: "Colson talked with Bittman (Hunt's attorney) again and told him that he couldn't give a hard, and fixed commitment (sic), but that as Hunt's friend he would do everything he could to assist Hunt in getting clemency in approximately a year." Thus Mr. Dean's story in March was far different than it was before the Ervin committee in June.

Mr. Dean so cooly and consistently stuck by the testimony he laid out before the Senate committee that it is hard to believe that he doesn't believe the story he has told. Which is why it is so generally agreed that his testimony was "credible," that he has "credibility." But it is not only possible that his perspective has been warped during the passage from the pro-Nixon to the anti-Nixon phase of his personal odyssey, it is demonstrably so. It's possible to believe he has told the truth, yet is not to be believed, that in reconstructing the past year from memory he has rearranged the furniture, a foot here, a foot there.

How, though, is it possible that Richard Nixon, the smart, tenacious pro of 27 years experience, could remain for so long in the dark? Mr. Dean himself seemed almost outraged, in retrospect, that the President last August would tell the American people that he, Dean, Counsel to the President, had conducted an investigation of Watergate and found no one at the White House involved. He didn't conduct any investigation, he told the Senate committee, and he hadn't even talked to the President. Mr. Dean implies he was *used*.

CURIOUS INCIDENTS

And yet, as his Camp David memoirs indicate, he talked to the mastermind of Watergate, G. Gordon Liddy, and Liddy told him "it was his operation that had gone bad," that no one at the White House was involved. It's odd Mr. Dean wouldn't consider this an important bit of information for the President as having been dug out by Dean. Funny, too, that he could absolve Press Secretary Ronald Ziegler of knowing the facts because he, Dean, kept Ziegler in the dark. Wouldn't it be unusual if Mr. Ziegler, on one of his frequent trips to the Oval Office, hadn't reported to Mr. Nixon that Mr. Dean says everything is okay, the White House is clean? And that throughout the period to March 21, Mr. Nixon was being fed similar reports emanating from Dean and others.

As a whole, Mr. Dean's testimony, like Chinese food, was only momentarily filling. Its bland delivery made it palatable, but upon a second viewing and third and fourth reading it is unsatisfying. How much more meaty it would have been if he had been able to testify that last August, or in September or February, he had confronted the President with the cover-up.

But he never did and so all he really has is an impression that the President knew, must have known, and unrecorded recollections of conversations that took place on March 13, or was it the 21st?

No, so far as the Dean testimony is concerned, it is now easier to presume the President's innocence. As it unfolded, even as Americans either exulted or despaired over the President's guilt, a great wave of relief spread over that number of us who are still prepared to believe a man we have known for most of our lives than to trust in the motives, the memory and the vantage point of a young man we have not even known for 27 days.

QUORUM CALL

The PRESIDENT pro tempore. Is there further morning business?

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? The time for the transaction of routine morning business has closed. Morning business has closed.

HIGH-SPEED GROUND TRANSPORTATION SYSTEM IN THE STATE OF CALIFORNIA

The PRESIDING OFFICER. In accordance with the previous order, the Chair lays before the Senate S. 1328, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1328) to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between the cities of Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as "The West Coast Corridor Feasibility Study Act of 1973".

SEC. 2. The Secretary of Transportation is authorized and directed to make an investigation and study for the purpose of determining the social advisability, technical feasibility, and economic practicability of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigation and study the Secretary shall consider—

(a) the various means of providing such transportation, including both existing modes and those under development, such as the tracked levitation vehicle;

(b) the cost of establishing and operating such a system, including any acquisition of necessary rights-of-way;

(c) the environmental impact of such a system including the future environmental impact from air and other transportation modes if such a system is not established;

(d) the factors which would determine the future adequacy and commercial success of any such system, including the speed at which it would operate, the quality of service which could be offered, its cost to potential users, its convenience to potential users, and its ability to expand to meet projected increases in demand;

(e) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

(f) the ability of such a system to be integrated with other local and intrastate transportation system, both existing and planned, in order to create balanced and comprehensive transit systems.

(g) coordination with other studies undertaken on the State and local level;

(h) such other matters as he deems appropriate.

SEC. 3. In carrying out the investigation and study pursuant to this Act, the Secretary of Transportation shall consult with, and give consideration to the views of, the Civil Aeronautics Board, the Interstate Commerce Commission, the National Railroad Passenger Corporation, and regional, State, and local transportation planning agencies.

SEC. 4. In carrying out the investigation and study pursuant to this Act, the Secretary of Transportation may enter into contracts and other agreements with public or private agencies, institutions, organizations, corporations, or individuals, without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

SEC. 5. The Secretary of Transportation shall report the results of the study and investigation pursuant to this Act, together with his recommendations, to the Congress and the President no later than January 30, 1976. The Secretary shall submit an interim report to the Congress on January 30, 1975.

SEC. 6. There is authorized to be appropriated not to exceed $8,000,000 to carry out the provisions of this Act.

The PRESIDING OFFICER. Debate on this bill is under controlled time of 1 hour, to be equally divided between the distinguished majority leader and the distinguished minority leader, with 30 minutes for amendments, motions, or appeals.

Who yields time?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being taken out of either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator from California yield me half a minute?

Mr. TUNNEY. I yield to the distinguished majority leader.

Mr. MANSFIELD. First, Mr. President, I yield my time under the bill to the distinguished Senator from California.

Mr. BEALL. Mr. President, I ask unanimous consent to yield the time in opposition to the bill to the distinguished Senator from Wisconsin (Mr. PROXMIRE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order calling for the yeas and nays on final passage be voided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Commerce be permitted to be on the floor during the consideration of and any votes on S. 1328: Thomas Allison, Art Pankopf and Mal Sterrett; and that Dan Jaffe of my staff also be permitted to be on the floor during the consideration and any votes on S. 1328.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, the west coast travel corridors will soon be facing a transportation crisis. All projections predict an explosive growth in travel demand in this area. There is reason to expect that this steep increase in demand will overwhelm present and planned transit systems on the west coast unless systematic travel planning for alternative systems is begun immediately.

Already the San Francisco-Los Angeles air corridor is the most heavily traveled in the world. Furthermore it is predicted that there will be an increase of approximately 400 percent in air travel in this corridor during the years between 1970 and 1985.

Other corridors on the west coast will also soon be reaching saturation levels. In fact by the year 2000, California's transportation systems will have to accommodate about 200 million travelers per year—the rough equivalent of the entire present population of the United States.

If immediate action is not taken, and unplanned transit growth is allowed to occur, it can be confidently predicted that there will be severe environmental effects, including greatly increased air and noise pollution, hazardous and inefficient travel, wastage of energy resources and serious travel curtailments which will severely affect the economic growth and quality of life of the entire west coast.

I do not think that we as legislators can afford to let these problems occur. S. 1328, now before the Senate, would help the west coast meet these problems. This legislation calls for an $8 million multimodal feasibility study of the transportation corridors on the west coast. The study is to make a determination regarding the social advisability, technical feasibility, and economic practicability of high-speed ground transportation systems in these corridors along with an investigation of the effects of expansion of existing transportation modes if such alternatives are not developed. In carrying out these studies, the legislation places particular emphasis on a careful examination of the environmental and energy utilization effects of the various transportation modes. It also mandates a study of the best methods of integration of these systems into intracity and interstate systems in order to create a balanced and comprehensive west coast transportation system.

It is imperative that we act quickly to carry out these studies. Even a few years delay could have extreme adverse effects. Already a number of metropolitan areas in the west coast corridor are in the process of planning and developing intracity transit systems. As these plans become finalized and these comprehensive systems are developed, it will become increasingly difficult to integrate these intracity systems with intercity regional networks which must inevitably be developed.

The long leadtimes necessary for planning and construction of innovative intercity transportation systems also argues for immediate action. In the hearings on S. 1328, it was noted that even if planning were begun immediately, it would be unlikely that an innovative high-speed ground system could be available until 1985, by which time travel demand in California alone will have doubled from 50 to 100 million trips annually. Thus delay at present will have the most crushing impact in future years when the most severe demands will be placed on these transit systems.

One point I would like to strongly emphasize is that S. 1328 is strictly a feasibility study. It does not commit the Federal Government to any later course of action, nor does it obligate the Federal Government in any way to undertake any later construction costs. However, if requests for construction costs are made, an objective feasibility study would be an invaluable tool for Congress to assess the validity and sensibility of these requests.

It is illusory, however, to believe that if Congress ignores the need to develop a systematic study of west coast transportation we will not have to face even larger and more insistent demands later when unplanned transportation growth leads to a crisis situation in that area.

Furthermore in carrying out this program, the total west coast should be investigated. The west coast is economically and socially integrated, and if we are to develop meaningful findings we should conduct these studies in a manner which will allow us to make projection for the whole region.

Finally, to assure expeditious study, Federal direction is required. DOT with its experience with the Northeast Corridor and its general transit planning expertise, is best qualified to carry out the requirements of this legislation. DOT is the most competent agency to efficiently and quickly coordinate a major transit study involving three States—California, Washington, Oregon—and two foreign countries—Mexico and Canada.

If this important task were left to State compacts and State agencies, and informal negotiations with the foreign governments, this would undoubtedly slow down the completion of this project. In addition, it would mean that the Federal Government would inevitably have to make its own evaluation of the analysis which the State agencies would have accomplished before the Federal Government could take any part in any planning and development of a recommended system.

DOT control is the best way to insure that the study may later be able to be coordinated into a plan of national applicability, and Federal funding will also assure the rapid completion of this important project.

Mr. President, I might say that this legislation was passed by the Commerce Committee with strong bipartisan support. In fact, it passed with unanimous support. It has the support of the Senators from the States involved.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. TUNNEY. Mr. President, I yield to the Senator from Maryland.

Mr. BEALL. Mr. President, I rise in support of the legislation and confirm what the distinguished Senator from California has just said. The legislation did come out of the Commerce Committee with the unanimous support of all committee members.

We are certainly all concerned about the availability of high speed transportation systems for people all over this country. I believe that last week the Senate passed an authorization for availability and feasibility studies in connection with the bicentennial. I think it is appropriate that we study similar systems on the west coast also, because it is our hope some day that we can tie together all parts of the country so that people can move around by means of surface transportation.

Shortly after I leave the floor of the Senate this morning, I will be attending a meeting with officials of the State of Maryland with respect to EPA requirements in air quality standards in the Baltimore, Md., region. They require standards that are impractical and are incapable of being met at the present time because, while it is desirable that we reduce the amount of vehicular traffic on the streets and highways, there must be an alternative mode of transportation to move people at high speeds if we are going to improve the quality of air through the reduction of motor vehicles.

I think it is very appropriate that the Department of Transportation undertake a study of feasibility in connection with cities on the west coast through high-speed ground transportation.

I commend the Senator from California for introducing this bill, and I hope that Senators will join with us in giving it favorable consideration.

Mr. TUNNEY. Mr. President, I thank the Senator from Maryland for his support of this legislation and for the help which he gave us in committee in developing the final package.

It was clear when the bill was first introduced that it was of a more modest scope and included only California cities. However, as a result of the assistance of the Senator from Maryland and the distinguished chairman of the Commerce Committee, the Senator from Washington (Mr. MAGNUSON), the scope of the legislation was enlarged to include the entire west coast, Mexico and Canada.

I might point out that the hearings demonstrated that right now in Pueblo, Colo., the Department of Transportation has contracts for the testing of high-speed surface transportation vehicles that are now going at speeds of up to 185 to 200 miles an hour. They feel that if the test site were longer—since they only have 6 miles of track now—they would be able to get the vehicles which they are now testing up to speeds of 250 miles an hour.

We know that systems are available elsewhere. In France, for instance, they are presently utilizing in the suburbs of Paris a surface transportation system that goes 185 miles an hour. It is clean. It is relatively quiet. Certainly it is no louder and the impact of the sound is no worse than a train. It is smooth. And it has great acceptability on the part of the French traveling public.

We are behind in this country, and we ought to catch up. I am one person who believes that the study we will be doing on the west coast, similar to the study we did on the east coast, could at some future point be fitted into an overall national transportation plan.

It does not do any good to say that we have to have a national plan before we go ahead with these components. Some people are making the argument that nothing can be done in these corridors that are severely impacted right now as a result of too many travelers using outmoded modes of transportation until we have an overall regional transportation study.

Much as I favor the concept of a national transportation study, it does not seem wise that we should not move ahead vigorously in areas where we have very serious problems. On the east coast, as my distinguished friend, the Senator from Maryland, has pointed out, we also have serious problems.

I thank my colleague for the approach he has taken and for the help he gave us in the committee.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

Mr. President, this legislation is wrong. It is ill-conceived, it is wasteful, and it is a Federal giveaway.

It authorizes $8 million for a feasibility study of rapid transit for the complete length of the west coast—in fact, all the way from Tijuana, Mexico, to Vancouver, British Columbia.

There are plenty of reasons this legislation should not pass. It is a giveaway to the West Coast States—there are many other areas which need this help as much or more, as I shall show. It sets a poor precedent by getting the Federal Government into funding intercity rapid transit, something it has not done before except for demonstration projects. It covers miles of mountainous regions with low populations. And the authorization is way too high. The administration opposes it.

This legislation—which could be the beginning of billions of dollars of spending by the Federal Government—was considered in 1 day of hearings in California which are not even printed yet.

Let me elaborate some of these objections:

First. Federal giveaway. The Department of Transportation completed this past January a study titled "High Speed Ground Transportation Alternatives Study." This study made an analysis of the development of ground transportation—including rail and levitated vehicles—and their possible use in transportation corridors across the country.

One part of the study included a ranking of these corridors according to the desirability of building high-speed ground transportation within them. What did this ranking show? First, the Boston-to-Washington route, now served by the Metroliner, came out way in front. After it came:

First. Los Angeles to San Diego;
Second. New York to Buffalo;
Third. Chicago to Milwaukee;
Fourth. Pittsburgh to Detroit;
Fifth. Washington to Norfolk;
Sixth. Hartford to New York;
Seventh. San Francisco to Sacramento;
Eighth. Chicago to Detroit;
Ninth. Los Angeles to Las Vegas;
Tenth. Cleveland to Cincinnati;
Eleventh. Los Angeles to San Francisco;
Twelfth. Pittsburgh to Philadelphia;
Thirteenth. Chicago to St. Louis;
Fourteenth. Tampa to Orlando; and
Fifteenth. Seattle to Portland.

Considering this list, which shows the order in which rapid transit should be built, there are three segments of the west coast route. Los Angeles to San Diego ranks first. That area needs rapid transit, and it will get it since the State of California has already been studying intensively that corridor.

It is beyond me to understand what this enormous study, covering all the way from Canada to Mexico, will contribute to the understanding of that route, which, as I say, is already being studied intensively by the State of California.

Then we skip way down to No. 7 for San Francisco to Sacramento. That corridor has also been studied intensively by the State. No. 11 is Los Angeles to San Francisco. As any California traveler knows, that is a long route, and mountainous. This has not been studied by the State. And way down at No. 15 is Seattle to Portland, another part of this authorization.

But this bill ignores all the other cities on that list—Chicago, Detroit, Pittsburgh, Buffalo, Milwaukee, Hartford, Cleveland, St. Louis, Philadelphia, Tampa, Orlando. All these cities have a higher priority than some of those on the west coast. This is even ignoring the out-of-the-way Sacramento-Portland leg which the legislation we are considering authorizes.

So Senators can see why I say this is a west coast giveaway. It ignores the parts of the country that need help the most.

Second. Poor precedent. So far, the Department of Transportation has not funded studies or construction of intercity rapid transit, except for demonstration projects. Some funds apparently also got mixed in with State funds for a study of the San Francisco to Sacramento corridor, against the intention of DOT. This bill makes a major authorization in this new area. It enlarges Federal responsibility. We should not do this in a piecemeal way, but rather consider the issue comprehensively.

Third. Administration opposition. Mostly because this bill sets a poor precedent, the administration flatly opposes this authorization. Last month in California, Milton Klein, associate administrator of DOT's Federal Railroad Administration, testified against the authorization. These hearings have not even been printed yet. They are not available to us; we are acting without the record.

Fourth. Not multi-modal. Another interesting aspect of this legislation came up in those hearings. Most witnesses testified that air transportation would probably be better than ground rapid transit along parts of the proposed route. But the bill as written directs a study only of ground transportation; air transport would be considered only as a side effect. Senator TUNNEY criticized this aspect of his own bill. But it has not been corrected.

Fifth. Excessive authorization. The authorization in this bill is for $8 million. This is a relatively small figure, and it is only an authorization. But it is way out of proportion to what it should be. The feasibility study for the east coast corridor—including as large a population and as many major cities as the west coast—cost $12 million. But DOT staff say that at least 80 percent of this $12 million went to develop the methodology for the study. That methodology can be used again—it does not have to be duplicated. So the substantive work for the east coast cost $2.4 million. Why should the west coast study cost more than three times that amount?

We will need rapid transit in many of our transportation corridors—there is no doubt about that. But we should not be authorizing these studies on a piecemeal basis. We need to consider the national need and make decisions on that basis, not on the basis of political pull of single States, or the ability—which is very considerable indeed—of the Senator from California (Mr. TUNNEY). Mr. TUNNEY has my admiration and respect. He is a very effective legislator. He does a great deal for his State. But it seems to me this is not the way the Congress of the United States should legislate.

I also question this expenditure at this time of budgetary austerity. We are cutting back on housing, health, social services. Studies show that most of the increased demand for transportation will be from recreational users. This $8 million will start to help Californians take vacations when funding for decent housing and medical research is being slashed. Is this any way to set our priorities?

I urge my colleagues to vote "no" on this authorization.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. TUNNEY. I yield the Senator from Oregon such time as he may require.

Mr. HATFIELD. Mr. President, I would like to associate myself with the comments made by the distinguished Senator from California (Mr. TUNNEY). I appreciate the concern expressed by my good friend from Wisconsin (Mr. PROXMIRE) about what he considers to be a piecemeal approach, and I could not agree with him more.

When I was a member of the Committee on Commerce, the chairman of the committee, the Senator from Washington (Mr. MAGNUSON) and I discussed the possibility of a high-speed transportation system between Eugene, Oreg., and Bellingham, Wash. We both have seen development along that corridor, both in population and in industry, as well as all the other auxiliary services that must be provided to growing communities. We obviously have not kept pace with the transportation system that was needed.

In addition, we have also been considering the possibility of a monorail system between Vancouver, Wash., and Portland, Oreg., just across the Columbia River, under the Department of Transportation. Severe traffic congestion has created problems for both cities.

The Senator from California (Mr. CRANSTON) introduced this bill earlier just for the State of California. Thus, we had three such piecemeal proposals. The chairman of the committee (Mr. MAGNUSON) then amended the bill to include Oregon and Washington, because we did not want such a piecemeal approach, and that was what we were getting.

I do not see how we can call it piecemeal when we are discussing the entire west coast, which is a very extensive and distinct territory, from Tijuana to Vancouver, British Columbia. So I would reject the argument that this is piecemeal. It is just the opposite of piecemeal; it is an integrated approach to the transportation needs of a very important section of this country.

Mr. TUNNEY. Mr. President, will the Senator yield at that point?

Mr. HATFIELD. I yield.

Mr. TUNNEY. The Senator from Wisconsin made the statement that the bill suggests we are studying just a surface transportation sytem, rather than applying a multi-modal approach. I would like to point out to my distinguished colleague that the following facts are contained in the report. We have approved amendments in the committee, and one of the amendments accepted by the committee was that this study should be one that is on balanced and comprehensive transit systems, which is the multimodal approach. I know that my distinguished colleague was not on that committee and did not have the opportunity to acquaint himself with the deliberations of the committee. But that is in the report. The point he made, although applicable to the bill introduced, is not applicable to the bill reported by the committee.

Mr. PROXMIRE. If the Senator will yield at that point, I call the Senator's attention to page 3 of the bill, lines 21 to 23 which indicates that this is for the—

> technical feasibility, and economic practicability of a high-speed ground transportation system * * *

The Senator knows perfectly well that we can say all we want to in the report and we can make all the legislative history we want to on the floor of the Senate, but what really is the cutting edge and what determines where the money will be spent is what the law itself says. This is what the law says, regardless of the good sentiments that may be expressed in the report.

Mr. HATFIELD. I should like to emphasize a second point, in addition to the thesis that this is a long-term and a very comprehensive, rather than a piecemeal approach. We should undertake such a study before we encounter greater transportation crises along the Pacific coast than we have encountered up to the present. Too often we wait until the crisis is upon us before we make our projections, programs, or plans. This bill will give us an opportunity to deal with an area of the country that is developing very rapidly. We already have spotty crisis areas, but by acting now we can make projects and plans and avoid greater crises than those we have seen on the eastern seaboard.

I would also indicate that before the Committee on Interior and Insular Affairs at the present time we are considering a very interesting set of bills that are closely related. One of the most comprehensive land use planning pieces of legislation ever to pass Congress has been acted on by the Committee on Interior and Insular Affairs and then by the full Senate in which we have asked the States to set forth a comprehensive program for all land use. An important facet of this involves transportation.

There is a second piece of legislation which would set up Federal corridors and would direct the Secretary of the Interior to designate Federal corridors for ground lines, pipelines, electric transmission, other means of transporting energy, and all rights-of-way across Federal land. Our committee recognizes we have wasted much of our land in a piecemeal approach to all rights-of-way, and without comprehensive planning either in transportation or in the field of energy transmission.

So, consequently, with this kind of trend and direction on the part of Congress, it seems to me that S. 1328 reflects such trends. It is in harmony with this kind of programing and planning for a specific use of land, and for the specific needs of transportation and right-of-way. We are attempting to recover from the mistakes of the past in projecting corridors for transporting energy and other uses of our land. This bill, S. 1328, complements the others.

So I should like to point out that, in my opinion, this is a very good, progressive, modern, and forward-looking piece of legislation. We should act on it now in order to save money and to avoid the mistakes that have been made that we already have seen on the eastern seaboard. Therefore, we want to avoid those mistakes on the western seaboard.

I hope that the Senate will pass this measure this morning.

Mr. TUNNEY. Mr. President, just a couple of quick points to clear up for the record some misunderstandings that may be created as a result of the speech made by my colleague from Wisconsin.

One thing that I should like to point out to my friend is that this bill assumes that there is going to be a multimodal study, including the use of air transit.

Now I should like to point out in the bill and in the report, the legislation says that the Secretary shall consider:

> (a) the various means of providing such transportation, including both existing modes and those under development, such as the tracked levitation vehicle; * * *

Including air transportation.

Going on further down in the bill:

> (f) the ability of such a system to be integrated with other local and intrastate transportation system, both existing and planned, in order to create balanced and comprehensive transit systems.

That includes air transportation and I presume it also includes transportation over water or on land—any kind of transportation.

Section 3 states:

> In carrying out the investigation and study pursuant to this Act, the Secretary of Transportation shall consult with, and give consideration to the views of, the Civil Aeronautics Board, the Interstate Commerce Commission, the National Railroad Passenger Corporation, and regional, State, and local transportation planning agencies.

So it is clear that it is a multimodal approach which is envisioned by the bill.

I did not want the RECORD to go out without that kind of correction, because it is clearly important that we understand what we are doing here today.

I might also add that this is not the first time Congress has used general revenue funds for such a regional study, as was suggested by the Senator from Wisconsin. In the northeast corridor study, which was authorized by Congress in the late 1960's, they spent $12 million. This is $8 million. Even though we have had inflation in the intervening years, we are asking for one-third less money.

So that is just not accurate.

With respect to the opposition of the associate administrator of the Federal Railroad Administration. I must say that his was one of the most confused pieces of testimony I have ever listened to. For instance, he was not even aware of the fact that the Department of Transportation was partially funding smaller regional studies in the State of California. When I suggested to him that this was the case he indicated that he had previously been unaware of it.

So the fact is that the administration did not oppose the concept—and this is in the record of the hearings—of having this kind of study made. What the Deputy Administrator did oppose was the fact that the Federal Government would be putting up the money. I do not understand why he opposed it. OMB probably gave him his marching orders. The fact is, the only way we will have a study of this kind is a Federal study, and that cannot be done on a piecemeal basis.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may need, but I shall not take very long. I just want to make a few more points. The Senator makes the best possible case. It is true that in the bill there is reference to air travel and other transportation modes, specifically on page 4 of the bill, lines 11 to 13, where there is a specific reference to consideration of air and other transportation modes.

But the thrust of this legislation, the main body of the legislation is the study of the "economic practicability of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia—in carrying out such investigation and study the Secretary shall consider—"

So that he may consider this, in carrying it out. But, there is no indication that this will be a "front and center" matter. It is not multimodal in that sense.

Of course, any consideration of the need for ground transportation would have to consider air transportation and any other kind of transportation. But the central part of the study is certainly directed at one kind of transportation—specifically high-speed ground transportation.

I might say to my good friend from Oregon, for whom I have very great respect, that when I say "piecemeal" I mean that what we need is in some way to relate this to the needs of the whole country. If this were for the midwest only, it would be wrong, or for another section of the country, it would be wrong. But this is for the west coast.

I point out that the New York-Buffalo route has far more traffic than most of the areas on the west coast that would be studied or Chicago-Milwaukee—in my own State; Pittsburgh-Detroit; Washington-Norfolk; Hartford-New York; Pittsburgh-Philadelphia; Chicago-St. Louis; or Tampa-Orlando.

Under the circumstances, to simply single out the west coast, now that we have already completed a study of the east coast, and to leave out the central part of the country seems to me piecemeal and unwise. Congress should have a notion of the total priority system. Where should we go next? The study that has been made to date indicates, at least on preliminary basis, that these other areas have a far greater claim. More people live there and more people would travel in these areas than would travel in the very beautiful part of our country that the Senator from Oregon so ably represents.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HATFIELD. I would agree with the Senator from Wisconsin on that point; but does he not agree that it is going to take perhaps a different technology and a great deal more money with respect to the concentrations of population that exist in these other areas, in the very heavily populated areas the Senator has mentioned?

Does he not agree that to forestall the high cost of such transportation in an area of the country that is yet to be as heavily populated, has not yet achieved that population, but whose rate of growth is projected to be 31 percent between 1970 and 1990, projected here for Oregon and Washington, as an example of two States; that before we reach that population and have to displace people and industries and again go to the extremely high cost of putting in a transportation system, it would be far more economical to investigate and study such a program now, and plan ahead and accommodate that growth?

Mr. PROXMIRE. No. I think the Department of Transportation is on the right track in opposing this legislation. It seems to me that the west coast should benefit from the study that has been made on the east coast. There we found that 80 percent of the funds had to be used to develop methodology. Having developed that methodology, then we have a system, a basis, for studying the west coast, the Middle West, the mid-Atlantic area, and so forth. It seems to me that we can learn from all these studies to have a better basis, a wiser basis, for studying any particular area of the country.

I think the Senator will agree that while some parts of the west coast are not intensely populated, others are intensely populated—among the most intensely populated in the entire country. That is particularly true of the situation we have. We have all kinds of population situations on the west coast, and there is no reason why we could not apply the methodology we have already developed wisely in determining what kind of national system we should have, rather than do it under what seems to be a piecemeal—one-section-of-the-country—method. It is true that one can find an even more piecemeal method if it is confined to one State, and one can argue that this is better, having been expanded; but still it is piecemeal as compared with a truly national study.

Mr. HATFIELD. I would agree with the Senator that by utilizing methodology that is developed out of a study, if it is applicable to another part of the country, it is to our benefit generally. But do we have to wait for methodology at this point? The Department already has methodology. We have developed that out of these experienecs on the east coast.

All I am saying at this point is that we should see if we can apply this to the western seaboard. We do have differences of geography, differences of population, and other differences. It will be much to our economic benefit if we act now rather than wait until we become more intensely populated, or until the Department of Transportation has been able to move on a total national basis.

I remind the Senator from Wisconsin that we are proceeding to seek funds to study these other parts of the western coast that I mentioned earlier. We are investigating funding to work on a Portland-Vancouver monorail, and we hope to get those funds. We have discussed application and, we are encouraged.

We are moving piecemeal now, even within the region. It would be far more economical to move on a total regional basis at this time than to wait for a wholly national program which may not be as applicable to one section or region, due to geography and transportation problems that exist there now. We should move ahead rather than have to wait for a national approach to develop an approach that might not apply to our different and unique problems.

Mr. PROXMIRE. I invite the Senator's attention to a very interesting finding by the Department of Transportation in their January 1973 study. They found that if we begin operations of a mass transit system in the Portland-Seattle area, in 1985 the cost would be $422 million. If we were to postpone it, if we were to begin it in 1995, 10 years later, the cost would not be more; it would be far less. It would be about a third less. It would be $152 million. The reason is that far more people would be there and it would be on a basis which would make it much more economical, much more efficient. For that reason, it would seem far wiser, from the economic standpoint and the efficiency standpoint, to postpone the study.

Mr. HATFIELD. I think the Senator from Wisconsin is comparing apples to oranges. We are talking about an actual system of transportation. This is only a feasibility study. We are not talking about construction at this point. Depending on what kind of system is needed, we cannot talk about our needs. We are talking in this bill of a feasibility study to meet the needs and to help find the best method of transportation that will meet our region's future needs. Then we can talk about figures. We won't have the system; we only will have a study.

Mr. PROXMIRE. Here is where we have different opinions. It seems to me that we cannot justify spending $1 million unless we have a clear justification to do so. When the Department of Transportation shows us how we would be better served if we postponed construction until a later date, why should not we wait for a later date for the study itself. We have so many needs and we are in such a serious condition of inflation that, particularly on the basis of the findings, a $8 million study would be more appropriate.

Mr. HATFIELD. Mr. President, coming from a public lands State and from a region which has many public works, I can say that there is a great difference between the study and the construction itself—we can draw an analogy between authorization and appropriation. We only are asking for a study at this time—not appropriations—we expect to have the construction work come later if it is feasible. But we often have found that after a study for feasibility, there is a long time before construction moneys are made available. It may even be necessary to have a new feasibility study, because there has been such a large lapse of time between the feasibility study and the construction.

Mr. PROXMIRE. I do not follow the Senator completely. If we are not going to have this system until 1995, on the ground that it would be more efficient at that time, it makes no sense to me to make a study now.

Mr. President, I understand the sentiment of the body. The Senator from California is ready to vote.

Mr. TUNNEY. Mr. President, I first should like to yield to my colleague from California.

Mr. CRANSTON. I thank my colleague for his most excellent work on the bill. It is of great importance to California and to all who live and work on the west coast.

In response to some of the statements that have been made by the distinguished Senator from Wisconsin (Mr. PROXMIRE), I should like to tell him that this proposal is important to the people who live elsewhere and have similar transportation problems. I think that as we develop a system in California, we will develop a system that can help to resolve transportation problems in other parts of the country.

In the past decade, intercity traffic in California has doubled, from 25 to 50 million travelers. It has been estimated that this growth rate will accelerate until by 1990 as many as 125 million travelers will be jamming the highways and the skyways of California.

The bill before the Senate this morning will make it possible to plan a better alternative for the millions of people who will, because of the increasing travel involved in business, and, too, because of growing affluence and leisure time, need to or will be able to afford to travel more in the future. The bill directs the Department of Transportation to study the feasibility of developing a high-speed ground transportation system that can efficiently and rapidly allow people to travel the west coast corridor from San Diego to Seattle and Vancouver.

It is quite possible that with a commitment now of the resources necessary to study the transportation problem on the west coast, we can develop in the next several decades a mode of ground transportation that is economically competitive with other means of transportation and that is clean, quiet and energy-efficient. Faced today with staggering questions about future supplies of energy and with air and noise pollution growing threats to our health and welfare, these goals must be pursued. Thus this effort in California can develop a pattern that can be of benefit to the people of all our States. I urge the Senate to pass S. 1328 so that we can begin this important work.

Again, I praise my colleague for his work on this important measure.

Mr. TUNNEY. Mr. President, I thank my colleague for those remarks. I want the Senate to know that without his help this legislation could not have reached the point that it has reached. I deeply appreciate the Senator's efforts in that regard.

Mr. CRANSTON. I thank the Senator.

Mr. TUNNEY. Mr. President, I am prepared to yield back the remainder of my time, but first I wish to thank the distinguished Senator from Wisconsin (Mr. PROXMIRE) for his diligence in highlighting our national transportation needs, particularly in the areas not covered by this bill. I know how conscious he is of those needs. As a member of the Committee on Commerce I wish to state that if he has any desire to introduce legislation which would take care of those parts of the country and the transportation of the people in those parts of the country, I would be more than happy to work with him to assure that such legislation would receive the attention of the Committee on Commerce.

Mr. PROXMIRE. Frankly, I was thinking of an amendment to this legislation which would include Milwaukee, and other parts of the country, but I know that this is not the measure on which to do so. Under the circumstances we will postpone that until later. I must oppose this, as the Senator understands.

Mr. TUNNEY. I thank the Senator. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 1328) was passed.

The title was amended, so as to read: "A bill to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between the cities of Tiajuana in the State of Baja California, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California."

Mr. TUNNEY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BICENTENNIAL COINS

The PRESIDING OFFICER. Mr. President, under the previous order, the Chair lays before the Senate S. 1141, which the clerk will state.

The bill was stated by title as follows:

A bill (S. 1141) to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars and half dollars.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert:

That the reverse side of all dollar, half dollar, and quarter dollar coins minted for issuance on or after July 4, 1975, and until such time as the Secretary of the Treasury may determine shall bear a design determined by the Secretary to be emblematic of the Bicentennial of the American Revolution.

SEC. 2. All dollar, half dollar, and quarter dollar coins minted for issuance between July 4, 1975, and January 1, 1977, shall bear "1776–1976" in lieu of the date of coinage; and all dollar, half dollar, and quarter dollar coins minted thereafter until such time as the Secretary of the Treasury may determine shall bear a date emblematic of the Bicentennial in addition to the date of coinage.

SEC. 3. Nothwithstanding any other provision of law, rule, regulation, or order, the Secretary of the Treasury is authorized to coin and issue or cause to be sold, between July 4, 1975, and January 1, 1977, special gold coins commemorating the Bicentennial of the American Revolution of such design, in such denomination, in such quantities (not exceeding sixty million pieces), and containing such other metals, as he determines to be appropriate. Notwithstanding any other provision of law, coins minted under this section may be sold to and held by the public, and the Secretary of the Treasury is authorized, by regulation, to limit the number of gold pieces which any one person may purchase.

SEC. 4. Notwithstanding any other provision of law with respect to the design of coins, the Secretary shall mint for issuance between July 4, 1975, and January 1, 1977, at least sixty million silver-clad alloy coins authorized under section 101(a) of the Coinage Act of 1965, commemorating the Bicentennial of the American Revolution, of such design, in such denomination, and containing such quantities of such other metals as he determines appropriate. The Secretary of the Treasury is authorized, by regulation, to limit the number of silver coins minted under this section which any one person may purchase. Coins minted under this section shall be treated as pieces subject to the one hundred and fifty million piece limitation contained in section 101(d) of the Coinage Act of 1965, and shall be subject to such limitation.

SEC. 5. Until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of ample supplies of coins and medals, any facility of the Bureau of the Mint may be used for the manufacture of medals and coins.

SEC. 6. In connection with the operations of the Bureau of the Mint, the Secretary of the Treasury is authorized to manufacture and distribute numismatic items. Proceeds from the sale of numismatic items shall be reimbursed to the current appropriation for the cost of manufacturing and handling of such items.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair reminds the Senator from Maine that time for debate on this bill is limited to an hour and a half, to be equally divided between the majority leader and the minority leader, or their designees, with time on any amendment, debatable motion or appeal limited to 30 minutes.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the majority leader, I yield time on this side to the distinguished Senator from Maine.

Mr. HATHAWAY. Mr. President, this bill, S. 1141, would provide special coinage to commemorate the Bicentennial of the American Revolution. This is the first time in our history that the Treasury Department has proposed a change in our coinage to honor an historical event.

The bill, as amended by our committee, would authorize the Secretary of the Treasury to chose new designs representative of that crucial period in our Nation's history. These new designs would be used on the reverse side of the dollar, half dollar, and quarter coins. The bill would also authorize the addition of a date, 1776–1976, on these coins. The commemorative coins will be minted for issue between July 4, 1975 and January 1, 1977.

To secure a fitting design to be used on these coins, the Treasury Department will conduct a design competition. It is expected that our foremost artists will compete in this contest.

There are provisions in the bill for the minting of two special coins during the Bicentennial period. The Secretary of the Treasury is directed to issue at least 60 million silver-clad alloy coins commemorating the Bicentennial of such design, denomination, and content as the Secretary determines appropriate. The coins will be struck from silver currently held by the mint. The Secretary of the Treasury is also authorized, but not directed to mint special gold commemorative Bicentennial coins. The Secretary is given freedom to determine the denomination and content of the gold coins because of the high rate of fluctuation of the price of gold.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF S. 1141

S. 1141 is a committee bill containing parts of S. 422, S. 1927, and S. 1928. Hearings were conducted by the Subcommittee on Minting and Coinage on June 6, 1973.

This bill would authorize the Treasury to change the design on the reverse side of the dollar, half dollar and quarter dollar coins to commemorate the Bicentennial of the American Revolution between July 4, 1975 and January 1, 1977.

Section 2 directs that all coins covered by the bill will bear "1776–1976" in place of the date of coinage.

Section 3 authorizes the Secretary of the Treasury to mint special gold coins commemorating the Bicentennial of the American Revolution. The Secretary is given freedom to determine the denomination and content because of the high rate of fluctuation of the price of gold.

Section 4 directs the Secretary of the Treasury to issue at least 60 million silver-clad alloy coins commemorating the Bicentennial of the American Revolution of such design, denomination, and content as the Secretary determines appropriate. The coins will be struck from silver currently held by the mint.

Section 5 authorizes the Secretary to use any facility of the mint for the manufacture of medals and coins, assuring that the mint will have the capability of striking the volume of coins necessary for the Bicentennial celebration.

Section 6 allows the Treasury to manufacture and distribute numismatic items with proceeds being reimbursed to the current appropriation for the cost of manufacturing and handling such items.

Mr. HATHAWAY. Mr. President, I suggest the absence of a quorum, the time to be taken out of my side from time on general debate.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read the amendment, as follows:

On page 2, line 19, after the word "authorized," insert the words "and directed".

Mr. HATHAWAY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HATFIELD. I yield.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that Mr. Edward Sokol a member of the staff of the Committee on Banking, Housing and Urban Affairs have the privilege of the floor during debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask that this amendment be adopted because the present wording of the bill is discretionary, as far as the Mint is concerned, in reference to the minting of a gold coin for the Bicentennial, and because of the fact that the Treasury is already on record—by a letter dated May 10, 1973, addressed to the chairman of the committee, and signed by the acting general counsel of the Department of the Treasury—that they do not support legislation for the minting of gold coins. The present wording of the bill, which is discretionary, is therefore really meaningless. If we want a gold coin for the bicentennial, we are going to have to mandate the Mint to do so.

Many questions have been raised as to what kind of gold coin and how it should be designed, and so forth. Let me say the wording in section 3 is very broad. It gives to the Mint very broad powers as far as design, size, and metal content are concerned.

My original bill, which was heard by the committee, had indicated that it would be appropriate to issue a $25 gold piece, which would be within the reach of most American families, at 0.667 fine rather than the 0.900 fine which has traditionally been the amount of gold in American gold coins of past years. In order to take the world gold market into account, I suggested we make it 0.667 fine, or two-thirds gold, alloyed with another metal. The intrinsic value of such coin would be only about $15 on the current London gold market, which is about $119 per ounce.

So we would not have a gold coin, I have testified to the committee, which would make it beneficial for the owner to melt down the coins and sell the gold on the present high gold market.

The size of the coin and the brilliance of the sheen would still make it a quality coin; yet it would be a coin with only two-thirds gold.

The Director of the Mint, Mrs. Brooks, would have ample opportunity to review the gold market situation and make the determination as to the size, denomination, and metal content that would be appropriate.

In the testimony that Mrs. Brooks gave to the committee, she testified as follows, and I would like to quote from the testimony. The subcommittee, headed by the Senator from Maine (Mr. HATHAWAY), heard in June 1 this testimony:

Mrs. BROOKS. I am not an expert on the gold situation. I believe Mr. Wolf has submitted a Treasury position on that. Personally, I would love to make a gold piece, but officially I am not in a position to say.

Senator HATHAWAY. But you would be minting them, wouldn't you?

Mrs. BROOKS. Oh, yes, we could make them, yes.

Senator HATHAWAY. And that would not burden you?

Mrs. BROOKS. I do not imagine you would be making them in the volume that we are talking about with the other ones.

The "other ones" refers to the dollars, half dollars and quarters in S. 1141.

Senator HATHAWAY. The bill authorizes 60 million.

Mrs. BROOKS. Yes. We could do that.

Senator HATHAWAY. Fine.

So, Mr. President, it is a very simple matter. It is just a question of whether we want a gold coin for the bicentennial. I think the present coinage is not something we can be proud of. Frankly, as a collector, I find the American coinage today is not a high quality coinage. It is not considered, in the numismatic world, as something of great value or quality. Merely to redesign and issue a second-class coin is not a fitting commemoration of the very important anniversary we are celebrating—our 200 years as a republic. So I feel a gold coin would be a much more appropriate symbol for the bicentennial than merely redesigning our present coinage.

I will certainly go along with the rest of the bill that we have before us, but I would like to see, in addition, the kind of gold coin I have described.

One hears a lot of arguments to the effect that issuing a gold coin today would have some kind of impact on the American dollar. This is absolutely falacious. There is no relationship between the gold at Fort Knox and the American dollar. No longer is there any relationship between issuing a gold coin and the value of the American dollar in the world. The fact is that we have a lot of gold buried in the ground. I believe private citizens ought to be able to own the gold. I did not believe in the confiscation that took place back in 1934. I think it is high time that we reversed something that was wrong in the first place.

If we issued the $25 gold piece that I described earlier, it would take only 2½ percent of the total U.S. gold reserve. Sixty million of these coins would be worth $315 million at the par value of $42.22 an ounce. If we valued it at $120 an ounce, the price on the world market today, that gold would be worth $900 million. But they would sell at the face value $25 for a total of $1.5 billion.

So we are still talking about sound economics in striking a gold coin. And I am very hopeful that the Senate will agree to the amendment.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. HATFIELD. Mr. President, I yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I join with the Senator from Oregon in his statement. And I commend him for his leadership with respect to this gold coinage, because without his very diligent effort and very persuasive testimony before the committee, I suspect that the authorization in the bill never would have occurred.

I think we should all be grateful for the assistance we have obtained from him. I am grateful to the committee for having responded as they did under the leadership of the Senator from Maine in getting this legislation to the floor with a provision authorizing the issuance of this gold coin.

I am aware, as the Senator from Oregon has stated, that the official position is adverse to doing so, even though the committee has authorized it. I therefore support very strongly the amendment which the Senator has just now offered, an amendment which would direct that this coin be issued. I think that was the intention of the committee in writing this language. It was not just an idle gesture. If it is to be more than just as idle gesture, I think we have to add the language which the Senator has suggested to direct the Mint to do so.

I thank my good friend, the Senator from Oregon, and point out that we do not necessarily have to use the gold at Fort Knox. The Government would not lose anything if it went out on the market and purchased the gold with which to mint the coins. It would still not cost any more. This is an effort to make money at the best, and at the worst, it is a break-even effort. It cannot cost the Government anything to make this commemorative coin for our bicentennial.

Mr. HATFIELD. I thank the Senator from Idaho. I point out that it was the Senator from Idaho who offered an amendment for private ownership of our gold, an amendment on which the Senate went on record in a very substantial vote to support such ownership; and it was because the people of this country believe that they have a right to own gold.

It fits into the total picture. However, in addition it enables the broadest possible ownership of the gold coins at a time that is very significant, the 200th anniversary of our country.

I feel that the Senator from Idaho has certainly assisted greatly in bringing the attention of the Senate into focus on a problem that contains so much mystique and mystery on the part of many. It is time to get a clear understanding of what we are talking about in terms of ownership and in terms of dollars and the monetary policy of our country.

I thank very much the Senator from Idaho.

The PRESIDING OFFICER. Who yields time?

Mr. HATHAWAY. Mr. President, I yield myself as much time as I may require.

I want to state my opposition to the amendment of the Senator from Oregon. I am in sympathy with his objective as I have already enunciated in the hearings. However, arguments subsequent to the hearing, and particularly before the full committee, have convinced me that the language in the bill is appropriate language. The language in the bill does authorize, in the secretary's discretion, the minting of these coins. The reason for this is the fluctuating price of gold.

First, I want to answer the statement that the Senator from Oregon read from the hearings record. It was a correct statement of what Mrs. Brooks had to say. Subsequent to that, however, she has written me the following letter, which is rather brief, and I want to read it in full in the RECORD. The letter is dated July 10 and reads as follows:

This is to let you know that I have in the past said that personally I had no objection to having a gold commemorative Bicentennial coin struck. However, I always based this remark on the fact that the world gold situation would have to be taken into account if such a gold coin were to be authorized.

As you know, there is presently considerable speculation in gold in the world markets so I naturally think this is no time for the Mint to strike a gold commemorative coin.

MARY BROOKS.

The situation with respect to the minting of gold coins is if we took a coin the size of the present $20 gold piece, for example, such a coin containing two-thirds gold, would have a value of $25 at the present official gold price of $38 an ounce. However, the important point is that the value of the gold in the coin, based on today's market price, would be over $80. There would therefore be a strong incentive for someone to melt the gold into bullion and sell it. However, if the same coin were priced at $100, it would thereby eliminate any incentive to melt it into bullion, but we would not meet the objective of the Senator from Oregon of obtaining a wide distribution of the coins.

Mr. HATFIELD. Mr. President, if the Senator will yield, I want to say, too, along with the Senator from Idaho, that the Senator from Maine was very gracious in the hearings which he chaired at the time we were discussing this specific coin. However, in the pending bill and in the pending amendment we do not specify the size, denomination, or amount of gold for the coin. It would be entirely up to the mint to do this in relation to the current gold market. So when I discussed the matter before the committee, I suggested that at this time it would be appropriate to strike a $25 gold piece, at 667 fine. I would then point out that we would come up, even at the $120 an ounce gold market price, with only a $900 million cost in terms of gold content that would sell at face value for $1.5 billion.

Second, I would point out that there is a numismatic value of such a coin over and above the value of the gold in the gold market.

This was proven by Canada when it issued a centennial coin. Those coins are rare pieces. They are held by collectors and others as commemorative pieces. The coins have a numismatic value over and above the content of the gold in the coins.

So, I think that Mrs. Brooks' letter does not shed any light on this at all. She is using the gold market fluctuations as an excuse for not giving it full support. The Secretary, of course, has already taken a position against a gold coin. She must support that position. That is understandable.

It would be interesting to point out that in the hearings, as the chairman recalls, Mrs. Brooks indicated that there would be technological problems with her own proposal, because the machinery that is presently minting the regular coinage would have to be redesigned, whereas different machines are used for the minting of gold coins.

So we do have technological problems, which I thought she might use as an argument. That would have been a far stronger argument than the one she did use.

I thank the chairman of the subcommittee for a very objective and very fair hearing.

I wish to reiterate that section 3 is meaningless due to the official Treasury position. The authorization is clearly an authorization. But what will come of it? Nothing. The Treasury has already said that they do not want to mint a gold coin. If they have taken that position, the language in the bill is worthless. Therefore, I propose that the language in the bill say that it would direct the Secretary of the Treasury to issue a gold coin.

Mr. HATHAWAY. But how does the Senator answer the argument that there would be an incentive to melt down the coins and sell the bullion for $80 an ounce? And if, on the other hand, we make the coins sell for $100 to obviate that problem, we are not going to have much of any circulation, because not many people could afford to buy coin for $100?

Mr. HATFIELD. Mr. President, I would answer it in two ways. One is that the Treasury would have complete discretion to decide the gold content, size, and denomination. There is nothing in the bill that determines that. That decision would have to take the gold market into consideration.

Second, there is a numismatic value over and above the gold content that would cause collectors and other individuals, aside from sentimental reasons, to want to hold it rather than melt it down to make a profit.

We are allowing for only 60 million coins in this measure. That was based on a figure of 60 million American families, and that each family could afford a $25 gold piece.

But let me point out again that the Treasury is not directed either as to the size of the coin or the amount of gold to be contained in it.

Mr. HATHAWAY. The problem is that if they could put the requisite amount of gold in a coin to make it a certain size, it would be far too expensive, and if they just put a small amount of gold in the coin, and have it at least the size of a nickle, then it will not have much of a shine and will not be worth turning out.

All the people who will have these coins will not be coin collectors and willing to sell them for whatever excess value they might have, in the future even though it might eventually go over the current $80. Many of them, I would think, would melt them down for their value now.

Mr. HATFIELD. Mr. President, if the Senator will yield, I have here a sample of a gold coin in the form of a cuff link. This coin is about the size of our own nickle, and is 0.900 fine.

I am not advocating that, nor is the Secretary of the Treasury directed to make it 0.900 fine. If we went for .667 fine, there would be $15 worth of gold in the coin we would be selling for $25—that is, $15 at the rate of $120 an ounce.

If we want to go up to the total cost of minting the coins, as I indicated a while ago, we would be dealing with gold at a present value of $900 million, and selling them for $1.5 billion.

Mr. HATHAWAY. The Treasury indicates to me that for a coin to be minted for $25, it could contain not more than a sixth of an ounce of gold; otherwise it would be very small, hardly the size of a dime, which is hardly an impressive coin for such an important occasion.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield.

Mr. McCLURE. I appreciate the Senator yielding. I think if the committee were aware, as I think they certainly were made aware, about the kinds of gold coins that have been turned out in the past in this country, they would be aware that there have been some very small gold coins turned out, not by the U.S. mint but by the State of California in particular, a coin smaller than my little fingernail, and yet it has a value in the market and has been held by people for many, many years.

I see no reason at all why such a coin has to be a certain size in order to be of value. If indeed the Senator is correct, and I do not question what he says about the size of a coin with a sixth of an ounce and two-thirds fine, if that is the Treasury's judgment, in that case the kind of coin that should be turned out is a $25 gold piece. What else has not shrunk around here as far as value is concerned? If we get the coin down to that size and it is worth the price on it, I am sure it would be a worthy addition to the commemoration of the Bicentennial of this country.

I have some other remarks to address generally to the bill with respect to what I think is a crying need to really suitably commemorate the Bicentennial. We are doing very little, and I think that to act as we are acting here, and provide that there be a limited edition of a very worthy coin for a very worthy purpose, at a profit to the Government, certainly ought to have the support of the Senate

Mr. HATHAWAY. Mr. President, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I associate myself with the Senator from Maine in opposing the amendment offered by the Senator from Oregon.

It should be noted that the minting of the gold coins which would be authorized here would require 10 million ounces of gold, even using the small amount of a sixth of an ounce of gold for every coin. This represents more gold than is used by all American industry in nearly 18 months. There is no justification for converting that amount of gold under present market conditions.

The total industrial demand for gold in the United States now totals in excess of 7 million ounces and is steadily rising. About 80 percent of this total must be supplied by imports of gold from abroad. At present prices, this has an adverse effect on our trade balance of over $600 million a year.

Industrial users have been urging limited sales by the Government, and they point out that this would at least partially offset current large gold imports. Under these conditions, it would make much more sense to make 10 million ounces of gold available to American industry than to mint 60 million coins. So I am hopeful that the amendment will be defeated. With the continuing adverse impact on our balance of trade, I think all we would be doing is producing a very small coin for the benefit of a few collectors, and I do not think that is necessary or justified under the circumstances.

I hope the amendment will be defeated.

Mr. DOMINICK. Mr. President, will the Senator from Oregon yield to me?

Mr. HATFIELD. I am happy to yield to the Senator from Colorado.

Mr. DOMINICK. Mr. President, I came in a little late on this and did not hear the original statement of the Senator from Oregon, but I have been fascinated in listening to the arguments since from the Senator from Texas and the Senator from Maine, both of whom I hope are good friends of mine.

If I may say so, realizing the position they are supposed to be following, both in the committee and also for the administration, the arguments they are making, in my opinion, are purely specious.

We do not have a situation where we are saying to the Treasury, "Mint them now." What we are saying in the bill itself, which they produced, is to mint them between July 4 of 1975—which is 2 years from now—and the following year, at which time hopefully the gold market will have stabilized to some degree. If it has not, we are playing poker with it anyhow, regardless of whether we mint gold coins or not.

So the question of the fact of whether the market is up or down at the moment does not seem to me to make a particle of difference. If we should mint gold coins during that time, and let us suppose the gold market stays at $125 an ounce, which I think is a little above what it is now, and we have a gold centennial coin made which is worth, probably, intrinsically, $15 or $25, as the Senator says, it is totally possible, with this measure, that if some of those gold coins were not circulated and were not sold, the Treasury itself could sell them overseas for twice their face value, so we could make some money and do something about the balance of payments.

It surely strikes me that all we are doing is saying, "Let us do something for the Bicentennial," which would mean that those people who would like to have a gold coin can have a gold coin and hang onto it, and those who do not want it do not have to buy it, and if the Treasury has more than it needs for domestic sales, it can sell them somewhere else, rather than here, and make some money on it.

What is the matter with that? It seems to me we have plenty of gold to do it, and I see no reason why we should not move forward. So I wholeheartedly support the amendment of the Senator from Oregon.

Mr. HATFIELD. Mr. President, I thank the Senator from Colorado, who has been a long-time leader in this whole area of gold ownership.

I would also respond to the Senator from Texas by saying we have in Fort Knox quite a gold supply, and much of that gold supply is melted down gold coins which were collected, and in a sense you might say confiscated, from the American public. So consequently we do have a supply of gold sufficient to meet the needs of this amendment. I do not understand why the Senator from Texas would support the language in the committee bill, which is authorizing the minting of a gold coin, and then use the argument he used. We are asking that the language be given some meaning by adding the words "and directed." Either the language should not have been in the bill in the first place, and the arguments of the Senator from Texas are valid, or there should be some meaning given to the words by using the mandated language of my amendment. We know that without a mandate the Treasury will not issue a gold coin.

Either the committee was talking out of both sides of its mouth or it was not meaning what is in this bill when it indicated it was authorizing the minting of a gold coin. It seems to me that the committee should not have put section 3 into the bill in the first place with the present language, unless they felt it was just a gracious act on the part of some of the members for those of us who have been urging a gold coin.

Mr. TOWER. Mr. President, as I have been charged with talking out of both sides of my mouth, I think I had better clarify matters a little bit. I believe that that permissive language is fine. I believe that if at some point in time the Treasury decides it would be profitable, proper, or appropriate to coin a gold coin, it could do so. But to mandate them to do it now, with the present unsettled world monetary gold situation, would be an act of irresponsibility on the part of the Senate.

It has been suggested that we would make a lot of money out of it. Obviously, the Treasury does not buy that argument or it would be making gold coins now. Certainly the Treasury Department would not ask us not to allow them or not to direct them to do something that would result in expanding the Federal coffers. So I do not accept that argument.

The flexibility of the bill as it currently is, is as it should be, and if at some point in time the Treasury decides it would be profitable or appropriate to mint a gold coin, they could do so, but to direct them to do it against their wishes would seem to me to be unwise.

Mr. TAFT. Mr. President, I want to subscribe to the remarks of the Senator from Maine and the Senator from Texas and particularly to point out that I think we are buying more of a pig in a poke here if we take the Hatfield amendment at this point, as commented on by the Senator from Colorado, when he said that we are not directing them to do it now but in 1975.

Well, Mr. President, how can we predict, with the mandatory provision in here, what the situation will be in 1975 or 1976? It may be a very drastic situation at that time, perhaps worse—maybe better. Who knows? But why, at this time, go ahead and make such a direction? It is true that there is lead time involved here but, at the same time, I believe it would be a risky proposition to take this kind of mandatory stand now. That is exactly why the committee, when I offered a similar amendment on behalf of the Senator from Oregon, turned it down, I think, to a man.

Mr. HATHAWAY. Mr. President, I thank the Senator from Ohio for his comments.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Abourezk). All time has been yielded back on the amendment.

The question is on agreeing to the amendment of the Senator from Oregon (Mr. Hatfield).

Mr. HATFIELD. Mr. President, I have not yielded back my time. Did we not divide the time?

Mr. TOWER. I would be glad to give the Senator time on the bill.

The PRESIDING OFFICER. All time on the amendment has been used up.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Oregon (Mr. Hatfield).

The "ayes" appear to have it.

Mr. TOWER. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 316

Mr. DOMINICK. Mr. President, I call up my amendment No. 316 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> At the end of the bill as reported by the committee, add the following new section:
>
> Sec. 7. (a) Sections 3 and 4 of the Gold Reserve Act of 1934 (31 U.S.C. 442 and 443) are repealed.
>
> (b) No provision of law in effect on the date of enactment of this Act, and no rule, regulation, or order under authority of any such law, may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing in gold.
>
> (c) Any sale of gold by the Secretary of the Treasury shall be at a price not lower than the average private market price for gold, for the same quantity in the month immediately preceding the date of such sale.
>
> (d) The provisions of this section, pertaining to gold, shall take effect on January 1, 1975, or on the date prior thereto when the President finds and reports to the Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States international monetary position.

Mr. DOMINICK. Mr. President, I want to thank the manager of the bill and also my good friend from West Virginia (Mr. Robert C. Byrd) for allowing this amendment to be presented at this time because probably, in the ordinary course of events, under a unanimous-consent agreement, it might not have been considered germane; but under the ruling of the Chair, we had a specific exception for this amendment.

What the amendment would do is similar to what Senator McClure and I did on the devaluation bill; namely, to allow American citizens for the first time since 1933 to buy and own and sell gold.

At the present time, 70 nations allow their citizens to own gold. Among them are some of this country's most serious trade rivals—which include Japan, Taiwan, Canada, France, and so forth.

The United States remains on the outside with an anachronistic policy preventing its own citizens from owning gold. The time has come to do away with this antiquated policy, and Senator McClure, Senator Buckley, and I have, therefore, offered this amendment.

The purpose of the amendment is very simple. It is to restore to the citizens of this country the right to own gold on or prior to January 1, 1975. The amendment would restore the right by January 1, 1975, but also would allow the President to restore it sooner if he determined that world market conditions could permit it.

As Members of this body know, my interest in this issue covers a considerable period of time. Early in this year, I was pleased to vote for and cosponsor Senator McClure's amendment to the devaluation bill which was overwhelmingly passed by this body; but its target date by which time gold ownership would be legalized has not survived in conference.

Today, we have close to $11 billion in Treasury gold; so that fear of depleting the stocks utilized for converting dollars to gold is not really a valid objection to private ownership. Imports of gold last year exceeded 4 million ounces. At the present price level—which I gather is not $125 but is $123.25 an ounce, still substantially above the $35 an ounce we have had for 40 years—gold imports contribute to our balance-of-payments problem.

In 1972, estimated domestic production, for example, was 1.45 million ounces, off 3 percent from 1971. It has been estimated that if the price were to go up to $140 an ounce, 237 million ounces of gold could be privately mined in this country. If actual market forces were allowed to set the price of gold in the country, a price could be realized which would encourage new and increased production for fulfilling the gap between domestic supply and demand.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. JOHNSTON. As the Senator knows, I have an amendment to the amendment at the desk. If he prefers, I will offer it at this time, or if he wishes to finish his statement I will offer it later. I will accommodate the Senator.

Mr. DOMINICK. If the Senator would not mind, I would like to continue a little on the discussion, and then we can get to the amendment.

Since 1933, when President Roosevelt issued his series of executive orders, it has been illegal for every citizen of this country to own, buy, or sell gold unless licensed by the Treasury for specific artistic, commercial, or industrial purposes. This was based on the fact that we had gold behind the dollar. But we no longer have gold behind the dollar. The President, by similar executive order, has taken that away; so that even foreign countries transmitting dollars back to us no longer can exchange them for gold. I am eternally grateful that this happened, because if it had not, we would no longer have any gold in our Treasury.

We have a total overseas liability, in terms of dollars, of more than $50 billion, and we have somewhat less than $11 billion worth of gold reserved. That is not a very healthy margin in case we have a run on our gold supply. So the President took this action to prevent us from being in worse shape than we are in now.

Therefore, since it is no longer used for money, the only place where gold can be used is probably in the discussions on the International Monetary Fund. The next conference of the International Monetary Fund, as I recall, is to be in September. When we passed the bill a couple of months ago or a month ago, what was said was that we would put the date over to January 1, 1974, so that that conference could go by without interrupting the world problem of international monetary funds. In this amendment, we have extended it even further. We have extended it to January 1, 1975, unless the President wants to make it earlier than that.

The only other provision we have in the amendment which I think is important is that the Secretary of the Treasury can sell gold out of the reserve we have, but he cannot sell it at a price lower than the average monthly price—private market price for gold—for the same quantity in the month preceding the date of the sale. This is for the purpose of not letting the Treasury suddenly unleash $11 billion of gold on the private market at cut rates. This would make no point at all.

Mr. President, all the arguments that have been made by Treasury and others over a period of years—I have been in this matter for so long that it makes my head swim—are no longer viable as long as we are not using gold for any monetary purposes.

Furthermore, by permitting the Treasury to sell, we can substantially help our balance-of-payments problems, which are becoming increasingly serious, while we continue to find ourselves in a position where we are going to have to import more oil and gas. Of all the nations I know, the ones that are most eager to lay their hands on gold are those in the Middle East, because they do not trust paper currency in any way whatever. This would give us a chance, in that case, to negotiate with them. So it is another plus on our side in this matter.

I really cannot understand why we should not go forward with this proposal. Senator McClure's amendment was agreed to. It is hung up in conference. This amendment does not substantially change that, except to allow a longer period of time before gold would become eligible for sale.

But I think the really important thing, Mr. President, is a moral issue. It is a moral issue that has bothered me for years. Why should the citizens of France and Taiwan and Japan and Germany and England, and even many of the African countries and the Middle East countries, be allowed to buy, own, and sell gold, but our own citizens, in our own country, be prohibited from doing so? If I ever heard of arrant discrimination, this is it.

As I have said, this might have been a legitimate reason—although I really did not think so—as long as we had the monetary position of gold. Now that we no longer have a monetary position of gold, there is no excuse for it whatever, in my humble opinion.

Mr. BIBLE. Mr. President, will the Senator yield for an observation and a question?

Mr. DOMINICK. I am happy to yield.

Mr. BIBLE. I wish to associate myself with the remarks of the distinguished senior Senator from Colorado. I have joined him in this constant battle on the ownership of gold over many, many years. To date, we have been unsuccessful. It was agreed to a short time ago in the Senate, as I believe he noted, and I see that it is locked up in conference. It went to conference on May 30 or 31. I do not believe the conference has resolved this point. Is that correct?

Mr. DOMINICK. The Senator is correct, except that they have said that the absolute due date of January 1, 1974, has been taken away and is left more or less to the discretion of the President because of the so-called world monetary situation, which is why we extended it to January 1, 1975.

Mr. BIBLE. That is my question. Is there any indication since it has been extended to January 1, 1975, that there is greater likelihood of the conferees resolving the matter and sending the bill to the White House for its action?

Mr. DOMINICK. I never like to give away tactics, I say to my friend from Nevada, but I intend to put this provision on every single bill that comes through until we get some motion on the other side. We have given another year and a half to try to settle whatever the world monetary situation may be. To that extent we have gone along with the Treasury by at least a year.

Mr. BIBLE. Mr. President, I commend the distinguished Senator for offering the amendment. I am agreeable to putting the amendment on every bill that comes along, to try to find some accord where it can be enacted into law. The Senator is morally correct and I hope that this can be enacted into law. I associate myself with the statement of the Senator from Colorado and with his permission I would like to be added as a cosponsor of the amendment.

Mr. DOMINICK. I would be highly honored to have the Senator added as a cosponsor of the amendment. He has been a longtime leader in this field. We battled shoulder to shoulder in the silver and the gold problem and we have been doing it for years. Now that we have gotten the silver straightened out, I hope we will be able to resolve the gold problem.

Mr. TOWER. Mr. President, the Senator is aware that the amendment to the Par Value Act was carried and is in the bill, and that bill is in conference. There was a gold ownership provision in the House bill and that has been included in conference. Other matters are delaying that bill from being reported from the conference, connected with an impounding provision that the Senate and the House are unable to agree on, but I am sure the logjam will be broken. That provision is in the bill so it appears to me to be a bit redundant to offer it to this bill.

Mr. DOMINICK. I understand the comment of the Senator from Texas but as he said, the conference provision cut the January 1, 1974, date and said it is totally up to the discretion of the President. This is not in accord with what I understand we are trying to do in the Senate.

Mr. TOWER. No. If my recollection is correct, as I understand the bill in conference, the provision is as the Senator from Colorado has offered here to this bill, and that is that the terminal date, I believe rather than January 1, is December 31, 1974. But, of course, that is not important or significant. It does permit the President to act sooner if the international monetary situation permits, so it is identical to the measure offered by the Senator from Colorado.

Mr. DOMINICK. If that is true then we have another bill we can put it on, on which we have a better chance to get something from conference.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. McCLURE. Mr. President, I commend the Senator from Colorado for attaching this to the bill because it will give Members of the Senate a chance to act again. The vote in the Senate was overwhelming. As I recall, it was 68 to 23 on my earlier amendment on the par value bill. If the conferees come out with the compromise suggested by backing the date with the earlier discretion on the part of the President, I would be grateful. I commend the Senator.

In connection with the statement by the Senator from Texas, I understood that the conferees decided to accept the House position, which was to leave it at the discretion of the President with no fixed date at all. So I am heartened by the statement of the Senator from Texas that the conferees did leave a date certain, even though it is the end of 1974 instead of the end of 1973.

But regardless of whether the conference produces that result in the bill, certainly if they do this does no harm. We will have done exactly on this bill what they will have done on the par value bill. It may be redundant, but it is not harmful. So in spite of that action on the par value bill, this is still an appropriate measure, and I again commend the Senator from Colorado for continuing the fight he has led for so long.

Mr. CURTIS. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I will yield in a moment. Before doing so, I desire to thank the Senator from Idaho (Mr. McClure) for his kind word and for his leadership on the previous bill. As he knows, I would have been in that fight except that I had an agreement with the Senator from Alabama and the Senator from Louisiana (Mr. Johnston) that we hold hearings. The Senator from Louisiana has been very kind and has held hearings, and we now have a hearing record behind us. But that bill does not seem to be making much progress, so I am trying again on this bill.

I now yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I commend the Senator from Colorado for offering the amendment. I would be pleased to join him as a cosponsor.

Mr. DOMINICK. I thank the Senator from Nebraska.

Mr. President, I ask unanimous consent that the Senator from Nebraska (Mr. Curtis) and the Senator from Nevada (Mr. Bible) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, in view of the fact that the Senate has agreed unanimously to vote at 12:30 on Senate Resolution 71, I should like to suggest to Senators interested in the pending matter that they consider the possibility of laying it aside before its completion and then returning later to its consideration.

Mr. TAFT. Mr. President, will the Senator yield to me for 1 minute, to enable me to make a unanimous-consent request?

Mr. MANSFIELD. I yield.

Mr. TAFT. Mr. President, I have a substitute for the Dominick amendment at the desk. I intend to call it up later. It would provide that the President may, before January 1975, terminate the effectiveness of this provision should the President find that it adversely affects our international monetary situation.

I ask unanimous consent that it may be in order to order the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DOMINICK. Mr. President, reserving the right to object, I should first like to ask unanimous consent for the yeas and nays on the Dominick amendment.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I now ask unanimous consent that it be in order to ask for the yeas and nays on the Taft amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, because of the agreement made yesterday that a yea-and-nay vote would be taken on calendar No. 255, Senate Resolution 71, I ask that S. 1141, which is now before the Senate, be temporarily laid aside until the conclusion of the vote on Senate Resolution 71. I ask unanimous consent that Senate Resolution 71 now be laid before the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

GEOPHYSICAL MODIFICATION ACTIVITY AS A WEAPON OF WAR

The Senate proceeded to consider the resolution (S. Res. 71) expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty prohibiting the use of any environmental or geophysical modification activity as a weapon of war, or the carrying out of any research or experimentation directed thereto, which had been reported from the Committee on Foreign Relations with amendments on page 2, line 3, after the word "governments", insert "including all Permanent Members of the Security Council of the United Nations"; in line 4, after the word "to", strike out "the following" and insert "a"; in line 5, after the word "treaty", insert "along the following general lines which will provide"; at the beginning of line 6, strike out "providing"; and, on page 3, line 10, after the word "war", insert a comma and "but shall not apply to any research, experimentation, or use for peaceful purposes".

Mr. PELL. Mr. President, the resolution before the Senate, Senate Resolution 71, is an effort to spare humanity from the devastation of a whole new spectrum of warfare—environmental warfare. The resolution urges that the United States take the lead in seeking an international agreement that will effectively lock the Pandora's box of environmental warfare before it is too late.

The prospective range of environmental warfare techniques is awesome, from simple rainmaking to possible earthquake stimulation, steering of ocean currents, or tidal wave stimulation. Aside from the direct destructive effects of such activities, there is the danger of unforeseeable repercussions from such tampering with natural forces.

Mr. President, the enormous power and capricious behavior of the environment has amazed and terrified man throughout the ages. Its vast and destructive powers have launched him on a relentless search for an effective method to harness its overwhelming forces. Once achieved, this ability to control and manipulate the environment will provide him with a means to wreak untold and indiscriminate damage upon his fellow human beings.

Although our present understanding and development of deliberate environmental change makes it difficult to imagine a world in which geophysical warfare is practiced, substantial progress within the environmental sciences is rapidly overcoming this gap between fact and fiction.

A dramatic example was the Defense Department project entitled Gromet II. This operation was undertaken to alleviate the severe drought conditions in the Philippine Islands during 1968 and 1969. After only 2 months of cloud seeding, it was estimated that the project had produced more than 12 million acre-feet of rainfall and increased the value of the sugar crop by approximately $43 million. This project was so successful that the Philippine Government conducted similar operations in 1970 and 1971, and has subsequently taken steps to acquire an independent capability to annually augment its rainfall.

This project is an excellent indication of the extent and proficiency of the military's ability to modify the environment. Consequently, over the past several years, scientists, international lawyers, and others have expressed serious concern about the growing possibilities for manipulating weather and other environmental components for military purposes. It is generally believed that the development and use of military modification techniques, without limitation, could have unknown and awesome environmental consequences.

These concerns are based on more than mere hypothetical possibilities. There have been a number of unofficial reports, which the Department of Defense has failed to deny, that weather modification techniques were, in fact, utilized in Southeast Asia as a weapon of warfare. In my own mind, there is no doubt that the United States did indeed conduct weather modification operations in Southeast Asia. And, I would be very much surprised if some of the other superpowers have not taken steps to develop their own offensive military weather modification capabilities.

As the Foreign Relations Committee report states:

> The use of rainmaking as a weapon of war can only lead to the development of vastly more dangerous environmental techniques whose consequences may be unknown and may cause irreparable damage to our global environment.

This is why I believe that the United States should move quickly to ban all environmental or geophysical modification techniques from the arsenals of war.

At the present time, the United States is void of any enunciated policy in this area. In the absence of such a policy, the path is left open to the planning, development, and prosecution of environmental warfare. Restraints should be exercised now before damaging precedents are set.

It was because of the existing void in policy that I introduced Senate Resolution 71 on February 22 of this year, for myself and Senators Bayh, Case, Church, Cranston, Gravel, Hart, Hollings, Hughes, Humphrey, Javits, Kennedy, McGovern, Mondale, Muskie, Nelson, Stevenson, Tunney, and Williams.

As chairman of the Subcommittee on Oceans and International Environment of the Senate Foreign Relations Committee, I conducted hearings on this subject in June of 1972. At that time, the administration witnesses opposed this resolution on the basis that there is not enough information available about weather modification to warrant the actions proposed by this legislation. However, all the private witnesses, prominent in the fields of natural and political science, strongly supported the basic thrust of this resolution.

Since those hearings, there has been growing support within this country and throughout the world for an agreement on this subject.

On September 27, 1972, the National Advisory Committee on Oceans and Atmosphere—NACOA—in its first annual report recommended to the President and to the Congress that the U.S. Government dedicate "all weather modification efforts to peaceful purposes."

The North Atlantic Assembly at its 18th meeting in November 1972, recommended a treaty to ban all environmental or geophysical modification except for peaceful purposes.

And in late December 1972, the Review Panel on Weather and Climate Modification of the National Academy of Science's Committee on Atmospheric Sciences, made public a report recommending that the United States take international leadership through the United Nations to dedicate all weather modification efforts to peaceful purposes.

Consequently, I believe that the United States has a responsibility to provide leadership, and we in the Senate must provide the initiative.

There is ample precedent for this form of action. The United States has entered into agreements with other nations on mutual restraints with respect to biological warfare, nuclear bombs, and poison gas. We, as a nation, have declared certain areas such as outer space and the seabed as off limits for certain military operations. Certainly, weather and geophysical warfare can be placed into a similar category.

I, therefore, continue to urge the President publicly to dedicate all weather modification efforts to peaceful purposes and that the United States take the initiative in formulating a treaty imposing a broad ban on all forms of geophysical and environmental warfare. Such a treaty would help safeguard the life-sustaining properties of the atmosphere for the common benefit of all mankind and would encourage a greater sense of openness in the application of new technologies to environmental problems of global concern.

Mr. President, as of August 15, 1973, the military conflict in Southeast Asia will be behind us. We are now looking toward an era of increased international harmony and cooperation. Indeed, the President in his missions to Moscow and Peking concluded agreements for cultural exchanges and for cooperative efforts in medicine, space, and other endeavors. I believe an international effort to restrict environmental modification to peaceful and hopefully cooperative efforts would be another important step in building the structure of peace the President has envisioned.

The international climate is right for action to remove environmental modification once and for all from the realm of warfare and reserve it, once and for all, for peaceful purposes.

I urge my fellow Senators to take initiative in this area and to support this resolution.

Mr. MANSFIELD. Mr. President, I move that the committee amendments be agreed to.

The motion was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the resolution. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The result was announced—yeas 82, nays 10, as follows:

[No. 275 Leg.]

YEAS—82

Abourezk
Aiken
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Eagleton
Eastland
Ervin
Fong
Fulbright
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Mansfield
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Stevenson
Symington
Talmadge
Tower
Tunney
Weicker
Williams
Young

NAYS—10

Allen
Cotton
Curtis
Dominick
Fannin
Hansen
Johnston
Saxbe
Taft
Thurmond

NOT VOTING—8

Bennett
Goldwater
Griffin
Magnuson
Mathias
McGee
Sparkman
Stennis

So the resolution (S. Res. 71) was agreed to.

The preamble was agreed to.

The resolution, as amended, with its preamble, reads as follows:

Whereas there is vast scientific potential for human betterment through environmental and geophysical controls; and

Whereas there is great danger to the world ecological system if environmental and geophysical modification activities are not controlled or if used indiscriminately; and

Whereas the development of weapons-oriented environmental and geophysical modification activities will create a threat to peace and world order; and

Whereas the United States Government should seek agreement with other governments on the complete cessation of any research, experimentation, or use of any such activity as a weapon of war: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States Government should seek the agreement of other governments, including all Permanent Members of the Security Council of the United Nations, to a treaty along the following general lines which will provide for the complete cessation of any research, experimentation, and use of any environmental or geophysical modification activity as a weapon of war:

"The Parties to this Treaty,

"Recognizing the vast scientific potential for human betterment through environmental and geophysical controls,

"Aware of the great danger to the world ecological system of uncontrolled and indiscriminate use of environmental and geophysical modification activities,

"Recognizing that the development of weapons-oriented environmental and geophysical modification techniques will create a threat to peace and world order,

"Proclaiming as their principal aim the achievement of an agreement on the complete cessation of research, experimentation, and use of environmental and geophysical modification activities as weapons of war,

"Have agreed as follows:

"ARTICLE I

"(1) The States Parties to this Treaty undertake to prohibit and prevent, at any place, any environmental or geophysical modification activity as a weapon of war;

"(2) The prohibition in paragraph 1 of this article shall also apply to any research or experimentation directed to the development of any such activity as a weapon of war, but shall not apply to any research, experimentation, or use for peaceful purposes;

"(3) The States Parties to this Treaty undertake not to assist, encourage or induce any State to carry out activities referred to in paragraph 1 of this article and not to participate in any other way in such action.

"ARTICLE II

"In this Treaty, the term 'environmental or geophysical modification activity' includes any of the following activities:

"(1) any weather modification activity which has as a purpose, or has as one of its principal effects, a change in the atmospheric conditions over any part of the earth's surface, including, but not limited to, any activity designed to increase or decrease precipitation, increase or suppress, hail, lightning, or fog, and direct or divert storm systems;

"(2) any climate modification activity which has as a purpose, or has as one of its principal effects, a change in the long-term atmospheric conditions over any part of the earth's surface;

"(3) any earthquake modification activity which has as a purpose, or has as one of its principal effects, the release of the strain layers beneath the earth's crust;

"(4) any ocean modification activity which has as a purpose, or has as one of its principal effects, a change in the ocean currents or the creation of a seismic disturbance of the ocean (tidal wave).

"ARTICLE III

"Five years after the entry into force of this Treaty, a conference of Parties shall be held at Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the preamble and the provisions of the Treaty are being realized. Such review shall take into account any relevant technological developments in order to determine whether the definition in Article II should be amended.

"ARTICLE IV

"1. Any Party may propose an amendment to this Treaty. The text of any proposed amendment shall be submitted to the Depositary Governments which shall circulate it to all parties to this Treaty. Thereafter, if requested to do so by one-third or more of the Parties, the Depositary Governments shall convene a conference, to which they shall invite all the Parties, to consider such an amendment.

"2. Any amendment to this Treaty shall be approved by a majority of the votes of all the Parties to this Treaty. The amendment shall enter into force for all Parties upon the deposit of instruments of ratification by a majority of all the Parties.

"ARTICLE V

"1. This Treaty shall be of unlimited duration.

"2. Each Party shall, in exercising its national sovereignty, have the right to withdraw from the Treaty if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its country. It shall give notice of such withdrawal to all other Parties to the Treaty three months in advance.

"ARTICLE VI

"1. This Treaty shall be open to all States for signature. Any State which does not sign this Treaty before its entry into force in accordance with paragraph 3 of this Article may accede to it at any time.

"2. This Treaty shall be subject to ratification by signatory States. Instruments of ratification and instruments of accession shall be deposited with the Governments of the United States of America, ———, and ——— which are hereby designated the Depositary Governments.

"3. This Treaty shall enter into force after its ratification by the States, the Governments of which are designated Depositaries of the Treaty.

"4. For States whose instruments of ratification or accession are deposited subsequent to the entry into force of this Treaty, it shall enter into force on the date of the deposit of their instruments of ratification or accession.

"5. The Depositary Governments shall promptly inform all signatory and acceding States of the date of each signature, the date of deposit of each instrument of ratification of and accession to this Treaty, the date of its entry into force, and the date of receipt of any requests for conferences or other notices.

"6. This Treaty shall be registered by the Depositary Governments pursuant to Article 102 of the Charter of the United Nations."

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On July 1, 1973:

S. 1201. An act to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes;

S. 1386. An act to authorize appropriations for the saline water program for fiscal year 1974, and for other purposes; and

S. 1501. An act to amend the Water Resources Planning Act to provide for continuing authorization for appropriations.

On July 6, 1973:

S. 1808. An act to apportion funds for the National System of Interstate and Defense Highways and to authorize funds in accordance with title 23, United States Code, for fiscal year 1974, and for other purposes;

S. 1972. An act to further amend the United States Information and Educational Exchange Act of 1948;

S. 1994. An act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S.J. Res. 128. Joint resolution to provide for an extension of certain laws relating to the payment of interest on time and savings deposits.

REPORT OF THE ECONOMIC STABILIZATION PROGRAM—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. ABOUREZK) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

I am herewith submitting to the Congress the most recent Quarterly Report of the Economic Stabilization Program, covering the period January–March 1973.

This report indicates that during this quarter our economy was making strong, impressive gains. Our national output grew at an annual rate of $43 billion. Some 600,000 more men and women obtained jobs. Real per capita disposable income—what people have left to spend after paying for taxes and adjusting for inflation—continued to rise, reaching a record high.

During this same period, while America's rate of inflation was lower than other major industrial nations, it is also clear that the rate was far higher than it should have been. There was an unexpectedly rapid increase in prices during the quarter, primarily in agricultural products.

The acceleration of price increases during the quarter led, in part, to my actions on June 13 to impose a price freeze for a maximum of 60 days. This freeze will be followed by Phase IV, a system of controls which will be designed to curb our recent bout of inflation while also preserving the gains we have made in other sectors of our economy. My ultimate goal—a goal I believe we can and must meet—is to return this country to a strong and free market system.

RICHARD NIXON.

THE WHITE HOUSE, *July 11, 1973.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. ABOUREZK) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations received today, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7528) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 8510) to authorize appropriations for activities of the National Science Foundation, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TEAGUE of Texas, Mr. DAVIS of Georgia, Mr. SYMINGTON, Mr. HANNA, Mr. MOSHER, Mr. BELL, and Mr. WYDLER, were appointed managers on the part of the House at the conference.

BICENTENNIAL COINS

The Senate resumed the consideration of the bill (S. 1141) to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars and half dollars.

The PRESIDING OFFICER (Mr. HOLLINGS). The question is on agreeing to the amendment of the Senator from Colorado.

The Senator from Maine is recognized.

Mr. HATHAWAY. Mr. President, I am going to vote against the amendment, not because I am not convinced by the Senator from Colorado of the merits of the amendment, but because I recall that when the matter was brought up previously the chairman of the Committee on Banking, Housing and Urban Affairs informed the Senator from Colorado that the committee would hold full and extensive hearings on this matter.

I personally have not had the benefit of hearing the Treasury Department witnesses testify with respect to their views on this matter. I certainly would like to have the benefit of those hearings before making a final judgment on the matter, although as I said at the outset of my remarks, I am very much impressed by the argument of the Senator from Colorado and others who support the amendment. Furthermore, as has been indicated by the Senator from Texas, this matter is already in conference and the chances of getting the amendment that the Senator from Colorado wants appear to be very good at this time.

My third argument is that the mint needs as much time as possible in order to get these coins out and get them into circulation for the bicentennial. They intend to hold a contest which will take several months for people throughout the country to submit a design that would be used on the reverse side of the dollar, half dollar, and the quarter. That would take a considerable amount of time.

If the amendment of the Senator from Colorado is in the bill, it is my understanding that that could bring about a veto on behalf of the administration. That would delay the passage of the bill. We might get into September or October before we finally succeed in getting the bill signed by the President. So we would be holding up the mint in its effort to get these coins out as soon as possible.

Mr. President, I will be glad to yield to the Senator from Colorado.

Mr. DOMINICK. Mr. President, I want to state for the record that the Senator from Louisiana, through the courtesy of the Senator from Alabama, did hold hearings. The hearings have been completed.

Second, I would say that the Senator from Louisiana has a bill which is somewhat similar to this, although I think he has one other provision in it.

Third, there has been no indication of a veto. The Treasury does not like this idea, and they do not like anything that has to do with the word "gold" and have not since 1933.

Mr. TOWER. Mr. President, will the Senator yield

Mr. HATHAWAY. Mr. President, I yield 4 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, the present amendment is not one which I wish to oppose as a philosophical matter, but the pragmatics of tough negotiations in the international monetary and trade arenas make it the wiser course of action right now to postpone introducing this note of additional uncertainty into the monetary situation. The price of gold has raced to unwarranted heights in recent months, both spurred by, and serving to increase, an economically unjustified climate of fear about the status of the dollar. All of this speculation may not be economically justified, but once this type of monetary suspicion develops, it is difficult to correct, nonetheless. We do not need another devaluation. We do not need to add further instability to the gold-dollar relationship by opening up at this critical time the outflow of dollars for the purchase of gold. The upward spiral of the dollar price of gold, even if substantially matched by similar increases in foreign currency prices of gold, will only serve to shake the faith of dollar holders around the world and to help cause further unloading of dollars for foreign currencies.

Our committee has reviewed this subject closely over the past year and a half. I do not believe that there is anyone on the committee who opposes the removal of the statutory restriction on gold ownership. The only question is, What is the proper timing for this action? We are about to participate in another annual meeting of the International Monetary Fund this fall, where many of the troublesome areas of the present state of monetary affairs will be discussed and, hopefully, resolved. Our representatives do not want to have the potentially destabilizing action of a change in U.S. policy in regard to gold ownership thrown into the midst of this meeting. Once a normalized monetary system is restored that is based on a sound, self-adjusting mechanism that will deter periodic, massive speculation against the dollar and the fixed rate system, we can open up private gold ownership without any problem.

So I would argue to the Senator that, while the purpose of his amendment is a worthy one and one which I support in principle, the timing of the amendment will be troublesome to our representatives in trying to restore order in currency markets and in negotiating the future structure of the international monetary system. We should restrain congressional action in this sphere at present to perhaps a resolution of intent to remove the gold ownership restriction at such time as good order is restored to the monetary system, which is essentially the type of approach decided upon in the House-Senate conference on the devaluation bill which is yet to be reported.

I hope, then, that the Senate will reject the amendment of the Senator from Colorado, not because it is not a worthy amendment—it is—but because the timing at the moment is bad.

Mr. HATHAWAY. Mr. President, I yield back the remainder of my time on the amendment.

Mr. JOHNSTON. Mr. President, I call up an amendment to the amendment. I have my amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, after line 1, of amendment No. 316 insert the following:

(e) The joint resolution of June 5, 1933 (31 U.S.C. 463) shall remain in full force and effect.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself such time as I may require.

The amendment is quite simple. It prohibits the use of gold as public tender for debts, and prohibits the making of contracts with reference to the price of gold. This has been in the law since 1933.

The Senator from Colorado is correct that the Subcommittee on Production and Stabilization of the Committee on Banking, Housing and Urban Affairs has held extensive hearings on, I think, some six or seven bills suggesting various approaches to the problem of private ownership of gold.

After hearing all the testimony, we came up with a recommendation which was essentially similar to that of the Senator from Colorado, with one main difference, and that is that we have a provision prohibiting the making of contracts based on gold or prohibiting the use of gold as public or private tender.

The reason for that is very simple but very important. We should not have in this country two different kinds of money, two systems of money. And that would be the inevitable result if we allowed gold to be used as tender for debts or as the basis for contracts.

I recently bought a home. I might add, Mr. President, that they are more expensive here than I would like to see. Nevertheless, from the time I made my contract until the time I had to close my loan, if I had been dealing with reference to the price of gold, the price of that home would have gone up dramatically, because during that short time the price of gold had increased significantly.

Like most Americans, when I bought my home I based the price on my ability to pay, based on my salary. Our salaries here in Congress and the salaries of people across America do not rise with the price of gold. Consequently, if we allowed contracts to be made with reference to the price of gold and allowed payment in gold, we would have a dual monetary system. As Gresham's law tells us, the bad money will drive out the good, and soon we would not have much use any more for the dollar; we would have a gold system.

I would like to point out another factor, Mr. President, with reference to the private ownership of gold. Our committee recommended that private ownership be permitted, but we did so with some considerable fear and trepidation. There was strong testimony before our committee that the increased demand for gold caused by permitting private ownership would be of the magnitude of billions of dollars, virtually all of which would be supplied by foreign sources. Surely these foreign purchases would have a serious adverse effect on our balance of payments.

This amendment, which prohibits the use of gold as a standard for private debts, will substantially reduce demand for foreign gold and will reduce any fear that enactment of the bill would throw the balance of payments out of kilter by our having a tremendously increased demand for gold.

I would say even if you are against the bill, the proposed amendment makes the bill a considerably better bill. I also say to my friends who are for the private ownership of gold that they ought to support this amendment not only because of the factors I have just pointed out, but because it gives them an even better chance of passing the bill.

As the Senator from Colorado and the Senator from Idaho are aware, the amendment which was tacked on to the par value modification bill did go to conference, and in conference the bill was essentially gutted in that it left it up to the President, at his sole discretion, as to whether he would allow the private ownership of gold. Most believed that the President, at least in the present state of affairs, would not allow the private ownership of gold.

With this amendment, I think it gives us a real bargaining position to go back to conference and point out that the fears many have about the private ownership of gold would not come about, because of the protection this amendment affords.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. TOWER. I am sure the Senator is familiar with the history of the dual monetary system we had in this country for many years. As relative values changed, we had to readjust monetary values all the time, because when gold was overvalued silver was dormant, and when silver was over-valued gold was dormant, and this was a burning political issue in the United States in many Presidential campaigns of the last century.

I think what the Senator has recommended is certainly sound. We cannot return to a dual monetary system, and the amendment of the Senator from Louisiana would assure that we do not. I would recommend to the administration that they veto this bill if the Dominick amendment is adopted without the amendment of the Senator from Louisiana, because I think it would be very disruptive of our monetary system should we do so.

Mr. JOHNSTON. I thank the Senator from Texas.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the Senator from Idaho.

Mr. McCLURE. I appreciate the Senator's yielding. I want to respond only to one comment that was made with respect to the fact that the proponents of gold ownership ought to accept this amendment, because it would give us a chance to get the bill passed.

I would point out to the Senator that it did pass this body by a vote of 68 to 23. I do not know that we have to enhance the chances beyond that.

I would also point out that it failed to pass in the House of Representatives on a tie vote. That does not mean we have to do much doctoring up to have a chance of Congress expressing its will.

The comment made by the Senator from Texas that he would recommend a veto of it certainly adds an element of truth to what the Senator from Louisiana said, that the signature of the President may depend upon this, but the will of Congress certainly seems to me to be somewhat different than that. But let me say, just in conclusion, that I fail to understand why it is, on the question of gold, that we create a problem that is entirely of our own making. We say that gold is no different than any other commodity on the one side, and then on the opposite side we say that we must treat it differently because it is not just another commodity. I hope that sometime our Treasury Department and the Banking Committees of both House and Senate will recognize the right of the individual citizen of this country to hold any commodity he wishes.

I suggested in testimony before the Senator's subcommittee—and I wish to thank him once again for holding the hearings, as he had assured us that he would—that if the people in my State wanted to make settlements in bags of potatoes or in Louisiana oil, they should have the right to do that.

Indeed, if they wanted to make a settlement in terms of gold, they should have the right to do that, too. If the Government's monetary affairs are so bad, and if the people of the country do not have faith in the dollar, they should be able to express that freely as free people. They should not be constrained by coercion from a government that says to them, in essence, "Our money is no good, therefore we dare not give you the option of making settlements in gold."

I just fail to understand how people who claim to be a free people must express themselves in legislation that would deny them a right which is freely available to other peoples around the world, but is not freely available to the people we claim are the most free in all the world. That is a logic that completely escapes me. I just do not see how it can be justified on any basis at any time. But certainly at a time when we have severed all connection officially between our currency and the gold backing it formerly had, where we can consistently now say, "Oh, gold is just a commodity but, oh no, you cannot own it; or, oh no, you cannot make contract settlements with it," that is a bit of freedom which has been taken away from the American people, and I do not see any justification for it.

Mr. JOHNSTON. Mr. President, let me say that I believe gold is different from an ordinary commodity. It is different because the American people regard it as being different.

What this amendment would do would be to take care of the dangers that were testified to before the committee regarding a dual monetary system. It does not prevent the private ownership of gold. It does not prevent trading in gold. It does not prevent the selling or the purchase of gold, but simply the making of contracts based on gold and the use of gold as money.

With reference to the chances of passing this bill, I would say only that the bill was rejected in the conference committee, and to a large degree, because of well-founded fears of a dual monetary system. This amendment might make it a better bill not only in terms of passage but also a better bill in terms of the possible fears and dangers that private ownership of gold might present.

Mr. DOMINICK. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I yield.

Mr. DOMINICK. I thank the Senator.

Mr. President, I ask unanimous consent that the names of the Senator from Alaska (Mr. STEVENS) and the Senator from Nevada (Mr. CANNON) be added as a cosponsor of my amendment.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, I want to associate myself with what the distinguished Senator from Idaho (Mr. McCLURE) has just said. It may not be legal tender in terms of the law, but at the moment I think that any contract can be written whereby one has to pay in terms of wheat or potatoes or Louisiana oil, as the Senator from Idaho said, or for any other reason.

Therefore, on principle, I would be against the amendment of the Senator from Louisiana, but I am not going to fight it if it will help to get the bill passed.

Mr. JOHNSTON. I thank the Senator from Colorado for saying that he will not fight the amendment. I shall take that to be a backhanded endorsement and I hope I am taking it correctly.

On that, Mr. President, I yield back the remainder of my time.

Mr. HATHAWAY. Mr. President, I yield myself 2 minutes. I want to ask the Senator from Louisiana a question regarding the hearings which were held with respect to the private ownership of gold. Do I correctly understand that no bill was reported from the full committee?

Mr. JOHNSTON. That is correct. We discussed the bill in the full committee and——

Mr. HATHAWAY. The subcommittee.

Mr. JOHNSTON. The subcommittee, yes, and it was discussed in the full committee as well. In view of the fact that a conference was then pending on the McClure amendment, we simply asked our conferees to promote our bill in the conference. It was there rejected in favor of the House version which allowed the President to say yes or no—that is, to exercise complete discretion as to whether there would be private ownership of gold. So we did not formally recommend the bill in view of the fact that a conference was already pending on that issue.

Mr. HATHAWAY. I thank the Senator very much.

I might add, while I am standing here, that although I am not going to support the amendment as offered by the Senator from Colorado, I think that the amendment offered by the Senator from Louisiana definitely will improve that amendment.

Mr. President, I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). All time on this amendment has now expired.

The question is on agreeing to the amendment of the Senator from Louisiana (Mr. JOHNSTON).

The amendment was agreed to.

Mr. TAFT. Mr. President, I call up my unprinted amendment to S. 1141 and offer it as a substitute for the Dominick amendment No. 316. I ask that my amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

As a substitute for the amendment of the Senator from Colorado, insert the following:

SEC. 7. (a) Section 3 and 4 of the Gold Reserve Act of 1934 (31 U.S.C. 442 and 443) are repealed.

(b) No provision of law in effect on the date of enactment of this Act, and no rule, regulation, or order under authority of any such law, may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing in gold.

(c) Any sale of gold by the Secretary of the Treasury shall be at a price not lower than the average private market price for gold, for the same quantity in the month immediately preceding the date of such sale.

(d) The provisions of this section, pertaining to gold, shall take effect on January 1, 1975, unless the President finds and reports to the Congress prior thereto that international monetary reform has not proceeded to the point where elimination of regulations on private ownership of gold may take effect without adversely affecting the United States international monetary position.

Mr. TAFT. Mr. President, I also ask unanimous consent, in view of the adoption of the amendment offered by the Senator from Louisiana (Mr. JOHNSTON) to the Dominick amendment, that my substitute amendment may be added to the Johnston amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I feel that the Dominick amendment has certain dangers in it. It would eliminate any prohibitions on purchasing, holding, selling, or otherwise dealing in gold by American citizens on January 1, 1975, or such prior date as the President determines practicable because international monetary reform has proceeded to the point where this action can be taken without adversely affecting the U.S. international monetary position. My substitute amendment would instead require this action to take place on January 1, 1975, unless the President reports to Congress prior to that date that such action would adversely affect the U.S. international monetary position.

Mr. President, I would point out to the Senate that this is not the administration's position as reported by the House conferees, because my amendment is a compromise between the Dominick amendment and the position of the conferees in the House. It would require affirmative action by the President to set aside the effective date of the language which makes it possible to own or purchase gold.

On the other hand, the House position, as I understand it, would mean that unless the President acted affirmatively, the change in the status of gold would not take place.

By passing the McClure amendment to the devaluation bill, the Senate clearly expressed its desire to eliminate the prohibitions on dealing in gold by private citizens. I believe that if this is to be done, it should be done at a time which does not jeopardize our vital efforts to achieve fundamental international monetary reform and at a time when it is not likely to affect adversely the tenacious position of the United States in international monetary markets. My amendment would allow the will of the Senate to be exercised while insuring that these conditions are met.

Experts in the international monetary field share the concerns which my amendment is designed to alleviate. Dr. Burns, the Chairman of the Federal Reserve Board, had this to say about taking the proposed action at the wrong time—for example, now:

> Mr. BURNS. We would run the risk of doing grave damage to these negotiations because there are some countries in the world which insist on a prominent place for gold in the international monetary system. I don't think we want to rock the boat right now.
>
> There is another factor. If Americans were permitted to buy gold now freely, there is no way of telling what quantity would be purchased. That quantity would have to come from abroad. That would injure our balance of payments at a time when we would or should be bending our energies to improve the balance of payments.
>
> Moreover, our motives, I think, would be questioned. Some foreign governments would feel that we do not care at all about the balance of payments, that what we are seeking is further depreciation of the dollar. That would multiply suspicions, rock exchange markets, and I don't see any good purpose to be served.
>
> Now, if Americans want to hold gold, well, there will be a time for that, but I don't think that time has yet come. I honestly don't think that many Americans will be deprived of anything very precious if there is delay by the Congress in acting on this proposal.
>
> * * * * *
>
> Mr. BURNS. Well, it would certainly cause a great deal of excitement on foreign exchange markets. What we want now is tranquillity in those markets rather than turbulence.

Going further than that, the General Counsel of the Treasury also wrote to the Honorable JOHN SPARKMAN, chairman of the Committee on Banking, Housing and Urban Affairs, as follows, in part:

> In this context, the premature lifting of restraints on the individual ownership of gold would inject a further speculative element into the present international monetary situation, and could delay progress toward basic reform. As the development toward reduced dependence on gold in the monetary system continues, and is incorporated in the structure of the new monetary system, it will be possible to give sympathic consideration to the elimination of restrictions on the private ownership of gold.

I, for one, hope that happens at some point. But I think that by putting a firm deadline, as has now been done and as the Dominick amendment would do, upon the achievement of this objective, we actually might well be defeating the achievement of it, because we would be delaying a resolution of the international monetary situation by countries that would be counting upon it and waiting to see exactly what the effect of that time bomb would be. By incorporating the language of the substitute, we express the will of the Senate that we should be moving in this direction, but we give the President the out and the bargaining power I think he is going to need in this interim period to discusss with other nations in what direction we should be going, so that in those dealings he will hold some cards in his hand. Yet we will still be moving toward the accomplishment the Senate wishes.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. TOWER. Mr. President, I think the Senator from Ohio has offered a very constructive approach. It is a compromise. It does, however, mandate the President to let the legalization of the possession and ownership of gold go into effect unless he makes a determination that the international monetary situation is such that it would be unwise to do so. It is only prudent that we give the President this kind of flexibility at this time, when we can see the tremendous instability of the international money market. The dollar rallied slightly yesterday, but it has been hitting hills and valleys, and each time it seems to probe a new valley. In this context, the responsible thing for us to do is to follow the approach advocated by the Senator from Ohio.

Mr. DOMINICK. Mr. President, how much time does the opposition have, and am I in control of it, since it is a substitute for my amendment?

The PRESIDING OFFICER. The Senator from Colorado is in control of the time, and the Senator from Colorado has 15 minutes.

Mr. DOMINICK. I yield myself 5 minutes.

Mr. President, it is with reluctance that I rise to argue against my good friends, the Senator from Ohio and the Senator from Texas.

The Senator from Ohio, as usual, has a very appealing and blandishing argument, if I may say so. But I looked at the record. He voted to table the amendment of the Senator from Idaho, to begin with, and then he voted against the amendment when it was adopted the last time. So there is nothing unusual in the fact that he is holding to his guns and saying that he does not like our amendment, that he does not want Americans to own gold, and that he is going to leave it up to the President of the United States as to whether they should or should not own gold.

The fact is that the President of the United States could determine that now, but he has not. Therefore, it is up to Congress to exercise its own prerogative and not try to make a pariah out of the American citizen.

It seems to me that the argument of the Senator from Ohio would be perfectly valid in the event we had gold backing behind the dollar. But that has gone by the boards. We do not have it any more. The only possible time we ever use gold for anything is in the international monetary fund; and under the very distinguished Comptroller of a few years ago, we changed to so-called special drawing rights, which is fool's gold, as everybody knows. It is paper, and it says that you can collect gold if you can get it, and they have started doing it that way.

Whether we in this country do or do not own gold, the dollar has gone down and gold has gone up. We have not made any progress that way. So it does not make a particle of difference what we do in the international money situation, insofar as the dollar is concerned, as to who owns gold. I think it is time we stopped saying that people in Yugoslavia, Taiwan, Great Britain, France, and everywhere else can own, buy, and sell gold but an American citizen cannot. That is arrant discrimination. If we simply say that the President can determine—which is the effect of the amendment of the Senator from Ohio—whether or not the situation is going to be such that the American citizen can own gold, we are right back in the position we have been in for the last 40 years, and we have not gained 1 inch.

So I strongly oppose the amendment of the Senator from Ohio, simply because I do not think it accomplishes what the Senate wanted to accomplish when we last voted for the amendment of the Senator from Idaho.

Mr. President, I yield 5 minutes to the Senator from Idaho.

Mr. McCLURE. I thank the distinguished Senator from Colorado.

Mr. President, I rise, also, in opposition to the amendment of the Senator from Ohio.

I hear the argument that somehow this proposal is going to destroy the stability of our negotiating positions. I cannot understand how this amendment would have that effect, for two reasons.

First, the amendment we have suggested today, as I did before, with respect to the ownership of gold, cannot possibly affect the Government's gold position unless the Government wants it to. The Senator from Colorado embodied in this amendment the authority for the Government to sell gold from the Treasury if it desires to do so, but the amendment does not mandate it. The Treasury still has the discretion to withhold any sales and to keep that gold in the vaults at Fort Knox or to use it in international monetary negotiations if it desires. So this amendment, of itself, does not change the Government's gold position one iota. It simply removes the restriction, the present restriction, on the rights of our citizens.

Second, it has been argued repeatedly that we cannot rock the boat while we are involved in these sensitive negotiations in the IMF; that we are all concerned about what will happen at Nairobi in September; that we are all concerned that we make the right decisions that will yield international monetary stability, and that that will somehow firm up the international monetary situation at the present time and give greater stability to the dollar.

But what is most destructive now to the value of the dollar? The one thing that is most destructive right now is uncertainty. It is because other people do not know what to expect of the U.S. Government. They do not know what steps will be taken in the negotiations in Nairobi in September. They do not know what is going to happen in respect to the ownership of gold in the United States.

The best thing we can do here to aid the monetary negotiations is to inject some element of certainty into the part of the picture we are dealing with here today. Let us tell them what the ground-rules are going to be. Let us inform them of our position, so that they can deal not from a position of flexibility, which is the very thing that is destroying stability today, but from a position of certainty. We can do that only by setting a fixed date, with the discretion in the President to advance that date if he wishes to do so. So I think instead of helping the situation, the amendment offered by the Senator from Ohio will only make it worse. It will prolong the uncertainty; it will make instability that much worse instead of better.

I think the Senate would be well-advised in this instance, as it did before, to give a date so our negotiators can go there, and knowing our position there, others can rely on that position.

Mr. President, I yield back the remainder of my time.

Mr. TAFT. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I think the position of the Senator is interesting. On the one hand he apparently argues that the change would have no effect on the international monetary situation and at the same time, by the terms of his own amendment, he said that the President can alter the date according to the anticipated effect on the international monetary situation.

It seems to me this is a round-robin situation. I do not think there is any doubt that the proposal can have a definite effect on the international monetary situation, and the fact that we have set a firm date will lead other nations dealing with us to wait and see what happens. Congress can always change the date, but if there would be a change, Americans would be able to buy gold after that time; everyone would be certain that they would be able to do so.

Because the amendment of the Senator from Louisiana has been adopted, we have corrected the problem to some extent—but it seems to me there remain some problems. Under those circumstances, it can be said that we are tying the hands of our own negotiators. On the other hand, if our trading partners do know the President can postpone the date of effectiveness if necessary you are giving him a trading factor for the international negotiations. That would give him another card in his hand, which would be desirable.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McCLURE. As the Senator knows, when I offered my amendment to the par value bill I had no date. It would be effective on passage. To me that was the preferable course of action. I would hold to that if it were possible to do so. It was only at the suggestion of members of the Senator's committee that we fixed a later date. It was not my idea; it was the Senator's.

Mr. TAFT. We had testimony from people such as Dr. Burns that it would have a destabilizing effect on the world monetary situation, which is why we did it; and why we should give the President the authority to make the change when he thinks it can be safety made.

Mr. DOMINICK. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DOMINICK. Mr. President, at the present time we have Americans who do have supplies of gold. I do not know this for a fact, but I have been informed from what are called reliable sources. This is true despite the laws of this country. It has been done largely as a hedge against francs, marks, or a hedge against the devaluation of the dollar. They have bars of gold stuck away somewhere. The people in Afghanistan can do this legally. They can buy gold whenever they want. Why should we make our own citizens second-class citizens and say, "No, you cannot do that. You are one of the citizens of the free world who is not allowed to own gold."

That seems to me to be wrong and it does not seem to me to be right to once again to transfer the power we have over the currency of the United States into the executive department so they can say whether or not an American citizen is going to continue to be a second-class citizen.

I yield back the remainder of my time.

Mr. TAFT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright) and the Senator from Kentucky (Mr. Huddleston) are necessarily absent.

I further announce that the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson) would vote "nay."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Utah (Mr. Bennett), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The Senator from Michigan (Mr. Griffin) is absent on official business.

The Senator from Kentucky (Mr. Cook) is detained on official business.

The result was announced—yeas 42, nays 48, as follows:

[No. 276 Leg.]

YEAS—42

Aiken
Allen
Baker
Beall
Bellmon
Biden
Brock
Brooke
Byrd, Robert C.
Case
Chiles
Cotton
Dole
Eastland
Fong
Gravel
Gurney
Hart
Hathaway
Hollings
Humphrey
Inouye
Kennedy
Long
Mathias
McIntyre
Mondale
Muskie
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Stafford
Stevenson
Taft
Thurmond
Tower
Williams

NAYS—48

Abourezk
Bartlett
Bayh
Bentsen
Bible
Buckley
Burdick
Byrd,
Harry F., Jr.
Cannon
Church
Clark
Cranston
Curtis
Domenici
Dominick
Eagleton
Ervin
Fannin
Hansen
Hartke
Haskell
Hatfield
Helms
Hruska
Hughes
Jackson
Javits
Johnston
Mansfield
McClellan
McClure
McGovern
Metcalf
Montoya
Moss
Nelson
Nunn
Packwood
Percy
Schweiker
Scott, Pa.
Scott, Va.
Stevens
Symington
Talmadge
Tunney
Weicker
Young

NOT VOTING—10

Bennett
Cook
Fulbright
Goldwater
Griffin
Huddleston
Magnuson
McGee
Sparkman
Stennis

So Mr. Taft's amendment to Mr. Dominick's amendment was rejected.

Mr. DOMINICK. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BARTLETT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr). The question is on agreeing to the amendment of the Senator from Colorado. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright) and the Senator from Kentucky (Mr. Huddleston) are necessarily absent.

I further announce that the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Utah (Mr. Bennett) and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The Senator from Michigan (Mr. Griffin) is absent on official business.

The Senator from Kentucky (Mr. Cook) is detained on official business.

The result was announced—yeas 69, nays 21, as follows:

[No. 277 Leg.]

YEAS—69

Abourezk
Aiken
Baker
Bartlett
Bellmon
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Gravel
Gurney
Hansen
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Mansfield
McClellan
McClure
McGovern
Metcalf
Mondale
Montoya
Moss
Nelson
Nunn
Packwood
Pearson
Percy
Randolph
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Symington
Talmadge
Thurmond
Tunney
Weicker
Young

NAYS—21

Allen
Bayh
Beall
Biden
Case
Hart
Hathaway
Long
Mathias
McIntyre
Muskie
Pastore
Pell
Proxmire
Ribicoff
Roth
Saxbe
Stevenson
Taft
Tower
Williams

NOT VOTING—10

Bennett
Cook
Fulbright
Goldwater
Griffin
Huddleston
Magnuson
McGee
Sparkman
Stennis

So Mr. Dominick's amendment was agreed to.

Mr. DOMINICK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

After the enacting clause, on page 2, beginning on line 5 strike everything from the word "That" up to and including the word "Revolution" on line 9 and insert in lieu thereof the following: "That both sides of all dollar, half dollar, and quarter dollar coins minted for issuance between July 4, 1975, and January 1, 1977, shall bear designs determined by the Secretary to be emblematic of the Bicentennial of the American Revolution."

Mr. McCLURE. Mr. President, I shall not take long to discuss this amendment. It is a very simple one, and does just two things.

The PRESIDING OFFICER. Will the Senator delay until the Senate comes to order? Senators will be seated.

The Senator from Idaho may proceed.

Mr. McCLURE. I thank the Chair.

Mr. President, I think we should ask ourselves, "Why do we have a Bicentennial Commission? And why do we have a plan in progress for celebrating the event throughout the land? And why now, today, are we authorizing changes in our coins to reflect that celebration?"

The answer is obvious. We have something worth commemorating. When we celebrate the past, as we will be doing in the Bicentennial year of 1976, we will be singing the praise of others. Two hundred years is not a particularly long time in the life of mankind; perhaps that is what makes our achievements seem so significant. For many different reasons Americans take pride in recalling the achievements of the two centuries during which this country moved from minor colonial status to that of leadership of the free world. There are probably as many different reasons for this pride as there are citizens. Some would cite our successful fight against various diseases. Others would note that we have managed to spread a greater abundance among people than ever before in histroy. Others might add that we have done this and at the same time spread our intellectual horizons and even our physical presence beyond the orbit of the Moon. The list is too long to even begin. Undoubtedly, 1976 will be a significant year for many reasons. But 1776 was significant for one overriding event—the courage of a handful of dedicated patriots whose vision and daring enabled more people to be more free than any other group of individuals in the history of the world. Surely there are very few things more worthy of commemoration.

The success of the American Republic has been the impetus for countless other nations to rid themselves of tyranny and pursue their own destinies. And whether you measure a country's success in terms of abundance or its power, or its respect or the achievements of its citizens, it is America that has led the way in all of them.

This is indeed something worth remembering, and it deserves to be remembered in proper fashion. Our coinage provides us with one medium in which to depict the celebration of our 200th birthday.

Coinage is durable and beautiful, easily stored and easily displayed. It is an heirloom that can be passed from one generation to another. It is hard to imagine a more convenient or suitable expression of the greatness of our country's heritage.

I congratulate the committee for making some vast improvements on the original bill. But I must admit I am perplexed about it.

Why, I keep asking myself, is the design change for the bicentennial period to be made on only the reverse side of the dollar, the half, and the quarter? It cannot be because of a fear that collectors will hoard them. After all, changing only one word on a coin would make them valuable from the collector's standpoint. It cannot be because of a fear for a shortage of coins. The Treasury admits it has the capacity to mint a sufficient number to satisfy the appetites of both the souvenir collector and the marketplace. It cannot be out of a fear that this would somehow desecrate the memory of Presidents Washington, Kennedy, and Eisenhower. Surely all three men would have gladly given up for a few months their presence on the coins which honor them in order to celebrate America's 200th birthday.

I just do not understand why we are willing to settle for half a loaf when with a minimum of extra effort and very little extra cost, we can do the job right. I have therefore submitted an amendment which will call for a commemorative design on both sides of the dollar, half dollar, and quarter dollar coins instead of just one side.

Howard Flieger, writing in U.S. News & World Report stated it well when he said that for many of the men and women and children who live away from the major population centers, there will not be many ways in which they can join in the celebration. For them, memories of the bicentennial will be expressed by a poster, a postage stamp, or some medals. But common, ordinary, everyday coinage will express to all Americans over and over again the greatness that lies in the American past. Through our coins, more than in any other fashion, we will be celebrating what is good about our country.

Let us gear up for something that is truly enduring for the occasion.

I ask unanimous consent that Mr. Flieger's article be printed in the Record at this point.

Thre being no objection, the article was ordered to be printed in the Record, as follows:

HIP! HIP! HOO . . .

(By Howard Flieger)

It's probably safe to mark this down:

As a national extravaganza, the 200th anniversary in 1976 of the birth of America is going to be a monumental flop.

Practically nothing has been accomplished by the 50-member American Revolution Bicentennial Commission, in business more than three years.

At its first meeting this year—not held until May 15—it killed the only nationwide proposal it had come up with: a plan to have Washington help the 50 States establish Bicentennial Parks on their own.

The end of that proposition took the Federal Government out of the birthday plans for all practical purposes. Said Judith L. Kooker, one of the eight public commissioners who voted for it. "We gave up the one program initiated by this body."

Still being chewed over in Congress is a proposal by the White House to revamp the Commission under a "czar" who could crank up the Bicentennial and get things moving. But nobody seems to think that suggestion, even if modified, will be acted upon until late this year—which doesn't leave much time to organize a dramatic national salute.

In fact, many think it already is too late. As an all-American birthday party 1976 is more than likely to wind up with a poster, a commemorative postage stamp and some medals for sale to the public.

What happened? Why, with all the time in the world, hasn't America been able to gear up something spectacular—or at least enduring—for the occasion?

Inertia probably is to blame as much as any one thing. Also, there has never been any sort of agreement on exactly what form the dedication of this significant date should take.

It is obvious now that a 50-member Commission is no way to run a railroad or a coordinated, nationwide celebration.

David J. Mahoney, chairman of the Bicentennial Commission, told Congress earlier this year that "it is impossible for a 50-member, part-time body which can meet at best bimonthly or quarterly to conduct a multimillion dollar undertaking which requires continual operational direction."

Originally, some federal planners thought a proper Bicentennial would cost several billion dollars. More recently, the estimates were cut to about one billion. Now most officials are talking about several hundred million.

Well, you don't get much on a nationwide scale for that kind of money.

So, what do you get?

About the only bright spots at this juncture are in the States. Several are hard at it. One of the most active is Texas, where 28 cities are working on major programs—including the rebuilding of the riverfront in San Antonio and the commissioning of an opera.

Florida is another State with substantial plans that are moving forward.

The idea of a Bicentennial World's Fair in Philadelphia—the cradle of American independence—went by the boards long ago. The city still hopes to do something. There are indications the Federal Government will put up as much as 100 million dollars if anything meaningful is proposed. But there is no agreement anywhere on what the celebration in Philadelphia should encompass.

So, unless there is a quick and decisive turnaround, it looks as though Washington, D.C., will, by default, be the focal point of national activities—whatever they are. They could include some new museums, sprucing up historic Pennsylvania Avenue and so on.

But for millions of men, women and children, proud of their American heritage, there is not going to be much that is visible or lasting to mark July 4, 1976—the 200th birthday of the oldest modern republic on earth.

Mr. McCLURE. Mr. President, to make it very short and get on with the business which the Senate must get on with, I urge us to make this a more meaningful gesture for the limited period of the commemoration, to establish coinage which is genuinely a bicentennial coinage. That is the purpose of the amendment, to change both sides instead of one side of the coins for the limited period of the Bicentennial celebration.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. McCLURE. I am happy to yield to the Senator from Rhode Island.

Mr. PASTORE. Is there anything in this amendment which would necessitate the use of all silver?

Mr. McCLURE. No; I would say to the Senator that it does not.

Mr. President, I ask unanimous consent that the name of my colleague (Mr. CHURCH) be added as a sponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I would like to ask a couple of questions of the manager of the bill, if he will be good enough to oblige me.

I notice that the reports states that the proceeds of the sales of these coins shall be covered into the Treasury. It then goes on to say, on page 2:

> However, it is the intent of the committee that the amount received from such sales can be directed to the Bicentennial Commission for its use in carrying out activities related to the Nation's 200th anniversary celebration.

My question is this: Is there any authorization in the bill that that be done, or would that have to be done either by separate law or by separate appropriation?

Mr. HATHAWAY. There is no authorization in the bill. It would have to be by separate legislation.

Mr. JAVITS. By law or by appropriation?

Mr. HATHAWAY. That is correct.

Mr. JAVITS. The reason I asked the question is that I also have a bill before the Committee on Banking, Housing and Urban Affairs dealing with a memorial to President Eisenhower, relating to coinage issued in his name, really, by way of a memorial for him. I just wanted to make sure that we were not making final disposition of the proceeds here before we would get a chance to act on it, and I understand that the answer is in the affirmative.

Mr. HATHAWAY. That is correct.

Mr. JAVITS. My other question is this: I and others have been making a big point of the fact that we ought to supply the commercial need for gold in this country out of the gold stock. That involves the matter of some $600 million to $700 million a year in foreign exchange, and would only result in reducing our gold stock, if sales were at market, by perhaps a quarter of that amount, as we carry the stock at $35 an ounce. I wondered whether that matter had any consideration by the committee in this connection.

Mr. HATHAWAY. No. To the best of my recollection, this matter was not considered by the committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that——

Mr. JAVITS. Mr. President, I still have the floor.

Mr. MANSFIELD. The time be extended not to exceed 5 minutes.

Mr. JAVITS. I thank my colleague from Montana very much.

Mr. HATHAWAY. I will be glad to yield time to the Senator from New York from my time.

The PRESIDING OFFICER (Mr. HELMS). The Chair would inquire of the Senator from Montana whether it is the intention to delay the laying down of the regular order.

Mr. MANSFIELD. Yes, indeed.

Mr. JAVITS. Mr. President, I thank the majority leader very much. I shall be through in just 1 minute.

I wonder if we could have any expression from the manager of the bill and the ranking minority member as to whether it would be possible to get hearings before the Banking Committee on this question. I would not wish to put it up to the Senate without the background of the Department's opinion, and so forth, and I do think it is a critical question in foreign exchange and in respect to how we utilize our gold stock, which the Dominick amendment, in a sense, opens up. It opens up this question. Could we have any feeling as to whether we can get a hearing within the approximate future on this issue?

Mr. HATHAWAY. For my part, I would recommend that to the chairman of the full committee when he returns.

Mr. TOWER. Mr. President, I would also join in recommending that to the chairman, who will be returning next week. My guess is that he would be favorably disposed to it.

Mr. JAVITS. I thank my colleague. And I thank the majority leader for his courtesy.

Mr. HATHAWAY. Mr. President, how much time is allotted in opposition to the amendment?

The PRESIDING OFFICER. Fifteen minutes, 3 minutes of which have been used.

Mr. HATHAWAY. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized for 4 minutes.

Mr. HATHAWAY. Mr. President, one argument I would make against the amendment which has been offered by the Senator from Idaho is more sentimental than anything else. It will cost a little bit more to change the face as well as the reverse side of the coin. It will also take more time—but probably not too much.

The main argument I would make is that I would not like to see the face on the dollar of President Eisenhower removed from the face of that coin, admittedly only for the 18-month period; neither would I like to see the face of President John Kennedy removed from the half-dollar, or from the quarter the face of George Washington, or the motto on all three coins, "In God We Trust."

All three of those pictures, and the motto, have been significant throughout American history and I believe that those faces should remain on the coins even at—and especially during—the celebration of our Bicentennial. I believe that we will have enough of a symbolic display when we celebrate our Bicentennial by having an appropriate design on the back of the quarter, the half-dollar, and the dollar.

Mr. TOWER. Mr. President, I want to express my wholehearted concurrence with the Senator from Maine. His idea is good that we should maintain the faces of these great American Presidents on our money. Therefore, I would not like to see the amendment of the Senator from Idaho (Mr. McCLURE) passed. There might be some difficulty also in distinguishing between the face and the reverse side, which could present some problems to a great many people, especially around the football season when a flip of the coin decides who will kick and who will receive. In addition, there is the time factor, and the cost factor involved; and I believe therefore, that the amendment should be rejected.

Mr. McCLURE. Mr. President, let me respond by saying that both President Eisenhower and President Kennedy would have agreed with me that the bicentennial is worthy of a celebration and that the emotional attachment we have for these two great past Presidents should in no way detract from our willingness to make a meaningful commemoration of our Bicentennial. That is the reason for my amendment.

Mr. President, I yield back the remainder of my time.

Mr. HATHAWAY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho (Mr. McClure).

The amendment was rejected.

Several Senators. Third reading—third reading.

The PRESIDING OFFICER (Mr. Helms). Under the previous order, the Chair now lays before the Senate the unfinished business, S. 1081, which the clerk will state.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order be vitiated until the present pending business is disposed of.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there are no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute as amended was agreed to.

Mr. TOWER. Mr. President, I yield back my time.

Mr. HATHAWAY. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1141

An act to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarter dollars, to authorize the issuance of special gold and silver coins commemorating the Bicentennial of the American Revolution, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the reverse side of all dollar, half dollar, and quarter dollar coins minted for issuance on or after July 4, 1975, and until such time as the Secretary of the Treasury may determine shall bear a design determined by the Secretary to be emblematic of the Bicentennial of the American Revolution.

Sec. 2. All dollar, half dollar, and quarter dollar coins minted for issuance between July 4, 1975, and January 1, 1977, shall bear "1776–1976" in lieu of the date of coinage; and all dollar, half dollar, and quarter dollar coins minted thereafter until such time as the Secretary of the Treasury may determine shall bear a date emblematic of the Bicentennial in addition to the date of coinage.

Sec. 3. Notwithstanding any other provision of law, rule, regulation, or order, the Secretary of the Treasury is authorized and directed to coin and issue or cause to be sold, between July 4, 1975, and January 1, 1977, special gold coins commemorating the Bicentennial of the American Revolution of such design, in such denomination, in such quantities (not exceeding sixty million pieces), and containing such other metals, as he determines to be appropriate. Notwithstanding and other provision of law, coins minted under this section may be sold to and held by the public, and the Secretary of the Treasury is authorized, by regulation, to limit the number of gold pieces which any one person may purchase.

Sec. 4. Notwithstanding any other provision of law with respect to the design of coins, the Secretary shall mint for issuance between July 4, 1975, and January 1, 1977, at least sixty million silver-clad alloy coins authorized under section 101(a) of the Coinage Act of 1965, commemorating the Bicentennial of the American Revolution, of such design, in such denomination, and containing such quantities of such other metals as he determines appropriate. The Secretary of the Treasury is authorized, by regulation, to limit the number of silver coins minted under this section which any one person may purchase. Coins minted under this section shall be treated as pieces subject to the one hundred and fifty million piece limitation contained in section 101(d) of the Coinage Act of 1965, and shall be subject to such limitation.

Sec. 5. Until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of ample supplies of coins and medals, any facility of the Bureau of the Mint may be used for the manufacture of medals and coins.

Sec. 6. In connection with the operations of the Bureau of the Mint, the Secretary of the Treasury is authorized to manufacture and distribute numismatic items. Proceeds from the sale of numismatic items shall be reimbursed to the current appropriation for the cost of manufacturing and handling of such items.

Sec. 7. (a) Sections 3 and 4 of the Gold Reserve Act of 1934 (31 U.S.C. 442 and 443) are repealed.

(b) No provision of law in effect on the date of enactment of this Act, and no rule, regulation, or order under authority of any such law, may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing in gold.

(c) Any sale of gold by the Secretary of the Treasury shall be at a price not lower than the average private market price for gold, for the same quantity in the month immediately preceding the date of such sale.

(d) The provisions of this section, pertaining to gold, shall take effect on January 1, 1975, or on the date prior thereto when the President finds and reports to the Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States international monetary position.

(e) The joint resolution of June 5, 1933 (31 U.S.C. 463), shall remain in full force and effect.

Mr. TOWER. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. HATHAWAY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read: "A bill to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarter dollars, to authorize the issuance of special gold and silver coins commemorating the Bicentennial of the American Revolution, and for other purposes.".

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The PRESIDING OFFICER (Mr. Helms). Under the previous order, the Chair now lays before the Senate the unfinished business, S. 1081, which the clerk will state.

The assistant legislative clerk read as follows:

S. 1081, to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

The Senate resumed the consideration of the bill.

Mr. JACKSON. Mr. President, I yield to the Senator from Rhode Island (Mr. Pastore).

Mr. PASTORE. Mr. President, I send to the desk an amendment and ask for its immediate consideration. This amendment is cosponsored by Senators Jackson and Taft.

The PRESIDING OFFICER. The Chair would inform the Senator from Rhode Island that it will take unanimous consent to offer the amendment because there is a previous order for the Senator from Washington (Mr. Jackson) to be recognized to offer Amendment No. 314.

Mr. PASTORE. Mr. President, I ask unanimous consent to so do.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be stated.

The assistant legislative clerk read as follows:

S. 1081

At the end of the bill insert the following new title:

TITLE IV—EQUITABLE ALLOCATION OF CRUDE OIL AND PETROLEUM PRODUCTS BETWEEN REGIONS OF THE COUNTRY AND THE SEVERAL STATES

Sec. 401. (a) The President is authorized and directed to monitor the availability of crude oil and petroleum products to satisfy the fuel requirement of all regions of the country and of all of the several States. If the President determines that any region or any State is experiencing a shortage of crude oil or petroleum products while at the same time other regions or States are enjoying a surplus, the President is authorized and directed to take any action necessary to insure an equitable allocation of available crude oil and petroleum products among all regions and all of the several States.

(b) In implementing subsection (a) the President shall consider all current and prospective sources of crude oil and petroleum product supply, including but not limited to production from Alaska, the Outer Continental Shelf, the contiguous States, synthetic fuels, opportunities for fuel substitution and conservation, as well as imports of crude oil or petroleum product from foreign sources.

(c) Whenever the President determines pursuant to subsection (a) that an imbalance in the availability of crude oil or petroleum products exists between regions of the country or between any of the States, he is authorized to take any action necessary to insure an equitable allocation of available crude oil and petroleum products. Such action may include, but is not limited to, direct oil and petroleum products. Such action may include, but is not limited to, direct mandatory allocations of available crude oil and petroleum product supplies; adding additional capacity to existing pipelines; requiring that the flow of existing pipelines be reversed; and directing tankers on the high seas to specified ports of entry.

(d) The President shall furnish the Congress with a report every three months on the availability of sufficient fuel supplies to meet the requirements of all regions and all summary of any actions that the President has taken under this section, recommendations for any legislation which may be needed to achieve the purposes of this section, and a statement of actions taken by the Executive Branch to increase the supply of and to reduce the demand for crude oil and petroleum products. This statement on supply and demand shall include actions taken and projected plans concerning energy research and development, adequacy of refinery capacity and transportation systems, the development of synthetic fuel plants, leasing on the Federal lands including the Outer Continental Shelf, the establishment of strategic reserves, and agreements with other nations on the security and expansion of fuel supply.

(e) The President is authorized to promulgate such rules and regulations as he deems necessary to carry out the purposes of this section.

(f) The President may delegate all or any portion of the authority granted under this Act to the head of any Federal agency he deems appropriate.

(g) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

The PRESIDING OFFICER. The Chair would inquire of the Senator from Rhode Island whether this is the amendment on which there is a time limitation of 20 minutes?

Mr. PASTORE. The Chair is correct.

Mr. President, the explanation for the amendment is very simple. We discussed this in quite some detail yesterday afternoon with the manager of the bill.

What the amendment would do would be to guarantee to the country that the President of the United Sates would have the authority to see that there is an equal and equitable distribution available of the supplies of oil, no matter where they came from, particularly in connection with the Alaska pipeline.

Mr. JACKSON. Mr. President, the able Senator from Rhode Island yesterday, and now again today, has stated very clearly the purpose of the amendment. It is what the committee intended when we reported the bill. His amendment nails down in statutory terms the specific objective that the oil that will come from Alaska via the pipeline will, in effect, be available indirectly to all of the United States on the basis of an equitable apportionment.

Yesterday, the Senator from Rhode Island made the point that he wanted assurances that his State and all other States would be treated fairly and equitably in the allocation of available crude oil and petroleum products. I fully agree with the Senator's position on this matter. We are one nation and if, as a nation, we have to suffer from a fuel shortage the shortage should be shared on an equitable basis. The fact that some States have oil production and others, such as those in the Northeast, have none is no reason for allowing a surplus in some States and a shortage in others. By the same token, some coastal States serve as ports of entry for imported oil. This simple fact of transportation logistics should not, however, result in a situation where coastal States have a surplus and inland States experience shortages.

I am a cosponsor and I congratulate the Senator from Rhode Island for offering the amendment, as well as the Senator from Ohio (Mr. TAFT) who is also a cosponsor.

Mr. TAFT. Mr. President, will the Senator from Washington yield me 2 minutes?

Mr. JACKSON. I am happy to yield 2 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. TAFT. I want to commend the distinguished Senator from Rhode Island and the distinguished Senator from Washington, because, as I understand it, the way the supply of oil in the United States works today, it really is one pool or one "bucket" as some say.

While it is true that oil comes in from various sources outside the United States unnecessary transportation of oil to particular markets is eliminated. There is a trading between various people per barrel of oil on the west coast and per barrel of oil on the east coast.

I am happy to cosponsor this amendment, because I come from a crude-short area, and this seems to be a very vital part, and always has been, of the question of the Alaska pipeline.

The argument has been made that those in the Middle West should be against the Alaska pipeline because all the oil would go to the west coast. It is true that physically the oil produced in Alaska may well end up—most of it—on the west coast; but, in effect, that will be traded off for oil coming from other sources.

Mr. JACKSON. I thank the Senator from Ohio.

Mr. PASTORE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BURDICK. Mr. President, will the Senator from Rhode Island add my name as a cosponsor of the amendment?

Mr. PASTORE. Mr. President, I ask unanimous consent that the names of the Senator from North Dakota (Mr. BURDICK) and the Senator from Georgia (Mr. NUNN) be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. JACKSON. I yield to the Senator from Alaska (Mr. STEVENS).

Mr. STEVENS. Mr. President, I am not going to offer an amendment to add natural gas to this amendment. I think the amendment seeks equality in terms of distribution of petroleum products, and that is a necessary goal. It is a national goal. But I also believe that we have to keep in perspective the great gas deposits of the Mackenzie River Delta and of the Prudhoe Bay field and of the rest of Alaska.

Before we are through, I think we are going to be talking about more natural gas than we are talking about oil, so far as the exports from Alaska are concerned. I am sure the time will come when we will express ourselves with regard to the national goal as it concerns natural gas, but right now I believe I understand the intent of the amendment. It seeks to provide a fair and equitable distribution of petroleum products. So I will let it go at this time.

I do hope that everyone keeps in mind that the natural distribution system that is best to take the natural gas from Alaska, the Mackenzie River Delta, into the Midwest and the East and to take the oil from Alaska into the West. That is practically a balance in Btu content, and I will present those figures in later statements.

It seems to me that when we look to a national distribution of petroleum on an equitable basis, we also have to look to a national distribution on an equitable basis of natural gas deposits in the country.

Mr. PASTORE. Mr. President, I yield back the remainder of my time.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Colloff be given the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I have no further comments, but I ask unanimous consent that there be a quorum call and that it not come out of the limitation of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that George Shanks, of my staff, be permitted the privilege of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. PASTORE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Rhode

Island. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright) and the Senator from Kentucky (Mr. Huddleston) are necessarily absent.

I further announce that the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The Senator from Michigan (Mr. Griffin) is absent on official business.

The Senator from Kentucky (Mr. Cook) is detained on official business.

The result was announced—yeas 91, nays 0, as follows:

[No. 278 Leg.]

YEAS—91

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Gravel
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—9

Cook
Fulbright
Goldwater
Griffin
Huddleston
Magnuson
McGee
Sparkman
Stennis

So Mr. Pastore's amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAVEL. Mr. President, in a letter dated July 5, 1973, to Members of Congress, the Secretary of the Interior, the Honorable Rogers C. B. Morton, has again emphasized the urgency for construction of the trans-Alaska pipeline in view of our critical energy shortage and our dollar outflow. The Secretary points up recent developments on the international scene and the still lack of a even near feasible alternative to the trans-Alaska pipeline.

Secretary Morton's remarks are of great significance to the crucial legislation before us and I ask unanimous consent to have his letter printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., July 5, 1973.

Hon. Mike Gravel,
U.S. Senate,
Washington, D.C.

Dear Senator Gravel: I understand that early in the week of July 9 the Senate will take up the Right-of-Way bill recently reported by the Committee on Interior and Insular Affairs, S. 1081. I also understand that Senator Mondale and others will offer an amendment to prevent issuance of a permit for the Trans-Alaska pipeline until the Congress enacts legislation specifically authorizing a pipeline from Northern Alaska. The amendment envisions that Congress will not act until the Secretary of State conducts negotiations with the government of Canada to determine the feasibility of a Trans-Canada pipeline and the National Academy of Sciences conducts an eleven-month study of this subject.

This legislation can materially affect our energy supply picture, the strength of our dollar, our foreign relations and the strength of our bargaining position, vis-a-vis the oil producing countries in the Middle East. Recent events in Libya, and the expressed willingness of some Middle East countries to utilize their oil exports for political purposes, require all of us to give this matter our most careful attention. I want to explain why I support S. 1081 and oppose any amendment that will delay the Alaska pipeline.

It is clear, and no one disputes, that following the recent Court of Appeals decision in the Pipeline Case, new legislation is required before I can authorize construction of any new, large oil or gas pipeline across any public land in the United States. Large pipelines simply cannot be built within a right-of-way no greater than 25 feet on both sides of the pipe.

While I have not favored every provision of S. 1081, I am convinced that it is constructive legislation that will give me the necessary authority to permit construction of large pipelines that are vital to our economy.

Under S. 1081, I could promptly authorize construction of the Trans-Alaska pipeline; and I have expressed my intention to do so for three basic reasons: (1) our national interest requires the earliest possible delivery of North Slope oil to the "Lower 48," (2) the only feasible alternative delivery system is a pipeline across Canada, and it would involve at least a 3–5 year delay in delivery of oil to the lower 48; and (3) a Trans-Alaska pipeline and tanker delivery system can be built and operated under safeguards that will protect the environment and wildlife of Alaska and the Pacific Ocean.

I, and Administration spokesmen from the Departments of State and Treasury, have explained these points and others in detail during numerous appearances before committees of both Houses and in my letter of April 4, 1973, to every member of Congress. It is not my purpose now to repeat the detailed points I have made. Rather, I want to address specifically the three major arguments being made by those who favor amendment of S. 1081 to deny me authority to issue a permit for the Alaska pipeline and require an eleven-month study by the National Academy of Sciences. Those arguments are (1) that our Environmental Impact Statement did not adequately treat the Canadian alternative, (2) that neither I nor anyone else in the executive branch has seriously assessed the practical and political prospects for a Canada pipeline; and (3) that after an eleven-month study by the National Academy of Sciences the Congress will be able to promptly approve either an Alaskan or Canadian pipeline with no overall delay in the delivery of oil to the lower 48 States.

The impact statement on the Trans-Alaska pipeline contains approximately 150 pages of discussion of possible Trans-Canada pipeline routes. This extensive and detailed treatment is the result of inter-disciplinary studies and official and unofficial exchanges with Canadians that extended over a period of at least a year and a half. I personally have given a great deal of careful attention to the environmental problems presented by the Alaska pipeline, with its marine leg, and those that would be encountered in Canada.

I sincerely believe that the environmental costs and risks of a Canada pipeline would be as great as those of an Alaska line, and that the Alaska system will be safely built and operated under the stipulations I will impose in our permit.

Even more importantly, I want to assure you that the feasibility and prospects of building a line through Canada have received my most careful attention and the attention of all concerned members of the Administration. I have discussed these matters with the President and with Secretary Rogers. We are all convinced that we should not delay the Alaska pipeline to consider further the feasibility of a Canada pipeline. For more than three years the Canadian Government has taken the position that it is not prepared to negotiate with the United States Government on the matter of pipelines from the Arctic. By letter of June 22, 1973, to Senator Jackson, The State Department reported the Administration's assessment as follows:

"... the Departments of State and Interior are convinced that there is no Canadian alternative to the proposed Alaskan pipeline at this time. Even if the Canadian Government should move expeditiously to approve such a pipeline, which is unlikely, an Alaskan pipeline could be in operation at least 3–5 years, and perhaps 7–10 years earlier than a Canadian pipeline.

"We do not believe that recent Canadian actions limiting exports to the United States of petroleum and petroleum products have a direct bearing on future Canadian consideration of applications for the construction of Arctic pipelines. However, they do emphasize Canadian determination to follow policies which will husband Canadian resources to the maximum extent deemed necessary to meet Canadian needs projected well into the future. This attitude and recent remarks by Canadian officials give no cause to change our view that the Canadian Government has no strong current interest in the construction of a Mackenzie Valley oil pipeline . . ."

Between May 1969 and March 1972, an inter-agency task force devoted many thousand man-hours, including 8 days of public hearings, to studies that finally produced a 6 volume Environmental Impact Statement and a 3 volume Economic and Security Analysis of the proposed Alaska pipeline and its alternatives. The work was done by experts with many years of relevant experience. The product is objective and comprehensive. It has been available for public scrutiny and debate since March 1972. I am convinced that an eleven-month effort by the Academy will not add materially to the information or analyses bearing on the United States Government's decision to grant permission for an Alaska pipeline or to deny such permission and pursue a Canadian alternative. I suspect that even if Congress should later approve the Alaska line the delay involved will extend well beyond a year because the Academy's study will require more than eleven months and the companies will have to re-mobilize for construction.

I am as concerned as the members of Congress to provide our Midwest and East Coast with adequate supplies of energy in the years ahead. The President shares this concern. But we are convinced that our increasing demand for petroleum presents serious national issues that transcend regional interests, and that it is in the Nation's interest to increase our domestic resource base as soon as possible. We hope and expect that Canada will agree to contruction of a gas line from the Arctic to our Midwest in the reasonably near future. We anticipate that additional discoveries of oil in Alaska and Northern Canada will justify a second oil line shortly thereafter. And we hope that by the time such a line is required, we will have been able to negotiate terms for its construction through Canada.

Delay of the Alaska pipeline will reduce the total supply of oil available to our economy during the period of delay, thereby increasing all the costs and risks associated with increased dependence on Middle East oil. It is not in the Nation's interest to deny ourselves oil that can safely be delivered by an Alaska pipeline while we further pursue the possibility of building the first pipeline from the Arctic through Canada.

I hope these views will be helpful to you in your consideration of S. 1081.

Sincerely yours,

Rogers C. B. Morton,
Secretary of the Interior.

Mr. JACKSON. Mr. President, I wish to call up my amendment No. 315, to declare the movement of North Slope oil and gas a matter of great public urgency. Before I make my statement I would like to yield 2 minutes to the Senator from Idaho (Mr. McClure), who wishes to make a statement in connection with the amendment just adopted.

Mr. McCLURE. I thank the Senator for yielding this time to me.

Mr. President, I do think it is important to address ourselves to the allocation of petroleum supplies. I think the evidence is mounting that petroleum supplies to the east coast and metropolitan areas are being increased at the expense of the rural areas of our country, where crops are in need of care. I think there is evidence, particularly in my State, that gasoline supplies are suffering, that farmers are going without gasoline at a time when they must plant crops and produce food. Therefore, I supported the amendment just adopted.

However, I feel there are problems with the amendment in its language and in the thrust which allows and directs the President to allocate supplies of petroleum away from owners of those supplies without any finding of national urgency, as was done in the measure which we passed some time ago. I voted for the amendment in the expectation that these problems will be addressed in the conference or in the other body and because I think it is necessary to move expeditiously.

Mr. JACKSON. I thank the distinguished Senator from Idaho. I concur that there is some language in the amendment that may have to be adjusted in conference, without changing the substance. I think that the Senator refers to the provision under subsection (c), in which it is provided that the President may arrange for additional capacity to existing pipelines. That provision is to be read in the context of subsection (d) which requires the President to furnish a report to the Congress every 3 months. This report would "contain a summary of any actions that the President has taken under this section, recommendations for any legislation which may be needed to achieve the purposes of this section, and a statement of actions taken by the executive branch to increase the supply of and to reduce the demand for crude oil and petroleum products."

He would have to come to Congress for legislation. Does that answer the Senator?

Mr. McCLURE. Yes, the Senator is correct; that is a part of the reason for my statement. There is an additional reason, however. I think we should recognize that whenever the President redirects a supply which may have been contracted for or owned by one person to another person, he is interfering with a contractual or property right, and there has to be some overriding national interest, or it will be declared unconstitutional. I think there must be such a finding or that it must be written into the legislation, or we are going inevitably to have many lawsuits in court, which I think we can avoid, and which I think it is in the national interest to do.

The PRESIDING OFFICER. The amendment offered by the Senator from Washington (Mr. Jackson) will be read.

The assistant legislative clerk read the amendment (No. 315) as follows:

On page 32, at the beginning of title II, add a new section:

Sec. 200. (a) The Congress hereby finds—

(1) that the Nation faces a serious energy crisis, created in part by declining domestic production of crude oil and natural gas;

(2) that approximately twenty-four billion barrels of crude oil in place and twenty-six trillion cubic feet of natural gas reserves have been proved on the North Slope of Alaska, and that the probable reserves of that region are many times greater;

(3) that the rapidly growing volume of oil imports poses an increasingly serious threat to the national economy, to the value of the dollar, and to national security;

(4) that the exceptionally low sulfur quality of the crude oil already proved on the North Sope of Alaska can be an important asset in protecting and enhancing the Nation's environment;

(5) that the delivery of North Slope crude oil and natural gas already discovered, and the effort to discover and develop additional reserves, have been postponed by administrative delay, political controversy, and protracted litigation; and

(6) that said postponement has had, and will if prolonged, continue to have an adverse effect upon the national economy, the value of the dollar and national security.

(b) The Congress therefore declares that the following are matters of great national urgency:

(1) the early delivery of North Slope crude oil and natural gas to markets in the United States;

(2) an early resolution of administrative, political, and legal obstacles to completion and operation of an environmentally sound transportation system for deivery of North Slope crude oil and natural gas; and

(3) the most rapid action and disposition, consistent with law, by the United States courts of any litigation regarding or affecting authorization of construction and operation of pipelines for North Slope crude oil and natural gas.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, the purpose of this amendment is to tell the Federal courts that Congress wishes to see all the legal controversy over the trans-Alaska pipeline resolved directly and rapidly. I believe that this is the most straightforward method of accelerating approval of a pipeline right-of-way—any pipeline right-of-way. It is the approach which is most likely to succeed.

It is now more than 5 years since the Prudhoe Bay discovery well was announced. After 5 years, construction is still not underway on a transportation system for that oil. Some of that delay was necessary—to settle the Alaskan Native land claims, and to make sure that the pipeline system was engineered soundly and would protect the environment.

There is no controversy in this body today about the need to move North Slope oil and gas as soon as a transportation facility can be built. It will be a scandal if this facility is blocked for months or years because of unnecessary delays in the courts.

The controlling obstacle to moving North Slope oil and gas today is the right-of-way width restriction in the Mineral Leasing Act. S. 1081, if adopted, would eliminate that bottleneck. But alone, it will not move North Slope oil.

After Congress acts on this matter, the pipeline case will be back in court. That is a dead certainty. There is no way that Congress can make the pipeline permit nonlitigable. Let no one be deceived on this point.

If this body were to adopt Mr. Mondale's proposal, and subsequently to authorize a pipeline through Canada, one of the oil companies has promised a court battle to the very end against that decision.

We might adopt language directing the Secretary of the Interior to grant a right-of-way "notwithstanding any other provision of law." We can declare that the decision is not subject to legal review. Maybe Congress can waive section 102 of the National Environmental Policy Act with such a provision.

But do not assume that the courts will refuse to entertain a complaint based upon the Administrative Procedures Act, the antitrust laws, or laws protecting health and safety, or a complaint that a right-of-way grant overrides legitimate private rights.

Do not suppose that such a provision will settle the complex litigation between the pipeline owners and the State of Alaska.

We may lessen some plaintiff's chance of ultimate success, but we will not eliminate litigation.

I am not in favor of overriding the National Environmental Policy Act in order to build the pipeline. Nor am I in favor of overriding the Administrative Procedures Act, the antitrust laws, the laws protecting health and safety, or the rights of the States or private persons. I do not believe that these actions would be good policy or good law.

As the author of the National Environmental Policy Act, I am not in favor of starting the precedent of legislative exemptions. The compulsion on each Member of Congress to ask and expect such a waiver on his own favorite projects will be too great. If there is at some time in the future a disastrous pipeline break or a disastrous tanker accident, I do not want to be in the position of having voted to cut off any further deliberation over the environmental consequences of this oil transportation system.

Another reason I am not in favor of overriding NEPA or "all other law" is that I am not convinced that these moves will in fact reduce the opportunities for litigation. By changing the rules now they may well invent new causes of action or legal ambiguities.

I believe that the outstanding legal issues can be resolved most rapidly if the courts will move expeditiously within the framework of existing law, as they have not done to date. The surest way to do this is for Congress to tell the courts that it regards these issues as of the highest priority.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the complete text of the amendment, so that the courts will get a clear message from the U.S. Senate on this policy statement.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 32, at the beginning of title II, add a new section:

SEC. 200. (a) The Congress hereby finds—

(1) that the Nation faces a serious energy crisis, created in part by declining domestic production of crude oil and natural gas;

(2) that approximately twenty-four billion barrels of crude oil in place and twenty-six trillion cubic feet of natural gas reserves have been proved on the North Slope of Alaska and that the probable reserves of that region are many times greater;

(3) that the rapidly growing volume of oil imports poses an increasingly serious threat to the national economy, to the value of the dollar, and to national security;

(4) that the exceptionally low sulfur quality of the crude oil already proved on the North Slope of Alaska can be an important asset in protecting and enhancing the Nation's environment;

(5) that the delivery of North Slope crude oil and natural gas already discovered, and the effort to discover and develop additional reserves, have been postponed by administrative delay, political controversy, and protracted litigation; and

(6) that said postponement has had, and will if prolonged, continue to have an adverse effect upon the national economy, the value of the dollar and national security.

(b) The Congress therefore declares that the following are matters of great national urgency;

(1) the early delivery of North Slope crude oil and natural gas to markets in the United States;

(2) an early resolution of administrative, political, and legal obstacles to completion and operation of an environmentally sound transportation system for delivery of North Slope crude oil and natural gas; and

(3) the most rapid action and disposition, consistent with law, by the United States courts of any litigation regarding or affecting authorization of construction and operation of pipelines for North Slope crude oil and natural gas.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. JACKSON. Mr. President, I yield to the Senator from Arizona.

Mr. FANNIN. Mr. President, I support the amendment of the distinguished Senator from Washington, and I am pleased to be a cosponsor.

Mr. President, in order to stress the urgency of moving North Slope oil soon, I give as an illustration of what has happened throughout this country the fact that we are in the middle of an energy crisis and we are finding resistance to a bill that would increase energy supplies.

Mr. President, a June 6 Washington Post article refers to an AAA survey of the Nation's gas stations in which large numbers were closed or only partly in service because of a lack of gasoline and we hear opposition expressed to a bill which will increase gasoline supplies.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEVEN PERCENT OF STATIONS FOUND TO ALLOCATE GASOLINE

A survey of more than 1,400 gasoline stations along major U.S. travel routes showed 7 per cent of them allocating amounts a customer can purchase in a single stop, the American Automobile Association said yesday.

The survey showed 1 per cent of the stations closed and 24 per cent limiting their hours of operation.

The AAA said the survey was the first of a planned weekly series designed to gauge more accurately the supply of fuel to consumers. It said it found that 75 per cent of the 1,439 independent and major-company stations checked were operating under normal conditions.

The stations counted were polled on the basis of a nationally prepared questionnaire by AAA clubs in the District of Columbia and all states except Alaska, Arizona, Alabama and Missouri.

The spokesman said that the Southeast and Northwest regions had the tightest fuel supplies, with only 60 per cent in the Southeast calling their operations normal and 63 per cent in the Northwest reporting normal operations.

Mr. FANNIN. Mr. President. we are discussing paying Russia $4.5 billion for its energy instead of building a transatlantic pipeline.

A May 22. 1973. Wall Street Journal article tells how El Paso Gas and Occidental Petroleum have agreed to pay the Russians $4.5 billion for Soviet energy. By the time it reaches American consumers' burner tips it will be more expensive than Alaskan gas piped down to the lower 48 States. The sooner we build the trans-Alaska pipeline the sooner oil can be sent south through it and gas can be sent through other systems to be built.

Mr. President. I ask unanimous consent this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIAN GAS VENTURE COST PUT AT $4.5 BILLION BY EL PASO, OCCIDENTAL

NEW YORK.—El Paso Natural Gas Co. and Occidental Petroleum Corp. estimated that the facilities needed to move natural gas to the U.S. from Russia under their proposed joint venture would cost $4.5 billion.

An official of El Paso said in Houston that this would include a 2,000-mile pipeline from eastern Siberia to a port near Vladivostok, liquefaction facilities to turn the gas into LNG liquefied natural gas) and 18 to 20 tankers.

In New York, Dr. Armand Hammer, chairman of Occidental, said in an interview that, based on costs of other LNG projects, the gas would cost an additional $12.5 billion over the life of the planned 25-year project.

El Paso and Occidental have been negotiating with the Soviet Union for some months over their proposal to transport one billion cubic feet of gas a day to the U.S. from Russia's vast Siberian gas deposits. Officials of the two companies said they will resume negotiations in Russia early next month.

El Paso and Occidental announced last October that they had agreed to explore jointly the possibility of purchasing large quantities of natural gas from the Soviet Union. Previously, a consortium consisting of Texas Eastern Transmission Corp., Tenneco Inc. and Brown & Root Inc., a division of Halliburton Co., had begun holding talks with the Russians on possible importation of Soviet gas, as LNG, into the U.S.

Dr. Hammer also has been discussing joint development of the Siberian gas reserves with Japanese interests. Both he and an official of El Paso said yesterday that if the Japanese interests join in the project it would boost the amount of gas to be brought out of Russia by the El Paso-Occidental venture to two billion cubic feet a day or possibly more.

The El Paso and Occidental officials said, however, that before signing the agreement the Russians are insisting on most-favored nation treatment by the U.S. "If Congress acts (on most-favored nation treatment for Russia) before the end of this year, we expect that in the early part of next year we would be completed and ready to start transchasing Soviet gas, Dr. Hammer said, adding: "We're in very serious negotiations."

Dr. Hammer said he believes the facilities would be completed and ready to start transporting the gas within three years after an agreement is reached with the Soviet Union.

Mr. FANNIN. Mr. President, Libyan nationalizations set the stage for other Arabs to use oil for political purposes. We must, therefore, develop our domestic resources including Alaskan oil. This July 1973 Petroleum Press Service article details how Libya has nationalized U.S. companies. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGH STAKES IN LIBYA

Libya is again the odd man out—this time in the paticipation stakes, with the nationalization of Bunker Hunt thrown in to increase the pressure on the big producers here. The industry has thus far managed to stick together in resisting the government's demands for 100 per cent participation—but appears no closer to a settlement that would be acceptable to Libya without setting off a "me too" chain reaction throughout the Arab oil world.

It will be recalled that BP's half-share in the big Serir field was nationalized in December 1971, in retaliation for Britain's failure to prevent Iran from occupying three small islands in the Persian Gulf. Bunker Hunt, BP's partner in Serir and the original concession holder, was allowed to continue lifting something approximating its half-share of production from the field—which has been running at little more than half its previous 430,000 b/d level—but has been in the firing line continuously due to the company's refusal to market BP's nationalized oil.

PARTICIPATION DEMANDS DOUBLED

Then last autumn AGIP was finally allowed to start up its first Libyan oilfield in exchange for agreeing to 50 per cent government participation. Within days Libya made a similar demand of Bunker Hunt, in addition to a retroactive claim for half the company's profits on its crude sales since the 1971 nationalization of BP. Negotiations went in interimttently, but—aside from verbal threats and occasional brief suspensions of Hunt's oil exports—Libya did nothing dramatic for some time, and actually named its arbitrator for the dispute several months ago in response to Hunt's request.

This was the first time in its history that Libya agreed to arbitration of an oil dispute (as provided for under the country's oil laws), and it appeared that the government had decided to ignore the small fry while it concentrate on much bigger fish. First Oasis and then Amoseas and Occidental were singled out for negotiations, with Tripoli's previous demand for 50 per cent participation raised to 100 percent at the end of April.

LIBYA STEPS UP THE PRESSURE

The three groups (which include the four large independents operating here, plus three majors) together produce 1.4 million barrels a day of oil, well over half the country's total output at present; agreement by any one of them could be expected to be forced on all the other large producers. The government's demands were much stiffer than those accepted recently in the Persian Gulf and Nigeria, and were tantamount to nationalization: compensation based on net book value only, with the "right" to buy oil at market prices. Understandably, the companies refused. Their counter-offers were summarily rejected; the government stopped all exports for a token 24-hour period on 15th May, and participation talks continued.

Bunker Hunt was back in the news late in May when the government permanently stopped its tanker loadings. The company was informed that its rights to produce and export would be denied as of 1st June, and the nationalization of its assets was announced by Colonel Gaddafi on 11th June. In a speech delivered to a mass rally on the third anniversary of US evacuation of the former Wheelus airbase, the Libyan leader accused Hunt of "lacking the legal basis" for oil operations here, and added that the US "deserves a good hard slap on its insolent face in the Arab area".

Thus, Libya has now registered its protests against the foreign policy of both Britain and the USA, and has picked off the easy target of independent Bunker Hunt, which now has no oil production outside North America. The 12-article nationalization decree, officially issued last month as Law No 42/1973, provides for the setting up of a committee to estimate compensation. This was also done in the case of BP and the marketing companies expropriated earlier, but none has yet received a penny.

OIL FROM AFRICA'S BIGGEST FIELD

Because of Hunt's somewhat exposed position since late 1971—it has had no agreement with Libya's Arabian Gulf Exploration, the company formed to operate Serir following BP's expulsion—the takeover was not wholly unexpected. As a result, the government now controls Africa's largest oilfield, proven Serir reserves being variously estimated at 11–14 billion barrels. It has, however, increased the difficult of marketing this easily identified waxy crude.

LIBYA: CRUDE OIL PRODUCTION

[Thousand barrels per day]

	1970	1971	1972	1973 [1] January May	1973 [1] May
Oasis [1]	946	824	799	845	845
Occidental [2]	659	586	424	333	349
Esso [3]	692	447	354	348	295
AGEC/Hunt [4]	413	420	188	233	253
Amoseas [5]	323	262	234	220	212
Mobil/Gelsenberg	253	186	163	151	150
AGIP/NOC [6]			24	139	137
Aquitaine group [7]	20	17	16	13	12
Amoco	8	15	9	7	7
NOC [8]	4	4	3	3	3
Total	3,318	2,761	2,215	2,293	2,264

[1] Includes unofficial estimates.

[2] Continental, Marathon, Amerada/Shell.

[3] Esso Standard, Esso Sirte (with Libyan American and Grace).

[4] BP/Bunker Hunt until December 1971; then Arabian Gulf Exploration Co. (subsidiary of National Oil Corp.) operating BP's nationalized share in Serir field, with Hunt.

[5] California Standard/Texaco.

[6] Production started in October 1972.

[7] With Hispanoil, Murphy, Elf.

[8] National Oil Corp., operating Phillips' relinquished Umm Farud field since October 1970.

Production from the now wholly nationalized field continues to move to Eastern Europe under several contracts concluded earlier by the National Oil Corporation (believed to total some 110,000 b/d), but Hunt is now supporting BP's actions in embargoing any shipments to the non-communist world. To date BP has taken action against 13 cargoes, and will presumably do the same against future shipments under contracts reportedly concluded recently with Brazil's Petrobrás and several small U.S. independents. Claims have been issued against 10 shipments by NOC, valued at $7,066,000, to Greek refiner John Latsis, and three cargoes for Montedison's Sincat in Sicily. The floodgates appeared to be opening when BP lost the first stage of its initial test case against Sincat in March, but long-drawn out legal proceedings should deter any substantial flow of the "blacked" Serir crude: the first court hearing in Athens is scheduled for 20th September, and BP's appeal against the Sicilian judge's ruling is due to be heard in Catania early in October. The decision of Swedish Judge Lagergren, appointed by the International Court to arbitrate BP's claim against the nationalization itself, is expected in the autumn.

A CURTAIN-RAISER

But all this activity qualifies as little more than a curtain-raiser to the main drama in Tripoli, where the outcome of the participation negotiations could have a critical effect on the oil industry's arrangements elsewhere. Whether there has been any significant progress toward an agreed settlement is difficult to say, although it is generally believed that the government's real target now is "only" an immediate 51 per cent stake, rather than the 100 per cent claim first put to leading producer Oasis on 30th April.

The industry is again faced with the delicate task of seeking a formula that will satisfy Libya's determination to outdo its OPEC partners without upsetting the carefully balanced participation agreements already concluded in the Persian Gulf. Negotiations were in recess as we went to press, and both sides were apparently hammering out proposals for the next round. It seems futile to speculate whether the unpredictable regime in Tripoli will carry out its threats of more widespread nationalizations, although the resultant upheaval would hardly help Colonel Gaddafi to bring off his much-cherished union with the UAR as scheduled in September—for which the only attraction in Egyptian eyes must be Libya's uncommitted oil reserves.

MEASURE OF INSURANCE

For the industry, the loss of some 2.3 million b/d of very light, low-sulphur Mediterranean oil would be a blow, particularly in view of the current tight crude position worldwide. But the recent settlement in Nigeria combined with heavy advance chartering of tanker capacity by the majors provides some measure of insurance if the worst should happen. In the meantime, the industry's internal arrangements to provide alternative crude supplies to any victimized company should strengthen the hands of the negotiators. It seems obvious that if ever there is to be a time or a place to halt the dizzy spiral of "giveaways" that has rocked the oil industry for the past two years, it is now in Tripoli.

Mr. FANNIN. Mr. President, the National Iranian Oil Co. has gained control over a western oil consortium in that country. The Shah, under this new agreement, has added to his complete ownership, complete control. This is to ensure continuous flow of crude oil to the markets.

Once again, these two articles, one from the New York Times and the other from the Wall Street Journal, both appearing on May 25, 1973, demonstrate the need to place emphasis upon our domestic oil resources, including the Alaskan pipeline, and stop our reliance upon international oil.

Mr. President, I ask unanimous consent to have these articles printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

IRAN SIGNS PACT WITH WESTERN OIL UNITS

Iran and the Western oil companies signed yesterday a basic agreement giving the Iranian Government "full and real control" over the petroleum industry within its borders.

The agreement, specific details of which are still to be worked out, give the National Iranian Oil Company control over all the operations and facilities of the consortium of Western companies that have been operating in Iran in one form or another since 1901.

It is the most far-reaching agreement ever amicably worked out between the government of an oil producing country and the international oil industry.

Industry analysts, however, do not expect it to upset agreements reached earlier this year between the companies and Saudi Arabia and other Persian Gulf Countries giving the producing Governments a 25 per cent "participation" in existing concessions.

HAS NOMINAL CONTROL

Iran has had nominal control of her oil resources since 1954 when the Shah signed the agreement with a consortium of Western companies giving the National Iranian Oil Company title to all fields, deposits and facilities but gave the companies unrestricted rights to use them.

The 1954 agreement was in the form of a peace treaty between Iran and Western interests following Premier Mohammed Mossadeh's nationalization of the Iranian Oil industry in 1951. After the nationalization, the Western companies cut Iran off from the consumer markets replacing the Iranian oil with oil chiefly from Kuwait and Saudi Arabia.

The consortium members include the British Petroleum Company with 40 per cent, Royal Dutch Shell with 14 per cent, the Gulf Oil Corporation, the Mobil Oil Corporation, the Exxon Corporation, Texaco, Inc., and the Standard Oil Company of California all with 7 per cent; Cie Franciase Des Petroles 6 per cent and the Iricon Group of Companies, 5 per cent.

Under the new agreement which runs for 20 years the consortium will act as technical adviser, operator and off takers of Iranian oil. In many practical ways the status of the consortium will be little changed.

The agreement however, reduces the area in which the consortium will have right to buy the oil by 70 per cent of the previous concession. The new area nonetheless contains all present producing fields.

Oil Consortium Yields Control of Iran Operation

A Western oil consortium gave up control of its operations in Iran under a 20-year pact signed in Tehran.

But members of the consortium will hold an exclusive right to the bulk of crude oil coming from Iran, which is the world's fourth-largest petroleum producer.

The consortium also will continue to provide operating services and technical assistance, under Iranian control, in its so-called "agreement" area of south Iran. The consortium's operating territory of some 30,000 square miles will shrink by 30%, however, and Iran will withhold a part of the oil produced within the area for its own internal needs and for export.

Members of the consortium and their interests are British Petroleum Co., 40%; the Royal Dutch-Shell Group, 14%; Exxon Corp., Gulf Oil Corp., Mobil Oil Corp., Texaco Inc. and Standard Oil Co. of California, 7% each; Cie Francaise des Petroles, 6%, and the Iricon group, 5%. The Iricon group is made up of American Independent Oil Co., Atlantic Richfield Co., Charter Oil Co., Continental Oil Co., Getty Oil Co. and Standard Oil Co. (Ohio).

PREVIOUS SETUP

About 92% of Iran's oil, or about five million barrels a day, is produced in the consortium's defined areas. The Western companies have been producing and refining the oil, and marketing much of it, under contract to the state-owned National Iranian Oil Co. Ownership of the oil hasn't been in question since it was nationalized in 1951.

An agreement in 1954 provided for a 25-year term under this operating arrangement. But last January the Shah of Iran ordered the companies to turn over "full and real control" to Iran or else leave the country before their old agreement expired in 1979.

The new pact—in effect, an agreement in principle—is in the form of a purchase-sales contract which gives members of the consortium a continuing right to crude produced within their area. The size of the area is being reduced under terms of the old agreement, which called for certain relinquishments by the companies. The new pact doesn't have any such provisions.

Under the new agreement, Iran will assume primary responsibility for operating and financing the activities formerly run by the consortium. "It's mainly a change in emphasis," a spokesman for one of the oil companies said in New York. He added: "While the Shah previously had 100% ownership of the oil, he will also have 100% control."

FINANCIAL CONSEQUENCES

Financial effects of the new agreement "generally will be comparable with those Iran would have received" if it had gone the route of "participation" chosen by Persian Gulf states, a spokesman for the consortium, Iran Oil Participants Ltd., said in London. The Gulf states, under terms of an agreement signed with Western companies last January, acquired an initial 25% equity interest in the petroleum production of the oil concerns operating within their borders. By 1982, the Gulf states' shares will rise to 51%.

In Tehran, according to the Associated Press, the Shah's oil consultant also said the agreement is designed to make sure Iran receives economic benefits similar to those which will acrue to the other Persian Gulf producing countries. Additionally, the consultant said, the agreement will provide long-term stability and "insure the continuous flow of crude oil to the markets supplied by the oil companies."

Quantities of Iranian oil to be exported by National Iranian Oil Co. weren't disclosed. But industry sources suggested that exports might be on the order of 50,000 barrels or 100,000 barrels a day at the start and that they likely will increase gradually.

Production of Iranian oil also is due to begin increasing. The oil companies already have put into effect plans to increase output to eight million barrels daily by 1976, as ordered by the Shah.

The new pact still must be put into legal language and then approved by Iran's parliament. Drafting of the final documents for ratification by the Iranian parliament could require some weeks, sources said in London and Tehran.

Mr. FANNIN. Mr. President, Arab oil is eyed as a way to bring pressure upon the United States.

The New York Times on June 13, 1973, brought to the public's attention the possibility of Arab countries using their oil production as a means to bring pressure upon the United States. This is a very real threat and we must face up to the fact that we may not always rely on foreign oil production to supply our Nation with its needed fuels.

We therefore must concentrate our efforts on domestic supplies. We need the Alaskan pipeline.

Mr. President, I ask unanimous consent to have this article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Arab Says Oil Restraint Is a Way To Pressure United States

Beirut, Lebanon, June 12.—An Arab oil expert says Arab oil-producing countries could bring the United States to the brink of a severe energy crisis within one year by merely holding production to its present levels.

Nadim Pachachi, former secretary general of the 11-nation organization of Petroleum Exporting Countries, said in a speech here last night that a total oil embargo would be unnecessary.

"All the Arab producers need do is merely to refuse to increase production," he told an audience of Lebanese and Americans at the alumni club of the American University of Beirut.

Dr. Pachachi said the world demand for oil—excluding the Soviet Union, China, Eastern Europe and Canada but including United States imports—was expected to increase by an average of four million barrels a day during 1973, 1974 and 1975.

The Iranian oil industry was nationalized last March 21, but the terms were acceptable to the Western members of the consortium operating in Iran. They negotiated rights to obtain substantial quantities of crude oil over the next 20 years in payment. That settlement did no damage to the basic accord with the Persian Gulf states.

NO SHOWDOWN NOW

There were some experts who said they did not expect a major confrontation between Libya and the oil companies at this time, even though they conceded that the situation would remain tense. These experts attributed last night's action to special circumstances. As the partner of British Petroleum in Libya's Serir oil field, Bunker Hunt had angered Libyan authorities by rejecting demands to market B.P.'s oil after that company's Libyan assets were nationalized in 1971.

On May 24 Libyan authorities stopped Bunker Hunt from producing any more oil. This move was considered a prelude to expropriation. Bunker Hunt has been backed by the major oil companies and assured of their financial support if its operations were shut down.

Other companies operating in Libya are taking a tough position because they fear leapfrogging demands if the Libyans extract new concessions. These companies have strong means of resisting expropriation. For instance, they can embargo the oil of any producing country that refuses to pay adequately for expropriated assets. This would make it almost impossible for the oil to be sold in a Western consuming country.

COMMENT BY SHEIK

In this connection, Sheik Ahmed Zaki Yamani, Oil Minister of Saudi Arabia, has discussed Iraq's experience last year after she had nationalized the Kirkuk field. Iraq's oil exports were not embargoed.

"The production from this field is about 1.2 million barrels daily, or about one-sixth the production of Saudi Arabia," Sheik Yamani said. "Iraq has not been able to market more than a third of this output despite the assistance which the French Government extended to it in this regard.

"Furthermore, Iraq's income per barrel at present is less than it was under the concession agreement."

Iraq reached an agreement with the Western oil companies last March.

Mr. FANNIN. Mr. President, the New York Times on June 4, reported the Kuwaiti Government desirous of nationalizing its oil companies, 50 percent of which is now owned by two oil companies. This follows a successful similar attempt by the Iranian Government in March.

Mr. President, we need to concentrate our efforts on domestic availability of fuels. We need the Alaskan pipeline.

I ask unanimous consent to have this article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Kuwait Seeking New Pact on Oil—100 Percent Ownership of Foreign Units Said To Be Goal

Kuwait, June 13.—The Kuwaiti Government announced today that it was seeking a new participation agreement with foreign oil companies operating in Kuwait.

The Government was reported to be interested in 100 per cent ownership of the oil companies similar to the arrangement recently worked out between the Government of Iran and the companies operating there.

The announcement that Kuwait wanted a new oil agreement followed a meeting between Robert Dorsey, the chairman of the Gulf Oil Corporation and the Kuwait Crown Prince and Premier, Sheik Jaber al Ahmed al Jaber.

The Government said Mr. Dorsey had been summoned to Kuwait to be briefed on the new situation.

Gulf Oil and the British Petroleum Company each own 50 per cent of the Kuwait Oil Company, which under a concession agreement is now producing about three million barrels of oil a day, or about 90 per cent of Kuwait's output.

Under an agreement reached last year between the oil companies and Saudi Arabia, Abu Dhabi, Qatar and Kuwait, a new participation agreement was to go into effect as of Jan. 1, 1973, in which the governments would be able to take over 25 per cent of the ownership of the foreign oil companies. This was eventually to be increased to a 51 per cent share by 1981.

The agreement has not yet been ratified by the Kuwait National Assembly because of political opposition.

The Kuwaiti Minister of Oil and Finance, Abdul Rahman al Atiki, said that "with the changes these days we think we can enter into cordial discussions with the oil companies to reach a new agreement to suit the needs of the country."

He said new talks with the Kuwait Oil Company executives would start soon and the matter would be settled "within a matter of weeks." There was no immediate comment from the company.

The Kuwait Government, which previously had prohibited production increases by the Kuwait Oil Company, thus limiting the company to three million barrels a day, said today that production increases now would be allowed if the company found new oil fields.

The spokesman said that Mr. Dorsey had discussed with officials of the Kuwait Government the participation agreement that was signed earlier this year but has yet to be ratified by Parliament. That agreement gave Kuwait an immediate 25 per cent interest in the oil produced in that country and provided that participation would rise to 51 per cent by 1982.

STATUS OF OTHER CONCERNS

Mr. Dorsey said the discussions had been "positive, fruitful and cordial" and said they would lead to additional meetings and a possible simplification of the participation agreement and would insure long-range stability.

"However," he added, "at no time was there a discussion or any suggestion of 100 per cent ownership on the part of the Government of Kuwait."

A spokesman for western oil companies said here yesterday that none of the other countries in the Persian Gulf Area Participation Pact besides Kuwait was seeking new talks on the agreement. The pact was reached last year between the oil companies and Saudi Arabia, Abu Dhabi, Qatar and Kuwait.

Only the Gulf Oil Corporation and British Petroleum are directly affected by Kuwait's announcement that it was interested in seeking 100 per cent ownership of oil companies in that country. However, other oil companies are concerned about their participation agreements with the other countries.

HUNT'S PLAN OF ACTION

DALLAS, June 13 (Reuters).—Nelson Bunker Hunt, the American oil man whose interests in Libya have been nationalized, has a "legal" plan of action to counteract his problems.

Ed Guinn, chief legal counsel for Mr. Hunt and the Hunt International Petroleum Co., said today he and colleagues were putting together a countermove.

"When they bring that oil out, we could attach the ships that transport it in just about any free port in the world," Mr. Guinn said.

Mr. Guinn, who is one of the best-known oil attorneys in the United States, said there would be no sense in going to the United States Government for help.

Mr. FANNIN. Mr. President, the Organization of Petroleum Exporting Countries—OPEC—and Western oil firms are being forced to tighten their grips on the prices of crude oil. The Wall Street Journal of June 4 of this year reports that this increase, a total of 11.9 percent, is due to the rising cost of oil production. Therefore, we would do well to develop our own resources further.

We need to build the Alaska pipeline now.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPEC, OIL FIRMS SET 11.9 PERCENT BOOST IN POSTED PRICES: ACTUAL INCREASE SINCE JANUARY 1 IS 19 CENTS, BUT 9-CENT RISE WAS EFFECTED APRIL 1—SHIFT CAUSED BY DEVALUATION

Western oil companies settled their post-dollar-devaluation dispute with the Organization of Petroleum Exporting Countries by agreeing to increase posted prices of petroleum a total of slightly more than 30 cents a barrel.

This doesn't mean that the cost of much of the world's oil is rising by that much. Rather, it means that the cost of producing oil in many of the OPEC countries will immediately go up by close to 10 cents a barrel after having already climbed nine cents a barrel as a result of the February dollar devaluation.

This is because taxes and royalties paid to the producing governments are based on the so-called posted prices. Thus, some 62% of the increase in posted prices, or a total of around 18 cents a barrel, will go to the governments in added taxes and royalties. The oil companies undoubtedly will seek to pass on the added costs to consumers.

By one unofficial estimate, the increased payments will boost oil revenue to Saudi Arabia $220 million. Kuwait will be paid an additional $88 million a year.

The new posted prices, retroactive to Friday, are effective in Persian Gulf states and in Iibya and Nigeria. Some of the other countries that make up the 11-member OPEC, such as Venezuela and Indonesia, aren't directly affected because they have separate systems of compensation for loss of revenue from dollar devaluations.

MAJOR EFFECT IN EUROPE, JAPAN

The major consumers of the oil directly affected by this weekend's accord are Europe and Japan. The U.S. isn't immediately concerned as most of its imported crude at the moment comes from Venezuela and Canada. But any changes in crude prices is certain to have a ripple effect in other areas, and U.S. consumers may yet feel the pinch.

Japanese refineries were already up in arms about the higher price prospects for them. "The oil exporting countries have acquired a tighter grip on the matter of deciding crude oil prices," one refining official in Tokyo declared.

Representatives of the Western oil companies and OPEC signed the new accord over the weekend at Geneva. It modified their so-called "Geneva Agreement" of January 1972 and established an effective increase of 11.9% in posted prices.

The 11.9% increase is calculated on posted prices in effect Jan. 1. Incorporated in the new percentage increase is a prior boost of 6%, around 15 cents a barrel, that automatically was triggered April 1 under the old Geneva formula.

IMMEDIATE BOOST ABOUT 15 CENTS

Thus, the immediate impact is a further increase in posted prices of between 15 cents and 16 cents a barrel. For example, the posted price of Arab light, a typical Mideast crude oil, was $2.59 a barrel of 42 gallons last Jan. 1. On April 1 under the old Geneva formula, it went to $2.74 a barrel. Under the new agreement, the posted price of Arab light goes to $2.90 a barrel, a net increase of 31 cents since the start of the year.

The total of the overall percentage increase is higher than had originally been asked by OPEC. The producing governments, in three rounds of talks prior to the latest Geneva negotiations, had demanded a total increase of 11.1% to make up for the dollar's devalution in February.

It is understood, however, that the apparently higher amount reflects later cuts in the dollar's international value. "There has been a progressive fluctuation in currency values since the negotiations began," one source said. "The new formula is responsive to that," he stated.

Although the oil companies were able to keep the structure of the old Geneva formula, as they had hoped, they agreed to major modifications. Under the old formula, posted prices were changed according to the dollar values of the currencies of West Germany, France, Italy, Belgium, the Netherlands, Luxembourg, Sweden, Britain and Japan. Under the new formula, currencies of two additional countries are included: those of Canada and Australia.

Also, the posted prices under the new Geneva formula will be measured monthly, instead of quarterly, as had previously been the case.

Mr. FANNIN. Mr. President, by voting for this amendment and supporting it, I do not want to prejudice my vote for the Stevens-Gravel amendment.

Section 200(b)(3) urges prompt court action on any litigation involving the pipeline. It is my hope that agreement to the Stevens-Gravel amendment will preclude any further court action.

However, I feel that it is very highly important to go ahead with the Jackson amendment and I support it, reserving my right to support the Stevens-Gravel amendment.

Mr. JACKSON. Mr. President, I yield such time to the Senator from Alaska as he may require.

Mr. STEVENS. Mr. President, I am grateful to both the chairman and ranking member of the committee for their continued support of the Alaska pipeline concept.

I do want to comment on the amendment. I am a cosponsor of the amendment. I do not feel that it is inconsistent with the amendment that my colleague from Alaska and I will offer today. We will submit a modification of amendment No. 226 that would permit immediate construction of the trans-Alaskan pipeline. This is a substitute for the amendment as presently printed.

This revised amendment is similar to sections 201–204 of H.R. 9130, introduced on Friday, June 29, by Congressman JOHN MELCHER, chairman of the House Public Lands Subcommittee, and 20 cosponsors—nearly half the membership of the House Interior Committee.

This amendment will add a new title III—the "Trans-Alaska Pipeline Authorization Act." Section 302 makes a series of congressional findings on the necessity for the early delivery of North Slope oil and the necessity for the trans-Alaska pipeline—the quickest method to get the oil to the rest of the United States. It specifically states that additional pipelines may be needed through Canada later, and S. 1081 already incorporates a provision calling for immediate negotiations for and study of a trans-Canadian route. This is title II in the present bill.

In section 302(d) of the modification, Congress finds that the actions of the Secretary of the Interior and all other Federal agencies and officers that have been taken up until now on behalf of the executive branch with respect to the pipeline shall be regarded as satisfactory compliance with the National Environmental Policy Act of 1969 and all other applicable laws.

Under section 303(a) Congress grants and directs and authorizes the Secretary of the Interior to issue without further action under NEPA or any other law all necessary rights-of-way, leases, permits, approvals and other authorizations necessary for the construction, operation, and maintenance of a trans-Alaska pipeline system, a State of Alaska highway and no more than three State of Alaska airports. There is clear precedent for this type of a congressional grant. This is established in R.S. section 2477, 43 U.S.C. 932.

Subsection (b) states that the route shall follow the route generally described in present applications, but that the Secretary may approve amendments to these applications if he deems it appropriate.

Subsection (c) indicates that after performing these ministerial functions, the Secretary shall make such actions subject to the terms and conditions of the stipulations contained in volume I of the final environmental impact statement, prepared by him to prevent or mitigate any adverse environmental impact.

Subsection (d) states that no right-of-way, permit, or other formal authorization or other action taken by a Federal agency with respect to the construction of the pipeline, no Federal land order or other Federal authorization with respect to construction of the highway, nor any lease or permit granted by the Secretary for these airports shall be subject to judicial review.

Section 304 states that the right-of-ways and permits for the roads and airports may provide that these shall be public roads and airports.

Section 205 specifically states that this title shall grant no immunity from the Federal antitrust laws.

I urge my colleagues to consider this amendment carefully as a necessary solution to our energy crisis—one that we must resolve in favor of the trans-Alaska pipeline if we are to obtain the oil we need now.

Mr. President, I would particularly like to call the attention of the Senate to the decision by the Supreme Court on the Three Sisters Bridge case. In that case the Supreme Court denied certiorari on an appeal from the Court of Appeals.

Chief Justice Burger concurred in the action of the Supreme Court, and in so doing, he stated the clear position of the Supreme Court in terms of the power of the Congress to prohibit judicial review of the directives of Congress. That is what our amendment seeks to do. We do not seek to avoid NEPA, because we feel that it has been complied with in this instance.

I understand that my good friend, the Senator from Washington, disagrees with that.

However, we feel that of all cases, the Alaskan pipeline has perhaps been studied more than any other project in recent history. It has been changed to comply with the requirements of the National Environmental Protection Act.

Consequently, we seek to have Congress follow the direction set forth by the Supreme Court—in the Three Sisters Bridge case and clearly prohibit judicial review of the congressional action. As a result, the Alaskan pipeline could proceed immediately.

Mr. President, I ask unanimous consent that the concurring opinion of Chief Justice Burger be printed in the RECORD at this point.

There being no objection, the concurring opinion was ordered to be printed in the RECORD, as follows:

Mr. CHIEF JUSTICE BURGER, concurring.

I concur in the denial of certiorari in this case, but mainly out of considerations of timing. Questions of great importance to the Washington, D.C., area are presented by the petition, not the least of which is whether the Court of Appeals has, for a second time, unjustifiably frustrated the efforts of the Executive Branch to comply with the will of Congress as rather clearly expressed in § 23 of the Federal-Aid Highway Act of 1968, 82 Stat. 827.* If we were to grant the writ, however, it would be almost a year before we could render a decision in the case. It seems preferable, therefore, that we stay our hand. In these circumstances Congress may, of course, take any further legislative action it deems necessary to make unmistakably clear its intentions with respect to the project, even to the point of limiting or prohibiting judicial review of its directives in this respect.

Mr. STEVENS. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article from the American Bar Association Journal which is an interpretive review of the comments made by Chief Justice Burger in his concurring opinion in the Three Sisters Bridge case.

Mr. President, this is a very interesting discussion of the direction the court is taking with regard to the power of Congress to limit and prohibit judicial review of the directives of Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THREE LITTLE WORDS AND WHAT THEY DIDN'T SEEM TO MEAN

(By Frank R. Strong)

A considerable stir has been occasioned by Chief Justice Burger's modifications of his concurrence in the Three Sisters Bridge case—*Volpe* v. *D.C. Federation of Civic Associations*—in which on March 27, 1972, the Supreme Court denied a petition for a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit. As reported unofficially, 92 S.Ct. 1290–91, the Chief Justice's concurrence read:

"I concur in the denial of certiorari in this case, but solely out of considerations of timing. Questions of great importance to the Washington area are presented by the petition, not the least of which is whether the Court of Appeals has, for a second time, unjustifiably frustrated the efforts of the Executive Branch to comply with the will of Congress as rather clearly expressed in § 23 of the Federal-Aid Highway Act of 1968, 82 Stat. 827. If we were to grant the writ, however, it would be almost a year before we could render a decision in the case. It seems preferable, therefore, that we stay our hand. In these circumstances Congress may, of course, take any further legislative action it deems necessary to make unmistakably clear its intentions with respect to the Three Sisters Bridge project, even to the point of limiting or prohibiting judicial review of its directives."

The day following the Court's action Sen. James B. Allen of Alabama asserted on the floor of the Senate that the statement of the chief justice "can be taken as a straw in the wind—an indication of the attitude of the U.S. Supreme Court on the question of congressional power to limit the exercise of discretionary powers by U.S. district court judges." An opponent of school busing by judicial decree, the senator declared that the chief justice had tipped the Court's hand on the constitutionality of the Nixon Administration's antibusing bills (H.R. 13916 and S. 3388) introduced only a week before.

This development served to heighten the already major concern of those opposed to the administration's bills. Rep. Frank Thompson, Jr., of New Jersey, a strong opponent of antibusing legislation, took the floor of the House on May 15 to observe, "One of the most important aspects of this issue is the relation of busing to the constitutional rights of American citizens and the question of the power of Congress to limit the jurisdiction of the federal courts in the area of busing." He stated that he and Prof. Daniel H. Pollitt of the University of North Carolina School of Law "had attempted to examine this problem in an objective and scholarly way in a law review article." Despite the fact the article had been accepted for later publication, he placed the article in full in the *Congressional Record* of that date "for the consideration of my colleagues in the hope that it will clarify some of the issues and promote constructive debate on this subject."

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* Certain of the provisions of § 23 of the Federal-Aid Highway Act of 1968 were apparently enacted in response to the decision in *D.C. Federation of Civic Assns., Inc.* v. *Airis*, 129 U.S. App. D.C. 125, 391 F. 2d 478, in which it was held that the planning and construction of this project had to be carried out in strict compliance with the procedural requirements of Title 7 of the D.C. Code. Section 23(a) of the Act provides that "[n]otwithstanding any other provision of law, or any court decision . . . to the contrary, the Secretary of Transportation and the government of the District of Columbia *shall . . . construct*" certain specified "routes on the Interstate System within the District of Columbia." (Emphasis added.) In § 23(b), Congress singled out four particular projects, including this one, for special treatment by providing that work on those projects was to commence "[n]ot later than 30 days after the date of enactment of this section." In an earlier phase of the litigation involved in the instant petition, the Court of Appeals rejected the petitioners' contention that § 23 rendered inapplicable the pre-construction planning and public hearing requirements set out in various sections of Title 23 of the United States Code. *D.C. Federation of Civic Assns., Inc.* v. *Volpe*, 140 U.S. App. D.C. 162, 434 F. 2d 436. On remand following that decision, the District Court found that the petitioners had complied with all applicable provisions of Title 23 except those of § 128 relating to public hearings and those of § 100 relating to safety standards and other requirements. The Court of Appeals, in the decision that we are now being asked to review, reversed in part, holding that the petitioners had failed to comply with a number of additional preconstruction provisions of Title 23.

That study, "Congressional Control of Judicial Remedies: President Nixon's Moratorium on 'Busing Orders,'" now available in 50 *North Carolina Law Review* 809 (1972), concludes that "a series of decisions by the various courts of appeals under the Portal-to-Portal Act recognize that Congress may not exercise its control over the 'inferior' federal courts in a manner that denies those courts the power to vindicate rights guaranteed by the Constitution."

Without here debating the extent of congressional power to delimit the jurisdiction of federal courts,[1] there is no question but that the antibusing bills precipitate the issue stated by Representative Thompson and Professor Pollitt in terms of judicial power to interpret and enforce constitutional limitations.

Chief Justice Burger in the meantime had modified his concurrence. In the official report of the denial of certiorari (405 U.S. 1030–31), the words "in this respect" were added to the final, contentious sentence, so that it read:

". . . In these circumstances Congress may, of course, take any further legislative action it deems necessary to make unmistakably clear its intentions with respect to the project, even to the point of limiting or prohibiting judicial review of its directives in this respect."

The chief justice also appended a footnote to the citation three sentences earlier to the section of the Federal-Aid Highway Act of 1968 centrally involved in *Volpe*. The footnote summarizes the litigation that culminated in the petition for a writ of certiorari.

A news item originating in the *Chicago Sun-Times* of September 17, which described this action of the chief justice as "an unannounced and highly unusual move," asserted that the original version of the concurrence "had been interpreted as support for the Nixon administration proposals to strip the federal courts of the right to order busing in school desegregation cases." This was said to have been true of "Partisans on both sides of the busing controversy," citing Senator Allen and Yale professor of law Fred Rodell. The alteration, according to this account, appeared "designed to erase the impression that Burger was supporting Congress' right to take the courts' powers of judicial review away in such cases." Capping this alarum was the headline: "Burger Rewords Opinion Affecting Power on Busing."

The seeming conflict in regard to congressional power is resolved as soon as a distinction is made between two species of judicial review that involve major differences in the relationship between Congress and the federal judiciary. The issue in antibusing legislation concerns the power of Congress to restrict remedies deemed by federal courts to be essential to the full implementation of the seminal Supreme Court decisions in the *School Desegregation Cases,* 387 U.S. 483 (1954) and 349 U.S. 294 (1955) The issue is thus one of constitutional dimensions; it concerns the authority of the federal courts to exercise constitutional review free of interference from the Congress *Volpe,* on the other hand, was concerned with judicial interpretation of congressional legislation. Involved was the important, yet nonconstitutional, question of congressional policy with respect to a matter undeniably within its constitutional authority. This issue was literally one of judicial review of what Congress intended, undertaken at the instance of private interests opposed to the interpretation of a federal statute under which the executive branch was attempting to act.

Interpretation of statutes is a familiar facet of the historic function of courts as an independent branch of government. The judicial quest is for legislative intent, not for consistency or inconsistency between statute and Constitution. Unlike judicial review of constitutionality, under which the judgment is final subject to judicial overruling or formal constitutional amendment, judicial review of legislative intent does not preclude the enacting body from rejecting the judicial judgment through clarifying legislation. The locus of finality differs in the two situations. With the former, it is in the judiciary; with the latter, it is in the Congress.

For clarity's sake, that type of judicial action concerned with constitutionality should be renamed constitutional review, for that is what it is. The phrase "judicial review" should be retained for the other species because it so accurately describes that kind of judicial action in which the judiciary reviews legislative declarations of policy and executive implementations to determine liability to government sanction.[2]

THREE SISTERS BRIDGE HAS LONG SAGA

"The Three Sisters Bridge has stirred controversy since the 1950's," the Washington Post stated on March 28, 1972, "when it was formally proposed as a supplement to the Theodore Roosevelt Bridge, which was built to bring Rte. 66 into Washington. Three Sisters became so controversial that Presidents Kennedy and Johnson both intervened personally to bring settlements." But the controversy would not settle at this level, with the result that resort to the courts commenced in 1967 in what is known as the Airis litigation.

In the federal district court for the District of Columbia, to quote that court's description of the parties and issues involved, "a large number of plaintiffs of different kinds and types, joined together to restrain District of Columbia highway authorities and federal highway authorities from proceeding with the construction of four projects with federal highway aid." One of these four projects was the construction across the Potomac River of the Three Sisters Bridge, a structure planned as a segment of the interstate highway system. The array of plaintiffs opposed to construction was known as the D.C. Federation of Civil Associations. Relief was denied by Federal District Judge Holtzoff (275 F.Supp. 533).

On appeal, however, the district court was reversed *per curiam* by a court of appeals bench composed of Chief Judge Bazelon and Judges Tamm and Wright (391 F. 2d 478). The basis of the reversal was the failure of responsible District of Columbia highway officials to adhere to the procedural requirements of Title 7 of the District of Columbia Code, "designed to protect property rights by insuring that the highway plans are evolved democratically rather than arbitrarily. The public hearing required by § 7–115 offers the public an opportunity to participate in the administrative decision and forces the administrators to spell out the reasons for their decision—a check and balance basic to our entire system of government." It was explained that "we are reversing the District Court decision because, without authorization of Congress, the District appellees have disregarded the relevant statutes in planning and constructing the four freeway projects in suit here."

Within the same year, 1968, and in response to this judicial action, Congress enacted the Federal-Aid Highway Act. Section 23(a) called on the Secretary of Transportation and the District of Columbia to "construct all routes on the Interstate System within the District of Columbia" as earlier specified, and continued: "Such construction shall be undertaken as soon as possible after the date of enactment of this Act, except as otherwise provided in this section and shall be carried out in accordance with all applicable provisions of Title 23 of the United States Code." The action was to be taken "Notwithstanding any other provision of law, or any court decision or administrative action to the contrary. . . ." Section 23(b) was even more directive: "Not later than 30 days after the date of enactment of this section the government of the District of Columbia shall commence work on the following projects: (1) Three Sisters Bridge, I–266 (Section B1 to B2). . . ." Title 23 also imposes various planning and public hearing requirements akin to those in Title 7 of the District of Columbia Code.

NEW LITIGATION RAISES NEW QUESTIONS

Enter now Secretary Volpe, who with District of Columbia officials is made defendant in an injunction suit brought by the D.C. Federation of Civic Associations in a further effort to stop construction of the bridge despite the 1968 act. It is early 1970, with the issue again one of statutory construction but now even more technical than that presented in *Airis*. The plaintiffs contend that construction cannot proceed until there has been compliance with the planning and public hearing provision, this time of 23 U.S.C. because the 1968 act in Section 23(a) speaks of "accordance with all applicable provisions of Title 23 of the United States Code." The defendants, on the other hand, assert that that language has reference only to "the provisions of Title 23 which deal with actual construction. . . ." District Judge Sirica, on cross motions for summary judgment, concludes that "the interpretation of Section 23 of the 1968 Highway Act proposed by the defendants is the most reasonable" and enters judgment accordingly (308 F.Supp. 423).

Again the court of appeals reverses, this time by divided vote (434 F. 2d 436). Judge Skelly Wright is of the view that "If we were to accept appellees' interpretation we would be confronted with difficulties, possibly of constitutional magnitude." These he considers at some length but then passes on to statutory interpretation as an independent ground for reversal. "Considering the statute as it was written we do not read Section 23 as foreclosing the orderly procedures prescribed by Title 23." It is on this ground that Chief Judge Bazelon concurs with Judge Wright to constitute the majority for reversal. "I agree that the planning provisions of Title 23 apply to the Three Sisters Bridge Project, and that the case must be remanded to determine whether there has been compliance. Because that conclusion is compelled in my view by an analysis of the statutory language and the legislative history, I find it unnecessary to reach the constitutional questions." In a long dissent Judge MacKinnon reads Section 23 to opposite effect, thus agreeing with the interpretation given it by Judge Sirica.

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[1] Conventional views on the scope of congressional power to control the appellate jurisdiction of the Supreme Court are examined and a different interpretation offered in Strong. *Rx for a Nagging Constitutional Headache,* 8 SAN DIEGO L. REV. 246 (1971).

[2] The distinction between judicial review and constitutional review is developed in Strong, *Judicial Review: A Tri-Dimensional Concept of Administrative-Constitutional Law,* 69 W. VA. L. REV. 111 and 249 (1967). It is the basis for the analysis offered in the article cited in footnote 1. There is an increasing recognition of the dual functions of the Supreme Court and other American courts. See Kauper, *The Supreme Court: Hybrid Organ of State,* 21 S.W.L.J. 573 (1967).

On remand it fell to Judge Sirica to make the required determination as to whether the District of Columbia and federal officials had met the requirements of Title 23. His detailed analysis was reported (316 F. Supp. 754) in an opinion dated August 3, 1970. Summing up nearly forty pages, he concluded:

"Having held the evidentiary hearing called for by the Court of Appeals, the Court finds that in planning and commencing construction of the Three Sisters Bridge, the defendants have not complied with 23 U.S.C. § 128 and the Department of Transportation Policy and Procedure Memorandum 20-8 promulgated pursuant thereto, and 23 U.S.C. § 109. Therefore the construction work on the project must be enjoined until there has been compliance, with these sections of the statute and the Policy and Procedure Memorandum. The Court finds that there has been compliance with the other provisions of Title 23 of the United States Code which have been raised in this action."

This time the injunction literally stopped work on the bridge, for now it was in the preliminary stages of construction.

But once again the court of appeals called for remand by a majority vote, the panel this time consisting of Chief Judge Bazelon and Judges Fahy and MacKinnon. The opinion of the court is unreported, but the full text is given in the report dated December 1, 1971, of the Joint Committee on Congressional Operations Identifying Court Proceedings and Actions of Vital Interest to the Congress.

The difficulty now in the court of appeals was not only with Judge Sirica's conclusions of compliance with other relevant provisions of Title 23 but also with his preliminary evaluation as to whether Mr. Volpe, the secretary of transportation, had yielded to political pressure "applied by certain members of Congress in order to secure approval of the bridge project."

Judge Sirica had noted that "the proposed freeway system for the District of Columbia has spawned a fierce and emotional political controversy, with strong feeling on the part of both anti-freeway and pro-freeway factions" and that the secretary "was aware of this pressure." He had seemingly concluded, however, that there was not sufficient support for the contention that the pressure had influenced Mr. Volpe's deliberations and decision favorable to the construction of the bridge. But Chief Judge Bazelon was convinced that the district court "clearly and unambiguously found as a fact that the pressure exerted by Representative Natcher and others did have an impact on Secretary Volpe's decision to approve the bridge." While Judge Fahy was not so certain of this, he agreed that "the decision would be invalid if based in whole or in part on the pressures emanating from Representative Natcher."

Consequently, the court concluded: "We therefore hold, that on remand the Secretary must make new determinations based strictly on the merits and completely without regard to any considerations not made relevant by Congress in the applicable statutes." Judge MacKinnon again dissented.

By this time another president of the United States intervened in the long and bitter dispute. "Mr. Nixon," the *Washington Post* later reported, "personally ordered the Justice Department to seek Supreme Court review of the Three Sisters issue. He issued a statement November 18 saying he was convinced that the federal and District of Columbia governments had fully complied with highway laws in proceeding with the bridge, and that the U.S. court of appeals was wrong in finding October 12 that they had not."

Certiorari was sought in the Supreme Court on January 17, 1972, and denied on March 27, with Chief Justice Burger concurring with the language quoted earlier. This action has thrown the matter back in the lap of Secretary Volpe for fuller compliance with Title 23 "strictly on the merits" and without bowing to political pressures in making his determinations.

Can one fault the chief justice for declaring, "In these circumstances Congress may, of course, take any further legislative action it deems necessary to make unmistakably clear its intentions with respect to the project, even to the point of limiting or prohibiting judicial review of its directives in this respect."? An effort was made in Congress to act on the chief justice's assertion of legislative freedom. On September 21, the House Public Works Committee reported out H.R. 16,656, Section 139 of which provided:

"No court shall have power or authority to issue any order or take any action which will in any way impede, delay, or halt the construction of the . . . Three Sisters Bridge. Nor shall any approval, authorization, finding, determination, or similar action taken or omitted by the Secretary, the head of any other Federal agency, the government of the District of Columbia, or any other agency of Government in carrying out the mandate of this Act be reviewable in any court."

H.R. 16,656 was passed by the House by a heavy margin on October 5 following rejection of an amendment that would have stricken this provision, but the bill made little headway in the Senate before adjournment.

Chief Justice Burger's cautious addition of the addendum "in this report" to his concurrence in *Volpe* would have been unnecessary were there an understanding of the distinguishing features of judicial review and constitutional review. Properly understood, the Burger concurrence, whether in its original or amended form, has nothing to do with any question of congressional power to restrict the federal courts in exercising constitutional review. To be specific, it discloses nothing as to the Supreme Court's likely judgment on the constitutionality of the antibusing bills proposed in the Ninety-second Congress, should they be revived in the new Ninety-third Congress and enacted.

Mr. STEVENS. Mr. President, I support the amendment. I think it is not inconsistent with our important objectives. Although the Senator from Washington does not agree with this point, we seek to have cases that come before the courts handled expeditiously. We will check at a later date on the pipeline permit to ascertain if this prohibits judicial review of the action of the Congress determine if Congress agrees with us that the National Environmental Protection Act has been complied with in regard to the Alaskan pipeline.

Mr. JACKSON. Mr. President, I thank the Senator from Alaska. I now yield to the Senator from Arizona.

Mr. FANNIN. Mr. President, I ask unanimous consent that Nolan McKean, a staff member of the Senator from Wyoming (Mr. Hansen), be permitted the privilege of the floor during the discussion and voting on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I ask unanimous consent that Betsy Moler, my legislative assistant, may have access to the floor during the consideration of S. 1081.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Helms). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Washington (Mr. Jackson). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), is necessarily absent.

I further announce that the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman), are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The Senator from Michigan (Mr. Griffin) is absent on official business.

The Senator from New Mexico (Mr. Domenici) is detained on official business.

The result was announced—yeas 86, nays 6, as follows:

[No. 279 Leg.]

YEAS—86

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Gravel
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mansfield
Mathias
McClellan
McClure
McGovern
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—6

Abourezk
Biden
Hathaway
Hughes
McIntyre
Metcalf

NOT VOTING—8

Domenici
Fulbright
Goldwater
Griffin
Magnuson
McGee
Sparkman
Stennis

So Mr. Jackson's amendment was agreed to.

Mr. GRAVEL. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAVEL. Mr. President, the Christian Science Monitor recently printed a letter from the Honorable Rogers C. B. Morton, Secretary of the Interior, entitled "On Alaskan Oil, Chile, and Guns."

Secretary Morton has very concisely outlined the urgency for the trans-Alaska pipeline construction to get underway and what increased domestic oil production will mean to this Nation in terms of increased petroleum products and a decrease in our balance-of-payments deficit.

The Secretary states that—

> By 1980 we will be importing about 11.6 million barrels per day, if we are still without North Slope Alaska oil, at a dollar outflow of about $16 billion per year.

The question here for the Congress to decide is: Can this Nation afford such a dollar outflow, and if so, for how long?

I cannot envision any responsible official delaying further in a positive action that would help alleviate these problems. I appeal to my colleagues to act quickly, and decisively.

Mr. President, I ask unanimous consent to have Secretary Morton's letter inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ON ALASKAN OIL, CHILE, AND GUNS

I believe it is important for the American people to fully understand the congressional debate that is occurring on the question whether a pipeline should be built through Alaska or Canada to bring Alaskan oil to United States markets.

The United States was formerly a leading oil exporter. . . . By 1980 we will be importing about 11.6 million barrels per day, if we are still without North Slope Alaska oil, at a dollar outflow of about $16 billion a year. . . .

The largest oil discovery ever made on this continent was made five years ago on the North Slope of Alaska. Its proven reserves are conservatively estimated at about 10 billion barrels. Yet the oil remains in the ground for lack of a way to bring it to market in the "lower 48" states. In 1969 a group of oil companies sought a permit to build a pipeline to carry North Slope oil 789 miles southward to an ice-free port on Alaska's south coast, where it would be loaded aboard tankers and carried to West Coast U.S. ports. An exhaustive technical, economic, and environmental study resulted in a six-volume environmental impact statement and a three-volume economic and national security study that convinced me it is in our national interest that this pipeline be built as soon as possible. . . .

But lawsuits challenging my authority to issue the necessary permits and attacking the adequacy of the environmental studies have blocked pipeline construction. The latest court rulings have made it clear that no new major pipeline can be built anywhere in the United States, including Alaska, until Congress removes the narrow width limitations placed in the Mineral Leasing Act in 1920. Congress now is considering necessary changes. There have been some proposals that any new legislation prohibit construction of the Trans-Alaska pipeline until a study can be conducted of a Trans-Canada oil line to the Midwest.

I have carefully considered the possibility of a Trans-Canada oil pipeline, and I am firmly convinced that it is not in our interest to pursue this alternative further at this time.

First, neither route is clearly superior environmentally. The Trans-Alaska route crosses zones of earthquake probability, and its marine tanker leg involves some risk of oil spills at sea. But these risks are avoidable and I will impose stipulations on the permit that will control them. A Canada route, on the other hand, would cause more unavoidable environmental damage by crossing three or more times as much terrain and would involve serious risks from a much larger number of river crossings, which endanger pipelines during flood stage.

Second, a Trans-Alaska-tanker delivery route means more jobs for Americans, as organized labor has recognized. . . .

Third, consider our balance of payments problem. Canada is a friendly nation, but big dollar outflows to Canada or any other country inevitably affect the strength of our economy and, thus, our efforts to control inflation. . . . Half the line's capacity could be used to move Canadian oil to Canadian markets, not to the U.S., and we would receive only half the relief from increasing oil imports that we would receive from a Trans-Alaska line.

Fourth, the time factor has crucial implications. The more we depend on foreign oil, the more our diplomats and strategists must take this dependency into their calculations to meet our national commitments. Alaskan oil will be no cure-all, but it can supply 10 to 12 percent of our needs by 1985.

A Trans-Alaska line has already undergone rigorous environmental studies, planning and engineering. It can be built within three years after Congress and the courts complete action. A Trans-Canada oil line is still no more than a general concept. . . .

Finally, there is the Midwest vs. West Coast argument. Alaskan oil delivered to the Midwest would not lower oil prices there and would not free that region of its dependence on foreign oil. Both the Midwest and West Coast import a major share of their oil already. Pressing for sectional advantage may be a temptation—but it is potentially ruinous because it leads to open-ended delays. And such delays could weaken our economy, undercut our world position, increase our vulnerability to foreign pressures, and deprive Americans of needed employment.

Mr. GRAVEL. Mr. President, recently Mr. William Randolph Hearst, Jr., editor in chief of the Hearst newspaper, wrote an article entiled "The Wolf Is Here."

Indeed, the wolf is here. And here he will stay until responsible action is taken to drive him away.

I am, of course, talking about the critical national energy shortage and the balance-of-payments deficit—problems that are hounding us and threaten the very fabric of our economy. Mr. Hearst thinks it is unconscionable to further delay construction of the trans-Alaska pipeline. I cannot agree more, and as the energy shortage worsens we are going to have a vocal American public demanding that Government take a decisive role in attempting to alleviate the crisis. During this week the Senate will have the opportunity to make that effort to help alleviate our untenable situation. I sincerely hope that we will act responsibly and authorize construction to begin on the trans-Alaska pipeline without further delay.

Because Mr. Hearst so eloquently covers the critical problems facing the Nation, I ask unanimous consent to have his column printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WOLF IS HERE

(By William Randolph Hearst, Jr.)

NEW YORK.—Three long years ago—on June 25, 1970, to be exact—this column was devoted to a call for urgent action on a matter whose importance was described as involving nothing less than "the well-being of the entire United States."

Those words, which struck some of my readers as exageration were written in a report sent from Fairbanks, Alaska. It told how a group of conservation extremists and government indecision were blocking the 800-mile pipeline needed to tap the ocean of oil discovered in 1968 under Prudhoe Bay, off Alaska's ice-bound North Slope.

If the pipeline had been built as originally planned, two million gallons of American oil now would be flowing our fuel-hungry way today—every day—through the ice-free port of Valdez in southern Alaska.

Instead, significantly, the United States today is already being compelled to import far more than that amount from other countries—or about 32 per cent of our total supply—at increasingly great and dangerous detriment to our already sick balance of payments position.

Words fail me in describing the monumental stupidity of not pushing ahead with the original plans. Yet what is far worse is the fact that even to date not a single inch of the vitally-needed trans-Alaskan pipeline has been built. And for the same reasons.

Readers who three years ago thought it necessive to declare that the nation's well-being was involved in the Alaskan oil impasse are invited to reconsider. They can best start by thinking of our now ominous general shortage of power—half of which comes from oil—and of the gasoline shortage which already is closing stations, raising prices and threatening drivers with nation-wide gas rationing.

Our whole national life-style is being menaced by America's lack of adequate domestic oil supplies. Yet we continue to keep in an Alaskan deep freeze what has been called "one of the largest petroleum accumulations known to the world today"—at least is and possibly 40 billion gallons of precious oil, plus over 25 trillion cubic feet of natural gas.

Other nations regard the situation as all but incredible, and so do I. Only I add stupid, inexcusable and downright tragic.

Thanks to the group of well-meaning but short-sighted and stubborn environmentalists, and thanks to government indecision and red tape, it now will be at least another three years before we can even start pumping out our vast treasure.

Even if the project got an official green light tomorrow, that's the length of lost time it would take to build the necessary pipeline.

Again for the umpteenth time was a visit made to my office this week by two of Alaska's most distinguished citizens—Lieutenant Governor M. A. (Red) Boucher and U.S. Senator Ted Stevens, who came to talk about it with some of our editors and columnist Bob Considine.

Bob and I had first met Red Boucher in 1967 when he was mayor of Fairbanks, managing the local ball club from the dugout.

We saw him again three years ago when Bob, Joe Kingsbury-Smith and I stopped off to inspect the progress on the North Slope and, incidentally, to take in a baseball game played from 11 p.m. to 1 a.m. without the benefit of arc lights on the longest day of the year. It was Red who loaned us a plane so that we could see at firsthand the activities and development on the North Slope and get back the same long day.

The glow of renewing a warm relationship soon turned to the heat of impassioned concern as my two callers expounded at length on the basic theme of their visit—now important it is for the American public to realize and start adjusting to the unaccustomed belt-tightening they face in the years immediately ahead.

Here's how Red summed it up:

"If people only knew the tremendous reversal of attitudes and behavior that they and this nation will be forced to undergo starting right now, they never would have permitted the folly of our Alaskan pipeline delay.

"Today's energy crisis, with its power blackouts and all the rest, is only a foretaste of what is coming and has been coming ever since the late 1960s. That's when America suddenly ceased being self-sufficient in energy.

"It seems almost impossible for our people to grasp what this means. They think of their country as a land of boundless riches, which it never was, and think they can go right on living the good life of creature comforts made possible by their cars, air conditioners, adjustable heat, and all those gizmos from waffle irons to automatic tooth brushes.

"What made us a powerful super-state, with the highest living standard in the world, was the cheap domestic energy supply we have been squandering. Energy and the oil which gives most of it is the very life blood of our civilization. Now we are no longer self-sufficient and the price will be going up and up from now on.

"It is not exaggerating to say that the energy problem already has become the most difficult one now confronting our nation, and not only domestically but internationally as well. For the first time in our history the wolf is at our own door, and he won't go away."

The energy crisis is too complicated a subject to be explored here. As a sample, however, it is expected that the nation's gas and oil needs will be doubled by 1985. Even before that, by 1980, experts expect that 50 per cent of such supplies will have to be bought from foreign sources.

Stewart L. Udall, former secretary of the interior, notes that many economists believe that only a few years from now we will be spending up to $30 billion a year for the imports—a situation which "will lead to disastrous devaluation of the dollar."

This, of course, translates into widespread unemployment and a radical lowering of general living conditions at home. Internationally it will compel all sorts of diplomatic readjustments as we compete with others for basic needs.

The most obvious example of the latter is our all but vital need to assure continued supplies from Arab countries which resent our support for Israel. By 1980, it is estimated, we will be relying on such countries for 35 per cent of our oil—oil which would be denied us as it was briefly during the six-day Arab-Israel war of 1967.

Any way you look at it all, there is nothing but trouble ahead for us so far as our energy needs are concerned.

The bleak picture painted by Lt. Gov. Boucher and Sen. Stevens should give you a pretty good idea why further delay in building the trans-Alaskan pipeline is unconscionable. The oil it can provide us by no means will solve our problems, but getting at it is the most expedient step we can and must take.

At the moment, the pipeline is being delayed while Congress considers a bill to permit an essential broadening of right-of-way limits set by an outmoded 1920 law. Discussion of the measure is expected within two weeks. Favorable action is foreseen despite some midwestern lawmakers who would like a proposed alternate pipeline through Canada to their region.

Passage of the right-of-way bill, unfortunately, will end only the latest in the interminable series of hurdles placed in the way of the oil companies in their struggle to build the trans-Alaskan route.

As next step, the matter will go back to the federal courts where the conservationists are challenging an environmental statement of the oil companies. The challengers can be relied on to drag the proceedings out as long as possible by demanding further study of the proposed trans-Canadian pipeline.

This is a beauty of a red herring. Even if the alternate line were found to be practical, it would take four or five years to settle native land claims alone—not to mention years more to construct it.

The trans-Alaskan line has been researched every which way. Its potential danger to wildlife or the environment would be absolutely negligible. And we simply cannot afford to wait 10 years or so for oil we need right now.

What can you do about it? If you feel as I do, at the very least you can write to your favorite lawmaker in Washington and tell him.

Mr. GRAVEL. Mr. President, there are many facets to the present energy shortage.

When a gasoline shortage prevents a family from taking a long-planned and well-deserved vacation, we might call the postponement an inconvenience. When the gasoline shortage threatens employees reaching their jobs, then the result takes a different turn. However, how do we describe the results of fuel shortages affecting agricultural production?

Strange as it may seem to many of us, few draft animals are used in the production of food for market. The agricultural industry is a highly mechanized one—from milking machines, picking cotton, poultry production, threshing wheat, mowing and baling hay, drying feed, operating irrigation systems, to the simple operation of plowing, and planting of grains. All such operations require energy consumption of some type and it is mainly consumption of petroleum products. Gone are the days when a pound of wagon grease got a farmer through the season.

Food and the cost of production of foods are at an all-time high. A decrease in production of food can only compound this frightening situation.

While the trans-Alaska pipeline would not resolve all our energy needs, 2 million barrels of crude oil per day from the North Slope of Alaska would go a long way toward getting people to work and the agricultural machinery running.

The National Agricultural Institute in its June bulletin covers the problem of energy shortage in an article entitled: "A Farmer Views the Fuel Shortage."

I ask unanimous consent to have the article printed in the Record and ask my colleagues to please read it.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Farmer Views the Fuel Shortage

Richard Munk is a farmer and rancher in north central Nebraska who just put in a new center pivotal irrigation system that will run—if all goes according to plan—non-stop from mid-June to the first of September. As the hot growing months roll by, his new system will slowly circle a newly-leveled quarter section once every two and one-half days soaking the land with a half-inch to an inch of water—enough to produce 800 tons of alfalfa; enough for over 100 cows. That is the plan . . . *except for one not-so-small hitch.*

The pivotal irrigation system runs on diesel fuel, and Munk's 500-gallon storage tank has dipped to less than half full. Under normal conditions he will need 1,000 gallons to make it through June, but his dealer, 18 miles west in Bassett, is also running short. The available supply is being allocated, and the dealer has told Munk he may be able to deliver only 630 gallons of fuel to him during June. Even though both the dealer and Munk are scheduled to receive more fuel soon, the question is: Will it be enough to produce a good crop?

Demand for fuel to run the big systems like Munk's (they drink about 4,500 gallons of diesel fuel a season) will jump sharply by mid-June. That's when the pumps normally are switched on around the clock, and stay on until September. But because of the shortage Nebraska corn and alfalfa growers fear that they are in for a long, hot summer, and that production may drop at the very time when world-wide demand is at an all-time high.

"The dealers are having trouble getting the fuel—we know that," Munk said. "And they are allocating it to us at 100 percent of what we used last year. That may sound like more than enough, but it isn't. Last year was a real unusual year."

Last year the Sandhills area of Nebraska—where Munk farms—got a drenching 14 inches of rain in July. Normally rainfall in July is two to three inches, so fuel used for irrigation was down sharply in 1972. Munk's point is that 100 percent of last year's supply—assuming normal, or much *less*, rainfall this summer—may mean burned up alfalfa and shriveled up corn.

To make matters worse, the shortage comes at a time when the Sandhills is in the midst of a major change in cropping patterns. Farmers throughout the area are leveling off quarter sections (160 acres), installing pivotal irrigation systems and planting corn and alfalfa. In short, the Sandhills farmers and ranchers are transforming rangeland into cropland. Just this Spring Sandhills Implement Co. in Bassett sold 78 pivotal irrigation systems in six counties alone. To the farmers and ranchers who bought those 78 systems a severe shortage of fuel will mean severe financial problems.

"Most of the folks are going into debt to make these changes." Munk points out. "At least 50 percent of them are borrowing to buy the land. And that's just for openers. I suppose I've got over $50,000 wrapped up in this new quarter section—and that's without land costs."

He ticks off item-by-item his main costs to put in the new quarter section—figures that clearly illustrate the heavy investment required for modern-day farming and ranching:

Pivotal system	$35,000
Land leveling and preparation	4,000
Fertilizer	5,000
Alfalfa seed	2,000
Harvesting	3,200

Since he plans to feed the alfalfa grown on this quarter section himself, Munk has also purchased a windrower at the cost of $6,600 and 40 additional cows at a cost of $15,000.

"I put in this quarter section so I wouldn't have to rent land," he notes. "The competition for it is too high, and we just want to make the best out of what we have."

Rangeland for summer pasture is now renting for $5 per acre, and livestock men are paying as much as $1,000 per quarter section for corn stalks—enough acreage to carry about 200 cows for about two months with supplemental feeding.

Munk, who just turned 30, is a Viet Nam veteran. He farms with his father-in-law, and altogether their operation covers about 2,600 acres. He feels very strongly that farmers and ranchers "should have first priority" on available fuel, and hopes people in the cities and suburbs will understand, accept and support his position.

"You don't start up a diesel tractor for pleasure, or take one out for a spin. There's no waste in our use of fuel, and there's nothing more basic than what we produce."

"They say if the average person cut down one gallon a week on what they use, then we wouldn't have a shortage. Maybe we're all going to have to work together to clear up this situation."

With so much at stake, it might be worth a try.

Mr. GRAVEL. Mr. President, in assessing our current energy shortage against our realization that we are increasingly dependent upon oil imports, there are some who have complacently believed that our largest supplier of oil, Saudi Arabia, would continue to meet our needs. There has been little thought that Saudi Arabia, too, might join the Middle Eastern rumblings proposing the use of oil as a political weapon against the United States for its support of Israel.

Two articles appearing in The Washington Post, one on July 6 and one on July 11, merit our concern that there is no guarantee that imports at the rate needed will continue to come from Saudi Arabia. A Saudi Arabian leader, described as "pro-American", was quoted as saying:

> The United States cannot take us for granted any longer. Cooperation has to work both ways.

Further quote is even more enlightening:

> All the Arabs know that it is in the hand of this government alone to get the West to behave.

All this is indicative that the Government of Saudi Arabia is also pondering whether to continue supplying oil to the United States, and in the quantities needed.

I ask unanimous consent to have the two articles printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FAISAL WARNS UNITED STATES ON ISRAEL

(By Jim Hoagland)

TAIF, July 4. (Delayed)—King Faisal said today that Saudi Arabia will find it "difficult" to continue close cooperation with the United States if American support for Israel remains at its present level.

The ruler of the world's largest oil-exporting country delivered his first public warning that the traditionally strong American ties to Saudi Arabia "depend on the United States having a more even-handed and just policy" in the Middle East. He made the remarks to two American correspondents in a brief audience in his official summer palace in Taif, 40 miles southeast of Mecca.

The king's remarks appeared intended to bolster specific suggestions made recently by his petroleum minister, Zaki Yamani, and his foreign minister, Umar Saqqaf, that Saudi Arabia may be compelled to freeze its oil production because of rising Arab resentment over American support for Israel.

Faisal's statements, while generalized, are certain to have much more impact on American officials, who are counting on sharply increased Saudi oil exports to ease the mounting "energy crisis."

Faisal is one of the Arab world's most pro-western leaders and as recently as last summer publicly said that he was against linking oil and politics. Moreover, he is a cautious man who deliberates with great care over his pronouncements and who follows through on them resolutely once they are made.

"The United States stands behind Israel, but gains nothing from its support of Israel, which is a burden," the king said as he sat in the reception hall of his palace office here in this small town in the Hejaz Mountains. Wearing traditional robes, he spoke Arabic which was translated by his official interpreter.

"The real interest of the United States in this region is to cooperate with the Arabs," the king said in a high-pitched voice that reflected emotion.

"We would like to continue our friendly ties with the United States," he said. But, he continued, American policy seems to be directed against the Arabs and cooperation would be difficult unless the United States corrected this.

According to some government estimates the United States will have to import one out of every five barrels of oil it consumes in the 1980s from Saudi Arabia, which has the potential to produce 20 million barrels a day by the end of this decade.

But Saudi officials here stress that the country's current production of 8 million barrels a day is more than sufficient for its projected revenue needs and that production of anything above that will only be done to help the West meet growing energy needs.

A strong debate over freezing production at present levels is being conducted inside the Supreme Petroleum Council appointed by King Faisal two months ago to devise an oil policy. Saudi Arabia is under growing Arab pressure to use oil to influence U.S. policy in the Middle-East.

Yamani, who sounded the first warning of a possible Saudi change in his meetings with American officials in Washington in April, is reported by reliable sources to be "standing virtually alone" in pressing for continued escalation of production.

Hisham Nazir, the president of Saudi Arabia's planning organization and also a * * * to Yamani's statement in closed in an interview that the national economic plan for 1975 to 1980 is being drawn up on the current assumption of a 10 per cent annual increase in petroleum production.

This would represent something of a compromise in the debate. Other high ranking Saudi officials said that it would still fall short of what the United States and Western Europe are likely to need over that period.

Competent Saudi officials say that they are concerned that there has been no * * * Washington or to Saqqaf's even more outspoken warnings at two press conferences in Latin America last month.

The king may have been reflecting his concern in his remarks today which were a more moderate public version of the strong plea he made in Geneva a few weeks ago to the heads of four American companies that operate here, according to reliable sources.

American embassy officials here are determinedly noncommittal on the growing evidence of a sudden Saudi shift. Other diplomatic sources depict the official American view now as holding that the Saudis are "making an entreaty rather than a threat."

SAUDIS PONDER WHETHER TO PRODUCE THE OIL UNITED STATES NEEDS

(By Jim Hoagland)

DHAHRAN, SAUDI ARABIA.—The midnight sky glows in fierce red hues here at the edge of the world's largest oil field, where American companies are racing to escalate production needed to fill spiraling global energy demands.

The dancing, hissing natural gas flares that burn in the horizon ripple in the desert wind.

Across the Arabian Peninsula 1,000 miles away, Saudi Arabian merchants sweep into American banks in Jeddah each morning with huge stacks of 100 rial notes, each equal to $25. A tidal wave of money is rushing into the country as more oil pours out.

In this modest, green-tile-roofed summer palace in the mountain town of Taif, King Faisal receives visitors with an elegant politeness, standing as they enter and shaking hands with them.

Rapidly and perhaps somewhat reluctantly becoming one of the most powerful leaders in the Arab world, Faisal quickly shows that he is spending much of his time brooding about the twin flows of oil and money and their impact on the entire Middle East.

Suddenly, Saudia Arabia has shifted from being seen as the West's main hope for solving the energy crisis to being another unpredictable factor in the volatile world of oil and politics.

"The United States cannot take us for granted any longer," a Saudi leader, who was educated in the United States and describes himself as pro-American, said strongly. "Cooperation has to work both ways."

The four large American petroleum companies that jointly operate here are pushing ahead with a crash expansion program around Dhahran that could thrust Saudi Arabia beyond the United States and the Soviet Union as the world's largest petroleum producer in four years.

Increasingly, however, company officials wonder if they will be allowed to use the new facilities they are frenetically installing at the rate of $500 million a year. Specific warnings by the Saudi petroleum and foreign ministers and a more general declaration to this correspondent by King Faisal last week have made it clear that Saudi Arabia is seriously considering blocking future oil production increases because of what is seen here as all-out American support for Israel.

A Saudi decision to freeze production at current levels could create chaos in an energy-hungry world, and competent Saudi officials predict that the psychological impact of such an announcement would drive already rising oil prices upward even more sharply overnight.

The open discussion of such a possibility by the Saudis already mounts to a major policy setback for the Nixon administration in the Middle East.

An unstated but priority aim of the administration has been to keep America's growing need for Arab oil and its support for Israel separated, or, as a member of the Washington foreign policy community put it recently, "on two separate tracks." The pronouncements of Saudi leaders are the first serious merging of the two tracks.

They also signify Saudi Arabia's new awareness of its growing power. Amassing foreign currency reserves at a rate of $100 million a month faster than it can spend them, this nation of about 5 million people is abandoning its traditional isolationism and is cautiously emerging as a major force in international, Arab world and Persian Gulf politics.

"All the Arabs know that it is in the hands of this government alone to 'get the West to behave' as they tell us again and again," a key Saudi policymaker said.

The other major factor in the new Saudi willingness to tie oil to politics is the growing realization here that this desert kingdom's still developing economy cannot absorb the enormous revenues that increased production and higher oil prices are bringing. Given its conservative investment policies and the present uncertainty of international monetary conditions, top Saudi officials feel that production above the 8 million barrels a day figure of May is wasteful for them.

The Saudis have passed this message to Washington through a number of channels. They have not made it clear exactly what they want in the way of a change in American Middle East policy.

But a series of conversations with Cabinet-level officials over the past week did indicate that the Saudis feel they need some public sign of American willingness to consider the Arab cause more seriously, especially in areas like voting in the United Nations Security Council.

"We are not asking for the destruction of Israel," said a Saudi minister. "We want a reasonable policy to bring a settlement."

Other Saudi leaders stress that their government has been "disappointed and embarrassed" by the Nixon administration's failure to move on the diplomatic front while stepping up new military aid to Israel, despite what Saudis insist were clear promises of a shift in the Middle East after President Nixon's reelection last year.

The underlying suggestion is that the Saudis went out on a limb by counseling restraint on other Arab countries, especially Egypt, on the basis of an expected American shift that has not materialized.

Previously undisclosed production statistics for this year underscore the West's increasing dependence on Saudi Arabia, which has oil reserves estimated by the Saudi government at 156 billion barrels, 22 per cent of the non-Communist world's total proved oil reserves.

In May, production by Aramco, the operating company for Exxon, Standard Oil of California, Texaco and Mobil, soared above 8 million barrels a day. If oil industry estimates of Soviet production are accurate, Saudi Arabia has quietly surpassed the Soviet Union as the world's second largest producer by a small margin.

Sand storms in the Persian Gulf hindered ship loading in June and production slipped back to 7.2 million barrels a day for the month, even with the oil port closed 49 per cent of the time. This was the original target figure for average production by Aramco in 1973. Since production usually rises more sharply in the second half of the year, it will easily be exceeded—if Saudi Arabia permits the increases. In the first week of July, Aramco says its production was running at 8.6 million barrels a day. U.S. production is less than 10 million barrels daily.

In six months, Saudi Arabia has increased its total crude oil production by 40 per cent. Aramco's estimated capital budgets of $500 million for 1974 and 1975 indicate that the company plans at least a 20 per cent increase in production in each of those years, meaning that, by the end of 1975, the company sees a worldwide market for Saudi production of 12 million barrels daily.

This month, 500,000 barrels of Saudi oil will be imported into North America. Industry sources predict that the United States will need to import five times that figure by 1975 to keep pace with growing energy demands.

At current production, Saudi Arabia will earn more than $4 billion in oil revenue this year, a 30 per cent increase from last year. At least $1 billion will be added to Saudi Arabia's present foreign exchange holdings of $3 billion.

The rush of new oil revenue into Saudi Arabia has stunned even Saudi financial managers, who until a few months ago were predicting that their sparsely populated country, which has few telephones and long-distance highways, and insufficient numbers of schools, would be able to spend enough of the revenue to make oil production increases worthwhile.

Faisal, who sees a long-term danger to the intensely conservative Saudi society from too much easy money, has resisted large-scale social welfare programs and bureaucracies such as those that have helped other gulf states soak up their oil money.

The national development budget has spurted from virtually zero four years ago to $3 billion in the last fiscal year. But only 62 per cent of the development funds could actually be spent last year.

"We don't have enough contractors to do what we can budget, and what we want to do," Hisham Nazir, president of the government's Planning Organization, said. "There aren't enough contractors in the world."

Nazir's organization is drawing up a new five year economic plan to begin in 1976. It will call for $40 billion to $50 billion total expenditures. The budget figures assume that Saudi oil production will increase only by 10 per cent annually in the future.

"Saudi Arabia must draw a firm policy on oil production," said Nazir, one of five key officials named by Faisal to the newly formed Supreme Petroleum Council. "The policy will have to put an end to waste" brought about by over-production, which adds to Saudi internal inflation and the piling up of devaluing dollars.

"We have to strike a balance between competing factors that include our development requirements, prolonging our national oil reserves over the longest period, the absorptive capacity of our economy, the accumulation of monetary reserves that decline in value while prices for oil rise, and world energy requirements."

A Saudi Cabinet minister explained: "We have found that the maximum revenue we can usefully absorb is brought in by production of 7 million barrels a day. Anything we produce over that harms our own interests, by keeping prices down and by disturbing our economic balance.

"We are prepared to go out of our way and produce more. But we have to have a reason."

The Petroleum Council which clearly mixes foreign and oil policy interest, will recommend Saudi Arabia's first national petroleum policy to Faisal. The debate over freezing production at current levels is expected to go on for some months, while the Saudis look for signs of a change in Washington.

Saudi officials stress that in their view they are not talking about "using oil as a weapon," as more militant Arab states have demanded. There are no suggestions here of a complete oil cutoff to Western countries similar to the one that was briefly tried in 1967.

But if Arab-Israeli fighting should resume, these same officials make clear, Saudi oil would be immediately cut off. "If there is a battle, we are in it," said one authoritative source. "People had better understand that now."

One suggestion that will reportedly surface in the Petroleum Council involves freezing production at this year's original target figure, 7.2 million barrels a day, for the rest of this year and 1974. This would have an especially sharp impact on the oil companies, who would see the return on their massive new investment delayed.

The Saudi Finance Ministry, which faces difficult decisions on the accumulating revenue increases, is reliably reported to be pushing hard for a production freeze. So is the Foreign Ministry, which must bear the brunt of Arab criticism of Saudi Arabia's traditionally close ties to the United States.

Saudi Arabia's new activism in Arab affairs was underscored last week when the kingdom granted the Arab Socialist Baath government in Syria a $24 million development loan.

Top aides credit Faisal, 67, with having dissuaded Egypt's President Anwar Sadat from launching a military strike into the Israeli-occupied Sinai Peninsula in early June, and a top envoy was to be dispatched to Cairo this week to assure Sadat of continued Saudi financial support if Egypt stays out of the proposed merger that Libya's firebrand young leader, Col. Muammar Qaddafi, is pushing.

Saudi officials are diplomatically vague when asked what first step the United States could take to evidence a change toward the "evenhanded" policy Faisal called for last week.

"The puzzle is what is it that our American friends want," said Foreign Minister Omar Saqqaf. "Why is the help always for Israel? There are more than 2.5 million Palestinian people either in refuge (abroad) or under occupation. . . .

"If people think this question is going to be as it is now forever, they are wrong," he added. "We are friends with the United States. We want to be friends. But there is always a limit."

Mr. JACKSON. Mr. President, I ask unanimous consent that the distinguished Senator from New Hampshire (Mr. McINTYRE) may now offer his amendment.

Mr. McINTYRE. Mr. President, first I yield to the Senator from Alaska (Mr. GRAVEL).

AMENDMENT NO. 226 AS MODIFIED

Mr. GRAVEL. Mr. President, I send to the desk a modification of my amendment No. 226, and along with the modified amendment, I ask unanimous consent that the names of Senators STEVENS, BARTLETT, TOWER, SCOTT of Virginia, and SCOTT of Pennsylvania be added as cosponsors of this modified amendment. I also ask unanimous consent that it be printed and held at the desk, and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed and will be on the table; and will be printed in the RECORD.

AMENDMENT NO. 226 (AS MODIFIED)

At the end of the bill add a new Title III as follows:

TITLE III—AUTHORIZATION FOR TRANS-ALASKAN PIPELINE

SHORT TITLE

SEC. 301. This Title may be cited as the "Trans-Alaskan Pipeline Authorization Act."

CONGRESSIONAL FINDINGS

SEC. 302. The Congress finds and declares that—

(a) The early delivery of oil and gas from Alaska's North Slope to domestic markets is in the national interest.

(b) Transportation of oil by pipeline from the North Slope to Valdez, and by tanker from Valdez to domestic markets, will best serve the immediate national interest.

(c) A supplemental pipeline to connect the North Slope with a trans-Canadian pipeline may be needed later and it should be studied now, but it should not be regarded as a substitute for a trans-Alaskan pipeline that does not traverse a foreign country.

(d) Actions of the Secretary of the Interior and all other Federal agencies and officers heretofore taken on behalf of the executive branch with respect to the proposed trans-Alaska oil pipeline shall be regarded as satisfactory compliance with the provisions of the National Environmental Policy Act of 1969 and all other applicable laws.

RIGHTS-OF-WAY AND PERMITS

SEC. 303. (a) The Congress hereby grants and the Secretary of the Interior and all other Federal agencies and officers are hereby authorized and directed to issue, without further action under the National Environmental Policy Act of 1969 or any other law, and notwithstanding the provisions of any law other than this title, such rights-of-way, leases, permits, approvals, and other authorizations of any kind that they deem necessary for the construction, operation, and maintenance of a trans-Alaskan oil pipeline system, a State of Alaska highway, and no more than three State of Alaska airports, all in accord with applications on file with the Secretary on the date of this Act.

(b) The route of the trans-Alaskan oil pipeline system shall follow generally the route described in applications pending before the Secretary of the Interior on the date of this Act: *Provided*, the Secretary may approve amendments to said applications if he deems it appropriate.

(c) At any time he complies with the Act by performing the ministerial acts of issuing a right-of-way, lease, permit, approval, or other authorization required under subsection (a) of this section, the Secretary shall make such action subject to the terms and conditions of the stipulations contained in volume 1 of the final environmental impact statement on the proposed trans-Alaskan oil pipeline issued by the Secretary on March 20, 1972, prepared by him to prevent or mitigate any adverse environmental impact.

(d) No right-of-way, permit, or other form of authorization which may be issued; nor any other action taken by the Secretary of the Interior or by any other Federal agency with respect to the construction of such pipeline system; no public land order or other Federal authorization with respect to the construction of such highway; nor any lease or permit granted by the Secretary of the Interior for such airports shall be subject to judicial review.

PUBLIC ROADS AND AIRPORTS

SEC. 304. A right-of-way or permit granted under this Title for a road or airport as a related facility of the trans-Alaskan pipeline system may provide for the construction of a public road or airport.

ANTI-TRUST LAWS

SEC. 305. The grant of a right-of-way, lease, permit, approval, or other authorization pursuant to this Act shall grant no immunity from the operation of the Federal anti-trust laws.

Mr. MONDALE. Mr. President, could I inquire of the leadership whether the time agreement on the pending amendment——

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that there is no amendment pending at the moment.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. JACKSON. Do I correctly understand that all amendments are limited, except for certain exceptions, to 30 minutes?

The PRESIDING OFFICER. One hour, the Chair is advised.

Mr. MONDALE. Mr. President, it was my understanding, in agreeing to the unanimous-consent agreement, that the amendment I am about to offer would be called up early this afternoon and that we would have, in effect, two full afternoons in which to debate the amendment. As I understand the situation now, it would threaten that arrangement and I might lose one afternoon and the amendment would not be called up until late this afternoon, and I should like to know——

Mr. JACKSON. May I respond, out of my own time? We have three short amendments. The Senator from New Hampshire has an amendment on the matter of requiring confirmation of an energy czar; I have one short amendment which is permitted under the unanimous-consent agreement; and I have a second which is the only amendment out of order in accordance with the unanimous-consent agreement. I do not believe it would take more than 3 or 4 minutes. I shall not take more than 1 minute.

Mr. ROBERT C. BYRD. Mr. President, if the Senator from Washington will yield, the Senator from Minnesota is correct that under the order two amendments by the distinguished Senator from Washington and one amendment by the distinguished Senator from Rhode Island (Mr. PASTORE), were provided for and then the order called for the amendment by the Senator from Minnesota (Mr. MONDALE).

Now, could we get an understanding with the manager of the bill and other Senators, for the protection of the Senator from Minnesota, that time on the McIntyre amendment be limited to 5 minutes?

Mr. JACKSON. It is fine with me.

Mr. McINTYRE. I agree with that.

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Len Bickwit have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 310

Mr. McINTYRE. Mr. President, I call up my amendment No. 310, which is cosponsored by the distinguished manager of the bill, Mr. JACKSON.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. McINTYRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

At the end of the bill, add the following new section:

CONFIRMATION OF THE DIRECTOR OF THE ENERGY POLICY OFFICE

SEC. . That, effective on the day after the date of enactment of this Act, the Director of the Energy Policy Office in the Executive Office of the President, shall be appointed by the President, by and with the advice and consent of the Senate, and no individual shall hold such position from that date unless he has been so appointed.

Mr. McINTYRE. Mr. President, the amendment presently before the Senate would include a new section in the bill, S. 1081, providing for the Senate confirmation of the Director of the newly formed Energy Policy Office.

As the Members of this body know, the President, on June 29, 1973, released a followup energy message to the initial one of last March. In his newest message, the President announced that two existing organizations handling energy matters, namely, the Special Energy Committee and the National Energy Office, would be combined in an expanded Energy Policy Office within the Executive Office of the President.

President Nixon also took this occasion to announce that he was appointing Mr. John A. Love, Governor of Colorado, as the Director of this new Energy Office and that "he will be responsible for formulating and coordinating energy policies at the Presidential level."

Mr. President, I am convinced that Mr. Nixon's action in creating an Energy Policy Office is a needed step, and I am sure that Mr. Love would carry out his responsibilities in a diligent and effective manner. I also realize, however, that the creation of this new Energy Policy Office and the appointment of a single Director places a great amount of responsibility and power under one individual.

As the name of the office implies, Governor Love will be the key individual responsible for establishing and coordinating our national energy policy. The difficulty of such a task is obvious. The authority contained in such an office is also obvious. It is for this reason and this reason alone that I am now offering this amendment to require Senate confirmation of the Director of this Energy Policy Office.

I want to make it clear that this in no way should be interpreted as an action directed in any way against the integrity, ability, or appropriateness of the President's choice to head this new office. I am sure that Governor Love will perform his role at the same high level of competence that he has exhibited during his years as chief executive of the State of Colorado. I do feel, however, that the Congress has a shared responsibility in the total energy area.

I also feel that in view of the responsibility and concurrent effect on energy policy that this new office has that the Senate should have the opportunity to engage in a dialog with the head of this Energy Office and to seek to determine what his viewpoint is on this critical energy problem presently facing our country.

The Senate should be able to determine how the Director of this Energy Policy Office views his job; how he views the present energy situation; and to hear what he feels are proper solutions.

This single issue—energy—will be one of the most important that we as a nation must face during the next decade. We are presently facing supply problems involving crude oil, gasoline, home heating oil, and numerous other petroleum products. Every indication is that the supply problems will multiply and increase in severity during the next few years. We presently have a shortage of refining capacity in this country.

We are losing our domestic production capabilities and hard decisions must be made, such as the bill that is presently before the Senate. I, for one, have no idea of Governor Love's position on the various facets of our present energy situation.

I have read in recent days a number of press reports, however, that indicate that Governor Love has stated that at the present time he is opposed to the imposition of mandatory allocation of petroleum products. In view of the fact that the Senate last month passed a mandatory allocation bill, I feel that it would be only proper for the Senate to have the opportunity to understand exactly what Governor Love's position is and what his basis is for this position.

In view of the fact that Governor Love will be responsible for identifying energy problems, reviewing energy plans, making policy recommendations and "monitoring the implementation of approved energy policies on a day to day basis," I feel that Senate confirmation would be appropriate for such an office.

There is ample precedent for such confirmation within the Executive Office of the President. At the present time, confirmation is required for the members of the President's Council of Economic Advisors, the Director of the Central Intelligence Agency, and the Director of the former Office of Emergency Preparedness, which, until its abolishment, was responsible for energy matters at the Presidential level.

The amendment before the Senate would require that effective the day after the day of enactment of this act that the Director of the Energy Policy Office shall be appointed by the President by and with the advice and consent of the Senate and that no individual shall hold such position from that date unless he is so appointed. The amendment, therefore, would require that Governor Love and his successors receive Senate confirmation to this highly responsible position.

To reiterate, I feel that the President took appropriate action in the formation of this new Energy Policy Office and I have no reason to question in any way the appointment of Governor Love as its Director.

I do feel, however, that in view of the authority and power that this office will have over our national energy policy that the requirement of Senate confirmation is a reasonable and proper action.

Mr. President, I believe that the Senate should have the opportunity to obtain from the President's designated Director of the new Energy Policy Office his views on such crucial issues as: First, the balance between environmental standards and regulations and possible conflicts with this Nation's necessary energy needs; second, energy research and development needs; third, competition among the various energy industries; fourth, the feasibility of expanding our domestic offshore drilling efforts; fifth, the need to develop substantial petroleum product storage capacity; sixth, to what extent the various energy industries and particularly the petroleum industry should be under Federal regulation; seventh, the role of the Federal Government in solving our present energy problems; eighth, the methods in which we can conserve our energy resources and reduce our energy demand; and numerous other important energy related matters.

Mr. President, I urge adoption of this amendment, by the Senate and its inclusion in the bill when it is considered by the House, and I intend during the confirmation hearings held before the Senate Interior and Insular Affairs Committee to submit a statement and questions which I hope would be answered at that time.

Mr. JACKSON. Mr. President, as I understand it, the author of the amendment, the distinguished Senator from New Hampshire, intends that this nomination would go to the Committee on the Interior, on the basis of his understanding of the amendment. Is that correct?

Mr. McINTYRE. That is the intention. It would go to the Committee on the Interior, and Governor Love would appear there and make his position known on this very important issue.

Mr. JACKSON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. McINTYRE. I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I object to this procedure, inasmuch as Governor Love is on board; he is working. I know that the distinguished Senator from New Hampshire has made it clear that he supports Governor Love and that he feels he is highly qualified. I believe the chairman feels likewise. I am not going to ask for a rollcall vote, but I do want it thoroughly understood that in not doing so I do not accede to the request of the chairman.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. FANNIN. I yield.

Mr. JACKSON. I have a very high regard for Governor Love. I think he is eminently qualified for this position, and I want to make clear that this is not directed at him. I do not believe, at any event, that he has resigned as Governor yet.

Mr. FANNIN. He has made all his arrangements and announcements, and I think such arrangements are tantamount to starting to work in his new job. I am not positive about the resignation, but certainly it is a foregone conclusion.

The Governor will be serving on the President's personal staff, and the necessity for the confirmation of his nomination would seem both undesirable and unnecessary. I will not make an issue of it at this time and will not call for a record vote.

Mr. JACKSON. I just want to conclude by saying that I think it is going to enhance the office and I think it will strengthen his hand. I cannot speak for the Senate, but I cannot conceive of any objection in this body to his nomination.

I want the record to show that I have known Governor Love in connection with the invaluable help he gave us on the land-use bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JACKSON. I yield myself 1 minute on the bill.

He has been an outstanding Governor. He has been chairman of the Governors' Conference. I believe he will bring great leadership to this office, and I am glad to see more politicians in the White House, on the staff or otherwise, for the sake of the country. That may not be relevant; it is a personal observation.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from New Hampshire. (Putting the question.) The nays appear to have it.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

Mr. McINTYRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The absence of a quorum has been suggested.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, will the Senator yield me a minute on the bill?

Mr. HUGHES. Regular order, Mr. President.

The PRESIDING OFFICER. The Senator may yield time on the bill.

Mr. JACKSON. I yield 1 minute on the bill to the Senator from Alaska.

Mr. STEVENS. Mr. President, I have the greatest respect for Governor Love. He is going to take on one of the most difficult jobs that has ever been taken on by any American. He has already taken on these responsibilities.

If this were a prospective situation it would be another matter, but here is another case in which someone has already taken on a job, and now, ex post facto, we are going to say—if this amendment is adopted—that the nomination ought to be confirmed by the Senate.

Again, if it were made prospective, I would have no objection. But after Governor Love has accepted the job, has left his former position, it would put him in the situation of subjecting his nomination to confirmation. We are going through the same thing all over again. I cannot understand it, and I cannot support it. I would certainly support the concept that the nomination in the future be subject to Senate confirmation. We know who this man is, and there can be no question as to both his integrity and ability.

Mr. JACKSON. I believe the Senator was not on the floor. I indicated that I am going to support Governor Love. I do not know of anyone on the committee who is not. The author of the amendment is going to support him.

I would think that Governor Love would welcome this kind of support from Congress, at a time when it is important that the legislative and executive branches work together on problems of great importance to the Nation.

Mr. STEVENS. I am reminded of the recent situation of the young man with an excellent background whose nomination for the Federal Power Commission was defeated.

If Governor Love is brought here and asked, "Are you going to recommend the deregulation of the price of gas, are you going to recommend raising the price of oil, are you going to recommend the resumption of strip mining without regard to environmental considerations, are you going to recommend that Maine have a new refinery without regard to environmental considerations?" These questions are not appropriate at this point, in this particular situation.

Mr. JACKSON. I think he is a smart enough politician to handle those questions effectively. These are the issues he will have to deal with in this position, and he will have to testify before Congress. He cannot be the energy czar and not face Congress. I think we denigrate Governor Love when we say he cannot answer those tough questions.

I say that we need a few more smart politicians, and I think he is smart, able, and bright—even if he is a Republican. (Laughter.)

Mr. DOMINICK and Mr. HANSEN addressed the Chair.

Mr. JACKSON. Perhaps I should yield first to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. DOMINICK. I thank the Senator for yielding. I wish to say for a few seconds here that I have already submitted a statement in favor of Governor Love. I have no hesitation in standing up and talking about what a great guy he is. He and I started campaigning together in 1962. My guess is that he is the original Mr. Clean, to put it in the vernacular.

My guess is that, unless he has some freedom of action, it is going to be almost impossible for him to operate. We do not need long and extended hearings, and all the rest of it, which cast doubt on whether he can stay there and to make sure he can start as soon as possible.

I agree with the Senator from Alaska. The problems he cited are only a part of what is involved. The other problems, as the Senator from Alaska knows full well from the briefing we had this morning, go into farm policy, they go into the question of the value of the dollar, and they go into the whole gamut of what the energy picture is going to be for the next 10 years or longer.

It would seem to me that to prevent—not prevent, because I do not think he would be prevented, and I agree with the Senator from Washington on that—but to hold up his ability to exercise his own expertise and judgment in the job he has been given would be a great mistake. I agree with the Senator from New Hampshire: Let us do it in the future, but not on this one.

Mr. JACKSON. I yield to the Senator from Alaska so that he may engage in a colloquy with the Senator from Colorado.

Mr. STEVENS. I understand that Governor Love is on the job. As I understand the Phillips case, if we agree to this amendment that he be confirmed, he must stand by and wait until he is confirmed, and he cannot act.

I do not think it is in our best interest to pass an amendment to require confirmation for someone who is already on the job, after the Phillips case. If the Senate wishes to make it retroactive, it means he must sit and wait until Congress passes this act, and then wait until we have confirmation hearings. That would delay the job he has before him, and that is improper for the Governor of a sovereign State who has taken on this job.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. JACKSON. I understand he is still the Governor of Colorado.

Mr. DOMINICK. I understand he left.

Mr. JACKSON. I understand he has not formally resigned and he has not formally been installed in this position. Am I wrong?

Mr. DOMINICK. He has been installed, and I believe it is effective Monday, the 16th.

Mr. STEVENS. The Phillips case says he cannot act until then.

Mr. DOMINICK. I hope the Senator from New Hampshire, who is doing this in all good faith, would make it prospective rather than retroactive.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. HANSEN. Mr. President, first of all, I wish to say that I greatly appreciate the very generous and sincere remarks made by the distinguished Senator from Washington (Mr. JACKSON) with respect to Gov. John Love of Colorado. But I think what the Senate would now do were it to adopt the McIntyre amendment, can be illustrated best by a little look backward. Senators will recall that David Freeman headed up the Office of Science and Technology a long time ago. Later, Paul McCracken was Chairman of the Council of Economic Advisers. He was succeeded by Peter Flanigan. Then, we had Ehrlichman, Shultz, and Kissinger named by the President to work in a similar capacity.

We now propose under this amendment that the Senate exercise confirmation of a nonstatutory position.

The President, by tomorrow morning, could redesignate this office, give it another name, and who is to say there would be any significance at all to whát has been proposed by the Senator from New Hampshire? It seems to me we are going to hold the administration accountable and the President accountable for whatever success and failure may attend the efforts of John Love, or whoever may occupy the role that is his to discharge. It is ill advised to have a confirmation procedure on this type appointment.

Despite the fact, as the Senator from Washington (Mr. JACKSON) said, that John Love might expect great support in this body, I do not believe it is indicated that we enforce the responsibility of having Senate confirmation of a nonstatutory job.

Mr. COOK. Mr. President, will the Senator yield?

Mr. HANSEN. I do not have the floor.

Mr. JACKSON. I yield 2 minutes to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, I would like to say to my good friend from Wyoming that we are not dealing with a statutory precedent, but let me point out that part of the job to be held by Governor Love of Colorado was formerly held by the Director of the Office of Emergency Planning. The Economic Adviser to the President is subject to confirmation, and so is the Director of CIA.

I think that Governor Love, as the chairman of the committee said, can stand on his own two feet on his record and experience and begin his dealings with the Senate by appearing before the Committee on Interior and Insular Affairs where any interesting and intriguing questions will be answered.

Mr. JACKSON. Is it not a fact that within the Office of the Presidency the Chairman of the Council of Economic Advisers and his two colleagues are confirmed by the Senate?

Mr. McINTYRE. The Senator is correct.

Mr. JACKSON. Is it not a fact that in the Office of the President, the Council on Environmental Quality and his colleagues are confirmed by the Senate?

Mr. McINTYRE. The Senator is correct.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. HANSEN. Is it not a fact that these two jobs to which the Senator alluded are both statutory jobs?

Mr. JACKSON. The Senator is correct.

Mr. HANSEN. I think that is an important difference and it demonstrates the point I am trying to make. Where there is a statutory position created by Congress, it seems not inadvisable that we might impose the judgment of this body that that person be confirmed by the Senate. My point is that these jobs, the one which Governor Love now occupies and similar jobs—I cited several such jobs of a similar nature—are jobs within the White House staff that are changed from time to time. There have been several changes already. It seems a little ridiculous that we would require confirmation for a job that the day after tomorrow might not exist.

Mr. JACKSON. As I understand the President's intent, it is to name a man, in effect who will be the czar to run this massive program. We are not talking about a minor operation here. We are not talking about a staff job. We are talking about the man who is going to make policy and coordinate the 52 Federal agencies that are involved in the energy business in the Federal Government. This is not a minor job. It is a major position. It is a job to direct a very important program that is crucial to the eocnomic well-being and security of the United States of America.

Mr. HASKELL. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from Colorado.

Mr. HASKELL. I thank the Senator from Washington.

It seems to me that the test involved is the authority given not whether it is statutory, but the actual authority. One of the problems we have had lately is the giving of authority without the benefit of statute. For that reason I would call attention to article II, section 2, paragraph 2 of the Constitution with respect to advice and consent of the Senate:

> With the advice and consent of the Senate . . . he shall nominate . . . all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law.

We are now in a position to establish it by law.

I agree with my good friend from Washington and my good friend from New Hampshire that there is vast authority to provide for Senate confirmation of this appointment. I have the utmost admiration for John Love, Governor of my State of Colorado but, for orderly constitutional procedure, I would like to support my good friend from New Hampshire.

Mr. COOK. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 minute?

Mr. JACKSON. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Kentucky has been on his feet. I wonder if, after he speaks, we could agree to set this amendment aside and have a vote on it, say, at 4.30 p.m. I say that because we have already transgressed on the time of the Senator from Minnesota (Mr. MONDALE), who was assured that he would be able to start by 3 p.m. on his amendment.

Mr. DOMINICK. Mr. President, reserving the right to object—and I shall not object—I will just say that I will have an amendment to the amendment.

Mr. COOK. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I yield.

Mr. COOK. It is the feeling of the Senator from Kentucky that the Congress of the United States should advise and consent on significant appointments in Government, and obviously this appointment falls within that category, but I want the record to be clear, and I want the Senator from Washington to make clear, that the position to which Governor Love has been appointed is now in existence because we have an emergency, and he can function in that job and he can fulfill his responsibilities in that position, and the only cutoff date we really have, as I understand the amendment, is as of the date the President signs the bill. We then go into a period of limbo where we have to wait for a hearing by the Senate and confirmation by the Senate. Is that correct?

Mr. JACKSON. That is correct, but he could still be assigned to an appropriate activity within the executive branch by the President in the hiatus, that might technically exist. I will say to the Senator that we will call a hearing the moment the name has been sent to the Senate. I think my colleagues know we move expeditiously on every nomination sent the committee by the administration. We had one yesterday—and we have done this in 90 percent of the nominations handled by the committee—in which the committee reported the nomination and the Senate acted on the nomination the same day, waiving the Senate rules that nominations lie over for a day.

Mr. COOK. I do not want the Senate to look as if it is neglecting the necessity to act in an emergency. We know that there is one, and I want the record to be clear that Governor Love can function in his office, that he can function today, that he can function tomorrow, that he can function next week, in regard to the activities and responsibilities he has been given, but the only point at which we reach limbo and where he stops his effectiveness as such is if this bill is passed by the Senate, if it goes to the House and is passed by the House, and then is sent to the President and is signed into law. It is at that point that he cannot function in that job.

Mr. JACKSON. If the Congress is still in session, the President cannot make a recess appointment. If we go in recess, and the President has signed the bill while we are out, then he can make a recess appointment.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. DOMINICK. I just want to say that I have listened to this debate with great interest, but I wonder how many Senators have read the amendment. I am sure the Senator from Washington has, but I wonder how many other Senators have. On line 7 it says:

> No individual shall hold such position from that date until he has been so appointed.

Which specifically says that, having been nominated as Director for the Energy Policy Office, he cannot function.

What kind of deal is this? That is why I say I have an amendment to this amendment ready, as soon as it gets typed up. In the meantime I want to say that if anyone thinks Governor Love, as of Monday, is going to resign as Governor and become some kind of minor official in lower Siberia, with his name in the upper left-hand corner, he has another guess coming. He will not do it. He is a good man. If we are going to get a good man here, we should not put all these doubts in here to begin with and say he cannot act until he has been nominated and confirmed.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. HANSEN. I am greatly impressed by the remarks made just now by the distinguished Senator from Colorado. It occurs to me that the Senate very properly might be asking itself, Does it want to give the President the opportunity to try to make government function better in this time of energy crisis, or are we more concerned in seeing that the Senate holds the power of the right to deny a person the authority to function without its approval?

I really think that, whatever course we choose, the President of the United States is going to be held accountable by the American people, and I can really see little point in the Senate's insistence on its right to confirm a person to a nonstatutory job under this sort of arrangement.

I would hope that Senators are more interested in trying to devise a system that will bring some order out of chaos, that will make possible a fair and equitable distribution of our energy supplies, than has been occurring in the past. If that is our goal—and indeed I hope it will be—then I think our course is clear. If, upon the other hand, we want to inject politics into it, I say to my good friends that this is the way to do it.

I thank the distinguished Senator for yielding.

The PRESIDING OFFICER. The question is on the amendment——

Mr. JACKSON. Mr. President, I ask unanimous consent that there be a quorum call and that it not be taken out of the time of either side.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that request?

Mr. JACKSON. Yes.

Mr. ROBERT C. BYRD. Mr. President, would Senators let the Senator from Minnesota (Mr. MONDALE) get started now on his amendment, with the understanding that the pending amendment be put aside until 4:30?

The PRESIDING OFFICER. Is there objection? The Chair hears none——

Mr. JACKSON. That is agreeable.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily until the hour of 4:30 p.m.

Mr. MONDALE. Mr. President, may I suggest the hour of 5 p.m.?

Mr. ROBERT C. BYRD. Until 5 p.m.; that the Senator from Minnesota (Mr. MONDALE) in the meantime be permitted to call up his amendment, and that on tomorrow the Senate resume the consideration of the unfinished business no later than 12 o'clock noon, and that at 12 o'clock noon the Senator from Washington (Mr. JACKSON) be recognized to call up his second amendment, on which there is a time limitation of 30 minutes, and which was to have been called up today under the unanimous consent agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MONDALE. I thank the Senator.

Mr. President, the issue which we face in the Senate today is whether we will preserve a congressional ability to make a key decision which will affect national energy policy for decades to come.

The PRESIDING OFFICER (Mr. HANSEN). Will the Senator allow the clerk to report his amendment?

The clerk will state the amendment offered by the Senator from Minnesota, for himself and other Senators.

The legislative clerk read the amendment (No. 240) as follows:

Strike out all after line 20 on page 31 through line 23 on page 35 and insert in lieu thereof the following:

TITLE II—DELIVERY OF ALASKA NORTH SLOPE OIL

SEC. 201. Congress hereby finds and declares that—

(a) the question of how the oil resources of Alaska's North Slope can best serve the needs of the Nation raises issues of national importance;

(b) a continuing legal controversy exists as to whether the Interior Department has complied with its obligations under the National Environmental Policy Act to study and describe a trans-Alaska-Canada transportation corridor as an alternative for an Alaskan land and maritime route for the delivery of North Slope oil;

(c) this controversy poses the threat of continued litigation that could significantly postpone the implementation of any delivery system for North Slope oil;

(d) it is the will of the Congress to avoid the uncertainties of continued litigation and to facilitate the delivery of North Slope oil resources in the manner that will best serve the environmental, economic, and national security needs of the Nation; and

(e) recognizing its constitutional responsibility to regulate interstate and foreign commerce (article I, section 8) and to protect the public interest in the public lands (article IV section 3), the Congress hereby seeks to insure that sufficient information is made available promptly to facilitate the congressional decision as to which delivery system for North Slope Alaska oil will best serve the overall national interest.

SEC. 202. (a) The "Academy" means the National Academy of Sciences.

(b) The "Academy President" means the President of the National Academy of Sciences.

(c) A "corridor" means an all-land trans-Alaska-Canada utility corridor, including any pipelines contained therein, for the delivery of North Slope Alaska oil to markets in the forty-eight contiguous States of the United States.

SEC. 203. (a) The President of the United States is authorized and requested, utilizing the services of the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada immediately upon enactment of this Act to ascertain within sixty days from the date of enactment of this Act:

(1) the willingness of Canada to receive applications for the construction of a corridor, and

(2) should such willingness exist, the route which would be preferred by the Canadian Government for the Canadian sector of a corridor (hereinafter, the "preferred Canadian route").

(b) If, as a result of the preliminary negotiations authorized under subsection (a) of this section, no preferred Canadian route is determined within sixty days after enactment, the Academy shall designate a preferred Canadian route for purposes of the study to be undertaken pursuant to section 205 of this title.

(c) The Secretary of State is directed to report to the Interior and Insular Affairs Committees of the House and Senate within seventy days from the date of passage of this Act the results of the preliminary negotiations authorized under subsection (a) of this section.

(d) For purposes of determining the feasibility of construction, operation, and maintenance of a corridor, the President of the United States is authorized and requested, utilizing the services of the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada immediately upon the conclusion of the preliminary negotiations undertaken pursuant to subsection (a) of this section.

(e) Within two hundred and forty days from the date of passage of this Act, and based on the negotiations conducted pursuant to subsection (d) of this section, the Secretary of State shall submit to the Interior and Insular Affairs Committees of the House and Senate, his findings on—

(1) the need for understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party involved with construction, operation, and maintenance of a corridor;

(2) the estimated costs of construction and operation of an oil pipeline in a corridor;

(3) the estimated feasible date for commencement and completion of construction of an oil pipeline with a corridor;

(4) the quantity levels of oil from the North Slope of Alaska which the Government of Canada would guarantee through a corridor.

(5) the willingness of the Government of Canada to increase its exports of oil to the United States during the period of time before a corridor is in operation;

(6) the ownership, financing, and regulation of the Canadian sector of a corridor; and

(7) any other results of the negotiations which he may deem relevant.

SEC. 204. Within thirty days following passage of this Act, the Director of the National Science Foundation shall contract with the Academy President for the performance by the Academy of a study in accordance with the requirements set forth in section 205 of this title.

SEC. 205. (a) The Academy shall undertake a comparative study of the following alternatives for the delivery of North Slope Alaskan oil;

(1) an Alaskan land and maritime route, as outlined in the Department of the Interior's final environmental impact statement on the trans-Alaska pipeline system, and

(2) a corridor from the North Slope area of Alaska across land in the State of Alaska, connecting with the preferred Canadian route to the Canadian-American border, and then to Seattle and Chicago.

(b) The study of the Academy shall include, for each of the routes in subsection (a) above, a detailed statement on:

(1) the actual and potential effects on the environment, including, but not limited to—

(A) the environmental impact of the proposed route;

(B) any adverse environmental effects which cannot be avoided should the proposal be implemented;

(C) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity; and

(D) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented;

(2) the effects of such a route on the national interest of the United States, including, but not limited to—

(A) effects on national security;

(B) overall economic effects, including effects on consumers; and

(C) effects on American balance of payments.

(3) Such other factors as the Academy may deem relevant.

(c) The Academy, for each of the factors above, shall analyze and compare the relative advisability and feasibility of transporting North Slope Alaskan oil through the routes studied under this section.

(d) For purposes of this study, the Secretary of State is authorized and requested to periodically inform the Academy President of the progress and internal results of the negotiations authorized by section 203 of this title.

(e) In carrying out the study, the Academy—

(1) is directed to solicit and take full account of relevant views of and materials from members of the public, government agencies, citizen groups, and all others concerned with the delivery of North Slope oil to the forty-eight coterminus States of the United States and the effects thereof;

(2) is authorized to use to the extent deemed advisable the Department of the Interior's final environmental impact statement on the trans-Alaska pipeline system for describing and evaluating the route described in subsection (a)(1) of this section;

(3) is authorized and requested to cooperate, and develop and exchange appropriate information, with public and private bodies in Canada with a view toward insuring that the environments of both nations are protected, legal and regulatory uncertainties are reduced, and the energy requirements of the people of the United States and the people of Canada are adequately met;

(4) is directed to utilize to the maximum extent feasible information currently available for purposes of describing and evaluating the route described in subsection (a)(2) of this section;

(5) is directed when describing and analyzing the alternative routes in subsection (a) of this section, to consider the relationship of environmental, economic, and other effects of a projected natural gas pipeline from the North Slope of Alaska through Canada for markets in the forty-eight coterminus States of the United States to the factors set forth in subsection (b) of this section.

(f) Within three hundred and thirty days after passage of this Act, the Academy President shall submit simultaneously to the Director of the National Science Foundation, the President of the Senate and the Speaker of the House of Representatives, and the House and Senate Committees on Interior and Insular Affairs, the study of the Academy, together with his findings and conclusions based thereon, pertaining to the relative advisability and feasibility of transporting North Slope Alaskan oil through the routes studied under this section.

SEC. 206. (a) In conducting the study pursuant to section 205 the Academy President is authorized to enter into contracts and other agreements with such persons, institutions, or agencies as he may determine necessary and appropriate to carry out the purposes of this title.

(b) The Academy President is authorized to secure from any department, agency, or instrumentality of the Federal Government any information he deems necessary to carry out his functions under this title. Upon request of the Academy President, the head of any Federal department, agency, or instrumentality is authorized—

(1) to furnish the Academy President such information as may be necessary for carrying out his functions to the extent it is available to or procurable by such department, agency, or instrumentality, and

(2) to detail to temporary duty with the Academy President, on a reimbursable basis, such personnel within his administrative jurisdiction, as the Academy President requests, each such detail to be without loss of seniority, pay, or other employee status.

SEC. 207. (a) Notwithstanding the provisions of this or any other laws, no rights-of-way over, upon, or through the Federal lands shall be granted, issued, or renewed for any delivery system to transport the oil resources of the North Slope area of the State of Alaska to other States in the United States until the completion of the negotiations provided for in section 203 of this title, and the Academy study provided for in section 205 of this title, and until and unless the Congress has enacted legislation specifically authorizing and directing the Secretary to grant such rights-of-way.

(b) Notwithstanding any other provision of law or regulation, no crude oil, finished products, or unfinished oils (as defined in Presidential Proclamation Numbered 3279 of March 10, 1959, as amended and modified) produced from the geographical area in which the President is authorized to establish special national defense withdrawals by section 10(b) of the Alaska Statehood Act (Act of July 7, 1958; 72 Stat. 339) shall be exported from the United States or any of its territories or possessions unless the President makes and, within three days thereafter, publishes an express finding of an imminent threat to national security should such exports not be made: *Provided*, That should such a finding be made and published, the authority thereunder shall expire no more than sixty days after date of the publication of said finding, unless the Congress shall within said period approve such exports in whole or in part, under such terms and conditions as it may deem desirable.

SEC. 208. (a) Within thirty days of receipt of the study provided for under section 205 of this title, and after determining, based on the results of said study, and results of the negotiations provided for under section 203 of this title, which delivery system for North Slope oil will best serve the overall national interest, the House and Senate Committees on Interior and Insular Affairs shall report legislation to the full House or Senate, as the case may be, authorizing and directing the Secretary to grant rights-of-way needed for the transmission of oil from the North Slope area of the State of Alaska along one of the routes described in section 205(a) of this title.

(b) Legislation reported under subsection (a) of this section shall be highly privileged in each House. It shall be in order at any time after the third day following the day on which such legislation is reported to move to proceed to its consideration (even though a previous motion to the same effect has been disagreed to). Such a motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(c) Debate on such legislation shall not exceed ten hours, which shall be divided equally between those favoring and those opposing the legislation. Debate on amendments shall not exceed five hours, divided equally between those favoring and those opposing the amendment. A motion further to limit debate is not debatable. A motion to recommit the legislation is not in order, and it is not in order to move to reconsider the vote by which the legislation is agreed to or disagreed to.

(d)(1) Motions to postpone, made with respect to the consideration of legislation reported pursuant to subsection (a) of this section, and motions to proceed to the consideration of other business, shall be decided without debate.

(2) Appeals from the decisions of the Chair relating to the application of the Rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such legislation shall be decided without debate.

(e) If, prior to the passage by one House of legislation pursuant to section 207(a) of this title, that House receives from the other House legislation of such other House passed pursuant to said section, then—

(A) the procedure with respect to the legislation of the first House shall be the same as if no legislation from the other House had been received; but

(B) on any vote on final passage of the legislation of the first House, the legislation of the first House shall be voted on as an amendment in the nature of a substitute to the legislation received from the other House.

(f)(1) There shall be a conference of the two Houses to resolve any differences between the legislation as passed by each House.

(2) A conference report shall be highly privileged in each House. It shall be in order at any time after the third day after which such conference report is reported to move to proceed to its consideration (even though a previous motion to the same effect has been disagreed to). Such a motion shall be highly privileged and shall not be debatable. An amendment to the motion shall be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(g) Debate on the conference report shall be limited to four hours, which shall be divided equally between those favoring and those opposing the conference report. A motion to recommit the conference report shall not be in order and it shall not be in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(h) Motions to postpone, made with respect to the consideration of such conference report and motions to proceed to the consideration of other buiness, shall be decided without debate.

(i) Appeals from decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such conference report shall be decided without debate.

(j) Legislation authorizing and directing the Secretary to grant rights-of-way pursuant to section 207(a) of this title shall be agreed to no later than ninety days following receipt by the House and Senate Interior and Insular Affairs Committees of the study provided for in section 205 of this title.

(k)(1) The provisions of this section are enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(2) Any rule provided in this section may be waived or suspended by the Senate or the House of Representatives only by a vote of two-thirds of the Members voting, a quorum being present.

(3) If a point of order is made in either the Senate or the House of Representatives, and sustained by the Presiding Officer of that House, that any bill, resolution, amendment, motion, or other matter is not in order by reason of any rule provided in this title, the decision of the Presiding Officer may be overruled only by a vote of two-thirds of the Members voting, a quorum being present.

SEC. 209. After the Congress has determined, based on the information obtained pursuant to sections 203 and 205 of this title, which delivery system for North Slope Alaskan oil will best serve the overall national interest, and in furtherance of that determination has authorized and directed the Secretary to grant the rights-of-way needed for the transmission of oil from the North Slope area of the State of Alaska, the Secretary, pursuant to such Congressional mandate, shall grant such rights-of-way.

SEC. 210. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

Mr. MONDALE. Mr. President, the choice we face, I believe, is between a committee bill which offers no early prospect of a decision and the amendment I have introduced, along with Senator BAYH and 17 other Senators. The amendment that we have introduced is an action amendment. By mandating an independent study and negotiations with Canada, it attempts to make a responsible congressional decision which the country can trust, and to make that decision a final one.

By virtue of that decision we could enable either a trans-Alaskan or a trans-Canadian pipeline to be underway by the middle of next year. This prospect would be virtually impossible under the committee bill as reported. Litigation on environmental issues of real importance would commence immediately if the committee bill were passed and would take 2 years or longer with no resolution of the issue.

The country has been visited with a massive, expensive national campaign in which newspapers throughout the country have been filled with full-page ads financed by the major oil companies telling the American people that the adoption of the committee report would speed the delivery of Arctic Slope oil to the consumers of this country.

Those ads are completely false and completely misleading because in fact if the committee bill is adopted, without a doubt that issue will go back into the courts and will be litigated for 2 or 3 or possibly more years with not a single section of the pipeline being laid until that court decision is determined. And it could well go beyond that time. On just the issue of the 50-foot restriction, that pipeline has been tied up for 5 solid years. And the issues which remain to be litigated are far more complex and will require much longer factual testimony taking than the simple issue of the 50-foot width restriction.

We have seen in this first delay what happens when our Government and the major oil companies decide to have their own way despite what the law says. Finally, after 5 years, they have had to admit that not even they are strong enough to ignore the laws of this Nation, and they have had to start all over again.

Once again the major oil companies will find themselves blocked and stalled in their efforts to force a decision which ignores the national environment and the national and economic needs of our country. So, the issue of timeliness and the issue of which measure will most quickly deliver Alaskan oil to the consumers of this Nation is one which, it seems to me, must be handled clearly and unequivocally. And, in my opinion, without any doubt our amendment will more quickly bring this decision to a head and will deliver Alaskan oil to the consumers of this Nation.

This prospect would be virtually impossible under the committee bill for the reasons I have referred to. The choice we must make is between congressional action to bring finality on the basis of adequate information and the promises of litigation which promise no alternate way of solving the issue.

Mr. President, I would like at the outset to summarize some of the key issues of the debate.

First, it has become clear that our decision will decide which pipeline will be built and that this pipeline will be the only oil pipeline built for many years to come.

There have been suggestions of two pipelines, one to the Midwest and one to the West. But it is clear that if two pipelines are built, one will have oil in it; the other will be full of political promises. That is because the testimony proves that in either case the proven reserves are sufficient to supply only one oil pipeline. So when we decide to build one pipeline, we will have made a decision for years to come, until and unless additional oil reserves are established.

We do not have to take my word for that. Leading oil company executives and officials of the Alyeska consortium have testified to the absence of sufficient reserves for two oil pipelines. Furthermore, the Canadian government made clear last week its unwillingness to build a Canadian oil pipeline if the Alaska line is constructed first.

We will not have two oil lines for the foreseeable future, and the decision we make today, therefore, takes on added importance.

Second, there is no disagreement on the need for speedy action to bring this much-needed oil to American markets. This is precisely the reason why the amendment under consideration—in contrast to the Committee-reported bill—would provide for a final congressional decision to get this oil moving. However, we cannot make that decision until we have had the type of negotiations and study which would allow us to make an informed decision.

Third, the approach which we are taking is not a regional approach. In fact, oil can be delivered much more easily to the west coast through a trans-Canadian pipeline than it can be delivered to the area east of the Rockies if a trans-Alaska pipeline is constructed.

From the colloquy yesterday between the Senator from Rhode Island (Mr. PASTORE) and the Senator from Washington (Mr. JACKSON), I think it is quite clear that the Alyeska consortium intends to sell a substantial portion of its production to Japan and to other markets outside the United States. I believe that is why they have decided to run the pipeline across the worst earthquake zone in the Northern Hemisphere, with tremendous environmental risks, and then to transship the oil over water, in tankers, on a 2,000-mile route, causing what the Corps of Engineers predicts will be oil spillage of 5 to 6 million gallons a year up and down the west coast of Canada and of the United States, and to deliver that oil to the one region in the country where figures show there will be a surplus of oil until the year 1990, if we add 2 billion barrels per day from the Alyeska oil pipeline. Why would they do that? Why should they pursue such a course?

I think the answer is that they intend to sell substantial quantities of this oil to Japan and to other markets, and to do so at a time when this country is in the midst of the most serious oil shortage in history. The American consumer would be told to rely on an uncertain Middle East supply of oil, while Japan would depend on its source in Alaska.

Businessmen on the east coast and in the southern part of the United States would be told to get oil from the Middle East; to take oil from the Middle East; while we send substitute portions of the oil obtained in the United States to markets beyond our borders. The record clearly shows that this is what is intended. I find it very difficult to believe that that makes much sense when we consider the present environment.

Fourth, there is no hard evidence that the construction of a trans-Canadian oil pipeline would delay delivery of Alaskan oil by the 3 or 5 years which we often hear, and often see repeated in our various newspapers daily. The timeframes for the two routes may be quite similar, but we cannot know this with any degree of certainty until we have conducted the type of negotiations with the Canadians which have not been undertaken thus far.

Fifth, the environmental risks associated with a trans-Alaskan route—which the Canadian Government fears—should lead to serious consideration of a common corridor for oil and gas pipelines through Canada. This would greatly minimize environmental damage and avoid running Alaskan oil through a dangerous earthquake zone and transshipping it through waters where large oil spills could be expected.

As I say, the Corps of Engineers estimates spillage of 5 to 6 million gallons of oil annually as a result of that water transshipment.

These are some of the principal issues that we must face.

Therefore, the question before us is whether we will make a major decision affecting American energy needs on the basis of adequate information, or whether we will ratify a decision made by a few huge oil companies, acquiesced to by American Government agencies and never seriously tested.

The approach which the amendment under debate offers is a middle course between those who would override the National Environmental Policy Act today, in spite of our lack of information on a Canadian alternative, and the committee bill which would simply return this matter to the courts for several years of additional litigation and delay.

Mr. President, no one disputes the need to develop the oil resources of Alaska's North Slope as quickly as possible—for the sake of both Alaska and the Nation. However, what we have seen in recent months is a concerted, coordinated attempt to pressure the Congress into approving—implicitly or explicitly—a project which the Interior Committee report admits may not be in our best national interest.

The Federal Trade Commission has recently made clear its belief that the practices of the major oil companies have played a large part in creating the gasoline shortages which we are now experiencing. And these same oil companies are behind the campaign that has taken place recently to get quick Congressional approval of their plans.

These high-pressure attempts have been misleading in the extreme. The full-page ads paid for by Atlantic Richfield asked "What stands between our nation's energy shortage and 10 billion barrels of Alaskan oil?", implying that approval by Congress of the Alaskan pipeline would keep our gas tanks full this summer and our homes heated this winter.

Obviously, no pipeline from Alaska will do this. But this campaign is typical of the distortions that have marked this issue from the beginning, and also typical of the campaign against the amendment which I and Senator BAYH and Senator HASKELL, and others are offering today.

It has become quite clear that there is a real connection between the Nation's energy supply problems, the creation of that problem, and the desire by the oil industry for lucrative concessions from the Congress.

And whenever the so-called energy crisis talked about by oil company executives, the objectives they have in mind are clear. Take, for example, a speech made by Frank N. Ikard, president of the American Petroleum Institute to the National Governor's Conference on June 5 of this year.

Mr. Ikard, chief spokesman for the oil industry, after cataloging the views of the oil industry on energy supply problems, got down to business. As is generally the case, the top two items on his agenda were made quite apparent. He said:

> The overall energy supply problem in future years, will not be solved unless we look to longer-range answers—and initiate the necessary actions now.
>
> The petroleum industry supports the following medium-term steps:
>
> First, get the trans-Alaska pipeline started, so that the huge discovered reserves of petroleum from the North Slope will be made available to American consumers as soon as possible.
>
> Second, deregulate natural gas field prices, which will encourage sufficient investment in the high-risk search for this clean-burning fuel.

Time and time again, we hear the same two items from oil industry officials: the Alaska pipeline and deregulation of natural gas.

There are many who now suspect that the entire energy shortage situation we find ourselves in this summer was created exactly to achieve those two major objectives of the oil industry.

Let me repeat at this point, that I am not against getting North Slope oil to American consumers as soon as possible. What I am against is the type of high-pressure salesmanship which has distorted the issues and made it appear to the Congress that only if we blindly stamp a seal of approval on the trans-Alaska pipeline could this oil be moved.

Indeed, I am so greatly in favor of moving North Slope oil that the amendment I have called up today will provide for a speedier resolution of the problem than does the bill reported by the Interior Committee.

The committee report itself highlights the need for further information on alternative delivery systems for Alaskan oil before Congress commits the Nation to a major step in national energy policy. As the report states, after listing the various issues now in dispute:

> Any assessment based solely upon the foregoing considerations regarding the relative merits of the two pipeline routes clearly must depend heavily upon subjective judgment.

No one is suggesting that the study and negotiations we are proposing will find every definitive answer to every question still remaining in this complex area. However, there is an excellent likelihood that 8 months of head-to-head negotiations at the highest levels between officials of our Government and the Government of Canada will establish many facts we now do not know, including the levels of oil from Alaskan North Slope fields which the Government of Canada would guarantee through a trans-Canadian line; the willingness of the Canadian Government to honor the commitment it has previously made to increase oil exports during the period of time before completion of a trans-Canadian line; the ownership, financing and regulation of the Canadian sector of a trans-Canadian pipeline, and the other subjects which would be the focus of negotiations under the amendment now pending.

In short, these negotiations would establish many factors regarding which there is now only speculation. In fact, it is exactly this type of speculation, as embodied in Secretary of the Interior Morton's apparent misrepresentation of Caadian Energy Minister MacDonald's position on a number of key issues, which has contributed to some of the problems in Canadian-American energy relations we are now experiencing.

In addition, an 11-month study, by an impartial body—the National Academy of Sciences—which has previously offered its services in relation to the trans-Alaska pipeline question, would establish many economic, environmental and consumer-related answers to problems on which we can now only guess. In particular, such a study would be able to analyze the reams of information and data which have been produced by both sides in this debate. Much of this information, while theoretically interesting, simply cannot be taken at face value without further analysis, since the source of the information is often a highly biased body in an often heated debate.

Certainly, not every fact will be totally clarified. But under terms of the amendment, the National Academy would be empowered to make relative judgments on the merits of the two routes, so that the Congress could use this information in making its decision.

One of the reasons, in fact the fundamental reason, for this alternative study——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MONDALE. Is that this administration, in my opinion, has been violating the provisions of the National Environmental Policy Act, which required it to study the relative merits of the reasonable alternative systems of delivering oil from the Alaskan Slope. It failed to do that. It failed to make a responsible study of the Canadian line; it has failed to undertake any kind of meaningful negotiations with the Canadian Government. I believe that is a violation of the Environmental Policy Act, and I believe that is one of the reasons why, if this issue goes back into the courts, it will remain there for years while the courts struggle to do what the Government was required by law to do, but refused to do because it was so wedded to the Alaskan route.

Mr. HART. Mr. President, will the Senator yield?

Mr. MONDALE. I am glad to yield to the Senator from Michigan.

Mr. HART. Mr. President, many have said that the Mondale-Bayh amendment is a midwestern Senators' amendment. How does the Senator respond to the suggestion that unless you are fortunate enough and blessed enough to be a resident of the Middle West, you should not vote for it?

Mr. MONDALE. I think one of the strongest aspects of this amendment is that it seeks to come up with a national solution that would serve the entire country and not just the oil interests.

What we ask is that there be a study to determine which of these alternative routes best serves the country, best serves our environment, best serves our economy, and best serves the American consumer. If, for example, the pipeline were to come down the Mackenzie Valley route to Edmonton, which is the alternative route, this, in my judgment, is clearly the superior national result from Edmonton we can ship oil to the west coast in existing pipelines to Seattle, and we can ship oil to the Midwest and the East in the existing pipeline from Edmonton to Chicago. It would do so over an environmentaly sound route and, in my opinion, would deliver the oil to the areas most dependent upon Middle Eastern sources.

The Alaskan pipeline on the other hand, in my opinion, has been set up primarily to serve substantial sources outside the United States. It was practically admitted yesterday that a substantial portion of the production will be sold outside our borders, and probably for premium prices, to Japan and elsewhere. So, from a national standpoint, at least in my judgment, the Canadian route is to be preferred but, in any event, what we call for is a fundamental study and a judgment on that, which would be made by Congress.

Mr. HART. If the Senator will yield for another question, the suggestion has been made that we are kidding ourselves, that the study we are proposing in this amendment is sort of "much ado about nothing" because everyone knows that we will have two pipelines from the North Slope anyway, one the trans-Alaskan one and one the trans-Canadian one. People who feel that way then say, "What does it really matter which one is built first, since we are sure to have both eventually?" I think we would profit if the Senator from Minnesota would respond very briefly to that suggestion.

Mr. MONDALE. In my judgment, for many years to come, until and unless new resources are found in Alaska, there are only enough proven oil reserves to serve one pipeline. This has been said by the president of the Alyeska consortium who recently testified that to talk of a second pipeline was to talk of a phantom pipeline. There is not enough oil to serve two pipelines from the known proved reserves.

Second, the Department of the Interior's own figures indicate that—let me quote from Secretary Morton on July 17, 1972:

> It is uncertain that a second oil pipeline will be needed at all since additional reserves must be discovered by future drilling. Such a line, in any case is many years away.

The Department of the Interior in a study dated April 30 said:

> Resources to justify a second oil pipeline have not yet been demonstrated.

Also, just the other day, the Canadian Government made it clear they would be interested in a pipeline down the Mackenzie Valley, in the same corridor as the natural gas pipeline, but they would not be interested in considering a second pipeline after the trans-Alaska pipeline is developed.

So not only is it a question of the adequacy of existing reserves but it is also a question of whether the Canadian Government would agree to the so-called second pipeline. I think the test of whether there will be two pipelines would be if trans-Alaska supporters agreed to build the first pipeline along the trans-Canadian route, and then take their chances to see whether reserves are enough later to build one on the trans-Alaskan route. This would prove the strength of the conviction of those who claim there is enough for two.

Mr. HASKELL. Mr. President, would the Senator permit me to supplement his answer to the distinguished Senator from Michigan. I would call the Senator's attention to material printed in the RECORD on Monday, July 9, 1973, on pages S. 12802 and 12803, by the distinguished Senator from Washington (Mr. JACKSON). Certain questions were propounded of the Canadian government and one of those questions was, "Why not two pipelines?" As the Senator from Michigan said, the Canadian answer was:

> If Alyeska is built, Canada would find little attraction in having a second oil pipeline built through Canada to serve U.S. midwest markets unless and until sizable commercial Canadian oil discoveries have been made in the North. Moreover, Canada is aware that the economic attraction of looping an existing TAPS line would undoubtedly militate against construction of a line through Canada.

This comment is merely supplemental to the answer given by the distinguished Senator from Minnesota. Canada just would not be interested.

Mr. HART. I think that the answer just made by the Senator from Colorado should be very persuasive.

Now, Mr. President, there is a third question, if I may emphasize, which is placed on the urgent need list, to meet an impending or in fact an oil shortage in the continental United States. When reminded of that, we are told that the Alaskan line is the one we could first put into production and we must build it now in order to meet, to the extent we can, the impending or in fact, the oil shortage. If we need that Alaskan oil as quickly as some say, is not the force of their argument somewhat weakened, as we plan to export some of that Alaskan oil? How much of the North Slope oil, in the judgment of the Senator from Minnesota, would be exported if the Alaskan route is taken.

Mr. MONDALE. We can only speculate on that. There was recently a study made by a professor of geology at the University of Washington—which I placed in the Record—Mr. Eric Cheney. He estimates that the west coast could not possibly absorb the 2 million barrels per day which would flow through the Alaskan pipeline system until 1988. He estimated that the excess Alaskan oil supply of west coast demands would range from 200,000 to 600,000 barrels per day, or from 10 percent to 30 percent of the output of the Alaskan pipeline. So it is his judgment that approximately that amount would be sold beyond our borders, and probably for premium prices, to Japan. He also observes that the tankers which will be carrying this oil cannot go through the Panama Canal, so it has to be for markets to the west of the United States.

Mr. GRAVEL. Mr. President, will the Senator from Minnesota yield at that point?

Mr. MONDALE. Well, I am going to yield very frugally at this point to the opponents of my position, but I will be glad to do so when I have finished. I have sat here for about 3 hours now. But I am glad to yield to the Senator at this moment.

Mr. GRAVEL. I thank the Senator. I do not want to impose on the valuable time that my colleague has to make his case, but I should like to take us from fantasyland into reality. Why cannot someone explain to me, why would we be exporting oil from Alaska when we will be importing about 20 million barrels a day? Why would it make sense to export Alaskan oil when we are an importing nation now?

Mr. MONDALE. I could not agree more with the Senator. But that is exactly what is planned. Yesterday, the distinguished floor manager of the bill virtually admitted that the oil will go to Japan. Recently, former Prime Minister Sato of Japan said that we will, of course, be purchasing oil in the event the pipelines are completely laid.

The president of Atlantic-Richfield said they proposed to export oil out of this pipeline to Japan.

Ed Patton, president of the Alaskan pipeline, said that 500,000 barrels per day are being targeted for sale beyond the U.S. west coast and for example, Ronald Meritt, of the British Petroleum Co., said:

> Say, in 1980, you have 1.8 million barrels a day coming out of that field and the west coast demand is 1.2 million, you have 400,000, 500,000 or 600,000 barrels a day surplus. We have to decide what is in our best interests.

Mr. GRAVEL. Does my colleague think, as a matter of public policy, that we would sit here and let an oil company ship oil abroad when we are importing it?

Mr. MONDALE. May I say that it is very peculiar that this oil line along the trans-Alaska route is designed to deliver 2 million barrels a day to a section of the country where studies have said it cannot use 2 million barrels. It will be shipped in tankers that cannot go through the Panama Canal. If you can believe the former Prime Minister of Japan, if you can believe the president of the Alyeska Consortium that is building this pipeline, if you can believe the economists who have studied it, all say it is going to Japan; and yesterday the distinguished floor manager of this bill seemed to say the same thing.

I yield to the distinguished Senator from Michigan.

Mr. HART. I should explain to the Senator from Alaska that I am seizing a moment of a recess of a conference committee on the LEAA to come here and ask these questions.

Mr. GRAVEL. I am sure that my colleague and I can engage in comments afterward.

Mr. MONDALE. I want a full colloquy.

Mr. HART. On this one, I feel it would be useful, once again, to have the answer on the record, although I know the feeling of the Senator from Minnesota on it.

Will the Mondale-Bayh amendment result in delay in getting that North Slope oil into the useful service of the domestic industry?

Mr. MONDALE. I am absolutely convinced that our amendment will deliver Alaskan Slope oil to the lower 48 States much faster than the proposed committee bill, for this reason.

Our proposal is an action amendment which is consistent with the National Environment Policy Act and which requires a decision of Congress within 14 months. There will be amendments to even shorten that, and I will accept those amendments. That judgment by Congress is then court proof. You cannot do away with antitrust actions or other actions that can be brought against any decision you make, but I am talking about the judgment under the National Environment Policy Act.

The critical problem of the committee report, one they cannot answer, is that if the committee has its way, undoubtedly they will go back into court for 2, 3, 4, or possibly 5 years of further litigation before any pipeline can be built. We have already seen 5 years' delay. This committee action programs in several more years of delay. Mine is an action amendment with a terminal date for a final decision to be made by our Government.

Mr. HASKELL. If the Senator will permit me to supplement the answer, I think the Senator has put his finger on a very important issue.

Assuming that the Senator from Minnesota is correct—and I think he is correct—then, as I read the committee report, the only reason for not accepting an amendment such as that of the Senator from Minnesota has been taken away. I read from page 21 of the committee report:

> There is, however, one consideration in favor of the Trans-Alaska pipeline that the committee found compelling. This consideration was the additional delay and uncertainty associated with the Trans-Canada pipeline.

So if the Senator from Minnesota is correct and there is no additional delay as a result of this amendment, the only reason for not accepting the amendment is taken away.

I should like to read another sentence on the same page of the committee report:

> . . . regardless whether the administration's early commitment in favor of that route was made on the basis of adequate information and analysis, the committee determined that the Trans-Alaska pipeline is now clearly preferable, because it could be on stream two to six years earlier . . .

So the Senator has put his finger on a very sensitive point. If the Senator from Minnesota is correct—and I think he is—then the only argument against the Senator from Minnesota's amendment is gone.

Mr. MONDALE. I think that is central. I believe that was contained in the amendment just adopted, which urged the courts to move swiftly. It was simply the laudatory language, which could not have any significant bearing.

Bear in mind that it took 5 years to resolve the 50-foot width issue. For 5 years, the oil companies and our Government tried to ignore that provision, and finally the Supreme Court said they could not, which is why we have this bill. The issues which remain to be litigated, surrounding the National Enivronmental Policy Act, could take years. It seems to me that if they want quick delivery of Alaskan oil, our amendment is the only way to do it.

We have a recent estimate from Mr. Jamieson, chairman of the board of Exxon, one of the companies involved in the consortium. He said that his most optimistic estimate for the completion date of the trans-Alaska pipeline was 1978. Of course, I think that assumes very little litigation, which is an assumption without reality.

Also, a recent Canadian study on the trans-Canada alternative concluded that they could have the trans-Canada pipeline completed by 1979.

So if they start building now, under the committee amendment, it could well be years before they could start.

Mr. HART. I thank the Senator from Minnesota very much. I think his answers, supplemented by the comments made by the able Senator from Colorado, ought to persuade a good many as to the wisdom of the course he proposes. Based on studies I have undertaken prior to this day and including this exchange, I am convinced that on this question, support for the Mondale-Bayh amendment is the prudent course. I hope the Senate acts favorably on it.

Mr. MONDALE. I am grateful to the Senator from Michigan for his support and for his questions, which I think point up the central issues in this debate exceedingly well.

Mr. President, perhaps most important, I simply view as unacceptable the proposition that Congress should act now without further study to ratify in effect a decision made without full information and with very questionable basis by the Interior Department in 1969.

The committee report acknowledges the shaky basis of this action 4 years ago, but seeks to make the entire decision rest on the alleged time advantage of a trans-Alaskan over a trans-Canadian pipeline.

> Regardless whether the 1969 decision of the owner companies in favor of an all-Alaska route was the wisest or the most consistent with the national interest at that time, and regardless whether the Administration's early commitment in favor of that route was made on the basis of adequate information and analysis, the Committee determined that the Trans-Alaska pipeline is now clearly preferable, because it could be on stream two to six years earlier than a comparable overland pipeline across Canada.

I find this an unwise basis on which to make public policy. We are asked to ratify a decision which even the committee admits may not have been made on the basis of adequate information and analysis and which may not have been wisest—for one reason which has not even been demonstrated to have validity. We are asked to put a congressional seal of approval on a project because of an alleged advantage in time which the statements of the proponents of that line itself have revealed to be doubtful at best.

I regard this as unacceptable policy. I regard the need for congressional action on the routing of Alaskan oil to be vital if we are to reassert the congressional prerogatives about which so much is often heard.

In effect, I believe congressional approval of the committee bill would say to the oil industry and to any government agency that if you violate the law often enough, long enough and set up enough obstacles in the way of a rational congressional judgment, sooner or later, you will have your way.

No one in this body would deny that the long term oil and energy needs of this Nation are severe. No one will deny that by 1980 we will probably be importing at least half of the petroleum we will need to keep our Nation moving. No one—least of all myself—is attempting to keep that oil from coming to the U.S. markets.

But there is a major difference between wanting that oil as soon as possible—which we all do—and a willingness to believe the major oil companies when they tell us that only through a trans-Alaskan pipeline will we get that oil soon enough to avert a catastrophe.

It is my belief that a pipeline delivery system through the Mackenize Valley of Canada would be the most logical means of transporting this oil to all American markets.

A Canadian route would deliver the bulk of North Slope oil, resources where they are needed most—in the area east of the Rocky Mountains.

A Canadian route would deliver these resources over an environmentally sounder route than would an Alaskan route.

Costs to consumers for oil in the eastern two-thirds of the Nation would be substantially reduced by a Canadian route.

Also, the Canadian route would deliver oil as needed to the western sectors of the United States.

Mr. STEVENS. Mr. President, will the Senator yield at that point?

Mr. MONDALE. I am happy to yield.

Mr. STEVENS. I have been raising this question all along. I have had the resources of the Mackenzie River delta, the Arctic Island of Canada and the Prudhoe Bay gas reserves compared. I would like to tell the Senator what that converts to in Btu's and then see if he maintains the same position in view of the facts related to me. I understand these are U.S. Geological Survey figures.

Gas discovered so far is as follows: In the Mackenzie River delta it is 10 trillion cubic feet which would produce 10 quadrillion Btu's; for Arctic Island it is 12 trillion cubic feet which would produce 12 quadrillion Btu's; for Prudhoe Bay it is 26 trillion cubic feet which converts to 26 quadrillion Btu's; and the Prudhoe Bay oil reserve of 10 billion barrels converts to about 53 quadrillion Btu's.

My question is: With this distribution of the energy of the Arctic that is known today, we have 22 quadrillion Btu's, being 10 quadrillion from the Mackenzie River Delta and 12 quadrillion Btu's from Arctic Island, and 26 quadrillion Btu's from Prudhoe Bay gas reserves as opposed to 53 quadrillion Btu's from Prudhoe Bay oil reserves, does the Senator maintain that the Midwestern part of the United States should have access to the whole amount of the Arctic oil and gas reserves? Is it the position of the Senator that the plan that has provided for the distribution of gas reserves, which is almost equal to the oil reserves—100 percent of the gas reserves to go to the Midwestern part of the United States and the oil reserves to the Western part of the United States—that there is something wrong with that, or that the Midwest should have it all?

Mr. MONDALE. It is ironic that the Senator from Alaska would ask that question precisely following the sentence where I make clear that the Canadian route would make the best delivery system. There is a pipeline from Edmonton to Seattle as well as from Edmonton to Chicago. If the Senator is interested in a truly balanced and flexible delivery system, the trans-Canadian route is superior. What is truly ironic is that the owners of this consortium, the Department of Interior, and a recent study by a professor at the University of Washington—all indicate that a trans-Alaska line would sell substantial proportions not in the United States but substantial proportions to Japan and elsewhere.

I yield to the Senator from Colorado.

Mr. HASKELL. I wish to comment further. Some of the oil companies had an extensive study made known as the Mackenzie Valley Study. I would like to point out to the Senator from Alaska that this study cost the oil companies over $6 million and was completed in approximately 6 months. It concluded that delivery of oil to Chicago via the trans-Canada route through Edmonton would be possible at a tariff of $1.55 a barrel. Delivery to Puget Sound via the trans-Canada route through a spur from Edmonton would be possible at a tariff of $1.40 a barrel.

Mr. MONDALE. I thank the Senator.

Mr. STEVENS. Mr. President, will the Senator yield further?

Mr. MONDALE. I would like to conclude my remarks and then yield.

Mr. STEVENS. I am sorry. I thought the Senator had finished his remarks.

Mr. MONDALE. Mr. President, finally, I believe the national security interests of the United States would be aided by a Canadian route.

However, the amendment which I am offering does not require that this route for delivery of North Slope oil be taken. All the amendment seeks to do is to give Congress the necessary information it needs to make a well-informed decision on Alaskan oil.

What we are asking in the amendment is that the law be complied with in determining whether the Alaska route or the Canadian route is best for our country from an environmental, economic, and consumer point of view. It is necessary to do this because our Government has refused to comply with the Act. Indeed, I think we have treated the Canadian Government shabbily. We have been told we have to take the Alaskan route no matter what the cost to the environment or to the American consumer, or even if the oil is being sold in the United States. We are proposing to make sure that the law is complied with and then within 14 months to make a final judgment on the route to be taken.

Support of this amendment need not imply support for the ultimate feasibility of a trans-Canadian pipeline to transport this oil. All it need imply is a desire to see Congress exercise its responsibilities over national energy policy and over the Federal lands through which any Alaskan oil pipeline will run, and make a decision which will affect American energy policy for decades to come only on the basis of adequate information.

Indeed, if the case for a trans-Alaska pipeline is as compelling as advocates of that route maintain, this amendment will provide a mechanism by which a final decision can be made within 1 year to get construction underway. On the other hand, it gives the unbiased look at a Canadian alternative route which we have not had to date, a study which advocates of a trans-Alaska route seem reluctant to have udnertaken.

Central to this effort is our desire to see these resources utilized as quickly as possible. But we must recognize that no pipeline from Alaska will keep our gas tanks full this summer or prevent possible fuel oil shortages this coming winter.

The 10 billion barrels of oil on the North Slope of Alaska are a precious national resource. By the mid-1980's, this field may be supplying 5 percent of our annual oil needs. But we must not waste that resource, and we in Congress must not make hasty decisions which may only delay the ultimate delivery of North Slope oil.

S. 1081, as reported, contains a provision which holds forth the prospect of two oil pipelines from Alaska's North Slope.

It would allow the Secretary of the Interior to issue rights-of-way permits for a trans-Alaska pipeline, and seek negotiations with Canada on the possibility of a second, trans-Canadian oil line at some indefinite date in the future.

This prospect must be seriously examined, however. Less than 1 year ago, the Joint Economic Committee in hearings conducted by the Senator from Wisconsin (Mr. PROXMIRE) heard very strong testimony on the likelihood—or lack thereof—of a second pipeline:

> One of the more elaborate arguments put forth by trans-Canada supporters is based upon the hypothesis that a second oil line will be built from Alaska's North Slope to transport additional crude oil to the lower 48. Such speculation borders on fantasy and reveals the absence of even a casual inquiry into the facts.
>
> It is assumed that this phantom oil line will be required for basically three reasons: (1) Extensions of the Prudhoe Bay field; (2) Increases from secondary recovery in the Prudhoe Bay field; and (3) New finds through continued exploration.
>
> To date, 75 developmental wells, excluding dry holes, have been drilled in the Prudhoe Bay field. The balance of the drilling required to fully develop the field will be within the perimeter of the field which has been well defined. The developmental program to date precludes any significant field extension and has substantiated the previously estimated 9.6 billion barrels of recoverable oil.
>
> As to discovery of additional fields through continued exploration, it should be noted that to date no proven commercial oil fields other than Prudhoe Bay have been found, and exploration drilling has either eliminated or revised downward the potential of a number of once exciting projects.

The author of this statement was Edward L. Patton, president of the Alyeska consortium, which wishes to build the trans-Alaska pipeline. No new reserves have been discovered since the date of that statement.

In July of 1972, Secretary of the Interior Morton stated that:

> It is uncertain that a second oil line will be needed at all, since additional reserves must be discovered by future drilling. Such a line, in any case, is many years away.

In an analysis prepared by the Department of the Interior and submitted to the Senate Interior Committee in April of this year, the Department clearly states that:

> Resources to justify a second oil pipeline have not yet been demonstrated.

Mr. President, I believe the prospect of a second oil pipeline, as Mr. Patton indicated, is a "phantom." We cannot simply state that two pipelines can be built without further analysis of whether that statement bears any relationship to reality. And the strong testimony of supporters of a trans-Alaska pipeline indicates that there is no prospect of this happening in the near future. Indeed, any prospect of it occurring at all is at best a long shot which will not occur until 1990, if ever.

The central thrust of the amendment is to speed the decisionmaking process in delivering Alaskan oil. If S. 1081, as reported, is passed unamended, we face a substantial amount of time in the courts litigating environmental issues of real importance and also face the real possibility of lengthy construction time on an Alaska route.

There are now indications from highly placed sources that delays on a trans-Alaskan pipeline—both in the courts and in construction time—may be much more than proponents of such a line may thus far have been willing to admit.

On May 17, J. K. Jamieson, chairman of the board of Exxon Corp., the world's largest oil company, and one of the principal partners in the consortium seeking to build a trans-Alaska pipeline, stated that Exxon's most optimistic estimate on when a trans-Alaska pipeline could be completed was late 1978.

I am sure that assumes even the most optimistic conclusion of the litigation which will inevitably follow.

And, estimates from a variety of sources—including the Canadian Government—indicate the feasibility of completing both gas and oil pipelines through the MacKenzie Valley of Canada by 1979.

Now, there is a growing realization that as little time as possible should be spent in unending court litigation, provided that Congress has adequate information on which to base its decision. Yet this time in the courts would be the result of passage of S. 1081, as reported from the Interior Committee.

There are also some who would wish to see Congress go on record now as declaring the environmental impact statement completed thus far on the trans-Alaska pipeline as adequate, and remove the courts and the Congress from any further consideration of this issue.

This approach, I fear, would undo years of effort in making the National Environmental Policy Act into an effective means of providing adequate information on which to base crucial decisions. For there is much evidence that the environmental impact statement completed thus far did not adequately consider a trans-Canadian alternative, as required under section 102(2)(c) of NEPA. A variety of factors—including the projected gas pipeline from Prudhoe Bay in Alaska through the MacKenzie Valley of Canada to the Midwestern United States—were not adequately considered in that statement, and to declare this statement to be adopted by the Congress would virtually destroy the validity of NEPA.

Would it not be ironic if we said, "We have a great act now," and yet every time there is something the wealthy interests of the country want, we will suspend it, and it will apply only against the weak and the powerless?

There is an alternative approach which this amendment exemplifies. That approach is to fill in the many information gaps now missing with regard to a trans-Canada route by which to transport North Slope oil to the United States, and to build in a congressional decision at the end of this process. This I believe to be the only approach which complies with the spirit of the National Environmental Policy Act, and still offers supporters of both a trans-Alaska and a trans-Canada pipeline the assurance that a congressional decision—not reviewable in the courts—will be made within approximately 1 year.

The amendment under consideration provides the following:

First, negotiations would be conducted by the Secretary of State with the Government of Canada to ascertain the answers to a variety of important questions to which we do not have definitive answers today. The Secretary of State would report the results of these negotiations within 8 months to the Interior Committees of the Senate and House. Points of negotiations would include estimated dates for completion of construction; quantity levels of oil from the North Slope of Alaska which the Canadian Government would guarantee through a Canadian pipeline; the ownership, financing, and regulation of the Canadian sector of a trans-Alaska-Canada pipeline, and other questions of similar importance.

Second, the National Academy of Sciences would undertake a comparative 11-month study of the environmental, economic, and national security implications of both a trans-Alaska and a trans-Canada pipeline alternative.

With regard to the environmental risks of the routes which would be studied, the language of the amendment exactly parallels the language of section 102(2)(c) of NEPA. This would yield the type of study which should have been undertaken by the Department of the Interior, but which has never been undertaken.

The economic and national security aspects of the study would include the relative effects of a trans-Alaska and a trans-Canadian pipeline on American national security; overall economic effects, including effects on consumers in various sections of the country; and effects on American balance of payments. This part of the study would encompass the particularly important questions of regional dependence on insecure foreign oil sources and the cost effects on consumers of routing the pipeline through Alaska or through Canada.

In preparing this study, the Academy would analyze and compare the relative advisability and feasibility of transporting North Slope Alaskan oil through either a trans-Alaskan or a trans-Canadian route.

In undertaking this task, the Academy would have much information at its disposal. In addition to the Department of the Interior's Environmental Impact Statement, which would be the basic document for description and analysis of the trans-Alaskan pipeline alternative, the Academy could make use of over 100 studies—including a $7 million study prepared by a consortium of 16 major oil companies—on a trans-Canadian route. What we need is an unbiased, professional analysis of this information before Congress makes its decision.

Third, this amendment provides for restrictions on exports of North Slope oil. Under provisions of the amendment, no exports could be made unless the President found an "imminent threat to national security" should such exports not be made. If such a finding were made, authority under it for the President to allow exports would expire at the end of 60 days, unless Congress approves of such action. I believe this provision is absolutely crucial whether Congress decides to opt for a trans-Alaskan or a trans-Canadian route. I also strongly believe that if we do choose a trans-Alaskan route—and fail to forbid exports—that a very substantial percentage of the production of an Alaskan line would be earmarked for Japanese consumption. In 1971, the president of the consortium seeking to build the trans-Alaska pipeline, stated that one-quarter of the production of such a line was earmarked for sales beyond the west coast, most of which presumably would go to Japan.

Recently, University of Washington geology professor Eric Cheney, in an article in the Seattle Times, showed that if a trans-Alaskan line is built, the west coast will be unable to absorb the entire production from such a line until 1988.

I believe this provides one more strong reason for a trans-Canadian line. But no matter what decision is ultimately made on the routing of trans-Alaskan oil, we must provide that this oil will stay in the United States—and not fuel foreign industrial competition to American industry during years when American industry will need every gallon of oil it can get.

Fourth, the amendment builds in a procedure to insure a congressional decision within 90 days of receipt of the report of the National Academy.

This decision would not be reviewable in the courts, thereby assuring progress on whichever route Congress selects shortly after that congressional decision is made.

The amendment also prohibits the Secretary of the Interior from issuing rights-of-way permits for any delivery system for North Slope Alaskan oil until Congress has authorized and directed him to issue rights-of-way for a particular route. The amendment does not affect the bill's provisions regarding granting of rights-of-way for any pipeline system other than that from the North Slope of Alaska.

Without doubt, no pipeline through Canada can be built without the cooperation of the Government of Canada. There is no debate on this point. Recently, some have questioned the willingness of the Government of Canada to cooperate in the undertaking. There is no hard negotiating data on this point, once again pointing out the need for negotiations at the earliest possible date.

Should these negotiations prove that the Canadians are not interested, we will have lost nothing, for a final nonreviewable congressional decision would still be made within little more than a year. This decision, while preserving the integrity of the National Environmental Policy Act, would allow construction of a trans-Alaskan pipeline to begin without further delay in the courts if the trans-Canadian route is proven to be unfeasible.

However, I believe that the Canadian Government will express interest in a trans-Canadian oil pipeline, inasmuch as it avoids dangerous tanker traffic off the west coast of Canada and spurs the development of potential oil reserves in the northwestern sections of Canada. As recently as May 14 of this year, Prime Minister Trudeau stated on the floor of Parliament that:

> We do not favour the route from Alaska which would take oil tankers over the ocean into waters that are very narrowly confined between the United States and Canada. That is still our policy, and our policy is still to indicate that the Mackenzie route is one which we would be prepared to consider if there is application made in the proper form, and that we would be very happy to follow up on that.

And on June 8, speaking in the House of Commons, Minister of Energy, Mines and Natural Resources, Donald Macdonald stated again that:

> Our distinct preference is to have a Mackenzie route . . .
>
> The United States administration, of course, insists on handling its own resources in a different way. We have made clear to the United States the possibilities of a Canadian route, but I do not think we are really in a position to direct them as to how they should dispose of their resources within their jurisdiction.

To quote him again:

> We have made clear to the United States the possibilities of a Canadian route.

I think it would be interesting to find out what our Government has really been doing in seeking to ascertain whether the Canadian Government would agree to a trans-Canadian pipeline, and on what terms. There have been recent stories one of which I will put in the RECORD that from the Anchorage Daily News of June 11, 1973, in which we are told that the State Department last May warned the Canadian Government that any attempt to try to pursue the building of an oil pipeline across Canada to bring oil from Alaska's North Slope to the Midwest would be regarded as interference in U.S. internal affairs. There is other evidence, the story points out, of the role of our Government in seeking to discourage any interest on the part of the Canadian Government.

Mr. President, I ask unanimous consent that the article appear at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Anchorage (Alaska) Daily News, June 11, 1973]

CANADA TOLD NOT TO INTERFERE IN OIL PLAN

(By David Murray)

WASHINGTON.—The State Department last May warned the Canadian government that any attempt to try to pursue the building of an oil pipeline across Canada to bring oil from Alaska's North Slope to the Midwest would be regarded as interference in U.S. internal affairs, it has just been revealed.

Rep. John B. Anderson (R-Ill.) said Canadian Ambassador Marcel Cadieux was summoned to the office of Undersecretary of State John N. Irwin II and told that the decision to build a trans-Alaska pipeline had already been made and the Nixon administration regarded it as an internal matter.

Anderson, citing statements by "responsible members of the Canadian community" in Ottawa, said Cadieux had been called to the State Department, "sat down in a chair and was told: 'We've made a decision. It's an internal decision, and we'd appreciate it if you said nothing.' "

Since then, Interior Sec. Rogers C. B. Morton and other members of the Nixon administration have maintained that the Canadian government does not want the pipeline built from Prudhoe Bay to Edmonton, Alberta, despite the continued efforts on the part of members of the Canadian government to build the pipeline through Canada.

A Canadian embassy spokesman here confirmed the meeting took place in Irwin's office May 14, 1972, but said that embassy reports showed merely that there was "representation" by Irwin "to request Canada's cooperation and as great a restraint as possible."

In the meantime, Canadian government officials, including members of the cabinet, have become increasingly annoyed that official silence is being mistaken for compliance with American demands.

Despite mounting pressure from environmental groups and influential members of Congress, Canadian sources here said Canada has adopted no official policy because no application for a pipeline across its territory has been officially filed.

Asked at a news conference if he believed the Nixon administration was misrepresenting the Canadian position, Anderson, third-ranking Republican House member said:

"I don't want to make any flamboyant charge of misrepresentation. But there is a suggestion that since they made their decision, (administration spokesmen) want to shore up their own position."

Anderson, along with Rep. Morris Udall (D-Ariz.), met June 1 in Ottawa with two Canadian government ministers—Donald MacDonald, minister of energy, mines and resources, and Jean Chretien, minister for Indian affairs and northern development—and emerged from the meeting with the conviction that "the case for a trans-Canadian line is more strongly buttressed than ever before."

Anderson and Udall Thursday introduced a bill calling for an independent study of the advantages of the Alaskan and Canadian routes, including impacts on both the economy and the environment.

The trans-Canadian route is approximately 1,700 miles—twice the distance of the proposed Alaska route. But supporters of the Canadian route say it would be built at comparable cost, because of the difference in terrain and other factors.

For example, the Alaska pipeline would require construction of storage facilities at its terminus at Valdez (whereas the Canadian line would have its eastern terminus at Edmonton and Chicago, where port facilities already are available.

Proponents of the trans-Alaska route say the cost would run about $3 to $4 million.

Mr. MONDALE. Then, in the light of the Canadian silence, they say, "See, the Canadians are not interested."

I quote from an editorial in today's Washington Post:

> Comparing this prospect with the outlook for a trans-Canadian pipeline amounts to comparing the unpredictable with the unexplored. Because the oil companies and the administration fastened so quickly on the Alaskan route, they have never undertaken an objective assessment of the engineering, environmental, economic and diplomatic factors involved in a Mackenzie Valley undertaking. The greatest single factor, the Canadian government's attitude, is not so much imponderable as it is unprobed. Secretary Morton's description of one key exchange in May 1972 suggests how earnestly Canadian expressions of interest have been entertained. Barely one week after the Canadian energy minister, Donald S. Macdonald wrote him "a detailed letter" outlining the possible advantages of the Mackenzie Valley way and proposing joint studies, Mr. Morton "forthrightly" replied that the U.S. had decided to go through Alaska instead. Since that official rebuff, the State Department claims to have found "no strong current interest" in a Mackenzie Valley route in Ottawa. This is hardly surprising but it is like complaining about not being invited to dinner—after one has announced that he wouldn't come.

Mr. President, I ask unanimous consent that the editorial from the Post appear at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Mr. President, the other day the State Department issued a statement describing the Canadian government's attitude toward this proposal. Then it sought to demonstrate that the Canadians were not at all interested or showed very little interest in the Mackenzie Valley route. I think it fair to say that I am not misrepresenting the position of the Canadian Government on this matter. I ask unanimous consent to have printed at this point in the RECORD a short summary of this incident.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STATE DEPARTMENT DOCUMENTS RE CANADIAN ATTITUDES

On June 22, the State Department issued a letter in response to an inquiry from Congressman John Melcher in which the Department stated that "there is no alternative to the proposed Alaskan pipeline at this time."

It now appears that their comment was true—but in an ironic way which the State Department did not intend. For the release of that letter, apparently before the answers to detailed questions had been received from the Canadian government, failed to take into account the newly revealed fact that if we approve the Alaska pipeline, there will be no Canadian oil pipeline—at least for a very long period of time. The response of the Canadian government could not have been more clear:

"If Alyeska is built, Canada would find little attraction in having a second oil pipeline built through Canada to serve U.S. Midwest markets unless and until sizeable commercial Canadian oil discoveries have been made in the north. Moreover, Canada is aware that the economic attraction of looping an existing TAPS line would undoubtedly militate against construction of a line through Canada."

This makes clear that if we approve the Alaska line, there will be no second pipeline for many years to come, for no matter what reserve figures may turn out to be, we cannot put any pipeline—first or second—across Canada without the cooperation of the government of Canada.

Perhaps equally as important, the entire tone of the State Department letter of June 22 was negative. In every respect, the letter sought to convey the impression that negotiations with the Canadian government would be fruitless.

In contrast, the document released from the State Department contains many indications of the willingness of the Canadian government to cooperate. It indicated that a number of steps which would be potential bars to construction of a Canadian pipeline could be taken simultaneously. Thus, native claims, inquiries under the Territorial Lands Act and much of the financing work could apparently be completed within one and one half to two years.

In addition, the document revealed that a number of items often cited as roadblocks to a Canadian pipeline by opponents are nonexistent. First, the Canadian government made clear that "a northern oil pipeline would be a 'federal work'. As such, the Provincial Governments are not legally involved."

Second, the document reveals that the Canadians do not believe a formal treaty would be necessary to cover pipelines crossing Canadian territory and carrying U.S. supplies to U.S. markets.

Third, the document revealed the Canadians continued willingness to consider guaranteeing the total supply needed to Puget Sound during the period of construction of a pipeline through Canada. This would ensure adequate supplies for the large refineries in the Pacific Northwest without the attendant tanker dangers which would accompany a Trans-Alaska pipeline.

Fourth, the document reveals that the Canadian government would not "back out" any Alaskan oil should significant findings be made in Canada. While stating that Canada requires that Canadian production have "access" to such pipelines, it states that "undoubtedly such access would be achieved by adding pipeline capacity rather than 'backing out' non-Canadian supplies."

Fifth, the document implies that the Canadian government's position on ownership and control of an *oil* pipeline would not be inflexible. The document quotes Energy Minister Macdonald as stating certain conditions, but the context of that quotation was taken from a debate on a gas pipeline, not an oil pipeline.

To state, as the State Department has continued to do, that the overall posture of the Canadian government is one of complete negativism is certainly a gross overstatement. We must remember that the Canadians have had no encouraging word from this side of the border for years. The Nixon Administration and the big oil companies which are tied to the Alaska pipeline have consistently attempted to dampen interest in the Canadian line, as the Committee report on S. 1081 admits:

"There seem to be several reasons for their failure to move ahead on both alternatives. First, the companies, the Interior Department and the State of Alaska have tended from the beginning to underestimate the engineering, environmental, legal and political difficulties of their preferred route. Also, the advocates of an all-Alaska pipeline seem to have feared that serious consideration of a Canadian route would, by giving it additional credibility as a potential alternative, undermine their effort to get early approval of the Alyeska right-of-way application."

So the situation in which we now find ourselves is one created by the giant oil companies, fostered by the Interior and the State Departments and never tested as to its ultimate soundness.

We need negotiations with Canada and we can get them under this amendment. Only then will we be truly in a position to judge the relative merits and the true attitude of the Canadian government.

Mr. MONDALE. Mr. President, I believe the Canadians will be receptive, but only if we in Congress show that the attitude of the American administration is not the attitude of the American people.

My colleagues say, "Can you really trust the Canadian Government to play fairly if we build a pipeline across their country?"

I must say that our relations with Canada—the longest unmilitarized border in the world—I think have traditionally been a model of international understanding.

Coming from a State that borders on Canada, I can say that we have had, for example, the Interprovincial Pipeline for the delivery of oil from Canadian sources, not from American sources, for many years. It has been reliable and responsible.

I think when it comes to taking a foreign country whose word can be trusted, the relations that our Government has had with the Canadian Government should place Canada at a very highest level or position among the trustworthy countries.

Moreover, it must be recognized that a great amount of oil coming into eastern Canada is transshipped across the United States through the State of Maine in pipelines. And if it should come to the point—and I do not think it would—that the Canadians would seek to impose conditions on us that are different than those upon which they have agreed with relation to the transshipment of oil, then it would be very simple for us to deal effectively with respect to that other delivery system.

Mr. HASKELL. Mr. President, if the Senator would yield, along these lines I point out that the Canadian Government have lines that cross the country. The Canadians have indicated that—

> There would seem to be no reason why the United States would need a "treaty" or agreement with Canada to cover such pipelines which would cross Canadian territory and carry U.S. supplies to U.S. markets. In this connection, the Canadian Government notes that both loops of the Interprovincial-Lakehead pipeline system cross the United States and that throughputs of these loops are vital to Ontario oil markets. The Montreal oil market is entirely dependent on the Portland-Maine to Montreal pipeline. In addition, approximately half of the Canadian gas markets, east of Manitoba, depend on the Great Lakes pipeline which crosses the United States. None of these important pipelines, across United States territory is covered by "treaty" or international agreement.

The Senator referred to the Portland-Montreal pipeline. I am sure that we can get along with Canada if we can get along with anyone.

Mr. MONDALE. Mr. President, I can remember a few years ago in the debate over the oil depletion allowance that the argument was made that we could never depend upon other countries. Someone asked about Canadian sources, and it was said that we could never be dependent upon that.

My paranoia has never gone to that extent. They have been good friends of ours. This pipeline offers a magnificent opportunity to cooperate as neighbors and friends in the development of something that could be of great mutual advantage.

Mr. HASKELL. Mr. President, I certainly concur with the Senator. We already have four pipelines criss-crossing the international border.

Mr. MONDALE. Mr. President, one of the additional opportunities this offers is that it is thought that the Canadians have enormous unproven oil resources along this pipeline. Should we develop this pipeline, there would be an added incentive for the Canadians to prove up those resources and thus add an additional opportunity for development of oil by a neighbor and friend instead of having an overdependence upon the Mideast where we have had great difficulties in recent years.

Mr. President, that is our case. The Senator from Indiana (Mr. BAYH) will be speaking early tomorrow on this issue. I think that this amendment permits us to have a responsible, legal, constitutionally controlled study which will determine what is best for this country from the standpoint of environment, from the standpoint of economy, from the standpoint of distribution of energy resources, and from the standpoint of this Nation's national security.

This amendment expresses the desire to proceed as rapidly as possible—consistent with the spirit of NEPA—to develop North Slope Alaskan oil. It will give the Congress the intensive negotiations and study of a Canadian alternative route that we need to make an informed decision. It will enable Congress to make the final decision on how this vast oil resource is best to be transported to the United States, thereby exercising the responsibility we must shoulder for framing national energy policy.

It offers backers of the trans-Alaskan pipeline the assurance that if negotiations with Canada prove unsuccessful, or if Congress for whatever reason decides that an Alaskan route is the wisest means to move North Slope Alaskan oil, that construction of such a pipeline could begin in little over 1 year. It offers backers of a trans-Canadian line the full and fair study that has not yet been done on this alternative, and the ability to get that information to the Congress.

This would be done consistent with the law and in a way that would be final so that we could put behind us the long court proceedings that would tie up the project and do so in a manner consistent with the laws and in the best interests of our country.

I am very hopeful that as my colleagues get a chance to focus on our amendment, we might get the support that is needed for its adoption.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a summary of some of the basic data on our amendment as it relates to some of the key issues that have risen in this debate.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

BASIC DATA ON MONDALE-BAYH AMENDMENT TO S. 1081 (PIPELINE BILL)

OBJECTIVES

(1) To expedite delivery of Alaskan oil; (2) To reserve for Congress the final decision on how best to deliver that oil to the lower 48 states; (3) to give fair considerations to the all-land trans-Canadian alternative to the land-sea Alaskan route chosen by the oil companies and accepted by the Administration.

PROVISIONS

(1) A final, binding decision by Congresss within 14 months on whether to proceed with a trans-Canadian oil pipeline or the Alaskan Land-sea delivery system (such a decision would not be subject to further environmental litigation); (2) An 11-month analysis by the National Academy of Sciences of the national energy requirement, and of economic, environmental and other factors involved in the two routes (this would be the first impartial analysis of the merits of the two alternatives); (3) Parallel 8-month negotiations with Canada to ascertain that country's willingness to cooperate and to expedite a trans-Canadian pipeline; (4) A decision by Congress in favor of a delivery system within three months from the time the analysis and negotiations are completed; (5) No Congressional approval for any rights-of-way for Alaskan oil before Congress gets the results of the analysis and negotiations; (6) Strict limitations to prevent the exporting of U.S. oil to Japan or any other nation.

COMMITTEE BILL

(1) Would have Congress ratify oil company choice and Administration acceptance of Alaskan route; (2) Leaves unresolved pending environmental litigations likely to take two years or longer to conclude; (3) Forecloses any possibility of oil pipeline through Canada; (4) Does not provide guarantees against exporting of U.S. oil.

TIMING

(1) Mondale-Bayh Amendment assures final go ahead for delivery system for Alaskan oil sooner than Committee bill; (2) Definitive data not yet available on relative completion dates for competitive delivery systems, but Chairman of Exxon has said his "most optimistic" date for completion of the Alaskan line is late 1978, while estimates indicate the Canadian route could be completed by 1979.

TWO LINES?

(1) Canadian government has stated flatly that it will not consider second oil pipeline through Canada if U.S. proceeds with Alaskan line; (2) President of Alyeska (pipeline consortium) and Chairman of Standard Oil of Ohio (a member of consortium) have both said within the past year there will not be two pipelines.

CANADIAN ALTERNATIVE

(1) Would bring U.S. oil to area of U.S. where energy shortage is most severe, where oil prices are highest, and where there is greatest dependence on Mideast oil; (2) Would provide best possible guarantee against oil company desires to sell U.S. oil in Japan; (3) Would avoid two greatest environmental problems with Alaskan line, i.e. pipeline crossing major earthquake zone and oil spillage from tanker traffic.

CANADIAN GOVERNMENT

(1) Could entertain application for oil pipeline by end of the year; (2) Prefers oil pipeline through Canada because of apprehension about severe damage to ecology and fishing industry from oil tanker spillage; (3) Has spent millions of dollars studying effects of possible pipeline and building roads in probable pipeline corridor; (4) Unwilling to cooperate on oil pipeline through Canada if we go ahead with Alaska pipeline.

AMENDMENT SUPPORTERS

(1) Co-sponsored by bi-partisan group of 19 Senators; (2) Endorsed by Consumer Federation of America, United Auto Workers, and Common Cause, in addition to every major national environmental group including Sierra Club, Friends of the Earth, Audubon Society, and Wilderness Society; (3) National Oil Jobbers Council has called for trans-Canadian rather than Alaskan line.

Mr. MONDALE. Mr. President, the proponents of the Alaskan system have stated that the cost of oil delivered to consumers in the Mideast through the Canadian pipeline would be between 50 and 70 cents a barrel more than the cost from the East, thereby allowing oil from the Alaskan system to be diverted there from the Panama Canal or other elaborate systems without increasing the cost to the consumers east of the Rockies.

An analysis recently prepared by the Department of the Interior clearly shows this to be untrue. The Department document dated May 1, 1973, entitled "An Analysis of the Alaskan System Alternative Routes and Locations" states that the total cost for oil through the Alaskan pipeline system would be $1.34 and from the trans-Canadian system $1.56, a differential of about 20 cents.

Mr. HASKELL. Mr. President, if the Senator would yield, I wonder whether the Interior Department or anyone else has made an economic comparison of the two routes. I wonder if that is not the reason for the Senator's amendment. For example, the Department of the Interior's final environmental impact statement admits that:

> Data does not exist to definitely state the relative efficiencies of TAPS (Trans-Alaska Pipeline System) and MacKenzie Valley Pipeline System.

Really, is not the real purpose of the Senator's amendment to extend the analysis of the economics, the national interest, and the environmentally related impacts of the two lines? Is that not basically the Senator's intention?

Mr. MONDALE. Absolutely; that is why I was citing one set of figures which others contradict. This is a question of arithmetic. This is one area that could be studied and can be settled with a study of the alternative systems.

We have not had that responsible study of the trans-Canadian alternative because the Government is so bitterly opposed to it that they have refused to study it.

The result is that we are now faced with these conflicting, widely varying figures in an area which should be subject to being settled responsibly, so that we might know something as fundamental as what would serve the Nation's energy consumers best.

Mr. HASKELL. For example, I assume the Senator will agree with me that if the oil companies that contracted this multimillion dollar Mackenzie Valley study had done a comparative analysis, we might have something to go on; but all they have compared is the carrying costs to Chicago and then a spur off to Puget Sound via the trans-Canada route. They did not compare the costs of getting oil to Puget Sound and Chicago via both possible routes. They compared oranges and apples, and there is no way we can put the two things together at this point.

Mr. MONDALE. The Senator is absolutely correct, and that is a further reason for this study we require in our amendment, because certainly something as fundamental as consumer costs ought to be studied carefully, responsibly, and steadily, so that we do not have these widely varying speculative figures we are presented with today. I thank the Senator from Colorado (Mr. HASKELL) for making that point.

This, of course, underscores the fundamental point that when we passed the National Environmental Policy Act, the idea was that the Executive would comply in good faith with its provisions. One of its fundamental provisions is that when some act of environmental significance is occurring, our Government must study that question and, among its determinations, determine what would happen with reasonable alternative approaches toward solving the same problem.

In this case, it is clear that that means they should study the two proposed pipeline routes, trans-Alaskan and trans-Canadian. But it is obvious that they are so committed to the trans-Alaskan pipeline that they have refused to responsibly study the Canadian alternative, as required by the law, which is one reason why they are going to be taken right back into court for several years of further litigation.

This is another reason why we must reluctantly, in effect, assume this responsibility in Congress of making a judgment as to which alternative is preferable for the American people.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. MONDALE. I am glad to yield to the Senator from Indiana.

Mr. BAYH. I consider it a privilege to be joined with my friend from Minnesota, my friend from Colorado, and others who have undertaken to try to restore sanity in our effort to meet a long-range problem, and I salute the Senator from Minnesota for his efforts, his leadership, and the perceptiveness of the statement he is presently delivering to our colleagues and hopefully to the country. I intend to try to follow suit tomorrow when my time in the batting box comes.

I would just like to ask the Senator to perhaps think a bit more in detail about the matter he has just discussed, and that is the responsibility of Congress to make this determination.

When we look at all the problems that confront us as a legislative body and as a government, does it not strike the Senator from Minnesota as a rather compelling argument of importance to an adequate energy supply, is the fact that with the passage of this bill, one pipeline or the other, one route to the other, is not immediately going to open filling stations and minimize the chances of a brownout, but that this is a long-range solution, and is not that kind of solution, with the adequate and persistent investment of our energy resources it would require, the very kind of decision Congress ought to be making, and the very kind of decision that we have been shunting off on the executive branch in all other areas of government? Is it not time for us to stand up and assert ourselves under the Constitution, and is that not what we should have been doing all along?

Mr. MONDALE. If Congress cannot undertake a judgment on something as important as energy or the energy crisis, it is difficult to understand why we are supposed to be thinking as we do on this fundamental issue.

There are stories throughout Minnesota of independent gasoline stations going out of business, of rising gasoline prices, of shortages, of rationing, of dealerships. All this concerns the adequacy of fuel oil, and all the rest, in the midst of the crop-producing season.

Minnesota has had a very, very tough winter and summer. From everything we can learn, conditions are going to get worse. In the midst of this, we hear reports of conspiracies contrary to the antitrust laws of the country. I think this is a situation which calls out for Congress to serve the public interest of the country, and to serve it courageously. We have been told there are conspiracies among the oil companies. We cannot pass judgment on that. But I think there has been a close working relationship between this administration and the oil companies, so much so that the administration refused to comment on oil companies conducting negotiations with the Canadians, against our best interest.

Because they send out the gas, they are close to limiting the supply of gas.

I think that Congress has no choice but to take that problem unto itself, and serve the public interest.

Mr. BAYH. Can the Senator shed any light on the alleged conspiracy with the oil companies? I think that is one of the most compelling reasons why we ought to have some time to study the question. As the Senator has pointed out, that will not add to the time before we get started putting oil into mainland America.

If we want to get a solution to this immediately, then, it seems to me, the Senator from Alaska has the solution. If that is the only thing we are thinking about—the proposal that brings oil into mainland America more quickly—then the Jackson proposal is the one.

But talking about the conspiracy question, our staffs have been checking into this jointly. Is the Senator from Minnesota able to shed any more light on why the administration tried to cover up the colloquy that took place in the Canadian Parliament relative to the pipeline argument?

Mr. MONDALE. I may say to the Senator from Indiana that I have promised the Senator from New Hampshire (Mr. McINTYRE) that I would suspend debate on my amendment now. Perhaps we could pick up the colloquy tomorrow, during the course of the Senator's remarks.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Washington Post, July 11, 1973]

OIL FROM ALASKA: WHERE OR WHEN?

The real issue in the Alaska pipeline fight, as we see it, is whether the long-term national interest would be better served by transporting the North Slope's oil by pipeline across Alaska and then by tankers from Valdez to the West Coast—or by bringing the oil by pipeline across Canada to the Midwest. Champions of the Alaskan route see it differently. To them the central issue is not where but when the oil starts flowing to the lower 48 states. "Time is critically important," Interior Secretary Rogers C. B. Morton wrote in a letter to the editor which appears on the opposite page today. Time is the single factor making the Alaskan route "clearly preferable," the Senate Interior Committee recently found. Sen. Henry Jackson (D-Wash.) opposing delays of any kind, put it dramatically last Monday: "Will Alaska oil be kept in the ground while the American people are running short? Will the nation be forced to rely indefinitely on oil imports from insecure foreign sources?"

This formulation has a number of flaws. The first is that it is hard to say with certainty that the Alaskan route would be more expeditious because it is impossible to say when either pipeline could be finished. Mr. Morton has often said the trans-Alaska project "is ready to be built as soon as present legal obstacles are cleared away," but those obstacles are hardly the sort which can be easily or quickly brushed aside. In barring construction of the Alaskan pipeline last winter the Court of Appeals ruled on the "very simple point" that the proposed right-of-way across public lands would be wider than the maximum permitted under present law. That problem would be remedied by the right-of-way bill now before the Senate. But the court expressly reserved judgment on the substantial environmental issues involved in the suit, finding those "not ripe for adjudication at the present time." In other words, if and when the right-of-way laws are modernized, the matter will go right back into the courts and could remain there for some time—unless Congress should be stampeded into giving the project an environmenal exemption, which would be unwarranted and unwise.

Comparing this prospect with the outlook for a trans-Canadian pipeline amounts to comparing the unpredictable with the unexplored. Because the oil companies and the administration fastened so quickly on the Alaskan route, they have never undertaken an objective assessment of the engineering, environmental, economic and diplomatic factors involved in a Mackenzie Valley undertaking. The greatest single factor, the Canadian government's attitude, is not so much imponderable as it is unprobed. Secretary Morton's description of one key exchange in May 1972 suggests how earnestly Canadian expressions of interest have been entertained. Barely one week after the Canadian energy minister, Donald S. Macdonald, wrote him "a detailed letter" outlining the possible advantages of the Mackenzie Valley way and proposing joint studies, Mr. Morton "forthrightly" replied that the U.S. had decided to go through Alaska instead. Since that official rebuff, the State Department claims to have found "no strong current interest" in a Mackenzie Valley route in Ottawa. This is hardly surprising but it is like complaining about not being invited to dinner—after one has announced that he wouldn't come.

Given all the uncertainties about the courts and the Canadians, it is sheer speculation to claim that the trans-Alaska pipeline could be completed "at least 3 to 5 years and perhaps 7 to 10 years earlier" (State Department) or "2 to 6 years earlier" (Interior Committee) or "5–7 years sooner" (Atlantic Richfield). And when the issue of relative time disappears in the fog, there is little left to justify hurtling ahead in Alaska. Indeed, if one discounts the excitement about the "energy crisis"—a crisis which Alaskan oil will not solve—and looks specifically at where that oil could make the most difference, there is every reason to start serious talks with the Canadians in the morning. The trans-Canadian route would, after all, bring North Slope oil directly to the Midwest, a region which is perennially fuel-poor and more dependent on oil from those "insecure foreign sources" than the well-fueled West Coast. That is a consideration which ought to have substantial weight.

So far, the pipeline fight has been a textbook example of how not to resolve such a complex question. This week Sens. Walter Mondale (D-Minn.) and Birch Bayh (D-Ind.) are offering the Senate a way to obtain some real perspective and arrive at a firm decision at a definite time. the Mondale-Bayh amendment would (1) direct the Secretary of State to conduct serious negotiations with the Canadian government and report to Congress within eight months, (2) authorize the National Academy of Sciences to make a comprehensive 11-month review of both pipeline alternatives, and (3) provide for a congressional decision within 90 days after the completion of both studies. This is how the issue should have been handled from the start. As Secretary Morton wrote. "Open-ended delays make for open-ended difficulties." That was not intended as an argument for the Mondale-Bayh amendment, but it is an excellent reason why the amendment should be approved.

Mr. STEVENS. Mr. President, I have commented elsewhere and will continue to do so on the merits of a trans-Alaska pipeline as opposed to a trans-Canadian pipeline route. At this point, I will not dwell extensively on these policy issues except as they directly relate to amendment No. 240 offered by my colleague from Minnesota (Mr. MONDALE) and several other Senators.

Amendment No. 240 would provide for an 11-month study of both the trans-Alaska pipeline route and a Canadian alternative route. This study would be conducted by the National Academy of Sciences subsequent to such route being designated by the Canadian Government or, if no such designation of a preferred route takes place within 60 days following the date of enactment, by the designation of such a route by the National Academy of Sciences. The National Academy of Sciences is authorized to designate such a route if the Canadian Government does not do so within the time limit.

Within 30 days of the receipt of the study, the House and Senate Interior Committees are required to report legislation to the floor of each House authorizing the Secretary to grant a right-of-way along one of the routes. The amendment requires that legislation directing the Secretary of the Interior to grant a right-of-way must be passed no later than 90 days after receipt of the study.

Section 201 of the amendment states that the legal controversy involving a trans-Canadian alternative "poses the threat of continued litigation that could significantly postpone the implementation of any delivery system for North Slope oil and it is the will of the Congress to avoid the uncertainties of continued litigation and to facilitate the delivery of North Slope oil resources in the manner that will best serve the environmental, economic, and national security needs of the Nation." This statement is premised on a faulty postulate—that such a study followed by congressional action would necessarily obviate the possibility of continued litigation.

Even if S. 1081 as amended by the Mondale amendment were passed, Congress would still be required to enact legislation authorizing and directing the Secretary of the Interior to grant the necessary right-of-way. There is no guarantee that such legislation would be forthcoming. We cannot bind this or any future Congress to legislate. Much as we all would like to resolve this thorny conflict as rapidly as possible, I doubt there are many Members of either body who would be willing now to agree in advance to any possible legislation that might be forthcoming eventually. That is what this amendment will do.

There is no guarantee that either the House or Senate Interior Committee would be able to agree on legislation. Even if appropriate legislation were ultimately reported to the floor, no time deadline can be predicted.

It would be also unconstitutional to require that any legislation be signed by the President. It would of course be likely that the President, too, would favor the speedy resolution of this problem. But I am sure that he could not agree in advance to do so on a blanket basis such as this amendment assumes.

Authorization of a trans-Canadian pipeline would create a serious possibility of litigation in Canada. There are in Canada, as in this country, many environmental groups. A number of groups in both countries view the ultimate question as one that must be resolved in courts of law.

In Canada, as in this country, there are other groups which, although not principally concerned with the environment, are also likely to voice opposition to a trans-Canada pipeline. Some groups of this type fear entangling foreign alliances, even with this country. These groups believe it is not in Canada's best interest to tie itself to the energy needs of a country in a much more difficult position than Canada—the United States. This is a policy question internal to Canada, and one that neither the U.S. Congress nor any other body external to Canada can decide. A major defect of the Mondale amendment is that it is premised on the willingness of Canada to accept a proposal for a trans-Canada pipeline transporting oil from one State of the United States across Canada to another State of the United States.

The claims of Canadian natives may also force them to block a trans-Canada pipeline. This has already been discussed, and I will not dwell on it further. The point has been made.

The presence of groups such as these, as well as the existence of the Territorial Lands Act and restrictive guidelines for northern pipelines which the Canadian Government has issued—see the (May 2, 1973 hearings, statement of D. Waldon, president of Inter-Provincial Pipeline Research, Ltd., at page 247)—suggest rather strongly that the possibility of litigation in Canada on a trans-Canada pipeline is a real one and one with which the U.S. Congress should deal in considering this amendment and S. 1081 generally.

This amendment is also premised on the assumption that the National Academy of Sciences could accomplish in 11 months what the Department of the Interior has taken 175-man-years to accomplish. The Department of the Interior has already assembled a staff of experts and has considerable experience in this area. The National Academy of Sciences does not. It has neither the staff nor the expertise to complete this project. This amendment would result in one of two things occurring: it would either first, introduce additional delay requiring Congress to extend the study, were a quality study desired; or second, require Congress to settle for an inadequately prepared study.

Moreover, not even the brief time period permitted for the study could be fully utilized for the study of a Canadian route: the study groups would first have to be organized, the available expertise would have to be marshaled, and, once assembled, the group, or groups, would have to be apprised of the subject matter of the study and presumably, of the data obtained and conclusions reached in prior studies. It would be impossible in the time allotted to match the man-years of study, the 8 days of public hearings in Washington and Alaska, the number of witnesses heard—207—and the evidence gathered—10 volumes of transscript, 15 volumes of exhibits, and 12 volumes of supplemental testimony.

To revise the draft statement and compile a detailed final environmental impact statement, the Department of the Interior established several task forces. Among these was task force C, which studied possible alternative pipeline routes, and was composed of representatives from the Geological Survey, the Bureau of Sport Fisheries and Wildlife, and the Bureau of Land Management. Further advice and guidance came from the State of Alaska and from the Interagency Federal Task Force on Alaskan Oil Development which included representation from the Departments of Defense; Transportation; Commerce; Health, Education, and Welfare; and Housing and Urban Development, as well as from the Office of Science and Technology, the Office of Management and Budget, the Council on Environmental Quality, the Environmental Protection Agency, and the National Science Foundation. This task force set up a technical advisory board, which provided scientific and engineering analysis essential for the preparation of a final environmental impact statement. The board examined the project description, reviewed and evaluated original and supplemental material, and conducted independent studies.

The agencies and departments represented on the task force which prepared the original material for the section on energy and policy alternatives in volume 5 of the final environmental impact statement were the Departments of Interior, Transportation, Defense, and Commerce, the Federal Power Commission, the Office of Emergency Preparedness, the Atomic Energy Commission, and the Environmental Protection Agency.

The Department of the Interior, in accord with the mandates of NEPA, examined alternatives to the proposed trans-Alaska pipeline system. These included different pipeline routes within Alaska, pipeline routes through Canada, and different modes of transportation, including air and rail.

The assertions upon which amendment No. 240 is based obscure the fact that a detailed consideration of such alternatives was actually made. In fact, volume 5 of the impact statement is devoted solely to such alternatives. Factors such as drainage, vegetation, surficial deposits, bedrock, topography, ice scour, bottom deposits, permafrost, seismicity, climate, currents, fishery resources, wildlife resources, and potential environmental impact during both construction and operation were considered with regard to corridors extending from Prudhoe Bay to Kay Point, Prudhoe Bay to Fort McPherson—coastal route—Prudhoe Bay to Fort McPherson—inland route—Fort McPherson to Edmonton, and Big Delta to Edmonton. It would be extremely unrealistic to presume this amendment could provide the adequate consideration needed to reexamine all of these factors, particularly when we cannot even tell what route the Canadian oil pipeline would take.

Section 203 of the amendment authorizes and requests the President of the United States, utilizing the devices of the Secretary of State, to enter into negotiations with appropriate Canadian officials and to ascertain within 60 days from the date of enactment the willingness of Canada to receive applications for the construction of a corridor and to determine the route which would be preferred by Canada. The State Department recently told the Senate and House Interior Committees that Canada is still not prepared to negotiate with the United States on this matter. In May 1972 the Canadian Ministry for Energy, Mines and Resources reported that the Canadian Government would be prepared by the end of 1972 to examine applications for pipeline construction. Canada now indicates that it will not be ready to examine such applications until the end of this year, 1973. It is likely that that date may be subject to even further revision. It is, I suggest, highly unrealistic to assume that this provision, section 203, which goes on the premise that agreement could be reached on a preferred route within 60 days would be possible.

Even assuming a willingness on the part of the Canadians to designate a preferred route, there have not been sufficient studies made in Canada upon which an intelligent designation by that government could be based. Section 203 (b) provides that if "no preferred Canadian route is determined" within the 60-day period under subsection (a), then the National Academy of Sciences will designate such a route. Here, too, the lack of study, with regard to specific route designation, makes an intelligent designation impossible. Of course if a route is selected before the study occurs, it is highly likely that the study will just become a justification for such a quick decision to meet the time deadline of the amendment.

The amendment is based in four reasonings why a trans-Canada pipeline is wise:

First. A Canadian route would deliver the bulk of the North Slope oil resources where they are needed most—in the area east of the Rocky Mountains;

Second. A Canadian route would deliver these resources over an environmentally sounder route than would an Alaskan pipeline route;

Third. Costs to consumers for oil in the eastern two-thirds of the United States would be substantially reduced by a Canadian route; and

Fourth. The national security interests of the United States would be aided by a Canadian route.

I would like to deal with these points in order:

First. The Department of the Interior indicates that the Midwest—PAD II—deficit, after imports from Canada and other Western Hemisphere sources, could be as low as 500,000 barrels per day in 1980 compared with 1.5 million barrels per day on the west coast—PAD V. Even more critical possibly is the gas shortage east of the Rocky Mountains, which will be eased considerably by construction of a gas pipeline from the Arctic. Such a gas line would be delayed by 3 to 5 years, and possibly longer, if the oil pipeline route runs through Canada.

Second. A trans-Canada pipeline route is not environmentally superior. The 1,700-mile segment to Edmonton, which is more than twice the length of the Alaska pipeline route, will double the disturbances of wildlife, wilderness area and surface ecology. It will cross twice as many miles of permafrost and four times as many major rivers and cross-drainage systems. Greater seismic activity in Alaska can be neutralized by design features.

Third. The cost of oil east of the Rockies would not be reduced by the construction of a trans-Canada pipeline instead of a trans-Alaska line. The cost of oil in Chicago, for instance, is a sum of the landed cost in the U.S. gulf plus transportation up the Mississippi Valley. With the United States heavily dependent upon Midwest imports, the ocean freight cost from the Persian Gulf is roughly the same for a given size ship, to the U.S. gulf ports as it is from the Persian Gulf to California or to the east coast. Therefore, the only way that Midwest costs would be lowered, would be if the delivered cost to Chicago by a trans-Canada route were less than the cost of Mideast oil to the U.S. gulf plus transportation cost to the Midwest refineries.

In fact, the estimated capital and operating cost of a trans-Canada system to Chicago are estimated to be about 37 cents per barrel higher than delivery costs to Los Angeles. In other words, this is equivalent to some 37 cents per barrel higher costs than shipment to the U.S. gulf. The present pipeline costs from the U.S. gulf to Chicago averages about 30 cents per barrel.

Thus, if anything, the delivery of Alaskan oil via Canada would tend to raise costs compared with importing it to the United States gulf and transporting it from there by pipeline to Chicago.

Fourth. The national security interest of this country will be greatly jeopardized if a Canadian pipeline must be constructed rather than a trans-Alaska pipeline.

The President's Task Force on Oil Import Control in 1970 stated that dependence on the Middle East for more than 10 percent of U.S. needs would be dangerous. Oil dependence has presently exceeded this level and will increase.

It would take at least 4 years longer for a Canadian pipeline to be operational than a trans-Alaska pipeline. This additional delay will greatly imperil our national security.

To sum up, amendment No. 240 introduces needless delay in the production of North Slope oil and gas. It creates the possibility of even further delay due to litigation in Canada. It ignores the inability to select a Canadian corridor based upon the information presently available. It ignores the stalemate in United States-Canadian discussions. As I have indicated, its underlying premise—the superiority of a Canadian pipeline—is incorrect.

As I have mentioned, the Canadians would require 51-percent ownership. This would be true of any oil pipeline or any gas pipeline crossing Canada. Only recently Mr. Verne L. Horte, the president of Canadian Arctic Gas Study Ltd., the consortium which will soon apply for a permit to build a trans-Canada gas pipeline, stated this requirement at a meeting of the Canadian pipeline contractors. He indicated that 51-percent Canadian ownership is a minimum expectation and further that it is unlikely that the Canadian Government would grant a permit under any lesser conditions.

Mr. Charles T. Ivan, the president of the Pipeline Contractors Association of Canada, mentioned a number of serious problems such a pipeline is likely to encounter. At a recent press conference he indicated:

> One of the biggest problems will be to find a ditcher that will stay in one piece and give you a continuous high production.

He indicated that such a ditcher would cost $300,000 to $400,000. "And it would have to work entirely in permafrost, like digging in cement, all the way," he added. I need not remind my colleagues that the trans-Canadian pipeline would be three times as long as the Alaskan route. The construction obstacles pose a serious problem. He also indicated that Canada has not enough large "spreads"—heavy construction firms—to meet the requirements of at least 10 such "spreads" for the major construction. At least 600 men would be required at a cost of up to $75,000 daily. He indicated that at least 3 of the 10 spreads would have to come from outside Canada, possibly from the United States.

I request unanimous consent to insert in the RECORD at this point an article from The Province on Friday, April 13, 1973, at page 22 which discusses Mr. Ivan's speech.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT'S LIKE DIGGING CEMENT

Problems of personnel and equipment are going to cause great concern to construction companies working on the Mackenzie Valley pipeline in the opinion of Charles T. Ivan, the newly elected president of the Pipe Line Contractors Association of Canada. Ivan was named to office here Thursday at the annual meeting of the association.

"One of the biggest problems will be to find a ditcher that will stay in one piece and give you continuous high production," he said at a press conference. Such a ditcher will cost $300,000 to $400,000 and will be obliged to work a nine-foot-deep cut on a trench six feet wide.

"And it will have to work entirely in permafrost, like digging in cement, all the way," Ivan added.

(In Calgary it was announced that three giant ditchers are being tested near Fort Churchill, Man., under conditions similar to those in the Mackenzie region, by Canadian Arctic Gas Study Ltd. Initial tests are costing about $150,000).

Ivan also said that Canada lacks enough large "spreads", heavy construction firms, to meet the requirement of at least 10 for main construction. He predicted that as many as 600 men, with a daily payroll of up to $75,000, will be required for each spread, which means beefing up existing spreads and finding at least three others elsewhere, possibly in the United States or Europe.

Ivan said that Caterpillar Traction Corp. which is expected to provide the mammoth machines required for the job, will not be taking orders until the end of this year. Each spread will require about 40 tractors for what will be the greatest pipe-laying job ever attempted.

The difficulty with equipment supply and manpower will be accentuated by the obvious need to maintain annual construction quotas of distributor lines. In fact, Ivan added, it would be reasonable to expect that program to be stepped up to handle the new flow from the Mackenzie line.

The Mackenzie Valley line, he emphasized, will call for unusual qualities of leadership in the work gangs and an unusual effort by management and trade unions to see there are no interruptions, particularly in the four months of winter work on the permafrost above the 60th parallel.

The new president said he and his executive are conscious of the problems of environment but he believes the line can be designed and installed with little major disturbance to animal life and the ecology.

Mr. STEVENS. Mr. President, I would like to mention one other aspect—the Canadian policy limiting oil and gas exports to the United States. This policy poses a real problem for the United States, but may in fact be "based on misdirected emotions rather than facts" in the words of Mr. G. M. MacNabb, Assistant Deputy Minister of the Federal Energy Mines, and Resources Department of the Canadian Government. Canada now is severely limiting its exports to this country, when, as Mr. McNabb recently indicated:

> The net export of 8 billion kilowatt hours (of electricity) was 3.3 percent of all Canadian generations and represented less than one half of one percent of United States consumption.

But even he indicated that Canada should "approach trade negotiations as hardnosed businessmen."

These then are still other reasons why I believe it is most important that the Senate reject amendment No. 240.

Mr. FANNIN. Mr. President, the Mondale amendment No. 240 to S. 1081 should be opposed for the following reasons as it:

First. Would delay commencement of construction of Alaskan pipeline for well over a year and conceivably longer, and would delay commencement of a Canadian pipeline for 7 to 10 years.

Second. Would result in increased imports of Middle Eastern crude oil into the United States with consequent adverse impact on balance of payments and jeopardy to national security.

Third. Would tie hands of President regarding ongoing negotiations with allies regarding petroleum sharing arrangements in event of international crisis. Under Secretary of State William J. Casey wrote to Senators Jackson and Fannin opposing Mondale amendment generally and its export prohibition provisions specifically.

Fourth. Would restrict resolution of North Slope crude transport issue to either a trans-Canadian or a trans-Alaskan route rather than permit negotiations with Canada for a second pipeline system as provided for in the reported bill.

Fifth. Could risk U.S. dependence on Canadian Government with attendant national security problems such as increased curtailment of Canadian crude to U.S. markets and the imposition of other terms and conditions on the construction of a Canadian route more economically favorable to Canada than the United States. For example, the Canadians insist upon 51 percent Canadian Government ownership of a trans-Canadian pipeline.

Sixth. Would cost U.S. taxpayers more money for 1 year's study. U.S. Government costs to date of trans-Alaskan study and related expenses exceed $7 million.

Seventh. If Canadian route would be adopted it would result in export of dollars to Canada for construction of Canadian pipeline and other expenses with consequent loss of U.S. jobs, including those of Alaskan natives.

Eighth. Would prohibit Alaskan natives and State of Alaska from receiving royalties from production of North Slope crude for at least an additional year.

Ninth. Construction of a Canadian route would be more expensive, more environmentally damaging, and take 7 to 10 years longer than an Alaskan route.

Tenth. Canadian environmentalists are opposed to a trans-Canadian pipeline.

Further, Mr. President, on its face, Amendment 240, the Mondale amendment, might appear to have a rational basis: proponents of the amendment have urged that the amendment would provide the Congress "all the relevant facts before we make a major decision affecting national energy policy."—see "Alaska Pipeline Fact Sheet," office of Senator Birch Bayh. It is manifest, however, that the study which amendment 240 would require—an 11-month study conducted by the National Academy of Sciences—is nothing more than window dressing and the sole rationale underlying this Amendment is that of preventing or, at least, delaying as long as possible the production by means of the trans-Alaska pipeline of much needed North Slope oil. This also would have the effect of delaying the production and delivery of North Slope gas. Several additional arguments against the Mondale amendment are contained in letters written to me by the Secretary of the Interior and the Under Secretary of State. I ask unanimous consent that these letters appear in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., July 5, 1973.

Dear Senator Fannin: I understand that early in the week of July 9 the Senate will take up the Right-Of-Way bill recently reported by the Committee on Interior and Insular Affairs, S. 1081. I also understand that Senator Mondale and others will offer an amendment to prevent issuance of a permit for the Trans-Alaska pipeline until the Congress enacts legislation specifically authorizing a pipeline from Northern Alaska. The amendment envisions that Congress will not act until the Secretary of State conducts negotiations with the government of Canada to determine the feasibility of a Trans-Canada pipeline and the National Academy of Sciences conducts an eleven-month study of this subject.

This legislation can materially affect our energy supply picture, the strength of our dollar, our foreign relations and the strength of our bargaining position, vis-a-vis the oil producing countries in the Middle East. Recent events in Lybia, and the expressed willingness of some Middle East countries to utilize their oil exports for political purposes, require all of us to give this matter our most careful attention. I want to explain why I support S. 1081 and oppose any amendment that will delay the Alaska pipeline.

It is clear, and no one disputes that following the recent Court of Appeals decision in the *Pipeline* Case, new legislation is required before I can authorize construction of any new, large oil or gas pipeline across any public land in the United States. Large pipelines simply cannot be built within a right-of-way no greater than 25 feet on both sides of the pipe.

While I have not favored every provision of S. 1081, I am convinced that it is constructive legislation that will give me the necessary authority to permit construction of large pipelines that are vital to our economy.

Under S. 1081, I could promptly authorize construction of the Trans-Alaska pipeline; and I have expressed my intention to do so for three basic reasons: (1) our national interest requires the earliest possible delivery of North Slope oil to the "Lower 48," (2) the only feasible alternative delivery system is a pipeline across Canada, and it would involve at least a 3–5 year delay in delivery of oil to the lower 48; and (3) a Trans-Alaska pipeline and tanker delivery system can be built and operated under safeguards that will protect the environment and wildlife of Alaska and the Pacific Ocean.

I, and Administration spokesmen from the Departments of State and Treasury, have explained these points and others in detail during numerous appearances before committees of both Houses and in my letter of April 4, 1973, to every member of Congress. It is not my purpose now to repeat the detailed points I have made. Rather, I want to address specifically the three major arguments being made by those who favor amendment of S. 1081 to deny me authority to issue a permit for the Alaska pipeline and require an eleven-month study by the National Academy of Sciences. Those arguments are (1) that our Environmental Impact Statement did not adequately treat the Canadian alternative, (2) that neither I nor anyone else in the executive branch has seriously assessed the practical and political prospects for a Canada pipeline; and (3) that after an eleven-month study by the National Academy of Sciences the Congress will be able to promptly approve either an Alaskan or Canadian pipeline with no overall delay in the delivery of oil to the lower 48 States.

The impact statement on the Trans-Alaska pipeline contains approximately 150 pages of discussion of possible Trans-Canada pipeline routes. This extensive and detailed treatment is the result of inter-disciplinary studies and official and unofficial exchanges with Canadians that extended over a period of at least a year and a half. I personally have given a great deal of careful attention to the environmental problems presented by the Alaska pipeline, with its marine leg, and those that would be encountered in Canada.

I sincerely believe that the environmental costs and risks of a Canada pipeline would be as great as those of an Alaska line, and that the Alaska system will be safely built and operated under the stipulations I will impose in our permit.

Even more importantly, I want to assure you that the feasibility and prospects of building a line through Canada have received my most careful attention and the attention of all concerned members of the Administration. I have discussed these matters with the President and with Secretary Rogers. We are all convinced that we should not delay the Alaska pipeline to consider further the feasibility of a Canada pipeline. For more than three years the Canadian Government has taken the position that it is not prepared to negotiate with the United States Government on the matter of pipelines from the Arctic. By letter of June 22, 1973, to Senator Jackson, the State Department reported the Administration's assessment as follows:

". . . the Departments of State and Interior are convinced that there is no Canadian alternative to the proposed Alaskan pipeline at this time. Even if the Canadian Government should move expeditiously to approve such a pipeline, which is unlikely, an Alaskan pipeline could be in operation at least 3–5 years, and perhaps 7–10 years earlier than a Canadian pipeline.

"We do not believe that recent Canadian actions limiting exports to the United States of petroleum and petroleum products have a direct bearing on future Canadian consideration of applications for the construction of Arctic pipelines. However, they do emphasize Canadian determination to follow policies which will husband Canadian resources to the maximum extent deemed necessary to meet Canadian needs projected well into the future. This attitude and recent remarks by Canadian officials give no cause to change our view that the Canadian Government has no strong current interest in the construction of a Mackenzie Valley oil pipeline . . ."

Between May 1969 and March 1972, an inter-agency task force devoted many thousand man-hours, including 8 days of public hearings, to studies that finally produced a 6 volume Environmental Impact Statement and a 3 volume Economic and Security Analysis of the proposed Alaska pipeline and its alternatives. The work was done by experts with many years of relevant experience. The product is objective and comprehensive. It has been available for public scrutiny and debate since March 1972. I am convinced that an eleven-month effort by the Academy will not add materially to the information or analyses bearing on the United States Government's decision to grant permission for an Alaska pipeline or to deny such permission and pursue a Canadian alternative. I suspect that even if Congress should later approve the Alaska line the delay involved will extend well beyond a year because the Academy's study will require more than eleven months and the companies will have to re-mobilize for construction.

I am as concerned as the members of Congress to provide our Midwest and East Coast with adequate supplies of energy in the years ahead. The President shares this concern. But we are convinced that our increasing demand for petroleum presents serious national issues that transcend regional interests, and that it is in the Nation's interest to increase our domestic resource base as soon as possible. We hope and expect that Canada will agree to construction of a gas line from * * *.

UNDER SECRETARY OF STATE
FOR ECONOMIC AFFAIRS,
Washington, D.C., July 9, 1973.

HON. PAUL J. FANNIN,
Committee on Interior and Insular Affairs,
U.S. Senate.

DEAR SENATOR FANNIN: I would like once again to call attention to the serious problems which would be created by prohibition of oil exports from the North Slope of Alaska. I am especially concerned about section 207B of amendment 240 (the Mondale amendment) to S. 1081.

This provision would require a Presidential finding that the failure to export oil from the North Slope of Alaska would present an imminent threat to the national security, and the authority for such a finding would lapse after 60 days unless its continuation was expressly approved by the Congress. Such a procedure, in my view, would be completely unworkable, would threaten the possibility of establishing cooperative arrangements with other major consuming nations and would thus work against the security interests of the United States.

In his statement on energy of June 29, the President indicated that the Department of State is consulting with the major oil producing and consuming nations to develop cooperative arrangements to provide adequate and stable sources of oil to meet the world's growing energy demand requirements. An important proposal currently under discussion in the OECD is an emergency sharing arrangement among major consuming countries to meet curtailments of supply interruption. In the absence of such an arrangement, consuming nations could be at the mercy of oil producers who might for various reasons curtail shipments.

The enactment of a provision like section 207B would tie the hands of our negotiators and severely weaken the U.S. position in international negotiations. Rather than protecting the national security, as is implied in the language of section 207B, it would, on the contrary, threaten our security interests by limiting the possibility of establishing international arrangements to meet supply contingencies.

As I have pointed out in my testimony before your Committee, the President already has adequate legal authority under the Export Administration Act to limit or to prohibit exports of oil from the U.S. should this be necessary for reasons of short supply or for national security. I very much hope that the Senate will not enact burdensome or unworkable amendments which will hamper the Government's ability to deal with the already complicated task of assuring the nation's energy supply.

Sincerely yours,

WILLIAM J. CASEY.

Mr. FANNIN. Mr. President, I wish to present six arguments in some detail regarding why the Mondale amendment is highly undesirable.

1. STUDY PROPOSED WOULD BE INADEQUATE

The timeframe within which the study in amendment 240 is to take place is not suggestive of a thoughtful decisionmaking process. It is anomalous that many of those who favor enactment of this amendment, on the basis of providing Congress with all relevant information, have also urged that the final environmental impact statement fails to consider adequately a Canadian alternative to the trans-Alaskan pipeline. The environmental impact statement required a 175 man-year study by the Department of the Interior and other agencies. Task Force C which studied possible alternative pipeline routes was composed of representatives from the Geological Survey, the Bureau of Sports Fisheries and Wildlife, and the Bureau of Land Management. The State of Alaska and the interagency Federal Task Force on Alaskan Oil Development also aided in the preparation of the statement. The latter task force included representatives from the Departments of Defense, Transportation, Commerce, Health, Education, and Welfare, and Housing and Urban Development, as well as from the Office of Science and Technology, the Office of Management and Budget, the Council on Environmental Quality, the Environmental Protection Agency and the National Science Foundation. The task force which prepared the original material in the section on energy and policy alternatives included representatives from the Federal Power Commission. the Office of Emergency Preparedness, and the Atomic Energy Commission, in addition to the Departments of Interior, Transportation, Defense, and Commerce.

It is difficult to believe that the extensive, interdisciplinary study which provided the basis for the final environmental impact statement was inadequate. The individuals who conducted the study were not hapless dupes of industry seeking solely to provide an after-the-fact justification for a preordained decision to construct a pipeline from the North Slope to Valdez. Rather, these individuals were sincere professionals relying heavily, in many instances, on an expertise which can be developed only after a lifelong involvement in a given discipline. To suggest that the National Academy of Sciences can do in 11 months what the Department of the Interior and other agencies could not do in 175 man-years, is to gainsay this last stated premise.

Proponents of this amendment have said that "If negotiations with Canada (provided for under the amendment) prove unsuccessful or if a Canadian route will substantially delay delivery of Alaskan oil, Congress can choose a trans-Alaska route." A United States-Canada agreement cannot be negotiated within the timeframe contemplated by the amendment; adopting a Canadian alternative would substantially delay delivery to the lower 48 of Alaskan oil and gas. Based upon the two criteria stated by proponents of amendment 240, the trans-Alaska pipeline should be constructed.

II. A UNITED STATES-CANADA AGREEMENT CANNOT BE REACHED WITHIN THE TIMEFRAME CONTEMPLATED BY AMENDMENT 240

The State Department has recently indicated that "negotiation by the United States of a pipeline agreement with Canada does not appear possible at this time. The Canadian government has consistently taken the position that it is not prepared to negotiate with the U.S. Government on the matter of pipelines from the Arctic. We know of no change in this position. The Canadian Minister for Energy, Mines, and Resources said in May 1972, that the Government would be ready to examine applications by commercial firms for pipeline construction by the end of that year. The Canadian Government now indicates that it will not be ready to examine applications until the end of this year. This date could slip further."—Letter from Assistant Secretary of State, Marshall Wright to Chairman John Melcher, June 22, 1973.

Not only is it unduly optimistic from the standpoint of diplomacy to expect the Canadian Government to designate a "preferred" route within 60 days of enactment of the amendment, but also, there have not been sufficient studies made upon which such an intelligent designation could be based. The drafters of the amendment foresaw the possibility of Canadian refusal or inability to designate a "preferred" route within 60 days and, therefore, provided that if no such designation took place the National Academy of Sciences would make such a designation. An intelligent route designation by the National Academy of Sciences is likewise impossible.

Nonetheless, once designated, the route becomes the much sought after Canadian alternative. It is this route which then becomes the focal point of the 11-month study. As brief as it is, the study provided for in amendment 240 only takes place after a Canadian route has been selected and, therefore, can only serve as an after-the-fact justification for a hasty decision.

III. PURSUING A CANADIAN ALTERNATIVE WILL SUBSTANTIALLY DELAY DELIVERY OF NORTH SLOPE OIL AND GAS TO THE LOWER 48

It would take at least 6 years longer to complete a trans-Canada pipeline than it would to complete the trans-Alaska pipeline. The following are just a few of the steps that would have to be completed prior to construction of a trans-Canada pipeline:

First. An agreement would have to be negotiated between the United States and Canada with regard to construction and operation. The difficulties inherent in reaching such an agreement have been alluded to earlier.

Second. An entity to obtain financing, design, build and operate the pipeline would have to be formed. In the consortium developed for the trans-Alaska pipeline each owner company owns and operates its own interest in the pipeline. This type of organization would not be acceptable to the Canadian Government and, a single pipeline company—with the majority of the equity interest being held by Canadians and its management being Canadian—would be required. Consequently, the pipeline would have to be financed as a single entity, unlike the trans-Alaska pipeline, and even assuming that 80 percent of the capital of the project would be raised by the issuance of debentures, over $1 billion would still have to be raised in the Canadian equity market. This amount is equal to twice the average yearly investment by Canadians in all equity securities. At the very least, 2 years would be required to negotiate an agreement with Canada, to form an appropriate entity and to arrange financing for a Canadian pipeline.

Third. A detailed route study would have to be made and technical design data compiled. Nearly 4 years have been required for the route analysis and the mile-by-mile design of the trans-Alaska pipeline. A Canadian route would require at least as much time, and probably more time, to complete the analysis and design.

Fourth. A detailed project description of the pipeline itself would have to be prepared for submission to both Canadian authorities and the U.S. Department of the Interior. It took the Alyeska Pipeline Service Co. 3 years to file a satisfactory project description of the trans-Alaska pipeline with the Department of the Interior. Due to the greater length and commensurate complexity of a Canadian route, it is difficult to see how any less time will be required for compiling a project description for a Canadian pipeline, particularly when faced with the problem of having to satisfy the requirements of two countries instead of one.

Fifth. An application would have to be made to the Department of the Interior for rights-of-way across the U.S. public lands and this Department would have to prepare an environmental impact statement. Hopefully, approval from the Department of Indian Affairs and Northern Development in Canada could be sought while the Interior application is pending. If the Department of Indian Affairs and Northern Development approves the application then application would have to be made to the National Energy Board, and public hearings held before that body as well. If the National Energy Board acts favorably the Canadian Cabinet would have to approve the action of the Board in arranging the pipeline certification. Prior to the Department of Indian Affairs and Northern Development approving an application the Native claims in the Northwest Territories would have to be settled. Whereas no one can state precisely the length of time required for settling these claims, it has been estimated that the Natives will require at least 3 to 5 years to complete their research and merely delineate the scope of their claims. Consequently, pipeline construction in Canada can be delayed from 7 to 9 years based solely upon the delay due to Native claims settlement.

If and when these and other steps were completed construction could begin. Of course, necessary roads would need to be built along the entire pipeline route. Road construction could proceed at the rate of 350 miles per year, based upon the estimates of the time required to build the road along the trans-Alaska route north of the Yukon River. This assumes that if the road were to be built by the Canadian Government, funds would be readily available.

Construction of the pipeline itself would require from 4 to 5 years. The Canadian route crosses wide expanses of continuous or discontinuous permafrost where it would be possible to build only 50 miles per spread season. Additionally, there is some 600 miles of bad terrain—muskeg, and so forth—where construction would occur at the rate of 75 miles per spread season. Finally, there are 1,600 miles of near normal terrain which would permit 100 miles per spread season. The net result is 47 spread seasons.

Assuming an ability to set up and maintain 10 spreads at the same time, the construction period of the pipeline could be at least 4½ years. This assumes that there would be sufficient facilities to transport 650 miles of pipe each year.

To assume that all of the above-mentioned steps would be satisfactorily completed is optimistic. However, assuming that they would not only be completed but completed expeditiously, the earliest possible date that a Canadian pipeline could be on stream would be 1983. This is to be contrasted with a completion date of mid-1977 or early 1978 for the trans-Alaska pipeline.

Selection of a Canadian alternative would delay the delivery of North Slope oil to the lower 48 and also the production of North Slope gas reserves. These reserves are associated in the reservoirs with oil and there must be a capability to produce the oil before firm commitments can be made for a major gasline overland through Canada and into the various parts of the United States. Moreover, prudent resource management dictates that, in a given field, oil reserves be utilized prior to exploitation of the gas reserves.

A Canadian pipeline—which, at this point, does not even exist on paper as an engineering entity—is at approximately the same stage of research development as the trans-Alaska pipeline was in 1969. Since that time Alyeska Pipeline Service Co. alone has expended 2,000 man-years and $400 million in its research and development of the trans-Alaska pipeline. Since 1969, the trans-Alaska pipeline has evolved into a system designed to have minimal actual and potential impact upon the environment. This has been due not only to the efforts of the Department of the Interior, in conjunction with other Federal agencies, but also due to the continuing effort by the pipeline builders themselves to refine further the pipeline system and to advance continually the state of the art. Any statement to the effect that a Canadian pipeline could be completed as soon as the trans-Alaska pipeline not only ignores the numerous procedural steps which must be taken prior to construction of such a pipeline but also ignores the salutary evolutionary process which has taken place with regard to the trans-Alaska pipeline.

IV. THERE WOULD BE CONTINUED OPPOSITION TO A TRANS-ALASKA PIPELINE SYSTEM EVEN AFTER A FAVORABLE 11-MONTH STUDY

Amendment 240 would seem to permit congressional approval of the trans-Alaska route; however, it is naive to suppose that those groups and individuals who have been unequivocally opposed to the trans-Alaska route—and who contend that the extensive, 175 man-year study conducted at the behest of the Department of the Interior, in conjunction with other agencies, is inadequate—will immediately roll over and play dead when faced with an 11-month study conducted by the National Academy of Sciences advocating the trans-Alaska route. Moreover, no matter what the results would be of the 11-month study, there would still have to be legislation passed by the Congress authorizing and directing the Secretary of the Interior to grant the necessary rights-of-way. It is problematic whether this legislation would ever be enacted, or, if enacted, how long this would take. Consequently, if after the 11-month study the National Academy of Sciences concludes that the trans-Alaska route is preferable to a Canadian alternative, there is still no guarantee that the requisite approval for such a pipeline would be forthcoming.

V. A CANADIAN PIPELINE WOULD COST AT LEAST $3 BILLION MORE THAN THE TRANS-ALASKA PIPELINE

A Canadian pipeline would cost at least $3 billion more than the trans-Alaska pipeline. Dr. Max Brewer, Alaska Commissioner of Environmental Conservation, has estimated the capital cost for a trans-Canada pipeline at $6.6 billion. The increased cost of a trans-Canada system over the trans-Alaska system speaks not only to the issue of ultimate consumer cost, but also brings into question whether a project of this magnitude can be financed in Canada. Several projects in the multibillion-dollar range are presently pending in Canada. Any one of these projects could be regarded as more in the Canadian national interest than a trans-Canada pipeline. For instance, presently pending are the Canadian Arctic gasline, the Pan Arctic gasline, and the James Bay hydroelectric project. It would be imprudent to force a project, which primarily serves U.S. interests, such as a pipeline from Prudhoe Bay, and has an aggregate capital cost of $6 to $8 billion to rely upon Canadian capital markets for a substantial portion of its financing.

VI. A TRANS-ALASKA PIPELINE SYSTEM WOULD NOT CREATE AN OIL SURPLUS ON THE WEST COAST

Proponents of amendment 240 continually allude to an oil-glutted west coast and an oil-starved Midwest. This, in turn—based upon a postulated oil surplus on the west coast—has conjured up any number of images, ranging from vast quantities of North Slope oil being exported to Japan to huge differentials in crude oil prices between the Midwest and the west coast. The trans-Alaska pipeline will not result in surpluses of oil in district V.

The trans-Alaska pipeline would not be completed until mid-1977 or early 1978. The buildup schedule of the pipeline would be such that by 1980 it would not be able to deliver more than 1.5 million barrels per day. Based upon estimates made by the Bureau of Mines of the Department of the Interior, domestic production of crude petroleum in 1980 in district V will be 1.065 million barrels per day; imports from Canada will not exceed 400,000 barrels per day; and imports from other Western Hemisphere countries will not exceed 100,000 barrels per day. By 1980, the demand in district V will be 3.130 million barrels per day.

Therefore, without taking North Slope production into account there would be a deficit in district V in 1980 of 1.565 million barrels per day. Since by 1980 the throughput for the trans-Alaska pipeline would be no more than 1.5 million barrels per day, there would be no surplus in district V at that time.

By 1985 the demand in district V is expected to increase to 3.5 million barrels per day with domestic production of crude petroleum in that district decreasing to 950,000 barrels per day. Even assuming increased imports from Canada, totaling 550,000 barrels per day, with imports from other Western Hemisphere countries remaining at 100,000 barrels per day, there would still be no surplus in district V caused by the introduction of trans-Alaska pipeline oil. By 1985 TAPS throughput will have reached its maximum yearly average of 1.9 to 2 billion barrels per day.

VIII. CONCLUSION

Amendment 240 is suggestive of a delay at any cost rationale, that is, the trans-Alaska pipeline should be prevented if possible or delayed as long as possible. The trans-Alaska pipeline and numerous alternatives were considered by the Department of the Interior, and numerous other agencies, employing an intradisciplinary approach. This study culminated in March 1972 in the six-volume "Final Environmental Impact Statement" and the accompanying three-volume "Economic and Security Analysis." This is conceded to be without peer as a thorough analysis of a proposed Federal action. Amendment 240 merely interposes further delay in the transportation of North Slope oil and gas to the lower 48. The brief study contemplated by the amendment is meaningless, unless one assumes that the National Academy of Sciences can accomplish in 11 months or less what the Federal Government could not accomplish in 175 man-years, at a cost of more than $9 million. In the national interest, the delay which will be caused by the Mondale amendment is intolerable. It will extend and exacerbate the hardships caused by the current energy shortage; it will delay delivery of oil and gas to the lower 48, thus increasing dependence on insecure Middle East sources; and furthermore, it will delay exploration for additional reserves of oil and gas in the North American Arctic. These considerations are merely a few of the reasons why amendment 240 should not be passed.

Mr. GRAVEL. Mr. President, the June 24 issue of the Baltimore News-American carried a most interesting article, entitled "Canadian Route for Oil Pipeline Elicits No Interest From Ottawa."

The article is especially interesting in that it refutes contentions made by supporters of a trans-Canadian oil pipeline from Prudhoe Bay, Alaska, that this is exactly what our northern neighbors want—a pipeline across Canada for the convenience of the United States. Quite obviously, it is sheer Yankee arrogance that causes the supporters of the trans-Canadian route to persist that the Canadian Government is receptive to such a line when evidence is to the contrary. I invite my colleagues to read the article to get a better perspective of just what the situation really is, and ask unanimous consent for the article to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CANADIAN ROUTE FOR OIL PIPELINE ELICITS NO INTEREST FROM OTTAWA

WASHINGTON.—The Canadian government "has no strong interest" in the construction of a trans-Canada pipeline to carry oil from Alaska's North Slope, the State Department reports.

The department's assessment, announced Saturday, came in a letter to Rep. John Melcher, D-Mont., chairman of a House Public Lands subcommittee studying the proposed pipeline across Alaska.

Construction of the pipeline from the North Slope to the Alaskan port of Valdez has been halted by a court order.

Environmentalists have boosted the Canadian route, asserting it would be less ecologically damaging than the Alaskan pipeline and that it would bring the oil to the Midwest where it is most needed.

"Our most recent inquiries and remarks by Canadian officials give no cause to change our view that the Canadian government has no strong current interest in the construction of a Mackenzie Valley oil pipeline," the State Department said.

"Insufficient oil has been found in the Canadian Arctic up to this time to justify early approval for construction in the face of political, environmental and economic arguments against approval," the department said.

"Negotiation by the United States of a pipeline agreement with Canada does not appear possible at this time," the department added.

Melcher said the department's letter "does provide some answers although it is not as clear an answer as I expected in relation to possible delays in constructing any pipeline across Canada because of settlement of Canadian native claims. The letter also is vague about who the department contacted in Canada."

The State Department referred only to "responsible Canadian officials" as its sources, the congressman said.

The letter was signed by Marshall Wright, assistant secretary for congressional relations.

The department concluded "that there is no alternative to the proposed Alaskan pipeline at this time.

"Even if the Canadian government should move expeditiously to approve such a pipeline, which is unlikely, an Alaskan pipeline could be in operation at least 3 to 5 years and perhaps 7 to 10 years earlier than a Canadian pipeline," the department said.

Mr. STEVENSON. Mr. President, today's lead editorial in the Washington Post makes a powerful argument for adoption of the Mondale-Bayh amendment to S. 1081, an amendment which I am pleased to cosponsor. The Post has refuted the argument that the Canadian route would require a delay in pipeline construction and completion of up to 12 years. The Mondale-Bayh amendment could lead to completion of a line through Canada by 1979. It could very well shorten the time for completion of a line across Canada or Alaska and also assure that the public interest was served by the best route.

The editorial concludes that the Mondale-Bayh amendment, with its direction for a thorough study of the Canadian alternative is the way to "obtain some real perspective and arrive at a firm decision at a definite time." I concur, and ask unanimous consent that the text of the Post editorial be placed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 11, 1973]

OIL FROM ALASKA: WHERE OR WHEN?

The real issue in the Alaska pipeline fight, as we see it, is whether the long-term national interest would be better served by transporting the North Slope's oil by pipeline across Alaska and then by tankers from Valdez to the West Coast—or by bringing the oil by pipeline across Canada to the

Midwest. Champions of the Alaskan route see it differently. To them the central issue is not where but when the oil starts flowing to the lower 48 states. "Time is critically important," Interior Secretary Rogers C. B. Morton wrote in a letter to the editor which appears on the opposite page today. Time is the single factor making the Alaskan route "clearly preferable," the Senate Interior Committee recently found. Sen. Henry Jackson (D-Wash.), opposing delays of any kind, put it dramatically last Monday: "Will Alaska oil be kept in the ground while the American people are running short? Will the nation be forced to rely indefinitely on oil imports from insecure foreign sources?"

This formulation has a number of flaws. The first is that it is hard to say with certainty that the Alaskan route would be more expeditious because it is impossible to say when either pipeline could be finished. Mr. Morton has often said the trans-Alaska project "is ready to be built as soon as present legal obstacles are cleared away," but those obstacles are hardly the sort which can be easily or quickly brushed aside. In barring construction of the Alaskan pipeline last winter, the Court of Appeals ruled on the "very simple point" that the proposed right-of-way across public lands would be wider than the maximum permitted under present law. That problem would be remedied by the right-of-way bill now before the Senate. But the court expressly reserved judgment on the substantial envrionmental issues involved in the suit, finding those "not ripe for adjudication at the present time." In other words, if and when the right-of-way laws are modernized, the matter will go right back into the courts and could remain there for some time—unless Congress should be stampeded into giving the project an environmental exemption, which would be unwarranted and unwise.

Comparing this prospect with the outlook for a trans-Canadian pipeline amounts to comparing the unpredictable with the unexplored. Because the oil companies and the administration fastened so quickly on the Alaskan route, they have never undertaken an objective assessment of the engineering, environmental, economic and diplomatic factors involved in a Mackenzie Valley undertaking. The greatest single factor, the Canadian government's attitude, is not so much imponderable as it is unprobed. Secretary Morton's description of one key exchange in May 1972 suggests how earnestly Canadian expressions of interest have been entertained. Barely one week after the Canadian energy minister, Donald S. Macdonald, wrote him "a detailed letter" outlining the possible advantages of the Mackenzie Valley way and proposing joint studies, Mr. Morton "forthrightly" replied that the U.S. had decided to go through Alaska instead. Since that official rebuff, the State Department claims to have found "no strong current interest" in a Mackenzie Valley route in Ottawa. This is hardly surprising but it is like complaining about not being invited to dinner—after one has announced that he wouldn't come.

Given all the uncertainties about the courts and the Canadians, it is sheer speculation to claim that the trans-Alaska pipeline could be completed "at least 3 to 5 years and perhaps 7 to 10 years earlier" (State Department) or "2 to 6 years earlier" (Interior Committee) or "5–7 years sooner" (Atlantic Richfield). And when the issue of relative time disappears in the fog, there is little left to justify hurtling ahead in Alaska. Indeed, if one discounts the excitement about the "energy crisis"—a crisis which Alaskan oil will not solve—and looks specifically at where that oil could make the most difference, there is every reason to start serious talks with the Canadians in the morning. The trans-Canadian route would, after all, bring North Slope oil directly to the Midwest, a region which is perennially fuel-poor and more dependent on oil from those "insecure foreign sources" than the well-fueled West Coast. That is a consideration which ought to have substantial weight.

So far, the pipeline fight has been a textbook example of how not to resolve such a complex question. This week Sens. Walter Mondale (D-Minn.) and Birch Bayh (D-Ind.) are offering the Senate a way to obtain some real perspective and arrive at a firm decision at a definite time. The Mondale-Bayh amendment would (1) direct the Secretary of State to conduct serious negotiations with the Canadian government and report to Congress within eight months, (2) authorize the National Academy of Sciences to make a comprehensive 11-month review of both pipeline alternatives, and (3) provide for a congressional decision within 90 days after the completion of both studies. This is how the issue should have been handled from the start. As Secretary Morton wrote, "Open-ended delays make for open-ended difficulties." That was not intended as an argument for the Mondale-Bayh amendment, but it is an excellent reason why the amendment should be approved.

Mr. BENTSEN. Mr. President, I wish to say a few words in behalf of the pending legislation as reported and in behalf of beginning construction on the trans-Alaska pipeline at the earliest date.

The Joint Economic Committee held hearings on the trans-Alaska pipeline last year. While our inquiry was directed toward the economic aspects of that project, I was concerned about the environmental aspects as well.

I have taken my children on pack trips, on fishing trips into Alaska and I believe it to be some of the most magnificent, most beautiful unspoiled country in the world. I am concerned that, to the extent possible, it remain so. In addition to making my own inquiry, I questioned Secretary Morton concerning the environmental studies which had been made and the stipulations under which the pipeline would be operated.

Mr. President, I found that the steps being taken to protect the environment are quite extraordinary. I believe it is very safe to describe the trans-Alaska pipeline as the most extensively environmentally studied project in the world.

Because the environmental impact statement and accompanying documents is in nine volumes and contains over 3,500 pages, I shall not take the time of the Senate to do more than mention a few of the environmental steps which are being taken.

Extensive tests have been conducted to determine the most effective means of protecting the permafrost which must be crossed and over half of the line will be placed above ground for its protection. Fifteen thousand individual soil analyses have been made.

Consideration of the possible effects of earthquakes has led to the use of special pipe, construction methods, and a seismic monitoring system which will shut the line down at a designated level of shock.

Concern for vegetation has produced experimentation with 40 types of plants, 20 grass species, and the successful demonstration planting of 600 acres.

Concern for the protection of wildlife has led to fish migration and spawning surveys on every stream which is crossed. It has led to the mapping of various types of bird nests for the entire 789-mile right-of-way and to construction schedules designed to avoid disruption of the migration of sheep and caribou.

Concern for Alaska's archeology has led to the surveying and excavation of 189 sites from which 8,500 artifacts have been recovered.

Mr. President, this list could go on but I believe it is sufficient to demonstrate the magnitude of the effort which has been made in response to the concern for Alaska's environment. Apparently, that protection is sufficient to have won the support of the people of Alaska, their Governor, and both Senators.

Mr. President, we should also remember that while this project in Alaska poses some special problems, it is not the first pipeline to be constructed in this country. This Nation is literally crisscrossed with pipelines carrying petroleum products. When a motorist in New York buys a gallon of gasoline, the odds are that either the gasoline itself or the crude oil from which it was made traveled 1,500 miles through a pipeline from Texas or Louisiana.

However, Mr. President, we no longer have an unlimited supply of petroleum products in the Southwest. The wells in my State are producing at full capacity and are unable to meet the demand. Farmers in Texas are having difficulty obtaining enough fuel to harvest their crops and replant their fields.

The Nation needs the petroleum resources of Alaska and it needs them just as soon as this pipeline can be constructed. If the present schedule is maintained, deliveries will not be made until 1977 and the line will not be at its full capacity of 2 million barrels per day until 1980. By 1980 even the conservative estimates I have seen indicate the United States will be forced to pay $16 billion annually for energy imports. This past year we were not able to generate enough U.S. exports to pay for energy imports of $5 billion. How are we going to pay for $16 billion? And some place that figure at $25 billion. With prospects of ever-increasing balance of trade deficits, we cannot expect foreign nations to have confidence in the U.S. dollar abroad and we cannot expect our people to have confidence in the U.S. economy at home.

Deliveries from the trans-Alaskan pipeline would mean an $8 million daily reduction in energy imports.

But, there is more at stake than the delivery of this extra 2 million barrels of oil a day to the west coast. According to the U.S. Geological Survey, the estimates of known recoverable oil in the Alaska Prudhoe Bay is between 10 and 12 billion barrels. If the Alaskan line is completed on schedule it will take into the mid-1990's to deliver those reserves. And this makes no provision for the delivery of an additional 25 billion barrels in "probable" Alaskan reserves. The "speculative" reserves are estimated as high as 150 billion barrels. We need to begin to develop this potential because it is during the next 20 years that we expect the need for oil to be the greatest.

These additional reserves are not

proven but they are not going to be proven until we have some production being delivered from Alaska. Since the major discovery in 1968 the companies involved in Prudhoe Bay exploration have spent $1 billion on leasing, exploration, and limited development. They have spent another $400 million on the trans-Alaskan pipeline. They have had pipe costing $100 million sitting in Alaska since 1971. Every week construction is delayed, the costs increase by another $3½ million. We can hardly expect any more to be spent on exploration until there is a way to deliver the product.

We hear a great deal about entering into negotiations with Canada concerning a joint venture to construct pipelines across Canada. I am pleased that S. 1081, as it was reported out of the Interior Committee, calls for such negotiations. We will need a Canadian pipeline not as an alternative—but in addition to the Alaskan pipeline. We will need it to deliver the additional reserves we expect to find in Alaska and perhaps part of the 22 billion barrels of potential Canadian reserves in the areas surrounding Prudhoe Bay. While I believe we should cooperate with our neighbor to the north for additional transportation facilities, I do not believe we should rely upon that transportation as the only means of delivery. Nor do I think we should risk further delay.

There has been no study of the Canadian route approaching the effort which has gone into the preparation in Alaska. The Canadian route is substantially longer and more expensive. It raises at least as many environmental questions due to crossing twice as much permafrost as well as crossing more major rivers. The trans-Canadian route also crosses twice as much wildlife habitat.

In addition to the impact on the Canadian environment, there has been no resolution of the issue of Canadian native claims. Resolving Alaskan Native claims took 5 years and an act of Congress. Further, there is every indication that Canada will require 51 ownership and control of any pipeline which crosses its country.

We must not allow the delivery of our Alaskan reserves to be further delayed nor should that delivery depend upon the decision of a foreign government—even a friendly one such as Canada. We must remember that foreign governments represent the interests of their people and that those interests do not always coincide with ours.

Saudi Arabia is a friendly government. Our energy plans call for them to more than double their production by 1980. But Saudi Arabia has no need for additional revenue any more than Canada has the need to rush into development of the North Slope. Last week, King Faisal, who has been one of the most friendly heads of government in the Middle East, said that unless the United States alters its foreign policy, such increases in production may not be forthcoming.

Mr. President, my point is, we cannot continue to allow our Nation's energy supply to be conditioned upon the decisions of foreign governments. The U.S. Government must decide whether we are going to provide the American people with adequate supplies of energy or if we are going to leave their economic well-being, as well as their security, to the rest of the world. I do not believe that they elected us to delegate their problems to other governments.

Mr. President, there are an estimated 35 billion barrels of oil on U.S. soil in Alaska. Surely our national interest demands that we provide a means of delivery which does not allow another country to dictate the circumstances and conditions under which we can obtain the benefit of those reserves.

Mr. McINTYRE. Mr. President, I ask unanimous consent that I may be permitted to modify Amendment No. 310.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, I send to the desk a modified amendment and ask that it be read.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

At the end of the bill, add the following new section:

CONFIRMATION OF THE DIRECTOR OF THE ENERGY POLICY OFFICE

SEC. . That, effective on the day after the date of enactment of this Act, the Director of the Energy Policy Office in the Executive Office of the President, shall be appointed by the President, by and with the advice and consent of the Senate,

And any individual nominated for such position may act unless such nomination shall be disapproved by the Senate.

Mr. McINTYRE. Mr. President, it is my understanding that, under the previous order, the yeas and nays will occur at 5 o'clock.

Mr. MANSFIELD. Mr. President, it is my understanding that the Senator from Washington (Mr. JACKSON), the manager of the bill, and also the chairman of the committee, has said the modification is acceptable to him.

Mr. STEVENS. It is my understanding that every Senator who spoke in opposition to the amendment is agreeable to the modification.

Mr. MANSFIELD. I have said this because the Senator from Washington wanted to be on record as approving the modification.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. McGEE), and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The Senator from New York (Mr. BUCKLEY) and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

The result was announced—yeas 88, nays 4, as follows:

[No. 280 Leg.]

YEAS—88

Abourezk
Aiken
Allen
Baker
Bayh
Beall
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Gravel
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Scott, Pa.
Scott, Va.
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—4

Bartlett
Bellmon
Gurney
Tower

NOT VOTING—8

Buckley
Goldwater
Griffin
Magnuson
McGee
Schweiker
Sparkman
Stennis

So Mr. MCINTYRE's amendment (No. 310), as modified, was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. DOMINICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on the amendment of the Senator from Minnesota.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, there will be no more votes today.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. JACKSON. I yield the Senator from Alaska such time as he may require.

Mr. STEVENS. Mr. President, I had hoped to ask the Senator from Minnesota some questions concerning his position and the stated position of those who propose this amendment. Before we end today's business, I should like to make several points, and follow them up at greater length tomorrow.

I think this amendment has been proposed by people who really do not understand the energy business at all.

The concept of a trans-Canadian pipeline route is directly contrary to the best interests of the people of the Midwest. I say that because the refineries today in the Midwest—and we are checking on that to make certain—for the most part, are designed to refine light crude oil. Alaska's North Slope crude oil is heavy. The cost of converting a 100,000 barrel per day refinery that currently runs light crude oil would be approximately $50 million.

So the effect of this amendment would be to cost the midwestern refineries a billion dollars. That would be an added cost to change the refineries that currently are designed to take the light crude that is going to come up the pipelines that are being built today from New Orleans to the refineries in the Midwest.

Those refineries can take that crude without any modification, and the west coast refineries can take the Alaskan crude without modification, but it would cost a billion dollars to convert the Midwest refineries in order to receive Alaska's crude.

This amendment is directly contrary to the best interests of the Midwest refineries and the people in the Midwest who would have to pay an additional billion dollars to convert refineries to change over to crude for which they were not designed.

In my mind, nothing makes more of a serious question about the real interests of those who propose this amendment than that, because a little homework would tell them this is a bad amendment from the point of view of the Midwest consumer.

I believe this is an amendment from those people who simply do not want oil to move from the North Slope.

It is an amendment designed to further delay any development of the Alaskan North Slope. It is an amendment that would play into the hands of the Canadian Wilderness Society and the Friends of the Earth, because anyone who believes the Canadian environmental extremists are going to roll over and play dead for a Canadian pipeline that will do as much to their soil as the Alaskan pipeline would do to ours, is mistaken. I am confident they are as assiduous in defending their position as are environmentalists in the United States.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. STEVENS. I will yield to the Senator in just a moment.

My good friend, the Senator from Minnesota, talked about the position expressed by the pipeline company concerning a second pipeline through Canada. That is sometimes related to the availability of Prudhoe Bay reserves to support two pipelines. No one has ever suggested that Prudhoe Bay reserves today would support two pipelines. We have said there are further oil and gas reserves in Alaska that could support a further pipeline.

On June 30 I placed in the RECORD information that was given to me by the Office of Naval Petroleum Reserves whereby for the first time they have declassified their estimate of the reserves of Naval Petroleum Reserve No. 4. They estimated 14 to 15 billion barrels of recoverable oil and 80 trillion cubic feet in Naval Petroleum Reserve No. 4. That is almost twice as much as the proven reserves of the Prudhoe Bay area.

That is the anchor for the second pipeline in Canada.

Mr. President, I am glad to yield to my colleague from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. GRAVEL. Mr. President, if I may, I wish to add to the point with respect to reserves. We do not know what the reserves are in Prudhoe Bay and we will not know until we start drilling. But one point should be emphasized that the Senator is now making.

Our colleagues from the Midwest are really playing to the Midwest audience to impress them. They are not working for the best interest of the Midwest when it would cost them more for Alaskan oil, because it would cost them a great deal to change their refineries.

I think we can go further than that. The Canadians have not discovered any appreciable amounts of oil. They have extensive discoveries of gas and they stated they will be cutting back exports to this country between now and 1980 to a very pittance of our needs, around 500,000 barrels a day.

This means that as we approach the Canadians they will be on the horns of a dilemma saying, "What shall we do? Shall we build two lines; shall we build a Canadian gas and oil line, or build a gas line, or build an oil line?"

The answer will be that the Canadian market cannot sustain the financial burden of building two lines at once. They will not have the necessary money. Second, they will realize they have to choose between a gas line and an oil line. Obviously they will choose for a gas line. They cannot build a gas line until we build the Alaskan pipeline. That is why Minister Yurko on June 8 stated he hopes we get to build the Alaskan pipeline so the Canadians can get to build the gas line.

If the Senator from Minnesota (Mr. MONDALE) and the Senator from Indiana (Mr. BAYH) are successful in their amendment, they will delay construction of the Alaskan pipeline for 1 or 2 years. With that delay there will be a delay on the completion of a Canadian gas line which can only be built after the Alaskan pipeline is built. So they are denying the people of the Midwest gas to solve their energy crisis by 1 to 2 years. I do not think that is what they intended to do, but unfortunately that is the result of the facts as they will structure them, if their amendment is successful. That is most unfortunate.

The needs of the Midwest with the Canadian gas line approximate 50 percent. In other words, a gas line from Alaska can satisfy 50 percent of the needs of the North Central part of the United States. What strikes me as unfortunate is the touch of regionalism that exists in the argument of my two fine colleagues. That is unfortunate because when they are talking about a national policy to help everybody, it is really to the contrary. They think they are helping themselves, but not necessarily. They really are saying, "We want gas and oil for the North Central area and forget the rest of the country."

Mr. STEVENS. Mr. President, will the Senator yield so that I may interrupt there?

Mr. GRAVEL. I yield.

Mr. STEVENS. We should be clear as to what we are saying. I sat and listened to a Canadian official who makes decisions in this area. He said categorically that if the oil line is selected to go through Canada the gas line will not begin until it is completed. The reason is that you cannot have any gas until the oil is produced for at least 2 years. There is no reason for anyone to permit the gas line to be built prematurely and then to sit there.

At the same time they said they would permit a gas line to start at the same time that an oil line starts because it will take 2 years longer to get it completed, and they would have gas reserves in the Mackenzie Valley.

Mr. GRAVEL. If the Senator will yield, using the Senator's point that under the Canadian scenario they can only build one at a time, this amendment is denying this country the amount of gas that would flow to this country in that 3-year hiatus you cannot begin construction until the oil line is begun, so all the country would suffer.

Mr. STEVENS. The Senator is correct.

Mr. President, I will be saying more about this tomorrow concerning the Canadian position. It is clear they are not going to increase their exportation of oil to the United States. They will increase their exports of gas if their additional reserves that are not available now that will be available by virtue of building the gas line through Canada, but they do not have the facilities now.

It is clear, as my colleague said, that one pipeline has to precede the other. There is no delay factor on the gas line through Canada under the governmental regulations. With the oil pipeline you automatically build more delay for the gas pipeline.

Mr. President, I have a letter from the Standard Oil Co. of Ohio. I have written to them concerning testimony of their people before the Committee on Interior and Insular Affairs. I ask unanimous consent that the letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE STANDARD OIL CO.,
Cleveland, Ohio, June 1, 1973.

Hon. T. STEVENS,
U.S. Senate
Washington, D.C.

DEAR MR. STEVENS: During my testimony before the Senate Committee on Interior and Insular Affairs regarding matters related to transportation of oil and gas resources from the North Slope of Alaska, I was asked for my views with regard to the timing of a Canadian alternate to the proposed Trans-Alaska pipeline. In the course of responding, I offered to provide for the record additional support for our Trans-Canada timetable. It occurs to me that you might wish to have the same information.

Beginning on the fifth page of our *Detailed Report on Matters Related to a Trans-Alaska or Trans-Canada Pipeline*, a copy of which I sent to you earlier, we set forth our views on the possible timing of a Trans-Canada alternative. We conclude that North Slope crude oil production would be put off for nine or ten years after a final decision barring construction of the Trans-Alaska pipeline is reached and all appeals are exhausted. I wish to emphasize that this estimate does not allow for any delay for United States or Canadian governmental action, environmental opposition, or settlement of native claims in Canada since it is assumed that these issues could be resolved within the period of time required for the route analysis, design, and engineering which must be completed prior to commencement of construction. It is the additional background and support for our estimate of the time required for these pre-construction activities and for the construction phase which I submit for your consideration.

Figure 1 of our report, which for your convenience is attached as Exhibit A, delineates certain activities which must be accomplished prior to startup, shows the sequential nature of various activities, and provides our estimate of the time required to accomplish the requisite tasks. Exhibit B, attached, elaborates upon each of these activities and provides support for our estimate of the time which would be required for completion of each. As shown, a total of ten years is required to accomplish route analysis, design, and construction of the Trans-Canada pipeline. Since the Trans-Alaska pipeline in its present state of readiness can be completed in three to four years from the date of approval, the Trans-Canada alternative would delay production of North Slope crude oil for six or seven years.

Before we can proceed with construction of the Trans-Alaska pipeline, Congress must remove the right-of-way width limitation imposed by the 1920 Federal Mineral Leasing Act. I hope this additional material will aid you in your consideration of legislation which would provide sufficient right-of-way to enable safe construction of the pipeline.

I urge you to support Senate Bill 1081, but to vote against any amendment that would require further study of the Trans-Canada alternative to the proposed Trans-Alaska Pipeline.

Sincerely,

CHARLES E. SPAHR.

ESTIMATED TRANS-CANADIAN TIMETABLE[1]

BACKGROUND AND SUPPORTING DETAIL

1. Decision Point and Reorganization—Three Months Required. (First month of year 1 through third month of year 1)

If a governmental edict to route the pipeline through Canada were to be issued and all appeals were to be exhausted, the participants in the Trans-Alaska pipeline would have to reorganize since companies with potential oil production in the general vicinity of the pipeline's route through Canada or with existing pipeline facilities in Canada might desire to participate in the Trans-Canada system. Canadian requirements of ownership and control, if any, would have to be ascertained and taken into account. Ownership and operating agreements would have to be renegotiated and a corporate entity formed to undertake the responsibilities associated with designing, financing, and constructing the Trans-Canada pipeline.

2. Obtain Permits (Preliminary)—Three Months Required. (Fourth month of year 1 through sixth month of year 1)

Application for United States and Canadian permits would have to be submitted and permits obtained in order to make aerial reconnaissance surveys, on-ground verification of preliminary route selection, physical survey, and soil borings.

3. Preliminary Reconnaissance—Four Months Required. (Fifth month of year 1 through eighth month of year 1)

Field work already completed by the Canadian Arctic Gas Study Ltd., and Mackenzie Valley Pipeline Research Ltd. would be reviewed. Preliminary route selection would be either verified or changed by careful field reconnaissance. Additional aerial surveys of basic route, where needed, or alternate routes, where changes have been made, would be obtained.

4. Soil Analysis Program—Two Years and Nine Months Required. (Ninth month of year 1 through fifth month of year 4)

A detailed soil boring program would have to be undertaken to determine the proper construction mode, slope stability, differential settlement, and other environmental information needed to meet the pre-construction requirement for a mile-by-mile design. (The implicit assumption has been made that the Canadian requirements for soil mechanics laboratory analysis of the cores of each bore hole and the subsequent interpretation of the laboratory data for design purposes will be as sophisticated as the analysis required by the U.S. Department of Interior.)

Alyeska, as agent for the participants in the Trans-Alaska pipeline, developed its design data from approximately 4000 bore holes, averaging 50 feet in depth with core samples taken at various depths throughout the bore hole, along approximately 700 miles of the proposed route which traverses permafrost and discontinuous permafrost zones. The Canadian route would traverse approximately 1100 miles of continuous permafrost and 300 miles of discontinuous permafrost, thus requiring twice the number, or 8000 soil borings. Assuming some of the previous test work would be acceptable, this number could be reduced by approximately 30% to 5500 borings. Depths averaging fifty feet are required since the thaw bulb created by the hot oil line could reach fifty feet over the life of the line, making it imperative to know soil conditions to that depth in order to determine whether above ground or buried construction would be required.

The following description of the physical effort required to drill 5500 soil borings is provided as support for our estimate of the time required for this pre-construction activity:

Initially, 40 drilling rigs would have to be ordered. Contracts would have to be prepared; bids solicited, received, evaluated, and contracts awarded. Winning bidders would have to mobilize equipment and crews.

Soil boring must be carefully drilled to preserve soil samples and cores in frozen condition for laboratory analysis. Such soil analysis includes tests for ice content, shear strength when frozen, subsidence upon melting, and pile creep.

Drilling operations are generally helicopter-supported (one larger unit for transporting equipment and a smaller personnel unit). The two helicopters would service a unit of 4 drilling rigs, leap-frogging them ahead. Three trips for each helicopter would be required to move one rig, all support equipment, fuel, and personnel.

It is impractical to drill after November 15 in the frigid Arctic weather, with minimum daylight. Work could commence about March 15.

There would be numerous days when little or no progress could be made because of a number of factors, including mechanical breakdowns and adverse weather conditions which would prohibit utilization of the support helicopters.

The crew for a unit would consist of about 15 men requiring food and lodging support involving several hours of commuting time per day. A crew would be needed to clear the brush or trees in the drilling area to enable support helicopters to reach the operation. A mechanic would maintain the drilling, refrigeration, and other support equipment. A geologist in the field, plus laboratory personnel, would be necessary to provide the geotechnic support for the four-rig unit.

A standard drilling rig modified for Arctic work has been found to be the most practical. A 2½ inch split spoon would run through the 9-inch auger for the purpose of driving ahead to test soil strength. The auger would be replaced with a core barrel and drill for taking core samples.

Working 10 hours per day, each drilling rig would require an average of four days to drill one hole 50 feet deep with core samples preserved in a frozen state. For the total unit of 4 drilling rigs, working 7 days per week, the production will be one hole per day for the 220 days during the time of year when operations could be maintained. Forty rigs (ten units of 4 rigs each) working two seasons, would finish about 4500 holes. The remaining 1000 holes would be drilled in the third season as scattered verification holes, re-route holes, side-hill checks, bridge foundation checks, pump station soils analysis, and re-runs on defective samples.

The cost of drilling each hole would be about $10,000 with the cost of geotechnic field and lab support amounting to $2,500 per hole. Supervision and technical backup would add another $1,500 for a total of about $14,000 per hole, or $77 million for 5500 soil borings.

5. Preliminary Survey—Two Years and Nine Months Required. (Ninth month of year 1 through fifth month of year 4)

Contracts would have to be prepared for a physical survey and mapping for all civil work including river crossings, road crossings, property surveys, profiles, access roads, material sites, station sites and the main haul road.

6. Prepare Project Description—One Year and Three Months Required. (Sixth month of year 2 through eighth month of year 3)

Assuming the description prepared for the Trans-Alaska pipeline would provide a meaningful base, it would require approximately fifteen months to develop the additional information required. This time requirement fits within the time frame necessary to accomplish other pre-construction activities and consequently does not add to the overall time estimate.

7. Environmental Impact Statement Preparation—One Year and Three Months Required. (First month of year 3 through third month of year 4)

Requisite information for the Environmental Impact Statement would be prepared and preliminary information would be submitted to the authorizing agencies in the United States and Canada beginning in the middle of the third year. This time requirement fits within the time frame necessary to accomplish other pre-construction activities and consequently does not add to the overall time estimate.

8. File Canadian and U.S. Applications—Permits. (Applications filed in fourth month of year 4)

Following preparation of the Environmental Impact Statements (U.S. and the Canadian equivalent) application for permits would be made.

9. Canadian Native Claims—Two Years and Six Months Required. (Seventh month of year 1 through twelfth month of year 3)

This time requirement fits within the time frame necessary to accomplish other pre-construction activities and consequently does not add to the overall time estimate. Note, however, that the Canadian Native Claims issue would have to be completed prior to start of construction.

10. U.S. Permit Granted. (Permit issued in middle of year 4)

We assume that the main U.S. right-of-way permit would be issued without unreasonable delay.

11. Canadian Permit Granted. (Permit issued at the end of year 4)

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[1] Time expressed in years after a final decision barring construction of the Trans-Alaska pipeline is reached and all appeals are exhausted.

We assume that the main Canadian right-of-way permit would be issued without unreasonable delay, but we allow more time for the Canadian Government to act since there would be more data to consider and review on the longer segment of line through Canada.

12. Mile-by-Mile Design—Two Years Required. (First month of year 3 through twelfth month of year 4)

A detailed mile-by-mile design would have to be completed and approved prior to the issuance of U.S. and Canadian notices to proceed with construction (See Item 13). We would plan to complete the mile-by-mile design shortly before the main right-of-way permits are issued, so that we could immediately submit this detailed design to the U.S. Department of Interior (and its Canadian equivalent) for its review and approval. This design would utilize the results of the comprehensive soil boring program.

13. Notices to Proceed—Nine Months Required. (Fourth month of year 5 through twelfth month of year 5)

After issuance of the main right-of-way permits, the U.S. Department of Interior (and its Canadian equivalent) would conduct a comprehensive review of the mile-by-mile design. This review would be made to ensure that the design would comply with the rigorous criteria and strict construction stipulations established by the U.S. Department of Interior. (We assume that Canada will require the same review procedure and further, that its design criteria and its construction stipulations would be comparable to those required by the U.S. Department of Interior.) After this review, the governmental agencies would issue notices to proceed with construction for these sections where the design has been given final approval. We assume that notice to proceed on the civil work—haul roads, access roads and camps, for example—would be issued before review of pipeline design is completed. Further, we assume that notice to proceed with pipeline construction would be issued by sections, recognizing that notice to proceed with construction of certain pipeline sections in particularly delicate areas might be delayed pending verification of data.

14. Road Construction—Two Years and Nine Months Required. (Seventh month of year 4 through third month of year 7)

Construction of roads in the United States would begin as soon as the main U.S. right-of-way permit and notices to proceed were issued. Construction of roads in Canada would commence immediately after receipt of the main Canadian right-of-way permit and appropriate road permits. A main haul road would be required from Prudhoe Bay to the Mackenzie Valley south of Innuvik. We assume that the Canadian Government would overcome the current opposition by environmentalists which has halted construction of a road paralleling the Mackenzie Valley north to Innuvik, and would complete this section of Canadian highway.

15. Construction Surface—Two Years and Four Months Required. (Seventh month of year 4 through tenth month of year 6)

A gravel pad averaging two to three feet in thickness to permit movement of construction equipment would have to be laid alongside the pipeline route. It would be connected by access roads to the main haul roads. This gravel pad would allow year-round access by maintenance equipment after operations begin.

16. Rights-of-Way Purchase—Three Years Required. (Tenth month of year 2 through ninth month of year 5)

The Canadian pipeline would cross mostly private lands south of Edmonton to Chicago requiring acquisition of pipeline rights-of-way. Land would also have to be acquired for other purposes such as pump stations, terminals, communication sites, block valve installations, warehouses, and pipe storage yards.

17. Commitments for Camps and Buildings—Seven Months Required. (First month of year 5 through seventh month of year 5)

Commitments for camps and supporting services would not be made until the main right-of-way permits were received from the United States and Canada.

18. Commitment for Construction Equipment and Manufacture—Nine Months Required. (First month of year 5 through ninth month of year 5)

Commitments for construction equipment such as ditchers, pipe benders, drilling rigs, and automatic welders would not be made until the main right-of-way permits were received from the United States and Canada. Such equipment would not be generally available and would require modification for cold weather utilization.

19. Negotiate Construction Contracts—Six Months Required. (First month of year 5 through sixth month of year 5)

Serious negotiations with contractors for pipeline construction would not begin until main right-of-way permits were issued and attendant stipulations were known. This time requirements fits within the time period necessary for obtaining construction equipment, building camps, and mobilizing crews, and consequently would not add to the overall time estimate.

20. Main Line Construction South of Edmonton—Two Years and Ten Months Required. (First month of years 6 through tenth month of year 8)

Pipeline construction would start south of Edmonton after obtaining construction equipment, materials, and mobilizing contractors and crews. Construction progress in the south could reach 4000 feet for each spread per day. Considering the congested area near Chicago, the possibility of adverse weather, labor disruption, and rigid inspection by governmental agencies, we assume that construction would proceed at this level for 300 days of the year. Assuming four spreads would begin working after four months of mobilization, it would take over two years to complete the 1550 miles from Edmonton to Chicago. Testing, clean-up, revegetation, and demobilization would add another nine months.

21. Main Line Construction North of Edmonton—Three Years and Three Months Required. (Second month of year 7 through fourth month of year 10)

Pipeline construction could begin north of Edmonton as additional equipment becomes available and piling is installed in those areas where above ground construction is required. If, for example, 50% of the northern segment would be above ground, some 160,000 to 170,000 holes of 24 inch diameter to a depth of fifty feet would be required. Assuming 400 rigs, each drilling one hole per ten-hour day during the 220 days available each year, it would take about two years to drill the requisite piling holes, thereby restricting the ultimate progress in the north.

We assume a pipeline construction rate of 2500 feet per day for each northern spread and further assume that climatic conditions would preclude economic construction during the severe winter months. Thus, three additional spreads could complete approximately 220 miles during the first northern construction year allowing four months to mobilize equipment and crews. During the following year, the eighth project year, these three northern spreads could complete another 330 miles. In the ninth project year assuming the four southern spreads would move north, another 770 miles could be finished for a total of 1320 miles. Completion of construction would occur by the middle of the tenth project year.

22. Line Test (Tenth month of year 9 through tenth month of year 10)

The medium to be used for testing the line; i.e., gas or liquid, has yet to be selected. If a liquid medium were to be used, testing in the mountainous areas would have to be done by sections. Moreover, if a liquid medium were to be employed that is sensitive to freezing temperatures, there might be certain times during the year when testing would be impossible unless a freeze point depressant were added. Although such depressants would be available, disposing of the test medium contaminated with such depressants would present a problem. In any event, we assume testing could be started during the final stages of construction and finished shortly after completion of construction of the pipeline.

23. First Oil to Chicago. (End of tenth year)

Filling the line and debugging the system for routine operations would take three months, allowing for cleaning and fixit repairs.

Mr. STEVENS. Mr. President, the letter outlines the timetable for building an oil pipeline through Canada. If Senators will take the time to read the letter, it postulates the minimum period until oil could get to Chicago as 10 years after they start building the gas pipeline, so you have 13 to 15 years before gas is available to the Midwest under the Mondale amendment.

I cannot understand some of the facts set forth in this body today. When I went to the Canadian meetings in June, along with some of my colleagues, I asked the Office of Oil and Gas to prepare for me a summary of energy resources of the United States and Canada.

I might add, the Canadian people, as we went over these in our meetings, were in agreement that they were accurate working statements of Canadian reserves, both of the proven reserves and of potential reserves.

Again, if anyone wants to take a look at it, he can see that, in terms of potential reserves, the Canadians are not going to increase their exports. They have a potential recoverable resource of 120 billion barrels. However, we have a potential recoverable resource of 450 billion barrels. So it is not in the best interests of Canada to increase exports to this country.

In terms of natural gas, it is entirely different, because the economics of the transportation of gas from the Mackenzie Delta require a gas pipeline through Canada to remove it, because the economics are not there without also removing the Prudhoe Bay oil.

I ask unanimous consent to have printed in the Record an energy resource summary for Canada and the United States.

There being no objection, the summary was ordered to be printed in the Record, as follows:

ENERGY RESOURCES SUMMARY FOR CANADA AND UNITED STATES

	Canada	United States
Petroleum:		
Proved reserves, billion barrels	10	50
Potential recoverable resources, billion barrels	120	450
1971 production, million barrels	493	4,417
Net exports to United States (1971), million barrels	308	----------
Value of imports approximately $1,000,000,000.		

	Canada	United States
Natural gas:		
Proved reserves, trillion cubic feet	56	278
Potential recoverable resource, trillion cubic feet	725	2,100
1971 production, trillion cubic feet	2.5	22
Net exports to United States (1971), trillion cubic feet	.9	
Estimated value of exports approximately $290,000,000.		
Coal:		
Proved reserves, billion tons	120	390
1971 production, million tons	20	590
Net United States exports to Canada, 1971		12
Canadian exports to world, 1971	8	
Value of United States exports, 1971, approximately $70,000,000.		
Uranium:		
Proved reserve, (existing price $6–$7) thousand tons, U_3O_8×$10 per pound	236	246
Production, 1971, thousand tons	5	13
Canada—100,000—committed exports 60,000, little exploration announced policy of Canadians		
Canada has commitments to export approximately 33,000 tons to Japan, 15 to West Germany, 11 to England		
Thorium: Below $10—100,000 tons		

HYDROPOWER

Canada has a total hydropower potential of an estimated 90,000 megawatts. Currently 28,000 megawatts is developed. Undeveloped hydropower potential is: Quebec, 25,000; British Columbia, 15,000; and Labrador, N.W. Territories, Yukon, etc., 21,000 megawatts double by 1990—other uneconomic.

NUCLEAR POWER PROGRAM

Canada has been developing a heavy water type reactor to use natural rather than enriched uranium fuels. This heavy water program has encountered many problems and much greater expenses than estimated. Late reports are that the program is now going forward with most of the problems resolved.

Currently Canada has 1,974 megawatts of nuclear capacity in operation. Plans are for 13,000 megawatts by 1985. By comparison, U.S. capacity in operation is approximately 15,000 megawatts and 215,000 is planned by 1985.

SOME REASONS WHY A TRANS-ALASKA PIPELINE IS IN THE BEST INTERESTS OF RESIDENTS OF THE MIDWESTERN UNITED STATES

Mr. STEVENS. Mr. President, abandoning the proposed trans-Alaska crude oil pipeline for a route across Canada may appear to be a reasonable solution to the Midwest's energy needs, but in actual fact it would only aggravate midwestern energy problems.

If construction begins in 1974, the trans-Alaska pipeline can be pumping oil by 1977, and this flow could reach almost 2 million barrels a day a few years later. On the other hand, an oil pipeline across Canada would not go into service before 1982–1984.

If the trans-Alaska line is operational by 1977, a natural gas pipeline across Canada can be feeding clean fuel to midwestern homes and factories by 1980. The 26 trillion cubic feet of gas at Prudhoe Bay cannot be tapped until oil production begins. A trans-Canada oil pipeline would delay completion of the gas pipeline until 1985–1987.

Existing fuel shortages in the Midwest are partly aggravated by a severe natural gas shortage. Industries and institutions now using gas—many use processes for which no alternate is available—now face or will soon face the threat of supply curtailment. As a result, former consumers of natural gas will have to search for alternate fuels and this could cause additional shortages, unemployment and economic dislocation.

The American Gas Association, which is composed of large U.S. gas utilities—including those in the Midwest—is actively in favor of early approval of the trans-Alaska oil pipeline to make Arctic natural gas available to the Midwest earlier.

The Midwest's fuel needs are linked not only to increased supplies of crude oil and natural gas, but to increased refining capacity. At present, the refineries in a region stretching from Chicago to Buffalo, and as far south as St. Louis, can handle 2.2 million barrels of oil daily. About one third of this comes from Canada, the remainder through seven pipeline systems from Texas, the Rocky Mountains and by river barge.

The midwest's refiners, for their part, would prefer to boost deliveries of so-called "light" crude oil from the Southwest and gulf coast, since their plants are engineered for treatment of this oil. By contrast, the oil on Alaska's North Slope is relatively "heavy," much like the average California crude oils, and midwest refiners would have to install new equipment to process it. The cost of this equipment for a 100,000-barrel-per-day refinery is in the order of $50 million, so midwest refiners would be faced with the need for very large investments in the order of $1 billion in processing equipment which already exists on the West Coast.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. DOMENICI. First let me compliment both Senators from Alaska for their diligence and efforts in regard to advocating the Alaska pipeline. As the Senator from Rhode Island said, it seems to me we are talking about what is good not only for Alaska but for the rest of the country. We know it starts in the Senator's State and has a rather significant economic impact on that State, but I compliment the Senator, not just because of his interest in his State but because it is in the entire interest of the country.

Let me ask the Senator the time it might take if the basic bill before us passes, the one which grants authority to extend the width of the pipeline right-of-way. Let us assume it passes and we go through the ordinary procedure of going through the courts with the impact statement, which has not yet been finally adjudicated. Would either or both Senators care to venture for the record an estimate as to how long it might take, based upon the best estimates they have knowing this is not something one can measure precisely, for the impact statement to go through the courts if it is the decision of the Congress to permit the line, and to let the NEPA impact statement take the normal course?

Mr. STEVENS. We have to use some assumptions to answer the question of the Senator from New Mexico. If this body were willing to do what the proponents of the Mondale amendment suggest, and that is suspend the NEPA requirements—it is very interesting that the Mondale amendment does what we seek for the Alaskan pipeline—and there was no question raised in connection with the suspension of NEPA requirements for the pipeline in the postulate of such a situation as it relates to the Alaskan pipeline, I would say we could have the Alaskan pipeline begun in the next construction season, which would begin about March of 1974.

That is if this body were willing to adopt the amendment my colleague and I have drafted very carefully and offered. That would be a finding by the Congress that the National Environmental Protection Act has been complied with, not that it has been suspended, as would be so in the case of the Canadian right-of-way, but that it has been complied with, and that the Secretary was directed to issue the pipeline permit, and the courts had been told that they may not review judicially the finding of Congress regarding the environmental aspects of the pipeline.

That would be the first postulate.

If we assume that is not in the bill, then, there is a minimum of 1 year following the enactment of a bill to complete the judicial review. In all probability, we would be dealing at least with the construction season of 1975.

Mr. DOMENICI. It seems to me that many Senators are talking about the propriety of the basic bill, but are also saying, let us have the impact statement take its natural course. Some are now asking if we could impose a priority on the Federal judiciary to take jurisdiction of any impact reviews, such as we have done in workmen's compensation cases and the like in the States. Many are saying that it would be fair to let NEPA take its course and to accelerate it through the judicial system.

In order for me to say whether that makes sense in terms of the crisis or not, I am searching for some evidence that it would take a year, as the Senator has said in direct response to my question, if we placed no priority mandate on the federal system, but just passed the new law, let the Secretary have permission to grant the right-of-way, let the consortium and the Secretary go through the judiciary for review, since that was already in process but got sidetracked on the issue of the 20-foot right-of-way.

Is the Senator telling me that without mandating on the federal system it would take 1 year after we got the bill passed for the impact statement to go through the federal system?

Mr. STEVENS. I was assuming this provision was adopted. This would be a minimum expediting period. The Secretary of the Interior is under injunction. He cannot issue the right-of-way permit. I take it he would have notified the court of his intention to do so. At that time the people undoubtedly would take the case back into court. The district court has already found validity for the impact statement, so I do not think it would take too long with the expedition request that would be in the bill. They would have to go to the court of appeals and the Supreme Court, and I cannot see that that can be done in less than a year, even if it is placed on the first of each calendar.

If one would examine the Supreme

Court decision, it is easier for the Congress to deny judicial review, if it is done properly, than it is for Congress to try to set the parameters of judicial review. Chief Justice Burger clearly has stated it is possible for Congress to deny judicial review if it does so properly, under the proper circumstances, and it is dealing with a congressional finding. In the amendment we have here, we are dealing with a congressional finding that the parties have complied with the Environmental Protection Act.

What has been done with regard to the environmental aspects is a unique situation. Court delay is something that is unpredictable in terms of time, unless Congress wishes to adopt our amendment, which I hope it will do.

Mr. DOMENICI. So, to summarize the three propositions, if I understand them correctly, and let me quickly review them, they are, one, we could proceed without expediting judicial review; we could urge that the judicial review, he expedited; or we could preclude judicial review, as suggested by the amendment of the Senator and his colleague.

Mr. STEVENS. I am sure the Senator would understand that the constitutionality of the third alternative would still be subject to review by the court, and if we have done our job properly, that would not take too long. If it were not done properly, I would think it would take a year to get judicial review.

I yield to the Senator from South Carolina (Mr. HOLLINGS).

Mr. GRAVEL. Mr. President, would my colleague from Alaska yield?

Mr. STEVENS. Mr. President, I yield to my colleague from Alaska.

Mr. GRAVEL. Mr. President, I think it is appropriate for members who wish to debate a measure to be present on the floor and not to come here to present their case and then go on to other business without engaging in a colloquy. I intend to engage in a colloquy on this matter.

Mr. ROBERT C. BYRD. Mr. President, if the Senator would yield, I would have to say that the distinguished Senator from Minnesota (Mr. MONDALE) came to my desk following the last yea and nay vote and inquired as to whether there would be further action or debate on the bill today.

I told him that I knew of none. So, I think that he probably left the floor on the strength of what I told him. I think that I ought to say that in explanation of his absence from the floor at this time.

Mr. GRAVEL. I hope that on tomorrow we shall have an opportunity to go over some of the facts that he put forward. One very serious statement of the Senator's was with respect to the time element. Those points are challengeable. In fact the time sequence in question is considerably less than the time frame that we experienced with respect to the Alaskan pipeline and we are still involved in it.

I think that the proper consideration would be at least to say that the amount of time it took us is about the same time it would take the Canadians.

I would like to make reference to a chart which I will bring back on tomorrow and cover with my colleagues, the Senator from Minnesota and the Senator from Indiana.

Very simply, looking at the chart we can see the various things that have to be accomplished in that period of time and the time frames on these actions and the time frames based upon our experience in this regard.

We can start first with the very simple fact that the Canadians have said that they may start on an energy policy for their country. That energy policy—and the papers are just being filled out now—will take about a year. That means that we are looking to 1974 before the Canadians are prepared to do anything conclusive. They then have to make a decision based upon studies as to whether they are going to build the pipeline through Canada and what time frame will be involved with respect to that.

It took us 4 years. Let us say that the Canadians are a little brighter than we are and are privy to the research that has been done, as we were privy to the research that was done. However, it took us 4 years. Let us say that it will take them 3 years. That puts them in 1977.

The natives in Canada last year began to assert their interest in getting the native land claims settled. They have stated—and I have had printed in the RECORD a statement by one of their leaders—that there is no way in which they can permit the construction of a pipeline through Canada until they get their land claims settled.

In our very cavalier way, we say that we will take the right-of-way and then let the Canadian people pay them for what they have coming. That is a very unfair assumption.

I think that the Canadian natives are as intelligent as our natives, and they will do exactly what the Alaskan natives did, and that is to hold the land hostage until the claim is settled.

Let us say that it took us 4 years. Let us say that they could do it in 3 years. That brings it up to 1980. Anyone who assumes that there will be no environmental objections in Canada is acting in a very naive fashion. That would be the same as saying that the Canadians are not as concerned over their environment as we are over ours. That is totally unfair.

We can only use a guess on the length of time, and that of course is the fact that it took us 3 years. However, being very conservative, I will not apportion any time that it will take the Canadians. It took us 3 years in this country, and we have not solved it yet.

With respect to the construction of the lines of the same type as the Alaskan line, I think it would be fair to say that it will not take twice the period of time. Maybe it would only take the Canadians 1 extra year. That would be 4 years. That would give the Canadians a pipeline by 1984.

I think it is unfair to say, as was stated by the Senator from Minnesota (Mr. MONDALE), that we can get a Canadian line quicker than an Alaskan line. That is really begging the question.

The only fair way in which to approach this problem is to make a comparison as to what our track record is in the same area and compare the time frame with the Canadian situation.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. LONG. Mr. President, it will obviously take a lot longer to build a pipeline that goes for a much greater distance than to build a pipeline that goes for a much shorter distance. Is not the pipeline through Canada about twice as long?

Mr. GRAVEL. The Senator is correct.

Mr. LONG. Mr. President, it will obviously take longer to build a pipeline that goes twice as far as it would take to build one that goes only half as far.

In addition to that, we do not have an agreement with Canada.

Mr. GRAVEL. The Senator is correct. We are just starting with the Canadian decisionmaking. We have not touched these negotiations which would obviously take a year or more.

Mr. LONG. So that we can assume the Canadians will do what other nations would do, and that is to say that they have something that is very valuable to the other guy and that they want a high price for it.

That is a safe assumption. Usually when one nation wants to go across the soil of another nation, the fellow there always wants a very high price for giving the right-of-way. I suppose that if the pipeline is going to be of use to our people but not to the Canadians, they are not going to bleed a lot of oil and gas off the pipeline for their own benefit.

That gets us to the second question. What assurance can anyone give that the Canadians will not insist that every community bordering on that pipeline and that province through which that pipeline goes will not insist that, since they have a need for that product, it should be siphoned off for their benefit?

Mr. GRAVEL. I think there is a certainty they would require that. They would be derelict in their duty if they did not. We did that in Alaska. We will do it with the new pipeline that comes near Fairbanks. Why should we not expect them to do what we ourselves do?

Mr. LONG. My impression has been that it is just standard operating procedure, when someone wants to build a pipeline through your territory, if you are looking after your own personal interest, for you to say, "You want to build it across my side; I suppose I will let you build a pipeline for a fair fee, provided you will let me tap onto it and take out such as I might have a need for myself."

Is there anything unfair about that? It is just like saying, "If you are going to build a highway through my property, I would like the privilege of getting off and on and being able to get some benefit out of it myself."

Furthermore, even assuming you get the agreement, do you not have another problem, which is that most treaties have been broken, and it is always possible that when the time comes that we need the fuel the most, the fellow on the other end might say that he is going to insist on renegotiating it? Is that not one of the problems we have with the Arab nations right now, about our oil supply?

Mr. GRAVEL. That is the best time to renegotiate, when they have a problem.

Mr. LONG. That is right. When the fuel is in short supply. And is it not true, as a matter of international law, that it is pretty well recognized that you cannot hold the smaller nations to a contract if they find it is not to their advantage?

How did we make out in the United Nations with Panama? We had a treaty that said we owned that Canal Zone in perpetuity. How many votes did we get? Can the Senator recall?

Mr. GRAVEL. No, I do not.

Mr. LONG. I think it was just two, us and England.

Mr. GRAVEL. That is probably because they were still smarting over Suez.

Mr. LONG. Yes; England could see our standpoint, because England had the same problem when Egypt decided to close down Suez. But as I recall, England is the only nation in the entire United Nations that voted with us to say that you can hold a smaller country to the contract it made with you.

You cannot really hold those people to a contract, even when they sign it. If they get a government that is not entirely friendly to you, and decide they want to do business on a different basis, they insist on renegotiating, and they show up with traditional pride and sovereignty and just decline to honor the old terms, and insist that if the pipeline is to be used at all, it be on their terms, which will have to be more favorable than the old terms.

What are we going to do about that, if they decide to do business that way?

Mr. GRAVEL. We can do nothing about it under the present situation that exists in the world.

Mr. LONG. All you can do is bend the knee, under the new rules of international law. It would be unthinkable for this country to go to war with Canada or invade that country because they would insist on renegotiating the arrangement they had.

In the last analysis, does it not get down to this, that if it is oil you are transporting across that pipeline, it would cost a little more to get the oil wherever you might want it in the United States if you have to put it on a tanker in Alaska and bring it down to the continental United States, or the old original 48 States, but while that might cost a little more, you would have the advantage that you would know you could get it there?

Mr. GRAVEL. I would not be totally in agreement that it would cost a little more. I think with the way prices are increasing in the OPEC countries, and the way prices are rising in Canada, if they tell us they are going to increase their product 25 percent, it is because we are consuming too much, not because of how they are involved. It may look that way, but when faced with the realities of what the Senator from Louisiana is suggesting, that when we give up control we give up pricing control to them as well; and if the price is what we thought it was going to be, expensive, what we thought was going to be more expensive may turn out to be the cheapest, because if you follow it all along, though everybody talks about expensive Alaskan oil, with the exception of Louisiana oil the cheapest oil in this country is going to be Alaskan oil, when this whole scenario is played out in the next decade.

Mr. LONG. Yes; and does it not get down to the simple matter that there is no nation on Earth, with the possible exception of the United States, that would even dream of having their fuel—which is theirs, they own it—their fuel, produced on their property, have to be subject to the acquiesence of some other foreign power, in order to make it available to their own citizens? Can the Senator think of any nation on Earth that would even dream of making their fuel supply, produced by their people on their land, subject to the whim or caprice of any foreign power over which they have no control, when they have it within their power to have it completely within their own domain and their own control, where they can do with it whatever they please?

Mr. GRAVEL. That is right. And that would be the unfortunate consequence of the Mondale-Bayh amendment, is that it does take just that situation, where we have some hope of satisfying our problem, and compound it by taking the triggering mechanism for satisfying the problem and putting it in the hands of the Canadians. Regardless of the fact that they are our closest friends, I think it is a ridiculous situation, because they are in business to represent their interests, and if they can use this triggering mechanism to enhance their interests, they would be foolish not to do it. If we are foolish enough to give them something, they would be twice as foolish not to use it. Right now we have an amendment to give them something, and I do not think the Canadians are so foolish that they will not use it. They will use it to their best interests, and I would have no respect for them if they did not.

Mr. LONG. We just had an amendment today, voted by an overwhelming majority of the Senate, that, insofar as fuel is available in the United States, it should be available generally to all sections of the United States and all citizens of the United States.

Mr. GRAVEL. That should be altered, because what the Mondale amendment would do is say, "We are taking a part of that American fuel which lies in Alaska, making it first available to the Canadians, and subjecting it to whatever manipulation they want to put it through, and then whatever is left over, whatever shape it is in economically, is available to the rest of the United States."

Mr. LONG. That would seem to say that we would make that available to Canada first, and then to Minnesota and the areas which it will pass through, by the pipeline, and put the people of the United States second; but in order to try to make it more advantageously available to one section of our Nation, we would fix it up so it might not be available to the United States at all. Is that about the size of it?

Mr. GRAVEL. When we get to an emergency that would probably happen.

Mr. LONG. Because if the pipeline passes through some other nation, you can never be sure they will not do what the Canadians have just done to us when they decided that they would not make Canadian oil available to the United States. Is the Senator familiar with that?

Mr. GRAVEL. Yes, I am, and they are acting in their best interests, and we should expect that. If we turn around and give them tools they can use against us, and so enhance their best interests, obviously they will use them.

Mr. LONG. Some time ago we were discussing the desirability of having our own requirements of fuel available here. It had to do with the depletion allowances and various other matters.

The Senator from Wisconsin (Mr. PROXMIRE) was contending that we could rely upon Canadian oil to the same extent as we could rely upon American oil.

I hope the Senator will read the RECORD and see if he is still of the same opinion, now that Canada has just told us we cannot have their oil, they find they can use it all themselves, so if it is all the same to us, it is no longer available to the United States.

Mr. GRAVEL. Right; and that is not an unusual position. In other words, they are a sovereign power. They have not had any great Canadian oil discoveries, so they are saying, "We have got only enough to take care of ourselves." They are building a line that will go across Canada to supply their eastern markets. So it is certainly unreasonable for us to assume that they will deny their people oil for our benefit. It is not unreasonable to assume that we will get a piece of that oil. In fact, I would term it Yankee arrogance that because we are big and we need the oil, and they have got some, that they will share it with us automatically. That is ridiculous. We would not share it with them if the situation were reversed. So I think that their decision is the proper one, and that is, they do not plan to export any appreciable amounts of oil. If someone is relying on Canada to export oil to us and would be developing any policy of this Nation based upon getting oil from Canada, they must have some other information or knowledge about oil reserves that the rest of the world does not know about.

Mr. LONG. I do not know what it is that makes some people think that other nations like Canada, which is a good example—exist only for the benefit of the United States. They do not think the same way. I applaud them for having pride in their own nation. I could not agree more with the Senator that Canada is a sovereign nation. I do not believe that I will ever be heard to scream with anguish when we find that these nations look after their own national interest first. They should do so.

If Canada wanted to become a part of the United States, it had every opportunity to do so. The welcome mat has been out for many years, so much so that it is plain by now that the sovereign nation of Canada does not care to be a state of the United States, or 5 or 6 or 10 states.

If one could disabuse himself to the idea that those people exist for our benefit, he would recognize that each nation, if it can, makes its own arrangements to serve its own people independent of whether some other foreign nation would have it that way or not.

So I agree with the Senator in saying that the Alaskan pipeline should be built. The suggestion that we should build one across Canada before we build one across our own territory in order to make that oil available to the people of the United States is, in my judgment, pretty ridiculous.

Mr. GRAVEL. Mr. President, I want to thank my colleague from Louisiana very much for this colloquy. Tomorrow, my colleague Mr. STEVENS and I will engage Senators MONDALE and BAYH in colloquy on this very important issue for the Nation.

I also want to thank the distinguished majority whip for his indulgence in accommodating us and arranging for this time.

Mr. President, I yield the floor at this time.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Alaska is very welcome.

THE BREZHNEV VISIT

Mr. STEVENS. Mr. President, on behalf of the Senator from Texas (Mr. TOWER), I ask unanimous consent to have a statement by him printed in the RECORD, together with an article.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR TOWER

I have received considerable correspondence from my constituents since the recent American summit between President Nixon and Soviet General Secretary Brezhnev, much of which opposes a relaxation of the tension between our two countries which marked the Cold War era. In good conscience, however, I must support the President's initiatives in ending the simmering hostility that characterized earlier Soviet-American relations. While I feel we should approach all negotiations cautiously, we, nevertheless, have the responsibility to seek every reasonable avenue toward peace.

A recent editorial by William Randolph Hearst, Jr. conveys this theme of negotiation with caution. I commend Bill Hearst's comments to my colleagues as an eloquent observation on the Brezhnev visit, which I add at this point.

THE BREZHNEV VISIT

(By William Randolph Hearst, Jr.)

It was a little more than 18 years ago (January '55 to be exact) when I first met the number one man of world communism. He was the short, bold, beady-eyed Nikita Khrushchev. The scene was the First Secretary's office in the Communist Party headquarters in Moscow.

The other night I met his successor and ex-protege. He is—of course—the powerfully built, dark-visaged, rather handsome Leonid Brezhnev. This time the scene was the house of the President of the United States, Number One man of the free world.

Some of you regular readers of this literary effort of mine may recall that in '55 I received what was tantamount to an invitation from on high to visit Moscow—something my father had been dead set against my doing in my war correspondent years during World War II.

However, the suggestion that my application for a visa would be favorably received was made by a representative of the Russian Embassy in Washington, who would never have undertaken the responsibility on his own. Coupled with it was an assurance that things in Russia were different than under the infamous Joseph Stalin.

The Russians, upon my insistence, reluctantly agreed to two of my closest friends and wisest newspaper colleagues accompanying me—Joe Kingsbury Smith, who had spent years covering the diplomatic front here and abroad, and my late, great reporter and editor friend, Frank Conniff. We had been war correspondents together, and his knowledge of recent Russian history ideally fitted him to round out our so-called task force.

As it turned out, you may recall, we interviewed the then four top rulers of Russia and were present at the changing of the Soviet head of government; Premier Malenkov was retired, and Bulganin took his place.

Our interviews—which Pravda printed on page one and in full—with Nikita Khrushchev, head of the Communist party, Bulganin, the new premier, Molotov, then foreign minister, and Marshal Zhukov, a great army general and defense minister, later won us the Pulitzer Prize for distinguished international reporting.

Khrushchev used both of these expressions with any Western newspaperman or even diplomats. In addition, we met and interviewed for the first time, Svetlana, Stalin's daughter. We had the same experience with the Patriarch of the Russian Orthodox Church, the great composer, Dimitri Shostakovich, and the stars of the famed Bolshoi Ballet Corps.

I think it can be truthfully said that, following the iron rule of Stalin, the policy of the Russians under Khrushchev began to change from a closed society to a somewhat more open one. I believe we were the first ones to hear from their topside the two expressions "peaceful coexistence" and "collective leadership" (as opposed to a single dictator-type).

Khrushchev used both of these expressions several times in our 3½ hour interview with him, and while we couldn't be sure then, it turned out he was telling the truth.

While quite unlike in appearance, certainly the governmental philosophy and psychology of both Khrushchev and Brezhnev are quite similar. They are out to, as Dale Carnegie put it, "win friends and influence people."

Many knowledgeable people, while hoping that our two nations could develop a really trustworthy, friendly relationship, are going to take a bit more convincing than just the words and smile and affable attitudes of one man. I must include myself in this group. The Soviets' record for keeping their word is not a good one although they would justify anything they did as being in the best interests of communism and therefore entirely justifiable in their eyes.

This is not, of course, the spirit in which we enter agreements and will remain (and probably should remain) a reason for our not feeling totally at ease or confident that they could ever be a trusted ally.

The fundamental difference is a matter of our Christian ethic versus their devotion to the advancement of communism. To them, the end justifies the means.

With us, if we make a bad bargain, we feel ethically bound to keep it until we honorably discharge it or openly announce our intention of no longer keeping it.

We must always bear in mind that Communists will honor agreements only as long as their leaders consider it serves their interests to do so. This is dogma with them.

That, however, is no reason why we should not make agreements with them—as long as the agreements serve our interests, too.

Thus I welcome the atmosphere and results of the Nixon-Brezhnev summit meeting. One cannot help but feel a sense of relief when the leaders of the world's two most powerful nations, each of which possesses the nuclear capacity not only to destroy the other but to wipe out the human race, are concluding agreements for improved relations, for further limitation of nuclear weapons and for closer cooperation, especially in the economic field.

What a pleasant change from the dangerous worrisome days of the Cold War when Stalin brought us to the brink of war over the Berlin blockade and, later, when Khrushchev did the same thing over the installation of Soviet missiles on our Cuban doorstep.

When the history of this era is recorded fifty years hence, I believe the great achievements of President Nixon in establishing better relations with Russia and Communist China and getting America militarily out of the Vietnam conflict will far outshadow in importance the Watergate political scandals which are getting so much attention now.

In attending, with my wife, Austine, the official state dinner at the White House for the Soviet leader, we were pleased to note how well the President looked. He was in excellent form and good spirits all evening.

As for Brezhnev, I found the burly, bushy-browed No. 1 ruler of Russia had considerably more warmth than I had expected. He was obviously doing his best to be affable, but the charm is there when he wants to put it on. He has humor and the gift of gab. He is not the clown that Khrushchev appeared to be at times.

When I reminded him, through his interpreter, Viktor Sukhodrev, who was also present at my second meeting in Moscow with Khrushchev, that it was through the Hearst Task Force that the latter had first advocated the peaceful co-existence policy, he beamed and said: "We are allies." His knowledge and use of English is so restricted that I'm inclined to think he meant "friends" but "allies" is the word he used.

Keeping in mind that this is the same man who ruthlessly crushed the Czechoslovakian freedom movement in 1968, he now seems genuinely interested in the maintenance of peaceful and normal relations with the United States.

Russia desperately needs American economic and technical aid to help it overcome the structural weakness of its economy. From the standpoint of economic progress and advancement toward a modern, industrialized state, the Communist system has proved a dismal failure in the Soviet Union. Neither under Stalin, Khrushchev nor Brezhnev have the Soviets been able to solve their agricultural problems.

Another major reason why Brezhnev is trying to cozy-up to Uncle Sam is the bitter hostility that exists between the rulers of Russia and Communist China, which one day will have a population of one billion people, will seek to regain the resource-rich and sparsely inhabited areas of Siberia that the czars stole many years ago.

Brezhnev wants the United States to get involved in the development of the vast oil and natural gas resources in Siberia. Undoubtedly he thinks that if America has a big enough stake in that area and becomes dependent upon it to help overcome its future energy shortages, it would exert a restraining influence on China.

If we can sell— even on long-term credit— our goods and technological know-how to Russia and get in return more gas to run our cars, providing at the same time a vested interest for the Soviets to keep the peace with us, I'm all for it.

Just let's not fool ourselves that the Cold War is completely over or that the Soviet leaders have abandoned the ultimate aim of achieving, perhaps by measures short of all-out nuclear war, Communist domination of the world.

SENATE RESOLUTION 141—EXPENSES OF INQUIRIES AND INVESTIGATIONS, FISCAL YEAR 1973

Mr. HOLLINGS. Mr. President I send to the desk a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. HASKELL). The clerk will report the resolution.

The legislative clerk read as follows:

Resolved, That the Secretary of the Senate is authorized to utilize $350,000.00 of any fiscal year 1973 appropriation for the purpose of paying expenses from the appropriation "Expenses of Inquiries and Investigations, fiscal year 1973," such sum to be restored from funds appropriated for said appropriation in the Legislative Branch Appropriation Act, 1974.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none and the Senate will proceed to the consideration of the resolution.

Mr. HOLLINGS. Mr. President, this resolution is being sponsored by me as chairman of the Legislative Appropriation Subcommittee with the concurrence of Senator COTTON, the ranking minority member of the subcommittee. It has been cleared with the majority leader and the minority leader.

This resolution authorizes the Secretary of the Senate to utilize not to exceed $350,000 of unobligated balances of appropriations for fiscal year 1973 to pay for expenses incurred under the appropriation for inquiries and investigations which appropriations account has been exhausted.

These funds will be reimbursed when the regular annual Appropriations Act for the legislative branch for fiscal year 1974 is enacted.

Mr. President, at this point I ask unanimous consent that there be printed in the RECORD a letter from the distinguished Financial Clerk William A. Ridgely, as justification for the requested transfer.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE SECRETARY,
Washington, D.C., July 6, 1973.

Hon. ERNEST F. HOLLINGS,
Chairman, Subcommittee on Legislative Appropriations, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: A current review and analysis of the condition of the appropriation "Expenses of Inquiries and Investigations," fiscal years 1973, reveals a very critical situation which requires immediate additional funding.

Therefore, I recommend for the consideration of your subcommittee, for inclusion in the Legislative Branch Appropriation Act for fiscal year 1974, an item for an additional $500,000.00 for the appropriation "Expenses of Inquiries and Investigations," fiscal year 1973.

As will be noted below, the amount requested provides a small margin in the event obligations for fiscal year 1973 are higher than those estimated amounts on which I have determined the deficit.

The analysis of this account reveals that a total of $12,124,785.00 has been available in this appropriation (including $511,460 for the Committee on Appropriations), of which $276,240 is included in the Second Supplemental Appropriations for fiscal year 1973. To date, the unexpended balance is $104,604.82.

Vouchers in process for payment approximate $232,505.36 and our records reflect payments in the amount of $324,899.33, after the close of fiscal year 1972, which indicates at this time an estimated total obligation of $557,404.69. This amount less the unexpended balance of $104,604.82 results in an estimated net deficit of $452,799.87. This deficit is predicated on the expectation that the estimated payments to be made after the close of fiscal year 1973 will at least equal the amount paid after the close of fiscal year 1972. Our records for the past two (2) fiscal years sustain this expectation.

The analysis reveals that the gross payrolls alone for general investigations have increased during the past four (4) months from $935,354.51 for the month of March to $1,056,302.21 for the month of June. The annualization of the June payrolls totals an amount that exceeds the budgeted amount for this appropriation for fiscal year 1974. Other expenses paid from this appropriation for general investigations have averaged $153,157.19 during the same four (4) month period. Therefore, the annualized expenditure rate is $14,513,514.00 (based on the June payroll and the average monthly expenditure for other expenses).

The annual amount currently authorized for salaries and expenses for general investigations under this appropriation now totals $15,984,848.00. These authorizations are provided for by the Legislative Reorganization Act for expenses (other than salaries) of Standing Committees and by Senate Resolutions for salaries and expenses of Subcommittees, Special and Select Committees.

I am aware that it is more appropriate to present such a request for consideration in a Supplemental Appropriation Bill, but the urgency of the matter is such that I am compelled to present my request for your consideration at the earliest possible time.

If there is any further information or details I can furnish your Committee regarding this request, I would be pleased to comply.

Respectfully,

WILLIAM A. RIDGELY,
Financial Clerk, U.S. Senate.

Mr. HOLLINGS. Mr. President, I ask for the adoption of the resolution.

The resolution (S. Res. 141) was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 7528) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

ORDER FOR RECOGNITION OF SENATOR McGOVERN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on tomorrow, after the majority leader and the minority leader or their designees have been recognized under the standing order, the distinguished Senior Senator from South Dakota (Mr. McGOVERN) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND RESUMPTION OF THE UNFINISHED BUSINESS THEREAFTER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the remarks of the distinguished Senator from South Dakota (Mr. McGOVERN) tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes; at the conclusion of which the Senate resumed its consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at the time the Senate resumes the consideration of the unfinished business tomorrow, I be recognized at that time to call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 1083

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and this matter has been cleared on both sides of the aisle—that at such time as S. 1083, to amend certain provisions of Federal law relating to explosives, is called up and made the pending business before the Senate, there be a time limitation of 2 hours for debate on the bill, to be equally divided between the Senator from New York (Mr. JAVITS) and the Senator from Massachusetts (Mr. KENNEDY) or his designee; and that there be a limitation of one-half hour on any amendment, debatable motion, or appeal, the time to be controlled and divided in the usual form and the agreement to be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate complete its business today, it stand in adjournment until 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BAYH

Mr. ROBERT C. BYRD. Mr. President, I think I should ask unanimous consent that upon the disposition of the amendment by Mr. JACKSON tomorrow, the Senate resume consideration of the Mondale amendment and that at that time Mr. BAYH be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. It is my understanding that there is an equal time agreement. If the Senator from Indiana is recognized at 1 o'clock, is there any time limit in terms of bringing the equal division of time into play? For how long is the Senator from Indiana to be recognized tomorrow afternoon? Until he has completed? Perhaps this is not subject to the unanimous-consent agreement, but it is something in which I am interested.

Mr. ROBERT C. BYRD. The Senator has asked a pertinent question.

There is a time limitation on the Mondale amendment, and the time is equally divided.

I would say, in answer to the Senator, that conceivably the Senator from Indiana, with the amount of time that remains under the control of the author of the amendment, if he sought to do so—and I have no indication that he intends to do so—could, after securing the floor, speak without yielding the floor at least until the conclusion of the time allotted under the control of the authors of the amendment.

Assuming that that occurred—and I do not anticipate that it will occur—the Senators in opposition to the amendment would have no assurance of getting the floor until that time had expired. Once they got the floor, they would then have the right to control the floor as long into the evening as they wished to have it on the time allotted to them.

Mr. STEVENS. That is the reason why I asked the question. May I inquire of the Chair how much time remains on the Mondale amendment?

The PRESIDING OFFICER. Senator MONDALE has control of 3 hours and 40 minutes. Senator JACKSON has control of 4 hours and 14 minutes.

Mr. ROBERT C. BYRD. Which explains why the Senate is starting out tomorrow on the unfinished business, rather than taking up a first-track item in the early part of the day.

I do not believe that those in opposition to the amendment will have a problem in getting the floor at a reasonably early hour during the afternoon. But under the agreement, it is possible that Mr. Bayh, when he got the floor, if he so desired, could keep the floor at considerable length before yielding.

Mr. STEVENS. Then, under the agreement, on Friday morning we are to come in at 11 o'clock and vote at 1 p.m. So there would be 2 hours on Friday morning.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. STEVENS. If my understanding is correct, if Senator MONDALE wishes to have at least half of that time left, the proponents will have to yield the floor after 2 hours and 40 minutes tomorrow.

Mr. ROBERT C. BYRD. The Senator is correct, unless on tomorrow we reached an understanding that the time on Friday would be equally divided regardless of how much time is used up to the close of business tomorrow.

The PRESIDING OFFICER. The Chair would like to inquire out of whose time is this time coming?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time that has been utilized following the giving up of the floor by the Senator from Alaska (Mr. GRAVEL) not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, does that order change the amount of time remaining to both sides?

The PRESIDING OFFICER. The information stands as given.

Mr. ROBERT C. BYRD. Would the Chair mind repeating that, please?

The PRESIDING OFFICER. The Senator from Minnesota (Mr. MONDALE) has 3 hours and 40 minutes remaining and the Senator from Washington (Mr. JACKSON) has 4 hours and 14 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Presiding Officer.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10:30 a.m.

After the two leaders or their designees have been recognized under the standing order, the distinguished senior Senator from South Dakota (Mr. MCGOVERN) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 3 minutes.

At the conclusion of the period for the transaction of routine morning business, the Senate will resume its consideration of the unfinished business, the rights-of-way across Federal lands bill; and at that time the junior Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for the purpose of calling up his amendment. There is a good likelihood that a yea-and-nay vote will occur on that amendment.

At no later than 12 p.m. tomorrow, the distinguished manager of the bill (Mr. JACKSON) will be recognized to call up his second amendment, on which there is a 30-minute limitation. Under the previous order, that amendment was to have been called up today. Whether or not there will be a yea-and-nay vote on Mr. JACKSON's amendment, I am not prepared to say. Upon the disposition of the Jackson amendment and no later than 1 p.m. tomorrow, under the order previously entered, the distinguished Senator from Indiana (Mr. BAYH) will be recognized, and a resumption of debate will ensue on the Mondale-Bayh amendment.

Votes could occur on amendments to that amendment tomorrow afternoon; and by unanimous consent, the amendment can be set aside at any time and other business or other amendments considered, on which rollcall votes could be had.

So, to repeat: Yea-and-nay votes will occur on tomorrow.

ADJOURNMENT TO 10:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10:30 o'clock a.m. tomorrow.

The motion was agreed to; and at 6:21 p.m. the Senate adjourned until tomorrow, Thursday, June 12, 1973, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 11, 1973:

NATIONAL LIBRARY OF MEDICINE

The following-named persons to be members of the Board of Regents, National Library of Medicine, Public Health Service, for terms of 4 years from August 3, 1972:

Ethel Weinberg, of Pennsylvania, vice George William Teuscher, term expired.

Eddie G. Smith, Jr., of the District of Columbia, vice Max Michael, Jr., term expired.

IN THE ARMY

The following-named officers to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Hal Bruce Jennings Jr., [redacted] Army of the United States (major general, U. S. Army).

Maj. Gen. Richard Ray Taylor, [redacted] Army of the United States (colonel, U. S. Army) for appointment as the Surgeon General, U. S. Army, with the grade of lieutenant general, under the provisions of title 10, United States Code, section 3036.

IN THE NAVY

Comdr. Paul J. Weitz, Jr., U.S. Navy, for permanent promotion to the grade of captain in the Navy in accordance with article II, section 2, clause 2 of the Constitution.

CONFIRMATION

Executive nomination confirmed by the Senate July 11, 1973:

COUNCIL OF ECONOMIC ADVISERS

Gary L. Seevers, of Virginia, to be a member of the Council of Economic Advisers.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

SPEECH BEFORE THE SLOVAK WORLD CONGRESS

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HANRAHAN. Mr. Speaker, representatives of the major Slovak organizations from all parts of the world came together in Chicago to attend the General Assembly of the Slovak World Congress, held June 28 to July 1, 1973, at the Pick Congress Hotel.

The Slovak World Congress is the voice of all Slovaks in the free world with the following aims and objectives:

To support advancement in cultural, political, scientific, religious, social and economic life of the Slovak nation and its people everywhere;

To represent Slovak people before a world forum and to state and affirm the right of Slovak nations of self-determination.

I was honored to have been asked to deliver welcoming greetings to the 1,500 Slovaks who attended the Congress. The text of my remarks was as follows:

SPEECH BEFORE THE SLOVAK WORLD CONGRESS

President Stephen Roman, Most Rev. Andrew G. Grutka, Honorary President, and Mr. Joseph Trubinsky, the Secretary for the United States of America and my good friend, I welcome cordially, all Slovaks to Chicago.

It is an honor to have the opportunity to make a few remarks before your World Congress; especially at the present time. The newspapers are filled with articles about East-West detente (dā-tant). We may well stop and ask ourselves "detente" for whom? Certainly not for the Slovaks, or other peoples of captive Eastern nations. They have not witnessed a relaxation of tensions. The Communist grip on these countries is as tight, if not tighter, than ever. Five years after the Warsaw Pact invasion of Czechoslovakia, close to 60,000 Soviet troops are still stationed there, and from all indications, they intend to stay.

The presence of Soviet troops on Czechoslovak and Slovak territory has made possible a policy or repression against those associated with the brief and poignant period of liberalization under Alexander Dubcek in 1968. The current series of political trials against intellectuals are painfully reminiscent of the Communist purges of the 1950s.

We in the West, are currently working on a policy of detente with the Soviet Union. Clearly, a move away from confrontation to cooperation can only promote international peace and understanding. But, closer relations with the Soviet Union should not take place without taking into full consideration the plight of the oppressed peoples of Eastern Europe.

The Western countries were right in insisting that freer movement of people and wider exchange of ideas and information be placed on the agenda for the European Security Conference which is scheduled to open in July. Detente in Europe will become a reality only when the barriers which keep Eastern Europe in physical and spiritual isolation are removed. I also hope that the scheduled talks on Mutual and Balanced Force Reduction will result in the withdrawal of a substantial number of Soviet divisions from the countries they now occupy.

Despite the courage and perseverance the Slovaks and other peoples of Eastern Europe have displayed time and again in their relentless search for internal liberties and external sovereignty, they cannot achieve their goals without outside help. It is our duty, and only in keeping with our own ideals, to extend our support. The world will not know genuine peace until every country enjoys freedom and can exercise the right to self-determination.

The history of Slovakia is one of turmoil, frustration, and heroic struggle. Your continued devotion to the cause of a free and independent Slovakis—despite hundreds of years of oppression—is an inspiration to those of us who cherish freedom as you do. These are the characteristics that help us, in maintaining a better and stronger America.

The existence of this World Congress is an important step in achieving your long delayed place among the family of the free nations.

The true spirit of the meeting was exemplified by the statement of Mr. Stephen Roman, president of the World Congress. I would offer this for my colleagues information, and to serve as an example of the spirit of these courageous people dedicated to the principles of freedom which this country were founded upon.

SLOVAKIA IN THE FAMILY OF NATIONS

Situated at the crossroads of civilizations and exposed to the imperialistic designs of great powers, Slovaks passed through history decimated by invaders and hampered in their cultural growth.

They have survived. They gathered their spiritual and material forces, and after ten centuries of precarious existence in the shadows of European history, they reemerged as a nation. There are more than five millions of them in their native country, on the slopes of the Carpathians and on the banks of the Danube, and scattered throughout the Sudetenland. Nearly as many Slovaks live in other parts of the world.

Neither invasions nor centuries of foreign rule were able to subdue their spirit. At the dawn of this history, their forefathers forced their conquerors to descend from their horses, cultivate the soil and build abodes. With justifiable pride they can claim that even as a conquered people and deprived of their own ruling class, they made their continued contribution to the development of European culture and civilization.

The existence of the Slovak nation can be measured by millenia. However, while historians of some nations recorded the glory of their dynasties and wrote pages of triumphant victories over other nations, Slovaks wrote their history by honest and hard work. Notwithstanding trials and tribulations the Slovaks were always God-fearing people, and continued their contribution to the brotherhood of man.

From the earliest days of its existence Slovakia has been a land full of spiritual and cultural resources. The Slovak plains and valleys were the cradle of Slavic civilization. The first literary works in the Slavonic language were created there; the Holy Scriptures were there translated into the vernacular and the uniquely warm and stirringly beautiful Slavonic Liturgy was born there.

After their proud emergence on the scene of history in the 9th century the Slovaks were forced to recede into the shadow of European development; but, Slovakia did not cease to be a land of culture and a place for new ideas. All cultural and artistic currents found an echo and fertile soil in Slovakia, and Slovak contribution became a part of the European cultural heritage.

For centuries Slovaks were forced to fulfill their mission in the community of European nations through the achievements of outstanding individuals. The achievements of these individuals greatly contributed to the overall efforts of humanity towards progress and civilization, although many of them are known today as members of other nations.

The Pan-Slav movement was born in Slovakia and gave it the best known poet, Kollar, and the first scientist, Safarik.

Even, under the present oppressors the people of Slovakia are surviving, as they survived under similar tyrannies in the past. The annals of history will not fail to record that it was in Slovakia where an effort, by a Slovak, Dubcek, was sucessful, even though brief, to give a human face to the brutal system of Soviet Communism.

These efforts resulted from the moral and philosophical principles which have guided, and continue to guide, the Slovaks throughout their history. Their philosophy of life was anchored in the idealistic rather than materialistic world outlook, in the axioms of humanism (Comenius), and in the appreciation of freedom equally for themselves as for other nations.

Such is the land from where we came and these are the people for whom we claim an equal place in the family of nations.

Today we are citizens of the United States, Canada and many other free countries of the globe; but, we proudly point to our heritage, and feel a moral obligation to speak, today, on behalf of the Slovak people when they are deprived of the freedom to communicate with the rest of the world.

AGENT HELPS WITH BETTER LIVING ANSWERS

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. GINN. Mr. Speaker, one of the unsung heroes in rural America is the local county agent. These dedicated public servants provide a vital service to citizens throughout our Nation, and their good works benefit all of us through the increasing productivity of the American farmer. Today, the county agent is an expert in many fields of endeavor.

I would like to share with my colleagues the story of this expanding panorama of responsibilities that are borne by the county agent.

The Savannah Morning News in its June 14 edition carried an excellent article concerning the work of Mr. Clarence Williams, Liberty County extension agent, and I would like to insert it in the RECORD at this point:

AGENT HELPS WITH BETTER LIVING ANSWERS

HINESVILLE.—When people in this Georgia coastal county call their local University of Georgia Extension office, they want to know far more than how to keep beetles out of their beans.

Agriculture, home economics and 4-H work are still very much a part of the Liberty County Extension program, but leaders here have given free reign to a fourth Extension dimension: community and resource development.

When Liberty Countians call their Extension agent's office, they are likely to pose questions such as, "How can I get a new house built?" "How can I get the road paved in front of my house?" or "What can I do about all this junk sitting in my yard?"

Community and resource development is not a new Extension approach, but it is receiving more attention from Extension agents in counties like Liberty where production agriculture is not the economic mainstay it once was in this county.

AGENT HELPS FIND ANSWERS

The agent helping Liberty County residents find the answers to questions on housing, road paving, solid waste and a myriad of other problems is Clarence Williams.

Williams, supported by Commission Chairman Jones Peebles and Extension Agent Alfreta Adams, works under a clear mandate from his county commission.

Two years ago commissioners charged Williams with responsibility for community and resource development work. They asked him to serve as coordinator for community and industrial progress in the county, and since then he has moved full steam ahead on development projects.

"All my commissioners asked me to do was coordinate with individuals and groups so that we all could work together on projects," Williams said.

TAKES DIFFERENT GROUPS

"Extension is not in a position to do everything the people need in a county. It takes a lot of different people and a great number of organizations to get things done."

"We're working toward an attitude in Liberty County where any person or group planning a project will feel free to call our office and involve us," Williams emphasized. "We just want to be close enough to the people here so they will want to share their efforts with us.

"We're trying to avoid a community situation where every agency or organization is concerned with getting credit for a certain project. We want everybody involved right from the beginning."

PERSON-TO-PERSON WORK

One way Williams has sought to foster this community feeling is to do a great deal of person-to-person work. He spends much of his time talking with people about their problems and digging out what they think solutions might be.

"Often when the county is ready to pave a road, we have trouble getting the right-of-way easements," Williams said. "I find it takes knocking on doors, meeting people in the roadway or out in their fields to tell them face to face they now have a chance to get their road paved. It's a person-to-person education job.

"Sometimes I tell them, 'You remember two years ago when you came by my office and told me how you had to wade out of your yard, or the time you couldn't get your little crop planted because of standing water. We've worked on those problems and it's down to this: If we can get the right of way for this road, then we can get the drainage ditches dug or the paved road you need.'

TRUST IS IMPORTANT

"Most of them are willing to work with you after you explain the facts to them face to face," Williams continued. "The important thing is that the trust is there. When people come to you for help on a community project, you have got to commit yourself to fulfilling your end of the bargain. If you do, they will learn to trust you."

Williams enjoys this kind of trust from Liberty County citizens. He's built it over the past 23 years with this person-to-person philosophy. He joined the Extension staff here in 1951 and was working at community development long before the subject was blessed with a name (community development as an Extension program officially began in 1935).

"Clarence Williams has been a real asset to Liberty County," said County Engineer Leroy Coffer. "I can't think of anything going on in the county that Clarence is not involved with in some way. He helps out in every way he can."

COMMISSION CHAIRMAN

Glenn Bryant, chairman of the Liberty County Commission, is one of the people who has worked alongside Williams and has watched the community's trustful attitude grow.

"We've been working hard at it and discussing it for five or six years," Bryant said. "Liberty County didn't get this way overnight and what we've accomplished has taken the efforts of many people."

Williams' trust philosophy has had to be applied in the direction of the County Commission. One example of this developed when Williams became active in helping low income families get new housing.

Most of the land in this coastal area is low. It presents a significant problem for low income people trying to establish new housing.

"I started going to my county commissioners and asking them to have a few loads of soil hauled out to sites where people wanted to build houses," Williams said. "Usually low-income prospective homebuilders don't have the money to get a private contractor to haul the dirt for them.

BUILDING AIDS COUNTY

"Soon the commissioners were telling me this practice couldn't be continued because of the expense. I sat down with them and asked them to look at the problem from a different angle. I figure that every time we influence someone to build a new house, we add to the tax digest."

The commissioners agreed and now lack of proper soil elevation in Liberty County is not a deterrent to new home construction.

"Our efforts in low-income housing have not only meant relief and comfort to the people who now live in these homes, but they have added tremendously to the tax digest," Williams reemphasized. "I have witnessed these new homeowners being taken off the welfare rolls. They can't own one of these homes and be on welfare because they are making too much money now. This new environment has created in them the desire to be good citizens. We've helped move these people from one economic position to another."

Housing has not been Williams' only successful effort. He has been involved, at least in part, with almost every form of development in the country in recent years.

CLEAN-UP, PAINT-UP

He has helped carry out Extension clean-up and paint-up campaigns. He is active in economic opportunity programs, Coastal Area Planning and Development Commission work and other service efforts like citizen band radio, Red Cross and civil defense. He also helped stabilize a nursing home project that had wavered for years.

Another area of Extension where Williams gives a hand is the expanded food and nutrition program administered by Miss Adams. Williams considers nutrition efforts vital to progress of low-income people.

"Our expanded nutrition program has reached many families in Liberty County whom Extension has not been able to reach before in our regular programs," said Miss Adams. "We've derived a great deal of satisfaction from the program here because we have a lot of people who really need our help."

NUTRITION AIDES

Miss Adams directs a number of nutrition aides, who work with low income people in the county by calling at their homes and teaching them improved food preservation and ways to increase their nutrition economics. Many of the homes these women visit were built because of Williams' influence.

These broad-based cooperative community efforts, in Williams' view, have combined to make Hinesville and Liberty County a growth center.

"This working together has caused Liberty to thrive and we've been relieved of a lot of the problems other communities are having," Williams said.

A RIGHTEOUS NATION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. LANDGREBE. Mr. Speaker, I would like to commend a short article to my colleagues that appears in the current issue of "Light for Today," a publication sponsored by the Lutheran Church of America and published by the Fortress Press under the able directorship of editor Ralph Bagger. This short essay for July 4th echoes my sentiments that we can meet the challenges that face American society only if our faith in our democratic institutions is accompanied by an equally strong faith in our God. As we return from participating in the patriotic Independence Day celebrations around the country and once again take up our legislative responsibilities, let us give some thought to the message contained in the article printed below:

A RIGHTEOUS NATION?

"The adversaries of the Lord shall be broken to pieces; against them he will thunder in heaven. The Lord will judge the ends of the earth; he will give strength to his king, and exalt the power of his anointed." *1 Samuel 2:10*

Independence is celebrated today in the United States, as Canada recently observed Dominion Day. Many look upon the freedom of their nation as a mark of Divine favor. But we who enjoy such freedom should never forget that God's gifts carry with them a corresponding challenge of responsibility.

Our text celebrates the chosen status of Israel, but it hinges upon faithfulness, as in verse nine.

Every Christian believes that he has received greatly from the hand of God, and this is true. But when it comes to faithfulness in carrying out the Great Commission, we become strangely silent and unresponsive. It's healthy for us to remember that Israel's disobedience led to captivity. Her great moments were enjoyed when she was faithful.

Today, we would regard our freedom as the natural consequence of our chosen way of living. But we must not forget that God is no less a part of *our* nation.

God of all nations, keep us mindful of Your will for us as nations and as persons, lest we feel so secure in Your good gifts that we neglect obedience. Amen.

IS THE NATIONAL EDUCATION ASSOCIATION REALLY AN EDUCATION ASSOCIATION?

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HUBER. Mr. Speaker, one of the more interesting educational groups in the country is that organization that bears the noble sounding name, "The National Educational Association." This group, which claims to be primarily interested in bettering education for the benefit of students, actually does very little for the welfare of the student. As one news reporter recently phrased it:

> The National Education Association is now a big business.

It is worth noting that less than 6 percent, under $2 million of NEA's $31.6 million budget, is used strictly for educational activities. To me, this is not only tragic, but hypocritical, for these are the very people who are constantly badgering the Federal Government for more funds for education. If these "educators" are truly concerned about student learning, then why are they so actively spending their money in other noneducational endeavors? I was stunned to learn that, among other things, the NEA operates a multimillion dollar travel and charter flight business for the exclusive use of its members.

It seems to me that many of those arguments made to the Congress by the NEA lose much of their creditability in light of the recent article by John Mathews that appeared in the Washington Evening Star and Daily News on July 5, 1973. I am, therefore, inserting Mr. Mathews' article for I fully believe that it is worthy of the serious attention of my colleagues. The question I have is, just exactly how concerned is the National Education Association about education?

The article follows:

THE $31.6 MILLION BUDGET: RUNNING NEA IS BIG BUSINESS

(By John Mathews)

PORTLAND, OREG.—Like big labor unions, the National Education Association—the 1.3 million-member teacher organization—is now a big business.

At its annual convention here this week. the teacher delegates are approving a $31.6 million budget for running the NEA national office with 650 employes in Washington.

The national budget is only the tip of the financial iceberg of the teacher organization. The NEA's 53 state affiliates plus 9,000 local chapters have their own budgets estimated at $170 million annually, according to Michael F. Dunn, the top NEA financial official. With total state and national resources of around $200 million a year, NEA in terms of money equals the nation's largest labor unions.

At national and state levels, NEA owns elaborate office buildings and runs a multimillion dollar travel tour and charter flight business for its members. The nearly 200,000-member New York state United Teachers has its own eight-seat Beechcraft with a full-time pilot whose official employe title is "air transportation specialist."

The elected NEA president receives a salary during the year-long term of $40,000, plus $10,000 in expenses and a combined salary of $10,000 less during the year as president-elect—a healthy jump from the usual classroom teacher's salary.

The appointed NEA executive secretary, Terry E. Herndon, the organization's top administrator, is believed to be paid close to $60,000, including fringe benefits, but his salary is not disclosed to the membership. NEA officials say they are hesitant about disclosing the executive secretary's salary because it would have an effect on salary demands of its other employes, who are represented by four different unions.

About one third of the NEA's $31.6 million budget goes for salaries to support professional and supporting staff who give services to local teacher associations, ranging from aid during strikes to legal counsel for teachers who have been fired or suspended.

Nearly $4 million is spent on public relations activities and publications for the membership; over $600,000 to campaign for increased state and federal aid to education and nearly $800,000 for Capitol Hill lobbying on behalf of legislation of interest to teachers.

Less than $2 million or about 6 percent of the total NEA budget is allotted to strictly educational activities such as research and improvement of teacher professional skills, the budget report presented to members indicates.

In most states, NEA members pay about $100 in dues, $25 sent to the Washington headquarters, about $50 to $60 to the state organization and the remainder to the local affiliate.

As a growing enterprise, NEA is beginning to have internal disputes about possible conflicts of interest among its staff and elected leaders. Some of the state affiliates own a substantial portion of stock and have directors on the board of Horace Mann Educators, a holding company which operates a huge insurance business mainly serving teachers.

The annual convention is a major financial enterprise. The 9,000 delegates spend an estimated $4 million to $5 million to pay for their transportation here and their room and food expenses for seven or eight days. Most of the money comes from membership dues.

Another money-producing feature of the NEA convention is the exhibit display. Several acres of the convention hall here at the Portland Coliseum have been taken up with displays promoting everything from computers for classroom teaching to imported watches and jewelry from Switzerland, snowmobiles and "Olympic Skip Ropes."

Among the less-frequented booths are those sponsored by the three armed services. All stress the educational advantages of military services, the U.S. Army, for example, advertising itself as "Partners in Education."

Government agencies are also heavily represented in the exhibits, including many parts of the Department of Health, Education and Welfare. The Office of Civil Defense now stresses survival techniques during natural disasters, rather than bomb shelters. The Selective Service Commission is trying to get a message out to students that they must register before their 18th birthday, even though the draft has ended.

FRANK E. BATTAGLIA

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. ROYBAL. Mr. Speaker, I am proud to join my colleagues in paying tribute to Frank E. Battaglia, who recently retired as dean of the Corps of Official Reporters of Debate, after 30 years of dedicated service to this body.

Needless to say, we are all deeply grateful to Frank for his conscientious and efficient service in the House of Representatives. And while it must be difficult for him to leave the people and work he has known these 30 years, he will, I am sure, more than enjoy the opportunity for travel and relaxation that comes with complete independence.

Frank, undoubtedly, carries away with him many memories of moments both great and small on the floor of the House and we will, of course, always have fond recollections of his excellent performance and pleasant personality.

MR. GERSTENBERG SAYS

HON. MARTHA W. GRIFFITHS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mrs. GRIFFITHS. Mr. Speaker, alarming as the possible energy crisis is, it is always helpful to have somebody show up who knows the situation and who talks with good commonsense. No matter how bad off this world is, I am positive that Detroit will find a remedy. The following article, which appeared in the Los Angeles Times of June 22, comments on recent remarks of Richard C. Gerstenberg, chairman of the board of General Motors:

THE VOICE OF GENERAL MOTORS: BOARD CHAIRMAN IS SANGUINE ABOUT THE ECONOMY

(By Robert J. Donovan)

WASHINGTON.—Richard C. Gerstenberg, the level-headed chairman of the board of General Motors, came to town the other day to make a speech suggesting that the country is not going to hell.

In the current atmosphere of Washington, the proposition was so startling that I dropped around to see him afterward to inquire how he could be sure in view of such things as the energy crisis, for example.

"Please," he said. "I disagree with that term. 'Energy Crisis' suggests that our own survival is at stake or that we have reached a great turning point. If everyone keeps talking about a crisis, they will create one."

"Some folks," he said, looking in the specific direction of the press, "seem to have their mind on creating one. I don't mean you will get gas every time you want it and every place you want it. I suspect we are going to have to pay more for gas. There will be temporary shortages until supplies catch up with demand. I don't look at this as anything we won't resolve. We have got to do a little better job in establishing priorities on fuel.

"We have got very extensive programs in our plants right now to see if we could do a more effective job with less fuel. In two of our plants we have pilot projects to see if we can't find a better way, despite the particular pollution problems, to get back to coal. There's a hell of a supply of coal in this country—400 to 500 years, if we could find some way to use it.

"There are 100 million vehicles on the road today. We are trying to get some sort of thing going to remind everyone of the need to conserve gasoline.

"If you lower your speed from 70 m.p.h. to 50, you might save 15% of your gas.

"This business of trying to be the first one away from a stoplight is one that is very costly in terms of fuel. You are just pouring that old gas through every time you do it. And this business of starting, stopping, accelerating, putting your brake on is very costly not only in terms of fuel but of wear and tear.

"Also, people have become careless about the maintenance of their cars. Almost nobody ever takes his car in to have it checked, it seems. I have a notion that we have improved these cars to the point where people think all they have to do is put in a little gas and the car will take care of itself. If everyone would take their cars in and have them tuned up, it would make a tremendous difference on fuel.

"True, human nature is a very difficult thing to change. The best illustration I can give to you in that respect is that, with all the emphasis we have put on safety belts and the proven success of safety belts in saving lives, only about 30% of the people who have them use them.

"Controlling speeds is even more difficult than getting people to use seat belts because most people on the highway are always in a hurry. But I think we will get a certain response if we keep hammering away at this."

Gerstenberg, who worked his way up from timekeeper to chairman and chief executive officer of the world's largest corporation, is not one of those who shares the vision of a gasoline-short America reverting to crude little cars that get you there but without air-conditioning or other conveniences.

"People," he said, "will still want conveniences, and we have got to be smart enough to find a way to accommodate ourselves to these new pressures and still give the consumer what he wants. And he wants more convenience rather than less.

"I don't see any revolutionary change coming. The average guy has become accustomed to the freedom the auto gives him. A car gives a guy more personal liberty than he can get in any way, shape or form. On the other hand, I think we are going to have to find a better way to move people in and around our big cities other than by the private auto. GM is working on improved transit buses and locomotives for commuter lines. We have got to find better commuter stuff than we have now.

"With regard to the fuel problem, the size of the car is a big factor—weight would be a better measure. There have been dramatic changes in the kind of car today from 1968, only five years ago.

"Take our four categories: small, intermediate, regular, big. Of the first two categories, the combined GM sales in 1968 were about 30%. Today they are up to 52%. We suppose it is probably going to continue to move farther in that direction."

Speaking of the need for new power plants and an Alaska pipeline, he continued, "I am an environmentalist. I like to hunt and fish for trout, but I don't think we can retain the out-of-doors just to satisfy the trout fishermen in this country. We have got to think of the general public. I am the kind of guy who thinks we ought to grow, and if we are going to grow we have to find new sources for all the things we need, and fuel is one of the things high on the list.

"We have got to grow and look forward, and we can't have this zero-growth business. No growth, no hope. That is not for America.

"Any way you look at it, our business is awfully good at the minute. People are spending money, yet they are concerned. I guess inflation is the main worry. We will always have a certain inflation but the recent inflation in particular things, notably food, is far beyond what we can live with.

"No part of the money a guy spends, day to day, does he become more conscious of than what his wife has to pay for food. This food thing touches the housewife every day, and she complains to her husband, and this brings a hell of a lot of pressure on the unions to ask more than they might have otherwise. It's awfully important that we get the price of food under control.

"In spite of the fact that business is good, look at what is going on in the stock market—almost an all time low in relation to earnings generally. I can't understand it. It must be lack of confidence on the part of investors."

What about the reports from Wall Street that the Watergate scandal has had a debilitating effect on the market?

"Kind of hard to assess the psychology of that thing, and psychology is a hell of a factor," Gerstenberg replied. Watergate hasn't affected car sales. As long as we make cars, that means that the guys in steel, in glass and other products we use are going to have good business.

"But I suppose that there are those who feel that if the top people in government are preoccupied with other things, then the economic problems aren't going to get the attention they deserve and I guess that is a pretty good observation.

"But it is difficult to reconcile the stock market with the business outlook as we see it, because we think business is good and is going to stay good."

CYRUS EATON DECORATED BY CHILEAN EMBASSY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. STOKES. Mr. Speaker, last month, during the Nixon-Brezhnev talks, Mr. Cyrus Eaton traveled to Washington, D.C., to meet with his old friend, Leonid Brezhnev. On June 19, 1973, during his Washington stay, he was decorated with the Order of Bernardo O'Higgins at the Embassy of Chile.

In presenting this honor, Mr. Pablo Valdes, Chilean Charge d'Affaires, praised Mr. Eaton not only for his help in making the Nixon-Brezhnev talks a reality but for his continuous efforts to present a realistic portrait of Chile to the American people.

I know that my colleagues in this Chamber will want to join me today in congratulating Mr. Eaton upon the receipt of this much deserved honor.

Following is a Washington Post article of June 20, 1973, describing Mr. Eaton's trip to Washington, D.C.:

HIS EFFORTS REWARDED

(By Judith Martin)

Cleveland financier Cyrus Eaton, whose business in and around Washington this week ranges from board meetings of his railroad empire on Monday to a private visit on Thursday with his old friend Leonid Brezhnev, was decorated yesterday by the Embassy of Chile.

"In your many articles and lectures, in your travels, in your conversations with leaders of this country and abroad, in your attitude, you have projected the true image of the Chilean process, which often—and many times with biased intentions—we see distorted, taken out of its actual context and judged in the light of other realities and of other experiences that have nothing in common with the road Chile has taken," said Charge d'Affaires Pablo Valdes in presenting Eaton with the Order of Bernardo O'Higgins.

He also praised Eaton as "one of the main promoters" of the international rapport symbolized in the Nixon-Brezhnev talks, and said, "What enormous satisfaction Mr. Eaton must feel for his clear foresight at this most solemn and transcendental moment of mankind—to see in this event the culmination of one of his greatest expectations, a fact which until very recently, most people thought impossible."

Eaton will be attending a businessmen's luncheon for Brezhnev Thursday, and said that a private visit with his "old friend of more than 15 years" is being set up for that day.

In his return speech, the 89-year-old industrialist said he foresaw dramatic "changes in our Constitution—not the Constitution itself, but the interpretations it is likely to undergo." Pointing out that in the British Empire—he was born in Canada—there is no executive privilege, and every day prime ministers have to appear before their parliaments to answer questions," he predicted "fewer secrets between departments" will be allowed.

A protege of the late John D. Rockefeller Sr., Eaton made his first millions with a Canadian power plant and has, at various times, controlled Republic Steel and the Goodyear, B. F. Goodrich and Firestone tire and rubber companies.

His peacemaking career began in the 1950s, when he established the Pugwash Conferences (named after his Nova Scotia birthplace) to promote East-West understanding. He has also been credited with arranging the visits to the United States of Nikita Khrushchev, Anastas Mikoyan and Alexei Kosygin.

Although Eaton has received numerous honors from foreign universities and academies, this is only his second foreign decoration, the other being the Lenin Peace Prize, his wife said. Sen. Jennings Randolph (D-W. Va.), one of the guests at yesterday's ceremony, said he keeps proposing him for the Nobel Prize.

TESTIMONIAL TO JOHN PIERINI

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. EDWARDS of California. Mr. Speaker, I would like to pause from the deliberations of this body for just a moment to take note of the imminent retirement of Mr. John Pierini, whose service in the labor movement will long be remembered by those who have had the privilege of knowing him. Born and raised in New York City, John Pierini began his career at the age of 15 as a tile workman with his father. From this humble background, he has risen through the ranks of labor and has become an important figure in the labor movement in my hometown, San Jose, Calif. His posts in Laborers Local Union 270 in San Jose have included member of the executive board, 1951, of the local, vice president, 1956; dispatcher 1958; assistant business representative, 1960; and, finally, business manager in 1970.

These few words of praise can certainly not match his own sense of pride and accomplishment in all that he has done for his fellow members of Local 270 and, indeed, for all of his fellow citizens of San Jose. I do want him to know, however, that his efforts are appreciated by many of us and that he has the commendation of this body. I certainly hope that his well-deserved retirement is rich and fulfilling.

THE NIXON COURT

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. PARRIS. Mr. Speaker, many times in this Chamber in recent months various Members of this body have taken the floor to criticize the President of the United States. Without commenting at this time on the merits or lack of merits of that criticism, I would like to observe that in their haste to condemn the President, many of his critics and many Americans are overlooking the many positive and good accomplishments of the present administration. Unfortunately, the President's achievements in the area of foreign affairs and on the domestic scene have been frequently omitted during discussions of the Nixon Presidency.

Today, I would like to call to the attention of my colleagues one of the most praiseworthy accomplishments of the current administration—its efforts to balance and strengthen the U.S. Supreme Court.

Clearly, one of the greatest influences this administration will have on the future of this Nation will be made through its appointments to the Supreme Court which have lent balance to their deliberations and strengthened the strict constructionist viewpoint of our Constitution.

I would like to commend the President on his appointments to the court and at this time, under leave to extend my remarks in the RECORD, I would like to include the two following articles, both published recently in the Washington Star, on the Nixon court and on Justice Rehnquist, a Nixon appointee:

REHNQUIST ON RIGHT

(By Fred Barnes)

During an interview last fall, President Nixon extolled the virtue of having "constitutional conservatives" as federal judges.

Which particular judges was the President talking about? The first name that came to Nixon's mind was Justice William H. Rehnquist of the U.S. Supreme Court.

Since the President spoke, Rehnquist has completed his first full term on the highest court, fashioning a voting record that clearly justifies his ranking at the top of the President's list of judicial conservatives.

In fact, Rehnquist may be the most thoroughgoing and consistent conservative to serve on the Supreme Court in more than a generation.

He is an ardent advocate of judicial restraint, believing that federal and state governments should be given wide leeway in enacting and carrying out laws—without second-guessing by the courts.

States should have a right, for instance, to prohibit abortions, said Rehnquist in dissenting from the court's ruling last January which struck down state anti-abortion statutes.

In criminal cases, the justice invariably sides with police and prosecutors, voting to give them considerable leeway, too, in conducting investigations and seeking courtroom convictions.

Antitrust is one of the few areas in which Rehnquist is willing to put limits on the authority of government officials. In the only four cases decided in the 1972–73 court term which involved government attacks on alleged monopolistic business practices, he voted against the government each time.

Of the four justices appointed to the Supreme Court by Nixon, Rehnquist is by far the most inclined to go his own way rather than run with the crowd.

He split from the other three in 12 cases during the 1972–73 term, usually to stake out a more conservative position. The term ended last week.

This was twice as often as Justices Harry A. Blackmun or Lewis F. Powell Jr. voted against three Nixon justices. Chief Justice Warren E. Burger did not disagree with the other three even once.

The abortion case is a good example of Rehnquist's independence, and it also provides a glimpse at his brand of judicial restraint.

In the case, the court held on a 7–2 vote that states cannot bar an abortion during the first three months of pregnancy and can only demand that the abortion be performed in a hospital during the second three months. States can prohibit abortions in the final three months, the court said.

Burger, Blackmun and Powell voted in the majority. The other dissenter besides Rehnquist was Justice Byron R. White.

In his dissenting opinion, Rehnquist first raised a technical point. The court did not know, he said, how long the plaintiff had been pregnant when she filed suit seeking an abortion.

She may have been in the last trimester of pregnancy, the justice said, and the court held that states are entitled to bar abortions in this period.

"In deciding such a hypothetical lawsuit the court departs from the longstanding admonition that it should never 'formulate a rule of constitutional law broader than is required by the precise facts to which it is to be applied,'" he wrote.

Then Rehnquist complained that the ruling thrust the judiciary into the legislative domain. "To break the term of pregnancy into three distinct terms and to outline the permissible restrictions the state may impose in each one . . . partakes more of judicial legislation than it does of a determination of the intent of the drafters of the 14th Amendment," he said.

"To reach its result," he added, "the court necessarily has had to find within the scope of the 14th Amendment a right (to privacy) that was apparently completely unknown to the drafters of the amendment."

Rehnquist also dissented from the decision last month which declared unconstitutional tuition grants and tax deductions for parents of children attending parochial schools.

The financial troubles of private schools, he said, have led "to efforts on the part of those who wish to keep alive pluralism in education to obtain through legislative channels forms of permissible public assistance which were not thought necessary a generation ago.

"Within the limits permitted by the Constitution," said Rehnquist, "these decisions are quite rightly hammered out on the legislative anvil."

In other dissents, Rehnquist took these positions:

Mayors of small towns with "speed traps" should be allowed to sit as judges in traffic court, even though their salaries are paid in part from traffic fines. Seven justices disagreed and barred mayors from serving as judges.

Mississippi has the authority to levy a tax on liquor sold on federal military installations in the state.

Burbank, Calif., can prohibit jets from taking off or landing at the city's airport between 11 p.m. and 7 a.m. The court majority said only the federal government has the authority to limit takeoffs and landings.

Rehnquist seems particularly out of sympathy with complaints that a statute or regulation violates someone's right to equal protection of the laws. The equal protection argument was the basis for many liberal rulings during the regime of former Chief Justice Earl Warren.

When the court in May struck down an Air Force regulation on equal protection grounds because it provided female officers with fewer fringe benefits than male officers, Rehnquist was the lone dissenter.

He dissented alone again when the court last month ruled that New York violated the equal protection clause by preventing resident aliens from gaining permanent jobs with the state government.

Rehnquist's dissents demonstrate the consistency of his conservatism, but he mostly voted with the majority, since the court usually handed down conservative rulings.

He joined the majority in rejecting claims that the financing of public schools through property taxes denied equal protection to the poor. Despite the fact that property tax financing leads to wide disparities in per-pupil expenditures, the court said it is lawful.

Rehnquist authored the majority opinions in two important cases in which the court, again turning down equal protection arguments, cut back on the one-man, one-vote ruling of the Warren court.

In one case, Rehnquist said that deviations of up to 16.4 percent between Virginia legislative districts are "within tolerable constitutional limits."

"Neither courts nor legislatures are furnished any specialized calipers which enable them to extract from the general language of the equal protection clauses for the 14th Amendment the mathematical formula which establishes what range of percentage deviation are permissible, and what are not," he said.

Since Virginia had a rational reason for the deviations, he said, they were acceptable. Rehnquist joined the majority in a subsequent ruling which warned federal judges to leave reapportionment to state legislatures whenever possible.

In a second opinion written by Rehnquist, the court held that the right to vote in water district elections could be limited to landowners.

"Nothing in the equal protection clause precluded California from limiting the voting for directors of appellee district by totally excluding those who merely reside (but do not own land) within the district," said Rehnquist.

In criminal cases, Rehnquist regularly favors the rights of police and prosecutors over those of the accused. For instance, he joined the majority in clearing the way for a crackdown on purveyors of allegedly obscene films, books and magazines.

Rehnquist wrote the majority opinion in a major criminal case last term in which the court gave undercover agents considerable discretion to participate in crimes without risking the loss of convictions of the others involved in the crimes.

The federal agent in the case provided a key ingredient in the manufacture of an illegal drug and a lower court held that this amounted to illegal "entrapment" of a suspect.

"The infiltration of drug rings and a limited participation in their unlawful present practices," said Rehnquist, "is a recognized and permissible means of apprehension."

There are "circumstances when the use of deceit is the only practicable law enforcement technique available. It is only when the government's deception actually implants the criminal design in the mind of the defendant that the defense of entrapment comes into play," he wrote.

Rehnquist is given to using strong and vivid language to press home his point. He said topless and bottomless bar feature "Bacchanalian revelries" which states are entitled to ban under the 21st Amendment.

Accusing the court majority of misconstruing a federal law in another case, he said: "The court apparently feels, like Faust, that it has in its previous decisions made its bargain with the devil, and it does not shy from this final step in the rewriting of the statute."

In an antitrust case, he claimed that the court majority had performed a "theory transplant" in order to rescue a government prosecution that was a "litigation casualty."

He said the court ruled in the government's favor on the basis of a theory which the government had never raised during the initial trial.

The highest court's action, Rehnquist declared, "is a drastic and unwarranted departure from the most basic principles of civil litigation and appellate review." The justices were guilty of "flagrantly disregarding some of the axioms upon which our judicial system is founded," he asserted.

Better than any other justice, Rehnquist's voting record coincides with the positions of President Nixon, who favors antiabortion laws, aid to parents of parochial school students and a crackdown on obscenity.

The President has also opposed systemwide desegregation of school districts in the North, and Rehnquist was the only justice to agree with him on this issue.

At 48, Rehnquist is the youngest member of the Supreme Court. Powell and Burger are 65 and Blackmun is 64. By all odds, Rehnquist will remain on the court far longer than the other three.

Because of this, the appointment of Rehnquist may have been Nixon's most important, for Rehnquist's conservative influence on the law may be felt for as long as Justice William O. Douglas' liberal influence has been.

THE NIXON COURT: A LASTING INFLUENCE

To a large degree, President Nixon has built on sand. The wind sown by the Plumbers in the spring of 1972 has reaped the Ervin Committee whirlwind of the summer of 1973. The massive electoral majority achieved by Mr. Nixon last November, which made anything possible in the domestic field, has evaporated in the gusts and uncertainties of Watergate to the point where the prospect is for an emasculated presidency incapable of commanding either obedience or respect.

Even in the field of foreign affairs, where Mr. Nixon feels most comfortable, much of the flow of summitry has worn off. Even to men such as Senator Henry Jackson, who has been a staunch supporter of the President, it now appears that the Russians have hornswoggled us on everything from grain deals to emigration agreements.

The dust accompanying the collapse of conservative dreams of major gains in domestic legislation and foreign policy has largely obscured what may well prove to be Mr. Nixon's lasting legacy to the nation: the emergence of a Supreme Court—whether it be called the Burger court or the Nixon court—less activist than the Warren court and more attuned to what the mass of the people of this country want the judiciary to be.

No president since Franklin Delano Roosevelt has had as great an opportunity to shape the court in his own image. Roosevelt in 1932, like Nixon 1968, inherited a court whose members were deeply antipathetic to his political views.

Although Roosevelt's plan to pack the court failed, the nine justices "read the election returns" of 1936 and New Deal legislation thereafter received a more sympathetic hearing. Ultimately, FDR was able to appoint eight justices (the last survivor is Associate Justice William O. Douglas), more than any other president except Washington, who started with an empty bench.

Mr. Nixon in his first term had the opportunity to fill four slots on the nine-member bench. His first appointment, on May 22, 1969, was Chief Justice Warren Earl Burger, who is now 65. Burger was followed by his life-long friend and "Minnesota Twin," Harry A. Blackmun, now 64, appointed on April 14, 1970, after the Haynsworth and Carswell fiascoes. There followed, late in 1971, the appointments of Lewis F. Powell Jr. of Virginia and William H. Rehnquist of Arizona. Powell is 66, Rehnquist 49.

This gave Mr. Nixon a solid, four-man bloc of conservative judges, opposed to which are three liberal holdovers from the Warren court, Associate Justices William Brennan Jr., 67, Thurgood Marshall, 65, and Douglas, 74.

In such a situation, the attitudes (and legal opinions) of the court's two "swing" members, Eisenhower-appointee Potter Stewart, 58, and Kennedy-appointee Byron R. ("Whizzer") White, 56, clearly became crucial.

Somewhat surprisingly to the politically doctrinaire, it has been White, the former All-American and Rhodes Scholar, who has carried the ball more frequently for the Nixon team than Stewart, the Republican appointee.

In the court term recently concluded, White joined the four Nixon appointees on 101 of their 107 joint decisions, a whopping 94 percent of the time. Stewart was slightly less dependable but still gave the Nixon bloc considerable support, voting with it on 75 percent of its joint decisions.

This is not to say that the Burger court has been slavishly subservient to Mr. Nixon's will. The court has, in effect, struck down the death penalty, which the President favored, and upheld a restricted right to abortion, which Mr. Nixon opposed. Again in contrast to the President's publicly expressed will, the court has ruled against state aid, direct or indirect, to hard-pressed parochial schools.

In contrast to the dark predictions of many liberals, the court has made no effort to turn back the civil rights clock. If anything, the court has taken a more hard-nosed view of de facto school segregation in the North, ruling (in the Denver case) that a substantial pocket of segregation in a school district is unconstitutional even if it is a consequence of socio-economic pressures rather than (as in the South) a remnant of de jure segregation. Women, like blacks, have gained under the Burger court in their fight against discrimination, and the court—long before Watergate became a cause celebre—sharply restricted the admissible use of electronic surveillance in domestic security cases.

Where the court did take a tougher stance—and one in our view long overdue—was balancing the rights of the accused against those of the victims in criminal cases. Without going into detail on what the court's position was on individual cases, suffice it to say that in 23 of 36 cases it upheld the position of the prosecution.

Doctrinaire liberals take exception to the court's upholding of a Virginia reapportionment plan which allows for variations of up to 16.4 percent among its lower-house districts. While this is in technical violation of the "one man-one vote" principle, doctrine always must be tempered with practicality.

In our view the one major decision in which the court erred was its 5-4 (White voting with the Nixon bloc) obscenity decision. We grant that the smut glut had become unpleasantly prevalent, but to combat it at the expense of the First Amendment, opening the gates to local sheriffs and vigilante committees to act as self-appointed guardians of public morals, hardly made sense.

In any case, what emerges from a scrutiny of the first full term of the Nixon court is something a little more complex than a simple swing to the right. This court clearly is less activist and pioneering than the Warren court, and it could become even less so if Mr. Nixon has an opportunity to make further appointments.

But rather than attempting to overturn any of the landmark decisions of the 1960s, the Burger court has contented itself with interpreting these decisions in a narrower and more restrictive way. Precedents are not being swept aside but redefined.

There are those who regret the end of the judicial crusade toward a utopian and egalitarian promised land. But it takes a while for a people to accept and digest sweeping, court-ordered social changes. The Warren court did well by America. But so, too, in its first term and in a different way has the Burger court. It has given us respite and time to reassess who we are and where—and how fast—we want to go, and there is nothing the matter with that.

In the end, despite promises unfulfilled in domestic legislation and foreign affairs, the Supreme Court he leaves behind him may prove to have been Mr. Nixon's most solid and lasting achievement.

THE ENERGY CRISIS IN RURAL AMERICA

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. NELSEN. Mr. Speaker, the Congress has shown its concern for the progress and development of rural areas on several occasions. In the future that interest and concern may become even more specific as it gets near harvest time and the energy crisis turns into a potential food crisis. Energy is needed both on the farms and in our rural communities to process food and sustain those communities. The city council of New Ulm, which is in my district, recently passed a resolution setting forth their concern will be heard here in Washington and policies established to address the difficulties they face.

Mr. Speaker, the resolution follows:

RESOLUTION

Councilor Germann offered the following resolution and moved its adoption:

Whereas, the entire United States is experiencing a shortage in basic fuels, and

Whereas, said shortage apparently is more acute in Upper Midwestern States, including the State of Minnesota, and

Whereas, the City of New Ulm, Brown County, Minnesota as a municipal organization generates and provides electricity, and both high and low pressure steam, and distributes natural gas to its residents, businesses and industries, and

Whereas, the economic well-being of said City is thus dependent upon its ability to acquire sufficient amounts of natural gas, fuel oil and coal.

So, therefore, be it resolved, by the City Council of the City of New Ulm, Brown County, Minnesota that the Congress of the United States be urged to establish as a matter of national priority, an overall and coordinated program of fossil fuel useage and allocation to insure prudent and fair use of national fuel resources so that the economic viability of the entire country can be sustained.

Be it further resolved, that a copy of this resolution be sent to Congressman Ancher Nelson, Senators Hubert Humphrey and Walter Mondale and to Governor Wendell R. Anderson.

The motion for the adoption of the foregoing resolution was duly seconded by Councilor Mowan and the roll being called, the following vote was recorded:

Voting Aye: Councilors Germann, Hippert, Huevelmann, Mowan and President Gafford.

Voting No: None.

Not voting: None.

Whereupon said resolution was declared to have been duly adopted this 5th day of June, 1973.

BILL LUCY, A FIGHTER FOR THE POWERLESS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. WALDIE. Mr. Speaker, I would like to take this opportunity to recognize a man in Washington who has done more work for the poor and powerless in the last 10 years than many do in an entire lifetime.

His name is William Lucy, a former constituent of mine from Richmond, Calif., now a resident of Washington, D.C. He has gone from local California politics in Contra Costa County, Calif., to Washington, where he now heads the District of Columbia Democratic Central Committee.

The vehicle through which Mr. Lucy has led his fight for the working man has been the labor union. While working in a county agency, he helped convert an employees group into a local independent union that eventually affiliated with the American Federation of State, County, and Municipal Employees. This was in the early 1960's. In 1966, he was named associate director of AFSCME's Washington lobbying office, and just last year was elected to the No. 2 post of secretary-treasurer. Through his leadership capabilities and dedication to his work, Mr. Lucy has continued to build a better place in society for those whose voice would not otherwise be heard.

On Saturday, June 9, 1973, the Washington Post printed an article about Mr. Lucy, covering his career with AFSCME over the years. I submit it to the RECORD in recognition of a new leader in service of an important union; a personal friend, not only of myself, but of the powerless everywhere:

TOP DISTRICT DEMOCRAT NEEDED MORE THAN "A BIG MOUTH"

(By Paul Ramirez)

William Lucy's cursory explanation of how he began his quick ascent in organized labor is that "if you have a big mouth, you get elected to something."

But those who have observed Lucy's rapid rise as he became one of the highest ranking black labor leaders in the country and, more recently, an emerging figure in Washington's local Democratic politics, say that it was ability and dedication—not the strength of his vocal cords—that thrust Lucy into a string of leadership roles.

In more introspective moments, Lucy, the 39-year-old secretary-treasurer of the 500,000-member American Federation of State, County and Municipal Employes, says it was frustration that set him on the way, the frustration of the "little people," especially the poor, and the belief that labor unions are ideally suited to lead the fight on their behalf.

It was this view of unions as social and political catalysts that drew Lucy into local politics, first in Contra Costa County, Calif., and, more recently, in Washington, where he heads the D.C. Democratic Central Committee.

His involvement in local D.C. politics began in 1970, when the local chapters of the AFSCME endorsed the Rev. Walter E. Fauntroy in his first bid for D.C. delegate to Congress. Lucy says that endorsement played a crucial role in Fauntroy's subsequent victory. "If we hadn't supported him, he would have been a dead turkey," he says. The union represents some 10,000 local workers, including 7,500 D.C. government employes in jobs ranging from trash collection to clerical positions.

But even that endorsement was somewhat uncharacteristic of Lucy, who claims to prefer "issues" to "politicians.'"

"Getting involved in candidates . . . (is) . . . a waste of time," he says. "You generally have to reach an understanding with the candidate and he reaches an understanding with you and both of you lie to each other and, in the end, it's the poor guy in the street who gets hosed."

But it was this association with Fauntroy that led to Lucy's election to the D.C. Democratic Central Committee. And it was his subsequent election as chairman of the committee (the party's committee charged with getting Democrats elected and speaking for the city's Democratic majority) that has contributed to friction between him and some of Fauntroy's supporters.

Lucy conducts committee meetings in an out-of-pocket manner, standing as a lightning rod between the inexperienced new members—most of whom rode Fauntroy's coattails onto the committee—and the more senior party members, like D.C. National Democratic Committeeman John Hechinger and the Rev. David Eaton, the activist pastor of All Souls Unitarian Church.

From the first meeting of the then newly elected committee. Last year, when Lucy became the city's first black central committee chairman, through the most recent meeting, when he was re-elected, central committee gatherings have been stormy affairs characterized by lengthy arguments and the frequent invocations of parliamentary procedures. (The last meeting was punctuated by a flying ashtray and a brief scuffle.)

And through it all, the wiry-framed chairman with the boyish, handsome looks calmly recognizes those who wish to speak and occasionally adds, "You may say I'm a ruthless game-player, but you can't say I'm unfair."

Thursday night's meeting, in which Lucy narrowly defeated Mr. Eaton and was re-elected to the post he had won easily in a May 2 election last year, was a vivid example of how he is no longer identified with Fauntroy or any other clear faction in local politics.

If the schism, now separating Fauntroy and Lucy were to widen, some suggest Lucy could make a formidable political opponent. With his youthful looks, his gregarious demeanor and informal approach, "he could give anybody a run for his money," says one Fauntroy adversary who admits he would like to see a Lucy-Fauntroy confrontation.

But Lucy is not talking about elections.

His union work, he says, is becoming increasingly demanding, and he would like to have some time to relax with his wife, Dorotheria, and three teen-age children, William, 19; Benita, 16; and Phyllis, 14.

A native of Memphis who moved to Richmond, Calif., when he was 5 years old, Lucy grew up thinking of becoming an architect who would plan buildings for the future. Today, he sees himself as a builder of that future itself.

As a young boy, he learned "the indecencies that people are subjected to" when they are poor. That was after his father, a foreman at a nearby ranch, separated from his mother. She held a variety of service-oriented jobs, and he stayed with his mother "in a household that received welfare for a number of years."

"You spend a little bit of time thinking about the kind of a system that makes people remain over there, that forces you to stay unless you just get so much of it in your gut that you just decide to get out of there . . . ," he says of those early years.

After graduating from El Cerrito High School in Richmond in 1951, he abandoned his goal to become an architect after recognizing that "at that point in time, the best a black architect would be allowed to do was lettering."

After a stint in the engineering section of the U.S. Naval Shipyard in Mare Island, Lucy joined the Contra Costa County public works department in 1953, while taking civil engineering courses at the University of California at Berkeley.

He was to work 13 years for the county agency, become its assistant materials and research engineer, and helped convert an employees group into a local independent union that eventually affiliated with the AFSCME in the early 1960s.

"In our society the trade union movement is really the only institution that can bring about change on behalf of those who have no power, on behalf of the poor.

"If a union simply becomes a dues-collecting-agency or is limited to just the narrow concerns of bread and butter, then an awful lot of power is being wasted," he says.

For the half million members of the AFSCME, union activism in local issues is essential, he says.

"Our responsibility, then, goes beyond just that of the members and into the community because our people live right where they work and the union has to be a much more significant factor in not just their work but their entire lives."

By 1966, after completing a term as president of his local, Lucy's organizational performance had attracted the attention of the union's national officials. He was named associate director of the AFSCME's Washington lobbying office, dubbed the legislative and community affairs department.

In 1970, he was named executive assistant to international president Jerry Wurf, and, last year, Lucy was chosen for the union's No. 2 post. He was elected without opposition by the 1,500 delegates attending an international convention in Houston. About 30 per cent of the union's members are black.

ERNEST P. HAMMAKER

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BYRON. Mr. Speaker, last week Frederick County lost one of its most distinguished citizens, Mr. Ernest P. Hammaker. Mr. Hammaker, 69, passed away in Hagerstown, Md., on the 4th of July.

Ernest Hammaker was active in community, business, and church activities throughout his life. He was admired and respected by all those who knew him and worked with him over the years. He was chairman of the board of Thurmont Bank, and he was associated with the Thurmont Shopping Center as well as president of Hammaker Brothers, Inc. Memorials in Thurmont.

Ernest Hammaker will be missed by his family and his many friends throughout Frederick County. His many contributions to his community will be long remembered.

POLICE JONES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. STOKES. Mr. Speaker, the term "law and order" has come to be known as a familiar phrase in American life. A man who epitomizes law and order is a retired Cleveland police officer named John Henry Jones. In the community where I grew up, he was affectionately known as "Police Jones."

This policeman became a legend in his own lifetime. He was a fearless, dedicated police officer who was all man. He went about his business in a quiet, business-like manner without imposing upon any man. But, neither did he permit any man to impose upon him. He met gentleness with gentleness and violence with violence. Whatever way the arrestee chose to be arrested, "Police Jones" accommodated him—the fact was that he was going to take you in.

Mr. Speaker, John Henry Jones was one of the best known and respected black detectives in America. Last February 24, the Cleveland Call and Post carried an article written by Alvin Ward on this retired racket buster who worked with the late Elliot Ness. I commend this article about my friend, "Police Jones," to my colleagues:

JOHN HENRY JONES TELLS OF THE DAYS OF RACKET BUSTING AND ELLIOTT NESS

(By Alvin Ward)

If John Henry, in black history, has been named Jones he still would not have had any more fame, or any more of an interesting story to tell than former city detective John Henry Jones, now retired.

John H. Jones, who will be 74 years old come April 7, called the Call & Post last week to tell us that he is not dead and is still very much alive. He was referred to as "the late Detective John H. Jones" in a front page story concerning the death of another police officer.

All the inmate alumnus of the late 1930's and 1940's who served time in Ohio correctional institutions remember the famous policeman Jones who worked with the late racket buster Elliot Ness.

Relaxed in retirement now. Jones recalls with a sound of excitement in his voice how Elliot Ness called him at his home one hour before he was sworn in as Cleveland Safety Director and said to Jones, "I got a special job for you just as soon as I'm sworn in."

MAYFIELD MOB

Jones said Ness kept his word and assigned him to a special investigation that broke the Mayfield mob and sent six men to prison. Jones named Nick Satulla, Shonder Birns, Elsworth Jewell, Larry Gaskin and Herbert Oliver. Jones said a man named Richardson, who had joined in with the Mayfield mob to fight against black numbers men. The fight was to gain control of the lucrative numbers racket.

Jones said the men were indicted on extortion and blackmail of Negro numbers men. Jones worked almost four years with Ness.

The story of John H. Jones dates back to St. Clairsville, Ohio where he was born in a family of three sisters and one brother. Only one sister, Roberta Jones, is still living in Columbus, Jones says.

In his youth pictures of Jones portray a handsome six-foot-tall 210-pound dark complexioned man who dressed and acted in the suave manner of black detectives on the modern screen.

Jones says in his hometown there were only about 15 Negro families. After graduation there he went to Belair, Ohio and worked in a steel plant, but did not like the work.

He decided to come to Cleveland despite his mother's protest. His first job in Cleveland was with the Warren Paint Co.

The only other job he had before joining the police force was with the family of Burdick Jewelers at their Heights home.

JOINED POLICE

One morning Jones was seated in the kitchen of the Burdick home drinking coffee with the German maid when she spotted an announcement in the Cleveland Leader (morning newspaper) that the City was seeking applicants for the police force.

The next morning Jones went straight to City Hall for an application after dropping his boss off at the Burdick store, 1010 Euclid Ave.

The rest of the story is all success. He was in his 20's when he was appointed to the force. Jones was called 9th on the list. You could name and count the black policemen at that time on one hand. Jones calls their names to memory just as if they were together yesterday: "Pete Hill, Art McFarland, detective; John Shaffin, John Byrd, and Earl Stewart".

Jones believes those blacks on the force when he started are all deceased now with the exception of Earl Stewart and he is not sure whether he is living or not.

ROARING THIRD

Not only did Jones work on the Cleveland police force for 30 years, he also lived in the Central area, the "roaring Third District" for 25 years. Jones was well known in his neighborhood at 2306 E. 65th St.

He married twice, but had no children. He now lives at 16405 Glendale Ave.

Jones admits that he is just a little bit off on his shooting but he goes regularly to a shooting range where he keeps in practice with his gun.

"One thing they told me when I first started" Jones said, that was to never let no one touch your gun. I only did that once. A guy challenged me to a fight without my gun and so I took it off and handed it to a man standing in the street and beat the man that started the fight.

SECRET JOBS

Jones worked on many special secret assignments in 11 different states for the racket busting Safety Director Elliot Ness. For several years the television serial "The Untouchables" portrayed Ness' police work. Jones said his own personal top man was the late Detective Claude Lee.

Promoted to the detective bureau in 1940, Jones retired June 1, 1954. He visited Europe for several months, and also parts of Africa, after he retired. "As bad as they say the United States is, I'll still take America," Jones said.

For about three years after his retirement Jones served under Ohio's Mark McElroy, State Auditor, as a special investigator. He says he still does some investigative work for other sources.

He charges the judges and law makers for the high crime rate we now experience. He says today's policeman is discouraged. The criminal is released with a slap on the wrist.

JOHN QUINCY ADAMS: THE QUEST FOR MORAL COURAGE

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BURKE of Massachusetts. Mr. Speaker, at this time it gives me great honor to include in the CONGRESSIONAL RECORD a sermon delivered by Rev. John R. Graham of the United First Parish Church in Quincy, Mass. The sermon, entitled "John Quincy Adams—The Quest for Moral Courage," was delivered on May 20, 1973.

Rev. John R. Graham, who had the honor of delivering the opening invocation on the floor of the House of Representatives on March 13 of this year, is the minister of the United First Parish Church, also known as the Church of Presidents, "where a noble heritage inspires today's living." John Adams and John Quincy Adams, the second and sixth Presidents of the United States, are buried in the crypt of the historic church.

In the following sermon, Reverend Graham illustrates the motto, "where a noble heritage inspires today's living" with his sermon concerning the moral courage of the sixth President of the United States, John Quincy Adams. A highly moving and most interesting address, I am taking the liberty of including it in the CONGRESSIONAL RECORD for my colleagues to read and contemplate.

As Reverend Graham points out quite well, John Quincy Adams was a man devoted to principle. He felt that one must remain true to justice and truth at all times, without regard to self-interests. As a result of Adams' independence from partisan interests and his strict adherence to justice and truth at any price, Adams was defeated for his second term as President of the United States. He did not let this stand in his way, though. He continued in his pursuit of justice for the people of Massachusetts and the Nation as one of the most well-respected and admired Representatives to have ever served in the House of Representatives.

Reverend Graham depicts President John Quincy Adams as an inspiration to us for his dedication to service over his own interests. I believe that his sermon is of great value for today and that Reverend Graham truly shows that the late President John Quincy Adams gives example of the motto of this historic Church of Presidents, United First Parish Church of Quincy, "where a noble heritage inspires today's living."

The text follows:

JOHN QUINCY ADAMS—THE QUEST FOR MORAL COURAGE

THE STRANGE AMERICAN FOLK HERO

It's almost inconceivable that a century and a half after he was President of the United States, John Quincy Adams is emerging as an American folk hero. Yet, that's exactly what's happening today. Of all the figures in our history, none seems less at home in a twentieth century world. But, as the days pass, more and more interest is aroused in the life of "the venerable Nestor of Massachusetts."

How can it be that a man who lived by the stern rigidities of the Puritan ideal should be honored at a time when moral values are undergoing radical change, when virtue is anything but highly regarded?

Why is it that a man who believed that hard work was the godliest of goals can find respect in a day when labor is an impertinent interruption in the life of leisure?

How can John Quincy Adams, a person of uncompromising principle, be venerated at the moment when all authority is in question and disrepute?

Isn't it strange that the most aristocratic of leaders should be rediscovered at a time when we refuse to admit that class barriers even exist?

In our day it's men of action who are honored, respected—and highly rewarded. Why should a brilliant intellectual and scholar come to enjoy unprecedented prominence?

At the very moment when religious faith and devotion seem unnecessary, why should we be concerned with a man who read the Bible daily and prayed beside his bed each night of his life?

But, of all his qualities, none seems less worthy of our interest than the inner life of John Quincy Adams. Overcome with severe self-pity and hounded by insecurity, Mr. Adams was the victim of despair and self-deprecation. Why should we concern ourselves with a man who viewed himself as a failure in a day when personal assurance and self-confidence are our most hallowed virtues?

THE SOURCE OF FASCINATION

How can we explain this fascinating affinity for John Quincy Adams? What is there about him that attracts such growing interest? It's more than awe because by many standards he was indeed a failure. Certainly his presidency was nothing less than tragic.

Perhaps, our attention for "John the Second of the House of Braintree" has nothing to do with the offices he held, the posts he filled, and the books he wrote. It may be far more personal.

We honor and respect—and even revere—Thomas Jefferson, the man who loved the young son of John Adams. Jefferson, too, was a genius. We see him as a man of the people. But in spite of the strong appeal of his greatness, Jefferson remains remote, a leader distant and different from us.

John Quincy Adams is unique. We know about Jefferson and the other Founding Fathers, but we know the sixth President. His seemingly endless diaries open the secret door to his very heart and soul. He let down the barriers; he revealed himself. Who can help but feel close to a man who wasn't afraid to share his life with others? Who can help but love a man who was strong enough to lay bare his weaknesses? Through his awesome austerity, we see his humanity. Through all the accomplishments, comes a real man.

What stands out in John Quincy Adams' life is not simply fifty years of service to his country. Just about the only office he missed was Vice-President. That, in itself, may reveal his inordinate wisdom and genius!

It isn't the wide array of positions he occupied which have propelled him into popularity. More than anything else it's his lack of self-confidence which makes him so human, so genuine. We all feel insecure and unworthy; we all know the pain from pangs of doubt. We try to cover our uneasiness with bravado; we put up a good front. Even though we fool others, we can't deceive ourselves. Also, we're irresistibly drawn to a man who walked our path.

THE INNER PAIN

In the early 1830's John Quincy Adams was asked, for the third time in his life, to deliver a Fourth of July address. As unbelievable as it may seem, he suffered attacks of anxiety over the assignment. He was afraid that it would be a poor speech, an "exhibition of faculties in decay." He became so upset that he broke out in boils on the right side of his face, which then caused him to worry over his appearance on the platform! This is the man who had already been a Senator, a distinguished diplomat, Secretary of State—and President!

His insecurity surfaced in a most painful way when he was asked to address the Columbian Institute. On March 4, 1831, the day he began a new term in the House of Representatives, he wrote in his diary:

"There was yet one other reason for me to decline delivering an address. It was impossible for me to open my lips or write a sentence before the public but there were liars in wait—to catch, to garble, to misrepresent, to falsify what I say. They had raked up every vote I ever gave in the Senate, from twenty-five to thirty years ago, to belie their purposes and my motives. They had ransacked my Lectures on Rhetoric to distort and misrepresent them."

On and on he went, revealing the depths of his uncertainty and the anguish he felt within himself.

Over a decade earlier, in 1820, he accepted the office of president of the Academy of Arts and Sciences in Boston. At that time, he said that he was "mortified at being raised to the head of a learned society with qualifications so inadequate to the Station." In all truth, of course, few men in the nation possessed the vision of John Quincy Adams when it came to understanding the potentialities of science.

And even earlier he wrote "I am forty-five years old. Two-thirds of a long life are past and I have done nothing to distinguish it by usefulness to my country or mankind."

Down through the decades the feelings of unworthiness pursued him with a relentless tenacity. When years later he took the train to Ohio to lay the cornerstone of the Cincinnati Observatory he couldn't understand why crowds appeared everywhere along the route to greet and honor an old man who had been a failure as President.

In a day when the masses are manipulated, hereoes created, and images manufactured at will, there's an irresistible appeal for a man who felt the sting of personal pain, who suffered, even as we suffer, who knew the agonies of inadequacy.

More than a legacy of unparalleled services did he leave us. Who among us can match him for his achievements as the father of culture with the establishment of the Smithsonian, the peace-keeping author of the Monroe Doctrine, the architect of the abolition of slavery with his victory over the infamous "gag rule" in the House of Representatives? Behind the legacy was a real man, a man not unlike the rest of us.

THE PLEDGE TO PRINCIPLE

His appeal is magnetic. Along with his overwhelming sense of inadequacy there was his unwavering allegiance to principle. He was what we want to be! The Massachusetts legislature rejected him for re-election as Senator because he was unwilling to cater to his party's wishes. While the Federalists bowed to England, John Quincy Adams said, "Put your trust in neither France nor England; let America trust itself." For his lack of partisan loyalty, he lost his post as Senator.

His devotion to principle also cost him re-election to the Presidency. Patronage was the royal road to political survival for a President of the United States and his party advisers pleaded with him to clean out the office-holders and replace them with employees who supported him. John Quincy Adams refused! Only twelve people were dismissed from office during his four years as President. In each case the reason for removal was the same: incompetence. Ultimately, the disloyalty in his own ranks halted his efforts to effectively bring about his dreams for the nation. And, finally, that disloyalty resulted in his rejection. How can we help but admire a man who placed people above his personal gain?

"I must square every vote I give to some *principle*," he exclaimed, "and not say aye or no as the mere echo of my file leader." How can we help but want to emulate a man who placed independence and reverence for principle above conformity and success?

For John Quincy Adams, his country was "the first and most imperious of all obligations." "The duties of my life are vigorous," he warned his future wife, Louisa Catherine. How can we help but be drawn to a man who was determined that service would be above self even when that service brought him the cruelist derision? His independence stands as a monument to what we can become if we care enough to follow the path of principle.

"Old Man Eloquent" even took issue with the most sacred of all emotions, patriotism. Despite of his undaunted love for his country, he questioned Stephen Decatur's famous toast: "Our country: in her intercourse with foreign nations may she always be right; but our country, right or wrong." Can you imagine the reaction when John Quincy Adams altered those near sacred words: "Our country, right or wrong." He said, "I disclaim all patriotism incompatible with the principles of eternal justice." His independence was incorruptible!

EVER CLIMBING

Through every defeat, he came back to climb higher. His most enduring contributions to our nation came after he was President, when he emerged as the most distinguished member ever to serve in the House of Representatives in Washington.

As one biographer comments, "His basic principles of life became almost an obsession with John Quincy." A signet ring which he had commissioned was sent from London. It was of his own design and depicted a cock and the motto, "Watch." It came from the saying of Jesus as he charged a disciple to always be alert to duty. John Quincy Adams knew full well that the admonition had been given to the disciple who had denied Jesus.

After the ring had arrived, he wrote a poem which he sent to his son, George. The last two lines tell the story:

Let the shrill summons call me not in vain
With fervor from on high to Watch and Pray.

Religion for John Quincy Adams was the source of the summons. His reading of the Bible wasn't for comfort but for courage. He prayed not for solace but for renewed strength.

On the last day of 1812, while in St. Petersburg, Russia, he ends his diary for the year reflecting on the death of his infant daughter, Louisa Catherine: "For myself, may the divine energies be granted to perform fully all my duties to God, to my fellow mortals in all the relations of life, and to my own soul!"

His religion wasn't designed to meet his needs. Rather, it served as the motivation for his life. Religion was the inner voice calling him to strive even harder. And, after a particularly bitter experience, he wrote, "My conscience presses me forward."

Through the decades of his personal discontent, what emerged was more than the son of a President and a President himself. John Quincy Adams was an aristocrat. But his was an aristocracy of character, independence and principle. There was nothing small about him except his stature. He allowed nothing, absolutely nothing, to blemish his life.

Over the years, his enemies tried to bring him to his knees. At the opening session of the House in 1836, the Southern congressmen fired their biggest guns at the former President. A representative from South Carolina entered a resolution to censure Mr. Adams for his abolitionist views. The threat of condemnation was nothing new to John

Quincy Adams. It occurred regularly. On this occasion, the idea was to embarrass the sensitive old man so brutally that he would feel disgraced. Nevertheless, he stood his ground even while admitting that censure would be the worst calamity of his life! He said, "Not a single word of what I have said do I unsay; nay, I am ready to do and say the same tomorrow."

Impressed by his courage and conviction, the House voted down the resolution of censure even though a vast majority of the members were against him on the issue of slavery.

A SYMBOL FOR ALL

In a day when cajoling, compromise, back-patting, gratuitous greetings, and intimidating smiles are said to be the sure road to success, we would do well to remember John Quincy Adams, and how he refused to campaign for office or seek votes. He relied on his colleagues and his constituents to see the rightness of his principles, the integrity of his life, and his vigorous dedication to duty. The man was his message!

The old Puritan was so out-of-place, even in his own time, that his enemies were baffled by his behavior. They sent him a resolution requesting that he be tried as a public enemy. He immediately entered it in the House!

John Quincy Adams is without comparison in the history of our country. And when he dies, The Reverend Theodore Parker eulogized, ". . . The champion of the neediest, of the oppressed: the conquering cause pleased others, him only the cause of the conquered." In a day when far too many spend their lives advocating themselves and promoting their own importance, John Quincy Adams stands forever as the symbol of human achievement and integrity.

Not once did he use his power, his influence, his authority to assure his own survival, let alone his own gain. In all honesty, can we say as much about ourselves?

Not once did he stand on a principle unless it provided for the improvement of the nation. To be sure—he was a partisan—but only of the people. Can we say as much of ourselves?

Never did he seek personal security. His vision was always of tomorrow. Can we say as much about ourselves?

Never did he stop comparing himself with the most rigorous of standards. His eyes were destroyed by reading and writing. He realized that self-certainty was nothing less than self-delusion. Can we say as much about ourselves?

His most successful poem tells us his life story. In "The Wants of Man," John Quincy Adams reveals himself:

I want a keen, observing eye,
An ever-listening ear,
The truth through all disguise to spy;
And wisdom's voice to hear;
A tongue, to speak at virtue's need,
In Heaven's sublimest strain;
And lips, the cause of man to plead,
And never plead in vain.

SERVICE—NOT SELF

Was John Quincy Adams a happy man? Is not the question impertinent? Was he successful? Is not such a question irrelevant? Of far greater significance, John Quincy Adams can be measured by the trees he planted—trees which are still blossoming. Would that as much could be said for us.

In the life of a man the truth is revealed, the paradox unveiled. Torn throughout his life with feelings of inferiority, John Quincy Adams emerged as the most heroic of men. Consumed with a sense of inner weakness, he was nothing less than a figure of strength. Here, then, is the lesson of his life: It's not who we think we are but what we stand for that's important.

Even his enemies came to discover the giant in their midst. The monumental man who lived by the awesome words, "A stout heart and a clear conscience, and never despair." It was a Southern antagonist who said at the death of John Quincy Adams, "When a great man falls, the nation mourns; when a patriarch is removed, the people weep." But we weep not for our loss—but for ourselves. For we see in another what we might become if we cared more for service than we do for self.

PRESIDENT SHOULD APPEAR BEFORE THE ERVIN COMMITTEE

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. JAMES V. STANTON. Mr. Speaker, I am convinced that the most expeditious manner in which the Watergate scandal can be resolved is through an appearance by the President before the Ervin committee. I have written to the President to urge that he follow this course, which has been endorsed by Members of the House and Senate of both parties, and I regret that thus far, he has resisted the idea.

For the information of my colleagues, I now insert into the RECORD a copy of my letter to the President:

JULY 3, 1973.

Hon. RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with deep regret that I learn from the day's news dispatches that apparently you have decided to resist any appearance before Senator Ervin's Committee on the Watergate matter. I do hope you will reconsider and agree to come voluntarily to Capitol Hill to submit yourself to cross-examination by the Senate panel.

I hasten to add that I, for one, would oppose any attempt to *compel* your appearance. I do think we are confronted here with a problem involving Constitutional separation of powers and the co-ordinate—that is to say, equal—status of the three branches of government. To force the Chief Executive to submit to a Congressional subpoena (regardless of certain historical precedents which I consider to be inappropriate in the present circumstances) carries with it the danger of opening the door, at some time in the future, and on some other or lesser issue, to arbitrary Congressional action that could humble and undermine the Presidency.

However, it is clear that a *voluntary* appearance by you would leave the traditional relationship between the President and the Congress undisturbed—and it would avoid a Constitutional confrontation, since Senator Ervin and other members of his Committee have indicated they might indeed attempt to compel your testimony.

It seems to me that no better platform than the Ervin Committee exists for the purpose of your communicating to the American people on Watergate. If you were to answer the charges against you with a formal address on radio and television, you again would be accused of trying to rest your case on still another self-serving statement. If you were to submit yourself to questioning at a news conference, you would be participating in an event which is likely to be marked by an unruly atmosphere, where the questioning of you—while pointed—would not be well structured, and where time would not allow exhaustive interrogation with ample opportunity for follow-up questioning. As a lawyer, I am sure you would prefer a formal and more dignified way of putting your views across—and I am confident that you would not want to rely solely on the newspapers for trial of the most crucial aspects of your case.

To say, as I did at the beginning of this letter, that cross-examination of you is necessary does not reflect a prejudgment on my part. Rather, it reflects the need to come to terms with the facts of the situation as they exist.

You have been accused, and are suspected, of being implicated in serious violations of the criminal statutes. But, besides being a citizen subject to the same laws as all Americans, you are the President of the United States. Therefore, I submit, it is not becoming of you to act as though you are pinning your hopes on the standard presumption of innocence until and unless proved guilty beyond a reasonable doubt. I should think that a President would not want to fall back on so narrow a defense. For whether or not you are indeed criminally culpable, and convictable, is not the only issue that concerns the American people. The fact is that no President ought to be in a position where he even *appears* to be culpable, or possibly culpable, and therefore you have a duty to take affirmative action and assertive action to erase this impression in the public's mind.

I reiterate, then, that no action by you could appear more sincere and convincing than a formal appearance by you, voluntarily, before this duly constituted Committee of the U.S. Senate. Should you not agree to appear, it seems to me that you would greatly enhance the prospects of your impeachment, since you would be forcing the Congress to seek and establish the truth in the only matter that the Constitution clearly prescribes.

Sincerely,

JAMES V. STANTON,
Member of Congress.

A SALUTE TO FRANK DEL BALZO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BIAGGI. Mr. Speaker, I would like to take a few moments to congratulate Frank Del Balzo, who retired at the end of June as Assistant Journal Clerk of the House.

For the last 12 years he has worked in the Journal Clerk's office. Prior to that time, he served as a doorkeeper and a member of the Capitol Police Force. He served honorably as a member of the Armed Forces during World War II.

Frank has always been a pleasant, amiable member of the House staff. His work and efforts will be an example to the others who follow in his path. All who have worked with him respect him as a sincere, dedicated public servant.

I want to join with my colleagues in wishing Frank Del Balzo a very happy and pleasant retirement. With him goes the grateful thanks of all the Members of the House and its staff.

MONTHLY CALENDAR OF THE SMITHSONIAN INSTITUTION

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. SMITH of New York, Mr. Speaker, it is my privilege to insert in the Record each month the monthly calendar of the Smithsonian Institution. The July calendar of events follows:

JULY AT THE SMITHSONIAN

FESTIVAL OF AMERICAN FOLKLIFE, JUNE 30–JULY 8

(Detailed schedules will be carried daily in local papers)

Seventh annual festival, to be held along the Reflecting Pool by the Lincoln Memorial. Co-sponsored by the Smithsonian Institution and the National Park Service. Theme activities are scheduled from 11 a.m. to 5 p.m., with music continuing until sunset. Four program themes are featured:

Regional America (July 4–8)—150 Kentuckians will represent their state with craft demonstrations, bluegrass and gospel music, horses and exhibits of bourbon manufacturing. Tobacco growing will be featured with a half acre tobacco field and a tobacco barn that will be used for square dancing and musical events. Horse racing, barn raising, and tobacco auctions will be regular program features.

Old Ways in the New World—A Tribute to Tamburashi. Croatian-Americans and Serbian-Americans join groups from Yugoslavia in a tribute to the musical tradition brought from the "old country" in the 19th century. Performances daily 11 a.m. to 5 p.m. A traditional kafana or open tavern will have singing and dancing from 5 to 7 p.m. Special concert, July 3 at 6:30. Next year's Old World theme—British music, song and dance from England, Scotland, Ireland and America—will be previewed.

Native Americans—nine tribes of Northern Plains Indians showing both past and present culture and life styles, with dancers, craftsmen and seminars on Indian life. Films on American Indians will be shown during the Festival in the History and Technology Bldg. 2 p.m. June 30, July 1, 4, 7 and 8.

Working Americans—"Workers Who Build Our Shelters." Traditional skills of American workers are represented with members of 10 unions building portions of a two-story house and garage, one-story structure with fireplace and a modern office building. Tipi demonstrations will be presented by Northern Plains Indians and a hewn-log smokehouse will be built. Panels, workshops and folklorists are also scheduled. This portion sponsored by the AFL–CIO, the U.S. Department of Labor and the American Federation of Musicians.

In addition to these themes, Gospel Music will be featured in concerts on July 1 at 5:45 p.m., July 7 at 5 p.m. and July 8 at 5 p.m. A Fiddlers Convention and competition will be held July 7.

Saturday, June 30—Film: Tatonka—The Plains Indians and the buffalo. 2 p.m., History and Technology Building auditorium. Presented by the Free Film Theater and the Indian Awareness Program of the Division of Performing Arts.

Sunday, July 1—Film: Okan—the Sun Dance of the Blackfoot Indians. 2 p.m., History and Technology Building auditorium. Presented by the Free Film Theater and the Smithsonian's Indian Awareness Program.

Tuesday, July 3—Museum Lecture: Time Capsule 1776: The Continental Gondola Philadelphia: Speaker: Dr. Philip K. Lundeberg, Curator, Division of Naval History. 11 a.m., Museum of History and Technology auditorium.

Wednesday, July 4—Exhibition: The Black Presence in the Era of the American Revolution 1770–1800. Portraits, prints, broadsides, petitions, poems, letters and a variety of other related objects combine to provide a comprehensive view of the participation of black men and women in the Revolutionary War and the affairs of the early years of the Republic. Early efforts for freedom are traced from battle service, petitions and court actions, to the establishment of the black churches, the recognition of individual talents and finally to the fact of the "Incomplete Revolution." The black church, which led the way in social action, is highlighted with a reproduction of the interior of an early church. National Portrait Gallery, through September 3. Free guide service available 10 a.m. to 3 p.m. daily. A special tour of this exhibition will be presented for children by the Smithsonian Associates on July 21 and 28 at 11 a.m. and 12 noon. $2.50 non-members; $1.50 members. For further details call 381–5157.

Film: Circle of the Sun—a film on the Sun Dance of the Blackfoot Indians. 2 p.m., History and Technology Building auditorium. Presented by the Free Film Theater and the Smithsonian's Indian Awareness Program.

Friday, July 6—Exhibition: A Measure of Beauty: The Diffusion of Style in Early 19th Century America. Approximately 80 prints, drawings, watercolors, banknotes, bandboxes, and pieces of wallpaper by artists of the early 1800's, who emulated the perfect standards of the antique works of Greece and Rome. National Collection of Fine Arts, through September 16.

Saturday, July 7—Film: The Hopi—both the traditional and progressive viewpoints of the Hopi are presented. 2 p.m., History and Technology Building auditorium. Sponsored by the Free Film Theater and the Smithsonian's Indian Awareness Program.

Sunday, July 8—Film: The Navajo—includes rare footage of a curing ceremony. 2 p.m., History and Technology Building auditorium. Presented by the Free Film Theater and the Smithsonian's Indian Awareness Program.

Tuesday, July 10—Museum Lecture: Advances in Communication. Philatelic lecture by Bruce Kelley, Curator, Antique Wireless Association of Holcomb, N.Y. 8 p.m., Museum of History and Technology auditorium.

Thursday, July 12—Creative Screen: The Ceramic Art. Four films on potters and pottery-making. Ladi Kwali—A six-day visit to the Washington-Baltimore area of this internationally renowned Nigerian potter; The Ceramic Art of the Natzlers—The work and philosophy of Gertrud and Otto Natzler; Rauk—students at the Rochester Institute of Technology demonstrate and discuss this traditional process; Maria, Potter of San Ildefonso—a new film on Maria Martinez, famous Pueblo Indian potter now in her 90's. Complete showings begin 11 a.m., 12:45 and 7 p.m., The Renwick Gallery.

Friday, July 13—Creative Screen: The Ceramic Art. Four films on potters and pottery-making. Repeat. Complete showings begin 11 a.m., 12:45 p.m. The Renwick Gallery. See July 12 for film details.

Saturday, July 14—Museum Lecture: Death and the Art of Colonial Virginia. Speaker: Patrick Butler, Visiting Research Associate in the Departments of American Studies and Cultural History. 10:30 a.m., Museum of History and Technology auditorium.

Sunday, July 15—Concert: 18th Century music performed on antique instruments. Chamber music of J. S. Bach, A. Scarlatti, D. Purcell, G. P. Telemann, B. Pasquini, A. Balente, J. Lidon, and L. C. Daquin performed by Page C. Long, harpsichord and recorder; Helen Hollis, harpsichord; Robert Sheldon, baroque flute; and Eugene Enrico, recorder. 2 p.m., Hall of Musical Instruments, Museum of History and Technology. Free.

Film: Reminiscences of a Journey to Lithuania. Jonas Mekas will appear to preview his recently completed work that was filmed when he returned to his homeland after a long exile, 5:30 p.m., History and Technology Building auditorium. Sponsored by the Smithsonian Associates. $2 general, $1.50 members. Call 382–5157 for reservations.

Friday, July 20—Drama: A Tribute to the Black Woman, performed by the Inner Voices of Lorton Reformatory. An original play by Rhozier "Roach" Brown, founder and director of the group, that speaks in an eloquent way to the beauty and strength of all black women. 7:30 p.m. Anacostia Neighborhood Museum, 2405 Martin Luther King Jr. Avenue. Free.

Saturday, July 21.—Museum Lecture: New Zealand: A Nation's History in Postage Stamps. Speaker: Reidar Norby, Associate Curator, Division of Postal History. 10:30 a.m., Museum of History and Technology auditorium.

Sunday, July 22—Films: Serpent, Sgt. Swell, This Is the Home of Mrs. Levant Graham, The Tempest, Phenomena, La Jetee. Sponsored by the Smithsonian Associates. History and Technology Building auditorium, 5:30 p.m. Free.

Monday, July 23—Concert: Light and Sound by the New York Light Ensemble. Great classical music and exploration of the beauty of light, presented by the New York Light Ensemble, the foremost group in establishing the use of light as an aesthetic medium. An explanation of what, how and why the group works with lights will also be given, with questions from the audience welcomed. 8 p.m., Baird Auditorium, Natural History Building. Sponsored by the Smithsonian Resident Associates. $4.50 general admission; $3 members; $3.50 students. For reservations call 381–5157.

Tuesday, July 24—Museum Lecture: Greek and Roman Sundials. Speaker: Dr. Sharon Gibbs, Smithsonian Fellow, Division of Mathematics. 2:30 p.m., Museum of History and Technology auditorium.

Thursday, July 26—Lecture: Aspects of American Women Artists. William H. Gerdts, Professor of Art at Brooklyn College, will talk on the American woman artists of the last two hundred years. Among them are Romaine Brooks, Georgia O'Keefe, Cecilia Beaux, Susan McDowell Eakins (wife of Thomas Eakins), Maria Benson (Winslow Homer's mother), Maria Oakley Dewing (wife of Thomas Dewing) and Lilly Martin Spencer. Presented in conjunction with the Spencer exhibition now on view. 12 noon, National Collection of Fine Arts. Free.

Creative Screen: The Ceramic Art. Four films on potters and pottery-making, Repeat. Complete showings begin 11 a.m., 12:45 and 7 p.m. The Renwick Gallery. See July 12 for film details.

Exhibition: Form and Fire: Natzler Ceramics 1939–1972. A retrospective exhibition of 174 objects created by Gertrud and Otto Natzler, remarkable for their combination of simplicity and perfection. The museum's initial major exhibition of 20th century ceramics. The Renwick Galley, through October 22.

Friday, July 27—Creative Screen: The Ceramic Art. Four films on potters and pottery-making. Repeat. Complete showings begin 11 a.m. 12:45 p.m. The Renwick Gallery. See July 12 for film details.

Saturday, July 28—Museum Lecture: Pascal and Technology. Speaker: Uta C. Merzbach, Curator, Division of Mathematics. 10:30 a.m., Museum of History and Technology auditorium.

Sunday, July 29—Films: Eggs, Blues Accordin' to Lightnin' Hopkins, Re-entry, Un Chien Andalou, The Dentist, Les Mistons. 5:30 p.m., History and Technology Building auditorium. Sponsored by the Smithsonian Associates. Free.

Changes of address and calendar requests: mail to Central Information Desk, Great Hall, Smithsonian Institution Building, Washington, D.C. 20560.

SUMMER HOURS

(Open 7 days a week, including July 4)

Museum of History and Technology, Museum of Natural History, Arts and Industries Building, National Air and Space Museum—10 a.m.-9 p.m.

Freer Gallery of Art, National Collection of Fine Arts, National Portrait Gallery, Smithsonian Institution Building—10 a.m-5:30 p.m.

The Renwick Gallery—10 a.m.-5:30 p.m. Thursdays, open until 9 p.m., through Labor Day.

National Zoo buildings—9 a.m.-6 p.m.

Anacostia Neighborhood Museum—10 a.m.-6 p.m., weeksdays; 1-6 p.m. weekends.

DEMONSTRATIONS—MUSEUM OF HISTORY AND TECHNOLOGY

(No demonstrations July 4)

Steam Engines. Wednesday through Friday, 1-2:30 p.m. 1st floor.

Machine Tools. Wednesday through Friday, 1-2 p.m. 1st floor.

Spinning and Weaving—Tuesday through Thursday, 10 a.m.-2 p.m. 1st floor.

Hand-Set Printing Presses. Monday, Tuesday, Thursday, Friday, 2-4 p.m., 3rd floor.

Musical Instruments. A selection of 18th and 19th century instruments, and American folk instruments. Hall of Musical Instruments, 3rd floor, 1:30 p.m., Mondays and Fridays—keyboard instruments; Tuesdays—wind instruments; Wednesdays—lutes and guitars; Thursdays—folk instruments.

Music Machines—American Style. Mechanical and electronic music machines. Monday through Friday, 1:00 p.m., 2nd floor. As part of this exhibit, excerpts from musical films are shown continuously:

MUSEUM WALK IN TOURS

Highlight Tours—Museum of History and Technology, Museum of Natural History, National Air and Space Museum (Arts & Industries Bldg.): Weekdays on the half hour from 10 a.m. to 12 noon, and from 1 to 3 p.m.

National Portrait Gallery—guide service available between 10 a.m. and 3 p.m., 7 days a week.

Dial-A-Phenomenon—737–8855 for weekly announcements on stars, planets and worldwide occurrences of short-lived natural phenomena.

Dial-A-Museum—737–8811 for daily announcements on new exhibits and special events.

PUPPET THEATER

Alice in Wonderland. Lewis Carroll's dream fantasy featuring all the favorite characters insulting, advising and delighting Alice as she tumbles after the White Rabbit into an incredible dream world of eternal tea time. A new production for children by Allan Stevens and Company, presented in the Arts & Industries Bldg., by the Division of Performing Arts. Performances Wednesdays through Sundays, 11 a.m., 1 and 2 p.m., including July 4. Admission $1 children; $1.25 adults. Group rates available. For reservations call 381–5395.

RADIO SMITHSONIAN

Radio Smithsonian, a program of music and conversation growing out of the Institution's many activities, is broadcast every Sunday on WGMS–AM (570) and FM (103.5) from 9–9:30 p.m. The program schedule for July:

1st—Man and African Wildlife. A discussion featuring John Owen, former Director of National Parks in Tanzania, and Helmet Buechner, Senior Scientist, National Zoological Park.

8th—Great Tenor Sax Men. From the "Radio Smithsonian" jazz series, with Martin Williams, Director of the Smithsonian's Jazz Studies Program.

15th—Life with the Bushmen. John Yellen, Museum of Natural History pre-doctoral fellow, recalls his experiences while living for two years with the Bushmen of Southwest Africa.

22nd—The Black Presence in the Revolution. A look at the new exhibit opening this month at the National Portrait Gallery.

29th—Concert. Baroque music, presented by the Smithsonian's Division of Musical Instruments.

Radio Smithsonian can also be heard over WAMU–FM (88.5), Fridays at 2 p.m.

Use of funds for printing this publication approved by the Director of the Office of Management and Budget, June 3, 1971.

Domestic Study Tours—for further details write Mrs. Kilkenny, Room 106–SI, Smithsonian Institution, Washington, D.C. 20560.

Alaska Float Trip: July 18–Aug. 1. Waiting list only.

New Hampshire Archaeology Dig: One week, Aug. 5 or 12. Students only, Aug. 19.

Acadia National Park: Sept. 9–15.

California Colonial History: Sept. 16–23.

Sea and Shore Laboratory: Oct. 11–18.

Big Cypress Swamp and Everglades National Park: Nov. 11–18.

Louisiana Plantation Architecture: November.

The Smithsonian Monthly Calendar of Events is prepared by the Office of Public Affairs. Editor: Lilas Wiltshire. Deadline for entries in the August Calendar: July 8.

EXPERIMENTARIUM

An experimental prototype of the Spacearium to be built in the new Air and Space Museum opening in 1976. The demonstration show, entitled New Born Babe, introduces the Spacearium concept and includes a simulated Apollo launch, explains why stars have different colors, describes pulsars, and provides an imaginary closeup of a quasar on the edge of the universe. Programs are scheduled Monday through Fridays, 10:30, 11 a.m.; 4 and 4:30 p.m.; Saturdays and Sundays, 10:30, 11:30 a.m., 12:30, 1:30, 3:30 and 4:30 p.m. For last minute schedule changes call 381–6264. In the National Air & Space Museum.

Foreign Study Tours—for further details write Miss Schumann, Smithsonian Institution, Washington, D.C. 20560.

Mexico and Guatemala: Aug. 27–Sept. 14.

International Aerospace Tour: Sept. 17–Oct. 3.

Copernicus: The cities in Poland and Italy where he lived and worked. Oct. 1–23.

West Africa: Jan. 8–Feb. 1, 1974.

India and Nepal: Jan. 18–Feb. 10, 1974.

Sites of Civilization, Cruise from Rome to Athens: April 6–22.

Greece, Sites and Flowers on the mainland and Peloponnesus: April 27–May 12.

Ethiopia and Africa: May 23–June 14.

Black Sea Cruise: Sept. 17–Oct. 6.

Afghanistan and Pakistan: Oct. 21–Nov. 11.

ANNOUNCEMENT OF HEARINGS ON S. 1585

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. EDWARDS of California. Mr. Speaker, I would like to announce that the Subcommittee on Civil Rights and Constitutional Rights of the House Judiciary Committee will hold hearings on S. 1585, to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes.

The hearings will commence with testimony from the Forest Service of the Department of Agriculture on Monday, July 16, 1973, at 10 a.m., in room 2226, Rayburn House Office Building, Washington, D.C.

Those wishing to testify or to submit written statements for the record should address their requests to the Committee on the Judiciary, U.S. House of Representatives, Washington, D.C. 20515.

NONCHEMICAL CONTROL OF PESTS—BOLL WEEVILS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. OBEY. Mr. Speaker, a number of us in this Chamber have urged increased research into methods of pest control that do not involve conventional pesticides. We realize that while nonchemical means are not the sole answer to this Nation's pest control problems, they are a move forward.

Many of the current pesticides create hazards not only for the environment, but for the farmer himself. Besides presenting an increasing cost to the farm community, the pesticides lose effectiveness as newly evolved insect strains become resistant to their deadly effects.

I am happy to report that the programs which we have funded have resulted in some important breakthroughs. One program to eradicate the cotton boll weevil has the potential to reduce this Nation's total pesticide consumption by 30 percent. This program is indicative of the types of research these funds support, and of the need for continued support in this important area.

The Milwaukee Journal June 25, 1973 article inserted below should be of some interest to the House:

BOLL WEEVILS FACE EXTINCTION IN SOUTH

MEMPHIS, TENN.—The boll weevil, the pest that has plagued the Cotton Belt for decades, may be facing extinction from a sterilization program that has shown convincing results thus far.

The National Cotton Council says demise of the weevil could bring down consumer prices paid for cotton clothing and could significantly reduce the amount of pesticides used in this country. The council estimates that 30% of the nation's pesticide use is aimed at the boll weevil.

The sterilization program being used against the boll weevil has thus far cleared the insect from 28,000 acres in three states, officials report.

Congress is taking a keen interest in the findings of research funded so far by federal and private money. The result shows male boll weevils can be chemically sterilized, bringing about a reproduction dropoff that wipes the insect out.

"There is an awful lot of pressure to reduce chemical spraying, so I think reducing national pesticide use by about a third would be one of the biggest benefits of this program," said Rep. B. F. Sisk (D-Calif.) after a visit to the US Agriculture Department's Boll Weevil Research Laboratory. The lab, the only one of its kind in the world, is located at Mississippi State University in State College, Miss.

Under the technique now being tested by the boll weevil lab, male weevils are chemically sterilized and then are released from low flying aircraft into fields. The sterile males mate with female weevils, but the eggs never hatch.

After trying the system for two years on 28,000 acres in Alabama, Mississippi, and Louisiana, researchers told Sisk that weevils are down to undetectable levels in the experiment areas.

Sisk said one main concern was the effect of the program on other animals that might be deprived of food if the weevils are wiped out. Researchers said environmental effects of eradication appear minor compared to those from aerial application of pesticides.

The Cotton Council said one reason that eradication of the weevil would have little impact on Cotton Belt wildlife was that it was not native to this country. It began migrating from Mexico about 1895.

Sisk's visit to the boll weevil lab was in preparation for congressional attempts to write a farm law to replace the expiring Food and Agriculture Act of 1970. Sisk said he was hopeful that the boll weevil program could be applied against the bollworm and pink bollworm, insects found in cotton fields in the West.

BAHAMA INDEPENDENCE DAY

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. ROGERS. Mr. Speaker, today, July 10, 1973, there is one more independent democratic nation in the world. Today the Bahamas, after nearly two and one-half centuries of colonial rule, gain their independence from Great Britain. One hundred and ninety-seven years after American independence, the Bahamas have achieved independence without violence and without firing a shot.

Our neighbors in the Caribbean are to be commended for their peaceful efforts to attain democratic government. It should be stressed that democracy in the Bahamas has come about as an evolution rather than a revolution. For many years, and especially over the last decade, the people of the Bahamas have gradually taken on many of the rights and responsibilities that come with democratic government. They have gained voting rights for men and women, regardless of one's position in society. They have begun to handle their own domestic affairs with a spirit of responsibility and leadership.

The people of Florida have come in contact with our neighbors in the Caribbean for many years. It is, therefore, with a special spirit of congratulations that the citizens of Florida wish the Bahamians the very best as they enter the role of a separate democratic nation. The people of Florida will remain the good friend and neighbor of the Bahamas as they have in the past.

The men and women of Florida know that the Bahamas represents the spirit of democracy well. I hope that you will join with me and the people of Florida in commending their achievements, and wishing the Bahamas a happy and prosperous future.

THE WHOLESOME LEGACY OF A QUIETLY GREAT MAN, FRANK MURPHY OF WORCESTER, MASS.

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. DONOHUE. Mr. Speaker, last Wednesday, on July 4, 1973, a quietly great man, Francis P. Murphy, of my home city of Worcester, Mass., passed away.

By profession, "Murph", as he used to sign his personal notes, was a journalist and he spent practically his entire life as a working newspaper reporter and managing editor.

His renowned professional excellence will always remain as a model standard in the journalistic history of our Commonwealth and New England region. However, it was his unshakable belief in and everyday practice of the highest principles of personal conduct and integrity, together with his boundless exercise of charitable understanding, wise, encouraging counsel, sympathetic compassion, deep humility, blithe spirit, and genuine good nature that will ever endear his memory to those of us who were privileged to call him friend and those who were fortunate enough to work with and for him.

Mr. Speaker, the hourly life and deeds of Frank Murphy, an exceptionally ordinary man, provide a timely and moving inspiration, particularly in this dark period of our national history, to everyone who wonders what they can individually do to stem the tide of disappointment and discouragement that is unhappily enveloping our country today.

If he were asked that question I think that Frank Murphy's summary reply would be—stand by your basic beliefs, support your free American system and institutions, honor your obligations, give your best effort to your work, respect and help your neighbor, teach by example, not dictation, and thank the Almighty for all the personal and national blessings that you have.

In daily fulfillment of this creed Frank Murphy proved that one person can really be a mighty influence for good upon his fellow men.

In his own self-effacing but tremendously effective way he truly made his community, his Commonwealth, and his country better places to live in and for that contribution all our people will be in his everlasting debt.

If his example is largely followed, Mr. Speaker, this Nation can and will more quickly and completely achieve its destiny of becoming an eternal citadel of human honor, freedom, decency, opportunity, equality, and good will, in a world at peace.

On this score I am pleased to include here excerpts from an article that appeared in the Worcester, Mass. Telegram newspaper issue of July 5, 1973, outlining the life of Frank Murphy and containing a few of the multitudinous and preeminently deserved tributes that were expressed upon his death. The article follows:

FRANK MURPHY DIES, EX-MANAGING EDITOR

Francis P. (Frank) Murphy of 291 Beverly Road, retired managing editor of the Worcester Telegram, died yesterday at Cape Cod Hospital in Hyannis. He was stricken ill Tuesday while vacationing in Harwich Port.

He had observed his 77th birthday Sunday.

Associated with the Telegram for 49 years before retiring at 70 in 1966, Mr. Murphy remained a working newspaperman until his death. He had kept active in recent years working as a copy editor for the Catholic Free Press, leaving his desk three weeks ago to vacation on Cape Cod.

He had been managing editor of the Telegram from 1945 to 1966.

A man of few but telling words, Mr. Murphy was renowned in journalism as a teacher of young reporters and for his ability to organize a newspaper staff for coverage of fast-breaking news.

Mr. Murphy's harnessing of men and machines to assess and accurately report the June 9, 1953, tornado was an outstanding example of his talents.

Never one to seek personal credit, Mr. Murphy did say when retiring from the Telegram in 1966 that he considered his greatest accomplishment in journalism to be "making newspapermen out of suitable college graduates." In that regard, he added modestly, "I have had a prideful success."

Of the hundreds of writers who began their careers under Mr. Murphy, at least four were later Pulitzer Prize winners—Leland Stowe, the late Joseph A. Keblinsky, James S. Doyle and Sanche de Gramont.

Joseph McGinnis, author of the best seller, "Making of the President, '68," started as a newspaperman under Mr. Murphy, as did Noah Gordon, author of several books, including the best seller, "The Rabbi."

A veteran reporter recalled when Mr. Murphy retired in 1966 that "he brought me up in the newspaper business almost like a father brings up a son."

Maybe that fatherly interest developed because Mr. Murphy began, what he called "his newspaper life" on a weekly operated by his father, Peter B. Murphy, later city clerk of Marlboro.

STARTED ON WEEKLY

In 1914, when Mr. Murphy was graduated from Boston High School of Commerce, he went to work for the Marlboro Times which his father published weekly while also running a print shop.

Mr. Murphy had studied journalism at Boston University, taking night courses in 1913 and 1914 while going to high school days.

A thin man, with craggy features, coal-black hair parted in the middle, Mr. Murphy in his days as a reporter was nothing like Hollywood's boisterous press card-in-hat reporters. Old timers mourning his passing last night could not recall him ever wearing a hat.

They remembered him always with sleeves rolled up, bony elbows against the desk wielding a copy editor's pencil.

Mr. Murphy served with the American Expeditionary Forces in France during World War I. He was with the 33rd Engineers.

The day after he retired from the Telegram, the Catholic Free Press said of him:

"Did he 'manage' the news? Of course he did. No newspaperman, especially one who has been an editor as long as he has, would ever profess that journalism is a completely objective science. But there is a difference between 'managing' and 'distorting' or 'sensationalizing.' The latter words are not part of his vocabulary."

The Free Press concluded, "Mr. Murphy's insight and talent will be missed, but more so will be his integrity and interest."

SERVED IN WORLD WAR I

Following service in World War I, he returned to the Telegram, moving into the city room from Clinton in 1921 and becoming county news editor.

During the Roaring Twenties and Depressing 1930s, he served as state editor, city editor, wire editor, and news editor under the late Mose H. Williams, whom he succeeded as managing editor in 1945.

When the world gloried at Charles A. Lindbergh's solo flight across the Atlantic in 1927, Mr. Murphy's charges already were writing of Robert H. Goddard's first pioneering rocket firings in a cow pasture in Auburn.

For more than 40 years, Mr. Murphy loved to vacation at Cape Cod. But he was a newspaperman 24 hours a day, which led in 1963 to a Telegram "scoop" of the national press with a story that there would be a new summer White House on Squaw Island in Hyannis Port.

In developing the copyrighted story, Mr. Murphy had learned the wife of President John F. Kennedy was interested in acquiring a home owned by singer Morton Downey.

The White House later confirmed the Murphy story, and in that summer of 1963 shortly before his death President Kennedy did locate his White House on Squaw Island.

In recalling his own career, Mr. Murphy noted he had "covered spot and breaking news stories in every town and city in the Telegram's circulation area except Phillipston and Royalston, where apparently nothing ever happened in my day."

At one time, whistling was said to have bothered the old-time telegraphers and was long a newsroom taboo.

One of the first lessons of journalism experienced by a cub reporter was to hear Mr. Murphy's thunder, "Who's whistling?"

Mr. Murphy, however, always looked as though he was whistling inside. "He was happy with every story he worked on, every paper he ever turned out. It was his whole life. And . . . he did a good job," said his widow, Mrs. Callie M. (Clifford) Murphy.

Richard C. Steele, president and publisher of the Telegram, and The Evening Gazette, Inc., said, "I am terribly grieved. Frank Murphy was a dear friend as well as a professional colleague for years.

"Frank Murphy was one of the most competent and professional newspapermen it was my privilege to know and to work with," said Steele, recalling that reporters who had worked with and for him "have gone all over the world" in the field of journalism and related fields. "Their achievements serve to illustrate the professionalism Frank Murphy instilled in his reporters," Steele said.

"He was a man of courage and principle, a great editor, an excellent teacher and one of the finest persons I have known," said Robert C. Achorn, vice president and editor of the Telegram and Gazette.

Mr. Murphy had but one professional interest in life—newspapering. He loved it. He lived it.

Mentioned in the current edition of Who's Who in America, Mr. Murphy for many years belonged to the American Society of Newspaper Editors, Associated Press Managing Editors Association, the New England Society of Newspaper Editors and the New England Associated Press News Executives Association.

He also was a member of the Boston Veterans Journalists, the Academy of Political Science, the American Academy of Political and Social Science and the Holy Name Society of Our Lady of the Rosary Church.

GIVE A FRIEND A LIFT

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. COTTER. Mr. Speaker, I would like to call attention to a commendable energy-saving concept initiated recently by the Aetna Insurance Co. of Hartford, Conn.

The program, called "Give a Friend a Lift," encourages employees to car-pool by reserving preferential parking spaces near the home office for cars which bring three or more employees to work. Parking spaces for the car-pools are reserved right up to the start of the 8 a.m. workday.

This timely program had been started before the summer season's heavy demand for gasoline dwindled reserves and brought prices up.

Of this program, Aetna president, Frederick D. Watkins said:

> It is our thought that if business takes steps like this, the danger of a gasoline crisis could be alleviated.

I feel that this sort of incentive program is a step in the right direction.

FEDERAL CIVILIAN EMPLOYMENT, MAY 1973

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. MAHON. Mr. Speaker, I include a release highlighting the May 1973 Federal personnel report of the Joint Committee on Reduction of Federal Expenditures:

FEDERAL CIVILIAN EMPLOYMENT, MAY 1973

Total civilian employment in the Executive, Legislative and Judicial Branches of the Federal Government in May 1973 was 2,815,938 as compared with 2,808,246 in the preceding month of April—a net increase of 7,692. These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Federal Expenditures.

Total pay for April 1973, the latest month for which actual expenditures are available, was $2,718,191,000. Total pay for fiscal year 1973 is forecast to be in excess of $33 billion.

EXECUTIVE BRANCH

Civilian employment in the Executive Branch in May is compared with the preceding month of April, with May a year ago and with May five years ago, as follows:

	Full-time in permanent positions	Change	Temporary, part-time, etc.	Change	Total employment	Change
Current change:						
April 1973	2,431,933		333,619		2,765,552	
May 1973	2,433,635	+1,702	339,122	+5,503	2,772,757	+7,205
12-month change:						
May 1972	2,511,380		299,437		2,810,817	
May 1973	2,433,635	−77,745	339,122	+39,685	2,772,757	−38,060
5-year change:						
May 1968	2,613,232		305,846		2,919,078	
May 1973	2,433,635	−179,597	339,122	+33,276	2,772,757	−146,321

Full-time permanent employment in the month of May was increased by 1,702. The largest increases were in Postal Service with 1,814 and HEW with 812 and the largest decrease was in Defense with 1,540. Since April a year ago such employment showed a net reduction of 77,745 mainly in Postal Service with 48,179 and Defense with 46,498. Major increases during the year were in Veterans with 7,911, HEW with 7,098 and Treasury with 2,475. In the 5 years since May 1968 full-time permanent employment has dropped 179,597 mainly in Defense with 235,657 offset by a net increase of 56,060 in all other agencies.

TOTAL EMPLOYMENT

Total civilian employment in the Executive Branch in May, as compared with April, is shown for civilian and military agencies, as follows:

	May	April	Change
Civilian agencies	1,713,225	1,706,623	+6,602
Military agencies	1,059,532	1,058,929	+603
Total civilian employment	2,772,757	2,765,552	+7,205

The civilian agencies of the Executive Branch reporting the largest increases in May were Agriculture with 2,588, Postal Service with 2,509, Interior with 2.309 and HEW with 1,504 (due to the conversion of certain public assistance grant programs, previously operated by the states, to direct federal administration). The largest decrease was in Treasury with 4,280.

LEGISLATIVE AND JUDICIAL BRANCHES

Employment in the Legislative Branch in May totaled 34,371, an increase of 475 as compared with the preceding month of April. Employment in the Judicial Branch in May totaled 8.810, an increase of 12 as compared with April.

UNIFORMED MILITARY PERSONNEL

Uniformed military personnel in the Department of Defense has decreased 1,028,946 in the 19 years since 1954, while civilian employment has decreased 150,044 over the same period.

In the Department of Defense annual military personnel costs are now running at about $22 billion and civilian pay costs at about $12 billion—both more than doubled since 1954.

In addition, Mr. Speaker, I would like to include a tabulation, excerpted from the joint committee report, on personnel employed full time in permanent positions by executive branch agencies during May 1973, showing comparisons with June 1971, June 1972, and the budget estimates for June 1973:

FULL-TIME PERMANENT EMPLOYMENT

Major agencies	June 1971	June 1972	May 1973	Estimated June 30, 1973[1]
Agriculture	84, 252	82, 511	81, 949	83, 400
Commerce	28, 435	28, 412	28, 038	28, 200
Defense:				
Civil functions	30, 063	30, 585	30, 023	32, 400
Military functions	1, 062, 741	1, 009, 548	972, 609	[2] 980, 000
Health, Education, and Welfare	104, 283	105, 764	113, 491	[3] 110, 200
Housing and Urban Development	16, 030	15, 200	15, 991	15, 800
Interior	57, 570	56, 892	56, 511	57, 000
Justice	42, 662	45, 446	45, 837	47, 200
Labor	11, 352	12, 339	12, 309	12, 800
State	23, 398	22, 699	22, 588	23, 200
Agency for International Development	13, 477	11, 719	10, 516	10, 800
Transportation	68, 482	67, 232	65, 771	67, 700
Treasury	90, 135	95, 728	98, 528	103, 000
Atomic Energy Commission	6, 920	6, 836	7, 061	7, 000
Civil Service Commission	5, 324	5, 260	5, 883	6, 000
Environmental Protection Agency	5, 959	7, 835	8, 237	8, 900
General Services Administration	38, 076	36, 002	35, 737	38, 100
National Aeronautics and Space Administration	29, 478	27, 428	26, 746	26, 800
Panama Canal	13, 967	13, 777	13, 652	14, 000
Selective Service System	5, 569	5, 791	4, 999	5, 700
Small Business Administration	4, 004	3, 916	4, 063	4, 200
Tennessee Valley Authority	13, 612	14, 001	13, 881	14, 000
U.S. Information Agency	9, 773	9, 255	9, 184	9, 400
Veterans' Administration	158, 635	163, 179	169, 201	171, 600
All other agencies	31, 333	33, 499	34, 175	35, 800
Contingencies				2, 000
Subtotal	1, 955, 530	1, 910, 854	1, 886, 980	1, 915, 200
U.S. Postal Service	564, 782	594, 834	546, 655	569, 500
Total [4]	2, 520, 312	2, 505, 688	2, 433, 635	2, 484, 700

[1] Source: As projected in 1974 budget document; figures rounded to nearest hundred.

[2] Excludes increase of 5,000 for civilianization program.

[3] Excludes increase of approximately 9,000 in adult welfare categories to be transferred to the Federal Government under Public Law 92-603.

[4] May figure excludes 1,422 disadvantaged persons in public service careers programs as compared with 2,601 in April.

PROPOSED AMENDMENT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, if the Dickinson amendment does not win approval of the House tomorrow, I plan to offer the following amendment as a compromise:

AMENDMENT BY MR. ANDERSON OF ILLINOIS TO H.R. 8860

Page 59, line 12, after section 4(n) add a new subsection as follows:

(o) Section 5 of the Food Stamp Act of 1964, as amended (7 U.S.C. 2014), is amended by adding a new subsection, as follows:

"(d) Notwithstanding any other provision of law, a household shall not participate in the food stamp program while its principal wage-earner is, on account of a labor dispute to which he is a party or to which a labor organization of which he is a member is a party, on strike: *Provided*, That such ineligibility shall not apply to any household that was eligible for and participating in the food stamp program immediately prior to the start of such strike, dispute, or other similar action in which any member of such household engages: *Provided further*, That such ineligibility shall not apply to any household if any of its members is subject to an employer's lockout: *Provided further*, That for purposes of determining eligibility under this subsection, such strike or work stoppage shall not be considered after the 60th day of such stoppage "

(e) By adding the following new paragraphs at the end of section 3:

"(n) The term 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

"(o) The term 'strike' includes any strike or other concerted stoppage of work by employees (including a stoppage by reason of the expiration of a collective-bargaining agreement)."

OPERATION YOUTH PROGRAM

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. KEATING. Mr. Speaker, recently an event occurred in my district which I feel would be of interest to other Members of Congress.

Approximately 65 high school students representing schools in Ohio, Indiana, and Kentucky met at Xavier University in Cincinnati, Ohio to participate in the program, Operation Youth. This program has been held successfully in the past and is a definite highlight of a high school year for those students who are chosen by their schools to attend.

The Operation Youth program is a week long seminar in the principles of government, democracy, and patriotism. Group discussions, an active study of civics and government, and listening to speakers from varied fields of interest, are some of the activities scheduled. This year my office had the privilege of participating by conducting a short talk on the importance of volunteer services to the community and good government.

The busy democracy in action week culminates in a mock election of a mayor and an event known as Flag Day. The mayor of Operation Youth is elected by the students using the democratic methods they learned about during the week. A final closing activity of the Operation Youth week is the Flag Day program in which special tribute is given to the U.S. flag. The flag, which, incidentally, I had the honor of contributing, is then presented to the new mayor of Operation Youth.

The 1973 Operation Youth week was under the able directorship of Mr. Bill Smith who devoted many, many hours to this program. I commend Mr. Smith, other faculty members, and Xavier University for making successful such an important program for youth and the Nation.

DRUG ABUSE EDUCATION

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BRADEMAS. Mr. Speaker, during May and June, the Select Subcommittee on Education, which I have the honor to chair, held 6 days of hearings on H.R. 4715, and related bills, to extend the Drug Abuse Education Act.

I want today, Mr. Speaker, to share with my colleagues, the statement delivered before by subcommittee by Evan H. Bergwall, Jr., executive director of the youth services bureau of South Bend, Ind., in my own Third District.

Mr. Bergwall presented many interesting insights to the subcommittee, and told us that drug education must be more than the simple presentation of information.

Said Mr. Bergwall:

> To begin, drug education must be experiential rather than intellectual. It must begin to touch the affective nature of the individual. The problem must be clearly defined as a problem with individuals who will not be responsible for their own lives, but who rather choose to escape problems and pain via drug use.

Mr. Speaker, I insert Mr. Bergwall's incisive analysis of drug abuse problems at this point in the RECORD:

TESTIMONY IN BEHALF OF H.R. 4715, DRUG ABUSE EDUCATION EXTENSION

Congressman Brademas, and honorable members of the Select Sub-committee on Education:

I am grateful to be able to appear before you to speak to the need of drug education and to the favorable implementation of House Bill No. 4715 and its budget.

To say that drug education is needed today is almost trite, yet many persons treat the subject in the same hushed terms as sex education not very many years ago. Drug education is now in its infancy in my community and it must begin to develop into a more comprehensive effective tool—it can no longer be simply "drug information".

WHAT DO I DO?

Briefly, let me illustrate but a few experiences which have occurred within my jurisdiction as the Director of the Youth Services Bureau in South Bend, Indiana. While sitting waiting for an appointment with an elementary school principal one day, a six year old black male first grader was very, very active while sitting next to me waiting to see the assistant principal. After a good deal of first grade kind of conversation, it was apparent that this boy was indeed extremely hyperactive. Our conversation suddenly ended with the principal's door opening and my entrance to deal with the business at hand. During our conversation, I mentioned the young boy in the waiting room, only to discover he had been stealing large quantities of diet pills from local drug stores and taking them.

Not many weeks later, the same principal called my office in a great deal of turmoil and near panic with the words, "I think I've got a kid who has O-D'ed. What do I do?" His discomfort was greatly apparent along with the fear of what would happen to the boy.

The same week, a high school principal called on some high school youth trained in crisis intervention to deal with a fellow student who was on a bad trip while in school.

The stories could be repeated a hundred times over each day across our country. The cry continues to go up as to what to do about so great a problem. It is obvious to me in dealing with school officials — teachers, nurses, and administrative personnel—that many have no awareness of or ability to cope with young people who are using drugs.

MEANINGLESS AND IRRELEVANT CURRICULA

A great deal of time and effort must be set forth by our federal government in the area of drug education. Today, drug education in South Bend is almost non-existent. At best, some drug information is given to students about the different kinds of drugs and their effects on the human body, but over use of scare tactics and biased information is also given. The total spectrum is not viewed with any effectiveness nor is the "cause" of drug problems dealt with in any meaningful way.

It would appear at least in some communities in the midwest (and I would surmise we are not all that unique) that money poured into school systems for developing a drug curriculum is wasted money. The curricula developed are usually done by ill-trained persons who know little or nothing about drugs and the drug culture. Hence the curricula turns to be meaningless and irrelevant as students are told one thing in the classroom and experientially know better from their partcipation with drugs and/or from their peers. Perhaps what is developed is drug propaganda, not drug curricula. This points to the necessity of developing and accepting some standard of fact in the preparation of drug curricula in the school systems of this country.

DRUG INFORMATION "INOPERATIVE"

However, the best curricula in the world is meaningless unless those who teach are aware, alert, open, and emphatic to the needs and concerns of those being taught. Drug education, I believe, goes much farther than information about drug use and abuse. If I may borrow some Washington language, "let me make this perfectly clear," drug education as the equivalent of drug information is "inoperative".

I say this because we do not have a "drug problem" in America, we have a people problem. In dealing with over 600 youth in varying degrees of trouble over the past eight months, I have discovered that drug use, delinquent behavior, and running away from home are substantially the same—a means of escape. The problems of today's youth are innumerable, but nowhere in the structure of most schools do we teach the alternatives available within the resources of man to solve one's personological problems. Education today is basically the same as it was a hundred years ago and the cry still goes up to teach the three "R's" and eliminate all the rest of this "stuff". Too often this "stuff" includes sex education, drug education, and means of coping with one's world.

PROBLEM-SOLVING TECHNIQUES

Consequently, it seems to me that drug education must take some radical shifts from the usual run of the mill classroom education. It must begin in the lower elementary grades in the form of problem solving techniques and the learning to trust and use the resources of one's peer group to work through personal problems and grow from that pain rather than escaping through drug abuse. This can be accomplished if the model developed by Dr. William Glasser in *Schools Without Failure* will be effectively utilized. The classroom meeting of which Glasser speaks is a powerful tool in the development of positive peer pressure in problem solving situations. The time has come in America when we must begin to teach children that pain in life can produce strength and that emotional escape through drug abuse does not solve any problems, but simply creates more grave crises in one's life.

Drug education then must include not only information about drugs, but it must also include a discovery of one's self—both strengths and weaknesses. The thought is awesome in that it implicates some radical change in teacher education; namely, an increasing amount of psychological training for teachers in place of the now over done educational methods courses. It means educating the emotional development of the child as well as his intellectual development. It means greater teacher involvement with students and less labeling of students as "successes" and "failures". It means a revolution in education. A new look—a reformation if you will.

EXPERIENTIAL NOT INTELLECTUAL

To begin, drug education must be experiential rather than intellectual. It must begin to touch the affective nature of the individual. The problem must be clearly defined as a problem with individuals who will not be responsible for their own lives, but who rather choose to escape problems and pain via drug use. Furthermore, drug education must include more effective modes of coping with personal problems and life situations rather than delineating drug use as a "no-no". Scare tactics, school expulsion, harsh discipline, will not be effective in curbing drug abuse. Effective human learning in being successful will. If this is done, peer pressure to *cope* will gradually replace the peer pressure of escape, and when that happens, not only will drug information be less necessary, but drug abuse will begin to diminish. Hopeful, then, instead of needing to increase appropriations for drug education, we can begin to utilize these resources to solve some other pressing problem of our age.

WHERE TO BEGIN?

The question now turns to, "where do we begin?" It is my conviction that some basic and major shifts need to occur in drug education. Primarily, the greatest concern of mine is to fund persons and agencies who are currently dealing with drug treatment to be responsible for the development of in-school drug education. Drug treatment professionals and ex-addicts can be a viable tool in drug education in that they are acutely aware of the total implications of drug abuse. Educators who develop curricula from academic knowledge only come up with a job which is less than half done. I believe any school corporation requesting monies for drug education should be required to contract with a person associated with a drug treatment program for assistance and consultation on the realities of the curricula being developed. Thus, the credibility gap which often occurs between the volumes of drug information and the drug user can be reduced if not eliminated.

CURRICULUM CONSIDERATIONS

As curricula are developed, it would be my judgment that the following items be considered:

1. Begin in the lower elementary grades to teach children how to effectively cope with life and solve personal problems and concerns. This would include how to make decisions and weigh alternatives available.

2. Develop systematic programs in human potential and growth with emphasis on personal worth and success.

3. View drug abuse in the total spectrum of alcohol, tobacco, misuse of aspirin, etc., as well as the commonly abused drugs among youth and adults such as marijuana, amphetamines, hallucinogens, etc.

4. Gradually teach drug information in the context of how drugs work when used properly and improperly.

5. Deal with the fact of peer pressure (youth's most effective tool) and begin to develop alternatives in early grades.

6. Develop curricula which is experientially as well as intellectually meaningful. Drug education must include the emotions as well as the mind.

TEACHER TRAINING

Furthermore, I believe a crash program in drug education is needed for the majority of elementary and secondary teachers. Initial reactions to drug abuse by these educators usually ranges from fear to outrage. Tragically, they see a "drug problem" rather than a frightened, confused, often lonely youth. The perspective must be changed to view the person rather than the drug as the problem in need of help and solution. Again, I feel the persons to most effectively carry out this process are persons involved in drug treatment and ex-drug abusers. The unwarranted fears of faculties around the country need to be changed to deep personal concern for those youth involved in drug abuse.

MINI-GRANTS

Finally, I wish to comment on one of the existing components of the Drug Abuse Education Acts, namely, the "Help Communities Help Themselves" project of mini-grants. Those teams who apply for training should present, with their application, some design for their community involvement when they return to their home base. Often I think teams are trained and nothing happens. Some follow-up is needed.

RESEARCH

Also, I believe some hard core research is needed in the area of drug education, and I think the teams who are trained could provide the data. Some models may be developed which are statistically bringing about changes in communities and these need to be brought to light along with their statistical analysis. The same critical eye needs to be applied to the training methods being utilized by the staffs training persons under the mini-grant programs.

One method which I think could be effectively utilized is for training to be based on goals and objectives set out by the teams themselves. If the objectives are met, and programs in local communities succeed as a result of the training, then the work is being accomplished.

EVALUATION

Regardless of the method, a continuous and rigorous evaluation must be undertaken if we are to be true to our goal of eradicating the drug abuse growth through educational means. Accountability must cease to be a threatening word and become a word of challenge and integrity. Only then can we learn from our failures and successes without fear and personal failure.

Thank you, Mr. Chairman, and I trust this legislation appropriation bill will gain passage. I endorse it completely.

THE HONORABLE BARBER B. CONABLE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. STEIGER of Wisconsin. Mr. Speaker, the Wall Street Journal on July 9, 1973, carried an article featuring the distinguished and able gentleman from New York, BARBER CONABLE.

I find it somewhat amusing that a Member of Congress who has become more and more known and respected among his colleagues and has also been noted several times in the national press is still considered little known and unsung.

Let us hope the Wall Street Journal article will help make known to more people the CONABLE integrity and CONABLE ability which his colleagues have been privileged to appreciate for some time.

The article follows:

WAYS AND MEANS' UNSUNG MR. CONABLE

(By Albert R. Hunt)

WASHINGTON.—Barber Conable is not a household word but his views seem likely to have an increasing effect on not only households but businesses across the nation.

For Mr. Conable, a relatively unknown Republican Congressman from upstate New York, is rapidly emerging as one of the key GOP operatives in the House. Indeed, he's rated a good bet to fill the void created by the retirement of Wisconsin Republican John Byrnes as House Republicans' chief economic expert.

He's only the fourth ranking Republican on the Ways and Means Committee. But already his legislative acumen and diligence has made him an important Republican force in the committee's key jurisdictional areas of taxes, trade, Social Security, welfare and health insurance. His importance could grow if the committee's strong-willed chairman, Wilbur Mills (D., Ark.), carries out his intention, announced unexpectedly Saturday, to retire soon unless his health improves (see story on page 6). It is likely that whoever succeeds Mr. Mills as chairman will be a less skilled and forceful legislator.

"Barber has decided that he's going to know more about Ways and Means business than anyone in Congress," notes Rep. Perry Pettis (R., Calif.), also a member of taxwriting panel. "He has the intelligence and interest to emerge as a real leader."

This possibility is increasingly recognized by business groups, which are starting to shower the highly articulate Congressman with speaking invitations, and most importantly by the Nixon administration, which is vitally concerned with upcoming trade and tax legislation. "Conable is the Republicans' heavy hitter on Ways and Means," says an administration lobbyist. "He probably understands the substance of issues better than any other Republican in the House."

A former state senator and attorney ("I studiously avoided tax law," he recalls), Mr. Conable was first elected to Congress despite the 1964 Democratic landslide. Two years after that he was named to the Ways and Means Committee and later to the congressional joint economic panel. In 1971 he joined the GOP House leadership as head of the Republican Research Committee. This is largely a ceremonial post, but it does bring Mr. Conable into the top GOP hierarchy. He has developed fairly close ties with House Minority Leader Gerald Ford and participates in House Republican strategy sessions and periodic meetings with President Nixon to discuss the entire range of important issues.

NO EASY LABELS

The 50-year-old GOP lawmaker is a man not easily labeled. He has a fairly conservative voting record, but has been a leader in the moves for internal House reforms and frequently displays a political pragmatism that moves him away from conventional conservative positions. Though an indefatigable worker on the busiest committee in Congress, he still finds time to personally write a thoughtful and provocative monthly newsletter to constituents. He has received high praise from such diverse groups as Ralph Nader's congressional project and top officials of Eastman Kodak Co., the largest employer in his district.

Although Mr. Conable's future seems secure in his overwhelmingly Republican district, he goes home politicking almost every weekend. In eight years as a Congressman, he has never gone home fewer than 40 times a year. This constant contact, serves as a political "catharsis," he says, explaining that "Washington is an easy place to go stale."

The New Yorker generally has eschewed much involvement in national Republican politics. Most of his House votes reflect the Nixon administration's position. But already this year Mr. Conable has tried to prod a reluctant Nixon administration to join the drive for tax revision legislation. In part, this reflects his native pragmatism. "Tax reform has an ongoing constituency and I believe we can legislate more effectively when we're not in the emotional atmosphere of an election year," he explains.

Unlike some conservatives, Rep. Conable is not adverse to change in the tax code. "It's not very conservative to say, 'I'll keep my money and never mind about others,'" he says. As with most other tax-writing legislators, he won't commit himself on most specifics. But he does think tax shelters should be tightened and predicts there'll be a tighter minimum tax "for those who use tax incentives extensively." While indicating some approval for tightening capital gains taxes, he opposes major tinkering with most investment and depreciation provisions.

He remains a fairly strong free trader and voted against the 1970 trade bill which would have imposed import quotas on a variety of materials. This year he essentially backs the President's trade bill, and administration men say he'll be a key contact man in the weeks ahead as the committee starts writing the trade legislation.

On other issues, Mr. Conable backed the administration's unsuccessful welfare-reform legislation and has voted for most Social Security bills, although he bitterly opposed last year's 20% hike in benefits. He says he has an "open mind" on such other issues as health insurance and pension legislation.

REVENUE-SHARING CHAMPION

Mr. Conable's most notable legislative achievements came as a champion of the administration's revenue-sharing concept in 1971 and 1972, while it was bottled up in committee due to the opposition of Chairman Mills and Mr. Byrnes. Despite such formidable foes, Mr. Conable persisted in working with the administration to build pressure and line up votes. "I saw all those urban Democrats on the committee, and knew they'd be under pressure from their mayors," he says. "Then when the chairman's presidential ambitions started, I knew we could get revenue sharing through."

Sure enough, Mr. Mills eventually relented and revenue sharing sailed through the committee and the Congress. "Barber didn't get a lot of credit, but there's no doubt he was the prime mover for revenue sharing inside the committee," recalls Murray L. Weidenbaum, former top Treasury official and chief architect of the administration plan.

Mr. Conable says his advocacy was unusual; he remains an essentially cautious man who doesn't like to get so far out in front on an issue. "The legislator's natural instinct is to still the hostile voices of the moment," he notes. "There are a few real moral issues where I can be stirred, but in the great bulk of issues, there's a need for maneuvering and bargaining positions, and an ability to talk to both sides. This way I feel, I can maximize my influence on the way we ought to go."

Clearly, though, Rep. Conable enjoys being in on the action. "I went on Ways and Means to be astride the great issues," he declares.

Right now, several factors limit the New York Republican's role. For one thing, a number of colleagues find him a bit abrasive.

"Barber is terribly bright and sometimes that comes across as arrogance," says one. "He's not one of the boys," notes another acquaintance. "He has a touch of the aristocrat in him which doesn't sit well with other members."

Another limitation is his lack of seniority as fourth-ranking Republican on the committee. Only the three senior Republicans meet with Senate Finance Committee members in the conference committees where much crucial legislation is ultimately fashioned.

A third limitation is Mr. Conable's need to tread gingerly in his relations with the committee's new ranking Republican, Rep. Herman Schneebeli of Pennsylvania, a popular figure among his colleagues. Both men go to great lengths to deny frequent speculation about a possible rivalry, and the 65-year-old Mr. Schneebeli freely admits his younger colleague is a growing force in House affairs.

"Barber is going to be around here a lot longer than I am," he says, "and he certainly is looked to for real leadership already."

While versed in issues, Mr. Conable equally enjoys the legislative gamesmanship of the House. He's often a key contact for Minority Leader Gerald Ford in developing GOP strategies, and one of his favorite vocations is trying to analyze and outguess that most masterful of all House psychologists—Ways and Means Chairman Wilbur Mills. "Barber usually stays about a step ahead of the rest of us in figuring out what the chairman is really up to, that's no small accomplishment," says one Ways and Means member.

As a potential Republican leader in economic matters, Mr. Conable has worked with, and at times against, ways and means chairman Wilbur Mills. Though Mr. Conable has warmly praised two of Mr. Mills' recent floor speeches, their relationship at times has been more tempestuous.

"Barber just doesn't believe the sun sets and rises on the chairman," says a committee insider. Mr. Conable has clashed with the powerful Arkansas Democrat in private committee sessions. Earlier this year, the New York Republican reportedly demanded that Mr. Mills categorically deny that a minor Social Security bill might become a vehicle for another major welfare measure. The enigmatic Mr. Mills, observers recall, didn't appreciate being pinned down this way.

A similar forthrightness comes through in the Congressman's newsletters to constituents and monthly columns for newspapers in his district. These reports describe his own activities, of course, but also ventilate his philosophy about government and people. They are insightful, occasionally self-deprecating and rarely marked by cliches.

Thus, talking about the constant rhetorical jockeying in Congress, he recently noted: "Like the lawyers many Congressmen used to be in private life, we are always summing up the case to the jury in the best possible light for our cause, using the tricks of advocacy within the commonly accepted bounds of emphasis, omission and argumentative selection."

Naturally, Watergate has been a prime topic lately, and the New Yorker's deep concern is quite evident. The responsibility must rest with President Nixon, Rep. Conable recently wrote, since he "has not been the captive of his staff, but has deliberately used them to insulate him from personal confrontation with detail." Nor is Rep. Conable sanguine about major White House personnel changes. While praising the appointment of former Congressman Melvin Laird as the new domestic policy chief, Mr. Conable was less pleased with the selection of General Alexander Haig as White House chief of staff. "I assume," he wrote pointedly, "that General Haig is a fine general, a fine administrator and a temporary replacement for Mr. Haldeman."

DISCLOSES PERSONAL FINANCES

A man of some means, Mr. Conable is scrupulously open about his financial affairs. He recently made available to constituents an accounting of all his official expenditures, also revealing that he paid $13,665 in federal income taxes and $4,539 in state taxes last year. He refuses to accept any speaking fees for more than $150, and other than from the Republican Party itself, won't take any campaign contribution that exceeds $50. Last year, he raised and spent about $20,000 while rolling up almost 70% of the vote in his safe Republican district.

Despite accumulating more prestige and power, Mr. Conable shows occasional signs of frustration, and a few acquaintances even speculate he may quit Congress soon.

But this seems very unlikely, for he plainly enjoys being the Congressman from New York's 35th District. "I have a constituency that I understand and understands me, and allows me to interest myself in government," he says. "In the House, we have the capacity and time to look at issues. It's a much more satisfying place than the Senate if you're interested in the patterns of legislation."

ETHEL PAYNE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. STOKES. Mr. Speaker, Ethel Payne is everything that a good journalist should be. She is tenacious, aggressive, and persistent. Perhaps more importantly, she is intelligent, concerned, and aware.

After 20 years of covering events in Washington, D.C., for Sengstacke Publications, Ethel Payne is returning to Chicago. Although she has received a much-deserved promotion—to the position of associate editor for Sengstacke Publications—Ethel's departure leaves a void that will never be filled.

I know Government officials throughout this city will miss the phone call from Ethel Payne that we all learned to expect as soon as an important story broke. I know that I am not alone in saying that I will miss her presence at press conferences, where she never failed to ask the one question that brought the whole issue into focus.

Mr. Speaker, Washington is going to miss Ethel Payne. I know that the Members of this Chamber, and especially the Members of the Congressional Black Caucus, will want to join me in extending an open invitation to Ethel Payne to "come home" as often as she can make the trip.

OPEN LETTER TO MR. LEONID I. BREZHNEV

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. EILBERG. Mr. Speaker, Russian domination of Czechoslovakia, Hungary, and Poland has been a source of great concern to all Americans since World War II, but it has been a special cause for worry for those Americans who have families still living in these countries.

At this time, Mr. Speaker, I enter an open letter written by the leaders of the Czechoslovak National Council of America, Coordinating Committee of Hungarian Organizations, and Polish American Congress Inc., to Secretary General Leonid I. Brezhnev:

OPEN LETTER TO MR. LEONID I. BREZHNEV

MR. SECRETARY: The terror imposed upon the nations of East-Central Europe by the ideology, the political power and military might of Soviet oppression repudiates and negates almost every article in the Declaration of Human Rights.

It denies that men are born free and equal in dignity and rights and that all should act in the spirit of brotherhood.

It denies the right of life, liberty, and security of person.

It denies the principle that no one shall be subjected to cruel, inhuman, or degrading treatment.

It denies that no person shall be arbitrarily arrested, detained or exiled.

It denies that all are equal before the law and entitled to its equal protection.

It denies the right to fair and public hearings by an independent and impartial tribunal.

It denies the right to freedom of thought, conscience, and religion.

It denies the right to freedom of opinion and expression.

It denies the right to freedom of peaceful assembly.

It denies that the individual may not be held in slavery or servitude.

It denies that the will of the people shall be the basis of the authority of government.

That these human rights are so flagrantly repudiated in Czechoslovakia, Hungary, Poland and even in your own country is cause for our concern.

1956 in Hungary and Poland, 1968 in Czechoslovakia and 1970 in Poland again have shown clearly the eternal unquenchability of man's desire to be free, whatever the odds against success, whatever the sacrifice required.

Americans of Polish, Hungarian, Czech or Slovak descent will never recognize the Soviet domination of East-Central Europe. We cannot condone in words or even in our minds any summit meeting, treaty declaration or tacit understanding which promotes or acknowledges the subjugation of our sisters and brothers.

The claim of the nations of East-Central Europe to independence and liberty is not based on sentiment or politics. It is deeply rooted in history, in culture and in law. No matter what sort of puppet government they may maintain we do not mean to see that claim abandoned.

The fulfillment of the political, economic and ideological aspirations of the peoples of East-Central Europe is blocked by the occupation of their territory by the Red Army, by the unscrupulous economic exploitation by the Soviet Union, and by the brutal control exerted by the arms of the Soviet Secret Police. Giving testimony to the sincerity of your stated principles of non-interference in internal affairs, recognition of the right of every state to sovereignty and of promotion of unbreakable peace, behooves you to:

Assure the right to emigrate to those Soviet citizens, residents and political prisoners who desire to leave the Soviet Union and find a new life in their chosen land.

Stop the economic exploitation of the peoples of East-Central Europe and cease to use the products of Czechoslovakia, Hungary and Poland to support the spread of Communist doctrine and Soviet influence throughout the World.

Remove all Soviet troops from Czechoslovakia, Hungary and Poland.

Guided by the traditions, convictions and principles expressed above we call upon you, Mr. Secretary, that in order to accomplish your own stated goal of "unbreakable peace in which alone is possible a true cooperation of sovereign European States with equal rights," during your visit with our President hasten by every honorable and reasonable means the arrival of the day when the men and women of Czechoslovakia, Hungary and Poland will stand again free from Soviet military and ideological domination, in liberty and justice.

RESOLUTION

HON. PETER N. KYROS

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. KYROS. Mr. Speaker, last week, during the congressional recess, the city of South Portland, Maine, was celebrating its 75th anniversary as a municipal corporation. The week-long celebrations were many and varied, ranging from parades through the city's streets to the dedication of the city's first public housing facility— high-rise apartment for the elderly. The residents of South Portland can be proud of their city, and I take this opportunity to call to the attention of my colleagues the resolution adopted by the South Portland City Council in commemoration of this historic event:

CITY OF SOUTH PORTLAND, MAINE, IN COUNCIL

Whereas, Cape Elizabeth was divided into two towns on March 15, 1895; and

Whereas, the northern part became known as South Portland; and

Whereas, the inhabitants of South Portland were granted a city charter which was officially adopted on December 5, 1898; and

Whereas, the year 1973 marks the Seventy-Fifth Anniversary of the city as a municipal corporation; and

Whereas, these seventy-five years have seen tremendous strides taken in all facets of municipal government;

Now therefore, the Council of the City of South Portland does hereby resolve that the week of July 2 through July 8, 1973 be observed with proper and fitting ceremonies commemorating the occasion.

THE 25TH ANNIVERSARY OF THE McHENRY COUNTY FAIR

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. McCLORY. Mr. Speaker, an occasion which deserves special recognition in McHenry County, Ill., is the 25th anniversary of the McHenry County Fair being celebrated at the county seat of Woodstock—in my Congressional District on Saturday, July 14, 1973.

Mr. Speaker, the traditional American County Fair with its combination of exemplary arts and crafts, livestock exhibits, as well as special events and amusements, is unique to the American scene. It is an institution which characterizes the American spirit of fellowship, achievement, and competition and which tends to hold our Nation together.

The McHenry County Fair which was established 25 years ago provides an outstanding showcase for 4–H boys and girls to exhibit their handiwork and their produce and to compare the results of their efforts with one another, as well as with their counterparts from other parts of the State and Nation. This county fair activity fits accurately the description of "learning by doing"—and is accompanied by the substantial benefits which flow from the discussions of 4–H'ers of their individual interests.

Mr. Speaker, the business and industrial communities have joined with the farmers of McHenry County in developing the McHenry County Fair as one in which citizens from all walks of life may participate and benefit. This year, business and farm leaders will direct hundreds of volunteers whose individual efforts and active participation will make the 25th McHenry County Fair the greatest in the county's history. Consistent with the aims of the board, the fair provides a forum for the people to exhibit and compare.

Mr. Speaker, the McHenry County Fair highlights American traditions, customs, and accomplishments. Present day interests are joined with a respect for the past. One indication of this principle is the new department established at this year's fair featuring antique furniture and furnishings, most of which will be associated with an earlier period in McHenry County's history.

Mr. Speaker, it was my privilege as a former member of the Illinois General Assembly to support legislation which provided a State financial support for county fair improvements. It is gratifying to see that this legislative program has brought to fruition a wholesome and useful event such as the McHenry County Fair provides.

Mr. Speaker, it seems particularly appropriate on this 25th anniversary of the McHenry County Fair to salute the past presidents of the McHenry County Fair Association. I recall such past presidents as Elinar Bakkom, Mark Hansen, Henry Marlowe, Lyle Paulsen, Loren Massey, Carl Bault, and Donald Hansen, and the present president, Chuck Weingart.

Mr. Speaker, I know that I carry with me to the 25th anniversary banquet the greetings of my colleagues in this Chamber. I shall extend to all who are present Saturday evening in Woodstock and to all of the citizens of McHenry County congratulations and the good wishes of all of us who are assembled here.

COTTON, INC.

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. CONTE. Mr. Speaker, again I rise, as I did just 3 weeks ago, to offer an amendment to call for an end to all Government subsidies for Cotton, Inc., a quasi-public organization ostensibly in the business of cotton promotion and research.

On June 15, the House accepted this amendment to the 1974 Agriculture Appropriations bill by the overwhelming margin of 234–125. I urge my colleagues to repeat the acceptance of this amendment so that we can forget this outrageous giveway of taxpayers' money for at least 4 more years.

The sordid financial history of Cotton, Inc. reveals a gross misuse and abuse of taxpayer moneys. Let me remind my colleagues of some of the worst ploys practiced by Cotton, Inc.

For 1971 and 1972, the budget for Cotton, Inc. was $20 million a year. Half of this sum came from private cotton producers, based on a dollar-a-bale checkoff. The other $10 million came from the Federal Treasury.

Rather than spend all this money, Cotton, Inc., put between $12 and $15 million into a reserve fund and spent mostly Government subsidy funds.

In 1972, Cotton, Inc., budgeted an astronomical $1,278,000 for the move into, and renovation of, new offices in New York City and Raleigh, N.C. The Secretary of Agriculture, who has the power to disapprove specific projects of Cotton, Inc., declared this figure amounted to an "injudicious use of funds by a quasi-public organization that is heavily dependent on tax revenues and on backing of cotton farmers."

Subsequently, Cotton, Inc. was told it could spend $800,000 on these moves, but that it had to cut excessive moving and renovation expenses. Contrary to the Secretary's orders, Cotton, Inc., went ahead and spent the entire original budget of $1,278,000. It made up the difference of $478,000 by drawing on its reserves of unspent funds from private producers.

Included in this exorbitant expenditure was $25,000 for a private elevator between three floors in the New York office; $160,000 for the purchase of telephone equipment; $96,000 for cabinetry and woodwork; $125,000 for floor, wall, and window coverings—which sounds expensive for cotton drapes—and $7,200 for granite in the reception room.

Three weeks ago, during the debate on the agriculture appropriations bill, I defied the executives of Cotton, Inc., to explain to me why these extravagant baubles were indispensable to cotton promotion and research. I am still waiting for their answer.

Salaries paid to the top executives of Cotton, Inc., are excessive and injudicious. The firm's president receives $100,000 a year, about twice the salary paid to the Secretary of Agriculture. Six other executives receive salaries ranging between $44,000 and $35,000.

Even without its extravagant spending and excessive salaries, Cotton, Inc., would earn the rating of a first-class Federal boondoggle based on its sorry performance alone. As far as cotton promotion is concerned, Cotton, Inc., has been a flop. In 1970, when Cotton, Inc., began its operations, domestic cotton consumption was 8.1 million bales. Two years later, domestic consumption had fallen to 7.8 million bales, our lowest level since 1948.

The irony is that cotton is becoming a commodity demand and this demand is driving its price up. Higher prices force manufacturers to use more synthetic fibers in place of cotton to save money. And from here on, you can see the vicious cycle.

Textile mills in my district complain that they cannot buy enough high-grade cotton. They cite heavy buying by the Japanese. I am not carping against the Japanese, because they order well in advance, and everyone knows we have done enough damage to them lately with the soybean embargo. My point is that there is more demand for cotton than there is supply; but, despite this and the overrated activities of the cotton lobby's oversubsidized promotion outfit, domestic consumption of cotton is in a tailspin.

Mr. Speaker, Cotton, Inc.'s poor performance, its lack of effectiveness, its exorbitant spending practices, and its willingness to violate or ignore legitimate government directives concerning these practices are a sum of failures that add up to a demand for an immediate end to all Federal funding for this outfit.

Of the "big six" commodity crops, cotton is the only one that receives Federal money for promotion and research. For corn, wheat, and feed grains, funds for these purposes come from the private sector. I cannot understand why cotton alone receives such favored treatment.

Further, Federal subsidies for this cotton boondoggle are intolerable. While many worthwhile human resource programs are being slashed and abolished with reckless abandon, I cannot justify throwing any more Federal seed money into this cotton gin. Cotton producers and consumers are not receiving a thread in return.

I call upon my colleagues to support my amendment and end this wasteful, arrogant scandal once and for all.

THIRD REPORT ON THE 93D CONGRESS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. WOLFF. Mr. Speaker, I send each family in my district a regular newsletter to keep my constituents informed of my work as their Representative in Congress. I insert the text of my third report on the 93d Congress at this point in the CONGRESSIONAL RECORD:

Dear Friend and Constituent: I feel honored to have been chosen by Foreign Affairs Committee Chairman Thomas Morgan to head the Subcommittee on International Narcotics Control.

As Chairman of this official House Subcommittee, I intend to vigorously pursue a tough course of action to curb the illicit flow of narcotics to our shores from foreign nations, particularly those from the Golden Triangle of Asia and from various parts of South and Central America. My deep concern over the dangerous and deadly results this international traffic spawns in the form of heroin addiction and related street crimes here at home is intensified by the fact that the Administration currently has made only a minimal commitment to eradicating this world-wide scourge.

My Subcommittee will seek to increase the deployment abroad of trained narcotics agents to watch-dog and crack-down on unscrupulous drug traffickers and their ports of transit. We also will investigate and monitor nations receiving our foreign aid funds to determine if their officials are cooperating fully in efforts to halt the production and influx of drugs. Those nations which do not implement positive curbs on the illegal drug traffic will be cut off from all U.S. aid funds.

As a first step, I am happy to report to you that my amendment to increase funding for enforcement operations by our agents, in concert with foreign government officials, has been passed by the House Foreign Affairs Committee. This action will be a valuable assist to our plans to implement a rigid system of reporting that will track investigation advances, or lack of progress.

The drug menace in America is at the flood level. To reverse this tide, we must make a total commitment to wiping out the sources of supply—our nation's well being is at stake.

VETERANS BENEFITS

Education and training are the keys that open up job opportunities for our veterans, especially those who lack essential and specific skills. However, family and financial responsibilities often force many veterans to forego the available benefits upon discharge and the eight-year time limit soon lapses.

I have introduced legislation, H.R. 8627, to eliminate the time barrier under which veterans must use their educational benefits. In particular, this would enable our Vietnam veterans to utilize GI benefits without a time limitation.

PROHIBITED KNIFE ACT

How many more senseless deaths by stabbing do we have to endure before the federal government acts to ban the manufacture and distribution of switchblade, gravity, and folding knives?

During the last four years, I have been pressing legislation in the Congress to effect such a ban at the federal level—a ban that would remove these knives from circulation for they have no purpose, or use, other than to threaten and kill. Make no mistake, we are not talking of knives used by the sportsman or fisherman but of those murderous weapons used to perpetuate acts of violence on innocent people.

My Prohibited Knife Act now has gained substantial backing in the House and I am encouraged that we finally will see the wisdom of speedy enactment. I would welcome your letters of support in this matter, as I believe strongly that these tools of crime must be banned.

CAMP SAFETY ACT

This is the season for summer camps and while the majority of such youth recreation facilities maintain excellent safety standards, there are some well below the acceptable level. Each summer, there are reports of needless tragedies at children's camps. But, in most instances, these mishaps could have been averted.

The Youth Camp Safety Act, which I have introduced to provide federal grants up to 80 percent of necessary improvement expenditures, would establish minimum federal safety standards and provide for on-site inspections and penalties for violations of safety requirements.

Parents should not have to worry about the security of their children away at camp for a summer of fun and rewarding experiences. Their lives and their future are too precious.

LONG ISLAND RAILROAD

To prevent future Long Island Railroad strikes and disruption of commuter service and to, once and for all, place the responsibility where it rightfully belongs—with the state,—I have introduced legislation HR8611, to exempt the LIRR from the National Railway Labor Act.

In the past, whenever there has been a LIRR labor-management dispute, the New York Legislature has passed the buck to the federal railway act. Washington then steps in and declares a cooling-off period to get the line running again. This procedure is nonsense.

The LIRR is an intra-state commuter carrier and a strike by its workers is not deemed to be a national emergency. These disputes should be dealt with and resolved by the state. Long Island's tons of thousands of commuters and consumers, who depend on the LIRR, cannot bear the hardship of another strike like the one that crippled the line for seven weeks last winter.

I am working for prompt passage of my bill, for the LIRR must continue to function without further interruption.

THOSE STILL MISSING

To determine new ways we may ultimately obtain a complete accounting of our American servicemen who were lost in action or simply disappeared without a trace in Southeast Asia, I held an ad hoc hearing in NYC to open up dialogue between MIA families and government officials. A wealth of pertinent data and insight into the problem was gathered and I subsequently presented this testimony to the House Foreign Affairs Committee for use in their ongoing efforts to find a satisfactory resolution of the fate of these men.

I also intend to continue probing the activities of the South Vietnam government in their refusal to disclose the status of the thousands of prisoners they still hold an abuse that is obstructing final peace throughout Indochina.

TIME TO APPLY

I now am accepting applications from interested young men of the 6th Congressional District who wish to be considered for a June, 1974, nomination to one of the military service academies—Army, Navy, Merchant Marine and Air Force. Further information on requirements may be obtained by contacting my District Office, 156A Main St., Port Washington, N.Y. 11050; (516) 767-4343 or (212) 423-1050.

MORE ENGINEERS NEEDED

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BROTZMAN. Mr. Speaker, the United States is facing an unprecedented challenge. We constitute 6 percent of the world's population but consume approximately one-third of the world's total energy production. As a result, we have become increasingly dependent on foreign energy sources of gas, oil, and certain metals. The only foreseeable solution in the immediate future is to increase oil and gas exploration and increase coal, oil shale, oil sand, and uranium mining. It is, moreover, critically important that these efforts be undertaken through innovative methods calculated to protect our environmental quality. It is incumbent upon the 93d Congress to meet this challenge head on by initiating steps to remedy the problem.

Toward that end, I am today introducing legislation which I have developed from research provided by Dr. D. M. Bass of the Colorado School of Mines. The purpose of the bill is to establish Federal scholarships in the undergraduate educational fields of mining engineering, petroleum engineering, and extractive metallurgical engineering. Based on projections of the Engineering Council, the U.S. yearly requirements are approximately 400 mining engineers, 500 petroleum engineers, and 200 extractive metallurgical engineers. At the present time, educational institutions in the United States are graduating approximately half of the required number. In order to meet this pressing need, my bill contains features that will redirect the educational process toward alleviating the anticipated deficiencies in these particular areas by supplying the stimulus for able young men and women who might otherwise be attracted to other fields.

The bill would require the Commissioner of Education to each year award 200 scholarships in the field of mining engineering, 250 scholarships in the field of petroleum engineering, and 100 scholarships in the field of extractive metallurgical engineering. During the month of October of each year the Commissioner would conduct an objective test of the aptitude and abilities of all eligible applicants. By February of the following year he would select and notify qualified candidates. The scholarships must be nationally allocated by a formula that provides equal representation for the 50 States in proportion to the population of each State. However, at least one scholarship in each of the three fields would have to be awarded to a resident of each State.

The bill provides that these scholarships be for 4 years of study in an accredited program of mining engineering, petroleum engineering, or extractive metallurgical engineering at an institution of higher education selected by the student. The assurance of a 4-year scholarship will help universities plan the future of engineering degree programs. The need for such assurances is evidenced by the fact that during the past 3 years several major universities have discontinued petroleum engineering programs when forced to choose educational priorities.

To further enhance the attractiveness of a career in energy engineering, the bill would direct the Commissioner to pay each institution an amount equal to the regularly scheduled tuition and fees charged to others. Finally, a person awarded a scholarship would not become ineligible to participate in any other student assistance, award, or athletic program conducted by the institution.

Mr. Speaker, I cannot fully stress the importance of this legislation. In a recent statement, the President outlined his plan to combat the energy shortage. By Executive order he has created an Energy Policy Office headed by former Gov. John A. Love of Colorado. This office has been charged with the responsibility of identifying major problems, reviewing alternatives, and making policy recommendations for concerned governmental agencies. He has asked for the establishment of a new Department of Energy and Natural Resources whose duty would be to assure that future demands for water, timber, minerals and energy resources are met without sacrificing our environment. Further, he has asked for an Energy Research and Development Administration, a new agency that would bring together and direct research and development programs on all forms of energy. Beginning in fiscal year 1975 the President has proposed funding for research and development in the amount of $10 billion over 5 years.

Whether all of the President's requests are realized and to the extent he proposes is a matter for future debate. I suggest, however, that the success of any new plan to cure our energy ills depends entirely on the amount and quality of minds we bring to bear on this problem. In 10 short years the United States was able to muster the energy and expertise needed to put a man on the Moon. I firmly believe that the same kind of effort will enable us to meet this new challenge.

Accordingly, Mr. Speaker, I am asking the Education and Labor Committee to take this matter up at the earliest practicable date.

SUBSCRIPTION COMMUTER SERVICE IN LOS ANGELES

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HANNA. Mr. Speaker, increased transportation mobility with reduced transportation-related pollution are common and not inconsistent goals. And billions of dollars of capital investment are not required for the accomplishment of these goals. Our currently available modes of surface transit can, if used in imaginative ways, make a considerable dent in the problems of congested traffic and pollution.

Today I want to call to the attention of the House one isolated but worthy effort at solving these problems in the home of smog—Los Angeles. The Atlantic Richfield Co. and the Southern California Rapid Transit District have joined forces to provide commuter bus service to Atlantic Richfield employees working in downtown Los Angeles. The company will subsidize the operating costs of the service, making Atlantic Richfield the first large corporation in the area to do so.

The Commuter Subscription Service will be opened to other employees in the vicinity of the Atlantic Richfield building as well. If this policy were copied by every major corporate employer in our 15 largest cities around the country, it would take us a long way down the road toward solving the interrelated problems of traffic congestion, pollution, and the fuel shortage. I am sure that the Members of the House will want to watch this experiment very closely.

NEW CLUB HOUSE FOR FLUSHING BOYS CLUB

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues the fine progress made by the Flushing Boys Club. Years of effort have finally resulted in the opening of a new clubhouse for the boys of Flushing.

The club has a dramatic history of growth. Started in 1957 as a 1-day-a-week venture operating in the Veterans of Foreign Wars building, the club expanded to new quarters at St. Michael's Church where the club was in session three afternoons every week. The number of boys using the club increased, and the club headquarters has been moved many times to accommodate the rapid growth. The last facility the club used was at the American Red Cross where 400 boys played, studied, and found friends to talk to in only three small rooms and an office.

Last April, the Flushing Boys Club moved into a beautiful new clubhouse. This "home away from home" for the boys of Flushing now can open its doors to every individual who wants to join. There was a real need for this new, modern facility, and it stands as a tribute to all the friends of the Boys Club. The new building can accommodate 800 to 1,000 boys, but the increase in juvenile delinquency and the closing of many after-school facilities shows the need for a large facility. In the words of Franklin F. Regan, Jr., president of the Flushing Chamber of Commerce—

> Without water, plants would die. Without motivation and guidance, our minds would die. The Flushing Boys Club is an elixir of nourishment for our youth.

VI SMITH—AN OUTSTANDING LADY

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HINSHAW. Mr. Speaker, it is with great pride that I mention the name and professional accomplishments of Vi Smith, an outstanding lady journalist. Let me explain the reasons why.

Sigma Delta Chi, the professional journalistic society, is the oldest and largest organization serving the field of journalism with members in every branch of the profession. Through the years, it has strongly supported the free flow of information and has consistently fought efforts to diminish the effectiveness of the newsman in keeping the public informed.

Long strictly a men's society, Sigma Delta Chi opened its rolls to women in 1969 in acknowledgement of the growing role played by women in today's journalism. I am happy to report that the Orange County, Calif., chapter of SDX quickly followed the lead of the national convention and, at its next initiation ceremony, inducted two women members into its professional ranks.

One of those two, Vi Smith of the Los Angeles Times, already had made a place for herself with journalism firsts dating back to 1944 when she became the first woman newswriter on the staff of radio station WCAU in Philadelphia. More recently, she has served as president of the Orange County Press Club, president of the Orange County chapter of California Press Women and, in 1972, became the first woman director of the Orange County SDX chapter's board of directors.

This year, I am happy to announce, Mrs. Smith has become the first woman president of the county's SDX chapter, marking another step forward for a county which, by reputation at least, is supposedly so conservative. In that same vein, I should also mention that the Orange County Press Club had a woman president as far back as 1955, long before the rhetoric of women's liberation had swept the Nation. I also should mention that Mrs. Smith served as treasurer of the Press Club in 1962, 1963 and 1964, and, during 1963, was treasurer when her husband, Don Smith, also of the Times, was club secretary, an interesting switch in the usual male-female roles within organizations of this type.

Although Mrs. Smith ignores the usual line of women's liberation groups, she has quietly gone about improving the role of women in journalism for many years in quieter, but perhaps more positive ways. Under her guidance, the Orange County Press Club increased its membership, its position in the community and its treasury, expanded its scholarship program for deserving young students of both sexes and all colors, and launched the first Walt Disney Memorial birthday party at Disneyland for disadvantaged youngsters, many of whom would otherwise have never had the chance to visit that famous amusement park. She also was a charter adviser for the Nation's first coeducational Explorer Scout post—in journalism and in Orange County, of course. For many years, she has been a key figure in the Press Club's scholarship program serving either as chairman or cochairman with her husband.

It is women such as this, who, after all of the rhetoric is gone and the chauvinists on both sides have subsided, can truly be praised for having struck a blow for equality in a profession that many have said is too dominated by men.

SENATOR KENNEDY ADDRESSES SPIRIT OF AMERICA CELEBRATION

HON. ROBERT E. JONES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. JONES of Alabama. Mr. Speaker, the annual Audie Murphy Award for patriotism was presented to Gov. George C. Wallace of Alabama at the Spirit of America Festival in Decatur, July 4.

Senator EDWARD M. KENNEDY of Massachusetts delivered the principal address to an assembly of more than 10,000 people who had gathered to acknowledge and remember the attributes which have made the United States the greatest Nation in history.

Senator KENNEDY's remarks have received wide attention in Alabama and throughout the Nation. Because of the interest in his comments, I would like to share the complete text of his remarks with my colleagues.

The text follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY AT THE SPIRIT OF AMERICA FESTIVAL—DECATUR, ALA., JULY 4, 1973

All of you know Governor Wallace and I have different opinions on some important issues. And there are many, in the Democratic party and across this country, who disagree with both of us. But we have one thing in common. We don't corrupt—we don't malign—we don't abuse—the trust which the people have given us. We don't compile lists of enemies whose careers and lives are to be shattered because of their disagreement. We don't use the tactics of a criminal or the power of the law, to silence those whose ideas or politics are different than our own. For if there is one thing George Wallace stands for, it is the right of every American to speak his mind and be heard—fearlessly and in any part of the country. It is in that spirit that I come here today. For that is the true spirit of America.

George Wallace almost lost his life—he sits before you in a wheelchair today—because of his belief in that spirit. Two of my brothers have been killed because they shared that belief. And I don't believe that either Governor Wallace or I—the people of Massachusetts or the people of Alabama—are going to give up that right to anyone—however great his power and however high his office.

For the Fourth of July does not commemorate some great national triumph. It marks the willingness of men to risk their lives, their homes, their fortunes in a dangerous and uncertain struggle against the mightiest power on earth. Even as we honor their courage, let us also recall their lesson: That freedom is not a gift but an achievement—that freedom is not an inheritance but that each generation must prove itself worthy of freedom—that the God who created all men equal also assigned to each of His creations the responsibility for protecting that equality.

Our Democracy has been formed on two great principles. The first was set forth by Charles Pinckney of South Carolina during the Federal Convention of 1787. It was equality of opportunity and treatment. It was—he said—to preserve "the equality of condition which so eminently distinguishes us."

This was to be a land whose blessings would be open equally to all—where no man would be stripped of the fruits of his labor to benefit another—and that great principle is now under attack.

Let facts be submitted to a candid nation.

They have imposed a heavy burden of taxation upon every working man and woman—permitting a wealthy few to withhold their fair contribution to the costs of the nation. Our ancestors took up arms against unjust taxation. Now our own government denies us that which they battled to secure.

That is not acceptable to the people of Massachusetts. And it is not acceptable to the people of Alabama.

They have forced upon this nation policies which mock the hopes and fair expectation of all who labor.

High interest rates, for example, do not damage the banks which collect them nor disturb the wealthy who deduct them. But they damage every consumer who must make higher payments for his house—his car—and his television set. They can cripple the small businessman or farmer who must borrow to finance his operation or equipment.

That will not be accepted by the people of Massachusetts. And it will not be accepted by the people of Alabama.

Not content with the depredations of unjust taxes and high interest, they are responsible for an inflation which—penny by penny—day by day—lowers the earnings and savings, the pensions and insurance, of the great majority, even while profits soar.

That will not be tolerated by the people of Massachusetts. And it will not be tolerated by the people of Alabama.

They have ignored the principles of democracy in order to grant the claims, or increase the wealth, of a favored few, but they have denied the just and simple claims of the poor and sick and old.

That does not meet the standards of Massachusetts. And it does not meet the standards of Alabama.

They have so degraded the eminence of America in the community of the world that the dollar itself is now dependent upon the goodwill or whim of those nations which under Franklin Roosevelt and Harry Truman—we conquered and helped to rebuild.

I can assure you that will be changed by the people of Massachusetts. And it will be changed by the people of Alabama.

They have failed to ensure black Americans that equal access to education and jobs—to all the opportunities of our society—which is their birthright as Americans. I do not come to lecture you about that racial injustice which has proven to be as deeply embedded and resistant in the cities of the North as in the counties of the South. Indeed, southerners know—even better than others—of the need for leadership to free all men—white and black—from hatred, and the consequences of hatred. We are no more entitled to oppress a man for his color, than to shoot a man for his beliefs.

Not in Massachusetts. Not in Alabama. Not in Dallas, Texas, or in Laurel, Maryland, or in Memphis, Tennessee, or in Los Angeles, California, or in any state or county of this free, great and restless land.

They have also violated that principle which is the heart of the great Declaration itself: It is government by consent of the governed. It is government which is to be freely chosen after honorable debate; its powers confined by the laws; its leaders subjects of the constitution.

That is the creed of democracy. And they have transgressed, ignored and trampled upon that creed—in Alabama as well as in Massachusetts.

This Administration—masquerading as conservatives—has taken this most radical step towards dismembering the spirit of our revolution and the protections of the constitution. They administer the nation's business through men, hidden in the White House—men responsible neither to Congress nor the public—men who cannot be compelled to account for their actions or even to disclose them. They have transformed public institutions into instruments of intimidation and control—turning to their own benefit, not only agencies of intelligence and law enforcement, but an immense mechanism of economic sanction and reward.

They have usurped and abused power which belongs to the Congress, to the states, to the sovereign people—and, indeed, have assumed power which the constitution refuses to any man—or to any body of men.

One hundred and seventy-five years ago Thomas Jefferson warned us to strictly enforce the restraints on the Executive. He predicted that an Executive which was permitted to exceed its powers would silence and punish all those "who . . . may be obnoxious to the views of the President—or marked by the suspicions of the President—or though dangerous to his elections or other interests."

And he instructed us that "In questions of power let no more be heard of confidence in man, but bind him down from mischief by the claims of the constitution."

Today we honor Jefferson's declaration. Let us also heed his counsel.

Those who violate the law—whether on the streets of Boston or in the high councils of government—shall be brought to justice. Those who are proven to have abused the people's power shall forfeit their right to exercise that power.

Some will claim that the Executive should be exempt from the judgment of others—a free people answer with George Mason of Virginia, who asked his fellow delegates to the Constitutional Convention: "Shall any man be above justice. Above all shall that man be above it who can commit the most extensive injustice."

Some will invoke the security of the nation. A free people answers with Benjamin Franklin, who said that those who give up liberty to purchase a little security will soon find they have lost both liberty and security.

Some will call upon us to respect the dignity of the Presidency. A free people asks who are those—so swollen with vanity and fear—that they claim exemption from restraints which were observed, even in the midst of mortal combat, by George Washington, Thomas Jefferson, Woodrow Wilson, Franklin Roosevelt and Dwight Eisenhower.

Some will counsel us to trust our leaders. But only slaves are forced to depend on the good intentions of rulers. Free men count on laws and principles to confine government and governed alike.

Some will assert that these lawless transgressions are of concern only to politicians. But a free people understand that they—not politicians—are the victims. It is the people's government which has been abused and perverted to the benefit of a favored few.

We must do more, however, than right the evils of the day. To us—as to our revolutionary ancestors—freedom is more than constitutional protections. It is also the "pursuit of happiness."

No government can grant us that freedom. We must find it for ourselves. We cannot find it when the conditions of our daily life are determined by remote officials in distant places. States and communities and individuals must reclaim that power which has been absorbed by bureaucracies ignorant of their needs and interests. Government must protect the poor and oppressed. But it is not the right of government to tell people how to live, it is the duty of government to liberate them for their own pursuit of fulfillment and happiness.

In that pursuit America needs the South. Despite adversities and oppressions, there are elements of southern life which can help liberate the nation. There is the sense that life is more than the accumulation of material goods, there is a belief in the individual—not as a solitary wanderer—but as a person whose place among his fellows is to be secured and respected. And—above all—there is a fierce desire that people be able to shape their own destiny in their own way.

If we can, together, surmount the injustices of the present and the divisions of the past, those southern virtues may enrich and even save the union. Walt Whitman, writing of America, said: "The northern ice and rain that began me nourish me to the end, but the hot sun of the South is to fully ripen my songs."

And that is the hope of the people of Massachusetts—as it is a challenge to the people of Alabama.

There are some who mistake the relative tranquility of the time for submission and acquiescence—as a sign that the spirit of the revolution has left us—but they are wrong. For underneath that seeming calm is a swelling anger—a hardening determination. And it would not be the first time that American appearances had been mistaken for American reality. A century ago in a great southern song of the Civil War, James Randall summoned his entire state to battle:

> I see the bluish upon they cheek . . .
> But thou was ever bravely meek . . .
> But lo! there surges forth a shriek,
> From hill to hill, from creek to creek;
> Potomac calls to Chesapeake . . .

The river Mystic, where Paul Revere stood his watch, today calls to the Tennessee, where Andrew Jackson walked—Tennessee calls to the mother of waters—Mississippi to the powerful Columbia—summoning the people to restore to themselves the principles on which freedom rests. Let us heed that call, so that two centuries hence men and women can stand in this lovely country and praise us not for our wealth, or power, or for the wonders of our science—but as the generation which, in a dark hour for the Republic, blew the breath of life back into the flickering torch of freedom.

That is a hope and that is a cause, to which all of us—Alabama and Massachusetts—people of the North and people of the South—can honorably and proudly pledge their lives, their fortunes and their sacred honor.

VEYSEY URGES FOLLOWUP ACTION ON NEW NATIONAL BLOOD BANK POLICY

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. VEYSEY. Mr. Speaker, today the Department of Health, Education, and Welfare is announcing a new national blood bank policy intended to cut back commercialism and promote volunteerism in blood banking. The policy would also seek to reach the highest standards of blood transfusion therapy, and to make adequate supplies of disease-free blood available to every person in need, regardless of his financial status.

Mr. Speaker, this new policy by the Federal Government is a step that has long been needed. In November of 1971 I introduced legislation which would have accomplished essentially what the new national blood bank policy seeks to accomplish.

Last month, I introduced with some 70 cosponsors, refined legislation with the same goal.

The problem we all seek to eliminate is serum hepatitis—a disease which, through diseased blood transfusions, kills some 5,000 Americans and renders another 50,000 seriously ill each year.

Serum hepatitis is primarily a component of purchased blood. In fact, blood which is purchased is at least 10 times as likely—and as much as 70 times as likely to carry serum hepatitis as voluntarily donated blood.

I commend the Department of Health, Education, and Welfare for taking this long needed initiative, and I reiterate my firm belief that firm legal guidelines at the national level are necessary to institutionalize clean, disease-free blood for every American, regardless of his financial ability to pay for it.

Since I first introduced the National Blood Bank Act in November of 1971, serum hepatitis has afflicted 75,000 and killed another 7,500 Americans. Today, the tragic and unnecessary loss of health and life continues.

I sincerely hope, and I have good reason to believe, that when we approach legislative hearings on blood banking and serum hepatitis, the executive branch will give the Congress its total cooperation.

Mr. Speaker, I submit for the information of my colleagues, a revealing article on this problem which appeared in the February 1973, issue of the American Medical News. Although it was written several months ago, it is especially timely as we observe today's announcement by HEW of the new national blood policy.

I hope it will spur further remedial action.

The article follows:

VOLUNTEER DONORS FILLING THE RISING NEED FOR BLOOD

". . . and then—may you go your way knowing that even though he was a stranger, you had helped him to live again."

—*A blood donor's creed.*

In a number of U.S. cities last month, blood supplies were so depleted that elective surgery had to be postponed. Others were getting by in what one blood banking official called "an atmosphere of crisis." The usual holiday and mid-winter lag in donations, complicated by outbreaks of the London flu, was to blame, everyone said.

In such shortage periods, many blood banks rely heavily on paid donors.

But in a scattered number of major metropolitan areas, normal blood needs were being met—even for open-heart surgery—without paid donors. Blood banks in these areas drew national attention because they demonstrated that regionally-coordinated, all-volunteer community blood programs can work—even on a fairly large-scale basis—during traditional shortage periods.

In Seattle and Milwaukee, and the state of Connecticut, 100% volunteer systems have been around for several years. In other cities, like Kansas City, Mo., and Pittsburgh, the all-volunteer goal was reached just last year.

Even in the largest cities—New York and Chicago—the trend is inescapable: All-volunteer blood programs are the wave of the future and perhaps the only real answer to the nation's long-term blood needs. There are some who predict the U.S. will have an all-volunteer system within a decade; some feel it may not take that long.

The impetus is coming from many directions: The medical profession, courts, blood banking organizations, state and federal governments, and even the President. While there are a variety of reasons for the increasing interest in voluntary blood donations—not the least of which is a rising need—it is clear that the overriding factor is the greater risk associated with paid-donor blood.

One state—Illinois—has gone so far as to mandate that all blood be labeled "From volunteer donor" or "Purchased." After July 1, 1973, the labeling law will also require an attending physician who orders the use of purchased blood to enter his reasons in the patient's medical record.

Although the first phase of the law, which went into effect last Oct. 1, only requires labeling of blood, Illinois physicians already have shown a reluctance to use purchased blood unless forced to by serious shortages—such as existed last month in Chicago.

"There are very few physicians who will knowingly use paid blood," says James E. Habegger, MD, chairman of the Illinois Medical Society Laboratory Service Committee. Another effect of the labeling law, according to Dr. Habegger, has been to spur physicians to give more consideration to component therapy and to be more conservative in the use of blood.

In Chicago it was argued that the city needed 700 units of blood per day. Yet for the first three months that the law was in effect, figures compiled by the Metropolitan Chicago Blood Council (MCBC) show that the average daily blood use was less than 450 units—perhaps also indicating that the first figure was inflated.

Illinois' rather drastic approach to the problem came two years after the state supreme court handed down the Cunningham vs. McNeal Memorial Hospital decision, which held physicians, hospitals, and blood banks strictly liable if a patient develops hepatitis as a result of a transfusion. Physicians and hospitals responded by getting the Illinois General Assembly, in its next session, to pass a bill affirming that blood transfusion is "a service, not a sale." Similar legal protections have been passed in about 40 other states.

But the Illinois legislature threw in a curve: It limited the immunity to July 1, 1973. However, bills are expected to be introduced during the current session seeking to extend the legislation.

No one knows what the long-term impact of the labeling law on the state's blood supply will be. Most communities outside of the Chicago metropolitan area already have a 100% volunteer donor base. During the first month that the law was in effect, 96.1% of the blood available for transfusions in the Chicago area came from volunteers, although admittedly some of that came from sources outside of the city. Prior to the law, it was estimated that half of the 200,000 units of blood used annually in the city was purchased.

"The major question facing us is whether or not we will be able to engage the sustained interest and participation of the community over the long term," Dan Helsdingen, MCBC executive director, told a legislative committee in November.

A partial answer came in December and January when volunteer blood available in the city dropped to around 75% and donations began to fall off, resulting in a critical shortage and increasing competition for volunteer donors among the 89 hospitals and non-profit blood banks in the nine-county metropolitan area.

"Potential donors were confused when they read and heard about the crisis, and then saw that so many groups wanted them to donate at their place," says Helsdingen. And the hospitals, most of which have blood banks of their own, became more reluctant to part with any of their surpluses for fear they would be caught short, he said.

Spurred by the crisis, the MCBC—an umbrella organization created by the cooperative efforts of the Chicago Hospital Council, Chicago Medical Society, and the Midwest Chapter of the American Red Cross—has launched a major effort to establish a massive unified blood donor recruitment program for the Chicago area. There are 120 donor recruitment and individual blood assurance programs in the Chicago area, according to Helsdingen, The MCBC hopes to bring the diverse factions together.

To facilitate the program, an information system to keep records on shortages and surpluses of blood by type and location has been implemented by the MCBC with funds provided by the Chicago Blue Cross and Blue Shield Plans. The service operates 24 hours a day, seven days a week.

But that is just a small step, Helsdingen says. "We have to unify the donor recruitment mechanism and put it on a regional basis. Utilizing the expertise and flexibility which already exist in the Chicago area blood transfusion services, I believe the MCBC could bring a truly effective, community-wide voluntary blood supply system into existence in this area within 90 days."

Charles J. Weigel, MD, president of the Chicago Medical Society, has proposed that the effort be patterned after the highly-successful Crusade of Mercy, the local community fund drive. "A Crusade for Blood should be carried to industry, schools, churches, and civic groups," he says. "A cadre of workers should be enlisted to contract volunteers on a one-to-one basis."

Further support for a nationwide all-volunteer blood program is coming from the American Assn. of Blood Banks (AABB), which has recommended that all of its 1,400 member blood banks move toward an all-voluntary system "as rapidly as possible." The AABB hopes to achieve 75% voluntary blood donations by the end of this year; 90% by Dec. 31, 1974; and 100% in 1975.

Blood Services, one of the largest non-profit organizations of community blood centers in the world—serving more than 800 hospitals in 22 states—began a vigorous effort last year to develop a public education and donor recruitment program to provide all of the blood needed in its hospitals from volunteers.

Long a leader in the all-volunteer field, the American Red Cross has a coordinated network of 59 regional centers that last year drew, processed, and distributed roughly 40% of the national wholeblood total. Connecticut's all-volunteer Red Cross Blood Bank has been effectively meeting the entire state's blood needs for 22 years. The largest blood bank in the nation, the Greater New York Blood Program established in 1968 as a result of a merger between the Red Cross and the Greater New York Blood Council, a research organization, claims a 20% annual increase in volunteer donors for the last three years, and hopes to stop using paid donors in two years.

Five Texas organizations—the Texas Medical Assn., Blue Cross and Blue Shield of Texas, Texas Hospital Assn., Texas Osteopathic Hospital Assn., and Texas Osteopathic Assn.—have joined together in a public service program to promote the volunteer blood donor concept throughout the state.

As a public service, the sponsoring groups have prepared a brochure, radio and TV spots, and several newspaper ads promoting the volunteer effort. Also planned is a speakers bureau to tell the blood donor story.

Some groups, like the American Trial Lawyers Assn., have been pushing for federal legislation to permit blood donations to be considered as charitable contributions deductible from gross income, as an encouragement for Americans to give blood voluntarily.

A bill allowing a $25 deduction for each pint of blood donated to a non-profit organization, with a maximum of $125, was introduced in Congress last year, but drew some resistance from congressmen who thought the $25 tax deduction was too high. The bill also would provide that all taxpayers receive the deduction, including those who use the standard deduction.

But perhaps the real answer lies in the communities themselves. Kansas City, Mo., for instance, moved in just three years from a system obtaining 40% of its blood from paid donors and commercial sources to a 100% voluntary system. It has not been an easy task, admits William L. Bayer, MD, the energetic director of the Community Blood Center of Greater Kansas City since 1969.

"We felt we had to change the concept of what a blood bank was in a community," Dr. Bayer recalls. "Essentially, people looked at this place as a grocery store. And giving blood in this community didn't have a great emotional appeal."

The first step was changing the physical appearance of the blood center on Main St. near midtown Kansas City. After remodeling the center into a modern, ultra-efficient complex, there came what Dr. Bayer calls an effort "to get the total image changed."

At the same time, the director ordered a halt to purchase of commercial blood (although the use of paid donors at the center continued), producing a tighter blood supply (commercial sources had been providing about 20% of the needs) and bringing a few angry reactions from Kansas City physicians.

That created an opportunity to educate physicians on the importance of the appropriate use of blood transfusions—an effort that has continued both through continuing education programs and seminars, and through the training of medical technicians, and pathology residents and interns at the center, Dr. Bayer says. The center also stepped up its extensive research program, both in the use of blood and in new detection systems for such things as cytomegaloviruses.

As an example of what new techniques and careful use of blood can do, Dr. Bayer cites statistics on open-heart surgery in the Kansas City area. In 1969, the center provided an average of 15 units of blood for 208 cardiac operations; last year, as the number of operations swelled to 827, the average units of blood used was cut almost in half—to about eight.

The blood center's image-building effort took on many of the characteristics of a "political campaign," according to Mrs. Ruth Austin, director of public relations.

"We used the hard-sell," Mrs. Austin says. This meant utilizing posters on buses, billboards, newspapers, special conferences, radio, and television to tell the blood center's story to the 1½ million residents of the surrounding 21 Missouri and Kansas counties served by the center. One Kansas City TV station even aired a special program, during which more than 200 new donors actually gave blood.

However, advertising alone isn't the answer, Dr. Bayer emphasizes. "Advertising gives you credibility; people are aware you exist," he explains. "But it's not going to bring many people in. You have to go to them. The person-to-person approach is the only thing that works."

The blood center concentrated on recruiting groups "under one roof," especially church and factory groups, and began to expand its blood donor club program, which along with a "family plan" assurance program, is the backbone of the Kansas City system. This provides the center with a large base of donors upon which it can call to insure a continual supply of blood for the 54 hospitals it serves. It also began going back through files of donors, some of whom hadn't donated in years simply because they hadn't been asked.

The goal, Dr. Bayer says, is to establish a large enough pool of donors that the assurance plans will no longer be necessary and the current $19 replacement fee—a controversial subject among blood bankers—can be eliminated.

Dr. Bayer defends the replacement fee as "just one additional technique" for recruiting donors. He points out that about one-third of the Kansas City donors are recruited as replacements, but at least half of these are converted to the family plan and account for a large percentage of the new donors, which are increasing at the rate of 35% a year. About 15% of the patients who receive blood choose to pay the fee.

"Once we establish the habit of giving blood, there will be no need for the responsibility fee," Dr. Bayer asserts. "That is what we are working toward."

But Dennis M. Donohue, MD, director of the nationally-known King County Central Blood Bank, an all-voluntary program in Seattle, is opposed to replacement fees. Such fees are "only one way of collecting money, not blood," he has said. When Seattle removed its replacement fee a year ago, the volume of blood replacement was not affected, according to Dr. Donohue.

Kansas City's donor recruiting program received a boost recently when the blood center and the Greater Kansas City Chapter of the American Red Cross signed a cooperative agreement. Under the unique pact—only the second of its kind in the country— the Red Cross will supply volunteer personnel and expertise to help with recruiting and mobile operations in outlying counties. The local Red Cross unit has collected no blood since World War II.

"Our goal is to expand the blood donor base to provide total coverage for everyone in the region," says Robert H. Schuelke, executive director of the Kansas City chapter. "Eventually, we would like to have an all-volunteer system for the country because we feel that would best serve patients' need for safe blood."

Another reason for the Kansas City blood center's success is its enviable record on outdated blood.

In 1970, the center had approximately 3,200 units, or 9% of its blood outdated—a fair record compared to the estimated national average of 20%, but not good enough. In 1971, the outdating was cut to 4.4%, and last year the center achieved a record low of 1.2% of the 40,336 units it distributed.

Steve Hohn, who oversees the distribution of blood from the center, says the record was achieved through tight inventory control and by "maintaining a smooth working relationship" with the hospitals.

More uniformity and coordination of blood banking is expected to result from new initiatives by the federal government. The Food and Drug Administration plans to extend federal regulation by registering and inspecting blood collection facilities not presently operating under federal licensure and by licensing the 200 plasmapheresis centers. The intent, says FDA Commissioner Charles C. Edwards, MD, is to provide a "uniform nationwide system" to protect patients against "unsafe blood and blood products," and to protect donors from "exploitation" by blood banks.

About 530 of the nation's 4,000 blood banks shipping blood in interstate commerce (including the Kansas City center) already operate under federal licensure. These banks account for 85% of the eight million pints of blood drawn in this country each year.

Under provisions of the National Heart, Blood Vessel, Lung and Blood Act of 1972, a federal study panel is developing a "five-year plan" for the nation's blood resources and to guide the National Heart and Lung Institute in its blood banking activities. (See related story on page 1.)

Whether the U.S. will soon join such countries as Great Britain, Japan, France, and Canada among those with nationwide 100% volunteer blood donation programs remains to be seen. But across the nation, the movement in that direction is already well underway.

GIRLS' PREPARATORY SCHOOL IN CHATTANOOGA RESEARCHES THE RECYCLING OF SOLID WASTE

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BAKER. Mr. Speaker, there are times when I feel that our young people have a greater concern for the quality of their environment than their elders. I am impressed by some of the research which is now being conducted by students at the high school level such as those at the Girls' Preparatory School in Chattanooga, Tenn.

I recently had the privilege of welcoming Mrs. Gene Vredeveld, science instructor at this fine school, and her student, Miss Martin Kirk, to Washington. Mrs. Vredeveld and Miss Martin Kirk were guests of the Ecology Council of America at a luncheon on Capitol Hill held in recognition of the work done under Mrs. Vredeveld's direction in the area of environmental protection.

Their accomplishments are most impressive and some of the ideas which the group developed have a great deal of promise. I want to share this exciting experiment with my colleagues and ask that Mrs. Vredeveld's letter to me, outline certain projects, be inserted in the RECORD at this point. The letter follows:

GIRLS' PREPARATORY SCHOOL,
Chattanooga, Tenn., June 29, 1973.

Congressman LAMAR BAKER,
Washington, D.C.

DEAR CONGRESSMAN BAKER: Thank you very much for taking time from your schedule to meet with Miss Martin Kirk and me at the ECO America luncheon on Wednesday. At the time we were very tired from much conference and little sleep. We are happy to have this added opportunity to tell you about the project which we did this year and which won us the honor to represent Tennessee at the ECO America seminar at Catoctin Mountain.

Solid waste was our area of concern for projects in 1971–1972 and in 1972–1973. The first project was entitled "Recycling Solid Waste in Chattanooga" and won for GPS first place in the Tennessee Medical Association Auxiliary Health Contest, a special award in the Keep America Beautiful contest, and publication in The American Biology Teacher magazine. Enclosed please find a reprint of that publication.

The second project won second place in the Tennessee Medical Association Auxiliary Health Contest, just one point behind the first place paper; and first place for Tennessee in the ECO America Contest. We have submitted it for publication consideration to several magazines. The project was as follows.

Solid waste could be reduced if people would buy products in stores with biodegradable wrappings and simple wrappings, avoiding overpackaging. The LIVE (Let's Increase Voluntary Ecology) Club of GPS received permission to speak to customers who reached for non-biodegradable packaging, when there was a choice, to determine if people can be convinced of the necessity for personal responsibility in choosing wrappings safe for the environment. Our study showed that when people are questioned about environmentally safe wrappings in their homes, they are willing to choose the better wrappings; but when they are in the stores the incentives of convenience and lower price of non-biodegradable packaging seem of greater importance and they buy the environmentally poor packaging.

Our study included interviews with representatives of companies using non-biodegradable packaging. The reason for use most often given was consumer demand. Some companies were eager to prove the ecological soundness of non-biodegradable wrapping such as plastic. They presented us with numerous articles on recycling plastic.

We conclude that if consumers demand and companies produce nonbiodegradable packaging, the only help for the crowded environment is recycling. In Chattanooga it is possible to recycle paper, aluminum, and glass. The LIVE Club sponsored a Recycle Plastic Day on February 20, 1973; all Chattanoogans were urged to return all clean plastic containers to the grocery stores so the companies who had given us the recycling articles could reclaim their containers for recycling.

During our talks to customers in the six Chattanooga stores, we discussed the aluminum containers used for bakery and frozen products and urged the buyers to recycle the aluminum. Approximately 50% appeared to be interested in recycling aluminum for energy conservation. Of the total number of customers who were contacted, 29% were willing to switch to an environmentally safer wrapping, 69% bought the poorer wrapping anyway, and 3% made no purchase.

Thank you for your time and your interest. If you would like a complete report of our project with all of the data, we would be happy to send it to you. It is our hope that man will become increasingly aware of his dependence on the environment and therefore be able to solve these problems for survival.

Ecologically yours,
MRS. GENE VREDEVELD,
Chairman, Science Department.

IRELAND ELECTS A PROTESTANT PRESIDENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BIAGGI. Mr. Speaker, for several years now I have been following closely events in Ireland and their interpretation or misinterpretation in the United States. Last year I visited both the 26-county Republic of Ireland and the 6-county statelet known as Northern Ireland. There are two gross misconceptions prevalent in much of the American press. The first is that the conflict in those six of the divided Province of Ulster's nine counties known as Northern Ireland is basically a religious war. It is not; it is a struggle for equal protection under law, equality of economic opportunity, and for national independence.

To great degree the misconception that the current troubles are a religious war is promoted by those who would cloud the issue in order that the truth might be obscured and the British and American peoples be intimidated from making a closer inquiry into the facts of the matter. In their current political usage in the so-called North of Ireland, Catholic and Protestant are namely labels; in fact, they are misnomers for Nationalist and Unionist, since most Catholics happen to be Nationalists and most Protestants happen to be Unionists, and since the extreme Unionist politicians use religious bigotry as a purely political tool.

The use of religious sounding labels for political purposes would seem to suggest that English policy regarding Ireland is still framed with 17th century reference points, while the rest of the world, indeed even the rest of the British Empire, is most of the way through the 20th century.

The Irish Republican movement is constitutionally nonsectarian, was inspired—in part—by the example of the American Revolution, was founded for the purpose of abolishing dissension, uniting Protestant, Catholic, and dissenter under the common banner of Irishman, and to break the connection with England, the source of Ireland's political evils. The Irish Republican movement was founded near Belfast by a Protestant man, Theobald Wolfe Tone. Most of its earliest adherents were Ulster Presbyterians. Robert Emmett was a member of the Anglican communion. Thomas Davis and Charles Stuart Parnell were Protestants, and so was John Mitchell, who also fought in the 2d Virginia Cavalry during the American Civil War.

Throughout most of its modern history the Irish Separatist movement has been led by Protestants. Robert Erskine Childers was no exception; his son, Erskine Hamilton Childers was this May 30 the second Protestant to be elected as President of Ireland, and this by a 94 percent Catholic electorate.

This brings us to the second great misconception of which I spoke, that is, that in a reunited Ireland, Protestants would be victimized by the Irish Catholic majority in a manner reminiscent of the Spanish Inquisition. Nothing could be farther from the truth. The 1973 Irish Presidential campaign, election, and inauguration alone demonstrate the utter absence of religious bigotry from the politics of Irish Ireland.

There have been, in the past, objections raised to the role of religion in the Constitution of the Dublin government. Let us take a look at the questionable article.

"Article 44.

1. (1) The State acknowledges that the homage of public worship is due to Almighty God. It shall hold his name in reverence, and shall respect and honor religion.

(2) The State recognizes the special posi-

> tion of the Holy Catholic Apostolic and Roman Church as the guardian of the Faith professed by the great majority of its citizens.
>
> (3) The State also recognizes the Church of Ireland [Anglican Episcopal], the Presbyterian Church in Ireland, the Methodist Church in Ireland, the Religious Society of Friends in Ireland, as well as the Jewish Congregations and other religious denominations existing in Ireland at the date of the coming into operation of this Constitution."

The Constitution goes on to guarantee freedom of conscience and the free profession and practice of religion, not to endow any religion, not to discriminate, not to force religious education, and not to interfere in the management of religious affairs.

During the past year, the "objectionable" portion having to do with religion was repealed by a 4-to-1 ratio in a plebiscite which was admittedly undertaken for the sole purpose of facilitating the reunification of Ireland by removing any possible grounds for objections by Irish Protestants living in the "North."

For its own part the Irish Republican Movement—of which the "Provisional" Irish Republican Army, the IRA, is its legitimate military arm—proposes a new federal Ireland, not merely an extension of the 26-county state, in which there would be complete liberty of religion and separation of church and state under a "Charter of Civil Rights," as in the first article of our own "Bill of Rights," therefore finally eliminating any grounds for fear of a theocracy.

But what about the United Kingdom? First, there is a state church. The bishops of that state church are appointed by Parliament. The Head of State must be a member of that state church. Irishmen living under English rule in Ireland are denied housing, jobs, public safety, human, natural, and civil rights based on the badge of religion—though actually for political and economic reasons.

There is no state church in Irish Ireland. The powers that be in Dublin do not interfere with any church's government. The first President of the 26-county state was Dr. Douglas Hyde, a Protestant; the newly-elected fourth President of the "Republic of Ireland," Erskine Childers, is also a Protestant. And no one under Irish rule has ever been denied a job, a house, or equal justice under law because of his religion or lack of it.

The whole question of theocracy in Ireland is a red herring. But, exposed to the cold light of day, it reveals that if there be any guilt it lies with English misgovernment in Ireland.

ERSKINE CHILDERS

Erskine Hamilton Childers speaks with an unmistakably old-school accent. He has a great sincerity of poise and his philosophy of politics is more people-oriented, the party being secondary. His gentlemanly tones are full of persuasive reasoning. He was the candidate of the Fianna Fáil Party—Ireland's largest political party, launched by those of the losing, that is, Republican, side in the 1922–23 Irish Civil War who, though still rejecting the treaty ending the 1919–21 Black and Tan War and the partition of Ireland in principle, later entered into participation in the 26-county state as a matter of practical politics; Fianna Fáil is the party of the retiring Irish President, Brooklyn-born Eamonn de-Valera, in the recent presidential election and was elected with a clear majority despite his party's upset in the most recent parliamentary election. He is also the heir to an honored name and tradition, being the son of Robert Erskine Childers, one of Ireland's great national heroes in the 20th century.

Robert Erskine Childers was born and raised in Ireland, son of an English father and an Irish mother. He always considered himself by birth, domicile, and deliberate choice of citizenship an Irishman. The experience of the Boer War had converted him from being a Unionist and Imperialist to being a Liberal and a Nationalist. During 1910–1914 he worked and published for Irish Home Rule and national self-determination. In response to threats of violence by certain Unionists—the illegal Ulster Volunteers; UVF—the Irish Volunteers were formed in 1913 to defend the home rule bill of 1912 which was to have gone into operation in 1914. In warm sympathy with the Irish Volunteers, he joined a small committee formed in May, 1914, to supply them with arms, and with his wife and two friends, ran a cargo of guns into Howth in July of that year.

With the coming of the Great European War, like thousands of other Irish Nationalists, Erskine Childers was misled by the idea of a "war for small nations". He joined the British Naval Air Service, afterward amalgamated with the Royal Air Force, and served with distinction, leaving it at the end of the war with the rank of major.

All efforts to constitutionally achieve dominion status within the British Empire having been frustrated in London, Childers recognized that revolution was inevitable and necessary.

The Irish Republic had already been proclaimed in arms in the blood sacrifice of the 1916 Easter Rising, ratified by 80 percent of the Irish electorate in the 1918 general election, and established dé jure by the first Dáil Éireann in 1919.

With the formal establishment of the Republic in 1919, Robert Erskine Childers chose his citizenship once and for all. He chose that of the Irish Republic, like hundreds of other ex-soldiers—having severed all connection with the British Army. He threw himself into the work of the Irish Republican movement, and held many positions of increasing responsibility and was elected a Deputy for Wicklow and Kildare in May 1921. He was appointed by the Irish Cabinet and Dáil—assembly—as principal secretary of the delegation to London for the peace negotiations between "the Irish Republic and that community of nations known as the British Empire," and also as the responsible adviser on defense questions.

He took a strong line from the first against the British Dominion and partition scheme. He had passed through the Dominion phase years before, discarded it, and sworn allegiance to the established Irish Republic.

Under the threat of "immediate and terrible war" British Prime Minister David Lloyd George forced a treaty on the Irish delegation—Erskine Childers dissenting—which violated their instruction—that is, denying Irish sovereignty, partitioning Ireland. The executive of the Irish Republican Army, commanded by Gen. Liam Lynch, and most of its men—together with President Éamonn deValera—had refused to accept the treaty because it compromised their oath of allegiance to the Irish Republic for which they had fought and in whose defense they had taken lives. The IRA was awaiting the convening of a newly elected national assembly, the Third Dáil Éireann, which would form a new permanent government.

At the instigation of and with the support of the British Government, the temporary Free State government attacked the IRA executive 2 days before the proposed convening of the Third Dáil Éireann, thus precipitating civil war and preserving itself in office. In that terrible civil war Erskine Childers remained steadfast in his loyalty to the Irish Republic. He was a casualty of that war, being executed by the Free State on November 24, 1922. The civil war lasted into 1923 with the Free State eventually victorious.

On November 17, 1922, Erskine Childers, Protestant patriot, told his captors and the world why he remained faithful to the Irish Republic.

> The slow growth of moral and intellectual convictions had brought me to where I stood and it was and is impossible to go back. I was bound by honour, conscience and principle to oppose the Treaty by speech, writing and action both in peace, and when it came to the disasterous point, in war. For we hold that a Nation has no right to surrender its declared and established independence and that even a minority has a right to resist that surrender in arms. . . .
>
> I have fought and worked for a sacred principle, the loyalty of the Nation to its declared independence and repudiation of any voluntary surrender to conquest and inclusion in the British Empire. That is the faith of my comrades, my leaders and myself. Some day we shall be justified when the Nation forgets its weakness and reverts to the ancient and holy tradition which we are preserving in our struggle, and may God hasten the day of reunion amongst us all under the honoured flag of the Republic.

Robert Erskine Childers is a true martyr to the cause of Irish Freedom. His son, President Erskine Hamilton Childers, shares his father's Protestant faith; he also shares his father's—and former President deValera's—faith that all Ireland will be united under the flag of the Irish Republic.

Erskine Childers has long been looked upon as the conscience of the Fianna Fáil Party; he is also a respected man who can deal capably with the mass media. He was born in London in 1905—where his father was from 1895 to 1910 in civil service as a committee clerk for the House of Commons—and received an English public school education at Gresham School, Holt, Norfolk. He had aspired to become a doctor, but was diverted from medical studies by his father's involvement in Irish politics combined with his own frequent visits to his cousins, the Bartons of Glendalough House. In 1923, he campaigned for his imprisoned cousin, Robert Barton, who was standing in County Wicklow. He spoke in O'Connell Street along with Vivion deValera against the imprisonment of the latter's father. His politics were distinctly antitreaty and the political upheaval of the treaty disillusioned him greatly.

He went to Cambridge in 1924 and took an Honors Tripos in History and Politics. He worked for an American travel agency in Paris for awhile and returned home to Ireland for good in 1931. He became advertising manager of the Irish Press when it was founded by Mr. deValera in 1932. In 1936, he was appointed secretary of the Federation of Irish Manufacturers—a position he held until his appointment as a Parliamentary Secretary in 1944.

Because of his father's close relationship with Éamonn deValera, Erskine Childers developed a very intimate association with the leader of the Fianna Fáil— Soldiers of Destiny—Party. The execution of his father was a traumatic experience for the younger Childers and his political philosophy became more and more Republican oriented. It only became a matter of time before he found a seat in the Irish Parliament at Leinster House, in 1937.

Since 1944, he has held one junior and four senior ministries. He is generally considered by the medical profession to have been the best Minister of Health in the history of the state. He has represented the County Monaghan—one of three Ulster counties not under British rule, and containing a noticeable Protestant nationalist population; his principal electoral opponent there is Fine Gael's Billy Fox, another Protestant nationalist—since 1962, and has most recently served as Táiniste—elected second in command to the Taoiseach or Prime Minister by the parliamentary majority.

A dedication service in St. Patrick's—Anglican Protestant Episcopal—Cathedral, Dublin, prior to the oath-taking ceremony on June 25, pointed out the essential unity and religious harmony in the "Republic". William Cardinal Conway, Archbishop of Armagh—in "Northern Ireland"—and Catholic Primate of all Ireland, sat with the Catholic Archbishop of Dublin, the Most Rev. Dermot Ryan, close to the Presidential pew. The service was led by the dean of St. Patrick's, Dr. Victor Griffin, with the Protestant Church of Ireland Primate, Dr. George Otto Simms. Others taking part included Presbyterians, Methodists, Lutherans, the Salvation Army, and the Society of Friends.

The election of Erskine Childers, a Protestant, to succeed the almost legendary Éamonn deValera is fraught with symbolism. We must assume, of course, that the majority of the Irish electorate chose him as the better man based on his many and obvious qualifications. It is also significant that he is the son of his heroic father, and bears the name of Erskine Childers who died in the service of an all-Ireland, Irish Republic. But, perhaps the greatest significance is that the 94 percent Catholic majority in the 26-county Republic of Ireland are sending a clear and unmistakable message to all their fellow Irishmen living under foreign rule in the northeast six counties known as "Northern Ireland". The message is: Let us sit down again in brotherhood; all that awaits you in a united Ireland is peace and opportunity.

On taking office, President Erskine Childers pledged to work for harmony. He read the same prayer Dr. Douglas Hyde read 35 years earlier when he became President.

It says much about the new President. Here is the prayer:

"God be in my head and in my understanding;
God be in mine eyes and in my looking;
God be in my mouth and in my speaking;
God be in my heart and in my thinking;
God be at mine end and at my departing."

OUR BEST BUY SINCE THE LOUISIANA PURCHASE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. TEAGUE of Texas. Mr. Speaker, the Today newspaper of Friday, June 27, has a recent article by Paul Harvey which goes far to describe the outstanding performance of Skylab and the numerous benefits of our national space program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR BEST BUY SINCE THE LOUISIANA PURCHASE

(By Paul Harvey)

We really didn't need all that trouble with Skylab.

With Yankee dollars shaky worldwide and shrinking stateside; with the confidence in Americanism shaken by public debt and public scandal; we really did not need any "bugs" in our prestigious $294 million Skylab project.

Queen Isabella did not hock her jewels to finance Columbus just to prove the world was round; she wanted to claim for Spain the rumored riches of the Indies.

The primary motivation for most exploration has been monetary and it still is.

Budget-pinched Americans have sometimes construed our space budget as an "expense" rather than an "investment."

Even members of Congress whose districts lack jobs dependent on space exploration are inclined to ignore the long-term fringe benefits.

The myriad products and processes which have already resulted from our investment in space exploration have profited us economically many times over.

For example, new electrical wiring which can be stuck on a wall and painted over, batteries which can be charged 100 times faster, more accurate digital clocks, the sight-switch with which a paralyzed person can steer a wheelchair.

Each of these is a spinoff from our successes and our failures in space.

Safer automobile tires, antifogging compound for your windshield and your eyeglasses, improved lubricants and heat-tolerant ceramics for kitchenware—all have been harvested from "empty space" technology.

Space exploration has resulted in 1,892 patents for practical, usable, beneficial, productive "things" which never were before and might never have been.

And yet we invest only two cents of each federal budget dollar in this highly profitable research while 45 cents of every dollar goes to one or another form of welfare.

Last year our government spent a total of $3 billion on space; California alone spent that much on welfare programs!

Forgetting the material blessings just the medical fallout from 11 years of spaceflight may add that many years to the life of each of us.

Illnesses are now being diagnosed and treated by remote control. Bloodless surgery is being performed now with tools developed by space medics.

Our space-bought knowledge of our own planet—its seas, its resources, its climate—is of infinitely greater ecological significance than the combined efforts of the shortsighted ecologists who would divert space money.

America has not bought so much for so little since the Louisiana Purchase.

The "bread" we spread in space comes back a hundred-fold!

OUR JUNE SALUTE: ALBERT P. CALLI

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. GIAIMO. Mr. Speaker, a man I admire and respect has recently been chosen president of the International Association of Rehabilitation Facilities. He is Albert P. Calli, executive director of New Haven's Easter Seal Goodwill Rehabilitation Center, a resourceful leader and strenuous worker in the field of services to the handicapped and disabled. On June 30 of this year, in an editorial salute, the New Haven Register recognized the fine work Al Calli has done. I am inserting that article in the RECORD so that my colleagues and others, who have not already had the pleasure of working with Mr. Calli, will know more about him and his dedicated efforts in behalf of the disadvantaged. It is also my desire to assure Al Calli's many friends and admirers in the rehabilitation field, that he is, indeed, as respected in his community as he is in his profession throughout the Nation.

I would like to add my personal salute to Albert P. Calli, an innovative, persistent, and successful leader in programs for the handicapped.

The editorial follows:

OUR JUNE SALUTE: ALBERT P. CALLI

(NOTE.—This is one of a series of monthly salutes designed by THE REGISTER to recognize in terms of community service and personal dedication the sort of courage, good humor, unselfish effort, or other virtues which, in their individual or group application, enrich or improve life for all of us.)

When Albert P. Calli last month was elected president of the International Association of Rehabilitation Facilities, the honor was a commentary on the importance of his work on behalf of the handicapped here in the Greater New Haven area. The executive director of the Easter Seal Goodwill Rehabilitation Center here has made contributions that are appreciated and useful thousands of miles from home.

Last year, there was striking evidence of the waves that were being made by the Rehabilitation Center under Calli's energetic, practical, resourceful and compassionate leadership. The Center here was deemed outstanding by the executive director of the Australian Association for the Mentally Retarded. The visitor from "down under" was especially impressed with the close working relationship that had been forged between the Regional Center for the Retarded and the Rehabilitation Center here. It was an example of the many ways that Calli has discovered to help provide comprehensive services for a variety of handicapped persons.

In the past few years, there have been many inspiring stories of progress made by handicapped persons whose needs have been answered by the Rehabilitation Center. Calli has explored for new and effective methods to get results that transform dependent people into self-sufficient individuals who make normal contributions to society.

Calli uncovers programs with new potential, goes after funds, personnel, equipment and methods that open up new worlds for the handicapped. He has enlisted the aid of youth, has mounted a far-reaching inner-city program, and has even come to the aid of students who have not achieved their highest potential because of a learning problem. A residence for such students has been arranged by Calli.

Besides serving more than 2,000 handicapped people at the center in this area, Calli has carried out national programs. The Center here has been used as a major auxiliary training resource for colleges and graduate schools as far away as Wisconsin. Hundreds of college students have been trained at the Center in such fields as speech and occupational therapy, health and physical education.

So the impact of Calli's humanitarian work has had widespread influence far beyond the New Haven area. This culminated in his election to the important post of president of the International Association of Rehabilitation Facilities. The organization is made up of personnel who represent more than 600 facilities in the United States and Canada.

The Register is happy to salute Albert P. Calli and to join the association in recognizing his extraordinary achievements.

RHODESIAN CHROME AND U.S. INDUSTRY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. FRASER. Mr. Speaker, yesterday I replied to a letter on the industrial need for Rhodesian chrome from Mr. Martin Ornitz, president of the Crucible Stainless Steel Division of Colt Industries. Mr. Ornitz' letter defends the notion that the United States should continue to break international law in order to import small amounts of chromium ore from Southern Rhodesia, even though abundant supplies are available in the United States and from foreign sources. This same letter was sent to a large number of Congressmen and Senators as an expression of Colt Industries' opposition to H.R. 8272 which would restore the United States to full adherence to United Nations' economic sanctions against the Smith regime in Southern Rhodesia; that is, negate the Rhodesian Chrome Amendment of 1971.

The economic arguments in this letter in favor of continued trade with Southern Rhodesia are rationally unsupportable. Our industrial needs for chromium can be met easily without continuing the current violation of U.N. sanctions which allows imports from Southern Rhodesia. All of us should be concerned that this country have enough chromium for its industrial purposes, but it simply does not follow that access to the Rhodesian market is in any way essential to achieving that end. Millions of tons of chromium ore are available at competitive world prices in the Soviet Union and Turkey. Chromium ore is also mined in substantial quantities in South Africa, the Philippines, Finland, India, and Brazil. Our national strategic stockpile has, for several years, been swollen with excessive amounts of chromium ore. Congress has already authorized release of 900,000 tons to the commercial market and the administration has requested release of an addititonal 2 million tons. As for ferrochromium, 129,000 tons has been released from the Government stockpiles and the administration has requested that 640,000 more tons be released.

The quality of the chromium ore purchased from the Soviet Union and Turkey, in particular, is at least as high as Rhodesian. Some 13 million tons of lower-grade chromium ore deposits are to be found in the United States and Canada. Considering the abundance of the high-grade chromium ore now available throughout the world, mining of the lower-grade American and Canadian ore need not be contemplated at this time. However, should there be a serious shortage in the future, the United States and Canada could do as Finland has done and make ferrochromium from the low-grade chromium ore.

Contrary to claims in Mr. Ornitz' letter that the demand for chromium ore is exceeding supply, it is obvious that the deposits of chromium ore throughout the world are being mined well below capacity.

Mr. Peter Flanigan, the President's Assistant for International Economic Affairs, has stated that access to Rhodesian chrome is not an important element in U.S. foreign economic policy since there are large surpluses of the commodity in our national stockpiles and the United States imports a relatively small amount of Rhodesian chrome anyhow.

The contention that the Soviet Union is transshipping Rhodesian ore to the United States was conclusively disproven by the U.S. Geological Survey 2 years ago. Those who persist in claiming otherwise are simply ignoring scientific evidence.

Mr. Speaker, the economic arguments in support of the Rhodesia chrome amendment do not hold up when faced with the facts. It is time for us to negate that ill-advised piece of legislation.

I include Mr. Ornitz' letter and my reply in the RECORD at this point:

JULY 9, 1973.

MR. MARTIN N. ORNITZ,
President, Crucible Stainless Steel Division, Colt Industries, Midland, Pa.

DEAR MR. ORNITZ: Thank you for your recent letter concerning HR 8272, passage of which would restore the United States to full adherence to United Nations sanctions against the minority regime in Southern Rhodesia.

I believe that the American economy should be assured of adequate supplies of chromium for our industrial needs at reasonable prices and that this can be accomplished without our country continuing to be an open violator of international law.

Millions of tons of chrome ore will be available to the American market without dealing ourselves the disadvantage of continuing to break the word of two US Presidents in the international community. As recently as June 26, Mr. Peter M. Flanigan, Assistant to the President for International Economic Affairs, stated in a letter to me that:

"Access to Rhodesian chrome and other minerals is not an important element in US security or in our overall foreign economic policy given: 1) the substantial excess of our stockpile resources and 2) the comparatively minor amounts we actually import from Rhodesia."

If the American industrial demand for chromium imports is in fact exceeding supply, one would expect that the volume of imports from non-Rhodesian sources would have remained at least as high after the passage of the Rhodesian chrome amendment as before. However, this is not the case, since although imports from the Soviet Union have increased, Turkish imports have dropped by some 17% since the resumption of trade in chrome with Southern Rhodesia.

Should future demand exceed the availability from foreign suppliers at reasonable prices, relief could well be facilitated by the release of some 2,000,000 tons of chrome ore from the national stockpile as has been requested by the Administration to Congress.

Not only does it seem to me that US adherence to UN sanctions would not jeopardize our access to adequate supplies of chrome ore for industrial purposes, but also that continued trade with Southern Rhodesia in ferrochromium will be damaging to the US economy as well. Lay-offs and shutdowns of American ferrochormium plants are now taking place in the wake of increased imports from Southern Rhodesia and the Ferroalloys Association has petitioned the Tariff Commission for relief from imports.

I was struck by your characterization of our violation of UN sanctions as "the State Department's problem vis-a-vis its African policy". Presidents Johnson and Nixon have both stated publicly their support for peaceful change toward majority rule in Southern Rhodesia and accordingly supported economic sanctions against the minority regime there as the best feasible means of effecting that kind of change. Our adherence to the Security Council sanctions was an act entered into voluntarily by this country in a forum where we have veto power. Our violation of the sanctions is internationally illegal and in direct opposition to the democratic and humanitarian ideals we Americans cherish.

Inasmuch as access to Rhodesian Chrome is not essential to the needs of US industry, I invite you to join us in the effort to restore our country to adherence to UN sanctions under international law. I would be happy to meet with you or your representatives to discuss this matter further.

Sincerely yours,
DONALD M. FRASER,
Chairman, Subcommittee on International Organizations and Movements.

JUNE 25, 1973.

Hon. DONALD M. FRASER,
House of Representatives, Longworth House Office Building, Washington, D.C.

Re H.R. 8272.

DEAR CONGRESSMAN FRASER: I note that you have sponsored the subject bill, H.R. 8272, aimed at halting the shipment of chromium ore from Rhodesia to the United States. This matter has been the subject of considerable publicity lately—some of which has been inaccurate or at the very least misleading. Since availability of adequate supplies of chromium, at prices competitive to those paid in other nations, is vital to the welfare of our country, I write to you to express concern over the effect that the enactment of this bill would have.

Ferro-chromium, an alloy of iron and chromium, is used in the manufacture of nearly all specialty steels. These include alloy steels used in making such things as farm equipment, trucks, buses, automobiles, airplanes, and machine tools. It is essential to the manufacture of all stainless steels—for dairy, hospital, and restaurant equipment, power plants, oil refineries, chemical plants, atomic energy plants, pollution control equipment and countless items used in the home, such as pots and pans, tableware, sinks, electric ranges, dishwashers, etc. It is used in making tool steels—for shaping and cutting other materials. Obviously, a shortage of chromium for steelmaking would disrupt our entire economy.

Chromium ore is mined chiefly in Russia, South Africa and Turkey, as well as Rhodesia. There are no known domestic deposits. This makes us fully dependent on foreign sources for a very vital metal for which there are no substitutes.

At present the world-wide supply and demand are not quite in balance, with demand exceeding supply. As a result, contrary to some recent statements, the price of one grade of ferro-chromium has increased in this country 13% and the much more widely used grade has increased 24%. These increases have occurred in spite of the fact that the embargo on Rhodesian chrome was lifted. If it had remained it is likely that the price increases would be greater.

It has been said that in spite of the lifting of the embargo essentially the same percentage of our chrome still comes from Russia. This is caused by two things. The total has increased due to increased demand. Also the embargo did not slow down Rhodesian production. The Rhodesians sold their chrome ore to other countries on long-term contracts. These countries merely ignored the embargo. Chemical analysis suggests some of the chrome ore we buy from Russia originated in Rhodesia.

The Rhodesian ore is considered to be of the highest quality available, contrary also to recent statements by the State Department.

The proposed pollution-control devices (catalytic converters and thermal reactors) for automobiles will result in a tremendous increase in requirements for chromium just for the production of stainless steel in this country of about 25%. Should the present projections for catalytic converters hold true, this will require the use of an additional 60,000 tons, approximately, per year of chromium for this application alone. With all the chrome ore mines in full production, including Rhodesia, and no restrictions on American industry as to sources, there is presently a serious lack of adequate supplies of ferro-chrome. This problem will be compounded by the requirements for pollution control as well as the growth of stainless steel production in the immediate future. Further, the problem of cost and viability of the industry can be seriously affected.

In spite of the State Department's problem vis-a-vis its African policy, nevertheless, I respectfully request that you reconsider H.R. 8272 from the standpoint of its effect on the vast majority of Americans. The price of imports cannot be controlled. Chromium is imported. We cannot afford, as a nation, to reimpose this embargo just for, as the State Department says, "the psychological effect." If we do, the cost of a lot of things all of us buy is going to go up still more, with no real effect on Rhodesia.

We regard this as a most serious matter and would be pleased to meet with you at your convenience if you would like additional facts on this subject, and the importance of it to the American economy.

Sincerely,

MARTIN N. ORNITZ,
President, Crucible Stainless Steel Division.

GAO REPORT ON RUSSIAN WHEAT SALES

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. DU PONT. Mr. Speaker, yesterday the General Accounting Office released a study of Russian wheat sales. The study was undertaken at my request and at the request of several other Members of Congress. It is an excellent report and I recommend it to my colleagues not only as an example of a fine job by GAO, but an example of how the bureaucracy functions at its very worst.

Perhaps the most succinct conclusion expressed by the report appears in its title, "Russian Wheat Sales and Weaknesses in Agriculture's Management of the Wheat Export Subsidy Program." Indeed there are major weaknesses in the Agriculture Department's management of the wheat export subsidy program, as the report so clearly illustrates.

The report sets forth four major conclusions:

First. The $300 million of the taxpayer's money was unnecessarily paid in export subsidies. In the opinion of the GAO, these subsidy payments were excessive. Many of the sales could have been made with reduced subsidies or perhaps no subsidies at all; in the opinion of the report the Agriculture Department in paying out these subsidies clearly paid greater subsidies than the marketplace required.

Second. Very poor administration of the program by the Agriculture Department is evidenced by the fact that commercial intelligence was available indicating that the United States was, in fact, the exclusive world market for wheat at the time of the sales to the Soviet Union. Maintaining a low world target price under these circumstances was wrong and very costly to the taxpayers.

What we have here is essentially a Pearl Harbor situation. The Agriculture Department had considerable information coming in from the agricultural attaché at the U.S. Embassy in Moscow, and from the Canadian Government, indicating the severe crop failures in the Soviet Union and thus the size and the scope of likely wheat purchases by the Soviet Union. The information was there but nobody paid any attenion to it or bothered to analyze it.

Third. Poor administration by the Agriculture Department is also in evidence in other areas of the program. For example, no detailed analysis was provided to support the decision by Agriculture to continue export subsidies. The GAO found that the Department acted on intuition not on the basis of careful reasoning.

As another example, the GAO found the program lacked the administrative controls necessary to prevent excessive subsidies from being paid. The report cities just two examples in which proper controls could have saved some $700,000 in subsidies at a minimum.

Further, no effort was made by the Agriculture Department to provide the information they had to agricultural interests in the Nation. The Agriculture Department has statutory responsibility to work for the best interests of American farmers, and in this case they clearly failed to do that.

Finally, there was no effort by the Agriculture Department to evaluate the subsidy program to see if it was necessary, to see if it was effective, and to see if it was meeting its legislative goals. Rather, a "bureaucracy as usual" attitude prevailed even though millions of dollars of the taxpayers' money were being paid out in subsidies.

Fourth. A major finding of the GAO study was that if the program is to continue, it is most important that it be reevaluated from top to bottom. The GAO recommends some specific steps to be taken to accomplish this.

In summary, the major conclusion of the GAO study is that the United States was "had" in the Russian wheat transaction—"had" to the tune of at least $350 million in unnecessary subsidies that kept the price of wheat low for the Russians. Responsibility for that lies in the lap of the Agriculture Department. The tunnel vision of Washington's finest bureaucrats resulted in a $300 million windfall—a windfall not for the American farmer, not for the American grain exporter, not for the American people, but for the Government of the U.S.S.R.

Considering the level of administrative ability evidenced within the Agriculture Department as outlined in the GAO report; we are perhaps fortunate that it was not worse. But a $300 million hornswaggling is bad enough.

It seems to me that our Government ought to be able to do better than that.

Mr. Speaker, I insert the summary of the GAO's report at this point in the RECORD:

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS: RUSSIAN WHEAT SALES AND WEAKNESSES IN AGRICULTURE'S MANAGEMENT OF WHEAT EXPORT SUBSIDY PROGRAM, DEPARTMENT OF AGRICULTURE

WHY THE REVIEW WAS MADE

Several members of the Congress requested that GAO examine the implications of the massive wheat sales to Russia in the summer of 1972 and the Department of Agriculture's management of the subsidy program, including its system of gathering and disseminating foreign agricultural information.

The President announced the signing of an agreement with Russia on July 8, 1972, making credit totaling $750 million available over a 3-year period for purchasing various U.S. grains. By then Russia was already purchasing U.S. wheat.

Within a few weeks, cash and credit wheat sales to Russia, heavily subsidized by the

U.S. Government, approximated $700 million, the largest private grain sales in U.S. history. Because of the size the sales were historic, but they also focused national attention on Agriculture's administration of the wheat export subsidy program.

Basic information

The wheat export subsidy program began in 1949 to help the United States meet its obligation to export wheat at prices agreed to under the International Wheat Agreement.

The program's major objectives are to generally insure that U.S. wheat is competitive in world markets and to reduce Government wheat inventories.

The Secretary of Agriculture, as Chairman of the Board of Directors of the Commodity Credit Corporation (CCC), decides whether subsidies should be paid. Exporters enter into agreements with CCC to export wheat and, after shipment, submit documentation to support the subsidy claimed. The Assistant Secretary for International Affairs and Commodity Programs makes policy decisions affecting subsidy rates.

The Export Marketing Service establishes daily subsidy rates for five classes of wheat according to protein levels, costs of export, and export periods. These rates apply to all export destinations. The Service has maintained a zero subsidy rate for all types of wheat since September 22, 1972, allowing wheat prices to seek their own levels, but, during the preceding 4 months rates ranged from a few cents to as high as 51 cents a bushel for Hard Winter wheat.

Before its suspension, the program incurred about $4.3 *billion* in subsidy costs for the export of about 10.5 billion bushels of U.S. wheat.

There is little doubt that the program has been instrumental in competitively pricing U.S. wheat moving into export markets.

FINDING AND CONCLUSIONS

The large sales of U.S. wheat to Russia and other exports in the summer of 1972 caused a dramatic rise in the price of U.S. wheat.

Agriculture claims that the U.S. Treasury will accrue net benefits totaling about $457 million as a result of the wheat sales to Russia in addition to the following benefits:

Increased prices that farmers are receiving for their crops.

Creation of new jobs.

Improved balance of trade. (See pp. 14 and 16 and app. V.)

Agriculture is committed to pay over $300 million in subsidies on the Russian and other export sales. GAO believes many of these sales would have been made even with reduced subsidies and that Agriculture should have responded more rapidly to the available information and reduced or eliminated the subsidies sooner.

Wheat export subsidy program

After October 1971 the key determinant in establishing daily wheat subsidy rates was the export target price. The difference between the target price and the domestic price was the daily export subsidy rate.

Maintenance of a low target price throughout the period of the Russian sales and for several subsequent weeks was a crucial factor in obligating the U.S. Government to pay excessive subsidies. (See pp. 17 to 24.)

GAO questioned the maintenance of a low target price in views of available intelligence reports and analyses indicating adverse Russian crop conditions. Agriculture also knew that the United States was the dominant wheat supplier and that purchasers of large supplies had to come to the United States. (See pp. 18 to 22.)

Agriculture officials recognized the changing world wheat situation early in 1972 but decided against increasing the export target price for several reasons. GAO expected to find a detailed analysis to support such a major policy decision, but it seems to have been based largely on intuitive judgments made by Agriculture officials. (See pp. 22 to 24.)

The Russian sales magnified imperfections in the management of the wheat export subsidy program. U.S. grain exporters negotiated their sales to Russia at fixed prices below the $1.63 to $1.65 target price for Hard Winter wheat. Exporters sold large quantities at these prices with Agriculture's assurance that the subsidy program would continue to maintain export target prices. (See pp. 25 and 26.)

The massive amount sold to Russia and other buyers raised the domestic price of wheat. Hard Winter wheat sold at gulf ports for $1.68 a bushel in July brought $2.49 a bushel in September and even more later.

An export goal of 650 million bushels and a fiscal year 1973 budget estimate of $67 million in subsidy mushroomed to 1.1 billion bushels in exports and over $300 million in subsidy. (See p. 14.)

Agriculture needs to establish rules and procedures for transactions involving unusual purchases by state trading monopolies. The unequal bargaining power that exists when a single, fully informed buyer (the Russian state trading agency) confronts several partially informed sellers calls for greater Government-industry cooperation. (See p. 63.)

Speculating in subsidy registrations

Changes made in 1967 to the basic wheat export subsidy program, permitting subsidy registrations at exporters' options, and other program features in effect at the time of the wheat sales to Russia tended to minimize risks and created an environment whereby exporters could make substantial profits. Although Agriculture sought to increase the flexibility for exporters to price U.S. wheat competitively in international markets, the program lacked appropriate administrative controls.

Some exporters making sales in August 1972 registered sales several weeks later at higher subsidy rates. In five examples, CCC paid a total subsidy of about $604,493. Had exporters been required to register on the dates of sales, the subsidy would have been $286,188, or $318,305 less. (See p. 32.)

Export Marketing Service officials contend there is no evidence that the program had allowed excess profit because of intense competition among exporters.

GAO tested the possible profitability of 50 cases under the subsidy registration procedures. These comparisons, for other than sales to Russia, showed an average differential of 29.8 cents a bushel. GAO's calculation is based on using estimated purchase costs against sale prices plus subsidy on 5.7 million bushels registered. GAO tests indicated that unusual margins were possible under the subsidy registration procedures. (See pp. 33 and 34.)

In another test of 430 September 1972 registrations totaling about 160 million bushels with a subsidy entitlement of $36 million, GAO's examination of sales contracts showed that most of the sales for which data was available were consummated well after the export subsidy had been suspended. Because the nonsubsidized U.S. export price was competitive in world markets, subsidies were not needed. (See pp. 36 and 37.)

Other management considerations

Carrying-charge payments are intended to cover the estimated costs of owning wheat for future delivery. The subsidy registration date, instead of the sale date, is used to calculate subsidy entitlement. In 28 instances totaling about $360,000, had the sale contract dates rather than the registration dates determined the carrying-charge subsidies, the payments would have been about $350,000 less. (See p. 39.)

Until August 1971 Agriculture prohibited export subsidy payments on certain types of sales to affiliate companies. Under special ground rules affecting subsidy registrations during the last week of August 1972 (System I), the Export Marketing Service disallowed $650,500 of these registrations because an agency relationship existed between the exporter and importer and therefore the registrations did not qualify for subsidy payments. The Export Marketing Service decision raised a question concerning the legality of other System I registrations and subsidy payments made under similar circumstances on registrations prior to August 1971. (See pp. 40 to 44.)

Better program coordination between Agriculture activities is needed to preclude undue profits from accruing to exporters on wheat sold from CCC inventories. (See pp. 44 and 45.)

Intelligence gathering and dissemination

Although Agriculture has fairly reliable data on general crop conditions and significant changes in worldwide supply and demand, farmers generally were not provided timely information with appropriate interpretative comments to help them make sound marketing decisions.

Legislation directs Agriculture to acquire foreign agricultural information to help farmers, processors, distributors, and exporters adjust their operations and practices to meet world conditions. However, Agriculture has not surveyed the specific intelligence needs of the agricultural sector. (See pp. 46 to 52.)

Program evaluation needs

Despite annual subsidy outlays of millions of dollars, Agriculture has not comprehensively evaluated the wheat export subsidy program. Limited evaluations indicating that the subsidy program was not fully effective were dismissed by operating officials. (See pp. 53 to 56.)

GAO examined several pertinent statistical relationships indicative of program effectiveness. It concluded, on the basis of making U.S. wheat competitive in international markets, that Agriculture seemed to have paid greater subsidies than the marketplace required. Other agricultural economists questioned the need for subsidy payments and suggested that the program needs to be completely reevaluated. (See pp. 56 to 58.)

RECOMMENDATIONS

GAO recommends that the Secretary of Agriculture take the following actions:

1. Because of the weaknesses observed in the wheat export subsidy program:

Review the wheat export subsidy program in its entirety and predicate its reinstatement on a meaningful justification for its existence.

Devise a better system of coordinating with private exporters on sales of agricultural products to such nonmarket economies as those of Communist countries, other Government-directed procurements, and large-scale procurements.

Review the legality of export subsidy payments involving sales to foreign affiliates, especially registrations under System I and those recorded before August 1971.

2. For disseminating foreign agricultural information:

Form a joint Government-business committee representing farmers, processors, distributors, and exporters to identify information needs.

3. If the program review concludes that subsidies are needed:

Determine the most effective and efficient ways to use subsidies to compete in world markets.

Provide for periodic evaluation of program effectiveness and efficiency.

Document the basis and reasoning used in establishing daily subsidies.

Direct that sales and cost data on wheat transactions be used in establishing and checking the reasonableness of subsidy levels and consider flexible subsidies according to geographic locations and circumstances.

Better coordinate commercial sales, concessionary credit sales, and sales from CCC inventory into a cohesive wheat export policy having appropriate safeguards on subsidy payment amounts.

Consider revising the basis for computing entitlement to the carrying-charge increment.

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Secretary of Agriculture advised that the GAO study will prove useful in helping the Department make program improvements for the future. The Secretary agreed with GAO's major recommendations but took issue with GAO on some other observations and conclusions. The Secretary's comments and GAO's evaluations are presented in appendix I.

MATTERS FOR CONSIDERATION BY THE CONGRESS

U.S. agriculture's productive capacity has traditionally resulted in surplus stocks which were stored at great expense or exported with subsidy. Although exports are important to achieving U.S. trade objectives, they can have an adverse effect. Recent dramatic changes in the world supply-demand situation surfaced a need for assessing agricultural exports in a broader national context.

Congress should consider requiring that agencies develop definitive ground rules so that expected benefits from exports can be appropriately weighed against their impact on various segments of the domestic economy.

ELMER F. BUDLOVE, INDIANA'S MOST PUBLICIZED PHOTOGRAPHER RETIRES

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. MADDEN. Mr. Speaker, the State of Indiana and particularly the Calumet industrial region in northwest Indiana regrets that Elmer F. Budlove, photographer, military commander, friend of Presidents, mayors, Governors, policemen, firemen, and untold thousands of people in all walks of life is retiring.

Elmer Budlove has been in charge of the photography department of the Gary Post-Tribune and is now terminating 36 years of active service in the newspaper field. His wide acquaintanceship and reputation in the newspaper coverage has not been confined to Indiana, but he has been present at national conventions, both political and industrial, business, military, chamber of commerce, and other organiaztions over a quarter of a century.

Mr. Speaker, I include with my remarks excerpts from a newspaper article in the Indiana Gary Post-Tribune of Sunday, July 1, 1973, under the heading "Bud" Retiring After 36 Colorful Years":

MANY PHOTOGRAPHIC, MILITARY LAURELS: "BUD" RETIRING AFTER 36 COLORFUL YEARS

"Bud," as he is best known, has amassed high awards in both his photographic work and military service during his long career.

His work with The Post-Tribune was interrupted only by a three-year stint in the Army in World War II, and he continued to reserve military duty until only 1½ years ago.

The 63-year-old Budlove, born in Chicago, was graduated from Chicago's Parker High School, "the only high school in Chicago that was integrated at that time."

He broke into photography while still in high school as his sister owned a photo studio in Chicago. He also gained a knack for music and learned to play the trombone. He played while still young in Chicago for the Buddy Fisher Orchestra and Frankie Masters Band.

Budlove attended Denis College, Granville, Ohio, with a four-year grant to study theology. When he returned he joined his father in Hammond, where his father had opened a restaurant. There Budlove and his wife of 39 years, Rose, first met.

He came to The Post-Tribune to fill out an application for employment one day and the next day he was taking pictures for the paper. His starting salary was $15 for a seven-day work week and he can remember many days that he put in 18–20 hours when there was no such thing as overtime pay.

In 1944 Budlove joined the Army and was assigned to just what he wanted—a unit that took pictures. Later, however, he was transferred to officer training school, and he rose to second lieutenant from buck private in less than a year.

Soon Budlove was assigned the command of all day shift photographers of the Army. But even more important assignments were ahead.

He eventually became the personal photographer of President Roosevelt and he covered the Roosevelt funeral, which he says was one of the saddest days of his life.

He moved on to be personal Photographer to President Truman.

Winston Churchill and French President Charle de-Gaulle were among international dignitaries Budlove met and photographed. De-Gaulle was so impressed by Budlove that he made the photographer an honorary second lieutenant in the French Army, and Bud still wears the patch on his reserve uniform today.

He covered the Manhattan Project in Oak Ridge, Tenn., while in the Army, taking pictures of installations for two weeks and never finding out until much later that he was actually taking the first pictures of the atom bomb.

Budlove also covered the first atomic blast in Nevada and recalls that although he saw and photographed the mushroom cloud from 35 miles away, neither he nor any one else there knew what it was at the time.

Budlove had been in the Army three years when he was discharged. He joined the Army Reserve the same day.

Describing his entry in the reserves, Budlove now notes: "I love this country. I always have. I love all it stands for. I'd fight for it until death. There are only two things I place above this country, and that's my family and my religion."

Budlove is currently a full colonel in command of the 1st Battalion, 1st Brigade of the Indiana Guard Reserve. If a National emergency were to occur in this area. Budlove would be in command of all the troops that would replace the National Guard in most of Northern Indiana.

Among the highest of his numerous honors from the reserve, (from which he retired in 1970) and the guard, is a citation for Exceptional Meritorious Service from the State of Indiana Military Department.

Budlove won numerous awards while with The Post-Tribune. In 1951 he won 14 of 17 national awards he was vying for and received the grand sweepstakes trophy as the best photographer in the United States working on a daily newspaper with a circulation under 50,000.

He has won a total of more than 200 national and state awards for his photographic accomplishments.

Budlove's Army pictures of Truman and Roosevelt were the same pictures used by the artist to paint both men's official portraits. The Truman picture was later used for the Truman commemorative stamp.

Budlove won a photographic award while covering a series of gas explosions at Standard Oil Refinery in the 1950s. One explosion knocked him completely across the street and while still in the air the shock forced him to click his camera. He escaped with many bruises.

But Budlove was best noted for his arty and scenic pictures, and annually he has donated such a picture to a charity auction. His pictures have brought in as much as $250 apiece at the auction.

A CHRONOLOGY OF HYPOCRISY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HARRINGTON. Mr. Speaker, "in our own lives, let each of us ask—not just what will government do for me, but what can I do for myself?" This twist on President Kennedy's famous words was contained in the second inaugural address of President Richard M. Nixon.

In that same message, the President went on to say:

> Government must learn to take less from people so that people can do more for themselves;" and "Let us remember that America was built not by government, but by people—not by welfare, but by work—not by shirking responsibility, but by seeking responsibility.

Within 10 days after the delivery of these words, the General Services Administration paid $293.50 for 8 mylar window shades for the President's Key Biscayne residence, $1,322.00 for 27 electrical outlets, and $88.50 for a flue for the heater at the residence.

This kind of discrepancy between word and deed might be ignored if it did not occur with such regularity.

On January 26, 1970, President Nixon vetoed the Labor-HEW appropriations bill, claiming the funding in the bill was excessive. Contained in the bill was funding for the National Institutes of Health, Office of Education, medicare, hospital construction, the Manpower Administration, and the Food and Drug Administration. In vetoing the bill, he called it "the wrong amount for the wrong purposes and at the wrong time."

The next day, the General Services Administration authorized $417.15 of public funds for the purchase of a Monarch sofa for the Key Biscayne estate and $206 for two matching side armchairs. During the 10 days preceding the veto announcements, the GSA spent $1,370 at San Clemente for landscaping and new shrubbery, and spent $1,448.43 at Key Biscayne for desks, tables, and chairs.

One New Year's Day, 1971, President Nixon vetoed a pay raise for Federal blue-collar workers. He claimed Federal workers were already making too much money—4 percent more than workers in the private sector. Within 2 months, one Federal employee—although not a blue-collar worker certainly—had the weeds removed from his San Clemente home's yard, $1,100; had a Sears air-conditioner installed at his Key Biscayne residence, $88; and had $1,153 worth of furniture provided for his Florida home. Few, if any employees in the private sector are provided with this kind of service from their company.

On June 29, 1971, President Nixon vetoed a public works and regional economic development bill. He claimed it would create "insistent demands for marginal, hurriedly planned, environmentally damaging and uncoordinated projects." But on that same day, at least one public works project was started—the Army Corps of Engineers allocated $2,000 to correct some beach erosion on Mr. Nixon's private Key Biscayne shorefront.

On August 17, 1971, the President vetoed a bill which would have increased retirement benefits for D.C. firemen and policemen who had been totally disabled during their period of public service. In his veto message, Mr. Nixon castigated the bill, saying it would "grant an unwarranted benefit to a small, special group of retirees." That same day, a nondisabled, and distinctly unretired Federal official had a $180 air conditioner installed in his Key Biscayne retreat. Less than 1 month later, the GSA installed a $6,275 new driveway at this same employee's west coast retreat.

In December, 1971, President Nixon vetoed the Child Development bill. He called the program of child care and assistance "fiscally irresponsible." In January, 1972, $1,950 of public funds were used to prune the trees at San Clemente.

On March 27, President Nixon vetoed a bill to provide handicapped Americans with job training, so that they might have the means to become self-supporting. In his veto message, the President stated:

> My decision to disapprove S. 7 should be seen by the Congress as more than just an isolated rejection of a single piece of unwise legislation. It is part of my overall commitment to hold down taxes and prices. I remind the Congress of that determination, I ask the Congress to consider carefully the implications of spendthrift actions, and I urge the Congress to be more reasonable and responsible in the legislation it passes in the future.

Only 1 week before, the GSA spent $523 to remove debris from the San Clemente beach.

Finally, and the irony is fitting, on March 4, 1973, the President vetoed the rural water and sewer grant program. The money was voted to begin to deal with what has become a national disgrace—the condition of our increasingly polluted water supply. Just 3 months previous to this veto, the President did his own little bit to clean up our waters—the GSA installed a swimming pool cleaner at the Key Biscayne estate.

Neither has the White House distinguished itself in dealing with the matter once it became public. Although the public improvements for the President's private residences raise serious legal questions, Mr. Nixon called the Attorney General in an outrage after media reports circulated that Special Prosecutor Archibald Cox might investigate the President's homes. Mr. Richardson then called Cox who issued a statement denying the stories. I believe, however, that the legal issues should be looked into by Mr. Cox and have sent letters to both the Attorney General and Mr. Cox asking what they intend to do about the matter.

Meanwhile, the President's Press Secretary, Ronald Ziegler, has returned to his favorite game of attacking the press.

After having been caught no less than four times dissembling about the scope of the work done on the President's property—on May 26, when it announced that only $39,525 had been spent; May 28, when the total rose to $109,385; 2 weeks later when it rose to $414,000 and then to $456,352—the White House reversed course and began attacking the press, and once again, the Washington Post in particular, for having the audacity to challenge these "security related" expenditures.

Finally, Mr. Ziegler, who once dismissed the Watergate break-in as "a third-rate burglary," has assured the press that the President never ordered, and was not aware of, any of the improvements. Mr. Nixon, who was unaware of the activities of Mr. Dean, Mr. Mitchell, Mr. Haldeman, Mr. Ehrlichman, and Mr. Colson, over the last year, was equally unaware of the desks, sofas, trees, shrubs, cabanas, driveways, flagpoles, and other nonsecurity items that mysteriously appeared at San Clemente and Key Biscayne.

John Mitchell once said about the Nixon administration that we should not judge them by what they say but instead, to judge them by what they do. They have certainly established an interesting record for judgment.

Mr. Speaker, I include, at this point, the text of my letters to Attorney General Richardson and Special Prosecutor Cox:

HOUSE OF REPRESENTATIVES,
July 9, 1973.

Hon. ELLIOT L. RICHARDSON,
The Attorney General, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: Recent reports in the media indicate that the President called you concerning reports that Special Prosecutor Archibald Cox was investigating the purchase and improvements of the President's San Clemente and Key Biscayne residences. The reports also indicate that you called Professor Cox who then issued a statement denying that an investigation was underway.

I am concerned about the legal implications of federal agencies, such as the General Services Administration and the Secret Service, authorizing the improvement of what is, and will continue to be, a private residence. I do not quarrel with what are clearly security-related expenditures, but do not understand how such expenditures as $3,490 for a swimming pool filter, $1,081.20 for storm shutters, $1,853 for a flagpole, $45,346.72 for landscaping, and $13,312.01 for furniture can be paid for out of public funds.

The recent hearings before the House Appropriations Subcommittee on Treasury-Postal Service-General Government have not clarified the issue of the legality of the expenditures. Certainly, the White House itself has not been at all helpful in the matter. On May 26, Gerald L. Warren, deputy White House press secretary, admitted to public expenditures at San Clemente of only $39,525. Two days later, the total was raised to $109,385. Two weeks later it rose once again to $414,000 and then again to $456,352. The latest GSA figures total $703,367 for San Clemente and $1,180,522 for Key Biscayne.

In order to shed some light on this particular situation, I would like to be apprised of any steps the Justice Department is taking to examine and deal with this situation.

I look forward to your early response.

Yours sincerely,
MICHAEL J. HARRINGTON,
Member of Congress.

HOUSE OF REPRESENTATIVES,
July 9, 1973.

Mr. ARCHIBALD COX,
Special Prosecutor,
Washington, D.C.

DEAR MR. COX: Recently, you issued a statement denying that your office was formally investigating the circumstances surrounding the purchase and improvements of the President's Key Biscayne and San Clemente residence. It is my understanding that your denial followed a phone call on the subject from Attorney General Elliot L. Richardson, who, in turn, had been called by the White House.

I am concerned about the legal implications of Federal agencies, such as the General Services Administration and the Secret Service, authorizing the improvement of what is, and will continue to be, a private residence. I do not quarrel with what are clearly security-related expenditures, but do not understand how such expenditures as $3,490 for a swimming pool filter, $1,081.20 for storm shutters, $1,853 for a flagpole, $45,346.72 for landscaping, and $13,312.01 for furniture can be paid for out of public funds.

The recent hearings before the House Appropriations Subcommittee on Treasury-Postal Service-General Government have not clarified the issue of the legality of the expenditures. Certainly, the White House itself has not been at all helpful in the matter. On May 26, Gerald L. Warren, deputy White House press secretary, admitted to public expenditures at San Clemente of only $39,525. Two days later, the total was raised to $109,385. Two weeks later it rose once again to $414,000 and then again to $456,352. The latest GSA figures total $703,367 for San Clemente and $1,180,522 for Key Biscayne.

In my opinion, the loss of confidence in government that Watergate has inspired can be reversed only if all areas of questionable conduct by public officials and agencies are thoroughly investigated. I would appreciate it if you could inform me of what steps you are taking to examine, and deal with, the controversy surrounding the purchase and improvements of the San Clemente and Key Biscayne estates.

Yours sincerely,
MICHAEL J. HARRINGTON,
Member of Congress.

INTERNATIONAL TRADE POLICY

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HANNA. Mr. Speaker, I have repeatedly expressed my concern over this country's need for a consistent, long-range international trade policy. My disappointment over the administration's trade reform proposal is a matter of public record. It is long past time for a complete reappraisal of the U.S. position in the international marketplace, and a reevaluation of the statutes and institutions which determine our role in this economically vital arena. The Congress must recognize and accept its responsibilities in this area.

In this regard, I would like to bring to the attention of my colleagues the statement of David J. Steinberg, executive director of the Committee for a National Trade Policy, before the Senate Commerce Committee on June 7, 1973. Mr. Steinberg says:

I want to invite the attention of both the Congress and the Administration to a serious void in export policy planning both in government and business. Government has not established a clear, consistent, dependable trade policy for business to crank into its decision-making. Without such a policy,

1. U.S. manufacturers cannot be sure how freely and reliably they can draw on foreign materials and components as useful, often essential inputs for optimum competitiveness at home and abroad, and

2. U.S. industry and agriculture cannot be sure how much access they will have to foreign markets, and to what extent investments in export promotion might be undercut by government policies restricting trade, hence by forces for which they have no responsibility.

These uncertainties, added to all the other uncertainties of doing business, pose particularly serious problems for smaller businesses, lacking the resources with which to hedge or ride out such problems.

Mr. Steinberg continues:

The nation's effort to strengthen its international competitive and payments positions cannot be the all-out effort it has to be unless we mount a deliberate, dependable free-trade strategy that will dramatically stimulate business interest in export promotion—indeed make export expansion a matter of company survival in an increasingly open world economy.

Every industry, every business, should be gearing for this contingency. Each should be reassessing what it must do to adjust to and benefit from the freest flow of imports and the reciprocally freest access to the markets of other industrialized countries (ultimately the world as a whole). Each should be reassessing what government might do, and in some cases must do, to facilitate this adjustment. Government should be reassessing the adequacy of the entire range of policies that materially affect the competitiveness of U.S. industry and agriculture in today's world, ultimately in a truly open world economy. Tax policy, transportation, anti-trust, research and energy are only a few of these policy areas. We need a trade policy that inspires and instigates this kind of reassessment, looking toward a coherent, credible, well-coordinated and dependable strategy in foreign economic policy and the domestic policy needed to backstop it.

We need a trade policy that instills a greatly needed sense of national purpose, national mission, and national determination. We need to reform the world trade and monetary system to make fairer and freer the international movement of goods, capital and services. But we must also reform our own national attitude toward expanding two-way business with the rest of the world. Nothing less than a deliberate campaign to program the complete removal of all trade distortions by the industrialized countries can stimulate these reforms of the world economic system and of domestic attitudes toward exports, imports and world interdependence.

Today's policy rhetoric and legislative proposals do not adequately answer these needs. There is little reason for confidence that the Congress and the Administration, business and labor, the intellectual community or any other sector of our society clearly understands what needs to be done. In fact, there is grave danger that the Congress—this Congress—may pass legislation that will set the country back in this policy area at a time when we need to move quickly and resolutely forward to an open world economy. Export expansion would be one of the sacrifices.

I hope my colleagues heed Mr. Steinberg's warning about the need for careful study of proposed trade legislation. Our decision could have a devastating effect on our economy for decades to come. It must be the right one.

"PLASTIC GNOMES" IN WASHINGTON

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BOLLING. Mr. Speaker, I hope every Member will read Rebecca West on Watergate in the following article which appeared in the New York Times of Monday, July 2, 1973:

THERE ARE "PLASTIC GNOMES" IN WASHINGTON

(By Rebecca West)

LONDON.—Conscious though I am that the American political structure is as different from the British political structures as chalk from cheese, the Watergate inquiry terrifies me when I watch it on my TV here in London. It confirms all my suspicions that there are too many men in the world, and that this is not a good thing.

I think I know what the scandal is about. Mr. Ehrlichman and Mr. Haldeman and Mr. Dean all look the handsome, grown-up grandchildren of the plastic gnomes that ornament certain gardens, bright young fellows who go to the city and make good, but who never forget that plastic is thicker than water and come home at Thanksgiving and Christmas with masses of plastic goodies for the plastic old folks. There is something ghastly about their neatness and their abstinences and their small-scale successes; and ghastlier still that we need such men.

For we do. Who but such men are going to enjoy handling the dreary routine of the modern administrative organization. The top jobs need intelligent men; but such are obstinate in their eccentricities, unpunctual and apt to seek God in their own ways. But there are jobs without number to be filled to perfection by the men who do not lose their files, do not send their chiefs to Chicago when they ought to be at Detroit, and get the crank from Cato, Ill., back home without the interviews he seeks.

Plastic gnomes do this magnificently. But they are not very good at working out systems of morality for themselves. They are apt to regard authority as the master they must serve loyally, but as the master who is the final voice, the be-all and the end-all. But they are human. They conceive ambitions. And at that point they learn to read the mind of their master and see what service he wants them to perform for him and jump the gun by performing it, thus relieving him from the responsibility of ordering them to do it.

By this time the problem of who is guilty and to what degree becomes a trifle too complicated for human understanding. Someone ought to revive that film, "Becket," in which Richard Burton and Peter O'Toole starred. It concerned the murder of Thomas a Becket, Archbishop of Canterbury, and at first friend and then enemy of King Henry II. The murder was done by some plastic gnomes of the day who believed (no, not quite right) that the King wanted Becket murdered. That film and the play it was based on were timeless and without limitation to one place. What they said is true of Washington today.

So when we British sit down in front of our TV sets and watch the Watergate investigation we know you are dealing with a real problem, and maybe we feel some envy at the nature of the problem. Not only is our own Lambton scandal humiliatingly silly, P. G. Wodehouse gone wrong, but if we employed miscreants to eavesdrop on the equivalent meetings at which either our Tory, Labor or Liberal party planned its strategy and tactics, the miscreants would never stay awake. But all the same your scandal leaves me feeling that there are too many men in the world, and they have got out of hand.

God help them, many of them are enjoying it. They sit back and laugh aloud when they are amused, and they are that quite often. But they should not laugh at all, for the prestige of the United States is involved. Not its prestige as a great power, for that has gone down the drain. The conception was based on the idea that a nation can make itself so strong that it can stretch its arm across the world and make the distinct peoples do as it wants; and we all know the day for that is over.

What is at stake in the Watergate investigation is the other kind of prestige, appropriate to our time, belonging to those nations which make it possible for their people to live civilized lives, dealing honestly with each other and the Government, and being dealt with honestly by the government—and together exploiting the resources of their land for the purpose of happiness. This is the kind of prestige that America is losing through the Watergate scandal. What makes it damaging is your mock air of desperation.

It is conveyed on the screen and in the press that it is vital for the United States to find out if President Nixon had knowledge of the Watergate buggings, and as if it were also vital, were it discovered that he had, to get rid of him by the drastic step of impeachment. But it may be impossible to find out the degree of President Nixon's knowledge of Watergate; and even if he were proved stark innocent it would be just as necessary to get rid of him because of those plastic gnomes. He should not have had them around but it is not necessary to impeach him.

At the end of three years, thanks to your Constitution, Richard Nixon will be out. And surely during those three years he will be sitting very still. And surely you need never think of him again after three years are up. You will in fact never think of him again, just as I do not think of Neville Chamberlain, a British Prime Minister who was more objectionable than Mr. Nixon in quite a different way. Surely you had better resign yourself to the end of the Presidential term as your way out, because it will take you all that time to have got out of the investigation committees and into the law courts all the suspected persons, on whose guilt or innocence your view of President Nixon must depend; and you will need the precision of the law courts to establish that guilt or innocence beyond all doubt.

GUN PERMISSIVENESS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BINGHAM. Mr. Speaker, the average citizen is the most frequent victim of gun crimes, and the victim about which we in the Congress should be most concerned. But it usually takes a gun assault upon a prominent person to remind us of the permissiveness in our society toward private possession of handguns and how that permissiveness contributes to the continuing rash of gun crimes.

The latest such incident was the gun murder last week of the Israeli air attaché in a Washington suburb. The National Council for a Responsible Firearms Policy, the major gun-control lobby in this country, charges that the Government and people of this country were an accomplice in this murder and must accept a degree of responsibility for it in view of the permissiveness of U.S. laws regarding handguns.

Despite incidents like the despicable and tragic murder of the Israeli air attaché, and dozens of other less celebrated gun assaults that occur throughout the country every day, the gun lobby continues its efforts to keep a gun within easy reach of every American and to try to silence anyone who dares suggest that access particularly to handguns ought to be carefully limited and controlled. A recent editorial which appeared in the Washington Post illustrates the point.

In a related development, it is also reported in the Washington Post that lethal handguns are now available for rent to anyone who wants one in New York.

The statement of the National Council for a Responsible Firearms Policy, and two Washington Post articles, follow:

U.S. Gun Permissiveness Called Accomplice in Murder of Israeli Colonel

Another statistic has been added to America's tragic toll of murder by gunfire. The shooting of the Israeli air attache is the first involving a foreign diplomat in the United States. Other weapons could have been used in the attack, but none as effectively and decisively as the gun. Whether it was political assassination or just another street crime, Americans should be shocked and shamed by this assault on an official visitor to their country.

But America itself is not completely free of blame. The easy accessibility of guns and ammunition, the most destructive of personal weapons, to anybody who wants them, including assassins and run-of-the-mill criminals, facilitates violence against diplomats and our own countrymen. Our government's permissiveness thus gives America itself a share of the responsibility for this violence. Such negligence is not about to be corrected, not even on the special priority of strictly controlling the possession and transfer of handguns. The President and Congress refuse to face up to what urgently needs to be done.

Not even the assassination of a President 10 years ago was enough to evoke reforms—going as far as government reasonably and responsibly can—to deny guns and ammunition to the likes of President Kennedy's assassin. Not even the assassinations of Dr. Martin Luther King and Senator Robert Kennedy in the awful spring of 1968 were enough to move government to protect our leaders, indeed all our people, from criminal use of the most violent of weapons. Nor were the recent attacks on Governor Wallace and Senator Stennis. Nor the gun attacks, year in and year out, on tens of thousands of lesser known Americans.

What statistic are we waiting for?

A national firearms policy requiring licenses for the possession of guns and ammunition, and requiring the personal responsibility of each licensee for each of his guns, will not by itself stop violence, even violence with guns. But it is essential to the answer that must be found. It is indispensable to an effective campaign for a safer America—safe for Americans, safe for foreigners, safe for democracy.

The U.S. government has voiced righteous indignation at the murder of the Israeli colonel. It has commendably offered to tighten security for foreign diplomats, just as it commendably offers compensation to the families of policemen killed in action. But these cosmetics cannot hide its failure to stop or at least minimize the flow of guns and ammunition into hands not likely to use them responsibly. This failure makes government itself an accomplice in the tragedies that too often result.

Guns and Blackmail

Some of the nation's riflemen are up in arms, so to speak, over something that the Young Women's Christian Association, of all organizations, has done. It seems that at its national convention in San Diego this year, the YWCA had the temerity to take a position regarding the control of the flow of firearms in this society. As a result, the National Rifle Association, through its journal, The American Rifleman, the Sportsmen's Alliance of Michigan and other gun loving groups around the country have come out swinging.

Now, what the YWCA did in this instance is not the main point, although this newspaper happens to agree generally with the stand the organization took. Their resolution supports federal legislation licensing all gun purchasers, users and owners, the registration of all firearms—including ammunition—and "the banning of all handguns not used for such purposes as law enforcement, military and licensed guard use, sporting shooting and hunting." That is very close to the position we have long urged upon the Congress and we are pleased to see this major national organization join in the effort to check the unsafe flow of guns through America.

But a more significant point about all of this is that the organizations of sportsmen seem to have forgotten how to play fair, at least in the arena of public debate on major issues in this country. The Sportsmen's Alliance of Michigan has urged its members to withhold financial support from United Way organizations which support, among other organizations, their local YWCA's. There has also been such a strong effort to disuade industrial workers in large plants from contributing to united community fund community fund raising efforts which support the YWCA that the AFL-CIO has been moved to issue a biting counter attack against "the gun lobby." Other sporting groups around the nation have followed the lead of their Michigan brethren.

Then, in its June issue, The American Rifleman ran an editorial attacking the YWCA. In the course of the editorial, the magazine made it appear that the YWCA position would bar the use of handguns even for sport shooting and hunting—a position the organization clearly did not take. There follows a description of the Michigan tactic and a suggestion that "others may follow suit." Finally the editorial raises a lament about "worthwhile movements" embroiling themselves in "debatable causes."

Somehow, all of that just doesn't strike us as very sporting or very smart. If "worthwhile movements" refrained from expressing views on issues of great national importance, the quality of public debate in the United States would become strained and insipid and the character of our national life would be substantially altered. Over the past 60 years, for example, the YWCA has contributed significantly to our national discourse. It was one of the first major national organizations to speak out for desegregation and moved to implement the policy in its own house. At that time, that surely was a "debatable," though quite healthy, proposition.

But the real point is that the sportsmen's attack is not simply unfair, it's un-American. It is one thing for the sportsmen to debate vigorously the YWCA's views and quite another to exert muscle on united fund operations for helping to finance groups which merely express views which they don't like. The tactic smacks of thought control and blackmail. It seems to us that sportsmen who follow this course are demeaning their cause and detracting from values far more important than the specific issues of any particular debate about gun control.

Rent-a-Gun

New York.—A parttime robber, unwilling to invest in a potentially incriminating weapon, can now rent a .22-caliber handgun, pull a job, and return it on Monday morning, according to a police ballistics expert.

"In many areas of New York, you can rent a 'Saturday night special' for the weekend for $50 to $100, and get ammunition with it," Lt. Charles Luisi, head of the New York police department's ballistics section, said yesterday in a television interview.

DECEPTIVELY HAPPY DAYS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HARRINGTON. Mr. Speaker, the Watergate scandal has caused, in the eyes of some observers, a dramatic strengthening of the Democratic Party. I do not think that it is a healthy or constructive position to expect good policy to come from political misfortune. An article by Alan L. Otten in the Wall Street Journal clarifies this issue, pointing out that Watergate has clouded the weaknesses of the Democratic Party just as it has battered the Republicans.

The challenge presented by Watergate to all elements of government clearly begs for reform to eliminate corruption from election campaigning and the formulation of policy. We must safeguard the integrity of government. But, as Mr. Otten argues, Democrats in particular must seize upon this temporary advantage to design imaginative new solutions to nagging old problems.

The article follows:

Deceptively Happy Days

(By Alan L. Otten)

Washington.—Republican Party fortunes are badly battered by the shock waves of Watergate and, as an almost inevitable corollary, Democratic prospects seem particularly promising.

Yet the current Democratic outlook may be deceptively bright, deriving far more from Republican woes than Democratic strengths.

The fact is that the Democrats still have mammoth problems of their own, problems momentarily obscured by the happy fallout from Watergate. In fact, the gains from Watergate may lull the Democrats into paying far less time and thought to these problems than, for their own sake, they really should.

This isn't to say the Democrats aren't doing anything right. They've shrewdly kept a relatively low profile on Watergate—letting the courts, the press, and outspoken

Republicans carry the attack; they clearly recognize that too many Democratic charges or too much Democratic crowing might be counterproductive.

Nor would it be quite accurate to indicate the Democrats have little going for them other than Watergate. The administration's economic policies, its budget cutbacks, and its continued bombing in Cambodia—all give Democratic orators plenty to talk about. Party Chairman Robert Strauss works diligently to win back last year's defectors; the party debt is down; incoming funds provide pay-as-you-go financing.

Beneath these surface appearances of success, however, Democratic difficulties remain deep and numerous. The lack of strong leadership and broad programs are painfully apparent.

Senate Leader Mike Mansfield and House Speaker Carl Albert make occasional stabs at leadership, but for the most part they let things drift, often disastrously. The Democrats' seesawing on economic control legislation was *opera bouffe* at its most farcical, and the leaders are doing little better on tax reform, mass transit, housing, and other subjects that might highlight Democratic differences with the GOP.

The congressional collapse merely reflects a broader bankruptcy. As has been widely noted of late, the party's liberal wing, traditionally the source of new Democratic dogma, remains in a state of shock, apparently paralyzed by the lack of success of so many of its more recent efforts.

Not only are Capitol Hill Democrats failing to advance creative alternatives to the Nixon administration's New Federalism, but so are the Democrats in the state houses, city halls, and universities. The most they seem capable of offering is more of the old Great Society; not surprisingly, there's not much popular enthusiasm for that.

The Democrats' common enjoyment of Watergate serves to paper over continued differences between older, labor-led liberals and the newer grass-roots McGovernite forces. Last year's guerrilla warfare between these two groups continues now only slightly less nastily—over the role of Chairman Strauss, the power to be assigned to elected officials, a proposed mid-term national convention, changes in delegate selection rules. Organizations representing the two camps trade blasts on a regular basis, and the battling will surely intensify as the jockeying for 1976 position grows more serious.

The Democrats' difficulties with major voting blocs remain unresolved. The South grows less reliably Democratic each year. John Connally is the most notable recent defector, but many other influential Democrats have also deserted to the GOP, more will follow, and rank and file desertions are even more widespread.

Virginia will probably elect as governor this year a former Democratic governor now running as a Republican. A post-election survey in North Carolina by well-respected political scientist Walter DeVries underlines the erosion of Democratic strength in Dixie. It shows the 1972 results not just as aberraton traceable to the McGovern candidacy but a well-established, long-term trend as the South becomes more urban, more white-collar, better educated.

Straight-ticket Republicans, the survey found, were the largest single voting bloc in 1972, better than one out of three North Carolina voters. Nearly one out of three voters split their ticket in State and local races, favoring Republican candidates more often than Democrats. Only one of four Tarheel voters went straight Democratic. Nearly twice as many 18-to-21-year olds voted straight Republican as straight Democratic.

"And the same thing is happening in other Southern States," Mr. DeVries believes.

Outside the South, those Catholics, ethnics and other Democrats who supported Mr. Nixon last year are still far from any permanent return to the Democratic fold. They may not like Watergate or inflation, but that doesn't guarantee their support of the 1976 Democratic nominee. The issues that unmoored them from the Democrats—street crime, drugs, school busing, housing integration—may be momentarily out of the headlines but they'll be back, again plaguing Democratic candidates far more than Republicans.

The Democratic presidential crop isn't all that exciting, either. If the GOP has its old familiar faces with Rockefeller and Reagan, the Democrats match them with Humphrey and Muskie, still itching for one more chance. Another disruptive Wallace race is more than possible.

And so much Democratic hope centers on Sen. Edward M. Kennedy. He's looked to as the one man who can unify the liberal ideologues, the machine-polls like Mayor Daley, the Wallaceites. Yet Mr. Kennedy could be a far weaker reed than many Democrats think, particularly if the 1976 voter is demanding candidates of unchallengeable moral rectitude.

Certainly Republican troubles may be ample to get the Democrats through the 1974 mid-term election in very good shape. Watergate, inflation, and other current GOP handicaps may even remain weighty enough to give the Democrats a strong leg up for 1976, too.

But experience over the last 20 years documents how fast the political picture can change. Democratic difficulties are many and profound. They suggest that if the Republicans could somehow successfully put Watergate behind them—not just in terms of current events but also in the public memory—the Democrat's happy days might not be here again for too much longer.

MELVIN R. LAIRD TACKLES YET ANOTHER CHALLENGE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. STEIGER of Wisconsin. Mr. Speaker, due to the 1972 congressional redistricting, Wisconsin's Sixth District now includes three counties which for many years were part of the old 7th District. I am finding it a special challenge and privilege to represent the people who, for some eight Congresses, were represented by the Honorable Melvin R. Laird.

Since the appointment of Mel Laird as Chief Domestic Counsellor to the President, a number of newspapers in our part of Wisconsin have commended the appointment of this man they have known so well. I have selected two recent editorials, one from the Eau Claire Leader-Telegram and another from the Marshfield News-Herald, in the thought they are of special interest to my colleagues.

Laird Tackles Tough Job

Wisconsin Republicans are whistling in the wind if they really think Melvin R. Laird is still to be considered a serious candidate for governor of Wisconsin.

Mel Laird did not come out of retirement after a grueling four-year stint as Secretary of Defense and take a new position as top aide to President Nixon in order to enhance his standing in Wisconsin.

He took it because he knows his country, his party, and his President need him. And in just about that order. He also took it no doubt because he is aware that if he can succeed as well in marching the Administration out of the Watergate swamp as he did in helping United States troops crawl out of the jungles of Southeast Asia he may become eligible for one more job the nation has to offer . . . the presidency.

At 50 Laird combines youthful vigor with the veteran savvy of a man who cut his political teeth in duty in the Wisconsin legislature before being elected to Congress from Marshfield and serving with distinction for 17 years.

He accepted appointment to the top Pentagon post reluctantly, as he must have accepted appointment this week to the chair formerly held by John Ehrlichman. No one knows better than Laird the political hazards which attend moving into an area so recently in need of fumigation.

But if anyone can fumigate it, Laird will.

The challenge he faces is the greatest of his career. But the extreme high risk is matched by the once-in-a-lifetime opportunity to take on a monumental task under the suspicious eyes of an alarmed public and a probing press.

A month ago the thought that Mel Laird might be a candidate for president some day foundered in the knowledge that he had dropped from national attention when he left the Pentagon.

Now, when the next Republican convention rolls around no delegate is apt to say "Mel, who?" when the name Laird comes up.

In the final analysis in a democracy it is a man's record which provides the best platform in seeking higher office. Laird has already established a superb record of honest public service in both legislative and administrative posts. Now he just has time to hammer in a few more planks that could make him an eminently attractive candidate the next time there is a Republican national convention.

Mel Laird for governor of Wisconsin? It's a possibility but a remote one.

Mel Laird for President?

Don't bet against it.

Washington Witch-Hunt

The frenetic attempt of the wolf pack to bring down the Nixon administration and all its works led it this week, as might have been expected, to the door of Melvin R. Laird, who on Monday became the President's top White House assistant.

The Washington Post and the Los Angeles Times, who also peddle their pickings to other papers throughout the country, have been busily sniffing the wind since they learned that one of Laird's former Pentagon aides telephoned the Securities and Exchange Commission last fall to ask the status of an inquiry into the affairs of one Edward Ball, an acquaintance of Laird.

The sniffing revealed the startling(?) information that Ball's sister, the late Mrs. Alfred I. du Pont, once made contributions (while Laird was a congressman) to the Marshfield Clinic Foundation and the Laird Youth Scholarship Foundation.

The inference is that there was something wrong about this. And the amounts of the gifts are greatly exaggerated, although this really has no bearing on the matter except to reflect the inaccuracy of the reporting.

The clinic foundation, of course, engages in medical research, utilizing the talents of some local clinic physicians, in addition to its own staff, in its work. Most of its funds have come from the National Institutes of Health, but it welcomes private contributions.

The scholarship foundation was set up by Laird while he was Seventh District congressman and was originally financed by fees paid to him for public addresses—a welcome source of personal funds to many federal officials, but never pocketed by the meticulous Marshfield congressman. The Laird Foundation provides seminars in government operation for high school students.

Now, it is the function of newspapers to ferret out instances of wrongdoing and the public interest is well served by such vigilance, as the Watergate incident attests. But it is not in the public interest to pillory competent and conscientious public servants when there is no evidence of wrongdoing.

Madison's Capital Times, for example, blazoned a headline across its front page proclaiming, "Laird Admits He Ordered Help for Tycoon." Nowhere in the story beneath the headline was there any indication that Laird had made any such admission or done any such thing.

The lead in the Los Angeles Times story declared that Laird "acknowledged that he ordered his Pentagon aides to intervene in a private Securities and Exchange stock fraud investigation." But nowhere else in the story was there the slightest substantiation that Laird had done anything but ask an aide to make a routine inquiry regarding a complaint and "see if there was anything he could appropriately help with."

Senate hearings and court actions will bring out the facts in the Watergate case in due time and place the stigma of proven guilt wherever it belongs. But meanwhile the desperate attempts to discredit everyone associated with Richard Nixon, comical as they may seem in such instances as the endeavor to smear Melvin Laird, portend consequences even more tragic for the country than for their immediate individual targets. The nation has trouble enough without a political witch-hunt.

AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BRINKLEY. Mr. Speaker, my summer intern, Steve Smith, is a student at Auburn University. On his own initiative he has done some indepth thinking on a nonparochial, national problem. His conclusions are fairly basic but are direct and to the point after considerable thought and study on the many ramifications involved when the horror of "fire" strikes a high-rise building.

Steve's sense of responsibility toward matters other than those assigned to him is becoming, reflecting credit upon the entire intern program. The contributions of young people can be quite meaningful and this paper serves as a good example for others to emulate:

HIGH-RISE, SKYSCRAPER FIRE PREVENTION

(By Steven D. Smith)

I'm writing this short piece on fire prevention in skyscrapers to try and promote action to defuse this dangerous "time bomb" of the cities. Now I realize that at first this subject might seem to be a little foreign and irrelevant to the third district. However, I believe that with two multi-story buildings, the Government Center and the American Family Life Assurance building, and with other skyscrapers certain to go up in the future, the subject demands our concern.

In the following paragraphs I will try to point out some of the more pungent points in an article entitled "Holocausts Above the 35th Floor", by Michael Cussen (noted architect). He is simply relating the dangers of a modern high-rise and how a fire in one can produce death and destruction.

The problem of controlling fires in tall buildings is not new. Skyscrapers have been around since the early 1900's. However, these early buildings were built almost exclusively of steel and concrete, virtually fire-proof. But times have changed and with cost efficiency and modern technology, flammable plastics came into the building industry. Considerations of fire safety took a back seat to cost accounting.

These are our major high-rise fire hazard problems:

1. High-rise fires are inaccessible to firefighters.

2. The new high-rises are furnished with plastics that make the interiors extremely combustible.

3. The fireproofing requirements are inadequate—jeopardizing not only the lives of the people living or working in the building but also its structural integrity. High-rise fires are so hot some engineers wouldn't be surprised to see steel frames bend in the heat of a blaze.

4. The vertical arteries—stairwells, elevator shafts, and air ducts—serve to contaminate other parts of the building with smoke, gas, and heat.

We know the causes and we have the technical know-how to prevent and/or control high-rise fires. However, measures to reduce fire danger in the building industry are not followed. The reason lies in the fact that economics seem to have more to say than fire control policy science.

The best way to extinguish a fire is to throw water on it. So a simple solution to the fire problem would be to install a total automatic sprinkler system in every building. But the simplest solution is also the costliest.

Other fire prevention measures such as control of air systems, smoke towers, and vertical spacing are not foolproof and at best can not achieve the certain efficiency of the sprinkler system. Installation of the system called the automatic fire suppression system is first on the lists of most city fire departments as a recommendation for fire code changes.

I believe that this sprinkler system is the only answer. The objection of excessive cost is not really substantial. Large corporations who take on the tremendous cost of building the high-rise towers should be willing to absorb the responsibility of fire protection and be willing to bear the economic burden. Human lives can not be valued, the system is a must.

I have little knowledge of what procedures are used in building and fire codes. I really don't know if codes of this nature can be made into a national law. However, I believe in any case, that a law, state, national or local as the case may be, needs to be enacted to require the installation of the automatic sprinkler system in any building whose height exceeds the unstrained reach of modern firefighting equipment in the access of the structure.

THE CONTINUING DIALOG ON VITAMINS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. McKINNEY. Mr. Speaker, the Food and Drug Administration's regulations governing dietary supplements have generated a great deal of mail for all Members of Congress. Undoubtedly this is a most complicated and controversial subject and, in order to deepen the understanding of the issues involved, the position of all concerned groups must be aired and studied. As part of this effort, I would like to bring to the attention of my colleagues the formation of a new vitamin industry group, the Council for Responsible Nutrition, and the stand they have taken with respect to this controversy.

This organization, concerned with providing natural, nutritional alternatives to the standard American food supply, endorses the basic concept of optimum nutrition as contrasted wtih adequate nutrition. In explanation, compared with the standard American diet, optimum nutrition involves educating the individual to his specific nutritional needs and making available to him natural foods and food supplements which meet those needs. To support and enlarge this concept, the council plans to act as a clearinghouse for scientific information that will increase public knowledge of optimum nutrition and how to achieve it, for the council believes that a definite link exists between better nutrition and better health. They further believe the Federal Government can and should become much more active in examining this role for optimum nutrition.

The Council for Responsible Nutrition generally supports the Food and Drug Administration's efforts to provide consumers with better nutrition and more nutritional information, but they are disturbed by some of the FDA's proposed actions on food supplementation. Specifically, the council supports FDA's position regarding vitamins A and D to the degree that any potential danger is posed to the public. However, they believe that proposals to limit other supplements cannot be shown to involve an issue of public health and, in fact, are strongly contradicted by a large and growing body of nutritional research and discovery.

Charter members of the council and its present board of directors include: W. T. Thompson, Jr., president, W. T. Thompson Co., Carson, Calif.; George Crawford, vice president, Archon Pure Products, Beverly Hills, Calif.; Nolan Draney, executive vice president, Plus Products, Los Angeles, Calif., and Marshall Ackerman, executive vice president, Rodale Press, Emmaus, Pa.

Mr. Speaker, I insert the position paper of the Council for Responsible Nutrition in the RECORD at this point:

FOOD NUTRITION AND HEALTH: REEXAMINING A NEGLECTED AREA

"Vitamins have at least one distinguishing feature. About no other health substance is there today so much public certainty and so much scientific argument," began an article in a national magazine.

The nature of this argument concerns not only fundamental approaches to research in biochemistry, physics and the practice of medicine, but also philosophies underlying basic lifestyles and cultures.

However, considering the force and depth of the disagreement, there is a surprisingly large body of information concerning nutrients and nutrition accepted by almost everyone, scientist and layman alike.

ADEQUATE AND OPTIMUM NUTRITION

The controversy really boils down to one of definition and degree. But leading to this essence are many varied and complex issues involving economics, agriculture, industrial methodology, transportation, education, government and the behavioral sciences, as well as the physical sciences mentioned.

But, at base, the questions are: What are the body's food requirements? And just how serious are today's food-related problems?

The importance of finding the exact answers to those questions, it would seem, no one would doubt.

Yet, a very recent major study undertaken by the respected Daniel Yankelovich concern for a group of large food companies, discovered that one out of five women admitted to being "casual" about nutrition for themselves and their families. The term "casual" was defined for them as "Other things often seem more important than food decisions on any given day. With just a little care, cost and healthfulness balance out in the end anyway." Nutrition will "take care of itself."

While another 29 percent—a total of 49 percent—put nutrition as no more than a secondary consideration, feeling that with "just a little judgment, you can be sure of a healthful diet."

Another way of measuring the state of nutritional concern as well as the actual state of nutrition of a population might be through the perceived messages from its major institutions—the government, the schools, science and medicine. An examination of these messages reveals confusing signals. There are reports of serious inadequacies in the food supply and poor eating habits throughout America, while some government- and health organization-sponsored pamphlets and public statements seem to mirror the assumptions of the "casual" approach to nutrition above.

Item: Panels of the White House Conference on Food, Nutrition, and Health, held in December 1969, noted several times that studies show "a surprising degree of undernutrition among even relatively high-income families." One panel even concluded, "Among the affluent it is clear that we have developed a society that is characterized by overconsumption of calories with food choices that are not necessarily the wisest on the basis of available nutritional information."

Item: In the U.S. Department of Agriculture studies of 1955 and 1965 (long considered the definitive nutritional studies available in this country) a higher percentage of households studied in 1965 showed nutrient content of purchases which fell below the recommended daily allowances (RDA) for all nutrients except iron. The 1965 report stated that a lower percentage of households had "good" diets in 1965 than in 1955—60 percent in 1955 and 50 percent in 1965. Over the 10-year period, the proportion with "poor" diets (defined by USDA as diets which provided less than two-thirds RDA for one or more nutrients) increased from about 15 percent in 1955 to 20 percent in 1965.

Item: A 10-state survey undertaken during the 1968–70 period by the U.S. Department of Health, Education and Welfare—planned to be *the* new definitive nutrition study but subsequently limited, reportedly for budgetary reasons—concluded: "The results of Ten-State Nutrition Survey indicated that a significant proportion of the population surveyed was malnourished or was a high risk of developing nutritional problems. However, malnutrition in different segments of the population varied in severity and in regard to the specific nutrients involved. An outstanding example of this variation was the high prevalence of low vitamin A values among Mexican-Americans in the low income-ration states as contrasted to the absence of vitamin A problems in Puerto Ricans in the high-income-ratio states, primarily New York City.

The findings show that the characteristics of malnutrition are often unique to the local situation and to the specific subsegment of the population being surveyed. Nutritional solutions to the different types of malnutrition encountered will vary among different segments of the population having different social, cultural, and economic characteristics."

But how serious is "undernutrition"? Is good nutrition just a matter of some undefined "rosy-cheeked glow" or well-muscled appearance—attributes all good mothers would like to see in their children when they bother to think about it? Or is it something that needs more definitive treatment?

Item: Dr. Roger Williams, Professor of Biochemistry at the University of Texas, and one of America's most distinguished biochemists and nutritionists, says: ". . . at every stage I have found this concept to be wholly applicable and verified by laboratory experiment. That malnutrition—unbalanced or inadequate nutrition—at the cellular level should be thought of as a major cause of human disease seems crystal clear to me."

Item: In an evaluation of research on human nutrition prepared by a joint task group of the U.S. Department of Agriculture, the State Universities and the Land Grant Colleges, the report on "Benefits From Nutrition Research" states categorically: "Most all of the health problems underlying the leading causes of death in the United States could be modified by improvement in diet. . . . Death rates for many of these conditions are higher in the U.S. than in other countries of comparable economic development." And what are some of these causes of death and disability which could be modified by improvements in nutrition? Heart and vascular disease, infant mortality, early aging, arthritis, dental health, diabetes, kidney disease and cancer, to give only a partial list.

The sad fact is that even the darkest pictures painted by these nutrition surveys are probably underestimating the seriousness of the problem. For they are based on a concept of *adequate* nutrition designed to protect only against the most extreme known effects of vitamin deficiency.

This concept was formalized over fifty years ago when a group of doctors meeting at Cambridge University concluded that it "must be regarded as definitely established" that deficiency diseases may result from diets low in certain vitamins and that these diseases can be prevented "by the addition of articles containing these vitamins."

This admission effectively marked the dawn of the science of nutrition as we know it, and that it was such a relatively short time ago gives some indication of why the science and the information that emanates from its established practitioners is in such a state of confusion, if not chaos.

For nutrition is truly an infant science that has not yet found a home. It hangs somewhere along the tenuous line running from the brilliant and explosive discoveries of modern biochemistry and molecular physics to the somewhat nebulous, but utilitarian arts of "home economics" and "dietetics."

Where the physician and the practice of medicine fits on this line has been in flux for many years. In fact, to a great extent, the medical profession's position, attitudes and store of knowledge on nutrition today is both a microcosm and a first cause of the state of this country's health and eating habits.

OPTIMUM NUTRITION

The present standard of adequate nutrition, as espoused by doctors, nutritionists and others—although no two experts agree in detail on what constitutes even this low standard—is, in fact, inadequate. What is emerging is the need for a new standard of *optimum* nutrition.

There is increasing concern that faulty nutrition lies at the root of most major disease syndromes to one degree or another. There is ample evidence that the American diet is in need of *radical* change.

Not only is the "average American diet" deficient in many respects but there is strong evidence that there is no "average" diet, but a wide variety of real meals, which because of habit, cultural bias, food industry advertising, and many other reasons vary widely in nutritional value. There are also no "average" Americans, but a wide variety of real men, women and children whose nutritional needs vary even more widely than their diets. Among laboratory animals, which are carefully inbred to make them as similar to each other metabolically as possible, nutrient levels which provide for good growth and optimal health vary by as much as twenty to thirty fold from individual to individual.

Since human beings are not nearly as homogenous a group as laboratory animals, there is every reason to believe that their requirements for particular nutrients may vary even more extremely from individual to individual. Each person's metabolic machinery is as individual to him as his fingerprints. Each of us requires somewhat different amounts of the same nutrients in order to enjoy the best possible state of health for the longest possible period of time.

Since the indications are strong that very few of us regularly consume a diet which is likely to contain the *optimal* levels, for us, of each of the various nutrients, and since medical science has not yet developed diagnostic procedures which would fully reveal our individual biochemical profiles so we would know exactly how much of what we should consume, there is no rational alternative to allowing each person to decide for himself how much, if any, supplementation of his diet is necessary to make him feel his best.

Since most vitamins and other micronutrients are both harmless and absolutely necessary to life, it seems that regular supplementation of the diet is an act of simple prudence which an informed government and an informed medical establishment would encourage.

WHAT ARE VITAMINS?

Vitamins are complex organic substances essential to human health and well-being. Originally termed "accessory food factors," the word "vitamin" was later coined to describe a number of unrelated substances which share in common the fact that they are essential to normal human metabolism.

More than 25 vitamins have been identified, and it is believed more will be discovered as science probes further into the complexities of man's body chemistry.

Abundant scientific research shows that normal nutrition cannot be maintained with a diet consisting only of purified proteins, carbohydrates, fats and minerals. Not only are vitamins essential, but the human body lacks the ability to manufacture many of them and man is dependent on obtaining them from food. When circumstances prevent maintenance of a balanced diet, vitamin deficiencies result and can lead to diseases and/or debilities ranging from night blindness, rickets and scurvy to psychiatric syndromes and general malaise.

Since the original discovery of vitamins, a great deal has been learned not only about the metabolic role of specific vitamins, but also about natural food sources for them. (For example, sources of vitamin A include yellow vegetables and fruit, leafy green vegetables, plus milk, fat, liver and kidney.)

Due, at first, to the seasonal availability of such sources, and later due to discoveries revealing additional nutrient needs, an industry has developed to extract specific vitamins from natural sources or synthesize them from chemicals and provide them economically to the public in the form of concentrated supplements. These supplements, as well as the mineral supplements marketed, make available the necessary nutrients which may not, for a variety of reasons, be included in an individual's normal food intake.

The need for supplementary sources is indicated by the following statement in the "Merck Manual of Diagnosis and Therapy," Twelfth Edition—a medical handbook widely used by medical professionals: ". . . appropriate nutritional supplements are indicated . . . when the diet is inadequate because of such factors as allergy, GI [gastrointestinal] disease, dietary fads, business preoccupation, or habit, or when there is impaired utilization of, or abnormal demand for, one or more nutrients. . . ."

Nutrient supplements can be particularly crucial for the very young and old (in the former, nutrient lacks may result in abnormal growth; in the latter, disease), the poor, and pregnant or lactating women.

Science has determined that the human body makes some vitamins itself, but often in amounts too small to meet its needs. Other vitamins are not made in the body at all and must be supplied. While the best source of needed vitamins is in a "proper" diet, what is "proper" for one individual may not be "proper" for another. Also, given the types of food available today, which often have a high calorie-to-nutrient ratio, and given the subjective nature of appetite, an unplanned diet may not contain the nutrients necessary to an individual's health and a diet planned may not necessarily be a diet followed.

In the same national magazine article quoted earlier (Look, June 1, 1971) Dr. Bernard T. Kaufman, a well-known vitamin-metabolism researcher of the National Institutes of Health, expressed "amiable skepticism" about health claims for vitamins, then casually remarked that he and his family take multi-vitamins regularly.

"They can't hurt," he said.

THE FDA VS. VITAMINS AND OTHER FOODS

After more than two years of formal hearings, the Food and Drug Administration in January 1973 published proposed regulations aimed at restricting the public's use of vitamins, minerals and other food supplements.

These were part of an extensive set of regulations related to the labeling and advertising of all foods that could bring about significant changes in marketing practices of the entire food industry and the nutritional attitudes of the American consumer.

The regulations, for the most part, require full compliance after December 31, 1974. There have been some abuses in the promotion of vitamin and mineral products and it is commendable on the part of the FDA to be concerned over the problem of unscrupulous manufacturers who have from time to time made indefensible claims for their products.

But these regulations are puzzling in that they go much beyond controlling such excesses—if, in fact, they would control the unscrupulous at all. It would seem that certain provisions would work *against* better nutrition at either the optimum or adequate level, rather than improving it. For instance, the regulations would:

1. Establish a standard of identity for dietary supplements of vitamins and minerals which sets minimum and maximum limits of potencies.

2. Prohibit the sale of any product exceeding permissible ranges as a dietary supplement and require that it be approved, labeled and marketed as a drug. As such, the product is subject to the procedures for the over-the-counter review and may be ruled a by-prescription-only product.

3. Prohibit any claim that a diet of ordinary foods cannot supply adequate nutrients.

4. Prohibit the claim that transportation, storage or cooking of foods may result in an inadequate diet.

Two quotes from Dr. Williams are pertinent in light of the second provision. At a Food & Drug Law Institute conference on vitamins, he said:

"A basic distinction between nutrients—minerals, amino acids and vitamins—and typical drugs lies in their mode of action.

"Nutrients enter into metabolism by furnishing building blocks for the construction of the enzyme systems which make metabolism possible. Drugs do not do this, and if a substance acts constructively it must be a nutrient (or possibly a hormone) not a drug.

"Unlike nutrients which act as a team, drugs act individually by entering into and interfering with metabolic processes. This interference, hopefully, brings about changes that are favorable to man and unfavorable to his enemies.

"Another basic distinction between nutrients and typical drugs is the fact that nutrients are native to our bodies while drugs in general are foreign or alien substances."

And in his book, *Nutrition Against Disease*, he said:

"The Food and Drug Administration is, in one sense, an enemy of bad weapons, because it scrutinizes new medicines to determine if they are judged safe. If not, the FDA prohibits their use. Unfortunately, in its zeal to restrict the use of what we have called 'essentially bad weapons' the FDA has not always differentiated between nonbiological drugs and the natural nutrients that are needed by the cells of our bodies. Doubtless some exploitation is taking place in the sale of vitamins, amino acids, and minerals; and abuses obviously need to be corrected. But there is a world of difference between potentially harmful non-biological drugs and innocent—if sometimes misapplied—nutrients. A few nutrients taken in grossly inappropriate amounts, can be toxic; but when taken in reasonable quantities, they are solely constructive. This cannot be said of drugs that are foreign to our bodies. Alien chemicals and natural nutrients should NOT be treated alike, and if medical education were on the ball, they never would be."

In issuing these regulations, the FDA seems to be supporting several assumptions that are in opposition to findings by the vast majority of the scientific community and, in several cases, by the very government of which it is a part:

(1) That American eating habits and state of nutrition are such that the value of food supplements should be downgraded, an attitude inherent in the issuing of the regulations.

(2) That significant nutrients are not lost in transportation, storage, and cooking of foods.

(3) That there is such a thing as an "average or ordinary" person, and, therefore, an average nutritional need allowing the establishment of recommended daily allowances as limits on the potencies of dietary supplements.

(4) That the FDA should limit the consumer's right to purchase foods in the quantities he wishes when no question of a danger to his health is at issue.

It is expected that the forthcoming regulations will severely restrict the consumer's right to select whatever product he or she wants. There is clearly no basis for such action. If the consumer believes that there is a correlation between good health and proper diet he should be able to buy such products which help assure that proper diet as long as they are clearly and truthfully labeled.

Granting the FDA's contention that there is much "confusion" in the marketplace over nutrition—as well as in the scientific community and the government we might add—it must be said that this is the result of lack of scientific kowledge and must be solved by continued extensive research and information rather than government edict.

IMPROVING TRAIN SERVICE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Ms. ABZUG. Mr. Speaker, as a member of the House Public Works Committee, I have been doing my utmost to get funds for mass transit. Upgrading train service instead of highways is a matter of top priority—especially when we see the whole east coast blanketed with smog, as it is today.

Yet the person who chooses to leave the car at home and take the train, sometimes regrets the decision. A letter received from a constituent illustrates the frustration:

NEW YORK, N.Y., *June 21, 1973.*

Congresswoman BELLA ABZUG,
New York, N.Y.
THE EDITOR,
New York Times,
New York, N.Y.
AMTRAK,
Regional Sales Office,
New York, N.Y.

DEAR CONGRESSWOMAN ABZUG: This letter is first being drafted at 3:40 pm, the above date on the floor of car 5457 which is part of the New York to Washington, D.C. Amtrak. The train is between Newark and Trenton. We, like other coach passengers paid $11.25 for "transportation" to Washington. The only difference is that we and many others do not have seats!

I should tell you that we made a conscious decision to go to Washington by train. Normally we would have driven. However, as we have a lot of reading to do we felt we would be more comfortable on the train. We could read on our way and thus not lose the time we would lose if we drove.

I now understand better why the Penn Central is bankrupt. Even if the financial manipulation had not occurred (a tradition in the history of U.S. railroads) that organization would not be able to meet its costs, if this train is any example. First, the 3 pm train left at 3:15. Second, there was not enough equipment so that all the passengers could have seats. Third, the airconditioning equipment was not working.

In New York City, as in most major U.S. cities, there are strong fire codes. Movie theatres are not allowed to seat people in the aisles. Restaurants may not cater to more than so-and-so many people at one time. Why is it that Amtrak permits both of this car's exits to be blocked by passengers who do not have seats? Why do they permit the aisles to be filled with passengers?

We regret not having driven to Washington. It would have been, contrary to our expectation, much more comfortable. Modernization of railroad service is a must both for the short distance commuter and in the longer distance heavily traveled corridors. The Metroliner must not push out the medium and short distance commuter! Here are a few suggestions: reservations on all trains except short distance commuter trains; nonstop long distance equipment; general use of trains in which each car has its own motive power so that length of train can easily be varied; proper scheduling of equipment *for all points* (we were told that this train has the same problems every week); continuation of the relatively low non-Metroliner rates.

In fact, we have paid doubly for this trip: once through taxes used to subsidize the railroads, and again in the buying of our tickets. That double payment bought us the opportunity to stand all the way to Washington, or to sit on the floor, in a dangerously over-crowded train. [Actually we both got seats in Philadelphia which is about half way.]

It is obvious that railroad subsidies do not work. They do not provide service. A mass transit system that is so poorly run that it encourages people to use their cars is the opposite of what is needed in a polluted society. A joint public-private venture like Amtrak (National Railroad Passenger Service Corp.) merely encourages irresponsibility on the part of the private bondholders. Now that they have profited nicely through accountants' juggling of the bankruptcies, the railroads should be set free from their indolent and incompetent control.

Efficient, inexpensive, railroad service, both short (commuter) and long distance is a vital link in the improvement of the quality of life in our cities. We cannot afford to let vested interests continue to influence railroad service. Subsidies must be used to upgrade the track and equipment. Debt service must be terminated. Travelers and commuters must be encouraged to use railroads as opposed to their private vehicles. If this goal is to be achieved, experiences like the one we are having on this train *must not continue to occur.*

Very truly yours,

MAARTEN DE KADT.

PUTTING THE WATERGATE SCANDAL IN PERSPECTIVE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. STOKES. Mr. Speaker, on June 1, 1973, Mr. John H. Johnson, president of Johnson Publishing Co., addressed the Washington Professional Chapter of Sigma Delta Chi journalistic fraternity. Although I was unable to be present at this important meeting, I have heard nothing but praise for Mr. Johnson's eloquent statement, in which he examined the Watergate and related scandals in the context of recent American history.

Mr. Speaker, I realize that all of us have been inundated with a barrage of editorial comments about the meaning of these scandals. But Mr. Johnson's remarks stand head and shoulder above anything that I have yet encountered.

His central thesis was that "freedom is indivisible and so is repression." In other words the injustices that black Americans and black journalists have experienced, without opposition from blacks and whites together, paved the way for the same repression to be perpetrated upon whites. What is happening today was foreshadowed a long time ago in the forceful limitations placed upon the civil and human rights of America's minorities.

Rather than do an injustice to Mr. Johnson by paraphrasing him, I include his remarks below. I also want to share with my colleagues Ms. Dorothy Gilliam's column about the event, which appeared in the Washington Post of June 2, 1973:

POLITICS AND BLACK FREEDOM

(By Dorothy Gilliam)

Repeated denials of the rights of the poor, the black and the disadvantaged paved the road to Watergate, America's most successful black publisher charged last night.

John H. Johnson, publisher of Ebony, Jet and other Chicago-based magazines, spoke at the 41st annual national awards banquet of Sigma Delta Chi, the professional journalistic society, at the National Press Club.

Addressing the crowd of about 200, Johnson said knowledge of the ancient injustices of political disenfranchisement of millions of black Americans, the denial of equal protection of the law, sometimes with the sanction of our highest courts, and the apathy of the press related to the "crucial problems of this, our period."

"There is a reciprocal relationship between black freedom and white freedom," he said. "In other words, an increase in the amount of freedom available to blacks increases the amount of freedom available to whites and the converse is also true: A decrease in the amount of freedom available to blacks leads to a decrease in the amount of freedom available to whites.

"This is the larger meaning of Watergate: Freedom is indivisible, and so is repression."

Johnson said a tendency exists in this country to put the rights of blacks and the rights of whites into separate compartments: "black crime and white crime, white poverty and black poverty; white morality and black morality. The same tendency existed to separate public from private morality.

"Each day brings new evidence that white people are suffering injustices which blacks have endured for more than 200 years," he said.

The Washington professional chapter presented gold keys and plaques to three new Sigma Delta Chi fellows: Katharine Graham, publisher of The Washington Post Company, the first woman to be honored as a fellow; syndicated columnist Mary McGrory; and ABC news anchorman Howard K. Smith.

The presentations to Mrs. Graham and Smith had been voted in 1971, but were delayed by the recipients' busy schedules. Miss McGrory was voted the honor at the group's convention last fall in Dallas, Tex.

THE PRESS AND AMERICAN FREEDOM

(By John H. Johnson)

It's nice to be able to come to Washington these days and to speak into a microphone you can see.

In all seriousness, I am very happy to be here tonight. For I believe all Americans are indebted to the press and that all members of the press must continue the unfinished work before us by demanding free speech, free assembly and an open and responsive government.

This is, as we all know, a very exciting time.

Every morning, millions of Americans rise from their beds much like the ancient Romans—in fearful anticipation of the bouts between the Christians and the lions, torn between the exhausting excitement of new revelations and the hope that the long list of secret acts against the American people will end. This sense of excitement has created a climate of emotional confusion and moral crisis in the land.

No brief discussion of the causes and ramifications of this crisis can do justice to the subject. But we must try, with all the vigor that we possess, to get at the whole truth. For the cherished ideals of our nation are in danger. And we find, as we approach the 200th anniversary of the founding of the Republic, that the very foundations of our way of life are crumbling.

This is not a new development, for this process has been going on now for a long time. And to fully understand today's headlines, it is necessary for us to look back at some of the historical injustices which created the contemporary climate.

We must look back at centuries of institutional racism, the political disenfranchisement of millions of black Americans and the denial of equal protection of the laws with the sanction of the highest court in the land.

We must look back on an era of lynchings, when the guilty investigated themselves and brought in reports that the victims were murdered by "a party or parties unknown."

We must look back at an American press, which out of apathy or fear—or both—failed for so long to man the ramparts when freedom was being denied to millions of Americans who happened to be black or red or brown.

We must also look back on the evolution of our judicial system which has made it easier to put a man in jail for stealing a loaf of bread than to jail a man for stealing a bank, or a railroad.

The bill of indictment is long and varied.

America stands accused today of tolerating racism with the sanctions of high officials.

America stands accused today of failing to use its vast resources to aid the aged, the poor, the sick, the black.

America stands accused today of failing to respond when the phones of Dr. Martin Luther King, Jr., and others were tapped.

This is the background of the current crisis. And we will mistake its true meaning if we do not see it against that wider context and if we do not understand that repeated denials of the rights of the poor, the black, and the disadvantaged paved the road to Watergate.

It is very important to us to understand the relationship between these ancient injustices and the crucial problems of this hour.

The late Jackie Robinson used to say that no black man can be free in America until all black men are free. And we can paraphrase him today and say that no white man can be free in America until all black men are free. Nor, to extend the phrase, can any white reporter be free until all black reporters are free.

And what this means is that there is a reciprocal relationship between black freedom and white freedom. The two concepts are opposite sides of the same coin, and when one changes the other changes. In other words, an increase in the amount of freedom available to blacks increases the amount of freedom available to whites. And the converse is also true: a decrease in the amount of freedom available to blacks leads to a decrease in the amount of freedom available to whites.

This is the larger meaning of Watergate: *Freedom is indivisible and so is repression.*

Police repression in the ghetto requires police repression outside the ghetto. The arrest of black reporters leads inevitably to the arrest of white reporters. Breaking and entering against a poor civil rights group leads inevitably to breaking and entering against the powerful Democratic party.

Freedom is indivisible, and so is repression

There is a tendency in this country to put the rights of blacks and the rights of whites into separate compartments. There is crime, and then there is *black* crime. There is poverty, and then there is *black* poverty. There is morality, and then there is *black* morality. And these phenomena are frequently interpreted in different lights.

There is also a distinct tendency in this country to separate public morality from private morality. And any treatment of blacks in accordance with the basic tenets of our religious heritage is left for the "great beyond." This dual standard of morality generates a climate of ambiguity which prevents this nation from dealing with its most serious problems.

Because of this dual standard, the polluted waters of injustice have finally backed up to the front doorsteps of America. Each day brings new evidence that white people are suffering injustices which blacks have endured for more than 200 years.

In this connection, I call your attention to the Collinsville, Illinois affairs. On a recent night in that town, terror knocked at the doors of peaceful, law-abiding *white* citizens—much like the Klan of old. Remember? But this time, *white families* were assaulted cursed and abused by government agents.

It is encouraging to note the national reaction to this event. But I ask you, in all sincerity, where was the indignation when similar acts were being perpetrated upon thousands of American families who happened to be black? Where was the creative reporting when illegal reports were compiled on Martin Luther King, Jr., Ralph Abernathy, and Jackie Robinson?

Let us also note, in passing, that it is ironic that the Watergate incident was triggered by the alertness of Frank Wills, an eighty-dollar-a-week guard who was working as a watchman because he could not find work in his field of training, the construction industry.

It is instructive in this general connection to note that the black press has always understood the close connection between black freedom and white freedom. The first black newspaper—*Freedom's Journal*—understood clearly that a threat to the rights of any man was a threat to the rights of all men. And *Freedom's Journal* was in the forefront of the fight against slavery. Since that time, black newspapers and magazines have been in the front ranks of the fight for free speech and free association. When Mussolini invaded Ethiopia, the black press was the first to point out the international implications. When Hitler turned on the Jews, the black press opposed him. The black press also condemned the internment of Japanese-Americans in World War II. In the same conflict, the black press fought for integration in the effort to defeat the Axis powers. And during the decade of the sixties, the black press was the cutting edge of the movement for social justice.

What I am concerned to emphasize here is that freedom for all men and women is the guiding principle of the black press, which has always understood that freedom is indivisible, even in the press.

This is a point of great importance, for we are witnessing what appears to be an effort to contain the free press. Some reporters have been jailed for refusing to divulge confidential sources and for refusing to give their notes to governmental agencies. Others have been threatened and intimidated, and still others are on their way to jail.

In deference to that old adage, "Physician, heal thyself," I say, "Press, protect thyself." I believe that if the press had mobilized a long time ago, when blacks and students were being attacked, it would be in a better position today to defend its own rights. I believe that if the press had drawn the line a long time ago when black reporters were being attacked—if it had put all its resources behind Earl Caldwell, for example—it would be in a better position today to protect white reporters. And I would like to emphasize here the very obvious fact that the movement to contain the white press grew, in part, out of the movement to contain blacks and other minorities.

For that reason, and for others as well, I believe, the white press is obligated—out of its own self-interest—to speak for the oppressed in this country. I believe also that the black press and white press must wage a coordinated struggle to extend the boundaries of freedom in America.

The white press can make a real contribution to this effort by crossing the very visible walls of pigmentation that divide us. By the same token, the black press has a responsibility to continue to tell black Americans the truth about their lives, their achievements, aspirations, and obligations in a free society.

The black press and the white press must also agree on the means necessary to achieve freedom in America. The black press and the white press I believe, can and should support national social programs for the elimination of poverty, discrimination, and urban blight. We can also work together for the restoration of public confidence in public institutions and for a sensitive and informed citizenry.

Our form of government—in fact, the very foundations of our society—rests upon an informed citizenry. To participate effectively in the decision-making processes and to maintain a watchful eye over public officials require access to information. This is truer today than it was two hundred years ago, because of the increasing centralization of the government and because there is a growing acceptance by the public that secrecy in government is necessary.

I sincerely hope that this state of mind will change in the light of current events and that legislators, with the prodding of the press, will repeal laws which stifle the free flow of information and threaten the rights of citizens. This is one area in which the black and white press can work together. The repeal of "Stop-and-Frisk," "No-Knock," "Preventive Detention," and "Gag" laws are clearly in order at this time.

This is the responsibility not only of newsmen but also of all men and women who love truth.

In the Italian film, *General Della Rovere*, there was an interesting scene that dramatized this whole problem. Some of you may remember it. It was during the occupation of Italy and the Nazis rounded up a group of people caught in a frantic effort to crush the Resistance Movement. Some of the people caught in the dragnet were members and leaders of the Resistance, but some were not. The officer in charge tried to identify the Resistance leaders and failed. So he decided to execute them all—leaders *and* innocent bystanders. On a dark cold morning, the men were taken to a room to await their execution. And one man cried out in anguish: "I'm innocent. I didn't do *anything*." A Resistance leader approached him and said: "You didn't do *anything*?" The man said: "No, I didn't do anything." The Resistance leader said: "I don't understand. Our whole way of life was being destroyed. Minds were being warped; institutions were being subverted; and you didn't do *anything*?" The man said: "No. I didn't do *anything*." The Resistance leader said: "Then, you deserve to be punished."

We face a similar dilemma today. Minds are being warped; institutions, including the press, are being threatened; and men and women are being humiliated, degraded and excluded.

What have you done?

What are you prepared to do?

This is a personal question and it requires a personal answer. For in the final analysis this struggle will be won or lost by men and women who accept a personal, *a private responsibility* for righting the wrongs in our society.

Let me say in conclusion that we are witnessing only the backwaters of Watergate—water that has been rising for a long time. And every man and every woman is being issued a subpoena to appear as a witness at the trial of freedom. We are called upon individually to confirm or deny whether this nation or any other nation committed to freedom, justice and equality can endure—not forever—but for a mere two hundred years.

This is the challenge, and we must meet that challenge by rededicating ourselves to the values of our craft and by remembering that the press will survive to pay homage to the truth only if it protects the truth and uses the truth.

This, I believe, was the deeper meaning of the creed of Abraham Lincoln, who said once: "I believe in the American people. . . . Let them know the truth and the country is safe."

DR. ROBERT COOKE, NEW VICE CHANCELLOR OF MEDICAL AFFAIRS AT THE UNIVERSITY OF WISCONSIN

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. KASTENMEIER. Mr. Speaker, a distinguished physician, Dr. Robert Cooke, has completed a most significant phase of his career, as Given Professor of Pediatrics at the Johns Hopkins Hospital in Baltimore, and president of the board of directors at the John F. Kennedy Institute for the Rehabilitation of the Mentally and Physically Handicapped Child. He is about to begin a new career as the vice chancellor of medical affairs at the University of Wisconsin, and I feel particularly proud that the University of Wisconsin is fortunate enough to attract this remarkable physician and humanitarian.

Dr. Cooke was the prime mover behind the creation of the John F. Kennedy Institute. At a testimonial dinner on the occasion of his resignation from that institute, Senator EDWARD KENNEDY was, appropriately, the keynote speaker. He spoke of Bob Cooke's work—as a teacher and administrator, academician and research scientist, policymaker and writer ethicist and physician. He is an exceptional man. His energies moved in the creation of the National Head Start program, the National Institute for Child Health and Human Development and the University Affiliated Clinical Facilities; in 1962 he assumed the most prestigious pediatric chair in all of American medicine, the Given Foundation Professor of Pediatrics at Johns Hopkins. And always, behind his impressive professional credentials is his warm, human understanding.

In his moving address, titled "The Gorks Are Gone," Dr. Cooke explained what he felt to be his most important accomplishment at Johns Hopkins, bringing about a real understanding of the handicapped as people, not as "gorks," so-called poor protoplasm, but human beings with the rights of any other person. He says:

> The Gork is gone because we believe that the value of a person is more than just his utility, more than just the consequences of his actions . . . the gorks are gone because our institutional moral development has matured. Our principles have surfaced.

To Dr. Cooke:

The Kennedy Institute is a symbol that children of all ages and all capabilities and parents of all walks of life are worthwhile in themselves, whether they bring joy or sorrow, happiness or grief, good or bad. They are our responsibility. That is humanity, and that is, I hope, my real contribution to these institutions.

This idea is universal; it is the faith and determination that Dr. Cooke will carry with him to the University of Wisconsin.

I am happy that Dr. Cooke has chosen the University of Wisconsin, and I am certain that he will bring to the university and to the people of Wisconsin the gifts of service and the commitment to the needs of all people that he has demonstrated during each stage of his life.

Mr. Speaker, the following remarks from the proceedings of Dr. Cooke's testimonial dinner in Baltimore on May 8, 1973, include an introduction of Dr. Cooke by Dr. Robert Haslam, director, John F. Kennedy Institute for the Rehabilitation of the Mentally and Physically Handicapped Child, as well as Dr. Cooke's address:

REMARKS BY DR. HASLAM

At this time, I would like to introduce Robert E. Cooke. Machieavelli wrote in 1513, "It ought to be remembered that there is nothing more difficult to take in hand, more powerless to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things, because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new. This coolness arises partly from the fear of the opponents, who have the laws on their side, and partly from the incredulity of men who do not readily believe in new things until they have had a long experience for them." Robert Cooke has undeniably introduced a new order of things.

During his initial years at Hopkins, a quiet change took over the Harriet Lane Home. Even though the building was dreary and antiquated, many significant contributions under his guidance and tutelage toward the understanding of the retarded began to take place. Research directed toward the elicidation of many inborn errors of metabolism and diseases, including the Lesch Nyham Syndrome, Sydamegalic inclusion disease, Hypergylcemia, Hyperthyroidism, and brain damage due to precise detail and inquisitiveness in seeking a solution to a difficult clinical or laboratory problem, are what stand him apart. His ability to immediately perceive loopholes in thinking, and ask important questions, always produce an exciting teaching experience for house staff, faculty and students alike.

In 1963 the late President John F. Kennedy said in an address to Congress, 'Because care of the mentally retarded has traditionally been isolated from centers of medical and nursing education, it is particularly important to develop facilities which will increase the role of highly qualified universities in the improvement and provision of services and the training of specialized personnel.' Thus the birth of the university affiliated concept. As a member of the President's Panel on Mental Retardation, and later participating in a Subcommittee on Construction of University Affiliated Facilities for the Mentally Retarded, Dr. Cooke played a dominant role in the planning and function of these important centers. There are currently in excess of 30 University Affiliated Facilities throughout the country, most of them, of course, on the Eastern Seaboard. The University Affiliated Facility at Johns Hopkins, the John F. Kennedy Institute, was dedicated in 1967, and was the first center completed to provide a clinical setting for the training of professionals dedicated to the betterment of the disadvantaged child.

Dr. Cooke's gentle guidance and firm example have provided an opportunity for many of us to develop careers in a field much in need of such firm devotion. Dr. Cooke has not been satisfied with the old conditions, but continually introduced a new order of things. As is the case with some leaders, his ideas and perceptions at first glance are oftentimes difficult to conceptualize. To some, they may seem futureless. History has shown that his contributions have been exceptionally significant and most relevant. He remains an advocate and counselor for the retarded and handicapped. His proposal for the 'Free Choice Principal', whereby parents of the handicapped should be given the means and freedom to choose the most appropriate setting and program to best accommodate the needs of their children, thereby providing an upgrading of facilities by open-door competition, is widely acclaimed. His participation in numerous conferences and committees, such as the White House Advisory Committee on Mental Retardation, the Committee on Area-Wide Planning of Facilities for the Mentally Retarded, the Committee to Study Maryland's Needs for the Mentally Retarded, the National Steering Committee Head of Project Head Start, and the President's Committee on Mental Retardation, attests to his advocacy role. While recently, Dr. Cooke has organized an Ethics Study Group at the Johns Hopkins Institutions, as you heard. Physicians, clergy, lawyers, students, and community personnel regularly meet to discuss important issues relating to the moral duties and obligations of those in constant contact with the sick and dying. As a result, many lectures and workshops responsible to the professional, as well as the community, have been organized to discuss important issues, such as the rights of the retarded.

I cannot let the evening pass without sharing with you Dr. Cooke, the man. I remember the quiet way in which he and a colleague, who happens to be in the audience tonight, Dr. Bill Gross, completely overwhelmed two young upstart interns in a tennis match. I must admit the money and beer was on the side of the younger physicians. Nor shall I forget the role he played in the annual House Staff picnics. Not only was he pitcher of the faculty baseball team, but in addition he doubled up at first, second, third and behind the plate if the catcher would allow him. His team always seemed to win. I recall the first official summons I had to his office as his Chief Resident of Pediatrics. I was confident he wished to share a new piece of medical information with me, or at least charge me up for the coming year's onslaught; instead he suggested that I call Mr. Zanvyl Krieger, the owner of the Baltimore Clippers, and inquire after the possibility of borrowing some hockey equipment and the use of the Civic Center so that we could have a house staff vs. faculty game—at no charge. Sometimes Bob Cooke finds time to relax, and sometimes with his beautiful wife, Nancy. I would point out to you that even when relaxing he is continually searching for new knowledge.

Bob's leadership, dedication, gentleness, imagination, and fairness will be sorely missed by the staff of the John F. Kennedy Institute. I would ask you all to rise in toasting Dr. and Mrs. Cooke, now, please. On behalf of the staff and faculty, medical board, Kennedy Council, Board of Directors of the John F. Kennedy Institute, and friends, I should like to extend our sincere appreciation to you, Bob, for your contributions to the handicapped child during the course of the past 17 years, and we all wish you and Nancy happiness and success in Madison. To Bob and Nancy. And as a memento, Bob, we of the faculty and staff and personnel at the Kennedy would like to present you with this plaque, which says 'Robert Edmund Cooke, M. D., an avowed advocate of the handicapped child, presented with esteem and affection by the John F. Kennedy Institute for the Habilitation of the Mentally and Physically Handicapped Child, May the 8th, 1973.'

THE GORKS ARE GONE

(By Dr. Robert Cooke)

Various people may judge my contributions to Hopkins quite differently. Some may cite the people we've trained, others the buildings we've built, some the programs nationally or locally that we've started. I do not believe that is what I should be remembered for and this is in no way false modesty. I honestly believe that considering the times, considering the availability of funds, private and governmental, considering the prestige of Hopkins and the Kennedy name, I believe a dozen or more people in pediatrics could have accomplished as much or more. With the friendship of staff and house officers, with the backing of America's greatest family, many people could have accomplished these actions. I consider those accomplishments significant, I am proud of them. Yet none compare with what I think my real accomplishment is, and what I would like to be remembered for.

My heritage to Hopkins, my heritage to the Kennedy Institute and possibly to pediatrics or even medicine in general, is best summed up in one sentence. 'The Gorks are gone.' I'll repeat so that everyone here will know exactly what I said. 'The Gorks are gone'. For those of you who are not house officers or who are not medical students, the term 'Gork' has been used for a long time by many young members of the medical profession. Harassed by illness and suffering and death which they cannot rationalize, I am sure they used the term 'Gork' defensively to describe the profoundly and severely retarded, the maimed and handicapped, so-called poor protoplasm—'the Gork'. It is a term that was used everywhere, including Hopkins, when I came. Looking back I can now say that as a parent of two profoundly retarded little girls, Robin and Wendy, it was hard to take to hear that term used so widely. I resented it but tried rather hard, and I think successfully, not to prohibit its use or to show any obvious reaction. I did not want people to change their attitudes out of courtesy to me because that effect would not outlast their contact with me. As soon as I or they departed, back would come the 'Gorks'.

Now, what has happened to the 'Gorks' over the last 15 years? Where have they gone?

In the last five years where have they been hiding? Have they stopped being born?

Unfortunately not, but somehow, almost by magic, they have been transformed. Transformed into little or big children, into boys and girls, into adolescents and into grownups. Strange looking many times, severely handicapped, distorted faces, shrivelled arms or legs, slanted eyes, little heads, many not walking or talking, even in adulthood, yet they have been transformed from 'Gorks' to human beings, from 'Gorks' to patients—just like the other infants and children and adults at Hopkins. I've noticed this happening—this transformation—over the last several years. Not suddenly, not overnight. I thought at one time the transformation was a result of my personal example. But I now realize that it was much more than that. It was a profound change in the morality of the Hopkins Institutions. Exactly what change and why the change I still understand only vaguely, after a year of study of ethics. Yet I believe I understand in part at least the principles underlying the changes in attitude.

'The Gork' is gone because now we, you and

I, think of him or her as a person with the rights of any other person, which is the very meaning of justice. He counts as one just as you and I do, and we as the more fortunate have responsibility for him and for his rights.

'The Gork' is gone because we believe that the value of a person is more than just his utility, more than just the consequences of his actions. We believe that consequences, whether measured in benefit to cost ratios or measured in beneficence or love, are not the sole determinants of what is right or wrong, or what is good or bad.

'The Gork' is gone because we believe that there are absolutes, that all ethics are not relative. That one man's principles are not different from another's. Our absolutes are other people's absolutes. If we surface our moral principles, and examine them as we would our patients, we believe in truth, we believe in gratitude, we believe in self-improvement, and beneficence, and justice if we view them in the abstract. As scientists, as physicians, we tell the truth. That is an absolute. If one does not, he is not a scientist. Unfortunately, so frequently we lose our morality quit innocently, quite uncansciously. We submerge it in our science. The mongoloid baby, with duodenal atresia, here and elsewhere, was looked at scientifically. To operate or not operate on such a child, I was told in another medical center a short while ago, is a clinical decision, a professional decision. Not at all. What kind of life saving surgery, what kind of incision, what kind of anesthesia or intravenous fluids, what kind of antibiotics—those are clinical, professional, scientific, nonmoral decisions. To do a life saving surgery—that is a moral decision based in a fundamental moral principle, a 'prima facie' obligation the formalist, ethicist would say of non-injury. 'Don't let die if you can save'—a moral decision. Unfortunately, none of us are experienced in bringing our moral principles to the surface and using them just as we use our scientific principles.

Finally, the 'Gorks' are gone because our institutional moral development has matured. Our principles have surfaced. Blacks are treated as people. The poor are cared for as people, not as subjects or cases. The retarded are people and deserve as much love and consideration as the normal. The moral development of this Institution has moved at least at times beyond reward as the main motivator, beyond expedience, beyond utility, to a far more just approach to society. There has developed a conscious moral policy for this Institution that there is no bias, regardless of age, regardless of color, regardless of religion, regardless of intellect, regardless of material value.

Obviously, these beliefs did not begin with me at Hopkins. There have been far greater men before me. There are many individuals throughout this institution whose personal actions conform to such a moral policy. But I believe as a conscious moral policy for this Institution, for the whole of the Johns Hopkins, the Kennedy Institute has played a very significant part. I do not mean to imply that we are the only people kind and considerate to patients, the only group who make every effort regardless of status. Not at all. But I think there is a new moral policy, consciously conceived and consciously expressed in such things as our Child Life Program, in comprehensive care for the poor in East Baltimore, in the Parent and Child Center, in the Kennedy Council, in the whole attitude of the Kennedy Institute that has served as an example to the rest of the Institutions, and has changed these Institutions as well.

What do I really mean by this change in moral policy? I mean that we owe the Black residents of East Baltimore a good deal. We owe the retarded everywhere a good deal. Not for what they can do for us, but because we believe as an Institution in reparation as a basic moral principle. We give care to the poor in East Baltimore, normal or retarded, not to get them off our backs, not to make the hospital run more smoothly, or be less dangerous for our white patients, but because we owe the poor a good deal for the neglect and callousness of years ago. Reparations in ethical terms. Our prior neglect of the retarded demands reparation—back payment—for what we owe them for years of neglect.

As a great Institution of learning, we have a responsibility also to transmit our beliefs to our students, and from them to the medical and professional community at large. That is the charge that I hope that the Kennedy Institute will consider as its most important mission, the teaching of the ethical principles underlying its dedication to the handicapped and the training of its staff and students in the process of moral development. Indeed, I cannot imagine a greater heritage to leave behind than significantly raising the level of moral development of each one of our students and residents and fellows.

Finally, I would like each one of you to consider why moral principles seem important to us when we view them, when we bring them to the surface. Why is justice of such consequence? Why do we try to improve ourselves? Why do we try to better our society? For ourselves alone, selfishly? Probably not, or we would cease when we have acquired security and prominence in position. A few rare and truly wonderful people do so because of a love of God. A few equally rare do so out of a secular love for mankind. Most of us, however, do not attain such grandeur. But try to follow the moral principles which I have described out of love for children and family. Our concern for the future indeed stems from our love of children and family. Without family, without children, absolutes have no importance. There is a loss of the importance of justice, fairness, of good for others, only concern for utility—for one's self.

My son, Chris, who has always stood beside me as a friend, and taught me far more about justice, my son, Robbie, who could not be here, as he tries to be independent financially, my daughter, Kim, who I am so proud of, their mother, Gwen, who struggled beside me through very difficult years, and Nancy my wife whom I love very much. Each one of us has family and children like these whom we are proud of, whom we are dedicated to. They are the difference between a caring and a non-caring society. They are what the Kennedy Institute is all about.

The Kennedy Institute is a symbol that children of all ages and all capabilities, and parents of all walks of life are worthwhile in themselves, whether they bring joy or sorrow, happiness or grief, good or bad. They are our responsibility. That is humanity, and that is, I hope, my real contribution to these institutions."

SOUTH CAROLINA TEXTILE STUDY COMMITTEE

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. DORN. Mr. Speaker, the committee to make a study of the textile industry in South Carolina, a committee officially created and constituted by the South Carolina General Assembly recently presented to our Governor and to the general assembly a splendid report. The textile industry is the very backbone of our State's fantastic progress, and the entire State is grateful to the members of this special study committee for their superb and timely report.

Members of the committee are Senator John D. Long III, chairman, Senator Robert C. Lake, Jr., vice chairman, Senator Frank L. Roddey, Senator W. Howard Ballenger, Senator David S Taylor, secretary, Representative T. W. Edwards, Jr., Representative Carroll A. Campbell, Jr., Representative Caldwell T. Hinson, Representative Patrick B. Harris, Representative Joe S. Holland, Hon. Marvin Watson, Hon. A. J. Head, and Dr. Wallace Trevillian, dean of the college of Industrial Management and Textile Science of Clemson University.

Mr. Speaker, we commend to the attention of the Congress the recommendations of the committee to make a study of the textile industry in South Carolina:

COMMITTEE RECOMMENDATIONS

1. That farm legislation be adopted as soon as possible in this session of the Congress that will provide incentives for growers to produce an adequate supply of cotton and, that will continue one price cotton. Failure to act on this legislation will mean a return to the Agricultural Act of 1958. This would mean two price cotton. Under the two price cotton system that was in existence in this country from 1956 to 1964, American textile mills had to pay a higher price for American cotton than our government charged for it in International Sales. Obviously, neither the raw cotton industry, the textile industry or the United States economy can afford a return to such folly.

2. It also is imperative that the administration give strong support to the general effort to negotiate a new multi-fiber, multilateral agreement to replace the present long-term arrangement for cotton that expires on September 30. The new arrangement should provide the same sort of tools as the curernt long-term arrangement, that is, the unilateral rights of the United States to restrain imports from any country when it determines that its markets are being disrupted.

The Committee also notes with some concern that the Trade Reform Act of 1973 contains the broadest delegation of authority and power to the President in connection with International Trade matters. We respectfully urge Congress to view this legislation with great care due to its far reaching delegation of power to the executive branch.

3. That copies of this report be sent to the President of the United States, members of the South Carolina Congressional Delegation, the Governor, the Lt. Governor of South Carolina, industry leaders and others.

JUDICIAL POWER OVER THE PURSE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. RHODES. Mr. Speaker, during the July 4 recess, the Washington Post had an extremely thoughtful editorial concerning the lack of legislative control over budgetary matters. It goes without contention that the Congress has dismally failed properly to oversee the appropriations process. This must change, for the American people have made it clear that they are tired of unbalanced budgets and spiraling inflation. Those of us who were privileged to serve on the Joint Committee on Budget Control, and others who have followed its work with interest, are hopeful that the completed plan for reform can be implemented without unnecessary delay.

I respectfully request that the Washington Post editorial of July 5, 1973, be included in the RECORD as further evidence of the need for Congress to face up to its fiscal responsibility.

JUDICIAL POWER OVER THE PURSE

Whatever its other distinctions, fiscal year 1973, which ended Saturday night, will go down in history as the first year in which major parts of the federal domestic budget were controlled by the courts. In the latest defeats for President Nixon's policy of impoundment, four federal judges last week issued eleventh-hour reprieves to keep alive appropriations which had been frozen by the President and would otherwise have reverted to the treasury at midnight Saturday.

Two of the judicial rescue missions were temporary. District Court Judge Joseph P. Waddy ordered the government to reserve $380 million in elementary-secondary education funds, and District Judge Gerhard A. Gesell directed HEW to earmark more than $51 million in grants for community mental health centers, simply in order to preserve the funds until the judges could rule on the merits of each case. But there was nothing tentative about the other two decisions. In Newark, District Judge Leonard I. Garth ordered the government to release at once $239 million in impounded Neighborhood Youth Corps funds, enough to provide summer jobs for about 609,000 youths. The previous day, Judge William B. Jones, who has almost single-handedly kept the Office of Economic Opportunity alive for several months, told OEO to process some 600 grant applications before Saturday night.

Obituaries for impoundment would be premature, since no test of the issue has yet reached the Supreme Court. Even so, the thrust of lower court decisions is unmistakable. There has not been a single judicial ruling this year in support of what President Nixon has called "the constitutional right for the President of the United States to impound funds and that is not to spend money." The judges have not reached the contrary extreme, which would be the flat proposition that under the Constitution every penny appropriated by Congress has to be spent. Instead, each case has turned on the particular statutes involved. Thus various courts have found that Congress intended water pollution monies to be allotted to the states, welfare grants to be paid, highway aid to be provided, and a veterans' education program to be carried out. But if these holdings stop short of a constitutional conclusion, their message is still powerful. It is that acts of Congress should be carried out.

All this judicial firmness contrasts sharply with the timidity and indecision of the Congress itself. While the courts have been sustaining the legislative power of the purse as expressed in acts of *previous* congresses, *this* Congress has been unable to carry through much of anything to bolster its own institutional grip on the budget processes. Despite loud protests about executive impoundment of everything from housing subsidies to REAP, Congress has so far actually passed only one bill mandating spending, for water and sewer grants. And when President Nixon vetoed that measure, the House failed to override. The White House has conceded a few dollars from time to time, but its highly advertised "compromise" on health programs last month has turned out to be a deception. The big struggles over urban aid and HEW funds for the coming year have just begun. And the two vital institutional reforms begun on Capital Hill, the anti-impoundment legislation and new budget control plans, have become snarled in power squabbles in the House.

Thus the government entered a new fiscal year in legislative-executive stalemate, with the courts overseeing the uses of the budget much like referees in a political bankruptcy case. It is no way to run the country. There is waste and disruption when public programs are suddenly, arbitrarily suspended; there is also waste and confusion in sudden spurts of last-minute money, as OEO's frenzy of belated activity has shown. There is something terribly wrong when groups of citizens, and state and local governments, have to march into court time and again to obtain funds and programs which Congress intended them to receive. And there is something equally wrong when the people's representatives on Capital Hill cannot muster the will—indeed, the sense of institutional self-preservation—to regain the power of the purse and exercise that power effectively.

VERDICT ON SKYLAB'S MISSION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. TEAGUE of Texas. Mr. Speaker, man's contribution to space exploration and utilization has never been more clear than in the recent Skylab mission. Astronauts Charles Conrad, Joseph Kerwin, and Paul Weitz not only operated the Skylab with great precision and expertise but more importantly were able to repair and alter it on the spot, so that a near failure became an outstanding success. Soon Skylab will be used by a new crew of astronauts to extend, for another even longer mission, the usefulness of Skylab. The July 9 issue of U.S. News & World Report summarizes well the importance and success of the first Skylab mission. The article follows:

VERDICT ON SKYLAB'S MISSION

Space experts agree: It is now safe to call the first Skylab mission a resounding success.

Initially, physical problems that developed after the astronauts returned to earth on June 22 raised serious questions. There was concern that their 28 days in space had taken a toll that might prevent further extended space exploration.

After several shaky hours, the crew began a steady recovery from their grueling adventure. Doctors said they apparently had no lasting physical problems, and their health was considered excellent.

The next three-man crew has been given a preliminary go-ahead for a full 56-day mission, exploring still further the limits of man's endurance in a world of weightlessness. Blastoff for Alan Bean, Owen Garriott and Jack Lousma is set now for July 28, a day later than originally planned.

Skylab's first crew of Charles ("Pete") Conrad, Joseph Kerwin and Paul Weitz experienced widely different reactions after splashdown.

Dr. Kerwin, the first medical man in space, had the most severe readjustment problem ever suffered by a U.S. astronaut. He had to be helped from the command module, and experienced prolonged dizziness, nausea and one incident of vomiting.

Veteran astronaut Conrad on the other hand, had little trouble. The mission commander emerged unassisted from the command module and a few hours later walked the deck of the recovery ship *Ticonderoga*.

Doctors said Mr. Conrad had adjusted fully to the earth's gravity in about two hours. Mr. Weitz took about seven hours and Dr. Kerwin felt rocky for several days.

As expected, the men lost weight—Mr. Conrad dropping nearly 4 pounds, Dr. Kerwin 6½ pounds and Mr. Weitz losing just over 8 pounds.

All in all, space physicians were well satisfied with the recovery of the men. Evaluation of photographs and other data will go on for months, but consensus is that the 2.5-billion-dollar Skylab project is off to a good start.

A LITTLE GIRL ASKED HER PASTOR IF THERE REALLY IS AN UNCLE SAM

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. SNYDER. Mr. Speaker, there is a small frame church by the side of State Highway 36 between Carrollton, Ky., and Milton, Ky., which overlooks the mighty Ohio River. St. Peter Evangelical Lutheran Church serves this rural community well. The pastor, Roger G. Imhoff has remained solid in his patriotic beliefs while divergent forces have moved some of our churches and church leaders off the solid footing they were nurtured and raised on.

I would like to share with my colleagues an insert in the Sunday Bulletin of St. Peter's:

A LITTLE GIRL ASKED HER PASTOR IF THERE REALLY IS AN UNCLE SAM

(By Pastor Roger G. Imhoff)

"Yes, Virginia, there is a Spirit of Uncle Sam. It was a spirit of freedom, under God, which began with the Declaration of Independence on the 4th of July, 1776, nearly 200 years ago."

A painting of "Uncle Sam" was published in Red, White and Blue in 1917 and the United States Congress voted in 1962 to make "Uncle Sam" the official Symbol of our country.

Most of us, Virginia, believe that all citizens should stand for the high ideals of integrity, brotherhood and goodwill, which we learn in Church. Unfortunately not all Americans hold high these ideals of "Uncle Sam" which include honesty and generosity. But we pray, Virginia, that more people will remember what our ancestors declared in 1776, a "decent respect for the opinions of mankind cause us to remind the world that all men are created equal." That is indeed, Virginia, the spirit of Uncle Sam.

In that Spirit, Virginia, our founding fathers wrote a Constitution, beginning with a preamble "We the people, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and provide the blessings of liberty for ourselves and our posterity."

The spirit of Uncle Sam was beginning to rise in their hearts, Virginia, as they informed the world, "All men are endowed by their Creator with certain inalienable rights, among which are life, liberty and the pursuit of happiness".

And the Supreme Court once said that ours was a "Christian Nation", Virginia. This really means to us that in the Spirit of Goodwill, we believe in religious freedom for all Churches and all people.

President Abraham Lincoln once said, "With malice toward none, with Charity for all". Sounds like the Spirit of Uncle Sam which is a good Spirit for all Americans. So Uncle Sam isn't just one person, he represents the spirit of wholesome freedom for all Americans, here and all over the world.

Finally, Virginia, do you remember the great Hymn, "America the Beautiful"? It contains the Spirit of Uncle Sam. We sing it in school and in Church. It closes: "America, America, God shed His Grace on thee, and crown thy good with brotherhood from Sea to shining Sea".

Yes Virginia, so long as you and I and all Americans hold high the banners of honesty, honor and dignity, our "Uncle Sam" can live forever.

EDITORIAL OPINION ON THE CROSS-FLORIDA BARGE CANAL

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BAFALIS. Mr. Speaker, in his June 8, 1973, remarks in the Congressional Record, my colleague from Florida, Congressman Bennett, implies the presidential decision to halt construction of the Cross-Florida Barge Canal was based solely on reports from the Florida Times-Union.

Mr. Bennett contends the order was the work of his hometown newspaper—"a newspaper owned by railroads which have traditionally always opposed the canal."

Well, let me say, the Times Union is in good company in its opposition to the canal. The vast majority of the daily and weekly newspapers in the great State of Florida have gone on record as opposing the canal.

The Miami Herald, in an editorial printed June 8, 1973, likened the canal to the phoenix, the great bird of Egyptian legend saying the project "keeps coming back to life, threatening horrendous environmental degradation in return for questionable economic benefit."

The Herald, in the same editorial, condemned the canal as "one of the worst monsters ever conceived by the dredge-and-fill gang."

The Fort Pierce News-Tribune has also called for deauthorization of the barge canal, blasting the project as a "multimillion dollar boondoggle."

"It has already done irreparable damage to much of the affected area," said the News-Tribune in a May 20, 1973 editorial. "The boondoggle deserves to remain buried."

The Orlando Sentinel Star feels the same way. In a May 23, 1973, editorial the newspaper condemned the canal and noted, "the voters, if they had an opportunity to express themselves, would certainly not approve another $200 million or more to complete an environmentally destructive boondoggle."

"Let Congress get the message," the newspaper said.

Again on June 4, 1973, the Orlando Sentinel Star called for repeal of the 1942 authorization of the canal. "Congress would do well to cancel the old canal commitment," the newspaper said. "Although the door has been closed by the President (in his January 19, 1971 order halting construction), repealing the 31-year-old authorization would be like installing a night latch to see that nobody pries his way inside."

The Palm Beach Post-Times, in a May 20, 1973, editorial said:

> It is hard to believe that the battle to rescue the Cross-Florida Barge Canal is still raging, despite the colossal waste of taxpayers' money involved and the serious threats the project poses to vital water resources in central Florida.

And, the newspaper added:

> It's clearly past time to take whatever action is needed to formally renounce the project and bring appropriate efforts to restore as much as possible of badly damaged watercourses.

"It is time to kill it (the canal) for good," said the Stuart News in an editorial printed June 7, 1973. "Ever since January 1971, when President Nixon ordered an end to construction of the North Florida boon-doggle, there have been attempts in the Congress to circumvent that decision and keep the canal alive. It is time to kill it once and for all."

The Fort Myers News-Press has attacked the "diehard promoters of this $220 million boondoggle" for attempting to revive the canal, while praising the deauthorization effort as "this eminently sensible move" which would be "the most effective step ever taken by anyone to settle its hash."

And those are just the most recent editorials in opposition to the big ditch, as many have dubbed the Cross-Florida Barge Canal.

There were many others in previous years. In fact, editorials opposing the canal began appearing in Florida newspapers almost within minutes after the first appropriation for construction.

The Winter Haven News-Chief wrote in 1965:

> To lose a river valley of such recognized rarity and beauty, for whatever reason, is a tragic loss to all Floridians. But the tragedy takes on the dimensions of folly when this unique and irreplaceable natural asset is destroyed for the sake of an industrial canal that is said to be not economically sound and will not benefit the general taxpayer, has negligible value for national defense and will encourage the development of industries not in keeping with the widespread desire for Florida to remain a pleasant environment for both tourists and residents.

And the Jupiter Courier Highlights condemned the canal as "the greatest boondoggle of modern politics, a scandal and absolutely unnecessary."

By 1969, as canal construction moved along, more newspapers were opposing the canal. The Sarasota Herald-Tribune called the canal, "an ill-conceived project for which Florida's fishermen and naturalists have already paid too heavy a price."

The Coral Gables Times editorialized against the canal as a "107-mile boondoggle whose chief beneficiaries so far seem to have been landowners who sold right-of-way."

And the Miami News likened the canal to a glacier "eating its way across the State, threatening such natural wonders as the Oklawaha River and the Silver Springs."

In 1970, the voice of opposition grew even louder. Today blasted the canal as a "pork barrel project" which threatened much needed fresh water sources. "What we are concerned with is survival, for that is what the real issue remains," the newspaper said. "We don't need the barge canal to cut the throat of Florida."

The St. Petersburg Times also called for a halt in construction, saying "one of the Nation's few unspoiled wild rivers is being ruined by this canal."

The Times was joined by the St. Petersburg Independent which proclaimed, "The cessation of the canal should prove to be a boon for all, save a few special interests."

And the Gainesville Sun called the whole idea of a canal economically unsound and a threat to the environment.

"No need to engage in the prolonged debate about destroying the Oklawaha River," said the newspaper. "It will be obliterated.

"Or the fishing or the wildlife or the forests. These will be drastically altered, perhaps for the worse."

But the newspaper editorial said the deeper fears concern the canal's effect on the area's fresh water supply. "Will the canal affect the Floridan aquifer, perhaps drying up wells or permitting the infusion of salt water?" the editorial asked. "And it it will not affect Florida's water supply, why has the Corps of Engineers stamped 'secret' on its survey of ground water?"

However, editorial opposition to the canal hasn't been limited to Florida newspapers.

Even the New York Times, certainly not a proponent of President Nixon, hailed his decision to halt canal construction, saying:

> The canal would have been an ecological disaster destroying the Oklawaha River which, as we noted in an editorial opposing the canal as far back as June, 1965, was "one of this country's most beautiful, free-flowing streams" and still, for much of its length, is dark, peaceful and untamed.

And the New Haven, Conn., Register hailed the presidential order as a "bold step necessary to rescue about 81 miles of Florida river area."

It is evident, Mr. Speaker, that opposition to the Cross-Florida Barge Canal is not the work of a single newspaper—or even of a single area.

The truth is, very few people want the canal.

It would seem ridiculous for Congress to appropriate another $150 million plus to build something only a handful of people want.

With this in mind, I have asked the House Commitee on Public Works to proceed with hearings on my bill, H.R. 7904, to deauthorize the canal and give the people what they want—a beautiful river and an untainted source of fresh water.

NEW ATMOSPHERE, SAME SOVIET AIMS

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BOLLING. Mr. Speaker, it seems to me imperative that we keep in mind the accuracy of the point made about the policy objectives of the Soviet Union in the following column by Crosby Noyes which appeared in the Sunday Star and Daily News of July 8, 1973:

NEW ATMOSPHERE, SAME SOVIET AIMS

(By Crosby S. Noyes)

If one could muster any degree of confidence that the giant conclave of nations that met last week in Helsinki actually would contribute anything substantial to European security, it would be an event to be loudly hailed by all hands. Unfortunately, however, the results are far more likely to serve the long-range objectives of the Soviet Union, quite probably at the expense of real security in Western Europe and the United States.

A good deal, to be sure, has changed since 1954, when Vyacheslav Molotov, then the Soviet foreign minister, first floated the idea of an all-European security conference. At the time, I wrote from Berlin:

"It took no lengthy study of the Molotov plan, of course, to see that it was booby-trapped from the beginning to end. It was clear at first reading that buying it would mean, among other things, the dissolution of NATO, the death of EDC (the European Defense Community which eventually died anyway), the permanent division and neutralization of Germany and withdrawal of the United States from the defense of Western Europe." The Western allies, needless to say, rejected the Soviet proposal forthwith.

For all the changes since 1954, however, the really impressive thing has been the unflinching tenacity of Soviet foreign policy toward its long-range objectives. It is no exaggeration to say that the Russian aims at the present conference at Helsinki are precisely the same, in a different international context, as they were in Berlin 19 years ago.

The all-European security system which they envisage today would, indeed, imply the dissolution of both NATO and the Warsaw Pact. It would work against the unification of Western Europe, militarily, politically and economically. It most definitely encourages the withdrawal of American power from NATO and the neutralization of the entire area.

The major difference is that the Molotov proposal in 1954 was made at the height of the Cold War, in the immediate aftermath of the Berlin blockade, when many people believed that full-scale war in Europe was not only possible, but imminent. Today the Conference on Security and Cooperation in Europe is being held in an atmosphere of carefully orchestrated detente, in which the possibility of any unpleasantness seems remote and almost everyone apparently is prepared to accept Soviet good will and benevolence as foregone conclusions.

It is an atmosphere which already has done much to help a new generation of Russian leaders to achieve what was denied to their predecessors. Through his recent treaties with the government in Bonn, Leonid I. Brezhnev has virtually assured the permanent division of Germany, general recognition for the East German regime and the ratification of all Soviet territorial gains resulting from World War II.

The current Russian peace offensive also has done a great deal to further the growth of a neutralist spirit in Western Europe. While it may not succeed in preventing some further development of the European Economic Community, any real progress in the military and political areas seems highly improbable within the foreseeable future.

Soviet policy cannot claim full credit for the evolution of political sentiment in the United States. It is possible that an American retreat from its global commitments—including those to Western Europe—was ultimately inevitable. But quite certainly Russian policy at this point, including the Helsinki meeting, is geared to the full exploration of a growing isolationist sentiment in the United States. And with or without an agreement on a mutual reduction of power in Europe, the Soviet leaders have every reason to expect that American power will be substantially reduced in the reasonably near future.

In these circumstances, Western policymakers continue to nurture some odd illusions about the "era of negotiations" that is now reaching full flower. In spite of ample evidence to the contrary, they apparently believe that it will be possible, as a result of Helsinki, to loosen the iron grip of the Soviet regime on its East European empire and somehow improve the lot of millions of Poles, Czechoslovaks, Hungarians, Romanians and Bulgarians—and even possibly Russians—as the result of increasing "human contacts" across Europe's ideological frontier.

It is, to say the least, a forlorn hope. The Soviet leaders and every responsible spokesman for the regime have made it perfectly clear on countless occasions that they have no intention of dismantling the ideological barriers. They believe, on the contrary, that it is both natural and inevitable that the Soviet Union should become the dominant power in Western Europe, as it is in the East. This has been the unflinching objective since the end of World War II. And they are considerably closer to achieving it today than ever before.

WATERGATE—PROOF THAT SYSTEM WORKS?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. DERWINSKI. Mr. Speaker, it would be an understatement that there has been a sufficient amount of coverage in the media of the Watergate case.

One of the most objective articles that I have seen, one that reflects indepth historical insight, appeared in the New World, of Chicago, on June 29, and was authored by Father Andrew M. Greeley:

WATERGATE—PROOF THAT SYSTEM WORKS?

(By Father Andrew M. Greeley)

The Watergate affair is one more example of a fascinating phenomenon of American history: Presidents with landslide majorities usually get into trouble.

Franklin Roosevelt was reelected in 1936 with an overwhelming vote. Shortly thereafter he began his disastrous attempt to pack the United States Supreme Court, and while he was elected twice more, his political power was never the same. Dwight Eisenhower was reelected by a landslide in 1956, and the steam promptly went out of his never very dynamic administration—complete with such disasters as the U2 and the abortive Paris summit with Khrushchev.

Lyndon Johnson had a mammoth victory in 1964, and scarcely was the campaign finished before he was presiding over a disastrous escalation in Vietnam. Within a few months of his second inaugural, Richard Nixon is well on his way toward becoming the most unpopular President since Harry Truman, and perhaps the most unpopular since Andrew Johnson.

Is it just coincidence, or does this phenomenon say something important about American politics?

A President with a large popular mandate usually forgets that for all practical purposes a win by 60% of the popular vote does not significantly alter patterns of power. Since Congressional voting patterns are relatively stable, presidential landslides rarely change the patterns of Congressional representation decisively.

The alignment in Congress may be slightly different, but still the power structures, the veto groups, the alliances in the Congress are substantially the same. The federal bureaucracy is unchanged, and the social, political and economic structure of the country is unchanged.

The President may have a mandate (though it may equally be only a non-confidence registration against his opponent) but, as we say in Chicago, his mandate and 45¢ will get him a ride on the Chicago Transit Authority. It carries with it no extra political power (as a landslide would in a parliamentary system) and only a transitory amount of political prestige.

James Madison and his colleagues designed a constitutional system for this country in which the leadership could govern only if it was capable of building coalitions. Whether you have 52% of the popular vote of 60%, the system is still such that you need to have a coalition to be able to govern effectively. But a man who permits himself to be deceived by overwhelming mandates—and most Presidents seem incapable of resisting the temptation—is going to neglect the difficult, tiresome, thoroughly unsatisfying task of tending to and maintaining his coalition.

Franklin Roosevelt thought that he could dispense with the Supreme Court; Dwight Eisenhower seemed to think he could dispense with government altogether: Lyndon Johnson thought he could govern without bothering to inform Congress or the American people what he was up to; and Richard Nixon apparently thought he could dispense with the courts, the Congress, the bureaucracy, the Cabinet, and even the Republican party. He imagined that he could control the country with the aid of a ruthlessly loyal clique of unpolitical technicians with whom he surrounded himself in the White House.

In each case the mandate led to a disaster, and how great the disaster was depended in substantial part on how resilient the President was. Franklin Roosevelt, at least, had a way of bouncing back.

There is considerable question in the present mess as to whether the American system has stopped working. My own guess is that if James Madison were around to be interviewed (off the record, of course) by the Washington Post, he would be delighted with the way the system had worked. He built in two checks and balances to restrict presidential power: The Congress and the court in the persons of Sam Ervin and John Sirica did exactly what Madison would have expected them to do.

The informal check, the press, legitimated not so much by the Constitution as by the Bill of Rights, also functioned as Madison would have hoped—though even he might have been embarrassed by the unholy glee with which the press is demolishing Nixon and his cronies.

Did we "luck out" then, or did the system work the way it was supposed to? I must prefer the latter explanation, but it still ought to be clear that a heavy price has been paid and will continue to be exacted in the years ahead. The checks and balances system may be the only way that a country the size of ours can be governed, but when the brakes have to be slammed to the floorboards, the machine grinds to a halt for a time. The system survives, indeed, but the trauma is severe. Even a system as resilient as the one Madison designed cannot absorb too many such traumas.

Hopefully, future Presidents will learn that no matter what their plurality is, they govern a country that was designed for something like 55–45% elections in which the governing President has only a very thin edge over the opposition. The man who thinks he has more than that is headed for trouble.

REMOVE THE STIGMA OF THE "ADMINISTRATIVE—BAD—DISCHARGE"

HON. BURT L. TALCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. TALCOTT. Mr. Speaker, there is a large group of scattered, unrepresented, maligned former servicemen who need our help to reform a system of discharge which no longer meets the needs of our times and is intolerably inequitable.

The Congress ought to promptly review the policy which permits "less than honorable" discharges in certain petty cases of experimental drug usage.

Every Member of Congress has dozens of constituents who now carry the lifetime stigma of a discharge for "unfitness"—often for petty reasons totally irrelevant to civilian life.

As one example, I have a constituent who, when 19 years of age, experimented with drugs, off duty, with no effect on his work or assignments. He turned himself in at the suggestion of his commanding officer who told all aboard his ship that those who voluntarily confessed any drug involvement would be treated favorably. Large numbers aboard this ship were experimenting. He required no treatment, caused no trouble, and no longer uses drugs. Nevertheless, he was given a "less than honorable" discharge which was modified slightly to a "general discharge under honorable conditions for reasons of unfitness." Code markings on the discharge certificate indicating drug abuse are known to employers and college admission departments. This lifetime stigma harms the former serviceman far in excess of the misconduct. The punishment grossly exceeds the offense.

On all appeals the Review Board and the Secretary of the Navy practically rubberstamped the bad decision and conduct of the commanding officer.

The commanding officer and the discharging officer had little accurate knowledge about drugs. They simply tried to carry out a policy which the Navy adopted years ago under public pressure and an old-fashioned mentality concerning drugs.

Officers in the Navy who are alcoholics and whose inebriation adversely affects their official duties are seldom discharged and, if so, may be given a preferential disability rating, but certainly no discharge with an "unfitness" classification.

This double "double standard" between officers and enlisted men and between marihuana and alcohol misusers is doubly wrong and ought to be corrected. The Navy is functioning in another world, but discharged personnel must function in normal society.

Our discharge system is outdated, unfair, and discriminatory; it desperately needs reform. The record of armed services shows little initiative in personnel practices improvement. The Congress will have to act.

Raymond P. Boulanger tells a bit about this problem in a feature article in the July 8, 1973, issue of the Washington Star-News, which I urge all Members to read:

STIGMA ON 500,000 MEN: RETHINKING THE "BAD DISCHARGE" SYSTEM

(By Raymond P. Boulanger)

Bad discharges from the military are one of the many bitter legacies of the Vietnam war. As it is, Vietnam era veterans with honorable discharges must contend with high unemployment rates, inadequate veterans benefits, and public indifference to their sacrifices and needs. The veteran with a bad administrative discharge, either a general or the even worse undesirable discharge, suffers further from the potentially disabling stigma associated with such a discharge.

It is ironic that public attention has focused on proposals of amnesty for a handful of draft evaders (most of whom could adjust easily to civilian life because of their middle-class backgrounds) while ignoring the one-half million former soldiers from the Vietnam era, often black, uneducated, or poor, many of whom because of a bad administrative discharge may find civilian life filled with bitter frustrations and hardships.

(The administrative discharge is a category separate from punitive—"bad conduct" or "dishonorable" discharges. This article does not address itself to punitive discharges.)

Since 1961, more than 200,000 individuals have received an undesirable discharge from the military services—either in lieu of court-martial or as a result of administrative proceedings for "unfitness," which encompasses such things as drug abuse and an established pattern of shirking duty. A disproportionate number of these discharges was issued to blacks, the uneducated, or the poor. For example, in fiscal year 1971, blacks received undesirable discharges at twice the rate of whites. In the last decade, 300,000 more individuals received a general discharge, granted usually for "unsuitability," a term of art covering such things as character and behavior disorders.

In addition to a discharge certificate, all veterans receive a Report of Discharge (DD Form 214) which carries a coded number SPN) indicating the reason for the individual's discharge. Some of these—for example, SPN 384 which indicates drug abuse as the basis for discharge—can have disastrous consequences to the future opportunities of the veteran.

A study by Maj. Bradley K. Jones recently published in the *Military Law Review* confirmed that bad administrative discharges adversely affect employment opportunities. He concluded on the basis of the results of a survey of employers, educators, and professional licensing authorities that "less than honorable discharge obviously hampered an ex-serviceman's employment or acceptance prospects." In fact 20 percent of all surveyed employers automatically disqualify any job applicant with an undesirable discharge. Many others treat the characterization of service as the most important factor in determining whether the individual is employable, especially when he is being evaluated for a position where moral character may be important—law enforcement, for example, or where a security clearance is needed.

This is unfortunate. The often extraordinary demands of the military, especially in a combat situation, are not the same as those experienced on an assembly line or in an office, and the individual's inability to cope with military service, especially when he is only 18 or 19 years old, is not a valid predictor of his future job performance even in a sensitive position.

There is also something quite unfair about ths entire characterization system in that those who escape military service, generally the more affluent members of society, are not subjected to the possible consequences of a bad administrative discharge. And if they do flunk out of Yale or are fired by Ford, they are not branded for life as "undesirables."

If rebuffed in obtaining a job, the veteran with an undesirable discharge may seek to better himself by applying for GI educational or training benefits. Again, he is likely to be rebuffed. Although the Veterans Administration adjudicates questionable cases to determine whether the service satisfies the requirements of the VA, the usual result is to deny those with undesirable (but not general) discharges, VA benefits, a substantial economic loss for many individuals.

Most of the criticism of the military's discharge system has been directed toward the due process protections afforded the individual subject to administrative separation. For example, Senator Sam Ervin (D.-N.C.) has introduced bills in the Congress which would impose additional procedural safeguards on the administrative separation of servicemen under other than honorable conditions. This approach, however well-intentioned, is largely misguided. Except for certain rules of evidence regarding the introduction of hearsay and illegally obtained evidence and certain problems with compelling the attendance of witnesses, the current procedures for awarding undesirable and general discharges afford the individual a substantial measure of due process, including the right to legal counsel and a broad hearing. Layering still more due process on the system is not really going to help.

Many individuals waive their right to contest their separation. Although the serviceman is advised by his legal counsel on the consequences of an undesirable or general discharge, it is too much to expect an 18 or 19-year-old to understand or appreciate what this would mean to him in personal terms.

Many of the servicemen may also have been misled by "barracks lawyers" into thinking that their bad discharges ("bad paper") could be automatically recharacterized after a short waiting period. In truth, it is extremely difficult to obtain a recharacterized discharge from the two review boards established by Congress for this purpose. For many servicemen even if they had some understanding of the consequences of an undesirable or general discharge and knew it could not be changed, they would probably not resist it. For many it is an easy way to end hassles with the military. Even if a man has a good case in his defense, he often wants "out" regardless of the nature of the discharge.

In any event the result in most cases is foreordained. The officers ruling on these matters reflect an understandable bias in favor of protecting the powers of the commander. And even if the criteria for administratively discharging individuals were severely restricted (as some should be because of their overbreadth and vagueness) or more due process were afforded the individual, there would still be sufficient justification to separate many individuals who for one reason or another failed to observe the expected standards of discipline and order.

Finally, many servicemen charged with a

court-martial offense—often AWOL or drug charges—request and are granted an administrative discharge, usually an undesirable discharge, in lieu of court-martial. In the process, the soldier avoids a possible period of confinement and gets what he wants most of all, out of the service. He may later regret this decision, especially if he is black, uneducated, or without any valuable skills.

As suggested by the Black Congressional Caucus and certain members of the Defense Department's Task Force on the Administration of Military Justice in the Armed Forces, we ought to end altogether the hoary and sanctified practice of characterizing the service of military members; instead, we should issue only certificates of service, uncoded and uncharacterized. We ought also to recharacterize or at least decharacterize all previous bad discharges.

Aside from the fact that the honorable discharge has been granted to millions of veterans and has secured a vocal constituency, there is little reason to retain the present characterization system.

The present system provides little, if any, incentive for good conduct on the part of the serviceman. Many of the "bad performers" are so immature and troubled psychologically that they are totally oblivious to the consequences of the discharge they receive.

More importantly, there are other deterrents, such as Article 15 non-judicial punishment, which are more effective. The present system also cannot really be justified by the way it dispenses punishments and rewards. The punishment it exacts is often excessive; it may foreclose future job and educational opportunities to the detriment of not only the individual but also society in general. In any case, it is not really necessary to "reward" anyone with an honorable discharge, especially since military service has been traditionally viewed as an obligatory part of citizenship.

A new system might even prove beneficial to the military services. They would still be able to eliminate individuals for cause, but they would be relieved of the onerous task of characterizing the individual's service.

Hopefully, Congress and the Executive Branch will have the compassion and common sense to declare an amnesty on bad administrative discharges. After all, it is only a matter of time before some form of amnesty is granted to draft evaders and deserters. Can we be any less charitable to those who encountered difficulties in their service to their country and received bad administrative discharges?

NIER STATUS REPORT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, late last year it came to my attention that the National Industrial Equipment Reserve of machine tools, which is under the Department of Defense and maintained by the General Services Administration, had received no fiscal 1973 funds because of a difference between the administration and the Congress as to whether this should be under the GSA or DOD budget. As a consequence, the GSA was forced to discontinue its operation of NIER last December which included closing down its two main storage facilities at Terra Haute, Ind., and Burlington, N.J., and terminating the popular "tools for schools" loan program which makes available NIER machinery to schools for vocational training purposes.

In response to this impasse, I introduced a $1.8 million urgent supplemental appropriation bill to restore NIER funds under GSA, and the Congress subsequently adopted this as an amendment to the first supplemental appropriation bill which was signed into law by the President on April 28. Despite this congressional mandate to continue the NIER program, the Office of Management and Budget issued a directive to the Department of Defense on May 24, 1973, ordering the dismantlement of NIER by declaring all NIER machinery excess and making it available to schools through the HEW surplus property donation program. A copy of that directive and my exchange of correspondence with OMB appears in the June 1, 1973, CONGRESSIONAL RECORD, on page 17806.

I have since contacted the chairmen of both our Armed Services and Appropriations Committees urging a review of this OMB decision, both with respect to its legality and advisability, and I have been informed that the Armed Services Committee staff is currently investigating this matter along with possible alternatives to the OMB proposal. In the meantime, the Department of Defense has taken the OMB directive under advisement, but has not proceeded to implement it. OMB has released approximately half of the $1.8 million supplemental funds to reimburse GSA for its operation of NIER during the first half of fiscal 1973 out of its contingency fund; but no money has been released to reactivate the dehumidifiers in the two storage facilities and, according to a letter I have received from GSA, machinery valued at $46 million in those two facilities "are showing signs of rust." Mr. Speaker, there can be no excuse for permitting such substantial damage to this costly machinery; while OMB is trying to save less than $1 million, it is, by its parsimony, permitting millions of dollars worth of machinery to fall into disrepair. I, therefore, am urging immediate release of sufficient funds to preserve and protect this machinery until the final disposition of NIER is resolved.

At this point in the RECORD, Mr. Speaker, I include an exchange of correspondence with Chairman MAHON, a report on NIER from the GAO, and an exchange of correspondence with GSA as well as a copy of a letter sent to Director Ash of OMB from the vocational director of the Brooklyn, Ohio, school district:

JUNE 7, 1973.

Hon. GEORGE H. MAHON,
Chairman, House Committee on Appropriations, Washington, D.C.

DEAR GEORGE: I wish to call your attention to a recent decision by the Office of Management and Budget to abolish the National Industrial Equipment Reserve (NIER) despite congressional action in the first supplemental appropriation bill to restore funds for the program.

I am attaching for your information my recent floor remarks on this decision and an exchange of correspondence with OMB on NIER. I would hope that your committee could carefully review this situation in view of the OMB decision and give careful consideration to continuing NIER in fiscal 1974 pending further study.

With warm personal regards, I am,

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

JUNE 12, 1973.

Hon. JOHN B. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR JOHN: Thank you for your letter of June 7, 1973, expressing your continued interest in the National Industrial Equipment Reserve (NIER) program.

During its consideration of the Urgent Supplemental Bill of 1973, the House adopted your proposed amendment to all $1.8 million for the continuation of NIER. I discussed with you at that time a study of the NIER program, which the General Accounting Office had under way at my request.

For your information, I am attaching a copy of a letter to me from the Comptroller General of the United States in which he sets forth the findings of that studv.

With warm personal regards.

Sincerely,

GEORGE H. MAHON,
Chairman.

MAY 31, 1973.

Hon. GEORGE H. MAHON,
Chairman, Committee on Appropriations, House of Representatives.

DEAR MR. CHAIRMAN: Your March 5, 1973, letter requested us to study the National Industrial Equipment Reserve established under the "National Industrial Reserve Act of 1948," (Public Law 883, 80th Cong.). We agreed with a member of your staff that we would obtain information that is readily available from the agencies concerning the value of all industrial plant equipment owned by the Department of Defense (DOD), the age and type of equipment assigned to the national reserve, and the distinction, if any, between the national reserve and DOD's general reserve. We also agreed to furnish information on the use of national reserve equipment during the Vietnam buildup and in the school loan program.

Because of the short time we had to comply with your request, we agreed with a member of your staff to provide this information without conclusions or recommendations as to the need for maintaining a separate national reserve and a general reserve.

BACKGROUND

The act established a reserve of machine tools and industrial manufacturing equipment for immediate use to supply the needs of the Armed Forces in a time of national emergency. The act authorizes the Secretary of Defense to determine which excess industrial properties should become part of the reserve and which should be disposed of. The Secretary was also authorized to lend property to nonprofit educational institutions or training schools when he determined that the programs proposed by these organizations would contribute to national defense and the equipment would be properly maintained and returned, if required, without expense to the government.

CRITERIA FOR ASSIGNING EQUIPMENT TO THE NATIONAL RESERVE OR GENERAL RESERVE

The Defense Industrial Plant Equipment Center (DIPEC), Memphis, Tennessee, assigns equipment to the national reserve or the general reserve. DIPEC directly manages the general reserve. By agreement between DOD and the General Services Administration (GSA), GSA stores, maintains, leases, and disposes of equipment in the national reserve and operates the school loan program. Each reserve consists of unassigned equipment held for general mobilization.

Both reserves have basically the same types of equipment, according to DOD officials.

DOD usually assigns to the general reserve newer, more sophisticated equipment with a clear potential for reuse in future defense production. Equipment considered marginal for use in defense production but useful for the school loan program is assigned to the national reserve. Since DOD is responsible for both reserves it occasionally assigns equipment with a clear potential for reuse to the national reserve rather than the general reserve to take advantage of the GSA storage space. According to DOD officials, the quantities in both reserves are still short of mobilization requirements.

DOD-OWNED EQUIPMENT

DOD owns approximately 460,000 pieces of industrial plant equipment costing nearly $3.9 billion. The following table shows its active and reserve inventory as of December 31, 1972:

INDUSTRIAL PLANT EQUIPMENT

	Number of items (thousands)	Cost (millions)
Active:		
Contractor locations	109	$1,394
Government locations	279	1,517
Total, active	388	2,911
Reserves:		
Plant equipment packages	36	625
General reserve	23	333
Total, reserves	59	958
National reserve	11	84
Grand total	458	3,953

Location, age, and condition of national reserve equipment

Of the 11,400 tools in the national reserve, about 7,900 costing $39 million were on loan to schools. GSA and DOD are storing another 3,500 tools costing $45 million. About 2,300 of the 3,500 tools are stored in a GSA depot at Terre Haute, Indiana.

Most of the equipment was manufactured in the 1940s and early 1950s. For the most part it is general-purpose equipment, such as lathes, grinding machines, milling machines, and other types of metal-working equipment. From what we could observe at the GSA facility at Terre Haute, the equipment is in good condition.

Value of the equipment and maintenance cost

It is difficult to estimate the value of the equipment in the national reserve. However, GSA and DOD officials estimate that the cost of replacing such equipment with new equipment would be from 2 to 2½ times the acquisition cost. On the basis of the acquisition cost of approximately $84 million, it would cost between $168 million and $210 million to replace this equipment.

With respect to maintenance costs, GSA budgeted about $572 thousand for fiscal year 1973 for shop operations, which included analytical testing, repairs, and preservation. Schools maintain tools loaned to them.

EQUIPMENT WITHDRAWN FOR USE IN VIETNAM CONFLICT

During the Vietnam conflict DOD withdrew equipment from both reserves for defense projects. DOD data indicates that from 1964 through 1968 the Department withdrew 1,190 pieces of equipment costing about $28 million from the national reserve. Most of this—960 items costing $25.5 million—was issued to about 100 defense contractors. During this time other agencies, such as the National Aeronautics and Space Administration and the Atomic Energy Commission, withdrew 867 items costing $6.6 million. All the equipment came from storage facilities. Equipment on loan to schools was not called back for this purpose. During this same period, DOD withdrew equipment costing about $627 million from its general reserve.

SCHOOL LOAN PROGRAM

The program has grown considerably since it was started in 1958. Each year an average of 565 pieces of equipment are loaned to schools. The 7,921 pieces on loan at December 31, 1972, were located in 394 schools in 44 States. A number of additional schools expressed interest in the program in late 1972 when the program was terminated for lack of funds. Actions pending at that time are as follows:

Category of activity and number of schools	
Loans approved by DOD and shipping orders forwarded to GSA	40
Applications approved and tools offered by DOD accepted by applicants before the program was terminated	5
Applications accepted and offers made to applicants to view the equipment	39
Applications received from new schools since program was discontinued	36
Requests from participating schools for additional equipment	30
Inquiries on the loan program	136

We trust this information is responsive to your request. We plan no further distribution of this letter unless you agree or publicly announce its contents.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

MAY 29, 1973.

Commissioner, Property Management and Disposal Service, General Services Administration, General Services Administration Building, Washington, D.C.

DEAR SIR: I have received the attached letter and memorandum from the Office of Management and Budget relating to the decision to eliminate the National Industrial Equipment Reserve (NIER) which is under your custodianship.

Because I was the principal sponsor of legislation to restore funds for NIER in fiscal 1973, I would appreciate being apprised of the procedures which will be followed in disposing of this machinery so that I might in turn answer any questions which are directed to me both from within and without the Congress.

It is stated in the OMB letter that the tools in NIER will be donated to educational institutions under GSA/HEW's existing donation program. At one point in the memorandum to the Secretary of Defense, it is stated: ". . . we have determined that, rather than reactivate the NIER program, the tools should be declared *excess* so that they might be donated to schools for vocational training purposes." At another point, it is stated: "Manpower training objectives would be met if the tools were *surplused* since they could then be donated on a priority basis to educational institutions."

It is my understanding that the terms "excess" and "surplus" are *not* interchangeable. Under your Personal Property Utilization and Donation Program, Federal agencies have *first access* to *excess* property. Property which is not needed by any Federal agency may *then* be declared *surplus* and donated to the States for educational, public health, civil defense and other purposes. Is this an accurate understanding of the procedures followed?

I am also interested in knowing if schools may apply directly to GSA or HEW for the surplused machinery, or if the States must first obtain the machinery and then allocate it? Would the machinery only be available to schools in States which now have NIER storage facilities or would it be available nationwide?

I am also interested in knowing approximately what percentage of the NIER tools in storage are of the type which might be of use to schools in vocational training courses. And, in your opinion, are the tools in the Terre Taute, Ind. and Burlington, N.J. facilities which have not been maintained since last December still of value to schools in their present condition? If not, are the schools capable of having the proper restoration and repair work done in order to make the machinery operable? Is GSA under any obligation to properly prepare this machinery for disposal and delivery, and, if so, are funds currently available for these purposes?

It is stated in the OMB letter that: "Such action would not place a significant additional burden on the donation program and would not require additional Federal funds." In your opinion, will it be possible for GSA to "assure an effective and orderly transition" in the "disinvestment of the tools now in reserve" without incurring any expenses beyond that which has been appropriated in this fiscal year for the Property Management and Disposal Service?

Finally, although the Congress appropriated no funds for NIER in fiscal 1973 (until enactment of the first supplemental appropriation act in April of this year), GSA did manage to keep the NIER going until December 31, 1972. How much did this cost GSA? Were these expenses reimbursed by DoD? If not, where did the funds come from to operate NIER for the first six months of fiscal 1973? Have any of the funds appropriated in the first supplemental been released to GSA to reimburse it for the expenses incurred during that six month period (assuming that DoD has not reimbursed GSA).

Thank you for considering this rather lengthy list of questions; your early response will be greatly appreciated.

With all best wishes, I am,

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

JUNE 12, 1973.

Hon. JOHN B. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR MR. ANDERSON: This is in response to your letter of May 29, 1973, concerning the National Industrial Equipment Reserve (NIER).

Implementation of the Office of Management and Budget (OMB) plan for termination of the NIER program, would require, first, that the NIER tools be declared excess to the needs of the Department of Defense (DoD). They would then be screened among the Federal agencies for possible Federal utilization. If no further Federal need for the tools were determined, the equipment would be declared surplus and be made available for donation by the General Services Administration (GSA) through the Department of Health, Education and Welfare (DHEW).

Under existing DHEW procedures the tools would be allocated to State Agencies for Surplus Property, not directly to schools. The distribution to schools or other eligible donees within each State would be accomplished by the State Agency. Tools located in depots would normally be offered nationally, not simply to the States in which the depots were located.

Approximately 25% of the NIER tools in storage are of a type which could be used by schools for vocational training. Although the tools in storage at Terre Haute and Burlington are showing signs of rust, they can be restored. Most schools would be capable of having the proper restoration and repair work done.

The OMB plan for disinvestment of the NIER tools does not appear to envision that restoration or repair work will be accomplished before the tools are donated. In any event we have not received an apportionment of funds for this purpose from OMB.

Additional funds would not be required by GSA to handle the normal offering of these tools for further Federal use or for donation. However, to the extent the tools now stored in depots were transferred or donated, funds would be required for out-handling from these depots. These amounts could be recovered from the recipients. In addition, out-handling funds would be needed should any of these tools, not required for Federal use or donation, be sold by GSA.

The cost of operating the NIER program through December 31, 1972, was $701,000. Since that date additional disbursements have been made to cover severance pay and allowances, bringing expenditures for FY 1973 up to a total of $817,500 as of April 30, 1973. The DoD did not remiburse GSA for these expenditures. Funds to conduct the program during FY 1973 were made available by a reprogramming of our operating expense appropriation. OMB has apportioned $830,000 of funds appropriated by the first supplemental (Public Law 93-25) to reimburse our operating expense account for FY 1973.

Please do not hesitate to contact us if we can be of further assistance.

Sincerely,

ALLAN G. KAUPINEN,
Assistant Administrator.

JUNE 13, 1973.

Mr. ROY L. ASH,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. ASH: Correspondence with Congressmen John B. Anderson and James V. Stanton advises me that the Office of Management and Budget, on May 24, 1973, sent a directive to the Department of Defense ordering a dismantlement of NIER.

We at Brooklyn City Schools are asking you not to dismantle the NIER program and attempt to channel the material through GSA's disposal program. This may sound good in theory, but its practical application leaves something to be desired. There are many disadvantages to the school systems.

It has been my experience that equipment acquired through surplus properties is often incomplete and/or broken from careless handling. Last month we purchased a lathe from surplus properties for $500.00. Before we could use it, we had to purchase a tail stock center, a tool holder, a tool post, and a three-jaw chuck at a cost of $739.00. We also had to repair those parts that were damaged in transit.

There is another problem which I think is of greater importance. Equipment is not supplied upon justification of need, but rather by a hit or miss fashion of first come, first served. Schools closer to the surplus center that can keep a close check on incoming or current equipment have a very great advantage over schools at a greater distance and end up acquiring the more valuable equipment. Some schools in the past have purchased surplus equipment, held it unused for four years, and then sold it at a great profit. This does not serve the purpose of the program—but it is the reality of the situation.

I sincerely urge you to take another very careful look at the entire picture before any further steps are taken to dismantle NIER. We are convinced that we and other vocational training schools would be the losers.

Very truly yours,

WILLIAM G. PEARCE,
Vocational Director.

FREEDOM AND CONTROLS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. CRANE. Mr. Speaker, as we concern ourselves with finding ways to stem the mounting tide of inflation we seem, more and more, to rely upon the coercion of Government controls as the best means of action.

The fact is that wage and price controls have failed to ease the present inflationary trend. They have failed because they have not dealt with the causes of inflation but only its symptoms.

Discussing the inevitable failure of controls, economist Murray Rothbard points out that—

> The controls won't work. The prime reason why they won't work is that they do not tackle the cause of inflation, but only lash out at the symptoms. Every price is simply the terms of an exchange on the market. When I buy a newspaper for a dime, ten cents in money is being exchanged for one newspaper. And so the key to what makes prices high or low is the relationship between the supply of goods available and the supply of money. Suppose that by some magic process, the quantity of money in the country doubles overnight. The supply of goods remains the same, for nothing has really happened to lower or raise them. But then we will all enter the market with twice as many dollars burning a hole in our pocket as compared to yesterday . . . we will all have to pay twenty cents for the same newspaper.

The fact is that the supply of dollars has continued to rise, due to the policy of the Federal Reserve Board to increase the money supply. In addition, deficit spending means that the Government is spending far more money than it has. Government is the party responsible for inflation, yet controls which are meant to ease inflation are applied only to private individuals, and never to Government. It is little wonder that inflation continues.

In an address before the Insurance Forum on November 2, 1972, Walter B. Wriston, chairman of the First National City Corp., discussed the subject of "Freedom and Controls."

Mr. Wriston declared that—

> The truth is that governments and only governments create money. Other factors in our economy, while contributory and even very important, are only peripheral. Controls, however, obscure this basic truth and thus appear to many to be an acceptable alternative to proper monetary and fiscal policy for cooling inflation. As each new control fails to operate satisfactorily, a new one is added. The theory seems to be that if you drill just one more hole in a leaky boat the water might just run out. It's the old story of not understanding the cause of the trouble.

While controls do nothing to stem inflation, they do lead, in the long run, to a serious loss of freedom. Mr. Wriston notes that—

> If you entrust your fate to the government, you will soon learn that bureaucracies never die. They just grow and grow year after year and, as they age, their initial very limited risk-taking capability atrophies completely . . . once the process of control is initiated, it spreads to all sectors of the society until at last, if you put a floor under costs and a ceiling over prices, there will be no room for a freeman to stand erect.

Controls will not stop inflation, but if they persist they may seriously limit our freedom.

I wish to share the thoughtful speech by Walter B. Wriston with my colleagues and insert it into the RECORD at this time:

FREEDOM AND CONTROLS

(By Walter B. Wriston, chairman, First National City Corp.)

THE DIOCLETIAN PARALLEL

Anyone on Wall Street watching the ups and downs of the market would be tempted to embrace a cynical remark once made by George Bernard Shaw. He said: "We learn from history that men never learn anything from history."

Things are not really bad, but in times of stress memories grow dim and our impatience with the laws of economics develops into deep frustration. In our desire to set right the many things that we see in our society and in our economy which frustrates us, we sometimes forget that other men in other times or other places have tried similar remedies with predictable results.

Many people in our society today, who see no inherent contradiction between the concept of individual freedom and government controls, might be less sanguine if they reviewed a bit of ancient history. In the third century the most pressing problem facing the Roman Emperor Diocletian was inflation and his solution has, in part, its parallel in modern times.

Unable to raise more money for the imperial treasury through additional taxes, Diocletian believed he had no recourse but to debase the currency of the empire. Since the printing press had not yet been invented and there were no central bank to issue notes, he flooded the market with copper coins at a time when precious metals were in short supply. Of course, prices quoted in terms of copper coins went skyward. Although Gresham was yet unborn, his law was already at work with bad money driving out good.

GRESHAM'S LAW WAS ALREADY AT WORK

With the empire on the verge of bankruptcy, Diocletian had to come up with what we would now call a new game plan. He finally issued an imperial edict establishing wage and price controls. Price ceilings were set on 900 commodities and 130 different grades of labor. Having little faith in the ability of the people to discipline themselves, he imposed the death sentence or deportation on anyone who dared to buy or sell above the established rates. While many were executed or deported, his edict proved to be impossible to enforce.

The bureaucracy designed to administer the edict grew to be crushingly expensive, and swelling the supply of the currency merely fed the spreading fires of inflation. The combination of these two factors, as we all know, contributed to the decline and fall of the Roman Empire. Nations with worthless currencies, then as now, rarely speak with strong voices in international circles.

Diocletian's dilemma and his remedy have been repeated in one form or another again and again throughout history. In the light of ancient as well as recent history, those among us who hail wage and price controls and other restraints as wonder drugs to cure the ills of our economy should temper their enthusiasm.

WHENEVER TIMES ARE OUT OF JOINT, WE LOOK FOR SCAPEGOATS

Whenever the times are out of joint we look for scapegoats—labor blames management and management blames labor. Often both blame government which, of course, reciprocates. When basic imbalances of power, either economic or political, are created and permitted to persist, there is a tendency to grow impatient with old truths. We begin to hear that old laws no longer work, two and two are no longer four and it is time for bold new initiatives. Those impatient with the pace of change urge that we create new rules and regulations to achieve the ends that used to be the product of the old laws. We even invent new cosmetic words like "guidelines" to blur the blunt fact that we are talking about rigid regulations.

Although some economists perceive this to be a new world with new rules, there are still some basic tenets that have not changed. When a government prints too much money in relation to the economy, in time the value of money declines.

Learned men, of course, can and do develop intricate arguments couched in subtle language to describe the complex factors which influence the value of our money. The truth is, however, that governments and only governments create money. Other factors in our economy, while contributory and even very important, are only peripheral.

I do not mean to suggest that the balance of power between management and labor is not a significant factor in many sectors of our society. When this balance gets out of equilibrium, certain industries do indeed develop what has come to be called the cost-push syndrome. Far from refuting the old laws, this simply proves anew that old laws of economics still work. The cost-push syndrome has helped to produce the wonderfully cosmetic phrase "incomes policy," a euphemism for price controls. Whatever term is used, it is abundantly clear in the simplest economics that the price perceived as income by one man is just as truly another man's cost.

CONTROLS OBSCURE THE BASIC TRUTH

Controls, however, obscure this basic truth and thus appear to many to be an acceptable alternative to proper monetary and fiscal policy for cooling inflation. As each new control fails to operate satisfactorily, a new one is added. The theory seems to be that if you drill just one more hole in a leaky boat the water might just run out. It's the old story of not understanding the cause of the trouble.

The experiences of other nations are especially relevant as we look at long-term trends in our own country. We need not go back to the days of Diocletian to confirm the fallacy of controls. Indeed, we can say categorically that controls in modern times—when the goods produced dwarf by far Diocletian's 900 commodities—are virtually impossible to enforce without serious inequity. Even in the Soviet Union only 10,000 of the 40,000 articles produced there actually come within the scope of the country's controls. Drawing on this state of affairs, one international economist came to a very interesting conclusion. He said: "Nowadays no central organism, however far-reaching its powers, is capable of ordering the productive process in detail so as to enable it to fulfill all requirements and expand efficiently. . . . The clash of interests between man as a producer and man as a consumer is a basic fact. . . . The only way of getting over that is the free market which prevents the producer from arbitrarily asserting his interests over the consumer. . . . Hence the need to preserve the open market, which is the least harmful way of adjusting production. . . ."

ONLY THE FREE MARKET PROTECTS THE CONSUMER

This statement was made by a man who knew all about central planning, Mr. Ota Sik, a socialist economist and former Minister of Economy in Czechoslovakia.

Attempts at statutory control have been made not only in communist countries but elsewhere by both liberal and conservative governments. They have been tried and found wanting in places as far apart as Canada and New Zealand. Western Europe, of course, has had a severe case of controlitis since the end of World War II with negligible results. More often than not, European controls have caused so large a cut in profit margins as to produce an investment recession which only aggravates inflation by curtailing supply. France, for example, has the longest history of price controls with a massive bureaucracy to enforce them. Yet as the *London Economist* recently pointed out, "controls in France have never been anything more than a traditional French farce." None of the controls prevented the French franc from being devalued no less than seven times since the war.

ON THE WAY TO FAILURE, CONTROLS DISTORT THE MARKET

Citicorp operates in about 90 countries around the world and we have been in the international business since 1902. I think it is fair to say that there is probably no set of economic controls, foreign exchange controls or other devices, which we have not seen at one time or another in one place or another. They all have one common denominator. They fail over the long term. If all they did was fail, controls might be worth a try in the short run. But, on the way to failure, controls distort the market, discourage producers, cause shortages and produce more uncertainty.

Incomes policies, I also might remind you, were hardly a smashing success in Great Britain. After five years of attempting to regulate wages and prices in the sixties, it was discovered that inflation in England had actually accelerated. It is perhaps ironic that after a socialist government abandoned price controls, some Americans advanced them as a super-sophisticated way of dealing with the problem of economic freedom. Englishmen visiting my office shake their heads in wonder and ask how we could embark on this course with British failure still so clearly visible.

THE PSYCHOLOGY OF INFLATIONARY EXPECTATIONS HAD TO BE BROKEN

In saying this I do not mean to suggest that the President's action a year ago August was not necessary. The psychology of inflationary expectations had to be broken. The freeze was a way to start that process. Although we were winding down the actual inflation, both absolutely and in relation to other industrial countries, the drumfire in the media suggested the opposite. One could easily gain the impression that controls were imposed on our economy when it was rapidly spinning out of control. It is closer to the truth to say that the August 15th freeze was imposed on an economy that was in fact recovering from a recession. Treasury Secretary George Shultz knew this when he said: "Controls can work if they are first added to accelerate a process already under way." He stressed that they must be supplemented by proper monetary and fiscal policy actions and applied when there is still enough slack to permit strong productivity gains. The freeze was designed to break the inflationary psychology and was regarded as temporary. The freeze achieved its shock value and gave way to Phase II.

IF THERE IS NO RISK, THERE CAN BE NO OPPORTUNITY

The way things usually develop anywhere in the world, however, is that once the process of control is initiated, it spreads to all sectors of the society until at last, if you put a floor under costs and a ceiling over prices, there will be no room for a free man to stand erect. One of the great advantages of private companies operating in a free market is that a company can fail and go out of business. If you cannot make a product the world wants and sell it at a profit, your business will not survive. The marketplace automatically regulates this. If you entrust your fate to the government, you will soon learn that bureaucracies never die They just grow and grow year after year and, as they are, their initial, very limited risk-taking capability atrophies completely. They want a fail-safe economy. They want a world in which there are no risks and penalties for failure. It is obvious, however, that a society which attempts to protect men from risk just as surely then must bar them from opportunity.

IT'S THE STRUGGLE FOR POLITICAL POWER THAT MAKES THE ECONOMY A CENTRAL ISSUE

Some people who applauded price-wage controls at their inception dwelt in the dream world that controls would make it easier to deal with large labor demands, but would leave profits free. This unsophisticated view is now overwhelmed by experience, and many who held it are now joining the ranks of those who would abolish controls now.

We are all the product of the velocity of our own experience. Americans have tended to see many things in economic terms which turn into political trends. It perhaps started with Alexander Hamilton, and has run through to Arthur Schlesinger, Jr. One of our great historians, Charles Beard, spent most of a lifetime delineating what he perceived to be the economic bias of the men who wrote our Constitution. Despite all this scholarship, our values are not basically economic values unless they are carriers for political values. It is the struggle for political power today that makes the economy a central issue and not the other way around. Controls, then, are a carrier for political power, and therefore when we think about them it should be in this larger context. Viewed in this perspective, we are talking about the future mix of the American political system.

There are those among us who wish to do away with the free enterprise system and force a new kind of society upon America. If this sounds extreme, perhaps we should speculate for a moment what kind of world we would have if the laws of the United States of America gave the President vast new power over the life of our credit and stock markets. Suppose the President, acting through some government agency, could require every borrower to obtain a license before he could have access to the market. Imagine that before any lender could lend, he must also get a license from an all-powerful federal agency. This power to license both borrowers and lenders would extend to the amounts involved, and, of course, would carry with it the authority absolutely to deny credit to brokers and bankers, to individuals or corporations. Imagine a law like this and then let yourself speculate upon the profound effect it would have on our marketplace and upon the entire fabric of our society. When you have thought about this for a moment, give it even more consideration, for such a law is now on the statute books of our country. It is called the Credit Control Act which was passed in 1969.

THE ROAD TO ECONOMIC SERFDOM

Full implementation of this act, of course, would take us well down the road to economic serfdom. Fortunately, we currently have a President who believes in free enterprise and a market economy. The fact that our Congress passed such a monstrosity, however, should jolt us free of any daydreams. What I find most appalling about this so-called Credit Control Act is that it was in fact a rider tacked on to another more comprehensive bill that passed the Senate by a voice vote. No senator even stood up to have his name recorded on a basic reordering of American priorities. It is, in fact, ironic that credit market controls should even be considered seriously after the credit crunch of 1969 when interest rate ceilings not only hurt borrowers but produced pointless distortions in credit flows. If banks are discouraged from making loans, borrowers who are able will turn to the open market. Here the large, strong borrowers will fill their needs, but the small medium-sized companies are not likely to find the impersonal market as accommodating.

WHEN THE CRISIS RECEDES, THE REGULATORY RESTRAINTS REMAIN

Many of our lawmakers, unfortunately, seek to mitigate a crisis by resorting to more severe regulation. When the crisis recedes, the regulatory restraints often remain. Wage and price controls may be a case in point. They are popular now with some people because they appear to offer an easy escape down the middle road away from inflation on one side and unemployment on the other. They appear to those who do not understand the complexity of the economy and see the culprits in simplistic terms as big business or big labor. They fail to appreciate that control of wages and prices, if carried to its logical conclusion, could lead to control of all income and of all resources. Such an outcome would destroy freedom for both labor and management in the marketplace.

As each change in our value system is recognized and popularized, there are those who see a new opportunity for fresh regulation. It is curious that controls should gain favor at a time when the consumer movement in this country is gaining momentum. Controls permanently applied are bound to dull the competitive creativity of the producer, making him less sensitive to consumer needs. Without the incentive of the free market, as observed by even Ota Sik, the socialist economist, the quality of goods deteriorates. Thus, in the long run, it is the consumer, deprived of both quality and diversity of goods and services, who stands to suffer most.

THE CONSUMER STANDS TO SUFFER MOST

In the financial world we have seen in our lifetime the government fix the price of its bonds in the forties, and we have felt the enormous trauma which was produced when the so-called Treasury Accord was terminated in 1951. It was repudiated because it forced the Federal Reserve into an inflationary expansion of money. Like those who now fear the lifting of controls, there were many who feared that bond markets would not be able to function without pegging. It was argued that pegging eliminated the risk of buying bonds. This illusion overlooked the fact that in order to peg the bonds, the Federal Reserve inflated the money supply, which over time stole from the value of fixed income obligations.

BANKS HAVE LIVED UNDER ABSOLUTE PRICE CONTROLS SINCE 1933

Perhaps those of us in the banking business are more sensitive to distortions in the marketplace created by controls than are some of our friends in other industries. We have had absolute price control on what we can pay for our inventory since 1933. Since the price that we can pay to individual savers is sometimes less than the price that competing institutions can pay, we have watched the erosion of our marketplace. At the same time we have been keenly aware that the consumer is often cheated out of the income which he would have every right to expect if a free market prevailed.

More regulation is, of course, behind the idea that the way to protect the public is to create a new bureaucracy to do the job that the existing one failed to do. We all know that the massive machinery of bureaucracy is already too antiquated and decrepit to cope with the pace of change in our society. But instead of dismantling a system designed for the Victorian Age, we add yet another corridor to the labyrinth leading away from the free marketplace. The end product of this bureaucratic maze is a world isolated from risk—a world in which the efficient and the inefficient are equally rewarded. Without penalty for failure, there is no incentive for success.

The freedom to win or lose, to succeed or fail, is basic to our way of life. When the marketplace is hobbled by regulation, the distortions created are eventually reflected across the country. First investors worry that controls will continue and thus corporate earnings will be lower; then they worry that controls will end and inflation will surge ahead. This is not the kind of fail-safe environment they had bargained for when the stock market surged ahead 30 points the day after controls were announced.

Freedom is rarely destroyed by a frontal attack. Freedom more often succumbs to an indirect dividend-conquer technique.

CONTROLS UNDERMINE THE RESOLVE OF MANAGEMENT AND WEAKEN THE FREEDOM OF LABOR

Controls undermine the resolve of management and weaken the freedom of labor. And their use moves us closer to putting more and more of the decisions that belong in the marketplace with government. It is time to end the control program before our freedoms are eroded beyond repair. John Stuart Mill put it this way more than 100 years ago: "Every function superadded to those already exercised by the government causes its influence over hopes and fears to be more widely diffused, and converts, more and more, the active and ambitious part of the public into hangers-on of the government. . . . If the roads, the railways, the banks, the insurance offices, the great joint-stock companies, the universities, and the public charities, were all of them branches of the government . . . not all the freedom of the press and popular constitution of the legislature would make this or any other country free otherwise than in name." As a people we are not likely to abide for long controls which in the end will destroy freedom. To expect otherwise of our people is the final folly in all attempts to create a fail-safe economy.

PAKISTANI POW DEADLOCK LINGERS

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. SIKES. Mr. Speaker, the Christian Science Monitor in the July 2, 1973, edition has brought attention again to the plight of 90,000 Pakistani soldiers and civilians held in Indian prison camps. The continuing stalemate between India, Pakistan, and Bangladesh is very unfortunate; but it is inexcusable for India to hold the Pakistani POW's for bargaining purposes. It is unbelievable that India which seeks leadership among world powers should continue to be callous to the problem of the Pakistani prisoners of war and the wives and children of many of them who are also held. I submit the editorial from the Monitor for printing in the RECORD, and I hope the efforts of the press will continue to call attention to this crucial problem.

The Monitor's editorial follows:

PAKISTANI POW DEADLOCK LINGERS

A year ago July 3, at a summit meeting at Simla, India and Pakistan reached an agreement which held out promise of an early settlement of their differences and of "a durable peace" for the Indian subcontinent.

Part of the agreement was fulfilled last December with a mutual troop withdrawal from occupied areas on the western front and a redefinition of the cease-fire line in Kashmir.

But unfortunately, 12 months after Simla, the deadlock is as deep as ever over the crucial issue of the release of 90,000 Pakistani prisoners of war captured by India in the former East Pakistan, now the state of Bangladesh.

Last April the Prime Ministers of India and Bangladesh, Mrs. Indira Gandhi and Sheikh Mujibur Rahman, made a joint offer linking the return of the POWs to an exchange of minorities by Bangladesh and Pakistan. Under this package proposal, the half million Muslim Biraris, now living in Bangladesh, would be transferred to Pakistan, and some 150,000 East Bengalis, stranded in Pakistan by the 1971 war, would be repatriated to Bangladesh. Sheikh Mujib made a major concession by dropping his demand for prior recognition of Bangladesh by Pakistan as a condition for the POW's return.

The package is unacceptable to Pakistani President Bhutto on two counts: Bangladesh insists on 195 Pakistani POWs being handed over to it for war crimes trials, and Pakistan does not consider itself responsible for the Biharis, whose original homeland, the state of Bihar, is now a part of India. Mr. Bhutto did, however, invite India to send envoys to Islamabad to discuss the proposal. This invitation has not been followed up.

In the meantime the Pakistani leader has complicated matters by rounding up hundreds of East Bengalis, some of whom he intends to try for "treason" if Bangladesh goes ahead with its war crimes trials.

There the stalemate lies. There is right and wrong on all sides of this triangle. But India, it seems to us, is on questionable grounds in still holding on to the Pakistani POWs for bargaining purposes. The Geneva conventions, to which India subscribes, stipulate that prisoners of war be released as soon as possible after the end of hostilities. It is 18 months since the prisoners were captured. They should go home without further delay. The plight of the unwanted Biharis in Bangladesh and of the East Bengalis in Pakistan is a poignant one and calls for a compassionate solution, but is it right to tie it to the return of the POWs?

It is high time that the subcontinent's three leaders cut through the deadlock in which so many thousands of hapless people are involved. At Simla Mrs. Gandhi and Mr. Bhutto found they could talk together and reach common ground. They should hold a new summit as soon as possible, and this time it should be a three-way one, including Sheikh Mujib.

MARGARET CARMAN, EXCEPTIONAL CITIZEN OF FLUSHING, N.Y.

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. WOLFF. Mr. Speaker, I want to bring to the attention of my colleagues the work done by an exceptional citizen of Flushing, N.Y. She is Miss Margaret Carman, a dedicated teacher and historian and a gentle yet very active resident of Flushing.

Miss Carman was born in Flushing and attended Flushing High School, where she taught English and secretarial studies for 44 years. Not only is Miss Carman an excellent teacher, but she also has been active in preserving the finer traditions of Flushing. For her work as president of the Bowne House Historical Society and as an expert on the history of Flushing, she has been honored by the Greater Flushing Community Council.

It is a great pleasure for me to insert the following article about Miss Carman. The article appeared in the Queens Tribune:

Flushing's Finest Lady—Margaret Carman

(By Roberta Confino)

The soft blue eyes of Margaret Carman reflect images of Flushing as a small town. Her thoughts reveal keen awareness of current issues. Her voice is filled with patriotic pride in the history of Flushing. Recently, for the *Queens Tribune,* Margaret Carman wrote a series of articles on the history of Flushing. Now the Tribune would like to salute Miss Carman as a dedicated citizen and community worker.

Born in Flushing Miss Carman attended Flushing High School, the oldest free public school in New York. Growing up in Flushing, she recalls, was vastly different from today. There was space for running and playing. In the winter there was belly-whopping on the slopes of the old Flushing Institute. In the summer there was swimming in Flushing Lake and protection of "violet bunks" in Kissena fields. With the extension of the subway and the numbers of visitors to the World's Fair of 1939, Flushing was "discovered". The town, Margaret Carman sadly states, "lost its individuality." Miss Carman went on to Barnard where she majored in English. She eventually returned and taught at Flushing High School for some 44 years, prior to her retirement in 1960.

At Flushing High, Miss Carman taught English and Secretarial Studies. She compares the educational systems of her beginning years with present times, holding strong opinions on major current issues. When Miss Carman began teaching there was no compulsory education. Those who came to school did so because they wanted to learn. There was time for individual attention to students. She believes the voluminous numbers of students, on double sessions, now inhibits teacher-pupil individuality. Softly, yet firmly, Miss Carman opposes busing of children. She believes forcing the students to leave their neighborhoods for long rides to and from school encourages a resentment toward both the school and teachers. There is tremendous difficulty in motivating such students. She feels busing results in a destruction of school spirit. Miss Carman recalls when school spirit was tremendously high and when teachers were a part of the "family".

In 1950 Miss Carman was in charge of the Diamond Jubilee of Flushing High School, at which Alumni Night brought 1,000 former students. Miss Carman has nominated the institution (not the actual buildings) of Flushing High School to be declared a historical landmark. She hopes to have such recognition before the 100th anniversary of the school on May 15, 1975.

Miss Carman has been President of the Bowne House Historical Society. The centuries old home of John Bowne represents the struggle for religious freedom in America. Seventy volunteers conduct tours through the home, located near Parsons Blvd.—the beginning of "Freedom Mile." The "Mile" extends from Parsons down Northern Blvd., in the heart of Flushing, to Lawrence Street. Along the Mile are listed 17 historic sites, including parts of Flushing High School, the Town Hall, the Civil War Monument and the site of the Flushing Journal Office and of the Prince Nurseries.

There are only two histories of Flushing, one written in 1858, the other in 1898. Within the Flushing Community now is an ardent historian. She at present is not considering writing a modern history of Flushing, but she is undoubtedly an expert. Two years ago the Greater Flushing Community Council bestowed upon Margaret Carman a plaque distinguishing her for her activity within the community.

Margaret Carman, remembered and loved by thousands as a dedicated educator, remains a tender, devoted and active resident of Flushing—her "home town."

OUR ECONOMIC FUTURE

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. BOLLING. Mr. Speaker, Hobart Rowen's article of July 1 highlights the acute problems which face the Congress as well as the administration in dealing responsibly with our current economic situation.

The article which appeared in the Sunday Washington Post follows:

Tight Money Dominates the Economic Future

(By Hobart Rowen)

If there ever was any doubt that Federal Reserve Chairman Arthur F. Burns is unhappy with the 60-day price freeze and the administration's apparent unwillingness to think of new taxes for the Phase IV period, it was dispelled by his testimony last week before the Joint Economic Committee.

The most important message for the administration—and for the business community—in Burns' testimony is that he sees nothing in the freeze and the prospective Phase IV that will permit the relaxation of a tight money policy.

By Friday evening, the nation was confronted with a Federal Reserve discount rate of 7 per cent, matching the all-time peak set in 1920–21. This foreshadows a prime bank lending rate of 8 per cent and probably higher.

"I don't see the Federal Reserve beginning to moderate its credit policy just yet," Burns testified. "I can not encourage the thought of lower interest rates in the immediate future."

Burns is known to feel very strongly on this issue. Despite the fact that a tight money policy involves the risk of triggering an early recession, Burns feels that it is the duty of the Federal Reserve to stay with that restrictive policy until the money managers get some help on the fiscal side.

This presents the administration, which is struggling to get out of the freeze straitjacket and into an acceptable set of wage and price standards for Phase IV, with a painful dilemma because there are already convincing signs that the tremendous economic boom peaked in the first quarter.

Industrial production and personal income gains have slowed somewhat; the latest readings on plant expansion are somewhat less exuberant than they were a few months ago; and airline travel, which some consider an advance indicator, has turned sluggish.

The administration, therefore, is somewhat naturally gun-shy of proposing a degree of additional restraint that might come into effect when the economy no longer needs it.

Burns' response to this argument is to recommend fiscal devices that would have an immediate impact, and which could be altered or abandoned quickly to meet changing circumstances. For example, he argues for an investment credit that could be varied from 3 to 15 per cent, to replace the 7 per cent investment credit which has been helping to fuel the capital goods boom.

An even more novel Burns proposal is a "compulsory savings plan," which in effect would be a 10 percent surtax on existing tax liabilities. This would "be locked up in the Federal Reserve" and then turned back when the economy needs a shove forward.

But would new taxes be politically feasible? The man who has the most to say about these matters, Rep. Wilbur Mills (D., Ark.), the powerful chairman of the tax-writing Ways and Means Committee, told this column after Burns' testimony that "I don't think it's appropriate to raise taxes now because of the threat on an economic downturn."

Mills agrees with Burns that there should be more fiscal restraint, but he would achieve it by further cuts in the proposed $268 billion federal budget. "I don't like this year-to-year increase of $18 to $20 billion in spending," Mills says.

What does it all add up to? Burns wants help on the tax side, and he isn't going to get it. Mills would like help from the spending side, and that's not very probable.

So control of inflation will devolve on a very restrictive monetary policy, which—like a tougher tax policy—will accentuate the downward forces in the economy and hasten a recession. What effect Phase IV will have on the whole picture is at this point an open question. But when and as the next recession arrives, the Fed will be blaming the administration, the administration will be blaming the Fed, and each will be pointing a finger at Congress.

The rest of us will be left holding the bag, wondering why all sectors of government can't get together to do a better job of managing and planning the economy.

RARICK REPORTS TO HIS PEOPLE: WHAT IS BEING DONE FOR THE U.S. VETERAN—AN INTERVIEW WITH EDWIN ARNOLD

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. RARICK. Mr. Speaker, in a recent televised report to my constituents of Louisiana's Sixth District I conducted an interview concerning what is being done to aid returning service men and women. I insert the text of that program at this point:

Rarick. The Veterans Administration is the second largest agency of the Federal Government, and looks after the needs of some 29 million living U.S. veterans. It directs the activities of 168 veterans hospitals, has 57 regional offices, and employs some 185,000 employees. Helping the men and women who have served our country during times of war and peace after their discharge from the service is, as you can see, a big responsibility and a difficult job.

To help us understand better what is being done in the area of veterans affairs, and specifically what is being done to benefit the veterans in the Sixth Congressional District, I have today as my guest Mr. Edwin L. Arnold, Assistant to the Administrator of Veterans Affairs for Congressional Relations. Mr. Arnold is a native of Indiana and served as a Marine Corps officer in Korea. Ed, thank you for joining us today.

We read a great deal in the press today about the returning Vietnam veteran, and how he differs from the veteran of World War II and Korea. Some of the reports, especially in relation to drugs and job opportunities, sound discouraging. My question is this: Is the Vietnam veteran making the adjustment to civilian life, and what is your agency doing to help him make this adjustment?

Arnold. Thank you, Congressman. It's a pleasure to be with you. In response to your question, our experience shows that the Vietnam veteran is making the adjustment. Keeping in mind the Vietnam war was the longest, the loneliest, least understood war in our country's history, the Vietnam veteran has proven the disciplines of military life can be beneficial, as was the case with his counterparts of World War II and Korea, in making the adjustment to civilian pursuits.

RARICK. How is the Louisiana veteran being helped in his regard by the VA?

ARNOLD. Congressman, in your state the Veterans Administration operates three fully staffed and accredited hospitals located in New Orleans, Shreveport, and Alexandria. And then to serve the benefit needs of Louisiana's honorably discharged veterans, the VA maintains an office in New Orleans, and we refer to this as the New Orleans Regional Office.

RARICK. What, if anything, is being done to help the Vietnam veteran that was not done by the VA or the Federal government for the veteran of World War II or for that matter, the Korean veterans?

ARNOLD. In particular, the Veterans Administration office in New Orleans has been working very closely with the Louisiana State Director of Veterans Affairs, Mr. Dick Staggs, in ways to assist the Vietnam veteran, and I want to commend him for his wonderful cooperation. Through a program of counseling, we are also assisting private industry in developing programs that we in turn can approve which will benefit the training of Vietnam veterans. However, one of the highlights of the Vietnam era, by comparison to World War II and Korea, has been the President's creation of a national Jobs for Veterans Committee. This is a national effort in scope, designed to focus attention to job opportunities by enlisting the support of private industry and governments at all levels and, Mr. Rarick, I am pleased to tell you the successes of this effort have been tremendous.

RARICK. Who can the Vietnam veteran contact in Louisiana if he needs aid or assistance?

ARNOLD. Actually, the responsibility for the employment of veterans, if you're talking about the Federal level, rests with the Department of Labor. And by all means, the veteran should, if he's interested in finding employment, contact the local employment office. However, if he's interested in job training or furthering his education we invite the veteran to contact our VA regional office in New Orleans.

RARICK. And how many employees are made available in Louisiana, for example, to help the veteran?

ARNOLD. To serve the medical needs of the veterans residing in Louisiana, the Veterans Administration has the three hospitals. The total employment of these hospitals is about 2500 employees. On the benefit side, the New Orleans Regional Office has approximately 284 on its staff.

RARICK. I think it's probably safe to say then that hospitals are one of the major missions of the VA in probably any state in the country. Now what can you tell our listeners as to any programs which they may find of interest in regard to veterans?

ARNOLD. Congressman, the Veterans Administration is really in the forefront nationally insofar as the training of physicians and dentists and allied health personnel. As a matter of fact, in Louisiana last year through our affiliations with Louisiana State University and Tulane University the VA assisted in the training of nearly one hundred physicians and dentists.

RARICK. What is the patient load in our hospitals in Louisiana?

ARNOLD. In the state of Louisiana, the VA has approximately 1500 beds to serve the medical needs of the veteran and these are very active general, medical, and surgical facilities.

RARICK. Well, I think our viewers are aware that of course all these hospitals and services cost money. Can you tell us how the budget, the present budget of the VA, compares with the budget of previous years. Are we going up, down, or holding our own?

ARNOLD. We're going up, Congressman. President Nixon's budget request for this current fiscal year was 12.2 billion dollars. This is the highest budget in the 43-year history of the agency and interestingly it's 80% above a similar budget request for fiscal year 1969, and 310 million dollars over the actual total expenditures for the last fiscal year. We feel that this is an adequate budget and certainly we are confident that we are going to be able to provide for the needs of the veteran and his dependents.

RARICK. Well, last year Ed, Congress passed another educational bill for veterans. Can you tell our viewers how the new educational bill differs from that say of four years ago?

ARNOLD. This is the second increase of its kind since President Nixon's inauguration over four years ago. The current rate reflects about a 70% increase over the rate paid to veterans attending college in 1969.

RARICK. What will the veteran receive under the GI bill for attending school?

ARNOLD. A single veteran attending an institution of higher learning receives $220 a month, Congressman. A married veteran receives $261 a month, and a married veteran with one child would receive $298 a month, with additional amounts for additional children over the $298 figure.

RARICK. In my Congressional District, I have three major educational institutions. We have LSU, Southern University, and Southeastern in Hammond. Can you give us any idea of how many veterans are in attendance down there at these institutions?

ARNOLD. Congressman, our records show that approximately 2,613 veterans are in attendance at these three fine institutions and there are approximately 193 dependents of veterans attending these schools.

RARICK. In other words, the veterans are taking advantage of these programs.

ARNOLD. Definitely.

RARICK. Keeping in mind the President's philosophy of government, that is, that government should serve the needs of the people, what is the VA actually doing to carry out the President's directives in this regard?

ARNOLD. Actually, Congressman, "service to those that served" is really our reason for being. During the Vietnam War, the Veterans Administration embarked on a program of contacting our men and women in battle zone areas of Vietnam. In addition to this "first" for our agency, VA counselors and assistance officers are located at various separation centers here in the United States to inform the soon-to-be veteran of his entitlements and benefits and to encourage him to contact us. Once the veteran is discharged, the regional office in the state where the veteran resides writes a letter to the veteran giving the address and phone number of that office, inviting the veteran to contact the VA for assistance if he so desires.

RARICK. Mr. Arnold, in March of this year, the Veterans Administration inaugurated in the state of Louisiana mobile vans. As I recall, you were present and participated in the dedication of that ceremony. Can you tell us what success or what is in the outcome of this mobile van operation?

ARNOLD. Before commenting on our van operation, Congressman, I would like to recognize your three district offices. We have received reports that they are doing an outstanding job of rendering service to the veterans of the Sixth District of Louisiana and also I would like to commend the efforts of others in Louisiana, for instance, parish counselors and veterans organizations, for their efforts on behalf of Louisiana veterans.

Getting back to our mobile van program, our vans visited 56 cities and towns and rural areas of Louisiana by necessity remotely removed from the accessibility of the VA regional office of New Orleans. In this connection, nearly 2,200 veterans were contacted that might not have come to us for assistance. In addition, you might be interested that these vans, or offices on wheels, traveled over 7,000 miles in your state.

RARICK. Seven thousand miles. That's seeing a lot of veterans that are needing help. We'd be remiss before we left the program today if we didn't discuss one of the new threats that accompanies most of the new veterans coming back from Vietnam and that is the drug problem. This is a rather recent problem for medical help and I'm sure that you are aware that we in Congress are very cognizant of it. I know that the Veterans Administration is making great strides in drug abuse. Can you tell us just what the VA has entered into in the area to try to rehabilitate these boys? What is available for them?

ARNOLD. At this time, the VA has 44 drug treatment units in operation throughout the country. However, each of our hospitals is equipped to handle and care for any veteran with a drug problem if he will only present himself. I think also that at this point in time we should say that really the vast majority of the veterans of the Vietnam conflict have returned free from a drug problem to find their place in society. When you consider the nearly 6 million Vietnam veterans and the fact that less than 1% came home with a problem, I think this is significant.

RARICK. Less than 1%? That's commendable. May I suggest that as a result of Veterans Administration action we probably have lowered the number of veterans under treatment today?

ARNOLD. We believe so.

RARICK. Well, I certainly want to thank you, Mr. Arnold, for appearing on our program. I'm sure our viewers have enjoyed many of your expressions and knowing what the Veterans Administration is doing to help the men and women who have served our country honorably and returned home, striving to find a productive, suitable place in our society and help direct our country to the great destiny that is ours. I greatly appreciate you being with us today, Mr. Arnold.

ARNOLD. Thank you, Congressman. As you pointed out in your opening remarks, there are 29 million living veterans in the United States, 450,000 of them living in the state of Louisiana. There are 56,000 veterans residing in the Sixth Congressional District, 11,000 being Vietnam veterans. Knowing of your record as a decorated combat veteran of World War II, we consider it a privilege to have you as one of our veterans residing in Louisiana's Sixth Congressional District.

RARICK. Thank you very much.

GREATER CONGRESSIONAL OVERSIGHT CONTROL OVER CIA NEEDED

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HARRINGTON. Mr. Speaker, it was recently disclosed, and affirmed by the President, that the administration planned to create a domestic intelligence plan utilizing the existing intelligence community and involving illegal activities. If such a plan were implemented, it would not only contradict the intent of the National Security Act of 1947, but would also allow the CIA to carry out those same covert activities at home which it presently carries out abroad. In essence, the plan would completely undermine our very democratic society.

Congress established the CIA but gave

the Executive a blank check as to how its activities would be conducted. The 1947 act prohibited the CIA from participating directly in domestic covert or police-type activities. However, so long as policy decisions are made in secret by an inner council solely responsible to the President, such activities could be implemented without the knowledge of either the public or Congress. Realizing certain activities abroad must remain secret for purposes of national security, there should be greater congressional oversight to make sure that CIA activities are truly legitimate.

Mr. Speaker, at this point I insert, for the RECORD, an article by Laurence Stern entitled, "A Sense of Deja Vu at CIA," that appeared in the Washington Post, July 10, 1973, which further reveals the need for greater congressional oversight.

The article follows:

A SENSE OF DEJA VU AT CIA—WATERGATE DISCLOSURES RAISE QUESTIONS

(By Laurence Stern)

"We were not involved because it seemed to me that was a clear violation of what our charter was."

Richard M. Helms, Feb. 7, 1973.

"Dick Helms was most cooperative and helpful."

Tom Charles Huston, July 1970.

In the vernacular of courtroom melodrama, someone was dissembling.

It was either Richard M. Helms, the respected former director of the Central Intelligence Agency, or was it Tom Charles Huston, the White House architect of the controversial 1970 domestic intelligence plan.

The conflict was rooted in an appearance by Helms before a closed session of the Senate Foreign Relations Committee last February 7.

Helms was being questioned by Sen. Clifford P. Case (R-N.J.). It had come to his attention, said Case, that in 1969 or 1970 the White House asked that all the national intelligence agencies pool resources to learn all they could about the anti-war movement.

"Do you know anything," he asked Helms, "about any activity on the part of the CIA in that connection? Was it asked to be involved?"

Replied Helms: "I don't recall whether we were asked but we were not involved because it seemed to me that was a clear violation of what our charter was."

"What would you do in a case like that? Suppose you were?" Case persisted.

"I would simply go to explain to the President this didn't seem to be advisable," said Helms.

"That would end it?"

"Well I think so, normally," Helms concluded.

Case's prescient question was posed nearly four months before the public leak of Huston's memoranda describing for the first time the intensive domestic surveillance program approved and then, allegedly, rescinded by President Nixon five days later.

The Huston papers implicated Helms and his agency in the 1970 intelligence plan so directly that the word perjury was being uttered in Senate offices by those who were privy to the secret testimony given by Helms in February.

One of Huston's top secret memoranda, addressed to former presidential chief of staff H. R. (Bob) Haldeman, reported: "I went into this exercise fearful that CIA would refuse to cooperate. In fact, Dick Helms was most helpful . . ."

Huston also reported that top CIA officials joined in meetings with other intelligence agencies to draft the 1970 intelligence report.

By the time the Huston documents surfaced and the contradiction became apparent, Helms had returned to his ambassadorial post in Iran. He was never publicly confronted on the conflict between his own testimony that "we were not involved" and Huston's assertion that "Dick Helms was most cooperative and helpful."

Yet here was compelling new evidence that the CIA had been involved in domestic security matters which, by Helms' own admission, violated the agency's congressional charter. The 1947 National Security Act establishing the CIA decreed that it "shall have no police, subpoena, law enforcement powers, or internal security functions."

Incidents such as these breed a sense of frustration, if not political impotence, among those on Capitol Hill who have sought to place in the hands of Congress the countervailing power of oversight on CIA operations.

"The Old Boy business is so depressing," complained one senior Senate staff specialist in CIA matters. "The Helms performance was a love-in when they should have been blowing him out of the water."

Time and time again since its inception 26 years ago, the CIA has been caught with its cloak and dagger showing in the wrong places at the wrong time.

Six years ago the agency was rocked by its last major intelligence scandal—the disclosure that it had been secretly funding and infiltrating student associations, universities, labor unions, church groups and diverse other private organizations.

Tens, perhaps hundreds of millions of dollars in public funds were distributed without public accounting to influence the views and activities of supposedly independent organizations in the United States and abroad.

The money was circulated through a network of tax-exempt foundations operated, in many cases, by an influential elite of bankers, lawyers and industrialists who provided a massive and respectable cover.

If ever there were grounds for a wholesale congressional review of the CIA's role in the public and private business of the country, the 1967 episode would seem to have provided the occasion.

"I'm not at all happy about what the CIA has been doing," said then Vice President Hubert H. Humphrey, "and I'm sure that out of this very singularly disagreeable situation will come a reformation of that agency."

But nothing changed basically.

President Johnson appointed a study commission, headed by then Under Secretary of State Nicholas DeB. Katzenbach, which reported back speedily that the CIA had been following the orders of the National Security Council in carrying out the covert financing scheme.

The Katzenbach panel called for a modest reform. It proposed a prohibition on CIA funding to educational, philanthropic and cultural organizations such as the ones the agency had been secretly funding. But it also suggested a loophole under which such grants could be made to serve "overriding national security interests." Helms was one of the three panel members.

Less than a year after the secret funding scandal broke, a group of Old Boys met in January, 1968 under the auspices of the prestigious Council on Foreign Relations to take stock of the agency's somewhat battered public position. The elite panel included the late CIA director Allen Dulles, international financier C. Douglas Dillon and two former heads of the agency's Plans (familiarly known as "dirty tricks") Division.

While the public rhetoric promised reform and tighter safeguards on CIA operations, the focus of the off-the-record discussion at the council's New York offices was altogether different. This was the private diagnosis presented to the group by Richard M. Bissell Jr., who was the CIA's chief of covert operations during the Bay of Pigs debacle:

"On disclosure of private institutional support of late it is very clear that we should have had greater compartmenting of operations. If the agency is to be effective, it will have to make use of private institutions on an expanding scale, though these relations which have been 'blown' cannot be resurrected.

"We need to operate under deeper cover, with increased attention to the use of 'cut outs' (agency fronts) . . . The CIA interface with various private groups, including business and student groups must be remedied."

Bissell's comments were never intended for public consumption. But a record of the discussion was found in an university official's office during a 1968 student raid in Cambridge, Mass.

The issue, as privately defined among these blue ribbon members of the intelligence community, was not reform. It was how to do it better and how not to get caught.

Now the agency is in hot water again in the aftermath of the Watergate scandal, the Ellsberg affair and the CIA's involvement with ITT in the 1970 Chilean presidential election.

For the first time the American public learned of CIA "safe houses" for covert operations within the shadow of the National Cathedral in one of Washington's prime residential districts. There have been revelations of domestic political espionage teams composed of ex-CIA employees.

The agency also seems to be a dispensing center for "sterile" phone numbers, spy cameras, mail drops, wigs and tape recorders—no questions asked—when approached through proper White House channels.

The most serious lesson of the recent disclosures is that the agency and the White House national security managers have not been cured of the penchant for entanglement in domestic affairs.

And Congress, in deference to the agency's mystique of national security untouchability, has been reluctant to press hard questions.

One such question might be the role of the CIA's Domestic Operations Division, which was created nearly 10 years ago and which has been publicly mentioned in the press and at least one serious study of the CIA, The Espionage Establishment by David Wise and Thomas Ross.

There might also be questions about the nature of the super-secret National Security Intelligence Directives (known in intelligence parlance as Enskids) by which the powers of the agency have been gradually expanded far beyond their original charter for foreign intelligence gathering.

During the confirmation hearing last week for William E. Colby, the nominee to head the agency, acting Senate Armed Service Committee Chairman Stuart Symington (D-Mo.) asked Colby about the NSC directives. Colby suggested that the matter was too sensitive for public discussion.

One of these directives, NSCID 7, empowered the agency to question persons within the United States and to interview American travelers to and from Communist countries, Wise and Ross wrote. It also established the basis for the CIA front groups and fund conduits which were "blown" in the 1967 disclosures.

The prevailing tone of Congressional oversight of the intelligence community was expressed during a 1971 debate by Sen. John C. Stennis (D-Miss.), the senior congressional overseer of CIA activities.

"As has been said, spying is spying," Stennis said. "You have to make up your mind that you are going to have an intelligence agency and protect it as such, and shut your eyes some and take what is coming."

In recent weeks the agency has been subject to heavier congressional scrutiny than ever in its history as a result of the Watergate disclosures. Five committees, four in the

Senate and one in the House, have been looking at various aspects of agency operations as they related to Watergate, ITT, Ellsberg and the 1970 intelligence plan.

But the searching and systematic examination of how the CIA functions and how deeply its operations intrude into the internal affairs of the United States does not seem likely to emerge from this spate of overlapping investigations.

For those who have over the years watched the cycle of exposure, public penitence and demands for curbing the excesses of the CIA's covert activities there is a strong sense of *deja vu* at the moment. The agency, for its part, is "toughing it out" until the clamor subsides once again.

On June 4, Senator PROXMIRE introduced S. 1935, and on June 12, I introduced H.R. 8952, both of which would clarify the National Security Act of 1947 as to what the CIA could or could not do and place greater congressional oversight control over the CIA. I plan to reintroduce this bill Tuesday, July 17. I urge all my colleagues to consider this matter and cosponsor this bill. Not only would it be a step in reasserting congressional authority over matters of vital interest to the United States, but would also prevent the Executive from undermining congressionally approved foreign policies and would prevent the use of the national security shield from subverting the Constitution.

WORLD ECONOMY

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. HANNA. Mr. Speaker, one of the most talked about subjects among Members of this body is the role and capacity of the United States in the world economy. In the written and oral discussion of this subject I often detect two fallacies which I think are major barriers to one's understanding and which are preventing the Congress from taking steps toward a constructive input on this important national policy. The first misconception is that we can transfer to our discussion of the world market our assumptions of our own domestic marketplace. The fact is that our principal trade rivals do not operate the way we do. They exercise a close partnership of business and government in promoting their exports. The world market is not capitalistic, it is not socialistic, it just does not fit one terminology.

The second misconception that I detect is that we are still in the post-World War II era whence the United States is assumed to be or assumed the right to be the dominant world power. For some reason many of us seem to think that if the United States is not far and away the richest and most economically powerful country in the world, the United States is "a second-rate power." That is simply foolishness. We must accept the reality of a highly competitive world market. This is to say we cannot be No. 1, but from now on it will be all photo-finishes. We certainly would not be No. 1 if our policies are dominated by unrealistic conceptions of our economic environment.

Mr. Speaker, I would call the attention of the House to a speech by Mr. John T. Gurash, president and chairman of INA Corp. His statement, I believe, represents a realistic and practical view of the world in which we must deal. It is both realistic and at the same time an optimistic view of our future.

The speech follows:

RELIEVING WORLD ECONOMIC TENSIONS: WHAT BUSINESS CAN DO

(Remarks by John T. Gurash)

" . . . the issues will finally be resolved at the highest levels of government . . . but there are things *businessmen* can do to keep economic rivalry from damaging the traditional close ties between countries . . ."

". . . We all have a great deal at stake. Not only the future of our companies. But more important, the future of world peace . . ."

As a businessman whose firm has long-standing international commitments, I'm concerned—as I know you are—about the economic tensions in the world today. We all have a great deal at stake. Not only the future of our companies. But more important, the future of world peace.

That tensions exist is self-evident. The question is, what's behind them? Where have things gone wrong?

I had a clue recently in leafing through a 1946 issue of Time Magazine, and reading the headlines in that post-war year:

Europe and Japan were on their knees.

America had an unchallenged nuclear monopoly.

Russia and China were a monolithic communist bloc.

And just about the only signs of American business abroad were Hershey bars and nylon stockings.

The advertisements? Every one of them for American products.

And what do we read in Time Magazine today?

Europe and Japan are at the height of prosperity, with a combined economic clout greater than the United States'.

Dozens of countries are making news. Countries that didn't *exist* in 1946.

And mutual suspicions have divided Russia and China.

The advertisements? Sony and Volkswagen. BOAC and Fiat. Nikon and Volvo. The American products are nearly outnumbered.

Change is what has happened. For years we have been playing by the rules of the post-war period.

Now, a quarter-century later, the rules no longer apply.

The early 1970's will probably go down as the time all the changes came to a head. The entry of Britain to the Common Market. The double devaluation of the dollar. The SALT talks. And President Nixon's visits to China and Russia.

The cold war has finally ended. The test now is to make sure an economic war doesn't break out in its place.

Pessimists are predicting that's just what will happen. And on the surface there is plenty of evidence to support them:

An out-of-date monetary system that doesn't seem to work for anyone.

Devastating inflation in almost every major industrial country.

A return of protectionism in the United States.

And an epidemic of economic nationalism in every corner of the globe.

It's not a happy picture. The balance of power—economic power, military power, and political power—has changed. And with it has come a change in the way the countries of the world must deal with each other.

So far as the U.S. is concerned, the American people are coming to the realization that our reign of dominance in the world is at an end.

This has been painful to American pocketbooks, but even more painful to American pride. And some of my countrymen are determined to find simple explanations to a complex problem.

International economics, after all, is not a very stimulating subject to the average citizen.

I recall a story in Sir Harold Macmillan's memoirs about the old Duke of Devonshire who, when he could think of nothing else to say at a public meeting, would shout, "I will stand no tampering with the fiduciary issue."

It always brought great applause from the audience, which hadn't the faintest idea what he meant.

In America the protectionists are playing the same sort of game. Resorting to double-talk and oversimplification to explain away our economic problems.

They are pointing the finger of blame in two directions—at our own multinational corporations on the one hand, and at our allies-turned-economic-rivals on the other.

As for our trading rivals, many Americans feel that Europe and Japan have not accepted responsibility commensurate with their economic power.

These countries have reduced their economic and psychological dependence on the U.S., it is said, without materially reducing the economic barriers that made sense in an earlier time.

Former Treasury secretary Connally, for example, puts it quite bluntly: "All the major countries with whom we have adverse trade balances," he says, "are imposing competitive disadvantages on the U.S. through quotas, taxes and other restrictions."

As for the multinationals, I don't think I need defend them before this group, or lecture about the evils of the Burke-Hartke bill. But the fact is the great international companies have become a very inviting target. And the critics of multinationalism are using the grossest oversimplifications to make their case.

One referred to the multinationals as "economic arsonists."

Another suggested that if current trends continue, General Motors will cease domestic manufacturing and be simply a U.S. distributor of Japanese automobiles.

And the AFL–CIO charged that with the exodus of U.S. production to overseas plants, "This greatest industrial power in the world's history is in danger of becoming nothing more than a nation of hamburger stands."

With this sort of rhetoric filling the air, one can appreciate the challenge facing President Nixon as he attempts to steer his proposed trade legislation through Congress. Particularly with the domestic political crisis clouding the issue.

. . . the great international companies have become a very inviting target. And the critics are using the grossest oversimplifications to make their case . . ."

I believe the President is an internationalist with a strong commitment to free trade, and his bill is basically a free-trade bill.

But in trying to satisfy many conflicting interests with a single piece of legislation, he had added a fair amount of sugar to help the medicine go down with the protectionists.

Congress has been known to swallow the sugar without swallowing the medicine, so it remains to be seen what happens when the complex issues of international trade are subjected to political barter.

It also remains to be seen whether an angry Congress will set aside its domestic quarrels with the President long enough to grant him the broad new powers he has requested—and needs—in the trade area.

Another question mark is the President's reputation as a tough negotiator, not known for making unilateral concessions. He has declared his intention to treat America's monetary, trade and defense arrangements with Western Europe as an indivisible package, a package that several European leaders have already taken issue with.

The whole climate of economic relations has led to some gloomy prognoses for the future. Someone has called it a "dialogue of the deaf" between the U.S. and Europe.

Hubert Humphrey, ordinarily not a pessimistic man, has said that "The trade wars of the 1920's were child's play compared to what could break out in the 70's."

And Giovanni Agnelli of Fiat, who calls the U.S. and Europe the vital center of the world economy, says "If this vital center does not hold together, the world economy will break apart."

". . . we have to look beyond the complex technical problems of foreign trade, and apply some of the God-given common sense we businessmen pride ourselves in . . ."

Let me make it clear, without sounding like Pollyanna, that I do not take the pessimistic view. If I did I would be home building my own economic fallout shelter, instead of visiting with you here in London.

Perhaps it's my insurance background. It breeds optimism. For when you sell an insurance policy against some unforeseen catastrophe, you are betting your money that the catastrophe won't occur.

And that's how I'm betting *my* money on the international business scene. For I think that as long as we keep our heads about us, we'll come out all right.

I believe we have to look beyond the complex technical problems of foreign trade, and apply some of the God-given common sense we businessmen pride ourselves in.

For as Sir Christopher Soames has said, we must have the *will* to reach an understanding if we are to avoid endless bickering on specific issues.

The new round of trade negotiations later this year promises that opportunity. There have been signs of greater flexibility on the European side. And President Nixon's trade bill, plus his scheduled meetings with European and Soviet leaders, certainly offer the possibility of expanded trade opportunities in all directions.

The President's announcement that he will call on Common Market leaders in Brussels is particularly promising. It suggests that the Common Market is coming into its own as a political as well as an economic entity. And it could mean that "the Year of Europe" will be the beginning of a new and healthy relationship between equals.

Part of the new relationship will be a search by businessmen on both sides for new accommodations, new ways of doing business with each other, in fast-changing markets throughout the world.

We will be experimenting with new forms of overseas investment, as we try to find the formula most appropriate to each time and place.

We have seen a number of experiments already—turnkey arrangements, management contracts, joint ventures and participations.

INA Corporation has pursued one such path—the participation—and we have met with enough success to believe we are on the right track.

Our most significant has been with Compagnie Financière de Suez, one of the largest diversified holding companies in Europe.

The virtue of this relationship has been our ability to cooperate in joint ventures and other opportunities overseas that might not otherwise have been available to an American firm. And since we own a significant but not a *controlling* interest in Suez, we avoid the political and social obstacles one might otherwise encounter in the host country.

One offshoot of our Suez participation has been our 10 per cent interest in Assurances Abeille et Paix, a major French insurance company with operations throughout Europe. For each of us the benefit is improved access to markets in which the other is already established.

Another kind of experiment is typified by a trans-Atlantic relationship between two companies for which INA Corporation was the catalyst.

Through our participation in Suez, we were able to help St. Gobain Pont-a-Mousson, the French industrial company, invest in Certain-teed Products Corporation, an American firm. The benefit for St. Gobain: improved entry to American markets. For Certain-teed: access to St. Gobain's advanced technology.

It may be premature to talk about trends based on such limited experience. The regulatory situation in the various countries is extremely complex. And INA—highly liquid and not restricted by fixed assets—is better suited to this type of arrangement than perhaps other companies.

But a trend *may* be developing. As all of you know, major transactions of this sort have taken place recently in London and Paris, and more will undoubtedly occur.

I'm certain we will see many experiments like this in the future, as we try to find new ways to increase international trade and investment without jarring political nerves in individual countries.

But experimentation takes time. And time may be the one thing we don't have. For while these new arrangements are evolving, events rush ahead and our governments move quickly to respond to short-term concerns at home.

As a result we face the danger that matters demanding the most urgent attention may be treated in isolation rather than in concert. And the even greater danger that we may find ourselves pushed by national selfishness into a future of perpetual crisis.

Thoughtful men recognize this danger.

From government, Dr. Kissinger has called for "A new Atlantic Charter" to overcome the strains between us.

From academia, Professor Brzezinski of Columbia University has called for trilateral cabinet meetings, with the U.S. and Japanese cabinets sitting down with the European Communities Council of Ministers.

And from business, Signor Agnelli has proposed an Atlantic economic summit meeting bringing together the heads of government of the U.S., Canada, and each of the European Nine.

These proposals have one common thread—resolution of differences at the highest levels of government. This process has already begun with President Nixon's visits with European leaders. And it is at this level that the issues will *finally* be resolved.

". . . there must be a concerted effort on both sides of the Atlantic to bring direct foreign investment more into balance . . ."

But the solutions must *begin* at another level altogether. As they say in Detroit, solutions must begin where the rubber meets the road—among the businessmen of the world who deal with each other on a day-to-day basis.

There are things *we* can do to keep economic rivalry from damaging the traditional close ties between countries.

First, a concerted effort on both sides of the Atlantic to bring direct foreign investment more into balance.

In 1971 U.S. direct investment abroad amounted to $86-billion while foreign direct investment in the U.S. was only $13.7-billion.

I've found it puzzling that while American companies are criticized abroad for overwhelming the world with foreign investment, the major European companies have done little to reverse the flow with foreign investments of their own.

Right now the environment for direct investment in the U.S. could not be more inviting.

The dollar has been devalued twice.

There is a substantial dollar surplus in many countries.

And the shares of many U.S. companies are selling at depressed prices on Wall Street.

Reverse investment flow would do much to restore equilibrium to the world monetary picture, and to relieve pressure on the U.S. balance of payments.

As you well understand, balance-of-payments is not an American problem alone, but a world problem. For if the U.S. deficit continues to worsen, other countries will find themselves holding larger and larger amounts of progressively less valuable dollars.

In addition these trans-national participations—like INA's relationship with Suez, or St. Gobain's with Certain-teed—would ease the entry of European companies to the very lucrative but sometimes difficult American market. And they would make it possible to leapfrog the legislative barriers that could well arise in the U.S. if the protectionists carry the day.

Second, we need a determined effort to make our international corporations more genuinely international, if we are to manage our global businesses successfully. And we must begin with our own people.

The job is twofold.

First, increased understanding by top executives of the complex issues of international trade.

Second, the development of a cadre of truly international executives within our own ranks.

On the first point, I am concerned that many business leaders regard the current monetary and trade issues as technical problems, to be dealt with by so-called international specialists.

But the day is past when international business can be dismissed as a specialty. It is no longer possible to place a neat dividing wall between domestic and international operations.

The global marketplace doesn't function in separate compartments. Neither should our companies.

On the second point, few but the largest multinational companies have made a concerted effort to develop global managers.

True, there are Americans in Paris and Britons in New York, but it seldom goes beyond this. The American or Briton returns home after a few years, having had his international "exposure." By and large foreign operations—yours and ours—are managed by foreign nationals.

". . . I suggest the creation of a forum for the great international corporations of all countries, where we can work together on proposed solutions to our mutual problems . . ."

The global manager, however, must look at business not from an American point-of-view, or a British point-of-view, but an international point-of-view.

This will take training. It will take travel. And it will take an understanding on the part of top management that international affairs are not a fringe specialty, but the very heart of our business.

It will be a costly undertaking. And going as it does against the grain of strong national feelings, I know it will not happen overnight.

But we must begin. Anything else would be penny-wise and pound-foolish. For if we are going to have a truly integrated world economy, we must begin by integrating and de-tribalizing the people who will make that economy work.

Finally, I suggest the creation of a permanent and continuing forum for the great international corporations of all countries, where we can work together on proposed solutions to our mutual problems.

Organizations such as yours are enormously helpful, for they bring together business leaders in an atmosphere of informality and friendship.

But we also have to focus on the specific issues that threaten to divide us—taxation, currency reform, non-tariff barriers and the like—so that when crises arise, as they inevitably will, we can propose to the governments of the world well-thought-out *international* solutions.

Perhaps I am suggesting the business equivalent of the United Nations—comprising the top businessmen in the world.

Not only the heads of private enterprises in North America, Western Europe, Japan and elsewhere. But the heads of government-run industries as well.

The model for such an organization could be the Committee for Economic Development, a U.S. group which—coincidentally—came into being at about the same time as the United Nations.

It was conceived in the early 1940s by a group of American business leaders concerned about a possible post-war economic crisis. They set about to make specific recommendations to avoid the boom-and-bust cycle that had traditionally followed wars.

Though their fears proved unfounded, their motives have met the test of time. Funded by leading American companies, the CED enjoys the *active* participation of the best executive and academic talent in the United States.

And because it is both non-profit and strictly non-partisan, its studies and recommendations have received attention and action in the highest circles of American government and American business.

I think the time is right for an *international* organization like this, supported by companies in many countries, tapping the best economic thinking in the world and the seasoned judgment of its principal business leaders—then making its findings available to all.

This would not be a mouthpiece for the business point-of-view, but a valuable mechanism for advancing the cause of world trade and world peace.

Such an organization would require no enabling legislation, no referendums by voters, no funding by government.

It requires only the *will* on our parts to discuss the issues in an orderly and intellectually thorough way.

CALIFORNIA SCHOOLS LOSE TALENT OF ASSOCIATE SUPERINTENDENT EVERETT ROLFF

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LEGGETT. Mr. Speaker, in and out of Federal service a great number of public servants chose the July 1 fiscal year to terminate official duties. Among those was Everett Rolff, associate superintendent, assistant superintendent and business manager of the Vallejo unified school system.

Not only did Rolff provide valuable education advice to my congressional offices for better than 10 years, he was one of the national spark plugs that garnered the votes for Impact Aid, Public Law 874, legislation.

Were it not for people like Rolff and another handful like him, Public Law 874 would have met its demise certainly under either Eisenhower, Kennedy, Johnson or Nixon.

Particularly the past few years the sledding has been most difficult with sometimes no funds at all provided in the budget.

California has shared in Public Law 874 funds nearly $1 billion over the past dozen years. School districts nationwide have a debt, I am glad to acknowledge, to the likes of Everett Rolff whose concern may have been local but who had the perspective to understand that only through unified national collection action could the voice of the people be heard in Congress.

I want to publicly thank Everett Rolff for the record and also voice a hope that impoverished school districts of the West will inherit another able voice to take his place.

The Rolff vita as recorded in the Vallejo Times Herald follows:

EVERETT ROLFF

Saturday marked the beginning of the retirement years for Everett Rolff, business administrator of the Vallejo City Unified School District for the past 26 years.

Prior to coming to Vallejo, he was employed as a business officer at the University of Hawaii and at the University of Washington in Seattle.

Rolff also taught commercial subjects in three school districts after completing his education at the University of California at Berkeley in 1933 where he majored in economics and business administration.

During an interim three year period he was employed as book production manager for Sunset Magazine's How-To-Do-It Book Division.

Rolff is a former president of the Northern Section of the California Association of Public School Business Officials, and former chairman of the Vallejo-Benicia Chapter of the American Red Cross and the North Bay Council of Red Cross Chapters.

In 1972 he was appointed to the Urban Housing Task Force Committee of the San Francisco Metropolitan Area.

His personal license plate which bears the letters "RSBA" represents his certificate as a Registered School Business Administrator. On July 1, its new meaning will be Retired School Business Administrator.

"My service in Vallejo has been most interesting and rewarding," Rolff said who has no specific plans for retirement "other than to have a continuing interest in the better education of children."

Rolff and his wife, Mildred, are the parents of six children.

THE HELSINKI CONFERENCE AND EAST-WEST DÉTENTE

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 11, 1973

Mr. HARRY F. BYRD, JR. Mr. President, the July 8 edition of the Richmond Times-Dispatch included an excellent editorial on the Helsinki conference and the question of East-West détente.

The editorial wisely points out that the interpretation of such concepts as sovereignty, peaceful settlement of disputes, nonintervention and human rights are frequently different in Communist nations from what they are in the United States and other Western democracies.

Our negotiators at the European security conference will do well to bear in mind that the principle of nonintervention, for example, does not rule out such actions as the invasion of Czechoslovakia in 1968—under the Russian interpretation of "nonintervention."

I favor the negotiations now in progress, because I believe that open and frank discussion serves the cause of peace. However, in these talks, as in all negotiations with the Communist powers, it is essential that the United States and her allies be on their guard.

I ask unanimous consent that the editorial, "The Meaning of Détente," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE MEANING OF DÉTENTE

At the opening in Helsinki last week of the 35-nation European security conference, which has been touted as possibly the most significant conclave on European relationships since the Congress of Vienna in 1814, Soviet foreign minister Andrei Gromyko presented a check list of proposed principles for conferees to agree with. Outwardly at least, it would seem hardly anyone this side of Genghis Khan could *disagree* with them.

The "inviolability" of national borders. Sovereign equality of nations. Renunciation of the threat or use of force. Peaceful settlement of all international disputes. Nonintervention in the internal affairs of other states. Respect for human rights and freedoms. The right of peoples to decide what social regime and form of government they feel is necessary. Blah, blah, blah, and so it went.

But after the Gromyko speech, some no-nonsense newsmen cornered Svevold Sofinski, a spokesman for the Soviet foreign ministry, and it turns out that Moscow has some radically different ideas than the West about the specific meaning of such laudable principles as the above. Wouldn't "non-intervention" in the affairs of others rule out, for instance, a repeat of the 1968 Soviet-led Warsaw Pact invasion of Czechoslovakia that crushed a movement by local Communists toward less orthodox Marxism? Why no, Sofinski replied, because the invasion was not an interference in internal affairs but a response to a fraternal socialist country's plea for assistance (a fiction the Kremlin maintains to justify its ugly repression of the Czechs). Well, wouldn't the right of peoples to set up their own governing arrangements allow the peoples of divided Germany to reunite peacefully some day? Sofinski here lapsed into incoherence, and when the newsmen pressed him for an answer, he stormed out of the press conference.

Then, too, on the matter of increasing human contacts between East and West, a key concept favored by U.S. Secretary of State William P. Rogers in his opening remarks, it appears that the Russian idea again diverges significantly from the Western idea. The democratic states envision a relatively free movement of people and information across national borders, with a host country tolerating a resulting discussion of ideas that differ from its own ideology. But Gromyko defined broader human contacts in terms of official exchanges of cultural groups—dancers and athletes, for example—whose activities can be carefully controlled. Any entering persons should strictly observe not only all local laws (as should be expected) but all local "customs and traditions" and any deviation would be considered an attempt to interfere in the host nation's affairs, Gromyko said.

One of the fondest hopes of Western diplomats is that a new era of cooperation between and convergence of East and West can be ushered in by the Helsinki talks. But available evidence to date is that, far from building bridges between people from contrasting social systems, "detente" may be building walls. In East Germany, for example, the Communist regime has issued new regulations intending to forbid contacts with visitors. Inside Russia, the Cold War appears more bitter than ever for the dissident writers and others who are getting tossed into so-called "mental hospitals" with disturbing regularity, and for Jews who dare to express a desire to go to Israel.

Certainly it does no harm, and over the historical long pull it may do some good, for nations of the East and West to try to reach understandings to guide the peaceful conduct of their relations. But a great deal of harm could be done if the Western governments fail to understand precisely what the Russians have (or do not have) in mind when they endorse detente in glittering generality, and if they fail to demand the most specific kind of concessions from the Russians in exchange for Western recognition of the postwar boundaries of Europe. Legitimization of the Russian army's gains in Eastern Europe has long been a major objective of Soviet foreign policy, and it would be better that the security conference fall flat on its face than for the West to hand the Kremlin what it wants without obtaining in return assurances of a better, freer life for the good people of Eastern Europe.

JEWISH CEMETERIES DESECRATED IN WORLD WAR II

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, July 11, 1973

Mr. JAVITS. Mr. President, on November 2 of last year, I introduced into the Congressional Record a statement regarding the more than 2,000 Jewish cemeteries desecrated by the Nazis during World War II which are located in Czechoslovakia, Hungary, Poland, and the U.S.S.R. At that time, I described the efforts of the "Geder Avot" section of the World Center of European Rabbis, with offices in New York City, to obtain reparations for the destruction of these cemeteries and to preserve those still remaining in accord with Talmudic law.

This issue has again come to the fore as the result of an article in the June issue of the Jewish Veteran by Arthur Settel, who at one time served in my office, and who served as chief press officer for the U.S. Department of State during the occupation of Germany following World War II.

I should also like to take this opportunity to correct an inadvertent error in my remarks of last year which has been brought to my attention by the Polish American Congress, and others. As Casimir I. Leonard, executive director of the organization pointed out to me, the cities of Lwow and Stanislaw, as well as some other communities which were before 1939 part of Poland, are no longer Poland's. As he pointed out, for example, Lwow, the third largest city of pre-World War II Poland, was occupied by the Soviet Army in September 1939 when Stalin and Hitler cooperated in dismembering Poland and since that time, like many other historic Polish cities, has not been under Polish jurisdiction.

The Settel article, which follows as part of my remarks, points up a situation which has been for some time offensive to many persons with deep religious convictions and which has not been fully resolved.

I ask unanimous consent that Mr. Settel's article be printed as part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Stumbling Blocks to German-Jewish Co-existence

(By Arthur Settel)

"Djid,"* widely known Yiddish correspondent for Jewish newspapers around the world, sat facing United States High Commissioner John J. McCloy, supreme representative of the U.S. in Occupied Germany, in the latter's spacious office in the I. G. Farben Building, on a hot July day in 1950 in Frankfort-am-Main.

He had sought and obtained the interview on my recommendation in my role as Chief Press Officer for the U.S. State Department in the infant Federal Republic.

The central thrust of the interview was how the "new" Germany was relating to its remnant of a Jewish population that had once exceeded 650,000 and now totaled perhaps 12,000 souls—all who remained after the Holocaust in a tortured and tormented land.

"Djid" used this *nom de plume* with deliberate intent: to remind readers of the term used by Polish anti-Semites in referring to Jews.

McCloy's position was simple, direct and to the point: German-Jewish co-existence was possible, and in time could be nurtured and perhaps ripen into mutual understanding and eventual friendship between the two great peoples.

He did not condone the atrocities; he did not counsel forgiveness; he did not believe in miracles; one could not expect an instantaneous conversion to democracy. But democratic elements in Germany were receiving encouragement and support, and would in the end triumph over the vestiges of Nazism.

Djid opened his attache case and withdrew a sheaf of photographs.

"Mr. High Commissioner," he said, "I would like to bring to your attention a situation in present-day Germany which is unbelievable.

"In Koblenz, in the French Zone of Occupation, there is a suburb called Leutzel, and in Leutzel there is a street called Metternichstrasse. On a hillock on that street, there stands a shabby little building used as a kindergarten."

"Djid" laid out his photos on Mr. McCloy's desk.

"These pictures I took myself less than a week ago," he said. The steps leading up to the kindergarten were of stone. German youngsters were shown at play on the steps.

"Mr. McCloy," said Djid, "all of these steps were taken from the ancient Jewish cemetery in Leutzel. Every one of them was a tombstone. Here," he continued slowly in broken but clearly comprehensible English, "you can see the Hebrew lettering."

The self-controlled, generally unemotional U.S. High Commissioner looked aghast at the display before him.

A transcript of the interview as published in New York's German-language newspaper "AUFBAU" quoted McCloy as saying: "Das ist allerdings unglaublich." (This is absolutely incredible.)

"When was this stairway built?" he demanded.

"The school was erected before the War but had been bombed out, and a temporary wooden structure put in its place. The stairway, however, remained," Djid replied. McCloy picked up the photos one by one, turned them around and fixed his gaze on the enlargements. The names of the deceased in Hebraic script, with the dates of their birth and death, were easily legible.

He looked at me.

"I should like you to drive out to Koblenz-Leutzel," he said, "and have a look at this school." I said I would do so.

McCloy buzzed for his secretary. He dictated the following letter to M. Frencois-Poncet, the High Commissioner in the French Occupation Zone in which Koblenz is situated.

The letter read:

APO 757—Frankfurt,
July 18, 1950.

My Dear Ambassador: I have just heard a story to which I could scarcely give credence were it not for some rather specific evidence that accompanied the story. It is that a kindergarten in Koblenz-Leutzel, on Metternichstrasse, has had its approaches, consisting of a series of steps, constructed out of tombstones taken from Jewish cemeteries. The tombstones, I am told, can be clearly discerned and inscriptions on the tombstones are still present. I have been given three photographs which I enclose.

In spite of the photographs and in spite of the story, I am still hesitant to believe they could be allowed to remain. Should not the Germans be compelled to remove these steps if the story is true? Naturally, the continuance of these tombstones as steps leading into the school would be shocking and would lead to some very violent sentiments both in your country and in mine.

I thought, therefore, that it was well to call the matter to your attention for investigation. If you need any further information about the subject, I would endeavor to try to obtain it for you but I believe the above data should be sufficient.

Sincerely,

(signed) John J. McCloy.

Honorable A. Francois-Poncet, French High Commission for Germany Bad Godesberg.

On my inspection trip, I was informed by the Mother Superior of the kindergarten that she was aware of the origin of the staircase but that "permission" to use the headstones had been "granted by the local Rabbi" whose name she had forgotten.

I tried in vain to establish his identity. I was told that Koblenz had not had a rabbi for years.

A few days later we were advised that the Burgermeister of the town had ordered stonemasons to "erase" the Hebrew lettering from the steps, in response to orders from the French Occupation Authorities.

Mr. McCloy reiterated his protest to Monsieur Francois-Poncet. And so the stones, now mutilated beyond recognition, were removed and new ones installed in the Jewish Cemetery at Koblenz-Leutzel.

On another occasion, this writer and his wife, while on a weekend tour through Western Germany early in the fifties, found that the famous Tomb of Rashi in Wurms was being used as a garbage dump. A strong protest to the City Fathers led to a cleanup by a squad of citizens rounded up by the Burgermeister. An apology was made to the Juedische Gemeinde.

However, I am happy to report there has been some progress. The number of Jewish cemeteries in Germany has not increased markedly in the past few years, while the desecrations and acts of vandalism have virtually ceased,

The explanation may be that democracy has taken hold, or possibly the fact that so few Jews are left in Germany.

They have gone elsewhere to die.

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*The English equivalent of "Kike."

GAO IS STRENGTHENED

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HARRINGTON. Mr. Speaker, the General Accounting Office is the investigative arm of the Congress and under the able direction of Mr. Elmer Staats it has gone into vigorous pursuit of the facts. It provides an invaluable service to the Members and committees of the Congress by presenting the facts and analyses of vital programs that need reform. I have had the opportunity to work with GAO officials recently, and find myself impressed with their calibre, dedication, and energy. In short, Mr. Speaker, I congratulate Mr. Staats for the work he is doing, and offer my praise for the GAO for what it is worth.

Mr. Charles Bartlett wrote an article, "GAO Plunges Into Politics," which appeared in the July 9 edition of the Evening Star. This article not only outlines the services the GAO is providing, but supports worthwhile efforts to give the GAO additional leverage. I insert that article in the RECORD at this time for the information of my colleagues.

The article follows:

GAO PLUNGES INTO POLITICS

(By Charles Bartlett)

One of the less happy, long-term consequences of the Watergate affair is the heavy cloud of mistrust which will hang for a long time over wide areas of the government.

The magic of the White House telephone will be, for example, seriously diluted by the excesses of the Nixon aides. Bureaucrats once accustomed to jump at hearing a voice from the White House will want their orders in writing. Oral transactions within government may have had their day.

Similarly, Congress will feel reaffirmed in its disbelief of much of what it hears from the executive branch. Disclosures of the Nixon efforts to bend the bureaucracy to the White House will are bound to inspire more fervent efforts in Congress to find out what really goes on behind the executive curtain.

The chief instrument of this probing mood will be the General Accounting Office, an institution that is being pulled out of its bookkeeping past and plunged into the hot flame of political controversy. The evolution of the Watergate affair has been punctuated by GAO reports detailing the financial transgressions of the Nixon re-election committee. An agency once inclined to skirting the issues is now plunged as deeply in drama as the FBI.

Under Elmer B. Staats, a career budget officer whom President Johnson named comptroller-general in 1966, the GAO reports have slowly shed their dull preoccupation with figures and begun to poke into how well government programs are working as well as what they cost. Formerly an army of accountants, the GAO has diversified its investigative talents.

This diversification has inspired some members of Congress to propose that the GAO take over Congress' review of the President's budget requests. Steps are certainly needed to make the appropriations process more efficient, but this one would compromise the agency by requiring it to review programs for which it has previously recommended funding levels.

However, Sen. Sam Ervin, D–N.C., is wise to urge the Senate to give the GAO more leverage in its pursuit of facts. The executive agencies have been reacting to the expanded curiosity of the GAO investigators by pulling down their shades. They have an instinctive aversion to having their dirty linen washed in the comptroller-general's tub.

A classic instance of this attitude has been the Treasury's stubborn refusal to share with the GAO all the documents on which the decision was made to loan $250 million to Lockheed Corp. Treasury officials claimed they could not pass along information they secured in confidence from Lockheed. The GAO, responding to widespread curiosity in Congress over the validity of the loan, has maintained that it only wanted access to papers prepared by officials for official use.

Similarly the GAO has encountered difficulties with the Defense Department, which has been uncooperative on many fronts, with the AID agency, which refused to produce its planning papers on grounds they may embarrass the recipient nations; and with the Internal Revenue Service, which is bucking an investigation of its efficiency.

The hobble on the GAO is its necessity to rely, in its showdowns with executive agencies, upon the judgment of the attorney general. He is, after all, an official of the administration and he is apt to be predisposed in favor of the agency that is being investigated.

So Ervin proposes that the comptroller general be empowered to take his suits for information directly to a three-judge federal court with an immediate right of appeal to the Supreme Court. His suits could then be blocked only by Congress, and the GAO will be lifted from the shadow of the Justice Department.

Unfettered investigators are unhappily the best hope of quickly restoring confidence in the processes of government. The nation is fortunate that the GAO has been transformed from an army of bookkeepers in time to take on the role.

OUR MASSIVE MILITARY ESTABLISHMENT IN EUROPE UNDER THE NATO TREATY

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LEGGETT. Mr. Speaker, an issue of current national concern is the United States continued maintenance of a massive military establishment in Europe under the NATO treaty, for the incredible period of 23 years. The issue is not only important militarily, especially at a time when the spirit of the NATO and, indeed, its continued existence are being seriously questioned by many nations some of which were parties to the treaty, but most importantly, the basic economic and fiscal costs of maintaining the forces. Apparently, this country does not think that the NATO has lost much of its sacrosanctness and image as a cooperative military forum.

For one thing, when 25 years ago, the NATO allies outlined the profiles of world peace through military cooperation on a regional basis, the general assumption was that each member nation would go with the philosophy in a manner consonant with its constitutional processes and local circumstances. Inferentially, NATO was from its inception a forum whose conceptual underpinnings circumscribed its pioneering commitments and cohesiveness. Things have changed materially and the "forum," it would seem, has atrophied by the processes of variegated logistic perspectives and the maniacal arms races and nuclear arms buildup within national frontiers.

We seem to have failed to notice this transition which is why we still cling passionately to the belief that world peace lies in a cooperative military endeavor—an endeavor in which our partners have outwitted us.

What we have to acknowledge is the fact that the general cooperative enthusiasm of the 1950's upon which the NATO idea was predicated had a different aura to it than that of the 1970's. In the 1950's, our economy was much healthier than it is now. The constant threat of inflation in recent years attest to an economic phenomenon which spells catastrophe for this country. We can no longer afford to be extravagant in our military cooperation for peace, and if extravagance is inevitable, we should be modest and realistic about it.

What all these boil down to is the truth that we are militarily oversupportive in the NATO venture, unmindful of the cost burdens on our economy. For instance, the cost of maintaining U.S. forces in Europe and in the United States with the NATO missions has steadily climbed from $12 billion in fiscal year 1971 to an estimated $17 billion in fiscal year 1973. Balance-of-payments deficits resulting from military accounts in Europe have been estimated at $1.8 billion in fiscal year 1973.

I would like to draw the attention of this House to the transcript of recent testimony of Mr. Edward L. King before the Subcommittee on Europe of the House Foreign Affairs Committee on reduction of U.S. military forces stationed in Western Europe which has just been released.

I strongly urge my colleagues to at least thumb through it. Mr. King's analysis and explanation of the U.S. logistics under the NATO is both penetrating and thought provoking. Mr. King contends that the NATO Treaty which is considered as the authority for our troop deployment in Europe does not specify any level of U.S. military force to be stationed in Europe. In fact, it does not even require members to take military action to meet a common threat.

The size and composition of U.S. military forces assigned to NATO has been determined by the executive branch of the U.S. Government—not by substantive "commitments" contained in treaty articles.

In other words, our assumed commitments under the treaty has been founded on erroneous analysis of the treaty language, particularly the provisions of articles 3, 4, and 5 of the treaty. These article provisions make it "commendable" or "permissible" rather than "mandatory" for members to give military support to each other or to a party in the unlikely event of armed attack on that party after all avenues have been explored to avoid armed conflict.

Mr. King points out further that:

> There is a great deal of vague supposition contained in this description of the extent of the Soviet threat to Europe. But the American people have kept over 300,000 of their sons and daughters in Europe, and paid ever-increasing billions each year to help defend our allies against this nebulous and increasingly unlikely "threat." It is difficult to understand or justify the large number of U.S. military personnel deployed to Europe, and the resultant escalating costs that weaken the international value of the dollar, in view of the estimation of the "threat" and the high percentage of our European-based military personnel engaged in noncombat duties.

The main combat force is the 198,600 Army troops stationed in central Europe. As of December 31, 1972, the following figures, excerpted from King's testimony, represented U.S. military personnel stationed in Western Europe and related areas:

Country and number of personnel	
Belgium	2,000
Denmark MAAG	7
France MAAG	7
Germany	221,000
Greece	3,000
Iceland	3,000
Italy	10,000
Morocco	1,000
Netherlands	2,000
Norway MAAG	6
Portugal	1,000
Spain	9,000
Tunisia	14
Turkey	7,000
United Kingdom	21,000
Afloat in Mediterranean	24,000
Other	3,000

When these statistics are critically examined in the light of the institutional obsolescence of NATO, the obvious conclusion is that the magnitude of our military operation in Europe has been due in large part to our zealousness in taking the language of the treaty literally.

While I am not suggesting that we should withdraw all of our military personnel in the NATO, I am suggesting that some means be devised, or the suggested 10 percent per year reduction, be improvised to commence a gradual reduction of the strength of our forces to a modest level as well as a reduction of the cost commensurate with residual forces.

Ours is a great country and this posture did not come about overnight. We should jealously guard this image. On the other hand, we should reassess the basic philosophy of multilateral cooperation, especially one which has military overtones. The issues we should begin to ponder are how we can maintain our leadership in world affairs without soiling it with altruistic excesses; how we can continue to command respect in the community of nations without posing as isolationists; and how we can pick up the tag of our NATO involvement without straining the economy to the breaking point.

We must face the simple facts that no longer is the United States able to send billions and billions of dollars to Europe in a Marshall plan. In fact, our dollars today are only worth 50 percent of their value in the early 1950s.

Accordingly, it is reasonable in line with the Nixon-Brezhnev détente and the U.S. diminished dollar posture that the United States shortly reduce its military posture in Europe to perhaps a 50 percent level.

TENNESSEE VALLEY PUBLIC POWER ASSOCIATION URGES TVA TO PREVENT FURTHER RATE INCREASES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. EVINS of Tennessee. Mr. Speaker, the Subcommittee on Public Works Appropriations, which I am honored to serve as chairman, recently conducted hearings concerning recent escalating electric power rate increases by the Tennessee Valley Authority.

In the course of the hearings, the General Accounting Office suggested that the TVA Act be amended to provide that the agency repay to the U.S. Treasury only the interest on the appropriations investment.

Following the hearings I introduced a bill incorporating this recommendation and I was pleased to note that in the recent issue of the Tennessee Valley Public Power Association News that the Tennessee Valley Public Power Association cites this GAO proposal and concludes:

> Out of the three days of hearings, then, came the clear signal from members of Congress to TVA to make every effort to prevent future power rate increases . . . and a specific proposal that might help along these lines.

Because of the interest of my colleagues and the American people in this most important matter, I place the editorial from the Tennessee Valley Public Power Association News in the RECORD:

A WAY TO CUT TVA'S COSTS

Last month the House Appropriations subcommittee held three days of open hearings on TVA's appropriations—but most of the attention was focused on TVA's rate increases.

The three-day show was chaired by Rep. Joe L. Evins of Tennessee, the powerful chairman of the Appropriations subcommittee handling TVA matters.

The hearing—unusual in that it marked the first time that TVA's appropriations hearings before the House subcommittee have been open to the public—aired the conflicting views of TVA's three main classes of customers: the municipal and rural co-op power systems, the directly-served industries, and the U.S. Atomic Energy Commission.

Rep. Evins made it clear that he did not like the amount and extent of TVA rate increases in recent years, and said he thought TVA should look for new ways to hold down its costs in order to protect the rate payer. TVA chairman A. J. Wagner, manager of power James Watson and other TVA officials insisted that they were working diligently to keep costs down, but that fuels, interest rates, and environmental costs kept going up and up.

A SPECIFIC PROPOSAL

Out of this hearing—featured by Rep. Evins' use of a rate consultant, Arnold Hirsch, to question TVA's rates and costs—came one specific proposal: a recommendation by the U.S. General Accounting Office that TVA use an "alternative repayment method" for making payments to the U.S. Treasury.

At present, the TVA Act required TVA to make two payments to the Treasury: (a) A "dividend" on the Government's appropriation investment in TVA power facilities, this dividend to be equal to the Government's current cost-of-money applied to the outstanding appropriation investment. In fiscal year 1972 this dividend, or return on investment, amounted to $55 million; in 1971, due to higher Federal interest costs, it amounted to $65 million.

(b) The other payment made to the Treasury by TVA is a repayment of the Federal Government appropriation investment in TVA power. TVA is now making such repayments at the rate of $20 million a year. It will continue to repay the appropriation investment at $20 million a year until $1 billion has been returned to the U.S. Treasury, or more than 50 years.

The specific proposal made by the GAO was that TVA stop making the second type of payment—the repayment of appropriation investment at $20 million a year.

Reason for this proposal is that the Federal Government, which owns TVA, should maintain a sizeable amount of equity capital in the power system. As TVA continues to finance power expansion through revenue bonds issued in the private money market, however, the ratio between the Federal Government's equity capital, and the Authority's debt, gradually tilts toward the debt side. In a few years—if TVA continues to borrow in the private money market, and, at the same time, make repayments to the Treasury which reduce the Government's equity—the traditional debt-equity ratio will become more and more out of kilter.

Thus, said GAO, there is good logic to support the idea of leaving the present appropriation investment of more than $1 billion as the Government's equity in TVA power. This would allow the Government to retain a sizable equity, and permit TVA to stop making the $20 million a year in repayment of equity capital.

Support for the GAO proposal came from Rep. Whitten and Rep. Evins, powerful members of the House Appropriations Committee.

This proposal would, indeed, help TVA to cut its costs, by $20 million a year, at a time when other costs seem to continue to climb.

Out of the three days of hearings, then, came the clear signal from members of Congress to TVA to make every effort to prevent future power rate increases . . . and a specific proposal that might help along these lines.

ROBERT C. WILSON SALUTED AS PRESIDENT OF COLLINS RADIO CO.

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. COLLINS of Texas. Mr. Speaker, Collins Radio Co. of Dallas has made tremendous strides in corporate efficiency, volume, and profits during the last 18 months. In large part, this upward trend is due to the efforts of the company's president, Robert C. Wilson.

Wilson recently received the golden plate reward of the American Academy of Achievement, which annually recognizes persons of exceptional accomplishment in their fields of endeavor. He was one of a group of business, professional, entertainment, and government leaders honored for outstanding achievement in ceremonies held in Chicago on June 13, 1973. The awards presentation climaxed the annual salute to excellence weekend sponsored by the Academy.

The citation to Wilson, read at a banquet attended by some 10,000 people, was as follows:

> President of Collins Radio Co.—former sales clerk, fireman, sailor, and manager of industrial activities throughout the world, he was chosen by the Gallagher President's Report as one of the outstanding business leaders in 1972—and credited with "one of the most remarkable turn-arounds in company performance in recent history."

Bob Wilson has reinforced the already excellent reputation of Collins Radio Co. and put the company back on a sound financial track. He well deserves the honor accorded him by the American Academy of Achievement.

AIRLINE SERVICE

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HUNT. Mr. Speaker, recently, in fact during the Easter recess, Mrs. Hunt and myself traveled to the Barbados for a brief vacation. In getting there we used the services of two airlines, Pan American and BOAC.

Normally, one would consider such a trip as being rather routine, particularly on the part of the airline. This time however it proved quite the contrary. The routine services one would expect, the care of personal belongings, was definitely lacking on the Pan Am leg of the trip.

Without going into a great deal of detail I should just like to mention that ground personnel apparently were not versed in procedure, and the baggage handlers turned out to be baggage maulers. New suitcases appeared to have been intentionally damaged—holes had been punched through. Golf clubs had bent staffs. No care was shown whatsoever.

Recently I was quoted in Jack Anderson's column giving comments about airline service. The article brought a response from Mr. Dennis L. Johnson, president, Johnson Associates, Inc., of Oak Brook, Ill. I should like to call to the attention of my colleagues Mr. Johnson's letter, and the column he sent along which appeared in the Chicago Sun-Times on Sunday, June 10. As Mr. Johnson says, the name of the game is service.

The materials follow:

JUNE 26, 1973.

Hon. JOHN HUNT,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HUNT: Airline service seems to be a thing of the past! I read with great interest your mention in the Jack Anderson column regarding airline service.

The attached reprint from the *Chicago Sun-Times* of June 10, 1973 focuses on two critical areas:

1. Airline must understand that service is part of their legal and corporate responsibility; and

2. Service can mean profits.

If the public and elected officials do not demand service, I am afraid the airlines may go the route of the railways. If I could assist you in any possible way to make the change from "cattle carrier" service to responsible service, please let me know.

Sincerely,

DENNIS L. JOHNSON,
President.

[From the Chicago Sun-Times, June 10, 1973]

WHAT YOU AND I ARE GETTING LESS ANL LESS OF

(By Robert Cuscaden)

Service: You know what that is. It's what you and I are getting less and less of these days.

You know. You buy a brand new car at Lord knows what exorbitant price. You drive it home and before you've got that beauty in the garage you've already made a list of 326 things that need to be fixed. By the end of the week, the list has mushroomed to a ghastly 1,419 items.

But what the heck? You weren't born yesterday. The fact that things are going to go wrong is no traumatic discovery. So you hop into the car (making a mental note that now the door doesn't close quite right either), and drive back to your friendly auto dealer.

And THEN the trauma does begin. All of a sudden this guy who was turning handsprings for you, couldn't do enough for you, etc., suddenly he's fresh out of time. Oh sure, he'll get all those little problems fixed, but, gee, his garage is all filled up right now, and how about coming back in about a month or so?

"Service, service, service, that's what it's all about," sighed Dennis Johnson to me last week as we had lunch amidst the moving splendors of the Gas Light Club. Johnson, who heads up his own 35-personnel management consultant firm in Oak Brook, said "Consumers aren't all that naive that they are upset everytime a mass-produced item has problems. But—and especially in today's consumerism-oriented environment—they definitely do expect to get some service."

During the seven year existence of Johnson Associates, its consulting has generally been done in the academic world (admissions procedures, etc.), but the firm has recently formed a Corporate Service Division.

"Our position," Johnson told me, "is that until the corporate world realizes that service, real service, is part of its responsibility, it's kidding itself. And from a pragmatic point of view, of course, without the service ingredient, there simply won't be sufficient profits."

Johnson recently did a very revealing survey of airline stewardesses. "Our client rightly came to the conclusion that it didn't make much sense to spend thousands of dollars on an advertising budget to promote a certain image of service, and then have a non-service-oriented person destroy that image", he said. "The stewardess obviously is the most important contact any traveler encounters. After all, when you travel by air, how much time do you spend with the pilot, or a member of the ground crew?"

Johnson's survey found that stewardesses generally fell into one of three categories. Reading from best to worst, the first group, the service-oriented group, basically came from small city, even rural environments, where in high school they became involved in volunteer service work; they liked people and wanted to help them.

The second group was somewhat comparable to the first, but the day-to-day pressures, and their own occasional personal problems, tended to affect their relations with customers; there was much less empathy among this group.

The third group had little real interest in the job; it was just a job, and which had proved far less glamorous than this group of girls had expected. Most importantly, this group had little recognition of the service functions of a stewardess.

"It's interesting," said Johnson. "The best possible public relations is the return customer—and that's the whole point of service."

CRANDON, WIS., DIAMOND JUBILEE

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. FROEHLICH. Mr. Speaker, I feel fortunate to represent the area of northeastern Wisconsin which is known throughout the Midwest for its natural wealth and is the source of great pride to the citizens of my State.

Nestled in the northern part of my district is Forest County and the city of Crandon, which is celebrating the 75th anniversary of its incorporation. Allow me to take this opportunity to congratulate the residents of Crandon and to wish them much success in continuing their record of sound and dynamic growth.

When Forest County was created in 1885, the area now comprising the city of Crandon was set aside as the infant county's future seat of government.

The inhabitants of Forest County at that time numbered no more than a hundred persons, spread along the route of the Milwaukee, Lake Shore & Western Railroad. In one respect, they were a homogenous people. "They were poor, but independent," as one early chronicler wrote. However, the land was good to the first settlers of Forest County, and the pioneer spirit which motivated them to settle the area also provided the stamina to see early times of hardship through.

Crandon was named after Maj. Frank P. Crandon, the tax commissioner of the Chicago & North Western Railroad, who worked for the creation of Forest County from the time the idea was first proposed. With the creation of the county and county seat, the influx of new residents began. In 1898, the city of Crandon was incorporated and in 1901, the railroad began regular service to the city, providing the transportation needed to develop the logging industry, which in turn cleared the land for farming.

Since that time, Crandon has grown to be a community of more than 1,600 residents. The city is surrounded by wild streams, lovely lakes, and beautiful forests. Her citizens are employed in the recreation industry, farming, and wood products manufacturing. Her growth, community spirit, and northern environs are a justifiable source of civic pride to those who know and live in Forest County.

Mr. Speaker, I join with the people of Crandon, Wis., in commemorating their 75th anniversary and congratulate them on reaching this significant milestone in their history as a community. The residents of Crandon have my very best wishes for a long and prosperous future—a future that I feel will surpass the accomplishments of the past.

HOW NOT TO FIX A RACE

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ROONEY of New York. Mr. Speaker, under the permission heretofore granted me by unanimous consent of the House I include the following interesting article by Pete Axthelm which appeared in the Newsweek magazine of July 9, 1973:

> #### How Not To Fix a Race
>
> Only weeks after Secretariat provided horse racing with its most glorious moment in a quarter of a century, the House Select Committee on Crime is directing attention toward a much darker side of the sport. Last week, the Committee released a report that depicts much of racing as a lurid, crime-infested wasteland. If the committee is to be believed, in fact, it is remarkable that Secretariat managed to negotiate his way through the Triple Crown races without bumping into (1) a jockey-briber, (2) a small-time hood armed with horse-doping paraphernalia or (3) a rival colt stimulated by a battery or "joint."
>
> No one in racing is naïve enough to deny that some such abuses exist, and many racetrackers may welcome the committee's proposal for a Federal law providing stiff penalties for those who tamper with horses. But the lawmakers have based their report on so many innuendoes, rumors and shoddy investigative methods that the potential benefit of their findings seems far outweighed by the damage they may do to the honest people in the industry.
>
> In searching for underworld owners of horses and tracks, the committee won some publicity by bandying about the names of Frank Sinatra and Sammy Davis Jr., but in the end it absolved the stars and found only one third-rate countyfair track with definite Mafia connections. As for undisclosed stable owners—a disturbing reality in the sport—the committee focused chiefly on flamboyant horse trader Robert Presti, who had already been found out and banished by racing's own protective agencies.
>
> #### MOBSTERS
>
> The congressmen were captivated by one Bobby Byrne's (a pseudonym) account of how he and his confederates roamed the stable areas of the country, jabbing depressants into the necks of horses to slow them down and let the mob's selections win. *"Sure* he did," scoffs one gambler. "The security guys didn't notice this guy because with all those hypodermic needles, he was disguised as a porcupine." As for Byrne's alleged bribes to unnamed riders, track insiders know countless mobsters who lose their money steadily just for the pleasure of winning an occasional bet—and boasting to their girl friends that they "fixed" a race.
>
> Finally there is the intriguing subject of the battery. Ever since Edison, electronically inclined thieves have sought to speed up horses, by "plugging them in." For years, dishonest jockeys have experimented with tiny hand-carried shock-makers that can be applied to the horse's neck in the homestretch. But the "joint" is usually an unreliable accomplice, because many horses become angry and contrary when the men on their backs give them electric shocks. In view of the wide-eyed wonderment this device drew from the committee, it is too bad that none of the members was present at one track on a cold winter day when a track figure known as the Pink Dinosaur bet $6,000 on a filly that the jockey had promised to "light up."
>
> #### FILLY
>
> Seconds before post time, the Dinosaur spotted a regular and let him in on his secret. "Oh, no," said his friend. "A kid hit that filly with a joint last fall and she went straight up in the air."
>
> It was too late to sell off his tickets, so the Dinosaur could only watch the race with apprehension. His filly was leading by four lengths in the stretch when the jock reached down and hit her neck—and then the Dinosaur gasped with horror. "The next minute," he recalls, "the filly had swerved into the rail and broken her shoulder, the jock was sailing through the air, the battery was bouncing down the frozen racing strip—and I was looking for fresh money." All racetrackers occasionally need fresh money—and racing can always use fresh ideas for its security and public esteem. But there were few of these in the committee's report. One suspects that not a single member has ever learned the first lesson of the sport—by blowing a good bet.

FARMERS PROBLEMS

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. SMITH of New York. Mr. Speaker, I have received many letters in recent weeks from constituents in the farming areas of my district.

All express concern that perhaps Government is not giving the farmer a fair deal in economic controls. The latest problem to come to light is that of the red tart cherry farmers, primarily those in New York, Pennsylvania, and Michigan.

Growers are harvesting their smallest crop since 1963 and second smallest crop in 25 years. Packers cannot pack cherries at the prices at which they are frozen and growers cannot harvest at last year's raw fruit prices for a substantially smaller crop.

Since the current crop of red tart cherries is approximately the same as the 1967 crop, growers have suggested that instead of freezing prices at last year's levels, the Cost of Living Council should allow prices to rise to but not exceed the 1967–68 average price level.

I would like to submit two letters from farmers in my district. The first discusses the plight of the cherry farmer and the second describes the concerns of the average farmer who is worried about staying in business.

Mrs. Janet Kirby of Albion, representing Women for the Survival of Agriculture, Orleans and Monroe Counties, wrote:

> We have just received word that the Cost of Living Council has turned down the Red Tart Cherry Industry Proposal for a pricing alternative on this short-crop year.
>
> It is hard to support a government that will turn down anything as fair as this proposal. It costs as much money to raise half a crop as it does a whole one. If a farmer can't sell a short crop at a higher rate, it can put him out of business. Tart cherries are being harvested right now . . . there isn't time for the government to "wait and see what happens" and try to make amends later.
>
> Do we have any other alternatives to try to save the cherry industry in the United States?

James J. Piedimonte, a farmer in Holley, wrote:

> I am writing this letter because I am concerned about my future in farming. I have been farming all my life and I have never had things as difficult as the last few years. The farmer has to comply with so many regulations today and all these things cost him money.
>
> I am opposed to many of the Labor Department's Occupational Safety and Health Administration (OSHA) regulations especially the setting of time periods between the spraying of fields with certain organo-phosphate pesticides and the re-entry of workers into those fields.
>
> Also, the Government says there isn't any price freeze to the farmers. You've put a price freeze on the processor—how am I to stay in business? I've borrowed more money and make less than any time of my life, plus machinery repair, gasoline, fertilizer, spray material and taxes have all been increased. I cannot survive and many, many farmers are beginning to see the same future. We will be forced out of business. I have two sons who are young and like farming but they can make more money working in industry than I can pay them.
>
> I had the pleasure of meeting you in Murray at the flag dedication. I'm the Republican candidate for supervisor in the Town of Murray. I've also heard you speak in Medina and you impress me that you would listen to our problems.
>
> Please help us with the OSHA regulations and the price freeze to the processor.

I ask my colleagues to join me in seeking relief for the cherry farmers and suggest that in the future we examine very carefully all legislation and controls which inadvertently continue the trend toward making the small farmer a dying breed.

ELECTRONIC VOTING MACHINE PROBLEM

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HINSHAW. Mr. Speaker, on June 12, 1973, I reviewed the CONGRESSIONAL RECORD of June 11 and noted that it did not agree with my actions on the floor. The Honorable Pat Jennings thereafter furnished me with a copy of the computer printout of my voting activity on June 11. Upon comparison of these two documents I sent a letter to Mr. Jennings which I quote:

> DEAR MR. JENNINGS: Thank you for sending me the June 11, 1973 printout reflecting all my votes, which I have compared with the June 11 Congressional Record.
>
> I definitely recall the following, which is contrary to the Record:
>
> 1. Roll Call 201 (p. 19028)—"Present" instead of "Absent"
> 2. Roll Call 202 (p. 19029)—"Nay" instead of "No Vote"
> 3. Roll Call 204 (p. 19040)—"Yea" instead of "No Vote"
> 4. Roll Call 205 (p. 19046)—"Nay" instead of "No Vote"
>
> My voting card is apparently in proper repair since my vote was recorded on Roll Call

206 and subsequent votes. No statement can be made about possible station transmitter malfunction since I did move about to different stations for these votes which did not record.

While it is realized that my above noted votes for June 11, 1973 cannot now be officially recorded, I thought you should be advised of the facts; especially since other Members had also talked to me about similar problems.

Perhaps there is some intermittent short in the system. Recently I have been observing the board to confirm that my votes have been recorded and am also checking each days Congressional Record to see if the above noted votes were isolated instances.

It is the purpose of this letter to alert your office to this situation, and in the event other Members complain of similar experiences, you will have this record of my recollections of June 11 while they are still fresh in my mind.

THE PRESIDENT'S HOUSE

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. THOMPSON of New Jersey. Mr. Speaker, we have read a good deal of late about the expenditure of public moneys at San Clemente and Key Biscayne on homes owned by President Nixon. A thoughtful commentary on these expenditures appeared quite recently in the Burlington County Sunday Times of July 8. I place that commentary before my colleagues for their information and consideration.

THE PRESIDENT'S HOUSE

Politicians, perhaps, do not have a public image of cleanliness and morality in the most normal of times, much less at the moment. Still, as a group, they all learn very early in their careers what they can, and cannot do as public officials.

The freshest of township council members in the smallest of municipalities learns early in the game that he cannot call the Public Works department to plow his driveway when it snows; he cannot request the township clerk to do his income tax; he cannot send a township policeman to pick up his wife at the airport.

Politicians cannot do these things for the simple reason that they look bad. People expect a certain level of probity from their public officials, and are quick to throw them out of office when such standards are not met. Much as they joke about politics and corruption, most people rightly set much higher standards of behavior for public figures than for private ones.

All of which makes it very hard to understand just what President Nixon was thinking of when he had his San Clemente and Key Biscayne homes so lavishly refurbished, at government expense.

After all, the man has been in politics for more than 27 years. Fairly early in his career he was nearly knocked out of politics altogether by the "Fund" charges, when he was accused of having a political slash fund that he used for personal expenses. It was the furor around that fund that provoked the "Checkers" speech, in which the future President bared his personal finances before a nationwide TV audience.

From then on, you would think. Mr. Nixon would be acutely sensitive to financial appearances. Yet now we find the government has paid for hundreds of thousands of dollars worth of improvements on his properties.

The White House argument is that all the improvements are security-related, but this is clearly fatuous. There is no more relation between swimming pool heaters, flagpoles, rotating beds of flowers, and the President's security, than there was between the Watergate break-in and national security.

But, the White House says, Mr. Nixon didn't ask for all of these improvements: They came from the Secret Service. That, too, begs the question. The Secret Service, if it had its druthers, would build a 200-foot-high wall around the White House and not let the President out ever, but the President does not let them do that either.

The Secret Service's mission is to protect the President, and to please the President. It is up to the President, not the Secret Service, to make a judgment on the appropriations of such ideas as installing a new heating system, at the taxpayers' expense, in his private home.

Finally, the defense goes, the President is too busy looking at the broad picture of geopolitics and international machinations to be bothered with such details.

That we doubt. Any man who can see a single demonstrator in Lafayette Park, two hundred yards from the White House, and order him removed, can certainly see hundreds of thousands of dollars worth of free improvements being installed in his homes.

In this case, there is no doubt that the President knew what was going on. That he saw nothing improper about it is disturbing indeed.

CONGRATULATIONS TO MAINE NATIONAL GUARD

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. COHEN. Mr. Speaker, I would like to bring to the attention of my colleagues a joint resolution of Maine's Legislature commending the Maine National Guard for their outstanding contribution to our State. Over the years the National Guard has provided invaluable service to the citizens of Maine and established an unblemished record of success through their instate training programs. I commend to your recognition this resolution and extend to the Maine National Guard my heartiest congratulations. I urge this body to continue to support future instate training programs.

JOINT RESOLUTION IN SUPPORT OF LOCAL TRAINING OF THE MAINE NATIONAL GUARD

Whereas, the Maine National Guard is a reserve force of trained and equipped men for the defense of critical State and national interests; and

Whereas, the Maine National Guard has provided well over $360,000 in savings to the State over the past 3 years; and

Whereas, such savings are reflected in serving needy projects throughout the State in exchange for their training value; and

Whereas, the Legislature wishes to acknowledge with gratitude such in-state training contributions of the Maine National Guard with sincere hope this valuable program will be continued and expanded; now, therefore, be it

Ordered, the Senate concurring, that the Members of the 106th Legislature of the State of Maine join in an expression of gratitude to the Maine National Guard for their valuable participation, brought about through in-state training, in needy projects throughout the State and extend special thanks to all those who are in a position to encourage and expand this worthy service; and be it further

Ordered, that a suitable copy of this Order be transmitted forthwith to the Governor, the Adjutant General and the Maine Congressional Delegation in the Congress of the United States as notice of the Legislature's interest and support in continuing and expanding the existing levels of in-state training programs in the near or immediate future.

U.S. POSTAL MONOPOLY: IT JUST CANNOT DELIVER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. SYMMS. Mr. Speaker, my colleague from Illinois (Mr. CRANE) and I have introduced legislation designed to end the Government monopoly in the carriage of first-class mail. The continuing deterioration in the quality of postal service coupled with steadily increasing postal rates underscores the need for this legislation. It is somewhat peculiar that a government which has sought to end monopoly since the late 1800's is so reticent to end a monopoly wholly of its own creation. I am confident that private mail service will prove to be cheaper and faster than Government service and I think the consumer deserves the chance to find out.

Mr. Speaker, Allan C. Brownfeld makes a compelling case for ending the Government's postal monopoly and I insert his recent column from the Anaheim Bulletin at this time in the RECORD:

U.S. POSTAL MONOPOLY: IT JUST CANNOT DELIVER

WASHINGTON.—The American postal system is, by any estimate, in a rapid state of deterioration. Service is worse than ever, and we are now told that a first class letter will, in the near future, cost ten cents. As prices increase, service decreases.

At one time all postal boxes received collections after 5 p.m. Today, only 50 per cent of them are collected after 5 p.m. Saturday mail deliveries may now be curtailed in downtown city areas. When CARE, the international relief organization, tried to rush into the mail a postcard appeal for funds to aid victims of Nicaragua's Christmas earthquake the result was that eight carloads of mail was mislaid for nine days. By the time they were located, the earthquake was no longer big news and the response—or lack of response—showed. The U.S. postal service is still trying to find out what happened. Stories such as this, unfortunately, are legion.

Several years ago, as a result of public dismay over deteriorating postal service and the continual rise in costs, an independent federal agency was established to handle the mail under the Postal Reorganization Act of 1970. It was incorporated to give it the appearance of free enterprise, but the government retained full control and a monopoly on most types of mail service.

We are told that the quasi-corporation combined the best features of both worlds—government-provided service and the expertise and methods of the market place. We have now learned, however, that the two are not compatible. We should have known that long ago.

NEGATIVE SIDE

Recently Harlan Lewin, the president of the Wichita Independent Postal System of America; noted that, "if you ask the clerk in a post office around Christmas time how things are, he will almost always say, "Terrible, we're so busy." Now you ask a clerk in a department store, she'll say, "Great, we're so busy."

Mr. Lewin's independent postal system says that it can deliver mail for three and three quarter cents per letter as against the U.S. Mail's eight cents. The organization has franchises in 52 cities, and believes that it can deliver mail more efficiently than the U.S. government, at a lower price and at a profit.

In his book, "Bureaucracy," economist Ludwig von Mises points out that the essential differences between the management of a business and of a government bureaucracy is that, "Business management or profit management, is directed by the profit motive. The objective is to make a profit. As success or failure to attain this can be ascertained by accounting not only for the whole business but also for any of its parts, it is feasible to decentralize both management and accountability without jeopardizing the unity of operations and attainment of their goal. . . . In public administration there is no connection between revenue and expenditure. Bureaucratic management is the method applied to the conduct of administrative affairs the result of which has no cash value in the market. Bureaucratic management—cannot be checked by economic calculations."

As it stands today, the law states that first-class mail is the absolute monopoly of the U.S. Post Office Department. No one in the country is allowed to deliver a letter except the U.S. Mail and, under the Private Express Statute of 1936, "a letter is further defined as a message in writing from one person to another containing live, current information which would incite the recipient to act or to refrain from acting."

A growing number of private mail companies are being established across the country in an effort to challenge the monopoly of the U.S. Postal Service. These firms, of course, are forbidden from competing with the Government in the delivery of first-class letters. In the handling of third class matter, however, such as advertising circulars and so-called bulk mail, private delivery services are doing a booming business. One of the largest firms in this field, for example, is the Independent Postal System with headquarters in Oklahoma City. According to its president and founder, Thomas M. Murray, it now has 53 offices in 19 states, plus one in Canada. It employs 18,000 people and can deliver material to about 7 million homes. Other firms include Consumer Communications Services Corporation of Columbus, Ohio and the American Postal Corporation of Los Angeles.

LOWER RATES

It is interesting to note that these private firms are making a profit by charging lower rates than the U.S. government is charging while, at the same time, the government increases its yearly deficits.

In a free society there is no reason why the delivery of first-class mail should be a government monopoly. Now, Rep. Philip M. Crane R-Ill., and Rep. Steven D. Symms R-Idaho have protested the impending increase in postal rates and have called for Congressional action on their legislation to end the government monopoly of first-class mail service.

The two congressmen said that an increase in first-class mail rates from six cents to 10 cents in three years "is hardly a record of which our government can be proud; it dwarfs the meat price increases which have recently been the topic of such debate. It is clear that something is fundamentally wrong with the postal service when American citizens must pay more and more for less and less. The source of the trouble is, of course, the monopoly."

Crane and Symms introduced their legislation on January 3. Hearings have not yet been held or scheduled—a sad commentary on Congress' lack of concern about our postal problems.

Editor's note: The arrival—of Mr. Brownfeld's column from Washington, D.C. is a case in point. After receiving two of these columns late in the same mail, we checked to see when they had been dispatched, only to find one of them had no markings at all, not even the cancellation of the stamp. Naturally enough, it was the one that contained the above article.

FEDERAL REVENUE SHARING

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. DU PONT. Mr. Speaker, due to differences between Federal and State budgeting processes, Delaware has incurred difficulties in shifting from categorical grants-in-aid programs to the new revenue sharing approach. We are of course, working hard to make the changeover as soon as possible, but it is evident to me that certain areas are being shortchanged.

Recently, the Delaware General Assembly passed Senate Concurrent Resolution 20, asking that the Congress and the administration take steps to improve this changeover process. I include this resolution in the RECORD:

SENATE CONCURRENT RESOLUTION NO. 20

In Reference to Federal Revenue Sharing.

In harmony with the policy adopted by the Intergovernmental Relations Committee of the National Legislative Conference following its meeting with the President on March 30, 1973, the Senate of the State of Delaware, the House of Representatives concurring therein, hereby adopts the following resolution:

Whereas, each and every one of the fifty sovereign States has, through the years, by design and by tradition, adopted certain methods of funding programs; and

Whereas, the Congress of the United States and the National Administration should recognize and make allowance for the unique variations in funding programs existing within the States. Now, therefore,

Be it resolved that the Congress of the United States and the National Administration be urged to continue administering grants-in-aid programs in their present form until such time as Special Revenue Sharing programs have been enacted. Since States are in the process of adopting their budgets—some for one year, others for two—an appropriate amount of time must be available to the States in order to plan for a transition from categorical grants-in-aid to a Special Revenue Sharing approach.

Be it further resolved that the Congress of the United States and the National Administration also be urged:

1. to provide for reasonable procedures such as hold-harmless clauses and flexible timetables,
2. to insure a greater degree of certainty in the amount of Federal funding which can be expected by the States by providing that appropriations be consonant with authorizations, and
3. to insure adequate and meaningful planning at the State level by making annual appropriations prior to the beginning of the fiscal year.

Be it further resolved that the Congress of the United States and the National Administration enter into a meaningful dialogue with the States so that Special Revenue Sharing legislation will be drawn in a fashion that will enable each State to benefit equitably under such laws.

Be it further resolved that copies of this resolution be sent to the President of the United States and to each member of Delaware's Congressional Delegation, and that they be hereby requested to pointly arrange for its insertion in the Congressional Record.

STERILIZATION AND FAMILY PLANNING

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. DELLUMS. Mr. Speaker, I want to express my outrage and deep concern over what may at best be incredible callousness and would at worst be deliberate racism on the part of the administrators of the federally funded health care program in Montgomery County, Ala.

On June 14, 1973, Mary Alice Relf, age 12, and Minnie Relf, age 14, were surgically sterilized in a Montgomery, Ala., hospital. The tubal sterilization took place under the direction of the Family Planning Clinic of the Montgomery Community Action Committee, an OEO funded project.

The admitted actions of this clinic, in administering a highly experimental drug and then later their referring for sterilization these two young girls by the head of the County Medical Society who then performed the unsolicited tubal operations—are all too reminiscent of the Tuskegee syphilis experiment in which other poor uneducated black peoples were used as human guinea pigs. The Tuskegee case was only discovered last year; now only a short time later, once again the Federal Government is implicated as a direct agent abusing and abrogating the human rights of the victims of an unjust racist society. What is especially pernicious about both cases is that they are in all likelihood not uncommon.

Obviously, it is the obligation of the courts to rule on merits of the lawsuit brought by the Southern Poverty Law Center on behalf of the girls' parents which charges that, first, that the mother was deliberately misled about the nature of the medical procedure—that is, not only was sterilization not sought by the parents but that it was initiated by the Action Committee itself without their permission; second, that what consent was given was made even though there was probably no knowledge of the full consequences of sterilization; and, third, that the consent given, may very well have been coerced.

The authoritative and normative power of medical and State officials over powerless and helpless peoples dependent upon them for expertise and aid in such fields as family planning and health care in general, can be overwhelming and more than sufficient alone to intimidate the powerless to undertake acts often contrary to their own self-interest. Yet, the courts cannot relieve everyone in this country of an obligation to ask: "How can this continue to happen? How is it possible that anyone can proceed—with no more protection for the human rights of an individual than the mere appearance before a notary public—to sterlilize a 12- and 14-year-old girl?"

The courts cannot relieve a medical profession, bound by the Hippocratic oath to the saving of human lives, from an ethical obligation to prevent these all too often recurring incidents. Moreover, the courts cannot "relieve" legislatures of States such as Alabama—which retain and continue to enforce statutes providing for the compulsory "eugenic" sterilization of humans—of the responsibility to cleanse those barbaric relics of 19th century social Darwinism. These anachronisms are depraved to a large degree, for they are the products of social scientists paid and encouraged to produce so-called scientific evidence of mental inferiority of poor blacks and other peoples' of color as compared to persons of more "pure white" ancestry.

Finally, action by the courts in this particular case cannot relieve the Congress of an obligation to act swiftly and decisively to insure that such incidents do not recur. Even parental consent ought not be sufficient grounds to be used to permanently deny an underaged child permanently of the right to ever bear children. Needless to say, sterilization is final and once done irreversible. We must recognize that the parent of a mentally retarded child—in particular—often suffers not only a sense of guilt or anger over the plight of the offspring, but often outright debilitating bewilderment. Therefore, they may often not be in a position to make what we might call rational judgments about issues such as sterilization.

We must recognize that there is substantial evidence of welfare departments and other social agencies placing coercive pressure on parents to agree to many actions not really in the best long-range interests of the child. We must recognize that our limited understanding of reproductive biology and primitive quality of contraceptives often leaves parents or welfare departments with seemingly no satisfactory alternative other than sterilization to prevent a tragic conception by a child neither desirous nor capable of raising offspring.

I believe that Congress must state firmly that while the potential for abuse, for coercion, and for discrimination against poor or ethnic minorities are not only present, but actually exist, that the power of deciding the question of sterilization of a minor cannot be appropriately delegated. If the minor cannot decide for himself or herself—and few indeed have the maturity of judgment to do so—then the Congress must exercise its authority to insure that Federal programs at least recognize that sterilization is an inappropriate and unacceptable form of family planning for minors.

I propose to submit legislation to amend H.R. 6021, which I have introduced to extend for 3 years the Family Planning Services and Population Research Act of 1970. This amendment states quite simply:

> "Notwithstanding any other provision of law, no funds appropriated under this act, or any other act, shall be used to pay for the sterilization of any minor, and no program receiving funds under this act. or under any other act, shall be used to pay for the sterilization of any minor, and no program receiving funds under this act shall refer for sterilization, or perform a sterilization, upon any minor.

I commend the Department of Health, Education, and Welfare for their action placing a moratorium upon any such sterilization procedures for minors. But I feel compelled to ask the Department—in light of these incidents—to reconsider its earlier position that medicaid should be seen as the major vehicle for future expansion of family planning services. This Alabama incident clearly illustrates difficulties involved in insuring that expenditures of funds under medicaid are limited to genuinely voluntary and nondiscriminantory programs. Medicaid is essentially a State-initiated and controlled program but we cannot trust the States to provide adequate safeguards in this area—particularly so long as many of them, through their eugenic sterilization statutes, create an atmosphere which condones and even encourages involuntary sterilization.

This of course, is especially acute when poor and powerless people are concerned. There is no substitute for strong Federal standards in the provision of family planning services and I believe it would be far easier to develop such standards and implement such safeguards through the extension and improvement of our present project grant programs under title X of the Public Health Services Act.

REFANNING PROGRAM TO AID NOISE POLLUTION

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mrs. BURKE of California. Mr. Speaker, at a time when the American people are properly and increasingly concerned about noise pollution, I wish to express my full support for the positive action taken by the Congress in restoring $14 million to the NASA Appropriations Act for work on refanning the JT–3D jet engine, used on all DC–8 and 707 jet aircraft.

Aircraft engine noise is one of the chief causes of noise pollution, especially in metropolitan areas. Earplugs and sleepless nights have become an unfortunate part of the lives of too many of our urban citizens. As a result, Congress authorized and appropriated in the fiscal year 1973 $30 million for the research and development of noise reduction equipment for both the JT–8D engines that are used on 727's, 737's and DC–9's as well as the JT–3D engines.

Yet, the President's Office of Management and Budget, with the compliance of NASA, effectively reduced the program for that year to $21 million. Forced to choose between the refanning programs for either the JT–8D or the JT–3D engines, NASA picked the JT–8D. Program administrators reasoned that there are more aircraft powered by these engines and that they are expected to be in service longer. But the net effect of these decisions would have allowed 707's and DC–8's, the noisiest of present aircraft, to operate at current high noise levels until well into the 1980's.

The action of the Congress to restore the full refanning program, which I wholeheartedly supported, is a solid step forward in substantially reducing noise pollution caused by commercial jet aircraft.

CONSTRUCTION NEWS STRESSES IMPORTANCE OF PUBLIC WORKS TO DISPERSE POPULATION, STRENGTHEN RURAL AMERICA

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. EVINS of Tennessee. Mr. Speaker, the magazine Construction News, in its current issue has an excellent article entitled, "The Real Transportation Crisis," which stresses the importance of improving the rural transportation system which has been relatively neglected for 30 years, especially during the construction of the interstate highway system.

The article stresses the importance of encouraging more people to live in rural areas and points out that 80 percent of our population lives on 5 percent of the land area.

It has long been one of my primary goals and objectives in the Congress to encourage the development of rural America and certainly this excellent article reinforces my position on this matter and I commend it to my colleagues as an excellent analysis of our transportation crisis.

Because of the interest of my colleagues and the American people in this subject, I place the article in the RECORD herewith.

The article follows:

THE REAL TRANSPORTATION CRISIS

(Rising food prices, clogged grain movements are symptoms of our inadequate rural transportation system which has been neglected for 30 years)

Sandwiched between other national crises plaguing the U.S. is another potential debacle which until recently has been lost in the shuffle. And yet its reverse impact on the economy could, unless checked in time, be the most harmful of all to our current and impending problems.

At a time when we are matter-of-factly producing space hardware to explore the moon and orbit the earth, the paradoxical truth is that this nation doesn't have adequate transportation wherewithal—rail, highway or waterway—to get its bulk farm commodities to the marketplace.

An immediate, housewife-documented consequence is higher food prices. Perhaps even more serious, in the long run, is our inability to efficiently move millions of tons of wheat, feed grains and soybeans to our ports for overseas shipment. This is crucial because agricultural exports offer the best and perhaps last hope for achieving a more favorable balance of trade and rejuvenating the U.S. dollar.

No one questions the capability of our

farmers to raise the crops. And the government can and has put millions of set-aside acres back into production for the stated purpose of hiking agricultural exports from the present $8.1-billion annual level to as much as $18-billion by 1980. But, as long as our transport facilities remain in disrepair and disarray, this productive potential is at least partially academic.

Helping focus national attention on this problem was testimony submitted to the Congress last March by Associated Construction Publications. Ray Metzger Jr., publisher of Construction News, and Construction Digest editor Art Graham told the House Transportation Subcommittee that there is a direct and obvious link between skyrocketing food prices and (a) abandonment of thousands of miles of rail trackage serving rural areas and (b) hundreds of thousands of miles of deteriorating primary, secondary and farm-to-market roads suffering from 30 years of accumulated neglect.

Since then there has been a rapid-fire series of developments:

On April 5, Transportation Secretary Claude S. Brinegar announced establishment of a full-time DOT task force to deal with the freight car shortage. "Outside of the northeast," he explained, "the most serious railroad problem is the shortage of freight cars—especially for grain loading. We are very much aware of the difficulties this poses for shippers trying to move grain to meet contractual commitments."

Concurrently, The Road Information Program (TRIP) launched a press media campaign to explain the impact of inadequate roads on the cost of transporting farm commodities and, ultimately, on retail food prices.

At the invitation of Gov. Dan Walker of Illinois, farm and transportation leaders from 12 states participated in a Mid-American Agricultural Rail Transportation Crises Conference at Chicago April 9–10. "Farmers have been asked by the Nixon administration to put millions of additional acres into grain production, but what good will this do if they can't get the grain they've already produced to market?" Walker asked, adding: "Poor movement of grain products has the same effect on food prices that limited supplies of red meat has on consumer prices."

Representatives of 17 states which account for about 85 per cent of the nation's wheat, soybean and feed grain production convened again in Chicago, May 16–18 for a Midwest Grain Movement Conference co-sponsored by Illinois and Nebraska. This seminar resulted in a dozen-odd major resolutions demanding immediate, priority cause/cure consideration of the grain shipment impasse. Governor Walker in turn submitted these recommendations to the National Governors' Conference at Lake Tahoe, Nev., June 3.

Meanwhile, on April 30, Sen. Hubert H. Humphrey (D-Minn.) introduced a joint resolution instructing the Secretary of Transportation to make "a full and complete investigation and study of farm-to-market roads, railroad beds and availability of operational rail lines serving rural areas in the U.S. for the purpose of determining the condition and adequacy of such roads and rail lines to carry the volume and weight of agricultural and other commodities from rural areas necessary for the nation's economy." A report on the findings of this study, together with DOT's recommendations for remedial action, would be submitted to the President and Congress not later than next December 31.

A week later, Minnesota's other Democratic senator, Walter F. Mondale, introduced legislation (S. 1749) to establish within the Department of Transportation a Rural Rail Transportation Administration with authority to make loans or loan guarantees to maintain and/or reestablish rail service for major agricultural areas. Explaining that in his state alone there will be 304 communities isolated from operational railroad facilities by 1980, and that a third of these cities and towns presently must rely on secondary roads restricted to less than 9-ton carrying capacity, Mondale said he was afraid that "many of our rural communities will be left to die" unless they are provided adequate transportation access. He also referred to the world demand for farm products as "the major hope of preventing a sharp deterioration in the U.S. balance of payments" which, he said, makes it "doubly critical not only to the agricultural community but also to the nation's overall economic future that we maintain rural rail lines."

Why this sudden furor? Essentially, what we have had for many years is an inevitable crisis waiting for a time to happen.

More than 46,000 miles of railroad trackage—principally those lines traversing sparsely populated rural regions—have been abandoned in the past 40 years. Railroads today are functioning with 30,000 fewer locomotives and 840,000 fewer cars than they had during their peak years in the 1930s. This loss equates to 13 main line railroads, stretching from coast to coast, each located 100 miles apart and each having 2,300 locomotives and 64,000 cars.

When the nation launched its expanded roadbuilding program in 1956 the emphasis was, with justificaton, on the planned Interstate expressway network and on modernization of heavily-traveled federal-aid primary routes. Although these two systems represent only 7 per cent of our total highway mileage, they now carry 50 per cent of all automobile, and truck traffic.

As a result, however, much of the remaining 3.6-million miles of roads and streets have gotten only cursory attention. Except for routine, minimal maintenance, most of the 2-million miles of non-federal-system rural roads have gone untouched and unimproved for 30 years or more. As an example, of the 373,000 highway bridges built before 1935, 343,000—almost 90 per cent—are on county secondary and other rural roads. And some 88,900 bridges, or one out of every six in the U.S., are now classified as "critically deficient."

These combined conditions provided the ingredients for what Governor Walker has referred to as the grain shipment "time bomb—one of the nation's major domestic problems that has been swept under the rug too long."

The fuse was three precipitating factors: a bumper grain crop in 1972, the sale in the past 12 months of more than 700 million bushels of wheat, feed grains and soybeans to Russia, and record floods which closed the Mississippi and Missouri rivers to barge traffic for weeks this spring.

"It is no wonder then that we find ourselves faced with great difficulties," Robert C. Liebenow, president of the Corn Refiners Assn., told the second Chicago conference in his keynote address. "Movement of grain and grain products so far in 1973 exceeds 1972 loadings by almost 50 per cent. Total grain to be exported in fiscal 1973 is almost 75 million metric tons compared with 50 million metric tons in fiscal '72. And this massive increase in demand for transportation came on the heels of a peak year in 1972.

"Implications of the present railroad car shortage extend beyond the plight of shippers," he added. "Shortages of transportation inevitably will result in price list dislocations in various markets. Thus, we face a price impact on food products at a very time when this nation is engaged in serious efforts to moderate food price increases to the ultimate consumer."

Liebenow, who is a former president of the Chicago Board of Trade, called on the government to "openly assume responsibility of dealing with this problem because, after all, it bears direct responsibility for the crisis situation because of the Russian grain sales."

Acknowledging that the accumulated "structural problem" impeding the flow of farm commodities will require fundamentally new policies and long-range legislation, Liebenow went ahead to emphasize that "I don't believe this country can await the resolution of this underlying problem. Legislation of this kind cannot come quickly enough. More immediate action is required."

His recommendation was that the President promptly commission an inter-agency study, under auspices of the Cost of Living Council, to determine what steps can be taken that would promise quick relief to the American consumer. This commission would examine and report on such questions as:

Could a more liberal admixture of trucking and rail transportation provide significant short-term relief?

Can the government, perhaps including the Defense Department, ease its claim to an inadequate supply of freight cars?

Could the government profitably use emergency authority to coordinate truck, rail and shipping transportation?

Should emergency legislation be sought on a temporary basis, leaving open the question of appropriate long-range solutions?

Later, the conference approved a somewhat parallel resolution drafted by Metzger and Graham which calls on the National Governors' Conference to take the initiative in formation of an ad hoc committee to deal with the problem.

Serving on the committee would be appointees from the Midwest Grain Movement and Governors' conferences, chairmen of the Senate and House public works and transportation committees and representatives from the Departments of Transportation and Agriculture.

"Much of the specific data on abandoned and inadequate rail facilities and substandard roads and bridges has already been compiled," Metzger said, "and the impact of this transportation bottleneck on grain movement and food prices has been confirmed.

"It would be the responsibility of the committee to evaluate this information, pinpoint the best and most practical short- and long-range solutions to the problem, and then to make recommendations and draft legislation to help overcome these transportation inadequacies."

Although the overall financial position of the nation's railroads seriously impairs their capability to make capital investments in new rolling stock and improvement of facilities, it would be unfair to imply that there hasn't been a major effort by most companies during the past decade to cope with increased carloading demands, not only for grain but for lumber, aggregates, automobiles and other bulk commodities and manufactured products.

As was pointed out by representatives of the Assn. of American Railroads during the grain movement conference, U.S. railroads established an all-time record of 778-billion ton-miles of freight service in 1972, an increase of 5.2 per cent over the previous year. And grain car loadings—including those for both domestic and export shipments—averaged 32,660 per week for the first 10 weeks of this year, an increase of nearly 44 per cent over the corresponding period in 1972. This was accomplished despite the fact that there were 40,000 fewer freight cars in service last year than in 1969, when the previous all-time rail traffic record was set.

Since 1960, when virtually all rail grain shipment was in boxcars, railroads have been adding an average of about 11,000 covered hopper cars to their fleets annually. They and private shippers now operate 190,000 of these large hopper cars, and another 5000 were on order as of last March 1.

It is generally true that, as a group, railroads still rank well down the list in terms of management, operational and labor efficiency. But gains also are being made in this area. A special AAR task force already is well along in a design study for a greatly expanded computerized freight car information program, while improvements are still being made in the basic system now in use. And various individual railroads are continuing to develop new and highly sophisticated computer programs within their own systems.

These stubborn facts remain, however: (a) railroads still do not have sufficient rolling stock to handle loading volume requirements, and existing fleets are not being utilized with maximum efficiency; (b) thousands of miles of rural area rail trackage are no longer in use, and more abandonments are in the offing, and (c) as much as half of the roadbed mileage still in service is inadequate and unsafe for today's 100-ton hopper car loadings.

Without a sustained, multi-billion dollar infusion of funds for new rolling stock and for needed improvement of roadbeds and other physical facilities, U.S. railroads will be extremely hard pressed to meet mounting demands for movement of grain and other basic commodities in the immediate future, let alone handle their subsequent burden of an overall national freight load which, according to DOT predictions will double by 1985.

As was repeatedly emphasized at the two grain movement seminars, this situation also mandates immediate attention to the other modes of transportation, i.e. rural and farm-to-market roads and inland waterways.

Although over-the-road shipment of heavy bulk farm commodities for distances of more than 50 miles has, in the past, been considered prohibitively expensive, many rail-isolated farmers and suppliers are now left with no alternative. In Illinois alone, because of the lack of railroad lines and/or cars, truck hauling of grain increased by nearly 19-million bushels in 1972.

This extended truck-hauling trend will continue to accelerate. And, even within the prescribed 50-mile radius, the movement of grain to elevators and the equally important transporting of fertilizer, feed grain and heavy equipment to farmers is being choked off or made much more expensive by horse-and-buggy secondary roads and dilapidated, unsafe bridges.

It was this fact which prompted Rep. William H. Harsha (R-Ohio) to comment, during recent floor debate on the Federal-Aid Highway Act of 1973, that actual and proposed abandonment of thousands of miles of rail trackage is putting "an inordinate burden on our already over-burdened highway system and leaves highways—many of them inadeqaute—as the sole source and method of moving goods and services in and out of many of our rural communities." Harsha went ahead to point out that this is a significant factor in steadily rising food prices.

Overdue improvements and expansion of the nation's waterways system have been almost equally slow in coming. Commercially navigable inland channels were extended by a scant 290 miles, or only slightly more than 1 per cent, in the 1960–70 decade, and stop-and-go funding of Army Corps of Engineers programs has stalled dozens of needed lock and dam and navigation projects.

A case in point is the old Lock & Dam 26 on the Mississippi River at Alton, Ill. The 41-million tons design capacity of these locks was reached and passed five years ago, and barge tow delays of as much as 18 hours are not uncommon.

There is no practical alternative route for these barges and, in addition to the present delay-loss to shippers and consumers of millions of dollars a year, there exists the possibility of structural failure which would immediately deprive all cities on the upper Mississippi and Illinois rivers of through-barge transportation.

Testifying before Congressional appropriations committees in mid-May, James B. Meanor Jr., manager of the Metropolitan St. Louis Chamber of Commerce transportation department, warned that "with the railroad car shortage becoming even more serious, loss of barge service to and from the upper midwest area would result in extremely serious conditions for its people and industry.

"In this connection, grain exports, much of which move south by barge, are extremely important to improving our balance of trade deficit," he added.

Meanor urged quick release of funds for replacement of Lock & Dam 26, explaining that, even if construction were to start immediately, the new facility would not be fully operational for another seven or eight years.

Sen. R. Vance Hartke, chairman of Senate's Surface Transportation Subcommittee, sums up the total picture in this manner: "The situation, simply put, is that our needs for fast, safe and efficient ways to move people and goods are far in excess of the capacity of available systems.

"Our rail system is in disrepair. The waterways are nowhere near their full potential as useful carriers. And, despite tremendous strides made in recent years, many of our roads and streets are still either unsafe or inadequate for the traffic volumes they are required to handle."

A number of other influential Congressional leaders are now speaking out on this problem and the enigma of more and more bypassed and isolated "ghost towns" in the hinterlands contrasting sharply with people-packed, transportation-jammed urban areas.

"Our population distribution today is badly unbalanced, with 80 per cent of all Americans living on 5 per cent of the nation's land area," explains Rep. John A. Blatnik (D-Minn.), chairman of the House Public Works Committee. "Half of all our people live on the perimeter of the mainland within 50 miles of the Atlantic, Pacific, the Gulf of Mexico or the Great Lakes.

"We can and we must reverse this flow, and in so doing we can do much to reduce the population pressures that are at the root of today's urban congestion," he stated, adding: 'One way to get people back to countryside America is through the development of adequate highways that will encourage industry to locate in rural and small town areas.

"In our concern over the undeniable transportation crisis of our cities," Blatnik concluded, "we cannot afford to overlook or minimize the vital transportation needs of rural America."

Rep. Don Clausen (R-Calif.) echoed the same logic when he said that "if there is ever going to be a change in the quality of life in America, it's going to be brought about as a result of creating either new economic growth centers or revitalizing and diversifying some of the more sparsely populated areas in the U.S.

"If we are going to reverse or slow this out-migration from our rural sections, and if we're going to stop the stacking of people on top of one another in the big cities, then we must stop giving total consideration to allocating funds where the population is without giving some consideration to where the population can be," Clausen pointed out.

The grain shipment impasse is, obviously just one important symptom of a number of interlocking problems from which the only key is a carefully conceived, adequately financed and quickly implemented national transportation plan.

DISMANTLING THE VOTER'S OBSTACLE COURSE—THE VOTER REGISTRATION ACT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HARRINGTON. Mr. Speaker, the Elections Subcommittee of the House Administration Committee is presently holding hearings on S. 352, the "Voter Registration Act."

As we all saw in the last elections, many registered voters were disenfranchised because of mechanical breakdowns at the polls on election day or long lines. In addition, others simply do not know where their polling place is. I feel that S. 352 is an especially good vehicle for updating registration mechanisms and facilitating the enfranchisement of many more citizens. I have testified at the hearing and requested that two bills, "the Voter Protection bill," and "the Voter Information bill," be incorporated as amendments to the act.

Mr. Speaker, I urge the Members of this Congress to contact the Elections Subcommittee requesting the incorporation of these amendments.

The following is the text of my testimony:

TESTIMONY OF THE HONORABLE MICHAEL J. HARRINGTON

Mr. Chairman, I appreciate your affording me the opportunity to present my views with regard to problems stemming from present voter registration inadequacies.

Complex, multi-step application procedures and administrative error have, at the least, subjected the individual to considerable delay and, at most, resulted in his disenfranchisement in Federal, State, and local elections. Residence requirements and sparsely-located registration centers with office hours from 9:00 a.m. to 5:00 p.m. pose unnecessary obstacles for the registration of a highly mobile, working population. The partial result of these administrative and other problems, including the continued denial of the vote to many black citizens as a result of locally restrictive registration statutes, has been a very poor participation rate of 54.5 percent in the November 7 election.

As Federal legislation is the only vehicle to uniformly solve these voting problems, I wish to add my support to the McGee Act, S. 352. Two charges have been made in opposition to the provisions of this "Voter Registration Act." The first contention is that the establishment of such a system would encourage fraud.

On the contrary, fraud has been found to more frequently occur at the ballot box and not during the registration process. In addition, Section 407 provides for comprehensive sanctions against such fraud.

Secondly, it is maintained that the Act's provisions would unduly overwork local election officials. Yet the adoption of simplified registration application procedures and the establishment of the Voter Registration Administration, coordinating local, State, and Federal efforts, as well as providing economic support, would expedite and simplify the workload of local officials.

In addition, to further establish minimum standards so as to prevent a repetition of last November's numerous foul-ups, may I suggest, Mr. Chairman, that this committee include as amendments to this Act two bills which I have previously introduced. These may be referred to as the "Voter Information Bill" and the "Voter Protection Bill," both of which I believe to be proximate to the intent of the "Voter Registration Act." Suggested language for the "Voter Information Bill" and "Voter Protection Bill" are attached to this statement.

Mr. Chairman, it is a sad commentary on popular notions of participatory democracy that only 50 percent of the national electorate knows the name of their congressmen. Opportunities for greater citizen contact with governmental officials not only make for a more informed citizenry more apt to participate in the electoral process, but would go a long way toward the goal of making government more accountable to the public.

The "Voter Information Bill" would require every post office to display information on registration requirements and the places, dates, times and methods of registering and voting at elections held in the area served by the post office. In addition, the posting of the names and office addresses of U.S. Senaors and Representatives, and representatives to the State legislature would be required. Finally, necessary information on the availability and cost of Western Union Public Opinion messages to the President, Vice President, and Members of Congress would be posted. Perhaps seeing a Representative's name and address in his post office will now spark someone to write a letter or register to participate in the electoral process when he might otherwise have been silent.

More importantly, Mr. Chairman, may I also submit as an amendment to the "Voter Registration Act" a bill to enforce the provisions of the Fourteenth Amendment to assure the proper conduct of elections, the "Voter Protection Bill." Mr. Chairman, last November 7, thousands of registered voters were faced with the alternatives of disenfranchisement or the necessity of attempting to obtain a Court order so as to register their votes. This stemmed from incomplete and incorrect registration roll listing, inoperative voting machines, early closing hours at the polls, and complex absentee ballot procurement procedures. Simplified registration procedures provided in the "Voter Registration Act" would prevent the repeated occurrence of a situation in New York City where new registrants, holding voter registration cards, arrived at the polls only to learn that necessary secondary cards were missing. Albuquerque, New Mexico, residents were similarly subjected to disenfranchisement as they did not receive secondary registration notifications.

Mr. Chairman, the listing of similar, unnecessary foul-ups goes on and on. In addition, 120 jammed or unworkable voting machines subjected Jersey City, New Jersey, residents to hours of delay, forcing them to obtain a court order extending the voting hours. Machine malfunctions in some Philadelphia wards cancelled out Democratic Presidential votes cast on a straight party ticket.

The "Voter Protection Bill," which I am offering as an amendment, would require each polling place to have adequate voting machinery and facilities to service every voter within fifteen minutes of his arrival at the polling place. In addition, it would be required that back-up paper ballots and competent repairmen be readily available to function if the machines should fail to correctly operate.

Early poll closing hours of 4 p.m., 6 p.m., or 6:30 p.m. have at least inconvenienced, if not prevented working people and commuting suburbanites from exercising their vote. Inclusion of the "Voter Protection Bill" would extend polling place hours from 6:00 a.m. to 9:00 p.m.

Perhaps the absentee ballot application and voting procedures pose the greatest obstacles and administrative pitfalls for the average voter. The varied and complex procurement procedures for absentee ballots have confused many and discouraged many others from voting at all. Increased absentee ballot requests in urban areas have resulted in large backlogs. Postal delay, in addition, has resulted in late arrival and the ensuing voiding of ballots cast. The "Voter Protection Bill" stipulates that absentee ballots, in blank, be made available within one week of the date of request. Simple, one-step application post cards shall be placed in every post office. Upon completion by the voter, such a ballot shall be returnable to a central office or agency in each state which shall promptly forward the ballot to the appropriate officer and place for counting.

In addition, the Attorney General would be authorized to make grants to election boards and officials of States for the purposes of research and training for their responsibilities under this bill. The Attorney General would also pay to each State on an annual reimbursement basis, 25 percent of the increased election operating cost directly resulting from the application of the standards imposed by this bill.

In conclusion, Mr. Chairman, may I say that the "Voter Registration Act" as amended by the "Voter Information Bill" and the "Voter Protection Bill" would constitute a major step toward eliminating election day foul-ups. It would streamline the voter registration process and would bring about the advent of a more highly involved and participatory citizenry.

ERIC STOW HATCH: "A VERRAY PARFIT GENTIL KNIGHT"

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mrs. GRASSO. Mr. Speaker, Eric Hatch was truly a man for all seasons. His brilliance and accomplishment, his boundless energy and enthusiasm were reflected in the luster of a many-faceted career in which excellence was the hallmark of every achievement. Eric was the superb scholar, writer, radio executive, horseman, soldier, and enthusiast for study and identity with the roots of our historic past, especially that of Connecticut.

Eric Hatch died on July 4 while the bells still echoed in celebration of the Fourth of July, an occasion which represented for him the symbol and substance of our national heritage. He and artist-writer Eric Sloan had suggested some 10 years ago to U.S. Senator ABRAHAM A. RIBICOFF that every city and town ring bells on this holiday. He, like Jefferson and Adams, ardent patriots, passed from time into eternity on this day which was filled with special significance and deep emotion.

Eric Hatch's love of Connecticut was reflected in the diligence and competence with which he pursued his duties as chairman of the Connecticut Historical Commission and the American Revolution Bicentennial Commission. His dream of a museum of Connecticut history—where a school child could "in one day learn more then he had ever known before about how Connecticut was founded"—will be an enduring memorial to his indomitable spirit.

He was the founder and first commander of the 1st Litchfield Artillery, the only horse drawn artillery company in the State. It was my privilege as Secretary of the State to present to him the articles of incorporation of the group in which he took such special pride. Their three-volley cannon salute on the Litchfield green following the funeral service was a last farewell to a beloved leader.

The art of language fascinated Eric Hatch. Its fruits were in a writing career as a member of the original staff of the New Yorker and contributor to national magazines, in more than 25 novels including "My Man Godfrey," the television scripts of the well known program Topper and the succinct editorials of station WBIS in Bristol which he owned.

Throughout the brilliance of the fabric of this life was woven a warmth and respect for people that added new dimensions to his stature.

Mr. Speaker, for the benefit of my colleagues, I am inserting in the RECORD the text of the eulogy delivered at the funeral of Eric Hatch by Father Gordon B. Wadhams. This beautiful tribute captures the spirit of a remarkable human being who was devoted to his family, his State and country, and did so much to enrich the future for us all.

The eulogy follows:

ERIC STOW HATCH

It may be that in time to come it will afford us joy and consolation to remember these things.

To me falls the honour this afternoon of paying tribute to the memory of Eric Stow Hatch. . . . And this notwithstanding my all too brief acquaintance and friendship with him, a matter of under three years. The honour, too, of bespeaking, for you, his friends and admirers of far longer standing than I can claim, our common concern for his widow, his sons and daughter, his brother, and others of his near family in their loss from sight and sound of one most dear to them, and in their consequent bereavement.

Let me tell you what I found in Eric Hatch to admire and to love. Since these were readily to be discerned in him, they must come first in the telling. I admired and love him for:

His princely bearing and deportment, his courtly manners, his attractive diffidence, his gentlemanly reserve, his sophisticated, sometimes mischievous, yet always kindly, humor and wit, his erudition, his command—in writing and in speech—of the Mother Tongue.

Yet, notwithstanding Colonel Hatch's renown in the military service of our country, and notwithstanding his spectacular success in his chosen craft, he will certainly best be remembered by us in Litchfield and by the people of Connecticut for the passion that filled and energized his public service these latter years. I mean, his devotion to his country's unique beginnings and consequent heritage, his determination to preserve and hand on the heritage and traditions of his beloved State of Connecticut. I need not elaborate on this, for it is well known to you all.

But this, I think, should be said: *his was no merely private concern.* His was not, for example, the scholar's concern only, as when a man determines to know all there is to know about a given subject for the sheer delight of knowing; he was no mere collector for personal gain or enjoyment, no preserver of antiquities, for the sheer delight of ownership. No. Eric Hatch's passion for history, for the handing on of a heritage was directed in the main toward the public good. It pained him to see how so many men and women and boys and girls and young people in our fluid and disorderly times seem to be persons "without a country"—rootless, constantly on the go, heedless of whence they have come, of where they now are, of whence they will go; ignorant of their history; wanting in that sense of the past and that dedication to the building of a yet more glorious future, which are the meaning of true patriotism.

"Let the children learn," said Eric, aware of how little and how badly American History is taught nowadays,"...Let the young people learn, by seeing and touching and hearing and learning about the books, the furniture both primitive and elegant, the houses, the artifacts and homely crafts, the skills and occupations of their forebears. Let them know that these are the rock from which they were hewn, the pit from which they were digged—that this is their past as it is also their identity now." Hence, the Museum. Pray God that it will soon be an actuality and not just a dream.

The other day I asked Connie, "What one virtue, what one word, best gives the key to Eric?" There was no hesitation in her reply. "Patriotism," she said. "Eric was a great patriot."

To me another word occurred: a word the ancient Romans used of their great men. "Pius." "Pius"—not to be confused with our word "pious," with all its unpleasant connotations. "Pius"—the distinguished citizen, the dedicated patriot, the man of exemplary virtue, the man of reverence for the Divinity, the servant of the public good. This was Eric Stow Hatch.

And so, these our obsequies—gratifyingly traditional, majestic, fittingly triumphant—are about to be concluded; but not without we pray for the soul, the on-going life in the Risen Lord of Eric Hatch. We pray for him whom God has supported and upheld "all the day long"; for whom the shadows of this life have lengthened, and its evening come; for him whose busy world is now hushed, life's fever being over and its work done. Grant him, O Father, in thy mercy a safe lodging, a holy rest, and peace at the last. Amen.

FREEDOM GROUPS LOSE FRIEND

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. DULSKI. Mr. Speaker, this country lost a great patriot and many people lost an esteemed friend June 30, 1973, when Dr. Nestor Procyk of Buffalo succumbed to a lengthy illness. I knew him during his many years in Buffalo, and he was not only a fine doctor and fine man, but a vibrant worker in the cause of the relief of captive nations. His is a remarkable history, one of hard work and success in the face of almost overwhelming odds, and I would like to share it with my colleagues at this time.

Born 60 years ago in Hnylytscky, Ukraine, educated in the Ukraine, he was graduated from Yagiello University in Krakow, Poland in 1938. His studies towards a medical degree at the University of Berlin were interrupted in 1941 when German armies invaded the Soviet Union. Nazi authorities imprisoned him in Flosenberg, Dresden, and Hesburck concentration camps until 1945.

But his spirit was still strong. He organized the Ukrainian Red Cross in Munich, and directed the psychological and medical assistance and rehabilitation for the Ukrainian repatriates—work which is continuing in an organization which is still functioning.

He managed to make his way to Paris, where he completed the long-delayed medical degree at the Sorbonne in 1949. Dr. Procyk met his wife Dasha in Paris and they would have celebrated their 22nd wedding anniversary next week.

The Procyks came to the United States in 1950, where he continued his medical service as resident physician at Holy Family Hospital and Swedish Hospital, interned at Knickerbocker Hospital, and in 1953 was resident psychiatrist at Manhattan State Hospital. He was named senior psychiatrist at Gowanda State Hospital in 1955 and supervising psychiatrist at Buffalo State Hospital in 1956. In 1962 he was appointed assistant director of the new West Seneca State School, and since 1970 had served as director of education and training there. He became a U.S. citizen in 1955.

Dr. Procyk was a well-known and highly respected figure in western New York's medical community. He was an assistant professor of psychiatry at State University of Buffalo Medical School, on the staffs of Linwood-Bryant Hospital, Meyer Memorial Hospital, and the Veterans' Administration Hospital outpatient clinic, as well as a member of the American Association of Mental Deficiency, the Erie County and New York State Medical Societies, the American Psychiatric Association, and the Neuron Club.

Yet, with the full schedule of professional activities, he still found time and energy for the political activities dearest to his heart—those for the benefit of captive nations. He was a founder of the Ukrainian-American Freedom Foundation, had served since 1953 as national president of the Anti-Communist Bloc Nations, and was an active member of the National Advisory Board of the American Security Council.

He received recognition and honors at home and abroad for his endeavors, including receipt of the Captive Nations Eisenhower Proclamation Medal from the late President Dwight D. Eisenhower in 1959, the Medal for the Freedom of Bulgaria from exiled King Simeon in 1968, selection by the mayor of Buffalo as chairman of the Committee on Captive Nations in 1967, attendance at the inaugural ceremonies for the late President Lyndon Johnson in 1964, and participation in dialogs with President Richard Nixon at a Blair House dinner last September.

Dr. Nestor Procyk will be greatly missed by those who knew him personally and by those who are beneficiaries of his dedication. He leaves his wife, Dasha; a son, Nestor Procyk Jr.; two daughters, Diana and Zoreslava Procyk; his mother, Mrs. Kateryna Lubianecky; and a sister, Mrs. John Martin.

Our hearts and our prayers are with his family. He was a good man and we thank his family for sharing his life with us. We share their sadness now.

CANADIAN ENERGY STUDY DOES NOT PRECLUDE A TRANS-CANADIAN PIPELINE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, a recent Wall Street Journal article, commenting on a just released Canadian energy policy report, concluded that the study virtually ruled out the construction of an oil pipeline through the MacKenzie Valley during the current decade. The implication of this article was that the huge demand on the Canadian labor force, various supply industries and capital markets stemming from construction of an oil pipeline in addition to other much needed energy projects would generate strong inflationary pressures, and erode the position of the Canadian dollar in international markets. Naturally, proponents of the trans-Alaska pipeline have seized on this article to further bolster their argument that a Canadian oil line is not worthy of consideration.

Unfortunately, the rather sketchy summary contained in the Journal article is highly misleading because it focuses on only selective parts of the report. Moreover, the report was by no means a definitive statement of Canadian policy. Rather, it was an outline of various policy options that the government should consider as part of its effort to develop a comprehensive Canadian energy policy for the remainder of this century. Only one of the five major options presented in this study would seem to rule out the construction of a MacKenzie Valley oil line. Therefore, in an effort to clear up any misunderstandings that may have resulted from the Journal story, I want to briefly review the report and highlight some key considerations which suggest that construction of a Canadian oil line would not necessarily create unmanageable dislocations in the Canadian economy.

FIVE BASIC POLICY OPTIONS

The actual study is centered on the effects which five hypothetical sets of energy projects would have on the Canadian economy. The five sets of projects are entitled "self sufficiency," "standard development," "extensive development," "maximum development," and "delayed development." All except the self-sufficiency case call for the construction of a natural gas pipeline in the MacKenzie Valley between 1975 and 1980.

The extensive development case also calls for the construction of a MacKenzie Valley oil pipeline in 1978 plus additional oil production projects. The maximum development case further adds a uranium enrichment plant, additional gas pipeline developments, maximum production from oil sands projects and expansion of refining capacity. The delayed development case is the same as the standard development case with the natural gas pipeline construction and the development of the Mackenzie Valley gas and oil production capacity being delayed to the end of the decade rather than being begun at mid-decade.

The maximum development case is the only case that is declared infeasible by the study, and that case is considered at all times to be "an illustrative case only." All project sets are compared with the macrobase, that which is considered to be the "historical normal" for the Canadian economy. Except for the self-sufficiency case which falls below the historical normal levels for the economy, all other cases involve greater growth in GNP, larger capital investments, lower unemployment levels, and higher rates of inflation. The relevant question is the degree of deviation from the historical normal and whether the economy can be managed so as to enable greater development of resources, without at the same time creating unwanted inflation, balance of payments and exchange rate problems.

Most importantly for our purposes, the extensive development case, which includes construction of a Mackenzie Valley oil line, is not ruled out by the study. To be sure under "worse case" assumptions the extensive development case would put strong pressures on the Canadian economy, especially on price levels and the exchange rate. But a more thorough probe reveals that these adverse pressures are not a preordained outcome. They would be substantially alleviated if less Canadian content were used in the construction process, and if offsetting monetary or fiscal policies were employed to achieve a more favorable growth/inflation tradeoff.

CANADIAN CONTENT

The basic study assumes a 60–70 percent level of Canadian content—labor, material, and financing—for pipeline construction. Using this figure, which is repeatedly asserted to be unrealistically high for major pipeline construction, the study yields the following projections:

	Historical normal (percent)	Self-sufficient	Development—			
			Standard	Extended	Maximum	Delayed
Average GNP growth (1973–80) (constant dollars)	4.99	4.59	5.04	5.46	6.43	4.93
Average unemployment	4.93	5.55	4.26	3.62	2.70	4.70
Average price increase	2.59	2.32	3.21	3.88	5.17	2.86

These projections indicate that construction of an oil pipeline would have an important and positive impact on the Canadian economy. Under the extensive development case GNP would be increased significantly and the unemployment rate would be lowered by more than one and one-third percentage points. Naturally, higher levels of national output and employment would raise incomes, increase the real standard of living, and even enlarge tax revenues. The fact that the Canadian Government has recently approved an extensive series of tax changes designed to stimulate the economy suggests that it is not content with the 5-percent-plus unemployment rates that have prevailed for most of the past decade. Therefore, the positive employment and output effects expected from the extensive development case would be highly welcome.

Nevertheless, the projections also suggest that pipeline construction could generate excess demand pressures which would increase the expected rate of inflation. Since Canada is highly dependent upon export markets such a development would obviously be detrimental. Moreover, if the Canadian dollar continues to float in international money markets its exchange value would be obviously reduced by inordinate domestic inflation.

Fortunately, the study suggests that if the historic Canadian content level of 60 to 70 percent is reduced to 50 percent, the danger of overtaxing the domestic economy would be considerably reduced. Moreover, a 50-percent Canadian content assumption is not at all unreasonable in light of the fact that large pipeline construction projects are increasingly becoming truly international efforts. Inputs are now literally drawn from a world market.

A considerable portion of the 48-inch pipe, for example, the most costly construction component, would likely be purchased from Japan. In addition, U.S. produced pipelaying machinery would likely be used, and foreign technicians, skilled craftsmen, and capital would also be required.

Thus, the size of the proposed oil pipeline construction project coupled with the construction of a similar gas pipeline, makes the 50-percent Canadian content assumption highly plausible. While Canadians would obviously desire that local workers and firms have maximum opportunity to participate in the project, there is no reason to believe that this requirement would be carried to such an extreme that the Canadian economy would be severely destabilized in the process. The effects of lowering the Canadian content assumption on the extensive development case, then, are as follows:

[In percent]

	Historical normal	Extended development	
		60–70	50
Average GNP growth (1973–80) (constant dollars)	4.99	5.46	[1] 5.31
Average annual unemployment	4.93	3.62	4.0
Average annual price increase	2.59	3.88	3.39

[1] Approximately.

The obvious and expected result of lowering the level of construction labor, material and capital demand on the Canadian economy is to reduce the gains in output, as measured by GNP and the unemployment rate, but also to reduce the inflationary pressures that would accompany them, as well. In short, were a more reasonable level of Canadian content used in constructing the pipelines, Canadian GNP would still be raised significantly, in relationship to the normal case the unemployment rate would be lowered from nearly 5 to 4 percent, and only a moderate increase in the inflation rate over the historically projected level would occur. Stated differently, by making a maximum prudent contribution to the construction of the oil pipeline, but not an excessive one, the Canadian economy would reap significant benefits without sustaining any unacceptable costs.

OFFSETTING FISCAL AND MONETARY POLICIES

It should be further noted that the study was conducted under the assumption that no Government policies would be used to counteract the effects of increased construction activity. "The control solution assumes that there will be no change in nominal tax rates and that there will be moderate increases in Government expenditures." By not programming monetary and fiscal policy into the model, the estimates produced indicate the maximum effects of a given course of action. From the above tables, it is obvious that the magnitude of such effects for the extensive development case—even in a situation of no Government intervention—cannot be considered unreasonable for the Canadian economy. Though prices would increase by an average 0.8 percentage points faster than they would without building the two pipelines, extensive development causes price increases of only 0.31 percentage points greater than the standard development case.

In any event, these projections represent maximum effects and certainly would require only moderate Government action. Fiscal action, combined with a tight monetary policy could readily ease inflation. Furthermore, a moderately restrictive monetary policy will make it easier to attract foreign capital as Canadian interest rates rise. Hence, domestic inflation could be curbed while the economy continues its high level of activity due to the stimulus provided by the large pipeline construction project.

INFLATED CAPITAL REQUIREMENT ESTIMATES

To arrive at their projections, the Canadian study estimated capital requirements—

> To reflect additional expenditures for geological and geophysical activities. While expenditures of this type are usually considered as an operational expense (and not a capital expense)—in this particular study

they are treated as a capital expenditure item as they form an important ingredient of frontier development costs.

This switch in accounting methods raised the amount of capital requirements by 4.4 percent. Exclusion of geological activities from capital needs lowers capital requirements by $1.62 billion. Such exclusion would lower the impact of the extensive development case even more.

CYCLICAL CONSIDERATIONS

The macroeconomic model used by the Canadian study indicated that the Canadian economy may experience a downturn between 1977 and 1979. In light of this possibility, the report concluded:

> If the period 1977–1979 should actually develop as shown in the control solution to be a time of relatively slow growth, the construction of a Mackenzie Valley oil pipeline could provide an important stimulus.

The study continues by stating that the use of lower levels of Canadian content in construction and financing—50 percent instead of 60–70 percent—"appears to be a relatively efficient means of reducing the pressures and disruptions of periodic surges in demand for particular goods and services." The reduction in the level of Canadian content involves a direct reduction in demand for those industries which supply pipeline inputs as imports replace domestic inputs.

BALANCE OF PAYMENT CONSIDERATIONS

Lastly, the study focuses on the impact on energy development on the balance of payments. Capital inflow required under traditional levels of Canadian content—60–70 percent—would be $10.5 billion for the extensive development case. With the more reasonable 50-percent level, required capital inflow is reduced by 38 percent to $6.5 billion.[1]

The surplus on the capital account resulting from the sale of Canadian securities abroad would need to be offset by a deficit on the current account—brought about by increasing imports—so as to bring about a favorable balance of payments. Appropriately, this study notes that—

> Investment in energy development has historically led to immediate direct increases on the import of machinery and equipment and other construction materials. As the level of Canadian content of pipeline development in the 1970's is expected to be considerably lower than in the past, because of the size of the projects, the immediate direct increases in imports should be correspondingly larger.

According to the study, the decline in the current account caused by the increased imports may or may not be sufficient to offset increased capital inflows.

> In the resource development boom of the mid-1950's, some change in the terms of trade was required to further stimulate imports and hinder exports.

While the absolute amounts of the required deficit appear high by past standards—

> When the current account deficit is measured as a proportion of GNE—gross national exchange—the maximum with case B—standard development—is only 1.5 percent in 1976 with the low Canadian content assumption. Under case C—extensive development—the maximum percentage is again 1.5 percent in both 1976 and 1979 (the two periods of pipeline construction).

Thus, it appears that maintaining a favorable balance of payments would not be an insurmountable problem.

It is obvious that the study considers the extensive development case a viable alternative. Though moderate government intervention may be necessary, no extraordinary controls would have to be employed. The extensive development of Canadian energy reserves through the building of a Mackenzie Valley pipeline will not likely tax the Canadian economy beyond its capabilities.

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[1] When a lower level of Canadian content is assumed, the foreign financing requirements decrease because there is less induced investment in proportion to the net reduction in stimulus to aggregate demand.

THE NEW AMERICAN-SOVIET TRADE POLICIES

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. GOLDWATER. Mr. Speaker, this discussion today is especially timely, and I welcome the opportunity to make a few brief remarks.

I recall that only 4 or 5 years ago there was considerable opposition in the Congress to an expansion of East-West trade. Of course, much of this opposition was predicated upon the fact that most of the Communist countries were supplying the North Vietnamese and Vietcong with weapons of war. Now that the American ground combat role in Vietnam has ended, the atmosphere seems to be leaning toward an increase in trade with the Communist nations.

But regardless of a possible change in attitude, I think we still have an obligation to put this matter into perspective. In considering such manifestations of trade as most-favored-nation agreements, we must weigh all the angles in granting preferential treatment to Communist countries.

Certainly, we should always keep in mind that a world power like the Soviet Union is anxious to have trade work in its favor politically. While there has been an outward appearance of a relaxation in cold war tensions, Soviet Russia still has a closed economic system. The Soviet leadership does not look upon trade in the same way we do. Like everything else, trade is only an extension of Soviet political endeavors. Therefore, we must be especially careful in granting them concessions. Whether it be the Soviet Union, or its satellites, or the People's Republic of China, the fact remains that the Communist world is diametrically opposed to our system of government and everything it stands for. I wonder just how much the Communist leadership has departed from the teaching of one of its most revered theorists, Lenin, who maintained that trade should be used as an extension of Communist influence.

Here's what Lenin had to say about the generosity of the Western world in regard to trade, and I quote:

> They will grant us credits, which will fill the coffers of the Communist organizations in their countries while they enlarge and improve our armaments industry by supplying all kinds of wares, which we shall need for future and successful attacks against our suppliers.

Now, Lenin may not be as viable in the Communist philosophical context as he was for the first 40 years after his death, but he is about the only early Communist leader whom the contemporary Communist leadership admires. He is taken seriously by the Communist world. If the world's Communist leadership has departed from such a doctrine let them prove it. If they want most-favored-nation treatment, they can start proving their good faith by not promoting conflict in the Mideast, in Korea, in Latin America, in Southeast Asia, and on and on.

The economics of international trade necessitates at least a degree of mutual benefit on the part of the nations entering into trade agreements. This is why reciprocal trade agreements are made—at least theoretically. One nation is supposed to reciprocate for the granting of concessions by another. I am not at all sure that the Communist nations have shown that they are willing to reciprocate, and until so-called wars of liberation are called off by the Communists, this Nation should think twice about granting them MFN and other trade concessions.

COMMUNITY MEALS FOR THE ELDERLY PILOT PROJECT BEGINS IN YOUNGSTOWN, OHIO

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. CARNEY of Ohio. Mr. Speaker, on Friday, July 6, 1973, I had the pleasure of attending the opening luncheon of "Community Meals for the Elderly" at Norton Manor in Youngstown, Ohio. "Community Meals for the Elderly" is a 6-month pilot project administered by the Youngstown Area Community Action Council under a $27,000 grant from the Office of Economic Opportunity.

Besides providing one hot, nutritious meal a day for senior citizens, "Community Meals for the Elderly" is designed to furnish informational, referral and social services, and a "sense of community." By drawing elderly persons out of isolation and into a recreation-socialization atmosphere, meal time will be a happy time. Senior citizens are also encouraged to participate in the program's policy council with representatives of community agencies who could assist them with their problems. At the present time, any person over 60 years of age within walking distance of Norton Manor is eligible. I would like to take this opportunity to extend my congratulations and best wishes to the senior citizens, Tom Racich, director of the Youngstown Area Community Action Council, and

Dorothy Edl, manager of Norton Manor, for participating in this program.

Mr. Speaker, "Community Meals for the Elderly" is an example of the kind of program which should be supported by the Congress and the American people. If the "Community Meals for the Elderly" pilot project is the success I expect it to be, I am hopeful that it will be expanded to other communities in Ohio and throughout the country. This program is one small but important way we can show our senior citizens that America cares about them.

Mr. Speaker, I insert the program from the official opening luncheon of "Community Meals for the Elderly" in the RECORD at this time:

COMMUNITY MEALS FOR THE EDERLY

A Six-Month Pilot Program Administered by Youngstown Area Community Action Council.

Official Opening Luncheon, Friday, July 6, 1973, 12 Noon at Norton Manor, 1400 Springdale Avenue, Youngstown, Ohio.

PROGRAM

Master of Ceremonies: Thomas P. Racich, Executive Director, Youngstown Area Community Action Council.

Invocation (Walk-In): Rev. Morris W. Lee, Pastor, Third Baptist Church and Past President, YACAC Board of Directors.

Buffet Luncheon.

Welcome: Herman "Pete" Starks, 2nd Ward Councilman; President YACAC Board of Directors.

Introduction of Guests: Mr. Racich.

Keynote Speaker: Thomas Coppola, YACAC Planner.

Impromptu Comments by Officials: (1) City, (2) County, (3) State, (4) National.

Closing Remarks: Mr. Racich.

Benediction: Rev. Lee.

HONORED GUESTS

Congressman Charles J. Carney, 19th Ohio District, U.S. House of Representatives.

State Representatives: George Tablack, 52nd Ohio District; Thomas P. Gilmartin, 51st Ohio District; and son, Brendan J. Gilmartin (Age 13).

State Senator Harry Meshel, 33rd Ohio District.

Mahoning County Commissioners: George J. Bindas, Chairman; Thomas J. Barrett, John Palermo.

City of Youngstown Finance Director Charles J. Ramsey, Representing Mayor Jack C. Hunter.

Mr. Irvin Ryan, President, Northeastern Ohio Senior Citizen Council.

Mr. James Lottier, Representing Youngstown Metropolitan Housing A.

Mrs. Martha Murphy, Director, Mahoning County Areawide Project on Aging.

Mrs. Dainty Williams, Community Meals Program Director.

Programs courtesy YACAC Public Relations.

HELP ELECTED REPUBLICAN OFFICIALS

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. DU PONT. Mr. Speaker, volunteers are the lifeblood of our political process and all too often, the lack of recognition of their work makes them unsung heroes. It is to one of these groups that I would like to address myself.

We Republicans in Congress are fortunate indeed in having a volunteer group of ladies who have banded together in an organization called Help Elected Republican Officials or HERO, heroes they are indeed.

This group of some 60 women are always on call to provide all types of emergency office services to Republican Members of Congress when they are deluged with a flood of mail from home, get behind in their filing, et cetera.

"Rusty"—Mrs. James G. Michaux—the volunteer chairman of HERO, has reported that in the 92d session of Congress, her group has answered 1,836 calls for assistance from Republican Members of Congress and responded with a total of 3,196 volunteers who worked a total of 43,642 hours on our behalf.

The volunteer women take pride in the job they are accomplishing and in the work they are doing. To each and everyone of them should go heartfelt appreciation from all of us who have been on the receiving end of their patriotism.

THE NATIONAL CAPITAL PLANNING COMMISSION FOR THE WASHINGTON METROPOLITAN AREA

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. NELSEN. Mr. Speaker, I have this date introduced a bill to amend the National Capital Planning Act of 1952 that would carry out to the maximum extent possible, in my opinion, the recommendations of the Commission on the Organization of the Government of the District of Columbia, which President Nixon has referred to as the Nelsen Commission. As that Commission addressed itself to the question of planning and zoning here in the Nation's Capital and the National Capital region.

The bill would restructure to some extent the membership on the Commission. It would at the same time insure regional representation on the Commission, as well as insure strong input from the local government of the District of Columbia. Furthermore, it would insure that there was one comprehensive plan for the District of Columbia, and that that comprehensive plan would be one administered ultimately by the National Capital Planning Commission, as has been the case in recent years since a need for such a plan first arose.

This bill would also provide that the District of Columbia Zoning Commission could not alter the comprehensive plan, but that rather the Zoning Commission would have to follow the comprehensive plan or else the comprehensive plan would have to be amended to reflect that which would be changed by zoning.

There is currently before the full Committee on the District of Columbia a home rule bill which contains a provision on the National Capital Planning Commission. It is without doubt one of the most controversial provisions contained in the home rule bill. I am hopeful that this bill will be treated as a separate bill, taken up on the House floor as a separate bill, because I feel that planning for the District of Columbia is important enough in and of itself for the House to treat it as an independent and individual item of legislation. I think it could be an excellent test vehicle to determine the House sentiment on how the Federal and local interest is to be handled in the District of Columbia today and in the years to come, especially as there is an expansion of the voice of local residents over local affairs.

There may be some who will not agree with certain provisions of this bill, which I believe provides for preservation of the Federal interest, in that the comprehensive plan would rest with the National Capital Planning Commission. However, every effort has been made to balance the Federal and local interest, and I beleve the result obtained in the bill would provide a structure for a working partnership between the local government and the Federal Government in achieving the best possible planning for the Nation's Capital and the National Capital region, while at the same time providing a voice in that planning, not only for the local District of Columbia government, but for other local planning agencies in the District environs of the National Capital region.

Since the Nelsen Commission report has been made available to the public, the provision contained therein that would have provided finality of decision-making and protection of the Federal interest through the President's office, acting through the Office of Management and Budget, has prompted Congressman FUQUA and me to refine our thinking somewhat on how best we can achieve finality in planning and zoning in the District of Columbia, while at the same time protecting the Federal interest in the Nation's Capital. Rather than setting up a new structure, we have strengthened to some extent, and provided for finality to a greater extent, in the National Capital Planning Commission. At the same time the bill that we introduce today provides for local planning authority in the Mayor and the District Council and provides for the establishment of a Municipal Planning Office which would be the planning agency for the District of Columbia for local and parochial interest.

I urge your support for this bill, and I would request that all those interested individuals and groups in the community review it in detail, because I believe it has much merit and is a bill that the House as a whole could support.

WATERGATE AND THE REPUBLICANS

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HOSMER. Mr. Speaker, an article appearing in the June 1973 issue of the Orange County Observer which I was pleased to write because its subject matter seems so relevant to today's political discussions arising from the Watergate affair. The article follows:

WATERGATE—REPUBLICAN PARTY WAS NOT INVOLVED

(By Congressman Craig Hosmer)

It seems safe to assume that Republicans all over the country are trying to assess the damage Watergate has done to their Party. It is easy to contemplate 'disaster'. To talk of rebuilding the Party from the ground up.

In my judgment, all of this represents over-simplification. In the first place, the Republican Party, as such, had nothing to do with Watergate. As Republicans, we sincerely regret the decisions and actions of certain weak and foolish men who betrayed their President, their Party and legitimate political processes. Criminal acts, in addition to those already adjudicated, will be prosecuted without favor. But there is no remote connection between these individuals and the Republican Party. President Nixon, in his statement of May 23, categorically said he had no prior knowledge of Watergate, never authorized or knew of offers of executive clemency, did not attempt to implicate the CIA in Watergate, never atuhorized nor encouraged subordinates to engage in illegal or improper campaign tactics. He has initiated what should be a thorough investigation to learn the truth about Watergate.

IMMEDIATE JOB

Final judgment may be years away.

But elections will be held next year. Our immediate job, therefore, is to set the record straight about the Party itself and the men and women who will be seeking office under its banner in 1974.

Already the gleeful wielders of the tar brush are trying to paint all Republicans into the Watergate mess. Ever the opportunists, Democrats and their many friends in the press, are trying to portray anyone who runs as a Republican next year as a kind of Little Eva running across the ice with the blood hounds at her heels.

To separate froth from fact, two things must be borne in mind: First, Republicans in Congress and in their Party's headquarters were not involved in Watergate. We did not run with CREEP, from whose ranks most of the Watergate conspirators evolved. Quite to the contrary—it was a source of consummate rage last fall that House and Senate candidates were left to fend for themselves as CREEP cornered the funds and squandered the President's image.

Second, Republicans in the House and Senate have been in the forefront of those demanding a complete airing of the Watergate affair, a totally impartial prosecution, and punishment of the guilty. Like a woman scorned, Hell hath no fury like that of an honest Party member betrayed by a bunch of amoral political amateurs trying to crowd under the Party's banner.

DEMAND THE TRUTH

Just as we have demanded the truth, we reject the obsessed who seek to negate our democratic election system by forged or anonymous letters and cables slandering any American, regardless of his Party connections. I do not believe you have to beat Democrats with dirty tricks. I think you can beat them by pointing to their records in Congress and the White House for the last 40 years. Which, I concede, may be a kind of 'dirty trick' in itself, albeit a legitimate one.

And the fact is, the Democrats are going to have to run on that record next year. And while they would be delighted—and doubtless will try—to obscure that record by dragging out the Watergate mess, it is my judgment that the public will be sick and tired of that word by then and will begin asking just what it is the Democrats have accomplished in the 93rd Congress. Unless they do a lot better than they have been doing, the Democrats are going to find that a very embarrassing question.

DRAGGING ITS FEET

Only recently evidence came to light in Congress that the Democrats are not exactly crippling themselves with overwork. Sen. Charles Mathias, Jr., (R., Md.) disclosed that the Democratically-controlled Congress has been dragging its feet on funding some 300 major Federal programs that will be broke by June 30, the end of the fiscal year, unless their money is renewed. These include the food stamp program, military research and development, mortgage interest subsidy payments to middle income families, occupational health and safety and the Emergency Employment Act of 1971. Also facing deadlines are the Clean Air Act, public debt limit and maternal and child health services.

The fact is that in this Congress the Democrats have spent most of their time trying to override—without success—Presidential vetoes of inflationary legislation. In 40 years they have not had a new idea. They still have only one solution to domestic problems—spend more money on them. They know that such spending brings a swift kick in the wallet both at the tax counter and from the toll of inflation it spawns.

HAVE DONE NOTHING

People are aware—or should be made aware—that in straight years of Congressional control the Democrats have done nothing about pension reform, the energy crisis, now upon us, transport and budgetary controls—all projects of our current Administration. Their foreign policy has been a tragic series of blunders and frustrations. Every war in this century in which the United States became involved saw a Democrat in the White House. Under Democratic Administrations we became hopelessly mired down in a no-win war in Southeast Asia. A Republican Administration got us out and brought home our prisoners. At this writing, the Democrats, who had precious few cheers for President Nixon's achievements in Vietnam, are still trying to persuade the Communists to live up to their peace agreements. Their contributions to peace in Southeast Asia add up to zero—or less.

Under Democratic Asian policy we fought two no-win wars and remained light years away from any rational working agreement with the government of 800 million people in Mainland China. When President Nixon took office, he inherited 20 years of estrangement and hostility between China and the United States. The problem was not one of a constantly changing relationship, but no relationship at all. The President changed all this. Three years of careful groundwork produced the historic turning point in our relationship with the People's Republic of China. In President Nixon's words: "My conversations with the Chinese leaders in February, 1972, reestablished contact between the world's most powerful and the world's most populous countries, thereby transforming the post-war landscape. The journey to Peking launched a process with immense potential for the betterment of our peoples and the building of peace with Asia and the world."

The May 1972 summit meeting with leaders of the Soviet Union produced the first agreement between the two nations to limit the strategic weapons that are the heart of their national survival. Future opportunities for cooperation and negotiation were opened up, including increased East-West trade.

MAJOR ACHIEVEMENTS

Attainment of an honorable settlement in Vietnam, though still troublesome, was certainly the major achievement of the past year. Much work remains to consolidate peace in Indochina, but the President and his brilliant advisor, Henry Kissinger, are doing all in their power to bring that about.

In Western Europe, we are consulting closely with our allies. As the President said: "Major political, security and economic negotiations are on the agenda."

Incredibly difficult as these achievements seem, the domestic problems confronting Mr. Nixon when he took office, particularly the Federal budget, were hardly more simple.

It has been 40 years since a Democratic President taught the American people they can vote themselves largesse out of the public treasury. That poison is still at work. The Washington wailing wall becomes ever more crowded with mayors, governors and all manner of special pleaders for Federal funds.

KEY FACTS

Here are a few key facts about that Federal budget:

—Since 1950 it has nearly doubled, now taking more than 20 percent of all personal income.

—Growth of Federal spending was especially pronounced under the last years of LBJ, growing at an average rate of 17 percent between 1965 and 1968. In 1963, there were only 160 individual grant programs, but now there are more than 1,000.

—So great is the momentum built into the growth of government, that nearly 75 percent of the fiscal 1974 budget is for virtually 'uncontrollable' items. Interest on the public debt is an example. It is now over $24 billion annually.

At the present rate of growth, the budget of the Federal government will be over $1 trillion—$1,000 billion—by the 1990's. That's about equal to the size of our whole economy today.

BIG GOVERNMENT

The major thrust behind these skyrocketing budget figures is the 'big government' philosophy which began with the New Deal and has continued to grow. President Nixon is trying to put the brakes on that growth, and even the Democratic spenders are beginning to admit that some of the big, costly social programs that seemed to promise so much—such as the elimination of poverty—were a bit overblown to put it mildly, and have failed to produce anything commensurate with their cost.

President Nixon is trying to reduce State and local dependency on Washington via his revenue sharing proposals, elimination of some 115 unnecessary programs and reorganization of others. His basic goals as expressed in his fiscal 1974 Budget Message to Congress are:

To hold down Federal spending so that there will be no need for a tax increase;

HIGH EMPLOYMENT

To move the Nation's economy toward a high employment prosperity (it is close to that now);

Most importantly, to help bring about the change demanded by the great majority of the American people by ending the flow of power to Washington, increasing the reliance on State and local governments, and

To assure the taxpayers that their money is used wisely and efficiently by Government.

Thus the 1974 budget is a blend of sensible economic policy and sensible government.

Democrats have given the President little or no help toward these goals—rather the reverse. But the point to bear in mind is that the battle of the budget is not a battle between Congress and the President. It is a battle between the Democratic spenders in Congress and the taxpayers everywhere. Today, the Republican Party is the only major political party in the country that is fighting that battle on the side of the taxpayers.

None of my comments on Watergate are intended to mean that no changes are needed in the American political system. Change is needed, particularly in the matter of campaign reform, most particularly the problem of dealing with big money contributions. President Nixon has proposed creation of a non-partisan Federal election reform commission to examine 'our entire pattern of campaign practices'. He said: 'The Commission's mandate would be as broad as the Federal election process itself. Nothing would be excluded.' The Commission is to report to Congress and the President by December 1, 1973. It will be interesting to see how many of the Democrats now attempting to smear the Republican Party with Watergate will be as enthusiastic about enacting genuine campaign reform.

TWO-PARTY COUNTRY

It is my judgment that the leadership of the Republican Party here in Congress and throughout the nation are not about to preside over the dissolution of that Party because of a handful of weak and foolish men over whom they had no control, no matter how much delight that would bring to some Democrats. Truman's 'mess in Washington' did not destroy their Party. Watergate is not going to destroy ours.

We are still a two-party country.

The goals of the Republican Party—limited government, world peace, a sound and expanding economy—remain intact. We have not discarded the Party platform, and we are not going to.

FOREIGN POLICY ADDRESS BY PRESIDENT PARK CHUNG HEE

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. BROOMFIELD. Mr. Speaker, as one who has followed closely Asian affairs for many years, I was impressed and encouraged by the forward-looking foreign policy address delivered by President Park Chung Hee of the Republic of Korea on June 23.

At a time when U.S. forces are completing their withdrawal from Southeast Asia and North and South Korean military forces face each other across the 38th parallel, President Park has offered a statesmanlike plan for peaceful coexistence between the two Koreas and for their eventual reunification.

Acknowledging that a great many difficult problems remain to be resolved, President Park has made clear that their solution must come through negotiation and conciliation, not confrontation.

Changes in relations among the world's big powers place new pressures and new responsibilities on the maintenance of peace on the Korean peninsula, but those responsibilities must be pursued courageously and aggressively, President Park states.

He has outlined a seven-point program for carrying out that goal. While peaceful unification of Korea remains the supreme task of the Korean people, it can be achieved only by gradual steps taken with sincerity and patience, he says.

South Korea, the President states, will not oppose the North's participation in international organizations, including the United Nations, and South Korea will open its doors to friendly and cooperative relations with all nations of the world.

Peace and good neighborliness are the firm basis of the foreign policy of the Republic of Korea, President Park says.

Mr. Speaker, every American should be encouraged by the reasonableness and foresight of President Park's message. Prospects for a generation of peace in the world are linked closely to the implementation of his plan for peaceful coexistence between the two Koreas. I commend his remarks to you with the hope that every American will join in wishing President Park and his people success:

Today, I wish to announce the guide-lines of our foreign policy for peace and unification to improve substantially conditions for the attainment of our long-cherished national aspiration—the unification of our fatherland. I make this announcement, taking into account our experiences in the south-north dialogue and the recent developments in international situation.

At the conclusion of World War II, Korea was liberated, but our land was divided and our people were separated against their will.

The 38th Parallel, originally known as a military demarcation line for disarming Japanese forces, turned later into an Iron Curtain. As a result, the south and the north were cut off from each other in political, economic, social, cultural and all other fields.

In the meantime, negotiations were conducted at the meetings of the US–USSR Joint Commission to remove the barrier of the 38th Parallel and to establish a unified democratic government. Yet, these negotiations ended in failure due to basic differences in the positions of the two parties. The Korean question was, then, submitted to the United Nations.

At the Second Session of the United Nations General Assembly convened in 1947, a resolution was adopted calling for free general elections throughout the whole of Korea. The United Nations Temporary Commission on Korea (UNTCOK) was then dispatched to Korea to facilitate this objective.

However, the general elections were held only in the southern part of Korea because of the negative attitude on the part of north Korea. Thus, the Government of the Republic of Korea was established on 15th August, 1948 and was subsequently recognized by the United Nations as the only lawful government in Korea.

On 25th June, 1950, the north Korean Communist forces launched an unprovoked aggression against the Republic of Korea. During the Korean War thus caused, an innumerable number of our brethren lost their lives and the whole country was subjected to destruction by warfare. An armistice was put into effect after three years of war, but the country still remained divided and the prospect of unification of the divided country became even dimmer.

In my Commemorative Address delivered on the occasion of the 25th Anniversary of National Liberation on 15th August, 1970, I called for a relaxation of tension between the south and the north with a view to alleviating the sufferings of our compatriots arising from the division of the country and also to building the foundations for a peaceful unification of the fatherland. On 12th August of the following year our side proposed the South-north Red Cross talks, and on 4th July last year the South-north Joint Communique was issued.

The south-north dialogue was thus started. Yet, the results of these dialogues lasting for almost two years since their beginning have been far from our expectations.

In our talks with the north, we have taken the position that both sides should endeavor to gradually remove the artificial barriers between the south and the north by solving easier and more practical problems first and to phase out feelings of mutual distrust and replace them with those of mutual confidence through concrete results. We further pointed out that such an approach would best serve to make the talks productive and would also serve as a short-cut to the eventual unification of the country by peaceful means.

The north Korean side, in disregard of the existence of deep-rooted feelings of distrust between the south and the north, insisted that military and political problems, which might endanger the security of the Republic of Korea, must first be dealt with, as a package, in the talks. While the very problem of re-unification was being discussed at the talks, the north Korean side was continuously engaged in such external activities as would practically perpetuate the division of the country.

In view of the current status of south-north relationship, it is anticipated that not only many difficulties lie in the way of the dialogue, but a considerable length of time will also be required before the results of the dialogue originally expected can be attained.

Moreover, if the present state of affairs were to be left as it is, the existing feelings of distrust might be deepened and even the tension between the south and the north might be aggravated.

Now, as for the recent developments in the international situation, it may be said that the era of Cold War after World War II came to an end. We have embarked upon a new era of peaceful coexistence, based on the status quo, through the balance of power among the major Powers.

Judging also from a series of events witnessed in this part of the World, it seems unlikely that the unification of our fatherland can be attained within a short period of time.

These international trends give rise to a most serious problem in the history of our nation. The problem is how to pursue the national unification—the supreme aspiration and objective of the entire Korean people—in the face of the stark realities of international situation.

My dear Fifty-million Fellow Countrymen!

We must tackle these realities in an active and positive way.

We must formulate wise and firm policies for attaining the goal of national unification in the face of internal and external realities. Then, we must assiduously implement such policies.

We should have peace rooted firmly in this land and should achieve, without fail, the ultimate goal of peaceful unification by our own self-reliant efforts.

With these considerations in mind, I now declare the following policies:

1. The peaceful unification of the fatherland is the supreme task of the Korean people. We will continue to exert every effort to accomplish this task.

2. Peace must be maintained in the Korean peninsula by all means. The south and the north should neither interfere with each other's internal affairs nor commit aggression against each other.

3. We will continue to make efforts with sincerity and patience to secure concrete results from the south-north dialogue based on the spirit of the south-north Joint Communique dated 4th July, 1972.

4. We shall not oppose north Korea's participation with us in international organizations, if it is conducive to the easing of tension and the furtherance of international cooperation.

5. We shall not object to our admittance into the United Nations together with north Korea, if the majority of the member-states of the United Nations so wish, provided that it does not cause hindrance to our national unification.

Even before our admittance into the United Nations as a member, we shall not be opposed to north Korea also being invited at the time of the U.N. General Assembly's deliberation of the "Korean question" in which the representative of the Republic of Korea is invited to participate.

6. The Republic of Korea will open its door to all the nations of the World on the basis of the principles of reciprocity and equality. At the same time, we urge those countries whose ideologies and social institutions are different from ours to open their doors likewise to us.

7. Peace and good-neighborliness are the firm basis of the foreign policy of the Republic of Korea. It is reaffirmed that we will continue to further strengthen the ties of friendship existing between our friendly nations and our country.

I wish to make it clear that matters concerning north Korea in the policies enumerated above are interim measures during the transition period pending the achievement of our national unification and that the taking of these measures does not signify our recognition of north Korea as a state.

My dear Compatriots in the South and the North!

Upon an objective and realistic appraisal of the internal and external situations surrounding our fatherland, I have a firm conviction that these policies are the only shortcut to the achievement of peaceful unification by our own self-reliant efforts amidst international currents of relaxation of tension without impairing the dignity and pride of our nation.

There can be no despair or frustration for a wise and courageous people.

Let us march together, with hope, courage and wisdom, toward the attainment of peace in the Korean peninsula, prosperity of the nation and unification of our fatherland.

THE RHODESIAN CHROME IMPORTATION QUESTION

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LEGGETT. Mr. Speaker, the fresh efforts being made by an impressive group of Congressmen to sponsor H.R. 8005 and S. 1868 to repeal the so-called Byrd amendment of 1971—now section 10 of the Military Procurement Act—deserve an overwhelming support of the Congress for several reasons, principally:

First. The aggregate of economic and industrial advantages far outweighs the disadvantages in repealing the Byrd amendment.

The enactment of the Byrd amendment of 1971 removing the embargo placed on the importation of Rhodesian chrome by public law pursuant to a United Nation's sanction which this country respected for 4 good years, has caused adverse effects on the economic and industrial condition on the domestic front. During the gloomy period in which the Byrd amendment has been in operation, this country has imported much more ferrochrome than it has chrome ore. Imports of low-priced ferrochrome made in Rhodesia and South Africa, using Rhodesian ore, threaten to destroy the American ferrochrome industry. Cutthroat competition from these imports is made possible by the use of cheap forced labor coupled with generous government subsidies. An industrial "backfire" triggered by the Byrd amendment miscalculation has occurred, and the impact has been especially felt by the Foote Mineral Co. of Ohio—a key lobbyist for the legislation. This company has recently announced its intentions to close its Steubenville plant in Ohio, on the obvious excuse that the company can no longer withstand the adverse effects of selling its products at low prices in order to combat the low-priced foreign—Rhodesian—imports "which have taken as much as 50 percent of the domestic low carbon ferrochrome market this year"—(1972). Heavy unemployment will necessarily result from this drastic action on the part of this onetime advocate of the ill-fated Byrd amendment's dubious package. Other companies similarly affected by this sudden turn of events are exploring other sane outlets or alternatives to stay in business. I am sure that any congressional action to avert this turmoil in the metallurgical industry will be wholeheartedly supported by the industry.

The Ferroalloys Association of the United States a couple of months ago, petitioned the Tariff Commission and the Congress for relief from excessive imports, explaining in unequivocal language the plight of the association traceable to the Byrd amendment. "Effective Government action" the association pleaded, "is needed to insure continued domestic production of chromium products and forestall complete dependence on foreign production and supply." Such governmental action should be swift and decisive. The joint efforts of the Congress and the administration on the framework of H.R. 8005 and S. 1868 would surely be the ideal thing to do in the circumstance.

During 1972 alone, some 9,380 tons and 32,782 tons of ferrochrome were imported from Rhodesia and South Africa respectively, totaling 42,162 tons, almost equal to the total imports between 1966 and 1971. Already a total of 18,490 tons of ferrochrome have been imported from these two sources for the first quarter of this year alone. This is by no means a happy trend. These import channels are rapidly expanding while this country's dependence on foreign source of supply is correspondingly increasing. The "strategic" banner under which this trend has reared its ugly head, is no longer strategic—it is a serious aberration which has exposed our domestic chromite producers to possible "extinction." To avoid extinction, it would be necessary and economically expedient for our chrome producers shifting their operations to the sources in southern Africa and leaving the home plants idle. In this period of persistent inflation, nothing should be done to stimulate thoughtless risks and ill-advised deployment of hard-earned capital abroad to salvage the apartheid and minority regime in Southern Africa. We must return to our stand prior to 1971, when we were a law-abiding member of the United Nations.

Second. This country's conduct since 1971 has amounted to a mortgage of our national conscience and decency by deliberately disobeying the U.S. economic sanction on Rhodesia.

The fundamental point to note in this connection is that this country is undisputably reputed for its leadership in the permeation of democratic principles and ideals both at home and abroad. Presidential foreign policy reports year in and year out have articulated this disposition. President Nixon in his 1973 report, at page 125 declares as follows:

> Our policy goals in Africa are unchanged: political stability, *freedom from great power intervention,* and peaceful economic and social development. We seek positive bilateral relations with African nations founded on their self-reliance and independence, and on forms of support which we can *sustain over the long term.* (Emphasis added.)

Admittedly, America is opposed to "great power intervention" in African affairs—America included—and would not attempt to do anything or support any form of activity which is both ephemeral and ideologically suspect. It will be self-defeating and unconscionable if these foreign policy goals were to be subverted by the very instrumentality through which these goals were to be achieved. The President has said in connection with African nationhood:

> The birth of Africa's new nations was one of the dramatic features of the postwar period. *The assertion of black nationhood in Africa coincided with a new affirmation of black dignity in America, creating a special bond of sympathy between the United States and the new Africa.* . . . There was no question about America's continuing commitment to the goals of regional peace, economic development, *self-determination, and racial justice in Africa.* (Emphasis added.)

If these statements really represent America's attitude toward Africa and America trully recognizes Africa's genuine efforts to survive a harsh period of colonial "tutelage" and its aftermaths, it is difficult to see the rationale in keeping on the Statute Books laws like the Byrd amendment. The present state of the law is anathema to America's foreign policy declarations. It is an open secret that the two notorious regimes in Southern Africa substantially on their survival to large scale investment in their mineral resources. The United Nation's sanctions were designed to positively denounce and "condemn" the regimes in southern Africa on the one hand, and to indicate to them that the twentieth century world community of nations decried oppression and oppressive regimes in whatever forms these may be.

Thus, the arguments already advanced for the continuation of this country's open disobedience of the United Nation's sanction are trite, devious and unwarranted. The strategic needs of this country do not justify this attitude and indeed, similar attitude of American investors in southern Africa. There is an almost unlimited economic potentiality in Africa—excluding southern Africa—into which those zealous American investors can safely sink their capital and look forward to rich returns in the course of a short time. An important fact to note is that America can very well save itself from an inevitable embarrassment, by not creating a situation whereby African nations will have to send an "S.O.S." to our Government, and indeed this Congress to thwart the ignoble roles American capitalists are playing in Africa. Every effort should be made to avoid unwittingly drifting into such a bottleneck.

In conclusion, I would strongly urge support of the objectives of H.R. 8005 and S. 1868.

TRINITY STUDY INVOLVES PUBLIC

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. TEAGUE of Texas. Mr. Speaker, I would like to call to the attention of my colleagues an article which appeared in the Dallas Morning News for Sunday, July 8 concerning the studies of the Trinity River. Working on the proven basis that an informed public is an intelligent public, the Trinity River Authority envisions a number of public meetings in conjunction with the required studies on water quality and river basin management.

The article follows:

TRINITY STUDY INVOLVES PUBLIC

(By Dorothie Erwin)

There are few things less thrilling to hear about than a government study—especially a longrange government study.

The water quality management study by the Trinity River Authority (TRA), under way for more than a year and still a year away from completion, certainly lacks dramatic content to attract the public's attention at this point. Can any of us be amazed or informed by news of a mathematical model of the Trinity River system?

But the study is at the public involvement stage now, and those responsible for it think it will produce a better and more workable river-management plan if it can find an interested and informed "public" over the next few months.

TRA's staff and its advisory committee of public officials throughout the diverse river basin need input now from the river's users, to supplement the data collected from official sources and from technicians' monitoring instruments. Those users include the riverside ranchers and the Sunday canoe-paddlers; the land developers, the fishermen and the wildlife protectors.

"What we want is unqualified participation in the planning process," says William R. Brown, TRA basin planning manager who will have charge of this phase of the study. "Where the citizens of the basin have ideas about how to achieve water quality and how to be successful in managing the highest water quality standards, we want to work with them and want them to feel a part of the planning process."

Brown said TRA will increase its contacts with interested citizens' groups. These have been limited in the past by the small size of TRA's staff and the great expanse of the affected area—18,000 square miles and more than 150 cities and towns in the basin.

To be scheduled during the remainder of this summer throughout the basin are some "review and comment" workshops for special interest groups and public officials. These workshops, less formal than public hearings, are intended to provide for an explanation of the study project and an exchange of views about it, Brown said.

Specifically included among the special interest groups will be environmental and sportsmen's organizations. Chambers of Commerce, home owners associations, farm groups and others will also be invited.

Coming within the next few months will be a brochure for wide distribution, containing general information about the water quality plan and its uses; and a newsletter to be sent periodically to interested citizens' groups and to local and state governmental agencies to keep them informed of the progress of the study.

TRA's study director Alan H. Plummer, biologist Dr. Richard Browning and seven other fulltime staff members are at work on the project, whose $643,000 cost is being shared by the Federal Environmental Protection Agency, the Texas Water Quality Board and TRA.

By this time next year they expect to complete the adaptation of a mathematical model to the specific conditions of this river. It will provide the basis for waste-management planning all along the river in the future—and it is at that future stage that the work will have its public effect on recreational uses of the Trinity waters and land use along their banks. The study area includes all or part of 38 counties.

This mathematical model is no tangible object but is a set of data, stored in state and federal agencies' computers and retrievable on demand from computer terminals in this region. Its value is that it should permit informed decision-making for control of pollution in the river and its tributaries.

With this data, cities and enforcement agences can predict the effects of all types of waste discharges—municipal, industrial, agricultural—on the dissolved oxygen content of the water and therefore on the river's life-sustaining capability.

Other products of the study will include a new mapping and coding of the river system for purposes of systematic monitoring; a diagnosis of the causes of the early-stage eutrophication that is occurring now in Lake Livingston's upper end; a plan for sewage treatment facilities around the lake, and some updating of regional sewage treatment plans already drawn up in other parts of the watershed.

Dates for the first workshops are to be announced soon. Meanwhile, TRA has a program of slides and commentary on the water quality study that is available now for scheduling by interested organizations.

AMERICA'S NEW FRIEND, COMMUNIST CHINA, STANDS WITH SIHANOUK FOR THE CONQUEST OF CAMBODIA

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. SIKES. Mr. Speaker, a published report from Peking states that Chinese Premier Chou En-lai and Prince Sihanouk of Cambodia appear to stand solidly together in Prince Sihanouk's appeal for arms and ammunition to support his forces in Cambodia and the total collapse of the present Phnom Penh Government. The account was published in the Christian Science Monitor for Monday, July 9:

SIHANOUK PLEADS ARMS FOR HIS CAMBODIANS

(By John Burns)

PEKING.—Prince Norodom Sihanouk has issued an impassioned appeal to third-world countries to support his forces in Cambodia, and in effect, break the Paris peace agreement by supplying arms and ammunition.

The need for military supplies was the principal theme of a banquet speech in which the exiled Cambodian leader repeated his categorical refusal to negotiate a compromise solution to the Cambodian problem and demanded that the United States and its Indo-China allies cease all interference in Cambodia.

Both Samdech Sihanouk and his banquet host, Chinese Premier Chou En-lai, bitterly condemned what they described as plans to introduce Thai and South Vietnamese troops in support of the government of President Lon Nol, which is faced with the prospect of a cutoff of U.S. bombing support on Aug. 15.

But to diplomats, the most intriguing part of Mr. Sihanouk's speech was his plea for arms and ammunition from "all fraternal countries and anti-imperalist comrades-in-arms"

Samdech Sihanouk's pledge that his forces will continue the fight "even if there are left for them only the archaic weapons of their ancestors" left many diplomats with the impression that the military arm of the prince's united front government may be facing an arms and ammunition shortage greater than the Prince previously has been willing to concede.

If directed principally at China, there was nothing in Premier Chou's speech to indicate Peking is ready to comply.

The Chinese leader made no mention of arms, limiting himself to a reiterating the demand that the United States immediately cease all its military activities in Cambodia. The Premier emphasized his government stands solidly behind Samdech Sihanouk's "just struggle."

Diplomats in Peking considered it highly unlikely Peking will agree to Mr. Sihanouk's plea since doing so would involve a breach of an international accord, and cut the ground from China's vigorous condemnation of U.S. military interference in Cambodia.

The Prince seemed to anticipate Chinese inhibitions on the subject by declaring that an effective response to his appeal "will not at all violate the spirit and letter" of the Paris accord, since the entire world knew that the accord and the article in it referring to Cambodia "are being violated from top to bottom and solely by the government of the United States."

EFFORT AT PERSUASION

Samdech Sihanouk seemed to indicate he was preparing for a determined effort to persuade the Chinese the time has come to abandon inhibitions about the Paris agreement. The Prince has spoken before of Chinese insistence on observing the accord, saying that Premier Chou emphasized that an arms consignment delivered shortly before the accord was signed was the last that China could give him.

For his part, the Chinese Premier looked forward confidently to the "total collapse" of the Phnom Penh government.

Prince Sihanouk denounced as a "propaganda trick" and "hypocrisy" suggestions by Washington that secret negotiations to end the war are under way. He said Cambodians would never accept a negotiated settlement that established a coalition government, or one that divided the country.

The U.S. News & World Report on July 16 had this comment about Chou En-lai:

The apparent refusal by Chou En-lai to come to the White House this autumn was a big disappointment to the President who had extended an open invitation to China's Premier. Nixon aides consider Chou's attitude on a trip to the U.S. as a real test of how far China will go to warm relations with this country.

Pretty is as pretty does. We want Communist China's friendship but there is a limit to the price we can afford to pay.

MISS ENID BAA, REMEMBERING THE PAST FOR THE PRESENT

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. DE LUGO. Mr. Speaker, the Virgin Islands is extremely proud and fortunate to have, as one of our own, a woman who has distinguished herself in the field of libraries and historic records. In fact, without exaggeration I can attribute the state of the Virgin Islands Library system and fine collection of important papers to the efforts of Miss Enid Baa.

The local and international recognition and honor that has been given to the work of Miss Baa is certainly deserving. She, more than anyone else, is responsible for the existence of our fine public libraries. Additionally, she has made most valuable contributions to the preservation and cataloging of historic documents of the Virgin Islands, most notably the important Von Scholten collection. Miss Baa has also found the time to participate, throughout the world, in the advancement of library science.

On a more personal level, Miss Baa is owed a great debt of gratitude. Perhaps because so much of her life has been immersed in the flow of history, she is always able to maintain her perspective of events in their larger context. For whatever reason, Miss Baa has been a wise and steady counselor to many of us, sharing the lessons of history which she has so well recorded.

Mr. Speaker, 40 years ago Gov. Paul M. Pearson recognized the devotion Miss Baa had to books, and appointed her supervising librarian of the Virgin Islands. As such, she was the first woman to hold a cabinet level office in the territory. It was a very wise appointment. To this day, Miss Baa remains responsible for the maintenance of the library system as Director of Libraries, Museums and Archives.

On July 5, the Weekly Journal, a new weekly newspaper distributed throughout the islands, published a profile of Miss Baa. I am sure that Members of this House will be interested to read of the career of this distinguished Virgin Islander who has done so much to prepare us for the present by reminding us of the past:

ENID BAA: 40 YEARS AS V.I. LIBRARIAN, AND STILL GATHERING LITERARY LAURELS

(By Sylvia Stipe)

Miss Enid Baa is a shy, soft-spoken lady with a warm smile. There's a twinkle in her eye that gives away her great sense of humor.

She has a weakness for amthysts, even though they aren't her birthstone. "I just think they're beautiful and I can't resist them," she says, referring to the two amethyst rings and pendant she wears.

But don't let this gentle exterior fool you. Enid Baa is a very prominent woman, and she's proven it many times over, both here in the Virgin Islands and in the international library field.

40TH ANNIVERSARY

Last Sunday, on July 1, Miss Baa celebrated the 40th anniversay of her appointment as Supervising Librarian of the Department of Public Libraries of the V.I. She was the first woman to become a member of the Governor's Cabinet in the history of the territory, and also the youngest.

Her official title now is Director of Libraries, Museums and Archives, but she still has the same passion for books that she developed in high school.

AGE NO SECRET

She was born on St. Thomas, "in the vicinity of the Catholic Church," to Orlanda and Sarah Baa. Her birthdate is Sept. 28, 1911, and she tells it freely. "What difference does it make?" she says. And her serene expression and youthful bearing show that, though she will be 62 this year, the dates really don't matter.

When she was very small, her family moved to Santo Domingo. When asked why they moved there, Miss Baa explains that it was the place to go and try to earn a good living at that time.

However, she adds, "We were Virgin Islanders, and we came back because we belonged here. We got back just in time for the transfer of the Danish West Indies to an American territory on March 31, 1917, and just in time for me to become an American citizen."

FIRST GRAD

Miss Baa's interest in library science goes back to her days at the original Charlotte Amalie High School, where she was one of the first four graduates. She helped establish the first high school library there, and remained involved with it after class hours and during summer and Christmas holidays.

By the way, the other three graduates on the island with Miss Baa included Eric Smith, Albert Commissiong, now vice-president of the V.I. National Bank, and Elin Holst, daughter of the then-president of the Danish West Indian Bank.

At one time, the Baa family occupied the old Danish estate buildings in Dorothea, which Miss Baa's father sold to the government and that now are the site of the Agricultural Station.

Miss Baa says that she really loved that house and has some very happy memories of their life in Dorothea overlooking the Atlantic and Inner and Outer Brass Islands. She laughingly says that she "never quite forgave" her father for selling the place. •

HONORS BEGAN EARLY

Books have been Miss Baa's life, and she demonstrated such keen interest in her studies that after graduation from high school in 1931 she was selected for the first Interior Department Scholarship to Howard University in Washington, D.C.

But she only spent one school year there because she was chosen by then-Governor Pearson and the Carnegie Foundation for another scholarship to the Graduate Library School at Hampton Institute.

Despite the fact that she was only in her second year as a university undergraduate, she completed this graduate course among the top third in the class of 1933 and returned to the Virgin Islands to be appointed by Governor Pearson as Supervising Librarian for the territory.

She was the head of the then-Department of Public Libraries, and thus became the first woman to hold a cabinet level office in the V.I. Government. Under her guidance, the libraries of all three islands grew in size and the services they offered increased.

EXCHANGE LIBRARIAN

In January, 1943, Miss Baa was selected as exchange librarian between the University of Puerto Rico and the Virgin Islands. During this time she served for five months at the University of Puerto Rico.

In the fall of 1943 Miss Baa returned to the United States to matriculate at Columbia University to complete her undergraduate college work which was interrupted when she accepted the Carnegie scholarship.

She received her Bachelor of Science degree in 1949, and the Graduate School of Library Science at Hampton simultaneously conferred on her the post-graduate degree of Bachelor of Science in Library Science.

Miss Baa held various positions following her Columbia University post. She was Fellow Librarian at Queen's College in the United Nations Library in Lake Success, New York, in 1949 to 1950, where she worked in English, Spanish, Portuguese and French languages.

She was reference librarian and cataloger of the Woodrow Wilson League of Nations Documents presented in July, 1950, to the United Nations, and in 1950–51, she specialized in cataloging Spanish and Portuguese materials for the New York Public Library.

On her return to the islands again, Miss Baa was appointed Library Consultant to the Governor under Governor Morris de Castro, and served until 1954. With the reorganization of the territorial government under the Revised Organic Act, she was appointed Director of Libraries and Museums under Governor Archibald Alexander in 1954, the position that she still holds today.

In 1955 Miss Baa was awarded the John Hay Whitney Foundation Fellowship for her contribution to the preservation of the Sephardic Jewish Records of the Virgin Islands and the re-organization and indexing of these records in a card file.

Her proposal was to continue graduate studies in this field, but unfortunately she couldn't take advantage of these benefits and had to give up the fellowship.

The index, however, is an invaluable research source to genealogists, listing references to the family records of Virgin Islands outstanding Sephardim: Judah Philip Benjamin, Camille Pissaro, the Da Costas, Monsantos, de Castros, de Solas, Yulees and other greats who lived in these islands from 1780 to 1954.

Miss Baa still continues to work in this field and has published a paper entitled "Preservation of Sephardic Records" in American Jewish Historical Society Publications. This work organized the births, deaths, and marriages of this ethnic group who migrated to the Virgin Islands from Spain and Portugal in the 17th Century.

Today, as Director of Libraries, Museums and Archives, Miss Baa is credited with the initiation and preservation of one of the rarest collections of Virgin Islands materials housed in the Public Libraries.

This collection, known as the Von Scholten Collection, was so designated by her in 1959 as a tribute to the emancipator of Danish West Indian slaves in 1848.

The collection developed from a legacy of about 30 books in 1933 to include hundreds of rare books, newspapers, periodicals and government publications in several languages, plus records, family photographs, Bibles, manuscripts, coins and much more.

The collection, under the watchful eye of Miss Baa, is growing and in constant use by students from local schools and colleges as well as scholars in the field of Caribbean studies.

PROFESSIONAL AFFILIATIONS

Miss Baa is a member of many professional associations that span the globe. They include the American Library Association, where she served for two years on the governing body, plus associations in Britain and Italy. She is also active in historical associations, both local and international, and has been the recipient of honors and prizes almost too numerous to list.

As a speaker, Miss Baa has identified herself as a woman of achievement. She has participated at various national and international conferences, usually representing the Virgin Islands.

She was a member of the first Board of Directors of the Association of Caribbean Universities and Research Institutions and Libraries, and she has many publications to her credit.

AND FIRST IN THE POCKETS OF THEIR COUNTRYMEN

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. BRASCO. Mr. Speaker, today America thrashes about in the throes of severe economic distress, ravaged by inflation and haunted by the spectre of shortages in a number of vital areas. Most average families, and I am not speaking of those below the poverty line, are finding it extraordinarily difficult to make ends meet, and this in a time when the average American mother and wife has left the home and found work to add extra dollars to strained budgets.

It almost goes without saying that the administration has created economic chaos through unenlightened tinkering with economic forces it only partially comprehends. Today, as the dollar reels abroad, sustaining two devaluations with a third in the offing, its difficulties are matched by impending catastrophe here at home.

The stock market has taken and is continuing to sustain a pummeling that bids to rival plunges of the Hoover era. Small investors have watched helplessly as a market out of control ravaged their painstakingly acquired stock portfolios. Scandal beclouds Wall Street, as scandals pile upon one another.

While lettuce reaches the unheard-of-price of 70 cents a head and we are informed by solemn administration economic wizards that food shortages may be impending, we are confronted by gasoline shortages and potential massive hikes in the price of natural gas. Our oil industry, swollen with profit and unfair tax privileges, unblinkingly informs us we shall have to pay their price for necessities of life.

Housing prices have risen out of sight as building material costs skyrocket. Meanwhile, a lumber industry, allowed unique access to public timber resources, rakes in Japanese payments because so many logs from national forests are being shipped abroad. Simultaneously, almost 70 percent of the American people have been priced out of the housing market.

Industry profits, as press reports of recent months indicate, have hit all-time highs, as a few hundred corporations controlling the Nation's economy rake in fruits of price hikes this administration has allowed.

But the prize for greed should go to America's banks, who have raised their prime interest rates 10 times since the start of this calendar year. Already swollen with profits, banks have just been allowed to hike the prime borrowing rate to an unheard of 8¼ percent and we are breathlessly informed still another interest rate rise is just around the corner.

Can anyone doubt that the average man will pay for every cent of this? Mr. and Mrs. "working citizen" will absorb it all when they shop, apply for a mortgage or buy an auto or appliance. Such rises in the prime rate are merely institutionalized usury.

The manner in which such actions are taken amply illustrate the thinking prevailing in high banking circles.

Now although I cannot hold a candle to economic wizards of high amperage who created this unique situation, as I understand it, this is the interest rate our largest banks charge their best customers; those borrowing massive sums of money.

An average man or family seeking a mortgage or loan would not qualify as a preferred customer. Therefore, it follows he will have to pay more in interest to borrow any sum of money. So home mortgages and other loans will soon carry interest rates in excess of the 8¼ percent prime rate.

That spells enormous profits for banks and more economic strain for the citizen. It means our present economic situation will worsen.

I urge the administration to roll back this last prime interest rate hike. However, whether or not the administration heeds such urging, it is vital to inform our people of what is transpiring in their name. We must ensure that the citizenry is aware of what is being done to them, so that when the worm turns, it shall know who to head for.

So here's a big hurrah for America's bankers. If George Washington was first in war and first in peace, then the banks are most assuredly collectively first in the pockets of their countrymen.

EVERYTHING YOU NEED FOR A WAR

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Ms. ABZUG. Mr. Speaker, I have received a letter from a veteran of Vietnam who writes not just to me but to "the rest of Congress." He tells us why he went, and how he feels about it now. Though it hurts to read it, I feel that all my colleagues will wish to do so:

JULY 10, 1973.

DEAR BELLA (and the rest of Congress): I am writing in support of your bill to grant unconditional amnesty to draft evaders. Any healthy person can see how wrong that war was, but we still continue to punish those who refused to take part in it.

It is so frustrating to hear the arguments against amnesty. Even some of my friends feel that all of the deserters were merely cowards, who deserve their fate because they refused to do what a few politicians and other morons called "their duty." And they go on to say that there was not a moral question involved in their decisions; that they didn't give a damn about right or wrong and were only looking out for their own skins. These are shallow opinions, but even if they were true, would those be good reasons for punishing someone? To punish them simply because they were afraid of dying in a war that not even the politicians could justify? That's crazy!

And here's something just as crazy:

I went to that war, though I knew how wrong it was. I was a medic with the infantry and I learned all about the sickness and tragedy of it all. I remember the wise old saying I had printed on my helmet: "What if they gave a war and nobody came." That was the saying, the wise old saying, that I believed in, but didn't follow. I showed up like all the other pea brains, but I have never had any respect for my decision. I could not see any sane reason for the Vietnam war, but I was afraid of consequences. I was afraid of dying, just like everyone else, but I was also afraid of never being able to return to my home if I refused to go. I'm sure there were many others with my type of courage, but I feel that most of the boys who went to Vietnam gave very little thought to what they were doing. They just went and were either blown up or not blown up. They didn't need a reason. It was just something Americans had to do once in a while.

So there you have everything you need for a war. A few mentally ill politicians and millions of children who are full of ignorance and fear. That's really all you need and we had just what it takes.

And today we punish those who were sane enough *not* to go. It makes you feel the world is crazy.

Sincerely yours,

JIM JANKO.

PRAISE FOR THE VOLUNTEERS

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. MANN. Mr. Speaker, the worst of weather has brought out the best in the people of Greenville, S.C.

In a recent crisis, the volunteers of the Greenville County Chapter of the American National Red Cross showed great ability and compassion in helping those in need of shelter from the storm, according to the chapter's chairman, Luther Boliek.

I wish to join Mr. Boliek in commending these people for a fine job, and to express on behalf of myself and the community appreciation and admiration for the Red Cross. The complete text of Mr. Boliek's letter follows:

GREENVILLE, S.C., *June 1, 1973.*

Hon. JAMES R. MANN,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN MANN: Tuesday, May 22, the Board of the Chapter approved a written Disaster Preparedness and Relief Plan for Greenville County as recommended by Chairman Ray Owens. The plan included the work of subcommittees for Medical and Nursing, Shelter, Food, Clothing, Communications, Transportation, and Family Service.

Sunday night, May 27, 1973, the tornado struck!

Within 20 minutes the Chairman and his Vice-Chairmen, Ed M. West and Jim Goldfinch, reported to the Chapter House and began putting into action three shelters and organizing back-up staff.

Before the evening was over, 269 persons were housed and fed. Volunteer nurses assisted at each shelter with a volunteer shelter manager in charge. In addition to small babies who arrived without milk and diapers, several elderly persons with heart conditions, diabetes, emphysema and the usual trauma that goes with such an experience were aided. Breakfast was served at 7:30 the next morning.

Mr. Owens, the first black man that I know of who holds the position of Disaster Preparedness Chairman, showed skillful leadership in directing the efforts of fifty-six trained Red Cross volunteers as well as volunteers from the Blue Ridge Radio Society, Greenville React, Jaycee-ets and Boy Scouts. He set up relief teams on a six-hour rotating basis.

Monday and Tuesday, Red Cross-trained volunteers assisted 15 families who suffered total loss of their mobile homes and personal possessions with immediate emergency assistance on a need basis. The total of this assistance was $4,560. In addition, a month's supply of food stamps valued at $1,084, donated clothing and canned goods were issued.

We are very fortunate that damage was not greater. Weather observers tell us that conditions were right for very severe storms. However, with the capabilities and volunteer manpower resources, the plan Mr. Owens has devised possesses the capacity to meet even greater crisis.

Mr. Owens demonstrated his ability not only to lead, but to inspire others as well. Mr. West and Mr. Goldfinch organized their committees with skill and alertness. Would you as a public official take the time to recognize these outstanding volunteers who served Greenville County so well? Thanks very much.

Sincerely,

LUTHER BOLIEK,
Chapter Chairman.

CALIFORNIA POOR BETTER SERVED IF STATE OFFICE FOLLOWS LAW: GAO

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LEGGETT. Mr. Speaker, during a recent session of the Senate select committee's investigation of the Watergate affair Senator HOWARD BAKER made a well-known observation: "There's more than one way to skin a cat." This principle was surely embodied by the Nixon administration's late attempt to dismember the Office of Economic Opportunity. The appointment of Howard Phillips as Acting Director of OEO exemplifies both Mr. Nixon's position and his tactics. But OEO also has other enemies, for example Gov. Ronald Reagan, of California. While Mr. Phillips attempted to dismantle the agency which he commanded, Mr. Reagan has tried to discredit it. This occurred most notably with regard to California Rural Legal Assistance, Inc. Yet thankfully, because acting directors can be deposed and slanderous publicity can be proven incorrect, the cat is still alive.

On the 14th of June the General Accounting Office issued a report documenting an invidious series of abuses of the Economic Opportunities Act by the California State Economic Opportunities Office—CSEOO. By flagrantly disregarding the conditions set forth by its funding agreement this office has displayed a callous disregard for the underprivileged in California.

The Comptroller General's report, prepared at the request of myself and 21 colleagues in the House and Senate, states that in 1972 OEO funded CSEOO in order that it might, "first, provide technical assistance to OEO grantees, primarily community action agencies; second, advise the Governor and OEO about the operation of OEO programs; and third, mobilize State resources to help the poor." Instead of strictly adhering to this dictum CSEOO utilized 30 percent of its grant to "investigate and unilaterally evaluate OEO grantees within the State." These actions were forbidden by the grant after a similar obsession the previous year. The 1972 grant states that—

> The CPA's (community program analysts) role as evaluator has not proven to be compatible with his role as a provider of assistance.

The community program analysts are those who continued to carry out CSEOO's investigations.

Since the Department of Human Resources Development was specifically empowered to make such investigations when deemed necessary by the State legislature, community action agency staff or boards, concerned citizens, or by the office of the Governor. I must conclude that CSEOO's activities have reflected the concerns of the Republican administration of California. The antagonism of Gov. Ronald Reagan toward Government antipoverty programs is an unfortunate reality.

The GAO report enumerates several other areas in which CSEOO has violated its Federal guidelines or has simply failed to act conscientiously in behalf of the poor. Most significantly, first, in 1972 CSEOO illegally spent $60,000 for consultant services; second, CSEOO did not satisfy OEO's non-Federal contribution requirements for 1972; third, CSEOO violated an OEO policy of returning or reprograming unused funds; fourth, CSEOO did not establish an advisory committee to comply with its 1972 grant; and fifth, almost half of CSEOO's professional staff did not fulfill the conditions set forth by written job descriptions.

In May of this year OEO's then Acting Director stated that OEO has begun correcting these problems. Mr. Speaker, I call attention to this report, under the title "Activities of the California State Economic Opportunities Office," B–130515,, in hopes that these reforms will indeed take place and that CSEOO will better serve the needs of poor Californians which, after all, is its duty and privilege. I offer the selection entitled "Digest" for publication in the RECORD:

ACTIVITIES OF THE CALIFORNIA STATE ECONOMIC OPPORTUNITY OFFICE

DIGEST

Why the review was made

At the request of 22 Members of Congress from California (see apps. I and II), the General Accounting Office examined charges made about certain activities of the California State Economic Opportunity Office—an Office of Economic Opportunity (OEO) grantee.

The California State office provides technical assistance to OEO grantees and advises OEO and the Governor regarding the operations of antipoverty programs within the State.

During program years 1966 through 1972, the State office received $4 million from OEO including $1 million for program year 1972.

Findings and conclusions

Investigations and Evaluations

It was charged that the State office had used technical assistance resources to conduct investigations hostile to OEO grantees and not authorized by the grant.

The OEO grant for program year 1972 prohibited the State office from conducting investigations of OEO grantees. The grant did permit the State office to evaluate these same grantees, but only in conjunction with OEO. Investigations were to be conducted by the State Department of Human Resources Development. (See p. 9.)

Investigations are generally initiated in response to complaints of irregularities in the program activities of OEO grantees or individuals associated with or employed by grantees. Evaluations, on the other hand, cover program effectiveness, personnel, and fiscal aspects of grantee operations.

During program year 1972 the State office had an average of 25 professional staff, 9 of whom were used to conduct at least 12 investigations and 13 unilateral evaluations of OEO grantees. These activities accounted for over 30 percent of total staff time at an estimated cost of about $133,000. (See p. 10.)

The OEO San Francisco regional office was aware of the State office's unilateral evaluation activities. Although such evaluations were prohibited, GAO found no evidence that OEO had sought to prevent the State office from performing them.

Regional office officials said they were in contact with the State office on this matter and that the evaluations were useful to the regional office in discharging its responsibilities.

OEO regional office officials informed GAO they were unaware that the State office was conducting investigations during program year 1972. The State office informed GAO it considered its investigative activities necessary and simply the routine gathering of information to use in making recommendations to the Governor. They further said State Department of Human Resources Development investigators were not used more extensively because they were not trained adequately in OEO regulations. (See p. 10.)

OEO headquarters informed GAO that the evaluations and investigations were performed by the State office with full knowledge on the part of OEO and thus it may be said that these prohibitions were implicitly waived by OEO.

Professional staff qualifications and salaries

It was charged that the State office had filled professional staff positions with persons lacking proper qualifications.

GAO's comparison of the State office's written job qualifications with personnel records showed that it was questionable as to whether 13 of 27 professionals employed as of August 1972 met specific job qualifications relating to education and/or experience at the time they were hired.

However, the ambiguous language of the job descriptions prevented GAO from conclusively determining whether the employees met the qualifications required for their positions. (See p. 17.)

Ten of the 27 employees were hired at salaries, or given salary increases, exceeding OEO's limitations without obtaining OEO's required approval. (See p. 21.)

Consultant contracts

It was charged that the State office had contracted for consultant services in violation of maximum fee regulations.

Section 602(b) of the Economic Opportunity Act provides that consultants may not be paid more than $100 a day. During program year 1972 the State office spent about $158,000 for 15 consultant contracts—9 with individuals for consultant services on a daily fee basis and 6 with consultant firms on fixed-price contracts.

The $100 a day limitation applies only to the contracts with individuals; none of the nine contracts with individual consultants provided for payments of fees exceeding the $100 limitation.

GAO noted, however, that the State office:

Spent at least $60,657 of technical assistance funds to hire consultants without the necessary authority.

Engaged consultants without competition or without adequate justification for going sole source, contrary to State regulations and OEO instructions.

Issued contracts and authorized contractors to proceed before obtaining the required approval from designated State agencies.

The State office's internal controls over contracting procedures generally were inadequate; the State office consistently went outside normal administrative channels established by the State to obtain consultant services. (See p. 24.)

Unexpended carryover funds

It was charged that OEO had violated its regulations relating to carryover balances in order to increase the State office's funding level.

Although OEO established a policy in April 1970, aimed at having a grantee's unexpended funds returned to the U.S. Treasury or reprogramed to reduce Federal funding of grantee's operations, the State office was permitted to keep $64,343 in unexpended funds. This increased the funding level of its technical assistance grant for program year 1972 from $790,339 to $854,682.

OEO said its policy represented sound fiscal policy when issued but was not required by law and that OEO was not legally obligated to recover the unexpended funds. OEO said the State office was permitted to use the unexpended funds to cover a disputed claim for expenses incurred in connection with a legal services program. (See p. 30.)

Non-Federal contribution

It was charged that the State office had failed to comply with the non-Federal contribution requirements for program year 1972.

OEO requires State agencies to provide either cash or in-kind contributions of at least 20 percent of program costs.

The State office's non-Federal contribution requirement for program year 1972 amounted to $249,436, including $78,436 of mostly non-Federal contributions which had been questioned by OEO audits in previous years. GAO found that the State office's non-Federal contribution for program year 1972 may have been deficient by $143,585 because of questionable claims. (See p. 33.)

Prior year audit exceptions

In addition to the specific charges GAO examined into the disposition of prior years' OEO audit exceptions.

Two OEO audits of the State office covering program years 1970 and 1971 identified recorded claims of $101,167 as being questionable (audit exceptions) because they were not considered allowable under OEO's grant terms and regulations.

OEO subsequently determined that $22,731 was allowable. The remaining $78,436 was cleared by increasing the State office's non-Federal contribution for program year 1972 for the same amount. (See p. 35.)

Other matters

The State office did not fully comply with the 1972 grant conditions concerning the establishment of an advisory committee and preparation and implementation of an affirmative action plan. (See pp. 37 and 38.)

In four contracts with hotels, the State office spent $508 more than allowed under the State travel regulations. (See p. 41.)

It was also charged that the State office had used grant funds in partisan political campaigns. This was the subject of a previous report to Congressman John E. Moss; in that report GAO concluded that the charge was not valid. (See app. III.)

Recommendations or suggestions

GAO recommends that the Acting Director OEO see that the corrective action proposed by the State office and the OEO San Francisco regional office is taken. (See p. 43.)

Agency actions and unresolved issues

OEO headquarters stated that corrective actions have begun in response to specific identified problems and that it would continue to monitor these actions.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ADAMS. Mr. Speaker, as we further consider the Agriculture and Consumer Protection Act of 1973 today, I would like to make a few remarks which I feel are important to our consideration of this legislation.

The American agriculture system is not a new subject for me, and I want to explain why a Congressman representing a city area has such a great interest in the so-called farm bill, I was born in the South and was part of that large group of people who were forced to move on when the Florida land boom collapsed, the banks closed, and the great farm depression went into full swing.

I then lived in a small town in Iowa where the surrounding country was renowned for its corn production. I can remember, even though I was very small, the depression sweeping through the Midwest. Corn prices hit a low of 8 cents a bushel. There was no way the farmers in our area could even pay to have the corn harvested.

These were independent farmers mostly from small farms of less than 160 acres. They were then, as they are now, fiercely proud, undependent people. I can remember that those farmers were extremely leery of the first Commodity Credit loan programs proposed by the Government to store their corn at 50 cents a bushel. A referendum of farmers was conducted, and if it had not been for a few men who could see these loan programs as the only hope, the farmers would simply have refused the referendum and suffered the loss of not only their crops but, in time, their farms.

When I arrived in Congress in 1965, we soon had a farm bill on the floor. At that time, I was appalled that we were still using the agriculture system of the 1930's as a basis for a farm program in the decade of the 1960's. At that time, I expressed grave reservations about the future course of our farm program and felt that we should consider some major changes immediately. I said then, and still believe:

> We should state flatly now that our agricultural programs are not working and we should look at the problem and make a fresh start.
>
> The farm community of the 1960's and 1970's is far different than the community of the 1930's and 1940's when our present farm policy evolved. The new types of equipment, the fertilizers, insecticides, and weedicides have changed production drastically in the last 10 years. These items are available to the well-financed large corporate-type farm complexes and are very effective there. They are not as effective in the small family farm. These items provide great productive capacity on the large commercial farms enabling them to receive large subsidy payments while providing only a trickle to the small family farmer. The payment of subsidies under these circumstances without production controls has led to the creation of large surpluses and imbalance of income whereby a small percentage of our farmers receive the great bulk of our farm subsidy payments.
>
> For example, the family farmer must farm "fence to fence" to maintain a bare existence and he cannot participate in voluntary soil bank programs. Whereas the large commercial farmer through use of new techniques and equipment can both maintain his past production and participate in the soil bank program, with the result that we have not reduced surpluses or controlled production or substantially aided the small farmer.

Because I have lived on a farm, I appreciate how much has been done to make conveniences available to farm communities. I have always known, however, that these Commodity Credit Corporation loans and farm set-aside programs have not really helped farm labor or even the very small farmer. On a small farm, there is no acreage to set aside and the subsidy which the small farmer gets is usually just enough to keep him alive until the next year.

The granting of large farm subsidy payments either to support artificially the price of a product or to pay farmers to remove acreage from production rarely benefits even the medium size farmer, but it is a bonanza to the very large farmer. The allotment system drives up the cost of land, forcing farmers to consolidate in order to have set-aside land available. As a result, it makes it almost impossible then for the new young farm family to obtain land to start a small farm enterprise.

I make these remarks to indicate that I know the beginnings of America's farm programs and that I am deeply concerned about the economic well-being of our farmers. I cannot justify, however, using a 1930's program to put a floor under prices and, in the case of this bill, to ask consumers in the cities to spend anywhere from $1.5 billion to $7 billion in tax money a year—depending on the market conditions—to raise artificially the price of the food which they must buy in the supermarkets.

The depression of the 1930's justified a parity price system to provide a floor for farm producers. But this bill before us not only provides an artificially high floor or "target price" which taxpayers will have to pay for, but these target prices will also raise the price of food, creating yet more cost to taxpayers. The increase in farm income guarantees, due to target prices, will increase capital costs in farm land, which, in turn, will lead to higher production costs and, finally, to higher food costs.

Initially, higher incomes may seem to be a boon for the farmer, the local feed dealer, the elevator operator, and the other agriculture-related business in small rural towns, but these people will soon find that the sharp rise in costs and prices will further drive out the small- and medium-size farmers. They will find that they cannot compete with the large conglomerates who will both control items sold to the farmer and will receive the maximum benefits from the high prices. Agribusiness will also be the only beneficiary of the rapidly escalating land costs.

We can no longer afford to cater to agribusiness. We must look into the large agricultural conglomerates as potential antitrust violators. We should also investigate the commodity credit exchanges dealing in futures for food. It would appear from an early examination that certain speculators corner large portions of the market in feed grains, soybeans, and many other agricultural commodities, and that this is directly contributing to the high cost of these products.

I believe there should be a control over the supply of food in the United States in order to assure a sufficient surplus of food to feed our people at fair and not artificial prices, as well as providing to farmers a fair return on their investment. But this means balancing, within the farm industry, those who consume against those who produce.

In an attempt to strike a balance between consumer interests and farm interests, I supported the $20,000 per farmer payment limitation; $20,000 represents, I believe, a reasonable level for farm income payments. It is also extremely desirable in that it will restore some control in the marketplace by removing much of the incentive for large producers to use artificial pricing.

Finally, and most importantly, this $20,000 payment limitation will save literally millions in tax dollars. As I stated when the agriculture appropriations bill came up:

> American taxpayers, plagued by rising costs in every area, cannot afford to pay the extravagant sums provided for large farm subsidies. Overall, we paid about $1.9 billion in farm subsidy payments in 1972—a 77% increase over payments in 1971. Specifically, in payments of $20,000 and over, in 1968 we paid $273.3 million to 5,914 farmers. In 1972, those payments shot up to $655.8 million to 18,585 farmers. In addition, since the enactment in 1970 of the $55,000 per crop subsidy limitation, we will have shovelled out up to $23.4 million more in tax dollars than if that limitation had never been instituted.

The national list of all those who receive subsidy payments over $20,000 was recently printed in the Congressional Record at the request of my distinguished colleague, Congressman Paul Findley. The list runs 90 pages long. What is even more shocking to me than the fact that this group numbers almost 19,000, is that of this group, many recipients are not even farmers. Oil companies, chemical companies, movie stars, Federal judges, Federal legislators, a bowling alley, a municipal airport, a radio station—the list goes on and on. In fact, if I may reiterate a bit of detective work done by my distinguished colleague Congressman Silvio Conte, we went as far as paying Queen Elizabeth of England a farm subsidy last year in the amount of $68,000 through a Mississippi company controlled by Her Majesty.

In view of these extravagances, I think you all will agree that a $20,000 per farmer payment limitation is imperative. But, I submit at this point, that such a limitation alone will not do the job that is necessary to cut the padding out of farm subsidies.

I, therefore, supported my friend Congressman Findley's amendment to prohibit farmers from leasing or selling part of their land—in most cases, cotton allotments—and to delete the provisions excluding from the farm payment limitation "resource adjustment" payments, better known as payments for not growing crops.

Prohibiting the selling or leasing of acreage allotments will cut down tremendously on costs to taxpayers and virtual gifts to agribusiness. Farmers can now transfer their valuable acreage allotments and thus avoid the current $55,000 per crop payment limitation. Under Congressman Findley's amendment, this practice would be eliminated and would thereby save the taxpayers millions of dollars in farm payments. That is why I opposed the Foley amendment which would avoid that effect by the commodity credit loan system. Another of the subsidy-trimming amendments which I supported was the measure to delete funding now in the amount of $10 million for Cotton, Inc. It is incredible to me that taxpayers' hard-earned money should be used to promote the sales of one product at a time when apparently we are in short supply of and in high demand for both food and fiber.

Funding for Cotton, Inc. was supposed to be determined by the amount saved through the implementation of the $55,000 payment limitation. However, instead of waiting to see how much that savings would be in actual dollars—it turned out to be $2.2 million—the Government went ahead and paid what it estimated that savings might be. So, Cotton, Inc. got $10 million in 1971, and again in 1972, and has again been authorized that amount this year.

Much has been written about how extravagantly and ineptly that extra money has been used. But the point is that for 2 years, and possibly more, American taxpayers have lost $7.8 million a year to Cotton, Inc.

It is time to start striking that balance I was talking about between the farmers and the consumers. And I hope we will some day have a bill that will bring some sense and economic justice back into the agriculture system of this great country.

DEDICATED OFFICIALS RETIRE

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HANRAHAN. Mr. Speaker, in the Third District of Illinois we have two very fine local village officials who have recently retired from public service.

Mr. Dante L. DeSantis, president of the village of Glenwood, and Mr. Robert Selvig, mayor of Riverdale, have provided years of service and dedication to their communities. Their efforts have resulted in numerous worthwhile improvements in their respective areas.

Their sincere interest in the problems and needs of our area has made them a valuable asset to the Third Congressional District.

I join with the citizens of Glenwood and Riverdale in their tribute to these fine leaders upon the occasion of their retirement.

THE AGRICULTURE AND CONSUMER PROTECTION ACT: LONG OVERDUE—REPEAL OF THE BREAD TAX

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ESCH. Mr. Speaker, the Agriculture and Consumer Protection Act of 1973 contains one particularly worthwhile provision—it repeals the 75-cent per bushel processing certificate on wheat. This tax is levied on every bushel of wheat used for domestic human consumption—about 535 million bushels. The elimination of this particularly unwholesome tax may be in large part credited to the forceful and intelligent presentation of the Wheat Users Committee. WUC represents a broad based organization of consumers, industry and labor. It is this alliance which has so effectively pointed out to Congress the absolute necessity of eliminating this tax which has created economic havoc for millers and bakers, which creates intense upward pressure on consumer prices and has resulted in the loss of jobs for industry related workers. Congress has too long avoided confronting this issue. As a result an economic crisis has been created forcing 81 independent bakers into bankruptcy. It is this national organization of wheat users who have directed our attention to this problem.

The wheat processing certificate program was first authorized by the Food and Agriculture Act of 1962 for the 1964 crop year. It was then extended and amended by succeeding Agriculture Acts of 1964, 1965, and 1970. The Agriculture Act of 1970, as it applies to wheat, continues through the crop year ending June 30, 1974.

In 1965 the Congress, with massive support from the Wheat Users Committee, successfully turned back an administration attempt to increase the certificate to $1.25 per bushel. However, the tax has continued at 75 cents per bushel until the present. Always unfair and regressive, this program has now become an untenable burden on the industry.

The price of wheat to the consumer has risen steadily over the past year. Today's price is $2.57¾ per bushel compared with $1.33 last June. If we can assume that this price will remain steady, it is clear that the additional burden of the 75-cent processing certificate is both unnecessary and absolutely unfeasible for the consumer of wheat. H.R. 8860 wisely eliminates this so-called bread tax.

Mr. Speaker, I should like to point out that although this action should have been taken a long time ago, the committee has made a positive and wise decision to proceed now. Although great damage has been done, the wheat users make it clear that a large proportion of the industry may be saved.

Baking is the 10th largest U.S. manufacturing industry, the wholesale baking industry employs more workers than all but four other manufacturing industries, and white panbread alone constitutes an estimated 10 percent of the national food consumption. The Wheat Users Committee has alerted us, not to the special interests of a select few, but to the needs of a broad cross section of the American populace. They speak for an essential portion of the business community—the producers of bread and wheat products, for the independent businessmen being forced out of business, for the workers represented by the labor unions, and for the consumer feeling the pressure of rising food prices.

It is important to note that this action prevents the demise of one of the Nation's last truly competitive industries. Although great damage has been done, a massive portion of this industry, which consists of giant chains and conglomerates as well as tiny independent operators, can now be preserved. The wheat user not only mills flour and bakes bread; he produces soup, pasta, and an infinite range of our Nation's food products.

The Wheat Users Committee has a membership of some 125 companies in the baking, cereal, milling, and other wheat consuming industries, including both large corporations and small independent bakers; WUC further includes unions, the American Bakers Association, the Biscuit and Cracker Manufacturers, the Bakery & Confectionary Union AFL–CIO. They have the support of the International Brotherhood of Teamsters and the workers employed in the production and distribution of baked goods.

Repeal of the bread tax accomplished by this new farm bill is a tribute to the tireless efforts of this group.

INDEPENDENCE FOR THE BAHAMAS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. RANGEL. Mr. Speaker, a bloodless revolution has occurred in the West Indies. The 40 islands of various sizes and descriptions which comprise the Bahamas and the 173,000 inhabitants of those islands have once again demonstrated the ultimate sovereignty of the people. The Bahamian people, 85 percent of whom are of African descent, have secured from Great Britain the rights of self-government and self-determination after approximately three centuries of foreign occupation.

The history of the Bahamas, like that of most of the West Indies, is characterized by foreign occupation, exploitation and economic deprivation. But trying times, combined with sporadic periods of economic prosperity and longer periods of severe economic depression have not dampened the spirit of the vibrant Bahamian people. They have forged ahead valiantly to create a prosperous progressive nation and the celebration today of Bahamian Independence Day is the culmination of their successful struggle.

The struggle for self-government in the Bahamas was spearheaded by the Progressive Liberal Party which was formed in 1953 by Mr. William Cartwright. The party was formed to effectively organize black Bahamian workers who had begun their struggle to remedy the inequities of their system resulting from social degradation and political oppression.

The PLP sought to confront the unopposed political bloc which controlled the House of Assembly, which is similar to our House of Representatives. This political bloc was predominately white, whereas whites composed less than one-third of the people. The PLP was the people's party. Its campaign was taken to the streets and meetings were held in places and at times most accessible to the people. The PLP was truly a party of the people, for along with equal representation they championed the cause of female sufferage.

Having developed such a rapport and sense of commonality with the people the success of the PLP party was inevitable. Lynden O. Pindling, a London educated lawyer and now Prime Minister of the Bahamas, was to play an instrumental role in the development of the PLP as the dominant political power.

Lynden Pindling joined the PLP shortly after its creation. His first task was to prepare the party platform for the 1956 election. From then on it was an uphill battle directed first toward equal representation and subsequently toward independence. The struggle, which was supported by the people, was against illegal electioneering, threatened economic reprisals, and the gerrymandering of district boundaries.

In 1962, Lynden Pindling took office as the leader of the PLP members in the House of Assembly. He fought for the equitable redistribution of seats. This idea was rejected in 1965 by the House of Assembly. In an impressive show of conviction to the people, Lynden Pindling threw the mace of authority out the window of the assembly chamber and declared that as a symbol of authority and government, the mace belonged to the people. This incident touched off a wave of events known as the "black Tuesday" demonstrations which evidenced the great degree of support enjoyed by Lynden Pindling and the PLP.

The PLP took its grievances to the United Nation's Special Committee on Colonialism and charged Britain with actively supporting the ethnic minority which controlled the Government. Demands were made upon Britain to remedy this situation. United Nations intervention was not needed however. PLP initiatives resulted in new seats being added and the changing of election boundaries. As a result the PLP gained a one-seat majority in the House of Assembly in the election of January 1967.

In 1968, the people displayed massive support for the PLP by giving them more than a two-thirds majority in the House of Assembly. Independence was now a concretized goal of the government, because in supporting the government the people supported its goal and one of its goals was self-government.

Increased concessions of power to the Bahamian Government and a public announcement in 1971 by the British Minister of State as to the inevitability of independence for the Bahamas were the types of events which characterized the final transition of the Bahamas from a colony to an independent nation.

The concept of struggle is a key one in the history of developing nations. It is a concept which can join together two nations which otherwise have nothing in common. So it was with the United States and the Bahamas. Important eras in American history have precipitated important eras in Bahamian history. The relationship was usually economic, but nonetheless crucial. Three such relationships occurred during the American War for Independence, the American Civil War and the prohibition era.

The American War for Independence brought an influx of Loyalists from the United States to the Bahamas. The Loyalists brought with them a strong allegiance to Great Britian and their slaves. This great influx of slaves and Loyalists was to have a magnified effect on the future social and political makeup of the Bahamas. Prior to the arrival of the Loyalists, the population of the Bahamas was two-thirds white. By 1790, more than two-thirds of the population was black. For the first time in Bahamian history, the secure position enjoyed by the white settlers was threatened.

The political aspects of the Civil War held very little consequence for the Bahamas. While the war in the United States symbolized the struggle by the President and the Government to save the Union, it brought economic prosperity to the dying Bahamian economy. The Bahamas was one step ahead of the United States in that it had abolished slavery in 1834, an act which dampened thoughts of action against the British Government or the British inhabitants of the islands by the slaves.

Economically, the Bahamas profited from the blockade of southern ports by the U.S. Government. With Nassau serving as a base, Bahamians made the short trip to southern ports to secure cotton, which was badly needed by the British and to deliver sorely needed guns and ammunition provided by the British Government.

The economic relationship between the two countries reached a high during the prohibition era in the United States. The period between the Civil War and the prohibition era saw the Bahamas plagued by detrimental economic trends, with the economy rising and falling but never achieving full prosperity. Prosperity, at least for the merchant class, was achieved during the prohibition era, which created the very profitable industries of bootlegging and smuggling.

The relationship of the United States and the Bahamas has expanded to the cultural and political as well as the socio-economic arena. The sizeable emigration of Bahamians to the United States during periods of economic depression have brought a new culture to this country. A new culture and tradition to add to the already rich receipe of varied cultures which comprise the United States.

Tourism is a major source of revenue in the Bahamas and the United States provides 90 percent of those tourist. Thus the economic relationship between the two countries is continued.

Prior to its independence, the relationship between the Bahamas and the United States was a subconscious one. It developed as a consequence of political turmoil in one country and economic turmoil in the other. But now that independence has been achieved by the residents of these magnificent islands, let us seek to consciously develop a relationship of equality and mutual respect.

The Bahamas are a set of beautiful islands characterized by magnificent beaches, a warm temperate climate, a rich, bountiful culture and a people who's spirit of friendliness and determination is unsurpassed by any other developing nation.

Thus, on this day, July 10, 1973, Independence Day for the Bahamas, I congratulate the Bahamian people in their relentless struggle for freedom. I thank them for the strength, leadership and hope that they have given to minority groups in America who are fighting for their civil rights. I thank them for the rich dimension they have added to American life.

PERSPECTIVES ON THE FREEZE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HARRINGTON. Mr. Speaker, the price freeze has been in effect slightly over a month now. During this period we have all received a large volume of mail from farmers, wholesalers, and retail food merchants concerning the effects of the freeze on the food industry. We have heard that the selective application of the freeze exempting the first transaction from controls has created a cost squeeze on processors and has forced suppliers to sell below cost, threatening marginal industries. Stories of poultrymen destroying chicks and dairy farmers sending their herds to slaughter rather than pay soaring feed costs have led to alarming reports of inevitable supply shortages in the near future and increasing inflationary pressure. The export controls on soybean and cottonseed products are very serious measures with implications for our crucial trade relationship with the Japanese. And through all this, the value of the dollar has continued its sharp decline in the international monetary market.

Three articles which appeared in the New York Times and the Washington Post offer perspectives on the situation with specific emphasis on the necessity for a smooth transition into phase IV. I insert these articles into the RECORD at this time.

BEYOND THE FREEZE

(By Edward Cowan)

WASHINGTON, July 4.—President Nixon's price freeze June 13 was supposed to help the Administration get a leg up on combating the unexpected 1973 burst of inflation.

After three weeks, the freeze appears to have been successful in the most immediate sense. There is no evidence of widespread violation, and officials express confidence that by and large the ceilings, based on June 1–8 prices, are being respected. That is not to say, however, that the freeze is proving to be of significant help in the longer-term attack on rising prices. Indeed, it is evidently working counterproductively, as they say in Washington, in the most sensitive sector of the economy—food.

The Cost of Living Council has been inundated with complaints that the freeze is causing a shrinkage of supply, cutbacks that are said to portend still further upward price pressures in the months ahead.

Although council officials are aware that the complaints may be self-serving and exaggerated, they regard the protests as essentially rooted in fact and not to be ignored. John T. Dunlop, director of the council, acknowledged to reporters on Tuesday that his agency was under tremendous pressure on agricultural products to move from a freeze to phase 4 of the Nixon Administration's wage-price stabilization effort.

A PLEA TO PRESIDENT

Eleven Senators, ten of them Republicans, told President Nixon in a telegram on Tuesday that "commodity processors are being squeezed out of business because their prices are frozen below the cost of their raw materials from the farm." They said that "unless immediate relief is granted, shortages in many basic commodities will arise and food prices will skyrocket."

Mr. Dunlop told reporters to expect "some announcements" on food within two to three weeks. He indicated that the initial announcements might cover only part of the food sector—presumably meat, under ceilings since March 29, feed grains and dairy products.

The argument made by the food industry, one the Administration itself has made for many months, is that the only cure for high prices is more supply. In a time of rising costs for animal feed and breeder animals, it is said, clamping a ceiling on wholesale and retail food prices—though not on farmers' initial-sales prices—tends to discourage expansion of production.

Some consumer advocates have replied that a remedy might be to put ceilings even on farm sales to check the upward trend of feed grain costs. The Administration believes that would only compound the problem.

Mr. Dunlop and others are hopeful that the 50 per cent embargo on soybean exports announced Monday will tend to nudge down prices of that protein-rich feed ingredient and thereby encourage farmers to fatten more chickens, hogs and steers.

Similarly, according to Charles J. Carey, president of the National Canners Association, the freeze should be ended immediately to encourage expansion of farm production of fruits and vegetables for canning. Mr. Carey reported that inventories of canned fruits had fallen to an 18-year-low.

REJECTED ADVICE

Essentially, Mr. Carey was arguing, in a statement to the council's food advisory committee, that the only way to bring prices down is to first let them go up.

This was the same kind of advice Mr. Nixon was getting from his senior economic advisers early in June—but he decided on his second freeze in 22 months anyway. As a political matter, he felt he could not accept a sit-tight position—that the President had to be seen to be taking vigorous measures.

The Administration argued that the freeze would give it time to design a Phase 4 tougher than Phase 3. Mr. Nixon said repeatedly that he disliked controls and would not succumb to the temptation to keep them for the long term.

The ironic discrepancy between rhetoric and action was plain then. In the light of subsequent events, it can be said to have become glaring.

The agricultural export situation deteriorated so rapidly that even before Congress could enact the new export-control authority Mr. Nixon requested, the Administration felt impelled to restrict exports of soybeans and cottonseed under existing statutory authority. It also imposed tough controls on exports of iron and steel scrap.

As for prices, the Cost of Living Council is giving sympathetic attention to proposals that it adopt a more differentiated—that is, more complex—set of regulations than it used during Phase 2, from November, 1971, to January, 1973.

The basic Phase 2 rule was that cost increases may be passed on as price increases, along with a standard mark-up or profit margin. "It was precisely those rules that got us into the trouble we have now," Mr. Dunlop commented.

In light of recent large rises in costs of basic agricultural and industrial commodities, Mr. Dunlop and his associates feel that they must adopt a more restrictive rule—at least for some industries—if Phase 4 is to bite and, equally important, be widely perceived as biting.

RULE FOR CONGLOMERATES

In other words, some industries—food processing, presumably, and perhaps manufacturing in which materials are a large cost component—may be made subject to stiffer cost absorption rules than others.

In addition, thought is being given to separate cost-price treatment for disparate divisions of a single conglomerate corporation—for example, one in hotels, machinery and retailing.

Proliferation of regulations means more officials to check on compliance, to review requests for exceptions, to pursue the never-ending task of policy review.

"The finer you chop it, the larger the staff requirements are," Mr. Dunlop commented the other day.

Telling business that it must absorb part of its cost increases, that it can pass through only two-thirds or three-fourths or some such fraction, is unlikely to win business community support for the Nixon stabilization program. Business executives to whom the idea was broached in San Francisco on Monday reacted initially with "surprise" and "disbelief," according to John W. Larsen of the council's staff.

Meanwhile, there have been indications that labor leaders, still nominally co-operating with the stabilization program, may be preparing to put some distance between themselves and the Administration. Well-placed labor sources have said privately that Mr. Dunlop should quit the Administration to preserve his standing with the labor movement as an honest mediator.

Sources close to labor offer two reasons why leaders who have supported Mr. Nixon are uneasy. One is the Watergate scandal. The other is a desire to erase well in advance of the 1974 Congressional elections the 1972 image of labor as supporting Mr. Nixon.

To generate public and business support for Phase 4, the Cost of Living Council has been talking more openly to the press and has been holding extensive consultations with the business community. It remains to be seen whether such public relations techniques will suffice to win general acceptance of Phase 4.

It may be that policy planners continue to hope, as they did mistakenly all spring, that underlying inflationary forces are about to abate and that therefore Phase 4 does not have to hold together long. At this point, such a conclusion would have to be regarded as a triumph of hope over experience.

Numerical Guidelines and Phase IV Goals

(By Hobart Rowen)

Sooner or later—and hopefully sooner—the Nixon administration will decide on the price and wage "goals" for Phase IV, and whether or not those goals should be achieved by setting out specific, numerical guidelines.

The biggest issue, at the moment, is whether to publish a specific wage standard, like the 5.5 per cent limit on wage increases that was used in Phase II.

It is no secret that John T. Dunlop, the tough and experienced labor negotiator who heads the Cost of Living Council, views the 5.5 per cent pay standard with distaste. "I do not believe a policy can be encompassed within a single number," Dunlop says, "and I believe that attempts to identify a policy with a number are a mistake."

Others disagree. For example, former Pay Board member Arnold Weber, asked to consult on the shape of Phase IV, thinks that the prospective success of Phase IV hinges on the use of "specific and identifiable" standards so that business and labor leaders will know what is expected of them. Federal Reserve Chairman Arthur F. Burns agrees.

In the fight that is developing over this principle, Dunlop has the support of Treasury Secretary George P. Shultz, who agrees that the real test of responsible wage behavior is continued stabilization of total compensation in the private economy.

What Dunlop and Shultz have going for them is the fact that typical wage behavior has been decidedly "responsible" so far this year, with union leaders concentrating on improving fringe benefits, which don't get cranked into cash wage percentage gains that make the headlines.

Ruffling through stacks of paper in his COLC office, Dunlop insists that one number can't handle the complicated, differentiated labor-management problems. The Phase II Pay Board, he insists, paid lip service to 5.5 per cent while sweeping under the rug bigger chunks of increases sneaked through by both union and management representatives who were simply smarter than the Pay Board.

He claims that the Price Commission's much advertised assertion that it would not approve price increases that reflected wage boosts higher than 5.5 per cent (plus .7 per cent for fringes) is a phony.

"You need a separate wage standard to deal with separate problems, or to deal with inequities," Dunlop says. "Sometimes, you have to compare a wage request with somebody else's. Or it may have to be in dollar terms rather than percentages. What it comes down to is that you need a whole family of standards."

He argues that 5.5 per cent can be too little in dealing with very low levels of pay, as in the dress industry, and too high in others, as for plumbers. "These guys who invented guidelines have never settled a damn strike in their lives," Dunlop angrily insists.

On the practical side, Dunlop says, the 5.5 per cent tends to become a floor, rather than a ceiling. "It's a hell of a position to put a union leader in," he says. "They go back to the rank and file, and they say: 'S—t, you only took what they offered.' "

Yet, a specific wage standard, accompanied by a specific price goal, is of great symbolic importance. The public has an easy-to-understand concept of what the stabilization program is all about, and the program is easier to administer.

But above all other considerations, the single number, highly publicized, provides a self enforcing tool for businessmen dealing with non-unionized labor, and for smaller unions not subject to Dunlop's personal arm-twisting.

For the future, the critical thing will be the behavior of prices. The wage moderation so far this year is unlikely to continue, with or without a specific Phase IV guideline, if inflation in food, gasoline and other raw material prices continues out of hand.

Barry Bosworth of the Brookings Institution has, I think, the right perspective on this issue. The strict 5.5 per cent guideline of Phase II was correct, and a key to its success. That number did in fact provide a ceiling, and helped in the deceleration of wage increases.

But a new number, for Phase IV, could become a target instead of a ceiling. Thus, it probably would make sense to continue the Phase III 5.5 per cent "voluntary" standard unchanged so long as actual wage increases aren't creating trouble. But this would have to be coupled with a firm commitment to go back to a more rigid guideline if wages, overall, get out of hand.

What would help, more than the rules, would be a tough attitude on both prices and wages by Shultz, Dunlop & Co. Dunlop has done a good job on the wage side. But for prices, Phase III has been a disaster.

We probably need to go back to a separation of the pay and price functions, coupled with an affirmative statement from the price-controllers that registers some belief in the controls business, rather than apologies for controls, or promises to get rid of them as fast as possible. If that's too much for the current crop of controllers to swallow, they should quit and let somebody else take over.

[From the New York Times, July 8, 1973]

Phase IV Is Racing the Bad News

WASHINGTON.—The calendar is running for three men who have what may be the most difficult job in the United States today: They must produce President Nixon's promised Phase 4 price program in time for it to take effect by his self-imposed deadline of August 12.

The three are George P. Shultz, Secretary of the Treasury, John T. Dunlop, director of the Cost of Living Council, and Herbert Stein, chairman of the Council of Economic Advisers. In the best of times, their tasks would be no easy one. All, like the President, find the controls they will have to impose philosophically distasteful. And they will have to impose them not in some familiar, normal economic situation but as merely the latest step in a roller coaster series of price freezes, partial freezes, tight controls and loose controls.

But last week, even for the architects of the coming Phase 4, the economic atmosphere was so filled with gloom and malaise that the exact nature of the coming controls was not the main preoccupation. Interest rates at home were shooting upward and the value of the dollar, in relation to the main currencies of Europe, was declining at a rate that turned from a crawl to a plunge. One economist who normally takes a calm view of things said, "The situation is hairy."

It was. The news came from different directions, seemingly unrelated, but nearly all of it was bad:

Several large meat-packing plants, complaining that the freeze forced them to operate at a loss, closed down for the time being in Pennsylvania, Ohio, Michigan and Nebraska. The result could be shortages of meat, especially pork, on supermarket shelves in a matter of weeks.

The "prime" lending rate of banks to large corporate borrowers rose in two jumps in a single week to 8¼ per cent, and an investor could obtain an astonishing 8 per cent by purchasing short-term United States Treasury bills in the money market. In prior periods, such as in 1966 and 1969, such interest rates were the precusors of recession in the economy.

The Government raised the ceilings on interest rates that can be paid on savings accounts, mainly to keep these funds in the institutions that provide most of the nation's mortgage money and are thus vital to the housing market. The Government also faced the facts of life and raised from 7 to 7¾ per cent the interest rate on Federal Housing Administration and Veterans Administration mortgages, with the aim of inducing lenders to participate again in these programs without charging discount "points."

The Government reported another huge increase of 2.4 per cent in wholesale prices for June, again led by farm prices. While nearly all of the rise presumably occurred before the June 13 freeze, it was a signal of the strong upward pressure on prices that will be ready to burst out when the freeze ends.

In another action aimed at the extraordinary food price increases, the Government sharply limited exports of soybeans and cottonseed and their products, which are big factors in the price of meat, milk and eggs. Then as foreign demand switched to substitutes, controls were put on 41 additional farm commodities. And export controls were also imposed on iron and steel scrap, an important raw material for steelmaking, as huge foreign demand produced a big increase in prices.

The soybean export controls, while succeeding in bringing about a sharp drop in the price of soybeans and soybean meal on the domestic markets, involved the partial abrogation of outstanding contracts between American exporters and foreign buyers.

Most puzzling—and perhaps most ominous—the value of the dollar abroad fell sharply again. It has declined by an amazing 30 per cent in relation to the German mark since the beginning of the year. Kurt Waldheim, Secretary General of the United Nations, said the U.N. might have to change its long-standing system of basing its budget and contributions on the dollar.

Ironically, all of this was happening at a time when business, in the words of former Federal Reserve Board Chairman William McChesney Martin, Jr., "has never been better." With factories humming and consumers apparently still spending freely, total employment in June was 2.9 million higher than a year earlier, an enormous increase, and the unemployment rate dipped to 4.8 per cent, the first time in three years it has been less than 5 per cent.

In this generally confusing situation, one thing was clear: the culprit for most of the developments was inflation. The bad inflation news in the United States was a key reason for the decline in the dollar's exchange rate, and it helped account for the surge in interest rates.

The freeze imposed by President Nixon on June 13 apparently was working in the sense that it was managing to keep a lid on most prices. But the big question was whether the forthcoming Phase 4 would be able to cope with the inflation problem—or whether it would create still worse problems. Messrs. Shultz, Dunlop and Stein were under orders from the President to produce a "tougher" controls program than the largely "voluntary" Phase 3, with special efforts to keep down the price of food and gasoline. Their assignment, in the view of many economists, was difficult if not impossible.

In the case of food, the huge rise in the price of food grains and feed supplements such as soybean meal has created the main problem, which has been dramatized by the freeze. Television screens showed farmers drowning baby chicks because the cost of feed is so high. The selling price of a broiler is effectively frozen for some farmers at a level below the cost of raising the chick. There were reports of farmers selling pregnant sows for much the same reason.

There were reports that the freeze would soon be ended for many, perhaps most, food items to head off serious shortages in a few months. The entire food industry pleaded for this course of "consultative" hearings last week held by the Cost of Living Council. But an end to the freeze would probably mean, at least temporarily, a new burst of prices in the supermarkets, where average profit margins are already below normal.

As for the vast industrial economy, the dilemma was nearly as difficult. The basic problem was to select a formula that would permit businessmen to pass along at least part of their higher costs for materials and labor. The question was: How much?

If a full "cost pass-through" were allowed, which was the basic rule of Phase 2, there was the danger of a new burst of price increases. But if businesses were required to absorb higher costs, at the expense of lower profits, there was a different danger. It was pointed out last week by Lionel D. Edie & Co., the economic research and consulting arm of the Merrill Lynch brokerage firm: "To drive down corporate profits at this stage in the expansion would probably drive the economy straight into a recession, by undercutting capital spending, the sector we are counting on to buoy total economic activity as consumer spending and housing weaken."

Ultimately the President and his men, in a clearly bad situation, had two main hopes. The first was for a big farm crop. The first good estimate of the crop will be published Tuesday by the Agriculture Department and much will hang upon it. If the crops are big enough, the upward pressure on prices should eventually subside.

The second hope was for a slowdown in the boom pace of the economy without a decline into recession and rising unemployment. Such a slowdown is still regarded by many economists as a likely possibility. Only if the hectic pace of demand slackens can there be any real hope of checking inflation. But these were only hopes. And if they do not materialize, Phase 4 cannot succeed.

EDWIN L. DALE, Jr.

AN ECOLOGICAL STUDY OF THE FLORIDA CANAL MAKES SENSE

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. BENNETT. Mr. Speaker, in reading the June 30 copy of the CONGRESSIONAL RECORD just now, I see that my able colleague, Congressman BAFALIS said on that day that he objects to a statement by me that "no adverse ecological study—of the Cross-Florida Barge Canal—has ever been done by the Government." And he went on to say:

> That is simply not a factual statement. Numerous environmental assessments—indicating substantial environmental damage—have been conducted by various governmental agencies.
>
> These are, to name a few:

Following the above statement he lists a number of studies made by the Government and by State agencies and individuals. However, he does not state that any of the U.S. Government reports are adverse to the construction of the canal and it is my belief that none of these concluded that the canal should not be built, although I have not read all of them.

Congress authorized and funded the ecological study by the Corps of Engineers in 1970 and although it suggested problem areas it also suggested corrective solutions. After the President's action in halting the canal in 1971, Congress authorized and funded a $150,000 new ecological study of the canal to determine if the canal should be completed, some $53 million having already been spent on its construction. The President has impounded those funds. I am attempting to get that study made. The legislation proposed by Mr. BAFALIS would prevent that study.

I think that as a Congressman who represents a part of the area that would be helped by the canal it is reasonable that I should ask that this ecological study be made. I cannot understand how anyone interested in ecology would think my position unreasonable in this.

As I said before, I know of no adverse ecological study of this canal that has ever been made by the Government. I think there has never been any such study.

TRIBUTE TO JOE JELIKOVSKY

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. BELL. Mr. Speaker, I rise today to bring to the attention of my colleagues the dedicated efforts of Mr. Joe Jelikovsky in combating problems of mental health and drug abuse in the Pacific Palisades area of my district and at Camarillo State Hospital. His work can serve as a model to other areas of our Nation at a time when drug abuse threatens to reach crisis proportions.

A veteran of the Korean war, Joe Jelikovsky has volunteered his time and energy in solving problems of human behavior since 1960. In 1961, after a visit to Camarillo State Hospital, he decided to start a weekly closed-circuit television series at the hospital focusing on the social and emotional roots of drug abuse. The program, known as "Break Away," is produced, directed, and moderated by Mr. Jelikovsky and features patients and a diversity of professional guests from outside in free-wheeling encounter sessions. The sessions focus on honesty and self-awareness in coming to grips with emotional problems leading to drug abuse.

Joe has been a pioneer in the use of mass media as a constructive tool in the field of mental health. His program is an invaluable aid in the rehabilitation and treatment program at Camarillo.

Joe Jelikovsky's commitment to openness and honesty in dealing with drug abuse and emotional problems has been expressed in a myriad of ways. In 1972 he founded and is director of the Pacific Palisades Community Action and Advisory Committee on Family Relations, called PAKT—parents and kids together—a volunteer, action-oriented organization dedicated to the involvement of both parents and teenagers in dealing with such problems as drug abuse, family crises, attempted suicides, and runaways.

PAKT currently sponsors parent and teen self-awareness groups, housing away from home for youth in crisis, and a "rap" room at Pacific Palisades High School. In addition, PAKT sponsors visits by teenagers from Palisades High School to Camarillo State Hospital in an effort to involve youth directly in the drug rehabilitation process and to counter the public "snake pit" image of the mental hospital. Thus far, over 150 Palisades High School students have toured Camarillo's drug rehabilitation facilities and there is a lengthy waiting list of students eager to visit.

Mr. Jelikovsky has spoken at churches, synagogues, schools, and to youth groups on the causes and effects of drug abuse. He was the director and founder of Teen Forum at the Brentwood Presbyterian Church and also produced a TV special called "Epidemic Narcotics" for a Los Angeles television station. Mr. Jelikovsky's day does not end with his office hours. He makes himself available to families in need of counseling and has been called to the homes of families in crisis on countless occasions. He operates a Stressline at his home to answer calls from disturbed parents and teens.

Mr. Jelikovsky's innovative techniques in dealing with emotional problems and drug abuse have attracted much attention from the media. He has appeared on several radio and television shows, including KLAC's "The Private Line," the Joe Pyne Show, and Regis Philbin's "Tempo." Articles on his programs have appeared in a number of publications, including the Los Angeles Times, the Santa Monica Evening Outlook, and the Pacific Palisades Post.

Mr. Jelikovsky has been the recipient of a Presidential commendation for his dedicated efforts in dealing with mental illness and the prevention and treatment of drug abuse. He has also been commended by Governor Reagan of California and former Los Angeles Mayor Sam Yorty. Resolutions honoring Joe Jelikovsky have been presented to him by the Los Angeles City Council and the California State Assembly.

Mr. Jelikovsky has been recognized by professionals in the fields of psychology and psychiatry for his special gift and aptitude in helping emotionally disturbed people. He is the only layman to have been commended and recognized for his work in the field of mental health by the Los Angeles County Psychological Association which made a commitment to aid him in a consultative capacity in future work.

Mr. Speaker, Joe Jelikovsky's unselfish concern for his fellow man has resulted in an invaluable service to his community. His uniquely open and direct methods of dealing with mental illness and drug abuse have contributed to a healthier and more humanitarian attitude in dealing with these problems which are so prevalent today.

DR. LAWRENCE J. MIANO—SERVICE BEYOND PRICE, DEDICATION BEYOND RECOMPENSE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. KEMP. Mr. Speaker, the general practitioners of medicine, the family doctors, have always been noted for their dedicated work. They maintain close personal relationships with their patients, easing pain, healing their hurts and sicknesses, providing counsel and comfort. Of them it can be truly said, "Theirs is service beyond price, dedication beyond recompense."

Such a doctor is Dr. Lawrence J. Miano, of Gardenville, N.Y., who this Sunday will be honored during a testimonial for his almost 40 years of devoted service to area residents.

Although the doctor himself underwent major surgery 1½ years ago, he is back again holding regular office hours and making house calls. As Melvin W. Schmidt, chairman of the upcoming testimonial has said—

> Dr. Miano is the old-time "country doctor" who always has found time for his patients, and for house calls. When you needed him, he was always there.

I am proud that Dr. Miano lives and practices in my 38th District and I join his many friends and neighbors in paying tribute to him for his many years of dedicated work in our community.

A plaque on the lawn of Dr. Miano's house at 3467 Clinton Street points to the historical significance of the site, but I can think of no more appropriate inscription for the doctor's residence and office than the one inscribed on the lamp which hangs outside the jungle hospital at Lambaréné founded by the late Albert Schweitzer. It reads:

> Here at whatever hour you come, you will find light and help and human kindness.

Mr. Speaker, I include at this time a recent article from the Buffalo Courier-Express which describes the outstanding life and public record of Dr. Lawrence J. Miano:

"OLD-TIME" G.P. TO BE HONORED

(By Joan E. Given)

A plaque on the lawn of a neat, gray-shingled home at 3467 Clinton St., Gardenville, points to the historical significance of the site. But, as far as a multitude of area residents are concerned, the illusion is secondary. To them, the most important thing about the place is the fact that it is the home and office of Dr. Lawrence J. Miano, general practitioner.

Their reasoning is simple: During his almost 40 years service to area residents, Dr. Miano has become both village idol and legend.

Dr. Miano delivered many of the area's residents (he, himself, can't remember exactly how many) and in the early days, he delivered quite a few at home. He has gotten up in the middle of the night to make house calls, and he still makes house calls.

In those great blizzards of the '40s and '50s, he made emergency calls in a Town Highway Dept. truck and on one occasion, he broke down a door to reach and aid a stroke victim.

At 6:30 Sunday evening, friends will gather to honor the slender, gracious Dr. Miano for his dedication (which shows little signs of abating) during a testimonial at the H. D. Morin VFW Post in Center Rd., West Seneca.

"Dr. Miano is the old-time 'country doctor' who always has found time for his patients, and for house calls. When you needed him, he was always there," said Melvin W. Schmidt, chairman of the testimonial.

The 67-year-old, soft-spoken physician is most appreciative of the upcoming action on the part of his friends and neighbors, but at the same time admits that he's somewhat dazzled by the whole thing.

"I really don't know what the fuss is about," he said softly. And then added, with a modest smile, "After all, nobody forced me to become a doctor."

He made his own decision to become a doctor, he recalled, when he was 12. So natural did this early commitment seem to him that when a couple of his children, already in college, announced that they didn't know what they wanted to be, he was in a state of mild shock, until a colleague gently explained.

"Larry, not everyone knows what he wants to be when he's young!"

Dr. Miano is a native of Buffalo's West Side. His family lived in Front St. which later became Busti Ave. He remembers the Niagara River waters of his boyhood as "being pure enough to drink."

He also recalled making the rounds with the late Dr. Frank A. Harrington, a general practitioner who had his office on West Ave. Of him he said:

"He never owned a car. He walked with his bag in one hand and his overcoat under his other arm."

As a teen-ager, Dr. Miano moved from his own neighborhood into Buffalo's First Ward.

Many of his First Ward friends became his classmates at Canisius High School and, later, Canisius College. Dr. Miano received his doctor of medicine degree from the Stritch School of Medicine at Loyola University in Chicago in 1934.

On Sept. 24, 1936, the doctor married Margaret Kathleen Anderson, at Fourteen Holy Helpers Church in Indian Church Rd., Gardenville. The couple, as Dr. Miano puts it, has "been blessed with" eight children, Barbara, Kathleen, Roberta, and Paula, all at home, and Mrs. Robert Kresse of Buffalo, Mrs. James Thur of Williamsville, Mrs. Robert Schultz of Johnstown and Lawrence, of Rochester.

Dr. Miano opened an office in 1936 a few doors from his present home. He chose Gardenville because he liked the country and his wife's family came from the area.

In 1939, the couple purchased their present home, which, over the years, they have remodeled in the sprawling, comfortable, tastefully-appointed home it is today.

Two years later, Dr. Miano amazed friends and neighbors alike by trying to enlist in the navy, three days after Pearl Harbor. He was, he recalled, "already 32 years old and no kid."

"But here we were, three days into a war, and nobody seemed to be moving," he said. As a boy, one of his heroes was his father's youngest brother, Frank Miano, who was a Navy man.

For a while it looked like his fervor was being wasted. He weighed 220 pounds (he was 5 ft. 7 in. tall) and was informed, without too much ceremony, that he was overweight and would "never make it." His answer was to go home and lose 45 pounds and it was a trim, 175-pound Lt. Commander Miano that served for the next few years in the South Pacific Theater.

Dr. Miano has never regretted his decision to stick to general practice, even though he has had ample opportunities to enter other facets of medicine. He doesn't minimize the need for specialists, but expresses the hope that more young men will consider becoming GP's in the future.

"General practice allows you to become closer to your patients," he said.

The Gardenville physician bemoans the current trend toward "trying to reach the pinnacle by age 40 and then retiring."

"What's a man supposed to do after 40 if he doesn't work?" exclaimed Dr. Miano, who himself had a bout with major surgery a year and a half ago and today holds regular office hours and makes house calls.

As far as his favorite areas of general practice go, Dr. Miano favors both ends of the age scale.

"Pediatrics and geriatrics; children and old people are the most appreciative patients," he said.

All indications are that the streets of Gardenville, West Seneca and their environs are apt to be pretty thinly populated next Sunday evening.

Among those expected to attend the testimonial are the doctor's family, his patients, young and old, members of the Union Fire Co. in Gardenville, the H. D. Morin Post, VFW, and the Lions Club of West Seneca, and doctors, nurses and nuns from the staff of Mercy Hospital, where he interned.

While practically every person who has known him stands ready to express his admiration and appreciation for Dr. Miano, the doctor himself reserves his own admiration for one other. She is the tall, blonde Mrs. Miano, whom he sometimes refers to as "my girlfriend." He said:

"She's pretty remarkable, you know. She's wife, mother, housekeeper, cook, secretary, treasurer, gardener, scrubber and washerwoman."

NIXON SHOULD STAY

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LANDGREBE. Mr. Speaker, the roar of the Watergate continues to keep the focus of the media here in Washington off the really important matters which face the Nation and the Congress. Problems which, if they are continually ignored, could lead to our undoing as a Nation. I speak, of course, about problems such as energy, inflation, rising prices and other fiscal matters. These are just some of the many complex problems which much of the national media seems to have forgotten.

I am extremely pleased to say that the news media in the Second Congressional District of Indiana have not taken their cue from the Washington media, but continue to keep the public informed on a variety of newsworthy items. They have not ignored the current controversy, but, I believe, they have treated it in its proper context.

Several weeks ago, I presented my colleagues a poll from the Lafayette (Ind.) Journal and Courier which showed that an overwhelming majority of citizens in the southwestern portion of my district believe in and support our President. Now, I present a poll from the eastern part of the Second District which indicates that the majority of people in that part of Indiana strongly support Mr. Nixon. This latest poll was conducted by the North Manchester, Ind., News-Journal.

I believe that these two polls are significant in showing that Hoosiers support not only Mr. Nixon, but the institution of the Presidency, and that they believe our system is capable of dealing with any crisis without prompting from the national media.

I submit the summary of the News-Journal poll for publication here:

MR. NIXON SHOULD STAY: READERS

(By Doug Frantz)

Here in the Republican belt, the conservative belt, the corn belt, support for Richard Nixon is as strong in his seventh crisis as it was 21 years ago when he was Dwight Eisenhower's vice presidential candidate.

The question of whether President Nixon should resign from office in the face of the Watergate scandal has been answered "en masse" by News-Journal readers: stay in office advise nearly 80 percent of the replies to our June 18 poll; resign demand 21 percent.

There was little ground between as readers poured out thoughts and feelings, with comments penned to ballots and typed in letters. Emotion ran high, with much of it spilling over onto the press.

"It is the lowest trick a newspaper can do to the President," chided one man. "If you plan to keep on printing such articles, cancel our subscription," threatened a husband and wife.

But most of the emotion, like most of the ballots, backed the President unquestioningly. Richard Nixon appears to have won not only most of the votes in Wabash County over the past two decades, but most of the hearts as well.

It is basic to the Nixon doctrine that he can muster the unflinching support of the people, as evidenced in his 1951 "Checkers" speech after the newspapers broke the story of the "Nixon Fund" during the presidential campaign—the $18,235 collected from wealthy contributors to help pay his political expenses. As pressure mounted over the fund, General Eisenhower threatened to force Nixon to resign from the ticket and he delivered his famous television speech.

"My only hope to win," he wrote in his book Six Crises, "rested with millions of people I would never meet, sitting in groups of two or three or four in their living rooms, watching and listening to me on television . . . This time I was determined to tell my story directly to the people rather than to funnel it to them through a press account."

The revelations concerning Watergate and the accompanying campaign activities may crest this week with the testimony of John Dean III before the Senate Select Committee investigating the breakin and subsequent cover-up attempt, but there's no reason to believe, after reading the responses to our poll, the people of this part of the country are about to forsake Richard Nixon.

One unsigned letter offered a fairly accurate consensus of his supporters. It read: "The President should stay in office and the people who care for the good of our country should do all in their power to still those who are trying to put him out . . . Our President needs help and encouragement now more than ever."

There was also a strong current of feeling which dismissed the entire Watergate affair as "part of politics." These people, who feel the scandal has been "blown out of proportion," can be characterized by the letter of a retired school teacher who said, "The 'Watergate Affair' was a stupid attempt to spy, but other similar activities have been performed by politicians in the last 40 years and paid off to keep them undercover. Our government should have more urgent business to perform than to sit day after day and 'dilly dally' over the theft of some worthless papers. In the meantime our economy and moral structure of our country are falling to pieces."

There was also, of course, the voice of the loyal opposition: a voice raised in indignation over the Watergate scandal; a voice calling for the President and, in many cases, the Vice President, too, to resign.

"The resignation of Mr. Nixon and Mr. Agnew is imperative to restore confidence and continued strong function of our government," said one man. While an unsigned reader wrote: "That whole bunch of crooks should resign and that includes Agnew. They stole the 1972 election by using Hitler tactics and other illegal techniques."

Political observers predict that, come 1976, the only presidential candidate from either party seriously hurt by Watergate will be Sen. Edward Kennedy. Every time the issue of Watergate is raised, up will come the specter of Chappaquiddick, goes the theory.

In a section of the country where the Kennedy's have never found great support, responses were often bitterly caustic. "What about Teddy Kennedy?" asked one unsigned writer. "A life was lost there." And another queried: "Why should Nixon resign? Ted Kennedy killed a person and nothing was done about it. Why all the fuss about Watergate—no one was killed." This letter was also unsigned, illustrating another thread which ran through the most vehement letters from both sides: a majority who included comments did not sign them

The President should:

Stay in office—78.8 percent.

Resign—21.2 percent.

HUNGARY AND THE MBFR NEGOTIATIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ASHBROOK. Mr. Speaker, the Brezhnev visit again highlights the extremely important talks which are being carried on between us and our NATO allies on the one side, and the Soviet Union and the satellite countries of East-Central Europe on the other about security matters.

These negotiations, if we are not careful, will result in further tilting the military and political balance in Europe in favor of the Soviet Union with grave consequences for our national security. I am referring in this regard primarily to the MBFR negotiations in Vienna, although the legitimatization of the enslavement of the countries of East-Central Europe and the division of Germany and Berlin through the instrumentality of the CSCE without countercon-cessions by the Soviet side on the free exchange ideas and persons are weighed heavily in favor of Soviet designs in Europe.

MBFR is a politically neutral concept. It means militarily that both sides undertakes balanced troop and equipment withdrawal from a specifically limited area of highest armament density and closest to the borders of the two alliances. If this will be the case, and if the agreement reached can be verified without allowing either side the option of cheating, it is a worthwhile undertaking. However, the present stage of the MBFR talks do not bode any great hopes.

Lack of sincerity on the part of the Soviet Union has been repeatedly displayed and the talks are being used to enhance the position of the Red Army in Europe. Until the convocation of the preliminary talks there was no objection on the part of the Warsaw Pact nations and the U.S.S.R. to include Hungary, which is a central European country and is occupied by four crack Soviet divisions, into the area of the MBFR. When we agreed to seat the flank country as observers, immediately the Soviet Union, with reluctant backing of the satellite Kadar regime, demanded that Hungary be limited to an observer status and that the territory of Hungary be, therefore, excluded from the area of future troop cuts. NATO countries, especially Britain and the Benelux countries objected strenuously and for 14 weeks NATO took the position that Hungary must be seated as a full participant. Finally, according to press reports in the Wall Street Journal and the Washington Post at the request of our Government, NATO accepted a temporary compromise of not seating Hungary at the preliminary talks, but retaining the right to raise the issue at a later date; that is, before the beginning of the substantial conference in the fall of 1973.

Exclusion of Hungary would grant the Soviet Union a sanctuary just like Communist China had in Manchuria during the Korean war. Even if the Soviet Union withdrew an equitable number of troops from East Germany, Poland, and Czechoslovakia, they could be deployed without any constraint in Hungary, rendering Hungary, besides Western Russia, the major staging area of the Red Army, inhibiting any efforts by the Hungarian people to regain even a modicum of self-determination. In addition, such a step would grant the Soviet Union a free hand to intervene directly in Yugoslavia, should civil disturbances occur after the death of President Tito.

It would also reinforce the neutralist tendencies in West Germany, already a cause for genuine concern among political experts, in the wake of the West-East German treaty and the increasing pro-Communist unrest in the Social Democratic Party's youth auxiliary.

AUDIT THE INTERNAL REVENUE SERVICE

HON. DAVID TOWELL

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. TOWELL of Nevada. Mr. Speaker, on July 1, Las Vegas, Nev., newspaper publisher, Hank Greenspun, in his regular page 1 column in the Las Vegas Sun, called for an audit of the Internal Revenue Service.

On the surface, this sounds like the usual chagrined taxpayer's cry of anguish. But Mr. Greenspun raises several extremely relevant points and issues a challenge to the Members of Congress.

I commend Mr. Greenspun's column, "Where I Stand," to my colleagues:

WHERE I STAND

(By Hank Greenspun)

Audit the IRS!

Of all the agencies of government in this grand old land of ours, none has contributed more to the erosion of public confidence in our democratic institutions than the Internal Revenue Service.

There is nothing just, equitable or even fair in the treatment of the taxpayer, and if anything can shake the faith of the people in their government it is the high-handed, autocratic and even tyrannical methods used by this agency which hits the people in the pocketbook, and when any person feels they are being robbed even by an institution of government which operates with immunity, it is cause for discontent.

Unfortunately, we can expect little help from the people's representative because Watergate has shown how those who are out of favor with the administration can be punished without recourse by what should be a tax collecting agency but in fact is a punitive arm of government.

What congressman or senator would risk similar involvement with this agency by even suggesting that its methods be probed? He whose palm has not been greased, let him throw the first bar of soap.

The Congress must take some action to curb the arbitrary and often unlawful methods employed by the IRS before confidence in the fairness of the American tax structure is totally eroded.

Many taxpayers have been unfairly bankrupted by unjust tax claims while others have been broken in body and spirit by unwarranted tax deficiency determinations.

The IRS has been the biggest boon to the medical profession with their unjust assessments, causing more ulcers and heart attacks than fried food or saturated fats.

If I were in the Congress of the United States, and this is not a declaration of candidacy, I would propose legislation to cure some of the evils of tax collecting and any legislator who would not vote for the bill should be a fit subject of investigation by the IRS.

The taxpayer must be given a fair opportunity to contest determinations made by the IRS because often the legal fees involved are more costly than the assessment and if one doesn't break you, the other surely will.

The little fellow has enough problems paying his taxes, no matter how unfair, without the additional burden of legal fees, which have broken many a person.

I believe Nevada's representatives could do an outstanding service to the people of the country by introducing such legislation.

The government is capable of tortuous conduct just as an individual, but where the average citizen can use judicial process with legal expenses accruing to the victor, governmental agencies are immune from such penalty.

It would therefore be incumbent upon our legislators to institute some rules whereby the injured taxpayer would have some redress from an overzealous IRS.

A possible framework for such legislation can be a requirement that in any controversies involving less than a certain sum of money—for example, $10,000—the IRS should reimburse the taxpayer for reasonable legal and accounting fees if the taxpayer prevails in court against the Service as to any specific item or legal issue.

Where there is more than one issue involved and the taxpayer prevails on some and loses on others, these costs should be prorated to the extent of the taxes abated over the total tax assessed.

If the taxpayer offers to compromise at a certain dollar figure and the government refuses, then if the taxpayer recovers a greater amount than the compromise figure, the IRS should be required to pay the taxpayer's legal and accounting fees in full.

I believe that if legislation incorporating the above proposals were passed, the Service would be forced to settle more small cases and it would be a deterrent against unwarranted tax deficiency determinations which, because of the cost involved in contesting the action, forces the taxpayer to accede even if he is 100 per cent right.

Not only would the government be ahead because more taxpayers would be amenable to satisfactory compromises but the tremendous legal costs to the government in prosecuting losing cases would be eliminated. It could also cut the IRS staff in half which could also be a tremendous saving.

The best part of the legislation I purposely saved for the last because it would go far in eliminating political and spiteful fraud and criminal investigations.

In the event the taxpayer is subjected to a special investigation other than civil, and the government does not make a case, the taxpayer should be reimbursed for all the pain, mental anguish, heartbreak, medical, legal and accounting fees with the stipulated damages amounting to 50 per cent of the Service's costs of the investigation.

And if the case should go to trial and the taxpayer is acquitted then whatever the penalty would have been if guilty should be paid by the official of the IRS instituting the investigation.

If the penalty called for 5 years imprisonment and a $5,000 fine, the head of the IRS division in the taxpayer's area should pay the fine and go to jail.

Such a law could be a deterrent to many unlawful, unjust and politically motivated harassments of the poor taxpayer who is always guilty and has to prove himself innocent in the eyes of the IRS.

And that is not what the Constitution of the U.S. is all about.

FIGHTING TO SAVE CHILD CARE SERVICES

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mrs. BURKE of California. Mr. Speaker, Congress has taken a decisive step in preventing the immediate implementation of the administration's HEW social service regulations, including child day care centers, until November 1, 1972. I am hopeful that this 4-month moratorium will provide Congress with the opportunity to revise the administration's regulations and thereby correct many potentially regressive and unjust provisions.

The regulations, if allowed to be implemented, would severely affect child development and child care in California. These regulations would reduce the range of social services to such an extent that some very vital, worthy programs for the poor would no longer be eligible for Federal funds; others would be sharply reduced in a way that would severely restrict needed social services and child care to low-income families in California.

Mr. Speaker, I want to express my willingness and desire to work with the chairman of the Ways and Means Committee during the next 4 months to develop new legislation that would provide the basic social services to people in need and who are trying to escape the poverty cycle.

I believe campus child care centers which allow mothers to go to school to better their working and educational skills should be eligible for Federal matching funds even if the school donates some student body funds to the operation of the campus child care program. If the regulations as proposed are adopted, in all likelihood, these needed centers would be forced to close.

I believe that approximately 19,000 children presently in the California preschool education program must be given the educational opportunities which their parents were denied. Indeed, it is hoped that through a program of this nature these children can escape the life of poverty and enjoy the educational benefits provided to more fortunate children.

I also believe the migrant worker and his family should be provided with adequate day care services. The need for this program is demonstrated every day of the growing season by the many related incidences of injury and neglect that affect these children in the absence of organized, supervised day care programs. We need to consider restoring group eligibility for migrants, since their earnings fluctuate monthly, and their average annual income is about $2,900.

If the administration's social services regulations were allowed to go into effect as scheduled on July 1, 1973, many important social service programs would be all but abandoned. I believe that Congress has the duty and the responsibility to seize this opportunity to write legislation that clearly articulates the type and scope of child care and social services it wants to have for this country.

I believe we have the potential to draft legislation which would move us forward and help many potentially productive people to escape the poverty cycle and to become productive working citizens.

EXTENSION OF THE BOMBING REQUEST—A HOAX

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LEGGETT. Mr. Speaker, it has been reported over the last few days that the Nixon administration may ask the Congress for an extension of the authority to bomb in Cambodia. I think that it is imperative that we tell the President to forget that idea right now.

In my opinion this body made a grievous error by supporting the August 15 bombing cutoff compromise. Nevertheless, the decision was made with the understanding that August 15 would be the absolute end to the mad bomber activities that have been going on over the skies of Indochina. Let's not compound this mistake by letting the President beguile us into a bombing extension. The Cambodian Government, under Lon Nol, has had 3 years of American support to put its house in order. Instead, in that 3 years the Government of Cambodia has been split apart at the seams by the incompetence and petty bickering of the Lon Nol regime.

It is time that we stop risking American lives, and spending American money to do for the Cambodian Government what they apparently cannot do for themselves. Dr. Kissinger has a little over a month now to work out some kind of solution to the political and military stalemate over there. I wish him the best of luck, but I am not optimistic about the possibility for a successful cease-fire, by August 15, since there was no suggestion that Prince Sihanouk be consulted till Congress mandated the limitation.

As former Secretary of Defense Elliot Richardson pointed out, "Cambodia is a messy corner of the world." At the present time there are something like four different factions working against Lon Nol. Observers have testified that when the insurgents finish with Lon Nol they will probably turn on each other.

Given this state of affairs, it is extremely doubtful whether Dr. Kissinger will be able to work out a political compromise, with or without the help of Peking and Moscow. As the Christian Science Monitor recently stated, "local people do not always take kindly to the plans worked out by the distant great powers. Washington, Moscow, and Peking can propose. But those men in the jungles around Phnom Penh are the ones who will dispose of the decision."

We would be making a horrendous mistake if we allow the White House to talk us into extending the bombing under the pretense that we are on the verge of a settlement. We are not on the verge of a concrete settlement, and will not be on August 15. Despite what the White House press secretary says, the fact of the matter is that the struggle in Indochina has been going on since the end of World War II. A few more bombs will not be able to end a conflict in a land that has endured tens of thousands.

At this point in the RECORD I would like to insert an editorial from the July 5, Christian Science Monitor entitled, "The Last of the Bombs," and an editorial from the July 10 Washington Post entitled, "The Cambodian Bombing Deadline":

[From the Christian Science Monitor, July 5, 1973]

THE LAST OF THE BOMBS

Between now and the 15th of August American bombs will, we presume, continue to take lives and pockmark the roads leading in and out of the Cambodian capital of Phnom Penh. It is the last of an effort to keep that city out of the hands of rebel forces closing in from all sides on the government there headed by President Lon Nol and backed by Washington.

The official purpose of the continued bombing is to give Henry Kissinger of Washington time for a last-moment effort to work out a political settlement which would reneutralize Cambodia. The question is whether at this late date, it is possible to reconcile the three main elements involved in the tangle of Cambodian politics. The alternative would be a decisive victory by the native Cambodian Communist forces now ringing the capital city.

The Nixon administration very much wants a compromise. It has invested heavily in the Lon Nol regime. A total collapse of that regime and a decisive victory for the native Communists would be a foreign policy defeat—at a time when any defeat on any front would be an unhappy event for President Nixon. The chances are not high that Dr. Kissinger can avert such a defeat. The Lon Nol regime has been singularly unsuccessful in arousing public support. President Thieu in Vietnam has been massively successful—by comparison.

The only serious reason for keeping up the effort is that Soviet Russia also has a small stake in the survival of the same Lon Nol regime. The Soviet ambassador is still in Phnom Penh. Moscow has not recognized the Communist rebels as being a "fraternal" Communist party. The reason, presumably, is that Moscow would prefer Lon Nol with his inadequacies to the victory of a Communist force which is closer to Peking than to itself.

Peking may also favor a compromise way out. A fragmented Indo-China would be a safer neighbor for Peking than a reunited Indo-China capable of defending itself and possibly coming under the influence of Russia. Thus it is possible that Dr. Kissinger is getting some help from both Peking and Moscow in his efforts to reconcile the Lon Nol faction with the native Communists and with the Prince Sihanouk element.

But, as so often in history, the local people do not always take kindly to the plans worked out by the distant great powers. Washington, Moscow, and Peking can propose. But those men in the jungles around Phnom Penh are the ones who will dispose of the decision. At latest reports they are all round the city, mixed in among local civilians, not shooting, not blocking the roads, just waiting patiently for Aug. 15, when, by act of Congress in Washington, the bombers will go away.

The face-saving compromise Dr. Kissinger is seeking is important to President Nixon. It is not important to the Congress. The Congress was most reluctant to give Mr. Nixon even the extra six weeks for his last round of bombing over Cambodia. It was done as part of a deal under which Congress regains its right to be consulted by the White House in the waging of war.

That compromise, at San Clemente, allows Mr. Nixon a last salvo of bombs. They are falling now—perhaps buying Dr. Kissinger a little more time. They also seem strangely anachronistic—a relic of the "cold war"—out of place in Mr. Nixon's own new "multipower world."

[From the Washington Post, July 10, 1973]

THE CAMBODIAN BOMBING DEADLINE

The establishment of an Aug. 15 deadline for American bombing in Cambodia has pushed the diplomatic process there into a higher gear. Previously, while it felt assured that the bombing would go on indefinitely, the American-supported regime in Phnom Penh refused to entertain the idea of negotiations with its Cambodian challengers. Now it has agreed for the first time to talk with "the other side." For his part, Prince Norodom Sihanouk, deposed in 1970, has just completed a two-month tour in Eastern Europe and Africa designed to show that his claim to rule again in Cambodia has a measure of international support. His statement, upon returning to his current base in Peking, that it's "too late" to negotiate with Henry Kissinger, shortly Peking-bound, seems an obvious opening ploy to extract more generous terms.

The principal unknown in the Cambodian equation is whether or to what extent the Prince can speak for the Khmer Rouge Communist insurgents, who control perhaps 90 per cent of the country's territory and who have kept Phnom Penh under continual tight siege despite more than 120 straight days of American aerial bombardment. With the end of the bombing apparently near, however, a situation is being created in which such political questions will be answered by events. Sihanouk is Peking's candidate and the Khmer Rouge are backed by Hanoi, although both he and they have strong credentials as Cambodian nationalists. Lon Nol, our man in Phnom Penh, seems to lack a significant popular base of his own. But only a negotiation will tell.

The judgment provided the other day by Defense Secretary James Schlesinger—that he has "misgivings" about the capacity of the Lon Nol government to survive without American bombing—may be accurate analysis. But it has mischievous and disturbing implications in terms of policy. Whether the Phnom Penh group supported by the American government can or cannot survive on its own is, from the policy viewpoint, irrelevant, since the United States has no obligation to defend Cambodia and no commitment to prop up Lon Nol or any other Cambodian entity—or at least none that has been revealed or could have any legal standing. As for any obligation growing out of our duty to Saigon, "Vietnamization" has adequately prepared South Vietnam to cope for itself regardless of what happens next door in Cambodia. This last is the mission which Mr. Nixon accepted *and discharged*, by his own claims, in the years leading up to the Vietnam cease-fire last January.

Secretary Schlesinger went on to say, in response to a question, it was "quite possible" the President might ask Congress for authority to continue bombing after Aug. 15 if the other side escalated the conflict. Such a hint can only strengthen Lon Nol's already strong reluctance to engage in serious negotiations. In this sense, to hold out the prospect that Congress might authorize renewed bombing is to mislead Lon Nol, who deserves at least to be dealt with in a straightforward way. In another sense, the hint that Mr. Nixon may come back to Congress cuts across the plain intent of the compromise by which Mr. Nixon agreed to halt the bombing by Aug. 15 if Congress would authorize him to bomb until then. In fact, that latter authorization was a face-saver for the President, as he must know better than anybody else. Congress was willing to give the President six more weeks of bombing in exchange for a firm terminal date, even though no one has seriously contended that the extra tonnage will have any measurable effect on the political outcome in Phnom Penh. The possibility that Congress would be confronted with a request for sanctioning further warfare was not part of the deal. The point was that this would be the end of it.

A request for renewed bombing authority would be a cynical gesture inviting and deserving to be interpreted as an effort to transfer to Congress, rather than to share, the responsibility for what may unfold in Cambodia after Aug. 15. In any case, we trust that both houses of Congress would have the courage and clarity of vision to turn any such request down. If the bombing was wrong in July—which the Congress rightly insisted it was—then it would be at least as wrong in August. Mr. Schlesinger's threat ought to be seen for what it is—an unrealistic attempt to reinforce the bargaining power of the Lon Nol regime. That is how the other side is sure to see it, for they can count congressional votes. For their own sake, that is how our Cambodian allies ought to view it, as well.

CITIZEN OF THE MONTH

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. FREY. Mr. Speaker, last night, Members of the Congress were honored by the Fort Lauderdale Chamber of Commerce at a "Rally America" reception. Citizens of Fort Lauderdale came to Washington to say thank you and to say that, despite what problems we may have, they have great faith in our country and the men elected to serve the Nation.

In particular, the chamber came to Washington to honor their own Congressman, J. Herbert Burke. Mr. Speaker, I would like to enter into the Record an article from the Fort Lauderdale Magazine, the official publication of the Greater Fort Lauderdale Chamber of Commerce, which honors our distinguished colleague Herb Burke as its citizen of the month:

CITIZEN OF THE MONTH

When some of the people complain that their elected officials don't have the first hand experience to know their problems, maybe they should look at J. Herbert Burke. Not only is he the U.S. Representative for the 12th Congressional District (most of Central and South Broward), but he has or continues to be a man with "experience money can't buy," a slogan he has used successfully in past campaigns.

BRINGS HOME THE BACON

A compulsive shopper, especially in local supermarkets, Herb Burke literally brings home the bacon every Saturday to his wife Evelyn and their teenage daughter Kelly, at their modern Alexandria, Virginia home located just behind the Mt. Vernon estate of George Washington. They also keep their home in Hollywood.

The sight of a silver haired Congressman in a suit doing battle with the local housewives over a cut of meat may be an unusual picture, but it definitely keeps Congressman Burke directly in touch with the problem of high living costs, the people of the 12th District and the Nation face today.

YOUTHFUL ADVENTURER—HERB HITS THE ROAD

With fashionably cut silver hair and impeccable up-to-date suits, Herb Burke looks the role of a Member of the United States Congress. Women seem to admire the ruggedly handsome good looks of the former blonde, now silver-haired man with a continuous glint in his brown eyes. He always seems to have the style. A style developed from a goodly share of youthful adventures and practical commonsense in the rugged 1930's and 40's. The son of a sheetmetal worker, who was strongly labor oriented, the Congressman today prides himself that he is supported by the United States Chamber of Commerce, the National Association of Manufacturers and by many other facets of society. His youth was filled by his keen interest in politics and people. While friends found fun in regular boyhood activities, Herb Burke found more excitement in attending the political meetings of the day. His interest in politics made him an early admirer of law professor, turned politician, Paul Douglas. Although they agreed on many of the political issues of that era, they probably wouldn't see eye-to-eye today.

Lacking funds, he delayed going to college and instead wandered westward working at odd jobs in the fields of Oklahoma and Texas, and day-dreaming of a movie career during his journey to Hollywood, (California). Though traveling kept him far from Chicago, he loved and respected his parents and kept close touch with them, sending money whenever he could. When his father became suddenly ill, he quickly halted his odyssey to return home to Chicago to help support his family.

While working by day—he went to school by night—Northwestern University, Y.M.C.A. College, and Kent College of Law.

He passed the Illinois Bar Exams and became a senior associate in one of the largest firms in Chicago, specializing in estate and corporate law. One of the firm's clients was Esquire Magazine, which ironically is today, leading a fight to have its readers send letters to their respective Congressmen in an effort to keep second class mail rates at their current level. Herb Burke answers those letters and the hundreds of others that flood his Washington office.

He likes to keep in touch with people.

World War II interrupted his career, and the young lawyer spurned a commission with a desk job and entered the Army as an infantry private. However, he was discharged later as a wounded, decorated infantry Captain.

He returned to his law practice following the war with a driving ambition and desire to make the American Dream a reality. Not only did he resume his law practice, but he married Evelyn Krumtinger of Kewanee, Illinois, one of the firm's prettiest secretaries. They now have two children, Michelle Kathleen, who was born in Chicago, and Kelly Ann, who was born in Florida. By 1949 Evelyn and Herb were ready to take Henry Flagler's lead and move to South Florida, and start a new life. They made friends quickly. Many still write or drop by the Washington or Fort Lauderdale offices, just to chat with Herbie. His love of people and his desire to accomplish led him to do bigger and better things.

A POLITICIAN'S POLITICIAN

Some oldtime poll watchers are still scratching their heads about that 1952 election when the newly arrived young fellow from Chicago won a seat on the Broward County Commission. The fact that Herb Burke had just moved from Chicago less than three years earlier wasn't really so unusual since many ex-veterans had also discovered Florida and were moving there to start new careers. The biggest puzzler, however, was the fact that Herb Burke was a Republican in an area where in 1952 the Supervisors of Elections was advising newly registered voters to sign up as Democrats, so as not to lose their vote. There weren't many Republicans in those days, hence, few ran for office. Generally Republicans could not be found on the ballot in a primary much less a general election race.

Against those odds, Herb Burke decided to place his trust in the people and he won. He was the first Republican ever to win a countywide seat in South Florida and he has kept winning since then.

He did, however, lose in a special election in 1955 to Congressman Paul Rogers following the death of Paul's father, Congressman Dwight Rogers.

Although he was still a relative newcomer to what was then the Sixth Congressional District, Herb Burke trudged the byways and highway of "old" Florida from "Broward to Belle Glade" seeking votes. He lost, but not by much, and, today, he proudly serves with Paul Rogers in the U.S. Congress where they represent adjoining districts.

Many politicians wonder how far Herb Burke might have actually gone if he would have won that special Congressional election in 1955. But, in any event, he didn't give up, and, instead, waited until 1966 when a new Congressional District was created, and tried again.

From 1952 to 1966, however, he wanted to become one of the best County Commissioners possible, and there are many who will attest that he succeeded in this goal. He was an early proponent of a countywide park system; strict zoning and building codes; proper land-use planning; and coordinated water and sewer programs to head off pollution of our natural streams. He advocated the need for developing proper roadways, succeeded in setting up a plan whereby the limited funds the county received from the state would be spent to build roads where they were needed. He recognized the need for funds to keep up with the population growth, but he strived, also, to keep Broward's tax rate one of the best of all taxing bodies around.

As the lone Republican of the Broward County Commissioners for the first four years of his political career, he had his good and bad moments to say the least. He fondly became known by the opposition in the county as "our very own G.O.P."

All the while, the independent Herb Burke style was developing—a style that calls for representation of the people honestly, fairly and impartially. He kept faith with the people and the people kept him in office. In 1966 when the new 10th Congressional seat was established, he became his party's choice. He won that race and subsequently his district boundaries were enlarged on two occasions so that in 1970 it was the third most populous Congressional District in the Nation. He kept winning and became the longest continuous Republican officeholder, in years of service, in the State of Florida. In fact, he may also hold this record in the entire Southeast United States.

Herb Burke is now the senior Florida Republican in point of service in the United States House of Representatives. Does he have other political ambitions? Is it too late to run for U.S. Senate or perhaps Governor? He doesn't say, but one thing is for sure, he is happy serving as a Congressman and today he reflects on the pledge he made when he first ran for public office in 1952—to be the best Commissioner he could be. Now, he is determined to be the best Congressman he can be, and continue to maintain his 95% attendance record in the House.

His face-to-face style, helping anyone who asks, speaking his mind, keeping his people informed, and getting projects moving for Broward County have impressed the people who have kept him in office, and his service to his constituents has brought him closer to a hidden love—Foreign Affairs.

Herb Burke was in Russia just before the famous Nixon-Khrushchev kitchen debates. He was in Peru when a new government took over. He, Evelyn and a Miami newsman were among the last Americans to visit free Cuba attending a New Year's celebration just before Castro moved into Havana.

When the Republican leadership was looking for a qualified, capable member to serve on the prestigious House Foreign Affairs Committee—they found a suitable candidate in Herb Burke, and Herb Burke found one of his dreams fulfilled.

Because the Committee on Foreign Affairs is charged with overseeing relations with other nations, it requires foreign travel by its members.

Some may criticize the missions as junkets—but most will agree the complaints are hardly justified when considering the reports and legislation which are forthcoming by the Committee on these matters.

Congressman Burke's interest in his Committee work earned him, this year, the position of ranking minority members on the Subcommittee on Foreign Economic Policy. He has also been appointed to the Subcommittee on Asian and Pacific Affairs.

This year he was elected to serve as Treasurer of the Interparliamentary Union under the Chairmanship of Senator John Sparkman. This is a group which facilitates exchanges of views on common problems among equivalent governmental bodies of many nations. He has been a special delegate to the Organization of American States and has been on some very important foreign assignments. One mission took him directly into the war zone during the Nigerian-Ibo War in a cargo plane, which not only carried him and Representative Charles Diggs, but also several tons of fried fish. The President received a direct report of that trip and was impressed enough to keep the U.S. Government directly out of that civil war.

His job has brought him into contact with many leaders of the World.

The Congressman also serves on the House Internal Security Committee, and is a Vice Chairman of the Republican Congressional Campaign Committee.

Notwithstanding the fact he serves on the sought after Foreign Affairs Committee, his first and primary interest is the 12th Congressional District.

His activities in Congress have prompted the majority of local Broward Countians to acclaim their local Congressman, not only for his success in foreign affairs, but his support and introduction of legislation that has earned him awards from the National Associated Businessmen (Watchdog of the Treasury for six consecutive years), Americans for Constitutional Action (Distinguished Service Award), AMVETS, Veterans of Foreign Wars, National Association of Retired Federal Employees, American Association of Retired Persons, Service to Israel Award, Project Close-Up (youth group) and the confidence of the voters for the past twenty-one years.

TAR HEELS IN THE ROOSEVELT ERA: NORTH CAROLINIANS WIELDED INFLUENCE IN CONGRESS

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ANDREWS of North Carolina. Mr. Speaker, the June issue of Carolina Country, the magazine published by the North Carolina Electric Membership Corp. headquartered in Raleigh, contains a feature story recounting the outstanding service rendered by 12 North Carolina Members of the House and Senate between 1933 and 1945.

The article was written by Philip A. Grant, Jr., and I am pleased to share it with my fellow Members by inserting it at this point in the RECORD:

TAR HEELS IN THE ROOSEVELT ERA: NORTH CAROLINIANS WIELDED INFLUENCE IN CONGRESS

(By Philip A. Grant, Jr.)

On March 9, 1933 the Seventy-Third Congress was called to order. Summoned into emergency session by newly inaugurated President Franklin D. Roosevelt, this Congress was to enact an impressive array of major laws and thus begin the momentous era of the New Deal.

Between March 9, 1933, and the death of Roosevelt on April 12, 1945, the nation was destined to undergo the most sweeping domestic reform movement in its entire history, experience a wide variety of serious economic and social problems, witness the ominous rise of totalitarian aggression in Europe and the Far East, and assume ultimate responsibility for the winning of World War II.

During this historic 12-year period, North Carolinians serving in the House and Senate were perhaps the most influential group in Congress.

Three of these North Carolinians spent their early years in the House during the New Deal and World War II periods, and then emerged as prominent congressional figures during the postwar generation. They were Reps. Carl T. Durham of Chapel Hill, Graham A. Barden of New Bern, and Harold D. Cooley of Nashville.

Durham was initially elected to the House in 1938, after completing a six-year political apprenticeship as an Orange County commissioner. A member of the Committee on Military Affairs, 1941–1947, and the Committee on Armed Services, 1947–1961, he was acknowledged as an authority in the field of civil defense. Durham also wielded considerable influence as chairman of the Joint Committee on Atomic Energy between 1957 and 1959.

While a freshman member of the North Carolina House of Representatives, Barden in 1934 was elected to the first of 13 terms in Congress. An outspoken leader of the congressional bloc opposing federal minimum wage bills, he argued that such legislation hampered the economic growth of North Carolina and other southern states. Chairman of the Committees on Education, 1943–1945, and Education and Labor, 1955–1961, Barden was the dominant personality in the lengthy and controversial House debates over whether the national government should extend financial aid to elementary and secondary schools.

Cooley was elected to 17 consecutive terms in the House. Representing a primarily rural district, he chaired the Committee on Agriculture from 1949 to 1953 and again from 1955 to 1967. Cooley authored every farm bill of consequence between the end of World War II and his retirement from public life in January 1967. Although a staunch opponent of federal civil rights legislation, he attracted nationwide attention in 1956 by refusing to join nearly all his Southern colleagues in formally condemning the various school desegregation decisions of the U.S. Supreme Court.

Among the other North Carolina congressmen prominent during and after the Roosevelt Administrations were Reps. Zebulon Weaver of Asheville, Alfred L. Bulwinkle of Gastonia, John H. Kerr of Warrenton, and William B. Umstead of Durham, and Senators Robert R. Reynolds of Asheville and Josiah W. Bailey of Raleigh. Weaver, Bulwinkle, Kerr, Umstead, Reynolds, and Bailey were to serve an average tenure of more than 20 years in Congress.

Prior to entering Congress in 1919, Weaver had served in both houses of the North Carolina legislature. He was the congressman most responsible for the development of the Great Smoky Mountain National Park. A member of the Committee on the Judiciary for two decades, Weaver was deeply involved in the deliberations culminating in such laws as the Crime Control Acts of 1934 and the Judicial Retirement Act of 1937, as well as in numerous additions to the federal criminal code.

Bulwinkle served 14 terms in the House. As a member of the Committee on Interstate and Foreign Commerce, 1931–1950, he was instrumental in the passage of such landmark New Deal statutes as the Truth-in-Securities Act, the Securities Exchange Act, the Railroad Retirement Act, the Cancer Research Act, and the Civil Aeronautics Act. At various times Bulwinkle chaired the Subcommittees on Public Health, Transportation, and Communications. His principal legislative achievements were the Public Health Service Act of 1944 and the Common Carrier (Reed-Bulwinkle) Act of 1948.

Between 1933 and 1939, Kerr was the ranking Democratic member of the Committees on Immigration and Naturalization and Public Buildings and Grounds. His foremost contribution during this period was the Tobacco Control Act of 1934, a measure which vested the government with authority to regulate all aspects of tobacco production. From 1939 to 1953 Kerr served on the Committee on Appropriations, and in 1949 became both the ranking Democrat on it and chairman of the Subcommittee on War Appropriations. A fitting memorial to his efforts in behalf of the people of his state and nation is the John H. Kerr Resorvoir and Dam on the Virginia-North Carolina border.

Umstead was prosecuting attorney of the Durham County Recorders Court, 1922–1926, and solicitor of North Carolina's Tenth Judicial District, 1927–1933. Sworn in as a member of the House in March 1933, he was subsequently assigned to the Committee on Appropriations. Chairman of the Subcommittee on Appropriations for the Department of the Navy, 1936–1939, Umstead occupied this post while the United States was engaged in a program of accelerated naval expansion. Temporarily retiring from public affairs in 1939, he was State Democratic chairman, 1944–1947, U.S. Senator, 1946–48, and Governor of North Carolina, 1953–1955.

Before his election to the U.S. Senate in 1932, Reynold's sole political experience consisted of four years as prosecuting attorney of North Carolina's Fifteenth Judicial District. Viewed as one of Congress' most eloquent speakers, he consistently supported President Roosevelt's New Deal programs between 1933 and 1940. During the same period, however, he remained a fervent isolationist on foreign policy matters both as a member of the Committees on Military Affairs and Foreign Affairs and on the floor of the Senate. Between 1941 and 1945 he presided over the Military Affairs panel.

Launching his political career in 1896 as a member of the State Board of Agriculture, Bailey was to be involved in public affairs intermittently for the next half century. During the presidency of Woodrow Wilson (1913–1921), he served as Collector of Internal Revenue for the Eastern District of North Carolina. Defeating veteran incumbent Furnifold M. Simmons in the 1930 Democratic primary, Bailey was elected to the Senate in November of that year. He was chairman of the Committee on Claims, 1934–1939, and the Committee on Commerce, 1939–1946.

Unlike most of his fellow North Carolinians, Bailey was a severe critic of the New Deal and was especially vociferous in his oppossition to President Roosevelt's proposal to enlarge the United States Supreme Court. He was the principal author of the "Conservative Manifesto" of 1937, a bipartisan document which questioned the validity of many of the premises of the New Deal. Indeed, Bailey was one of the architects of a coalition of Southern Democrats and Republicans, which steadfastly resisted the President's domestic programs. Notwithstanding his firm opposition to Roosevelt, he was overwhelmingly renominated and re-elected both in 1936 and 1942.

The three most renowned North Carolinians to serve in Congress between the advent of the New Deal and the end of World War II were Reps. Edward W. Pou of Smithfield, Lindsay C. Warren of Washington, and Robert L. Doughton of Laurel Springs. Pou, Warren, and Doughton served an aggregate total of 140 years in state and national goveernment, and certainly rank among the most outstanding North Carolina political leaders of modern times.

Pou, whose congressional tenure paralleled the administrations of seven Presidents, was the dean of the House of Representatives at the beginning of Roosevelt's presidency. More importantly he was chairman of the Committee on Rules, regarded by many to be the most powerful committee in Congress. As the occupant of this key chairmanship, Pou exerted profound influence over the fate of virtually all bills and resolutions submitted by other standing committees for floor consideration. Fortunately for Roosevelt, Pou was a loyal supporter of the New Deal and systematically expedited the various measures pending before his committee. Leading the tributes to Pou at the time of his death in April 1934 was Rep. Bertrand H. Snell, House Republican Leader. Asserting that the nation could ill-afford to lose an individual of Pou's "fine character and mental equipment," Snell hailed his deceased colleague as representing the "highest-type of twentieth century American manhood."

A former member of the North Carolina House of Representatives and State Senate, Warren first took his oath of office as a congressman in March 1925. Chairman of the Committee on Accounts, 1931–1940, he was also the ranking Democrat both on the Committee on Roads and the Select Committee on Government Organization between 1937 and 1940. Warren guided to passage the Executive Reorganization Act of 1939, a measure which gave the President authority to streamline or consolidate the various federal departments, boards, and agencies. Highly skilled as a parliamentarian, he was frequently designated Speaker *pro tempore* of the House. In September 1940 Warren was chosen Acting Majority Leader and in the following month he was appointed by President Roosevelt to a 15-year term as Comptroller General of the United States.

Doughton was indisputably the most influential North Carolinian to serve in the House during the first half of the twentieth century. Elected by his constituents to an unprecedented 21 terms, he was widely acclaimed as an expert on federal fiscal policy and foreign trade questions. Doughton was chairman of the prestigious Committee on Ways and Means, 1933–1947 and 1949–1953, and also headed the Joint Committee on Internal Revenue Taxation in alternate years during these periods. He authored more important New Deal legislation than any other member of Congress. Among the most noteworthy of the laws bearing his name were the National Industrial Recovery Act, the Reciprocal Trade Agreements Act, the Social Security Act, and the Revenue Acts of 1935, 1936, and 1938. During World War II and the immediate postwar years Doughton sponsored numerous bills to finance the vastly increased expenditures of the national government.

The 12 aforementioned members of the House and Senate were chosen by the people of North Carolina to serve in Congress during one of the most turbulent periods in the country's history. Beginning in March 1933 and continuing throughout the years of World War II and the postwar era they compiled records of genuine achievement. Collectively these gentlemen not only exercised great influence in national affairs, but also comprised one of the most illustrious delegations ever to represent North Carolina in the halls of Congress.

AN OPEN RESPONSE TO MOBIL OIL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HARRINGTON. Mr. Speaker, I am sure that every Member of Congress is aware by now that the Mobil Oil Co., as part of its public relations effort, has chosen to send an open letter addressed to each Member of Congress to our hometown newspapers.

According to Mobil Oil, the letter was sent—

> Because many people are being misled by the absolute nonsense, totally unsupported charges, and outright lies being spread around by a variety of people.

I imagine that I, and others of us who are not overly friendly to the oil industry, are being referred to in that statement.

For the information of my colleagues, I would like to briefly summarize an ongoing dialog which I have been having with the Mobil Oil Co.

On June 8, 1973, Congressmen MOAKLEY, BURKE, O'NEILL, and I invited nine large oil companies to an open meeting to discuss the effects of the upcoming gasoline shortage on Massachusetts consumers. Mobil Oil refused to attend the meeting. I then requested Mobil to meet with me in a private meeting in my office. Included in the request was a list of questions on the company's supply and price situation which I wanted to discuss. Identical questions were sent to the eight other companies originally invited to the meeting. The president of Mobil's North American division, Richard Tucker, wrote me back saying that—

> I will not discuss or attempt to justify individual business decisions made by Mobil.

Mobil was the only company that refused to answer my questions.

Apparently Mobil feels that it is more profitable to deal with me through my hometown newspaper. Since I am willing to hold discussions with Mobil in whatever forum it chooses, I have written an open response to the company.

At this point, I insert in the RECORD Mobil's open letter to Members of Congress, and my open response to Mobil Oil. Parenthetically, I met briefly with Mobil's Washington representative today, and he will shortly be providing me with the cost of this rather expensive letter writing campaign. The letters follow:

AN OPEN LETTER ON THE GASOLINE SHORTAGE TO SENATOR JOHN DOE AND REPRESENTATIVE RICHARD ROE

We are publishing this letter in your hometown newspaper, and in those of the other Members of Congress, because we want you and your constituents to have the facts about the gasoline shortage as we see them. We are doing this because many people are being misled by the absolute nonsense, totally unsupported charges, and outright lies being spread around by a variety of people. For example:

"There are sufficient supplies available to the oil industry so that there need be no serious shortage of gasoline or any other petroleum product for any purpose in this nation."

"But the fact is, much of the so-called energy crisis is being concocted in the board rooms and public relations offices of the nation's major oil companies."

"I suggest that circumstantial evidence supports the conclusion that the major oil companies are using the fuel shortage they helped create to drive out their competition."

What these and other such statements boil down to is a series of charges that the shortage is contrived. That it is a hoax perpetrated by oil companies to raise prices and drive unbranded marketers out of business. That it is a massive conspiracy, a price gouge to end all price gouges.

Not one of these charges is true. All are based on misinformation. Some are outright lies. Here are the facts.

I. GASOLINE PRODUCTION IS AT AN ALL-TIME HIGH

When they hear the word "shortage," many people think the industry must be supplying *less* than before. Far from it.

The U.S. oil industry is making *more* gasoline than ever before—5% more than last year. That translates into an increase of 13,700,000 gallons a day above 1972—*which would have been more than enough to meet the demand growth of almost any previous year in history*. The problem is that with gasoline production up 5% over last year, demand is up about 6.2%. The shortages, which may come and go due to temporary swings in demand and supply, have shown up in the fact that some service stations occasionally run out of gasoline, and many dealers have chosen to operate on shorter hours and to close on Sundays.

II. POLITICAL DECISIONS HAVE PRODUCED THE SHORTAGE

The following factors, *all essentially resulting from political decisions*, have produced today's shortage:

(1) While potentially large oil reserves are believed to lie off the U.S. East and West Coasts—our most promising oil province, since the onshore U.S. has been more heavily drilled-up than any other part of the world—these offshore areas are barred to exploration, and U.S. crude production is dropping. *Oil companies had no control over this.*

(2) Over five years after the largest oil field ever discovered in North America was found on the North Slope of Alaska, construction of a pipeline to bring this oil to market is still stalled. *Oil companies had no control over this.*

(3) The United States is short of refining capacity, and will be critically short in a year or two, as a result of erratic government import policies, environmental constraints, and inability to bring the largest, most economical tankers into U.S. ports. *Oil companies had no control over this.*

(4) In terms of volumes, demand for gasoline is growing well over twice as much as it did during the 1960s, with pollution-control equipment and convenience devices such as air-conditioners accounting for a large part of this year's increase. *Oil companies had no control over this.*

(5) The shortage of natural gas caused by ill-advised government regulatory policies has forced industrial users to use large quantities of heating oil, which has caused a shortage of that product for the consumer. *Oil companies had no control over this.*

(6) Two of the major oil-exporting countries in the Middle East and North Africa have reduced crude oil production. *Oil companies had no control over this.*

(7) Price controls are impeding the importation of higher-priced oil products into our country. *Oil companies had no control over this.*

III. IS THERE A CONSPIRACY? IS THE SHORTAGE CONTRIVED?

If there was ever an industry in which it would be impossible to conspire, it's oil. Conspiracy requires secrecy. If you stop to think of all the bodies of government—in every branch of government, at every level—that have long involved themselves in our business, you'll realize we couldn't conspire if we wanted to. We operate in a fish bowl.

Dozens of agencies of the federal government, a horde of Congressional committees, and agencies of the 50 states and various municipalities regulate, investigate, or monitor the oil industry's activities.

Further, oil companies—even the largest ones—are so widely divergent in their size, their interests, their needs, their opportunities, and their views that it would be impossible to put a conspiracy together. Oil is one of the least-concentrated major industries in the world. No oil company supplies as much as 9% of the U.S. gasoline market.

IV. THE "INDEPENDENT" MARKETERS

You have doubtless seen charges that "the major oil companies" are cutting off gasoline supplies to non-major-brand ("independent") marketers to drive them out of business.

You should know that the overwhelming majority of service station dealers in this country are independent businessmen, whether they sell under the Mobil brand name or the brand of one of our major competitors or under their own private brand. All these dealers set their own retail prices, their working conditions, and usually their hours of operation.

Many non-major-brand marketers have in the past chosen to rely on day-to-day purchases of gasoline from oil companies instead of entering into long-term supply arrangements. This policy worked to their advantage as long as supplies were adequate, and especially when there were surpluses. Now that the surplus has disappeared, they are having difficulty obtaining gasoline.

As for Mobil, we have established an allocation system to ensure fair treatment of our customers. We believe this system will enable us to supply these customers at least as much gasoline and other refined products this year as last year.

V. WHERE DO WE GO FROM HERE?

It's going to take several years to remedy the situation. A pipeline has to be built to move the oil discovered over five years ago on the North Slope of Alaska. The outer continental shelf off the U.S. East and West Coasts has to be opened to exploration for new reserves of oil and natural gas. Superports have to be built. Oil companies must be enabled to obtain satisfactory sites for new refineries. Massive research and development programs have to be undertaken to make the production of non-conventional oil and gas from oil shale and coal econcmically feasible and environmentally safe. Construction of nuclear power plants to generate electricity must be accelerated. All of these require long lead times, and they can't be accomplished by the oil industry alone.

This is why Mobil has been running newspaper ads across the country, and doing a good many other things, to urge people to conserve gasoline and to use all energy more efficiently. As a further step in this direction, we have totally eliminated our gasoline advertising and are focusing our efforts on providing greater public information on how our country can tackle its energy problems rationally and equitably.

VI. WHY THIS LETTER

Our intention is not to get into a posture of charges and counter-charges, but rather to accomplish two things:

(1) To set the record straight on the gasoline shortage and to put the lie to the charge of conspiracy; to help people understand the shortage is real and will be with us for some while; and to suggest practical ways to cope with it.

(2) To try to elicit from you and your constituents a national effort, such as our country has not seen since World War II, to use wisely the energy resources available to us and to establish new policies to alleviate energy problems in the years just ahead.

AN "OPEN" RESPONSE TO MOBIL OIL FROM CONGRESSMAN MICHAEL J. HARRINGTON

Recently, Mobil Oil sent "open letters" to myself and all other members of Congress on the gasoline shortage. The purpose of the letter was to set the record straight on what Mobil terms the "absolute nonsense, totally unsupported charges, and outright lies being spread around by a variety of people.

Since Mobil has, as has the rest of the oil industry, chosen to present its case through the public media, I would like to respond to the letter in the same medium. And I would like to reiterate my belief that the present shortage has been created by the actions of the largest major oil companies; that the independent sector of the oil industry is being threatened by the actions of the major oil companies; that the present situation is largely attributable to government regulations and decisions sought by, paid for, and supported by the oil industry; and that the solution to the shortage problem is not to give still more concessions to the oil industry, but to change its structure to assure real competition in the industry.

The view that the closed structure of the petroleum industry is a major cause of our present energy difficulties is not a view held by misinformed Congressmen and crackpots alone. The Federal Trade Commission's Bureau of Competition recently completed an in-depth two year study of the petroleum industry. Among its, as yet, unpublished findings are the following:

1. The oil industry operates much like a cartel with 15 to 20 integrated firms being the beneficiaries of much federal and state policy.
2. The major firms seek to consolidate market power by various exclusionary tactics.
3. The major firms, which consistently appear to cooperate rather than compete in all phases of their operation, have behaved in a similar fashion as would a classical monopolist.
4. The major firms have attempted to increase profits by restricting output. The majors have used the shortage as an occasion to attempt to debilitate, if not eradicate, the independent marketing sector.

To me, the FTC study confirms what has been empirically obvious to a great many of us—that when the major oil companies do something, they do it together.

In the open letter, Mobil publishes some "facts" on the gasoline shortage. I have discovered that, in this issue as in others, the "facts" differ significantly depending on one's point of view.

Mobil cites the fact that gasoline production is at an all-time high. Today, this is true—responding to public pressure, American refineries are finally beginning to operate at close to rated capacity. However, other "facts" should also be considered: first, while the major's refineries are being operated at top capacity, independent refineries are operating considerably below capacity because of a crude oil shortage. 80% of crude oil production is controlled by the 8 largest oil companies of which Mobil is one. Second, while refineries are now operating at near top capacity, last year they were being operated at only around 85% of capacity, although the American Petroleum Institutes' "a country that runs on oil, can't afford to run short" campaign was going full swing. Third, and finally, at the beginning of this summer, gasoline stocks were actually 600,000,000 gallons below 1971 levels of gasoline, and 400,000,000 gallons below 1972 levels.

Mobil claims "political decisions" have produced the shortage. Unfortunately, this is basically correct. First. The decision by the government to institute oil import quotas is by far the most important factor contributing to our present difficulties. The major oil companies lobbied for and have blindly supported this price fixing system for 15 years until the system finally collapsed.

Second. The government's decision to give the oil industry foreign tax credits and depletion allowances have resulted in a steady 10 year decrease in the amount of exploration done by the oil companies. The industry supports these credits.

Third. The government's decision to permit the major oil companies to form a cartel to deal with the Arab countries has left the government helpless in the area of international oil policies and have made the oil companies little more than tax collectors for Arab potentates.

Mobil claims environmental regulations have prevented refinery construction. In point of fact, the oil companies have not bothered to plan refinery construction. To quote from the FTC study: "Spokesmen for several majors argue that the lack of expansion can be attributed directly to environmental problems. However, now that import controls have been removed, and governmental intervention into the industry has become a strong threat, these companies have suddenly overcome their environmental problems. Exxon has announced plans to build additional refining capacity of 600,000 barrels per day. Other large firms also plan new refineries in the near future."

Finally, Mobil argues that independents are not being treated unfairly by the majors. The 1,000 independents who have been permanently forced out of business might disagree. I have talked with the so-called "independent businessmen" who do business under the major oil companies' flags, and have determined that it is extremely unwise for these independent businessmen to disregard the major companies' "suggestions" as to price, profits, service, and company promotions. Today, I have 20 identical letters from independent owners of Gulf stations complaining about mandatory allocations.

There is a need for cooperation between the industry and government if we are to solve our energy problem. Recently, I, together with Congressman Moakley, invited representatives of nine major oil companies to Boston to discuss the gasoline shortage in Massachusetts.

Mobil refused to attend the meeting.

I then followed up the meeting with a questionnaire concerning each of the nine companies' position with regard to supply, prices, and plans for meeting the shortage. Only one company refused to supply me with this information. Mobil.

It is not my intention to single out Mobil as a villain in this scenario. But Mobil did, after having refused to meet a group of Congressmen in an open meeting, and refusing to answer some simple written questions on the company's situation, decide that it was necessary to send a letter to my hometown newspaper informing me of the "facts" on the situation.

I can only guess as to how much money Mobil spent to send the same message to the hometown constituents of each of the 434 other members of Congress, but I would assume it runs into hundreds of thousands, if not millions of dollars.

At this point, I remain perfectly willing to discuss the energy shortage, in my office, in the newspapers, or in any other forum Mobil might want to suggest.

Sincerely,

MICHAEL J. HARRINGTON.

ABUSE OF FOOD STAMP PROGRAM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. DERWINSKI. Mr. Speaker, as we complete processing of the Agriculture Act today, I believe that special attention must be given to the abuse of the food stamp program.

A very kindly article by Bill Anderson, in the Chicago Tribune of July 7, discusses the administrative abnormalities of the program as well properly questions the value of food stamps for strikers. The article presents the point in a very effective fashion:

WHO CAN AND CANNOT GET FOOD STAMPS

(By Bill Anderson)

WASHINGTON.—A handful of school teachers in Florida have been cut from the federal food stamp program, but a loophole which allows striking workers to get the good-as-cash coupons remains wide open.

This dichotomy of standards, we learn, is the result of an angry request by Rep. W. R. Poage [D., Tex.], chairman of the House Agriculture Committee, and the clout of organized labor on Capitol Hill.

The Agriculture Department tipped its hand in the Federal Register published yesterday. In fluent bureaucratese, both in the Register and an accompanying press release, the department made it appear that there were going to be some major and wholesome changes in the controversial food for the needy program.

"Certain individuals," according to the press release, had been abusing the program by signing up for stamps even though they were making an annual income way above the poverty level. A new amendment to the food stamp regulations will keep these individuals off the dole, the department said.

The bad guys in question, the press release explained, were "those individuals, such as teachers, who are under a contract which is renewable each year or longer."

The key operative word is "contract," according to our sources at the Agriculture Department. Since most union members are not under a contract in the sense teachers are, the rule does not apply to strikers, the department explained after consulting with its lawyers.

Agriculture Department spokesmen said that the change was implemented within the burocracy because the same attorneys had decided that the law which established the program allows that much latitude. The attorneys also decided that the law is not "broad" enough to allow the department to cut off strikers without the permission of Congress.

The department has been deluged with complaints that strikers use food stamps to tide themselves over while the picket lines are up. Several members of Congress have proposed changes in the law to eliminate strikers from the program. The last such congressional effort bowed to labor's influence by a one-vote margin in the House Agriculture Committee.

Poage initiated the present change after reading stories in two Florida newspapers revealing that some teachers in St. Petersburg and Tampa had been signing up for food stamps during their summer vacations. The reason teachers could do this, the department explained, is that applicants are selected on the basis of their anticipated income during the three months following the date they apply. Teachers can arrange to be paid their entire year's salary over the nine months they work and were therefore formerly eligible, the department spokesmen said.

A creature of the Great Society programs of the late President Johnson, the food stamp program began as a test in 1961 but never really got going until 1965, when 561,261 persons received $9.5 million in food buying assistance.

From those "humble" beginnings, food stamps have boomed into a $2 billion plus yearly outlay, supplying beefed up buying power for 12.5 million Americans in 48 states. New Hampshire and Delaware do not participate.

To qualify, the familiar maximum income standards apply. A family of four can earn $387 per month and still qualify for $24 per month in assistance.

The program works by allowing those enrolled to buy stamps which are negotiable in food stores. The maximum amount of stamps a family can buy is $116. But a person with a zero monthly income can buy the stamps for $41 while a family with the maximum allowable income must pay $92 for the same $116 worth of stamps.

The stamps can be redeemed only at grocery stores which agree to participate and only for domestically-produced foodstuffs intended for human consumption.

Critics of the program range from those who think it is abused because people like strikers use it to those who say that it does no good for truly poor people who don't even have enough money to buy the stamps even at the highly discounted rate. Advocates say simply the program keeps food in stomachs of many people who otherwise would go hungry.

INTRODUCES BILL TO DISCOURAGE THE USE OF CRUEL ANIMAL TRAPS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ANDERSON of California. Mr. Speaker, today I am introducing a bill for myself and 36 other Congressmen which would discourage the use of inhumane devices in the trapping of animals and birds.

Annually, millions of wild and domestic animals suffer needlessly due to steel leghold animal traps. The model trap used most frequently today was designed some 150 years ago. Capturing of animals, most often painfully, is the only purpose of such a trap. The killing is supposedly put off until the hunter arrives.

However, the deep jaws of steel leghold traps cause excruciating pain and numbness. A trapped animal may remain in captivity for days, or it may choose to chew through its own leg to attain freedom. Thus, a victim of a steel leghold trap may die of starvation, infections, or his condition can render him easy prey for other animals. In the best instances, writhing by a caught animal will result in torn flesh and ligaments.

Steel leghold traps are not selective. Whether useful as furbearers or not, an animal can be easily captured. Hunting dogs and even species of animals nearing extinction are not safe. Numerous surveys by humane groups have found that animals unwanted as furbearers outnumber by 2 or 3 to 1 the number of furbearers found in traps.

A very high proportion of U.S. trappers are not professionals. As hobbyists, these hunters check their traps sporadically. One provision of this bill is to require trappers to inspect their devices once a day and promote humane trapping by preventing starvation and other suffering.

We do not intend to discourage the animal pelt industry with this bill. Inexpensive alternative traps, which painlessly capture, are easily available. These alternative traps can be produced by simply wrapping weather stripping across the jaws of an original steel leghold animal trap. This additional cost is only about 40 cents per trap. Traps which instantaneously kill are also readily available. By breaking its back or neck, these traps kill an animal quickly, without pain.

A few States, as well as a number of foreign countries, have successfully implemented laws which ban the use of painful animal traps. Thus, empirical evidence has proven the feasibility of allowing on the market only traps which are painless or traps which instantaneously kill.

MORE HUMANE MEANS

Mr. Speaker, more humane means to trap animals must now be initiated. Economic excuses are no longer valid in rationalizing outmoded methods. Humane trapping can be instigated at very low cost, and with innumerable benefits to all involved.

First, this bill seeks to discourage the use of cruel traps by instructing the Secretary of Interior to set up criteria for establishing traps which will painlessly capture or instantaneously kill.

Second, it would set up a seven person commission appointed by the Chairman of the Council on Environmental Quality, including some experienced trappers, to help the Secretary in determining "approved traps."

Third, this proposal is intended to halt entrance into interstate commerce all unapproved traps beginning six months after promulgation of regulations by the Secretary.

Fourth, it would halt the use of unapproved traps on Federal lands 6 months after the date of promulgation of regulations.

Fifth, our bill would impose labeling requrements for interstate shipments of furs and hides.

Sixth, it would halt the entrance into interstate commerce of animals or products thereof trapped or captured by other than approved traps, beginning 2 years after promulgation of regulations.

Seventh, this measure would authorize the Secretary to enter into cooperative agreements with States or political subdivsions to assist them financially, or otherwise enable them to comply with the requirements of the act.

Finally, it is intended to provide aids and penalties to enforcement.

This bill does not:

One, interfere with predator control programs, except that the Secretary is to establish criteria for trapping in a manner which captures painlessly or instantaneously kills animals;

Two, halt commercial trapping on Federal lands except that such trapping must be conducted with traps approved by the Secretary and must be carried out in accordance with a program conducted by or supervised by Federal or State personnel;

Three, interfere with the right of private landowners to protect private property against damage and depredation.

ENDORSEMENTS

In addition, this bill has been endorsed by the following humane and environmental groups:

Friends of the Earth;
The Sierra Club;
Defenders of Wildlife;
Humane Society of the United States;
National Park and Conservation Association;
Fund for Animals;
Society for Animal Protective Associations;
American Protection Institute of America;
National Association for Humane Legislation; and
International Society for Protection of Animals.

Mr. Speaker, I have gone to great lengths to see that this bill is as strong as possible, yet reasonable. It is our purpose to insure nationally consistent and high standards of humaneness and care in our trapping policies, and I believe that Congress should enact legislation such as this which would establish such a policy.

ROOTING FOR THE HOME TEAM

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. GAYDOS. Mr. Speaker, the Federal Communications Commission is reported in the news media as concerned over the objectivity of sportscasters and considering a full-scale investigation to determine how much the fans are being misled.

It seems to me that there are more pressing problems than this one awaiting FCC attention, including the quality of television and radio programing generally, the multiplicity and tedious repetition of commercials, and the fairness or lack of it in what purports in some cases to be "straight" news reporting.

Sportscasting, especially that done by the hometown play-by-play callers, is seldom unbiased and this, in my judgment, is how the sports followers like it. In my district, where the Pittsburgh Pirates and Steelers hold forth, we would not want it any other way. We have a long tradition of rooting for the home teams, both in the stands and over the airwaves.

The question the FCC may raise, according to the news reports, is whether sportscasts are news or entertainment. It should require no study in depth to determine this. Such broadcasts to the home folks at least are entertainment, pure, and simple, and not, of course, to be accepted with more seriousness than the circumstances warrant. And this, I feel, is good.

We once had a radio sportscaster in Pittsburgh, the late and still lamented Rosey Rowswell, who made no apologies for his partiality to the Pirates. In his broadcasts, they were his "Bucs" and Rosey painted rosy word pictures of their exploits even back in the 1950's when they were habitual league tail-enders. But in the process, Rosey made new baseball fans by the thousands, taught the game to hosts of women listeners, and left a legacy of delighted interest which prevails to this day.

Rosey's former helper and successor, Bob Prince has carried on the tradition. To Mr. Price, the Pirates all are men of baseball distinction who, in bad days, are victims of a cruel fate and, on good days, are world's champions who, in his most notable expression, "had 'em all the way." Seldom, if ever, in Mr. Prince's assessment, does a Pirate turn in a sloppy performance which, in truth, occurs on occasions in Pittsburgh as elsewhere.

I believe the "hometown" announcers, by soft-pedaling the Pirate errors and rationalizing all Steeler setbacks, have made big league baseball and football matters of marked personal importance to the people of western Pennsylvania. I doubt if the fans would be as loyal, or the interest as keen if, through some FCC meddling, the sportscasters were compelled to call everything straight. My hope, therefore, is that Government regulation, so badly needed in so much that has to do with radio and TV, will be confined to real problems and not to inhibiting the game callers from boosting their heroes and creating their supermen, no matter how stretched the evidence. Who is being hurt by this? Nobody.

MURDER BY HANDGUN: A CASE FOR GUN CONTROL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HARRINGTON. Mr. Speaker, last year, a distinguished law enforcement official, Peter J. Pitchess, sheriff of Los Angeles County, testified in favor of gun control legislation before the House Committee on the Judiciary.

He said:

> Let me begin by telling you my position regarding the handgun,
>
> It is made for killing people, and I challenge any one to disprove that statement.

The statistics demonstrate the terrible accuracy of Sheriff Pitchess' statement: they prove indisputably that handguns kill and wound an increasingly large number of Americans each year. Here are a few key facts about handgun murders:

More than 21,000 people in this country die annually by gunfire.

Every 58 minutes, a handgun is used to kill a human being in America.

Last year, 80,000 Americans were injured in assaults by gun-wielding assailants, and 220,000 were robbed at gunpoint.

Handgun murders jumped 87 percent between 1966 and 1971, while murders with other types of weapons rose at less than half that rate.

Guns were used in 65 percent of all homicides, 63 percent of all robberies, and 24 percent of all aggravated assaults.

Guns have killed a large number of policemen in the performance of their duty: from 1961 to 1970, 604 policemen were killed by firearms, and 466 of that group were killed by handguns.

Guns are by no means used exclusively in criminal activity. In Washington, D.C., 81 percent of all homicide cases involve a victim and a suspect who are either friends, relatives, acquaintances, or husbands and wives—86 percent of those murders stemmed directly from an argument or lovers' quarrel.

Handguns account for three-quarters of all firearm homicides in the Nation, although they comprise only one-fourth of all the guns.

But alarming as those statistics are, they tend to obscure a very central fact: those 21,000 people who died by gunfire last year were 21,000 distinct, separate individuals. They had unique personalities and histories. They left behind them grieving parents, sorrowing husbands and wives, children who will have to be raised without a parent, friends, colleagues.

The article from the Boston Globe which I am inserting into the RECORD today is the story of one man murdered by a pistol. If you read the newspapers any day of the week, you will find an account of a murder by handgun, so in that sense, this article is not unusual.

But James B. Miller of Brook Avenue in Roxbury, Mass., was a human being, and that fact alone makes his death important. He was killed by a robber who shot him from a moving car with a .357 magnum pistol after Miller had fired several shots at the criminal and missed.

Perhaps Miller would be alive today had the robber not had easy access to a .357 magnum pistol. Perhaps Miller would be alive today had he not kept that handgun in the backroom of his restaurant.

But Miller is dead, and he leaves behind a wife, two daughters, and a group of Roxbury teenagers who liked him because he let them stay around his restaurant at night when they had no place else to go.

Beginning today, I plan to insert into the RECORD a daily account of a handgun murder. Perhaps these articles will make us understand that our handguns are not merely killing "statistics," they are killing human beings.

The need for strong legislation to control the sale and possession of handguns is clearer today than it ever has been. The argument that "Guns don't kill, people kill," is sheer rhetoric. The availability of guns has made it frighteningly easy for people to kill people. In fact, the very presence of a gun is often a strong stimulus to violence, and the Federal Bureau of Investigation has reported a strong correlation between handgun ownership and handgun crime.

James B. Miller of Roxbury, Mass., is dead now. Someone else—another American—will be killed within the next hour.

The next victim is unknown. He may be young or old, rich or poor. But the murder weapon is generally known: in three cases out of four, it will be a handgun.

The article from the July 11 Boston Globe follows:

VICTIM OF SHOOTOUT HAD TRIED TO MAKE NEIGHBORHOOD SAFER

(By Al Larkin)

J. B. Miller used to let the teenagers along Blue Hill avenue hang around his restaurant at night when they had no place else to go.

And when they were hungry but didn't have any money, he'd give them a sandwich—on credit.

And sometimes late at night or early in the morning, J. B. Miller, who didn't look his 58 years, would go out on the sidewalk and talk with the kids because he was concerned about his neighborhood and the people in it.

So, when James B. Miller—the man the kids called "JB"—was shot to death by a holdup man early yesterday, the teenagers along Blue Hill avenue knew the killer was not one of them.

Last night, they stood outside Miller's Fish and Chips restaurant at 1140 Blue Hill av., near Morton street, and cursed the person who killed their friend.

Miller, of 47 Brook av., Roxbury, was gunned down by a robber who had come into the store shortly before the 1 a.m. closing time. The thief leaped across a counter, emptied the cash register and fled with $200.

Spotting the commotion from a back room, Miller reached for a pistol he kept handy and fired a single shot at the fleeing bandit. The bullet missed.

Miller then ran out a back door and fired two more shots at the robber fleeing along Livingstone street in a stolen car. He missed again.

The car slowed for a minute and the man behind the wheel fired a single shot, from a powerful .357 magnum pistol, hitting Miller in the head.

The car then slammed into the rear of a parked truck and the gunman was forced to flee on foot.

Miller, still alive despite the serious wound, walked back through the restaurant, past his wife, grandson and a waitress without saying a word, and got into his car.

He drove a half mile to the police station on Morton street and told officers of the robbery. Suddenly he slumped to the floor and 25 minutes later at Carney Hospital he died.

"He was a very strong and brave man," his wife, Harriet, said last night. "I told him it was a bad place to be running a store, but he wanted to be there. He felt it was his duty."

Miller was among a group of Morton street area businessmen who have been trying to make the neighborhood a safer place. Yesterday, his fellow merchants met with police officials and again asked for more police protection.

For Miller, the restaurant had been his life. He first opened it three years ago, but it was burned down by local kids. He then moved next door and tried again.

"The kids still broke in every once and awhile and stole little things," Mrs. Miller said yesterday. "But then they'd come back and say they were sorry and we'd understand."

The couple had run the store together for the past two years, sometimes working 12 and 15 hours daily, and things had begun to look better.

"We were feeling secure. We were even thinking of taking a little vacation, if we just didn't have to worry about someone breaking into the store. That's the way it always was," she said.

"James always thought he could make a go of it. But he didn't. No one on that street seems to make it anymore," Mrs. Miller said.

Miller had worked for many years as an automobile simonizer at several auto firms in Belmont. He opened his first restaurant three years ago "because he was getting old," Mrs. Miller said.

"He'd be pleased to know that I'm going to keep that restaurant open," she said yesterday. "I'll be brave too. You only die once."

Besides his wife, Miller leaves two daughters, Mrs. Lenore Showers of Jacksonville, Fla., and Belena Miller of Lowell. Funeral arrangements are incomplete.

JIM SMITH

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ESCH. Mr. Speaker, I want to join in paying tribute to our departed colleague, Jim Smith. My friends from Oklahoma have given the story of Jim's public career and I heartily endorse their praise of his personal and professional accomplishments. Jim and I were first elected to the 90th Congress and we both became Members of the 90th Club. I will always remember Jim as a warm and helpful friend as a Member of this House and as Administrator of Farmers' Home Administration. I can also testify that no one was more knowledgeable in the field of agricultural affairs and so staunch a defender.

Before being elected to the 90th Congress, Jim was a farmer and cattle rancher and upon his unsuccessful bid for reelection, it was only appropriate that Jim be appointed by President Nixon to serve as Administrator in a field he so deeply loved and understood. Jim earned the respect and admiration of not only those who worked with him, but most importantly, that of the people who he served. Jim was dedicated to his position and distinguished himself among the citizens of his native Oklahoma and the Nation by advocating the position and importance of agriculture today. His untimely death is unfortunate in that it deprives us of the contributions he would undoubtedly have made to the future.

I am proud to have known Jim Smith and I join my colleagues in expressing my deepest sympathy to his wife and family and to the many friends who knew and admired him.

CHILD ABUSES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. BIAGGI. Mr. Speaker, the shocking rate of child abuse in this country is a matter of national scandal. Year after year hundreds of thousands of defenseless children are burned, beaten, sexually attacked, and at times killed by their parents and guardians. This malady is one of the most difficult to understand and one of the hardest to forgive.

There are over 60,000 cases of neglect and abuse reported each year, and this is only the beginning of the hidden total. Meantime, the Department of Health, Education, and Welfare continues to express its opposition to legislation which would attempt to lower this astronomical rate of incidence. I have introduced such a bill on the House side which would grant $60 million to the States over a 3-year period for programs involved with treatment and rehabilitation, training and public education in the child abuse prevention and control area.

The main consultant who helped me prepare this bill and who has for many years been known countrywide as perhaps the most knowledgeable expert in the field is Dr. Vincent Fontana. Dr. Fontana has led the New York City Task Force on Child Abuse in its excellent work and has directed the treatment of innumerable cases of child abuse at St. Vincent's Hospital in that city.

Mr. Speaker, the Washington Star-News recently ran an article on Dr. Fontana which I would like to read into the RECORD for the edification of my colleagues. This man is a leader in his field and has demonstrated the kind of sensitivity, intelligence, and stamina which are so critically needed in the fight against child abuse and neglect. I commend Dr. Fontana for his ongoing work and am proud to be closely associated with him and his crusade against senseless child maltreatment.

The article follows:

CHILD ABUSE: A MANY GENERATION SYNDROME

(By Judith Randal)

NEW YORK.—The pediatrician who heads this city's Task Force on Child Abuse and Neglect says that child battering has become an epidemic that could predispose American society to crime and violence for generations to come.

"People who as children are abused either physically or psychologically are more likely than people who have normal childhoods to become drug addicts, muggers and murderers as teenagers and adults," Dr. Vincent J. Fontana told a news conference held here yesterday at the 122nd annual meeting of the American Medical Association.

"Yet we are not willing as a society to accept this. We keep assuming that child battering is a low-income ghetto problem involving only people with mental disease.

"It's not so," Fontana continued. "And unless the masses recognize this problem and give the great amount of money needed to support programs to help the battering parent and child, there will come a time when very few of us will be able to go out on the street."

Fontana, director of pediatrics at St. Vincent's Hospital and Medical Center here said that in New York City alone last year 200 children died from battering and that as many as 50,000 a year die nationwide—more than from any other single cause. But, in addition, he noted, more than a million a year survive physical or psychological punishment which disables them for life.

All of the 50 states, Fontana reported, have child-abuse laws. But their provisions and enforcement powers vary and most agencies dealing with the problem are short of trained personnel and funds. Furthermore, he said, child battering is often overlooked by doctors either because they do not recognize it when they see it or are reluctant to report it to the authorities.

Fontana and Dr. Arthur Green, a child psychiatrist at the Downstate Medical Center in Brooklyn who was also at the news conference pointed out that it is a mistake to assume that mothering a child is instinctive. If a mother was abused in childhood, her children are apt to be abused, they said. The same is said to apply to fathers.

Explaining in more detail, the two physicians said that most battering parents have in common a tendency to treat other people—particularly those who cannot retaliate—the way they themselves have been treated in the past.

For this reason, they said, they may see a child as "a hateful little creature", rather than a cherished extension of themselves. Thus, they expect a baby to satisfy their needs instead of the reverse.

Green and Fontana are among the handful of physicians and other health personnel who direct programs which help parents who batter their children to develop self-esteem and other personality attributes which enable them to become adequate mothers and fathers.

But the number of such programs is too small to meet the need and besides most have been federally funded and the money is running out with little prospect of renewal.

At present, Fontana said, the Nixon administration plans to spend $3 million to combat the problem, but the money is to be used only to establish a nationwide information clearinghouse and for a re-examination of the 1962 model child abuse law.

What is needed, he said, is $60 million to train personnel and set up a network of treatment centers across the nation. The Nixon administration is opposed in principle to the proposal because it does not believe that federal funds should be spent for the delivery of health-care services. However, several bills directed at the child-abuse problem are pending in Congress.

QUESTIONNAIRE RESULTS

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I have completed the tabulation of the results of my recent questionnaire and for the information of the Members and other interested persons, I am pleased to present it today. The results of the questionnaire are set out in the form of a newsletter containing the following caption: "Newsletter From Your Open Door in Washington—Congressman Albert W. Johnson—23d District of Pennsylvania, Newsletter 24, July 1973". In addition to the questionnaire results, the newsletter also lists the times of my weekly 5-minute radio program on the stations in my district.

The newsletter also contains a picture of myself at the open door of my office. The newsletter then continues as follows:

DEAR FOLKS IN THE 23D CONGRESSIONAL DISTRICT: I am pleased to send you this newsletter which presents the results of the Questionnaire that I issued this spring. I want to thank those who took the time to give me the benefit of their opinions. The picture above was taken at the open door of my new office in Suite 2351 of the Rayburn Building, telephone number (202) 225-5121. The results and my comments on the 14 questions are as follows:

Question No. 1—Would you vote to compel the President to spend impounded appropriations?

The answer: Yes: 23 percent; no: 73.5 percent; no answer: 3.5 percent.

The impoundment of over $10 billion in appropriations by the President has commenced to pay off. Congress during June for the first time in a good many years voted to keep the debt ceiling at $465 billion for another six months. However, the courts in 3 recent cases have ruled that the President cannot impound appropriated funds, even though there is no tax money available to cover the appropriations, and regardless of whether the expenditures will mean a raise in the national debt.

In the Congress, Senator Ervin, the Watergate committee Chairman, has an anti-impoundment measure moving, which would forbid impoundment by the President, unless Congress gives its consent. The measure would force the spending even though there is a budget deficit. I personally believe that the President has the power and the duty to impound funds, if the spending will result in a deficit. A large majority of the people in the district are on the right side of this issue.

Question No. 2—Should I vote to sustain a Presidential veto on bills which would substantially exceed the Federal budget?

The answer: Yes: 71.1 percent; no: 25.4 percent; no answer: 3.5 percent.

An historic confrontation between an angry Democratic Congress and a determined Republican President over spending is now in progress. This Congress is re-passing spending bills previously vetoed by the President and then the Republicans, joined by Southern Democrats, are refusing to override the President's vetoes. Despite Presidential budget cut-backs, Federal spending cotninues to climb. In 1949, just 24 years ago, the Federal budget in Truman's first year was $40.6 billion. In 1959, under President Eisenhower it reached $100 billion. Under President Johnson, it reached $200 billion, and now under President Nixon for FY 1974, the budget figure is $268.7 billion. The President is trying to hold the spending for FY 1973 to $250 billion. But, Congress wants to increase that sum by $10 billion. If the Congress does this, over the veto of the President, new taxes will be necessary or the national debt ceiling will have to go up.

Question No: 3—Do you (a) favor Congress freezing all prices for 1 year, or (b) continuing to allow the President the power to impose controls?

The answer: A: 51.9 percent; B: 38.3 percent; no answer: 9.8 percent.

Since your receipt of my questionnaire, Congress has resolved this issue and has continued the power in the President to fix prices for one more year. The President does not like controls. After all, they are a real drastic curtailment of freedom of contract, contrary to the American way. So after Phase II, strict controls in January of this year were switched to Phase III—a voluntary plan. No one lived up to the guidelines. Food prices shot up and up. It was necessary to again devalue the dollar. Prices of industrial commodities under supply and demand pressures rose rapidly. Congress was flooded with complaints as rent and gasoline prices soared. The nation was in a real boom. Not in a decade had prices shot up so fast. On March 29, the President froze the price of meats, a departure from Phase III.

In May the President ordered all companies to notify him of all proposed price increases over 1.5%. By mid June it was painfully apparent that Phase III was not working. So the President went on national television and scrapped Phase III and imposed the second freeze since August 1971. It covers all prices, except raw agriculture prices and wages. The rising inflation must cease, and here's hoping that this new freeze will do it, providing Congress has the courage to hold down the budget. I supported retaining the power to fix prices in the President, as I am convinced a freeze imposed by Congress would be inflexible and would shackle the economy.

Question No: 4—Would you include wages and salaries in a price freeze?

The answer: Yes: 71.1 percent; no: 22.1 percent; no answer: 6.8 percent.

Even though the President has imposed a second freeze on prices, wages escaped a clamp down. However, both President Nixon and Treasury Secretary George Shultz have stressed that post-freeze controls in Phase IV will treat wages and prices in a consistent and fair manner. Both have acknowledged that the new freeze on prices but not wages involves inequitable treatment. I agree. A reason for not including wages is that the freeze would have complicated the negotiations of major industries now underway.

Federal Reserve Board Chairman Arthur Burns recently made a speech on how taxes, wages, prices and profits have changed in the period from 1952 through 1972. Using 1967 as a norm, or 100%, the index on wages in 1952, was 45.7%. However, at the end of 1972, it had gone up to 134.9%, or an increase of 192%. Wholesale prices on the same index were 84.1% in 1952 and 114.9% on December 31, 1972, or an increase of 40.2%. During the same period Corporate profits rose 168.6%. I will push for equal treatment of wages under Phase IV. The response from my constituents, like yourself, indicate that mandatory controls must be imposed on wages also.

Question No. 5—Should the United States relinquish its jurisdictional powers over the Panama Canal Zone?

The answer: Yes: 18.3 percent; no: 76.4 percent; no answer: 5.3 percent.

The serious situation confronting the United States in its relations with Panama and the Canal was brought into focus in March of this year when the U.N. Security Council held a session in Panama and a resolution was offered in the nature of a condemnation of the U.S. for its control over the Panama Canal Zone. The United States exercised its veto over this resolution. I have co-sponsored a resolution stating that it is the sense of Congress that the U.S. should maintain and protect its sovereign rights and jurisdiction over the Canal. This strong 76 per cent vote indicates district concern over the possibility of ceding to Panama any of our rights. After all, American taxpayers have invested over $5 billion in the Canal since the 1903 treaty was signed that totally legitimized our control over the Canal Zone. Such control is a prerequisite for the proper defense of the Continental United States and the Western Hemisphere.

Question No. 6—Do you favor the phasing out of the Office of Economic Opportunity (The Anti-Poverty Program)?

The answer: Yes: 57.5 percent; no: 35.1 percent; no answer: 7.4 percent.

In my February 1971 Questionnaire I asked a similar question, and the answer was Yes: 49.9%; No: 28.4%. The 57.5% figure above represents an increase in sentiment against the agency by 7.6%. In the eight year life of the Poverty Program, it has cost the government almost $15 billion, reached millions of people, and employed thousands of administrators. It has fallen far short, however, of eliminating poverty. Now the President wants to dismantle the program. The plan is to keep the good parts and discard the unproductive. Other agencies will take over many programs, and some will receive increased funds. The greatest casualty will be the Community Action agencies—907 in all, employing 180,000 people. The President feels that the old OEO has not proved worth its cost. The President explained his action in a nationwide radio speech on February 24th. He said that too much money has been going to those who were supposed to help the needy and too little to the needy themselves.

Naturally, a vigorus protest has been exhibited. 20,000 demonstrated in Washington against the cut, lead by Mrs. Martin Luther King, and Rev. Ralph Abernathy. A U.S. District Judge of Washington, D.C., William B. Jones, has ruled Nixon cannot eliminate OEO. And in another case, Judge Jones ruled that Howard Phillips, the former acting director of OEO, was serving illegally as a dismantler, as he had not been confirmed by the U.S. Senate. The role of the budget cutter is hard.

Question No. 7—Should postal workers be allowed to strike?

The answer. Yes: 28.3 percent; no: 68 percent; no answer: 3.7 percent.

Postal workers were given the right by law to have a union and now they want the law amended to give them the right to strike. They have testified that they should have this right so as to enjoy the freedom that other American workers in industry have. Those against the proposal stated that public employees should not have the right to strike because they are serving in the public interest. The Post Office Committee was asked by the opposition to consider what would happen to the American economy if there was a serious delay in mail service. Bank deposits would be held up. Social Security checks would not be delivered. Meaningful arbitration seems like the best solution.

Question No. 8—Should Congress repeal the law which turned the Post Office Department over to an independent corporation?

The answer. Yes: 47.8 percent; no: 44.4 percent; no answer, 7.8 percent.

I am not surprised at the closely divided opinion on this question in view of the decline in postal service generally. The House Post Office Committee is now conducting oversight hearings in key cities in the nation and are asking the question whether the new corporation is a success, and whether the American people should have more say through their Congressman in the operation of the Postal Service.

The new postal corporation is an entirely independent entity and only comes to Congress for a public service appropriation. The law contemplates the corporation to break even. A great deal of the trouble has been caused by the corporation being forced to this break even point too fast. The present Congress is awaiting the report of this investigating committee.

Question No. 9—Do you feel that the United Nations contributes to world peace?

The answer. Yes: 52.4 percent, no: 38.2 percent, no answer: 9.4 percent.

This answer indicates that the people of the 23rd District still have faith in the United Nations and hope that it will have greater influence in promoting peace. I was delighted to receive so many letters, in addition to the comments on the questionnaire. One in particular is from an outstanding young citizen of Bellefonte, named Randy Van Scyoc, who is 13 years old.

"Dear Sir: I am a member of Boy Scout Troop 35 of Bellefonte. I am presently working on my Citizenship in the Nation merit badge, and one of the requirements is to write to your Representative on a national issue of the day. I recently saw a questionnaire sent out by your office to my Dad, asking his opinion on some key issues to go before the 93rd Congress. I realize that I am not old enough to vote, but I would like to express my opinion on the 9th issue concerning the United Nations contribution to world peace. I feel very strongly that the United Nations does contribute to world peace for the following reasons. First and most important, it is the only means that nations, large or small, can get together, talk in peace, and cooperate in solving their problems. Another important goal of the United Nations is to make the world a better and safer place to live in by providing aid for countries and different groups of people. They have encouraged trade and have suggested ways for countries to become more productive. They have provided aid for refugees, and have raised millions of dollars through UNICEF to aid needy children. The United Nations is also working for progress in many other fields, including human rights, peaceful uses of nuclear energy, and pollution control. I am aware that the United Nations has its problems as to finances, membership, and limited abilities to maintain peace. However, I feel that these problems can be overcome with time, patience, and cooperation among the nations. Now, more than ever, countries must strive to live in peace." Sincerely yours, Randy Van Scyoc.

Question No. 10—Would you vote for the proposed trade bill which grants power to the President to eliminate, reduce, or raise tariffs?

The answer: Yes: 61.2 percent, no: 33.7 percent, no answer: 5.1 percent.

In this complex world of trade, especially facing the multitude of nations, our President has to have the power to retaliate against trade barriers abroad, or to grant concessions where a nation gives us a favorable trade concession. The bill before Congress would give the President this flexibility. The President would submit to the Congress the agreement he has made under the law. Congress would then have 60 days to approve or disapprove of it.

Question No. 11—Do you favor U.S. financial aid to North Vietnam to aid rebuilding destroyed areas?

The answer: Yes: 9.7 percent, no: 85.5 percent, no answer: 4.8 percent.

We are fortunate to be living in a time of peace for the first time in more than 20 years. As you can see the percentage of opinions in this question is the highest of all those asked. Certainly it exhibits a very strong and determined opposition of the people of the 23rd District against helping North Vietnam. I intend to oppose financial aid to rebuild the destroyed areas of North Vietnam, when the issue comes before the House for a vote.

Question No. 12—Would you vote to widen the right-of-way in Alaska so that the Alaskan pipeline can be built?

The answer: Yes: 72.8 percent; no: 22.8 percent; no answer: 4.4 percent.

As you all know, in February 1968, there was discovered a rich oil field on the frozen North slope of Alaska at Prudhoe Bay. Conservative estimates place the oil producible at 10 billion to 40 billion barrels, and gas at 26 trillion cubic feet. What a great assist to our energy problem! The oil companies thought that a pipeline right-of-way through Alaska would be granted as a matter of course. How fooled they were. Environmentalists have successfully stopped the pipeline by court actions, stating that the pipeline would impede the migration of Caribou and cause pollution. The Courts have held that the pipeline right-of-way is only 50′ wide—not wide enough for 48″-in-diameter pipe. Now, Congress is being asked to widen the right-of-way. The bill is frozen in a subcommittee by selfish interests, thus stopping the importation of 2 million barrels of oil a day into the United States.

There has been a change in sentiment in the 23rd District. In 1971, only 57.9% favored the pipeline. Now in face of a serious energy crisis, 72.8% favor it. I do too! Those against the Alaska pipeline say, "Build it through Canada." Canada so far is not too enthusiastic, and would exact a high charge for the privilege. They could easily shut off the flow of oil. The free flow of oil from Alaska would free us somewhat from total dependence on the Mid-East, and help our severe balance-of-payments problem.

Question No. 13—Should allowable tree cutting in the national forests be increased as one way to lower prices?

The answer: Yes: 31.2 percent; no: 62.3 percent; no answer: 6.5 percent.

Early this year lumber prices took off with the speed of a forest fire. Lumber was in very short supply by reason of two record years of home building—a 42% hike to 2,052,000 units in 1971 and an additional one of 15% to 2,366,000 units in 1972. President Nixon came up with a package to ease the price pressure. He announced that log sales from the national forests would be increased in 1973 by 1.8 billion board feet, an 18% hike over 1972. He also stated that talks with the Japanese would be held to get them to reduce their heavy buying of logs. The railroads would be asked to make available more freight cars to move the logs and lumber.

Now after 4 months, the price of lumber and plywood has fallen. This is because of a slowdown in home building in 1973, a huge step up in plywood production, the railroad response in needed freight cars, and the planned step up in log sales from the national forest, thus restoring mill operator confidence. The Japanese agreed to a 15% curtailment of buying, too. The House Banking and Currency Committee also has reported out a bill limiting the export or softwood logs to 2.5 billion board feet a year, and hardwood to 1 billion board feet a year to ease the pressure.

Question No. 14—Now that the United States has signed an antihijacking accord with Cuba, do you favor beginning negotiations to normalize relations with Cuba?

The answer: Yes: 71 percent; no: 24.7 percent; no answer: 4.3 percent.

This is a very significant result. We all know that since Castro established his Communist regime, it has been the American goal to push for his downfall by cutting Cuba off from the rest of Latin America and by at least partially isolating Havana from other world capitals. The people in the 23rd District are generally ahead of the Congress or the President. For exampe, back in November 1971, 76.5 per cent voted in favor of the establishment of friendlier relations with mainland China. Secretary of State William P. Rogers when asked about U.S. recognition of Cuba had this to say: "The U.S. is ready to deal with any country that shows it wants relations and is willing to respect America and its system in the way that the U.S. is willing to respect theirs."

In closing, I want to thank those who took the time to complete and return the questionnaire, and I trust you have found the Newsletter both interesting and informative.

Each week, my five-minute radio program entitled *"Commentary on Congress"* is aired on 16 stations in our 11-county district. Tune in to:

WBLF–Bellefonte: 8:40 a.m., Sundays; WESB–Bradford: between 10 and 12 noon, weekdays; WWCH–Clarion: 12:15 p.m., Saturdays; WRFM–Coudersport: 12:15 p.m., Sundays; WCED–DuBois: afternoons, time varies; WLEM–Emporium: 12:30 p.m., Saturdays; WFRA–Franklin: excerpts aired, time varies; and WKZA–Kane: 5:05 p.m., Sundays.

WBPZ–Lock Haven: 6:25 p.m., Saturdays; WKRZ–Oil City: 2:30 p.m., Sundays; WPHB–Philipsburg: 3:35 p.m., Thursdays; WKBI–St. Marys: 10:35 p.m., Sundays; WKBI–FM–Ridgway: 10:35 p.m., Sundays; WMAJ–State College: 11:30 p.m., Sundays; WRSC–State College: 8:10 p.m., Sundays, and WNAE–Warren: 5:05 p.m., Sundays.

Sincerely yours,

ALBERT W. JOHNSON.

WHAT DID BREZHNEV WANT?

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ROONEY of New York. Mr. Speaker, under the permission heretofore granted me I include the following article by Rev. Daniel Lyons, S.J., which was published in the issue dated Sunday, July 15, 1973, of the National Catholic Register:

AT HOME AND ABROAD—WHAT DID BREZHNEV WANT?

(By Father Daniel Lyons, S.J.)

"The vice of capitalism," said Churchill, "is its inequitable distribution of wealth. The virtue of socialism is its equitable distribution of misery." If there was ever an argument against socialism it is seeing Brezhnev come to the United States desperately pleading for goods. Since all socialist countries are poor, he had to come to Washington, D.C., capitalist headquarters.

As I toured the Soviet Union last fall, it was obvious that the living standards of the U.S.S.R. are not yet up to those in this country in 1933, during the worst period of the Depression.

During the first four months of this year we sent $413 million worth of goods to Moscow, nearly all of it on credit. The Soviet Union has very little money and very little goods she can sell us except the prospect of natural gas that she wants us to help develop.

Brezhnev came seeking long-term credit. He also came to talk us into abandoning most of our nuclear power in Western Europe. The non-nuclear forces of the Moscow Pact nations are vastly superior to ours, whereas the nuclear forces of NATO are about the same. So he wants us to give up the nuclear strength behind NATO.

Is the Kremlin thinking of moving into Western Europe? We do not know. It has the power to do so. Moscow has turned East Germany into an armed camp, capable of conquering West Germany within a week. Will it do so? Jacob Beam, who was our Ambassador to Moscow for the past four years, claims that the leaders in the Kremlin "are not revolutionaries any more."

When U.S. News & World Report asked him whether this is the same Soviet leadership that was out to conquer the world some years ago, he replied categorically: "No, not really." They would be satisfied, he said, with "a dominating or at least equal role in world affairs. . . . A Communist world—they recognize that as impractical as an immediate and realistic goal."

If that is the type of muddled thinking we have in the State Department, it is no wonder so many countries have been lost to the free world, while none has been lost to the Communist world. Ambassador Beam and his colleagues in the State Department can talk all they want about the Soviet leadership. They know only a few of the leaders, and they have no idea who will be leading the Kremlin in the future.

The first thing to remember about Brezhnev is that he is tough. He fought his way through Stalin's bloody purges, overthrew Khrushchev, and succeeded in keeping the power away from Kosygin and other rivals in the Politburo. He supplied North Vietnam with all of the rockets and most of the guns, bullets and other supplies to fight the U.S. to a standstill in South Vietnam. To think for a moment he would not like to rule the world is to engage in fantasy. To think he could not do it, when he has the power to destroy 150 million Americans in one all-out strike, is to indulge in a flight from reality. To throw ourselves on the mercy of the Russians is a dangerous way to see if they have any.

Brezhnev said he wants peace, yet he finances almost all of the aggression in Vietnam, Laos and Cambodia. He gives $500 million to Castro to support guerilla wars in Latin America. He is still financing terrorism in the Middle East and other parts of the world. He still keeps all of Central and Eastern Europe in bondage.

He keeps countless thousands of Soviet citizens in prison for political purposes. To say that he runs a police state is the understatement of the year. The idea that Catholic Poland, Catholic Hungary, Catholic Lithuania, Catholic Czechoslovakia, Protestant East Germany, and Orthodox Rumania, Bulgaria, Yugoslavia and Albania have no right to freedom is the very essence of the Brezhnev Doctrine.

According to him they must be colonies forever. Just ask the Czechs. It was Brezhnev who sent 650,000 troops into their country. It is Brezhnev who keeps 80,000 Russian troops near Prague today.

Brezhnev spoke of "spiritual values" in his talk to the American people. Yet he is totally dedicated to destroying belief in God from the world. He bitterly discriminates against anyone who goes to church. He tolerates only two Catholic priests in Moscow, keeping them both under wraps. He spoke of peace, yet he finances aggressive wars and revolutions. He spoke of freedom, yet every phone in Moscow is subject to bugging. He spends hundreds of millions of dollars maintaining a 2,000-mile Iron Curtain, shooting anyone who attempts to escape.

Are we coming into a new era in our relations with the Kremlin? It is impossible to say. All we can do is try to view Mr. Brezhnev realistically, something the TV networks and most of our press seem unwilling to do.

WOMEN FOR SURVIVAL OF AGRICULTURE IN MICHIGAN

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. SYMMS. Mr. Speaker, I had the privilege of having a visit in my office this morning by a group of charming ladies from Michigan and New York.

I would like to share with my colleagues in the House a letter which states their mission and I commend them for their efforts.

And hope that the Cost of Living Council will wake up and get rid of these idiotic dictatorial, controls, or wages and prices that are not part of a free society.

The letter follows:

WOMEN FOR THE SURVIVAL OF
AGRICULTURE IN MICHIGAN,
July 10, 1973.

DR. FEDOR,
Policy Review Group,
Cost of Living Council,
Washington, D.C.

DEAR DR. FEDOR: We are a delegation from the Women for the Survival of Agriculture in Michigan and New York. We come on behalf of the red tart cherry industry speaking for both growers and processors and at the fervent urging of both. Cherries are one of our most important crops.

Growers are faced with an impossible situation. Under the price freeze, the processors of our product cannot pay us enough for cherries to cover our cost of production. The price freeze has frozen our wages at a level where we will be forced to take a loss, export the cherries to eager foreign markets, sell on the black market or let them fall to the ground and rot. We cannot, and will not, harvest these cherries another year and lose money on them. We have done so 7 years out of the last 11.

The processors of our cherries have finally recognized that we must profit to survive and are making a sincere effort to pay a realistic price for our product. They cannot, however, operate at a loss themselves and stay in business. The prices at which the Presidential Executive Order 11723 of June 13th, 1973, has placed the red tart cherry crop are neither realistic nor logical. A product that costs 19¢ per pound to produce and harvest cannot be harvested for 7½¢ per pound as was paid on last year's crop. This is precisely what you are asking us to do. In 1972 when the crop was twice as large raw product prices paid to the grower were then below the cost of production and harvesting. We are now locked in at this ridiculously unrealistic price with a shorter crop costing still more to produce and harvest. Last year's crop, according to a study by Michigan State University, required 12¢ per pound for producing and harvesting. This year's crop, the shortest in over 20 years now, is costing 19¢ a pound to produce and harvest. The obvious conclusion is that it cannot be harvested without an increase in price.

We ask the Cost of Living Council, whom do you plan to absorb the loss? We demand an answer to this question. According to Michigan State University and industry specialists, a 19¢ per pound raw product price is needed to break even on this year's crop. It is ludicrous that we should have to beg for a chance to break even.

We are not an isolated case, to be sure. But numbers do not justify an injustice. We are weathervanes for an industry. We are fully cognizant of this administration's desperate need for the greatest production possible from the American farmer, and all the economic implications, both foreign and domestic, dependent on that production.

How, in all sanity and justice, can an executive order force a group of unprotected workers, namely farmers, to work for no wage, or even worse, lose money for each hour of work? Many groups who contribute nothing to the Gross National Product have received much more consideration than the farmer who works so long and diligently to help provide the high standard of living our nation enjoys.

We find it impossible to believe that intelligent persons, after reviewing documented information, can refuse to make an effort to resolve the situation. We cannot agree that an exception to the tart cherry industry would only shift the pressure caused by the freeze to smaller firms and ultimately the consumer and user. We are the small family farmer and the pressure on us is untenable. We are consumers and users. We are in grave economic danger and find this situation imposes serious hardship and gross inequity upon us.

We have our backs to the wall. Our money has run out, as is glaringly shown by the attached letters from our local bankers.

We implore you to review our situation and then make an honest decision as to whether or not the red tart cherry industry should be allowed to establish realistic prices for a product that is far short of being enough to fill the demands of our consumers, and that is, in reality, priced now far below the cost of production.

With utter sincerity,
LAURA HEUSER, *President.*

MONOPOLY WARNINGS CALLED ON TARGET

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. EVINS of Tennessee. Mr. Speaker, the Tennessean newspaper in Nashville in a recent editorial pointed out that the House Select Small Business Committee—which I am honored to serve as chairman—had warned after hearings last summer that major oil companies were developing a pattern of concentration and monopoly with acquisition of other energy sources.

Certainly subsequent events—including a recent report by the staff of the Federal Trade Commission—have confirmed that these oil companies have evolved concentrations in the "classical monopolist" tradition.

Because of the interest of my colleagues and the American people in this subject, I place the editorial from the Tennessean in the RECORD:

CONGRESS FINALLY REALIZES "URGENCY" OF OIL REVIEW

Acting in what Senator Henry Jackson termed "a new mood of urgency," the Senate has taken several steps toward dealing with the gasoline shortage situation and discovering what lies behind the so-called "energy crisis."

The Senate voted 86–10 for mandatory government fuel allocation regulations to replace the administration's voluntary guidelines. The bill also contains provisions for gathering more information from oil companies on reserves and distribution.

In response to a request by Senator Jackson, the Federal Trade Commission is expected to report by July 1 on a probe of Big Oil practices. Concern has been growing in Congress that the shortages have been contrived or at least made more acute by industry practices.

In a related move, the Justice Department has filed suit in U.S. District Court in Washington to compel oil companies to back up their claims of natural gas shortages. There is also a suspicion that reports have been manipulated by companies to reflect shortages and thus drive up prices. If that is the case, it has been a successful scheme. The Federal Power Commission recently approved a 73% hike in wellhead rates.

All of the congressional interest and activity by the FTC is certainly welcome, but if the warnings of Tennessee Congressmen Joe L. Evins and Richard Fulton had been heeded several years ago, the problems might never have reached "urgency" proportions. Mr. Fulton sponsored a measure in 1971 that would have created a special House committee to study energy resources. After the defeat of that proposal, Rep. Evins has been among the very few committee chairmen to investigate what many now agree may be a "monopolistic concentration or a conspiracy to increase rates by creating artificial shortages of coal and gas supplies."

In hearings of his House Select Committee on Small Business last summer, Mr. Evins said, "Testimony (has shown) that major oil companies account for approximately 84% of the refining capacity, 72% of the natural gas production and reserve ownership. Evidence has been produced that 30% of domestic coal reserves and over 20% of production, and over 50% of the uranium reserves are now in limited corporate holdings. This committee is concerned over this trend of concentration and monopoly in the power and fuel industry."

Since Mr. Nixon's April energy message it has been obvious that Congress itself must take the initiative in accumulating the facts about the shortage problem. The President all but caved in to Big Oil influence by supporting an end to the 14-year-old import quota system on terms that provide incentives for domestic refinery construction. Prior to that prod, refinery building had ground to a halt.

Also, Mr. Nixon supported the ideas advanced by the American Petroleum Institute and the American Gas Association for drastic deregulation of new gas wells. "Prices paid to producers for natural gas in interstate trade must increase," he said, to provide incentive for new exploration. The AGA has phrased it differently, insisting that drilling operations had declined "primarily because prices at the wells have been regulated at artificially low levels." The effect of the presidential message and FPC action will be increased profits in return for increased exploration.

With tenacles reaching all domestic energy sources and holdings in large multinational operations, the major oil companies reported enormous profit gains in the first quarter of this year. The Wall Street Journal reported on May 1 that petroleum products gained 27.6% in net earnings over the first quarter of 1972. Exxon jumped over 40% and Atlantic Richfield Co. soared 52%. The industry says the first quarter of last year was "depressed."

How much the monopolistic tendencies of Big Oil firms have contributed to the "energy crisis," if at all, is a question that must be answered as the public faces higher prices and spot shortages. The House should support the Senate action and both houses should pursue an in-depth probe of all industry practices. Mr. Fulton's concern and Mr. Evins' warnings may have been on target all along.

THE 1974 BUDGET SCOREKEEPING REPORT NO. 4

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. MAHON. Mr. Speaker, I am inserting for the information of Members, their staffs, and others who are interested, excerpts from the "Budget Scorekeeping Report No. 4, as of June 30," prepared by the staff of the Joint Committee on Reduction of Federal Expenditures. The report itself has been sent to all Members.

This report reflects the revisions of June 1 as transmitted in the "Midsession Review of the 1974 Budget." These revisions indicate a deficit of $2.7 billion for fiscal 1974 on the unified budget basis—a reduction of $10 billion from the original deficit estimate of $12.7 billion. The revised Federal funds deficit estimate is $18.8 billion. For fiscal 1973 the revised deficit is $17.8 billion on the unified budget basis—a reduction of $7 billion from the revised January estimate. The revised Federal funds deficit estimate is $27.9 billion.

The excerpts that I am inserting here include the scorekeeping highlights from the text of the report and the main scorekeeping table.

I would add that these scorekeeping reports, now in their sixth year, are the most comprehensive current source of information on what is happening legislatively to the President's budgetary recommendations. They are authoritative, being carefully prepared by an experienced staff dedicated to complete objectivity, reporting the facts as best they can be ascertained. Some estimating is necessary, especially in regard to legislative actions affecting outlays—expenditures.

The excerpts follow:

EXCERPTS FROM 1974 BUDGET SCOREKEEPING REPORT NO. 4, AS OF JUNE 30, 1973

FISCAL YEAR 1974—SCOREKEEPING HIGHLIGHTS

The impact of Congressional action to June 30 on the President's fiscal year 1974 requests (revised June 1) for budget authority and budget outlays, as shown in this report, may be summarized as follows:

[In millions]

	House	Senate	Enacted
1974 budget authority requested	$288,135	$288,135	$288,135
Congressional changes to date (committee and floor action):			
Appropriation bills	+1,267	+1,172	----------
Legislative bills:			
Backdoor and mandatory increases	+1,704	+1,166	+39
Adjustments and other changes	−1,139	−601	−1,139
Total changes (see table 1, for details)	+1,832	+1,737	−1,100
1974 budget authority as adjusted by congressional changes to date	289,967	289,872	287,035

	House	Senate	Enacted
1974 budget outlay estimate	$268,671	$268,671	$268,671
Congressional changes to date (committee and floor action):			
Appropriation bills	+799	+1,108	+454
Legislative bills:			
Backdoor and mandatory increases	+280	+1,189	+737
Adjustments and other changes	−157	−41	−157
Total changes (see table 1, for details)	+923	+2,257	+1,034
1974 budget outlays as adjusted by congressional changes to date	269,594	270,928	269,705

Deficit position:

The 1974 unified budget deficit, as revised June 1, is estimated at $2.7 billion—a decrease of $10 billion from the original January estimate of $12.7 billion. This current deficit estimate reflects a federal funds deficit of $18.8 billion and a trust fund surplus of $16.1 billion.

On the basis of changes to date (including committee action) by the respective Houses of Congress in budget outlay and revenue requests, the 1974 unified budget deficit would be:

Budget estimate (revised June 1), $2.7 billion.

Based on House changes to date, $4.6 billion.

Based on Senate changes to date, $4.8 billion.

Based on changes enacted to date, $4.5 billion.

Appropriation bills (see table 1, for details):

Completed action to date on appropriation legislation reflects the 1974 outlay impact of actions taken with respect to 1973 supplemental appropriations and other requests in the Urgent and Second Supplemental bills.

Incomplete action on 9 regular 1974 appropriation bills is reflected in this report, with the major impact as follows:

Passed House and Senate:

Agriculture bill: House reduction of $120 million in budget authority an increase of $140 million in outlays; Senate increase of $671 million in budget authority an increase of $643 million in outlays.

HUD-Space-Science-Veterans Bill: House increase of $454 million in budget authority with no change in outlays; Senate increase of $501 million in budget authority and decrease of $29 million in outlays.

Passed House:

Transportation bill: decrease of $140 million in budget authority and $70 million in outlays.

Labor-HEW bill: increase of $1,264 million in budget authority and $490 million in outlays (committee action).

Legislative bills—"backdoor" and mandatory (see table 1, for detail):

Completed actions: To date, there has been completed action on 6 legislative bills carrying backdoor or mandatory authorizations affecting fiscal 1974. The major items are:

Welfare and medicaid amendments: mandatory increases of $391 million in budget authority and outlays.

Social security—exempt wages: backdoor increase of $100 million in outlays.

Unemployment benefit extension: backdoor increase of $116 million in outlays.

Veterans national cemeteries: mandatory

veterans benefits of $110 million in budget authority and outlays.

Pending actions: In addition, there are 17 legislative bills carrying backdoor or mandatory authorizations which have passed or are pending in one or both Houses of Congress.

House action pertaining to 9 measures would increase budget authority by $2.2 billion, having an outlay impact of at least $184 million excluding the undetermined effect of increased contract authority.

Senate action pertaining to 11 such measures would increase budget authority by $1.1 billion, having an outlay impact of at least $452 million excluding the undetermined effect of increased contract authority.

The scored backdoor or mandatory impact of these pending legislative bills includes the following major programs and amounts in excess of the budget:

Highway programs: additional backdoor contract authority of $1,115 million as passed by the House, and $405 million as passed by the Senate. The 1974 outlay impact is undetermined. (Pending conference.)

Traffic safety: additional backdoor contract authority of $915 million as passed by the House and $245 million as passed by the Senate. The 1974 outlay impact is undetermined. (Pending conference.)

Other veterans benefits: two bills authorizing mandatory veterans health benefits totaling $248 million in budget authority and outlays as passed by the Senate.

Legislative bills—adjustments and other changes (see table 1, for detail):

Completed action has been taken on 2 additional legislative bills having impact on the 1974 budget totals:

REA loans: removes lending program from the budget, thereby decreasing budget totals by $579 million in budget authority and $157 million in outlays.

Airport development: enactment of this contract authority in fiscal 1973, instead of 1974 as requested, has the effect of reducing 1974 budget authority by $560 million and shifting it into 1973.

Revenue legislation (see table 2, for detail):

The June 1 budget revisions estimate revenue for fiscal year 1974 will total $266 billion. This is an increase of $10 billion over the original January estimate of $256 billion.

To date, legislation has reduced 1974 revenue estimates (revised June 1) by $810 million, as follows:

Railroad Retirement: decrease of $612 million due to failure on part of the House and Senate to provide additional trust fund receipts requested.

REA loan repayments: decreased receipts by $348 million by removal of program from budget totals.

Social security wage taxes: increase of $150 million in trust fund revenue due to a wage base increase.

FISCAL YEAR 1973—SCOREKEEPING HIGHLIGHTS

The impact of Congressional action in the current session on the President's revised (June 1) fiscal year 1973 requests for budget authority and budget outlays, as shown in this report, may be summarized as follows:

[In millions]

	House	Senate	Enacted
1973 budget authority requested (revised to June 1)	$283,824	$283,824	$283,824
Congressional changes to date:			
Appropriation bills	+1,024	+1,507	+1,019
Legislative bills	+2,815	+2,564	+615
Total changes	+3,839	+4,070	+1,634
1973 budget authority as adjusted by congressional changes to date	287,663	287,894	285,458

	House	Senate	Enacted
1973 budget outlay estimate	$249,796	$249,796	$249,796
Congressional changes to date:			
Appropriation bills	−212	−167	−212
Legislative bills	+244	+338	+153
Total changes	+32	+171	−59
1973 budget outlays as adjusted by congressional changes to date	249,828	249,967	249,737

The scored impact of appropriation and other legislation affecting fiscal 1973 budget requests includes the following major items:

Inaction on proposed amendments reducing requests for certain vetoed Labor-HEW bill items by $966 million with little or no outlay impact due to the lateness in the fiscal year.

Second Supplemental appropriation: reduction in items in the bill offset by inaction on proposed recissions has the effect of increasing budget authority by a net of $52 million, with estimated outlay reductions of $213 million in 1973.

Airport development: enactment of this contract authority in fiscal 1973, instead of 1974 as requested, has the effect of increasing 1973 budget authority by $620 million shifted from 1974.

Impoundment restoration:

In addition, there has been legislation to restore 1973 funds impounded for four rural loan and grant programs. Impoundment restoration legislation has been enacted relating to the rural emergency loan program, and this is expected to have the effect of increasing 1973 outlays by $154 million. The impounded rural electrification loan program has been restored, but as this legislation was enacted it was removed from the budget authority, outlay and revenue totals. Another bill has been vetoed.

Any actions affecting fiscal 1974 related to impounded program funds are reflected for scorekeeping purposes against the respective approriation bills for fiscal 1974.

TABLE NO. 1.—ESTIMATED EFFECT OF CONGRESSIONAL ACTIONS DURING THE 1ST SESS. OF THE 93D CONG. ON INDIVIDUAL BILLS AFFECTING BUDGET AUTHORITY AND OUTLAYS (EXPENDITURES) (AS OF JUNE 30, 1973)

[In thousands of dollars]

Items acted upon	Congressional actions on budget authority (changes from the budget)			Congressional actions on budget outlays (changes from the budget)		
	House (1)	Senate (2)	Enacted (3)	House (4)	Senate (5)	Enacted (6)
FISCAL YEAR 1974						
Appropriation bills (changes from the 1974 budget):						
1973 bills:						
1973 Labor-HEW appropriations (continuing resolution, P.L. 93-9)				[1]	[1]	[1]
Urgent supplemental, 1973 (P.L. 93-25)				+1,300	+1,300	+1,300
Second supplemental, 1973 (P.L. 93-50) [2]				−25,000	+150,000	+110,000
Inaction on proposed recissions				[3]+342,653	[3]+342,653	[3]+342,653
1974 regular bills:						
Legislative Branch (H.R. 6691)	−16,900			−16,000		
Agriculture, Environmental and Consumer Protection (H.R. 8619)	−120,013	+671,175	(‡)	+140,000	+642,788	(‡)
District of Columbia (H.R. 8658)	−5,281			−5,000		
Transportation and related agencies (H.R. 8760)	−140,101			−70,000		
Housing and Urban Development, Space, Science, Veterans (H.R. 8825)	+453,501	+500,920	(‡)		−28,821	(‡)
Labor, Health, Education, and Welfare (H.R. 8877)	+1,264,352			+490,000		
Interior and related agencies (H.R. 8917)	−4,877			+9,000		
State, Justice, Commerce, the Judiciary (H.R. 8916)	−82,128			−51,339		
Public Works and Atomic Energy (H.R. 8947)	−81,074			−16,402		
Subtotal, appropriation bills	+1,267,479	+1,172,095		+799,212	+1,107,920	+453,953
Legislative bills (changes from the 1974 budget):						
"Backdoor" spending authorizations (not requiring further appropriation action):						
Federal Financing Bank (contract authority) (S. 925)	†+25,000	+25,000		†N.A.	N.A.	
Social security—exempt wages (H.R. 7445)		+150,000	††+150,000		+100,000	††+100,000
Flood insurance (borrowing authority) (H.R. 8449)	†Indefinite			†N.A.		
Unemployment benefits—extension (P.L. 93-53)					+115,700	+115,700
Federal-aid Highway Act of 1973 (contract authority) (S. 502)	+1,115,500	+405,270	(‡)	N.A.	N.A.	(‡)
Airport development (contract authority) (P.L. 93-44)				+20,000	+20,000	+20,000
Traffic safety (contract authority) (S. 893, S. 502)	+915,000	+245,000	(‡)	N.A.	N.A.	(‡)
Subtotal, "backdoor"	+2,055,500	+825,270	+150,000	+20,000	+235,700	+235,700

Footnotes at end of table.

TABLE NO. 1.—ESTIMATED EFFECT OF CONGRESSIONAL ACTIONS DURING THE 1ST SESS. OF THE 93D CONG. ON INDIVIDUAL BILLS AFFECTING BUDGET AUTHORITY AND OUTLAYS (EXPENDITURES) (AS OF JUNE 30, 1973)—Continued

Items acted upon	Congressional actions on budget authority (changes from the budget)			Congressional actions on budget outlays (changes from the budget)		
	House (1)	Senate (2)	Enacted (3)	House (4)	Senate (5)	Enacted (6)
Legisatlive bills (changes from the 1974 budget)—Continued						
Mandatory spending authorizations (requiring payments over which there is little or no control through the appropriation process):						
Uniform relocation assistance (S. 261)		+95,000			+95,000	
Feed grain program (H.R. 6791)	†+89,000			†+89,000		
Eucalyptus tree fire hazard (S. 1697)		+16,000			+16,000	
Peanut support (H.R. 6646)	†+8,600			†+8,600		
Winema Forest expansion (H.R. 3867)	+60,000	+60,000	(‡)	+60,000	+60,000	(‡)
Welfare—medicaid amendments (H.R. 7445)		[a]+391,000	††[a]+391,000		[a]+391,000	††[a]+391,000
Public safety officers death gratuity (S. 15)		+6,000			+6,000	
Public safety officers group life insurance (S. 33)		+20,000			+20,000	
Victims of crime—payments (S. 300)		+7,000			+7,000	
Deputy marshals pay raise (H.R. 5094)	+2,070			+2,070		
Early retirement—customs inspectors (H.R. 6078)	†+3,900			†+3,900		
Veterans drug and alcohol treatment (S. 284)		+144,136			+144,136	
Veterans dependents' health care (S. 59)		+103,800			+103,800	
Veterans national cemeteries (P.L. 93-43)	+96,720	+110,000	+110,000	+96,720	+110,000	+110,000
Railroad retirement (revenue) (H.R. 7200)	−612,000	−612,000	††−612,000	N.A.	N.A.	††N.A.
Subtotal, mandatory	−351,710	+340,936	−111,000	+260,290	+952,936	+501,000
Other legislative bills (with provisions having impact on budget totals):						
Rural electrification loans—remove from budget (P.L. 93-32)	−579,000		−579,000	−157,000		−157,000
Forest roads and trails—repeal of permanent appropriation (S. 1775)		†−40,900			†−40,900	
Airport development (contract authority)—shift to 1973 (P.L. 93-44)	−560,000	−560,000	−560,000			
Subtotal, other	−1,139,000	−600,900	−1,139,000	−157,000	−40,900	−157,000
Subtotal, legislative bills	+564,790	+565,306	−1,100,000	+123,290	+1,147,736	+579,700
Total, fiscal year 1974	+1,832,269	+1,737,401	−1,100,000	+922,502	+2,255,656	+1,033,653
FISCAL YEAR 1973						
Appropriation bills (changes from the revised 1973 budget):						
1973 Labor-HEW appropriations (continuing resolution, P.L. 93-9)	[1] +966,000	[1] +966,000	[1] +966,000	(1)	(1)	(1)
Urgent supplemental, 1973 (P.L. 92-25)	+1,800	+1,800	+1,800	+500	+500	+500
Second supplemental, 1973 (P.L. 93-50) [2]	−326,196	[3] +155,885	−331,196	[4] −225,000	[4] −180,000	[4] −225,000
Inaction on proposed recissions	+382,888	+382,888	+382,888	+12,354	+12,354	+12,354
Legislative bills (changes from the revised 1973 budget):						
Federal-aid Highway Act (contract authority) (S. 502)	+1,575,000	+1,323,550	(‡)	N.A.	N.A.	(‡)
Traffic safety (contract authority) (S. 893, S. 502)	+685,000	+405,000	(‡)	N.A.	N.A.	(‡)
Airport development (contract authority)—Shift from 1974 (P.L. 93-44)	+560,000	+840,000	+620,000			
Legislative bills directing restoration of certain program reductions (impoundments) contemplated in the budget (changes from the revised 1973 budget):						
Rural electrification loans (P.L. 93-32)	[5] N.A.		[5] N.A.	[5] N.A.	+84,000	[5] N.A.
Rural environmental assistance (REAP) (H.R. 2107)			(†)	+41,000	+51,000	†N.A.
Rural emergency loans (P.L. 93-24)				[6] +154,000	[6] +154,000	+154,000
Rural water and sewer grants (H.R. 3298)			Vetoed	+50,000	+50,000	Vetoed
Inaction on legislative proposals in the 1973 budget (see table 5)	−5,000	−5,000	−5,000	−1,000	−1,000	−1,000
Total, fiscal year 1973	+3,839,492	+4,070,123	+1,634,492	+31,854	+170,854	−59,146

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[1] The continuing resolution extended funding for items in the vetoed 1973 Labor-HEW appropriation bill to June 30, 1973, in lieu of processing another regular 1973 appropriation bill in this session. The revised 1973 budget estimates showed appropriations for these items at the level requested last session, and also proposed amendments to the then-pending requests. The level of the budget authority under the continuing resolution, the same as provided last session, is estimated to be about $1 billion higher than shown in the budget, and no action is contemplated on the proposed amendments to reduce budget authority by $966 million with potential outlay effect of $470 million in 1973 and $391 million in 1974. The scorekeeping above shows the impact of inaction on the proposed amendments in budget authority.

[2] Replaces vetoed bill, H.R. 7447.

[3] Includes increases of approximately $192 million in the nature of re-appropriation of impounded 1973 funds.

[4] Does not reflect any possible effect on outlays resulting from denial of transfer authority requested for Defense Department.

[5] Would provide for program continuation at higher level than requested, but would remove program from budget.

[6] Enacted figure used for comparability.

†Committee action.

‡Subject to or in conference.

[a] Maximum estimate; preliminary and subject to revision.

N.A.—Cost estimate not available or undetermined at this time.

†† Pending signature.

AGRICULTURE EFFORTS ARE NEEDED TO SOLVE BALANCE-OF-PAYMENTS TRADE DEFICIT

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LEGGETT. Mr. Speaker, the forthcoming round of trade negotiations on GATT will have an effect on virtually every segment of American life. When trade matters come up for discussion, many people think of its affect on the industrial portion of our society; however, agriculture will be a prominent feature of these talks, and our European trading partners are showing early in the proceedings that they are aware of this fact.

Many of our own farmers feel that their products were not adequately represented in the GATT negotiations of 10 years ago. Recent trends in world agriculture make it clear that this mistake can be repeated only at great cost to American farmers and consumers. As the most efficient farming nation in the world, it behooves us to take advange of our expertise in the future. Recent statements by the administration asking for blanket open-book authority to restrict, rather than expand American exports to control domestic prices, constitutes a 180-degree turn in U.S. policy.

What gaineth the United States if we restrict exports to bloat U. S. markets to reduce U. S. consumer prices only to have U.S. trade deficits reach astronomical heights as a result of the export restriction.

At this point in my remarks I would like to include a recent editorial from the Willows Daily Journal:

TRADE ERA FOR AGRICULTURE?

(By Richard Johnsen, Jr., executive vice president, Agricultural Council of Calif.)

California agriculture has a stake in the forthcoming multilateral trade negotiations in GATT (General Agreement on Tariffs and Trade).

The over-all view on these trade negotiations of the Commission of the European Communities was recently expressed in a paper by its vice president, Christopher Soames. He made the point that, in addition to concrete economic issues, the GATT negotiations will have political significance far beyond the material issues.

Recognizing how the European Community looks at the forthcoming GATT negotiations should help us to understand the intricacies and overall broad aspects.

Vice President Soames said: "We in the Commission believe that the moment is right for a major step forward in the freeing of world trade and that we should make the most of the opportunity. We believe that the Community has a great deal to contribute and also a great deal to gain."

Citing specific aims, he went on to say: "In the trade negotiations, we believe that the Community should have two paramount aims. Between the industrialized countries we must consolidate and continue the process of liberalization and do so on a reciprocal basis to our mutual advantage. For the less developed world, we must insure not simply that their interests are not damaged, but, on the contrary, that they secure greater opportunities for their economic expansion as a result of what we do.

". . . the negotiations on agriculture will be different in character from those on tariffs and non-tariff barriers on trade in industrial goods.

We have to take into account the special characteristics of agriculture. Both the Community and our main trading partners each apply support policies of one kind or another for the benefit of their own farmers.

"We have to take into account, too, the instability of world markets. The Commission believes that our over-all objective must be to negotiate measures on a reciprocal basis to permit the regular expansion of agricultural trade.

"We shall resist any attack on the principles of the common agricultural policy, but we must equally be prepared to apply the instruments of that policy in such a way that our broad objective of expanding agricultural trade in the world can be achieved.

"We will be suggesting that in the negotiations we should consider drawing up with our partners a code of good conduct on agricultural export practices. We shall also propose that international arrangements should be considered for certain commodities."

Agricultural exports are vital to California and the United States.

Many leaders in agriculture feel that our products were not properly represented in the GATT negotiations of a decade ago.

It is sincerely hoped that the U.S. leaders in GATT will recognize the importance of agriculture in the forthcoming negotiations and employ the expertise necessary to assure a favorable decade ahead for agricultural trade.

OUR FLAG

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. EDWARDS of California. Mr. Speaker, it has come to my attention and great pleasure recently, that three young students in my district who attend John F. Kennedy Elementary School in Newark, Calif., under the dedicated and able guidance of their teacher, Mrs. Lorraine Wallace, made a clean sweep of the top three honors awarded by the American Legion in the regional 1973 American Flag Essay Contest.

These three students, Gregory Terzian, Brook Goss, and Betsy Lunger, all of whom live in Newark, are certainly deserving of the awards, for they grasp and hold the basic concepts of our Nation as precious ones, which should be held above all else.

I am proud and honored to have these students in my district and know that my colleagues here will appreciate their honesty and patriotism as I share the students' essays with them:

[FIRST PLACE]

THE FLAG—A SYMBOL OF PRIDE TO ME

(By Greg Terzian)

Our flag is a symbol of pride to me. I show my pride to the flag by singing the Star Spangled Banner. I also show my pride to the flag by saying the Pledge of Allegiance.

I am very proud to have a flag that is so glorious fly over the country I live in. I am proud when I look at our flag and define what all its parts stand for in my mind. I am also proud when I think of the long and glorious history of our flag.

The one thing that I am probably proud of more than anything else is that our flag has flown free over our country for almost two hundred years. Since 1776, no flag has flown over all of our country in leadership except our flag.

I feel proud when I think of the millions of men and women who have fought for our country to keep our flag waving free. Many of the millions of people who fought for our country lost their lives. I feel proud to know that our flag has recognition for these people with the red stripes standing for bloodshed.

I am proud that there are certain ways of displaying our flag, such as: it should always be in the middle and highest when displayed with other flags. When hung in a parade, it should be hanging over the middle of the street with the stars facing east on a north to south street and north on an east street.

All of these are ways I am proud of the flag. I am proud about the history of the flag. I am proud of everywhere the flag has gone, everywhere it ever will go, everybody that has fought to keep our flag flying and everyone that ever will fight to keep it flying free forever.

[SECOND PLACE]

THE FLAG—A SYMBOL OF PRIDE TO ME

(By Brook Goss)

I am proud to be an American and to live in such a free country. I am proud to go to church as I please. I am proud of all the pleasures that I get from being an American, and serving the flag. All of these things are wonderful and I am proud to have them.

The flag means something special to me. It's a symbol of freedom and righteousness for all. It shows an understanding government that tries to please and protect its countrymen. For me it's grand and really should be respected!

When I say The Pledge of Allegiance I say it with pride and dignity, for without the flag and such a well-organized government this country would be a shambles.

I have my own belief of what the pledge means to me.

I: me, myself, an individual.

Pledge: dedicate all of my possessions; to give without self pity.

Allegiance: my love and devotion to the flag; our standard, a symbol of freedom.

Of the United: means we have come together.

States: individual communities that have united into fifty great states.

Of America: this nation.

And to the Republic; a state where representatives are chosen by the people to govern. And a government that is from the people to the leaders and not from the leaders to the people.

For which it stands: it stands as a symbol of freedom for all.

One nation under God: so blessed by God.

Indivisible: unable to be divided.

With liberty: freedom and the right to live your own life without fear of some sort.

And justice: the principle of dealing fairly with others.

For all: it's as much your country as it is mine!

[THIRD PLACE]

THE FLAG—A SYMBOL OF PRIDE TO ME

(By Betsy Lunger)

"One nation, under God, indivisible with liberty and justice for all." How many times have we heard these lines? And yet only some of us live by them. When you see that flag waving in the air what does it remind you of? A thing we pledge to in the morning or a way of freedom? Stop to think about it.

That flag stands for the United States, our own country to do as we please, to worship as we please and to live in, freely.

When the Pilgrims came to America, they wanted freedom. They wanted a country to live in peacefully and without ruling power over them every second.

That flag represented them. That was their aim in life, freedom to do anything within power. That flag meant everything their life was worth.

Thirteen colonies became thirteen states, fourteen states, fifteen, sixteen on and on with freedom for every person. Let it wave, high above the earth and let people know what its about! Not some hocus pocus we dreamed but the flag of our country, to represent us, to prove us and to stand before us.

That's what it's for. People shouldn't repeat the lines to the Pledge of Allegiance because they have to. The flag is a symbol of liberty for all mankind—Black Americans, Chinese Americans, every American, who believes.

Every citizen of the United States has this freedom, and if he uses it right he'll stay free. Remember what our flag stands for and you'll be proud!

RARICK REPORTS TO HIS PEOPLE: THE SEABED TREATY, LEGALIZED PIRACY OF THE HIGH SEAS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. RARICK. Mr. Speaker, the U.S. Government is currently negotiating treaty arrangements with the other members of the United Nations which, if it becomes law, will turn over control of the high seas and the ocean floor to an "international regime" operated and controlled by the U.N. The treaty would pour millions of dollars in independent revenue into the U.N. treasury, and provide the emerging nations, who control the voting power of the General Assembly, with the largest deposits of strategic minerals in the world. It would also skim off revenue produced by companies which operate on and under the seas into the treasuries of the emerging nations.

This international revenue sharing scheme, called the Seabed Treaty, was proposed by President Nixon in 1970, and during this session of Congress it received the enthusiastic support of the House and the Senate. It is our Government's official position to:

> "Renounce all national claims to natural resources of the seabed beyond a point where the high seas reach a depth of 200 meters . . . and agree to regard these resources as the common heritage of mankind.

This is the biggest international power grab scheme the world has ever seen yet the American public knows very little about the Seabed Treaty and the threat it poses to this country's industry, territory, and sovereignty. This is due in part to the virtual news blackout of the subject. A few limited-circulation publications have discussed the proposal in some depth, but the mass media opinionmakers in this country have seen fit to ignore the subject.

The idea that the seas are the "common heritage of mankind" originated in the U.N. in 1967, and since that time it has gained momentum, especially among the underdeveloped countries of the world. Former Secretary of State Dean Rusk told a House Foreign Affairs Subcommittee that—

> The developing countries have taken a strong view that they are entitled to share in the returns from this common heritage of mankind.

This position of providing the have-not nations with an international welfare check, was quickly picked up and parroted by the giveaway specialists in Washington.

The "common heritage of mankind" idea has no basis in law or in fact. It is merely a philosophy—a thinly veiled rehash of the Marxist notion that men and nations are, by their mere existence, entitled to a part of the wealth produced by other men and nations. This is utter nonsense. As one noted columnist said recently:

> The seabed isn't the "common heritage of mankind" any more than Saudi Arabian oil belongs to all Arab nations. It is ludicrous to assert that landlocked Chad in Africa, for example, is entitled to share in the profits from the undersea gas field off the Norwegian coast.

But ludicrous as it may sound, this is the policy that the U.S. Government has adopted and is pursuing with your tax money.

What is it about the seabed that attracts the United Nations and the emerging nations which control the "world body"? Obviously the oil and natural gas deposits that lie on the ocean bottom are part of the attraction. These two resources alone represent billions of dollars in potential revenue. But the seabed also contains the largest deposits of strategic minerals in the world. Three minerals basic to steel production are found in abundance on the ocean floor under 10,000 feet or more of water. The small rocks which contain the metals range in size from as small as a golf ball to as large as a grapefruit and are commonly referred to as manganese nodules. Basically, they contain not only manganese, but nickel and cobalt as well. These three elements are essential to the future technological advancement of the entire world, especially steel production.

Oceanographers agree that not only do these nodules make up the largest deposits of the minerals, they also are forming at a rate faster than we could ever harvest them. They are, therefore, a renewable natural resource. And since they are found in a lifeless environment, extraction of the nodules, even in large quantities, would not endanger the ecological balance of the oceans.

Ironically, the top steel-producing giants of the developed nations of the world, the United States, Japan, West Germany, England, and France, must import these basic industrial metals. With the exception of Canada, none of the land-based deposits of manganese, nickel, and cobalt exist in major non-Communist countries. Each of the world's steel producers must import their stocks of cobalt, manganese, and nickel from the Communists or the unstable regimes in the emerging nations. To get an idea of how dependent Western technology is upon the Soviets and the emerging nations, let us look at some figures from the U.S. Geological Survey.

At the present time, the United States imports 80 percent of its cobalt from the Congo. Our other sources for the mineral are such unstable countries as Zambia and Morocco. The world's supply of nickel, which the United States spent $426 million to import in 1970, comes from Canada, New Caledonia, the U.S.S.R., and Cuba. Russia produces 60 percent of the world's manganese, followed by Brazil, Republic of South Africa, India, and Ghana.

These minerals are used in the production of guided missile systems, jet aircraft engines, high temperature alloys, turbosuperchargers, and a wide range of other defense-oriented needs. Virtually the entire economic well-being of this country is dependent to some degree on these three essential elements, each of which must now be imported. We have the opportunity, the technology, and the need to begin to develop the greatest natural resource in the world—the seabed. We can become self-sufficient in the minerals we need by utilizing the seabed around our shores. Our Federal Government however, is following a policy of relinquishing whatever claim we may have to the seabed, and turning it over to some vaguely defined U.N.-controlled regime. This regime is designed to share the wealth among the underdeveloped nations which have not contributed to its production.

Voting domination of the U.N.'s Seabed Committee, which meets next year in Santiago, Chile, is clearly in the hands of the Communist bloc nations and the underdeveloped states. Of the 91 members of the committee, only 9 can be considered as industrialized countries. The African states, which possess the bloc voting power to control issues on the floor of the General Assembly, have 25 votes on the Committee. Communist and Marxist countries are heavily represented with 11 voting members. One additional seat is authorized for the Eastern European bloc, but has not yet been filled. All three of the Soviet's votes in the U.N., Byelorussia, Ukraine, and the U.S.S.R., are also represented on the Seabed Committee.

The U.S. proposal for the makeup of the international regime would continue this lopsided representation in favor of the third world countries. Under the proposal, industrialized nations would have 6 representatives, at least 2 for land-locked or shelf-locked states, and at least 12 for votes for the developing countries.

The United States, Japan, and the few other world powers with the advanced technology to mine the resources of the seabed each have a single vote on the committee, with which to control the destiny of the oceans around their shores. Even taken collectively, technologically advanced nations can expect to be hopelessly outvoted on issues of critical importance.

If the Seabed Treaty is adopted by the U.N. members, ratified by the Senate and becomes U.S. law, the continued technological advancement of the United States and the rest of the industrialized world is put in the tenuous position of purchasing the materials needed for steel production from the Communist bloc and the emerging nations, or buying them from the international regime controlled by the Communist bloc and the emerging nations. Either way, steel production in Western nations would exist at the whim and discretion of avowed enemies of capitalism and progress.

As a matter of national security, the United States must develop independent sources of the minerals, free from international control. Mining of the seabed for the manganese nodules offers the most economical method to become self-sufficient.

If the U.N. gains control of the high seas, and thus an independent source of inexhaustible income free from taxation of its members, it would move from the position of a mere "international organization" to that of an independent sovereign, answerable to no nation. Adoption of the Seabed Treaty would allow the U.N. to meet both criteria of a sovereign—undisputed control of territory, and command of sufficient wealth to finance its one-world activities. With millions of dollars coming into its treasury every year from the sale of mineral rights or oil leases on the seabed, the U.N. would be able to finance, equip, and maintain an international police force necessary to enforce whatever restrictions it decides to place on the oceans around our shores.

The Seabed Treaty and its common heritage of mankind notion are such extreme ideas, so alien to our American ideals of individualism and independence, that the American public would reject them immediately. That is, if the American people has the opportunity to become completely informed as to the great ripoff behind the mask of the common heritage of mankind.

FOOD PRICES

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LITTON. Mr. Speaker, I realize there is some concern on the part of some of this body and on the part of many in America that there may be some great conspiracy either on the part of the producers or others in the food industry which has caused food prices to increase during the past year and a half and especially in the first quarter of this year.

Unfortunately farmers have not done a very good job of telling their side of the story. Until now it has not been necessary. Our biggest problem is that urban America does not know what encourages or discourages farm production. Because of this the consumer is being used and things advocated that while politically expedient are economically idiotic. These things are one of the reasons why we are going to have food shortages unless this Congress and the President start to level with the consumer. Much of what is being said for the ears of the consumer supposedly to lower or freeze food prices result in higher food prices or food shortages.

I was back in my district in northwest Missouri in February. At that time in anticipation of higher beef and pork prices farmers in my district were keeping back heifer replacements, buying cows to build their cow herd numbers, keeping back more than the usual number of sows and preparing to produce record numbers of pork and beef.

I was back in early April. This was at the time of the consumer boycotts. At this time we heard comments of boycotts, ceilings, freezes, price rollbacks and intimidations from both the consumer and the Congress. Farmers who were earlier keeping back heifer replacements were selling. Those who were looking for cows and sows were no longer looking. Statements made by well meaning politicians in Washington and threats by unknowing consumers had eliminated the confidence these farmers once had in the market. They were not prepared to make costly investments in anticipation of higher prices, because they were not sure higher prices would be there by the time they had a product to sell.

What then did the ill-conceived and poorly timed threats of boycotts and price rollbacks do for the consumer? They assured the consumer that she would have less meat to buy and this meant higher—not lower meat prices.

I do not think urban America realizes what causes farmers to decide to increase or decrease their production levels. If they did, they would not make the kind of threats they make or support Members of Congress who make such threats at critical times knowing that these threats at critical decisionmaking times are the very things that turn down the spigot that produces food.

Just imagine for a minute that you are a farmer. You have room to keep 10 or as many as 100 sows. You have other livestock as well as crops. Do you keep 10 sows or 20 or 100? Do you buy an expensive picker-sheller to harvest your corn for your hogs? This depends on how many sows you decide to keep. Whether you buy the picker-sheller determines whether or not you plant more corn or put the land in grass.

Hog estimates cause you to want to keep more sows. A report of a crop failure indicating higher corn prices may cause you to back off. Another report that Japan may be increasing their hog quota causes you to think of keeping more sows. This coupled with increasing per capita consumption of pork and reduced numbers of beef on feed cause you to think of 100 sows. But, now you hear talk of boycotts or possible food price freezes. Now you are back down to the idea of keeping only 10 sows.

These are the kind of things that enter a farmer's mind when he considers increasing or decreasing production. When he keeps back fewer sows it is not to hurt the consumer. He is not holding his product from the market. If General Motors thinks it cannot sell a million cars this month, they do not produce a million cars. They do not hold them off the market to punish the consumer.

Unfortunately marketing decisions on the part of the producer influence supply more than the month in which the decision is made. When the farmer decides—because of some Washington statement—to keep 10 instead of 100 sows that represents nearly 1,000 pigs that would not be produced. If a farmer wants to cut back on beef production he saves fewer heifer replacements and that would not show up in the production figures at the supermarket level for more than 2 years.

After President Nixon's speech where he mentioned high food prices 10 times in less than 15 minutes and how he was going to see to it that food prices did not continue to go up, I visited with one farmer who shipped six pregnant sows the next day. What did Nixon's statement do? It was meant to help the consumer. On just one of 2 million farms it resulted in six sows going to market which is 50 or 60 pigs the consumer will never see and that is a lot of bacon. Did the farmer do it to hurt the consumer? No, he did it because he was afraid the Government action suggested would force down prices and he would lose money.

In a demonstration in the House galleries yesterday there was a consumer group carrying a sign which read, "Milk is for children, not for profit." I wonder if these women and others should realize that the only thing which will bring food prices down is the likelihood of higher food prices. Give farmers the likelihood of higher food prices—instead of lower food prices as producers might expect based on Washington statements—and farmers will produce more food. When they do prices will go down—but not until.

Remember Nixon's TV statement that if food prices got too high he wanted the authority—he already has that authority—to stop food exports? Again this was a statement designed to sooth the consumer. What did it do? It hurt the consumer. I have since visited with many grain farmers who in anticipation of higher grain prices were going to make long-range investments in big machinery which would have made it possible for them to produce far more grain. After that statement they decided against these long-range investments. Why? Because they had already been told that if the high prices they were anticipating were realized the Government would step in and shut off exports. How many people would have joined your congressional staffs if at the time they were considering joining your staff they heard rumors that staff salary reductions were on their way?

Two weeks ago I was back in northwest Missouri. This has been a bad winter. Farmers were late planting corn and beans. Keep in mind soybean prices are two or three times higher than they have ever been in history and predictions are for a continued world shortage of soybeans. I visited with many a farmer who with 30 or 50 acres of crops not yet planted had decided not to plant the additional acres. Sure soybean prices were high. But with bean seed high, it already being late in the season and a government already talking of future export embargoes, they were deciding not to plant.

That may not sound like much, but 50 acres on one farm, 30 on another, et cetera, it soon adds up to the 5 percent less crop which makes the big 20 percent difference in price that consumers cry about. What caused it? Was it conspiracy? No, just foolish statements from Washington from people unaware of what causes farmers to decide to produce more or less.

And I might add that statements from this body and its Members may also have a bearing on future food prices. Statements which may come from this body designed to reassure the consumer that she will have lower food prices—due to action you are going to suggest—may simply assure the consumer of higher food prices if in the process they cause the producer to think his prices will be going down in the future when he markets his product.

In looking at the cause of the increase in food prices, we find a combination of economic factors rather than a conspiracy on the part of the farmers of America. Most of these factors increased the demand for food which drove food prices upward and if the market is permitted to work its will without outside interference, these higher food prices will be sufficient incentive to the producer to increase his production which in turn will drive food prices downward.

Among those economic factors which brought about increased demand for food is that of increasing income. In the last 25 years, per capita disposable income in this country has increased 223 percent. In the last 20 years, wages have gone up 2½ times. Since 1965, per capita income has increased 62 percent. Minimum wage laws—recently increased by this body—have increased the ability of those in the lower earning bracket to buy more food. A higher proportion of each new dollar added to those in lower income levels go for food than do comparable dollar increases to those in higher income levels. A person in the higher income bracket can eat only so much food.

Starting in September 1972, we pumped $10 billion more into our annual expenditures for social security and medicare benefits. When the elderly get additional income directly through social security or indirectly through medicare, which frees income from other sources, they usually do not spend it on a bigger car or bigger house. Much of this money went into the market to bid up food.

Last year we had a 17-percent increase in the volume of food stamps issued. Of course, all of this went into the market to bid up food. We had a change of policy in Russia and China relative to their attitudes in feeding their people which was accompanied by a change in their trade attitudes toward the United States.

which was also accompanied by bad crop years in these two as well as other countries. Had they bought grain elsewhere instead of the United States, it would have had a similar effect of driving up the price of grain on the world market.

All of this was accompanied by an increased standard of living throughout the world, especially in the have-not nations where we find a high percentage of the increased income—similar to increased incomes to lower income persons in this country—going for food.

To fan the fires of consumer demand for food, we have had two devaluations of the American dollar in 14 months which made American-produced food a better buy abroad and we have had runaway inflation which has put more dollars on the market to bid up the price of food.

Now you may ask, why have food prices increased so suddenly? If we could explain this to the consumer, she would not be so angry at the producer. The answer is quite simple: Demand for food is inelastic. As we seek ways to handle the gasoline shortage, we may find that demand for gasoline is also inelastic.

Technically, the relationship between price and purchasing rate, which is known as the elasticity of demand, expresses the percentage change in the buying rate divided by the percentage change in price.

In simpler terms, where increases in price are not met by comparable decreases in purchases, we recognize this as representative of inelastic demand for that particular product or line of products.

In times when more money is available the consumer may buy more food, but not much more, because one can only eat so much food. This is why a higher proportion of increases on the lower end of the wage scale—as opposed to those on the higher end—find their way into the food market.

Because of inelastic demand for food, this also means that a slight increase in food supply results in sharply decreasing prices. Again this is true because one can only eat so much food. By the same token, slight decreases in food supply result in sharply increasing food prices. It is thought a 1-percent decrease in the supply of food results in a 3- or 4-percent increase in price. If demand for food were elastic like demand for many other products, we would find a 1-percent decrease in supply would bring about a comparable 1-percent increase in price.

When we have a slight decrease in supply and prices go up sharply, we find people buying almost as much food as they did at lower prices, because people must eat.

Two things affect the elasticity of demand. One involves the essential nature of the product or service and the other involves the price as it relates to the role performed by the product or service.

Water, air, and food are all essential to human beings. People must have them regardless of the price. The less essential the item, the more elastic the demand for the item becomes. Gasoline is not as essential, but is certainly more essential than many luxury items. It is also priced low in relation to what it does for the consumer.

If you increase gasoline prices slightly, it is doubtful that many people will reduce their purchases of gasoline accordingly. Here we are not speaking of an absolutely essential item but one priced low enough that slight increases do not result in a similar decrease in demand. If you were to increase gasoline to a dollar a gallon, you might find you would have altered the cost-benefit ratio of gasoline to the consumer to such a degree that it would meet with more elastic demand. At this point—and probably sooner—people would buy smaller cars, take fewer trips, live closer to their work, and so forth.

In food we have a product that is essential. It is not essential in its convenience form—a chicken cut in the pieces you like and ready to serve as opposed to a live chicken the consumer would have to kill, clean, and cook—but like gasoline the convenience is priced low in relation to its value to the consumer.

All of this is meant to say that slight decreases in food supply result in sharp increases in food prices, because of the inelasticity of demand, and that the demand for food is inelastic for the reasons I have just mentioned.

To protect both the consumer and producer from such widely fluctuating market conditions, the Government has often been more involved in the farming picture than either the producer or consumer would have liked. Keep in mind that millions of independent producers—American farmers—cannot be as accurate in predicting not only what the consumer will demand, but what they—the producers—will eventually produce, as can the four major automobile manufacturers in America.

Our Government has also been involved, because it knows the important role farm exports play in our balance of trade and that to maintain a good export market we must be able to guarantee our foreign buyers a steady supply. A foreign business can tell its buyer to wait a few weeks for a particular manufactured product, but it cannot tell its buyer it is out of food and to come back in a few weeks. Food demand abroad is inelastic too, you know.

At this point I think it would be well to inject a thought that is perhaps overlooked by some. Cries against any Federal expenditure designed to help the farmer often are the loudest in those areas with a higher than average proportion of people in the low-income bracket. And yet any such expenditures, which reduce the cost of an essential item like food which must be purchased by both the rich and the poor help the poor far more than the rich since a higher percentage of their income goes for food.

This, then, takes us to the third point—is food too high in this country compared to food costs elsewhere, too high in comparison to the cost of other products and services, or too high in relation to the cost of production?

The answer to all three is "no." When traveling abroad an often asked question is—Why do Americans have so many nice things? Of course, there are many reasons. One big reason is because only around 16 percent of the disposable income of the American consumer goes for food. In England it is 25 percent, in Japan it is 35 percent, in Russia it is 58 percent, and in Asia it is 80 percent. When 50 to 80 percent of your disposable income goes for food, you do not have much left over. But when only 16 percent goes for food, you have enough left over to buy such things as a second car, a color TV, and many of the things Americans are known to own. Why do Americans have so many of these luxury items—one reason is because of low food prices—the lowest in terms of percent of disposable income of any country in the world.

With a higher percentage of their income going for food in other countries, increases in food prices in other countries would work a far greater hardship on the average citizen than would be the case in the United States. From December 1971, to December 1972, while food prices were going up 4.8 percent in the United States, food prices went up 7.7 percent in Canada, 7.9 percent in the United Kingdom, 8 percent in Germany, 8.4 percent in Italy, and 8.7 percent in France.

In the last quarter of 1972 sirloin steak averaged $1.69 per pound in Washington, D.C., $1.88 in London, $2.08 in Bonn, $2.57 in Paris, $2.79 in Rome, and $11.90 in Tokyo.

In 1930 the American public spent 24 percent of its disposable income on food products. In 1940 it was 22 percent, in 1960 it was 20 percent, in 1971 it dropped to 15.8 percent, in 1972 it was 15.7 percent, and in 1973 it is estimated to be 15.5 percent.

Not only is the average American consumer spending less and less of her disposable income—in terms of percentage—each year on food and less than the average consumer—again in terms of percentage of disposable income—in any country in the world but she is getting more and more in terms of quality, convenience, and variety.

The 16 percent of the disposable income buys a chicken cut in the pieces desired, cooked, seasoned, and ready to serve. The 80 percent of income in Asia buys a chicken hanging by its neck from a roadside market.

While percentage of income spent for food in America has been dropping, the quality of the food has been increasing—along with the convenience side of it. In 1972, 65 percent of the beef produced in the United States was of choice or prime quality, four times the percentage produced 20 years earlier. And yet when beef prices at the farm level in 1972 reached their previous high of 20 years earlier, people complained. What else sells at the price it sold for 20 years ago even without quality improvement?

It is true food prices in the last 25 years—1947–72—have increased 74.9 percent. It is also true that during the same 25-year period, per capita disposable income increased 223.2 percent. It is true food costs to the consumer are one-third higher than they were 20 years ago, but it is also true that wages are 2½ times higher. It is also true that retail food prices since 1965 have increased 33 percent, but during this same period, per capita income has increased 62 percent.

By the end of 1973 food prices are expected to be 43 percent higher than they were in 1963. That is an annual average increase of 4.3 percent. However, per capita disposable income increased 73.4 percent—an annual increase of 6.7 percent—between 1960 and 1971, and social security benefits for retired persons increased 84 percent—an average annual increase of 7.5 percent—during the past 11 years.

Twenty years ago the average household spent $985 per year for food. In 1972, this had increased to $1,311. Had food prices risen as much as industrial wages, the family annual food costs would have increased to $2,365 instead of $1,311.

During the boycotts, proud farmers and their families watched in dismay as boycotters shouted on TV that they could not boycott meat because it was already so high they could not afford it. And yet the facts are that in 1950 the per capita consumption of beef in the United States was 63.4 pounds and in 1972, it was 115.9 pounds.

An hour's wages—private, nongovernment, nonagricultural, and non-supervisory workers—buys nearly 3 pounds of beef today compared to 1.8 pounds in 1950. An hour's wages for construction workers bought 2.5 pounds of beef in 1950 and now buys 4.9 pounds. If beef prices had increased as much in the past 20 years as wages, they would be more than twice as high at the farm level.

When you look at the job the farmer has done at the farm price level, you realize how unfair some have been to accuse him for the food price increases or to want to hurt him economically as would much of the legislation that has been proposed.

For example, farm prices for food are only up 6 percent over 20 years ago while wholesale food prices are up 20 percent and retail food prices are up 43 percent. While the total cost of a loaf of bread rose from 13½ cents in 1947 to 24.8 cents in 1971, the total wheat cost per loaf dropped from 2.7 to 2.6 cents. If the farmer gave his corn away, we could reduce the cost of a 32-cent box of corn flakes by 8.2 cents. The box costs more than that. We could also reduce the cost of a dollar's worth of canned corn by 11 cents.

We have known for some time that farmers were receiving less for their labor than nonfarmers almost irregardless of what formula you used. Most formulas were not favorable to the farmer. Often his income was figured on the same base as a laborer even though the farm should be figured as a business just like General Motors, with consideration given for return on capital, management, and labor.

For example, a farmer with assets of $200,000 should receive $14,000 a year income—a 7-percent return on his investment—before you even start figuring his return for management or labor. Some economists use 5 percent of gross to establish a return for management in some fields. Many who compute the farmer's income omit consideration for either management or return on his investment and compare his return on an identical base with the average workingman, including omission of consideration for hours worked on the farm by members of the family.

Here on the floor of the House we heard many of our colleagues recently speak on the subject of minimum wages. We heard it said by many Congressmen that $1.60 per hour was below the poverty level and that in 20 of our States, this is less than one receives when on welfare and food stamps. Based on the vote of 287 to 130 to increase the minimum wage from $1.60 to $2.20, it would appear that this body feels $1.60 per hour is not high enough.

It may surprise this body to learn that in 1971 after giving the farmer a 7-percent return on his business assets—near the level of return the farmer could expect to get if he sold out and just drew interest without much risk, management, or labor—he received a total of 74 cents an hour for his labor. This is not figuring a penny for his management. Last year's figure was 81 cents an hour. I hope those who voted for minimum wage increases will keep this in mind when a farm bill with support prices at break-even levels is brought before this body.

If the farmer is doing so well, why is it that tens of thousands of them are leaving the farms every year? Why have we lost an average of 100,000 of them annually since 1960? If the farmer is doing so well, why has his farm debt since 1960 increased 400 percent? If the farmer is doing so well, why is it his nonfarm income—that of those classified as farmers—has averaged greater than his farm income since 1960?

Inflation has caused higher food prices as well as higher prices of other goods and services. Is the farmer to blame? What causes inflation? It is caused by a shortage of goods and services in relation to dollars. The man-hour output of the farmworker has increased more than twice as much as the nonfarmworker in the past 20 years. If the nonfarmworker has increased his productivity as much as the farmworker, inflation would not be a problem in America today and neither would we be experiencing such a trade deficit.

Were it not for farm exports, our Nation would have had a balance-of-trade deficit of $10 billion last year. As it was, the deficit was $6.8 billion. It was $2.4 billion in 1971. The last 2 years were the first years since 1893 that the great productive America has bought more goods than it sold.

Some fear we will have a trade deficit in oil alone by 1980 of $18 billion. Some economists say that without increasing our exports, this level of added imports would bankrupt our country. Where can we go to reverse our trade deficit? As I said earlier, we had a deficit of $10 billion in manufactured goods last year. This leaves only farm goods where we had a surplus of exports over imports of nearly $3.2 billion—after eliminating a billion in concessions.

I might add that in most cases, foreign countries are far tougher on our farm exports—in terms of quotas and duties—than they are on our manufactured goods, and they often do far more to subsidize their producers. In spite of this, our farm goods still compete. As a group, if they can compete under these conditions and produce a surplus in trade while manufactured goods represent a $10 billion deficit, how can anyone say our farm goods are too high? How can they be too high if they represent the one area of production in this country priced cheaply enough to compete on the world market?

There was a time when there were sufficient numbers of Congressmen from farm districts to see that legislation damaging to rural America did not pass. Such is not the case today. In 1960 there were 31 U.S. Congressmen from districts with more than 25 percent of the population being rural-farm. Today there are only five, and my district is not one of the five. My district has less than 15 percent rural-farm. In 1960, 230 Congressmen had districts where more than half of their population lived on farms or in towns of 2,500 or less. Today there are only 85. In 1954, 165 Congressmen had districts that were 20 percent or more rural-farm and today there are only 14.

What does this mean? It means that if rural America is to have a standard of living anywhere near that of urban America and the American farmer is to be granted a reasonable level of income, it will happen because of an understanding urban Congress.

It also means that if urban America is to be well-fed, this same urban Congress must be able to understand the farm production process and those factors which influence this production.

IN GOD WE TRUST

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. MIZELL. Mr. Speaker, as I enter this Chamber each day and see the words, "In God We Trust" emblazoned above the Speaker's desk, I feel pride and I feel confidence for the Nation.

As long as we continue to strive for the principles of honesty and morality in Government, in business, in the home and in the church, we will continue to be the great Nation we are today.

An inspirational message with this same theme has recently come to my attention, and I would like to share it with my colleagues today.

It is a sermon by Dr. Charles R. Standridge, delivered on Sunday, May 27, at the First Baptist Church of Arlington, Va. The text follows:

A VIEW FROM THE MOUNTAIN— 1 KINGS 19: 1–18

(By Dr. Charles R. Standridge, Th. D.)

The word for this day is one of hope! But lest you say, "alas, it is false hope", let me give you some background. This day is not the only day that was ever beset by trial, public scandal, lack of decency in high place, breach of etiquette or ethics, an abandonment of true and honest principles, the foresaking of the high roads of virtue and decency.

A little recollection will help you to recall that Ahab had been essentially a weak king. He had married a dominating woman and to make it all the worse, he was regimented in it. She gave him a hard time to say the least. Ahab was not exactly the man of the house. There was a woman with whom he had to reckon. She was one who had so little principle and so little of integrity that she would kill a man to take a piece of land that he would not sell for money or love. But she, ruthless as she was, would put Ahab up to a lot of foolishness.

The times when he, with his weak knees and lack of conviction, would continually give in to the propigation and the disposition of Baalism, God was calling to a halt. It was to begin in an unauspicious way, but it would lead to a climax that would be ominous and red. Jezebel might rule the people with highhanded disregard for the preachments and for the directives of God, but she could not twiddle heaven around by her thumb nor could she command the Almighty. The day of reckoning would surely come. It approached when Elijah was prompted by God to go and duel the prophets of Baal on the Mount of Carmel. There they were chagrined and embarrassed by their own impotence.

They screamed, they cried, they danced, they whipped themselves into frenzy and called on Baal; but Baal's ineptness was immediately obvious. He had no power to send fire to consume a sacrifice. Adding his taunt, Elijah added all the more to their embarrassment by saying to them, "Let's rebuild the altar and pour barrel after barrel after barrel of water upon it to utterly quench any idea that somehow by any move or trick that sacrifice would be consumed with fire other than by the power of God. And then at prayer time, when he would be saying: "Hear O Israel, the Lord our God is one, thou shalt love the Lord thy God with all thy heart and with all thy might, with all thy strength, with all thy soul."

This was the commitment of Israel to the Almighty that they had rejected and forsaken. He now offers it at prayer time and kneels and says, "O Lord of Hosts, send now thy fire that they shall know all the truth that Thou art God of Israel." And the fire fell and the altar was consumed and the water was licked up and Judaism in its historical stance, a commitment with the Almighty Jehovah, Lord of Hosts, was once more exalted. And, the prohpets of Baal were beheaded and Jezebel was embarrassed and Ahab stood weak and inept.

Now I offer this not as a reasonable facsimile of our day at all, but to tell you that this is not the first time in the life of the world or the life of nations when there has been either indiscretion or indecency or moral derangement in high places. But, whenever it comes, it is easy for the hearts of people to become dismayed, disillusioned and frightened. Our land has felt something of the sickness and there has been, deep in the vitals of our own nature, revulsion and repulsion that has been the result of the kinds of defaults that have been brought to light in recent days. No man in his right mind could condone it and no man of reasoned faith would tolerate it.

But, let us look again at some options that have been considered as being legal and right. It is one thing to condemn evil—it is another to lead a stoning party that would massacre or deface or defame. None of us would either intend or suggest that to be the proper thing for us to do. It is right, however, for us to seek courage to recognize sin and to condemn it for what it is and to resolve with full commitment to be no part of it.

It is an astonishing thing that most great scandals begin in a small lapse of character. But it is imperative in this day as in that that we understand that historically every king in Judah and Israel were judged by one great standard: their faithfulness to the Lord and to the faith delivered to them through Moses. It was embodied in the Law and the Deuteronomic formula by which all kings were judged . . . that if they were obedient, they were blessed; if they were disobedient, they were judged. It was simplistically stated, but it was faithfully followed. An appraisal of every king in Israel and Judah is to be found in I and II Samuel, I and II Kings, and I and II Chronicles. Ahab was one of them who was soundly denounced and soundly rejected and was replaced by one who would rid the nation of Baalism—Jehu.

Now, let us look a little further. Notice the reaction of Elijah. An understandable thing. He had assumed after he had borne the weight of public abuse and kingly rejection for three years that he was, indeed, the only one who championed the cause of decency and honor in Israel. He had fought alone. He had had curses from men far and wide, great and small. They were holding him responsible for the drought in the land. But now that rains have come, they will be slow to come again to seek out the prophet of God and right those wrongs. Alone he felt; rejected he felt. And while it has been our temptation to condemn him for fleeing from Jezebel, lesser men have fled from lesser tyrants than she. Consider, though, what he did. He made his way down to Horeb.

Now, in the event you have forgotten the importance of Horeb, great mountains have always played an important part in the life of the nation Israel. First there was Moriah, where Abraham had intended to sacrifice Isaac until the intervention of the angel. Next there was Sinai where God had communicated his covenant to Moses. Horeb and Sinai are duplicate names for the same mountain, but one the name for one emphasis from one writing group and the other another group. It was to that mountain Moses had gone . . . where he had met with the Almighty, face to face. The mountain that had smoked with the holiness of God. It had been electrified by the Presence of God . . . where the people of God has been admonished, "Touch it not lest you die."

It was there that Elijah now goes, for he needs to touch again a recommitment to the law, a renewing reality made possible in a restoration of fellowship and a renewal of his own energy and mind through association with that great spirit, Moses. Moses, too, had known rejection and loneliness and public abuse and popular renounciation. And now Elijah reaches out for hope and help, and makes his retreat into a cave in the side of Horeb.

God would not leave him alone—He loves him too much, and he wants Elijah now to see a demonstration that will never again be forgotton. Men have looked for God in the bright and in brilliance. The mountain seemed ablaze with fire and glory, but God was not in it. Men have thought of God as being in the colossal, the stupendous, the extraordinary, the gigantic, the frightfully powerful . . . but God is not in the earthquake or the wind. And, about the time that Elijah was dazed, wondering where he was, God spoke to Elijah in a still, small voice, and said, "Elijah, what are you doing here?" "Ah, Lord, I have fled for my life. They have slain thy prophets, torn down thy altars, and I, even I alone am left." How understandable!

There are people who tell themselves they are alone so often that they come to believe it. And, Elijah was as human as we and we as human as he. It is an easy thing for us in our aloneness to imagine that we are the only one who cares a whit whether decency is again more than just a hope, or honor has any virtue or whether honesty is to be had or found anywhere. Elijah insisted: "I alone am left." Well, that too needed to be dispelled. And God says to him, "Elijah, there are seven thousand in this world who have never bowed a knee to Baal or kissed him." And now to find again a camaraderie with people who want the Lord, who rejoice in his Presence and who pray for His Kingdom's extension. This is fellowship. It is renewal! It is strength! It is blessedness! It is worship. And Elijah found it so. And in it is strength to go back to the paths that were his, to tasks that awaited him.

Now, let us make some deductions. First, we ought to recognize that in times of crisis or national scandal, whether in Britain or here or any other land on earth, or whether they be circumstances that may immediately impinge upon our life style and life situation or not, that God is never indifferent to the power and the presence of evil. It may appear that He is indifferent or that He is preoccupied with other sights. But, alas, the Provident One, the Almighty never loses view of you, never ceases to be aware of any of us, whose kindness seeks us out, whose goodwill and wish it is that every child of His should be well in mind, in body, in spirit. How reassuring that He is not preoccupied with those little dots called planets orbiting around some sun, if not ours, that He loses sight of you or me. Be thrilled in this. That one with whom we have to do always has us in His view. Not one of us is forgotten by our Heavenly Father. He who notes when the sparrow falls, surely knows every servant's call. Forget it not. He is God with us. He is still the Almighty made knowable in His Son, enabling us in His spirit.

But, there is another thing that ought to bring reassurance to us and it is this: That this great God of ours whose wisdom must permeate all the ages, whose will must be ours in this age, has something yet for each of us to do. Let me give you an illustration of this. It is easy for us and it is now a very popular thing to do to unlesh invectives and indictments upon those who have erred in their judgment and in their practice in terms of the Watergate scandal. I pray that all who are guilty will be found out and properly judged and that they who are innocent should be exonerated. But, let me point out this. If you think that it is necessary and good for men in high positions to have character and courage and integrity, you are exactly right. Our land is not an exception. In Israel it was understood that the character of the king determined the character of the nation. It is an assumption on our part that if ever there is a place where character and integrity ought to be, it is in the Presidency and in high officials in our land. So that whether it be home, an institution, or the national life, there must be character. There is no substitute for it. There is nothing that ties our tongues into condemnation of evil quite so much as participation in evil.

Now the application. As necessary and as urgent as it is that there should be character in the leadership of our national life, it is just as necessary to the world of which you are a part that you should be a person of integrity, of character, of impeccable honesty, of truth and of decency. If there is disarray in the nation because of corruption in the places of high officials, think of that world of home or work where you are a participant.

Now for our moments of disillusionment. There comes again by clear directive of the Almighty to us as to Elijah, "Go, stand on the Mountain" and see again that God is not indifferent, nor unknowing, nor disinterested, nor detached, nor has he wound this little thing called earth up, set it in motion and withdrawn to see how long it will run. He is in the midst of us. He is the Almighty before whom the nations are "As a drop on the lip of the bucket" as Isaiah said. He is the one who rules in righteousnes, who judges with equity. He has not lost grip upon His creation, nor concern for His creatures. It is He who reaches out to the last and to the least of us. He it is who waits to extend a clear call to the wandering sinner and says: "This is the way, walk ye in it." He is the one who providentially cares and provides and, with a fatherly disposition, waits for the prodigal to arrive. He is the One in Whom we have our hope.

"Go, stand on the Mountain" for God is our hope!

JOHN N. DYER, PRESIDENT OF AIL, A DIVISION OF CUTLER-HAMMER, RETIRES

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. RONCALLO of New York. Mr. Speaker, on July 15, Mr. John N. Dyer will retire as president of AIL, a division of Cutler-Hammer, Deer Park, N.Y.

So that my colleagues will know of Mr. Dyer's outstanding service to his country and community, I insert in the RECORD the highlights of his career:

JOHN NEWTON DYER, PRESIDENT OF AIL, A DIVISION OF CUTLER-HAMMER, DEER PARK, N.Y.

Mr. Dyer was born in Haverhill, Massachusetts, 14 July 1910. After graduation from Haverhill High School, he entered Massachusetts Institute of Technology, graduating with a B.S. degree in Electrical Engineering in 1931.

Mr. Dyer served as an engineer for the Columbia Broadcasting System in the 1930's, becoming assistant chief television engineer in 1936. During the period 1933–1935, he was a member of the Byrd expedition to the Antarctic.

During World War II, he was a leader of a group developing electronic countermeasures equipment at the Radio Research Laboratory at Harvard University and later served as director of the America-British Laboratory at Malvern, England.

He joined AIL (formerly called Airborne Instruments Laboratory) in 1945 as a supervising engineer of the Radar and Air Navigation Section. He became Director of the Research and Engineering Division in 1950, and in 1955 was appointed Vice President and a member of the Board of Directors of AIL. In 1960, he was named Technical Director of AIL. In July 1964, he was promoted to Executive Vice President of AIL, in which capacity he directed all research and engineering for the AIL Division. He was simultaneously elected a Vice President of Cutler-Hammer, Incorporated and a member of the Board of Directors. He became President of AIL on 1 July 1968.

Active in civic and educational areas, Mr. Dyer is a Trustee and former Treasurer of the Community Foundation of Oyster Bay and former President of the Community Social Action Council in Oyster Bay. He was Chairman of the Oyster Bay Housing Authority and is presently serving as secretary. He retired from the Board of Education of Oyster Bay after having been President from 1957 to 1958 and serving on the Board for thirteen years.

Mr. Dyer is a Fellow of the Institute of Electrical and Electronics Engineers and an Associate Fellow of the American Institute of Aeronautics and Astronautics. He formerly served as Vice President and member of the Board of Directors of the IEEE and was a member of the Institute of Navigation and the Society of Moving Picture Engineers. He was a Trustee of the IEEE Employee Retirement Plan and has been active as a member of the IEEE Navigation Aids, Appointments, Education, Nominations, Policy Advisory, Fellow, Awards, Professional Groups, Awards Board, Founders Award, Field Awards and Sections Committees.

Mr. Dyer was Campaign Chairman of the United Fund of Long Island for the 1971 and 1972 campaigns. He also was Director of UFLI's 1969 and 1972 Major Corporate Gifts Division, Vice President of Administration in 1969 and is a trustee and member of the Executive Committee.

He is a member of the Policy Planning Board of the Polytechnic Institute of Brooklyn. He is a member of the Advisory Committee of the National Alliance of Businessmen, a former Director of the Long Island Association and is a member of the Stony Brook University Associates.

Mr. Dyer has been a member of the American Association for the Advancement of Science since 1963.

He received the Presidential Certificate of Merit in 1946. For his contributions to the Community of Oyster Bay, he received an award in 1968 from the Community Social Action Council.

Mr. Dyer and his wife, Priscilla, have lived in Oyster Bay, Long Island for almost 25 years, but they will be residing in Center Sandwich, New Hampshire beginning in August 1973. His plans for the future, in his own words, consist of: "After we (he and Mrs. Dyer) get settled in New Hampshire, we will see what needs doing and try to help in the community where we will be living. We don't intend to "retire" and we want to be doing things that are useful."

The Dyers have three daughters—Ann, Sally, and Mary, and five grandchildren—David and Eric Songayllo, Robert and Charles Austin, and Daryl Parker.

INTERSTATE OIL PIPELINES PERFORM ECONOMIC MIRACLE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. TEAGUE of Texas. Mr. Speaker, I insert the following article and recommend it to my colleagues for their reading as the Congress considers matters relating to the energy crisis:

[From Oil & Gas Journal, June 11, 1973]

WHY?

(By John P. O'Donnell)

Back in 1957, the interstate oil pipelines got 16.3¢ for each bbl of oil they delivered. In 1972, 15 years later, they got 15.1¢/bbl.

To be able to perform a service in 1972 for less than you did in 1957 has to be some sort of economic miracle.

It's an accomplishment in which the pipelines could take some thoroughly justifiable pride. Unfortunately, it will be recognized by only a few people in the industry and, certainly, by none outside of it.

This lack of recognition is really unfortunate not only for the pipelines but also for those who benefit from the service the pipelines perform. The principal beneficiaries are, of course, the consumers of oil products.

Since the consumer is unaware of the pipelines' service, he cannot be expected to rise to their defense when they are under attack. And that's too bad, for it's good to have vocal consumers on your side.

Take a Manhattan motorist who pays 41.9¢/gal for regular gasoline. The odds are good that that gallon of gasoline got to New York by pipeline from a Texas or Louisiana refinery, some 1,500 miles away.

If the motorist were aware of that fact, he surely would not believe that the cost of moving that gallon those 1,500 miles was well under 2% of the price he paid. If he were aware of just how little effect pipeline transportation has on consumer prices, he'd have to be sympathetic.

This economy of operation was attained by constantly improving the efficiency of existing lines and adding new lower-cost, larger lines. It is a big plus—but only one of several that pipelines can point to with pride.

Another and a very major plus is safety. No other form of transportation comes even remotely close to pipelines when it comes to safe operation.

There were more than 60,000 transportation fatalities last year. Pipelines carry almost one fourth of all this country's intercity traffic, but they accounted for only 1/10 of 1% of all the fatalities.

Still another plus for the pipelines is the respect they have shown for the environment. Long before there was an EPA, pipelines covered their traces by replanting rights-of-way and performing otherwise as responsible parties should.

Probably the most convincing evidence of their failure to offend is the public's almost complete unawareness of their existence.

When you look at the economic, efficient, safe, and unobtrusive service pipelines perform and then look at the agonies Alyeska is going through, you have to wonder, "Why?"

EUROPEANS TRAVEL CHEAPER THAN AMERICANS DUE TO NON-CAB STRAITJACKET

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. LEGGETT. Mr. Speaker, in recent years we have witnessed the astonishing growth of an increasingly important segment of the air transport industry—the supplemental carriers or, as they are more commonly known, charter airlines. This growth is primarily due to their devotion to the idea that a major percentage of the traveling public is seeking a fast, safe, comfortable, and most important, inexpensive way to travel. And in the tradition of the better mousetrap, budget-minded American consumers in record numbers are discovering the economics of low-cost charter airline service as a means of stretching their vacation travel dollar.

Americans now in the process of voting with their dollars are pointing to charters as the wave of the future in vacation travel. There are some things that need to be done, however, to smooth the path of the growth of this valuable service.

The practice of affinity charters by large groups must be allowed by the CAB to continue. Far and away the most widely used means of charter travel, it has been responsible for opening the doors of the world to millions of Americans. Inclusive tour charter regulations must be relaxed in order to meet foreign competition. The current 7-day minimum requirement for such tours does not exist in Europe, where ITC traffic has increased 15 percent or more in every year since 1963. And finally, steps must be taken to improve the marketability of travel group charters. American travelers are understandably reluctant to sign a contract at an uncertain price with no assurance that the flight will actually operate.

Mr. Speaker, the valuable service rendered by supplemental air carriers has earned them a prominent place in the air travel industry. Using the time-honored principle of providing the best service for the least money, they have literally brought the world within the reach of many Americans who otherwise would have been unable to travel in such a style. The supplementals are clearly deserving of our efforts to assist them in this globe-shrinking effort.

A recent press release from the National Air Carriers Association points up the current posture of the industry as follows:

CHARTER FLIGHTS GAIN POPULARITY

WASHINGTON, D.C., June 29.—Budget-minded American consumers in record numbers are discovering the economies of low-cost charter airline service as a means of stretching their vacation travel dollar.

A report just published by the National Air Carrier Association (NACA) shows that in 1972 nearly 25 percent of the 10.8 million transatlantic airline passengers took charter flights, an increase of one half million people from a year earlier.

The U.S. supplemental airlines, certificated by the Civil Aeronautics Board to operate charter flights exclusively, accounted for more than one million transatlantic passengers and 44 percent of the charter business in this market. Dramatic gains were also posted in the mainland-Hawaii market, which increased nearly 40 percent during 1972.

"The results of the past year clearly demonstrate a growing consumer demand for low-cost air travel," observed Edward J. Driscoll, president of NACA and spokesman for the supplemental airline industry.

Stating that supplemental airlines flew more than 10 billion passenger miles in 1972, Driscoll said "we have only scratched the surface of a vast, virtually untapped opportunity that could revolutionize U.S. travel and air transportation industries."

Yet despite significant regulatory breakthroughs and increased consumer demand for charter air transportation, Driscoll reported that 1972 proved to be another year of disappointing financial results for the supplemental industry.

"Increased cost of operations and greater charter market competition by scheduled airlines, particularly in the transatlantic, caused a decline in total industry revenues and operating profits," Driscoll stated.

Total revenues of the supplemental industry dropped 7.3 percent to $358.3 million.

Operating profits were down 2 percent to $8.7 million.

Passenger miles flown dipped 4.9 percent, while cargo ton miles flown were off 8.9 percent.

A net profit for the industry was realized for the first time since 1968, but totaled only $49,000, which Driscoll characterized as "an insignificant return on investment for an industry of this size."

Driscoll noted that NACA member airlines carried nearly 2 million passengers in 1972 and accounted for $274.6 million, or nearly 80 percent, of total industry revenues, an increase of $32 million from a year earlier. Commercial revenues reached $169.6 million, an increase of 18 percent, but net profits slipped from $9.1 million to $3.9 million. NACA represents the four largest charter airlines: Overseas National Airways, Saturn Airways, Trans International Airlines, and World Airways.

However, Driscoll predicted that 1973 would mark a major improvement in the economic condition and outlook for the U.S. air transport industry "if a number of critically important actions are taken to stimulate economic growth, including an elimination of below-cost fares by scheduled and supplemental carriers, CAB action to improve the marketability of new Travel Group Charters (TGCs), a continuation of affinity charters, and legislation authorizing European-style one-stop Inclusive Tour Charters (ITCs)."

AN EXAMPLE OF PERSONAL ACHIEVEMENT THROUGH DEDICATED MILITARY SERVICE

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. HINSHAW. Mr. Speaker, in these changing times when we are reevaluating our whole national security posture and the role that our military personnel will have in the future, I think we should be careful not to overlook our Reserve Forces.

There are some who suggest that an all-volunteer force may not be workable because of limited opportunities for advancement. In this regard I would like to recount the experience of a friend of mine, Roger E. Abernathy.

Mr. Abernathy enlisted in the U.S. Navy shortly before the beginning of World War II on July 22, 1941, at age 18. Rising rapidly through the enlisted ranks, Abernathy became a chief petty officer at age 22. I understand this achievement meant that Mr. Abernathy at that time became the youngest chief petty officer in the history of the Navy.

At the end of World War II, Mr. Abernathy left active duty, but remained in the service of his country as a Naval Reservist. In March 1949, Mr. Abernathy was promoted out of the enlisted ranks and was elevated to rank of ensign.

Continuing the pattern he set during his active duty Mr. Abernathy rapidly rose through the various officer levels to the rank of captain, U.S. Naval Reserve.

Capt. Roger E. Abernathy's latest achievement is best explained by the following letter which today I sent to Rear Adm. Thomas B. Russell, Jr., U.S. Navy, Commander, Naval Air Reserve:

DEAR ADMIRAL RUSSELL: On June 23, 1973 I had occasion to visit the Naval Air Reserve Unit at NAS, Point Mugu, California when my personal friend and military advisor, Captain Roger E. Abernathy assumed command of the Naval Air Reserve Staff Uniform One from Captain Boyd R. Dixon. I had not been on a Naval Air Station since my own Navy service during WWII and could not help but be impressed and to share in the sense of pride the Command personnel displayed about their unit.

During this Change of Command visit, I had the opportunity to make a quick tour of the facility and to enjoy the courtesies and hospitality extended me by Commanding Officer Captain David S. Ailes and also met and chatted with Captain Richard G. Martin, the Chief Staff Officer of NARS U 1.

I believe everyone is pleased when their friends' abilities and achievements are recognized and your selection of Captain Abernathy as Staff Commander is especially rewarding because it confirms my reliance on him as my Military Advisor for recommendations in formulating views on legislative matters involving military affairs.

I have long felt that our military reserve personnel strength is a vital component of our overall national security—you are to be commended on the posture and smartness evidenced by the personnel at Point Mugu.

Mr. Speaker, this example clearly shows that dedicated and deserving personnel can, not only advance in rank and thereby obtain a sense of personal achievement, but also contribute in a significant way to the good of this country and all of its citizens.

FBI LAW ENFORCEMENT BULLETIN

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. ICHORD. Mr. Speaker, for a number of years now, the hazards facing policemen in many of our big cities and even in some smaller towns and rural communities have been increasing, as self-described revolutionaries have employed the techniques of urban guerrilla warfare.

In the past decade many law enforcement officers have been killed or wounded by sniper fire, shootouts, and other violence perpetrated by elements who's remedy for their grievances is the assassin's bullet.

There is no question that the seed for these crimes was many times planted by Communist organizations throughout the world, especially those in Cuba and Latin America. Specific instructions in guerrilla warfare, with the police as a primary target, are readily available in any of our large cities.

An extremely interesting and timely article on the subject, entitled "Trends in Urban Guerrilla Tactics" has just appeared in the July 1973 issue of the FBI Law Enforcement Bulletin.

As chairman of the Committee on Internal Security, I am recommending this article to my colleagues in the House and all Americans and insert it at this point in the Record.

TRENDS IN URBAN GUERRILLA TACTICS

New tactics and techniques have been developed in the United States by a small number of criminals who style themselves urban guerrillas. ". . . we have to try something new like armed revolutionary violence . . . (Urban Guerrilla Units). Ripping off money from banks and being Revolutionary Executioners of the gestapo pigs [police] mainly to capture weapons from the enemy . . .," announced the newspaper of the Eldridge Cleaver faction of the Black Panther Party.[1]

Here the Panthers were echoing Pan-Africanism advocate Stokely Carmichael (". . . when the guerrilla kills a member of the occupying army, he not only takes the gun that's around his waist, he opens up the door and he takes a 12-guage shotgun." [2]) and the Brazilian theoretician of urban guerrilla warfare, Carlos Marighella ("The principal object of the ambush tactic is to capture enemy arms and punish him with death." [3]). But recently developed information indicates a change in this tactic.

EVIDENTIARY LINK

A new writer on urban guerrilla warfare realized that weapons taken from murdered

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Footnotes at end of article.

police officers—and a number of police killings have been marked by the theft of the victims' weapons—becomes an evidentiary link tying the guerrilla to a police killing in the event of capture while armed with a stolen gun. A notebook of guerrilla techniques, found in the possession of persons involved in purchasing a considerable arsenal, advised the would-be guerrilla: "We do not need to take weapons from iced [killed] pigs, specially those that have been righteously baconized. There are better places to rip-off weapons—not where they can be linked to butchered hogs."

Attacks on police are still the main tactic of these "revolutionary executioners." In 1972, 11 police officers were killed and 23 were wounded in attacks where responsibility was claimed by revolutionary or urban guerrilla-type groups or individuals, or where there were strong indications members of these types of groups were involved. In 1971, 19 officers died and 48 were wounded in similar attacks.

The 9 mm. pistol ("I recommend the Browning 9 mm. automatic. It comes with a 13 shot magazine," notes the writer of a booklet on guerrilla tactics.[4]) and the 9 mm. submachinegun are becoming favorite guerrilla weapons in this country, along with the AR–15 and AR–180, civilian counterparts of the M–16 military assault rifle. Other weapons, including foreign military weapons stolen in this country, have also been used, however.

Revolutionary-inspired attacks on police in this country have included ambushes, snipings, and apparently spontaneous shooting confrontations. Perpetrators have made false requests for police assistance to have officers into ambushes and have committed deliberate traffic violations to cause patrolmen to leave their police cars and expose themselves to a fusillade. Cold weather has been suggested as the best time of the year for these attacks as the wearing of heavy clothing permits better concealment of weapons.

EXPROPRIATIONS

"The police have the guns and the banks have the money. So this brings us to the act of expropriation. . . . the rip-off of arms, goods or money for revolutionary purposes. . . ." according to the Black Liberation Army.[5] Robberies to gain funds for the "revolution" have been claimed by this group. Communique No. 1 from the Attica Brigade of the Afro-American Liberation Army (the name Panther leader Eldridge Cleaver gave his urban guerrilla followers—it is synonymous with Black Liberation Army) claimed those who threw a hand grenade under a New York City police car on December 20, 1971, were on a mission to "rip off funds for the Afro-American liberation struggle."[6]

This boasting about expropriations was later criticized by other advocates of urban guerrilla activity who subscribe to the advice of "giving expropriations the appearance of bandit attacks"[7] in order to gain time to build a revolutionary movement. Also criticized were Black Liberation Army robberies of "after hours" clubs as not being worth the risk. "If U.G.'s (urban guerrillas) are going to risk life and freedom doing armed expros (expropriations)—for for the big money," advises the writer who warned against taking slain police officers' weapons. Recommended targets for expropriations, by this writer and others, include banks, check-cashing establishments, and large chain stores, especially the last two categories on the 1st and 16th of the month when assistance checks are to be cashed.

Recent urban guerrilla writings have also detailed techniques and equipment useful in expropriations. Reconnaissance of the target (determining the amount of police patrol traffic and whether a bank guard is armed) is stressed, along with planning the getaway. Hand grenades are described as having been effective in the past in deterring pursuers. Panel trucks are a favorite guerrilla vehicle because a large amount of equipment can be carried in a concealed manner. The use of rented panel trucks (rented with false identification) as homemade armored cars in escapes has been suggested. The armor would consist of sandbags or sheets of steel or bulletproof plastic.

The lack of a police radio prevented a guerrilla unit watching a bank from knowing police were checking the license number of the guerrilla vehicle, according to an article on techniques by the Black Liberation Army.[8] (The use of stolen cars is suggested if the car is repainted or the license plates are switched.) Guerrillas have also been advised to attack any police coming on the scene of an operation before the officers can radio for assistance. Suggestions for bank robbery techniques have included warnings about "bait" money, use of disguises, wigs, hoods, and ski masks, plus the destruction or removal of bank robbery cameras.

Followers of the Cleaver Panther faction in Louisville, Ky., described the Black Liberation, Army as "a small urban guerrilla unit waging armed struggle against . . . the United States government. . . ." The "army" is "entirely autonomous and decentralized. . . ."; its leadership is a collective. Thus, according to this version, there is no dependence on orders from a "high command" to collect "'a compulsory revolutionry tax' from a bank (a thought adopted from Carlos Marighella). . . ." or to carry out other guerrilla operations, such as "punishing a pig by death. . . ."[9]

Expropriations by various types of revolutionaries are not always violent. Fraudulent use of traveler's checks has been reported. Followers of the Weatherman (the extremist group later renamed the Weather Underground to avoid implications of "male chauvinism") philosophy have doubled their funds by buying these checks and falsely reporting them lost or stolen, thus receiving a second set of checks to cash. False or stolen identification is usually used in this and other fund-raising schemes, often consisting of credit cards and identification stolen on campuses from college students. Reports have also been received of revolutionaries obtaining birth certificates of persons who died in infancy. The name of a deceased infant can be obtained by reviewing death notices for the appropriate year of birth. This procedure is a well-known espionage technique.

TERRORISM AND URBAN GUERRILLA WARFARE

Expropriations by urban guerrillas to support the "revolution" are seldom needed by today's political terrorist. This is one of several important differences between the terrorist and the guerrilla in today's world. Urban guerrilla warfare can be defined as criminal conduct for revolutionary purposes. Terrorism, on the other hand, is violent criminal activity designed to intimidate for political purposes. The distinction is in goals sought and sometimes in methods used. The guerrilla is working toward revolution. The terrorist acts to focus attention on a particular grievance.

"The terrorist has a political tool; the urban guerrilla has a strategy of revolution. . . ."[10] Today, the usually indigenous urban guerrilla relies on expropriation to finance his activities, while the political terrorist often operates in countries foreign to him and is many times financed by countries sympathetic to his aims. Thus, the fanatical terrorist can create the hostage-type situation (which exposes the terrorist to capture) in order to gain the maximum publicity, but the urban guerrilla must "never expose himself unnecessarily. All possible precautions ought to be taken to avoid a defeat or annihilation."[11]

Urban guerrillas can, and do, use indiscriminate terror as a tactic at times. Bombings are the most common instrument, as the unsuspected bomb, used against civilians, is well calculated to instill fear. This tactic, for example, might be similar to the worldwide letter bomb campaign against Israeli officials and sympathizers that followed the Arab terrorist attack at the XX Olympiad. Letter bombs can weigh less than an ounce and be only an eighth of an inch thick. Most have been hand addressed and have been sent from overseas addresses by airmail. Plastic explosive in thin strips and TNT in a powdered form have been utilized; detonators have included tiny springs and percussion caps.

BOMBINGS AND THE WEATHERMAN

In this country, the bomb has been the primary weapon of the Weatherman group. "Tonight [June 9, 1970], at 7 p.m., we blew up the N.Y.C. police headquarters," boasted the Weatherman.[12] The March 1, 1971, bombing of the Capitol building in Washington, D.C., was claimed by the Weather Underground in Communique No. 8. In 1972, the Weather Underground took credit for the May 19 bombing of the Pentagon. Other bombings directed against the "establishment" have been claimed by urban guerrilla revolutionary groups with such exotic names as the Smiling Fox Tribe, the Proud Eagle Tribe, and The Perfect Park Home Grown Society.

Often these bombings were preceded by warning calls, though this did not prevent loss of life in at least one case. The nature of the target—military, government, or other "establishment" symbol—and the warning call claiming the bombing have become the trademarks of Weatherman and other revolutionary-type groups.

The Weatherman was among the first revolutionary organizations in the United States to adopt Fidel Castro's "foco" theory—that it is not necessary to organize the population as a whole to accomplish armed revolution—". . . a small group of armed insurgents . . . can act as a focus for the various discontented elements . . . [to] channel all the latent energy available into action for the defeat of the government."[13]

Bombing by revolutionary groups inspired a Ku Klux Klan group to publish "Revolutionary Notes" late in 1972 "to provide the patriot with the same information which is already in the hands of our leftist enemies."[14] Instructions for making time bombs from dynamite, capable of being concealed in a thermos bottle or attache case, are set out, complete with diagrams. According to the Klan, this type of bomb can wreck an elevator, rupture a gas or water main, disable a power transformer, damage the service core of a skyscraper, or, if left in a subway car over an axle, derail the train. Two months after the Klan claimed in this article that "a well-planned campaign of bombing can wreak utter havoc," a member of the group was arrested and found to have dynamite, blasting caps, a clock, a battery, and other necessary equipment for a time bomb as described in the Klan publication.

While linked most often to ambushes and other shooting confrontations with police, the Afro-American Liberation Army has also used explosives, especially on the west coast. Early this year, components for making time bombs were seized by police from members of this group. In May 1972, a bomb was discovered at the Portuguese Consulate in San Francisco. The Afro-American Liberation Army claimed credit for placing the bomb in a letter directed to the news media. The device in this case consisted of 14 sticks of dynamite, a blasting cap, and a fuse, all contained in a brown paper sack. A dirt-filled cloth sack was placed over the bomb to direct

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Footnotes at end of article.

the force of the blast, but the bomb failed to detonate when the fuse went out.

After a police car was bombed in Los Angeles on October 7, 1972, an anonymous caller claimed credit for the bombing in the name of the Afro-American Liberation Army. Although this group has used explosives more on the west coast, a house used as a training base in the South was boobytrapped with a heavy explosive charge when the guerrillas moved out. The "army" has also considered the use of light bulbs filled with explosives and straight pins as antipersonnel booby traps.

LEXICON OF VIOLENCE

Many of the techniques used by extremists of all types in this country can be found in a number of books and pamphlets on urban guerrilla warfare. The volume of this material circulating today amounts to a lexicon of violence. The paramilitary, "anticommunist" Minuteman organization, for example, reprinted two booklets in this category last year: "We Shall Fight in the Streets" [15] and "Special Forces Demolition Techniques." The first title has also been found in the possession of Black Liberation Army members; it was prepared to educate England on guerrilla warfare in the event of a Nazi invasion during World War II. The pamphlet on demolition techniques includes recipes for various explosives, instructions for delayed detonation, and methods of placing charges.

Some books and pamphlets of this genre seen in the hands of extremists in the United States include the well-known "Minimanual of the Urban Guerrilla" by Carlos Marighella and "Underground Manual Number 3" by "Nick Parados." The "minimanual" is one of the most complete expositions of urban guerrilla tactics, while the latter booklet is a "how to" manual on explosives and incendiaries. One of the earliest guerrilla manuals circulated in this country, and one used by both Panthers and Weatherman-type revolutionaries, "Underground Manual Number 3" includes materials on homemade and improvised explosives and detonators.

A commercial venture aimed at the would-be guerrilla is "The Anarchist Cookbook" by William Powell (New York, 1971). The "cookbook" part of the title is based on the chapter of recipes for foods incorporating marihuana or hashish. Sabotage, weaponry, guerrilla organization, and explosives are all covered in detail in this book. Another copyrighted volume with both tactics and techniques is General Alberto Bayo's "150 Questions for a Guerrilla" (Havana, 1959; translated edition, 1963). The editor's notes for the translated edition caution the reader against experiments with some of the author's explosive formulas; indeed, the explosives and incendiaries described in all of these books can be extremely dangerous. Many of the instructions lack even elementary safety precautions.

Another instance of publication of material on urban guerrilla warfare by a group at the opposite end of the extremist spectrum from the Weatherman or the Panthers is the series of "Revolutionary Notes" printed by the National Youth Alliance. To overcome a claimed Marxist "monopoly" in this area, the Alliance published detailed instructions for guerrilla activity. In July 1972, for example, an article on sniping was printed which included instructions on telescopic sights and night firing.

This small organization, which opposes "Zionism" and "race-defiling . . . through school integration," accurately sums up the aim of urban guerrilla warfare in this series: "to undermine the confidence of the masses in the existing regime . . . when the authorities lack either sufficient will or strength to restore order—the public will begin withdrawing its support of those authorities." [16]

FOOTNOTES

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[1] *Right On!* (Vol. 1, No. 12, Feb. 15, 1972), p. 10.

[2] Stokely Carmichael, *Stokely Speaks* (New York, 1971), p. 213.

[3] Carlos Marighella, *Minimanual of the Urban Guerrilla* (New World Liberation Front, 1970), p. 26.

[4] *On Organizing Urban Guerrilla Units* (Afro-American Liberation Army, 1970), p. 32.

[5] "Message from the Black Liberation Army," *Right On!* (Vol. 2, No. 2, Apr. 5, 1972), p. C.

[6] *Right On!* (Vol. 1, No. 10, Dec. 19–31, 1971), p. 17.

[7] Carlos Marighella, *Guerrilla Tactics and Operations* (n. d.), p. 10.

[8] "Message from the Black Liberation Army," *Right On!* (Vol. 2, No. 2, Apr. 5, 1972), p. C.

[9] *Voice of the People* (Vol. 1, No. 1, February 1973), p. 9.

[10] Robert Moss, *Urban Guerrilla Warfare* (The International Institute for Strategic Studies, London, 1971), p. 3.

[11] Che Guevara, *Guerrilla Warfare* (New York, 1969), p. 36.

[12] *Outlaws of Amerika, Communiques from the Weather Underground* (New York, 1971), p. 7.

[13] Frank Kitson, *Low Intensity Operations* (London, 1971), p. 33.

[14] *The Fiery Cross* (Vol. 7, Edition 10, Tuscaloosa, Ala.), p. 1.

[15] Captain S. J. Cuthbert, Scots Guards (First U.S. edition, 1965, Boulder, Colo.).

[16] *Attack!* (Washington, D.C., 1972).

FLIGHTS INTO SPACE PROVIDE IMPORTANT MEDICAL DISCOVERIES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. TEAGUE of Texas. Mr. Speaker, I ask permission to insert the following article which appeared in Today's Health in April 1973, reporting some of the medical discovering that have come out of the Moon program:

[From Today's Health, April 1973]

SOME DOWN-TO-EARTH MEDICINE WE'VE LEARNED FROM OUR FLIGHTS INTO SPACE

(By Lawrence K. Altman)

Over the last 12 years 35 Americans have been hurled into space from Cape Kennedy launch pads. Each of the men in the Mercury, Gemini, and Apollo programs was backed up by the most elaborate and sophisticated machinery ever devised and built. As you might expect, the same thoroughness that designed the hardware to put an American on the moon by the end of the Sixties also governed the selection of the healthiest, most stable, and fearless band of astronauts the country could produce. Most of them were ex-test pilots, who sought out and were accustomed to danger and risk.

Although the primary purpose of the space program was to put a man on the moon, not to carry out medical or psychological experiments, scientists two years ago made an important and still mysterious discovery about potassium losses in astronauts during space flight that has already helped develop lifesaving techniques used in post-operative care, and for treatment of heart disease, diabetes, and serious traumatic injuries.

In the psychological realm, at least three of the astronauts came back from the moon to find their sense of themselves drastically changed. One found it difficult to accomplish even the most ordinary daily acts like choosing what to wear. Two others found new meaning in religious and spiritual concerns.

One of the most important medical discoveries coming out of the moon program was the fact of significant potassium loss during space flight. Potassium a naturally occurring and vital body chemical, plays a key role in speeding nerve impulses through the body. Among other functions, it helps muscles contract and is required to make the heart beat in a forceful, rhythmic cadence.

Potassium deficiency, on the other hand, can produce a variety of subtle symptoms: tingling sensations in the skin, muscle weakness, and apathy. If the patient suffers small losses of potassium over a long period of time, his kidneys, heart, and bowel can be permanently damaged. If the loss is severe at any one time, paralysis and death can result.

Potassium losses—which doctors often call K losses, after the chemical symbol for potassium—during Apollo flights were not discovered until after the Apollo 15 astronauts splashed down in the Pacific in August of 1971. During the flight two of the astronauts—David R. Scott and James B. Irwin—had several abnormal heartbeats while working on the moon and afterwards on the return flight to earth. The astronauts themselves were unaware of the momentary irregularties, called atrial bigeminy, but they were picked up in Houston on electrocardiograms relayed by telemetry.

After-splashdown tests on Scott and Irwin showed that they had lost large amounts of potassium—at least 15 percent of the K normally present in their bodies. Only then could space agency physicians link the K losses with the irregular heartbeats.

No one yet knows precisely why space flight causes this potassium loss. Charles A. Berry, M.D., director for life sciences at NASA's Manned Spacecraft Center near Houston, and his colleagues, have put forward a complicated theory that involves the increase in blood flow caused by conditions of weightlessness, and the effect of that increased flow on a series of hormonal reactions ending in a loss of body electrolytes, including potassium and sodium. (Electrolytes, in biochemistry, is the name given to substances that separate into ions when in solution, thus making them electrically conducting. This process of separation, which occurs in the bloodstream with necessary electrolytes such as potassium, sodium, and magnesium, plays an important part in body functioning. Thus, any impairment of electrolyte balance, which is maintained by the kidneys, can be damaging to health in a wide variety of ways.)

Since the end of World War II, so much complex knowledge has been gained about electrolyte balance that many medical centers and hospitals now have doctors who specialize in maintaining electrolyte balance.

This knowledge has helped doctors add decades of useful life to many kinds of patients, including those suffering from such complications as congestive heart failure resulting from arteriosclerosis; diabetics recovering from a condition known as acidosis, which results from a severe loss of insulin; those undergoing bowel surgery for cancer or nonmalignant diseases like ulcerative colitis and regional enteritis, which are chronic diseases of unknown cause that inflame the intestines and produce diarrhea; and victims of automobile accidents and other serious injuries.

The impact has perhaps been greatest in the medical and surgical care of the very young and very old—because pediatric and geriatric patients are especially sensitive to small changes in electrolytes like potassisum. Electrolyte balance is especially important in the drug therapy of older Americans. For those who take digitalis, for example, losses of potassium can interact with the drug to bring on digitalis toxicity, which can be instantly fatal.

The new knowledge about chemical balances in fluids of the body is just as important in post-operative care. It is not just the techniques of the surgeon that has made modern surgery so successful. Perhaps even more important to recent surgical advances has been the post-operative fluid and electrolyte care that is essential to the recovery of patients from operations that seriously disturb the body's physiology. Often the success of the surgery depends largely on the doctor's ability to apply the results of automated electrolyte tests and to juggle the potassium levels so that the body's biochemistry is kept in its delicate state of balance.

Such surgical patients have benefited greatly from bedside application of basic metabolic research findings made from test tube and animal experiments, and NASA's Dr. Berry contends they could benefit further from space medicine research.

The Apollo flights also provided new evidence that the human body is one of the most adaptable of all organisms. Twenty-seven American spacecraft have blazed off the Cape Kennedy pads, launching men for more than 3521 hours of space flight. These 27 manned flights have carried 35 astronauts, some of whom have flown two or more times. Of the 59 American and Russian astronauts who have spent a total of more than a year and a half in space, none has suffered medical difficulties serious enough to prevent him from functioning.

Fifteen years ago, when man knew little about physiology in space, some scientists were predicting an almost endless list of medical catastrophes that might beset astronauts. Perhaps, it was speculated, their hearts would beat so fast on liftoff that the rapid rhythm would prove fatal. Or serious anemia would result from loss of too many red blood cells. Or weightlessness would cause kidney stones to form as calcium was leached from the bones, turning the skeleton to jelly. Or muscles might atrophy, or wither away.

None of these dire consequences resulted. Astronauts' hearts responded to the physiologic demands—the heartbeat of astronauts ranging from a high of 180 during liftoff to a remarkable low of only 28 beats a minute while they slept in space, compared to a "normal" heartbeat on earth in the 60s or 70s.

Cardiologists were also surprised to learn that astronauts' hearts shrank in space. The doctors still do not know if the smaller size results from loss of muscle fibers and cells, or loss of body fluids, chiefly water and potassium, which seems to be an inevitable consequence of space flight.

Needless to say, their bones did not break. Though they lost some calcium from their bones, kidney stones did not form. Some astronauts did suffer brief episodes of nausea and vomiting. Others had head colds, which are worse in space than on earth because in zero gravity mucus cannot drain, and an astronaut can damage his ears by blowing his nose too hard.

Just as the problem of potassium loss did not become apparent until after splashdown, so too the psychological problems faced by a few of the astronauts did not show up until after their missions were completed.

Remarkably, there seem to have been no psychological problems at all during the missions themselves. "We've been fortunate," Dr. Berry says, "because we have seen no serious psychological problems in anybody as a result of our actual flight experience—even including long periods of time when an astronaut was alone in the command module and spent a fair amount of time behind the moon, totally out of contact with anybody."

He attributes this result to the fact that "we started with a select group of people who had gone through all the stresses and strains of having been selected as a test pilot and who thereafter had been exposed to a lot of life-threatening situations as test pilots.

"Astronauts are human beings," Dr. Berry says. "Everyone tends to think of them as supermen and they are not. They're just plain old common human beings subject to the same foibles the rest of us are."

Most astronauts appear to have adjusted to the sudden renown, the plaudits, the demands for public appearances that followed their flights.

But for some of them, none of the moon flight training prepared them for the post-splashdown psychological effects of becoming America's newest heroes. The most important of these seems to be a space-age version of the famous malaise that came over Alexander the Great, who, at the height of his conquests at age 29, complained—inaccurately, as it turned out—that he "had no more worlds to conquer."

Coming back from the moon precipitated such a downward psychological spiral for (then) Colonel Edwin E. (Buzz) Aldrin, Jr., who, with Neil Armstrong, was one of the first two human beings to set foot on another world. (Astronaut Aldrin is now Dr. Aldrin, having recently earned a Sc.D. degree in astronautics from the Massachusetts Institute of Technology.) As recently as three years after his epic flight on Apollo II, in fact, Aldrin actually feared for his sanity.

In his Apollo days, Aldrin saw himself as others generally saw him: as a supremely self-confident super-achiever, an intense, disciplined harddriver who had almost never failed at anything important he tried to do.

By Aldrin's own account, that self-confidence evaporated in the post-flight letdown that is said to have afflicted several American astronauts. It is a phenomenon that some of the nation's 22 moon-venturers apparently were not prepared to confront.

Faced for the first time with a loss of purpose in life, plagued by fear of the risks he might face in any new and unaccustomed lifework, and suffering from an unexpected culture shock that made crowds and personal appearances an agony, Aldrin himself admits that he virtually ceased to function at times. He couldn't get organized and had to let others almost lead him through day-to-day tasks.

"It got to a point where deciding what suit to wear became an overwhelming decision," Aldrin, now a 42-year-old retired Air Force colonel who wears a lush, graying beard that fringes his rugged face like that of a 19th-century New England sea captain, said in a recent interview.

As he spoke, he sipped sangria at lunch in an intimate cafe on the outskirts of Los Angeles not far from Hidden Hills in the San Fernando Valley, where he now lives with his wife, three teenaged children and a menagerie of dogs, cats, chickens, a goat, and an Appaloosa mare. At Hidden Hills, Aldrin is attempting to put together a new life—and a new personality.

He has had to do it with the help of two periods of intensive phychotherapy, including a month in a military hospital, and he still sees a psychiatrist every two or three weeks or so.

A more relaxed Buzz Aldrin now says he is "back on the track, but still not with great confidence."

Aldrin describes his post-flight experiences as "an unanticipated, abrupt change in life style." Before Apollo II, his days had been governed by concise, precise, concrete objectives and his personal life was still under his own control. After Apollo II, there was no objective ahead, and Mr. Aldrin began to lose his grip on both his professional and personal life.

For a year or two, in between the personal appearances he found so burdensom, he looked around "for some little job in NASA I'd be happy with." But mostly, he sat in his office in Houston, answering mail, occasionally attending meetings, and wondering, in his words, "Gee, what'll I do today?"

"You get so dissatisfied that you get in your car and drive down to Galveston and walk on the beach," he said, "but that doesn't help."

Eventually Aldrin was made commandant of the Air Force Test Pilot School at Edwards Air Force Base, California. There his downward spiral into anxious depression accelerated.

"I had been away from the Air Force for 10 years," he said, "and every job has its element of risk. Plus, I was extremely self-critical." This combination of insecurity and self-demand for perfection "started bringing on the problem that eventually put me in the hospital," Aldrin explained.

The problem was diagnosed as "moderate depression" by doctors at Wilford Hall, an Air Force hospital in San Antonio, where Aldrin, beginning in October 1971, underwent a one-month course of drug-aided psychotherapy. But he believes that the very act of seeking help on his own "went a long way" toward helping solve his emotional difficulties.

As part of his treatment, Mr. Aldrin had to examine his life as never before and ask of his Air Force career, "Is this what I want to do?" His answer was no. So he decided to retire from the Air Force, seek a life of less pressure, and explain his story so other Americans might benefit and learn from his experience.

But facing civilian life last July for the first time in 23 years brought on yet another, even more frightening, seige of depression. This time Mr. Aldrin feared that he might be in such a state for the rest of his life. But after two or three visits to a psychiatrist at the UCLA Neuropsychiatric Clinic, the depression lifted again.

Now, Mr. Aldrin believes, he has come through the worst and will be the better for it. He is his own boss. He can control the nature and level of his activities, can dabble in "little projects" here and there. He is gradually relaxing and writing a book *Return to Earth*, which is finished and is scheduled to be published this fall.

However, the nature of an Apollo astronaut's work has given these men a unique view of the world, altering their very consciousness, providing them with perceptions and perspectives that no other American will have—not for many years at the earliest. Dr. Berry comments:

"The total psychological impact of having gone through that experience is great. I don't think you can look at our world in the way that all these crewmen have—and we've been privileged to do that vicariously, too—and not have seen the world in an entirely different context than we do as we sit on earth's surface. That can't help but have some kind of psychological effect."

Two astronauts who reacted to the mystical nature of their flights are Captain Edgar D. Micthell and Colonel James B. Irwin.

Mitchell said he is trying "to broaden the consciousness of people so that they can see planet earth from the perspective" he had of space. So he has moved toward the exploration of "inner space" by forming a Houston-based private company to promote scientific investigation of such psychic phenomena as extrasensory perception and mental telepathy.

Mitchell hopes that his enterprise ultimately will help unlock the secrets of "psychic energy" so that humans may communicate with one another in richer, more precise ways.

Irwin's experience was quite different. In his words, he went to the moon a practicing but not especially religious Baptist. The effects of moon flight turned him into an energetic Christian and inspired him to form the High Flight Foundation based in Colorado Springs, Colorado, under whose auspices he travels almost constantly, both in the United States and abroad, carrying two messages—that of science and that of the Gospel.

"I consider that it's God's plan that I had an opportunity to come back and tell people what a beautiful thing we have here on earth; to take care of it; and to try to live in brotherhood, the way Jesus Christ would want us to," Mr. Irwin said.

"Before the flight I was a very quiet, reserved guy." Irwin said. "Now I've changed You can't shut me up. Now I have something to say."

Irwin believes that he and Mitchell are essentially on the same track. "Ed's going the scientific route," he said, "and when we meet, it'll be interesting." But he added: "I think that Ed's getting in deeper than man was meant to go. He's delving into powers that are really of Satan."

Religious interpretations aside, Colonel Irwin sums up the common experience of several astronauts: "We went to the moon as technicians—nuts and bolts men—and we returned as humanitarians."

After the moon voyagers returned, they were constantly put in the public eye so that their weaknesses, strengths, obsessions and general humanity have emerged as never before. Their differing personalities have grappled in different ways with the transcendent experience of flying to the moon and its earthbound aftermath.

Brigadier General Thomas P. Stafford, who commanded the moon-orbital flight of Apollo 10 in May 1969 and is now deputy director of flight-crew operations at the Manned Spacecraft Center, described to a reporter one of the problems facing the returning astronauts this way:

"You can't let it go to your head. Today's headlines are tomorrow's fish wrappers. Unfortunately, some astronauts have not understood this. Because of one great incident in their lives, they think that anything they say takes on extra meaning."

"There is a tendency to get carried away with yourself," says Colonel David R. Scott, commander of the Apollo 15 lunar-landing mission in July 1971. "You've just got to try to keep your balance."

After their return to earth, Scott and his crewmates (Colonel James Irwin and Major Alfred M. Worden) developed a trick for use when one of the three would "go off on a tangent" while speaking and start talking too long.

"One of us would pass an ashtray or glass of water over in front of the guy," Scott recalled with a chuckle. "That was the signal to shut up."

Perhaps it is this type of common sense that explains why Dr. Berry concludes:

"It's amazing that there haven't been even more psychological effects than have become evident."

But taken on balance, the experience of the space program has been more encouraging than otherwise in what it tells us about the flexibility and resourcefulness of man. That astronauts have been able to adjust so well to the almost completely alien environment of outer space surely ought to give us at least some hope that future explorations of both inner and outer space will give us more reason to rejoice than to despair.

SENATE—*Thursday, July 12, 1973*

The Senate met at 10:30 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, the source of all wisdom and goodness, we bow in Thy presence with the calm confidence that Thou dost never leave us nor forsake us. In a world so uncertain about many things, amid all outer commotions and collision of forces, keep us sure of Thee. Help us to live in obedience to the laws of Mount Sinai and Mount Calvary, assured that in faithfulness to the truth Thou hast revealed we will be led step by step to the completion of Thy kingdom on earth. Give us courage to seek the truth honestly and humbly to follow the divine light until the shadows of doubt and despair disappear and all men live in the light of Thy truth.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, July 11, 1973, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONGRESSIONAL AND SUPREME COURT PAGE ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 288, S. 2067.

There being no objection, the Senate proceeded to consider the bill (S. 2067) relating to congressional and Supreme Court pages, which had been reported from the Committee on Rules and Administration with amendments, at the top of page 3, strike out:

"(f) Subsection (b) of this section, as amended by section 2 of the Congressional and Supreme Court Page Act, is effective upon enactment of this Act. However, clause (1) of such subsection (b) shall not apply to any page appointed prior to the date of enactment of such Act as long as that page continues to serve as a page."

And, in lieu thereof, insert:

"(f) Subsection (b) of this section, as amended by section 2 of the Congressional and Supreme Court Page Act, is effective upon the date of enactment of such Act. However, clause (1) of such subsection (b) shall not apply with respect to the reappointment, on or after such date, of an individual serving as a page prior to such date."

On page 4, line 3, after the word "arrangement.", insert "No such arrangement shall be entered into providing for the education of such pages with respect to any period commencing after June 30, 1975."; and, on page 5, line 20, after the word "upon", strike out "enactment," and insert "the date of enactment of this Act,"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional and Supreme Court Page Act".

SEC. 2. (a) Part 9 of title IV of the Legislative Reorganization Act of 1970 (2 U.S.C. 88b–1; 40 U.S.C. 184a) is amended as follows:

(1) Strike out the heading of such part and insert in lieu thereof the following:

"PART 9—CONGRESSIONAL AND SUPREME COURT PAGES".

(2) Section 491 of the Legislative Reorganization Act of 1970 is amended as follows:

(A) Strike out the section caption and insert in lieu thereof the following:

"CONGRESSIONAL AND SUPREME COURT PAGES".

(B) Strike out subsections (a) and (b) and insert in lieu thereof the following:

"(a) An individual shall not be appointed as a page of the Senate or House of Representatives unless he agrees that, in the absence of unforeseen circumstances preventing his service as a page after his appointment, he will continue to serve as a page for a period of not less than two months.

"(b) An individual shall not serve as a page of the Senate, the House of Representatives, or the Supreme Court of the United States—

"(1) before he has attained the age of eighteen years; or

"(2) except in the case of a chief page, telephone page, or riding page, during any session of Congress or October term of the Supreme Court, as the case may be, which begins after he has attained the age of twenty-one years."

(3) Strike subsection (f) and insert in lieu thereof the following:

"(f) Subsection (b) of this section, as amended by section 2 of the Congressional and Supreme Court Page Act, is effective upon the date of enactment of such Act. However, clause (1) of such subsection (b) shall not apply with respect to the reappointment, on or after such date, of an individual serving as a page prior to such date."

(4) Strike out section 492 and insert in lieu thereof the following:

"EDUCATION OF PAGES PREVIOUSLY APPOINTED

"SEC. 492. (a) The Secretary of the Senate and the Clerk of the House of Representatives, acting jointly, shall enter into an arrangement with the Board of Education of the District of Columbia for the education, in the public school system of the District, of pages of the Senate, the House of Representatives, and the Supreme Court of the United States continuing to serve as pages by reason of the second sentence of subsection (f) of section 491 of this Act, as amended by section 2 of the Congressional and Supreme Court Page Act. Such arrangement shall include provision for reimbursement to the District of Columbia for any additional expenses incurred by the public school system of the District in carrying out such arrangement. No such arrangement shall be entered into providing for the education of such pages with respect to any period commencing after June 30, 1975.

"(b) There are authorized to be appropriated such sums as may be necessary to reimburse the District of Columbia in accordance with the arrangement referred to in subsection (a) of this section.

"(c) Notwithstanding the provisions of subsections (a) and (b) of this section any such page may continue to elect to attend a private or parochial school of his own choice, except that such private or parochial school shall be reimbursed by the Senate and House of Representatives only in the same amount as would be paid if that page were attending a public school under the provisions of subsections (a) and (b) of this section.".

(b) Part 9 of title IV of the table of contents of the Legislative Reorganization Act of 1970 is amended to read as follows:

"PART 9—CONGRESSIONAL AND SUPREME COURT PAGES

"Sec. 491. Congressional and Supreme Court pages.

"Sec. 492. Education of pages previously appointed."

Sec. 3. (a) The paragraph entitled "ACQUISITION OF PROPERTY AS AN ADDITION TO THE CAPITOL GROUNDS" under the heading "ARCHITECT OF THE CAPITOL" in the Supplemental Appropriations Act, 1973 (2 U.S.C. 184a note), is amended—

(1) by striking out of the fourth proviso "as the site of the John W. McCormack Residential Page School" and inserting in lieu thereof the following: "in accordance with the last proviso of this paragraph"; and

(2) by inserting before the period at the end thereof a colon and the following: "*Provided further*, That the real property acquired under this paragraph shall be permanently used for such congressional purpose or purposes as the Commission for Extension of the United States Capitol may decide".

(b) Section 243 of the Legislative Reorganization Act of 1946 (2 U.S.C. 88a) and the proviso contained in the paragraph entitled "EDUCATION OF SENATE AND HOUSE PAGES" under the heading "LEGISLATIVE" in title I of the Urgent Deficiency Appropriation Act, 1947 (2 U.S.C. 88b), are repealed.

Sec. 4. (a) Effective upon the date of enactment of this Act, Senate Resolution 14, Eighty-first Congress, agreed to January 13, 1949 (as amended by Senate Resolution 218, Eighty-sixth Congress, agreed to January 11, 1960), and the last sentence of Senate Resolution 112, Ninety-second Congress, agreed to May 13, 1971, are no longer of any force and effect, except that any written statement filed by a Senator in accordance with such last sentence shall continue to be effective as long as the page with respect to whom the statement is filed continues to serve as a page and has not attained the age of eighteen years.

(b) The provisions of subsection (a) of this section are enacted by the Senate as an exercise of its rulemaking power, subject to and with full recognition of the power of the Senate to enact or change any rule of the Senate at any time in its exercise of its constitutional right to determine the rules of its proceedings.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93-306), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The primary purpose of S. 2067 is to provide for replacement of the existing congressional and Supreme Court page corps with an older group of pages who would not require the after-hours supervision many feel is necessary for the younger pages and to eliminate the need for construction of the presently authorized residential page classroom and dormitory building

PRINCIPAL PROVISIONS

The bill, as amended by the committee, would—

(1) Change the respective age limits for pages from 14–17 (Senate pages), from 16–18 (House pages), and from 14–high school graduation (Supreme Court pages) to 18–21 for all pages;

(2) Permit pages serving on date of enactment of the bill to continue their service until June 30, 1975, provided they are appointed or reappointed by their sponsors during that period;

(3) Require that after date of enactment of the bill all new page appointments would be subject to the new age limitations, thus providing for gradual transition to the new system;

(4) Provide for discontinuance of the Capitol Page School by June 30, 1975;

(5) Repeal authority in existing law for construction of a residential page classroom and dormitory building (cost currently estimated at $15 million) for which land has already been purchased (the old Providence Hospital site, located at 221 D Street SE.), and provide that this real property shall be permanently used for such congressional purposes as the Commission for Extension of the United States Capitol may decide; and

(6) Repeal the requirement that Senators be responsible for safety of female pages, with respect to all appointments made after date of enactment of the bill, with the proviso that agreements in effect concerning female pages now serving would continue in effect while they remain pages.

THE EXISTING PAGE SYSTEM

The total number of pages serving during the school year is normally about 85 (30 in the Senate, 51 in the House, and 4 in the Supreme Court). During the summer months the House customarily appoints about 20 additional temporary pages.

The Capitol Page School (located on the third floor of the Library of Congress since 1949) provides a 4-year high school education for the pages, operated under an agreement with the District of Columbia school system, The pages have four or five 45-minute classes 5 days a week, beginning at 6:15 a.m. and ending at 9:45 a.m. (or in some cases 10:30 a.m.), after which they report for their work in the Senate, House, or Supreme Court respectively. The school is accredited by the Middle States Association of Colleges and Secondary Schools, and its curriculum stresses preparation for college, since about 98 percent of its students go on to colleges and universities. The staff of the school includes its principal and six teachers (all but one of whom hold master's degrees), an administrative aide (who holds a bachelor's degree), and a part-time basketball coach. (See appendix for further details on the history, appointment, duties, housing, and education of the pages.)

BACKGROUND

In recent years there have been several proposals in the Congress for changes in the Capitol page system, including bills to provide for appointment of older or college-age pages introduced in 1965 by former Senator Stephen Young (D-Ohio), and by former Representatives William Hull (D-Mo.) and William Springer (R-Ill.).

The report of the Joint Committee on the Organization of Congress on the measure which eventually became the Legislative Reorganization Act of 1970 (Public Law 91-510, approved October 26, 1970) included a recommendation that the limits on the age of pages be raised to 16–18 (which was accepted by the House and is in effect for House pages today), but following a debate on the floor of the Senate this recommendation was rejected, and the Senate voted to retain the 14–17 age limits for Senate pages.

In response to the need for better supervision, housing, and educational facilities for the pages, the Congress also included in the Legislative Reorganization Act of 1970 a provision authorizing construction of a fireproof building to contain dormitory and classroom facilities for the pages, to be designated as the John W. McCormack Residential Page School. The Supplemental Appropriations Act of 1971 (Public Law 91-655, approved January 8, 1971) appropriated $50,000 to enable the Architect of the Capitol to make preliminary plans for this structure. Subsequently, the Architect recommended and the Senate and House Office Building Commissions approved acquisition of Square 764 (the block-square old Providence Hospital site) for this purpose. The Supplemental Appropriations Act of 1973 (Public Law 92-607, approved October 31, 1972), appropriated $1,450,000 for purchase of the site, which was acquired on April 16, 1973, for $1,400,000. The Architect's preliminary construction studies have been completed and approved by the House Office Building Commission. The project has not yet been submitted for consideration by the Senate Office Building Commission. The Architect's preliminary estimate for the building's cost is now $15 million.

In the spring of 1973 questions about discrimination in the rules governing appointment and supervision of male and female pages, raised in letters to the chairman of the Rules Committee by Senator William Proxmire, led to general discussions in the committee concerning the existing page system, including particularly (1) the difficulty of providing for proper supervision under the present arrangement whereby pages are on their own with respect to their housing, and (2) the $15 million cost which would have to be assumed by the taxpayers if construction of the authorized residential page dormitory and classroom building were to be carried out as originally planned.

The committee decided to seek guidance on the subject from the Democratic and Republican Conferences, and requests to that effect were made to the majority and minority leaders of the Senate. It was the consensus of the Democratic Conference that the Rules Committee should be asked to report a bill raising the age limits for pages to the point where no supervision of pages would be necessary and repealing authorization for construction of the $15 million building. The minority leader by letter advised Senator Cook, ranking minority member of the Rules Committee, that "It was the feeling of the members at policy luncheon that this matter be taken up by the Republican members of the Rules Committee and that the committee make recommendations to the Senate as a whole."

COMMITTEE AMENDMENTS

The committee has amended S. 2067 so as to assure that pages serving on date of enactment of the bill could continue in service until June 30, 1975, provided they are appointed or reappointed by their sponsors during that period; to provide for discontinuance of the Capitol Page School by June 30, 1975; and to make minor technical corrections in the text of the bill.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar beginning with the "Department of Justice."

There being no objection, the Senate proceeded to consider executive business.

DEPARTMENT OF JUSTICE

The PRESIDENT pro tempore. The first nomination will be stated by the clerk.

The assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask that those nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered and confirmed en bloc.

DEPARTMENT OF STATE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, with the exception of Calendar No. 218, message No. 140, James A. May, of California, all the nominations under the "Department of State" be considered en bloc.

The PRESIDENT pro tempore. Without objection, those nominations will be considered and confirmed en bloc.

ASIAN DEVELOPMENT BANK

The second assistant legislative clerk read the nomination of Paul Rex Beach, of Virginia, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

AMTRAK IN MONTANA

Mr. MANSFIELD. Mr. President, Senators may recall that I have been following the development of Amtrak very carefully, especially its service to my State of Montana. Amtrak is faced with some problems, and there have been some successes since its inauguration. I have been anxious to see an expansion of their service to Montana, because I believe the patronage is there if the service is made available. I do, however, recognize the problems created by limited availability of equipment and certain OMB restraints.

I recently asked the able chairman of the Subcommittee on Transportation appropriations, Senator RORERT C. BYRD, to inquire into these matters as they affect Amtrak and Montana. I have received a lengthy report from Amtrak, and I must say I am impressed with the tremendous detail involved in this presentation.

I wish to make several points. First of all, I believe that daily service on the southern route can be justified. There is every indication that the people will patronize this passenger train if given an opportunity. This route is of great service to the State. The northern route, the old Empire Builder line, provides more direct service between Minneapolis-St. Paul and Seattle, but here again I wish to point out that my major concern is that Montanans get service, and they do along the Hi-Line and points west. Also I wish to make an open appeal to my fellow citizens in the State of Montana that we continue to demonstrate the need and desire for this service. I believe that the expenditure of the additional funds to implement daily service on the southern route can be justified in the near future.

Also, Amtrak discusses the possibility of implementing 3-day-a-week service between Salt Lake City, Utah, and Butte, Mont. This service would be most useful, but apparently would generate some schedule problems in addition to projected financial losses.

Mr. President, I ask unanimous consent that the letter of July 10 and the attached statistical information be printed at the conclusion of my remarks. I know that the Senate Subcommittee on Transportation will continue to watch this situation, and we are most appreciative of the cooperation indicated by the National Railroad Passenger Corporation.

There being no objection, the letter and attachments were ordered to be printed in the RECORD, as follows:

JULY 10, 1973.

HON. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: Since receipt of your June 4, 1973, letter, which followed up your letter of May 14 and included the questions you asked the Appropriations Committee to pursue with us, various Amtrak staff groups have been assembling the data necessary to provide the answer. The material that follows first addresses the questions raised in your May 4 letter; then the questions put to Senator Byrd's Subcommittee are discussed.

In your May 14 letter you asked that Amtrak reconsider the possibility of providing daily rather than tri-weekly service over the southern route through Montana. Our train-frequency patterns are, of course, subject to continuous revaluation. This activity culminates in the seasonally based schedule adjustments that are reflected in major timetable changes. For most of the country the major changes come at the start or at the end of the peak summer travel season; that is, in May and in September. Except for the Florida routes, the May timetable changes are those that generally entail as much service expansion as may be possible under the constraints of costs and equipment availability. The September changes usually involve reduced train frequencies and train consists commensurate with the decline in passenger demand after Labor Day.

Any request, such as you have made for daily southern-route service, will be considered for possible implementation before each major timetable change. We have, I should add, not made any final decision on the future possibility of daily southern-route service either one way or the other. You may be assured that this question will be fully examined and considered as a part of our ongoing scheduling process.

Service on the southern route continues this summer on a tri-weekly basis because of a number of interrelated circumstances. In general, all Amtrak's decisions to expand service this year have been affected by the Department of Transportation's recommendation that a number of our present basic system routes be dropped entirely. As we have testified before the appropriate Congressional Committees, our present budget and the financial plan for fiscal year 1974 is tight. We can and are making service improvements, but there is competition for the resources involved, and each project must be ranked in order of its potential contribution to either short-term deficit reduction or to longer-term market development leading ultimately to the same end.

Although substantial improvement in ridership on the southern route occurred in the two-week period ending June 17 over that for the same period a year ago, ridership for the first five months of 1973 was generally lower than that in the first five months of 1972. This may be seen on the ridership charts set forth in Attachment 1. This level of ridership taken by itself did not justify expanding the service from tri-weekly to a daily basis.

In addition, we are very tight on equipment, especially for the peak summer months. As you know, we have gone to daily service on some tri-weekly routes for the summer. Other major routes have remained on a tri-weekly basis, including the Sunset Route between Los Angeles and New Orleans. One tri-weekly route that was made daily for this summer's peak season (Denver-Oakland) also had daily service last summer. Only one route that ran tri-weekly last summer was given daily service this summer—the Coast Starlight/Daylight route between Oakland and Seattle. The decision to go daily on this route was based on a demonstrated heavy growth in ridership, which at times throughout the winter and spring was more than double the ridership for a year ago. It was also found that little additional equipment would be required to expand service from tri-weekly to daily on this particular route, because of the operating schedules and the time available at each terminal for train turnarounds.

But, as mentioned, the decision was based on heavy patronage demand. Our latest ridership graph for the Oakland-Seattle route is also shown on Attachment 1. (It should be noted in comparing the Oakland-Seattle chart with the Chicago-Spokane charts that a different scale is used on the Oakland-Seattle chart because of the much heavier ridership. The chart for the Oakland-Seattle service shows combined ridership in both directions.)

A year ago, when the possibility of daily service during the summer on the southern Montana route was reviewed, the cost-revenue projections indicated an annualized route deficit increase from $2.1 million to $2.9 million. This projection assumed a revenue increase of $300,000. In the time elapsed since the base period that was used for the cost calculation, real costs (mostly labor) have been increasing. Wage rates have or will shortly be increased by as much as 25 percent over the base period for the analysis. Whether revenues can be increased enough to offset the rising costs is a continuing problem we face for all routes, but the net effect to date on the decision whether or not to institute daily southern-route service has been on the negative side.

As noted, even if other factors had been more favorable, equipment limitations also argued against daily southern-route service this summer. The present tri-weekly service requires three complete trainsets for operation. Daily service on the present schedules would require six. In time, as we complete our heavy program of car rebuilding and refurbishment, and as we acquire new equipment, this will become a less restricting constraint, but for the present it is a serious one.

Attachment 2 contains a summary analysis of total boardings and debarkings in Montana during 1972 and the first four months of 1973 on both the Empire Builder and the North Coast Hiawatha. Attachment 3 breaks down the total boardings and debarkings in Montana to a station-by-station basis for the month of April of this year. These are the most up-to-date station-by-station traffic counts that can be abstracted. They provide a measure of relative activity for each community served during a typical non-peak month containing a holiday weekend. The base data comes from conductors' reports which include all passengers holding tickets regardless of their fare status (full fare, half fare, etc.). The figures listed for "on" are for all those boarding at each stop, as totaled for the month. The "off" figures count all those getting off the trains, no matter where they may have boarded (within or beyond Montana). It should be noted that Troy was no longer a stop in April, but the reports did show two boardings on train number 7. Troy was originally made a stop (with very light traffic) because it was a crew-change point where the trains had to stop anyway, but the need to change crews there was eliminated under a run-through agreement.

A stop-by-stop analysis similar to that in Attachment 3 could be constructed for other months, but because of the way the data is reported and recorded this would require a very large number of man hours to prepare. Ridership figures based on tickets collected, then computerized, were used to prepare Attachments 2 and 3.

Part of Attachment 2 gives total Montana boardings and debarkings for the first four months of 1973, as well as data for ridership and traffic between Minneapolis-St. Paul and Seattle. It may be seen that "traffic" involves double counting (once when a passenger boards the train and once again when the passenger gets off the train). The data on total riders, on the other hand, is essentially only a count of boardings, thus measuring the actual number of persons using a train. The traffic figures, however, are used as a measure of total station activity. Accordingly, for ridership comparisons, the column for boardings in Montana is the one that can be compared directly with the column showing total riders for the Minneapolis-to-Seattle portion of each route.

It will be noted from Attachment 2 that the ridership for the first four months of 1973 on the North Coast Hiawatha was less than the ridership during the same period of 1972. This lower level of ridership in 1973 can probably be explained in part by the relatively mild winter. We are, however, encouraged by the spurt in ridership during the two week period ending June 17, which, based on preliminary checkpoint counts, amounted to an almost 12 percent increase over the same period in 1972.

During calendar year 1972 traffic into and out of Montana, as a percent of total ridership between Minneapolis and Seattle, represent 17.2 percent on train number 7, 16.2 percent on train number 8, 37.4 percent on train number 9, and 39.4 percent on train number 10. While the percentage is much higher on the Hiawatha (trains number 9 and 10), the seasonal patterns are relatively consistent. The principal peak occurs during the winter season when total volume is lower than the summer, but when local travel is more common. Another peak, while somewhat less pronounced when expressed as a percentage (although larger in terms of absolute numbers), occurs in the summer as tourist traffic increases.

Although it is the general impression within the state that the southern-route trains are doing more Montana business than the northern route trains, it can be seen from the figures in Attachment 2 that the opposite is the case. Because the southern-route service is tri-weekly (running at three-sevenths the frequency of the northern-route service), there may appear to be more activity at the southern-route stations when trains arrive or depart than at the northern-route stops, but the total number of boardings, debarkings, or persons handled at the northern-route stops is larger. Southern-route Montana traffic is more than three-sevenths (i.e., more than 43 percent) of northern-route traffic within Montana, but total traffic on the southern route between Minneapolis and Seattle (at 31 percent) is less than three-sevenths of the overall northern-route traffic. This may no doubt be at least partially explained in terms of through-passenger preference for the northern route because of its shorter overall running time, although the new rerouting via Wenatchee in Washington State, by being one hour shorter, may slightly improve the time-competitiveness of the southern route.

There is no exact science for predicting the amount of added traffic a daily service—as opposed to a tri-weekly service—may generate. One thing we *have* learned from other routes where frequency has been increased is that it would be unreasonable to suppose that total business would increase by the ratio of three-sevenths to seven-sevenths if trains ran every day. Much of the present tri-weekly traffic may be bunched on the tri-weekly service and would only spread to the added trains if service was expanded to operate on the other days. However, it may be expected that there would be some increase as it became generally known within the market that there was a train every day. Costs, however, would be increased immediately by a substantial amount. Total train operating costs vary directly with train miles, and train miles would at once jump by 133 percent (or more than double) although ridership could not be expected to make the same leap. Therefore, any increase in frequency must be viewed as longer-term market development, with a correlative financial investment and operating loss for an undetermined period (until added revenues would at least cover added costs).

Amtrak faces a number of such market-development possibilities nationally, and with limited financial (and equipment) resources, prospects for added train-mile service must be ranked according to the likelihood of, and the probable length of time required for, achieving successful operation. To date, it has not been Amtrak's judgment that daily service on the southern route is justified in terms of the resources that would have to be committed. However, this decision will be re-evaluated periodically and as conditions change, because we do regard daily service as preferable both from a marketing and from a public-service standpoint, if it can be justified by prospective ridership increases.

Your letter of May 23, 1973, to Senator Byrd, Chairman of the Appropriations Subcommittee on Transportation, also indicated an interest in the possibility of service between Salt Lake City or Ogden and Butte. Prior to the advent of Amtrak, tri-weekly service was provided on this route by the Union Pacific Railroad, although the Union Pacific had attempted to discontinue such service. As your letter observes, the Interstate Commerce Commission favored this route for inclusion in the Amtrak basic system. The ICC, in commenting on the Secretary of Transportation's preliminary report on the Amtrak system, adovcated a number of route additions, and the route of the Butte Special was included as a secondary recommendation.

In the Secretary of Transportation's Final Report, issued January 28, 1971, the ICC's recommendation for inclusion of the Butte Special route was rejected. The department specifically cited the criteria of existing and projected ridership, population served, and the profitability criterion (indicating that "substantial losses" would be incurred if the route were to continue in operation).

The ICC's recommendation to the Department of Transportation contained no estimate of probable revenues and costs. The ICC proposal rested mainly on the usefulness of the route as a "bridge" line connecting the northern Great Plains states with the Salt Lake City-Los Angeles markets. As designated, however, the Amtrak basic system—even in the preliminary report—did not include Salt Lake City-Los Angeles service, and the ICC did not recommend this route for inclusion.

With the coming of Amtrak, the pre-existing route structure was changed substantially, and Amtrak's present transcontinental schedules no longer permit the same connecting services as may have been possible before May 1, 1971. While it may have been possible in pre-Amtrak days to arrange a Butte Special schedule that would provide reasonable connections bringing the southern Montana markets east of Butte with the Ogden-Oakland route, such connections are not possible unless our present schedules are to be drastically revised. Such rescheduling, which might be designed in an attempt to maximize the connection patterns for a Butte-Ogden route, would, it was found, have an adverse effect on the other markets served by the Chicago-Seattle and Chicago-San Francisco trains.

Accordingly, for the purpose of our analysis, all possible schedules for a Butte-Ogden connection service under our present service patterns on the two existing routes were examined. The bridge service as contemplated in the ICC recommendation—interconnecting the areas from Butte to the east with the routes from Ogden west—was found to entail a 22-hour (overnight) layover at Butte for eastbound passengers and an all-day layover at Ogden for westbound connections. (This assumes that if all three services were tri-weekly then each train would be scheduled on the days of the week that would minimize layover times. If this could not be done because of marketing reasons elsewhere, layovers might have to be lengthened at each point to another full day. The layover times cited above also presume exact adherence to schedules, but in practice some time cushioning would have to be provided.)

All other possible schedules were examined to try to find the best set of possible connections for market maximization. The strongest pattern that could be found was one that would permit convenient connections for all trains from Ogden (and points west) to Butte, as well as convenient service from Butte to Ogden (and points west) in the other direction. In addition, for two of the three trains weekly the connection at Butte from the eastbound North Coast Hiawatha would also be possible (i.e., from Missoula to Reno or Oakland, or from Missoula, Spokane or Seattle to Ogden/Salt Lake City).

This schedule would not involve an overnight run between Butte and Ogden, and the daylight running over much of the route in both directions would provide better service at the intermediate stops and also capitalize on the scenic values of the route (as the overnight service contemplated by the ICC and as previously operated by the Union Pacific would not). However, this tri-weekly schedule would entail a 4:00 a.m. departure from Salt Lake City. This has been taken into account in making estimates of probable revenues.

Based on the best information presently at our disposal, we estimate that yearly revenues would be in the neighborhood of $130,000 and yearly expenses in the neighborhood of $800,000, resulted in a yearly deficit of about $670,000, or about 16 cents per passenger mile. Based on these projections, we cannot conclude that operation of such service would be economically prudent.

In your May 23 letter to Senator Byrd, you also suggested that the Subcommittee ask Amtrak when Amtrak intends to consider revision of the present system; that is, in terms of additions to or deletions of existing service.

We regard the process of route readjustments as a continual one. It is, it should be added, a process that is already well under way; the consideration of revisions began immediately after our assumption of the responsibility for operating the trains, on May 1, 1971.

Service expansion or contraction can involve changes in routes or changes in service. We have been active on both fronts. Since

May 1, 1971, a number of routes have been added. Some of these additions are temporary (experimental or operated in conjunction with the states under Section 403[b] of the Act) and others have become part of the basic system. The southern route service through Butte and Billings began as an experimental service, but having been operated more than the statutory two years it is now a part of the basic system. The three international routes are by statute part of the basic system.

State-supported Amtrak routes have been established in three States—Illinois, Massachusetts, and Pennsylvania—although it appears as of this writing that the financial support will be withdrawn by Pennsylvania and Massachusetts. State support is being sought for continuation of Washington-Cumberland service. The earlier experimental service between Washington and Parkersburg via Cumberland was not successful and has been terminated. Another earlier service, which was to be supported by the states involved, linked Buffalo with Chicago via Cleveland, but service was stopped when it became clear that the state support would not be forthcoming.

Meanwhile, Amtrak has agreed to operate two more experimental services: one that would connect with the Mexican railway system at Laredo via Little Rock and the other to serve the San Joaquin Valley in California. Funds were appropriated for these new routes, but the money was impounded.

The latest area to receive Amtrak service is between Spokane and Seattle on the old Great Northern route (via Wenatchee). This was achieved by rerouting the North Coast Hiawatha trains to a route previously without Amtrak service. In the process, the rerouting also decreased running time, which should help improve service and revenues throughout all areas served by these trains.

Additional experimental routes would be provided under the Amtrak legislation recently passed by the Senate. This change in the law would require the institution of at least one new experimental route each year, to be operated for at least a two-year trial period. These mandated experimental routes are to be selected by the Secretary of Transportation, and the effect would be to add another impetus toward system expansion. A similar provision has been ordered reported by the House Commerce Committee's Transportation Subcommittee.

Mention should also be made of expansions of service offered on existing routes. These involve adding trains or increasing the frequency of service. On some Amtrak lines the number of trains daily has been decreased, but as a general rule the trend has been in the other direction. All the service changes made since Amtrak issued its first timetable would be too complex to identify and list, but two aggregate figures show that the trend has been toward expansion of service. Our first timetable, which took effect May 1, 1971, listed 184 separate Amtrak trains. Under our current (June 10) timetable 245 trains are being operated. Total train miles operated per month also show an increase. Amtrak began calculating the total number of train miles operated in September 1971, after many services, including the southern Montana route, had already been added to the May 1, 1971, system. Based on weekly data beginning in September 1971, service then being operated amounted to approximately 2,001,000 train miles per month. The corresponding figure for train miles operated in March of this year is 2,380,164.

If service is eliminated on the several routes as recommended by the Department of Transportation, there will, of course, be a corresponding reduction of route miles and train miles but the system would still be larger in terms of train miles than the May 1971 Amtrak system. The decision of whether or not to make the recommended changes is, of course, not Amtrak's alone. Congress, the Department of Transportation, and the Administration will have an important role to play as well as the Interstate Commerce Commission.

In time, our operating results will no doubt indicate the desirability of other changes to the Amtrak system. These changes may involve routes as well as train frequencies. In general our indications to date are that changes in service will on balance involve more expansion than contraction. In this regard, however, it is necessary that Amtrak be allowed to keep the flexibility to adjust services to maximize ridership.

We feel that our operations have shown that much potential exists for rail passenger service, if the service is operated attractively. Because of the limits to growth facing other modes of travel, we expect that rail service will become even more important in the future.

Although the trends we can now observe indicate an expanding role for intercity passenger trains, the problems we face today continue to indicate that we should build carefully.

It is precisely because we see these possibilities that we believe an attempt to build too quickly or carelessly could prove counterproductive to the nation's future needs and to Amtrak's ultimate success.

Best regards,

Sincerely,

GERALD D. MORGAN,
Vice President,
Public and Governmental Affairs.

ATTACHMENT 2

BOARDINGS AND DEBARKINGS IN MONTANA, 1972

Months	Boardings and debarkings in Montana			Total on/off for Minneapolis/Seattle section	Montana as percent of total on's/off's	Total riders Minneapolis/Seattle section
	On[1]	Off	Total			
Train No. 7—Empire Builder, westbound:						
January	2,118	1,496	3,614	19,222	18.8	9,611
February	2,116	1,224	3,340	15,428	21.6	7,714
March	1,989	1,591	3,580	18,406	19.5	9,203
April	1,051	887	1,938	12,708	15.3	6,354
May	1,067	1,215	2,282	13,948	16.4	6,974
June	1,599	2,344	3,943	23,816	16.6	11,908
July	1,891	3,185	5,076	28,340	17.9	14,170
August	2,000	2,477	4,477	27,294	16.4	13,647
September	1,122	1,121	2,243	15,216	14.7	7,608
October	1,000	1,091	2,091	14,292	14.6	7,146
November	1,314	1,237	2,551	15,742	16.2	7,871
December	2,092	1,962	4,054	23,760	17.1	11,880
Total for year	19,359		39,189	228,172	17.2	114,086
Train No. 8—Empire Builder, eastbound:						
January	1,525	2,083	3,608	19,996	18.0	9,998
February	1,242	2,027	3,269	16,222	20.2	8,111
March	1,583	1,934	3,517	19,874	17.7	9,937
April	1,030	1,116	2,146	14,750	14.6	7,375
May	1,504	1,500	3,004	15,096	18.9	7,953
June	1,825	1,748	3,573	23,396	15.3	11,698
July	2,638	1,616	4,254	27,846	15.3	13,293
August	3,106	1,933	5,039	30,804	16.4	15,402
September	1,375	914	2,289	17,278	13.2	8,639
October	1,084	1,048	2,132	15,248	14.0	7,624
November	1,314	1,600	2,574	17,098	15.1	8,549
December	2,850	2,300	4,150	25,952	16.0	12,976
Total for year	20,076		39,555	244,370	16.2	122,185
Train No. 9—North Coast Hiawatha, westbound:						
January	1,444	1,558	3,002	6,426	46.7	3,213
February	956	892	1,848	4,140	44.6	2,070
March	884	1,003	1,887	4,544	41.5	2,272
April	860	864	1,724	4,180	41.2	2,090
May	914	885	1,799	4,354	41.3	2,177
June	1,096	1,503	2,599	6,906	37.6	3,453
July	1,707	1,986	3,693	10,780	34.3	5,390
August	1,818	1,628	3,446	11,184	30.8	5,592
September	1,204	1,153	2,357	6,418	36.7	3,209
October	729	769	1,498	4,304	34.8	2,152
November	833	799	1,632	4,614	35.4	2,307
December	1,505	1,577	3,082	8,518	36.2	4,259
Total for year	13,950		28,567	76,368	37.4	38,184
Train No. 10—North Coast Hiawatha, eastbound:						
January	1,045	1,039	2,084	5,366	38.8	2,683
February	703	999	1,702	4,342	39.2	2,171
March	853	872	1,725	4,678	36.9	2,339
April	706	723	1,429	3,800	37.6	1,900
May	997	1,041	2,038	4,728	43.1	2,364
June	1,618	1,336	2,954	7,306	40.4	3,653
July	1,650	1,279	2,929	8,036	36.4	4,018
August	2,172	1,595	3,767	9,690	38.9	4,845
September	1,185	1,066	2,251	5,778	40.0	2,889
October	973	901	1,874	4,514	41.5	2,257
November	844	821	1,665	4,132	40.3	2,066
December	1,508	1,387	2,895	6,944	41.7	3,472
Total for year	14,254		27,313	69,314	39.4	34,657

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[1] This column represents Montana ridership as distinct from "Traffic" (on/off) and can be compared directly with total ridership figures in the last column.

ATTACHMENT 2

BOARDINGS AND DEBARKINGS IN MONTANA, 1973

Months	Boardings and debarkings in Montana			Total on/off for Minneapolis/ Seattle section	Montana as percent of total on's/off's	Total riders Minneapolis/ Seattle section
	On[1]	Off	Total			
Train No. 7—Empire Builder, westbound:						
January	[2] 1,503	[2] 1,372	2,875	15,504	18.5	7,752
February	1,566	1,172	2,738	13,026	21.0	6,513
March	1,345	1,294	2,639	14,614	18.1	7,307
April	1,254	1,037	2,291	14,026	16.3	7,013
Year to date	5,668		10,543	57,170	18.4	28,585
Train No. 8—Empire Builder, eastbound:						
January	[2] 1,284	[2] 2,094	3,378	16,832	20.1	8,416
February	1,041	1,592	2,633	13,712	19.2	6,856
March	1,438	1,387	2,825	16,420	17.2	8,210
April	1,181	1,257	2,438	15,404	15.8	7,702
Year to date	4,944		11,274	62,368	18.1	31,264

Months	Boardings and debarkings in Montana			Total on/off for Minneapolis/ Seattle section	Montana as percent of total on's/off's	Total riders Minneapolis/ Seattle section
	On[1]	Off	Total			
Train No. 9—North Coast Hiawatha, westbound:						
January	[2] 797	[2] 951	1,748	5,140	34.0	2,570
February	635	655	1,290	3,980	32.4	1,990
March	725	775	1,500	3,920	38.3	1,960
April	752	701	1,453	3,954	36.7	1,977
Year to date	2,099		5,991	16,994	35.3	8,497
Train No. 10—North Coast Hiawatha, eastbound:						
January	[2] 1,149	[2] 829	1,978	4,962	39.9	2,481
February	638	659	1,297	3,314	39.1	1,657
March	814	749	1,563	3,692	42.3	1,846
April	817	795	1,612	4,056	39.7	2,028
Year to date	3,189		6,450	16,024	40.3	8,012

[1] This column represents Montana ridership as distinct from "Traffic" (on/off) and can be compared directly with total ridership figures in the last column.

[2] Detail in the January reports is estimated. The January computer printouts are missing, and a replacement copy has been requested from the Burlington Northern. The figures in the "Total Riders" column are actual, not estimated.

ATTACHMENT 3

APRIL 1973: TOTAL BOARDINGS AND DEBARKINGS AT MONTANA STOPS

	Train No. 7, Empire Builder, westbound			Train No. 8, Empire Builder, eastbound			Totals for Empire Builders, eastbound and westbound		
	On	Off	Total	On	Off	Total	On	Off	Total
Wolf Point	118	75	193	92	120	212	210	195	405
Glasgow	130	91	221	99	171	270	229	262	491
Malta	64	38	102	104	80	184	168	118	286
Havre	231	287	518	305	202	507	536	489	1,025
Shelby	101	79	180	101	104	205	202	183	385
Cut Bank	61	58	119	49	98	147	110	156	266
Browning	49	20	69	14	33	47	63	53	116
Glacier Park	11	17	28	34	15	49	45	32	77
Belton	7	13	20	11	0	11	18	13	31
Whitefish	371	304	675	302	347	649	673	651	1,324
Libby	109	55	164	70	87	157	179	142	321
Troy	2	0	2	0	0	0	2	0	2
Total	1,254	1,037		1,181	1,257				

	Train No. 9, North Coast Hiawatha, Westbound			Train No. 10, North Coast Hiawatha, Eastbound			Totals for North Coast Hiawathas, Eastbound and Westbound		
	On	Off	Total	On	Off	Total	On	Off	Total
Glendive	96	52	148	52	111	163	148	163	311
Miles City	95	31	126	56	80	136	151	111	262
Forsyth	16	37	52	19	21	40	35	58	93
Billings	214	150	357	216	241	457	430	391	821
Livingston	56	38	94	66	69	135	122	107	229
Bozeman	46	101	147	129	38	167	175	139	314
Butte	114	87	201	107	110	217	221	197	418
Deer Lodge	5	6	11	7	14	21	12	20	32
Missoula	95	186	281	151	100	251	246	286	532
Paradise	15	13	28	14	11	25	29	24	53
Total	752	701		817	795				

Source: National Railroad Passenger Corp., June 26, 1973.

Mr. SCOTT of Pennsylvania. Mr. President, I yield back my time.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, the Senator from South Dakota (Mr. McGOVERN) is recognized for not to exceed 15 minutes.

AN END-THE-WAR AMENDMENT

Mr. McGOVERN. Mr. President, yesterday I submitted for myself and the distinguished senior Senator from Oregon (Mr. HATFIELD) an amendment to the Economic Foreign Assistance bill which is scheduled to be marked up by the Committee on Foreign Relations today and tomorrow. Indeed, the committee is meeting on that matter at this moment, for I just came from the committee room.

Our proposal is only one sentence in length. I read it verbatim:

> No funds authorized or appropriated under this or any other law may be expended after the date of enactment of this act to finance military or paramilitary operations by the United States in or over Vietnam, Laos, or Cambodia.

It is difficult for me to believe that it was three years ago that Senator HATFIELD and I teamed up in sponsoring an end-the-war amendment.

The purpose of our amendment is to put the Senate on record again for an immediate end to the bombing in Indochina. On June 29 the Congress declared that the bombing of Cambodia must end no later than August 15. The Senate and the House had both voted earlier for an immediate end to the bombing, but that measure was promptly vetoed by Mr. Nixon. We then passed the August 15 cutoff since the President promised to sign it into law. He has done so. Thus, the bombing outrage in Cambodia can not continue past the middle of next month.

But I pointed out at the time of the Senate vote that after the August 15 deadline was signed into law, we should continue to press the President to end the bombing now. There is no legal, moral, or military justification for the bombing of Cambodia.

We were wise to get a veto-proof deadline enacted. But we can and must take other measures to end the bombing now.

The new law does not relieve the pressure for an immediate end to the bombing. On the contrary, it makes such action all the more necessary. What earthly purpose can this continued bombing serve?

To inspire the Cambodian insurgents to negotiate?

In October of 1969, the then Secretary of Defense, Hon. Melvin Laird, spoke about the war in Vietnam at the AFL–CIO Convention in Atlantic City, N.J. He discussed the idea of a fixed timetable for withdrawal from that conflict, and said:

> Any hope of progress in the Paris talks would evaporate. Knowing that American troops would be removed by a certain day, the Communist negotiators would be even more inclined to yield nothing and more encouraged to wait us out.

In August of 1970, when the first McGovern-Hatfield amendment was pending in the Senate, Vice President AGNEW devoted an entire speech before the Veterans of Foreign Wars Convention to an attack on the idea of a cutoff date for our involvement in Vietnam. This is part of what he said:

> First, the amendment would be a final lethal blow to the Paris peace talks. Any vestige of hope that the enemy will negotiate with Ambassador Bruce at Paris would disappear overnight—for the last incentives for the enemy to talk seriously would be gone. He would have gotten what he came to Paris to get—a fixed final timetable for all Americans to get out of South Vietnam. Why should the enemy offer concessions to the United States for something Senators HATFIELD and MCGOVERN and their allies will give him free of charge in 4 months?

In a press conference in April of 1971 President Nixon himself addressed the same issue:

> Once you set a date, in other words, when we say in effect to the enemy, "we quit, regardless of what you do," then we destroy any incentive the enemy might have to negotiate.

With respect to Cambodia, that is precisely what the Congress has done, this time with the acquiescence of the President. So the President's own prior statements remove any defense he might have for bombing now that he has accepted an August 15 deadline.

With respect to Vietnam, when we offered proposals to end our involvement by a date certain, no one ever suggested that we could get a more satisfactory settlement for Saigon by getting out. And surely no one now seriously entertains such a view of the Cambodian conflict.

Instead, what we have done is to make a determination that the ultimate resolution of that conflict is none of our affair. We have decided against another Vietnam—against another decade of costly struggle to establish an American answer to an Asian difference which does not involve our own safety. And by the administration's own logic, repeated so faithfully so many times in recent years, it is simply ludicrous to send Dr. Kissinger scurrying about the world in search of a settlement when by the administration's own logic his bargaining power ended with the setting of a deadline.

What reason can be found for this continued, murderous bombardment?

By adopting the August 15 deadline, we may have given Mr. Nixon one last chance to save face, and to avert a constitutional crisis.

But I submit that the constitutional crisis remains. It is no less compelling than it was before. This administration still has us involved in a war in Cambodia without the slightest trace of authorization from the Congress. And if we cannot deal with that situation, then what business do we have asking the American people to take us seriously when we talk about restoring the proper constitutional role of this body?

This is the important point to understand. It is clear that no new authority was granted by the compromise amendment we adopted on June 29 setting August 15 as a deadline for the termination of bombing. It was not an authorization to bomb. It was a requirement that that bombing be ended on or before August 15. It is restrictive, not permissive. It does not say that funds may be used before August 15 to bomb in Cambodia. At no time has the Congress ever given such authority. It says no funds may be used after that date. And since both Houses have approved an immediate cutoff—which the President vetoed—there is clearly no implied congressional consent for bombing in the fact that we seized on the only measure the President had indicated he would sign.

It should not be forgotten that both the House and the Senate voted by very clear margins for the termination of the war in Cambodia by an August 15 deadline. This was the only measure that the administration has indicated it would sign into law.

So there is no new authority. There is no Gulf of Tonkin resolution. There is no treaty commitment to the Lon Nol government. There are no American troops to protect; no warrant or reason to invoke again the curious doctrine of protective reaction. We are left with nothing more than Ambassador-designate William Sullivan's rationale before the Foreign Relations Committee some weeks ago:

> For now, I'd just say the justification is the reelection of President Nixon.

But it hardly needs to be said that an electoral victory—no matter how big—does not amend the Constitution. The outcome last November certainly does not excuse any of us from our sworn duty to uphold the law now.

Some may believe that we have an obligation to stick with the August 15 date because it represents a genuine compromise with the White House—an agreement that in exchange for the President's signature on that proposal, we would forgo any further action.

During the debate I specifically took the floor to make it clear that I for one intended to support the August 15 deadline in order to get a veto-proof bill signed into law by the President, but that I would move at the very next appropriate time, and perhaps on several occasions, to continue offering an amendment calling for an immediate termination of the war notwithstanding the risk of whatever veto was involved.

There is no risk in our present August 15 deadline. There was no agreement of that kind. Had there been, the amendment would not have had my support, and I suspect it would have been rejected by a majority of the Senate.

But if any Member is worried about this, let him consider how seriously the administration takes its own commitment—one that was explicitly pledged.

We were assured that there would be no escalation of the bombing in the interval between the day the deadline was enacted and the day it was to take effect. Just 3 days later, there was a 50-percent increase in fighter-bomber sorties in Cambodia.

It may be that the escalation was planned and in progress before the agreement was made. It may have continued due to poor communications between Washington and commanders in the field.

But it occurred nonetheless. And if that represents the effort of the administration to pursue a public obligation to the Congress, then who among us still feels obliged to stand silent in face of a policy that makes no sense?

So the August 15 deadline is not a commitment of the Congress. Its adoption did not resolve the constitutional crisis. And the bombing that continues today will not hasten an agreement among Cambodian adversaries tomorrow.

It will accomplish only one result—the same painful result that we have inflicted upon the people of Southeast Asia for more than a decade. For it has been true throughout this long conflict, and it is true now, that the principal victims of those air strikes are not enemy soldiers but innocent civilians.

At this moment, Phnom Penh is on its way to becoming another Saigon, swollen with people seeking refuge from the fierce bombardment of the countryside. That is the fate of those who escape the rain of terror from the sky. But, thousands more—we do not know how many because we still do not count civilian casualties—are slaughtered or maimed or orphaned or diseased or left to carry the scars of a few weeks more of bombing for the rest of their lives. They do not escape. And surely they must wonder: If it makes no difference anyway, why can they not end it now?

Does anyone think that preserving what remains of the President's face on this issue is more important than saving limbs and lives? Can we not recognize the futility as well as the tragedy of ceaseless bombing between now and August 15?

This issue remains the most urgent responsibility of the Congress. We cannot leave it alone.

I hope, for the sake of human decency alone, we will do everything in our power to end the slaughter and to close at last these years of national anguish.

Finally, I hope the Senate will approve this proposal without delay. And if the President resists, I hope we will continue to act until we reach the deadline that is now law. We should do so with the knowledge that for each day we move that deadline closer, we prevent the waste of precious American resources and precious Asian lives. And we uphold our own most solemn oath—"to support and defend the Constitution of the United States."

Mr. President, I yield the floor.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes.

ENROLLED BILL SIGNED

The PRESIDENT pro tempore on today, July 12, 1973, signed the enrolled bill (H.R. 7528) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Report of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret supplemental report on U.S. assistance for the economic development of the Republic of Korea (with an accompanying report). Referred to the Committee on Government Operations.

ORDER FOR STAR PRINT OF SENATE REPORT NO. 93-300

Mr. DOMINICK. Mr. President, on behalf of myself, Mr. Taft, and Mr. Beall, I ask unanimous consent that a star print of the committee report on S. 1861 be prepared and available for each Senator prior to the floor debate on S. 1861 next week. The report (No. 93-300) contains a number of printing errors affecting the substance of the minority views.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. Res. 140. Resolution authorizing additional expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. JACKSON (for Mr. Bible), from the Committee on Interior and Insular Affairs, with amendments:

H.R. 6717. An act to amend section 210 of the Flood Control Act of 1968 (Rept. No. 93-312).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. MANSFIELD (for Mr. Fulbright), from the Committee on Foreign Relations:

Ernest V. Siracusa, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Uruguay.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. EASTLAND (for himself, Mr. Stennis, Mr. Allen, and Mr. Abourezk):

S. 2150. A bill to amend Public Law 92-181 (85 Stat. 383) relating to credit eligibility for public utility cooperatives serving producers of food, fiber, and other agricultural products. Referred to the Committee on Agriculture and Forestry.

By Mr. ALLEN (for himself and Mr. Sparkman):

S. 2151. A bill to amend the Wild and Scenic Rivers Act by designating a certain river in the State of Alabama for potential addition to the national wild and scenic rivers system. Referred to the Committee on Interior and Insular Affairs.

By Mr. SAXBE:

S. 2152. A bill to amend title 10, United States Code, to limit, and to provide more effective control with respect to, the use of Government production equipment by private contractors under contracts entered into by the Department of Defense and certain other Federal agencies, and for other purposes. Referred to the Committee on Armed Services.

By Mr. MONTOYA:

S. 2153. A bill to amend the Bilingual Education Act to provide for a requirement of matching funds for projects assisted under this act. Referred to the Committee on Labor and Public Welfare.

By Mr. HATFIELD:

S. 2154. A bill to authorize the payment of a pension to veterans of the Philippine Jolo Jolo Campaign and the Cuban Pacification Campaign and to the widows and children of such veterans, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. WEICKER:

S. 2155. A bill relating to collective bargaining representation of postal employees. Referred to the Committee on Post Office and Civil Service.

By Mr. HARTKE:

S. 2156. A bill for the relief of Ray D. Bolander Co., Inc. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 2157. A bill to authorize the burial of the remains of Matthew A. Henson in the Arlington National Cemetery, Va. Referred to the Committee on Veterans' Affairs.

By Mr. HARTKE:

S. 2158. A bill to amend the Wild and Scenic Rivers Act by designating Big Pine Creek and its tributaries within Warren County, Ind., as potential additions to the national wild and scenic rivers system. Referred to the Committee on Interior and Insular Affairs.

By Mr. BROCK:

S. 2159. A bill to amend the Federal Election Campaign Act of 1971, and for other purposes. Referred to the Committee on Rules and Administration, and then the Committee on Finance, if and when reported, by unanimous consent.

By Mr. PERCY (for himself, Mr. Brock, Mr. Javits, and Mr. Moss):

S. 2160. A bill to reorganize and consolidate certain functions of several Federal agencies and departments in a new Criminal Justice Services Administration in the Department of Justice to promote more effective operations and management of the Federal System of criminal justice. Referred to the Committee on Government Operations.

By Mr. PERCY (for himself, Mr. Brock, Mr. Mathias, Mr. Moss, and Mr. Taft):

S. 2161. A bill relating to the employment and training of criminal offenders, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. PERCY (for himself, Mr. Javits, Mr. Mathias, and Mr. Moss):

S. 2162. A bill relating to voting rights of former offenders. Referred to the Committee on the Judiciary.

By Mr. PERCY (for himself, Mr. Javits, and Mr. Moss):

S. 2163. A bill relating to parole of offenders. Referred to the Committee on the Judiciary.

By Mr. PERCY (for himself, Mr. Javits, and Mr. Moss):

S. 2164. A bill relating to the parole of certain District of Columbia offenders. Referred to the Committee on the District of Columbia.

By Mr. ABOUREZK:

S. 2165. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the petroleum industry. Referred to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 2166. A bill to authorize the disposal of opium from the national stockpile. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. EASTLAND (for himself, Mr. Stennis, Mr. Allen and Mr. Abourezk):

S. 2150. A bill to amend Public Law 92-181 (85 Stat. 383) relating to credit eligibility for public utility cooperatives serving producers of food, fiber, and other agricultural products. Referred to the Committee on Agriculture and Forestry.

Mr. EASTLAND. Mr. President, earlier this year the Congress passed and the President signed legislation designed to give the rural electric cooperatives a practical and increased access to the private money market for capital.

Until this amendment was enacted, the rural electric cooperatives operated under the original 1936 REA act which provided loans directly out of the U.S. Treasury. The recent amendment replaced this traditional 2-percent loan program with an insured loans program and a guaranteed loans program both to be administered by the existing Rural Electrification Administration at higher interest rates.

It goes without saying, of course, that insured and guaranteed loans can function only to the extent that the cooperatives are able to obtain private capital for the loans that are to be insured or guaranteed.

Also, the basic idea of moving the rural electric cooperatives from dependence upon Government insurance and guarantees is valid only to the extent that the co-ops can develop nongovernment capital sources. Thus, in the interest of making this program work effectively, it is imperative that the co-ops have adequate access to private funds.

This bill to amend Public Law 92–181 (85 Stat. 383) is designed to facilitate the movement of the rural electric cooperatives into the private market for capital. Under the existing Public Law 92–181 (85 Stat. 383) rural electric cooperatives are restricted in their use of the Banks for Cooperatives which operate under the Farm Credit Act of 1971. They are prohibited from getting such loans if 20 percent of their members are nonfarmers.

This is unfair. It does not take into account the changing character of the rural community in which farmers must operate today. A rural electric has no alternative but to serve all the consumers of the community. And it is to the farmer's interest to have such area coverage service since he, being the most distant to reach, is likely to be the first to be cut off in case of lack of construction capital.

Adequate capital for the cooperatives serving farmers is a matter of national interest. In this day when consumers have good reason to be concerned how their agricultural plant is functioning, power for food and fiber production is a critically needed item.

Mr. President, the bill I introduce today is designed to assist in accomplishing these worthy objectives. It will make more of the needy rural electric cooperatives eligible for private financing.

I hope the committee and Senate will take early and favorable action.

By Mr. SAXBE:

S. 2152. A bill to amend title 10, United States Code, to limit, and to provide more effective control with respect to, the use of Government production equipment by private contractors under contracts entered into by the Department of Defense and certain other Federal agencies, and for other purposes. Referred to the Committee on Armed Services.

CONTROLLING GOVERNMENT PRODUCTION EQUIPMENT

Mr. SAXBE. Mr. President, today I am introducing a bill that follows a recommendation of several congressional committees and the General Accounting Office that the Department of Defense reduce its holdings of industrial equipment and facilities. Several years ago, the Department of Defense established a policy of selectively reducing the amount of Government-owned industrial equipment in the possession of contractors. DOD has made significant reductions within the bounds of the legislation available. However, to facilitate the disposal program more definitive legislation is necessary. I am hopeful that the bill I am introducing today will allow this selective disposal of Government equipment to continue in a more efficient fashion without destroying production lines that are needed for current and future defense requirements.

At present, the sale of industrial equipment is limited by existing legislation to competitive public sales unless the Government owns the land and buildings where the equipment is housed. Disposal of this equipment by competitive sale will not preserve the production capability as needed. Currently, there are approximately 500 plants where it is not necessary to own the production equipment although we must assure that the existing productivity and capability is maintained.

In the last Congress, Mr. GUBSER introduced a bill that would assure our capability but eliminate the requirement of Government ownership of industrial equipment. In this Congress he again introduced the same bill that I present today as H.R. 611. The legislation authorizes such negotiated sales to the using contractor. This legislation was recommended by the House Armed Services Committee and passed by the House by a two-thirds majority in the last Congress.

The following is an outline of the benefits of the legislation should it be passed and signed into law; first, there would be a reduction in the property management costs to DOD. Second, there would be savings to the Government in the reduction of equipment rebuilding, modernization, and abnormal maintenance costs. Third, the equipment sold would become part of the State and local tax base for all tax purposes since it would be privately owned. Fourth, proceeds from such sales would be returned to the U.S. Treasury. Fifth, private ownership of this equipment would give contractors more flexibility in the management of their production resources which should increase their efficiency. Sixth, and most important, this productive equipment would continue available to meet defense requirements without the necessity of continued governmental ownership.

I am hopeful, that my colleagues here in the Senate will agree with the House of Representatives that this bill should be passed as quickly as possible.

By Mr. MONTOYA:

S. 2153. A bill to amend the Bilingual Education Act to provide for a requirement of matching funds for projects assisted under this act. Referred to the Committee on Labor and Public Welfare.

NEED FOR INCREASING BILINGUAL EDUCATION PROGRAMS

Mr. MONTOYA. Mr. President, today I want to take a few minutes to discuss a serious inequality in education, the Federal legislation with which we tried to correct that inequality, and the failure of that legislation to do the job.

At the same time, Mr. President, I wish to offer an amendment which I hope will make a difference in the future.

Between five and seven million American children are the victims of a terrible and crippling affliction in America today: they are poor and they speak a language other than English. They speak Spanish, or French, or Chinese, or one of the Indian languages, or some other national-origin language.

We call them "bilingual children"—although that is really only wishful thinking on our part. What we mean is that we hope they will become bilingual. We hope that they will learn to read and write and speak in two languages instead of one; then they would be bilingual. Failing that, we too often try to make them fluent in English, the language of the majority, and ask them to forget the language of their home, their community, and their heritage. We not only ask them to make that sacrifice, but we usually ask that they do it overnight when they are 6 years old. Of course that kind of mental miracle seldom happens. So they fail for the first time at age 6.

Unfortunately, we have not been willing yet to make the effort necessary to provide the kind of education which would make these children truly bilingual. That would require bilingual teachers and bilingual teaching materials which we do not have. It would require an investment both of time and money on the part of schools and school boards and educators and government at both the State and Federal levels. It would require the full commitment and cooperation of a great many people.

Without that special effort these children will never learn two languages or be truly bilingual. Instead, if the record of the past continues, they will not learn to read or write well in any language at all. They will be tomorrow's educational cripples, and their injuries will have been sustained in America's school systems.

In the past we ignored such children, because we did not understand their need or know how to help them. We do know how today, but it is as though we have decided that these children are not worth the effort. They have become what David Selden of the American Federation of Teachers, calls marginal children. In talking about children in America who do not receive an adequate or equal educational opportunity, he says:

> Marginal children are those barely worth educating, just as marginal products are those barely worth producing. Those who fall below that line—the submarginal ones—are rejected or discarded . . . except that humans do not disappear, they become part of our unemployment, welfare, crime and riot statistics.

Those words are especially appropriate to the bilingual child. He is usually segregated both socially and spatially in America. That means he lives in a barrio or a ghetto and is separated from the majority group in every way. He is made to feel unequal and unwelcome, and the most cruel tool we use against him is the school system which promises education and only delivers frustration.

We have known for at least 20 years what had to be done. Early experimental programs in schools in Florida and Texas proved that a bilingual-bicultural program not only could educate these children so that they learned in both their own language and in English, but that it could provide a valuable educational asset to English speaking children who could develop bicultural and bilingual knowledge through participating in such a program.

From that kind of educational opportunity both groups of children benefited and progressed at rates equal to or superior to those of children in standard classes. Recent studies have confirmed these early results where a true bilingual program was in operation.

But although educators have known how to teach these children, and State and Federal officials have heard what was needed many times, we have only just begun to solve the problem for the millions of children who are waiting.

Like others, Mr. President, I have come here many times to ask for help in providing the kind of education support for these minority children which will work.

Since 1967, when Congress first passed title VII of the Elementary and Secondary Education Act—the Bilingual Education Act—there has been a continual effort by those of us who are aware of the need to improve these programs, to expand these programs, and to encourage our colleagues to help us make good on our commitment. But if we are honest with ourselves, Mr. President, we must admit that we have failed.

Bilingual education in the United States is still a series of undernourished and limited programs. After more than 5 years, we are still reaching only 2 percent of those youngsters who are suffering educational deprivation and cultural assault. The history of bilingual education is a history of need not met and commitments not kept. The Federal legislation recognizes a great wrong which we need to make right. We know the right way to do the job. But we have never succeeded because we have never funded this part of our Federal education program with more than the tiny fraction necessary to keep the idea alive.

For the Mexican-American children of the Southwest, for the Puerto Rican children of Boston and New York and Chicago, for the Cuban refugee children in Florida, for the French speaking children of Louisiana and Maine, for the Indian children on reservations, and for all the other ethnic Americans who are born into families which speak a language other than English and live in communities which cherish a different heritage, this has meant the highest drop-out rates, the lowest median income as adults, and the kind of psychological and educational damage which permanently scars lives.

The educational handicaps of these minority Americans are reflected in the statistics of the Department of Education and the Department of Labor. For our Spanish speaking population—which is larger than the population of 15 Spanish speaking nations—the median number of years of schooling is only 9, while it is 12 for the total population. That translates, of course, to an average income which is only 70 percent of that of the total population. It translates to an unemployment rate almost double that of the rest of the Nation. It translates to a continuing isolation and poverty, and to the cultural exclusion which leads to wasted lives.

Because my State, New Mexico, is a State with more than half its students minority children, and 40 percent of its students Spanish-speaking children, I know the problems of these children well. I know that in the five Southwestern States with the highest number of Mexican-American children only a little more than 6 percent of the schools offer any bilingual program at all, and less than 3 percent of the children who need these programs are ever reached. Not even 1 percent of the teachers in southwestern schools teach bilingual courses, and less than one-half of 1 percent have had even 6 semester hours of training for bilingual teaching.

Even more tragic is the fact that the few Mexican-American history courses taught in these schools reach less than 3 percent of the elementary students and less than 1 percent of the high school students who are Mexican Americans. Therefore very few of these students are ever allowed to develop the pride in their heritage or the feeling of equal importance in the development of their Nation which every American child deserves. Try to imagine, Mr. President, those statistics translated to other kinds of American history: a school in New England where only 3 percent of the children ever read about Plymouth Colony, or a school in the Northwest where only 1 percent of the high school students studied the Lewis and Clark Expedition.

Imagine parents who never receive a PTA notice or a report card or a note from the teacher written in a language they can read. That happens to 90 percent of the Mexican American families in the Southwest.

Imagine a 6-year-old whose first day in school is spent trying to understand why no one speaks a word he can understand and why he is punished or shamed if he tries to communicate in the language he has learned from his family at home. That happens to millions of Spanish-speaking children. In more than one-third of the schools of the Southwest children are still punished for speaking Spanish on the school ground or in class.

That kind of exclusion—exclusion from your own language, from your own culture, from your own community—results in reading levels below grade for more than half of the Mexican-American children in fourth grades and for 64 percent of those in eighth grades. It results in 3 times as many Mexican-American children repeating first grade and 2½ times as many repeating fourth grade. It results in children being placed in classes for the "retarded" because they cannot take an intelligence test in English which is given to them by a teacher who probably could not pass the same test in Spanish.

It results in children who fall further and further behind every year, as they become illiterate or functionally illiterate in both languages. They never have the chance to learn to read and write in the language they speak at home, and they are never able to learn to read and write in the language of schools which try to force them into the mold of the middle-class child in the majority group.

We know that when a child is 5 or 6 years old and has learned to think and make sounds in one language, he is ready to learn to read and write in that language. We call that "reading readiness." But if we switch languages on that child suddenly, and at the same time make him feel ashamed of all that he has learned so carefully and proudly up to that time, he loses his reading readiness and suffers damage to his personality which is irreparable.

For too many children in America that happens every day, and we should not be surprised at the resulting drop-out rates in our bilingual communities.

In Boston over one-half of the 10,000 Spanish speaking students are not in school at all, according to an estimate made by the Task Force on Children Out of School.

In New York City 23 percent of the school enrollment is Puerto Rican, but between 10th grade and 12th grade more than one-half of them drop out.

In Chicago the drop-out rate for Spanish speaking students is estimated to be 60 percent.

In Newark, in a 1969 report, only 96 Spanish speaking students were in the 12th grade, although there were nearly 8,000 in the school system.

In the five Southwestern States, while 75 percent of the Mexican American children are in school, only one-third of those of high-school age are still there. The dropout rate averages 40 percent.

The statistics which illustrate the neglect of these children are available to all of us. They illustrate too clearly that we have not yet really begun to alleviate the shame of an educational system which denies millions of American children the right to perform up to their ability.

But the Bilingual Education Act has "unfavored legislation status" with this administration. We are going to have to fight to retain even the small $35 million of 1972's appropriation. Last year, after a Presidential veto of the $60 million appropriation, the program was funded at $41 million in a continuing resolution. However, the administration has refused to spend more than the $35 million of the President's original request.

For fiscal year 1973 the Office of Education is funding 217 programs. They have refused 118 others because there was no increase in spending allowed. More than 122 programs were not even considered for funding. Thus only a tiny fraction—147,000—of the millions of children in need were served this year. If the administration's suggested budget cut were to be accepted only 141,000 children could be served next year. Only 211 programs would be funded in fiscal year 1974 under that proposal.

We cannot allow that to happen. These children are caught in a budget war they cannot understand or fight for themselves. We cannot go on, year after year, allowing a systematic denial of equal educational opportunity to more than five million American children. We cannot allow existing programs to be curtailed while inflation reduces the per pupil expenditure from the $296 of fiscal year 1972 to the expected $219 of fiscal year 1974.

Because we face again the real limitations of the budget and a real lack of effort on the part of the administration to either understand or improve the current Federal support program, those of us who are most concerned about bilingual education have explored other methods to increase interest and share responsibility for the needs of this minority.

It is becoming clear that wherever costs have been shared by several sources, school districts have been encouraged to begin new programs and to expand old ones. If they are assured of cooperative and long-term help by several levels of government, educators and school boards respond with enthusiasm. If States can be assured of continued Federal help on a shared cost basis they are encouraged to pass State legislation to help themselves. Without the fear that they will have to bear the entire cost alone, each group is more ready to move ahead.

In Massachusetts a new State law makes bilingual education mandatory wherever 20 or more students in a district speak another language than English. Illinois is now considering similar legislation. Other States would be more willing to make those decisions if they were assured of continued Federal support.

Many States are changing old laws which are discriminatory and are recognizing the short-sightedness of educationally crippling large segments of their own populations.

For this reason I believe the time is appropriate, Mr. President, to make the Federal Bilingual Education Act a shared-cost program. I am today introducing a bill to provide for a requirement of matching funds for projects assisted under this act. This will make the Federal Government a partner with other sources in providing increased bilingual education. The funding formula provides for a 75-percent Federal contribution to be matched with a 25-percent non-Federal contribution. By thus reducing the Federal percentage—but not the number of Federal dollars—we can increase the total amount we spend on bilingual education substantially. It will cost the Federal Government no more, will encourage action on the local level, and will mean an immediate increase in the number of programs.

The small amount of Federal money we authorize will only provide for 1 out of every 50 children who need bilingual education, but it will go much further if it can be increased by State or local money. Since the readiness for this kind of cost-sharing program varies from State to State, I propose that we allow for participation by a school district even if the State educational authority is as yet unable or unwilling to participate, or for some other reason does not contribute the non-Federal share.

I hope, Mr. President, that this new formula will provide the impetus to new programs, new legislation by the States, and new hope for the bilingual children of America. It will not totally solve their problem, of course. But it will at least be an affirmative and forward step toward removing the stigma of "the marginal child—the child not worth educating" from more than 5 million American children.

By Mr. WEICKER:

S. 2155. A bill relating to collective bargaining representation of postal employees. Referred to the Committee on Post Office and Civil Service.

Mr. WEICKER. Mr. President, today I am introducing a bill which would allow postal employees the freedom to choose their representatives in grievance and adverse actions. With the reorganization of the Postal Service in 1970, congressional intent was clearly expressed as to maintaining the status quo of all postal unions, at least during the transitional period. However, since that time, the Postal Service and the craft unions have negotiated provisions in their contracts that excluded smaller independent unions, such as the National Alliance of Postal and Federal Employees, from the right to effectively represent their membership in grievance and adverse actions.

This legislation would simply provide postal workers with the basic right to have a representative of their own choice represent them in grievance and adverse actions and would allow these representatives to be present in any such proceedings that are initiated by a postal employee. By insuring this fundamental right to postal workers, smaller independent unions will be able to remain a viable and effective labor force.

An identical bill has been introduced in the House by Congressman Clay, H.R. 7183, and I commend Mr. Clay for his initiative in this area. Mr. President, I ask unanimous consent that the full text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2 of the Act of August 12, 1970 (84 Stat. 719, 735; 39 U.S.C. § 1206(b)), is amended by adding at the end thereof the following sentence: "No procedures established under this section shall preclude employees from being represented in grievance and adverse actions arising under the agreement by representatives of their own choosing. In the event an employee selects a representative other than a bargaining representative recognized under section 1203 of this title the bargaining representative shall have the right to be present during any proceedings upon the grievance or adverse action."

By Mr. BEALL:

S. 2157. A bill to authorize the burial of the remains of Matthew A. Henson in the Arlington National Cemetery, Va. Referred to the Committee on Veterans' Affairs.

Mr. BEALL. Mr. President, I am introducing a bill that would permit the remains of Matthew A. Henson to be interred in the Arlington National Cemetery in Virginia.

Matthew Alexander Henson was both close friend and trusted associate to Admiral Peary during their historic trip to the North Pole. A courageous son of Maryland, Matthew Henson worked hard to overcome the limitations of his childhood and became the first person to locate and stand on top of the world. His dedication to the United States and his loyalty to Admiral Peary earned him the respect and admiration of the other members of the polar expedition. On November 18, 1961, former Maryland Governor, His Excellency J. Millard Tawes, dedicated a plaque in the Statehouse which reads:

> Matthew Alexander Henson, Co-Discoverer of the North Pole with Admiral Robert Edwin Peary, April 6, 1909. Born August 8, 1866, died March 9, 1955. Son of Maryland, exemplification of courage, fortitude and patriotism, whose valiant deeds of noble devotion under the command of Admiral Robert Edwin Peary in pioneer Arctic exploration and discovery, established everlasting prestige and glory for his State and country.

Mr. President, it was Matt Henson's dying wish that he be buried near his friend and leader, Admiral Peary. Among the numerous honors received by this valiant Marylander were a Congressional Medal, a citation from the Department of Defense, and a commendation from President Dwight D. Eisenhower.

In light of Matt Henson's achievements and his dedication to the service of his country, I think it is appropriate for us to authorize the transfer of his remains to Arlington National Cemetery even though he did not serve in the Armed Forces of the United States.

Mr. President, I ask unanimous consent that a biographical sketch of Matthew Henson be printed in the Record at the conclusion of my remarks followed by the articles entitled "Peary's Aide on Polar Dash Says Once Is Enough for Him" and "Matthew A. Henson Dies, Went to Pole With Peary."

There being no objection, the material was ordered to be printed in the Record, as follows:

Matthew Henson Memorial

This memorial tablet, unveiled and dedicated November 18, 1961, is located in the State House, Annapolis, Maryland, in the section which formerly (November 26, 1783, to August 13, 1784) was the Capitol of the United States of America.

MATTHEW (MATT) ALEXANDER HENSON

Matthew (Matt) Alexander Henson was born August 8, 1866, on a farm, the site of a former slave market, in Nanjemoy, Charles County, Maryland. Henson, the man destined to become the first person to locate and stand on the Top of the World, was born in virtual obscurity. Little is known of his early boyhood. Around the age of eleven, he ran away from Nanjemoy one night and walked to Washington, D.C. There, he divided his time between working in a restaurant operated by his aunt, Mrs. Janey Moore, and attending irregularly, the N Street Elementary School.

Henson left Washington at the age of thirteen, walked to Baltimore, Maryland, and located around the waterfront. Soon thereafter, as one without a home, he shipped as a cabin boy on a schooner under the command of a Captain Childs. This skipper taught him the rudiments of simple mathematics and navigation. The voyage carried him to China and return.

Returning to Washington, he found employment as a porter in a hat shop on Pennsylvania Avenue. One day, the then Lt. Robert E. Peary visited this store. He observed Matt Henson at work and became impressed with him. Matt was invited by Lt. Peary to join him on a canal surveying expedition to Nicaragua. Henson accepted.

When this mission was completed, Peary became interested in heading an expedition in search of the North Pole, which at that time, was the intensive objective of many nations. Henson accompanied Peary on each of his seven expeditions into the Arctic and Polar regions.

Matt saved Peary's life when he was attacked by an infuriated musk ox, and also on one occasion rescued him from starvation. He was chosen by Peary to be a member of the party of six to make the final dash to the Pole. Peary paid him this compliment—"He is my most valuable companion. I could not get along without him."

Overcome with exhaustion and crippled by the loss of most of his toes by frostbite, Peary sent Henson forward to make final observations and calculations, and await his arrival. Forty-five minutes later, Peary, driven up on his sled by four Eskimos, joined Henson. Peary's check confirmed the discovery of the North Pole.

90 N. LAT., NORTH POLE,
April 6, 1909.

Arrived here today, 27 marches from Cape Columbia.

I have with me 5 men: Matthew Henson, colored; Ootah, Eginwah, Seegloo and Ookeah, Eskimos; 5 sledges and 38 dogs.

The expedition under my command has succeeded in reaching the Pole . . . for the honor and prestige of the United States of America.

ROBERT E. PEARY,
U.S. Navy.

FROM LOG BOOK OF ADMIRAL PEARY

"This scene my eyes will never see again. Plant the Stars and Stripes over there, Matt, . . . At the North Pole."—Peary.

Aside from Peary, the leader of the expedition, Henson has been given most of the credit for the success of the discovery of the North Pole. This is because of his courage and daring, ability to withstand the most rigorous climate and exposure, mastery of the Eskimo language and their admiration of him, his skill in sled building, driving and igloo construction. These credits were accorded him by all the surviving members of the polar expeditions.

In recognition of his contributions, Mr. Henson was awarded the Master of Science degree by Morgan State College, and Howard University, a Congressional Medal, Life Membership in the Explorers Club, a medal from the Chicago Geographical Society, a citation by the U.S. Department of Defense, a commendation from President Dwight D. Eisenhower, at the White House, numerous medals and plaques from civic organizations.

On August 12, 1956, a memorial tribute to him was dropped on the North Pole from a U.S. Air Force plane by Afro-American Arctic Correspondent, Herbert M. Frisby, the author of this biographical sketch.

There is Henson Bay, in northwest Arctic Canada, named as a tribute to him.

Mr. Henson died March 9, 1955, in New York City. He is survived by Mrs. Lucy J. Henson, his widow.

Since his passing, he has been memorialized by His Excellency, J. Millard Tawes, Governor of Maryland, proclaimed April 6, 1959, the 50th Anniversary of the Discovery of the North Pole, as Matthew Alexander Henson Day in the State of Maryland.

By action of the Maryland General Assemblies in 1959 and 1961, provisions were made for the establishment of permanent memorials to Mr. Henson, one to be placed in the State House at Annapolis, and a small replica of the same on the campus of the Pomonkey High School, Charles County, both in Maryland.

(H. M. F.)

For further details see:

Henson, Matthew A.: *A Negro Explorer at the North Pole* (1912).

Life Magazine: *Discovery of the North Pole* (May 12, 1951).

MacMillan, Admiral Donald B.: *Matthew Henson:* Explorers Magazine, Fall 1955.

Peary, Admiral Robert E.: *The North Pole* (1910) (Contains 13 references).

Robinson, Bradley: *Dark Companion* (1947).

Frisby, Herbert M.: *Matt Henson Helped Discover North Pole,* Afro-American Newspapers, April 15, 1952.

From the collection of Herbert M. Frisby, 3403 Bateman Ave., Baltimore 16, Maryland.

[From the Washington Post, Apr. 7, 1954]

PEARY'S AIDE ON POLAR DASH SAYS ONCE IS ENOUGH FOR HIM

(By Matt McDade)

Another trip to the North Pole is absolutely the last undertaking that Matthew A. Henson would care to repeat in this world.

Forty-five years ago yesterday, Henson pushed to the top of the ice-capped world with Rear Adm. Richard E. Peary and four Eskimos. The party was the first and last to reach the Pole on foot. Henson, 87, a Maryland-born Negro, is the only living survivor

"Again? No, I've had enough," said Henson, who once remarked that a man who would go to the Pole for a pleasure trip would go to hell for pastime. "Nineteen years in the Arctic is enough for any man."

In the memory of the historic expedition, Henson and his wife came down from New York yesterday to visit President Eisenhower at the White House. They were accompanied by representatives of the National-Newspaper Publishers Association, which presented the President with a plaque for his championship of integration in the armed services and nonsegregation in Washington.

But it was primarily Henson's day. After the White House visit, he placed a wreath at Peary's grave in Arlington Cemetery, then dined at the Capitol.

Henson said his most vivid memory of the exploration was the lonely hour when the full party turned back 133 miles from the Pole. Peary decided to fight on with his aide—Henson—and the Eskimos.

"Peary said we'd reached the do-or-die part," Henson recalled. "And really, you didn't know whether you'd get back or not. It was the unknown. I decided to take a chance. Of course, I went up there to stick with him."

The naval officer and Henson took the lead alternately, each with two Eskimos and a dog team. They raced across the icy, wind-lashed wastes, fighting the danger of rising temperatures. It was on April 6, 1909, when Peary took a memorable bearing and announced, in a trembling voice, "Eighty-nine degrees, 57 minutes. The Pole at last!"

The great explorer's aide was born in Charles County, Md., on August 8, 1866. As a boy, he came to Washington and attended the "N Street School" for six years. He moved to Baltimore and shipped out to China as a cabin boy at the age of 12.

Nine years later, he joined Peary as a seaman on an expedition to survey a canal across Nicaragua. Then they turned north for almost two decades of Arctic exploration.

Henson became an expert Northsman. Peary once wrote, "He can handle a sledge better, and is probably a better dog driver, than any man living, except some of the best of the Eskimo hunters themselves."

But the life Henson chose was mostly hardship, with little glory. In his twilight years, he remembers the cold, the sickness, the hunger and the "wind that cut you to pieces."

On one trip, the party ate 34 of its 35 dogs.

Glory came late. In 1914, he finally was appointed to the Customs Service and retired on a small pension in 1936. In 1945, 35 years after the polar discovery, Henson received his first real recognition—a special medal awarded by Congress.

A fragment of a flag which Peary cached at Cape Columbia during a 1906 expedition now hangs in the home of Peary's white-haired, 90-year-old widow. She has lived on a cove near Portland, Me., since Peary died in 1920.

Yesterday, in an interview with United Press, Mrs. Peary said her first reaction to news of the discovery of the North Pole was, "Now he will be able to stay home." And her wish was realized. He never went exploring again.

Mrs. Edward Stafford, of Washington, D.C., his daughter, now staying with her mother, thinks someone may eventually discover the fragment of the flag left at the Pole by Peary—and Henson.

[From the Herald Tribune, Mar. 10, 1955]

MATTHEW A. HENSON DIES; WENT TO POLE WITH PEARY

Matthew Alexander Henson, eighty-eight, the Negro companion of Adm. Robert E. Peary during the latter's successful expedition to the North Pole in 1909, died yesterday in St. Clare's Hospital after a six-week illness. He lived at 246 W. 150th St.

Mr. Henson had lived in retirement for the last sixteen years, emerging only to receive belated recognition ten years ago for his services with the Peary expedition. In June of 1945. Thirty-six years after the polar exploit, he received a Navy medal along with others on the expedition.

Surviving are his wife, Mrs. Lucy Ross Henson, and a sister, who lives in Washington.

VISITED EISENHOWER

Last April 6, on the forty-ninth anniversary of the conquest of the North Pole, Mr. Henson visited President Eisenhower at the White House. Together they looked at a large globe of the world in the President's office and Mr. Eisenhower, pointing to the Arctic, remarked, "Now we have air bases all along there."

Living on an $85-a-month governmental pension, Mr. Henson took only occasional trips to receive awards from various groups but gave up even these although until his illness he maintained his routine of walking four miles a day.

Mr. Henson was a porter in a Washington hat store in 1886 when Mr. Peary came in to buy a hat and mentioned to the proprietor he was looking for a valet. Mr. Henson got the job, stayed with Mr. Peary on and off for five years, then remained with him steadily for eighteen years during which Adm. Peary made all his eight polar expeditions.

LECTURE TOUR

Mr. Henson's rewards were a silver loving cup from the Bronx Chamber of Commerce and a $960-a-year job as a mail clerk in the Customs House. He wrote a book that did not sell, and he made a lecture tour that netted only a few hundred dollars. In 1926 Rep. Emanuel Celler, D., N.Y., tried to get him a $1,700 pension and a Congressional medal for bravery but nothing came of it.

He and four Eskimos were Adm. Peary's sole companions when they stood at ninety degrees North Latitude on April 6, 1909. Six others who had started on the final dash over the ice from Cape Columbia had returned one by one as the supplies diminished. At the end of the month Capt. Bob Bartlett was the only white man left with Peary, and he turned back in 87 degrees 48 minutes North, the highest latitude reached up to that time.

Over the last stretch Mr. Henson bore the brunt of the trail-breaking. On the whole sledging conditions were not unfavorable. But on the morning of April 6, although his observations showed him to be in Latitude 89 degrees 57 minutes—only three miles from the pole—Peary was so nearly exhausted that with the prize actually in sight he could go no further.

AT POLE 30 HOURS

After a few hours sleep, however, he covered the remaining miles. He raised the Stars and Stripes above a cairn of ice while Mr.

Henson led the Eskimos in three cheers. The party remained at the pole thirty hours, took observations, and, on sounding a few miles from the pole, found not bottom at 9,000 feet. The North Pole was thus proved to be in the center of a vast sea of ice.

The return was made in forced marches, and further time was saved by occupying the igloos built during the northern advance. The weather was favorable, and with the light loads the dogs made rapid progress. The distance from the pole to the base camp at Cape Columbia was covered in the incredibly quick time of sixteen days.

HECKLED ON LECTURE TOUR

Mr. Henson was heckled unmercifully when he attempted a lecture tour upon his return.

Sinister meaning was read into the fact that on the final dash to the Pole, Adm. Peary had chosen him instead of Capt. Bartlett. It was not generally known that Mr. Henson had been with the admiral on seven previous Arctic expendtions, that he was probably the best dog driver in the party and that he could get along better with the Eskimos than any of the white men.

"He was the only man in the party who could build a snow house," recalled Cmdr. Donald B. McMillan years later. "He made every sledge and cookstove used on the route to the pole. Henson was altogether the most efficient man with Peary."

By Mr. HARTKE:

S. 2158. A bill to amend the Wild and Scenic Rivers Act by designating Big Pine Creek and its tributaries within Warren County, Ind. as potential additions to the national wild and scenic rivers system. Referred to the Committee on Interior and Insular Affair.

Mr. HARTKE. Mr. President, today I introduce a bill which would include Big Pine Creek and its major tributaries in Warren County, Ind. as one of the streams to be studied for inclusion in the National Scenic Rivers System.

Indiana is not a State with many scenic wonders since most of our State is covered with many feet of glacial till. Our most scenic areas are those near our streams and rivers. Some of these streams have inspired our many Hoosier writers and poets whose works evoke profound pride, such as James Whitcomb Riley's "Old Swimmin' Hole," Charles Major's "Bears of Blue River," and Paul Dresser's "On the Banks of the Wabash" which was really written at Mudlavia Springs on Big Pine Creek.

A few of these streams which have cut through the glacial till and carved out the bedrock are extraordinary, such as Big Pine Creek and its more well known neighbor, Sugar Creek, on which is located two of our State parks and a natural area which is a national landmark. Big Pine Creek possesses similar features to Sugar Creek, but has some exceptional qualities of its own which make its designation as a scenic stream particularly appropriate.

Big Pine Creek is not a large stream. However, in a very short distance it passes through a great variety of landscapes which puts its small size to great advantage. It is consistently ranked by conservationists and those concerned with our environment among the best streams in the State. Certainly for its size, it cannot be surpassed.

The upper stretches in Warren County include the best whitewater stretch for canoeists in Indiana. No other stream can match it. The middle stretches are filled with mossy coves and fern-covered sandstone cliffs from which grow the relic white pine and red cedar.

On a tributary near the lower portion of the middle section of Big Pine Creek is the lovely Fall Creek Gorge, an emerald tract of mosses, liverworts, and ferns with a deep gorge filled with huge potholes and a waterfall. The Nature Conservancy has acquired an option on a portion of this land in order to preserve and protect it as a nature preserve.

The lower stretch of Big Pine has a broader flood plain cut through a till-covered preglacial stream valley. At one point the stream exposes three layers of glacial deposits from three different ice ages, a feature which proved important to scientists in developing their theories of glaciation.

What is unique about this stream is that its scenic beauty is concentrated and intensified in a relatively small area. The result is an esthetically high quality stream which creates a sense of intimacy with the easily accessible coves and rock outcrops.

The stream also provides several diverse ecological habitats for a number of rare and uncommon species of plant and aquatic life. These include a rare subspecies of rock moss, an extremely rare fungus—the rare bush honeysuckle—an abundance of now trillium, the walking fern, shooting star, and relic northern vegetation like the partridgeberry and Indian cucumber root. Also found in the stream itself are fish such as the blue breast darter and big eyed chub which are becoming increasingly rare and endangered.

Part of the reason so much has been preserved is that Big Pine is located in the most sparsely populated county in Indiana and may well be the least inhabited stream basin of its size in the State.

As a result, despite its use by fishermen and canoeists, for family outings, and as a local swimming hole, it is relatively undeveloped and untouched. A few country roads cross the stream at points or follow along its banks for a few miles, but for the most part the stream is well protected and preserves a great deal of the Indiana which the settlers or James Whitcomb Riley knew. Yet it is only 60 miles from Indianapolis and 90 miles for Chicago's Loop.

Its natural features include Table Rock, Rocky Ford, Fall Creek Gorge, Lover's Leap, and Mudlavia Springs. It is prized as a nature and scientific study area by students and faculty at nearby Purdue University and the University of Illinois at Champaign-Urbana.

Big Pine has just been discovered by many people. Previously it was believed that it would someday be destroyed by a dam, and so it has not been developed and remains relatively untouched. However, if a dam is not to be built, action must be taken now to protect it from undesirable development along the stream. I believe that scenic river status would be the best way to keep it from being destroyed by unwise development.

Nor should Big Pine Creek be inundated. Recently, I wrote to Senator STENNIS requesting that funds for the reservoir on Big Pine Creek be deleted from the public works appropriations bill. I viewed this not as a negative action, but as a positive one. Congressman ROUSH of my State and Congressman OBEY of Wisconsin both have taken a public position in support of this move.

The reservoir would not only be economically unjustified, but strongly stratified and eutropohic and therefore not in the best interests of the people of Warren County whose lands would be taken. Streams can have many uses and the use best suited for this particular stream appears to me to be as a scenic river in either a State or national system of scenic rivers.

I believe it best qualifies under the national system because of its use by both the people of Indiana and the citizens of Illinois and its potential value to canoeists, scientists, and nature observers everywhere. Consequently, I offer this bill to put Big Pine Creek to its highest and best use, that of a national scenic stream in the National Scenic Rivers System.

I might add that I do not foresee the need for purchase of much land near the stream. Some may have to be acquired to provide minimum facilities consistent with actual use, but only for a fair price from a willing seller without use of or threat of condemnation.

Only easements which are necessary to provide public access to the river and permit traversing the length of the stream need be acquired along with scenic easements to protect the view from the stream. However, this should not affect any present uses of adjacent stream lands.

While I wish to provide continued opportunity for local recreation and specialized use which will enhance the area such as canoeing, hiking, fishing, botanical study, and photography, I am mindful of the fragile nature of the area. Mass recreation would not be consistent with maintaining the esthetic qualities of this stream and its surroundings.

I believe that it is possible to maintain a narrow balance between some increased use of the area which will be of economic benefit to the local community, and preservation of the natural features and rural life style which the people of the community prefer.

I am also mindful that during the period of study the State may wish to designate the area as a scenic stream under authorizing legislation enacted by the Indiana General Assembly this year. I have advocated such a step and find nothing inconsistent with this step if the State wishes to administer it. This would not preclude application for status in the national system under State administration. In fact, such action by the State may enable more rapid protection of this area from unwise and destructive development.

When generations to come look back, I believe that they and the citizens of Warren County will be appreciative of the fact that in making Big Pine Creek part of the National Scenic River System that we have left something for them which is truly beautiful, untrammeled, and free.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Big Pine Creek Act of 1973".

Sec. 2. Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)) is amended by adding at the end thereof the following:

"(28) Big Pine Creek, Indiana: The entire river, and its tributaries within Warren County.

By Mr. BROCK:

S. 2159. A bill to amend the Federal Election Campaign Act of 1971, and for other purposes. Referred to the Committee on Rules and Administration, and then the Committee on Finance, if and when reported, by unanimous consent.

Mr. BROCK. Mr. President, I am today introducing comprehensive campaign reform legislation which will effect sweeping changes in the manner of financing and conducting election races.

This legislation is fair, and comprehensive. It will help restore public confidence in the electoral process, and make it immensely more difficult for financial chicanery to escape exposure before the election.

I am aware that other legislation of this subject has been introduced in this session of Congress. My bill, however, contains a number of provisions that I feel are important to any reform measure.

In addition, my bill is more strict with regard to the reporting of contributions and expenditures than other bills introduced, or current law. It provides that all contributions be reported weekly for the last 60 days of the campaign, and all expenditures weekly for the last 30 days. Quarterly reports in both categories are mandated prior to the beginning of the weekly requirement period.

My bill also includes features designed to assure that reform does not make it even more difficult for challengers to unseat incumbents. Other proposed reforms have been criticized, and I believe fairly, in this regard, and I would like to call the attention of this body to a particularly cogent analysis of this problem by columnist David Broder, which appeared in the Washington Post on July 11.

I ask unanimous consent that Mr. Broder's article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

INCUMBENTS' REELECTION ACT OF 1973

(By David S. Broder)

The only thing more dangerous to democracy than corrupt politicians may be politicians hell-bent on reform. We have had a large dose of corruption in Watergate and now, by God, they mean to make us take our medicine.

Waving the banner of reform, they have already pushed through the Senate, with a minimum of debate or public attention, a bill that would basically alter the American political calendar. A companion measure, with similarly sweeping changes in the financing of federal campaigns, is scheduled for Senate action before the end of the month and—barring public protest—will also probably gain easy passage.

Both of them are described in the noblest, most altruistic rhetoric as measures to purify politics. Both have some provisions that may be very desirable. But make both bills law and it becomes virtually impossible ever again to defeat an incumbent for Federal office. If that is not the intention of the sponsors, it is the kind of coincidence that makes one suspicious.

The first bill, already passed by the Senate at the urging of its powerful Democratic whip, Sen. Robert C. Byrd of West Virginia, has as its ostensible purpose the shortening of election campaigns.

It prevents any congressional or senatorial primary being held before the first Tuesday in August and says that no presidential nominating convention may begin before the third Monday of that month.

Byrd says that by shortening the general election campaign period to about two months, his bill would "reduce campaign expenditures and renew the waning interest of citizens in the electoral process."

Noble and desirable, right? The only problem is that there is precious little reason to think that any challenger, limited to an eight-week campaign, would stand a snowball's chance in hell of defeating an incumbent representative, president or senator who has had two years, four years or six years to gain name recognition and familiarity, to propagandize his constituents at public expense and to organize his reelection campaign.

Hubert Humphrey knows from bitter personal experience in 1968 what it is like to try to heal intra-party wounds and organize a general election campaign after a nominating convention as late as that required by this bill. But Humphrey, the incumbent senator of 1973, did not raise the objections once loudly voiced by Humphrey the frustrated presidential contender.

Conceivably, an occasional challenger could overcome the disadvantages of the short campaign period by mounting a real blitz in those few weeks. But the companion measure, now awaiting Senate action, is carefully contrived to eliminate even that slight danger to incumbents.

Along with some quite desirable changes in other aspects of election law, it includes an overall spending limit of 20 cents per eligible voter for the general election. For House races, where that limit would be most restrictive, a minimum of $90,000 per district is specified.

That, too, sounds just dandy. But what is the effect of limiting a challenger to $90,000 and a short campaign when his incumbent opponent has had two years or more of federally-financed newsletters, television reports, trips home, and district office staff members to propagandize his constituents? The effect is to re-elect incumbents.

Indeed, even Common Cause, the reform-minded citizens group that is pushing for new election laws, concluded a study of the financing of last year's Senate races with the observation that "the consistently disproportionate distribution of funds between challengers and incumbents is a far more serious problem today than the total amounts being spent."

If the "reformers" in Congress wanted to address themselves to that real problem, they could easily do so. They could vote government-subsized mailings for all federal candidates or provide public financing equally, for the campaigns of incumbents and challengers alike.

But, for some strange reason, they are not doing that. Instead, the bill awaiting action (S. 372) moves in the opposite direction, by weakening the existing statutory ban on contributions from people in companies and unions engaged in government contract work—contributions which, inevitably, would increase the incumbents' already intimidating campaign treasuries.

What these two bills amount to is the Incumbents' Guaranteed Re-Election Act of 1973. Since it is in the incumbent senators' and repersentatives' power to vote themselves this boon, there is no reason to doubt they will do so.

Lord save us from such reformers.

Mr. BROCK. Public confidence in the electoral process is at its nadir now, and a proincumbent "reform" will only serve to deepen public cynicism.

Two aspects of my bill directly relate to this problem. The bill provides for the mailing, by a Federal Elections Commission which it creates, of an informational pamphlet to all voters. Incumbent and challenger would receive equal space in this publication.

My legislation further provides for the suspension of the franking privilege for mass mailings during the final 35 days of a campaign. This provision will serve to effectively curb this late-season advantage for incumbents, while at the same time protect an officeholder's obligation to communicate with his constituents during noncampaign time..

Another unique, and important feature of my bill is its prohibition of campaign advertising prior to the 35-day campaign period. This aspect has several beneficial effects. First, it will serve to reduce the total cost of campaigns, which is certainly needed. Second, it is fair to the challenger, because it does not prohibit him from engaging in traditional campaign activities prior to the 35-day period, meaning that he can travel, make appearances and speeches, and make news.

The ability of incumbents to meet the voters is severely limited at such times, because of the requirement that he be on hand for the business of the Congress, and the challenger's effective use of his advantage in this regard serves to offset whatever publicity value the incumbent may derive from the ongoing activities of his office.

Among the other key provisions of my bill are these:

First, it provides for the disclosure of earmarked contributions to committees making contributions to more than one candidate.

Second, it prohibits the practice of persons giving money to campaigns which actually originate with another person.

Third, it prohibits contributions in cash over $100.

Fourth, it establishes a Federal Elections Commission to administer the law, and to oversee elections.

Fifth, it contains tough penalties for violations of its provisions.

Sixth, it imposes strict limitations on the ability of a candidate himself, or his family, to contribute large sums to his campaign, thereby preventing a wealthy candidate from "buying" election.

Seventh, it prohibits the number of campaign depositories candidates can maintain, and requires that all depositories be reported to the Commission, and that all expenditures be made through the designated depositorics.

Eighth, it strictly limits who, within the campaign structure, may authorize expenditures on behalf of the candidate.

Ninth, it increases the amount of campaign contributions that may be deducted by an individual on his Federal income tax, thereby encouraging citizen participation in the electoral process.

Two months ago, I addressed this body and urged its Members to give the highest priority to devising a reformed system which will be able to gain the confidence of the people. At that time, I outlined my own ideas, which have formed the basis for this legislation.

As chairman of the Republican Senate Campaign Committee, I announced last week a series of voluntary reforms which would be implemented by that committee, reforms which go beyond the law as it is presently constituted.

I am deadly earnest in my desire to see a new and fair system established, one in which the public can have faith. Both parties, and indeed the entire free election concept, will benefit from such a reform.

It is important, however, that we act quickly, in order that the new rules be in effect for the 1974 elections, and I urge the Congress to spare no effort in giving its approval to these badly needed reforms.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Federal Election Campaign Reform and Disclosure Act of 1973".

(b) Except as otherwise expressly provided, whenever in this Act a reference is made, by way of amendment, repeal, or otherwise, to a section, title, or other provision, the reference shall be considered to be made to a section, title, or other provision of the Federal Election Campaign Act of 1971.

Sec. 2. (a) Section 301 (relating to definitions) is amended by—

(1) striking out subsection (g) and inserting in lieu thereof the following:

"(g) 'Commission' means the Federal Elections Commission;";

(2) striking "and" at the end of subsection (h), striking the period at the end of subsection (i) and inserting in lieu thereof "; and", and adding at the end of section 301 the following new subsection:

"(j) 'identification' means—

"(1) in the case of an individual, his full name, residential address, and his social security number, if any; and

"(2) in the case of any other person, the full name and mailing address, and such other identifying information as the Commission may require."

(b) The Social Security Administration is authorized and directed to furnish to the Federal Election Commission upon request the identification of any individual to whom a social security number is assigned.

(c) (1) Section 302(b) is amended by striking out ", the name and address (occupation and principal place of business, if any)" and inserting in lieu thereof "of the contribution and the identification".

(2) Sections 302(c) (2) and (4) are amended by striking out "the full name and mailing address (occupation and principal place of business, if any)" and inserting in lieu thereof "the identification".

(3) Section 304 (b) is amended by striking out in paragraphs (2), (9), and (10) "the full name and mailing address (occupation and principal place of business, if any)" in each such paragraph and inserting in lieu thereof "the identification".

Sec. 3. (a) Section 304(a) (relating to reports by political committees and candidates) is amended by striking out the second and third sentences and inserting in lieu thereof the following: "Such reports shall be filed within ten days after the close of each calendar quarter and shall be complete as of the close of such quarter. Beginning 60 days before the date of any election, additional reports shall be filed each Monday until the election with respect to contributions received during the preceding calendar week. Beginning 30 days before the date of any election, additional reports shall be filed each Monday until the election with respect to expenditures made during the preceding calendar week."

(b) Section 304 is amended by adding at the end thereof the following new subsection:

"(d) Any anonymous contribution shall be reported within one week after the receipt thereof, together with a description of the form of the contribution, its amount, and the circumstances under which it was received. If any anonymous contribution is subsequently identified, the identification of the person making the contribution shall be reported.

"(e) Any contribution received by a political committee which receives contributions to or makes expenditures for more than one candidate shall report separately, in such form as the Commission may prescribe, any contribution received which is restricted or requested by the person making the contribution to be used for the benefit of, or transferred to, a particular candidate. If any such political committee makes an expenditure by transferring funds to a candidate, or to a political committee which receive contributions to or makes expenditures for that candidate, because of any such restriction or request, it shall transmit in writing to that candidate or political committee a statement that the transfer is being made pursuant to such restriction or request and the statement shall contain the identification of the person making the contribution."

Sec. 4. (a) Title III of the Federal Election Campaign Act of 1971 (relating to disclosure of Federal campaign funds) is amended by redesignating sections 308 through 311 as sections 312 through 315, respectively, and by inserting after section 307 the following new sections:

"FEDERAL ELECTION COMMISSION

"Sec. 308. (a) (1) There is hereby established, as an independent establishment of the executive branch of the Government of the United States, a commission to be known as the Federal Election Commission.

"(2) The Commission shall be composed of nine members who shall be appointed by and with the advice and consent of the Senate.

"(3) Except as provided in this paragraph, members of the Commission shall be appointed for terms of 7 years each, ending at noon on the thirtieth day of April in each case. Of the members initially appointed under this section—

"(A) three shall be appointed for terms ending at noon on the thirtieth day of the third April beginning after the date of enactment of the Federal Election Campaign Act of 1973.

"(B) three shall be appointed for terms ending at noon on the thirtieth day of the fifth April beginning after the date of enactment of the Federal Election Campaign Act of 1973, and

"(C) three shall be appointed for terms ending at noon on the thirtieth day of the seventh April beginning after the date of enactment of the Federal Election Campaign Act of 1973.

"(4) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment. Not more than five members of the Commission shall be affiliated with the same political party.

"(5) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

"(6) The Commission shall elect a Chairman and a Vice Chairman from among its members for such terms as the Commission determines appropriate. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman, or in the event of a vacancy in that office.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and 5 members thereof shall constitute a quorum.

"(c) The Commisison shall have an official seal which shall be judicially noticed.

"(d) The Commisison shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make such further reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

"(e) The principal office of the Commission shall be in or near the District of Columbia, but it may meet or exercise any or all its powers at any other place.

"(f) The Commission shall appoint a General Counsel and an Executive Director to serve at the pleasure of the Commission. The General Counsel shall be the chief legal officer of the Commission. The Executive Director shall be responsible for the administrative operations of the Commisison and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Commission. However, the Commission shall not delegate the making of regulations regarding elections to the Executive Director.

"(g) The Chairman of the Commission shall appoint and fix the compensation of such personnel as may be necessary to fulfill the duties of the Commission in accordance with the provisions of title 5, United States Code.

"(h) The Commisison may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(i) In carrying out its responsibilities under this title, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including, personnel and facilities, of the General Accounting Office and the Department of Justice. The Comptroller General and the Attorney General are authorized to make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

"POWERS OF COMMISSION

"Sec. 309. (a) The Commission shall have the power—

"(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe; and such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine;

"(2) to administer oaths;

"(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to accept gifts and voluntary and uncompensated services, notwithstanding the provisions of section 3679 of the Revised Statutes (31 U.S.C. 665(b));

"(7) to initiate (through civil proceedings for injunctive relief and through presentations to Federal grand juries), prosecute, defend, or appeal any court action in the name of the Commission for the purpose of enforcing the provisions of this title through its General Counsel; and

"(8) to delegate any of its functions or powers, other than the power to issue subpenas under paragraph (3), to any officer or employee of the Commission.

"(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d)(1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(e)(1) Any person who violates any provision of this title may be assessed a civil penalty by the Commission under paragraph (2) of this subsection of not more than $1,000 for each such violation. Each occurrence of a violation of this title and each day of noncompliance with a disclosure requirement of this title or an order of the Commission issued under this section shall constitute a separate offense. In determining the amount of the penalty the Commission shall consider the person's history of previous violations, the appropriateness of such penalty to the financial resources of the person charged, the gravity of the violation, and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of a violation.

"(2) A civil penalty shall be assessed by the Commission by order only after the person charged with a violation has been given an opportunity for a hearing and the Commission has determined, by decision incorporating its findings of fact therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with section 554 of title 5, United States Code.

"(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Commission shall file a petition for enforcement of its order assessing the penalty in any appropriate district court of the United States. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall forthwith be sent by registered or certified mail to the respondent and his attorney of record, and thereupon the Commission shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside, in whole or in part the order and decision of the Commission or it may remand the proceedings to the Commission for such further action as it may direct. The court may consider and determine de novo all relevant issues of law but the Commission's findings of fact shall become final thirty days after issuance of its decision order incorporating such findings of fact and shall not thereafter be subject to judicial review.

"CAMPAIGN TREASURERS

"SEC. 309. (a) Before making or authorizing any expenditure in connection with his campaign a candidate shall designate a campaign treasurer. A candidate may designate himself as his own campaign treasurer. A candidate may designate as many deputy campaign treasurers as he may desire, and a candidate for nomination for election, or for election, to the office of President, may designate, in addition to any other deputy treasurers, not more than one chief deputy treasurer for each State. The campaign treasurers of a candidate nominated by a political party for election to the office of Vice President shall be the campaign treasurers designated by the candidate nominated by that party for election to the office of President. The designation shall be in writing and shall contain the title and identification of the campaign treasurer, chief deputy treasurer, or deputy treasurer so designated, and a copy thereof shall be furnished to the Commission upon execution.

"(b) No expenditure shall be made by or on behalf of the candidate unless it is authorized in writing by his campaign treasurer, or chief deputy campaign treasurer, or deputy campaign treasurer. No expenditure may be authorized by a deputy campaign treasurer (other than a chief deputy campaign treasurer) in excess of—

"(1) $2,500, in the aggregate during any calendar year, to any person, or

"(2) $500, in the aggregate during any calendar year, to any person, if the expenditure is compensation for personal services rendered by that person.

"(c) No expenditure shall be considered to have been authorized by a campaign treasurer, chief deputy campaign treasurer, or deputy campaign treasurer unless the authorization is written, describes the amount and purpose, and identifies the recipient of the expenditure, and is signed by the treasurer.

"CAMPAIGN DEPOSITORIES

"SEC. 310 (a) Each candidate shall designate one or more national or State banks as campaign depositories. No candidate, other than a candidate for nomination for election, or for election, to the office of President, may designate more than one such depository in each Congressional district within his State in which he is a candidate. A candidate for nomination for election, or for election, to the office of President may not designate more than one campaign depository in each State in which he is a candidate. The campaign depositories of a candidate nominated by a political party for election to the office of Vice President shall be the campaign depositories designated by the candidate nominated by that party for election to the office of President.

"(b) The candidate's campaign treasurer shall open a checking account at each depository designated by the candidate which shall be designated as the campaign account of that candidate.

"(c) Whenever the contributions received by a candidate or by any political committee authorized by him to receive contributions exceed, in the aggregate, $100, they shall be forwarded immediately to one of his campaign depositories for deposit in such an account.

"(d) The candidate shall furnish to the Commission, upon the designation of a campaign depository, the identification of that depository and the title and number of any account therein used in connection with his campaign.

"(e) No expenditure may be made by the candidate or under the authority of any of his campaign treasurers except by check drawn on such an account in a campaign depository designated by the candidate. Notwithstanding the preceding sentence, each campaign treasurer may maintain a petty cash fund of not more than $1,000, out of which indicated cash expenditures of less than $100 may be made.

"(f)(1) Each bank designated by a candidate as his campaign depository with which the candidate maintains a campaign checking account shall—

"(A) beginning sixty days before the date of any election in which that candidate's name will appear on the ballot, file a report with the Commission on each Monday setting forth, in such form and detail as the Commission shall prescribe, each deposit item received during the preceding week for deposit into that account, together with the identification of the person to whom such item is attributable; and

"(B) beginning thirty days before the date of any such election, file a report with the Commission on each Monday setting forth the date, amount, payee of, and the identification of the person authorizing, each check drawn on that account which it has received during the preceding week.

"(2) The reports made under paragraph (1) shall be cumulative and shall be complete as of the last business day of the week to which they relate. The reports shall set forth separately the identification of, and aggregate amount of contributions made by any person who has contributed more than $99 to such candidate, as may be determined by information taken from items deposited in such account. The Commission shall cause a copy of each such report to be published in a newspaper of general circulation within the State or district within which that depository is located.

"VOTERS' INFORMATION PAMPHLETS

"SEC. 311. (a) The Commission shall prepare and publish a voters' information pamphlet for each State and shall distribute the pamphlet to residential postal addresses within that State not earlier than thirty-five days nor later than 20 days before the date of any general or special election held for the election of any candidate to Federal office. The pamphlet shall contain party platform, pictures and brief biographies of the candidates for such office in that State, and statements by such candidates. The statements shall not exceed 1,500 words, in the case of a candidate for election to the office of Vice President, Senator, Representative, Resident Commissioner, or Delegate, and not in excess of 3,000 words in the case of a candidate for election to the office of President."

(b) (1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(60) Members, Federal Election Commission (9)."

(2) Section 5316 of such title is amended by adding at the end thereof the following new paragraphs:

"(98) General Counsel, Federal Election Commission.

"(99) Executive Director, Federal Election Commission."

(c) Until the appointment of all of the members of the Federal Election Commission and its General Counsel and until the transfer provided for in this subsection, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as such titles existed on the day before the date of enactment of this Act. Upon the appointment of all the members of the Commission and its General Counsel, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall meet with the Commission and arrange for the transfer, within thirty days after the date on which all such members are appointed, of all records, documents, memorandums, and other papers associated with carrying out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as it existed on the day before the date of enactment of this Act

(d) Title III of the Federal Election Campaign Act of 1971 is amended by—

(1) striking out "supervisory officer" in section 302(d) and inserting "Commission";

(2) amending section 302(f) (relating to organization of political committees) by— place it appears in section 305 (relating to

(A) striking out "appropriate supervisory officer" in the quoted matter appearing in paragraph 1 and inserting "Federal Election Commission";

(B) striking out "supervisory officer" in subparagraphs (A) and (B) of paragraph (2) and inserting "Commission";

(C) striking out "which has filed a report with him" in paragraph (2)(A) and inserting "which has filed a report with it";

(3) amending section 303 (relating to registration of political committees; statements by—

(A) striking out "supervisory officer" each time it appears therein and inserting "Commission"; and

(B) striking out "he" in the second sentence of subsection (a) of such section and inserting "it";

(4) amending section 304 (relating to reports by political committees and candidates) by—

(A) striking out "appropriate supervisory officer" and "him" in the first sentence thereof and inserting "Commission" and "it", respectively; and

(B) striking out "supervisory officer" where it appears in the second sentence of subsection (a) and in paragraph (13) of subsection (b), and inserting "Commission";

(5) striking out "supervisory officer" each place it appears in section 305 (relating to reports by other than political committees) and section 306 (relating to formal requirements respecting reports and statements) and inserting "Commission";

(6) striking out "Comptroller General of the United States" and "him" in section 307 (relating to reports on convention financing) and inserting "Federal Election Commission" and "it", respectively;

(7) striking out "SUPERVISORY OFFICER" in the caption of section 312 (as redesignated by subsection (a) of this section) (relating to duties of the supervisory officer) and inserting "COMMISSION";

(8) striking out "supervisory officer" in section 312(a) (as redesignated by subsection (a) of this section) the first time it appears and inserting "Commission";

(9) amending section 312(a) (as redesignated by subsection (a) of this section) by—

(A) striking out "him" in paragraph (1) and inserting "it";

(B) striking out "him" in paragraph (4) and inserting "it"; and

(C) striking out "he" each place it appears in paragraphs (7) and (9) and inserting "it".

(10) striking out "supervisory officer" in section 312(b) (as redesignated by subsection (a) of this subsection) and inserting "Commsision";

(11) amending subsection (c) of section 312 (as redesignated by subsection (a) of this section) by—

(A) striking out "Comptroller General" each place it appears therein and inserting "Commission", and striking "his" in the second sentence of such subsection and inserting "its"; and

(B) striking out the last sentence thereof;

(12) amending subsection (d)(1) of section 312 (as redesignated by subsection (a) of this section) by—

(A) striking out "supervisory officer" each place it appears therein and inserting "Commission";

(B) striking out "he" the first place it appears in the second sentence of such section and inserting "it"; and

(C) striking out "The Attorney General on behalf of the United States" and inserting "The Commission or the Attorney General on behalf of the United States"; and

(13) striking out "a supervisory officer" in section 313 (a) (as redesignated by subsection (a) of this section) (relating to statements filed with State officers) and inserting "the Commission".

Sec. 5. Section 314 (as redesignated by section 4 of this Act) relating to prohibitions of contributions in name of another is amended by—

(1) inserting "(a)" before the first word of text, and

(2) adding at the end of such section the following new subsection:

"(b) No person shall make a contribution with the money of another person, including any such money given to him by another person for the purpose of making such a contribution."

Sec. 6. Section 315 (a) (as redesignated by section 4 of this Act) relating to penalties is amended by—

(1) striking out "$1,000" and inserting in lieu thereof "$50,000"; and

(2) striking out "one year" and inserting in lieu thereof "five years".

Sec. 7. Title III of the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new section:

"SUSPENSION OF FRANK FOR MASS MAILINGS IMMEDIATELY BEFORE ELECTIONS

"Sec. 316. No Senator, Representative, Resident Commissioner, or Delegate shall make any mass mailing or mailing with a simplified form of address under the frank under chapter 32 of title 39, United States Code, during the 35 days immediately preceding the date on which any election is held in which he is a candidate."

Sec. 8. Section 608 of title 18, United States Code, is amended by striking out subsection (a) (1) and inserting in lieu thereof the following:

"(1) No candidate may make expenditures from his personal funds, or the funds of his immediate family, in connection with his campaign for nomination for election, or for election, to Federal office for anything other than food, clothing, shelter, and transportation for himself and his immediate family."

Sec. 9. The last paragraph of section 610 of title 18, United States Code, is amended by striking "organization: *Provided*, That it" and inserting in lieu thereof "organization. No contribution may be received by any such fund unless it is accompanied by a form, prescribed by the Federal Election Commission, on which designation may be made with respect to the use of that contribution for a particular candidate or candidates, for the candidates of a particular party, or for a non-partisan purpose. It".

Sec. 10. (a) Chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new sections:

"§ 614. Form of contributions

"(a) No person shall make any contribution of currency in excess of $100.

"(b) Violation of the provisions of this section is punishable by a fine of not to exceed $5,000, imprisonment for not to exceed 5 years, or both.

"§ 615. Communications media expenditures

"(a) No candidate shall make or authorize any expenditure for the use of any printed or broadcast medium of communication in connection with his campaign if such use is to occur more than 35 days before the day of an election in which he is a candidate.

"(b) Violation of the provisions of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed 1 year, or both."

(b) The table of sections for such chapter is amended by adding at the end thereof the following new items:

"614. Form of contributions.

"615. Communications media expenditures."

Sec. 11. (a)(1) Section 41(b)(1) of the Internal Revenue Code of 1954 (relating to maximum credit for contributions to candidates for public office) is amended by striking out "$12.50 ($25" and inserting in lieu thereof "$25 ($50".

(2) Section 218(b)(1) of such Code (relating to limitations on amount of deduction for contributions to candidates for public office) is amended by striking out "$50 ($100" and inserting in lieu thereof "$100 ($200".

(b) The amendments made by this section shall apply with respect to any political contribution the payment of which is made after December 31, 1973.

Mr. FANNIN. Mr. President, I ask unanimous consent on behalf of the Senator from Tennessee (Mr. Brock) that a bill introduced by him earlier today to amend the Federal Election Campaign Act of 1971 be referred to the Committee on Rules and Administration and if and when reported from that committee it be referred to the Finance Committee for its consideration of section 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. PERCY (for himself, Mr. Brock, Mr. Javits, and Mr. Moss):

S. 2160. A bill to reorganize and consolidate certain functions of several Federal agencies and departments in a new Criminal Justice Services Administration in the Department of Justice to promote more effective operations and management of the Federal system of criminal justice. Referred to the Committee on Government Operations.

By Mr. PERCY (for himself, Mr. Brock, Mr. Mathias, Mr. Moss, and Mr. Taft):

S. 2161. A bill relating to the employment and training of criminal offenders, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. PERCY (for himself, Mr. Javits, Mr. Mathias, and Mr. Moss):

S. 2162. A bill relating to voting rights of former offenders. Referred to the Committee on the Judiciary.

By Mr. PERCY (for himself, Mr. Javits, and Mr. Moss):

S. 2163. A bill relating to parole of offenders. Referred to the Committee on the Judiciary.

By Mr. PERCY (for himself, Mr. Javits, and Mr. Moss):

S. 2164. A bill relating to the parole of certain District of Columbia offenders. Referred to the Committee on the District of Columbia.

INTRODUCTION OF FIVE BILLS RELATING TO CRIMINAL JUSTICE

Mr. PERCY. Mr. President, I am today introducing five bills designed to improve our Federal criminal justice system and resolve some of the inequities which now exist. Each of these bills has been previously before the Senate, either as a separate bill, or as part of other pieces of legislation.

FEDERAL CRIMINAL JUSTICE SYSTEM REORGANIZATION ACT

I do not feel it necessary to go into any great detail justifying the need for action in the area of criminal justice. To an unprecedented degree, our communities are paralyzed by the fear of crime. Our elderly are held virtual captives in their homes, afraid to walk across the street in broad daylight because they know they are easy prey. Parents do not allow their children to wander far from their sight, afraid of what might happen to them. The downtown areas in many of our large cities become desolate at twilight. Our public parks are virtually deserted, even on summer evenings. What we call our "criminal justice system" has failed miserably to improve our safety. Few who commit crimes are caught, few who are caught are prosecuted, few who are prosecuted are convicted, few who are convicted are incarcerated, and the great majority of those who are incarcerated eventually return to society as better criminals, committing more crimes. This institutional failure has been subsidized by the American taxpayer to the tune of billions of dollars annually. Many more billions of dollars are spent for more locks, more police, and, who can put a price tag on the freedom of movement which once characterized our American communities but which has now almost vanished?

We can cite statistics which show that crime is not increasing as rapidly as it was 4 years ago, and we can even find statistics that show that some crimes are actually decreasing in frequency. However, the crimes we fear the most, crimes of violence, are rising, and even if crime is decreasing in the cities, it is increasing in the suburbs.

Before we rush headlong into this problem and begin pouring more money into the same procedures which have failed us in the past, it is imperative that we reevaluate what now passes for a "criminal justice system," and see if it can be reshaped into a better system, one which will work more efficiently and more effectively to safeguard society.

It would be difficult to defend our criminal justice system today. It is appalling. Last year, I introduced S. 3185 which provided some basic ways in which parts of the Federal system of criminal justice could be reorganized. That bill focused on the parole system as an example of a process which was unequal to the demands placed upon it. Simply stated, S. 3185 urged the regionalization of the parole process, and the unification at the local level of the various functions performed by the police, the courts, and corrections personnel. I set out the reasoning behind this bill in 11 *American Criminal Law Review* 65 (1972).

That bill received a great deal of attention and was the subject of hearings held last July by the National Penitentiaries Subcommittee. There is no doubt that the reforms in that legislation were far-reaching and controversial. However, when our present efforts are so futile, I do not see any reason to tinker merely a little here and there when a major overhaul is needed.

I have now redrafted that legislation, and along with Senators Brock, Javits, and Moss, I am today introducing the Federal Criminal Justice System Reorganiation Act (S. 2160). This legislation is designed to reorganize and better coordinate the efforts of the Federal Government in the area of criminal justice. Last year I attempted to explore the Federal Government's role in this area. I requested the GAO to take a comprehensive look into the system. That study took 7 months to piece the whole puzzle together. The inescapable conclusion is that our efforts are characterized too often not only by failure, but, very tellingly, by a critical lack of coordination. The left hand does not only not know what the right hand is doing, it does not even know that there is a right hand.

The legislation I am introducing today would establish, within the Department of Justice, a new Criminal Justice Services Administration, headed by an Administrator and a Deputy Administrator, who would have overall responsibility for conducting and coordinating the efforts of the Federal Government in the area of criminal justice. There would be within this administration some of the same governmental organizations which now exist, such as the Bureau of Prisons and LEAA. These would not be changed internally by this legislation—they would simply be placed within the new administration as a matter of improved, coherent management.

Juvenile Justice activities, now mainly in HEW, would be transferred to the administration in a Bureau of Juvenile Justice.

Further, there would be a Bureau of Federal Criminal Justice Coordination, whose sole task would be to coordinate and keep tabs on all of the Government's activities in this area so that at least some place in the Federal Government there would be someone who would know what was going on. From their unique vantage point, they would be able to make invaluable suggestions as to what changes might be made to effect needed improvements and eliminate costly duplication of efforts.

Another vital part of the new administration would be an Office of Ombudsman of the Federal Criminal Justice System. This Ombudsman Office is an outgrowth of the recommendation made by the study of the caseload of the Supreme Court, and would perform two basic functions. First, it would receive any petition for collateral review filed by any State or Federal prisoner with a Federal court, when the petition was referred to it either by the prisoner or by the court. The ombudsman would then have 90 days in which to consider the petition and try to resolve the matter out of court. If this were not possible, then the petition would be forwarded to the court along with a report by the ombudsman. This would help relieve some of the very heavy burden placed on our Federal courts by prisoner petitions without sacrificing the rights of any individual. It would also aid the court in distinguishing the frivolous complaints from those of merit.

Second, the ombudsman would act as an arbitrator in disputes or problems that arise in Federal prisons in an effort to keep any minor disagreement from becoming a major confrontation or court case. The ombudsman would also recommend to the Bureau of Prisons ways in which problems might be avoided in the future.

There would also be established the same type of structure as provided for in S. 3185. A National Criminal Justice Board would be set up within the Criminal Justice Services Administration. This would be composed of 11 members, appointed by the President and confirmed by the Senate, who would fill the gaps which exist between our laws as passed by Congress, and the discretion inherent in our courts in carrying out those laws. This would be done by enunciating national guidelines which our courts could look to in the fields of bail setting, pretrial diversion, sentencing, parole, community supervision, and the like. This standard-setting would not be an isolated event, but would be accomplished with the active participation of those who are knowledgeable in this area. The actual standards would be published in the Federal Register.

In addition, the National Board would sit as an appellate body, hearing appeals from offenders who feel that their parole has been denied in violation of the national standards. This is the goal toward which the U.S. Board of Parole is now moving, in an effort to decentralize the parole decisionmaking process while at the same time having a national board available to sit as an appellate body to insure uniform treatment.

Under this National Board would be local Criminal Justice Offices—one located in each Federal district. These offices would be staffed by at least three members appointed by the Attorney General. These local offices would serve as the basic administrative units for our Federal courts and criminal justice system. They would have a continuum of responsibility for all criminal cases filed within their jurisdictions. For instance, immediately after arrest, the local Office would be assigned to the case of someone accused of violating a Federal statute. It would immediately begin developing the necessary information so that a decision relative to bail or pretrial release could be made, and it would make a recommendation to the appropriate judicial officer. From that point, it would try to delve deeper into the defendant's background to determine if medical treatment were warranted, as in the case of an alcoholic or drug addict. In addition, it would recommend whether pretrial diversion would be appropriate for the individual. The recommendation on this matter would then be the basis of discussion between the U.S. attorney and the counsel for the defendant at a precharge conference. At such a conference, the possibility of diverting the defendant from the criminal justice system would be considered with due regard for the safety of the community, the nature of the offense, and the chance that such diversion would aid the defendant in eventually rejoining the community as a law-abiding citizen. The language in the bill is broad enough to encompass the type of diversion provided for in S. 798, introduced by Senator BURDICK, which I cosponsored.

If the defendant were tried and convicted, the local office would recommend to the court the type of sentence to impose, including the reasons for such a sentence, and the goals that the incarcerated offender should achieve in order for him to be released into the community. The court could accept, modify, or reject this recommendation; however, it would then be required to interpose its own reasons and goals.

The local office would also hold annual hearings and decide, on the basis of the progress of the offender in meeting the goals set at the time of sentencing, when the individual should be released into the community. If parole were denied, the local office would provide written reasons, explaining what goals have been met and what goals remain to be met.

When the individual is released into the community, either on parole, probation, pretrial diversion, or other authorized form of release, the local office would be responsible for the individual's supervision.

What this would mean is that, instead of a separate bail agency preparing a bail report, instead of a plea bargaining conference where the prosecutor is trying to clear his desk and avoid the necessity of a trial, instead of an overworked probation officer preparing a presentence report for the judge, instead of an undermanned parole board making crucial decisions, but located perhaps thousands of miles away, and instead of parole and probation officers, each responsible to different authorities but performing essentially similar supervisory functions—instead of all of this which we have at present, there would be one local office performing all of these functions in a coordinated and unified fashion.

It only stands to reason that by replacing the present potpourri of services and harried professionals, and conflicting lines of authority, with a single coordinated body, the criminal justice system will become more efficient. And with the added advantage of national guidelines and standards, current regional inequities in the criminal justice system would be diminished and hopefully eliminated. The byproduct of this total reorganization would be better criminal justice and, therefore, a lower level of crime. Presently, 80 percent of all crimes are committed by people who have previously been through our criminal justice processes. This new system would help to reduce the number of recidivists, and thus lower the level of crime.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2160

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Federal Criminal Justice System Reorganization Act".

(b) The Congress hereby finds and declares that—

(1) the administration of criminal justice matters is scattered widely throughout several Federal departments and agencies;

(2) overlapping jurisdictions, failure to share information, general lack of communication and inefficient duplication of efforts have hindered a coordinated and effective approach to criminal justice matters at the Federal level;

(3) a reorganization of the Federal departments and agencies dealing with bail, sentence recommendations, parole, probation, juvenile delinquency, funding of State and Federal programs relating to criminal justice, and other activities relating to the disposition of Federal offenders is necessary to insure a unified and coordinated approach to the rehabilitation of such offenders and the protection of society; and

(4) it is the purpose of this Act to provide a new mechanism and structure which will, by reorganization among various Federal departments and agencies into a unified structure, coordinate Federal activities and thereby result in a more efficient and more effective approach to the problems of criminal justice.

(c) The following functions are hereby transferred:

(1) There is hereby transferred to the Attorney General all functions performed by the Secretary of Health, Education and Welfare relating to juvenile delinquency under the Prevention and Control Act, pursuant to section 584 of title 28, United States Code;

(2) There is hereby transferred to the Attorney General all functions relating to the training of offenders and ex-offenders now performed by the Secretary of Labor;

(3) There is hereby transferred to the Attorney General all functions performed by the Corps of Engineers pursuant to the Rehabilitated Offender Program;

(4) The Advisory Corrections Council, created by section 5002 of title 18, United States Code, is hereby abolished and its functions shall be assumed by the Bureau of Criminal Justice Coordination provided for in section 586 of title 28, United States Code;

(5) The Federal Board of Parole is abolished and its functions transferred to the National Criminal Justice Board provided in section 582 of title 28, United States Code;

(6) All functions carried out by each United States court relating to the appointment and supervision of probation officers, by the Director of the Administrative Office of the United States relating to probation officers, and the operation of the probation system in the United States courts are transferred to the Criminal Justice Services Administration provided for by section 581 of title 28, United States Code.

(d) With respect to any function transferred by subsection (c) of this section and exercised after the effective date of such subsection, reference in any other Federal law, rule, or regulation to any Federal instrumentality or officer from which or whose functions are transferred by such subsection shall be deemed to mean the instrumentality or officer in which or whom such function is vested pursuant to such subsection.

(e) In the exercise of any function transferred pursuant to subsection (c) of this section, the appropriate officer hereafter exercising such functions pursuant to this section shall have the same authority as that vested in the officer exercising such function immediately preceding its transfer, and such appropriate officer's actions in exercising such functions on and after the effective date of this section shall have the same force and effect as when exercised by such officer having such function immediately prior to its transfer by such subsection (c).

(f) All personnel (other than the members of the Board of Parole), assets, liabilities, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred by subsection (c) of this section are hereby transferred to the instrumentality in which such function is vested, in such manner and to such extent as the said Director shall prescribe. Such personnel shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(g) As used in this section and the amendments made by this Act, the term "function" includes powers and duties.

TITLE I—CRIMINAL JUSTICE SERVICES ADMINISTRATION; DEPARTMENT OF JUSTICE

SEC. 101. (a) Title 28, United States Code, is amended by adding immediately at the end of Part II thereof the following new chapter:

"Chapter 38—CRIMINAL JUSTICE SERVICES ADMINISTRATION

"Sec.
"581. Criminal Justice Services Administration.
"582. National Criminal Justice Board.
"583. Criminal Justice Offices.
"584. Bureau of Juvenile Justice.
"585. Office of Ombudsman of Federal Criminal Justice System.
"586. Bureau of Federal Criminal Justice Coordination.
"587. Law Enforcement Assistance Administration.
"588. Bureau of Prisons.

"§ 581. CRIMINAL JUSTICE SERVICES ADMINISTRATION.

"(a) There is hereby established in the Department of Justice an agency which shall be known as the Criminal Justice Services Administration (hereinafter referred to in this chapter as the 'Administration'), to be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate now or hereafter prescribed by law for positions of level III of the Executive Schedule pay rates (5 U.S.C. 5314). The Administrator shall be responsible for coordinating among the several departments and agencies of the United

States all Federal activities within the Federal criminal justice system, and for carrying out, in accordance with the provisions of this chapter, all functions and duties transferred to the Administration pursuant to the Federal Criminal Justice System Reorganization Act, and such other functions as the Attorney General shall from time to time direct.

"(b) There shall be in the Administration a Deputy Administrator of the Criminal Justice Services Administration, hereinafter referred to as the 'Deputy Administrator', who shall be appointed by the President, by and with the advice and consent of the Senate, who shall perform such functions as the Administrator or the Attorney General may from time to time direct, and shall receive compensation at the rate now or hereafter prescribed by law for positions of level V of the Exective Schedule pay rates (5 U.S.C. 5316).

"(c) The Deputy Administrator or such other official of the Department of Justice as the Attorney General shall from time to time designate shall act as Administrator during the absence or disability of the Administrator, or in the event of a vacancy in the office of Administrator.

"§ 582. NATIONAL CRIMINAL JUSTICE BOARD.

"(a) There is hereby established within the Administration the National Criminal Justice Board (hereinafter referred to in this chapter as the 'National Board'), which shall be composed of eleven members (one from each judicial circuit) appointed by the President of the United States, by and with the advice and consent of the Senate, and who shall represent diverse backgrounds, including, but not limited to, the fields of correction, psychiatry, psychology, sociology, law, medicine, education, and vocational training. Such members shall serve for terms of five years, except that, of the members first apopinted, three shall serve for terms of two years, three shall serve for terms of three years, three shall serve for terms, of four years, and two shall serve for terms of five years, as designated by the President at the time of their appointment. Each member shall be designated by the President to represent a specific judicial circuit. The Administrator appointed pursuant to section 581 of this title shall call the first meeting of the National Board within six months after the date of the enactment of this chapter, and the Board shall thereafter meet not less than four times each calendar year.

"(b) The President shall appoint one member to serve as Chairman. The National Board is authorized to appoint and fix the compensation of such employees as it determines necessary to carry out its duties under this chapter.

"(c) Members of the Board shall receive compensation as established in section 5315 of title 5, United States Code, relating to level IV of the Executive Schedule. Members of the Board shall be entitled to reimbursement for travel, subsistence, and other necessary expenses reasonably incurred in the performance of the duties of the Board.

"(d) The National Board is authorized to enter into contracts or other arrangements for goods or services, with public or private profit organizations, to assist it in carrying out its duties and functions under this chapter.

"(e) It shall be the duty of the National Board to formulate, promulgate, and oversee a national policy on the treatment of persons under the jurisdiction of any court of the United States on the basis of a charge of having violated any of the laws of the United States, to prescribe the duties of probation officers, and to perform such other duties as the Administrator may require. In carrying out such duties, the National Board shall, among other things—

"(1) formulate and recommend sentencing guidelines and standards for the United States courts, and provide periodic review thereof;

"(2) establish guidelines and standards for pretrial release, probation, parole, or other forms of release of individuals charged with a violation of any law of the United States, or of Federal offenders;

"(3) hear appeal by offenders in accordance with section 583(i) of this title; and

"(4) assign to each member of the National Board the responsibility of overseeing the direction and operation of the various District Offices within the circuit which such member represents.

"(f)(1) The National Board shall publish proposed guidelines and standards referred to in subsection (e) of this section in the Federal Register and shall afford interested persons a period of not less than thirty days after publication to submit written data or comments. Except as provided in paragraph (2) of this subsection, the National Board may, upon the expiration of such period and after consideration of all relevant matter presented, promulgate such guidelines and standards with such modifications as it may deem appropriate.

"(2) On or before the last day of any period fixed for the submission of written data or comments under paragraph (1) of this subsection, any interested person may file with the Board written objections to any such guideline or standard, stating the grounds therefor and requesting a public hearing on such objections. As soon as practicable after the period for filing such objections has expired, the Board shall publish in the Federal Register a notice specifying the proposed guideline or standard to which objections have been filed and a hearing requested.

"(3) Promptly after any such notice is published in the Federal Register by the Board under paragraph (2) of this subsection, the National Board shall issue notice of, and hold, a public hearing for the purpose of receiving relevant evidence. Within sixty days after completion of the hearings, the Board shall make findings of fact which shall be public, and may promulgate such guidelines and standards with such modifications as it deems appropriate.

"(4) Any such guidelines or standard promulgated under this subsection shall be effective upon publication in the Federal Register unless the National Board specifies a later date.

"(g) The National Board shall, not less than annually, publish a report concerning the carrying out of its function under this chapter.

"§ 583. CRIMINAL JUSTICE OFFICES.

"(a) There is hereby established in each judicial district a Criminal Justice Office (referred to in this chapter as the 'District Office') which shall be composed of not less than three members and who shall be appointed by the Attorney General. Such members shall represent diverse backgrounds, including, but not limited to, the fields of correction, psychiatry, psychology, sociology, law, medicine, education, and vocational training. Such members shall serve terms of five years, and shall be eligible for reappointment. The Attorney General shall designate one member to serve as Chairman. The Attorney General may appoint and fix the compensation of such employees as it determines are necessary to carry out its duties under this chapter. The Attorney General shall call the first meeting of each District Office. Such District Offices shall be within the Administration.

"(b) Each member of a District Office shall be compensated in an amount equal to $——— per annum, and shall be entitled to reimbursement for travel, subsistance, and other necessary expenses reasonably incurred in the performance of the duties of the Office.

"(c) Immediately following the arrest of a person charged with a Federal offense, the case shall be assigned to the appropriate District Office, which shall—

"(1) investigate the defendant's background, family ties, relationship with the community, employment history, and the circumstances surrounding the alleged offense, and other information which it deems pertinent, and make such information available to the appropriate judicial officer or court, along with a recommendation as to the setting of bail;

"(2) recommend to the appropriate judicial officer or court if indicated, mental observation, or medical observation for problems such as alcoholism, drug addiction or other mental or physical disabilities; and

"(3) submit, within thirty days of arrest, a written report to the counsel of record for such defendant, and the office of the United States Attorney having jurisdiction over the case, and the appropriate judicial officer or court.

"(d) The report shall set forth the findings and conclusions of the District Office, including its conclusions as to any physical, mental, social, economic, or other problems of the defendant, and shall state whether diversion of the defendant from the criminal justice system of prosecution is desirable and, if desirable, the type of diversion recommended. The report shall be made a part of the permanent record of the defendant's case.

"(e) The report shall be the basis for discussion between the United States attorney and counsel of record for the defendant at a formal precharge conference, during which the report and alternatives to prosecution shall be considered. If the United States Attorney and counsel for the defendant agree that diversion of the defendant from the criminal prosecution system would be desirable, and an appropriate authorized diversion program exists, then the charges against the defendant shall be suspended for up to twelve calendar months, subject to the defendant agreeing to participate in that program and subject to the defendant having knowingly and intelligently waived, in the presence of the committing officer, any applicable statute of limitations and his right to speedy trial for the period of his diversion. The Board shall file with the court a statement of the date that the defendant commenced participation in the program. The United States Attorney shall make periodic reviews as to the progress of the defendant while participating in the program. If the United States Attorney is not satisfied with the defendant's progress, he may resume prosecution of the charges by filing, within one year after the defendant commenced participation in the program, a statement of intention to resume prosecution, which shall include the reasons for resumption of prosecution. If the United States Attorney does not file a timely statement of intention to resume prosecution of the charges against the defendant, the charges shall be permanently dismissed. The statement of intention by the United States Attorney to resume prosecution shall be included in the record of the case.

"(f) If a defendant is prosecuted for, and convicted of, a Federal offense, the court shall refer the record of the case to the appropriate District Office for review and consideration prior to sentencing. The Office shall examine and review the record, the pretrial evaluation report and other pertinent information concerning the case, including the recommendations of counsel for the defendant. Within thirty days after receiving the record, the Office shall file a written report with the court, the counsel for the defendant, and the United States Attorney. Such report shall include—

"(1) the sentence recommended by the Office, which may be a suspended sentence, probation, imprisonment, or any alternative to imprisonment authorized by law;

"(2) the reasons for the sentence recommended; and

"(3) if imprisonment is recommended—

"(A) the reason imprisonment is recommended (such as, among others, punishment, deterrence, and rehabilitation), and what alternatives were considered as inapplicable and the reasons therefor;

"(3) the term of imprisonment recommended and the institution or facility in which the imprisonment is recommended to be carried out; and

"(C) the goals for the offender to attain while so imprisoned which, when attained, should entitle him to parole, but such goals may, from time to time, be revised by the District Office.

"(g) If the court determines not to follow the recommendation of the District Office, it shall state that determination in writing, together with the reasons for such determination and the purposes and goals of its sentence.

"(h) The District Office shall carry out, with respect to a defendant who has been sentenced, the function relating to probation, parole, or other form of release (as the case may be) transferred to the Administration by the Federal Criminal Justice System Reorganization Act. In carrying out such functions, the District Office shall hold an annual hearing with respect to each offender who has been sentenced to imprisonment. During such hearing, all pertinent information concerning the offender shall be reviewed with a view to establishing the progress of the offender in attaining the goals set for him by the District Office. At the hearing, the offender shall have the right to be represented by counsel, or a counsel substitute, to submit evidence, and to cross-examine witnesses. Within seven days following the conclusion of the hearing, the Office shall make its determination as to whether the offender should be released on parole or other authorized alternative action taken. A determination by the Office to authorize release on parole of an offender eligible for parole shall be accompanied by a statement of the conditions of parole. If the Office determines that an offender who is not eligible for parole should be released on parole, it shall recommend to the appropriate court that the sentence of the offender be reduced so that the offender may be so released, or that an authorized alternative disposition be made. The appropriate court shall have the authority to reduce any minimum term at any time, upon the motion of the Chairman of the National Board, and upon notice to the attorney for the Government. Within fourteen days after the determination resulting from such hearing, the District Office shall submit to the offender and to the appropriate court a written report containing the decision of the Office and the reasons therefor, including, if applicable, the goals the offender has attained or failed to attain, as the case may be.

"(i)(1) Within thirty days following any final decision of a District Office under subsection (h) of this section, an offender may file a petition for review of such decision by the member of the National Board who represents the circuit in which such District Office is located. No such review shall be conducted except on the basis of—

"(A) new and significant information which was available at the time of the initial decision, but which was not considered by the District Office;

"(B) the District Office failed to follow the applicable standards and guidelines established by the National Board pursuant to section 582(e)(2) of this chapter; or

"(C) the written reasons contained in the report with respect to such decision of the District Office do not support such decision.

"(2) If such member of the National Board, on the basis of his review, affirms the decision of such District Office, the offender may, within thirty days thereafter, petition the full National Board for a review of such decision on the same basis as the initial review. The decision of the National Board shall be final.

"(3) Nothing in this section shall be construed as abridging the right of an offender to appeal a sentence to the Federal courts.

"(j) The District Offices are authorized to enter into contracts or other arrangements for goods or services with public or private profit organizations to assist such Offices in carrying out their duties and functions under this chapter.

"§ 584. BUREAU OF JUVENILE JUSTICE

"(a) There is hereby established within the Administration a Bureau of Juvenile Justice, which shall be headed by a Director appointed by the President of the United States, by and with the advice and consent of the Senate. The Director shall be appointed for a term of four years and shall be eligible for reappointment. The Director shall be compensated in an amount equal to $— per annum.

"(b) The Director may appoint and fix the compensation of such employees as he determines are necessary to enable him to carry out his duties under this section.

"(c) The Director shall be responsible for carrying out all functions transferred to the Administration pursuant to section 102(a)(4) of the Federal Criminal Justice System Reorganization Act.

"§ 585. OFFICE OF OMBUDSMAN OF FEDERAL CRIMINAL JUSTICE SYSTEM.

"(a) There is hereby established within the Administration the Office of Ombudsman of the Federal Criminal Justice System (referred to in this section as the 'Office'), which shall be headed by a Director appointed by the President of the United States, by and with the advice and consent of the Senate. The Director shall be appointed for a term of four years and shall be eligible for reappointment. The Director shall be compensated in an amount equal to $— per annum.

"(b) The Director may appoint and fix the compensation of such employees as he determines are necessary to enable him to carry out his duties under this section.

"(c) Any petition for collateral review of a conviction filed by a Federal Offender, or any petition filed by an inmate in a State or Federal penal or correctional institution for redress of grievances concerning conditions within such institution, may, upon receipt by the appropriate court of the United States, be referred by that court to the Office, if such referral is requested by the petitioner, or if the court, in its discretion, determines that such petition should be so referred. The Office shall have ninety days within which to consider such petition and, if possible, to resolve the matter contained therein. On or before the expiration of such ninety-day period, the Director of the Office shall file a report with the court which referred such petition. The report shall include the findings of the Director, together with a statement of the actions, if any, taken by him concerning such petition, whether or not such actions were successful in resolving such matter and his recommendations, if any, with respect thereto. A copy of such report shall be made available to the petitioner or his counsel. Nothing in this section shall be construed to preclude further action by the court pursuant to such petition, or to preclude the petitioner from again filing such a petition with the appropriate court. Such subsequent petition covering matters contained in the initial petition so referred shall not be referred pursuant to this section but may be considered by the appropriate court in the same manner and to the same extent as if this section had not been enacted. Any such subsequent petition so filed shall be accompanied by a copy of the report submitted by the Director on the basis of such initial petition.

"(d) The Office shall also review any nonjudicial petitions, memoranda, letters, or other forms of communications directed or referred to it by the Bureau of Prisons or by any offender under the jurisdiction of the Attorney General relating to any complaint or dispute over conditions of confinement or other related matters. The Office shall investigate all such communications and attempt to resolve any such matter in as fair and expeditious a manner as possible, recommending, where appropriate, to the Administrator or any other person within the Administration, any action which might resolve any such matter or avoid the recurrence of any such matters in the future.

"§ 586. BUREAU OF FEDERAL CRIMINAL JUSTICE COORDINATION.

"(a) There is hereby established within the Administration the Bureau of Federal Criminal Justice Coordination, which shall be headed by a Director appointed by the President of the United States, by and with the advice and consent of the Senate. The Director shall be appointed for a term of four years and shall be eligible for reappointment. The Director shall be compensated in an amount equal to $ — per annum.

"(b) The Director may appoint and fix the compensation of such employees as he determines are necessary to enable him to carry out his duties under this section.

"(c) The Bureau of Federal Criminal Justice Coordination shall have the responsibility of conducting a continuing study of all Federal activities within the Federal Criminal Justice System with a view to advising and making recommendations to the Administrator (appointed pursuant to section 581 of this chapter) in carrying out his duties under this chapter, including the coordination among the several departments and agencies of the United States of all Federal activities within the Federal Criminal Justice System.

"§ 587. LAW ENFORCEMENT ASSISTANCE ADMINISTRATION.

"On and after the effective date of this section, the Law Enforcement Assistance Administration established by the Omnibus Crime Control and Safe Streets Act of 1968 shall be within the Administration and shall otherwise continue to function as a part thereof in the same manner and to the same extent as it did on the date immediately preceding the effective date of this section.

"§ 588. BUREAU OF PRISONS

"On and after the effective date of this section, the Bureau of Prisons shall be within the Administration, and shall otherwise continue to function as a part thereof in the same manner and to the same extent as it did on the date immediately preceding the effective date of this section."

(b) The chapter analysis of "Part II—Department of Justice" of title 28, United States Code, is amended by adding at the end thereof the following new item: "38. Criminal Justice Services Administration ——— 581."

SEC. 102. (a) Subsections (c), (d), (e), (f), (g), (h), (i), (j), and (k) of section 583, subsection (c) of section 585, and sections 587 and 588, of title 28, United States Code, as enacted by the amendment made by section 101 of this Act shall take effect upon the expiration of the one hundred and twenty day period following the date of the enactment of this Act.

(b) Subsections (c), (d), (e), and (f) of the first section of this Act shall take effect upon the expiration of the one hundred and twenty day period following the date of the enactment of this Act.

(c) All other provisions of this Act shall take effect upon the date of its enactment.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act and the amendments made thereby.

THE OFFENDER EMPLOYMENT AND TRAINING ACT

Mr. PERCY. Mr. President, one of the very serious impediments to a prisoner's being able to reintegrate himself successfully into the community is the lack of a vocational skill, and the resultant lack of a job. With no job, branded as an ex-con, and with little money to fall back on, two out of every three prisoners return to crime. The present training of prisoners is hopelessly inadequate. The Federal Prison Industries does the best it can, despite certain statutory restrictions which inhibit what prisoners are allowed to do while in prison. For instance, prison-made goods cannot be sold in interstate commerce. Prisoners are restricted to printing and binding government publications, refinishing government furniture, or making license plates. These skills are not in great demand on the outside, and the training involved in these jobs prepares only a relatively few prisoners for meaningful employment. The irony is that from every indication we have, chances are very slim that an offender will return to a life of crime if he is able to get a job immediately upon release. However, if he cannot get that job, the chances are very great that he will return to crime. Thus a direct correlation exists between the ability of an ex-offender to get a job and the likelihood of his not returning to a life of crime.

Last year I introduced S. 3922, the so-called work your way out of prison bill. Along with Senators BROCK, MATHIAS, MOSS, and TAFT I am today reintroducing that bill (S. 2161) with some minor modifications. Basically, what this legislation does is authorize the Federal Prison Industries to contract with private groups, such as businesses, to establish factories within the prisons themselves. The private business would employ those prisoners who volunteer to participate and agree in advance to certain conditions of employment. The prisoners would be trained to manufacture marketable items which could then be sold on the open market. However, before the restrictions on the interstate sale of prison-made products could be lifted, certain conditions would have to be met.

First, the employer—and I want to emphasize here that it is the private sector, not the government—would pay to the prisoner-employee a wage comparable to the prevailing wage paid in that locale for work of a similar type. Second, from this wage would be deducted certain expenses. The prisoner would have to repay the government for the cost of his room and board while in prison. He would also have money deducted to help support his family. This becomes especially important when one realizes that over 55,000 families receive welfare where the wage earner is in prison. Taxes, social security, and other normal items would also be deducted from his salary. And, finally, up to 10 percent of his earnings would be earmarked for a fund to compensate the victims of crime. In other words, he would be paid like any other worker, with the same deductions each of us has, with the exception that he would be required to assist those who have suffered as victims of crime. The money left over would be saved and would then serve as something to fall back on after his release.

Care, of course, should be taken not to train prisoners in skills which will only glut the job market. There are many areas in which business is desperately in need of skilled workers, but is unable to find any. No one would suggest that this program should operate to make it more difficult for the veteran or anyone else to get a job, but, at the same time, who could fault a program which would train people in areas where trained workers are needed and wanted by employers?

I think the need for this type of legislation is self-evident, and I am hopeful that business and labor, government and private sector, will work together to make this program a success. I am hopeful that we can have early hearings on this legislation, and then secure early consideration of it on the floor of the Senate.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act shall be known as the Offender Employment and Training Act.

TITLE I—FEDERAL PENAL OR CORRECTIONAL INSTITUTIONS

SEC. 101. Chapter 307 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 4129. PROGRAMS, PROJECTS, LOANS, AND GRANTS.

"(a)(1) The Federal Prison Industries is authorized, from moneys available in the fund established by this section, to make grants and loans to, or contract with, any qualified applicant to enable such applicant to establish, develop, expand, or carry out, within or outside of the exterior boundaries of any Federal penal or correctional institutions, projects for the purpose of training or employing, or both, of offenders. Such projects may also provide for supportive services to such offenders, such as training, education, counseling, and aftercare.

"(2) The Federal Prison Industries shall make such loans at an interest rate not to exceed six per centum per annum, and any such loan or grant shall be made in accordance with the provisions of subsection (c) of this section, and in such amount and subject to such terms and conditions as the Federal Prison Industries may prescribe. The Federal Prison Industries is authorized, in its discretion, to waive all or any part of the principal, interest, or both, arising out of any loan made pursuant to this section.

"(3) Moneys repaid in connection with any loans made pursuant to this section (including interest) shall be deposited in and become a part of the fund established by this section.

"(4) Proceeds from any sale of products produced or services provided by offenders in connection with a project carried out by any Federal agency shall be deposited in and become a part of such fund.

"(b)(1) The Federal Prison Industries is authorized to acquire by purchase, construction, or otherwise, facilities which may be utilized in connection with any project referred to in subsection (a) of this section and to make such facilities available, by lease or other agreement, to any qualified applicant. Such facilities shall be made available, subject to the provisions of subsection (c) of this section, pursuant to such terms and conditions as the Federal Prison Industries may prescribe. Moneys received by the Federal Prison Industries in connection with any such lease or other agreement shall be deposited in and become a part of the fund established by this section. The Federal Prison Industries is authorized, in its discretion, to waive all or any part of any rentals arising out of such lease and payable to the Federal Prison Industries in connection therewith.

"(c) No loan or grant shall be made, or lease entered into, by the Federal Prison Industries in connection with any such project, unless the Federal Prison Industries has first determined that—

"(1) any such offender engaged in training or employed in connection with any such project with respect to which such loan, grant, lease or agreement is made shall receive wages at a rate which shall not be less than that paid for work or training of a similar nature in the locality in which the work or training is to be performed;

"(2) any products produced or services provided pursuant to any such project may be sold or otherwise disposed of or performed in the same manner and to the same extent as other products or services of a like kind or nature produced or performed by individuals other than offenders;

"(3) such offenders involved in such project are likely, by reason of their involvement, to find employment following their release from confinement or correctional supervision;

"(4) such offenders involved in any such project shall not, solely by virtue of their status as offenders, be deprived of the right to participate in benefits made available by the Federal or any State government to other individuals on the basis of their employment;

"(5) the wages of any offender so employed shall be subject to all applicable Federal and State laws and regulations providing for:

"(A) keeping of funds in trust for incarcerated persons;

"(B) paying such costs incident to the offender's confinement as are deemed appropriate and reasonable;

"(C) paying such amounts for the support of the offender's dependents as are deemed appropriate and reasonable;

"(D) paying such amounts to any Federal fund established by law to compensate the victims of crime as are deemed appropriate and reasonable, but in no event shall the aggregate of such amounts be in excess of 10 per centum of such wages earned during any period.

"(d) There is hereby established in the Treasury of the United States, notwithstanding the provisions of section 4126 of this title, the Federal Employment and Training Fund (herein referred to in this section as the 'fund'). Moneys covered into the fund pursuant to this section are hereby made available for expenditures for the purposes of this section without fiscal year limitation.

"(e) Nothing in this section or in any other Federal law shall be construed to prohibit the sale to the public of any products produced by offenders in connection with a project financed or assisted in whole or in part from moneys out of the fund established by this section, and the provisions of section 4122 (a) of this title, relating to competition with private enterprise, the second paragraph of section 4002 of this title, the provisions of the first paragraph of section 4123 of this title, and the provisions of section 1 of the Act of January 19, 1929 (45 Stat. 1084), shall not be applicable with respect to industrial operations under this section. The provisions of section 1761 of this title shall not be applicable with respect to any such products shipped in interstate or foreign commerce.

"(f)(1) Section 210 (a) (6) (C) of the Social Security Act is amended by deleting clause (iii) thereof.

"(2) Section 3121 (b) (6) (C) of the Internal Revenue Code of 1954 is amended by deleting clause (iii) thereof.

"(3) The amendment made by this subsection shall be applicable in the case of service performed on and after the first day of the first calendar quarter beginning on or after the date of the enactment of this subsection.

"(g) As used in this section, the term—

"(1) 'qualified applicant' means any corporation, association, labor organization, any private nonprofit organization, or Federal agency having jurisdiction or control over penal or correctional institutions;

"(2) 'offender' means any individual charged with or convicted of a criminal offense and with respect to which such individual is an inmate in any penal or correctional institution or is on probation, parole or other conditional release.

"(h) In addition to the moneys covered into the fund pursuant to this section, there are authorized to be appropriated annually to the fund out of any moneys in the Treasury not otherwise appropriated such amounts as are necessary to make the income of the fund not less than $10,000,000 for the fiscal year ending June 30, 1974, and for each fiscal year thereafter.

"(i) The Comptroller General of the United States shall from time to time conduct audits or other reviews of any expenditures of funds pursuant to this section, and on or before January 31 of each year shall report to the Congress on all expenditures of such funds as were made during the previous calendar year. The Attorney General shall make available to the Comptroller General such information as is necessary to assist him in carrying out his duties under this section."

SEC. 102. The table of contents of chapter 307 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"4129. Programs, projects, loans, and grants."

TITLE II—STATE PENAL OR CORRECTIONAL INSTITUTIONS

SEC. 201. The Attorney General of the United States is authorized to enter into an agreement, by contract or otherwise, with any State pursuant to which the Attorney General shall financially assist such State in carrying out a program or programs for the purpose of training or employing, or both, of offenders in State penal or correctional institutions comparable to that authorized by title I of this Act. Such assistance under this Act may be provided by grant or otherwise, shall be provided in such amount and in such manner as the Attorney General may by regulations prescribe, and shall be subject to requirements comparable to the provisions of section 4129(c) of title 18, United States Code.

SEC. 202. The provisions of section 1761 of title 18, United States Code, shall not be applicable with respect to any product produced pursuant to any project financed in whole or in part from any financial assistance made available pursuant to this title.

SEC. 203. For the fiscal year ending June 30, 1974, and for each of the next following four fiscal years, there is authorized to be appropirated the sum of $10,000,000 to enable the Attorney General to carry out the provisions of this title.

REENFRANCHISEMENT OF EX-OFFENDERS

Mr. PERCY. Once a man has "paid his legal debt to society," he is returned to the community and is expected to act like every other citizen. However, all too often there are roadblocks which prevent him from becoming restored to full citizenship. One of these is the denial of his right to vote. It is only equitable that when a person has served his sentence, he should automatically be able to take up the rights as well as the responsibilities of citizenship. What is a more basic right than the right to vote? Working to reenfranchise ex-offenders is a minor thing to many people. But, it is both a major symbolic as well as real step which should be taken by the Congress. The bill I am introducing today, (S. 2162) along with Senators JAVITS, MATHIAS, and MOSS would, simply, give a person the right to vote in Federal elections once he has completed his sentence, and is no longer under the jurisdiction either of a court or of the Attorney General.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that (a) The Voting Rights Act of 1965 is amended by inserting after section 202 the following new section:

"VOTING IN FEDERAL ELECTIONS BY PERSONS CONVICTED OF CRIME

"SEC. 203. (a) No citizen of the United States who is otherwise qualified to vote in any Federal election shall be denied the right to vote in such selection on account of his having been convicted of any crime, if he has served the sentence of imprisonment imposed as punishment therefor, completed any term of parole imposed in connection with such conviction, and is no longer under the jurisdiction of the court with respect to such conviction.

"(b) As used in this section, the term 'Federal election' means a primary, general, or special election held for the nomination for election, or election, of an individual for the office of President, Vice-President, Senator, Representative, or Delegate to the Congress, and includes a primary held for the expression of a preference for the nomination of individuals for election as President and Vice-President."

(b) Sections 203, 204, and 205 of such Act are redesignated as sections 204, 205, and 206 respectively.

(c) Section 204 of such Act, as redesignated by subsection (b) of this section, is amended by inserting after "section 202" the following: "or section 203."

(d) Section 205 of such Act, as redesignated by subsection (b) of this section, is amended by striking out "section 201 or 202" and inserting in lieu thereof "section 201, 202, or 203."

STREET TIME CREDIT FOR PAROLE

Mr. PERCY. The last two bills (S. 2163 and S. 2164) deal with the problems faced by a parolee whose parole has been revoked. One bill deals with Federal parolees, and the other with District of Columbia parolees. Each bill simply says that the time spent on parole is to be credited toward the running of an offender's sentence.

Normally, the time spent on parole is considered as time spent serving the court-imposed sentence. However, in the Federal system and in the District of Columbia, this is not the case when a person has violated the conditions of his parole and it is subsequently revoked. No credit is given for the time spent on parole, and those years have to be served over again. Let me offer an example. Suppose someone was sentenced to 15 years in prison in 1950. That would mean that by 1965 he would have completed serving his sentence. Let us also assume that after 5 years he was paroled from prison, and was on parole from 1955 to 1964. But then suppose that he violated his parole. This could be done by committing a new crime, for which he would, of course, be liable for any penalty imposed by law, or by a technical violation, like moving out of town without gaining the permission of his parole officer. One would assume that he would have to serve only 1 more year, until 1965. However, in the Federal system and in the District of Columbia, that would not be the case. Instead, he would have to serve that 1 year and the other 9 years he had already spent on parole. So, instead of finishing his sentence in 1965, he would not be finished serving his sentence until 1974.

I know of one particularly sad example of this. It involves a man who was sentenced in 1950 to 15 years, as in the example I have given. He was also paroled in 1955. Unfortunately, the man is an alcoholic. He has been paroled several times, but he continues to get into trouble through drinking. He has been arrested several times for loitering. In effect, he is a skid-row bum. But each time he was picked up for loitering, his parole was revoked, and he was given no credit for the time he had already spent on parole. As far as I know, he is still serving that sentence, some 23 years after his 15 year sentence was imposed. In effect, he has been sentenced to serve at least an additional 8 years.

Last year I introduced two bills, S. 3673 and S. 3674, which were designed to resolve this inequity by crediting to the running of a sentence the time spent on parole up to the time of any violation. I am today reintroducing these two bills, along with Senators JAVITS and MOSS. Simple fairness demands that this statutory inequity be resolved.

Mr. President, I ask unanimous consent that the text of each of these bills be printed at this point in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that (a) The second sentence of section 4205 of title 18, United States Code, is amended to read as follows: "The unexpired term of imprisonment of any such prisoner shall begin to run from the date he is returned to the custody of the Attorney General under such warrant, but the amount of time which such prisoner shall be required to serve as a result of his retaking shall be reduced by a period of time equal to that period commencing with his release by reason of his parole and ending with the date of the commission of the violation for which parole was revoked."

(b) The third paragraph of section 4207 of title 18, United States Code, is amended by inserting a comma immediately after "prisoner" and the following: "subject to the provisions of section 4205 of this title."

SEC. 402. The provisions of this title shall be applicable in the case of any person who, on or after the date of its enactment, is on parole or is paroled pursuant to the provisions of chapter 311 of title 18, United States Code.

S. 2164

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled, That the fourth sentence of Section 6 of the Act of July 15, 1932 (D.C. Code, sec. 24-206), is amended by inserting immediately before the period at the end thereof, a comma and the following: "and less any period of time during which he was on parole, commencing with his release by reason of his parole, and ending with the date of the commission of the violation for which parole was revoked."

SEC. 2. The sixth sentence of section 6 of the Act of July 15, 1932 (D.C. Code, sec. 24-206), is repealed.

CONCLUSION

Mr. PERCY. Mr. President, these five bills which I have introduced today will not solve totally the crime problem. They will not mean that the night after they are enacted it will be safe for us to take a midnight stroll through the park. But, they do offer alternatives, ways in which we can take positive steps to reorganize a chaotic system, build into the prisons vocational opportunities which will help reduce recidivism, and thus crime, and clear up some of the other inequities which have been allowed to grow in our criminal justice system.

If we are serious about trying to alleviate the crime problem, then it is time that we take a long look at the system we are subsidizing which produces failure 7 times out of 10. Let us reshape our approach to criminal justice, not by falling into the trap of being "soft on crime," "coddling criminals," or of being "hard liners" and "lock 'em up and throw away the key" advocates. None of these approaches has worked, or will work. Slogans are no substitute for concrete proposals, basic common sense, or meaningful results. The legislation which I am today introducing offers some possible answers to the complex problems we are facing. If enacted, I believe that this legislation would help reduce the threat of crime in this Nation.

By Mr. ABOUREZK:

S. 2165. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the petroleum industry. Referred to the Committee on the Judiciary.

THE PETROLEUM ACT OF 1973

Mr. ABOUREZK. Mr. President, I introduce the Petroleum Act of 1973.

This legislation, Mr. President, will divest all vertically integrated oil companies, limiting any single company to one of the four phases of the industry: Production, refining, transportation by pipeline, or marketing. I am pleased to announce that identical legislation is also being introduced in the House of Representatives today by Congressman LES ASPIN of Wisconsin. Mr. ASPIN, while now only beginning his second term of office, has already compiled an enviable and distinguished record as a legislator and it is a source of great personal satisfaction to me that he is the sponsor of this legislation in that body.

This legislation proposes restructuring of the oil industry to accomplish two major objectives:

First, to establish competition in the industry so that prices are determined by the free interplay of market forces of supply and demand—rather than by executive decision, whether Government or private as is now the case.

Second, to reallocate the economic and political power of this industry so that this power will be dispersed among a great many small units instead of being concentrated in a few super giants who can and do use it to bend the Government to their collective will.

Translated into the simplest of terms, the effect of the proposed legislation will be to bring about fair market prices and make the oil industry governable in the public interest.

The legislation proposed is intended only to reorganize the petroleum industry into a form which would restore its competitive vigor, permitting businessmen in that industry to compete freely without restraint in the essential job of providing energy to our economy. Its purpose is to eliminate any heavy burden of regulation that would inhibit industry efficiency and to end any thought of further regulation or the threat of nationalization by restoring active markets that once existed in this industry—those particularly between crude oil production and refining, and between refining and product marketing. With this, all companies within each segment—production, transportation, refining, marketing—would be able to compete freely and openly in the marketplace, without the heavy restraints which integration now places on such markets.

Nor is this job to be accomplished without due care for those investors who have placed their savings into the securities issued by these companies. Ample time is allowed within which each of the integrated companies can formulate plans for careful and deliberate divestiture, and submit them for consideration by the Securities and Exchange Commission, and its approval when the interests of investors are equitably cared for.

The bill proposes that petroleum refining companies, other than independent refiners—those who buy nearly all of their crude oil and sell at the refinery most of their products—be prohibited from owning interests in crude oil production or marketing facilities. Pipelines, now a means of controlling markets in crude oil and refined products, would be compelled to be independent transportation facilities, prohibited from transporting commodities in which their affiliates had any ownership interest.

These prohibitions would, of course, require the larger integrated companies to divest themselves of substantial properties. Were this divestiture to occur immediately, obviously the investors in those companies would suffer grievous loss. Drawing on the historical precedent of the Public Utility Holding Company Act of the 1930's, however, this proposal would only require that they formulate and file plans with the Securities and Exchange Commission, as the utilities did. After consideration and hearing, when the Commission is satisfied that investor interests are properly protected, the plan would be implemented by actual divestiture. But, to prevent misuse of integration powers during the period that a plan is under consideration, the Commission is required to specify appropriate accounting rules segregating petroleum company costs and profits at each level of industry operation.

Enactment of this proposal, then, would reestablish the viability of competition at each level. No more would there be the immense leverage of crude oil profits to integrated companies which could be used to crush independent refiners, nor could the integrated companies use the power inherent in their interlocked control of crude oil pipeline transportation and the immense output of their refineries to control product markets and thus destroy their independent competitors. It would in summary, provide a basis not only for ending the present contrived energy crisis, but would eliminate the incentive to create new crises.

A CONTINUING CHALLENGE

The organization of the oil industry into competing units of manageable size has been a continuing challenge to the Federal Government ever since 1890 when the Sherman Act was passed. Early on, the Standard Oil trust was broken up into a number of units, many of which now far outstrip in size and financial strength the original trust itself. This was accomplished by a Government antitrust prosecution which was ultimately sustained by the Supreme Court in *Standard Oil Company of New Jersey* v. *United States,* 221 U.S. 1 (1911). These units today survive as Exxon, Standard Oil of California, Atlantic Richfield, Standard Oil at Indiana, and Mobil—to name but a few.

Drastic though this divestiture appeared to be, it provided no long-range solution to the problem of keeping the power of the oil industry within Government limits, and maintaining effective competition within that industry. During the depression years under the National Recovery Administration and thereafter, the oil industry became more and more monopolistic in character, with control of production, refining, transportation and marketing being combined into giant integrated companies, international in scope and waxing ever more powerful. The NRA Codes shaped by these companies tended to suppress competition among them and to foster coordinated group action by them in the conduct of their ostensively competing businesses. Following the termination of NRA, the oil companies persisted in their pattern of cooperation and combination to maintain prices. On the basis of such conduct, the government successfully brought a criminal antitrust prosecution against the major oil companies operating in the Midwest.

Based on price-fixing charges which involved a group-buying program to stabilize the mid continent gasoline market, the oil companies' conviction was sustained by the Supreme Court in *United States* v. *Socony Vacuum Oil Company*, 310 U.S. 150 (1940).

In the late 1930's the Temporary National Economic Committee gave its attention to the monopolistic power and market structure which characterized the oil industry. In the light of TNEC's work, and with the benefit of its own litigating experience in the Socony Vacuum price-fixing case, the antitrust division in 1940 undertook a major divestiture suit to reorganize the entire oil industry along nonintegrated lines so that competitive forces could freely operate within it. This case, United States against American Petroleum Institute, et al., named as parties-defendant virtually all of the domestic oil companies and their subsidiaries. Indeed, the defendants were so numerous that it became known as the "Mother Hubbard case."

While the U.S. Department of Justice was proceeding with its efforts to have the courts reorganize the oil industry along competitive lines, the legislative branch of the Government entertained a series of bills filed by Senator Gillette of Iowa which sought to accomplish the some end. Due to the preemptive demands of the war effort, neither the Mother Hubbard case nor Senator Gillette's legislative proposals were pressed.

At the conclusion of World War II, the Mother Hubbard case was dismissed by the Antitrust Division with the promise that the relief it sought in that case would be claimed by a series of smaller regional cases. Thereafter only one such case was filed—the so-called west coast oil case, United States against Standard Oil Company of California, et al. Limited to the principal oil companies operating in the far Western States, this case, like the Mother Hubbard case before it, sought to restructure the oil industry along competitive lines so as to secure divorcement of oil production from oil refining, from oil transportation, and from oil marketing. Ultimately this case was settled by consent decrees for relief falling far short of the industry organization which the case originally sought to achieve.

At about the time the west coast oil case was drawing to an unsuccessful and ineffectual close, a runaway Federal grand jury indicted the principal oil companies on price-fixing charges arising out of simultaneous and identical price increases they made to profiteer out of the Suez oil crisis. The indictment, originally returned in Alexandria, Va., was transferred at the behest of the oil company defendants to Tulsa, Okla. There, under sinister circumstances, it was ultimately dismissed by a Federal judge who shortly thereafter entered the employ of one of the defendants as its general counsel.

While all this was going on, the U.S. Department of Justice was attempting to press a cartel case against the major oil companies based upon their domination and control of international trade in petroleum and petroleum products. Again, this case was never brought to trial, but instead was settled by a consent decree along lines which did not disturb the defendants' monopoly power nor achieve the relief which the United States was claiming in the public interest. Simultaneously, the oil companies were defeating the Government's claim to recover overcharges for oil furnished the U.S. Navy which cost 25 to 40 cents to produce and for which the Navy paid $1.05 and up per barrel because of the price-manipulating ability of the international oil cartel. See, *United States* v. *Standard Oil Company of California*, 155 F. Supp. 121 (S.D. N.Y. 1957), affirmed 270 F. 2d 50 (2d Cir. 1959).

The failure of the Department of Justice effectively to prosecute the oil industry under the antitrust laws in the pattern of the Mother Hubbard case is strong testimony to the political power of the oil companies. The Mother Hubbard case was never brought to trial. No proper follow-up prosecutions have been effectively pressed. Even the indictment process has been subverted. It is in these circumstances that I propose a legislative solution to the problem of competition in the oil industry by this proposed legislation.

This legislation seeks the comprehensive change in the oil industry's structure as did the Mother Hubbard case proposed by the Department of Justice in 1940. Moreover, the industrial reorganization which this legislation seeks would be achieved by time-tested measures devised by the Congress in 1935 to deal with anticompetitive structures in the utilities industries, whereby the Securities and Exchange Commission supervises and controls the industrial reorganization in question.

Nor, Mr. President, is divestiture new to our economy. Legal precedents, other than the dissolution of Standard Oil previously mentioned, do exist for the use of the divestiture/divorcement remedy in industries where market power is gained by means of vertical integration and its abuse or its potential for abuse is shown.

The following are examples of such incidents:

> The Hepburn Act of 1906 compelled railroads to divest themselves of their control over the coal companies which shipped coal over their lines, 49 U.S.C. 1(8) (1954).
>
> In *United States* v. *Reading Co.*, 253 U.S. 26 (1920), the Court held that the combining of the largest single coal company in a field and the only railway over which its coal could find its way to market was illegal (The Court's holding was independent of the Hepburn Act).
>
> The decree in *United States* v. *Swift & Co.*, 286 U.S. 106 (1932) compelled meat packers to divest themselves of control over retail outlets
>
> The banking act of 1935 divorces the functions of banking from investment banking.
>
> The Pullman Company was required to separate its pullman service function from the manufacturing function [*U.S.* v. *Pullman Co.*, 53 F. Supp. 908 (E.D. Pa. 1946); *U.S.* v. *Pullman Co.*, 50 F. Supp. 123 (W.D. Pa. 1943).]
>
> The decree in *United States* v. *Paramount* 334 U.S. 131 (1968) required certain motion picture producers to divest themselves of their theatre facilities. [Mandate interpreted and applied in *U.S.* v. *Paramount Pictures*, 85 F. Supp 881 (S.D.N.Y. 1948)]

Legislation similar to that which I introduce today has recently been introduced in this body and I heartily commend its sponsor, the distinguished Senator of New Hampshire, Senator McINTYRE. Senator McINTYRE observes that—

> The major companies—with Government assistance through tax laws and such programs as the quota system—have already been allowed to monopolize the production and refining segments of the industry. The so-called gasoline shortage is now being used as the weapon to allow them to complete the process of monopolizing the total marketing system.

Senator McINTYRE commented further that—

> It is clear that if the major oil companies are allowed to continue to take over the marketing segment of the industry then thousands of small business wholesalers and retailers will be destroyed.

I agree fully with the Senator from New Hampshire that—

> Congress must take affirmative action to halt any further market domination and control. If a handful of giant petroleum corporations are allowed to gain control over the entire petroleum industry—from crude oil production to refining to transportation to marketing—then the implicit abuse of marketing power is obvious.

Mr. President, every 4 or 5 years or so over the past 50 years the Nation has had some oil and gas crisis that could only be solved, the industry told us, by higher prices.

The legislation I introduce today provides the alternative solution in the public interest and in the consumer interest by establishing competition in the industry and preserving the independent sector of the industry.

That such legislation is needed and needed desperately, I submit, has been already established by the unconscionable forced closing of 1,200 independent oil dealers.

I ask unanimous consent that the Petroleum Industry Company Act of 1973 be printed in the RECORD following these remarks and that it be followed by a section-by-section analysis of the bill and the following news articles:

"FTC Links Oil Shortage to Lack of Competition" (Minneapolis Tribune, July 8, 1973.)

"Frozen Out—Independent Oil Company Closes, Gives Reasons" (Mitchell, S. Dak. Daily Republic, June 14, 1973, Mitchell, S. Dak.)

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the Petroleum Industry Antitrust Act of 1973.

FINDINGS

Sec. 2. (a) The Congress finds: 1) that the industrial organization of the petroleum industry in its present form does not serve the public interest; 2) that industry is characterized by aggregations of capital of tremendous size; 3) that these large companies are engaged in petroleum refining, but are interlocked at various levels of industry operation to the degree that the national policy of competitive free enterprise is frustrated; and 4) that by virtue of intercompany arrangements and vertical integration of refiners into the production of crude oil, the transportation of crude oil and finished products and the marketing of finished products, these large refiners have acquired and hold substantial monopoly power over interstate and foreign commerce in petroleum, adversely affecting the ability of the United States to establish a rational energy policy or conduct its foreign relations properly in important areas.

(b) The Congress further finds: That an ample supply of energy at reasonable cost is essential to the national interest, and that petroleum hydrocarbons are a very significant portion of our energy supply. Current and projected levels of hydrocarbon imports from foreign sources entail serious consequences to the national defense and foreign policy of the United States, to the stability and health of the domestic economy, to the competitive position of this Nation in world trade, to the purchasing power of United States currency, and to the welfare of its citizens.

(c) It is therefore essential that action be taken on an emergency basis to reorganize the structure of the petroleum industry, to restore the free enterprise system in energy development, to assure an adequate flow of capital into exploration and development of secure and environmentally safeguarded sources, and to accord investors, consumers and taxpayers adequate protection in relation to energy development and the divestitures required hereunder.

DEFINITIONS

Sec. 3. (a) "Refinery" means a plant constructed or operated for the purpose of separating or converting liquid hydrocarbons to finished products or unfinished oils for further refining;

(b) "Finished Products" means liquid hydrocarbon products used or useful without further processing other than mechanical blending for the production of energy for heating or as a source of mechanical power.

(c) "Crude Oil" means a mixture of liquid or gaseous hydrocarbons that are produced from natural underground reservoirs, and which are liquid at atmospheric pressures after production.

(d) "Liquid hydrocarbons" means any liquid composed of hydrogen and carbon molecules, and includes such hydrocarbons derived from tar sands, oil shale or liquefaction of coal.

(e) "Company" means any business enterprise of any nature whatsoever, and shall include but not be limited to, corporations, trusts, unincorporated associations, partnerships, and sole proprietorships.

(f) "Affiliate" means any company owned or controlled by another company; or which owns a substantial interest in or controls another company by stock interest, representation on such company's board of directors or similar governing body, by contract or agreement or trust relationship with other stockholders, or otherwise; or any company which is under common ownership or control with such company.

(g) "Independent refiner" means a company operating a refinery of which not more than 25 percent of the total input is derived from crude oil produced by or on behalf of such company or any affiliate of such company; and which sells at least half of the total of finished products produced in its refinery or refineries to companies not affiliated with it for resale at wholesale or retail under brands not owned or controlled by such refinery company.

DIVESTITURE OF PRODUCING FACILITIES

Sec. 4. After the date of enactment of this Act, except as specifically provided herein, no company operating a refinery, other than an independent refiner, shall at the same time own or control any interest of any nature whatsoever, directly or through any affiliate, in any company engaged in the exploration for, development of, or production of, crude oil or other liquid hydrocarbons.

DIVESTITURE OF MARKETING FACILITIES

Sec. 5. After the date of enactment of this Act, except as specifically provided herein, no company operating a refinery, other than an independent refiner, shall at the same time own or control any interest of any nature whatsoever, directly or through any affiliate, in any company engaged in the marketing of finished products: *Provided, however,* any such company may maintain and operate facilities for the sale and delivery of such finished products directly from a refinery.

DIVESTITURE OF PIPELINE FACILITIES

Sec. 6. Paragraph (8) of section 1 of the Interstate Commerce Act (49 U.S.C. 1(8) is amended—

(1) by adding "(a)" immediately after (8) in such paragraph; and

(2) by adding at the end of such paragraph the following subparagraph to read as follows:

(b) (1) It shall be unlawful for any pipeline company subject to this chapter to transport to, from, or within any State, Territory or the District of Columbia, any crude oil or other liquid hydrocarbon, or any finished product, which is produced or manufactured by such pipeline company or any company which is an affiliate of such pipeline company.

DIVESTMENT PLANS AND FINANCIAL ACCOUNTING

Sec. 7. (a) The Securities and Exchange Commission, in accordance with such rules, regulations or orders as it may deem necessary to carry out the purposes of this Act, shall require companies holding ownership interests in facilities which are prohibited by this Act, to submit within one year from the date of enactment of this Act, plans for the divestment of such ownership interests, whether represented by securities or otherwise. If, after notice and opportunity for hearing, the Commission shall find such plan, as submitted or as modified by Commission order, necessary to effectuate the provisions of this Act and fair and equitable to the persons affected by it, the Commission by order shall approve such plan and shall thereafter take such action, by application to a court for appointment of a trustee, or receiver, or for such other order as may be necessary, to enforce such plan: *Provided, however,* The Commission shall not approve any plan which will not substantially accomplish the necessary divestment on or before January 1, 1976.

(b) The Commission shall immediately prescribe rules and regulations governing the financial accounting of companies subject to this Act, to insure careful segregation of operations of such companies in each level of industry operation, separately calculating and reporting capital and operating costs and profits, for operations relating to crude oil production, operation of each refinery, operation of pipelines, and operation of marketing facilities.

OPERATIONS PENDING DIVESTMENT

Sec. 8. Any company required by the terms of this Act to divest property or interests may continue to operate such property or interests under this Act for a period not to exceed one year from the date of enactment of this Act without submission of a plan or plans for divestment, and thereafter during the period required for consideration and approval by the Commission of a plan submitted as herein provided. Such company shall, however, in no event continue to operate or control such property and interests after January 1, 1976.

VIOLATIONS

Sec. 9. If any company shall violate any of the provisions of this Act or any rule, regulation, or order issued hereunder, upon application of any Federal court by the United States, or any customer or competitor of such company or any person affected by such violation, such court shall order the forfeiture to the United States of the sum of $5,000 for each day such violation shall be found to have continued, and for payment of the costs and expenses of suit, including, if a private enforcement action, an informer's fee to be calculated in like manner to those provided by law relating to the collection of import duties or other taxes.

Summary of Petroleum Industry Antitrust Act of 1973

Section 1 contains the short title of the measure.

Section 2 recites detailed findings by the Congress concerning the present highly concentrated organization of the industry, its effects frustrating the national policy in several areas; the policy of competitive free enterprise capitalism generally; energy policy provisions for an ample supply of petroleum products at reasonable costs in interstate and foreign commerce; in carrying out foreign policy in important areas; and in maintaining the stability and purchasing power of the United States currency. This Section also finds that it is therefore essential to reorganize the petroleum industry in such a manner as to make possible effective policy decisions in these areas while at the same time protecting the interests of investors.

Section 3 defines the critical terms used in the legislation. Particularly, it defines the term "affiliate" of a company as including parents, subsidiaries or companies under common control with such companies, whether such relationship is established by ownership, direct or indirect interlocking directorates, by contract or by any other means. It also specifically defines an "independent refiner", a company excepted from the divestment provisions of other sections of the Act, as a company operating a refinery of which not more than 25% of the total input is derived from crude oil produced by or for such refiner or any affiliate, and which sells at least half of its total finished products through other than owned or controlled marketing facilities.

Section 4 prohibits any company operating a refinery, other than an independent refiner, from owning or controlling any interest in exploration for, development of or production of crude oil or other liquid hydrocarbons, including synthetics.

Section 5 is a similar prohibition relating to marketing facilities, forbidding any company operating a refinery, other than an independent refiner, from owning, controlling or operating facilities for the sale of finished products, other than those facilities necessary for sale of produce directly from the refinery.

Section 6 prohibits integration into pipeline transportation. This is accomplished by an amendment to the Interstate Commerce Act to prohibit any common carrier pipeline from transporting crude oil, other liquid hydrocarbons, or finished products, if the commodity transported is owned by the pipeline or any affiliate. This provision is similar to the "commodities clause" provision of the Interstate Commerce Act imposing limitations on railroads, and is in form an amendment to that provision.

Section 7 makes provision for procedures to accomplish the divestment of properties which would otherwise be held in violation of the provisions of the Act. As with public utility holding companies, the Securities and Exchange Commission is given authority to receive and consider divestment plans filed by integrated companies. If the Commission finds such plan as submitted, or as modified by the Commission, to be fair and equitable in its protection of investor interests, and to be in accord with the purposes of the Act, it is authorized to approve the plan and direct its implementation. Pending approval of any plan, however, the Commission is directed to prescribe rules and regulations for petroleum company accounting which will effectively segregate the costs, both capital and operating, and the profits, which are appropriately allocable to each level of company operation.

Section 8 makes necessary allowance for operations during the period before divestiture can be accomplished. It permits companies otherwise subject to the prohibitions of Section 4 and 5 of the Act to continue operations for one year prior to the filing of an appropriate divestment plan with the Securities and Exchange Commission, and thereafter during the period required for the consideration, approval and effectuation of such a plan by the Commission.

Section 9 imposes penalties for the violation of the Act, to consist of a forfeiture of $5,000 for each day a company is in violation. It also provides that this forfeiture can be declared by application to a United States District Court at the request of the United States or any customer or competitor of the company, or of any other person affected by the violation. In the event suit is brought by private interests, an appropriate informer's fee is to be paid, calculated as are those fees allowable in customs or tax matters. Costs and expenses of suit are also to be allowed a successful private party.

FTC LINKS OIL SHORTAGE TO LACK OF COMPETITION

WASHINGTON, D.C.—A Federal Trade Commission (FTC) staff study says the nation's petroleum shortage is the product of anticompetitive practices fostered by government regulations and manipulated by the major oil companies to protect their profits.

"In the many levels in which they interrelate, the majors demonstrate a clear preference for avoiding competition through mutual cooperation and the use of exclusionary practices," the study said. The oil companies "have behaved in a similar fashion as would a classical monopolist: they have attempted to increase profits by restricting output."

The only effective competition to survive has come from independent gasoline stations, said the staff. The study estimated that 1,200 independent stations closed in the first five months of this year.

"What has happened here is that the majors have used the shortage as an occasion to attempt to debilitate, if not eradicate, the independent marketing sector." the study says. If the major's attempt "is at all successful in diminishing the market shares of independents, the consumer will pay dearly for this advantage."

The study is the result of nearly two years of work. The staff obtained answers to detailed questionnaires on relationships between the majors and independents. Attorneys and economists searched the files of more than 50 unidentified cooperating companies. Federal and state regulators provided data. Executives of major oil companies have been called before nonpublic hearings.

The study was intensified at the request of Congress and presented to the five-member commission last Monday. The commission has not taken any action nor made the document public. The Associated Press obtained a copy from sources outside the FTC.

Also under study by the commissioners is a still-unreleased legal analysis of possible actions aimed at spurring competition in the industry. Industry sources have said the analysis recommends a concerted antitrust attack on the biggest companies' control over pipelines, refining operations and marketing.

The report noted that Arco, Exxon, Gulf, Mobil, Texaco, Shell, Standard Oil Co. of California and Standard Oil Co. of Indiana dominate the petroleum industry. As of 1970 the eight held 64 percent of the nation's proved crude oil reserves, accounted for 58 percent of the crude refining capacity and sold 55 percent of the gasoline that the nation's motorist brought.

"The petroleum refining industry is the pivotal point in the petroleum industry," the study said. A shortage of refining capacity has been cited as the root cause of present fuel shortages. The FTC staff argued that the refinery level is where industry cooperation and government policies have granted the most power to the 18 major companies.

One obvious barrier to new refinery entrants is the estimated $250-million cost of a new refinery, the staff reported. It said there has been no new entrant in the refining field since 1950. But the study said that even if a potential new refiner could raise the money, he'd shy away.

One reason cited was the federal oil depletion allowance, which provides a tax credit for a proportion of profits earned on crude oil. The purpose was to encourage oil exploration. But the FTC staff said that because the allowance makes crude oil profits the least taxable of any phase of the majors' operations, the majors claim that most—if not all—their profits come on crude oil.

Through this simple bookkeeping operation, "it pays to raise crude prices up to a point where refinery profits have been reduced to zero," the staff said. "Clearly, such a system creates a hazardous existence for independent refiners, who have little or no crude production."

The ability to buy cheap oil could still lure new refiners into the business. But the staff contended that the oil import control program effectively has shut off foreign competition in supply and left the integrated producers in firm control of the only alternative: domestic supplies.

Even the recent lifting of import quotas by President Nixon won't be likely to attract refinery competition, the study said.

"Just as the federal government first restricted imports and then removed them, they may be restored at a moment's notice," according to the report. It also cited a system called prorationing used by the states of Texas, Louisiana, Oklahoma, New Mexico and Kansas to regulate production:

"Prorationing has been exploited by the majors to raise crude prices above their competitive level and results in a major misallocation of the economy's resources."

There are independent refiners, but most are located inland, making it difficult to obtain foreign crude. And many cannot process high-sulfur imported oil.

INDEPENDENT OIL COMPANY CLOSES, GIVES REASONS

(By Lynne Malm)

L. L. Boehnen Oil Co. will cease operation June 23.

"It is a sad state of affairs for America, when a businessman with good credit and unquestionable business ethics can not buy products. I have been literally forced and frozen out of the business for no reason other than lack of ability to purchase petroleum products," L. L. (Lloyd) Boehnen stated.

Like independent petroleum product companies across the United States, Boehnen Oil, 711 N. Duff, will close due to the policies of major oil companies formed to meet the much-talked-of gas shortage.

Begun in 1932 by Leo Boehnen, the Mitchell firm was one of the largest independent oil companies in South Dakota for some years. Lloyd Boehnen took over the operation from his father in 1949.

In an interview Tuesday, Boehnen described his business as a "true" independent, a company selling products without a brand name. He commented on reasons for the closing of his operations and that of other "true" independents.

"My contention is that the (petroleum product) shortage should never have occurred," Boehnen said. "My personal opinion is that the shortage has been manipulated to enhance the financial growth of the oil companies."

He explained that while production of petroleum products by oil companies is the same, if not slightly greater than in 1972, these companies have known for many years that consumption of petroleum products increases three to seven per cent each year.

"Production was not planned to meet this rise," Boehnen said.

Many major oil companies have quit, or slowed down sales to "true" independents, claiming that they have only enough supply for their own outlets. Many independents who buy brand-name products from major companies to sell under the brand have been put on quotas based on quantities ordered from the company over the previous year.

Boehnen said that oil companies will be "reaping windfall profits" as a result of quota or slow-down selling practices to independents over the past year for two reasons, lack of competition as independents close down, and higher prices charged for petroleum products.

Gas shortages have been in the headlines for about the last year, but Boehnen said that policies leading to the present situation began in the industry as early as 1960.

"To back up my point (that the petroleum shortage has been manipulated for financial gain), I will ask any person to compare the profit and loss sheets of oil companies in 1971 and 1972 to those that will appear for 1973," Boehnen said "When 'true' independents are forced out, (the oil company's) their profits will increase 50 per cent."

Stocks of some major oil companies rose 25–50 per cent in 1972 from 1971.

Boehnen said that 20–25 per cent of the oil companies in South Dakota in 1972 were "true" independents and that most are facing the same difficulties as Boehnen Oil this year.

"In Minnesota alone," he said, "I know of over 200 (Independent) service stations that have closed during this year."

Boehnen said that the closing of independents will save the brand name oil companies money on sales promotion.

"I personally know of one oil company that has reduced its sales force by over 40 per cent in 1973, a drop of from 680 to about 300–307," he said. "In the same company, division and district managers are finding themselves as territory men.

"Saving in just the drop of payroll (to oil companies) is great. It's costing them less to do business".

Smaller companies have been the suppliers of petroleum products for Boehnen Oil and most other "true" independent operators. Nationwide, many of these small suppliers have closed over the year.

"For the last three months, I have only been able to purchase petroleum products in the American market which originated in Europe," Boehnen said, "Prices for gas originating in Europe, on a bid basis, are 23–26 cents a gallon at the New York harbor. Add 11 cents tax and the cost of transportation from New York to South Dakota and see what you come up with."

Independents must raise their prices, or lose money, he said. Oil compnaies with more than $25 million sales are subject to phase

III price controls and have not raised prices at the pump to the same extent.

Boehnen looks for much higher gas prices at the pump at all stations during the next year.

"About my only ray of enjoyment from this whole situation is that my former statements of quality control have been substantiated," Boehnen said. "For years, I maintained that there is no difference in the quality of petroleum products, regardless of brand purchased.

"Some suppliers were trying to convey that there were differences. Facts now substantiate my contention."

Boehnen said he had no quarrel with other "true" independent or independent operators.

"I would like nothing better than to debate the issues with others in the industry of opposing views," Boehnen said of his statements on the closing of "true" independent petroleum product companies.

Boehnen will devote full time to investment counseling after the close of the oil company.

BOEHNEN OIL COMPANY

COMPLETE CLOSEOUT AUCTION

Located at 719 North Duff, in Mitchell, S.D.
Friday, June 22–6:30 p.m.

TRUCK-TANKER

1961 International model R195 with 450 motor, with real good rubber, also 6700 gallon transport; 1 truck tank with meters; 1 truck tank without meters.

OFFICE EQUIPMENT

4 office desks; 2 swivel chairs; 4 straight chairs; 2 window air conditioners; 2 adding machines; cash register; office safe; Coca Cola coin operated pop machine; fire extinguisher; rotary lawn mower; roll away bed; steel cabinets; signs; padding for carpet; lawn sweeper; roll of new carpet, 26 inches wide; hall tree; deep fat fryer; other office equipment.

WAREHOUSE STOCK AND SUPPLIES

The balance of oil and grease in cases and in barrels, consisting of different weight, for diesel, etc., Mobil and D-X brands; anti freeze; grease; outboard motor oil; bolts for road signs; air regulator for car hoist; island air gauge; gas nozzles; pipe fittings; flood lights; tube tester; 8 electric gas and diesel pumps; Black Hawk hydraulic bumper jack; tune-up testing machine; wheel puller; fixtures; grease dispenser; battery charger; air tank; creeper; oil dispenser; tire spreader; 14 and 15 inch tires; car and truck wheels; hydraulic jack; 2 inch brass valves; 5 gallon testing can; gas hose; steel and wooden posts; woven wire; measuring cans; pipe wrenches; shovels; spades; log chains; hand tools; tire tools; truck chains; radiator for 1956 Ford.

Owner: L. L. Boehnen.

Goldammer and Wuebben, Auctioneers.

By Mr. SYMINGTON:

S. 2166. A bill to authorize the disposal of opium from the national stockpile. Referred to the Committee on Armed Services.

PROPOSED SALE OF OPIUM FROM NATIONAL STOCKPILE

Mr. SYMINGTON. Mr. President, I introduce for appropriate reference a bill that will authorize the disposal of 14,600 pounds—morphine content—of opium, now held in the national stockpile, and which is surplus to stockpile requirements.

There is presently pending before the Congress an omnibus stockpile disposal bill, proposed by the administration, which, if enacted, would authorize the disposal of many millions of dollars worth of commodities now held in the Government stockpiles, including the amount of opium indicated in the bill I am introducing.

The administration proposal is controversial in several respects, and will no doubt require extensive hearings before it could be reported in one form or another. In the meantime, a worldwide shortage of licit opium exists. In the United States this shortage has reached critical proportions.

There are but three registered U.S. importers of legitimately produced opium, all of which comes from India. These companies manufacture opium derivatives in bulk for sale to pharmaceutical manufacturers to process the bulk goods into dosage forms, which will then be sold to pharmacists, hospitals, and practicing physicians. Codeine consists of about 95 percent of the demand for opium derivatives in the United States, which is, of course, a well-known pain killer and cough suppressant.

These three bulk manufacturers or importers, at the end of calendar year 1972, had the equivalent of 9 months supply of opium on hand. These stocks will be reduced to a 4-month level by the end of this year, and will be completely depleted in 1974. It is anticipated that during 1974 the shortage will be felt at the dispensing level as hospitals, pharmacists, and physicians become unable to meet the needs of their patient populations.

The release of opium from the stockpile will not solve the chronic problem of the opium shortage. However, assuming the projected levels of Indian opium production are met, the release of stockpile opium will provide the additional increment necessary to assume that legitimate domestic needs for codeine and other opium derivatives will be met through 1976. Under the proposed bill, releases of opium by General Services Administration would be carefully controlled in accordance with regulations of the Bureau of Narcotics and Dangerous Drugs and other administrative agencies concerned with drug control. Such releases would be made in quantities sufficient only to permit replenishment of inventories to normal levels and to avoid any diminishment in imports from India.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 41

At the request of Mr. DOLE, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 41, to designate November 11 of each year as Veterans' Day and to make such day a legal public holiday.

S. 1348

At the request of Mr. BROCK, the Senator from Utah (Mr. MOSS) and the Senator from Georgia (Mr. TALMADGE) were added as cosponsors of S. 1348, the National Mobile Home Safety Standards Act of 1973.

S. 1914

At the request of Mr. PERCY, the Senator from Tennessee (Mr. BROCK), the Senator from Colorado (Mr. DOMINICK), the Senator from Mississippi (Mr. EASTLAND), the Senators from Washington (Mr. JACKSON and Mr. MAGNUSON), the Senator from South Dakota (Mr. McGOVERN), and the Senator from Ohio (Mr. TAFT) were added as cosponsors of S. 1914, to provide for the establishment of the Board for International Broadcasting, to authorize the continuation of assistance to Radio Free Europe and Radio Liberty, and for other purposes.

S. 2005

At the request of Mr. HUMPHREY, the Senator from North Dakota (Mr. BURDICK), the Senator from Iowa (Mr. CLARK), and the Senator from Maine (Mr. HATHAWAY), were added as cosponsors to S. 2005, a bill to provide for adequate reserves of certain agricultural commodities, and other purposes.

S. 2022

At the request of Mr. TUNNEY, the Senator from Michigan (Mr. HART), the Senator from Maine (Mr. HATHAWAY), and the Senator from Massachusetts (Mr. KENNEDY), were added as cosponsors of S. 2022, to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes.

S. 2049

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, at its next printing, the name of the distinguished Senator from Florida (Mr. CHILES) be added as a cosponsor of S. 2049.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered.

REMOVAL OF COSPONSOR FROM A BILL

S. 1527

At the request of Mr. WEICKER, the Senator from Florida (Mr. CHILES) was removed as a cosponsor of S. 1527, the Lobster Conservation and Control Act of 1973.

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 124

At the request of Mr. CHURCH, the Senator from Wyoming (Mr. McGEE), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from South Dakota (Mr. McGOVERN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. HART), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from Illinois (Mr. PERCY), the Senator from Iowa (Mr. HUGHES), the Senator from Washington (Mr. MAGNUSON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Nevada (Mr. BIBLE), the Senator from Maine (Mr. MUSKIE), the Senator from California (Mr. TUNNEY), the Senator from Iowa (Mr. CLARK), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Illinois (Mr. STEVENSON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from California (Mr. CRANSTON), the Senator from Rhode Island (Mr. PELL), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of Senate Resolution 124, to urge the President to submit recommendations to the Congress for legislation to improve the medicare program.

AMENDMENT OF EXPORT ADMINISTRATION ACT OF 1969—AMENDMENT

AMENDMENT NO. 327

(Ordered to be printed, and to lie on the table.)

THE TIMBER EXPORT ADMINISTRATION ACT OF 1973

Mr. PACKWOOD. Mr. President, I am submitting an amendment that will be proposed to S. 1033, the Timber Export Administration Act of 1973. After consultations with the senior Senator from Alaska (Mr. STEVENS), it was decided that to propose an amendment in this fashion will be better than to consider amendment No. 297 which was introduced last month.

I am introducing this amendment on behalf of myself, Senator CRANSTON, and Senator STEVENSON, with the full intent that this amendment will not be considered by the Senate until and unless the Senate approves the Stevens amendment No. 229.

The amendment I am submitting today will have the effect of reducing the log-export volume contained in S. 1033 from 2¼ billion board feet annually to 2 billion board feet annually. This action will be needed, assuming Senate adoption of the Stevens amendment No. 229 exempting the State of Alaska from coverage under the volume limitation on softwood log and lumber exports that is presently contained in section 203 of the Timber Export Administration Act of 1973. As I explained when I introduced the earlier amendment dealing with this matter, rather than reduce the lumber-export ceiling in keeping with the exemption proposed for the State of Alaska, we propose to reduce the log-export-volume limitation a comparable amount.

I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 327

On page 10, line 7, strike out the words "and twenty-five one-hundredths".

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973—AMENDMENT

AMENDMENT NO. 328

(Ordered to be printed, and to lie on the table.)

Mr. JACKSON submitted an amendment, intended to be proposed by him, to the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

AMENDMENT NO. 329

(Ordered to be printed, and to lie on the table.)

Mr. MOSS. Mr. President, I send to the desk an amendment to S. 1081, a bill to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 329

On page 35, after line 23, insert the following three new sections:

"GENERAL PROVISIONS

"SEC. 207. (a) SHORT TITLE.—Section 207 through 209 of this title may be cited as the 'Petroleum Industry Competition Act'.

"(b) DECLARATION OF POLICY.—The Congress hereby finds and declares that the full potential benefits of the early delivery of the oil and gas available on Alaska's North Slope to domestic markets and consumers will not be realized unless—

"(1) barriers to competition presently existing in the petroleum industry are removed;

"(2) restrictions are imposed on further expansion of persons engaged in commerce in the business of producing, transporting, refining, or marketing petroleum or petroleum products; and

"(3) divestiture of assets of such persons in return for fair compensation is directed to promote the public interest in competition and freedom of enterprise, and to protect the consuming public from monopoly, oligopoly, and bigness.

(c) DEFINITIONS.—As used in this Act—

(1) "Affiliate" means a person controlled by or controlling or under or subject to common control with respect to any other person.

(2) "Asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation which is engaged (directly or through a subsidiary or affiliate) in the business of producing, transporting, refining, or marketing petroleum or petroleum products.

(3) "Commerce" means commerce among the several States or with foreign nations or in any State or between any State and foreign nation.

(4) "Control" means actual or legal power or influence over another person, directly or indirectly, arising through direct or indirect ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements where the result or consequence is used to affect or influence persons engaged in the marketing of petroleum products.

(5) "Crude petroleum extraction asset" means—

(A) any asset used for the exploration or development of petroleum deposits or used for the extraction of crude petroleum, including oil and gas wells, and

(B) with respect to oil shale, any asset used in extracting such shale from the ground, crushing and loading it into a retort and retorting such shale, except that the term does not include any asset used in processes subsequent to retorting.

(6) "Marketing" means the sale and distribution of refined petroleum products, other than the initial sale with transfer of ownership to customers at the refinery.

(7) "Person" means an individual or a corporation, partnership, joint-stock company, business trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated.

(8) "Petroleum marketing asset" means any asset used in the marketing or retail distribution of petroleum products including, but not limited to, retail outlets for the sale of gasoline, motor oil, No. 2 fuel oil, or home heating oil.

(9) "Petroleum pipeline asset" means any asset used in the transportation by pipeline of crude petroleum from the site of its extraction to a refinery or in the transportation by pipeline of refined petroleum or petroleum products from the refinery to any other place.

(10) "Petroleum refinery asset" means any asset used in the refining of crude petroleum into refined petroleum or petroleum products.

(11) "Production" means the development of oil lands or oil shale lands within any State, the extraction of crude petroleum, oil shale or natural gas thereon, and the storage of crude petroleum or natural gas thereon.

(12) "Refining" means the refining, processing, or converting of crude petroleum, kerogen, fuel oil, or natural gas into finished or semifinished products. The term includes the initial sale with transfer of ownership of such finished or semifinished products to customers at the refinery.

(13) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific.

(14) "Transportation" means the transportation of petroleum products by means of pipelines, railroads, or tankers.

PETROLEUM MARKETING DIVORCEMENT

SEC. 208. (a) PROHIBITED CONDUCT.—It shall be unlawful for any person, directly or indirectly, to engage in commerce in the marketing of refined petroleum products while such person or any affiliate of such person is engaged also in one or more of the other three branches of the petroleum industry. As used in the subsection, the "other three branches" are production, transportation, and refining.

(b) PENALTY.—Any person who violates the provisions of this section on or after a date one year after the date of enactment of this Act shall be held by a district court of the United States, for a judicial district in which such person resides, is found, or transacts business, to have forfeited the right to do business in interstate commerce and such court shall enter an appropriate order or orders. Failure to obey such an order is punishable by such court as a contempt of court.

(c) RESPONSIBILITY.—The Attorney General of the United States and the Federal Trade Commission shall, simultaneously and independently, examine the relationship of persons now engaged in one or more branches of the petroleum industry and shall institute suits in the district courts of the United States requesting the issuance of such relief as is appropriate under this Act, indicating declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

(d) JURISDICTION.—The district courts of the United States shall have exclusive jurisdiction to enforce compliance with or to enjoin any violation of this Act.

PETROLEUM INDUSTRY COMPETITION

SEC. 209. The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12–27), is amended by inserting after section 7 the following new section:

"SEC. 7A. (a) (1) It shall be unlawful for any person engaged in commerce in the business of extracting crude petroleum to acquire any petroleum pipeline asset, petroleum refinery asset, or petroleum marketing asset after the date of enactment of this section.

"(2) It shall be unlawful for any person engaged in commerce in the business of transporting crude or refined petroleum by pipeline to acquire any crude petroleum extraction asset, petroleum refinery asset, or petroleum marketing asset after the date of enactment of this section.

"(3) It shall be unlawful for any person engaged in commerce in the business of refining crude petroleum to acquire any crude petroleum extraction asset, petroleum pipeline asset, or petroleum marketing asset after the date of enactment of this section.

"(4) It shall be unlawful for any person engaged in commerce in the business of marketing refined petroleum and petroleum products to acquire any crude petroleum extraction asset, petroleum pipeline asset, or petroleum refinery asset after the date of enactment of this section.

"(b) (1) It shall be unlawful for any person described in subsection (a) to own or control any asset, the acquisition of which by him is prohibited under such subsection, more than three years after the date of enactment of this section.

"(2) Each such person which, on the date of enactment of the Petroleum Industry Competition Act owns or controls any asset which that person is prohibited, under subsection (a), from acquiring shall, within 120 days after such date, file with the Attorney General such reports relating to those assets as he may require, and shall, from time to time, file such additional reports relating to those assets as the Attorney General may require.

"(c) It shall be the duty of the Attorney General to commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates subsection (a) or (b). Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

"(d) Any person knowingly violating the provisions of this Act shall upon conviction be punished by a fine of not to exceed $500,000 or by imprisonment not to exceed ten years, or both, in the discretion of the court. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part.".

AMENDMENT NO. 331

(Ordered to be printed, and to lie on the table.)

Mr. HATHAWAY. Mr. President, I submit amendments, intended to be proposed by me, to Senate bill 1081, supra. I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENTS No. 331

On page 35, between lines 20 and 21, insert the following:

"SEC. 206. (a) Notwithstanding the provisions of section 104(d) or any other provision of this Act or other law, the holder of any rights-of-way granted pursuant to this Act for the construction of a trans-Alaska pipeline for transporting oil and natural gas resources of the North Slope area of the State of Alaska to the other States of the United States, and the owner or operator of a terminal or tanker engaged in transporting such oil or gas transported by means of such pipeline, shall, except when caused solely by an act of war, or negligence on the part of the United States Government, be liable to the United States, and shall be liable to a third party (except when caused solely by an act of war, or negligence on the part of said third party for damages and injuries resulting from their activities in connection therewith, irrespective of fault or wrong-doing."

On page 35, line 21, strike out "SEC. 206." and insert "SEC. 207.".

AMENDMENT NO. 332

(Ordered to be printed, and to lie on the table.)

Mr. HART submitted an amendment, intended to be proposed by him, to Senate bill 1081, supra.

THE FAIR LABOR STANDARDS AMENDMENTS OF 1973—AMENDMENT

AMENDMENT NO. 330

Mr. DOMINICK. Mr. President, on behalf of myself, Mr. TAFT, and Mr. BEALL, I submit an amendment in the nature of a substitute for S. 1861, the Fair Labor Standards Amendments of 1973. This amendment is essentially the same as S. 1725, which I introduced on May 7 with Senator TAFT.

It provides for increasing the minimum wage for all covered nonfarmworkers to $2.30 an hour over a 4-year period. The rate for covered farmworkers would be increased from its present level of $1.30 an hour to $2 an hour over a 3-year period.

To avoid worsening the high teenage unemployment rate—14 percent for white teenagers; 31 percent for nonwhites—the substitute provides for a "youth differential" rate of 85 percent of the new rates. It would apply to youths under 18 only during their first 6 months on a job, and to full-time students working in part-time jobs. Employers could use the "youth differential" rate only in accordance with Department of Labor regulations insuring that adult workers would not be displaced.

The substitute provides for extending minimum wage coverage to the remaining Federal, State, and local government employees not covered by the 1966 amendments. No exemptions would be repealed, but the Labor Department would be directed to undertake a comprehensive study of the 36 or more existing minimum wage and overtime exemptions, and submit to Congress a report containing recommendations as to whether each should be retained, repealed, or modified.

Our substitute differs significantly from the one we offered last year in that it provides for larger increases in minimum wage rates, provides for a "youth differential" with a considerably narrower application, and extends minimum wage coverage to Federal, State, and local government employees. In contrast, with the exception of a few minor changes, S. 1861, as reported by the committee, is identical to the bill reported last year.

Again, I am strongly opposed to S. 1861 as reported. I think the minimum wage increases and extensions of coverage it provides for will have serious inflationary and unemployment effects throughout the economy. I think the consequences will be felt primarily by those who are most vulnerable: small farmers and small businessmen, who will be forced to absorb large increases in labor costs over a short period of time; marginal workers—the young, the handicapped, the elderly, the poor—who would find it more difficult to obtain employment; and consumers, who would be forced to pay higher prices necessitated by large increases in labor costs in all segments of the economy.

The committee bill would raise the minimum wage for most workers from its present level of $1.60 an hour to $2.20 an hour next year—a 37.5 percent increase. It would extend minimum wage and overtime coverage to about 7 million new employees. The result will be an estimated $4.7 billion increase in the Nation's annual wage bill. This estimate includes only the direct cost of raising wages to the higher rates. It does not include increased overtime costs resulting from the higher rates. Nor does it include the "ripple effect" cost of raising wages which are above the minimum rates in order to restore existing wage differentials after the higher rates go into effect. Based on Labor Department figures, this "ripple effect" cost could be in excess of $45 billion.

I think the wage increases provided for in the committee bill should be stretched out over a longer period of time. I think steps should be taken to lessen the adverse employment impact of these increases on youth. I think it is a mistake for the Federal Government to mandate overtime coverage for domestic household workers. I think it is a mistake to repeal 18 minimum wage and overtime exemptions until we have more complete information regarding whether the reasons for which they were originally adopted by Congress still exist.

These views are shared by my colleagues Mr. TAFT and Mr. BEALL. For a more detailed explication of our criticisms of the committee bill, I invite your attention to our minority views in the committee report on S. 1861. I hope that those of our colleagues who share our concern about S. 1861 will participate in the debate on the bill next week.

Mr. President, I ask unanimous consent that the text of this amendment in the nature of a substitute be printed in the RECORD at the conclusion of my remarks, along with a section-by-section analysis, and a summary of the major differences between the committee bill and our substitute.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. DOMINICK. I also ask unanimous consent that a star print of the committee report on S. 1861 be prepared and available for each Senator prior to the floor debate on S. 1861 next week. The report (No. 93-300) contains a number of printing errors affecting the substance of the minority views.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

AMENDMENT No. 330 (IN THE NATURE OF A SUBSTITUTE)

Strike all material after the enacting clause, and in lieu thereof, insert the following:

That this Act may be cited as the "Fair Labor Standards Amendments of 1973".

DEFINITIONS AND APPLICABILITY TO GOVERNMENT EMPLOYEES

SEC. 2. (a) Section 3(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(d)) is amended to read as follows:

"(d) 'Employer' includes any person acting directly or indirectly in the interest of an employer in relation to an employee, including the United States, any State or political subdivision of a State and any agency or instrumentality thereof or interstate governmental agency, but shall not include any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization."

(b) Section 3(e) of such Act is amended by adding at the end thereof the following: "In the case of any individual employed by the United States, 'employee' means any individual employed (i) as a civilian in the military departments as defined in section 102 of title 5, United States Code, (ii) in executive agencies as defined in section 105 of title 5, United States Code (including employes who are paid from non-appropriated funds), (iii) in the United States Postal Service and the Postal Rate Commission, (iv) in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and (v) in the Library of Congress. In the case of any individual employed by a State, or the political subdivision of any State or an interstate governmental agency the term 'employee' shall include any employee of that State, political subdivision, or agency but the term shall not include any individual elected to public office in any State or political subdivision of any State by the qualified voters thereof or any person chosen by such officer to be on such officers' personal staff, or an appointee on the policymaking level or an immediate advisor with respect to the exercise of the constitutional or legal powers of the office. The exemption set forth in the preceding sentence shall not include employees subject to the civil service laws of a State government or political subdivision or applicable to an interstate governmental agency."

(c) Section 3(h) of such Act is amended to read as follows:

"(h) 'Industry' means a trade, business, industry, or other activity, or branch or group thereof, in which individuals are gainfully employed.".

(d) The last sentence of section 3(m) is amended to read as follows: "In determining the wage of a tipped employee, the amount paid such employee by his employer shall be deemed to be increased on account of tips by an amount determined by the employer, but not by an amount in excess of 50 per centum of the applicable minimum wage rate, except that the amount of the increase on account of tips determined by the employer may not exceed the value of tips actually received by the employee. The previous sentence shall not apply with respect to any tipped employee unless (1) such employee has been informed by the employer of the provisions of this section, and (2) all tips received by such employee have been retained by the employee, except that nothing herein shall prohibit the pooling of tips among employees who customarily and regularly receive tips."

(e) (1) The first sentence of section 3(r) of such Act is amended by inserting after the word "whether", the words "public or private or conducted for profit or not for profit, or whether".

(2) The second sentence of such subsection is amended to read as follows: "For purposes of this subsection, the activities performed by any person in connection with the activities of the Government of the United States or any State or political subdivision shall be deemed to be activities performed for business purposes.".

(f) The first sentence of section 3(s) of such Act is amended by inserting after the words "means an enterprise", the parenthetical clause "(whether public or private or operated for profit or not for profit and including activities of the Government of the United States or of any State or political subdivision of any State)".

(g) Section 4 of such Act is amended by adding at the end thereof the following new subsection:

"(f) The Secretary is authorized to enter into an agreement with the Librarian of Congress with respect to any individual employed in the Library of Congress, to provide for the carrying out of his functions under this Act with respect to such individuals. Notwithstanding any other provision of this Act, or any other law, the Civil Service Commission is responsible for administering the provisions of this Act with respect to any individual employed by the United States (other than an individual employed in the United States Postal Service and Postal Rate Commission). Nothing in this subsection shall be construed to affect the right of an employee to bring an action for unpaid minimum wages, or unpaid overtime compensation, and liquidated damages under section 16(b) of this Act.".

(h) Section 13(b) of such Act is amended by striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon and the word "or" and by adding at the end thereof the following new paragraph:

"(20) any employee employed by the United States (A) as a civilian in the military departments as defined in section 102 of title 5, United States Code, (B) in executive agencies as defined in section 105 of title 5, United States Code (including employees who are paid from nonappropriated funds), (C) in the United States Postal Service and the Postal Rate Commission, (D) in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and (E) in the Library of Congress; and any employee employed by any State or a political subdivision of any State and any agency or instrumentality thereof or interstate governmental agency."

INCREASE IN MINIMUM WAGE

SEC. 3. (a) Section 6(a)(1) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(1)(A) not less than $1.80 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1973,

"(B) not less than $2 an hour during the second year from the effective date of such amendments,

"(C) not less than $2.10 an hour during the third year from the effective date of such amendments,

"(D) not less than $2.20 an hour during the fourth year from the effective date of such amendments, and

"(E) not less than $2.30 an hour thereafter."

(b) Paragraph (5) of section (6)(a) is amended to read as follows:

"(5) if such employee is employed in agriculture, not less than $1.50 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1973, not less than $1.70 an hour during the second year from the effective date of such amendments, not less than $1.90 an hour during the third year from the effective date of such amendments, and not less than $2.00 an hour thereafter."

(c)(1) Section 6(b) of such Act is repealed.

(2) Subsections (c), (d), and (e) of section 6 of such Act are redesigned as subsections (b), (c), and (d), respectively.

EMPLOYEES IN THE CANAL ZONE

SEC. 4. Section 6(a) of the Fair Labor Standards Act of 1938 is amended by striking out the period at the end of paragraph (5) of such section and inserting in lieu thereof a semicolon and the word "or", and by adding at the end thereof the following new paragraph:

"(6) if such employee is employed in the Canal Zone not less than $1.60 an hour."

EMPLOYEES IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 5. Paragraphs (A) and (B) of section 6(b)(2) of the Fair Labor Standards Act of 1938 (as redesignated by section 3(c)(2) of this Act) are amended to read as follows:

"(A) The rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 increased by 12.5 per centum unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C). Such rate or rates shall become effective sixty days after the effective date of the Fair Labor Standards Amendments of 1973, or one year from the effective date of the most recent wage order applicable to such employee theretofore issued by the Secretary pursuant to the recommendations of a special industry committee appointed under section 5, whichever is later.

"(B) (i) Effective one year after the applicable effective date under paragraph (A), the rate or rates prescribed by paragraph (A), increased by an amount equal to 12.5 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendation of a review committee appointed under paragraph (C).

"(ii) Effective two years after the applicable effective date under paragraph (A), the rate or rates prescribed by subparagraph (i) of this paragraph increased by an amount equal to 12.5 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendation of a review committee appointed under paragraph (C)."

PROOF OF AGE REQUIREMENT

SEC. 6. Section 12 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"(d) In order to carry out the objectives of this section, the Secretary may by regulations require employers to obtain from any employee proof of age."

CHILD LABOR IN AGRICULTURE

SEC. 7. (a) Section 13(c)(1) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(c)(1) Except as provided in paragraph (2) the provisions of section 12 (relating to child labor) shall not apply to any employee employed in agriculture outside of school hours for the school district where such employee is living while he is so employed, if such employee—

"(A) is employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person, or

"(B) is fourteen years of age or older, or

"(C) is twelve years of age or older, and (i) such employment is with the written consent of his parent or person standing in place of his parent, or (ii) his parent or such person is employed on the same farm.".

(b) Section 13(d) of such Act is amended to read as follows:

"(d) The provisions of sections 6, 7, and 12 shall not apply with respect to any employee engaged in the delivery of newspapers to the consumer, and the provisions of section 12 shall not apply with respect to any such employee when engaged in the delivery to households or consumers of shopping news (including shopping guides, handbills, or other type of advertising material) published by any weekly, semiweekly, or daily newspaper."

EXPANDING EMPLOYMENT OPPORTUNITIES FOR YOUTH; SPECIAL MINIMUM WAGES FOR EMPLOYEES UNDER EIGHTEEN AND STUDENTS

SEC. 8. Section 14(b) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(b)(1) Subject to paragraph (2) and to such standards and requirements as may be required by the Secretary under paragraph (4), any employer may, in compliance with applicable child labor laws, employ, at the special minimum wage rate prescribed in paragraph (3), any employee—

"(A) to whom the minimum wage rate required by section 6 would apply in such employment but for this subsection, and

"(B) who is under the age of eighteen or is a full-time student.

"(2) No employer may employ, at the special minimum wage rate authorized by this subsection—

"(A) for a period in excess of one hundred and eighty days any employee who is under the age of eighteen and is not a full-time student; or

"(B) for longer than twenty hours per week any employee who is a full-time student, except in any case in which any such student (i) is employed by the educational institution at which he is enrolled, or (ii) is employed during a school vacation in a retail or service establishment or in agriculture.

"(3) The special minimum wage rate authorized by this subsection is a wage rate which is not less than the higher of (A) 85 per centum of the otherwise applicable minimum wage rate prescribed by section 6, or (B) $1.30 an hour in the case of employment in agriculture or $1.60 an hour in the case of other employment, except that such special minimum wage rate for employees in Puerto Rico, the Virgin Islands, and American Samoa shall not be less than 85 per centum of the industry wage order rate otherwise applicable to such employees, but in no case shall such special minimum wage rate be less than that provided for under the most recent wage order issued prior to the effective date of the Fair Labor Standards Act of 1973.

"(4) The Secretary shall by regulation prescribe standards and requirements to insure that this subsection will not create a substantial probability of reducing the full-time employment opportunities of persons other than those to whom the minimum wage rate authorized by this subsection is applicable.

"(5) For purposes of sections 16(b) and 16(c)—

"(A) any employer who employs any employee under this subsection at a wage rate which is less than the minimum wage rate prescribed by paragraph (3) shall be considered to have violated the provisions of section 6 in his employment of the employee, and the liability of the employer for unpaid wages and overtime compensation shall be determined on the basis of the otherwise applicable minimum wage rate under section 6; and

"(B) any employer who employs any employee under this subsection for a period in excess of the period prescribed by paragraph (2) shall be considered to have violated the provisions of section 6 in his employment of the employee during the period in excess of the authorized period."

CIVIL PENALTY FOR CERTAIN LABOR VIOLATIONS

SEC. 9. Section 16 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"(e) Any person who violates the provisions of section 12, relating to child labor, or any regulation issued under that section, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. In determining the amount of such penalty, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be—

"(1) deducted from any sums owing by the United States to the person charged; or

"(2) recovered in a civil action brought by the Secretary in any court of competent jurisdiction, in which litigation the Secretary shall be represented by the Solicitor of Labor; or

"(3) ordered by the court, in an action brought under section 17 to restrain violations of section 15(a)(4), to be paid to the Secretary.

Any administrative determination by the amount of such penalty shall be final, unless within fifteen days after receipt of notice thereof by certified mail the person charged with the violation takes exception to the determination that the violations for which the penalty is imposed occurred, in which event final determination of the penalty shall be made in an administrative proceeding after opportunity for hearing in accordance with section 554 of title 5, United States Code, and regulations to be promulgated by the Secretary. Sums collected as penalties pursuant to this section shall be applied toward reimbursement of the costs of determining the violations and assessing and collecting such penalties, in accordance with the provisions of section 2 of an Act entitled 'An Act to authorize the Department of Labor to make special statistical studies upon payment of the cost thereof, and for other purposes' (48 Stat. 582)."

PENALTIES

SEC. 10. (a) The first three sentences of section 16(c) of the Fair Labor Standards Act of 1938, as amended, are amended to read as follows:

"The Secretary is authorized to supervise the payment of the unpaid minimum wages or the unpaid overtime compensation owing to any employee or employees under section 6 or 7 of this Act, and the agreement of any employee to accept such payment shall upon payment in full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid minimum wages or unpaid overtime compensation and an additional equal amount as liquidated damages. The Secretary may bring an action in any court of competent jurisdiction to recover the amount of the unpaid minimum wages or overtime compensation and an equal amount as liquidated damages.

"The right provided by subsection (b) to bring an action by or on behalf of any employee and of any employee to become a party plaintiff to any such action shall terminate upon the filing of a complaint by the Secretary of Labor in an action under this subsection in which a recovery is sought of unpaid wages or unpaid overtime compensation under sections 6 and 7 or other damages provided by this subsection owing to such employee by an employer liable under the provision of subsection (b), unless such action is dismissed without prejudice on motion of the Secretary."

(b) Section 11 of the Portal-to-Portal Pay Act of 1947 is amended by deleting "(b)" after "section 16".

NONDISCRIMINATION ON ACCOUNT OF AGE IN GOVERNMENT EMPLOYMENT

SEC. 11. (a)(1) The second sentence of section 11(b) of the Age Discrimination in Employment Act of 1967 is amended to read as follows: "The term also means (1) any agent of such a person, and (2) a State or political subdivision of a State and any agency or instrumentality of a State or a political subdivision of a State, and any interstate agency, but such term does not include the United States, or a corporation wholly owned by the Government of the United States.".

(2) Section 11(c) of such Act is amended by striking out ", or an agency of a State or political subdivision of a State, except that such term shall include the United States Employment Service and the system of State and local employment services receiving Federal assistance".

(3) Section 11(f) of such Act is amended to read as follows:

"(f) The term 'employee' means an individual employed by any employer except that the term 'employee' shall not include any person elected to public office in any State or political subdivision of any State by the qualified voters thereof, or any person chosen by such officer to be on such officer's personal staff, or an appointee on the policy-making level or an immediate adviser with respect to the exercise of the constitutional or legal powers of the office. The exemption set forth in the preceding sentence shall not include employees subject to the civil service laws of a State government, governmental agency, or political subdivision.".

(4) Section 16 of such Act is amended by striking the figure "$3,000,000", and inserting in lieu thereof "$5,000,000".

(b)(1) The Age Discrimination in Employment Act of 1967 is amended by redesignating sections 15 and 16, and all references thereto, as section 16 and section 17, respectively.

(2) The Age Discrimination in Employment Act of 1967 is further amended by adding immediately after section 14 the following new section:

"NONDISCRIMINATION ON ACCOUNT OF AGE IN FEDERAL GOVERNMENT EMPLOYMENT

"SEC. 15. (a) All personnel actions affecting employees or applicants for employment (except with regard to aliens employed outside the limits of the United States) in military departments as defined in section 105 of title 5, United States Code, in executive agencies as defined in section 105 of title 5, United States Code (including employees and applicants for employment who are paid from nonappropriated funds), in the United States Postal Service and the Postal Rate Commission, in those units in the government of the District of Columbia having positions in the competitive service, and in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and in the Library of Congress shall be made free from any discrimination based on age.

"(b) Except as otherwise provided in this subsection, the Civil Service Commission is authorized to enforce the provisions of subsection (a) through appropriate remedies, including reinstatement or hiring of employees with or without backpay, as will effectuate the policies of this section. The Civil Service Commission shall issue such rules, regulations, orders, and instructions as it deems necessary and appropriate to carry out its responsibilities under this section. The Civil Service Commission shall—

"(1) be responsible for the review and evaluation of the operation of all agency programs designed to carry out the policy of this section, periodically obtaining and publishing (on at least a semiannual basis) progress reports from each such department, agency or unit;

"(2) consult with and solicit the recommendations of interested individuals, groups, and organizations relating to nondiscrimination in employment on account of age; and

"(3) provide for the acceptance and processing of complaints of discrimination in Federal employment on account of age.

The head of each such department, agency, or unit shall comply with such rules, regulations, orders, and instructions of the Civil Service Commission which shall include a provision that an employee or applicant for employment shall be notified of any final action taken on any complaint of discrimination filed by him thereunder. Reasonable exemptions to the provisions of this section may be established by the Commission but only when the Commission has established a maximum age requirement on the basis of a determination that age is a bona fide occupational qualification necessary to the performance of the duties of the position. With respect to employment in the Library of Congress, authorities granted in this subsection to the Civil Service Commission shall be exercised by the Librarian of Congress.

"(c) Any persons aggrieved may bring a civil action in any Federal district court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this Act.

"(d) When the individual has not filed a complaint concerning age discrimination with the Commission, no civil action may be commenced by any individual under this section until the individual has given the Commission not less than thirty days' notice of an intent to file such action. Such notice shall be filed within one hundred and eighty days after the alleged unlawful practice occurred. Upon receiving a notice of intent to sue, the Commission shall promptly notify all persons named therein as prospective defendants in the action and take any appropriate action to assure the elimination of any unlawful practice.

"(e) Nothing contained in this section shall relieve any Government agency or official of the responsibility to assure nondiscrimination on account of age in employment as required under any provision of Federal law.".

EXEMPTION REVIEW

SEC. 12. The Secretary of Labor is hereby instructed to commence immediately a comprehensive review of the exemptions under section 13 of the Fair Labor Standards Act of 1938 and submit to the Congress not later than three years after the date of enactment of this Act a report containing: (1) an analysis of the reasons why each exemption was established; (2) an evaluation of the need for each exemption in light of current economic conditions, including an analysis of the economic impact its removal would have on the affected industry; and (3) recommendations with regard to whether each exemption should be continued, removed, or modified.

TECHNICAL AMENDMENTS

SEC. 13. (a) Section 6(c) (2) (C) of the Fair Labor Standards Act of 1938 is amended by substituting "1973" for "1966".

(b) (1) Section 6(c) (3) of such Act is repealed.

(2) Section 6(c) (4) of such Act is redesignated as 6c(3).

(c) (1) Section 7(a) (1) of such Act is redesignated as 7(a).

(2) Section 7(a) (2) of such Act is repealed.

(d) Section 14(c) of such Act is repealed and section 14(d) is redesignated as 14(c).

(e) Section 18(b) is amended by striking out "section 6(b)", and inserting in lieu thereof "section 6(a) (6)", and by striking out "section 7(a) (1)" and inserting in lieu thereof "section 7(a)".

EFFECTIVE DATE

SEC. 14. Except as otherwise provided in this Act, the amendments made by this Act shall take effect sixty days after enactment. On and after the date of enactment of this Act, the Secretary is authorized to promulgate necessary rules, regulations, or orders with regard to the amendments made by this Act.

SECTION-BY-SECTION ANALYSIS OF THE DOMINICK-TAFT-BEALL AMENDMENT IN THE NATURE OF A SUBSTITUTE TO S. 1861

SECTION 2

Amends section 3(d) and 3(e) of the Fair Labor Standards Act to include under the definitions of "employer" and "employee" the United States and any state or political subdivision of a state. This would extend minimum wage coverage to an estimated 5 million federal, state and local government employees (1.7 million federal, 3.2 million state and local government). Military personnel, professional, executive and administrative personnel, employees in non-competitive positions, and volunteer-type employees, such as Peace Corps and Vista, would not be included in the extension of coverage, nor would elected officials or their personal staff. (Conforms with S. 1861, except that minimum wage coverage only—not overtime coverage—is extended to such employees.)

Also amends section 3(m), under which tips, up to 50 percent of the applicable minimum wage rate, may be included for purposes of computing wages paid employees. New requirement added, that in order for employer to qualify for tip credit, employees must be informed of the law, and must actually retain all tips received. (Conforms with section 2(d) of S. 1861.)

SECTION 3

Amends section 6(a) (1) of the Fair Labor Standards Act to raise the minimum wage for non-agricultural employees to $2.30 an hour in five steps over a four-year period. The minimum wage would be raised to $1.80 an hour on the effective date of these amendments (60 days after enactment); to $2.00 an hour one year later; to $2.10 two years after the effective date; to $2.20 three years after the effective date, and to $2.30 four years after the effective date. These increases would apply equally to all non-agricultural employees within the coverage of the Act, regardless of when they were first covered.

Amends section 6(a) (5) of the Act to raise the minimum wage for agricultural employees to $1.50 an hour during the first year after the effective date of these amendments, $1.70 an hour during the second year, $1.90 an hour during the third year, and $2.00 an hour thereafter.

SECTION 4

Amends section 6(a) of the Fair Labor Standards Act to retain the present minimum wage of $1.60 an hour for employees in the Canal Zone.

SECTION 5

Amends section 6(c) of the Fair Labor Standards Act to raise the minimum wage in Puerto Rico and the Virgin Islands by three 12½ percent increases over the most recent wage order rate, the first increase to be effective either 60 days after enactment of the bill or one year after the effective date of the most recent wage order, whichever is later. The second increase would be effective one year after the first; the third increase would be effective one year after the second.

SECTION 6

Amends section 12 of the Fair Labor Standards Act to authorize the Secretary of Labor to require employers to obtain proof of age from any employee. This would facilitate enforcement of the child labor provisions of the Act. (Conforms with section 5 of S. 1861.)

SECTION 7

Amends section 13(c) (1) of the Fair Labor Standards Act, which relates to child labor in agriculture, to prohibit employment of children under 12 except on farms owned or operated by parents; and to prohibit employment of children aged 12 and 13 except with written consent of their parents, or on farms where their parents are employed. (Conforms with section 6(c) of S. 1861.)

Amends section 13(d) of the Act to extend the existing child labor exemption for newsboys delivering daily newspapers to newsboys delivering advertising materials published by weekly and semi-weekly newspapers. Does not create a new minimum wage or overtime exemption.

SECTION 8

Amends section 14(b) of the Fair Labor Standards Act to establish a special minimum wage rate for youth under 18 and full-time students of 85 percent of the applicable minimum wage or $1.60 an hour ($1.30 an hour for agricultural employment), whichever is higher. The special minimum wage for the same employees in Puerto Rico, the Virgin Islands, and American Samoa would be 85 percent of the industry wage order rate applicable to them, but not less than the rate in effect immediately prior to the effective date of the Fair Labor Standards Amendments of 1973.

Non-students under 18 would qualify for the "youth differential" rate only during their first 6 months on a job. Full-time students would qualify for the differential rate (a) while employed at the educational institution they are attending; or (b) while employed part-time (not in excess of 20 hours per week) at any job, except that they could work full-time during school vacations at jobs in retail-service industries or agriculture.

The existing requirement in the Act that employers receive Labor Department certification prior to employment of youth at the special minimum rate would be removed. The Secretary of Labor would be required to issue regulations insuring against displacement of adult workers. Employers violating the terms of the youth differential provision would be subject to existing civil and criminal penalty provisions of the Act.

SECTION 9

Amends section 16 of the Fair Labor Standards Act to provide for a civil penalty of up to $1,000 for each violation of the child labor provisions of section 12 of the Act. (Conforms with section 9 of S. 1861.)

SECTION 10

Amends section 16(c) to allow the Secretary of Labor to bring suit to recover unpaid minimum wages or overtime compensation and an equal amount of liquidated damages without requiring a written request from an employee. In addition, this amendment would allow the Secretary to bring such actions even though the suit might involve issues of law that have not been finally settled by the courts. (Conforms with section 8(b) of S. 1861.)

SECTION 11

Amends the Age Discrimination in Employment Act of 1967 (P.L. 90–202) to extend its coverage to federal, state and local government employees. (Conforms with section 12 of S. 1861.)

SECTION 12

Requires the Secretary of Labor to undertake a comprehensive review of the minimum wage and overtime exemptions under section 13 of the Fair Labor Standards Act and to submit to Congress within three years a report containing recommendations as to whether each exemption should be continued, removed or modified.

SECTION 13

Technical amendments.

SECTION 14

Provides that the amendments made by this Act would become effective sixty days after enactment, and authorizes Secretary of Labor to promulgate regulations necessary to carry out such amendments.

MAJOR DIFFERENCES BETWEEN S. 1861 AS REPORTED AND THE DOMINICK-TAFT-BEALL SUBSTITUTE

S. 1861 as reported

Non-agricultural employees covered prior to 1966 (present minimum wage—$1.60)—$2.00 sixty days after enactment; $2.20 a year later.

Non-agricultural employees covered by 1966 and 1973 amendments (present minimum wage—$1.60)—$1.80 sixty days after enactment; $2.00 a year later; $2.20 thereafter.

Agricultural employees (present minimum—$1.30)—$1.60 sixty days after enactment; $1.80 a year later; $2.00 the following year; and $2.20 thereafter.

Substitute

Non-agricultural employees regardless of when covered—$1.80 sixty days after enactment; $2.00 a year later; $2.10 two years later; $2.20 three years later; $2.30 four years later.

Agricultural employees—$1.50 sixty days after enactment; $1.70 a year later; $1.90 two years later; $2.00 three years later.

ANNUAL WAGE RATES UNDER S. 1861 AND SUBSTITUTE

	1972	1973	1974	1975
92D CONGRESS, ASSUMING 1ST INCREASE HAD GONE INTO EFFECT IN 1972				
S. 1861 (as passed by Senate):				
Nonfarm-covered prior to 1966	$2.00	--------	$2.20	--------
Covered in 1966 and newly covered	1.80	$2.00	--------	$2.20
Farm	1.60	1.80	2.00	2.20
Substitute:				
Nonfarm-covered prior to 1966	1.80	2.00	--------	--------
Covered in 1966	1.70	1.80	2.00	--------
Farm	1.50	1.70	--------	--------

	1973	1974	1975	1976	1977
93D CONGRESS, ASSUMING 1ST INCREASE IS EFFECTIVE IN 1973					
S. 1861 (as reported):					
Nonfarm-covered prior to 1966	$2.00	$2.20	--------	--------	--------
Covered in 1966 and newly covered	1.80	2.00	$2.20	--------	--------
Farm	1.60	1.80	2.00	$2.20	--------
Substitute:					
Nonfarm-covered prior to 1966	1.80	2.00	2.10	2.20	$2.30
Covered in 1966 and newly covered	1.80	2.00	2.10	2.20	2.30
Farm	1.50	1.70	1.90	2.00	--------

EXTENSIONS OF COVERAGE

S. 1861 as reported

Coverage extended to following new categories of employees:

1. Federal employees (1.7 million; minimum wage and overtime).

2. State and local government employees (3.3 million; minimum wage and overtime).

3. Domestic employees (1 million; minimum wage).

4. Small business employees—

(a) Small retail and service stores (662,000 employees; minimum wage and overtime)—retail and service "establishment" exemption repealed, extending coverage to stores grossing less than $250,000 if they are part of an "enterprise" which grosses $250,000 annually.

(b) Small bakeries, ice cream parlors, candy shops, drug stores, optometrist establishments, lumber yards, and other small retail businesses which gross less than $250,000 annually, and which "make or process" goods they sell (minimum wage and overtime).

(c) Small logging and sawmill operations with 8 or fewer employees (minimum wage).

(d) Motion picture theatres (minimum wage and overtime).

(e) Small telegraph companies (minimum wage and overtime).

5. Agricultural employees—

(a) Coverage extended to "local seasonal hand-harvest laborers", and such employees included for purposes of the 500 man-day test (75,000–150,000 employees; minimum wage).

(b) Coverage extended to agricultural employees engaged in harvesting and processing of shade-grown tobacco (minimum wage).

Substitute

Extends minimum wage coverage (not overtime) to federal, state, and local government employees.

REVISION OF EXEMPTIONS

S. 1861 as reported

Completely or partially repeals exemptions for following categories of employees:

1. Small retail and service establishments grossing less than $250,000, but which are part of "enterprise" grossing $250,000 annually (minimum wage and overtime).

2. Small retail establishments which "make or process" goods they sell (minimum wage and overtime).

3. Administrative and executive employees in retail—service industries—40% allowance for non-supervisory work eliminated (minimum wage and overtime).

4. Local, seasonal, hand-harvest laborers (minimum wage).

5. Agricultural processing (overtime).

6. Seafood processing (overtime).

7. Cotton ginning (overtime).

8. Sugar processing (overtime).

9. Local transit (overtime).

10. Hotels, motels & restaurants (overtime).

11. Nursing homes (overtime).

12. Auto, aircraft & truck & trailer dealerships (overtime).

13. Catering and food service (overtime).

14. Bowling establishments (overtime).

15. Motion picture theaters (minimum wage and overtime).

16. Small loggers and sawmills (minimum wage).

17. Shade grown tobacco (minimum wage).

18. Oil pipelines (overtime).

19. Small telegraph companies (minimum wage and overtime).

Substitute

Changes no existing exemptions and creates no new ones. Directs Labor Department to undertake comprehensive study of all exemptions and submit to Congress within 3 years a report containing recommendations as to whether each should be repealed, retained unchanged or modified.

YOUTH DIFFERENTIAL

S. 1861 as reported

Retains existing 85% student certificate system which applies only to full-time students employed in retail and service firms and agriculture, but extends to full-time students employed part-time at educational institutions they are attending.

Substitute

Replaces student certificate system with new system containing following features:

1. Applicable to—full-time students working in part-time jobs (20 hours per week) in any industry (work in excess of 20 hours per week permitted during school vacations in jobs in retail-service industries or agriculture); non-students aged 16 and 17 during first six months on a job in any industry.

2. Differential rates—non-agricultural work—$1.60 or 85% of applicable minimum rate, whichever higher; agricultural work—$1.30 or 85% of applicable rate, whichever higher.

3. No requirement that certificates be obtained from Labor Department prior to hiring of eligible youths.

4. Secretary of Labor directed to promulgate regulations insuring that no adult employment should be displaced.

MODIFIED AMENDMENT NO. 252 TO S. 1861, MINIMUM WAGE BILL

Mr. TOWER. Mr. President, on June 22 Senator FANNIN and I introduced a substitute amendment for S. 1861, the minimum wage bill. We intend to call up amendment No. 252 when the Senate considers the minimum wage legislation next week.

At this time we would like to make a minor modification in the amendment. This modification pertains to the youth employment section, and it clarifies our original intent by insuring that full-time students will be able to work on a full-time basis during school vacations and still qualify under the youth differential.

I, therefore, ask unanimous consent that the Tower-Fannin amendment be printed in the RECORD modified and that subsequent printings of the amendment reflect this modification as follows:

MODIFICATION OF TOWER-FANNIN AMENDMENT (AMENDMENT NO. 252)

On page 5, line 16, delete the period, and insert a semicolon, and add the following language: "Provided that students covered by this subsection may work on a full-time basis during school vacations."

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

AMENDMENT NO. 252 (IN THE NATURE OF A SUBSTITUTE)

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Fair Labor Standards Amendments of 1973".

INCREASE IN MINIMUM WAGE

SEC. 2. (a) Section 6(a)(1) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(1)(A) not less than $1.75 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1973,

"(B) not less than $1.85 an hour during the second year from the effective date of such amendments,

"(C) not less than $1.95 an hour during the third year from the effective date of such amendments, and

"(D) not less than $2.05 an hour thereafter."

(b) Paragraph (5) of section (6)(a) is amended to read as follows:

"(5) if such employee is employed in agriculture, not less than $1.45 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1973, not less than $1.55 an hour during the second year from the effective date of such amendments, not less than $1.65 an hour during the third year from the effective date of such amendments, and not less than $1.75 an hour thereafter."

(c) (1) Section 6(b) of such Act is repealed.

(2) Subsections (c), (d), and (e) of section 6 of such Act are redesignated as subsections (b), (c), and (d), respectively.

EMPLOYEES IN THE CANAL ZONE

SEC. 3. Section 6(a) of the Fair Labor Standards Act of 1938 is amended by striking out the period at the end of paragraph (5) of such section and inserting in lieu thereof a semicolon and the word "or", and by adding at the end thereof the following new paragraph:

"(6) if such employee is employed in the Canal Zone not less than $1.60 an hour."

EMPLOYEES IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 4. Paragraphs (A) and (B) of section 6(b)(2) of the Fair Labor Standards Act of 1938 (as redesignated by section 3(c) (2) of this Act) are amended to read as follows:

"(A) The rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 increased by 8.5 per centum unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C). Such rate or rates shall become effective sixty days after the effective date of the Fair Labor Standards Amendments of 1973, or one year from the effective date of the most recent wage order applicable to such employee theretofore issued by the Secretary pursuant to the recommendations of a special industry committee appointed under section 5, whichever is later.

"(B) (i) Effective one year after the applicable effective date under paragraph (A), the rate or rates prescribed by paragraph (A), increased by an amount equal to 8.5 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendation of a review committee appointed under paragraph (C).

"(ii) Effective two years after the applicable effective date under paragraph (A), the rate or rates prescribed by subparagraph (i) of this paragraph increased by an amount equal to 8.5 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1973 unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendation of a review committee appointed under paragraph (C)."

EXPANDING EMPLOYMENT OPPORTUNITIES FOR YOUTH; SPECIAL MINIMUM WAGES FOR EMPLOYEES UNDER EIGHTEEN AND STUDENTS

SEC. 5. Section 14(b) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(b) (1) Subject to paragraph (2) and to such standards and requirements as may be required by the Secretary under paragraph (4), any employer may, in compliance with applicable child labor laws, employ, at the special minimum wage rate prescribed in paragraph (3), any employee—

"(A) to whom the minimum wage rate required by section 6 would apply in such employment but for this subsection, and

"(B) who is under the age of eighteen or is a full-time student.

"(2) No employer may employ, at the special minimum wage rate authorized by this subsection—

"(A) for a period in excess of one hundred and eighty days any employee who is under the age of eighteen and is not a full-time student; or

"(B) for longer than twenty hours per week any employee who is a full-time student, except in any case in which such student is employed by the educational institution at which he is enrolled: *Provided*, That students covered by this subsection may work on a full-time basis during school vacations.

"(3) The special minimum wage rate authorized by this subsection is a wage rate which is not less than $1.60 an hour during the first two years from the effective date of the Fair Labor Standards Amendments of 1973, and not less than $1.75 an hour thereafter, except that such special minimum wage rate for employees in Puerto Rico, the Virgin Islands, and American Samoa shall not be less than 85 per centum of the industry wage order rate otherwise applicable to such employees, but in no case shall such special minimum wage rate be less than that provided for under the most recent wage order issued prior to the effective date of the Fair Labor Standards Amendments of 1973.

"(4) The Secretary shall by regulation prescribe standards and requirements to insure that this subsection will not create a substantial probability of reducing the full-time employment opportunities of persons other than those to whom the minimum wage rate authorized by this subsection is applicable.

"(5) For purposes of sections 16(b) and 16(c)—

"(A) any employer who employs any employee under this subsection at a wage rate which is less than the minimum wage rate prescribed by paragraph (3) shall be considered to have violated the provisions of section 6 in his employment of the employee, and the liability of the employer for unpaid wages and overtime compensation shall be determined on the basis of the otherwise applicable minimum wage rate under section 6; and

"(B) any employer who employs any employee under this subsection for a period in excess of the period prescribed by paragraph (2) shall be considered to have violated the provisions of section 6 in his employment of the employee during the period in excess of the authorized period.

"(6) The provisions of this subsection shall not apply to employment in agriculture."

PENALTIES

SEC. 6. The first two sentences of section 16(c) of the Fair Labor Standards Act of 1938, as amended, are amended to read as follows: "The Secretary is authorized to supervise the payment of the unpaid minimum wages or the unpaid overtime compensation owing to any employee or employees under section 6 or 7 of this Act, and the agreement of any employee to accept such payment shall upon payment in full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid minimum wages or unpaid overtime compensation and an additional equal amount as liquidated damages. The Secretary may bring an action in any court of competent jurisdiction to recover the amount of the unpaid minimum wages or overtime compensation and an equal amount as liquidated damages."

EXEMPTION REVIEW

SEC. 7. The Secretary of Labor is hereby instructed to commence immediately a comprehensive review of the exemptions under section 13 of the Fair Labor Standards Act of 1938 and submit to the Congress not later than three years after the date of enactment of this Act a report containing: (1) an analysis of the reasons why each exemption was established; (2) an evaluation of the need for each exemption in light of current economic conditions, including an analysis of the economic impact its removal would have on the affected industry; and (3) recommendations with regard to whether each exemption should be continued, removed, or modified.

TECHNICAL AMENDMENTS

SEC. 8. Section 6(c)(2)(C) of the Fair Labor Standards Act of 1938 is amended by substituting "1973" for "1966".

(b) (1) Section 6(c)(3) of such Act is repealed.

(2) Section 6(c)(4) of such Act is redesignated as 6(c)(3).

(c) (1) Section 7(a)(1) of such Act is redesignated as 7(a).

(2) Section 7(a)(2) of such Act is repealed.

(d) Section 14(c) of such Act is repealed and section 14(d) is redesignated as 14(c).

(e) Section 18(b) is amended by striking out "section 6(b)", and inserting in lieu thereof "section 6(a)(6)", and by striking out "section 7(a)(1)" and inserting in lieu thereof "section 7(a)".

EFFECTIVE DATE

SEC. 9. Except as otherwise provided in this Act, the amendments made by this Act shall take effect sixty days after enactment. On and after the date of enactment of this Act, the Secretary is authorized to promulgate necessary rules, regulations, or orders with regard to the amendments made by this Act.

NOTICE OF HEARING ON GEOTHERMAL ENERGY DEVELOPMENT

Mr. CHURCH. Mr. President, I announce for the information of the Senate and the public that on August 10, at 10:30 a.m., the Subcommittee on Water and Power Resources of the Senate Committee on Interior and Insular Affairs has scheduled a field hearing in Idaho Falls, Idaho, to investigate further the regional potential for geothermal energy development in the West. The hearing will be held in the Bonneville and Teton Rooms of the Westbank Motel, 475 River Parkway, Idaho Falls, Idaho.

Any Member of the Senate or the general public who wishes to testify at this hearing should so advise the committee staff.

Those desiring additional information regarding the hearing or wish to submit a statement for the record should notify Mr. Russell Brown of the committee staff at 225–4971.

NOTICE OF HEARING ON S. 2119

Mr. STEVENSON. Mr. President, on behalf of the International Finance Subcommittee of the Committee on Banking, Housing and Urban Affairs, I announce that the subcommittee will hold a hearing on S. 2119 and the export control of ferrous scrap on Wednesday, July 18, 1973, at 2 p.m. in room 5302, Dirksen Senate Office Building. Inquiries about the hearing may be addressed to Mr. Basil Condos, 456 Russell Senate Office Building, phone 225–2854.

NOTICE OF HEARING ON AMENDMENT OF NATIONAL ENVIRONMENTAL POLICY ACT OF 1969

Mr. JACKSON. Mr. President, I wish to announce to the Members of the Senate and the general public that the Senate Committee on Interior and Insular Affairs will hold an open hearing on S. 1865, a bill to amend the National Environmental Policy Act of 1969 in order to encourage the establishment of, and to assist, Senate and regional environmental centers.

The hearing will be held on July 30, 1973, at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

APPEARANCE OF SKYLAB ASTRONAUTS AT A JOINT MEETING ON TUESDAY

Mr. MOSS. Mr. President, next Tuesday, July 17, 1973, the Skylab astronauts, Pete Conrad, Joe Kerwin, and Paul Weitz will make an appearance before a joint meeting of the House Committee on Science and Astronautics and the Senate Committee on Aeronautical and Space Sciences to report on their highly successful mission. This joint hearing will be held at 10:30 a.m. in room 2318 of the Rayburn House Office Building and will, of course, be open. From 2 to 3 p.m. there will be a reception for the astronauts and their wives in room S–120 of the Capitol. All Senators and their guests and officers of the Senate are cordially invited to come by and meet these fine Americans at that time.

ADDITIONAL STATEMENTS

COMMENTS OF FORMER ARMY CHIEF OF STAFF GEN. WILLIAM C. WESTMORELAND ON VOLUNTEER ARMY

Mr. THURMOND. Mr. President, a distinguished citizen of my State, former Army Chief of Staff Gen. William C. Westmoreland, recently offered an article on the volunteer Army. This article appeared in the State newspaper, Columbia, S.C. on Sunday, July 1, 1973, under the heading "Without Men, the Machines of War Are Useless."

Mr. President, General Westmoreland provides in his article some valuable information as well as viewpoints which are worthy of attention here in the Congress.

I ask unanimous consent that this article be printed in the RECORD at the conclusions of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VOLUNTEER ARMY: "WITHOUT MEN, THE MACHINES OF WAR ARE USELESS"

(By William C. Westmoreland)

Without men, the machines of war are useless. The conflict between national security demands for large numbers of armed manpower, and the domestic reluctance to provide them has made manpower procurement a major object of political pressures and debate.

Since Congress passed the Selective Service Act on March 17, 1948, conscription to provide this manpower has been with us. Today, however, with the end of the draft, an all-volunteer armed forces will come into being.

The concept has military advantages, as well as political appeal. Anti-military attacks would be blunted by an all-volunteer force which would mean less turnover, lower operating costs, a reduced training base, more professional and better-trained leaders and units, higher morale, and greater motivation. Freedom of choice would be restored, and the threat of compulsion to serve removed.

As chief-of-staff, I charged all members of the Army to bend every effort in working toward the July 1 objective, and I have devoted long hours of thought, study, and energy to its attainment.

But, despite the Army's best efforts, it cannot go it alone. Incentives to attract the quantity and quality of personnel needed will require legislation and those who serve must have the full support of the American people and their leaders in all walks of life.

I am not confident that this support will be forthcoming in time. Let me list a few examples of why I am skeptical:

— Less than a third of the high schools across the nation permit Army recruiters to have access to students to explain Army opportunities.

— In a recent nationwide survey, only a half of the fathers of young men looked favorably on having their sons serve in the armed forces.

— Number of similar nationwide surveys indicate that less than a quarter of the young men of military age are favorably inclined toward entering military service.

— Congress has not permitted the Army to continue paid advertising on radio and television, which proved highly successful during a test campaign about a year ago. Market surveys show that awareness of Army opportunities is low among the 17-to-21-year-old target group from which most new volunteers are drawn.

I have other concerns. We will have to pay a premium price to attract men to enlist and remain in the services. In the final analysis, the size of our forces will be determined by the number of men that can be recruited—not by the security requirement.

There is also a danger that the high personnel costs will affect the balance in the defense budget between manpower and modernization of equipment. With the manpower price tag so high, there will be a tendency to cut other programs. A decision to raise spending on manpower represents a conscious decison not to spend that same amount on other military requirements. And it also represents a decision not to spend those funds on other government activities, or not to lower taxes for private spending.

If mobilization were dictated by the international situation, the tremendous cost of manpower, expansion could serve as a deterrent to improving our defense posture, perhaps to the disinterest of our national society.

The social composition of our security forces in a truly volunteer environment also bothers me. As we kill the draft, we set aside the traditional concept that a citizen has an obligation to serve his country. I deplore the prospect of our military forces not representing a cross section of our society. Without the draft, for example, few representatives of the affluent families will serve in uniform.

Considerations such as these have led me to search for a concept that will satisfy in a practical way the advantages of volunteer force without entirely abandoning the draft and the contributions it provides.

The Selective Service machinery can be considered as national security insurance since it can expand our forces rapidly. By continuing Selective Service using the lottery system, an inducement would be provided for enlistment in the regular services and the reserves. Draft quotas would be issued if and when they were necessary with selection done by lottery. It should be recognized that the Reserves and the National Guard have maintained their volunteer strength in the past only because of the draft.

Under such a concept, draft calls would be low and for periods unnecessary. Current pay scales, efforts to improve service attractiveness, and dynamic recruiting programs would attract all but a small number of the manpower needed. Only young men preparing themselves to become officers would be exempt from the draft; this would stimulate interest in ROTC and the service academies.

In addition, the effect of registration, physical examinations, aptitude tests, and the continuation of the principle of service to country would be healthy contributions to the society.

Under this concept, we would have a volunteer force of 90 per cent or more. This would be a force that met our military requirements at a comparatively lower cost. Manned by representatives of all segments of our society, it would be capable of rapid expansion when the situation demanded.

MILITARY RESEARCH AND DEVELOPMENT—A CONSTRUCTIVE MOVE TOWARD ECONOMIC SANITY AT NO SACRIFICE TO NATIONAL SECURITY

Mr. SYMINGTON. Mr. President, a detailed and constructive effort to reduce Government expenditures has been made by the Research and Development Subcommittee of the Senate Armed Services Committee, chaired by the able Senator from New Hampshire (Senator MCINTYRE).

I ask unanimous consent that a press release of July 11 on this subject by Senator MCINTYRE be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.—Those members of the Senate Armed Services Research and Development Subcommittee, present or voting by proxy, have unanimously supported recommendations by U.S. Senator Thomas J. McIntyre (D-N.H.) to cut $404.9 million from the $8,557,900,000 requested for Research, Development, Test and Evaluation in the FY 1974 budget.

McIntyre, who is the subcommittee Chairman, also announced subcommittee approval of his request to rdeuce the TRIDENT program by a total of $885.4 million. Of this amount, $52.6 million applies to the RDT&E appropriation and is included in the $404.9 million figure mentioned above. The remaining reduction of $832.8 million applies to the ship construction and missile procurement appropriations. The aggregate of all reductions recommended by McIntyre and approved by the subcommittee is $1,238 billion.

The major reduction is in the TRIDENT submarine, whose construction will be delayed approximately two years if the subcommittee recommendations are eventually accepted. The Trident I missile development will be continued on the schedule proposed by the Department of Defense.

The decision to delay construction of the Trident submarine reflects conclusions reached by the subcommittee after hearing several months of testimony from Department of Defense witnesses and on other information available. Specifically, McIntyre says, the Subcommittee has found the following:

1. The Polaris/Poseidon fleet will adequately perform its role as the least vulner-

able of the Triad of strategic deterrants until the early 1980's.

2. The Department of Defense cannot now conceive any foreseeable Soviet ASW threat that would endanger our Poseidon submarines. Nevertheless, the subcommittee's recommendations would premit an additional margin of safety because the Trident I missile, with a range of 4000 miles, also could be backfitted into Poseidon submarines by the late 1970's if necessary.

3. Delay of the submarine will avoid the wasteful practice of producing equipment at the same time technology for its construction is being developed. This more orderly development of the system would also ensure that Trident could be adapted to meet any evolving threat.

4. The Polaris/Poseidon fleet can be replaced and modernized in a logical manner with due regard to age. If it becomes necessary to increase the rate of replacement, although this is not anticipated, the rate of construction can be increased.

5. The June 21, 1973 agreements and other agreements and understandings between President Nixon and General Secretary Brezhnev, including the announced joint objective of realizing a new permanent agreement in 1974 to include both qualitative and quantitative limitations on strategic weapons, do not justify a "worst case" assumption that when the interim agreements expire in 1977 the arms race will continue.

6. The committee also believes the savings to the taxpayer of $885.4 million is critical this year when inflation is running rampant and the budget is being stretched to the breaking point.

McIntyre said he discussed this announcement with the Acting Chairman of the Senate Armed Services Committee, Senator Symington.

THE ORGANIZATION OF CHINESE AMERICANS, INC., HONORS SENATOR HIRAM L. FONG

Mr. HANSEN. Mr. President, on June 9, 1973, the Organization of Chinese Americans, Inc.—OCA—was formed in Washington, D.C. The objectives of the OCA are to foster American democracy, to enhance the image of the Chinese in America, to combat prejudices and ignorance, to improve opportunities for the Chinese Americans, to speak out for their inherent rights as American citizens, to promote active participation in national affairs among Americans of Chinese ancestry permanently residing in this country, and to secure justice, equal opportunity and equal treatment of the Chinese in America, as well as all Americans regardless of their race, creed, color, sex, or national origin.

At its inaugural reception, the OCA chose to honor one of the best known Chinese Americans in the United States, our distinguished colleague, Hiram L. Fong, the senior Senator from Hawaii.

About 700 persons attended the OCA's inaugural reception honoring Senator Fong at the George Washington University Center ballroom. President Nixon Senator Alan Cranston of California, Congressman Gerald R. Ford, Governors Nelson A. Rockefeller of New York, Ronald Reagan of California, and John A. Burns of Hawaii all sent messages for the occasion. Congressman Lloyd Meeds of Washington acted as the master of ceremonies and Congressman Sparky Matsunaga and Mrs. Anna Chennault introduced Senator Fong.

Also present among the guests were Congressmen George Danielson and Bob Wilson, both of California; the world famous architect, I. M. Pei; Shig Sugiyama, Lawrence Nakatsuka and Barry Matsumoto, national president-elect, president of Washington, D.C. chapter, and Washington Representative, respectively, of the Japanese American Citizens League.

A special feature of the evening's program was the showing of a documentary film on the life of Senator Fong. Produced by McGraw-Hill Films, the film is one of a series of six biographical movies of famous and successful individuals who overcame obstacles in the pursuit of excellence in service to their fellow man and their country. Others depicted in the series were Albert Einstein, Enrico Fermi, Helen Keller, Dr. Jonas Salk, and Robert Peary, the American Arctic explorer. All the films have been made available by McGraw-Hill Films to schools across the Nation for showing to young students.

A commendatory plaque was presented to Senator Fong with the following inscription:

> In recognition of his distinguished services to humanity, the Organization of Chinese Americans, Inc. presents this Plaque to the Honorable Hiram L. Fong, United States Senator from the State of Hawaii. His inspiring leadership and outstanding services to the Nation and to all its people have won him the admiration, respect and good will of all Chinese Americans. Washington, D.C., June 9, 1973.

In accepting the plaque, Senator Fong said:

> Our Nation is truly a great land of liberty, freedom and opportunity . . . All men are equal under the law, to be treated justly and fairly . . .
>
> As a nation of immigrants, all contributing their share to the growth, prosperity and advancement of our country, we have developed a racially heterogeneous society in which citizens and aliens of many cultures and ethnic origins live and work side by side harmoniously . . .
>
> Our opportunity and our desire is to make the American dream a reality and to live up to the ideals we have set for ourselves as a just, fair and moral people. But we must never take for granted these blessings, attainments, and guarantees nor become complacent. They could vanish despite the commitment of the vast majority of our people and of the body politic to the ideals of fairness, justice and equality. We must always be watchful. Eternal vigilance is the watchword.

Mr. President, I ask unanimous consent to have printed in the Record the full text of Senator Fong's speech as well as the constitution of the Organization of Chinese Americans, Inc., and a list of its officers.

There being no objection, the material was ordered to be printed in the Record, as follows:

Organization of Chinese-Americans, Inc.

(Speech by Senator Hiram L. Fong)

Thank you very much for this plaque which says that Hiram Fong is a pretty good fellow. Thank you for the nice warm words engraved on it. Thank you for the kind sentiments conveyed by them. It is a great honor you have bestowed upon me. As it comes from the Chinese American communities throughout the country, it is doubly appreciated.

Your motto, "Embracing the hopes and aspirations of all Chinese in the United States," bespeaks eloquently the high purpose of this organization. I commend you for your initiative. I congratulate you for uniting and organizing. I endorse your worthy goal to champion and espouse the cause of those of Chinese ancestry and to secure for them the rights, privileges, and respect due them as members of our cosmopolitan American community.

History records that the lives of the early Chinese immigrants and their descendants in the United States, especially during the latter part of the 19th century, were difficult and harsh. Many suffered ridicule, intolerance, prejudice, hostility and sometimes open violence. State laws denying them fundamental rights were enacted. The Chinese Exclusion Acts beginning in 1882 and extending in some form until the Immigration Act of 1965—a period of 83 years—reflected the Federal Government's official hostility and prejudice against them as an ethnic group.

But this hostile and prejudicial attitude has been lessened and lessened in recent years so that today the situation has more than materially improved. Since my coming to the U.S. Senate 14 years ago, I have seen the enactment of effective legislation to protect the civil rights of members of our minority groups. In this regard decisions of our courts have helped immeasurably. Naturalization and immigration laws have been liberalized. The Immigration Act of 1965 towers in testimony to our solid commitment to just, fair and equal treatment of all peoples regardless of their racial and ethnic origins. Almost all racial discrimination in our immigration and naturalization policy has been eliminated.

Next week, I will be introducing nine bills relating to immigration and naturalization. Among these will be bills eliminating the last vestiges of such racially discriminatory laws as the Cooly Trade Laws and the Bertillon System of Identification used only for the Chinese, bills to help reunite parents and their sons and daughters, and a bill to facilitate naturalization by persons unable to read, write and speak English.

A few weeks ago I asked that Orientals be specifically included with Blacks and Mexican-Americans as minorities to receive Health, Education, and Welfare Department funds earmarked for developing institutions. This was adopted in connection with the Second Supplemental Appropriations Bill for 1973. Thus, I made it clear that Chinese and other Asians are to be afforded the benefits available to other minorities.

Fair, just and noble laws are on our statute books. The letter and spirit of the law is and will continue to be enforced by our courts.

Our nation is truly a great land of liberty, freedom and opportunity. Our Federal Constitution is truly a dynamic charter by which we guide our nation. All men are equal under our laws, to be treated justly and fairly. Equal protection of the laws is assured to all individuals, to citizens by birth or naturalization, and to all aliens within our borders.

As a nation of immigrants, all contributing their share to the growth, prosperity and advancement of our country, we have developed a racially heterogeneous society in which citizens and aliens of many cultures and ethnic origins live and work side by side harmoniously.

Our nation is the great pilot demonstration of the most lofty principles and ideals in history. Our tenets of equality, irrespective of race, creed or color, have inspired freedom-loving people everywhere to look to America as a beacon in their struggle to win freedom and independence.

Our opportunity and our desire is to make the American Dream a reality and to live up to the high ideas we have set for ourselves as a just, fair and moral people.

But, we must never take for granted these blessings, attainments, and guarantees nor become complacent. They could vanish despite the commitment of the vast majority of our people and of the body politic to the ideals of fairness, justice and equality. We must always be watchful. Eternal vigilance is the watchword.

Good citizenry is needed and organizations like yours must always be in the forefront to assure the full implementation of our laws for the benefit of all. Again, my congratulations to your worthy and valued organization. It is truly an asset to our country. Again, for the high honor you have accorded me tonight, I thank you most deeply. This will be remembered and recorded by me as a most memorable evening, not only because of tonight's honor to me, but also for your hearty good fellowship and a most pleasant occasion.

Constitution of the Organization of Chinese Americans, Inc. (OCA)

ARTICLE I. NAME AND HEADQUARTERS

Section 1. The Organization shall be known as the Organization of Chinese Americans, Inc. of the United States of America hereinafter referred to as the Organization.

Section 2. The National Headquarters of this Organization shall be the city designated by the National Board.

ARTICLE II. OBJECTIVES

Section 1. The objectives of the Organization and its members are to foster American democracy, to uphold the Constitution of the United States of America, to eliminate prejudices and ignorance, to promote the cultural heritage of the Chinese in America, to enhance the image of the Chinese in America, to promote active participation of Americans of Chinese ancestry permanently residing in the United States of America in civic and national life, and to secure justice and equal opportunity and equal treatment of Chinese Americans, as well as all Americans regardless of their race, creed, color, sex, or national origin.

The means by which the objectives shall be accomplished include:

A. The fostering of constructive citizenship on the part of all Chinese Americans through education and participation;

B. The promotion of unity and strength of the United States of America by cultivating understanding and appreciation of both American and Chinese cultural heritages through education and example;

C. The enrichment of American society with Chinese American contributions;

D. The achievement of equal treatment and equal opportunities for all Chinese Americans;

E. The improvement of the general well-being of Chinese Americans through education and social actions.

ARTICLE III. POLICY

Section 1. This Organization shall promote, sponsor and encourage educational programs, projects, and activities which are designed to encourage every member to perform faithfully his duties and obligations to the United States of America.

Section 2. This Organization shall be non-partisan and non-sectarian and shall not be used for the purposes of endorsing candidates for public offices.

Section 3. The primary and continuing concern of this Organization shall be the welfare of Chinese Americans as expressed in its program and activities. Moreover, the Organization shall strive to secure and uphold full civil rights and equal justice for all Americans, regardless of race, creed, color, sex, or national origin.

Section 4. This Organization shall have no collective interest in the politics of any foreign country.

Section 5. This Organization shall support issues which: A. strengthen equal opportunities, equal participation, equal treatment; B. eliminate discrimination and prejudices; and C. advocate the inherent rights of all.

ARTICLE IV. INCORPORATION AND SEAL

Section 1. The incorporation of this Organization is under the laws of the District of Columbia.

Section 2. The official seal shall be affixed to all instruments and documents issued by or under the authority of this Organization.

ARTICLE V. MEMBERSHIP

Membership is open to any U.S. citizen or any U.S. permanent resident, regardless of race, creed, color, sex, religion, education, profession, or national origin. A member must be over eighteen years of age and support the Constitution of the United States. A member shall subscribe to the objectives and policies herein stated and in accordance with the Constitution and the By-Laws of this Organization.

ARTICLE IV. AMENDMENTS

Amendments to this Constitution shall be made in accordance with the By-Laws.

OFFICERS OF THE ORGANIZATION OF CHINESE AMERICANS, INC.

National Executive Council:

President, Kung-Lee Wang, Rockville, Md.

1st Vice Pres., Daniel K. Ai, Manchester, Mo.

2nd Vice Pres., Andrew T. Yang, Bloomfield Hill, Mich.

Secretary, Henry M. Cheng, Rockville, Md.

Treasurer, James Wing, Rockville, Md.

Program Planning Director, Julia Chang Bloch, Washington, D.C.

Councilman-at-large, Warren Yee, Birmingham, Mich.

Other Directors of the National Board:

James D. Chan, Boston, Mass.
Lilly Lee Chen, Los Angeles, Calif.
Amy Chiang, Balwin, Mo.
Mento Ho. Pittsburgh, Pa.
Charles Wah Lee, St. Louis, Mo.
Lim P. Lee, San Francisco, Calif.
Alex Mark, Bloomfield Hill, Mich.
David W. Mei, New York, N.Y.
T. L. Tsui, Washington, D.C.
Gwendolyn Wong, Alexandria, Va.
William J. Wong, Seattle, Wash.
Harry Wing Woo, Bethesda, Md.

Greater Washington, D.C. District—Executive Committee:

President, Kung-Lee Wang, Rockville, Md.

1st Vice Pres., Pauline W. Tsui, Washington, D.C.

2nd Vice Pres., George C. Yang, Silver Spring, Md.

Secretary, Tsai-Ying Yu Chang, Rockville, Md.

Treasurer, William Y. Mo, Rockville, Md.

Legal Counselor, Bernard H. Q. Yin, Glen Echo Heights, Md.

Chinese Publicity, James S. Pao, Wheaton, Md.

Member-at-large, Julia Chang Bloch, Washington, D.C.

Member-at-large, Doreen Feng, Bethesda, Md.

Other Members of the Board of Directors:

Edwin Bock, Arlington, Va.
Tetse Chang, Rockville, Md.
Chao-Mei Chen, Upper Marlboro, Md.
C. T. Byron Kao, Brunswick, Md.
Richard W. H. Lee, Bethesda, Md.
William Chin-Lee, Washington, D.C.
James H. C. Lin, Silver Spring, Md.
Perry K. Mok, Rockville, Md.
T. L. Tsui, Washington, D.C.
Charles Y. Wang, Gaithersburg, Md.
K. P. Wang, Chevy Chase, Md.
James Wing, Rockville, Md.
Frank Y. Yin, Wheaton, Md.

Convention Committee:

Pauline W. Tsui, Chairwoman, The Honorable & Mrs. Lloyd Meeds, Mrs. Anna Chennault, Julia & Stuart Bloch, Gloria & Edwin Bock, Chang-Hua & Meng-Te-Chang, Tsai-ying & Tetse Chang, Ying & Chao-Mei Chen, Angela & Hang Shen Cheng, Henry M. Cheng, Jeannie & T. C. Cheng, Nancy & William Chin-Lee, Joan & Eichung B. Djang, Helen & Tony Eng, Doreen Feng, Charlotte & S. T. Hsu, Jeannie & Robert Jew, Kung-Ying & C. T. Byron Kao, Dora & Richard Lee.

Joan & Benjamin Lee, Mee Lee, June & Marshall M. Lih, Anchen & James Lin, May & Samuel Moon-Yuen Lum, Helene Thi & Richard M. McCarthy, Marian & William Mak, Stella & William Y. Mo, Linda & Ed Neilan, Sandra & James Pao, Emma & Fred Lum Sing, Sylvia & Robert Ting, T. L. Tsui, Jean & Christopher C. W. Tang, Anita & George Tong, Catherine & Hsiang-Len Tseng, Stella & Patrick Tseng, Katy & Chong Twanmo, Chi Wang, Kung-Lee Wang, Rose & K. P. Wang.

Sylvia & Charles Y. Wang, Gwendolyn Wong, May & Jacques Wong, Eva & Harry Wing Woo, Stringner & George Yang, Jean & Bernard Yim, Nailing & Frank Yin.

Hosts & Hostesses: Cathy Chang, David Chang, Frank Chang, Patricia Chang, Sussanna Chang, Cindy Chin-Lee, Peter Chin-Lee, Warren Chin-Lee, Kirk Lee, Elise Mak, Ricky Moy, Pat Soong, Florina Tseng, Jennifer Tseng, Lynette Tsui, Emily Twanmo, Chris Wang, Michael Wang, Wing Woo, Debra Yang, Eileen Yang.

CHAIRMAN WILBUR MILLS—PILLAR OF THE HOUSE

Mr. KENNEDY. Mr. President, I suspect that, to all of us in the Senate, the prospect of the House of Representatives without Wilbur Mills is like Hamlet without the Prince of Denmark. We know his outstanding record of 34 years of service to the people of Arkansas and the Nation. More especially, we know his incomparable record of 15 years of peerless leadership as chairman of the Committee on Ways and Means. Already, his achievements rank him as one of the truly great Congressmen in American history.

It was with deep distress, therefore, that I read the small but ominous item on page one of last Sunday's newspapers, intimating that Chairman Mills' brilliant congressional career is now jeopardized by the painful and so far intractable back injury that unfortunately afflicts him.

Virtually all of the major milestones in American social legislation in our generation bear the personal stamp and impact of Wilbur Mills—especially in areas like social security, medicare, welfare, tax reform, revenue sharing, and foreign trade. The Nation can ill afford to lose his legislative skill and leadership, and I am honored to take this opportunity to wish him prompt and complete relief from his present ailment, and an early and full return to the Nation's service.

Mr. President, an editorial from yesterday's Washington Star-News eloquently expresses these sentiments, and I ask unanimous consent that it may be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Star-News, July 11, 1973]

A House Without Mills?

Simply because he has seemed so indestructible, in both Congress and his own

Arkansas political domain, no one has bothered to ponder what the House of Representatives would be like without Wilbur Mills. But suddenly that is a very live question, due to the unpredictable factor of physical affliction. Representative Mills is being hospitalized for treatment of a bad back which could, he says, force his retirement if it doesn't improve. We hope he will experience a speedy recovery and continue to chair the Ways and Means Committee with only a little recuperative interruption.

This isn't to say he is irreplaceable, but certainly no other comparable leadership is in sight. In fact, Mills has few peers in the nation's history as a legislative engineer, and a good many observers in recent years have termed him the most powerful member of Congress. This may be right. Nothing much has moved out of Ways and Means, in the ways of social-welfare, tax and trade legislation, unless he was ready for it to move, and it bore his imprimatur. He has steered this keystone committee with supreme skill and acumen. Perhaps he has steered with a bit too firm a grip. Amazingly, considering its vast and complicated functions, Ways and Means has not a single subcommittee. This consolidated system is too slow in processing legislation, critics argue, and furthermore has been operated with too much secrecy.

But the committee is loosening up, because of changes in House procedures and the increasing assertiveness of its members. Mills' rule probably will be tempered considerably, and should be, if his health permits him to continue in this post. There should be more delegation of power and more openness. Mills' expertness, his mastery of complex tax and trade matters which so few House members understand very well—will be needed none the less, however. His experience and hard-driving determinination are valuable resources.

His achievements, too, are of no small dimension. It is quite true that various pieces of needful legislation (dealing with tax reforms, for example) have been delayed too long in the committee. But some bad measures have met their demise as well in its cautious processes. And Mills has changed over the years, to push the Medicare program through, finally, and later a family income assistance plan for sweeping welfare reform which unfortunately died in the Senate. Social Security recipients can thank him for hefty payment increases that are keeping them above the dire poverty level in these inflationary times.

Probably his hard travels and labors last year in a futile quest for the Democratic presidential nomiination took a physical toll. But in any case, Mills is about the last of a generation of great congressional wheelhorses, mainly from the South, that included Lyndon Johnson and Sam Rayburn, and we hope his energies will be available to Congress a good while longer.

IMBALANCE IN SEPARATION OF POWERS

Mr. SAXBE. Mr. President, since coming to Washington in January 1969, I have been deeply concerned and frustrated about the deficiencies in our Federal legislative process that prevent us, as legislators, from providing rapid responses to the problems that afflict our country. It is obvious that a dangerous imbalance in the separation of powers between the executive, legislative, and judicial branches has developed over the years, and that Congress itself has lost much of its clout because it has unwittingly abdicated the power given to it by our Constitution.

It is a great privilege for any man or woman to be elected by the people of his State or district to serve in the Congress of the United States, but it is a shock to learn that because of ancient procedures and operating methods that one so elected is really hamstrung in getting things done in behalf of his constituents.

To cede everything to the executive branch, to give virtually unlimited authority to the hordes of bureaucrats within the massive structure of our Government, to give the Executive the power and machinery to make all policy determinations, while providing Congress little more than its traditional forum for debate, denudes the people of their rights to be properly represented in the environs of Washington.

As many of you know, the Government Operations Subcommittee on Budget, Management, and Expenditures is currently involved in drawing up legislation that would correct one of the Senate's most glaring inadequacies—that of dealing promptly and responsibly with the Federal budget. We cannot hope to deal effectively with the budget unless we have the input machinery necessary to provide the detail that is now available only to the executive branch. We cannot hope to snuff out the fire that fuels inflation if Congress fails to place some reasonable limits upon the appropriations process. We cannot hope to adequately establish a proper set of spending priorities with real accountability to our constituents, unless the procedures for congressional budget action are substantially adjusted.

The budget is not the only thing which the Congress of the United States is unable to respond to effectively. The powers of the executive branch have been so expanded, and our own authority so diluted, that many of our deliberations have become a national joke?

I was reminded of this dilemma again while reading an article entitled "Profiles in Caution" by Taylor Branch in the July 1973 issue of Harper's magazine.

In the vernacular of the "now" generation, Mr. Branch tells it like it is, and paints a rather glum, but predominantly accurate, picture of our shortcomings as the highest legislative body in the land. His criticisms are not unfounded, and his conclusions deserve the attention of every U.S. Senator, and every citizen of this great land. I therefore ask unanimous consent of my colleagues to have the article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Profiles in Caution—The Senate's Bad Advice and Grudging Consent

(By Taylor Branch)

Ever since the Watergate discoveries established the duplicity of the Nixon Administration, United States Senators have been swarming around the wounded President like Eskimos around the carcass of a beached whale. They have demanded so much rectitude and housecleaning that optimistic observers have predicted a major resurgence of Senatorial leadership in the country. Senators are making speeches and appearing on television everywhere, deploring things. They even speak of impeachment, which prevents the press and the prosecutors from stealing the whole show, and which makes up for the negligible role the Senate played in bringing the scandal to light.

The Senators will extract what humiliation they can from Nixon, and they will bluster with words and resolutions. But they will fail to restore their powers over the purse and foreign policy because they, like everybody else in the country, remain too dependent on the office of the President. Soon they will join the national hymn for a restoration of the Presidency. They need a powerful chief execuitve to hide the fact that the Senate has spent forty years slipping away from responsibility for the difficult decisions in American politics. The Senators will provide ceremony and theater for Watergate, but, unhappily, they will contribute little else. Even if Nixon falls into oblivion, the Senators will be of about as much use as they were when Nixon was running over them like so many blades of grass. The Watergate affair will show the power of a President to be limited by his own conscience, not by the checks or balances of the Senate. It will also show that the authority of the Senate has lapsed into disuse in times of need, emerging only in verbal displays when all is safe and easy.

The Senators have been ignored, impounded, and run over for so long they have fallen into the habit of self-deprecation. "We are not strong enough. We are not vital enough," laments Sen. Jacob Javits. "It is just about time we spoke about it openly," echoes Hubert Humphrey. "We are out of date, out of step, out of style, and we have made our own trouble and our own mess." Speaking of the Senate's incontinence in money matters, Minority Leader Hugh Scott says that Senators are "like a dope addict. They go to the President, in effect, and say, 'Stop me, save me, help me, I can't help myself.'" And Sam Ervin, who is trying to spearhead a Senate comeback with his Bible and his tattered Constituiton, surveyed his troops with a sigh: "A lot of Congressmen and Senators like to draw their breath and their salaries and not do much else."

The record of the past few years bears out this sad appraisal. In foreign affairs, the Senate commands even less influence than Secretary of State Rogers. It whined through the whole Vietnam war from the sidelines, appropriating the money while protesting the unconstitutionality of the President's policies. Presidents Johnson and Nixon disregarded the Senate until questions of legality became embarrassing. When Congress repealed the Tonkin Gulf Resolution, President Nixon said he didn't need it anyway, since he had a constitutional duty to use American forces to protect the American forces in Vietnam—a bit of circular sophistry so bold it wasn't questioned further.

In its legislation on Indochina, the Senate has resembled a drunken moose at hopscotch. In 1969, it passed an amendment prohibiting the use of American ground troops in Laos and Thailand; in 1970, President Nixon invaded Cambodia. By the time an appropriate amendment got through the grist, the troops were finished and gone. Legislative efforts on the war have all but ceased, and tired old Senator Fulbright has retreated into deeper sarcasm and despair: "Like Humpty-Dumpty, who would not be mastered by a mere word, the Nixon Administration has shown that it will not be gotten the better of by anything so trivial as a *law*." Having neither money nor armies, the Senate must rely on laws, which often have the force of paper airplanes or bogus lottery tickets.

THE TRIVIAL TREATIES

Many legislators remember the Senate's treaty powers in foreign affairs, by which Senator Lodge and his colleagues once prevented U.S. entry into the League of Nations and hastened Woodrow Wilson's death. These powers have been embalmed in the archives, because Presidents now conduct important international business by means of executive agreements, which simply omit the word "treaty" and thereby avoid the interference of the Senate. There are now something like three thousand executive agreements in effect, while treaties are increasingly limited to minor matters like international study agreements and cultural exchanges. "Every day we vote on treaties that have to do with trivial matters," sulks Sen. Frank Church. "In fact, the more trivial the matter, the more inclined the Executive is to submit it to the Senate for ratification as a treaty."

The Senate's performance in domestic and economic affairs is highlighted by a similar tradition of irrelevance. Ever since the Depression, Congress has been finding new ways to pass difficult political issues to the President, until much of the current legislation consists of a hopeful mandate for the President to do good things about the cities or pollution or drug abuse. Over the past forty years, in times of war and economic disaster, Congress has passed 580 laws, at latest count, which give the President extraordinary powers to fight all kinds of enemies during declared states of emergency. We are now actually living in a triple state of national emergency—the first proclaimed by FDR in 1933, the second by Truman in 1950, and the third by Nixon in 1971 when he decided to control how much everybody gets paid. Senators Charles Mathias and Frank Church have found that under these laws "the President may seize properties, mobilize production, seize commodities, institute martial law, seize control of all transportation and communications, regulate private capital, restrict travel, and, in a host of particular ways, control the activities of all American citizens." The emergency statutes also put the Senators in an excellent position to criticize or hail the President's actions without getting gored themselves. "I think the trend since the Thirties has been that Congress has been in a rush to surrender its powers to the Executive," says Florida's Sen. Lawton Chiles. "On item after item, Congress did not want to take the heat or the responsibility."

Of course, there are pervasive historical reasons for the Senate's desire to get away from the firing line. Over several generations of crisis and emergency, government has grown into a huge labyrinth of bureaucracy and complicated regulations, until all public spending now accounts for $1 out of every $3 in the gross national product. Power, in search of efficiency, has become more centralized—flowing from the states to Washington and then into the White House. The stupendous complexity of Washington gives an enormous advantage to the galaxy of experts in the Executive Branch and to the President, who appears as the single hope for order and simplicity and leadership. He rises out of the maze, whereas the Senators find themselves entangled in it. They are generalists and politicians, and they don't want to become managers or bureaucrats. They don't have enough time or information to reach definitive positions on all the big issues facing them, and so they offer advice. Taking the harsh responsibility for decisions makes enemies, and enemies lose votes. Even a Senator with good intentions succumbs to historical forces that make it seem wise and prudent for him to assume the role of an Eric Sevareid, counseling the nation from a seat in the balcony. President Nixon recognized this trend and decided by logical extension that he should quit trucking around with Congress.

The President most brazenly demonstrated his contempt when he sent a well-groomed young *apparatchik* named Howard Phillips over to the Office of Economic Opportunity with orders to dismantle it. He neglected to send Phillips' name to the Senate for confirmation; and when Harrison Williams, chairman of the Senate committee that would consider the nomination, wrote to ask about it, Nixon ignored the letter. There was general agreement in the Senate that Phillips acted illegally, but from a practical point of view it didn't matter.

Of all the indignities the Senate suffers, the worst is that the Administration portrays it through the media as a collection of children with overblown allowances, waving their arms before the cameras to show that they will spend enough money to be everybody's friend. The Administration's portrait suggests that the legislature simply can't help itself when it goes shopping, and the Justice Department states solemnly that "our nation needs the impounding authority vested in the President to check this otherwise ruinous tendency of Congress." Moreover, says Nixon, Congress is trained to do the bidding of special interests who want their pockets lined. Even the President's supporters in the Senate confess to the truth of these insults in a penitent tone. Clifford Hansen, who is so much a dapper petroleum Senator that his speeches have the rhythm of a pumping oil derrick, ended his discussion of the Senate's spending urge by saying that "we compound the problem in order to save face with the special interest groups coming before us with these requests."

The Senate is just not made of the stuff required for the responsible management of a first-rate power, says the Administration, and therefore it should be kept abreast of government actions to the extent that no harm will be done by the Senators' compulsion to leak, which is second only to their compulsion to spend. Senate requests for information run into classification, bureaucratic entanglements, or the unvarnished cold shoulder. Senator Fulbright's correspondence with the Defense and State Departments on foreign-policy information reads like the diary of a panhandler—will you please respond to my last letter asking you to reconsider your previous letter denying the Foreign Relations Committee the Administration's plans for foreign aid? The letters are particularly embarrassing because Senator Fulbright does not demand the information but freely admits that he will stop bothering people if the President will just whisper "executive privilege" over the relevant documents.

In both foreign and domestic affairs, the Senate has shrunk to a subordinate role in government at precisely the time Senators are becoming more visible on TV talk shows and when almost any Senator without a speech defect is considered a potential Presidential candidate. This is fully in the Roman tradition, as Gibbon records that the majesty and splendor of the Roman senators rose to unprecedented heights when Augustus and later emperors humored them into thinking they had a greater than ceremonial role.

Nixon never humored the Senators, who have been shocked into realizing how much their significance rests on the exchange of courtesies. Now, Watergate has forced him into a more conciliatory posture, as he submits sullenly while the Senators scourge him with resolutions. The Senators vigorously reassert their right to public attention, but their hidden unwillingness to share the burdens of government remains unaffected.

If a new constitutional convention were to rewrite the founding document to reflect modern realities, the delegates could reduce Article II, on the powers of the President, to a single sentence: The President is Commander-in-Chief. And to further condense matters, they could write a simple new Article I on the Congress: The Powers and Duties of the Congress shall be to Cheer the President, and to Complain about Him. Ceremonial votes could be taken to test the ratio of cheerleaders to complainers on any given issue. This is not too far from the current arrangement. Moreover, if you spend time talking with the gentler and more likable members of the Senate, such as Mike Mansfield or Clifford Case, you will find them espousing a philosophy in harmony with the new Constitution. The Senate serves primarily as an educational forum for public opinion, they say, where some of the most informed people in the country can serve as a sounding board for the discussion of our political ills and get the public worked up when things go wrong. The President will respond when there is enough noise or wisdom in the air.

The Senators prefer to operate in the realm of theater, where Sam Ervin excels. They can score symbolic victories at confirmation hearings, embarrassing the President and occasionally forcing him to send up another name. But in order to achieve the presumed constitutional equality with the President, the Senate would need to forge itself into a parliamentary unity that could speak with one voice. Senators would be obliged to sacrifice some of their precious individualism to the collective power of the Senate as a whole. Instead of waiting for the President's budget and tinkering around with his foreign policy after the fact, the Senate would offer its own agenda, and Senators would run for election based on how they propose to change it. At present, they run on how they propose to remonstrate with the President.

A STRICT CONSTRUCTIONIST

When the 93rd Congress convened in January, an unprecedented number of Senators were angered by the President's impoundments. Both liberals and conservatives were disturbed about the Senate's diminished powers, and they resolved to study their predicament and do something about it. So more than seventy Senators sponsored a two-day conference on the constitutional rights of the Congress, which convened on March 7.

The man of the hour was Sam Ervin, chairman of all the committees standing toe-to-toe with Nixon—the special Watergate committee; the Judiciary Subcommittee on Constitutional Rights, which handles the police-state problem as it relates to newsmen and wiretapped individuals; and the Government Operations Subcommittee on Separation of Powers, which handles impoundment and executive privilege.

Until last year, Ervin was fairly obscure, another of the old Southern bulls in the Senate, known as the leading opponent of the Equal Rights Amendment. He was regarded as a warm-hearted constitutionalist who filibustered against the big civil-rights bills because he found "not one syllable" in the Constitution to justify such measures. Now, besting Nixon in strict construction, he doesn't find any syllables authorizing impoundments, executive privilege, or rigged elections, and he discovers himself on the cover of every major newsmagazine in the country, drawing the admiration of liberals and big lecture fees on college campuses. His notoriety and power came at the age of seventy-six, late even for a Senator, and he was obviously enjoying himself.

Ervin has a pleasant, Santa Claus face, with twinkling bushy eyebrows and sparkling eyes. You can see his feet together in first position under the table and his crooked right forefinger waving in the air as he begins his standard civics speech on the mechanics of the Constitution, laced with quotations from George Washington's farewell address and the yarns of an old country lawyer. Ervin often says that the Constitution directs the President to take care that the laws are faithfully executed. Could this mean that he can execute the laws the way a hangman executes a criminal? Ervin leads the audience in a round of laughter and then returns to the Founding Fathers, and the Federalist papers. Even when he threatens to put the White House aides in jail, there is a benevolent twinkle on his face, like grandpa playfully threatening to spank a child. By the time Ervin concludes his speech, everyone is in a good mood, the Constitution has been invoked, and the air is so filled with the powder of old wigs that you half expect James Madison to stroll in for a round of applause.

Ervin sang hymns to the enduring vitality of the Constitution, and the liberal academics at the conference—among them Arthur Schlesinger, Jr., Henry Steele Commager, and Alexander Bickel—sang right along. There was some irony in this. For forty years liberals have regarded the Presidency as the only hope for our nobler political ideals, while Congress has been caricatured as a collection of doddering and recalcitrant old relics. But now Congress is the hero, and the liberals appear to have become converted Madisonians.

Professor John Saloma led the argument that the Senate needs more staff, observing that the Congress, with some one thousand professional workers, can't hope to compete against the Office of Management and Budget and the two and a half million employees of the Executive Branch. He proposed that Congress beef itself up, use computers (the Senate now has one computer, which is used mainly to make out pay checks), and make a comprehensive survey of staff capabilities so that a Senator will know where to find a specialist on day-care centers or Section 221 housing programs. The Senate must avail itself of new technologies, everyone said, and stop acting like an old generalist debating club.

Others stressed that the Senate must get on with seniority reform and anti-secrecy measures in an effort to put its own house in order before doing battle with Nixon. The lawyers said that Congress should have its own lawyer to enforce Congressional will in the courts. The economists said Congress needs more economists to get a handle on the budget, although Aaron Wildavsky, the conference jester, remarked that even the prodigious work of the OMB is largely guesswork, having been more than $20 billion off the budget since 1969.

Henry Steele Commager recommended that Congress get more information: "Ralph Nader seems to have more information about the problems facing the United States than the Congress." Others suggested that Congress reorganize, and there was a general agreement that there should be a new committee to have overall responsibility for the budget. Still others argued that Congress needs not more committees but fewer ones, charged with broad problem areas. This view was advanced by Sen. William Brock of Tennessee, one of the new breed of Southern Republicans, who has learned the advantages of attacking the seniority system and sounding as vaguely progressive as John Gardner. He made the case for fewer committees and the big picture. "Why don't we treat these problems in the context of the whole?" he asked. "We simply can't have a housing policy without considering transportation in the urban community. Why not deal with the problem of the urban community? Why not deal with the problem of the human being?"

SHEEPISH SENATORS

The conference was overwhelmed with admirable if somewhat hackneyed suggestions about how the Senate should reform itself, but the litany of shortcomings was so depressing that it drove the Senators into self-flagellation. Some went so far as to say that it was good for the Senate to be maligned, because only a strong dose of vicious abuse could wound the Senate enough to make it act. "This President has done us a favor in rubbing our noses in where our powers once were," said Lawton Chiles, one of the promising young Senators, who sported a flashy blue suit, a big gold tie, and black leather boots. "Nixon is treating Congress with the contempt we deserve."

Such talk emboldened the academics to abandon their deference and describe the Senate as a pusillanimous collection of weak sisters. One pedantic scholar from the lowly Congressional Research Service lectured the Senators on the abysmal way they spend their time—posing for photos with constituents, running around in search of cameras and reporters, dashing to the Senate floor to ask an aide or a functionary how they should vote on an amendment they never heard of. Professor Donald Devine said that the Senate has all the power it needs, but questioned "whether the will and the wisdom are there."

The professors trod a little too heavily on the Senate for Edward Kennedy, who told them he was expecting constructive suggestions instead of pep talks and mushy discourses. He left after dozing through a few speeches. But the mood of despair had caught on. It persisted, despite occasional spurts of optimism, until Adlai Stevenson's confession near the end of the conference: "I have been here for a little more than two years. I have wondered at times what the heck I am doing here." This mood continued through the spring, relieved only by the Senate's enjoyment of the Watergate revelations. Even as the Senators planned to take action against a weakened President on the three major constitutional issues—impoundment, war power, and executive privilege—there was a prevailing caution that had been absent in their earlier pronouncements on the morality of bugging. The corrective legislation itself seemed designed to allow the Senate to take as little responsibility as possible.

Sam Ervin's anti-impoundment bill is a case in point. It passed the Senate by a vote of 70–24 in the big Watergate month of April. The Ervin bill says that although impoundments are strictly unconstitutional, the President can practice them in the future if he will notify Congress within ten days. Unless Congress approves the impoundment within sixty legislative days thereafter, which will usually work out to about eighty calendar days, the President has to release the funds. Thus, Congress can disapprove the President's action by doing nothing. On the Senate floor, the Republicans tried unsuccessfully to amend the bill to require the Congress to actively disapprove an impoundment before the President has to spend the money, with Sen. William Roth making the well-worn claim that Ervin's language would "tie the President's hands behind him." The two sides fought for the advantage that always goes to the advocates of Congressional inaction, and Ervin won. If his bill becomes law, the President will lose when the Congress sits on its hands.

In another effort to regain its constitutional powers, the Senate passed the Javits War Powers Act last year. It failed in the House and will come up again this year. The bill says that the President can use armed force to repel what he considers an attack against the vital interests of the United States, but he must obtain the approval of Congress within thirty days after the shooting starts (which, as in Vietnam, is sometimes difficult to discern). If the President fails to convince Congress that the war is a good one, the funds are automatically cut off. Again, Congress in its self-confidence has incorporated the guiding principle that the President will lose if either House of Congress avoids the issue. The military license has to be renewed every year.

The Javits bill has been called the most important piece of legislation before the Senate, if only because it seeks to restore the constitutional rights of the Congress in the critical realm of war-making. The odds are in favor of its passage because many legislators feel they can vote for it without hamstringing the President's military options. In short, the War Powers Act is a safe bet because it will make Congress look good without changing things much.

"All wars are popular for the first thirty days," says Arthur Schlesinger, Jr., who believes that the proposed law would not have affected the conduct of the Vietnam war. Once the President has the flag planted and the cannons roaring, legislators pale at the thought of cutting off the funds. They don't want it said that they swiped the ammo right out of our boys' hands and left them helpless on the battlefield. The Senate had to approve the Vietnam war with positive action on the appropriations bills every year, and either house of Congress could have stopped the money simply by failing to muster the votes. Essentially, the Javits bill would tack a sentence on the appropriations to say, "We think this war is a good idea."

The Senate is not quite as far along on the third major constitutional issue—it's ignorance, as perpetuated by the President's use of classification and executive privilege. President Nixon maintains that his use of secrecy through executive privilege is "rooted in the Constitution," just as his power to make war is grounded in the Commander-in-Chief clause and his right to impound under the Constitution is "absolutely clear." The Senators respond that they do not find one syllable of roots in the Constitution and that executive privilege has not been authorized by a single statute or a single judicial decision. At this point, spokesmen for the Administration usually argue that the practice of executive secrecy is implied in the separation of powers and that in any case the Senate has acquiesced in executive privilege for so long that it has become part of the Constitution by custom and common law.

After exhaustive hearings in 1971, the Senate resolved to do something about the ignorance problem. Avoiding precipitate action, it still resolves to pass a bill this year. In April, three subcommittees settled their disputes regarding who has jurisdiction over secrecy, agreed to an alliance to hold hearings on Senator Fulbright's executive-privilege bill, and invited then-Attorney General Kleindienst to speak for President Nixon.

Kleindienst surprised the Senators, who expected him to put forth the traditional doctrine that executive privilege exists to protect the confidentiality of advice between the President and his close associates. (The Senators themselves accept this, and the debate usually rages over its interpretation.) Not so, said Kleindienst. Under the Constitution, the President has the right to withhold testimony on any subject by any of the two and a half million employees in his service, and also to withhold any document in their possession. Since this right is emblazoned in the constitutional doctrine of separation of powers, it is not subject to review by either the Congress or the courts, and any legislative or judicial challenge is "academic."

The Senators were flabbergasted. Are there no standards, asked Senator Chiles? Does this not make us a government of men rather than of laws? Where is the check in the system? You have all kinds of remedies, replied Kleindienst, speaking casually over his left shoulder as he turned to the side in the witness chair. "You could impeach the President of the United States and the Vice-President. You would have the Speaker of the House of Representatives becoming the President. Then you could impeach the Judiciary and appoint a new Judiciary, and if you wanted to exercise your power you could have a whole new government." The Senators recoiled, since the subject of impeachment is more taboo than Congressional ethics. Ervin broke the ice by joking that impeachment would be impossible under the Kleindienst doctrine, because the President could suppress the evidence by refusing to allow executive witnesses to testify. Kleindienst ignored the humor and replied that the Senate didn't need evidence to get rid of the President, just votes. The idea that evidence is irrelevant shook Ervin to his legal bones, and, anxious to reassure himself, he told the audience that the Chief Justice presides over impeachment trials in the Senate and that he would require evidence. Nonsense, said Kleindienst. He couldn't prevent a vote, and, if he did, the Congress could just get itself a new Chief Justice. Ervin fell silent.

Senator Muskie jumped in angrily and told Kleindienst it was the most outrageous testimony he had ever heard. He began peppering Kleindienst with questions and interrupting his answers. "If I may finish, Mr. Muskie," said Kleindienst, "and then I will respond to your piercing inquiry." He stated his position over and over again and then, reversing normal procedure, dismissed the Senators. "I appreciate your courteous hospitality," he said, and walked out.

Senator Fulbright, the next witness ambled into the chair and said he had found it "very hard to restrain myself" during Kleindienst's performance. "What in effect he is saying," continued Fulbright, "is that you are all a bunch of boobs and you don't know how to use the power given you, and therefore the Executive is going to take it over." He and the other Senators were so upset by Kleindienst that they all but neglected to discuss the particulars of Fulbright's bill to fix things up. Which was just as well, considering what the bill proposes.

If enacted, the new law will require all executive witnesses to appear before Congress when summoned—"even if," says Fulbright, "upon their arrival, they do nothing but invoke executive privilege." The bill also provides that if a committee does not like the witness' reason for invoking the privilege, it can recommend "appropriate action" to the full Congress—which, of course, the committees can do already, and which begs the question since the President says the Congress can't do anything about it because of the constitutional roots. Finally, the bill says that a formal invocation in writing by the President shall be the only basis for denying information to Congress, and that an agency or department must either cough up the data or claim executive privilege within thirty days of an official request. Otherwise, its funds will be cut off automatically without any action required by the Congress. Once again, the legislation is carefully designed so that the Senate can discipline the President by doing nothing.

GOVERNMENT BY THE TUBE

The Senate's legislative proposals on all three constitutional fronts are so riddled with holes that they amount to a confession of weakness, especially since it will require a spurt of forgotten boldness in the Congress just to get them passed. Each bill would have some positive effect, but if you push the proponents about that effect, they will say that the main impact will be a symbolic one—that the laws will signal a change in the "atmosphere" between the President and the Senate. They would certainly indicate a different attitude in the Senate than the one prevailing two years ago, when the chairman of the Senate Appropriations Committee, the late Allen Ellender, made a speech on the floor of the Senate in which he said that even he did not know how much money Congress gives the CIA each year or what the agency does with it all. Moreover, he said he did not *want* to know, because if he did he might spill some of our foreign operations and mess up the national security. In one fell swoop, he tossed away the power of the purse, control over foreign policy, and the Senate's right to be informed.

The atmosphere—all the intangibles that determine the stature of the Senate relative to the President—is really the crucial element, for all the restorative legislation would be unnecessary if the Senate commanded the same respect in the country as does the President. As it is, the President has the overwhelming attention of the American people, whether they consider him good or evil. It is hard to imagine the Senate speaking with an authoritative voice on national policy that would rival the President's or to imagine conditions in which the public would *expect* the Senate to react with masterful authority against intrusions on its authority and insults to its rights. People don't identify with the Senate or look to it for leadership. It wouldn't be a national crisis if half the Senate were enveloped in scandal, because the Senate occupies a remote place in the national consciousness where it can be trampled without much damage to public confidence, especially in times of earth-shaking events. As long as Senators can talk, things are in order.

The Senate can't hope to look the President in the eye until it establishes the elementary mutual respect that prevails in politics and the animal kingdom—whereby the President knows that if he kicks the Senators in the shins they will kick him back just as hard, and vice versa.

The problem with the strategy, other than the scarcity of votes for it, is television. The Senators know they can't compete with Nixon for control of public opinion, because he will go on all three networks and set the tone of national politics for months. A Senator is lucky to get three minutes on the *Today* show, says Humphrey, but when the President goes on the tube, "the eagle has its wings up, and the whole nation is called to attention." There is nothing else to watch, and anybody who can go on TV like that must be important.

The Senate finds it impossible to get on the air. After Nixon's March network address on how the big spenders in Congress were making prices and taxes go up (estimated audience: 100 million), Senator Mansfield reported to the Senate that all the networks refused to grant time for a Congressional response. "One network even raised questions about what was to be said," he declared angrily. During the debate on the Vietnam war, the networks refused to *sell* time to a group of Senators led by Harold Hughes. "I could buy time to sell soap or women's underwear," fretted Hughes, "but not to speak as a United States Senator on issues of war and peace."

Probably the most potent action the Senate could take would be to pass legislation requiring the networks to give Congress media access identical to the President's. Senators find the idea appealing, but they realize they would have to overcome the opposition of the broadcasters, on whom each of them depends when the reelection campaigns roll around. They also realize that many voters would consider it an effrontery and a bore to have some Congressional leader preempt *Mod Squad* or the ball game to respond to the President and announce the Congress's plans for the country.

Should such a law become effective, it would throw Congress headlong into its organizational problems, another major reason for its weakness. Who would go on TV? The Congress is a fragmented collection of rough equals, divided into two bodies with a silly tradition of intense jealousy. Senators look down on the House as a bunch of pedestrians and used-car salesmen, while Representatives find the "other body" composed of prima donnas who get all the attention while the House does the work.

Within the Senate itself, there is a sprawling disorganization. Having expressed their genuine affection for Majority Leader Mansfield, many Democrats will gingerly mention the leadership problem. "Mansfield is a coordinator, not a leader," says Hubert Humphrey, and Mansfield himself declares that his only function is to make sure that all Senators are treated fairly and that the votes are scheduled after everyone speaks his piece.

But the most serious impediment to an effective organization of the Senate seems to be the monumental Senatorial ego, which prevents any single member from sacrificing his own prominence for the overall dignity and clout of the Senate. Senators, especially liberal Senators, have difficulty getting together on anything. Several years ago, collective action against the war often broke down over the problems of which Presidential contender would sponsor legislation and who would be the spokesman.

The Democrats elected Mansfield as majority leader, and, on balance, they prefer his kind of leadership. He allows them to feel like principalities. He allows them to give in to the dizzying centrifugal force in the Senate, by which each member feels compelled to spend the bulk of his energies on his own little chores and on the public poses that will keep him in office. In the Executive Branch, everything points toward the President, but in the Senate everything points toward the fringes, to the duchies of Ohio or Kansas. It is easy for a Senator to believe that he is really too small to help run the country the way the President does, but it is very difficult for him not to enjoy being a Senator. Back when the state legislature chose them, Senators were usually political bosses who fed off patronage and raw politics. But now politicians catapult into the Senate largely because of their performances on television, and what they find to sustain them in the Capitol is a kind of unattached glory. Whatever happens to the collective power of the Senate, a Senator can get satisfaction from his newspaper clippings, his special elevator operators, the limousine that meets him when he visits foreign countries, and the abiding subservience he can extract from his staff and the smaller bureaucrats. (Sometimes this can go too far: Sen. Robert Byrd's administrative assistant quit because he got tired of mowing Byrd's lawn on Saturdays.) The more erudite Senators like to right small wrongs, put thoughtful statements in the *Congressional Record*, and participate in the great educational forum.

STOLEN WITHOUT STYLE

The Senators like Mansfield's kind of leadership for the same reason they like to cheer and complain—it allows them to concentrate on their individual courtesies instead of taking risks and responsibilities that would follow any assertion of authority by the Senate as a whole. Nixon scorned these individual attentions, and some Senators admit privately that this breach of etiquette accounts for most of the hostility toward him. Always effusive, Hubert Humphrey was willing to go on record: "That's what's got most of these fellows mad around here. Nixon robs you without any courtesy. Now, Johnson used to rob the Senate, but when he wanted to take something from you, he'd invite you to lunch. He'd put his arms around you and talk to you while he picked your pocket. You'd go away thinking you'd contributed something, and you'd at least feel consulted. But Nixon sticks you up in the night. You don't even see him. It's like rape without any personal contact. I mean, the Senators are used to being had, but not to being ignored. That drives them mad. Under Nixon, you find out about program cuts on cheap departmental press releases. You don't get advance notice from the President, and the Senators miss that White House stationery."

Sometimes this obsession with form gets rather blatant. During the February hearings on impoundment, for instance, Sen. Charles Percy spent all his time asking the executive witnesses if they didn't think all the "unnecessary ruffled feelings" in Congress could be assuaged by giving the Senators a little advance notice—"if it is only twenty-four hours or five hours or an hour"—before the Senator was to be screwed by an impoundment. That would give Percy time to prepare a statement for the press so he could look as though he were in on the big doings of government.

For all its talk about the battle lines of politics, the Senate has a heart of Victorian femininity—concerned with being noticed, admired, pampered, and put through the rituals of importance. While the Senators did not create television or the bicameral legislature, they did allow themselves to be seduced by perquisites and Presidents until many of them do not *want* to share equally with the President in the responsibility for government. They don't know what that would be like, and they would rather just be Senators—or, in the best of all possible worlds, President.

GROUPS PROTECTED BY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a common misconception with regard to the Genocide Convention deals with which groups are actually covered by the treaty. Article II states that certain acts "committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group" constitute genocide. So that there is no confusion as to who belongs to these groups, implementing legislation (Ch. 50A, sec. 1091) provides explicit definitions:

> As used in this chapter—
>
> (1) "National group" means a set of persons whose identity as such is distinctive in terms of nationality or national origins from the other groups or sets of persons forming the population of the nation of which it is a part or from the groups or sets of persons forming the international community of nations.
>
> (2) "Ethnic group" means a set of persons whose identity as such as is distinctive in terms of nationality or national origins from the other groups or sets of persons forming the population of the nation of which it is a part or from the groups or sets of persons forming the international community of nations.
>
> (3) "Racial group" means a set of persons whose identity as such is distinctive in terms of race, color of skin, or other physical characteristics from the other groups or sets of persons forming the population of the nation of which it is a part or from the groups or sets of persons forming the international community of nations.
>
> (4) "Religious group" means a set of persons whose identity as such is distinctive in terms of its common religious creed, beliefs, doctrines, or rituals from the other groups or sets of persons forming the population of the nation of which it is a part or from the groups or sets of persons forming the international community of nations.

Mr. President, ratification of the Genocide Convention is long overdue, and affirmative action must be taken without additional delay.

SPORT GROUPS INTERFERE WITH U.S. FOREIGN POLICY

Mr. PEARSON. Mr. President, it has been apparent for some time that many of the groups which govern amateur athletics in the United States are more concerned about the protection of their own rules and regulations and the perpetuation of their power than about the welfare and success of amateur athletes. I am amazed to learn that one of these groups has attempted to interfere with the conduct of American foreign policy. The Senate should be aware of the facts of this incident.

On February 28, 1972, President Nixon and Premier Chou En-lai issued a communique in which they agreed to increase cultural exchanges in order to develop improved communications and mutual understanding between China and the United States. Pursuant to an agreement announced February 22, 1973, by Dr. Henry Kissinger, the All China Sports Federation extended an invitation to the United States to send a swimming team to the People's Republic. Under the authority of the Mutual Education and Cultural Exchanges Act of 1961, the Department of State organized a team to travel to China.

Before the team even departed for China, the Amateur Athletic Union and the Federation Internationale de Natation Amateur — FINA — attempted to block the trip because FINA does not recognize the People's Republic of China. The AAU and FINA forced the resignation of the first coach of the team and one of its members as well by threatening to suspend them from further athletic competition. Subsequently, they attempted to persuade other members of the delegation to resign. To the credit of our young athletes and team officials, improvement in Chinese-American relations was more important than threats from a self-appointed swimming organization. Ten athletes and six officials went to China.

I am happy to note that the team has returned from China and that the trip was a great success. The American athletes traveled throughout China giving swimming demonstrations, clinics, and working personally with young Chinese swimmers and divers. The American delegation was warmly received during their visit by both the Chinese people and officials of their government.

However, upon their return, the athletes and team officials were greeted by a letter from the AAU, informing them the AAU was suspending them from further amateur competition and that athletes, coaches, and press stewards who participated in the tour were banished from the AAU and from membership on all committees of the United States Olympic Committee.

I find this arbitrary action by the AAU and FINA not only deplorable but incredible. These organizations have attempted to usurp the authority of the U.S. Government to conduct foreign policy. They have punished athletes, including six Olympic medalists and three members of the board of the U.S. Olympic Committee, for their participation in a program designed to achieve an important foreign policy objective. Finally, they have done all this without so much as a hearing for all concerned and, some believe, contrary to their own rules.

Mr. President, we cannot continue to allow these self-appointed sports bureaucrats from this country or from abroad, to interfere with our athletes, or with our foreign policy. This is not the first incident in which athletes suffered because of the arbitrary rules of sports bureaucrats and so long as these organizations continue without responsibility to the athletes and the public, similar incidents will occur.

VOLUNTARY AGENCIES STATEMENT ON ORPHANS IN INDOCHINA

Mr. KENNEDY. Mr. President, of the many humanitarian problems confronting the peoples of Indochina in the wake of a decade of war, none compels more attention or has evoked greater public concern—and none reminds us more of our Nation's continuing humanitarian responsibilities to that area—than the tragic plight of the orphans of Indochina, especially those fathered and abandoned by Americans.

There are today, by official count, some 880,000 orphans or half-orphans in South Vietnam alone. Several thousand of these children have been abandoned to orphanages. Their cries for help have for too long fallen on deaf ears and assistance from our Government has thus far been too little and too late. It has only been the active humanitarian concern of many private Americans, especially the leadership of voluntary agencies, which has in recent months finally turned around our Government's sense of priority toward the children of Indochina.

Recently, the official spokesman for the voluntary agencies of America, the American Council of Voluntary Agencies for Foreign Service, adopted an important statement setting forth "guiding principles on child welfare concerns in Indochina." The principles and recommendations listed in the council's statement are based upon their constituent agencies long experience in the field, and reflect the views of a recently returned study mission of the Judiciary Subcommittee on Refugees, which I serve as chairman.

I commend the council for their long humanitarian service and urge the administration to give their recommendations the serious consideration they warrant.

Mr. President, I know many Members of Congress are deeply concerned over the plight of orphans in South Vietnam, especially those fathered by Americans. I believe the statement issued by the American Council of Voluntary Agencies will be of value in guiding this concern, and the concern of our constituents, and I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Guiding Principles on Child Welfare Concerns in Indochina

As the participation of the United States in the Viet Nam conflict comes to an end, the need for special services in children's health and welfare programs in that country is more urgent than ever before. Unfortunately, during the trauma of war the children of Indo-China have not received priority of governments. Almost half of the total population in Indo-China is 14 years old and under, and many have yet to experience peace. Reconstruction and rehabilitation efforts must be given first priority to provide reasonably stable and humane programs and services essential for the normal growth and development of the children.

The members of the American Council of Voluntary Agencies for Foreign Service, with constituencies representing the major religious faiths and non-sectarian organizations, are deeply aware of the plight of the children in Indo-China. These agencies, with long experience in child welfare service, have found that child assistance programs in Indo-China will be most effective if the following principles are accepted.

PRINCIPLES

I. The preservation and strengthening of family life should be the primary guiding principle for all programs and services for all children.

II. In war-torn countries sometimes orphanages provide the most effective and humane solution of immediate and emergency problems of homeless children. Such care should be considered as a temporary measure.

III. It is necessary to distinguish between immediate necessities of child care and long range solutions. Child welfare goals should include, in addition to the basic provisions for adequate food, shelter and medical care, family assistance programs, day-care centers, foster-home care and local adoptions. Intercountry adoption should be considered as an acceptable and viable social welfare solution only if it is clearly in the best interest of the child and the best available alternative.

IV. Racially mixed children represent special problems. However, meeting their needs should be undertaken within the context of overall child welfare programs.

V. Efforts should be made to encourage, develop and support child welfare programs with cooperation and coordination between international and national, public and private organizations.

RECOMMENDATIONS FOR IMMEDIATE ACTION

The American Council of Voluntary Agencies for Foreign Service supports the elements of the U.S. Government including the Administration, various members of Congress and the Agency for International Development, in their efforts to provide adequate child welfare programs and services for the children of Indo-China in cooperation and coordination, to the maximum possible extent, with other international and national, public and private organizations.

It is essential that all elements of the governments of the United States and Indo-China recognize and accept responsibility for providing health and welfare programs for children.

1. Immediate steps should be taken by the U.S. Government and voluntary agencies to increase funds and programs to alleviate the manifold needs of the children of Indo-China.

2. The final responsibility for the welfare of children properly rests with the national governments of Indo-China. All child welfare programs should be implemented in cooperation and coordination with the governmental social welfare agencies in Indo-China.

3. Child welfare programs and services must include provisions of social and medical assistance with particular reference to those children who are war victims such as the refugee child, the war-injured child, the orphaned and the institutionalized child, and the ethnic minority child.

4. Immediate high priority should be given to child welfare programs and services aimed at family reunification, the avoidance of child abandonment, and the counseling of mothers, as well as to programs and services that contribute to the stability of families and communities, in rural as well as urban areas, for greater economic and social opportunities for children.

RAILROADS AND FUEL SAVINGS

Mr. TAFT. Mr. President, there has been a great deal of consideration recently given to the energy crisis. The consumption of fuel by automobiles and jet aircraft certainly is a prime consideration in discussing this problem. Many statistics have been furnished regarding the impact that these modes of transportation have on the availability of energy to the country. One aspect, however, that has not been considered in depth is the effect that rail transportation has on the consumption of energy. For instance, the average passenger miles per gallon of fuel for a jet plane is between 21 and 22. For an automobile it is approximately 32, as compared to 80 for cross-country passenger train service and 200 for suburban train, two-deck, service. These figures, I think, are significant and certainly point to the advantages of utilizing rail passenger service in this country to a greater extent.

I ask unanimous consent that an editorial appearing in the Labor newspaper of June 23, 1973, citing these statistics and others relating to the efficiency of rail transportation be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GREATER USE OF RAILROADS MEANS BIG FUEL SAVINGS

Current and prospective fuel shortages make it more vital than ever for America to use its railroads better, instead of promoting the use of autos, trucks and planes. We hope the government wakes up to this—and acts on it.

Transportation as a whole accounts for one quarter of all the nation's energy consumption. And trains consume far less fuel per unit of transportation than their chief rivals.

This fact has been brought out recently by G. A. Lincoln, former chief of the U.S. Office of Emergency Preparedness. Writing on "Energy Conservation" in Science magazine, Lincoln cited the following figures on average passenger-miles per gallon of fuel: Jet plane, 21–22; auto, sedan, 32; cross-country passenger train, 80; suburban train, two-deck, 200.

For freight, Lincoln cited these figures on average cargo ton-miles per gallon of fuel: Boeing 707, semi-freight, 8.3; 40-ton truck, 50; 40-car fast freight train, 97; 100-car freight train, 250. Other modes comparing favorably with the train were big inland barge tows, large pipelines, and supertankers. But these last modes are limited as to cargo and/or destinations.

Clearly both on freight and passenger transportation, the railroads are great fuel savers. Lincoln stressed especially the need for mass transit. Commuting by auto involves a drastic waste of energy, he warned. In 1971, he noted, over half the nation's auto energy consumption "went for urban trips of 10 miles or less, and 56 per cent of all commuting was by autos containing only one occupant."

Another recent study by scientists at Oak Ridge National Laboratory, summarized in the Transportation Engineering Journal, gave similar facts and conclusions. Those scientists cited also the pollution aspect. In 1969, they reported, transportation accounted for 52 per cent by weight of total U.S. air pollution with the great bulk of that coming from cars and trucks.

In addition to fuel shortages and air pollution, the problems of urban congestion, safety and noise pollution also "may provide additional incentives" to turn more to trains and barges, the Oak Ridge scientists concluded.

Similarly, in a statement presented to the House subcommittee which is considering the Northeast rail crisis, Gov. Thomas Meskill of Connecticut cited findings which show that "moving freight by truck requires approximately 3,460 British thermal units (BTUs) per ton mile, versus 624 BTUs per ton mile by rail." In other words, trains consume only one-fifth the energy of trucks in hauling identical amounts of freight.

In view of all these facts, it seems almost incredible that the U.S. Secretary of Transportation—speaking for the Nixon Administration—should be willing to see thousands of miles of railroad line abandoned in the Northeast, and willing to see limping inadequate service over many of the remaining lines.

But this is what Secretary Brinegar has indicated, in congressional testimony about the DOT's plans for the Penn Central and other bankrupt roads. Public spirited members of Congress have sought a more positive program. So have rail unions and civic groups. To save fuel, to cut pollution, to aid travelers and shippers, it's long past time the U.S. government developed a truly positive policy for the railroads.

PROXMIRE-STAFFORD AMENDMENT TO PROHIBIT CAMPAIGN CONTRIBUTIONS BY GOVERNMENT CONTRACTORS

Mr. PROXMIRE. Mr. President, S. 372, as it was reported from the Senate Rules Committee contains a section that is a regression to the bad old practices that existed before the Congress passed the Federal Election Campaign Act of 1971. I refer to section 17 of S. 372 which reestablishes the practice of permitting Government contractors, or those negotiating for Government contracts, to make political contributions through "political" committees or organizations.

At a time when the Watergate investigation command the front pages of every newspaper in the United States this is a singularly bad provision. Senator STAFFORD and I intend to introduce an amendment to S. 372 within the next few days to strike section 17 and thus restore existing language prohibiting campaign contributions by Government contractors. We will be discussing the amendment in more detail in a day or so.

EXTENDED COVERAGE OF ANIMAL WELFARE ACT URGED

Mr. WEICKER. Mr. President, I commend the recent agreement of the National Council on Animal Transportation to develop improved and simplified guidelines for pet owners and cargo handlers. The 10-year-old council, comprised of representatives of the airline carriers, the pet industry, and various humane societies, and other interested parties, took this action at its annual meeting here in Washington, hosted by the Air Transport Association.

At that meeting, Glenn E. Stephan, ATA's representative and chairman of the council's subcommittee on humane treatment of animals in transportation, urged that—

> In the case of the air shipment of household pets and other types of animals commonly shipped by air, the development of the clearest possible guidelines for the nonprofessional in the animal shipping field would render a humane service.

Stephan has proposed that a simplified chart could be made available to air freight handling employees and pet owners. This would list such vital guidelines as the proper container size and air space required for various types of animals shipped by air transport.

Though I am encouraged by the voluntary and cooperative action on the part of the National Council on Animal Transportation, I would urge that Congress consider pertinent legislation on this matter, specifically S. 399, reintroduced on January 16, 1973, by myself and Senators GRIFFIN and BUCKLEY. This measure has been introduced in the House by Congressman WHITEHURST of Virginia and is pending before the House Agriculture Committee and in the Senate before the Committee on Commerce. In extending coverage of the Animal Welfare Act to common carriers, terminal facilities, and all pet shops, this bill closes major loopholes in existing law and affords an opportunity for shippers, carriers, humane societies, and governmental agencies to cooperate in the formulation of new Federal standards for the protection of animals in air transit.

I urge the Congress to afford the matter of humane treatment of animals in transport early and thorough hearings to consider adding scope and substance to Federal humane standards and enforcement provisions in regard to animal air transport.

RETIREMENT OF A DEDICATED AMERICAN: HARRY A. SCHWIEKERT, JR.

Mr. CRANSTON. Mr. President, today I would like to note the retirement of one of the Nation's dedicated veteran leaders.

For the past 25 years, Mr. Harry A. Schwiekert, Jr., has served the Paralyzed Veterans of America in almost every office including president, and in almost every appointive and salaried position. In 1964, Mr. Schwiekert was responsible for the opening of the Washington national office of the PVA. For 2 years he served as its executive director and only administrative officer. As the PVA's membership grew, so did its Washington office, but always Mr. Schwiekert had some part in that growth and in the effective efforts that the PVA made to educate the Members of Congress and the Veterans' Administration to the needs of those like himself who had suffered the catastrophe of a spinal cord injury or disease.

Mr. Schwiekert's conviction that these men were not "unsalvageable" men who were destined to spend their lives in hospitals and institutions was a conviction that he lived and exemplified everyday. As a paraplegic who was active and employed, he disproved many of the myths about handicapped individuals by his presence and hard work.

Mr. President, I have enjoyed since my earliest days in the Senate a close and warm relationship with the PVA, its officers and appointees. All of them have been greatly assisted by the advice, guidance, and patient research assistance they received from Mr. Schwiekert. This determined group of spinal cord injured individuals has had no small impact on the rehabilitation programs which have been authorized by the Congress and implemented by the Veterans' Administration. In large part, that impact can be attributed to the tireless efforts that Harry Schwiekert gave willingly and selflessly.

This selflessness did not stop with veterans or the spinal cord injuries. His activities ranged far beyond into the areas of architectural barriers and transportation barriers faced by all handicapped individuals in society. He had the foresight to realize that there was a commonality with other handicapped individuals as well. To Harry Schwiekert solving the problems for one group would not do. All must have the freedom of access, of employment, of transportation, and of acceptance as individuals, not because of their handicap but despite it.

Mr. President, I wish that I could say that the Congress and society had made all the adjustments that Mr. Schwiekert has sought with such dedication. We have not. We should let this occasion of his retirement remind us that there is much that must and can be done. Harry Schwiekert did all that one man could do during his active years in Washington and before. Let each of us resolve that we will do all that we can do to see that the work he began comes to fruition.

Our passage in the next few days of the provisions of S. 1875, the Rehabilitation Act of 1973, twice vetoed but now worked out with the administration, is a solid beginning.

Mr. President, as Mr. Schwiekert retires, I hope my colleagues will join me in thanking him for giving so much of himself to those less fortunate, and wish him many years of well deserved retirement. As a sendoff, let us send this message: That we will not stop until we achieve the goal of freeing all the handicapped individuals that he served; that "We shall overcome."

WASHINGTON POST IN SUPPORT OF RADIO FREE EUROPE AND RADIO LIBERTY

Mr. PERCY. Mr. President, the Washington Post, in an editorial on July 11, 1973, about Radio Free Europe and Radio Liberty, states:

> We are persuaded that the stations are now, in a sense, more important than ever.

This is precisely the point that Senator HUMPHREY and I have been making as we enlist additional support this year for full funding of Radio Free Europe and Radio Liberty. Our bill, S. 1914, already enjoys wide bipartisan cosponsorship.

Mr. President, I ask that Senators BROCK, DOMINICK, EASTLAND, JACKSON, MAGNUSON, MCGOVERN, and TAFT be added at this time as the newest cosponsors of S. 1914.

Because the Washington Post editorial makes the case for S. 1914 so well, I commend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREE COMMUNICATION AND DETENTE

The debate over whether to continue in a new and public forum Radio Free Europe and Radio Liberty, the formerly CIA-run stations broadcasting to East Europe and the Soviet Union, crystalizes a basic issue of "detente." Does that goal require the United States to alter old practices simply because the Soviet Union objects to them, or does "detente" permit or require the United States to take certain steps which it may consider right and essential, even though Moscow objects? The RFE–RL question is made all the sharper by the fact that people who agree on the general desirability of improving East-West relations are on different sides of it. Senator J. William Fulbright (D-Ark.), for instance, has long regarded the stations as "irritants" and "relics of the cold war." But in hearings on a bill to put RFE and RL on a new independent footing, the stations have been supported by the likes of elder statesman Averell Harriman, writer David Halberstam, and Milton Eisenhower, who chaired a presidential commission set up to study the stations' usfulness in these times of Soviet-American change.

We are persuaded that the stations are now, in a sense more important than ever. They operate essentially as "home services," providing news and comment that Soviet-bloc governments withhold from their own people. In so doing, RFE and RL express the fundamental Western values of free and open communication—values which it would be a travesty to deny in the name of improving relations with a totalitarian society. It is not, after all, as though anyone in Russia or East Europe is forced to listen to RFE or RL broadcasts. For the United States to join the governments of those countries in censoring the material available to their citizens should be regarded as unthinkable.

Moreover, to the extent that the growth and expression of public opinion are possible in the Soviet bloc, RFE and RL play an undeniable if hard-to-measure role. The guiding assumption is that public opinion in those countries will almost always be a liberalizing and moderating force on their regimes, strengthening the hands of those in the leadership who wish to pursue humane domestic goals. Of course the broadcasts amount to interference in the domestic affairs of the countries receiving the broadcasts but, we would argue, it is interference of a perfectly legitimate sort—no less legitimate than, say, Leonid Brezhnev's meeting with the Senate Foreign Relations Committee. The potential political "cost-benefit ratio" of radio broadcasts as against defense expenditures surely makes the radios an excellent speculative investment.

A purposeful effort has been carried forward in recent years to purge RFE and RL of the more violent exile elements responsible for incitement to revolt and other excesses for which the broadcasts were formerly all too well known. That these stations now operate in public view, not under CIA cover, makes the necessary task of ongoing surveillance all the easier. In the Congress, the House has authorized $45 million of a requested $50 million for RL and RFE. In the Senate, the relevant bill is in the Foreign Relations Committee; opponents of the stations, while they may lack the votes to kill them altogether, may be able to enforce a severe budget cut. We trust that floor majorities in both houses will have enough understanding of the value and utility of free communication to fund RFE and RL at an effective level.

THE HORROR OF NAPALM

Mr. CRANSTON. Mr. President, now that American ground troops have been withdrawn from Indochina, it is easy to forget about the cruel and searing weapons of war that this country has used there.

The Office of Public Information at the United Nations recently published a pamphlet entitled "The Fires of War: Napalm and Other Incendiary Weapons." It points out that the General Assembly has labelled the use of napalm as a "cruel" method of war that does not discriminate between combatants and civilians.

Mr. President, many Americans were horror-stricken by the picture of the little girl in Vietnam running down the road, screaming and in pain after tearing off her burning clothes. She was lucky. She survived. Other victims who try to tear off their clothes only succeed in spreading the napalm to other parts of their bodies.

In the past, nations have agreed to outlaw the use of poison gas and bacteriological weapons. I believe the United States should take the lead in seeking the abolition of napalm stockpiles, halting its production, and outlawing its use.

Mr. President, I ask unanimous consent that "The Fires of War" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE FIRES OF WAR: NAPALM AND OTHER INCENDIARY WEAPONS

One of man's oldest weapons—fire—is being used more and more in modern warfare, with increasingly cruel and destructive effects. The time has come for nations to ban napalm and other incendiary weapons, in the view of a United Nations panel.

The group of experts found that except for nuclear weapons, and perhaps also certain biological and chemical weapons, "no other armament places such destructive power in the hands of military commanders". Such weapons are particularly cruel in their effects on civilian populations, and may also cause irreversible ecological damage when used in rural areas.

Deploring the use of napalm and other incendiary weapons in all armed conflicts, the General Assembly has called for the wide dissemination of the experts' report. The study was carried out at the request of the Assembly.

The report (A/8803) describes the various incendiary agents and weapons, and tells how they have been used on the battlefield, against urban centres and in rural areas. It explains the varied medical effects of incendiaries on the human body, and the problems of treatment. It depicts the horror of firestorms whose currents can sweep a man off his feet and into the blaze. And it appeals for effective measures "for the prohibition of the use, production, development and stockpiling of napalm and other incendiary weapons".

There is nothing new about the use of fire in warfare. An Assyrian basrelief shows a battle scene of 2,900 years ago, with the defenders of a besieged city throwing burning liquid over the attackers. Thucydides told of the "fireships" set adrift against enemy fleets and harbours. Fire arrows were used to set fortresses ablaze, and 13 centuries ago an early version of a flame-thrower—a petroleum-based liquid fired from a pump—was introduced by the Byzantines.

The relative importance of fire compared to other weapons has risen and declined at different times. But today, according to the United Nations panel, for some military purposes incendiary weapons are in "a period of ascendancy". The experts warn of two trends: increasing development and use of ever more destructive incendiaries which are relatively cheap and easy to produce, and at the same time the military tendency to ignore the long upheld principle of the immunity of civilians in warfare.

Those trends have "very grave implications for the world community", the panel declares. "Clear lines must be drawn between what is permissible in time of war and what is not permissible. Incendiary weapons, in particular napalm, are the subject of widespread revulsion and anxiety, and because they are weapons of great destructive potency, they are a fitting subject for renewed efforts towards disarmament."

The relatively low cost of incendiary weapons adds to the danger, since they are available to even the poorest of countries. Thus incendiary weapons "could permit warring countries that do not possess substantial military or economic resources to inflict exceptionally severe damage upon one another."

The proportion of burn casualties among victims of war has been rising steeply. In the nineteenth century, burns probably accounted for no more than 1 per cent of battlefield injuries. The figure was not much higher during the First World War, but the proportion increased in the Second World War—largely due to petrol burns resulting from mechanized warfare. Non-combatant casualties also went up sharply, through action against civilian targets and reliance on indiscriminate area weapons. Incendiaries have proved to be one of the most "effective" and widely used weapons in attacks on urban targets, and have been increasingly used as battlefield area weapons—particularly firebombs containing napalm.

TYPES OF INCENDIARIES

Many varieties of incendiary material are employed in military arsenals. The United Nations experts list four types: metals (such as magnesium), pyrotechnics (thermite and related mixtures, used in the First World War and today for incendiary hand grenades and aircraft bomblets); pyrophories (materials such as white phosphorus, a scatter-type incendiary which ignites spontaneously when exposed to air), and the inexpensive oil-based incendiaries, including napalm—inflammable petroleum-derived liquids, producing a high combustion heat and large flames.

Each type has its special characteristics and usefulness in particular military operations, with differing modes of ignition, degree and duration of burning, flame effects and secondary products. Sometimes two types are used together. White phosphorus is commonly used as an igniter for oil-based incendiaries in projectiles or bombs; when the munition detonates, an explosive charge drives fragments of phosphorus into the payload, which then ignites when the fragments come into contact with the air; if sodium metal or triethyl aluminium instead of phosphorus is used, the material will ignite readily in contact with water.

While all of these have been employed in modern warfare, the most damage and death in recent years has been caused by napalm.

The experts observe: "When weapons as destructive as the napalm firebomb are employed, whose indiscriminateness is regarded not as a disadvantage but as a tactical asset of area-effectiveness, non-combatants may suffer at least as much as combatants"—particularly in conflicts without sharply defined front-lines, as in the Viet-Nam war.

What exactly is napalm? In general, the term refers to any thickened or jelled oil-based (hydrocarbon) incendiary material. The thickening agent may be formed of different materials. Before the Second World War, rubber was used as the thickening agent. Substitutes were developed beginning in 1942 to replace the scarce rubber needed for other purposes. An early mixture blended coconut acid, naphthenic acid and oleic acid. The "naphthenate-palmitate" compound became known by the shortened term "napalm".

Since then other thickening compounds have been used, for different types of military use. They all have in common one purpose and effect: greatly increased destructiveness. The thickened petrol burns longer and hotter, and adheres to whatever it touches, in burning gobbets.

INCENDIARY WEAPON EFFECTS

When used against urban targets, incendiary weapons "demonstrate the total quality of war: its savage and cruel consequences for all of society", the United Nations panel declares.

The atomic bombs of Hiroshima and Nagasaki killed or wounded some 225,000 people, but far more casualties were caused by the large-scale incendiary raids of the Second World War. The incendiaries dropped on Japan—about 100,000 tons, most of it napalm—killed 260,000 and injured 412,000, destroying more than 2 million homes. In Germany, it was estimated that more than 1 million civilian air raid casualties were caused by fire. After the war, military analysts calculated that a ton of incendiaries produced as much material damage as five to 12 tons of high-explosive bombs.

Massive use of incendiaries created huge fire-storms in Dresden, Hamburg, and Tokyo. The February 1945 attack on Dresden was believed to have killed around 135,000 people; some 43,000 died in the Hamburg raids in the summer of 1943. The March 1945 attack on Tokyo, conducted entirely with incendiaries, killed 84,000 people.

The effects of these firestorms are recalled by the expert panel:

Dresden: "In several areas all that remained of the inhabitants were heaps of corpses charred beyond all recognition and often in a state of complete disintegration . . ."

Hamburg: "The asphalt of the streets burned . . . The area of destruction stretched over 35 square kilometres of the town centre, and left 40 million tons of rubble . . ."

Tokyo: "Concrete, glass and steel bars melted in the intense heat, and wooden buildings went up in flames before the fire front had actually reached them . . . Those who fled to the city canals faced death from the scalding water or from the stampeding mob crowding in and crushing on top of them."

The use of napalm weapons "almost as a matter of course" has sharply increased since the Second World War. While less than 2,000 tons of napalm bombs were dropped on Tokyo in the March 1945 raid, over 32,000 tons were used in the Korean War, and in Viet-Nam more than 100,000 tons had been dropped by March 1968.

The report warns of the ecological harm that can result from widespread fires in rural areas:

"The burning of a forest may have drastic long-term consequences, some of which may be irreversible. Erosion may set in more readily in an area denuded of vegetation. The run-off of rainwater increases, which may lead to a gradual lowering of the water table.

This in turn may have wider hydrological and meteorological effects which may provide adverse conditions for the reestablishment of the original flora and fauna of the area. Little is known of these long-term effects of widespread fire. This, however, is not a valid reason for disregarding them. It is instead a reason for expressing alarm concerning the use of incendiary weapons against man's rural environment."

EFFECT ON HUMAN BODY

Napalm kills not only by burning but by asphyxiating or poisoning its victims. Its adhesiveness, high burning temperature and prolonged burning time lead to deep burns. Asphyxiating and toxic effects stem from the large amounts of carbon monoxide generated, the combustion of oxygen in the air, and from white phosphorus frequently present in napalm. Respiratory burns, shock, infection and malnutrition can have fatal results.

A team of surgeons serving in a civilian hospital in an active conflict area in South Viet-Nam called napalm an "all-or-nothing weapon", according to a medical report in the British Journal of Surgery. Because they seldom saw napalm burns, the physicians concluded that its victims were more likely to be killed than to require medical aid. Another report suggested that about a third of napalm casualties are likely to die within half an hour, and that a higher proportion succumbs within 24 hours. "If this is so, napalm must be one of the most lethal weapons in existence today", the report declares.

Since a napalm is scattered over a target area in large gobbets, those who are hit are likely to be struck by a substantial mass of it. "What tends to happen is that when they try to remove the napalm from their skin, or strip off their burning clothes, they spread it over other parts of their bodies, particularly their hands."

Napalm often causes not only third but fourth and fifth-degree burns, which completely char the skin and extend into the deep tissue of the body, damaging muscles and reaching even to the bones and internal organs.

Apart from the damage to the afflicted areas of the body, the victim is likely to go into a state of shock gravely deranging blood circulation. In severe cases of shock the supply of oxygen reaching the brain, heart, liver and other organs may drop below life-sustaining levels. Shock may be caused physically (due to lowered blood volume from the wound or burn) or psychologically ("the intense pain that burning napalm causes and the experience of being unable to extinguish it when it sticks to the skin"). Shock is probably a major cause of death among those who die quickly.

Carbon monoxide poisoning is another contributing factor in the high and rapid mortality among napalm victims. Even those who survive napalm injuries sometimes continue to suffer from extended effects of carbon monoxide poisoning, with permanent injury to the heart or central nervous system due to temporary oxygen deprivation.

Toxic effects develop as poisons generated in the burnt area are carried around in the blood. Mortal consequences may result from severe infection of the burnt tissue.

Because of his injuries the victim may be unable to eat, and even if he can he probably will have no appetite. Extreme malnutrition may develop, thus adding to the effects of protein loss from destruction of tissue and seepage of body fluids.

People exposed to flames and heat also may suffer respiratory burns. Inhaled hot gases cause the lining of the respiratory tract to swell and obstruct the breathing passages. If the hot gases penetrate the lungs, the results are even more serious; here they may easily destroy the tissues that control the blood's oxygen uptake.

Napalm victims are likely to inhale large quantities of hot air and combustion products. "They may then be asphyxiated, either because their respiratory passage become blocked by swelling and inflammation, or because the tissue controlling oxygen uptake in the lungs is destroyed" or damaged by bacterial attacks upon the damaged lining.

Burns of napalm casualties are likely to become heavily infected; bacteria-produced toxins entering the blood may cause "general sepsis" and death. Severe anemias are produced by the destruction of red blood cells in the burn sites, and massive loss of blood plasma may continue through oozing and collection in the coagulated burn areas.

"If he stays alive through the first day", the United Nations panel says, "a badly burned napalm victim will remain in a critical state for the next 30 to 40 days. During this period, his progressing malnutrition, his susceptibility to infection, and the other complications referred to above, will often result in death despite intensive medical care. Less than 20 per cent of such casualties are likely to last through to the period of convalescence, which itself will be arduous and painful. They will then come to terms with their deformities and disabilities and the grave emotional consequences that these will inevitably have for them."

For adequate medical treatment of burn casualties, vast facilities would be required to meet the emergencies caused by large-scale attacks. It has been estimated that to treat 1,000 wartime casualties having 30 per cent burns, the following would be needed: 8,000 litres of plasma, 6,000 litres of blood, 16,000 litres of a balanced salt (lactate) solution, 250 trained surgeons and physicians and around 1,500 skilled attendants, and hospital beds for each patient for up to four or five months. Even in the developed countries, such requirements would be difficult to mobilize on any scale; in the developing countries they might be far beyond available resources.

JUDICIAL ASPECTS

The General Assembly has labelled the use of napalm as a "cruel" method of warfare which inflicts terrible suffering on combatants and civilians alike.

Disarmament negotiations since the Second World War have focused on other types of weapons—nuclear, chemical, biological—but have not dealt with napalm and incendiaries or with methods of warfare which indiscriminately affect civilians and combatants. The experts noted, however, that "well-established juridical norms" exist, which have a bearing on incendiary warfare. The Hague Regulations of 1907, for example, state in part that "the right of belligerents to adopt means of injuring the enemy is not unlimited" (article 22), and it is forbidden "to employ arms, projectiles, or material calculated to cause unnecessary suffering" (article 23 e). The 1923 draft rules on aerial warfare state (article 22) that "air bombardment for the purpose of terrorizing the civilian population, of destroying or damaging private property not of military character or of injuring non-combatants is prohibited". The principle of the immunity of the noncombatant has been reaffirmed in several General Assembly resolutions.

Incendiary weapons "have always constituted a category of arms viewed with horror", the Assembly declared in commending the report on 29 November 1972. "The widespread use of many weapons and the emergence of new methods of warfare that cause unnecessary suffering or are indiscriminate call urgently for renewed efforts by Governments to seek, through legal means, the prohibition of use of such weapons and of indiscriminate and cruel methods of warfare and, if possible, through measures of disarmament, the elimination of specific, especially cruel or indiscriminate weapons."

MEMBERS OF EXPERT GROUP

Members of the expert group were:

Colonel Francis O. Aisida, Nigerian Army, Nigeria.

Dr. Alexandru Denes, Centre for Chemical Research, Romania.

Dr. Jiri Franek, Director of Military Institute for Hygiene Epidemiology and Microbiology, Czechoslovakia.

Dr. Erik E. Moberg, Consultant to Ministry of Foreign Affairs, Sweden.

Professor Nikolai S. Nametkin, Director of the Institute of Petrochemical Synthesis of the Academy of Sciences, USSR.

Major General Enrique Schroth, Peruvian Air Force, Peru.

Brigadier General Manuel Vasquez Barete, Scientific Adviser to the Ministry of Defense, Mexico.

The expert group received assistance from the World Health Organization, represented by J. P. Perry Robinson, and from the International Committee of the Red Cross, represented by Giorgio Malinverni.

Dr. Frederick W. Ackroyd, Associate Professor of Surgery at Harvard Medical School, served in his private capacity as a special consultant. Chairman and Secretary of the group were, respectively, Rolf Bjornerstedt, Deputy Director of the Disarmament Affairs Division of the United Nations Secretariat, and Henry K. Pac, First Officer of the Disarmament Affairs Division of the United Nations Secretariat.

THE GASOLINE SHORTAGE

Mr. TOWER. Mr. President, in the July 6 edition of the Wall Street Journal there appeared an article on the current gasoline shortages that I would like to commend to the reading of my colleagues. The article deals with the background of the fuel shortage and, I feel, accurately details the source of the problem—ignorant overregulation by the Federal Government. At a time when some misguided souls recommend increased regulation as a way out of our energy crisis quagmire, I think this article should be required reading for all those responsible for the future energy course of this country. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Conspiracies Galore

In contemplating the recent shortages of gasoline and natural gas, many Americans seemed convinced that something funny was going on, that perhaps as Adam Smith observed two centuries ago: "people of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public or in some contrivance to raise prices."

The notion that we could solve these supply problems by breaking up alleged conspiracies by the oil and gas producers has been reinforced by various members of Congress. The conspiracy theories are especially popular among those who worry that the public will sour on ecology crusades if their cost proves to be fuel shortages and higher prices.

The simple solution, we are told, is to force the 23 major petroleum companies to stop withholding their product from the little independents in order to wipe them out. And instead of deregulating natural gas prices, the answer seems to turn on the theory that the 79 gas producers are holding back supply in order to force deregulation, at which time they will push up prices and reap exorbitant profits. To break up this conspiracy, we are told by the Federal Power Commission economists, Congress should extend controls to intrastate gas, create a new federal agency to find out how much natural gas the producers have salted away in reserves, and set up a government corporation to explore and develop offshore oil reserves at low cost.

It is precisely this frame of mind, and not any conspiracy, that produced the problem in the first place.

We dismiss the conspiracy theories not because we think businessmen are above such things. Rather, the situation would inevitably have developed even if the oil and gas producers had met secretly to try to prevent it. Indeed, thay had been forecasting it for years and had spent a small fortune on public-advertisements to announce its coming.

The squeeze on the independent gas stations was bound to occur and is bound to continue. The independents blossomed to take advantage of the lower prices the majors were willing to take on the spot market for their surplus gasoline, prices below those the majors charged their branded, contract suppliers. Ajax wasn't able to charge a nickel a gallon less at the pump than Mobil or Shell because it didn't have sparkling rest rooms or take credit cards, but because it bought the same product as brand-name competitors at a cut-rate. With refineries running at practical capacity this spring, the surplus and the spot market dried up.

Nor can the independents really get much relief from the government by forcing the majors to give the independents a share of their product. If Ajax has to pay the same price as its branded competitor for gasoline, its only edge comes in dispensing with service-station amenities, hardly a sufficient edge to maintain the volume necessary to provide a good living. Although the worst of the gasoline shortage seems to be over for this season, as our Mr. Tanner reported this week, it doesn't seem likely the independents will return to the price advantages they have had in the past.

As for the natural-gas shortages, we have been pointing out in these columns as far back as we can remember that FPC regulation of wellhead prices was discouraging exploration and development and would eventually have an adverse effect on supply. If now the FPC economists have their way and further tighten controls in order to save "billions of dollars in added consumer cost," as one of them puts it, we can only see the following: further diminution of domestic exploration, continued rapid and wasteful depletion of reserves invited by artificially low prices, an accelerated reliance on imports, and thereby a more rapid weakening of the dollar's international purchasing power. All of which is a recipe, not a remedy for "billions of dollars in added consumer cost."

If there is a conspiracy in all this, it may be an unwitting one involving all those public-spirited Americans who have an abundance of healthy skepticism and a dearth of economic judgment. Together they seek to save the "little guy" from the "sinister tycoon"; it is a crusade for which we will all eventually pay.

BOSTON UNIVERSITY HONORS SENATOR SAM J. ERVIN, JR.

Mr. ALLEN. Mr. President, on June 3, 1973, Boston University honored our colleague, Senator SAM J. ERVIN, JR., of North Carolina, who delivered the commencement address at the school of law, with the honorary doctor of laws degree.

I ask unanimous consent that a copy of the citation which accompanied this award be printed at this point in the RECORD.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

SAMUEL JAMES ERVIN, JR.—LAWYER, JUDGE, LEGISLATOR

You have capped a lifetime of outstanding public service with a career in the United States Senate, where, in the tradition of one of Massachusetts' own sons, Daniel Webster, you have achieved recognition as that body's constitutional scholar. Architect of legislation, such as the Bail Reform Act, designed to buttress constitutional guarantees, you have been no less energetic in defending those guarantees against legislative and executive encroachment, as in your battles against preventive detention and no-knock entry. One of your colleagues has attested to your objectivity in calling you "a man beyond ambition." One of your critics, who searches for consistency in basic philosophy, has found it in your fixed stand "against unbridled governmental power" and in your unwavering affirmation "that the individual is the basic unit of value." Colleagues and critics alike, then, honor you even when they find themeslves disputing the passage with you. We join with them and in recognition of your principled devotion to civil liberties and your scholarly defense of legislative equality, confer upon you Boston University's honorary degree, Doctor of Laws, honoris causa.

JOHN R. SILBER,
President, Boston University.

JUNE 3, 1973

PHILADELPHIA BAR ASSOCIATION APPROVES UNIFORM RECIPROCAL PEACE ACT

Mr. SCOTT of Pennsylvania. Mr. President, the Board of Governors of the Philadelphia Bar Association recently approved a resolution recommending that a Uniform Reciprocal Peace Act be enacted into law in the United States and other nations of the world.

The proposed bill would impose criminal penalties on any person who would initiate an aggressive war, with the criminal proceedings to be held in the nation in which that person resides and is a citizen.

The chancellor of the association, Mr. Joseph N. Bongiovanni, Jr., believes that by making the proposal at this time, he can get people to begin to think about the problem of war and its possible solutions.

Mr. President, I ask unanimous consent to have a memorandum containing the proposed bill be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

AGGRESSIVE WAR SHOULD AND CAN BE MADE A CRIME

In World War II, Korea and Vietnam, a total of over 25,500,000 persons were slaughtered.

Affected by that indescribable catastrophe, the members of the Philadelphia Bar Association's Committee on World Peace Through Law has evolved from over ten years' study the following practical principles concerning aggressive war, recently discussed at length in a previous article:

1. Most of the people who suffer and die in aggressive warfare are not the people who conceived, planned and organized it.

2. Aggressive war in modern times is not conceived and initiated by a nation or a people or a political party, but by a very few specific individuals at the top of the governmental power structure.

3. Most of the persons who initiate aggressive war, unless they lose, do not suffer in it. To the contrary, by such warfare they increase their wealth and extend their power. But the ordinary citizens, who must live, work and fight through such a war, pay for it with their taxes, their suffering, their blood and their lives. Aggressive war is thus a gigantic, intolerable swindle of ordinary citizens by some of their leaders.

4. Thus all men and women everywhere have a common interest in making it more difficult for any nation's leaders to wage aggressive war.

5. Even though aggressive war probably can never be eliminated—just as murder and robbery cannot be eliminated—it should be dealt with as we deal with any other antisocial act such as murder or robbery. We should make it as difficult as possible for the leaders of the world to wage aggressive war. At the same time, however, self-defense is the first law of nature and any attempt to make the waging of aggressive war more difficult must leave unimpaired each nation's capacity for self-defense against aggression.

6. History demonstrates conclusively that aggressive war cannot be impeded by treaties.

7. Moreover, aggressive war is invited, not impeded, by either mutual or unilateral disarmament.

8. The idea of a world government—while perhaps a goal toward which man should be working—offers no hope for freedom from aggressive warfare in the foreseeable future.

Despite these sad conclusions, there is one factor of tremendous weight and importance in the struggle against aggressive war. Every man fears the atom bomb. Everyone fears any bombing of his family, his home or himself. Moreover, in the absence of any real threat to himself or his family, no one wishes to see anyone else so tortured.

Unfortunately, however, most people as yet have no idea how they could help make the waging of aggressive war more difficult.

The Philadelphia Bar Association's Committee on World Peace Through Law believes it does have such an idea. It believes that aggressive war could be greatly reduced by what it calls the Uniform Reciprocal Peace Act, an Act so drafted that it could be adopted as written by any nation whose people choose to enact it. This is what it says:

THE UNIFORM RECIPROCAL PEACE ACT

Preamble

(Name of nation) acknowledges its obligation, together with other nations, to seek peace and limit the use of force in international relations. The people of this nation affirm that by this Act they will restrain the government of this nation from the unlawful use of force against the people of any other nation who enact into their law this Uniform Reciprocal Peace Act.

Section one

(a) It shall be unlawful under the laws of this nation, save as hereinafter provided, for the head of government or any military officer, enlisted man or conscript or civilian employee of this nation or any of its divisions or components to order the use of force or to use force to the intentional bodily harm of any person or persons located within the boundaries of any other nation which shall have adopted as part of its law this Uniform Reciprocal Peace Act.

(b) It shall be unlawful under the laws of this nation, save as hereinafter provided, for the head of government of this nation or any military officer, enlisted man or conscript or civilian employee of this nation or any of its divisions or components to order the use of force or to use force to the intentional destruction of property, as hereinafter defined, located within the boundaries of any other nation which shall have adopted as part of its law this Uniform Reciprocal Peace Act.

Section two

This Act shall not apply to the use of such force by anyone acting under a reasonable belief that such use is necessary:

(a) in bona fide defense of the people of this nation against the use or imminent use of such force by another nation against them or their property; or

(b) in bona fide defense of the people of another nation against the use of such force by a third nation against them or their property, upon, but only upon, the public request of its head of government for armed intervention by this nation and pursuant to the requirements of law as established by the Charter of the United Nations; or

(c) in response to a request by the Secretary-General of the United Nations acting pursuant to a Resolution of the General Assembly or to a Resolution of the Security Council.

Section three

(a) Any person convicted of a violation of this Act shall, upon conviction, forfeit his or her office and its emoluments and shall thenceforth be ineligible for any military or governmental office or employment for the remainder of his or her life; and

(b) Any person convicted of a violation of this Act may be sentenced to imprisonment for any term of years or life.

Section four

(a) Any military officer, enlisted man or conscript, or civilian employee of this nation or any of its political subdivisions or components, who is ordered, instructed or designated to commit an act in violation of this Uniform Reciprocal Peace Act, may secure a judgment in the national courts of this nation that such order, instruction or designation is unlawful under this Act;

(b) the national courts of this nation are hereby authorized to stay the execution of any order, instruction or designation challenged under this Act; and

(c) any judgment of a national court of this nation declaring an order, instruction or designation to be unlawful under this Act shall be enforceable by the national courts.

Section five

The following definitions apply throughout this Act:

(a) *Head of government:* That person or those persons who perform the supreme executive functions of this nation and who authorize the use of force against the people or property of any other nation.

(b) *Nation:* Any state that has adopted as part of its law this Uniform Reciprocal Peace Act.

(c) *Property:* Land, structures of a permanent nature, vegetation, vessels and aircraft.

(d) *Boundaries:* Territory, territorial waters, vessels on the high seas and aircraft in the air.

Section six

A copy of this Act, duly certified as having been adopted as part of the law of this nation, shall forthwith be delivered to the Office of the Secretary-General of the United Nations and this Act shall become effective immediately upon that delivery.

Note that the proposed act is not a treaty. It is not a pious, unenforceable hypocrisy. Upon adoption, it becomes a statute—a law—just like any other criminal law. It makes the waging of aggressive war a crime, just as burglary, arson or robbery is made a crime by law. It says that any person employed in any capacity by his government who is guilty of waging aggressive war shall be punished by being deprived of his governmental position and by such imprisonment as the court may direct.

The efficacy of this act lies in its five unique characteristics.

First, it makes the waging of aggressive war a domestic crime punishable by the enacting nation just like any other domestic crime such as murder or arson.

This alone constitutes a tremendous step forward in the evolution of mankind toward a peaceful world. To this very day there exists nowhere in the world any effective law against murder and arson by warfare. It is probably a violation of law to drop paper on the streets of almost any city in the world but it is not a violation of any enforceable law for the leader of one country to drop bombs on the cities of another.

There should be such a law.

The barest minimum of consideration for the well-being of men, women and children everywhere demands that there exist an at least theoretically enforceable penal law making the waging of aggressive war a crime.

Second, the Philadelphia proposal leaves to each nation which adopts the Act the enforcement of the Act against its own citizens, just as that nation now enforces its laws against other crimes.

Today every nation has in effect a code of criminal law. Each nation's criminal law declares certain acts such as murder and robbery to be crimes and attaches specific penalties to those crimes. The Philadelphia proposal suggests simply that a nation add something else to its list of crimes, namely, the waging of aggressive war. Thus, if a nation adopted this proposal and declared it a crime in effect to wage aggressive war, that nation would thereafter enforce that law for itself just as it enforces any other provision of its penal code.

Is it reasonable to expect that the leaders of a nation bent on waging aggressive war would willingly permit the enforcement of such a penal law against themselves? Of course not. It is to be expected that some such governmental leaders will first oppose the enactment of such a statute and, if and when the public is successful in bringing about its enactment, will then attempt to oppose its enforcement.

But if it is a fact that most men do oppose the waging of aggressive war, then sooner or later they will enact such a law against it and the mere enactment of such a law will in itself represent an upward step in the evolution of society even were that law not immediately enforced.

It is true that those in government who are able to plan and organize aggressive war are by reason of their positions probably able to interfere with the enforcement of the act—but never entirely so. The mere existence of the act provides for them a problem they never had before. It furnishes their people with a tool to work with in their opposition to aggressive war. It makes the leaders' task of propagandizing aggressive war more difficult. It serves to focus the attention of the populace upon just what the leaders may be doing with respect to planning and organizing for war. These considerations alone would justify its adoption.

The third unique characteristic of the Philadelphia proposal lies in the fact that whereas previous efforts (by treaty) to ban aggressive war have always been directed against nations, this act is directed against individuals.

This advance in thinking is attributable to our better understanding today of precisely how aggressive war is inflicted upon men by some of their leaders. As detailed above, we now perceive more clearly than ever before that aggressive war must be conceived, planned, propagandized, organized and directed by individuals. When Japanese soldiers invaded China, when German soldiers invaded Poland, when Indian soldiers invaded Goa, there was in each instance a man at the top who said "Do it!" and thereby initiated the holocaust of murder, rape, arson and pillage that followed.

As to such leaders, we must guard against being daunted by the enormity of their evildoing. One can readily comprehend that if a citizen were to douse his neighbor's house with gasoline while his neighbor's family was asleep in it, and then put a torch to it, that man would be guilty of a grisly crime, would constitute a menace to society and should be carefully prevented from doing such harm in the future. The governmental leader who initiates aggressive war is not less guilty than such a man. He is immeasurably more guilty. He is infinitely more of a menace to mankind. It is he, individually, like any other though lesser criminal, against whom society must protect itself.

Individuals, not nations, plot and direct aggressive war. Individuals, not nations can be to some extent controlled and punished. Hence this proposed statute is directed against individuals.

The fourth unique aspect of the Philadelphia proposal lies in its treatment of self-defense and aggression.

No effort to limit aggressive war would merit serious consideration today unless, as has been noted above, it leaves unimpaired a people's right of self-defense. Hence the Uniform Reciprocal Peace Act does not apply to defensive wars or to wars in aid of a victim of aggression. Instead it applies only to aggressive warfare and makes only aggressive war a crime, thus recognizing and accepting the principle that self-defense may well be the first law of nature.

Whether a given war is a war of self-defense or a war of aggression is recognized by the Act for what it is, namely, a straightforward question of fact to be decided by the courts of any nation in which the question is raised—just as those courts today decide whether a killing in their streets is the crime of murder or was done in permissible self-defense.

The Act as drafted makes a point of avoiding the use of the word "aggression" since that term, while useful, is not quite as precise as the terms used in the Act. Thus the Act, in making aggressive war a crime, does so by providing that, subject to the exceptions in favor of defense, it shall be a crime for any governmental officer or employee to order the use of force, or to use force, to the intentional bodily injury or death of any person located within the boundaries of any other nation which has adopted the same Act.

It will be recalled that anyone accused of the crime of violating this act will be tried and judged, if at all, only in the courts of his own nation. Hence it is to be expected that the accused's tribunal will give him the benefit of reasonable doubt. Thus it may well happen that under this Act some wars of aggression will go unpunished by being masked as wars of self-defense. The same possibility exists with respect to all criminal trials, of course. Undoubtedly some murders have been masked as killings done in self-defense. Some acts of arson have no doubt been masked as accidents; some rapists no doubt have been acquitted upon a false plea of consent. But in no case do those possibilities lead us to conclude that there should be no law against murder, or arson or rape. To the contrary, society needs and benefits from such penal laws nonetheless. How much more then does it need a statute against the most destructive crime of which man is capable!

The fifth aspect of the Philadelphia plan which is unique is its reciprocal nature.

The act in substance makes it a crime to wage aggressive war against any other nation which has adopted the same law.

The purpose of that provision is to induce all nations to enact the same law.

If the people of nation A undertake to ban aggressive warfare, they have a right to believe that their neighbors should do no less. They therefore offer the people of nation B this inducement. By enacting the proposed statute making it a crime to wage aggressive war only against those nations which have adopted the same act, the people of A are saying to the people of B—and C and D and N—we will, by enacting this law, restrain our leaders from waging aggressive war against you if you will do exactly the same thing for us, that is, restrain your government from waging aggressive war against us by enacting the same law.

Thus the enactment of the Uniform Reciprocal Peace Act by nation A offers an inducement to nation B to enact it also. And if and when B enacts the same law, A has thereby in effect obtained for A's people some new measure of protection against the armies of B.

Thus the act is reciprocal in the sense that any relinquishment by one nation of its freedom to wage aggressive war is expressly conditioned upon exactly the same relinquishment by other nations.

If, for example, the French Parliament were to amend French criminal law by adding to it the Uniform Reciprocal Peace Act, so long as France was the only nation to have adopted that Act, it would remain inoperative. If and when another nation, however, say Spain, for example, adopted the same law, then it would be a criminal offense under French law for a Frenchman to order or take part in the invasion of Spain; and it would also be a criminal offense under Spanish law for a Spaniard to order or take part in the invasion of France.

Thus the day may well come when the people of any nation may say to their leaders, "Granted that the protection against invasion afforded us by our adopting this Act may be far from perfect, yet why should we not be given such protection as it does afford? We do not support or favor aggressive war! Therefore by legislating against it we give up nothing. But by adopting this act we do obtain for ourselves the benefit and protection such as it is, of that Act as adopted by other nations."

AUTO SUGGESTION—IMPROVING AUTOMOBILE FUEL ECONOMY

Mr. MOSS. Mr. President, significant sacrifices in automobile utilization, quality, or quantity are not necessary in order to reduce the amount of gasoline consumed by new automobiles. In many ways the American passenger automobile sector is like and excessive waist line—we know what needs to be done, and we do not do it. Now, faced with an energy crisis we have got to stop the delay and get with it. Allowing excessive fuel consumption is like overeating—it costs a lot, we get little benefit from it, and it is bad for us. Just a few statistics make the point. If the average new automobile weighed the same as it did in 1965, our new passenger cars would burn over 15 percent less fuel.

An EPA study found that a change of only 500 pounds in the weight of 1973 vehicles—from 3,500 to 3,000 pounds—can extend the mileage from an average of 14 miles per gallon to 16.2 miles per gallon—an increase in fuel economy of nearly 14 percent. A thousand pound increase in weight, from 3,000 to 4,000 pounds, could drop gas mileage from 16.2 miles per gallon to 11.2 miles per gallon—a decrease of 30 percent.

If the speed limits were lowered we could save significant amounts of fuel. Each 1 percent increase in the efficiency of new American automobiles decreases their fuel consumption by several percent.

We can take positive action to lower our consumption of automobile fuel without really giving anything up. Incentives are needed to get action headed in the necessary direction. That is why I introduced S. 2036, a tax on the sale of new automobiles based on fuel consumption.

An article in the June 10, 1973 New York Times entitled "Auto Suggestion," provides another idea for solving the automotive fuel consumption problem within today's technology and without significant sacrifices. It contains much helpful information on this subject, and I ask unanimous consent that it be printed in the RECORD for the information of the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUTO SUGGESTION

(By Edwin L. Dale, Jr.)

Every time I climb into my four-door, commodious, comfortable Citroën these days—or occasionally into my neighbor's Fiat station wagon—I am overcome with a radical thought. The thought became a downright nag after President Nixon's recent message to Congress on the energy problem and the simultaneous reports of gasoline shortages around the country.

These cars have *only four cylinders*. As a result, they get about 25 miles to the gallon, more or less, depending on open highway or city driving. My neighbor on the other side has an excellent, standard American car that has the normal eight cylinders and gets 12 or 13 miles to the gallon at best.

Because I am a traditional consumer-choice and free-market man from way back, economic heresy does not come easily to me. Yet my new heresy will not go away: Given the growing energy problem and the extraordinary future balance-of-payments drain from imports of oil, why should not this nation simply require by law that no car have more than four cylinders (or the equivalent result by way of limits on horsepower or weight of car)?

We shall come to the few necessary figures in a moment. But let some essential points be made first:

All Americans, in my view, should be allowed to drive as often as they want and as far as they want. Regardless of what I may think, this will in fact continue to be the case as a political reality.

As a companion freedom and political reality, Americans should and will be allowed to own as many cars as they want and can afford.

My proposal is devoted entirely to what I call the "big" or the "comfortable" car. There is no problem about the small car. The American ones are now competing well. Nearly all small cars, American and foreign (except high-powered sports cars), have four cylinders, and their gasoline consumption is therefore automatically modest.

The figures:

Last year, despite the belated emergence of the American small car, an amazing 83 per cent of al American-made cars had *eight cylinders*, meaning by inference that they get 12 or less miles to the gallon. Even where six-cylinder options existed on specific models, buyers have typically chosen the eight-cylinder version.

Of our mind-boggling oil consumption (more than 15 million barrels a day in 1972 and growing), some 40 per cent is gasoline, the great bulk of if for automobiles. If nothing is done, the more than six million barrels of oil a day now used for gasoline will rise to more than 10 million barrels a day about 10 years from now.

Finally, under any possible assumptions about expansion of United States oil exploration and production (offshore, Alasaka, oil shale and the like) and all the other energy mixes suggested by the President's message, we shall be a large importer of oil, mainly from Arab countries, in the next 10 years. No figures on this can be more than estimates but a conservative estimate from the Government, based on the present growth of demand (if nothing is done), is about $20-billion worth of oil imports by 1980, compared with $3.5-billion last year. Such a wallop to our balance of payments has grave implications for the whole economy.

Now, nothing whatever is going to prevent some growth of oil imports and some growth of gasoline consumption in this country. But how much the growth is will probably make a good deal of difference—a difference to our balance of trade payments, a difference in the delicate problem of the degree of our dependence on the Persian Gulf and Mediterranean Arab countries for oil. No one has been much troubled by our dependence on Brazil and Colombia for coffee, but the throw of the historical dice that created the existence of Israel, and the United States' relationship with Israel, makes dependence on Arab countries for a commodity such as oil a different matter.

There is no intention here to write horror stories—as, for example, columnist Joseph Alsop has done—about an eternally devaluing dollar as a result of payments for oil or even the loss of great-power status. The equation is too complex for such simple predictions. The oil problem is, nonetheless, a serious one. As with so many problems, this one can be approached only at the margin, which is very different from saying it can be solved. But a sizable change in our oil consumption could significantly reduce the magnitude of the problem. The astonishing thing is that the biggest single saver of oil, and the easiest to accomplish, has hardly been brought up in the debate. It was certainly not in the President's message on energy.

For simplicity's sake I like to think of this proposed massive oil saver in terms of the mandatory four-cylinder car, but actually a more accurate technical description would probably be the lower-power car. I am told that a weight or horsepower limit would produce about the same result—that is, probably four cylinders. Put another way, setting the limit on the number of cylinders alone might create the possibility of loopholes, such as much larger cylinders to create more power and and almost as much gas consumption as before. But this technicality is of little real importance. The regulations could easily be drawn to achieve the result, which is simply described: about 20 to 25 miles to the gallon, or about twice as much as the average American car now gets.

The Environmental Protection Agency recently issued new test figures for both the four-cylinder and eight-cylinder cars which are lower than the figures used here. But the over-all conclusion remains the same. The best rule of thumb comes from, of all places, the Internal Revenue Service. The income tax instructions provide an easy way of caculating the gasoline tax deduction for anyone who does not have a receipt for every time he stopped at a filling station. It uses mileage and each state's gasoline tax; the deduction is cut precisely in half if the taxpayer's car has four cylinders. The formula is admittedly arbitrary but it comes close to the truth.

The antipollution requirements for automobile exhaust—a most painful and complicated matter—have already begun to reduce mileage per gallon, and the future reduction threatens to be greater. According to the information now available, this reduction will be less for the lower-power engine. That is, the trade-off problem between the conflicting objectives of lower oil consumption and less pollution—in a world in which people are still permitted to drive as much as they want—is not as difficult if all engines use less gas to begin with.

I have been tempted to make the safety argument for four-cylinder cars, on the ground that they cannot go as fast as the higher-powered cars. Alas, honesty overcame me. I have talked recently to four separate people with varying types of four-cylinder cars, foreign and American, who confessed to driving at 70-miles-per-hour or more. In my own case, the Citroen would easily make 70 or 80 if that were my desire, though its pickup is not as good as that of an eight-cylinder car. In short, for those who care, lower-powered cars can go fast. It must be conceded, too, that some small cars are now less safe in collisions. But many safety features—belts, better bumpers and collapsible steering columns, to name a few of the less expensive ones—can be built into cars of any size and weight. And, really, the chief factor in driver safety—the driver—is a constant.

In considering the proposal bear in mind, too, that the engineering for lower-powered, comfortable cars already exists. Europeans have built them and so could Detroit. No criticism of Detroit is intended; the American auto builders, in my view, make a high-quality car on the whole, and they have made what the consumer wants. Yet if our Government says: "Low power from now on to reduce the nation's petroleum consumption," Detroit has no argument that it cannot be done. By contrast, the electric utilities *can* plead convincingly that the technology does not yet exist to burn high sulphur domestic coal instead of imported oil and still keep the air clean.

If the Government decides to enact a thou-shalt-not type of regulation on what kind of cars can be built, enforcement would be child's play because there are only four manufacturers. Granted, there could be a few complexities: Presidents, Governors and funeral homes might have to be licensed to buy eight-cylinder, high-powered cars and the auto companies licensed to make a limited number of them. No one doubts that some big engines would still be needed, such as those for truck and ambulances. Such new developments as campers (though they need not be all that heavy) could pose problems. But essentially we are talking here about the ordinary car, which chews up the great bulk of the gasoline. Because the number of sellers is so few, the Horsepower Bureau would have an easier task of enforcement than even the Food and Drug Administration (which also limits consumer choice) or the various bureaus that inspect such things as meat packing or occupational safety. In this somewhat ironic case, the existence of a "concentrated industry"—long the bane of economists and trust-busters—is a blessing. Imports could be readily controlled as well.

Obviously the new regulation would reduce gasoline consumption (or slow its increase) only gradually. To begin with, all the old and not-so-old eight-cylinder cars would still be on the road. In addition, Detroit could not be asked to do the major retooling job all at once. But that is no excuse for not starting to move now. The worst of the oil-import problem is probably 7 to 10 years ahead anyway. As for the expense of retooling, if the figures justified it, a one-time Government subsidy would be a fair solution, taxpayers' funds properly used both to deal with a national fuel problem and to prevent big price increases for all cars.

I shall agree that lower-powered cars probably must have fewer power-consuming accessories—above all, air-conditioning. While I believe that air-conditioning is little short of a necessity in my place of work or in my bedroom at night, I have managed to survive for many years in one of the nation's hottest cities without an air-conditioned car. Cars, after all, can and do create their own breeze. There is a trade-off here, but it is not that hard to accept.

Could the same goal—getting people to use cars that required much less gasoline—be achieved by a market solution of higher taxes on gasoline or horsepower? I have my doubts about such a method. A big increase in the tax on gasoline, whose price is almost certainly going up anyway as a result of the energy shortage, is regressive in a society such as ours where nearly everyone but the very poorest owns a car. A horsepower tax, imposed at the time of purchase or annual registration, would obviously help some. But this country keeps getting richer, and great numbers of those with higher incomes would remain able and willing to buy a high-horsepower car regardless of the tax. Again, the thou-shalt-not-build regulation seems fairer and more likely to accomplish the purpose.

A forthright Government stand on maximum power or weight need not put Detroit in a total quandary. For example, the new Wankel engine, while it is not particularly a fuel saver, is lighter than the conventional engine. That means a lighter car overall, and thus less need for power. In any case, a clearly stated national goal—enforced by law—symbolized by 25 miles to the gallon, could bring forth all sorts of ingenuity from an industry that does not lack it. Industry officials have already begun to talk of a trend to lighter, smaller, lower-powered cars because demand is gradually shifting in that direction. Last year, with imports included, 36 per cent of all cars sold were small cars.

And, finally, there is what some may regard as the biggest issue of all: the freedom of Americans to buy what they want. If you want a big eight-cylinder car (or an electric toothbrush) why should you be forbidden to buy one? The problem is perhaps analagous to gun control, and the opposition might be similar. The answer to the question is, of course, the public interest: As a nation, we simply cannot safely import so much oil, and the chief remedy is to reduce our consumption. What about the Texan who insists on a lot of horsepower in his car? Well, how would he like gasoline rationing? Or, would he want the cost of a vacation in Europe doubled because of a regular devaluation of the dollar? Neither is inevitable, of course, but there is an indisputable national advantage in curbing the growth of oil imports. There are already limits on our power to consume, ranging from drugs to unsafe appliances. And whatever else might be said, this change to mandatory lower power in cars would not impose hardship. People could drive as much as they wanted, and in cars that would be amply comfortable, if not quite as big.

A growing minority of us have already managed to end the love affair with the high-powered, standard-sized American car. And we find our new companion rather attractive—much cheaper to operate (particularly at a time of rising gasoline prices), easier to park and probably lower priced than the larger cars. In the interest of the nation's economy—and in the interest of letting us all continue to drive as much as we want—it is time to terminate the love affair for everybody. Though there is bound to be some heartache, a saving of several million barrels a day of oil consumption—badly needed barrels—is worth a little heartache.

THE PROPOSED STATISTICAL COMMISSION

Mr. MATHIAS. Mr. President, it is obvious that certain statistics produced by the Federal Government have substantial import on the lives of each of us. Unemployment statistics and changes in the Consumer Price Index are regarded as key measures of our economic well being. Population figures from the Census Bureau serve as the basis for the apportionment of legislative districts at both the Federal and State levels. They also affect the distinction of substantial amounts of Government funds. And taken together, these and other Government statistics form the basis for fiscal, monetary, and other public decisions which affect the health and welfare of millions of individuals throughout the world. Because these statistics are so important, we must strive to insure their accuracy.

We need not believe that politics has in the past influenced these statistics to recognize that every effort should be made to insulate these sensitive areas from political influence in the future. We need not question the accuracy of past statistics in order to recognize the need to insure that the best expertise we can muster be involved in the gathering, analyzing and interpreting of these pictures of our times.

I am, therefore, pleased to join today as a cosponsor of the Federal Statistical Information Act, introduced by Senator STEVENSON (S. 2142). This bill would transfer the functions performed by the major statistical agencies of the Government from their present departments, and consolidate them in a new, independent U.S. Statistical Commission.

This proposal moves in a direction suggested by President Nixon. The President has recognized in his past reorganization plans the desirability of consolidating the statistics agencies of the Government into one coordinated unit. The President's proposals have unfortunately never been acted upon by the Congress, and so today I join in an effort to accomplish this goal through another means. I am hopeful that the Congress will recognize the importance of this proposal, and will act accordingly.

GREGOR PIATIGORSKY AND THE ETHEL PERCY ANDRUS GERONTOLOGICAL CENTER

Mr. CHURCH. Mr. President, during the week of February 12 the new facilities at the Ethel Percy Andrus Gerontological Center at the University of Southern California were dedicated.

Over the years, the Andrus Center has been an outstanding leader in supporting research in the biological and social sciences as well as graduate training and community service programs.

At the recent dediciation, several memorable statements were made. One such example is an address by the reknowned cellist, Gregor Piatigorsky.

His remarks—"The Arts: Creativity in Aging"—offer many provocative suggestions for improving the lives of the elderly. But his central theme is that a feeling of fulfillment, such as he has achieved through music, is central to the well-being of all individuals, both young and old alike.

Indeed, he said:

> The thing that prevented me from observing my own aging was and is music—the passion for which never lessened—and the cello, with which I did not part for the last 63 years.

Mr. President, I commend the remarks of Gregor Piatigorsky to my colleagues, and ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE ARTS: CREATIVITY IN AGING

I must begin with praise for old age. The German saying is, "the old wood burns the best," and we all know that the good old wine tastes best as old fiddles sound best, and as a child I loved old people best. Our best aim is to reach the summit. Among many advantages of an older person over a younger one is that, looking back, he can appreciate the distance he has covered already—often a view of magnitude and beauty denied to the young. As long as one keeps climbing and spiritually growing, one will fuse with the nature which is movement, a symbol of life.

Next April I will be 70 years old, and reaching this age I suppose I should know something of the process of aging, but the fact that I don't or perhaps because I don't, I was asked to speak to you today.

AGING AN ACHIEVEMENT

The thing that prevented me from observing my own aging was and is music—the passion for which never lessened—and the cello, with which I did not part for the last 63 years. I could not part with it even today. I brought it here to show it to you in all its beauty and vigor at the age of about two hundred fifty. There is a glory in old art because we have learned to admire it almost as much as we learned to fear our own old age. I think we should regard our capacity of aging as an achievement rather than defeat. It is true that at the age of 96 when Antonio Stradivari made my cello, his hand trembled a little—only to contribute a special charm and tonal quality to it.

I am not the only worshipper of mature age. As we know, in Japan only men of 60 are free to wear bright lining in their kimonos and are at last free to speak their minds.

"Only fools don't behave according to their age," said Heine, and he is right, although it does not occur too often, and if it does, it's only harmlessly comical.

"Come on, girls," one occasionally hears octagenarian ladies call at the ladies clubs, and men among themselves occasionally would turn from grandfathers to cute boys.

TEMPO OF LIFE

As I said, the life is movement, and everything has its tempo, but it becomes serious when a person must move with someone else's tempo and become out of step with his own. This all-important factor is often neglected, and people are judged, employed and discharged according to their actual age and not to their physical and mental tempo. Thus compulsory retirement at a given age is often cruel and unwise. Alertness of mind, wisdom, knowledge and enthusiasm do not disappear at a bureaucrat's signal. There are men over 80 and 90 who continue to enrich the world with their extraordinary deeds. Some of them happen to be artists, but isn't everyone who strives for and achieves excellence an artist? I have not yet met a person without talent for something. Why should there be so few who recognize it and start developing it at an early age? You don't have to be a fiddler, poet or painter to be an artist. An artist is a person who loves something he strives to do well and who will do it even if he has a price to pay for doing it.

There was a cobbler in Vienna, a man over 60. Watching him work, he reminded me of one great sculptor. He made a pair of shoes for me which I wore and admired for 25 years. We became friends. One day a charming young princess noticed my shoes and expressed a desire to meet their creator. I brought her to his workshop. But after thoroughly examining her feet he called me aside and whispered, "I can't do it. I don't like her feet." It was embarrassing, but his drive for artistic achievement seemed worth monetary sacrifice.

A LOVE FOR WORK

A love for one's work I give the highest priority in man's life. More professions inspiring love should be created, and occupations below human dignity and aesthetics should be given to the machine which in turn is capable to be beautiful and exciting to create and practical to use. I don't think these thoughts are utopian, but rather, realistic and vitally needed. There is nothing more unfortunate than to earn one's living by work one dislikes. Among many evils it breeds boredom, an enemy capable to destroy man.

CREATIVITY

Not unlike many other definitions, the meaning of creativity has a variety of connotations, as, inventiveness, development of something created already, rediscovering or putting to practical use something, though small and prosaic, to the good of humanity. So, speaking once to Mrs. Goldberg of the gigantic creativity of Leonardo da Vinci, she said her late husband's contribution to humanity by inventing the safety pin was as great, and monetarily perhaps more profitable.

There are areas of the past which I feel would be good to transport to our machine age: like artisans who would make a chair on which they sign their name and which later becomes a piece of art the people can see only in the museum.

Primitive people in Africa and elsewhere don't think of themselves as artists carving masks and all ornaments for their festivities and rituals. In highly civilized countries everything is geared toward professional or commercial perfection, while a source of personal satisfaction could be derived from a compulsion to produce something beautiful with one's own hands. One may call it a hobby. There are not enough of them cultivated. For people, art is something standing totally apart, something they would not dare to be a part of without the assurance they belong to the mysterious clan of geniuses. They should be reminded that working with wood, varnish and primitive tools people centuries ago produced objects no one in our civilization can duplicate.

There should be a search for lasting pleasures. I know a lady in Los Angeles who loved tennis at an early age. I saw her on the tennis court the other day at 87, still playing, smiling, cracking jokes and slightly criticizing herself and her partner. A game of chess or fishing will enhance life continuously. I like amateurs, the true lovers of things, who, though they enjoy listening and watching, like to participate in performance themselves.

OUR OWN SPEED

It's true that the tempo with age does change and in some areas slow down, but precisely those changes of the tempo which begin to occur from the beginning of life one should not only be aware of but learn to master. An infant prior to entering school rarely sits still. His tempo is erratic and fast. Suddenly he finds himself at school and forced to act at someone else's tempo. The same experience he would have to endure throughout his life. If he does not adapt to it, he might lose his own tempo and find himself out of step with the moving world. Music, which consists of many tempos prescribed by the composer, must be executed by performers as indicated. For a good one it will come naturally, for untrained ones it will be a disaster. So it is in daily life. We must adapt ourselves to the tempo of others, yet know our own speed, an important factor in aging well. It will teach us how to speak and when to preserve our energy.

Maestro Toscanini, who hated doctors, hospitals and dentists, at the age of 90 was finally persuaded to undergo a complete checkup. There was a whole coterie of them. They pronounced him completely fit.

"You are virtually 90, and you have the heart of a 30 year old man. Could you give us some idea of how you managed to preserve your heart in that wonderful state?"

Toscanini said, "My heart? I never use it."

There was an extraordinary boy who received his doctorate, at Yale University in music, (composition and the piano) philosophy and I think in something else at the age of 14. He had to decide which field to pursue. His parents brought the boy one nice summer day to me. Instead to meet a kind of wizard from another planet, I took a long walk along the lake with a somewhat confused, but healthy boy. His choice was leaning toward music, but he expressed great interest in medicine too. It was obvious that he, as other child prodigies, took somewhat prematurely a tempo of intellectuals above his age and skipped the activities of children his own age.

I did not know how strong he was in music or the other fields, but taking a glance at the beautiful lake, I said, "you ought to learn to swim." He seemed astonished but enthusiastic about the idea. I have not seen him for many years, but I have heard he is a successful physician now, and I want to hope that by now his collection of tempos is complete.

THE ARTIST AND LIFE

As a music teacher who deals with exceptionally talented young artists, I feel it's necessary to spend almost as much time discussing problems of life as those of music itself. It all hangs together. I want them to give their lives for something bigger than they are. Those who understand and are able to catch the spark, succeed to become good servants of art and well balanced people of purpose. The others, even if they succeed in their professional career, might turn frustrated, often envious, and bitter.

There is a story about a dead boy lying in the street and surrounded by people.

"How ugly. Disgusting," muttered the crowd. Then they heard a voice. "Look at his teeth. They are beautiful." It was the voice of Mohammed. The ability and the desire to see and to hear the beautiful whenever one finds it will help the young and old alike to beautify their own lives as well as to desire to encourage the others.

We become increasingly stingy in voicing our approval of others, perhaps out of a fear to appear insincere. We would rather criticize than compliment people while not hesitating to shower generous praises on a fabulous pizza or a great hotdog.

Once a new student, while playing for me, visibly suffered from his poor performance. And poor it was until I heard one beautiful note.

"This note was beautiful," I interrupted. The student shocked, looked disbelievingly at me. "Please repeat that note," I asked. "Yes, it's good. Now try it a little stronger. Wonderful. Now softer and longer, please. Now you have started," I said, "an exciting collection. Tomorrow there will be a few more fine notes, then a phrase, and finally an entire piece." I am glad to say that it turned out to be true.

The reaction to the negative in a person is infinitely more deeply anchored than that of the positive, and while the self criticism is of value, it is not effective without a starting point of self recognition of one's own strong points. A word of reassurance and sincere recognition is a good medicine at any age.

At one time an important and known artist, but now old and forgotten greeted me on the street.

"You don't know me," he mentioned his name. "I just want to shake your hand." Indeed the name was familiar to me. Very impressed, I called a meeting of the society which consisted of the present leaders and active members in the same field. All colleagues were delighted to present to the old man a plaque with the so well deserved glowing inscription. The old man, very moved, said that this unexpected honor will give him the courage to lead an active life again. He did become a changed man.

I am not a scientist to dare to offer to this learned assembly some results of my physiological or psychological research on gerontology, simply because there was no research, no remedy, to solve the problems of old age for people who wait for their death and who feel so totally unneeded. And yet because we have arrived at the point where there seems no solution is coming from experts, it is not unlike with the baldness of a man's head. Where there is no stopping of falling hair, one would not hesitate to consult even a barber.

ACCOMPLISHMENTS AND AGING

There is nothing to stop aging, but to slow it down can and should be made easier. It can be, by activating interests, by helping to keep interests alive and by appreciating the accomplishments of the old. The majority of the people, and I think young people at that, are the onlookers, the audience. They can afford to watch others perform. The old ones should perform themselves as much as they can. And in many areas they can, and they should be involved.

Once I had a weird dream of a war and of an old-people-hating dictator who drafted into the army instead of the young, only men and women over fifty. Instead of indignation, it created tremendous excitement among them.

Live and proud in their uniforms, and trained by good instructors, they won the war and their pride and glory. And with the admiration of all, they lived happily ever after. Should we stupidly stick to wars forever, this could perhaps be the solution. For who would want, after all, to kill old men, and who would not, with so few years left to live, fight more ferociously to save the lives of those destined to live much longer. For such a prospect to become a hero, I would volunteer myself today. But joking aside, I am convinced that to better anyone's existence, and I don't mean necessarily economic conditions, a human being cannot prosper without ideals, genuine interests, love and enthusiasm as well as without recognition for achievements however small.

POWER OF SELF-RESPECT

I can't emphasize enough the power of spirit and self-respect—the marvelous qualities which rise above deprivation, humiliation and physical handicaps. There is a young, world-known violinist with both legs paralyzed. He walks on crutches, but he plays heavenly on his violin everywhere in the world, and there is no one who sees him as a cripple, and he is the last one to think so of himself.

During the revolution in Russia, five families were cramped together in one small apartment, hungry and deprived of most physical needs, heartily they welcomed me to join them. Even if I would have a choice I would join those wonderful people. The stories they told, the nobility of their minds, their humor and even their lack of appetite at the meals so that someone else eats their miserable portion all remain in my mind as the most wonderful experience. They were intellectuals with many hobbies and above all, professions they loved.

Professor Einstein played the violin, though not very well. But who knows if he would be the same Einstein with no violin at all, or God forbid, if he would play the violin expertly. Once after playing the violin, he wanted to know how he played; confused I said "relatively well." We had a good laugh.

LEARNING AND EXCITEMENT

The other day I heard a prominent scientist say that the trouble with America is that the students don't want to learn, and the teachers don't want to teach. I don't agree with him. I would say that the students don't know how and what to learn, because the teachers, as if unaware of the many distractions and excitements the present life offers, stick to their subject matter which, though they know very well, they don't present in an exciting and inspiring manner to students. There is no such thing as a dull subject of study, and I knew mathematicians who thought mathematics poetic and magical just as I knew professors of art, philosophy and literature pedantic and dry enough to make it an insufferable bore. So it is with architecture and music as in politics; things are changing rapidly, and as a politician becomes more a performer, so perhaps should be a teacher. A physicist can easier become something of a performer than an actor something of a physicist.

Because the process of aging is unstoppable, the vital interests can make this process not only undisturbing and little noticeable but even welcome. For as long as tomorrow will remain to be a new day for every man, the process of growing will not differ from the aging world. Only those who take the new day routinely for granted and act and feel that it will make a repetition of yesterday again, will not have to worry about aging because they are dead already.

GROWTH AND FEELINGS

As a musician I am often exposed to ideas on music advanced to me by non-musicians. Perhaps as a compensation or vengeance, I do the same to scientists. After all according to Oscar Wilde, questions are never indiscrete. Only the answers. One of my ideas about retarding or eliminating aging altogether was to slow down the process of growing to the extreme. As long as something does not stop growing, it can't stop living. My son, who is a biologist, gave me only a nice smile as an answer. But then in a book by Ruth C. Ikerman I found the following statement:

"The human organism has to grow or die. Growth is always blocked in some way when feelings are blocked."

Well, there we are at feelings again—a word almost in disrepute nowadays. At schools a little chap with a feeling for a flower will be a sissy, and a big boy a hippy or something. Musicians will turn to sentimentalists or even to amateurs for feelings supposed to be contrary to intellectuality or scholarship. But I am all for it. I consider "feeling" as a base of all things. Obviously the word itself has many grades of meaning, just as definitions of good and bad. It's like a smile, which is a human prerogative. Cows don't smile. Of course some smiles are unattractive and even ugly, but there are more of the beautiful ones produced naturally and reflecting simple niceness. I like that undynamic word. It's unassuming and indisputable, and a nice person seldom disappoints, and a nice person does not have to be a mediocrity.

AGING WITH JOY

If someone would take the effort to translate my English into English, he would read the following prescription for aging joyfully:

1. Know your strong points. Enjoy your qualities. Find them. Keep them. Develop them and remember that you don't have to be a genius to know your shortcomings: there are too many of them in every man, but it takes intelligence to recognize your qualities.

2. Look for the qualities in others. You will get along with more people, and they will like you better, too.

3. Don't be afraid to get conceited. There are no truly conceited people—only the stupid who act like one. I heard once a lady approaching a great artist explaining: "You are God." "Yes," he agreed, "but what a responsibility."

4. Everyone is too old for something, and no one is too old for everything. It goes in stages. As in sports people over 30 are in the last stages of professional activity, in many more professions, people of the same age are at their beginning.

SEASONS OF LIFE

Man has many of the elements of nature, but when I erupt, I try to harm no one. It's possible to master and dominate oneself without being a fakir.

You don't have to consider yourself old, but it is reasonable to classify oneself in one of the four seasons—let's say winter. For even though you could not become spring again, there is nothing wrong with winter, with no mosquitos, no heat of the summer or wetness of the fall. Of all ages I find babyhood the most hopeless one. One can't recall a thing, even the total dependence on the adults. And if later on in life you are curious about your early childhood, a psychoanalyst will search for a source of damages to confuse you further; though one thing could be made clear, that love alone cannot teach or justify parents' actions.

Adolescence can't possibly be of any attraction to a so-called mature person, proof of which is that I still try hard to get out of it. The nice thing is to be what one is, especially because there is no choice. I am busy to see the reality of things, and I had better see it right. If I visit my grandchildren, I know they need my kisses or baby talk as a hole in the head, but I am free to give them something they can play with or something they need. It starts and ends right there not only with children but with the relations with the rest of humanity. Once it is established that you derive pleasure in doing things for others, no one would be disturbed by feelings of obligation and gratitude which seldom fail to breed resentment.

Men are a herd of animals, but they cannot accept it. They cannot live as a herd of animals, so they had to create human rules which are also a herd of rules but much more complex. They tried it for centuries in vain. Men never had good government, perfect rules of relationship between themselves; animals do. Man can be forced to obey, and to do or not to do something against his will is an everyday occurrence, but it is quite different to force oneself to do or not to do something because one wants to do it. In the first situation it means a submission and defeat, in the second, it is victory.

THE REASONABLE REACTION

However, I know some extraordinary people whose skill in pleasing themselves will make every situation acceptable. In bad times they can always prove that in the past it was worse, and so alone the idea gives them a feeling of comfort. They are good at turning negatives to positives, including their own stupidity which they are clever enough in some instances to apply as self defense and prevention of minor annoyances. Though the tedency to self love is seldom attractive, it's more advantageous than self dislike. I traveled for years with a person whose respect for his own body and soul reached extraordinary proportions. Although we lived in identical conditions, he fared much better than me. My breakfast was poor, his, delicious. My newspaper had bad news, his had promising. My air in the sleeping car was stuffy, his was fresh. My neighbors across the corridor were noisy, causing me sleepless night. The same noise from the same people put my friend peacefully to sleep. Even performing the same program, his concert was a delight, mine short of disaster. Right or wrong—he was the winner.

The right attitude, or let's call it reasonable reaction, to happenings in life can be achieved by self persuasion, and it's a good habit to smile at things or at least take them only relatively seriously. In every comedy one laughs at the misfortunes of others. One can laugh at one's own as well. Of course all this is in a psychological domain. The process of aging deals mostly with the physiological one, and I don't see a drastic separation of the two except for serious illness.

I knew a playwright, Mr. Sheldon, who was completely paralyzed and blind, but who could hear well and had a beautiful, clear voice. Bedridden, he kept his working schedule, dictating to his secretary, and he received friends. I happened to be full of grudges the day I met him, and although young in years, I felt old and depressed. But I left Mr. Sheldon a transformed man. He taught me to rejoice over the riches I possessed, and, through the years, to admire everyone who tries to overcome their weaknesses with the help of recognition of their own strength.

BITTERNESS THE WORST COMPANY

The bitterness is the worst company an old person can possibly have. Bitterness creeps slowly into one, and it has many disguises, ingredients and a whole arsenal of justifications, to point to each unfairness committed towards one during a long life. The accumulation of such unfairness and injustices, real and imaginary, is formidable and, unfortunately, easily memorizable. I think that one should forget them instead, but this is more difficult, though it is possible and it is worth while. Anything is good that helps to combat bitterness and self-pity.

Even a child could be of help in extreme cases: like one old grandfather whose hands were so shaky that at meals he would break china plates. The family decided to serve his meals at a separate table on a wooden plate. One day the head of the family saw his little son carving a wooden plate.

"Why are you doing it?" he asked.

The boy said, "I am making a plate for you to use when you will be grandfather's age."

The next meal the grandfather joined the family table.

Once I heard a story that might be taken as an example to dissatisfied-with-their-fate people. Everyone, as the story goes, was permitted to put all their sufferings, dissatisfactions and whatever into a bundle and place it in a huge heap among all other people's bundles. This done, everyone could choose any bundle instead of their own and bring it home. Very soon after, people rushed back wanting to get their own bundles back. No one could exist with other people's troubles, which are much worse than one's own.

There is an old joke—as a cook he is a good astronomer. Perhaps you will say that as a gerontologist I am a good cellist, but I would not mind, for vice versa would be a big flop for my career, is a musician.

HAVE THE DOOMSAYERS GONE TOO FAR?

Mr. SAXBE. Mr. President, today's Wall Street Journal carries an editorial by Walter W. Heller, regents' professor of economics at the University of Minnesota and former Chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson. His editorial entitled "Have the Doomsayers Gone Too Far?" takes issue with the economic pessimism and gloomy prospective forecast by many of his fellow economists. Because confidence is the main lynchpin in a strong economy, I commend this article to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Have the Doomsayers Gone Too Far?

(By Walter W. Heller)

Unrelenting gloom has been the stock-in-trade this season not only of Lower Manhattan but of the economic columnists and many of my fellow members of the dismal science. And with the surfeit of Watergate and billingsgate in Washington, who can blame them?

For that matter, the economic arena itself offers a good deal of grist for the doomsayer's mill, to wit:

The administration's staggering mismanagement of price-wage policy and its head-in-the-sand handling of agricultural policy, both domestic and international.

The continued battering of the dollar overseas, basically a vote of no confidence in the White House and its economic policies.

The legacy of over $20 billion of federal tax cuts in 1969 and 1971, coupled with Mr. Nixon's fixation against tax increases come overheating or high prices—a combination that has once again put too much of the antiinflation burden on the Federal Reserve.

Skyrocketing costs of short-term money, with no immediate relief in sight.

The food shortages, cost-price squeezes, and uncertainties associated with Freeze 2 and Phase 4.

The second quarter break in the stride of U.S. expansion and the prospect of at least a growth recession by 1974.

Yet without Panglossing over these harbingers of near-term turbulence and travail in the economy, let me put our economic troubles in a less gloomy perspective, one which suggests that "this too shall pass," that a fading boom need not lead into a calamitous bust or prolonged stagnation.

One way to gain this perspective is to look at current prospects and policies, in the context of the 1966–71 period. What seems to haunt the financial markets most, apart from Watergate, is the fear that we may be headed for 1968–71 all over again—a siege of recession and slack side-by-side with a new price-wage and wage-wage spiral and still another dollar crisis. So it is worth comparing the economic mega-policy posture of that day with this—in fiscal, monetary, balance-of-payments, and wage-price policy.

MR. NIXON'S FISCAL POLICY

Start with fiscal policy. However deep one's grievance may be against Mr. Nixon's budget as an instrument of *social* policy, an objective reading has to recognize its relative merits as an instrument of *economic* policy. In full-employment terms, the budget is in the process of swinging from a large deficit at the end of 1972 to a surplus by early 1974. In contrast, Mr. Johnson's budget ran sizeable full-employment deficits in the boom years 1966–68 and did not shift to surplus until fiscal 1969.

True, a forehanded policy might have strengthened fiscal restraint by action some months ago to suspend the investment credit or impose a modest income surtax. But with some of the steam already going out of the boom while unemployment hovers near 5%, the time for a new dose of tax increases or budget cuts as inflation antidotes has already passed. Even without them, and even with a little slippage in fiscal 1974 budget spending, fiscal policy is a lot closer to the mark in this boom than in the last.

Monetary policy, too, is compiling a better record this time around. In mid-1968, when the fiscal brakes were at last engaged via the surtax and budget cutbacks, the Fed let up on the monetary brakes. It was not until late in 1968, and hence late in the Vietnam boom, that a tough monetary and tough fiscal policy were operating in tandem.

Even then, the worst was yet to come. A hair-curling credit crunch and liquidity squeeze brought near panic to the financial markets and helped convert an economic slowdown into the first recession in over a decade. This time, though the Fed is turning the monetary screws tight enough to hurt and Arthur Burns is of menacing mien, no credit or liquidity crises will mar 1973. Indeed, later this year, as economic slowdown becomes more evident and as fears of a new inflationary spiral begin to fade, we can expect the Federal Reserve to relax its present tight grip and initiate a policy of moderate ease.

With the dollar suffering such indignities in the world's money markets, and with the sorry spectacle of export curbs denying supplies to the very countries we have been urging to buy our products, it may be hard to see the brighter side of the international coin. Yet, only two years ago, we were suffering from a badly overvalued dollar, a worsening trade deficit and a balance-of-payments hemorrhage.

Today, two and a half devaluations later, we have a weaker dollar and a substantially stronger foreign trade position. Not only are our exports cheaper and imports dearer, but we can also count on the world's need for our agricultural products, plus the prospective cooling of our economy while boom continues overseas, to bolster our exports while curbing our imports. Reinforcing this turn for the better in our basic balance of payments is the likelihood of growing inflows of long-term capital. So while short-term outflows will keep our liquidity balance in the red, the basic balance and official settlements figures should make rather good reading in the next two or three years.

Even in the price-wage field, strewn with the bones of blunders past, the prospects beyond the current year of discontent are distinctly superior to those that faced us in 1969–70 when we were last winding down a boom:

White House policy was totally out of touch with reality as Mr. Nixon in February 1969 declared open season on price and wage increases and yet continued to assure the country that inflation would be cured without boosting unemployment.

Instead, a virulent wage-price spiral beset us as big business and big labor boosted their prices and wages almost at will even in the face of slack and recession.

Today, it may not be easy to cast off the pall of shattered confidence that grew out of that *summum boner* of Nixon economic policy, the abrupt junking of Phase 2 last January, and the apparently unlimited capacity of the White House to be caught by surprise in the area of food demand, food supply, food prices and agricultural exports. And Freeze 2 (which I view as "better late than never") is adding to the chamber of horrors with chicks being plunged under and pigs yet unborn being slaughtered. But for all that the wage-price spiral are less than 50–50.

Not only have average hourly earnings been rising at less than a 6% annual rate so far this year, but the major wage bargains have been coming in at or below 7% a far cry from the 10% to 15% settlements that were touching off the wage-price spiral three years ago.

As against a "school's out" policy in 1969–70, business and labor today face the prospect of a tough Phase 4 being put in place under the whiplash of economic and political necessity. Its larger significance is that it will capitalize on labor's moderation and provide the basis for the price moderation needed to avoid a new game of wage-price leapfrog.

So, as I look beyond our economic wall of tears, I find that while we are headed for the economic purgatory of a growth recession in 1974, our chances of descending into the economic hell of a traditional recession (with real GNP receding) coupled with a wage-price spiral are less than 50–50.

SOME RISKY ASSUMPTIONS

However valid the broad policy comparisons I have just made may be, the relatively optimistic projection for the intermediate term that grows out of them is subject to several hazards. Underlying it are several fairly risky assumptions, namely:

That White House policy makers will belie their past and now pursue a relatively sensible course in price-wage control this year and decontrol next year;

That neither drouth nor deluge will destroy our bumper crops in the making;

That Watergate won't so engulf and enfeeble the White House as to render it inoperative;

That consumers and business decision-makers won't become so dispirited and apprehensive that they run for the economic storm cellars;

That the world won't break out in a rash of trade and monetary restrictions.

But even taking those hazards into account, and recognizing that my rather sanguine appraisal may jeopardize my cherished membership in the Nixon Enemy Association, I repeat that the economic policies and forces now in motion give us better than an even chance of avoiding the second Nixon stagnation and building a viable base for renewed economic expansion in the mid-Seventies.

CLEAN AIR ACT

Mr. MUSKIE. Mr. President, the July 6 Evening Star contained a very thoughtful column by James J. Kilpatrick on some of the questions facing the Congress and the Nation in examining implementation of the Clean Air Act. As Mr. Kilpatrick correctly points out, a number of valid questions are currently being discussed regarding the stringency of the standards and the adequacy of the health basis for those standards.

As I indicated on June 29, the Subcommittee on Air and Water Pollution of the Committee on Public Works is currently examining those questions through development of a cooperative effort with the National Academy of Sciences.

Mr. Kilpatrick also points out, however, that there is another matter which has often been ignored in recent statements we have received suggesting that the Clean Air Act standards are too stringent. That matter is the auto industry's unswerving commitment to the existing engine and their apparent unwillingness to change even in the face of overwhelming evidence that the existing engine is not the best engine to give the American public clean, fuel efficient, and safe car which they deserve. As Mr. Kilpatrick notes:

> If engineers had taken their precious overhead valve engine off the pedestal long ago, smashed the icon and started over, they wouldn't be in this humiliating fix right now.

Unfortunately, the "fix" which Mr. Kilpatrick refers to is not just a problem for the auto industy, but also for the Congress and the American public, because the public must pay and the Congress must recognize the heavy costs resulting from the industry's refusal to change.

Mr. President, I ask unanimous consent that Mr. Kilpatrick's statement be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

MORE THAN DOODADS NEEDED

(By James J. Kilpatrick)

On June 26, a General Motors vice president turned up before the Environmental Protection Agency (EPA). Spokesmen for Chrysler and Ford had been there the day before. All were pleading for the same thing—a further delay in the enforcement of federal clean air standards.

"Even though we have diligently sought solutions to meet the 1976 standards," said the gentleman from GM, "we have been unable to develop the requisite technology to meet all the requirements for 1976 models."

Put another way, what GM was saying—and the other companies also—is that they have not developed the technology to produce an emission control system for existing automobile engines. The key word is "existing." For the past 20 years, auto producers have worshipped their basic overhead valve engine, kept it on a pedestal, and regarded it with reverence as a kind of sacred icon. It is this icon worship that has them in trouble today.

Now, granted, this whole problem of "clean air" is awesomely complex. So far as the problem involves the automobile, the government is putting its reliance upon enforcing national emission standards, first as to hydrocarbons and carbon monoxide, and later for oxides of nitrogen. Yet it is generally acknowledged that the problem is "national" only in a sense: Smog is a terrrible problem in some cities, but over much of the country, most of the time, smog is no more intolerable than the common fly.

It is thus a fair question—Chrysler has raised the issue persuasively—whether EPA's standards are unreasonably high. It is another fair question, raised in February by the National Academy of Sciences, whether the billions of dollars that will be spent on emission control systems could be spent more wisely and usefully on other areas of public health. A host of fair questions have to do with the impact of the EPA requirements upon fuel consumption, foreign trade, auto design, mass transit and consumer choice.

All those questions merit debate, but forgive me, today, for sticking narrowly to the icon question. If engineers had taken their precious overhead valve engine off the pedestal long ago, smashed the icon and started over, they wouldn't be in this humiliating fix right now.

For all kinds of reasons, mainly profitable reasons, the industry has stayed by its beloved altar. Engineers vowed to protect the icon at any cost. They bolted on a new carburetor, set extra lean; they added doodads that squirt extra air to the exhaust system; they developed extensive catalytic converters that demand no-lead fuels.

The result is an engine that starts poorly, runs worse, squanders gas, burns up spark plugs twice as fast, and is not expected to give 50,000 miles of basically trouble-free service. The National Committee on Motor Vehicle Emissions, in its February report, placed the eventual annual cost of a fuel-catalyst system at $23.5 billion—a walloping sum of money.

The problem can't be solved with doodads. Those unwanted hydrocarbons are created in the combustion chamber, and a solution must be found there. Foreign manufacturers, not obsessed with icon worship, learned this long ago.

One Japanese firm, Honda, already has designed, built, tested and gained certification for a reliable engine that meets 1975 standards. Honda's control system relies on a stratified charge, in which a small amount of gasoline-rich fuel is ignited in a small chamber and the resulting combustion then ignites an overly lean mixture in a larger chamber.

The concept is not new. Army tank designers have been working with the idea for years. The Mercedes diesel engine and Wankel rotary engine apparently possess the required technology; and these engines possess it now. Belatedly, major producers have bought rights to the Wankel, but they have not exactly embraced it.

If EPA yields to the industry's pleas, we are likely to get more doodads. What we need are more iconoclasts—industry leaders who will put away old idols and turn their creative energies, just as their admen say, to producing some truly better ideas.

WITHOUT ADEQUATE FOODSTUFFS WE ARE A WEAK NATION

Mr. DOMENICI. Mr. President, I realize the pressure the administration received from the American people to place some type of controls on our ever-increasing prices and that the current 60-day freeze attempted to give this relief. I truly believe they were faced with a dilemma that could produce no winner. However, I have serious misgivings on what our Nation's food supply will look like and what the domestic and international implications will be if phase 3½ is used as a guideline to establish controls for the upcoming phase IV program. My deep concern over this issue has prompted me to wire President Nixon; Herbert Stein, Chairman, Council of Economic Advisers; John Dunlop, Director, Cost of Living Council; Earl L. Butz, Secretary of Agriculture; and Frederick Dent, Secretary of Commerce, to express how one Senator views the situation.

The administration's attempts to use phase 3½ controls to fight the inflationary spiral have erred in placing "ceilings" on only certain portions of our economy. The effects of this partial freeze have caused chaos in all areas; and producers, processors, and consumers at all levels are experiencing shortages of most food stuffs. The repercussions will be felt throughout the economy, for months; and unless steps are taken in phase IV, we could be faced with irreparable damages in our production capacity and to our international trade posture.

By exempting raw products at the farm level from price ceilings, it was expected that sufficient quantities of food stuffs would be produced to meet consumer demands at current price levels. However, as noted by Herbert Stein, the current stabilization program indirectly sets ceilings on farm prices and consequently "may restrict the supply of food entering the channels leading to the retail market". We are already seeing this pinch on supplies as processors curtail or cease production because their costs exceed their sale prices. Likewise, farmers are cutting back production as costs rise above market prices.

Chicken farmers are killing baby chicks and are ceasing incubation of eggs to avoid the cost of feeding. Some farmers have cut back 25 percent on incubation and expect additional curtailments. Egg producers report losing four cents a dozen on eggs due to feed prices being higher than the prices they receive for their eggs from retailers, therefore, they are slaughtering their hens to avoid feeding costs. The price of milk being frozen below the cost of production is causing dairymen to sell their milk cows for beef. Cattle feeders are refusing to take on cattle in a situation where they are guaranteed to lose money.

An independent cattleman and feeder from my State of New Mexico, Bill Langenegger, has given me an itemized statement of the rise in his costs of fattening steers over the past 6 months; he said the current freeze has forced him in a situation where the cost of production exceeds the current market price of raw beef. Under the present ceiling it costs him 49.5 cents per pound to fatten a steer, yet the price he can get at market for choice steers is only 46.5 cents per pound. No business can operate with a loss of 3 cents per pound. Mr. President, at this time I request unanimous consent that the complete analysis by Mr. Langenegger be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See attachment A.)

Mr. DOMENICI. Mr. President, this current situation at the feedlots not only affects the 6-to-8-month feeder cycle but more importantly it affects the number of cattle which reach the 3-to-4-year life cycle from calf to slaughter stage. These facts are causing beef producers to make long range decisions that will adversely affect the supply of beef in future years. Cattlemen are slaughtering beef before it is sent through the feeding cycle; this reduces the amount of beef by almost half. They are also avoiding breeding and are slaughtering at an early period in the life cycle. All these actions directly affect the amount of beef that will be available in years to come at our supermarket counters.

The alarming fact of the actions being taken by our dairy, egg, chicken and hog farmers, and by cattlemen is that they are not only cutting back on production, but they are also destroying the means of production.

The milk cows that were sold for meat are not readily replaceable—dairy products supplies will not bounce back. The mistake has already been made and our supplies of these and other protein commodities will be shorter for months and years to come.

Producers are not the only ones who are curtailing or ceasing their activities. Beef processors faced with a "ceiling" are also faced with a dilemma. They will cut production if live cattle prices rise, but unless they pay a price that will give the farmer a justifiable profit, they will be unable to obtain sufficient beef to meet the retail demands. The only real choice they have is to stop producing or absorb the loss.

Soybean processors are cutting back or halting production because their meal and oil is locked in at a price that is below their production costs. Soybeans are being sold at $12 per bushel, almost 50 percent above April's price. At that price processed soybeans should bring in 19 cents per pound for oil as compared to the ceiling of 16 cents per pound. Likewise, meal should sell for $390 a ton as compared to the ceiling of $200 per ton. Many plants are beginning to close as they exhaust their existing supply of soybeans, as they are unable to pay current prices for new supplies. Other feeds are experiencing ceiling prices of $20 to $50 below production costs.

Millers are suffering under a plight similar to that of the soybean processors. They contracted for processed wheat at a price set last winter which is much below the cost of wheat today. One miller pointed out that last winter he contracted for a 5-million-pound order at a price set last winter at $6.48 per 100 pounds, and it would now cost him $6.28 just to buy the wheat to make 100 pounds of flour. Replacement of supplies is impossible and obviously no business can operate under such price disparities.

Seasonal and geographic differences are also causing problems which will result in shortages in the short and longrun term. As the Eastern harvest of fresh fruits and vegetables ends, the stores in the East rely upon the harvest from the West for continuing supplies. But, because there is a ceiling on retail prices, the stores will be unable to purchase the Western commodities at the higher market price and pay the higher shipping costs. Additionally, the farmers will not have a large or strong enough market to absorb their crop at a price sufficient to experience a necessary return.

We know we are experiencing a dire shortage in our supply of foodstuffs.

As stated by Herbert Stein—

> It would be a gross error to think that price controls will succeed in the food area if supply is seriously deficient. . . . We have already taken steps to increase our food supply and . . . the only powerful instrument in that area available for the medium term future is control of exports.

With deficits in supplies, price controls will not work and prices will be like pressure cookers, ready to explode. Control of exports will not necessarily increase supplies and experts have warned us the repercussions such actions will have on our already sensitive balance-of-payment deficit.

Mr. President, Lester R. Brown directs himself to this problem in an interview by the U.S. News & World Report printed in the July 16, 1973, issue. I ask unanimous consent that the complete article be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See attachment B.)

Mr. DOMENICI. Mr. President, we can see that the current 60-day price freeze has stifled the ability of the agriculture sector to allow supply to catch up with demand. Supply is determinant upon production and phase 3½ is calculated to kill the incentive for production. If phase 4 does not clean up the problems the agriculture sector is currently experiencing, I seriously doubt that our Nation will achieve its goal of having the biggest agriculture producing year in history that Secretary Butz predicts.

Our agriculture sector is important to our Nation in both the domestic and international markets. And it is based upon production capacity. We must maximize that capacity, not minimize it. The only way to accomplish that is to reinstitute the lost incentive currently being experienced under the freeze.

It is obvious to me that when Mr. Stein states that "whatever the mechanism may be, phase 4 is obviously going to contain strong measures for holding down the rise of food prices" that these undetermined "mechanisms" had better take into consideration the whole economic spectrum and not try to isolate dependent portions as Phase 3½ has done.

Mr. President, an adequate supply of goods at reasonable prices depends upon high productivity. The current controls are calculated to discourage just that. I have encouraged our President and his economic advisers that they must modify phase 4 if production is to catch up with demand. If our economy is to continue to function on the principles of supply and demand, we must allow farmers and ranchers to make a profit or they will stop producing and the shelves at our supermarkets will be bare. We cannot allow that to happen.

ATTACHMENT A

ANALYSIS

Cost of Finish Ration, October 1972: $56.16.

Cost of Finish Ration, June 26, 1973: $75.90.

Feed cost per pound gain—October, with DES, cattle consume an average of 22 pounds feed per day and gain an average of 2.75 pounds per head per day. 221 pounds at 2.808 cents pound equals 61.776 cents plus 5 cents mill and yardage equals 66.776 cents cost per day divided by 2.75 pounds gained equals 24.282 cents per pound gain.

COST TO FATTEN STEER, OCTOBER 1972

Purchase:[1] 550 pounds at 46.50 cents equals $255.75.

Feed Cost: 550 pounds at 24.282 cents equals $133.55.

Interest: 7.25 percent for 200 days equals $12.81.

Death loss: 2 percent equals $5.12.

Medication and processing: equals $3.00.

Inspection and meat board: equals $.18.

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[1] Purchase price is average of prices paid during October taken from "Cattle Fax Market Outlook and Analysis for the Feedlot Operator".

Cost of steer fat 1,100 pounds at 37.31 cents equals $410.41.

Feed cost per pound gain—June, without DES, cattle consume an average of 22 pounds feed per day and gain an average of 2.50 pounds per head per day. 22 pounds at 3.795 cents per pound equals 83.490 cents plus 5 cents mill and yardage equals 88.490 cents cost per day divided by 2.50 pounds gained equals 35,396 cents per pound gain.

COST TO FATTEN STEER, JUNE 1973

Purchase:[2] 550 pounds at 57.75 cents equals $317.63.

Feed cost: 550 pounds at 35.396 cents equals $194.68.

Interest: 8.75 percent for 220 days equals $21.89.

Death loss: 2 percent equals $6.35.

Medication and processing: Equals $3.00.

Inspection and meat board: Equals $0.23.

Cost of steer fat—1,110 pounds at 49.435 cents equals $543.78.

NOTE: Under present beef price ceilings, the price for choice steers in our area is approximately 46.50 cents per pound.

Interest rate has increased from 7.25 percent to 8.75 percent since October.

In December, electricity charges increased approximately 10 percent.

Mill and yardage is a charge for milling and distributing feed, record keeping, labor expenses, and other expenses involved with feeding and caring for cattle.

COST OF FEED INGREDIENTS

Mineral, October 1972 $45.82 ton, June 1973 $62.40 ton.

Milo, October 1972 $56.00 ton, June 1973 $75.00 ton.

Fat, October 1972 $150.00 ton, June 1973 $280.00 ton.

Molasses, October 1972 $38.35 ton, June 1973 $72.53 ton.

Alfalfa hay, October 1972 $40.00 ton, June 1973 $43.50 ton.

Barley hay, October 1972 $30.00 ton, June 1973 $30.00 ton.

Salt, October 1972 $8.00 ton, June 1973 $8.00 ton.

Silage, October 1972 $11.50 ton, June 1973 $11.50 ton.

Gin trash, October 1972 $10.00 ton, June 1973 $10.00 ton.

R C No. 1, October 1972 $2.00 ton, June 1973 $2.00 ton.

NOTE: Farm grown ingredients have been charged at the same price with the exception of alfalfa hay. Higher feed cost due to ingredients trucked from other locations.

Prepared June 26, 1973.

ATTACHMENT B

WE RUN THE RISK OF EMPTY MEAT COUNTERS

(Interview with Lester R. Brown, an authority on U.S. and world food production)

Worldwide demand for more and better food is going to aggravate shortages in this country. That's made clear by a top expert who came to the conference room of "U.S. News & World Report" for this exclusive interview.

Also predicted by Mr. Brown: Americans may face rationing in one form or another—even if present price controls are eased to meet demands of farmers and middlemen.

Q. Mr. Brown, how long are Americans going to be faced with shortages of food and rising prices for groceries?

A. Food is going to continue to be in short supply, not only in the U.S. but around the world generally, for at least the next year. Beyond that we may be faced with chronic global food scarcity for the foreseeable future.

There will be continuing pressure on U.S. stocks, which are now at the lowest level in many years because of recordbreaking exports. As one result, I expect that the food prices Americans enjoyed during the 1960s may well be history.

Barring unforeseen developments, there is no question but that the cost of food to Americans is going to average much higher in the 1970s than it did in the 1960s. Food prices will fluctuate, as they always do, and sometimes there will be downtrends, but those will be only temporary.

Q. What is the reason for this changed situation?

A. A basic reason for the rise in food costs is that the U.S. and other affluent nations are putting great pressure on world protein supplies. Many marine biologists believe that the world catch of table-grade fish is very close to the maximum sustainable limit. Homemakers can no longer turn to fish as a relatively cheap food.

We are also having difficulty expanding beef supply, basically because we haven't found a commercially satisfactory way of getting more than one calf per beef cow per year. Nor can most U.S. ranchers increase the number of beef cows by any significant amount. There just isn't enough unused cattle range and pastureland still available.

A third area in which protein supplies are beginning to lag behind demand is in soybeans. We have not been able to achieve a breakthrough in soybean yield per acre. American farmers have increased production of soybeans fourfold since 1950, but almost entirely by expanding acreage. This year 1 acre in every 7 of U.S. cropland will be planted to soybeans. This expansion, of course, cannot continue indefinitely.

So I see little hope that food prices in this country will return to the levels that consumers enjoyed in the 1960s. We may, as well resign ourselves to remembering those days with nostalgia but without any realistic hope of seeing them again.

Q. Do you expect Phase 4 controls to curb retail food prices?

A. They should hopeffully prevent any large price increases.

However, I'm concerned that any ceilings on such items as beef may put a squeeze on ranchers and cattle feeders who are faced with very high costs for feed—corn, soybean meal and so on. Many may be forced out of business. The same is true for producers of pork, poultry and eggs.

We run the risk of empty meat counters at various times and places in the months ahead. The imposition of ceiling prices treats the symptoms but ignores the causal factors—namely, burgeoning world demand fueled by both rapid population growth and rising affluence.

Furthermore, the Administration has not fully taken into account the fact that devaluation of the dollar is pushing up prices for our grains and soybeans here at home. Following devaluation, these commodities now are cheaper for buyers in other countries, and they are competing vigorously with consumers in the U.S. for our available farm products.

Q. President Nixon has limited the export of soybeans and has asked Congress for authority to put broad controls on U.S. farm exports. Is that a good idea?

A. No, it is a serious mistake. It will clearly aggravate this country's balance-of-payments deficit—further weakening the dollar.

We must recognize that agriculture is one of the few areas where we have a strong competitive advantage. U.S. exports of agricultural commodities have shot up from 6 billion dollars five years ago to an estimated 11 billion dollars in the calendar year 1973. Those exports are keeping this nation economically afloat in a very real sense.

A limit on U.S. farm exports would further weaken the dollar. It would certainly limit our ability to import the vast quantities of petroleum that we must have from abroad to keep U.S. business and industry going. Anyone who seriously proposes limiting farm exports must also be prepared to propose a very stringent program for rationing gasoline.

For those living abroad, the U.S. decision to limit soybean exports came as a great shock. We produce two thirds of the world's soybean crop and supply 90 per cent of the exports on which the rest of the world depends. This might be comparable to the effect on us of suddenly learning that Venezuela had, without warning, cut off its exports of oil to the United States.

Q. What is the alternative to a limit on exports of farm products—food rationing?

A. That might be necessary in one form or another. You see, what we are facing here is a trade-off: We can't hold down farm exports without endangering the dollar or triggering serious energy shortages.

If there is any prospect of paying this huge energy-import bill, it lies—at least in large part—in expanding sales of farm products abroad. In such circumstances, it may very well be that Americans will have to limit the intake of certain types of food, as some other countries are doing, in order to export agricultural commodities.

Q. Can you give some specific examples of that?

A. Both Argentina and Uruguay are limiting sharply consumption of beef in order to maintain exports of this commodity for balance-of-payments reasons. Argentina has reduced per capita beef consumption from nearly 200 pounds annually a few years ago to 137 pounds in 1972.

I just don't see how this country can suddenly move to curb its exports as President Nixon has suggested. It would disrupt seriously our whole trade program.

Here we have been working for years to develop markets for U.S. farm products abroad. We've been leaning very hard on the European Common Market countries, trying to get them to liberalize their agricultural-trade policies so that we can have better access to this important market. If we now restrict our farm exports, those countries—and others—are not likely to look upon the U.S. as a reliable supplier in the future.

Q. Why is there suddenly such fierce competition for U.S. farm products in world markets?

A. Basically because world food reserves are dangerously low. World grain reserves are down to around 100 million tons. That is near the lowest level in 20 years. What makes the situation even more serious is that world consumption of grain has gone up by about 60 per cent in the past 20 years. Thus, the level of reserves in comparison to demand is far below any time in modern history.

Even with the prospect of good crops this year in both the United States and the Soviet Union, there is little hope that world stocks of grain will be replenished by any significant amount.

Q. Would it help if U.S. farmers put their idle land back into production?

A. They are doing exactly that. At least half of our 50 million acres of reserve cropland will be back in production this year. Most of the remaining cropland is so marginal that some of it may never come back in.

So we are faced with this situation: For the first time, really, since the end of World War II, the world is without either of the two important safety valves in the world food economy—surplus stocks of grain and a large reserve of U.S. cropland that could readily be brought back into production.

Q. A few years ago, there was great optimism that the world's supply of food was increasing. What has happened?

A. What has happened is that the world food problem in the '70s is changing fundamentally from the '60s.

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[2] Information taken from "Cattle Fax Market Outlook and Analysis for the Feedlot Operator" prepared for week ending June 22, 1973.

In the middle and late '60s, most of us thought of the food problem in terms of food versus population. At the end of each year we compared increases in food production and population to see which was rising faster, and it was touch and go.

In the '70s, world population growth continues to be rapid, but we're also witnessing the emergence of rising affluence as a major new claimant on world food resources. Not only are there more people, but each one—on a worldwide average—is eating more and better. A large share of world population now is in this category.

The average availability of grain in the developing countries is about 400 pounds per person per year—about a pound a day. When you have only that much grain available, you consume almost all of it directly.

As incomes go up, per capita grain use also goes up until, as in the United States and Canada, it approaches a ton of grain per person per year. Of that, we consume only about 150 pounds directly. We consume the bulk of the ton indirectly in the form of meat, milk and eggs, with the grain having been fed to animals. Much of it is eaten in the form of beef. Our per capita beef consumption in this country, for example, has increased from 55 pounds in 1940 to 117 pounds in 1972.

Q. Is this happening generally in the richer countries?

A. Yes. A group of nations—more or less the northern tier of industrial countries beginning with Britain and including Scandinavia, Western Europe, Eastern Europe, the Soviet Union and Japan—are rapidly improving their diets. In these countries, containing roughly two thirds of a billion people, rising incomes translate into additional demand for livestock products, particularly beef.

Most of these countries do not have enough of their own resources to respond entirely to that growth in demand. Therefore, they must import either some of the livestock products themselves or the feed grains and soybeans to produce the livestock.

This, in a sense, is what happened in the Soviet Union last year. The Russians have had shortfalls in their grain crop from time to time in the past. Up until this past year, they have more often than not tried to make up the difference by belt-tightening. In 1972, when faced with the decision of asking consumers to tighten belts or importing food, Soviet leaders decided on the latter. In so doing, they have had an enormous impact on world food supply and prices.

Many people don't fully grasp the magnitude of the Soviet grain imports. The Russians, in the year ended June 30, 1973, imported far more food than any country in history—an estimated 28 million tons, of which roughly 16 million was from the United States. That consisted of both wheat and feed grains. That compares with imports into India during the food-crisis years of 1966 and 1967 of just under 10 million tons per year.

Q. Is this competition for American grains going to continue?

A. I think so. We're moving into a very interesting situation in the world food economy in which two countries which have historically turned to the oceans for their animal-protein supplies—Japan and the Soviet Union—may be in trouble because of depleted world stocks of fish. If these two nations have to turn to world grain markets to offset a decline in fish supplies, we will undoubtedly see some very keen competition among the Japanese, the Russians and the West European countries for available food exports.

AS "GREEN REVOLUTION" TAKES HOLD

Q. There has been a lot of talk about increasing food production through the "green revolution." Just what does that mean?

A. I use the term to describe the introduction and spread of new high-yielding strains of wheat and rice in the underdeveloped nations. Where governments provide adequate support prices for cereals, farmers are quick to adopt the need seeds and to use the requisite imports, particularly fertilizer, and water.

Q. How successful has this "green revolution" actually been?

A. I think that by most measures it has been very successful. Too often, the "green revolution" has been evaluated by looking at food-production trends in various countries where it has been under way for some years. If these trends don't keep rising strongly, then critics say the new crops and methods have failed—that the revolution in food production was just a myth created by bureaucrats in Washington.

The only objective way to assess the impact is to ask ourselves: What would things be like had there not been a "green revolution"? The answer is that things would be very grim—especially in densely populated parts of Asia.

The new practices have made it possible for India to achieve temporary self-sufficiency in cereal grains and to donate much food to Bangladesh. Countries such as Turkey have become net exporters of wheat. Mexico, where the new dwarf wheat was first developed, has been in some recent years a food exporter.

The Philippines, which had been importing rice for half a century, became a net exporter of that commodity. But there is trouble now in the Philippines—political instability, social disintegration, some bad weather, a scarcity of fertilizer—and the country has again begun to import substantial quantities of rice.

But the growing dependence of many developing countries on food imports between 1955 and 1967 has been arrested and reversed. U. S. food-aid shipments have dropped sharply over the last few years, largely because of this progress.

Many of us look on the "green revolution" not as a panacea but as a means of buying time—time in which to bring population growth under control. If we don't succeed on the population front, we will not have succeeded at all. We've got to slow and eventually stabilize population. If we can do that, then we've got a chance of eliminating hunger and malnutrition.

Q. Could the underdeveloped nations of the world do more to meet their own food needs?

A. Yes. They have a great deal of unrealized agricultural-production potential. India has only begun to tap its potential. In other countries—Thailand, Indonesia, Brazil—the possibility for raising yields is very good.

The key in many cases is the development of water resources and continuation of U.S. support of the kind which launched the "green revolution" in these countries.

IF UNITED STATES HAS A BIG CROP FAILURE

Q. Mr. Brown, is it possible that there will again someday be a large-scale crop failure in the United States, as there was in the 1930s?

A. It is certainly possible. In this country we have a history of multiyear droughts recurring in a 20-year cycle going back to the Civil War. We can be reasonably certain that one of these years again we'll have very little rainfall in North America. This is something that the world and the United States need very much to keep in mind.

I don't think the failure would be as bad as it was in the '30s. Our modernization of agriculture, better management of soils, strip cropping, and the expansion of irrigation would reduce the impact of a series of poor rainfall years. But the world, which is increasingly dependent on America for food, could not tolerate the 30 or 40 per cent decline in some major crops that occurred in some years during the '30s.

This situation further underlines the need for a global food reserve. If we should ever come into a really tight situation with two or three consecutive poor crop years in this country, the world would be in a very precarious situation.

I also think there is a need for the United States to adopt officially a policy of population stability as a national objective. I mention this because our credibility in the international arena is being undermined by the fact that we're pressing other countries to slow their population growth, particularly those receiving aid, while we ourselves do not have an official policy to do so.

Fortunately, we are in fact moving toward population stability in the U.S. Further declines in the birth rates in the early part of this year indicate we're moving even more rapidly than we had thought, and it's just a matter of taking the necessary policy decisions so as to get political credit for what we're already doing.

FDA'S POLICY ON VITAMIN-MINERAL PRODUCTS

Mr. NELSON. Mr. President, the Food and Drug Administration has responded to a letter which five Members of the Senate sent May 7, 1973, seeking clarification of recently finalized regulations governing nutritional labeling and standards of identity for vitamins and food supplements.

I ask unanimous consent that our letter of inquiry and the FDA's response be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE
ON LABOR AND PUBLIC WELFARE,
Washington, D.C., May 7, 1973.

Mr. PETER B. HUTT,
General Counsel, Food and Drug Administration, Rockville, Md.

DEAR MR. HUTT: The Food and Drug Administration's nutritional labeling regulations and standards of identity for food supplements have generated enormous interest and questions from the public.

As a follow-up to conversations between some members of our staffs and your office, we would like clarification of some of the issues raised in those conversations. Responses to the following questions would provide that clarification.

I. CONCERNING STANDARDS OF IDENTITY FOR FOOD SUPPLEMENTS

A.—Is a vitamin-mineral preparation containing more than 150% of the Recommended Daily Allowance (RDA) automatically considered a drug under these proposed regulations, or can it be considered a "food represented for use solely under medical supervision in the dietary management of specific diseases and disorders" (Sec. 125.1(h))?

B.—How many and what kinds of vitamin-mineral preparations are likely to become regulated as prescription drugs? How many and what kind are likely to be regulated as Over-the-Counter (OTC) drugs?

C.—What affect does labeling a vitamin preparation as an OTC drug have on vitamin manufacturers as a result of state laws? It has been claimed that California state law would make it difficult, if not impossible, for vitamin manufacturers to remain in business if vitamins were to be regulated as drugs.

D.—What Federal drug regulatory requirements would become applicable to vitamin-mineral products if they become regulated as OTC or prescription drugs?

Will companies be required to file Investigational New Drug Applications (INDs) or

New Drug Applications (NDAs), to register as manufacturers, or any other things now required for approval of drugs?

E.—What is your judgment or that of the FDA as to what or how many vitamin-mineral products now on the market will be forced off the market because of these regulations?

It was suggested to Congressional staff personnel that few, if any, products would be pulled off the marketplace as a result of the regulations. However, several manufacturers have stated that their interpretation of the regulations means that they will not be able to continue in business.

II. CONCERNING LABELING OF SPECIAL DIETARY PRODUCTS

A.—The regulations state that a food will be considered misbranded if a claim is made "That a well-balanced diet of ordinary foods cannot supply adequate amounts of nutrients" (Sec. 125.2(b) (2).

Is this justified, in light of the fact that a significant amount of information has been generated to show that what many people consider a "well-balanced diet of ordinary foods" is not, in fact, an adequate nutritional diet?

B.—When can a claim be made "That the lack of optimum nutritive quality of a food, by reason of the soil on which that food is grown, is or may be responsible for an inadequacy or deficiency in the daily diet" (Sec. 125.2(b) (3)?

During Congressional staff briefings, it was indicated by your office that such claims could be made if they could be substantiated, i.e., when it could be shown that the soil the food was grown in was indeed superior.

C.—When can a claim be made "That the storage, transportation, processing, or cooking of a food is or may be responsible for an inadequacy or deficiency in the quality of daily diets" (Sec. 125.2(b) (4)?

D.—Under what authority and by what scientific mechanism does the FDA find that the following are "of no significant value or need in human nutrition," and cannot by regulation be combined with other dietary properties: "rutin, other bioflavonoids, paraminobenzoic acid, inositol, and similar substances which have in the past been represented as having nutritional properties but which have not been shown to be essential in human nutrition" (Sec. 125.2(b) (5)?

E.—Have the following changes been made, as discussed in staff briefings, in Sec. 125.2, General label statements; dietary properties; value; placement: add the words "well-balanced" between "a" and "diet" in Sec. 125.2 (b) (2); and add the word "daily" between "of" and "diets" at the end of Sec. 125.2(b) (4)?

III. CONCERNING THE VITAMIN SUPPLEMENT MARKET AND REGULATION

A.—Will treating vitamin-mineral products as drugs work an economic hardship on consumers? At least one manufacturer of vitamin-mineral products claims that the vitamin regulations will increase the cost of his products by 60%.

B.—Will these regulations have the effect of putting small independent manufacturers out of business, and of transferring their market to large food and drug manufacturers? This allegation has been made by spokesmen for both consumers and industry.

C.—Would the FDA be better able to regulate vitamin-mineral products if the Food, Drug and Cosmetic Act contained a definition of "nutrients"?

D.—Given the state of the art and knowledge in nutrition research, which we understand is still in early stages of development, does the FDA anticipate possibly having to change the levels of RDA as promulgated in these regulations?

E.—Has the FDA recommended procedures for establishing what is of "significant value or need in human nutrition", other than to seek advice from outside experts and panels set up by the National Academy of Science?

F.—The "imitation" labeling regulation does not require the word "imitation" on a food product that is not found to be "nutritionally inferior" to a comparable non-imitation product.

While this regulation is apparently designed to ensure that imitation products of good quality are marketable and not misleading as to their contents, the regulation appears actually to violate the existing law.

Section 403(c) of the F, D & C Act states: "A food shall be deemed to be misbranded . . . if it is an imitation of another food, unless its label bears, in type of uniform size and prominence, the word 'imitation' and, immediately thereafter, the name of the food imitated."

(1) Does the FDA believe a change in the law is necessary, along the lines of the regulation?

(2) What is the defintion of "nutritionally inferior" and how was it arrived at?

(3) Could this regulation open the door to marketing of a proliferation of "imitation" products and substitute foods containing food additives or ingredients that have not been subjected to agency judgment prior to marketing, thus granting so-called "imitation" products a special privilege not granted traditional foods?

G.—What constitutes a "claim" for a vitamin, mineral or food supplement? Does merely calling a product a "vitamin", etc., constitute a "claim", thus requiring the product to meet nutritional labeling standards and to be judged by an Over-the-Counter Review Committee on Vitamins and Minerals?

IV. CONCERNING THE OVER-THE-COUNTER REVIEW COMMITTEE FOR VITAMINS AND MINERALS

A.—Will this committee have the authority to recommend which products will stay on the market and which will be removed?

B.—When will it be formed and how will members be chosen? What will be its final make-up?

C.—Do all vitamin-mineral products that exceed 150% of the RDA become products subject to review by this committee?

D.—If the committee has the authority to recommend removing products from the market, what criteria will it use?

E.—What criteria will it use to determine which products will be OTC drugs and which will be prescription drugs?

V. GENERAL QUESTIONS

A.—If a product is labeled, "for treatment of vitamin or mineral deficiency only," under these regulations is such a product containing more than 150% of the RDA a "drug" or a "food"?

B.—Assistant Secretary of HEW for Health and Scientific Affairs, then FDA Commissioner Dr. Charles Edwards, was quoted in a January 18, 1973 Washington Post article saying the new regulations represent a "crackdown" on so-called health food manufacturers or "food faddists". What was meant by this statement in terms of the regulations' implications for the health food supplement industries?

Thank you for your help.

Sincerely,

GAYLORD NELSON,
U.S. Senator.
GEORGE MCGOVERN,
U.S. Senator.
ALAN CRANSTON,
U.S. Senator.
MICHAEL HARRINGTON,
U.S. Representative.
BOB ECKHARDT,
U.S. Representative.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
July 9, 1973.

Hon. GAYLORD NELSON,
Hon. GEORGE MCGOVERN,
Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.
Hon. MICHAEL HARRINGTON,
Hon. BOB ECKHARDT,
House of Representatives,
Washington, D.C.

GENTLEMEN: This is in response to your joint letter dated May 7, 1973, which was received in my office on May 21, raising a number of questions about the Food and Drug Administration's policy on vitamin-mineral products.

We very much appreciate the opportunity to clarify this matter for you. Partly because of the complexity of these matters, and partly because of erroneous contentions made by some groups who oppose the new regulations, there are widespread misconceptions of the FDA policy on vitamin-mineral products.

In order to respond to your inquiry in a clear and comprehensive way, this letter will first summarize exactly what the new regulations entail, and will then answer the specific questions raised in your letter.

In the Federal Registers of January 19 and March 14, 1973, (38 FR 2123, 6949), FDA published a series of proposed regulations, tentative orders, and final regulations, dealing with food labeling. Three of these documents deal directly with vitamins and minerals: (1) the final nutrition labeling regulations, 21 CFR 1.17 (38 FR 2125, 6951); (2) the tentative order on a standard of identity for dietary supplements of vitamins and minerals, section 80.1 (38 FR 2152); and (3) the tentative order on special dietary food labeling, sections 125.1–125.3 (38 FR 2143). Copies of these documents are enclosed.

The regulations establish a U.S. Recommended Daily Allowance (U.S. RDA) for 19 essential vitamins and minerals. The U.S. RDA's are based upon the levels currently set as Recommended Dietary Allowances by the National Academy of Sciences, which has regularly reviewed and revised these levels since it began this work in 1940, and will be changed from time to time as new nutritional information is obtained. The U.S. RDA levels are sufficient to maintain good nutrition in practically all healthy persons in the United States. These levels reflect the best nutritional knowledge and judgment in this country.

The regulations then classify products containing vitamins and minerals into the following three basic categories.

1. *Food products.* Any food product may contain an added nutrient so that, when combined with the naturally-occurring amount of the nutrient, the total content in the product is less than 50 percent of the U.S. RDA per serving. No dietary supplement or therapeutic claims may be made for nutrients at this level. Ordinary food, whether or not fortified, is of course the primary source of nutrients in the daily diet.

The new regulations establish no requirement or prohibition with respect to addition of nutrients to any particular food. Existing standards of identity for some foods (e.g., enriched bread) require specific fortification, and new nutritional quality guidelines for other foods (e.g., frozen "heat-and-serve" dinners) will from time to time be promulgated by FDA to establish proper fortification levels. Except where such specific regulations state otherwise, essential nutrients may be incorporated in ordinary food, or may be marketed in other forms, at less than the level of 50 percent of the U.S. RDA as long as there is a rational nutritional basis for the fortification and unwarranted claims are not made for the product. Fortified foods must bear full nutrition labeling under 21 CFR 1.17 of the new regulations in order to provide the consumer with a complete and accurate nutritional profile of the product.

2. *Dietary supplements.* The 19 essential vitamins and minerals may be marketed as dietary supplements either in food form (e.g., a fortified breakfast cereal) or in the usuel tablet or capsule form at levels between 50 percent and 150 percent of the U.S. RDA. FDA recognizes that such products are appropriate for supplementation of the daily diet for those people who may not consume an adequate diet and wish to be assured of receiving their daily supply of essential vitamins and minerals.

Although 100 percent of the U.S. RDA per day form all dietary sources is sufficient to meet the nutritional needs of essentially any healthy individual, FDA has provided for an additional 50 percent of the U.S. RDA in dietary supplement products in recognition of the possibility that nutritional needs may vary greatly among individuals. Thus, the permitted range covers the dietary supplement needs of all individuals, except for circumstances where consultation with a physician is appropriate. And it must be remembered that these amounts are in addition to the nutrient content of the individual's daily diet, which may well represent a full 100 percent of the U.S. RDA's by itself.

The market today contains products with thousands of different combinations and levels of vitamins and minerals. FDA has reviewed these combinations on the basis of evidence presented at a two-year hearing (1968–1970), and will permit as dietary supplements for adults under the new regulations the following basic products containing vitamins and minerals within the 50 percent to 150 percent range:

1. Any of the individual 12 essential vitamins or 7 essential minerals specified.
2. All 9 of the mandatory essential vitamins specified, with or without all 3 of the optional essential vitamins specified.
3. All 9 of the mandatory essential vitamins specified plus the essential mineral iron, with or without all 3 of the optional essential vitamins specified.
4. All 5 of the mandatory essential minerals specified, with or without the 2 optional essential minerals specified.
5. All 14 of the mandatory essential vitamins and minerals specified, with or without all 5 of the optional essential minerals specified.

Because these products are intended to supplement the diet to assure adequate consumption of all essential nutrients, no scientific basis for any other combinations could be found. Nevertheless, FDA is also permitting submission of petitions requesting additional combinations of nutrients that can be shown to have a nutritional rationale, and will amend its regulations to include any such products in the future.

3. *OTC and Rx drugs.* All products containing a vitamin or mineral at a level higher than 150 percent of the U.S. RDA (except for vitamins A and D and folic acid which have a maximum dietary supplement level of 100 percent of the U.S. RDA) are classified as drugs. These levels are unnecessarily high for dietary supplement purposes, and it would be misleading if they were allowed to be so represented. Any person who receives 150 percent of the U.S. RDA of the essential nutrients from a dietary supplement, in addition to the nutrients he receives from his daily diet, will greatly exceed all known nutritional needs. Thus, nutrient levels higher than 150 percent are appropriate only for the treatment of nutrient deficiencies or for other medical purposes.

As with all drug products, it is necessary for FDA to differentiate between those levels and indications for which these high-potency vitamin-mineral products may be sold over the counter (OTC) and those levels and indications for which a prescription (Rx) will be required. High-potency OTC vitamin-mineral products have been available for many years, and FDA does not intend to require all high-potency vitamin-mineral products to be sold on prescription. FDA has established a procedure under which the permissible formulation and labeling of OTC products will be determined within the next few years. A copy of the procedure developed for this review is enclosed, 21 CFR 130.301 (37 FR 9464). In the interim, FDA is permitting existing OTC products to remain on the market unchanged as long as they are prominently designated for drug purposes, are not represented for dietary supplement purposes, and contain no false or misleading claims.

In addition to the establishment of these three basic classes of vitamin-mineral products, the regulations prevent consumer deception through use of false implications that various nonessential food ingredients have proven nutritional value and false claims that the American diet is nutritionally inadequate. It has been common for some manufacturers to combine such unproven ingredients as bioflavonoids, rutin, and inositol with such essential nutrients as vitamin C and iron, thus implying that they are all nutritionally valuable for supplementation of the daily diet. The courts have sustained FDA legal action to prevent such practices, and the new FDA regulations preclude this type of combination in the future. Nevertheless, the regulations also clearly provide that these food ingedients, although of no special nutritional value, may be sold as food items. Thus the public will retain the right of free choice to eat any safe substance that it may choose, as long as false claims or implications are not involved.

Similarly, it has been common for some manufacturers to state or imply that the American diet is inadequate because of soil deficiencies, commercial processing methods, use of synthetic nutrients, and similar charges. FDA recognizes that these false statements have misled, scared, and confused the public, and is prohibiting any such general statements in the future. This will not prevent a manufacturer from truthfully representing a product to be of nutritional value where that is in fact the situation.

Thus, the purpose of the new FDA regulations is to distinguish between the three basic uses of nutrients (in food as a part of the ordinary diet, in dietary supplements as insurance against the possibility of an inadequate diet, and in drugs for therapeutic purposes) to prevent irrational and unjustified combinations of nutrients in dietary supplements, and to prohibit unwarranted and false claims about ingredients that have no proven nutritional status in the American diet. The medical and nutritional professions have shown strong support of this policy, and we believe that it will directly benefit the entire American public.

In light of this general explanation of the new FDA regulations, we will now answer the specific questions enumerated in your letter of May 7.

I. CONCERNING STANDARDS OF IDENTITY FOR FOOD SUPPLEMENTS

A. A vitamin-mineral product labeled as containing more than 150 percent of the U.S. RDA is inherently a drug unless it falls within the very narrow exception contained in Section 125.1(h) of a "food represented for use solely under medical supervision in the dietary management of specific diseases and disorders." Such foods, intended primarily to provide sound nutrition to sick persons rather than to treat a disease, include formulated food products for patients with inborn errors of metabolism (such as phenylketonuria), complete chemical foods used to provide sound nutrition to hospitalized patients who require low bulk, and similar products. We are unaware of any such products that would be available to the general public through grocery stores or health food stores. Thus, this is an extremely narrow exception that would seem to have no application whatever to the general public.

B. FDA fully supports the concept of proper self-medication. It is our general conclusion that there should definitely be OTC vitamin-mineral drugs available to the consumer. Without attempting to prejudge the issues to be placed before the OTC vitamin-mineral drug review panel that will be considering this matter, we do not anticipate a decision that all vitamin-mineral products containing nutrients at levels higher than 150 percent of the U.S. RDA must be on prescription.

In our view, the basic mission of the OTC panel is to determine (1) appropriate dividing lines between OTC and Rx status for each essential nutrient, (2) appropriate combinations of nutrients for OTC drugs, and (3) appropriate labeling claims and warnings for OTC drugs. It will undoubtedly be true that the precise dividing line between OTC and Rx status will vary from nutrient to nutrient, depending upon whether it is more highly toxic (e.g., vitamins A and D) or relatively nontoxic. Additional toxicity studies may also be required by the panel for some nutrients which are now being consumed at levels far higher than are natural or normal.

FDA has proposed, in the Federal Register for December 14, 1972 (37 FR 26618), that vitamins A and D be placed on prescription at levels in excess of 400 and 10,000 International Units respectively, because of potential toxicity at higher levels. Comments have been received on that proposal, and a final order will be promulgated in the Federal Register when they have been analyzed and a decision is made on the final regulation.

Even where FDA has, because of potential toxicity, proposed to place restrictions on the use of vitamins A and D, we have at the same time proposed to permit the continued use of these nutrients in OTC drugs. Vitamin A would be permitted for adults in foods at levels up to 2,500 I.U., in dietary supplements between 2,500 and 5,000 I.U., in OTC drugs at between 5,000 and 10,000 I.U., and in prescription drugs at higher than 10,000 I.U. Thus, anyone who wishes to market a "complete" OTC vitamin-mineral drug product would still be able to include a reasonable amount of vitamin A. The same is true of vitamin D.

C. We doubt that labeling a vitamin preparation as an OTC drug will have any significant effect on vitamin manufacturers under State laws. OTC drugs are commonly sold in food stores throughout every State in the country. Laws attempting to restrict sale of OTC drugs to drugstores have generally been struck down as unconstitutional or have simply been repealed by State legislatures. The only restrictive provision of California law with which I am familiar is the one that limits sale of "poisons" to pharmacists. We would, in any event, be happy to work with State officials to correct any problems that may exist.

D. Vitamin-mineral products that are drugs are subject to all of the mandatory drug provisions of the Federal Food, Drug, and Cosmetic Act. Manufacturers of these products must register and list their products with FDA under Section 510 of the Act pursuant to recently-promulgated regulations, 21 CFR Part 132 (38 FR 6258). Registration requires that FDA inspect the manufacturing facilities at least once every two years. Manufacturing of the product must be done in accordance with good manufacturing practices as spelled out in FDA regulations, 21 CFR Part 133.

In general, however, these requirements are not unduly burdensome and should be followed regardless whether the products are classified as food or drugs. Food establishments are presently required to follow good manufacturing practices in accordance with FDA regulations, 21 CFR Part 128, and are also subject to FDA inspection. The additional registration and listing requirements are certainly in the public interest and impose no significant burden.

Pending the OTC drug review, FDA will not require an IND or NDA for any vitamin-mineral product that is an OTC drug. The purpose of the OTC drug review is to establish monographs for products which, in the future, may also be marketed without an IND or NDA. Only those products that fall outside the OTC vitamin-mineral monograph, either because of their formulation or because of their claims, would in the future require an IND or NDA to justify the deviation from the monograph.

With regard to prescription vitamin-mineral drug products, we anticipate that some IND's and NDA's may be required for new types of medically important products, particularly for those that are administered intravenously. As we understand your letter, however, this is not of any particular concern.

E. The only vitamin-mineral products now on the market that will be "forced off" because of the FDA regulations are those that have inherently irrational formulations or rest solely upon unsupportable claims. The vast majority of the vitamin-mineral products affected by the new regulations will require only reformulation and relabeling. We cannot believe that any manufacturer will be unable to continue in business. Such statements are emotional reactions, perhaps due to some of the erroneous statements that have been made about the new regulations, and do not reflect an accurate understanding of the regulations.

As with all OTC drugs, some reformulation and relabeling will unquestionably be required as a result of the OTC drug review. That is the entire purpose of the OTC drug review. Unwarranted claims and unwarranted ingredients must be deleted. This is as true for vitamin-mineral drugs as it is for antacid drugs or any other OTC drugs.

It is important that you appreciate the enormous number of fradulent vitamin-mineral products now available in the marketplace. These products are sold with all forms of unjustifiable claims. I am enclosing a copy of a compilation of the legal actions that FDA took against products of this type during just the short period of April 15, 1960, through September 30, 1963, to illustrate the problem FDA faces. I am confident that you agree with us that products with claims of this type cannot be permitted to remain on the market.

On the other hand, we have no intention of restricting or hindering the continued marketing of legitimate OTC vitamin-mineral drugs containing essential nutrients and bearing drug claims that are recognized as appropriate for these products. It is the purpose of the OTC drug review to establish the proper standards for such products.

Concern has been expressed that, because of provisions of the regulations prohibiting the commingling of essential nutrients with unneeded additional food ingredients such as the bioflavonoids, the latter will be unavailable. This simply is not true. Although we would not allow, for example, an OTC drug to contain vitamin E and bioflavonoids, all that would be required would be to reformulate any such product into two separate products. Any consumer who wishes to consume bioflavonoids or any of the other nonessential food ingredients that are commonly promoted by health food stores, but which have no recognized place in human nutrition, will continue to find those substances available either as separate products or in combination with other similar food ingredients. In short, no American consumer will be deprived of his freedom to choose to continue to consume these products. All that FDA intends to do is to make certain that they are not misrepresented, either by the claims made for them or by the ingredients with which they are combined.

II. CONCERNING LABELING OF SPECIAL DIETARY PRODUCTS

A. Section 125.2(b)(2) prohibits any claim "that a diet of ordinary foods cannot supply adequate amounts of nutrients." (In promulgating 21 CFR 1.17(i)(2) this was amended to prohibit any claim "that a balanced diet of ordinary foods cannot supply adequate amounts of nutrients," and we anticipate that section 125.2(b)(2) will be revised in the same way.)

It is our understanding that no one questions the fact that a balanced diet of ordinary foods does in fact supply adequate amounts of all nutrients. If this were not true, man simply could not have survived this long.

We do recognize, of course, that some people do not eat a balanced diet of ordinary foods, and that, as your letter states, some people do not know what a "balanced diet of ordinary foods" means. We have no objection to the promotion of dietary supplements as "insurance" against the possibility that the individual daily diet is not balanced or, in any event, does not contain all the essential nutrients. The provision in section 125.2(b)(2) in no way prohibits claims of this type. This does not, however, justify the use of false claims that a balanced diet does not supply adequate nutrition.

We strongly support programs that will convey to the public information on a balanced diet. Indeed, this is the very purpose of the nutrition labeling for which we have promulgated detailed regulations in 21 CFR 1.17. Under nutrition labeling, the consumer will be able to see, at a glance, whether his daily supply of essential nutrients is adequate. This is far preferable, we believe, to the use of labeling claims that simply perpetrate false information about the adequacy of the daily diet.

B. & C. Section 125.2(b)(3) prohibits any claim "that the lack of optimum nutritive quality of a food, by reason of the soil on which the food is grown, is or may be responsible for an inadequacy or deficiency in the daily diet." (In promulgating 21 CFR 1.17(i)(3), the last phrase in this prohibition was changed to read "an inadequacy or deficiency in the quality of the daily diet," and we anticipate that section 125.2(b)(3) will be revised in the same way.)

Section 125.2(b)(4) similarly prohibits any claim "that the storage, transportation, processing, or cooking of a food is or may be responsible for an inadequacy or a deficiency in the quality of diets." (The last phrase has been amended in 21 CFR 1.17(i)(4) to state "in the quality of the daily diet," and we anticipated that section 125.2(b)(4) will also reflect this change.)

These prohibitions are intended to prevent unsupported generalizations that the entire American diet is grossly deficient in nutrients because of soil, transportation, and processing, and thus that dietary supplements are essential to good health and well-being. Such claims have often been used in promotional literature for vitamin-mineral products in the past. These prohibitions do not, however, preclude a manufacturer or distributor who has adequate scientific data to show a higher nutrient retention in his product than in a competitor's product from making that claim. Nor do they prohibit a claim that a particular food has a higher nutrient content than is ordinarily true because of the soil on which it is grown, if that claim is backed up by adequate scientific data showing the differences between the soils involved and the resulting nutrient differences in the foods. Finally, a manufacturer may, without question, suggest cooking or handling methods for optimum nutrient labeling under 21 CFR 1.17, and thus the specific basis for the claim will be readily apparent to the consumer.

This position has been fully stated in paragraph 44 of the preamble to the nutrition labeling regulations published in the Federal Register of March 14, 1973 (38 FR 6951, 6958), and thus has already been publicly enunciated by FDA.

D. Section 403(j) of the Act provides that a food is misbranded:

"If it purports to be or is represented for special dietary uses, unless its label bears such information concerning its vitamin, mineral, and other dietary properties as the Secretary determines to be, and by regulations prescribes as, necessary in order fully to inform purchasers as to its value for such use."

In addition, Section 403(a) provides that a food is misbranded "if its labeling is false or misleading in any particular" and Section 401 authorizes the Secretary to promulgate standards of identity for food to promote honesty and fair dealing in the interest of consumers. Under these three statutory provisions, FDA has issued three separate regulations, each of which prohibits the combination of essential nutrients with various food substances which have been represented in the past as having nutritional properties but which have not been shown to be essential or useful in human nutrition: 21 CFR 1.17(i)(5) and sections 80.1 and 125.2(b)(5) (the latter two are tentative orders which will be the subject of final decisions shortly).

Following the 1968–1970 hearing on vitamin-mineral products, during which evidence was received on the value (or lack thereof) in human nutrition of any substance on which any individual wished to present evidence, FDA concluded that such food ingredients as the bioflavonoids and para-aminobenzoic acid have not been shown to be essential or useful in human nutrition. Separate litigation on this issue has uniformly sustained our position, and indeed there has been no decided case of which we are aware in which a court has determined that these substances are of significant value or need in human nutrition. See *United States* v. *Vitasafe*, 226 F. Supp. 266 (D.N.J. 1964), *aff'd*, 345 F.2d 864 (3d Cir. 1965), *cert. den.*, 382 U.S. 918 (1965) and *United States* v. *Nuclomin*, No. 71 C 585 (E.D. Mo. 1972) and U.S. v. Nuclomin, No. 72–1626, U.S. Court of Appeals, 8th Circuit, July 9, 1973, copies of which are enclosed.

In the Federal Register of January 19, 1973, FDA published 21 CFR 1.17 (i)(5) and provided an additional 30 days during which comment could be submitted (38 FR 2125, 2163). In the Federal Register of March 14, 1973, FDA reviewed in detail the comments submitted, and noted that "No data or information were submitted to show that any of these ingredients is essential in human nutrition or otherwise beneficial to health" (38 FR 6951, 6958). Thus, all interested persons have had an opportunity to provide data to FDA on this matter as recently as January of this year, and none has accepted that opportunity. Since no data were submitted to establish the value of such ingredients, we can only conclude that such data do not exist.

The standard of identity for dietary supplements of vitamins and minerals issued under section 401 of the Act excludes such food ingredients of unproven nutrient value. The Supreme Court has upheld the use of food standards to exclude particular ingredients, even when they are of proven nutritional value. *Federal Security Administrator* v. *Quaker Oats Co.*, 318 U.S. 218 (1943).

Section 403(a) of the Act permits FDA to prohibit false and misleading labeling. Section 403(j) of the Act permits FDA to establish what must be said about nutrients of proven value, and thus implicitly, as the necessary converse, to prohibit false claims of value for ingredients of no proven nutritional value. All of the regulations state that it is false and misleading to combine nutrients of proven value with food factors of unproven nutritional value because of the clear implication that the latter have nutritional value similar to the former. The courts have upheld this principle in the *Vitasafe* and *Nuclomin* cases cited above.

We believe that our legal authority to issue these regulations is readily apparent in the statute. Should there be disagreement, however, the matter will properly be resolved by the courts.

We have carefully considered whether fully explanatory labeling could be devised which would adequately explain that such ingredients are of unproven nutritional value. Unfortunately, such disclaimers as "the need for this ingredient in human nutrition is not established" have long been used to promote the sale of products by offering by implication the suggestion that there may be at least some evidence of nutritional value even if such need has not been fully established. Obviously, the need in human nutrition of the vast majority of additives has not been established, and it would be as misleading to permit food products to carry such disclaimers for these ingredients as it would be to permit them to state that the value of these additives in curing cancer has not been established. The courts have uniformly agreed that such disclaimers are insufficient to prevent otherwise misleading labeling from being deceptive. See, e.g., the *Nuclomin* case cited above; *United States* v. *47 Bottles . . . Jenasol RJ Formula*, 320 F.2d 564 (3d Cir. 1963), *cert. den.*, 375 U.S. 953 (1963); and *United States* v. *Millpax, Inc.*, 313 F.2d 153 (7th Cir. 1963), *cert. den.*, 373 U.S. 903 (1963). The only type of label representation that might possibly be sufficient to explain the truth about such ingredients would be a statement that there has been widespread fraudulent promotion that they have nutritional value when in fact they are nutritionally worthless and add nothing of value to the diet. We have concluded that the approach adopted in the regulations, of permitting the marketing of these products without any nutritional claims whatever, is preferable to any such statement.

Thus, these substances may be marketed by themselves or in combination with other similar substances with truthful and informative labeling, just as any other food product. Although the formulation of some combination products may well be required to be changed, no manufacturer or consumer need be concerned about the continued availability of these various substances under the new regulations. FDA strongly believes in the principle of freedom of informed choice. Under the new regulations, any person who wishes to consume, for example, rutin and iron will be able to purchase those products separately and consume them together. They may not be combined in a single product, however, and no nutritional claims may be made for rutin. Thus, no consumer will be misled into thinking that rutin is of comparable nutritional value to iron, or indeed that rutin is of any known nutritional value.

E. In response to several comments, the prohibitions contained in 21 CFR 1.17(1) were modified when they were republished in the Federal Register of March 14, 1973 (38 FR 6951). These modifications are discussed in paragraphs 42–44 of the preamble to that final order, and have also been discussed above in response to questions II(A)–(C) of your letter. In general, the modifications to which your letter refers have been adopted, although the final wording is slightly different from that set forth in your letter. For example, the word "balanced" has been used rather than the term "well-balanced" because the word "well" was considered superfluous and possibly confusing. Similarly, the phrase "of the daily diet" is used rather than "of daily diets," to make it consistent with other wording in the regulation. In both instances, however, the sense of the regulation is now the same as that suggested in your letter.

We anticipate that these modifications will also be made in the final order on sections 80.1 and 125.2. Should any additional modifications be made in the prohibitions there, we will also amend 21 CFR 1.17 so that it is entirely consistent.

III. CONCERNING THE VITAMIN SUPPLEMENT MARKET AND REGULATION

A. We know of no economic hardship on consumers or manufacturers that could result from handling high-potency vitamin-mineral products as drugs. Indeed, this will clearly work an economic benefit for consumers, who for the first time will begin to receive accurate information on the different uses of different levels of nutrients.

The cost to a manufacturer of the bulk nutrients needed to produce a multivitamin supplement for adults containing all of the ten mandatory vitamins listed in Section 80.1 is approximately $1.90 per 1,000 tablets, or 19c per 100 tablets. The overhead, production costs, and mark-up on this product will undoubtedly vary from company to company, and will depend largely upon the amount of promotion expended by a manufacturer or distributor.

We have already discussed the extremely modest differences between regulation of a vitamin-mineral product as a special dietary food and as an OTC drug. These differences could in no way support an increase in product cost of 60 percent, and it is doubtful that any increase in cost whatever could be justified on this basis. The initial cost of changes in formulation and labeling will be amortized over the entire life of the product. We would be interested in learning what changes in production or other requirements are being claimed that could possibly result in any purported increase in product cost.

There is no need for concern that any person will be unable to obtain a sufficient quantity of the essential vitamins and minerals. Not only does 100 percent of the U.S. RDA levels for vitamins and minerals supply the daily needs for virtually all healthy individuals, but an additional 50 percent margin of safety has also been allowed in a dietary supplement. This 150 percent of the U.S. RDA in a dietary supplement is in addition to the roughly 100 percent of the U.S. RDA that would also be obtained from the ordinary balanced diet. On top of this, additional quantities of vitamins and minerals may be obtained as OTC drugs. All of these products may, of course, be consumed in any daily quantity that the individual chooses. Thus, if there is any concern with these regulations, it may be that they are too lax. Because of these various different sources of nutrients, it is entirely possible that individuals may routinely receive several times the U.S. RDA levels per day. It is apparent that no person will be denied access to high levels of vitamins and minerals if he wishes to consume them.

B. Since the new regulations will have little effect on product cost, they could not either put small manufacturers out of business or transfer their market to large manufacturers. We know of no factual basis for any such allegations.

Such allegations appear to be largely a response used by some to obscure the basic purpose and intent of the regulations.

To the extent that the regulations will eliminate false and misleading claims for vitamin-mineral products, and irrational combinations of nutrients, products will undoubtedly be required to be reformulated and/or relabeled under the new regulations. This objective is certainly one to be desired, however, and the regulations should not be opposed on this basis.

C. A definition of "nutrients in the Act would in no way affect our regulation of vitamin-mineral products. No such definition could reasonably state that food ingredients of unproven value are "nutrients," nor could any such definition reasonably authorize false or misleading claims for such ingredients. A full two-year public hearing has already been held to obtain evidence on the nutritional value of food substances, and an opportunity for submission of additional material with respect to all three regulations affecting vitamin-mineral products has recently been provided in the Federal Register. Every interested person has been provided ample opportunity to submit to FDA scientific evidence to show the value in human nutrition of any ingredient in which he is interested.

A definition of "nutrients" would not change the present law, under which any substance intended for therapeutic purposes is regarded as a "drug." Nor would any such change be in the public interest. Numerous nutrient solutions for intravenous use are available, and extremely high levels of nutrients that are seriously toxic if misused have also long been available for use solely on the prescription of a physician. The toxicity of such other essential nutrients as fluorine has similarly led to well-accepted restriction to prescription status, and we have no justification for changing this status at the present time. A redefinition of "drug" to reclassify such products as foods would make them available for self-medication, without restriction.

In short, we can discern no useful purpose to be served by a Congressional definition of "nutrients." We believe that the new FDA regulations, by differentiating between essential nutrients and food ingredients of unproven nutritional value, and by permitting the marketing of each under truthful labeling, fully serve the public interest.

D. All of the recent FDA regulations relating to vitamin-mineral products state that, as new nutritional information is developed which justifies modification of the regulations, amendments will promptly be proposed in the Federal Register and adopted. FDA will accept petitions from any interested person proposing such changes, and will initiate proposed amendments on its own initiative.

We know of no area of science that is not subject to new information on the basis of current research. The National Academy of Sciences, the American Medical Association, and FDA are constantly monitoring research on nutrients to determine whether the levels appropriate for human need should be increased or decreased. We fully anticipate that changes will be made in the future, in some instances to lower the U.S. RDA and in other instances to increase it. We welcome the cooperation of all interested persons in this work.

E. There are generally accepted scientific criteria for establishing the need and/or value of a substance in human nutrition. Animal models have long been used to determine nutrient need in various species, from which extrapolation to humans may be warranted. The need of a particular substance in human nutrition may be established by demonstrating, either experimentally or epidemiologically, the clinical symptoms caused by a deficiency of that substance.

The value of an essential nutrient as an added supplement to the daily diet is determined by whether it is shown that a deficiency in that nutrient may occur as a result of a poor diet. There are some essential nutrients for which supplementation is inappropriate simply because, if any food is consumed at all, an adequate amount of the nutrient will necessarily be consumed.

Establishment of both need and value in human nutrition is, therefore, a matter of scientific proof, not simply a matter of judgment and opinion. Unsubstantiated opinion, in short, is insufficient to demonstrate either need or value. Both the National Academy of Sciences and FDA base their conclusions upon the need and value of specific substances in human nutrition upon sound scientific data, as interpreted by the best experts available in this field.

F. The proper scope of section 403(c) of the Act, which provides that an "imitation" food must be labeled as such, has been the subject of intensive debate ever since its enactment. We believe that the proposed regulation published in the Federal Register of January 19, 1973 (38 FR 2138) properly interprets the existing statutory provision and that no change in the law is either necessary or appropriate at this time.

The term "imitation," as ordinarily understood, connotes inferiority. A substitute food product, made in semblance of a traditional food, may actually be superior or of equal value, rather than inferior. Thus, the critical question that must be determined is whether a new substitute food is an inferior "imitation" or is simply a new food of equal or superior value.

The only objective determination for inferiority of which we are aware is nutritional inferiority. We are presently reconsidering the criteria for "nutritional inferiority" set out in the proposed regulation, and intend to revise it prior to the publicaton in final form after review of all the comments submitted by interested persons. I regret that I am unable at this time to state exactly what the final criteria will be, but I can assure you that we intend to require "imitation" labeling for any substitute product which is not essentially equivalent in nutritional value to the product it is intended to replace unless its separate identity is already established.

We have closely scrutinized the comments submitted on the proposed new regulation regarding imitation foods to determine whether interested persons were able to discern additional objective criteria of inferiority. Thus far, we have been unable to find even one suggestion for additional objective tests from any of the comments submitted.

Many producers of raw agricultural commodities or distributors of traditional foods have objected to the introduction of new substitute food products for obvious economic reasons. We have concluded that section 403(c) of the Act was not intended to act as a trade barrier against the introduction of nutritious substitute food products. We believe that any such interpretation would be contrary to the public interest in that it would unquestionably hinder the introduction of important new nutritious foods into the marketplace. At a time when nutritional quality is becoming recognized as perhaps the most important aspect of a food product, we believe that an attempt to use the word "imitation" as a trade barrier would be counterproductive and unwarranted.

Our proposed interpretation of section 403 (c) of the Act is, in my opinion, completely consistent with the judicial interpretation of this provision of the law. Because FDA has always interpreted this provision basically to apply to inferior products rather than to all substitute products, there are few precedents in the Federal courts. Nevertheless, in the only Supreme Court decision involving section 403(c), the Court did state that the term "imitation" refers to an "inferior" product. *62 Cases . . . Jam* v. *United States*, 340 U.S. 593, 600 (1951). There have been several State court cases in the past ten years holding that a vegetable oil substitute for cream, which looks like, tastes like, and is intended to replace cream, is not an "imitation cream" but rather is a separate and distinct product that should bear its own designation. See, e.g., *Coffee-Rich, Inc.* v. *Kansas State Board of Health*, 388 P. 2d 582 (Kan. 1964); and *Coffee-Rich, Inc.* v. *Michigan Department of Agriculture*, 135 N.W. 2d 594 (Mich. 1965), copies of which are enclosed. These cases represent the most current and definitive judicial interpretation of the term "imitation" of which we are aware.

Without an objective definition of "inferiority," one is left simply with subjective judgment and individual preference. We are confident that you would agree that FDA should not apply section 403 (c) simply on the basis of a "personal opinion" test.

An enormous number of commonly accepted foods today were at one point "substitutes" for even more traditional foods. Margarine obviously is a substitute for butter, salad dressing is a substitute for mayonnaise, and whipped toppings are a substitute for whipped cream. These substitutes have today achieved a place in the market on the basis of distinguishable names that are fully understood by consumers. We believe that intelligent application of this principle will continue to provide consumers with full information on which to base their purchasing decisions, without erecting trade barriers through the use of the word "imitation" or other derogatory terms.

Thus, the heart of the FDA approach is to require every food to be labeled with its own distinctive common or usual name, which may be a coined term, that will accurately identify or describe the basic nature of the product or its characterizing properties or ingredients. It must clearly distinguish the product from any different foods, so that the consumer will be able to choose between them, 21 CFR 102.1 (38 FR 6964). We believe that this is all that the law intends and that Congress did not wish FDA to interfere with the regular working of the marketplace.

We do not believe that this could in any way open the door to marketing of a proliferation of substitute foods containing food additives or ingredients that have not been subjected to FDA judgment prior to marketing. Section 409 of the Act requires that any food ingredient must be generally recognized as safe, or subject to a prior sanction, or subject to a food additive regulation approved by FDA, before it may be used in any food product. These safety provisions of the law apply equally to traditional and new foods.

G. A "claim" for a nutrient may be made in any number of ways. Certainly, calling an ingredient in a product a "vitamin" or "mineral" or "nutrient" constitutes a claim that it is, in fact, of nutritional value. Similarly, inclusion of an ingredient in a product represented for "dietary supplement" or "nutritional" or "special dietary use" purposes, constitutes such a claim. Finally, association of an ingredient with known essential nutrients necessarily results in nutrient claims.

If a nutrient is included in a food at less than 50 percent of the U.S. RDA, all that is required is for the food to be labeled in accordance with the new nutrition labeling regulations, 21 CFR 1.17. If the nutrient is included at the dietary supplement level, it must meet the standard of identity requirements established in section 80.1. And if it is included at therapeutic levels, it is then subject to the OTC drug review.

In this respect, nutrients stand on no different footing than many other ingredients which inherently carry with them "claims" of usefulness. If a pill or capsule were labeled as containing a well-known drug substance (e.g., penicillin) at a therapeutic dose level, this would be sufficient to classify the product as a drug regardless of whether any specific therapeutic claims were made. Sodium chloride (salt) is ordinarily a food, but when labeled as "U.S.P." it inherently becomes a drug. In view of the fact that there is no known food or nutritional utility for nutrients at levels higher than 150 percent of the U.S. RDA, inclusion of such substances at high potency levels clearly constitutes a representation that they are of some therapeutic value at those levels.

IV. CONCERNING THE OVER-THE-COUNTER REVIEW COMMITTEE FOR VITAMINS AND MINERALS

A. The OTC drug review panel for vitamin-mineral products will have the authority to recommend to the Commissioner whether OTC vitamin-mineral drugs have been shown to be safe and effective. For those not shown to be safe and effective, the panel will recommend whether they have been shown to be unsafe or ineffective, or whether further study is needed to determine safety and effectiveness.

In response to your question I(B) above, I have already discussed what we believe to be the proper function of this panel. Suffice it to say that we fully anticipate and intend that there will be OTC vitamin-mineral drugs remaining on the market, and that the function of the panel will be to determine the appropriate OTC levels, combinations, and labeling.

B. The OTC vitamin-mineral drug panel is now in the process of being formed. In accordance with the procedures set out in 21 CFR 130.301 (37 FR 9464), a copy of which is enclosed, members are chosen by the Commissioner on the basis of nominations by interested industry, consumer, and professional groups, as well as from lists of experts developed internally by FDA. On all panels, at least one expert is chosen on the basis of an industry nomination and one on the basis of a consumer group nomination. We also attempt to have a broad balance of interests and disciplines represented on the panel, ranging from private medical practitioners to pharmacists to academic medical experts.

The panel will operate in accordance with the procedures set out in the regulations cited above. Consumer and industry liaison members will have an opportunity to observe all panel meetings, but will not have a vote in the panel decisions. All interested persons will have an opportunity to present any data, views, or argument to the panel.

The average time taken for panel deliberations up to now has been a year or longer. At the conclusion, in accordance with the procedural regulations, the panel will issue a report containing its recommendations to the Commissioner. The Commissioner may publish those recommendations in the Federal Register as a proposed regulation, without change, or may publish a modified proposal. In either event, interested persons have 60 days to comment, after which there is an additional 30 days for rebuttal comment. The Commissioner then publishes a tentative final monograph, after which interested persons have 30 days to submit objections and request an oral hearing before the Commissioner. After considering these comments and any views expressed at an oral hearing, the Commissioner issues the final monograph, from which appeal lies to the courts under the Administrative Procedure Act. All of this procedure is spelled out in detail in the regulations cited above.

C. All vitamin-mineral products that contain a nutrient which exceeds 150 percent of the U.S. RDA are subject to review by the OTC vitamin-mineral drug panel, except for those products which fall within the narrow exception, contained in Section 125.1(h), of a food represented for use solely under medical supervision in the dietary management of specific diseases and disorders. This exception is discussed in response to your question I

(A) above. It is also anticipated that extremely high levels of some vitamins and minerals, parenteral vitamin-mineral drugs, and those with claims that clearly involve prescription use, will also be excluded from review by this panel, although the charter of the panel will definitely include the mandate to determine whether existing prescription vitamin-mineral drugs should be converted to OTC status.

D. The criteria that will govern the deliberations of this panel are spelled out in the OTC drug review regulations, 21 CFR 130.301 (37 FR 9464), a copy of which is enclosed. The panel will divide ingredients and claims into three basic categories: (1) those generally recognized as safe and effective and not misbranded, (2) those not generally recognized as safe and effective or in any event misbranded, and (3) those for which the available data are insufficient to classify them within any of the above categories and for which further testing is therefore required. The criteria for safety, effectiveness, and combining ingredients are also spelled out in these regulations, 21 CFR 130.301(a)(4).

For those products determined to fall within the third category and thus for which further testing is required, additional time will be permitted for such testing. Thus, full opportunity will be provided to obtain additional needed data where this is a reasonable course of action.

The panel's recommendations are, of course, only advisory in nature, and only begin the administrative process of determining the status of these drugs. Only the Commissioner has the authority to make the determination of the proper status of these products under the Act, and only after all of the administrative procedural safeguards outlined above have been fully exhausted.

The United States Supreme Court has very recently reviewed this procedure in *Weinberger* v. *Bentex Pharmaceuticals, Inc.*, No. 72–555 (decided June 18, 1973). The Court unanimously concluded that "FDA has jurisdiction to decide with administrative finality, subject to the judicial review provided, the 'new drug' status of individual drugs or classes of drugs."

E. The criteria for distinguishing between OTC and prescription drugs are contained in section 503(b)(1)(B) of the Act:

". . . because of its toxicity or other potentiality for harmful effect, or the method of its use, or the collateral measures necessary to its use, [the drug] is not safe for use except under the supervision of a practitioner licensed by law to administer such drug . . ."

FDA has interpreted the law to mean that, as a general rule, a drug is presumed to be permissible for OTC use unless it falls within this exception.

We anticipate two basic issues upon which the OTC/prescription status of vitamin-mineral drugs will hinge: (1) the toxicity or other potential harmful effect (e.g., masking a serious disease) of the nutrient, and (2) the ability of consumers to self-diagnose or otherwise determine proper conditions under which, in accordance with label directions, these products may effectively be used. As already indicated, we fully expect that OTC vitamin-mineral drugs will remain on the market, although some reformulation and/or relabeling will unquestionably be required.

V. GENERAL CONCLUSION

A. A product label "for treatment of vitamin or mineral deficiency only" has always been regarded by FDA as a drug, regardless of the levels of the nutrients it contains. A vitamin deficiency is a disease, and treatment of a disease is, under section 201(g)(1)(B) of the Act, explicitly enumerated as a "drug" use.

B. The remark of Dr. Edwards to the effect that the new regulations represent a "crackdown" on health food manufacturers was generated by FDA's deep concern about the many irrational nutrient combinations and fraudulent promotional claims for existing vitamin-mineral products. I have already referred above to the enormous difficulty created by these fraudulent practices over the years, to the detriment of the American consumer. The new FDA regulations are designed to prevent any continuation of those practices without hindering the legitimate industry or the right of consumers to consume whatever safe foods they may desire.

A large part of our concern has been engendered by the commercial interests that lie behind at least one organization that has steadfastly opposed these regulations, the National Health Federation. Enclosed is an article that appeared in *Today's Health*, the American Medical Association's principal consumer publication, which sets out in detail the origin and sponsorship of this organization. At that time, the Federation's Board of Directors was comprised of individuals who had at one time or another marketed products in total violation of the Act, and who apparently proceeded to organize in an attempt to subvert the law through public pressure tactics. We are deeply concerned that both the Congress and the American public are being misled about the nature of this organization. Also enclosed is a recent *New York Times* article indicating that several members of the Congress who have been concerned about the FDA vitamin-mineral regulations have had an inadequate understanding of the issues involved and the nature of the National Health Federation. We recommend that you and others in Congress fully explore the facts underlying this issue before any action is taken on this matter.

We very much appreciate your interest in this matter and the opportunity you have provided us to clarify the FDA policy on vitamin-mineral products. We believe that the entire American public should have this information available to it. We would therefore request that your letter and this reply, with enclosures, be inserted in the Congressional Record for ready reference and wide dissemination.

Very truly yours,

PETER BARTON HUTT,
Assistant General Council, Food and Drug Division.

SENATOR RANDOLPH BELIEVES ENERGY SELF-SUFFICIENCY FOR THE UNITED STATES REQUIRES A NATIONAL ENERGY RESEARCH POLICY TO ASSURE THE ENVIRONMENTALLY ACCEPTABLE USE OF COAL

Mr. RANDOLPH. Mr. President, the goal of the U.S. national energy policy must be energy self-sufficiency. There is a long list of new energy technologies which are requisite to achievement of this objective.

Many nations have no other choice than a significant reliance on imported energy supplies. However, the United States, like Russia, has the potential to achieve energy self-sufficiency through reliance on domestic resources. It would be pure folly, and potential catastrophe, to continue indefinitely current ad hoc policies which rely on the use of the imported premium fuels—oil and refined products—to meet shortfalls in domestic energy supplies.

In effect, our current national energy policy is synonymous with not only a national oil policy but an import oil policy. Yet, all parties agree that the U.S. long-term energy posture must foster nuclear electric power and a synthetic fuels industry based upon the environmentally acceptable usage of coal, oil shale, solar, and geothermal energy.

COAL'S REFORMATION

Coal must be viewed as on the threshold of a reformation which must carry it into the 21st century.

Commenting this morning, at hearings of the Senate's National Fuels and Energy Policy Study, on S. 1283, the National Energy Research and Development Policy Act of 1973, Carl E. Bagge, president of the National Coal Association, made the following observation:

> Coal today is, once again, a primary fuel for the nation. Because of the current energy shortage, the erosion in our balance of payments caused by excessive oil imports, the threat to our national security inherent in growing dependence on fuel imports and, finally, the emerging national consensus to rationally develop indigenous energy resources—for all these reasons, coal once again looms large in our nation's energy future. This is not idle rhetoric from a coal trade association spokesman, but a pragmatic conclusion based upon the hard realities of the nation's existing energy dilemma.

Mr. President, achievement of this role for coal in our national energy supplies will require the development of new ways of extracting and using coal. Traditional methods no longer are totally satisfactory from the standpoint of occupational health or environmental quality.

However, as Mr. Bagge points out:

> Coal is regaining its public visibility as a crucial source of energy, but it cannot realistically be expected to reach its full stature merely by the shrinkage of other fuels. The coal industry, which has lived too long on a subsistence level, absolutely requires national policy encouragement and help to increase its production, improve its product, and compete without extraneous handicaps in a free fuel market.

In the future, as Dr. Ralph Lapp has pointed out, coal must be viewed as a chemical substance which can serve as the feedstock for the synthetic fuels of the 1990's and the next century. However, achievement of the dual objective of secure and environmentally acceptable energy supplies may be the most difficult challenge facing our country in the years ahead. Even partial success in this endeavor will require an aggressive Federal posture, predicated upon achievement of sound and equitable energy and the environmental policies—for, in the final analysis, they are inseparable.

COAL PRODUCTION

As a resource base—coal is by far our most abundant domestic resource. With present technology, there are some 150 billion tons of recoverable coal, out of an estimated 3.2 trillion tons. Even should maximum production be pursued for the next 15 years, less than 10 percent of our presently recoverable reserves would be consumed.

Nevertheless, energy self-sufficiency will require unprecedented growth from our Nation's coal industry. This means that, at a minimum, by 1985, the United States must be capable of producing and using, in environmentally acceptable ways, between 1.5 and 2 billion tons of coal. This compares to about 700 million tons, today.

Yet, Mr. President, as Carl Bagge points out:

> Even in a nation accustomed to meeting staggering challenges, supplying this coal demand represents an almost heroic feat. . . . A demand level of 1.5 billion tons is 2½ times higher than the best coal production year and would require an annual growth rate of 7½ to 8 per cent, a record never sustained in peace time by the coal industry. Moreover, the expansion must begin now and continue without a hitch if the anticipated demand for coal is to be met. It should have been initiated long ago.

Mr. President, I emphasize that this is a two and one-half to threefold increase in coal production in 12 years. However, should other energy supplies not be able to meet their projected roles, this task for coal could be made even more difficult. Coal production in 1985 might have to reach 2.6 billion tons and by the year 2000, production might have to be as high as 4 billion tons.

Needless to say, this will be a most difficult challenge for both government and industry. What must be recognized is that the energy demand will be there and if our economy is not to be adversely affected, it must be met by some fuel. The issue is coal's capability for performing a greater role in the United States energy supply system than previously envisioned.

There is the added requirement, however, that this essential energy supply must be produced and used in environmentally acceptable ways.

Our national goal is energy self-sufficiency. This, in turn, will require a long-term national fuels and energy policy. This also means a significant increase in coal production, beyond levels previously considered as achievable. Also, we must produce and market more oil and natural gas in America.

Such an accelerated development of domestic energy supplies would benefit all segments of society: employment would increase, individual incomes would rise, profit opportunities would improve, Government revenues would grow, and the Nation would be more secure.

Secure energy supplies surely will involve higher prices for the consumer. Nevertheless, as a country, we must be prepared to meet these costs if we are to achieve the double objective of secure energy supplies as well as environmental quality. In this endeavor, price should not be considered as sacrosanct, for it must reflect both environmental impact costs and energy supply economic factors.

RESEARCH NEEDS

There is a long list of projects that could have been pursued by industry to insure the viability of this country's domestic energy supplies. Many of the possibilities have been discussed during hearings as parts of the Senate's national fuels and energy policy study. Some of them will require joint Government and industry support if they are to achieve commercial realities in a timely fashion. In the process, our traditional economic, environmental, and societal institutions are going to be significantly challenged.

In the past, however, Mr. President, our national energy research and development posture has left much to be desired. There have been unacceptable delays and even failures in the development of new energy technologies and this situation must be corrected. Commenting in this regard Mr. Bagge observed that:

> Because of a lack of funds, the solvent-refined coal process now being piloted by the Pittsburgh & Midway Coal Mining Company remained in a state of limbo for five years; in other words, the pilot plant now under construction for this process could have been initiated in 1966 or 1967. Again, as in the case with the H-Coal Process, for the lack of a few million dollars, a five to six year delay was incurred. Finally, work on the liquefaction pilot plant at Cresap, West Virginia, was terminated even though there was an obvious need for R&D in this area.

Whatever the cause for the unexpectedly slow development of new energy technologies, the fact remains that we do need increased and more fruitful research and development efforts. In stepping up the pace and the effectiveness of research and development on energy-related technologies, we cannot escape the guilt that is on our Government for failing to give full attention over the past decade to economic considerations in the formulation of Government policy on a patchwork basis. I stressed these facts in comment given at the Thursday morning, July 12, hearing prior to testimony by Mr. Bagge.

S. 1283

The Energy Research and Development Policy Act of 1973 (S. 1283), of which I am a cosponsor, deals with one aspect of this broad problem facing our country. It is concerned with the commercial demonstration of five new energy technologies. To date, Federal policies have been ineffective in stimulating use of our vast domestic energy resources as an alternative to increasing oil imports.

For 20 years or more, the Federal Government has subsidized nuclear power developed on the premise of abundant electric energy. This same concept now must be applied generally to energy development, to environmentally acceptable domestic, not foreign, energy resources. It is unrealistic to continue to rely principally on increased exploration for domestic oil and gas and on oil imports as the bulwark of our energy supply system. We must have synthetics, too.

As noted by Mr. Bagge at today's hearings:

> S. 1283 starts with the most fundamental part of any research program—clearly defined objectives. Two of these are so relevant to the national interest that they must form the keystone of any sound national energy research policy. These are stated in Section 102 of S. 1283:
>
> "(d) Develop the technology and information base necessary to supplement development of the widest possible range of options available for future energy policy decisions by aggressively pursuing research and development programs *in a wide variety of energy technologies.*" (emphasis added)
>
> "(e) Provide within ten years the *option and capability for self-sufficiency* for the United States through the development of socially and environmentally acceptable methods for the *development and utilization of domestic energy sources.*" (emphasis added)
>
> Thus, S. 1283 provides a target, a goal, a schedule for research, an objective, against which results may be matched with effort, priorities established, and resources allocated.

This bill would, in effect, provide $20 billion over the next 10 years to commercially demonstrate coal gasification, coal liquefaction, shale oil, and geothermal and advanced power cycles for the generation of electricity. Such a crash program would, of course, require massive cooperation from the private sector where the greatest expertise now exists and where the ultimate implementation of these technologies rests.

The bill under discussion may appear severe in its treatment of this issue and may leave the impression that private enterprise has "failed," and that the only approach remaining is Government action. This position, however, loses sight of the many factors that are important in this energy crisis, namely: natural gas prices, prices for other fossil fuels, and rigid environmental standards. These points were stressed by me during the hearing today.

Mr. President, energy is but a small part of the larger issue of national goals, people, and their aspirations. In turn, national energy policies are linked to the issues of land use, mass transit, national security, economic growth, and our society's ability to move people and essential goods.

In the interest of a better understanding of this issue, Mr. President, I ask unanimous consent that the text of Carl Bagge's knowledgeable statement before the Senate Interior Committee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I. INTRODUCTION

Mr. Chairman and Members of the Committee:

My name is Carl E. Bagge. I have the privilege of representing, as its president, the National Coal Association, whose members include the major coal-producing and coal sales companies of the nation. I am accompanied by Mr. Joseph Brennan, vice president of economics, NCA, and Mr. James Garvey, president of Bituminous Coal Research, NCA's research arm. We sincerely appreciate and welcome the opportunity to present testimony on this vital national issue on behalf of the nation's coal industry. The American coal industry has been waiting for many years for this opportunity to discuss coal research and development policy with what, for the first time, appears to be a responsive public and a concerned national political leadership.

Coal today is, once again, a primary fuel for the nation. Because of the current energy shortage, the erosion in our balance of payments caused by excessive oil imports, the threat to our national security inherent in growing dependence on fuel imports and, finally, the emerging national consensus to rationally develop indigenous energy resources—for all these reasons, coal once again looms large in our nation's energy future. This is not idle rhetoric from a coal trade association spokesman, but a pragmatic conclusion based upon the hard realities of the nation's existing energy dilemma.

The fundamental, long-term threat to the nation's energy supply is the continuing erosion of our domestic fuel base. The nation, confident in its resources, has been taking its fuels for granted—and using them as it found them—with small regard for orderly development. Thus, our current fuel shortages have come as something of a shock to the public.

Even the Department of the Interior stated the problem as a paradox in a recent energy report. Interior said the nation is "bountifully endowed" with known fuel resources, yet it faces a protracted shortage of energy at reasonable and competitive costs.

The key to this apparent contradiction obviously is that the nation has not used its fuel bounty wisely. Following expediency rather than husbandry, it has consumed its higher grade, more accessible fuel resources at a profligate rate without planning the development of backlog fuel for the future.

If we persist in this kind of energy brinkmanship, we may escape disaster but we can scarcely avoid committing the public to a life of quiet desperation over a grinding period of energy constriction and unacceptable cost.

I believe that the focus of my realistic new look at our energy resources must be on coal, if only for the pragmatic reason that coal is the only fuel, hydrocarbon or nuclear, that the nation has in abundance or that is geologically guaranteed to maintain a favorable reserve-demand ratio into the next century. Coal may not be the fuel of choice, but it is today the fuel of necessity.

It is also entirely possible, through advancing technology, to make a virtue of that necessity. Coal is a chemically rich and versatile raw material that can be converted to favored fuels and used compatibly even with our newly discovered respect for the environment.

Unfortunately for coal, scientific endeavor has had to be prodded by emergencies that coal never made. Despite its essential contribution to the growth of energy availability in the United States—and, in fact, man's exponential energy growth since the Industrial Revolution two centuries ago—coal's real potential has been largely overlooked. George A. Lincoln, former director of the Office of Emergency Preparedness, described coal as "our most ignored resource."

Let us say that coal has been ignored for all positive purposes—full resource development, technological improvement, and economic strengthening. In all the years of coal's high visibility in the fuel market, the public used it, frequently grumbled about its natural inconveniences, but never actively considered doing anything to refine it. In fact, when coal lost its most visible markets in home heating and railroading, the general public forgot it altogether under the exaggerated assumption that it was dead. Until the recent unpleasantness of power reductions and shortages, many people were unaware that there was at least an even chance that their convenient electric switches were ultimately plugged into coal.

Now coal is regaining its public visibility as a crucial source of energy, but it cannot realistically be expected to reach its full stature merely by the shrinkage of other fuels. The coal industry, which has lived too long on a subsistence level, absolutely requires national policy encouragement and help to increase its production, improve its product, and compete without extraneous handicaps in a free fuel market.

The nation has a second chance to put its energy house in order through sensible management and full use of its fuel inheritance. That reprieve, however, could be wasted unless the nation reverses its historical attitude of something less than benign neglect toward coal. We may look ahead to the nuclear promise and the even more remote hope of solar power, but in the realistic meantime we must live according to our present energy means, not draw blank checks against the future.

The magnitude of projected coal demand emerged from the recent S. Res. 45 hearings on coal policy. Coal industry witnesses themselves pointed to a potential annual demand of 1.5 billion tons by 1985. Ralph Lapp, a consultant to the Committee, postulated a somewhat higher demand by 1985 and an explosive growth thereafter to the year 2000. Even in a nation accustomed to meeting staggering challenges, supplying this coal demand represents an almost heroic feat. Exhibit I graphically sets forth the point. A demand level of 1.5 billion tons is 2½ times higher than the best coal production year and would require an annual growth rate of 7½ to 8 per cent, a record never sustained in peace time by the coal industry. Moreover, the expansion must begin now and continue without a hitch if the anticipated demand for coal is to be met. It should have been initiated long ago.

II. COAL'S POTENTIAL THROUGH TECHNOLOGY

A public that has been able to overlook coal's physical abundance could certainly not be expected to realize its chemical versatility, although primitive proofs of that have been part of our national development. Before there was crude oil there was coal oil, and even before natural gas there was coal gas—a low-heat fuel commonly referred to as "producer gas."

One of the dangers of rapid progress is the weakening of our sense of history, and even those vintage movies in our ultramodern TV sets probably cause no wonder that there was a gaslight era long before natural gas became a commonplace fuel.

But now that natural gas and oil threaten to become uncommon fuels, it is time to recall what science has learned about the versatility of coal. That basic hydrocarbon could be our ultimate fuel—the source of synthetic gas and of oil products ranging from gasoline to jet fuel.

Coal can help mightily in meeting the nation's urgent energy needs.

Research and development is one essential key to the future of coal and the nation. For it is obvious that the technological base of coal extraction, distribution, conversion, and consumption must be sound and expansive if America's energy needs are to be satisfied. Moreover, it is also tragically apparent that the past neglect of research in coal is one major reason for current technological barriers to coal production, utilization, and conversion on a much larger scale. However, to supply 1.5 billion tons of coal per year will require a complex new coal system of which R&D will be one subsystem. Equally important over the long-run and perhaps more crucial in the short-term are those governmental restraints which now inhibit the coal industry's ability to produce and market its produce efficiently. For example, price controls interfere with the provision of long-term cost recovery contracts. Air pollution controls rule out the use of much available high-sulfur coal. The government has frozen new leases and exploration permits on western public lands and thereby halted major plans to expand the industry. The list could go on.

In both the long and short-term we need governmental policies aimed at expanding the capability of coal to meet the demands of a rapidly growing and energy intensive society. Quite apart from these problems, however, we desperately need a soundly conceived and properly carried-out total systems research and development program for coal. Such a program will give us production, distribution, conversion, and consumption technologies for the 1980's and beyond.

Research and development are lengthy processes. Pressing ahead with coal R&D now is essential—it should have started long ago. However, it will have little immediate effect in terms of added energy supply. On the other hand, much can be done in such areas as environmental control, price regulation, surface mining legislation, and the tax structure to insure the orderly expansion of coal capacity between now and the introduction of the new technologies so necessary for coal's future contribution to America's well-being.

These comments are not intended to denigrate the place of research and development but only to put it in proper perspective. In short, we cannot become so mesmerized by our new recognition of the potential of coal R&D that we neglect the urgent need of the American coal industry to survive and grow. And today, this is a real issue. It is in this context that we will discuss the research and development needs of the coal industry over the remainder of this century.

III. COAL RESEARCH AND DEVELOPMENT—THE RECORD

The record of the federal support for coal R&D is sadly inadequate when compared to the potential of coal to contribute to the national welfare.

Attached as Exhibit II is a listing of the funding of the Office of Coal Research for the past ten years. Note that only in the past year or two has the OCR budget begun to reach respectable levels. Prior to that time, monies allocated to OCR were so miniscule that the program of the Office could never be pursued as logic and experimental results would dictate.

For example, in 1968 laboratory research on a promising liquefaction process developed by Hydrocarbon Research, Inc., and sponsored by OCR (referred to as the H-Coal Process) was completed and proposals were developed for construction of a pilot plant. For lack of funds, it was necessary for OCR to discontinue this project. Had it been continued, it is quite probable that we would now have the technical information necessary to construct a prototype plant which could produce fuel oil from coal to offset the growing need to import such fuels.

Further, because of a lack of funds, the solvent-refined coal process now being piloted by the Pittsburg & Midway Coal Mining Company remained in a state of limbo for five years; in other words, the pilot plant now under construction for this process could have been initiated in 1966 or 1967. Again, as in the case with the H-Coal Process, for the lack of the few million dollars, a five to six year delay was incurred. Finally, work on the liquefaction pilot plant at Cresap, West Virginia, was terminated even though there was an obvious need for R&D in this area.

In our opinion, through contract research contrasted to inhouse research performed by government employees, the Office of Coal Research, with a minimal staff, has generated research ideas and encouraged industrial organizations to carry out research on these ideas to the point where they offer the only potential domestic solution to our growing energy crisis; if adequate funding had been available, many years would not have been lost. We hope that this solution is now recognized and financing in the future will be adequate to carry the OCR research programs on coal conversion and coal utilization through prototype development stage as rapidly as possible.

EXHIBIT II.—*Appropriations, Office of Coal Research, U.S. Department of Interior*

1964	$5,075,000
1965	6,836,000
1966	7,220,000
1967	8,220,000
1968	10,980,000
1969	13,700,000
1970	15,300,000
1971	17,160,000
1972	30,650,000
1973	44,280,000

It should be noted also in connection with the efforts of the Office of Coal Research that their work on coal mining technology has been minimal. The emphasis has been on coal utilization. But unless technology is developed for coal production, the feedstock for coal conversion processes simply may not be available.

An examination of the Bureau of Mines coal research record reveals the same unfortunate pattern. Years of neglect were followed by a spurt of crisis spending after the passage of the Coal Mine Health and Safety Act of 1969. This spending, desirable as it was, was limited by the restriction that it could only be used for health and safety and, therefore, none could be spent to improve the actual mining technology for coal, notwithstanding the dramatic drop in productivity.

Even the impending chaos caused by existing pollution abatement regulations did not lead to meaningfully accelerated research and development programs.

The result of past apathy and inaction is clearly evident today. At a time when coal should move to meet greatly increased responsibilities, it lacks an adequate technological base to do so. Today, therefore, at every stage of the coal system—mining, distribution, conversion, and ultimate consumption—great technological barriers, impede growth. For example, the continuing mining machine, the mainstay of underground mining operations, is 25 years old and now obsolete in light of present and anticipated demands. Generation of electrical power from coal also is an aging technology made no less so by the fact that it is more efficient than its closest rival. It is interesting to speculate what could have happened if a parallel and balanced research and development program on new fossil fuel generation technology had been launched in 1954 when our massive national commitment to nuclear research and development was made. It is also tragic to contemplate that the present first generation gasification plants are based on decades-old German technology.

Such a lack of vision was tolerable in an America of energy abundance. It is no longer so in our present environment of scarcity, nor will it be in the decades ahead when we must somehow optimize all of our remaining energy resources in order to maintain both our domestic living standards and our international commitments.

What is needed—a need acutely felt by Senators Jackson, Randolph, and the other men of vision who co-sponsored S. 1283—is a sharp reversal of our past record in coal research and development and a determined and accelerated program to move toward a sound technological base for coal expansion. We must make up for the inaction of the past and move rapidly to meet the contingencies of the future.

IV. RESEARCH POLICY

When Senator Jackson introduced S. 1283 the National Coal Association applauded his action. In a public statement at that time, I said that the bill represents "the sort of major commiment this nation requires to cope with the energy crisis without getting hopelessly hung up on imports—imports which would drain our dollar supply, weaken our currency, and leave us at the mercy of foreign producers."

Time has sharpened the coal industry's support for the thrust of the action taken by Senator Jackson. For with the introduction of S. 1283, coal research was finally moved into a position in keeping with the role coal must play in our nation's energy future. With the allocation of large sums of money, the research efforts and the results coming from it should at long last match the potential inherent in our vast coal resources.

As we understand S. 1283, it also establishes for the first time an energy research policy with a rational and balanced allocation of effort. For many years the National Coal Association has urged a coal research program consistent with the huge potential contribution of the coal resource; in short, a research cost in keeping with the benefits accruing to the public from its success. For many years, until the introduction of S. 1283, our efforts were in vain. Now at long last we are on the threshold of a coal research effort which is truly responsive to the national need.

The thrust and scope of the energy research effort proposed is also reflected in the initiative of the Administration on research policy. We will discuss this proposal in more depth at later hearings. The focus of attention has now shifted from whether or not we should have a vastly accelerated coal research program to how best to structure major coal research efforts. The American coal industry finds this indeed gratifying.

S. 1283 starts with the most fundamental part of any research program—clearly defined objectives. Two of these are so relevant to the national interest that they must form the keystone of any sound national energy research policy. These are stated in Section 102 of S. 1283:

"(d) Develop the technology and information base necessary to supplement development of the widest possible range of options available for future energy policy decisions by aggressively pursuing research and development programs *in a wide variety of energy technologies*." (emphasis added)

"(e) Provide within ten years the *option and capability for self-sufficiency* for the United States through the development of socially and environmentally acceptable methods for the *development and utilization of domestic energy sources*." (emphasis added)

Thus, S. 1283 provides a target, a goal, a schedule for research, an objective, against which results may be matched with effort, priorities established, and resources allocated. We may question its time tables or some of its mechanisms for implementation, but we applaud with vigor the bold push to articulate and establish goals and move toward their attainment. And the nation must agree with Senator Jackson when he said in introducing S. 1283: "Progress in research and development—success or failure—must be measured against a schedule, and a schedule requires a defined objective."

We suggest that to achieve the overall goal of national self-sufficiency within the context of our national social and economic goals, a greatly intensified coal research program is needed. The National Coal Association suggests that the national objective for coal research should be:

"The optimum production and use of our vast coal base in an environmentally acceptable way, in forms designed to maximize consumer value, extracted in the most efficient manner, consistent with the health and safety of the workers involved, within the context of our free enterprise system."

In order to achieve this objective, we urge a national energy research effort at or above parity with any other energy form until the technological base exists to permit the full utilization of our vast coal resources.

V. COAL RESEARCH AND DEVELOPMENT POLICY PRIORITIES

We as a nation cannot, in a short time, remedy all of the shortcomings of the past research and development policies. We can, however, and must, establish research goals, define priorities needed to achieve such goals, and allocate those resources necessary to attain specific research objectives. The coal industry believes that the following are the research priorities necessary to permit maximum utilization of our vast coal resource base. The specific allocation of effort in each one will depend upon the need, the technical state of the art, and available resources.

(1) *Mining Research:*

Productivity has been in a period of substantial decline since 1969. In part this was caused by the Coal Mine Health and Safety Act of 1969, and in part by the simple aging of coal mining technology which has remained relatively static since the 1950's. Whatever the cause, future coal demands cannot be met without a major new forward thrust in extraction technology. More importantly, health and safety are compelling forces behind research work on mining technology.

At present, the bulk of the federal mining research effort is carried out by the U.S. Bureau of Mines. However, all of this activity is directed at health and safety problems with no programs designed specifically to improve efficiency. We believe this research is necessary and have suggested expansion of health and safety activity. By the same token, we urge the initiation of research programs on production technology which would, within strict health and safety requirements, improve the efficiency of coal mining.

There are obvious areas where such activities would be fruitful. Automated mining systems are sorely needed. Transport from the face area must be made truly continuous. Advance roof support and dust suppression methods would improve safety and efficiency. More rapid tunnelling would shorten mine development time and improve both capital and operating costs. Methane control, especially if done in advance of mining, would add to both safety and productivity of the coal mine. Relatively new mining systems, such as long-wall and short-wall, must be perfected and applied where safety, geology, and economics indicate. Finally, we must move to develop technology to recover deeper eastern coals and the thick underground seams of the West. It is evident that an increasing share of our future coal supplies will have to come from these two areas.

In line with this, the National Coal Association has suggested the operation of several underground test coal mines. Such mines would permit the testing of new or improved mining concepts without impeding current operations or subjecting research work to commercial pressures. The only real place to test mining technology is in a coal mine. The test mine permits that to be done, but in an environment of research and not commercial operations.

In summary, it is essential to understand that without mining technology breakthroughs coal can never fulfill its bright potential.

(2) *Liquefaction:*

This area has been seriously neglected in the coal research programs of the past. Several promising concepts have been stalled short of pilot plant construction, one pilot plant has been shut down, and another is only now being constructed after a delay of more than five years. This is both a national and an international tragedy.

We view coal liquefaction as needed for two major reasons:

First, liquefaction processes such as solvent-refined coal, the work done at Cresap, West Virginia, and the H-Coal Process, can provide a low-sulfur alternative to imported residual oil for boiler purposes. The market potential for such a product is clear when we consider the 621 million barrels of residual oil imported last year.

Second, for the longer term, coal liquefaction in conjunction with oil shale development offers the United States a clear alternative to Mid-east oil dependency. While the problems connected with this alternative are not all research oriented we believe that a major program in this area would have many beneficial results.

Pilot plant work is now going on in one

liquefaction process, i.e., solvent-refined coal. Other work could be done at the existing pilot plant at Cresap. An acceleration of the liquefaction program, leading to the construction of additional pilot plants as successful research programs indicate, and the earliest possible construction of demonstration stations, would be squarely within the national interest.

The coal industry, along with many concerned citizens, has watched with alarm our growing dependency upon Mid-eastern oil, which has grave implications for our economic well-being. But, economics aside, the rapid concentration of oil supply capability in one small, unstable area of the world has frightening implications for world peace. Clearly, the dependency of the major industrial nations of the free world upon the Mid-east has introduced a chronically unsettling condition in world affairs with far-reaching policy ramifications. When the energy demands of the emerging nations of the world—which must also turn to the Middle East—are added to the picture, the problem becomes almost hopeless.

A month ago I addressed this question in a paper entitled "Coal—the Energy Key to World Stability" presented to the Council for the Association for Coal in Europe at St. Ives, England. At that time, I suggested a coal research conference with representatives from Western Europe and the United States to begin to develop a global coal research strategy. That suggestion was adopted by the European coal-producing nations and, as a result, the National Coal Association, with the support of the U.S. Department of the Interior, will host such a conference in October of this year. We look to this international cooperative effort as an extension of our new concerns to rationally develop our own and the world's coal reserve base.

Our vast coal resources, and to a lesser degree, our oil shale reserves, give the United States an alternative to increasing dependence on the Mid-east, both for our own use as well as for the uses of the free world. It is true that both technological progress and a favorable economic climate to translate that potential into actuality are needed. Fortunately, there seems to be a growing national and international consensus to do just that. I am convinced that the nation will have to decide very soon whether to become overly dependent upon fuel imports or develop the full potential of its secure coal resources.

(3) *Gasification:*

A major effort is already underway in coal gasification. A jointly sponsored program between the American Gas Association and the Office of Coal Research has brought this process to the pilot plant stage. In addition, several private companies have extensive research programs of their own underway. Finally, but sadly, for lack of a better commercially proven process, the natural gas industry is planning the construction of commercial gasification plants using limited and high-cost German technology developed several years ago. This, in itself, is a sad commentary upon American technological successes in energy research.

Within the past several years there has been a new initiative in another type of coal gasification, the use of low-Btu in conjunction with the combined cycle for the generation of electrical power. This program has an exciting potential. If it is successful, future new power stations will be more efficient and will be able to burn a clean fuel made from coal. We urge full federal support of this effort and, if necessary, a crash program to make it an early success.

One of the corporations set forth in S. 1283 involves gasification. We applaud this emphasis and, although we may question its specific form, we urge continued support of the gasification programs to the degree necessary to bring gas from coal to the American consumers at the earliest possible time. This plea for support extends from the laboratory scale up through whatever level of demonstration programs is necessary to permit private industry to build and operate plants with some assurance of their commerical viability.

(4) *Power Systems:*

Today power generation technology is obsolete. It has not changed fundamentally since Edison, for the steam cycle is still the mainstay of our electric utility industry. Tragically, more energy is wasted than used in power generation from either fossil fuel or nuclear power sources. Equally tragic, our national demand for pollution abatement has far outstripped the technological means for satisfying that demand.

Research and development in this area is both expensive and time consuming. We cannot look for early success nor for any rapid shift from our present methods of generation to new ones. But neither can we afford the luxury of further apathy. We must begin now to develop the power systems of the future, systems which will burn coal more efficiently and with less pollution than present power plants. We must also serve notice to the producers of electrical power that coal is and will remain a vital part of the nation's energy base for decades to come.

Several interesting research projects are already underway in the Office of Coal Research. They include fluidized bed combustion, now programmed for pilot plant operation, magnetohydrodynamics, which seems to be a longer-term project, and combined-cycle generation, to which we have already alluded. All of these new systems promise exciting prospects. All have potential and all will be expensive to build and bring to commercial fruition.

We hope for both federal and private support in all of these areas mentioned above and in all of the others deemed advisable. Such new power systems offer a non-nuclear alternative until such time as the more esoteric power sources, such as the breeder and fusion reactor, can be brought into the market place. They can provide for the interim period between present technology and the ultimate solution to our supply problems. Finally, if successful, these new systems give America time, measured in terms of decades, that will be needed to do the necessary research, development, and demonstration on the advanced power systems.

(5) *Environmental Challenges to Coal:*

One of the elements of our energy crisis that has gone public with a vengeance is the effect of energy production and use on our natural environment. Ecology has become a household word, and there is nothing wrong with that provided that we bear in mind that energy is a household need. Someone has calculated that energy consumption supplies the average household with the equivalent of 50 servants—and that fact is not altogether unconnected with our increased opportunities to enjoy nature and our greater leisure to explore nature's needs.

And the civilized response is not to pit human needs against ecological needs but to make maximum use of our energy-intensive technology to reconcile them, to improve the extraction and use of energy sources that nature locked into the earth and frequently salted with impurities, to preserve nature's own productive cycle so far as we can or need to, and to recycle the products of nature where possible to avoid the insult of waste.

Whether we need more or less energy may be debated in personal terms, but it must be decided in terms of national needs. The lifestyle to which most Americans have committed themselves, and others aspire to, is vitally dependent on an increase in all forms of energy. Some of our uses of energy may be frivolous, but it would be more frivolous for most of us to retreat to the wilderness, brave the elements, and expect to be fed by ravens.

The biggest single impediment to coal growth at present is the unattainable pollution abatement standards which have been set by the Environmental Protection Agency and the various states. Such standards have placed energy supply and environmental concern on a collision course from which can only come a national disaster.

Coal is a veteran of an aspect of the energy/ecology dispute—the problem of air pollution, which became public property before the nation realized that its refined taste in fuels was an energy luxury it could not indefinitely afford. In a state of nature, coal is not a clean fuel—it carries a primeval burden of ash and sulfur and other impurities. Perhaps more would have been made of it if it had been caught young, like natural gas. Historically, the urge to improve coal has not been overwhelming.

The sure and lasting way out of this dilemma of clean air versus adequate energy is not to reject our huge reserves of higher sulfur coal, but to redeem them.

Clearly, research and development is the long-term bridge between energy and the environment, a reconciliation of the heretofore unreconcilable dichotomy between these two vital national concerns. Much work has already been done to build that bridge, but a great deal more remains to be done.

The focus of attention to date has been on the problem of sulfur dioxide control technology. Several processes, both here in the U.S. and abroad, have been brought through pilot stage and are now at the early stages of demonstration work. But, ultimately, one or more of these processes will have to be used for a reasonable period of time on a full-scale power plant of 500 megawatts or above to demonstrate commercial reliability. This will require a large dollar investment and the fullest cooperation of industry and the federal and state governments involved. We hope that, as the work proceeds, no promising process will fail because of a lack of financial support at any stage of development. Rather, there should be support for any potentially successful SO_2 control technology until it is placed in commercial operation or it is no longer considered to be technically or economically feasible.

However, even if the problem of sulfur dioxide is solved, another combustion product, oxides of nitrogen, may loom large in the future of coal and, in fact, of all fuels. Research and development work must begin immediately and be carried forth expeditiously so that when the new standards for nitrogen oxides are designed and implemented, the technology will be available to permit coal to meet them.

It is evident that America desires both ample energy and a relatively pollution-free environment. The vast reserves of coal available to our nation can supply both, given the time necessary to do it and a research and development program which will provide the technological base for meeting our energy requirements within acceptable environmental constraints.

Finally, although it is not within the purview of this Committee, I believe that EPA's action in acceptance of state air quality control implementation plans was irresponsible in view of EPA's own findings that the degree of sulfur control which they required may not be attainable in the time prescribed.

VI. RESEARCH STRUCTURE

Senator Jackson, in introducing S. 1283, spoke of the need for a new energy research approach in government:

"A major factor contributing to our present energy crisis is that the necessary research and development efforts which could have provided us with the technological options and capabilities we now need so desperately were not undertaken in the past. Fragmented management, inadequate funding and illogical distribution of the little R&D funding which is available have all contributed to the critical energy supply situation which is faced today."

S. 1283 is a major attempt to remedy the inadequacies and fragmentation of the past and to prepare the research functions to meet the contingencies of the future. In large measure, it does exactly that, although there are several parts of the bill which we believe must be changed if, in fact, it is to create the type of energy research and development programs which our nation so desperately needs both now and in the decades to come.

Below we have outlined three of our basic objections to the legislation which we offer in a constructive way for information of this Committee and for whatever use it can make of it in fashioning the final product which will come forth from here.

First, as we understand S. 1283, the establishment of the five corporations to carry out the research and development programs prejudges the areas of concern for energy research. It may well be that these five areas are not adequate and that any new energy research agency established may wish to pursue additional research projects or may wish to curtail research programs in one of the five. Rigidity of this type is not desirable in a research and development program, especially when such programs must be projected five to ten years into the future, if they are to make a major contribution toward meeting America's energy supply needs. We believe that such rigidity should be modified in S. 1283.

Second, there is a very real concern in the coal industry that the establishment of government corporations as set forth in S. 1283 is not compatible with the free enterprise system. This is especially true where there is commercial production of fuels by government corporations. We recognize that S. 1283 does provide for the eventual phasing-out of these corporations when their objectives have been achieved. However, history has taught us that it is much easier to create a government corporation than it is to eliminate one.

Third, although Section 104(e) of the proposed bill provides for procedures for periodic consultation with the representatives of industry, the scientific community, etc., who have expertise in the areas of energy research and development technology involved, we believe that the language does not go far enough. Our experience is that an effective research program needs a direct and continuing input from those industries which will use the technology being developed. Such input shortens the adoption time and helps to prevent costly errors in the research program itself, as well as to prevent duplication which often comes from programs of this magnitude. We would, therefore, recommend the establishment of research advisory committees to the various energy research agencies, committees with a clearly defined advisory authority. These committees would be composed of industry and other representatives knowledgeable about the research problems and potentials of the industry involved. In addition, we would recommend that a highly reputable outside agency, such as the National Academy of Engineering, be utilized as an overall research policy advisor to the central energy R&D administration to help determine the research policy priorities and to guide the implementation of the work necessary to meet established research objectives.

On the positive side, S. 1283 does establish a part of the framework necessary for a truly responsive research program. It does this in several ways:

First, S. 1283 establishes clearly defined energy research goals, against which priorities may be established and results judged.

Second, S. 1283 makes a major financial commitment to energy R&D, especially in coal. This, too, is a decided break with the past and gives great promise for the future.

Third, the bill creates an energy research management project. We agree in principle with the concept of the energy management research project which we view as an interim step pending the establishment of a permanent central energy research and development administration.

Conceptually, we believe a proper energy research and development program should be carried out as follows:

As the need is seen or anticipated, technical and economic assessments should be made of various options to meet such needs. Where technical deficiencies exist in the various options, research and development should be undertaken on those options which have the best probability of success in the time required. Research and development resources should be allocated on the basis of the intensity of the problem and the effort needed to develop the required technology. Careful control should be maintained so that the programs are directed at meaningful targets, their progress is satisfactory, and their transfer to the private sector expedited. A research concept such as this requires:

A central control agency capable of making informed, unbiased and far-sighted decisions;

Sufficient support for the agency so that its decisions can be translated into solid research programs;

An adequate funding level; and

Close cooperation with the industries involved as well as with other governmental agencies.

This analysis leads us to suggest that a central energy research and development administration must be established. This administration could be an independent governmental body, or as others have suggested, a part of the Department of Energy and Natural Resources. Within the research administration there should be separate but equal agencies for the major sources of energy. One such agency should focus on coal, with a funding level on a parity with nuclear power. Its staff would be charged with coal development much as the present AEC is charged with nuclear progress. The head of the coal agency would report directly to the head of the central body and through him to the President and the appropriate committees of Congress.

The objectives of this administration would be to carry on research and development in energy through all of the steps necessary to demonstrate commercial feasibility. Its various agencies would be empowered to utilize both in-house capabilities such as possessed by the Bureau of Mines and the National Laboratories and to contract on the outside with both public and private research agencies with particular capabilities needed.

S. 1283 provides for a major move in this direction through the establishment of the energy research management project. Another major advantage of this approach in S. 1283 is that ongoing research programs can be continued in the interim between now and the time a central energy research administration such as we have outlined above can be created and made to function.

This last part is of critical concern to us. There are ongoing programs of vital interest to the coal industry in such areas as gasification, liquefaction, mining, and environmental control. Any hiatus in these programs, or any delay in their funding, could be fatal to their early success. We would urgently request, therefore, that present programs be continued as is until whatever new agency created to oversee them is firmly established and functioning.

VII. RESEARCH FUNDING

It is now apparent that research and development in coal requires nothing less than a quantum jump in funding levels. However, it must also be recognized that it is impossible in the short-term to take research spending in coal from its present low level to what is required to enable the coal industry to satisfy a major share of the energy needs of the nation. In our letter to Senator Jackson of July 2, 1973, we recommended a gradual but accelerated spending increase between now and 1980, with the exact level being determined at any given level in time by the success of the projects then underway and the potential of new projects to be initiated.

At that time we suggested for fiscal 1974 a doubling of the money for the Bureau of Mines mining research program to a level of approximately $60 million per year. We also suggested an almost tripling of the money going to the Office of Coal Research and the Bureau of Mines for conversion technology, especially in the area of gasification, liquefaction, and new power systems. In addition, we suggested that these levels should be increased gradually until they would be approximately $500 million by 1980. However, we suggest that this is the minimum level, because it assumes the construction of only one prototype plant for producing liquids from coal, one for producing synthetic gas from coal, and one or more modified power plants utilizing low-Btu gas and/or improved methods for stack-gas clean up. If the research program outlined is successful, we will probably need several additional pilot plants and perhaps several demonstration plants which, when constructed and in operation, will require funding levels approaching one billion dollars or more each year.

In addition, we also suggested a gradual spending increase for underground mining technology to approximately $100 million by 1980. This is also a minimum figure based upon those projects which are now ready for rapid scale-up to pilot demonstration or which have a sufficient chance of success that they warrant additional work at the laboratory level.

Finally, however, it must be recognized that the figures set forth above might not be adequate for the job involved. These estimates are based upon an accelerated but carefully drawn R&D program with minimum risk as an inherent characteristic. In might be necessary to pursue research programs on the basis of the Manhattan or Apollo programs where greater risks were assumed in order to achieve earlier results. We feel this is a question that will bear close attention by this Committee and by the research agency which will be set up to administer the energy research and development program.

In any event, we are talking about major increases in funding levels from the present approximate $120 million to a level somewhere between $700 million and $1 billion by 1980.

Finally, we would suggest that the money currently spent by the Environmental Protection Agency for pollution abatement technology be transferred with the programs involved to the new energy research agency or to the Department of the Interior in the interim period. We feel that this money would be better spent in an agency overseeing energy rather than at EPA, which is essentially charged with the regulation of energy use. Any agency with both the power to do research and the power to require the results to be used may be tempted to announce premature success—or deny failure—and who is to check its judgment?

VIII. CONCLUSION

We highly commend the sponsors of S. 1283. We were among the earliest supporters of its principles and, with the reservations set forth at this hearing, remain so. It recognizes that the coal research program is now a matter of major national concern and deserves the close attention of those charged with the making of national policy at the highest level. We will certainly be pleased to work with this Committee in its future deliberation on this and similar legislation.

We believe that the keystone of any realistic and durable national energy research policy must be the full development and use of our only safely abundant domestic fuel—coal. To overlook coal again could be fatal to our energy future, and to skimp on the research effort would be a tragic waste of an incomparable national energy inheritance.

We appreciate the opportunity to appear here today and, of course, will be happy to answer any questions you might have.

BOMBING IN CAMBODIA

Mr. TUNNEY. Mr. President, the bombing in Cambodia continues, no longer solely at the whim of the White House, but, until August 15, with the sanction of Congress. I vigorously supported the Eagleton amendment, which immediately would have cut off funds for further military actions in Cambodia and Laos, and put an end to a "de facto executive dictatorship in the conduct of the Nation's foreign and military policy." I regret that the Congress compromised with the White House to override the Eagleton amendment and approve 6 additional weeks of American bombing in Cambodia. And I am deeply disturbed by speculation that the President might ask Congress to continue the bombing even beyond that compromise date. I voted against that compromise, and will vote against any further extension the administration may request and I call on my fellow Senators to repudiate any effort to prolong the conflict. The carnage in Cambodia is unjustified, and unsupportable. After all these years of bloodshed in Southeast Asia, our military activities must finally be brought to a halt.

The present bombing campaign in Cambodia was illegal from its inception last winter. It is unrelated to the protection of American troops, the ostensible reason given for the last 4 years of military activity in Indochina. It is also in violation of the Vietnam Peace Agreement of January 27, 1973, which required the United States to terminate its military activities in and over Cambodia and Laos. Whatever thin legal rationalization the administration had devised for the bombing campaign was completely nullified in the last weeks of June, when majorities of both houses of Congress voted to cut off funds for military activities in Cambodia and Laos. Thereby, Congress voted to end the war and to reassert its congressional prerogative in the area of war powers.

The Eagleton amendment was sent to the President as part of the second supplemental appropriations bill. In the same week, similar provisions were added by the Senate to the debt ceiling extension bill and by the House to the continuing resolution, in addition to the earlier vote of the Senate on the Case-Church amendment to the State Department authorization which remains in conference. Thus, in five votes, in both Houses and Senate, it finally appeared that the Congress was prepared, after more than 12 years, to assert its constitutional role and bring an end to the warfare in Indochina.

But in the face of the threat of Presidential vetoes, the Congress backed down and acquiesced in 6 more weeks of bombing. The victory, if any, clearly belongs to the President. He has succeeded in imposing his discredited war policy on the Congress and the American people, if not for 4 more years, at least for 6 more weeks. The authority of Congress has been tarnished, Mr. President, rather than enhanced by this episode.

The administration now may claim that Congress has bestowed at least some semblance of legitimacy on its bombing. I am aware that many of my colleagues, in voting for the compromise on June 29, disclaimed that their vote upheld the legality of the bombing, or gave it any sanction; but future observers may pay more heed to the act than to the words which accompanied it.

The congressional comprise is even more tragic because 6 more weeks of bombing, it appears certain, will not accomplish any reasonable goal.

Faced, at last, with the end of American bombing, the Lon Nol regime has finally offered to negotiate with Prince Sihanouk, the leader of the opposition forces. Of course, when Lon Nol was backed with unlimited American bombing and supplies, he spurned peace feelers from Prince Sihanouk.

Today, the insurgents will certainly have no reason to negotiate rapidly, and Sihanouk has publicly rejected any American intermediary role. The Cambodians will not begin to resolve their own differences while American intervention and bombing continues in their country. If the administration truly wished peace, it should have announced an end to its bombing months ago, and negotiations would have been underway today.

The military justification for this added 6 weeks of bombing is even more absurd. The bombing is supposed to allow time for the Cambodian armed forces to shore up their military posture and face the insurgents on their own. Yet, the Secretary of Defense is already pessimistic about the Cambodian Army's chances of survival, and we now read stories hinting that the South Vietnamese Air Force may have to take up the load of bombing. In truth, neither 6 weeks nor 6 months more of American bombing will appreciably change the military situation in Cambodia. The need is for an end to bombing and fighting, and a start to real efforts at achieving peace among the Cambodians themselves.

Our bombing campaign since the Vietnam ceasefire has averaged some $86 million per month, based on figures from last spring, and the 6-week extension will cost the taxpayer over $125 million. In addition, there has been the irreplacable cost of American airmen lost in action. In the last 5 months, and unnecessary, the United States has lost 10 aircraft over Cambodia and Laos with 14 pilots killed and 4 missing.

I need not dwell, Mr. President, on the tragic toll inflicted on the Cambodian people. We cannot even guess at the numbers of lives which will be lost and disrupted, the villages and crops destroyed, the refugees driven from their homes, by the rain of bombs in these weeks.

For these reasons, Mr. President, I regret that the Congress retreated from its firm position against further Cambodian bombing, and allowed this fruitless, wasteful, cruel action to continue. A distinguished newspaper, the Los Angeles Times, summed up the situation:

> It seems unconscionable to us that an American President and the American Congress should agree, as the price of their compromise, to prolongation of death and destruction for an innocent people. It seems beyond reason to put off for a single day the new acceptance that the power of war shall be shared—shared as the Constitution said that it should be.

I agree with this conclusion, Mr. President. I pray that the suffering of the Cambodian people will be ended as soon as possible and that Congress will repudiate any possible extension so that August 15, indeed, will terminate our airborne slaughter in Indochina.

OBJECTIVES OF THE GAO

Mr. ERVIN. Mr. President, on June 21, I introduced on behalf of myself and Senators RIBICOFF and METCALF, the Accounting and Auditing Act of 1973. This bill is designed to strengthen and update the authority and functions of the General Accounting Office in order that it may more effectively carry out its statutory responsibilities.

The General Accounting Office is the agency of the Congress and serves as an important source of information on Federal Government operations for all Members of Congress. Recently the Comptroller General published a new booklet on his office, which provides answers to numerous questions that are frequently asked about the objectives, purposes, and responsibilities of the GAO. This excellent booklet, which is available to all Members of Congress, and publicly available to students, libraries, and members of the public for their use and information, also contains a fine summary statement of the objectives of the General Accounting Office prepared by the Comptroller General.

I think all Members of Congress will be interested in the Comptroller General's statement and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OBJECTIVES OF THE GENERAL ACCOUNTING OFFICE

During my more than 32 years in the Federal Government, 26 of them in the Executive Office of the President, I have become increasingly aware of the growing power and influence of the executive branch in relation to the Congress. One important factor in this shift of power has been the growing size and complexity of Federal programs. There is considerable concern in the Congress that the executive branch has most of the experts in such complex fields as major weapons systems, atomic energy, space exploration, and pollution control. In my opinion, this concern has a great deal of validity.

Many of these experts and much of the information from the executive branch are made available to the Congress through hearings, reports, and information consultations. However, inevitable questions are ever present.

Whether the proper alternatives have been fully considered and set forth objectively to the Congress.

Whether the executive branch is keeping the Congress advised on the progress and problems which develop as programs are carried out.

Whether this information is provided to facilitate, and not frustrate, legislative oversight.

The increased use of science and technology has increased the imbalance in the roles of the executive branch and the Congress to the point where many students of Government have begun to question seriously whether the Congress has the machinery to exercise adequately the responsibilities which the Constitution placed upon it.

It is my objective to strengthen, wherever I can, the processes through which the Congress can obtain reliable information. This means that the work of the General Accounting Office must be more and more relevant to the needs of the Congress.

We have done much in this direction, and we can certainly do more. In the past 6 years, the work of GAO, which we classify as being of direct assistance to the Congress, has increased more than threefold to the point where it currently represents nearly 30 percent of the total effort of our 3,100-man professional staff.

It is not our purpose to "sell" our services to the Congress. In fact, we often have resisted additional responsibilities if we thought we could not discharge them adequately. However, we have made strenuous efforts to foresee the needs of the Congress and to make our information, conclusions, and recommendations available timely in order to be relevant and useful to the work of the congressional committees.

GAO's objective certainly is not to become the "think tank" for the Congress on the best solutions to pressing national problems. Nor is it our job to assess overall national program priorities or budget-funding requirements.

Government has become more complicated since the Congress established GAO more than 50 years ago. The needs of the Congress for help have grown and will continue to grow.

GAO's greatest contribution is to provide answers to questions such as:

Is it possible to eliminate waste and inefficient use of public moneys that the agencies and their contractors may have considered acceptable in the past?

Are Federal programs, whether administered directly by the Federal Government or through other organizations, such as the United Nations, or through State and local governments, achieving their objectives?

Are there other ways of accomplishing the objectives of these programs at lower costs?

Are funds being spent legally? and is the accounting system for them adequate?

Our objective is to recommend ways of making both proposed and ongoing Federal programs work better and to make the results of our studies known before decisions are reached. This is especially important when there are strong pressures to move to new and untried approaches or to infuse more money into programs that have not yet demonstrated their worth.

The first and foremost responsibility for providing this type of information to the Congress should continue to rest with the operating agencies themselves. GAO, especially in view of the independent position which it holds, can advise the Congress how well we think the agencies have done their jobs of evaluating the effectiveness of their programs. GAO can supplement their efforts and go more deeply into problems which may not have been dealt with adequately by the agencies.

GAO's greatest asset is the competence, dedication, and enthusiasm of its staff. Whenever possible, we should emphasize to our staff, at all levels, the great responsibility with which we have been entrusted.

We are employing and developing individuals with varied backgrounds and competence in keeping with the diverse areas which we are called upon to review. Although the competence of our staff is highly important, it is essential that GAO maintain its hard-earned reputation for objectivity, accuracy, and high professional standards. This is particularly important as we increasingly emphasize audits having as their principal objectives the assessment of the results of Government programs and whether these programs are being carried out as the Congress intended.

We cannot avoid the situation where certain of these reports will be considered controversial in the eyes of those who may disagree with our conclusions and recommendations. This simply underscores the importance of developing and presenting our conclusions and recommendations as fairly, objectively, and factually as possible.

We do not lobby for a particular legislative or program decision. Rather, we endeavor to provide the kind of objective analysis of alternatives that can be valuable to the Congress in reaching its own conclusion. In short, GAO must avoid a partisan program role just as it has carefully avoided a partisan political role.

In a broader context, GAO is responsible to the public. GAO reports to the Congress, if not classified for national security reasons, are public reports. Although we have no official ombudsman responsibility, we try at all times to be sensitive to responsible criticisms of Federal programs and to take these criticisms into account in our reports and in deciding which areas to review.

We have not sought publicity for our reports. But we think it quite important that the public have full access to our findings and conclusions. We provide the public with a meaningful demonstration of the openness of our governmental processes.

We recognize that certain information must be classified in the interest of national security. The legal authority to classify information rests with the operating agencies. We should have as one of our objectives, however, the questioning of security classifications which seem unnecessary for the purposes of security legislation and regulations.

Concerns are being voiced increasingly in the Congress and elsewhere about the apparent decreased confidence in the Government, particularly in the Government's ability to make programs work effectively and to serve well those individuals and groups for which public funds are spent. If these concerns are valid, it now is more important than ever before that the public be aware of the work of GAO as an organization which has as its principal concerns fiscal integrity and the economical and effective management of governmental programs. I believe that GAO can play a part in overcoming these concerns.

ELMER B. STAATS.

THE NATIONAL CONGRESS OF AMERICAN INDIANS HONORS SAM J. ERVIN, JR.

Mr. JACKSON. Mr. President, on June 26, 1973, the National Congress of American Indians honored our colleague, Senator SAM J. ERVIN, Jr., of North Carolina, by bestowing upon him one of its Henry Moore Teller Awards. The plaque signifying this award reads as follows:

> The Executive Committee of the National Congress of American Indians proudly presents its 1973 Senator Henry M. Teller Award to the Honorable Sam J. Ervin, Jr., U. S. Senator, for outstanding efforts in legislation for Indian people.

The program for the first annual benefits award dinner of the National Congress of the American Indians contained these further recitations concerning SAM ERVIN:

> As Chairman of the Constitutional Rights Subcommittee, Senator Ervin was responsible for the enactment of an Indian Bill of Rights provision in the Civil Rights Act of 1968. His efforts on behalf of the individual citizen combined with his knowledge and wisdom in defining the responsibilities of the State to the individual is exemplary in the history of the United States.
>
> With his knowledge of the contributions of the American Indian to the democratic constitutional form of government enjoyed in the United States, Indian people look to Senator Ervin to assist in defining and strengthening the tribal form of government.
>
> Senator Ervin was honored by the Eastern Band of Cherokee Indians and given the name which means 'Law giver.' In recent hearings on the Watergate events, Senator Ervin used the gavel given to him by the Eastern Cherokee in his native state of North Carolina.
>
> The National Congress of American Indians joins the multitudes of American people in honoring Senator Sam J. Ervin, Jr.

USDA YOUNG EXECUTIVES REPORT ON RURAL DEVELOPMENT

Mr. HUMPHREY. Mr. President, the Young Executives Committee of the U.S. Department of Agriculture, established by the Secretary of Agriculture in April of 1971, has just completed an intensive study of rural development problems in America. Their report, "Community Improvement—the Rural Component," has just been made public. It deserves the attention of every Member of Congress and careful consideration by the administration. These young Federal executives at USDA have done a fine job.

I have asked the staff of the Senate Agriculture and Forestry Committee to thoroughly review this report and its recomendations. I will want to comment more fully on this report when their review has been completed.

However, I would like, at this time, to share with you some of what I consider to be the most important conclusions in the report.

First, with regard to Federal revenue sharing, the USDA report concluded that:

> Revenue sharing as a major source of rural development funding weakens the ability to

> direct resources toward specific national goals. We believe that Federal funds should be provided through a categorical grant-and-loan process to insure effective use of limited resources.

The committee further stated that:

> Revenue sharing such as the proposed Better Communities Act of 1973 appears to be an easy way out for the Federal Government. . . . money will be spread too thinly among communities and there will be few controls requiring that spending be for projects within the national goals. A program that disburses funds without firm direction and control will not solve the ills of America. It only passes the buck. Revenue sharing provides a shotgun approach to problems requiring far more complex solutions, and would weaken the ability to direct energies toward national goals.

I could not agree more wholeheartedly with this conclusion. I hope the administration gives this statement very serious attention.

Second, with regard to the need for a much greater effort by the Federal Government to establish a balanced national growth policy, the committee concluded:

> There has been no statement of national goals and no policy framework for the great number of community improvement programs. We believe such national goals should be established and subjected to continuing public debate and review.
>
> We believe that the Federal Government can work effectively with State and local governments to effect a sound balance between the urban, suburban, and rural communities in which Americans live.
>
> We believe that goal-setting for community improvement requires information concerning our natural and economic resources, the desires of our people, and program costs.

I share the committee's views in this regard. For too long we have neglected the creation of an overall national goal-setting and policy-establishing framework for Federal action. In part, "government by crisis" has resulted from the lack of an adequate policy-planning mechanism at the national level.

Third, the report concludes with regard to rural industrial development that—

> We believe that the national planning process must recognize the importance of increasing industry in rural America. A goal should be not to urbanize rural America but to encourage the spread of industry to provide rural Americans with opportunities for access to employment.

I agree with the conclusion. We need to do much more to provide employment opportunities in rural areas and industrial development activities must be expanded if we are to accomplish this objective.

Finally, the committee pointed out:

> We believe that multi-county planning and development activities are essential in meeting national goals at the local level and should be strengthened.

These organizations are critical to the process of revitalizing rural America. I agree fully that they should be strengthened.

I ask unanimous consent that the Washington Post article of July 11, commenting on this report, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DYING FARM AREA AID SOUGHT

(By Bernard Brenner)

> A group of rising young Agriculture Department bureaucrats says the government should help people move out of dying rural areas by buying their land and turning it into "open space" for public use.
>
> The recommendation was included in a report by the department's 20-member young executives committee which also issued a scathing criticism of one of the Administration's pet proposals—revenue sharing for community development.
>
> The report called the rural revenue-sharing proposal a buckpassing "easy way out" of a complex problem.
>
> Based on a study of existing and proposed government programs for promoting economic development in rural regions, the report said the federal government should identify rural areas with growth potential and concentrate its development funds—including aid for promoting new industry—in growth areas which need assistance.
>
> The Agriculture Department, in releasing the report, stressed it represents only the views of the 20 committee members and "does not represent government policy."
>
> The committee is the second young executives group created by the Agriculture Department to make an independent study of selected problems in which the agency is involved. The first committee, which filed its report in 1972, touched off controversy by recommending that federal farm support programs should be abolished. Committee members are selected from middle-to-high level career civil servants in the under-35 age group in all Agriculture Department agencies.
>
> "We believe that people who, through their own free choice, wish to move to developing communities from areas which do not have potential growth should be provided with any needed assistance. This assistance could include purchase of their property by government to be held, in trust, for future Americans," the report said.
>
> In operating this "reverse homesteading" plan, the report added, purchased property could be returned to open space uses "and the people, regardless of whether they had been property owners, could be provided with financial help to make the physical move."
>
> The report said the government should classify all rural areas into three groups: those which have the potential growth without outside aid; those which have growth potential but need help; and those without growth potential. It said information on the potential of any area should be made available to all who request it.
>
> The young executive group clashed sharply with Administration policy on the issue of how to funnel federal funds for rural development. It said such programs should be shifted from the Agriculture Department to a new department of community improvement.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 1081, which the clerk will state.

The legislative clerk read as follows:

> S. 1081, to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

The PRESIDING OFFICER. Under the previous order, the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) is now recognized to call up an amendment.

AMENDMENT NO. 326

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair, and I call up my amendment No. 326 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> That the head of the Mining Enforcement and Safety Administration established pursuant to Order Numbered 2953 of the Secretary of the Interior issued in accordance with the authority provided by section 2 of Reorganization Plan Numbered 3 of 1950 (64 Stat. 1262), shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the consideration of this amendment my staff member, Joe Stewart, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally against both sides on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield myself such time as I may consume.

I ask unanimous consent that the name of the distinguished chairman of the Committee on Labor and Public Welfare, the Senator from New Jersey (Mr. WILLIAMS), be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the amendment I have just offered would require that the administrator of the recently constituted Mine Enforcement and Safety Administration of the Department of the Interior be appointed by the President of the United States, by and with the advice and consent of the Senate.

On May 7 of this year, the Secretary of the Interior, the Honorable Rogers C. B. Morton, signed, and thus put into effect the Secretary's Order No. 2953.

I ask unanimous consent that the order be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

Mr. ROBERT C. BYRD. The order establishes a new agency within the Department of the Interior entitled "The Mine Enforcement and Safety Administration"—MESA—and the order assigns to that agency the responsibility of administering the Federal Coal Mine Health and Safety Act and the Federal Metal and Nonmetallic Mine Safety Act. In addition, this new agency will handle mine health and safety assessment and compliance, and education and training functions.

I believe that this new agency will be handling responsibilities commensurate with the most important agencies within the Department. The Administrator of MESA will be responsible for the health and safety of tens of thousands of miners in this country who labor daily under the most potentially hazardous industrial conditions in the entire Nation.

A vigorous and fair enforcement of the Coal Mine Health and Safety Act and the Metal and Nonmetallic Mine Safety Act can provide vitally needed protection and safeguards to the mineworkers of the United States.

I believe that by requiring the Administrator of MESA to be subject to Senate confirmation, the Senate will be taking a forceful step to insure that whatever administration is in office, whether it be Democratic or Republican, it will be encouraged to appoint the most qualified and competent individual available to fill this post.

My amendment is prospective in nature. To date, no individual has been nominated for the position.

Mr. President, thousands of miners in West Virginia and throughout the Nation need to know that they are getting the protection they deserve from this new agency. I believe it is imperative that this important position be subject to Senate confirmation. In this way, Congress can do its part to insure the selection of the most qualified individual for the post; and Congress, having enacted the Coal Mine Health and Safety Act, will be proceeding in the very important constitutional area of oversight to see that that act is effectively and fairly carried out.

EXHIBIT 1

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C.

ORDER No. 2953

Subject: Reorganization of Bureaus and Offices.

Sec. 1. *Purpose.* This Order outlines the implementation of the reorganization plan described in Secretary's Order 2951 dated February 6, 1973. Provided herein are brief functional descriptions of new organizations created, the transfer of various functions between organizations, and the assignment of bureaus and offices to Assistant Secretaries for Secretarial direction and supervision.

Sec. 2. *Responsibilities.* Assistant Secretaries named in Secretary's Order 2951 will be responsible for implementing the provisions of this Order as well as the development of new or revised organization statements for publication in the Departmental Manual. The Assistant Secretary-Management is responsible for the approval of all reorganization actions made pursuant to this Order as provided in 101 DM.

Sec. 3. *Authority.* This Order is issued in accordance with the authority provided by Section 2 of Reorganization Plan No. 3 of 1950 (64 Stat. 1262).

Sec. 4. *Secretarial Officers.* The functions, authorities, and responsibilities of all Secretarial officers, except the Solicitor, have been revised as provided in Secretary's Order 2951. The following Sections and the chart attached to this Order delineate the transfer and alignment of existing and new organizations. A description of each Secretarial officer position and the organizational entities under its jurisdiction are described below.

Sec. 5. *Assistant Secretary—Energy and Minerals.* The Assistant Secretary—Energy and Minerals discharges the duties of the Secretary with the authority and direct responsibility for programs associated with energy conservation; energy and mineral data and analysis; generation, transmission and marketing of electric power except for those functions performed in the Bureau of Reclamation; mine health, safety and training programs; topographic, geologic and mineral resources matters; oil and gas activities, including import allocations; energy, metallurgical and mining research and development; and emergency preparedness and natural disaster energy and minerals functions. The Assistant Secretary—Energy and Minerals exercises Secretarial direction over the described functions of the following organizations:

(a) *Geological Survey.* The Geological Survey retains its present functions and is transferred from the former Assistant Secretary—Mineral Resources.

(b) *Bureau of Mines.* The Bureau of Mines is transferred from the former Assistant Secretary—Mineral Resources and retains its traditional functions of energy, Metallurgical and mining research and development, mine health and safety research, and mineral supply. Other functions related to mine health and safety are transferred to the Mining Enforcement and Safety Administration described in Section 5(c) below.

(c) *Mining Enforcement and Safety Administration.* A new Mining Enforcement and Safety Administration is established and is responsible for administering the Federal Coal Mine Health and Safety and the Federal Metal and Nonmetallic Mine Safety Act. Mine health and safety, assessment and compliance, and education and training functions are transferred to this office from the Bureau of Mines.

(d) *Power Administrations.* The Bonneville, Southwestern, Southeastern and Alaska Power Administrations retain their present functions and are transferred from the former Assistant Secretary—Water and Power Resources.

(e) *Office of Oil and Gas.* The Office of Oil and Gas retains its present functions and is transferred from the former Assistant Secretary—Mineral Resources.

(f) *Office of Coal Research.* The Office of Coal Research retains its present functions and is transferred from the former Assistant Secretary—Mineral Resources.

(g) *Office of Energy Data and Analysis.* A new Office of Energy Data and Analysis is established to serve as the focal point in the Department for coordinating functions related to gathering and analyzing energy data. The Office develops appropriate information systems, analyses, and studies to assist in economic forecasting and policy decisionmaking. The Office also evaluates and reviews energy data-gathering programs and functions performed in the bureaus and offices reporting to the Assistant Secretary—Energy and Minerals.

(h) *Office of Research and Development.* A new Office of Research and Development is established to coordinate energy and minerals research and development activities. The Office sets priorities and formulates research and development budgets, oversees development of new research and development programs, and evaluates the progress and results of all research and development conducted or sponsored by the Department. The Office administers a Central Energy Fund and directs the underground electric power transmission research program which is transferred to this office from the former Assistant Secretary—Water and Power Resources.

(i) *Office of Energy Conservation.* A new Office of Energy Conservation is established to promote efficiencies in the use and development of energy resources; to coordinate all Federal Energy Conservation programs; to conduct research on methods of improving the efficiency of energy usage; to promote consumer awareness of the need for energy conservation; and to develop contingency plans for nationwide power, fuel and mineral resource emergencies caused by natural disasters, civil defense emergencies or other interruptions of the Nation's energy and mineral supplies. The activities associated with the emergency minerals and emergency solid fuels functions are transferred to this office from the former Assistant Secretary—Mineral Resources. The Defense Electric Power Administration is transferred to this office from the former Assistant Secretary—Water and Power Resources.

SEC. 6. *Assistant Secretary—Land and Water Resources.* The Assistant Secretary—Land and Water Resources discharges the duties of the Secretary with the authority and direct responsibility for programs associated with land use and water planning; public land management; construction and operation of multi-purpose dams and water distribution facilities; marketing of water and specified Bureau of Reclamation hydroelectric power projects; conversion of saline water and water resources research; and emergency preparedness water resources functions. The Assistant Secretary—Land and Water Resources exercises Secretarial direction over the following organizations:

(a) *Bureau of Land Management.* The Bureau of Land Management retains its present functions and is transferred from the former Assistant Secretary—Public Land Management.

(b) *Bureau of Reclamation.* The Bureau of Reclamation retains its present functions and is transferred from the former Assistant Secretary—Water and Power Resources.

(c) *Office of Land Use and Water Planning.* A new Office of Land Use and Water Planning is established to be responsible for policy development and interagency coordination on use of public land and water resources, liaison with the Water Resources Council, coordination of River Basin Commission activities and interagency coordination with State and other Federal land use and water planning agencies. The Office of Regional Planning, under the former Assistant Secretary—Program Policy, is abolished and its functions are transferred to this office.

(d) *Office of Saline Water*. The Office of Saline Water retains its present functions and is transferred from the former Assistant Secretary—Water and Power Resources.

(e) *Office of Water Resources Research*. The Office of Water Resources Research retains its present functons and is transferred from the former Assistant Secretary—Water and Power Resources.

Sec. 7. *Assistant Secretary—Fish and Wildlife and Parks*. The Assistant Secretary—Fish and Wildlife and Parks discharges the duties of the Secretary with the authority and direct responsibility for programs associated with the development, conservation, and utilization of fish, wildlife, recreation, historical, and national park system resources of the Nation. The Assistant Secretary—Fish and Wildlife and Parks exercises Secretarial direction over the following organizations:

(a) *National Park Service*. The National Park Service retains its present functions.

(b) *Bureau of Sport Fisheries and Wildlife*. The Bureau of Sport Fisheries and Wildlife retains its present functions.

(c) *The Bureau of Outdoor Recreation*. The Bureau of Outdoor Recreation retains its present functions and is transferred from the jurisdiction of the former Assistant Secretary—Program Policy.

Sec. 8. *Assistant Secretary—Congressional and Public Affairs*. The Assistant Secretary—Congressional and Public Affairs discharges the duties of the Secretary with the authority and direct responsibility for programs associated with legislative and Congressional liaison activities; public information and communications matters; and the Department's Johnny Horizon program. The Offices of Congressional Liaison, Communications, and Legislation and the Johnny Horizon Program Office are transferred to the jurisdiction of the Assistant Secretary—Congressional and Public Affairs.

Sec. 9. *Assistant Secretary—Management*. The Assistant Secretary—Management discharges the duties of the Secretary with the authority and direct responsibility for the functions carried out by the former Assistant Secretary—Management and Budget through the offices of Management Consulting, Management Operations, Survey and Review, Organization and Personnel Management, Library Services, Secretarial Operations, Manpower Training and Youth Activities, International Activities, and Accounting Management and Policy. The Office of Budget assigned to the former Assistant Secretary—Management and Budget is transferred to the Assistant Secretary—Program and Budget as described in Section 10.

Sec. 10. *Assistant Secretary—Program Development and Budget*. The Assistant Secretary—Program Development and Budget discharges the duties of the Secretary with the authority and direct responsibility for the functions carried out by the former Assistant Secretary—Program Policy through the Offices of Environmental Project Review, Policy Analysis, Economic Analysis, and Budget. The Office of Budget is transferred from the former Assistant Secretary—Management and Budget.

Sec. 11. *Solicitor*. The authorities, functions and responsibilities of the Solicitor remain unchanged.

Sec. 12. *Commissioner of Indian Affairs*. As provided for in Secretary's Order 2951, the Commissioner of Indian Affairs reports directly to the Secretary and directs the activities of the Bureau of Indian Affairs.

Sec. 13. *Other Secretarial Officers*.

(a) *Office of Hearings and Appeals*. The Office of Hearings and Appeals retains its present functions, responsibilities and organizational placement.

(b) *Office of Territorial Affairs*. As provided for in Secretary's Order 2951, the Director, Office of Territorial Affairs, reports directly to the Secretary.

(c) *Office of Equal Opportunity*. The Office for Equal Opportunity retains its present functions, responsibilities and organizational placement.

(d) *The Office of the Science Adviser*. The Office of the Science Adviser retains its present functions and responsibilities.

Sec. 14. *Secretarial Delegations of Authority*.

(a) Broad delegations of the Secretary's authority have been made to the Assistant Secretaries by 210 DM 1.2, and such delegations are not affected by the provisions of this Order. All other delegations of authority in effect preceding the date of this Order remain in effect to the extent they are compatible with the organizations, functions and responsibilities provided in this Order.

(b) Delegations of authority which have been affected by transfer of program responsibility or abolishment of positions are reassigned to the head of the bureau or office to which the program responsibility is transferred by this Order. Such officials are responsible for immediately initiating action for appropriate amendments to the Secretary's delegations of authority provided in the 200 Series of the Department Manual. The Assistant Secretary—Management, in cooperation with the Solicitor, is responsible for the timely conversion and revision of affected Secretary's delegations of authority.

Sec. 15. *Administrative Provisions*.

(a) The Assistant Secretary—Management and the Assistant Secretary—Program Development and Budget will take appropriate actions to accomplish the transfer of personnel, funds, and property to implement the provisions of this Order.

(b) Detailed organization statements providing for the reassignment of all functions affected by this Order will be prepared and published in the DM within a 90-day transition period beginning with the effective date of this Order.

(c) Employees of bureaus and offices whose functions are reassigned from the bureau or offices in which they are employed are to be detailed to the bureau or office to which the functions are assigned by this Order during the 90-day transition period.

Sec. 16. *Effective Date*. This Order is effective immediately.

Rogers C. B. Morton,
Secretary of the Interior.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield to the distinguished manager of the bill.

Mr. JACKSON. First, I ask unanimous consent that my name be added as a cosponsor of the amendment.

Mr. ROBERT C. BYRD. I am delighted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I should like to observe that for many years now, the head of the Bureau of Mines has been subject to Senate confirmation. I also point out that the head of the Bureau of Mines in the past has had the responsibility of enforcing the safety laws as they pertain to mining operations.

Because Congress, in its wisdom, previously determined that the head of the Bureau of Mines should be subject to confirmation by the Senate, it is only logical, sensible, and wise that one of his most important subordinates, that individual charged with the responsibility for the safety of our mines and miners, should be subject to the same rule of confirmation. The duties have been divided, but Congress previously determined that the issue of safety should be subject to confirmation by reason of its requirement that the head of the Bureau of Mines be confirmed by the Senate.

Therefore, I support the amendment. I would be very pleased to accept the amendment. This is a matter, however, that is of such importance that I am sure the Senator from West Virginia, who has taken a keen interest in this problem, would agree that there should be a rollcall vote.

Mr. ROBERT C. BYRD. Yes, I do.

Mr. President, as soon as a sufficient number of Senators arrive on the floor, I will ask for the yeas and nays.

Mr. COOK. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I am delighted to yield to the Senator from Kentucky.

Mr. COOK. Mr. President, I have read the amendment proposed by the Senator from West Virginia and, frankly, I would like very much to commend him for taking this action. I really think it does not make a great deal of difference which political party is in the executive branch of Government, but we find that quite frequently people are given positions in the executive branch of Government who are not totally and completely familiar with all the aspects of the legislation that is passed by Congress.

We spent a great deal of time in debating the Coal Mine Health and Safety Act on this floor and we will be moving in the direction very shortly of another protracted debate, I am sure, relative to the subject of strip mining in the United States. Under the circumstances, I think not only the executive branch, but also the legislative branch should feel far more comfortable in the administration of these programs—both the Coal Mine Health and Safety Act and ultimately a strip mining bill in the United States—if, in fact, there is a degree of responsibility by both the executive branch and Congress as to who heads those facilities.

Under the circumstances I think it is imperative relative to what has occurred at many times in the past that we assume part of that responsibility, and the assumption of that responsibility is to have a name submitted to the Senate for advice and consent. I wish to say to the distinguished Senator from West Virginia that I am delighted he has introduced this amendment. I am delighted he also wishes to have a rollcall vote on it because I think that we will move in the direction of the selection of individuals in that particular department who are not there for the purpose of having their staff tell them what is right or wrong, but they are there because of their own expertise, their own knowledge, and their own ability to establish and promulgate the type policies that have to be established as a result of our actions in Congress.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. JACKSON. Just before the Senator entered the Chamber, I mentioned that Congress, by previous legislation, has required that the head of the Bureau of Mines be confirmed by the Senate. In fact, in the 20 years I have been on the committee we have reviewed all of the nominations. We have held hearings on those nominations. I would assume that this nomination would come to the Committee on Interior and Insular Affairs again because the question of mine safety laws has been in the past under the jurisdiction of the head of the Bureau of Mines. Due to the fact that there are special problems in the safety area, the decision was made to create an office within the Bureau of Mines charged specifically with responsibility for safety; but it would be logical, it seems to me, and I am sure the Senator agrees, that Congress should confirm this appointment. This is not a partisan issue, because this is a matter of great importance transcending party affiliation. I am delighted that the Senator is supporting the amendment and I assure the Senator from Kentucky and the Senator from West Virginia that when the nomination is sent to our committee we will have prompt and thorough hearings and we will work with the Committee on Labor and Public Welfare on this matter because they have particular interests in this area.

Mr. COOK. I was going to say to the Senator that I think it should be a part of the Record at this point that the coal mine health and safety law was prepared and written by the Committee on Labor and Public Welfare, so I would want a firm colloquy in the Record that when it comes to these divisions of the Interior Department that the authority to pass on and recommend nominees submitted to Congress, that the chairman feels that the Committee on Interior and Insular Affairs has jurisdiction over this. I think that is important to get into the Record.

Mr. JACKSON. Inasmuch as the Committee on Interior and Insular Affairs has been handling the confirmation of the head of the Bureau of Mines, which has included heretofore both the labor responsibilities and the safety responsibilities, it would seem appropriate that the confirmation, contemplated by this amendment would also come to the Committee on Interior and Insular Affairs. In such case I would request the chairman of the Committee on Labor and Public Welfare (Mr. Williams) to join us in those hearings.

Mr. COOK. Mr. President, I wish to say before I conclude that I feel, and I hope the Senator from West Virginia feels this way, that this is the one element of responsibility that we assume because, as Senators well know, when we write these acts, unfortunately for us we put in that standard paragraph that the agencies shall have the right to promulgate such rules and regulations to put the language into operation, and by that language we give up a great deal of control and we find ourselves in this maze of regulatory law and we wonder how we can fight our way out of it. If it is necessary to continue to do that, the Senate should take on the responsibility of advice and consent to nominations on these positions.

Mr. ROBERT C. BYRD. I agree wholeheartedly with what the distinguished Senator from Kentucky has said. I appreciate the strong support he has expressed for the amendment. I know of no Senator whose support I would rather have on this amendment than that of the distinguished Senator from Kentucky.

I also appreciate the support of the distinguished manager of the bill (Mr. Jackson).

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. FANNIN. Mr. President, I do want the record to show that the Secretary of the Interior does oppose this change. I commend the distinguished Senator from West Virginia for his great desire to maintain a good program of safety and have good leadership. As brought out by the Senator from Kentucky, it is important that we find the best person available for this position.

The feeling of the Secretary is that this is a law enforcement position and that it should be completely free of politics, and he would like to keep it that way. I express the sentiments of the Secretary for the record. I realize from the expressions of the Senator from Kentucky how essential it is that we observe the tremendous importance of this position. Being from a State where mining is a very important industry, and with his vast experience in the field of safety and the production of coal and mining, generally, I certainly recognize that his position is well taken.

I commend the chairman of the committee, the distinguished Senator from Washington. I know of his desire and I appreciate his assurance. It certainly has been true, as I have observed over the years, that he has been very fair in the handling of the confirmations. I know he considers this an important position and I know that it will be given that consideration.

I do want to make it clear, however, that the Secretary of the Interior does object to this change.

Mr. JACKSON. Mr. President, I wish to thank the distinguished Senator from Arizona for the statement he has made. I think it is important that the record be made clear and he has done so by his statement on this issue.

Mr. President, if no one else wishes to debate the matter, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. JACKSON. I ask unanimous consent that the time be charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Byrd amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back on the amendment?

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to amendment No. 326 by the Senator from West Virginia (Mr. Robert C. Byrd). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Washington (Mr. Magnuson), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Michigan (Mr. Griffin) is absent on official business.

The result was announced—yeas 93, nays 2, as follows:

[No. 281 Leg.]

YEAS—93

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—2

Bellmon
Saxbe

NOT VOTING—5

Griffin
Magnuson
McGee
Sparkman
Stennis

So Mr. Robert C. Byrd's amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TAFT. Mr. President, it is imperative that the Senate approve S. 1081 so construction on the Alaska pipeline can commence without further delay. Construction of the pipeline will provide billions of barrels of oil to the United States at a time that we desperately need it. Furthermore, it will provide the much-needed incentive to help us prepare for our future energy needs. Mr. Peter Fosco, president of the Laborers International Union of North America—AFL–CIO—ably makes this point in an editorial in the June 1973 issue of the Laborer magazine. I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Prompt Action Needed on Alaska Pipeline

In the face of the "energy crisis," which is now beginning to touch the lives of all of us, it is ironic to think that one of the world's largest petroleum reserves lies undeveloped within our own borders, beneath Alaska's North Slope.

In testimony before a subcommittee of the House of Representatives last month, we urged legislation authorizing the development of the Alaskan oil reserves and the construction of the long-delayed Trans-Alaska Pipeline Project.

This vast, untapped resource could eventually provide us with about 2 million barrels of oil a day. But let's put that startling fact in terms of the real world, the world we all must live and work in.

In one day, the Alaskan pipeline could provide enough:

(1) gasoline to run every passenger automobile in the state of Idaho for more than a month; and

(2) oil to heat 1.5 million homes in the Middle Atlantic states for an entire year; and

(3) jet fuel to fly 14 DC 10s to Los Angeles from Washington, D.C.

The list could go on, but right now these examples are only pipe-dreams. While the precious fuel in Alaska lies dormant, this country is suffering in the grips of a petroleum shortage that is beginning to have a serious impact on the entire economy.

Factories dependent upon this source of energy already are cutting back on production and may eventually have to close. Truck, rail and air transportation is becoming disrupted, threatening our national mobility. Even the very growth of our country could grind to a halt as the energy shortage reaches the construction industry.

The present crisis not only underscores our need for a continuing supply of petroleum, but also our need to open up domestic sources for oil. The more dependent we become upon the Middle East for oil, the more we sacrifice our national security.

At the very least, we are damaging our economy by fostering an unfavorable trade balance. We are importing billions of barrels of oil every year—oil largely transported on foreign vessels—and, in effect, exporting thousands of jobs.

Development of the Alaskan oil reserves would stimulate our economy and create many badly needed jobs. Thousands of jobs would exist in the construction and maintenance of the pipeline, manning of transshipment facilities at the Alaskan port of Valdez, and in the construction and operation of the 33 new American tankers needed to carry oil to the mainland.

Of course, we are dedicated to preserving the natural environment. We are convinced, however, that with proper safeguards the pipeline can be built and utilized without jeopardizing the environment.

We view the development of Alaskan oil resources as vital to maintaining our economic strength and national security. In addition, it will push us forward in achieving many of the goals we have established for our society.

IMPLICATIONS OF THE ENERGY CRISIS

Mr. GOLDWATER. Mr. President, this Nation is presently experiencing an energy crisis with profound implications. The results will have great effect upon our entire way of life. They already have begun influencing our relations with other nations. And the implications of this crisis could easily jeopardize this Nation's preeminence and our national security.

Unless we act quickly, the United States will no longer be a self-sufficient world power. We will be forced to depend upon other nations for our energy needs. And what is more, the nations upon which we will be forced to depend are politically unstable, philosophically antagonistic and geographically distant. We will be in a situation where our once-powerful Nation will have far more need of small Middle Eastern nations than they will of us.

And these countries, Mr. President, will be forced to compete against our allies for oil and perhaps even be forced to abandon our traditional international posture—the sharing of the mutual defense of the North Atlantic community and the maintaining of a Middle East balance of power.

This crisis has come about largely because we have not taken the steps necessary to prevent it. One step that must be taken now is to increase our domestic petroleum production.

I cannot overstate the importance of acting and acting right now in a way that will serve notice on foreign sources of oil that we intend to become self-sufficient and that we do not intend to become the victims of blackmail.

Mr. President, there are a number of ways that our domestic production can be increased, but none are more certain of success than the construction of the trans-Alaska pipeline.

My concern is not only for the need to stave off a coming shortage of energy supplies but also for the need to show the world that we are still a decisive nation determined to handle our own problems and handle them quickly.

In this connection, I am deeply concerned that so many people seem to think we have all the time in the world to study and debate and consider every conceivable argument, whether it be ecological or regional.

Frankly, we do not have the time. We are not extracting and refining hydrocarbon fuels, particularly petroleum, in sufficient quantities to meet our needs. Twenty-three years ago, in 1950, U.S. oil consumption was 7 million barrels per day. Domestic production was 6.7 million barrels.

We had a shut-in capacity of over 2-million barrels per day. During 1973 we will consume about 17-million barrels per day of crude oil. Six million of these barrels will be imported—around 28 percent. By 1980 it has been forecast that our needs will increase to about 24-million barrels per day. Our production is likely to remain level, unless we significantly increase domestic production. What I am saying, Mr. President, is that this Nation will be forced to import about 44 percent of our petroleum needs by 1980. This will seriously compromise us from a national security point of view.

We presently consume about 24 trillion cubic feet of natural gas per year. By 1980, our consumption is expected to rise to about 35 trillion cubic feet. As I told the Senate last June 19:

> I mention this because there is no doubt we are experiencing a shortage of fossil fuels. And, while we know where some deposits and sources of fuel are, we are not able to bring them into this country because of the constant opposition of people who speak in the name of ecology.

Because of ecological problems, we are being forced to import ever greater amounts of fuel. I have previously explained the Venezuelan situation to the Senate. In 1967 we imported nearly 2.5 million barrels per day. Only 8.1 percent of this total came from the Middle East—1.9 percent came from North Africa. Nearly 39.7 percent came from Venezuela. In 1971 we imported between 3.8 million barrels and 3.9 million barrels per day. This was approximately 1.5 billion barrels during the year, and represented about 26 percent of the total consumption of petroleum in the United States. Our balance-of-payments outlay in 1971 for petroleum alone was $3,323,000,000.

Predictions indicate that the United States will become increasingly dependent on Middle East imports until 1975. Venezuelan imports will remain the same. Imports from the rest of the world will also remain stable.

This year, imported oil will represent approximately 35 percent of our needs. By 1975, we will be importing 37 percent of our domestic consumption. By 1980 over 44 percent. By 1985 over 53 percent. And these figures are conservative.

The major remaining additional readily accessible American petroleum supply source is Alaska. The estimates of recoverable oil and gas reserves from the Alaskan North Slope alone range from 10 to 30 billion barrels or more of crude oil and about 26 trillion cubic feet of natural gas. And this does not even take into account the other areas of Alaska likely to produce petroleum products, including the Gulf of Alaska, the Bering Sea, the Chuckchi Sea, and lower Cook Inlet.

Let us compare this to our total oil and gas reserves. From 1971 to 1972 U.S. oil reserves fell 4.5 percent. Gas reserves fell 4.6 percent.

Alaskan North Slope oil reserves of 9.6 billion barrels represent more than 25 percent of our total oil reserves. Alaskan North Slope natural gas reserves of 26 trillion cubic feet represent approximately 10 percent of our total natural gas reserves.

These reserves are vitally necessary for our national security. As I have indicated, the current energy crisis will have many profound effects on our defense posture. For example, it has been estimated by the Department of Defense that in 1973 it will need nearly 345-million gallons of aviation gasoline, over 7.6-billion gallons of jet fuel, over 480-million gallons of motor gasoline, and nearly 1.7-billion gallons of residual fuel. The total consumption by the U.S. Department of Defense will be over 12 billion.

It is most important that this country have access to North Slope oil as quickly as possible. A trans-Canada pipeline will be subject to serious delays that must be avoided if possible. These delays are likely to require 3 to 5 years additional time for the building of a trans-Canada pipeline.

In fact, the Departments of State and Interior are convinced that there is no Canadian alternative to the proposed Alaskan pipeline at this time. It was pointed out by Interior Secretary Rogers Morton that for more than 3 years the Canadian Government has taken a position that it is not prepared to negotiate with the United States on the matter of pipelines from the Arctic.

We must have a fast, easily accessible route to obtain our North Slope oil. This country will literally grind to a halt if we do not have access to a secure source of petroleum. The most secure pipeline and the quickest is across American soil in Alaska, carried in American bottom ships, crewed by Americans to the lower 48 States.

Because the oil must be carried from Valdez to the lower 48 in American ships under the Jones Act, we must increase the size of our merchant marine. These ships will be available to the Government in a national emergency. Crews will be trained and will be available for the defense of this Nation. These ships will also be, I believe, more secure than a stationary pipeline crossing a foreign country, however friendly. It is very easy to destroy a pipeline wherever that line is located. It is much more difficult to interdict completely a trade route of tankers. Tankers can be convoyed and protected from submarines. A long pipeline must be continuously patroled from the air and is much more vulnerable to attack.

Because the trans-Alaska pipeline will be built so much more quickly than a trans-Canadian route, this Nation will be dependent upon foreign oil producing countries for a shorter period of time than were we to adopt a trans-Canadian route.

And, time is extremely important.

Mr. President, this Nation should not be put in the position where it can be blackmailed by armed countries potentially unfriendly and where it must help create and fuel an arms race in the Middle East. Such a course of action can only divert our basic national policy, which is to promote world peace and our domestic interests. Such a course will only drain our limited resources. Why should we help divide the western nations and create significant additional tension in the Middle East?

Another aspect of paramount importance is the effect of our payments for fuel on the stability of the dollar and our balance of payments. A few countries in the Middle East have accumulated vast financial reserves because of petroleum purchases by other nations. At a loss as to what to do with money thus earned, they have speculated heavily on the international monetary exchanges. The dollar and other currencies have suffered as a result. It has been estimated that one of the chief causes of the dollar's instability is this monetary speculation on the European money exchanges. By continuing our purchases of petroleum abroad, we will contribute to the dollar's deflation and to our critical balance-of-payments drain.

Mr. President, for all these reasons, I believe it is most important that we develop additional sources of fuel supplies, both conventional and exotic, and that we do this as expeditiously as possible. Alaska's North Slope is the key source for our near and intermediate term needs. The trans-Alaska pipeline is the quickest and most secure means of obtaining North Slope oil. I support the building of the trans-Alaska pipeline as soon as possible and urge Congress to act quickly on this.

Mr. GRAVEL. Mr. President, the April 1973 issue of Maclean's magazine published in Toronto, Canada, has a most interesting article attributed to Mr. William P. Wilder, chairman of the Canadian Arctic Gas Study, Ltd. The title of the article is even more interesting, which is: "That Pipeline: Let the Yanks Pay Our Way."

This relates specifically to the proposed trans-Canada gas pipeline—and not a trans-Canadian oil pipeline—which holds the intense interest of the Canadians at this time.

Mr. Wilder points out that:

> In order to be economically feasible, a pipeline from the Arctic must be large enough to deliver natural gas at the rate of four billion cubic feet per day—nearly one third more than Canada's present total demand. Only by taking advantage of initial access to U. S. markets can sufficient volume be achieved to finance an Arctic gas pipeline.
>
> About half the initial projected flow of 4 billion cubic feet per day would be U.S. gas from the North Slope of Alaska, with the other half from the Mackenzie Delta. The availability of Alaskan gas thus reduces the amount of Canadian gas that must be sold to the U.S. to make the pipeline feasible. Alaskan gas, and U.S. customers, would in effect help pay the cost of transporting Canadian Arctic gas to Canadian Cities.

Mr. Wilder goes on to say that a natural gas pipeline from the North Slope of Alaska through the Mackenzie Delta would also mean:

An important stimulus to the national economy;

Majority Canadian ownership and control of the largest single industrial project in the nation's history;

Generation of many hundreds of millions of dollars in government revenues.

Mr. Wilder is talking about a gas pipeline which the Canadians apparently want, and need. He is not talking about an oil pipeline for the accommodation of the United States. With the requirement of majority ownership and control of a gas pipeline—again needed and wanted—what kind of restrictions could we expect the Canadian Government to place upon the energy-hungry United States with a trans-Canadian oil pipeline? It does not take much imagination to conclude that the self-interest of the Canadian Government would be foremost in its negotiations with us for either an oil or gas pipeline through Canada. There is little doubt that "Uncle Sam" would be drawing the "short end of the stick."

Mr. President, I ask unanimous consent to have Mr. Wilder's article printed in the RECORD. The article merits the close attention of this eminent body.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THAT PIPELINE: LET THE YANKS PAY OUR WAY

(By William P. Wilder)

In the last issue of Maclean's, Prof. J. Tuzo Wilson made an eloquent plea against the sale of gas and oil to the U.S. on the grounds that they'll be needed for our own domestic requirements. Because Maclean's believes that the proposed Arctic Gas pipeline up the Mackenzie Valley deserves to be debated from every point of view, we asked William Wilder, chairman of the consortium planning the five-billion dollar project, to state his views.

At a time when Canadians are taking more interest in environment and the quality of life, it isn't surprising that the proposed Arctic Gas pipeline has sparked discussion on many issues.

One area of concern has been environmental impact. Arctic Gas has operated three pipeline test facilities in the North for nearly two years. This $7.5 million program has shown that a fully buried pipeline carrying gas that has been refrigerated to below 32 degrees Fahrenheit causes no permanent damage to permafrost.

Arctic Gas scientists have completed base line wildlife and vegetation studies and we are convinced that any adverse impact in these areas will be negligible. These studies have cost five million dollars and detailed environmental impact studies this year will cost several million more.

Another area of concern has been the need to provide urgently required job opportunities in northern Canada, and training programs enabling Eskimos and Indians to take advantage of these employment opportunities, at the same time minimizing possible social costs.

Pipeline and resource development should not impair the opportunity for northern residents who want to continue their traditional hunting and trapping lifestyles. But not all northerners want to continue simply living off the land. Many seek an alternative to marginal subsistence based on hunting and trapping in a harsh environment, or the social morass of welfare. Just as it would be wrong to deny the opportunity to those who want to pursue traditional lifestyles, so would it be wrong to deny the opportunity to those who seek the benefits of a wage economy. Pipeline construction will open up such opportunities.

As to developing Arctic fuel reserves, Canadians will themselves need supplies from Arctic sources by the end of this decade if there is to be enough gas to fuel industries and heat homes.

In order to be economically feasible, a pipeline from the Arctic must be large enough to deliver natural gas at the rate of four billion cubic feet per day—nearly one third more than Canada's present total demand. Only by taking advantage of initial access to U.S. markets can sufficient volume be achieved to finance an Arctic gas pipeline.

About half the initial projected flow of four billion cubic feet per day would be U.S. gas from the north slope of Alaska, with the other half from the Mackenzie Delta. The availability of Alaskan gas thus reduces the amount of Canadian gas that must be sold to the U.S. to make the pipeline feasible. Alaskan gas, and U.S. customers, would in effect help pay the cost of transporting Canadian Arctic gas to Canadian cities.

Only a small portion of the total potential gas supply in northern Canada would have to be sold to the U.S.

In the March issue of *Maclean's*, Prof. J. Tuzo Wilson, an internationally respected geophysicist, wrote of the rapidly increasing U.S. hunger for fuel and warned about exporting our gas and oil because of the long-term inadequacy of our supplies.

No one in Canada suggests unrestrained exports to the United States. But we do need some exports in order to be able to economically utilize our own potential energy supplies, particularly supplies of Arctic natural gas.

Given our historic national policy of limiting energy exports to supplies surplus to our own requirements, I am convinced that our potential supplies of fossil fuel (oil, natural gas and coal which supply 90% of our energy) will be adequate for a long time—if they are developed and made available. In a quarter century of active exploration we have still discovered probably less than 15% of Canada's estimated potential reserves of conventional crude oil and natural gas, and we have produced less than 3%.

If reserves of coal and oil from the Athabasca tar sands are included, our proven and projected potential fossil fuel reserves are estimated at an equivalent of more than a 500-year supply at the projected 1990 rates of demand. But unless we continue to develop our potential supplies at an adequate rate we could face shortages of available domestic energy within a very few years.

Financing the construction of the pipeline can be accomplished without excessive pressure on the Canadian dollar or distortion of the economy. I am satisfied that a significant portion of the total capital requirements, and more than 50% of equity capital, can be raised in Canada.

Starting with initial feasibility studies in 1967, the present 25 member firms of Arctic Gas had spent more than $25 million by 1973 to examine all aspects of the proposed pipeline. As soon as all of the necessary information has been obtained from these studies, we intend, later this year, to file applications to Canadian and U.S. government authorities for approval to construct and operate the proposed pipeline. Regulatory proceedings, including exhaustive examination at public hearings, are expected to take at least 1½ years. By the earliest that we can anticipate approvals—possibly late 1974 or early 1975—Arctic Gas will have invested more than seven years and $50 million. Delivery of materials and construction will take another three or four years.

No industrial project in Canada will have been subject to more extensive study, nor to more exhaustive public examination at hearings before government agencies, as provided by parliament.

This long lead time required indicates why excessive delay of an Arctic gas pipeline cannot be afforded if we are to have gas supplies available when they are needed by the end of this decade.

A natural gas pipeline from the Arctic also will mean:

An important stimulus to the national economy.

Majority Canadian ownership and control of the largest single industrial project in the nation's history.

Generation of many hundreds of millions of dollars in government revenues.

There is no doubt that Canada has an ample supply of potential energy resources. The challenge is to ensure that they will be developed and available as required, and in a manner that provides maximum benefit to Canadians. A pipeline to transport natural gas from the Arctic will play a vital role in meeting this challenge.

Mr. BENNETT. Mr. President, a culmination of recent events places squarely on the shoulders of Congress the responsibility to take prompt and decisive action toward the development and acquisition of additional energy to meet critical present shortages and spiraling demands. The legislation currently before us represents a significant step toward accomplishing this objective.

S. 1081, the Federal Lands Right-of-Way of 1973, as reported by the Committee on Interior and Insular Affairs, removes the technical limitations imposed by the 1920 Mineral Leasing Act and clears the way for the Secretary of the Interior to grant the necessary permits to begin construction of the trans-Alaskan pipeline immediately.

In addition to permitting construction to bring Alaskan North Slope crude oil to the 48 contiguous States, S. 1081 clarifies legislation regulating future rights-of-way decision concerning Federal lands.

There seems to be little controversy concerning the urgent national need for North Slope oil. However, despite a clear preference by the committee majority for authorization of the Alaskan route first, some have proposed to delay the start of this project until the Canadian alternative is more thoroughly researched. Amendment 240 would further delay a decision on this matter at least a full year until the completion of an additional impact statement and a comprehensive interdisciplinary study.

Secretary Morton has previously stated that thousands of man hours have already been devoted to a six volume Environmental Impact Statement regarding the proposed Alaskan pipeline, approximately 150 pages of which dealt with a discussion of possible Canadian routes.

S. 1081 explicitly requests negotiations with the Canadian Government concerning the feasibility of a trans-Canada route and requires a report within a year on the results and recommendations. Meanwhile it allows for construction to proceed on the trans-Alaskan line. It by no means precludes the later construction of a second route through Canada and carefully avoids passing judgment on the relative merits of the alternative routes.

Although the evidence is not decisive for either alternative, a few advantages of the trans-Alaskan line merit constant review.

It has been suggested that the Canadian Government has expressed a renewed willingness to cooperate in the development of a pipeline traversing their soil. It has been further suggested that they would be unwilling to negotiate if the Alaskan route were given first priority.

The Canadian Government has previously indicated that it would be unwilling to participate in any such venture except from a position of majority ownership. This fact coupled with recent Canadian restrictions on fuel exports to the U.S. carries a foreboding message regarding dependence on foreign governments for energy needs.

Other economic considerations include the $200–$300 million price tag of increased construction costs incurred for each additional year the project is delayed and the inevitable delay, regardless of the estimate used, expected before a Canadian pipeline could become operative.

The satisfaction of current energy needs requires the importation of 6-million barrels of oil a day. This expenditure is a major cause of our growing balance-of-payments deficit and in turn can be traced as a significant cause of the devaluation of the dollar and other of our current economic woes. By 1980 the trans-Alaskan line could be at a capacity output of 2 million barrels a day. This figure would reduce our import requirements by approximately 20 percent and in turn reduce our balance-of-payments deficit at current prices by $2 billion a year.

In the absence of available substitutes, the need is clear for a domestic source of oil. The increasing tendency of Middle East nations with large oil reserves, such as Saudi Arabia, to use oil exports for political purposes is a further indication of the urgency of this situation.

There is no indication that a Canadian route would be ecologically superior to the proposed Alaskan line. A Canadian pipeline would be four times as long as the Prudhoe-Valdez line through a foreign country. A Canadian route would have to cross at least 1,200 miles of permafrost compared to 700 miles in the Alaskan proposal, and traverse 12 rivers of a minimum width of one-half mile compared to 1 for the Alaskan alternative. A survey of earthquake maps shows the Canadian route to be at least equal in severity if not surpassing the Alaskan line. The environmental safety of the Valdez terminal combined with stricter regulations now governing the operation of U.S. tankers gives further evidence of the fact that the proposed Canadian routes will not provide greater ecological safeguards.

Concern has been expressed for the fulfillment of the energy needs of the regions east of the Rocky Mountains under the Alaskan proposal. Some estimate that west coast delivery would result in surpluses to be used for export to Japan and other nations. These estimates are generally based on a current completion date of the project. A deficit of approximately 2 million barrels of oil a day has been projected for the west coast by 1980. This figure matches estimates of the maximum capacity of the Alaskan line by that date. Undoubtedly maximum North Slope output will still leave the necessity for large oil imports. The costs of transporting oil from the west coast to the Midwest and from the gulf coast to the Midwest are essentially equal. Hopefully the Distribution Act previously passed by the Senate and the distribution plans calling for the eventual extension of natural gas lines to the Midwest and East from the North Slope will lead to an equitable solution to this vital problem.

The severity of our national need to develop domestic sources of energy conclusively supports immediate authorization of the trans-Alaskan pipeline.

LONG DELAYS DO NOT NECESSARILY INSURE ENVIRONMENTAL PROTECTION

Mr. DOMENICI. Mr. President, this body is at present engaged in lengthy debate, as well it should be, concerning the relative adverse environmental consequences which would result from the construction of pipelines to deliver oil from the North Slope of Alaska to the lower 48 States. Many of the proposals under consideration would require additional delays in the delivery of that oil on top of delays which are already too lengthy.

I am concerned, Mr. President, that too many well-intentioned and deeply interested people have come to equate delay, regardless of eventual outcome, with protection of the environment. This is simply not a true perception.

We must, as we strive to balance the other competing interests which are vital to our national well-being against the increasing recognition of legitimate environmental concerns, develop a system which shortens the delay required to make decision regarding the best balance. We must be able to allow decision-makers to fully consider the relevant information and the competing arguments and opinions in a timely manner so that the issue will be put to rest once a decision is made by those vested with that authority and responsibility. Regardless of any individuals opinion on the merits of the matters now before this Chamber it is clear that such a procedure has not been developed to this point.

In this regard I would draw the attention of my colleagues to an editorial by Mr. Ray Cromley in the Washington Evening Star, Wednesday, July 11, 1973. I therefore, request unanimous consent that Mr. Cromley's editorial entitled "Speeding Up the Process" be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPEEDING UP THE PROCESS

(By Ray Cromley)

In considerable measure our energy shortage is a result of indecision over pollution.

Not ecology. Not pollution. But indecision. An inability to decide what nuclear power production, pipelines, open pit mines, coal burning, offshore drilling do to the landscape, the air and to human beings and wildlife, how serious these various disturbances are, how much we are going to allow as a nation, and what to do about it.

Crucial projects which would mean more heat or air conditioning for our homes, more gasoline for our cars, more electricity for our lights are delayed—by bureaucratic red tape, by long drawn-out court actions, by repeated studies by this commission or another.

In some cases these delays add up to 10 years.

Now this reporter is not going to quarrel with the process, for this is the price of democracy. If all parties considered are going to get their opinions heard and considered, this takes time. Only dictators can make instant decisions. But we must realize the price we are paying and why that price is being paid. Perhaps we can find a way to speed the democratic process without danger to our rights and environment.

This nation has the technical ability and the resources to produce and to transport the power necessary, even with the surge in demand this past year.

If a decision could have been reached say three years ago on what form of an Alaskan pipeline would be acceptable environmentally, it is quite possible we would today be producing several million additional barrels of oil domestically.

The problem is not whether to allow or not allow a pipeline per se. It's how much harm to the ecology we want to allow. Once these standards are decided, then engineers have told me they can design a pipeline, elevated if necessary, to meet almost any specifications.

Offshore oil drilling bids were held up for almost a year some time back, and then development allowed to proceed with no great change in environmental requirements. If it were not for this delay, some of this oil most certainly would be coming into production this year.

Nuclear power plant starts have been delayed unreasonably. Japanese firms, using American technology and equipment, have been able to put in nuclear stations within four years of conception. In the United States these days, the process sometimes takes almost a full decade. Delays of two years in getting decisions from one government body are common. But firms often must deal with a host of local bodies and a series of court fights.

Contacts in the oil companies say they are hesistant about building new refineries—in part because they want to wait and make certain just what the environmental requirements will be and what construction changes and expenses those requirements will necessitate.

Strict environmental requirements have made it impractical to use coal with important sulphur content in most electric power plants. In many instances, therefore, electric utilities have turned to oil, adding to the gasoline and fuel oil shortages. Confusion over what environmental requirements will be laid on large open pit mines, and concern over the delays certain to be caused by lawsuits and dickering with the bureaucrats, is slowing preparatory work on some major new open pit mines in Western areas of the United States where sulphur-free coal is present in thick beds.

MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have been authorized by the distinguished majority leader, after consulting with the distinguished manager of the bill, the distinguished ranking minority Member (Mr. FANNIN), and the distinguished Senator from Minnesota (Mr. MONDALE), and through him the distinguished Senator from Indiana (Mr. BAYH), the authors of the Mondale-Bayh amendment, to propose the following change in the unanimous-consent agreement as earlier ordered.

Under the agreement as earlier entered into, at no later than 11 o'clock on Friday, July 13, the Senate would resume the consideration of the Mondale-Bayh amendment, with a vote to occur thereon at 1 o'clock p.m. on Friday.

After consulting with the Senators named and others, I am authorized to ask unanimous consent that debate resume on the Mondale-Bayh amendment at 11 a.m. on Friday.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

AMENDMENT NO. 314

The PRESIDING OFFICER. Under the previous order, the Senator from Washington is recognized to call up his amendment No. 314, which will be stated.

The assistant legislative clerk read as follows:

On page 32, line 8, after the word "exports," add the following: "will not diminish the total quantity or quality of petroleum available to the United States, and".

Mr. JACKSON. Mr. President, the purpose of this perfecting amendment is to close a possible loophole by which exports of crude oil from Alaska could reduce the total supply of petroleum available to the United States.

A categorical prohibition of oil exports would not be wise for three reasons. First, it might encourage other countries to do the same, to the detriment of the United States. Second, it would tie the hands of our Government in negotiating mutual arrangements among the oil consuming countries to assist one another in the event of an embargo or other interruptions of Middle Eastern oil shipments.

The State Department has pointed out both of these problems in a letter opposing the export prohibition in Mr. Mondale's amendment. I ask unanimous consent that this letter be incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SECRETARY OF STATE,
Washington, D.C., July 9, 1973.

Hon. HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee, U.S. Senate.

DEAR MR. CHAIRMAN: I would like once again to call attention to the serious problems which would be created by prohibition of oil exports from the North Slope of Alaska. I am especially concerned about section 207B of amendment 240 (Mondale amendment) to S. 1081.

This provision would require a Presidential finding that the failure to export oil from the North Slope of Alaska would present an imminent threat to the national security, and the authority for such a finding would lapse after 60 days unless its continuation was expressly approved by the Congress. Such a procedure, in my view, would be completely unworkable, would threaten the possibility of establishing cooperative arrangements with other major consuming nations and would thus work against the security interests of the United States.

In his statement on energy on June 29, the President indicated that the Department of State is consulting with the major oil producing and consuming nations to develop cooperative arrangements to provide adequate and stable sources of oil to meet the world's growing energy demand requirements. An important proposal currently under discussion in the OECD is an emergency sharing arrangement among major consuming countries to meet curtailments of supply interruption. In the absence of such an arrangement, consuming nations could be

> at the mercy of oil producers who might for various reasons curtail shipments.
>
> The enactment of a provision like section 207B would tie the hands of our negotiators and severely weaken the U.S. position in international negotiations. Rather than protecting the national security, as is implied in the language of section 207B, it would, on the contrary, threaten our security interests by limiting the possibility of establishing international arrangements to meet supply contingencies.
>
> As I have pointed out in my testimony before your Committee and in my recent letters to you, the President already has adequate legal authority under the Export Administration Act to limit or to prohibit exports of oil from the U.S. should this be necessary for reasons of short supply or for national security. I very much hope, Mr. Chairman, that the Senate will not enact burdensome or unworkable amendments which will hamper the Government's ability to deal with the already complicated task of assuring the nation's energy supply.
>
> Sincerely yours,
>
> WILLIAM J. CASEY.

Mr. JACKSON. Mr. President, the third reason to avoid an absolute prohibition is the fact that there might well be situations in which export-for-import arrangements would be of benefit to both the United States and its trading partners. For example, if there were ever Alaskan crude oil surplus to west coast needs it might be exchanged for Latin American or Eastern Hemisphere crude oil delivered to the Northeast or the Midwest, which would otherwise have been transported to Japan.

Under some circumstances import-for-export exchanges might be a better arrangement to bring the eastern part of the United States additional crude oil supplies than either a transcontinental pipeline or a tanker route around the Horn.

Our concern is that any such arrangement should genuinely provide to the United States oil that would not otherwise be available in exchange for any North Slope oil exported from this country. The reference to quality is to assure that the valuable low-sulfur crude from the North Slope is not exported in exchange for high-sulfur crude that will aggravate our air quality problems.

My perfecting amendment requires a specific finding by the President, first, that any exports of North Slope crude oil be offset in fact by assured imports of at least the same amount and quality, and second, a Presidential finding that they are generally in the national interest.

I reserve the remainder of my time.

Mr. MONDALE. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. MONDALE. As I indicated to the distinguished floor manager, I intend to offer a substitute for the pending amendment. It would provide that no Alaskan oil could be exported to non-United States consumers unless the President determined that an imminent national emergency required it; provided further, that Congress concurs in that judgment.

Mr. GRAVEL. Would there be any objection to having that amendment apply to the entire United States? If crude oil should be found in Minnesota, why should Minnesota be permitted to export that oil to Canada, which may have a deficiency at that time? What is good for the goose is good for the gander. I would like to see this apply to every other State.

Mr. MONDALE. Is the Senator implying that substantial quantities of Alaskan oil could be exported?

Mr. GRAVEL. No; I think it is ridiculous that any part of this country should be exporting oil when we have an oil deficiency. We could have an oil deficiency from now to the end of time. I think it is ridiculous, when this country is short of oil, to say that it could be exported to any other country.

Is the Senator saying that when oil is found in Minnesota, it can be exported?

Mr. MONDALE. The closest analogy to that is soybeans.

Mr. GRAVEL. I think we ought to restrict the exporting of Alaskan soybeans.

Mr. MONDALE. Let me complete my answer. I am convinced that the basic economic underpinning of the trans-Alaskan pipeline assumes a vast export of Alaskan oil to Japan and elsewhere. This has been stated by the President of the Alyeska Consortium.

Mr. GRAVEL. I talked with him, and he denies that.

Mr. MONDALE. An economists at the University of Washington has said so. It has been publicly mentioned by many economists. Mr. Sato, the Japanese Prime Minister, spoke of getting large quantities of oil a day from this pipeline. That oil is desperately needed by consumers in the United States.

Yet it will be sold outside the United States, because there is no way to deliver that oil if it comes trans-Alaska to the Midwest or to the East. The tankers are too large to go through the Panama Canal and, therefore, what we have is a pipeline predicated on the theory that it is more important for the big oil companies to be able to earn premium prices on the sale of precious U.S. oil overseas than to serve the national interest.

Mr. GRAVEL. I say to my colleague that that statement is really unbelievably far-fetched. I say that most respectfully. If he is necessarily so concerned that that would happen, my only concern is that he not discriminate against my State. If he is so concerned about exports, then let him make a law that applies to all the States, because I am sure he has equal concern for the economic feasibility of oil in Texas, in Louisiana, or any other place.

So I see no reason why we should be considering the economics of export practices which have nothing to do with the Alaska pipeline. But, be that as it may, the Senator is insistent on saying, in the muck of this misinformation, that he can do that. The only thing I do not want him to do is to pass any law to discriminate against my State.

Mr. JACKSON. Mr. President, there is a time limitation on this amendment. I want to be generous, but I find that I may be losing all my time on the amendment. I should like to reserve the balance of my time.

Mr. McINTYRE. Mr. President, a parliamentary inquiry, please.

The PRESIDING OFFICER (Mr. BIDEN). The Senator from New Hampshire will state it.

Mr. McINTYRE. Is it not true that it is possible for the manager of the bill to yield further time on the bill?

Mr. JACKSON. Yes.

Mr. McINTYRE. We are not restricted to the 30 minutes?

Mr. JACKSON. I want to make my time available to any Senators whether they are for or against, but I want to be sure that I have enough time to respond.

Mr. President, I yield at this time to the distinguished Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, I yield myself such time as I may require.

Mr. President, the Jackson amendment is designed to prevent the problems from developing that are outlined in Secretary Casey's letter to the distinguished Senator from Arizona (Mr. FANNIN) regarding exports of crude. The Jackson amendment is to provide flexibility in dealing with our allies.

Let me read the Secretary's letter in full:

> DEAR SENATOR FANNIN: I would like once again to call attention to the serious problems which would be created by prohibition of oil exports from the North Slope of Alaska. I am especially concerned about section 207B of amendment 240 (the Mondale amendment) to S. 1081.
>
> This provision would require a Presidential finding that the failure to export oil from the North Slope of Alaska would present an imminent threat to the national security, and the authority for such a finding would lapse after 60 days unless its continuation was expressly approved by the Congress. Such a procedure, in my view, would be completely unworkable, would threaten the possibility of establishing cooperative arrangements with other major consuming nations and would thus work against the security interests of the United States.
>
> In his statement on energy of June 29, the President indicated that the Department of State is consulting with the major oil producing and consuming nations to develop cooperative arrangements to provide adequate and stable sources of oil to meet the world's growing energy demand requirements. An important proposal currently under discussion in the OECD is an emergency sharing arrangement among major consuming countries to meet curtailments of supply interruption. In the absence of such an arrangement, consuming nations could be at the mercy of oil producers who might for various reasons curtail shipments.
>
> The enactment of a provision like section 207B would tie the hands of our negotiators and severely weaken the U.S. position in international negotiations. Rather than protecting the national security, as is implied in the language of section 207B, it would, on the contrary, threaten our security interests by limiting the possibility of establishing international arrangements to meet supply contingencies.
>
> As I have pointed out in my testimony before your Committee, the President already has adequate legal authority under the Export Administration Act to limit or to prohibit exports of oil from the U.S. should this be necessary for reasons of short supply or for national security. I very much hope that the Senate will not enact burdensome or unworkable amendments which will hamper the Government's ability to deal with the already complicated task of assuring the nation's energy supply.
>
> Sincerely yours,
>
> WILLIAM J. CASEY.

Mr. President, I think that this letter underscores the need for the Senate to support the Jackson amendment. I certainly shall support it myself, and I express the hope that the Senate will agree to it.

Mr. TAFT. Mr. President, will the Senator from Washington yield me 4 minutes?

Mr. JACKSON. I yield 4 minutes to the Senator from Ohio on the bill.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 4 minutes.

Mr. TAFT. Mr. President, first, if the Senator has no objection, I should like to request that I be made a cosponsor of the Jackson amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that the name of the Senator from Ohio (Mr. TAFT) be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that my name may be added as a cosponsor of the Jackson amendment; and, on behalf of the Senator from Arizona (Mr. FANNIN), and the Senator from Alaska (Mr. STEVENS), I also ask unanimous consent that their names be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I am pleased to be a cosponsor of this amendment which will assure the people of Ohio, the Midwest, and the Nation that there will be no loss of our fuel supplies, should some of them be exported from the west coast.

It has been stated several times that oil from the Alaskan North Slope will not be shipped to the Midwest. It has also been stated—and feared by many—that a surplus of crude oil on our west coast will result in the export of this fuel to other countries. It is understandable that Americans would question this action when we are so desperately in need of oil in this country.

It is also essential that we not be forced to rely too heavily upon oil from Middle Eastern nations who have stated their intentions to play politics with oil to influence foreign policies. We must have guarantees as well that any export of oil to another nation will not result in loss of important resources for our own needs.

In discussing the Pastore amendment on the Senate floor, I mentioned the tradeoffs operated by American oil companies. Oil on the west coast can be rerouted through tradeoffs with other companies who have oil on the Gulf coast, and will ship it to the Midwestern United States. However, those companies with resources on the Gulf coast must have assurances that if any oil is exported as a result of a surplus in one area of the country, the net effect will be to give to another part of the United States an amount equal in quantity and quality to that which is exported. We must not restrict our possibilities of supply to any one nation. This amendment would accomplish both these goals, while preserving the provision that no oil could be exported that is not fully covered by another source for the recipient of that oil.

By not limiting the possibility of tradeoffs with other nations to any one nation, we will have wider options for supplying our needs. If we must increase our supply of oil, we must have safeguards against any governments who would withhold their resources from us for political reasons.

Many people have also said that they do not believe a surplus of oil will exist on the west coast, especially as west coast demand will have increased by the time the Alaskan pipeline is finally completed. However, there have also been estimates of larger uncovered oil reserves in Alaska and elsewhere, which would bring a much greater amount of oil to the west coast and possibly cause the surplus. Provisions for this occurrence should be made now, while the matter is at hand, and not later when we are faced with a more serious emergency and our backs are against the wall.

Our foreign policy must not be shaped by our need for imported oil without adequate insurance of cooperation from other nations. At the same time, if the United States does export oil we must not be forced to compromise quantity and quality of American supplies.

Mr. President, I reserve the remainder of my time.

Mr. TOWER. Mr. President, I yield to the distinguished Senator from Alaska (Mr. STEVENS) such time on the bill as he may require.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I support this amendment of the distinguished Senator from Washington (Mr. JACKSON) which amends section 114 to add a requirement that the President of the United States must make and publish an express finding that such oil exports "will not diminish the total quantity of quality of petroleum available to the United States" as well as one that such exports are "in the national interest and are in accord with the provisions of the Export Administration Act of 1969."

The day before yesterday I introduced amendment No. 307, which would absolutely prohibit the export of North Slope oil. This amendment will accomplish the same thing. However, it would permit the President additional flexibility in order to be sure that all areas of the country are serviced as quickly as possible by the shortest supply route.

Under the present worldwide shipment system for oil, petroleum supplies are shipped by the shortest and quickest available route to their destination.

By utilizing a complex computer system, the oil companies are able to save considerable time, money, and, incidentally, fuel supplies by utilizing the shortest route for delivery.

The purpose of section 114 is to insure that various stringent controls are placed upon the export of North Slope oil. Amendment No. 314 will accomplish this by not permitting any net exports that would decrease the total quantity or quality of petroleum available in this country.

I believe its addition to the bill will strengthen it, and I ask unanimous consent that my name be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I would also like to directly challenge my good friend, the Senator from Minnesota, to substantiate the statement he has made that the 600,000 barrels a day of Alaskan oil are going to be shipped to Japan. I know that former Prime Minister Sato expressed the desire to have some Alaskan oil when he was in this country. He was promptly rebuked.

I also know that the California study by the California Department of Resources—and I will be pleased to supply it this afternoon—demonstrates that the projected needs for California alone would exceed our ability to ship oil to the Southern 48 from the North Slope's known deposits.

I do not understand the statement that asserts, as a matter of fact—and I am sure the Senator will answer on his own time—that any arrangements have been made or any commitment has been made of any oil from Alaska for Japan. The fact really is that Japan has long-term contracts with the Middle Eastern oil interests. It costs a considerable amount to ship that oil by tanker to Japan. We have oil on the west coast, and should it be surplus at any time, it could be shipped around South America or through the Panama Canal, up to the east coast, and the arrangement could be made by a computerized system so that the oil Japan buys from the Middle East could be delivered to our east coast, and the oil that our east coast buys from Alaska sources could be delivered to Japan. But that would not be the exportation of our oil. It would not be a sale of our oil to Japan. We contemplate no sale of our oil to Japan, and I would be the first to prohibit it.

I think the amendment of the Senator from Washington will accomplish the use of scientific methods of distributing the world's crude oil supplies. It is unnecessary for us to contemplate expending the fuel oil supplies of the world to run tankers back and forth across the same routes, when a shorter route could be devised by wise and competent people.

Again, I directly challenge the Senator to substantiate any commitment of the sale of Alaska's oil—and again I say "sale," because the Senator from Minnesota used the word "sale"—to Japan. No such commitment has been made by anybody in a responsible position, that I know of.

Mr. MONDALE. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The amendment will not be in order until the time on the pending amendment is yielded back, except by unanimous consent.

Mr. MONDALE. Mr. President, I ask unanimous consent that I may offer my amendment at this point, since it is in the form of a substitute.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, will the Senator restate the request?

Mr. MONDALE. This amendment provides—and I am submitting it in modified form at the suggestion of the Senator from Colorado (Mr. HASKELL)—that the President may approve exports of Alaskan oil to non-U.S. sources to remedy an imminent threat to the national security, and that that authority shall be effective unless one House of Congress, within 90 days, affirmatively acts to disapprove such approval.

Mr. TOWER. What was the unanimous-consent request?

Mr. MONDALE. That I be permitted to raise this in the form of a substitute to the pending Jackson amendment.

Mr. PASTORE. Mr. President, before the Senator yields back his time, may I ask a question?

The PRESIDING OFFICER. The Senator has asked unanimous consent that he be able to offer the amendment at this time.

Mr. PASTORE. Mr. President, reserving the right to object—and I shall not object—I was hoping that I could have a moment to ask a question of the Senator from Washington as to what is contained in the bill, so that we can better understand the substitute. May I do that?

Mr. JACKSON. Certainly.

Mr. MONDALE. May I offer my amendment?

Mr. TOWER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PASTORE. I withdraw the objection.

The PRESIDING OFFICER. The Senator from Texas has objected.

Mr. TOWER. I think the Senator can reiterate his unanimous-consent request subsequent to the colloquy to take place between the Senator from Rhode Island and the Senator from Washington.

Mr. PASTORE. The point I would like to make is this, and I think it ought to be clear. Is the Senator saying that, insofar as the present bill as it is drawn now is concerned, if we export, let us say, to Japan 100,000 barrels of oil, Japan, in that instance, is compelled to deliver to the east coast of the United States 100,000 barrels of oil that it has contracted for with some other foreign government?

Mr. STEVENS. That is the effect of the Senator from Washington's amendment to the committee bill. That was the intent of the committee bill, and I believe the Senator from Washington's amendment, which I have cosponsored, clarifies that intent.

Mr. PASTORE. Is that correct?

Mr. STEVENS. That is correct.

Mr. PASTORE. In other words, if you are going to sell any of this oil out of Alaska to any foreign government, that foreign government has to send back to us the same quality and the same quantity at another point in the United States that might be more convenient and reduce the cost of transportation.

Mr. JACKSON. Precisely.

Mr. STEVENS. It is not my understanding that there is any contemplation to sell Alaskan oil to Japan. It would be delivered to Japan, and the oil that would be sold to Japan would be delivered to the east coast. It is a trade.

Mr. PASTORE. It is a bartering thing, a trade.

The argument is being made about what is more economical for the New England consumer, and I am very much interested in that. I realize that this has no longer become a question of whether or not we are going to have the Alaskan line or the Canadian line. I think it is a question of whether we are going to have any line at all, because this administration is dedicated to the Alaskan line, and I think there is going to be a dragging of feet.

The crisis is going to become worse, and that is the one thing that causes me great apprehension. I would prefer, if it could be feasible, to have the Canadian line. I might be amendable to that for reasons that are parochial. I must admit that. However, under the circumstances, I understand it. We have a crisis today. We have the lights dimmed in the corridors of the Capitol, and it is going to become worse day by day.

The big question here is, Do we need it now or can we wait a year, 2 years, or 3 years? I realize this: The Canadian line will be closer to New England than the Alaskan line. But it is my understanding now that in order to cure this, not only has the Senate accepted my amendment for equal distribution throughout the country, which would overcome any favoritism, but also, if it is necessary to have oil in New England and it would be cheaper for New England to take the oil that, let us say, Japan has agreed to buy from the Middle East, we could make a deal with Japan and say, "We'll give you 100,000 barrels of our oil out of Alaska, provided you deliver to Providence, R.I., 100,000 barrels of oil out of the Middle East."

Is that not the question?

Mr. JACKSON. Precisely .

I should like to supplement that very well stated comment. It is cheaper for Japan to get oil directly from Alaska, and it is cheaper for New England to get needed oil directly from the Middle East.

Mr. PASTORE. But in no instance will we give one drop of oil to Japan unless it gives the same drop of oil back to us in New England.

Mr. JACKSON. That is precisely true.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JACKSON. I yield such time on the bill as I may require.

Furthermore, we are talking about two routes for moving oil out of Alaska: one is my ship from Valdez, and the other is through Canada.

It is cheaper to have oil delivered to New England from a Middle Eastern port than it is to ship from Valdez or to pipeline from Canada to the East Coast.

Mr. PASTORE. How about the price? Would the price be the same?

Mr. STEVENS. Yes.

Mr. JACKSON. I do not want to say what the Middle East will do on price, but they are, of course, setting world prices for crude oil.

Mr. PASTORE. We do not get into price; we get into quality and quantity of oil.

Mr. STEVENS. That is correct, and the savings in transportation.

Mr. PASTORE. So if Japan has to pay more for oil from Saudi Arabia than for Alaskan oil, all we are going to get back is the same quality and quantity of oil.

Mr. JACKSON. Yes, and assuming we had a pipeline going through Canada, assuming the Canadians would agree to it and other problems could be worked out, that pipeline would not carry any oil to New England. It ends in Chicago and no pipeline connects which could deliver it to New England. One has to understand the logistics of the oil industry. If we establish the precedent of prohibiting exports, we should recognize that currently we export oil products to our neighbors in Canada and Mexico. Do we want to say that the United States is going to come down with a proposal that we are not going to allow any exports? One has to be very careful about that.

What we are doing with my amendment, and it is very simple, is to make the delivery of oil operate economically and in a sensible fashion. Under my amendment, not 1 barrel of oil from Alaska would be diverted for export that would not be compensated or exchanged from a source overseas that we would not otherwise be entitled to.

Mr. PASTORE. The Senator could always justify exportation to Canada on the grounds of national security.

I think the amendment does not go far enough. If we give our oil to any other country we have to get the same quality and quantity back. Otherwise we are wasting our time.

Mr. MONDALE. Mr. President, I call up my amendment.

Mr. STEVENS. Mr. President, the time has not expired.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. JACKSON. Mr. President, all time has not expired. The time on the other side has not expired.

Mr. MONDALE. I had hoped I might get unanimous consent to call up my amendment following this colloquy.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, and I shall not object, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Who is in control of time in opposition to the amendment of the Senator from Washington?

The PRESIDING OFFICER. The Senator from Texas was, but his time has been used.

Mr. TOWER. Then, I think the request of the Senator from Minnesota is in order.

Mr. JACKSON. Mr. President, before that occurs, the Senator from Alaska was on his feet earlier and I wish to yield him such time as he needs from the bill.

The PRESIDING OFFICER. The Senator has 5 minutes on the amendment.

Mr. STEVENS. I merely want to urge my friend from Minnesota not to push his amendment. If we adopt his amendment, there is no need for his amendment to authorize the Canadian pipeline.

One statement that was made by the Canadians was that they must have access to the oil from a trans-Canadian pipeline. The Senator's amendment would prohibit exports to any country without the consent of the United States, based on national security. This amendment would bar construction of a second Canadian pipeline without a finding with regard to our national security to let the Canadians have any oil out of the second pipeline. This was one matter I raised in committee. The prohibition against export would kill any pipeline to Canada because under their law they must have access. The Senator's amendment is irrelevant because they must have that access.

Mr. MONDALE. Mr. President, I ask unanimous consent that at this point I be permitted to call up my amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MONDALE. Mr. President, I have a modified amendment I have prepared, which I send to the desk. The amendment that was read was an earlier version and I am not raising it now.

The PRESIDING OFFICER. The modified amendment will be stated.

The amendment was read as follows:

> Strike out all from "will" on line 2 through all of line 3 and insert in lieu thereof the following: "are essential to remedy an imminent threat to national security, provided that should such a finding be made and published, the authority thereunder shall expire no more than ninety days after the date of the making of said finding, if either House shall within said period disapprove such exports in whole or in part, under such terms and conditions as it may deem desirable, and"

The PRESIDING OFFICER. On this amendment each side has 15 minutes. Who yields time?

Mr. MONDALE. Mr. President, this amendment substitutes for the Jackson amendment the proposal that the President can approve exports of Alaskan oil for foreign markets, and that this approval is binding unless either House of Congress in 90 days disapproves of that decision.

I think one thing that has come out as clearly as it could today, and I am glad it is out, is that a fundamental and central element of the Alaskan pipeline is the decision to make massive sales of U.S. oil to Japan and markets outside the United States. That has been established even though opponents of the Alaskan pipeline denied those plans. Everyone now admits that thousands and thousands of barrels of American oil, in the midst of this energy crisis in the United States, would be sold to Japan, and we would become increasingly dependent by that loss upon the Middle East, whose countries are right now confiscating our companies, limiting exports, and creating the energy crisis artificially through a cartel known as OPEC.

It seems very strange to me that as we try to do everything we can to deal with the energy problems we have in America that the first significant thing we would do would be to approve a pipeline, the purpose of which is to export massive quantities of U.S. oil outside of our borders. That is what has been admitted here. The answer is that we will swap U.S. oil for something else. What is that something else? That something else is the very Middle East oil we have trouble getting today. In other words we would be back in the frying pan. It seems to me this is utterly suicidal for this country.

Therefore, Mr. President, we propose this amendment which places a block on those exports. I do not think the major oil companies will agree to this because the trans-Alaskan pipeline has as a basic underpinning the sale of quantities of Alaskan oil outside the boundaries of our country. That is why they decided to go across the worst earthquake zone in our Nation and to then use huge tankers, as a result of which there could be spills of millions of gallons of oil annually.

That surplus oil would not be sold on the west coast or delivered to the Mideast or the East. The only thing that can happen is to sell it outside of our boundaries. Is it not ironic that at a moment in American history when we are in the middle of this energy supply problem the oil companies are so powerful they can ram through a proposal to permit the sale of this resource outside of our country.

Mr. President, I shall have more to say on this matter later, but that is the issue.

I yield 5 minutes to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, if I may have the attention of the manager of the bill, I would like to propound a question, because I am in a dilemma. I want to see some action on the pipeline. On the other hand, it seems to me this is coming down hard again on that section of the country I come from, the east coast.

It seems incomprehensible to me from a national security position to consider allowing one drop of U.S. oil to be exported. The most recent figures on imports provided by the Department of the Interior show that in March 1973 the United States was importing 6.6 million barrels a day of crude oil and oil products.

How could we possibly justify the export of any domestically produced crude oil which would have an end result of forcing other sections of the country, particularly the east coast, into becoming even more reliant on Middle East oil?

In view of the present political situation throughout the world with regard to oil, it just does not make sense to the Senator to support any legislation whose end result could be the export of such a vital and essential product as crude oil.

How can we possibly be talking about possible exports of our domestic crude oil to Japan when at the same time Japan refuses to even seriously consider entering into an oil sharing arrangement with this country?

In the committee report, under the heading of "Major Issues," one of the two points discussed in detail is the question of exports of Alaskan crude oil.

I realize that in section 114 of the bill there is a requirement that before any export license will be granted under the Export Administration Act the President must make and publish an express finding that such exports are in the national interest.

I am greatly concerned that if Alaskan crude oil is exported say to Japan in return for Japanese lease rights in the Middle East the end result of such activity would be to put the east coast of the United States in a position of tremendous reliance on Middle East sources for crude oil. Given the present political and economic conditions in the Middle East, the danger of such activity is obvious.

Would the floor manager respond to the hypothetical situation I just depicted and whether under such a set of facts he believes that the President could be able to make a finding that such activity would be in the national interest? That is, if Alaska crude exports resulted in a greater reliance on Middle East oil for the east coast would that not in and of itself raise such substantial national security arguments as to require a negative finding by the President?

Mr. JACKSON. Mr. President, assuming my amendment is adopted, there will still be requirement of a finding on the part of the President of the United States. Having said that, I will then answer the Senator's question by pointing out to him that if, say, 100,000 barrels of crude oil were exported to Japan, there would have to be, under the finding here, an exchange of 100,000 barrels, for example, from Japanese sources, for delivery to New England or elsewhere in the United States.

Let me just explain to the Senator this particular problem: Neither the Canadian route nor the Valdez route will deliver oil directly as such to New England. The Canadian route ends in Chicago. Now, from Alaska, oil could be delivered by ship around through the Canal or around the Horn to New England. But the Senator has to ask the sensible question: "What is the cheapest way to get oil to New England?" It is going to cost more, I will say to the Senator, to deliver oil from Alaska by the Canadian route or by the tanker route than it would be to deliver an equal amount from the Middle East.

I want to point out to the Senator that we do not want New England to be dependent upon oil from unreliable sources. This does not contemplate a permanent concept of any kind that we will trade the oil to a source in the Middle East. It is insurance. It would require a delivery of an equal amount—it is not the source—in order to save that long haul.

I would point out that in the oil business these trades go on all over the United States. For example, if you are in a landlocked area and one company has production in that area, it will make a trade of oil for oil import tickets so that the production in that area will go to an independent refinery in the middle part of the country. The producer is compensated by a trade of imported oil on the Gulf or the Atlantic coast.

That goes on all the time.

Mr. LONG. Mr. President, will the Senator yield to me on that point?

Mr. JACKSON. I yield.

Mr. LONG. I was rather surprised the first time I went to what was then the Standard Oil Co. in Baton Rouge to find that Standard was refining oil for Texaco and Gulf and others that went to other areas. If Standard had some wells in California and Texaco had wells in Louisiana, there was no point in Standard hauling that oil from California to the Louisiana refinery and then having Texaco haul their oil from Louisiana to the west coast refinery. It made better sense to say, "We will refine the oil we have in our area and you refine the oil you have in your area, and we will trade." They would take the oil located near their refineries and refine that oil and then trade it.

The Senator is saying that if we had this Alaskan oil, so we could make it available to anybody, whoever that "anybody" may be—let us take Japan, for example—including Japan, and that "anybody", whoever he may be, has some oil under contract that he can deliver to somebody else.

The PRESIDING OFFICER. The 5 minutes of the Senator from New Hampshire has expired.

Mr. JACKSON. Mr. President, I yield 5 additional minutes to the Senator from New Hampshire.

Mr. McINTYRE. The Senator from Louisiana is using the time.

Mr. LONG. Just on this point. If Japan had a commitment to buy oil from Nigeria and Nigeria wanted to deliver its oil to New England, it would make better sense for Japan to buy oil from Alaska and trade the oil from Nigeria to be delivered on the east coast, for example.

The trouble is we do not have oil to trade with anybody, because we do not have enough to provide our own needs and have about 20 percent of our reserves locked up in Alaska that we are trying to get out.

Mr. JACKSON. The Senator from New Hampshire very properly is concerned about his region, as I am. Yesterday we adopted an amendment which requires that the net result be that Alaskan oil be prorated or effectively allocated throughout the United States. It was not required that we build pipelines into each of the 49 other States to deliver Alaskan oil. We require, in effect, that this be handled by the sensible means of reciprocity, where you trade off and you accomplish the same thing. This is the net effect of the amendment.

The Senator, I think, had another question.

Mr. McINTYRE. I just want to say to my good friend from the State of Washington, the essence of the whole thing is, as I have already said, I want to see some action. I want to see this pipeline begin to be built. But I cannot help look at the pipeline coming into the Middle West, because I do not think, if we relieve the shortage with Alaskan domestic oil, that relieves the pressure on the east coast for domestic oil, and we will find ourselves in the same position, as far as I am concerned. The net result would be that we are subjecting my part of the country to more and more reliance on Middle East oil, which could be shut off at any moment.

Mr. JACKSON. The Senator is badly mistaken on that. By bringing it down the west coast, we relieve the situation——

Mr. McINTYRE. What is the situation?

Mr. JACKSON. Bear in mind that the west coast is importing oil. May I finish?

Mr. McINTYRE. Yes.

Mr. JACKSON. I would point out to my good friend from New Hampshire that this would satisfy demand in that area. Oil would then be available to go to other areas. In any event—please refer to the amendment we adopted yesterday—we require that the net effect of delivering Alaska oil be to apportion it in such a way that there will be equitable and fair distribution of the oil to all 50 States.

Mr. MONDALE. Mr. President, will the Senator yield to me so that I may ask out of whose time this is being taken?

Mr. JACKSON. Mr. President, I yield to the Senator such time as he may take.

Mr. McINTYRE. In California, the actual figures there show an excess of imports, but once you produce oil from Alaska we are going to get an excess of oil that the Senator is talking about trading off with Japan.

So I am not so concerned about that. What I am concerned about is that we will turn around, and I can envision the situation where the east coast would be shut off.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JACKSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Washington has 10 minutes remaining.

Mr. JACKSON. Mr. President, I yield 5 additional minutes to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, I can imagine a situation where the east coast would be shut off, and on the west coast the Japanese could be enjoying the benefit of the Alaskan oil.

Mr. JACKSON. Mr. President, may I say that the Japanese would not be getting a drop of oil from Alaska under those circumstances. It would only be a quid pro quo basis. If the Middle East is shut off and they could not deliver, they would not be eligible for that reciprocity.

Mr. McINTYRE. How would we get that oil into the interior and the east coast in that situation?

Mr. JACKSON. Mr. President, if we talk about the actual logistics of the situation, it would require that the area of the west coast which is getting oil from Alaska would have to share available supply, to apportion it equitably. That amendment is now in the bill. They would have to apportion equitably the oil required for New England. In time of regional shortage oil coming from Alaska has to be apportioned—that is not the specific Alaska oil, but the total oil in the country—accordingly. So New England will share equitably—and I emphasize that that amendment is now in the bill—in the distribution of the oil from Alaska as well as from all other sources.

If we required that the oil from Alaska be delivered to New England, we would be requiring an added economic cost to the people of New England. The people there would be very unhappy with the Senator. I am sure that the Senator does not want that.

We want to equalize the logistics. That has to be done so that we get the same amount of oil quality and quantity wise.

Mr. McINTYRE. Mr. President, I would feel very much better if that oil from Alaska were going into the midwest.

Mr. JACKSON. Mr. President if the Senator wants to vote for that amendment, he should keep in mind that the Mondale amendment stops all action now in the courts for at least a year and nothing would be done during the period of our current oil crisis.

If the Senator wants to wait for 10 years—and that is what it will take to get something from Alaska—he can vote for that amendment.

Mr. McINTYRE. Mr. President, the Senator will recall that in the beginning of the debate I said that my dilemma is that I want something done. On the other hand, I see the east coast getting put behind the eight ball again and again.

Is the intention of the Pastore amendment, which was agreed to on yesterday, to do what the Senator has said?

Mr. JACKSON. Exactly.

Mr. McINTYRE. If the east coast is shut off, that will not happen?

Mr. JACKSON. Exactly.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONDALE. Mr. President, the interesting thing is that if the Canadian route were used, it would go to Edmonton. There are two lines built there now. One serves the west coast, the Transmountain Pipeline, and the other, the Interprovincial Pipeline, serves Chicago and the area beyond.

If we chose that route, we would have national distribution which would serve that area, and the eastern and western area would be better served, the Gulf would be served, and we could better serve the west coast.

The trouble with the Alaskan pipeline is that it would send 2 million barrels a day to the west coast, west of the Rockies, which is more than they can use. It would be sent in tankers that cannot go through the Panama Canal, and there is not a sufficient number of tankers to send that oil from west of the Rockies to east of the Rockies. That is why I say this is truly an Alaskan-Japanese pipeline.

Mr. STEVENS. Mr. President, will the Senator yield time to me?

Mr. JACKSON. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Minnesota and the Senator from Washington each has 5 minutes.

Mr. JACKSON. I yield 5 minutes to the distinguished Senator from Alaska.

Mr. STEVENS. The explanation of my friend from Minnesota leads me to understand why we cannot have interstate transportation of oleomargarine. It is reasoning such as he has expressed that leads to the conclusions which he has drawn.

The facts are—and I wish the Senator from New Hampshire would listen for a moment—that I think we are trying to get more oil to the east coast and gulf, by virtue of the amendment. Alaska has an estimated 300 billion barrels of oil. The Senator from Minnesota wants to tie down 10 billion for the Middle West. We want to set up a distribution pattern whereby we can use the world's crude stream without exporting any of it, in the sense of making them get rid of it without their getting anything back. If one understands the world's crude stream in terms of the delivery system today, one must know that such a plan is possible.

What the Senator from Washington has told the Senator from Minnesota is absolutely correct. The net result of the amendment of the Senator from Rhode Island (Mr. PASTORE) and the amendment of the Senator from Washington (Mr. JACKSON) is to insure that the east coast of the United States will receive a portion of Alaskan oil, even though deliveries may be made in the same quality and quantity from the middle east, by virtue of turning over oil to the east coast that is under contract to Japan. That is all we are talking about in this amendment.

I hope the Senator will listen to me and not accept the first Mondale amendment.

The second Mondale amendment would prevent the construction of the Alaskan pipeline and require the construction of the Canadian pipeline. But that would be impossible because the Canadians have told us in no uncertain terms that they must have access to some of the oil that comes through Canada, if one pipeline is built to carry Alaskan oil through Canada.

Mr. McINTYRE. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. McINTYRE. Is the Senator from Alaska saying that none of the oil that comes out of Alaska would be sold to Japan or any other country?

Mr. STEVENS. The Senator from New Hampshire realizes that no oil from Alaska is going to be sold to Japan. Some of it may be delivered, but it will be delivered to satisfy contracts made by Japan with the Middle East. It will be delivered to satisfy appeals made by Japan to the Middle East. Even if they shut off our oil, they are not going to shut off Japan's.

I will assure the Senator from New Hampshire that so long as I am in the Senate, I will oppose the sale of Alaska's oil to Japan.

Mr. McINTYRE. What is the Senator's interpretation of selling? Is it a sale or an exchange?

Mr. STEVENS. Exchanges will go on whether we like it or not. If there were a cessation of supplies from the Middle East that would prevent deliveries to the east coast, we know that we have the capability to come through the Northwest Passage anyway. It would be difficult from the point of view of cost, but it is possible.

We hope we will be able to develop naval reserves of 14 or 15 billion barrels of oil that Congress can make available to the country anytime it needs it. It is available for naval use and has been since 1922.

I just hope that the Senator will not cooperate with those who are already going to receive 100 percent of the gas from my State, and who now want to tie down not just 15 billion barrels but 300 billion barrels, which would be tied down by the Mondale amendment.

The PRESIDING OFFICER. The Senator from Alaska has 1 minute.

Mr. MONDALE. Mr. President, I yield myself such time as I may require.

I have just one question to ask the Senator.

Amendment No. 307, offered by the Senator from Alaska, prohibits any export of oil from the United States. Does the Senator still favor that amendment?

Mr. STEVENS. Mr. President, I offered that in response to a statement made by the Senator from Minnesota which I characterized as a red herring. Yes, I do favor that.

Again, I want the Senator to understand that "export" means "sale."

Mr. MONDALE. In other words, it is all right to get it out of the country and give it to Japan as long as you do not call it a sale, and the Senator's amendment would only prohibit it if it is sold?

Mr. STEVENS. I cannot, apparently, convey to the Senator from Minnesota the concept that if the same amount of oil remains in the United States, and Alaskan oil is delivered to Japan and Middle East oil to New Hampshire, we have not, in fact, exported anything.

Mr. MONDALE. The Senator's amendment says:

> No crude oil produced from the geographical area in which the President is authorized to establish special national defense withdrawals by section 10(b) of the Alaska Statehood Act . . . shall be exported from the United States.

In the Senator's opinion, does that exclude sales or swaps?

Mr. STEVENS. It does not.

Mr. MONDALE. Then the Senator's amendment is more restrictive than mine.

Mr. STEVENS. No. I wish I could enlighten the Senator from Minnesota about the world's crude oil stream. Perhaps if we put it in terms of cream, butter, or milk he would understand. There are sales made to New Orleans of milk from Minnesota that are delivered from Iowa. That goes on every day, and I am sure the Senator from Minnesota knows that, in terms of futures in commodities transactions.

Mr. MONDALE. If I may make one point, this is a very simple proposition: The Senator has made the point that vast quantities of oil are going to be sold to Japan and elsewhere under this proposal, and what the proposal would do is say, "You go to the Middle East and see if you can get yourself some oil," where we are having trouble getting it now. To me, that seems ridiculous.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. MONDALE. I yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I have listened carefully to the colloquy. I do not wish to impugn the motives of anyone who may have come up with a little different conclusion than me. I have listened to the discussion of the difference in meaning between "delivered" and "sold," and the world's crude stream; but the way we understand it in Shickieville, Ind., is that there is only so much oil in the world, and we have only so much of it in the United States, and even if we get all this oil in here, by one pipeline or other, by 1980 we are going to have to import 50 percent of our oil, so it seems to me we need to take whatever precaution we can to see that we get access to all of that oil in Alaska.

I do not see what sense it makes to say we are going to trade off half of it from Saudi Arabia for 25 percent of it from Alaska, or whatever the proportion is. We have to protect all we have in Alaska to keep from being put in a political straitjacket by Saudi Arabia or anyone else.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. BAYH. I am glad to yield.

Mr. MONDALE. In other words, what we are trying to do is insist that production from the Alaskan slope be an additional contribution to this Nation's energy supply, rather than permit substantial portions of it to be exported overseas, making us dependent to that extent on the Middle East.

Mr. BAYH. Yes. We have only enough oil to last to about the year 2060, if we protect all we have. So why not protect it? We are speculating on what we can get from the Middle East. That is a chancy proposition. I would like to protect what we have for ourselves, because we will need it, and then hope we can get that 50 percent from other sources, and then not have to depend on barter, trade, swap, or whatever the word of art may be. I want to develop it, but to develop it for use in the United States, not in Japan.

Mr. McINTYRE. It looks to me like this amendment is an example of the great American society.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. MONDALE. Mr. President, as I understand it, the vote on this amendment was to be deferred until 1:30.

The PRESIDING OFFICER. Two o'clock.

Mr. BELLMON. Mr. President, I yield myself 15 minutes on the bill, to ask the Senator from Alaska some questions.

I would like to ask the Senator some questions as to a situation relating to my own State of Oklahoma, in connection with the Alaska pipeline.

The lower Midwest—Oklahoma, Kansas, New Mexico, and other States in the area—have been producers of crude oil for export to other States, but now we find our own refineries are running short, in my own State by several thousand barrels of crude every day.

What will be the effect of the Alaskan pipeline on the crude situation in the Middle West, in States like Oklahoma? Will there by any connection?

Mr. STEVENS. Let me say to the Senator from Oklahoma that there is a relationship between the amount of oil available in the Midwest, which is certainly affected by an Alaskan pipeline.

While we do not like to talk about it,

perhaps, Alaskan oil and all additional oil supplies are more expensive, and I think that, with the rise in the world price caused by the actions of OPEC, in addition to the costs of transporting oil, the American public must accept the fact that the price of crude oil is going up again. This increase in price may bring in the marginal supplies that exist in the Oklahoma area and the Texas Panhandle.

I think when you consider the amount of oil available in the Midwest, one cannot escape the fact that as the gas shortage has increased in our Midwestern industrial centers, there has been a need for the supplies that are available in Texas and Oklahoma to replace the fuel that was formerly used by gas-consuming industries.

If we are to bring Alaska gas to the Midwest, we must have an Alaska-Canada gasline to the Midwest as soon as possible. Alaska gas in the Midwest would relieve the pressure in that area and make portions of the oil currently consumed by industries in the Midwest available to help meet the needs in Oklahoma.

I have tried to explain to the Senator from Minnesota, that our oil in the United States must be considered in the aggregate whole. Consequently, if we add 2 million barrels a day to the west coast—the amount of oil that is currently being imported to California—that same amount could be available for transport up the Mississippi River Valley for use on the east coast. I think the construction of the Ashland pipeline from Louisiana up the Mississippi, is perhaps an indication of the fact that refiners in that area expect to receive additional supplies by virtue of the insertion of the Alaskan crude into the west coast.

Concerning the delivery of Alaska crude to Oklahoma, I do not think it will be any more direct than delivery to Nevada. However, Nevada will have more fuel available, because the entire Nation will have 2 million barrels a day more than before. As a result, the Middle Eastern oil-producing nations will not dissipate their exports to us by 2 million barrels a day. They may not increase them, but we will not have less available by virtue of building the Alaskan pipeline. This is because we will have 2 million barrels more a day to begin with.

As I have been trying to tell my friends who are users of oil, this would just be the beginning. The reason we presently do not have a 40- or 50-million-barrel-a-day production is that capital needed for investment in energy exploration was not available. There was no further investment in the Arctic because the pipeline construction was halted. No prudent individual is going to invest the substantial funds necessary to drill wells until they know that a method of transportation can be made available by which to move the product of their investment.

I hope that I have answered the questions posed by the Senator from Oklahoma.

Mr. BELLMON. Mr. President, from what the Senator has said, this first pipeline which will bring down some 2 million barrels of crude oil a day is perhaps not the only pipeline to be built in Alaska; is that not correct?

Mr. STEVENS. We are anticipating, and the Joint Atomic Energy Committee report recently published contemplates at least two pipelines, the first through Alaska and the second to come through Canada, with the total amount being transported at a minimum level of, I believe, 3.5 million barrels a day. This could be done today without any question if Congress would release the Navy's petroleum reserves for commercial development and delivery to U.S. markets. The Navy has released its estimates of oil and they show about 14 to 15 billion barrels of oil in petroleum reserve No. 4. The Prudhoe Bay deposit will support the Alaska pipeline providing 2 million barrels a day. We have every reason to believe a great deal more can come from Alaska's other rich deposits. Surveys completed by the U.S. Geological Survey show very promising reserve potentials in other areas of Alaska. There is particularly excellent indications that vast reserves can be made available to this Nation from Alaska's Cook Inlet, the Churchi Sea and Bristol Bay regions.

There is no question that the vast reserves in Alaska will have a tremendous impact on meeting America's needs. What is needed is the go-ahead to use these reserves that we have.

The PRESIDING OFFICER (Mr. NUNN). Under the previous order, the hour of 1 o'clock having arrived, the distinguished Senator from Indiana (Mr. BAYH) is now recognized.

Mr. BAYH. Mr. President, I do not want rudely to interrupt the colloquy presently going on between the Senator from Oklahoma and the Senator from Alaska, but we do have a unanimous-consent agreement that the Senator from Indiana should be recognized at 1 o'clock today. I would therefore like to inquire how much longer it will take my distinguished colleagues to terminate this particular colloquy. The distinguished Senator from Minnesota (Mr. MONDALE), only yesterday, found that by yielding and yielding and yielding, he had to wait until past 3 o'clock although he was supposed to be recognized to speak at 1 o'clock. Could the Senator from Oklahoma and the Senator from Alaska——

Mr. STEVENS. Mr. President, will the Senator from Indiana yield me 1 minute to finish?

Mr. BAYH. I am happy to yield to the Senator from Alaska 5 minutes—whatever time it takes. I do this, Mr. President, with the understanding that I do not lose my right to the floor and that I will regain it when this colloquy has finished.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I thank the Senator from Indiana very much. Let me add that there is a great oil province in Alaska situated in the Outer Continental Shelf, and 65 percent of that Outer Continental Shelf is off Alaska. The great Gulf of Alaska area has a vast potential for the development of oil and gas, all of which will support an additional pipeline, particularly the pipeline through Canada.

Now, Mr. President, my understanding is that the Senator from Indiana (Mr. BAYH) is to be recognized at this time and I am happy to see that happen; but first I would ask the Chair, what is the situation regarding the control of time for the remainder of the afternoon?

The PRESIDING OFFICER (Mr. NUNN). The time of the Senator from Indiana (Mr. BAYH) will come out of the time allotted to the Senator from Minnesota (Mr. MONDALE) on the Mondale amendment.

Mr. STEVENS. The Senator has, as I believe, about 3 hours and 40 minutes remaining on his amendment?

The PRESIDING OFFICER. Approximately 3 hours and 40 minutes, right.

Mr. STEVENS. And there are 2 hours in the morning, is that correct—from 9 to 11—for the Senator from Minnesota's amendment?

The PRESIDING OFFICER. From 11 to 1.

Mr. STEVENS. I believe that was changed by unanimous consent, from 9 to 11. What I am trying to find out is whether the Senator from Indiana and the Senator from Minnesota would give us some indication of how long they will take this afternoon. Perhaps we can agree that the 2 hours in the morning will be equally divided. What we are going to do with regard to this time; I mention this because some of us have other appointments to keep.

Mr. MONDALE. Mr. President, my understanding is that we come in tomorrow, on Friday, at 9 a.m. and that the 2 hours will be equally divided for the amendment on Friday morning.

Mr. STEVENS. That means, without the time of the Senator from Minnesota and the Senator from Indiana for this afternoon, a maximum of 2 hours and 40 minutes; is that correct, if tomorrow's time is equally divided?

The PRESIDING OFFICER. If they wish to reserve an hour tomorrow, the Senator from Alaska is correct.

Mr. STEVENS. I thank the Chair, and I thank my distinguished friend from Oklahoma for this colloquy.

Mr. BELLMON. Mr. President, if the Senator will yield for a unanimous-consent request, I ask unanimous consent that the vote on the Mondale amendment be set at the hour of 2 o'clock.

Mr. MONDALE. Mr. President, reserving the right to object—and I do not think that I shall—does the Senator also wish to call for an agreement on a time to vote on the Jackson amendment, assuming that the substitute fails?

Mr. BELLMON. Yes, we would vote on the Mondale substitute at 2 o'clock and the Jackson amendment immediately thereafter.

Mr. MONDALE. With the understanding that we are holding the floor at the time the two votes take place and we will be recognized immediately following the vote.

Mr. BELLMON. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. BAYH. Mr. President, there continues, in the opinion of the Senator from Indiana, to be an overabundance of misinformation regarding the amendment which has been sponsored by the Senator from Minnesota, the Senator from Indiana, the Senator from Colorado, and others, as a substitute for S. 1081. Therefore, I feel that it might be worthwhile to state at the outset some of the things the Mondale-Bayh amendment does not do.

As I read some of the full-page advertisements and listen to some of the well intentioned colloquy here, I do not even recognize my own amendment. So let us start out by discussing quickly two or three things that this amendment does not do.

First of all, it does not preclude a subsequent congressional decision to proceed with the proposed trans-Alaskan pipeline. Indeed, in my opinon, it lays the foundation for a final decision on the merits of that approach 1 year from now.

Second, it does not make a commitment to a trans-Canadian pipeline. Indeed, it recognizes the necessity of gathering information on that possibility and participating in some tough and meaningful negotiations with our friends to the north.

Third, it does not contain delaying mechanisms, despite the incorrect allegations, made by my distinguished friend from Washington a moment ago to my distinguished friend from New Hampshire, that if we want to delay oil delivery for 10 years then go ahead and support the Mondale-Bayh proposal.

The amendment proposed by the Senator from Minnesota and the Senator from Indiana does not delay a final solution of this problem. Indeed, it could well lead to faster delivery of oil to the lower 48 States than S. 1081, as presently proposed. I think this was recognized by the Senator from Washington early this week when he realized that the Mondale-Bayh proposal was going to get this oil to the United States quickly. So he suggested that if the issue were tied up in the courts next year, which will happen if his bill passes, he was willing to propose a congressional decision, even to build a public works pipeline to deliver the oil.

It seems to me that a study of the facts, as I hope to demonstrate, will show that if we are concerned about a speedy final decision, to decide one way or the other, to clear up the situation, and to bring the oil down so that we can use it, the proposal of the Senator from Minnesota and Indiana has a better chance of doing this, and of doing it more quickly, than S. 1081.

Hopefully, the myths which some find it necessary to spread about the amendment can be put to rest. Perhaps we can turn our attention to the objectives and the specific provisions of the amendment.

Thus, I should like to ask my colleagues to look at some of the facts, to look at the truth of what we actually are trying to do, and what is actually contained in the amendment of the Senator from Minnesota and the Senator from Indiana.

Our goals are simple, straightforward, and exceedingly important to national energy policy through the 1980's and the 1990's.

I can understand differences of opinion of some of my colleagues from different parts of the country. We all are not going to weigh the facts that are before us with equal significance. But at least from the standpoint of those of us who are presenting a case for the Mondale-Bayh amendment, we offer the facts are as we see them, as honestly as we know how to convey them, with the interpretation, of course, that we place on them.

We want a speedy decision on how best to deliver U.S. oil in Alaska to U.S. markets in the lower 48 States.

We want Congress, not the oil companies, to make that decision. We want the oil delivered to the areas where it is most needed. Some people may call this regionalism. I say that those who are playing the regional game are the ones who would deliver U.S. oil to where it is least needed in direct violation of wider national interests.

We want to make certain that Congress has adequate information before choosing between the two delivery systems—the Alaskan land-sea route and the oil-land trans-Canadian route.

This is a key point, Mr. President, for we do not now have the information on which to make an educated decision. This was noted, and, indeed, highlighted by italics, in the committee report on page 21. I quote:

> The Committee on Interior and Insular Affairs did not regard any one of the foregoing arguments or any group of them as conclusive in favor of either of the competing pipeline proposals.

Mr. President, we are now being asked to foreclose, from a very realistic standpoint, the building of a trans-Canadian pipeline, and we are being asked to pursue and to permit the construction of the Alaskan pipeline. Yet we have the admission by the very committee that recommends the Alaskan route that the evidence they have before them does not conclusively support either route. That, in my judgment, is an irresponsible course. The key information, the key assessment, that there is no conclusive data in favor of either of the competing pipeline proposals is a reaffirmation of the same point made by the Interior Department's environmental impact statement on the Alaskan pipeline:

> Data does not exist to definitely state the relative efficiencies of the Trans-Alaskan pipeline system and the Mackenzie Valley pipeline system.

Unable to make their case on the merits, as has been proved by the data supplied to Congress and to the committee and the result of all the studies that have been conducted, the proponents of the Alaskan pipeline have sought to convey the impression that they are offering a speedier approach to the delivery of U.S. oil in Alaska than our amendment. This simply is not the case.

If the committee bill passes, pipeline construction will be delayed, according to Interior Secretary Morton, for 18 months. This is the man who has been pushing the Alaskan route, the main proponent of the administration proposal. One would think that he would assess this matter in the most optimistic view. Yet, this most optimistic proposal is that it is going to be at least an 18-month delay. Frankly, I think the Secretary underestimates the legal prowess of the lawyers representing the groups opposing the Alaskan line. I am satisfied that they can tie this issue up in the courts for 2 years or longer, if the committee bill passes. We have already seen that these people have tied up the pipeline, so far, for 3 years; and to suggest that they are going to be limited to 18 months is rather unrealistic.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BAYH. I would be glad to yield for any questions the Senator from Alaska wishes to direct. I hope he will permit me to finish and that he will make notes periodically and then ask me to yield for any questions. I want to maintain continuity. I hope the Senator will accept this suggestion in the friendly spirit of combat that always exists between the Senator from Alaska and the Senator from Indiana.

I am satisfied that those who presently oppose the Alaskan pipeline and have successfully opposed it for 3 years are going to be able to oppose it for more than 18 months. How long, I do not know. Two years is probably a reasonable estimate, but it could be significantly longer than that.

The fact is that this bill does not offer a final determination. Once this measure is passed and signed by the President of the United States, the construction does not start. It does not start a year from now.

The chairman of the Committee on the Interior, the Senator from Washington (Mr. JACKSON), earlier this week acknowledged the reality of substantial court delay when he said he would ask Congress next year to move the line forward, as a public works project, if necessary. I wonder what the attitude of the American people will be to a public works boondoggle of more than $3 billion—a project designed to maximize the profits of oil companies whose profits already set records every quarter.

I must say that I have not been one who characteristically comes to the floor and throws harpoons into the oil industry. I think our oil companies make a significant contribution to this country, and we need their cooperation. Right now, we are talking about something that goes far beyond the normal business of the issues confronting the oil industry. We are talking about a limited amount of petroleum. We are talking about a limited amount of power supply, one of our most valuable resources. I want Congress to make this determination and not be dictated to or have this decision made, because of certain vested interests that the oil companies may have in building a pipeline one place or the other.

Instead of such a questionable tactic, instead of interminable delays in the courts, our amendment offers a final, binding decision—not subject to further environmental litigation—by Congress within 14 months. The fact is that we can resolve this issue more quickly than the committee bill, and I think my colleagues who oppose our amendment understand that.

Let me briefly explain the steps that would be set in motion when this amendment is adopted, so we will know what we are talking about so far as timeliness is concerned.

First. As a first step, the State Department would enter into preliminary negotiations with Canada to determine where, if an oil pipeline is to be constructed through Canada, the Canadians would most prefer it.

Second. Based on the Canadian indication of a preferred route the National Academy of Sciences would undertake an exhaustive study of that route, considering all economic, environmental, and related issues.

Third. While this study is in process, the State Department would continue negotiations with Canada, this time with the broader purpose of assessing the overall desirability and feasibility of an oil pipeline from Alaska through Canada to the lower 48 States. Under negotiation would be the whole range of relevant issues including financing for a pipeline and Canada's willingness to increase oil exports to the United States during the construction period.

Fourth. The results of those negotiations and the conclusions of the National Academy study would be available to the Congress in 11 months at which time the Congress would make a decision within 3 months on what rights-of-way should be granted across public lands for the delivery of Alaskan oil.

That is the general format as proposed by the Senator from Minnesota and the Senator from Indiana.

Not only does our amendment permit speedier resolution of this issue than the committee bill; it has an equally important objective of letting Congress decide how to deliver the U.S. oil in Alaska to markets in the lower 48 States.

The Senate should not give its stamp of approval to the Alaskan pipeline chosen by the oil companies and accepted by an administration whose allegiance to those companies is common knowledge.

We need private industry to help us develop this oil, to distribute it, to help us refine it and to sell it. But a decision of this magnitude, a decision which because of its implication on our overall energy supply, balance of payments, reliance on import oil, and other international issues, is far more important than a profit and loss statement. A decision of where to bring the 9.6 or 10 billion barrels of oil in Alaska is a decision of major importance. I think we all recognize that on both sides of the aisle.

This is truly a decision which should be taken from a national perspective, with all the information available, and a decision which should be made by Congress and not by the oil companies, and not by the Secretary of Interior. I am not ready to let a few high-paid officers of the huge oil companies make a decision of such overriding national significance. I do not want to impugn their motives. I think we need to recognize that officials of corporations have responsibilities to stockholders. We, however, as Members of the Senate, have a different responsibility. Ours is the responsibility to see that this limited and vital natural resource is utilized for the best interests of our country in future generations.

Mr. President, we should be especially wary of assenting to the oil company decision in this matter in light of the recent report by the Federal Trade Commission of serious anticompetitive practices in the oil industry. When such a large sector of the economy is under investigation for possible violation of Federal antitrust laws, it would be grossly improper for Congress not to make an independent judgment on a delivery system for Alaskan oil.

Let me hasten to say that I am not about to ascribe truth or falsity to the accusations made by certain staff officials at the Federal Trade Commission, but the matter is serious enough that their investigation is underway. This should be of significance to us in the legislative branch, it should be a red flag to step back and pause and make absolutely sure that we are making the right determination based on all the facts as we have them, and not based on an early judgment by corporate officials who are considering one route and only one route.

Mr. President, one of the most important criterion in making an informed decision on this issue is accurate information regarding the attitude of the Canadian Government toward a Mackenzie Valley pipeline. We must face the fact that if we build a pipeline through Canada we are going to require the cooperation and consent of the Canadians. That is different than shipping it over Alaska or through Montana, the State of Washington, or in American-operated tankers on the high seas.

I recognize the need and to look directly at the position of the Canadians. In this regard I must report with some distress and no little annoyance that the State Department, in my judgment, has been guilty of misleading the Senate on Canada's attitude toward a trans-Canadian pipeline and of attempting to hold back vital information on this issue from Congress.

As recently as June 22, Assistant Secretary of State Marshall Wright said in a letter to Members of Congress:

> Our most recent inquiries and remarks by Canadian officials give no cause to change our view that the Canadian Government has no strong current interest in the construction of a Mackenzie Valley oil pipeline.

Mr. President, our State Department intelligence gathering must be rather poor since Canadian Prime Minister Trudeau said on the floor of Parliament on May 14—and that is a month before the statement by Assistant Secretary Wright:

> Our policy is still to indicate that the Mackenzie route is one which we would be prepared to consider if there is application made in the proper form, and that we would be very happy to follow up on that.

This statement followed an earlier and stronger statement by the Canadian cabinet official in charge of energy, mines, and resources, Mr. Donald MacDonald, who said the Canadian Government strongly favors the Mackenzie Valley route, and he thought there could be successful negotiations to benefit both the Canadians and the United States.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. MONDALE. Yesterday I placed in the RECORD at page 23338 an article that appeared in the Anchorage, Alaska, Daily News of June 11, 1973. The article was entitled "Canada Told Not To Interfere in Oil Plan." The article states:

> The State Department last May warned the Canadian government that any attempt to try to pursue the building of an oil pipeline across Canada to bring oil from Alaska's North Slope to the Midwest would be regarded as interference in U.S. internal affairs, it has just been revealed.

Apparently the Canadian Ambassador was summoned to the Office of the Under Secretary of State and told that "the decision to build a trans-Alaska pipeline had already been made and the Nixon administration regarded it as an internal matter," and to stay out of it.

Mr. President, I again ask unanimous consent that the article be printed in the RECORD today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Anchorage (Alaska) Daily News, June 11, 1973]

CANADA TOLD NOT TO INTERFERE IN OIL PLAN

(By David Murray)

WASHINGTON.—The State Department last May warned the Canadian government that any attempt to try to pursue the building of an oil pipeline across Canada to bring oil from Alaska's North Slope to the Midwest would be regarded as interference in U.S. internal affairs, it has just been revealed.

Rep. John B. Anderson (R-Ill.) said Canadian Ambassador Marcel Cadieux was summoned to the office of Undersecretary of State John N. Irwin II and told that the decision to build a trans-Alaska pipeline had already been made and the Nixon administration regarded it as an internal matter.

Anderson, citing statements by "responsible members of the Canadian community" in Ottawa, said Cadieux had been called to the State Department, "sat down in a chair and was told: 'We've made a decision. It's an internal decision, and we'd appreciate it if you said nothing.' "

Since then, Interior Sec. Rogers C. B. Morton and other members of the Nixon administration have maintained that the Canadian government does not want the pipeline built from Prudhoe Bay to Edmonton, Alberta, despite the continued efforts on the part of members of the Canadian government to build the pipeline through Canada.

A Canadian embassy spokesman here confirmed the meeting took place in Irwin's office May 14, 1972, but said that embassy reports showed merely that there was "representation" by Irwin "to request Canada's cooperation and as great a restraint as possible."

In the meantime, Canadian government officials, including members of the cabinet, have become increasingly annoyed that official silence is being mistaken for compliance with American demands.

Despite mounting pressure from environmental groups and influential members of Congress, Canadian sources here said Canada has adopted no official policy because no application for a pipeline across its territory has been officially filed.

Asked at a news conference if he believed the Nixon administration was misrepresenting the Canadian position, Anderson, third-ranking Republican House member said:

"I don't want to make any flamboyant charge of misrepresentation. But there is a suggestion that since they made their decision, (administration spokesmen) want to shore up their own position."

Anderson, along with Rep. Morris Udall (D-Ariz.), met June 1 in Ottawa with two Canadian government ministers—Donald MacDonald, minister of energy, mines and resources, and Jean Chretien, minister for Indian affairs and northern development—and emerged from the meeting with the conviction that "the case for a trans-Canadian line is more strongly buttressed than ever before."

Anderson and Udall Thursday introduced a bill calling for an independent study of the advantages of the Alaskan and Canadian routes, including impacts on both the economy and the environment.

The trans-Canadian route is approximately 1,700 miles—twice the distance of the proposed Alaska route. But supporters of the Canadian route say it would be built at comparable cost, because of the difference in terrain and other factors.

For example, the Alaska pipeline would require construction of storage facilities at its terminus at Valdez (whereas the Canadian line would have its eastern terminus at Edmonton and Chicago, where port facilities already are available.

Proponents of the trans-Alaska route say the cost would run about $3 to $4 million.

Mr. MONDALE. In other words, this Government has told the Canadians to keep their noses out of this central question as to whether we should have a trans-Alaska or trans-Canada pipeline and then having done so, they say the Canadians have no interest in the matter.

Mr. BAYH. And in addition to trying to coerce the Canadians into silence, they purposely misrepresent the Canadian position to the U.S. Senate.

Mr. MONDALE. Precisely.

Mr. BAYH. Which is hardly the kind of thing this Nation can be too proud of.

Mr. President, just 2 weeks ago our State Department provided totally contradictory information to the Senate. The statement by Prime Minister Trudeau is only one of many expressions of positive interest by the Canadian Government over the past 2 years.

I suggest that if our State Department does not have good enough intelligence to know what the Prime Minister of Canada is saying on the floor of Parliament, which is just across the border, then we are in bad shape.

Mr. MONDALE. I understand the State Department officials are all over the Hill lobbying for the trans-Alaska pipeline and that they are so deeply committed to what the oil companies wish by way of the trans-Alaska pipeline that they have deliberately tried to downplay and distort the Canadian position and exaggerate the nature of diplomatic negotiating possibilities that exist, even though Mr. Trudeau and Mr. Donald MacDonald, both have said they object to the environmental risk of the trans-Alaska water form and much prefer the Mackenzie Valley route.

Mr. STEVENS. Mr. President, would the Senator yield?

Mr. BAYH. I would like very much to conclude this colloquy and then I will be glad to yield to the Senator for any question he may care to propound. We are limited on this point.

I hate to suggest to the Secretary of State what policies they should follow. But the evidence is made available to us that they would be well advised to take some of these lobbyists off the Hill and send them to Canada to find out what the Canadians really feel.

Besides spreading misinformation, the State Department also sought to withhold relevant information. Within the past 2 weeks the State Department received answers from the Canadian Government to questions State had asked relative to the possibility of a Mackenzie Valley oil pipeline.

In other words, the State Department had been trying to find out, belatedly, what the Canadians feel. Since the answers to those questions showed that Canada was indeed willing to cooperate with us and expedite an oil pipeline through Canada, the State Department did not inform the Congress of the existence of these questions and answers. In fact, the first public disclosure of their existence was made in the Canadian Parliament last Friday, July 6.

When a member of my staff learned on Friday of the exchange—at least, we can find out what is going on on the floor of the Parliament if the State Department cannot—he called the State Department and requested a copy of the questions and answers. The initial reaction of the State Department was surprise that the Canadians had reported the existence of the dialog. The second reaction was that these were "working papers" and would not be available to Congress.

I instructed my assistant to inform the State Department that this material was vital to the pending issue in the Senate and that I would insist it be provided to us before I would permit a vote on the pipeline issue. Only then did State relent and send us the information which reaffirmed Canada's openminded and constructive attitude toward a Mackenzie Valley oil pipeline.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. MONDALE. Was it the position of our State Department that they could not produce a transcript of the dialog on the floor of the Canadian Parliament because it was a "working paper"?

Mr. BAYH. That is what we were told. I do not know for whom it was a working paper. Rather obviously, this is really a matter of deep concern to me, because we can have differences of opinion. I can accept the fact that our friends, our colleagues on the other side of the issue, feel very strongly, for very good reasons in their minds. I can appreciate the fact that the administration wants one route and has made the determination, as wrong as they are. But I cannot accept the fact and remain silent when the fact becomes so obvious that not only are they in this position and have made up their minds, but they are doing everything in their power to keep us from knowing what the Canadians feel, and are doing everything to keep us from knowing what has occurred on the floor of the Parliament.

Mr. MONDALE. The gist of their thinking is that we cannot trust the Canadian Government, and the alternative to trusting our oldest friends to the north of us is increasing reliance on Middle East oil. In other words, they would rather ship vast quantities of oil to Japan and others, making us more dependent on Middle East oil, rather than trust the Canadian Government to live up to an agreement it has made.

Mr. BAYH. I suppose one could be kind and say this is the logic of those who are not concerned about the instability of our present petroleum situation in the Middle East and who are trying very diligently to sell us a bill of goods. They feel it is a good bill, and the Senator and I feel it is not in the best interests of the United States.

Since the Senator from Minnesota has raised this question, I might elaborate a bit here, because I have had some arguments get back to me, that I hear being spread across the Hill, that we would go ahead with this proposal, and when the push became a shove and we got into a real crunch, the oil that had been shipped through the Canadian pipeline, by treaty or contract, would be reversed by the Canadians and they would shut off that oil and start diverting it to themselves. As the Senator from Minnesota has just pointed out, if we cannot trust the Canadians, I might remind my colleagues what King Hussein recently said, "We are prepared to trust the Canadians more than others."

In addition, it might be well to point out, a great percentage of Canadian oil now reaches Canadian homes and Canadian factories through pipelines in the United States. Oil delivered in eastern Canada goes through a pipeline across Maine, and most of that which is delivered farther west comes down through Edmonton. Therefore, for the Canadians to participate in this kind of blackmail opens them up to reciprocity which I think neither one of us would want to pursue.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. MONDALE. The proposition that the Canadians do not keep their word once they reach a solemn agreement is a very shabby one. I come from Minnesota, and we are dependent on oil through the Inter-Provincial pipeline, and the west coast is through the Trans-Mountain route, and that deals with Canadian oil. We import more oil from Canada than from anywhere else, and the amount is rising all the time. What we are talking about most particularly is oil being transshipped across Canadian territory, and apparently it is the position of the producers and of the committee bill that it would be better to rely upon the Middle East and upon the generosity of the OPEC cartel and those who are now confiscating our refineries in the Middle East than it would be to rely on an agreement with the Canadian Government.

Second, it is interesting to note that the west coast cannot use 2 million barrels which will be delivered down this pipeline and, no matter how you try to do it, you cannot get that oil east of the Rockies. The tankers which are used are too large to go through the Panama Canal. The only transcontinental or midtranscontinental line is the one that begins at Edmonton, with one line going to Seattle and one to Chicago and serving markets as far east as Buffalo, N.Y.

So we are in a situation where, in order to justify a pipeline whose economics are substantially based on export of U.S. oil overseas to foreign markets, they have to condemn or suggest doubts about the integrity of one of the oldest friends we have had in the history of our country.

Mr. BAYH. I appreciate the comments of the distinguished Senator from Minnesota.

Mr. President, I ask unanimous consent that the questions and answers posed by our State Department to the Canadians, which were hidden by the State Department until we managed to force their release, be put in the RECORD right now, because they do contain some relevant data in determining what we are gong to do here.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

Q. What is the current status of relevant Canadian environmental studies? What is the expected date of their completion?

A. The Government's environmental social program calls for the publication, as they become available, of 121 reports on all phases of environmental and social concern as related to northern pipelines; of these 39 reports have already been published by Government and an additional 16 by others. It is expected that the complete material thus assembled will place the government in position to adequately assess an application for a pipeline by the end of this year.

Industry has indicated that they expect to file an application for a gas pipeline at the end of 1973 or shortly thereafter.

Q. What is the status of consideration of native claims? What is the expectation as to time required for their settlement?

A. The Indians of the Mackenzie Valley are signatories to Treaties 8 and 11. The Government's obligation under these Treaties has as yet not been fully met; the Government has affirmed that it will meet these obligations and toward this end has offered to set aside the necessary lands. However, recent indications are that the NWT Indian Brotherhood is preparing to advance claims over and above that specified by Treaty. In this respect, the Brotherhood has attempted to file a caveat to protect lands they deem to be covered under the Treaties. The matter is now before the Territorial Courts. The Government has accordingly presented its case, alleging that the caveat by its nature is not registerable. It is expected that the resolution of this specific issue will take a number of months. Although the caveat, if registered, would not apply to mining and oil rights, it could affect the granting of a pipeline right-of-way. At the moment it is not clear how and within what time frame this matter could be resolved, should the problem arise.

In the Yukon Territory no treaties are in effect. The Government is, however, in the process of negotiating native claims (Indian and Metis) and indications are that a settlement could possibly be reached there within the next two years.

Depending on the route chosen, the pipeline could pass through areas of the Mackenzie Delta where the Inuit (Eskimos) may have certain land claims. These have not as yet been fully defined and the Government has made available funds to the Inuit Tapirisat for further research.

In summary, indications are that settlement in the Yukon could be achieved within approximately two years, during which time the application could be heard and construction commenced. The situation regarding the Native Brotherhood in the NWT is not yet sufficiently clear to allow a precise statement; and considerable research must still be carried out before Inuit claims become fully defined and therefore negotiable. It is the Government's intention to proceed with northern development in the best interests of Canada, as a whole, but at the same time the Government is determined to ensure the just settlement of native claims.

Q. What is the Canadian Government's position likely to be with regard to ownership and control?

A. Speaking on this point in the House of Commons on May 22nd, 1973, Minister Macdonald said

"Mr. Speaker, I have indicated that the objective of the government would be to give an opportunity to Canadians to acquire 51 per cent ownership in any such pipeline and the expectation that it would remain under Canadian control."

In addition, all interprovincial and international pipelines are under National Energy Board control.

Q. When will the Canadian Government be ready to give active consideration to proposals from the private sector?

A. In respect of a gas pipeline, Minister Macdonald said on May 23rd, 1973, in the House of Commons

"Of course, the law has always been there with regard to the making of an application, but we have indicated within the past 12 months that we are completing our studies for the purpose of evaluating such an application and that we expect about the end of this year to be in a position to evaluate any application that comes forward. For that reason we have not issued any invitation to any specific group, but we have indicated that we are in a position to deal with such an application under the law."

In respect of an oil pipeline the above statement still applies. However, it should be noted that the Canadian Government has not received an application for construction of such an oil pipeline in the north nor is it apparent that any company or any group of companies is preparing to make such an application in the near future.

Substantial work has been completed by Mackenzie Valley Pipe Line Research Limited and much of this work relates to environmental and social matters. However, there undoubtedly would be additional work required by a prospective applicant in respect of environmental considerations. Additional work on details of engineering design would also be required, although these could proceed concurrently with environmental work.

Q. What would the process of consideration entail (e.g.—public hearings and a finding by the National Energy Board prior to consideration by the Government and Parliament) and how long a time would it likely require?

A. An application to build an oil pipeline would be heard by the National Energy Board which would then make its findings known to the Government. If the National Energy Board rejects the application, no further action is required by the Government. However, if the National Energy Board recommends approval of the application, the final decision must then be made by the Government. There is no legal requirement to refer to Parliament either the National Energy Board finding or the decision of the Government.

Further, the Minister of Indian and Northern Affairs, the Honourable Jean Chrétien, has announced that upon receipt of an application for a pipeline right-of-way, an Inquiry will be held under the Territorial regional socioeconomic and environmental Lands Act with the purpose of assessing the implications arising out of the construction and operation of a major pipeline in the Territories. These hearings will be held in addition to those under the National Energy Board Act described above.

The time required for a National Energy Board hearing for an oil pipeline is unknown at this time, but might take perhaps up to one and a half years, including time required to arrange financing. The hearings by the Department of Indian Affairs and Northern Development would also be concluded within that time period.

Q. Are there significant Provincial/Federal differences which are likely to delay an eventual Canadian decision? To what extent would differences of view between eastern and western Canadians obstruct or delay decisions?

A. A northern oil pipeline would be a "federal work". As such, the Provincial Governments are not legally involved. The National Energy Board Act grants to a successful pipeline applicant the right to expropriate lands, including Provincial Crown Lands, if such are necessary to complete the project.

Q. What is the status of Canadian governmental consideration of a possible Mackenzie Valley gas pipeline?

A. The answers given above gave the status of the Canadian Government's environmental work in connection with a possible gas pipeline. It should be noted that under the Task Force on Northern Oil Development, six committees have been established and work has been in progress in most of these committees for a number of years. The Advisory Committee on Northern Pipeline Financing was established in early 1973 and results from its considerations should be available by the time an application to guild a gas pipeline could be filed.

Q. Would active Canadian consideration of a Mackenzie Valley oil pipeline delay consideration of the prospective application for a gas pipeline? Are there proponents in Canada of the gas pipeline who oppose encouragement of Mackenzie Valley oil pipeline on these grounds?

A. Canada would likely wish to avoid the necessity of building both an oil pipeline and a gas pipeline simultaneously because of the impacts upon the Canadian economy. If it is decided to proceed with active consideration of the Canadian oil pipeline, it is likely that the question of building a gas pipeline would be deferred, for reasons of gas supply to such a pipeline. This is based on the assumption that some 50 percent of the gas supply would be solution gas from the Alaska North Slope. If an approval to build a Canadian oil pipeline was granted and if the Canadian Government did not wish to have the gas pipeline built simultaneously, it is possible that the construction of the gas pipeline could be delayed by some three years compared with the decision to build the Alyeska oil pipeline.

Q. Any other observations deemed relevant?

A. There are a number of other elements to the Canadian position in respect to the northern oil pipeline.

(1) Canada does not now have commercial oil discoveries in the north, although the prospects are rated very high. There could be some 100 to 150 Mbd of natural gas liquids, if the gas pipeline is constructed.

(2) The Government guidelines on northern pipelines are clear in stating that Canada requires that Canadian production have "access" to such pipelines. Undoubtedly such access would be achieved by adding pipeline capacity rather than "backing out" non-Canadian supplies. Thus Canada does not require any fixed percentage of the through-

> puts of either a gas pipeline or of an oil pipeline.
>
> (3) There would seem to be no reason why the United States would need a "treaty" or agreement with Canada to cover such pipelines which would cross Canadian territory and carry U.S. supplies to U.S. markets. In this connection, the Canadian Government notes that both loops of the Interprovincial-Lakehead pipeline system cross the United States and that throughputs of these loops are vital to Ontario oil markets. The Montreal oil market is entirely dependent on the Portland-Maine to Montreal pipeline. In addition, approximately half of the Canadian gas markets, east of Manitoba, depend on the Great Lakes pipeline which crosses the United States. None of these important pipelines, across United States territory is covered by "treaty" or international agreement.
>
> (4) Canada continues to view with alarm the prospect of large tanker movements into the Puget Sound area of the Pacific northwestern United States. For that reason, Canada is prepared to consider guaranteeing the total supply to the Puget Sound area during that period that a pipeline might be constructed through northern Canada. Such a Canadian guarantee for the Puget Sound supply would, of course, be limited to the present refining capacity in that area. The amount of *added* Canadian oil required for this purpose would be relatively small compared to the total Canadian exports to the United States and would also be relatively small compared with present Canadian deliveries to the Puget Sound area.
>
> (5) If Alyeska is built, Canada would find little attraction in having a second oil pipeline built through Canada to serve U.S. Midwest markets *unless* and *until* sizeable commercial Canadian oil discoveries have been made in the north. Moreover, Canada is aware that the economic attraction of looping an existing TAPS line would undoubtedly militate against construction of a line through Canada. Admittedly, other circumstances such as markets and security of supply might make it attractive to build such a second line through Canada. However, such circumstances are undoubtedly present even in respect of the first oil pipeline.

Mr. BAYH. Mr. President, there is one aspect of this whole business, since we are talking about our relationship with the Canadians, that perhaps I think I should touch on, and which I think is contained in the questions. Unless there is some good faith agreement between ourselves and the Canadians in recognizing a need for cooperation, we are in deep trouble in more areas than that of the energy supply. There is no nation on the face of the Earth with which we have had a longer degree of friendship and cooperation than with the Canadians, and any pipeline agreement, of course, is going to have to be in the best interests of both countries.

There may be some who say, "What interest do the Canadians have in letting us build a pipeline across their terrain, in their national jurisdiction?"

Let me just respond by quoting one response received from the Canadian Government:

> Canada continues to view with alarm the prospect of large tanker movements into the Puget Sound area of the Pacific Northwestern United States.

In other words, they are concerned about polluting not only the United States with a big oil spill or collision, or whatever might happen, but polluting Canada as well. The response continues:

> For that reason—

Because of their concern with oil pollution in the Puget Sound area—

> Canada is prepared to consider guaranteeing the total supply to the Puget Sound area during the period that a pipeline might be constructed through northern Canada.

So not only are they willing, according to their response, to sit down and negotiate preparatory to starting constructing the pipeline; they are also willing to increase the supply of oil to the United States, which has not been the case as of this particular moment.

Let me look to some of the other matters that the Canadians in their position espouse.

I might say that perhaps I should not be surprised that the State Department wanted to keep the information from the Congress since the objective analysis of the Canadian response to the direct inquiry from the Secretary of State totally contradicts what the State Department has been saying all along about the Canadian position.

In fact, the Canadians specifically said that there would not be the delays alleged in proceeding with a trans-Canadian pipeline and that the Canadians would be able to entertain an oil pipeline application by the end of the year.

What does that sound like? Does it sound like the 10-year delay that we were told about 45 minutes ago on the floor of the Senate?

Not only have we had to do battle against those who spread misinformation or withhold relevant material, but we have also been confronted in this debate the specious issue of two pipelines—the original one proposed for Alaska and a subsequent proposed one through Canada.

I think that the 2-line proposal has been suggested with the finest of motives as a compromise solution by some who are primarily interested in the trans-Alaskan pipeline.

Let us look at some of the facts. It will take more than good motives to suggest a 2-pipeline alternative. It will take economics and the Canadian Government to cooperate in that proposal.

This olive branch held out to the eastern two-thirds of the United States by pro-Alaskan route forces was effectively and decisively sawed off last week in Ottawa. Because, in my opinion, some Senators are still holding the hope of a 2-pipeline compromise. They are going to vote for the trans-Alaskan pipeline now in the hope that in the next 4 or 5 years we will be able to have one through Canada.

Let us look at what the Canadian Energy Minister, Donald Macdonald, said about the two-pipeline proposal. Mr. Macdonald said simply and without equivocation, that Canada would not be interested in accommodating us on a Mackenzie Valley oil pipeline if we first went ahead with the Alaska route.

Let me repeat that. I notice that my friend, the Senator from Alaska, is shaking his head. The Canadian Energy Minister, Mr. Macdonald, said simply and without equivocation that Canada would not be interested in accommodating us on a Mackenzie Valley oil pipeline if we first went ahead with the Alaskan route.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BAYH. In other words, Mr. President, the Canadians want to have a piece of the action from the beginning. They do not want to have us come to them as a stepchild and say, "All right; now that we have the major goodies taken care of, we will throw a few crumbs to you."

Even if the Canadian attitude on this point were not so forthright, there would still be little chance of two lines. There are not enough proven reserves in Alaska to justify two lines, and even if additional reserves are located, it would make more sense to increase the capacity of an operating line than to build a second one.

I think that the timeliness of this decision is one that we need to recognize. It is not a decision that suggests that we will take the first step and build the Trans-Alaskan pipeline today and that tomorrow we will build another line that will bring the oil to where there is a shortage.

Just this past May, in answer to questions raised by my good friend, the distinguished chairman of the Interior Committee, the Senator from Wahington (Mr. JACKSON), Charles E. Spahr, chairman of the Standard Oil Co. of Ohio, commented on the fact that two lines makes no sense.

I do not know how we in the U.S. Senate are going to debate this when the oil companies that would build the second line—one of the presidents of one of the major oil companies—tells us in advance that two lines make no sense.

Who will build that second line? Are the taxpayers of the United States going to fight the oil companies over whether we should have a second line when the President of the Standard Oil Company of Ohio says that two lines make no sense?

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. BAYH. I yield to the Senator from Minnesota.

Mr. MONDALE. The interesting thing is that if they send this oil to Edmonton, two pipelines are already in place. One serves the west coast, and the other, the inter-provincial line, serves locations from Montana all the way to New York. There is a pipeline in place. However, with the Alaskan pipeline, we cannot get east of the Rockies. That is why so much of it will be sold to Japan.

Mr. BAYH. There is only one pipeline that can make Alaskan oil available to the whole United States. The Senator from Washington, the Senator from Alaska, and all of us get involved, and quite naturally, in our own regional preferences. However, we are concerned about a national approach to the energy crisis and using Alaskan oil as U.S. oil. That would solve the problems of the whole country. There is only one pipeline that would make it possible to serve the whole country.

We are not suggesting that the only place to use this oil is in the Midwest and the Northeast. It can be shipped from Edmonton, and the oil that is needed can be shipped to Washington and to the Northwest, and the rest of the oil that is needed in the East can be shipped out. That is the way that I think we can make the Alaskan oil available to the whole country.

As my friend, the Senator from Minnesota, has pointed out so well, only one part of the country will be served, and our free enterprise system will see to it that the remainder of the oil is shipped to other places, we know not where.

Mr. MONDALE. Mr. President, if the Senator will yield, even last night we were told that it would not make any sense to have it shipped to the Middle West and the East because our refineries could not cope with it without retooling. That struck me as surprising. So, I called a very prominent manager of a refinery and he told me that is ridiculous. He said that I should let him check and he would call me back.

He called me back and told me:

> The Alaskan oil is a 30 gravity API with a 1.9% sulphur. This is a better quality than many of the Canadian crudes that are currently being used in upper midwest refineries. It also is a better quality than the Iranian and Saudi crudes at a 34 gravity and a 1.5–1.7% sulphur.

He said that these refineries are major refineries—the Murphy refinery at Superior; the Ashland refinery at St. Paul; the American refinery at Whiting, Ind.; the Union refinery at Chicago; the Clark refinery at Wood River; the Sun refinery at Toledo; the Mobile refinery at Buffalo, N.Y.; the Farmer's Union refinery at Lowell, Mont.; and the Continental-Exxon refinery at Billings, Mont. He said that all of these refineries can, without any change in their present refining facilities, handle such oil.

We have had one phantom after another placed before us. The first was that we would have two pipelines. The first one would be the trans-Alaskan pipeline. And everything that we have been told by the Department of the Interior was to the effect that there would be one pipeline built for oil and there would be another one with political promises and air. That may be a good piece of political propaganda. However, I do not think that anyone interested in the oil crisis existing in the country could accept that.

Mr. BAYH. Mr. President, I appreicate the fact that the Senator from Minnesota has pointed out the weaknesses of that argument.

Mr. President, to come back to where we were a moment ago on the two-pipeline argument, I say this because some Members of the Senate will very realistically support the Alaskan line because they feel that we will then have a chance for a second pipeline.

I just said a moment ago what the Canadians think about this second pipeline, which would have to go across Canada.

I want to quote what the President of the Standard Oil of Ohio, one of the major oil companies, and a company that would have to do a part of this building, said about the second pipeline.

Mr. Spahr said:

> There is little likelihood that sufficient reserves will be proved on the North Slope of Alaska to justify two oil pipelines.

A short while later, to make his position abundantly clear, Mr. Spahr said:

> There is little probability that additional drilling will develop sufficient commercial reserves to support two oil pipelines.

Now, I note with a great deal of interest the full-page advertisements being taken out by the oil companies. When they realize they are in trouble, and have to have something to bail them out, they are going to fall back on two pipelines; but the record is clear that when they were testifying before the Congress of the United States, not paying for full-page ads, then, when the record was open, they said it did not make sense to build two pipelines. I want our colleagues to know what they said for the record, and not be persuaded by the superficial though expensive treatment we are all being exposed to by means of the full-page ads.

Mr. President, all of this talk about a Canadian line should not be interpreted as meaning that a vote for the pending amendment is a vote for the Canadian line. There are important details which need to be resolved in the bilateral negotiations provided for in the amendment, and more definitive information gathered on the merits of the two proposals before we should proceed with any pipeline.

I am not about to stand here and say that we have to have this right now, that we ought to start construction of the Canadian pipeline immediately, but I am here to urge my colleagues to recognize the fact that we do not have enough information to say that we ought to start building an Alaskan line, because we have not considered what seems to the Senator from Indiana to be a much preferable alternative.

At this point I should note a revealing irony in the vehement oil company opposition to the pending amendment. If Congress were to decide next year after weighing all available information that it wanted to go ahead with the Alaskan pipeline, if they were not persuaded to accept our alternative after considering all the information that the Senator from Minnesota and the Senator from Indiana were able to muster, the oil companies would have their approval at least a year sooner than if they go back into the courts, as S. 1081 would have them do.

Thus, if the oil companies felt they could win this issue on the merit a year from now, if all their claims about delays and problems with a Canadian line are well founded, they would serve their own interests by supporting this amendment.

One can only conclude that they do not have sufficient confidence in the merit of their position to take this approach. Instead, they are seeking a course of action in which permission for an oil delivery system is granted by the Secretary of the Interior, already committed to the position of the oil companies.

This fear on the part of the oil companies that they could lose if this issue is decided on the merits is well-placed. While more data need be compiled, we do have the following information which argues effectively that a trans-Canadian pipeline would be much more in our national interest:

First, this is a single Nation in which industry and consumers have the right to expect equal treatment. No region should have to pay significantly more for fuel than another. Yet this is now the case where prices are substantially higher for oil products in the Midwest and East than in the West. If the Alaskan pipeline is built pursuant to the provisions of the bill now before us (those discrepancies will increase sharply, placing severe burdens on certain regions of this country.

The impact of such discrepancies are not only felt in the consumer's pocketbook, they are felt throughout the economy. Why should an industry open its doors in a State where fuel costs two or three times what it costs in another State? Why should a small business have a far higher percentage of his fixed overhead locked into fuel costs than a comparable business in another State?

I would like to suggest, in addition, that right now fuel costs in the Midwest and other parts of the country are about 40 percent higher than on the west coast, and all the data I have seen point unequivocally to the fact that if the Alaska pipeline, under this bill, is built, this disparity will increase by 100 percent—100 percent more—whereas, if the trans-Canada alternative is followed, that disparity will be cut in half.

Mr. HUMPHREY. Mr. President, will the Senator from Indiana yield?

Mr. BAYH. I yield.

Mr. HUMPHREY. I would like to say to the Senator from Indiana and my esteemed and distinguished senior colleague from Minnesota that the debate the two Senators have been conducting here has been one of the most educational, informational, and provocative discussions that has taken place in this body for a number of years. I happen to be one of those Senators who believed in the two-pipeline theory for a number of years. But I have come to the conclusion, after listening to the discussion and, more importantly, after reading all the available information on this subject matter, that if there are to be two pipelines, they will be a long time coming, and in the meantime the evidence seems to indicate, as the Senator from Indiana has pointed out, that the possibility of it is very remote.

So what we are talking about here is not what is going to happen to Alaska, what is going to happen to the Natives of Alaska, those who have their rights under this discovery of oil on the North Slope; what we are really talking about is, where will this oil go, where will this oil be shipped, for what purpose will it be used, who will get it?

I happen to be chairman of the Subcommittee on Foreign Agricultural Policy. We just came out of hearings yesterday on export programs. Our friends in Japan are willing to pay premium prices for logs. They are willing to pay premium prices for soybeans. This morning I received information that they are willing to pay premium prices for corn and for wheat.

As a matter of fact, the corn and wheat markets are totally out of control today because of the export embargo upon soybeans.

All that I am saying is that with the Japanese having provided the pipe, with the Japanese unwilling or unable to use Indonesian oil, with the Japanese having to transport long distance Arabian oil, what they want more than anything else is Alaskan oil.

I am for the Japanese getting oil, but I am also for the people of the United States having a priority upon Alaska-produced oil. I think the Senators have made that point well, and the longer this debate goes on, the more votes they will get, because I think the weight of the evidence is on the side of the substitute amendment offered by Senator Mondale and Senator Bayh.

Mr. BAYH. I thank the Senator from Minnesota for contributing his eloquence to this debate.

I would like to add this: Instead of talking about regionalism, to me we are talking about nationalism, whether we have a national or a regional oil policy, because not only do all regions of the country have the right to expect some equity in fuel pricing, they have the right not to be unduly dependent on high-priced, vulnerable foreign sources of oil. Yet according to the very figures cited by the Governor of Alaska, Petroleum Allocation District—PADM2—the Midwest—will have a net petroleum deficit of 5,175,000 barrels per day in 1980, while PAD 5—the West—will have a deficit of only 2,435,000 barrels a day.

Proponents of the Alaskan pipeline would use the oil in Alaska to fulfill the needs of PAD 5 and leave the Midwest heavily dependent on expensive, insecure foreign oil.

That is not a national policy, that is a regional policy, and one which concerns me.

Thus the price structure and domestic supply figures make a compelling argument for shipping the oil to the Midwest and East where the need is greatest.

In addition, there are two other quick points which must be considered:

First, since it is generally agreed that the natural gas from Prudhoe Bay——

The PRESIDING OFFICER (Mr. Nunn). The hour of 2 p.m. having arrived——

Mr. BAYH. Mr. President, I ask unanimous consent that I may proceed for 1 more minute to finish this statement, inasmuch as I have been yielding here now——

Mr. STEVENS. Mr. President, reserving the right to object, I should like to ask unanimous consent, at some point, that those who oppose this amendment have the opportunity to answer these questions. I am going to object, unless we find an equitable way to distribute the time available.

Mr. BAYH. Mr. President, reserving the right to object to my own unanimous-consent request—which I will not do—does the Senator from Alaska believe that he has not had a chance to be heard? I have not even had a chance to make a speech right now.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

The Senator from Indiana is recognized for 1 more minute.

Mr. BAYH. I must say that I would not be in this position now if I had not yielded to the Senator from Alaska and other Senators out of courtesy.

Mr. STEVENS. That is correct. I agree.

The PRESIDING OFFICER. Time is running.

Mr. BAYH. Mr. President, since it is generally agreed that the natural gas from Prudhoe Bay would have to traverse Canada, it would make sense to explore fully the possibility of a single corridor for the oil and gas with significant cost savings in rights-of-way, parallel road construction, and other expenses associated with the construction and operation of fuel pipelines. Let us just have one route.

Second. While recognizing that it will be impossible to utilize Alaskan oil and gas without incurring some environmental damage and risk, I think we must minimize that risk, even as we consider economic factors, consumer requirements, national security, delivery dates, and the overall national energy situation. It appears, in this regard, that the Canadian route is far more preferable on environmental grounds—and all the major environmental organizations in the country recognize this and support the Mondale-Bayh amendment.

This is because a Canadian route avoids the two most serious environmental threats of the Alaskan approach: The Canadian route would not cross a major earthquake zone, nor would it result in huge tanker traffic in the dangerous, but ecologically valuable, waters between the Valdez and U.S. west coast ports.

Before concluding, Mr. President, I ask unanimous consent to have printed in the Record a table which shows the potential savings for 32 States if the Canadian pipeline, rather than the Alaskan pipeline, is built. That is dollars saved at the gas tank. It should be noted that even with these savings, prices of oil products are likely to be higher in the Midwest and East than on the west coast. But at least the price gap will be smaller, and some measure of equity will be achieved. That is not regionalism, that is sound public policy in the national interest.

There being no objection, the table was ordered to be printed in the Record, as follows:

State	1971 per capita consumption of oil products in barrels [1]	Per capita savings of Canadian line versus Alaskan line [2][3]	Average annual savings of Canadian line versus Alaskan line for family of 4 [4]	Annual savings for entire state of Canadian line versus Alaskan line (millions) [5]
North Dakota	28.4	$9.08	$36.32	$5.7
South Dakota	27.2	8.70	34.80	5.8
Nebraska	23.2	7.42	29.68	11.2
Kansas	23.1	7.39	29.56	16.7
Oklahoma	21.5	6.88	27.52	18.0
Minnesota	23.9	7.64	30.56	29.7
Iowa	22.5	7.20	28.80	20.5
Missouri	21.0	6.72	26.88	31.9
Wisconsin	20.1	6.43	25.72	28.8
Illinois	20.4	6.52	26.08	73.0
Michigan	18.7	5.94	23.92	53.4
Indiana	24.3	7.77	31.08	41.0
Kentucky	19.3	6.17	24.68	20.2
Tennessee	17.5	5.60	22.40	22.3
Ohio	16.6	5.31	21.24	57.2
Maine	40.9	13.49	56.96	13.5
Vermont	26.8	$8.84	$35.36	$4.0
New Hampshire	29.3	9.66	38.64	7.4
Massachusetts	35.6	11.74	46.96	67.6
Rhode Island	31.2	10.29	41.16	9.9
Connecticut	30.0	9.90	39.60	30.5
New York	24.8	8.18	32.72	150.4
Pennsylvania	21.0	6.93	27.72	82.3
New Jersey	31.0	10.23	40.92	74.7
Delaware	38.2	12.60	50.40	7.0
Maryland	23.6	7.78	31.12	31.1
West Virginia	19.2	6.33	25.32	11.1
Virginia	27.3	9.00	36.00	42.4
North Carolina	20.6	6.79	27.16	35.0
South Carolina	14.2	6.33	25.32	16.6
Georgia	21.6	7.12	28.48	33.2
Florida	27.3	9.00	36.00	63.4

[1] "U.S. Energy Fact Sheets by States and Regions," Interior Department, February 1973.

[2] Based on projection of economist C. J. Cicchetti of 32 cents per barrel savings in Midwest and 33 cents per barrel savings in East.

[3] Per barrel savings from "Alaskan Oil: Alternative Routes and Markets" by Charles J. Cicchetti, 92—figures are per capita consumption times savings.

[4] Per capita savings multiplied by 4 for family with 2 children.

[5] Per capita savings multiplied by 1971 State population in "Statistical Abstract."

Note: Consumption and dollar figures are all 1971.

The PRESIDING OFFICER. The 1 minute of the Senator from Indiana has expired.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a member of my staff may be on the floor during and following this vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that Nolan McKean may have the privilege of the floor during the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour of 2 o'clock having arrived, and the time having expired, the Senate will now proceed to vote on the Mondale substitute for amendment No. 314 of the Senator from Washington (Mr. JACKSON).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. HUDDLESTON) is necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE), the Senator from Alabama (Mr. SPARKMAN), and the Sentor from Washington (Mr. MAGNUSON) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "nay."

Mr. SCOTT of Pennsylvana. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The Senator from Nebraska (Mr. HRUSKA) is detained on official business.

The result was announced—yeas 31, nays 62, as follows:

[No. 282 Leg.]

YEAS—31

Abourezk
Bayh
Biden
Brooke
Case
Church
Clark
Eagleton
Fulbright
Hart
Hartke
Haskell
Hathaway
Hollings
Hughes
Humphrey
Kennedy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Pell
Percy
Proxmire
Ribicoff
Stevenson
Williams

NAYS—62

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Gurney
Hansen
Hatfield
Helms
Inouye
Jackson
Javits
Johnston
Long
McClellan
McClure
Montoya
Moss
Nunn
Packwood
Pastore
Pearson
Randolph
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

NOT VOTING—7

Griffin
Hruska
Huddleston
Magnuson
McGee
Sparkman
Stennis

So Mr. MONDALE's amendment in the nature of a substitute for Mr. JACKSON's amendment (No. 314) was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. BARTLETT). The question is on agreeing to the amendment of the Senator from Washington. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The Senator from Nebraska (Mr. HRUSKA) is detained on official business.

The result was announced—yeas 92, nays 2, as follows:

[No. 283 Leg.]

YEAS—92

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—2

Gravel
Pearson

NOT VOTING—6

Griffin
Hruska
Magnuson
McGee
Sparkman
Stennis

So Mr. JACKSON's amendment (No. 314) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FANNIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on July 10, 1973, the President had approved and signed the following acts:

S. 1759. An act authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; and

S. 1938. An act to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1974.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. NUNN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(For nominations received today, see the end of Senate proceedings.)

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

The PRESIDING OFFICER. The question is on agreeing to the Mondale amendment No. 240.

Mr. MONDALE. Mr. President, at this time I yield to my distinguished colleague from Minnesota, who has an amendment which I believe is in the form of a modification.

Mr. HUMPHREY. Mr. President, I ask the clerk to report my amendment No. 325.

The PRESIDING OFFICER. The Chair will observe that the amendment is not in order, without unanimous consent, until all time is used or yielded back.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may consider this amendment. It is a relatively noncontroversial one.

The PRESIDING OFFICER. Is there objection?

Mr. FANNIN. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. JACKSON. Mr. President, I have no objection, but I think the Senator from Arizona wants to look at the amendment.

Mr. HUMPHREY. Mr. President, I might just comment to the Senator from Arizona that the purpose of the amendment is to reduce the amount of time that is proposed in the Mondale-Bayh amendment from 11 to 8 months for the study period for the National Academy of Sciences. It would mean the final decision on the pipeline would be made within 11 months. Under the pending amendment of the Senator from Minnesota (Mr. MONDALE), the period is 11 months. My amendment alters it by 3 months.

Mr. FANNIN. Mr. President, I have no objection to the amendment being considered.

The PRESIDING OFFICER. There being no objection, the clerk will state the amendment.

The assistant legislative clerk read the amendment (No. 325) to amendment No. 240 as follows:

On page 6, line 9, insert after "include" the following: "to the maximum extent feasible".

On page 7, line 17, insert after "Academy" a comma and the following: "to the maximum extent feasible".

On page 8, line 23, strike out "three hundred and thirty" and insert in lieu thereof, "two hundred and forty".

The PRESIDING OFFICER. On this amendment there is a time limitation of one-half hour, 15 minutes to a side.

Who yields time?

Mr. HUMPHREY. Mr. President, I wish to address myself to the amendment for whatever time I may need under the ruling.

Mr. President, the Mondale-Bayh amendment to S. 1081 is a rational and correct approach to the pipeline question. This approach will fill in the many information gaps now missing with regard to the feasibility of a trans-Canadian route by which to transport North Slope oil to the United States, will require a congressional decision at the end of this process. Support of this amendment does not necessarily imply sole support for the ultimate feasibility of a trans-Canadian pipeline to transport the oil. Support for this amendment does state a desire to see Congress exercise its responsibilities over national energy policy and make a crucially important decision, affecting American energy policy for decades to come, only on the basis of adequate information.

It seems clear that the oil companies and the Administration have never really undertaken an indepth objective assessment of the engineering, environmental, economic, and diplomatic factors involved in a Mackenzie Valley undertaking. The greatest single factor, as the Washington Post states so well in an editorial of July 11, is the Canadian Government's attitude, a question which is not so much imponderable as it is unprobed. Let me read from the editorial:

> Secretary Morton's description of one key exchange in May 1972 suggests how earnestly Canadian expressions of interest have been entertained. Barely one week after the Canadian energy minister, Donald S. MacDonald, wrote him a "Detailed letter" outlining the possible advantages of the Mackenzie Valley way and proposing joint studies, Mr. Morton "forthrightly" replied that the U.S. had decided to go through Alaska instead. Since the official rebuff the State Department claims to have found "no strong current interest" in a Mackenzie Valley route in Ottawa. This is hardly surprising but it is like complaining about not being invited to dinner—after one has announced that he wouldn't come.

Mr. President, I know there are those who dispute this viewpoint, who say it is Canada that is not interested in an oil pipeline at this time or the near future. This may be the case, but I want to know for certain. I want to make very sure that all possibilities of developing the trans-Canada pipeline are explored. This is the route that would be most favorable to the Midwest, the bread basket of the world, and yet a region which is perennially fuel poor. Also this is the route that can serve all areas of the United States. The relationship between fuel and agriculture I have detailed many times in recent weeks before this body, and I will not take the time to go into it here. As yet we do not know if the Canadians will cooperate. There are other problems, as well, that must be carefully studied as to whether or not the trans-Canada pipeline will prove economically and environmentally feasible.

I believe that it is very important there be no delay in the studies undertaken.

We must not permit the rich reserves of oil on Alaska's North Slope to lie untapped any longer than is necessary. Our needs for the oil are so great that we must proceed as rapidly as possible.

Mr. President, for this reason I am offering an amendment to modify the Mondale-Bayh proposal in one very simple way. My amendment would move up the final decision by Congress on this question to 11 months, at the maximum, from the date of enactment of this bill, instead of 14 months as the Mondale-Bayh amendment now reads.

My amendment would shorten by 3 months the Academy of Sciences study and review of both pipeline alternatives. The Mondale-Bayh legislation specifies, on page 8, line 23, a 330-day—11-month—study by the academy. My amendment would shorten the academy study to 240 days—8 months.

While the loss of 3 months may mean certain refinements cannot be accomplished by the Academy, I strongly believe that the urgency of the situation demands that we get this study done as well as can be expected in the minimum period of time.

I realize that once the study is underway some unforeseen problems may arise so that additional time is needed to do the study adequately. Therefore my amendment proposes completion of the study in the shortened period "to the maximum extent feasible."

By reducing the Academy study from 11 to 8 months, we are 3 months closer to a final decision on the pipeline issue. As it now stands, under the Mondale-Bayh amendment the issue in all likelihood would not be resolved for 14 months. An 11-month review of both pipeline alternatives and a 3-month period in which Congress is to make a decision. But, with my modification, this matter of vital importance will be decided for certain within 11 months from the date of enactment of this legislation.

Mr. President, an 8-month study certainly ought to be time enough to answer unsettled questions about the environmental and scientific aspects of the pipeline question. After all, the Secretary of State is being directed by the same legislation to conduct serious negotiations with Canada and report to Congress within 8 months, this same timeframe.

Indeed, if the case for a trans-Alaska pipeline is as well reasoned as its advocates proclaim, the Mondale-Bayh bill, including my modification, will provide a mechanism by which a final decision can be made in 11 months to get construction underway. It is extremely important to emphasize that such a congressional decision would not be subject to litigation. Construction could begin as soon as Congress acts. For those who are concerned as I am about receiving the Alaskan oil as soon as possible, this fixed maximum 11-month process is far more appealing than the delay—because of court litigation—of 2 years or more which will result if S. 1081 is passed as reported.

Instead of accepting further delay in the resolution of this question, we should adopt the Mondale-Bayh amendment, with my modification, and within 11 months we will have adequate information to go ahead with either the Alaskan or Canadian delivery system. This vitally important decision will be made by the elected representatives of the people of the United States, after all the facts are in, and after the American people have had an opportunity to fully debate and express their views.

Mr. President, the whole purpose, the whole thrust of the amendment is to meet some criticism that some Senators have leveled here; namely, that there is undue delay. The Mondale-Bayh approach provides a time for decision. It ends it, once and for all, under the terms of the Mondale-Bayh amendment, in 14 months. The amendment I have offered would end in 11 months. Knowing what happens in court cases of this kind, I think the 11-month period would be indeed very fortunate for the country if the Mondale-Bayh approach to this legislation were adopted.

Mr. MONDALE. Mr. President, I must say I think this amendment is a strong one. It will, as the Senator says, reduce the study period from 11 to 8 months and expedite the study contemplated before a decision is made by the Congress. I think it is a good amendment, and if there is no objection, I would modify our amendment accordingly.

The PRESIDING OFFICER (Mr. BARTLETT). That would take unanimous consent.

Mr. MONDALE. Mr. President, I ask unanimous consent that I be permitted to modify our amendment accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, if the Senator would yield, as far as the time involved in the Mondale-Bayh amendment, this would get the time from the passage to the ultimate decision by the Congress of the United States to less than 1 year.

Mr. HUMPHREY. The Senator is correct. It would be 11 months. And the decision has been made as to that period of time, and whatever that decision is, we proceed at once with whatever construction needs to be done.

Mr. BAYH. The Congress of the United States makes the decision.

Mr. HUMPHREY. The Congress of the United States makes the decision and takes it out of the hands of the oil companies.

Mr. BAYH. Mr. President, one of the interesting parts of the debate has been the ads that the big oil companies are running in the newspapers.

Mr. HUMPHREY. Mr. President, I might point out that that is all tax deductible, by the way.

Mr. BAYH. Mr. President, they are charging that our amendment would delay delivery of the Alaskan oil. The truth is that the committee bill, if adopted, just clears away one minor restriction. The rest of the case—the environmental case, the economic case, and the alternative pipeline case—would all remain to be litigated before the courts. And that would take years.

I am pleased to modify my amendment.

Mr. HUMPHREY. Mr. President, the amendment is cosponsored by the distinguished Senator from South Dakota (Mr. McGovern). I ask unanimous consent that he be added as a cosponsor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. STEVENS. Mr. President, reserving the right to object, are we still on the 30 minutes on the Humphrey amendment?

The PRESIDING OFFICER. We are on the time of the Mondale amendment.

Is there objection to the request of the Senator from Minnesota (Mr. Humphrey)? The Chair hears none, and it is so ordered.

Mr. MONDALE. Mr. President, I might say to the Senator from Alaska that we are trying to get two minor modifications out of the way.

Mr. President, I am pleased to yield to the distinguished Senator from South Dakota.

Mr. McGOVERN. Mr. President, I thank the Senator from Minnesota for yielding to me.

This is the second modification that the Senator referred to. It is cosponsored by the Senator from Minnesota (Mr. Humphrey). The amendment is at the desk. It is amendment No. 317.

The text of the modification is as follows:

On page 5, line 15, strike out "and".

On page 5, between lines 15 and 16, add the following new clauses:

"(7) any fee or tax the Government of Canada might impose on gas and oil transported through such a corridor;

"(8) the policy of the Government of Canada with respect to exporting Canadian domestic oil and gas (including the oil and gas reserves in the vicinity of the Mackenzie Basin); and".

On page 5, between lines 17 and 18, add the following new subsection:

"(f) The Secretary of State shall forward an interim report to the Interior and Insular Affairs Committees of the House and Senate on the progress of negotiations relating to those subjects covered under subsections (e) (3), (4), (7), and (8) of this section on or before January 30, 1974.".

Mr. McGOVERN. Mr. President, this is a very simple and noncontroversial proposal. It is a proposal that would reassure the Members of the Congress and the people of the country that we are not going to go through a period of long years of negotiations with Canada without getting some indication that those negotiations are practical.

So, the amendment would modify the section in the Mondale-Bayh amendment concerning negotiations with the Government of Canada. The change would require the Secretary of State to give the Congress an interim report on his discussions no later than January 30, 1974, with respect to the following four key points:

First, the amount of any fee or tax which Canada might impose on oil or gas transported through a Canadian pipeline;

Second, the minimum percentage of pipeline capacity that Canada would guarantee to the United States;

Third, a target date for commencing and completing a trans-Canadian pipeline; and

Fourth, the policy of the Government of Canada with respect to exporting domestic Canadian oil and gas—including the MacKenzie basin reserves—to the United States.

Under this proposal the Congress would know when we come back into session next year whether the construction of a Canadian pipeline is a diplomatic possibility or not. If Canada insisted on terms which made the cost of Alaskan oil too high or would not permit sufficient oil to flow to the lower 48 States, we could more quickly authorize the Alaska pipeline. If, on the other hand, the Canadian conditions are reasonable, we could await the completion of the Mondale-Bayh study and then choose which pipeline would best serve the needs of Americans.

In either case, we would have the pertinent facts to make the right choice.

I have cosponsored the Mondale-Bayh amendment, because I believe it offers the quickest means of making the right decision. The difficulty I have with the pending bill is that it would result in perhaps 2 years or more of additional litigation over the environmental issue. I do not think we should delay construction of a pipeline that long.

The approach offered by the Senator from Alaska (Mr. Gravel) offers a more expedient resolution by having the Congress make the determination that the proposed Alaska pipeline is ecologically sound. Unfortunately, I do not think the facts presently available support such a determination.

And although I personally believe that a Canadian pipeline would serve this country best by transporting the gas and oil to where it is needed most—to the eastern and midwestern regions—and at the least cost to the environment, I do not think we have sufficient facts to justify making that determination at this time either.

So, the Mondale-Bayh proposal, with appropriate changes as I have suggested, is clearly the most sensible. The Congress would have the full facts on both proposed pipelines presented to us by a study independent of any special interest. We would know which pipeline was the most practical, what the environmental risks of each are, and which would serve the country best. And with my amendment, we would know within a few months time whether we have more than one alternative means of tapping this important energy source.

I realize that the Alaska pipeline has already been delayed many months. I know that the people of Alaska are anxious to develop their oil resources, and certainly the rest of us understand the urgent need to translate these reserves into usable energy.

But at the same time, I think we should have enough commonsense to seek all the facts we can find before we foreclose any option.

That is really the decision before us now.

The Interior Department, the oil companies, and the Canadian Government all agree that on the basis of known reserves, just one pipeline is sufficient for at least 10 years. The Prudhoe Bay field has 10 billion barrels of proven reserves, and those would be exhausted in 13 to 14 years with a standard 48-inch pipeline carrying 2 billion barrels a day.

The Mackenzie basin oil reserves have yet to be proved. And so, quite prudently, from their point of view, the Canadians say they will not consider a Canadian route if we go forward with the Alaskan proposal. Unless we adopt the Mondale-Bayh amendment, the Alaska route will be our only choice—whether or not it is best.

Moreover, I frankly fear that the Alaskan route might not meet the stated goal of reducing our oil shortages.

Already the president of the Alyesko consortium has said that perhaps 25 percent of the Alaskan oil will be earmarked for Japan. The rest would be shipped to west coast ports.

The oil interests have given vague assurances that foreign oil now shipped into California would then be shifted to Midwestern and Eastern markets. But those assurances are devalued by hard facts.

Most of the oil that is supposed to be shifted comes from Ecuador and Indonesia. Since large tankers cannot navigate the Panama Canal, the only way to transfer this oil east of the Rockies is by super tanker around Capes of Africa or South America. Consequently, oil will either cost Midwestern and Eastern consumers considerably more—or it will go to other markets such as Japan.

But even if we accept the most favorable assumptions and assurances on these points, we must still ask when this oil can be delivered.

The chairman of the board of Exxon has said that if construction on the Alaska pipeline were to start immediately, oil could be delivered no sooner than mid-1978. If we allow 2 years for more court battles, and if we assume the companies won, the Alaska pipeline would not give us oil before 1980.

On the other hand, in testimony this spring before a committee of the Congress, officials of Mackenzie Valley Pipeline Research Ltd., said the Canadian route could be completed within 4 years of an industry decision. That would be 1977 or 1978. On June first of this year, the Canadian Minister of Energy, Mines and Resources, Donald S. MacDonald, said the Canadian route could be operational within 4½ years of the initial application, with 1½ years for preparation and study and 3 years for construction.

In a paper distributed yesterday, the Senator from Alaska (Mr. Gravel) estimated that it would take 11 years to complete the Canadian route. While I am not persuaded by his arguments they reveal once again the wide divergence of estimates from knowledgeable sources and the urgent necessity of further study prior to a final decision.

So, Mr. President, there are questions we must answer: Which pipeline would deliver the oil the soonest; which poses the smaller environmental risk; which will cost the consumer least; and which will provide us with oil and gas where it is needed—in Midwestern and Eastern markets.

Let us get the answers before we go further on a project that has such vast implications for the American people and the American environment.

Mr. MONDALE. Mr. President, I think the proposal strengthens our amendment. It gives a quick response from the Government of Canada to the central issue surrounding the question of the trans-Canadian pipeline alternative. I think it is an excellent amendment.

I ask unanimous consent that I be permitted to modify my amendment accordingly.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota The Chair hears none, and it is so ordered.

Mr. McGOVERN. Mr. President, I thank the Senator for yielding.

Mr. MONDALE. Mr. President, I thank the Senator from South Dakota.

Mr. President, I now yield to the Senator from Colorado. First, Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Colorado is recognized.

Mr. HASKELL. Mr. President, I would like to compliment the Senator from Minnesota (Mr. HUMPHREY) for offering his amendment. The study can be completed within a short period of time. The very complete study of the Mackenzie Pipeline Co., if I remember correctly the testimony before the Committee on Interior and Insular Affairs—and I am sure that the distinguished Senator from Washington will—shows that they accomplished their study and analysis in 6 months. I think that there is no question that the study could be completed within the shortened time frame.

I would like to mention to the Senator from Minnesota that my concern in this entire problem is the economics of it. Which is the cheaper way to do it? Which is in the best interests of the country?

I have here from the Library of Congress the analysis of the holdings of the Alyeskan pipeline consortium and also their three major reserves on the North Slope. And without the amendment proposed by the Senator from Minnesota, we would be accepting the dictum of three oil companies. I do not think that they are necessarily looking after the national interest.

I ask unanimous consent that the report from the Library of Congress dealing with the holdings of the oil companies be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ALASKA PIPELINE

The oil companies participating in the Alyeska Pipeline consortium, and the extent of their ownerships, are:

[In percent]

BP-Sohio	28.0
Atlantic Richfield	28.0
Exxon	25.5
Mobil	8.5
Phillips	3.5
Union	3.5
Amerada-Hess	3.0

Petroleum reserve figures, by company, are proprietary information, and thus are not available.

There is a widespread consensus with regard to the North Slope finds to date, estimated at about 9.6 billion barrels of recoverable oil, that distribution of reserves there, by company, are:

	Billion barrels
BP-Sohio	5.3
Atlantic-Richfield	1.9
Exxon	1.9

Mr. HASKELL. Mr. President, another reason why I am concerned is that over the perhaps undue emphasis that has been placed upon the necessity of going to Valdez by the administration. And I am a little concerned that there has been some giving in to the desires of the oil companies.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter addressed to me from William J. Lamont, who is now in private practice and was formerly with the Enforcement Division of the Department of Justice. He was engaged in an antitrust study of the Alyeskan Consortium and the study was called off "by the Attorney General for the stated reason they"—meaning the demands—"would cause undue alarm in a trust situation."

Mr. MONDALE. Mr. President, if I might ask, what was the name of the Attorney General who chilled that antitrust investigation?

Mr. HASKELL. It was Mr. Mitchell.

Mr. MONDALE. That was John Mitchell, who is now acting in another capacity.

Mr. HASKELL. The Senator is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 18, 1973.

Hon. FLOYD K. HASKELL,
Senate Office Building,
U.S. Senate, Washington, D.C.

DEAR SENATOR: You asked that I summarize the antitrust issues relating to the production and transportation of Alaska North Slope Oil and to the TransAlaska Pipeline System ("TAPS"), as well as any action taken by the Department of Justice.

The basic problem is that the joint venture arrangements for production and transportation of Alaskan Oil give three companies, which are already substantial factors in domestic United States crude oil production, joint control over the marketing of nearly one-third of that production. Two of the three companies involved, Standard Oil Co. (New Jersey) and British Petroleum Company, are also major factors in world production outside the United States.

In production, the least rights covering the enormous Prudhoe Bay reservoir are held in part by Humble Oil and Refining Company (now Exxon) and Atlantic Richfield Company under an "Arctic Slope Agreement" executed in 1964, providing for equal sharing between those companies of all exploration and development North of the Brooks Range in Alaska, and East of Naval Petroleum Reserve No. 4. The British Petroleum interest, the bulk of the remainder, though in part stemming from lease rights held individually by that company, also included a substantial interest in the area held jointly by BP with the Sinclair Oil and Refining Company, whose rights were acquired in 1968 by Atlantic Richfield.

The Prudhoe discoveries in 1967–68 revealed three producing reservoirs containing more than 25 billion barrels of oil, which, calculated on a very conservative basis, means about 10 billion barrels of "proved reserves," though some estimates range as high as 16 billion. By comparison, the total United States "proved reserve" at the end of 1971 was calculated at 38 billion barrels.

Going beyond the original sets of joint venture arrangements, these three companies have been negotiating "unit agreements" and "unit operating agreements" which allow the common reservoirs to be exploited as a single unit. Even though smaller unit agreements which eliminate competition have been considered reasonable from the standpoint of economics and conservation of production, the situation is entirely different when units agreement between these major companies could cover one-fourth of all United States proved reserves. And while the State of Alaska will set the maximum rate at which the reservoir will be produced, the unit operators can produce less until prices increase.

These companies already account for a substantial amount of domestic production—Exxon alone has nearly 10 percent, not counting the very substantial production it will enjoy from the Santa Ynez unit off Santa Barbara which could have between one and two billion in reserves. Thus, these three companies will have a discretionary control over a share of domestic production approximating that held by the major prorating state, Texas, during the period in which it controlled domestic prices. And that production share will involve possibly two-thirds or more of West Coast (District V) output.

In addition to this control over production and well-head sale, these companies will also have the majority share of the proposed TAPS line. With that share, they will determine the location of the input and output points, and of the terminals necessary at both. Within a very wide limit, they will also have control over the tariffs and service charges, certainly if Interstate Commerce Commission control patterns are followed. The ICC customarily hears challenges to rates and practices only from shippers, which here are the principal owners. That is not to say that some outside challenge might not be possible from the Commission itself or from other possible parties in interest; but such challenges have been rare.

An additional complication for possible third-party shippers lies in the fact that this is to be an undivided interest line. In this form of pipeline organization, a share of ownership of the line itself is allocated to the operations of the pipeline subsidiaries of the owners. Thus, for its share of ownership, Exxon's pipeline subsidiary will be entitled to use the line for a corresponding share of time in its total operating cycle. For that period, in substance, TAPS will be an Exxon line. While this has not yet been finally settled by TAPS as a matter of its operating practice, it is the customary mode of operating the other undivided interest lines in the United States, including the Rancho System, Capline, and others. In practice it means that any possible shipper who wishes to make shipment must tender that oil through the facilities of the owners, and if a shipment were in excess of the space available to any single owner, would have to tender shipment at several points.

Finally, there is the control over the rate of line expansion. The line was originally sized to accommodate the initial Prudhoe production, and expansion plans were synchronized with anticipated expansion of that production. Since the rate of North Slope development will be paced to the market for oil found, and TAPS will be the only economic facility for movement to market, this could well mean control by these three companies over the rate of North Slope development.

This is just a general list of the anticompetitive factors, but in substance, control over the pipeline and the related production agreements will give to three companies operating virtually as one monopoly control over the marketing of oil on the West Coast, and a greater share of total domestic oil production than would be permissible under any view of the antitrust laws.

The Department of Justice investigation began with a preliminary inquiry in late 1969, shortly after the organization of the line and the joint venture production arrangements became public knowledge as a result of litigation in California among the partners. At this time, however, the organization appeared to be in a formative stage, the environmental impact questions were preoccupying, and the Justice Department staff—myself and two other attorneys—was investigating two other major pipelines, Olympic and Explorer. During February 1970, however, the preliminary investigation had proceeded to the point that the Secretary of Interior was formally advised by the Department of the need for extreme care in issuing the construction permits because of the importance of the antitrust aspects.

During the remainder of 1970, the active investigation consisted mostly of liaison with Interior and other oil policy agencies and preparation of statements for them of the broad issues involved.

By mid-1971, with the formation of Alyeska Pipeline Company and the admission of other minority owners to the consortium, the Antitrust Division staff sent to the companies involved a series of Civil Investigative Demands which are administrative subpoenas requiring submission of essential documentation. In August, however, those Demands were disapproved by the Attorney General, for the stated reason that they would cause undue alarm in a delicate situation. The investigation was allowed to proceed only on a voluntary basis for a considerable period, at least until staff could establish that the companies, though originally pledging voluntary cooperation, had in fact not furnished the documentation requested. Formal Demands were again prepared, and this time, in late 1971, they were issued for production of documents in January or February 1972.

Subsequently, staff resignations and transfers to other assignments have left evaluation of those documents and recommendation of possible litigation in a state of suspense. Should an active investigation be resumed, however, it would probably be essential to call for additional documentation now, to bring the arrangements between the companies up-to-date.

If you have any questions, please feel free to call on me for additional information.

Sincerely,

WILLIAM J. LAMONT.

Mr. HASKELL. Mr. President, to be sure, the investigation was allowed to proceed on a voluntary basis for a while, and then it was reinstated. The letter goes on to say that resignations and transfers prevented the investigation from being pursued.

I am particularly concerned that we do this, not for what is right for three oil companies, but for what is right for the Nation.

It is for that reason that I asked the Senator to yield to me.

Mr. MONDALE. Mr. President, I thank the Senator. If the Senator will recall, earlier today, I quoted what one of the presidents of the major oil companies involved in the Alyeskan consortium, the trans-Alaskan pipeline, and what one of the officials of the British Petroleum Co. said. He said, in effect, that they would have to sell substantial amounts of the Alaskan oil to Japan and other world markets outside of the United States because, as he said, "We must look out for our own interests."

I can understand why an official of the British Petroleum Co. feels that he ought to take care of his company's interests and forget the United States.

But I do not understand why the Congress of the United States or this administration should forget the national interests of our country.

Mr. HASKELL. I would agree wholeheartedly with the distinguished Senator. Quite obviously, it is the job of the president of an oil company to look after that oil company's interests, but it is our job here to see that the oil gets where it should at the cheapest cost and for the greatest benefit of the Nation.

Mr. MONDALE. Let me read from the statement of Mr. Merrett of British Petroleum Co.:

> Say in 1980 you have got 1.8 million barrels a day coming out of that field. Say west coast demand is about 1.2 million. You have got 400,000 or 500,000 or 600,000 barrels a day surplus. We have to decide what is in our best interest.

And, he said that if prices worldwide continue to rise—

> Then you reach the point where it's a matter of indifference, from the oil companies' point of view, whether we sell it to Japan or the west coast.

In other words, here is a representative of one of the principals in this consortium that will go wherever the prices are best; they will go out in the international market and forget the interests of the United States, and that is one of the companies involved in the consortium about which there were these beginning antitrust investigations; is that correct?

Mr. HASKELL. That is absolutely correct. I have submitted for the RECORD the Library of Congress report, but I know that the British Petroleum-Sohio was one of the three majors, owning either 23.5 percent or 25.5 percent.

I would like to point out that the distinguished Senator from Washington, the floor manager of the bill and the distinguished chairman of my committee, also feels, as he stated in the RECORD on July 9:

> The industry and the administration have been evasive, legalistic, and less than credible regarding the possibility of an oil surplus on the west coast of the United States, and regarding plans to export oil to Japan.

So I think we are all in concurrence that the oil companies are looking after the oil companies, but we are here to look after the people of the United States.

I thank the Senator.

Mr. MONDALE. Yes. As I understand the present posture of the committee bill, if the committee has its way, following the enactment of this law there will possibly be years of litigation before any pipeline can be built. Second, if the trans-Alaska pipeline is built, a substantial portion of that production will not go to U.S. consumers, but to Japanese and foreign consumers, so that, in the midst of this crucial, compelling energy crisis in this country, we are launching a series of policies which say to the major oil companies, "Whatever you want is just fine, no matter what it does to our environment and no matter what it does to our economy, so long as your profits justify it."

Mr. HASKELL. I would say this to the Senator: Certainly the bill allows the oil companies to pick their chosen route. I would say certainly the possibility exists of years of environmental litigation. The Senator from Alaska said 1 year. Under the best of circumstances perhaps 1 year, but it could be many more.

As far as where the oil goes is concerned, as I understand that, it is now basically up to the President of the United States.

Mr. MONDALE. It took 5 years to litigate the simple question of the 50-foot width. The questions which remain to be litigated, with reference to the Environmental Policy Act, could take years.

Mr. HASKELL. It is my opinion that it will.

Mr. MONDALE. Mr. President, if there are others who wish to speak on our side, I am prepared to yield time.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I have listened with great interest and perhaps too often attempted to ask questions of those who support this amendment, because I feel so strongly that they are both misguided and do not have their facts straight. I sometimes wonder if I have read the same documents, attended the same meetings, and know the same history concerning the development of the North Slope reserves, as these Senators who offer this amendment.

Let me begin by commenting on the statement made by the Senator from Indiana. I would hope that we would all keep in mind that we are referring to Alaskan oil in terms of the Prudhoe Bay discovery. By "Alaskan oil," I mean it is the State of Alaska's oil. There is oil that belongs to the United States in naval petroleum reserve No. 4. The Prudhoe Bay reserve lies under lands that belong to the State of Alaska. The subsurface rights under those lands also belong to the State of Alaska.

When I hear statements by Senators on the floor of the Senate say, "We have got to decide here in Congress how to move the oil that belongs to Alaska to market," I wonder if perhaps we should not start introducing some bills here to determine how the milk from Minnesota, the beef from Colorado, or the timber from New England should move throughout the country.

This has been a country based upon private enterprise. These leases were sold at public auction to the highest bidders, and the people who got the leases have drilled wells and proven there is a substantial reserve of oil under Alaska's land.

After having presented a petition to the Department of the Interior for a right-of-way, the environmental consequences of issuing that right-of-way permit were challenged, and the Government instituted the most massive environmental examination in history. I have before me the six volumes of the final environmental impact statement on the proposed trans-Alaska pipeline: 175 man-years are involved in this investigation, and now we have the suggestion that they can study a pipeline through Canada that is three times as long—in 240 days. In 240 days we are supposed to get enough information to make this decision, and they want Congress to make the decision, to add up what they can put together in 240 days, while this represents 3 years of effort by three task forces, working in Menlo Park, in the Department of the Interior in Washington, and in Alaska. Yet it is suggested that we go to the National Science Foundation and, in 240 days, examine 3,000 miles and try to make a determination of which is the best route.

Why, they could not even get the core drilling done for the first 100 miles in 240 days. There is no way they could get the information on which to make the judgment, if in fact there really is a question about the Canadian route.

But the problem is that we went to Canada to talk with the Canadians. There were six of us, and I tried to interrupt my good friend from Indiana this morning and point out to him that I personally listened to Mr. Macdonald state the position of Canada, and their position is categorical: The two pipelines, the gas and the oil pipeline, cannot be built at the same time. If we decide we want to go through Canada with an oil pipeline, the gas pipeline must wait until that is completed, and it is the Midwestern and Eastern part of the United States that need the gas. They do not need it in 5 years, 8 years, or 13 years; they need it in no more than 2 years, and they could get it in 2 years from the Mackenzie River Delta if we started building the gas pipeline north from Edmonton and the oil pipeline from Valdez at the same time.

They cannot get the gas from the Mackenzie River Delta for at least 13 years if we start a Canadian oil pipeline first, because the Canadian Government has said categorically, "You cannot build two pipelines through our country at the same time." The reason is obvious, as set forth in the report I made to the Senate when I returned from Canada. The economic impact on the Canadian Government would be catastrophic, if the hydroelectric project of 16 billion barrels, the Canadian gas pipeline of 5 billion barrels, and the Canadian oil pipeline of at least 6 billion barrels, were all going on in the same time frame. They do not have the people nor the money to finance it. They would have to import the labor, and they would have to import the capital. It would place a burden on the Canadian economy that could not be supported.

I have tried to pass this message on by report and by conversations with my colleagues, yet we continue to hear that there is no problem at all with regard to gas.

I have many letters that I have received from the gas industry in the Midwest—which may be placed in today's RECORD—by those concerned with the gas situation in Minnesota who want the Alaskan pipeline, from the Indiana gas people who want the Alaskan pipeline, from the Wisconsin gas people who want the Alaskan pipeline and from the Illinois gas people who want the Alaskan pipeline. The reason is clear. They must have the Canadian gas, the Mackenzie River gas, in the Midwest within 2 years.

I cannot understand anyone who would talk about 240 days, or 90 days, to study a Canadian oil pipeline when, if we made the mistake of starting one, we would delay the Canadian gas line for so long a period.

It is the gas we need in the Midwest. We can import oil no matter how unstable it is. We can increase imports on oil. But try to increase our imports of gas without a massive investment overseas. We know what happened to that investment in Algeria for a liquefaction plant when, following completion, it was nationalized.

If we want to have this country exposed to instability in terms of foreign energy, I say, the worst possible thing that could happen to us in this very serious energy crisis we are now in, is even to consider further building the Canadian pipeline first.

Then we come to the question which my good friends have read about, the statement made by the president of Standard Oil about the Prudhoe reserves and its ability to support a second pipeline. No one has ever said that Prudhoe Bay could support a second oil pipeline through Canada. What we have said is that 10 billion barrels would be the first installment that we know we have in reserve, but have nearly 300 billion barrels in Alaska—14 billion—15 billion barrels in additional reserves in the Navy Petroleum Reserve No. 4. But it has been locked up by Congress. It could be released at any time, if Congress is serious about the energy crisis and wants to authorize the commercial development of that oil. If we do, my good friend says, "Who will build the pipeline through Canada?" It would be done by one entity. A subsidiary of Humble would build the pipeline through Canada as soon as they had been assured that there were proven deposits in the Navy Petroleum Reserve No. 4 to support it.

Mr. President, I wish we had time to go into this matter in more depth. The Gulf of Alaska, the Prudhoe Bay area, and many other areas, are all promising petroleum reserve areas in Alaska. Many responsible experts who are knowledgable in this area give great credence to the estimate of 300 billion barrels of oil that can come from Alaska. If we go ahead and develop that oil, we would no longer need to depend on the price-fixing by the oil producing Middle Eastern nations as we do now. We would be the country that would take a lead in setting the price of oil, because we would be producing more, we would perhaps have the capability to produce more than the Middle East, as we have nearly 300 billion barrels of oil in Alaska alone.

Mr. LONG. Mr. President, will the Senator from Alaska yield?

Mr. STEVENS. I yield.

Mr. LONG. Mr. President, some people completely overlook the fact that to build a pipeline across Alaska, we would have to get the consent of the people of Alaska. People in the United States Government could prevent the construction of a pipeline across Alaska, perhaps, but we would have to get the consent of the people of Alaska to build such a pipeline.

I feel that what is also overlooked is the fact that no one will build a pipeline across Canada without the consent of the people of Canada.

I do not know why it is that some people think they own the other guy, that they own the people of Alaska—which is no longer a territory but is now a State of the Union. I do not know why some people think they own Canada.

I think the case has been made that the oil in Alaska should be made available to a water highway. The greatest water highway in the world is the ocean highway, because any nation that borders on the ocean or has a navigable stream flowing into it can get oil available to it, and where we can provide it for them, it will support our economy and we can put it where we want to, which we will have achieved when we make it available to the ocean highway at a navigable point.

So it seems to me we would do best to see what can be done, as the Senator suggests, about putting that gas into the Midwest area where the people would like to have it, and which would be the logical place to put it. And, as the Senator has so well pointed out, that is the most efficient way to move gas in a pipeline. It is not necessarily the most efficient way to move oil.

Mr. STEVENS. The Senator from Louisiana is absolutely correct. The problem we have with the Canadian oil pipeline is that it is tied directly into the time frame. We have an energy crisis on us now. Anyone who does not realize that is horribly uninformed.

The Mondale amendment, to me, is like being outside a bank begging for nickels when he has $1 million on deposit inside the bank. [Laughter.]

We have the oil in the ground, and we want to move it. I would like to comment briefly on the interest of the State of Alaska. My colleague argues that Alaska will get more money through the sale of Alaska gas in the Midwest. Even though we might receive a higher price for petroleum products in the Midwest, that is not a matter of long range importance. Alaska will get more development in the long run if we get going now. We want to return to the day when people are exploring Alaska and looking for additional deposits, trying to prove up the amount of oil and gas we have. We want to make Alaska an important energy center. We cannot have those in the energy field leave Alaska—but they did because of indecision of the trans-Alaska pipeline.

Even after this study, we are supposed to go back in and study it some more. When the decision came up, they took us to court, also on the question of the Canadian route, but whether this study was sufficient—as soon as the judge indicated that this study will be sufficient, they said, "Wait a minute, you forgot the alternative route. There is another route through Canada. There is another route to explore in here," they say.

There are several reasons for that. No

one with prudent judgment would build the first pipeline through Canada, a short pipeline down there, all around the port of Valdez, when you can get oil moving with an 800-mile pipeline stead of a 3,000-mile pipeline. I thought that would be understood, but apparently it is not.

The great problem here that I wish to express my friend from Louisiana, is that the people who support the Mondale amendment support suspending the NEPA Act, not complying with it but suspending it; and then after it is suspended, and before a study by the National Science Foundation is made for the 240 days, they are willing for Congress to make a decision to pass on the 240-day study, and then after the congressional decision, they would prevent court review of that congressional decision.

We seek to have Congress confirm that we did comply with NEPA, not to suspend NEPA, but confirm the fact that the six volumes I have here on my desk contain, as I said, the most extensive study of any project in the history of the United States in terms of the oil industry and a pipeline project. This is the complete study I have before me.

We are saying that we complied with NEPA, but they want us to suspend NEPA and go to an entirely different entity to make a study, and then have the court review prevent the decision of Congress, once it followed it.

The strange thing is, and I want my good friend from Louisiana to know it, the environmental extremists in this country support that position.

I cannot to this day understand it, except this: I think, as I told the Senator yesterday, they know their Canadian brothers as well as we do. There are environmental extremists in Canada, too. All we have to do is to have Congress pass a law saying the oil will be transported in a pipeline through Canada next year. Then we will have a court suit filed in Canada by the Canadian environmental extremists, and we will be back in court for another 3 to 5 years. There is no way to prevent the courts in Canada from reviewing the question of the Canadian pipeline—no way at all.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield.

Mr. MONDALE. Does Canada have a National Environmental Policy act?

Mr. STEVENS. No. They have perhaps a tougher system in this area. They have the National Energy Board plus absolute Provincial control over the rights-of-way for each Province. You do not get a national right-of-way. You get a right-of-way through one Province and another Province and another Province, and of course each Province can hear a case on each segment of the right-of-way. Consider the implications of that.

Mr. MONDALE. Mr. President, will the Senator yield further?

Mr. STEVENS. I yield.

Mr. MONDALE. As the Senator knows, there was a recent document released by the Canadian Government, which was reported last week in the newspapers, and discussion on this on the floor of the Canadian Parliament. One of the answers of the Canadian Minister of Energy, Mr. MacDonald, to the very allegation the Senator has made, with respect to what would be the role of the Province, was this:

> A northern oil pipeline would be a "federal work". As such, the Provincial Governments are not legally involved. The National Energy Board Act grants to a successful pipeline applicant the right to expropriate lands, including Provincial Crown Lands, if such are necessary to complete the project.

Another Canadian document, as the Senator knows, concluded that a trans-Canadian oil pipeline could be completed by 1979, almost exactly the same date that the president of Exxon predicted would be the earliest date for the completion of a trans-Alaskan pipeline, which assumes the absence of a long delay in the courts.

The truth is that it took 5 years for the oil companies and for the Department of the Interior to get it through their heads that the law applies to them and that the 50-foot restriction law could not be violated. All the other issues remained to be litigated.

Mr. STEVENS. I am waiting for the Senator's question.

Mr. MONDALE. Does the Senator not think that the committee report will result in years of litigation?

Mr. STEVENS. No, I do not think so. I would like to shorten that litigation, but I do not think it would result in years of litigation, and I do not think anyone has waited 5 years. This is 1973. The wells in Alaska were drilled in 1968. In 1969, the application was filed for the right-of-way permit. The Environmental Protection Act was actually passed after the Alaska pipeline construction started. It started when the pipe was delivered, and I was on the dock in Valdez in 1969 when it was started, and the Environmental Protection Act did not even become effective until January of the next year.

Mr. MONDALE. That is right.

Mr. STEVENS. So to say that it took 5 years to comply with that act is incorrect.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. STEVENS. I yield for a question.

Mr. MONDALE. What the oil companies and this Government refused to comply with, and what took 5 years, was the 50-foot restriction which is found in an act passed in 1920. Now the National Environmental Policy Act has been passsed, and all those issues have to be litigated under the committee bill. Does the Senator not think it will be years before that litigation is completed?

Mr. STEVENS. No, I do not think it will be years.

I should like to point out that I enjoy the Senator from Minnesota's reference to the limitation. The Senator is fully aware that the interprovincial pipeline he mentioned so frequently earlier today is presently being looped with a 48-inch loop going through about nine States in the midwestern part of the United States. They did not comply with the Environmental Protection Act. They did not get a permit from the Corps of Engineers or the Coast Guard. They just went ahead willy-nilly and built it, and all the concerned environmental citizens in the Midwest sat back and let the Canadians build that pipeline.

Does the Senator know that in January of this year, under the same special law for the Alaska pipeline, his State got a pipeline special land use permit, in Minnesota, for a hundred feet for the loop?

It is going through Indian reservations, through national forests, and across rivers. It has a very interesting carryover. We are concerned about Alaska. I am glad the Senator from Louisiana (Mr. LONG) is in the Chamber. He is one of the few Senators who remembers that Alaska is a State. One of these days, my colleague from Alaska (Mr. GRAVEL) and I are going to teach some people a lesson—to look in their own backyards before they play in ours. We have been in accordance with the law since 1920. This is the first decision of any court. It ruled that this was not the only procedure.

I served for 4 years in the Department of the Interior and approved some of the permits.

Mr. GRAVEL. Is my colleague telling the Senate that a pipeline going through the State of Minnesota does not comply with the law as it presently exists under the court of appeals decision? What is the size of the pipeline?

Mr. STEVENS. It is the same size and carries warm oil.

Mr. GRAVEL. Does the Senator mean, in fact, that it is not even carrying domestic oil?

Mr. STEVENS. It is carrying Canadian oil.

Mr. GRAVEL. Does the Senator mean to tell me that that is going on in Minnesota today? Is that what the Senator is telling me right now, today?

Mr. STEVENS. There is that kind of discrimination that exists in this country.

Mr. BAYH. When was that pipeline built?

Mr. STEVENS. It is a loop.

Mr. GRAVEL. When will it be finished?

Mr. BAYH. When was it originally built?

Mr. STEVENS. I will check on that.

Mr. GRAVEL. So the pipeline was started before enough people came in to question it. This one was started after 1920?

Mr. STEVENS. Mr. President, I thought I had yielded for a question. I do not want to lose the floor.

Mr. BAYH. My question is—and I hope all of us recognize it—that we are setting standards for environmental protection for the country a little higher now than we did in 1920.

Mr. STEVENS. The country is worried about the pipeline that crosses the State of Alaska, and we were worried about it too, so we assisted in the preparation of the plans—plans for carrying it over rivers, plans for taking it across the tundra, putting more gravel in some places to prevent it from slipping down to the water, and for more environmental precautions.

Then someone said, "Do you know anything about an interprovincial pipeline coming down through the the United States?" I did not know, so I took a look.

Mr. GRAVEL. When the Senator looked, did he find that that pipeline went through Wisconsin and Minnesota? Was there a study?

Mr. STEVENS. There was no environmental study anywhere along that line. It comes down through Canada and goes across country to Buffalo.

Mr. BAYH. Is it in an earthquake zone or permafrost?

Mr. STEVENS. No; it is not an insulated pipeline. It goes through some of the lake country up there.

Mr. BAYH. Is there any permafrost?

Mr. STEVENS. No; it is in lake country. It has heavy oil in it. Just friction would heat it up.

Mr. GRAVEL. We have in the RECORD how the pipeline will affect the caribou and other wildlife. What about deer in Wisconsin? Is there no concern for those deer? That question ought to be studied.

Mr. STEVENS. And kangaroo from Australia, and caribou from Alaska.

Mr. President, I should like to continue to answer some questions. I know that my colleagues desire to obtain the floor, but I should first like to answer some questions.

He talked about the problem of the West Coast District V and the study made by the oil industry, how terrible it is, that the administration is working hand and glove with it.

The Alaskan State Legislature got into this, too. Walter J. Levy Consultants of New York were asked to prepare a report on this total production situation in California. I wish to read that portion of the study issued this year concerning the problem of the amount of oil on the west coast:

> A study performed for the Alaska Legislature and the State of Alaska by W. J. Levy Consultants Corp. of New York indicates that without North Slope production Petroleum Administrative District V (Alaska, Arizona, California, Hawaii, Nevada, Oregon and Washington) will have a net petroleum deficit of 2,435,000 barrels a day by 1980 and 3,460,000 barrels a day by 1985. (The study, designated Exhibit A, is reproduced in an appendix to this report; see Exhibit A, Table I.) A separate study by the Resources Agency of California, January 1973, entitled "Energy in California, Its Supply . . . Demand . . . Problems," says that at currently projected rates California alone expects to import 2.5 million barrels of oil a day by 1985. These demand figures show clearly that, given the fact that the Trans-Alaska pipeline will only gradually build up to carriage at its maximum capacity, West Coast demand will be sufficient to account for all of Alaska's Prudhoe Bay production.

Mr. GRAVEL. Mr. President, will the Senator yield at that point?

Mr. STEVENS. I will be glad to yield in just a moment.

The report states that the member companies assured our Governor that no oil will be sold from Alaska to Japan.

Mr. President, I repeat that statement: We have firm assurance from those who own the pipeline that no oil will be sold to Japan.

In fact, it would be uneconomical to sell to Japan. It might be uneconomical to deliver it.

Mr. GRAVEL. That is not only the State of California, is it?

Mr. STEVENS. No.

Mr. GRAVEL. It is the whole district. Is that correct?

Mr. STEVENS. Yes. They will have a 3.5 million barrel a day deficit as opposed to our 2 million barrel a day.

Mr. GRAVEL. So the west coast will still have an oil deficit.

Mr. STEVENS. The Senator is correct. To my friends from the east coast who want to know where they are going to go to get imported oil, I say without Alaskan oil they are going to be competing against the most sensational market in the world, and that is the California oil market. It is unfortunate that we cannot make that point.

Mr. BAYH. Mr. President, will the Senator yield for a question?

Mr. STEVENS. I yield.

Mr. BAYH. The Senator from Alaska only referred to one-half of the supply problem. It is twice as great today in the East as in the Midwest.

Mr. STEVENS. I am glad the Senator from Indiana is here. In my days as a Hoosier—I was born in Indiana—I used to carry the Indianapolis News. I was delighted to find on February 23 of this year that the Indianapolis News published an editorial entitled "Time to Start." The editorial states:

> It is now fairly clear that the Trans-Alaskan oil pipeline will be built.

They are in favor.

The Citizens Gas Co. of Indianapolis has written a letter which stated:

> A positive step forward on the Trans-Alaskan pipeline will act as a measure of assurance to the public that the Congress of the United States is ready to move in an affirmative manner to help resolve the energy crisis facing our Nation.

The Indiana Gas Co. has written to me and indicated support for building a trans-Alaskan pipeline. They sent to me a letter they have sent to every Member of Congress.

I also have a letter from Hoosier Gas Corp. of Vincennes, Ind., saying they endorse efforts to get the trans-Alaska pipeline under construction as soon as possible.

Mr. President, I ask unanimous consent to have printed in the RECORD the material to which I have just referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Indianapolis News, Feb. 23, 1973]

TIME TO START

It is now fairly clear that the trans-Alaskan oil pipeline will be built eventually, despite efforts by environmentalists to block it. The only real question is when.

As the result of various delaying tactics waged by lovers of the Arctic environment (some of whom we suspect have never been there), the latest estimate is that the pipeline will not be operational until 1977 at the earliest. This is most regrettable, for the nation, currently in the midst of a far-reaching energy crisis, needs Alaskan oil and natural gas well before then. The North Slope's vast reserves, the full extent of which are still unknown, are sufficent to ease the current crisis and free the United States from price blackmail being practiced by various Mideast countries. Developing them is also considered less expensive than relying more heavily on foreign imports.

A four to five year delay is also unnecessary, because environmentalists have already won most of their points. They originally pointed out that the proposed pipeline did not guard adequately against oil spills and that it would be subject to disruption by earthquakes. Since then the oil companies have spent millions perfecting the design. It is now about as foolproof as it can be made, a fact established by extensive tests conducted by the Department of Interior.

It was somewhat ludicrous in the first place to suppose that in the vastness of the Arctic a pipeline only a few feet wide would make much of a dent on the environment. That effect is now reduced to practically zero as a result of the new design.

Continued opposition by environmentalists will not produce much by way of new safeguards. Nor will it permanently block the project. The pipeline is an economic necessity, and the time to start it is now.

CITIZENS GAS,
Indianapolis, July 6, 1973.

Hon. TED STEVENS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENS: As President of the gas distribution utility serving a community of 800,000 residents, I am vitally aware of the energy crisis facing our nation. Due to severe curtailment by our pipeline supplier we have, as of January 10, 1973, discontinued the connection of any new gas customers to our lines, including residential customers. Firm industrial customers have been limited to the quantity of gas purchased during the year 1972. It appears that our supply situation will get worse before it gets better. Our pipeline supplier has indicated no substantial relief can be expected before the year 1975.

We are well aware of the discussion surrounding the Trans-Alaska pipeline. We feel that adequate investigation and consideration has been given to all points of the problem. The time has come to get on with the job that must be done. We heartily encourage you to pursue, with whatever means are available to your office, the timely passage of the bill which will permit construction of the pipeline.

A positive step forward on the Trans-Alaska pipeline will act as a measure of assurance to the public that the Congress of the United States is ready to move in an affirmative manner to help resolve the energy crisis facing our nation.

Sincerely,

R. A. STEELE,
President.

INDIANA GAS CO., INC.,
Indianapolis, Ind., June 4, 1973.

Hon. TED STEVENS,
U.S. Senator,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR STEVENS: Thank you for your recent letter requesting that we write you and indicate our support for the building of the Trans-Alaska pipeline. In our opinion, natural gas can be brought to the midwest only by pipeline: other fuels can be brought in by other means of transportation. For this reason, and because natural gas is the cleanest-burning fuel and contributes so much toward the alleviation of air pollution, we support legislation, without reservation, that will promote the construction of the Trans-Alaska pipeline.

We are enclosing a copy of a letter that one of our vice presidents has written recently to the following members of the House of Representatives urging their support of this project: Earl F. Landgrebe, J. Edward Roush, Elwood H. Hillis, William G. Bray, John T. Myers, Robert H. Zion, Lee H. Hamilton, David W. Dennis, William H. Hudnut.

We have not written to either of our United States senators from Indiana because we understand that both of these gentlemen have made up their minds not to support this legislation.

Sincerely,

J. W. HEINEY,
Chairman of the Board.

INDIANA GAS CO., INC.,
Indianapolis, Ind., May 17, 1973.

We are very much interested in legislation now being considered by both the Senate and the House of Representatives regarding pipelines to bring oil and natural gas from the north slope of Alaska to the lower 48 states.

Indiana Gas Company is particularly interested in expediting the delivery of Alaskan gas to the midwestern area of the United States where it is vitally needed. Proved natural gas reserves on the north slope now total 31.5 trillion cubic feet. The total proved and potential reserves in the area amount to 358 trillion cubic feet. To help put this in perspective, current proved reserves in the lower 48 states are about 234 trillion cubic feet.

A group of gas companies has been wanting to build a gas pipeline from the north slope through Canada to the midwestern U.S. area for some time. However, the known gas reserves on the north slope are either solution gas dissolved in the oil or exist in cap gas overlying the oil. In neither case is it feasible to produce the gas without producing the oil.

A group of oil companies has been wanting to build a 900-mile oil pipeline from the north slope to the southern port of Valdez, Alaska, for a number of years, which would permit the production of oil from the north slope area and at the same time permit the production of natural gas. However, this trans-Alaskan oil pipeline has been delayed because of environmental objections and because of a current federal law regarding right-of-ways. Also, there are those who believe that the oil pipeline from the north slope should be routed through Canada to the great lakes area of the United States, a distance of about 3,500 miles, rather than across Alaska.

The Secretary of the Interior has determined that the trans-Alaskan oil pipeline could now be constructed without damage to the environment. Also, the Secretary has recommended, after considerable study, that the proposed trans-Alaskan oil pipeline be constructed rather than a trans-Canadian oil pipeline. Construction of the trans-Alaskan oil pipeline has been stopped by a court decision that the right-of-way authorized under present law would be too small for its construction.

Senate Bill S. 970 and House Bill H.R. 6756 currently under consideration, would, if passed, clear up the right-of-way and environmental problems so that the trans-Alaskan pipeline could be constructed.

However, Senate Bills S. 993 and S. 1565 and House Bills H.R. 4707, H.R. 5750, H.R. 6694, H.R. 6763 and H.R. 6857, also currently under consideration, would require further studies to determine whether a trans-Canadian line would be more practical, economic and environmentally sound.

Indiana Gas Company supports the position the American Gas Association has taken that additional studies will cause undue delays in getting the much needed natural gas from the north slope to midwest U.S. Before these studies could be completed and a determination made, several more years delay would probably result.

Also, if it was decided that a trans-Canadian oil pipeline should be built, this would cause an additional 5 to 10 year delay in getting Alaskan gas to the lower 48 states because the oil line must be constructed first. Oil and gas lines could not be constructed concurrently because of the economic effect the expenditure of the vast sums of capital required would have on the Canadian economy and because there would not be sufficient construction equipment and personnel available to build both at the same time. Also, it would probably be impossible to raise sufficient capital to build both lines at once.

We do not believe that further delays are in the nation's best interest. The Alaskan natural gas is needed in the lower 48 states as soon as it is possible to get it here.

Indiana Gas Company has been unable to take on new industrial or large commercial loads since 1970 when our pipeline suppliers advised us they would be unable to provide additional gas in the future.

During this past winter we experienced curtailments from one of our major pipeline suppliers so deliveries were below our normal contract amounts. This made it necessary for us to discontinue service to many of our large industrial interruptible customers (those who purchase gas at a reduced price with the understanding we can ask them to discontinue its use when needed for our firm customers) from November 1 to March 6. It was only because of unusually warm weather in February and March that we were able to restore service then.

It appears that all three of our pipeline suppliers will be curtailing deliveries to us during the 1973–74 winter season. Of course, our interruptible customers will, by necessity, be curtailed more than in previous years. If the winter is colder than normal, it could become necessary to curtail service to firm industrial customers, for a time, causing personnel layoffs.

Natural gas can be brought to the midwest only by pipeline. Other fuels can be brought in by other means. Because of this and because natural gas is the cleanest burning fuel and contributes so much toward the alleviation of air pollution, we urge that you support legislation that will permit the construction of the trans-American oil pipeline at the earliest possible time.

Yours very truly,
H. C. SPENCER.

HOOSIER GAS CORP.,
Vincennes, Ind., June 11, 1973.

Hon. TED STEVENS,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR STEVENS: In my opinion, the Trans-Alaska pipeline is urgently needed to provide additional energy sources for our nation.

Our company is now in the position that we must refuse service to residential, commercial and industrial users of energy who want and need natural gas. Alternate sources of fuel are also in short supply and difficult to obtain.

I sincerely endorse your efforts to get the Trans-Alaska pipeline under construction as soon as possible.

Sincerely yours,
H. W. RUTLEDGE,
President.

Mr. STEVENS. Mr. President, there is no question that the people of my native State of Alaska are for what I am for, and that is getting gas to the Midwest.

I wonder if all Senators know how much it is going to cost the homeowner to convert to oil. You would have oil moving 2 years before you could start the gasline because you cannot produce Alaskan gas without producing the oil, and it would cost $1 billion to build refineries and considerably more to convert individual homes.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. BAYH. Mr. President, since the Senator is talking about the State of Indiana, let me suggest——

The PRESIDING OFFICER. Does the Senator yield for a question?

Mr. STEVENS. I yield for a question.

Mr. BAYH. Very well. I shall rephrase it. Question: Since the Senator from Alaska used to be a Hoosier, we still claim him and we are proud of him, although his logic is subject to question.

Mr. STEVENS. I went to Harvard and turned right instead of left.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. MONDALE. I just wish the Senator to yield on that one point about the suitability of Alaskan oil for northern refineries.

Mr. STEVENS. I am glad to yield if the Senator will permit me to read an explanation first:

> Some Canadian crudes processed in the midwest do have high sulfur but it is of a type easily removed in the initial refining stage. These refineries are either without or have only a small amount of high-pressure desulfurization capacity. These latter processes are required for typical California crude and for all North Slope crude. The price of these processes is $50 million for each major refinery in the midwest.

I am happy to yield to the Senator to answer his question.

Mr. MONDALE. Would the Senator give us the basis for that information?

Mr. STEVENS. It is from the people who are advising the State of Alaska and from the Alyeska Pipeline Co.

Mr. MONDALE. Can the Senator tell us who made that statement?

Mr. STEVENS. It is from the Alyeska Pipeline Co. and officials from the State of Alaska.

Mr. MONDALE. This is what mystifies me. The statement I read in the RECORD is from what I call a major participant in the north tier refining business. It is in response to the Senator's statement last night, that Alaskan oil was unsuitable except with expensive changes and alterations.

Mr. STEVENS. That is correct.

Mr. MONDALE. He said, "That is to put it mildly. But let me check and I will call you back."

He said:

> The Alaskan oil is a 30 gravity API with a 1.9% sulphur. This is a better quality than many of the Canadian crudes that are currently being used in upper midwest refineries. It also is better quality than the Iranian and Saudi crudes at a 34 gravity and a 1.5–1.7% sulphur.

Mr. STEVENS. Does he have the capacity of those refineries?

Mr. MONDALE. Yes. These are the major refineries:

Murphy—Superior.
Ashland—St. Paul.
American—Whiting, Indiana.
Union—Chicago.
Clark—Wood River.
Sun—Toledo.
Mobile—Buffalo.
Farmers Union—Lowell, Montana.
Continental-Exxon—Billings, Montana.

Every major refinery along the north tier can use the Alaskan crude with no changes whatever. That is a fact.

Mr. STEVENS. It is a fact that who stated?

Mr. MONDALE. That is why I asked the Seantor where he got his information.

Mr. STEVENS. From the people I have known for years.

Mr. MONDALE. Tell us who.

Mr. STEVENS. The gentleman I have spoken to is Mr. Patten, who is president of the Alyeska Pipeline Co. I talked to several other officials recently. The Senator wants to put 2 million barrels in there on the basis that there is a shortage. There is no shortage. There is a shortage of refinery capacity. If the Government offered a tax incentive to build more refineries, the problem could perhaps be eradicated.

There is another problem, and that is there is no way these refinery facilities can be used for the delivery of North Slope oil. Let me go into this a little deeper so that the Senator will understand what I am saying. You have a situation now where they are depending upon imported oil. If we make the decision—if Congress were foolish enough to make the decision—to have the oil pipeline go through Canada, that would mean there would be no ability in these refineries to make long-term commitments for the purchase of other crude for the refining until that pipeline was constructed. These are long-term contracts. The Senator had better believe that. They get longer and longer in trying to get firm contracts.

What is the Senator going to do to the Midwest refineries on the word that they will get Alaska oil? There is going to be delay after delay after delay on the Canadian pipeline, and they are going to be without the crude oil supply.

My friend mentioned before the independence of the Canadian provinces. I know the Senator from Minnesota knows Canadians. I know them. My brother is a Canadian. There is one thing about it—they are not puppets of the United States. They are not going to roll over dead and let us export America's energy crisis to Canada. They have no energy crisis. They have assured supplies of oil. They have assured supplies of gas. They have the logistics to deliver them. They have been much more farsighted than we have been. Their factories are convertible to burning coal, gas, or oil. They do not look forward to a decade of oil shortages.

If anyone thinks they are going to take on our problems by giving away their oil and gas, he had better think about that again.

Mr. BAYH. Mr. President, if the Senator will yield, will the Senator tell us what he meant by saying that building a trans-Canadian pipeline means we are exporting our energy crisis to the Canadians? What has that to do with the question before the Senate?

Mr. STEVENS. Does anyone know how long it is going to take to process the applications before the National Energy Board, and what the requirements will be from the Commission on Northern Affairs and the Commission on Indian Affairs, or what the provinces will do? If the Senator thinks they are going to act in any way as though there is a crisis in terms of reviewing those matters, he is mistaken. They have the sovereign right to review and approve the ability to finance the line or the approval of the associates on the construction or ownership of the line.

What I am saying to the Senator is that there is a crisis in this country, and we have been willing to pay $12 million to make this study. The Canadians are not going to act precipitately in reviewing the construction of a Canadian pipeline. They are not going to let our crisis be the cause of emergency action in Canada. They are going to review whatever we ask them to do under the normal procedures. They are not going to take on any political consequences of just rolling over and playing dead.

Mr. BAYH. Mr. President, will the Senator yield for another question?

Mr. STEVENS. I yield.

Mr. BAYH. I agree that they are not going to roll over and play dead.

Mr. STEVENS. They are not going to have a line approved in 240 days. There will be all kinds of permits, and it will take 240 days just to process them.

Mr. BAYH. Will the Senator yield for another question? He is entitled to his opinion, but——

Mr. STEVENS. I am happy to do so. I have had to wait all morning to express it.

Mr. BAYH. If the Senator from Indiana has to apologize for taking 40 minutes, starting at 1 o'clock or 1:15, and after having yielded to the Senator from Alaska, I do not think those are the ground rules we want to play on.

I concur that the politics of the United States is not going to be accepted by the Canadians, but has the State Department been kind enough to let the Senator from Alaska have the answers to the questions the State Department directed to the Canadian Government, which they denied the rest of the country access to until we managed to pull them out? The questions the Senator from Alaska raises have been answered by the Canadians themselves, in a much different way than the State Department answered them just prior to last week.

Mr. STEVENS. I was going to comment on that to my friend earlier. What the Senator really does not see is that, by virtue of the fact that they have the executive branch down on the floor of Parliament, and they have a minority government, they cannot say they are against the Canadian line, because that might get them in trouble. They cannot say they are for the Canadian line because that might get them in trouble with somebody, and they cannot say yes or no about tankers crowding Puget Sound, and they cannot say yes or no about a northwest passage, because the question is extremely sensitive in Canada. Until we are able to realize that, we cannot appreciate the separation of powers under the American system. We do not have politicians we have to face and questions being asked either by our colleagues or of those on either side, in which we have to hedge. I do not think there is a stated policy of the Trudeau government that they are in favor of the Canadian pipeline.

Mr. BAYH. In other words, there is no answer we can get from the Prime Minister. There is no answer we can get from listening to the dialog on the floor of the Canadian Parliament that the Senator will give any credence to. There is really no way to believe what the Government says, and the way to do it is to believe something other than what they said?

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. JACKSON. Mr. President, we who are involved in politics are familiar, surely, with how things work in Government. What are the facts? Mr. Trudeau, the Prime Minister, is in power by reason of a coalition with the New Democratic Party in Canada. What is the position of Mr. David Lewis, the head of that party, and what is the position of the Premier of British Columbia, who is also a member of the New Democratic Party? Both are opposed to an oil pipeline going through Canada in order to serve the American market. Prime Minister Trudeau cannot take a firm position on this. The Government would fall.

I ask unanimous consent to place in the RECORD at this point a statement which appeared in a Canadian paper, the Toronto Star, of September 13, 1972, in which the New Democratic Party made it very clear, speaking through David Lewis, its position on this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PIPELINE IN NORTH IS FOLLY—LEWIS

(By John Doig)

EDMONTON—Canada should not build an oil pipeline through the Mackenzie Valley, David Lewis, federal leader of the New Democratic Party, said in this oil-rich city yesterday.

He dismissed Prime Minister Pierre Trudeau's new "vision of the north" as a wasteful "political gesture" which would "undoubtedly destroy the lifestyles of the native peoples and which could seriously harm the Arctic ecology.

Trudeau announced the pipeline project—scheduled to begin within the next few years at an initial estimated cost of $10 billion—earlier this year.

Lewis, campaigning for the federal election on Oct. 30, attacked the plan at a question-and-answer session with political science professors and graduate students at the University of Alberta.

Across town, Energy Minister Donald Macdonald was telling a conference of provincial mines ministers that a federal advisory committee had been set up to establish guidelines insuring maximum Canadian ownership of the pipeline.

But the NDP leader was sure that "it can't be done without foreign investment."

This, he said, would aggravate the already serious problem of foreign ownership in Canada's economy, and put pressure on the Canadian dollar.

The pipeline, he said, "may be desirable some years from now. But at this time it would be an unintelligent misallocation of investment funds."

Lewis said Canada does not now need the reserves of oil in the Arctic.

The government, furthermore, had not completed its investigations into the possible effects of the pipeline and its access highway on the lives of Indians and Eskimos, and on the delicate northern environment.

Questioned about a recently-disclosed federal government study suggesting the "feasibility" of a separate Quebec, the NDP leader said: "I have the absolute conviction that if Quebec separates there would be no more Quebec and no more Canada within a generation.

"We'd both be swallowed by the United States."

Hammering at the central theme of his campaign—a crackdown on the concessions and grants given to "corporate welfare bums" who he claims don't pay their fair share of taxes—Lewis told the questioner that his formula would not endanger jobs.

Because large corporations control such a big segment of the economy, he said, they also control the supply of jobs.

"If you didn't give them concessions, they'd do the same bloody thing. The government is propounding the theory that if it provides concessions the corporations will provide jobs.

"Like hell they will—and I don't really blame them. If I were the president of the corporation and I got some dough, my object would be to become more efficient and that means reducing jobs—not creating them. Productivity and efficiency is more important to corporations than the making of jobs."

Mr. JACKSON. Mr. President, I would point out that the Premier of British Columbia, Mr. Barrett, would prefer a pipeline to run down the Peace River country to Vancouver. He does not want it to go to the Middle West at all.

Mr. STEVENS. Mr. President, may I yield without losing my right to the floor?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, in other words, if the Senator is correct——

Mr. JACKSON. Is there any dispute about the position of the New Democratic Party?

Mr. MONDALE. The question is not what one politician here or there thinks. The question is, What is the position of the Canadian Government if we ask them? My question is this: If the Canadian Government will not or cannot deliver on an agreement to construct the trans-Canadian pipeline, or cannot do so on terms we can live with, why do we not ask them, get the turndown, and get it over with? Under my amendment——

Mr. JACKSON. As the Senator knows, my bill, as reported by the committee, directs that negotiations get underway with Canada on a second line. We are dealing with the second line problem.

I want to ask the Senator if he can tell us the position of the New Democratic Party on this issue, the position of the leading official beyond Mr. Lewis, Premier Barrett, on the pipeline.

Mr. MONDALE. I do not doubt what the Senator tells us. The question is not what a single politician in Canada says. The question is: What is the position of the Canadian Government? It is one of the remarkable things that our Government has never asked, and the reason they have not asked is they are afraid of the answer they will get.

Mr. STEVENS. It is that they have a parliamentary form of government——

Mr. MONDALE. Why do they not ask?

Mr. STEVENS. The Government may very well fall.

Mr. MONDALE. Why do they not ask?

Mr. STEVENS. I do not think they want to be asked if the Prime Minister is correct.

Mr. GRAVEL. Mr. President, if the Senator will yield, this Government is asked repeatedly. We ask these questions. We go to the State Department and ask their views as to how they would entertain it, so that we do not insult them. Every time we have had discussions such as this, they say that they want to see an application. No one is prepared to make an application except the gas people.

Hearings have been held and submitted. There are applications in Canada to build this pipeline.

I do not know why the question is asked.

The PRESIDING OFFICER. The Senator from Washington has been yielded to for a question.

Mr. STEVENS. Mr. President, I have the floor, I hope.

The PRESIDING OFFICER. The Senator is correct.

Mr. JACKSON. Mr. President, let me have 30 seconds.

I do not think that one needs to ponder this question very long to discover that the Canadian Government would be willing right now to make a statement on this. However, they cannot make a statement in light of the political problems they face in trying to maintain the continuity of the Government.

It is very simple. If Prime Minister Trudeau—and he is a smart and capable man—should get involved in this matter, the Government would fall. And the last thing they want is to be put in that kind of box. Either way they move, they are in trouble. They are in trouble with the environmentalists. They are in trouble with the Indians, because they already have an injunction against this line.

Mr. President, I know a little about this problem. I handled the Alaskan Native claims bill. The Senator from North Dakota (Mr. YOUNG) was also involved in that. It took us some 3 years to get that matter straightened out. We got a bill passed which resolved that problem. However, one has to be totally naive to believe that the Canadian Government is not faced with serious problems of the same nature. They have to run the gauntlet of the Indians. They have to run the gauntlet of the environmentalists. And they have to run the gauntlet of the Government of Canada that is hanging by a thread.

If the New Democratic Party withdraws from the coalition government, and they are opposed to running the pipeline through Canada to the Midwest, then the Government will fall.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. STEVENS. Mr. President, I yield without losing my right to the floor.

Mr. LONG. Mr. President, we have a whole bunch of people in this country that have the prospect of getting very cold. Louisiana is a State that produces more oil than any other State its size. We in Louisiana hope that we do not have to share all of the oil we produce with people that do not get oil from Alaska. We hope that the country will have some of the oil available so that Louisiana might have enough oil with which to keep our people warm down there and also share it with some others. However, if we continue to go about this at this rate and in this manner, we will never get oil for anyone, because someone in Minnesota or Indiana wants to bring in another pipeline.

Mr. JACKSON. Mr. President, with the permission of the Senator from Alaska, I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I ask unanimous consent that a statement made by Prime Minister Trudeau and another statement made by the Canadian Energy Minister Macdonald be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Prime Minister Trudeau, May 14, 1973: "We do not favour the route from Alaska which would take oil tankers over the ocean into waters that are very narrowly confined between the United States and Canada. That is still our policy, and our policy is still to indicate that the Mackenzie route is one which we would be prepared to consider if there is application made in the proper form, and that we would be very happy to follow up on that."

Energy Minister MacDonald, June 8, 1973: "Our distinct preference is to have a Mackenzie route, subject, however, to an application being made under the law which has been passed by this parliament. The United States administration, of course, insists on handling its own resources in a different way. We have made clear to the United States the possibilities of a Canadian route, but I do not think we are really in a position to direct them as to how they should dispose of their resources within their jurisdiction."

Mr. MONDALE. Mr. President, I would also like to read from yesterday morning's Washington Post concerning the relations of our Government with the Canadian Government with respect to exploring the matter of a trans-Canadian pipeline.

The record very clearly shows that we have not done this. We have gone out of our way to discourage the Canadian Government from pursuing the matter.

I read from the article in the Washington Post:

Comparing this prospect with the outlook for a trans-Canadian pipeline amounts to comparing the unpredictable with the unexplored. Because the oil companies and the administration fastened so quickly on the Alaskan route, they have never undertaken an objective assessment of the engineering, environmental, economic and diplomatic factors involved in a Mackenzie Valley undertaking. The greatest single factor, the Canadian government's attitude, is not so much imponderable as it is unprobed. Secretary Morton's description of one key exchange in May 1972 suggests how earnestly Canadian expressions of interest have been entertained. Barely one week after the Canadian energy minister, Donald S. Macdonald, wrote him "a detailed letter" outlining the possible advantages of the Mackenzie Valley way and proposing joint studies, Mr. Morton "forthrightly" replied that the U.S. had decided to go through Alaska instead. Since that official rebuff, the State Department claims to have found "no strong current interest" in a Mackenzie Valley route in Ottawa. This is hardly surprising but it is like complaining about not being invited to dinner—after one has announced that he wouldn't come.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. STEVENS. Mr. President, I yield for a question.

Mr. GRAVEL. Mr. President, first we get a statement made by Prime Minister Trudeau and a statement by the Canadian Energy Minister, Mr. MacDonald, and then the Senator reads from the Washington Post.

I would like him to read the statement of the Prime Minister.

Mr. STEVENS. Mr. President, I will not yield for that purpose.

Mr. MONDALE. Does the Senator not want to hear what the Prime Minister has to say?

Mr. STEVENS. Not at this time. I would like to be specific.

The Lakehead Pipeline Co. has already filed a formal application for a right-of-way easement with the BIA, Minnesota, for the Fond du Lac Indian Reservation. The application is being processed.

On May 18, 1972, the BIA acting area director, Mr. C. T. Eggen, of the Minneapolis area office, issued a 50-year grant of easement for a 100-foot right-of-way to the Lakehead Pipeline Co. for the 48-inch pipeline through the Leech Lake Indian Reservation at Itasca, Minn.

That is defective to begin with. This was a renewal for 50 years. So it is defective to start with. However, it is a special language permit, and my friend, the Senator from Minnesota, raises a question about that.

In addition, the Chippewa National Forest is in Minnesota. The only segment of the pipeline that they have any detailed information on is the 8-mile portion that cuts through the Chippewa National Forest. The Forest Service issued a special land-use permit on June 30, 1972, later amended on January 2, 1973, to the Lakehead Pipeline Co., authorizing the construction of a 48-inch outside diameter pipeline loop and two 36-inch outside diameter crossover pipelines.

This incidentally is a problem concerning the right-of-way. I do not know what the environmentalists' statement contained.

I might say that one of the newspapers published a map showing how that pipeline goes from Edmonton all the way to Buffalo, N.Y. It indicates that almost all of the pipeline construction in these corridors on the U.S. side of the border are continuing with little or no environmental surveillance from either State or Federal Government.

There was no environmental surveillance as to stream scour or siltation done by State or Federal agencies, and no hydraulic analyses were required.

The Minnesota Department of Fish and Game did check river crossings for restoration, however, before the installation of the pipeline.

During ditching for one segment of the 48-inch pipeline, a minor break occurred in an adjacent 34-inch pipeline. The contractor notified the Department of Transportation and the Minnesota Conservation Department. They received no response from the Federal agency, although the Minnesota agency field-inspected the break to determine if any oil had leaked into lakes or streams and followed up after cleanup operations were completed.

My point is not to say that I am against pipelines. Obviously that is not so. However, I do think that when we have 48-inch pipelines stacked all over my State waiting to be laid, it is a little strange that 48-inch pipes are being put down in Minnesota without any environmental statement.

Mr. President, I have some pictures here. I would be glad to show these to my friend, the Senator from Minnesota. There it is. The Senator can see that it is like a superhighway. There are two pieces of construction equipment passing each other past the pipe.

Mr. GRAVEL. Mr. President, I think the environmentalists are blind when it comes to that.

Mr. STEVENS. They do not care for their own backyard.

Mr. President, look at this picture. The gate is closed. There is a ditch dug that is full of water.

Mr. BAYH. Mr. President, is there any permafrost there?

Mr. STEVENS. There is a great deal of water. It comes up and fills the ditch and lowers the level of the lakes, ruining a duck breeding ground.

Mr. NELSON. Mr. President, if the Senator will yield, is it the position of the Senator from Alaska that because they blundered up in Minnesota, that they ought to be permitted to blunder in Alaska also?

Mr. STEVENS. Not at all. In fact, I believe my colleague was with me when we flew up to Alaska and said: "Don't sue them. They are making idiots out of us, but don't sue them, because this country needs that oil, whether from Canada or anywhere else."

Mr. GRAVEL. We recognize that you are doing this thing in your State because of not having a study such as we have right here. What we would like to do is do it right, so that you could come up to our new environmental standard of awareness. We feel that the best way to do that is to provide you with a model; and we ask that you let us do it.

Mr. STEVENS. That is exactly our point. We have evaluated this pipeline as no other project has ever been evaluated, and we are not worrying about a 48-inch hot oil pipeline. You have a 48-inch hot oil pipeline running right up through Minnesota.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. MONDALE. The interesting thing is that to my knowledge no one has asked that the National Environmental Policy Act exempt Minnesota from its provisions. Anything we do there is governed by the National Environmental Policy Act. This whole issue came up in response to a question that I asked the Senator from Alaska as to whether he did not think that if the committee amendment is adopted, this matter would go back into the courts for years, to litigate its desirability and legality under the National Environmental Policy Act.

The Senator from Alaska did not answer that question. Instead of that, apparently his whole case turned on seven miles of pipeline in the woods in northern Minnesota. That may be the best argument the Senator has, because the results have not been very good.

Mr. STEVENS. I have not heard my friend's question yet.

I yielded for a question.

Mr. MONDALE. Let me ask the Senator, does he think that if the committeee bill is adopted, this issue will be back in the courts? If the answer is yes, is the Senator not quite sure that that issue will take 2, 3, 4, or 5 years before a single piece of pipe is laid in Alaska or anywhere else? And if the answer is no, I would like to know how on earth he would avoid it.

Mr. STEVENS. My friend has asked a question, and my answer is no. Beyond that, I have an amendment here that seeks to do for the Alaska pipeline what the Senator seeks to do for the Canadian pipeline, and that is to shorten the review. But if there is anything that will delay it, it is what the Senator seeks to do here: bring in a new agency that has never had anything to do with a pipeline before.

We do not have the consent of the Canadians; we do not have the consent of the Provincial governments; there is no assurance that they would let us build a pipeline even if Congress agreed to do it. There is no assurance that we would not be faced with an even greater delay.

Mr. GRAVEL. Will my colleague yield? I would like to follow through on one more point at this point.

Mr. STEVENS. I yield.

Mr. GRAVEL. We have both the Senator from Indiana and the Senator from Minnesota here, and I hope they will hang with us for a moment, because the Senator from Minnesota has brought up the point of what the two crucial amendments are, that is, the one amendment that Senator STEVENS and I have about building a pipeline immediately, and the Senator from Indiana and the Senator from Minnesota argue that the virtue of their amendment is in not having this thing hang fire in the courts.

I would like to ask them the question, assuming that their amendment should not prevail—and I know they have worked hard for it to prevail—after that amendment is disposed of, then our amendment will be before the Senate, the main thesis of which will be to expedite action around or bypassing the courts. Will they then be willing to work, consistent with their views, for the immediate ratification of the Alaska pipeline?

Mr. BAYH. Mr. President, my friend from Alaska has addressed that question to me privately.

Mr. STEVENS. Mr. President, I am not sure that I want to yield the floor yet.

Mr. GRAVEL. No, just to get the question answered.

Mr. STEVENS. With the understanding that I do not lose the floor, I yield for my colleague to yield to the Senator from Indiana for an answer to his question.

Mr. BAYH. While I do not want to take over the floor, I am glad to respond.

First of all, I think the question is premised on what I am sure is a bit of well motivated misinterpretation of the position of the Senator from Indiana, in which he speaks for himself and not necessarily for his colleague on this amendment, the Senator from Minnesota.

I think our position has been to expedite as rapidly as we possibly can a solution to the energy crisis in the 48 States of the mainland of the United States, to utilize as expeditiously and as promptly as we can the vast resources which are available to Alaska, and to make certain that this is done in the right way as rapidly as we can.

I do not see how the Senator from Indiana can support the expedition of a policy which has not been adequately studied. I would be willing to join with my friend from Alaska in expediting or in doing whatever is necessary to get this oil from Alaska to the mainland as quickly as possible, as soon as we have explored the alternative before us. Maybe this is not a good debating tactic, but we cannot be absolutely certain the argument for the Canadian route is as strong as we think it is. But at least before we make the determination, we ought to study it, particularly in the light of the fact that the language in the committee report supporting the bill now before us comes to the conclusion that they do not have any evidence that the Alaskan pipeline route is to be preferred over the Canadian route.

Mr. STEVENS. Mr. President, I am happy to have that comment, but I think the record is clear that, with regard to the Alaskan pipeline route itself, it is environmentally sound as it is engineered, devised, and proposed in this environmental impact statement, and will be a pipeline we can live with.

My good friends from Arizona and Washington wish me to move on, so I would appreciate it if I could continue with my comments.

Mr. GRAVEL. I will make my point later on.

Mr. STEVENS. Let me finish this, Mr. President.

The economic losses to all citizens of the United States will be severe if the Canadian pipeline is approved by Congress. The studies that have been made indicate that the loss to the U.S. economy in 1973 dollars will be $20 billion if oil is delayed only 2 years from the time the Alaska pipeline would be operational. Similarly, the trans-Alaska pipeline will save the United States from $5 billion to $12.5 billion in foreign exchange losses over the alternative delivery system.

The direct cost-benefit studies—and these exclude derivative effects of the two pipelines such as those of unemployment, balance of trade and other economic factors—indicate an Alaskan pipeline will save the United States significant direct labor and capital resources worth up to as much as $15 billion.

My colleague has some other figures on this, but there is one thing we have been remiss in not trying to point out and not trying to get across to the American public: That this is an American pipeline, on American soil, all owned by Americans, with the tankers built by Americans and manned by Americans, with shipment through American ports, all American labor involved, all American capital involved, no outflow of dollars, no loss of jobs for the American economy, and in addition to that it represents a real spurt for the Alaskan economy as well as the Midwest—much of the necessary equipment and support products will come from the Midwest. If I ever saw a project that ought to be supported by the people from the industrial east, this is it, because here is private enterprise willing to put over $3 billion in the ground up in Alaska where it will not be competing with anyone down here but will bring oil down to provide the additional energy to keep the industries of this country going. This is still the strongest industry in the free world. I think that the long-term interests of a regional energy balance demonstrates the whole logic of it and compels us to bring the North Slope oil reserves into the first natural market, the closest market that has the most sustainable demand where it can be used without question, where there is an insatiable demand, and that is, the west coast.

Mr. BAYH. Will the Senator from Alaska yield to me for one question?

Mr. STEVENS. I had promised to yield first to the Senator from Washington, but——

Mr. BAYH. All right—I do not want to prolong this—but one thing that has been a matter of some concern to me, and both of you gentlemen, as members of the Interior Committee, are perhaps in a much better position than I am to answer the question, and that is: Considering this tremendous investment that the Senator from Alaska just pointed out, and considering the stake that the whole of the United States has in the resolution of this problem of the 10 billion barrels of oil, and the fuel shortage, which we all know about, my premise is: Why is it that those companies in the Alyeska consortium are so darned determined to build that Alaska pipeline to Valdez down to the tankers down there to the northwest? Before they got themselves so committed to that position, why did they not send an expedition to the Mackenzie Valley? We have a $50 million study here of another oil consortium that comes to a different conclusion on the Canadian pipeline than the Alyeska consortium did, and I wonder why it is they have not given further study to the other alternative.

Mr. STEVENS. The Senator from Indiana seems to forget the Manhattan project. The industry did look. It committed $40 million to the Manhattan project to determine whether the Northwest Passage was sound. They did look at Canada and they did look at Alaska. The Manhattan project tanker made that trip through the Northwest Passage, as the Senator will remember, to see if it was a feasible route.

The people who took the risks on this project examined all known projects and were willing to commit their capital to build the largest pipeline that has ever been built for carrying oil of this type for this distance by American capital. I think that that judgment should be respected, unless the Senator can prove our judgment to be wrong. What the Senator wants to do is to ignore our judgment and say, "But, let us take a look and see if there is another route that could be used." The Senator is ignoring the work they did. The Senator is ignoring the $12 million we spent on this study that shows the trans-Alaskan pipeline can be built.

Mr. President, the question at issue here is simply if further delay in beginning the pipeline from the North Slope of Alaska is warranted, especially given the fuel shortages which are beginning to appear throughout the country.

A review of the merits of the alternative transportation systems weighs heavily against delay.

If approved, construction on the trans-Alaska pipeline could start almost immediately; the trans-Canadian pipeline does not exist as an engineering entity; it is not even a pipeline on paper yet.

The Alaskan pipeline is the most expeditious way to get North Slope crude to the market; it will bring badly needed crude oil to the U.S. consumer 2 to 5 years before a Canadian pipeline could.

The Alaskan pipeline has been designed to insure environmental security; the preliminary environmental work on the Canadian line is far from complete, nor can it even be designed to meet environmental standards until the Government of Canada determines exactly what those standards are to be.

The complex business of settlement of native claims is an accomplished fact in the case of Alaska; it is not with Canada.

The 800-mile Alaskan pipeline is much less expensive than the proposed 3,000-mile Canadian system contrary to the outlandish claims of some.

According to the Secretary of the Interior requirements imposed by the Canadian Government for approval of a pipeline are unacceptable from the point of view of our national interest: first, a majority of the equity interest in the pipeline must be Canadian: second, the management must be Canadian; third, a major portion—at least 50 percent—of the capacity would have to be reserved for Canadian owned crude oil, the primary object being to provide a contingency for moving Canadian oil to Canadian, not United States, markets; and fourth, preference at all time be given to Canadian owned and controlled groups in construction—and further it is internally divided as to the advisability of the pipeline.

The implications of the merits of the Alaskan pipeline for all the people of the United States weigh even heavier against delay.

Perhaps the greatest advantage of the earlier startup of the Alaskan pipeline is the stimulus it will give toward additional exploration in Northern Alaska.

Currently the oil companies cannot economically justify further exploration because of the long lead time and the uncertainty of its duration before any petroleum found could get to market.

The consequence of this hiatus is considerable. Recently Mr. Simon, Chairman of the Oil Policy Committee, spoke of projections which indicate North Slope potential at as much as 80 billion barrels of reserves with production that might reach 5 to 8 million barrels per day. This is in contrast to known proved recoverable reserves of 10 billion barrels and anticipation of 2 million barrels per day of production.

Production of natural gas and delivery to market, very likely the Middle West, will be delayed if the Alaskan pipeline is deferred—if gas is produced before the appropriate amount of oil has flowed from the geologic structure ultimate recovery of hydrocarbons can be reduced as much as 20 percent.

Earlier flow of the oil will, to a limited extent, ameliorate the dependence of the United States on insecure sources of foreign oil and decrease the flow of dollars into swelling Middle East treasuries.

Prompt production of Alaskan oil would aid efforts at cooperation with other oil consuming nations, especially the Japanese, who are suspicious of our motives when we bemoan our energy crises but fail to develop a 25-percent addition to proven U.S. oil reserves.

Economic losses to all the citizens of the United States are severe if the Canadian pipeline is opted for.

Simulations with the Wharton long range model show that construction of a pipeline crossing Canada would result in a cumulative gross national product loss to the U. S. economy of $20 billion—1973 dollars—if oil throughput is delayed only 2 years from the date an Alaskan pipeline would have been operational.

Similarly, the trans-Alaskan pipeline will save the United States from $5 to $12.5 billion in foreign exchange losses over the alternative delivery system.

Direct cost-benefit studies—these exclude derivative effects of the two pipelines such as those on employment, balance of trade, et cetera—indicate an Alaskan pipeline will save the United States significant direct labor and capital resources worth up to as much as $15 billion.

The costs of even the 1-year delay as required by the Mondale amendment in the construction of the Alaskan pipeline cause the United States to incur significant losses; many of these are not quantifiable, however some are.

A 1-year delay results in a $5 billion—1973 dollar—cumulative gross national product loss, and a cumulative foreign exchange loss of $7.2 billion—current dollar—by 1981.

The various merits of the Alaskan pipeline that accrue to the United States as a whole were stated above and found to be persuasive. What are the arguments that opponents of the pipeline or proponents of delay advance?

In general, given the environmental debate is a draw, they turn on two issues:

First, that the Alaskan pipeline will lead to regional imbalances, that is, one region of the country will be short of petroleum supply while another region has more petroleum than it can use, and

Second, not enough is known about the Canadian pipeline alternative to make a decision which may determine U.S. energy policy for decades.

Turning first to the problem of regional imbalances we find that the contention of the opponents is that petroleum demand on the west coast will not be sufficient to absorb the anticipated 2 million barrels per day of production from the North Slope.

But projections by the Interior Department indicate that by 1980 petroleum demand on the west coast will be 3.3 million barrels per day while production excluding the North Slope will be only 1.3 million barrels per day, leaving the west coast with a gap of 2 million barrels per day for Alaskan crude.

The second contention of those claiming regional imbalances is that the Midwest has a greater need for the oil than the west coast.

The Alaskan pipeline opponents claim that the Midwest will be more dependent on insecure Middle East crude than the Pacific coast.

But without North Slope crude both regions by 1980 will depend on Middle East imports for around one-third of their petroleum supply, they are for practical purposes equally dependent.

Further, it is impossible to speak of regional balance in petroleum supply; the entire area east of the Rockies, particularly the east coast, is inescapably dependent on Middle East oil. If 2 million barrels per day of North Slope crude oil went to this area it would still be over 50 percent dependent on imports in 1985 and require over 12 million barrels per day of imported crude.

North Slope oil via a trans-Alaska pipeline could be made available to a large number of U.S. markets should that become important. Such a situation could arise if first, major "second phase" reserves are found on the North Slope but delivery through a trans-Canadian line is somehow not viable; and/or second, major southern Alaskan reserves develop which along with a high trans-Alaska pipeline throughput would justify a trans-U.S. pipeline. Several alternatives would probably receive study for such possibilities: First, line from the west coast to the Chicago area; second, tanker deliveries via the Panama Canal to the gulf coast; or third, a Southwest U.S. pipeline from the Pacific connecting to the existing Texas system originating in west Texas and serving many Midwest refineries including those in the Chicago area.

The other issue raised by advocates of delay, that not enough is known about the possibilities of a Canadian pipeline to make a decision that will affect energy policy for decades, has limited merit.

A 1-year delay will not yield significant new insights into the merits of the two pipelines in the context of U.S. energy policy.

The well known basic facts of the energy situation are not going to be altered in 1 year.

In the short term the United States is inescapably dependent on insecure foreign crude oil.

Over the long term the courses of action that the United States must follow to increase its energy supplies are:

First. Development of new domestic or secure foreign conventional hydrocarbon sources, particularly the unexplored areas of the North Slope.

Second. Bring hydrocarbons from shale, tar sands, and coal to the market as quickly as possible.

Third. Maximize development of nuclear power and other substitutes for hydrocarbons.

The striking fact about the potential sizable hydrocarbon deposits in the above list is that they all have natural markets in the area east of the Rockies, especially the Midwest.

Next door to the Midwest in Canada is one of the world's largest oil deposits, the Athabasca tar sands with recoverable reserves that might exceed 100 billion barrels.

The coal resources of the West and Midwest could supply the United States with hydocarbons for hundreds of years.

When expected new discoveries on the North Slope occur a Canadian pipeline delivering oil to the Midwest will probably be built—and this will occur in the shortest time the quicker the Alaskan pipeline is started.

The sizable new discoveries of Arctic natural gas will also most likely flow into the Midwest.

In the interest of long-term regional energy balance, logic therefore compels that presently known reserves of North Slope oil should move first to their natural market—the west coast.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Washington is recognized.

Mr. BAYH. Mr. President, one last observation, and then I shall be quiet and listen attentively.

The PRESIDING OFFICER. Has the Senator from Alaska yielded the floor? Does the Senator from Washington yield to the Senator from Indiana?

Mr. JACKSON. I yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I went up to the North Slope with my friend, the other Senator from Alaska, and we were up there, as I recall, at the time of that traumatic experience all of America went through with the first landing on the Moon. We were up there listening to the short-wave radio, sitting on barrels, and when I came back, I was aware that this was a great resource and that we should develop it. We need it now, more than we needed it then. I do not believe this land route—the Mackenzie Valley route—has been studied adequately by the very oil companies that have, for some reason or other—and they have bought the pipe, even—said it makes a good case for building it another way. That is the reason I raised the question.

Mr. MONDALE. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield 1 minute to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I am granting the control of our time on the amendment to the Senator from Illinois (Mr. STEVENSON) who wishes to be recognized at some point——

Mr. STEVENS. Mr. President, I raised the matter earlier today concerning the time tomorrow who will be using that 2 hours, as it is not being charged to anyone. Could we have an understanding on that? We start at 9 and vote at 11? The 2 hours, are they evenly divided? Who starts the morning is what I should like to know.

Mr. MONDALE. The time is divided evenly. It is immaterial to me——

The PRESIDING OFFICER. There is no order that the time be evenly divided.

Mr. STEVENS. I thought we had that agreement, 1 hour on each side. But, who will start it off at 9?

Mr. MONDALE. It will be fine by me if the Senator from Alaska (Mr. STEVENS) wishes to start off.

Mr. STEVENS. The Senator from Minnesota is the proponent of the amendment and he is entitled to have the last say, so that I would be willing to have our side start.

Mr. JACKSON. Mr. President, before I make my formal statement, I ask unanimous consent that Stephen Quarles, of the Interior Committee staff, be permitted the privilege of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I want to commend the distinguished Senators from Minnesota and Indiana for bringing before the Senate the choice of timing and routes for delivery of Alaska oil to American consumers. Today, the Senate has an opportunity to discuss and weigh the merits of the contentions made against proceeding with the trans-Alaska pipeline; and the merits of the case for delay, for waiting on further study, and for further negotiations before proceeding with any pipeline.

Tomorrow the Senate will have an opportunity to vote on these questions.

The issue, as I see it, is clear-cut.

A vote for the pending amendment is a vote for delay.

A vote for the pending amendment is a vote to keep Alaska oil in the ground for at least another year, and perhaps for 4 to 10 years beyond the time estimated for delivery of oil by the proposed trans-Alaska pipeline.

Incredible as it must seem to many Americans, the Senate is being asked to delay the delivery of the huge reserves of Alaska oil to markets in the "lower 48" States at a time when: first, the country is experiencing critical shortages of crude oil and refined products; and second, at a time when we are growing increasingly reliant on oil imports from insecure foreign sources—some of whom are now threatening us with political blackmail.

In my view, this is not much of a choice.

Mr. President, in this regard I ask unanimous consent to have printed at this point in the RECORD a number of recent newspaper articles which discuss the security of imported oil, anticipated production controls, and other matters.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Oilweek, April 16, 1973]

TIME OF ESSENCE FOR ALASKA OIL LINE

There are many problems inherent in suggestions that Alaskan oil be pipelined up the Mackenzie Valley, not the least of which is a need to meet Canadian public interest.

But assuming this hurdle can be surmounted, time would then be of the essence, says Energy Minister Donald Macdonald.

If a decision was made in Washington today to go the Canadian route, it would take a year to do the engineering required to present an application, then at least another year to get approval. If that came in time to begin moving material into the north during the 1975 barging season, three years of construction would finish the line by 1979 at the earliest—something beyond U.S. hopes for the Alyeska-tanker route, the minister said.

But, of course, the calculations don't take into consideration the possibility that a gas pipeline might win approval during the same period—and get under way even without Prudhoe Bay gas as originally planned. The resultant problems of financing, logistics or even just finding enough construction labor would be immense, Macdonald said.

CANADA ENERGY PLAN YEAR AWAY, AFTER PUBLIC DEBATES: TRUDEAU

(By G. Barry Kay)

A national energy policy for Canada is at least one year away.

First Ottawa must bring down its long-awaited position paper on energy, which is expected to be tabled in the House of Commons this month.

Then, according to Prime Minister Pierre Trudeau and Energy Minister Donald Macdonald, lengthy discussions with both public and provincial governments must be held, leading to a federal-provincial conference on energy policy in the late fall or early 1974.

After that, using the input from public and government (and, one would assume, industry) Ottawa will arrive at a long-term policy embracing all energy sources, from oil and gas through coal and hydro to nuclear power.

"This is a national problem and as a national government we have to ensure that regional interests are made compatible, one with the other, in a way that is good for all Canada." Trudeau said during an interview in his Centre Block office.

And, the Prime Minister emphasized, the decision will rest entirely on his government's political judgment.

Macdonald told Oilweek he didn't know where some people got the idea the energy policy would be set by the National Energy Board—while the Board would undoubtedly provide economic input, the government alone would be making the decisions.

Coming up with a policy isn't going to be easy, and both ministers recognized the problems of differing regional energy situations would create an obvious need for much bargaining.

The forthcoming energy statement, which will be controversial if only because it's going to establish the governments' working figures for oil and gas reserves, won't directly involve itself in matters of current discussion.

"Someone once said 'you never know how much oil you've got in the well until the last drop comes out', so the matter (of reserves) is always a speculative question," said Macdonald. "One of the reasons for bringing in national energy studies at this point, and getting agreement on them, is to try to get agreement on a factual base from which we can then go forward to policy planning.

"The statement will be a basic document; a supply analysis of hydrocarbon, uranium and coal reserves; an energy base and projected demand. It will examine various alternatives we as a nation could use in our energy development and discuss the consequences of each."

The four basic approaches to be outlined as a prelude to public discussion are (1) maximum energy development, (2) optimum environment consideration, (3) ultimate conservation option, (4) continuing the kind of developemnt conducted so far.

Another important area Macdonald said the energy paper would open to public discussion is that of export policy, with particular reference to the adequacy of reserve calculations. But the paper won't announce any changes or easing of export restrictions—that would have to come after full consideration had been given the energy situation as a whole and a policy devised.

Trudeau confirmed controls would remain on oil exports: "The controls were put on to deal with a short-run situation during the winter just finished, but at the same time the NEB (with concurrence of the Alberta Energy Resources Conservation Board) identified that, over the longer run if we continued exports at a high level, we were going to have difficulty supplying the Canadian market, so the controls will remain on. The fresh development will be an Energy Board hearing to enable interested people to appear and give their views to the kind of system we should have and to what, if any, oil and gas should be reserved for future Canadian requirements."

Ottawa and Washington are in constant communication on energy matters, said Trudeau, particularly since problems arose in clearing construction of the Alyeska pipeline, but there's been no real sense of urgency lately because everyone is waiting for President Richard Nixon's energy policy statement before taking action. That statement, like the Canadian one, is due within a month, but unlike Ottawa's, is expected to clearly enunciate policy.

Macdonald reiterated Canada's preference for a pipeline up the Mackenzie Valley to move Alaskan crude to the southern states rather than a tanker route down the west coast, but admitted the U.S. Administration seemed committed to the tanker route. However his department is keeping the Americans cognizant of Canada's position and there is still hope something can be done.

Even with the energy crisis looming south of the border, Trudeau's government is realistic enough to realize Canada doesn't wield a very big stick when it comes to negotiating deals—even if energy were used as a lever.

Speaking during taping of a special Calgary-produced television production on the energy situation that will be shown nationally this week, Trudeau said:

"I think it's a fact worth restating, and one that is perhaps not sufficiently known, that Canada can supply only 5 per cent of the United States' total need, so people are inclined to exaggerate the influence of Canada on the destiny of American energy policy," said the Prime Minister.

While answering in the negative to a direct question about whether Canada was using, or would use, oil and gas exports as a bargaining tool to get things more its own way in trading with the United States, Trudeau qualified by saying:

"All our policies are interconnected, that's what the cabinet system means. Mr. Macdonald does not go off doing one thing, while the minister of industry, trade and commerce does another and the minister responsible for fisheries yet another. We discuss our policies together and the right hand does know what the left is doing. So there is an interconnection in the total government approach, but we are not attempting to use one policy as a lever for another.

"We're proceeding as a government with what we think is a compendium of policies that are consistent in themselves and which we hope will get us the best possible deal with the Americans or whatever country we happen to be dealing with."

Macdonald agreed that Canada's leverage is not enormous and that there was no way this country could put energy in a "take-it-or-leave-it" proposition. The United States is interested in our exports, he said, but not at any price.

Confrontation would do no good in the situation, Prime Minister Trudeau added, pointing out the countries are interdependent where trade is concerned.

"It's a mistake to think that we can sit down with the Americans and say 'well, here are my bargaining points, now let's see what you've got', because if they start showing their points, they have probably got a great many more than we do. So it's a tactical decision that we don't want to meet the Americans as though they are a big enemy and we want to solve all our problems in one fell swoop," he said.

While eschewing the thought of a continental energy policy, the Prime Minister nevertheless observed that no country could exist in a vacuum; that there is always an interdependence of market and supply. Pointing out that while the West exported energy to the United States, Ontario purchased it (in the form of electricity or coal for power generation), therefore, the Prime Minister said, regional considerations had to be taken into account.

"But every policy, I am sure, by every government, would be oriented toward the national good and in that sense we would negotiate a national policy taking into account the realities of foreign trade and the fact we need foreign markets and foreign suppliers for our energy and other goods."

TWO GASOLINE HEARINGS PLANNED, EMPHATIC CHRETIEN ANNOUNCES

There will be two public hearings on the Mackenzie Valley pipeline application—one by the Department of Indian Affairs and Northern Development and the second by the National Energy Board.

Jean Chretien, DIAND's minister, was emphatic about that during discussions with Oilweek in Ottawa recently. His hearings would deal primarily with pipeline right-of-way, ecology and the effect of the project on the people of the North.

"I don't think you could just strengthen the NEB and hold one big hearing," Chretien said. "I just don't see how I can delegate to a quasi-judicial body the authority to make decisions that are my own responsibility."

The minister said his hearing, which he feels should go first, might take place in a northern location such as Yellowknife rather than in Ottawa. It will be set up to provide maximum opportunity for all interested parties to express themselves fully and be cross-examined as well.

"Everyone should have a chance to say his piece."

Chretien, who said he hasn't yet decided on the make-up of the board that will conduct the DIAND hearing, doesn't expect to see the same sort of environmental problems over right-of-way as in the United States with the Alyeska line. The project has not been rushed in this country the way it was in Alaska and government and industry have taken time to build credibility by careful examination of environmental matters along the proposed route.

"We let the Americans make the first errors and now we will do it right."

As well, the situation is different in Canada because virtually all environmental groups in the country are on record as favoring a Mackenzie Valley pipeline over the proposed West Coast tanker route for Alaskan oil. And a gas pipeline is considerably safer, from an ecology standpoint, than an oil line would be.

"I am quite satisfied at the moment that we can build a gas pipeline on the tundra," Chretien stated.

The pipeline application is going to have to spell out a program for long-term employment of the native population of the area. Chretien is adamant that the long-term well-being of the northern people must be paramount and there's no way construction employment is going to satisfy him.

At stake are 400 or 500 jobs, with a maximum of perhaps 1,000 people involved, he said. But steady employment for all will not have to be found in the operation of the pipeline itself—Chretien will be satisfied if long-term employment in related areas such as drilling, mining, etc., can be produced.

He even suggested the pipeline consortium might offer to build service stations along the route of the Mackenzie Valley highway, saying that while it is obvious they wouldn't be profitable ventures, they would create employment. That would be good public relations, and besides, the government would probably be willing to take part in such ventures.

Because of the native's (by now) well known propensity for working a little and then resting or hunting a little to his own timetable, Chretien suggested companies will have to build a certain amount of flexibility into their hiring practice. One job could perhaps be filled by two or three people, with only one of them being on hand at a time.

The government used such an approach in preliminary clearing work for the highway by having 300 workers for 100 jobs. The natives involved proved good workers, appeared happy that they were able to make a contribution to something useful and still managed to follow their traditional ways without disrupting the job.

The minister observed experience has shown the native's temptation to leave work and the time he spends hunting and fishing decrease as his years on a job multiply.

"The natives of the North do not want to be passed up by development. They want steady jobs and they constitute the most reliable labor force one can expect in the North," said Chretien. "If a company is patient with them, they will work out fine."

Referring to the native rights issue, Chretien said all Indians in the North were covered by two outstanding treaties that provide for a land grant, on reservations, for each person.

[From the Petroleum Intelligence Weekly]

WORLD OIL SUPPLY HINGING ON ARAMCO'S EXPANSION

The current world-wide scarcity of crude oil supply may start easing up a little this summer, and in the second half of this year, as the market begins to feel the effects of Aramco's spectacular expansion program in Saudi Arabia. This company, on which the world's supply balance now hinges almost exclusively, has added an important new partner since the beginning of this year: the Saudi Arab Government. The latter holds the biggest single share, 25%. It was previously an all-American combine, but shares of the former owners have now dwindled to 22.5% each for Exxon (Esso), Texaco, and Chevron, and 7.5% for Mobil.

As Aramco goes, so goes the world oil supply picture. For the next few months. For the next few years. And as far ahead as anyone dares project. Put simply, no other oil exporter—nor, in fact, all the other exporting areas in the world put together—can begin to meet the growth in world oil requirements during the next couple of years, much less over the longer term. Put another way, what all the other oil exporting countries outside of Saudi Arabia do is almost irrelevant—just as long, of course, as they don't cut back their output.

An exaggeration? Not when you examine the production prospects of all the main producing areas of the world over the next couple of years, according to Petroleum Intelligence Weekly's survey of the latest updated production and expansion programs, country by country, for the years 1973, 1974 and 1975.

Aramco's expansion program is truly phenomenal. It is completing 2.5-million barrels daily in new export capacity just this year alone—or the equivalent of adding more than "another Libya" to world oil supplies. Its total productive capacity of 6.5-million b/d at the start of 1973 will surpass 9-million b/d by the year's end—or about as much as the total United States crude production.

And that's not all. Aramco has scheduled another 1.4-million b/d new capacity for 1974, and another 1.555-million b/d for 1975, for a staggering jump of 5.1-million b/d (equivalent to adding three Iraqs) to the supply picture. Its producing capacity will jump to 10.485-million b/d by the end of 1974, and to 11.640-million b/d by the end of 1975.

By contrast, the planned expansion by the Iranian consortium—the next biggest Middle East producer—amounts to a mere 193,000 b/d of crude oil this year, and a total of only 1.5-million b/d by 1975. The following table shows the Iranian consortium's planned increase in crude oil export capacity for both light and heavy crudes, in thousands of barrels daily. (The increases are scheduled almost entirely in the fourth quarter of each year, and the capacity figures exclude 300,000 b/d of crude oil refined at Abadan):

IRANIAN CONSORTIUM'S PLANNED CRUDE OIL CAPACITY INCREASES

[In thousands of barrels daily]

	Iranian light	Iranian heavy	Total increase	Total capacity
Jan. 1, 1973 actual	2,797	2,196		4,993
Increase 1973	24	169	193	5,186
Increase 1974	458	229	687	5,873
Increase 1975	430	190	620	6,493

The following table gives the breakdown of Aramco's expansion program by quarters over the three years, and by grades of crude oil:

ARAMCO'S PLANNED CRUDE OIL CAPACITY INCREASES

[In thousands of barrels daily]

	Arabian light	Arabian medium	Arabian heavy	Total increase	Total capacity
Jan. 1, 1973 actual	5,265	225	1,060		6,550
1st quarter 1973	900	330		1,230	7,780
2d quarter 1973	600	50		650	8,430
3d quarter 1973	300			300	8,730
4th quarter 1973	150		205	355	9,085
Total 1973	1,950	380	205	2,535	9,085
1st quarter 1974	600	55		655	9,740
2d quarter 1974					9,740
3d quarter 1974					9,740
4th quarter 1974	550		195	745	10,485
Total 1974	1,150	55	195	1,400	10,485
1st quarter 1975	300	50		350	10,835
2d quarter 1975	300	130		430	11,265
3d quarter 1975	300			300	11,565
4th quarter 1975			75	75	11,640
Total 1975	900	180	75	1,155	11,640

And look at how Aramco's expansion overshadows all projected increases in crude oil export capacity in the Arabian/Persian Gulf. This can be seen from the following table, which excludes the small production of Qatar and Dubai:

ARABIAN/PERSIAN GULF PLANNED CRUDE OIL CAPACITY INCREASES

[In thousands of barrels daily]

Capacity	Jan. 1, 1973	Jan. 1, 1974	Jan. 1, 1975	Dec. 31, 1975
Aramco	6,550	9,085	10,485	11,640
Iranian Consortium	4,993	5,186	5,873	6,493
Abu Dhabi	[1] 1,390	[1] 1,840	[1] 2,270	[1] 2,270
Iraq (Basrah)	671	800	1,200	1,650
Kuwait Oil Co	3,000	3,000	3,000	3,000
Total	16,604	19,911	22,828	25,053

[1] Averages for the year as per Abu Dhabi Government's forecast (PIW—Dec. 11, 1972, p. 3).

In other words of some 8.4-million b/d expansion in export capacity expected in the Arabian/Persian Gulf in three years, Aramco alone accounts for over 5-million b/d. So without Aramco's program, total expansion in Gulf export capacity would be only a little over 3-million b/d.

Very little additional oil producing capacity can be expected in the rest of the world in the next few years, whether in North and

West Africa, Venezuela or Indonesia. This can be seen from the following projections for the rest of the world (excluding the U.S. and Canada, which are rapidly growing net importers, not producers, on balance):

CRUDE OIL PRODUCING CAPACITY OUTSIDE OF ARABIAN GULF

[In millions of barrels daily]

	1973	1974	1975
Venezuela	3.6	3.5	3.4
Libya	2.3	2.3	2.4
Algeria	1.1	1.1	1.1
Nigeria	1.9	2.1	2.4
Indonesia	1.5	1.7	1.9
Europe	.4	.6	1.3
Iraq (Kirkuk)	1.2	1.2	1.2
Other	1.4	1.5	1.6
Total	13.4	14.0	15.3

The big question, of course, is whether even Aramco's dramatic expansion will really be sufficient to ease the tight world supply situation? Or will it be just enough to keep pace with rising world requirements, and thus merely keep the present tightness from deteriorating into an acute shortage? There's no answer here that anyone can give with any assurance. There are just too many "ifs" and unknowns that could affect the outlook.

If one looks at the demand side of the picture alone, the expansion in producing capacity would be enough just to cover the anticipated increase in world requirements, leaving little cushion of safety. Most individual demand forecasts expect free world demand (excluding North America but including U.S. import needs) to average about 4-million b/d higher this year than in 1972 and to rise another 3.5-million b/d or so in 1974 and the same again in 1975.

If these projections prove to be in the ballpark, then Aramco's 2.5-million b/d increase in export capacity in 1973, combined with the 0.8-million b/d increase in the rest of the Arabian/Persian Gulf, will not quite cover the added needs.

But there should be enough to cover if one adds the bits and pieces of increases around the rest of the world (primarily Nigeria, Indonesia, and the North Sea). All added up, they eke out to around 1-million b/d additional production for 1973. Much the same should be true in 1974 and again in 1975. These figures can't be lined up exactly, because the demand estimates are *averages* for the year, while the capacity expansions are facilities opening on specific dates (*if* they come in on schedule—and that's another if). Thus one can expect easing and tightening of supplies in relation to demand to come in spurts and pauses—especially if one adds the seasonal factor.

Thus, there's been a dramatic change in world supply patterns. In the past, the world's main consuming countries could always look to the Arabian/Persian Gulf to provide the "swing" supply whenever production from closer sources, notably North Africa and Venezuela, couldn't meet their demands.

Now all the extra demand on the Middle East has to fall on Saudi Arabia. There's no extra oil to be had from Kuwait, which is holding at a government-decreed 3-million b/d ceiling (not counting Kuwait's share from the Neutral Zone). Iraq is static, except for the increases planned by the oil companies at Basrah, and Iraq's own slow development of nationalized North Rumaila. Iran's expansion will be relatively minor in the next couple of years; and anyway, its capacity is expected to peak out at around the 8-million b/d target set for Jan. 1977. Qatar and Dubai have little to add. Only Abu Dhabi is undergoing major expansion, but it's not slated to hit 3-million b/d until 1978 (PIW—Dec. 11, p. 1).

Furthermore, North Africa has turned out a fizzle as far as growth is concerned. At the rate Libya is going there's little to expect there—except, perhaps, a further downturn. Algeria is hard up for exploration capital, and can add nothing for the foreseeable future. Nigeria is growing, true, but nowhere along earlier expectations; also, future growth in new areas will likely be offset by a possible downturn in the older main Shell-BP fields.

Venezuela's production is on the decline, and the outlook is for more of the same. Indonesia is growing a little, but the volumes are infinitesimal in the world picture. The same for the North Sea.

That's why one highly respected international oil expert could say recently: "All that counts, as far as meeting the world's growing requirements, is Saudi Arabia. All the other OPEC countries are, in fact, irrelevant." Saudi Arabia's position in the world picture now is what Texas was to the United States in the 1930s.

As one close observer of the world supply scene sums it up for PIW: "All we can hope for this year and next is a balance between supply and demand. No real shortage, but no real surplus, either. But the balance is so delicate that if any one thing goes wrong—a shutdown, a slow-up, or blow-up somewhere—watch out.

"And if Saudi Arabia should decide to put a damper on its expansion, as its government officials have been hinting recently, it'll be rough." (PIW—April 23, p. 6).

[From the Washington Post, July 6, 1973]

Faisal Warns United States on Israel

(By Jim Hoagland)

Taif, July 4.—King Faisal said today that Saudi Arabia will find it "difficult" to continue close cooperation with the United States if American support for Israel remains at its present level.

The ruler of the world's largest oil-exporting country delivered his first public warning that the traditionally strong American ties to Saudi Arabia "depend on the United States having a more even-handed and just policy" in the Middle East. He made the remarks to two American correspondents in a brief audience in his official summer palace in Taif, 40 miles southeast of Mecca.

The king's remarks appeared intended to bolster specific suggestions made recently by his petroleum minister, Zaki Yamani, and his foreign minister, Umar Saqqaf that Saudi Arabia may be compelled to freeze its oil production because of rising Arab resentment over American support for Israel.

Faisal's statements, while generalized, are certain to have much more impact on American officials, who are counting on sharply increased Saudi oil exports to ease the mounting "energy crisis."

Faisal is one of the Arab world's most pro-western leaders and as recently as last summer publicly said that he was against linking oil and politics. Moreover, he is a cautious man who deliberates with great care over his pronouncements and who follows through on them resolutely once they are made.

"The United States stands behind Israel, but gains nothing from its support of Israel which is a burden," the king said as he sat in the reception hall of his palace office here in this small town in the Hejaz Mountains. Wearing traditional robes, he spoke Arabic which was translated by his official interpreter.

"The real interest of the United States in this region is to cooperate with the Arabs," the king said in a high-pitched voice that reflected emotion.

"We would like to continue our friendly ties with the United States," he said. But, he continued, American policy seems to be directed against the Arabs and cooperation would be difficult unless the United States corrected this.

According to some government estimates the United States will have to import one out of every five barrels of oil it consumes in the 1980s from Saudi Arabia, which has the potential to produce 20 million barrels a day by the end of this decade.

But Saudi officials here stress that the country's current production of 8 million barrels a day is more than sufficient for its projected revenue needs and that production of anything above that will only be done to help the West meet growing energy needs.

A strong debate over freezing production at present levels is being conducted inside the Supreme Petroleum Council appointed by King Faisal two months ago to devise an oil policy. Saudi Arabia is under growing Arab pressure to use oil to influence U.S. policy in the Middle-East.

Yamani, who sounded the first warning of a possible Saudi change in his meetings with American officials in Washington in April, is reported by reliable sources to be "standing virtually alone" in pressing for continued escalation of production.

Hisham Nazir, the president of Saudi Arabia's planning organization and also is a member of the council, disclosed in an interview that the national economic plan for 1975 to 1980 is being drawn up on the current assumption of a 10 per cent annual increase in petroleum production.

This would represent something of a compromise in the debate. Other high ranking Saudi officials said that it would still fall short of what the United States and Western Europe are likely to need over that period.

Competent Saudi officials say that they are concerned that there has been no evident American reaction yet to Yamani's statement in Washington or to Saqqaf's even more outspoken warnings at two press conferences in Latin America last month.

The king may have been reflecting his concern in his remarks today which were a more moderate public version of the strong plea he made in Geneva a few weeks ago to the heads of four American companies that operate here, according to reliable sources.

American embassy officials here are determinedly noncommittal on the growing evidence of a sudden Saudi shift. Other diplomatic sources depict the official American view now as holding that the Saudis are "making an entreaty rather than a threat."

[From the Washington Post, July 11, 1973]

Saudis Ponder Whether To Produce the Oil United States Needs

(By Jim Hoagland)

Dhahran, Saudi Arabia.—The midnight sky glows in fierce red hues here at the edge of the world's largest oil field, where American companies are racing to escalate production needed to fill spiraling global energy demands.

The dancing, hissing natural gas flares that burn in the horizon ripple in the desert wind.

Across the Arabian Peninsula 1,000 miles away, Saudi Arabian merchants sweep into American banks in Jeddah each morning with huge sacks of 100 rial notes, each equal to $25. A tidal wave of money is rushing into the country as more oil pours out.

In his modest, green-tile-roofed summer palace in the mountain town of Taif, King Faisal receives visitors with an elegant politeness, standing as they enter and shaking hands with them.

Rapidly and perhaps somewhat reluctantly becoming one of the most powerful leaders in the Arab world, Faisal quickly shows that he is spending much of his time brooding about the twin flows of oil and money and their impact on the entire Middle East.

Suddenly, Saudi Arabia has shifted from being seen as the West's main hope for solving the energy crisis to being another unpredictable factor in the volatile world of oil and politics.

"The United States cannot take us for granted any longer," a Saudi leader, who was educated in the United States and describes himself as pro-American, said strongly. "Cooperation has to work both ways."

The four large American petroleum companies that jointly operate here are pushing ahead with a crash expansion program around Dhahran that could thrust Saudi Arabia beyond the United States and the Soviet Union as the world's largest petroleum producer in four years.

Increasingly, however, company officials wonder if they will be allowed to use the new facilities they are frenetically installing at the rate of $500 million a year. Specific warnings by the Saudi petroleum and foreign ministers and a more general declaration to this correspondent by King Faisal last week have made it clear that Saudi Arabia is seriously considering blocking future oil production increases because of what is seen here as all-out American support for Israel.

A Saudi decision to freeze production at current levels could create chaos in an energy-hungry world, and competent Saudi officials predict that the psychological impact of such an announcement would drive already rising oil prices upward even more sharply overnight.

The open discussion of such a possibility by the Saudis already amounts to a major policy setback for the Nixon administration in the Middle East.

An unstated but priority aim of the administration has been to keep America's growing need for Arab oil and its support for Israel separated, or, as a member of the Washington foreign policy community put it recently, "on two separate tracks." The pronouncements of Saudi leaders are the first serious merging of the two tracks.

They also signify Saudi Arabia's new awareness of its growing power. Amassing foreign currency reserves at a rate of $100 million a month faster than it can spend them, this nation of about 5 million people is abandoning its traditional isolationism and is cautiously emerging as a major force in international, Arab world and Persian Gulf politics.

"All the Arabs know that it is in the hands of this government alone to 'get the West to behave' as they tell us again and again," a key Saudi policymaker said.

The other major factor in the new Saudi willingness to tie oil to politics is the growing realization here that this desert kingdom's still developing economy cannot absorb the enormous revenues that increased production and higher oil prices are bringing. Given its conservative investment policies and the present uncertainty of international monetary conditions, top Saudi officials feel that production above the 8 million barrels a day figure of May is wasteful for them.

The Saudis have passed this message to Washington through a number of channels. They have not made it clear exactly what they want in the way of a change in American Middle East policy.

But a series of conversations with Cabinet-level officials over the past week did indicate that the Saudis feel they need some public sign of American willingness to consider the Arab cause more seriously, especially in areas like voting in the United Nations Security Council

"We are not asking for the destruction of Israel," said a Saudi minister. "We want a reasonable policy to bring a settlement."

Other Saudi leaders stress that their government has been "disappointed and embarrassed" by the Nixon administration's failure to move on the diplomatic front while stepping up new military aid to Israel, despite what Saudis insist were clear promises of a shift in the Middle East after President Nixon's reelection last year.

The underlying suggestion is that the Saudis went out on a limb by counseling restraint on other Arab countries, especially Egypt, on the basis of an expected American shift that has not materialized.

Previously undisclosed production statistics for this year underscore the West's increasing dependence on Saudi Arabia, which has oil reserves estimated by the Saudi government at 156 billion barrels, 22 per cent of the non-Communist world's total proved oil reserves.

In May, production by Aramco, the operating company for Exxon, Standard Oil of California, Texaco and Mobil soared above 8 million barrels a day. If oil industry estimates of Soviet production are accurate, Saudi Arabia has quietly surpassed the Soviet Union as the world's second largest producer by a small margin.

Sand storms in the Persian Gulf hindered ship loading in June and production slipped back to 7.2 million barrels a day for the month, even with the oil port closed 49 per cent of the time. This was the original target figure for average production by Aramco in 1973. Since production usually rises more sharply in the second half of the year, it will easily be exceeded—if Saudi Arabia permits the increases. In the first week of July, Aramco says its production was running at 8.6 million barrels a day. U.S. production is less than 10 million barrels daily.

In six months, Saudi Arabia has increased its total crude oil production by 40 per cent. Aramco's estimated capital budgets of $500 million for 1974 and 1975 indicate that the company plans at least a 20 per cent increase in production in each of those years, meaning that, by the end of 1975, the company sees a world-wide market for Saudi production of 12 million barrels daily.

This month, 500,000 barrels of Saudi oil will be imported into North America. Industry sources predict that the United States will need to import five times that figure by 1975 to keep pace with growing energy demands.

At current production, Saudi Arabia will earn more than $4 billion in oil revenues this year, a 30 per cent increase from last year. At least $1 billion will be added to Saudi Arabia's present foreign exchange holdings of $3 billion.

The rush of new oil revenue into Saudi Arabia has stunned even Saudi financial managers, who until a few months ago were predicting that their sparsely populated country would be able to spend enough of the revenue to make oil production increases worthwhile.

Faisal, who sees a long-term danger to the intensely conservative Saudi society from too much easy money, has resisted large-scale social welfare programs and bureaucracies such as those that have helped other gulf states soak up their oil money.

The national development budget has spurted from virtually zero four years ago to $3 billion in the last fiscal year. But only 62 per cent of the development funds could actually be spent last year.

"We don't have enough contractors to do what we can budget, and what we want to do," Hisham Nazir, president of the government's Planning Organization, said. "There aren't enough contractors in the world."

Nazir's organization is drawing up a new five year economic plan to begin in 1976. It will call for $40 billion to $50 billion total expenditures. The budget figures assume that Saudi oil production will increase only by 10 per cent annually in the future.

"Saudi Arabia must draw a firm policy on oil production," said Nazir, one of five key officials named by Faisal to the newly formed Supreme Petroleum Council. "The policy will have to put an end to waste" brought about by overproduction, which adds to Saudi internal inflation and the filing up of devaluing dollars.

"We have to strike a balance between competing factors that include our development requirements, prolonging our national oil reserves over the longest period, the absorptive capacity of our economy, the accumulation of monetary reserves that decline in value while prices for oil rise, and world energy requirements."

A Saudi Cabinet minister explained: "We have found that the maximum revenue we can usefully absorb is brought in by production of 7 million barrels a day. Anything we produce over that harms our own interests, by keeping prices down and by disturbing our economic balance.

"We are prepared to go out of our way and produce more. But we have to have a reason."

The Petroleum Council which clearly mixes foreign and oil policy interest, will recommend Saudi Arabia's first national petroleum policy to Faisal. The debate over freezing production at current levels is expected to go on for some months, while the Saudis look for signs of a change in Washington.

Saudi officials stress that in their view they are not talking about "using oil as a weapon," as more militant Arab states have demanded. There are no suggestions here of a complete oil cutoff to Western countries similar to the one that was briefly tried in 1967.

But if Arab-Israeli fighting should resume, these same officials make clear Saudi oil would be immediately cut off. "If there is a battle we are in it," said one authoritative source. "People had better understand that now."

One suggestion that will reportedly surface in the Petroleum Council involves freezing production at this year's original target figure, 7.2 million barrels a day, for the rest of this year and 1974. This would have an especially sharp impact on the oil companies, who would see the return on their massive new investment delayed.

The Saudi Finance Ministry, which faces difficult decisions on the accumulating revenue increases, is reliably reported to be pushing hard for a production freeze. So is the Foreign Ministry, which must bear the brunt of Arab criticism of Saudi Arabia's traditionally close ties to the United States.

Saudi Arabia's new activism in Arab affairs was underscored last week when the kingdom granted the Arab Socialist Baath government in Syria a $24 million development loan.

Top aides credit Faisal, 67, with having dissuaded Egypt's President Anwar Sadat from launching a military strike into the Israeli-occupied Sinai Peninsula in early June, and a top envoy was to be dispatched to Cairo this week to assure Sadat of continued Saudi financial support if Egypt stays out of the proposed merger the Libya's firebrand young leader, Col. Muammar Qaddafi, is pushing.

Saudi officials are diplomatically vague when asked what first step the United States could take to evidence a change toward the "evenhanded" policy Faisal called for last week.

"The puzzle is what is it that our American friends want?" said Foreign Minister Omar Saqqaf. "Why is the help always for Israel? There are more than 2.5 million Palestinian people either in refuge (abroad) or under occupation. . . .

"If people think this question is going to be as it is now forever, they are wrong," he added. "We are friends with the United States. We want to be friends. But there is always a limit."

[From the Wall Street Journal, July 12, 1973]

PIPING DOWN ALASKA'S OIL

With any reasonable display of responsibility from the Senate, the intermediable controversy over the Alaska pipeline may finally come to some sort of resolution in coming days. Senator Henry M. Jackson has a bill on the floor removing the latest obstacle to the long-delayed pipeline, an appeals court decision that the width of the right-of-way violated the Federal Mineral Leasing Act of 1920. The bill is currently scheduled for a vote next Tuesday.

Unfortunately, though, this bill to iron out technicalities has become a vehicle for debate on the whole range of pipeline issues. If responsibility falters, the effect could be to delay production of Alaskan oil until everything about national pipeline policy is absolutely settled, or in other words, forever. In view of the present domestic energy shortfall and the balance of payments and national security problems raised by increased oil imports, it would seem reasonable for the Senate to instead resolve these issues in favor of the quickest possible production of Alaskan North Slope oil.

The pipeline debate has gone on so long, however, that it seems to have a life of its own, above and beyond reason. The original Trans-Alaskan pipeline proposal had the misfortune of coinciding with passage of the National Environmental Policy Act of 1969 (NEPA), which gave conservationists apparently infinite means for delaying projects they didn't like. The oil companies appear to have aggravated the situation by failing at first to take environmental objections seriously.

When the Alyeska pipeline backers finally agreed to accept these demands, at great expense, they encountered an entirely new set of objections, based on regional oil needs. Midwestern politicians are now the main proponents of a route across Canada, which would deliver North Slope oil to refineries in Chicago instead of the West Coast.

The arguments on all sides have been marked by inconsistency and shifting ground, to the point that the environmental objections have seemed like a mask for the regional tug-of-war, and the regional arguments have looked like a cover for conservationist obstruction.

The oil companies themselves have been so unconvincing that Senator Jackson has doubts that the original trans-Alaska route was the best possible decision. Yet no matter where the pipeline goes, it will alter the natural environment, and no matter where it ends, the oil will be needed. The issue boils down to the fact that, while the trans-Canada Mackenzie Valley route will require at least another two years for preliminary ground surveys, land purchases, native claims settlements, Parliamentary and provincial political dickering, and the like, Alyeska construction is ready to begin immediately.

This construction has already been delayed four years, and the United States is paying in more ways than one. The balance of payments situation will be worsened by the imports needed to compensate for the up to 2 million barrels a day that could be coming out of Alaska. But a greater and immeasurable loss, in terms of long-range planning, is ready knowledge of just how much oil Alaska can provide. Since a period of concentrated drilling, which produced a firm estimate of 9.6 billion barrels in Prudhoe Bay proven reserves, exploration has almost ceased. Some geologists believe that North Slope resources will ultimately amount to three to ten times that figure. Alaska might indeed produce enough oil to justify a second, or even a third pipeline and substantially reduce dependence on foreign imports. But there is no way of knowing for sure until completion of the first one makes it feasible to resume exploratory drilling.

Yet a whole new set of objections, this time based on antitrust, has been coming up this week. Most pipelines have historically been built by the oil producers, and their critics argue this gives them oligopoly control of the market at the other end. Since Alyeska would continue this practice, Senator Floyd Haskell has framed an amendment that would require all oil majors everywhere to divest their pipeline interests. If Senator Haskell wants to debate this issue, he ought to bring it forward as a separate bill. Surely the nation should not be deprived of Alaskan oil until this volatile an issue is finally settled.

Likewise, a minimum of delay ought to be the goal in handling the vexing environmental impact statement question. Since this device has been the main means of blocking the pipeline, some Senators want to legislate an end to this particular NEPA-based suit. Senator Jackson, who originated the idea of an impact statement, opposes creating a special exemption as a precedent that could blow holes in NEPA. We would certainly agree that the whole idea of environmental impact statements should not be thrown out the window now that the nation has come all this way, and conceivably a one-shot exemption could lead to its own round of litigation. But if an exemption is not granted, some other way should be found to expedite a decision, perhaps somehow forcing the courts to speed the case, or revising the Environmental Policy Act itself to place a limit on the endless lawsuits it now invites.

If worse comes to worse and further delays crop up, Senator Jackson warns that he would prefer to have the government take over the whole project. We hope this is more of a threat than a serious proposal. Certainly, conservationists might have second thoughts about a challenge when they realize that if private industry can't trample the tundra, the government will. Whatever the problems with the Alaska route, this proposal indicates that the alternatives are worse. As far as North Slope oil is concerned, it's time to pipe it down.

Mr. JACKSON. Mr. President, the position taken by the Interior Committee in ordering S. 1081, the "Federal Lands Right-of-Way Act of 1973," reported favorably to the Senate is a reasoned responsible position that is dictated by our national energy requirements. The bill was carefully drafted after extensive hearings at which all points of view were heard and carefully considered, and after lengthy discussion in marking-up the bill. The alternative proposed by the pending amendment, for example, received 2 full days of hearings and the arguments for the amendment were ably presented during mark-up by the junior Senators from Colorado (Mr. HASKELL) and Montana (Mr. METCALF).

The majority of the committee concluded that the national interest would not be served by adoption of the amendment and the further delay and uncertainty it entails. The committee did, however, address the possibility of a Canadian oil pipeline. Title II of the committee bill directs the President and the appropriate Federal agencies to initiate studies and negotiations with Canada to determine whether it is possible to secure Canadian approval for construction of a second oil pipeline from Alaska to the Midwest, and, if so, on what terms and conditions and at what price.

The bill as reported by the committee is a responsible bill. It represents a major reform of many archaic Federal right-of-way statutes which are clearly outdated and which are not consistent with proper environmental safeguards and the need for advanced land use planning.

The committee bill steers a middle course between two groups of proponents who advocate extreme and opposite positions.

First, there are those who want immediate congressional authorization of a trans-Alaska pipeline. Proposals of this position would override the environmental safeguards of the National Environmental Policy Act and foreclose questions concerning any aspect of the pipeline's approval from any opportunity for judicial review.

The second and opposite position is equally extreme. It is advocated by a coalition between some environmentalists who want no pipeline at all, under any circumstances, anywhere, and regional interests who want the first pipeline built into the Midwest—even if that decision means extensive delay in delivery of Alaska oil, and even if it delays construction of a critically needed natural gas pipeline into the Midwest, and even if that delay poses danger to the larger national interest in developing domestic energy resources.

The committee did not support either of these positions. Before Tuesday, I will explain in greater detail my views on the first position. Today I want to discuss the second position as it is stated in the pending amendment and the arguments and contentions the sponsors of the amendment have presented to the Senate.

Yesterday, the amendment's sponsor, the senior Senator from Minnesota set out in his opening statement five key issues, which I will take up in my own order and discuss.

I. THOSE WHO WANT A DELAY SUPPORT THE PENDING AMENDMENT

First, the senior Senator from Minnesota stated that:

> There is no disagreement on the need for speedy action to bring this much-needed oil to American markets.

I made almost the same statement Monday, but unfortunately I was wrong, and the Senator from Minnesota was wrong yesterday. I was surprised that six Members of the Senate voted "nay" on my amendment (No. 315) which declared the movement of North Slope oil and gas to be a matter of national urgency.

It appears that there is in fact disagreement on the need for speedy action.

For example, I cannot help noting that many of the environmentalist representatives who have been lobbying so effectively for the pending amendment have opposed any development of North Slope oil and gas from the beginning. Today they advocate a trans-Canada line as a delaying tactic.

I must therefore confess to some skepticism when they offer us arguments that a Canadian pipeline involves no additional delays.

No one can seriously deny that people who are basically opposed to any pipeline—people who would be delighted with an indefinite delay—are the backbone of the national coalition supporting this amendment.

One has only to read the full page ad in this morning's Washington Post by the coalition to find the evidence. Look at that ad. There is no commitment made to delivery of Alaska oil by any route, Canadian or trans-Alaska. The only commitment is to further delay; to continue to keep Alaska oil in the ground at a time when American consumers are running short.

Mr. President, being the author of the National Environmental Policy Act and a long-time environmentalist, I have an interest, and I think I can be objective.

I met with some of these people 4 years ago, and they commented that they did not want to see oil moved out of Alaska through any route. They were very frank and honest about it. Then, as the heat got on and we were running into shortages and greater dependence on oil from abroad, they decided that they would not take that position but would suggest the trans-Canada route, and that is where we are. That is why we are on this amendment today. I know whereof I speak, and I think I can speak objectively.

When independent distributors and gas stations are being driven out of business, when farm tractors are running out of gas, when fuel supplies for vital public services are dwindling, and when reliance on imports from unstable sources is growing dangerously, it does not make any sense at all to tolerate, let alone to mandate by congressional action, continued delay.

No one in this body who votes for this amendment can honestly get up on a platform and say he did not vote for delay by the Humphrey amendment. They have decided to change that delay to 30 days. That is how sensitive they are on this issue. The amendment is clear, and any opponent can read it back to them and say, "You voted for a delay in connection with the Alaska pipeline"; and they cannot deny that fact, because it is written right into the amendment.

The fuel shortages the country is now experiencing are not short-term, one-shot affairs. They will be with us for several years into the future. And they will get worse before they get better. Between now and 1980 the only secure and certain increment of new energy supply for the Nation is Alaska oil. If we delay a decision on the delivery of Alaska oil, how will we meet the Nation's growing petroleum requirements in 1977, in 1978, in 1979, and 1980?

II. THE MIDWEST INTEREST

The sponsor of the amendment stated yesterday that his approach is not a "regional approach." I agree.

The delay in delivery of Alaska oil that the amendment mandates is clearly not in the interest of midwestern consumers.

I hope the Senator from Minnesota will allow that my own judgment of this issue is not a parochial one. If I were convinced that environmental considerations or national economic benefits clearly and substantially favored the Canada route, and if there were any chance of getting it built in the same time, my position would be quite different. Oil tankers are no more popular in Puget Sound than they are in Delaware Bay or Massachussetts Bay.

Canadian official pronouncements on Arctic pipelines are like scripture—each side can find a quotation to suit its purpose. Yet I wonder whether our Midwest colleagues have fully grasped the importance of one of the answers which the Canadian Government recently gave the State Department.

The question was this:

> Would active Canadian consideration of a Mackenzie Valley oil pipeline delay consideration of the prospective application for a gas pipeline? Are there proponents in Canada of the gas pipeline? Are there proponents in Canada of the gas pipeline who oppose encouragement of Mackenzie Valley oil pipeline on these grounds?

The answer was that—

> Canada would likely wish to avoid the necessity of building both an oil pipeline and a gas pipeline simultaneously because of the impacts upon the Canadian economy. *If it is decided to proceed with active consideration of the Canadian oil pipeline, it is likely that the question of building a gas pipeline would be deferred,* for reasons of gas supply to such a pipeline. This is based on the assumption that some 50 per cent of the gas supply would be solution gas from the Alaska North Slope. If an approval to build a Canadian Oil Pipeline was granted and if the Canadian Government did not wish to have the gas pipeline built simultaneously, *it is possible that the construction of the gas pipeline could be delayed by some three years compared with the decision to build the Alyeska oil pipeline.* (Emphasis added)

Let me point out the implication of this statement, that consideration of Canadian oil pipeline from Alaska will block the delivery of natural gas from either the North Slope or Arctic Canada to the Midwest.

The Canadian Government does not want both an oil and a gas pipeline from the Arctic built at the same time, for economic and balance-of-payments reasons. For this reason the only way the Midwestern United States can get new gas supplies from either Alaska or the Canadian Arctic within 8 to 10 years is to go forward now with the trans-Alaska oil pipeline.

The Midwest stands to benefit in crude oil supply, as well as natural gas, from the earlier completion date of a trans-Alaska pipeline. The Middle West will benefit, first, from the availability of Alberta crude oil that would otherwise go to Puget Sound. It will benefit second from the availability of Four Corners crude oil that would otherwise go to southern California. These two sources alone will amount to nearly half a million barrels a day. Conceivably, both existing pipelines serving the west coast could be turned around, within a few months, to add another half-million barrels to midcontinent crude oil supply.

Finally, the foreign supply of crude oil is not unlimited. This is particularly true of low sulfur crudes like that produced in Alaska. With the countries whose production has topped out and those who will deliberately be limiting production, North Slope production is a net addition to world supplies available to the United States. Every barrel of North Slope oil delivered anywhere in the United States will make either one barrel of domestic crude oil or, one barrel of imports, available somewhere else in the United States.

Two million barrels per day of Alaska crude on the Pacific Coast will mean two million additional barrels of crude, more or less, from New Mexico, Texas, Alberta, Venezuela or the Persian Gulf, available East of the Rockies. A 3-to-6 year delay, to build a pipeline across Canada, means that much less oil for the South, the Midwest and the East, for a period of 3 to 6 years.

That is a very significant point. When one talks about oil coming in, 2 million barrels a day speaks for itself.

III. ENVIRONMENT COMPARISONS

The sponsor of the pending amendment has stated that one of the key issues before the Senate in this debate involves "the environmental risks associated with a trans-Alaska route." The Canadian pipeline, it is alleged, "would greatly minimize environmental damage."

This "conclusion" is by no means obvious from the information we have today. Unmentioned are the major environmental hazards associated with proposals for a Canadian oil pipeline.

More importantly, additional information may never resolve which route is in fact less dangerous to the environment. I challenge any open-minded Senator to read the various presentations in parts 3 and 4 of the committee's hearing record regarding the environmental impacts of the two alternatives, and conclude differently from the committee majority. We observed that—

> Proponents of the Canadian pipeline contended that its environmental risks are less serious than those of the Trans-Alaska route. They emphasize the latter's crossing of an active earthquake belt, the danger of marine pollution stemming from the ocean leg of the oil transportation system, and the possible reduction of environmental damage if oil and gas pipelines from the North Slope were confined to the common corridor, rather than two or more routes. Advocates of the Alyeska proposal maintain that there are some aspects in which Trans-Canada oil pipeline would be more damaging or more hazardous to the environment, for example, the very length of the pipeline, the number of miles it would cross the zone of discontinuous permafrost, and the number of major river crossings.

Our conclusion, with respect to both the environmental and economic issues, was as follows:

> *The Committee on Interior and Insular Affairs did not regard any one of the foregoing arguments or any group of them as conclusive in favor of either of the competing pipeline proposals.* In some areas of debate the preponderance of evidence or analysis seems to favor one side or another, but no area of controversy, however, is without ambiguous or speculative elements. Even the most expert assessments made today are likely to be modified by new information that will become available or by unforeseen changes in circumstances occurring before either pipeline could be completed. Much information can be obtained only in the course of construction.

How does one measure earthquake danger and collision danger against the number of miles of permafrost and the number of river crossings? The next line of the committee report the senior Senator from Minnesota quotes approvingly:

> Any assessment based solely upon the foregoing consideration regarding the relative merits of the two pipeline routes clearly must depend heavily upon subjective judgment.

I do not assert the environmental superiority of the trans-Alaska pipeline as some of its partisans do. But only a committed partisan can insist that either route is clearly better from an environmental point of view. I am afraid further study will persuade only those who are already committed.

Again, let us be forthright as to the issue: Both routes involve environmental problems. Let us not be simplistic about it.

IV. ONE PIPELINE OR TWO

The senior Senator from Minnesota maintains, first, that "our decision will decide which pipeline will be built, and—this pipeline will be the only pipeline built for many years to come." This conclusion is at odds with that of the committee.

The Senator's assertion is buttressed by highly selective and uncritical quotations from two richly varied and internally inconsistent sources—the self-serving statements of Canadian officials and of U.S. oil companies.

Let us look at these quotations. In answer to the State Department, the Canadian Government responded:

> If Alyeska is built, Canada would find little attraction in having a second oil pipeline built through Canada to serve U.S. Midwest markets *unless* and *until* sizeable commercial Canadian oil discoveries have been made in the north. Moreover, Canada is aware that the economic attraction of looping an existing TAPS line would undoubtedly militate against construction of a line through Canada.

The Senator quoted the foregoing, but did not read the full statement, which continued:

> Admittedly, other circumstances such as markets and security of supply might make it attractive to build such a second line through Canada. However, such circumstances are undoubtedly present even in respect of the first oil pipeline.

Of course, this is the Canadian Government's current posture. Canada's only interest right now in a Mackenzie Valley oil pipeline is confined to blocking Alyeska's proposal. The government of Canada is concerned about the risk of tanker accidents, and is willing to entertain a proposal for an overland pipeline across Canada only as a lesser evil. But this Canadian purpose would be served just as well by an indefinite delay of the trans-Alaska pipeline while we study and negotiate over a trans-Canada line, whether or not the latter project is ever built.

Because Canada's main interest in U.S. consideration of a trans-Canada pipeline is the interest in preventing construction of the trans-Alaska pipeline, the government of Canada now says that it would not favor a second trans-Canada pipeline after the trans-Alaska pipeline was built.

This statement is obviously a bargaining ploy; Canada is saying, "You had better abandon Alyeska and apply for a trans-Canada permit while we are still willing to entertain it."

It would be foolish for the United States to rise to that bait. There is no assurance that Canada would in fact ever permit the trans-Canada pipeline to be built. Moreover, if the government of Canada is seriously worried about the risk of oil spills, it will also be concerned about the increased risk of oil spills from a second trans-Alaska pipeline.

Also, as the statement makes clear, the government of Canada will become more interested in a second oil pipeline if significant oil reserves are discovered in Arctic Canada to share in its capacity.

The statement also assumes that once the trans-Alaska pipeline is in place it would be cheaper to loop the trans-Alaska line than to build a second line across Canada. The problem with this connection is twofold:

First, stringent export limitations on Alaskan oil would compel construction of a second line across Canada as surplus production develops. Although a trans-Canada pipeline would be more costly than looping the trans-Alaska pipeline, it would not be more expensive than looping TAP plus adding new tankers to the west coast, plus building a pipeline from the U.S. west coast to the Midwest.

Second, Canada's National Energy Board Chairman, Dr. Howland, says Canada could—and probably would—construct its own oil line from the Mackenzie delta as soon as a threshold production level of 400,000 barrels per day is reached. In view of the great potential of this area, the amount of production is sure to be reached. Hence, there will be a Canadian oil line eventually with or without a trans-Alaska pipeline. Because the cost per barrel of throughput is lower with larger pipelines, the addition of Alaskan oil to Canadian throughput would be of advantage to both sides.

The Senator's quotation from the president of Alyeska Pipeline Company, implying that all the oil on the North Slope has already been developed, is almost totally unique. Mr. Patton's statement is at odds with almost every authority who has spoken on the potential of the North Slope.

In Monday's RECORD, I placed a summary of reserve estimates for the North Slope varying from 20 to 300 billion barrels. Bear in mind that Saudi Arabia's reserves are 300 billion barrels. Others are available in the same magnitude.

Let us look a little closer at the 9.6 billion barrels of reserves reported to the American Petroleum Institute. That figure is based upon an estimate of 24 billion barrels of oil-in-place made by DeGolyer and McNaughton for just one of the three known reservoirs in the Prudhoe Bay field. The reserve figure is based upon a conservative recovery ratio of 40 percent. ARCO, however, has publicly declared its intention of recovering 65 to 70 percent of the oil-in-place, increasing the present reserve estimates from that one reservoir alone from 9.6 billion barrels to 15.6 or 16.8 billion barrels.

The second pipeline may not yet be a proved certainty, but it is not a "phantom."

V. INEVITABLE DELAY AND UNCERTAINTY

The final issue raised by the amendments sponsor is the claim that "there is no hard evidence that construction of a trans-Canadian oil pipeline would delay delivery of Alaskan oil." The Senator's choice of words evades the main issue by assuming that the Canadian pipeline can indeed be built.

It is this issue about which there is no hard evidence. There is no possibility that we will have an answer on this question on the schedule proposed by the amendment.

Canadian officials, despite their many ambiguous and evasive pronouncements, have made at least one thing clear. They will not approve—they will not even entertain an application concerning—a pipeline project that has not been designed, and whose organization and financing has not yet been begun.

The necessary business organization, financial arrangements engineering design and logistical preparations for the Alyeska project have been completed and construction could begin as soon as a right-of-way is granted. None of these necessary preparations has been accomplished for a trans-Canada route. These steps took 3 years in the case of trans-Alaska and would take a minimum of 2 years in Canada, even if there were no legal, political, and administrative hurdles to be crossed before construction of a Canadian pipeline would be authorized. In each step there are opportunities for indefinite delays. An eventual determination is not out of the question that such a pipeline is impossible for engineering, environmental, legal, political, or other reasons.

Any private parties interested in a trans-Canadian route would have to organize a separate consortium on each side of the border for financing, building, and operating the two segments of the pipeline, and resolve the complicated tax, regulatory, and financial relationships between them.

Sponsors of the amendment seem to assume that Canadians feel so much urgency about this project that they will suspend or abrogate all their own laws concerning rights-of-way, energy, Indian rights, and the environment. There is no indication whatever that Canada would consider changing her laws to facilitate or accelerate this project.

In the June 8, 1973, debates on the floor of the Canadian House of Commons, the Honorable Donald S. MacDonald—Minister of Energy, Mines, and Resources—characterized his then recent discussion of energy matters with a U.S. Congressional Delegation by saying, "There were both protagonists and antagonists of the Alyeska pipeline, and each drew from the conversations what he wanted to draw and has made it public." The distinguished senior Senator from Minnesota in his statement yesterday cited for us two fragments of this same debate in quoting the same honorable gentleman. In one of these he quoted the following:

"Our distinct preference is to have a Mackenzie route. . . ." In order that the Senate may better understand the position of our Canadian friends in full, I should like to read the complete sentence from which that excerpt was drawn. Mr. President, Mr. MacDonald's June 8 statement of the position of the Canadian Government was—

> Our distinct preference is to have a Mackenzie route, subject, however, to an application being made under the law which has been passed by this parliament.

The best estimate of the time required for any company or companies—bear in mind that the government cannot apply; under Canadian law, it has to find a company to prepare such an application is 2 to 3 years. Under current Canadian law, final governmental action on such an application would require, in all probability, another 2 or 3 years.

There would have to be some disposition of the Canadian Native Claims—and there is an injunction filed now, and it is in force and effect; Alaska Native Claims took from 1966 to 1971 for their resolution.

Application would have to be made to the Department of Indian Affairs and Northern Development and public hearings would have to be held; the application would have to be accompanied by a detailed social and environmental impact statement.

Assuming the Department's approval, application would then have to be made to the National Energy Board of Canada and more public hearings held; the Canadian Cabinet would have to approve the action of the Board in certificating the pipeline.

Do not suppose that Cabinet approval is inevitable even with concurrence from the Department of Indian Affairs and Northern Development and the National Energy Board. The Canadian Government, as I pointed out earlier, is a minority government which depends for its existence on votes of the New Democratic Party. And, the NDP leadership is already on record opposing a trans-Canada oil pipeline. Earlier today I inserted into the RECORD an article in the Toronto Star expressing the views of David Lewis, the national leader of the New Democrats.

Mr. President, assuming eventual approval by the Canadian Cabinet, rights-of-way would have to be obtained to cross privately owned lands; equipment and materials would have to be procured, and detailed design of the pipeline accomplished; necessary roads would have to be built.

Finally, any litigation in Canada with respect to the pipeline would have to be resolved.

Do not forget, also, that application would have to be made to the Department of the Interior for rights-of-way across the U.S. public lands.

A new environmental impact statement would have to be prepared by the Department of the Interior, unless Congress is willing to give a blank check for this pipeline, regardless of the information that might turn up after the general route was chosen.

Mr. President, even assuming an eventual favorable action on an application to the Canadian Government, the additional administrative delay imposed on the delivery of North Slope crude to the "lower 48" over and above possible delays in construction, could be several years. I should like to point out, Mr. President, that this estimate is based on current Canadian law and policy, which is, of course, subject to change. It is, in fact, likely to change. In the same June 8 floor debates of the Canadian commons to which the Senator from Minnesota has called our attention this point is made quite clear. On that occasion, Mr. Macdonald, the Minister of Energy, Mines, and Resources, noted that in every area of the energy field Canadian national policies have been in effect for many years. He went on to state:

> The real question is, should any of the policies be changed? That is the purpose of laying the facts before the Canadian people by way of the energy studies and, on the basis of discussions following those facts, to arrive at what, if any changes may be necessary.

Mr. President, the first phase of the energy studies to which the distinguished Canadian Minister referred has been completed and the report published within the past month. This was only the first phase, however, and the easiest. As the forward to the report states:

> The purpose of this report (of Phase I) is to define more clearly the national framework into which provincial studies fit, to identify policy choices which must be made within the federal jurisdiction, and to provide a basis for choice by the Government and people of Canada.

This first phase of the study has required 2 years. The second, that of consultation, remains. As the Minister of Mines, Energy, and Resources notes in his foreword to the report, An Energy Policy for Canada—Phase I—Analysis—the consultations to follow will be, "with members of the public interested in the various phases of the energy question and with governments of the provinces. On the basis of the information which this report provides as to where we are, and where the various choices may lead us, and following those consultations, the Government of Canada will then reach the second phase of its approach to the energy problem of deciding how, and with what instruments our existing policies should be altered."

Mr. President, it is not possible for the government of Canada to consider the construction of a pipeline through Canada to fulfill the energy needs of the United States independently of consideration of the energy requirements of Canada, to which, of course, it must give first priority. The statements of the Canadian Government make clear that of the three phases of the process of arriving at an energy policy for Canada, analysis, consultation, and decision by the Federal Government, only the first has been completed. As I have noted, it was completed within the past month and required 2 years.

The amendment under consideration calls upon the President to ascertain the willingness and preferences of the Canadian Government "within 60 days from the date of enactment of this act." Given the continuing and ongoing nature of the review of its national energy policy by the Government of Canada, such a deadline is clearly unrealistic.

Mr. President, only after all these steps which I have discussed are taken can construction of a trans-Canadian pipeline begin. I think it would be helpful to the Senate if I could summarize what must be done, beyond and in addition to those now required for the trans-Alaskan pipeline, and above and beyond the study and negotiations which would be mandated by the pending amendment.

Here are the things we would have to do under the Mondale-Bayh proposal:

First. An entity would have to be formed to build and operate the Alaska segment of the pipeline.

Second. An entity would have to be formed to build and operate the Canadian segment of the pipeline.

Third. Financing will have to be arranged for both segments.

Fourth. A detailed route study would have to be made and technical design data compiled.

Fifth. A detailed project description of the pipeline itself and associated facilities would have to be prepared.

Sixth. Social and environmental impact statements on the Canadian segment will have to be prepared.

Seventh. Application will have to be made to the Department of Indian Affairs and Northern Development, and public hearings held.

Eighth. Application will have to be made to the National Energy Board and more public hearings held.

Ninth. Canadian Cabinet approval is required.

Tenth. Canadian Native claims must be resolved.

I point out that it took us 5 years in our own case, and it will take just as long in Canada.

Eleventh. Rights-of-way have to be acquired across private and provincial lands.

Twelfth. Application must be made for rights-of-way on State and Federal lands in Alaska.

Thirteenth. A new environmental impact statement must be prepared in the United States, and

Fourteenth. Litigation in both countries must be resolved.

These are just some of the problems.

Any assessment of the time required for approval of a trans-Canada pipeline project or of the probability of its ultimate approval in any form is purely speculative. Most important, it is doubtful whether further study could improve the accuracy of such speculations. The Canadian Government is, quite understandably and quite correctly, unwilling to approve in advance a project that has not yet been organized and designed. Those Members of the Senate who suppose that the possibility and conditions for building and operating a trans-Canada pipeline can be definitively resolved in 9 months or a year are letting their wishes get the better of them.

To postpone authorizing a trans-Alaska pipeline for further studies and negotiations assures nothing but a delay. We will have no guarantee a year from now that a trans-Canada line can in fact be built. Congress will have no firmer ground for choosing one route over the other than it has today. The seriousness of the obstacles of a trans-Canada pipeline can be tested only by an actual attempt to get approval for a specific proposal, and no such proposal now exists.

The listing of difficulties and uncertainties involved in getting approval for construction of a Canadian pipeline should not obscure the remaining difficulties and uncertainties facing the trans-Alaska project. But all the real or potential problems facing the trans-Alaska pipeline also face its trans-Canada counterpart. The time required to resolve these problems must be added to the additional time necessary for route selection, design, and logistical preparations, and the time involved in obtaining Canadian Government approval. And, together with uncertainty caused by United States and Alaskan law and politics, which affect both pipeline proposals, we must consider the uncertainty stemming from Canadian law and politics, and from the complexities of the international relationship.

For these reasons, I do not believe that Congress would be acting responsibly in the face of the critical fuel shortages we face if it made a choice now in favor of such a delay or such added uncertainty. Postponing our choice for a year, as some Members propose, will eliminate neither uncertainty nor delay.

Mr. President, might I just mention three other things. First, we have not talked about a major problem. It has not even been discussed on either side. That concerns the balance of payments. We are talking, if we were to build this line through Canada, if that were possible, of an unfavorable balance-of-payments situation involving several billions of dollars.

I thought that one of the main objectives in trying to develop our own resources was to avoid what is now projected for 1978 to be $20 billion in unfavorable balance of payments annually when we are importing over half our oil.

In this proposal to go through Canada, we would have to build a line costing several billions of dollars. And what the exact amount would be in terms of unfavorable balance of payments, I do not know. I can only say that in connection with the development of domestic Alaska resources, we are called upon to vote for an amendment which would further aggravate the balance of payments. I would point out that today, again, the dollar is going down after a little rally for 2 days.

I say that this is a major problem.

Mr. President, another point that I want to mention is one that we have not discussed. It is the other part of the problem, and that relates to the need for a treaty involving this line.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of a statement I had prepared for delivery concerning agreements and treaty arrangements. I can say that on the Columbia River Treaty with Canada, it involved some 20 years to work out the arrangements. If we are going to have a line through Canada, we will have to have it supported by a treaty commitment. That matter has not yet been discussed in the debate on this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE NEED FOR A UNITED STATES-CANADIAN TREATY AGREEMENT FOR ANY PROPOSED TRANS-CANADA OIL PIPELINE

(Statement by Senator JACKSON)

Mr. President, as I have stated in the past, a project as significant as any suggested trans-Canada oil pipeline would necessarily require the negotiation of some form of formal agreement between the United States and Canada.

The construction and operation of the suggested trans-Canada pipeline presents extremely complex and difficult questions of national interest for both Canada and the U.S. The United States and our friends north of the border have separate and substantial national interests involved in any decision to transport the Alaskan North Slope oil through Canada. And in order to protect both the United States and Canadian legitimate interests in this multi-billion dollar project, and in order to minimize future international conflict and misunderstanding regarding its operation and regulation, at a minimum, a detailed and explicit intergovernmental agreement will be necessary regarding ownership, control, financing, regulation, taxation and many other significant aspects of the project.

We are most fortunate to have a fine relationship with our friends in Canada. But we must not forget that their proper interests are not the same as ours. This is particularly the case when we are talking about the development of such a significant resource as Alaskan North Slope oil and gas. The proved oil reserves of some 9.6 billion barrels of North Slope oil currently estimated on a most conservative basis represents more than 25% of total U.S. proved oil reserves. It seems clear that only some form of international agreement can provide a realistic basis for going forward with any trans-Canada delivery system.

Mr. President, such an agreement may necessarily involve more than a simple exchange of notes. Under Canadian law, the power to enter into a treaty belongs to the executive branch of the Canadian Government—the Cabinet—and not to the Parliament of Canada. However, a treaty has no domestic force whatsoever unless Parliament enacts into law the obligations created by the treaty. There seems little question that a treaty concerning the construction and operation of a trans-Canada pipeline might involve issues with sufficient domestic impact as to require legislation by the Parliament. As such, of course, any agreement will necessarily be subject to a complicated legislative process as well as the normal executive treaty-making function.

Moreover, under Canadian law, the Cabinet cannot consider any pipeline project unless it is first approved by the Canadian National Energy Board. Once approved by the Board, the Cabinet can ratify or refuse the project without consulting Parliament. It is significant, however, that in its present minority government posture, the liberal party Cabinet depends upon the support of the new democratic party (NDP) for enactment of favored legislation. As the NDP, as I have stated earlier today, is on record as opposing any pipeline development, the Cabinet would find it difficult, if not impossible, to approve any pipeline project which might cause it to lose necessary support for its overall legislative program.

The United States and Canada during the past 150 years have entered into numerous bilateral agreements. The number of agreements currently in force number just under two hundred and some date back as far as 1795. The subject of these agreements is extremely broad but numerous involve joint transportation systems: the agreement relating to access to the Alaska Highway (1943); the St. Lawrence Seaway (1952); the U.S.-Canada Haines-Fairbanks pipeline agreement (1953); the Columbia River Basin Cooperative Development of Water Resources (1964); and the arrangement for the Interprovincial Pipeline from Wisconsin to Ontario (1967).

In 1909, the Boundary Waters Treaty was adopted and pursuant to this treaty an ongoing international joint commission was created. Of some significance is the fact that this treaty was later to become a primary basis for the successful negotiation of the additional treaties which authorized the construction of the St. Lawrence Seaway which was finally opened in 1959. The Seaway was completed only after complex negotiations over a period of more than thirty years concerning the variety of difficult substantive issues were successfully concluded. Even today, there are areas of agreements yet to be negotiated concerning the operation of the seaway.

I do not suggest that the negotiation of a treaty permitting construction and operation of the suggested trans-Canada pipeline would involve a negotiating period of decades. But it is clear that an extended period of time will be required. In recent years, agreements between the United States and Canada have generally been characterized by long negotiations extending over several years. In fact, it is my understanding based on State Department records that the negotiating phase of some form of agreement to limit formally the exportation of Canadian crude into the U.S. that became a provision of the agreement for the Interprovincial Oil Pipeline from Superior, Wisconsin to Ontario, Canada, via Chicago was over two years.

Mr. President, I ask unanimous consent that a copy of this agreement be reprinted in the Record at the close of my remarks.

Mr. President, it is indeed most revealing that it took over two years of negotiation before this relatively straight-forward agreement was successfully concluded by an exchange of notes in 1967. At the time of these negotiations, obviously, conditions were much different. Our nation was experiencing a surplus oil position, and one of the primary aspects of the agreement was to assure the pipeline loop through the United States did not aggravate these conditions. The agreement specifically provided the level of permissible oil imports into the United States.

It is significant that Canada had indicated little willingness to enter into any agreement limiting exports until it became in her interest to do so. Only when Canada sought to have the interprovincial loop cross U.S. territory were negotiations successfully completed.

Our experience in negotiating other recent treaty agreements with Canada underscores the fact that even relatively routine matters can precipitate lengthy negotiations extending over a number of years. State Department records disclose that it took four years of negotiations to reach an agreement on air traffic control and six years to negotiate a relatively straight forward agreement on air transport.

Our experience in negotiating the international agreement on the cooperative development of Columbia River Basin is also quite illuminating. This agreement provided for the development of three storage dams in Canada. These dams provide flood control in Canada and power production in the United States which under the agreement was to be shared by both countries.

In 1944, the international joint commission, created pursuant to the Boundary Waters Treaty of 1909, in turn established an International Columbia River Energy Board (ICREB) to study technical problems associated with the development of the Columbia River Basin. ICREB published its report in 1959 and formal negotiations were begun in 1960. The agreement was finally signed by the United States in January of 1964 and by Canada in September of 1964, some two decades after the project was formally initiated.

Mr. President, I ask unanimous consent that a copy of the Columbia River Basin Agreement be reprinted in the RECORD at the close of my remarks.

The Canadian Government's official position on a trans-Canada oil pipeline has been clearly stated at several meetings held with officials of the U.S. Department of State and Interior. In a letter dated June 27, 1973, the Department of State summarized the position of the Canadian Government in this regard:

". . . Negotiations by the United States of a pipeline agreement with Canada does not appear possible at this time. The Canadian

Government has consistently taken the position that it is not prepared to negotiate with the U.S. Government on the matter of pipelines from the Arctic. We know of no change in this position. The Canadian Minister for Energy, Mines and Resources said in May, 1972, that the Government would be ready to examine applications by commercial firms for pipeline construction by the end of that year. The Canadian Government now indicates that it will not be ready to examine applications until the end of this year. This date could slip further. . . . Canada has consistently maintained that it must retain operational control of the Canadian portion of any pipeline. Canadian officials also have stated that a basic requirement on any pipeline project would be to give opportunity to Canadians to acquire 51 percent ownership. All of these factors and the current political environment in Canada strongly argue that a decision to permit the construction of an Arctic oil pipeline through Canada is likely to be long delayed."

The State Department today has no estimate of when Canada will be ready to discuss even an agenda of those items on which agreement must be reached before a trans-Canada route can go forward. And there is no question that the negotiations for an agreement of some type will involve a variety of numerous technical and substantive issues. One of the major issues to be negotiated would obviously involve the manner in which oil carried through the pipeline would be allocated between the U.S. and Canada. Such allocations may vary themselves based upon infinitely complex calculations which take into account other factors such as the availability of oil from other sources in those areas served by the pipeline—both along the route in Alaska and Canada. And, of course, such allocation questions are closely tied to the question of U.S. and Canadian ownership interests in the pipeline.

The possible requirement that Canadian labor and materials be utilized are certainly major issues to be negotiated in any treaty agreement. Based upon the recent remarks of various Canadian officials, it can be expected that Canada will take a very hard stand in this area. Illustratively, the Canadian Minister of Energy, Mines and Resources, J. J. Greene, stated in part:

". . . Most important of all will be the right of entry to Canadian resources into this pipeline. It is not good enough that this be merely a bridge to transport United States resources to United States markets *and that we have the boom that would go with construction,* but no downstream benefit. . . . So the most important guidelines, under the conditions referred to is that Canadian resources must have a right to entry into that method of transportation." (Emphasis supplied.)

Such remarks are a significant indication that Canada will insist on the use of Canadian labor in the construction of any trans-Canada oil pipeline. But history is even more revealing. In the Haines-Fairbanks Oil Pipeline Agreement, the U.S. had to agree to allow a preference to Canadian labor in both the construction and maintenance stages of the pipeline in Canada. The rates of pay and working conditions for all labor employed in the construction of the Haines-Fairbanks pipeline could only be determined after consultation with the Canadian Federal Labor Department. Furthermore, in the construction stage for any issue arising under tax law, labor laws, workmen's compensation, unemployment insurance and any other legal dispute, Canadian law was to be applied. Canada also insisted that Canadian materials be used on the Canadian portion of the pipeline as far as feasible.

It should be remembered that over two-thirds of any trans-Canada oil pipeline would be within Canadian borders. Of course, this simply means that Canadian labor and materal would be utilized to such an extent in the construction of the pipeline, the effect of which on American labor is obvious.

Mr. President, the various provisions of the Haines-Fairbanks Oil Agreement are most interesting and certainly underscore the variety and complexity of some of the many issues upon which agreement must be reached if any trans-Canada oil pipeline is to be constructed. I ask unanimous consent that a copy of this agreement be reprinted in full in the Record following my remarks.

Other issues which must be included in any treaty agreement include a determination of under what circumstances Canadian oil resources could be added to the pipeline and in what percentages, a determination of whom will be responsible for the cost of adding such product to the pipeline, a determination, where such additions require a looping of the pipeline, of what formulae should govern claims to the increased pipeline capacity, and a determination of countless tariff schedules for all such situations.

Even the Canadian group of companies who would be involved in the construction and operation of any trans-Canada pipeline acknowledge the need for an international agreement. In a preliminary report dated June, 1970 on the feasibility of a trans-Canada pipeline, the Mackenzie Valley Pipeline Research Limited group stated:

"The most practical way of financing a project of this magnitude would be by means of long term debt to the maximum extent possible. In order to raise this type of capital some form of throughput or deficiency agreements, guaranteeing the interest and principal payments, would be required. In all probability, before these commitments would be forthcoming, *a clear undertaking or agreement would have to be reached by both governments covering crude oil movements between Canada and the United States* . . . A high degree of cooperation between industry, government, and financial institutions would be required." (Emphasis supplied.)

We could go on indefinitely. Even fairly routine issues such as the procedures to be followed upon dissolution of the operating company as a result of an Act of Parliament or national emergency raise questions of myriad proportions.

When we take into account the possible application of existing statutes which may well preclude successful negotiations, we see that the need for and the negotiation of some form of formal agreement on any trans-Canada oil pipeline presents a most formidable obstacle. Illustratively, Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. § 185) provides in part that:

"Rights-of-way through the public lands . . . may be granted by the Secretary of the Interior for pipe-line purposes for the transportation of oil or natural gas to any applicant possessing the qualification provided in section 181 of this title . . . under such regulations and conditions as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipe lines shall be constructed, operated, and maintained as common carriers, and shall accept, convey, transport or purchase without discrimination, oil or natural gas produced from Government lands in the vicinity of the pipeline *in such proportionate amounts as the Secretary of the Interior may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable. . . .*" (Emphasis supplied.)

Thus, it appears that it would be necessary for the Congress to suspend this statute for purposes of any trans-Canada pipeline in which the allocations of "oil produced from Government lands" was determined by agreement rather than in the manner provided in Section 28.

In addition, as Judge Mackinnon noted in dissent to the Court of Appeals' decision of February of this year [*The Wilderness Society et. al. v. Morton, et al.*, civil nos. 72-1796, 72-1797 & 72-1798 (D.C. Cir., filed Feb. 9, 1973)], existing statutes may also prohibit the granting of right of way over our public lands for a pipeline that, because it also would run through Canada, would have to be owned and effectively controlled by Canada. If Canada did require that it control a 51% interest in the Canadian portion of the pipeline, as Canada has indicated it would require, a legal impediment might exist. As no law in the United States imposes such a restriction on Canadians constructing a pipeline in the United States, applicable law would bar the granting of necessary rights-of-way to a Canadian controlled oil pipeline corporation. The Mineral Leasing Act, 30 U.S.C. § 181, provides that . . . citizens of another country, whose laws or regulations deny similar or like privileges to citizens or corporations of this country, "shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this chapter."

Thus, we see that a variety of complex and most difficult issues, involving in some instances the resolution of conflicts with existing law, must be resolved. To the extent that the Canadians have expressed themselves on certain of these issues, we clearly see that negotiations may be most difficult, if not impossible.

Mr. President, in order to protect the interests of the United States as well as those of Canada in the suggested multi-billion dollar trans-Canada oil pipeline, and in order to minimize future international conflicts and misunderstandings, it is perfectly clear that some form of treaty agreement must be adopted by both nations.

It is equally clear that the successful negotiation of such a treaty will not be easily accomplished. In fact, past precedent suggests that a number of years may be required for these negotiations.

Mr. President, in light of the possible interminable delays envisioned for any trans-Canada oil pipeline based on this issue alone, there would appear to be no valid justification for any further delays in the construction of the trans-Alaskan pipeline.

Certainly we should commence efforts immediately leading towards the construction of a second oil pipeline through Canada as recommended by the Committee on Interior and Insular Affairs. But under no circumstances should we consider the mere possibility of such a trans-Canada oil pipeline a justifiable basis for delaying the trans-Alaskan project.

Record Inserts: (1) Interprovincial Oil Pipeline Agreement; (2) Columbia River Basin Cooperative Development of Water Resources; (3) Haines-Fairbanks Oil Pipeline Installation Agreement.

The Ambassador of Canada to the Secretary of State

CANADIAN EMBASSY AMBASSADE DU CANADA
WASHINGTON, D.C.
No. 303 *25th September, 1967.*

The Canadian Ambassador presents his compliments to the Secretary of State and has the honor to refer to recent discussions between Canadian and United States officials and recent talks between the Honorable Jean-Luc Pepin, Minister of Energy, Mines and Reources, the Honorable Stewart Udall, Secretary of the Interior, and Anthony M. Solomon, Assistant Secretary of State for Economic Affairs, regarding Canadian levels of oil exports and the proposed looping of the Interprovincial Pipeline via Chicago.

The Ambassador has been authorized to inform the United States Government that the Canadian Government endorses the following arrangements:

(1) It will ensure, short of imposing formal export controls, that exports of refinery feedstocks, as currently defined by the National Energy Board of Canada as including crude oil, condensate and butanes,

to Districts I–IV do not exceed 280,000 b/d in 1968.

(2) It will on a similar basis ensure that growth rates of exports of refinery feedstocks to Districts I–IV during the period 1969 through 1971 will not exceed 26,000 b/d per annum.

(3) It assures the United States Government that

(a) the proposed Interprovincial Pipe Line Company's pipeline via Chicago will be a complete loop from Superior, Wisconsin to Ontario as outlined to United States officials

(b) the economic viability of the loop in the initial period is not dependent upon new customer outlets, and

(c) no sales will be made in the Chicago area prior to 1970.

(4) It assures the United States Government that it has been and continues to be the Government of Canada's policy to avoid disruption of United States markets and that it will exert every effort to ensure that Canadian exports of crude oil do not displace local production of crude oil in those states served by Canadian exports.

(5) It assures the United States Government that the growth needs of existing customers will be satisfied before additional petroleum volumes available from either growth in Canadian exports or from shutdowns of United States refineries now using Canadian crude, are directed toward development of new markets.

(6) It is understood and agreed that the above arrangements are contingent upon the issuance of a Presidential Permit for a border crossing associated with the construction of a loop line through Chicago and are subject to the following conditions and understandings:

(a) Only in the event of exceptional or emergency circumstances leading to changes in United States supply patterns may exports, pursuant to mutual agreement, exceed the specified limits made under the above commitments.

(b) At any time at the request of either government the two governments would consult with respect to any matter relating to the export of petroleum to the United States. In this regard the Government of Canada would request consultations regarding the above export levels only when it is satisfied that United States customers of Canadian feedstocks have exercised every effort to secure reasonably available United States domestic supplies of feedstock and that established United States customers are not unduly expanding their market area or their share of the established market.

(c) Any change in the United States mandatory oil import control program relevant to the commitments made by the Government of Canada, such as a change in the 12.2 per cent limitation would, of course, be the subject of consultation and possible changes in the above commitments and levels.

The Government of Canada would appreciate confirmation that these arrangements are satisfactory to the Government of the United States.

The Canadian Ambassador wishes to avail himself of this opportunity to renew to the Secretary of State the assurances of his highest consideration.

The Acting Secretary of State to the Ambassador of Canada

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of Canada and has the honor to acknowledge receipt of his note of September 25, 1967, concerning arrangements for the export of petroleum to the United States.

The arrangements set forth in the note are satisfactory to the Government of the United States, which looks forward to their successful implementation.

DEPARTMENT OF STATE,
Washington, Sep 25 1967

CANADA

COLUMBIA RIVER BASIN: COOPERATIVE DEVELOPMENT OF WATER RESOURCES

Treaty, with annexes, signed at Washington January 17, 1961;
Ratification advised by the Senate of the United States of America March 16, 1961;
Ratified by the President of the United States of America March 23, 1961;
Ratified by Canada September 16, 1964;
Ratifications exchanged at Ottawa September 16, 1964;
Proclaimed by the President of the United States of America September 16, 1964;
Entered into force September 16, 1964.
With related agreements
Effected by exchange of notes
Signed at Washington January 22, 1964, and at Ottawa September 16, 1964.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Whereas the treaty between the United States of America and Canada relating to cooperative development of the water resources of the Columbia River basin was signed at Washington on January 17, 1961 by their respective Plenipotentiaries, the original of which treaty is word for word as follows:

TREATY BETWEEN THE UNITED STATES OF AMERICA AND CANADA RELATING TO COOPERATIVE DEVELOPMENT OF THE WATER RESOURCES OF THE COLUMBIA RIVER BASIN

The Governments of the United States of America and Canada

Recognizing that their peoples have, for many generations, lived together and cooperated with one another in many aspects of their national enterprises for the greater wealth and happiness of their respective nations, and

Recognizing that the Columbia River basin, as a part of the territory of both countries, contains water resources that are capable of of contributing greatly to the economic growth and strength and to the general welfare of the two nations, and

Being desirous of achieving the development of those resources in a manner that will make the largest contribution to the economic progress of both countries and to the welfare of their peoples of which those resources are capable, and

Recognizing that the greatest benefit to each country can be secured by cooperative measures for hydroelectric power generation and flood control, which will make possible other benefits as well,

Have agreed as follows:

ARTICLE I

INTERPRETATION

(1) In the Treaty, the expression

(a) "average critical period load factor" means the average of the monthly load factors during the critical stream flow period;

(b) "base system" means the plants, works and facilities listed in the table in Annex B as enlarged from time to time by the installation of additional generating facilities, together with any other plants, works or facilities which may be constructed on the main stem of the Columbia River in the United States of America;

(c) "Canadian storage" means the storage provided by Canada under Article II;

(d) "critical stream flow period" means the period, beginning with the initial release of stored water from full reservoir conditions and ending with the reservoirs empty, when the water available from reservoir releases plus the natural stream flow is capable of producing the least amount of hydroelectric power in meeting system load requirements;

(e) "consumptive use" means use of water for domestic, municipal, stock-water, irrigation, mining or industrial purposes but does not include use for the generation of hydroelectric power;

(f) "dam" means a structure to impound water, including facilities for controlling the release of the impounded water;

(g) "entity" means an entity designated by either the United States of America or Canada under Article XIV and includes its lawful successor;

(h) "International Joint Commission" means the Commission established under Article VII of the Boundary Waters Treaty, 1909,[1] or any body designated by the United States of America and Canada to succeed to the functions of the Commission under this Treaty;

(i) "maintenance curtailment" means an interruption or curtailment which the entity responsible therefor considers necessary for purposes of repairs, replacements, installations of equipment, performance of other maintenance work, investigations and inspections;

(j) "monthly load factor" means the ratio of the average load for a month to the integrated maximum load over one hour during that month;

(k) "normal full pool elevation" means the elevation to which water is stored in a reservoir by deliberate impoundment every year, subject to the availability of sufficient flow;

(l) "ratification date" means the day on which the instruments of ratification of the Treaty are exchanged;

(m) "storage" means the space in a reservoir which is usable for impounding water for flood control or for regulating stream flows for hydroelectric power generation;

(n) "Treaty" means this Treaty and its Annexes A and B;

(o) "useful life" means the time between the date of commencement of operation of a dam or facility and the date of its permanent retirement from service by reason of obsolescence or wear and tear which occurs notwithstanding good maintenance practices.

(2) The exercise of any power, or the performance of any duty, under the Treaty does not preclude a subsequent exercise or performance of the power or duty.

ARTICLE II

DEVELOPMENT BY CANADA

(1) Canada shall provide in the Columbia River basin in Canada 15,500,000 acre-feet of storage usable for improving the flow of the Columbia River.

(2) In order to provide this storage, which in the Treaty is referred to as the Canadian storage, Canada shall construct dams:

(a) on the Columbia River near Mica Creek, British Columbia, with approximately 7,000,000 acre-feet of storage;

(b) near the outlet of Arrow Lakes, British Columbia, with approximately 7,100,000 acre-feet of storage; and

(c) on one or more tributaries of the Kootenay River in British Columbia downstream from the Canada-United States of America boundary with storage equivalent in effect to approximately 1,400,000 acre-feet of storage near Duncan Lake, British Columbia.

(3) Canada shall commence construction of the dams as soon as possible after the ratification date.

ARTICLE III

DEVELOPMENT BY THE UNITED STATES OF AMERICA RESPECTING POWER

(1) The United States of America shall maintain and operate the hydroelectric facilities included in the base system and any additional hydroelectric facilities constructed on the main stem of the Columbia River in the United States of America in a manner that makes the most effective use of the improvement in stream flow resulting from operation of the Canadian storage for hydroelectric power generation in the United States of America power system.

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[1] TS 548; 36 Stat. 2451.

(2) The obligation in paragraph (1) is discharged by reflecting in the determination of downstream power benefits to which Canada is entitled the assumption that the facilities referred to in paragraph (1) were maintained and operated in accordance therewith.

ARTICLE IV

OPERATION BY CANADA

(1) For the purpose of increasing hydroelectric power generation in the United States of America and Canada, Canada shall operate the Canadian storage in accordance with Annex A and pursuant to hydroelectric operating plans made thereunder. For the purposes of this obligation an operating plan if it is either the first operating plan or if in the view of either the United States of America or Canada it departs substantially from the immediately preceding operating plan must, in order to be effective, be confirmed by an exchange of notes between the United States of America and Canada.

(2) For the purpose of flood control until the expiration of sixty years from the ratification date, Canada shall

(a) operate in accordance with Annex A and pursuant to flood control operating plans made thereunder

(i) 80,000 acre-feet of the Canadian storage described in Article II(2)(a),

(ii) 7,100,000 acre-feet of the Canadian storage described in Article II(2)(b),

(iii) 1,270,000 acre-feet of the Canadian storage described in Article II(2)(c),

provided that the Canadian entity may exchange flood control storage under subparagraph (ii) for flood control storage additional to that under subparagraph (i), at the location described in Article II(2)(a), if the entities agree that the exchange would provide the same effectiveness for control of floods on the Columbia River at the Dalles, Oregon;

(b) operate any additional storage in the Columbia River basin in Canada, when called upon by an entity designated by the United States of America for that purpose, within the limits of existing facilities and as the entity requires to meet flood control needs for the duration of the flood period for which the call is made.

(3) For the purpose of flood control after the expiration of sixty years from the ratification date, and for so long as the flows in the Columbia River in Canada continue to contribute to potential flood hazard in the United States of America, Canada shall, when called upon by an entity designated by the United States of America for that purpose, operate within the limits of existing facilities any storage in the Columbia River basin in Canada as the entity requires to meet flood control needs for the duration of the flood period for which the call is made.

(4) The return to Canada for hydroelectric operation and the compensation to Canada for flood control operation shall be as set out in Articles V and VI.

(5) Any water resource development, in addition to the Canadian storage, constructed in Canada after the ratification date shall not be operated in a way that adversely affects the stream flow control in the Columbia River within Canada so as to reduce the flood control and hydroelectric power benefits which the operation of the Canadian storage in accordance with the operating plans in force from time to time would otherwise produce.

(6) As soon as any Canadian storage becomes operable Canada shall commence operation thereof in accordance with this Article and in any event shall commence full operation of the Canadian storage described in Article II(2)(b) and Article II(2)(c) within five years of the ratification date and shall commence full operation of the balance of the Canadian storage within nine years of the ratification date.

ARTICLE V

ENTITLEMENT TO DOWNSTREAM POWER BENEFITS

(1) Canada is entitled to one half the downstream power benefits determined under Article VII.

(2) The United States of America shall deliver to Canada at a point on the Canada-United States of America boundary near Oliver, British Columbia, or at such other place as the entities may agree upon, the downstream power benefits to which Canada is entitled, less

(a) transmission loss,

(b) the portion of the entitlement disposed of under Article VIII(1), and

(c) the energy component described in Article VIII(4).

(3) The entitlement of Canada to downstream power benefits begins for any portion of Canadian storage upon commencement of its operation in accordance with Annex A and pursuant to a hydroelectric operating plan made thereunder.

ARTICLE VI

PAYMENT FOR FLOOD CONTROL

(1) For the flood control provided by Canada under Article IV(2)(a) the United States of America shall pay Canada in United States funds:

(a) 1,200,000 dollars upon the commencement of operation of the storage referred to in subparagraph (a)(i) thereof,

(b) 51,100,000 dollars upon the commencement of operation of the storage referred to in subparagraph (a)(ii) thereof, and

(c) 11,100,000 dollars upon commencement of operation of the storage referred to in subparagraph (a)(iii) thereof.

(2) If full operation of any storage is not commenced within the time specified in Article IV, the amount set forth in paragraph (1) of this Article with respect to that storage shall be reduced as follows:

(a) under paragraph (1)(a), 4,500 dollars for each month beyond the required time,

(b) under paragraph (1)(b), 192,100 dollars for each month beyond the required time, and

(c) under paragraph (1)(c), 40,800 dollars for each month beyond the required time.

(3) For the flood control provided by Canada under Article IV(2)(b) the States of America shall pay Canada in United States funds in respect only of each of the first four flood periods for which a call is made 1,875,000 dollars and shall deliver to Canada in respect of each and every call made, electric power equal to the hydroelectric power lost by Canada as a result of operating the storage to meet the flood control need for which the call was made, delivery to be made when the loss of hydroelectric power occurs.

(4) For each flood period for which flood control is provided by Canada under Article IV(3) the United States of America shall pay Canada in United States funds:

(a) the operating cost incurred by Canada in providing the flood control, and

(b) compensation for the economic loss to Canada arising directly from Canada foregoing alternative uses of the storage used to provide the flood control.

(5) Canada may elect to receive in electric power, the whole or any portion of the compensation under paragraph (4)(b) representing loss of hydroelectric power to Canada.

ARTICLE VII

DETERMINATION OF DOWNSTREAM POWER BENEFITS

(1) The downstream power benefits shall be the difference in the hydroelectric power capable of being generated in the United States of America with and without the use of Canadian storage, determined in advance, and is referred to in the Treaty as the downstream power benefits.

(2) For the purpose of determining the downstream power benefits:

(a) the principles and procedures set out in Annex B shall be used and followed;

(b) the Canadian storage shall be considered as next added to 13,000,000 acre-feet of the usable storage listed in Column 4 of the table in Annex B;

(c) the hydroelectric facilities included in the base system shall be considered as being operated to make the most effective use for hydroelectric power generation of the improvement in stream flow resulting from operation of the Canadian storage.

(3) The downstream power benefits to which Canada is entitled shall be delivered as follows:

(a) dependable hydroelectric capacity as scheduled by the Canadian entity, and

(b) average annual usable hydroelectric energy in equal amounts each month, or in accordance with a modification agreed upon under paragraph (4).

(4) Modification of the obligation in paragraph (3)(b) may be agreed upon by the entities.

ARTICLE VIII

DISPOSAL OF ENTITLEMENT TO DOWNSTREAM POWER BENEFITS

(1) With the authorization of the United States of America and Canada evidenced by exchange of notes, portions of the downstream power benefits to which Canada is entitled may be disposed of within the United States of America. The respective general conditions and limits within which the entities may arrange initial disposals shall be set out in an exchange of notes to be made as soon as possible after the ratification date.

(2) The entities may arrange and carry out exchanges of dependable hydroelectric capacity and average annual usable hydroelectric energy to which Canada is entitled for average annual usable hydroelectric energy and dependable hydroelectric capacity respectively.

(3) Energy to which Canada is entitled may not be used in the United States of America except in accordance with paragraphs (1) and (2).

(4) The bypassing at dams on the main stem of the Columbia River in the United States of America of an amount of water which could produce usable energy equal to the energy component of the downstream power benefits to which Canada is entitled but not delivered to Canada under Article V or disposed of in accordance with paragraphs (1) and (2) at the time the energy component was not so delivered or disposed of, is conclusive evidence that such energy component was not used in the United States of America and that the entitlement of Canada to such energy component is satisfied.

ARTICLE IX

VARIATION OF ENTITLEMENT TO DOWNSTREAM POWER BENEFITS

(1) If the United States of America considers with respect to any hydroelectric power project planned on the main stem of the Columbia River between Priest Rapids Dam and McNary Dam that the increase in entitlement of Canada to downstream power benefits resulting from the operation of the project would produce a result which would not justify the United States of America in

incurring the costs of construction and operation of the project, the United States of America and Canada at the request of the United States of America shall consider modification of the increase in entitlement.

(2) An agreement reached for the purposes of this Article shall be evidenced by an exchange of notes.

ARTICLE X

EAST-WEST STANDBY TRANSMISSION

(1) The United States of America shall provide in accordance with good engineering practice east-west standby transmission service adequate to safeguard the transmission from Oliver, British Columbia, to Vancouver, British Columbia, of the downstream power benefits to which Canada is entitled and to improve system stability of the east-west circuits in British Columbia.

(2) In consideration of the standby transmission service, Canada shall pay the United States of America in Canadian funds the equivalent of 1.50 United States dollars a year for each kilowatt of dependable hydroelectric capacity included in the downstream power benefits to which Canada is entitled.

(3) When a mutually satisfactory electrical coordination arrangement is entered into between the entities and confirmed by exchange of notes between the United States of America and Canada the obligation of Canada in paragraph (2) ceases.

ARTICLE XI

USE OF IMPROVED STREAM FLOW

(1) Improvement in stream flow in one country brought about by operation of storage constructed under the Treaty in the other country shall not be used directly or indirectly for hydroelectric power purposes except:

(a) in the case of use within the United States of America with the prior approval of the United States entity, and

(b) in the case of use within Canada with the prior approval of the authority in Canada having jurisdiction.

(2) The approval required by this Article shall not be given except upon such conditions, consistent with the Treaty, as the entity or authority considers appropriate.

ARTICLE XII

KOOTENAI RIVER DEVELOPMENT

(1) The United States of America for a period of five years from the ratification date, has the option to commence construction of a dam on the Kootenai River near Libby, Montana, to provide storage to meet flood control and other purposes in the United States of America. The storage reservoir of the dam shall not raise the level of the Kootenai River at the Canada-United States of America boundary above an elevation consistent with a normal full pool elevation at the dam of 2,459 feet, United States Coast and Geodetic Survey datum, 1929 General Adjustment, 1947 International Supplemental Adjustment.

(2) All benefits which occur in either country from the construction and operation of the storage accrue to the country in which the benefits occur.

(3) The United States of America shall exercise its option by written notice to Canada and shall submit with the notice a schedule of construction which shall include provision for commencement of construction, whether by way of railroad relocation work or otherwise, within five years of the ratification date.

(4) If the United States of America exercises its option, Canada in consideration of the benefits accruing to it under paragraph (2) shall prepare and make available for flooding the land in Canada necessary for the storage reservoir of the dam within a period consistent with the construction schedule.

(5) If a variation in the operation of the storage is considered by Canada to be of advantage to it the United States of America shall, upon request, consult with Canada. If the United States of America determines that the variation would not be to its disadvantage it shall vary the operation accordingly.

(6) The operation of the storage by the United States of America shall be consistent with any order of approval which may be in force from time to time relating to the levels of Kootenay Lake made by the International Joint Commission under the Boundary Waters Treaty, 1909.

(7) Any obligation of Canada under this Article ceases if the United States of America, having exercised the option, does not commence construction of the dam in accordance with the construction schedule.

(8) If the United States of America exercises the option it shall commence full operation of the storage within seven years of the date fixed in the construction schedule for commencement of construction.

(9) If Canada considers that any portion of the land referred to in paragraph (4) is no longer needed for the purpose of this Article the United States of America and Canada, at the request of Canada, shall consider modification of the obligation of Canada in paragraph (4).

(10) If the Treaty is terminated before the end of the useful life of the dam Canada shall for the remainder of the useful life of the dam continue to make available for the storage reservoir of the dam any portion of the land made available under paragraph (4) that is not required by Canada for purposes of diversion of the Kootenay River under Article XIII.

ARTICLE XIII

DIVERSIONS

(1) Except as provided in this Article neither the United States of America nor Canada shall, without the consent of the other evidenced by an exchange of notes, divert for any use, other than a consumptive use, any water from its natural channel in a way that alters the flow of any water as it crosses the Canada-United States of America boundary within the Columbia River basin.

(2) Canada has the right, after the expiration of twenty years from the ratification date, to divert not more than 1,500,000 acre-feet of water a year from the Kootenay River in the vicinity of Canal Flats, British Columbia, to the headwaters of the Columbia River, provided that the diversion does not reduce the flow of the Kootenay River immediately downstream from the point of diversion below the lesser of 200 cubic feet per second or the natural flow.

(3) Canada has the right, exercisable at any time during the period commencing sixty years after the ratification date and expiring one hundred years after the ratification date, to divert to the headwaters of the Columbia River any water which, in its natural channel, would flow in the Kootenay River across the Canada-United States of America boundary, provided that the diversion does not reduce the flow of the Kootenay River at the Canada-United States of America boundary near Newgate, British Columbia, below the lesser of 2,500 cubic feet per second or the natural flow.

(4) During the last twenty years of the period within which Canada may exercise the right to divert described in paragraph (3) the liimtation on diversion is the lesser of 1,000 cubic feet per second or the natural flow.

(5) Canada has the right:

(a) if the United States of America does not exercise the option in Article XII(1), or

(b) if it is determined that the United States of America, having exercised the option, did not commence construction of the dam referred to in Article XII in accordance therewith or that the United States of America is in breach of the obligation in that Article to commence full operation of the storage,

to divert to the headwaters of the Columbia River any water which, in its natural channel, would flow in the Kootenay River across the Canada-United States of America boundary, provided that the diversion does not reduce the flow of the Kootenay River at the Canada-United States of America boundary near Newgate, British Columbia, below the lesser of 1,000 cubic feet per second or the ntural flow.

(6) If a variation in the use of the water diverted under paragraph (2) is considered by the United States of America to be of advantage to it Canada shall, upon request, consult with the United States of America. If Canada determines that the variation would not be to its disadvantage it shall vary the use accordingly.

ARTICLE XIV

ARRANGEMENTS FOR IMPLEMENTATION

(1) The United States of America and Canada shall each, as soon as possible after the ratification date, designate entities and when so designated the entities are empowered and charged with the duty to formulate and carry out the operating arrangements necessary to implement the Treaty. Either the United States of America or Canada may designate one or more entities. If more than one is designated the powers and duties conferred upon the entities by the Treaty shall be allocated among them in the designation.

(2) In addition to the powers and duties dealt with specifically elsewhere in the Treaty the powers and duties of the entities include:

(a) coordination of plans and exchange of information relating to facilities to be used in producing and obtaining the benefits contemplated by the Treaty,

(b) calculation of and arrangements for delivery of hydroelectric power to which Canada is entitled for providing flood control,

(c) calculation of the amounts payable to the United States of America for standby transmission services,

(d) consultation on requests for variations made pursuant to Articles XII(5) and XIII (6),

(e) the establishment and operation of a hydrometeorological system as required by Annex A,

(f) assisting and cooperating with the Permanent Engineering Board in the discharge of its functions,

(g) periodic calculation of accounts,

(h) preparation of the hydroelectric operating plans and the flood control operating plans for the Canadian storage together with determination of the downstream power benefits to which Canada is entitled,

(i) preparation of proposals to implement Article VIII and carrying out any disposal authorized or exchange provided for therein,

(j) making appropriate arrangements for delivery to Canada of the downstream power benefits to which Canada is entitled incuding such matters as load factors for delivery, times and points of delivery, and calculation of transmission loss,

(k) preparation and implementation of detailed operating plans that may produce results more advantageous to both countries than those that would arise from operation under the plans referred to in Annexes A and B.

(3) The entities are authorized to make maintenance curtailments. Except in case of emergency, the entity responsible for a maintenance curtailment shall give notice to the corresponding United States or Canadian entity of the curtailment, including the reason therefor and the probable duration thereof and shall both schedule the curtailment with a view to minimizing its impact and exercise due diligence to resume full operation.

(4) The United States of America and Canada may by an exchange of notes empower or charge the entities with any other matter coming within the scope of the Treaty.

ARTICLE XV

PERMANENT ENGINEERING BOARD

(1) A Permanent Engineering Board is established consisting of four members, two to be appointed by Canada and two by the United States of America. The initial appointments shall be made within three months of the ratification date.

(2) The Permanent Engineering Board shall:

(a) assemble records of the flows of the Columbia River and the Kootenay River at the Canada-United States of America boundary;

(b) report to the United States of America and Canada whenever there is substantial deviation from the hydroelectric and flood control operating plans and if appropriate include in the report recommendations for remedial action and compensatory adjustments;

(c) assist in reconciling differences concerning technical or operational matters that may arise between the entities;

(d) make periodic inspections and require reports as necessary from the entities with a view to ensuring that the objectives of the Treaty are being met;

(e) make reports to the United States of America and Canada at least once a year of the results being achieved under the Treaty and make special reports concerning any matter which it considers should be brought to their attention;

(f) investigate and report with respect to any other matter coming within the scope of the Treaty at the request of either the United States of America or Canada.

(3) Reports of the Permanent Engineering Board made in the course of the performance of its functions under this Article shall be *prima facie* evidence of the facts therein contained and shall be accepted unless rebutted by other evidence.

(4) The Permanent Engineering Board shall comply with directions, relating to its administration and procedures, agreed upon by the United States of America and Canada as evidenced by an exchange of notes.

ARTICLE XVI

SETTLEMENT OF DIFFERENCES

(1) Differences arising under the Treaty which the United States of America and Canada cannot resolve may be referred by either to the International Joint Commission for decision.

(2) If the International Joint Commission does not render a decision within three months of the referral or within such other period as may be agreed upon by the United States of America and Canada, either may then submit the difference to arbitration by written notice to the other.

(3) Arbitration shall be by a tribunal composed of a member appointed by Canada, a member appointed by the United States of America and a member appointed jointly by the United States of America and Canada who shall be Chairman. If within six weeks of the delivery of a notice under paragraph (2) either the United States of America or Canada has failed to appoint its member, or they are unable to agree upon the member who is to be Chairman, either the United States of America or Canada may request the President of the International Court of Justice to appoint the member or members. The decision of a majority of the members of an arbitration tribunal shall be the decision of the tribunal.

(4) The United States of America and Canada shall accept as definitive and binding and shall carry out any decision of the International Joint Commission or an arbitration tribunal.

(5) Provision for the administrative support of a tribunal and for remuneration and expenses of its members shall be as agreed in an exchange of notes between the United States of America and Canada.

(6) The United States of America and Canada may agree by an exchange of notes on alternative procedures for settling differences arising under the Treaty, including reference of any difference to the International Court of Justice for decision.

ARTICLE XVII

RESTORATION OF PRE-TREATY LEGAL STATUS

(1) Nothing in this Treaty and no action taken or foregone pursuant to its provisions shall be deemed, after its termination or expiration, to have abrogated or modified any of the rights or obligations of the United States of America or Canada under then existing international law, with respect to the uses of the water resources of the Columbia River basin.

(2) Upon termination of this Treaty, the Boundary Waters Treaty, 1909, shall, if it has not been terminated, apply to the Columbia River basin, except insofar as the provisions of that Treaty may be inconsistent with any provision of this Treaty which continues in effect.

(3) Upon termination of this Treaty, if the Boundary Waters Treaty, 1909, has been terminated in accordance with Article XIV of that Treaty, the provisions of Article II of that Treaty shall continue to apply to the waters of the Columbia River basin.

(4) If upon the termination of this Treaty Article II of the Boundary Waters Treaty, 1909, continues in force by virtue of paragraph (3) of this Article the effect of Article II of that Treaty with respect to the Columbia River basin may be terminated by either the United States of America or Canada delivering to the other one year's written notice to that effect; provided however that the notice may be given only after the termination of this Treaty.

(5) If, prior to the termination of this Treaty, Canada undertakes works usable for and relating to a diversion of water from the Columbia River basin, other than works authorized by or undertaken for the purpose of exercising a right under Article XIII or any other provision of this Treaty, paragraph (3) of this Article shall cease to apply one year after delivery by either the United States of America or Canada to the other of written notice to that effect.

ARTICLE XVIII

LIABILITY FOR DAMAGE

(1) The United States of America and Canada shall be liable to the other and shall make appropriate compensation to the other in respect of any act, failure to act, omission or delay amounting to a breach of the Treaty or of any of its provisions other than an act, failure to act, omission or delay occurring by reason of war, strike, major calamity, act of God, uncontrollable force or maintenance curtailment.

(2) Except as provided in paragraph (1) neither the United States of America nor Canada shall be liable to the other or to any person in respect of any injury, damage or loss occurring in the territory of the other caused by any act, failure to act, omission or delay under the * * *

ANNEX A: PRINCIPLES OF OPERATION

GENERAL

1. The Canadian storage provided under Article II will be operated in accordance with the procedures described herein.

2. A hydrometeorological system, including snow courses, precipitation stations and stream flow gauges will be established and operated, as mutually agreed by the entities and in consultation with the Permanent Engineering Board, for use in establishing data for detailed programming of flood control and power operations. Hydrometeorological information will be made available to the entities in both countries for immediate and continuing use in flood control and power operations.

3. Sufficient discharge capacity at each dam to afford the desired regulation for power and flood control will be provided through outlet works and turbine installations as mutually agreed by the entities. The discharge capacity provided for flood control operations will be large enough to pass inflow plus sufficient storage releases during the evacuation period to provide the storage space required. The discharge capacity will be evaluated on the basis of full use of any conduits provided for that purpose plus one half the hydraulic capacity of the turbine installation at the time of commencement of the operation of storage under the Treaty.

4. The outflows will be in accordance with storage reservation diagrams and associated criteria established for flood control purposes and with reservoir-balance relationships established for power operations. Unless otherwise agreed by the entities the average weekly outflows shall not be less than 3,000 cubic feet per second at the dam described in Article II(2)(a), not less than 5,000 cubic feet per second at the dam described in Article II(2)(b) and not less than 1,000 cubic feet per second at the dam described in Article II(2)(c). These minimum average weekly releases may be scheduled by the Canadian entity as required for power or other purposes.

FLOOD CONTROL

5. For flood control operations, the United States entity will submit flood control operating plans which may consist of or include flood control storage reservation diagrams and associated criteria for each of the dams. The Canadian entity will operate in accordance with these diagrams or any variation which the entities agree will not derogate from the desired aim of the flood control plan. The use of these diagrams will be based on data obtained in accordance with paragraph 2. The diagrams will consist of relationships specifying the flood control storage reservations required at indicated times of the year for volumes of forecast runoff. After consultation with the Canadian entity the United States entity may from time to time as conditions warrant adjust these storage reservation diagrams within the general limitations of flood control operation. Evacuation of the storages listed hereunder will be guided by the flood control storage reservation diagrams and refill will be as requested by the United States entity after consultation with the Canadian entity. The general limitations of flood control operation are as follows:

(a) *The Dam described in Article II (2) (a)*—The reservoir will be evacuated to provide up to 80,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(b) *The Dam described in Article II* (2) (*b*)—The reservoir will be evacuated to provide up to 7,100,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(c) *The Dam described in Article II*(2) (*c*)—The reservoir will be evacuated to provide up to 700,000 acre-feet of storage, if required, for flood control use by April 1 of each year and up to 1,270,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(d) The Canadian entity may exchange flood control storage provided in the reservoir referred to in subparagraph (b) for additional storage provided in the reservoir referred to in subparagraph (a) if the entities agree that the exchange would provide the same effectiveness for control of floods on the Columbia River at The Dalles, Oregon.

POWER

6. For power generating purposes the 15,500,000 acre feet of Canadian storage will be operated in accordance with operating plans designed to achieve optimum power generation downstream in the United States of America until such time as power generating facilities are installed at the site referred to in paragraph 5(a) or at sites in Canada downstream therefrom.

7. After at-site power is developed at the site referred to in paragraph 5(a) or power generating facilities are placed in operation in Canada downstream from that site, the storage operation will be changed so as to be operated in accordance with operating plans designed to achieve optimum power generation at-site in Canada and downstream in the United States of America and Canada, including consideration of any agreed electrical coordination between the two countries. Any reduction in the downstream power benefits in the United States of America resulting from that change in operation of the Canadian storage shall not exceed in any one year the reduction in downstream power benefits in the United States of America which would result from reducing by 500,000 acre-feet the Canadian storage operated to achieve optimum power generation in the United States of America and shall not exceed at any time during the period of the Treaty the reduction in downstream power benefits in the United States of America which would result from similarly reducing the Canadian storage by 3,000,000 acre-feet.

8. After at-site power is developed at the site referred to in paragraph 5(a) or power generating facilities are placed in operation in Canada downstream from that site, storage may be operated to achieve optimum generation of power in the United States of America alone if mutually agreed by the entities in which event the United States of America shall supply power to Canada to offset any reduction in Canadian generation which would be created as a result of such operation as compared to operation to achieve optimum power generation at-site in Canada and downstream in the United States of America and Canada. Similarly, the storage may be operated to achieve optimum generation of power in Canada alone if mutually agreed by the entities in which event Canada shall supply power to the United States of America to offset any reduction in United States generation which would be created as a result of such operation as compared to operation to achieve optimum power generation at-site in Canada and downstream in the United States of America and Canada.

9. Before the first storage becomes operative, the entities will agree on operating plans and the resulting downstream power benefits for each year until the total of 15,500,000 acre-feet of storage in Canada becomes operative. In addition, commencing five years before the total of 15,500,000 acre-feet of storage is expected to become operative, the entities will agree annually on operating plans and the resulting downstream power benefits for the sixth succeeding year of operation thereafter. This procedure will continue during the life of the Treaty, providing to both the entities, in advance, an assured plan of operation of the Canadian storage and a determination of the resulting downstream power benefits for the next succeeding five years.

ANNEX B: DETERMINATION OF DOWNSTREAM POWER BENEFITS

1. The downstream power benefits in the United States of America attributable to operation in accordance with Annex A of the storage provided by Canada under Article II will be determined in advance and will be the estimated increase in dependable hydroelectric capacity in kilowatts for agreed critical stream flow periods and the increase in average annual usable hydroelectric energy output in kilowatt hours on the basis of an agreed period of stream flow record.

2. The dependable hydroelectric capacity to be credited to Canadian storage will be the difference between the average rates of generation in kilowatts during the appropriate critical stream flow periods for the United States of America base system, consisting of the projects listed in the table with and without the addition of the Canadian storage, divided by the estimated average critical period load factor. The capacity credit shall not exceed the difference between the capability of the base system without Canadian storage and the maximum feasible capability of the base system with Canadian storage, to supply firm load during the critical stream flow periods.

3. The increase in the average annual usable hydroelectric energy will be determined by first computing the difference between the availabile hydroelectric energy at the United States base system with and without Canadian storage. The entities will then agree upon the part of available energy which is usable with and without Canadian storage, and the difference thus agreed will be the increase in average annual usable hydroelectric energy. Determination of the part of the energy which is usable will include consideration of existing and scheduled transmission facilities and the existence of markets capable of using the energy on a contractual basis similar to the then existing contracts. The part of the available energy which is considered usable shall be the sum of:

(a) the firm energy,

(b) the energy which can be used for thermal power displacement in the Pacific Northwest Area as defined in Paragraph 7, and

(c) the amount of the remaining portion of the available energy which is agreed by the entities to be usable and which shall not exceed in any event 40% of that remainder.

4. An initial determination of the estimated downstream power benefits in the United States of America from Canadian storage added to the United States base system will be made before any of the Canadian storage becomes operative. This determination will include estimates of the downstream power benefits for each year until the total of 15,500,000 acre-feet of Canadian storage becomes operative.

5. Commencing five years before the total of 15,500,000 acre-feet of storage is expected to become operative, estimates of downstream power benefits will be calculated annually for the sixth succeeding year on the basis of the assured plan of operation for that year.

6. The critical stream flow period and the details of the assured plan of operation will be agreed upon by the entities at each determination. Unless otherwise agreed upon by the entities, the determination of the downstream power benefits shall be based upon stream flows for the twenty year period beginning with July 1928 as contained in the report entitled *Modified Flows at Selected Power Sites—Columbia River Basin,* dated June 1957. No retroactive adjustment in downstream power benefits will be made at any time during the period of the Treaty. No reduction in the downstream power benefits credited to Canadian storage will be made as a result of the load estimate in the United States of America, for the year for which the determination is made, being less than the load estimate for the preceding year.

7. In computing the increase in dependable hydroelectric capacity and the increase in average annual hydroelectric energy, the procedure shall be in accordance with the three steps described below and shall encompass the loads of the Pacific Northwest Area. The Pacific Northwest Area for purposes of these determinations shall be Oregon, Washington, Idaho and Montana west of the Continental Divide but shall exclude areas served on the ratification date by the California Oregon Power Company and Utah Power and Light Company.

STEP I

The system for the period covered by the estimate will consist of the Canadian storage, the United States base system, and thermal installation operated in coordination with the base system, and additional hydroelectric projects which will provide storage releases usable by the base system or which will use storage releases that are usable by the base system. The installations included in this system will be those required, with allowance for adequate reserves, to meet the forecast power load to be served by this system in the United States of America, including the estimated flow of power at points of interconnection with adjacent areas, subject to paragraph 3, plus the portion of the entitlement of Canada that is expected to be used in Canada. The capability of this system to supply this load will be determined on the basis that the system will be operated in accordance with the established operating procedures of each of the projects involved.

STEP II

A determination of the energy capability will be made using the same thermal installation as in *Step I,* the United States base system with the same installed capacity as in *Step I* and Canadian storage.

STEP III

A similar determination of the energy capability will be made using the same thermal installation as in *Step I* and the United States base system with the same installed capacity as in *Step I.*

8. The downstream power benefits to be credited to Canadian storage will be the differences between the determinations in *Step II* and *Step III* in dependable hydroelectric capacity and in average annual usable hydroelectric energy, made in accordance with paragraphs 2 and 3.

ANNEX B.—TABLE—BASE SYSTEM

Project	Stream	Stream mile above mouth	Usable storage (acre-feet)	Normal elevation		Gross head feet	Initial installation		Estimated ultimate installation	
				Pool feet	Tailwater feet		Number of units	Plant kilowatts (nameplate)	Number of units	Plant kilowatts (nameplate)
Hungry Horse	S. Fk. Flathead	5	[1] 3,161,000	3,560	3,083	477	4	285,000	4	285,000
Kerr	Flathead	73	1,219,000	2,893	2,706	187	3	168,000	3	168,000
Thompson Falls	Clark Fork	209	(2)	2,396	2,336	60	6	30,000	8	65,000
Noxon Rapids	do	170	(2)	2,331	2,179	152	4	336,000	5	420,000
Cabinet Gorge	do	150	(2)	2,175	2,078	97	4	200,000	6	300,000
Albeni Falls	Pend Oreille	90	1,155,000	2,062	2,034	28	3	42,600	3	42,600
Box Canyon	do	34	(2)	2,031	1,989	42	4	60,000	4	60,000
Grand Coulee	Columbia	597	[1] 5,232,000	[1] [3] 1,290	947	343	18	1,944,000	34	3,672,000
Chief Joseph	do	546	(2)	946	775	171	16	1,024,000	27	1,728,000
Wells [4]	do	516	(2)	775	707	68	6	400,000	10	666,700
Rocky Reach	do	474	(2)	707	614	93	7	711,550	11	1,118,150
Rock Island	do	453	(2)	[3] 608	570	38	10	212,100	10	212,100
Wanapum	do	415	(2)	570	486	84	10	831,250	16	1,330,000
Priest Rapids	do	397	(2)	486	406	80	10	788,500	16	1,261,600
Brownlee	Snake	285	974,000	2,077	1,805	272	4	360,400	6	540,600
Oxbow	do	273	(2)	1,805	1,683	122	4	190,000	5	237,500
Ice Harbor	do	10	(2)	440	343	97	3	270,000	6	540,000
McNary	Columbia	292	(2)	340	265	75	14	980,000	20	1,400,000
John Day	do	216	(2)	265	161	104	8	1,080,000	20	2,700,000
The Dalles	do	192	(2)	160	74	86	[5] 16	1,119,000	[5] 24	1,743,000
Bonneville	do	145	(2)	74	15	59	10	518,400	16	890,400
Kootenay Lake	Kootenay	16	673,000	1,745						
Chelan	Chelan	0	676,000	1,100	707	393	2	48,000	4	96,000
Coeur d'Alene L	Coeur d'Alene	102	223,000	2,128						
Total (24 projects)			[1] 13,313,000			3,128	166	11,598,800	258	19,476,650

[1] In determining the base system capabilities with and without Canadian storage the Hungry Horse reservoir storage will be limited to 3,008,000 acre-feet (normal full pool elevation of 3,560 feet) and the Grand Coulee project will not include the effect of adding flashboards, limiting the storage to 5,072,000 acre-feet (normal full pool elevation of 1,288 feet). The total usable storage of the base system as so adjusted will be 13,000,000 acre-feet.

[2] Poundage.

[3] With flashboards.

[4] The Wells project is not presently under construction; when this project or any other project on the main stem of the Columbia River is completed, they will be integral components of the base system.

[5] Includes 2 13,500 kilowatt units for fish attraction water.

WHEREAS the Senate of the United States of America by their resolution of March 16, 1961, two-thirds of the Senators present concurring therein, did advise and consent to the ratification of the aforesaid treaty;

WHEREAS the aforesaid treaty was duly ratified by the President of the United States of America on March 23, 1961, in pursuance of the aforesaid advice and consent of the Senate, and was duly ratified on the part of Canada;

WHEREAS it is provided in Article XIX of the aforesaid treaty that the treaty shall come into force on the ratification date and in Article XX of the aforesaid treaty that the instruments of ratification shall be exchanged at Ottawa;

AND WHEREAS the respective instruments of ratification of the aforesaid treaty were duly exchanged at Ottawa on September 16, 1964 by the respective Plenipotentiaries of the United States of America and Canada;

Now, THEREFORE, be it known that I, Lyndon B. Johnson, President of the United States of America, do hereby proclaim and make public the aforesaid treaty to the end that the said treaty and each and every article and clause thereof may be observed and fulfilled, on and after September 16, 1964, with good faith by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the International Peace Arch, Blaine, Washington, this sixteenth day of September in the year of our Lord one thousand nine hundred sixty-four and of the Independence of the United States of America the one hundred eighty-ninth.

[SEAL] LYNDON B. JOHNSON

By the President:
DEAN RUSK,
Secretary of State.

The Canadian Secretary of State for External Affairs to the Secretary of State

THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS, CANADA,
January 22, 1964.

SIR, I have the honour to refer to discussions which have been held between representatives of the Government of Canada and of the Government of the United States of America regarding the Treaty between Canada and the United States of America relating to cooperative development of the water resources of the Columbia River Basin signed at Washington on January 17, 1961. On the basis of these discussions, the Government of Canada understands that the two Governments have agreed to the terms of the attached Protocol.

I should like to propose that, if agreeable to your Government, this Note together with the Protocol attached thereto and your reply, shall constitute an agreement between our two Governments relating to the carrying out of the provisions of the Treaty with effect from the date of the exchange of instruments of ratification of the Treaty.

Accept, Sir, the renewed assurances of my highest consideration.

PAUL MARTIN,
Secretary of State
for External Affairs

The Honourable
DEAN RUSK,
Secretary of State of the
United States of America,
Washington.

ANNEX TO EXCHANGE OF NOTES DATED JANUARY 22, 1964, BETWEEN THE GOVERNMENTS OF CANADA AND THE UNITED STATES REGARDING THE COLUMBIA RIVER TREATY

PROTOCOL

1. If the United States entity should call upon Canada to operate storage in the Columbia River Basin to meet flood control needs of the United States of America pursuant to Article IV(2)(b) or Article IV(3) of the Treaty, such call shall be made only to the extent necessary to meet forecast flood control needs in the territory of the United States of America that cannot adequately be met by flood control facilities in the United States of America in accordance with the following conditions:

(1) Unless otherwise agreed by the Permanent Engineering Board, the need to use Canadian flood control facilities under Article IV(2)(b) of the Treaty shall be considered to have arisen only in the case of potential floods which could result in a peak discharge in excess of 600,000 cubic feet per second at The Dalles, Oregon, assuming the use of all related storage in the United States of America existing and under construction in January 1961, storage provided by any dam constructed pursuant to Article XII of the Treaty and the Canadian storage described in Article IV(2)(a) of the Treaty.

(2) The United States entity will call upon Canada to operate storage under Article IV(3) of the Treaty only to control potential floods in the United States of America that could not be adequately controlled by all the related storage facilities in the United States of America existing at the expiration of 60 years from the ratification date but in no event shall Canada be required to provide any greater degree of flood control under Article IV(3) of the Treaty than that provided for under Article IV(2) of the Treaty.

(3) A call shall be made only if the Canadian entity has been consulted whether the need for flood control is, or is likely to be, such that it cannot be met by the use of flood control facilities in the United States of America in accordance with subparagraphs (1) or (2) of this paragraph. Within ten days of receipt of a call, the Canadian entity will communicate its acceptance, or its rejection or proposals for modification of the call, together with supporting considerations. When the communication indicates rejection or modification of the call of the United States entity will review the situation in the light of the communication and subsequent developments and will then withdraw or modify the call if practicable. In the absence of agreement on the call or its terms the United States entity will submit the matter to the Permanent Engineering Board provided for under Article XV of the Treaty for assistance as contemplated in Article XV(2)(c) of the Treaty. The entities will be guided by any instructions issued by the Permanent Engineering Board. If the Permanent Engineering Board does not issue instructions within ten days of receipt of a submission the United States entity may renew the call for any part or all of the storage covered in the original call and the Canadian entity shall forthwith honour the request.

2. In preparing the flood control operating plans in accordance with paragraph 5 of Annex A of the Treaty, and in making calls to operate for flood control pursuant to Article IV(2)(b) and Article IV(3) of the Treaty, every effort will be made to minimize flood damage both in Canada and the United States of America.

3. The exchange of Notes provided for in Article VIII(1) of the Treaty shall take place contemporaneously with the exchange of the Instruments of Ratification of the Treaty provided for in Article XX of the Treaty.

4. (1) During the period and to the extent that the sale of Canada's entitlement to downstream power benefits within the United States of America as a result of an exchange of Notes pursuant to Article VIII(1) of the Treaty relieves the United States of America of its obligation to provide east-west standby transmission service as called for by Article X(1) of the Treaty, Canada is not required to make payment for the east-west standby transmission service with regard to Canada's entitlement to downstream power benefits sold in the United States of America.

(2) The United States of America is not entitled to any payments of the character set out in subparagraph (1) of this paragraph in respect of that portion of Canada's entitlement to downstream power benefits delivered by the United States of America to Canada at any point on the Canada-United States of America boundary other than at a point near Oliver, British Columbia, and the United States of America is not required to provide the east-west standby transmission service referred to in subparagraph (1) of this paragraph in respect of the portion of Canada's entitlement to downstream power benefits which is so delivered.

5. Inasmuch as control of historic streamflows of the Kootenay River by the dam provided for in Article XII(1) of the Treaty would result in more than 200,000 kilowatt years per annum of energy benefit downstream in Canada, as well as important flood control protection to Canada, and the operation of that dam is therefore of concern to Canada, the entities shall, pursuant to Article XIV(2)(a) of the Treaty, cooperate on a continuing basis to coordinate the operation of that dam with the operation of hydroelectric plants on the Kootenay River and elsewhere in Canada in accordance with the provisions of Article XII(5) and Article XII (6) of the Treaty.

6. (1) Canada and the United States of America are in agreement that Article XIII (1) of the Treaty provides to each of them a right to divert water for a consumptive use.

(2) Any diversion of water from the Kootenay River when once instituted under the provisions of Article XIII of the Treaty is not subject to any limitation as to time.

7. As contemplated by Article IV(1) of the Treaty, Canada shall operate the Canadian storage in accordance with Annex A and hydroelectric operating plans made thereunder. Also, as contemplated by Annexes A and B of the Treaty and Article XIV(2)(k) of the Treaty, these operating plans before they are agreed to by the entities will be conditioned as follows:

(1) As the downstream power benefits credited to Canadian storage decrease with time, the storage required to be operated by Canada pursuant to paragraphs 6 and 9 of Annex A of the Treaty, will be that required to produce those benefits.

(2) The hydroelectric operating plans, which will be based on Step I of the studies referred to in paragraph 7 of Annex B of the Treaty, will provide a reservoir-balance relationship for each month for the whole of the Canadian storage committed rather than a separate relationship for each of the three Canadian storages. Subject to compliance with any detailed operating plan agreed to by the entities as permitted by Article XIV (2)(k) of the Treaty, the manner of operation which will achieve the specific storage or release of storage called for in a hydroelectric operating plan consistent with optimum storage use will be at the discretion of the Canadian entity.

(3) Optimum power generation at-site in Canada and downstream in Canada and the United States of America referred to in paragraph 7 of Annex A of the Treaty will include power generation at-site and downstream in Canada of the Canadian storages referred to in Article II(2) of the Treaty, power generation in Canada which is coordinated therewith, downstream power benefits from the Canadian storage which are produced in the United States of America and measured under the terms of Annex B of the Treaty, power generation in the Pacific Northwest Area of the United States of America and power generation coordinated therewith.

8. The determination of downstream power benefits pursuant to Annex B of the Treaty, in respect of each year until the expiration of thirty years from the commencement of full operation in accordance with Article IV of the Treaty of that portion of the Canadian storage described in Article II of the Treaty which is last placed in full operation, and thereafter until otherwise agreed upon by the entities, shall be based upon stream flows for the thirty-year period beginning July 1928 as contained in the report entitled "Extension of Modified Flows Through 1958—Columbia River Basin" and dated June 1960, as amended and supplemented to June 29, 1961, by the Water Management Subcommittee of the Columbia Basin Inter-Agency Committee.

9. (1) Each load used in making the determinations required by Steps II and III of paragraph 7 of Annex B of the Treaty shall have the same shape as the load of the Pacific Northwest area as that area is defined in that paragraph.

(2) The capacity credit of Canadian storage shall not exceed the difference between the firm load carrying capabilities of the projects and installations included in Step II of paragraph 7 of Annex B of the Treaty and the projects and installations included in Step III of paragraph 7 of Annex B of the Treaty.

10. In making all determinations required by Annex B of the Treaty the loads used shall include the power required for pumping water for consumptive use into the Banks Equalizing Reservoir of the Columbia Basin Federal Reclamation Project but mention of this particular load is not intended in any way to exclude from those loads any use of power that would normally be part of such loads.

11. In the event operation of any of the Canadian storages is commenced at a time which would result in the United States of America receiving flood protection for periods longer than those on which the amounts of flood control payments to Canada set forth in Article VI(1) of the Treaty are based, the United States of America and Canada shall consult as to the adjustments, if any, in the flood control payments that may be equitable in the light of all relevant factors. Any adjustment would be calculated over the longer period or periods on the same basis and in the same manner as the calculation of the amounts set forth in Article VI(1) of the Treaty. The consultations shall begin promptly upon the determination of definite dates for the commencement of operation of the Canadian storages.

12. Canada and the United States of America are in agreement that the Treaty does not establish any general principle or precedent applicable to waters other than those of the Columbia River Basin and does not detract from the application of the Boundary Waters Treaty, 1909, to other waters.

The Secretary of State to the Canadian Secretary of State for External Affairs

DEPARTMENT OF STATE
WASHINGTON
January 22, 1964

SIR:

I have the honor to refer to your note dated January 22, 1964, together with the Annex thereto regarding the Treaty between Canada and the United States of America relating to cooperative development of the water resources of the Columbia River Basin signed at Washington on January 17, 1961.

I wish to advise you that the Government of the United States of America agrees that your note with the Annex thereto, together with this reply, shall constitute an agreement between our two Governments relating to the carrying out of the provisions of the Treaty with effect from the date of the exchange of instruments of ratification of the Treaty.

Accept, Sir, the renewed assurances of my highest consideration.

DEAN RUSK

The Honorable
PAUL MARTIN, P.C., Q.C.,
Secretary of State for External Affairs, Ottawa.

DEPARTMENT OF STATE
WASHINGTON
January 22, 1964

SIR:

I have the honor to refer to the discussions which have been held between representatives of the Government of Canada and of the Government of the United States of America regarding a sale of Canada's entitlement to downstream power benefits under the Treaty between Canada and the United States of America relating to cooperative development of the water resources of the Columbia River Basin, signed on January 17, 1961.

On the basis of these discussions my Government understands that the two Governments recognize that it would be in the public interest of both countries if Canada's entitlement to downstream power benefits could be disposed of, as contemplated by Article VIII of the Treaty, in accordance with general conditions and limits similar to those set out in detail in the attachment hereto, and further, that before such a disposition can be concluded and confirmed by the two Governments, additional steps must be taken in each country. Therefore, in furtherance of this aim, it is understood the two Governments are agreed that:

a) the Government of the United States will use its best efforts to arrange for disposition of Canada's entitlement to downstream power benefits within the United States of America in accordance with the general conditions and limits set forth in the attachment, and

b) the Government of Canada will use its best efforts to accomplish all those things which are considered necessary and preliminary to ratification of the Treaty as quickly as possible, including any arrangements for implementation and acceptance of the general conditions and limits set forth in the attachment.

I should like to propose that if agreeable to your Government this note together with the attachment and your reply shall constitute an agreement by our Governments relating to the Treaty.

Accept, Sir, the renewed assurances of my highest consideration.

DEAN RUSK

The Honorable
PAUL MARTIN, P.C., Q.C.,
Secretary of State for External Affairs, Ottawa.

ATTACHMENT RELATING TO TERMS OF SALE

A. The disposition shall consist of the downstream power benefits to which Canada is entitled under the Treaty, other than Canada's entitlement to downstream power benefits resulting from the construction or operation of a project described in Article IX of the Treaty, and shall be by way of a contract of sale authorized in accordance with Article VIII of the Treatly between the British Columbia Hydro and Power Authority and a single Purchaser containing provisions mutually satisfactory to the parties to the contract but shall be subject to and be operative in accordance with the following general conditions and limits:

1. (a) The storages described in Article II of the Treaty shall be fully operative for power purposes in accordance with the following schedule:

Storage described in Article II(c)(c)—approximately 1,400,000 acre feet on April 1, 1968,

Storage described in Article II(2)(b)—approximately 7,100,000 acre feet on April 1, 1969,

Storage described in Article II(2)(a)—approximately 7,000,000 acre feet on April 1, 1973.

(b) The period of sale of the entitlement allocated to each of the storages shall terminate and expire thirty years from the date on which that storage is required to be fully operative for power purposes in accordance with the schedule in subparagraph (a) of this paragraph.

(c) In the event any storage is not fully operative in accordance with the schedule in subparagraph (a) of this paragraph or if, during the period of sale, the storage is not operated as required by the hydroelectric opoperating plans agreed upon in accordance with the Treaty, as modified by any detailed operating plan agreed upon in accordance with Article XIV(2)(k) of the Treaty, and the Canadian entitlement is thereby reduced, the British Columbia Hydro and Power Authority shall pay the Purchaser an amount equal to the cost it would have to incur to replace that part of the reduction in the Canadian entitlement which the vendees of the Purchaser could have used other than costs that could have been avoided had every reasonable effort to mitigate losses been made by the Purchaser, the United States entity and the owners of non-federal dams on the Columbia River in the United States of America, Alternatively, the British Columbia Hydro and Power Authority may, at its option, supply power to the Purchaser in an amount which assures that the Purchaser receives the capacity and energy which would have constituted that part of the reduction in the Canadian entitlement that the vendees of the Purchaser could have used if there had been no default, together with appropriate adjustments to reflect transmission costs in the United States of America, delivery to be made when the loss of power would otherwise have occurred.

If the assurance described in paragraph B.5. of this attachment is given to the Purchaser, the United States entity may succeed to all the rights of the Purchaser and its vendees to receive the entire Canadian entitlement, or that part that could be used by the vendees, and to be compensated by British Columbia Hydro and Power Authority in the event of non-receipt thereof. The United States entity agrees that before it purchases more costly power from any third party for the purpose of supplying the necessary amount of the Canadian entitlement to the Purchaser, it will first cause to be delivered to the Purchaser, or for its account, any available surplus capacity or energy from the United States Federal Columbia River System and compensation to the United States entity because of such deliveries shall be computed by applying the then applicable rate schedules of the Bonneville Power Administration to the deliveries.

In the event of disagreement, determination of compensation in money or power due under this paragraph shall be resolved by arbitration and shall be confined to the actual loss incurred in accordance with the principles in this paragraph.

(d) For the purpose of allocating downstream power benefits among the Treaty storages from April 1, 1998 to April 1, 2003, the percentage of downstream power benefits allocated to each Treaty storage shall be the percentage of the total of the Treaty shortages provided by that storage.

2. For the period of the sale the British Columbia Hydro and Power Authority shall operate and maintain the Treaty storages in accordance with the provisions of the Treaty.

3. (a) The purchase price of the entitlement shall be $254,400,000, in United States funds as of October 1, 1964, subject to adjustment, in the event of an earlier payment of all or part thereof, to the then present worth, at a discount rate of 4½ percent per annum.

(b) The purchase price shall be paid to Canada contemporaneously with the exchange of ratifications of the Treaty and shall be applied towards the cost of constructing the Treaty projects through a transfer of the purchase price by Canada to the Government of British Columbia, pursuant to arrangements deemed satisfactory to Canada, to be entered into between Canada and the Government of British Columbia.

4. If, during the period of the sale, there is any reduction in Canada's entitlement to downstream power benefits which results from action taken by the Canadian entity pursuant to paragraph 7 of Annex A of the Treaty, the British Columbia Hydro and Power Authority shall, by supplying power to the Purchaser, or otherwise as may be agreed, offset that reduction in a manner so that the Purchaser will be compensated therefor.

5. The Purchaser shall have and may exercise the rights of the British Columbia Hydro and Power Authority relating to the negotiation and conclusion with the United States entity, of proposals relating to the exchanges authorized by Article VIII(2) of the Treaty with respect to any portion of Canada's entitlement to downstream power benefits sold to the Purchaser.

B. The Notes to be exchanged pursuant to Article VIII(1) of the Treaty shall contain, inter alia, provisions incorporating the following requirements:

1. As soon as practicable after start of construction of each Treaty project the Canadian and United States entities shall agree upon a program for filling the storage provided by the project. The filling program shall have the objective of having the storages described in Article II(2)(c) and Article II(2)(b) of the Treaty full by September 1 following the date when the storages become fully operative and the storage provided by the dam mentioned in Article II(2)(a) of the Treaty full to 15 million acre-feet by September 1, 1975. This objective shall be reflected in the hydroelectric operating plans and shall take into account generating requirements at-site and downstream in Canada and the United States of America to meet loads.

2. In the event the United States of America becomes entitled to compensation in respect of a breach of the obligation under Article IV(6) of the Treaty to commence full operation of a storage, compensation payable to the United States of America under Article XVIII(5)(a) of the Treaty shall be made in an amount equal to 2.70 mills per kilowatt-hour, and 46 cents per kilowatt of dependable capacity for each month or fraction thereof, in United States funds, for and in lieu of the power which would have been forfeited under Article XVIII(5)(a) of the Treaty if Canada's entitlement to downstream power benefits had not been sold in the United States of America. Alternatively, Canada may, at its option, supply capacity and energy to the United States entity in an amount equal to that which would have been forfeited, together with appropriate adjustments to reflect transmission costs in the United States of America, delivery to be made when the loss would otherwise have occurred.

3. A diminution of Canada's entitlement to downstream power benefits sold in the United States of America which is directly attributable to a failure to comply with paragraph A.1(a) or paragraph A.2 of this attachment, in the absence of compensation therefore by the British Columbia Hydro and Power Authority, constitutes a breach of the Treaty by Canada and Article XVIII(5) of the Treaty and the exculpatory provisions in Article XVIII of the Treaty do not apply to such breach. Compensation or replacement of power as specified in paragraph A.1(c) of this attachment shall be made by Canada and shall be accepted by the United States of America as complete satisfaction of Canada's liability under this paragraph.

4. For any year in which Canada's entitlement to downstream power benefits is sold in the United States of America, the United States entity may decide the amount of the down-stream power benefits for purposes connected with the disposition thereof in the United States of America. This authorization, however, shall not affect the rights or relieve the obligations of the Canadian and United States entities relating to joint activities under the provisions of Article XIV and Annexes A and B of the Treaty; nor shall it apply to determination of compensation provided for in paragraph A.1(c) and paragraph B.2 of this attachment.

5. If necessary to accomplish the sale of Canada's entitlement to downstream power benefits in accordance with this attachment, the United States entity shall assure unconditionally the delivery to or for the account of the Purchaser, by appropriate exchange contracts, of an amount of power agreed between the United States entity and the Purchaser to be the equivalent of the entitlement during the period of the sale.

C. Canada shall designate the British Columbia Hydro and Power Authortiy as the Canadian entity for the purposes of Article XIV(1) of the Treaty.

The Canadian Secretary of State for External Affairs to the Secretary of State

THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS CANADA
January 22, 1964.

SIR,

I have the honour to refer to your Note dated January 22, 1964, together with the attachment thereto regarding the Treaty between Canada and the United States of America relating to cooperative development of the water resources of the Columbia River Basin signed at Washington on January 17, 1961.

I wish to advise you that the Government of Canada agrees that your Note with the attachment thereto, together with this reply, shall constitute an agreement between our two Governments relating to the Treaty.

Accept, Sir, the renewed assurances of my highest consideration.

PAUL MARTIN
Secretary of State
for External Affairs

The Honourable
DEAN RUSK,
Secretary of State of the
United States of America,
Washington.

The Canadian Secretary of State for External Affairs to the American Ambassador

DEPARTMENT OF EXTERNAL AFFAIRS
CANADA
OTTAWA, *September 16, 1964.*

No. 140

EXCELLENCY,

I have the honour to refer to the Treaty between Canada and the United States of America relating to cooperative development of the water resources of the Columbia River Basin signed at Washington on 17 January 1961, to the Protocol attached to my Note to the Honourable Dean Rusk, Secretary of State of the United States of America, dated 22 January 1964, and to the exchange of instruments of ratification of the Treaty which occurred today.

I also have the honour to refer to the discussions which have been held between representatives of the Government of Canada and of the Government of the United States of America in connection with the Exchange of Notes, dated 22 January 1964, regarding sale in the United States of America of Canada's entitlement under the Treaty to downstream power benefits.

My Government also understands that your Government has designated the Administrator of the Bonneville Power Administration, Department of the Interior, and the Division Engineer, North Pacific Division, Corps of Engineers, Department of the Army, as the United States Entity for the purposes of Article XIV(1) of the Treaty, and I would inform you that the Government of Canada has designated the British Columbia Hydro and Power Authority, a corporation incorporated in the Province of British Columbia by the British Columbia Hydro and Power Authority Act, 1964, as the Canadian Entity for the purposes of that Article. A copy of the designation is attached hereto.

On the basis of those discussions the Government of Canada proposes that the Canadian Entitlement Purchase Agreement regarding the sale in the United States of America of the Canadian Entitlement under the Treaty to downstream power benefits entered into between the British Columbia Hydro and Power Authority and the Columbia Storage Power Exchange, the single purchaser referred to in the attachment to your Note of January 22, 1964, relating to the terms of the sale, a copy of which agreement is attached hereto, be authorized for the purposes of Article VIII (1) of the Treaty as a disposal of the Canadian Entitlement in the United States of America for the period and in accordance with the other terms and provisions set out in the Canadian Entitlement Purchase Agreement.

My Government also understands that your Government pursuant to paragraph E.5 in the attachment to Mr. Secretary Rusk's Note of January 22, 1964, relating to the terms of the sale, has determined that the United States Entity shall enter into and that it has entered into the Canadian Entitlement Exchange Agreements which agreements assure unconditionally the delivery for the account of the Columbia Storage Power Exchange of an amount of power agreed between the United States Entity and the Columbia Storage Power Exchange to be the equivalent of the Canadian Entitlement being sold under the Canadian Entitlement Purchase Agreement, and that the United States Entity has succeeded to all the rights and obligations of the Columbia Storage Power Exchange under the Canadian Entitlement Purchase Agreement other than the obligation to pay the purchase price, and further that the United States Entity has, pursuant to Article XI of the Treaty, approved the use of the improved stream flow in the United States of America brought about by the Treaty by entering into Canadian Entitlement Allocation Agreements with owners of non-Federal dams on the Columbia River.

My Government also understands that the two Governments are agreed that the Government of the United States of America undertakes that:

(1) So long as the Canadian Entitlement Exchange Agreements remain in force, the United States Entity will perform all the obligations of the Columbia Storage Power Exchange under the Canadian Entitlement Purchase Agreement other than the obligation to pay the purchase price specified in Section 3 of the Canadian Entitlement Purchase Agreement;

(2) In the event the Canadian Entitlement is reduced as a result of a failure on the part of the Canadian Entity to comply with Section 4 of the Canadian Entitlement Purchase Agreement and if the failure results other than from willful omission by the Canadian Entity to fulfill its obligations under that agreement, the United States Entity will, without compensation, offset the effect of that failure by adjusting the operation of the portion of the System described in Step I of paragraph 7 of Annex B of the Treaty which is in the United States of America, to the extent that the United States Entity can do so without loss of energy or capacity to that portion of the System; and

(3) If the procedure described in paragraph (2) above does not fully offset the effect of the failure, then to the extent the entities agree thereon, an additional offsetting adjustment in the operation of the portion of the System described in Step I of Annex B of the Treaty which is in the United States of America and which would result in only an energy loss will be made if the Canadian Entity delivers to the United States Entity energy sufficient to make up one half that energy loss.

(4) In order to make up any reduction in the Canadian Entitlement, which reduction is to be determined in accordance with Section 6 of the Canadian Entitlement Purchase Agreement, the United States Entity will cause to be delivered the least expensive capacity and energy available and, to the extent that it would be the least expensive available, will deliver, at the then applicable rate schedules of the Bonneville Power Administration, any available surplus capacity and energy from the United States Federal Columbia River System.

The Government of Canada also proposes that:

(5) Contemporaneously with the exchange of the instruments of ratification CSPE shall have paid to Canada the sum in United States funds of $253,929,534.25, being the equivalent of the sum of $254,400,000 in United States funds as of October 1, 1964 adjusted to September 16, 1964 at a discount rate of 4½ percent per annum on the basis set out in the January 22, 1964 Exchange of Notes between our two Governments relating to the terms of sale, which sum shall be applied towards the cost of constructing the Treaty projects through a transfer of the sum by Canada to the Government of British Columbia pursuant to arrangements entered into between Canada and British Columbia.

(6) No modification or renewal of the Canadian Entitlement Purchase Agreement shall be effective until approved by the Governments of Canada and the United States of America, evidenced by an Exchange of Notes.

(7) The storages described in Article II of the Treaty shall be considered fully operative when the facilities for such storages are available and outlet facilities are operable for regulating flows in accordance with the flood control and hydroelectric operating plans.

(8) As soon as practicable, the Canadian and United States Entities shall agree upon a program for filling the storage provided by each of the Treaty projects. The filling program shall have the objective of having the storages described in Article II(2) (a), Article II(2) (b), and Article II(2) (c) of the Treaty filled to the extent that usable storage, in the amounts provided for each storage in Article II of the Treaty is available by September 1 following the date when the storage becomes fully operative, and of having the storage provided by the dam described in Article II(2) (a) filled to 15 million acre-feet by September 1, 1975. This objective shall be reflected in the hydroelectric operating plans and shall take into account generating requirements at-site and downstream in Canada and the United States of America to meet loads and requirements for flood control.

(9) In the event the United States of America becomes entitled to compensation from Canada for loss of downstream power benefits, other than Canada's entitlement to downstream power benefits, in respect of a breach of the obligation under Article IV (6) of the Treaty to commence full operation of a storage, compensation payable to the United States of America under Article XVIII(5) (a) of the Treaty shall be made in an amount equal to 2.70 mills per kilowatt-hour of energy, and 46 cents per kilowatt of dependable capacity for each month or fraction thereof, in United States Funds, for and in lieu of the power which would have been forfeited under Article XVIII(5) (a) of the Treaty if Canada's entitlement to downstream power benefits had not been sold in the United States of America. The power which would have been forfeited shall be Canada's entitlement to downstream power benefits attributable to the particular storage had it commenced full operation in accordance with Article IV(6) of the Treaty and shall consist of (1) dependable capacity for the period of forfeiture and (2) that portion of average annual usable energy which would have been available during the period of forfeiture assuming the energy to be available at a uniform rate throughout the year. Alternatively, Canada may, at its option, offset the power for which compensation is to be made by delivering capacity and energy to the United States Entity, such delivery to be made, unless otherwise agreed by the entities, during the period of breach and at a uniform rate. The option for Canada to provide power in place of paying money shall permit Canada to make compensation partly by supplying power and partly by paying money, as may be mutually agreed by the entities.

(10) The Canadian Entity shall at reasonable intervals provide current reports to the United States Entity of the progress of construction of the Treaty storages. In the event there is a likelihood of delay in meeting the completion dates set out in Section 4 of the Canadian Entitlement Purchase Agreement or a delay which will give rise to a claim under paragraph (9) hereof the Canadian Entity will advise of the probability of power being available to make the compensation required.

(11) To the extent the Canadian Entity does not make compensation for a reduction in the Canadian Entitlement arising as a result of a failure to comply with Section 4 of the Canadian Entitlement Purchase Agreement, Canada shall make such compensation and such compensation shall be accepted in complete satisfaction of all claims arising out of the failure in respect of the reduction in the Canadian Entitlement for which such compensation was made.

(12) For any year in which Canada's Entitlement to downstream power benefits is sold to Columbia Storage Power Exchange, the United States Entity may decide the amount of the downstream power benefits for purposes connected with the disposition thereof in the United States of America. This authorization, however, shall neither affect the rights or relieve the obligations of the Canadian and United States Entites relating to joint activities under the provisions of Article XIV and Annexes A and B of the Treaty, nor shall it apply to determination of compensation provided for in the Canadian Entitlement Purchase Agreement or pursuant to paragraph (9) hereof or to determination of the power benefits to which Canada is entitled.

(13) Any power delivered by the Canadian Entity or by Canada in accordance with the Canadian Entitlement Purchase Agreement or this Note shall be delivered at points of inter-connection on the Canadian-United States border mutually acceptable to the entities. Appropriate adjustments shall be made to reflect transmission costs and transmission losses in the United States of America.

(14) Any dispute arising under the Canadian Entitlement Purchase Agreement, in-

cluding, but without limitation, a dispute whether any event requiring compensation has occurred, the amount of compensation due or the amount of any overdelivery of power is agreed to be a difference under the Treaty to be settled in accordance with the provisions of Article XVI of the Treaty, and the parties to the Canadian Entitlement Purchase Agreement may avail themselves of the jurisdiction hereby conferred.

The Government of Canada therefore proposes that if agreeable to your Government this Note together with your reply thereto constitutes an agreement by our Governments relating to the Treaty with effect from the date of the exchange of instruments of ratification of the Treaty.

Accept, Excellency, the renewed assurances of my highest consideration.

PAUL MARTIN,
Secretary of State for External Affairs.

His Excellency,
W. WALTON BUTTERWORTH,
Ambassador of the United States of America,
Ottawa.

P.C. 1964–1407

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 4th September, 1964

CANADA

PRIVY COUNCIL

The Committee of the Privy Council, on the recommendation of the Right Honourable Lester B. Pearson, the Prime Minister, advise that Your Excellency may be pleased to designate the British Columbia Hydro and Power Authority, a corporation incorporated in the Province of British Columbia by the British Hydro and Power Authority Act 1964, as the Canadian entity for the purposes of Article XIV of a treaty dated January 17, 1961 at Washington, D.C. U.S.A. between Canada and the United States of America relating to cooperative development of the water resources of the Columbia River Basin, such designation to take effect on the date on which the Instruments of Ratification of the Treaty shall be exchanged.

CANADIAN ENTITLEMENT PURCHASE AGREEMENT

This Agreement executed this thirteenth day of August, 1964, by and between COLUMBIA STORAGE POWER EXCHANGE, a nonprofit corporation organized under the laws of the State of Washington, hereinafter referred to as "CSPE",

and

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a corporation incorporated in the Province of British Columbia, Canada, by the British Columbia Hydro and Power Authority Act, 1964, hereinafter referred to as the "Authority".

WHEREAS:

A. The Governments of the United States of America and Canada are exchanging instruments of ratification of the Treaty Between Canada and the United States of America Relating to the Cooperative Development of the Water Resources of the Columbia River Basin Signed at Washington January 17, 1961. By an Exchange of Notes dated January 22, 1964, the two Governments agreed upon the terms of a Protocol with effect from the date of the exchange of instruments of ratification of the Treaty aforesaid (which Treaty and Protocol are hereinafter referred to as the "Treaty").

B. Under the terms of the Treaty, Canada is entitled to receive from the United States one-half of the annual average usable energy and one-half of the dependable hydroelectric capacity which can be realized in the United States each year as a result of use of the improved stream flow on the Columbia River created by storage to be constructed in Canada.

C. The Government of Canada and the Government of British Columbia have entered into an agreement dated 8 July, 1963, and a supplementary agreement dated 13 January, 1964, wherein it was agreed that all proprietary rights, title and interests arising under the Treaty, including all rights to downstream power benefits, belong to the Government of British Columbia, and providing that Canada shall designate the Authority as the Canadian Entity as provided for in Article XIV of the Treaty. Pursuant to such agreement Canada is designating the Authority as the Canadian Entity.

D. The Authority is, by virtue of an Order in Council of the Province of British Columbia, dated August 7, 1964, required and authorized to exercise all the rights and powers granted to the Canadian Entity and to perform all the obligations imposed on the Canadian Entity by the Treaty and to enter into this Agreement.

E. CSPE is incorporated with the object of purchasing for a term of years Canada's rights to downstream power benefits under the Treaty and incurring indebtedness to finance such purchase and disposing of such rights under such arrangements as may be necessary to retire the corporate indebtedness and to pay the necessary expenses of CSPE incidental thereto.

F. The Governments of the United States of America and Canada, as contemplated by Article VIII of the Treaty and in pursuance of the Agreement of the two Governments contained in an Exchange of Notes dated January 22, 1964, relating thereto, are by an Exchange of Notes authorizing the disposition for a term of years within the United States of America of Canada's rights to downstream power benefits under the Treaty, which disposition when so authorized is to be effectuated by this Agreement in accordance with the provisions of the Treaty and documents supplementary thereto.

Now, THEREFORE, it is agreed:

SECTION 1. TERM.

This agreement shall be effective when authorized by the Governments of Canada and the United States of America by an Exchange of Notes pursuant to the Treaty and shall terminate at midnight on March 31, 2003.

SECTION 2. CONVEYANCE.

(1) The Authority does hereby sell, assign, and convey unto CSPE, and CSPE does hereby accept, the entitlement of Canada, as described in Article V(1) of the Treaty, to the downstream power benefits determined in accordance with Article VII of the Treaty, save and except the entitlement of Canada to the downstream power benefits resulting from the construction or operation of the project referred to in Article IX of the Treaty, for the following periods of time:

(a) The benefits resulting from the storage described in Article II(2)(c) of the Treaty (hereinafter referred to as Duncan Lake storage) for a period of 30 years commencing April 1, 1968; and

(b) The benefits resulting from the storage described in Article II(2)(b) of the Treaty (hereinafter referred to as Arrow Lakes storage) for a period of 30 years commencing April 1, 1969; and

(c) The benefits resulting from the storage described in Article II(2)(a) of the Treaty (hereinafter referred to as Mica Creek storage) for a period of 30 years commencing April 1, 1973.

(2) All of the entitlement to the downstream power benefits hereby conveyed for the aforementioned periods of time, without the reductions provided for in paragraph 7 of Annex A of the Treaty is hereinafter referred to as "the Canadian Entitlement".

(3) For the purpose of allocating downstream power benefits among the three Canadian storages provided for in the Treaty between April 1, 1998, and March 31, 2003, the percentage of downstream power benefits allocable to each of the said storages shall be the percentage of the total of the Canadian storages provided by that storage as set out in Article II of the Treaty.

SECTION 3. PAYMENT BY CSPE.

Contemporaneously with the exchange of the instruments of ratification, CSPE is causing to be paid to Canada the sum, in United States funds, of $254,400,000.00 as of October 1, 1964, subject to adjustment in the event of an earlier payment thereof to the then present worth at a discount rate of 4½ percent per annum, which sum shall be applied towards the cost of constructing the Treaty projects through a transfer of the sum by Canada to the Government of British Columbia pursuant to arrangements entered into between Canada and British Columbia. The Authority acknowledges that the receipt by Canada of the said sum is consideration for all the covenants of the authority in this Agreement and particularly the covenants to construct and operate the Treaty projects and is a complete discharge of CSPE for the full purchase price for the sale effected in Section 2 of this Agreement.

SECTION 4. COVENANTS.

(1) The Authority covenants and agrees with CSPE that it will undertake all requisite construction work in a good and workmanlike manner and that the storages described in Article II of the Treaty shall be fully operative for power purposes under this Agreement by the following dates:

(a) The Duncan Lake storage, April 1, 1968.

(b) The Arrow Lakes storage, April 1, 1969.

(c) The Mica Creek storage, April 1, 1973.

To be fully operative the facilities for such storages shall be completed to the extent that storages are available and outlet facilities are operable for regulating flows in accordance with flood control and hydroelectric operating plans as contemplated by the Treaty.

(2) The Authority covenants and agrees with CSPE that it will operate and maintain the Treaty storages in a good and workmanlike manner and in accordance with the provisions of the Treaty and any arrangements made pursuant to the Treaty and that it will not take any action prohibited by the Treaty.

SECTION 5. FLOOD CONTROL.

Nothing in this Agreement affects or alters the obligations, rights, and privileges of the entities under the Treaty relating to operation and compensation for flood control and without restricting the generality of the foregoing, it is expressly agreed that any reduction in generation in the United States brought about by operation for flood control under the Treaty or any flood control arrangements made pursuant to the Treaty shall not be a reduction in the Canadian Entitlement for which compensation is required under this Agreement.

SECTION 6. COMPENSATION.

In the event the Canadian Entitlement is reduced as a result of a failure to comply with Section 4 of this Agreement:

(1) If the failure results other than from wilful omission by the Authority to fulfill its obligations under this Agreement, the United States Entity has agreed that it will, without compensation, offset the effect of that failure by adjusting the operation of the portion of the system described in Step I of paragraph 7 of Annex B of the Treaty which is in the United States to the extent that the United States Entity can do so without loss of energy or capacity to that portion of the System. If the foregoing procedure does not fully offset the effect of the failure, then to the extent the entities agree thereon, an additional offsetting adjustment in the operation of the portion of the system described in Step I of Annex B of the Treaty which is in the United States and which would result in only an energy loss will be made if the Authority delivers to the United States Entity energy sufficient to make up one half of that energy loss.

(2) If the effect of the failure is not entirely offset by the procedure specified in subsection (1) of this section, the reduction in the Canadian Entitlement shall be deemed to be one half of the difference in dependable hydroelectric capacity and average annual usable energy, capable of being produced by:

(a) the Step II system as specified in Annex B of the Treaty for the year in which the reduction occurs, using the 30 year stream flow record provided for in Section 8 of the Protocol, with allowance in each of the 30 stream flow years for the effect of the Adjustment made in following the procedure specified in subsection (1) of this section and

(b) the same system for that year with the application of allowance in each of the 30 stream flow years for the effects of the occurrence causing the reduction.

and the dependable hydroelectric capacity and average annual usable energy for the purpose of paragraph (b) of this subsection shall be calculated on the basis of an operation for optimum generation in the United States in the light of the offsetting adjustments and in the light of the effects of the occurrence causing the reduction.

(3) If the failure is the result of an occurrence to which the procedure specified in subsection (1) of this section is not applicable, the reduction shall be deemed to be one half of the difference in dependable hydroelectric capacity and average annual usable energy capable of being produced by:

(a) the Step II system as specified in Annex B of the Treaty for the year in which the reduction occurs, using the 30 year stream flow record provided for in Section 8 of the Protocol, with no allowance for the effects of the occurrence causing the reduction and

(b) the same system for that year with the application of allowance in each of the 30 stream flow years for the effects of the occurrence causing the reduction

and the dependable hydroelectric capacity and average annual usable energy for the purposes of paragraph (b) of this subsection shall be calculated on the basis of an operation for optimum generation in the United States in the light of the effects of the occurrence causing the reduction.

(4) The Authority shall make compensation for reductions in the Canadian Entitlement, which reductions are to be determined in accordance with subsections (2) or (3) of this section, in amounts equal to the cost of replacing the reductions in the Canadian Entitlement.

(5) The Authority may at its option, and in lieu of the monetary compensation payable under subsection (4) of this section, make compensation by supplying capacity and energy in an amount equal to the reduction in the Canadian Entitlement determined in accordance with subsections (2) or (3) of this section and adjusted to reflect transmission costs in the United States, delivery to be made when the loss would otherwise have occurred. The Authority may provide combinations of money, capacity and energy that are mutually acceptable in discharge of its obligation to make compensation under this section.

(6) The Authority shall give notice as soon as possible after it becomes apparent to it that compensation may be due and will at that time indicate the amounts of capacity and energy which it anticipates it will be able to make available.

(7) The United States Entity has agreed that, in order to make up any reduction in the Canadian Entitlement, it will cause to be delivered the least expensive capacity and energy available and, to the extent that it would be the least expensive, will deliver at the then applicable rate schedules of the Bonneville Power Administration any available surplus capacity and energy from the United States Federal Columbia River System. The cost of replacement referred to in subsection (4) of this section shall be determined as if the reduction was in fact made up as contemplated by the agreement referred to in the preceding sentence.

(8) Compensation made in accordance with this section shall be accepted as satisfaction of all claims against the Authority with respect to the reduction in the Canadian Entitlement for which such compensation was made and with respect to the act or omission of the Authority from which the right to such compensation arose.

(9) Any obligation to mitigate damages by the United States Entity, CSPE, the vendees of CSPE, and the owners of the non-Federal dams on the Columbia River in the United States is satisfied by compliance with this section.

(10) If the Canadian Entitlement Exchange Agreements referred to in Section 10 are not in force, compensation for a reduction in the Canadian Entitlement in accordance with subsections (2) and (3) of this section, is required only in respect of that part of the reduction in the Canadian Entitlement which CSPE and its vendees could have used and only in respect of costs that could not have been avoided had every reasonable effort to mitigate been made by CSPE and the owners of non-Federal dams on the Columbia River in the United States.

Section 7. Reduction of the Canadian Entitlement in Accordance With the Treaty.

Any reduction in the Canadian Entitlement resulting from action taken pursuant to paragraph 7 of Annex A of the Treaty shall be determined in accordance with subsection (3) of Section 6 of this Agreement and unless otherwise agreed, the Authority shall offset the reduction by supplying capacity and energy equal to the reduction, the energy to be supplied in equal monthly amounts.

Section 8. Settlement of Disputes.

Any dispute arising under this Agreement, including but without limitation a dispute as to whether any event requiring compensation has occurred, the amount of compensation due or the amount of any overdelivery of power, is agreed to be a difference under the Treaty to be settled in accordance with the provisions of Article XVI of the Treaty. Any determination of compensation in money or power due shall be confined to the actual loss incurred in accordance with the principles contained in Section 6 of this Agreement.

Section 9. Exchanges of Capacity and Energy.

(1) The Authority agrees that CSPE shall have and may exercise the rights of the Authority as the Canadian Entity relating to the negotiation and conclusion with the United States Entity of proposals relating to the exchanges authorized by Article VIII(2) of the Treaty with respect to any portion of the Canadian Entitlement.

(2) It is agreed that no exchange of capacity for energy or of energy for capacity or modification in the delivery of energy in the Treaty shall be taken into account in equal amounts each month as provided in the Treaty shall be taken into account in the determination of compensation to be made by the Authority pursuant to this Agreement.

Section 10. Exchange Agreements.

The Bonneville Power Administrator acting as the Administrator and for and on behalf of the United States Entity has by entering into Canadian Entitlement Exchange Agreements, assured unconditionally the delivery to the vendees of CSPE by appropriate exchange contracts of an amount of power agreed between the United States Entity and CSPE to be the equivalent of the Canadian Entitlement, and the United States Entity, while those Agreements are in force, will succeed to all the rights of CSPE and its vendees to receive the entire Canadian Entitlement and all other rights of CSPE arising from this Agreement. CSPE therefore instructs the Authority, until otherwise notified, to make any compensation whether in power or money required to be made by the Authority pursuant to Section 6 or Section 7 of this Agreement to the United States Entity. CSPE agrees that any settlement of a claim for compensation or arrangement entered into pursuant to this Agreement by the United States Entity shall be binding on CSPE.

Section 11. Payments.

(1) The Authority shall pay any amount in United States funds determined to be due in accordance with the terms hereof within thirty days of receipt of an invoice for such amount.

(2) Should the Authority deliver power in excess of the amount required as compensation, then appropriate adjustments shall be made in kind or in money.

Section 12. Approvals.

No modification or renewal of this Agreement shall be effective until approved by the Governments of Canada and the United States of America, evidenced by an Exchange of Notes.

Section 13. Deliveries.

Any power delivered by the Authority pursuant to this Agreement shall be delivered at mutually acceptable points of interconnection on the Canadian-United States border. Appropriate adjustments shall be made to reflect transmission costs and transmission losses in the United States.

Section 14. Notices.

Any notices shall be in writing and shall be delivered or mailed prepaid as follows:

Columbia Storage Power Exchange,
20 N. Main Street
East Wenatchee, Washington, U.S.A.

United States Entity
c/o Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208 U.S.A.

British Columbia Hydro and Power Authority
970 Burrard Street
Vancouver 1, British Columbia, Canada,

or such other address as may be signified by notice to the others.

In witness whereof, the parties have caused this Agreement to be executed as of the day and year first above written.

British Columbia Hydro and Power Authority
By ____________
Chairman.
By ____________
Secretary.

(SEAL)
Attest
____

Columbia Storage Power Exchange
By ____________

(SEAL)
Attest
____

The American Ambassador to the Canadian Secretary of State for External Affairs

Embassy of the
United States of America
Ottawa, *September 16, 1964.*

No. 75

Sir,

I have the honor to refer to your note No. 140 of September 16, 1964, regarding the disposal of the Canadian entitlement to downstream power benefits in the United States, in accordance with Article VIII(1) of the Treaty between the United States of America and Canada relating to the cooperative development of the water resources of the Columbia River Basin, signed at Washington, January 17, 1961.

I wish to advise you that the Government of the United States of America has designated the Administrator of the Bonneville Power Administration, Department of the Interior, and the Division Engineer, North Pacific Division, Corps of Engineers, Department of the Army, as the United States Entity for the purposes of Article XIV(1) of the Treaty. A copy of the designation is attached to this note.

I wish also to advise that the Government of the United States of America confirms the proposals and understandings set forth in your note, and agrees that your note, together with this reply, shall constitute an agreement between our two Governments relating to the implementation of the provisions of the Treaty with effect from the date of the exchange of instruments of ratification of the Treaty.

Accept, Sir, the renewed assurances of my highest consideration.

W. W. BUTTERWORTH.

Enclosure:
As stated.
The Honorable
PAUL MARTIN, P.C., Q.C.,
Secretary of State for External Affairs,
Ottawa.

EXECUTIVE ORDER NO. 11177.

PROVIDING FOR CERTAIN ARRANGEMENTS UNDER THE COLUMBIA RIVER TREATY

WHEREAS the treaty between the United States and Canada relating to cooperative development of the water resources of the Columbia River Basin (signed at Washington, D.C., on January 17, 1961; Executive C, 87th Congress, 1st Session) has come into force; and

WHEREAS Article XIV of such treaty (hereinafter referred to as the Treaty) provides for the designation of certain entities which are empowered and charged with the duty to formulate and carry out the operating arrangements necessary to implement the Treaty, and authorizes the United States of America to designate one or more of such entities; and

WHEREAS Article XV of the Treaty authorizes the United States of America to appoint two members of the Permanent Engineering Board established by that Article:

Now, THEREFORE, by virtue of the authority vested in me by the Treaty and by the Constitution and statutes, and as President of the United States, it is hereby ordered as follows:

PART I. UNITED STATES ENTITY

SECTION 101. *Designation of Entity.* The Administrator of the Bonneville Power Administration, Department of the Interior, and the Division Engineer, North Pacific Division, Corps of Engineers, Department of the Army, are hereby designated as an entity under Article XIV of the Treaty, to be known as the United States Entity for the Columbia River Treaty (hereinafter referred to as the Entity). The designated Administrator shall be the Chairman of the Entity.

SECTION 102. *Functions of the Entity.* The Entity shall have the functions set forth therefor in Article XIV, and in other provisions, of the Treaty.

SECTION 103. *Departmental responsibilities.* This order shall not affect (1) the respective responsibilities of the Department of the Army and the Department of the Interior for project operation and administration, (2) the respective responsibilities of the Secretary of the Army and the Chief of Engineers for the supervision and direction of the Department of the Army and the Office of the Chief of Engineers, or (3) the responsibility of the Secretary of the Interior for the supervision and direction of the Department of the Interior.

PART II. UNITED STATES SECTION, PERMANENT ENGINEERING BOARD

SECTION 201. *Appointment of members of the Permanent Engineering Board.* (a) The Secretary of the Interior and the Secretary of the Army shall each appoint one person as a United States member of the Permanent Engineering Board established by Article XV of the Treaty.

(b) Each such person shall be selected from among appropriately qualified individuals, who at the time of appointment may be, but need not necessarily be, officers or employees of the United States, and shall serve as a member of the Board during the pleasure of the appointing Secretary.

SECTION 202. *Alternate members.* In addition to the two members to be appointed under the provisions of Section 201 of this order, there shall be two alternate United States members of the Permanent Engineering Board. The provisions of Section 201 of this order shall apply to the selection, appointment, and service of the alternate members.

SECTION 203. *United States Section.* The members and alternate members appointed under the foregoing provisions of this Part shall compose the United States Section, Permanent Engineering Board, Columbia River Treaty, hereinafter referred to as the United States Section. The member appointed by the Secretary of the Army under Section 201(a) of this order shall be the Chairman of the United States Section.

SECTION 204. *Assistance to the United States Section.* With the consent of the respective heads thereof, departments and agencies of the Federal Government may, upon the request of the United States Section and to the extent not inconsistent with law, furnish assistance needed by the Section in connection with the performance of its functions.

PART III. GENERAL

SECTION 301. *Reservation.* There is hereby reserved the right to modify or terminate any or all of the provisions of this order.

LYNDON B. JOHNSON

THE WHITE HOUSE,
September 16, 1964

The Canadian Secretary of State for External Affairs to the American Ambassador

DEPARTMENT OF EXTERNAL AFFAIRS CANADA
OTTAWA, *September 16, 1964.*

No. 141

EXCELLENCY,

I have the honour to refer to my Note of January 22, 1964 addressed to the Honourable Dean Rusk, Secretary of State of the United States of America and the Protocol attached thereto regarding a Treaty between Canada and the United States of America relating to cooperative development of the water resources of the Columbia River Basin signed at Washington on 17 January, 1961 and to Mr. Secretary Rusk's reply of the same date. This Exchange of Notes relating to the carrying out of the provisions of the Treaty provides expressly that it shall come into effect from the date of the exchange of instruments of ratification of the Treaty.

The instruments of ratification of the Treaty having been exchanged on this 16th day of September 1964, I should like to propose that our two Governments confirm that the Intergovernmental Agreement set out in the said Exchange of Notes has now come into full force and effect. I should like to propose further that this Note together with your reply shall constitute an agreement between our two Governments with effect from this 16th day of September 1964.

Accept, Excellency, the renewed assurances of my highest consideration.

PAUL MARTIN,
Secretary of State
for External Affairs

His Excellency,
W. WALTON BUTTERWORTH,
Ambassador of the United States
of America,
Ottawa.

The American Ambassador to the Canadian Secretary of State for External Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA,
Ottawa, September 16, 1964

No. 76

SIR,

I have the honor to refer to your Note No. 141 dated September 16, 1964 regarding the Treaty between Canada and the United States of America relating to cooperative development of the water resources of the Columbia River Basin signed at Washington on January 17, 1961. I wish to advise you that the Government of the United States of America confirms that the Exchange of Notes with Annex of January 22, 1964 referred to in your note has now come into full force and effect. The Government of the United States of America further agrees that your note together with this reply shall constitute an agreement between our two Governments relating to the carrying out of the provisions of the Treaty with effect from this 16th day of September 1964.

Accept, Sir, the renewed assurance of my highest consideration.

W. W. BUTTERWORTH.

The Honorable
PAUL MARTIN, P.C., Q.C.,
Secretary of State for External Affairs,
Ottawa.

DEFENSE: HAINES-FAIRBANKS OIL PIPELINE INSTALLATION, AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND CANADA

(Effected by exchange of notes signed at Ottawa June 30, 1953; entered into force June 30, 1953)

The American Chargé d'Affaires ad interim to the Canadian Secretary of State for External Affairs

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

EMBASSY OF THE
UNITED STATES OF AMERICA
Ottawa, June 30, 1953.

No. 288

EXCELLENCY:

I have the honor to refer to discussions which have taken place in the Permanent Joint Board on Defense, and subsequently between representatives of our Governments, concerning a proposal for an oil pipeline installation from Haines to Fairbanks, Alaska, passing through northwestern British Columbia and Yukon Territory, to be constructed, owned and operated by the Government of the United States of America in the mutual defense interests of both countries.

Upon instructions from my Government, I propose that the Government of Canada grant permission to the Government of the United States of America to construct, own and operate a pipeline from Haines to Fairbanks, passing through Canada, on the terms and conditions which have been arranged in recent discussions between our Governments, and which are set forth in the annex to this Note.

Accept, Excellency, the assurances of my highest consideration.

DON C. BLISS

Enclosure: Annex.
His Excellency
The Honorable
LESTER B. PEARSON,
Secretary of State
for External Affairs,
Ottawa.

ANNEX to Note No. 288, from the Embassy of the United States of America, June 30, 1953.

(In this Annex, unless the context otherwise requires, "Canada" means the Government of Canada, and "United States" means the Government of the United States of America.)

1. Right-of-way

All land or interest in land required for the right-of-way of the pipeline and appurtenances including any pumping stations (hereinafter referred to as the pipeline unless otherwise specified), and for access roads, will be acquired by and remain in the title of Canada. Any expense incurred in the acquisition of such land shall be assumed by Canada. The United States will be granted without charge an easement for the pipeline for such time and upon such conditions as may be agreed pursuant to paragraph 3 of this agreement. The United States shall have free of charge the use of access roads to the pipeline under such reasonable conditions as shall be mutually agreed upon.

2. Plans

In order to safeguard Canadian interests, the detailed plans, description of the route and access roads, and specifications of the pipeline will require the approval of the appropriate Canadian authorities in advance of construction, and Canadian officials shall have the right of inspection during construction.

3. Tenure

It is mutually agreed that the common defense interests of the two countries will require continuance of the pipeline for a minimum period of twenty years. At the expiration of this period, in the event that either Government wishes to discontinue the arrangement, the question of continuing need will be referred to the Permanent Joint Board on Defense. In considering the question of need, the PJBD will take into account the relationship of the pipeline and related facilities to the defense installations in Alaska. Following consideration by the PJBD as provided above, either Government may terminate the arrangement, in which case that Government shall give due consideration in any subsequent operation of the pipeline to the defense needs of the other country.

4. Title

Ownership of the pipeline and auxiliary installations shall remain with the United States pending any termination of the arrangement pursuant to paragraph 3, at which time the United States may remove the pipeline from the right-of-way, restoring the right-of-way to its original condition as far as it is practicable and reasonable so to do in the opinion of Canada. Such removal of the pipeline and restoration of the right-of-way shall be completed within two years of the effective date of the termination of the arrangement.

5. Use of the pipeline to meet Canadian requirements

The United States will connect the Haines-Fairbanks pipeline to the three-inch Whitehorse-Fairbanks pipeline at a point near Haines Junction. The United States will permit additional connections to be made to both the Haines-Fairbanks and the three-inch pipeline within Canada on reasonable terms and conditions as shall be mutually agreed upon. For the period of operation by the United States of the Haines-Fairbanks pipeline, the United States, if requested by Canada, will continue to operate and maintain the three-inch pipeline between the point of connection referred to above and Whitehorse. In the operation of both the Haines-Fairbanks pipeline, and the three-inch pipeline between the point of connection and Whitehorse, and the storage facilities at Whitehorse the United States undertakes:

(a) to give assurance of equal consideration to Canadian defense requirements with those of the United States;

(b) to make available at the request of Canada, on reasonable terms to be mutually agreed upon, the use of these installations to meet Canadian civil needs as military requirements permit.

6. Understanding regarding disposition of title to rights in existing pipelines in northern British Columbia and Yukon Territory

Nothing in this agreement shall add to, or subtract from, the existing agreements between Canada and the United States regarding the disposition of existing pipelines (see below) except as provided in paragraph 5 and 7 of this agreement.

NOTE: Exchange of Notes of June 27 and 29, 1942; [1] Exchange of Notes of August 14 and 15, 1942; [2] Exchange of Notes of June 7, 1944; [3] Exchange of Notes of February 26, 1945; [4] Exchange of Notes of December 21, 1945 and January 3, 1946.[5]

7. Disposition of four-inch pipeline from Skagway to Whitehorse

In the event that notice is given by the United States of the termination of operation of the existing four-inch pipeline between Skagway and Whitehorse, the United States will transfer to Canada, if requested by Canada, without compensation, any equity which it may have in that part of the pipeline located in Canada and, to the extent that it lies within the power of the United States, will undertake under such terms and conditions as shall be mutually agreed upon, to make available for use by Canada that part of the four-inch pipeline from the Canadian border to Skagway as well as the terminal and pumping facilities at that port.

8. Construction

(a) Canadian contractors will be extended equal consideration with United States contractors in the awarding of contracts, and Canadian contractors and United States contractors shall have equal consideration in the procurement of materials, equipment and supplies in either Canada or the United States.

(b) Any contractors awarded a contract for construction in Canada will be required to give preference to qualified Canadian labor for such construction in Canada. The rates of pay and working conditions for all labor employed in such construction will be set after consultation with the Canadian Federal Labor Department and will be not less than in accordance with the Canadian Fair Wages and Hours of Labor Act of 1935.

(c) Canadian materials will be used on the Canadian portion of the line as far as feasible.

(d) Canadian law (e.g. tax laws, labor laws, workmen's compensation, unemployment insurance, etc.) will apply.

(e) Subject to the agreement of the appropriate Canadian authorities, the United States may be granted permission to use, without charge, timber, gravel, and other construction material on Federal Crown lands; these materials to be used only for construction in Canada.

(f) The United States will be responsible for the satisfactory disposal of any construction camps and materials abandoned in Canada after completion of the pipeline.

(g) Canada will take the necessary steps to facilitate the admission into the territory of Canada of such United States citizens as may be employed on the construction or maintenance of the pipeline, it being understood that the United States will undertake to repatriate at its expense any such persons if the contractors fail to do so.

9. Maintenance

Qualified Canadian civilian labor will be used as far as feasible for the maintenance by the United States of the section of the Haines-Fairbanks pipeline within Canada.

10. Non-transferability of Rights

Rights granted by Canada under this agreement are granted to the United States and may not be transferred or alienated by the United States to any person or corporation without the express consent of Canada in advance in writing.

11. Supplementary Arrangements and Administrative Agreements

Supplementary arrangements or administrative agreements between authorized agencies of the two Governments may be made from time to time for the purpose of carrying out the intent of this agreement.

12. Telephone and Telegraph Facilities

This agreement contemplates that communications facilities may be erected, operated and maintained at the expense of the United States, located within or reasonably near the right-of-way, under terms and conditions to be mutually agreed, for use solely in the construction and operation of the pipeline.

13. Claims

The United States undertakes to make reasonable provision for the disposition of claims and for the satisfaction of any proper claims arising out of damage or injury to persons or property occurring in the territory of Canada in the course of, or in connection with, the construction, maintenance or operation by the United States of the pipeline or of any of the works herein provided for.

The Canadian Secretary of State for External Affairs to the American Chargé d' Affaires ad interim

DEPARTMENT OF
EXTERNAL AFFAIRS
CANADA

OTTAWA, *June 30, 1953.*

No. D–180

SIR,

I have the honour to acknowledge receipt of your Note No. 288 of June 30, 1953, proposing certain conditions which should govern the installation on Canadian territory of a section of an oil pipeline from Haines to Fairbanks, Alaska, passing through Northwestern British Columbia and the Yukon Territory, to be constructed, owned, and operated by the Government of the United States of America in the mutual defence interest of both countries.

I am pleased to inform you that my Government approves the United States proposal for constructing the pipeline on the terms and conditions annexed to your Note, and the granting, for this purpose, of an easement for the pipeline through Canadian territory. To facilitate the carrying out of this proposal, the Government of British Columbia, by Order-in-Council No. 1071 of May 2, 1953 (copy of which is attached), has made available by transfer to the Government of Canada the administration and control of the land required for the right-of-way of the pipeline through that Province. The Canadian Government, for its part, has approved, by Order-in-Council No. P.C. 1953/763 of May 13, 1953 (a copy of which is attached), the transfer of administration and control of this land subject to the conditions stipulated by the Government of British Columbia, and at the same time has given the Government of British Columbia an undertaking, in a letter dated May 16, 1953 (a copy of which is attached), to carry out a subsequent survey to comply with the Land Registry Act of British Columbia.

Accordingly, in agreeing to the conditions proposed in your Note, my Government stipulates that this agreement is governed by the conditions prescribed by the Government of British Columbia in Order-in-Council No. 1071 of May 2, 1953, with respect to the land required for the right-of-way through that

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[1] Executive Agreement Series 386; 57 Stat. 1413.

[2] EAS 387; 57 Stat. 1416.

[3] EAS 416; 58 Stat. 1384.

[4] Treaties and Other International Acts Series 1695; 61 Stat., pt. 4, p. 3677.

[5] TIAS 1565; 60 Stat. 1930.

Province, and that all obligations incurred by the Government of Canada towards the Government of British Columbia in accepting responsibility for the administration and control of the land in British Columbia shall be fulfilled by the United States Government as the user of the land, with the exception of that set forth in paragraph 7 of the British Columbia Order-in-Council. It is not at present apparent what financial responsibility may be assumed by the Government of Canada in making an exception regarding paragraph 7 of the British Columbia Order-in-Council, but, in the event that liability should be incurred, the Government of Canada would except sympathetic consideration by the Government of the United States of any representations regarding reimbursement.

I propose that your Note No. 288 of June 30, 1953, this reply, and your Note accepting the above stipulations with respect to the section of the pipeline passing through British Columbia, shall be considered by our Governments to constitute an agreement to be known as the "United States-Canada Haines-Fairbanks Pipeline Agreement" stipulating the conditions of the construction, ownership and operation by the United States of the section of the pipeline within Canada.

Accept, Sir, the renewed assurances of my highest consideration.

L. B. PEARSON,
Secretary of State for External Affairs.

DON C. BLISS, Esquire,
Chargé d' Affaires, a.i.,
Embassy of the United States of America,
Ottawa.

"I hereby certify that the following is a true copy of a Minute of the Honourable the Executive Council of the Province of British Columbia, approved by His Honour the Lieutenant-Governor on the 2nd day of May, A. D. 1953.

(sgd) R. A. PENNINGTON,
Deputy Provincial Secretary.

TO HIS HONOUR
THE LIEUTENANT-GOVERNOR IN COUNCIL:

The Undersigned has the honour to recommend that by and pursuant to subsection two of section sixty-six of the "Land Act", c. 175 of the Revised Statutes of British Columbia, 1948, the administration, control and benefit of certain Crown lands required for the works and undertaking hereinafter referred to, namely,

ALL those certain parcels or tracts of land situate in that part of Cassiar Land District lying between the Yukon and Alaska boundaries described as:

(1) A strip of land extending twenty-five feet on each side of the centre line of the proposed pipeline as indicated in red on the attached plan and shown in greater detail on the plan on file in the Department of Resources and Development at Ottawa, and in the Department of Lands and Forests at Victoria, entitled Products Pipeline System, Haines to Fairbanks Alaska, drawings Numbers 78-15-01 purporting to have been made by the Fluor Corporation Ltd., of Los Angeles, California, and drawn by Frank Morejohn on April 30, 1952 for the United States Department of the Army, Corps of Engineers, and approved by the Chief Engineering Division on June 13, 1952.

(2) All that land described within the following boundary: From Mile Post 48, Haines Cut-Off Highway S 57° —06′ E, a distance of 270′, to a point of beginning; thence N. 32°—54′ E, a distance of 800′ to a point; thence N 57° —06′ W, a distance of 1300′ to a point; thence S 32°—54′ W, to the 1300′ to a point; thence S32°—54′ W, to the East Bank of the Klehini River; thence S. E. along said bank a distance of 1300′ more or less to a point formed by the intersection of a line S 32° —54′ W from the point of beginning and the N. E. Bank of the Klehini River; thence N 32° —54′ to the point of beginning; EXCEPTING therefrom all that portion within the Right-of-Way for the Haines Cut-Off Highway,

be transferred to Her Majesty the Queen in right of Canada, subject to the following provisions and restrictions:

(1) The said lands are to be used by the Government of Canada, its licensees or grantees, for the laying down, construction, operation, maintenance, inspection, alteration, removal, replacement, reconstruction and repair of one or more pipelines, together with all works necessary for an undertaking for the carriage, storage and handling of oil and by-products thereof, including without limiting the generality thereof, all such pumping and other stations, structures, communication systems, pole-lines, drips, valves, fittings and meters as may be necessary or convenient in connection therewith (all of which pipeline works and other things are hereinafter referred to as installations.)

(2) The Government of Canada, its licensees and grantees shall have the right of ingress and egress to and from the said lands over other Crown lands as long as they are not sold or otherwise disposed of for all purposes necessary or incidental to the undertaking.

(3) The said lands shall be used by the Government of Canada, its licensees and grantees for the purposes set out in paragraph one hereof and for no other purpose.

(4) The administration, control and benefit of the said lands shall be retransferred to the Government of British Columbia two years after the said lands have ceased to be used by the Government of Canada, its licensees or grantees for the purposes set out in paragraph one hereof.

(5) Subject to the rights hereby transferred, the Government of British Columbia shall, at all times, be entitled to the administration, control and benefit of the aforesaid lands and to dispose of the aforesaid lands.

(6) The said pipelines shall be buried, insofar as it is practicable and reasonable so to do, where they cross highways, traverse settlements or interfere with drainage or ordinary cultivation of the land and in particular and without restricting the generality of the foregoing, shall be buried as specified on the plan on file in the Department of Resources and Development at Ottawa, and in the Department of Lands and Forests at Victoria, entitled Products Pipeline System, Haines to Fairbanks Alaska, drawings Number 78-15-01 purporting to have been made by the Fluor Corporation Ltd., of Los Angeles, California and drawn by Frank Morejohn on April 30, 1952, for the United States Department of the Army, Corps of Engineers, and approved by the Chief Engineering Division on June 13, 1952: Provided that the Minister of Lands and Forests of British Columbia may at any time require the Government of Canada, its licensees or grantees at their own cost to bury the remainder of the said pipeline or any part thereof when in the opinion of the Minister it is necessary for, or by reason of, the development of the adjoining areas.

(7) The Government of Canada shall at all times wholly indemnify the Government of British Columbia from all loss, damage, injury and expense to which the Government of British Columbia may be put by reason of any damage or injury to persons or property caused by pipes or works belonging to the Government of Canada, its licensees or grantees, or by any oil or any other substance being carried in the said pipes or works, as well as against any damage or injury resulting from the imprudence, neglect or want of skill of any agent of the Government of Canada, its licensees or grantees, in connection with the laying, maintenance, renewal or repair of the said pipes or the use thereof, unless the cause of such loss, cost, damage, injury or expense can be traced elsewhere.

(8) At any time before the administration, control and benefit of the said lands are retransferred to the Government of British Columbia, as required by paragraph four hereof, the Government of Canada, its licensees and grantees may remove the installations from the said lands, restoring the premises to their original condition as far as practicable in the opinion of the Minister of Lands and Forests. Any installation which is not removed prior to the said retransfer shall become the property of Her Majesty in right of British Columbia.

(9) The Government of Canada, its licensees and grantees performing and complying with the provisions and restrictions hereof, shall hold and enjoy the rights, liberties, privileges hereby provided for without hindrance, molestation or protestation on the part of the Government of British Columbia, subject, however, to all provisions and restrictions herein contained.

(10) Nothing herein contained shall be deemed to vest in the Government of Canada, its licensees or grantees, any right to timber, minerals, ores, metals, coal, slate, oil, gas or gasses, or other minerals in, on or under the aforesaid lands except only the parts thereof that are necessary to be dug, carried away or used in the construction of the works of the Government of Canada, its licensees and grantees.

(11) Crown timber on the aforesaid lands used or destroyed by the Government of Canada, its licensees or grantees, shall be paid for at a stumpage rate to be fixed by the Minister of Lands and Forests: Provided, however, that notwithstanding the foregoing the Government of British Columbia may dispose of timber on the aforesaid lands under the provisions of the "Forest Act".

(12) This transfer is made and accepted subject to prior rights existing in favour of third parties, if any.

(13) The Minister of Lands and Forests of British Columbia may at any time require the Government of Canada its licensees or grantees, to relocate the said pipelines to facilitate the construction, reconstruction or relocation of any work provided, however, that the cost of relocating the said pipelines shall be borne by the Government of British Columbia, such costs to be determined by the Minister of Public Works of British Columbia, and provided further that such relocation will not unreasonably interfere with or impede essential military operations or maintenance of the pipeline.

(14) The Minister of Public Works of British Columbia may at any time direct and require the Government of Canada, its licensees or grantees, to permit construction upon, along or across the pipelines, of any highway, private road, railway, irrigation ditch, drain, telegraph, telephone or electric power line or any pipeline provided such construction will not unreasonably interfere with or impede essential military operations or maintenance of the pipelines.

(15) The Minister of Lands and Forests of British Columbia, or any person authorized by him, may at all reasonable times, until the administration, control and benefit of the said lands are retransferred to the Government of British Columbia, enter upon the said lands to determine that the provisions and restrictions hereinbefore set forth are being fully complied with.

The undersigned further has the honour to recommend that the Order-in-Council of October 7, 1952, purporting to grant a right-of-way easement to Her Majesty in right of Canada under section seventy-one of the "Lands Act" be revoked and that a certified copy of the Minute, if approved, be forwarded to the Registrar, Land Registry Office, Prince Rupert, British Columbia, and the Minister of Resources and Development of Canada.

COPY

P.C. 1953–763

PRIVY COUNCIL

CANADA

At the Government House at Ottawa
Wednesday, *the 13th day of May, 1953.*

PRESENT:

His Excellency the Governor General in Council, on the recommendation of the Minister of Resources and Development, is pleased to accept and doth hereby accept on behalf of Her Majesty in right of Canada the administration, control and benefit of those certain parcels or tracts of land situate in the Cassiar Land District of the Province of British Columbia more particularly described in the annexed copy of an Order of the Lieutenant-Governor in Council of the Province of British Columbia numbered 1071 and dated May 2, 1953, the said administration, control and benefit of the said parcels or tracts of land having been transferred to Her Majesty in right of Canada by the said Order of the Lieutenant-Governor in Council subject to the provisions and restrictions set forth therein, the present acceptance being also subject to the said provisions and restrictions.

(sgd)) J. W. Pickersgill,
Clerk of the Privy Council.

The Minister of Resources & Development.

Ottawa, *May 16, 1953.*

Honourable W. A. C. Bennett,
Premier of British Columbia,
Victoria, B.C.

Dear Mr. Bennett,

By virtue of the provisions of British Columbia Order in Council P.C. 1071 of May 2, 1953, the administration, control and benefit of certain parcels of land described in paragraphs 1 and 2 on page 1 of the above mentioned Order in Council were transferred to Canada subject to certain provisions and restrictions.

As requested by the Province of British Columbia, the Government of Canada undertakes to deposit a plan in the proper Land Registry Office of the rights of way for the pipeline and the station at Mile Post 48, based upon a survey made in accordance with the Land Registry Act and the regulations of the Surveyor General of British Columbia. Such plan and the survey upon which it is based will redefine the lands granted by P.C. 1071 and the description therein made will in all respects thereafter establish, govern and define the rights of way whether or not the boundaries and lines fixed by the survey and plan coincide with the description of the land as defined in P.C. 1071.

It is understood that the survey will be made and the plan deposited within one year after completion of the pipeline, and that as soon as practicable thereafter the Government of British Columbia will by Order in Council substitute for the definition given in P.C. 1071 paragraphs 1 and 2 of page 1, the description of the land as defined by the survey and plan.

Yours sincerely,

Robert H. Winters

The American Charge d'Affaires ad interim to the Canadian Secretary of State for External Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

Embassy of the
United States of America
Ottawa, June 30, 1953.

Excellency:

I have the honor to refer to my Note No. 288 of June 30, 1953 and to your Note No. D–180 of June 30, 1953 in reply, concerning the proposal for the construction by the Government of the United States of America of an oil pipeline installation from Haines to Fairbanks, Alaska. I am pleased to inform you that my Government accepts the stipulations stated in your Note with respect to the section of the right-of-way for the pipeline passing through British Columbia.

My Government further agrees with your proposal that my Note No. 288 of June 30, 1953, your reply of June 30, 1953, and this Note, should be considered by our Governments to constitute an agreement to be known as the "United States-Canada Haines-Fairbanks Pipeline Agreement" covering the conditions of construction, ownership and operation by the United States of the section of the pipeline within Canada.

Accept, Excellency, the renewed assurances of my highest consideration.

Don C. Bliss

His Excellency
The Honorable
Lester B. Pearson,
Secretary of State for External Affairs,
Ottawa.

Mr. JACKSON. Mr. President, I want to make one other statement before I conclude.

Yesterday there was a good deal of discussion by the sponsor of the amendment concerning the need to protect the "integrity" of the National Environmental Policy Act and to act in accord with the "spirit" of the act.

It was also stated that:

> There are also some who would wish to see Congress go on record now as declaring the environmental impact statement completed thus far on the trans-Alaska pipeline as adequate, and remove the courts and the Congress from any further consideration of this issue.

I think it should be pointed out that the pending amendment does purport to exempt the decision to grant the right-of-way, whether for a Canadian route or an Alaskan route, from the requirements of the National Environmental Policy Act—NEPA.

Furthermore, the exemption attempt is made in a very awkward, back door fashion. The amendment avoids mentioning NEPA specifically. Nevertheless, the act contemplates, and the statement of its sponsor specifically states, that the granting of the pipeline right-of-way will be final; that any opportunity for judicial review will be foreclosed; and that the Secretary of the Interior will not be required to prepare an environmental impact statement to cover whatever new route might be chosen.

A couple of matters need clarification.

First, if the sponsors of the amendment intend in fact to exempt the pipeline decision from NEPA, the language of the amendment should so state. Without such a statement, I believe no exemption is in fact made.

Section 209 of the amendment apparently assumes that the grant of the right-of-way, "pursuant to congressional mandate" is in some way an exemption. In fact, and in law, it is not. There have been many cases where the Congress has authorized and directed a Secretary of a Department to perform an act and the Courts have uniformly held that the performance of the act—building a road, a dam, or whatever—is subject to the requirements of NEPA.

At best, the congressional mandate will be weighed by the courts as a factor in favor of issuance of the pipeline permit; at worst, the finding will be ignored.

In fact, there may be more litigation and more delay over the question of what is the legal effect of the congressional mandate, than there might be if the litigation concerning the impact statement itself were simply allowed to run its course.

Second, section 209 of the amendment deals only with the issuance of rights-of-way by the Secretary of the Interior. Other Federal actions which are or may become necessary to the construction and operation of the pipeline could be subject to suits concerning whether they are "major Federal actions" requiring further impact statements. For example, might Corps of Engineers permits to allow the pipeline to cross navigable streams require impact statements? Should stocks need to be issued, might the SEC be required to file an impact statement? In the case of the marine leg of the Alaska pipeline, additional licenses and permits by other Federal agencies, particularly the Corps of Engineers, could be challenged as requiring impact statements. Undoubtedly, a valid statement for the pipeline permit would be found by the courts to be adequate for the other Federal actions, but not necessarily before valuable time is lost.

Third, if the pending amendment does not exempt the pipeline—whether Canadian or trans-Alaska—from the requirements of NEPA, this will mean, in the case of an Alaska pipeline, a delay in the process of determining whether compliance with NEPA has, in fact, been accomplished until after the studies contemplated by the amendment are completed, and, in the case of the Canadian line, a delay of 2 to 4 years more.

I would like to know what the position of the senior Senator from Minnesota is on, a NEPA exemption?

Does he intend to grant an exemption?

If not, how can it be contended that his amendment will lead to a final decision, and that there will be no further litigation?

Mr. President, at this time I yield to the distinguished Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I commend the Senator from Washington, the chairman of our Committee on Interior and Insular Affairs, for the depth of his remarks, and for the insight that he has into the subject of pipelines and transporting domestic crude oil from Alaska to the lower 48 States. I compliment him for the detail with which he cited and examined a difficult situation and came to very reasonable conclusions.

Oklahoma, my own State, is in the Midcontinent marketing area for petroleum products. Chicago is the center and main market for Oklahoma crude oil. Many pipelines to Chicago begin in Oklahoma, or pass through Oklahoma. A Canadian line bringing oil to the Chicago area is more beneficial from a regional point of view than an Alaskan line bringing oil to the west coast.

I notice that 10 of the 18 sponsors on S. 1081, as shown on the bill, have a regional interest, representing States in the Chicago area. Most of the remainder are from the Northeastern part of the country, and they, too, appear to have a regional interest. And of course, a regional consideration is important; but

I believe that there are considerations other than geography and marketing area that are likewise important. I believe other considerations are compelling.

This amendment, if passed, would unnecessarily delay the Alaskan pipeline at least 1 year, and I do not think that is a sound rationale. It is important to have the additional oil in this country as soon as possible. Domestic oil is needed everywhere, and on the west coast as well as the Chicago-Mid-American area. One day's unnecessary delay provides that much more economic and blackmailing clout in the hands of the Middle East countries over this Nation.

This amendment, if successful would unnecessarily delay domestic oil reaching the 48 States by 3 to 5 years. Either a delay of 1 year or 3 to 5 years is unnecessary and inexcusable. It would increase our balance of payments deficits by $1 billion to $2 billion, by importing additional crude oil to offset the domestic crude oil, or it would create a shortage of about 2 million barrels per day. It would invite the OPEC nations to increase prices, because it would be showing a disinterest in our own plight. A recent $1 increase in the price of foreign oil—which incidentally is about a dollar above domestic crude at the present time—represents a $2.2 billion per year additional balance of payments deficit.

The Mideast nations know the seriousness of our situation better, perhaps, than our own citizens. They know that up to this point, Congress has not had the courage or the determination to take one single step toward solving the energy crisis. Many foreigners are of the opinion that we just plain are not concerned enough to solve basic shortage problems in our energy requirements.

This amendment, if it passes, by its delay would tell the world in banner headlines that we do not believe there is any true, genuine urgency or concern about the so-called energy crisis. It gives support to the claims from some sources that the energy shortage is a hoax. But Mr. John Winger, of the Chase Manhattan Bank, says that by 1976 the balance-of-payments deficit for this country because of importing foreign oil will amount to $17.5 billion. This is a 200-year birthday present for ourselves. We will import, he says, 50 percent of our crude oil by 1976. In my judgment, we are in deep trouble, and we are doing nothing about it.

We do not use our own domestic oil, and it makes no sense not to use it. We should use it at the earliest possible opportunity.

S. 1081 is the first opportunity for the Senate to do something about it. But S. 1081 is only one step of many steps that we must take, including:

Siting powerplants and refineries.

Siting offshore deep water ports.

Balancing environmental needs for energy to control pollution with human needs for progress, a higher standard of living and better health care.

Increasing tax incentives for exploration and development of our energy resources.

A sound Government research and development program.

Deregulation of the price of gas at the wellhead.

Removal of any price ceilings which are counterproductive to an increased supply of energy.

The Alaska pipeline, contrary to the belief of some people, is not a panacea. Its benefits of 2 million barrels per day of oil reaching the 48 States, when it does, will be more than offset by the environmental requirement of a greater amount of energy to control pollution.

In other words, the environmental requirements will need more energy to control pollution than the Alaskan pipeline will provide.

It is interesting that 1973 Pinto gasoline consumption with the new emission control equipment compares with a 1966 Cadillac in gasoline consumption.

The Alaskan pipeline is ready to go. The pipe is on the ground in Alaska. The engineering has been done. The financing has been arranged. The supply of crude oil has been contracted for and the whole project is well on its way.

As to the Canadian pipeline, there are no appplicants for the pipeline, but it is assumed that some of the same ones would be those who are applicants for the Alaskan pipeline, who obviously prefer and think that the Alaskan pipeline is superior.

There is no financing for the Canadian route. That will take considerable time. It is longer and it is more expensive. The companies who might be applicants for the Canadian route would not order the pipe in advance, as, of course, has been done for the Alaska route, so there would be a delay and it would be difficult to measure this in the amount of time necessary, after final approval, for a Canadian route and how long it would take for the pipe to be ordered and then to be shipped and put in storage on the site. This could cause a long delay.

The engineering is lacking for the Canadian route. There is no guarantee that Canada would permit it. Canada is not a 51st State of the United States.

Some proponents of the Mondale amendment say that we really have not talked with Canada; but we have talked with them. We do so continually. According to sources in the State Department, we had a serious talk with Canada in 1969 on energy requirements and specifically discussed a pipeline route through Canada. No agreement was reached at that time, nor have we been able to reach an agreement since.

Today, the Canadian Government says that at the end of this year, they may—I repeat, they may—be ready to look at applications for pipeline routes through Canada. People such as Joe Green, former Minister of Mines, and other officials, have made and will undoubtedly make in the future friendly and optimistic statements concerning a line through Canada, but they do this as private citizens and not as officials of the Canadian Government.

It is very obvious that we do need a treaty for a pipeline through Canada. As the distinguished chairman stated in some detail a few minutes ago, in 1970, the Defense Department, the Office of Emergency Preparedness, and the State Department, agreed and established a peril point, or a war line, by stating that we should limit our imports of oil from the Eastern Hemisphere to no more than 10 percent of our total oil consumption.

In other words, it was United States policy then that our national security would be threatened if more than 10 percent of our imports came from the Middle East.

We are now importing from them approximately 15 percent. This rate is increasing daily. The delay in building the Alaska pipeline will increase that figure more than it would otherwise.

John Winger stated, as I mentioned earlier, that we would be importing by 1976, 50 percent of our oil, and a big share of that would have to come from the Middle East because Saudi Arabia and Iran are nations—particularly Saudi Arabia—which have a large potential for increased production if they would want to ship it to us. This amendment would aggravate an already impossible situation.

A vote, in my opinion, for the Mondale amendment would be a vote to jeopardize further the national security interests of this country.

I cannot put advocating a better supply of oil into my State of Oklahoma ahead of this Nation's security and its economy, but if we do not build the quickest line to our domestic supplies of oil in Alaska, and take many of the other steps I have outlined, we will be in real trouble. We will either go broke buying foreign oil, if it is available to us, or we will suffer such large shortages that our national security will be in jeopardy.

This is therefore no time and no place for regionalism, whether it be for Oklahoma, Minnesota, Illinois, Wisconsin, Maine, Massachusetts, or any other State.

This is no time to risk our national security and our economy.

This is not the time for a pig-in-a-poke proposal. It is the time to put Americans and America first.

Mr. FANNIN. Mr. President, the editorial page of today's Wall Street Journal carries a perceptive analysis of the issues we are now discussing in relation to S. 1081, the envronment and NEPA, antitrust question, the energy crisis, regional petroleum demands, the balance of payments situation, and others. I was pleased to note that, while acknowledging the validity and seriousness of these issues, the Journal concluded that—

> Whatever the problems with the Alaska route, . . . the alternatives are worse. As far as North Slope oil is concerned, it's time to pipe it down.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PIPING DOWN ALASKA'S OIL

With any reasonable display of responsibility from the Senate, the interminable controversy over the Alaska pipeline may finally come to some sort of resolution in coming days. Senator Henry M. Jackson has a bill on the floor removing the latest obstacle to the long-delayed pipeline, an appeals court decision that the width of the right-of-way violated the Federal Mineral Leasing Act of 1920. The bill is currently scheduled for a vote next Tuesday.

Unfortunately, though, this bill to iron out technicalities has become a vehicle for debate on the whole range of pipeline issues. If responsibility falters, the effect could be to delay production of Alaskan oil until everything about national pipeline policy is absolutely settled, or in other words, forever. In view of the present domestic energy shortfall and the balance of payments and national security problems raised by increased oil imports, it would seem reasonable for the Senate to instead resolve these issues in favor of the quickest possible production of Alaskan North Slope oil.

The pipeline debate has gone on so long, however, that it seems to have a life of its own, above and beyond reason. The original Trans-Alaskan pipeline proposal had the misfortune of coinciding with passage of the National Environmental Policy Act of 1969 (NEPA), which gave conservationists apparently infinite means for delaying projects they didn't like. The oil companies appear to have aggravated the situation by failing at first to take environmental objections seriously.

When the Alyeska pipeline backers finally agreed to accept these demands, at great expense, they encountered an entirely new set of objections, based on regional oil needs. Midwestern politicians are now the main proponents of a route across Canada, which would deliver North Slope oil to refineries in Chicago instead of the West Coast.

The arguments on all sides have been marked by inconsistency and shifting ground, to the point that the environmental objections have seemed like a mask for the regional tug-of-war, and the regional arguments have looked like a cover for conservationist obstruction.

The oil companies themselves have been so unconvincing that Senator Jackson has doubts that the original trans-Alaska route was the best possible decision. Yet no matter where the pipeline goes, it will alter the natural environment, and no matter where it ends, the oil will be needed. The issue boils down to the fact that, while the trans-Canada Mackenzie Valley route will require at least another two years for preliminary ground surveys, land purchases, native claims settlements, Parliamentary and provincial political dickering, and the like, Alyeska construction is ready to begin immediately.

This construction has already been delayed four years, and the United States is paying in more ways than one. The balance of payments situation will be worsened by the imports needed to compensate for the up to 2 million barrels a day that could be coming out of Alaska. But a greater and immeasurable loss, in terms of long-range planning, is ready knowledge of just how much oil Alaska can provide. Since a period of concentrated drilling, which produced a firm estimate of 9.6 billion barrels in Prudhoe Bay proven reserves, exploration has almost ceased. Some geologists believe that North Slope resources will ultimately amount to three to ten times that figure. Alaska might indeed produce enough oil to justify a second, or even a third pipeline and substantially reduce dependence on foreign imports. But there is no way of knowing for sure until completion of the first one makes it feasible to resume exploratory drilling.

Yet a whole new set of objections, this time based on antitrust, has been coming up this week. Most pipelines have historically been built by the oil producers, and their critics argue this gives them oligopoly control of the market at the other end. Since Alyeska would continue this practice, Senator Floyd Haskell has framed an amendment that would require all oil majors everywhere to divest their pipelines interests. If Senator Haskell wants to debate this issue, he ought to bring it forward as a separate bill. Surely the nation should not be deprived of Alaskan oil until this volatile an issue is finally settled.

Likewise, a minimum of delay ought to be the goal in handling the vexing environmental impact statement question. Since this device has been the main means of blocking the pipeline, some Senators want to legislate an end to this particular NEPA-based suit. Senator Jackson, who originated the idea of an impact statement, opposes creating a special exemption as a precedent that could blow holes in NEPA. We would certainly agree that the whole idea of environmental impact statements should not be thrown out the window now that the nation has come all this way, and conceivably a one-shot exemption could lead to its own round of litigation. But if an exemption is not granted, some other way should be found to expedite a decision, perhaps somehow forcing the courts to speed the case, or revising the Environmental Policy Act itself to place a limit on the endless lawsuits it now invites.

If worst comes to worst and further delays crop up, Senator Jackson warns that he would prefer to have the government take over the whole project. We hope this is more of a threat than a serious proposal. Certainly, conservationists might have second thoughts about a challenge when they realize that if private industry can't trample the tundra, the government will. Whatever the problems with the Alaska route, this proposal indicates that the alternatives are worse. As far as North Slope oil is concerned, it's time to pipe it down.

DELAYS IN ALASKAN OIL PRODUCTION DEPRIVE AMERICAN CONSUMERS OF NATURAL GAS

Mr. FANNIN. Mr. President, the potential impact on U.S. gas consumers of actions affecting the development of Alaskan oil and construction of the trans-Alaska pipeline is brought out in a letter from the president of the American Natural Gas Service Co. I ask unanimous consent that his letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

American Natural Gas Service Co.,
Detroit, Mich., March 9, 1973.

Hon. Henry M. Jackson,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

Dear Senator Jackson: As a potential purchaser of large volumes of gas from the Canadian Arctic and the North Slope of Alaska, the American Natural Gas System is greatly concerned over the delays to which the Alyeska pipeline project has been subjected. The American Natural Gas system is the largest supplier of gas to Michigan and Wisconsin, including the metropolitan centers of Detroit and Milwaukee, and serves a number of other states and localities in the Midwest.

As you know, production of gas from the Prudhoe Bay Field cannot commence until production of oil has begun since the gas is either contained in solution with the oil or in a gas cap which cannot be produced until the oil begins to flow. As a participant in a major project to construct a gas pipeline from the North Slope of Alaska to the United States, we are much concerned that further delay in construction of the Alyeska pipeline will further postpone the gas pipeline project, thereby depriving gas consumers in the United States of badly needed supplies of this vitally needed source of energy.

We therefore strongly support your efforts to provide the statutory basis for overcoming the limitation of width of right-of-way over Federal lands under the Mineral Leasing Act of 1920, as it has been interpreted by the United States Court of Appeals in the *Wilderness Society, et al.* v. *Morton*. We believe that it is essential that Congress act to enable the Secretary of the Interior to grant a right-of-way, to Alyeska of sufficient width to permit construction and operation of that vitally needed project.

However, we are concerned that S. 1081, which provides comprehensive and far-reaching standards for the granting of many new and highly complex issues which require considerable study and analysis before any such legislation is adopted. Without attempting at this time to analyze the Bill in detail, a preliminary reading indicates that it would present a number of difficult problems for gas pipelines as well as oil lines. Accordingly, we strongly urge that your Committee approve legislation increasing the width of the right-of-way that may be granted under the Mineral Leasing Act of 1920 and that the broader right-of-way legislation embodied in S. 1081 be considered separately, so that all interested parties may be heard and the matter resolved on the basis of thorough investigation and analysis of the entire problem.

If additional hearings are held in connection with this matter I respectfully request the opportunity to present a brief statement.

Very truly yours,
Arthur R. Seder, Jr., *President.*

Mr. FANNIN. Mr. President, let me refer to just one sentence in the first paragraph of the letter:

> The American Natural Gas system is the largest supplier of gas to Michigan and Wisconsin, including the metropolitan centers of Detroit and Milwaukee, and serves a number of other states and localities in the Midwest.

I say this because we want the people of the Midwest to realize that if they are going to start receiving North Slope gas, then they must support the trans-Alaska pipeline. Once we can get oil started flowing out of Alaska into the lower 48 States then the gas pipeline can be built through Canada. Certainly this gas pipeline will be advantageous not only to the Canadian Government, but also to the people of the United States whose Senators are opposing the trans-Alaska oil pipeline.

Mr. President, President Nixon has indicated his support for a trans-Alaska pipeline to transport oil to the lower 48 States. This May 24 Washington Post article indicates that a trans-Canadian pipeline would be "a valuable addition" to the Alaskan route.

I ask unanimous consent to have this article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Nixon Renews Support for Alaska Oil Pipeline

President Nixon yesterday renewed his strong support for construction of an oil pipeline across Alaska as soon as possible.

"We need the oil; we need it now. The only way to get it is to build the Alaska pipeline. That was the President's comment," Senate Republican Leader Hugh Scott told reporters after a two-hour meeting of GOP congressional leaders with Mr. Nixon at the White House.

Scott said the President believed that construction of the trans-Alaska route, to carry oil almost 800 miles from Alaska's northern slopes to the warmwater port of Valdez, should be coupled with negotiations for a pipeline across Canada.

Some environmental groups have opposed the Alaska pipeline and favor an alternate route across Canada.

The administration has opposed the Canadian route, but Mr. Nixon indicated yesterday that it would be a valuable addition if the Alaska route is built first.

The Alaska route is blocked by a court decision involving right-of-way limitations under a 50-year-old law. The administration has asked Congress to amend the law to permit construction.

DELAYS WHICH HAVE ALREADY BESET THE TAPS PROJECT ARE MORE THAN MATCHED BY DELAYS AWAITING A CANADIAN PROPOSAL

Mr. FANNIN. Mr. President, in a recent statement, the Governor of Alaska pointed out uncertainties regarding Canadian acceptance, economic feasibility, environmental desirability, and legal review problems of a trans-Canada pipeline. Governor Egan's testimony before the Senate Interior Committee provides a comprehensive comparison of the two most popular alternatives for transport of North Slope oil to the lower 48. I ask unanimous consent that the testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony of the Honorable William A. Egan, Governor of Alaska

Mr. Chairman. This morning you have two bills before you each relating to the construction of a crude oil pipeline in my state. With the concurrence of the chairman, I will deliver only a short summary of my views at this time, offering extended remarks for the record within the time permitted. S. 970 introduced by Alaska's Senators Ted Stevens and Mike Gravel would clear the technical and procedural obstacles which have blocked the construction of the Trans-Alaska Pipeline now for more than four years. Alternative measures, S. 903 and S. 1565 would authorize commencement of a new study on the feasibility of a Trans-Canadian Pipeline route to the American Midwest and give a right of way, across those portions of Alaska which are federally owned, from Prudhoe Bay to the Canadian border in keeping with the conclusion that such a route is feasible.

The assumptions implicit in the latter proposals are at odds with economic reality. The aspirations which underly such legislation, while understandable, would not be advanced but rather meet frustration through adoption of the legislation. No economic advantage will accrue to the American Midwest by blocking or delaying the Trans-Alaska Pipeline. All regions of America will be losers.

This morning, Mr. Chairman, I would like to address my remarks to some of the major errors and falicies in the argument for a Canadian alternative, but before doing so I will comment briefly on S. 970. In my heart, with the overwhelming number of Alaskans who have now suffered through years of costly procedural delay, I support the measure introduced by our Alaskan delegation. Yet my judgment tells me that, at least for the time being, a measure limited to the objective of providing for a right of way width adequate to modern pipeline construction is most likely to secure for Alaska its long sought goal and obtain for the nation early relief from its burgeoning energy shortages. Legislation which could in any way be viewed as circumventing the procedural requirements of the National Environmental Policy Act, however justifiable in the eyes of those intimately familiar with the project's history, would raise sources of opposition which in the present climate might considerably prolong consideration of the legislation.

Time itself is a compelling reason for proceeding with the TAPS project. The TAPS proposal, despite delays, is well along toward completion. Over $387 million has already been invested in the project including over $75 million in environmental studies. Detailed design and redesign work filling 29 volumes has been completed and filed as a project description with the Department of Interior. Route selection, surveying and testing has been readied for the construction phase. The procurement of pipe and equipment has been accomplished. Time consuming negotiations and agreements prerequisite to the complex financial and management arrangements, necessary to support the project, have been kept apace of circumstances. Months of study were invested in the TAPS project prior to the filing of an application. Months of subsequent review by governmental agencies have been completed. The laborious process of preparing a final environmental statement has been finished. These are all steps which would have to be duplicated, with the same potential for delay, if a Trans-Canadian line were to be undertaken.

Assuming the necessary commercial organizations would step forward to sponsor the project, delays which have already beset the TAPS project are more than matched by delays which await a Canadian proposal. Additional procedural problems arising from the more complex political and economic environment of the Canadian route suggest far greater lead time on construction.

The proposed Trans-Canadian line is, in reality three lines, each with its own problems of organization and financing; Each with its own sources of potential political and legal opposition. An American organization requiring participation along the lines of the existing TAPS group would be needed for the segment of the line in Alaska. The Canadian section would be separately organized to reflect the political and economic needs and problems of the Canadian people as well as the laws relating to foreign investment in that country. Yet further arrangements would be needed to reflect the participation of established ownership regimes in the right of way from the Canadian border south.

Of these segments, the Canadian route is the most complex. There is no reason to suppose that once the TAPS route was dead, Canadian environmental groups would embrace a Trans-Canadian line.

The construction of a line would engage troublesome issues of Canadian federalism and touch the sensitive nerve of Canadian political and economic nationalism. For the past two years or more Canadian and American authorities have been attempting to negotiate an agreement which would govern the conduct of the parties in the event that an international crisis cut off sources of imported oil upon which the two countries now depend. Dispite two years of effort, these discussions have failed to produce an agreement. Such an agreement would be but one prerequisite to an agreement to construct a Trans-Canadian Pipeline.

Alaskan aboriginal land claims cast a cloud over the TAPS project for several years until the complex Alaska Native Claims Settlement Act was finally approved by the Presidnt on December 18, 1971. The form of a Canadian aboriginal claims settlement is yet to be proposed. Over 400,000 acres on the Mackenzie River Valley route have been frozen by judicial decision in the Yellowknife, Northwest Territories court pending an initial determination of the merits of the claim at the trial court level expected on May 15.

After all levels of administrative review have been exhausted, a pipeline proposal is referred to the Canadian cabinet for consideration at the political level. Under Canada's parliamentary form of government, the party in power must depend for support on a minority party which has taken a skeptical view of the merits of Arctic pipeline development. Future political attitudes in the parliament and the government are necessarily problematic.

The time consuming complexity of the project is suggested by the comment of William P. Wilder, Chairman of the Board of Canadian Arctic Gas Ltd. Mr. Wilder, whose company has been planning a Trans-Canadian gas line for many months, made the following forecast earlier this month: "by the earliest that we can expect approvals—possibly late 1974 or early 75, Arctic Gas will have invested more than seven years and $50 million. Delivery of materials and construction will take another three or four years." In contrast to a 10–11 year minimum time frame necessary to a Canadian line, the completion of TAPS is no more than four years away. With the adoption of legislation, we can expect prompt action in the U.S. District Court on the one remaining issue, already reviewed once, the sufficiency of the environmental impact statement. Appelate review should be completed within a year. Up to three years are required for construction. Years of production would be lost in switching over from a largely completed Trans-Alaskan program to a Trans-Canadian program which has yet to jell into a specific concept. Those lost years are an unacceptable sacrifice considering the growing urgency of the nation's energy crisis.

But setting aside for a moment the critical impact of the passage of time, the Trans-Canadian route is still economically unfeasible. The economic feasibility of a Trans-Canadian line depends on a finding that the cost of transporting oil overland from Prudhoe Bay to Chicago does not exceed the cost of transporting that oil via the TAPS route to the west coast by more than the refinery price differential between the west coast and Chicago.

Because of our Nation's growing dependence on imported oil, Middle Eastern Crude will become pivotal to oil pricing in our country, and it will lay down in the United States at the Gulf Coast and at the West Coast for approximately the same cost. That means that the refinery price of crude in the mid-west will be higher than that on the West Coast to the extent of the cost of transporting that oil from the Gulf States into District 2. Walter J. Levy Associates of New York has estimated that the mid-west area covered by that district will have a net petroleum deficit by 1980 of 5,175,000 barrels per day. We estimate that economies of scale involved in shipping oil in such magnitude into the Great Lakes area will reduce the cost of transportation from the Gulf of Mexico to 20 to 25 cents a barrel. In order to be economically feasible with this price differential, a Trans-Canadian line would have to deliver oil to the mid-west at no more than 20 to 25 cents a barrel above what it would cost the Trans-Alaska system to deliver the same oil to the West Coast.

In examining transportation costs, the state has treated the tanker segment of the Trans-Alaska line from Valdez to the West Coast and the segment of a Trans-Canadian line between Edmonton and Chicago as cost equivalent though there is some evidence that the Edmonton to Chicago line will be substantially more costly. Giving the land route the benefit of the doubt and treating the two as comparable, any evaluation of the economic advantage of a route to the midwest turns on one question: whether the cost of shipping oil over a pipeline running from the North Slope to Edmonton exceeds the cost of shipping over a pipeline from the North Slope to Valdez by no more than 20–25 cents per barrel. Calculating this expense difference as a percent of value of a pipeline, we conclude that construction of a Trans-Canadian route can be no more than 20 to 25 percent above the cost of a Trans-Alaska line without losing its cost feasibility. The sponsors of TAPS have said their line will cost "more than" $3 billion. The state estimate, prepared a year ago by Tibbetts, Abbott, McCarthy and Stratton of Houston, Texas has calculated at $3.5 billion. Applying the percentage increase, an economically feasible Trans-Canadian line must be kept within a cost ceiling of $4.2 billion to $4.375 billion.

One study has come to my attention which has claimed that the Prudhoe Bay-Edmonton line could be constructed within this amount. The $3.4 billion installation costs in the study entitled "Arctic Oil Pipeline Feasibility Study 1972" was prepared in 1970–71 by a group of pipeline and general construction companies having an interest in contracting with the industry for the construction of a Trans-Canadian line. Their biases in the matter should be self-evident.

How could a cost-study for a line from Prudhoe Bay to Edmonton show a lower construction cost than an identical capacity line from Prudhoe Bay to Valdez in the face of the most obvious comparisons? The Alaskan line is 789 miles in length, the Canadian 1,738 miles. The Alaska line crosses 355 miles of continuous permafrost and 375 miles of discontinuous permafrost. The Canadian equivalent, as reported in the Mackenzie River study, is 482 miles and 918 miles, for a total of 1,400 miles of Canadian route permafrost compared with only 730 miles on the TAPS route. The Canadian route would require 22 pumping stations compared with only 12 on the TAPS route.

The basic difference which allows a cheaper cost estimate in the Mackenzie River study is the absence of environmental engineering. The Mackenzie River study ignores the environmental stipulations laid down by the Secretary of the Interior for the TAPS line.

No special environmental measures are provided for most of the 77 river crossings and 326 stream crossings necessary to the lines construction. This was a major factor in the TAPS cost estimates.

Despite almost double the amount of permafrost to be traversed by a Canadian line, the Mackenzie River study allows no greater mileage of above ground construction than the TAPS design. This cost saving it achieved by allowing a full three feet of differential settlement instead of the more cautious one foot settlement factor allowed by the Interior Department stipulations. Above ground construction is 60–75 percent more costly than the buried pipe technique.

No permanent access road such as required by Interior Department stipulations for year round pipeline maintenance and environmental and emergency access surveillance is provided in the Canadian cost estimates. Construction costs assume only a winter ice road, though inconsistent with the construction schedule assumed in the Mackenzie River study as well.

To meet environmental safety standards, a year round access road must be built and financed. By way of cost comparison, the less than 400 miles of the TAPS route, not already paralleled by highway, costs $250–300 million.

Only a two foot gravel construction pad is provided for in the Mackenzie River study while the TAPS line specifications calls for five feet under identical circumstances. The timber pilings used for above ground construction in the Mackenzie River study allow considerably shorter ground penetration with consequent savings in cost of acquisition and transporting and loss of environmental reliability. Critical among the major gimmicks reducing estimated cost, the Mackenzie River study includes a factor of 3 percent for annual cost escalations. This figure is totally unrealistic. Tibbets, Abbot, McCarthy and Stratton, who have given an independent review of the Mackenzie River study for the State, propose that 18% for the first year and 7% for each subsequent year is more in keeping with sound practice and construction realities. The Mackenzie River study also unreasonably assumes that the construction time needed for the 1,700 miles of Trans-Canadian line will be no more than the 790 mile TAPS line.

The study assumes that procurement and most contracts will be awarded even before government approvals are obtained, a most unlikely eventuality considering the history of TAPS. No allowance is given for time lost through litigation. In short, the study is self-seeking and makes no attempt to relate its calculations to the construction estimates and experience of obviously comparable projects. It is a study undertaken in a factual vacuum. Considering that on its own admission, each $50 million of underestimated costs is the equivalent of 2¢ per barrel on the tariff, the assumed margin at benefit is swiftly erased. The additional expense associated with the road alone is more than enough to make the Trans-Canadian line cost-inefficient.

In view of the total lack of practical realism in the Mackenzie River study, it makes more sense to develop cost figures from one of the two pipeline projects which have moved beyond the purely theoretical stage. The Standard Oil Company of Ohio has developed a study for the Prudhoe to Edmonton segment based on the Trans-Alaskan Pipeline cost experience but, of course, greatly reducing the per mile costs south of the permafrost zone. The capital cost projected in this study filed on April 19 with the Public Lands Subcommittee of the House Interior and Insular Affairs Committee is conservatively set at 5.9 billion dollars.

The other pipeline which has moved to the advanced planning stage is the proposal for a Trans-Canadian gas line. Gas Arctic, Ltd. has told the Canadian Government that they estimate cost of $5.2 billion between Prudhoe and the Manitoba-Minnesota border. Having in mind the fact that a gas line can be almost all buried and that an oil line has hydraulic and weight characteristics that impose engineering demands well beyond those suggested by a gas line, an estimated cost of crude oil line on 25 percent over developed costs of a gas line, the accepted rule of the thumb, also suggests a crude oil pipeline cost from Prudhoe to Edmonton in the 6–7 billion dollar bracket.

As calculations submitted for the record show, the West Coast demand for crude will be more than sufficient to absorb Prudhoe Bay production. Previous figures submitted by us as prepared by Walter Levy Associates, show a Region V deficit of 2.4 million barrels per day in 1980 to 3.4 million barrels per day in 1985. This figure has been verified by us through comparison with a current study by the Resources Agency of the State of California showing a 2.5 million barrel a day deficit for that state alone by 1985.

Much has been made of the possibility that North Slope oil would move to Japan. This simply does not make economic sense. The demand is now demonstrably there in District V. In fact, additional imports will be needed. So long as mid-east oil makes the world price at crude, it is far more profitable to ship Alaskan oil to the domestic market. At the same time, demand in the Midwest will be more than double Prudhoe Bay production. Of course the distribution of American shortages will have no influence on regional prices so long as no import restraints are imposed on a regional basis, a highly improbable policy. The world price will stay the same. Even if Prudhoe Bay production were brought to Chicago, it would not greatly affect the dominant position of imported oil in making the American market price. Actually, the Trans-Alaska Pipeline system is likely to have a more favorable effect on midwestern and eastern consumer prices than a Trans-Canadian route. The price of foreign oil is fixed, not by cost of production, but by negotiations with producing nations. The American bargaining strength fixes the price. That strength is influenced by the extent of American production and by the strength of the dollar which in turn depends upon the American balance of payments position. The TAPS line is a better route on all counts. The effect of earlier completion date on balance of payments has been noted by Federal government witnesses. Since its throughput is all American production, not mixed with Canadian, it will have a more favorable impact on balance of payments than a Canadian line as will the fact that the route will be all U.S. constructed, including the tanker portion of the route and be supported by all American investment and all American labor.

In case of national emergency, the earlier delivery and greater flexibility of the delivery system makes TAPS the superior route. Tanker transportation makes delivery to East Coast, Gulf or West Coast possible, depending upon national emergency needs.

One of the tragic features of delay on the crude oil pipeline has been the delay factor on the development of other fuel supplies for the Midwest. Consideration of the proposal for a gas line from Alaska to the Midwest, by reasons of the need for conservation of the oil resource, must await completion of the crude oil line. Delay on completion of the TAPS line has meant delay on consideration of a gas line bringing clean fuel supplies to the Midwest and accordingly the TAPS delay has exerted an upward pressure on midwestern energy costs. Measures such as S. 1565, if adopted, would deepen the natural gas shortage in the midwest and raise consumer prices in the area as the prospect of yet further delay through the imposition of additional procedures are reflected in the market place.

Mr. Chairman, you have heard from me before the price this delay has exacted on the State of Alaska. I believe the facts show that the nation and its midwestern heartland have also been losers in the delay on this project.

There is only one way to transport Alaska's North Slope oil to market that makes economic sense, and that is via the Trans-Alaska Pipeline. I urge this committee's favorable action on legislation that will allow construction of the Trans-Alaska Pipeline to get under way promptly.

Mr. FANNIN. Mr. President, this is essentially an abstract of a criticism of the Mackenzie Valley study, referred to by Mr. BAYH, which is taken from a report of the pipeline coordinating committee of the State of Alaska. It will be helpful in demonstrating the weaknesses of the report on which Senator BAYH places such strong reliance.

I will make the following arguments, as outlined below:

I. The trans-Canada pipeline cannot be completed within the time frame contemplated by the Mackenzie Valley study.

A. Steps that would have to be followed in obtaining Canadian permission in constructing a Canadian pipeline.

B. Construction time.

C. No completion before 1983.

II. The $3.4 billion cost of a trans-Canada pipeline, as set forth in the Mackenzie Valley study, is unrealistically low.

The necessarily superficial nature of the Mackenzie Valley study resulted in an estimated cost of $3.4 billion.

III. The study does not provide a reliable basis upon which a trans-Canada pipeline could be planned and an extensive amount of further study would be needed.

A. Route evaluation and selection.
1. Terrain classification.
2. Soil stability.
B. Environment.
C. Social considerations.
D. Pipeline design.
1. Side-bend design.
2. Above-ground design.
3. Thermal predictions.
4. Seismicity.
E. Construction.
1. Pipeline.
2. Stations and terminals.

3. Communications.
F. Operations and maintenance.
G. Economics.

Starting now with the first argument regarding the inadequacies of the Mackenzie Valley report:

The Mackenzie Valley study does not accurately portray the length of time required for construction of a Canadian pipeline or the cost involved; the study itself does not provide a reliable basis upon which a trans-Canada pipeline could be planned and an extensive amount of further study would be needed.

I. THE TRANS-CANADA PIPELINE CANNOT BE COMPLETED WITHIN THE TIME FRAME CONTEMPLATED BY THE MACKENZIE VALLEY STUDY

The Mackenzie Valley study contemplates the following schedule for construction of a Canadian pipeline: a lead time of one and a half years to obtain the necessary government authorization, to accomplish detailed design, to award contracts, to purchase material and equipment, and to transport them to the staging areas; a construction and start-up time of 30 months. The total time, therefore, between decision to proceed with construction and pipeline start-up was estimated to be 4 years. For the following reasons, however, the earliest that a trans-Canada pipeline could be completed would be 1983.

A. STEPS THAT WOULD HAVE TO BE FOLLOWED IN OBTAINING CANADIAN PERMISSION IN CONSTRUCTING A CANADIAN PIPELINE

The following steps would have to be completed prior to beginning construction of a Canadian pipeline:

First. As a practical matter, the possibility of constructing the trans-Alaska pipeline would have to be definitely precluded;

Second. An agreement must be negotiated between the United States and Canada with regard to construction and operation of the pipeline;

Third. An entity, or entities, to design, build and operate the pipeline must be formed;

Fourth. Financing of the pipeline must be arranged;

Fifth. A detailed route study would have to be made and technical design data compiled, which, among other things, would provide the basis for United States and Canadian consultation regarding route selection and design;

Sixth. A detailed project description of the pipeline itself and associated facilities would have to prepared;

Seventh. Application would have to be made to the Department of the Interior for rights-of-way across the U.S. public lands;

Eighth. An environmental impact statement would have to be prepared by the Department of the Interior;

Ninth. There would have to be some disposition of the Canadian Native claims;

Tenth. Application would have to be made to the Department of Indian Affairs and Northern Development—hereinafter DIAND—and public hearings held;

Eleventh. The DIAND application would have to be accompanied by a detailed social and environmental impact statement;

Twelfth. Assuming DIAND approval, application would then have to be made to the National Energy Board of Canada—hereinafter NEB—and more public hearings held; the Canadian Cabinet would have to approve the action of the NEB in certificating the pipeline;

Thirteenth. Rights-of-way would have to be obtained to cross privately owned lands;

Fourteenth. Equipment and materials would have to be procured and detailed design of the pipeline accomplished, necessary roads constructed; and

Fifteenth. Any litigation with respect to the pipeline would have to be resolved.

Detailed soil testing and mile-by-mile pipeline design has taken nearly 4 years for the Alaska pipeline. This could hardly be completed in less time for a much longer Canadian line. Detailed pipeline design is a prerequisite for construction approval by the Department of the Interior; it can reasonably be anticipated that a similar requirement would be imposed by Canadian authorities.

The Mackenzie Valley study estimated 2½ years for planning and engineering; however, this is unrealistic in light of the following areas which chapter 9 of the study delineates as requiring further study:

First. Terrain classification—Additional field work to verify and establish a satisfactory level of confidence in the air-photo interpretation technique.

Second. Soil stability—Further field work to confirm basis of evaluation.

Third. Environmental—Field work to fill in gaps in data determined largely by literature research.

Fourth. Pipeline design—Field work to establish parameters of design such as soil coefficients of friction, soil modulus, and creep properties of permafrost.

Fifth. Thermal predictions—Determination of adequate soil properties and surface temperature data to increase the reliability of the mathematical model of heat conduction.

Sixth. Seismicity—Complete data on seismic occurrences and location of fault areas.

Seventh. Construction—Further refinement and investigation of summer techniques, hydrostatic testing, pipe coatings, logistics, and availability of men, equipment, and material.

Eighth. Communications—Further investigation of controls mode: central automatic against conventional local control.

Ninth. Operations and maintenance—Further investigation of pipeline safety from soil settlement, drainage basins, and oil spill contingency plans.

Tenth. Economics—Further in-depth studies and factual data in the areas of base costs and assumptions, regional and national economic impact, and methods of financing.

Mackenzie Valley study, chapter 9: prepared testimony of Louis Ream, May 3, 1973.

The Territorial Lands Act requires that a detailed environmental impact statement be prepared before a right-of-way permit is issued or easements allowed for construction. Jean Chretien, Minister of the Department of Indian Affairs and Northern Development, indicated on March 1, 1973, that public hearings would be held under the Territorial Lands Act after the Department receives an application based on a viable project proposal and accompanied by detailed documentation of research pertaining to areas of social and environmental concern. DIAND's approval must precede the NEB application. DIAND approval would be contingent upon a prior native claims settlement. Applications before either of these boards could also be delayed by law suits such as those brought in the United States. Moreover, a national energy policy for Canada will have to be formulated before any hearings on pipeline projects will be scheduled. May 2, 1973 Hearings, at pages 80–81, remarks of Senator STEVENS.

Due to the uncertainty with regard to the time within which DIAND, the NEB and the Canadian Cabinet would act on an application for a pipeline, coupled with the large interest costs on premature investment, it would be unlikely that the entity constructing the Canadian pipeline would engage in extensive procurement and right-of-way acquisition prior to final approval. Leadtime from 18 months to 2 years could be expected with regard to such procurement, acquisition, and construction of necessary camps and roads.

B. CONSTRUCTION TIME

With regard to the actual construction time, Mackenzie Valley Pipeline Research, Ltd. indicated the construction itself might be completed in 28 months if there were no other major, competing pipeline projects in progress at the time; however, in light of the 3-year construction period which is projected with regard to the trans-Alaska pipeline, it would seem unlikely that the longer Canadian pipeline could be built within this brief time.

The construction of the 3,200-mile Canadian pipeline would take from 4 to 5 years. The Canadian route covers 1,150 miles of continuous or discontinuous permafrost, where it would be possible to build only 50 miles per spread season. Additionally, there are 600 miles in bad terrain—muskeg, and so forth—where construction would occur at the rate of 75 miles per spread season. Finally, there are 1,600 miles of near-normal terrain which would permit 100 miles per spread season. The net result is 47 spread seasons.

Assuming an ability to set up and maintain 10 spreads at the same time, the construction period for the pipeline would be at least 4½ years. This assumes that there would exist sufficient facilities to transport 650 miles of pipe each year.

C. NO COMPLETION BEFORE 1983

Consequently, the time estimates made in the Mackenzie Valley study are too low. Even though it is impossible to state definitely the time required to obtain the necessary Government authorization, the 1½ years estimated for this phase of the project would appear to be unduly optimistic, particularly in light of the necessity to appear before and have public hearings conducted by DIAND and NEB. More specifically, construction of such a pipeline once it has been designed, appropriate studies made, and approval granted, would take approximately 4½ years rather than 28 months. A Canadian pipeline could not be completed prior to 1983.

The $3.4 billion cost of a trans-Canada pipeline, as set forth in the Mackenzie Valley study, is unrealistically low.

THE NECESSARILY SUPERFICIAL NATURE OF THE MACKENZIE VALLEY STUDY RESULTED IN AN ESTIMATED COST OF $3.4 BILLION

Current estimates of the cost of a pipeline from Prudhoe Bay to Edmonton have been in the $6 billion range. Specifically, a study conducted by the Standard Oil Co. of Ohio placed the cost of a Prudhoe Bay to Edmonton oil pipeline at $5.9 billion. The engineering firm of Tippetts-Abbott-McCarthy-Stratton reviewed the Mackenzie Valley study in April 1973, and concluded that a pipeline between the producing areas of the Northern Arctic and Edmonton would cost approximately $6 billion.

Dr. Max Brewer, State Commissioner of Environmental Conservation and the former Director of the Naval Arctic Research Laboratory, Barrow, Alaska and Chief of the Arctic Ice and Permafrost project examined the capital cost estimate prepared by Tippetts-Abbott-McCarthy-Stratton. Dr. Brewer concluded that the estimate should be modified to provide for approximately 702 miles of above-ground construction on the basis that the 3-foot settlement allowed for the pipe in permafrost areas posed an extreme environmental hazard and that a 1-foot settlement would be more responsible from an environmental standpoint. If modified to reflect this change the total capital cost for a trans-Canada pipeline would be over $6.6 billion. (Moving Alaskan Oil—pages 46–47.)

Specifically, the major reasons for the unduly low estimate for construction costs of a Canadian pipeline are the following:

The Mackenzie Valley study fails to take into account either environmental protective measures to be used in a proposed pipeline or governmental review or supervision of engineering plans. The study relied very heavily on air photography, in conjunction with the development of permafrost terrain classification, to provide the basis for the preliminary planning and cost analysis. TAPS, using a similar approach in 1969, estimated that they could bury 95 percent of the trans-Alaska pipeline through permafrost areas leaving only 40 miles of pipeline to be installed above ground; however, at the behest of the Federal task force and upon actual examination of the soils along the route, the estimate was revised to include 50 percent above-ground construction through the permafrost zone. As with the trans-Alaska route, it can be anticipated that approximately 50 percent of a trans-Canada pipeline crossing permafrost areas would require above-ground construction. Statement of Max Brewer—hereinafter "Brewer"—at page 5.

It is impossible to survey a pipeline route, engineer a pipeline, determine the potential for environmental damage or estimate the actual cost of a pipeline by using aerial photography and spot check on the ground. For instance, the differential settlement to be expected in permafrost soils with segregated ice wedges or isolated ice masses can produce disastrous consequences. The estimated cost of constructing the trans-Alaska pipeline climbed from $0.9 billion to $3.5 billion largely as a result of the inadequacy of this mode of study. Brewer page 5.

The report states that—

> For some terrain conditions clayey silt would be adequate for bedding, padding, and backfill material.

This is not acceptable pipelining practice and would allow large quantities of frost heave and pipe damage prior to initiation of the pumping of hot oil. If the silt contained cobbles or sharp rocks there could also be danger from the development of excessive stress concentration. Brewer at page 6.

The free-spanning capability of the pipe was estimated at almost 95 feet. Typical above-ground configuration showed 100 feet between supports even though such a span could provide pipe deflection, or differential settlement, of as much as 3 feet, which would create serious potential for damage and failure of the pipe. (Brewer at page 6.)

The use of 2-foot gravel pads as temporary logistics roads, as contemplated by the report, would damage the environment. The report contemplates the use of only half as much gravel in the construction of a trans-Canada line as would be used for the much shorter trans-Alaska line. (Brewer at pages 6–7.)

The oil spill contingency plans which are contemplated are only fair from the standpoint of detection and rely far too heavily on throughput or daily balance measurement, weekly air patrol, and annual ground inspection. Any pipeline between Prudhoe Bay and Edmonton would cross many north-flowing rivers, including the Mackenzie River, which is the second greatest river in North America and which has a drainage basin equal to one-half that of the Mississippi and the Missouri Rivers combined. According to the report, the trans-Canada pipeline would make 77 river crossings, eight of them major crossings, and 326 stream crossings. The report does not adequately discuss the environmental problems encountered by these crossings nor does it discuss the difficult engineering problems to be expected where some of the rivers to be crossed are deeply incised. (Brewer at pages 2, 3, and 7.)

Mackenzie Valley pipeline research has not been able to obtain field studies in the Alaska section of the proposed pipeline route which would require a 14,900-foot tunnel, 16 feet in diameter, at an elevation of about 3,820 feet in the Brooks Range. It is difficult to estimate the engineering difficulties to be expected and the possible environmental effects or the cost of the tunnel with the scanty information provided in the report. (Brewer at pages 3, 4.)

The Mackenzie Valley report was only a preliminary feasibility study; this serves to explain what might be considered its major deficiencies. It is in the area of cost that some of these deficiencies have been shown to be the most telling. The actual cost of a trans-Canada pipeline would exceed the estimate contained in the Mackenzie Valley report by at least $3 billion.

III. The study does not provide a reliable basis upon which a trans-Canada pipeline could be planned and an extensive amount of further study would be needed.

Principal areas requiring further study are: route evaluation and selection, environmental effects, sociological impact, pipeline design, seismicity, construction, operation and maintenance, and economic feasibility.

A. ROUTE EVALUATION AND SELECTION

1. TERRAIN CLASSIFICATION

In order to determine the correct location and construction mode for a pipeline which is to pass through various types of permafrost, it is necessary to know what the ice content of the permafrost is along each section of the route. The best method presently known of obtaining this information is that of sampling the ground by coring. In preparing the Mackenzie Valley report there were only spot checks conducted, a total of 300 holes having been drilled at fairly regular intervals to an average depth of 20 feet, along with another 200 holes for concentrated engineering studies. This is to be compared with the over 3,000 holes that have been drilled by the Alyeska Pipeline Service Co. in order to obtain the soil and permafrost information necessary to design and engineer a trans-Alaska pipeline which is less than one-half the length of a trans-Canada pipeline.

In lieu of extensive core boring, the Mackenzie Valley study relied heavily on a terrain classification system based on conventional air-photo interpretation techniques. The air-photo interpretation technique, however, does not provide a reliable basis upon which to determine the route or the construction mode of a trans-Canada pipeline. Extensive core drilling would be necessary before any meaningful determination could be made in either of these areas (Brewer at page 4, Mackenzie Valley Study—hereafter Study—at page 107).

2. SOIL STABILITY

Further extensive fieldwork is required to establish and evaluate the stability of slopes in certain permafrost soils. Fieldwork in the area of naturally occurring slope failure should provide a significant beginning in this area of study (Study, page 107).

B. ENVIRONMENT

To date, there has not been a satisfactory study of the environmental effects of a trans-Canada pipeline, due largely to the absence of a specific route for such a pipeline. Brewer at 1; study at page 108, 109. To the extent that the study addressed environmental issues at all, it was solely from the standpoint of whether it was practical to even contemplate this sort of pipeline operation in such a rigorous climate and over such difficult terrain. Study at page 17. Conspicuously absent from consideration are such factors as the environmental consequences of crossing the Mackenzie River, which is the second greatest river in North America and has a drainage basin equal to one-half that of the Mississippi and Missouri Rivers combined. The location of such a large portion of an oil pipeline in the Mackenzie River basin poses an environmental hazard of potentially dissatrous magnitude to both the river systems, and, because of the westward set of the Beaufort Sea current to several hundred miles of the Arctic coast of northern Canada and northern Alaska. Because of this westward set and the presence of ice not too far from shore during the open water season, any oil spilled in the rivers could end up concentrated near shore, in the most biologically sensitive areas of the ocean. The study also fails to discuss the difficult engineering and environmental problems which will be encountered where the rivers to be crossed are deeply incised. (Brewer at pages 2–3.)

Before the required environmental impact statement could be prepared for filing with the Canadian Government, these and other problems of like nature will have to be studied in depth.

C. SOCIOLOGICAL CONSIDERATIONS

Northern residents would have to receive maximum benefits from pipeline construction operations. See, for example, statement of James Wah-Shee, on May 4, 1973. They must have equality of opportunity both in employment and in receipt of goods and services. Moreover, unnecessary interference with the traditional and desired way of life of certain groups of the Native people would have to be avoided. Study at page 108. Before a trans-Canada pipeline could be seriously considered, a thorough assessment would have to be made respecting Native training needs and the manner in which such training could best be accomplished—whether through existing programs, an industry-funded program, or a cooperative program. Additionally, to avoid undue sociological dislocation a study would have to be made of the lifestyles of Native groups along a proposed pipeline route, particularly when the viability of subsistence hunting and fishing might be threatened by pipeline activities.

D. PIPELINE DESIGN

1. SIDE-BEND DESIGN

Large temperature differentials will be imposed on the pipe between the time of construction and the time of maximum throughput. Consequently, large stresses would be built up at points of deflection in the pipe and, depending upon the degree of bend, it might be necessary to restrain the pipe with anchors to prevent deformation. To accurately analyze the stresses involved it is necessary to have a complete understanding of such soil properties as coefficient of friction and soil modulus. Accordingly, additional work would be necessary, largely in the form of field experiments with full-diameter pipe, in order to provide exact information for this design feature of below-ground pipe installation. Study at page 108.

2. ABOVE-GROUND DESIGN

With regard to above-ground construction, an important design criterion of the permafrost soil is the amount of creep which can be expected, which varies with ice content and with temperature. Although one series of pile tests was run at the Inuvik site and additional tests are currently being conducted in the northern Yukon, many additional tests in other areas still remain to be conducted in order to develop a comprehensive set of design limitations. Study at page 108. It should be recalled that Dr. Brewer estimated that approximately 50 percent of a trans-Canada pipeline should be above ground. Brewer at page 5.

3. THERMAL PREDICTIONS

Effective utilization of the mathematical model of the heat-conduction process to predict the rate of development and the extent of a thaw front requires knowledge of the precise amount of soil conductivity and surface temperature. Surface temperature is a function of ambient air temperature, wind, moisture, solar radiation, snow cover and the very nature of the surface itself, that is, its color, its roughness and its composition. This data would have to be collected from along the entire pipeline route. Study at page 108.

4. SEISMICITY

A complete study on seismicity and locations of fault areas along a proposed trans-Canada route has yet to be done. Study at page 108. Particularly, significant seismic risk can be expected, in the area of Fort MacPherson, in the Mackenzie Delta—Oil Week, June 4, 1973.

E. CONSTRUCTION

1. PIPELINE

Many aspects of pipeline construction need further refinement and investigation, such as summer construction technique, hydrostatic testing, automatic welding techniques, pipeline coating, logistics, and availability of men, equipment, and material. As indicated in the Mackenzie Valley study, however, the incentive for active effort in these areas is directly related to imminence of construction. The report contemplated no work in the immediate future on various aspects of main line construction. Study at page 109.

2. STATIONS AND TERMINALS

Although the knowledge derived generally from building large facilities in permafrost areas provides some background and is useful for site evaluation and selection and for foundation design, very little work specifically directed at stations and terminals for a Canadian pipeline has been done. Study at page 109.

3. COMMUNICATIONS

Since present design philosophy contemplates a discrete system which incorporates central automatic response, in place of more conventional surge facilities and local station control, adequate study of these areas cannot seriously begin until design of the pipeline is undertaken. Study at page 109.

F. OPERATIONS AND MAINTENANCE

Development of a specific oil spill contingency plan cannot be developed until a specific route is established and studies made of the drainage basin along it; however, the study does not even provide an adequate engineering basis from which an oil spill contingency plan could be developed if a specific route were to be established: the conclusions which are reached with regard to river crossings, for instance, are questionable from an engineering standpoint; the study also demonstrates a lack of appreciation of the problems associated with differential settlement. Brewer, at page 7.

These are all areas which must be studied before a trans-Canada pipeline can be even seriously considered.

G. ECONOMICS

As indicated previously, the areas of study dealing with costs of a Canadian pipeline are inadequate. Moreover, there was no attempt at a comprehensive study of regional and national economic feasibility and methods of financing. Study at page 109.

Mr. President, in concluding my remarks, I should like to explain why the Mondale amendment should be opposed. It should be opposed for the following reasons:

First. Would delay commencement of construction of Alaskan pipeline for well over a year and conceivably longer, and would delay commencement for a Canadian pipeline for 7 to 10 years.

Second. Would result in increased imports of Middle Eastern crude oil into the United States with consequent adverse impact on balance of payments and jeopardy to national security.

Third. Would tie hands of President regarding ongoing negotiations with allies regarding petroleum sharing arrangements in event of international crisis. Under Secretary of State William J. Casey wrote to Senators JACKSON and FANNIN opposing Mondale amendment generally and its export prohibition provisions specifically.

Fourth. Would restrict resolution of North Slope crude transport issue to either a trans-Canadian or a trans-Alaskan route rather than permit negotiations with Canada for a second pipeline system as provided for in the reported bill.

Fifth. Could risk U.S. dependence on Canadian Government with attendant national security problems such as increased curtailment of Canadian crude to U.S. markets and the imposition of other terms and conditions on the construction of a Canadian route more economically favorable to Canada than the United States. For example, the Canadians insist upon 51-percent Canadian Government ownership of a trans-Canadian pipeline.

Sixth. Would cost U.S. taxpayers more money for one year's study. (Note: U.S. Government costs to date of trans-Alaskan study and related expenses exceed $7 million.)

Seventh. If Canadian route would be adopted it would result in export of dollars to Canada for construction of Canadian pipeline and other expenses with consequent loss of U.S. jobs, including those of Alaskan natives.

Eighth. Would prohibit Alaskan Natives and State of Alaska from receiving royalties from production of North Slope crude for at least an additional year.

Ninth. Construction of a Canadian route would be more expensive, more environmentally damaging, and take 7 to 10 years longer than an Alaskan route; and

Tenth. Canadian environmentalists are opposed to a trans-Canadian pipeline.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time discontinue running for the remainder of the day on either the amendment pending or on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, the Alaskan pipeline has raised a purported conflict between the values of preserving our environment and increasing our energy supplies.

The legislation before the Senate today—S. 1081, the Federal Lands Right-of-Way Act of 1973—would merely allow the Secretary of the Interior to grant rights-of-way over Federal lands large enough to accommodate modern pipelines. By its own terms, it does not dispose of the question of pipeline construction. If S. 1081 is enacted in its present form, the Alaskan pipeline issue would remain at a standoff: The Secretary of the Interior would stand ready to grant a permit for construction of the pipeline across Alaska from the North Slope oil fields to the sea, but environmental groups would possibly delay construction for years by contesting its legality under the National Environmental Policy Act.

The amendment of Senators MONDALE and BAYH, which I cosponsor, would lead to a solution of this impasse next year—a solution in the form of a congressional decision on whether economic and environmental considerations point toward building the pipeline through Alaska, with oil supplies to the U.S. west coast carried by ocean tanker from Valdez; or completely overland through Canada, direct to the U.S. Midwest. To make that choice now is unnecessary and unwise because we do not have enough information to make an evaluation of the relative economic and environmental costs and benefits of the Alaskan route, as opposed to the Canadian route. And to pass S. 1081 without the Mondale-Bayh amendment would be to forego a choice—and face years more of delay in the delivery of Alaskan oil.

I am gratified that today there is no serious dispute over the principle that we must preserve the quality of our environment. When I first arrived in the Senate in 1959, we all needed educating about the need to preserve our natural resources and environment. Since then we have learned that it is important to the city dweller that the streams outside his town be clear and free; that it is important to the farmer that the air in the town or city where he markets his goods and buys his supplies be healthful and pure; and that it is important to give all Americans a sense of pride and comfort in the knowledge that the natural beauty of our land is preserved for our enrichment, for our children's wonderment. and for the well-being of future generations.

Decisions about the environment have now shifted to a critical economic plane. To agree that it is important to preserve our environment merely sets the stage for weighing these environmental values against other of our needs—our safety, security, and economic well-being. And it is in this context of balancing these competing interests that we must make a decision about alternative routes for a pipeline to transport oil and natural gas from the cold north slopes of Alaska to the homes, cars, and factories of the lower 48 States.

Some have said, Mr. President, that the Alaskan and Canadian alternatives have already been subjected to thorough analysis. But, on examination, these analyses raise as many questions as they answer. And, in the present discussion, there appears to be agreement only that there are the two alternatives that should be given serious consideration.

Supporters of the Alaskan route argue that the environmental damage of the pipeline would be minimized, while critics contend that the active earthquake belt which the pipeline would cross would pose unacceptable hazards of pipeline breakage and attendant oil spills. Critics also contend that shipping the oil by sea from the Alaskan coast would create the danger of disastrous marine oil spills, and the certainty of low-level oil pollution of the ocean and coastline. The evidence developed so far about the Canadian alternative suggests that it would be less costly to the environment, since it would avoid the dangers of marine pollution and earthquakes. But a thorough analysis of the Canadian possibility has not yet been attempted.

On environmental grounds alone, Mr. President, it is not clear which of the two routes is preferable. And against an unclear environmental evaluation, we must weigh even more uncertain economic considerations. A pipeline through Alaska would provide oil, via the sea, to our west coast; a pipeline through Canada would direct oil to the Midwest as well as to the Western States. Which would cost more? Which would be built more quickly? Which route would provide the best allocation of oil supplies? Would the Canadian Government permit a Canadian route under conditions acceptable to us? None of these questions has been answered satisfactorily.

The Mondale-Bayh amendment provides us with a vehicle for developing the comparative information needed to judge the Alaskan and Canadian options. It directs the Secretary of State to begin negotiations with Canada about the Canadian route, and report the results to Congress within 8 months. It mandates a comparative study by the National Science Foundation of the environmental, economic, and national security impact of the Alaskan and Canadian routes, also to be completed within 8 months, under today's modification. And by calling for Interior Committee reports of pipeline legislation 1 month later, and passage of the legislation 2 months after that, it would lead to a prompt final decision by Congress on the pipeline issue—after a total of 11 months.

This course, therefore, provides the best balance between two competing requirements: The requirement that we increase our oil supplies as soon as possible, and the requirement that we acquire these new supplies in the safest and most economical way available. For this reason, I urge adoption of the Mondale-Bayh amendment.

Mr. STEVENSON. Mr. President, this amendment will permit Congress to make its decision on the relative merits of the proposed trans-Alaska and trans-Canada routes. The alternative is merely to rubberstamp the administration-oil industry choice of the Alaskan route without any serious attention to the alternative across Canada.

Before embarking on a multibillion dollar pipeline across Alaska to the earthquake-prone port of Valdez and thence by tanker down the Canadian Pacific coast to the west coast of the United States, we ought to ask where the oil from the North Slope is most needed and what is the most expeditious, the most environmentally and strategically sound and the most economical way of bringing it to the U.S. consumer.

The trans-Alaska pipeline would take oil to the west coast. But the shortage is threatened in the Midwest and Eastern States. The oil industry newspaper, the Oil Daily, on May 30 acknowledged that gasoline supplies "may be more plentiful in the western part of the United States than in the eastern for the rest of—this—year." The same is true for the more distant future.

By the early 1980's approximately 2 million barrels of crude oil per day will be available for transport from Alaska to the lower 48. The trans-Alaska pipeline would divert that oil from the areas of greatest need, the Midwest and East, to those with a lesser need.

In the Midwest alone, the demand for crude oil will have reached 6 million barrels per day by 1980. Without Alaskan oil piped to the Midwest, this section of the country will require 4.45 million barrels per day from imports. Of that, 3.05 million barrels per day would come to the Midwest from Middle East oil imports, that is, 51 percent of the total Midwest oil supply. Should Alaskan oil reach the Midwest directly by a line across Canada, the 51-percent figure for imported Middle Eastern oil could be reduced to 28 percent.

The West Coast States, plus Nevada and Arizona, are expected to require by 1980 approximately 3.1 million barrels per day, 2.9 barrels per day less than the Midwest. Without Alaskan oil, 1.6 million barrels per day would be required from imported crude, with 0.7 million barrels per day—or 23 percent—required from Middle East sources. Without Alaskan oil, therefore, the Western States would require 5 percent less Middle East oil than the Midwest would require with direct delivery of North Slope oil by 1980.

A 51-percent dependency on Mideast oil for any region is dangerous. I believe a study of the trans-Canada alternative would demonstrate that it is also unnecessary and foolish. The Midwest would be starved for oil, or made dependent on undependable and increasingly expensive foreign sources, by the trans-Alaska pipeline, in order to produce oil surpluses for the western States. Based on their rate of increase in demand and their increase in supply from sources other than the North Slope, the trans-Alaska pipeline would deliver an excess of crude oil to the western States within the next two decades. On the other hand, based on similar rates of increase in demand and supply, the Midwest and East will face a shortage of close to 2 million barrels per day.

With a severe decrease in supply, the Midwest consumer will suffer an exorbitant increase in price. Already, prices of crude oil per barrel are 20 percent higher in the Midwest than on the west coast, and 25 percent higher on the east coast than on the west coast. This differential would increase considerably if the inequitable distribution of our national oil supply is made more inequitable by a trans-Alaska pipeline.

Alaskan oil would never reach the fuel-short two-thirds of the American people in the Midwest and East should the trans-Alaskan pipeline route be chosen by the Congress.

Illinois ranks in the top 10 States in total oil and gasoline consumption. Illinois is also an important oil refining State. It ranks fifth in the number of oil refineries, fourth in crude oil refining capacity, and sixth in the amount of foreign crude oil run through its refineries. In addition, there are two large refineries just outside Chicago in Whiting, Ind. These facts underscore the importance of transporting Alaskan oil directly to Illinois and the Midwest. A trans-Alaskan pipeline would make Illinois' petroleum industry, as well as its consumers, dependent upon the whims of foreign oil producers and produce oil surpluses for foreign consumers—probably the Japanese. The oil cannot be piped to the interior from the west coast, and the cost of shipping surplus oil around Cape Horn to the gulf and east coast would be prohibitive. Surplus oil from Alaska would, then, probably be shipped to Japan.

S. 1081 precludes export of Alaskan oil unless it is in the national interest. But the report of the Interior Committee on S. 1081 acknowledges that—

> Notwithstanding this expected crude oil surplus on the west coast, the owner companies indicated no clear plans for shipping Alaskan oil to other U.S. markets.

Without a delivery system to the interior and with the west coast unable to use the full production, we run the risk of future determinations that the national interest would be served by transporting the oil to Japan instead of to the Midwest. With a Canadian route, oil would flow to both the east and west coasts via the looped trans-mountain pipeline from Edmonton, Alberta, to the West and and via the inter-provincial pipeline to the East.

Time is another issue and one of the least understood. We of the Midwest, above all, want the oil brought down quickly. We need it most. This amendment will hasten construction of the pipeline. Should the Congress reject it, and then adopt S. 1081, the issue will be returned to the courts. Two years from today, we will still be awaiting a final decision in the courts on whether the Secretary of the Interior has complied with the National Environmental Policy Act by approving the trans-Alaska pipeline without exploring the trans-Canada alternative. Construction could not begin until the litigation was concluded in favor of the oil companies, and then the construction would take another 5 years or so. If the litigation was resolved against the oil companies, the study of the trans-Canada pipeline would have to begin at that late date, and construction of either pipeline would be delayed still more.

This amendment would hasten delivery of North Slope oil to the lower 48 by eliminating further environmental litigation. The amendment as modified provides that the decision of Congress 11 months from now after a study by the National Academy of Sciences would be nonreviewable by the courts. If at that time Congress authorized construction of a trans-Alaska pipeline, the construction could begin immediately. The year's study of the Canadian alternative would take less time than further litigation. If after the study, Congress approved, instead, a Canadian route, the time from the application for a Canadian permit to the date of completion is estimated at 4 years. That includes the period for consideration of the permit application by the Canadian Government. Thus, this amendment could result in completion of the pipeline in 1979—earlier than if the amendment is rejected and a trans-Alaska pipeline is thrown back into the courts. In short, the time required for the study is less than that required for the litigation—and, what is more, the decision would be based on a careful study and would assuredly serve the public interest.

Cost is another factor. The major construction cost of the trans-Canada pipeline, including pumping stations and terminal facilities, would be in the construction of a new corridor from Prudhoe Bay through the Mackenzie River Valley to Edmonton, Alberta, a distance of some 1,700 miles. In Edmonton, the existent transmountain pipeline which carries oil to Seattle and the interprovincial pipeline which carries oil to Chicago could be expanded or looped from Edmonton south at a fraction of the cost of a new pipeline corridor. At an estimated cost of $1.2 million per mile from Prudhoe Bay to Edmonton, plus an approximate $800 million in interest, the 1,700-mile route from Prudhoe Bay to Edmonton could be completed for approximately $2.9 billion. With an additional $600 million—or $450,000 per mile—for looping, the overall capital costs in 1971 dollars would approximate $3.4 billion, a figure duplicated in some estimates for the costs of the trans-Alaskan route. And, as I have already pointed out, the additional costs of transporting oil from the west coast to the interior would be substantial if not prohibitive.

The route of the trans-Alaska pipeline from Prudhoe Bay to Valdez on Prince William Sound traverses the entire length of Alaska, crossing three rugged mountain ranges and one of the world's most dangerous earthquake zones. The area which surrounds the proposed pipeline route has suffered 23 earthquakes with a magnitude of at least 6.0 on the Richter scale in the past 70 years. Add to this specter the fact that each mile of the 789-mile pipeline would contain twice the total amount of oil spilled in the Santa Barbara Harbor in 1969 and one can begin to visualize the disastrous consequences of a break in any part of the pipe. The Department of the Interior, in its impact statement, conservatively estimates that the prospect of at least one major earthquake—7.0 or greater on the Richter scale—along the southern two-thirds of the line is "almost a certainty—within the lifetime of the pipeline." In addition, the Interior Department admits that about 140,000 barrels of oil would be unintentionally discharged into the environment every year.

The Valdez terminus of the trans-Alaska pipeline is a site just 4 miles from old Valdez—old because all that still stands of the original city are the shells of a few buildings, reminders of the tidal wave which swept over Valdez in the earthquake of 1964. From this fortuitous site the oil would be transferred to as yet unconstructed supertankers. These tankers would then plow the storm-prone Prince William Sound to the Gulf of Alaska and then down 2,000 miles of treacherous waters to ports in California. The Department of the Interior admits:

> The whole coast between Port Valdez and southern California is seismically active . . . the more active portions are Prince William Sound, the Gulf of Alaska and California. Epicenters of some of the largest earthquakes occurred in these areas and the magnitude and frequency of future seismic activity is qualitatively predicted to be high.

Transportation by this route is subject to interruption by man's negligence, and possible hostilities, as well as by natural forces. It threatens with oil spills some of the world's most beautiful coastline. In so doing, it threatens also our friendly relations with our neighbor to the north.

The most likely route for the trans-Canada pipeline would follow the Mackenzie River Valley for the greater part of the distance between Prudhoe Bay and Edmonton where the oil would be "looped" or linked into already existent pipeline systems eastward to Chicago and points east and westward to Seattle. The Canada route, aside from avoiding the necessity of crossing mountain ranges, misses the high-magnitude earthquake zones. The study issued by the Mackenzie Valley Pipeline Research, Ltd., in January of this year concludes that a route through Canada would be "environmentally feasible." The environmental impact study of the Interior Department is far less positive about the trans-Alaska route. It admits "the impact—of the trans-Alaska pipeline—would occur on abiotic, biotic, and socioeconomic components of the human environment far beyond the relatively small part—of Alaska—that would be occupied by the pipeline and oil field."

A trans-Canada route requires, of course, negotiations between the United States Government and the Government of Canada to ascertain the feasibility of constructing, operating, and maintaining a trans-Canada corridor. To date, the United States has not responded to Canadian offers of negotiation. The oil companies which last fall denied that a gasoline shortage was threatened now say we cannot await the outcome of negotiations. They exploit the same "shortage" of gasoline they helped create to drive their competitors out of business—to drive up their prices and their profits. It is past time that the Government stopped permitting its policies to be dictated by this industry. Besides, all the indications are that the Canadian Government is most favorably disposed to a trans-Canada pipeline. Prime Minister Trudeau stated in Parliament on May 14 of this year:

> We do not favor a route from Alaska which would take oil tankers over the ocean into waters that are very narrowly confined between the United States and Canada. That is still our policy and our policy is still to indicate that the MacKenzie route is one which we would be prepared to consider if there is application made in the proper form, and we would be very happy to follow up on that.

The Canadian Government is, by all appearances, receptive to negotiations with this Government. It would be sensible not to strain any more the friendship of this important neighbor—and sensible also to at least explore the possibility of bringing the oil by the most direct route to the most needy regions of the United States.

S. 1081 permits the Secretary of the Interior to seek negotiations with the Canadian Government on the "possibility" of a second pipeline for delivery of North Slope oil through Canada. The transparency of this proposal is evident from the Department of Interior's admission that "resources to justify a second oil pipeline have not yet been demonstrated." The Interior Department does not appear inclined to use the "permission" granted it and so far rejected by the administration. After all, the oil which would be transported through a second pipeline is as yet undiscovered. Edward Patton, president of the Alyeska Consortium, testified 1 year ago before the Joint Economic Committee that—

> Speculation (on the need for a second oil pipeline) borders on fantasy and reveals the absence of even a casual inquiry into the facts.

In short, if the trans-Alaska pipeline is authorized, the trans-Canada pipeline will never be built.

Mr. President, I conclude where I began. The real issue is, Which route is best for the public? That issue cannot be resolved without the study proposed by this amendment. I urge its adoption.

Mr. President, I ask unanimous consent that editorials in the New York Times and St. Louis Post Dispatch and a fact sheet by the Alaska Public Interest Coalition be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 12, 1973]

PIPELINE AMENDMENT

Senators Mondale of Minnesota and Bayh of Indiana make a good case for their amendment to the Jackson right-of-way bill, which is designed to speed the building of the long disputed oil pipeline across the state of Alaska. The Senators want a 14-month postponement not only to allow the State Department time to negotiate with Canada on the possibility of an alternative route along that country's Mackenzie River valley but to permit the National Academy of Sciences time to study the engineering and environmental implications of both routes.

At the end of that period Congress itself would make the choice, according to the Mondale-Bayh proposal. If the Canadian alternative seemed politically or economically unrealistic—or unacceptable because of the time it would take to get into production—the line from Prudhoe Bay to Valdez would get a green light and the controversy would be over.

In the conviction that oil will eventually be produced from Alaska's North Slope, our principal concern throughout this controversy has been that the oil be removed in the way least harmful to the environment. The Mondale-Bayh amendment would go far to make possible the most reasonable decision in the shortest time. But to forestall lawsuits at the end of the 14-month period, based on the alleged inadequacies of the Interior Department's environmental impact statement that is now required by law, the Mondale-Bayh amendment would exempt the pipeline from the procedures of the National Environmental Protection Act and therefore from judicial review.

Even though the intent is to substitute the judgment of the respected National Academy of Sciences for the requirements of the Environmental Protection Act, we believe that such exemption could set a dangerous precedent. Any highway, dam, barge canal or other porkbarrel assault on the environment could be similarly shielded from the requirements of NEPA by statutory exemption of this sort, or by the substitution of review by some designated agency. This potentially mischievous provision should be removed from the Mondale-Bayh amendment. Even if that resulted in its rejection, the worst that could happen would be that the present environmental lawsuits would follow their judicial course, with the possibility that the courts, rather than Congress, would require a more thorough study of the Canadian alternative than has yet taken place.

It would help if the Canadian Government itself would at long last either indicate outright enthusiasm for a Mackenzie Valley pipeline or renounce any interest in it. Its opinions on the subject have until now been so limited in scope and muted in tone that one can only conclude that while it is extremely (and plausibly) sour on the Alaska line—because of the damage its tanker leg might do to the British Columbia coast—it is somewhat less than eager for a trans-Canadian one.

[From the St. Louis Post-Dispatch, July 11, 1973]

THE PIPELINE ALTERNATIVES

The Senate is being asked to choose between two approaches toward exploiting the oil reserves in Alaska's North Slope. One, embodied in a bill sponsored by Senator Jackson, is a model of expediency. Superficially, at least, it would offer the quickest method of bringing the crude oil south. The other, contained in an amendment to the Jackson bill, is more cautious and, on balance, represents a considerably more responsible solution to the problem.

The Jackson bill carries the blessings of the petroleum industry which recently has undertaken a massive advertising campaign to convince the public that unless the trans-Alaska pipeline is built immediately the streets of America will be littered, so to speak, with automobiles without gasoline. It also has received the strong backing of the White House. In his energy message of April 18, President Nixon declared that "At a time when we are importing quantities of oil at great detriment to our balance of payments . . . we dearly need the 2,000,000 barrels a day which the North Slope would provide."

The purpose of Mr. Jackson's legislation is to circumvent the ruling of a federal appellate court which held the right-of-way requested for the pipeline by the Alaska Pipeline Service Co. could not be granted under the terms of the Mineral Leasing Act of 1920. The bill would allow the Interior Secretary to deem the project in the public interest, and it contains no width restrictions.

But even were Congress to approve the legislation, the Alaskan oil could not possibly be brought to market before early 1977. And this date assumes that there will be no further legal challenges against the trans-Alaskan route. In point of fact, the environmental issues in suits brought against the pipeline's construction have never been resolved, and this litigation easily could go on for a year or more. Quite plainly then the trans-Alaskan route could do nothing to ease an imminent gasoline shortage.

The alternative to Mr. Jackson's approach lies in an amendment offered by Senators Mondale and Bayh. This measure would delay construction on the pipeline for a year or so while a trans-Canada route is studied thoroughly and while negotiations are begun with Canada. The Canadian, or the Mackenzie Valley route, is more than twice as long as the trans-Alaskan route, but it has a number of obvious advantages. It crosses neither high mountains nor an active earthquake zone, as the Alaskan route does. Furthermore, it would not require the use of ships, thus eliminating the possibility of tanker spills. Finally, natural gas from the North Slope would be piped out through the Mackenzie Valley—and thus a single right-of-way could be used.

Despite all of this, the Interior Department has never seriously investigated the Canadian alternative. Why? The answer may well lie in the fact that the oil industry has been the largest financial contributor to the Administration, and that each day's delay on the pipeline costs the industry $1,000,000 in maintenance and protection for sites and also for the pipe which already has been purchased from Japan.

The Administration's debts to the petroleum barons, however, need not be the Senate's concern. The Jackson bill, if law, would face severe legal tests and in any event could not make the oil available for years. In addition, the route it would approve might easily prove an ecological disaster. The Canadian route deserves careful consideration and the way to guarantee this is through passage of the Mondale-Bayh amendment.

[From the Alaska Public Interest Coalition, May 25, 1973]

FACT SHEET—ALASKA PIPELINE ISSUE

Because the courts have held that the proposed trans-Alaska pipeline cannot be built without action by Congress, Congress now has the opportunity to rectify four years of Administration failure to give serious consideration to what many regard as a far better way to bring out Alaska's oil.

The Administration has failed to give an unbiased, fair and full examination to the advantages of a combined trans-Canada oil and gas pipeline corridor. Now Congress has the chance to do this. Many consider a combined Alaska-Canada oil-gas route—

Safer.

Superior from an economic standpoint for meeting U.S. fuel needs.

More beneficial to national security.

Less harmful to the environment.

Testimony before the Senate and House Interior Committees indicates that both oil and gas pipelines are likely to be built from arctic Alaska across Canada to the Midwest. Early construction of such a gas pipeline is being supported even by the sponsors of the trans-Alaska oil pipeline. And a U.S.-Canadian consortium has already spent $7 million for a study that has found completion of a trans-Canada oil pipeline feasible within four years after a decision by the sponsors to go ahead. If both these projects are built, will it make sense to have a trans-Alaska pipeline too? Many think the answer is obvious—that duplicating arctic oil pipelines on different routes would be, at best, needlessly damaging and costly. And if the trans-Alaska pipeline is built, it will delay for years any direct arctic oil pipeline to the Midwest.

The proposed 789-mile trans-Alaska pipeline route to the port of Valdez crosses three rugged mountain ranges and one of the world's most active and dangerous earthquake zones. At Valdez the oil would have to be transferred to tankers for a hazardous voyage through storm-buffeted Prince William Sound and the Gulf of Alaska and then down the west coast. Many tankers would go as far as California, a distance of more than 2,000 miles. Many would go to vulnerable, unspoiled Puget Sound through the treacherous Strait of Juan de Fuca. Spills—on both land and sea—are inevitable.

The most likely trans-Canada route—already being projected for both oil and gas pipelines—follows Canada's Mackenzie River Valley for much of its distance. One version crosses no mountain ranges. The Canada route misses the high-magnitude earthquake region; and it would take the oil direct to a linkup with already existing pipeline systems from Edmonton, Alberta, eastward to beyond Chicago and westward to Seattle. The Edmonton-Chicago pipeline's capacity is already being expanded with 48-inch pipe. By taking oil to the middle of the continent the overland Canada route would take it where it is most needed. The trans-Alaska pipeline-tanker route would serve the west coast, which has other, more secure supply sources.

Another advantage: a trans-Canada oil line would tap what may prove to be rich Canadian arctic oil fields in addition to Alaska fields. A trans-Alaska pipeline would bring out only Alaska oil—and the proven reserves at Prudhoe Bay amount to not even two years' domestic U.S. consumption. (If additional oil eventually comes out of arctic Alaska it obviously should also come to the oil-short Midwest across Canada.)

Thus there are sound and compelling reasons for Congress to enact pending legislation that would (1) mandate an intensive six or nine-month comparison of the trans-Alaska and trans-Canada alternatives for transporting Prudhoe Bay oil; (2) mandate negotiations with Canada regarding a trans-Canada corridor; and (3) reserve to Congress the final decision on the pipeline issue.

Would a trans-Canada pipeline take longer to build?

Not necessarily. The $7 million feasibility study recently released by Mackenzie Valley Pipe Line Research Ltd., 13-company U.S.-Canadian consortium planning a Prudhoe Bay-Edmonton oil pipeline, says this 48-inch pipeline could be completed in four years from a decision to go ahead, including time to obtain necessary permits. That is almost as fast as the most optimistic trans-Alaska timetable.

Does the trans-Alaska pipeline face further court delays?

Yes. The courts have not yet resolved the NEPA issues in the environmentalist suit that has blocked the TAPS project. This involves principally the question of whether the Administration has failed to give adequate consideration to a Canadian alternative. Even if Congress enacts legislation permitting a right-of-way wide enough for TAPS, further NEPA litigation can be expected to hold things up for another year, perhaps several years. But if Congress enacts legislation providing for a proper study of the Canadian alternative and then makes an informed choice between alternative routes, the objectives of NEPA would be satisfied and the litigation would end.

Isn't building the trans-Alaska pipeline essential for national security?

No. The trans-Alaska system would serve the west coast. And according to expert testimony before the Senate and House Interior Committees, the west coast would not need Alaska North Slope oil even in the case of a prolonged cutoff of **all non-Canadian foreign** oil. By contrast, the rest of the lower 48 states would be seriously jeopardized by such a cutoff. By 1985 the U.S. east of the Rockies is expected to be over 50 percent dependent on non-Canadian foreign oil, much of it from the mideast. Without costly additional facilities a trans-Alaska pipeline couldn't reduce this dependence. A trans-Canada line would. A Canadian line would also stimulate exploration for Canadian arctic oil, a potentially vital resource for the U.S. Other trans-Alaska security drawbacks: the earthquake threat and tanker vulnerability to submarines, neither applicable to an overload Canadian pipeline.

Would Canada preempt part of a trans-Canada pipeline's capacity and thus reduce the quantity of Alaskan oil carried to the Lower U.S.?

Canada's Energy Minister indicated two years ago that Canada expected to guarantee a throughput level for Alaska oil equal to that contemplated for TAPS. If and when necessary, the pipeline's capacity could be expanded or a second line could be built. (Certainly it would be untenable to propose a second line on the trans-Alaska route. For the west coast could not possibly absorb so much oil; and the already serious environmental jeopardy would be doubled.)

What about the recent Canadian decision to impose oil export controls? Wouldn't that hurt us if switching to a trans-Canada pipelint delayed delivery of Alaska oil?

On March 18 Energy Minister Macdonald said that despite the new export policy Canada would make every effort to honor a pledge made last year to provide increased Canadian oil during any such period. He specifically mentioned supplying the refineries in the Seattle area.

What is the Canadian government's receptiveness toward a trans-Canada routing?

Hospitable. Canadians strongly object to the oil-spill threat to Canada's west coast from the tankers that would have to carry TAPS oil. They also favor a common corridor for transporting both Alaskan and Canadian arctic oil and gas. Canadian cabinet ministers repeatedly have stated Canada's readiness to entertain an application for building a Mackenzie Valley oil pipeline. As recently as March 18 Donald Macdonald, Minister for Energy, Mines and Resources, declared: "I think the interests of the [Canadian] west coast would dictate that the Government of Canada should enable that kind of application to go ahead."

Would a trans-Canada pipeline favor the Midwest and East at the expense of west coast consumers?

No. While the need for Alaska oil in the Midwest and East is greater, the oil could be transported from Edmonton, Alberta to the Pacific Coast by existing pipeline systems just as easily as to Chicago. By contrast, without construction of costly new connecting pipelines or long-distance tanker shipment the trans-Alaska pipeline could supply *only* the west coast, which can readily look to other sources.

Would a trans-Canada pipeline cost more to build than the TAPS system?

Conceivably it could prove cheaper. According to the recent feasibility study, the proposed Mackenzie oil line to Edmonton would cost an estimated $3.4 billion, while the latest estimate for the TAPS pipeline is $3.5 billion. Expanding the 1,565-mile Interprovincial-Lakehead pipeline connection to Chicago will cost in the "hundreds of millions" rather than the "billions" some have predicted, according to testimony before the Senate Interior Committee. And there's a big hole in the TAPS estimate—the cost of constructing tankers. That would bring the TAPS capital outlay to at least $5 billion.

If Canada required majority Canadian ownership of a trans-Canada oil pipeline could the necessary capital be raised?

Canada has called for a 51 percent Canadian equity in the projected $5 billion Mackenzie Valley gas pipeline, but the project is expected to be 80 percent debt-financed, and the same ratio can be expected for an oil pipeline. Even assuming the oil and gas pipelines together cost as much as $11 billion, this would mean an equity of only a little over $1 billion.

Is it valid to argue that Alaskan oil should be transported to the lower U.S. only over U.S. soil and in U.S. tankers rather than through Canada?

Obviously not. The Administration is now advocating both a trans-Canada gas pipeline and an eventual trans-Canada oil pipeline from the Arctic. And a number of oil and gas pipelines from Canada already serve the U.S. Canada needs the U.S. market just as the U.S. needs Canadian gas and oil. Eastern Canada gets oil through two U.S.-Canada pipelines. And the consortiums planning Alaska-Canada pipelines include both U.S. and Canadian companies.

Would TAPS avert a gasoline shortage, provide independent dealers with gas and supply farmers with fuel to harvest their crops?

No. Current gasoline shortages have been caused not by lack of crude oil but by oil company juggling of supplies, by oil import controls, and by Administration price policies favoring the wrong refinery products. Moreover, Alaskan oil delivered to the west coast can't relieve any gasoline shortages east of the Rockies. The situation of the independents is even clearer. Recently a national association of 13,000 independent marketers endorsed a Mackenzie Valley pipeline in preference to TAPS.

Does it make any difference to our balance of payments which route is chosen?

Both projects would reduce our imports of foreign oil by the amount of Alaskan oil transported and thus have a major favorable impact on our balance of payments. A Canadian route is likely to increase dollar outflows to Canada, but the amount would be small, and should not be a major consideration in the decision. Construction expenditures in Canada would result in immediate exports of U.S. materials and equipment to Canada, a plus in the balance of payments. After the construction phase the size of the dollar outflow would depend on the amount of Canadian capital used in financing the construction. To the extent that U.S. capital is used, interest and profits on the U.S. share would represent a plus in the balance of payments, and over the life of the project the return flow would amount to more than the initial investment. The payments to Canadian capital would represent a dollar outflow, but would amount to only a fraction of one percent (less than $500 million a year) of our total foreign spending during the life of the pipeline.

Does the TAPS route have any major problems not shared by a Canadian alternative?

Yes, two: (1) Earthquakes. The proposed 789-mile TAPS route traverses one of the most active earthquake zones in the world (23 major earthquakes in the last 70 years). Even the Interior Department has admitted that "it is almost a certainty that one or more large earthquakes will occur in the vicinity" of the southern two-thirds of the pipeline. And experts say it is impossible to design a pipeline that can be guaranteed against rupture under severe earthquake stress of the magnitude expected. The obvious threats: massive oil spills, polluted streams, ruined fisheries and destroyed wildlife habitat. (2) Marine oil spills. The Interior Department has predicted the equivalent of up to 14 Santa Barbaras (or a total of 140,000 barrels) per average year in spills from groundings and collisions along the tanker route from Valdez down the west coast. As staggering as this prospect is, it is far from the full story, for one supertanker wreck could spill over a million barrels. A trans-Canada route would have no comparable earthquake hazard and would involve no tankers.

Why not build the TAPS pipeline now and a trans-Canada line later?

Several important reasons. The greater oil need is east of the Rockies; the greater environmental hazards clearly appear to be posed by the TAPS pipeline-tanker system. And an economic study made for—but thus far ignored by—the Interior Department says that if two oil pipelines eventually prove to be needed, both should go in a common corridor across Canada. A trans-Canada route would also make certain that tankers wouldn't take oil from Valdez to Japan. No such guarantee is possible with TAPS.

The citizen organizations listed below have either in testimony before Congress or otherwise advocated full investigation of the environmental and economic aspects of transporting arctic Alaska oil via an all-land trans-Canada route to U.S. markets before any final decision is made:

National Wildlife Federation.
Sierra Club.
Trout Unlimited.
Cordova District Fisheries Union.
United Fishermen of Alaska.
The Wilderness Society.
Friends of the Earth.
Environmental Policy Center.
Western Division of the National Federation of Fishermen.
Northern Environmental Council.
Federation of Western Outdoor Clubs.
American Rivers Conservation Council.
D.C. Wilderness Committee.
Animal Protection Institute.
Environmental Defense Fund.
Fund for Animals.
Defenders of Wildlife.
Zero Population Growth.
National Audubon Society.
Izaak Walton League of America.
United Automobile Workers.
Center for Science in the Public Interest.

TRANS-ALASKAN PIPELINE ALTERNATE

Mr. **KENNEDY**. Mr. President, I urge the Senate to adopt the amendment requiring study of the trans-Canadian alternative to the trans-Alaskan pipeline.

The Nation urgently needs the vast oil resources found on the North Slope of Alaska. It is imperative that we move ahead vigorously to recover those resources and to distribute them equitably to American consumers throughout the Nation.

But in our haste to tap these resources, it is important that we do so in a way that is economically and environmentally sound, and in the best interest of American consumers in all parts of the Nation—in Massachusetts as well as Alaska.

The major areas of oil scarcity in the Nation are in New England and the Midwest, not on the Pacific coast. As a matter of fact studies have shown that the west coast could not possibly generate enough market demand to utilize these resources from Alaska. There would very likely be a surplus which would have to be utilized somewhere else. It would be economically prohibitive to move the surplus oil from the west coast to the Midwest or New England—where it is most needed. To do so would necessitate construction of additional pipeline facilities from the west coast to inland regions and would price the oil out of the competitive range of other sources of oil for the Northeast and Midwest.

Market considerations would militate toward export of the oil to Japan. Inclusion in the legislation of prohibition against such export, as in this amendment, is highly desirable. But even such a prohibition does not change the economic realities of the situation—that it might be inordinately expensive to move the oil from the west coast to other regions of the Nation.

There are also extremly important environmental questions which must be resolved before the trans-Alaskan pipeline can be constructed. What are the possible effects of earthquakes during the period the pipeline is to be in service? This is a region which is noted for its earthquake activity and which seismologists predict could experience additional earthquakes in the period after the pipeline is in service. Would not earthquakes create oil spills which could wreak havoc with the Alaskan environment—one of the Nation's heretofore unspoiled treasures? I am aware of the intent to construct the pipeline carefully to incorporate whatever protection is possible against minor earthquakes. But how about major earthquakes like the ones Alaska has experienced in the past?

And what of the heat generated by the oil flow? I share the concern of those who feel this could have a detrimental effect on the Alaskan tundra, and upset the whole ecology of the region, with possible consequences scientists could not even anticipate.

Will the pipeline become a barrier which would seriously interrupt the migratory patterns and normal movement of various species of wildlife? If so, this could upset the balance of nature and is a serious concern to conservationists.

The ever-present danger of offshore oil spills is an additional matter of serious concern. After the oil reaches Valdez, it is shipped by sea to the lower coastline of the United States. All of us are aware of the devastating consequences of the major oil spill disasters off our coastlines, such as the one off Santa Barbara. Again, I am aware of the precautions planned against such disasters. But can we be certain that such major spills will not occur during the movement of such vast quantities of oil over a period of years?

So the environmental consequences of utilizing a trans-Alaskan pipeline are enormous, and they should be paid great heed in any decision we take.

So we see that the Nation needs the oil from Alaska, but it needs it most in the Northeast and Midwest, not on the Pacific coast, which would be the principal beneficiary of the trans-Alaskan pipeline—along with Japan unless we succeed in prohibiting exports. And we see that the environmental consequences of the pipeline could be serious in Alaska and along our coastline.

The decision as to how to tap the Alaskan oil resources depends on a host of complex, interrelated factors—the economic, market, and environmental factors I have mentioned—as well as questions of international trade, balance of payments, foreign affairs, national security, and so forth.

In making that enormously important decision the Nation should take full account of the major alternative to a trans-Alaskan pipeline—the construction of a pipeline through Canada. This possibility is also fraught with uncertainties, principally what kind of an arrangement we will be able to negotiate with Canada: to assure that it protects American interests in the utilization of these resources. But just this week the Canadian Government has indicated its willingness to explore these possibilities, and they should be pursued to the fullest extent.

Now there may also be environmental problems with a trans-Canadian route, but at least the route would not traverse an earthquake zone or be subject to offshore oil spills. And in terms of market demand the Canadian route would enter the United States in the Midwest so that consumers in the Midwest and Northeast could be served by this line. And that is where the real needs are.

The argument has been raised that a Canadian route would entail excessive delays, but this is not clear in view of the continuing delays which are bound to occur in construction of a trans-Alaskan pipeline, because of continuing litigation regarding the environmental impact of that route. Indeed it is likely that such litigation would probably delay start of a trans-Alaskan pipeline for at least a year or more.

Taking account of all these factors, I believe it is in the interest of the Nation to adopt this amendment. It would provide for a comprehensive study by the prestigious, impartial National Academy of Sciences—NAS. The NAS would carry out a study comparing the trans-Canadian and trans-Alaskan routes, taking account of all relevant economic, environmental, national security, and other significant factors. In composing the study team, the NAS would be careful to include all relevant professional skills and points of view which have to be taken into account to assure a fair and comprehensive comparison.

Now some have said that this would be a delaying tactic. But I view it as a way of expediting the early recovery of these resources and their distribution to those of our consumers who need them the most. Since the environmental litigation will delay the start of a trans-Alaskan pipeline for at least a year anyway, we have the time to do a careful comparison of the two alternatives. By making such a comparison, we can assure that the final result will best serve the needs of our Nation and all its citizens.

Moreover, this amendment would require that a definite decision be made on the basis of this study, and that once that decision has been made, further delays due to litigation would be prohibited.

I share the desire of all Americans to tackle our energy crisis with every means at our disposal. For example, last month the Senate unanimously passed a bill I introduced providing $50 million for solar and geothermal energy research, and establishing an Energy Research Division within the National Science Foundation.

I believe the Nation must make use of the vast oil resources on the North Slope of Alaska, and it must do so as rapidly as possible. This is not only of great concern to the entire Nation, but it is of particular importance to the lagging economy of Alaska. On my previous trips to the State I have developed great admiration for its citizens and their pioneering spirit. I know and feel great personal concern for the severe economic plight in which they find themselves today—due to the President's inept economic policies and not to any fault of their own.

I very much want them to share in the prosperity which will result from tapping the Alaskan oil reserves. And I want that prosperity to begin as soon as possible. But I know there is no way for pipeline construction to begin in under a year, and I want the Nation to use that year to the maximum benefit of all its citizens—those in Alaska, but also those in the Midwest and New England, including my own State of Massachusetts. This past year the citizens of Massachusetts have experienced the worst fuel crisis in our history. We have not been given enough fuel to heat our homes and our schools, and we have had to pay increasingly exorbitant prices for the fuel we received.

This artificial shortage has been created by inept administration policies and by the oil industry's conspiracy to exploit the plight of the American consumer.

Whatever decisions we make on national energy policy have to benefit all of our citizens in all parts of the Nation, Massachusetts as well as the west coast.

This amendment would expedite the recovery of the Alaskan oil resources and assure their economic and environmentally sound distribution to benefit all regions of the Nation equitably. I urge the Senate to adopt this amendment.

Mr. PROXMIRE. Mr. President, I join in support of amendment No. 240 to the bill under consideration (S. 1081).

I agree on the importance of bringing the vast supplies of oil and gas which have been discovered in Northern Alaska into the American market. The significance of the Alaskan North Slope oil and gas fields in the context of our national energy reserves is great. The known oil field in the Prudhoe Bay area alone contains over 25 percent of our oil reserves and 28 percent of the total estimated United States gas potential.

There has been no serious argument about whether or not these huge oil and gas reserves should be developed, but there have been a great many questions about how they should be developed and used.

The final resolution of this continuing controversy has been left for Congress to decide, and rightly so. It is proper that a decision of such importance be made by the representatives of the American people who will ultimately bear the burdens or share the benefits of that decision.

Our amendment to S. 1081 is addressed to the central issue at stake here: the Alaskan pipeline controversy. The thrust of this amendment is to expedite delivery of North Slope oil and gas, not to delay it. This amendment will do nothing to keep Alaskan oil from reaching the American market; to the contrary, it will remove the remaining legal barrier to construction of a pipeline and guarantee congressional action on the choice of routes within 1 year. Unless this amendment passes, litigation in the courts is certain to delay further construction for at least that 1 year's time, and probably even longer.

BACKGROUND TO THE CONTROVERSY

The discovery leases to the Prudhoe Bay oil fields in Northern Alaska were granted by the Secretary of the Interior in 1964. Four years later the big strike was made and in 1969 the oil companies applied to the Interior Department for a permit to construct a 48-inch pipeline from the Prudhoe Bay area across the State of Alaska to the port city of Valdez in the South. Although there was clearly a high risk involved due to the intense earthquake zones crossing part of the proposed route, the Interior Department indicated its willingness to issue the permit as soon as it was satisfied with the pipeline's design.

Confident that the permit would be granted, the oil companies involved in the project received a shipment of $100 million worth of steel pipe from Japan to use in building the pipeline. It looked as though the way would soon be clear for construction to begin.

However, late in the same year—1969—Congress passed the National Environmental Policy Act. This law, along with the Mineral Leasing Act of 1970, provided environmental groups who were opposed to the project with a legal handle to fight the proposed trans-Alaskan pipeline in the courts.

The 1920 Mineral Leasing Act stated unequivocally that no right of way for a pipeline crossing Federal domain lands could exceed 50 feet. Although the oil companies were fully aware that 300 feet would be needed for the trans-Alaskan pipeline, they assumed that since the Mineral Leasing Act had been violated many times before, it could be overlooked again. They were wrong. The U.S. Superior Court for the District of Columbia ruled that the law must be complied with and thus turned the matter over to Congress.

The other legal obstacle to the Alaskan pipeline is found in section 102 of the Environmental Policy Act which requires a full discussion of alternatives to any project which would have significant effects on the environment.

There is a continuing legal controversy as to whether or not the Interior Department has complied with its obligations under NEPA to study and describe a trans-Canadian corridor as an alternative to an Alaskan land and sea route for the delivery of Alaskan oil.

The Interior Department's environmental impact statement is seriously inadequate in its study of the trans-Canadian alternative. Much of the nine-volume statement is devoted to advocacy of the trans-Alaskan route rather than a careful analysis of the options. Significant uncertainties have still not been resolved. The Senate Interior Committee itself has acknowledged in its report on S. 1081 that the Interior Department and the oil companies pushing the project failed to give ample consideration to both alternatives available. I quote from the committee's report:

> In light of the existence of significant uncertainties which are unique to each of the two routes, it is arguable that the interested companies and the Federal government should have devoted substantial effort to investigations and preparations leading to development of more than one transportation system. The Committee believes that such a two-option strategy was and is warranted, not only because of uncertainty, but because of the high probability that two or more pipelines will ultimately be required to transport Arctic crude oil.
>
> There seem to be several reasons for their failure to move ahead on both alternatives. First, the companies, the Interior Department and the State of Alaska have tended from the beginning to underestimate the engineering, environmental, legal and political difficulties of their preferred route. Also, the advocates of an all-Alaskan pipeline seem to have feared that serious consideration of a Canadian route would, by giving it additional credibility as a potential alternative, undermine their effort to get early approval of the Alyeska right-of-way application.
>
> Hesitation (to make the necessary preparations for the possibility of a Canadian route), based upon financial prudence has been reinforced by the fear that any such preparation would be used as political ammunition against the pending Alyeska application. (End of quote from Report No. 93-207)

Now, Mr. President, while I can appreciate the hesitation of the oil companies to prepare for the possible eventuality of a pipeline other than the one they want, I do not see that as any justification for the Government of the United States to hesitate in fulfilling the requirements of the Environmental Policy Act which mandates an adequate study of alternatives.

It is this very issue which has not yet been decided by the courts. The obstacles posed to pipeline construction by the Mineral Leasing Act of 1920 are removed by passage of the committee bill with or without amendment. However, unless the Senate assents to the Mondale-Bayh amendment, the only way to settle the legal arguments based on the Environmental Policy Act will be through time-consuming court litigation. Resolution of this case by the courts will undoubtedly leave the matter hanging for at least 1 and quite likely 2 more years.

The importance of our amendment is that it would limit further construction delays to a period of 1 year—a limitation which is already assured by the court case in the event the amendment is not passed. During this 1-year period, the requirements of NEPA would be met by a comprehensive environmental and economic study of the Canadian route by the National Academy of Sciences. At the same time, negotiations would be opened with Canada to determine her willingness for a trans-Canadian pipeline. Thus, the way would be cleared for construction to begin on one pipeline or the other when Congress makes the final decision at the end of 1 year. The part of our amendment which authorizes a study of the alternatives by the National Academy of Sciences uses the same language as the Environmental Policy Act. Thus, the Academy's study would eliminate the basis for further legal objections to pipeline construction while at the same time giving Congress the unbiased information it needs to make an informed decision in the matter of choosing a route for the pipeline.

KEY ISSUES

Mr. President, unfortunately a lot of confusion has surrounded several of the key issues involved in the delivery of Alaska oil. Let us examine four of the issues in some detail: The position of the Canadian Government, the time comparison between the two routes, the adequacy of the Interior Department's environmental impact statement, and the question of Alaskan oil as it relates to the current gasoline shortage.

THE CANADIAN GOVERNMENT

It is clear that no pipeline can be built across Canada without the approval of the Canadian Government. I cannot argue the fact that unless Canada is willing to give serious consideration to a trans-Canadian pipeline, then Alaskan oil will have to be delivered via a trans-Alaskan pipeline to the west coast if it is to be delivered at all. A thorough investigation of the trans-Canadian alternative, as required by NEPA, would have given us a much better understanding of Canada's position than we now have. The current confusion about this matter is an indication that the possibility of the Canadian alternative has never been carefully pursued. Indeed, the Secretary of Interior has publicly stated that he does not believe it would be in our national interest to request negotiations with the Canadian Government.

Canada's hesitation to take an official position on this issue is understandable in view of the subtle political pressure which the United States has applied. The administration has consistently maintained that the Canadian government does not want a pipeline across Canada. It now appears that the administration has taken steps to discourage Canada from taking an official position. According to an article in the June 11 edition of the Anchorage Daily News, the State Department last May—

> Warned the Canadian government that any attempt to try to pursue the building of an oil pipeline across Canada to bring oil from Alaska's North Slope to the Midwest would be regarded as interference in U.S. internal affairs.

The Canadian Embassy has acknowledged simply that the State Department urged Canada's cooperation and asked that they show as great a restraint as possible.

This attitude on the part of the U.S. Government suggests at the least an unwillingness to give adequate consideration to any alternative to a trans-Alaskan pipeline and further underscores the need for independent study as provided for in the Mondale amendment.

The Canadian Government has responded to mounting pressure on both sides of this issue by adopting no official policy. The stated reason for their stance is that no application for a pipeline across its territory has been officially filed.

Thus, charges that Canada would be unwilling to consider a pipeline through its territory are groundless. The real question is whether or not Canada would be favorable to such a pipeline if ever given the opportunity to consider it.

There is every reason to believe that the answer is "Yes." As recently as 1-month ago, on June 8, Canadian Energy Minister Donald MacDonald made the following statement before the House of Commons:

> Our distinct preference is to have a MacKenzie route (i.e. trans-Canada), subject, however, to an application being made under the law which has been passed by this parliament. The U.S. Administration, of course, insists on handling its own resources in a different way. We have made clear to the U.S. the possibilities of a Canadian route, but I do not think we are really in a position to direct them as to how they should dispose of their resources within their jurisdiction.

This is the crux of the uncertainty about Canada's eventual position: Under the laws of Canada, the Canadian Government cannot invite the United States to build a pipeline across Canada. Rather, the initiative must be taken from our side, and then the Canadian Government can make a decision in the matter. This is the reason why the Mondale amendment provides for negotiations with Canada—so that when the time comes 1 year from now for a final decision, the basis of knowledge rather than ignorance of the Canadian Government's formal position.

I think it would be useful to point out that if the Canadian Government is favorably disposed, the obstacles to following through on approving a trans-Canadian pipeline would be fewer than those the United States has had to face in a comparable situation. Under a Parliamentary government, Canada does not have a coequal and independent legislature. A final decision would be made at the Cabinet level. The Canadian Government has already established a Cabinet task force on northern oil development which is in the process of completing a thorough study on energy matters. Thus, negotiations with Canada can be opened on the basis of a careful review of this question on their part. We should also be aware of the fact that there is no Canadian equivalent to our National Environmental Policy Act which would involve further delays in Canadian response to such negotiations.

There is good reason to be optimistic that Canada would approve a pipeline application if offered the opportunity. Canadians are very concerned about the likelihood of oil spillage from the tanker trans-Alaskan pipeline. Canadian Minister MacDonald has pointed out to the U.S. Department of the Interior that cooperation with regard to a trans-Canadian pipeline would have the significant advantage of avoiding the high risk of environmental and economic damage which would result from such oil spillage. MacDonald went on to say that failure to attack this problem with wisdom and reason could strain United States-Canada relations.

Moreover, Canada as well as the United States stands to directly benefit from a Canadian route. Canada's national energy policy has been to export quantities of oil which are clearly surplus to her domestic needs. However, Canada's known reserves—some 10 million barrels—are limited and the increase in world energy demands has required the imposition of export controls on Canadian oil. On the other hand, Canada's potential reserves have been estimated at 12 times the present known supply, and much of this amount is thought to be located in the Mackenzie Delta region along the path of the proposed trans-Canadian pipeline. Cooperation with the United States in construction of a single pipeline serving both the Alaskan and Canadian Arctic would have the major advantage of providing Canada with an economical system for delivery of oil and gas to its own domestic markets.

Herein lies the key to understanding the Canadian attitude about a Canadian pipeline. If the available vast reserves of Canadian petroleum are to be successfully developed, they will have to be pumped down a pipeline through the Mackenzie Valley. Because of the great economic advantage of looping a previously existing line, it is unlikely that Canadians would hold up the development of a pipeline which would stand to benefit their own economic interests so directly.

Given the receptiveness of the Canadian Government to a trans-Canadian pipeline and the several years of study which they have already undertaken in this regard, it is imperative to begin negotiations in the near future. The Mondale amendment provides for these negotiations in order to prevent any further delay in the development of Alaskan oil. We must not forget that passage of the committee bill unamended does not guarantee that the trans-Alaskan pipeline would be built. The Mondale amendment guarantees that one pipeline or the other would be decided upon within 1 year, and it guarantees that we will have the necessary information to make that decision. A thorough understanding of Canada's position in this matter is vital and we must not fail to take action to get that information. If, in the last analysis, the Canadian obstacles were to prove undesirable, then we would be able to proceed on that basis. As it now stands, if the courts were to rule against the case for the trans-Alaskan system, then the process of negotiation would have to be taken up at a later date. By beginning negotiations now, and by fulfilling the requirements of NEPA at the same time, the remaining barriers to the development of Alaskan oil will be overcome.

THE TIME FACTOR

Perhaps the greatest single point of confusion in this controversy is the question of time. How does the length of time that would be required for building the trans-Canadian pipeline compare with the time it would take to construct the trans-Alaskan pipeline? The basis of the Interior Department's decision to approve the Alaskan route has been that only the trans-Alaskan pipeline could meet the "urgent need to bring North Slope oil and gas into the American marketplace as rapidly as possible." After considering the economic and environmental aspects of the two pipeline routes, the Interior Committee has reported that it did not regard any one of the arguments advanced on either side of this argument as conclusive in favor of either of the competing pipeline proposals. Brushing all of these questions aside, the committee finally came down to the central issue:

> The committee determined that the trans-Alaska pipeline is now clearly preferable, because it could be on stream two to six years earlier than a comparable overland pipeline across Canada.

After all is said and done, then, the sole focus of the committee's decision to push for an Alaskan pipeline is that it can be built more quickly than a Canadian pipeline.

Aside from the fact that there are more important considerations than just pumping the oil out of the ground as quickly as possible—such as pumping it to where it is most needed—the importance of this time factor is crucial. The committee has virtually acknowledged the inadequacy of the existing economic and environmental comparisons which have been made. This in itself is a strong case against the likelihood of the environmental impact statement standing up in court. The entire case of supporters of a trans-Alaskan pipeline must now rest on the time argument. And that argument simply does not hold up under investigation.

Supporters of the Alaskan pipeline have insisted that it can be built from 2 to 6 years more quickly than a trans-Canadian route. However, numerous studies of the trans-Canadian route have shown that it is technically and economically feasible to construct a Mackenzie Valley pipeline in approximately the same length of time as will now be required for the trans-Alaskan.

On May 17 of this year the chairman of the board of Exxon Corp., one of the principal advocates of the trans-Alaskan proposal, stated that Exxon's most optimistic projection for completing this project was late in 1978. This is to say, the best we can hope for with regard to an all-Alaskan route is 5 years from now and quite possibly longer.

Over and against this, we are told that it would require an indefinite period of time to complete negotiations with Canada and then we would have to proceed from ground zero with studying the Canadian route itself.

The facts simply do not support this argument. On March 30, 1972, Canadian Energy Minister MacDonald told the U.S. Secretary of the Interior that the amount of delay in delivery of North Slope oil by means of a Canadian pipeline in comparison to the Alaskan pipeline was narrowing to approximately 2 years. This was followed up by a letter from Minister MacDonald in which he strongly reiterated his government's interest in a trans-Canadian pipeline and pledged "expeditious regulatory and governmental consideration" of any applications that might be filed. Since that time, this 2 year delay period has been compensated for by the legal controversy now in progress which will continue unless the Mondale amendment is passed.

Private industry activities have also countered the argument that a Canadian oil pipeline would take longer to build than a trans-Alaskan line. Canadian Arctic Gas Study, Ltd., a consortium of United States and Canadian-owned companies, including some of the same companies involved in the TAPS project, announced on February 7, 1973, that they plan to file applications with government agencies for a natural gas pipeline across Canada this year. Furthermore, Mackenzie Valley Pipeline Research, Ltd., another group of American and Canadian companies issued a report in January 1973, which summarized the conclusions of 3 years of research on a Canadian pipeline. According to their report, a Canadian pipeline could be completed within 4 years of final approval by the Canadian Government.

Thus the two pipeline proposals are thoroughly competitive on the basis of the amount of time it would take to complete them.

Mr. President, again I must point out the failure of supporters of the trans-Alaskan pipeline to provide enough factual information to buttress even the most central of their arguments.

All of this points once more to the need for independently derived information if we are to resolve these uncertainties. It also indicates the need for a measure which will speed rather than delay the ultimate realization of the Alaskan oil potential. The purpose of our amendment is to do just that. It is important to emphasize the point that a vote in favor of the Mondale amendment is not necessarily a vote in favor of the trans-Canadian pipeline. We need more information before the Congress as a whole can make a responsible decision about that. Rather, a vote for the Mondale amendment is a vote in favor of removing the further obstacles to the delivery of Alaskan oil while at the same time upholding the principles of the Environmental Policy Act.

THE INADEQUACY OF THE EXISTING ENVIRONMENTAL IMPACT STATEMENT

Some advocates of the Alaskan pipeline would have the Congress ignore the Environmental Policy Act altogether. This approach urges a congressional decision which to declare the existing environmental impact statement to be adequate and remove the courts and Congress from further consideration of this issue.

Mr. President, such an approach could set a disastrous precedent. Many years of effort went into making the Environmental Policy Act an effective means for providing the public and the Government with the information it needs to make intelligent decisions about how to best benefit the American people with the least cost to the environment, thus maintaining the essential balance between civilization and nature.

If Congress accepts the existing environmental impact statement on the trans-Alaskan route and its alternatives, then it will be clear that Congress means to give only lip service to the Environmental Policy Act with no real regard for its substance and intent.

I think that even a quick look at the environmental impact statement will show that it does not adequately deal with Canadian alternatives to the trans-Alaskan pipeline.

In a letter which Interior Secretary Rogers Morton sent to Members of Congress just last week, he made the following statement:

> The impact statement on the trans-Alaskan pipeline contains approximately 150 pages of discussion of possible trans-Canada routes. This extensive and detailed treatment is the result of interdisciplinary studies and official and unofficial exchanges with Canadians that extended over a period of at least a year and a half.

Mr. President, while I would not want to charge the Secretary of the Interior with misrepresenting the facts, I will say that I cannot accept his contention that 150 pages out of a total of 3,550 pages can possibly be considered an adequate presentation of the alternatives as required by law.

Secretary Morton goes on to say that this impact statement has been available for public scrutiny and debate for over a year and that he does not feel than an 11th month study by the National Academy of Sciences would add materially to the available information.

This is totally unacceptable. Let us take a look at just one example of the sort of information which has not yet been formally examined by the Interior Department: that is, the environmental and economic benefits which would occur if both the oil and gas lines were built along the same route.

The Interior Department has acknowledged that it—

> Seems clear that a single gas line will be built through Canada to the U.S. markets.

It not only seems clear, it is clear. The Prudhoe Bay fields contain both oil and natural gas. The State of Alaska does not permit the wasting of natural gas reserves by flaring them at the well head, so it is obvious that these reserves will be utilized. As I mentioned earlier, a consortium of United States and Canadian owned companies have already announced their intention to build a natural gas pipeline through the Canadian MacKenzie Valley, pending approval by the Canadian Government. This pipeline will have to go across Canada because it is simply uneconomic to liquify natural gas for tanker transportation to the west coast as would be required under the trans-Alaskan route.

Given the obvious environmental benefits of a single pipeline corridor for both oil and gas as opposed to two separate routes, it is unthinkable that the Interior Department would present an impact statement which did not thoroughly explore this possibility. However, this is exactly what has happened. The Interior Department's impact statement did not even evaluate the savings in environmental cost which would result from a single oil and gas corridor. Their analysis of the economic savings is limited. It appears that they made no use of the intensive studies by Mackenzie Valley Consortium which had been studying this possibility since 1969.

Although the impact statement acknowledges that a trans-Canadian pipeline would be an equally efficient economic alternative to the trans-Alaskan route, it admits that it did not consider the additional economics of building an oil pipeline through the same route as the gasline. If the Interior Department had considered this obvious possibility, then it is clear that the Mackenzie alternative would not only be equally efficient, it would be more efficient.

There is no way Congress can accept the official information or rather noninformation as adequate for making a decision of this magnitude. A wrong decision could haunt the United States for years to come. We must have all the facts before we can make an informed choice of routes. We would do well to remember the somber words of the Interior Department's own analysis:

> Because of the scale and nature of the project, the impact would occur on abiotic, biotic, and socioeconomic components of the human environment far beyond the relatively small part—of Alaska that would be occupied by the pipeline and oilfield.

ALASKAN OIL AND THE GASOLINE SHORTAGE

The final issue I want to examine is the relationship of Alaskan oil to the current fuel shortage. Charges have been made that delays in building the Alaskan pipeline have been a significant cause of the present energy crisis. Advertisements by the major oil companies have urged immediate authorization for the trans-Alaskan pipeline to help alleviate the gasoline crunch.

It is important to give these arguments an honest evaluation. Would the trans-Alaskan and only the trans-Alaskan pipeline give us relief from gas shortages? Would such action provide the competitive independent segments of the petroleum industry with vitally needed product? Would farmers be better supplied with fuel for harvesting their crops?

First, any charges that the delays in building the Alaskan pipeline have caused the gasoline shortage are totally without merit. Even without delays, the pipeline could never have been built by this time anyway. The shortages are due to other causes, primarily increased use of automobiles and the lack of refinery capacity in the United States as a result of the mandatory oil import quotas.

Second, if the major oil companies were as interested in relieving the gasoline shortage as they say they are, then why do they oppose bringing Alaskan oil into the part of the country that is suffering the most from the shortage—the Midwest and East. Crude oil flowing into the west coast can do very little to help the 75 percent of the Nation's people who live east of the Rocky Mountains.

If a trans-Alaskan pipeline is built, after 1980 the west coast of the United States will be basically self-sufficient and there is good reason to believe that they will have a surplus of oil. The President, in his energy message, has already recommended speedy development in oil leasing in off-shore areas. Development of two of these areas—the Gulf of Alaska and California—will compound the already existing regional imbalance of petroleum supplies between the Western and Eastern halves of the United States.

On the other hand, by 1985 the United States east of the Rockies will be over 50-percent dependent on non-Canadian foreign oil, much of it from the Middle East. In the event of a prolonged cutoff of foreign oil, the midwest and east would be seriously jeopardized.

If a trans-Canadian pipeline were built, this risk could be greatly reduced and Alaskan oil could be delivered to the 16 U.S. refineries which are suffering the greatest shortage. At the same time the west coast would be unaffected. In case of an emergency the west coast could be supplied with Alaskan oil through the existing pipeline system between Edmonton, Alberta, and Seattle. In a serious emergency the west coast could also be served by expanding the supply from the Naval Petroleum Reserves at Elk Hills.

In discussing the development of Alaskan oil in relation to the fuel crisis, it is important to consider the views of that part of the oil industry itself which is most hard hit by the shortage: the Independents. Independents supply about 75 percent of the Nation's heating oil and 25 percent of our gasoline. It is the independents who are being driven out of business because of the gasoline shortage, not the major oil companies whose profit increases were over 25 percent for the first quarter of 1973. The Independents have come out strongly in favor of a trans-Canadian route which they feel would bring Alaskan oil to the area where it is most needed and more quickly than would be the case with a trans-Alaskan pipeline.

CONCLUSION

Mr. President, throughout this controversy about how to bring Alaskan oil into the United States we have been flooded with arguments in favor of the trans-Alaska route. As indicated by the environmental impact statement put out by the Interior Department, far too little attention has been given to the merits of the trans-Canadian alternative. We have been told that construction of a trans-Canada pipeline would involve time-consuming negotiations with Canada, that it would take far longer to build than a trans-Alaskan pipeline, that it would be more costly to the environment and economy and that it would aggravate the energy crisis.

I have tried to point out some of the major fallacies of such arguments. In the absence of an official and comprehensive study comparing the two routes, the arguments of the Interior Department against a Canadian route stand on shaky ground. One of the best arguments in favor of the Mondale amendment is that the administration and the major oil companies oppose it. If they were indeed so sure of their position as they say they are, then there would be no reason for them to oppose this bill.

The purpose of the Mondale amendment is to speed up the delivery of Alaskan oil by using the 1 year which would otherwise be spent in court litigation to study the two proposals strictly on their merits. If supporters of the trans-Alaskan route were indeed convinced of the superiority of their choice, they should have nothing to fear from an objective analysis. The fact of their opposition to such a study can only mean that they do not have full confidence in their own proposal.

Mr. President, if the Interior Department and the supporters of the trans-Alaskan pipeline are afraid that Congress might decide against them if we had all the facts, why should the Senate support them in their suggestion when we do not have all the facts.

The answer is that we should not and we must not. If the U.S. Congress gives away its final authority at this time, then we can expect 1 or 2 years' more delay.

Instead of "copping out" on this question and accepting further delays, we can adopt the Mondale-Bayh amendment and 1-year from now we can go ahead with either the Alaskan or Canadian route. We will be able to make that decision solely on the merits of the case.

I urge my colleagues in the Senate to join in voting for the Mondale amendment, whatever your position on the best route for delivering Alaskan oil. We can all be assured that we have voted in favor of the one measure which will guarantee an end to the present uncertainties and expedite development of these needed resources.

Mr. CLARK. Mr. President, we need Alaskan oil. No one disputes that. It will not alone solve the energy crisis, but it will help alleviate the fuel shortages that now confront us.

This last winter was a severe one. It hit the Midwest especially hard, and it left a clear warning of what might happen next winter and the winter after that. For it was not just a cold winter. It was a winter when fuel suddenly was not available. Schools and offices were closed, and the distribution of heating oil was curtailed or even cut off. There was fear that homes would not be heated adequately, and in some places the fears were realized.

So there was a rush to produce more heating oil, and with that came another fear, the fear that there would be a gasoline shortage this summer. As the weather became warmer, those predictions proved to be well founded. And, now, the cycle has started again, because there are fears of another fuel shortage this winter.

There are obviously a number of factors contributing to these shortages, but whatever the immediate causes of this year's problem, there exists a very real, and a very challenging, long-term problem.

The oil from Alaska's North Slope is at least a partial answer to it. The dispute arises over the best way to get it here.

Many people believe that the best way to bring the oil to the rest of the United

States is through the proposed trans-Alaskan pipeline system—a pipeline to bring the oil from the fields in Prudhoe Bay to the port of Valdez, where it will be transported by tankers to the west coast.

This pipeline has much in its favor, and my distinguished friend and colleague, Senator JACKSON, has argued the case for it well. Thorough plans have already been developed. The pipeline itself would lie entirely on American soil. The Alaskan Native claims have been settled for the most part, and the oil companies are prepared to begin construction. But the pipeline has significant disadvantages as well, disadvantages not shared by the proposed route through Canada.

Before we authorize a project of this scope—and this importance—it would be wise to ask a few questions. The most basic question is whether or not we know, as result of thorough study, that of all the possible alternatives, the trans-Alaskan pipeline system is the best, environmentally and economically. No one has been able to provide the answer to that question yet, and that is why I support this amendment.

Building a system to transport oil from Alaska is a tremendous job involving large sums of money, large numbers of workers, and large areas of land. Yet, in spite of the magnitude of the project, the Department of Interior's environmental impact statement did not include a thorough study of the alternative Canadian route. We need to know what the alternatives are.

A study by the National Academy of Science, as required in the Mondale-Bayh proposal, would provide an impartial and thorough look at the best way to make Alaskan oil available to meet our energy needs. The National Academy of Science report would meet the requirements of the National Environmental Policy Act. It is vital to a knowledgeable decision on location of the pipeline.

Although there seems to be some confusion on the point, the Canadian Government has expressed interest in the possibility of an oil pipeline through the Mackenzie Valley. If the Senate approves the Mondale-Bayh proposal, we will be able to discover the facts through negotiation—instead of just guessing about what kind of agreements might be made. On May 16, Canada's Minister of Energy, Mines and Resources, the Honorable Donald MacDonald, said in the Canadian House of Commons:

> The view we take continues to be that the Mackenzie Valley would be the best route for bringing Prudhoe Bay oil to southern markets.

Obviously, Canada's attitude at least is no deterrent to a study of the alternatives. But Canada has said that it will not consider a Canadian pipeline if one has already been built through Alaska.

Both the Canadian and the Alaskan pipelines raise serious environmental questions. Supporters of the Alaskan alternative have cited the environmental issue of migrating caribou, because most Americans, when faced with a choice between energy shortages and orderly caribou migration, of course would sacrifice the caribou. But there are more serious environmental problems.

Alaska is in an earthquake zone—where damage to the pipeline is a real possibility. Such damage obviously would affect delivery of the oil, not to mention its adverse impact on the environment.

Inherent in the pipeline-tanker system of the Alaskan route is the loss of oil during the transfer process which would result inevitably in oil pollution on the Pacific coast and raise the threat of devastating oil spills. The tanker route from Valdez to the Pacific Northwest is a difficult and tortuous one, and the possibility of severe damage to the northern coastline is great.

The Canadian pipeline is not without environmental liabilities, but it certainly merits consideration. The earthquake potential is not as great, and the chance of ocean oil spills certainly does not exist. The Canadian line appears preferable on these points, but an adequate study would enable us to weigh the advantages and disadvantages of each route.

A natural gas line through the Mackenzie Valley is being planned right now. If such a line is environmentally and economically sound, it would seem to enhance the advantages of building an oil pipeline along the same route. The environmental damage—which is inevitable—could be kept to a minimum if the same corridor were used for both lines, and many of the facilities needed for the building of one line could be used for both.

Time is the argument emphasized most by supporters of the trans-Alaska pipeline system. We do need Alaskan oil and, it is argued that the Alaskan pipeline system will make it available to the lower 48 States more quickly.

The oil companies have already made preparations for the Alaskan pipeline and an environmental impact statement has been filed. But this at any rate should not be made the primary justification for deciding the pipeline route. The best route will be the one which best serves the national interest, and we presently have no indications that the Alaskan route—under consideration simply because it is the only one the oil companies developing the Alaskan fields have proposed—meets these criteria.

In addition, the predictions of delay in transporting the oil through Canada may be inflated. The Alaskan pipeline is still tied up in the courts. The adequacy of the environmental impact statement on it is in doubt, and the delay may be prolonged. If the Mondale-Bayh amendment is passed, the National Academy of Science study, which would constitute the environmental impact statement would be finished in a year.

With the results of that study and the results of the negotiations in hand, Congress could decide where the pipeline should go. At that point, because the information required by the National Environmental Policy Act would be available, the decision of Congress would lessen the likelihood of litigation. The Mondale-Bayh proposal quite possibly could shorten, rather than lengthen, the time involved in getting the pipeline built and the oil to the lower 48 States.

Time is an important factor, but it is not the only one deserving attention. If the pipeline is built through Canada, it may lead to development of oil reserves on the Canadian frontier. The Canadian Government has already expressed their interest in exporting to the United States oil produced from such reserves. The possibility of this additional source of oil in the mid-1980's, when we will be desperately in need of it, is an extremely good reason for giving thorough consideration to the trans-Canadian proposal.

The lower 48 States need Alaskan oil, but where in the country is it most needed? The trans-Alaskan pipeline system would directly serve the west coast. The trans-Canadian pipeline would directly serve the Midwest.

I believe the importance of this factor is irrefutable—not because of any narrow regional considerations, but because it is logical to send the oil where it is needed. Unless there were overriding ecoonmic and environmental reasons for building a pipeline which would supply the west coast, it would seem elemental to me that the oil should be transported to the region or regions of the country where it can be best used. There are strong indications that if Alaskan oil reaches the west coast in the 1970's it will create a surplus there—while the Midwest suffers from another oil shortage and continues to depend heavily on imports from the Middle East.

We need Alaskan oil. The country needs it, the Midwest needs it, Iowa needs it. But the decision on how to get it here cannot be rushed or ill-considered. Too much is at stake for that. What is the best route? Which pipeline can be built quicker? Which proposal carries the fewer environmental hazards? Which pipeline will get the fuel to the people who need it the most?

The Bayh-Mondale amendment holds the answers to these questions, and I support it.

Mr. HART. Mr. President, by vote of 78 to 11, the Senate on July 10 adopted amendment No. 306 offered by the distinguished Senator from Washington, Senator JACKSON, to S. 1081—the Federal Lands Right-of-Way Act of 1973.

That amendment provides the Federal Trade Commission with vital antitrust investigative and enforcement powers—the power to enforce its own subpenas; the power to enforce its own 6(b) reports; and the power to seek preliminary and permanent injunctions where necessary.

Federal Trade Commission Chairman Engman and other senior FTC officials testified before the Senate Antitrust and Monopoly Subcommittee on June 27 that the lack of these powers significantly delayed and hampered a number of Trade Commission investigations into the causes of the present energy crisis. I am delighted that the Senate has now provided FTC with the necessary powers to carry out its responsibilities.

FTC also testified before the Antitrust and Monopoly Subcommittee that it is not permitted to obtain reports authorized by section 6(b) of the Trade Commission Act from businesses without approval and clearance by the Office of Management and Budget and the Businesss Advisory Council on Federal Reports.

This requirement, FTC testified, causes substantial delays in important investigative and study efforts. Sometimes, OMB clearance is never received and investigations are effectively blocked.

Thus, the FTC's Bureau of Economics' energy industry structure study—2 years in the making—has had to rely upon public production rather than company reserve data. And this despite FTC's belief that concentration of reserve ownership is vital to understanding the industry.

It was stated,

> Had we sought to collect data on reserves, we would have nothing to report now and probably for the next couple years.

The Director of FTC's Bureau of Economics accordingly was:

> willing to stake and jeopardize [his] professional standing, in order that all of us can understand the completely woeful inadequacy of the means of informing Congress and the country of what [petroleum reserves] we have and where we are headed.

This gap in FTC's powers has been termed "scandalous" by the FTC, and I believe that consumers have suffered incalculable harm. In addition to stymieing important energy investigations, FTC testified that it also had to abandon its:

> attempt to estimate the degree of overcharge, the cost to consumers of various pricing behavior that existed across a large number of industries.

Mr. President, the Federal Trade Commission is an independent regulatory agency—an arm of the Congress. I see no justification for OMB to prevent the Commission from carrying out its mandate. This problem can be overcome by the amendment which I now ask unanimous consent be printed in the Record and which, at an appropriate time, I would hope to be able to offer.

There being no objection, the amendment, No. 332, was ordered to be printed in the Record, as follows:

AMENDMENT

(Intended to be proposed by Mr. Hart to S. 1081)

Immediately following Section 307, add a new Section 308, as follows:

Sec. 308. Section 6(b) of the Federal Trade Commission Act (15 U.S.C. 46(b)) is amended by adding at the end thereof the following: "Notwithstanding any other provisions of law, the Commission shall exercise such powers without clearance or approval from the Office of Management and Budget, the Business Advisory Council on Federal Reports, or anyone else."

ORDER FOR CONSIDERATION OF S. 1083

Mr. ROBERT C. BYRD. Mr. President, in connection with the time agreement on S. 1083, a bill to amend certain provisions of Federal law relating to explosives, I had asked that the time for debate on the bill be under the control of Mr. Javits and Mr. Kennedy. I now find that both of those Senators are on the same side with respect to the bill, and for that reason I ask unanimous consent that the agreement be altered to the extent that Mr. Bayh and Mr. Javits be in control of the time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 8:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 8:30 a.m. tomorrow.

The PRESIDING OFFICER (Mr. Clark). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS COOK AND MOSS TOMORROW, AND FOR THE UNFINISHED BUSINESS TO BE RESUMED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees have been recognized under the standing order on tomorrow, the distinguished Senator from Utah (Mr. Moss) be recognized for not to exceed 15 minutes; that he be followed by the distinguished Senator from Kentucky (Mr. Cook) for not to exceed 15 minutes, at the conclusion of which the Senate resume its consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF MEASURES TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the disposition of the Mondale-Bayh amendment and after Senator Gravel has been recognized to call up his amendment, the Gravel amendment then be set aside temporarily and that Mr. Eagleton be recognized to call up his amendment; that upon the disposition of the Eagleton amendment, the Gravel amendment again be temporarily laid aside and that the Senate proceed to the consideration of the so-called explosives bill, S. 1083, on which a time limitation has been entered into.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Gravel amendment remain in a temporarily laid aside status until the disposition of S. 1083 on tomorrow or until the close of business, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at the hour of 8:30 a.m. After the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Utah (Mr. Moss) will be recognized for not to exceed 15 minutes. He will be followed by the distinguished Senator from Kentucky (Mr. Cook) for not to exceed 15 minutes, at the conclusion of which the Senate will resume the consideration of the unfinished business, S. 1081. The question at that time will be on the adoption of the amendment by Mr. Mondale, cosponsored by Mr. Bayh. There will be a debate of not to exceed 2 hours on that amendment.

At the hour of 11 a.m., a vote will occur on the Mondale-Bayh amendment. The yeas and nays have not yet been ordered, but there is no question but that there will be a rollcall vote on that amendment.

Upon the disposition of the Mondale-Bayh amendment, the amendment by Mr. Gravel will be laid before the Senate and made the pending question, but it will be immediately laid aside temporarily and the Senate will proceed to the consideration of an amendment by Mr. Eagleton.

Upon disposition of the amendment by Mr. Eagleton, the amendment by Mr. Gravel will again be laid aside temporarily, and the Senate will proceed to the consideration of S. 1083, a bill to amend certain provisions of Federal law relating to explosives. There is a time agreement on S. 1083. There will be yea-and-nay votes on the bill and amendments thereto, undoubtedly.

Upon the disposition of S. 1083 the Senate will resume consideration of the amendment by Mr. Gravel to the Alaskan pipeline bill. Other yea-and-nay votes could occur during the afternoon in the event, by unanimous consent, that amendment is laid aside to take up other amendments or other business.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the previous order, that the Senate adjourn until the hour of 8:30 a.m. tomorrow.

The motion was agreed to; and at 6:21 p.m. the Senate adjourned, under the previous order, until tomorrow, Friday, July 13, 1973, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 12, 1973:

DEPARTMENT OF JUSTICE

Thomas K. Kaulukukui, of Hawaii, to be U.S. marshal for the district of Hawaii for the term of 4 years, reappointment.

Edward J. Michaels, of Delaware, to be U.S. marshal for the district of Delaware for the term of 4 years, reappointment.

Doroteo R. Baca, of New Mexico, to be U.S. marshal for the district of New Mexico for the term of 4 years, reappointment.

Walter J. Link, of North Dakota, to be U.S. marshal for the district of North Dakota for the term of 4 years, reappointment.

George L. Tennyson, of South Dakota, to be U.S. marshal for the district of South Dakota for the term of 4 years, reappointment.

Royal K. Buttars, of Utah, to be U.S. marshal for the district of Utah for the term of 4 years, reappointment.

Doyle W. James, of Colorado, to be U.S. marshal for the district of Colorado for the term of 4 years, reappointment.

Charles E. Robinson, of Washington, to be U.S. marshal for the western district of Washington for the term of 4 years, reappointment.

Charles R. Wilcox, of Wyoming, to be U.S. marshal for the district of Wyoming for the term of 4 years, reappointment.

Bill Carnes Murray, of Georgia, to be U.S. marshal for the northern district of Georgia for the term of 4 years, reappointment.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 12, 1973:

DEPARTMENT OF JUSTICE

John R. Wilks, of Indiana, to be U.S. attorney for the northern district of Indiana for the term of 4 years.

George W. F. Cook, of Vermont, to be U.S. attorney for the district of Vermont for the term of 4 years.

DEPARTMENT OF STATE

William H. Sullivan, of Rhode Island, a Foreign Service Officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Philippines.

Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

William D. Brewer, of Connecticut, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Sudan.

William I. Cargo, of Florida, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

William G. Bowdler, of Florida.

William B. Buffum, of New York.

Jack B. Kubisch, of Michigan.

Thomas W. McElhiney, of the District of Columbia.

Albert W. Sherer, Jr., of Illinois.

Malcolm Toon, of Maryland.

ASIAN DEVELOPMENT BANK

Paul Rex Beach, of Virginia, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Thursday, July 12, 1973*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

They that wait upon the Lord shall renew their strength.—Isaiah 40: 31.

Eternal God, our Father, who art the refuge and strength of the people in every age, come Thou anew into our hearts as we bow humbly in Thy presence. Help us to realize our dependence upon Thee and our need of Thy forgiveness, Thy guidance and Thy love. Make us conscious of Thy spirit and give us to know that with Thee we are equal to every experience and ready for every responsibility.

We do not ask for easy tasks but for the willingness to do them, easy or hard; we do not pray for light burdens but for the strength to carry them, light or heavy; we do not seek for work we like to do but for the spirit to like what we have to do. Grant us wisdom and strength for the work of this day.

Let Thy spirit work mightily in our Nation and in our world that hurts may be healed, divisions may no longer divide, and truth may reign in every mind, and good will may dwell in every heart. In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1141. An act to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarter dollars, to authorize the issuance of special gold and silver coins commemorating the Bicentennial of the American Revolution, and for other purposes;

S. 1328. An act to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California;

S. 1435. An act to provide an elected Mayor and City Council for the District of Columbia, and for other purposes; and

S. 1989. An act to amend section 225 of the Federal Salary Act of 1967 with respect to certain executive, legislative, and judicial salaries.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 333]

Adams
Alexander
Anderson, Ill.
Ashley
Badillo
Blatnik
Boggs
Bolling
Brotzman
Brown, Calif.
Burgener
Burke, Calif.
Carey, N.Y.
Carter
Chisholm
Clark
Clausen, Don H.
Collins, Ill.
Culver
Danielson
Dellums
Dent
Diggs
Dorn
Downing
Esch
Evins, Tenn.
Fisher
Ford, William D.
Fraser
Frenzel
Giaimo
Goldwater
Gray
Griffiths
Hanley
Hawkins
Henderson
Holifield
Howard
Huber
Johnson, Calif.
Landgrebe
Latta
McFall
McKay
Madigan
Mailliard
Michel
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Nelsen
Passman
Pepper
Pettis
Reid
Rhodes
Robison, N.Y.
Rooney, N.Y.
Rosenthal
Rousselot
Roybal
Ryan
Satterfield
Slack
Steed
Stephens
Teague, Tex.
Thone
Wilson, Bob
Yates

The SPEAKER. On this rollcall 361 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FRIENDSHIP'S DOOR

(Mr. LEHMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. LEHMAN. Mr. Speaker, I would like to call the attention of my colleagues to a club called Friendship's Door, begun by a young lady in my district, Maxine Gabe.

Friendship's Door is a correspondence club for handicapped persons who can share friendship through letters and tapes. Some of the members are homebound because of age, and others by physical problems. But all are welcome to join the club, which I know has brought a lot of sunshine and happiness into the lives of its members.

Those who wish to join can write to Maxine Gabe, 545 NE. 121st Street, North Miami, Fla. 33161. Maxine, through Friendship's Door, is providing a much-needed service to those people who need a little more light in their lives. And Maxine would welcome some new members.

BUREAUCRATS STYMIE INTENT OF CONGRESS

(Mr. HUDNUT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HUDNUT. Mr. Speaker, one of the classic confrontations in our Nation's history is the one taking place during this session of Congress between the three branches of the Government. An illustration appears in the area of our Nation's health programs. I am concerned about this as a member of the Public Health and Environment Subcommittee of the Committee on Interstate and Foreign Commerce.

Recently the Health Programs Extension Act of 1973 was passed almost unanimously and signed into law by the President, thus authorizing the continuation in fiscal year 1974 of 12 health programs such as community mental health centers, Hill-Burton, regional medical programs, and so on.

Now our committee has discovered that through regulations and directives promulgated by the Department of Health, Education, and Welfare, the intent of the Congress is being willfully violated or ignored so far as the continuation of some of these programs through extension legislation is concerned. To me, this state of affairs is amazing and shocking.

I feel I must ask: What will the Congress do about this? What power do we have to enforce our legislation when it is disregarded by the Executive? How can the will of the people effectively express itself when the bureaucrats stymie authorized programs?

I do not have the answers, but I wish some wiser and more experienced heads in the Congress would give me some.

GOVERNMENT CADILLACS ADD TO AIR POLLUTION

(Mr. ECKHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, the Committee on Interstate and Foreign Commerce has been hearing the question of gasoline shortage in the last several days. During this period of time a very anomalous situation has happened. After I left the hearing I saw a number of Cadillacs in the horseshoe drive entrance of the Rayburn Building which had brought various bureaucrats to testify before the committees or watch others testify or what have you.

On that day when the air pollution was worst in this area, their engines were running in order to keep the Cadillac, with no one in it except the chauffeur, cool so the witness could come back and enter a cool Cadillac to drive back in.

Today I passed that area, and this is a beautiful day, a cool day, but there were two chauffeurs sitting in a Cadillac waiting for Assistant Secretary Sheldon Lubar of HUD who is testifying I assume before the Government Operations Committee. The Cadillac's engine was running to cool the two chauffeurs, but apparently the cooling would have been too intense so they left the windows open, but the engine was running.

LIRR COMMUTERS SHOULD NOT HAVE TO PAY HIGHER FARES TO COVER DEFICIT

(Mr. WOLFF asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WOLFF. Mr. Speaker, I was dismayed by New York Metropolitan Transit Authority Commissioner William Ronan's statement yesterday that the cost of Long Island Railroad commuter tickets could increase an average of 70 percent next January to cover a $93 million deficit over 1974 and 1975. This is an unconscionable increase, far beyond the ability of many Long Islanders to pay. Since Dr. Ronan admitted that recent settlements with LIRR unions were "not excessive," how can he justify this sudden need for a massive price rise?

New York's commuting public, denied any appeal, can no longer be subjected to the rulings of this oligarchy. The MTA must be made subject to the New York State Public Service Commission or an outside investigative body as a watchdog to protect commuters from continued unfair and excessive rate increases.

I have not yet seen Dr. Ronan's entire statement in which he reveals his support for publicly subsidized mass transit. I have long supported increased Federal funding for local transportation, as have virtually all other metropolitan New York Congressmen, as a way to alleviate our severe pollution and energy problems. Dr. Ronan's support for our cause would have been useful and most welcome. I wish we had known of Dr. Ronan's letter to President Nixon urging him to support operating subsidies for mass transportation. I cannot understand why Dr. Ronan waited until now to announce this letter. Where was Dr. Ronan during congressional debate on this issue when his opinion would have possibly had an effect?

It is naive of Dr. Ronan to claim that without those subsidies such drastic price increases are necessary on the LIRR. The MTA also has jurisdiction over a number of bridges and tunnels in New York City which show a profit each year. The tolls on these facilities are paid by New York commuters. It makes sense to me to use some of those funds to subsidize the operation of the LIRR. Failure to do so may increase the price of commuter tickets forcing many LIers onto already clogged roads into New York City. That cannot be allowed to happen.

BUREAUCRATS MUST OBEY THE LAW

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROGERS. Mr. Speaker, the gentleman from Indiana (Mr. HUDNUT) who is a member of the Subcommittee on Public Health and Environment, has made a statement that I hope all Members of this House, if they did not hear it, should take the time to read in the RECORD.

He has pointed up a continuing problem that is accelerating, that this Congress must face. That is, when we pass legislation which is even signed into law by the President as signifying his approval, then the HEW bureaucracy refuses to carry out the provisions of the law. The Department of Health, Education, and Welfare has, in effect, refused to obey the law. Health agencies and health projects all over this Nation are having now to go to court to get the courts to tell the Department of Health, Education, and Welfare to obey the law.

Mr. Speaker, that is an impossible situation, and I hope that it is something this Congress is going to face up to and do something about when we cannot even get the Department of Health, Education, and Welfare to simply obey the law. That is all we ask, obey the law, and they are refusing to do it.

A REPUBLIC—CAN WE KEEP IT?

(Mr. SYMINGTON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SYMINGTON. Mr. Speaker, yesterday the Nation was told by former Attorney General John Mitchell, who was named in 1969 to "restore a climate of law and order," and eliminate permissiveness in dealing with lawbreakers, that he withheld knowledge of criminal, highly criminal, activity not only from the President, but the people. His stated reason: The reelection of the President might be jeopardized by such revelation. The most exquisite element of this rationale was his particular fear that the likely reaction of the President himself posed the principal danger—which is to say the highest judicial officer in the land concealed criminal acts from the highest Executive officer in the land for fear the latter would use the information properly as President and, therefore, detrimentally as a candidate for that office.

Mr. Speaker, cold is the American spine that does not get a chill from such dread reasoning. And sunburned is the President who does not redden at such a backhanded compliment. It is said the witness remains unperturbed. Is he to be congratulated, or pitied, or scorned as a pariah even in this age of lost innocence? America is, or should be, deeply perturbed. And mere painful silence is no longer a sufficient reproach. What is needed now, not tomorrow, not when the hearings conclude, but now—is a clear unequivocal expression of chagrin, sorrow, and most importantly, rededication to the ageless promise of the gift we still share—"a Republic—if you can keep it." And that expression, that pledge can only come, and must come from the President himself.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8860, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

AMENDMENT OFFERED BY MR. SCHERLE

Mr. SCHERLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Scherle:

On page 22, line 12, strike the words "$1.38 per bushel," and insert in lieu thereof the words "$1.53 per bushel."

Mr. SCHERLE. Mr. Chairman, my amendment is very simple. All it does is increase the House version of the target price from $1.38 a bushel to the Senate version of $1.53 a bushel.

My reason for doing this is because I feel it is imperative to increase production, and the only way we are going to do that is to create some type of incentive. The $1.53 price is only 70 percent of parity.

The House version of $1.38 calls for 63 percent of parity.

Now, this is an intolerable figure. There is no one who can produce at that price at present-day costs.

Mr. Chairman, after listening to the debate here on the House floor for the last 2 days, I am surprised and saddened by the verbal castigation of American agriculture. The callous comments directed toward the farmer are indefensible. To blame the farmer for the problems of our economic society is totally unfair. Production is geared to a merciless market—totally unsympathetic. Any fault or criticism concerning surpluses or shortages should be directed toward the Department of Agriculture or the weather, both of which are uncontrollable. Agriculture today, as it always has been since the beginning of time, is a feast-or-famine occupation or a chicken-to-feathers operation. This is exactly what it amounts to, because at no time does the farmer know exactly how much he has to produce for the requirements of society.

The farmer usually does what is recommended by the Department of Agriculture. Based on their calculations and estimates, the farmer is governed accordingly.

Mr. Chairman, the consumers of this country have always been blessed with ample food, many times at the sacrifice of the producer. The incentive to produce is the secret to production, and only by this method will we continue to have a sufficient supply of food.

The producer has been subsidized for many, many years, but let me give you a few examples of how agriculture has suffered in the past, particularly in farm income. The following comparisons are quite revealing.

The earning capacity of the farmer in 1972 was $7,500 a year; for a blue-collar worker, it was $10,000 a year; and for the white-collar worker it was $14,500 a year.

Twenty years ago the "market basket," as compiled by the Department of Agriculture, cost the average consumer $850. Today the same market basket, with the some ingredients, with the same content, cost $1,360. Now, during that course of time only 15 percent of the increase actually went for food. The remaining 85 percent went for storage, transportation, packaging, retailing, and other sundry costs.

Twenty years ago 23 percent of the consumers disposable income was used for food. Today 15.6 percent of disposable income is used for food. In that period of time, because of the efficiency, technology, and the mechanical ability of the farmers, they have saved the consuming public $53 billion, to be used for vacations, recreation, campers, boats, stereos—you name it. It did not go into the pockets of the farmers.

It was not too many years ago that Members of this House talked about a fuel crisis and an energy crisis, and no one paid any attention to them. It is inherent to the American makeup that no one worries about anything until the well runs dry. Today we have both.

There are people in this country today who are writing letters to the Secretary of the Treasury asking that food be federalized. How would the Members like to see food in this country declared a public utility?

Let me say this to the Members of the House—We cannot ask the farmers to continually produce more without making a profit. Since 1945, 23 million people have left the farms. Last year 39,000 farms disappeared from a production status.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Scherle was allowed to proceed for 2 additional minutes.)

Mr. SCHERLE. Let me tell the Members what the farmers and the producers are up against today.

Mr. Chairman, millions of Americans watched the deliberate destruction of hundreds of thousands of baby chicks on television last week because farmers can no longer afford to raise them. This shocking spectacle may soon become commonplace—nor will it be limited to poultry alone. There are reports that bred sows are being sent to slaughter before farrowing for the same reason. Breeding meat-producing animals is fast becoming an unprofitable proposition because feed costs exceed the allowable selling price for meat. The price of feed has risen $18 a ton since the administration slapped on meat price ceilings 3 months ago, and the new freeze on all prices comes too late to ease the squeeze. Since the first of this year, pork producers' costs from farrow to finish have jumped more than $25 per pig. Cattlemen face cost hikes of more than $10 a hundredweight while poultrymen who stay in the market under present conditions would lose 15 cents for every dozen eggs produced, and 30 cents for each broiler chicken that goes to market. As long as production costs exceed permissible selling prices, stockmen will be forced to reduce their inventory. There is no question that the American consumer will soon feel the supply pinch. If the present trend continues, there will be few if any chickens to buy anywhere at any price. Pork and beef could soon join them on the housewife's list of endangered species.

Those who know and understand agriculture support a solution I have long advocated: the removal of any price ceiling on food. Wholesale and retail meat prices should be allowed to "float"; at a minimum, producers should be permitted to pass along any cost increases. However, the administration's top economic "experts" have convinced the White House to slap an embargo on two agricultural exports, soybeans and cottonseed. As usual, agriculture is bearing the brunt of the required adjustment. Producers are deeply concerned about the current shortage and want to insure ample domestic supplies, but not by imperiling the overseas markets developed over the years with such effort. This decision, which voids some existing export contracts, threatens not only our new commercial partners in the Communist bloc but also our old trading relationships with allies of long standing. Our credibility and reliability will be seriously called into question. This policy will also be disastrous to the balance of payments and could further weaken the American dollar overseas. Thus the brief life span of those pathetic baby chicks will have ramifications reaching far beyond their own unfortunate fate.

How can we expect these people to produce when prices are frozen and ceilings imposed, while the cost of feed and other items required to produce these commodities continue to increase?

I would advocate taking all ceilings off and give the farmers an opportunity to produce. At least this method would be equitable.

I ask the Members to support my amendment.

Mr. TEAGUE of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am very much inclined to support the amendment offered by the gentleman from Iowa (Mr. Scherle).

This bill is on its death bed. At most it has only a few weeks to live, in my opinion. I think we might as well give it the coup de grace right now, and this amendment would certainly do it. What we ought to do is come in with a reasonable farm bill with an entirely different concept. Public Law 480, and food stamps which I support should not be in the same package, anyway.

So I think the gentleman from Iowa (Mr. Scherle) has a great idea of one way to really kill this bill.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Ohio.

Mr. WYLIE. The word "parity" is being thrown around here a lot. This figure that is being offered by the gentleman from Iowa (Mr. Scherle) is $1.53 per bushel for corn or 70 percent of parity. I have made a quick calculation and have determined that this means that parity would be $2.19 for a bushel. I confirmed that parity today is $2.19 per bushel for corn with the gentleman from Minnesota (Mr. Zwach).

What is parity? What does the word "parity" mean?

Mr. TEAGUE of California. Somebody is going to have to explain that who understands better than I. Let us ask the head of the Subcommittee on Feed Grains, Mr. Foley. I yield to Mr. Foley.

Mr. FOLEY. Mr. Chairman, I am sorry, but I did not hear the question.

Mr. TEAGUE of California. The gentleman from Ohio wants an explanation of what parity is.

Mr. FOLEY. Parity is a rather complicated formula by which farm costs and prices are referred to a base here which is the base of 1912 to 1914.

Mr. WYLIE. Did I understand the gentleman to say 1912?

Mr. FOLEY. 1912 to 1914. I am sorry, 1910 to 1914. Costs and prices are adjusted at the present time relative to what they were in relation to costs and prices in that base period of 1910 to 1914. In other words, if we are talking about, let us say, the price of wheat, the cost of production as to prices would be the target price of $2.05, if accepted—70 percent of what the price would have been in relation to the costs of 1910 to 1914. It is something more complex than that. That is a rather simplistic explanation.

Mr. WYLIE. It is just as clear as mud. Apparently 1910 was a pretty good year.

Mr. FOLEY. Mr. Chairman, will the gentleman yield further?

Mr. TEAGUE of California. I yield to the gentleman from Washington.

Mr. FOLEY. I just want to advise the gentleman that on page 147, there is a discussion on parity.

Mr. WYLIE. I thank the gentleman.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Illinois.

Mr. FINDLEY. What surprises me about the proposal of the gentleman from Iowa (Mr. SCHERLE) is that he is just recommending here a guaranteed price of 70 percent of parity for his corn farmers, while another part of this bill guarantees 80 percent for dairy farmers. Why be a piker?

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, earlier I got permission in the House to include in connection with my remarks a summary of agricultural laws as they would exist if we fail to pass new farm legislation. At this time I would like to read to you this summary:

SUMMARY OF STATUTORY PROVISIONS EFFECTIVE ON EXPIRATION OF AGRICULTURAL ACT OF 1970

The authority granted by the Agricultural Act of 1970 (P.L. 91-524, 84 Stat. 1378 approved November 30, 1970), extends only to the 1971, 1972, and 1973 crops. The outline which follows summarizes the statutory authority which will be operative in the event no Congressional action is taken to continue the provisions of the Agricultural Act of 1970 in effect beyond the 1973 crop of the commodities mentioned in the Act.

WHEAT

Under existing permanent legislation, Section 333 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1333) the Secretary is required to proclaim a national acreage allotment for wheat. The allotment is to be apportioned in the manner provided in that Act. In addition, under Section 332 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1332) the Secretary of Agriculture must determine prior to April 15 whether to proclaim a national marketing quota for wheat. If a national marketing quota for wheat is proclaimed by the Secretary, a referendum must be conducted among farmers to determine whether they favor or oppose marketing quotas for the year or years for which they have been proclaimed. Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336).

If wheat marketing quotas are proclaimed and approved by two-thirds or more of the farmers voting in the referendum, such quotas would be in effect; land-use penalties for failure to make mandatory diversion of acreage to approved crops would be payable under the provisions of Section 339 of the Agricultural Adjustment Act of 1938, as amended; and, a wheat marketing certificate program pursuant to Section 379c of the Agricultural Act of 1965 would also be operative. (7 U.S.C. 1339(a) (1), 1379c.)

Processors of wheat would be required to pay full value of domestic certificates and exporters of wheat the value of variable certificates determined, in part, by the world market for wheat.

Price support for wheat accompanied by domestic marketing certificates would be mandatory at a level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate. Price support for wheat accompanied by export certificates would be required at a level not more than 90 per centum of the parity price therefor as determined by the Secretary. Price support for wheat not accompanied by marketing certificates would be at a level not in excess of 90 per centum of the parity price therefor as determined by the Secretary, taking into consideration competitive world prices for wheat, feeding values of wheat, the relationship to feed grains, and the level at which price support is made available for feed grains. Price support may be made available only to cooperators as defined in Section 107 and, if a commercial wheat-producing area is established, only in such area. Section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445a note).

If a national marketing quota is not proclaimed or if producers disapprove marketing quotas, price support shall be made available as prescribed in Section 101 of the Agricultural Act of 1949, as amended (7 U.S.C. 1441). Section 101 authorizes and directs the Secretary to make price support available to cooperators, if producers have not disapproved marketing quotas, at a level not in excess of 90 per centum of parity dependent upon the supply percentage as of the beginning of the marketing year. If producers disapprove marketing quotas, price support is available to cooperators at 50 per centum of its parity price.

The term "cooperator," is defined in Section 408(b) of the Agricultural Act of 1949, as amended (7 U.S.C. 1428(b)) as a producer who does not knowingly exceed his acreage allotment.

FEED GRAINS

No acreage allotments have ever been required by law for any feed grains except corn. In the case of corn, Section 330 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1441, note) provides that acreage allotments and a commercial corn producing area shall not be established for the 1959 and subsequent crops of corn.

Price support for 1974 and subsequent crops of feed grains would be available in accordance with Section 105(a) of the Agricultural Act of 1949, as amended. There would be no provision for price support payments or a set-aside program. Section 105(a) provides that price support must be made available to producers of corn at not less than 50 per centum nor more than 90 per centum of its parity price as the Secretary of Agriculture determines will not result in the increase of Commodity Credit Corporation stocks of corn. Price support would also be required to be made available by the Secretary of Agriculture on the 1974 and subsequent crops of oats, rye, barley, and grain sorghums at a level of the parity price of such crops as he determines is fair and reasonable in relation to the level at which the price support is made available for corn, taking into consideration the feeding value of the commodities in relation to corn and such other factors.

UPLAND COTTON

The determinations relating to a national marketing quota would be required to be made by the Secretary of Agriculture as provided in Section 342 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1342). Assuming that a marketing quota was determined, acreage allotments would then be required under Section 344 of that Act (7 U.S.C. 1344). In no event could the national acreage allotment be less than 16 million acres. A referendum of farmers engaged in the production of cotton to determine whether they favor or oppose marketing quotas would be required under Section 343 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1343).

Price support would be made available to cooperators on the crop if producers had not disapproved marketing quotas. Section 103 (a) of the Agricultural Act of 1949, as amended (7 U.S.C. 1444(a)) would be operative with respect to the 1974 and subsequent crops of upland cotton. The level of price support would not be more than 90 per centum nor less than 65 per centum of the parity price of upland cotton as of the beginning of the marketing year as determined by the Secretary of Agriculture, taking into consideration the factors specified in Section 401(b) of the Agricultural Act of 1949, as amended (7 U.S.C. 1741(b)).

If producers disapprove marketing quotas price support would be made available to cooperators under Section 101(d)(3) of the Agricultural Act of 1949, as amended, at 50 per centum of parity. The Secretary would also have discretionary authority under Sections 103(a) and 101(d)(5) of the Agricultural Act of 1949, as amended, to make price support available to noncooperators at such level not in excess of the level of price support to cooperators as would facilitate the effective operation of the program. (7 U.S.C. 1441(d) and 7 U.S.C. 1441(a).)

In addition, the authority to sell and transfer cotton-acreage allotments will expire with the 1973 crop.

CCC MINIMUM SALES PRICES

In the absence of new legislation, after July 31, 1974, CCC may sell upland cotton for unrestricted use at not less than 105 per centum of the then current loan rate plus carrying charges.

Generally, under the provisions of Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), the CCC minimum sale price for wheat, feed grains and other commodities following expiration of the marketing year for the 1973 crops, will be 105 per centum above the then current support price for the commodity plus reasonable carrying charges.

SOYBEANS—COTTONSEED

Under the provisions of Section 203 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446d) if either cottonseed or soy beans is supported under that Act then the price of the other "shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market." This legislation—suspended for the 1971 through 1973 crops of cottonseed and soybeans—would again be effective if new legislation is not adopted.

BUTTERFAT

If no new legislation is enacted, mandatory price support for butterfat and the products of butterfat would again become effective. Under the provisions of Section 201(c) of the Agricultural Act of 1949, as amended, after March 31, 1974 (the end of the 1973-74 marketing year) the price of whole milk, butterfat and the products of such commodities "shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply." (7 U.S.C. 1446 note.) Mandatory price support for butterfat and the products of butterfat was suspended by the Agricultural Act of 1970.

OTHER LEGISLATIVE AUTHORITY WHICH WILL EXPIRE

In addition to the foregoing provisions of law which will be in effect if no new legislation is enacted, a number of other authorities covered by the Agricultural Act of 1970 are scheduled to expire in 1973. These are:

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED—PUBLIC LAW 480—83D CONGRESS

Without new legislation, no agreements to finance sales under title I and no programs of assistance under title II shall be entered into after December 31, 1973. (7 U.S.C. 1736c.)

MILK

Authority to transfer dairy products to military and veterans hospitals now available under the provisions of Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a) will expire December 31, 1973. The dairy indemnity program conducted under Public Law 90–484, 82 Stat. 750 (7 U.S.C. 450j) will end June 30, 1973.

The dairy base plan provisions contained in the Agricultural Act of 1970 (7 U.S.C. 608c note) also terminate December 31, 1973, except for class 1 base plans issued prior to that date, but in no event shall any order issued extend or be effective beyond December 31, 1976.

WOOL INCLUDING MOHAIR

Unless the National Wool Act of 1974 (7 U.S.C. 1782 *et seq.*) is extended, mandatory price support for wool and mohair, and the authority to provide price support through payments, will expire on December 31, 1973. Thereafter, price support for wool would be discretionary with the Secretary under Section 301 of the Agricultural Act of 1949, as amended (7 U.S.C. 1447), and if price support is made available it would have to be through loans or purchases; payments could not be utilized.

MISCELLANEOUS PROGRAMS

Other programs also due to expire on December 31, 1973, in the absence of new legislation are the Beekeepers Indemnity Program, (7 U.S.C. 135b note), and the Crop Land Conversion Program (16 U.S.C. 590p (e)).

UNITED STATES HAD AND HAS AUTHORITY TO SELL COMPETITIVELY IN WORLD MARKETS

At this time when we need production and foreign exports to earn dollars we need to study these provisions which show that in some instances, they would be an improvement over the act before us in view of the amendments we have adopted because we would produce, supply domestic needs, and regain our foreign sales.

Also may I say that I brought together in volume 9 of our hearings a reprint of hearings our committee held in 1956 and 1957 where the Secretary of Agriculture at that time, Mr. Benson, and the present Secretary of Agriculture, Mr. Butz, agreed that the buildup of commodities in U.S. storage did not come from the operation of the law, but arose because our Government, through the Commodity Credit Corporation, refused to sell our commodities on the world market at competitive prices as authorized and contemplated by law.

Let me read you the hearings to which I refer:

DEPARTMENT OF AGRICULTURE APPROPRIATIONS FOR 1956

FRIDAY, JULY 29, 1955.

COMMODITY CREDIT CORPORATION

(Witnesses—J. A. McConnell, Assistant Secretary of Agriculture; Earl Hughes, Administrator, Commodity Stabilization Service; W. C. Berger, Associate Administrator, Commodity Stabilization Service; F. M. Rhodes, Director, Cotton Division, Commodity Stabilization Service; Preston Richards, Deputy Administrator, Price Support, Commodity Stabilization Service; Larry Manwaring, Deputy Administrator, Production Adjustment, Commodity Stabilization Service; Marvin McLain, Director, Grain Division, Commodity Stabilization Service; W. E. Underhill, Assistant to Deputy Administrator, Price Support, Commodity Stabilization Service; C. B. Howe, Grain Division, Commodity Stabilization Service)

Mr. WHITTEN. Gentlemen, the committee will come to order.

I would like for the record to show those who are in attendance from the Department.

We are pleased to have Mr. McConnell, Assistant Secretary of Agriculture, and his associates here.

SALES PROGRAM IN WORLD MARKET

Gentlemen, we asked you here to go over this Commodity Credit Corporation operation, particularly in connection with efforts that have been made to set up a sales organization within the Department and as to what the plans and programs you have set up have been.

Briefly, for the record, the Commodity Credit Corporation in its charter is authorized to sell commodities in world trade at any price; and this is necessary, in order to protect the Corporation and in order to retain for the United States its fair share of world markets. For some several years I, as well as other Members of Congress, have pointed this fact out in an effort to get action in this regard.

I would like at this point to have inserted in the record the language from our report on the Agriculture appropriation bill, where these facts were pointed out.

(The information is as follows:)

* * * * *

FAILURE OF COMMODITY CREDIT CORPORATION TO MEET FULL RESPONSIBILITIES

Any analysis of the present situation confronting farmers must start with a thorough study of the Commodity Credit Corporation, the Government's arm established with a dual responsibility to (1) support farm prices within the terms of the law and (2) protect the investment of the Nation's taxpayers, including the American farmers, through sales of commodities acquired.

The agency set up to handle the price-support program was established as a corporation in order to give it more latitude to buy and sell, borrow and repay money, sue and be sued, etc. In other words, it was created on this basis so that it would operate on a businesslike basis to carry out its responsibility of supporting farm prices and protecting the Government's investment through sales. It is this latter responsibility which has been largely overlooked by the Corporation and those dealing with the subject.

As to the Corporation's authority and obligation to sell, we need only look to its charter, which in section 5(f) authorizes it to export or cause to be exported, or to aid in the development of foreign markets for agricultural commodities acquired under price-support programs or specifically procured for export purposes. The Charter Act contains no restriction on the prices for which commodities may be sold by the Corporation for export purposes.

This Corporation has authority to invest up to $10 billion to support farm commodities. At the present time, it has invested over $7 billion in such commodities. From this it must be conceded that the Corporation has discharged its responsibility to support farm commodities as provided by law.

On the other side of the picture, however, there is a serious question whether the Corporation has met its obligation to protect its (the people's) investment.

Testimony before the committee indicates that, while the Corporation has the authority to sell its products in world markets at competitive prices, as of February 1955, nearly $3.7 billion of such commodities have never been offered for sale abroad at competitive prices, and storage charges are rapidly increasing the Corporation's investment in these stocks.

There is reason to believe that such products could be sold in world markets through normal channels of trade if an effort were made to do so on a competitive basis. During the past year, largely as a result of the urging of this committee, about $500 million worth of such commodities were sold for dollars by merely offering them for sale on a competitive basis through United States export traders. Many countries of the world have dollars and are anxious to buy American products at competitive prices.

Under an erroneous decision, the President and Board of Directors of the Corporation have set up a policy of making the American support price substantially the offering price in world markets. As a result the Corporation is placed in the position of a "residual supplier." This is borne out by the following statement contained in a news release of the Department dated February, 1954:

"The present season again finds the United States in the position of residual supplier of cotton to the world, that is, with demand for its exports limited until other exporters have largely sold out."

While the price-support law fixes the domestic price of Comodity Credit Corporation sales of basic commodities at the support level plus handling and storage charges, there is nothing in the law applying this same formula to sales abroad. With full authority to sell competitively in world trade, the Corporation and the Secretary, according to his testimony, have set our domestic price as our price in world markets, with relatively minor exceptions. In connection with wheat sold under the International Wheat Agreement, which is an exception, our sales are made on a fixed price level, causing CCC to miss many sales.

The committee feels that a price-support system is necessary to offset other United States costs and to enable the farmer to exist along with the other segments of our economy, most of which have protection by law in one form or another. It does not believe that losses on commodities taken over by the Commodity Credit Corporation, which have been greatly increased by failure to sell, should be used to discredit such a valuable part of the broad farm program of this country.

The Congress authorized sales in world trade at such price as it might take to move these commodities. Certainly the Congress never intended for the CCC to restrict United States production to the domestic market by keeping its commodities off world markets at competitive prices. Testimony before the committee indicates that nearly every country of the world makes special concessions where necessary to keep its products moving in world trade channels. Undoubtedly Congress intended that this country should compete in world markets. This is borne out by the fact that it provided specific authority in the Commodity Credit Corporation Charter for the Secretary to sell its commodities in world trade at whatever price he finds necessary to sell such commodities.

COMMODITY CREDIT CORPORATION OPERATING COSTS

Any decreased investment which might result from flexible or reduced support levels is being dissipated by failure to sell. Of the $588.5 million loss incurred on CCC commodities disposed of in the fiscal year 1954, about $224 million represents storage, warehousing and transportation costs and $102.9 million represents administrative, interest, and similar costs. Of this storage cost, $188 million covers storage on those commodities which have never been offered for sale in world markets at competitive prices, even though the Department has the authority to so offer them. These commodities include corn, cotton, rice, tobacco, cheese, milk, wool, cottonseed meal, cotton linters, olive oil, seeds (hay and pasture), and soybeans, in which the United States has an investment of $3.7 billion.

A large part of these storage costs would have been avoided had the Corporation used its authority to sell these stocks in world trade through normal channels. Losses on sales abroad could well have been less than storage costs resulting from the present policy of holding such commodities off world markets at competitive prices. For example, on some of the cotton now held, as much as 8 cents per pound has been added to the Government's investment by storage costs alone.

In view of the large amounts of Federal commodities on hand, no further increases in storage rates should be authorized under any circumstances. Instead, the committee feels that storage costs should be brought down by at least 20 percent during the next fiscal year, by reducing stocks through sales. It also believes that the reduction of stocks of commodities and storage costs should continue at even a faster rate in the years ahead, until CCC holds only such supplies as are essential to security reserve for one year.

NEED FOR POSITIVE SALES PROGRAM

It would seem to the committee that the directors of any corporation should realize that a business cannot operate successfully if it does not sell what it purchases. This is particularly true where holding the stocks continues to add to the carrying charges due to accrued storage costs and constantly increasing administrative expense. And yet, that is what the Commodity Credit Corporation is doing.

The committee find that this $10 billion corporation, which now has over $7 billion invested, does not have a sales manager or a sales organization. Actually it does not even have a sales policy or program worthy of the name.

It has long been recognized by the Congress that, in order to protect the public interest, Government purchase contracts must go to the lowest bidder. In view of the soundness of that policy, the committee wonders why the CCC does not save Government money by selling to the highest bidder. Generally speaking the Corporation does not do that either at home or abroad. Almost 100 percent of the commodity sales are offered at a fixed price. Usually, on this basis, CCC does not sell, thereby increasing storage costs and adding to the United States investment and eventual losses. Last year, when the committee got the Corporation to offer stocks competitively, the commodities were sold for dollars totaling $500 million.

Certainly, the operating heads of this $10 billion corporation must realize that, with over $7 billion invested, they cannot keep buying, and cannot keep adding to carrying charges because of higher storage rates, increasing commodity volume, and more administrative costs—and not sell for the best available price.

Yet the officials of this corporation will not sell competitively in world trade. It cannot be because they do not have authority, for the charter itself gives unlimited authority to sell on such a basis.

The charter of the Corporation provides for a president and board of directors. These officials are—

Ezra Taft Benson, Director (Secretary of Agriculture).

True D. Morse, President (Under Secretary of Agriculture).

James A. McConnell, Director (Assistant Secretary of Agriculture).

Ervin L. Peterson, Director (Assistant Secretary of Agriculture).

Earl L. Butz, Director (Assistant Secretary of Agriculture).

O. V. Wells, Director (Administrator of AMS).

R. L. Farrington, Director (Solicitor of Agriculture).

The President of the Corporation, in reporting to the committee on the commodity disposals for the last year, referred to how much the Corporation had "bartered," how much it had "granted" and how much it had "given away." He then discussed how much the "disappearance" was, and in an optimistic note commented on what the current year's "dispositions" will be. On the basis of such testimony, the committee raised a question as to how long any private corporation could exist with such a policy of giving away assets, then merely charging off the losses.

* * * * *

From the Department's testimony, it appears that CCC policy is dependent upon obtaining agreement among the various segments of the trade as to time and terms of disposal. Yet within the trade there are many conflicting interests which cannot be reconciled so as to permit necessary actions protecting the interests of the Corporation. With general agreement under such circumstances virtually impossible, except on a giveaway basis, CCC offerings in world trade are made at such a high pegged price level that other countries are enabled to offer their commodities just under United States prices and get the markets. Thus the United States holds an umbrella over world prices and invites United States capital to move its production to foreign lands.

The committee feels strongly that the officials of the Commodity Credit Corporation must accept their responsibility to properly handle the affairs of the Corporation so as to protect the Government's investment. The retention of any farm program will largely be determined by how well the business of the Corporation is handled.

A sales manager should be provided immediately by the Board of Directors. He should be made directly responsible to it, with a directive to set up a sales organization and a positive sales program under which commodities will be sold for the best price the Government can get and still move them before "storage costs" become too large.

If, to get this done, it is necessary to make the officers and employees of the Corporation independent of the Department of Agriculture, Congress should adopt legislation to accomplish this.

Sale of CCC commodities is essential to American agriculture, for those stocks not offered for sale on a competitive bid basis have two undesirable results—the reduction of production goals and the lowering of price support levels. Already, cotton not offered in world trade on a competitive bid basis has been used to reduce United States acreage by about 7 million acres in 2 years. As pointed out earlier, due to such restrictions imposed this year alone, more than $55,000 farm families are without homes and more than 130,000 farm families have had their gross annual income of $1,000 or less reduced to around $900. And it must be realized that this is not the result of price supports but is because CCC will not sell the commodities acquired.

INCREASES IN FOREIGN PRODUCTION

It is imperative that these policies be changed immediately, since foreign acreage is increased as United States acreage is reduced. Figures from the Department indicate that reductions in United States production have not cut world production, but have transferred our acreage to foreign lands instead.

Since 1949, foreign production of cotton has increased 49 percent while United States production has decreased 16 percent. Since 1952, production of cotton has increased about 43 percent in Europe, 6 percent in Asia, and 11 percent in South America. Indications are that further increases are expected in these areas of the world next year. During this same period, cotton acreage in the United States has been reduced about 35 percent.

With this loss of income to the economy of the United States, it is distressing to note that much of the increased production in other countries has been supported by American capital and "know how." The assurance of a United States umbrella over world prices has enabled these concerns to develop profitable operations in countries where labor and other costs of production are much below ours.

* * * * *

Mr. **Whitten**. The Solicitor of the Department and the Secretary have agreed in hearings before this committee that such authority does exist.

PRESENT CONDITIONS IN AGRICULTURE

TUESDAY, FEBRUARY 26, 1957.

(Witnesses—Ezra Taft Benson, Secretary; True D. Morse, Under Secretary; Earl L. Butz, Assistant Secretary; Marvin L. McLain, Assistant Secretary; R. L. Farrington, General Counsel; Don Paardling, Assistant to the Secretary; Walter C. Berger, Administrator, Commodity Stabilization Service; Francis C. Daniels, General Sales Manager, Commodity Stabilization Service; F. Marion Rhodes, Director, Cotton Division, Commodity Stabilization Service; Howard J. Doggett, Director, Soil Bank Division, Commodity Stabilization Service; Robert P. Beach, Assistant Deputy Administrator, Operations, Commodity Stabilization Service; Ralph S. Roberts, Administrative Assistant Secretary)

Mr. **Whitten**. Gentlemen, I would like to ask the committee members that we adhere to the regular order in this hearing and let the chairman complete his line of interrogation. I have some definite points I would like to develop, after which the witness will be passed to Mr. Marshall and Mr. Natcher and to Mr. Andersen, Mr. Horan, and Mr. Vursell.

Mr. Secretary, I think that the committee has concluded that, since nothing is more important right now to agriculture than the overall policies of the Department and the activities in the Congress in connection with farm income and things of that sort, that we should have a special hearing on this phase of the Department's program at this time, rather than wait for your regular appearance on the 1958 budget.

Mr. **Benson**. Mr. Chairman, I believe everybody has been handed a copy of a statement which is an attempt to cover the items which I understood that you wanted to discuss particularly, soil bank, the price support levels, which we have set, and the relationships between the two.

Mr. **Whitten**. Those are the major things that we should have in mind. I believe that we might delay the presentation of your statement briefly, so that I might develop some things that might not have had your detailed attention in it.

Mr. Secretary, it is no great secret that I have differed with your views in agriculture, as good Americans can, and that some members of this committee from both parties have seriously questioned the correctness of some of the views which you and your administration have had with regard to price supports.

PRICE SUPPORT CORRELATED TO FARM INCOME

Mr. Whitten. Mr. Secretary, in going over a review of your Department in the years that you have been Secretary, I notice that you have reduced price supports on cotton by 12 percent. You have reduced price support on cotton from 32 cents to approximately 28 cents. You have reduced price support on corn by 20 percent, on barley by 26 percent, on cottonseed by 33 percent, flaxseed by 25 percent, oats by 25 percent, rye by 21 percent, sorghum by 20 percent, soybeans by 21 percent, butterfat by 19 percent, and milk by 19 percent. That is the reduction that you have made in price-support levels during your tenure in office. During that same period, farm income has gone down something in excess of 20 percent. These figures are evidence of the soundness of myself and other members of the committee in the belief that the price received by the farmer is a very key factor in farm income. A comparison between the reduction in farm income from 1952 to 1957 and the reductions you have made in price-support levels during this period, certainly bear out such a conclusion.

In your advocacy of reduced price supports, you have always taken the view that to reduce supports would increase consumption. What evidence do you have that there has been any increase in consumption in these commodities that you have reduced?

RECOGNITION OF FARMERS' PLIGHT

Mr. Benson. Mr. Chairman, you have raised several questions: First of all, in adjusting the price supports—there have been cases where we have also shown some increases—we try to look at each commodity and do what we think is best for that commodity, particularly in the long run.

Mr. Whitten. Do you mean that you consider what is best for the middlemen or do you mean the farmers who are engaged in producing the commodity?

Mr. Benson. Our concern is for the farmer. Our major concern is for the farmer; I am sure you know that.

We recognize that one of the most serious depessing effects on farm income—in the last couple of years, particularly—has been the very heavy accumulations of surplus commodities in Government warehouses. Our career economists estimate that our surpluses have brought about a reduction of some 20 percent in the total farm income or about $2 billion. To pile up surpluses in Government warehouses, which in turn depress farm prices, is not helping agriculture.

So, we tried to set the supports at levels that would permit these commodities to flow into consumption. Then we put our emphasis on marketing, for which you have been very strong, Mr. Chairman. We put our emphasis on markets, the expansion of markets at home and abroad. We want to move these supplies into use rather than into Government warehouses, which are not a market. Once it gets there, only three things can happen to it; eventually it will have to move out into domestic markets or into foreign markets, or just stay there and accumulate storage charges until it spoils. So we have tried to set these supports at a level that will tend to promote orderly marketing and tend to permit these commodities to move into consumption.

SALE OF COMMODITIES IN WORLD MARKETS

Mr. Whitten. Mr. Secretary, I could buy that a little easier if the record did not show that for 3 separate years you had unlimited authority to sell these commodities in worldwide markets, that there were no restrictions whatsoever. Such statements will be found on page 99 of the CCC hearings in the 84th Congress, in 1956. Further evidence will be found on page 49 of the 1955 hearings, second session, in which you listed all the various commodities that you had responsibility for but flatly refused to offer in world trade on competitive basis.

I realize you took the view that other countries didn't have the money with which to buy our products. We had to correct that by showing that the foreign countries did have dollars.

The next argument that you made, as I recall it, was that the trade was opposed to these competitive sales. So we in turn had to have an investigation as to where the trade stood on this matter. Also, I believe there was some other argument as to the policies of the State Department. So we had the State Department before us. As I recall it, they testified that they had never opposed competitive sales, though they kept their hands in the Public Law 480 disposals.

Finally in 1956, for the first time, we got you to offer this cotton, because of the supply on hand. Yet for 5 straight years I was trying to get you to do the very logical thing of offering it for sale at competitive prices. It is my understanding from your reports that, once we got you to move, you sold about 6 or 7 million bales in 1956. If you had been offering that cotton for sale in 1954, 1955, and 1956, what is your judgment as to how much cotton you would have moved? What is your view as to how much of this 35 percent cut in cotton acreage that you visited on the cotton farmer could have been avoided? By your own survey, you showed that in 1955, 55,000 farm families were put off the farms in the South under the acreage reduction for cotton in that year. If you had offered this cotton, as you are authorized under law, for sale competitively during those 5 years, how much of this terrible situation would have been prevented?

Mr. Benson. First of all, Mr. Chairman, I think it would be difficult to show that these people who have left the farm have done so because of our sales policy.

Mr. Whitten. It is not sales policy. It is lack of sales policy and your own survey said they were put off farms as a direct result of acreage cuts.

Mr. Benson. Call it what you will, I am sure it is not due to policy or lack of policy, as you want to call it. In the case of cotton, there are a number of factors in the situation, as you well appreciate, I am sure. It is part of the trend that has been going on for many years in agriculture. The number of farmers has been declining. The greatest declines took place before this administration came into office, not due to Government policy but due to the play of economic forces. The great demand for labor in the cities at high wages, mechanization of agriculture, and many other factors have played a very important part in that trend. The trend is still going on, in a limited way.

PRICE SUPPORTS DO NOT AFFECT THE WORLD MARKET

Mr. Benson. Of course, had we continued the high rigid support program, which would tend to dry up markets both at home and abroad——

Mr. Whitten. I want to take issue with you right there. Why would it dry them up abroad?

Mr. Benson. Because our cotton was not priced competitively——

Mr. Whitten. All right. You set the price in world trade.

Mr. Benson. And at home.

Mr. Whitten. I would like to ask you to answer my question. You said that the high support level dried up our markets abroad. You just agreed that you had authority to sell abroad competitively, regardless of support level. You agree to that, don't you?

Mr. Benson. Yes, I think the authority is in the CCC Charter.

Mr. Whitten. Whatever the support level was, you had the authority to sell competitively. If foreign markets were being dried up, it was your own refusal to offer competitively. Would you not agree that, whatever your reasons for not doing it might be, that was the cause

Mr. Benson. As a matter of fact, Mr. Chairman, I come back again to the point I made earlier, that I am sure it was not the intent of Congress that the CCC be the sole marketing agency in this country. We do not want Government monopoly in the handling of——

Mr. Whitten. Why treat cotton differently from the other 19 commodities you were already selling competitively prior to 1956.

Mr. Benson. I do not know that we are treating it differently. We started on some earlier than others.

Mr. Whitten. You just heard your own folks say that on January 1, 1956 you were offering and had been for some time all 19 commodities except cotton.

Mr. Benson. Certainly there was no disposition on the part of any of us to discriminate against any commodity. Of course, cotton is a world commodity. It is a very sensitive commodity, in some areas. You have the question of our relations with other countries to consider, which you don't have to the same degree in many of the other commodities which we sold.

Mr. Whitten. You mean that cotton, with the biggest reduction of any of them and the only commodity taking 2 straight years' reduction, is the only commodity that these international commitments and assurances and all that kind of thing tie into?

Mr. Benson. It is not the only one, Mr. Chairman. It is one of the very important ones.

Mr. Whitten. Mr. Secretary, I feel so strongly about this, I hope you will accept my apologies in advance for seeming to be very much wrought up about it. But I would appreciate your answering my questions and I will give you any time you wish to qualify, modify or expand on your answers. But, may I again repeat the question: When you said that high support levels would in any way affect foreign sales, you were mistaken, unless you yourself withheld that commodity from foreign markets, because there was no limit on your ability to offer it in world trade competitively. Isn't that right?

Mr. Benson. High supports?

Mr. Whitten. You are not answering.

Mr. Benson. Yes, I will answer it. High supports, Mr. Chairman, would have the effect of pricing our cotton above world markets and to that extent would tend to dry up world markets, which has happened.

Mr. Whitten. I can't let that answer stand because it is a flat contradiction of the truth.

Mr. Benson. Let me finish my answer. We could, however, under the charter of CCC, as I understand it, have stepped in as a government, and taken the commodity in and sold out at a much lower figure on a competitive basis.

Mr. Whitten. As authorized by the law?

Mr. Benson. Yes, it was authorized by law.

Mr. Whitten. As you are now doing it?

Mr. Benson. As we are now doing it.

Mr. Whitten. So, the support level would not have a thing in the world to do with your ability to offer these commodities competitively in world trade under any circumstances?

Mr. Benson. It would unless we disregarded entirely the relationship of price supports to the whole operation and unless we eliminated from our thinking the possibility that the Government would become the only market for cotton and take over the whole operation. This would tend to dry up our own private marketing machinery which I think is not good for agriculture.

Mr. Whitten. I think these 55,000 farm families were put out because you were giving attention to middlemen as against the farmer.

Mr. Benson. There again, Mr. Chairman, we don't agree. I think that was not the major factor at all. The major factors are the ones I have mentioned.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. TEAGUE of California. I should also like to call to my colleagues' attention the fact that in the Minority Report which we have filed on this bill we have attempted to do what the gentleman is also going to do.

Mr. WHITTEN. I am glad to know that, but, as the gentleman knows, the reports get scattered around and one cannot find a copy. I had to bring forth the 1956 hearings this year, because I seem to have the only copy which could be located. This will be carried in the Congressional Record and readily available to anyone.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Would it be fair to interpret the gentleman's remarks, as meaning it would not be all bad if the Congress fails to pass a farm bill this year? We do have permanent law that would meet our needs?

Mr. WHITTEN. This I will say: There are several areas where we should probably pass new acts.

In connection with many of the basic commodities, it is my personal opinion, that under the existing law we would be much better off and the Treasury would be much better off. We could regain our foreign markets and correct the faulty policy which was followed some years back under the existing power and under the bill before us, but there are some areas where we would need to take some further action.

Mr. DENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when I was a boy on the farm we were taught to close the barn door when we saw the storm clouds coming. It is also too late to close the barn door after the horse is gone.

I say to all the Members that this is a good bill which was reported by the Agriculture Committee under the leadership of our experienced chairman and it has very valuable provisions in it for the benefit of America. I admit that I wrote additional views in the report in which I said the bill is deficient in some respects. I am hopeful that we can enact meritorious legislation to secure a reasonable level of income for producers without increasing the cost of living to consumers. Admittedly, this bill is deficient in respect to both the consumers and producers.

I intend to offer an amendment today that will sustain a level of income to producers without increasing the cost of living to consumers. That is the real economic problem we have in America today. We need increased production but we cannot afford to directly increase the cost of the commodities to consumers within the industry or otherwise. I will offer an amendment today and I am hopeful it will be supported by consumers and producers.

I have received many telegrams in the mail to inform me about what is happening across the country. Last week five meat packing firms closed and this morning 40 more are closed. If Members of this body do not agree that this is a serious problem then we should just continue the way we are with price ceilings on the wholesale and retail outlets of meat and the supply in the production pipeline will run dry.

In my supplemental views printed in the committee report, I expressed facts that are now reported daily:

> It is impossible to eat fried chicken smashed in the embryo or suffocated in barrels—or to drink milk from slaughtered dairy cows, or to buy beef and purchase pork chops at the supermarkets at reasonable prices when breeding stock and foundation herds are untimely slaughtered.

More than 111,000 dairy cattle have been slaughtered since January of this year. That is more than twice as many as were killed last year for the same period of time. I think of the economic impact of that trend upon the American people today.

There is a way out. An exceptable food and fiber policy can be achieved. It is unfortunate that time did not permit us to explore all of the alternatives before we brought this bill to the floor—but we did not. Maybe we can perfect the proposed legislation before us. Certainly we have the duty and obligation to try.

Let me return to some of the articles that came in to me this morning. The following is representative of the communications that I have been receiving:

July 11, 1973.

Hon. Frank E. Denholm,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Denholm: For more than 100 days meat packers have been operating under a ceiling price freeze while their raw materials have remained free of federal intervention.

During 70 days of the freeze period, nonmeat costs increased substantially, all of which had to be absorbed by the packers. Packaging materials, boxes, gas and other fuels, trucks and equipment have all increased substantially with no provisions for a pass through of these costs.

The demand for meat products is highly seasonal and under normal circumstances prices for wholesale and retail cuts vary substantially from season to season. (Prices for products not in demand are reduced in order to maintain an even flow of all cuts of beef and pork. Prices for other products are raised to offset the lower return from products with little demand.)

Since the advent of the freeze on meat prices on March 29, the meat industry has been prohibited from exercising its traditional pricing mechanism with the result that products in high demand are selling at abnormally low ceilings and other products of necessity, are being sold below ceiling.

While the meat industry has been laboring under price ceilings and while their nonmeat costs have skyrocketed, other factors have also been working to the detriment of the meat packer—and the consumer.

Feed, equipment and operating costs have also increased for the cattle and hog producer and feeder. Although technically there are no ceilings on the price of raw agricultural products (livestock) in practice, the producers and feeders realize meat packers are limited in the price that can be paid and still stay in business.

Consequently, the livestock and meat industry is going out of business at an ever increasing rate. Livestock producers and feeders cannot raise red meat animals to a marketable weight and sell at a profit. Small cattle feeders are not restocking their feed lots. Commercial feed lots are replacing feeder cattle at much lower rates. Hog producers are getting out of the business at an alarming rate.

While pork production is down as much as 14% from a year ago, sow slaughter is up 2–3%. From 40% to 80% of the sows coming to market have been bred. This means that next winter's pork supply will not be born. As a result an even greater burden will be placed on an already short supply of beef.

Presently, beef production has been reduced 20% because meat packers cannot continue to lose up to $11 per head on all cattle slaughtered and continue to stay in business. Additional cutbacks in production are occurring as packers' earlier earnings are depleted.

Pork production has been reduced more than 20% and is dwindling rapidly. Hog prices have increased an average of $9 cwt since the March 29 freeze began. This has forced pork packers into a substantial lose position after a mediocre year in 1972.

The reduction in the production of beef and pork has necessarily resulted in reduced supplies of meat for the processed meat industry. Many manufacturers of luncheon meats have indicated they have raw materials to last through midweek but have little or no hope for supplies beyond that period.

Plant closings are increasing almost geometrically in rate. A week ago, there were only about 5 known plants that had closed. Today we know of 40 meat plants that have closed because of the price freeze. There are undoubtedly many more that we are not aware of.

A long as the meat price freeze is in effect, livestock production will decrease and meat production will decrease. Livestock men and meat packers cannot be expected to stay in business and operate at a loss. We do not believe that the Economic Stabilization Act was passed with this intent nor do we believe that any industry should be *forced* to operate at a loss—for even a day, much less for weeks and months.

Notwithstanding the deplorable financial situation of the meat industry as a result of the price freeze, the American Consumer is the big loser. Her opportunity to choose among a selection of meat products is rapidly diminishing. Within a few short months, she will no longer be able to go to the market and decide whether she wants to buy meat or what meat product she prefers. Soon she will have to stand in a queue and hope that there is still some meat available when she gets to the head of the line. The price will be low enough but the supply will be low also.

Is all of the foregoing a fairy tale? No, not a bit. It's a recitation of the hard facts resulting from the price freeze imposed on meat, March 29. The meat supply is becoming critical. Fewer products will be in the meat cases beginning this week Why? Because, the natural supply and demand economy of the livestock and meat industry was disrupted.

If the American Consumer is to have a choice of meat products in the future, the U.S. Government will have to get out of the price manipulation business. No producer nor packer will engage in the business if he does not have an opportunity to make a profit.

True, if price ceilings were removed today, meat prices would increase. But, the incentive to produce livestock would be encouraged and farmers who have gone out of the business would begin to produce again. Within two years, livestock supplies would be back to normal and on the increase. Meat prices would also seek a more reasonable level. And, equally as important, consumers would have a choice of which products to buy or not buy.

The time has come to abandon ill-advised, short-term goals and strive for realistic long-range objectives. The cure for meat prices may result in higher prices in the immediate future but will assure reasonable prices and adequate supplies in the years ahead.

We respectfully request you urge the President to remove price ceilings from all agricultural products, unprocessed and processed. You will be striking a blow for the consumer and the economy.

Very truly yours,
John G. Mohan,
Executive Vice President.

July 11, 1973.

Frank E. Denholm,
House of Representatives Building
Washington, D.C.:

We urgently request your assistance in aid of the agricultural community, particularly the meat packers. During last week, 16 meat packers have closed with over 4,000 workers unemployed.

The current livestock market prices for live animals is in excess of 10 per cent above live weight prices at time ceiling prices established on dressed meat. Large number of packers are discontinuing production of those meat products with unrealistic ceiling prices. Our present labor contract has cost of living clause. Current increase largest in history of this company, and we are faced with restraints because there are no "pass through" provisions under the current imposed ceiling limits.

Livestock producers everywhere are skeptical about placing animals on feed due uncertainty of feed costs and marketing restrictions. Current hog slaughter records indicate sharp increases up to 31 per cent in number of sows slaughtered carrying pigs.

The American consumer must be fully informed of the worldwide shortage of protein and subsequently the rule of supply and demand will prevail, and the housewife will have to pay increased prices before production can increase and prices stabilize. The producers and meat packers must be given relief from the present squeeze or our nation will face severe meat shortages. We ask that you contact our company if you need additional information in this pursuit.

F. C. Pierce II.

Mr. Chairman, I will offer an amendment with the hope that we can secure the economic interest of the producer without increasing the cost of living to the consumer. If we do not do that, we do not deserve the support of the consumer or the producers.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. DENHOLM. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Chairman, I had a group representing the meat purveyors in my office this morning, complaining about the fact that they have been cut back substantially and they would not be able to supply the hotels and summer resorts with the normal supply of meat. They were complaining about phase 3½.

Mr. DENHOLM. The problem is that consumer demand has increased the cost of beef so that dairy producers in the northeastern States are selling dairy cows. The kill market prices are up and dairy cows are sold for slaughter, because feed costs have increased to the extent that dairy farmers cannot sustain the cost-price squeeze.

Chickens in southern States, small chickens, are being killed by hundreds of thousands, because producers cannot afford to buy feed at the higher prices and continue production. The price freeze was the ultimate error that forced those inevitable decisions upon the producers.

Mr. O'NEILL. The whole problem works all the way along the line. The truth of the matter is that phase III is not working and the President ought to do something immediately.

Mr. SCHERLE. Mr. Chairman, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from Iowa (Mr. Scherle).

Mr. SCHERLE. Mr. Chairman, in answer to the question of the distinguished majority leader, the whole thing can be simplified by taking the ceilings off meat. That would cure the problems in this country.

Mr. DENHOLM. That is certainly correct, but we must also recognize that the policy for agriculture of this Nation that retains the principles of production controls and price supports that were appropriate 40 years ago are void in the changing times of the world today.

Consumers are justifiably weary of paying twice for essential food and fiber. First, in the policy of supply management and price supports, and second, at the grocery store and meat market for food on price levels difficult to reach, because of a series of public policy decisions that are wrong for all.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the members of the committee should realize that the amendment offered by the distinguished gentleman from Iowa (Mr. Scherle) would necessarily involve the committee in decisions beyond the immediate amendment.

In the other body, the agriculture bill contained target prices of $2.28 for wheat, $1.53 for corn, and 43 cents for cotton. The administration recommended to the House committee on agriculture that its target prices be reduced to $1.84 in wheat, $1.26 in corn, and 35 cents in cotton.

The Committee on Agriculture reported this bill to the committee with figures in the middle of that range; $2.05 for wheat, $1.38 for corn, and 38 cents for cotton.

What the gentleman from Iowa (Mr. Scherle) proposes is to move the corn rate from the House Agriculture Committee position of $1.38 to a position of $1.53, 27 cents above what the administration itself recommended. Now, we heard yesterday from the distinguished minority leader and from the distinguished ranking minority member of the Committee on Agriculture that the administration might well veto this bill if the escalator clause was maintained. It was maintained by the committee. I want to advise everyone that the escalator clause is in the bill, and if we start with $1.53 for corn, we are going to have to be consistent, I suppose, and go to $2.28 for wheat and 43 cents for cotton.

With the escalator effect on top of the Scherle amendment starting with the crop year of 1975, I think it is fairly easy to surmise what the attitude of the administration to this amendment.

Indeed, they were strongly of the opinion that the House committee should have lowered the target prices substantially. I understand what the gentleman from Iowa has in mind. I can sympathize with his point of view.

Frankly, we had to reach some kind of a reasonable middle ground on target prices. That is what the Committee on Agriculture did. If we accept the amendment of the gentleman from Iowa, to go over to the target prices set by the other body, we will be in a completely impossible situation with respect to the administration's position. If there is any hope to obtain the President's signature it will disappear completely if this amendment is adopted.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Ohio.

Mr. WYLIE. A little while ago, in order to better understand what this amendment is all about, and the implications of it, I asked for a definition of the word parity; the gentleman gave me a definition, and I appreciate that. Several Members have come to me since then and have said that the definition which the gentleman gave was not quite accurate; that we went off the 1910 parity base some 25 years ago and that now parity is based on a 10-year moving average.

Mr. FOLEY. Yes.

Mr. WYLIE. Which I do not understand. I believe the difference of views as to the meaning of the word parity points up the difficulty many of us have in understanding exactly what you are talking about when you talk about parity.

Mr. FOLEY. The gentleman might not know that several administrations have been critical themselves, in the Department of Agriculture, of the use of the parity concept. I admitted, when I tried to discuss the issue with the gentleman briefly, that it was a simplistic explanation. It is a moving 10-year average which is intended to modify swift changes in the parity formula that might occur because of sharp rises and falls in prices. It is from my standpoint not the best tool to use to analyze the situation.

The escalator clause in the bill takes two price indices used in the parity, computation—one for cost of production and a separate one for taxes, wages and interest—and applies those in terms of a moving 3-year average to determine increases or decreases which are then applied in new target prices.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. FINDLEY. I should like to join the gentleman in his position of opposition to the amendment. In addition to the very sound arguments he has made against it, I should like to add one more.

If the price of corn should be guaranteed at too high a level it would create a serious supply problem with soybeans, because the farmer simply will not plant soybeans if he is guaranteed too high a price for corn.

Mr. FOLEY. I thank the gentleman for his addition.

Mr. Chairman, I hope the amendment will be rejected.

Mr. MAYNE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have just heard a very disturbing report, that following the consideration of this amendment it will be proposed that the Committee cease considering this very vital legislation until some undetermined time in the future. I am told there will be a motion offered for the Committee to rise and the House will then turn to other matters. Then perhaps at some time in the future the leadership will get around to putting the farm bill back on the calendar so that we can reach a decision. I protest any such proposal to shunt this major legislation aside, because I happen to believe that the problems of agriculture are important enough to merit the continued carry through and attention of this body. They are important enough so that we should stay with our consideration of the bill until it is completed, even if that means working on it this afternoon and evening, tomorrow which is Friday and yes on Saturday, too, if that be necessary.

I hope that every Member in this Chamber who is in good faith concerned about carrying through on the hard work to get a farm bill which has been done not just in the past 2 days in this Chamber but in the 6 preceding months in the Committee on Agriculture will vote against such a motion for the Committee to rise which is in effect a motion to stall work on the farm bill. I say we should stay with the job, keep our hand to the plow, plow a straight furrow, and come out with a bill which will be in the best interest of the farmer and the consumer alike.

Mr. Chairman, I think the committee bill is still a very sound vehicle for that purpose. Just because some Members have not perhaps gotten their way on every vote that has taken place here in the last 2 days—and I myself certainly would have liked to have seen some different results—I do not think disgruntled Members should just pick up their marbles and vacate the scene by voting to rise after this amendment. I think we owe it to ourselves and to our constituents to continue working on this until the job is done. Nothing should be given greater priority today than the legislation now before us.

Nothing is more important today than passing a farm program production of which will facilitate the sufficient food for America at adequate, reasonable prices. The committee bill will do that.

So let us stay with it and get the job done, and let us not be diverted and thrown off the track by some scheme for postponement, the true motive for which is unrevealed. I can only speculate as to that motive, and I will not do that. But I will say to the Members that we have absolutely no assurance as to when, if ever, this bill on which we have labored so long and hard will be put back on the calendar.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I am happy to yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Iowa (Mr. MAYNE).

We have staked out a course; let us keep on sawing the logs and see if we can get this job completed.

Mr. ZWACH. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Chairman, I also wish to urge strongly that we listen carefully to what the gentleman from Iowa has said. I want to say to this committee that the matter of producing food, the future of food production and agriculture and food consumption, is too important to shove under the table.

We must consider this most important of all matters, and the time to consider it is now.

Mr. MAYNE. Mr. Chairman, I am happy to have heard this concern for American agriculture expressed by my colleagues on my side of the aisle. I wonder if some Members over there on the majority side will not also want to express a little interest in keeping on with this job and getting it done.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, I am willing to stay here until Christmas if need be, but I want to point out that in the last 2 days we have heard time and time again that this bill is going to be vetoed if it is not written with every period and every comma as the administration wants it. The minority leader has said that, if we do not remove the escalator clause in the bill, the bill will probably be vetoed.

Mr. Chairman, it is time that we get some cooperation in getting a bill passed to serve the people of this country instead of the administration taking an inflexible position.

Mr. MAYNE. Mr. Chairman, I would respond to the gentleman by pointing out that we should be concerned with our own responsibility as Members of this House. Let us perform that first before we start blaming the President. Are we going to carry out our own responsibility of passing this bill, or are we going to look for some excuse to shift the buck to the executive branch so we can say we do not have to do anything, that we just can go home without acting? Let us stay with it. Let us do our job.

Mr. DENHOLM. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from South Dakota.

Mr. DENHOLM. Mr. Chairman, I wish to join with the gentleman in his effort. I am willing to stay here and complete a farm program, regardless of how long it takes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. SCHERLE).

The amendment was rejected.

Mr. MICHEL. Mr. Chairman, yesterday I offered an amendment which would have phased out income supplement payments over the next 3 years and would have thereafter provided only for set-aside payments. Any such payments made in 1977 and thereafter would be made under a set-aside program based on total acres in major crops, rather than on a commodity-by-commodity basis as in the past.

I do not know whether we will have an opportunity to reconsider that amendment which had the support of 186 of my colleagues, but in any event I want to set the record clear on several questions which have been raised about its intent and purpose.

First, the distinguished committee chairman, Mr. POAGE, yesterday said that my amendment would "phase out all agricultural programs in the course of 3 years." Of course, he and I know this is not true.

In the first place my amendment deals with only one aspect of farm programs relating only to wheat, feed grains, and cotton—only three of a number of commodities covered by farm programs. It would not change agricultural programs for dairy, rice, soybeans, wool, peanuts, tobacco, sugar or any other commodity covered by some type of farm program legislation.

As I said, it would apply only to wheat, feed grains, and cotton—and for those commodities it would change only a couple of aspects of the program as we have known them.

First, income supplement payments—those payments made to farmers above and beyond what they would receive in the marketplace or under CCC loan—would be phased out over a 3-year period. No change would be made in the loan features of the bill as proposed by the committee. During the entire life of this bill, whether or not my amendment would be adopted, loan rates would be available on wheat at $1.49, corn at $1.19, and cotton at the average 3-year world price. I do not call that phasing out "all" agricultural programs.

Beginning in 1977 the Secretary of Agriculture would no longer have the authority to make income supplement payments, but he could and would be required to make set-aside or resource adjustment payments if certain conditions exist, such as a market depressing build-up of stocks of wheat, feed grains or cotton. And as I said before, those participating in such a set-aside would be eligible to put their crops under CCC loan at the rates I just mentioned.

So, I say again, my proposal is far from a nonprogram. It is a farm program which would focus on current performance rather than history. It would allow us to meet changing production needs without penalizing producers who have been tied to outdated, arbitrary quotas and bases. It is a farm program, which would provide economic returns to farmers from the market rather than from the pocket of the U.S. taxpayer.

During debate on this bill, I have heard many comments comparing guarantees for labor with guarantees for farmers. I believe my proposal brings these comparisons into perspective. If my proposal becomes law minimum prices in the form of loans would be available just as minimum wages are available to workers. Under my proposal, in the event we had excessive, market-depressing production of a commodity we could pay farmers to make a resource adjustment. I like to compare this feature of my proposal to unemployment compensation which provides resource adjustment payments to workers in times of a drop in the demand for their services.

I believe my proposal is fair and equitable to farmers, workers, consumers, and taxpayers. If we have an opportunity to give it further consideration, I hope each of you will see clear to lend your support.

Now, for those of my colleagues who are interested in more detail about how the cropland adjustment program would work in 1977 under my amendment, I hope this following explanation will be helpful.

This proposal would, beginning in 1977, eliminate allotments and bases for upland cotton, wheat, feed grains, and conserving bases. Set-aside would not be directed at a specific commodity. The amount of set-aside on each farm would be a specified percentage of the total acreage of major crops plus set-aside—cropland base—on the farm in preceding years. Farmers would determine their bases in the future by what they plant in the preceding years. The payment rate for set-aside would be set at a level high enough to obtain the desired level of participation. Also in order to obtain uniform participation from producers of feed grains, wheat, and upland cotton, the rate would reflect value of production in various producing areas.

Payment rates for each county would be established as follows:

First, a per acre payment rate for each of the following commodities would be established: corn, grain sorghum, barley, oats, rye, wheat, upland cotton, soybeans, and such other major crops as specified by the Secretary. Quota, sugar, vegetable, and minor crops would be excluded. This rate would be established on a per bushel or per pound basis representing approximate per unit value of crop less direct production costs.

Second, this payment rate would be multiplied by the 1976 payment yield for cotton, wheat, and feed grain and a 5-year average yield for other crops to determine a county per acre payment rate for each crop.

Third, the payment rate for all of these commodities would then be blended into a composite rate by using as weights the harvested acreage for each of these crops in preceding years.

Fourth, farm payment rates would be established for each cropland farm in each county by the county committee considering the value of crops produced and productivity.

In order to participate in this program, a producer would be required to set aside from production an acreage of cropland equal to a specified percentage of his cropland base.

First, the cropland base would not serve as a production constraint in the current year. It would be used solely to determine the acreage of set-aside in the current year.

Second, conserving bases would be eliminated. Set-aside, if needed, would be of average productivity and devoted to a vegetative cover as prescribed by the Secretary.

The required set-aside percentage for the current year would be based upon the best estimate of total acreage required to be removed from production in order to keep supplies in reasonable balance with demand.

There would be no income supplement payments—only set-aside or land rental payments.

Eligibility for loans on corn, grain sorghum, barley, oats, rye, wheat, and upland cotton would be conditioned upon participation in the set-aside program.

MOTION OFFERED BY MR. POAGE

Mr. POAGE. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas (Mr. POAGE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MAYNE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 325, noes 67, not voting 41, as follows:

[Roll No. 334]

AYES—325

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Bafalis
Baker
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conyers
Corman
Cotter
Coughlin
Crane
Daniel, Dan
Daniels, Dominick V.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dingell
Donohue
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Forsythe
Fraser
Frelinghuysen
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hunt
Ichord
Jarman
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keating
Ketchum
King
Kiuczynski
Koch
Kuykendall
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McEwen
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Metcalfe
Michel
Milford
Mills, Ark.
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
Obey
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quillen
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Ruppe
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Saylor
Schneebeli
Schroeder
Seiberling
Shipley
Sikes
Sisk
Slack
Smith, N.Y.
Snyder
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NOES—67

Abdnor
Ashbrook
Barrett
Blackburn
Burke, Fla.
Cleveland
Conte
Cronin
Culver
Daniel, Robert W., Jr.
Davis, S.C.
Denholm
Dennis
Derwinski
Devine
Dickinson
Findley
Froehlich
Goodling
Gross
Hamilton
Hansen, Idaho
Heinz
Henderson
Hillis
Huber
Hungate
Hutchinson
Johnson, Colo.
Kemp
Lujan
McCollister
Mallary
Martin, N.C.
Mayne
Mezvinsky
Miller
Mizell
Mosher
Nelsen
Nix
O'Brien
Parris
Quie
Railsback
Robison, N.Y.
Roush
Roy
Runnels
Sandman
Scherle
Sebelius
Shoup
Shriver
Shuster
Skubitz
Smith, Iowa
Spence
Staggers
Steiger, Ariz.
Steiger, Wis.
Symms
Thone
Winn
Wylie
Young, S.C.
Zwach

NOT VOTING—41

Badillo
Blatnik
Burke, Calif.
Carter
Collins, Ill.
Danielson
Davis, Ga.
Dellums
Dent
Diggs
Dorn
Downing
Fish
Fisher
Ford, William D.
Fountain
Frenzel
Goldwater
Gray
Harvey
Hawkins
Johnson, Calif.
Landgrebe
McFall
McSpadden
Mailliard
Melcher
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Pepper
Pettis
Rhodes
Rousselot
Roybal
Satterfield
Stephens
Tiernan
Wampler
Whitten
Yates

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, had come to no resolution thereon.

RE-REFERRAL OF S. 645 TO COMMITTEE ON EDUCATION AND LABOR

Mr. RODINO. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bill S. 645 and that it be re-referred to the Committee on Education and Labor.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDING THE SMALL BUSINESS ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 485 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 485

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8606) to amend the Small Business Act, and all points of order against section 4 of said bill for failure to comply with the provisions of clause 4, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 8606, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 1672, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 8606 as passed by the House.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution provides for an open rule with 1 hour of general debate on a bill to amend the Small Business Act, H.R. 8606. There is a waiver of points of order on one section, under clause 4 of rule XXI. There is a new rate formula requiring refinancing appropriations. It is a waiver on only that one section of the bill, under clause 4 of rule XXI.

There is no point in going into a discussion of the content of the bill. I know of no opposition to the rule, and I gather there was little, if any, opposition to the bill it makes in order, because I believe it came out of the Committee on Banking and Currency by a unanimous vote.

Mr. Speaker, I reserve the remainder of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statements just made by the gentleman from Missouri (Mr. BOLLING) about this rule.

Mr. Speaker, I should like to take this time to commend the committee for reporting this legislation in the form it did. I am particularly concerned over the provisions of section 6, on erosion assistance. As everybody knows, we have had a lot of erosion damage along the Great Lakes, and we have been excluded by virtue of the Small Business Administration Act as it now stands from applying for assistance for erosion. Under this bill they are now adding erosion assistance to the Small Business Act. I wish to commend the committee for this action.

This bill also provides several other amendments to the present law. For example, under present law, disaster victims receive disaster loans at a 5-percent interest rate with no forgiveness feature. This bill provides that disaster victims, at their choosing, could obtain a loan with a $2,500 forgiveness feature and finance the balance at 3 percent or they could choose a loan with no forgiveness feature and finance the entire loan at a 1-percent interest rate. This disaster provision would be retroactive to April 20, 1973, and would terminate on July 1, 1975. In order to avoid a windfall in situations where an existing mortgage was refinanced, the bill provides that payments after the disaster assistance could not be lower than the payments prior to the disaster.

Other sections in the bill add new disaster assistance categories, first, to provide assistance to livestock producers whose businesses suffer because of disease among the animals, and second, to provide assistance to small business seriously affected by the closing of a military installation in the community served by the small business. These loans would be made at an interest rate based on the cost of money to the Government plus one-quarter of 1 percent.

The bill also includes sections prohibiting discrimination because of sex, and giving special preference to veterans.

The committee report estimates that there is no cost in carrying out the first section of the bill, because this section merely increases loan ceilings, but does not provide any additional funds. The other loan programs in the bill all bear interest rates above the cost of the money to the Government. Because of the impossibility of forecasting disasters, the committee concludes that it is impossible to estimate the cost of the physical disaster relief provisions.

Mr. Speaker, I urge the adoption of House Resolution 485 in order that the House may begin debate on H.R. 8606.

Mr. Speaker, I reserve the remainder of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8606) to amend the Small Business Act.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8606, with Mr. WALDIE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. J. WILLIAM STANTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 8606 was reported from the Banking and Currency Committee on a 31 to 0 vote. It is a much needed piece of legislation, and unless it is enacted, it will mean that the Small Business Administration will have to cease its lending and guaranteeing activities as soon as it reaches its presently authorized ceiling of $4.3 billion. It is expected that the ceiling will be reached in the late part of August.

The Small Business Administration is presently celebrating its 20th year of operation. During that period it has made more than 600,000 loans for some $12 billion. SBA's loan and procurement programs have helped create and maintain more than 1 million jobs.

These are indeed impressive figures and in order to continue the record the House should pass H.R. 8606 in its entirety.

While there may be some who disagree with the provisions of section 4, the new provisions for relief to disaster victims, it must be remembered that the people who will be aided under this section are those who in many cases will have to rebuild not only their homes but their lives as a result of some tragedy such as Hurricane Agnes.

While the 20-year history has been a record-setting one, it is clear that the agency in the past few years has been growing at its fastest rate. In 1972, for instance, SBA approved a record 230,000 loans to small businesses and in natural disaster emergencies for more than $13.1 billion. It was an increase of 91 percent in volume and 89 percent in dollars over

1971. This 12-month period alone represented 26 percent of the total funds loaned or guaranteed since the agency was created by Congress in 1953. And one final figure. Loans to small businesses during the 4-year span 1969–1972 were more than $4.7 billion or 50 percent of all business loans made by the agency in its 20-year history. With this type of rapidly moving program it is necessary that SBA be given the proper tools with which to do its job. This is the reason why the ceiling increases in H.R. 8606 are for a 2-year period rather than a 1-year period as has been done for the most part in the past.

While it is indeed pleasing to see that SBA has been setting records for those programs, at the same time, I must express an ever-deepening concern that the agency is moving away from a direct loan operation into a guaranteeing authority for bank loans. SBA was established by the Congress as a direct lender. Although the agency was given guarantee authority, it was never anticipated that guarantees would outnumber direct loans. For instance, during 1965, SBA's direct loans accounted for roughly one-half of SBA's loan total. During 1972, however, direct loans accounted for less than 2 percent of SBA's total. Instead of working toward reversing this trend, SBA has sought to perpetuate it especially since there has been no increase in funds sought for direct loans for the next 2 fiscal years.

The lack of a direct loan program is particularly burdensome to small businessmen in capital deficit areas of our country. In those areas many banks will not participate in a Small Business Administration loan, thus eliminating a small businessman from taking advantage of virtually the only SBA loan program available to him. The only solution to this problem is for SBA to return to the principles under which it was founded and that is that it operates as a direct lending agency.

Mr. Chairman, in conclusion, I want to commend the Small Business Subcommittee and its distinguished chairman, the gentleman from Georgia, for the outstanding manner in which this bill has been handled. I urge its speedy enactment.

Mr. BARRETT. Mr. Chairman, will the gentleman yield

Mr. PATMAN. I am glad to yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, 20 years ago this month, Congress created the U.S. Small Business Administration. One of the primary objectives of the Congress in creating the agency and one of the chief responsibilities given the SBA is to help small firms obtain financing on reasonable terms.

Over the two decades of service to small business, the SBA has helped small firms obtain financing on reasonable terms.

Over the two decades of service to small business, the SBA has helped small firms obtain some nine billion dollars in financing.

Over half of that total $4.7 billion has been made available to small business in the last 4 years alone.

This attests to the growth in the small business community, the increased demand for SBA assistance and the continuing need small firms have for adequate financing.

At the present time and chiefly because of the increasingly demand, the SBA portfolio is rapidly approaching the $4.3 billion ceiling established by Congress as the total loans the agency may have outstanding at any time.

Section 1 of H.R. 8606 would raise this ceiling to $6.6 billion and according to official SBA estimates, carry the agency through fiscal year 1975.

I urge adoption of the bill in its present form.

Mr. GONZALEZ. Mr. Chairman, I want to call the attention of my colleagues to a small but very important provision of section 1 of H.R. 8606 calling for an increase in the total amount of money the Small Business Administration may have outstanding at any time in its economic opportunity loan program.

My colleagues recall that title IV of the Economic Opportunity Act of 1964 provided that the SBA could make loans to socially and economically disadvantaged persons in order that these people have the same opportunity as others to share in the American free enterprise system.

Since 1964, SBA has each year increased the volume of economic opportunity on EOL loans to the socially and economically disadvantaged. Last year marked another new statistical record in that SBA made 9,500 loans for $309 million to members of minority groups and the major share of both the numbers and dollar volume were made under the EOL program.

Section 1 of H.R. 8606 provides for an increase of $125 million—to $475 million from the present limit of $350 million—the SBA may have outstanding in EOL loans. The continuing demand for this type loan added to the fact Congress last year raised the limit on an individual EOL loan from $25,000 to $50,000, requires our favorable consideration of this provision.

I urge we adopt without change H.R. 8606.

Mr. ANDERSON of California. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. ANDERSON of California. Thank you, Mr. Chairman—I am in support of the bill—but I am a little bit disturbed about the vagueness of section 7 that provides for loans for adjustment assistance in military base closings. My concern is this: I can understand how they determine this assistance in a relatively small community where the impact of the installations closing is easily definable, but in my area, the closing of the Long Beach naval base, which is in a large metropolitan area, or the Hunters Point closing in San Francisco makes this determination much more difficult.

The language of the section reads:

> (7) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a new business, or in establishing a new business if the Administration determines that such concern has suffered or will suffer substantial economic injury as the result of the closing by the Federal Government of a major military installation under the jurisdiction of the Department of Defense, or as a result of a severe reduction in the scope and size of operations at a major military installation.

How will the administration determine that loans should be granted in these metropolitan areas—and that the "disaster" affecting the business is the direct result of the closing of the base?

Mr. PATMAN. They have guidelines for that purpose which are rather definite and have been satisfactory in the past. I would not like to discuss it at this moment, because it will be discussed by other Members and will be discussed further when we get under the 5-minute rule.

Mr. ANDERSON of California. This will be brought out at that time?

Mr. PATMAN. Yes, sir.

Mr. ANDERSON of California. Thank you, Mr. Chairman.

Mr. J. WILLIAM STANTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I shall not reiterate in detail the purpose and provisions of H.R. 8606, which makes significant and needed amendments to the Small Business Act. The gentleman from Texas, chairman of the Small Business Committee, has already presented a thorough explanation of this bill.

With the exception of one provision, section 4, there is nearly unanimous agreement among the committee members on the entire bill. The increase in loan and commitment ceilings, and the broadening and consolidation of disaster loan qualifications, as well as the new emphasis on availability of loans for women and veterans, are all necessary and forward-looking provisions. They speak to the needs and objectives of American small business and greatly improve the ability of the Small Business Administration to fulfill its mission.

However, the point at which I must depart from the committee's action is with regard to the proposed change in the terms of disaster loans. I would bring to my colleagues' attention at the outset that the only committee vote which has been mentioned is the vote on final passage, 31–0. However, on the amendment to strike section 4 in the full committee, the vote was very close—13 voting to strike, 16 voting to keep in this modification to the disaster loan terms.

I believe that the minority views express fully the reasons for opposition to section 4. I would just like to review the high points of that statement without going into unnecessary detail—they are four in number.

First, the Congress acted just this past April to standardize disaster loan terms and delete the various forgiveness and excessive interest rate subsidies from this program.

Second, the question of cost has been bandied about with little claim of accuracy. While the committee suggests that an estimate of cost is impossible, we can use two factors in determining future costs: SBA's recent experience and projected additional expenses of the increased subsidies.

Earlier this week, the Office of Management and Budget supplied specific figures indicating what these costs would be. Last year, these loans totaled $1.5 billion. The additional cost over present terms for that loan level would exceed $500 million; or stated another way, the cost to the taxpayer would be greater than $35 million in lost repayments for each $100 million in loans.

Third, the effect on future, unidentified disaster victims is claimed to be a hardship. At present, the 5 percent loans to be supplied to them would represent a substantial benefit both in terms of availability and interest costs. Contrary to the committee's assertion that inequities would result if any but the most liberal terms were afforded for all time, I can only submit that this is a specious argument at best. Extraordinary circumstances were met last year, a termination date was set, and we are now providing an authorization for the future which should remain within the realm of reasonableness. When the cost to the taxpayer is measured against the giveaway nature of the committee provision, we must reach the conclusion that section 4 is beyond this bound.

Fourth, there is presently pending before the Committee on Public Works the proposed Disaster Preparedness and Assistance Act of 1973 (H.R. 7690) which provides a complete relief program rather than a piecemeal approach to assistance of disaster victims. We should not act at this time to cloud this issue any further, but, rather, look to this comprehensive proposal for a comprehensive solution.

I believe that with the changes recently enacted (Public Law 93-24) the present law satisfies the economic needs of disaster victims.

At the appropriate time, I shall offer an amendment to strike section 4 from the bill.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr Chairman, I am interested in the provision in the report having to do with erosion assistance. I want to compliment the committee on addressing itself to this problem of erosion. I think that it will be very helpful to have erosion specifically covered in the law which will permit the Small Business Administration to make loans based upon erosion damages.

Mr. Chairman, I would like to ask the gentleman from Ohio if my understanding of what is stated with respect to section 6 is correct.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. J. WILLIAM STANTON. Mr. Chairman, I yield myself 2 additional minutes.

Mr. HUTCHINSON. Mr. Chairman, the statement, as I understand it, is that for the most part the SBA should exercise caution to make certain that the erosion damage covered was caused by a spontaneous act such as a flood or high water, and so on. But then the statement goes on to say that in cases of erosion occurring naturally from day-to-day causes, the committee expects the SBA to provide assistance for which there has been demonstrated an effort to control the erosion. In other words, if somebody came along and wanted to get some erosion assistance, and it was not due to any particular storm, he would have to show that he had gone to the expense of building a seawall or something, and then if that erosion control device did not hold, then could he get assistance?

Mr. J. WILLIAM STANTON. First of all, let me say to the gentleman from Michigan I am very delighted that he brought this particular subject of erosion up, because later on it is my understanding there will be an amendment offered to strike this word "erosion" from the bill.

When our committee took this under consideration, this was language that is in the present Senate version of this SBA reauthorization. We in this committee added this language that you see in the committee print, for two reasons. First of all, no money would be available for erosion or for flood, and so forth, unless it were under two circumstances: either the President or the SBA Director must authorize that emergency loans could be given for a particular flood or for a particular storm. What bothered the committee in the discussion of erosion, which, as the gentleman knows, and I know, along the Great Lakes is an ongoing proposition year after year and month after month—was that the committee felt that in all fairness, and in order to make sure that this bill not be vetoed, we should tighten up our definition of erosion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. J. WILLIAM STANTON. Mr. Chairman, I yield myself 4 additional minutes.

It was my understanding, and this is why I would probably oppose the amendment, but if we could clarify in the language that primarily when a disaster is declared, and when a person, say, builds a breakwall and that breakwall is for erosion purposes, and that breakwall or stone or concrete frontage, or such in front of a house, has been destroyed by that storm, then he would be eligible for partial repayment of money to replace it.

The next house, however, down the way who did nothing himself to prevent erosion would probably be disallowed from receiving that particular payment of money to build an erosion breakwall.

Mr. HUTCHINSON. In other words, the man who had done nothing previously could get nothing now?

Mr. J. WILLIAM STANTON. That is what I should like to see. This is my own personal view, because otherwise if you have an open or broad approach to this subject, everybody else, not only in the Great Lakes but in every other part of the country who realize this is very definitely a serious problem, would have an open door to countless hundreds of millions of dollars.

Mr. HUTCHINSON. In any case, whatever assistance might be granted would first have to be based upon a declaration of emergency arising out of a particular storm?

Mr. J. WILLIAM STANTON. No. 1, in my opinion, that is correct. No. 2, and equally or more important, there must have been some self-help by that person for erosion purposes before he could apply for a loan.

Mr. HUTCHINSON. I thank the gentleman from Ohio.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. I think we should congratulate and thank the gentleman from Michigan for raising the point at hand. The way the language appears in the bill before us, it is unclear. Without this amendment it might put undue pressure on the SBA Administrator, as some of us have seen, say, in the earthquake situation in California, where a man received help for replacing his exotic trees, under the forgiveness clause.

In a similar vein we have the same problem with a rather loose definition in this bill under Section 6 which does not make it as definitive as to what "erosion" is under a disaster as does the language of the report. I think the gentleman from Michigan is absolutely correct. If I had my way, I really believe we should, if we could—and I know we discussed it in the committee—make the language even more definitive than it is in the bill itself. I intend to offer such a clearifying amendment.

That is to make sure that the intense pressure is not put on the Small Business Administration for erosion that is not directly connected with a major disaster of some kind.

Mr. J. WILLIAM STANTON. I think as I said earlier the gentleman from California claims to at least be talking about an amendment that would be striking this from the bill. I would have to oppose that. First of all it does have to be under the basic provisions of the SBA Act which would mean there would have to be declared a disaster by the President or SBA. Secondly if we could make the intent of the law to be for self-help if that person has already built erosion protection and spent his money, then under this act replacement money would be available for that. But if a man has gone on for years and years and has done nothing he cannot step in under this. I think the gentleman from California would agree with me this should be tightened up.

Mr. ROUSSELOT. Yes. And also there are other ways in which a man can get erosion problem assistance under the Agriculture Act and in other ways that are much more precise as they relate to prevention of long-range problems of erosion.

Mr. J. WILLIAM STANTON. That is correct.

Mr. ROUSSELOT. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Georgia (Mr. STEPHENS), the chairman of the subcommittee, who prepared this bill for the floor.

Mr. STEPHENS. Mr. Chairman, I will describe the general provisions of H.R. 8606. The full provisions are set out in the bill, of course, and in the committee report.

Section 1 of the legislation increases from $4.3 billion to $6.6 billion the amount of money that the Small Business Administration may have outstanding at any time in its loan and guarantee program. This section also increases the various subceilings for SBA lending programs. It is estimated SBA will reach the $4.3 billion ceiling by the end of August of this year and unless this legislation is enacted the Small Business Administration lending programs will have to be curtailed at that point. This section does not appropriate any new funds for SBA but merely allows the agency to spend funds when they are obtained.

I will also point out to the Members that in a similar bill passed by the other body this same figure is in that bill.

Section 2 of the legislation consolidates several existing SBA loan programs and provides that if Congress enacts new standards for small businesses such as the Occupational Health and Safety Act of 1970 or the Coal Mine Safety Act of 1969, the SBA will make loans to small businesses that must comply with these new requirements.

Section 3 contains only technical amendments.

Section 4 provides a new program for physical disaster assistance. At present loans made by SBA to victims of national disasters are made at the rate of 5 percent without any forgiveness feature, but prior to April 20 of this year these loans were made at 1 percent interest with a $5,000 forgiveness feature. The proposal in this bill would provide the borrower with an alternative. Instead of $5,000 at 1 percent and $5,000 forgiveness, he could obtain a loan with a $2,500 forgiveness feature and finance the balance of the loan at 3 percent interest, or the borrower could have an alternative and obtain a loan with no forgiveness, in the amount of $2,500 and pay a 1-percent interest rate. These provisions would be retroactive to April 20 of this year and would run for 2 years.

This provision is included in the legislation so that Congress may adopt a long-term, totally comprehensive disaster loan program. Several bills to accomplish this are currently before the Congress coupled with various disaster and insurance programs.

However, while these programs are being worked out, I feel that there must be relief provided to disaster victims at reasonable terms which will enable them to pick up their lives and businesses following tragedies such as floods, earthquakes, hurricanes and other similar disasters. I recognize the fact that the Congress did provide disaster assistance programs this past spring which are different from the benefits here, but there is a feeling on the part of many that the 5 percent interest rate without any forgiveness is too great a hardship on disaster victims, particularly in the light of aid given to those victims of Hurricane Agnes.

By providing the loan alternative, we are going back to what I proposed last year, which was not adopted by the Committee and by the House. Also, by going back to April 20 of this year, we are picking up where some people have already had disaster and other hurricane disaster relief and need to be brought into the fold, so that they can be given some assistance.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, my district was afflicted by the recent flooding of the Mississippi and Illinois Rivers. Because of that, I had occasion to have some experience with the SBA as well as with the Farmers Home Administration disaster loans.

One of the things I learned from that experience was that the $5,000 forgiveness feature, which was still in effect, was that the $5,000 forgiveness feature was made available without regard to the financial standing of the individual. Some very wealthy people got the advantage of that forgiveness feature along with some very deserving people.

Does the new language in this bill have any kind of need income test or need test of some type?

Mr. STEPHENS. Mr. Chairman, I do not believe section 4 provides any guidelines. It has never been suggested. I was under the impression that SBA had guidelines but it is not in the section we are talking about.

Mr. FINDLEY. Does the gentleman in the well feel it ought to be available only to those of rather meager financial circumstances and not be available for persons of wealth?

Mr. STEPHENS. Yes, I think I would agree that this should be the criterion—actual need—in my opinion.

Mr. FINDLEY. Is that the intention of the gentleman in bringing this bill to the floor?

Mr. STEPHENS. No, I cannot say it was my intention because I did not know the gentleman from Illinois was going to bring up that question, but that is my personal feeling, that this ought to be the way it is.

Mr. FINDLEY. Mr. Chairman, could it be established as a matter of legislative history, as a result of our discussion, that the committee does intend to have the program administered so that the forgiveness feature, the attractive interest rates, are not available to those of financial means?

Mr. STEPHENS. Mr. Chairman, I would have to agree with what the gentleman has said only on the basis that it is my opinion. I could not speak for my committee, it having never been brought up to them. I am telling the gentleman my opinion on it.

Mr. FINDLEY. Mr. Chairman, may I ask a further question? I am not clear about the alternatives that would be available. I see a 1 percent per annum rate. Under what circumstances could a person get a 1 percent per annum loan?

Mr. STEPHENS. If he will say that he will take a loan and not ask for any forgiveness.

Mr. FINDLEY. How many years could he get it for 1 percent?

Mr. STEPHENS. I believe it is a 30-year loan.

Mr. FINDLEY. He could borrow money for 30 years at 1 percent interest rate?

Mr. STEPHENS. The gentleman must remember that this is a relief program, and it is primarily for people who have been in small financial circumstances. That is why I gave the gentleman my opinion.

Mr. FINDLEY. I understand.

Mr. STEPHENS. And as to why this kind of interest rate is given, the gentleman has to take into consideration that frequently when a disaster occurs, there is a mortgage on the premises and there is no way in the world to pay that mortgage off at a high rate of interest.

This is to give an opportunity to put this money, or at least some of it, into paying off the old mortgage if possible, but that is not always possible. This is to be an assistance to someone so that they will not be paying a double loan.

Mr. FINDLEY. Mr. Chairman, the reason I bring this up, and I really appreciate the gentleman giving me this opportunity to do so, is that there were circumstances in my district in which very wealthy people from metropolitan St. Louis had river cabins which they considered to be their domiciles, and were able to get this $5,000 writeoff on disaster loans.

It seemed to me to be a great injustice. If there is the further opportunity for such people to borrow money at 1 percent, when today the rate of interest is over 8 percent for almost any reason, the 1 percent loan for 30 years is really something.

Mr. STEPHENS. I appreciate the facts the gentleman has brought out.

Let me proceed to a description of what is in section 5 of the bill.

Section 5 of the legislation would allow livestock feed operators to obtain disaster loans if their herds were seriously damaged by disease.

Section 6 would include, under the terms of a natural disaster, erosion. At present erosion damage is not eligible for disaster relief assistance under the Small Business Administration.

Erosion itself over the year has been fully defined. I do not believe there is any problem as to what erosion consists of. I do not believe there should be any problem when we talk about giving some assistance for erosion. When a flood comes it can take loose soil and just destroy lawns, destroy yards, and everything around. A freshly plowed area or a dug up area can be washed away completely.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PATMAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. STEPHENS. Mr. Chairman, section 7 would provide low-interest loans to small businesses which have been affected by the closing of a military installation. This has been very apparent, as to the need, from the comments made about the administration's closing of defense installations and bringing together more closely the pursestrings of military defense. I believe this is a very good improvement upon what has been done in the past when we closed military installations.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I am glad to yield to the gentleman from California.

Mr. ANDERSON of California. On the point the gentleman just raised, relative to loans for adjustment assistance in base closings. The bill provides, in part:

> The Small Business Act is amended by adding * * * "( ) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a new business, or in establishing a new business if the Administration determines that such concern has suffered or will suffer substantial economic injury as the result of the closing by the Federal Government of a major military installation under the jurisdiction of the Department of Defense, or as a result of a severe reduction in the scope and size of operations at a major military installation."

Now I contend that this is quite vague. I am told there will be guidelines, since this provision has not been in the law before.

I notice that the report makes reference to the situation where the small business is located in a military community in the State. However, I am concerned about those areas where the military installation is in a large metropolitan area. I am thinking of my own area of Long Beach. The Long Beach Naval Base is being moved. I am also thinking of Hunter's Point, San Francisco, where the shipyard is being closed.

At Long Beach approximately 17,000 uniformed naval personnel are being moved out; 5,000 school children are affected; and several thousand homes are involved. It will be very difficult, in my mind, for the administration to determine how much of the business was affected by the moving of the base, because the people in business that we are concerned with are not necessarily dealing directly with the base but are dealing with the people affected who live in that area.

How will the guidelines apply to these businesses that are badly hurt by the moving or the closing of a base?

Mr. STEPHENS. I will acknowledge where there is a larger community there is going to be more difficulty in having an assessment made as to what is a loss due to the military installation being moved.

However, I will say that I cannot envisage it not being the intent of the committee and the intent of the Congress to say, whether it is a large community or a small community, regardless of size, if a person is injured in his small business activity by the closing of that base he ought to have the opportunity, just as anybody else would, to take advantage of the law. It is very clear a small town might be almost totally closed up as the result of closing of an installation. I can assure the gentleman that I will see that necessary guidelines are urged upon the Small Business Administration to be sure that the situation he mentions is taken care of.

Mr. ANDERSON of California. Mr. Chairman, I believe the gentleman will agree that where these businesses have been hard hit by the closing of a base, that we have a responsibility to help them. Most of these are small businesses, and I believe the administration should look with tolerance, especially in those areas where these people have built up their businesses on selling goods and services to the military personnel and their families. They have been providing valuable services, and now as a result of our action—not theirs—since the Government is the one that is moving the bases out, it is going to hit these small business people pretty hard.

Mr. STEPHENS. Mr. Chairman, I appreciate the gentleman bringing that point to the attention of the House. Now, let me resume my section analysis of the bill.

Section 8 provides for an annual report to the Congress from the Small Business Administration on the state of small businesses. Although annual reports are now required from the SBA, the contents of such reports are not spelled out in present law. H.R. 8606 sets down guidelines for such reports.

And finally, Mr. Chairman, section 9 provides that the SBA may not discriminate against any borrower because of that person's sex. Of course, I think that is the law anyway, but we have spelled it out so there will be no question about its being brought to the attention of the Administrator of the Small Business Administration.

The bill, H.R. 8606, is much needed, for without it the SBA will be unable to assist the more than 8 million small businesses in our country after the first of the next month. Small business is a very important segment of our economy. It provides 43 percent of the gross national product and over 50 percent of the country's employment. Small business has proven over the years that it can meet its financial obligations obtained in connection with the Small Business Administration.

For instance, on the regular business loan program, from the beginning in 1953 through June of 1972, losses amounted to an adjusted rate of 4.52 percent. That is an outstanding record when we consider that more than 600,000 loans have been made for an amount of nearly $12 billion.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. STEPHENS) has expired.

Mr. PATMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Georgia (Mr. STEPHENS).

Mr. STEPHENS. Mr. Chairman, it is true that the so-called economic opportunity loan program has had less than an outstanding track record in its loss ratio. But it is the only SBA program with more than minimal losses and the Banking Committee has consistently urged the SBA to lower the loss rate on these loans.

In closing, Mr. Chairman, let me once again stress the urgency with which this legislation is needed. Some time next month SBA will reach its loan ceiling, and at that point the agency will virtually have to go out of business unless H.R. 8606 is passed.

Mr. Chairman, as I view the situation as far as this bill is concerned, there is a good deal of unanimity on both sides of the aisle for the bill. I do not know of much controversy. I know of but one item in the bill that has any controversial feature connected with it. I have been given the courtesy of being notified that there will be an amendment to eliminate section 4. We will have to discuss that at the time we get into the amendment process.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, as most of us are aware, risk capital for small business has been a scarce commodity.

The man with an idea, but no bricks or mortar, is hard put to bring his idea to fruition.

Congress recognized this shortcoming in the availability of risk capital. In 1958 we enacted legislation providing for small business investment companies to be licensed, regulated and if necessary, financed by the Small Business Administration.

As any experimental program, the SBIC program had its failures and successes.

Today, with 15 years of experience in making venture capital available to small firms, the SBIC industry is on a solid footing and is comprised of soundly managed, viable companies. It is the major source indeed, in many instances, the only source of venture capital for small business.

Over the years, a drawback of the SBIC program has been the unavailability of funds from the Government to match the private capital SBIC's have. Recently, SBA has used its guarantee authority to help SBIC's obtain funding from private lenders. This has opened up a new avenue of funding for SBIC's and new interest in the program.

Consequently, the provision in section 1 of H.R. 8606, which proposes to increase to $725 million from $500 million the amount SBA may have outstanding in loans to SBIC's at any time, is vitally important.

Along with the other provisions of section 1 of H.R. 8606 which increase other SBA lending programs, I strongly recommend that we adopt H.R. 8606.

Mr. HARRINGTON. Mr. Chairman, I rise today to voice my support of H.R. 8606, the amendments to the Small Business Act. This bill increases through fiscal year 1975 the total amount of loan guarantees and other outstanding commitments of the Small Business Administration—SBA—from $4.3 billion to $6.6 billion, a total increase of 53 percent. Included in this increase are substantial expansions in loan programs for small business investment companies, State and local development companies, low-income individuals, and businesses in areas of high unemployment.

In addition, these amendments expand the SBA's ability to provide economic disaster loans to small businesses adversely affected by Federal environmental consumer and safety standards. The interest rates for these disaster loans would be set at the cost of money to the Government plus one-fourth of 1 percent.

Other provisions of the bill require a detailed annual report to Congress on the state of small business in the United States instead of the limited report now required. The bill also prohibits sex discrimination in the granting of loans, and gives special preference to veterans and surviving members of their immediate families.

These measures of assistance for small businesses are imperative for areas like New England in light of the lagging recovery of the regional economy. Smaller firms are finding it particularly difficult to operate in this stagnant economy, and SBA loans are a major means by which we can help them make a go of it.

In the past 5 years, the Small Business Administration has provided $145 million in assistance loans to small businesses in Massachusetts, and $17 million for Essex County alone. These loans have been a major contribution to the economic well-being of the area, and I strongly support their expansion.

Of particular interest to the people and businesses of Massachusetts is the section of the bill establishing a new disaster assistance category, thus providing for assistance loans to small business concerns adversely affected by the Federal Government closing or reduction of major military installations. This provision will soften the blow dealt to small businesses by the closing of military facilities while other adjustment assistance legislation is pending in committee.

By strengthening the ability of these small business concerns to confront the economic hardships resulting from the changes in the U.S. military establishment, we are helping to alleviate the shortrun economic impact on both employment and the community. But, moreover, we are also taking one of the essential steps to insure the longrun economic vitality of affected areas by eliminating overdependence on the jobs and money from Defense Department funds.

Much more will be necessary to facilitate nationwide conversion to an economy independent of military spending, but that is all the more reason for beginning now. It is time for the Federal Government to recognize its responsibilities to small firms, individuals, and communities adversely affected by its activities.

Let us hope that this assistance is just the beginning of the positive programs to come.

Mr. TIERNAN. Mr. Chairman, I rise in support of H.R. 8606, a bill to amend the Small Business Act. It is important and necessary that we act favorably on this legislation today in order that commitments of SBA may continue to be processed for those small businesses that need assistance.

In the bill is a new disaster assistance category which would provide aid to small businesses who have been seriously affected due to the closing of a military installation in the community served by the small business. As a consequence of the April 17 action by the administration in disestablishing a number of military installations, many small businessmen find themselves on the brink of disaster. In my State of Rhode Island which took 50 percent of the national cut, SBA has estimated that loss of business will range from 30 percent to 60 percent in the Newport County area alone. This is a staggering figure.

I believe the Government has a moral responsibility to help these businesses and the people who are employed in them. I might add that many of these small businesses were encouraged to set up shop and also expand by Navy brass who implied that the Navy was to remain a permanent fixture in the community. Some of these entreaties—made in the last 2 or 3 years—come pretty close to deliberate deception. In any event, I believe the Federal Government must now make the commitment to alleviate a situation that it helped to create. I urge passage of this legislation.

Mr. PARRIS. Mr. Chairman, it is my pleasure to rise in support of H.R. 8606, to amend the Small Business Act.

For some time I have been extremely concerned over the plight of small firms which have been detrimentally affected by the need to comply with new Federal laws and regulations, or which have suffered serious financial consequences as a result of the closing of a nearby Federal installation.

Through the formulation and adoption of strong new laws, recent Congresses have taken decisive action to protect the American consumer, the environment, and to insure a safe place of work for the men and women of this Nation. However, I have found it extremely disturbing to realize that virtually no provision has been incorporated into the foregoing legislation to assist small businesses in making the necessary and often substantial expenditures needed to comply with the new laws.

Small business is a major social and economic force in this country, comprising nearly 98 percent of American business. Yet the failure rate for our smaller firms has traditionally been notoriously high, and in many cases the closing of a small business can be directly linked to Federal action in the areas which I have mentioned.

For these reasons I strongly support H.R. 8606, and have been gratified to note that the Committee on Banking and Currency has incorporated into the bill two key provisions of legislation which I recently introduced (H.R. 8311). Namely, the committee bill extends disaster loans to small business firms which must comply with new Federal environmental, consumer, pollution, and safety standards. In addition, the bill establishes a new disaster assistance category to provide aid to small firms which have been seriously affected by the closing of a military installation in the community served by the small business.

Mr. Chairman, we urgently need a viable and productive small business community to return and maintain our economy at a healthy state. I am convinced that small business will be strengthened by the enactment of the legislation which we have before us, and I urge my colleagues to join me in supporting H.R. 8606.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 8606, a proposal which would permit the Small Business Administration to make low-interest loans to small businesses which are facing economic hardships due to the Defense Department's decision to severely cut back or close local military bases.

April, the Navy announced its intention to transfer some 47 ships from the Long Beach Naval Station to new home ports.

As a result of this transfer, the Long Beach economy will, no doubt, be affected adversely. According to preliminary estimates, Long Beach will lose $100.7 million in annual Navy payroll; local suppliers will lose $11.7 million in Government contracts and services.

In addition, the local governments will lose an estimated $3.4 million in taxes.

Also, employment in the area will drop by an estimated 2,100 to 3,000 jobs.

While the economy of the Long Beach area is strong and diverse, the Navy's decision to relocate the ships and the sailors will have a devastating effect on many small businesses which were dependent on the Navy and its personnel for a livelihood.

I feel that the Government has an obligation to ease the strain on communities and businesses such as those in Long Beach, which are—with little or no warning—suddenly faced with economic hardships due to governmental action.

I also believe that a lack of communication with community leaders and a failure by the administration to adequately plan for the economic and personal effects of these cutbacks and closings may seriously jeopardize future relations between civic leaders and the military throughout the Nation.

Thus, to meet the obligation to those who supported and served the military bases, and to show civic leaders that the Government will help ease strains resulting from severe actions, I favor this proposal which permits low-cost loans to small businesses, and I urge my colleagues to lend their support to this equitable measure.

Mr. PATMAN. Mr. Chairman, the passage of H.R. 8606 a few minutes ago by this body will provide the Small Business Administration with enough latitude in its lending ceiling so as to continue its various programs for another 2 years. The Congress has never failed to raise the lending ceiling for SBA so that it can continue its lending functions. However, for the past several years, each time the ceilings have been raised the Banking and Currency Committee has stated in its report accompanying the legislation that the SBA must take action to return the agency to a program of direct lending instead of pursuing a guarantee role.

When Congress created the Small Business Administration it envisioned the agency as a direct lender to small business and that is the way the agency functioned for many years. However, in recent years, the trend has been away from direct loans. For instance, in 1965, roughly half of the agency's loan total was made in direct loans. But in 1972, only 2 percent of the agency loans were in the direct form. This means that a borrower must find a bank or other financial institution before he can even approach SBA for assistance. The borrower must then get the bank to lend him the funds based on an SBA guarantee. Since the banks can charge their normal rate for such loans, and in most cases, do not even have to pay for a Government guarantee, it is a particularly sweet deal for the banks but not for the Small Business Administration. True there is not as great an impact on the budget by operating under the guarantee route, but by the same token, SBA is losing all of the interest income on the loans and at the same time is exposed to a maximum of 90 percent of the principal and interest of the loan. If the loan goes bad, the bank loses only 10 percent of the loan while SBA suffers a 90-percent loss.

The small businessman is particuarly hard pressed by the guarantee route since in many areas serviced only by one or two banks a small businessman is at the mercy of these financial institutions.

Mr. Chairman, the Banking and Currency Committee's report on H.R. 8606 contains an extremely important section dealing with the allocation of direct funds. I am including that section of that report in my remarks not only so that Members may see exactly how SBA is drifting away from the congressional intent of the agency's operation, but also in the hope that the SBA and the Office of Management and Budget will realize that they are not following through with what is necessary to help small businessmen.

ALLOCATION OF DIRECT FUNDS

One of the biggest complaints that small businessmen have expressed in recent years is their inability to obtain direct loans from the Small Business Administration. SBA, as noted earlier in the report, has moved more toward the guaranteeing route rather than making direct loans. The funds that do remain for direct lending have been channeled into three categories, 01, 02, and 03 for lending purposes. Category 01 is for loans to small business concerns and individuals in economically depressed areas or areas of high unemployment. The 02 category is for loans to minority groups with some six groups making up the minority category. The third category, 03, is for loans for general economic growth or more precisely, all direct loans which do not fit the first two categories. SBA has moved during the current fiscal year toward combining the funds in categories 01 and 03 so as to provide more funds for the traditional direct business loans. However, your committee does not feel that the distribution of funds between the categories is equitable or that enough money is being spent on the direct loan program. For instance, during fiscal year 1973, $88 million is being made available for direct loans in the combination 01 and 03 categories, while $97 million is being made available in the 02 or minority direct loan program. For fiscal year 1974, the projection is that $88 million will be again made available in the 01 and 03 combination and that $107 million will be made available for the 02 category. The 02 category for fiscal year 1973 contains $5 million of direct funds for minority oriented SBIC's and $15 million during fiscal year 1974 for the same purpose.

In past years there have been cases where there have not been enough loan requests to use up all of the funds in the 02 category, yet instead of making this money available in the other direct loan programs, it has been returned to the Treasury Department, even though there were a large number of direct loan applications pending in the 01 or 03 categories.

To compound the situation, the Office of Management and Budget has impounded $50 million of direct loan funds during fiscal year 1973 and directed that the same amount be trimmed from SBA's 1974 direct loan estimate. During 1965, direct SBA loans accounted for almost one-half of SBA's loan total. Conversely, during 1972, direct loans accounted for less than 2 percent of SBA's loan total. Your committee is alarmed by this drastic trend.

To offset the trend away from direct lending, your committee expects at the very least that the Office of Management and Budget will return the $50 million impoundment of direct funds to SBA and will also authorize an additional $50 million increase for direct lending in the 1974 SBA budget. In addition, your committee expects SBA to reallocate direct funds from one loan classification to another in the event that there are unexpended balances in one loan classification while loan applications are pending in another category. And finally, your committee expects the Small Business Administration to take all necessary steps including realistic budget requests so as to move SBA back to a direct lending operation.

Mr. BADILLO. Mr. Chairman, I rise in support of H.R. 8606, the Small Business Act Amendments of 1973.

The committee did an excellent job on this measure and the amounts authorized—particularly the increase of the lending authority of the Small Business Administration for direct, immediate participation and guaranteed loans from $4.3 billion to $6.6 billion—will allow a very effective operation of this program. I understand that the Agency estimates that this amount will permit it to operate through 1975. By that time the new reporting requirements, as set forth in section 8, will give us a very clear picture of the scope of the national need and the problems the program is encountering.

I am disturbed, although not surprised to learn that in addition to impounding $50 million from the direct loan budget of the SBA last year, the Office of Management and Budget has this year again instructed this Agency to reduce by a like amount its estimate for that particular part of its activities. Since this program is geared to the need of the small individual entrepreneur struggling to achieve economic independence, such a decision by an administration that gives vocal allegiance to the doctrines of self-help and hard work is hard to comprehend. It shows a particularly callous disregard for the urgent needs of the citizens of this country. I share the committee's hope that the Office of Management and Budget will release the impounded funds and authorize an additional $50 million increase for direct lending purposes in the 1974 SBA budget. Present economic conditions and the extremely high cost of money make such an action mandatory if the SBA is to fulfill, effectively, the role for which it was created.

I strongly support section 4 which would establish a new, alternate form of financing for disaster loans. The section is designed to give Congress time to work out an equitable disaster relief program and in the meantime lessen the hardship worked on disaster victims by the 4-percent increase of interest rates on disaster loans. Prior to April 20 of this year individuals were able to receive such loans at a 1-percent interest rate. The provisions of section 4, which incorporate an alternative of $2,500 forgiveness feature and a 3-percent interest rate, or zero forgiveness feature and a flat 1-percent charge on the entire amount of the loan, would greatly aid in providing immediately needed relief. I hope that all Members will see fit to support this provision.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of the bill, H.R. 8606, the Small Business Act Amendments of 1973. In particular I would like to compliment the Committee and my able colleague from Georgia, the Honorable ROBERT STEPHENS, JR., chairman of the Small Business Subcommittee, for including in the bill an amendment to provide relief from catastrophes due to erosion.

This provision will place erosion in the category of destructive events which qualify for physical disaster assistance under the Small Business Administration's program.

Earlier this year I addressed the Members of this Chamber on the crisis caused by abnormally high waters in the Great Lakes, resulting in greatly accelerated shoreline erosion. The erosion caused by the action of this high water is not a slow process like the almost imperceptible wearing of a mountainside by rain. It is sudden. The lake water works quickly and efficiently.

The high water levels erode the natural protection afforded the Great Lakes bluffs by their long beaches. Normally, the gentle slope of the beach will dissipate the fury of the waves before they reach the highly erodible soft clay near the shoreline. However, during periods of high water levels the lake's edge creeps closer to the higher land embankments. Then, during any storm or even during a period of high winds, the waves are able to carry out a brutal assault directly against the foundations of lakeside homes and cottages.

Some time ago, an agent of the Internal Revenue Service said, in rejecting the property damage claim of a victim of Lake Michigan shore erosion, "What God has taken away He can always put back." Perhaps this might be true. But, as a general rule, most homeowners have neither the time nor the patience to wait the millennium it would probably take for this to occur. Once the steeper bluffs have worn away, there is no replacement. Once a structure slides into the lake, nature does not rebuild it.

When people first built their homes there and bought their property around the rim of the Great Lakes, there was no way to foresee that this might happen. Now, our newspapers are filled with shocking pictures and vivid descriptions of once serene residential properties that have become beleaguered fortresses. When a man loses his property in this manner, it is—in every sense of the word—a disaster.

There has, of yet, been no aid to alleviate this type of heartbreak and tragedy. The high water is, of course, the root of the problem. Both Senator STEVENSON and I have introduced legislation to study this problem and try to solve it. But, future solutions cannot replace what is being lost today. Preventive measures will not cure irreversible results that occur now. This bill goes a long way toward providing the temporary relief needed today.

Victims of this much more dramatic and destructive erosion are disaster victims indeed. I urge my fellow Members to support this bill so that vitally needed assistance can be made available to every victim of accelerated erosion disasters.

Mr. J. WILLIAM STANTON. Mr. Chairman, we have no further requests for time.

Mr. PATMAN. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AUTHORIZATION

SECTION 1. Paragraph (4) of section 4(c) of the Small Business Act is amended—

(1) by striking out "$4,300,000,000" and inserting in lieu thereof "$6,600,000,000";

(2) by striking out "$500,000,000" where it appears in clause (B) and inserting in lieu thereof "$725,000,000";

(3) by striking out "$500,000,000" where it appears in clause (C) and inserting in lieu thereof "$600,000,000"; and

(4) by striking out "$350,000,000" and inserting in lieu thereof "$475,000,000".

LOANS TO MEET REGULATORY STANDARDS

SEC. 2. (a) Section 7(b)(5) of the Small Business Act is amended to read as follows:

"(5) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in effecting additions to or alterations in its plant, facilities, or methods of operation to meet requirements imposed on such concern pursuant to any Federal law, any State law enacted in conformity therewith, or any regulation or order of a duly authorized Federal, State, regional, or local agency issued in conformity with such Federal law, if the Administration determines that such concern is likely to suffer substantial economic injury without assistance under this paragraph: *Provided,* That the maximum loan made to any small business concern under this paragraph shall not exceed the maximum loan which, under rules or regulations prescribed by the Administration, may be made to any business enterprise under paragraph (1) of this subsection; and".

(b)(1) Section 7(b)(6) of the Small Business Act is repealed.

(2) Paragraph (7) of such section 7(b) is redesignated as paragraph (6).

(c) Section 28(d) of the Occupational Safety and Health Act of 1970 (Public Law 91-596) is amended by striking out "7(b)(6)" and inserting in lieu thereof "7(b)(5)".

(d) In no case shall the interest rate charged for loans to meet regulatory standards be lower than loans made in connection with physical disasters.

CONFORMING TECHNICAL AMENDMENTS

SEC. 3. (a) Subsection (g) of section 7 of the Small Business Act, as added by section 3(b) of the Small Business Investment Act Amendments of 1972 is redesignated as subsection (h).

(b) Subsection (c) of section 4 of the Small Business Act is amended by striking out "7(g)" each place it appears in paragraphs (1)(B), (2), and (4) and inserting in lieu thereof "7(h)".

DISASTER LOANS

SEC. 4. (a) The second paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out "July 1, 1973," the first time it appears therein and inserting in lieu thereof "July 1, 1975,".

(b) Subparagraph (D) of the second paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following: "with respect to a loan made in connection with a disaster occurring on or after April 20, 1973, but prior to July 1, 1975, and notwithstanding section 9 of Public Law 93-24, the Small Business Administration shall, at the option of the borrower, either cancel $2,500 of the loan and make the balance of such loan at an interest rate of 3 per centum per annum, or make the entire loan at an interest rate of 1 per centum per annum. In the event of the refinancing of a home or a business, the monthly payments after the refinancing shall in no case be lower than such payments prior to the disaster.".

LIVESTOCK LOANS

SEC. 5. Section 7(b)(4) of the Small Business Act is amended by inserting before the semicolon at the end thereof the following: ":*Provided,* That loans under this paragraph include loans to persons who are engaged in the business of raising livestock (including but not limited to cattle, hogs, and poultry), and who suffer substantial economic injury as a result of animal disease".

EROSION ASSISTANCE

SEC. 6. Section 7(b)(1) of the Small Business Act is amended by inserting "erosion," immediately after "floods,".

LOANS FOR ADJUSTMENT ASSISTANCE IN BASE CLOSINGS

SEC. 7. Section 7(b) of the Small Business Act is amended by adding after paragraph (6) the following new paragraph:

"(7) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing loction, in reestablishing its business, in purchasing a new business, or in establishing a new business if the Administration determines that such concern has suffered or will suffer substantial economic injury as the result of the closing by the Federal Government of a major military installation under the jurisdiction of the Department of Defense, or as a result of a severe reduction in the scope and size of operations at a major military installation."

ANNUAL REPORT ON STATE OF SMALL BUSINESS

SEC. 8. The first sentence of subsection (a) of section 10 of the Small Business Act and the first word of the second sentence of such subsection are amended to read as follows: "The Administration shall, as soon as practicable each calendar year make a comprehensive annual report to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include a description of the state of small business in the Nation and the several States, and a description of the operations of the Administration under this chapter, including, but not limited to, the general lending, disaster relief, Government regulation relief, procurement and property disposal, research and development, technical assistance, dissemination of data and information, and other functions under the jurisdiction of the Administration during the previous calendar year. Such report shall contain recommendations for strengthening or improving such programs, or, when necessary or desirable to implement more effectively Congressional policies and proposals, for establishing new or alternative programs. In addition, such".

ANTI-DISCRIMINATION AMENDMENT

SEC. 9. Section 4(b) of the Small Business Act is amended by adding after "The Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator." the following new sentence: "In carrying out the programs administered by the Small Business Administration, including its lending and guaranteeing functions, the Administrator shall not discriminate against any person or small business concern receiving assistance from the Small Business Administration based on sex, and the Small Business Administration shall give special consideration to veterans of United States military service and the survivors of their immediate families.".

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with and it be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. J. WILLIAM STANTON

Mr. J. WILLIAM STANTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. J. WILLIAM STANTON: Strike section 4 and renumber the following sections accordingly.

Mr. J. WILLIAM STANTON. Mr. Chairman, the purpose of my amendment is to strike from the bill the provisions that relate to the forgiveness features involved in this legislation. Specifically I speak of deleting from the language of the bill the $2,500 forgiveness at 3 percent and/or the choice of a 1-percent loan. I offer this amendment for several different reasons.

First of all, this committee and this House acted on this particular subject no later than 2½ months ago. As we know, for the last several years the subject of disaster loans has been before this body on five or six different occasions, but it was only as recently as 2½ months ago the committee decided, I think in its wisdom, under the Consolidated Farm and Rural Development Act to limit loans on disasters at this particular time to 5 percent. In the conference the Small Business Act was put into the bill in such a way that from then on the Small Business Act coincided with the Farm and Rural Development Act with loans at 5 percent. For the committee to go back on its word after that short period of 2½ months would be bad planning.

Further than that, with regard to this particular subject, I think it has come to the point when we should face reality. The Small Business Administration has been in business since 1953, and since that time they have given out 409,383 disaster loans. In the last 2 years 230,000 of those loans have gone into effect primarily because of the 193,000 loans that were given due to Hurricane Agnes. From any responsible fiscal point of view, excepting the desire of the Federal Government in cases of disasters to help people, the fact still remains that we are galloping to such an extent any way you look at it that it cost the Federal taxpayers close to $300 million to $500 million over the last year and a half; 70 to 75 percent of the loans at the time of Hurricane Agnes were for $5,000 or less. You must primarily realize these are not loans but are actually grants.

You get to the point where there is a proper time and place for taking care of this particular subject, though. The subject of disaster relief formulas of this kind does not belong in a small business act. Where it does belong is before the Committee on Public Works, and that committee has before it the Disaster Preparedness and Assistance Act of 1973.

It is my understanding—and I hope later on some of the members of that committee will be present—that they will have hearings and take this subject up. I am firmly committed to cooperating with that committee in coming up with some kind of equitable formula.

I believe to change the percentage of the formula we have and which this House passed only on April 30 is wrong, first of all.

Secondly, we are now, if we do not enact this amendment, getting back into the subject matter that proved so well in Pennsylvania and other places in this country, that there really is a better way to do this and, as I said, that is the Disaster Preparedness Assistance Act that will bring all agencies of the Federal Government together.

Fundamentally, what we do here is getting the Small Business Administration, which is for small business, into helping individual homeowners with home repairs which rightfully belong under HUD. So I would simply say that while I would count myself among those who show true compassion that there is a better way to deal with these problems.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. J. WILLIAM STANTON was allowed to proceed for 2 additional minutes.)

Mr. J. WILLIAM STANTON. So, Mr. Chairman, I repeat to the members of the committee that the proper time and the proper approach to handle this subject is through the Disaster Preparedness Assistance Act now before the Committee on Public Works.

Mr. SMITH of New York. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from New York.

Mr. SMITH of New York. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would ask the gentleman from Ohio whether the gentleman knows how much money was paid out in forgiveness grants by the SBA because of the $5,000 loan forgiveness feature that we passed about a year ago for disaster victims?

Mr. J. WILLIAM STANTON. In answer to the inquiry of the gentleman from New York I would say that I do not believe there are any figures, certainly that I have seen, which would say that because of the $5,000—and at one time it was $2,500, and then it went to $5,000, as to the number involved.

I see the distinguished gentleman from California (Mr. REES) is here, and I am sure the gentleman can tell you many things concerning this forgiveness feature. I am sure that he could tell you that anyone who has been through this forgiveness thing, that it tends to create dishonest people out of many millions who are actually honest people.

Mr. SMITH of New York. Will the gentleman yield further?

Mr. J. WILLIAM STANTON. I yield further to the gentleman from New York.

Mr. SMITH of New York. I might add that our former and late colleague, Mr. James Smith, who was the Director of the Farmers Home Administration, told me informally one day that it was, I believe, over $2 billion that had been paid out by the Small Business Administration for disaster loans under the $5,000 forgiveness feature.

Mr. J. WILLIAM STANTON. That is right, and you have got the fact that $1.5 billion in 1973 in disaster loans were paid out by the SBA. The total for the whole program is only $2.56 billion for a 20-year period.

Mr. SMITH of New York. Will the gentleman yield further?

Mr. J. WILLIAM STANTON. I yield further to the gentleman from New York.

Mr. SMITH of New York. If the amendment proposed by the gentleman from Ohio were adopted, would there still be in the fundamental law the 5-percent interest rate on disaster loans?

Mr. J. WILLIAM STANTON. If this amendment is adopted it would revert back to what this House enacted in late April, and that the President signed, of a 5-percent interest rate.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ANNUNZIO. Mr. Chairman, I rise to oppose the amendment of my good friend, the gentleman from Ohio (Mr. J. WILLIAM STANTON). I know that the gentleman has a deep compassion, like everyone in this House has a deep compassion, for disaster victims who have suffered because of floods.

I would like to point out to the Members of this House that when we mentioned the situation that occurred in California, all of the mistakes, the chiseling and the cheating that went on in California, that I see that as no reason to exempt people from this program because a few people in some State cheated. That does not mean that every American is a cheat, and that every American is a dishonest man just because we have a few cheaters in this program.

A disaster could strike in the district of any one of the Members of the House at any time. Disaster has struck in this country in almost every State of the Union from time to time.

Much is said here about adequate aid to disaster victims in the so-called Nixon budget. Under legislation passed last year, the President was supposed to send a disaster message to Congress by January 1 of this year. He did not send that message until 3 months after the date. If the administration was worried about disaster victims and the budget, why did not the administration comply with the law?

Congress on April 20 of this year set the disaster loan rates at 5 percent, which was done only because the Small Business Administration and the Farmers Home Administration had indicated they would not make any more loans unless the rates were changed.

In short, this entire Congress was blackmailed and had to go along with that particular rate.

Under this bill, H.R. 8606, we are giving the disaster victims an option. What we are saying to them under this bill is they have a choice of no forgiveness at 1 percent, or they have a choice of $2,500 forgiveness for 3 percent. We are not saying that this is a program that is going to last forever. This is only a 2-year program.

For the last 2 days we have been hearing in this chamber amendment after amendment and subsidy after subsidy, for farmers and we heard how there is not an industry in the United States that is not subsidized. We have passed subsidy programs for the farm programs. Now we are talking about people who are disaster victims who cannot help themselves and who have no other place to go but to the House of the people, the Congress of the United States, for relief and for help. I want to urge my colleagues in the Committee of the Whole that when we vote on the so-called Stanton amendment that we vote this amendment down, because we cannot justify low-cost loans to victims of Hurricane Agnes and give 5 percent loans to other disaster victims. It is more of a disaster to a man who loses his home in a small flood than one who loses his home in a major flood.

When we talk about this 5 percent, when a man is wiped out of his home and his family is without a home, I should like to ask the Members of this House where on earth is he going to get the 5 percent interest to pay on this loan? I think that this Congress, showing the compassion that it has for the farmers in the last 2 days, will show compassion enough to vote down the Stanton amendment and to keep the bill in its present form.

Mr. WIDNALL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, section 4 of H.R. 8606 would authorize the Small Business Administration to make disaster loans under sections 7(b) (1), (2) and (4) of the Small Business Act, for disasters occurring on or after April 20, 1973, but prior to July 1, 1975. The borrower would be given the option of cancelling $2,500 of the principal of each loan and repaying the balance at 3 percent interest, or repaying the entire amount of the loan at 1 percent.

It should be noted that because of the extreme cost involved in the forgiveness features in effect until recently, and because of the possibilities for abuse provided by such features, the Congress saw fit only last April to enact H.R. 1975, which was signed by the President on April 20, and is now known as Public Law 93-24. That measure deleted from the law the previous controversial and costly forgiveness provisions which had resulted in unanticipated inequities and increased the rate of interest applicable to disaster loans made by SBA.

Section 4 now attempts to undo what was done less than 3 months ago, by putting still another form of forgiveness and reduced interest rates into the law. The proposed forgiveness feature would result in prohibitive costs, as would the 1 percent and 3 percent interest provisions. Let us not confuse further the concept of a subsidized loan arrangement to assist disaster victims in their plight with an outright grant or giveaway program.

I believe that with the changes recently enacted in Public Law 93-24, the present law satisfies the economic needs of disaster victims. Five percent interest on loans certainly constitutes a substantial benefit to disaster victims, who would otherwise pay a much higher interest rate on such loan if indeed they could obtain loans at all.

At least until the Congress has had an opportunity to consider the comprehensive disaster preparedness and assistance bill now before the Committee on Public Works, let us not make another modification in the SBA disaster relief loan terms. Let us not take another misguided turn in the name of "equity"—to do so would be to perpetuate the problems of increasing costs to the taxpayers and real inequities to those who are the most needy and are unable to get loans because of their inability to assure repayment. The proposed giveaways in the name of equity are simply beyond reason.

I urge my colleagues to support the amendment to strike section 4 from this bill.

Mr. REES. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I reluctantly rise to oppose section 4 as it now is in the bill. I think we have several major problems. This is a Small Business Administration disaster loan program. Two years ago we had a situation where if there was a disaster and one had a loss one could get a 3-percent loan and the first $2,500 of that loan was forgiven. Because of Hurricane Agnes last year we amended the bill so that until July 1 of this year one could get a 1-percent loan on his loss and the first $5,000 was forgiven.

The amendment in the committee bill is an attempt to try to rectify this, what has happened in the past with the SBA disaster loan program is that every time there is a new disaster we change the rules so that someone who is a victim of a previous disaster gets treated in one way, and if one is hit by a contemporary disaster that seems to have occurred when Congress is working on the SBA bill, there is another criterion.

The problem with the forgiveness clause is that a person who really sustains a serious loss, say a $40,000 uninsured loss might get a $2,500 or $5,000 forgiveness in a 1-percent loan, or 3 percent loan but he still has a loan outstanding perhaps of $25,000. But if we get another individual he might have a very small loss, let us say a $2,000 or a $3,000 loss and that person is automatically forgiven. There is absolutely no loss this person sustains.

This program is not supposed to really take care of small losses. It is supposed to take care of the major losses which someone sustains, a loss of his business or his home. What happened in Los Angeles was we had an earthquake and many houses were extensively damaged, but when many individuals found out they would not have to pay for the first $2,500, they all of a sudden discovered they did have a little "structural damage" in their houses that really did not appear to be damaged and they would claim $2,500 worth of structural damage in the house, and it did not appear difficult to find a contractor who would agree with that, and then they would go to the SBA and get $2,500 and get the $2,500 forgiven.

Remember, in a disaster we have many people who sustain heavy loss.

So that the SBA finds the day after the disaster that there are not just 50 or 60 people lining up for loans, but there are thousands of people lining up for loans. If the SBA tries to process these in a reasonable manner, they find that everyone in the local area says, "Look, you have to process all of these right now because this is a disaster and you bureaucrats are trying to hold it up," and therefore they put an okay on practically every application.

Mr. Chairman, this is the problem I think we will find not just in California, but in any State where we have this type of loss.

One or two other things: The Committee on Banking and Currency is working on improving the national flood insurance program. I think the basis of the amendments proposed by the administration would be that in any jurisdiction where we have a flood problem, there would be an automatic cover on every property insurance policy so that every house would have this flood insurance protection. In Wilkes Barre, I think there were three people who had maximum flood insurance protection.

Under the present program the bill should come before us, in the next few weeks, I think this will give people a lot more security.

There is other legislation. The gentleman from Pennsylvania (Mr. Flood) is here and he has a very excellent bill for national disaster insurance which would again be a cover policy to insure the homeowner and the businessman for all of those uninsurable losses they might sustain as a result of a natural disaster.

Mr. Chairman, this is where I think we should move, where it is fair and equitable, but to keep dealing with these arbitrary forgiveness of $5,000 and running down 1-percent loans, I think, is unwise and certainly is not consistent and not fair to those who sustained disaster losses in the past or who in the present, sustain heavy losses.

Mr. BRASCO. Mr. Chairman, I rise in opposition to the amendment.

First, Mr. Chairman, I would like to comment on the statement, or at least the premise my colleague from California injected into this discussion. The fact that individuals may decide to wrongfully apply for this loan is no reason whatsoever to cancel out a program. I would say, however, that the law provides that anyone who wrongfully misapplies the proceeds of a loan obtained under this subsection is liable to pay back to the administrator three times the amount of the loan, and is also liable in the criminal courts.

I suspect that history indicates that this kind of activity in terms of misconduct will occur periodically, and it is no reason to cancel out a program.

Mr. Chairman, I also must return to the arguments offered by my good friend from Chicago, Mr. Annunzio. I might add at this point that I do not have in my district any people who would qualify, but it seems to me that I have been here on the floor of the House asking for help for the people I represent, and often during the course of the dialog Mr. Average American, who works for a living, buys a home, fights and scrapes to preserve that home, gets no benefit from any of the programs we in the Congress of the United States make provision for.

Today it seems to me to be rather callous when this man who scrapes and works and saves to build his home is hit with a disaster over which he has no control, for us to say, "Mr. Middle American we do not have any provision to help you whatsoever."

I think that is the wrong kind of approach. The bill has adequate safeguards to prevent fraud, and I think this is where we ought to allow the average American to come in and get some benefit from all of his taxes that go into the Federal Treasury and which are spent for programs in which he receives no benefits.

Mr. Chairman, I urge my colleagues to vote down the amendment.

Mr. WYLIE. Mr. Chairman, I rise in support of the amendment of the gentleman from Ohio (Mr. J. William Stanton).

Mr. Chairman, I think there are about three reasons why this amendment should be supported at this time. The impression has been left that if we do not include this provision in the bill, that the victims of disasters will not be provided for.

There is in being a loan program which provides loans at 5 percent through the Small Business Administration.

The point has been made, and I believe appropriately, that on April 20 of this year, 1973, the President signed into law an act which says:

> The Secretary shall make loans in any such area designated by the Secretary in accordance with subsection (a) hereof and in any area designated as a major disaster by the President.

Section 324 further provides that said loan shall be at 5 percent. This law is referred to as the Consolidated Farm and Rural Development Act. Then section 9 of that law says:

> Notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with any disaster occurring on or after the date of enactment of this Act * * * shall bear interest at the rate determined under section 324 of the Consolidated Farm and Rural Development Act.

Which I have just read.

In my judgment, if we allow section 4 to stand, it would be discriminatory against rural disaster victims. In other words, there would be a double standard of help for persons who could qualify for 5-percent loans under the Consolidated Farm and Rural Development Act, and those who could qualify under the Small Business Administration Act, who would have to pay only 1 percent for 30 years or would have a forgiveness of $2,500 and pay only 3 percent; or the applicant might change his mind, apparently, during the course of paying off the loan, which would make the thing, in my judgment, impossible to administer.

For these three reasons I feel the gentleman from Ohio does have a good amendment.

I should like also to associate myself with the remarks of the gentleman from California (Mr. REES) who pointed out there is a bill being considered by this body at this time which would provide generally for an overall long-term disaster relief program on a uniform basis.

Mr. BRASCO. Mr. Chairman, will the gentleman yield for a question?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. BRASCO. It just seems to me to be rather fallacious to argue that we should cancel out the benefits under section 4 of this bill so that some other committee of the Congress could enact these same benefits in some other bill at some later date. Is that the gentleman's intention?

Mr. WYLIE. I am not suggesting that. I am not suggesting the forgiveness feature is a good idea. I believe the $2,500 forgiveness and 3 percent for 30 years, or 1 percent for 30 years, whichever a person wants, is unworkable and cannot be administered. Additionally, it will cost too much to administer.

I suggest that what we are doing is discriminating against the rural disaster relief victims. We do have in being a 5-percent loan relief program for all disaster victims. It is not accurate to say that we will not have any program available for disaster victims if we adopt the amendment offered by Mr. STANTON.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I wonder if the gentleman would not agree that all the amendment does is to reassure our understanding of what the House did less than 2½ months ago, when we overwhelmingly accepted a 5-percent provision on disaster loans, for agricultural relief loans.

Mr. WYLIE. That is right. I believe we look ludicrous, having passed that bill on April 20, to come back 2½ months later and pass something different.

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the chairman of the subcommittee.

Mr. STEPHENS. Let me make this point in respect to what the gentleman says about discrimination against farmers.

In the first place, under the existing rules of the House we could not provide this for the farmers under this bill. This is a bill dealing with the Small Business Act, and such a bill would have to deal with the Farmer's Home Administration Act. We cannot do that under this bill.

Mr. WYLIE. I understand. The point I was making is that Public Law 93-24 in section 9 says:

> Notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with any disaster occurring on or after the date of enactment of this Act . . . shall bear interest at the rate determined under section 324 * * *

and the rate provided in section 324 is 5 percent. It is uniform, easily administered and the House spoke just 2½ months ago.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members of the Committee, I basically oppose the amendment offered by the gentleman from Ohio. However, I am not entirely satisfied with the wording of the existing language in the bill, and I would like to ask the chairman of the subcommittee a few questions.

In the last paragraph, Mr. Chairman, the statement appears that if there is a refinancing of a loan, in no event shall the payments be lower than the existing payments.

Now, I agree basically with what the gentleman from New York just said, that when we are dealing with forgiving at the $2,500 level, we are talking of very small homes and very poor working people.

I have been through the hurricanes in my district. As a matter of fact, we have a flooding situation down there now. In this instance, when someone is flooded in a basic agricultural area such as mine, there will not be any work for the people who were flooded out, and in a refinancing situation he is not going to have any money at all to pay back, and if he can work out a refinancing, it will of necessity force him to pay less if he can pay at all.

I would like to ask the question, what was the rationale in the committee in adding that wording?

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I certainly will yield.

Mr. STEPHENS. Mr. Chairman, our bill is not intended to do anyone any harm. In instances where a person is knocked out of his home, not always, but a majority of the time he is not knocked out of his employment, and if he is paying $100 under his existing circumstances on a monthly payment basis, he can still bear $100 a month instead of dropping it down to $75 when he is getting the benefit of a 1-percent loan.

Mr. DE LA GARZA. Mr. Chairman, I suppose the gentleman is assuming that his employment continues.

Mr. STEPHENS. Yes.

Mr. DE LA GARZA. Apparently the gentleman and the Members of the Committee have not been in a disaster situation like some of us unfortunately have. There are not any jobs when we have a flood in an area. An individual has no income to continue the payments as he had before, and now the gentleman says that we cannot work something out to make it easier for him when he does not have a job after the flooding.

Mr. Chairman, when there is a flood in an agricultural area, there go the jobs. We have no jobs left. Therefore, although I propose to vote against the amendment offered by the gentleman from Ohio, I am inclined to offer an amendment striking this section out in that part of the bill.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I think the dialog and the exchange that is now taking place between the gentleman from Texas and the gentleman from Georgia points up the reason why we should be supporting the striking of this section, as enunciated by my friend from California (Mr. REES).

Having dealt with these matters in the Committee on Public Works and particularly in the work on flood control and flood disasters, I think one of the problems we face here is that these matters have been dealt with on a piecemeal basis or on a disaster by disaster basis rather than with comprehensive application, and the result is that we now have an administrative monstrosity.

Mr. Chairman, I might point out to the gentleman that section 4 would include the loan forgiveness provisions for the SBA, and as we know, in the rural areas in many instance disaster relief is also administered by the Farmers Home Administration.

I would conclude by stating that I intend to support the amendment to strike out the Section, because we, in the Committee on Public Works, will be holding hearings in an effort to come up, hopefully, with a more permanent program and develop the kind of hearing record necessary to make a valid and a proper judgment for a comprehensive and uniform disaster relief program.

Mr. DE LA GARZA. Mr. Chairman, the gentleman makes a very impressive argument for my favoring both amendments. I mean I would support the amendment, but I still cannot bring myself not to do something now. I agree with the gentleman. The gentleman was in my area and was very helpful during one of the floods we had, but I cannot bring myself, Mr. Chairman, to support the amendment to take all of this out. However, I think we do harm to the intent of the legislation if we leave that last paragraph there. I think the better course is to oppose the amendment, and then I would offer an amendment of my own to strike out this wording.

Mrs. BOGGS. Mr. Chairman, I move to strike the requisite number of words. I rise to oppose the amendment.

I wish to associate myself with the remarks of the distinguished gentleman from Illinois (Mr. ANNUNZIO) and point out that the cutoff date in section 4 of the bill before us is July 1, 1975, and that this section provides only half of the relief features made available to those victims who received funds as a result of Hurricane Agnes; namely, $2,500 in forgiveness funds with 3-percent loans or no forgiveness with 1-percent loans.

The cutoff date of July 1, 1975, is very reasonable because the provisions of the new flood insurance legislation and the proposed disaster programs will become fully operative by that date. For the middle American, who is the hardest hit by all of these disasters that befall our country, it is most important that he receive adequate relief until he can have long-term, comprehensive protection.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are very familiar with flood damage and hurricane damage and all the rest of that sort of thing on the gulf coast. Certainly our people need the provisions of this bill under the Small Business Act.

I have some concern, however, about section 4 that perhaps the chairman of the subcommittee can clear up for me. Public Law 93-24 says "notwithstanding the Small Business Act" and so forth. Section 4 of this bill says "notwithstanding Public Law 93-24." Where will we be if we strike section 4? What will be left and what will be the state of the law as far as a person living on the gulf coast, for example, is concerned?

Mr. STEPHENS. Will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman.

Mr. STEPHENS. We will be in a situation where you have no forgiveness clause of any kind for a disaster loan and it would be at 5 percent.

Mr. EDWARDS of Alabama. That would apply not just to farmers but everyone. Is that correct?

Mr. STEPHENS. No. Well, under Public Law 93-24 yes; it would apply to the Farmers Home Administration loans as well as the Small Business Act loan.

Mr. EDWARDS of Alabama. As well as those?

Mr. STEPHENS. Yes. If this is enacted, it would apply only to Small Business Administration disaster loans.

Mr. EDWARDS of Alabama. So under 93-24 a farmer has the right to go either way. Is that correct?

Mr. STEPHENS. He would not have the right to go either way, because the Farmers Home Administration has a certain territorial limitation.

Mr. EDWARDS of Alabama. Then, a private homeowner, if this is passed as the committee presented the bill, has the right to go either way?

Mr. STEPHENS. Yes.

Mr. EDWARDS of Alabama. He could operate under Public Law 93-24 or under section 4 of the present bill?

Mr. STEPHENS. That is right, if he wants to take a 5 percent loan.

Mr. EDWARDS of Alabama. In addition to that, the Committee on Public Works is working on a piece of legislation now which, as I understand it, will hopefully clear up once and for all this problem or set some policy once and for all of uniformity as to how we are going to handle forgiveness or grants or whatever it is as a result of disaster.

I see the gentleman from California (Mr. DON H. CLAUSEN) on the floor, and I wonder if I can ask him when we might expect that bill to be brought up.

Mr. DON H. CLAUSEN. Will the gentleman yield?

Mr. EDWARDS of Alabama. Certainly I yield to the gentleman.

Mr. DON H. CLAUSEN. There is no specific time, because, as you know, the Committee on Public Works right now is primarily confined to the Senate-House conference on the highway bill.

Second, we are considering the public works river and harbor omnibus bill.

I do know this is a matter which the chairman (Mr. ROBERTS), and the chairman of the full committee (Mr. BLATNIK) and other members of the committee feel is very urgent.

Inasmuch as we are having these major disasters with such increasing regularity, we will have to give top priority to them, and the legislation will have to be considered, hopefully during this month, in the 2 weeks remaining in July, or certainly very soon after we return from our August recess.

Mr. EDWARDS of Alabama. It would seem to me the better part of wisdom to keep disaster relief as uncomplicated as possible.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, it is my understanding in this particular case that the Committee on Public Works were to receive guidelines from the administration, or were promised these guidelines, no later than last January, but as I understand it they did not come to the committee before May.

I can assure the Members of the House that I would never offer my amendment today if I had not thought that this committee in the very near future was going to consolidate this overall question. Because now we have the SBA giving out a couple of hundred thousand loans a year to private home owners and, as I said before, the SBA is for the purpose of helping small businesses, so that I believe that this properly belongs in the jurisdiction of someone who knows something about housing, and I do not believe it belongs in the SBA.

As I say, I assure the Members of the House that I would not be offering this amendment if we could not consolidate these things under one bill. And at that particular time I will assure the Members of the House that I will be for a percentage under such a bill.

As the gentleman from Illinois (Mr. FINDLEY) pointed out, we have had millionaires who have received the $5,000 forgiveness, and who have increased their loans because of the forgiveness feature.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think of the words of the great play "The Scene" before another great legislative body years ago, when the spokesman from the provinces came in after a great natural flood disaster, and he said—and who has a better right than I to say this here—

> I come to this august body with gratitude in my heart for what was done for my people, and to pray this body to do the same for others that come here after with that kind of damage.

You know, Mr. Chairman, my name is FLOOD, and I am from Wilkes-Barre.

If you saw that in a movie, you would walk out, would you not?

Well, Wilkes-Barre was destroyed by Agnes last year. Do you recall? There was $4 billion worth of damage, and more than 20,000 individuals financially and economically wiped out.

I came to you in July and you know what you did. When the waters receded, the first place that my people and those in the other seven disaster States—and there were seven disaster States—the first place that those people looked was to their leaders in this Government for the help, and that they received.

But the Members will recall that, since Agnes struck last June that many other States and many other communities in the Nation were damaged, there were natural disasters in Arizona, the Mississippi Valley, tornadoes across Arkansas, Virginia, Texas, and so on and so on.

So you have this problem, and here it is, and remember when you heard it first, for you were great then. So the question now becomes, how can this Congress make less assistance available to American citizens who are and will be victims of these disasters? How can you refuse? I guess I would be the last one, certainly, to question the bona fideness of my friend; he was just as good and helpful as everyone else.

He misunderstands. He misunderstands. I do not question his purpose and intent on the forgiveness but on the forgiveness,—whatever it might be, his amendment is a disaster, God forbid.

While we are sitting here anyone may get a phone call in that room while he is sitting here, just like I did. And then what will you say with these forgiveness clauses that we voted for everybody else and the Members voted for me, that the Members gave to my people?

Do not all of the Members deserve the same for themselves? Of course, they do. Of course, they do.

I hear about the abuses. As a former Deputy Attorney General of Pennsylvania and as a former prosecuting attorney, I know abuses when I see and hear them, yes. Yes, there are abuses. There were 35,000 applications to the Small Business Administration; 35,000 applications were filed in my district and taken care of. There were 21 abuses—21 out of 35,000.

Do the Members want to place a blot upon the reputations of their people that they are inherent thieves? They do not trust them? The Members trusted mine. Can they not trust their own under this same law that we have before us? If there is abuse, let the proper agency prosecute it, but do not damage everybody else because of that one rotten apple.

Let me tell everyone that despite the adage, it does not destroy the rest of the barrel. It did not in my district; it will not in the Members'.

Under all the circumstances I pray that the Members again, as they did for me, do for those who came to this disaster hereafter.

I oppose the amendment.

Mr. HARSHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my friend and colleague from Ohio. Section 4 of H.R. 8606 is unnecessary legislation. Further, it is an unnecessary intrusion into matters currently pending before the Committee on Public Works.

I commend to you the minority views and particularly the first full paragraph on page 14 of the committee report. I agree with these views. It is to the Committee on Public Works which the Congress should look for comprehensive disaster relief rather than to the piecemeal and patchwork approach of section 4 of H.R. 8606.

I note in the last paragraph on page 4 of the report that the present disaster relief law did not pass through the Banking and Currency Committee. Yet the effect of section 4 of H.R. 8606 is to amend the Disaster Relief Act. Section 4 of H.R. 8606 seeks to withdraw section 9 of Public Law 93-24, which went into effect only this past April 20, which made disaster loans available at no forgiveness and 5 percent interest. Public Law 93-24 repealed the $5,000 forgiveness, 1 percent interest features, because they had proved extremely costly, with the outlay of dollars threatening to bankrupt the Small Business Administration's emergency loan operations.

More importantly, in terms of meeting disaster victims' needs, in the 2½ months that Public Law 93-24 has been in effect, there has been no empirical evidence shown that disaster victims are unable to meet their recovery needs through loans at this interest rate, which is very low relative to open market rates.

The forgiveness feature permits individuals who have had minimal property damage to be given Federal tax dollars to replace or repair items not essential to their immediate recovery. It indemnifies loss up to $2,500 regardless of whether that loss is critical to the claimant's emergency needs or his long-range recovery. Where individuals have been offered forgiveness of $2,500 or $5,000, the average loan request has been the amount to be forgiven. The indication is that the individual gets as much "free money" as he can, and only those who have critical needs borrow money they intend to repay. Such critical needs can be met under the current provisions of Public Law 93-24.

I believe that prudent administration of this Nation's tax dollars makes it mandatory that we continue to provide disaster assistance at the fair and equitable rate provided by Public Law 93-24, until such time as the administration's Disaster Preparedness and Assistance Act of 1973, introduced as H.R. 7690 on May 10, is given a full and complete hearing.

For too long we have seen a proliferation of laws providing for disaster relief. The time has come to consider a thorough review of all facets of disaster relief and to consider comprehensive legislation which will provide for fair and speedy assistance to disaster victims.

As a matter of fact the 1972 law mandated the Congress to conduct a comprehensive review and revision of disaster assistance programs. The Committee on Public Works is in the process of making that review. The administration has already made a revision of the programs and has sent to the Congress a consolidated program, substantially improving the existing law. The administration's proposal eliminates much of the duplication, red tape and inconsistency of the present programs. It expands the benefits available and strengthens the State disaster programs and gives the States a much greater part in the program of assisting its citizens.

As ranking minority member of the Committee on Public Works, I can assure you that we intend to address this problem during this session of the Congress. I, therefore, urge my colleagues in the House to support the amendment. Vote for a comprehensive rather than a piecemeal approach.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

Is it not true that support of this amendment offered by the gentleman from Ohio to eliminate the forgiveness clause does not, as so many of my colleagues have tried to indicate, deprive people of the right to a loan? The amendment merely eliminates the forgiveness clause which in many cases in the past has proven itself to be unworkable in the problems of trying to administer it on a fair and equitable basis. I rise in support of the amendment of the gentleman from Ohio.

Mr. PATMAN. Mr Chairman, I would like to see if we can arrive at a time when all debate on this amendment and all amendments thereto will end. Mr. Chairman, I ask unanimous consent that the time be restricted to 2:20 with the last 5 minutes for the chairman of the subcommittee to close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, does the chairman of our subcommittee have the same right as anybody else?

Mr. PATMAN. No, he closes the debate.

Mr. ROUSSELOT. Then I object. I do not see why he should not have the same as anybody else.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr Chairman, I move that all debate on this amendment and all amendments thereto close at 2:20.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. STEPHENS).

(By unanimous consent, Messrs. PATMAN, ANNUNZIO, and BARRETT yielded their time to Mr. STEPHENS.)

(By unanimous consent, Mr. CONLAN yielded his time to Mr. J. WILLIAM STANTON.)

Mr. STEPHENS. Mr. Chairman, we have before us an amendment which has been said contravenes a law which we passed in April. It does, but let me tell the Members why it does and why it is being offered. It is to cure a mistake which we made in April. We heard the eloquent address made by the gentleman from Pennsylvania when he said he was asking that we be as fair to other people as we were to people in his area. If the Members want to know the truth of the business, the people in that area were given twice what is offered in this bill, so we are going to be half as good to the people affected by this bill as we have been in the past.

The question of jurisdiction concerning the fact that the Committee on Public Works is at the present time working on a bill is not a good reason to postpone action now. The Public Works Committee can still act if it thinks that some adjustments must be made, and when it does act and the House works its will upon those proposals, then at that time it can correct by virtue of a vote in this House any error if we made any.

Mr. Chairman, I would like to point out also that even if we had proposed to make this equal for the Farmers Home Administration we would have been barred from making it. The rules of the House would make this attempt subject to a point of order as not germane to amend the Farmers Home Administration bill in a Small Business Administration bill. However, we are asking that this section 4 be included to correct the error that we think was made in the spring and was an error we made last year when we gave a $5,000 forgiveness on a 1 percent loan and did not have any alternative proposal such as we have in this bill.

I am opposed to the amendment and I support the proposal that we give disaster relief on the basis of $2,500 forgiveness that will take a 3-percent loan, or a loan without a forgiveness clause at 1 percent.

Mr. Chairman, as I say, that is being as fair as we have been in other flood disaster areas.

With respect to what happened in last year's bill, we tried to and did correct that language that had been put in the bill to stop frauds which had been perpetrated. We had loose enough language where in an emergency situation, administratively SBA could not demand and require legal proof that was required for a person to get a loan. We changed the law to demand proof of these disaster losses and the amount of them should be given to SBA before any loan was made.

Mr. Chairman, therefore, I ask the House to sustain the position of the committee and not change section 4 in this bill, and to vote against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

(By unanimous consent, Mr. ROUSSELOT yielded his time to Mr. J. WILLIAM STANTON.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, the fraud is this bill and its application to the people who will suffer disasters in the future. There is a limit to the number of dollars we are going to give out. Under this formula it is absurd.

Let me consider the cases of three people who might suffer damage.

One person suffers $2,600 damage. We say to him, "We will give you $2,500 of it and loan you $100 at 3-percent interest."

The second person, who suffers $26,000 worth of damage, is working. He has some income. We say to him, "We will give you $2,500 free, and we will make a loan for the balance at 3 percent."

Let us consider the case of another person, who has no income, who is living on social security, who loses his home and suffers a loss of $26,000. What do we tell him? We say to him, "You can get nothing, because you cannot demonstrate your ability to pay it back."

I am shocked and saddened that this committee, after all the years of experience we have had with flat forgiveness laws, would propose this provision.

I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. YOUNG).

(By unanimous consent, Mr. YOUNG of Florida yielded his time to Mr. J. WILLIAM STANTON.)

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. FLOWERS).

Mr. FLOWERS. Mr. Chairman, I rise in support of the committee position and against the amendment, and I do not do this as an abstract proposition.

On the night of May 27 my district was devastated by three tornadoes that struck without warning, completely demolishing large areas. There was one particular town of about 2,500—Brent, Ala.—that for all intent and purposes, no longer exists. Other places in my State of Alabama were similarly damaged or destroyed.

In addition to the disaster which struck on May 27, the people in my district—and it could be people in other districts, but for the grace of God—these people suffered an additional disaster, which was heaped upon them April 20, when there was written into law the discriminatory provisions wiping out benefits which had theretofore been available to disaster victims. In return we provided very limited benefits for anyone suffering a disaster after April 20.

I ask my colleagues in the House to support the committee on this. We can let the Public Works Committee get along with its work on an overall policy. I support them in their endeavors.

But this is an emergency situation. Disaster relief must be quick to be effective. Let us adopt this legislation now and then consider further measures.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. J. WILLIAM STANTON).

(By unanimous consent, Mr. GERALD R. FORD yielded his time to Mr. J. WILLIAM STANTON.)

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Texas.

Mr. ROBERTS. I appreciate the gentleman yielding.

The Committee on Public Works intends, subject to the will of the chairman and also the House leadership, to start hearings on the disaster bill on July 31. Because it is so close to the recess we may have to wait until after we get back. This is a matter of jurisdiction with the Committee on Public Works, and we will take care of it.

Mr. J. WILLIAM STANTON. I thank the gentleman for his very valuable contribution.

As I look around, Mr. Chairman, I see there are many new faces, which were not here when I first presented this amendment.

First, this subject of disaster relief has become so huge and so large that if the benefits of this particular provision in its present form were passed, compared to the experience of last year, the cost to the taxpayers would go to about $300 million to $500 million.

Secondly, the gentleman who just spoke has clearly defined my position on this. The House voted in April to come up with a 5 percent across the board disaster relief loan. The Committee on Public Works has a bill before it, the Disaster Preparedness Assistance Act of 1973.

Mr. Chairman, the purpose of my amendment is to give this committee once and for all and forever, we sincerely hope, an opportunity to take the differing facets of disaster relief of Housing and Urban Development and Farm Home Administration and the Small Business Administration and coordinate these relief agency efforts and get the money to the people who have a disaster just as quickly as we possibly can and yet be fiscally responsible to the taxpayers of this country. The amendment simply goes back to the provisions which this House passed on April 30.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Ohio. As a member of the Committee on Public Works, dealing with disaster relief legislation, I believe this matter should be considered by our committee because we have traditionally had jurisdiction over disaster relief measures.

The committee has held extensive hearings. The fact that the gentleman from California (Mr. CORMAN) has supported this amendment, I think, is the most significant testimony to our reasons for deleting this section from the bill thus permitting us to go forward with a more uniform, comprehensive and reasonable disaster relief program. Mr. CORMAN experienced the earthquake disaster of major proportions and has articulated some of the problems he observed in his own district in southern California. I believe others have experienced inequities in the forgiveness provision, which, incidentally, I predicted and pointed out to our members during consideration of this legislation in our committee.

In addition to the inequities, this type of forgiveness inhibits our efforts to develop a comprehensive disaster insurance program which I believe would give us the fastest and fairest type of relief to disaster victims at the minimum cost to the taxpayers.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I deeply appreciate the gentleman's yielding to me.

As I said in my remarks, I know how sincere the gentleman is, but I have heard so much this afternoon about the Committee on Public Works. There is no guarantee that the Committee on Public Works is going to come out with legislation which this House is going to pass.

Mr. J. WILLIAM STANTON. Mr. Chairman, I will have to cut the gentleman off. I only have a few minutes. I know that, with the gentleman's power and with his influence, he can get that committee together and probably meet on Saturday or Sunday. I mean that.

Mr. ANNUNZIO. Mr. Chairman, the gentleman from Ohio has supplied all the weight this afternoon——

Mr. J. WILLIAM STANTON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. HUNGATE).

Mr. HUNGATE. Mr. Chairman, I rise in opposition to the amendment. I might enjoy this exchange of pleasantries but my district has just suffered the worst flood in 200 years. I feel the House will in the future, as I know it has in the past, as in the case of Hurricane Agnes, do the proper thing. We would be receiving only half the forgiveness of Hurricane Agnes victims. I associate myself with the remarks of the gentleman from New York (Mr. BRASCO), the gentleman from Illinois (Mr. ANNUNZIO), and the gentlelady from Louisiana (Mrs. BOGGS), and with other members of the committee, in the hope that we will defeat this proposed amendment and show the people that the House has compassion.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, I speak in opposition to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. J. WILLIAM STANTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 167, noes 245, not voting 21, as follows:

[Roll No. 335]

AYES—167

Abdnor
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Bell
Bennett
Blackburn
Boland
Bolling
Bray
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Camp
Cederberg
Chamberlain
Clark
Clausen, Don H.
Clawson, Del
Collier
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
du Pont
Edwards, Ala.
Erlenborn
Evans, Colo.
Findley
Ford, Gerald R.
Forsythe
Fountain
Frelinghuysen
Gibbons
Gilman
Goldwater
Goodling
Gross
Grover
Hammerschmidt
Hanrahan
Hansen, Idaho
Harsha
Heckler, Mass.
Hillis
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Jones, Okla.
Keating
Kemp
Ketchum
King
Lent
Lujan
McCloskey
McCollister
McEwen
Madigan
Mahon
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mayne
Melcher
Milford
Miller
Minshall, Ohio
Mitchell, Md.
Mizell
Montgomery
Moorhead, Calif.
Myers
Nelsen
O'Brien
Poage
Powell, Ohio
Price, Tex.
Pritchard
Quie
Quillen
Rees
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Rogers
Roncallo, N.Y.
Rooney, N.Y.
Rousselot
Runnels
Ruppe
Ruth
Sandman
Sarasin
Saylor
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Smith, N.Y.
Snyder
Stanton, J. William
Stanton, James V.
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Teague, Calif.
Thomson, Wis.
Thone
Towell, Nev.
Van Deerlin
Veysey
Waldie
White
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wyatt
Wydler
Wylie
Young, Fla.
Young, Ill.
Young, S.C.
Zion
Zwach

NOES—245

Abzug
Adams
Addabbo
Annunzio
Ashley
Aspin
Badillo
Baker
Barrett
Beard
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Bowen
Brademas
Brasco
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Calif.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Byron
Carey, N.Y.
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clancy
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Cotter
Coughlin
Culver
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Diggs
Dingell
Donohue
Dorn
Drinan
Dulski
Duncan
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Evins, Tenn.
Fascell
Fish
Flood
Flowers
Flynt
Foley
Ford, William D.
Fraser
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hanley
Hanna
Hansen, Wash.
Harrington
Harvey
Hastings
Hays
Hébert
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Holifield
Holtzman
Horton
Howard
Hungate
Ichord
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Latta
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lott
McClory
McCormack
McDade
McKay
McKinney
McSpadden
Macdonald
Madden
Mallary
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Mills, Ark.
Minish
Mink
Moakley
Mollohan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Railsback
Randall
Rangel
Rarick
Reid
Reuss
Riegle
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shipley
Sikes
Sisk
Slack
Smith, Iowa
Spence
Staggers
Stark
Steed
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Teague, Tex.
Thompson, N.J.
Thornton
Tiernan
Treen
Udall
Ullman
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
Whitehurst
Whitten
Williams
Wilson, Charles, Tex.
Wolff
Wright
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—21

Alexander
Carter
Danielson
Dent
Downing
Fisher
Frenzel
Hawkins
Johnson, Calif.
Landgrebe
McFall
Mailliard
Michel
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Pepper
Pettis
Roybal
Satterfield
Skubitz

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 4, line 25, after "erosion" add "directly related to a flood, high water or tidal wave."

Mr. ROUSSELOT. Mr. Chairman, the reason for this amendment I think was brought out in the colloquy that occurred during the debate on this bill. It does not change the intent of the committee. It merely makes it more clear and defines it in the language of the bill itself.

On page 5 of the committee report and the top of page 6 it is made clear that the intent of the committee was to make sure that by "erosion" we meant any action that "was caused for the most part by a spontaneous act, such as a flood, high water, or tidal wave."

Now in my opinion the reason and the necessity for this amendment is that it makes legislatively clear that is our intent and that the problems of long-range general erosion will not be considered.

Mr. BRASCO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my friend and colleague, the gentleman from New York.

Mr. BRASCO. Mr. Chairman, I invite the gentleman's attention to page 6 of the committee report in which it indicates in the following language:

> Your committee recognizes that erosion is a natural phenomenon in many beach areas. In such cases your committee expects SBA to provide disaster assistance where there has been a demonstrated effort to control the erosion.

The gentleman and I have discussed this amendment before. Does it in any way change the shape or form of the intent of the language that I have just read to the gentleman?

Mr. ROUSSELOT. No, it does not. I say to my colleague there is not any intent to change any of the things that the committee report enunciates very clearly on these pages from which the gentleman from New York has just quoted.

Mr. BRASCO. I thank the gentleman.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I would say to the gentleman we have discussed his amendment. As the gentleman knows, previously I was against his amendment which he made by striking the word "erosion" because I believe it is a word that definitely belongs in this bill, but I would agree the words the gentleman has added would tighten up the bill and I believe the minority, as far as I know, approve.

Mr. ROUSSELOT. I appreciate that.

I know the gentleman has in his district shores of the Great Lakes in which this problem might arise. I appreciate that he must be concerned with the problem of "disaster erosion."

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I support the thrust of the gentleman's amendment. I had an amendment I was working on in which erosion should not be limited to beaches.

We have the problem of erosion in our area on the rivers and on what we call the arroyos or creeks. The bill does not in itself limit it to beaches, but the report specifically says "beaches."

Mr. Chairman, I was wondering if the committee would clarify the legislative intent.

Mr. ROUSSELOT. Mr. Chairman, I think if the gentleman will read on both pages 5 and 6 of the committee report, it does refer to the problems of "high water." I think that the situation to which the gentleman refers is clearly included as it relates to flood plain areas. I think that has already been defined by the Small Business Administration itself. I think the gentleman is well covered under this particular provision of the "high water concept" and/or any of the other related matters discussed on those two pages make the legislative intent very clear in that record.

Mr. DE LA GARZA. Mr. Chairman, I would not like to take more time from the gentleman from California, but on my own time I would like to clarify this from the chairman of the subcommittee.

Basically, I support the amendment.

Mr. ROUSSELOT. Mr. Chairman, I appreciate that support, and I urge support of this amendment.

Mr. STEPHENS. Mr. Chairman, I move to strike the requisite number of words.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I am glad to see that the committee has covered losses attributable to erosion, but I note that the act of the committee, according to the report on page 6, says this:

> Great caution to make certain that the erosion was caused for the most part by a spontaneous act, such as flood, high water, or tidal wave—

Mr. Chairman, we have a peculiar situation in the city of Chicago which has to do with many beaches along the Great Lakes. They are at the highest point in their history. The height of the water varies from year to year, depending upon the cycles that occur in the lakes.

Over the next period of 7 years, for example, the water may go down. Seven or 8 years ago, we had a situation where the water was at a low level, and there was no damage. As a result of the high level of the lakes, erosion of beaches is taking place, erosion of seawall is taking place so that homes, apartment buildings, and condominiums along the lakeshore in the city of Chicago are being damaged.

Mr. Chairman, I ask the gentleman, should not that kind of damage caused by high water be covered as well under the terms of this act?

Mr. STEPHENS. Mr. Chairman, I think the language is broad enough to cover that.

Mr. YATES. Mr. Chairman, I thank the gentleman very much.

Mr. STEPHENS. Mr. Chairman, let me make one statement. I rise in support of the amendment made by the gentleman from California (Mr. ROUSSELOT). I have discussed it with the Members on our side, as well as with the ranking minority member of the committee on the other side, and we are happy to accept this amendment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Chairman, I am concerned that the report states "erosion on beaches." In our part of the country, we have erosion on the rivers and on the arroyos and creeks after floods. I agree with the amendment of the gentleman from California that it must be an occurrence and not gradual erosion, but I would like to know if the legislative intent precludes the erosion of a river bank or an arroyo bank or a creek bed.

Mr. STEPHENS. Mr. Chairman, it would certainly be the intent of the committee language on flooding or high water to include a river, creek, or arroyo.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for his answer.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from New York (Mr. KEMP).

Mr. KEMP. I wish to associate myself with the remarks of the gentleman from Illinois (Mr. YATES).

I personally know, from the many conversations I have had with constituents at town meetings which I have held throughout my district, the tragic damage which has been caused to both personal property and to the environment by shoreline erosion.

I have visited the affected areas along the shores of Lake Erie and have seen instances where property in which entire life savings have been invested is being washed away. Erosion can cause as much—or more—damage as a serious flood. For example, a storm that battered the southern shore of Lake Ontario from March 16 through March 26 of this year caused an estimated $1 million in property damage and shoreline erosion.

These people urgently need and must have immediate assistance such as that provided by this amendment because the Corps of Engineers is presently prohibited from correcting these critical erosion problems where such erosion exists on private property.

This amendment will also complement the efforts to find a solution to high lake level erosion now being made by the Conference of Great Lakes Congressmen, of which I am a member, by the International Joint Commission, and by the Corps of Engineers.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I would like to ask the gentleman from Illinois (Mr. YATES), because I also have a district bordering on Lake Michigan, whether this amendment would include the high water of which the gentleman made reference and would cover the situation with which he and I are concerned.

Mr. YATES. Mr. Chairman, the point I was attempting to make was with respect to the course of spontaneity which was in the report of the committee.

The question was as to whether or not it had to be a flash storm or a flood or whether the damage caused by the high water could be caused by the rising water of a lake, which was cyclical in character. As I understand the answer by the gentleman from Georgia, that kind of damage caused by the cyclical rising of water such as in the Great Lakes would be covered as well. That is correct, is it not?

Mr. STEPHENS. That is correct.

Mr. McCLORY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DE LA GARZA: Amend H.R. 8606 section 4 on page 4 by striking out all after the word "annum." on line 12 of said bill, through line 14.

Mr. DE LA GARZA. Mr. Chairman, this amendment relates to a dialog we had shortly before with the chairman of the subcommittee. This amendment will strike out the part that says if a person refinances a loan that his payments shall not be lower than the previous payments he was making.

I offer to strike out this wording because of the situation in our area, that when we have a major flood the economy just comes to a standstill, and the people have no income at all, so if they refinance of necessity an individual must see that he has lower payments or for some time must forestall the payments.

I believe this would do great harm to people in the lower economic levels in the disaster areas.

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I am glad to yield to the gentleman from Georgia.

Mr. STEPHENS. Mr. Chairman, we have discussed the amendment offered by the gentleman from Texas. So far as our side is concerned, we would accept it.

It looks as if this would cause difficulty for someone, as the gentleman has pointed out in our prior colloquy, who might be put at a disadvantage as a result of not having a job. That could be taken into consideration when the man goes to make the loan, as to whether he can pay for it. I believe we should not penalize someone.

Mr. DE LA GARZA. I thank the Chairman very much.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I am sorry we did not have a copy of the amendment. It is my understanding that the gentleman would strike the words:

> In the event of the refinancing of a home or a business, the monthly payments after the refinancing shall in no case be lower than such payments prior to the disaster.

Mr. DE LA GARZA. That is correct.

Let me apologize for not making a copy of the amendment available. I had only one copy.

Mr. J. WILLIAM STANTON. I appreciate that.

Mr. DE LA GARZA. Mr. Chairman, I yield back the remainder of my time.

Mr. J. WILLIAM STANTON. Mr. Chairman, I move to strike the necessary number of words.

I believe we had better just slow down a minute before we consider this legislation. Even back at the time of Hurricane Agnes and the troubles in California we put this language into the legislation which says:

> In the event of the refinancing of a home or a business, the monthly payments after the refinancing shall in no case be lower than such payments prior to the disaster.

I say to the Members of the Committee it was at the time thought there was a good rationale for doing this. If we get into a case like Hurricane Agnes, we gave 193,000 small business loans, and one cannot claim it is the law of the land for the taxpayers to provide that persons who got those loans can go in and refinance them and get just as low as possible a loan as they can on their houses and pay less than they were paying before.

I think that if he has a $2,500 forgiveness and he is getting a one percent loan and refinancing that, he should keep his loan at the present rate.

I believe the gentleman has not given full significance to the fact that down the line this is a bonanza which is going to cost just a tremendous amount of money, and I believe it was put in there at that time in good faith.

I would ask the author of the amendment: What was the rationale? The gentleman must have had a good rationale to do this.

Mr. DE LA GARZA. Mr. Chairman, if the gentleman will yield, I will explain it.

Mr. J. WILLIAM STANTON. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, we are not giving anyone anything. This has nothing to do with the amount of the loan that a person has, as I read the legislation. It has nothing to do with the amount of interest that he is to be charged. That is controlled by the legislation.

Mr. Chairman, all this says is that after refinancing, the payments cannot be lower than the payments he was making.

Mr. J. WILLIAM STANTON. That is correct.

Mr. DE LA GARZA. And now, we are not giving anyone anything. He still has to pay the full amount. He still has to pay whatever interest the legislation says he must pay. The rationale is that having gone through these disasters in a very poor area unfortunately of the United States, in a basic agricultural economy, once we have a flood situation such as we had, the people have no employment afterwards.

Of necessity, if he is flooded a second time and he is financed, he has to refinance in order to take care of his existing indebtedness to the Government. Now, he could just let it go and not pay anything back.

Mr. J. WILLIAM STANTON. Mr. Chairman, I say to the gentleman that is exactly, I am sorry to say, the reason that I must register my opposition to this.

The man has a payment to make on his house of $100 a month. He gets a disaster loan; he can take the $5,000 or $2,500 forgiveness, he can take the additional government financing, and he could use the subsidized refinancing and go back in the market and refinance his home at a lower rate.

Mr. DE LA GARZA. If the gentleman would explain to me——

Mr. J. WILLIAM STANTON. Mr. Chairman, I think subsidized money should not be used for that purpose. I agree wholeheartedly the gentleman presents a problem, but I do not think the gentleman makes a point that we should be considering.

Mr. DE LA GARZA. If the gentleman will yield, that is what the bill said basically, and this is what my amendment provides.

Mr. J. WILLIAM STANTON. Mr. Chairman, I will say that I hope sincerely that I am wrong, for I feel the amendment is going to pass. I sincerely hope so. Certainly I wanted to tell the Members of the Committee that there was a good reason at the time for putting this legislation in quite a few years ago.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. DE LA GARZA).

The question was taken; and on a division (demanded by Mr. DE LA GARZA) there were—ayes 32, noes 46.

Mr. DE LA GARZA. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

PREFERENTIAL MOTION OFFERED BY MR. CORMAN

Mr. CORMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. CORMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. CORMAN. Thank you, Mr. Chairman.

I hesitate to use this motion to get 5 minutes of the Committee's time. I have never done it before. I have had occasion to speak three times on my objection to the flat forgiveness provision in the disaster relief program. The longest period of time was today when I had a full minute. The other times were less than a minute, because each time the Committee decided to cut off debate on that issue.

Mr. Chairman, I plead with the Banking and Currency Committee to give the American people a better disaster program than they are given with this provision. It is terribly wasteful of Federal dollars. I do not object to the dollars being spent. I would vote for more money than that for which you ask in this bill. But, for equity's sake, help must be given reflecting the degree of loss rather than a flat amount.

So long as there is a flat amount of forgiveness in the program there is no necessity for people to be fraudulent; the unfairness persists. There are many problems which result from confusing a loan with a benefit which the public considers more in the nature of a gift. If $30,000, $40,000, or $50,000 worth of damage is incurred, the forgiveness is the same. That is absurd.

In addition, the Committee should remove the requirement that those who are injured must establish their ability to repay the loan. That is cruel.

Tremendous millions of dollars are wasted in helping people who suffer little damage. On the other hand, the very poor who suffer great losses quickly learn that the Federal Government will loan them money only if they can demonstrate their financial solvency.

Those same dollars which are given away should be spent on more comprehensive disaster relief, guaranteeing all Americans who suffer during natural disasters fair and equitable treatment.

To my knowledge, the California earthquake was the first one in which this law was fully implemented. Most of the damage in the California earthquake was done in my own district. Now, over 2 years later, we are still trying to get help for some whose homes were totally destroyed. Yet, more than $200 million was spent in that disaster. Most of it went to people who suffered small losses with comparatively much less going to those with substantial losses.

We owe it to the American people to provide better assistance in times of natural disaster. It is all well and good to come to the House floor and cry crocodile tears about the poor victims of disaster. I share that concern, but feel they are entitled to something more intelligent than that which is offered in this bill.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding to me.

I know from first-hand experience the agonizing experience the gentleman went through during the California earthquake disaster in his district. I know of his first-hand experience with the problems that arose in administering this kind of law with the type of forgiveness clause mentioned by Mr. CORMAN.

Both he and the Senator from California, Mr. CRANSTON, held extensive hearings on this subject.

I compliment the gentleman on his remarks and know the weight of experience behind his remarks. I hope his colleagues on the other side of the aisle will listen to him, because he is right, and I am sorry that they did not listen to him sooner.

Mr. CORMAN. I thank the gentleman.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. CORMAN. I yield to the gentleman.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

I would also like sincerely to congratulate the gentleman on his remarks and commend him for making them. It takes courage, especially when you represent an area that has had a great loss but where you have a limited amount of funding that goes to satisfying the needs of those suffering from these disasters.

It seems to me, as the gentleman said, that we can do a much better and much more equitable job in the distribution of that funding.

Again I congratulate the gentleman.

Mr. CORMAN. I thank the gentleman.

Again I would suggest to the members of the Banking and Currency Committee, if the Senate comes in with something more reasonable and something that reflects the amount of loss in the forgiveness, I plead with you to give it careful consideration.

I personally believe that Federal disaster assistance is an insurance policy for which we all pay, and it is something we should have, but the benefits must reflect the degree of loss in order to be fair. The requirement of demonstrating ability to repay must be removed if we are to take care of those who are very poor and suffer great loss.

Mr. STEPHENS. Mr. Chairman, I rise in opposition to the motion made by the gentleman from California (Mr. CORMAN).

Mr. Chairman, I am not going to argue the merits of what the gentleman from California has said. All I am going to say is that if the Members vote for what the gentleman from California has proposed, then we will have no Small Business Administration bill. We face the expiration of that act, and the resulting inability to make no loans after the first of August if you vote for the preferential motion. It is just as simple as that, without arguing the merits of it.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I thank the gentleman for yielding, and I wish to say that I am very sorry, but we must have missed the first part of what the proposal made by the gentleman from California was. Did the gentleman from California make a definite proposal?

Mr. STEPHENS. Yes, the gentleman from California offered a preferential motion that the Committee rise, and report the bill back to Committee with the recommendation to strike everything after the enacting clause.

Mr. J. WILLIAM STANTON. I thank the gentleman.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from California (Mr. CORMAN).

The preferential motion was rejected.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I note that there is a new category of loan to be made under the terms of this bill—to those who may be adversely affected by the closing of military installations. But I find no time limits with respect to applying for these loans. Are the loans to be prospective, or are they to be retroactive, and if retroactive, how far back do they go?

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Georgia.

Mr. STEPHENS. The best legal answer to the inquiry of the gentleman from Iowa (Mr. GROSS) is that this becomes effective with the time this bill is enacted, because there is no date announced in it. So I take this to be, and believe it is intended to be, as far as I am concerned, that it would be available to people now and people who have been affected within a recent closing of a base, and those who were affected by the closing of a base, but it would not be an indefinite retroactive kind of thing like a base that was closed in World War II, or anything like that.

If that is what the gentleman has in mind.

Mr. GROSS. As far as I can determine under the terms of this section 7 of the bill, or in the report, there is no reference to any time frame. When the gentleman from Georgia says, "recent," I wonder what "recent" means.

Mr. STEPHENS. I am sure the intent under the proposal is for those recently made, an announcement made by the Department of Defense, about bases being closed all over the United States, so as to cut down on the cost of our Military Establishments.

Mr. GROSS. I assume, or am I incorrect in assuming, that these low-cost loans have the same forgiveness feature as other SBA loans provided in this legislation?

Mr. STEPHENS. There would not be any forgiveness in these loans.

Mr. GROSS. No forgiveness?

Mr. STEPHENS. Because these are not classified as a disaster within the sense of the other disaster loans. It is a disaster to the people who have lost their jobs, and their businesses, but in a technical sense.

Mr. GROSS. Is it not true that in most instances when a military installation is located in a community, that it is welcomed with open arms? And do not those who invite military installations into their districts, which is often the case, do they not also know that these installations may be transient and can be closed within a matter of days? Do they not expect to take some risk for inviting those installations into their area, or community?

Mr. STEPHENS. I am sure that what the gentleman from Iowa says is true, but there is a hardship caused when the choice has been made to put in an installation at some place, and then after a number of years of practicing their business there, the installation is closed without such an individual knowing that that is going to be done when the base comes in.

It is true that businesses will expand, but those businesses provide services for people who are at the military installations, and they would have to go some other place if they did not come in when they could come in.

Mr. GROSS. Is the next step to provide low-cost loans in a community where a factory may be established and then go out of business? Are the taxpayers of the Nation supposed to come along and provide low-cost loans to these people, too? Is this the next socialistic step?

Mr. STEPHENS. There is a difference in that and in this. This is the action of the U.S. Government, and what the gentleman is talking about in the other situation is the action of some private company. There is a difference, and where we have the U.S. Government into somebody, then we do owe them some responsibility.

Mr. GROSS. I am not willing to admit that the fact of the location of a military installation and then the closing of that installation should be subject to this kind of treatment to the property owners and others in such situations. There are others equally distressed for other reasons who get no such beneficial treatment.

I yield back the balance of my time.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to make an inquiry of the committee as to who qualifies for the Small Business loans provided for in this bill. For example, a few moments ago I raised the question of homes that were damaged as a result of the rising waters of the Great Lakes. In my district we have high-rise structures along the shore of Lake Michigan, including many cooperative apartments and many condominiums. This is my question: Would the owners, the multiple owners, of such homes qualify for disaster loans under this bill to repair damage caused by erosion?

Mr. STEPHENS. The first question is, who is eligible? It is anybody who has been injured by a disaster, regardless of their affluence. However, I have expressed the belief that I did not think that was right. That was just my personal opinion. I think what the gentleman is talking about there would be, as he says, a condominium?

Mr. YATES. A condominium or cooperative apartment where there is multiple ownership, where there are as many as 2 owners, 3, 4, 50, 60, 70, all of whom are engaged in a cooperative venture to house themselves.

Mr. STEPHENS. They would be covered, but the beach area, if it were municipally owned, would not. If there is a beach area in front that is publicly owned, then the municipality or the county, whoever owns it, could not come in and ask for any small business assistance.

Mr. YATES. I am asking with respect to a situation in which the condominiums or the cooperative apartments own the beach area on the lake. Most of these have built a seawall to protect themselves. Others have suffered damage as a result of not being able to keep the waters of the lake out.

Mr. STEPHENS. If the gentleman will yield, I would say they could.

Mr. YATES. It is covered in this bill? They would qualify for relief?

Mr. STEPHENS. I would think so, yes.

Mr. YATES. I thank the gentleman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALDIE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8606) to amend the Small Business Act, pursuant to House Resolution 485, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 485, the Committee on Banking and Currency is discharged from further consideration of the bill (S. 1672) to amend the Small Business Act.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PATMAN moves to strike out all after the enacting clause of S. 1672 and to insert in lieu thereof the provisions of H.R. 8606, as passed, as follows:

AUTHORIZATION

SECTION 1. Paragraph (4) of section 4(c) of the Small Business Act is amended—

(1) by striking out "$4,300,000,000" and inserting in lieu thereof "$6,600,000,000";

(2) by striking out "$500,000,000" where it appears in clause (B) and inserting in lieu thereof "$725,000,000";

(3) by striking out "$500,000,000" where it appears in clause (C) and inserting in lieu thereof "$600,000,000"; and

(4) by striking out "$350,000,000" and inserting in lieu thereof "$475,000,000".

LOANS TO MEET REGULATORY STANDARDS

SEC. 2. (a) Section 7(b)(5) of the Small Business Act is amended to read as follows:

"(5) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in effecting additions to or alterations in its plant, facilities, or methods of operation to meet requirements imposed on such concern pursuant to any Federal law, any State law enacted in conformity therewith, or any regulation or order of a duly authorized Federal, State, regional, or local agency issued in conformity with such Federal law, if the Administration determines that such concern is likely to suffer substantial economic injury without assistance under this paragraph: *Provided*, That the maximum loan made to any small business concern under this paragraph shall not exceed the maximum loan which, under rules or regulations prescribed by the Administration, may be made to any business enterprise under paragraph (1) of this subsection; and".

(b)(1) Section 7(b)(6) of the Small Business Act is repealed.

(2) Paragraph (7) of such section 7(b) is redesignated as paragraph (6).

(c) Section 28(d) of the Occupational Safety and Health Act of 1970 (Public Law 91-596) is amended by striking out "7(b)(6)" and inserting in lieu thereof "7(b)(5)".

(d) In no case shall the interest rate charged for loans to meet regulatory standards be lower than loans made in connection with physical disasters.

CONFORMING TECHNICAL AMENDMENTS

SEC. 3. (a) Subsection (g) of section 7 of the Small Business Act, as added by section 3(b) of the Small Business Investment Act Amendments of 1972, is redesignated as subsection (h).

(b) Subsection (c) of section 4 of the Small Business Act is amended by striking out "7(g)" each place it appears in paragraphs (1)(B), (2), and (4) and inserting in lieu thereof "7(h)".

DISASTER LOANS

SEC. 4. (a) The second paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out "July 1, 1937," the first time it appears therein and inserting in lieu thereof "July 1, 1975".

(b) Subparagraph (D) of the second paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following: "with respect to a loan made in connection with a disaster occurring on or after April 20, 1973, but prior to July 1, 1975, and notwithstanding section 9 of Public Law 93-24, the Small Business Administration shall, at the option of the borrower, either cancel $2,500 of the loan and make the balance of such loan at an interest rate of 3 per centum per annum, or make the entire loan at an interest rate of 1 per centum per annum. In the event of the refinancing of a home or a business, the monthly payments after the refinancing shall in no case be lower than such payments prior to the disaster.".

LIVESTOCK LOANS

SEC. 5. Section 7(b)(4) of the Small Business Act is amended by inserting before the semicolon at the end thereof the following: ": *Provided*, That loans under this paragraph include loans to persons who are engaged in the business of raising livestock (including but not limited to cattle, hogs, and poultry), and who suffer substantial economic injury as a result of animal disease".

EROSION ASSISTANCE

SEC. 6. Section 7(b)(1) of the Small Business Act is amended by inserting "erosion directly related to a flood, high water or tidal wave," immediately after "floods,".

LOANS FOR ADJUSTMENT ASSISTANCE IN BASE CLOSINGS

SEC. 7. Section 7(b) of the Small Business Act is amended by adding after paragraph (6) the following new paragraph:

"(7) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a new business, or in establishing a new business if the Administration determines that such concern has suffered or will suffer substantial economic injury as the result of the closing by the Federal Government of a major military installation under the jurisdiction of the Department of Defense, or as a result of a severe reduction in the scope and size of operations at a major military installation."

ANNUAL REPORT ON STATE OF SMALL BUSINESS

SEC. 8. The first sentence of subsection (a) of section 10 of the Small Business Act and the first word of the second sentence of such subsection are amended to read as follows: "The Administration shall, as soon as practicable each calendar year make a comprehensive annual report to the President, the President of the Senate and the Speaker of the House of Representatives. Such report shall include a description of the state of small business in the Nation and the several States, and a description of the operations of the Administration under this chapter, including, but not limited to, the general lending, disaster relief, Government regulation relief, procurement and property disposal, research and development, technical assistance, dissemination of data and information, and other functions under the jurisdiction of the Administration during the previous calendar year. Such report shall contain recommendations for strengthening or improving such programs, or, when necessary or desirable to implement more effectively Congressional policies and proposals, for establishing new or alternative programs. In addition, such".

ANTI-DISCRIMINATION AMENDMENT

SEC. 9. Section 4(b) of the Small Business Act is amended by adding after "the Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator." the following new sentence: "In carrying out the programs administered by the Small Business Administration, including its lending and guaranteeing functions, the Administrator shall not discriminate against any person or small business concern receiving assistance from the Small Business Administration based on sex, and the Small Business Administration shall give special consideration to veterans of United States military service and the survivors of their immediate families.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 8606) was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

U.S. POSTAL SERVICE AUTHORIZATION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 438 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 438

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2990) to provide for annual authorization of appropriations to the United States Postal Service. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution which makes in order a bill that came out of the Post Office and Civil Service Committee by an overwhelming vote was held up in the Rules Committee for a time. The Rules Committee finally released the bill because of the skillful tactics of our friend the gentleman from Iowa (Mr. GROSS), and under threat of his using a parliamentary device that is seldom used successfully. The Rules Committee and I guess one might say the leadership of the House succumbed to the tactics of the gentleman from Iowa (Mr. GROSS) on the resolution, and presumably after its adoption the bill will then be considered, courtesy of the gentleman from Iowa (Mr. GROSS).

Mr. Speaker, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, let me say I was one of those who was an early supporter of the bill offered by Mr. GROSS and had I had my way this bill would have been reported the first day it came before the Rules Committee.

I certainly think the House and the other body should pass this bill with the least amount of delay. I do not believe there is anybody in this House who will say the Postal Service is not in need of some kind of revision. This is the first piece of legislation we have had since we passed that monstrosity setting up the Postal Corporation which gives us the opportunity of doing something about that service, I suggest we contact the people who work in our offices or who live in our districts.

This bill will give the Congress once again some kind of handle on this Postal Corporation which seems to have gotten out of hand.

Mr. Speaker, I commend the gentleman from Iowa for presenting this legislation and the committee for reporting it and I support the rule and wholeheartedly support the legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I would like to thank the gentleman from Ohio for his explanation and support for the bill, and also the gentleman from Missouri (Mr. BOLLING) for his lucid and accurate description of what took place parliamentarywise with respect to this bill.

Mr. LATTA. Mr. Speaker, I have no further requests for time, and reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DULSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2990) to provide for annual authorization of appropriations to the U.S. Postal Service.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2990, with Mr. MAZZOLI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. DULSKI) will be recognized for 30 minutes, and the gentleman from Iowa (Mr. GROSS) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from New York (Mr. DULSKI).

Mr. DULSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2990, which provides for annual authorization of appropriations to the Postal Service.

This bill, on its face, is a relatively simple bill, but its substance is highly significant.

Under the Postal Reorganization Act of 1970, appropriations are authorized annually to the United States Postal Service in three categories:

First. Revenues it receives from postage sales and other services;

Second. Public service costs; and

Third. Revenue foregone.

H.R. 2990 would not affect the appropriation for its revenues under the first category. It does eliminate the automatic authorization for annual appropriations in the latter two categories; that is, public service and revenue foregone, since the bill, if enacted, would require the Postal Service to secure this authorization for appropriations on an annual basis.

Although both the Postal Service and Office of Management and Budget oppose this legislation, I strongly urge its pasage by the House.

Our committee has attempted to monitor closely the operation of the new postal establishment. We have established two subcommittees which have legislative oversight jurisdiction over the Postal Service. Each is doing outstanding work, but their task could be made easier and more effective if more cooperation were forthcoming from the Postal Service.

It is my belief that full cooperation would be a distinct probability if this bill were enacted. Responsiveness on the part of the Postal Service is assured only to its Board of Governors. It must also be made to be responsive to the elected representatives of the people it serves. This bill would assure that.

It is not our intention thereby to interfere with postal operations, but merely to insure complete and full sensitivity to our legislative oversight responsibilities.

Mr. Chairman, I strongly recommend passage of H.R. 2990.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I shall yield later, if I have the time.

Mr. Chairman, at the outset, I would like to express my appreciation to the gentleman from New York (Mr. HANDLEY), the capable chairman of the Subcommittee on Postal Operations, for his excellent assistance and cooperation in acting on this bill. Since the gentleman and his subcommittee have been engaged in extensive studies of poor postal service throughout the United States, he is acutely aware of the urgency for Congress to exercise a closer oversight review of all postal operations.

As the gentleman from New York indicated, H.R. 2990 is intended to recapture a measure of Congressional jurisdiction over the U.S. Postal Service.

The need for reassertion of congressional responsibility over this agency of the executive branch transcends the usual arguments of congressional versus executive authority.

The Postal Reorganization Act created a situation with respect to the Postal Service that is unique throughout the Federal Government. In the Postal Service we have a major Federal agency created by the Congress; the second largest employer of Federal employees; spending large sums of taxpayers' money; performing a vital governmental service without which this country could not exist—yet, incredibly, not having any of its top management personnel accountable in any way to the people through their elected Representatives. The Postmaster General and the Deputy Postmaster General, who are charged by law with the responsibility of operating the Postal Service, are appointed by—and can only be removed by—a majority vote of a Board of Governors. There is no way by which the President of the United States or any other elected public official can affect the appointments or tenures of office of these agency heads.

With the passage of H.R. 2990 and the requirement that Postal managers must come before the Congress on a regular, periodic basis to secure authorization for the expenditure of public money and to account for how they spend that money, the Congress, at least, will have some input to postal management on a continuing basis with regard to major policy areas and decisions.

I would point out that the authorization requirement contained in the bill will not involve the Congress in the day-to-day routine operations of the Postal Service. Certainly, it will not reinject politics or political considerations into the Postal Service—which were eliminated with the passage of the Reorganization Act. The ban against politics remains in the law, and I personally would oppose any attempt to again open the door to political considerations.

Mr. Chairman, I think it is highly significant that an objective report which I received from the General Accounting Office—and which I placed in the CONGRESSIONAL RECORD of January 18, 1973, concluded that the Postal Service is worse today than it was in the latter half of fiscal year 1969 prior to the effective date of the new United States Postal Service.

This is true even though the Postal Service in conducting its own tests and surveys—does not count Sundays and holidays in computing the time it takes to deliver first class mail, and also chooses not to count the time it takes for first-class mail to be collected, transported, prepared for postmarking, sorted for delivery by carriers, or delivered.

Even by mismanaging the statistics, the new Postal Service cannot make mail service appear any better today than it was in 1969.

The question arises then, will enactment of H.R. 2990 improve mail service?

Mr. Chairman, it is my firm opinion that if the people of the United States want mail service to be improved, and if their Representatives in Congress have any authority in the matter, it will be improved.

The quality of mail service in this country depends largely on management decisions made here in Washington in Postal Service headquarters.

By making these Postal managers and their decisions more responsive to the needs and will of the American people through their elected Representatives in the Congress, the people are bound to get the quality of mail service they need and want.

The choice here is quite simple. We can either vote against the bill and continue to let this new Postal Service drift along in a bureaucratic limbo, hoping that, somehow, things will get better—or—we can vote for this bill, reassert congressional authority over the Postal Service and do everything we can to make certain that things get better.

The management of this new Postal Service has had over two and a half years' time to make things better. They obviously have not succeeded.

I urge that you vote for this bill.

Mr. Chairman, I will now yield to the gentleman from Illinois (Mr. DERWINSKI) if he wishes me to do so.

Mr. DERWINSKI. Mr. Chairman, I really do not know what the procedure is at this point. It is an unusual situation, in which the time on both sides is controlled by supporters of the bill.

May I ask, does the gentleman from New York (Mr. DULSKI) intend in some way to share this time with the honored opponents of this measure?

Mr. GROSS. Mr. Chairman, I was not aware that the gentleman had asked for time or I would have given him time. I will be glad to yield to the gentleman a reasonable amount of time.

I know of no legislation that requires the minority to be recognized on any bill except under suspension of the rules and then only if the opponent qualifies as an opponent. If the gentleman knows of any other situation of that kind, I wish he would tell me.

Mr. DERWINSKI. No, I do not intend to argue the point.

Mr. GROSS. The gentleman cannot argue that point.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield to me?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. WILLIAM D. FORD. Mr. Chairman, I think the gentleman is entitled to be honored the unique position of being in opposition in respect to this legislation. It was reported in our committee by a vote of 22 to 1, and I think the gentleman should be accepted as the minority of 1. I think it is generous of the gentleman from Iowa to grant him time. I think he should have one-twenty-third of the time available to represent his position.

Mr. GROSS. Mr. Chairman, I thank the gentleman from Michigan for his observation. I point out to the gentleman and to the other Members of the House that the rule specifies that the ranking minority member of the committee control the time on this bill.

Mr. DULSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. HANLEY), the chairman of the subcommittee.

Mr. HANLEY. Mr. Chairman, H.R. 2990 deals with authorizations for appropriations to the U.S. Postal Service.

The Postal Reorganization Act, which we passed in 1970, provides for permanent authorizations for three basic categories of costs:

First. For reimbursement to the Postal Service for public service costs incurred in providing maximum nationwide service and for communities where post offices may not be self-sustaining;

Second. For revenue foregone by reason of carrying mail free or at reduced cost as required under law; and

Third. For the transitional costs incurred in the shift of functions of the Post Office Department to the new Postal Service and to ensure a rate policy consistent with Chapter 36 of title 39.

H.R. 2990 simply provides for an annual, rather than permanent, authorization for public service and revenue foregone costs. For fiscal year 1974, appropriation requests for public service costs amounted to $920,000,000; and for revenue foregone, $392,000,000. These amounts are scheduled to be reduced in each successive year until the Postal Service theoretically reaches a break-even point in 1984. However, in my opinion, Congress will be required to consider some appropriations for these categories even subsequent to 1984, in particular for revenue foregone for mail which is, under law, sent at a reduced rate or free. H.R. 2990 does not affect the provisions of the Postal Reorganization Act relating to permanent appropriations for revenue generated by the Postal Service or the permanent authorization for transitional expenses.

H.R. 2990 was approved by the Postal Service Subcommittee on March 7, 1973, by a unanimous vote. On March 29, the full committee approved the measure by a record vote of 22 to 1. The bill deserves equally strong support here today.

Hearings were not held on H.R. 2990 because they were not necessary. The position of the administration toward annual authorizations is crystal clear as reflected in the President's budget message for fiscal year 1974 which urges elimination of all annual authorizations. The Postal Service's opposition has been fully articulated and is included in the report on the bill. This opposition is understandable in view of the Postal Service's reluctance to recognize Congress interest in efficient postal service for the American people.

In the opinion of the committee, the issue is clear cut: it is a policy matter to be decided by the Congress. This policy is entirely within the jurisdiction of Congress and, more specifically, the Committee on Post Office and Civil Service. Essentially it was the committee which developed the Postal Reorganization Act which included permanent authorizations, and it is the committee which is, in essence, requesting approval now for annual authorizations. Thus, it is an internal matter, which did not require hearings.

However it is unfair to say, as does the lone committee dissenter to H.R. 2990, that the bill was developed "in camera." Certainly, there was no secret when the bill was dropped in the hopper, since we subsequently received both administration views in opposition to the measure, and expressions of support from many Members of the House. Some 75 Members, including myself, sponsored or cosponsored similar legislation. The issue, in fact, was fully aired in open and previously announced meetings of both the subcommittee and full committee.

Annual authorizations are certainly nothing new to Congress, as all of us can attest. The report on the bill lists only a few of the numerous annual authorizations which are funneled through almost every congressional committee with substantive jurisdiction over governmental programs. The common ground upon which all of these annual authorizations stand is that they cover programs which Congress feels need yearly attention for various policy reasons.

Certainly, with the Postal Service undergoing a major, and often painful, transition as a result of the Postal Reorganization Act, it falls in the category of a program requiring more than casual attention by the Congress and its committees.

Also, neither this body nor the Postal Service need be unduly concerned that the passage of this legislation will cause unnecessary delays in appropriations. I can personally guarantee that while I am chairman of the Postal Service Subcommittee, we will act early and expeditiously on any authorization legislation. And the full Post Office and Civil Service Committee has never shirked its responsibility before to act with care and dispatch on legislation requiring immediate consideration.

All of us have become painfully aware of the many complaints we have received from our constituents relating to poor mail service. The Postal Service Subcommittee is currently holding an extensive series of hearings both here and in the field to determine the extent to which the complaints are justified.

And certainly, there is no guarantee to the Postal Service or any other branch of Government that appropriations will be enacted before the end of the fiscal year, even without annual authorizations, as even a cursory glance at the calendar will prove. Continuing resolutions are not hard to come by and certainly would not hurt the Postal Service which hopes that appropriations requests will gradually decline, rather than increase. Nevertheless, you can count on us to act quickly on authorization legislation.

Congress approved the separation of the Postal Service from politics, but we certainly never intended to eliminate our constitutional responsibility to the people of this country to oversee the creature we wrought. I have been disappointed that the Postal Service has in the past almost totally ignored the legitimate interest of Members of Congress and the constituents they represent in the smooth and efficient handling of our mail.

We, in Congress, have spent a great deal of time and energy talking about the reassertion of congressional prerogatives in the face of growing executive power. H.R. 2990 would help us to strengthen the role of Congress in the critical area of postal affairs. It would help the Post Office and Civil Service Committee conduct its oversight activities. And, more important, it would give Congress a more meaningful vehicle by which it could tell the Postal Service—through authorization legislation—what it feels necessary to provide the best possible service to the American people.

And let me set everyone's mind to rest. With this bill, we are not trying to get our nose under the tent. We do not intend nor do we want to get back into involvement in the day-to-day operations of the Postal Service. If this bill can be so construed, then so can every authorization or appropriations bill we have ever considered for any phase of governmental operations.

And let us not be misled into believing that the new postal managers are such models of efficiency that no checks or balances need be exercised by Congress.

The famous—or infamous—Secaucus bulk mail facility in New Jersey, which is being placed into operation this year, was originally estimated to cost $62.3 million. After an incredible series of blunders and conflict-of-interest charges in almost every phase of the project, the cost rose to a breathtaking $130.1 million, a 109 percent overrun. Unfortunately, we cannot be assured that similar errors will not occur during the current nationwide building program being undertaken by the Postal Service.

Last year, we received testimony that more than $7 million in architectural and engineering work had gone down the drain because of project cancellation, and there is every reason to believe that this is only a drop in the bucket.

And, some 3 years ago a $4 million contract was let to a firm with almost no prior experience in the field to conduct a comprehensive job evaluation study. Experienced and nationally known firms actually had lower bids. To this day, we can get little information about the results of this initial study, and there are solid indications that the results were so bad, that they had to be virtually scrapped.

These few examples argue forcefully for the need for continued oversight by the Post Office and Civil Service Committee, a function which will be considerably enhanced by the passage of H.R. 2990.

In short, enactment of H.R. 2990 will give Congress and the Post Office and Civil Service Committee a more meaningful voice in the operations of the Postal Service without returning to the discredited patronage politics of the past. I strongly urge its passage.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Illinois for a question.

Mr. DERWINSKI. I appreciate the gentleman's clarifying the situation as to why a subcommittee moved this bill out without any hearings but has now gone into supposedly extensive hearings in the Postal Service. Should not the gentleman first have held hearings before acting on a bill of this nature?

Mr. HANLEY. May I say to the gentleman we were dealing with two separate, entirely different creatures. As the gentleman knows, the effort on the part of the subcommittee with regard to the Postal Service is a general effort to determine where the shortcomings are, and, as the gentleman knows, we are putting a great deal of time and effort into this matter. Subsequently we will come back with either administrative recommendations or perhaps legislative recommendations, so that deals with an entirely different gamut as opposed to what we are talking about here today, which is the matter of authorizations only.

The gentleman knows we have floating executives in that entity who are with the agency for several months and then depart from the administration after having spent millions of dollars, and they remain accountable. I think that if we let this endure, when it hits the fan eventually, then the American people are entitled to come back and say, "Where was the Congress when all of this money went down the tube?"

Mr. DERWINSKI. But the gentleman does acknowledge that he obviously is exercising legislative oversight, and this bill, therefore, really is not necessary?

Mr. HANLEY. If enacted into law, we will enjoy the authorization process as opposed to the blank check concept which the entity now enjoys.

Mr. DERWINSKI. Prior to reform did we have authorization process? Did we prior to postal reform exercise authorization?

Mr. HANLEY. We are dealing with a very unique thing. Nowhere in this vast Government bureaucracy do we have an entity such as the U.S. Postal Service.

I must yield back the balance of my time in recognition of other people who have allotted time.

Mr. GROSS. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. Mr. Chairman, I rise in support of H.R. 2990 which is, as we have already been advised, a bill to require annual congressional authorization of certain Postal Service appropriations. It is a timely and necessary proposal.

As one who voted for the Postal Reorganization Act and who had high hopes that the newly organized U.S. Postal Service would bring about improved, efficient service, I, for one, can say that I am more than a little disenchanted with the progress to date. I am not proposing at this time that we abandon the machinery which Congress set up in passing the Postal Reorganization Act, although that certainly is worth considering, but I am confident that all Members of the House know of instances wherein the U.S. Postal Service has demonstrated that it is not as responsive to its public service obligations as it should be. Therefore, I believe a closer congressional oversight is vitally needed.

I should like to indicate a recent instance that should be of interest to all Members of the House. I recently mailed some rather important congressional material to an individual under the frank, only to have the intended recipient receive a notice from the local Post Office to appear at the Post Office and 8 cents postage due to pick up a letter mailed under the congressional frank. I know that these postal officials do not like to have contacts with the Congress any more, but it seems to me that the postal employees ought to at least be given instructions as to what the congressional frank is and that postage is not due on that mail.

This legislation before us today amends the law to require the U.S. Postal Service to secure annual rather than permanent authorization for appropriations for public service costs and revenue foregone.

This is a way to return to a requirement that the Postal Service be answerable to someone.

Public service costs incurred by the U.S. Postal Service are for providing a maximum degree of effective and regular postal service nationwide and in communities where post offices might not be self-sustaining. The amount requested by the U.S. Postal Service for fiscal year 1974 is $920 million.

Revenue foregone appropriations are designed to reimburse the U.S. Postal Service for the revenues it loses because it is required to carry the mails free or at reduced rates of postage as mandated by specific provisions of law. The amount requested by the U.S. Postal Service for fiscal year 1974 is $392 million.

These amounts in addition to $61 million requested by the U.S. Postal Service for transitional costs brings the total to over $1.3 billion for fiscal year 1974. Transitional costs cover payment for unused annual leave balances and employees compensation benefits accrued prior to July 1, 1971. The bill before us requires that the U.S. Postal Service keep the appropriate committees of Congress informed as to its activities.

Mr. Chairman, this legislation places no greater demands on the Postal Service than we place on most other Federal agencies. I think it is important, particularly because of the miserable track record of the Postal Service thus far, for the Congress to hold the Postal Service accountable for moneys it is receiving from the U.S. Treasury. The taxpayers, the victims of this poor mail service, are entitled to no less.

Mr. HANLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Charles H. Wilson).

Mr. CHARLES H. WILSON of California. Mr. Chairman, I appreciate this opportunity to support H.R. 2990. This is really the right bill at the right time.

The gentleman from Illinois (Mr. Derwinski) asked why there were no hearings held on this bill. Probably the reason there were no hearings held is that the obvious benefits of the bill were so great that it was not necessary to hold hearings on the bill.

The gentleman from New York has made reference to the JEP contract, that did the job evaluation program as one of the examples of the types of contracts that have been let because of the lack of congressional control over the Postal Service. I think it is very interesting to note that the Westinghouse people who got this contract had to hire people from their competitors for the contract because they did not have the ability to do the contract themselves.

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield, how did this bill address itself to the problem the gentleman raises? The proponents claim this will not involve the Congress in the day to day operations of the Post Office and I see the gentleman is using an example that will not be covered by this bill.

Mr. CHARLES H. WILSON of California. I will say to the gentleman I think the Congress should be involved in the day to day operations of the Postal Service. I have a little different feeling about it than maybe some of my colleagues on the committee. I see nothing at all wrong with Congress becoming involved. I think the biggest mistake we ever made was disinvolving ourselves from the Postal Service.

Mr. GROSS. Mr. Chairman will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, the gentleman was speaking of facilities. I wonder if he has heard of the new kitchen to serve the private office and dining room of the Postmaster General in his new offices at the L'Enfant Plaza.

Mr. CHARLES H. WILSON of California. I would be happy to hear about that.

Mr. GROSS. Yes, Mr. Chairman, a $50,000 kitchen has been installed in the plush new headquarters of the Postmaster General.

Mr. CHARLES H. WILSON of California. Is that right?

Mr. GROSS. It is expenditures such as this that I think Congress ought to give attention to especially when the postal corporation is about to raise first-class and other postal rates on the claim that it needs more operating revenue.

Mr. CHARLES H. WILSON of California. The gentlemman is absolutely right.

The gentleman from Illinois (Mr. Derwinski) has raised the question why, when we have never had authorizations before, do we need authorizations now? Because we have never had them in the past does not mean this is correct. I am of the opinion we have to make all agencies of the Government go through the authorizations process and one of the things I will approach the Government Operations Committee about is that for every office of the Government we should have the legislative committee process and the appropriations committee process.

We should have authorizations in any agency of Government that we have. Annual authorizations can be a valuable tool for both the Post Office and Civil Service Committee and the Congress. Through the hearings involving annual authorization legislation, the committee will be better able to gather pertinent information and analyze the current state of the Nation's mail service. This bill will give the Post Office Committees of the House and Senate a better chance to provide effective and constructive policy guidance to the Postal Service in the form of responsible authorization legislation.

And make no mistake about it, the Postal Service desperately needs this kind of guidance. The managers of the Postal Service are essentially responsible to no person or group. Once appointed, the Board of Governors is virtually untouchable. There is no constituency to which it must respond, no voters who can periodicaly judge the Governors' performance. Much has been made of the business-like structure of the Postal Service, but even here the analogy breaks down since there are no stockholders to which the postal managers are responsible.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HANLEY. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. CHARLES H. WILSON of California. This unique lack of accountability in a governmental structure has already had its effect. Service reductions have been made with little regard for postal customers. Congress has been held in open contempt by many postal managers. The Postal Service often appears to be acting in a vacuum totally devoid of any taint of practical knowledge or understanding of the historical mission of the Postal Service to serve all the people of this country.

We in Congress should not shirk our constituents; we should not accept the argument that an authorization bill might increase our workload or subject us to more pressure. That is what we are here for; we cannot afford to be fainthearted. Our constituents are demanding that we do something about deteriorating postal service. This bill will help us achieve that goal without being irresponsible. I urge support of H.R. 2990.

Mr. GROSS. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I rise in support of H.R. 2990, which was introduced by my good friend from Iowa (Mr. Gross) who is the ranking minority member of the committee. I also sponsored similar legislation and feel that it is worthwhile for several reasons.

Mr. Chairman, since the passage of the Postal Reorganization Act of 1971, we have witnessed two developments in the U.S. Postal Service.

First, a marked decrease of mail service. Second, a reluctance or inability on the part of the managers of the U.S. Postal Service to provide the Congress with timely information on its activities.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I shall yield in just a second, because I do want to have a conversation with my good friend from Illinois. Let me continue.

It is for these two reasons that H.R. 2990 is before us.

Briefly, the legislation requires the Postal Service to secure annual authorization for appropriations for "revenue foregone," due to preferential rates on so-called nonprofit mailings, and "public service costs," which are caused by post offices which may not be deemed self-sustaining.

Presently the Postal Service operates under a permanent authorization, which I believe is a mistake.

Also, under the bill, the Postal Service will be required to report to appropriate committees of the Congress on its activities.

Mr. Chairman, as one who did not support the Postal Reorganization Act because I felt we in the Congress were giving up too much control and authority over the operation of the U.S. mails—and I do not mean the day to day operations—I strongly urge adoption of this measure to restore a measure of congressional oversight of the Postal Service.

I would additionally like to say to my friend from Illinois that one-third of the bills which come out of our committee do not have hearings. This is because they are fully covered in other hearings, on a subsequent basis. All year long we have heard substantial amounts of evidence that the bill introduced by the gentleman from Iowa (Mr. GROSS) was needed. The need for the legislation has been fully discussed in other Post Office and Civil Service Committee hearings. So my answer to the question of the gentleman from Illinois as to why no specific hearings were held it is because we have heard nothing else all year but the need to reestablish congressional responsibility over the Postal Service.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GROSS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROUSSELOT. I thank the gentleman from Iowa for yielding. I am glad to yield to my good colleague from Illinois, who normally shows such excellent judgment that I cannot understand why he has not joined us in supporting this bill.

Mr. DERWINSKI. Of course, the gentleman from California is slightly befuddled, because he answered a question I did not ask.

Mr. ROUSSELOT. Not really.

Mr. DERWINSKI. I did not raise the question about hearings.

Mr. ROUSSELOT. The gentleman did raise the question as to why there were no hearings. He raised that three times.

Mr. DERWINSKI. The gentleman specifically charged that the officials of the Postal Service either were unwilling or unable, if I am using his words correctly, to cooperate with the committee in supplying necessary information.

Mr. ROUSSELOT. I will be glad to give the gentleman my exact quote. I said "reluctance or inability".

Mr. DERWINSKI. It so happens that in the past 2 years there have been 79 appearances before our full committee or various subcommittees by officials of the Postal Service, in Washington or at various regional levels.

Mr. ROUSSELOT. The gentleman is absolutely correct. We are still waiting answers to many of our questions.

Mr. DERWINSKI. Such as why we cannot appoint postmasters?

Mr. ROUSSELOT. No. Why they set up stationery stores and all that sort of thing in the Postal offices. We still have not had answers. There have been some attempts by the Postal Service to answer questions. The way to make sure we get the kinds of answers to questions we need is for the gentleman to support this legislation.

Mr. DERWINSKI. I am convinced the gentleman from California, as well-intentioned as he usually is, has been misled by the Pied Piper of Waterloo. I know I cannot change the gentleman's view, but I hope to change the views of those Members who are not committee Members and therefore might be more objective.

Mr. ROUSSELOT. I want to make clear to the gentleman from Illinois that I am more than a willing follower, of the gentleman from Iowa, because in my opinion he is right. On many occasions the gentleman from Illinois has followed Mr. GROSS, also. I am sorry the gentleman has not joined him today, because I think he would be making a wise decision.

Mr. GROSS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. CHAMBERLAIN).

Mr. CHAMBERLAIN. Mr. Chairman, first I want to thank the gentleman for yielding.

I want to commend the committee for reporting out this legislation. I believe it is sorely needed.

At the same time, I want to agree with my colleague from Illinois (Mr. DERWINSKI). I regret that there were not hearings on this bill, because I would have liked to have appeared and told the committee why I feel legislation such as this is necessary.

One of our colleagues mentioned the contempt the people down at the post office have had for Members of Congress in responding to our queries. I want to include in the RECORD a brief exchange of correspondence I had with the U.S. Postal Servce this last March.

On March 12, I wrote to the congressioal liaison officer and I made the following request:

> It would be most helpful in my dealings with local postmasters to have a current list of postmasters in my district.
>
> The courtesy of your office in providing me with such a list would be appreciated.
>
> With kind regards.

And so forth.

Three days later I got an answer back from the Postal Service, reading as follows:

> DEAR CONGRESSMAN CHAMBERLAIN: This is in response to your letter of March 12, 1973, requesting a list of the names of postmasters in your congressional district.
>
> Enclosed is an excerpt from the Postal Reorganization Act of 1970 (Public Law 91-375) which specifically prohibits us from furnishing any list of names for any purpose.
>
> I regret I cannot be more helpful.

Now, Mr. Chairman, and my colleagues, when it comes to the point where a Member of Congress cannot get the names of the postmasters in his own district, I think it is time that we do somethink to reassert some authority.

Mr. Chairman, it happens that because of congressional redistricting in Michigan in May of 1972, and there were a number of postmasters in my district that were new to me and I wanted to get their names so that when I had occasion to contact them, I would know who they were. I cannot imagine a more legitimate inquiry.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. CHAMBERLAIN) has expired.

Mr. GROSS. Mr. Chairman, I yield 1 additional minute to the gentleman from Michigan.

Mr. CHAMBERLAIN. Mr. Chairman, I would like to ask the chairman of the committee if, in his judgment, the statement in this letter which I have read is correct. Is it true that this is what we intended when we created the U.S. Postal Service that we could not even be given the names of the postmasters in our districts?

Mr. DULSKI. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. I am happy to yield to the distinguished chairman from New York.

Mr. DULSKI. Mr. Chairman, the intent of the section in the law in that regard is to preclude the release or sale of mailing lists for business or solicitation purposes. By no stretch of the imagination is it intended to prohibit the Postal Service from providing legitimate information to the Congress or a Member of Congress. In this respect, I call attention to the specific wording of that section which prohibits an officer or employee of the Postal Service from making mailing lists available "to the public."

Conceivably, under the interpretation which the Postal Service applies in denying your request, they could also deny the Congress access to lists of the Board of Governors of the Postal Service or lists of the top management personnel, neither of which they have done.

Therefore, I believe the Postal Service has overreached itself in this instance and I would fully expect it would revise its regulations to accommodate commonsense and the law.

Mr. CHAMBERLAIN. Mr. Chairman, I thank the gentleman from New York, the chairman of the committee, for his response. Again I commend the chairman of the committee, the subcommittee, and the other Members for reporting out this bill, and I urge its adoption.

Mr. HANLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. WILLIAM D. FORD).

Mr. WILLIAM D. FORD. Mr. Chairman, I very happily join in marching behind the gentleman from Iowa (Mr. GROSS) who has not always led me in legislative endeavors in my 9 years, but I am becoming older and wiser, I find, as time goes by. Had I had the wisdom of the gentleman from Iowa (Mr. Gross) at the time the Postal Corporation was passed, I would not have carried with me the very strong feelings of guilt which I held for having voted in favor of creating that monster down in L'Enfant Plaza with the $50,000 kitchen which the gentleman from Iowa (Mr. Gross) was talking about.

Mr. Chairman, I strongly support H.R. 2990, which would simply provide for annual authorizations for appropriations to the U.S. Postal Service.

When the Postal Reorganization Act passed in 1970, the message was trumpeted by some that all of our problems would be solved by the newly freed management team. As our constituent mail has shown in the past few months, nothing could be further from the truth. Service is deteriorating and rates are rising.

Our current experience with the Postal Service and the Postal Service's cavalier treatment of Congress dramatizes the need for H.R. 2990. To say that the Post Office and Civil Service Committee has oversight jurisdiction is fine, and the committee has taken this responsibility very seriously. But we all know that oversight without teeth is of limited usefulness.

H.R. 2990 would provide those teeth in a useful and thoroughly responsible way. The Postal Service would be required to come to us every year and justify their new programs and expenditures. And through this process, a much more meaningful dialog between Congress and the Postal Service to the benefit of the mail-using public.

I strongly object to the characterization of this bill as punitive by its opponents. There is nothing punitive about it, and I challenge those who have made the charge to support it. If this is punitive then so are the scores of other authorization bills Congress passes every year.

This is a constructive bill, and I have enough respect for my colleagues on the Post Office and Civil Service Committee to know that it would be used in a most constructive manner. With the Postal Service undergoing a painful transition period and instituting new programs every day, annual authorizations are clearly needed now and in the foreseeable future.

I urge all of my colleagues to support this praiseworthy bill.

Mr. UDALL. Mr. Chairman, will the gentleman yield to me?

Mr. WILLIAM D. FORD. Yes, I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, does the gentleman from Michigan agree with me that if the Postmaster General cannot stand the heat of these annual authorization hearings, he ought to get out of his $50,000 kitchen?

Mr. HANLEY. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Brasco).

Mr. BRASCO. Mr. Chairman, as a member of the Committee on the Post Office and Civil Service and the Subcommittee on the Postal Service, I strongly support H.R. 2990. Passage of this bill will better enable the House to fulfill its responsibilities to see that efficient and expeditious mail service is provided to the American public.

I want to say that if the admonitions of the gentleman from Iowa (Mr. Gross) were heeded in 1970 when we created the Postal Service Corporation, there would be no need for us to be here today. I hope we listen today and support his bill today.

One wonders why there is so much misunderstanding with respect to the policy as followed by the Postal Service Corporation, but I would like to remind my colleagues how we came about to pass that particular piece of legislation.

A pay bill passed in the House for Postal Service employees which went over to the Senate and was locked up in the committee and died. Lo and behold, we had a strike which broke out in New York which necessitated Army troops being used to deliver the mail. There were similar threats by postal employees to strike in other parts of the country and a threat of those involved in the strike losing their jobs.

Hastily we sat down and began to draw up what we called the Postal Service Corporation. Votes were had on 1 day which were changed on another day. We had one consideration in mind, which was to improve the economic plight of the postal worker and to lift his morale and, most importantly, to achieve a more efficient mail service.

We did none of these things, because the road to ruin is paved with good intentions, and the halo is about 6 inches away from being a noose.

We have been choking with complaints from our constituents ever since. For those of you who, like I do, send out Christmas cards first-class mail you can have Christmas in July because my returns on mail not delivered are still trickling back home.

No one is claiming H.R. 2990 will be a panacea or instantly cause the mail to move more rapidly, but annual authorizations will enable us more fully to understand what is happening to the Postal Service and provide a better vehicle by which Congress can provide policy guidance to the Postal Service.

Quite to the contrary, this bill will not by any stretch of the imagination reinvolve us in the operations of the Postal Service, because annual authorizations are an integral part of the Government process for many governmental programs.

Our committee asked the Library of Congress to draw up a list of those areas where there are authorizations involved, and we find that the following committees are subject to the authorization process: the Armed Services Committee, the Atomic Energy Committee, the Banking and Currency Committee, the District of Columbia Committee, the Foreign Affairs Committee, Interior and Insular Affairs Committee, Judiciary Committee, Merchant Marine and Fisheries Committee, Public Works Committee, and Science and Astronautics Committee, and this is no different than any one of those.

In my opinion the country, the Congress, and even the Postal Service will be well served by this legislation.

I urge its adoption.

Mr. GROSS. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. Hillis).

Mr. HILLIS. Mr. Chairman, the bill, H.R. 2990, is a necessary step in the direction of asserting oversight responsibility of the Congress over the U.S. Postal Service.

At the present time, the U.S. Postal Service is, by definition, an independent establishment within the executive branch, and its top management officials answer only to the Postmaster General and the Board of Governors. Accordingly, the top management is accountable to no elected official in the Federal Government.

I am sure all of us in the Congress are aware of our constituent complaints and editorial criticism of the quality of mail service in the United States.

This legislation is not by any means a panacea for the myriad problems confronting the Postal Service; however, it does require the Postal Service to be more responsive to the Congress.

In brief, it requires annual rather than permanent authorizations for appropriations for "revenue foregone" and "public service costs." It also requires the Postal Service to report to the appropriate committees of the Congress on its operations.

Mr. Chairman, at a time when the quality of mail service is declining, postal rates are expected to be increased, constituent complaints on poor mail service are increasing, it is incumbent on us in the Congress to regain some of the authority over the U.S. Postal Service which we relinquished in passing the Postal Reorganization Act of 1971. Hopefully, approval of this measure will help to achieve a better and more efficient mail delivery system.

Mr. GROSS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Robison).

Mr. ROBISON of New York. Mr. Chairman, there is such sweetness and light and such unusual unanimity here this afternoon that I hesitate somewhat to say I am opposed to this bill, but I am opposed to it. I think it is a bad bill at a bad time.

This bill will require the Congress to enact annual legislation authorizing appropriations to reimburse the Postal Service for carrying certain mail for free, or at a reduced cost, and provide maximum postal facilities in communities where post offices may not be deemed self-sustaining.

I suggest to you that it is anomalous to require yearly authorizations for appropriations to support permanent and continuing programs which Congress undoubtedly wishes to continue.

There is no suggestion here that the sponsors of this bill believe the need for continued existence of these programs should be examined each year from a legislative standpoint. Instead, the committee report attempts to justify this otherwise useless bill as a means for making the Postal Service "more responsive" to the Congress.

Now, it is obvious to me, and it ought to be obvious to all of the Members from what has been said here this afternoon, that that phrase really only means the return to the Congress of political control over the Postal Service, something we supposedly agreed to discard for our own good and the good of the Postal Service with the enactment of the Postal Service Reorganization Act.

As the ranking member of the Treasury-Postal Service and General Government Subcommittee of the Committee on Appropriations, might I say that enactment of this legislation will delay and complicate the work of our subcommittee and the Committee on Appropriations. Undoubtedly, we will have to have annual authorization hearings by the Post Office and Civil Service Committee if this bill is enacted, and then, after passage of that legislative authorization for these permanent appropriations, and the reconciliation of the differing House and Senate versions, it will be necessary to go through the same process again with respect to the appropriations bill.

We have been pretty proud that the Treasury-Postal Service, and General Government bill has been among the first measures enacted in years past, but under this approach the Committee on Appropriations cannot constructively consider any appropriations for the Postal Service until the annual authorization bill has been enacted. We will be delaying our business while the Congress is beseiged by every conceivable interest group, and until it finishes tinkering with postal rates, postal services, and postal policies, and the Halls of Congress would again be filled with lobbyists seeking to tack generous subsidies onto the yearly authorization legislation. As a result, we might frequently be unable to go to work on our appropriation measure until after the start of the next fiscal year.

I think there are already far too many of these kinds of roadblocks around here that obstruct responsible and timely handling of the Federal budget to make us want to pause before erecting yet another.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GROSS. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. Mr. Chairman, I will be happy to yield to the gentleman from Michigan just as soon as I complete my statement, which will only take a moment.

Mr. Chairman, this bill is simply a bad piece of legislation. It would not improve our mail service. It would benefit only those parties who would like to use the annual authorization of appropriations as a club to force the Postal Service to readopt policies and practices which were harmful to an effective and efficient mail system in the past, and it is also clearly the first step, I believe, toward repeal of the postal reform legislation that still deserves a chance to prove its worth.

I urge the defeat of this bill.

Mr. Chairman, I now yield to the gentleman from Michigan (Mr. WILLIAM D. FORD).

Mr. WILLIAM D. FORD. Mr. Chairman, the gentleman from New York makes much of the point that the passage of this legislation would impede the progress of the appropriation bill so that it may not be passed in the proper fiscal year.

We are now in fiscal year 1974. Could the gentleman from New York tell me what the excuse is for not having the appropriation bill out on the floor before the beginning of this fiscal year prior to the adoption of the Gross bill?

Mr. ROBISON of New York. This bill under discussion?

Mr. WILLIAM D. FORD. That is correct.

Mr. ROBISON of New York. There are a variety of excuses that do not revolve around the Postal Service items.

Mr. WILLIAM D. FORD. But they do not have anything to do with the adoption of this legislation?

Mr. ROBISON of New York. Not at this time.

Mr. WILLIAM D. FORD. So, if this legislation were in effect it would in no way be responsible for the kinds of delays that have prevented the legislation being brought up prior to the beginning of the next fiscal year?

Mr. ROBISON of New York. Not this year, but it is my prediction that it would in future years. I think we already know, most of us, that there are enough extraneous reasons that make the appropriation process a very difficult thing to manage, so why make it worse.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GROSS. Mr. Chairman, I yield 1 additional minute to the gentleman from New York (Mr. ROBISON).

Mr. Chairman, on what basis does the gentleman from New York, make that kind of a predicton? I do not understand how my friend, the gentleman from New York, could make the prediction that the subcommittee of which he is a member will be out earlier next year with an appropriation if this bill is not enacted.

Mr. ROBISON of New York. If my friend, the gentleman from Iowa, would permit, I did not predict we will be out earlier; I am predicting we will be out later if this bill becomes law, and if we have to wait for the annual authorization.

If my good friend, the gentleman from Iowa, and his supporters on the other side of the aisle can do something in this instance that other chairmen and ranking members cannot do in order to get other authorizations through in ample time, so we can do our business in the Committee on Appropriations, then my hat will be off to the gentleman, and I hope the gentleman can do it.

Mr. GROSS. I thank the gentleman. I, too, hope we can do it so that the gentleman will have the opportunity to take off his hat next year.

Mr. ROBISON of New York. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GROSS. Mr. Chairman, let the record show that I have no further requests for time.

Mr. HANLEY. I yield 2 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Most Members of Congress have heard from their constituents complaining of poor postal service.

The Post Office and Civil Service Committee held many hearings to determine why there is poor service.

Our efforts to determine the cause of poor service have often been met with insufficient information.

In the Postal Corporation's quest for economy the administration ignored service.

The Postal Corporation curtailed rural service, contrary to law. I could give a number of illustrations of this fact.

It inaugurated measures which commonsense would tell us are impractical, or would cut service.

Now the Corporation regards itself as independent of Congress and has in some instances been somewhat arrogant toward the petitions of individual Congressmen.

Congress cannot adequately exercise the necessary oversight unless this bill is passed.

If you and your constituents want Congress to do something about poor postal service, without retrieving the Postal Service back to the control of Congress, pass this bill.

Make the Postal Corporation have to come back to Congress at least once each year for an authorization. Here I might mention that we are speaking only about 10 percent of the budget, in two categories. We are not talking about the total budget of the Postal Service.

Require that Congress can review their operation to insure good postal service. Virtually every other agency of Government must do the same.

Congress represents the people, and the people are demanding service.

Pass this bill and Congress will help insure this service.

I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of H.R. 2990, a bill providing for annual authorization of appropriations to the U.S. Postal Service, and for improved communications between Federal agencies and the Congress.

H.R. 2990 is virtually identical with H.R. 4156, which I introduced on February 7 of this year. I introduced H.R. 4156 on behalf of residents of Pinellas County and the Sixth Congressional District of Florida—my constituents had expressed to me their increasing dissatisfaction with mail delivery service, postal rates, and postal service hours. On investigation of the complaints, I also became very concerned over the increasing deterioration of morale and productivity of Postal Service employees.

The Postal Service concedes that the quality of mail service has deteriorated in Florida, as it has throughout the Nation. Labor costs have gone up enormously—but with little related increase in productivity. Because of the increased costs, the Postal Service has sought to cut back in other areas to compensate—hence the reduction in collection services, delivery services, and window service hours, plus a nationwide cutback in the labor force itself.

For Florida, this has meant that, although mail volume in January of this year was up 18.5 percent over the preceding year, the number of employees was down 24.8 percent. Overtime had been increased 89 percent. It is no wonder that employee satisfaction and job performance have been poor.

It is clear from the debate preceding passage of the Postal Reorganization Act of 1970 that the Congress anticipated some problems during the period of transition to an independent, self-supporting Postal Service.

But I am sure that no one could have anticipated the extent of the current crisis in the mails:

Postal rates have gone up, up, up—and we are saved from a further increase only by the dubious mechanism of the price freeze.

Small periodicals and other journals essential to the free expression of thought in this country are threatened with financial extinction by the second-class rate increases.

Postal service hours are so curtailed that a working person may never get to buy stamps, obtain a money order, or mail a package without having to take a lunch hour or annual leave.

Unless that friendly letterbox is in an accelerated business delivery—ABD—zone, overnight mail delivery in the same city is all but a myth. As long as 12 hours may pass between mail pickups.

Thanks to regionalization of sorting operations, a letter may travel 200 miles—to get to an addressee 20 miles away. And, of course, the time for delivery increases with distance.

This is not to say that the Postal Service is not doing its best to improve service and maximize productivity by the use of automation, ZIP codes, and other devices.

But when annual appropriations required to make up deficits run into billions of dollars, and when the service continues to deteriorate, then it is time for Congress to exercise its constitutional oversight functions to insure that these billions of dollars are well and wisely spent.

Annual authorizations provide the best possible mechanism for the program review and oversight functions of the Congress. H.R. 2990 will insure that the Postal Service does not function in a vacuum, immune to public criticisms, suggestions, or guidelines, it will put the Postal Service on notice that its independence is not a carte blanche to spend the taxpayers' dollars with no substantive return in services.

Mr. CHAPPELL. Mr. Chairman, as a former member of the Post Office and Civil Service Committee, and a current member of the Appropriations Committee, I would like to share with you my views on H.R. 2990.

Congress and the public are concerned about the quality of postal service. I can understand their sense of frustration and that of some of my colleagues over the deterioration of postal service earlier this year, after the Christmas season. However, since corrective action has been taken by the Postal Service, I can see nothing on the face of this bill to justify its enactment. In fact, I feel it is a bad bill which would have a damaging effect, not only on the Postal Service, but Congress and the public. It would do absolutely nothing to improve service.

If passed, this bill would almost surely involve delays in the annual appropriations process and the impact of these delays would fall on the mailing public. These delays could result in an upward adjustment of postage rates or a reduction in service to the public.

If passed, this bill would bring back many of the pressures on Congress which led to postal reorganization. During the authorization process, Congress would undoubtedly be inundated with added pressure from mailers for insertion of statutory language to increase subsidies or give other favorable treatment or advantages to their interests—and this would be done at the expense of the American public.

If passed, this bill would require annual authorizations for an on-going business type agency which would be largely unprecedented. Annual authorizations are needed for programs that require year-to-year adjustments in order to be responsive to evolving national needs. Postal operations are not in that category.

I agree that congressional oversight of the Postal Service is desirable. However, I see no reason to duplicate existing law—section 136 of the Legislative Reorganization Act of 1946—by enacting legislation which would require the Postal Service to keep congressional committees fully informed of their activities. The Postal Service already does this. The Postal Service has appeared before congressional committees a total of 21 times this Congress alone.

As a representative from the great State of Florida, I too am concerned with the level of postal service my constituents receive. However, I am equally concerned that we do not pass a bad and damaging piece of legislation which would be harmful. I urge my colleagues to be patient and give the Postal Service enough time to iron out its problems. It is only logical that we recognize our unrealistic expectations for instant service improvement for an organization which has been in operation only a little over 2 years.

I urge defeat of H.R. 2990.

Mr. ALEXANDER. Mr. Chairman, from the looks of my mail, the slogan, "Everybody talks about it, no one does a thing about it," seems to apply more to my constituents' view of the U.S. Postal Service than to the weather. Every week letters come into my office telling of a business deal that has been delayed, a birthday party that was nearly ruined because the invitations were not received until the day after the event, or even complaints on behalf of an entire town over the postal policies.

For this reason and because I believe that it is essential that the Congress begin exercising every opportunity to regain much of the power, control, and authority which has eroded to the executive branch, I am sponsoring this bill which would provide for annual rather than permanent authorizations for the U.S. Postal Service. It is time for us to assume more responsibility in the area of legislative oversight and review. Only by willfully taking on this responsibility, will we ever be able to battle successfully with the all powerful Office of Management and Budget.

What services touches more of the people more often than the Postal Service? Although we created it—perhaps one of the worst decisions Congress has made in the last few years—as a "quasi-independent" corporation, this organization does not have the competition from similar services to keep it on its toes as most businesses do. And although it has no competition, our Postal Service spent over $131,000, exclusive of man-hours spent in delivery and handling, last year on an air mail advertising campaign.

Now I am no expert in advertising, but when you send out an 11- by 14-inch three color mailing to tell people as "insurance" they should spend 3 extra cents to send their communications airmail rather than first class, something is wrong. Procter & Gamble does not tell you to stop using their old brand of toothpaste every time they bring out a new, improved one.

Nor does it seem that this organization has paid much attention to the directives of Congress set forth in the National Environmental Policy Act, which states our interest in maintaining a balanced national growth policy. The Postal Service puts their bulk mail facilities anywhere they please. Reasonable cost guidelines seem to have been tossed out the window at times. Few true corporations would survive this long with these business practices.

So, who must this quasi-independent corporation answer to? The people? The Congress? The executive branch? Or has it become totally independent? The top management of the Postal Service at this time seems to be accountable to no elected official in the Federal Government.

I submit that if we, in the House, were subject to reelection every 4, 6, or eight years rather than every 2, or had no one to answer to except other Congressmen, we might not be so prompt and responsive in our services either.

In the beginning I said my constituents were more concerned about what can be done about the postal service than the weather. This is not entirely true. After 9 months of rain, snow, hail and flooding, they have given up on the weather. Will we take this opportunity to do something about the Postal Service or will they have to give up on that, too?

Mr. DE LA GARZA. Mr. Chairman, I commend my valued colleague, Mr. GROSS of Iowa, for his prescience in seeking passage of this legislation. I support him whole heartedly—and I might say I wish at times he would do the same for me.

Certainly I cannot argue with this proposal to put the Postal Service on an annual authorization basis. For this reason I also join all others who are supporting Mr. GROSS in this effort.

It goes without saying that I get more communications from my district about the problem with the Postal Service than I do on practically anything else. Hardly a day passes that somebody does not tell me of their problems with the mail service, which I think is an abuse of the right to postal service that is reliable and well handled.

Mr. Chairman, I am willing to try anything to alleviate the situation we are now in. It is crying for action.

This is no personal criticism of anybody in particular—but an indictment of the system and for that reason I feel we should do what this bill recommends and bring in the Postal Service people every year to see if we cannot do something about trying to get a little something for our money.

In fact, Mr. Chairman, it might not be a bad idea to give very careful consideration to bringing most of the departments into the Congress for authorization legislation. In this way we could keep a better handle on what we are trying to do in this body. Mr. GROSS is making a step in the right direction as far as I am concerned.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2401 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provisions of law, no appropriation shall be made to the Postal Service under subsection (b) or (c) of this section for any fiscal year commencing on or after July 1, 1973, unless previously authorized by legislation hereafter enacted by the Congress.

"(2) The Postal Service shall keep the Committee on Post Office and Civil Service of the House and the Committee on Post Office and Civil Service of the Senate fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees. Any Federal department, agency, or independent establishment shall furnish any information requested by either such committee relating to such activity or responsibility.".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment:

Page 1, strike out line 10 and all that follows down through the second period in line 6 on page 2 and insert in lieu thereof the following:

"(2) The Postal Service shall keep the appropriate committees of the House of Representatives and Senate fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees. Any Federal department, agency, or independent establishment shall furnish any information requested by such committees relating to any such activity or responsibility.".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. HANLEY

Mr. HANLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANLEY: On page 1, line 9, delete the words "on or".

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. HANLEY).

The amendment was agreed to.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to H.R. 2990 and caution my colleagues in the House to consider the potential ramifications of this legislation.

Being brought to the floor at a time when the newly created U.S. Postal Service is under fire, this proposal admittedly is appealing. However, I hope the House will not act in haste, but will evaluate the consequences of this legislation.

I would first point out, for those Members who value proper legislative procedure, that this bill was called up and approved by the Subcommittee on Postal Service without the benefit of public hearings and before any comment had been received from the Postal Service. The justification which the committee presents on this bill is meager at best and is based more on passion than on logic.

One intent of the bill is to insure committee oversight in its area of jurisdiction, and that is a goal I cannot quarrel with. However, I point out that the committee, through this bill, is legislating in an area in which it has no previous experience—that is, in the area of annual authorizations.

Based on my own research, I find no other time in the history of the Post Office Department when annual authorization for its appropriations were required. Prior to the passage of the Postal Reorganization Act of 1970, the Post Office Department had, by law, permanent authorization for its appropriations. The Post Office Department went directly to the Appropriations Committees, and therefore, the Committee on Post Office and Civil Service, or the Committee on Post Office and Post Roads before it, had never considered or drafted an authorization bill.

The Postal Reorganization carried this process forward, with one exception. The act granted permanent appropriation to the Postal Service of the revenues it collects in postal rates.

The logic of such an arrangement for the new Postal Service was carefully considered and affirmed by the Congress.

While the bill H.R. 2990 does not alter that appropriation, it does make a historic departure by requiring annual authorization for public service funds and Treasury moneys required to support free and reduced-rate categories of mail service.

It is in this area that I question whether we fully realize or understand the problems that may arise out of such a yearly exercise. I believe that this legislation, should it be enacted, will involve Congress in the affairs of the Postal Service far beyond that in which we were involved in the old Post Office Department.

At the very least, hearings should have been conducted to explore and examine the new direction this legislation will take the Congress.

It is far too early, in my opinion, for the Congress to be tampering with a basic provision of the Postal Reorganization Act, unless it is prepared to reconsider the exhaustive work that went into establishing a Postal Service entity with the charter of debt-free, politics-free, efficient service.

I am as aware as any Member of the so-called horror stories of postal service. However, to those Members who see this bill as the immediate answer to real or imagined postal deficiencies, I point out that there is nothing in the bill which will move one piece of mail one day or even one hour faster. Nor will it correct any of the service problems which your constituents have called to your attention. But there is a potential in this bill for it to become a reverse weapon which could be used to choke the Postal Service.

Again, I urge my colleagues to consider and to reject the ratemaking and administrative interference potential of this legislation.

Mr. Chairman, there are several valid reasons why this legislation, H.R. 2990, should not be passed, and I invite your attention to the minority views in the committee report for a list of these reasons.

This bill, which is the first major amendment to the Postal Reorganization Act since its passage in 1970, was called up and approved by both the subcommittee of jurisdiction and the full committee without the benefit of a single day of public hearings. No witnesses were called before the committee, not even witneses from the Postal Service. We have no public record whatsoever on which to base a judgment of the necessity or desirability of this legislation.

The case for hearings on such a major change in the Postal Reorganization Act becomes important when you consider the current membership of the Committee on Post Office and Civil Service.

Since the time in May 1970, when our committee reported a postal reform bill, until now, there have been eleven new members appointed to the committee—out of a total membership of 26. I think it was a mistake on the part of the leadership of our committee not to hold hearings, because in so doing it caused a disservice to the newer members of the committee who would have profited by a discussion of the amendments that H.R. 2990 proposes to the Postal Reorganization Act.

Mr. Chairman, the provisions of the Postal Reorganization Act were not idly written. Careful consideration was given to the appropriation and authorization language that is now the law. The committee and the Congress fully understood the new authority which was conferred on the Postal Service, and the Congress approved the postal reform legislation by an overwhelming vote.

I cannot conceive of any major statute being amended in such a substantial manner in the absence of public hearings to at least explore all the consequences of the amendment.

First. This bill represents an undesirable step toward increased congressional involvement in the day-to-day administration of the Postal Service.

The phenomenon of "no control" by postal management over the operations of the postal establishment was cited as the principal failure of the old Post Office Department by the Kappel Commission. It was a prime purpose of the Postal Reorganization Act to eliminate this phenomenon by authorizing the Postal Service to conduct its affairs in a business-like manner. This bill would mark a retreat from that purpose by once more getting Congress and politicians mixed up in the day-to-day decisionmaking process of the Postal Service.

This bill would involve Congress in the affairs of the Postal Service to an unprecedented extent—even the old Post Office Department was not forced to obtain annual authorization for the appropriations covering its permanent and continuing programs.

Congress is not equipped to handle the management of a business-type organization like the Postal Service. The congressional function is one of legislation, oversight, review, and legislative revision, but not management.

Second. This bill could result in needless fluctuations in postal services and postal rates.

If Congress, for some reason, either long delayed or refused to authorize the full amount needed for the programs financed through these appropriations, the Postal Service would have no recourse but to institute partial cutbacks in postal services or to obtain rate increases sufficient to fill the gap. Either alternative is certain to be distressing for mailers.

It is possible that congressional disputes over the nature of the language to be used in an authorization bill might hold up the final passage of an appropriation until long after the beginning of the fiscal year. In such a case, the Postal Service would have to make either upward adjustments in rates or downward adjustments in services to break even. If Congress subsequently enacted a full appropriation, the Postal Service would have to return to its old level of rates and services. This type of "yo-yo" adjustment in rates and services would impose a severe administrative burden on the Postal Service and undoubtedly confuse mailers.

Third. The bill's provisions dealing with the furnishing of information are unnecessary.

Under the provisions of the Legislative Reorganization Act, the Congress already has the right to obtain whatever information it needs from the Postal Service. Moreover, the officials of the Postal Service have been cooperative about furnishing such information.

Placing a statutory requirement to keep the Congress informed on the Postal Service alone might, by negative implication, cause other agencies to feel that they were exempt from such requirements. This could cause problems for the Congress in carrying out its investigations.

Mr. Chairman, I am taking this time, under these circumstances to try to set the record straight and of necessity to break up the mutual admiration society that seems to flourish between all of the Members on the other side of the aisle and the gentleman from Iowa. The Members should be aware that in approximately a week from today they will have on this floor a bill to further subsidize certain pet mailers of the committee. At that point Mr. Gross will be fighting the bill and his newly found friends will have deserted him. So I think a week from now we will have an interesting contradiction to the performance we have seen this afternoon.

There is not anything in this bill that will move one stick of mail one second faster. It is an absolute hoax. What it is, is the pent-up frustrations of the members of the Post Office Committee who have not had enough patience to realize that after 190 years of political control of the Postal Service they released this to the new entity and now in less than 2 years we are saying they have had enough time and we will take it back. We have not given these gentlemen in the Service enought time in administering the colossal monstrosity they inherited.

This bill specifically adds nothing whatsoever and will add nothing except troublemaking potential as far as the Postal Service and postal delivery are concerned.

I will make one or two other points. I mentioned the rate bill that will soon be pending. It used to be in the Post Office Committee one of the most interesting events of the year when the lobbyists for the second- and third-class mailers would storm into the committee for ratemaking sessions. The committee evidently missed this type of thing for 2 or 3 years. They want to get back into the ratemaking business. The moment they get back into the ratemaking business they will start getting back into the personnel matters and into the salaries and into all those things that were so notoriously wrong with the former Postal Department.

What we are dealing with is a Postal Service which is now basically self-financing. It has funds which it is investing effectively in automated devices and in less than 2 years we are suddenly blowing the whistle on them. This is to me the most shortsighted piece of legislation this House will have before it in this session.

The Rules Committee sat on this bill a month. It is not very often in this liberal age the Rules Committee is supposed to hold up anything, but in this case they did.

All of the Members should have read the report and all of the Members should have read the letter which should have been received from the chairman of the subcommittee, the gentleman from Oklahoma (Mr. Steed). If the Members have done that, I think they will take the opportunity in this case to vote against this bill.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, the gentleman made a reference to a rate bill which may come up before the House next week. I would like to advise the gentleman this bill passed from our committee by only a 12 to 11 vote. There were two Democrats who opposed it, the gentleman from Arizona (Mr. Udall) and myself. So I make the point that bill also may go to the Rules Committee but it has not done so yet, so I do not think there is anything cut and dried about this.

Mr. DERWINSKI. I compliment the gentleman on this future legislative stand. I wish he had been correct in his actions on this legislation.

Mr. Chairman, there is another question on congressional oversight. There is more than enough congressional oversight over the Postal Service. There has never been a demand made on the Postmaster General in terms of requests for appearances at hearings or information that was not granted. As a matter of fact in discussions with the gentleman from California (Mr. Rousselot) I mentioned that according to my records there have been 79 different hearings conducted by our committee in the last 2 years in which the Postal Service has fully cooperated. What more can we ask for? This bill is not going to provide anything more. All this is going to be is a trouble-making vehicle for the Post Office and Civil Service Committee to delay authorization.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Derwinski was allowed to proceed for 2 additional minutes.)

Mr. DERWINSKI. Mr. Chairman, just so the record will be clear, I would like to add something further.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I will follow the same procedure with the gentleman as he did with me. I would prefer to complete my statement and then yield.

Mr. ROUSSELOT. I would be most pleased to have the gentleman do that.

Mr. DERWINSKI. Mr. Chairman, I would suggest if possible the Members study the report that Postmaster General Klassen delivered to the committee on the 14th of March, but let me give what he terms as "Evaluation of the Act":

> We have had less than two years of experience and our judgments are necessarily still tentative. In general the Act seems to be sound and promises to wear well. It gives us a good set of tools with which to develop a better postal system. It has made major innovations:
>
> A system of labor relations and collective bargaining comparable to the private sector.
>
> Improved postal ratemaking procedures.
>
> Full and fair opportunities for promotion and career development.
>
> Modern financial systems and procedures with vital borrowing authority.
>
> Responsiveness to customer's needs—application of modern marketing techniques.
>
> A reasonable degree of freedom for postal management to manage.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Mr. Chairman, I yield to the gentleman from Oklahoma (Mr. Steed).

Mr. STEED. Mr. Chairman, I want to associate myself with the remarks the gentleman has been making, and for the reasons he stated join with him in urging our colleagues to vote against this bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Mr. Chairman, I suggest this bill would not only take the Post Office back to the days of Benjamin Franklin, the first postmaster, but take the Postal Service back to the days of George III. This bill is a legislative monstrosity, and I urge its rejection.

I now yield to my prodigal friend from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, the point I wish to make clear in the record, and I am sure my colleague from Illinois would want to join with me, is that there were not 79 hearings, but 79 individuals who appeared before our committee. That is 79 individuals who appeared, not 79 hearings.

Mr. DERWINSKI. Mr. Chairman, there were 79 hearings in which either the full committee or the various subcommittees in some form studied aspects of the Postal Service.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for 190 years—almost two centuries—the Congress ran the Post Office Department. We established the salaries, we determined the rates, we provided the wherewithall for the facilities. We, in effect, were the managers of the Post Office Department.

Politics, whether it was Democratic on the one hand or Republican on the other hand, were rampant in the Post Office Department. We all recognized it; we all condoned it. Secretly, we among ourselves would say that we were awfully glad that the other party had the responsibility of selecting postmasters among other chores. I used to get complaints in those days when the politicians ran the Post Office Department, and they were just as numerous as they are today.

When this suggestion came that we go from a politically dominated Post Office Department to a department that would have professional managers, a different financial system, different labor-management relations, every living former Postmaster General, Democratic or Republican, urged the change.

Mr. Chairman, I think the gentleman from Illinois made a very wise observation. The Post Office Department for almost 190 years did not really do any better job than the Post Office Department is doing now under 2 years of new management and a new concept. I happen to think that in the last 2 years I have been able to concentrate to a greater degree on a few important legislative matters and other matters involving my district, my State, and my country far more effectively than in the past when I spent time trying to decide who should be Postmaster, what the rate ought to be for this kind of mailing or that kind of mailing on whether a pay increase was justified for the Post Office employees.

I believe that in the long run we are far better off to let professional management run the Post Office Department. I believe also that the Members of this body who now want to stick their fingers back into the Department are just asking for troubles, because if this legislation happens to become law, no longer can we say to our constituents, "We politicians are not involved, the managers are."

All during the time I have been in Congress all politicians were in trouble because of the Post Office Department. I, for one, want the managers to bear that burden. I think they ought to bear the present burden.

I believe that in time the new management will straighten out the mess.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. We may have had a little trouble, but the mail was delivered in those days, I say to the gentleman from Michigan.

Where does the gentleman get the information that all former Postmasters General support this?

Mr. GERALD R. FORD. Mr. O'Brien recommended it. Mr. Day recommended it. Mr. Summerfield recommended it. I believe Mr. Farley recommended it, as well as the incumbent Postmaster General.

Mr. GROSS. I do not recall a single former Postmaster General testifying before our committee to that effect, except perhaps Mr. O'Brien, who later became the well-paid chairman of the Citizens Committee for Postal Reform, an organization which was endowed with contributions from the publishers of some $350,000. He did very well with that support.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from New York.

Mr. HANLEY. I thank the gentleman for yielding. Obviously a great misunderstanding apparently prevails in the minds of a few here today.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. Gerald R. Ford was allowed to proceed for 5 additional minutes.)

Mr. HANLEY. It is in no way the intent of the committee to get back into the day-to-day operations of the U.S. Postal Service. In essence what we are trying to do here is to provide it with some guidance.

The gentleman mentioned constituents. As I mentioned earlier today, in recognition of our constituents it seems to me we have an obligation to the American taxpayer to assure that these dollars are being spent prudently.

We can document for the gentleman's benefit millions of dollars which have gone down the tube as a result of decisions made by executives within the U.S. Postal Service who are no longer aboard. This has been one of the great problems in this transition, where people have been aboard for about 3 or 4 or 5 months, and have made some very costly decisions which cost a great deal of money. That money is then deemed as having been spent erroneously, and there is no recourse and there is no accountability whatsoever for these people.

That is what we are trying to do by virtue of this legislation, and in no degree is it our intent to get back into the traditional concept of the U.S. Post Office Department.

Mr. GERALD R. FORD. May I simply say that at the outset the gentleman from New York said this means Congress will give guidance. Guidance is a very broad term. Once the camel's nose is under the tent, as the gentleman advocates, the gentleman and those people who sponsor this legislation are going to get back in the same old rut of trying to run the Post Office Department. It was not run as well in the old days as I believe it can be under the new system.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Just to correct the record, I believe that Postmasters General O'Brien, Gronouski, and Blount supported this, but Mr. Day actually appeared in opposition to it. There was great support, as the gentleman stated, by former Postmasters General.

Mr. GERALD R. FORD. The record is corrected. I know a good many, if not all former Postmasters General, supported it.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. STEED. I just want to call attention to the fact that under the terms of the bill now before us "no appropriation shall be made to the Postal Service under subsection (b) or (c) of this section for any fiscal year commencing on or after July 1, 1973, unless previously authorized by legislation."

My subcommittee has just finished marking up the appropriation bill under which the postal items are contained, a total of about $1.3 billion. Then there is the matter of $284 million owed to the retirement fund for the last postal pay raise. If this becomes law we cannot do what we have just done. There is no way any authorizing legislation could be passed behind this bill so that we could bring any money in here.

So if this becomes law and we are not allowed to proceed the way we now are, then there is going to be no money from this Congress to the Postal Service for nobody knows how long, and I do not know what the consequences of that will be, because under the continuing resolution they have been able to draw funds and under our bill they did, but under this legislation there would be no funds.

Mr. Chairman, is that the gentleman's interpretation of what this is going to mean?

Mr. HANLEY. Mr. Chairman, will the minority leader yield to me?

Mr. GERALD R. FORD. I yield to the gentleman from New York (Mr. Hanley).

Mr. HANLEY. Mr. Chairman, the matter referred to by the gentleman from Oklahoma (Mr. Steed) has been corrected by an amendment, so that it does apply to the current fiscal year. We are talking about the subsequent year. So the problem that the gentleman envisions does not prevail. The amendment has been adopted.

Mr. STEED. But is there anything provided about how to make up the delinquency in the retirement fund and on the issue of whether or not the general taxpayer or the postal patron is going to pay the funds into the retirement fund that the postal pay raise created? We are already $284 million in arrears for the last 5½ percent postal pay raise, and we have another $4 million a year for the next 30 years. Another 15 percent postal pay raise has been agreed to. That is going to add another $100 million.

Mr. SMITH of New York. Mr. Chairman, I move to strike the last word.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New York. I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I sense the desire of the Members to go about their Thursday evening business, so I will take only a few seconds.

I am sure the gentleman from Oklahoma (Mr. STEED) would support me in this interpretation: Under the present postal law, approximately 10 percent of the current postal budget is currently appropriated principally because of revenue foregone and rates dictated by Congress, lower rates dictated by Congress for postal service.

Now, the moment we come back in with authorizing machinery, we are immediately touching the ratemaking. Let there be no doubt about that. If we do not touch the ratemaking procedure, this bill does not give the Committee on Post Office and Civil Service any more legislative oversight than it already has.

Mr. Chairman, this bill, I again say, is a hoax. I suggest the Members vote against it and have a happy weekend.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the last two words.

Mr. Chairman, during the general debate the gentleman from Michigan (Mr. CHAMBERLAIN) mentioned that he attempted without success to get a list of the postmasters in his district. In my district, where some of the rural homes may not have telephones and are difficult to reach except by and through the postmasters, I found it also necessary to get such a list. Unfortunately, I ran into the same experience.

I also attempted to see the Postmaster General and the various congressional liaison officers informed me that that would scarcely be possible at that time. I brought these matters to the attention of the chairman of the subcommittee, my good friend, the gentleman from New York (Mr. HANLEY) and he subsequently wrote to the Postmaster General on both of these points.

I was invited down to have a very productive meeting with the Postmaster General. General Klassen expressed some surprise that the list of postmasters was so difficult to obtain, and that I had not been able to see him. He did provide me with a full list of the postmasters, which I believe any Member of Congress can now obtain. He added that if any Member of Congress wanted to see him, the best course of action was to call directly and not go through the congressional liasion officers.

Mr. Chairman, my point is simply this: I think the Postmaster General and some of his top officials are doing an able and adequate job. I have long admired people like Arthur Eden, who is one of the Nation's outstanding experts on rates. I think the top officials in the Post Office Department are able people.

However, there are occasions when people down the line perhaps have rubbed Members of Congress the wrong way, which may be the reason that legislation like this is being brought to the floor. Certainly, there are many complaints about poor postal service which are justified.

I am not certain whether this legislation is going to perform the miracles which the authors of this legislation hope to achieve. I have great confidence in Postmaster General Klassen. But just as I believe that the President of the United States should really know everything important that is going on in the White House, likewise I believe the Postmaster General ought to know everything important that is going on within the Postal Service.

If we can trust the Postmaster General with his great business ability to improve the bad postal service, perhaps we may not need legislation like this. Yet on the face of it, this appears to be a fairly reasonable bill, which I intend to support. I feel, in summary, that any step which provides for additional congressional oversight will be a step in the right direction. Therefore, I will reluctantly vote for the bill, even though I am really not sure it is going to accomplish everything it is cracked up to do.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know the hour is late and Members are in a hurry, so I have withheld an amendment I have here and I will not be offering it, but I would like to ask the chairman of the subcommittee who brought this bill out when we are going to address the real problem.

I have listened to 3 hours of debate this afternoon and not once has the word "monopoly" been mentioned. Monopoly is the problem with the post office. All the Postal Service needs to do is to repeal the Federal Government's monopoly to carry first-class mail, and then we do not need to come here legislate about carrying letters—because the consumers will put the pressure on them.

Do you have any idea when we will be able to have hearings on my bill H.R. 1233?

Mr. HANLEY. Will the gentleman yield?

Mr. SYMMS. I yield to the gentleman.

Mr. HANLEY. Within the past 2 weeks, and it was just in the past 2 weeks, the Postal Service submitted its recommendations on this matter. They are now under study in the committee, and hopefully in the very near future we will be able to schedule some hearings.

Mr. SYMMS. Do you think then there will be an opportunity and that we will have some hearings and be able to address the problem of monopoly? I heard Postmaster Benjamin Franklin mentioned today. When he was a postmaster 95 percent of the mail was carried by private citizens. That was way back in 1850—when we took away the right to carry mail from the private citizens and the monopoly—it went back to the Government and Congress had control. What an awful mess.

I don't think Congress is capable of running anything. I agree with Mr. FORD, my minority leader on this issue. We will have another opportunity to address ourselves to the problem, I hope. Any chance we have of solving the post office problem will not come until we get rid of the monopoly. Do you think we will have hearings in the near future?

Mr. HANLEY. If the gentleman will yield further, we will have hearings, and for the benefit of the Member, let me say—and I repeat something I said previously today—we also have an on-going investigation into all aspects of the U.S. Postal Service. We are conducting these hearings in Washington and in the field. Tomorrow we will be in Mr. FORD's city of Detroit for a day of extensive hearings. All of the things are under consideration, and eventually we will be offering either administrative recommendations or legislative recommendations dealing with this whole matter.

Mr. CRANE. Will the gentleman yield?

Mr. SYMMS. I yield to the gentleman.

Mr. CRANE. I simply want to commend the gentleman from Idaho for raising this serious area of discussion in the whole matter of the frustration of getting proper mail delivery. I am pleased beyond words to find out that the committee will have hearings on this matter.

Let me say in response to the chairman who announced a moment ago with respect to what the Post Office and Civil Service Committee did in its report that there was an in-house study, and later on I will put remarks in the RECORD with regard to an analysis with regard to the deficiencies of that study and will be happy to send them on to the chairman, because I think the study does not answer the question that was put to that committee, and I hope the analysis will be of some use to them in dealing with this question.

Mr. SYMMS. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I now yield to the gentleman from Michigan (Mr. GERALD R. FORD).

Mr. GERALD R. FORD. Mr. Chairman, I would like to say to the gentleman from Idaho that I agree entirely that some outside competition would be very, very helpful in making the Postal Service Department a better organization. Where it has been tried—and I think it was in Oklahoma in the first instance, and it has been studied elsewhere—they are doing a good service. And if there were some of these shackles taken off then I think they could do a better job, and that competition would make the Postal Service a better organization.

Mr. SYMMS. Mr. Chairman, I thank the gentleman from Michigan.

Mr. Chairman, I would just like to point out to the Members of the House that we carry, milk, butter, and eggs in private enterprise, and that we can also carry mail and letters, if the Congress will only let them carry first-class mail.

This bill will do nothing to solve that problem, so I will vote against the bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAZZOLI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 2990) to provide for annual authorization of appropriations to the U.S. Postal Service, pursuant to House Resolution 438, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DERWINSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 328, nays 65, not voting 40, as follows:

[Roll No. 336]

YEAS—328

Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Barrett
Beard
Bennett
Bergland
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bowen
Brademas
Brasco
Bray
Breaux
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carey, N.Y.
Carney, Ohio
Casey, Tex.
Chamberlain
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Denholm
Dennis
Dickinson
Diggs
Dingell
Dorn
Drinan
Dulski
Duncan
du Pont
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Flood
Flowers
Flynt
Foley
Ford, William D.
Forsythe
Fountain
Fraser
Frey
Fulton
Gaydos
Gettys
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Gross
Gubser
Guyer
Haley
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Ketchum
King
Kluczynski
Koch
Kyros
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
McCloskey
McCollister
McCormack
McDade
McKay
McKinney
Macdonald
Madden
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills, Ark.
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Saylor
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stark
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague, Calif.
Thompson, N.J.
Thone
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—65

Abdnor
Anderson, Ill.
Baker
Bevill
Bolling
Breckinridge
Brown, Ohio
Broyhill, N.C.
Camp
Chappell
Clawson, Del
Cleveland
Cochran
Collier
Conable
Conte
Conyers
Crane
Davis, Wis.
Dellenback
Derwinski
Devine
Donohue
Edwards, Ala.
Erlenborn
Ford, Gerald R.
Frelinghuysen
Froehlich
Giaimo
Goodling
Green, Oreg.
Grover
Gude
Hamilton
Hansen, Idaho
Hosmer
Jarman
Jones, Okla.
Keating
Lujan
McClory
McEwen
Madigan
Mayne
Mosher
O'Brien
Peyser
Price, Tex.
Railsback
Rhodes
Robison, N.Y.
Schneebeli
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Steed
Steiger, Wis.
Symms
Thomson, Wis.
Towell, Nev.
Treen
Ware
Wiggins
Wyman
Young, Ill.

NOT VOTING—40

Alexander
Aspin
Bell
Carter
Cederberg
Danielson
Dellums
Dent
Downing
Eckhardt
Findley
Fisher
Frenzel
Fuqua
Goldwater
Griffiths
Gunter
Harvey
Hawkins
Hinshaw
Johnson, Calif.
Johnson, Colo.
Kemp
Kuykendall
Landgrebe
Landrum
Litton
McFall
McSpadden
Mailliard
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Pepper
Pettis
Roe
Roybal
Ruppe
Satterfield
Teague, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Dent with Mr. Satterfield.
Mr. Fuqua with Mr. Downing.
Mr. Teague of Texas with Mr. Aspin.
Mr. Roe with Mr. Johnson of Colorado.
Mr. Morgan with Mr. Ruppe.
Mr. Moorhead of Pennsylvania with Mr. Pettis.
Mr. McFall with Mr. Mailliard.
Mrs. Griffiths with Mr. Cederberg.
Mr. Gunter with Mr. Kuykendall.
Mr. Danielson with Mr. Mitchell of New York.
Mr. Alexander with Mr. Kemp.
Mr. Fisher with Mr. Landgrebe.
Mr. Johnson of California with Mr. Goldwater.
Mr. Hawkins with Mr. Bell.
Mr. Pepper with Mr. Harvey.
Mr. Landrum with Mr. Carter.
Mr. Roybal with Mr. Hinshaw.
Mr. Litton with Mr. Findley.
Mr. Eckhardt with Mr. Dellums.
Mr. McSpadden with Mr. Frenzel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 2990), which has just been passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEGISLATIVE PROGRAM FOR WEEK OF JULY 16, 1973

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. GERALD R. FORD. Mr. Speaker, I take this minute for the purpose of asking the distinguished majority leader the program for the rest of the week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, if the distinguished minority leader will yield to me, I shall be happy to respond.

Mr. GERALD R. FORD. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, we have concluded this week's business, and with the motion to adjourn we will be through until Monday next.

The program for the House of Representatives for the week of July 16, 1973, is as follows:

On Monday, Consent Calendar; suspensions, no bills. H.R. 8860, the Agricultural Act extension, conclude consideration.

On Tuesday, the Private Calendar, and we have following suspensions H.R. 5649, Steamboat *Delta Queen* exemption.

H.R. 8245, Reorganization Plan No. 2 amendment;

H.R. 7423, Wagner-O'Day Act authorization;

H.R. 6078, Customs and Immigration inspectors classification;

H.R. 8949, flexible GI interest rate authority in VA;

H.R. 9048, Veterans Health Care Expansion Act;

S. 2120, railroad safety and hazardous materials control amendments; and

S. 1752, National Commission on Productivity and Work Quality.

For Wednesday there is H.J. Res. 542, War Powers. We have already had the debate on that so we will have the consideration of amendments and the vote on the bill.

For Thursday and Friday—there will be a session on Friday—there will be consideration of the following:

H.R. 8547, Export Administration Act amendments, under an open rule, with 1 hour of debate;

H.R. 8538, Public Broadcasting Corporation authorization, under an open rule, with 1 hour of debate;

House Resolution 474, Special Committee to Investigate Campaign Expenditures;

H.R. 8929, educational and cultural postal amendments, subject to a rule being granted;

H.R. 5356, Toxic Substances Control Act, subject to a rule being granted; and

H.R. 8449, national flood insurance expansion, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced later.

May I also say to the distinguished minority leader at this time to get it straight for the record, that we will work on next Friday.

July 27 is an open Friday, and we do not anticipate working that day as we agreed earlier in the year.

Friday, August 3 will be the last day of work before we go on the August recess. We will work that day, Friday, August 3. I say this so that it will be a matter of record.

Mr. GERALD R. FORD. I thank the gentleman.

ADJOURNMENT OVER TO MONDAY, JULY 16, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL EXPLANATION

Mr. YOUNG of Illinois. Mr. Speaker, yesterday during the malfunction of the electronic voting machine, during rollcall No. 330, on the Agriculture and Consumer Protection Act of 1973, I was recorded as voting "no" against the Sisk amendment. I should like to correct that. I am for the Sisk amendment.

H. R. GROSS: CONSCIENCE IN THE HOUSE

(Mr. ADDABBO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ADDABBO. Mr. Speaker, our distinguished colleague from Iowa, the Honorable H. R. GROSS, celebrated his birthday during this past June and I want to take this opportunity to wish him many years of health and continued public service. It is also an appropriate occasion to call to the attention of my colleagues, a most interesting article which appeared in the August 1972 issue of the Reader's Digest entitled "H. R. GROSS: Conscience in the House."

The text of the article follows:

H. R. GROSS: CONSCIENCE IN THE HOUSE

(By Jacques Leslie)

The front room of his office gives fair warning of what lies within. One sign on the wall says, "Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody." Another says, "There is always free cheese in a mousetrap."

Called by some the "watchdog of the federal treasury" and by others the "abominable no-man of the House," Harold Royce (H. R.) Gross, Republican Congressman from Iowa, has built his reputation on uncompromising integrity, a rough-hewn sense of humor and an unquestioning belief in the wisdom of a balanced budget. Estimates of the amount Gross has pared from the federal budget and has therefore "saved" taxpayers during his 23 years as Congressman range from millions to billions of dollars.

Gross cultivates the idea that he is a principled loner, an exception among men who have taken to heart Sam Rayburn's maxim, "To get along, go along." In the 91st Congress, for example, he voted against President Nixon more often than all other Congressmen serving a full two-year term, opposing him on 58 percent of roll-call votes. (The average House member opposed the President 29 percent of the time.) "If I'm convinced that a bill is bad, or enough of it is bad to overbalance the good in it, why I'll vote against it," Gross says. "It doesn't bother me to be in the minority."

Among the programs Gross has unsuccessfully opposed are foreign aid, the Peace Corps, all salary increases for Congressmen from the time they received $12,500 a year (they now get $42,500) and the United Nations. Occasionally, when he loses, Gross resorts to sarcasm. When a bill passed to reimburse New York City for its expenses during Khrushchev's 1960 visit to the U.N., Gross said on the floor, "I swear I think that what we ought to do is pass a bill to remove the torch from the hand of the Statue of Liberty and insert a tin cup."

Gross is a slight man with a booming voice. Born on a farm in Arispe, Iowa, in 1899, he never finished high school. After serving in the Army at the Mexican border and in France in World War I, he studied at the University of Missouri School of Journalism but did not receive a degree. For the next 15 years he worked as a reporter and editor, then as a newscaster for radio station WHO in Des Moines. Known as the "fastest tongue in radio," he could speak 200 words a minute in a clear, solid tone.

Gross first ran unsuccessfully in the Republican primary for governor in 1940, then in 1948 was elected to Congress from Iowa's Third District. He has been there ever since.

Some observers think of Gross as a clown, who "has exploited and profited from every rigid prejudice in Iowa." A look at the newsletter he sends out weekly to 9,000 Iowa subscribers does not dispel that notion. In it, the United States is referred to as "Uncle Sap," "Uncle Sucker" and "Uncle Handout"; the Pentagon is "Fort Fumble." After mentioning a news account about President Johnson tossing beer cans out of his car as he sped around his Texas ranch, Gross suggested that "Home on the Range," be changed to "Foam on the Range."

Gross himself is the frequent object of barbs from other Congressmen. Observing that he has not left the United States since World War I and is opposed to Congressional junkets, Reps. John Ashbrook (R., Ohio) and Frank Thompson (D., N.J.) sponsored a resolution in 1970 to create a committee, consisting only of Gross, with the task of inspecting U.S. economic and military-aid expenditures throughout the world. Junketing Congressmen often send Gross postcards from the countries they visit. "Paris is great! Wish you were here!" Yet for all the kidding he receives, Gross is praised by a large number of Congressmen on both sides of the aisle.

The conventional wisdom among Representatives is that it is important to have one person like Gross in Congress, but that if Grosses filled the House, it would be unworkable. He introduces few bills and does not play an active role in the shaping of legislation. Instead, his function is essentially negative.

Gross is the only Congressman who makes a concerted effort to read the entire contents of every bill that reaches the House floor. (This is no mean feat; in the 91st Congress, for example, 1415 bills, many several hundred pages long, were reported to the floor.) He is constantly on the lookout for wasteful appropriations, self-serving arrangements among members and ambiguous legislation. When he is unclear about some bill, he asks a question, and the response is then a matter of record. If the answer does not satisfy him, he may turn to procedural gimmicks to delay or prevent the bill's passage. He is well prepared, a good debater and expert parliamentarian.

The most famous of Gross's techniques is the quorum call—it takes half an hour to read the list of Representatives' names. Gross believes that a Congressman's first responsibility to to be on the floor when the House is in session, and he may well have called for quorum more often than any other Congressman in history. Once, Rep. Tom Rees (D., Calif.), angered by two calls (one by Gross), made a speech on the House floor against "capricious and senseless use of quorum calls which have little or no relationship to the important matters which this Congress has at hand." As soon as Rees finished, Gross made a point of order that a quorum was not present.

Another weapon is objecting to unanimous-consent requests. The House handles much of its business by this means, and the objection of one member is enough to defeat a unanimous-consent motion. Gross employs this technique to combat the "Tuesday-Thursday Club"—Congressmen who arrange to have unimportant business scheduled on Friday and Monday so that they can go home four days at a stretch.

Gross has made himself an expert on House procedure, which is codified in four sources: the Constitution, the House rules, Thomas Jefferson's *Manual* and the 11 volumes of *Precedents of the House of Representatives*. "Some Congressmen who've been here for several terms don't even know the working rules of the House," he says. "Some of these people are pitiful. Nobody can tell me that the country wouldn't be better served if more of them knew what the hell was going on."

Because of his willingness to use all the parliamentary procedures at his disposal, many committee chairmen try to iron out possible differences with Gross by notifying him of their intentions in advance. Some Congressmen have changed legislation in committee to anticipate Gross's objections on the floor. Thus, though Gross rarely has the votes to back up his convictions, he does have a veto power over some aspects of legislation.

The basic article of Gross's faith is summed up in his bill, H.R. 144 (a gross equals 12 dozen), which he has introduced annually for more than a decade. It calls for a balanced budget and the gradual retirement of the national debt. (The bill is invariably assigned to the Ways and Means Committee and never heard from again.) Not only is deficit spending responsible for the nation's present economic difficulties, Gross says, but also, "We're plastering the generations to come with mortgages that will never be paid off. And this is having its effect on the moral fiber of the country. The main reason why we will go into a crisis will be financial."

Certainly some of Gross's proposed economics are reasonable. One example is a bill he introduced last year to prohibit junkets by lameduck Congressmen. In the past such trips have been authorized as a kind of farewell present to non-returning Congressmen. In July 1969. Gross blocked a unanimous-consent request to skip a House session on the day of the Apollo 11 launching so that Congressmen could accept free government transportation to Cape Kennedy. Gross said he was "unable to find any reason at all why a substantial amount of money should be spent" to transport Congressmen and their families to Florida. Consequently, the House was forced to meet on the day of the launching.

Gross is also concerned with bigger sums. In 1971, he voted against the appropriation bills for the Departments of Commerce, Housing and Urban Development, Interior, Justice, Labor, Post Office, State, Transportation, Treasury, and Health, Education and Welfare. He voted against appropriations for the Office of Education, foreign aid, the National Foundation on the Arts and Humanities, and the Smithsonian Institution. But he did vote in favor of the largest appropriation bill of all, $71 billion for the Department of Defense. "In this business," he said, "I would prefer to make an error on the side of what I conceive to be national security."

Gross gives the impression of a gruff, hard-bitten, no-nonsense curmudgeon, but this is to some extent a self-protective device. He is known among friends as a gentle, gracious man. By Washington standards he leads a spartan existence. While he labors on Capitol Hill, his wife is at home reading and underlining. By the time he returns home, she has put the material she thinks he should read next to his easy chair. At the end of the evening, if there is time, the couple plays a game of cribbage, then goes to bed. Gross has boasted that he does not own a tuxedo, nor his wife an evening gown.

Rep. Otto Passman, one of Gross's admirers, accurately describes the thrust of Gross's efforts in Congress: "I came out of the free-enterprise system," he says, "but it seems that now we are on the road to socialism. Gross has slowed down the trend to socialism from a run to a walk."

With his constant attendance on the House floor, his careful consideration of every bill, and his desire to truly debate legislation on the floor, Gross probably comes closer to embodying the grade-school textbook's concept of a Congressman than any other member. A literalist, Gross believes he is doing what the framers of the Constitution had in mind. We have gone wrong, he thinks, in allowing an all-encompassing federal bureaucracy to control our lives and diminish our freedoms.

GROSS AT HIS GRANDEST

While much of H. R. Gross's fame comes from his role as Congressional gadfly, his record is replete with solid legislative accomplishments.

Last October, for instance, Democrats were confident they had the votes to override a White House plan to delay for six months a $2.6-billion government pay hike. But Gross forced the vote on a day when large numbers of Democrats were junketing in Europe. The result was a narrow but crucial victory for the President's new economic program.

In 1968, what appeared to be a non-controversial bill boosting State Department retirement benefits actually contained a hidden provision calling for a 33-percent increase in Congressional retirement benefits. Only when Gross exposed the retirement boondoggle was it killed.

During the debate over the elevation of Associate Justice Abe Fortas to Chief Justice, Gross detailed examples on the House floor of the jurist's alleged conflicts of interest. Even after the Fortas nomination was withdrawn, Gross kept up his attack and threatened impeachment proceedings. Finally, Fortas resigned rather than face the Congressional inquiry.

For years the late Rep. Mike Kirwan (D., Ohio), chairman of the pork-barreling Public Works Appropriations Subcommittee, sought $10 million for a huge aquarium in the nation's capital. Despite Kirwan's political clout, it was never built—thanks to constant ridicule by Gross.

Asserts Pulitzer Prize-winning journalist Clark Mollenhoff: "No House member in the last 20 years has exposed more waste and corruption in government than H. R. Gross. Time and again his mere presence on the floor has caused others to stand firm."—THE EDITORS.

INFLATION HITS THE LUNCH PROGRAM

(Mr. PERKINS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PERKINS. Mr. Speaker, the price of food last May was 14.5 percent higher than it was a year ago. The effects of this inflation on the school lunch program were described very well in an article which appeared yesterday in the Washington Post. This article described how some school districts are considering dropping out of the lunch program altogether because they can no longer afford the rapidly escalating price of food. Other school districts are increasing the prices of their lunches; and, if past experience is to be any guide, this will force out of the program many students from middle-class families who will not be able to pay the increased prices.

Earlier this year I introduced H.R. 4974 which would provide, among other things, for an increase in the Federal payment for each school lunch from 8 cents a lunch to 10 cents. Yesterday, the General Subcommittee on Education heard testimony from school administrators from throughout the country urging passage of this legislation. The essence of their testimony confirmed the facts contained in the Washington Post article.

Therefore, Mr. Speaker, I insert that article in the RECORD:

SCHOOL LUNCHES HIT BY INFLATION

(By Louise Cook)

A dime doughtnut is going up to 12 cents in the cafeterias in Seattle schools. A 35-cent school lunch probably will cost 40 cents this winter. A Kentucky school district may abandon its hot lunch program and switch to soup and sandwiches.

These are among the effects of inflation for school districts in widely scattered areas of the country. The districts say they are having problems getting bids on contracts for food and other items because of uncertainty about President Nixon's Phase 4 price controls. Many say their suppliers will sign short-term contracts only; others report that all agreements contain an escalator clause allowing prices to be raised if the cost to the wholesaler goes up.

An Associated Press survey showed that the problem is not universal. Some areas—including Philadelphia, Detroit, Cincinnati, North Carolina, New Jersey and North Dakota—say they have no trouble and do not anticipate any. Other regions, however, report the situation is serious.

"The food situation is more critical than most people realize," said Orvall Nelson, who is in charge of purchasing for the Spokane, Wash., school district. He said that getting deliveries was becoming more and more difficult, suppliers were slow in filling orders and there were cancellations of some contracts. Nelson said there probably will be "increases in the cost of school lunches."

Dominic Fulco, assistant manager in charge of finance and control for the Hartford, Conn., public schools, said wholesalers for meat and other food items have refused to offer bids until later in the year. "We may sustain a bigger loss than anticipated in subsidizing the cafeteria," Fulco said. "We are considering the abandonment of the hot lunch program."

The director of purchasing for Bridgeport, Conn., said schools there have an additional problem: paper. "There is no doubt that the cost of paper is going to go way up," said Edward Sullivan. "It's most likely we'll have to buy less paper and make the supplies go further. This includes everything from colored paper and writing paper to paper plates."

Ken Davis of the Seattle school district said he had trouble with both gasoline and food. He said suppliers cut back his allocation of gasoline to 80 per cent of normal. "We have managed to get along except we have some trouble keeping our own five buses for handicapped children functioning," Davis said. "On food, we do expect additional problems and have already increased some school lunch prices. There will be some additional jumps in the future." He said soup will be up in price—from 15 to 20 cents a bowl.

Vance Ramage, business affairs director of Springfield, Ohio, schools, said he has been told that green vegetables will be hard to buy during the winter and that milk supplies may be short. "Obviously we'll have to increase the price of lunches," he said.

Ramage said lunch prices now range from 35 to 50 cents and predicted they'll all be boosted by 5 cents during the winter.

Guy Potts, superintendent of the Lexington-Fayette County school district in Kentucky, said bids for school lunch supplies are being taken on a month-to-month basis. . . . "We'll just have to see if we have to raise prices," he said. "We may have to go on a soup and sandwich lunch program."

Don Manzanares, chief purchasing agent for the Albuquerque, N.M., public schools, said one of his main suppliers, Oconomowoc of Wisconsin, notified him the company has temporarily withdrawn from the market. Manzanares said other suppliers have told him to expect a 10 to 15 per cent increase in prices depending on what action Mr. Nixon takes after the freeze ends.

TAX SITUATION ON SAN CLEMENTE AND KEY BISCAYNE

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, recent disclosures of General Services Administration expenditures to the privately owned residences of the President and Vice President have stunned and shocked the

American public. Purportedly necessary for the protection of the President and Vice President, many of the repairs and improvements are normal and regular expenses for the American homeowner and apartment dweller. New home furnishings and large-scale landscaping are luxury items that many of us would welcome at Government expense. Fortunately for the American public, such benefits are not provided to each of us under the law; nor should they be provided carte blanche to the President and Vice President.

The American people, like the President, are tired of wasteful spending. While we in the Congress have disagreed with the President in the past as to where such spending excesses should be curtailed, I am certain that no one can dispute the need to end glaring abuses of Government moneys, such as those we have witnessed with many of the non-security expenditures borne by the Government for the President's homes in Key Biscayne, Fla., and San Clemente, Calif., as well as the Vice President's home in Bethesda, Md. As recently as January 20, 1973, in his inaugural address to the Nation, President Nixon challenged the American people to "let each of us ask—not just what government will do for me but what I can do for myself."

It is with that thought in mind that I come to the Congress today, Mr. Speaker, to introduce legislation designed to end the flagrant misuse of taxpayers' moneys. The bill I am proposing will bar future Government expenditures on private Presidential and Vice-Presidential properties without prior congressional approval. It would be tied to the present law governing appropriations to the General Services Administration as the agency which is responsible for implementing Secret Service requests for purchases and improvements necessary for the security and protection of the President and Vice President. Specifically, the bill states that:

> No funds appropriated under any Act shall be available on or after the date of the enactment of this Act, without the prior and specific approval of the Congress by law, for any construction, maintenance, renovation, repair or other work, or for the purchase of any addition, facility, furnishing, improvement, or other article or object, to enable the Secret Service to perform its protective functions under section 3056 of title 18, United States Code, with respect to any private or other property not in Government ownership or control which is used as a residence, temporary or other, by any individual whom the Secret Service is authorized to protect.

As you will note, the legislation is written so as to be applicable to the homes of Mrs. Julie Eisenhower in Maryland, and Mr. Robert Abplanalp in the Bahamas, where Government funds have reportedly been expended. The bill also makes allowance for necessary unforeseen expenditures which might be incurred by GSA after its budget has been approved by the Congress. It enables the Administrator of GSA in consultation with the Director of the Secret Service to spend up to $2,500 on each nonfederally owned residence used by the President or Vice President provided that the expense "is necessary to enable the Secret Service to perform its protective functions." Any temporary or removable purchase or improvement would revert to the Government at the end of the President's and Vice President's terms unless the GSA Administrator and the Secret Service Director ruled that such items were necessary for protection and security until death.

To insure that no excessive or extravagant purchases or improvements are made under this exception, this legislation requires GSA to submit an annual report to the Congress of such expenditures.

I want to emphasize that it is not my intention in sponsoring this measure to thwart efforts to protect the President and Vice President. Every responsible American citizen is aware of the need to provide every possible security and protection for the President and Vice President. What I am trying to prevent are future frivolous expenditures, such as $10,000 for the removal of weeds and $2,800 for a swimming pool heater, to cite a few of the many outrageous costs which have been borne by the American taxpayer. No one opposes security needs but creature comforts should not come out of the Treasury.

While my legislation is designed to affect future Government disbursements in behalf of Presidential and Vice-Presidential residences, the cost of the luxuries recently disclosed by GSA and shouldered by the taxpayers should not go unchallenged. Accordingly, I have written to Donald C. Alexander, Commissioner of the Internal Revenue Service requesting an immediate investigation of the tax implications to the President and Vice President of such expenditures. I base my request on section 61 of the Internal Revenue Code of 1954 which defines gross income as "all income from whatever source derived." Thus, if compensation takes a form other than cash or securities, it is nonetheless included in gross income, unless specifically excluded by some other provision of the Code.

You and I and any other citizen would be liable for income taxes upon receipt of such Presidential luxuries as landscaping and den furniture. Such blatant misuse of Government funds must be curbed.

With the thought that it would interest my colleagues in the Congress, the full text of my letter to Commissioner Alexander follows:

House of Representatives,
Washington, D.C., July 11, 1973.

Hon. Donald C. Alexander,
Commissioner of Internal Revenue,
Washington, D.C.

Dear Mr. Alexander: On June 20, 1973, the General Services Administration (GSA), Region 4, released a Schedule of Costs Incurred at the Presidential Complex, Key Biscayne, Florida. This was followed on June 21, 1973, by a similar GSA study summarizing the costs incurred by the Federal Government for the Presidential Compound in San Clemente, California. There was also released, on June 28, 1973, a GSA report of the expenditures for Vice President Agnew's residence in Bethesda, Maryland for the period April through June, 1973.

Many of these expenses have been characterized as part of the costs incurred at the request of the U.S. Secret Service in support of its requirement to protect the President and Vice President. Others, however, appear to be merely of a maintenance or capital improvement nature. These include heating system modification, landscaping, a swimming pool cleaner, washing machine, lawn mower, ice-maker and many other items that normally are incurred by a homeowner to repair or improve his residence. In the instance of the President and Vice President, however, these costs have been borne entirely by the Federal Government.

Section 61 of the Internal Revenue Code of 1954, as amended, defines gross income as "all income from whatever source derived." Thus, if compensation takes a form other than cash or securities, it is nonetheless included in gross income, unless specifically excluded by some other provision of the Code. Accordingly, the receipt of an automobile from a business friend for past or future services is compensation, as would be the receipt of any other type of real or personal property.

The payment by the Federal government for home improvements, landscaping, office furniture and other items of non-security nature for both of the personal residences of the President appear to be additional compensation to him, and thus should be included in his gross income for the years in which the work was done. At the very least a serious investigation should be undertaken to determine the exact tax implications of these expenditures by the government on behalf of the President.

There is also the question of the future tax effects of the security-related improvements. Assuming that the value of the San Clemente and Key Biscayne properties will be enhanced by the expenses for Secret Service protection, how should these be treated upon completion of Mr. Nixon's term of office? It does not seem equitable that the President should receive government paid renovations of his personal residences and then be able to reap the benefits on a future sale of the homes. It would appear that these security expenditures, therefore, should also be included in ordinary income, if and when the governmental need therefor has expired, or at the least, upon sale of the property.

Immediate review of these questions is essential. It would be highly unfair for the average taxpayer to bear the full burden of the Internal Revenue Code while the President is able to escape taxation on expenditures made for him by his employer, the Federal Government. Accordingly, I will appreciate receipt of your opinion as to the federal income tax consequences of the expenditures outlined herein and your advice as to what steps are to be taken by Internal Revenue Service with respect thereto.

Sincerely,

Edward I. Koch.

AMERICAN FIELD SERVICE INTERNATIONAL SCHOLARSHIP PROGRAM

The SPEAKER pro tempore (Mr. Bowen). Under a previous order of the House, the gentleman from New York (Mr. Smith) is recognized for 30 minutes.

Mr. SMITH of New York. Mr. Speaker, I have eaten and sold a lot of pizza to support the organization I invite you to join me in honoring today—The American Field Service.

Over 2,000 foreign students from more than 60 countries have concluded a year of living with American families and attending American high schools under the sponsorship of the American Field Service International Scholarship program. They toured Washington this week as a finale to their American year and are catching planes for home today. Meanwhile, a new group of foreign students are arriving in San Francisco, Miami, and New York to be adopted by American families across the country for the coming school year.

Over a 25 year period, AFS has served 65,063 students. Currently, 4,771 students are involved in programs run by AFS offices in 63 countries. Besides bringing students from other lands to the United States, the AFS sends American students abroad and supervises the exchange of students and educators between other countries. In January, the AFS launched a project which sent 19 Americans to other parts of their own country for 6 months, and last fall AFS started a United States of America-U.S.S.R. Educators Exchange.

The history of the American Field Service International Scholarship program begins with the American Field Service, a voluntary ambulance service organized in World War I and continued and expanded in World War II. These volunteers, with their background of international service and associations combined with a first hand awareness of the impact of war, dreamed of ways to create a peaceful world. The AFS of today is the result of those dreams.

Overseas, AFS works with 700 local committees on six continents with membership in the thousands and 1,500 host families each year. In the United States, there are 400 field representatives, 2,800 local chapters, over 30,000 members and 2,600 host families.

In my own district, volunteer AFS groups in 14 towns and cities sponsored 20 foreign students in local high schools during the past year. In the last 3 years, 20 high school students from the 36th District had the opportunity to live for part of a year in another country.

As an AFS father, I cannot say enough in favor of the organization. I now have five daughters, my own three, plus Vigdis Puntervold of Norway and Rosalind Waddy of Australia.

These two girls gave my family a chance to learn about another way of life and work for international understanding. Then there is the extra pleasant dividend of making friends with their families.

Viggen came to us from Grimstad, Norway, for the 1961–62 school year. We still correspond with her and her family and follow her life in Norway as a mother and wife of a physician.

Rosalind came to us from Cremorne, Australia, in 1964, the year I ran for Congress for the first time. Her father was a member of the Legislative Assembly of New South Wales, and we enjoyed the discussion of the differing methods of campaigning in the two countries. Rosalind brought us friendship with her family and introduced us to a continuing friendship with the Australian ambassadors here in Washington.

My own daughter, Cindy, lived with a family in Ennetbaden, Switzerland, during the summer of 1962 as part of the AFS Americans Abroad program. We have been privileged to meet these wonderful solid people both in Switzerland and when they visited us here in Washington.

I urge my colleagues to look into the American Field Service in their own districts and to support unstintingly this great organization. Year after year it promotes the kind of international understanding that can lead finally to mankind living together in peace with tolerance and brotherhood. The AFS motto puts it more simply—"Walk together—talk together."

I now yield to the distinguished gentlewoman from Louisiana (Mrs. Boggs).

Mrs. BOGGS. Mr. Speaker, thank you so much for giving me this opportunity of saluting the American Field Service.

When we think of the American Field Service today, we think of a nonsectarian, nonpolitical, nonprofit, worldwide organization which has as its aim the promotion of understanding and peace through an interchange of living and learning experiences.

However, as with most institutions that touch our lives today, the significance of the AFS takes on new meaning when seen in the context of its history. We see the same selfless service that characterizes AFS in 1973 when we step back to the First World War, when the American Field Service was established for the purpose of sending a volunteer ambulance corps to France. Approximately 2,400 Americans served with the AFS before the United States entered the war.

At the start of World War II the volunteer ambulance corps of the American Field Service was revived. This time 2,196 men volunteered and served in all theaters of the war. Most of them were college boys and men beyond fighting age, who served without pay, provided their own ambulances, and paid their own expenses.

With first hand experience of the destruction and agony involved in two world wars, the American Field Service, in 1946, initiated a new type of program to promote better international understanding, in which high school students between the ages of 16 and 18 were given the opportunity to live for a year or a summer with families in different cultures, to attend school, and to participate fully in the activities of new communities.

The American Field Services has certainly come a long way from that first year when 50 students from 10 different countries visited the United States. Last year, there were 2,682 AFS students from over 60 countries who did much more than merely visit the United States; they became active participants in their host American communities.

However, I feel it should be emphasized that this is a two-way street. Last year, 1,968 American students participated in the AFS program, attending a year of high school in over 50 nations.

Since 1946, more than 65,000 students have had the opportunity to experience the life of a high school student in a foreign land, thanks to AFS.

Most of the students who have lived in the United States have enjoyed the opportunity of visiting with the leaders of the executive, legislative, and judicial branches of our Government during a Washington visit arranged perennially by the Washington AFS committee as the final event of their American year. This committee has my heartiest expressions of gratitude and congratulations.

I do not pretend, and American Field Services certainly does not pretend, that this foreign exchange program is a panacea for the myriad of international problems facing the world today. But, to the extent that students and host families develop the ability to accept others who are different in their cultures and values, then the cause of human understanding has advanced to the same extent.

Mr. COLLINS of Texas. Mr. Speaker, I want to join my good friend Henry Smith of New York in this tribute to the American Field Service. Six years ago my oldest daughter, Dorothy, participated in this program. Dorothy spent the summer in Newcastle, England. It was a delightful and educational experience for her. So we have experienced American Field Service benefits also down in Texas.

Since Dorothy visited England, we have had her English family visit us. We also enjoy the correspondence that we have kept up through all the years.

People to people is still the best way to develop close friendships throughout the world. When the participation is from the heart, it is the best cause as it is the most sincere. In Dorothy's case, she really learned to know and love English people. She saw her contemporary friends in their day-to-day living. They played together, they went to school together, and they shared weekends together.

American Field Service is to be congratulated for their splendid program that cements worldwide friendship with America.

Mr. WALSH. Mr. Speaker, one of the greatest problems we face in this world today is inability of nations to communicate with each other. Most of that problem is created by the nations themselves, not the people.

If the people could spend time with each other, perhaps the nations and their leaders could learn from the lasting friendships that would undoubtedly be formed.

There is a very special organization, the American Field Service, which is making great strides in this direction. This organization has two programs which bring students from 60 countries to attend secondary schools for a year of study and experience in the United States and sends our children to countries overseas.

Foreign students coming here live for a school year with American families and attend local high schools. They have the chance to learn our customs, problems, ideals, interests, and other facets of our lives. In turn they pass similar information on to their hosts. When our young people go to other countries, the program is quite similar.

In the past 19 years, some 38,000 students from 76 countries have participated in American Field Service scholarship programs. This private, nonprofit, nonsectarian organization has stated its goal to be the promotion of better understanding between people through international scholarship programs.

Mr. Speaker, the AFS has led the way for many years in bringing people from diverse nations together. Through these efforts, communciation will develop that will hopefully one day unite the people of the world in peace and understanding.

I join with my colleagues today in saluting the American Field Service and wishing them continued success in their programs. Such programs are unequivocally more fruitful and beneficial to mankind than international misunderstandings brought about by a lack of communication.

Mr. GILMAN. Mr. Speaker, I am pleased to have the opportunity to associate myself with the remarks of my colleagues in recognizing the exceptionally fine work of the American Field Service International Scholarships program.

Originating in 1914 as the work of a voluntary ambulance service, more than 65,000 young American and foreign students between the ages of 16 and 18 have benefited from the educational, cultural and travel opportunities made possible through the AFS program since World War II.

If understanding among the peoples of nations throughout the world, in terms of sensitivity to and appreciation of cultural and historic values, is ever to become a reality, there is no better way I can think of than for young people the world over exchanging their places with counterparts in other lands.

Participating in the life of a foreign community and living with an "adopted" family abroad will always afford a more meaningful cultural exchange than any possible academic exercise confined to the sterility of book learning alone.

The communities and families that sponsor these students are to be commended for their open mindedness and their willingness to learn about our foreign neighbors and to share their unique ideas and values which might otherwise be lost in suspicion, indifference or simple ignorance.

Those who would ask how they can individually participate in a worthy cause are to be encouraged in acquainting themselves with the good work of the American Field Service.

GENERAL LEAVE

Mr. SMITH of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order, the American Field Service, today.

The SPEAKER pro tempore (Mr. BOWEN). Is there objection to the request of the gentleman from New York?

There was no objection.

ORGANIZING TO MEET THE ENERGY CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HOLIFIELD) is recognized for 60 minutes.

Mr. HOLIFIELD. Mr. Speaker, we need to put the national energy crisis in perspective. There is so much information—and misinformation—in the pages of the CONGRESSIONAL RECORD and the columns of our daily newspapers, and so many proposals for dealing with this crisis, that we have to take pause and sort out the issues.

President Nixon, in his June 29, 1973, statement relating to energy needs, does not state explicitly that this Nation faces an "energy crisis." He prefers to call it an "energy challenge." He points to the fact that with 6 percent of the world's population, we use one-third of the world's energy output. And since demand is running ahead of supply, "we could," in the President's words, "face a genuine energy crisis in the foreseeable future." Only swift and effective action, he says, will avert the possibility of future crisis.

Whether or not we have an energy crisis or an energy challenge, certainly we have an energy problem, and a serious one, as everyone will agree. Whenever a serious national problem emerges which requires a Government response, three issues immediately become paramount: policy, organization, and resources. We need a sound policy to tell us what must be done, a capable organization to manage the doing and adequate budget resources to pay for it. I will address these three issues, starting wtih the funding aspect. My point of departure for these remarks is the President's recent statement on national energy needs, related Executive actions, and his legislative proposals to the Congress involving energy organization.

FUNDING FOR ENERGY RESEARCH AND DEVELOPMENT

Budget resources always are of interest to the Congress. Other resources also are important—the skills and talents of people, physical facilities, a proper working environment. However, it takes money to train and retain people and build and maintain facilities; and it is the Congress which provides money for the execution of governmental policies. Consequently, whenever a national problem is identified and solutions are proposed, the Congress wants to know: How much will it cost?

The President has announced that he is initiating a $10 billion program for research and development in the energy field, extending over the next 5 years. Earlier, Senator HENRY JACKSON recommended the investment of $20 billion, extending over 10 years. So, we see that both the President and the Senator are in agreement as to the rate of investment in energy research and development, although they have identified different time spans.

These recommendations dramatize the seriousness of the energy problem and bespeak a well-founded faith in the results of research and development. How much money we actually need to spend, and in what specific directions, are, of course, questions not answered by these global estimates. We need much more hard information; and indeed, the President is asking the Atomic Energy Commission to head up a survey and evaluation of the Nation's research and development needs in the energy field.

The mandate placed by the President upon the Atomic Energy Commission is threefold: First, to undertake an immediate review of energy research and development activities, both in Government and private sectors, and to recommend an integrated program, which will actively involve industry in cooperative efforts to develop and demonstrate new technologies with energy applications; second, to recommend, by September 1 of this year, specific projects for which research and development moneys should be allocated during fiscal year 1974; and third, to make recommendations, by December 1 of this year, for energy research and development programs which should be included in the fiscal year 1975 budget.

I should explain that the second of the three tasks just mentioned is associated with the President's proposal to earmark $100 million for expenditures during fiscal year 1974 in energy research and development. His announced aim in this proposed move is to "give impetus to" the $10 billion effort over the next 5 years. The $100 million, apparently to be reprogramed from existing funds, will be used for accelerating certain projects now underway and initiating new ones in what the President calls "critical research and development areas." He is directing that at least one-half of the $100 million for new initiatives be assigned to coal research and development, emphasizing the production of clean liquid fuels from coal, improving mining techniques from the standpoint of safety and productivity, stepping up the coal gasification program, and developing improved combustion systems. The remaining portion of the $100 million is proposed for research and development on advanced energy conversion systems, environmental control, geothermal steam, conservation, and gas-cooled nuclear reactors.

We can see from this outline of preferred expenditures that the President has a general idea where $100 million of research money should be spent in fiscal year 1974. As I said, at least half the amount is to be earmarked for coal research, a move which seems to be well advised. The other half presumably will be allotted in the areas indicated, on the basis of recommendations by the Atomic Energy Commission and other energy policy advisers. They also will determine what energy research and development programs or projects should be supported in succeeding years.

Several additional points should be noted about the President's funding proposals. As mentioned above, he states that he is "initiating" a $10 billion research and development program over a 5-year period. This does not mean that $10 billion of new money will be spent for energy research and development. In fiscal year 1974, approximately $772 million were budgeted for this purpose. With normal expansion and considering the inflationary factor, the yearly allotments probably would increase from year to year. Consequently, the increment of new money for energy research and development, averaged over a 5-year period, would be much less than the $10 billion figure seems to suggest.

Another noteworthy point is that the $100 million which he recommends in fiscal year 1974 is money to be taken from existing budgets.[1] So far as I know he is not recommending a supplemental appropiration for $100 million, as he did for cancer research back in 1971. His statement of June 29 insists that present budget ceilings for fiscal year 1974 must be maintained, and the $100 million worth of energy research and development is to be funded within that ceiling. The interesting question is: Where will the money come from? How will it be made available? Presumably it will entail reprograming within agencies. I would hope that the President does not have in mind "robbing Peter to pay Paul"—taking from one essential research program to support another.

A NATIONAL POLICY FOR ENERGY

We come now to the policy issue. If one were to ask: "What is our national policy for energy?" we would be hard put to answer. The only policy so far, it seems, is to develop ever new uses for energy, and to assume that it will always be there when we press the electric light switch or drive into the filling station for a tank full of gasoline. Our policy, in short, has been one of unrestricted use, based on assumed abundance.

There is a growing national awareness that unpleasant changes are in store. There are gasoline shortages, electrical brownouts and blackouts, and other interruptions in the supply of fuel or electricity which cause inconveniences and occasional hardships to consumers, to business suppliers, and to workers. These are symptoms of deeper and more serious energy problems which confront the United States.

A natural and immediate reaction is to look to conservation measures—to reduce the demand because the supply is short. The President urges us, and so do many others, to conserve fuel and energy, to cut down on automobile travel, air-conditioning, and use of electrical gadgetry in the home or office. We are asked to travel at 50 rather than 60 or 70 miles per hour on the highways, to buy smaller cars, or to use car pools and public transportation, and to restrain in other ways the habits or practices of an affluent society, which consumes so much fuel and energy. The President suggests that a 5-percent reduction in individual use of energy over the next 12 months is "a reasonable and attainable national goal."

Another specific goal of the administration, announced by the President, is to reduce energy consumption in the Federal agencies by 7 percent over the next 12 months. Each department and agency is to report by July 31 on specific steps to be taken in meeting this goal. The Secretary of Interior will monitor agency reduction efforts and report progress to the President. Among the measures to be taken are: Reducing the level of air-conditioning in all Federal buildings during the summer; cutting down the number of official trips taken by Federal employees; and purchase or leasing of smaller automobiles and other vehicles which provide good gasoline mileage.

The President reports that the Department of Defense, the largest single consumer of energy within the executive branch, has already taken steps to reduce its energy demands by 10 percent over last year, without jeopardizing military preparedness.

In the private sector, industry users will be asked to cut back on unnecessary consumption of energy and participate actively in the conservation effort. The Secretaries of Interior and Commerce will meet with industrial representatives to promote conservation. In doing so, the secretaries will work with Gov. John A. Love, the Director of the newly created Energy Policy Office—which I will discuss later. The Secretary of Transportation will work with the Nation's airlines, the Civil Aeronautics Board, and the Federal Aviation Administration to reduce the speed and frequency of commercial airline flights to achieve significant reductions in fuel consumption.

These conservation efforts are necessary and good. We have to discipline ourselves as a nation against waste and ostentation. We should slow down a bit in our driving and turn off those light bulbs early, as President Johnson became celebrated for doing in the White House, and which President Nixon now has elevated to Government-wide practice. It is proper for the Government to take the lead, and set an example in conserving fuel and energy.

To put these conservation measures in perspective, we should keep clearly in mind that the energy problem has various time dimensions. There are short-range, intermediate-range, and long-range energy needs and various ways to meet them. Each option we choose also has its own time constant.

Conservation practices, for the most part, are short-range adjustments to accommodate our daily habits and preferences to the energy deficits of the season. They alone cannot help us very much in the longer term. True, we can design buildings for more efficient lighting, heating, and cooling; we can discourage automobile use by taxes on horsepower and weight, or by installing effective mass transit systems in our cities. Such longer-range conservation measures at best are slow to induce change. They may help to bring about a better public understanding of energy problems but they do not necessarily produce the desired solutions.

In the longer-range, our energy needs will be met less by reducing demand than by expanding supply. For we are an industrial nation. Fuel and energy are the economic lifeblood of the industrial system in the United States and, indeed, of the developed nations of the world. We are a nation on wheels—burning up almost 300 million gallons of gasoline a day. We are a nation of electrified farms and factories, offices, and homes. We are the world's greatest consumer of energy. We are committed to a policy of economic growth and international competition which requires an expanding energy base.

Today, oil is, in large part, the energy base of our industrial system. It accounts for 45 percent of all energy consumption in the United States, a figure expected to increase. More than 30 percent of our oil needs currently is supplied by other nations. The awkward and embarrassing fact, so widely publicized in recent months, is that the United States depends on Arab countries for a significant portion of its oil.

According to a White House statement of April 18, 1973, if present trends are allowed to continue, the United States would have to import from 50 to 60 percent of its oil supply by 1985. Of these imports, 30 to 40 percent probably would come from Eastern Hemisphere sources. Together with Iran, the Arab countries produce 42 percent of the world's oil output and hold two-thirds of the world's proved reserves, said to be 670 billion barrels.

Projections of oil imports for the next 5 or 10 years point to alarming consequences in the financial drain of billions of dollars, a threat to our fiscal integrity and trade balance, and the danger of dependence on unstable and even unfriendly governments for the essentials of our national well-being. The lesson is drawn that we must take steps now to decide upon a national policy—which means a national strategy—to harness the energy resources still plentiful in our own Nation.

Since gasoline shortages are a visible fact of life, and affect almost everyone, more attention is being paid to immediate necessities than to long-range strategies. The President cites approvingly, among other things, his voluntary oil allocation program to help farmers and independent refiners and marketers receive an equitable share of available supplies. Those who criticize voluntary allocation as ineffective score the President's recent energy statement for its failure to propose a mandatory program and for its general lack of a sense of urgency.[2]

Whatever we do in the short run to conserve energy and to redistribute available supplies, heavy investments in money, time, and technology will be necessary before energy resources are developed to the point of making significant contributions to productive and commercial use. As an example, even if more oil is pumped from domestic wells, or imported from abroad, it has to be refined to make the gasoline and other fuels needed for daily use. The President tells us that at least eight oil companies have decided to construct additional refining facilities. His estimate is that within the next 3 years, these projects will increase refinery capacity by more than 1.5 million barrels daily. This represents a 10-percent increase over existing capacity. Not an insignificant amount; yet it will take 3 years to achieve a 10-percent increase in refining capacity.

In a broader context, and considering all the potentials for energy development, the Government will have to contribute its share of investment and support, for national energy policy is a public and not a private matter. Economic self-interest, by itself, will not insure that the resources will be developed for optimum use or in conformance with the national policy which must be established.

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[1] According to a White House fact sheet, the $100 million is in addition to the $25 million requested in the Department of Interior's FY 1974 budget.

[2] See, for example, Senator Humphrey's statement in the CONGRESSIONAL RECORD, June 29, 1973, p. 22330.

We are in this curious kind of situation. The United States is in the "twilight" of the fossil fuel age, and yet we have a vast potential in fossil fuels to develop and use. We have used energy resources as if their abundance will last forever. Now the day of reckoning is upon us. The reckoning becomes sharper as environmental considerations limit the use of available fuels.

It is generally recognized and accepted that better uses as well as new sources of fossil fuels must be explored. When we close down an oil field, more than half the oil is still in the ground. Then too, there is oil in vast quantities to be extracted from the shale deposits of our mountain States. There is coal enough for several centuries. Some of the problems are: How to recover that oil in the ground; how to make oil from shale cheap enough; and how to make coal-burning clean enough. These problems are not only technical but economic, environmental, and even political.

Even if fossil fuel sources are tapped for more energy production, they are not the whole answer to our energy needs—looking down the road. These are finite, depletable resources, and they are in demand for other uses than energy production. Petroleum and natural gas are an important source of raw materials for products of the petrochemical industries, where they are becoming increasingly more valuable to our economy as chemicals than as sources of heat energy. We should recognize and allow for these important trends toward such uses in assessing the energy potentials of fossil fuels.

Nuclear power—fission or fusion—has the greatest potential for meeting the Nation's future energy needs. At this stage of development and use, nuclear power is still in its infancy. Today, 4 percent of the electric generating capacity of the United States is by nuclear fission. By 1980, this percentage is expected to rise to 20 percent, and by the year 2000, to 50 to 60 percent.

How fortunate for this Nation that our Government was foresighted enough to recognize, more than a decade ago, the importance of nuclear power to supplement other sources of energy. As a member of the Joint Committee on Atomic Energy, I have been privileged to play a part in that effort and to help bring about the civilian power programs of the Atomic Energy Commission. These programs come closer to approximating a national plan than anything else in the energy field.

The impact of nuclear technology, present and potential, is thrown into sharp relief when we consider that in 1960 only three comparatively small central-station reactors for producing electric power were in operation. Today, we have 30 central-station nuclear plants producing electricity. Additionally, 60 are under construction and 75 more are on order. All these plants, when in operation, will have a capacity for producing 150,000 megawatts of electricity. The present generating capacity in the United States from hydro, fossil fuel, and nuclear fuel is about 350,000 megawatts.

Civilian power reactors now in use are known as light water reactors—LWR. There are two types: pressurized water and boiling water. They are proven reactors resting in large part on technology developed for Navy nuclear powerplants, of which more than 100 now drive submarines and surface ships. The Navy has accumulated 1,000 reactor years of safe operating experience. It is these proven reactors on which we must depend to expand nuclear power for civilian use in the years immediatley ahead.

Other reactor types are under development or construction. For example, a high-temperature, gas-cooled reactor is expected soon to be producing 330 megawatts of electricity in Colorado. This is a demonstration reactor. If successful, it will open the way to large-scale commercial plants which use the element thorium as a fuel.

Still more revolutionary in use of our nuclear fuel resources is the breeder reactor. Even now, under our national nuclear power program, we are preparing to build a 400-megawatt demonstration plant utilizing the liquid metal fast breeder reactor—LMFBR. It will provide practical, on-line working experience with an energy process that will increase the energy recoverable from our uranium ores at least thirty-fold. This offers a virtually limitless source of energy. Today's light water reactors use less than 2 percent of the potential energy in the uranium fuel they burn. The LMFBR, on the other hand, will be designed to utilize 60 percent or more of this potential energy and, moreover, to permit use of higher cost uranium ores without significant economic penalty to the consumer.

The LMFBR promises a large and effective expansion of energy supplies. Can the promise of the LMFBR be realized—and when? Like many other energy concepts, this concept has been proved in the laboratory and in numerous reactor experiments. Other nations also have been working on it and have experimental plants in operation; indeed, it is the primary long-range energy development effort of every advanced industrial nation of the world. After 10 years or more of intensive research and development, we are ready to move into a large-scale engineering and demonstration plant program. It will take 8, possibly 10 years to build that first plant and to test it in operation. And, before the economic use of the LMFBR can be established, one or possibly two more full-scale demonstrations reactors will have to be built. This, along with other engineering and safety work, must be done to provide a sound industrial base for supplying energy needs from this source.

If three demonstration plants are built in sequence, it will take 15 to 20 years before all of them are on-line. At the present pace of decisionmaking in Washington, we may well be in the 1990's and pushing the turn of the century before the LMFBR is fully proven for commercial operation.

I say the LMFBR development should be stepped up. Building of the first demonstration plant is ready to go, awaiting Government-industry agreement on the terms of a contract. Funding of preliminary design work for the second demonstration plant was added to the Atomic Energy Commission's current authorization bill by the Joint Committee on Atomic Energy and approved by the Congress this month.

The Joint Committee also recommended additional funds for reseach and development on the gas-cooled, fast breeder reactor and restored funds to the AEC budget to continue work on the molten salt breeder—work which otherwise would have been terminated this June 30. These are other promising approaches to nuclear breeding. The Joint Committee regards the investigation of these technologies as prudent and justifiable to advance breeder technology on a broad front.

We should try to compress the time scale of the LMFBR because we must develop the energy base for the future. We must must give heed not only to our own necessities but to those of our children and the generations to come. If there is one lesson to learn about energy shortages, it is that they cannot be solved in a day, or a year, or even a decade. Research and development efforts which give rise to new families of reactors, as well as broad technological advances in nonnuclear fields, are measured in decades if not generations. Concept and design take years to develop. Costly experimental and test facilities must be built and engineering and proof testing must be done with each of these concepts of design. Reliability, safety, economic operation, and public acceptability must be shown. And commercial powerplants take years to build, even after construction permits are granted.

ATTRIBUTES OF A SOUND ENERGY POLICY

I would now like to sum up, in general terms, what I consider to be essential attributes of a sound energy policy for the Nation. There is nothing particularly novel in the points to be made. They reflect the concerns of many in the Congress and elsewhere. They emphasize issues which will have to be considered by policymakers and planners in the energy field.

Sound policy in the energy field requires, first and foremost, that we project our energy needs on the basis of the best information we can get, and that we have a comprehensive national plan for meeting those needs. In the electrical energy component, for example, this plan will have to provide for systematic expansion of generating capacity. I have seen estimates, on the basis of projected needs, that by 1980—in less than 7 years—we will need more than double the electrical generating capacity we have today; and by the year 2000, we will need three times the capacity of 1980.

Sound policy requires that we mount and maintain research and development programs to harness energy from all promising sources, whether these be the heat of the Sun or the Earth, the ocean tides, the fusion of hydrogen atoms, or other potentials not yet explored. Funds for these research and development programs will have to be judiciously apportioned. First and foremost is the selection of the highest priority projects. Then, appropriate levels of effort have to be maintained, to insure continuity and balance. As breakthroughs occur or more promising results are indicated in one direction rather than another, our research and development efforts should be so organized and conducted as to respond quickly to such developments.

Sound policy requires that Government and industry join together in cooperative endeavors and a reasonable apportionment of responsibilities and risks in developing new sources of energy. I use the term "industry" in a broad sense to include not only the electrical and other utilities, both publicly and privately owned, but equipment manufacturers and producers of raw materials which bear upon energy development. We know from experience that these joint efforts are necessary but often difficult to arrange. The LMFBR is a case in point. The Atomic Energy Commission and the electrical utilities have joined together in a cooperative arrangement, with two public service corporations to carry on this joint effort. However, there are many difficult problems about the sharing of investments, risks, and management controls.

Sound policy requires that we minimize our dependency in the long run on foreign supplies of fuel and energy. We live in an interdependent world; and, of course, we should see to maintain friendly and cooperative political and business relationships with other nations in the interest of continued production and equitable distribution of such fuel sources as oil, natural gas, and uranium. Nevertheless, a concerted national effort must be made to avoid excessive dependence on foreign sources, particularly in unstable areas, for the energy fuels to maintain our industrial and military strength.

Sound policy requires that, in pursuing systematic development and production efforts to acquire needed energy supplies, we avoid the furtherance of monopolistic controls, rigged markets, and price gouging of American consumers. Too much is at stake in this Nation's future to permit the energy crisis to be manipulated for profiteering and undue private advantage. Powerful forces in segments of the energy field are working toward monopoly control. It is the Government's responsibility to counter these trends—to expose them to the public eye, and to take whatever measures are necessary to regulate and control them in the interests of full competition, fair pricing, optimum production, wide distribution, and proper regard for public safety.

Sound policy requires a proper balance between environmental and economic needs. We cannot yield indiscriminately to the emotional demands of zealots for an immaculate environment, or to the calculating demands of hard-nosed entrepreneurs who, in search of profits, would foul the air and water with industrial waste. Competing sets of values, both necessary to the Nation's health and welfare, are at work. It will take statesmanship of the highest order to reconcile them. The answer cannot be procrastination and stalemate, but decisions that are sane and sensible for a nation that is dynamic, not static; growing, not declining; with energy needs doubling or tripling within relatively short spans of time.

Sound policy requires conservation measures to reduce consumption of energy. Such measures, as I indicated earlier, are worthwhile and necessary even though they cannot be the full answer to energy deficits down the road. Restraint and self-discipline are essential, not only for individual users of energy but for commercial and governmental, including military, users. Incentives and regulations, where appropriate, should be developed to promote conservation measures; and Federal assistance should be provided, as in promoting mass transit to reduce automobile travel.

Finally, sound energy policy requires a firm and competent organizational base in Government. President Nixon, in his recent message, proposes a far-reaching realinement of governmental functions and responsibilities for energy research and development, production, and policy coordination. I will now address the President's organization proposal, stating the rationale as I understand it, and giving my preliminary reactions. We, in the Congress, of course, will need time to study this proposal in detail. We will have to determine whether it is well-considered and deserving of acceptance. Undoubtedly there will be some modification. The Congress will want to be assured that this is a workable organization, one which will perform with realism and competence.

REALINEMENT OF GOVERNMENT ORGANIZATIONS

First, the President proposes a new Department of Energy and Natural Resources—DENR—which will include as one of five operating units an Energy and Minerals Administration. The other four Administrations in the Department would be: Land and Recreation Resources; Water Resources; Oceanic, Atmospheric, and Earth Sciences; and Indian and Territorial Affairs. Each of the Administrators heading these components would be appointed by the President by and with the advice and consent of the Senate. The new Department, based upon the existing Department of Interior, and encompassing additional resource-oriented functions transferred from other departments and agencies, would have an estimated budget of $5.385 billion and 91,150 full-time employees.

The DENR proposal restates, with some modifications and more emphasis on the energy aspect, President Nixon's proposal to create a Department of Natural Resources, first made in January 1971. Directing our attention to the energy component, the Administrator of Energy and Minerals in DENR would be responsible for assessing national energy and mineral needs and production capabilities, relating them to Federal policy, plans, and requirements, including research and development. He would encourage energy conservation and environmental safeguards. The Administrator would collect and analyze energy data and statistics and administer health and industrial safety programs in the energy field. Federal agencies for the marketing of electric power also would be within his area of responsibility.

Existing energy organizations and programs in the Department of the Interior would be transferred to the new Department. These include Office of Energy Conservation; Office of Energy Data and Analysis; Office of Oil and Gas; Office of Research and Development; Bureau of Mines—except Office of Coal Research and Energy research centers; Mining Enforcement and Safety Administration; and Bonneville, Southeastern, Southwestern, and Alaska Power Administrations. Additionally, the uranium and thorium assessment program would be transferred from the AEC, and the Office of Pipeline Safety from the Department of Transportation.

The second organizational move would be to create an independent Energy Research and Development Administration—ERDA. This Administration would be headed by an Administrator—and a Deputy Administrator—appointed by the President, by and with the advice and consent of the Senate. Based upon the AEC complex of laboratories, facilities, and contractor organizations, ERDA would be the key Government agency for research and development in all forms of energy. In the President's words:

> The new Administration would have central responsibility for the planning, management and conduct of the Government's energy research and development and for working with industry so that promising new technologies can be developed and put promptly to work. The new Administration would be organized to give significant new emphasis to fossil fuels and potential new forms of energy, while also assuring continued progress in developing nuclear power.

It is clear from this statement that ERDA will be a focal agency for research and development of energy in all forms, not just nuclear. This should allay the concerns of those who fear that nonnuclear research and development will be swallowed up in an atomic energy agency with a different name. It makes good sense, in my opinion, to build a new research and development agency for energy upon the broad technical base of the AEC's existing laboratories and facilities, its experienced industrial contractor organizations, its trained scientists, engineers, and technicians.

ERDA would acquire all of the functions, authorities, and resources of the Atomic Energy Commission with two exceptions: First, the uranium and thorium assessment program—transferred to DENR, and second, the Commission's licensing, regulatory and related environmental and safety functions. The functions transferred to ERDA from AEC would include nuclear materials production, reactor development, military applications, physical research, biomedical and environmental research, controlled thermonuclear research, nonnuclear energy research and development, and other nonregulatory functions.

Additionally, ERDA would acquire the Department of Interior's research and development functions in fossil fuels. Specifically, the Office of Coal Research and the energy research centers of the Bureau of Mines, and the synthane pilot plant for high BTU coal conversion, now under construction in Bruceton, Pennsylvania, would be transferred to ERDA. Research and development in underground power transmission, now in Interior, also would be transferred. Measured by 1973 budget and personnel estimates for the functions to be incorporated in the new agency, ERDA would have a budget of $2.322 billion and 6,750 full-time employees. According to the White House statement of June 29, the bulk of the $25 million requested in the 1974 budget of the Interior Department also would be transferred to ERDA.

The licensing, regulatory and related functions of the AEC would remain with the truncated five-member Commission, renamed the Nuclear Energy Commission—NEC. The resources directly associated with the AEC's licensing and regulatory functions are estimated at $40 million in net 1973 budget outlays and about 1,275 full-time permanent employees. The precise separation of functions as between ERDA and NEC is not specified in the draft legislation but is the subject of studies now under way.

Third, by Executive Order No. 11726 of June 29, 1973, the President has created an Energy Police Office—EPO—in the Executive Office of the President. This is not altogether a new action, since the President created a National Energy Office by Executive Order No. 11712 of April 18, 1973. At that time, it will be recalled, three assistants to the President, John D. Ehrlichman, Henry A. Kissinger, and George P. Shultz were designated a Special Committee on Energy. The Director of the National Energy Office was to recommend policies and guidelines for Government-sponsored energy programs under the supervision of the special committee. The President had appointed Charles J. DiBona as a special consultant on energy, to take charge of an energy staff in the President's office and apparently also to serve in the capacity of director.

The new Energy Policy Office absorbs the previous National Energy Office and replaces the Special Committee on Energy. The EPO is to be headed by a Director, who will serve also as Assistant to the President for Energy. According to the White House statement on the subject, the "Director will serve as the President's principal energy advisor and be responsible for identifying major problems, reviewing alternatives, making policy recommendations, assuring that agencies develop short and long-range plans, and for monitoring the implementation of approved energy policies."

The President announced on June 29, 1973, that he was appointing Governor Love, of Colorado, as the Director of EPO. Upon officially accepting this position, Governor Love will resign his State office. According to the President's statement, Mr. DiBona, special consultant on energy, will continue in his present advisory capacity, working within EPO.

The President also announced that he would order the establishment of a high-level Advisory Council to assist the EPO Director. I understand that the membership is to comprise representatives of coal, oil and gas industries, public utilities, automobile manufacturers, State governments, and environmental and scientific interests, although the composition of the Advisory Council has not yet been described in detail. Presumably Governor Love will determine the make-up of the advisory group.

Draft legislation to create the Department of Energy and Natural Resources and the Energy Research and Development Administration was submitted to the Congress by the President on June 29. Since the Energy Policy Office and its Advisory Council are created by Executive order, the President did not include them in the legislative package. I have introduced this bill, by request. Mr. HORTON, the ranking Republican member of our committee, is a cosponsor. The bill (H.R. 9090) has been referred to the Committee on Government Operations.

SOME PRELIMINARY OBSERVATIONS

My preliminary reaction to these organizational proposals is that they outline a promising pattern but, at the same time, pose many difficult problems which will have to be resolved in legislative hearings and amendatory provisions to the original bill. For leading with longer term energy problems, the most promising aspect, as I see it, is transforming the AEC into a broadbased Energy Research and Development Administration. I have been convinced for some time that this step should be taken, and have, on several occasions, conveyed my views to the Administration. An earlier preparatory step was the provision, already mentioned, in the 1971 AEC Authorization Act, which I supported and the Congress approved, permitting the AEC to undertake research in nonnuclear as well as nuclear energy. In other words, the Congress already has authorized the general use of AEC facilities and talents for all types of energy research and development. President Nixon's request that the AEC direct an evaluative survey of energy research and development needs is in line with this authorization.

The part of the administration's proposal relating to ERDA presents some difficult problems, both internal and external to the legislation. The bill proposes to separate the licensing and regulatory functions for retention by the truncated AEC—or NEC—with most other functions transferred to the ERDA. It is not always easy to identify regulatory functions, and there is no definition of such functions in the bill. Thus, it is not clear on its face what the bill requires in the sorting out and allocation of responsibilities between ERDA and NEC. Language in the Atomic Energy Act, assigning numerous responsibilities to the Commission, complicates the problem of dividing up the functions and insuring that essental ones will not fall between the cracks, or that the intent of Congress will not be nullified.

I can think of numerous examples to illustrate the point. Perhaps one or two will suffice. The law provides for a General Manager of the AEC, to be appointed by the Commission. What happens to this statutory office upon the transfer? It is not clear whether this office lapses altogether, or is transferred to ERDA, or remains in some capacity with NEC.

The law presently ties the Joint Committee on Atomic Energy rather closely to the AEC. The committee must be kept fully and currently informed of AEC activities, and it has statutory duties in authorizing programs, reviewing certain types of agreements, and so forth. In what ways is the committee affected by the proposed reorganization? Certainly, members of the committee and of the Congress will be quite interested to know. Will both ERDA and NEC be accountable to the Joint Committee, as the AEC was in the past?

Considering the broad energy research and development responsibilities of ERDA, how will the jurisdictional interests of other committees in the Congress be accommodated? Because H.R. 9090 is a reorganization bill, it was referred in the House to the Committee on Government Operations for consideration. If and when the bill is enacted into law, the committees having jurisdictional interest in energy affairs will be severally involved in the authorization, funding, and legislative oversight of the activities in the new organizations.

The diffusion of energy matters among numerous committees of the House and Senate has led to a proposal to establish a Joint Committee on Energy. It would make sense, in keeping with the proposed reorganizations on the executive side, to transform the Joint Committee on Atomic Energy into a Joint Committee on Energy. Conceivably the committee's representation could be broadened to include members of other committees having related responsibilities. An alternative to a joint committee, of course, is separate House and Senate committees on energy. Without at this time passing judgment on the alternatives, I would remind the Members that exacting responsibilities in monitoring nuclear development and production programs and projects, encompassing military as well as civilian applications, still must be met. The Joint Committee on Atomic Energy has the expertise in membership and staff and the cumulative experience of 25 years or more in dealing with such matters.

The heart of the new administration—ERDA—from the energy standpoint is research and development—exploring energy potentials and bringing them to the point of practical usage. At the same time, the new department—DENR—undoubtedly will have to conduct research and development programs in support of its energy functions centered in the Administration for Energy Resources. Assessing national needs, developing plans and policies, and promoting conservation measures, cannot be done without research and development. The department, with an energy component, and the independent agency apparently will have overlapping responsibilities. In practice, coordination between them will be essential but not easy to achieve. Presumably the President's advisor, in the capacity of Director of the EPO, will be charged with effecting the necessary coordination.

This policy and coordinating mechanism, for energy policies and programs, at the highest level of the executive branch, is bound to create some problems on its own. On the one hand, the lack of a suitable mechanism for energy policy development and coordination has been the subject of much comment and criticism. On the other hand, strong policy direction from the EPO may be viewed as possible interference with the independence and initiative both of the Secretary of DENR and the Administrator of ERDA, if those organizations are created. Undoubtedly, there will be talk of an "energy czar."

Uneasiness about an energy czar seems to underlie the congressional preference for a Presidential advisory apparatus on energy affairs which has more than one member, and appointments to which should be confirmed by the Senate. A bill (S. 70) providing for a three-member Council on Energy Policy in the Executive Office of the President, the members to be appointed by the President by and with the advice and consent of the Senate, passed the Senate on May 10, 1973. Among the duties of this Council would be to develop and update a national energy plan embracing the development, utilization, and conservation of energy within the United States.

It is evident that the President and the Senate have a somewhat different approach to the high-level energy policy unit in the Executive Office of the President. In considering these matters, we may have to reconcile the different approaches and make additional decisions about the membership, authority, and duties of both the coordinating and advisory mechanisms, keeping in mind that the Senate action was taken before the President submitted his own organizational proposals to the Congress.

Mr. Speaker, I have discussed the prime policy considerations and outlined the pattern of reorganization proposed by the President to provide for the energy needs of our Nation. Our committee intends to hold hearings on H.R. 9090, incorporating the reorganizational proposals. Hearings have been scheduled for July 24, 25, and 26, 1973. These will serve to place on the record the administration's proposals for Federal energy organization and to examine the major problem areas. After the August recess, additional hearings will be scheduled, so that the committee can examine, with the necessary detail and particularity, all facets of the proposed legislation.

It should be pointed out that the bill is not confined to energy matters alone; it proposes a new department encompassing management of water resources; oil and gas pipeline safety; power marketing; Indian and territorial affairs; recreation, fisheries, and wildlife; raw materials—including uranium; weather and ocean concerns; reclamation and public lands; public works planning and funding for the Corps of Engineers; and numerous other matters. These bear upon the interests of many groups and organizations in our society and of many committees in the Congress.

To examine and perfect legislation of this nature is an exacting and difficult task. Our committee will endeavor to discharge its responsibilities, and in due time, report its recommendations to the Congress.

EVERETTE MACINTYRE: DEFENDER OF THE PUBLIC INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the retirement of the Honorable A. Everette MacIntyre—known affectionately to his friends as "Mac"—brings to mind that certain day in January 1961 when I asked President-elect John F. Kennedy to appoint Everette MacIntyre to the Federal Trade Commission. I said then that I was recommending Everette because he was "the best antitrust lawyer in the United States," and in the past 12 years, Mac has in every respect fulfilled my prediction that he would bring to the FTC the finest legal skills and scholarly learning to be found in the entire Nation regarding the many complex areas of trade regulation.

Commissioner MacIntyre is, in fact, one of the most astute men ever to enter Government service. There are few who can equal his energy, dedication, intellectual brilliance, and unassailable integrity. Over the 54 years that I have held public office, it has been my observation that our democracy requires the constant attention of people like Everette MacIntyre who, over and above all other considerations, are devoted to the public interest. It is this selfless dedication to the general well-being of the people that has made Everette MacIntyre one of the best Federal Trade Commissioners in history.

Everette went to the Federal Trade Commission at a time when our regulatory agencies were tragically moribund, due in large part to the real scarcity of men technically trained to handle those specialized and supercharged problems in which the rights of individuals so frequently collide with the public interest. In my mind, the appointment of Everette MacIntyre was the most constructive step that could be taken to remedy lax enforcement while insuring the proper balance of all the important elements of our free enterprise system—and I note that at the time of his appointment, Mac already had an unparalleled record of public service, marked by a penetrating understanding of the intricate issues involved in trade regulation, and a deep concern for the democratic processes of government.

He brought to the position of Commissioner his expert and comprehensive knowledge of the laws and regulations administered by the FTC, and a strong desire to see these laws work. Through his many years of diligent, meticulous, and painstaking attention to duty, Everette has demonstrated that trade can be successfully regulated to maintain both the efficiency and smooth functioning of our unique economy. He worked hard to preserve the vigorous and honest competition that is vital to the existence of the innumerable small and medium size businesses which are the foundation and the bulwark of our Republic and of our free enterprise system.

Everette MacIntyre exerted a tremendous influence on the work of the Federal Trade Commission and brought to that agency renewed recognition and respect. By expanding the role of FTC beyond its adjudicative functions into the areas of rulemaking and interpretative procedures, he did as much as any man of his time to safeguard the country against the dangerous economic concentrations which, if uncontrolled, could forecast the doom of democratic government as we know it in this country.

My personal knowledge of Mac's far-reaching abilities and talents goes back a long way. In 1935, as chief counsel to a special House committee, he produced a vast body of material which was later to be used in the formulation of the Robinson-Patman Act, frequently referred to as "Magna Carta of Small Business." Later, as staff director and general counsel of the House Select Committee on Small Business, he directed numerous studies into a wide range of problems affecting trade and commence—particularly with reference to their effect on competitive markets and small business firms. Through many effective and prodigious years, which comprised the formulative period for that committee, he became one of this country's great champions of small business. Much of the legislation that has kept the wheels of commerce and industry properly harnessed to the real needs of our society has been the work of Everette MacIntyre.

I have had a pleasure of knowing Mac for some 37 years now, and I am deeply honored and privileged by this long-continued professional association and our warm, personal friendship. Indeed, I have never known a more solid, dependable, responsible, and thoroughly admirable individual than Everette MacIntyre. He is a superb patriot who has devoted a lifetime in outstanding services to his country. Every American is, indeed, indebted to this fine gentleman for the benefits he has conferred upon the style and quality of life in America. Therefor, with great respect and deep-felt affection, I wish for him, for his charming and devoted wife, Reita, and for their son, Miles, who as a young attorney shows every promise of following in his father's footsteps, every possible happiness and success in the years that lie ahead.

THE SOCIAL SECURITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WALSH) is recognized for 10 minutes.

Mr. WALSH. Mr. Speaker, during consideration last year of the amendments to the Social Security Act, one new section was adopted which has since created a significant problem in the area of skilled nursing home services and intermediate care facilities.

Section 225 of Public Law 92-603 added a new section 1903(j) to the Social Security Act which placed a restrictive limit on the amount payable to any State with respect to expenditures for skilled nursing home services furnished in any calendar quarter beginning this January.

The limitation simply places a 5-percent ceiling on increases in nursing home and intermediate care facility costs which will be allowed as expenditures under the State plan. Anything over this amount will not be reimbursed.

The act also makes provision for an increase in the percentage by authorizing the Secretary to make such an increase if the minimum wage is increased, if Federal law requires an upgrading of services resulting in an increase in cost, or if any Federal law causes an increase attributable to it.

This section of the law, Mr. Speaker, has created a situation that has become totally untenable. Several points must be made:

Section 225 places an arbitrary ceiling on cost increases and fails to allow States not paying the cost at the time of adoption the opportunity to catch up if the costs exceed the 5-percent limitation.

Section 249 of the same public law in which section 225 appears calls on the States to adopt a system of reimbursement related to cost for skilled nursing and intermediate care not later than July 1, 1976. Section 225 will simply not allow a true cost-related reimbursement system to become effective because of the 5-percent limitation.

Section 225 allows the Secretary to increase the percentage if the minimum wage is increased, but make no allowance for increases above the minimum wage, nor does it allow corresponding increases to other employees if those increases exceed 5 percent.

This section also makes no allowance for inflation and it adds an unnecessary control over an already highly controlled health care delivery system.

Mr. Speaker, I feel that there is no way this section can be corrected to provide an equitable solution to all of the States and have therefore, today introduced legislation to repeal it.

If this section is not repealed, the quality of patient care for thousands of ill and infirm Americans will be reduced irreparably. I call on all of my colleagues to support this bill in the interest of nationwide health care and, more particularly, in the interest of the many patients who may be denied nursing home and intermediate care if these facilities are forced to close their doors.

SENATOR BUCKLEY WARNS THAT STRATEGIC SUFFICIENCY IS NO LONGER ENOUGH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, last Monday evening on the American Enterprise Institute's weekly "Rationale Debate Series" the able and distinguished junior Senator from New York, JAMES BUCKLEY, made noteworthy contribution to the ongoing dialog regarding United States-Soviet nuclear capacity and credibility. While we are increasingly, and commendably, moving from an era of confrontation toward an era of negotiation and benign mutual interest, we cannot afford to accept the logic that a fixed number of nuclear weapons are sufficient. The Soviets clearly have not done so. Rather, they continue to amass stockpiles of such sophistication as to pose a threat to our criteria for "sufficiency."

Posing a hypothetical United States-Soviet confrontation in which the present situation of U.S. nuclear sufficiency is no longer apparent, Senator BUCKLEY cogently details the advantages accruing to the Nation in possession of strategic superiority. He says—

> The Soviets, because of their overwhelming strategic strength, would achieve an important political victory without ever firing a nuclear missile.

Currently in the midst of SALT II talks, we must weigh the lessons of history. A nation's nuclear capability historically has been a reliable index of that nation's response to confrontation; that is, the Soviet's acquiescence in the Cuban missile crisis. But will the Soviets continue to acquiesce? While maintenance of our defense system is costly, negotiation or confrontation in a position of inferiority would be far more costly in terms of American security and American vital interests.

At this point, Mr. Speaker, I would like to commend to the attention of my colleagues the very important remarks of Senator BUCKLEY with which I wish to associate myself.

STRATEGIC SUFFICIENCY—FACT OR FICTION

Since the end of World War II, there have been few debates over matters of public policy as significant as the current one over the adequacy of our defense programs; and although expenditures for our strategic nuclear forces account for only ten per cent of our total budget for national defense, arguments over what ought to be their size and composition lie at the heart of the controversy.

Ever since the Soviet Union detonated its first nuclear device, the central thrust of our startegic planning has been to maintain a retaliatory capacity such as to render it unthinkable that any enemy would launch a nuclear attack on the United States or her allies. The doctrines which have been evolved to achieve this end have been variously labeled "massive retaliation" in the 1950's, "assured destruction" in the 1960's, and now "sufficiency" in the 1970's. Whatever their differences in degree, each of these doctrines is premised on our continuing ability, under any plausible set of circumstances, to launch a second strike nuclear attack capable of inflicting an unacceptable degree of damage on the enemy.

"Assured destruction" was once defined by former Secretary of Defense Robert McNamara as the capability to destroy between one-fourth and one-third of the Soviet population plus three-fourths of their industrial base. Our new doctrine of "sufficiency" is less apocalyptic in its concept of an adequate deterent, and it is to the extent more flexible, and infinitely more humane. But by the same token, because it deals in far narrower margins of destruction, it must allow for a far narrower margin of safety. It is over the line which separates "sufficiency" from "insufficiency" that the present controversy revolves.

In his defense posture statement for the fiscal year 1972, Secretary Laird described the four major criteria for "sufficiency" as follows:

"Maintaining an adequate second-strike capability to deter an all-out surprise attack on our strategic forces.

"Providing no incentive for the Soviet Union to strike the United States first in a crisis.

"Preventing the Soviet Union from gaining the ability to cause considerably greater urban/industrial destruction than the United States could inflict on the Soviets in a nuclear war.

"Defending against damage from small attacks or accidental launches."

To these four I would add a fifth, namely:

"Maintaining a strategic capability relative to that of the Soviet Union which is sufficient to sustain the continuing confidence of our allies in the American nuclear umbrella."

I suggest this fifth criterion because as of the present, our major security alliances, and our major efforts to prevent a proliferation of nuclear powers, have in the last analysis depended on the credibility of America's willingness to resort to nuclear warfare in order to repel an attack on our allies.

There is no question among professional observers that as of this moment, our strategic forces are adequate to meet the first three criteria cited by Secretary Laird; that is to say, adequate for the primary purpose of deterring a massive strategic attack on the United States. This is so because of our present qualitative superiority in the areas of ballistic missile guidance, electronics, and relevant aspects of computer technology.

Given the dramatic and sustained growth of the Soviet military forces since the mid-1960's, however, serious question has arisen in the minds of professionals and laymen alike as to how long our forces will continue to meet the major tests of "sufficiency". It is the pattern as well as the growth of the Soviet Union's strategic forces which causes these observers such great concern. For the pattern suggests that the strategic objectives of the Soviet Union go far beyond those required by a reciprocal policy of sufficiency or assured destruction.

While the conventional wisdom holds that any deployment of nuclear warheads beyond a certain number is simply superfluous, the excess representing merely an "overkill" capacity, the Soviets have nevertheless long since exceeded the numbers and payload capacities rquired by any policy of deterrence, and they continue to pour enormous resources in the further expansion of both their ICBM and their SLBM systems. Furthermore, while we have deliberately avoided either procuring a counter-force capacity or taking serious measures designed to protect our civilian populations, lest such purely defensive measures be deemed provocative, the Russians have quite clearly been working to develop an effective capacity to destroy our land-based offensive weapons while at the same time erecting an ABM system and implementing evacuation measures which have led at least one authority to estimate that today no more than five million Russians may be considered to be hostage to our deterrent capabilities.

Taken altogether, the evidence suggests that the strategic thinking of the Soviets is not shaped by our essentially defensive concept of deterrence, but rather by a determination to achieve a position of overwhelming power which will not only enable them to inflict far more damage on us than they would have to absorb in the event of a nuclear war, but which would at the same time vastly reinforce their own increasingly expansionist diplomatic initiative.

The Russians, in short, appear to understand what we are apt to forget because we find the prospect of nuclear warfare so abhorrent; and that is, that the mere possession of the instruments of terror represented by nuclear weapons has a profound influence on the course of events even though they are never unleashed. Churchill once observed that "Peace is the Child of Terror." So long as the balance of terror is not tipped against us, we maintain some control over the nature of that peace. Otherwise, the Soviets in the end will most assuredly dictate its terms.

I happen to believe that the world will never experience a nuclear holocaust. But experience already tells us that the possibility and consequences of a nuclear exchange, however, remote, will inevitably have to be weighed in any major political confrontation between nuclear powers; and the outcome of these confrontations will inevitably turn to some degree on the opposing nations' perceptions as to the probable outcome of such an exchange. Thus the ultimate strategic reality may depend not so much on a technician's balancing of the relative capabilities of the opposing forces as on the calculation of the risks to be incurred and the advantages to be gained which is made at a given point in time by the then leaders of the United States and the Soviet Union.

At the time of the Cuban missile crisis, the Soviets had no choice but to back down because of their assessment of our determination and because they could not risk a nuclear confrontation in the face of our overwhelming superiority. However, if at some future date a similar crisis were to arise, and our then President were to conclude that the Soviets were determined to achieve their political objectives; and further, if he were to believe that on balance they would be willing to assume the risk of a nuclear exchange in which we would experience far greater losses than would the Soviets; or if he were convinced that they believed we would back down because of their relative superiority; then under such circumstances it is understandable that a President might well decide that prudence and consideration of common humanity required him to yield vitally important ground. Thus the Soviets, because of their overwhelming strategic strength, would achieve an important political victory without ever firing a nuclear missile. Should future circumstances dictate such a result, then it is clear that we would no longer possess a strategic sufficiency.

Let us now examine whether the facts justify the fear that unless we begin soon to invest significantly more in improving the defensive and offensive capabilities of our strategic forces, in another four or five years an American President might in fact find himself with no prudent choice but to back away from a confrontation in which critically important American interests are at stake.

In this context, it is important to understand the differences in character which exist between the U.S. and Soviet strategic forces. These differences have become especially important in light of the extraordinarily rapid growth of the Soviet Union's strategic capabilities.

In the areas of intercontinental and submarine launched ballistic missiles. What makes the Soviet effort particularly significant is the payload capacity that they have already achieved in their ballistic missile forces as compared with ours. The Soviets have concentrated their efforts on the deployment of ballistic missiles and have placed far less of a reliance on bombers than we have. Thus while our ICBMs and SLBMs have an aggregate payload capacity of 1,888 megatons, theirs have an existing aggregate capacity of 9,770 megatons, more than five times ours. What is more, while our ballistic missile systems have remained static since 1967, theirs are continuing to expand.

As of the present time, the Russians are unable to take full advantage of their very large payload capacity because they have not yet caught up with us in multiple warhead and guidance technology. The total payload capacity or "throw-weight" of their ballistic missiles remains, nonetheless, the best available measure of their potential capabilities. The reason for this is that for a given sophistication of warhead technology, the "throw weight" available to each side will set the upper limit on the number of warheads which each is able to deploy.

Thus if the Soviets were to achieve the same degrees of sophistication as we now enjoy on a production line basis for our Minuteman III and Poseidon missiles, then they could translate that superiority into a more than fivefold advantage in deliverable warheads; and given the enormous investment which the Soviets are currenly making in military research and development—approximately $3 mililon per year more than we are at the present time—it would be imprudent to assume that they will not soon catch up with us in warhead and guidance sophistication.

With these facts in mind, let us now consider a hypothetical political crisis in 1976 between the United States and the Soviet Union involving a Soviet insistance on the neutralization of Western Germany. In determining his options, the President would have to assess what might be the plausible results of a "First strike" attack of our strategic forces.

For purposes of this scenario, let us assume that the Soviet payload capacity has been frozen at its present level, that the United States has made no qualitative improvements in its strategic forces other than those which are now programmed, and that the Soviets have achieved plausible improvements in their military technology. This would mean that by the time of the hypothetical crisis, none of our new strategic systems, such as the ULMS ballistic missile launching submarines, the B-1 bomber and the Safeguard ABM system, would be operational while the Soviets would have achieved the ability, among other things, to arm each of their 300 existing SS-9 ICBM's with six independently targetable re-entry vehicles of two megatons each with sufficient accuracy to destroy a hardened military target such as a Minuteman missile silo.

Under these circumstances, the Soviets would have a capacity with their SS-9's alone to launch 1800 warheads in a disarming counterforce first strike against key U.S. strategic targets. Such an attack, if properly timed and coordinated, would be capable of destroying one-third of our Polaris submarines in port, the majority of our heavy bombers, and perhaps 90 percent of our Minutemen. This estimate, incidentally, coincides with one recently made by the editors of the authoritative British defense review, *Jane's Fighting Ships*. Assuming such an attack, the Soviets would have remaining sufficient strategic forces in being to threaten our surviving strategic forces and to devastate our cities. This remaining capacity would include over 1,000 ICBM's, 500 SLBM's, and their entire force of bombers. We would still have the suicidal capacity to destroy five million Russians, being one-fourth the number killed by Stalin during the great purges, and perhaps as much as seventy-five per cent of their industrial bases.

But in deciding whether or not to order a retaliatory strike, the President would know that every one of our own urban and industrial centers would be open to devastation. Faced with these possible consequences, faced with the possible annihilation of tens of millions of Americans, it is understandable that an American President might hesitate to go to the Brink. And if, in our hypothetical crisis, the West Germans were to have any doubts as to our willingness to hold the line, they in turn might seek an accommodation with the Soviet Union rather than risk a direct attack. And such an accommodation, of course, would spell the end of the NATO alliance.

If this scenario for a 1976 crisis is plausible, and I fear that it is, then we are facing an imminent insufficiency in our strategic capabilities. They would be insufficient because the first strike capacity of the Soviets to decimate our strategic forces without directly attacking our population or industrial bases would have the effect of shifting the factor of deterrence so as to preclude an assured retaliatory strike by the United States. This is the strategic situation which we may well be facing by the mid-1970's unless we either succeed in negotiating meaningful and enforceable limitations on our respective strategic forces, or unless we begin now to work for those qualitative and quantitative improvements in offensive and defensive strategic capabilities which will be required to maintain not only the credibility of our deterrent forces, but the credibility of our willingness to utilize them in the event the deterrence fails.

CONTINUING CLOSE RELATIONS WITH REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. LOTT) is recognized for 5 minutes.

Mr. LOTT. Mr. Speaker, on Tuesday, 10 other Members and I introduced House Concurrent Resolution 263 providing for continuing close relations with the Republic of China. Today, with 20 other Members of this House, I am introducing an identically worded resolution. This brings to 31 the number of Members cosponsoring this resolution. I trust that the Committee on Foreign Affairs will quickly consider this resolution.

The problem of China is, I realize, a thorny one. The dispute between the People's Republic of China and the Republic of China is a deep one which cannot be easily resolved. Some believe it to be in our interest to seek better relations with the People's Republic of China. The People's Republic of China, acting in what it perceives as its own interests, has sought to undermine the position of the Republic of China in world affairs, and has succeeded in doing this to an alarming extent. We are all aware of the unceremonious expulsion of the Republic of China, a founding member, from the United Nations and the string of ruptures in diplomatic relations between the Republic of China and a number of countries of the Free World which have followed. The situation of the Republic of China has, as a consequence, become very difficult.

The Chinese, however, are not easily discouraged. Far from collapsing, the Republic of China has coped very well with the highly adverse international situation. The Ambassador of the Republic of China to the United States, the Honorable James C. H. Shen, emphasized this in a recent interview in the press, when he said, among other things:

> As a people, we Chinese are quite hardened and used to adversity, and we also know that what really determines their own future is they themselves, and no one else. . . . There was, of course, considerable apprehension a year ago, especially following our expulsion from the United Nations. People were afraid that the inflow of foreign capital investment might cease or be greatly curtailed, and that this might lead to economic difficulties on Taiwan. But fortunately, this has not happened. . . . Last year, as a matter of fact, we did far better than the previous years in foreign trade.

Thus, Mr. Speaker, as we can see from both the reports in our own press and the comments from Ambassador Shen, the Republic of China has managed to overcome adversity and maintain its resolve to continue a free nation in the community of free nations. In the dark days after the end of World War II and especially in 1949, when the Communist movement took over the mainland, the free Chinese had much greater difficulties than these to surmount, and they successfully surmounted them. We need have no great fear about their ability to take care of themselves. They have been tested by fire.

More relevant to this House at the moment is the question of the American position with respect to the Republic of China. What will be said of us by history if we abandon a country which has cast its lot unreservedly with us for more than 20 years? What will be said of us if we let down a country which, although not always perfect, believes in the same ideals of a free democratic system and a free economy as we do? What will be said of us if we cast adrift a country which has done nothing at all to deserve such treatment, but rather has always been one of our stanchest allies? The smaller nations of this world often take the cynical view that the great powers are always more than ready to sacrifice the interests of those smaller nations in the interests of some overriding purpose which the great powers are pursuing. The nations of Eastern Europe certainly had considerable reason to come to this conclusion after the Second World War. Let us insure that the Republic of China is not added to the list of small nations with justification for feeling they have been jettisoned by a great power, the United States, in the pursuit of some overriding interest. For if that overriding interest requires the betrayal of faithful allies, then the means to the presumably desirable end are corrupt, and bring the end itself into serious question.

Mr. Speaker, history will indeed judge us harshly if we callously desert our faithful ally and friend, the Republic of China. If we treat our friends as disposable, we shall soon find that we have none left when we need them—and at that point, we who abandoned others, will ourselves be abandoned. That would only be poetic justice. So what we in the Congress propose to do is to uphold the principle that the United States must stand by those who stand by us, must support those nations both large and small which espouse the same ideals to which we adhere. Thus, it is that our resolution calls on our Government to "do nothing to compromise the freedom of our friend and ally the Republic of China and its people." Such a stand is a minimal repayment indeed on the debt of friendship we owe the Republic of China.

I urge those of my colleagues who have not yet cosponsored this resolution to do so.

The text of the resolution and the names of the other 20 Members introducing it are as follows:

H. CON. RES. 263

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States Government, while engaged in a lessening of tensions with the People's Republic of China, do nothing to compromise the freedom of our friend and ally, the Republic of China and its people.

LIST OF COSPONSORS

Mr. Lott (for himself, Mr. Addabbo, Mr. Anderson of Illinois, Mr. Archer, Mr. Ashbrook, Mr. Chappell, Mr. Cohen, Mr. Conlan, Mr. Crane, Mr. Davis of Georgia, Mr. Dorn, Mr. Hansen of Idaho, Mr. Ichord, Mr. Montgomery, Mr. Murphy of New York, Mr. Myers, Mr. Roberts, Mr. Charles H. Wilson of Califonia, Mr. Bob Wilson, Mr. Won Pat, and Mr. Young of Illinois) submitted House Concurrent Resolution 263.

POSTAL SERVICE NEEDS ACCOUNTABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. FORSYTHE) is recognized for 5 minutes.

Mr. FORSYTHE. Mr. Speaker, on July 1, 1971, one of the oldest departments of the Federal Government became an independent agency with authority to provide mail service to all Americans. When the legislation transforming the Post Office Department into the Postal Service was being debated, the halls of Congress rang with eloquent statements regarding the rapid improvement in service which could be expected. As is all too often the case hopes and expectations were high, but results were few.

Left to its own devices, the Postal Service, with breathtaking speed, promptly slowed down. Bags of mail destined for Philadelphia and its suburbs were sent to Boston, letters dropped into a mailbox in one city marked to an address in the same city arrived 5 days later, and even worse letters began to be lost in the labyrinth that had become the Postal Service with alarming frequency.

My office was inundated with hundreds of complaints about poor postal service. The letters I received all had the same general theme; mail that once upon a time was delivered in 1 or 2 days was now taking 5, 6, 7, or 8 days. A classic example of poor service is demonstrated by a letter addressed to me. Postmarked in Philadelphia on November 9, 1972, this letter was not received in my Moorestown, N.J. office—about 10 miles away—until January 8, 1973. I received a most unusual explanation from a congressional liaison officer of the Postal Service when I asked him about this. He said the letter was probably stuck in the bottom of a mail bag, which may not have been shaken vigorously enough. This frequently happens, he said.

Mr. Speaker, let there be no mistake about it, poor mail service is not only an inconvenience, it can also result in severe hardship when car payments do not arrive in time to escape late charges, when pension checks arrive more than a week late, or when mortgage checks do not arrive at all.

Notwithstanding the decreased quality of the product, postal rates began to behave like other prices—they went up. And now, we are told that the Postal Service is contemplating another 2 cents increase in first class postal rates. Now I am the first to recognize that in the last few months we have seen some improvement in mail service. A recent survey I conducted in my district tends to confirm this. However, it must be recognized that the improvement is not from the previous higher levels but from the depths to which service had plummeted. It is my sincere hope that service will continue to improve. But until there is significant improvement, I have difficulty justifying higher prices for a lesser product.

The dues paying public would, I think be willing to accept a rate increase if the Postal Service met the standards enumerated in legislation I have cosponsored with Congressman HILLIS. Our bill would require the Postal Service to meet the following standards:

Next-day delivery of mail within a city.

Three-day delivery for mail anywhere in the country.

Letter carrier service on a 6-day per week basis.

Post office window service 6 days per week.

Second attempts on delivery of parcel post.

Multiple daily delivery and collection service.

Today we have before us another bill of which I am a cosponsor. That bill will go a long way toward increasing the quality of mail service. In fact, it may be that the threat of congressional oversight of the Postal Service, which is provided for in the bill, has already spurred the Postal Service to action and has to some degree been responsible for the recent improvement we have seen.

Currently the Postal Service is responsible to no one in the executive or in the Congress. I believe that this total autonomy, this absence of accountability to the public breeds an unhealthy atmosphere. Under the present system, the Postal Service automatically receives an annual Federal subsidy payment without having to account for how efficiently and effectively those funds are spent. The bill before us today remedies this situation by requiring that before any Federal payment is granted congressional oversight hearings must be held and the Congress must specifically approve the expenditure of these funds.

Mr. Speaker, the purpose of any public institution such as the Postal Service, is inherent in its name, to serve the public. It is my firm conviction that the Postal Service should be accountable to the public, or in this case, to its elected representatives.

A BILL TO INSURE PURE AND SAFE BLOOD FOR EVERY AMERICAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, earlier this year I introduced H.R. 264, the National Blood Bank Act of 1973, and today I am introducing a new version of that legislation which complements the national blood policy being developed by the Department of Health, Education, and Welfare.

I welcome the proposals announced by the Secretary of Health, Education, and Welfare on July 10 in which the private sector will be encouraged to implement within 4 months a new national blood policy to improve the quality and efficiency of blood services throughout the United States or face stronger action by the Federal Government.

The Bureau of Biologics of the Food

and Drug Administration will soon require that new and more accurate tests be employed by the big interstate blood banks for detection of the serum hepatitis antigen, and my bill extends this authority to regulate intrastate blood banks, as well, which collect 35 percent of the Nation's blood supply. The FDA will also issue minimum processing standards for the intrastate banks and has also started a program of on-the-spot investigation every 2 years of 6,000 small intrastate banks.

My bill would create a National Blood Bank program which would provide the centralization necessary for the collection of hard data on the Nation's blood bank system, not available now, which would provide information as to any further ways in which this unique human resource could be made more available for the benefit of the entire population.

Over 8.8 million pints of blood are collected, processed, and distributed annually in this country to be used in lifesaving transfusions and in the preparation of many therapeutic products. In order to insure the availability of the therapeutic benefits of blood to the patients who need them, healthy blood must be available in sufficient quantities and distributed by efficient systems.

The successful transfusion of blood from the vessels of one human being to those of another has been achieved through development of improved techniques. Problems arising from incompatibility have virtually been eliminated by the recognition of blood groups and development of sophisticated crossmatching techniques. Improved methods of freezing and storage allow for retention of collected supplies. Also, techniques for separation of blood have been developed and thus allow for component therapy.

However, the fact remains, that the therapeutic benefits derived from blood fall short of their potential to save lives. In fact, improper screening and use of contaminated human blood all too often result in the transmission of serum hepatitis, a serious and often fatal disease to the blood recipient.

Blood for therapy is a unique commodity which is obtainable only from human donors. In order to meet the problems of critical blood shortages, several hundred independent profit and nonprofit blood banks have emerged throughout the country since the early 1940's. While most of these banks have performed valuable services, some are relaxed in their effort to screen donors and thereby, collect contaminated blood.

This is particularly true of profit-making banks which purchase blood from donors such as alcoholics, drug addicts, and prisoners who rely upon the sale of their blood as an income to support their habits or as a means of obtaining early parole. Many of these people carry the hepatitis virus undetected. Studies have shown that their blood is at least 100 times more likely to transmit hepatitis than is that of the volunteer who gives his blood for the good of the community.

As a result, this provides an increased risk to the recipients of this commercial blood who may develop debilitating or even fatal cases of posttransfusion hepatitis. As reported by the National Academy of Sciences over 17,000 cases of clinically identifiable posttransfusion hepatitis occur annually in addition to an estimated 100,000 cases which go unreported. Between 850 and 1,000 of these cases prove fatal. In terms of dollar cost alone, the problem of overt posttransfusion hepatitis now costs the Nation approximately $86 million per year.

This estimate does not, however, include costs in terms of human suffering which cannot be measured. Transition to an all-voluntary system should produce savings of at least $18 million annually in reduced illness and death from posttransfusion hepatitis alone.

The problem is not insoluble and can be greatly reduced by the elimination of these commercial banks. Progress toward this goal has been hindered primarily by lack of centralized and national regulation of the blood banking system. Methods of blood collection, processing, and transfusion vary greatly from one part of the country to another. Inspection and supervision of the Nation's blood banks have allowed questionable practices to continue.

State control of blood banking is limited. In fact, 17 States have no laws whatsoever on blood banking. I am pleased to report that my own State of Illinois recently required that all hospital blood banks be licensed and that blood be labeled, indicating whether it was purchased or voluntarily given. Under the new Illinois law, "commercial" blood banks may buy and sell blood under regulations other than those of the American Association of Blood Banks. Since last October when the Illinois law went into effect, the use of paid blood has decreased to 10 percent of the total, from highs of as much as 50 to 60 percent, and Illinois still has more than enough available blood.

HEW is not yet certain whether it has the authority to compel labeling and my bill would provide the legislative action needed. This bill would work toward correcting the problems now hindering the delivery of the lifesaving benefits of blood therapy.

In addition, my bill would encourage participation in the voluntary blood program and, thereby, help in insuring a supply of lifegiving blood. My amendments specifically encourage allocation of space in Federal buildings to blood bank personnel for purposes of collecting blood and encourage both public and private employers to permit their employees to participate in voluntary blood programs through granting administrative leave to donors.

The purpose of my bill is to insure an adequate supply of pure, safe, and uncontaminated blood for the population of the United States through encouraging voluntary donation and insuring screening and testing of the blood as well as establishing a national registry of blood donors.

In addition, this act would provide Federal oversight of all blood banks through requiring licensing and inspection in order to maintain high standards. In order to insure an adequate supply of pure, uncontaminated blood throughout the Nation, the bill calls for the development of a program to educate the public on the need to voluntarily donate blood. It also requires the clear labeling of the source of each unit of blood as voluntary or commercial.

In order to help avoid collection of contaminated blood, all blood banks would be required to use the latest screening techniques for detection of the serum hepatitis antigen. Presently available tests are only 50 percent effective, but even so, the application of their use with every pint of blood collected could reduce the incidence of posttransfusion hepatitis by one-half. In addition, a registry of all people who have been disqualified as blood donors due to implication in the transmission of hepatitis or for some other reason, will be compiled and circulated to all blood banks.

The second major result of this bill would be the establishment of a national blood bank program in the Office of the Secretary of HEW. This organization would be responsible for the licensing and inspection of all blood banks to insure adherence to high standards in blood collection for the benefit of the entire population.

In addition, until enough volunteers could be recruited to meet the Nation's need for blood, the director of the national blood bank program could authorize limited programs of paid donors for each blood bank.

Mr. Speaker, the proposal which is now before the Congress will do much to insure an adequate supply of pure and safe blood. I urge its early consideration.

URGENT NEED FOR HELP TO DROUGHT-STRICKEN WEST AFRICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, there is a crisis situation in West Africa, which is now suffering from perhaps the worst natural disaster on the continent this century. After 5 years of drought, the environment is being devastated by the encroaching desert; the livestock on which the whole economy is based are dead or dying, and unknown numbers of people have already died from starvation or diseases which result from malnutrition. About 25 million people live in the major drought-stricken area, which covers six of the poorest and perhaps the least known countries of the world—Chad, Mali, Mauritania, Niger, Senegal and Upper Volta. Together they cover an area the size of the continental United States, in an arid zone south of the Sahara Desert.

I have met with the diplomatic representatives of the six countries concerned, and with officials of the State Department and the Agency for International Development, in an attempt to collect the available information on the disaster and what is being done to meet it. At a press conference on June 27 representatives of the countries concerned described the efforts they were making to relieve the famine, and appealed for

American assistance. I submitted certain recommendations for action by the U.S. Government following the announcement by the President in a letter to the United Nations Secretary-General of a special coordinator for the U.S. program, and for further resources to be committed as needs are identified.

I ask unanimous consent that my recommendations, the letter from the President, and a background on the drought disaster be inserted in the RECORD at this point:

RECOMMENDATIONS

Now that President Nixon has responded favorably to my request to appoint a Special Coordinator for Drought Assistance, this government should move swiftly to counter the immediate, the medium and long range implications of this Sahelian disaster.

1. Make sufficient funds, transportation equipment and food available to meet the short run emergency of preventing famine. Specifically, I recommend that the U.S. reserve at least 300,000 tons of grains for the Sahelian drought emergency and that a *minimum* of an additional $30 million be made available for non-food aid.

2. Since we understand that only 30%-40% of the other food committed by the U.S. has actually arrived, more effective means must be found to assure that enough food is distributed to all areas affected. Priority should be given in U.S. ports to to ships carrying goods for the drought relief effort. Additional ships, planes and trucks should be made available as needed.

3. To counter the medium and long range impact of this disaster, I call upon the U.S. to take the initiative in launching a major multinational program that will provide massive assistance over the next ten years to this area. This program should be of the magnitude of the Indus River Basin Project over $1 billion committed since 1962, Colombo Plan or the Mekong River Delta Project. Even President Diori called upon Europe last week to provide a Marshall Plan for the African Sahel. The objective of this program would be to:

a. Stop the desertification of the area.

b. Either through irrigation or other means transform the area into fertile grazing pastures and agricultural land.

c. Rebuild the herds and improve the genetic strain of the livestock of the region.

d. Provide seed grains for planting in the subsequent months.

There should be a groundswell of mass popular concern about this disaster in the United States. While it is important that private fund raising appeals continue, only the government has the capacity to provide the magnitude of assistance required to meet this crisis.

In this period of detente, our resources must be diverted from continuing the arms race to winning the battle against world hunger, poverty and disease. It is this issue of the disparity between the rich and poor nations and not the East-West ideological differences that will pose a threat to international peace and security in the future.

The U.S. committed $27.8 million to the Nicaragua disaster, $50 million to the Philppines and $318 million to counter famine and other natural disasters in Bangladesh. No less can be done to assist the 26 million people of Africa.

THE WHITE HOUSE,
Washington, D.C., June 20, 1973.
His Excellency Dr. KURT WALDHEIM
Secretary General of the United Nations,
United Nations, New York.

DEAR MR. SECRETARY GENERAL: I fully share the concerns which you have expressed to Ambassador Scali for the millions of persons who are suffering from the terrible drought in the Sahelian nations of West and Central Africa. For many months reports from United States and United Nations representatives and from the governments themselves have related graphically the growing effects of the worst drought of this century in the African Sahel. Those of us who have been spared this scourge have been responding to the crisis, but more must be done, as you have said. The United States stands prepared to commit further resources as needs are identified.

As you know, the United States response has been carried out on several fronts. We have increased the amounts of foodgrains destined for these nations through both American programs and the World Food Programs. By mid-summer, 156,000 tons of grain valued at nearly $19 million will have arrived in West African ports or in the interior states of Mali, Upper Volta, Niger and Chad. Two million dollars in disaster relief funds have also been made available. United States Air Force aircraft, and those of other donors, are airlifting grain to stricken nomads and farmers in remote districts of Mali and Chad. Animal feed and vaccines are being distributed to save as much livestock as possible. Medicines are being provided to combat malnutrition and potential epidemics. In response to a request from Director General Boerma, the Agency for International Development has provided a logistical planning expert to the Food and Agriculture Organization of the United Nations and our staffs in West Africa are being augmented to improve our ability to deliver what is needed to the right place at the right time.

We share your concern that the problems of dealing with the immediate emergency will become even more difficult as the rains begin and road transport problems increase. We therefore stand ready to provide further support for internal transport, as specified needs are identified.

As you have recognized, this region is faced not only with the immediate needs of feeding the hungry but also of rehabilitating water and forage resources, livestock herds and grain producing facilities to permit a long range recovery from the devastating effects of the drought. This effort will require close collaboration among African leaders and the donor community. As specific rehabilitation needs are more clearly identified, and as it becomes clearer what others are ready to do, the United States will be prepared to provide additional assistance for the Sahel to help overcome the profound effects of this tragedy.

In order to coordinate more effectively our emergency relief efforts and to plan our part in a rehabilitation program, I intend to designate Mr. Maurice J. Williams as a Special United States Coordinator. He will cooperate closely in his work with Director General Boerma and with other governments—so that the work of relief and rehabilitation can go forward as expeditiously as possible.

Sincerely,

RICHARD NIXON.

THE AFRICAN DROUGHT EMERGENCY

THE EXTENT OF THE DISASTER

The Secretary-General of the U.N. Food and Agriculture Organization (FAO) has described the drought as "every bit as serious as the famine situation in Bangladesh last year."

This period of drought has already lasted for five years, and shows no sign of ending. The problem is only now beginning to be realized, however, far too late to save the herds of sheep and cattle on which the nomads of the affected region depend for their livelihood. It was only when starving and destitute nomads began entering the towns and cities that the extent of the problem was realized. There are about 24 million people in the area which has been hardest hit, which extends over six countries in the arid belt south of the Sahara desert, Mauritania, Senegal, Mali, Upper Volta, Niger and Chad. Many neighboring countries are also partially affected by the drought, including the northern provinces of Nigeria, Togo, Dahomey, Ghana, the Ivory Coast, the Sudan and Ethiopia. Even in traditionally fertile areas, on the coast and beside the rivers, there is no surplus available to meet the overwhelming demand from the semi-desert and scrub areas.

The six countries most affected are already desperately poor, and are among those classified internationally as the least developed. This means that annual income per head is equivalent to less than $100, and literacy rates are under 20%. The drought therefore comes to a situation with no reserves and no spare capacity, and has already resulted, according to an FAO survey, in the death of between 40% and 80% of all livestock.

Altogether, about 4 million head of cattle are in danger of dying, representing a lost investment of over half a billion dollars—a major proportion of the people's assets. Sheep and other animals are also dying in large numbers, and the sight of whole flocks dying, and crops failing to grow after repeated plantings, is driving some nomads to suicide, a phenomenon previously unknown in this society.

Nomads and their surviving animals are streaming southwards in search of pasture and water, placing an intolerable strain on existing reserves and water-holes, and leading to conflicts with more settled farmers desperate to conserve their own small assets: the nomads have even ventured into areas where they know fatal cattle diseases are endemic. Many are trying to sell their animals before they die, but there are inadequate slaughter-houses and worse storage and transportation facilities, and prices for animal products have fallen to almost nothing as a result. So the nomads are unable to retrieve even a remnant of the investment represented by their dying cattle, in order to buy grain for themselves and their remaining animals until the next harvest, after the rains which are expected very soon.

Ironically, it is the impending rainy season which poses the biggest threat of starvation for the millions of people involved. The rains make surface transportation impossible in the vast inland areas, where the destitute people are, and the relief supplies now being sent to Africa are still largely bottled up in the ports and such road and rail networks as there are. Very long routes and few port facilities are involved; the huge stocks building up are also an open invitation to black-marketeers and speculators, who have pushed the price of grain up to levels impossible for most of the people to pay. With feed grains in particularly short supply, delays are proving increasingly expensive as animals are lost, and the breeding stock considerably damaged. In the race to get grain into the drought areas before the rains come, U.N. Secretary-Genral Waldheim told the Economic and Social Council a week ago that the next four weeks would be crucial for the people of the six countries most concerned.

A CUMULATIVE PROCESS OF UNDEVELOPMENT

The catastrophic loss of the animal stock that provided a major part of the countries' production, and the failure of many crops, will obviously tend to reduce the Gross National Product of the countries involved. The loss of agricultural surpluses for export will reduce the reserves of foreign exchange needed to pay for essential imports of equipment and consumer goods, including food staples. Embryonic industrialization will receive a major setback in addition to the difficulties which they already face (including high import tariffs among rich countries), and the damage may in some cases be irreparable, so that the aid loans provided by these rich countries will have to be repaid without the development projects producing anything with which repayments can be made. Scarce assets would, if there is no rescheduling, have to be diverted away from new development projects to replace those damaged or delayed by the drought.

The impact of this disaster can be illustrated by the case of Senegal, which in fact has suffered less than other countries. Its exports are largely based on a monoculture of peanuts, which were introduced quite recently, and whose rapid spread has been hailed as a major development success. In 1972, 800,000 tons were produced, which in 1973 is expected to drop to one-third or even one-quarter of that. This is very serious for the food situation, since peanuts normally pay for massive imports of the staple food, rice—60% of which is normally imported. This year, the need will be even greater since the local food crops have dropped to a maximum of half last year's level. In addition, the lack of water in the rivers has resulted in a loss of essential power for industry from the hydro-electric sources. The fishing industry has been badly hit, and the encroachment of salt into the coastal waters has caused great destruction.

For the pastoral and agricultural sectors that together comprise well over four-fifths of the Gross National Product, the cumulative ravages of the drought and process of desertification are to a large extent irreversible, or could be repaired only at enormous expense. The failure to observe the deterioration of the whole environment, which has been accelerating for a number of years, must be one of the worst mistakes of the "development" experts. The semi-desert environment is very fragile, and over-grazing together with abnormal dryness damages the ground cover, which is then unable to recover before renewed migrations return; the animals then remove whatever is left (especially goats, which can survive longer than most animals by eating the roots of plants). With no ground cover, surface water disappears and the Sahara desert encroaches steadily on the scrub, forcing the nomads in increasing concentrations onto whatever pasturage is left. Over-grazing is exacerbated by agricultural programs which focus on the introduction of only one technological aspect of an environmental management program: for example, vaccination of cattle against disease has been practiced by some international agencies, with the result that more animals were surviving to compete for scarce grazing.

LOCAL EFFORTS TO MEET THE EMERGENCY

The disaster prompted many of the African Governments concerned to pool their resources and planning efforts, a move that contrasts with the fragmentation of authority that is a major problem in post-colonial Africa, divided up arbitrarily by the European imperial powers. In March, Ministers of the six worst-hit countries met and agreed to coordinate their emergency programs; further meetings have followed. Neighboring Dahomey and Nigeria, although themselves afflicted by drought, opened their frontiers to pastoralists from the North, and took steps to enable animal products to be transported to markets in the interior of their countries. The Ivory Coast donated 150 tons of rice to Upper Volta, and 150 tons of mixed cereals to Niger. Special arrangements have been made by countries with ports to give priority to relief supplies for others. The Algerian Government has sent 48 trucks across the Sahara Desert wtih food and medicines via the new "unity road" (one of the new routes being constructed or proposed to link up the African continent for the first time, replacing the colonial routes which were designed for easy access and departure from the continent). Saudi Arabia has given $1 million to Niger.

National solidarity campaigns have been launched in a number of the affected countries, for example, in Senegal each wage-earner (a tiny minority in a subsistence-based economy) is required by law to contribute one day's pay, in Niger, the President and members of Parliament gave up 20% of their pay, the Nigerian Government has channelled large relief funds to the Northern provinces, which are normally the food-producing areas and are now stricken by the drought. Local efforts, however, are based on almost non-existent resources, and the extent of the threatened starvation calls for massive relief from rich countries.

DANIELS RAPS PATH FARE INCREASE. HAILS COUNCILMAN MORRIS PESIN FOR LEADERSHIP; NEW JERSEY CONGRESSMAN SAYS IT IS A NATIONAL MASS TRANSIT ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, on July 3, 1973, the city council of Jersey City, N.J., unanimously passes a resolution adopted by Councilman Morris Pesin opposing a fare increase of 66.67 percent for riders of the Port Authority Trans-Hudson—PATH—system. Despite the urging of the administration to hold the line on price increases, PATH officials have decided to raise the fare for commuters from the present 30 cents to 50 cents creating a harsh burden on the poor and the elderly.

I cannot understand why the New York-New Jersey Port Authority has failed to consider increasing the rates on the system's highly profitable network of bridges, tunnels, ports, and trade centers. I am staggered by this decision to raise fares while the Federal Government is proposing drastic restrictions on automobile usage in northern New Jersey, and Mr. Nixon is giving high priority to holding the line on prices. Clearly, whoever is making this kind of decision under these kinds of circumstances has his head in the sand.

Mr. Speaker, I have fought hard to improve mass transit because I feel that only when mass transit is adequate can life be worth living in highly urbanized areas like Hudson County, N.J. We have a serious air pollution problem, our streets are choked with traffic and valuable properties are taken off the tax rolls because persons wishing to go to and from New York City need highways.

Mr. Speaker, I am determined that the future of Hudson County is not that of a parking lot for automobiles. We must have better mass transit, but more important, people must be encouraged to use it. Raising the fare by 67 percent is foolishly counterproductive.

Tomorrow morning I am meeting in Jersey City with Councilman Pesin, Council President Pugliese and Councilman Peter Zampella to map a plan to block this fare hike. To Jersey City people this may be a local matter, but if it were just a local matter I would not be taking the time of the House to discuss it. It is a national issue with strong ramifications in the most urbanized area in America. If we lose this fight in the New York City area, the war against air and noise pollution will have suffered a major setback. I am determined that before this unwarranted, unjustified increase is granted, all the facts will be laid before the people.

I commend Councilman Pesin for his leadership and I also commend his distinguished colleagues, Paul Cuprowski, Timothy Hawkes, Thomas Maresca, William Massa, Dominick Pugliese, Lois Shaw, William Thornton, and Peter Zampella for responding to the call of the people.

Mr. Speaker, I insert the resolution of the governing body of the city of Jersey City at this point in the RECORD:

RESOLUTION

Whereas, the PATH has announced an unwarranted and unconscionable fare increase of 66.6% from 30 cents to 50 cents; and

Whereas, this Council by resolutions in June, 1973 and September, 1972 has strongly opposed any fare increase by PATH as an undue burden upon the people of Jersey City, as a blow to the mass transportation system of Jersey City and to the future development of Journal Square and the waterfront of Jersey City; and

Whereas, it is urgent in the best interests of the people of Jersey City that the Council exert all the forces at its command to mobilize public opinion and oppose said increase before the Interstate Commerce Commission;

Therefore, be it resolved, that a three (3) man committee be appointed by the President of the Council to effectuate the purposes of this committee as aforesaid.

THE CANADIAN ALTERNATIVE TO THE TRANS-ALASKA PIPELINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, as the Senate debate on the Alaska oil pipeline enters a crucial phase, I wish to call Members' attention to an internal Interior Department memorandum of April 1972, which presents some interesting arguments for construction of a Canadian alternative to the trans-Alaska-pipeline-tanker system. This report was prepared at Secretary Morton's request by then Deputy Under Secretary Jack Horton.

There is some confusion about the status of the Horton report. We learned about the existence of the report only last month after it had been kept under wraps in the Interior Department for 14 months. Secretary Morton referred to it on June 15 in testimony on the Alaskan pipeline before the House Public Lands Subcommittee. The Secretary indicated at that time that the report would be submitted to the subcommittee for inclusion in its published record of the hearings. As of yesterday, however, the report was not included with the other agency documents on the pipeline now at the Government printer's.

Why, after sitting on this report for more than a year, did the administration last month finally decide to release it?

If it were intended as a sop to critics who believe the administration has not given the Canadian alternative the careful consideration it merits, it has failed. While interesting, particularly for its contradictions of official administration "facts" on the pipeline, it is at best superficial. It leaves many vital arguments untouched, for example, the supply situation on the west coast, documented by compelling industry statistics that project a west coast shortfall in 1980 of only 0.4 million barrels a day—a situation which clearly does not warrant bringing Alaskan oil to that area.

But, as I have said, it is an interesting document, and in some ways a curious one.

Most notably, the Horton report flatly contradicts Secretary Morton's recent public statements that delivery of oil to U.S. markets from Alaska's North Slope would be delayed from 3 to 5 years if an oil pipeline were built through Canada rather than along the trans-Alaskan route favored by the Interior Department. The Horton report cites a "possible loss of 1 to 2 years for oil delivery to market" if the Canadian pipeline were built.

The large oil companes have repeatedly stressed the delays that would result from construction of a pipeline across Canada. Standard Oil of Ohio has estimated a 9- to 10-year delay; Atlantic Richfield a 7-year delay. Such claims are understandable from companies that would profit directly from the construction of the Alaskan pipeline. But it is disappointing to learn that Secretary Morton himself has helped to spread similarly inflated estmates.

The Horton report is interesting, too, in its acknowledgement that the administration in April 1972 expected the Canadian Government to apply "increasing pressure against the trans-Alaska pipeline." Moreover, the Canadian alternative of the Horton report is not the venture by a consortium of privately owned companies generally being considered. It is, instead, an "international joint venture" between the government of the United States and Canada, with financing shared equally by the two governments and the oil industry.

The Horton report further calls attention to the flexibility afforded by a Canadian route, which "would allow delivery to both west coast and Chicago markets." The Interior Department officially denies any such advantage.

The Horton report states that there would be a 10 to 15 percent savings on costs of the construction of a single route for cold-gas and hot-oil pipelines, including savings in common roads, common pumping stations, and common gravel sources. The Interior Department officially belittles such savings.

The courts have given the decision on construction of this oil pipeline to Congress. To make such a decision we must be informed. If time is of the essence, as the administration would have us believe, these discrepancies deserve clearing up. Will there be a delay of 1 to 2 years, or a delay of 3 to 5 years?

The Mondale-Bayh amendment in the Senate and the Udall-Anderson and Ruppe-Aspin bills in the House would provide the objective evaluation needed. These proposals would mandate a congressionally sponsored crash study, would open immediate negotiations with the Canadian Government, and would require a congressional decision upon completion of the study. I strongly urge fellow Members to support this approach.

Mr. Speaker, I include the text of the Horton report in the RECORD at this point:

AN ALTERNATIVE TO THE TRANS-ALASKA PIPELINE

1. The Department of the Interior released a massive 9-volume environmental statement on the proposed Trans Alaskan pipeline on March 20, 1972. As required by the National Environmental Policy Act, this statement clearly and objectively defines the impact to be expected from construction of the pipeline and operation of an associated tanker system to the West Coast. The most serious hazards are projected for the fishing industry and marine environment in Prince William Sound and from the threat of large earthquakes in Southern Alaska.

2. Secretary Morton has indicated that no action on the permit would be taken for 45 days or until May 4, 1972. During this period, increasing pressure against the Trans Alaska pipeline can be expected from the National Media, leading environmental groups and the Canadian Government.

3. Because of the high intensity of these potential pressures and in light of the uncertain length of litigation against the Alaska pipeline, an alternative course of action should be kept under consideration.

4. One alternative would be the establishment of an International Joint Venture between the Government of the United States, the Government of Canada and the oil industry for the purpose of constructing and operating a continental "common carrier" pipeline system for transporting oil and gas resources from the American and Canadian Arctic by way of the MacKenzie Valley to market.

In forming this International Joint Venture, the Government of the United States, the Government of Canada and the oil industry would share equally the required investment and the resultant return on capital.

This International Joint Venture could serve as the cornerstone of a North American Continental Oil Policy.

POLITICAL CONSIDERATIONS

Favorable

1. Strongly favorable public reaction from a) national environmental groups, b) Midwestern and Eastern electorate, and c) national media. Interior has received in excess of 52,000 letters in the last year alone, the vast majority of which are against the Alaska pipeline. Most of the national media is opposed to the Alaska route.

2. The Administration (with the Government of Canada) would regrasp the political initiative from environmental groups and the courts with respect to the transportation of Arctic oil.

Unfavorable

1. Risk of losing three electoral votes and one Senate seat in Alaska.

INTERNATIONAL CONSIDERATIONS

Favorable

1. An international joint venture would contribute to reversing the growing tide of nationalism in the United States and Canada uniting both countries, symbollically and physically, by an "Iron Artery."

2. This alternative route would stimulate exploration and development of petroleum and other resources in both countries, and could constitute the first step in developing a North American continental oil policy.

3. An intercontinental pipeline would avoid the potential adverse impact on the coastline of British Columbia (except in Puget Sound) and the marine biota of the Northeast Pacific.

4. For these economic and environmental reasons, the alternative should be a political-plus for the Canadian Government.

ECONOMIC AND ENERGY CONSIDERATIONS

Favorable

1. Under a tripartite joint venture, the oil industry would provide only one-third of the necessary capital investment.

—for a continental pipeline to Puget Sound via Edmonton, the industry would invest 1.7 billion (of a 4.2 billion total) compared with 4.15 billion industry investment for the TAPS system.

—for a common oil and gas system to Chicago, the industry would invest 3.1 billion of a total 9.8 billion cost. This is compared with an 8.65 billion industry investment for the TAPS pipeline—tanker system (4.15 billion shared with shipping companies) and a gas pipeline to the midwest United States (4.5 billion to be funded by a consortium of gas utiliites).

2. The two governments and the industry could share equally the revenues generated from the investment.

3. A continental pipeline system would allow oil delivery to both West Coast and Chicago markets.*

4. Achieve a 10–15% savings on construction costs for gas pipeline parallel to oil pipeline because of common construction roads, common pumping stations and common gravel pads.

Unfavorable

1. For the oil pipeline to Puget Sound, an additional 500–700 million would be required for tankers to move the crude not refined in Puget Sound to other West Coast ports. The oil industry would share one-third of this cost.

2. About 65% of the 800 miles of TAPS pipe would have to be moved to depots in Canada. The cost of moving would be shared by the three parties in the Joint Venture; the capitalized value of the pipe, however, would not be lost. Additional pipe of less stringent specifications would have to be ordered (1600 miles more to Puget Sound; 2450 miles more to Chicago.)

3. Possible loss of one to two years for oil delivery to market. This consideration must be weighed against the indefinite time period of TAPS litigation and against the uncertain Canadian authorities.

4. Loss of approximately one-half of the 8,000 American jobs projected annually for construction of the Trans Alaska pipeline. This loss, however, might be partially or totally offset by jobs provided by pipeline construction into Chicago or the Puget Sound area. Pipeline employment would exist only for the period of construction, three years in the case of the Trans Alaska pipeline. The route of oil transportation would have no effect on the 2,300 jobs estimated for the drilling development of the Prudhoe Bay field.

5. Loss of some revenues (less than 2%) to the State of Alaska. Over 95% of the benefits to the State are attributable to royalties and production taxes. 3% is attributable to corporate income taxes. These three sources of revenue would be unaffected by route location.

6. Some, but not all, of the industry costs of technical and scientific investigations could be applied to a Canadian intercontinental system.

ENVIRONMENTAL CONSIDERATIONS

Favorable

1. Avoid chronic oil pollution in Port Valdez and Prince William Sound.

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*A pipeline from Portland, Maine, now deliver about 500,000 barrels per day of tanker-transported Mideast and Velezculan crude to Montreal. Other pipelines which cross the Canadian-American border include the Trans Mountain (250,000 bbl/day); the Continental (Calgary to Montana 95,000 bbl/day) and the Interprovincial (Calgary to Chicago, 1,300,000 bbl/day).

Projected annual financial loss of $400,000 to salmon industry in Valdez arm.

Projected 12-32 barrels per day discharge in Valdez Harbor from ballast treatment plant and transfer operations.

2. Avoid increased marine transport of oil in Northeast Pacific. Prevent 384 barrels of daily oil loss from accidental tanker spills estimated by U.S. Coast Guard on a "worst case" basis.

3. Avoid three of four most sensitive areas of permafrost in Alaska (Yukon Flats, Hess Creek area, and Copper River Basin).

4. Reduce number of crossings of major mountain ranges.

5. Minimize adverse socio-economic impacts (recreational and wilderness disturbance: Native subsistence and community disruption projected for TAPS line).

6. Avoid high intensity seismic areas in Southern Alaska.

7. Avoid two "transportation" corridors across the Brooks Range for separate gas and oil pipelines.

8. Minimize overall terrestrial disturbance by one corridor for oil and gas systems.

9. Reduce number of river crossings by about one half.

Unfavorable

1. If the two *oil* transportation systems (TAPS and Mackenzie Valley) are compared, *more* terrain (and wildlife habitat) would be physically disturbed if the Canadian proposal were adopted. If both *oil and gas* transportation systems through the two countries are compared, *less* total terrain would be disturbed by choosing a common corridor.

2. The Canadian route would involve a *greater linear extent* of permafrost (770 miles for TAPS, 1205 for Mackenzie Valley). The character of the permafrost, however, is more important in determining the events of impact and construction techniques (and costs) required. Lack of knowledge of the Mackenzie route prevents a comparison of permafrost conditions, other than linear extent.

3. For Edmonton to Puget Sound, any pipeline would have to cross the Rocky Mountains, probably parallel to the present Trans-Mountain pipeline. Interior has not studied the topographical or seismic conditions of this route.

HEARINGS SET ON FEDERAL PRISONERS FURLOUGH BILL AND PATENT OFFICE MISCELLANY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice announces the following public hearings:

First. Hearing on H.R. 7352, a bill to amend section 4082(c) of title 18, United States Code, to extend the limits of confinement of Federal prisoners.

This measure would amend existing law relating to furloughs of Federal prisoners. The hearing on H.R. 7352 will be held on Thursday, July 19, at 10:00 a.m., in room 2148, Rayburn House Office Building.

Second. Hearing on—

H.R. 7599, a bill to amend the Trademark Act of 1946 title 35 of the United States Code to change the name of the Patent Office to the "Patent and Trademark Office";

H.R. 8981, a bill to amend the Trademark Act to extend the time for filing oppositions, to eliminate the requirement for filing reasons of appeal in the Patent Office, and to provide for awarding attorney fees;

H.R. 9199, a bill to amend title 35 United States Code, "Patents", and for other purposes; and

S. 71, a bill for the relief of Uhel D. Polly.

These measures involve patents and the Patent Office. The hearing will be held at 10:00 a.m. on Friday, July 20, in Room 2226, Rayburn House Office Building.

COUNCIL ON ENVIRONMENTAL QUALITY CALLS FOR CONSTRUCTION HALT ON BUREAU OF RECLAMATION'S GARRISON DIVERSION UNIT IN NORTH DAKOTA

The SPEAKER protempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on June 28, Congressman JOHN SAYLOR and I participated in debate on the Public Works Appropriations bill for fiscal year 1974. During that debate Congressman SAYLOR offered an amendment—which I supported—to delete further funding for the Bureau of Reclamation's Garrison Diversion Unit project in North Dakota.

While this Department of Interior project's appropriation request for fiscal year 1974 was $17 million, the total estimated cost of the project is $340 million. As I pointed out during the floor debate, the Bureau of Reclamation appears to be planning for future investigations on ways and means to expand this project. It is possible that a future, expanded project could cost somewhere between $1.6 and $2 billion.

During the debate, we pointed out that the project was an environmental disaster and made no economic sense whatsoever. Not only does the project pose the threat of increasing the salinity level of major rivers in the area—including rivers which flow northward into Canada—but it will result in a major reduction in wetlands vital to wildlife. In addition, this Bureau of Reclamation project does not provide irrigation for land which is arid or unproductive; it simply provides additional supplies of water to already highly productive areas—areas which are so productive that farmers in the area are being paid not to grow crops and to cut back on already excess production. Despite the data presented during the debate, our effort to delete further funding for this project failed. The appropriation for this project will be considered by the relevant Senate Appropriations Committee during the next several days and will then be considered by the full Senate.

Because of the severe environmental and cost-benefit ratio questions raised by this project, we have continued to investigate the necessity of proceeding with the Garrison Diversion Unit project. On July 10, I sent the following letter to the Honorable Russell Train, Chairman of the Council on Environmental Quality.

JULY 10, 1973.

HON. RUSSELL TRAIN,
Chairman, Council on Environmental Quality, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a copy of the CONGRESSIONAL RECORD of June 28th, including the debate on the Public Works Appropriations bill for fiscal year 1974. I have marked portions of that debate relating to an amendment offered by Congressman Saylor and supported by myself, which would strike the Garrison Diversion Unit, a project in North Dakota being constructed by the Bureau of Reclamation.

In light of the most serious international salinity problems raised by this project, and the destruction of existing wetlands (instead of the originally projected wetlands increase), has the Council issued any statements or comments on the propriety of continuing this project? Has it provided any guidance to the Department of the Interior on the environmental impact of this project? Are any studies or reports on this project being conducted by the Council?

Because of the tremendous cost overruns on this project, the failure for anticipated benefits to emerge, and increasing environmental problems, I am considering requesting a General Accounting Office examination of the cost-benefit ratio of continuing and expanding the Garrison project. Any assistance or information which you could provide prior to my request for such an investigation would be deeply appreciated.

Sincerely yours,

CHARLES A. VANIK,
Member of Congress.

Congressman SAYLOR and I have just obtained a copy of the following letter, dated June 15, 1973, sent to Secretary of the Interior Rogers Morton, from Mr. Train. This letter—dated nearly 2 weeks before the House debate on this project—supports our contentions and calls for a halt in construction on the project. As the concluding paragraph of the letter states:

> In view of the substantial and severe impacts of this project, including the loss of wetlands, the lowered water table, the severed farms, and the public controversy and international implications, I strongly recommend that construction on the Garrison Diversion Unit be suspended until these issues have been resolved.

Mr. Speaker, we hope that this letter—which repeats so many of the issues which we raised on the floor of the House—will cause a complete reinvestigation of this project, a new examination of its "true" cost-benefit ratios, and termination of this needless and environmentally disastrous project. We hope that the publication of this letter will assist the other Chamber in its debate and will insure that further funding of the Garrison Diversion Unit will be stopped.

COUNCIL ON ENVIRONMENTAL QUALITY,
Washington, D.C., June 15, 1973.

HON. ROGERS C. B. MORTON,
Secretary of the Interior,
Washington, D.C.

DEAR ROG: On April 5, 1973, the Bureau of Reclamation submitted to the Council a draft environmental impact statement on the Garrison Diversion Unit, Pick-Sloan Missouri River Basin Program, North Dakota. This draft supercedes an earlier draft statement filed on April 23, 1971. While this document is a significant improvement over the earlier version, there are a number of serious omissions and problems with respect to the environmenaal impact statement and the project itself.

The impact statement discusses the problem of Souris Loop Area irrigation return flows being discharged into Canada and indicates that a Task Force will be formed in the near future to "resolve differences" on these flows. The impact statement lists a number of possible remedial actions, including structural solutions, and concludes, "Should negotiations with Canada dictate a solution that involves any of these alternatives, a more detailed investigation of its environmental impacts must be made."

Our files contain correspondence furnished by the Department of State which indicates that the Government of Canada protested the discharge of these return flows two years ago and informed the State Department that, ". . . this anticipated reduction in the water quality of the Souris River is unacceptable to the Government of Canada." Thus there can be little doubt that these flows will have to be abated. Our current negotiations with the Government of Mexico on this problem are indicative of its serious and costly implications. The solution of this matter is an integral feature of the Garrison Diversion Unit and the total lack of information on it precludes a full assessment of the environmental impacts of the Unit.

Also, the impact statement identifies the restoration of Devils Lake as a project purpose but discloses that the Lake has risen to within one foot of the proposed restoration level through natural adjustment. The continued inclusion of this aspect of the Unit as a project purpose appears questionable and should be clarified.

Another problem concerns the type of irrigation to be used. The impact statement states that the implementation of sprinkler irrigation will reduce adverse environmental impacts and right-of-way requirements, and increase on-farm efficiencies, etc. It appears, however, that sprinkler irrigation has been adopted by two districts only and that some areas are not suitable for this type of irrigation, although the statement also states that most areas will be developed for sprinkler irrigation. In view of the impact on the environment, as well as the farm efficiencies, this issue should be clarified. The high cost per farm ($25,000 to $30,000) in an area where net farm incomes averaged $6,088 in 1971 raises a question as to its applicability from a purely financial point of view.

In addition, the environmental impact statement contains little data with respect to the municipal and industrial water service which is, as yet, unidentified. There are no reservoir drawdown figures from which to judge this impact on recreation. No discussion of the cumulative impacts of the Garrison and Oahe Diversions on the Missouri River is made. Very little description of the fish and wildlife mitigation and enhancement program is provided.

Finally, no information concerning the total cost of the project, the cost-benefit ratio, or how the benefits are apportioned to the project purposes is contained in the impact statement. These basic figures are part of the project description and are essential to the reader's understanding of the project.

In view of the substantial and severe impacts of this project, including the loss of wetlands, the lowered water table, the severed farms, and the public controversy and international implications, I strongly recommend that construction on the Garrison Diversion Unit be suspended until these issues have been resolved. I would also appreciate it if the Council can be kept advised of the progress of the Task Force on the United States-Canadian Salinity problem.

Sincerely,

RUSSELL E. TRAIN,
Chairman.

BROAD POWERS OF THE EXECUTIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, a number of pressing concerns of late have prompted examinations of the broad powers of the Executive. Critical analysis of the powers of the Executive has a dual scope; the practical no less than the theoretical aspects of this matter are subject to review. The gravity of the constitutional questions surrounding Executive powers and privileges is being presently realized because of repeated instances of misuse, abuse, and overextension. The manner in which the executive branch has operated in the recent past both in domestic and foreign policies exhibits an attitude of nonaccountability to the public which it serves. Such disregard for liability to the public has led to embarrassing and damaging revelations that give cause for the careful reconsideration of any further grants of authority to the Executive.

An examination of existing Executive authority and the effectiveness of its implementation is in order in view of the current consideration of the Trade Reform Act of 1973, H.R. 6767, in the Committee on Ways and Means. The serious balance-of-payments deficit, the uncontrolled inflationary spiral and the high unemployment percentage rate can be blamed to a great degree on ineffective trade policies of the past. At this time, however, when the President requests numerous and broad extensions of trade negotiating authority for the purpose of setting up a more equitable world economic system to benefit and stimulate the economic growth of the United States, there are important sections of the United States Code under title 19 dealing with the negotiable powers of the Executive that have gone unused. It is unclear as to what exactly motivates the executive branch to call for further broad trading authority when the powers it has at hand in this field are often ignored.

To cite a clear example of what can appropriately be termed Executive mismanagement might bring this criticism into a practical focus. In the New England area the fishing industry has been severely undermined by the efforts of foreign fleets. Their violation of all international commission conservation quotas and tonnage requirements in the last decade has caused severe unemployment and rising prices and has contributed to the balance of payments deficit. These actions indisputably constitute bad faith on the part of the countries whose boats are fishing off our shore insofar as the conservation of international fishery resources is concerned. Under the provisions of section 1323 of title 19 of the United States Code the President has recourse to the unfair practices of foreign competitors in this field. Title 19, United States Code, section 1323 reads as follows:

> 1323. Conservation of Fishery Resources.
>
> Upon the convocation of a conference on the use or conservation of international fishery resources, the President shall, by all appropriate means at his disposal, seek to persuade countries whose domestic fishing practices or policies affect such resources, to engage in negotiations in good faith relating to the use or conservation of such resources. If, after such efforts by the President and by other countries which have agreed to engage in such negotiations, any other country whose conservation practices or policies affect the interests of the United States and such other countries, has, in the judgement of the President, failed or refused to engage in such negotiations in good faith, the President may, if he is satisfied that such action is likely to be effective in including such country to engage in such negotiations in good faith, increase the rate of duty on any fish (in any form) which is the product of such country, for such time as he deems necessary, to a rate not more than fifty percent above the rate existing on July 1, 1934. (June 17, 1930, ch. 497, title III, 323 as added Oct. 11, 1962, Pub. L. 87-794, title II, 257i, 76 Stat. 883.)

I have been informed by the Secretary of the Treasury that there have been no increases in the rates of duty on fish—in any form—pursuant to section 1323. Furthermore, the Secretary has communicated to me that he is unaware of any negotiations entered into under the provisions of this statute. 19 U.S.C. 1323, however, is not the only provision in the United States Code that deals specifically with the powers of the Executive to handle violations of international fishery agreements of which the United States is a signatory. Section 1978 of title 22—Foreign Relations and Intercourse, spells out the precise duties of the President, the Secretary of Commerce, and the Secretary of the Treasury with respect to countries that are offending the regulations of international fishery conservation programs. This statute expressly prohibits the importation of any fish products of the offending nation for such a duration as the Secretary of the Treasury may deem appropriate and makes it the duty of the President to notify the Congress on any action taken pursuant to this section after his notification by the Secretary of Commerce.

During the last decade and a half, while the New England fishing industry has rapidly declined due to the illegal fishing practices by greedy foreign competitors, practices which have resulted in the commercial extinction of several of the staple fish species that our American fishermen relied on for their livelihood, the Executive has abdicated its responsibility to protect this industry and its resources, and has forsaken the use of potentially useful trade tools.

In their reports to the Ways and Means Committee in early May administration spokesmen stated they were "working on procedures for extensive consultations with the private sector—the President needs the advice and ideas of industry." The fishing industry which has been in desperate need of some protection has not been consulted to any meaningful degree. Its advice and ideas have obviously fallen on deaf ears in the Executive departments. The executive branch makes eloquent appeals before the Committee on Ways and Means assuring us that the administration is not taking our international obligations lightly. But what about our national obligations? The public in New England has suffered far too long from the abuses of fuel oil import quotas, high rates of unemployment, and artificially caused inflation because quite simply this administration has taken its national obligations too lightly. And now the consumers of New England, indeed the entire Nation, are being forced into paying exorbitantly high prices for fish products because the executive branch has failed to exercise its forceful options as detailed in the United States Code to rectify the injurious trade practices of nationals who subsidize those profiteering fishing fleets that have decimated so many valuable commercial fish stocks.

New mechanisms for liaison and cooperation with and consideration and review by the Congress promised by the administration in the new trade bill are shallow platitudes that cannot hide the basic fact that the Executive is already in possession of flexible negotiating authority and these powers have not been used. The administration has never fully displayed any air of cooperation with the Congress and every caution must be employed before any further unaccountable authorities are rendered to the powerful executive branch.

FORCED STERILIZATION: WOMAN'S RIGHTS THREATENED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, I would like to include in the Record a copy of a statement which I released today at a press conference at the American Civil Liberties Union headquarters in regard to Federal funding of sterilization surgery:

Statement

I would like to take this opportunity to express my outrage at the involuntary sterilizations apparently authorized by some federally funded family planning clinics. Without legal or medical appeal procedures, government officials have apparently sanctioned irreversible sterilization surgery to be performed upon poor, usually Black women and young girls, without the consent or understanding of a parent or guardian. All the while, 25,000 copies of regulations governing such surgery sat, for allegedly political reasons, collecting dust in a government warehouse.

I welcome the $1 million damage suit recently brought by the father of two such victims, 12-year-old Alice Relf and her 14-year-old sister, Minnie Lee. This and other suits will ask the courts to determine whether our government can deprive its citizens of the cherished right to privacy upon the dubious due process signified by an "X" naively scratched upon a consent form.

It should be noted that these federally-subsidized, involuntary sterilizations have seriously violated the right to privacy which the Supreme Court declared to be guaranteed under the Constitution in *Griswold* v. *Connecticut*.

Since when can the government rescind the right to privacy of minors and the retarded without due process of law? The recent Supreme Court rulings on abortion have reaffirmed the importance of the right to privacy, extending it to encompass the mother's decision to terminate an unwanted pregnancy. In particular, *Roe v. Wade* upheld that right against the state's interest in protecting future life, at least during the first term of pregnancy. In sterilization cases, the individual right to privacy must be similarly defended.

It is, of course, important to find out who is responsible for the allegedly involuntary sterilizations performed in Montgomery, Alabama and elsewhere. But rather than promoting controversy among the various social service organizations, we should help these groups to reorient their programs so that they directly serve the poor and uneducated and are less subject to prejudiced actions by local or federal officials.

It would be disastrously unwise to curtail family planning programs as a result of these abuses. Instead, we should offer more thorough and informative counseling so that each adult can make her or his individually-appropriate decisions. However, I vigorously oppose the use of federal funds to refer for or perform sterilizations upon minors.

I wholeheartedly support the efforts of 14 religious and population groups which have united behind that position. Even with acceptable guidelines, the potential for abuse of sterilization laws with regard to minors appears to outweigh any possible beneficial effects. In cases involving retarded persons, of any age, I would propose a detailed set of regulations authorizing federal funds for sterilization surgery following rigorous medical and legal review.

In addition, the CAA and OEO bureaucracies should be reorganized to facilitate more careful supervision of such controversial programs and to include the supposed beneficiaries in more frequent evaluations of both the methods and the goals of these programs.

Specifically, I join Dr. Alan Guttmacher, President of Planned Parenthood-World Population, in urging the Office of Population Affairs immediately to convene a "working conference of knowledgeable representatives of professional medical organizations, consumers, the bar, state and local officials, experts in the field of retardation and family planning program administrators" to develop workable guidelines governing voluntary sterilization for adults and consentual sterilization for the retarded. I trust that the honorable members of Congress will not threaten the necessary continuation of OEO programs, including family planning clinics, on the basis of such inexcusable tragedies as that which occurred in Alabama and elsewhere.

Finally, I think it is important to underscore the fact that it is poor women and young girls who are the victims of governmental interference in their private lives. Recently, we saw the House vote, in a flagrantly class discriminatory action, to deny legal services to poor women in abortion cases. Now we see denial to poor women of the right to have families. Clearly, under the Constitution, poor women are entitled to have their right to have babies, or *not* to have babies, fully protected.

STATEMENT BY THOMAS P. O'NEILL, JR., MAJORITY LEADER, ON THE JOINT ECONOMIC COMMITTEE STUDY ON THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'Neill) is recognized for 15 minutes.

Mr. O'NEILL. Mr. Speaker, I want to take a moment to compliment the distinguished gentleman from Texas (Mr. Patman) in his capacity as chairman of the Joint Economic Committee.

Last Saturday, on June 30, Chairman Patman released the Joint Economic Committee's remarkably comprehensive 776-page study entitled "Soviet Economic Prospects for the Seventies."

The study is undoubtedly the most timely and complete analysis of Soviet economic prospects in existence, and I would like to place in the Record at the conclusion of my remarks the high points of the summary of this fine publication.

Mr. Speaker, we are fortunate for the resourcefulness, hard work, and support of many fine committees and committee chairman in the Congress, but this new document which will aid us so greatly in understanding the Soviet Union, is another of many reminders of the great debt of thanks we owe to the conscientious members of the Joint Economic Committee and the men and women on its staff.

Summary

(By John P. Hardt)

A new era of international and commercial relations was announced by the Soviet and United States leadership after the Summit agreements of May 1972 and the commercial agreements in the fall of 1972. Yet the Soviet military establishment and Soviet foreign policy remain the primary rationale for the United States' national security outlays. Even with a smaller economy than the United States the Soviet Union continues to allocate in quantity and quality a comparable absolute amount of goods and services to military, space and aid.

With the adoption of the Ninth Five-Year Plan for the years 1971–1975 Soviet leaders underlined the importance of technological change and improvement in the level of consumption. The increased emphasis on investment to modernize their economy and the attention to consumer needs brought to the fore the question of civilian vs. military programs. Technological change also increased the Soviet interest in expanded commercial relations—especially those involving technological transfer—with the United States, Western Europe and Japan.

At a time in 1972 when economic performance was most important to fulfilling Soviet aims they suffered one of the worst years in the history of their planned economy—a GNP growth of close to 2 percent. Not only was the overall growth held down by an agricultural disaster, but other sectors also fell short of plan. As agriculture still represents about one quarter of the Soviet gross national product it was clearly the major culprit (see Table 1).

TABLE 1.—U.S.S.R.: INDEXES OF GNP AT FACTOR COST, 1970-72[1]—1953=100

	1953 weights, percent	1970	1971	1972
Industry and construction	39.2	112.7	120.0	126.2
Agriculture	24.4	109.5	103.0	97.3
Transportation and communications	6.8	114.9	118.8	124.8
Trade and services	29.6	109.7	114.0	120.0
Trade	5.9	115.6	123.6	132.0
Services	22.7	107.9	111.9	116.3
GNP	100.0	111.0	115.4	117.2

[1] These figures are based on data provided in various articles of this volume.

In the 30 chapters of this compendium some 40 specialists from government and academic institutions in the United States and Europe have assessed the recent Soviet economic performance and its implications for the future. The chapters in the compendium are arranged in 7 sections: Plan and Policy, Resource Claims of the Soviet Military Establishment, Industry, Agriculture, Consumption, Human Resources and Education, and the Foreign Economy. Most of the authors have provided their own summaries and the reader may wish to make up his own mind on differences of professional viewpoints. The following are some of the major questions raised by the papers with an indication of answers and where in the volume the appropriate analysis may be found.

1. How do the Soviet leaders view the economic issue in their policy deliberations? Is there a new strategy for economic development? How were priorities changed in the

current Ninth Five-Year Plan (1971–75) and the economically disastrous year 1972?

Key economic decisions are still concentrated in the hands of the top Party leaders, Leonid Brezhnev, Alexei Kosygin and other members of the Politburo. (Cook, p. 6.) Although important issues have been raised—such as the Stalinist emphasis on heavy industry, military prowess and the centralized planning and management system—the changes have not been far-reaching or dramatic, even under the stress of poor performaces in 1972. Still the long-held Stalinist view of autarky or self-sufficiency in foreign trade has been challenged if not replaced in the new era of Soviet-United States commercial relations (Wilson, Katz, Porter, Pounds-Rodgers, p. 643.)

The Soviet leaders are in the process of adopting a new economic strategy by: (1) altering current output to favor consumption; (2) changing the compositon of investment to increase consumer goods production capacity; (3) emphasizing technological change, improved management, and increased productivity (Campbell—Earle—Levine—Dresch, j. 139). Although technological change and improved standards of living for consumers were featured in the discussions of the Ninth Five-Year Plan at the Twenty-Fourth Party Congress, the short-term changes away from traditional military and heavy industrial claimants are modest. Moreover, the shortfalls of 1972 make it unlikely that even the modest goals for technological change and improved consumer welfare will be attained. (Bush, p. 44, Block, pp. 199–200.)

2. The current Ninth Five-Year Plan has been described in more detail than any similar plan in 30 years. Was the planning process improved for the development of this current plan? Is the current Five-Year Plan internally consistent and feasible?

Although the State Planning Committee was directed to use the 1966 Soviet input-output table as a basis for formulating the plan, it was apparently prepared by traditional methods (Treml—Kostinsky—Gallik, p. 250; Schroeder, p. 27). However, using a version of the Soviet 1966 table and other Soviet data it is possible to conclude that the published plan was neither internally consistent, nor feasible. Given the unanticipated poor performance in 1972 the goals for 1975 seem even less attainable.

Soviet leaders have shown increasing interest in two other goals. Somewhat belatedly they have recognized a need for comprehensive policies in technological change (Hutchings, pp. 71–86) and environmental protection. (Goldman, pp. 56–70.) The seriousness of their efforts to deal with the problems of technology seem far greater than their commitment to protecting the environment.

3. For some years Soviet leaders have accepted the need for reform in planning and management. What is the record to date and prospects for future change?

Changes in planning and management under current Soviet leadership have focused on the following aims: (1) an increased role for five-year and longer-range plans; (2) the efforts to devise more "scientific" bases for plans, of whatever kind and duration; (3) detailed planning for technological progress, improved product quality, and economic efficiency; and (4) the use of mathematical models and computers, including input-output techniques. (Schroeder, p. 13.)

The result to date has been the uncertain establishment of the research base for significant future changes in the entrenched Soviet planning and managerial institutions and the more certain increase in the size of that bureaucracy. (Schroeder. p. 38.)

At the same time it appears the official tolerance of an "unofficial" economy may have reduced the pressure for reform in incentives. According to some Soviet emigre interviews, "grey" and "black" markets and second jobs or "moonlighting" may be widespread in the U.S.S.R. To put it another way, the informal activities revealed recently in the Georgian Republic may be typical and all-pervasive. (Katz, pp. 88–94.)

4. In the last decade Soviet allocation of resources for defense has permitted a strategic weapons buildup sufficient to claim parity with the United States and a military manpower increase sufficient to meet additional felt needs on the China border and in Czechoslovakia. Has the burden of Soviet defense increased? What are the opportunities foregone by the continued top priority for defense? How accurate are our measurements of these military outlays and the defense burden?

By some estimates, the Soviet defense burden has not been rising and is no greater than that of the United States. (Block, p. 190.) Moreover, the military and civilian sectors of the Soviet economy are considered separate and distinct:

As completion of the Ninth Five-Year plan is closely tied to performance in their machinery sector (Noren-Whitehouse, p. 214), any diversion of resources to or from military programs might be critical to success in plan fulfillment. Still "there appears to be strong evidence to inverse movement between defense expenditures and those for both capital investment and private consumption. . . . We can draw a tentative conclusion from econometric analysis that Soviet defense expenditures have adversely affected Soviet economic growth". (Cohn, p. 153, 154.)

Likewise, the opportunity costs for military manpower are significantly understated by explicit Soviet manpower costs (Brubaker, p. 174). Indeed nonfulfillment of the Plan or resumed demobilization of military manpower may be a choice forced upon the leadership.

The adverse effects of military programs on Soviet economic performance may have influenced the Soviet positions on Strategic Arms Limitation Talks (SALT) and Mutual and Balanced Force Reduction (MBFR) discussions.

5. Agricultural output has played a more important role in economic performance in the U.S.S.R. than in the United States. How did agricultural performance change in the two countries in recent years? What special problems arose in the Soviet economy because of the poor 1972 agricultural output?

Net farm output rose more rapidly in the Soviet Union than the United States. Growth indices for agricultural output (1966–1971 compared to 1950–1955) were 184 for the U.S.S.R. and 132 for the United States (Whitehouse-Havelka, p. 345).

6. Consumerism is said to have come to the Soviet economy. Is this assertion valid in terms of changed priorities, plans, and performance?

It is not so much that goals are higher or programs are different, but the leadership now seems serious about meeting consumer needs. Satisfying the Soviet consumer, however, is becoming more difficult.

In spite of a disastrous year in agriculture the livestock herds have been fed imported grain, thereby keeping alive ambitious plans for increased meat output. (Diamond-Krueger, p. 327.) However, while "diets have improved—more meat and other quality food and fewer starches are on the nation's tables." ". . . the Soviet regime has not yet satisfactorily solved that most basic of problems—providing the population with a quality diet." (Bronson-Severin, pp. 376–377.)

In housing, another key consumer area, the record is even less impressive:

"At the present rate of increase in housing stock in urban areas at least six more years will be required to provide each family with its own unit. . . .

"Quality of construction by Western standards is shoddy and the design unimaginative. Moreover, approximately 20 percent of urban state housing still is without running water and sewerage, and for all housing, rural and urban, this figure probably exceeds 50 percent. Useful space available per person has increased in the last ten years from about 9 square meters to 11—which is still little more than half that provided in most Western European countries." (Smith, p. 405.)

Even for autos the availability of more vehicles is tempered by the shortage of filling stations, repair garages, and usable roads.

On the other hand, an increase in money wages has also been accompanied by a more egalitarian income distribution "* * * the narrowing of wage differentials in the U.S.S.R. over the past two decades has been enormous." (Bronson-Severin, p. 379.) This "income revolution," reviving the old Marxist concept of an egalitarian society, may encourage the recent interest of Soviet sociologists in social differentiation (Katz, 94–102.)

7. The first census since 1959 is now available for analysis. What does it show? Will manpower shortages constrain Soviet economic performance in the future? To what extent is the labor shortage a problem of inadequate skills? Will the investment in education help overcome labor quality problems?

"The dominant features of the demographic trends in the Soviet Union during the 1960's were the steadily declining fertility and the concomitant decreasing rate of population growth. * * *

"If fertility remains constant at the 1971 level, the total population of the USSR is projected to be about 320 million on January 1, 2000, an increase of nearly 71 million (29 percent) over the total of 249 reported for January 1, 1973. If fertility declines, as it has done over the past decade, the total is projected to be between 292 and 306 million at the beginning of 2000, or an increase of between 18 and 23 percent over the projection period." (Leedy, pp. 429–430.)

The differential rate of population growth among Soviet nationalities may be as disturbing to Soviet leaders as the general decline in the rate of expansion. The European areas—including the dominantly Great Russian areas are—below average, while the Central Asia Republics have the most rapid population growth. This may further encourage Soviet leaders to adopt an explicit policy for encouraging population growth in low birth rate areas.

In view of the shortfall in the planned increase in labor productivity in 1972, it now appears that labor availability will prevent completion of the Ninth Five-Year Plan. Moreover, the labor constraint during the Tenth Five-Year Plan is likely to be more severe.

The education system affects the quality of the labor force.

". . . the USSR now claims that 99.7 percent of the population is literate, compared with only 44 percent in 1920. * * * Universal eight-year education has been achieved and progress is being made on providing universal ten-year education for all youths. Despite these efforts, however, the labor force is not as highly trained as the recent accomplishments in education imply. * * * Presently about one-third of the Soviet labor force has less than 8 years of education and not even one of every ten workers has finished college." (Carey, p. 623.)

Soviet education has favored engineers and scientists.

"As long ago as 1950 the number of persons working in Soviet R&D was half again as large as the number working in R&D in the United States. During 1951–70 the USSR enlarged its R&D labor force at a substantially greater rate than did the United States—9.3 percent per year compared with 6.3 percent per year. As a consequence, total R&D employment in the USSR grew to more than 2½ times the U.S. level by 1970. * * *

"There is, however, no Soviet advantage in the number of scientists and engineers conducting or managing R&D projects; according to the estimates presented above, the USSR had 494,000 of these people in 1970 while the United States had 545,000." (Bronson, p. 580.)

8. Increasing commercial relations with the United States and the other economically developed nations are considered to be of political benefit as a stabilizer in international relations. How significant is trade with the developed economies to the performance of the Soviet economy? What are the limitations on increases and prospective future levels of economic interchange? Are the expansions of Soviet shipping and of military and economic aid primarily political or economic development?

The trade agreement of October 1972 continued the pattern of normalization of United States-Soviet relations begun at the Moscow Summit in May 1972. Agreements on debts, business facilities, financing, shipping and related matters opened the prospect of substantially expanded trade. However, many issues remain, especially the granting of most-favored-nation treatment by Congress. Other issues related to commercial relations will be taken up by the Joint U.S.-U.S.S.R. Commission, which was established a continuing body. (Wilson, Katz, Porter, Pounds, Rodgers, pp. 657–659.)

Although many of the constraints on trade have been reduced or eliminated, different problems have come to the fore, including those related to joint investment projects and convertibility. These involve not only legal barriers but also differences in the economic systems of the two countries. (Holzman, pp. 682–689.) Industrial cooperation between the United States and the U.S.S.R. requires serious negotiations and significant political and economic concessions on both sides (Yalowitz, pp. 717–718.)

The major obstacle to expanded Soviet commercial relations with the West is obtaining financing for Soviet imports.

"As a result of Soviet inability to expand its exports to hard currency countries rapidly enough to pay for growing imports, the Soviet trade balance with these countries has been in deficit throughout the period 1960–71, averaging about $270 million per year. In 1972 large imports of Western grain contributed to a record deficit of at least $800 million. Until the mid-1960's, these deficits were financed primarily by gold sales and, to a lesser extent, by Western government-guaranteed medium-term credits. * * *

"Dwindling gold reserves and the greater availability of Western credit resulted in increased use of Western government-guaranteed medium- and long-term credits, which replaced gold as the chief element in financing the Soviet deficit with the West." (Farrell, p. 691.)

Gold sales totaled $250–300 million in 1972. With the higher price for gold in Western markets, the Soviets may increase their exports in order to finance imports from the West. Soviet exporters also hope to increase their sales of valuable raw materials, especially petroleum products and natural gas. However, without massive East-West joint ventures, prospects for increased petroleum and natural gas exports seem dim in view of Soviet production problems and increasing domestic and East European demand. (Campbell, pp. 47–49; Lee, p. 290.)

The shortage of hard currency explains the eagerness of Soviet leaders to enter coproduction arrangements with Western firms.

Soviet interest in expanded foreign economic relations extends to commercial ties with the developing nations. Soviet foreign aid programs initiated after Stalin's death have retained their largely political character. However, they are also partially motivated by economic considerations.

As a result of expanded Soviet foreign economic activities, the Soviet merchant marine fleet grew at a far more rapid rate than the economy as a whole. The October 1972 U.S.-U.S.S.R. maritime agreement, combined politics and economics.

COMPARATIVE SOVIET-UNITED STATES ECONOMIC DEVELOPMENT

With a larger population the Soviet economy still produces less goods and services than the United States economy (Table 2). In fact, the gap between the Gross National Products (GNP) of the two countries has not been narrowing in spite of more rapid growth in the output of Soviet industry and agriculture and a proportionally larger increase in investment since 1960. With a larger labor force the Soviet economy is faced with problems of labor shortages while the United States economy is plagued by a continuing labor surplus.

Comparable allocations of resources in each country to national security programs place constraints in each case on the funding of civilian programs to modernize the economies and improve the quality of life. The preemption of scarce capital and manpower by the military acts as the primary constraint on Soviet civilian programs; whereas fiscal constraints—the availability of tax revenue within the existing tax structure—appear to be more important in determining the level of Federal government programs for civilian improvement in the United States. Whether the burden or opportunity costs of military programs are higher in the Soviet Union or United States probably turns on the subjective value of the options forgone.

TABLE 2.—ECONOMIC INDICATORS[1]

	U.S.S.R.			United States	
	1970	1971	1972	1971	1972
GNP (billion 1971 U.S. dollars)	561	570	580	1, 050	1, 118
Population midyear (million persons)	242. 8	245. 1	247. 5	207. 0	209. 0
Per capita GNP (1971 U.S. dollars)	2, 269	2, 326	2, 343	5, 072	5, 349
Industrial production index (1960=100)	196. 2	207. 0	217. 5	161. 3	172. 7
Net agricultural production index (1960=100)	144. 4	144. 6	134. 7	123. 3	124. 4
Total labor force (including the armed forces), adjusted annual average (million persons)	124. 2	126. 0	123. 1	86. 9	89. 0
Nonagricultural, adjusted annual average (million persons)	86. 7	89. 1	92. 1	75. 7	73. 2
Agricultural adjusted annual average (million persons)	37. 6	36. 9	36. 0	4. 5	(2)
Total investment index (1960=100)	196. 3	208. 7	223. 2	146. 7	(2)
Per capita consumption index (1960=100)	147. 3	153. 5	153. 7	135. 9	(2)

[1] Based on appropriate chapters in this volume. See also annex A of Peter G. Petarson, "United States-Soviet Commercial Relationships in a New Era," Department of Commerce, August 1972.

[2] Not available.

PROBLEMS AND PROSPECTS

The economic record for 1972 was one of the worst since the First Five-Year Plan was introduced. It may be that the economy cannot recover rapidly enough to meet even the major goals for the Ninth Five-Year Plan. However, we should be cautious in interpreting the likely shortfall in the current plan. First, the Soviet economy tends to revive rapidly from years of poor performance, especially when weather is a major adverse factor. Second, the Soviet economy may average a growth rate of 4–5 percent per annum for the Five-Year Plan period (1971–75) and still fall short of planned targets. Although disappointnig, that rate of growth would provide considerable additional resources for the programs the Soviet leadership wishes to emphasize.

Regardless of the level of performance in the next several years, the Soviet leadership would doubtless prefer to expand their economy at a more rapid rate during the Ninth and Tenth Five-Year Plans, i.e., during the 1970s. A number of factors will influence the likely performance of the Soviet economy. The following is a partial list of prescriptions for improved economic performance:

Reduce military claims on resources and speed the transfer of human and capital resources released from military programs to civilian production.

Streamline planning institutions and management mechanisms to meet demands.

Expand commercial relations with developed nations to facilitate technology transfers.

In order to meet the above prescriptions the Soviet leadership may have to be far more flexible in their policies than history suggests is likely. Deemphasis of the military and heavy industry run counter to the entrenched interests of important segments of the Soviet elite. Significant changes in planning and management would result in a diffusion or redirection of economic power and control in the Soviet system. Thus the economic role of the Party might be at stake. Changes in relations between the Soviet economy and the non-Communist world might mean renouncing the Stalinist concept of autarky and isolation and joining the international commercal and financial community. Thus, the political costs for improved economic performance might be high, perhaps too high. Those who choose to extrapolate past performances—most of the authors in this volume—would expect little major change in internal priorities and scant economic reforms. Others, however, argue that a turning point in foreign economic relations has been reached. Perhaps we should not discount the prospects for significant change in the Soviet domestic economy.

WE MUST REMOVE DANGER OF NERVE GAS FROM OUR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, one-fiftieth of a drop of nerve gas known as GB, is enough to kill an adult human being within minutes of contact with his skin. The nerve gas VX is purported to be several times more powerful. In 1968 we saw thousands of sheep in northwestern Utah twitching in slow death upon exposure to nerve gas inadvertently sprayed from an airplane at the Dugway Proving Grounds. Yet, despite assurances from the Army 4 years ago that great amounts of nerve gas would be detoxified, very little has, in fact, been neutralized. Approximately 463,000 gallons of GB remain stored at the Rocky Mountain Arsenal, while the Tooele Army Depot is a primary storage site for bombs, shells, and tanks filled with VX gas, as well as GB.

Continued storage of deadly nerve gas in this country is barbaric. To threaten the lives of millions of our citizens for some theoretical and questionable use against a supposed enemy is unconscionable. It is time to seriously examine the National Security Council policy of stockpiling nerve gas.

Recently, upon discovery that the Army continues to store quantities of several nerve agents at the Rocky Mountain Arsenal, Congressman ARMSTRONG, of Colorado, issued a press statement criticizing the Army for failing to rid Denver of the threat of accidental exposure, and calling for immediate transfer of the agents to what he called a less hazardous location—the Tooele Army Depot in my district. We in Utah are totally opposed to that suggestion and, if I read the statute governing shipment of such agents correctly, without Utah's explicit approval, such shipment would be illegal.

My concern has not stopped with seeing that Utah does not become the dumping ground for these agents, however. I have devoted considerable time to investigating the circumstances which led to the stockpiling of the agents at the Rocky Mountain Arsenal and Tooele Army Depot. Within the last week I toured and was briefed at both of those facilities.

Even though a National Academy of Sciences panel recommended in 1969 that the 21,000 M-34 bombs be destroyed in place at the arsenal, and the Army promised to do so, all 21,000 bombs remain at the arsenal with destruction only recently scheduled to begin this fall and to be completed 33 months later. Detoxification of mustard gas, also stored at the arsenal, finally began in September 1972 and will not be completed until September 1974. In the meantime, with many of these agents stored above ground 1 mile from the Denver airport, a plane crash could theoretically annihilate the city of Denver.

At Tooele, which the Army acknowledges to be a primary site for nerve agents in the United States, bombs, barrels, and 155 millimeter shells are stockpiled for the purpose of "providing a deterrent to the possibility that the enemy might use their nerve agents on us." What kind of a deterrent can nerve gas be, when we have such dreadfully destructive nuclear weapons in our arsenal? At Tooele, for example, there are no facilities to use the nerve gas there stored. In case of need, the Army would have to transport the gas from Tooele Army Depot to Dugway Proving Grounds airstrip 50 miles away, then it would have to be flown back to Denver—from where it originated—and transported to the Rocky Mountain Arsenal. There it would be placed into bombs, shipped back to the airport, and transported to the war zone. The whole concept of that procedure deluding anyone from anything is ludicrous.

A recent editorial in the New York Times aptly states the case:

> No doubt the Army would find it extremely difficult to ship the stuff elsewhere. The alternative is to destroy it. It is arrogant nonsense to pretend that the country needs nerve gas to deter its possible use by an enemy, as though a whole arsenal of hydrogen bombs were not deterrent enough for any weapon an enemy might choose. Without even that pretext, there is no rationale for poison gas at all, since there is no question that it would be as dangerous to our own side in war as it is in peace—a deadly threat to Americans in the field.

I want to make clear that my concerns go to the policy questions involved. The Army, as near as I can ascertain, is faithfully performing its function of storage under maximum safety conditions. Civilian public officials must make the policy decision.

I have written Chairman HÉBERT of the House Armed Services Committee, requesting hearings to explore thoroughly the national policy which requires stockpiles of nerve gas in this country. If there is any justification for the policy—and no credible justification has ever been given—it is incumbent upon the President, the Secretaries of Army and Defense, and the National Security Council to explain why we need nerve gas in our arsenal. They must justify or detoxify.

In addition, I have requested that the Secretary of Defense direct that the nerve gas agents already scheduled for destruction be destroyed as quickly as possible. I understand that a major detoxificaiton unit is under construction at the Tooele Army Depot, and have asked rapid completion of that facility.

The danger to the people of Utah, and to other citizens of this country posed by the nonsensical policy of storing nerve gas, in fear of a virtually nonexistent threat, must not continue. Nerve gas is not an adequate deterrent. Our other weapons of war pose a far more potent threat to enemies, real or imagined, and would be far more quickly dispatched. We must act now to remove this danger to our citizens.

THE MULTIPROTECTION OF EMPLOYEE RETIREMENT INCOME AND TRUST ACT

(Mr. ERLENBORN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ERLENBORN. Mr. Speaker, for several years now, the General Subcommittee on Labor, where I serve as the ranking minority member, has been seeking a solution to a problem which troubles many Members of Congress: How to provide Americans with greater protection of their pension benefits. Early in this process, we learned that the subject is deserving of congressional attention but is of such complexity that there was no simple legislative remedy. Our watchword has been that of the carpenter to his apprentice: Measure twice, and cut once.

Thus, we have been measuring and weighing the many factors involved, and a pattern of sorts has taken shape. This pattern has been incorporated into a bill being introduced today by nine of us from the Education and Labor Committee. Cosponsors are Mr. QUIE, Mr. HANSEN of Idaho, Mr. KEMP, Mr. SARASIN, Mr. HUBER, Mr. DELLENBACK, Mr. STEIGER of Wisconsin, and Mr. TOWELL of Nevada.

Our proposal, the Multiprotection of Employee Retirement Income and Trust Act, attempts to assure that people get the pensions they have worked for. Some people have not, and we want to right that wrong. At the same time, we have kept in mind the enormous growth of pension and profit-sharing plans—and the millions of people who have benefited from them—since World War II; and we want to encourage more employers to plan pensions for their workers.

More pensions and greater assurance that workers will get their pensions—we look upon these as attainable goals; and we look upon our merit bill as a sound means for achieving these goals.

Numerous other pension bills have been introduced. All have similarities, but they have differences in three areas: First, which plans should be covered, second, which agency should regulate them, and third, which of six aspects of pension legislation should get the most emphasis.

The six aspects are disclosure, regulation of fiduciaries, vesting, funding, portability, and termination insurance.

A section-by-section analysis of the merit bill follows, but certain features warrant highlighting.

COVERAGE

As with most pension proposals, coverage differs from title to title; but the merit bill would regulate most public and private pension and welfare plans. The exceptions are Federal plans, plans required under workmen's compensation, unemployment compensation, and disability insurance laws; and plans with fewer than 26 participants. For the most part, those areas not covered by our proposal would remain subject to State laws.

ADMINISTRATION

All of the provisions of the merit bill would be administered and enforced by the Secretary of Labor. Our bill would not change the fact that pension and profit-sharing plans must comply with Internal Revenue Service regulations in order to qualify for tax deductions. However, encouragement would be provided for cooperation among Federal agencies to avoid unnecessary duplication and undue expense.

DISCLOSURE

The merit bill would require that workers be told of their pension and welfare rights and the condition of their plan in terms that are understandable to them. It also would require that the Labor Secretary be informed annually about these matters.

Reports to the Secretary, as in other bills, would include schedules of party-in-interest transactions and loans and leases in default; but pains have been taken to assure that reporting and disclosure would be meaningful.

Except for an annual audit and descriptions of plans—as well as amendments to them—reporting to the Secretary by plans with fewer than 100 participants would not be required.

Additionally, our proposal would provide that all defined-benefit pension plans—in which a worker is promised a certain amount per month upon retirement—must submit annual funding reports to the Secretary.

Every pension and profit-sharing plan would have to file an application with the Secretary of Labor for qualification and registration. A certificate would be issued and continued in force so long as the eligibility, vesting and funding requirements are met.

FIDUCIARIES

All who have studied pension plans are surprised to learn that some elementary kinds of honesty are not required of fiduciaries—people who manage trust funds. Most of the pension bills before Congress would try to correct these deficiencies, and the merit bill differs only slightly in this regard.

Like S. 4, as proposed by Senators WILLIAMS and JAVITS, our bill would allow certain exceptions with regard to the investments of profit-sharing plans.

VESTING

As a worker's seniority on the job goes up, he may gain progressively greater pension rights, called vested rights because they may not be taken from him.

Each of the other major pension bills proposed one of three ways of vesting. The MERIT bill embraces all three.

Our studies have graphically illustrated that the effect of a particular vesting standard on individuals varies from plan to plan, depending upon a myriad of factors. So does the cost of vesting. For these reasons, the MERIT bill would allow the plan to choose a graded 15-year vesting, a 10-year vesting, or the rule of 50, whichever best fits the needs of the pension beneficiaries.

The graded 15-year rule assures a worker of 30 percent of his pension rights after 8 years' services, rising by 10 percent per year until it reaches 100 percent after 15 years on the job.

The 10-year rule would require that a worker get a fully vested interest after 10 years on the job.

Under the rule of 50, pension rights would be 50 percent vested when the worker's age plus his years of service equals 50. Then his vested interest would increase by 10 percent for each additional year on the job until it reaches 100 percent.

Again like the Williams-Javits bill in the other body, the MERIT bill would make vesting effective 2 years after enactment; and vesting would be retroactive to the extent of a covered worker's past service at that date.

FUNDING

As an employee works toward retirement, his pension is funded if a proportionate part of his pension is paid regularly into the reserve. Thus, when he becomes ready to retire, his pension would be ready for him. There would be no need to pay his pension out of current income—or, in the case of a public employee, out of current taxes.

We know that there are single-employer plans, multiemployer plans, private plans, and public plans. The MERIT bill intends that they all be funded, but would not force all of these plans—with their many differences—into the same mold.

The minimum funding standard proposed in the MERIT bill is much like that required by the accounting profession for financial statements. In a defined benefit plan, this translates into annual minimum contributions by the employer equal to present cost plus 40-year amortization of the unfunded accrued liabilities of all benefits provided by the plan.

In most plans, "benefits" refers to retirement income, but it also may include disability, survivor, or other benefits.

At the same time, our bill recognized that vested benefits should be funded. Our standard contains a simplified calculation which would automatically spread over a period of time the remaining unfunded vested liabilities, including both actuarial gains and losses.

Actuarial predictions are not perfect. The MERIT bill takes cognizance of this by requiring that actuarial gains and losses be spread over the entire future working life of employees in the plan.

The bill would permit flexibilities which appear to be absent from other proposals. For example, contributions by the employer in excess of the minimum required could be used to offset future minimum contributions.

Additionally, present law limits tax deductions on employer contributions for past service. If the annual minimum contribution required under the bill would exceed that for which a tax deduction could be taken, the excess could be carried over. In this way, the minimum contribution would always be tax deductible.

Importantly, the MERIT bill would not disrupt present accounting and actuarial practices.

PORTABILITY

A pension is portable if a worker who leaves one job for another can take his accumulated pension rights with him.

Most multiemployer pension programs handle portability as a matter of course; but single-employer plans are so diverse that they could comply with a portability law only with extreme difficulty.

Good vesting makes a portability law unnecessary, but workers should have a means to facilitate the recordkeeping of their vested benefits. The MERIT bill would require a pension plan administrator to give each terminating worker a statement of the employee's benefits, and the procedure for collecting them. This information also would be reported to the Government. When the employee applies for social security benefits, he would also get notice of the pension benefits he has acquired during his or her working life from various employers.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED MULTIPROTECTION OF EMPLOYEE RETIREMENT INCOME AND TRUST (MERIT) ACT

(Introduced by U.S. Reps. John N. Erlenborn, Albert H. Quie, Ronald Sarasin, et al., July 12, 1973)

PURPOSES

The purposes of the proposed Multiprotection of Employee Retirement Income and Trust Act are: (1) to establish minimum standards of fiduciary conduct for plan trustees and administrators, to provide for their enforcement through civil and criminal means, and to require expanded reporting of the details of a plan's administrative and financial affairs; and (2) to improve the equitable character and soundness of private pension plans by requiring them to: (a) vest the accrued benefits of employees with significant periods of service with an employer; and (b) meet minimum standards of funding.

Sec. 2. Finding and Declaration of Policy.

Sec. 3. Definitions:

1. Employee Welfare Benefit Plan.
2. Employee Pension Benefit Plan.
3. Employee Benefit Plan (or Plan).
4. Registered Plan.
5. Individual Account Plan.
6. Profit-Sharing Plan or Profit-Sharing Retirement Plan.
7. Stock Bonus Plan.
8. Thrift or Savings Plan.
9. Employee Organization.
10. Employer.
11. Employee.
12. Participant.
13. Beneficiary.
14. Person.
15. State.
16. Commerce.
17. Industry or Activity Affecting Commerce.
18. Secretary.
19. Party in Interest.
20. Relative.
21. Administrator.
22. Qualified Actuary.
23. Multiemployer Pension Plan.
24. Unaffiliated Employer.
25. Fiscal Year of the Plan.
26. Separate Account.
27. Adequate Consideration.
28. Security.
29. Fiduciary.
30. Current Value.
31. Present Value.
32. Nonforfeitable Pension Benefit.
33. Accrued Portion of the Regular Retirement Benefit.
34. Regular Retirement Benefit.
35. Unfunded Accrued Liability.
36. Advance Funding Actuarial Cost Method.
37. Actuarial Loss.
38. Actuarial Gain.
39. Present Value of an Annuity Certain Due.
40. Normal Service Cost or Normal Cost.
41. Accrued Liability.
42. Funding.
43. Investment Company not a Fiduciary.

Title I—Fiduciary Responsibility and Disclosure.

Sec. 101. Coverage

Title I would cover all private and public pension and welfare plans, except:

1. Federal plans;
2. plans required under workmen's compensation, unemployment compensation, and disability insurance laws;
3. plans covering 25 or fewer participants;
4. plans established or maintained outside the United States for the benefit of workers who are not U.S. citizens, and
5. executive deferred compensation plans.

Sec. 102. Duty of Disclosure and Reporting.

The administrator of a pension or welfare plan would be required to publish to each participant or beneficiary a description of the plan as set forth in section 103 and a summary of the annual financial report as set forth in section 104. The report would be in such form and detail as the administrator finds necessary to disclose fully and fairly all pertinent facts.

Upon termination of a pension or welfare plan, the administrator would be required to file a special terminal report as prescribed by the Secretary of Labor.

Sec. 103. Description of the Plan.

Plan descriptions would be required to be published within 150 days after the establishment of a plan or within 150 days after a plan becomes subject to this title, whichever is later. Amendments to plans would have to be published within 270 days, and descriptions would have to be republished at least every five years. The description would have to be comprehensive and written in a manner calculated to be understood by the average plan participant. Among other things it would have to include: the name and address of the administrator; and the schedule of benefits; a description of the plan's vesting provisions; the source of the plan's financing; and the procedures to be followed in presenting claims for benefits as well as those for appealing claims which are denied.

Sec. 104. Annual Reports.

An annual financial report to the Secretary of Labor would be required by this section for all plans with 100 or more participants. Information required in the report would include:

An audit and opinion by an independent qualified public accountant (with exceptions for public plans and when financial statements are certified by a bank or insurance carrier);

The number of employees, benefits paid, and information fiduciaries, trustees and administrators and compensation paid them;

A summary financial statement of assets and liabilities;

A summary of receipts and disbursements;

A schedule of all assets listed by issuer;

A schedule of known party-in-interest transactions;

A schedule of loans which are in default and uncollectible;

A schedule of leases which are in default and uncollectible;

A bank or insurance carrier statement of assets and liabilities for common and collective trusts.

If some or all of the plan's assets are held in common or collective trust maintained by a bank or similar institution or in a separate account maintained by an insurance carrier, the bank or carrier would also be required to file a statement of assets and liabilities.

If some or all of the benefits under the plan are provided by an insurance carrier or other organization, such report would also have to include: The premium rate or subscription charge and the total premium or subscription charges paid to each carrier and the approximate number of persons covered by each class of benefits; the total premiums received, the approximate number of persons covered by each class of benefits, and the total claims paid by such carriers; or, if separate experience ratings are not kept, a statement as to the basis of a carrier's premium rate or a copy of the financial report of the carrier.

In addition to the required financial information, each plan would have to provide a copy of its most recent actuarial report.

Sec. 105. Publication and Disclosure.

The Secretary would be authorized to reject any report which after a hearing before him was found to be incomplete or to contain a qualified opinion by an accountant or an actuary.

A copy of the plan description and each annual report would have to be filed with the Secretary of Labor who would make them available for inspection in the public document room of the Department of Labor. The administrator would be required to make copies of the annual report and plan description as well as the bargaining agreement, and trust instrument creating the plan available for examination by any plan participant or beneficiary in the administrator's principal office, and in such other places as necessary to fully and fairly disclose all pertinent facts.

All pension and welfare plan participants would be furnished with a copy of—

The plan description initially and at the time of amendment, including:

A schedule of benefits,

Eligibility and vesting provisions,

Claim procedures and remedies,

Basis of financing,

Other relevant plan provisions affecting their rights and the annual report, including:

A summary financial statement of assets and receipts and disbursements,

The ratio of assets to value of nonforfeitable pension benefits.

Upon written request to the plan administrator, a participant could receive a copy of a statement as to his or her rights and the amount of any nonforfeitable benefit; and a copy of the plan, trust, bargaining agreement or other document. These copies would be furnished at the cost of reproduction.

Upon termination, all pension plan participants would receive a statement showing his or her benefits, indicating when and how they may be claimed, and including any other information affecting their rights.

A statement of a pension plan participant's right to deferred vested benefits from former pension plans would be furnished upon request to the Social Security Administration and when action is taken on the participant's Social Security account. To assure timely filings and payment of vested benefits, the address and identity of all plans would be kept up-to-date.

Sec. 106. Enforcement.

Any person who willfully violates the disclosure provisions of this act would be subject to a fine of up to $1,000 and/or up to six months' imprisonment. An administrator's refusal to comply with reasonable written requests for disclosure information within 60 days would be subject to a fine of $50 per day.

Violation of the provisions dealing with the retention of records subjects a person to a fine of up to $5,000 and/or imprisonment of up to two years. Violations of the provisions of 111(b)(2) (dealing with prohibited transaction) would subject a person to a fine of up to $10,000 and/or up to five years' imprisonment.

This section would give the Secretary of Labor authority to investigate any plan. He would be given authority to demand sufficient information as he may deem necessary to enable him to conduct his investigations.

Plan participants, beneficiaries, or the Secretary of Labor on behalf of the participants and beneficiaries would be allowed to bring civil actions to redress breaches of a fiduciary's responsibility or to remove a fiduciary who has failed to carry out his duties. The Secretary would also be empowered to bring an action to enjoin any act or practice which appears to him to violate the title. Civil actions brought by a participant or beneficiary may be brought in any court, State or Federal. However, the Secretary would have the right to intervene in a case and remove it to a Federal district court. In any actions by a participant or beneficiary, the court could, at its discretion, allow reasonable attorneys fees and costs of action to either party.

Class actions shall be brought where requirements for class actions can be met.

Sec. 107. All reports filed with the Secretary of Labor shall be public information.

Sec. 108. Detailed records must be retained for six years.

Sec. 109. Proven reliance upon a regulation or written interpretation by the Secretary of Labor would constitute a defense in a criminal or civil proceeding under certain sections of the act.

Sec. 110. Every person subject to the fiduciary provisions of the act would have to be bonded.

Sec. 111. Fiduciary Responsibility.

This section would deem every employee benefit fund to be a trust held for the exclusive purpose of providing benefits to participants and their beneficiaries as well as defraying reasonable administrative expenses. Each plan would have to be in writing.

A fiduciary is defined in section 3(29) as anyone who exercises any power of control, management or disposition with regard to a fund's assets or who has authority to do so or who has authority or responsibility in the plan's administration. Fiduciaries would be required to discharge their duties with respect to the fund ". . . solely in the interest of the participants and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims."

A fiduciary would also have to diversify the investments, except in the case of profit-sharing, stock bonus, or thrift and savings plans, so as to minimize the risk of large losses unless under the circumstances it is prudent not to do so and in accordance with the documents and instruments governing the fund.

A fiduciary would be specifically prohibited from making the following transactions:

Dealing with such fund for his own account.

Acting in any transaction involving the fund on behalf of a party adverse to the interests of the plan or participants.

Receiving personal consideration from any party dealing with the fund in connection with a transaction involving the fund.

Transferring property to any party in interest for less than adequate consideration.

Permitting the acquisition of property from any party in interest for more than adequate consideration.

SEC. 112. Certain persons convicted of crimes may not serve as officers, administrators, trustees, or paid consultants.

SEC. 113. Pension Plan Termination.

An equitable priority distribution of assets would be provided upon plan termination. Assets not previously allocated to individual accounts would have to be distributed according to the following priorities:

(a) contributions by employees would be returned;

(b) those presently receiving benefits and those who could voluntarily elect to receive benefits;

(c) those other than in (b)—to the extent of their vested benefits;

(d) all others, including the non-vested benefits of those in (c).

Benefit increases within the five years prior to plan termination would trigger an allocation based on the prior benefit formula, any remaining assets being distributed on the basis of increases in the more recent benefit formulas.

(e) Investment income attributable to employee contributions would be distributed pro rata to the employees' accounts.

(f) Any benefit liabilities incurred as a result of plan termination would be given last priority.

(g) Any remaining assets would be returned to the employer if the plan so provides; otherwise, they would be distributed pro ratably to the employees.

SEC. 114. A 15-member Advisory Council on Employee Welfare and Pension Benefit Plans would be established.

SEC. 115. All State laws would be pre-empted except for those covering plans not subject to this title.

SEC. 116. The Welfare and Pension Plans Disclosure act would be repealed upon the effective date of the MERIT act, which would be six months after enactment.

TITLE II—VESTING AND ELIGIBILITY REQUIREMENTS

SEC. 201. Coverage.

Title II would cover all private and public employee pension benefit plans including profit-sharing plans which provide benefits after retirement, except:

1. Federal plans;
2. Keogh plans benefiting the self-employed and owner-employees;
3. plans covering 25 or fewer participants;
4. plans established or maintained outside the United States for the benefit of workers who are not U.S. citizens, and
5. executive deferred compensation plans.

SEC. 202. Eligibility Requirements.

No plan, after the effective date of this title, would be allowed to require as a condition for eligibility to participate in it an age greater than 25 or a period of service longer than one year (three years for plans which provide for immediate 100% vesting or for crediting of all preparticipation service for benefit purposes), whichever is the later. Existing plans would be permitted to retain their eligibility requirements for three years or until they are amended, whichever is sooner.

SEC. 203. Nonforfeitable Benefits.

Every pension plan would be given a choice of one of three vesting rules:

1. Ten-Year Service Rule (100% vested at 10 years of covered service);

2. Graded Fifteen-Year Service Rule (30% vested at eight years of covered service, such percentage increasing by 10% each year until 100% is reached after 15 years of covered service);

3. Rule of 50 (50% vested when age plus covered service equals 50, such percentage increasing by 10% each year until 100% is reached).

The vesting rules use a fully retroactive service provision in calculating the vesting percentage and the amount of the accrued portion of the regular retirement benefit. A plan would be permitted to change vesting rules at any time if provision is made that vested benefits not be reduced or delayed for participants in the plan at the time of change. A plan would always be permitted to allow for vesting of benefits after a lesser period and in a greater amount than is required under any of the three vesting rules.

Class year profit-sharing plans

Class year plans would be required to vest 100% of the employer's contribution no later than five years after the contribution was made.

Covered service

In computing the period of covered service under a plan, an employee's entire service with the employer contributing to or maintaining the plan shall be considered. However, service prior to age 25, service during which the employee declined to contribute to a plan requiring employee contributions, service with a predecessor of the employer contributing to or maintaining the plan (except where the plan has been continued in effect by the successor employer), service broken by periods of suspension of employment (provided the rules governing such breaks in service are not unreasonable or arbitrary), and service where a participant has previously attained a 100% nonforfeitable right may be disregarded.

Contributory plans

No plan may provide for forfeiture (1) of any employee contributions unless agreed to in writing, or (2) of the accrued portion of the regular retirement benefit to the extent that such portion is nonforfeitable and is attributable to employer contributions.

Lump sum distributions

Preferential treatment of voluntarily terminated employees to plan assets would be precluded since one or more lump sum distributions of the present value of nonforfeitable benefits could be made only to the extent that they had been funded.

Social Security offset plans

Any pension plan with a Social Security offset feature would be required, at the time of the first plan amendment, to provide that the amount of any offset net increase (1) for participants receiving benefits and (2) after the date of termination of a vested participant.

SEC. 204. Deferred Applicability of Vesting Standards.

Variances for up to five years could be granted by the Secretary to plans which could show that substantial economic injury would result from the full impact of this title.

SEC. 205. Distribution of Nonforfeitable Benefits To Terminating Participants.

Vested benefits to participants terminating before 65 would have to be distributed, at the option of the participant, at regular retirement age. The plan may provide that such age be not less than age 60. Survivor annuity and other options offered by a plan to normal retirees would have to be extended to all terminated vested participants.

SEC. 206. Determination of Accrued Portion of Regular Retirement Benefit.

The accrued portion of the regular retirement benefit for a vested participant would be calculated at the time of the participant's termination.

SEC. 207. Effective Date.

The effective date of this title would be two years after enactment. Collectively bargained plans would be extended up to 30 additional months to conform their bargaining agreements to this title.

TITLE III—FUNDING

SEC. 301. Coverage.

Title III would cover all private and public employee pension benefit plans covered under title II except for profit-sharing and other individual account plans.

Sec. 302. Minimum Funding Standard.

Public pension plans

Public plans covered under title II would initially have to meet a minimum funding standard equal to normal cost plus 50% of a percentage (similar to 40-year amortization) of the remaining unfunded accrued liabilities for all plan benefits. The initial 50% would be increased by 5% per year until 100% is reached after 10 years from the effective date. This method would permit a continuous re-spreading of the remaining unfunded accrued liabilities (including any actuarial gains and losses).

Multiemployer pension plans

Multiemployer pension plans would have five years from the effective date to meet the minimum funding requirement equal to normal cost plus a percentage (similar to 40-year amortization) of the remaining unfunded accrued liabilities for all plan benefits. Ten years after the effective date, multiemployer plans would have to meet the full minimum standard as given below.

All other plans

Every pension plan subject to title III (other than the above) must make annual minimum contributions equal to:

1. Normal cost plus 40-year amortization of unfunded accrued liabilities for all plan benefits; any accumulated actuarial gains and losses would be spread over the future service of active participants; or, if larger,

2. A percentage of the unfunded portion of the present value of the nonforfeitable pension benefits. The unfunded portion would be recalculated each year so that an interest assumption of 5% would reduce the remaining unfunded portion by about 7.6% per annum or by about 80% in 20 years or 92% in 30 years.

Contributions made in excess of the minimum could be used to offset future minimum contributions, thereby permitting funding flexibility. Required minimum contributions in excess of tax deductible limits would be permitted to be carried over to succeeding years where tax deductions would be allowed.

Sec. 303. Funding Status Reports.

An annual report would be required to be filed with the Secretary of Labor containing the amount of the minimum contribution, an opinion by a qualified actuary, and the amount of the actual contribution for the plan year.

Sec. 304. Enforcement of Funding Requirements; Variances.

Application would have to be made to the Secretary for a waiver of part or all of a minimum funding contribution. Benefits coud not be increased until all such waived contributions had been paid off. After five waivers in a 10-year period, the Secretary could, after notice and hearing, order the termination of the plan or the merger of the plan with another plan of the employer. Benefits could not be increased by amendment during a period of waiver.

Sec. 30. Merger Requirements.

Pension plan mergers could not result in a reduction of benefit security to any plan participant.

Sec. 306. Effective Date.

TITLE IV—REGISTRATION, ENFORCEMENT, AND MISCELLANEOUS PROVISIONS

Sec. 401. Registration of Plans.

Within six months after the effective date of titles II and III, each pension and profit-sharing plan would have to file an application with the Secretary of Labor for qualification and registration. Plans established after that date would have six months in which to file such application. Plan amendments similarly would have to be reported to the Secretary. A certificate would be issued and continued in force so long as the eligibility, vesting, and funding requirements of the act are met.

Sec. 402. Enforcement of Registration.

The Secretary of Labor may seek a court order to secure compliance whenever a determination is made that no application for registration has been filed, that the application should be denied or the registration cancelled, or that a plan has failed to make the required contributions or to pay such other assessments or fees as are required.

Sec. 403. A Variation Appeal Board would be established to hear and determine appeals from decisions denying grants of variations under sections 204 and 304.

Sec. 404. Investigations.

This section would give the Secretary authority to conduct such investigations as may be necessary to determine whether any person has violated or is about to violate any provisions of title II or III or any rules or regulations which would result from enactment of titles II and III. Information about such investigations would be made available to any interested person and included in an annual report by the Secretary.

Sec. 405.—Civil Enforcement

The Secretary would be empowered to bring an action to enjoin any act or practice which appears to him to violate title II or III. Plan participants or beneficiaries would be allowed to bring civil actions in any court, State or Federal, to recover benefits due by reason of title II or to clarify his rights to future benefits under such title. The Secretary would have the right to intervene in a case and to remove it to a Federal district court. In any action by a participant or beneficiary, the court could, at its discretion, allow reasonable attorneys fees and costs of action to either party.

Sec. 406.—This section directs the Secretary to conduct research relating to the effects of the act, the role of private pensions, the operation of public and private pension plans, and methods to encourage the growth of the private pension system.

Sec. 407.—The Secretary would be required to submit an annual report to the Congress covering his administration of the act.

Sec. 408.—This section would authorize the Secretary to prescribe such rules and regulations as he finds necessary to carry out the provisions of titles II, III and IV.

Sec. 409. Other Agencies and Departments

The Secretary would be authorized to enter into agreements that would avoid unnecessary expense and duplication and would permit cooperation among government agencies in performing his functions under title II, III or IV. He would also be authorized to reimburse other Federal agencies for facilities or services he utilized in doing so. The Attorney General would be authorized to receive such evidence as developed by the Secretary which may be found to warrant consideration for criminal prosecution.

Sec. 410. Administration

Chapters 5 and 7 of Title 5, United States Code (relating to administrative procedure) would be applicable to this act.

No employee of the Department of Labor would be able to administer or enforce the act with respect to any employee organization of which he is a member or employer organization in which he has an interest.

Sec. 411. This section would authorize to the Secretary such sums as may be necessary to carry out this act.

Sec. 412. Interference with the rights protected under the act would be unlawful. The provisions of sections 404 and 405 would be applicable in the enforcement of this section.

Sec. 413. Any person who used coercion to interfere with the rights protected under the act would be subject to a $10,000 fine and/or imprisonment for up to one year.

Sec. 414. All State laws would be pre-empted except for those covering plans not subject to titles II and III.

Sec. 415. If any provision of this act were held invalid, the remainder of the act would not be affected.

Sec. 416. The provisions of title IV would become effective upon the date of enactment.

GASOLINE SHORTAGE

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VANIK. Mr. Speaker, on July 10, 1973, the Mobil Oil Corp. published in the Cleveland Plain Dealer a paid open letter on the gasoline shortage addressed to me and three other members of the congressional delegation from the Cleveland area. This same letter-advertisement appeared in newspapers in every congressional district of America at a cost in excess of $200,000.

The purpose of the Mobil letter is to discredit those in and out of Congress who have alleged manipulations of gasoline supplies to create shortages, higher prices, the relaxation of environmental protection standards, and the squeeze of the small independent retailer out of business.

My reply to the Mobil open letter is as follows:

There is no question that America and other nations must reckon with intensive and increasing demands for oil and natural gas. Demand is also increasing for minerals and for agricultural products including meat and fibers. It is the responsibility of our citizens and our government to anticipate our needs and to plan for them.

How did we so suddenly move from adequacy to shortage in oil and gas? First of all, a larger population and a growing number of homes and automobiles increased demands for more fuel. But this growth in our needs for both oil and gas should have been readily calculated.

What other factors led to the shortage? The biggest culprit is the ill-conceived government programs which the petroleum industry imposed on the American people by insisting on tax laws and oil policies which accelerated the depletion of domestic sources. In my second speech in Congress in 1955, I urged the utilization of foreign oil to maintain our supplies in reserve for future years to insure domestic oil supplies in the event that foreign supplies were cut off. I urged the government purchase of petroleum reserves for these purposes.

The domestic oil industry resisted the importation of foreign oil for over twenty years and insisted on a quota system to suppress the movement of foreign oil into this country. The industry said it was necessary in the national security to utilize domestic supplies—even to the point of exhaustion. This bad judgment of the industry was selfish and wrong and brought us to our present supply crisis. In almost twenty years, I can not recall Mobil Oil protesting the oil import quota policies.

1. Mobil contends that gasoline production is at an all time high. Probably true. The oil industry is making 5% more gasoline than last year—but—automobiles needed 6.2% more. Why didn't the industry try to prepare to meet this need? There was extensive unused capacity. Production was deliberately planned at levels below demand. This was an industry decision. In the future Federal laws may have to be designed to insure supplies sufficient to meet the need.

2. Mobil charges that political decisions produced the shortage. Mobile says that large offshore reserves are being kept out of production. This is not true. Drilling on the outer continental shelf has gone on at unprecedented levels. The Department of Interior has just announced offshore lease sales of $1.6 billion.

3. Mobil charges that although the largest oil field ever discovered in North America was found in Alaska—the construction of the pipeline has been stalled. The fact is that the Courts have stalled the pipeline project because it violated existing federal law.

Since the pipeline has not yet begun, it is well for us to consider a Trans-Canadian pipeline which would bring the oil and gas to Ohio. The west coast has oil sufficiency. The Midwest is in dire need. The very survival of our industrial community is dependent on this source of supply. Business, industry and people will move to where energy is readily available.

The Canadians are willing to discuss the middle America or Mackenzie Valley pipeline. This route would open up a wide area for additional oil and gas development to enter the pipeline.

Our Northern Ohio community developed the nation's first gas storage system, utilizing abandoned gas wells. The favorable contracts which our suppliers providentially acquired when gas was in surplus will soon be expiring. The future of Northern Ohio is directly linked to the Trans-Canada pipeline decision.

4. Some automobile pollution control devices do consume more gasoline. So do certain highly-powered automobiles. I am urging Detroit to produce more efficient automobiles by imposing a tax on large gas guzzlers beginning in model year 1977. Certain foreign manufactured automobiles provide over 30 miles per gallon. Some foreign autos have engines which already meet the air pollution standards of 1976. I do not believe that the petroleum crisis justifies an abandonment of air pollution standards which are essential to life and health.

5. It has not been proven that government regulatory policies have caused the shortage of natural gas. The shortage of natural gas results from its increased use and its easier compliance with anti-pollution standards. The regulatory policies were designed to protect the consumer from a price gouge.

The de-regulation of natural gas would multiply the value of supplies already discovered and developed. The price of gas in interstate commerce should be related to the cost of discovery and development. In a highly-concentrated industry, it is against the public interest to make the consumer the victim at a marketplace manipulated by a small number of large firms. De-regulation would double the cost of our gas for space heat.

Those who have discovered natural gas and oil in America have every reason to suppress the information on the extent of their available supplies. The suppression of discoveries or the extent of reserves is not a violation of the law—and such suppression can multiply the value of the discovery into a higher and higher price range. I believe that our reserves in both oil and gas have been grossly underestimated. There is an oil and gas crisis—but it is not as bad as the industry contends. The reserve supplies of both gas and oil must be carefully calculated by the government so that we can accurately assess the problem.

6. It is true that major exporting countries of the Middle East and North Africa have reduced supplies. We should endeavor to establish a consumer organization to negotiate with these countries. There is world demand for oil—but over the long term America is the largest potential consumer and it can negotiate from that strength.

7. Price controls may temporarily impede the importation of higher-priced oil products into the United States—but oil and gas products have not made a case for exemption or special treatment under our current price control policies.

Earlier this week seven major oil firms, including Mobil, were subpoenaed by a federal grand jury investigating gasoline pricing and marketing practices. This week the Senate voted to give the Federal Trade Commission added powers to combat anti-competitive practices in the oil industry. These actions suggest improprieties of a major dimension in the oil industry.

The oil industry must bear the major portion of blame for high prices and its failure to relate gasoline production to public needs. The oil crisis is serious and it is likely to grow worse. The oil problem is not primarily to blame for the gasoline shortages of this year. The lack of refining capacity is not attributable in any significant way to environmental delays. The staff of the Federal Trade Commission has indicated that major companies, acting in parallel, may be contributing to refining shortage by creating tremendous barriers to the entry of new firms.

It is the oil industry which must defend itself. Mobil cannot spread its blame on others.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT ISSUES ADVISORY OPINION RELATING TO MEMBERS' CLERK HIRE

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, in the July 11 meeting of the Committee on Standards of Official Conduct, the committee considered and ordered issued advisory opinion No. 2 relating to Members' clerk hire. The opinion issued under authority contained in House rules requires no House action, but it is a matter worthy of the attention of all Members. Copies of the opinion have been mailed to all Members and to all Members' administrative assistants, but to insure the widest possible dissemination of this expression I include the text of advisory opinion No. 2 at this point in the RECORD:

ADVISORY OPINION NO. 2: ON THE SUBJECT OF A MEMBER'S CLERK-HIRE

REASON FOR ISSUANCE

A number of requests have come to the Committee for advice on specific situations which, to some degree, involve consideration of whether moneys appropriated for Members' clerk hire are being properly utilized.

A summary of the responses to these requests forms the basis for this advisory opinion which, it is hoped, will provide some guidelines and assistance to all Members.

BACKGROUND

The Committee requested the Congressional Research Service to examine in depth the full scope of the laws and the legislative history surrounding Members' clerk-hire. The search produced little in the way of specific parameters in either case law or congressional intent, concluding that ". . . no definitive definition was found . . .". It is out of this absence of other guidance the Committee feels constrained to express its views.

Clerk-hire allowance for Representatives was initiated in 1893 (27 Stat. 757). The law providing it spoke of providing clerical assistance to a Representative "in the discharge of his official and representative duties . . ." The same phraseology is used today in each Legislative Appropriations bill and by the Clerk of the House in his testimony before the Subcommittee on Legislative Appropriations. An exact definition of "official and representative duties" was not found in the extensive materials researched. Remarks concerning various bills, however, usually refer to "clerical service" or terms of similar import, thus implying a consistent perception of the term as payment for personal services.

SUMMARY OPINION

This Committee is of the opinion that the funds appropriated for Members' clerk-hire should result only in payment for personal services of individuals, in accordance with the law relating to the employment of relatives employed on a regular basis, in places as provided by law, for the purpose of performing the duties a Member requires in carrying out his representational functions.

The Committee emphasizes that this opinion in no way seeks to encourage the establishment of uniform job descriptions or imposition of any rigid work standards on a Member's clerical staff. It does suggest, however, that it is improper to levy, as a condition of employment, any responsibility on any clerk to incur personal expenditures for the primary benefit of the Member or of the Member's congressional office operations, such as subscriptions to publications, or purchase of services, good or products intended for other than the clerk's own personal use.

The opinion clearly would prohibit any Member from retaining any person from his clerk-hire allowance under either an express or tacit agreement that the salary to be paid him is in lieu of any present or future indebtedness of the Member, any portion of which may be allocable to goods, products, printing costs, campaign obligations, or any other nonrepresentational service.

In a related regard, the Committee feels a statement it made earlier, in responding to a complaint, may be of interest. It states: "As to the allegation regarding campaign activity by an individual on the clerk-hire rolls of the House, it should be noted that, due to the irregular time frame in which the Congress operates, it is unrealistic to impose conventional work hours and rules on congressional employees. At some times, these employees may work more than double the usual work week—at others, some less. Thus employees are expected to fulfill the clerical work the Member requires during the hours he requires and generally are free at other periods. If, during the periods he is free, he voluntarily engages in campaign activity, there is no bar to this. There will, of course, be differing views as to whether the spirit of this principle is violated, but this Committee expects Members of the House to abide by the general proposition."

POOR AMERICA!

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, poor America. Newspapers now get prizes for publishing our country's secret papers. And those who stole the papers for them become heroes. We used to have a better word for them. We called them traitors.

One of many bad things to come out of Watergate is the dismissal of charges against Daniel Ellsberg who stole secret papers from Government files in the Pentagon and passed them on to left-wing publications. This traitorous act, for which Ellsberg was freed, establishes him as the new hero of the far left.

I have stated before, it is a sad commentary that in this country you can seldom convict a Communist. Whatever Ellsberg may be, he enjoys their support. They want the American system destroyed. They use the courts, the press and the schools.

In court cases in which they are interested it now is a custom to hold a big party for the jurors after the trial. This also seems to be a strange departure from correct principles of trial behavior. In the big party which was held for the jurors by the Ellsberg crowd—like the one held by the Angela Davis crowd—it was revealed that most of the jurors planned to free him anyway. Whether this was factual or drink that was talking was not revealed.

Roscoe Drummond in a very calm and orderly fashion dealt with the Ellsberg case in his column in the Christian Science Monitor on Thursday, June 7. He said:

> One of the most worthy and welcome reforms from Watergate would be an end to the double standard of political morality which has been so visible in recent years.
>
> The essence of the double standard is that many, particularly in politics, condone motives and acts as moral and justifiable which they condemn as immoral and unjustifiable when practiced by others.
>
> Daniel Ellsberg was enthusiastically hailed as a national hero when he violated his oath not to disclose secret material entrusted to him. When he took private documents belonging to the government he was praised as a brave and honorable person on the ground that he put conscience ahead of his commitments and acted to serve what he deemed the public welfare.
>
> But this standard of tolerance was not applied to those who acted from similar motives and in what they deemed the national welfare seeking to obtain the private papers of Ellsberg's psychiatrist. They were pervasively condemned as acting intolerably.
>
> A double standard? So it seems to me.

FIFTIETH ANNIVERSARY OF NAVAL RESEARCH LABORATORY IN WASHINGTON

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, on July 14, the Naval Research Laboratory will observe 50 years of service to the Navy and the Nation.

This is an observance well worth noting and an occasion well worth attending.

For the information of my colleagues, I am inserting in the RECORD the schedule of events as listed in "Labstracts" as well as some very interesting historical material which follows the growth of the NRL from its inception to the present day.

It is interesting to note it was the great mind of Thomas A. Edison which first conceived the need for a naval scientific staff, and in a sense, he was the first commanding officer of the Naval Consulting Board which drew up proposals for NRL in 1915.

Today, 50 years after Edison's dreams and 50 years after that dream became a reality, we will salute a half century of service by NRL.

The material follows:

NRL OPEN HOUSE, RECEPTION SCHEDULED FOR JULY 14

Saturday, July 14, will be a red-letter day at NRL. On that date an Open House and Reception will be held at the Laboratory to commemorate and to celebrate its 50 years of service to the Navy and the Nation. All NRL and ONR employees, their families and friends, and former employees are cordially invited to attend.

The Open House will be held from noon until 4:00 p.m., with the Reception to follow from 4:00 until 6:00 p.m. During the Open House portion of the events, a number of NRL's research facilities are scheduled to be open to visitors. Scientific demonstrations and displays of interest to a general audience are also being planned. A selection of open facilities and displays and demonstrations were published in an earlier *Labstracts* flier. This information will also be available at the Laboratory on the day of the event. For the July 14 celebration, a tent will be placed on the mall to house refreshment stands and an information booth. An additional information booth will also be operating in Building 222, which will be one of the main centers for Open House activities. Here will be located a multimedia slide presentation giving a general overview of the scope of the Laboratory's research effort, and a number of general NRL exhibits, as well as a special satellite and space science display. Selected films highlighting past and current Laboratory work and several general-interest scientific lecture/demonstrations will also be featured in the Auditorium of Building 222.

Busses will operate between the Laboratory and the Cyclotron Facility every fifteen minutes. The Yard Bus will leave the Main Gate every ten minutes.

The Reception portion of the event will be held in Building 28 (the Main Cafeteria) from 4:00 until 6:00 p.m. Drinks and light refreshments will be available. Both Capt. Sapp and the incoming Director of NRL, Capt. John T. Geary, and their respective families, will be on hand for the occasion and look forward to seeing members of the NRL family.

This day will be both educational and enjoyable for all concerned, so if at all possible, reserve Saturday, July 14, and come to the festivities!

THE NAVAL RESEARCH LABORATORY: 50 YEARS OF SCIENCE FOR THE NAVY AND THE NATION

On May 30 1915, the New York Times Magazine published an article in which the famed inventor Thomas Edison was quoted as saying that the Navy should have its own scientific staff "to sift the ideas of our inventive nation", and that it should have its own laboratory in which these ideas or inventions could be tested and adapted to the Fleet.

Then-Secretary of the Navy Josephus Daniels read the article and was immediately struck by its pertinency to readying a Fleet for war. He wrote Edison asking him to recruit leading scientists to screen inventions submitted to the Navy. Edison promptly agreed and assembled 24 of the most recognized men in the scientific-engineering field. They adopted the title "Naval Consulting Board of the United States." One of the first matters taken up by the Board was the proposal to establish a research laboratory.

In 1916, Congress passed an appropriation for the laboratory, but World War I intervened and plans for the laboratory were temporarily set aside. At the end of the war, Board members and Navy officials selected the present site (southwest Washington, D.C.) for the laboratory. Ground was broken in 1920, and what is now known as the Naval Research Laboratory was formally dedicated "Naval Experimental and Research Laboratory" on July 2, 1923.

The Navy had three radio research groups in Washington and one studying underwater sound at Annapolis. These four groups, about 20 men in all, were moved to the new laboratory as its first employees. As it turned out, it was a remarkable cadre. It included Dr. A. H. Taylor, the Navy's Chief Physicist, and his assistants, L. C. Young and L. A. Gebhard—all destined for greatness in the fields of radio and radar, and Dr. Harvey C. Hayes, pioneer in underwater acoustics.

During World War I, war beneath the sea had become an awesome reality. Furthermore, wireless communications had made itself indispensable to the Fleet in 1917 and 1918. As a result, radio and sound research comprised the bulk of NRL's early research programs.

By 1930, by seeking higher frequencies and by adopting crystal control and continuous waves, NRL researchers achieved reliable radio transmission from places as remote as Australia and the South Pole. Some of the results of NRL's radio work included the development of the Taylor-Hulburt wave-propagation theory which changed thinking on how radio waves travel, the design and construction of control equipment for the United States' first successful radio-controlled aircraft, and the development of prototype radio direction finders and radio equipment for dirigibles and aircraft.

In 1922, while A. H. Taylor and Leo Young were at the Aircraft Radio Laboratory at the Anacostia Naval Air Station, they observed interference caused by a ship passing between a radio transmitter and receiver. In 1930, NRL's scientists observed radio reflections, in the form of "beats" from an aircraft in flight. Realizing that these discoveries had far-reaching implications, Taylor assigned further investigations to NRL's Radio Division.

Sometime in late 1933 or early 1934, Leo Young suggested the use of radio pulses for detection and ranging. Taylor assigned the task of building a pulse system to Young and Robert M. Page. In 1934, Page succeeded in building a transmitter and receiver that demonstrated for the first time that aircraft could be detected by radio pulses. In 1937, a prototype 200-megacycle radar system was installed on the destroyer USS Leary for testing.

In 1938, an improved model of the 200-megacycle radar, the XAF, was installed on the USS New York. Extensive trials at sea demonstrated radar's immense potential not only for aircraft warning, but for navigation and gunfire control. As a consequence of these events, the United States was able to equip 19 Naval vessels with production models of the XAF radar prior to entering World War II.

Meanwhile, NRL's research in underwater sound was providing the Navy with improved means for detecting and locating submerged submarines. By 1935, the Laboratory's studies had led to the development of wide frequency undersea echo-ranging equipment with a range of 1.5 miles. This was one of the antisubmarine devices that Admiral Doenitz, Commander of the German U–Boat fleet, cited as the major reason for Germany's failure in the Battle of the Atlantic.

In 1939, NRL undertook an investigative program in nuclear energy—the first U.S. government laboratory to do so. One result of that program was the development of a process for separating uranium isotopes. Some of the material thus produced was used for the atomic bomb.

But the A-bomb was not quite what NRL scientists had in mind. They were thinking of nuclear propulsion, and in 1946 an NRL engineering design for using nuclear power in submarines was forwarded to Navy officials.

During the second World War, the number of NRL's personnel increased from about 400 employees to 4,400; the amount of annual appropriation from $900,000 to $14,000,000, and the number of buildings from 23 to 67. In many cases, work was conducted around-the-clock to provide systems and equipment urgently needed for the Fleet.

Some accomplishments of far-reaching importance were: the development of the Plan Position Indicator for radar systems that permitted the plotting of a large number of targets simultaneously; compact radar units for aircraft, sonobuoys, radio direction finders and aircraft carrier homing beacons. Other "inventions-on-demand" included sea markers and shark repellants for shipwrecked seamen and downed flyers.

One example of NRL wartime "crash" research was the development of a countermeasure system for use against German radio-controlled bombs. Within 12 weeks of obtaining information on the bomb's guidance signals, NRL scientists built a successful countermeasure which not only jammed the bomb's guidance signals, but, on occasion, took control of the missiles and diverted them off course.

At the conclusion of the war, the Office of Naval Research (ONR) was established, and NRL was designated ONR's principal field activity.

The postwar accomplishments of the Laboratory are almost too numerous to mention individually. One example of NRL's pioneering exploits of the postwar period was the initiation of space research utilizing rockets.

When several captured German V–2 rockets were brought to this country, NRL scientists conceived the idea of installing scientific instrumentation in the rockets to make studies of the earth's upper atmosphere and the radiations from the sun and stars. This first successful launch of an instrumented V–2 was accomplished in 1946. The V–2s were later followed by the NRL-designed Viking rocket and other research rockets, such as the Aerobee.

In 1955, this varied experience in rocket research led NRL to be selected to head Project Vanguard. NRL scientists and engineers worked out specifications for the Vanguard rocket, developed a series of experimental satellites, and laid out a world-wide satellite tracking system. The first Vanguard satellite was successfully launched on March 17, 1958, and remains today as the oldest man-made object in earth orbit.

In 1951, in conjunction with a basic research program in radio astronomy, the world's first large precision radio telescope, a 50-foot diameter dish, was installed at NRL. In the same year, NRL's radio engineers initiated a program in radar astronomy utilizing a huge bowl-like depression in the ground measuring 263 by 220 feet as a radar telescope. In 1954, the Laboratory made history by using this device to bounce the first voice message off the moon.

In addition to accomplishments in basic science, NRL has made major contributions in applied research, such as: improved methods for controlling metal corrosion; the development of improved metals and metal coatings; and the determination of new procedures for testing and evaluating steel plate. These investigations have placed the Laboratory in the forefront of metals research not only in the United States, but in the world.

NRL's current research program encompasses most areas of the physical sciences. Research is not only performed for the Navy and the Department of Defense, but for other government agencies as well.

Some of NRL's more current research efforts include the development of experimentation for manned missions in space, such as the first lunar-based space observatory (Apollo 16), and experiments for the Skylab Program.

In addition to these programs, NRL also maintains active programs in satellite development and rocket astronomy. Nuclear scientists are utilizing facilities, such as a Cyclotron and Linear Accelerator, to perform studies ranging from trace element analysis to neutron therapy for cancer. NRL oceanologists, in the laboratory and in ships and aircraft spanning the globe, are conducting investigations in ocean science and engineering.

Studies in electronics are directed towards improving the radar, communication, navigation, and electronic countermeasures systems of the Fleet. Scientists are also at work developing new technologies in the fields of lasers, controlled fusion, and cryogenics. NRL chemists, metallurgists and solid state scientists are directing efforts towards the development of improved materials, lubricants and coatings. The list is endless.

Over the years, the Naval Research Laboratory has grown from a small plant occupied by a few dedicated scientists to one of the leading scientific institutions in the world. Today "The Navy's Corporate Laboratory" is continuing to provide knowledge not only for national defense, but for the betterment of all mankind.

ASSISTANCE TO LATIN AMERICA WILL CONTINUE

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, 2 weeks ago the Foreign Affairs Committee adopted a technical amendment to the foreign aid bill which has given many the incorrect impression that Congress has terminated the Alliance for Progress. Nothing could be further from the truth. The amendment was purely a technical matter designed to make a particular section of the Foreign Assistance Act conform to the new functional structure which the committee is giving to our entire foreign assistance program. Chairman Morgan issued a press release, immediately following the committee's action, expressing his assurances that our aid to the hemisphere will continue. In his statement, Chairman Morgan said:

> In order to avoid any possible public misunderstanding, and at the request of Committee Members, I want to make plain that the Fraser amendment does not have any effect on the proposed level of U.S. assistance under the Alliance for Progress.
>
> The amendment merely changes the language in that part of my bill to conform with

the previous Committee decision to make an important reform in the way we administer overseas economic assistance. Under that reform, funds are being authorized by 'sector'—that is, by category of developing country problems generally such as food, education, population planning needs, etc.—rather than according to any specific country or area.

Thus the amendment deleting the specific reference to Latin American assistance is only a technical one not imposing any fund cut below the Administration's request. Authorization for bilateral economic assistance generally, at the level sought by the Administration and without specific line item reference to any country or area, has already been approved by the Committee in its action Tuesday in adopting the aid reform proposal.

Mr. Speaker, the record of U.S. financial assistance to our hemisphere neighbors is one of which we can all be proud. We have more than fulfilled the promises we made when the Alliance for Progress began. As the record of the last few years indicates there has been a gradually rising trend in the level of external support for hemisphere development and I would like to take this opportunity to make available statistics on "Public Sector Funds to Latin America." In reviewing the chart it should be noted that over the years the United States has been the primary source of funds which flow through the World Bank, the Inter-American Development Bank, and the various affiliates of both:

PUBLIC FUNDS TO LATIN AMERICA—GROSS COMMITMENTS

[U.S. fiscal years—in millions of dollars]

	1966	1967	1968	1969	1970	1971	1972	Total
United States:								
AID:[1]								
Loans	505.4	439.1	[2] 428.5	[2] 247.9	[2] 330.4	[2] 247.7	[3] 244.7	2,443.7
Grants	78.5	82.1	78.3	75.6	80.0	80.6	[2] 93.4	568.5
Subtotal	583.9	521.2	506.8	323.5	410.4	328.3	338.1	3,012.2
IDB	368.2	456.7	408.1	508.0	680.9	659.4	610.2	3,691.5
SPTF:								
Loans	23.8							23.8
Grants	5.0	5.0	5.0	5.0	5.0	5.0	5.0	35.0
Subtotal	397.0	461.7	413.1	513.0	685.9	664.4	615.2	3,750.3
IBRD	374.7	282.3	376.4	457.7	703.0	670.6	945.3	3,810.0
IDA	7.5	2.0	9.1	14.6	11.0	33.6	11.2	89.0
IFC	23.9	11.6	17.2	26.6	33.7	41.9	40.6	195.5
Subtotal	406.1	295.9	402.7	498.9	747.7	746.1	997.1	4,094.5
Total	1,387.0	1,278.8	1,322.6	1,335.4	1,844.0	1,738.8	1,950.4	10,857.0

[1] By appropriation category.

[2] Includes population grants from AL funds as follows for fiscal year 1968, $7.9; fiscal year 1969, $10.3; fiscal year 1970, $10.9; and fiscal year 1971, $15.2. Pursuant to Public Law 92-242 of Mar. 8, 1972, programs relating to population growth were funded as grants which amounted to $11.1 million in fiscal year 1972.

[3] Includes less than $50,000 narcotics control.

Sources: AID data from operations report—W-129 for each fiscal year; SPIF, IDB, IBRD, IDA, and IFC data are from "U.S. Overseas Loans and Grants Report" for each fiscal year and the fiscal year 1972 preliminary report.

A STRONG CASE FOR METRIC LEGISLATION

(Mr. PICKLE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PICKLE. Mr. Speaker, ever since an early human tied knots in a vine to count his livestock, man has been in a numbers game. How he arranged them and his degree of sophistication have varied, but the basics of numbers has always remained.

I believe we as a nation are soon to enter a new phase in our own use of numbers. From all that experts and industry can tell us this Nation is rapidly moving toward use of the metric system.

It is really no small wonder—for we are now the only major Nation on Earth that does not use or is not committed to this system of measurement.

Philosophers and mathematicians, real and sidewalk, can argue the benefits and disadvantages of the move night and day, but the fact remains that the move is underway.

Whether it will be a costly and haphazard move, or a coordinated time and money saving move, is really the only question at hand.

My good colleague, the Honorable ROBERT MCCLORY recently presented a cogent argument for strong leadership legislation in this field. His remarks were presented to the Metric Expo '73 at the University of Illinois, and I would like to reprint them in the RECORD at this time:

LEGISLATION AND THE METRIC SYSTEM

(By ROBERT MCCLORY)

This is not the first time that the Congress of the United States has considered conversion to the Metric System of weights and measures—but it could be the last time. In other words, the momentum for a metric conversion is greater today than at any earlier time in our history.

We may regret the inaction which occurred following the recommendation of John Quincy Adams in 1821—and the failure experienced by Congressman John A. Kasson of Iowa, Chairman of the House Committee on Coinage, Weights and Measures who urged adoption of the metric system in 1866.

Congressman Kasson urged expanded use of metric measurements and specified that his intention was not to make the metric system compulsory. This attitude is being expressed with vigor by various witnesses testifying on Capitol Hill—with a similar intention that perhaps the subject can again be laid to rest indefinitely.

The closest the Congress has come to enactment of a bill to convert our nation to the metric system occurred in 1896 when Congressman Dennis Hurley of Brooklyn introduced a bill providing that all government departments should "employ and use only the weights and measurements of the metric system" in transacting official business and that in 1899 metric would become "the only legal system recognized in the United States." Supported actively by the Committee on Coinage, Weights and Measures, the bill passed the House by a margin of 119 to 117. However, on a motion to reconsider, the measure was referred back to the Committee and there it died.

It should be recalled that the Metric Study Bill enacted in 1968 would never have received favorable action if there had been any representation at that time that the study would be followed immediately by a federally directed metric conversion program. Opponents of the Study Bill argued that everything that could be said for or against the metric system was already known and there was nothing further to study. Indeed, I can't find much disagreement with that charge. On the other hand the three-year study program and report were vital in order to give prestige and status, as well as orderly direction to the question which we are considering today—of a federally authorized metric conversion program which will embrace virtually every segment of our society.

The Metric Study Report completed in July 1971 contained further recommendations. Indeed, it is vital to the pending legislation that the basic advice of the Study Commission should be adhered to if we are to have any federal program at all and if we are to recognize the wisdom of converting our present system to one of metric weights and measures. That report recommended that we change to the International Metric System "deliberately and carefully through a coordinated national program."

The Congress is directed to "assign responsibility for guiding the change" and to authorize the various sectors of our society to establish their own plans and time tables. Above all, the report recommends "a firm government commitment" to the goal of metric conversion with a target date 10 years hence.

Let me address myself for just a moment to that part of the recommendation which states that when the 10 year target date is reached, the United States will become "predominantly, though not exclusively, metric."

Obviously, land measurements, sporting events, and a number of other subjects, should not be subject to a metric conversion program—as there is no economic or social benefit which would be derived from such a change. Indeed, there may well be other exceptions where machinery or equipment has a life span far greater than 10 years or where international agreements may establish fasteners or other devices according to measurements other than those expressed in metric units. To my mind, these are "exceptions" which should be authorized in relation to a general and comprehensive conversion. These categories should be exempted or the target date for such subjects should be capable of extension.

If we truly want to convert our system of weights and measures to metric, it would seem to me unwise to leave such a wide loophole as the expression *predominantly metric* in any legislative measure or plan. This might mean that 51 percent of the nation should operate according to metric standards, and 49 percent should employ such other measures as desired.

Let me refer to another aspect of the legislative measures which are pending in the Congress. The bill in which some 25 members and I have joined, would establish a relatively small metric conversion coordinating commission with authority to develop and employ a comprehensive national program for conversion to the international metric system over a 10-year period.

This coordinating Commission would be capable of receiving the effective support and assistance voluntarily provided by every interested sector and group in the United States.

While I have suggested in my bill a nine-member Commission composed of representatives from (a) business, (b) labor, (c) education, (d) science, and (e) technology, it is possible that some essential group may have been omitted. On the other hand, I feel that a much larger Commission would be both unwieldy and undesirable. I see no reason whatever for selecting these persons on the basis of their political affiliation. Of all of the many persons whom I've met who appear to be most knowledgeable on this subject—and who would make most valuable members of such a commission—I don't know the political preferences of a single one of them. And while I may have as broad or broader experience in the subject of conversion to the metric system as any other person in public life, I do not feel that I or any other Member of Congress should be burdened or made responsible for developing the kind of national coordinating program which is vital if we are to meet the objective of a 10 year conversion program.

The coordinating Commission should be assisted by a number of advisory commissions or separate groups drawn from the various segments of business, economic, and educational communities. It is my recollection that in the British Conversion Program, there were four broad categories working with the British Board of Trade and 69 separate product groups which are developing their own conversion programs. This general approach strikes me as consistent with a comprehensive and largely voluntary program.

Let me comment just a moment on the subject of a "voluntary" program.

"Voluntary" as interpreted by some would mean no federal guidance, direction, or compulsion—whatever. Indeed, a great deal of the literature which has come to my attention in which there are strong expressions of support for conversion to the metric system contemplate a gradual, unplanned and unguided conversion which would take place when, and if, the parties involved decide to move in this direction.

Another provision which might result in indefinite or endless delay is that which would authorize the establishment of a commission to develop a comprehensive national plan to cover our entire society. In turn this plan would require approval by the President and thereafter approval by the Congress. The question I ask is this: It is possible for one plan, however comprehensive, to embody every group and activity which will be subject to a coordinated metric conversion program? In the event all of these elements and segments are included, is there not a great risk that some part or all of the plan might not be acceptable to the President—or indeed might not be acceptable to the Congress? What then?

What happens to the commitment to proceed carefully and deliberately toward a metric conversion program targeted 10 years hence?

In authorizing by legislation the establishment of a Commission to develop a plan which is subject to later approval or disapproval by both the President and the Congress—with all of the pressures which could and would be applied during this intervening period—when the plan is submitted, is fraught with the same risk which Congressman Dennis Hurley's bill experienced in 1896. My position is that if we are indeed to make a commitment in 1973 to convert our system of weights and measures to the metric system, let us embody that commitment in meaningful legislation. Let us establish in 1973 the mechanism by which a 10 year conversion program could be carried out. Let us embrace the entire system carefully and deliberately and unqualifiedly. Finally, let us provide the official governmental leadership and direction which a metric conversion program requires if it is to succeed.

THE COMMUNITY ANTICRIME ASSISTANCE ACT OF 1973

(Mr. CONYERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CONYERS. Mr. Speaker, today I am introducing a bill to provide Federal anticrime assistance grants to cities, combinations of cities, public agencies, and nonprofit private agencies. This legislation would help to reduce crime and tap the creative and unlimited resources of our private sector in the fight against crime. This will be achieved by instituting joint programs involving the police, citizens, and all segments of the community in reporting criminal activity, and improving citizen cooperation and involvement throughout the criminal justice system. I believe that this legislation is long overdue, because there is presently no coordinated Federal program to assist the work and cooperative efforts of citizens in the criminal justice system.

It is my hope that this legislation will provide the impetus to link the resources of private industry, business, and labor to the anticrime efforts of citizens. Should this take place, we will see the emergence of a strong partnership against crime—unfettered by bureaucratic logjams—capable of marshaling unlimited energy and creative thinking to bear on the crime problem.

My bill designates the Community Relations Service, CRS, of the Department of Justice to administer the program of community anticrime assistance. The Community Relations Service, created by the Civil Rights Act of 1964 to settle community racial disputes, has since its inception undertaken new responsibilities in the area of helping communities to improve relations between criminal justice agencies and the citizens they serve. According to the first annual report of the Attorney General, Federal law enforcement and criminal justice assistance activity, during fiscal year 1971, CRS contributed significant manpower and resources in "helping to develop administration of justice and community relations programs" and related activities. The Attorney General's report further states:

> CRS seeks to establish local criminal justice coordinating councils, composed of private business, labor, education, and religious groups, and other interested citizens, to handle specific crime control and law reform projects.

The Law Enforcement Assistance Administration, LEAA, the major Federal anticrime program, is not structured to provide the kind of assistance necessary to improve community relations in the criminal justice system. The bloc grant and discretionary grant systems of LEAA operate primarily on the State and local governmental levels with the purpose to increase the efficiency of law enforcement agencies. Very little LEAA money and resources have been directed to the critical area of improving community relations with the criminal justice system.

An LEAA publication indicates that the agency has made "only about 30 direct awards" for projects involving volunteers in the criminal justice system during the past 2 years. These successful programs, although undertaken on a small scale, have involved over 6,000 volunteers in the areas of assisting courts and corrections, including actual work in prisons, jails, and penal farms. Similarly, programs for improving police-community relations have received less than 3 percent—about $2 million—since the inception of the program to January 1972.

In addition, although by congressional mandate, the Omnibus Crime Control and Safe Streets Act of 1968, which created LEAA, encourages States to use action grants for police-community relations programs and community involvement, only about 3.5 percent of LEAA action funds were allocated by States for community relations programs during fiscal years 1970 and 1971. The figure for fiscal year 1972 is less than 2 percent. These statistics are disproportionately low in comparison with funds allocated during fiscal year 1970 approaching 25 percent and fiscal years 1971 and 1972 amounting to over 21 percent for the detection and apprehension of criminals.

The National Institute of Law Enforcement and Criminal Justice, LEAA's research arm, in its "Planning Guidelines and Programs to Reduce Crime" for 1972, cities numerous citizens' programs ranging from home-alert and merchant-alert programs to supervised nonpolice tenant patrols which have assisted law enforcement agencies in the detection and apprehension of criminals. For example the national institute report states that based on a survey of police officials in Washington, D.C., and New York City, "it was found that nonpolice tenant patrols measurably reduce the incidence of stranger-to-stranger crimes. The decline in actual offenses and in opportunities to commit crime was significant." The report further states that police officials "noted that in some housing projects the presence of nonpolice tenant patrols had a greater impact on crime than saturation patrols instituted by the police department." The report also indicates that safety patrols designed to complement police preventive patrols are now operating in New York City, Boston, Tampa, Los Angeles, Washington, D.C., Cleveland, Newark, Minneapolis, and other large cities. In addition, I have found similar patrols operating in Detroit and Oakland.

The Detroit and Boston programs were funded by discretionary grants made by LEAA to city housing authorities and report, so far, a high degree of success. The Boston project reported that after the institution of the program robberies dropped 77 percent, assaults 22 percent, and purse snatching 78 percent. These examples and statistics illustrate that there are effective methods available to local police departments at substantial monetary savings which are potentially more effective than merely increasing the number of police per capita and the amount of police hardware.

New York City has several types of citizen programs operating, and the mayor recently announced the establishment of a $5 million block security program to assist neighborhood associations in crime prevention programs.

I have found that citizen programs are broad ranging and reach into every spectrum of the criminal justice system. Citizens in many of our large cities have formed neighborhood associations, or encouraged existing private organizations, to undertake limited, or sometimes comprehensive programs, such as escorting the elderly and disabled to and from their residences in high crime areas; encouraging the reporting of crime and the marking and identification of personal property. These programs also include improving communications between the police and the community by strengthening the grievance resolution mechanisms of law enforcement agencies, and establishing police-citizen councils. Other programs include citizen crime commissions to alert businesses and the community to the influences of organized crime, counseling narcotics addicts and ex-offenders, organizing volunteer probation programs, preparing crime prevention education for schools, and court watching. The list is endless—just as the task of eliminating crime from our cities may appear to us at the moment. However, if this kind of positive citizen involvement can be given at least a minimum amount of assistance from the Federal Government, I am certain that we will see a substantial reduction in our Nation's crime rates.

Citizen involvement in crime prevention and volunteerism is not a new idea, and in recent years has received extensive commentary and support from the administration, crime commissions, Federal agencies, cities, and private organizations.

President Nixon, in his first inaugural address, noting the limitations of what Government can do alone, said we must reach beyond Government and enlist the "legions of the concerned and the committed." During the early months of his administration, the President in a statement about the national program for voluntary action said: "A major goal of this administration is to recognize and enlist the energies and resources of the people themselves, as well as Government," and outlined a detailed plan for involving individual citizens in all kinds of volunteer programs to contribute to what he called "solving the pressing problems of their neighborhoods."

In 1969, the Attorney General of the United States, speaking before a conference of the National Council on Crime and Delinquency—one of the Nation's oldest nonprofit private criminal justice organizations—outlined a detailed plan supporting citizen involvement in crime prevention. It included the establishment of a private united anticrime fund to provide assistance to the private sector; "town hall" meetings on the crime problem; a cabinet level council on law enforcement and a national information center to act as a clearinghouse for community organizations.

Even though these plans and promises of the administration are today nothing but unfulfilled words, citizen participation in crime prevention is as good an idea today as it was 4 years ago.

In 1967, the President's Commission on Law Enforcement and the Administration of Justice, in its report on the police, outlined the futility of law enforcement without the involvement of citizens and cited a number of citizens' programs operating in our major cities. The report states that—

> Crime is not the business of the police alone . . . Police need help from citizens, from private organizations, from other municipal agencies, and from crime prevention legislation.

In 1969, the National Commission on the Causes and Prevention of Violence recommended the creation and continued support—including private and public funding—of private citizens' organizations and the creation of a National Citizens Justice Center. The report cites numerous examples of citizen participation in crime prevention and further states that—

> Private organizations do not pose a threat to existing agencies and carry no residue of past misunderstanding. They can intercede with a city's power structure without being bound by chains of command. They can test programs through pilot projects carried out on a small scale.

The Advisory Commission on Intergovernmental Relations, in its 1971 report on State-local relations in the criminal justice system, incorporated an entire chapter on citizen involvement in crime prevention, citing and encouraging numerous ways in which citizens can safely and efficiently participate in the criminal justice system.

Recently, the National Council on Criminal Justice published working papers similarly calling for citizen involvement in crime prevention for the purpose of reducing crime and corruption in government. The Council said that—

> The best corruption control is a vigilant public.

The National Institute of Law Enforcement and Criminal Justice announced in its program plan for fiscal year 1973 intensive research and the development of models to increase the levels of community participation in crime prevention, reduction, and control.

In a recent survey conducted by the Council on Municipal Performance concerning the subject of law enforcement methods of 30 major cities, it was reported by 4 of the 5 cities with the lowest reported crime rate that police-community cooperation was one of their three chief crime control approaches. Three of the five cities with the highest crime rate—Newark, San Francisco, and St. Louis—cited lack of community cooperation as the major obstacle to crime control.

Federal agencies which have encouraged and supported community involvement in crime prevention include the Office of Economic Opportunity, ACTION, the Bureau of Narcotics and Dangerous Drugs, and the Model Cities program.

It seems clear that it is not enough for LEAA and other Government agencies to pour resources and manpower into the fight against crime without planting the seed of involvement and responsibility in the private sector. Without the involvement, concern, and cooperation of our citizens, governmental efforts will be barren and ineffectual. There is only so much that Government can do alone. We need help. Five years and over $1 billion after the inception of the Law Enforcement Assistance Administration—the country's great hope to solve the crime problem—the Nations' crime index continues to show the high degree to which crime threatens the fibers of our institutions and the health and safety of our people.

We cannot afford not to explore all existing avenues toward fighting crime, because the answer to this perennial problem will not be found in any one program. The causes of crime emanate from the roots of the American experience, and I am concerned that the solution to this problem depends on the will of our people to initiate crime prevention programs on their own and to cooperate with the Federal, State, and local governments in a united fight to reduce and erase crime from our cities.

I include a sectional synopsis and the text of the proposed legislation in the Record at this point:

Sectional Synopsis of the Community Anticrime Assistance Act of 1973

Sec. 2. States the congressional findings and purposes of the Act which is to assist the cooperative crime prevention efforts of cities and the private sector.

TITLE I

Sec. 101. States that the purpose of title I is to assist cities, combinations of cities and public agencies to establish community relations programs and volunteer service programs in the criminal justice system;

Sec. 102. Provides that in order to qualify for grants or contracts under title I a city or combination of cities must have a population of at least 100,000, and provides the kinds of programs for which the Director of the Community Relations Service of the Department of Justice (hereinafter the "Director") is authorized to provide assistance; and

Sec. 103. Provides conditions for grants under title I including contributions of money, facilities, or services not to exceed 25 percent of the cost of the program when the Director deems feasible; provides for the coordination of programs with local citizens and their establishment in high crime areas of the city; and provides that grant applications under title I include a description of existing community relations programs and a statement of methods for linking city resources with those of the private sector in operating all programs.

TITLE II

Sec. 201. States the purpose of title II to assist nonprofit private agencies located throughout the country to establish crime prevention programs and volunteer service programs in the criminal justice system;

Sec. 202. Provides the kinds of programs for which the Director is authorized to make grants; and

Sec. 203. Provides conditions for grants under title II including the requirement that a grantee has been in continuous existence for one year prior to making application for a grant.

TITLE III

Sec. 301. Provides requirements for the content of applications for grants under titles I and II of the Act;

Sec. 302. Provides that the Director shall provide technical assistance to grantees;

Sec. 303. Provides that the Director shall cooperate and consult with the heads of other Federal departments and agencies that perform functions related to the purposes of the Act;

Sec. 304. Provides for hearings to applicants denied assistance;

Sec. 305. Provides requirements for the use of funds;

Sec. 306. Provides definitions of all terms used in the Act;

Sec. 307. Provides that all programs shall be carried out by the Director through fiscal year 1975; and

Sec. 308. Provides for appropriations totaling $50,000,000 to carry out the Act which shall be distributed equally between titles I and II.

H.R. 9175

A bill to provide Federal assistance to cities, combinations of cities, public agencies, and nonprofit private organizations for the purpose of improving police-community relations, encouraging citizen involvement in crime prevention programs, volunteer service programs, and in other cooperative efforts in the criminal justice system

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Community Anticrime Assistance Act of 1973".

FINDINGS AND PURPOSE

SEC. 2. (a) Congress hereby finds and declares that the high incidence of crime in our Nation has reduced the spirit and community pride of our citizens; that crime breeds in the streets and corruption breeds in government when citizens are apathetic toward their community and institutions; that one of the most effective methods of reducing crime is to involve citizens and the private sector in cooperative anticrime programs with local governments; that crime prevention programs instituted by citizens over the past several years have had a measurable effect on reducing crime and improving citizen cooperation with local law enforcement agencies; and that there is no coordinated Federal program to assist citizens in cooperative anticrime programs with local governments.

(b) Congress further finds that crime is a national problem that must be dealt with by linking the total resources of the Federal, State, and local governments with the efforts of citizens and the private sector at the neighborhood level.

(c) It is therefore the declared policy of Congress to provide anticrime assistance grants to cities, combinations of cities, public agencies and nonprofit private agencies for the purpose of involving citizens and the private sector in cooperative anticrime programs with local governments.

TITLE I—GRANTS TO CITIES AND PUBLIC AGENCIES

STATEMENT OF PURPOSE

SEC. 101. The purpose of this title is to assist cities, combinations of cities and public agencies to establish community relations programs and volunteer service programs in the criminal justice system.

GRANTS

SEC. 102. (a) The Director of the Community Relations Service in the Department of Justice (hereinafter in this Act referred to as the "Director") is authorized to make grants to, or cooperative arrangements with, cities and combinations of cities with a population of not less than 100,000 and public agencies thereof, including regional planning organizations, to meet all or part of the cost of establishing or operating, including the cost of planning, programs designed to carry out the purposes of this title.

(b) Grants and cooperative arrangements made under this title may be made to carry out programs including—

(1) programs to encourage the participation of industry, businesses, labor unions, and private enterprises in crime prevention efforts of the city and the neighborhood in which they are located;

(2) the recruiting and training of police-community relations officers, which includes the development of programs of police training and education to sensitize police to the needs of the community;

(3) the recruiting and training of community service officers to serve with and assist police departments in the discharge of their duties through such activities as recruiting police officers, improvement of police community relations, and grievance resolution mechanisms;

(4) the recruiting, organization, and training of citizen preventive patrols for the purpose of patrolling apartment buildings, neighborhoods, and schools;

(5) the recruiting and training of police aides (paid or volunteer) including minority aides and youth aides;

(6) the recruiting of minority police officers;

(7) programs to encourage the reporting of crime and the marking and identification of personal property;

(8) the establishment of community structures to coordinate all citizen programs; and

(9) to improve police procedures in effecting arrests and to improve arrest procedures, including programs to issue summons in lieu of arrest to reduce unnecessary arrests for nonviolent crimes.

CONDITIONS OF GRANTS

SEC. 103. (a) The Director shall require, whenever feasible, as a condition of approval of a grant under this title, that the applicant contribute money, facilities, or services, to carry out the purpose for which the grant is requested. The contribution required under this subsection shall not exceed 25 per centum of the cost of each program assisted under this title.

(b) Grants and cooperative arrangements under this title may be made only upon an application to the Director, which contains—

(1) satisfactory assurances that such applicant will place special emphasis upon programs, which involve disadvantaged persons and minority groups in the criminal justice system;

(2) satisfactory assurances that such applicant will make special efforts to assure that programs established under this title are directed to the areas of the city with the highest incidence of crime;

(3) satisfactory assurances that such applicant has consulted on its application with local public agencies and nonprofit private agencies located in the geographic area of the city to be served and has adopted procedures to coordinate its program with related efforts being made by such other agencies;

(4) satisfactory assurances that maximum use will be made under the program of other Federal, State, or local resources available for the provision of services requested under this Act;

(5) satisfactory assurances that in developing programs, the applicant will give public agencies and nonprofit private agencies providing services within the geographic area to be served opportunity to present their views to such applicant with respect to such programs;

(6) satisfactory assurances that such applicant will institute procedures for evaluating the operation of each program operated by it under this title, including the maintenance of records on the disbursement of grants, and will report in full to the Director annually during the period such program is assisted under this title on the functions and services performed by such program, the disbursement of grant funds, and any innovations made to meet the needs of the geographic area where such program is in operation;

(7) a description of all community relations programs and citizen volunteer programs in the criminal justice system established by the applicant city, or combination of cities including public agencies thereof, or applicant public agency which shall be current to the date of each subsequent application for grants; and

(8) a statement of the method or methods of linking the resources of public agencies and nonprofit private agencies providing services relating to the purpose of the grant application.

TITLE II—GRANTS TO NONPROFIT PRIVATE AGENCIES

STATEMENT OF PURPOSE

SEC. 201. The purpose of this title is to assist nonprofit private agencies in efforts to establish crime prevention programs and volunteer service programs in the criminal justice system.

GRANTS

SEC. 202. (a) The Director is authorized to make grants to, or cooperative arrangements with, nonprofit private agencies to meet all or part of the cost of establishing or operating, including the cost of planning, programs designed to carry out the purposes of this title.

(b) Grants and contracts under this title may be made to carry out programs including—

(1) programs to encourage the reporting of crime and the marking and identification of personal property;

(2) programs to enhance the delivery of social services into neighborhoods such as the removal of waste, street cleaning, building inspection, recreational facilities, and improved street lighting;

(3) programs to provide volunteer escorts for elderly citizens and other persons requiring assistance to and from their residences in high crime areas;

(4) programs to provide counseling to ex-offenders, narcotics addicts, and persons on probation;

(5) programs to improve communications between the community and police departments;

(6) programs to provide alternatives to incarceration (including release to the custody of community programs) for persons convicted of minor or victimless crimes; and

(7) programs of citizen crime commissions

established for the purpose of combating the influences of organized crime.

CONDITIONS OF GRANTS

SEC. 203. (a) To qualify for grants under this title a nonprofit private agency shall have been in continuous operation for a period of at least one year before the date of application and shall demonstrate that it can satisfactorily administer the program for which a grant is requested.

(b) Grants and contracts under this title may be made only upon application to the Director, which contains satisfactory assurances that—

(1) the applicant will maintain adequate records on the disbursement of grants under the Act which will be made available upon request to the Director; and

(2) the applicant will make available to the entire community that it normally serves and where it is geographically located, on a nondiscriminatory basis, the benefits of any program instituted by it under this title.

TITLE III—ADMINISTRATION

APPLICATIONS FOR GRANTS

SEC. 301. (a) In addition to the requirements for applications set forth in sections 103(b) and 203(b), the Director shall require each application for a grant under this Act to include—

(1) a description of the purpose of the program;

(2) a description of the anticipated use of funds under the grant;

(3) a description of the geographic area of the community in which the program will be carried out and the incidence of crime in such area;

(4) a description of the extent that the program anticipates assistance, financial or otherwise, from departments or agencies of the Federal, State, or local governments; and

(5) a description of the anticipated number of citizens who will participate in the program or be benefited by its operation.

(b) The Director shall provide assistance in filing an application under this Act to any applicant requesting such assistance.

TECHNICAL ASSISTANCE

SEC. 302. The Director shall provide technical assistance to cities, combinations of cities, public agencies, and nonprofit private agencies either directly or through contracts with other Federal departments or agencies to enable such recipients to fully participate in all programs available under this Act.

COOPERATION BETWEEN AGENCIES

SEC. 303. The Director in the administration of this Act shall consult and cooperate with the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Director of ACTION, and any other department or agency of the United States which performs functions related to the purposes of this Act.

HEARINGS

SEC. 304. The Director shall, on the application of any person claiming to be aggrieved by the denial of assistance under this Act, give such person a public hearing to determine if such person was so aggrieved. If the Director determines such person was so aggrieved, he shall grant, in whole or in part, the assistance with respect to which such hearing was held.

RESTRICTIONS ON USE OF FUNDS

SEC. 305. Not more than one-third of any grant made under this Act shall be used for the lease or rental of any building or space therein. No part of any grant may be used to purchase buildings or land or for research, except to the extent such research is incidental to the carrying out of programs under this Act.

DEFINITIONS

SEC. 306. For purposes of this Act:

(1) The term "city" means any city in any State, or in the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa, and includes the District of Columbia.

(2) The term "combination of cities" means two or more cities, towns or other units of general local government and includes county, parish, or any other equivalent governmental subdivisions of a State or Territory of the United States with a population of not less than 100,000.

(3) The term "public agency" means any department, agency or instrumentality of any city or combination of cities with a population of not less than 100,000. This would include regional planning organizations established for the purpose of developing comprehensive planning and coordinating efforts to meet common problems.

(4) The term "criminal justice system" means the police, criminal courts, prosecutors and correctional departments of the Federal, State, and local governments.

(5) The term "community relations program" means any activity established by a city, combination of cities or public agency thereof that incorporates the participation of citizens for the purpose of improving the delivery of services relating to the criminal justice system of such city, combination or public agency to the community.

(6) The term "crime prevention program" means any activity using the services of citizens established and regulated by a nonprofit private agency for the purpose of performing cooperative functions relating to any component of the criminal justice system.

(7) The term "volunteer service program" means any activity using the volunteer services of citizens established by a city, combination of cities, public agency thereof, or nonprofit private agency and regulated by a component of the criminal justice system for the purpose of providing assistance to such component.

DURATION OF PROGRAMS

SEC. 307. The Director shall carry out the programs provided for in this Act during the fiscal years ending June 30, 1974, and June 30, 1975.

AUTHORIZATIONS

SEC. 308. There is authorized to be appropriated for grants and cooperative arrangements under title I of this Act $25,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975. There is authorized to be appropriated for grants and cooperative arrangements under title II of this Act $25,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975.

THE MILITARY MAW—PART III

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, this year's military procurement authorization bill, in my opinion, is full of fat. It reminds me of the late Gen. Nelson Appleton Miles who was so obese that he could not wade ashore with his troops in Cuba in 1898. It reflects all the clear thinking and sound military strategy of Civil War Gen. Ambrose E. Burnside.

Yesterday, I pointed out why there was no need for the $657 million authorization for the CVAN-70 nuclear aircraft carrier. Today, I wish to concentrate on the wasteful aspects of the Trident program.

There is no doubt that our national security is based in large measure on the invulnerability of our ballistic missile submarines. Our nuclear submarine force has been, is now, and will continue to be, with our current modernization programs, sufficiently large and effective to be able in time of war to cripple the Soviet economy. However, I do not believe that the speed with which we are currently plunging into the Trident program is justified, given the realities of the moment.

In the first place, the latest available intelligence reports show that Soviet construction of similar ballistic missile submarines has slowed, and that their progress in antisubmarine warfare techniques has shown no significant improvement. Furthermore, the Navy's proposal to build 10 Trident submarines violates by 26 missiles our own agreed limit on such missiles at the SALT I talks.

In the face of such facts, it appears that the Navy still wants to rush the Trident program through to quick completion. Its request for $1.7 billion for fiscal year 1974 is twice the fiscal year 1973 request. The total cost of these 10 submarines, at current prices, is $13.5 billion, which, under the circumstances, is a heavy commitment to make.

Instead of pushing ahead with this weapons system, I believe that the best course to follow for the moment would be to defer for at least 1 year the decision to accelerate the program. Rather, we should concentrate on backfitting Trident missiles into Poseidon submarines. We should also continue our R. & D. program, give high priority to our SSBN defense program, and support Trident "lead-ship" construction plans. This, I believe, is the most prudent course to follow for the moment.

I also hope that restrictions on strategic ASW operations are high on the SALT II agenda, because an agreement in this area would help determine our military needs in this field.

Our strategic forces are sufficiently strong that we can easily defer for a year or so the decision whether or not we should plunge headlong into this most expensive weapons system.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. GERALD R. FORD requests leave of absence for Mr. CARTER the week of July 10, on account of illness in family.

Mr. O'NEILL requests leave of absence for Mr. DANIELSON for today on account of illness in family.

Mr. GERALD R. FORD requests leave of absence for Mr. KEMP from 3 p.m. today until July 23, 1973, on account of attendance at the 1973 International Captive Nations Week Rally in Taipai, Formosa.

Mr. O'NEILL requests leave of absence for Mr. PEPPER for today on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 30 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MARAZITI) to revise and extend their remarks and include extraneous matter:)

Mr. WALSH, for 10 minutes, today.
Mr. KEMP, for 10 minutes, today.
Mr. HOGAN, for 60 minutes, on July 16.
Mr. LOTT, for 5 minutes, today.
Mr. FORSYTHE, for 5 minutes, today.
Mr. DUNCAN, for 40 minutes, on July 16.

(The following Members (at the request of Mr. RYAN) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. DIGGS, for 5 minutes, today.
Mr. DOMINICK V. DANIELS, for 5 minutes, today.
Mr. FRASER, for 5 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. BURKE of Massachusetts, for 5 minutes, today.
Ms. ABZUG, for 10 minutes, today.
Mr. O'NEILL, for 15 minutes, today.
Mr. OWENS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. ROUSSELOT, to revise and extend his remarks during consideration of the Small Business Act in the Committee of the Whole today.

Mr. ERLENBORN and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $522.50.

Mr. MICHEL to extend his remarks prior to those of Mr. POAGE during consideration of H.R. 8860 in the Committee of the Whole today.

Mr. CONYERS and to include extraneous matter, nothwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $679.25.

Mr. WHITTEN to include extraneous matter in his remarks on the farm bill today.

(The following Members (at the request of Mr. MARAZITI) and to include extraneous matter:)

Mr. YOUNG of Alaska in three instances.
Mr. BROYHILL of Virginia.
Mr. MIZELL in five instances.
Mrs. HOLT.
Mr. WYMAN in two instances.
Mr. BOB WILSON.
Mr. SYMMS.
Mr. TAYLOR of Missouri.
Mr. KEATING in four instances.
Mr. GOLDWATER.
Mr. SHOUP.
Mr. SHRIVER.
Mr. ANDERSON of Illinois in two instances.
Mr. FROEHLICH.
Mr. HINSHAW.
Mr. MICHEL in five instances.
Mr. SHRIVER in two instances.
Mr. BROTZMAN.
Mr. BROOMFIELD.
Mr. KEMP.
Mr. QUIE.
Mr. HUDNUT.
Mr. VEYSEY in two instances.

(The following Members (at the request of Mr. RYAN) and to include extraneous matter:)

Mr. YOUNG of Georgia in six instances.
Mr. MITCHELL of Maryland in two instances.
Mr. ADDABBO.
Mr. GONZALEZ in three instances.
Mr. RARICK in three instances.
Mr. HARRINGTON.
Mr. EVINS of Tennessee.
Mr. LONG of Maryland in 10 instances.
Mr. KYROS.
Mr. RIEGLE.
Mr. WHITE.
Mr. HAMILTON in 10 instances.
Mr. ROE in two instances.
Mr. DIGGS in three instances.
Mr. DULSKI in six instances.
Mr. ROSTENKOWSKI.
Mr. WON PAT.
Mr. DORN in five instances.
Mr. TIERNAN.
Mr. MELCHER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1141. An act to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarter dollars, to authorize the issuance of special gold and silver coins commemorating the Bicentennial of the American Revolution, and for other purposes; to the Committee on Banking and Currency.

S. 1328. An act to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California; to the Committee on Interstate and Foreign Commerce.

S. 1435. An act to provide an elected Mayor and City Council for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 1989. An act to amend section 225 of the Federal Salary Act of 1967 with respect to certain executive, legislative, and judicial salaries; to the Committee on Post Office and Civil Service.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 7528. To authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

ADJOURNMENT

Mr. RYAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until Monday, July 16, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1140. A letter from the Chairman, U.S. Tariff Commission, transmitting a draft of proposed legislation to amend section 330 (B) of the Tariff Act of 1930 to provide for holding over a commissioner in office after his term has expired until his successor is appointed and shall have qualified; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

1138. A letter from the Comptroller General of the United States, transmitting a supplemental report to the report on U.S. assistance for the economic development of the Republic of Korea; to the Committee on Government Operations.

1139. A letter from the Comptroller General of the United States, transmitting a report on U.S. assistance for the economic development of the Republic of Korea; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. H.R. 8920. A bill to amend the Lead Based Paint Poisoning Prevention Act, and for other purposes; (Rept. No. 93-373). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 9223. A bill to improve the conduct and regulation of Federal election campaign activities and to provide public financing for such campaigns; to the Committee in House Administration.

By Mr. ANNUNZIO:

H.R. 9224. A bill to establish a Federal program to encourage the voluntary donation of pure and safe blood, and to establish a national registry of blood donors; to the Committee on Interstate and Foreign Commerce.

By Mr. BROTZMAN (for himself, Mr. ARMSTRONG, Mr. EVANS of Colorado, Mr. HELSTOSKI, Mr. HOSMER, Mr. JOHNSON of Colorado, Mr. MARTIN of North Carolina, Mr. TOWELL of Nevada, Mr. WILLIAMS, and Mrs. SCHROEDER):

H.R. 9225. A bill to amend the Clean Air Act to provide for more effective motor vehicle emission controls at high altitudes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAMBERLAIN (for himself, Mr. ARCHER, Mr. BEVILL, Mr. BLACKBURN, Mr. BROTZMAN, Mr. BROYHILL of North Carolina, Mr. BROYHILL of Virginia, Mr. BURKE of Massachusetts, Mr. CAMP, Mr. CLANCY, Mr. CLEVELAND, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORMAN, Mr. DAN DANIEL, Mr. DUNCAN, Mr. HANSEN of Idaho, Mr. HORTON, Mr. JOHNSON of Pennsylvania, Mr. RARICK, Mr. J. WILLIAM STANTON, Mr. VANDER JAGT, and Mr. WILLIAMS):

H.R. 9226. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. CLARK:

H.R. 9227. A bill to establish a U.S. Fire

Administration and a National Fire Academy in the Department of Housing and Urban Development, to assist State and local governments in reducing the incidence of death, personal injury, and property damage from fire, to increase the effectiveness and coordination of fire prevention and control agencies at all levels of government, and for other purposes; to the Committee on Science and Astronautics.

H.R. 9228. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 9229. A bill to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record where that method of computation produces a higher combined benefit; to the Committee on Ways and Means.

By Mr. CRONIN (for himself, Mr. Abdnor, Mr. Aspin, Mr. Bafalis, Mr. Bray, Mr. Breckinridge, Mr. Butler, Mr. Camp, Mr. Cleveland, Mr. Cochran, Mr. Cohen, Mr. Coughlin, Mr. de Lugo, Mr. Derwinski, Mr. Eilberg, Mr. Forsythe, Mr. Fraser, Mr. Frenzel, Mr. Froehlich, Mr. Gilman, Mrs. Grasso, Mr. Hanrahan, Mrs. Heckler of Massachusetts, Mr. Hinshaw, and Mr. Kemp):

H.R. 9230. A bill to establish a Joint Committee on Energy, and for other purposes; to the Committee on Rules.

By Mr. CRONIN (for himself, Mr. Ketchum, Mr. Martin of North Carolina, Mr. McDade, Mr. Milford, Mr. Moorhead of California, Mr. O'Brien, Mr. Parris, Mr. Pickle, Mr. Riegle, Mr. Rinaldo, Mr. Roncallo of New York, Mr. Sarasin, Mr. Shriver, Mr. Thone, Mr. Towell of Nevada, Mr. Waldie, Mr. Ware, Mr. Williams, Mr. Winn, Mr. Won Pat, and Mr. Young of Alaska):

H.R. 9231. A bill to establish a Joint Committee on Energy, and for other purposes; to the Committee on Rules.

By Mr. ERLENBORN (for himself, Mr. Quie, Mr. Hansen of Idaho, Mr. Kemp, Mr. Sarasin, Mr. Huber, Mr. Dellenback, Mr. Steiger of Wisconsin, and Mr. Towell of Nevada):

H.R. 9232. A bill to revise the Welfare and Pension Plans Disclosure Act, and to strengthen and improve the private retirement system by establishng minimum standards for participation in and for vesting of benefits under pension and profit-sharing retirement plans, and for other purposes; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 9233. A bill to amend the U.S. Housing Act of 1937 to improve the financial condition of low-rent housing projects by establishing a more realistic formula for the determination of rentals, and for other purposes; to the Committee on Banking and Currency.

By Mr. FISH:

H.R. 9234. A bill to require that every Federal or federally assisted reinforced concrete structure or high rise building constructed with reinforced concrete be erected by an accredited concrete constructor, who shall also be responsible for the full time presence of a registered architect or professional engineer during the erection of such structure or building; to the Committee on Public Works.

By Mr. HASTINGS:

H.R. 9235. A bill to restore, support, and maintain modern, efficient rail service in the northeast region of the United States, to designate a system of essential rail lines in the northeast region, to provide financial assistance to rail carriers in the northeast region, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JARMAN:

H.R. 9236. A bill to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil and gas pipeline, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Oklahoma:

H.R. 9237. A bill to amend the Rivers and Harbor Act of 1946, as amended and modified; to the Committee on Public Works.

By Mr. KETCHUM (for himself, Mr. Bafalis, Mr. de Lugo, Mr. Rarick, Mr. Veysey, and Mr. Charles H. Wilson of California):

H.R. 9238. A bill to amend the Immigration and Nationality Act to require the Attorney General to employ additional personnel to patrol the borders of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. KETCHUM (for himself, Mr. Bafalis, Mr. de Lugo, Mr. Rarick, and Mr. Charles H. Wilson of California):

H.R. 9239. A bill to amend the Immigration and Nationality Act to eliminate the procedures for voluntary departure with respect to certain aliens illegally in the United States and to increase the penalties for the illegal entry of aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. KOCH (for himself and Ms. Abzug):

H.R. 9240. A bill to amend title 5, United States Code, to provide that the wages of Federal employees be subject to court-ordered deductions for child support; to the Committee on Post Office and Civil Service.

By Mr. KOCH (for himself, Mr. Brown of California, Mr. Clay, Mr. Edwards of California, Mr. Eilberg, Mr. William D. Ford, Mr. Rosenthal, Mr. Moakley, and Mrs. Chisholm):

H.R. 9241. A bill to regulate expenditures of appropriated funds with respect to private property used as residences by individuals whom the Secret Service is authorized to protect; to the Committee on Public Works.

By Mr. MACDONALD:

H.R. 9242. A bill to provide for the preservation, improvement, and reorganization of rail service in the Northeast; to establish the Northeast Transportation Commission, the Federal National Railway Association, and the Northeast Rail Corporation; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER:

H.R. 9243. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mrs. MINK:

H.R. 9244. A bill to amend title 10 of the United States Code in order to permit the partial attachment of retired or retainer pay to satisfy judicially decreed child support contributions, and for other purposes; to the Committee on Armed Services.

H.R. 9245. A bill to amend the Internal Revenue Code of 1954 to provide an automatic X deferment of Federal tax liability where a small business concern is owed money by the United States for goods and services furnished by such concern; to the Committee on Ways and Means.

By Mr. MINSHALL of Ohio:

H.R. 9246. A bill to suspend the duty on synthetic rutile until the close of December 31, 1976; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mrs. Sullivan, Mr. Grover, Mr. Clark, Mr. Ruppe, Mr. Bowen, Mr. Snyder, Mr. Breaux, Mr. Steele, Mr. Kyros, Mr. Lott, Mr. Sarbanes, Mr. Treen, Mr. Dingell, Mr. Young of Alaska, Mr. Leggett, Mr. Metcalfe, and Mr. Ginn):

H.R. 9247. A bill to amend certain laws affecting the Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. REGULA (for himself and Mr. Whalen):

H.R. 9248. A bill to authorize the establishment of the Ohio and Erie Canal National Historic Park in the State of Ohio, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RHODES:

H.R. 9249. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise certain requirements for approval of new animal drugs; to the Committee on Interstate and Foreign Commerce.

H.R. 9250. A bill to make it a Federal crime to kill or assault a fireman or law-enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose; to the Committee on the Judiciary.

By Mr. ROSENTHAL (for himself, Mr. Bell, Mr. Moakley, Mr. Waldie, Mr. Winn, and Mr. Wolff):

H.R. 9251. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation to handicapped persons and persons who are 65 years of age or older, to amend the Interstate Commerce Act to authorize free or reduced-rate transportation for persons who are 65 years of age or older, and to provide new and improved transportation programs for the handicapped and the elderly; to the Committee on Interstate and Foreign Commerce.

By Mr. SAYLOR:

H.R. 9252. A bill to amend the black lung benefits provisions of the Federal Coal Mine Health and Safety Act to prevent duplicate awards in the case of certain widows; to the Committee on Education and Labor.

By Mr. STEELMAN (for himself, Mr. Saylor, Mr. Skubitz, Mr. Ruppe, Mr. Regula, Mr. de Lugo, Mr. Seiberling, Mr. Cronin, Mr. Won Pat, Mrs. Burke of California, Mr. Burton, and Mr. Towell of Nevada):

H.R. 9253. A bill to establish the Big Thicket National Biological Reserve in Texas; to the Committee on Interior and Insular Affairs.

By Mr. VEYSEY (for himself, Mr. Podell, Mr. Rangel, Mr. Robison of New York, Mr. Stokes, Mr. Talcott, and Mr. Wolff):

H.R. 9254. A bill to establish a Federal program to encourage the voluntary donation of pure and safe blood, and to establish a national registry of blood donors; to the Committee on Interstate and Foreign Commerce.

By Mr. VEYSEY (for himself, Mr. Quie, Mr. Rinaldo, and Mr. Winn):

H.R. 9255. A bill to provide reduced retirement benefits for Members of Congress who remain in office after attaining 70 years of age; to the Committee on Post Office and Civil Service.

By Mr. WALDIE (for himself, Mr. Brasco, Mr. Dominick V. Daniels, Mr. Charles H. Wilson of California, Mr. Moakley, Mr. Hogan, and Mr. Hillis):

H.R. 9256. A bill to increase the contribution of the Government to the costs of health benefits for Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WALDIE (for himself, Mr. Brasco, Mr. Dominick V. Daniels, Mr. Charles H. Wilson of California, Mr. Moakley, Mr. Hogan, Mr. Hillis, and Mr. Bafalis):

H.R. 9257. A bill to amend chapter 83 of title 5, United States Code, relating to the rates of employee deductions, agency contributions, and deposits for civil service retirement purposes; to the Committee on Post Office and Civil Service.

By Mr. WALSH:

H.R. 9258. A bill to repeal the recently added limitation on the amount of Federal payments to States for skilled nursing home and intermediate care facility services under the medicaid program; to the Committee on Ways and Means.

By Mr. WHALEN:

H.R. 9259. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. WHITE:

H.R. 9260. A bill to provide that the Administrator of the Social and Economic Statistics Administration, Department of Commerce, be subject to Senate confirmation, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WIGGINS (for himself and Mr. DENT):

H.R. 9261. A bill to amend title 28, United States Code, to change the age and service requirements with respect to the retirement of justices and judges of the United States; to the Committee on the Judiciary.

By Mr. WINN:

H.R. 9262. A bill to authorize the establishment of the Tallgrass Prairies National Park in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WON PAT:

H.R. 9263. A bill to extend to certain uninsured residents of the United States in Guam, Puerto Rico, and the Virgin Islands the social security benefits normally provided to individuals who have attained age 72 and who fulfill other special conditions; to the Committee on Ways and Means.

By Mr. ZWACH:

H.R. 9264. A bill to confer U.S. citizenship on certain Vietnamese children and to provide for the adoption of such children by American families; to the Committee on the Judiciary.

By Ms. ABZUG (for herself, Mr. ASHLEY, and Mr. COUGHLIN):

H.R. 9265. A bill to prohibit discrimination on the basis of sex or marital status in the granting of credit; to the Committee on Banking and Currency.

By Mr. ASPIN:

H.R. 9266. A bill to amend the Securities and Exchange Commission Act of 1933 to authorize the Securities and Exchange Commission to regulate the structure of certain corporations and other firms engaged in petroleum refining; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H.R. 9267. A bill to amend title 5, United States Code, to include guards, special policemen, and other personnel of the General Services Administration engaged in protective services for Federal buildings within the provisions of such title providing civil service retirement for Government employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. HORTON (for himself and Mr. ERLENBORN):

H.R. 9268. A bill to amend section 552 of title 5 of the United States Code (known as the Freedom of Information Act) and to establish a Freedom of Information Commission; to the Committee on Government Operations.

By Mr. MELCHER (for himself, Mr. BREAUX, Mr. CLEVELAND, Mr. FLYNT, Mr. HANSEN of Idaho, Mr. HASTINGS, Mr. JONES of North Carolina, Mr. LATTA, Mr. MAYNE, Mr. MCCOLLISTER, Mr. MOLLOHAN, Mr. RARICK, Mr. RHODES, Mr. ROBERTS, Mr. STEELMAN, Mr. WARE, Mr. WHITEHURST, and Mr. BOB WILSON):

H.R. 9269. A bill to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil and gas pipeline, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. METCALFE (for himself, Mr. EDWARDS of California, Mr. WALDIE, Mr. SEIBERLING, Mr. RANGEL, Mr. CONYERS, and Mr. OWENS):

H.R. 9270. A bill to amend title 18 of the United States Code to establish an Office of the U.S. Correctional Ombudsman; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 9271. A bill to confer U.S. citizenship on certain Vietnamese children and to provide for the adoption of such children by American families; to the Committee on the Judiciary.

By Mr. STEELE:

H.R. 9272. A bill to suspend for a 3-year period the duty on fair stained and better india ruby mica films first or second quality; to the Committee on Ways and Means.

By Mr. FULTON:

H.J. Res. 661. Joint resolution, a national education policy; to the Committee on Education and Labor.

By Mr. OWENS:

H.J. Res. 662. Joint resolution, a national education policy; to the Committee on Education and Labor.

By Mr. LOTT (for himself, Mr. ADDABBO, Mr. ANDERSON of Illinois, Mr. ARCHER, Mr. ASHBROOK, Mr. CHAPPELL, Mr. COHEN, Mr. CONLAN, Mr. CRANE, Mr. DAVIS of Georgia, Mr. DORN, Mr. HANSEN of Idaho, Mr. ICHORD, Mr. MONTGOMERY, Mr. MURPHY of New York, Mr. MYERS, Mr. ROBERTS, Mr. CHARLES H. WILSON of California, Mr. BOB WILSON, Mr. WON PAT, and Mr. YOUNG of Illinois):

H. Con. Res. 267. Concurrent resolution providing for continued close relations with the Republic of China; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. Res. 491. Resolution to create a Select Committee on Aging; to the Committee on Rules.

By Mr. THOMPSON of New Jersey:

H. Res. 492. Resolution providing pay comparability adjustments for certain House employees whose pay rates are specifically fixed by House resolutions; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL of Virginia:

H.R. 9273. A bill for the relief of Maria Martins Sanchez; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 9274. A bill for the relief of Peter Van Der Heyden; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 9275. A bill for the relief of Lt. Col. Laurence E. Gardner; to the Committee on the Judiciary.

By Mrs. HOLT:

H.R. 9276. A bill for the relief of Luther V. Winstead; to the Committee on the Judiciary.

By Mr. YATRON:

H.R. 9277. A bill for the relief of Ierotheos (Jerry) Kallias; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

HOME TO VIRGINIA

HON. WILLIAM LLOYD SCOTT

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 12, 1973

Mr. SCOTT of Virginia. Mr. President, the July issue of Reader's Digest features an interesting and informative article on the historic, scenic, and economic aspects of the Commonwealth of Virginia. The article, written by James Daniel as part of the Digest's Armchair Travelogue, is entitled "Home to Virginia."

Mr. Daniel points out that millions of Americans can trace their family roots to Virginia, where our Nation's history began in the early 1600's. In fact, the author writes that:

> Perhaps half of the U.S. population has some distant family tie with the Old Dominion.

On a tour of our beautiful Commonwealth, Mr. Daniel points to a number of the most significant features of her rich heritage. The author notes that Virginia is not only the scene of some major events of our country's past like the founding of Jamestown and Williamsburg, the battles of the American Revolution and the Civil War; but it is also the home and birthplace of eight of our Presidents.

Since the article should have widespread interest, I ask unanimous consent that it be printed in the RECORD and commend the article to reading by my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOME TO VIRGINIA

(By James Daniel)

Three hundred and sixty-six years ago this spring, three tiny English ships, the *Susan Constant*, the *Godspeed* and the *Discovery*, after 18 weeks on the perilous Atlantic, happened on the mouth of Chesapeake Bay and sailed through the capes into calm water. Wading ashore, Capt. Christopher Newport and his 142 men marveled at the "faire meddowes and goodly tall trees." After thanking God for bringing them to Paradise, they claimed, for James I of England, all of North America between Spanish Florida and French Canada, from the Atlantic to the "China Sea." Our nation's history had begun.

Today the visitor to the site chosen by these men for settlement finds only the foundations of the statehouse and other buildings, and the ivied ruins of an ancient church where "Jamestown" stood until destroyed by fire in 1968. But nearby is a replica of the 1607 town, with its palisaded log fort and thatched-roof, wattle-and-daub houses. And tied up in the James River are full-scale reproductions of Captain Newport's three brave ships.

Such panoramas of history abound in Virginia, and provide a special thrill for the 45 million people who visit the state each year. Some are drawn to the birthplaces and homes of Virginia's record eight Presidents—Washington, Jefferson, Madison, Monroe, W. H. Harrison, Tyler, Taylor and Wilson.

Others blend history with scenery, camping in a score of state and national parks from seashore to mountaintop.

For many, going to Virginia is like going home. For more than two centuries, Virginia was the largest and most populous colony and then state; her surplus population poured south, west and north. In the 12 generations since 1607, Virginians have intermarried with non-Virginians to the point where, today, perhaps half the U.S. population has some distant family tie with the Old Dominion.

One golden day last October, my wife and I decided to return to the place of our roots. Our gateway was Alexandria, downstream from the Great Falls of the Potomac. To the southeast begins Tidewater, Virginia, an area cut by the Potomac, Rappahannock, York and James rivers into (reading north to south) the Northern Neck, Middle Peninsula and Lower Peninsula, and by Chesapeake Bay into a fourth peninsula, the Eastern Shore. It was the serendipitous discovery of this inland-sea area, with its 3400 miles of coastline and deep alluvial soil, that made Virginia an almost instant economic success. Horses and roads were unnecessary because tobacco, worth almost its weight in precious metal in London, could be put in barrels and rolled aboard ship directly from the great Tidewater plantations.

A day in Alexandria—visiting Christ Church, where Washington worshipped; Gadsby's Tavern, where he and other planters gathered to talk crops and politics; and nearby Mount Vernon, George and Martha's elegant Georgian mansion—helps the visitor unwind and sense the more languid tempo of the South. Moving southward to Fredericksburg—today smoothly organized to display early houses and Civil War battlefields (60 percent of the war took place in Virginia, and there are more than 1000 battle sites awaiting the visitor)—you are poised for the drive down the Northern Neck, where each turn of the wheels takes you further back in time.

Stratford Hall Plantation, the great Jacobean and Georgian mansion built in the late 1720s by Thomas Lee, evokes an age when a lord's house resembled a fortified castle. Lee was the first native-born Virginian to be appointed acting governor; two of his sons signed the Declaration of Independence; and Robert E. Lee, his great-nephew, was born here.

Crossing the Rappahannock, the visitor is in a part of Virginia where tobacco was king. At Urbana is a brick tobacco warehouse dating from the 1680s, the only survivor of 20 such structures built in the 17th century to store tobacco before it was shipped to England. Because there was hardly ever enough gold and silver in Virginia to meet the needs of trade, tobacco-warehouse receipts provided a form of paper money. Taxes were collected in tobacco, and clergymen drew their salaries in tobacco or tobacco receipts. Even the first "maides" imported to marry settlers were sold to prospective husbands for 120 pounds of tobacco.

Across the York River, below Gloucester, we picked up the Colonial Parkway to Williamsburg, the capital of Virginia from 1699 to 1780, where 173 acres of restored buildings, gardens and other attractions draw 1.5 million visitors annually. (The first-time visitor should plan to spend at least three days in Williamsburg; it's worth every minute.) From Williamsburg, we drove to Yorktown on the York River side of the Lower Peninsula, to see the house where Lord Cornwallis surrendered in 1781. Then on to Jamestown, on the James River side, where it all began with the arrival of Captain Newport's ships.

The courage required of those early English adventurers—and the changes in the world that have occurred since—came fully home to us as we drove the five-mile-long bridge from Newport News across the James. Looming to the left was the world's largest private shipyard, Newport News Shipbuilding, a subsidiary of Tenneco Inc., where 27,500 workmen swarmed over two nuclear-powered aircraft carriers, five nuclear frigates and seven nuclear submarines. All three of Captain Newport's ships could be hung, like so many Christmas-tree balls, from the bridge of a single carrier.

We now headed west along the south side of the James River estuary, lined on both sides with plantations bearing such lilting names as Bermuda Hundred, Flowerdew, Westover, Shirley. Up the Appomattox River, a tributary of the James, lies Petersburg, where colonists established a fort and Indian trading post in 1645. After a visit to Petersburg's Civil War battlefield, we drove west to Appomattox Court House and the surrounding village of half a dozen houses, all faithfully restored by the National Park Service. Before visiting the McLean House, where Lee surrendered and we finally became "one nation, indivisible," we saw a slide film during which Union General Philip Sheridan utters his classic description of the Civil War's tragic desolation: "The crow that flies over the Valley of Virginia must henceforth carry his rations with him." (Fortunately, my wife and I found the food situation vastly improved since Sheridan's time, as was Virginia's welcome to Yankees.)

A few miles west of Appomattox, we caught our first pulse-quickening sight of the Blue Ridge. By Lynchburg, we had a full view of the range, which stretches south into North Carolina and north to Pennsylvania. It is of an indescribable light and shimmering blue, and to the early settlers it was the end of the known world. Somewhere beyond, by a mythic northwest water passage, they believed, lay Cathay.

Joining the Blue Ridge Parkway, which follows the Blue Ridge Mountains for 355 miles, we spotted the Peaks of Otter. Here, a small bus takes visitors to within easy walking distance of the bare granite summit of one of the state's highest mountains (altitude: 3875 feet), Sharp Top.

We spent the next day in the Shenandoah Valley, which lies between the Blue Ridge and the next range of mountains bordering Kentucky and West Virginia. From here you can go south to the Appalachian poke-bonnet and zither-strumming country, and on down to Cumberland Gap, through which Daniel Boone led wagon trains into the heart of the continent. Or you can stay to investigate such curiosities as Natural Chimneys, Natural Bridge and nine different caverns. As a young surveyor, George Washington was so impressed with Natural Bridge—a stone arch higher than Niagara—that he cut his initials high up one wall. They're still there.

We drove north to Staunton, Woodrow Wilson's birthplace, and recrossed the Blue Ridge to Charlottesville, where the Jeffersons and a few other Tidewater families moved in the early 1700s, establishing a western outpost. We lunched at 200-year-old Michie Tavern, once owned by Patrick Henry's father, then drove up Thomas Jefferson's little mountain (literally, *Monticello*) to see the magnificent house that occupied his attention all the years he was governor, minister to France and, finally, President.

From Charlottesville, a fast new road took us to Richmond, through country so wild that the first month the road was open 47 deer were killed by cars. Jefferson moved the capital here from Williamsburg in 1780, and personally designed the Capitol building after a Roman temple at Nimes, France. The home of Chief Justice John Marshall is nearby, as is St. John's Church, where Patrick Henry jumped to his feet to shout, "I know not what course others may take, but as for me, give me liberty, or give me death!"

Our last stop in Richmond was at the State Archives, where I ordered a photostat of the will of my great-great-great-great-great-great grandfather, Capt. William Daniell, who came to Virginia in 1657. Written in Elizabethan script and dated October 8, 1694, it powerfully summons up the spirit of the 17th century in its very first words: "In ye name of God amen . . . ." One of the will's stipulations, in particular, held my eye: "To my loving sone James Daniell one cow & calfe & a gun over & above his equale part."

They say every man, till he dies, secretly measures himself against his father, and presumably every woman does the same with her mother. But how well do we measure up against those more distant figures—our forefathers and mothers who bravely ventured to the New World so long ago? Have we kept their faith? Would they be proud of us?

There's no place like Virginia for being moved to ask such questions—and no place that offers more of the materials needed for arriving at answers.

THE REVEREND OLYMPIA BROWN

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. ASPIN. Mr. Speaker, an article in the Kenosha News recently brought to my attention the little-known fact that Wisconsin's first ordained woman minister served in my home district at the First Universalist Society in Racine, Wis. The Reverend Olympia Brown came to Racine in 1878 and lived there until 1926, where she was an outspoken advocate of women's suffrage. I think my colleagues would be interested in her story, and I submit it for inclusion in the Record:

State's First Ordained Woman in Area Records

The pastorate of Wisconsin's first ordained woman minister is among historical records chronicled in documents of the Unitarian-Universalist congregation in Racine which have found a new home in the Area Research Center in the University Archives at the University of Wisconsin-Parkside.

The records, which cover the history of the congregation from its founding in 1842 to 1965, were presented by the church's board of trustees to the Wisconsin State Historical Society, which maintains Area Research Centers at various UW campuses including Parkside.

Records of regional interest given to the society are ordinarily housed in the Research Center nearest their area of origin for easy access by scholars and interested members of the community.

The Racine congregation, which merged with the Unitarian Fellowship of Kenosha when the Universalist and Unitarian denominations merged nationally in 1961, is now known as the Unitarian-Universalist Church of Racine and Kenosha.

The congregation traces its beginning to 1842, six years before Wisconsin became a state, when a group of ten citizens banded together to form the First Universalist Society of Racine. Initially, they met in homes and, in 1851, the congregation dedicated its first church at the present site of Racine Motor Inn on Monument Square, then known as Market Square.

The present church at 6th St. and College Ave., known as the Church of the Good Shepherd and marked by a weather vane in shape of a shepherd's crook until an irreverent wind blew it off several years ago, was dedicated in 1895.

The elaborate hand-written script of the early church rolls reads like a who's who of Racine's pioneer industrial, political and civic leaders. Among the members were J. I.

Case, N. D. Fratt and Stephen Bull—all of whom have present-day Racine schools named for them.

The first volume of the records indicates that in 1845, the congregation took a vote on the abolition of slavery. The balloting, limited to men of the congregation, resulted in a tie—a remarkably liberal result almost twenty years before the nation moved to decide the question in the Civil War.

The year 1878 marked the beginning of the nine-year pastorate of Wisconsin's first woman minister, the Rev. Olympia Brown (Willis), who built a national reputation as a suffragette—one of the first and most articulate advocates of women's rights, who presaged today's liberationists by continuing to use her maiden name after her marriage.

Church documents include her letter of acceptance and record the unanimous vote of the congregation to engage her for two years at an annual salary of $500. By 1881 the sum was increased to $800.

Convinced that the church should be a forum for discussion of social issues, she invited such well-known suffragettes as Julia Ward Howe, Elizabeth Cady Stanton and Susan B. Anthony to air their views from the pulpit.

Under her ministry, women were allowed to vote and hold office in the church.

She was less successful in a bid to give women the vote in school elections. She lost a court case in 1887 which sought to force municipalities to provide separate ballot boxes to allow women to vote in school elections. A circuit judge ruled in her favor but the state supreme court reversed the decision and Wisconsin women were not enfranchised for school elections until the legislature provided separate ballot boxes in 1901.

A native of Michigan and the daughter of "radical" parents who believed in educating girls, the Rev. Brown attended Antioch College, one of the first co-educational institutions, and subsequently entered the Universalist Theological School of St. Lawrence University at Canton, N.Y. She was ordained in 1863 and was pastor of churches in Weymouth, Mass. (where she met and married John Henry Willis) and in Bridgeport, Conn., before coming to Racine.

She died in 1926 shortly after returning from a trip to Europe with her daughter Gwendolyn and is buried in the family plot in Mound Cemetery. Gwendolyn, like her mother active in civic and social causes, died in Racine in 1969.

University Archivist Nicholas C. Burckel calls such church records a treasure trove for historians. Modern trends in historical scholarship are increasingly turning from political history to social and cultural history drawn from the records of institutions such as churches, he said.

Such items as correspondence, meeting minutes, business records and membership lists may have made reading as stimulating as a laundry list at the time they originated but they become exciting with the passage of time, he added.

In addition to making such records available for research and scholarship, placing of the materials in Area Research Centers such as Parkside's offers safe storage as well as tender loving care by trained professionals for records in need of repair or restoration.

The Racine congregation's decision to offer its records was motivated in this manner. According to Kenneth Herrick, a member of the board of trustees, one of the early record books was missing for many years and recently was returned to the congregation after it was discovered among papers from an estate.

The Research Center at Parkside also has records dating from 1850 to 1880 of the First Congregational Church of Kenosha—and says Burckel, would be glad to provide a home for records of other institutions.

DR. TODD ELECTED AS PRESIDENT OF AMA

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. HOSMER. Mr. Speaker, Dr. Malcolm Todd, a friend of many of us in the Long Beach area was recently elected as president of the American Medical Association. I have known Dr. Todd for many years, and I am gratified to know that such a fine doctor and citizen has been chosen as chief spokesman for the Nation's physicians.

Dr. Todd's service to the field of medicine and to his community have been exemplary.

Mac Todd's ideas about how the medical profession can better serve the community are commendable and are bound to help all of us.

An editorial that appeared in the Long Beach Independent Press Telegram on July 2, 1973, said this about Dr. Todd:

NEW VOICE FOR PHYSICIANS

Dr. Malcolm Todd has thousands of friends in Long Beach and around the country who were gratified by his election as president of the American Medical Association.

It was not his strong and compelling personality that won him election as the chief spokesman for the nation's physicians, however. It was his strong and compelling ideas about what he and the AMA could do for practicing physicians and for the people they serve.

As fellow residents of Long Beach, we are naturally gratified by Dr. Todd's election. As newspapermen, we are particularly gratified that he spoke out in his campaign on the need for better communications between the AMA and newsmen.

It was especially commendable that he did not envisage the job solely as communicating about doctors to the public. "We also have to have information coming back from the local level," Dr. Todd told his fellow physicians. "It's a two-way street. And I think we could be doing a much better job with this."

We confess to a touch of nervousness at the name Dr. Todd selected for part of his proposed communications program: Truth Squad. Dr. Todd proposes creating one to answer "slanted newspaper editorials, letters to the editor and political charges."

It is only the name that bothers us. If the squad's work is to correct factual error, we will applaud it unreservedly. Editors, letter writers and politicians make mistakes. Maybe some will be made deliberately. But surely most are not. The implication of the phrase "truth squad" is that the other guy is lying and that it takes some sort of paramilitary attack to set him straight.

Considering that journalists are just about as sensitive as physicians, perhaps Dr. Todd would consider turning his proposed "truth squad" into a "communications office."

Dr. Todd's other plans as leader of the country's physicians strike us as wholesome in wording as well as in intent.

He thinks many malpractice insurance premiums are unnecessarily high and without having any statistical information our hunch is that he is right. Anything he can do to solve the complex legal problems that surround the malpractice issue is bound to help lower the cost of health care.

Dr. Todd is concerned that practicing physicians have a voice in government health care decisions. The desirability of this seems undebatable.

He favors "unified" membership in the AMA and its constituent medical societies. That is, every physician would be a member. This seems to us to be as useful for the medical profession and the public it serves as California's unified bar has been for lawyers and Californians generally.

The new AMA chief's argument for training more general physicians—"more doctors who take care of people" is the way he puts it—also seems good to a layman. Increasing specialization has sometimes meant higher costs for medical care and has sometimes meant reduced availability of medical care.

If bright young men and women interested in medicine are not all to follow the lure of prestigious specialization—which has a strong intellectual appeal, and is financially rewarding, too—some positive action will have to be taken by the profession. Dr. Todd's proposal is that the top scholarships and fellowships go to "the fellows who are going into primary care." That proposal is at least a good starting point for discussion.

Mac Todd has other ideas he'll be talking about around the country. We're glad physicians will be listening to a man we have found to be an earnest, realistic and concerned leader in his profession. We will be listening, too.

TRAGEDY OF NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. BIAGGI. Mr. Speaker, the British Government's exacerbation of the tragedy of Northern Ireland continues. Each day the death toll rises, the violence abetted by Whitehall's policies escalates, and the Special Powers Act coupled with "internment" remains in effect. Eyewitness accounts of physical and mental torture sanctioned by the London government have increased to shocking dimensions.

In the course of the past 2 weeks, I have had read into the RECORD the motion and certain sections of the brief now pending before the European Commission of Human Rights concerning allegations of inhumane treatment on the part of the British Government toward the people of Northern Ireland. Consistent with my past commitment to provide my colleagues with an accurate representation of events in Northern Ireland, I submit for the RECORD the third section of the brief, provided by Mr. Luis Kutner, attorney, Chairman of the Commission for the International Due Process of Law:

III. EXHAUSTION OF "AVAILABLE DOMESTIC REMEDIES"

The Commission has requested specific information regarding Applicants' exhaustion of "available domestic remedies". The following information, which has been available to the Commission since July, 1972, is here reiterated:

1. In November, 1971, Counsel for Applicants petitioned the City of Belfast High Corpus. Said Petition for a Writ of Habeas Corpus was denied on or about January 10, 1972 by Chief Justice Robert Lowry.

2. Further, a Petition for Writ of Habeas Corpus on behalf of Applicants herein was

filed in November, 1971, against Queen Elizabeth the Second, Rt. Hon. Brian Faulkner, Rt. Hon. Edward Heath, Sir Edmund Compton and Mr. J. M. Benn. Service was made on all Respondents.

3. On or about May 3, 1972 a Petition for Repeal of the Special Powers Act of 1922 [*qua* the Right of Petition granted by Article Five of the Bill of Rights] was filed with Rt. Hon. Edward Heath, Prime Minister, and Rt. Hon. Reginald Maulding, Secretary of State for the Home Department. Said Petition remains unanswered to date.

Another Petition for Repeal of the Special Powers Act of 1922 was filed on May 3, 1972 with Queen Elizabeth the Second. There has been no response to date to said Petition.

4. On December 21 , 1971, Luis Kutner, counsel for Applicants herein, met with senior officers of the Rt. Hon. Brian Faulkner at Stormont Castle. Internment policies were discussed, and a "new Irish internment policy" was promised. The continuing Irish debacle repudiates any notion of a "new internment policy". [Reference is here made to the testimony of Luis Kutner before the U.S. Senate Subcommittee on Europe, February 28 and 29 and March 1, 1972, where accounts of said meeting are set out in the record (Exhibit II appended hereto)].

The Commission is respectfully reminded that by virtue of the Special Powers Act of 1922, there are virtually no realistic or bona fide remedies available to Applicants. Under the Special Powers Act, warrantless searches, detention and imprisonment without charge or trial, denial of the right to counsel, denial of the right to trial by jury; even of the right to trial, are all countenanced. In sum, legal remedies are wholly foreclosed to detainees. The historic Anglo-Saxon guaranteed rights are abandoned. Applicants' fundamental rights have been suspended by the malefic operation of the Special Powers Act.

Applicants have thus been forcibly precluded from seeking domestic remedies. They exist in the vacuum of lawless deprivation. Their "domestic remedies" are pragmatically non-existent. Further, as set out herein, all avenues have been exhausted by counsel for Applicants. The documentation of the pursuit of Applicants' "remedies" proves the utter futility of prosecuting Applicants' rights on the domestic level.

It has been shown that "available domestic remedies" are pragmatically non-existent for Applicants; that their efforts to vindicate their rights have repeatedly been arbitrarily refused, circumvented or obfuscated by the minions of British injustice.

Further, domestic remedies, even if available, would be insufficient to restore Applicants to their former positions or to reverse the effects of the shocking contumelies heaped upon Applicants. Applicants have been denied their freedom and their fundamental rights since August, 1971; they have suffered inhuman tortures and deprivations; their families have likewise suffered. Their injuries are nearly incalculable. A remedy in reparation for the torture, physical and psychological, suffered by Applicants, was not available at the time the within Applications were filed. Release from custody or trial could not make the Applicants herein whole. Only censure by an international tribunal and reparations by Respondents herein can begin to compensate Applicants for the wrongs they have suffered.

That wrongs have been done to Applicants is patent: further, information regarding these wrongs is readily accessible to Respondents herein, yet difficult or impossible of attainment to Applicants. Information regarding the names of persons detained, the time and reasons for detention, the length of detention, and the treatment during detention are all within the exclusive possession of Respondents. Said information has been denied and made inaccessible to Applicants and their counsel. Applicants have thus been obstructed and frustrated in the preparation of their case because the information sought by the Commission is within the exclusive possession and control of Respondents. For this reason, Applicants within Motion seek the Commission's direction to Respondents to furnish information regarding the detention of Applicants and others similarly situated.

Finally, Applicants are indigent. Some have been detained for nearly two years and deprived of the opportunity to earn wages or satisfy obligations. Their families have incurred burdensome liabilities of rent, mortgages, and the expenses of daily living. Such indigence of Applicants and others similarly situated effectively precludes their pursuit of "domestic remedies".

The facts set out in the original Application with reference to Patrick McDonnell are in full compliance with the total facts required, which indicate exhaustion of available remedies in the question of his liberty. Further, the allegations in the affidavit of Mrs. Brigid McDonnell are allegations which apply in substance and in the main to all of the Applicants herein.

Any excuse to dismiss the Applications of all except Patrick McDonnell would be in shocking derogation of the spirit and letter of the Convention of the Council of Europe.

In further regard to the domestic remedies question, the Recommendations of the 1968 Conference of the International Commission of Jurists are particularly apt:

"Experience has shown that purely domestic remedies are not always adequate. In times of political turmoil or ideological passion, governments, and even judges, readily impose their views without regard to the rights of the individual or minorities. In this age of technocracy there is a continuous increase in administrative controls, and bureaucrats in many countries tend to ride roughshod over the rights of those they dominate.

"In such cases, it becomes obvious that citizens must have the right to appeal to impartial bodies outside their national frontiers and must enjoy the possibility to have violations of their rights redressed, as a result of action taken by such bodies.

". . . Regional arrangements are the most effective means for the international protection of human rights.

"At the regional level, the only valid system which exists today is that provided by the European Commission for the Protection of Human Rights and Fundamental Freedoms. The adoption of analogous conventions is to be strongly encouraged in other regions. The operation of the European Convention on Human Rights as well as the work done by the Inter-American Commission on Human Rights indicate the value of such regional institutions. The formulation and adoption of such regional systems was suggested as one of the chief targets for the future advancement of human rights." [Bulletin of the International Commission of Jurists, No. 36, December 1968, at 37]

How hollow these words sound in light of the Commission's perverse refusal to consider the plight of the detainees of Northern Ireland! Surely, the time has come for the Commission to take notice of the inhuman acts being perpetrated by the government of the United Kingdom. The acts complained of are CRIMES—international crimes against human rights, crimes which obviate the transnational concept of human dignity. These acts are delicta juris gentium and the ultimate denial of human rights, Genocide and Humanicide.

Genocide has been defined as certain acts committed with the intent to destroy, in whole or in part, a national, ethnic, racial or religious group, as such. These acts include killing, causing serious bodily or mental harm, inflicting conditions of life calculated to bring about physical destruction, and the like. Respondents are challenged to show that the acts committed by them against the predominantly Catholic minority in Northern Ireland are not acts of Patent Genocide.

The Humanicidal acts of Respondents are contrary to moral law and are abhorrent to all who possess a modicum of regard for the dignity of man. As such, they must be strenuously opposed.

If indeed the progress of civilization is to be measured by the advancement of human rights, then it is the indubitable responsibility of the Commission to act in vindication of Applicants' rights, and to put to an end the genocidal and humanicidal policies of Respondents.

Six million Jews, two million Catholics and twenty-eight million Christians were slaughtered while mankind stood by in apathy. Can it be that no lessons have been learned from the tragedies of history? Can it be that the Commission will apathetically engage in technicalities while men (and women) in Northern Ireland are tortured, enslaved and destroyed?

RENT CONTROLS ARE DESPERATELY NEEDED

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. BRASCO. Mr. Speaker, it is hard to exaggerate the plight of the modern city dweller today, as inflation ravages his budget and the difficulty of surviving in a city environment increases. Nowhere is this more true than in my home city of New York. The quality of life is very visibly deteriorating before our eyes.

Lower and middle income people are particularly hard pressed. This is especially true in respect to living space. Decent apartments are at a premium all across New York. Further, rents for such apartments are rapidly rising out of sight, leaving the average person in an untenable situation.

In many areas of New York, and we hear of Manhattan most, prices and rentals are out of sight. Yet this phenomenon is not limited to one borough. All across the major residential areas of the city the same situation prevails. It can truthfully be said that this is one of the main reasons why so many middle class citizens are fleeing the city, eroding the tax base and hastening the decline of the community.

I have some understanding of the situation confronting property owners, with a stake in turning a profit on their investment. Certainly they are entitled to such returns. However, we must take into account the plight of hundreds of thousands of people in one city alone. In effect, we must have some form of rent control on a Federal basis, even if for some temporary length of time.

I have joined in sponsorship of such a measure, and believe it is long overdue. H.R. 8621 is designed to alleviate the plight of the 37 percent of those Americans who rent their dwellings. It would roll back and stabilize rents at levels of January 10, 1973, until June 30, 1974, the date the current moratorium on Federal housing funds is set to expire. Let it also be noted at this point that the moratorium on housing funds was imposed by the administration in spite of many indications that the move was unwise.

Under its provisions, H.R. 8621 would enable landlords to raise rents to cover tax increases or because of necessary capital improvements to the housing unit in question.

Above all, we have to prevent the phenomenon which has come to haunt so many city dwellers; a property owner suddenly imposing a drastic hike in rentals on a tenant, with the flat announcement that the tenant can take it or move. Such a situation is commonplace across the country today, and only the Federal Government has the power to bring it under some form of control.

Rental costs are, along with food, the major components of any person's budget. In order to make ends meet, millions of people must be safeguarded from astronomical, sudden hikes in rentals.

Still another provision of the bill states that if a State or locality has its own rent control laws, the Federal statute would apply when it would result in a lower unit rental. In other words, the benefit of doubt is always in favor of the lower cost to the tenant. In my own home city of New York, this would have the effect of preventing increases currently allowed under the State vacancy decontrol law, and would have the effect of rolling back a number of large rent increases.

This measure should not be interpreted as an antiproperty law. Landlords must understand that public suffering and indignation as well as the present administration policy leave little alternative. Some landlords have abused their status as property owners, creating an untenable situation. Action, therefore, for the relief of millions of people, is imperative.

It is worth adding that America is in a sorry mess when administration economic policies create such economic havoc that we confront rent controls, gas shortages, energy crises, lettuce at 70 cents per head and unheard-of inflation.

HON. JAMES V. SMITH

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. SIKES. Mr. Speaker, all of us were saddened to learn of the tragic and untimely death last month of James V. Smith who served with ability in this body in the 90th Congress, representing the Sixth District of Oklahoma.

He went on to serve as Administrator of the Farmers Home Administration, a post he held with distinction. This agency is one of especial value to rural America and Jim Smith took full advantage of the opportunity for service to the people he loved and respected so deeply.

Mr. Smith was first an American but he was also a true Oklahoman. Born there, he grew up and was educated in his native State. He engaged in the cattle business there and even before entering Congress he compiled an outstanding record of public service. He was named Jaycee Outstanding Young Farmer in 1958. He was a member of the board of regents of Oklahoma 4-year colleges, and he brought his knowledge of people seeking higher education to Congress when he came.

In none of his many undertakings did he fail his friends, his State, and his Nation. I was proud to share his friendship and to work with him for a better America.

Now, he has been taken from us, but all of us who knew and respected James V. Smith of Oklahoma will remember his devotion to duty and his love of country. Our sympathies go out to his wife and his children in their bereavement.

JOHN INGERSOLL: A HARD WORKING LAW ENFORCEMENT OFFICER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. WOLFF. Mr. Speaker, 2 weeks ago, Mr. John E. Ingersoll resigned as Director of Bureau of Narcotic and Dangerous Drugs just before its dissolution and replacement by the Drug Enforcement Administration. I supported the President's request for this reorganization, but that support was no indication of dissatisfaction with the job done by John Ingersoll.

Mr. Ingersoll was appointed Director of BNDD in July, 1968 by then Attorney General Ramsey Clark. He was retained by President Nixon's Attorney General, John N. Mitchell, because of the conscientious job Ingersoll was doing in attacking this country's drug problem. His continuing successes increased as BNDD became more effective.

Why then was he told last February that he would not be appointed to direct the President's new Drug Enforcement Agency? It cannot be because of incompetence, certainly, for his work has been commendable throughout his tenure.

I want to commend Mr. Ingersoll for his work in combating drug traffic. He would have undoubtedly continued his effective procedures in the Drug Enforcement Administration. Denied that opportunity, I hope he will still offer our Government his expertise on the drug problem.

I ask that an article from the Washington Star-News of Friday, June 29, 1973, about Mr. Ingersoll's resignation be included in the RECORD at this point:

> INGERSOLL QUITS; DRUG UNIT SHIFTED
>
> (By Miriam Ottenberg)
>
> John E. Ingersoll, first and only director of the Bureau of Narcotics and Dangerous Drugs, left his job today after disclosing that he was told as long ago as February that "unnamed White House officials" did not intend to keep him in office after the drug control program was reorganized.
>
> The reorganization, which abolishes BNDD and sets up the Drug Enforcement Administration to fight the drug traffic, becomes effective this weekend. No DEA director has been announced yet.
>
> Ingersoll had been mentioned as a possibility but, as he wrote Atty. Gen. Elliott Richardson in an exchange made public today:
>
> "Last February, as you know, your predecessor former Atty. Gen. Richard Kleindienst advised me that unnamed White House officials did not intend to retain me after the drug control program was reorganized.
>
> "I have heard nothing since to indicate a change from that position. Under such circumstances, I have been left no alternative but to seek and obtain other employment. I decided to leave federal service and accept an offer in the private sector."
>
> He did not say where he was going, but it was disclosed that a major corporation wanted him to handle its international security.
>
> While the officials who allegedly did not want Ingersoll nominated to the new job remained unnamed, a Capitol Hill source said he was sure the President's former top aides H. R. Haldeman and John Ehrlichmann were behind it.
>
> Another source suggested that the administration is seeking a person for the job who would be more inclined than Ingersoll to view the post as a political one and would underline Nixon's effort in drying up the drug traffic.
>
> Ingersoll, 43, was formerly police chief of Charlotte, N.C., and an executive of the International Association of Chiefs of Police. He was brought into the Justice Department in April 1968 by then Atty. Gen. Ramsey Clark as assistant director of the Office of Law Enforcement Assistance.
>
> In July 1968, Clark named Ingersoll director of the new Bureau of Narcotics and Dangerous Drugs.
>
> Richardson, in accepting Ingersoll's resignation praised him for the difficult job he had faced in merging the personnel and functions of previously separate organizations and making them operate as an effective team in the war against drug abuse.

THE LATE HONORABLE CHARLES R. HOWELL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. FORSYTHE. Mr. Speaker, it was with deep sorrow that I learned of the passing on July 5 of the Honorable Charles R. Howell, the former colleague of many Members in this Chamber and an old friend.

During his tenure in Congress, Charlie Howell served what is now a major portion of the Sixth Congressional District. As the Congressman from Burlington and Mercer Counties, he performed with wisdom and distinction.

He achieved great respect from the people of both counties, as well as the entire State of New Jersey, over the span of 6 years as he served in the 81st, 82d, and 83d Congresses.

Mr. Howell, born on April 23, 1904, in Trenton, N.J., was a distinguished insurance man before he entered the political arena. When he left the House, it was to run as the Democratic candidate against Senator CLIFFORD P. CASE.

Losing by the narrowest of margins, Mr. Howell was appointed New Jersey State Commissioner of Banking and Insurance, in which post he served until March 1, 1969.

During this period I was privileged to serve as a member of the New Jersey Senate, and came to know Charlie Howell as a dedicated and efficient administrator, as well as a good friend.

In New Jersey, Charlie Howell was

known for his dedication to the cause of civil rights, and for his advocacy of major social legislation. Prior to his election to Congress, he served in the New Jersey State Assembly from 1944 to 1947.

In Congress he became known for major achievements in the field of education and labor, and left a substantial positive mark on many important statutes considered during those years.

New Jersey residents who care about people and their problems will not forget Charlie Howell, and neither will I. He was a dedicated servant, and he will be missed.

FISHING TERRITORIAL LIMIT SHOULD BE 200 MILES NOW

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. TIERNAN. Mr. Speaker, I believe that it is time for Congress to act vigorously to save the American fishing industry. Congress should give overwhelming support to the bill to extend our fishing territorial limits to 200 miles until this fall's Law of the Sea Conference arrives at a more permanent solution. Foreign ships are depleting traditional American fishing grounds off our coasts, and if this competition remains unchecked, the American fishing industry is doomed.

The challenge of foreign competition is a vast and still growing one. Interest and investment in fishing has undergone a worldwide explosion relatively recently. Fishing is now a major industry for many nations all over the globe. For example, one out of every four ships over 100 tons launched in 1968 was a fishing vessel. With the increased number of ships and ever better technology, catches have skyrocketed. In 1948, according to the United Nations' Food and Agriculture Organization, the total world catch was 19.9 million metric tons. Twenty years later the catch was 64 million metric tons.

Foreign fishermen find grounds off the American coasts to be particularly productive. In 1927, 2,992 foreign fishing vessels were sighted off the U.S. Atlantic coast. These vessels ranging from Maine to Cape Hatteras, caught 960,000 metric tons, equaling the American catch for the same period. The popularity of our Atlantic coast shows no signs of slackening, for in March 1973 the Soviet Union deployed vessels there with more than twice the capacity of vessels she deployed in March 1972.

This foreign competition severely affects American fishing efforts and, indeed, is detrimental to the whole country. The total catch of our fishermen over the past several decades remained constant at the 3.5 million metric tons. American demand for fishing products drastically increased so that while in 1965 we imported half of our fishing products, in 1972 we imported 66 percent, leading to a billion dollar balance of payment deficit in fishing products.

Even more important, in my view, is that competition for the catch has overcome conservation of the resource. In 1972 New England fishermen landed only 380 million pounds of food fish. In 1961, the figure was 742 million pounds. Moreover, catches in certain species of fish are rapidly declining, including fish that traditionally have been the backbone of the New England fishing industry—1972 haddock landings were 12 million pounds, down 10 million from 1971. The 1961 haddock landings were 134 million pounds. Cod landings were down 13.2 percent from 1971, continuing a decline in recent years. The 1972 ocean perch catch declined 1 million pounds from 1971. In 2 years the stock of herring along the Atlantic coast has decreased by 95 percent and stocks of yellow-tail flounder, mackerel and sea scallops are also threatened.

Faced with this situation, the United States appealed for international cooperation, turning to both the International Commission of the Northwest Atlantic Fisheries and bilateral agreements with fishing competitors. In the ICNAF we met little success. The United States called for quotas based upon United States and Canadian traditional interests in the Northwest Atlantic. The Soviet Union replied with a call for quotas based upon the previous 3 to 5 years, the years of their greatest fishing effort to that time. In 1971 the issue of quotas and inspections arose again; and in spite of most of the other Commission members' acceptance of on-board inspection, the Soviet Union refused to consider it. In our bilateral efforts, we have met more success, especially in establishing no fishing zones south of ICNAF jurisdiction. Unfortunately agreements of this sort are always limited, and some nonsignatory is always willing to fish in the no fishing zone.

Therefore, I believe that we have no choice but to extend the limit of our fishing jurisdiction. It is by no means a perfect answer. Hopefully, some sort of agreement will result from the Law of the Sea Conference embodying a species approach. Until then, though, we must protect our fishing resources. We must not allow competition to rout conservation to the final destruction of several of our most precious marine species and the American fishing industry. I urge my colleagues to support the effort to extend America's fishing territorial limits to 200 miles.

JOINT COMMITTEE ON ENERGY

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. SHRIVER. Mr. Speaker, with the creation of the Office of Energy and Natural Resources, combined with the proposal of a Cabinet-level department of the same name, the Nixon administration has demonstrated its willingness to deal with the energy crisis and related areas forthrightly. Additionally, this action underscores the need of Congress to examine the energy needs of the Nation on a continuing and thorough basis.

In order to accomplish this, it is my belief that the Congress should establish a Joint Committee on Energy. That is why I am pleased to join in bipartisan cosponsorship of H.R. 6313, legislation which addresses itself to the creation of such a committee.

It is vitally necessary for the Congress as an institution to modify itself in order to deal efficiently with current priorities. This legislation offers such a change. Currently, 28 of the 38 standing committees retain jurisdiction over energy-related legislation. This figure does not include select committees and joint committees which have held hearings on the topic of energy. Furthermore, more than 400 bills and resolutions have been introduced in the Congress which deal with energy and related topics. In my belief, these figures further emphasize the need for a Joint Committee on Energy.

Mr. Speaker, I urge my colleagues to act expeditiously on this proposal. The joint committee is most desirable in moving the legislative branch as a more fully functioning partner in establishing the Nation's energy agenda.

THE ENERGY CRISIS AND DIRTY AIR

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. BROTZMAN. Mr. Speaker, on June 29 I introduced legislation which would help ease the energy shortage and help clean up the air in our Nation's higher altitude cities at the same time. Today I am pleased to announce that nine of my colleagues in the House have joined with me in this effort.

The majority of my colleagues in the House have been deluged with mail regarding the energy crisis, particularly this summer as it relates to the supply of gasoline. I would like to point out to these members that, because of the 1970 Clean Air Act, literally millions of gallons of fuel are being wasted in high altitude areas each year. This is gasoline truly wasted. Its consumption does not mean that citizens of these areas will enjoy cleaner air. To the contrary, they will have air nearly twice as polluted as it would be at sea level.

To reiterate what I said on June 29, the 1970 Clean Air Act is basically a sound and effective piece of legislation. It was a major step toward reducing the terrible smog problems evident in our Nation's urban areas.

However, because we were walking new ground, so to speak, the Congress did make a few mistakes. The one my bill seeks to correct involves the problem of altitude. At 6,000 feet, there is less oxygen per volume of air than there is at sea level. The efficiency of an automobile engine depends, among other things, upon the air fuel ratio at which it is set. Consequently, automobiles set to run efficiently at sea level use too much gasoline at higher elevations. This results in poor gas mileage and increased emissions.

The 1970 act did not require that altitude be taken into account in the setting of the auto emission control systems. My bill would correct this situation by requiring that any vehicle covered by this act comply with auto emission standards at that altitude, up to 7,000 feet, at which the automobile is ultimately sold.

In addition, my bill would require that the Administrator of EPA, or any State agency he may designate, issue regulations authorizing the manufacturer or dealer of a new car to make the necessary corrections. At the present time, the dealer of a new car is taking a chance of being fined $10,000 for each infraction if he makes these modifications.

Another provision of my bill would be to allow the Administrator to grant an additional year to those States he deems to be making a good faith effort to meet their ambient air quality requirements unless the 1-year extension recently granted the automobile manufacturers is rescinded. For those States where the automobile accounts for a prepoderant percentage of air pollution, it is virtually impossible to meet the 1975 State standards if the stricter automobile standards do not take effect until 1976. At best it will take 2 or 3 years to effectively phase in the cleaner engines for the level of overall air pollution to be reduced. To require the States to meet these requirements sooner would create large-scale economic dislocation and confusion.

Finally, my bill authorizes $750,000 for the further study of air pollution problems at the higher elevations and the best solutions for reducing them. It is this research money that will ultimately provide the answers to the more difficult technical questions which must be answered if we are to achieve the quality of air to which we aspire.

Mr. Speaker, it is important that we correct the problems created by the 1970 act. The effects of this problem are widespread and should certainly deserve the attention of the Congress when it addresses itself to Clean Air Act amendments later this year. To illustrate just how widespread the problem is, I call attention to the following cities above the 4,000-foot level which would benefit from my amendments:

[*Feet above sea level*]

Albuquerque, N. Mex	4,945
Butte, Mont	5,765
Cheyenne, Wyo	6,100
Colorado Springs, Colo	5,980
Denver, Colo	5,280
Helena, Mont	4,155
Ogden, Utah	4,295
Pueblo, Colo	4,690
Reno, Nev	4,490
Salt Lake City, Utah	4,390
Santa Fe, N. Mex	6,950

Mr. Speaker, I believe that these areas are entitled to expect that Federal legislation designed to clean up the Nation's air does its job at any reasonable altitude. Consequently, I urge the Congress to correct this situation at an early date.

PHILIP BURNETT CONCLUDES CAREER

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. ASPIN. Mr. Speaker, my colleagues and I have probably known many individuals who, after retirement from an exemplary career—perhaps in the military or other government service—have successfully acquitted themselves in a second lifework. But how many have gone on to a third profession?

Dr. Philip M. Burnett, of Kenosha, Wis., is such a man. After over 20 years working in various posts for the U.S. State Department, Dr. Burnett has served the last 6 years as library director at the University of Wisconsin-Parkside in Kenosha. Because he has reached mandatory retirement age, his duties as library director are over; but this fall Dr. Burnett begins his third career with a full teaching load in Parkside's social science division.

I submit for inclusion in the RECORD a Kenosha News article noting Dr. Burnett's retirement:

PHILIP BURNETT CONCLUDES CAREER AS UNIVERSITY OF WISCONSIN-PARKSIDE LIBRARY HEAD

"One of the tests of a place is how you feel when you walk into it. When I walk into a library, I feel awfully good, my blood just seems to run quicker."

Philip M. Burnett, director of the University of Wisconsin-Parkside Library, has been in and out of libraries all his life, as a student, researcher and teacher.

Following a 21-year career of government service with the State Department and Foreign Service, Burnett came to Parkside in 1967 to head up the establishment of a major library at the new campus, and begin a new career.

On Sunday, the 65-year-old Peterborough, N.H. native will officially step down in retirement and trade the library directorship for that of a Parkside professor.

He will teach courses suited to his experience in Parkside classrooms this fall: new offerings he is developing are called European Diplomatic History, 1850–1919, International Politics, and Research Sources in Political Science.

Kenneth Herrick, who heads the library acquisitions department, will be acting director until a new director, expected to be announced shortly, begins Sept. 1.

In Burnett's nine-year span with the Parkside library, the staff has mushroomed to 12 professional librarians, 15 classified staff and 55 part-time student helpers. The library has reached the halfway mark in its bound volume capacity of 400,000 and boasts more than 1,900 newspapers and periodicals, 5,000 reels of microfilm, the equivalent of 75,000 books on microfiche, a collection of 1,300 rare and unusual books and 150 electronic study carrels programmed from the Learning Center.

From its first home in a little red schoolhouse on Wood Road with four desks, half a dozen filing cabinets and 20 cartons of books, the library has undergone several moves and finally made its biggest last August, to the new Parkside Library-Learning Center. The move involved more than 200,000 books, periodicals and equipment moved from Tallent Hall and other storage points in Kenosha and Racine.

The library and its operation has consistently won consensus praise from students, faculty and administrators alike and came in for special accolades from the North Central accreditation team, which unconditionally accredited Parkside last year.

Burnett, who guided the growth of the library, embarked on his library career at the age of 55. Prior to that, he was in the Foreign Service from 1957–63 as first secretary and economic section chief at U.S. embassies in Asuncion, Paraguay and San Salvador, El Salvador. He retired to earn his master's degree in library science at UCLA.

He worked in the state department from 1942–57 and was assigned to historical and administrative research, United Nations matters and foreign service personnel analysis. From 1940–42, he taught at the College of the City of New York and Bennett Junior College, Millbrook, N.Y. He was also a research assistant for the Carnegie Endowment for International Peace.

Besides his master's in library science, Burnett holds a Ph. D. in history and international relations from Columbia University and bachelor and master degrees from Columbia and Yale University.

He and his wife live in Kenosha at 6720 3rd Ave.

NELSEN COMMISSION REFORMS FOR DISTRICT OF COLUMBIA AS PART OF SELF-GOVERNMENT BILL ENDORSED BY MAYOR WALTER E. WASHINGTON

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. DIGGS. Mr. Speaker, the task of streamlining the cumbersome and complicated government of the District of Columbia is approaching final action by the House. Two years ago Congress established a "Little Hoover Commission" chaired by the gentleman from Minnesota, ANCHER NELSEN, that has now issued a voluminous report calling for an end to the conflict and duplication between the different agencies which administer parts of the government for the District of Columbia.

Today Mayor-Commissioner Walter E. Washington testified before the House District Committee in support of H.R. 9056 which focuses executive and legislative authority for the city of Washington, D.C., in an elected mayor and city council.

In commenting on title II, the reorganization title of H.R. 9056, Mayor-Commissioner Washington said:

> Earlier this year, when I appeared in this room to describe the organization of the city government, and to report on our progress in carrying out the recommendations of the Nelsen Commission, some members of this Committee expressed amazement at the way the city government was fragmented by precedent, by history and by special legislation. Enactment of Title II will go a long way toward ending this fragmentation.

Markup sessions on H.R. 9056 will continue in full committee for the rest of this month, and floor action is due after the August recess. I am sure that Members of the House will be interested in the full text of the statement from this morning's meeting:

STATEMENT OF WALTER E. WASHINGTON, MAYOR-COMMISSIONER OF THE DISTRICT OF COLUMBIA

I am pleased to appear before the House District Committee today on this important occasion—the start of full committee consideration of HR 9056 to grant the residents of the City of Washington the power to govern themselves.

The extensive work already done by the subcommittee and the full consideration being afforded by the entire Committee augurs well for our citizens. I am sure that a measure will emerge that will serve the city and the nation well.

At the request of the Chairman, my appearance today focuses on the governmental reorganization proposals in Title II of HR 9056 which are being given special consideration at this time.

In June of last year, in a statement to this Committee on the subject of local self-government, I described the process as, and I quote: "the ability of a people through self-determination to chart their own course . . . to determine their own priorities."

GOVERNMENTAL ORGANIZATION

That is more than the ability to choose officials through the electoral process. That relates as well to the machinery of government, its organization and scope. And that brings me to Title II which would transfer to the District Government control over some very important functions which though local in nature are now under the jurisdiction of federal entities.

These functions relate to housing and community development, local planning and manpower programs. Specifically, Title II would transfer to the District of Columbia the Redevelopment Land Agency, the National Capital Housing Authority, the local planning functions of the National Capital Planning Commission and the local manpower activities of the Federal Department of Labor. These transfers are consistent with the recommendations of the Nelsen Commission and the longtime objectives of the city government. I fully support them as an effort to lodge authority with responsibility in the interest of effective local government.

Earlier this year, when I appeared in this room to describe the organization of the city government, and to report on our progress in carrying out the recommendations of the Nelsen Commission, some members of this Committee expressed amazement at the way the city government was fragmented by precedent, by history and by special legislation. Enactment of Title II will go a long way toward ending this fragmentation. I note that these transfers are to be effective as of July 1, 1974, six months prior to the effective date of the home rule charter. That will permit the new popularity elected officials to start out strengthened bv the incorporation of these important functions which should properly be the responsibility of the District Government.

HOUSING AND COMMUNITY DEVELOPMENT

RLA and NCHA are two closely related agencies, technically federal, but called upon to perform local functions. The two agencies work closely with the city government already and are partially under local control through the appointive power. But they are not part of the District Government.

Although the two agencies do work with each other and with other District agencies, at best it is a fragmented approach to those housing and community development problems, which should be dealt with as part of a fully coordinated and integrated city effort.

I am glad to see that RLA and its board would be subject to the city's reorganization powers. That is a logical step toward the creation of a housing and community development capability for the city. An end of fragmentation will help us speed our many important pending projects including the rebuilding of the riot corridors, the redevelopment of downtown, our programs for Anacostia and other neighborhood improvement efforts.

The ability to tie closely together our housing and community development components is more than a bureaucratic convenience. It gives us a mechanism to meet the housing and community needs of our people as part of a program that looks not only at housing but all the related social needs as well. The social costs of inadequate housing must be considered together with the physical construction costs. The transfer of NCHA and RLA will enable the city to do just that.

PLANNING FUNCTIONS

Title II would also provide for a new relationship between the National Capital Planning Commission and the city government to permit the District Government to do local planning while reserving Federal planning duties to NCPC, which would have broadened membership.

The important thing to me is that the legislation recognizes that the city government must be able to plan for the city's physical development in relation to overall community needs. It is ironic to give a government responsibility to operate a billion dollar Administration, which is a unit of the Federal Department of Labor and includes within it the local United States Employment Service. Throughout the nation, the United States Employment Service is organized into state agencies under state and local jurisdiction. Only in Washington, D.C. is this important local function under Federal control.

The legislation would establish alongside USES in the new Manpower Administration the existing Office of the Director of Apprenticeship, and the Apprenticeship Council together with the responsibilities of the Secretary of Labor with respect to the processing of claims for work injuries to city government employes.

Since the manpower component relates closely to the needs of people, the city must be able to examine its manpower requirements and opportunities as part of the city's programming for its people. It is a matter of finding jobs for people and people for jobs, of being aware of and keeping pace with the changes that are always occurring in a dynamic city in an expanding metropolitan area. We have managed to make these important connections through DCMA by dint of good will and cooperation, but the fragmentation is clear.

A locally-controlled Manpower Administration properly would have appropriate operating and administrative relationships with respect to other manpower and labor functions of the city government.

GENERAL COMMENTS

There is a general point to make about Title II. All of its provisions would carry out, at least in part, the recommendations of the Commission on the Organization of the Government of the District of Columbia headed by the distinguished gentleman from Minnesota, Ancher Nelsen. As you know, I have generally supported the recommendations of the Commission and I fully support the thrust of the provisions of Title II designed to carry them out.

With respect to those agencies to be transferred as organization entites, H.R. 9056 in effect provides that they operate like their counterparts in states and cities under local jurisdictions, and like them derive much of their support from federal programs.

It is particularly important that the transfers be made at this time to enable the city government to deal more effectively with the changes that have been proposed in the funding arrangements for these programs. Meanwhile it would be desirable for these agencies to retain existing Small Business Administration Section 8-a "set aside" authority until legislation to permit District government participation in this useful program can be enacted in accordance with the Nelsen Commission recommendation.

At an earlier appearance, I committed the city government to work closely with the Committee in developing the best possible vehicle for granting self-government to the people of this city. In its main outlines, it is an important measure and one I can generally support. There are a number of areas which I have outlined in written comments to the Chairman where the bill can be improved and strengthened further in my judgment. My staff will continue to be available to discuss these items in detail at the Committee's convenience.

CONCLUDING REMARKS

I pledge the continued cooperation and assistance of the city government as other sections of the bill are explored including the vital matter of the Federal payemnt, the role of the executive and other organizational questions.

As I previously indicated, by transferring vital local functions to the city, a stronger government will emerge, since you have made clear the intention to place authority where responsibility already is or should be. At the same time, you have moved to free Congress from the burdensome involvement in matters of purely local concern. In this fashion, you have endeavored to create an effective government without impinging on the ultimate power of the Congress to exercise its Constitutional responsibilities.

I appreciate the opportunity to present my views on this very important aspect of the home rule legislation.

MURDER BY HANDGUN: A CASE FOR CONTROL—NO. 2

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. HARRINGTON. Mr. Speaker, yesterday I inserted into the Record the first of a series of daily accounts of handgun murders. Today I am inserting the second such account, the case of former world lightweight boxing champion, Wallace "Bud" Smith, who was shot to death on July 10 in Cincinnati.

Smith, who was national AAU champion in 1948, represented the United States at the Olympics, and won his world championship in 1955, died a violent but simple death. His death was simple because it resulted from a single bullet from a single gun, a bullet which lodged in Smith's forehead as his assailant was driving away.

Smith's three children were notified of their father's death the next morning.

Today's handgun murder account reinforces the need for strong legislation to control the sale and possession of handguns. Today Bud Smith is dead. Today there is an unknown American who is alive, but tomorrow will be dead. The account of his death will be carried in the Congressional Record. The continued unrestricted use of handguns will make it very easy indeed to run such an account in the Record every single day.

The article from the July 11 Washington Post follows:

Ex-Boxing Star Smith Killed

Cincinnati, July 10.—Former world lightweight boxing champion Wallace (Bud) Smith, a "likable sort" who had frequent brushes with the law, was shot to death today.

Arrested less than two hours after the shooting and charged with first degree murder was John Lamar, 36, of Cincinnati.

Police said Lamar shot at Smith, a native of Cincinnati, from a moving car after Lamar had argued with a girl friend.

Smith, 44, apparently unaware of the argument, hailed the woman, Delores Watts, 40, to talk, police said.

They said Lamar approached in his car and exchanged words with the couple. The shot, which struck Smith in the forehead, was fired as he drove away, police said.

A spokesman for Smith's former wife, Betty, who is remarried, said Smith's three children were notified of the death this morning.

Smith was national AAU champion in 1948. He then went on to the Olympics, later turning pro, in his professional career he won 33 of 61 bouts, with six draws.

He beat Jimmy Carter in 1955 for the world lightweight championship, and lost the title to Joe Brown in 1956. He retired in 1959, remaining in the Cincinnati area where he lived in hotels. He had frequent brushes with the law for gambling and other charges, and had no permanent employment.

"He was a likable sort," said Smith's former trainer, John Joiner of Cincinnati. "I was talkin' to him just the other day. He looked to be in good health."

Joiner said Smith did not seem bitter about the unhappy ending to his boxing career. "I think it's easy come easy go with boxers," Joiner said.

Smith joins a list of former champions and top contenders who have met premature death in the last few years, such as Sonny Liston (found with traces of narcotic in his bloodstream); Rocky Marciano (airplane crash); Randy Turpin (suicide); Eddie Machen (fell out of window); Zora Folley (swimming pool accident); Freddie Mills (gunshot).

And Frankie DePaula (gangland murder); Orlando Zulueta (stabbed in brawl); Chick Calderwood (car crash); Masso Ohba (car crash); Billy Bello (narcotic overdose); Battling Torrez (gunshot); and Al (Bummy) Davis (gunshot).

SMALL BUSINESS TAX REFORM ACT OF 1973

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. BROOMFIELD. Mr. Speaker, I rise to introduce the Small Business Tax Reform Act of 1973. This legislation is of vital importance to the Nation's 8½ million small businessmen and I urge the House to give it serious and careful consideration.

For too long, Congress has neglected the legitimate interests of the small business community. For too long, tax reform has been weighed in favor of the largest and wealthiest corporations. That is exactly what happened in 1969 and again in 1971 when tax reforms were passed in an effort to stimulate business and straighten out the economy.

The very largest firms, the top 5,000 according to earnings, realized major gains thanks to a variety of investment credits and depreciation options. This gave them the impetus to expand sales and more important new ways to avoid taxation.

However, those gains came to the expense of the independent grocer, the family hardware store and the millions of small businesses that make up the backbone of our economy.

As a result, a firm earning $500 a week pays on the average 50 percent of that sum in taxes. Yet, the conglomerate making $5 million a week in earnings gets away on the average with a tax liability of almost half that percentage.

It is about time we turned the tables and gave the little guys the same breaks and opportunities which for so long have been the special advantage of the giants.

The Small Business Tax Reform Act of 1973 would do just that. It proposes as many as 40 changes in the tax treatment of small and medium-size businesses—those with less than $1 million in earnings—to guarantee them a reduction in taxes.

Of utmost importance in these days of inflation and looming Government deficits, is that these tax reductions will not result in the loss of one penny of taxes to the Federal Government.

My bill is designed to shift 1 percent of the income paid by corporate taxpayers from new, struggling companies to the established and wealthy corporations which can well afford to absorb such a minimal increase.

One percent may not seem like much but it will result in the shifting of billions of dollars of tax liabilities off the shoulders of the small firms which have been hardest hit by the fluctuations the economy.

It could mean the difference between solvency and bankruptcy for tens of thousands of firms who are not only struggling to make ends meet but must face the prospect of added costs just to keep pace with recent Federal environmental and safety standards.

Many people are unaware of the important role that the small businessman plays in maintaining the economic well being of the country. Small businessmen employ 35 million Americans and contribute $420 billion to the annual gross national product.

However, the Federal tax treatment of small businesses is acting to discourage people from starting their own enterprises.

For example, a family restaurant trying to get off the ground must pay about $800 in accountant costs to handle Federal paperwork before it takes in a dime of profits. Then, it starts paying taxes at the rate of at least 22 percent and as much as 50 percent.

It has been estimated that in 1971 when Congress passed the Revenue Act to stimulate the economy, as much as 40 percent of the $11.5 billion in tax credits went to the 400 largest corporations. The tax reforms of 1969 had even a more lopsided effect.

Talk about tax reform is fine. But until reforms are written that will filter down to the vast majority of all Americans—and all businesses instead of the exclusive few at the top—tax reform will not have much effect on the economy.

LEE HAMILTON'S WASHINGTON REPORT ENTITLED "THE FLAG"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my Washington Report entitled "The Flag":

THE FLAG

After the signing of the Declaration of Independence on July 4, 1776, Americans realized they needed a national flag to replace the many flags flown in various sections of the colonies during the Revolutionary War.

On June 14, 1777, the Continental Congress adopted a brief resolution:

"Resolved that the flag of the thirteen United States be thirteen stripes, alternate red and white; that the Union be thirteen stars, white in a blue field, representing a new constellation."

Since this resolution failed to spell out the other details of the flag, the result was confusion and diversity of design, with 4, 5, 6, 7 and 8-pointed stars arranged in different designs. Stars were positioned at different angles, flag proportions and the arrangements of stripes varied.

In 1794 Congress changed the flag design by adding a stripe for each state admitted to the Union. (It was a 15 stripe flag that flew over Ft. McHenry on September 13, 1814, and was the inspiration for Frances Scott Key's "The Star Spangled Banner.") The addition of the stripes for each new state was not very practical, so the Congress in 1818 provided that thirteen stripes represent the original colonies and one star for each new state be added to the flag on the Fourth of July following admission.

The popular story of Betsy Ross sewing the first flag at George Washington's request is only a part of the nation's folklore. There was a Betsy Ross who did make flags, but there is no proof of the legend. Frances Hopkinson, designer and signer of the Declaration of Independence, is the most probable designer of the flag, and, although he submitted a bill of $2,700 for his labors, there is no record he was ever paid. Many theories have been put forward to explain why stars and stripes were chosen for the new flag, but none are certain, and most connect the nation's flag to earlier colonial flags which often featured both stars and stripes.

From 1777 to 1912, the flag was officially changed 24 times, without official standards being set. Finally, on June 24, 1912, President William Taft signed an executive order prescribing the official proportions of the flag (1 unit by 1.9 units), the arrangement of the stars, and the relative sizes of the stars and stripes. Prior to the order, approximately 66 different sizes with varying proportions had been used by government agencies alone.

Since 1912, two more stars have been added to the blue union for Alaska and Hawaii (1959), making the 27th official change in the flag.

Traditionally, red stands for hardiness and valor, white for purity and innocence, and blue for vigilance, perseverance and justice.

We honor the flag with a pledge of allegiance: "I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

Frances Bellamy, a Baptist minister, wrote the pledge, which was first used at the dedication of the World's Fairgrounds in Chicago on October 21, 1892, the 400th anniversary of the discovery of America. The wording of the pledge has been altered slightly and it was officially designated as the "Pledge of Allegiance to the Flag" in 1945. In 1954 the words "under God" were added.

On this 197th birthday of the nation, Americans will observe with pleasure the display of the American flag in homes and celebrations across the country. Each of us will be the better on this July 4th if we pause to ponder the flag. It is the honored symbol of the nation's unity. It represents the power, the purpose and the people of America. It reminds us of freedoms won, constitutional rights cherished, ideals promised, and duties required.

"When I see the flag," said a 19th century clergyman, "I see the nation."

REVENUE SHARING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. KEMP. Mr. Speaker, general revenue sharing has become a permanent fixture of American public policy. I am hopeful that the Congress adopts the concept of special revenue sharing, as well, and begins to disengage from the dangerously inflationary and uncontrollable approach of categorical grant-in-aid programs.

There are some who have expressed concern over spending by local communities as a result of funds accruing from general revenue sharing. While Congress is closely watching the results of general revenue sharing, it is premature to dwell on its occasional shortcomings.

The Buffalo Evening News carried a superb editorial in its June 19, 1973, edition. Entitled "Revenue-Sharing Troubles" the article cogently describes the obvious advantages which emerge from general revenue sharing; that is, the potential for reducing bueraucratic redtape, providing local officials with greater discretion in tailoring funds to community needs, and accountability to local constituents. All are affirmative steps which must be perpetuated. I recommend the editorial to my colleagues:

REVENUE-SHARING TROUBLES

Sen. Jacob Javits voiced some disturbing observations in his discussions here with local officials on the rather confused current status of how Washington plans to distribute billions of dollars in federal aid to local communities.

To be perfectly fair about it, no one should underestimate the difficulty of the decisions facing Congress. The issues are complex in the deepest, even philosophical, sense.

Back in January, President Nixon urged Congress to junk numerous single-purpose, categorical aid programs to local communities. He wanted them consolidated into four so-called special revenue-sharing programs covering broad policy areas—education, law enforcement and justice, manpower training, and urban community development. The merit of this change in the method of distributing aid lies in its potential for reducing bureaucratic red tape and providing local officials with greater discretion in tailoring funds to community needs.

But Congress hasn't yet made up its mind about all this, which is a problem of increasing concern, since the new federal budget year begins July 1. Like others, including Sen. Javits, we would not want to see the old programs expire, leaving an aid void, before any new arrangements take effect.

Whatever Congress does and whenever it does it, the House and Senate need to be certain that urban areas don't suffer financially during the transition from one kind of distribution approach to another.

Of equal concern was the New York senator's doubt that Congress would enact a save-harmless provision guaranteeing that urban communities would receive at least as much after special revenue-sharing programs began as they do now under the categorical ones. Not to do this at a time when the overall federal budget is expected to rise by close to $20 billion in the new fiscal year, and undoubtedly even more in succeeding ones, would be indefensible.

Numerous local officials around the country, including Buffalo Mayor Stanley Makowski, have urged such a save-harmless provision against any net loss in aid. And at least with respect to his special revenue-sharing program for community development, President Nixon has advocated the no-net-loss standard.

There are plenty of places in the federal budget where Congress can cut back spending in order to stay below the total $268 billion anti-inflation ceiling while still protecting communities against any significant net losses under new special revenue-sharing formulas.

As to Sen. Javits' reservations about how some local communities are spending the $5 billion or so a year in general revenue-sharing funds, we believe Congress ought to hold its fire. This is a new program, begun only last year, and mistakes will be made at first. And we doubt that any year will go by without some mistakes. But as with free speech, the enormous advantages of general revenue-sharing shouldn't be narrowed for all simply because of the mistakes of a few. One of those advantages is more discretion and responsibility for local officials in spending this aid, with accountability not just to Congress but to their own local constituents.

OUR NATION MOURNS THE PASSING OF CLIFTON'S FIRST LADY MAYOR AND GREAT AMERICAN, THE HONORABLE ANNA M. LATTERI

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. ROE. Mr. Speaker, the residents of the city of Clifton, my Eighth Congressional District and the State of New Jersey sorrowfully bereave the passing of a great lady from our midst. On Sunday evening, July 8, 1973, a most outstanding citizen, long time personal friend and mayor of Clifton, the Honorable Anna M. Latteri, entered into eternal rest leaving a magnificent legacy to our people of a first lady filled with compassion and benevolence for her fellowman and an exemplary record of good works in public service on their behalf. I respectfully request you and our colleagues here in the Congress to join with me in silent prayer to her memory and extend our most sincere condolences to her children and their families: her son, Dr. Salvatore Latteri of Clifton, N.J.; and her daughters, Mrs. Joseph "Adrienne" Di Tommaso of Philadelphia, Pa., and Mrs. Joseph "Maria-Rose Ria" Scoma of North Plainfield, N.J.; as well as all of the citizens of her beloved city of Clifton.

Yes, our community, State, and Nation have indeed been enriched by the quality of her leadership and the wealth of her wisdom as the elected chief executive officer of New Jersey's eighth largest city. Her outstanding achievements and colorful tenure of public office have most assuredly helped to make Clifton a better city to live in and America more beautiful.

Anna Latteri was born in New York City and after graduation from the local parochial school, she attended Dickinson High School, Jersey City, N.J., and Pace College in New York where she majored in accounting and law. She was credit manager for a Long Island City firm when she met her late husband, Alfio Latteri, who was representing his firm in a court litigation. Mrs. Latteri helped win the case for her employer and 6 months later married the man she had defeated. It was a most tragic loss to her when, then a member of the city council, her husband, who campaigned for her and proudly supported her public stances, collapsed and died of a heart attack in a crowded meeting room at the public library in April 1969, when Anna was embroiled in a heated debate.

She was the first woman to be elected to the city council of Clifton in 1966 and received the greatest number of votes in a field of 27 candidates to become the first lady mayor of the city. During her council years, Anna was outspoken in her war on drug abuse; she was a strong advocate and guardian of the needs of our senior citizens and retirees; always concerned about the quality of the educational pursuits of our children and young people; and an ardent booster of beautification, urban renewal projects, and all other endeavors and human needs throughout our community, State, and Nation.

She was a member of the board of library trustees and was on the board of education from 1962 to 1965. For many years she was an officer of the Preakness Hospital Board of Managers. She was affiliated with the Committee on Human Resources of the U.S. Conference of Mayors; a trustee of Ladycliff College, Highland Falls, N.Y., and president of its auxiliary; a trustee of the Chilton Memorial Hospital Association; civic chairman of the Passaic County Sabin oral vaccine program; a member of the Senior Guild of St. Mary's Hospital, Passaic; Clifton Chapter of ALSAC: Italian Cultural Institute of Seton Hall University; and organizer of the Bayley Seton League at Seton Hall's Paterson College.

Anna Latteri's dynamic public career was premised on her philosophy that she believed women could bring "stability, fairness, and dignity" to Government and there is no doubt that she achieved that noble objective. In April 1973, I was pleased to participate in a testimonial dinner given in Anna's honor called "An Evening for Anna," when she was presented with a resolution of the New Jersey State Senate honoring her as the "First Lady of Clifton." In fond reminiscence it is interesting to note that her flair for hats, which were many and varied, was a personal preference that individualized her appearance to all of us and brought her the affectionate and warmly expressed nickname of "The Hat" but she will long be remembered for her expertise in government administration, her understanding and benevolence for the needs of our people and her relentless devotion to the city of Clifton which were all interwined in an unbeatable combination which won her the respect and esteem of all who had the good fortune to know her.

Mr. Speaker, I am privileged and honored to seek national recognition of Anna Latteri's outstanding achievements and good deeds, as well as her diligent dedication and sincerity of purpose in her quest for improved living conditions, dignity, and the highest standards of excellence for each and every citizen. She will be sorely missed by all of us, and I do trust that her family will soon find abiding comfort in the faith that God has given them and in the knowledge that their mother, the Honorable Anna Latteri, is now under His eternal care. May she rest in peace.

TO EXEMPT ALASKA FROM LUMBER EXPORT LIMITATION

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. YOUNG of Alaska. Mr. Speaker, on Monday, July 16, when the Export Administration Act, H.R. 8547 is considered I will introduce an amendment to exempt Alaska from the export limitation of softwood lumber set out in section 10(a)(2) of the bill.

This amendment has been agreed to by the sponsor because of its importance to Alaska, and because the amendment does not detract from the intent and purpose of the bill. The ceiling limitation on softwood lumber has been lowered by the yearly average of lumber exported from Alaska, which is roughly 27 percent of the total lumber exported from the United States. Thus, the ceiling as adjusted does not affect the limitation of exported lumber from the "lower 48."

However, the primary reason Alaska can be exempt without affecting this bill is because the timber industry does not affect the "lower 48." Alaska lumber is not a source of supply to the homebuilders in the United States. It never has been and it never will be for the simple reason that no one can afford Alaskan lumber except the Japanese.

There are two main reasons for this: The Jones Act and the high cost of logging and processing lumber in Alaska.

As a noncontiguous State, the Alaska economy is dramatically affected by the Jones Act. The high cost of shipping goods from the southern U.S. ports on American ships has pushed the cost of living up higher than in any other State. More important is its effect on our industry. The cost of shipping Alaska lumber to the "lower 48" on American bottoms is but one of the major factors which has priced this lumber out of the U.S. market.

The second major reason Alaska lumber is not competitive with U.S. lumber prices is that the cost of producing the lumber in Alaska is so much higher over the cost of producing it in the northwest. Labor costs and logging camps and sawmills range from 25 to 30 percent higher than in the Northwest. Gross loggings costs exceed northwest costs 35 to 40 percent. When these costs are considered with the fact that a high percentage of Alaska timber is of low grade lumber, it becomes apparent that there is no meaningful competition in the U.S. market for Alaska lumber.

With this amendment, Alaska's economy is helped and Alaska helps the U.S. economy. Since the beginning of the Alaska timber industry in 1956, nearly all of its lumber has been exported, accounting for $750 million worth of favorable balance of trade credits. In short, this amendment is the best for everyone. The domestic timber market in the "lower 48" is untouched, and we increase the U.S. exports.

Finally, an export limitation on Alaskan lumber would have a devastating effect on the Alaskan economy. Since 95 percent of this lumber is exported, an export limitation on Alaskan lumber would close most of the mills and logging camps. This could mean a yearly loss of approximately $76 million to the southeastern Alaska economy, a loss of 8,700 jobs which is 50 percent of the labor force in southeastern Alaska. It is clear that an export limitation on Alaskan lumber would deal a serious blow to the economy in the State.

It is for these reasons that I urge the passage of my amendment.

An Amendment to H.R. 8547, As Reported. Offered by Mr. Young of Alaska:

Page 7, line 4, strike out "one billion" and insert in lieu thereof "750,000,000".

Page 7, line 6, insert, "other than Alaska" immediately after "United States".

U.S. WHEAT TO POLISH MOSCOW'S PUBLIC RELATIONS IMAGE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. RARICK. Mr. Speaker, some of the U.S. wheat we so generously "sold" to the Russians, subsidized at great expense by the American taxpayer, may be used as a public relations tool to build goodwill for the Soviets in Bangladesh.

Reports indicate that the Dacca Government has asked the Russians to reroute some 200,000 tons of the U.S. wheat to its country. The Russians would in turn be paid back from stocks of free wheat the Bengalis will receive later this year from the U.S. food for peace program—Public Law 480.

The reason given for Bangladesh seeking their wheat from the Soviets, rather than the United States directly, is that the sale to Russia so depleted our stocks that we are now unable to meet such handout requests.

I raised the question earlier this year as to how much of the wheat and feed grain we "sold" the Soviets at lower than cost prices could be expected to find its way into international markets. My question is beginning to be answered.

Perhaps this is what the Assistant Secretary of Agriculture for International Affairs and Commodity Programs, Carroll Brunthaver, referred to when he stated that in 1973—

The U.S.S.R. would probably need to import some grain anyway to permit *normal exports* or some some stock buildup. (Italic added.)

The American taxpayer is being exploited by being forced to pay higher food prices at home as a result of the international grain manipulation, while Russia uses our commodities as "normal exports."

Reports from Europe in May indicate that the Russians have resold butter purchased from the common market to Chile. Since the butter was also heavily subsidized by the European Economic Community, the Russians realized a nice profit on the resale of their "normal exports." The American taxpayer who is still footing the bill for the wheat deal trading blunder can expect future resales of U.S. wheat as "normal exports."

The reports of the Moscow-Dacca dealings came within a few days of the Government Accounting Office's official report to Congress detailing just how bad the wheat swindle hit the American public's pocket book.

I request that the following related newsclippings be inserted.

[From the Washington Post, July 11, 1973]

DACCA SEEKING UNITED STATES-RUSSIAN LOAN OF WHEAT

(By Ronald Koven)

Bangladesh has appealed to the Soviet Union to divert some of the wheat it is buying from the United States to help avert a severe food shortage.

According to high Bangladesh sources in Washington, Dacca has pledged that it will reimburse the Soviets next year with surplus they expect to get from the United States under the Food for Peace program.

Such an arrangement would amount indirectly to joint Soviet-American aid for Bangladesh.

When Soviet Communist Party chief Leonid I. Brezhnev was in Washington three weeks ago, a bipartisan group of 39 senators sent a letter to President Nixon asking him to request the Soviet leader to divert 500,000 tons of his American wheat to Bangladesh.

A White House spokesman refused to say whether President Nixon had brought the proposal up during his talks with Brezhnev.

Bangladesh has since made its own direct appeal to the Kremlin for 200,000 tons to be delivered in the critical period before the start of the Bengali harvests in late November, Bangladesh diplomats here said. The initial Soviet reaction was not unfavorable, according to a report from the Bangladesh ambassador in Moscow.

The Soviet Union contracted last year for 11 million tons of U.S. wheat and more than 6 million tons of feed grains. Much of this grain is still in the pipeline. Transfer of the Soviet-owned wheat to Bangladesh would simply involve changing the destination of grain ships now loading in Texas ports.

Bangladesh diplomats say they consulted beforehand with the U.S. government about the appeal to Moscow. The Americans said they would be willing to consider the idea if the Soviets go along.

The appeal to Moscow was made necessary by the shortage of American grain surpluses after the $1 billion U.S. sale to the Soviet Union.

Only yesterday, Bangladesh bought, with a U.S. aid grant, 100,000 tons of American wheat at the open market price of about $145 a ton delivered in Bangladesh. It is part of a total of 280,000 tons Washington agreed on Friday to provide for delivery during July, August and September—200,000 in direct grants and 80,000 under the Food for Peace program (PL 480).

Bangladesh officers say they are very pleased with Friday's U.S. commitment, which almost meets their request of 300,000 tons for the current quarter. But the Americans have been noncommittal about the total Bangladesh request of 1.5 million tons for all of fiscal 1974—850,000 tons under PL 480 and the rest in aid grants.

Officials at the Food for Peace program say they are only making commitments on a quarter-by-quarter and even a month-by-month basis until the size of the American fall and spring harvests is known.

U.S. crop acreage has been vastly expanded this year, and, barring a weather calamity, Washington should have more PL 480 surpluses available for Bangladesh and other food aid recipients later on. Bangladesh ranks with India as the major beneficiary of Food for Peace.

The United States has provided Bangladesh with a total of 1.05 million tons of wheat and rice in the 18 months since it achieved its independence in December 1971—an amount equal to what the country is asking for in the current fiscal year.

But, starting with the current fiscal year, all PL 480 grain for Bangladesh will be under provisions of the law that provide for payment in local currencies. The money is spent in the country for U.S. embassy and other U.S. local expenditures. Bangladesh had received all its previous PL 480 surpluses as outright gifts.

There seems to be no immediate prospect that Bangladesh can become self-sufficient in food, and the United States, as the world's principal donor, will most probably be called upon to help it for some years. Bangladesh government plans foresee self-sufficiency in three to five years at the earliest.

[From the Washington Post, July 10, 1973]

GAO LINKS SALES OF GRAIN TO SOVIET, FOOD PRICE RISE

(By Marilyn Berger)

American farmers, consumers and taxpayers were all short-changed because of the failure of the Department of Agriculture to properly assess the rising world demand for wheat, congressional investigators concluded yesterday.

It was the Russians, who made massive purchases at low prices in the summer of 1972, who benefitted most from Agriculture's apparent inability to gauge prospects for wheat sales.

In a detailed 84-page report released yesterday, the General Accounting Office cited reports showing that "as early as January, 1972, the (U.S.) Embassy (in the Netherlands) commented that U.S. wheat . . . dominated the market because of competitive pricing. . . ."

The GAO also cited "Russian activity in purchasing wheat" in March, 1972, at approximately the same time that principal U.S. competitors—Australia and Canada—were pulling out of the export market. Finally, it cites repeated reports from the U.S. agricultural attache in Moscow starting on Feb. 18 saying that "the Soviet wheat crop would be adversely affected by freeze damage."

The report states that "because Agriculture's estimates of the extent of damage and expected short-fall in grain production could not be verified, they were not released to the public." In an accompanying communication included as an appendix to the report, Secretary of Agriculture Earl L. Butz said the department possessed no information about the Soviet Union's "actual buying intentions" so it could not be accused of failing to disseminate information to the public.

The GAO report states that "Agriculture officials . . . knew that Russian leaders had made a commitment to their people to increase the protein component of their diets . . . and that they needed increased foodstuffs and protein to meet this commitment."

The report stated that "farmers generally were not provided timely information with appropriate interpretative comments to help them make sound marketing decisions." As a result, the report said, despite massive grain sales to the Soviet Union, "farmers . . . sold in historic selling patterns. Some even sold before their normal time because of the projected market conditions."

It stated that "Agriculture was unprepared to discharge its reporting responsibilities." The GAO said that the public disclosures that were made "reflected Agriculture's inability to assess the implications of information available to its analysts and presented a distorted picture of future market conditions."

The assurances of subsidies, the report said, put grain traders in a position to offer lower prices to the Soviet Union than would otherwise have been possible. "There is reason to believe," the report said, "that Russian needs would have dictated purchases of significant quantities even with higher prices." It said that "Agriculture will pay over $300 million in subsidies on Russian and other sales," although there were prospects that these sales could have been made with reduced subsidies if the department had responded more rapidly to the available information.

"We estimate that about half the $300 million in subsidy payments will go toward compensating exporters who had to cover their Russian sales with high domestic purchase prices," the report said.

There were salutory effects of the Russian sales, the GAO report said. These included improvements in the U.S. balance of payments, increase in farm incomes, creation of new jobs, reduction of surplus stocks and the use of idled acreage.

On the negative side, the report said, "Domestic wheat prices rose from about $1.68 a bushel in July, 1972, to $3 in May, 1973. Consumer costs attributed to the sales included higher prices for bread and flour-based products, increased prices for beef, pork, poultry, eggs, and dairy products resulting from higher costs for feed grains, and a severe disruption of transportation facilities with attendant higher costs and shortages or delays in delivering certain supplies."

The administration announced on July 8, 1972, that it would extend $750 million worth of credit over a three-year period for Soviet purchases of U.S. grains. Officials expressed surprise when the Russians immediately purchased $1.1 billion the first year, $700 million of which went for 440 million bushels of winter wheat.

"The Russian sales," said the GAO report, "magnified imperfections in the management of the wheat export subsidy program . . . The program lacked appropriate administrative controls."

The GAO chided Agriculture for a "hands-off attitude" which "indicated that these (Russian sales) were normal commercial transactions; but they were not normal . . . because of the large quantities and heavy subsidies involved and the effect the purchases had on various segments of the U.S. economy . . . We believe Agriculture relied too much on the competitiveness of the wheat export trade to police its program."

"Congress should consider requiring that agencies develop definitive ground rules so that expected benefits from exports can be appropriately weighed aginst their impact on various segments of the domestic economy," the report said.

It recommended that the Agriculture Department review the wheat export subsidy program—now suspended—"and predicate its reinstatement on a meaningful justification for its existence." It recommended further that the department "devise a better system of coordinating with private exporters on the sales of agricultural products to Communist countries." The department has already instituted a system of voluntary reports on export sales.

The GAO said it was continuing an investigation to determine whether five of the large U.S. exporters involved in the sales to Russia made excessive profits. A sixth company, it said, had not cooperated in the review. It was learned that this company is the Dreyfus Corp. of New York.

FEDERAL TRADE COMMISSION REPORT CITES OIL INDUSTRY MONOPOLY AS CONTRIBUTING TO GASOLINE SHORTAGE

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. EVINS of Tennessee. Mr. Speaker, on October 6, 1970, as chairman of the House Select Committee on Small Business, I requested the Federal Trade Commission to study and investigate the fuel and energy crisis with respect to the trend toward monopoly and conglomerates in the industries in this field.

Our committee developed testimony in 1971 which showed that major oil companies account for approximately 84 percent of refining capacity and 72 percent of the natural gas production and reserve ownership. The committee also developed evidence that 30 percent of domestic coal reserves and more than 20 percent of uranium production and more than 50 percent of uranium reserves are in limited corporate holdings.

In an opening statement during hearings conducted in Nashville, Tenn., on October 28, 1971, I referred to my request for the FTC investigation of energy monopolies and stated:

> We want to find out whether there exists a monopolistic concentration or a conspiracy to increase rates by creating artificial shortages of coal and gas supplies.

A year earlier in a letter dated October 13, 1970, I was advised by then Chairman Miles W. Kirkpatrick of the FTC that—

> The Commission has directed today that the initial planning phases of the energy portion of the concentrated industries study be given high priority.

During hearings subsequent to this letter, witnesses from the FTC were urged to expedite and complete its report.

Now, almost 3 years following my request, an FTC staff report has been completed which confirms my worst fears—that the major oil firms, which consistently appear to cooperate rather than compete in all phases of their operations, have behaved in a similar fashion as would a classical monopolist: They have attempted to increase profits by restricting output.

The report also adds that the 18 major oil companies have cooperated in influencing legislation, bidding for crude oil leases, establishing the purchase price of crude oil from which petroleum products are made, transporting the crude oil, refining it and marketing gasoline.

The report continues:

> In sum, the majors continually engage in common courses of action for their common benefit.
>
> The majors have used the [gasoline] shortage as an occasion to attempt to debilitate, if not eradicate, the independent marketing sector.

It is also reported in the press that the Commission staff has recommended antitrust action against the big oil companies to reverse the monopolistic concentration in this industry. Certainly such action is long overdue because evidence has shown that these industrial giants have also acquired great reserves of coal, natural gas, uranium, and other fuel and energy sources.

Because of the interest of my colleagues and the American people in this subject, I place in the RECORD herewith articles from the Washington Post, the Washington Star, and the newsletter of the American Public Power Association.

The articles follow:

[From the Washington Post, July 8, 1973]

OIL NONCOMPETITION CITED IN FTC STUDY

(By Carole Shifrin)

Anticompetitive practices by the nation's large oil companies, a general spirit of intra-industry cooperation instead of competition, and government policies have together created the nation's current gasoline shortage, a Federal Trade Commission staff report says.

The report says the "major firms, which consistently appear to cooperate rather than compete in all phases of their operation, have behaved in a similar fashion as would a classical monopolist: they have attempted to increase profits by restricting output."

The major companies—18 of them—have cooperated with one another in influencing legislation, bidding for crude oil leases, establishing the purchase price of crude oil from which petroleum products are made, transporting the crude oil, refining it, and marketing gasoline, the report charges.

"In sum, the majors continually engage in common courses of action for their common benefit," the report says.

The report suggests that the major oil companies are using the current gasoline shortage their activities helped create to eliminate "the only viable long-term source of price competition"—the independent marketer.

Noting that more than 1,200 independent gasoline stations were forced to close in the first five months of this year, the FTC staff report says: ". . . The majors have used the shortage as an occasion to attempt to debilitate, if not eradicate, the independent marketing sector."

They are not doing this by lowering prices in those areas where they compete with independents—who have generally charged two to six cents per gallon less than the majors—but by not permitting their prices to rise.

In a normal competitive market, the report explains, the "cure" for a shortage would be for prices to increase this in turn would cause producers to increase supply and also discourage some consumption; thus, supply and demand would be brought into equilibrium.

Instead, the independents who are having to pay higher prices for their wholesale products—if they can get them at all—have to raise their prices, while the majors absorb their higher costs thus not allowing their gasoline prices to rise. "The independents, of course, simply do not have available supplies of gasoline to deal with such a tactic," the report says.

"As the shortage forces them to curtail sales, they must raise prices; the sole basis on which they can compete with the majors is destroyed."

The majors, the FTC staff report says, have never tried to compete on price, only in "secondary respects" such as appearance and location of stations, giveways, credit card services, and maps.

At the same time they develop "an elaborate network of devices" to limit the supply of crude oil available to independent refiners and refined products available to independent wholesalers and retailers, the report says.

If the majors' current pricing tactic is at all successful, the staff predicts, "the consumer will pay dearly . . ."

The report, prepared by the FTC's Bureau of Competition—the antitrust enforcement arm—and the Bureau of Economics, is part of the culmination of an almost two-year study of the effects of the structure, conduct and performance of the oil industry and whether its firms are engaged in unfair methods of competition in violation of the law.

A copy of the report—sent to members of Congress who requested it—was obtained by The Washington Post. Not sent to the Hill was another report containing an analysis of alternative courses of action for the commission's consideration and the staff's recommendations.

The staff is said to have recommended the bringing of antitrust charges against the eight largest oil companies which, if successful, would result in a considerable restructuring of the industry. The staff recommended that the FTC seek the divestiture of some of the industry's functions—now interrelated—to foster competition in its various phases: production of crude oil, transportation, refining and marketing.

The report points out that in 1970 the eight largest firms—operating in varying degrees in all phases of the industry—held 64 percent of the nation's proved crude oil reserves, accounted for 58 percent of refining capacity, and 55 percent of the gasoline sold.

The top eight companies are Atlantic Richfield, Exxon, Gulf, Mobil, Shell, Standard Oil of California, Standard Oil of Indiana, and Texaco.

The oil industry didn't get where it is today nor did it create the current gasoline shortage by itself, the FTC staff says.

"There also has been a significant contribution made by the United States government." The report says that federal and state governments ". . . do for the major companies that which would be illegal for the companies to do themselves." These things have included the oil import program, which restricted the flow of competing foreign supplies into this country; the oil depletion allowance, which allowed the firms to make their greatest profits on crude while the independents have little crude production; the foreign tax credit, and price controls, all of which altered the system of supply and demand to the industry's benefit.

The staff was not happy about its own past performance either, its past approach—seeking to correct specific anticompetitive practices at the marketing level—really ignored "the market power associated with vertical integration and limited competition," the report says.

Among the report's significant findings:

The petroleum industry, and refining especially, is characterized by high barriers to entry, preventing new firms from being attracted into the market by the industry's excess profits. There has been no big entry into refining in 20 years.

With their economic resources and advanced econometric models "the major oil companies should have been able to predict the current increase in demand for petroleum products," the report says. "Whatever their forecasts showed," they failed to expand refinery capacity, to meet present future need the report says.

Even though some firms have plans to build new refineries, ". . . the prospects for the next three or four years (the period needed for construction of new refineries) appears bleak," the staff said. "As demand increases more rapidly than refinery capacity, shortages of petroleum products will become more acute." The degree of severity will depend upon prices—the lower they are, the more critical the shortages will be, the staff said.

[From the Washington Star, July 8, 1973]

FTC CITES MANIPULATION IN SHORTAGE

(By G. David Wallace)

A Federal Trade Commission staff study says the nation's petroleum shortage is the product of anti-competitive practices fostered by government regulations and manipulated by the major oil companies to protect their profits.

"In the many levels in which they interrelate, the majors demonstrate a clear preference for avoiding competition through mutual cooperation and the use of exclusionary practices," the study said.

The oil companies "have behaved in a similar fashion as would a classical monopolist: They have attempted to increase profits by restricting output."

The only effective competition has come from independent gasoline stations, said the staff, and the study estimated that 1,200 independent stations closed in the first five months of this year.

"What has happened here is that the majors have used the shortage as an occasion to attempt to debilitate, if not eradicate, the independent marketing sector."

If the majors' attempt "is at all successful in diminishing the market shares of independents the consumer will pay dearly for this advantage," the study said.

The study is the result of nearly two years of work. The staff obtained answers to detailed questionnaires on relationships between the majors and independents. Attorneys and economists searched the files of more than 50 unidentified cooperating companies. Federal and state regulators provided data. Executives of major oil companies have been called before non-public hearings.

The study was intensified at the request of Congress and presented to the five-member commission last Monday. The commission has not taken any action or made the document public.

The Associated Press obtained a copy from sources outside the FTC.

Also under study by the commissioners is a still-unreleased legal analysis of possible actions aimed at spurring competition in the industry. Industry sources have said the analysis recommends a concerted antitrust attack on the biggest companies' control over pipelines, refining operations and marketing.

The report noted that Arco, Exxon, Gulf, Mobil, Texaco, Shell, Standard Oil Co of California and Standard Oil Co. of Indiana are tops across the board in the petroleum industry. As of 1970, the eight held 64 percent of the nation's proved crude oil reserves, accounted for 58 percent of the crude refining capacity and sold 55 percent of the gasoline that the nation's motorists bought.

"The petroleum refining industry is the pivotal point in the petroleum industry," the study said.

A shortage of refining capacity has been cited as the root cause of present fuel shortages. The FTC staff argued that the refinery level is where industry cooperation and government policies have granted the most power to the 18 major companies.

One obvious barrier to new refinery entrants is the estimated $250 million cost of a new refinery, the staff reported. It said there has been no new entrant in the refining field since 1950.

The study said that even if a potential new refiner could raise the money, he'd shy away.

One reason cited was the federal oil depletion allowance, which provides a tax credit for a proportion of profits earned on crude oil. The purpose was to encourage oil exploration. But the FTC staff said that because the allowance makes crude oil profits the least taxable of any phase of the majors' operations, the majors claim that most—if not all—their profits come on crude oil.

Through this simple bookkeeping operation, "it pays to raise crude prices up to a point where refinery profits have been reduced to zero," the staff said.

[Newsletter, America Public Power Association, June 29, 1973]

FTC Staff Recommends Antitrust Action Against Eight Major Oil Companies

A staff report due to be presented to the Federal Trade Commission next week will recommend sweeping antitrust action against the eight major U.S. petroleum companies including proposals aimed at inducing competition by compelling divestiture of refineries by the giant firms which also produce crude oil and control marketing operations . . . The companies singled out for action are: Exxon, Texaco, Gulf, Mobile, Standard Oil of California, Standard Oil of Indiana, Shell and Atlantic Richfield . . . The staff investigation of anticompetitive activities in the petroleum industry involving concentrated control of refinery capacity and pipelines and related marketing practices was initiated at the request of Sen. Philip Hart (D., Mich.), chairman of the Senate Antitrust and Monopoly Subcommittee, made in September, 1970 . . . Sen. Hart also urged a probe of industry and Federal Power Commission claims of a critical gas reserves shortage, which led to refusal by the major companies to comply with FTC subpoenas seeking disclosure of their reserves data. . . . Although the FTC investigation reportedly had bogged down, dwindling supplies of gas and fuel oil and spiraling prices—forcing shutdown of independent petroleum firms and gas stations on a national scale—have prompted renewed demands in Congress for prompt action by the Trade Commission. . . . In a related development this week, Sen. Thomas McIntyre (D., N.H.), introduced legislation that would force major oil producers to abandon their retail marketing operations, warning that if Congress does not act swiftly, a few major petroleum companies will soon completely dominate the industry's wholesale and retail functions.

REFORMING ELECTION DAY

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. KEATING. Mr. Speaker, I have introduced legislation which would make election day a national holiday. My legislation, House Joint Resolution 652, would also shorten the general election period by making the primaries later in the year. The bill would also establish simultaneous voting hours coast to coast on election day.

The impetus for my legislation was the extremely poor voter turnout in the 1972 election. With only 55 percent of the eligible voters going to the polls, the United States had the dubious distinction of being one of the lowest percentage voting countries in the free world.

The Senate has recently passed legislation similar to my bill and it is my hope that the House will hold hearings and consider this proposal.

Following is a chart which was compiled by the Congressional Research Service on recent elections in free nations around the world:

Figures on voter participation in selected general elections

Country, date of election, and participation of eligible voters:

	Percent
Australia,* December 2, 1972	97
Belgium,* ** November 7, 1971	91.5
Canada, October 30, 1972	74.5
Denmark, September 21, 1971	86.3
France,** June 2, 1969	77.2
Germany,** November 19, 1972	91.1
India, March 9–10, 1971	53.7
Ireland, June 18, 1969	75
Italy,* May 7–8, 1972	93.1
Japan, December 10, 1972	71.8
Netherlands,* November 29, 1972	82.9
Norway, September 7–8, 1969	80.9
Sweden,** September 20, 1970	88.2
United Kingdom, June 8, 1970	71.3

* Compulsory voting.

** Vote on Sunday.

THE UNINVESTIGATED WATERGATE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. RARICK. Mr. Speaker, while the Watergate hearings featuring the White House palace guards continues to occupy the full stage of American media entertainment, another administration scandal posing a more direct and dangerous threat to the American people and government continues almost unnoticed.

In early May Teamsters President Frank E. Fitzsimmons received the Israel Silver Anniversary Award for his efforts in the investment of Teamster pension and health and welfare funds in $26,000,000 worth of Israel bonds.

According to news reports, present and participating in the praise of the Teamster leader was Secretary of the U.S. Treasury, George Shultz. Also present at the Teamsters testimonial was Herbert Stein, chairman of the President's Council of Economic Advisers.

Not only does it seem strange for the trust funds of American organized labor to be invested in a foreign nation but to the apparent approval of two of the administration's top economic advisers who otherwise express public concern over inflation and the credit crunch.

Thirty days later we read in the Wall Street Journal where the Teamsters Union was approved for a "wage and benefit" boost averaging slightly more than 7 percent a year and reported as—

> Helping the Nixon administration keep labor settlements in low gear.

The report continued—

> The Cost of Living Council was obviously pleased at the size of the tentative settlement. "It sounds good" said one Council insider when advised of the major elements of the agreement.

Supposedly, the Teamsters pay raise was found "within the Government's 'flexible' phase III guidelines," which allow wage increases of 5.5 percent a year unless otherwise approved by the Cost of Living Council headed by John T. Dunlop.

Even stranger, is another report from the Wall Street Journal linking John T. Dunlop, who directs the Government phase III economic controls, as a stockholder along with an impressive cast of labor leaders said to include George Meany, president of the AFL–CIO; Lane Kirland, secretary-treasurer, AFL–CIO; Alexander Barkin, director of COPE; and others, in a 15,000-acre resort in the Dominican Republic.

Reportedly, Dunlop sees no conflict of interest over his Cost of Living Council duties and his venture with labor leaders.

While the main show is in Washington, the greatest threat to the American people is on the back burner and receiving very little attention and no investigation.

If the American people are to believe that President Nixon knew nothing of the actions of his Attorney General and campaign manager, then they may be expected to believe that he also knows nothing of the deals of his economic advisors, despite a telegram of praise from the President read at the Teamster-Israel function by his Secretary of Treasury.

I include the related newsclippings:

[From the Washington Star and Daily News, May 11, 1973]

Israel Honors Teamster Head

(By Claire Crawford)

Teamsters President Frank E. Fitzsimmons is this year's unlikely "Abie's Irish Rose."

Fitzsimmons received the Israel Silver Anniversary Award last night for being instrumental in the investment of Teamster Pension and Health and Welfare funds in $26 million worth of Israeli bonds.

Fitzsimmons is an Irishman, but last night's dinner for 2,500 Teamsters and Teamster employes was declared his "Bar Mitzvah" by Herbert Stein, Chairman of the President's Council of Economic Advisers.

Stein went on to detail the common links between the Israelis and the Irish, who have been called one of the lost tribes of Israel.

Both, said Stein, have spent a certain period of time under "the British yoke"—"though the Israelis broke it earlier." And both, Stein said, have no oil . . . "and to live under the British with no oil one must develop a sense of humor."

Stein went on to praise Fitzsimmons, a rather controversial labor leader, as "a friend of Israel" and for his "force and diligence."

Treasury Secretary George Shultz also praised Fitzsimmons and read a similar telegram from President Nixon. Atty. Gen. Richard Kleindienst agreed he was a good guy.

But it was Labor Secretary Peter Brennan who got the big hand and shouts of "Give 'em hell, Pete" from the lively crowd, which earlier had sung, spontaneously, the Star Spangled Banner when it was played.

Brennan said of Fitzimmons, "He's a real man. He's got guts and he's shown it and I'm happy we're both Americans and both Irish."

Then quoting an old Irish saying which the crowd cheered, he said, "May the wind always be at your back and may ye be dead an hour before the devil knows you're gone."

Fitzsimmons, who rules less and is therefore liked more by his junior officers than was his predecessor, Jimmy Hoffa, was appropriately grateful.

He thanked everyone and spoke of the parallels between the struggling state of Israel and the labor struggle in America.

In what was taken as a reference to the Watergate affair, he said, "There is no time like the present to support our leaders and uphold the dignities and morals of our country."

He called Israel "the last outpost of Democracy in the Middle East."

Israeli Forign Minister Abba Ebban was scheduled to present the medal, but bowed out as "indisposed" after having a "heavy schedule the last few days." New Israeli Ambassador Simcha Dinitz did the job and said the Teamsters' investment made it possible for Israel to "not only support war but to launch peace."

Teamsters spokesmen say labor has always supported Israel because the Israeli labor movement, Histadrut, is the only free trade union in that part of the world.

The bonds pay 5½ percent interest. Perhaps, said one cynical guest, ITT should have purchased $25 million worth of bonds in the incumbent Chilean government they favored rather than trying to stop the opposition.

The evening was informal. Most of the dais guests wore black tie but the audience did not.

Brennan said he was not packing his legendary gun and seems to be losing his Irish sense of humor about it. He said someone had started the story as "good publicity," but "I never carry one."

In the past The White House has reported he has checked a gun when he sees the President.

Whatever, Brennan went on to say he had been surprised by the indictments of John Mitchell and Maurice Stans yesterday. "I'm always surprised . . . or life wouldn't be worth living." He said he had been traveling around the country, and the working man "isn't interested in Watergate . . . a little irritated. But they are talking about the high cost of living."

They don't want price freezes because that means wage freezes, he said —which is also what the Nixon Administration says.

The Washington Hilton Ballroom was decorated with shimmering silver and baby blue streamers and a huge picture of Fitzsimmons with Golda Meir.

The menu was strictly truck driver's meat and potatoes. But in honor of the President of the biggest international union in the world, it was called "Tornedos Marchand du Vin on Toasted Crouton" and "Pommes Parisienne."

[From the Wall Street Journal, June 29, 1973]

TRUCKERS REACH TENTATIVE PACT WITH TEAMSTERS

WASHINGTON.—The Teamsters union and the trucking industry reached tentative agreement on wage-and-benefit boosts averaging slightly more than 7% a year, helping the Nixon administration keep labor settlements in low gear.

The tentative nationwide agreement, which is subject to rank-and-file ratification, would give some 400,000 drivers hourly wage increases of 35 cents in the first year and 38 cents in each of the following two years. Based on a current average hourly wage of $6.16, the pay increase would average about 5.6% a year.

The expected hourly pay boosts in the 33-month accord would include eight-cent cost-of-living increases guaranteed in the second and third years of the agreement. And, if inflation continues as its present rate, the agreement's cost-of-living escalator clause could add an extra three cents an hour to the drivers' pay checks in each of the second and third years. In any event, the maximum cost-of-living increase would be 11 cents an hour.

Hefty improvements in pension and health-and-welfare benefits would amount to 15 cents an hour in the first year and 12½ cents in each of the following two years. Employer contributions for these fringe benefits currently average about 70 cents an hour.

With a fifth week of vacation added for drivers with more than 20 years on the job and an extra holiday in the final year of the contract, sources familiar with the negotiations indicated the annual increases in the wage-and-benefit package would average slightly more than 7%.

While most analysts look at the agreement in terms of the hourly rate by which local drivers are compensated, the drivers who operate over long distances are paid by the mile. The mileage rate, which is considered to be about equal to the hourly rate on an annual basis, would increase 0.75 cent in the first and second years, and by 0.5 cent in the third year. The current rate is 15.3 cents a mile.

SEEN WITHIN GUIDELINES

Both sides claimed the tentative settlement wrapped up at 6 a.m. yesterday after an all-night negotiating session was within the government's "flexible" Phase 3 guidelines. These guidelines allow wage increases of 5.5% a year, plus fringe-benefit improvements of 0.7% annually.

The Cost of Living Council was obviously pleased at the size of the tentative settlement. "It sounds good," said one council insider when advised of the major elements of the agreement.

Labor Secretary Peter Brennan congratulated the Teamsters' negotiating committee for doing "a fine job for the welfare of your membership, for your country and its future." W. J. Usery Jr., head of the Federal Mediation and Conciliation Service, also showed up at a gathering of the committee here yesterday to praise the unionists for managing to reach agreement well ahead of the expiration date of the current contract.

In addition to its moderate size, the tentative agreement averts a guideline negotiating crisis in the talks government officials have viewed as the "most crucial" in this heavy bargaining year. The current 36-month contract that gave the drivers wage increases alone totaling about $2 an hour expires at midnight tomorrow.

The agreement was hammered out in the talks that began May 10 between the Teamsters and Trucking Employers Inc., the industry's major bargaining arm. There had been a general understanding well before the formal talks started, however, that the average hourly pay increases would be about 40 cents a year.

[From the Wall Street Journal, May 25, 1973]

STRANGE BEDFELLOWS FROM LABOR, BUSINESS OWN DOMINICAN RESORT

(By Jonathan Kwitny)

PUNTA CANA, DOMINICAN REPUBLIC.—Here on the eastern tip of this nation, an unlikely assortment of Yankee imperialists—labor leaders, employers and mediators—have established a semiprivate resort in the sun, complete with tobacco plantation.

As a result, hundreds of Dominicans who used to live here—farming, fishing, feasting their eyes on the white sands and on the azure waters of the Atlantic and the Caribbean—have had to get out, for a small price.

The cast of imperialists includes George Meany, president of the AFL–CIO; Lane Kirkland, the AFL-CIO's secretary-treasurer; John T. Dunlop, the former labor mediator and Harvard dean who directs the government's Phase 3 economic controls; Theodore Kheel, the New York lawyer, professional labor mediator and periodic champion of liberal causes; Alexander Barkan, director of COPE, the AFL–CIO's political arm; and Edward J. Carlough, president of the sheet metal workers.

All are stockholders in the 15,000-acre Punta Cana resort and plantation. And, except for Mr. Meany, they are frequent visitors here, according to the secretary in Punta Cana's booking office in Santo Domingo.

SEAFARERS AND SEATRAIN

Punta Cana's 60 stockholders also include Keith Terpe, president of the Latin-American division of the seafarers' union, and Joseph Kahn and Howard Pack, chairman and president of Seatrain Lines Inc., which employs members of Mr. Terpe's union. Seatrain also negotiates contracts with the masters, mates and pilots union, whose members include Lane Kirkland. Seatrain ships dock in the Dominican Republic twice a week.

The secretary at the booking office says she can't remember any visit to the resort by Mr. Kahn or Mr. Pack. She says Mr. Terpe last showed up about a year ago That was about the time he was indicted in Puerto Rico for misappropriation of union funds. He denies the charge, and trial is pending.

Neither Mr. Dunlop nor Mr. Kheel sees a conflict of interest in participation in Punta Cana with labor leaders. Mr. Dunlop says he put all his stock in a blind trust when he became Phase 3 czar, adding: "I haven't the vaguest idea what I own or don't own." He says he has been to Punta Cana only about twice.

Mr. Kheel points out he is a private counsel, not a government official. "Nobody is required to come before me," he says. "If they don't think I'll be impartial, they won't go to me. I just see to it that I give them all the facts, and it's up to the parties to make any objection they want to."

START OF STORY

The Punta Cana story began in December 1968, when a man named Carlos Manuel Rodriguez Valeras walked into the Superior Land Court in Santo Domingo. He said he owned the land that now is Punta Cana but had lost his deed and wanted a new one.

Accordingly, on Dec. 13, 1968, the classified advertising section of the newspaper El Caribe carried a small notice saying that anyone who cared to challenge the claim should come forward.

Three days later, not one farmer or fisherman had crossed the jungle from the property to the courthouse, 140 miles by road, to file a challenge. No one else had filed a challenge, either. So on Dec. 16, the court gave a fresh deed to Mr. Rodriguez. One year and two days later, on Dec. 18, 1969, he sold it for $115,000 to Coddetreisa, a new corporation.

Soon after the corporation acquired title, evictions began, with compensation. "Under Dominican law," explains Mr. Kheel, who was one of the original members of the corporation, "it is necessary to pay squatters who have been there a considerable time." Local residents now say the payments ranged from $50 to $70 a family.

Most of the families, who weren't anxious to sell in the first place, considered the payments inadequate.

"SOLDIERS FROM PALACE"

But when they balked, according to several current residents who won't let their names be used because they're dependent on the Punta Cana resort in various ways, "soldiers came from the palace"—the palace of President Joaquin Balaguer—and told the people to get out or be chased out.

Many got out. Lacking land now, they felt forced to sell their cows, chickens and other livestock and equipment at far below value.

Court records in Higuey, the provincial capital, show that about 75 men petitioned for the right to stay on the land or receive more money for it. They were turned down. After forced eviction, many former residents slipped or cut their way through Coddetreisa's barbed wire and tried to plant crops on the land they had farmed. Fifteen men served jail terms for doing this repeatedly.

Today, the Punta Cana resort consists of 10 cabins plus a main building that contains several extra bedrooms, an office, a dining room and Trader Frank's Shipwreck Bar. There is also a recreation house featuring Ping-Pong, darts and a television set. Each cabin has tile flooring, a sitting room and two bedrooms with twin beds.

Punta Cana has been open 18 months and has received plugs in the American press. Still, most guests are Coddetreisa stockholders and their families and friends, most of whom pay full price.

The original members of Coddetreisa—an acronym for Compania de Desarrollo (development) Turistico, a Residencial e Industrial, S.A.—were Mr. Terpe of the seafarers, who first informed the other American investors about the property; Mr. Kheel; the

AFL–CIO's Mr. Kirkland; Jay Schafrann, a law partner of Mr. Kheel's who has since joined another law firm; Charles Cahill, an American living in the Caribbean area who was brought in at Mr. Terpe's suggestion to be resident manager of Coddetreisa, and three Dominicans headed by Frank Ranieri, who is a Santo Domingo businessman and son of the Italian consul in Santo Domingo.

In October 1970, Mr. Cahill was fired as manager and Mr. Ranieri took over the company's office in Santo Domingo.

Mr. Kheel says he himself is by far the largest stockholder, with Mr. Ranieri next and no one else with more than 5%. He says Mr. Meany has only 1% and has never been to Punta Cana, although a large oil painting of the resort by Mr. Meany, done from a photograph, decorates Mr. Ranieri's office.

So far, court records indicate, $518,000 has been invested in Punta Cana, and two new lodge buildings with room for a total of 80 persons are scheduled for next year. Mr. Kheel says the resort, planned as "essentially a middle-class place," is operating "slightly in the red." The first tobacco crop has yet to reach market.

[From the Washington Post, July 5, 1973]

COST OF LIVING COUNCIL

(By Hobart Rowen)

Sooner or later—and hopefully sooner—the Nixon administration will decide on the price and wage "goals" for Phase IV, and whether or not those goals should be achieved by setting out specific, numerical guidelines.

The biggest issue, at the moment, is whether to publish a specific wage standard, like the 5.5 percent limit on wage increases that was used in Phase II.

It is no secret that John T. Dunlop, the tough and experienced labor negotiator who heads the Cost of Living Council, views the 5.5 percent pay standard with distaste. "I do not believe a policy can be encompassed within a single number," Dunlop says, "and I believe that attempts to identify a policy with a number are a mistake."

Others disagree. For example, former Pay Board member Arnold Weber, asked to consult on the shape of Phase IV, thinks that the prospective success of Phase IV hinges on the use of "specific and identifiable" standards so that business and labor leaders will know what is expected of them. Federal Reserve Chairman Arthur F. Burns agrees.

In the fight that is developing over this principle, Dunlop has the support of Treasury Secretary George P. Shultz, who agrees that the real test of responsible wage behavior is continued stabilization of total compensation in the private economy.

What Dunlop and Shultz have going for them is the fact that typical wage behavior has been decidedly "responsible" so far this year, with union leaders concentrating on improving fringe benefits, which don't get cranked into cash wage percentage gains that make the headlines.

Ruffling through stacks of paper in his COLC office, Dunlop insists that one number can't handle the complicated, differentiated labor-management problems. The Phase II Pay Board, he insists, paid lip service to 5.5 percent while sweeping under the rug bigger chunks of increases sneaked through by both union and management representatives who were simply smarter than the Pay Board.

He claims that the Price Commission's much advertised assertion that it would not approve price increases that reflected wage boosts higher than 5.5 percent (plus .7 percent for fringes) is a phony.

"You need a separate wage standard to deal with separate problems, or to deal with inequities," Dunlop says. "Sometimes, you have to compare a wage request with somebody else's. Or it may have to be in dollar terms rather than percentages. What it comes down to is that you need a whole family of standards."

He argues that 5.5 per cent can be too little in dealing with very low levels of pay, as in the dress industry, and too high in others, as for plumbers. "These guys who invented guidelines have never settled a damn strike in their lives," Dunlop angrily insists. On the practical side, Dunlop says, the 5.5 per cent tends to become a floor, rather than a ceiling. "It's a hell of a position to put a union leader in," he says. "They go back to the rank and file, and they say: 'S–t, you only took what they offered.'"

Yet, a specific wage standard, accompanied by a specific price goal, is of great symbolic importance. The public has an easy-to-understand concept of what the stabilization program is all about, and the program is easier to administer.

But above all other considerations, the single number, highly publicized, provides a self enforcing tool for businessmen dealing with non-unionized labor, and for smaller unions not subject to Dunlop's personal arm-twisting.

For the future, the critical thing will be the behavior of prices. The wage moderation so far this year is unlikely to continue, with or without a specific Phase IV guideline, if inflation in food, gasoline and other raw materials prices continues out of hand.

Barry Bosworth of the Brookings Institution has, I think, the right perspective on this issue. The strict 5.5 per cent guideline of Phase II was correct, and a key to its success. That number did in fact provide a ceiling, and helped in the deceleration of wage increases.

But a new number, for Phase IV, could become a target instead of a ceiling. Thus, it probably would make sense to continue the Phase III 5.5 per cent "voluntary" standard unchanged so long as actual wage increases aren't creating trouble. But this would have to be coupled with a firm commitment to go back to a more rigid guideline if wages, over-all, get out of hand.

What would help, more than the rules, would be a tough attitude on both prices and wages by Shultz, Dunlop & Co. Dunlop has done a good job on the wage side. But for prices, Phase III has been a disaster.

We probably need to go back to a separation of the pay and price functions, coupled with an affirmative statement from the price-controllers that registers some belief in the controls business, rather than apologies for controls, or promise to get rid of them as fast as possible. If that's too much for the current crop of controllers to swallow, they should quit and let somebody else take over.

WATERGATE HEARINGS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. MICHEL. Mr. Speaker, I noticed a column written by Mr. Jude Wanniski appearing in yesterday's issue of the Wall Street Journal setting forth a strong defense of President Nixon with respect to the current Watergate hearings over in the Senate.

The column speaks for itself and I include it in the RECORD at this point:

ONE OF THE 17 PERCENT DEFENDS MR. NIXON

(By Jude Wanniski)

Although there may have been some wavering in the rough spots, it has never been difficult for quite a few Americans—17% of us according to Gallup—to believe Richard Nixon is telling the truth when he says he was not involved in the planning or cover-up of Watergate.

Indeed, the week of John W. Dean III that persuaded many Americans the President must be guilty had the opposite effect on this embattled minority group of Nixon believers; the assumption of Mr. Nixon's veracity and innocence was steadily reinforced.

That basic assumption took shallow root among most Americans with the very first reports of the Watergate break-in. A year ago, Mr. Nixon's most devoted admirers simply judged that he was too good a man to be involved in any way with so sordid a business. His critics have always believed that Richard Milhous Nixon is unscrupulous, capable of anything. But at least at the start, they too seemed to judge that their nemesis of more than a quarter century would never be so foolish as to risk the scandal of the century in order to find out what Larry O'Brien was saying on the telephone.

These varied judgments came easily to Americans because they've had more exposure to Richard Nixon than to any other person in public, political life. After 27 years on stage, he has been so thoroughly dissected and analyzed that there is almost nothing we don't know about the man. Friends and foes agree he's solitary, resilient, combative, intelligent, moody and short-tempered under stress, prone to exaggeration and hyperbole, capable of pettiness and magnanimity, moderately puritanical, and distinctly lacking in style, flair, charisma or what have you.

We also know that in 27 years of political life he has never been caught in a lie. He has pushed and pulled on the truth, infuriating his critics with his "trickness," his ability to twist weakness to advantage. But so far as the public record shows he's never been nailed to an out-and-out falsehood. If he had lied and been caught, by now we surely would have been reminded of it.

STRETCHING THE IMAGINATION

Knowing him as well as we do, neither friend nor foe should be able to imagine him vowing, as New York City mayoral candidate Mario Biaggi did, that he did not take the fifth amendment in testimony before a grand jury, knowing all the while that conclusive proof to the contrary was at hand. It is only slightly less implausible to imagine him thinking he could get away with an unequivocal denial of the Watergate cover-up; he would have to believe that men like Archibald Cox, Elliot Richardson and Sam Ervin would fall asleep while the network of cover-up conspirators remained silent, and imprisoned, in order to preserve his place in history. To a President who spent his first-term reading about the most secret decisions of his administration in Jack Anderson's column, it would have taken monumental optimism to think he could get away with it at all.

These surmises allow us to assume the President is innocent even while we keep an open mind to his possible guilt. But there are two surmises that cut against the grain.

The first is that Mr. Nixon, if he really wanted to clear himself in a hurry, would have issued a definitive statement on what really happened. As it is, he gives the appearance of a man who has something to hide. But if the President did not orchestrate Watergate or his cover-up, he would no more be able to issue a definite statement at this point than is Sen. Ervin or Mr. Cox. To do so, he would have to pick and choose among the myriad statements, allegations, recollections, and denials of guilt of a host of his subordinates. This is a process the Ervin Committee will find difficult even after months of extensive hearings; for the President to now throw together his theory of what happened would be as inappropriate as his 1970 faux pas when he announced the guilt of Charles Manson before the jury rendered its verdict.

The other surmise that cuts against the grain is that it is hard to see how all these dismal things were going on all around Mr. Nixon at the White House and he didn't know about them. Again, friend and foe credit the man with intelligence, tenacity, inquisitiveness; it's hard to believe these virtues became inoperative in the face of Watergate.

Yet we learned from Mr. Dean, the person who so far more than any other sought to implicate the President by telling all, that the President did not understand "the full implications" of the cover-up until March 21 of this year. The president himself told us that this was the day on which he learned of "a real possibility that some of these charges were true."

Mr. Dean, who admits to being a central, active participant in the cover-up, was not moved to tell the President about those implications from June 19, 1972 to March 21. The thrust of his testimony was that he assumed all through this period that the President was generally aware of White House involvement in the cover-up even as he was repeatedly telling the nation that there was none. It's also clear from this testimony that he, Dean, also assumed the President wasn't fully informed on the specifics of the cover-up; otherwise, there is no conceivable reason why Mr. Dean should have been driven to seek a meeting with Mr. Nixon on March 21 in order to catalog many of those details.

NO "FIRST-HAND" KNOWLEDGE

No matter how Mr. Dean chooses to characterize the bulk of his testimony, it could in no way be considered "first-hand" knowledge of Mr. Nixon's complicity in the cover-up. Nearly every point he attempted to make to that end, beginning with his Sept. 15 conversation with the President, rests solely on his, Dean's, impression of what was on Mr. Nixon's mind.

The only evidence that fits into Sen. Baker's category of first-hand knowledge was two bits of conversation with Mr. Nixon, the two remarks Mr. Dean remembers as Mr. Nixon having made on March 13 regarding a million dollars of hush money and executive clemency for Howard Hunt.

The President's recollection of these remarks—as reflected in an unofficial second-hand account of his meetings with Mr. Dean is that these subjects first came up in his March 21 meeting, and that he, the President, ridiculed the idea of paying blackmail, and that he only then learned from Mr. Dean that Charles Colson had discussed the idea of executive clemency with Hunt.

These impressions and recollections on Mr. Dean's part are nevertheless damaging to the President if we are willing to place a higher degree of faith in Mr. Dean's memory than in Mr. Nixon's veracity. Yet if what Mr. Dean remembers discussing with Mr. Nixon on March 13 actually was a part of the March 21 conversation, there is no irresolvable conflict between the two.

The fact that these two Nixon-Dean talks were only a week apart, a frantic week for Mr. Dean, and that Mr. Dean made no notes of them but reconstructed them from memory in *June*, must also weigh in the balance. But more than that, the Dean recollection imparts a strange coloring to the two meetings; the sequence has an inner implausibility, one that might be credible only if we can believe Mr. Dean looked on the President as a person possessed of child-like naivete.

On the 13th, according to Mr. Dean, here is the President telling him a million dollars hush money is no problem and that Hunt has been promised executive clemency. A week later, Mr. Dean the lawyer sits down with Mr. Nixon the lawyer and explains to him "the full implications" of all this.

Along the way in the meeting of the 21st, Mr. Dean informs the President "that Kalmbach had been used to raise funds to pay these seven individuals for their silence . . . and for this cover-up to continue it would require more paying and more money. I told him that the demands of the convicted individuals were constantly increasing." Why did Mr. Dean bother to bring all this up on the 21st if Mr. Nixon not only knew about it a week earlier, but also was nonchalant in agreeing to pay blackmail?

The unofficial White House account of that Nixon-Dean meeting of the 21st, as relayed to the Ervin Committee via telephone by Presidential Counsel Fred Buzhardt, asserts that Mr. Dean "stated Hunt was trying to blackmail Ehrlichman about Hunt's prior plumber activities unless he was paid what ultimately might amount to $1 million. The President said how could it possibly be paid. "What makes you think he would be satisfied with that?" Stated it was blackmail, that it was wrong, that it would not work, that the truth would come out anyway. Dean had said that a Cuban group could possibly to used to transfer the payments. Dean said Colson had talked to Hunt about executive clemency."

Two days after this meeting, Mr. Dean went to Camp David. There's some disagreement on whether he was asked before he went or after he got there to write a full report on Watergate, but no dispute that he was asked to write a report. Neither did Mr. Dean testify that he was asked to write a doctored version of what he knew to be the truth. Thus, we are supposed to believe that the President and his chief of staff, Mr. Haldeman, were anxious to have Mr. Dean write the indictment that would surely guarantee the President's impeachment.

Of course, what Mr. Dean did write at Camp David (Exhibit No. 29 in the Senate Committee) does not form the basis for articles of impeachment against the President. It implicates Messrs. Mitchell, Magruder, Haldeman and Ehrlichman in the Watergate cover-up, but pins Watergate directly and solely to G. Gordon Liddy: "He told me that this was his operation that had gone bad . . . I asked him if anyone from the WH was involved in any way and he said no."

Furthermore, instead of encompassing Mr. Dean's alleged desire to end the cover-up and remove the "cancer" from the presidency, his Camp David report not only makes no mention of his "first-hand" knowledge of President Nixon's involvement, but also exonerates Charles Colson. According to Mr. Dean's Senate testimony, Mr. Nixon himself told Mr. Dean on March 13 that Hunt was promised executive elemency by Mr. Colson. Yet at Camp David, Mr. Dean writes: "Colson talked with Bittman [Hunt's attorney] again and told him that he couldn't give a hard, and fixed committment (sic), but that as Hunt's friend he would do everything he could to assist Hunt in getting clemency in approximately a year." Thus Mr. Dean's story in March was far different than it was before the Ervin committee in June.

Mr. Dean so coolly and consistently stuck by the testimony he laid out before the Senate committee that it is hard to believe that he doesn't believe the story he has told. Which is why it is so generally agreed that his testimony was "credible," that he has "credibility." But it is not only possible that his perspective has been warped during the passage from the pro-Nixon to the anti-Nixon phase of his personal odyssey, it is demonstrably so. It's possible to believe he has told the truth, yet is not to be believed, that in reconstructing the past year from memory he has rearranged the furniture, a foot here, a foot there.

How, though, is it possible that Richard Nixon, the smart, tenacious pro of 27 years experience, could remain for so long in the dark? Mr. Dean himself seemed almost outraged, in retrospect, that the President last August would tell the American people that he, Dean, Counsel to the President, had conducted an investigation of Watergate and found no one at the White House involved. He didn't conduct any investigation, he told the Senate committee, and he hadn't even talked to the President. Mr. Dean implies he was *used.*

CURIOUS INCIDENTS

And yet, as his Camp David memoirs indicate, he talked to the mastermind of Watergate, G. Gordon Liddy, and Liddy told him "it was his operation that had gone bad," that no one at the White House was involved. It's odd Mr. Dean wouldn't consider this an important bit of information for the President as having been dug out by Dean. Funny, too, that he could absolve Press Secretary Ronald Ziegler of knowing the facts because he, Dean, kept Ziegler in the dark. Wouldn't it be unusual if Mr. Ziegler, on one of his frequent trips to the Oval Office, hadn't reported to Mr. Nixon that Mr. Dean says everything is okay, the White House is clean? And that throughout the period to March 21, Mr. Nixon was being fed similar reports emanating from Dean and others.

As a whole, Mr. Dean's testimony, like Chinese food, was only momentarily filling. Its bland delivery made it palatable, but upon a second viewing and third and fourth reading it is unsatisfying. How much more meaty it would have been if he had been able to testify that last August, or in September or February, he had confronted the President with the cover-up.

But he never did and so all he really has is an impression that the President knew, must have known, and unrecorded recollections of conversations that took place on March 13, or was it the 21st?

No, so far as the Dean testimony is concerned, it is now easier to presume the President's innocence. As it unfolded, even as Americans either exulted or despaired over the President's guilt, a great wave of relief spread over that number of us who are still prepared to believe a man we have known for most of our lives than to trust in the motives, the memory and the vantage point of a young man we have not even known for 27 days.

ENVIRONMENTAL AWARD

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. GOLDWATER. Mr. Speaker, the Naval Civil Engineering Laboratory at Port Hueneme, which is in my congressional district in California, recently was honored by being chosen the winner of the 1973 Secretary of the Navy Environmental Protection Award. Knowing Capt. E. M. Saunders, commanding officer, and the personnel in his command, it is not difficult to understand why they were chosen for this award. I send them my most sincere congratulations, and know my colleagues will be interested in reading a newspaper article that describes this event:

NAVY'S ENVIRONMENTAL AWARD WON BY NCEL

The Naval Civil Engineering Laboratory (NCEL) at Port Hueneme was today named winner of the 1973 Secretary of the Navy Environmental Protection Award.

In a presentation this morning before 340 NCEL employees, Robert D. Nesen, assistant secretary of the Navy for financial management, presented a trophy to Capt. E. M. Saunders, commanding officer of the laboratory.

NCEL was judged best in its category—naval research and development activities—for "the most significant environmental protection program during the year."

The laboratory's environmental protection program included the Navy Environmental Protection Data Base, of which the laboratory is deputy program manager; pollution control and/or abatement devices; new beneficial environmental projects; identification of new pollution problems; interagency workshops and seminars, and dissemination of printed materials to various environmental groups.

The office of the secretary of the Navy in congratulating the winners said "the selection of the winning activities presented a challenge to the environmental experts . . . the types and extensiveness of environmental programs which have been initiated by individual commands within the past year are indicative of the environmental awareness which has been created among our military and civilian personnel."

ENEMIES OF THE PEOPLE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. RANGEL. Mr. Speaker, New York Times columnist and author Tom Wicker was one of many individuals whose name appeared on the "master list" of enemies prepared by the Nixon administration.

In a recent column entitled "Enemies of the People," Wicker writes of his reaction to this development.

I now submit the column for the collective attention of this body:

ENEMIES OF THE PEOPLE

(By Tom Wicker)

CHICAGO.—I have had. a mixed reaction to being named on a long "master list" of enemies of Richard Nixon and his Administration, and on another list of "less than twenty" particular enemies that Mr. John Dean forwarded on Sept. 14, 1971, to an aide of Mr. H. R. Haldeman.

My first emotion was plain indignation. Like most of the American people, I tend—probably too much so in any case—to identify the President with the nation, hence with its people. I know I am not an enemy of the nation or of the people, and I resent any such suggestion.

But I also felt a flash of fear. I have relatives, children, who could be hurt; like anyone else, I have human flaws that clever investigators might exploit and a reasonably good name of which I am jealous.

But natural indignation and ignoble fear quickly faded in a kind of puzzlement. I would never have expected the Nixon Administration to list me as a friend, nor do I want any Administration to do so. But I had always thought that political conflict was in the nature of "agreeing to disagree"—that no matter how bitter and vigorously expressed their political differences might become, political opponents could maintain a civil relationship and be mutually respectful at least of the rights and integrity of the other.

In his last years in office, for example, President Johnson would have had every reason—if he thought about it at all—to be strongly resentful of my expressed attitude on his conduct of the war in Vietnam. But it never occurred to me then that I or anyone would be placed by him on a list of "enemies" to "screw" through tax investigation or other abuses of governmental power. Nor do I believe the Johnson Administration did any such thing; the Nixon Administration's determination to "get" or "screw" political opponents, even potential opponents, by any means, illegal or otherwise, seems to me far beyond any reasonable view of the nature of democracy, or any generally accepted political practice.

Even so, I was also amazed in reading the "master list," the smaller Dean list, and a "priority" list of enemies prepared by Mr. Charles Colson, another Nixon aide, to discover how ludicrous all this listing was. Not that most of the people on the lists are not estimable; but what were these important men doing, in their high offices, taking time out from the great national affairs to put down the names of movie stars, reporters, businessmen, political contributors and the like, as "enemies" demanding surreptitious counterattack?

From the most powerful institution in the world, did these petty men have nothing better to do than to gaze, with fear and paranoia, at outspoken citizens, and call them "enemies" for being so?

In fact, the comic-opera aspects of the "enemies" lists tempted me to the kind of flippancy and derision that the witty Ken Galbraith—himself on the "master list"—recently recommended as the best way to deal with the Nixon Administration. All sorts of wisecracks suggest themselves—"The King's honors list," for example—but the truth is that however ludicrous they may be, these lists are not really funny.

They are sad. They are sad because they show that even great power could not make of Mr. Nixon and his aides anything but small and fearful men. They are sad because they disclose a great nation being led by men unworthy of her and her history. They are sad because they represent so graphically, for so many people, the last crumbling of illusion—the final evidence that there is nothing magical or ennobling about the Presidency, nothing about American power that makes it less corrupting than any other brand of power.

But if the enemy lists are sad for those reasons, like so many other aspects of the Watergate revelations, they are hopeful, too. Disillusionment is enlightenment; to know things as they are is better than to believe things as they seem. The lists confirm what the 1970 internal security plan and the Ellsberg break-in suggested—that the Watergate burglary itself was only the tip of the knife, that American democracy has been retrieved in the nick of time from the police state it so nearly became.

That is why, once indignation and fear had passed, the temptation to laugh had been overcome, and puzzlement had turned to sadness, I knew I belonged on those lists. Of such people as those who compiled them, and the man they served so zealously, who would not be an enemy?

HOW MUCH DOES IT COST TO RUN A CITY?

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. BRAY. Mr. Speaker, our colleague H. R. GROSS recently compared the costs of Washington, D.C., to Indianapolis, Ind. Lou Hiner, Washington correspondent for the Indianapolis News, commented on it in his column of July 7, 1973:

DISTRICT OF COLUMBIA BUDGET FAR EXCEEDS INDIANAPOLIS

(By Lou Hiner Jr.)

One member of Congress believes the city fathers of the nation's capital should visit Indianapolis to find out about a few economies in city government.

Rep. H. R. Gross, R-Iowa, a former Indianapolis radio newscaster, compares the $1.2 billion Washington city budget with the $288.5 million Indianapolis' outlay. The D.C. budget includes $187.5 million in Federal funds, quite an increase over the $37 million of 1963.

"Compare the 42,000 municipal employes in Washington with the 9,600 in Indianapolis, a city of almost identical population," Gross says.

Continuing his dialogue on Washington fiscal matters, Gross adds:

"Because it is the seat of the Federal government, it has the highest and most constant payroll of any city of its size in the country, yet one out of every six persons is on welfare rolls.

"As of today, Washington owes the U.S. Treasury $970 million. It is building a subway system which city officials told Congress would cost $2.5 billion and be paid for out of receipts from fare boxes. It is now estimated to cost at least $4 billion and the Federal government has guaranteed $1.2 billion of the subway bonds."

YOUNGSTOWN MODEL CITIES PRESENTS EDUCATIONAL PROGRAM TO A NATIONAL MODEL CITIES CONFERENCE

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. CARNEY of Ohio. Mr. Speaker, on Thursday, July 12, 1973, I received a letter and enclosure from Mr. Kenneth Carpenter, executive director of the Youngstown Model Cities program. In his letter, Mr. Carpenter advised me of Youngstown Model Cities' participation in a national Model Cities Conference, and requested that I place the report on Youngstown Model Cities' educational programs in the CONGRESSIONAL RECORD. I, therefore, insert Mr. Carpenter's letter and the Youngstown Model Cities presentation in the RECORD at this time. The letter and presentation follow:

CITY OF YOUNGSTOWN,
Youngstown, Ohio, July 10, 1973.

The Honorable CHARLES CARNEY,
The House of Representatives,
Washington, D.C.

DEAR SIR: The Youngstown Model Cities participated in a national Model Cities Conference titled "Lessons Learned," at which time we presented our educational programs.

Since this presentation the program has gained national recognition as one of the most successful programs Model Cities has developed.

I am sending you a copy of the presentation and requesting that you enter it into the CONGRESSIONAL RECORD, so that other cities throughout the country may have an opportunity to benefit from this experience.

Thanking you in advance.

Yours truly,
KENNETH CARPENTER,
Executive Director.

ELEMENTARY AND SECONDARY PROGRAMS

(By Dr. Ronald Richards)

In Youngstown there is an Elementary Guidance Program in two model neighborhood schools. This is only one component of the model cities educational program. It is not the whole thing. There is also a Concerned Parent Organization dealing with parent-school communication; a Tutorial Aides Program provided help for children in the various schools within the model neighborhood; and a Breakfast Program conducted in model neighborhood schools.

The Elementary Guidance Program grew out of specific requests and demands by parent groups to the model cities staff and directors in early 1970. At the same time Youngstown University was developing a new masters program in counseling.

Specific concerns expressed by model neighborhood residents included:

(1) Lack of parental participation in the schools and the planning of the programs.

(2) A high number of underachievers, drop-outs and push-outs in model neighborhood schools.

(3) Lack of sensitivity among school staff to the special needs, problems, values and special strengths of students in model neighborhood areas.

(4) Lack of any kind of guidance services being provided at the elementary level. This point was true not only in model neighborhood schools but in the entire city of Youngstown.

The planning and preliminary discussions went on for about a year. In 1970, a guidance consortium was established which involved the model cities agency, the Youngstown Board of Education and the State University.

ROLES OF EACH PARTICIPANT IN THE CONSORTIUM

Model Cities provided the major costs of funding, nearly 100% of the total direct costs of the program. They coordinated the program with other educational programs. Furthermore, they were to monitor the implementation and evaluation of the program at the end of the first year.

The Board of Education administered the project, hired the staff and supervised them, provided office space, building facilities and general administrative support for the program.

Youngstown University released one guidance faculty member to work as consultant or program director for the first year. This cost was also paid by Model Cities. Also, the University provided support in planning, in meeting with parents and in program evaluation.

The immediate objective of the program was to develop a program where none had existed before; a program which involved parents; a program which addressed itself to the special needs of students, the developmental needs which may or may not be met.

There were several specific goals they aimed for by the end of the first year:

(1) To have clarified a role definition for the counselors who were hired for this program. They seemed rather obvious and should have been worked out before hand but elementary counseling can be variously defined depending on the expectations and orientations of people involved. They were seeking a role that would be effective in the setting where they were.

(2) Wanted regular, on-going contacts between parents and teachers throughout the program.

Long range program objectives addressed to the child were based upon the developmental needs of all children:

(1) Need to develop a sense of responsibility for one's own behavior;

(2) Need realistic and generally favorable appraisal of self;

(3) Need affective and socially acceptable ways of relating to others. For example peers, adults, authority figures and younger children;

(4) Need understanding of world of work and education and the role of schooling;

(5) Need effective problem solving and decision-making strategies;

(6) Need understanding of human behavior and especially why people do things they do;

(7) Need awareness of other people.

In terms of staffing and implementing the program there was one certificated, full-time counselor assigned to each school and one secretarial assistant who was a model neighborhood resident.

The University supervisor worked half-time between these schools. The University supervisor's role was working closely with counselors in planning, organizing and offering specific guidance services within the schools. He assumed a primary responsibility, along with the counselors, for meetings and contact with model neighborhood residents and teachers. Further, because they were unable to find counselors specifically trained for elementary school guidance, the supervisor acted as a consultant to them in terms of the development of this role.

The counselor's role focussed around three major components:

(1) *Counseling*—addressed itself specifically to the children, individually or in small groups.

(2) *Consultation*—entailed talking to a student, helping him plan while actually not counseling. Also consultation with teachers was included in this component.

(3) *Coordination*—included many supportive guidance activities, testing programs, case studies, information gathering, referral to outside agencies or specialists, etc.

Developmental and remedial activities are another aspect of the counseling program. Developmental activities include:

Classroom or large group guidance activities, conducted by the counselor with the teacher assisting. They are regularly conducted sessions. They are structured programs using such mechanism as role play and discussion to teach understanding and recognition of feelings, attitudes common to children. Further stress is placed upon the skills of communicating with each other in groups.

Counseling with small groups. Many children have common problems which are not amenable to the teacher. They are gathered in small groups of four to eight children and met regularly by the counselor. These problems include such things as shyness, low self-image, social isolation, etc.

Other developmental activities include in-service training, consultation to teachers; and parent contacts.

The evaluation of the program is difficult because the present duration of the program is only seven months. The evaluation team was from Model Cities with model neighborhood residents, along with principals and staff members.

They felt the guidance program is a viable means of dealing with special needs of children. There was an overwhelming opinion that it should be continued and expanded to other schools. Parents reported changes in their children in such areas as attitude of children toward school, improved social adjustment, and, in a few cases, improved academic performances.

Within the school changes occurred such as a steady increase in the frequency of counselor-teacher contacts. In the beginning of the year the teachers were not working closely with the counselors but by the end of the year they were very much involved.

THE HONORABLE JIM SMITH OF OKLAHOMA

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. JONES of North Carolina. Mr. Speaker, I was certainly saddened when I heard of the tragic accident which took the life of a former Member of this body, and one whom I considered a friend. Beyond any question, he was one of the most popular Members during his service in the House. Later, in his position as Administrator to the Farmers Home Administration, he continued to provide the same cooperation and understanding which he had as a Member. I do not ever recall asking for assistance when it was not cheerfully given.

I join with others in expressing my sympathy to his family, but also to reassure them of the warm affection and high regard in which he was held by all of us.

APPELLATE REVIEW OF SENTENCE

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. KEATING. Mr. Speaker, one of the more important areas of the criminal justice system is the manner in which convicted felons are sentenced. Widespread disparities in sentencing, not uncommon under present practices and procedures, undermine respect for the law and the institutions responsible for applying the law.

On January 3, 1973, I introduced a bill to provide for appellate review of sentences arising in the district courts of the United States. The bill also calls upon the States to adopt similar measures.

This legislation provides that a defendant may file an appeal on the grounds that the sentence imposed bears no reasonable relationship to the crime committed, given the circumstances surrounding commission of the crime. In other words, this legislation is directed at insuring the application of a most basic principle of legal justice—that similarly situated individuals be treated alike.

Support for legislation to achieve this objective has been received from the National Commission for the Reform of Federal Criminal Laws—the Brown Commission—and the ABA Advisory Committee, as it is widely accepted that inappropriate sentencing disparities are harmful to the victim, the general public, and the defendant.

It is especially important to enact this reform because of the crucial role which sentencing plays in the administration of justice. The two basic purposes of sentencing are to provide an appropriate penalty for violation of the law, and to deter the commission of future crimes by the offender. In order for these objectives to be accomplished, both the public and the offender must believe that the law is being applied with equity and fairness.

The New York Times recently contained an article which discussed this topic in some detail, and I would like to bring it to the attention of my colleagues:

U.S. Courts Acting To End Disparity in Prison Terms—Tristate Second Circuit Will Set Up a Panel To Experiment With New Procedures

(By Lesley Oelsner)

A broad effort to end the "irrational and disparate sentencing" of defendants in the Federal courts in New York, Connecticut and Vermont—in part by experimenting with such innovations as three-judge sentencing panels—was announced yesterday by the chief judge of the United States Court of Appeals here.

The effort is "long overdue," Chief Judge Irving R. Kaufman said in announcing the plan.

"Irrational and desperate sentencing exists nationwide, and our local courts are not immune from its effects," he said.

Sentencing practices in America have fallen into a "hodgepodge," he went on, and the program announced yesterday could well serve as a model for reform in "courts across the country."

PREVIOUS REFORMS LIMITED

Previous court reform efforts have been limited, generally applying to only one court. Last fall, for instance, the State Appellate Division here set up a three-judge "sentencing panel" system in State Supreme Court in the Bronx. Under it a judge is not permitted to sentence a defendant until he has discussed the case with two other judges. Several other courts in the nation have similar system.

Under the plan announced yesterday a 14-member committee of judges, prosecutors and lawyers drawn from New York State, Connecticut and Vermont—which make up the Second Circuit of the Federal judicial system will begin at once to draw up new sentencing procedures.

The committee headed by the former chief judge of the circuit, J. Edward Lumbard, will set up experimental programs in district courts, study the "ration and depth" of sentencing disparities, analyze previous reform proposals and make recommendations.

A VOLUNTARY PROGRAM

The experimental programs will be conducted on a "voluntary" basis, Judge Kaufman said, with the consent of the judges in the various courts, and variations on the three-judge panel plan are likely to be tried. At present the District Court in Brooklyn is the only one in the circuit using such a system.

Judge Kaufman said the Lumbard committee would also consider the recommendations made recently for the Federal courts here by a special committee of the Association of the Bar of the City of New York.

These recommendations include follow-up inquiries by judges to find out what became of the defendants they sentenced, explanations of each sentence at the time of imposition and "frank" presentence conferences between all the parties in a case.

In addition the association committee urged three-judge panels.

Beyond that, the Lumbard committee will also analyze a proposed amendment of the Federal Rules of Criminal Procedure, under which sentences would be reviewed by a panel of district judges.

DISPARITIES APPARENT

The basic aim of all the reforms is to eliminate differences in the way defendants convicted of the same crime are treated. Modern penal thinking stresses "punishment to suit the individual" rather than the crime, and thus most experts believe that at least some differences in sentencing are both permissible and advisable. However, it is now generally agreed that differences in sentencing go beyond what is justified.

A study by The New York Times last fall found vast sentencing disparities in both state and Federal courts here. The study, which led to the creation of the Federal three-judge sentencing program in the Bronx, found disparities that reflected differences in defendants' economic status, in race, in geography and in the judges' personalities.

The Times found, for instance, that whites get shorter prison terms than nonwhites. Records of the Federal Bureau of Prisons for fiscal 1970, for example, showed that the average sentence of whites was 42.9 months but that of nonwhite inmates 57.5 months.

In drug cases the average sentence for whites was 61.1 months; for nonwhite, 81.1 months.

Defendants represented in the Federal courts by private counsel fared far better than those represented by court-appointed counsel, the study showed. And the study also found that defendants sentenced in Federal Court in Brooklyn averaged longer terms than those sentenced in Federal Court in Manhattan—a point stressed again last spring by the bar association committee.

INADEQUATE GUIDELINES NOTED

Robbery, for example—as the bar association pointed out—draws an average term of 152 months in Brooklyn and 100 months in Manhattan.

The disparities come about, Judge Kaufman said in an interview, in part because of the "conflicting aims and purposes of our criminal justice system—rehabilitation, isolation and retribution."

At the heart of the problem, though, according to another Federal judge, Marvin E. Frankel of the Manhattan court, is the lack of adequate guidelines and laws for judges to follow in sentencing.

Judge Frankel, who wrote a book, "Criminal Sentences," last winter in which he described the situation as "lawless," has been appointed to the Lumbard committee. Another appointee is former United States Attorney Whitney North Seymour Jr., who has criticized sentencing on the ground that well-to-do white-collar criminals fare far better when sentenced than poor people charged with such crimes as auto theft.

The problem of disparate sentencing is decades old, but, as Judge Kaufman put it, it has remained "submerged for many years."

"Recently," he said, "the issue has been brought into the open, and the time is long overdue for the bench and the bar to take the lead in re-examining the question."

Five other Federal judges are on the committee: James T. Foley, chief judge of the District Court in Albany; Harold R. Tyler Jr. of the Manhattan court; Robert C. Zampano, New Haven; John T. Curtin, Buffalo, and Edward R. Neaher, Brooklyn. Paul Curran, United States Attorney for the Southern District of New York, and Robert Morse, United States Attorney for the Eastern District, have also been appointed.

Other members are Patrick Wall, a trustee of the Legal Aid Society; Murray Mogel, chief of the Legal Aid's Federal defender unit; John S. Martin Jr., former assistant solicitor general of the United States and former assistant United States attorney, and James M. LaRossa, former Legal Aid lawyer.

Robert D. Lipscher, executive of the Federal circuit will be secretary.

CAPTIVE NATIONS WEEK

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. ADDABBO. Mr. Speaker, it is fitting that we recognize and participate in Captive Nations Week ceremonies at a time when the United States and the Soviet Union are increasing mutual efforts to move closer in areas of trade, cultural exchange, arms control, and other subjects including procedure to avoid world military conflict.

The spirit of cooperation among world powers can lead to discussions about the relief of those 1 billion people living in captive nations—people whose hopes for a better world can only be realized if the Soviet Union policy toward them is changed. Viewed in that light, our continued support—spiritual and cultural—of captive nations is more important than ever before. We reaffirm that support of our statements in the House today.

SAVE NEW YORK CITY'S 35-CENT TRANSIT FARE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. BINGHAM. Mr. Speaker, the inadequate condition of mass transit facilities in many of our big cities is a prime factor in the excessive use of private cars in urban areas, which in turn exacerbates the problem of air pollution and the energy crisis. Unfortunately, funding for mass transit has received short shrift from Congress, despite the energetic efforts of many urban Members, and public transportation systems suffer increasing operating deficits and lack of financing for capital improvement.

As a result of such financial difficulties, the Port Authority PATH transit system in New York City raised its fare from 35 cents to 50 cents a ride, and the New York City public bus and subway system is under pressure to raise its fare from 35 cents to a sum which could be as high as 60 cents. A fare hike of this magnitude is unthinkable, but any fare hike is tragic, hitting at the working people, students and schoolchildren, and the elderly, all of whom are dependent on public transportation. More people will turn to private automobiles for transportation in the New York urban area, the already appalling air pollution of the city will be increased, and excessive amounts of gasoline will be consumed. All possible action must be undertaken at the city, State, and Federal level to preserve the 35-cent fare.

WCBS–TV in New York recently broadcast two fine editorials on the urgent need to find methods of preserving the 35-cent transit fare, and I am including them for reprinting in the RECORD:

[WCBS–TV Editorials]

THE FARE QUESTION

A big question is looming larger for New Yorkers. It is the fare question. Can the 35 cent transit fare be saved?

The issue is clear. Unless sufficient tax funds can be found to subsidize existing transit fares in New York City, the cost for a single ride on a bus or subway could go from 35 cents to as high as 60 cents next year.

How could this happen? Well, two years ago, Mayor Lindsay and Gov. Rockefeller agreed to a patchwork subsidy system to keep fares at 35 cents. Now that arrangement is coming to an end. Mayor Lindsay has put no new money into the city budget to subsidize the basic transit fare next year. Gov. Rockefeller and the legislature took no action this year to give additional state help to subsidize the fare.

So the city faces a fare crisis, one that could confront the city with a major transit strike next March. Bus and subway fares could rise so high that many riders would abandon transit, crowding roads with cars, clouding the air with pollution.

Obviously, something has to be done to save the 35 cent fare, and lower it if possible. The first thing the city must do is demonstarte that its leaders agree that the fare is worth saving. A coalition should be formed to save the fare, one that pulls together leaders of the city's major businesses, civic groups and its diverse communities.

The coalition to save the fare should insist that candidates for mayor agree to work for a common approach to subsidizing the fare, and urge the governor and the legislature to take action on transit subsidies in the special session coming up this summer.

New York City can save the fare. But the leaders of the city have got to get together and agree on an approcah before they can get action from Albany.

PATH FARES

Recently the Port Authority decided to raise fares on its PATH transit system, from 35 cents to 50 cents a ride. It chose the wrong path.

The Port Authority explained that it was raising fares because its deficits were too high. No one would argue that the deficits are climbing. But the Port Authority chose the wrong way to offset them.

By raising transit fares on the PATH system, the Port Authority is likely to encourage more commuters to abandon trains and use their cars. One traffic expert estimates that higher PATH fares will cause a ten per cent increase in the number of cars coming into Manhattan from New Jersey.

What's more, the Port Authority is taking this step at a time when federal environmental officials have called for drastic steps to cut the number of cars moving between New York City and New Jersey as the best means of easing the region's air pollution problem.

Did the Port Authority have any alternative? It did indeed. It could have chosen to raise its tolls on bridges and tunnels linking New York and New Jersey. These tolls have not been raised since they were established in 1928. In fact, they provide special bargain rates for communters who drive into Manhattan every day, 25 cents each way. That's half as much as the new PATH fare would be.

If the Port Authority had raised its bridge and tunnel tolls, it could have used these funds to hold the PATH fare, encouraging mass transit use, discouraging auto use and air pollution.

PUBLIC BROADCASTING'S "BY THE PEOPLE"

HON. PETER N. KYROS

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. KYROS. Mr. Speaker, the following newspaper article from the Daily Kennebec Journal in Augusta, Maine, has been brought to my attention, and I would like to share it with my colleagues. This article chronicles the rise to success of an experimental program of the Maine Public Broadcasting Network, "By the People"—a weekly program produced by Maine residents.

Mr. Speaker, I consider "By the People" to be an outstanding example of the great potential of public television in this Nation. In view of the fact that the authorization for public broadcasting is scheduled for consideration on the floor of the House later this week, I commend the following article to the attention of my colleagues:

PUBLIC BROADCASTING'S "BY THE PEOPLE"

What began this winter as an experiment in "public access" television has become so successful and popular that the experiment has expanded into a full fledged, twice-a-week series.

The experiment is By the People, the Maine Public Broadcasting Network's weekly television program produced by the people who live in Maine.

And, this month, By the People will expand to a twice-a-week series, on Mondays and Thursdays, at 7:30 p.m., on MPBN's three television channels and on WCBB, Channel 10 in Augusta. This new schedule is the result of the many requests of groups and individuals who want to make use of By the People's air time.

When it began in January, the program was the first effort to give the public continuous, regular access to air-time, by inviting them to appear on and produce their own television show. Groups, organizations, and individuals have been able to use half an hour on Maine public television to make presentations, to talk, show films, and slides, or to do whatever they want (within the reasonable limits of "fair play" and the regulations of the Federal Communication Commission). It has been a series for people who normally don't have access to television time, which is why it's called a public access series.

AMBASSADOR OF GOODWILL

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mrs. HOLT. Mr. Speaker, I rise today to express my sympathy upon the death of Mr. Sam Lorea, Annapolis' "Ambassador of Goodwill."

Sam was known to thousands of residents and visitors to Maryland's capital city as a man of strong convictions, unrelenting patriotism, and true sincerity. His friends knew no economic, occupational, or racial boundaries. They ranged from the professor to the waterman, and from the politician to the mechanic. He will be deeply missed by all of us who knew him.

Mr. Speaker, I would like at this point to insert a copy of the resolution which was recently adopted by the mayor and city council of Annapolis which clearly captures the feelings of Sam Lorea's many friends upon his death:

RESOLUTION

A resolution to express the sympathy of the City of Annapolis upon the passing of Sam Lorea.

Whereas, on the first day of July, 1973, Sam Lorea died at home on Prince George Street in the City of Annapolis; and

Whereas, Sam, as he was affectionately known by his countless friends, was an institution in the City; and

Whereas, his demise will leave a void in the community; and

Whereas, he was a strong and patriotic supporter of his country, his state, county and the City of Annapolis; and

Whereas, he numbered the high and the mighty of this country as his friend along with the poor and the less fortunate; and

Whereas, he was an extremely kind person with strong opinions; and

Whereas, the Mayor and Aldermen of the City of Annapolis feel that his passing will mark the end to a special era in Annapolis:

Now therefore: Be it resolved by the mayor and aldermen of the city of Annapolis that it expresses its deepest sympathy upon the death of Sam Lorea, an outstanding Annapolitan and sometimes affectionately referred to as the "goodwill ambassador of Annapolis"; and

Be it further resolved by the mayor and aldermen of the city of Annapolis that a copy of this resolution be spread upon the Journal of Proceedings of the Mayor and Aldermen and that copies be sent to his family.

WATERGATE—AS SEEN BY BRITISH MP

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Memphis Press-Scimitar, June 22, 1973]

BRITISH MP CHARGES WATERGATE INVESTIGATIONS BEING USED IN AN ATTEMPT TO DESTROY NIXON

As an indication of British reaction to the Watergate affair, the Press-Scimitar is publishing this signed article by Angus Maude, a member of the House of Commons.

In blunt language, Maude raises some serious questions about the conduct of the investigations now going on and possible motives behind them.

The author also points to President Nixon's achievements and the possible damage to the American people if Watergate results in the President's undoing.

The article first appeared in the London Express.

(By Angus Maude)

LONDON.—Have the Americans taken leave of their senses? Looking objectively at the handling of the Watergate Affair and its ramifications, one is almost forced to the conclusion that they have.

It is pretty horrifying to watch the way in which supposedly responsible Americans in the higher echelons of politics and public affairs are going about the business of discrediting not only their President but the whole system of government in the United States.

The press and the other media are enthusiastically urging them on and revelling in the resultant mess. Every accusation against President Nixon and his staff, however untested and however tainted its source, is given the widest publicity.

Every possible innuendo is used to slant the impression given to the public, apparently in the hope of fixing the people's verdict before half the evidence has been heard.

Perhaps the most nauseating feature of the campaign is the self-righteous pretense of the smearers that they are only "acting in the public interest" and "helping to get at the truth." The only facts that they are interested in are those that can be used to discredit the President: and the way the campaign has been handled is not in the public interest at all, but deeply damaging to the United States and to all the best things for which America stands.

All the half-forgotten elderly whizz-kids of the Jack Kennedy era have been writing articles—many of them syndicated over here—viciously venting their traditional hatred of President Nixon, but adding sententiously that the whole horrible business is really a blessing in disguise which will lead to much-needed reforms in the system of government.

Clearly they see it as a heaven-sent bandwagon on which they can hitch a ride towards the ultimate triumph of Senator Edward Kennedy. That a victory for this man would be for them and for most of the Eastern American liberal establishment, a desirable consummation of the present campaign is a sufficient guide to their sense of values.

Of course, the Watergate Affair is a sorry mess. It is at least obvious that the President appointed some pretty strange people in his personal and political staffs. But the widespread assumption that he himself is guilty of corruption and illegal practices is still unsupported by convincing evidence.

In default of this, his detractors have resorted to the argument that if he were not guilty he would already have proved himself innocent—which is a typical inversion of the principles of fairness and justice for which they purport to stand.

The important point, however, is this. Whatever truth emerges at the end of the inquiries, whether the President is vindicated or brought down, the whole business is being handled and exploited in a way calculated to do the most not the least, lasting damage to America and to the true interests of its people.

Mr. Nixon's enemies, of course, are saying smugly that it is HIS handling of the affair that is doing all the damage; but even a cursory study of the American press coverage makes it clear that this is not true.

They are out to destroy him, and they do not seem to care who or what suffers in the process.

Of course I do not know what, if anything, the President has to hide. But at this critical juncture for both the American economy and his own foreign policy, he carries a burden of responsibility that must make him hesitate to become personally involved too deeply in the comparative irrelevancy of the Watergate inquiries. Any responsible householder is more concerned about an imminent threat to the fabric of his building than about a temporary smell in the drains.

You would have thought that any educated American could foresee the desperate consequences of a major constitutional crisis at this time. And that any responsible commentator over here would hesitate before light-heartedly handing out more ammunition to America's enemies in this country. Yet the B.B.C. seems to be positively revelling in it.

Let us remember one or two things about President Nixon.

He won his landslide election victory because the American people recognized his practical achievements and wanted him to complete the job.

He seemed to be halting the hopeless drift towards anarchy and violence in which the country was involved. Peace had returned to the chaotic university campuses. A stand was at last being made for law and order. He was getting to grips with the problem of inflation.

Mr. Nixon brought to its only possible end, the hopeless bloody struggle in Vietnam—a struggle to which Kennedy and Johnson had committed America at the wrong time and on the wrong terms. He had laid the foundations of detente with Russia and China.

America, and indeed the whole Western world, already owes him quite a lot. If he survives we may yet come to owe him a great deal more. No possible successor is likely to be a statesman of anything like his calibre.

Above all, let us pray that if Mr. Nixon is brought down by the rabble now pursuing him, the damage to America and its friends may be less than they seem determined to inflict. Perhaps they will at least have the grace to stop appearing to enjoy it all so much.

CITY OF CORSICANA RECEIVES GOVERNOR OF TEXAS ACHIEVEMENT AWARD

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. TEAGUE of Texas. Mr. Speaker, Corsicana, Tex., county seat of Navarro County and site of the first oil discovery in Texas was awarded the Governor's Achievement Award, the State's top award for achievement as a result of facelifting and modernization of streets, buildings, streambeds, and other facilities during the year 1972. The recognition program is sponsored by the Texas Department of Community Affairs, the Texas Agricultural Extension Service, and the four regional chambers of commerce. Accepting the award was the mayor, Mrs. Sue Youngblood. In accepting the award, Mrs. Youngblood gave credit to Mr. Jack Russell, city manager; Mrs. Hershel Boyd, secretary to the city manager; Mr. Dick Ballenger, city manager appointee; and Mr. Tom Longley, city engineer.

A news report of the award follows:

[From the Corsicana Daily Sun, June 14, 1973]

"OPERATION TOTAL BEAUTIFICATION": A REPORT ON CORSICANA IN 1972

(By Jack Russell)

In March 1972 the City of Corsicana discovered that it had been suffering from an illness. The illness was diagnosed as TB (Terrible Blahs). A checkup revealed the following symptoms of this dreaded disease:

Hundreds of buildings within the city were falling down, junk yards were springing up on vacant lots, the city's paved streets were coming apart, it had become impossible to travel on many dirt streets after a rain, water distribution lines were deteriorating and their frequent repairs were destroying the streets, the city's sewage collection lines and sewage treatment plant were overloaded and dumping untreated sewage into the creeks causing the Texas Water Quality Board to become concerned, drainage channels throughout the city were filled with silt and no longer effective, city and commercial signs along the highways had become faded, bent or broken, and unreadable, one-fourth of the parking meter poles in the downtown area were bent and leaning at awkward angles, the municipal airport looked like an abandoned World War II training base, the city garage and warehouse looked like a junk yard, refuse and brush were stacking up in people's yards faster than sanitation crews could remove it, city streets were no longer being swept, Pioneer Village, once visualized as an important tourist attraction, was all but abandoned, many areas of the city were in the dark at night due to inadequate street lighting, one of the city's fire stations looked like a prime target for condemnation, attendance at all city parks was declining due to inadequate and neglected facilities available in the parks, the city dump was not only unsightly but the city was about to be fined for not meeting State Health Department standards, and even the City Hall had become overcrowded and a source of embarrassment to public officials trying to impress potential industrial prospects and satisfy the needs of the citizens of Corsicana.

It was obvious that the only cure for such a catastrophic illness as TB (Terrible Blahs) would be through use of the miracle drug with the same initials, Total Beautification. Out of thin analysis of city problems Operation Total Beautification was born. For fear of killing the patient with an overdose, the medicine was administered in small doses throughout the year. The first dose was administered to eliminate the spread of the disease. This dose took the form of revising, updating and rigidly enforcing city codes and development standards. These measures would halt the spread of blight and insure that more of the same problems were not being created in new housing and commercial developments. Many substandard buildings were condemned and torn down.

Once the spread of disease was stopped, the second dose would serve to rebuild community pride. It was decided that the city could be a catalyst in rebuilding civic pride through improvement of its own facilities. In order to accomplish many public improvements with very limited funds over a short period of time it was necessary to reorganize the city staff and make it more efficient and more responsive to the City Manager, City Commission, and citizen needs. After reorganization the city immediately launched a beautification program which included replacing 300 damaged or missing traffic control and street name signs, straightening over 350 bent signs and parking meter poles, stripping and removing grass from the airport runway, painting the airport hangar, repairing the fence around the airport, remodelling and making extensive improvements to Pioneer Village, thoroughly overhauling and cleaning the city garage and warehouse, completely remodelling a fire station and painting the trim of all the fire stations, adding street lights where needed, installation of a sanitary landfill operation at the city dump, putting commercial refuse customers on container service to reduce piles of refuse around commercial establishments, expanding brush, leaf and refuse pickup service in residential areas to provide pickup service more often, clearing brush and improving park facilities at Lake Halbert Park and Bunert Park, repairing damaged equipment and erecting additional lights at all parks, cleaning out the underground storm drain system, clearing brush and debris from creeks throughout the city, sweeping downtown streets, and the City Commission meeting room was remodelled.

With the city having set the mood for the rest of the community through a cleanup campaign of city facilities it was time for dose number three. The third dose was a bond promotion campaign to obtain funds for major city improvements and to schedule these improvements over a five year period. A five year capital improvements program was developed and a bond election was held to obtain citizen approval for financing of the program. This program was overwhelmingly approved by the voters and provided $3,450,000 in funds for extensive water, sewer, street and drainage improvements as well as for construction of a new city hall and fire station. Revenue sharing funds and federal and state grants-in-aid were also programmed into the five year capital improvements program. 1972 Revenue sharing funds also provided money to pave 3 miles of streets and to gravel 4 miles of streets, and to overlay 6 miles of streets.

The fourth and final dose put the patient well on the road to recovery. It consisted of an extensive eight week Environmental Beautification Campaign sponsored by the Chamber of Commerce and Jaycees with considerable help from other civic clubs and the Public Schools. One week was devoted to each of the eight voting precincts within the city. During the week assigned to each precinct, businesses and residents within the precinct were encouraged to clean up their property. Schools and churches and many organizations within the precinct assisted. The city refuse collection crews concentrated on an assigned precinct each week and hauled off everything the area residents cared to discard. The city also launched full speed into implementation of the five year capital improvements program. Much progress was made in 1972 in Corsicana as a result of Operation Total Beautification. Even greater progress will be achieved in 1973 and 1974 as the capital improvements program is implemented. This status report is being furnished to encourage more businesses and residents of Corsicana to clean up, paint up, and fix up. Let's improve our environment. Some examples of the work accomplished through Operation Total Beautification are furnished on the following pages.

A summary of activities in each category under which our scrapbook will be judged are listed below:

CITY PARTICIPATION

Operation Total Beautification as the slogan would indicate involved the efforts of all of the citizens of Corsicana. The people were kept informed about the beautification effort through extensive newspaper and radio coverage. The schools and civic clubs also played an important role in disseminating information as well as helping with the actual work in many of the projects undertaken. The Chamber of Commerce and Jaycees were particularly helpful through their sponsorship of the single biggest project of the year, which was the eight week long environmental and beautification campaign. Poster and slogan contests were held within the schools to publicize the cleanup efforts. The schools carried on cleaning projects on their respective campuses. High school students chose certain areas and worked on Saturdays during the cleanup project. Various beautification and cleanup projects were undertaken by the Navarro County Action Committee personnel and scout troops within the City.

Hundreds of citizens took part in development of the five year capital improvements program. Study groups made recommendations based on their analysis of a professionally prepared comprehensive plan. Two hundred people turned out to a town hall meeting to organize into the Citizens for Progress Association to help tell the citizens of Corsicana about the five year plan and why they should vote for bonds to help finance the plan.

COMMUNITY-WIDE BEAUTIFICATION

Every section of the city was improved through the efforts of Operation Total Beautification. The City overlayed 6 miles of streets and gravelled 6 miles of streets. Two miles of drainage channels were cleared and cleaned. The channel was realigned to save large trees. An old eyesore downtown was converted into an attractive and much needed municipal parking lot. Extensive improvements were made at Pioneer Village, to the facilities at the municipal airport, and to all city parks.

PROPERTY IMPROVEMENT

Many junk cars were removed at no expense through a contract with a local junk car dealer. The City provided the dealer with releases from liability and the dealer hauled them off. The appearance of numerous areas within the city were improved through this method of junk car removal.

Thirty-five dilapidated houses were torn down through the enforcement of the housing code.

The standard city week ordinance was enforced to the fullest extent possible on vacant lots during the summer.

Beautification efforts of city forces during the year were tremendous, but the most gratifying success of Operation Total Beautification was that it furnished the necessary incentive for property owners to clean up and repair their own property as public property in the neighborhood was improved. An inspection tour of city street improvements revealed that property owners along the improved streets were also improving their own property. Buildings were being painted, parking lots overlayed with asphalt, and driveways repaired along the improved streets.

ECONOMIC DEVELOPMENT

Economic development was made in diversified areas in Corsicana in 1972. The Chamber of Commerce Industrial Team, Industrial Foundation and other interested citizens were responsible for locating four manufacturing firms in our city. They were:

Bee Trailer Mfg. Co., W. Highway 31, Busy Bee Mfg. Co., 5th & Commerce, Farmaster, Inc., E. Highway 31, and Fibercon, Inc., E. 12th Ave.

Space does not permit the story of the efforts in individual cases, but the diversification of these plants added much to the economic development of Corsicana in 1972. They also called for an aggressive effort on the part of the leadership of our city.

In other areas the City of Corsicana hired a full time manager for Pioneer Village. This resulted in efficient management and improved facilities leading to more tourist business for our city.

The Chamber of Commerce Public Relations Committee in an allied effort paid tribute to the service station operators of our city in May of 1972 to give impetus to the summer vacation and tourist business.

An additional effort to promote our city was another project of the Public Relations Committee—that of producing a ten minute film—a graphical presentation of the assets of Corsicana. Every avenue was used in showing this film as a selling tool.

The City took a unique step in assisting in the economic development of Corsicana by combining all development activities into one department and preparing a manual to make it easier to develop, and at the same time, protect the City from substandard development. The introduction to this manual is quoted below:

"The information presented in this manual has been developed from city ordinances and policies to assist the persons desiring to develop land and construct buildings within the City of Corsicana. The goal of the city staff is to make it as easy and as inexpensive as possible for the developers and builders to operate in Corsicana, while at the same time to assure that the resulting growth from such a policy will not create future burdens on the citizens of Corsicana in the form of poorly constructed streets, inadequate drainage, inadequate fire protection, low water pressure, overloaded sewer lines, and substandard construction. The inevitable result of poor planning is either a decaying city or high taxes to finance the correction of these ills.

The Department of Municipal Services has been created to assist the developers and builders in Corsicana. It is the responsibility of the Director of Municipal Services to coordinate all activities pertaining to development and enforce all city ordinances concerning development. Under guidelines established by the City Manager and City Commission, the DMS shall assist the developer in processing his application for zoning, platting of land, obtaining approval of construction plans, inspection of subdivision installations, obtaining permits for construction, and inspection of construction. Many functions of city government and all citizens are affected by the creation of a new addition to the city; therefore, several city departments must become involved in the review process along with the Planning Commission and City Commission and City Engineer. We hope that through the creation of a Department of Municipal Services to serve you, we will be able to expediate this work with a very minimum of delay, expense, and inconvenience to the developers and builders.

These regulations are intended to benefit both the subdivider and the City. The legitimate subdivider is protected from the unfair and unscrupulous operator who seeks to develop a piece of land, avoid improvements, and sell it to unsuspecting purchasers. These policies have been prepared to reduce "red-tape," processing time and development costs to the very minimum necessary to insure proper development. With your cooperation additional restrictions will not be necessary and we can continue to maintain our reputation for being one of the easiest cities in North Central Texas in which to build and develop land. It is with this view in mind that we pledge to work with you to build a greater Corsicana.

This diversified economic development paid off in dividends in 1972, but more importantly will pay further dividends in the years to come.

THEME

Operation Total Beautification was selected as the theme for the past year's activities because of the magnitude and variety of efforts put forth to improve the environment and living conditions for all the people of Corsicana.

COMMITTEE COORDINATION

Because of the large scope and complex nature of Operation Total Beautification, the various phases of the program to improve the City were coordinated through the Chamber of Commerce and the City Government of Corsicana where full-time, paid personnel were available to implement the many sound ideas and programs which were presented by the people of Corsicana.

AWARDS FOR HIGH PRODUCT QUALITY AND DEPENDABLE CUSTOMER SERVICE

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. HINSHAW. Mr. Speaker, it is always a real pleasure when one's constituents are singled out among thousands of firms to receive an award. Such is the case with De Soto, Inc., and Master Fence Fittings, Inc., both of Orange County, Calif.

The award donor, Sears, Roebuck & Co., a giant in the industry, has awarded a "Symbol of Excellence" to these two firms for the year 1972 in recognition of the excellence of the merchandise they produced for Sears, the dependability of the supply, and the initiative in developing new products. Only 397 out of the 20,000 major merchandising sources of Sears received this award.

The awards to my two constituent firms come at a time when high-product quality and dependable customer service have become thought of by some as vanishing arts. It is thus very reassuring to me that these suppliers continue to emphasize excellence in the marketplace. This excellence is the result of the ability of both management and employees to do their work well and capably, in a spirit of high morale and pride.

To those at De Soto, Inc. and Master Fence Fittings, Inc., I extend my congratulations and good wishes for the future.

TERRITORIAL SOCIAL SECURITY AMENDMENT

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. WON PAT. Mr. Speaker, on behalf of the thousands of elderly persons on Guam, the Virgin Islands, and Puerto Rico who have reached the age of 72, yet are ineligible to collect social security benefits, I am today introducing a measure to provide our senior citizens with the benefits they deserve and need.

The bill I introduce today would amend section 228(e) of the Social Security Act to include Territorial Americans within the scope of this section of Federal law. As you know, section 228(e) was originally passed some years ago to permit elderly Americans who have reached the dignified age of 72 and have not contributed sufficiently to the social security fund to be eligible for benefits. Due to an oversight in the law, however, your fellow Americans in the Territories were not included in section 228(e), thus denying these citizens even the scantest pension to help them through their twilight years.

I need not go into the various horror stories, oft-repeated here, which detail the incredible hardship our senior citizens endure because of inadequate finances. It is no secret that large numbers of these people failed to generate sufficient earning power to carry them through their retirement years. And, in these times of skyrocketing living costs, how our financially dependent elderly can be expected to make ends meet is beyond me.

Of course, age is a great leveler of persons and the elderly in the American territories are just as troubled by insufficient funds as are those here on the mainland. While I do not contend that my amendment would make anyone in the U.S. territories rich, it would provide them with some small pension—enough, hopefully, to help carry them through their greatest difficulties.

However, this measure is only one part of a package of legislation I am supporting to aid our elderly. Recently, I also was proud to cosponsor four additional bills, the first of which would provide a much needed 50 percent across-the-board increase in social security benefits. Present pension levels are insufficient to permit retirees or other individuals who depend on social security for their livelihood to live in dignity. The measure which I cosponsored with Congressman James Burke of Massachusetts, H.R. 8116, would make the level of social security payments equitable with present-day living costs. In keeping with the Congress' concern about budgetary matters, our measure provides for the additional cost of the pension increases to be born equally by employers, employees, and the Federal Government. Of equal note is another provision of H.R. 8116 which raises the amount of outside earnings which a beneficiary may accumulate without suffering deductions from his benefits. Within reasonable limitations, we should not penalize the elderly for being able to augment their meager pensions by outside income. H.R. 8116 takes cognizance of this by extending the present monthly limits on outside income from $175 to $250.

It is conceivable that all sources of income available to persons over 62 may still leave these individuals without sufficient funds to live decently, particularly in view of the severe fluctuation of our economy in recent years. Additional income protection should also be provided in this instance, and I have joined with numerous of my colleagues to support Congresswoman Bella Abzug's bill, H.R. 8546, which would provide an income floor for individuals over 62 of $3,750—or $5,000 for married couples.

The third measure which I support would create a temporary, experimental program to encourage the care of elderly individuals in their own homes. This measure, H.R. 8595, which I cosponsored with Congressman William Lehman of Florida, authorizes the Federal Government to conduct, on a trial basis, a program in which families who agree to care for their dependent elderly relatives will be given a small subsidy to help offset the added cost of special services, such as nurses or special equipment or facilities. Experience has shown that the elderly fare much better in familiar surroundings and with their own families who want them. However, infirmed elderly persons often require special care which many families are financially unable to provide. H.R. 8595 would provide Congress with an insight to this problem and, hopefully, a workable program which would assist families to take care of their elderly dependents.

From the scope of these four measures which I have so far discussed, it becomes obvious that our Nation's elderly are having grave problems calling for congressional response. The needs of the elderly are much more extensive than I have indicated here, of course. So great are the problems facing our senior citizens that Congressman William Randall of Missouri, has recently introduced legislation, which I support, to establish a Special Congressional Committee on Aging. We believe that the creation of such a unit would serve as a focal point of the various difficulties facing the aged, and perhaps help us to find the solutions required to eliminate many of these problems.

In summary, then, I call on my colleagues to give these measures their earnest attention and support. It is my firm belief, and I believe that all of my colleagues agree, that our senior citizens who have served this country so well in the past, whether on Guam or elsewhere in America, must not be forgotten. It is they who made the sacrifices to get this Nation through two world wars. It is they who fought for the majority of social legislation now on the law books. And it is they who should share in the bounty of a society they did so much to create.

The bill follows:

H.R. 9263

A bill to extend to certain uninsured residents of the United States in Guam, Puerto Rico and the Virgin Islands the social security benefits normally provided to individuals who have attained age seventy-two and who fulfill other special conditions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 228(e) of the Social Security Act as amended, is modified by deleting "and the District of Columbia." and inserting in lieu thereof ", the District of Columbia, Guam, the Commonwealth of Puerto Rico, and the Virgin Islands."

A GREAT MAN

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. ROSTENKOWSKI. Mr. Speaker, on June 25, 1973, WBBM radio, a CBS affiliate in my own city of Chicago, broadcast an editorial which I found most interesting. It paid tribute to a man whose entire career has been devoted to but one overriding concern—the betterment of his city. In this time of cynicism and distrust, it is especially heartening to see a man receive the recognition that is sought by so many, but truly deserved by very few. The mayor of Chicago, Richard J. Daley, is certainly well deserving of the tribute paid to him by WBBM.

At a time when so many Members of Congress are concerned about our dying urban areas, I think that it would be appropriate to insert in the Record at this point, the editorial about the man who runs the city that "lives";

A Great Man

It's sometimes good for us to see ourselves as other people see us. It's sometimes good for us to see our city and our officials as others see them. Last week, Chicagoans got a chance to see their Mayor the way other Mayors see him.

Richard J. Daley attended the United States Conference of Mayors in San Francisco. Clearly, he was the center of attention and the recipient of the most lavish praise. Host Mayor Joseph Alioto described him as "the greatest Mayor in the Nation". Alioto's tribute was not unique. Other Mayors had glowing words to say about Daley. One comment—"He is the most effective leader of the cause of American cities".

We at WBBM are proud of the compliments paid to our Mayor. But we think they should come from Chicagoans, not just outsiders. Mayor Daley has done tremendous things for this city. Look for a minute at Chicago's loop—the heart of the metropolis. It is neither dead nor decaying as are the cores of cities like Cleveland or Detroit. Daley has and is keeping it alive. And look at construction. Sears Roebuck, for one, was planning on moving its headquarters to the suburbs. Mayor Daley played a major role in keeping Sears in the City—thus creating thousands of jobs for our citizens. Look, too, at our services. It is rare that anyone complains about garbage pickup in Chicago. In New York City, that's all they discuss!

We've been darn lucky to have a man like Richard J. Daley at the helm in Chicago. Let's tell him that we also appreciate his efforts and let's thank him for his devotion to the welfare of this midwest home we share.

A TRIBUTE TO THE LATE TED BINGHAM, DAYTON OMBUDSMAN, JOURNALIST, PHILOSOPHER, SOLDIER, CITIZEN

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. WHALEN. Mr. Speaker, the citizens of the Dayton, Ohio, area were greatly saddened last week by the sudden death of Mr. Theodore C. Bingham, the Dayton ombudsman.

On July 3, a heart attack took Ted from our midst at the age of 48 and left all of us in the Dayton community the poorer for his departure. As the first Dayton ombudsman, Ted did a superb job and attained national recognition for his accomplishments. It was no surprise to those of us who knew him personally because he was totally motivated by the benefit to the public of what he was doing.

Ted was indefatigable in building the operation of the justifiably praised ombudsman's office. But his style was uniquely low key, always persuasive but never the hard sell or anything approaching that of an arm-twister. His commitment was more than strong enough to eliminate any need for anything other than his gentlemanly approach.

Before undertaking the arduous task of ombudsman, Ted Bingham was a newspaperman with broad experience which contributed to his effectiveness as the ombudsman. He left his position as editor of the editorial page of the Journal Herald, in which he distinguished himself, to assume his new responsibilities. He earlier had been the paper's Washington correspondent and assistant city editor.

As mild in manner as Ted was, he did not shirk confronting the uncomfortable or the dangerous. This fact was evident from his tenacity as a newspaperman and editorialist. It also was reflected in his bravery as an infantryman during the Normandy invasion in World War II where he incurred wounds in combat which took years from which to recover.

Ted Bingham was one of the finest, concerned citizens I have ever known. I am keenly conscious of a deep sense of loss which I know is shared by thousands of people in the Dayton area.

Mr. Speaker, I insert at this point in the RECORD editorial comments on Mr. Bingham's passing which were published in The Journal Herald, the Dayton Daily News, and the Kettering-Oakwood Times:

THEODORE C. BINGHAM

When a newspaper editorializes about one of its own, there is a tendency, we suspect, for readers to discount the sentiments as hyperbole. Don't make that mistake with these thoughts about Ted Bingham, who died Tuesday at age 48. He was everything we say he is.

Ted is best known as the Ombudsman, or director of the Office of Citizen Complaints. But increasingly, the civic ombudsman movement across the nation is coming to bear his mark, as attested to recently in several national periodicals. That mark is a reflection of Ted's compassion, his organizing genius and his irrepressible determination.

But we at The Journal Herald knew Ted back when—back when he joined our staff in 1959 as a reporter and during those later years when his gentle, but emphatic, prose graced these pages. He served as editor of our editorial pages from 1964 until 1971.

We knew him as a big, amiable fellow, full of good humor and empathy. But most of all, we knew him as a man of saintly spirit, who loved those who vilified his convictions with the same fervor as he did those who thought he could do no wrong. We knew him also as a man who loved his country in all its majesty—from its rocks and rills to its exciting diversity of people.

Ted Bingham felt and cared as few people do. Those simple virtues were the fountainhead from which his life and service issued forth. And it is those virtues which those of us who knew him as friend and colleague as well as those who knew him only as Ombudsman will find it so difficult to replace in our personal and community life.

TED BINGHAM

The best memorial that could be constructed to the memory of Theodore C. Bingham, the Dayton ombudsman who died Tuesday, would be to insure the continuing, unfettered work of the Office of Citizens' Complaints that he built.

Bingham's accomplishments in the office were remarkable, particularly since he was forced to spend much of his time soliciting financial support for his vital work. His successor should be able to count on better.

Ted Bingham's largest success was in the faith his office earned. That faith was rooted in Bingham's personality. In 1971 he left his position as editor of the editorial page of the Dayton Journal Herald. He explained to friends that he felt it was time to start anew, and to start by helping people.

There are many people in the Dayton community he helped in large ways and small who will remember him for that.

TAPS FOR TED BINGHAM, CIVIC TROOPER

(By Jim Fain)

Some things you may not have known about Ted Bingham, ombudsman:

He was a 19-year-old infantry private when he was almost killed by a German shell during the battle for Normandy in World War II. There was some question as to whether he would walk again. He underwent hospitalization for what seemed forever and got back on his feet through sheer guts.

He lived the rest of his life with shrapnel in his spine and in varying degrees of pain. He could either sit or stand only for so long a time before it became unbearable. He never spoke of this and even his closest friends did not know of his suffering.

Ted and Millie met on a blind date at Indiana University, where they both were students. He was a skinny beanpole, and Millie did not know that was the result of war wounds. She found herself much excited by his intellect.

The next time they saw each other was during a campus snow fight. He hit her with a snowball which, since she was wearing glasses, she thought a bit much. She grabbed a handful of snow and started chasing him. Finally she caught up and crammed the snow into his face. He fell down in the snow, laughing triumphantly. After awhile, she asked why he was so happy.

"They told me I could never run again," he said.

In Dayton, he played tennis at least twice a week. He had a strong serve and a slashing forehand. His son, Tim, in whom he rejoiced, also developed a love for the game.

"I can still beat him," Ted told me recently, "but not for long. He's getting good. My own father played tennis with me until I beat him. Then he stopped. I'm going to play with Timmy when he is creaming me, for as long as he wants to play."

Ted, Millie and Timmy loved nature. They took a camper on vacations and saw much of the country. Once, Ted got an appointment with Robert Frost, whom he much admired, when they were roaming through New England. Frost's secretary explained sternly in advance that they must not stay longer than one hour.

When the Secretary appeared at the end of the hour, with a schoolmarm look on her fact, Frost said to her: "I will not let this man go, no matter what you say." Ted stayed for nine hours. Finally the secretary came back and said, "Whether Mr. Frost approves or not, you have to go. He has to eat and go to bed."

Most of you know that Ted was an uncommon man, gentle, caring, extraordinarily bright, possessed of a fey sense of humor, glorying in any joke as long as it was victimless. He could not bear for people to be hurt.

You may not know that the Ombudsman program he created here is unique in that it is not responsible to any single government and has the independence vital to its effectiveness as spokesman for the little man. For that reason, it has attracted an admiring national press for Dayton.

Keeping it that way forced Ted to work brutal hours at fund-raising and public relations. These plus the internal problems of administration were more than he could stand. That is why his big, sentimental heart gave out.

This was a possibility of which he was privately aware. The ombudsmen of two other major cities had died in their 40s, of heart attacks, and they were carrying a great deal less of a fund-raising load than was Ted.

He served this community magnificently, often in ways totally invisible to the public. He died in that service, a casualty of the severity and complexity of today's urban trauma.

As an old refugee from the Brown Shoe war, to which Ted contributed much of his youthful body, I have a thing about "Taps," as played on an old beat-up bugle. It is a difficult call, often beyond the bugler, but somehow even the occasional cracked notes add to its poignance. They play it at military funerals. I remember it in connection with close war-time friends who lost their lives absurdly young, when they had so much to contribute.

I don't suppose it is practicable but it would strike me as appropriate if that sizable and diverse legion who loved Ted could gather on a lonely hilltop someplace with someone who could blow the poignant bars of Taps on an old, battered bugle, and then, without speaking, could all just walk away.

OMBUDSMAN'S DEATH CREATES VOID

(By Don Wright)

He was called the Dayton area's ombudsman, but too many of Ted Bingham's days were spent doing what he called "fund-raising."

Mr. Bingham, whose unexpected death this week stunned the newsmen and community leaders who knew and respected him, fought a constant battle to serve the citizens of Montgomery County in a manner he considered necessary.

Officially, he was director of the Office of Citizen's Complaints. Unofficially, he was spokesman for the downtrodden, representative of the unfortunate and flag-carrier for the ignored.

His job was designed to be a buffer between the county's local governments and the citizens those governments served.

But he was often thrown into being an adversary of government because of government's inefficiency, its disregard for citizen's desires and its self-serving approach to problem-solving.

He had difficulty during the last 18 months raising enough money to assure continued operation of the ombudsman's office because of resentment from local politicians and bureaucrats.

More than one city manager or municipal department head rallied that there was no need for an area ombudsman, that citizens should direct their complaints immediately to the governments concerned.

They failed to recognize that people lack trust in government of any kind and that citizens feel they cannot depend on government to respond to their complaints.

Doubtless, Mr. Bingham earned the displeasure of many a public servant by relaying to them citizen's complaints about traffic lights, chuckholes in the streets, poor trash collection, discourteous government workers and the like.

But even his critics cannot dispute that he was effective in his role as citizen troubleshooter. The number of complaints handled by his staff multiplied each year since the ombudsman's office was established in 1971.

And many a problem was solved which, we are sure, would have been pigeon-holed had bureaucrats not felt pressured by Theodore C. Bingham and company.

Resentful public servants reacted sometimes with vocal ridicule of the idea of an ombudsman and sometimes with refusal to support the Office of Citizens' Complaints financially. Few were inclined to refuse to take action when complaints were relayed to them by way of the ombudsman's office, however.

Mr. Bingham and his staff were constantly hanging to their jobs by a financial thread, and Mr. Bingham was forced to appeal, hat in hand, for financial assistance from the likes of the Dayton City Commission, the Kettering and Centerville Councils and the various school boards in the county, most of whom either ignored his requests or "took them under advisement."

We don't doubt that a breath of relief will be expelled by more than one bureaucrat when he realizes he won't be bothered by Ted Bingham any more.

Perhaps someone new will move into the ombudsman's office, and it would be untrue to claim that Ted Bingham cannot be replaced.

But anyone who knew the big Kettering man, his quiet manner, his determination and his idealistic, honest approach to problem-solving knows that Ted Bingham's death creates an emptiness in the Dayton area that cannot be filled.

TRIBUTE TO THE LATE JAMES V. SMITH

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. FLOWERS. Mr. Speaker, I join today with my colleagues in paying tribute to the late Jim Smith, former Congressman from Oklahoma and recently retired Administrator of the Farmers Home Administration. During my association with Jim at the FHA, he was always most helpful in solving problems faced by constituents in the rural areas of my district.

We all feel a great loss because of his tragic and untimely death although we will always remember the great service he rendered to his Nation. His State and our country are better for the years of faithful service so generously given by Jim Smith. To his family and loved ones, we tender our deepest sympathy.

IN SUPPORT OF HUMANE TREATMENT FOR ANIMALS

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. KEATING. Mr. Speaker, today I am cosponsoring a bill to discourage the use of inhumane steel jaw leghold traps. This legislation, which has the strong support of 34 other Members of the House of Representatives, would establish standards for trapping on Federal lands through the restriction of all traps which do not instantaneously kill or painlessly trap animals.

The inhumane trapping conditions which exist today are inexcusable. Animals may die a slow, tortuous death over a period of days as they lie in steel jaw leghold traps, with their limbs broken or mangled.

H.R. 8065 would work to correct this reproachable situation, through the provision of a seven-member Commission to help in determining which traps shall be approved by the Secretary of the Interior—traps which would "capture painlessly or kill instantaneously."

In addition, all traps which have not been approved by the Secretary would be prohibited from entrance into interstate commerce. This provision would become effective 6 months after promulgation of the regulations by the Secretary.

The use of all other than approved traps would be illegal on public lands after the same 6-month period. Labeling requirements for interstate shipments of hides, furs, et cetera, would be imposed as well.

Effective 2 years after the promulgation of the regulations, would be the prohibition of interstate commerce of animals or animal products trapped or captured by other than approved traps. The Secretary also would have the authority to enter into cooperative agreements with States or political subdivisions to assist them financially in compliance with the requirements of the act. Commercial trapping would not be stopped by any means. It would be conducted, however, with only approved traps.

Finally, the bill would provide penalties for violation of the legislation and encourage citizen participation.

This bill has already gathered widespread congressional as well as public support. Such support is motivated by a deep concern and desire for the humane treatment of animals which have, for so long, been neglected.

I urge my colleagues to join in support of this legislation.

THANKS TO FRANK WILLS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. UDALL. Mr. Speaker, I present you and the other Members of the House, through an editorial from Ebony, to the man who "opened the Watergate," a black man. Frank Wills was the man to first discover the Watergate break-in. He is one of the many blacks who has fostered and encouraged a state of justice under law in this country, and one of the many who has reaped too few of the benefits this country has to offer.

I am shocked that the Watergate affair happened at all, and yet we owe much to Mr. Wills for beginning the long process that is bringing it to light. We can hope that this incident has made the people aware of needed election reforms. Should they go into effect scandals like this one need never happen again. Thank you, Mr. Wills.

The editorial follows:

WITH THANKS TO FRANK WILLS

No one would pay much attention to Frank Wills if they passed him on a Washington, D.C. street. About six feet tall and weighing maybe 155 pounds, Frank looks like hundreds of other lean young black men trying to make a living despite the odds thrown against them largely because they are black.

Wills might easily have become one of the young black militants who felt that they were the main targets of President Richard M. Nixon's "law and order" campaign. Lord knows he didn't have much to look forward to and, each time he tried to make some progress, he was pushed back.

Born in Savannah, Ga., Wills dropped out of school in the 11th grade and went north to Battle Creek, Mich., to study heavy equipment operation at a Job Corps training center. But after he finished his training, he could not find a job in that field and he finally drifted to Washington in 1971 and was hired as an $80 a week security guard.

A TWIST OF FATE

If one believes in fate or that the Lord works in strange ways his wonders to perform or in plain poetic justice, then one can really appreciate the fact that Frank Wills, now 25 years of age, was hired to work at the office building in the Watergate complex, one of the newest and most modern developments in all of Washington. That was at a time when Watergate was one of the most prestigious addresses in the capital and, despite his meager pay, Wills had a pride in his job which many of the big names thrown about later in connection with Watergate probably could never understand.

As a new man on the job, Wills started on the "graveyard shift," working from midnight to 7 a.m. On June 17, 1972, he was still on the midnight shift and for that seven hours he was supposedly the only man on duty in the entire office building. Frank started his rounds in the basement and one of the first things he noticed was that someone had placed tape on the lock of the door leading to a fire stairwell that went directly to the Democratic Party's national headquarters. At first, Wills says, he thought it had been done by workmen who sometimes tape a lock so that they can move supplies in and out without locking themselves out.

Wills removed the tape, secured the door and went on about his rounds. Finding everything in order, he returned to his station, took a snack break at a restaurant across the street and began his second round. When he got back to the stairwell door, he found that the lock had again been taped.

OPENING THE WATERGATE

Like many young blacks who are forced to take menial jobs at slave labor wages, Frank Wills was gifted with more intelligence than the job really requires. Realizing at once that someone either had been or was still in the building, Wills did his task quickly and correctly. Armed only with a nightstick, he could not risk a search of the building against likely armed burglars. Wills went back and called the police and helped them in the early part of the search. But the building buzzer rang and he had to go back to the entrance before the police reached the National Democratic Committee office where five men, employed by the Committee for the Re-election of the President, were bugging the office. Frank Wills, an $80 a week, black security guard, had, through his alertness, opened the gates on one of the greatest White House scandals of all times.

"HOW HIGH, OH LORD, HOW HIGH?"

Because of Frank Wills, the five men (James McCord, Bernard L. Barker, Eugenio R. Martinez, Frank E. Sturgis and Virgilio R. Gonzales) involved in the actual bugging were caught red-handed. The immediate reaction for both the press and the public was to laugh and say, "How stupid can you get?" It was clear fairly early that the Committee for the Re-election of the President was behind the bugging but the whole episode was so amateurish, so Amos 'n' Andy, that many at first took it rather lightly. It was an election year and the Democrats were battling each other and Nixon was already running so strong that no one could believe that his men would stoop so low to conquer. Five grown men caught in the national headquarters of the Democratic Party trying to bug the offices—ridiculous.

Sen. George McGovern and several others tried to make a campaign issue out of the affair but did not get very far. The arrested men weren't talking and no one seemed concerned enough to really push the issue. And then President Nixon put an additional silencer on the affair by reporting that Presidential counsel John W. Dean III had conducted an investigation which showed that no person at that time on the White House staff had been involved in the bugging.

But there were some (including the Washington Post newspaper columnist, Jack Anderson, Martha Mitchell and Chief U.S. District Judge John J. Sirica who presided over the trial of the five captured inside the Democratic headquarters and spy-heads G. Gordon Liddy and E. Howard Hunt) who didn't believe that the Watergate caper was restricted to such a few and who constantly searched to see just how high up the responsibility did lie. Like an old rural preacher, they asked "How High, Oh Lord, How High?" The answer they got eventually may have surprised all of them.

THE BIRDS BEGIN TO SING

When Judge Sirica handed down a 6- to 12-year sentence and a $40,000 fine to G. Gordon Liddy and provisional maximum sentences (with a hint that they could be lessened if they began to talk) to five others, the Watergate case began to ferment. James McCord, primarily an electronic specialist and not a politician, began to break down and soon others were talking. When the big birds, Dean and Jeb Stuart Magruder, former deputy director of the Nixon re-election campaign, started to sing, Watergate exploded. Within weeks Nixon's chief of staff H. R. Haldeman, key aide John Ehrlichman, FBI Director L. Patrick Gray (he burned secret papers) and Atty. Gen. Richard Kleindienst all resigned and Dean, Nixon's counsel, was fired amid talk that Nixon should have fired them much, much earlier. The President could not come off clean for while it appears that he did not know of the planned bugging, he did know much more than he chose to tell after the crime had come to light.

A BIT OF BLACK LIGHT

It all might possibly not have happened if it had not been for young Frank Wills and his devotion to duty. His reward was a small raise, so small he quit to join another security force at $85 a week. And now there is more participation of blacks in law and order. The grand jury investigating the Watergate case is largely made up of blacks and a bit more black light may be turned on the subject when any of the indicted Watergate conspirators come to trial. If they are tried in Washington with its 80 percent black population, their juries will be largely black and with the evidence coming to light of not only spying but the mishandling of literally millions of dollars in campaign funds, those black jurors may be deciding the fate of some very high placed white folk. Let us hope that all these blacks remember that what this nation needs is law and order—with justice.

HYPNOTIC LIES ABOUT TERRORISTS

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. TAYLOR of Missouri. Mr. Speaker, the American people will not soon forget the brutal and callous assassination of Dan A. Mitrione, an American AID police adviser, who was working in Uruguay. Mr. Mitrione's death came at the hands of the Tupamaros, a terrorist group that operated in that nation during the mid-1970's.

A recent film, "State of Siege," which purports to document the assassination of Mitrione, was discussed in the July 1, 1973, edition of the Sunday Star and Daily News.

The article entitled "Hypnotic Lies About Terrorists" offers much food for thought about attempts to glorify the taking of a human life for political purposes. I offer it for the enlightenment of my colleagues.

The article follows:

STATE OF SIEGE; HYPNOTIC LIES ABOUT TERRORISTS

(By Ernest W. Lefever)

The American debut in April of the film "State of Siege," produced by Costa-Gavras, was conceived in silence and born in controversy. The producer's reputation for "Z" and "The Confession" led the American Film Institute to schedule, sight unseen, "State of Siege" as the first foreign offering in its new home at the Kennedy Center here. But when AFI Director George Stevens, Jr. saw it, he abruptly canceled the film because it "rationalizes an act of political assassination" and was thus inappropriate to show in a memorial to an assassinated President.

The "censorship" furor precipitated by the cancellation soon gave way to a more serious debate about the basic character of this political film produced by the "Hitchcock of the Left" and co-written by the author of "The Battle of Algiers," Franco Solinas, a member of the Italian Communist party

Is "State of Siege" a factual documentary, as its writers repeatedly claim, or is it fiction, propaganda, or a mixture of all three? Whatever the answer, does the film rationalize assassination and other forms of terrorism?

In a score of American interviews, Costa-Gavras asserted that the film is a factually exact portrayal of the public life, work and death of Dan A. Mitrione, an American AID police adviser in Uruguay who was kidnaped and murdered by the Tupamaro terrorists in mid-1970.

In the film, the interviews with Costa-Gavras and Solinas, and the book, "State of Siege" (the film script and supporting "documents"), the Tupamaros are presented as the heroes of the people's revolution against a repressive and semi-fascist Uruguayan government. Dan Mitrione is cast as a willing tool of American imperialism and repression, a super CIA agent who under the guise of an AID adviser promotes and teaches police torture and organizes and supports "death squads" to murder "democratic leaders." He is portrayed as a calculating and ruthless man, without sentiment.

The cool facts contradict the torrid film at almost every significant point. The film says Mitrione was sent to the Dominican Republic for two years to install, with the help of the U.S. Marines and the CIA, a reactionary junta regime acceptable to the United Fruit Co. and Cardinal Spellman. Actually, Mitrione never set foot on Dominican soil.

The film says Mitrione was dispatched to Brazil to replace "Goulart's democratic regime" with a repressive military government. In fact, Mitrione was not an agent of any kind. He never worked for the CIA or FBI. He was an AID police adviser in Rio de Janeiro and Belo Horizonte helping to improve law enforcement by encouraging the civil police to become more professional through better training, communications equipment and organization. He and his fellow AID advisers were there at the request of the government and advised the police under both the Goulart and successor regimes.

Currently AID has a small number of police advisers in 17 different Third World countries and provides training for police officers from twice that many at its International Police Academy here. Like other forms of U.S. technical assistance, the public safety program is open and its activities are often covered by the press. Its aim is to upgrade all aspects of civilian law enforcement, except those related to political intelligence.

The film says that Mitrione taught new and sophisticated forms of torture to the police in Brazil and later in Uruguay. There is not a shred of truth in this allegation.

From its beginning under the Eisenhower administration, public safety advisers have stressed professional, legal and humane methods in interrogation, crowd control and all other aspects of police work. In a worldwide study of the program at the Brookings Institution, including field work in 15 countries, I found no evidence to support the torture charge which has appeared in Communist and other far-left publications that typically portray the United States as a semi-fascist and repressive power.

The film says Mitrione organized and directed fascist "death squads" who physically eliminated revolutionary leaders in Uruguay. Neither he nor any other American official had anything to do with such vigilante groups, which, in any event, did not even exist in Uruguay in 1970, the period of the film. Several sporadic groups did appear in 1971 and 1972, and they accounted for at least two murders, to the embarrassment of the Uruguayan authorities.

The film depicts the Tupamaros as latter day Robin Hoods—clean shaven, young, virile, disciplined, intelligent, competent and possessed of a dream of compassion and justice—but because of government repression they were compelled to kidnap and later "execute" Mitrione.

In fact, the Tupamaros stand somewhere between the American Weathermen and the Black September fighters. The Tupamaro terrorists have no positive political or social program and they never gained significant popular support. (At the zenith of their power in 1971, their most closely allied political faction gained 4.3 percent of the popular vote.)

The film dramatically portrays manufactured violence by Uruguayan authorities (incidents drawn from the future and twisted almost beyond recognition) but shows almost no Tupamaro violence.

The Tupamaros initiated terror in Uruguay; Mitrione was their twelfth murder victim. The film acknowledges only the Mitrione murder, but this brutal and senseless act is not shown, presumably to make the Tupamaros look better. Not reluctant to recruit common criminals into their ranks, the Tupamaros had a long record of terrorism, including assault, robbery, arson, kidnapping, and bombing. In 1969 alone they made violent assaults against 38 policemen; four policemen were murdered.

The film implies that a "state of siege" was put into effect in 1968. This was not true.

Uruguay in 1970 was one of the most open and democratic countries in the world. There was no death penalty and the maximum sentence for any crime was 30 years. The prisons were run by the Ministry of Culture. The wide spectrum of political groups were free to organize. The Communist party had 37,000 members with elected representatives in both houses of Parliament and published a daily newspaper. There were no "political prisoners," only persons held for committing ordinary crimes.

(Basic Democratic rights continued in Uruguay until April 15, 1972—almost 20 months after Mitrione was murdered—when a form of martial law was declared by parliament in response to Tupamaro terror. Last Wednesday, the president in cooperation with the army closed parliament and created a Council of State, in its place, to deal with "left-wing subversion" and the economic crisis.)

"State of Siege" is a Marxist diatribe that omits, fabricates or twists facts to serve its propaganda purpose.

The reason for the film's existence, said Solinas, is American "imperialism, with its mechanisms of repression, its murders, its tortures. The occasion for the film was the capture and death of a person who symbolized this mechanism." Costa-Gavras added: We "also felt we had to make a movie" that would prompt the audience never again to regard "an American Embassy as just an embassy but as a center of espionage, surveillance and political pressure."

Though some critics saw through it and said so, the documentary claim was accepted at near or face value by other American critics. Judith Crist in New York Magazine saw the film as an authentic document. Costa-Gavras, she said, has performed a "public duty that the American media has failed in." Noting that the co-authors "researched and documented their case," she is horrified at revelation "heaped upon revelation" portrayed by this "brilliant" expose of "American imperialism in Latin America."

To Penelope Gilliatt of the New Yorker, it was a "thoughtful new political film;" to Liz Smith in Cosmopolitan, "the most important political film of this decade;" to Donia Mills of The Star-News, "powerfully reasoned; and to Archer Winsten of the New York Post it was of "inestimable value."

Costa-Gavras, despite protestations to the contrary, not only rationalizes but justifies and romanticizes political assassination and terrorism, though Solinas appears to have some misgivings about the political utility of assassination. As a loyal communist, Solinas may be aware that the Tupamaros were denounced in 1971 in Moscow as "petty bourgeois pseudo-revolutionaries" and "rollicking loud-mouthed thugs" using "gangster tactics."

But Costa-Gavras has no such reservations. He said the Tupamaros represent an intelligent and effective "liberation" movement, characterized by "perfect organization" and "held together by serious, passionate idealism."

In several interviews Costa-Gavras says that the murder of Mitrione was necessary, justified and efficacious, an example to be emulated. Even with his reservations, Solinas says the Tupamaros, like the "Black September fighters at Munich," did not want to kill their hostage, but they were "forced to execute him."

Costa-Gavras goes further in a rhetorical question: "Who killed him? The Tupamaros with three or four bullets, or the government, backed up by the American Embassy, which decided not to free the 150 political prisoners?"

How will different viewers be affected by the film? Perhaps the isolationist will be confirmed in his conviction that America has no business working for orderly development. The guilt-ridden American may find strange satisfaction in the lashes of two professional America-haters. To angry, idealistic and frustrated young people, the hypnotic simplicity of the virile and romantic Tupamaros may suggest a way out of their helplessness and alienation. To the Arthur Bremers and the Sirhan Sirhans with their twisted psyches, it may suggest one final act of political violence that will enshrine them in immortality.

GREAT NECK, N.Y., HIGH SCHOOLS RECEIVE AWARDS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. WOLFF. Mr. Speaker, it is an honor to bring to the attention of my colleagues the accomplishments of the Great Neck high schools. Both of the schools received national awards for their exceptional service to women and their teaching about environmental problems.

Mr. Theodore Henning of the educational council, Massachusetts Institute of Technology, came to a public board meeting at the Cumberland School to present North and South Senior with Ellen Swallow Richards Awards "for exceptional service, by education and counsel, to women who aspire to careers in the professions." MIT is celebrating the 100th anniversary of its first woman graduate and Great Neck was chosen "in recognition of the outstanding women students sent to MIT over the years." Twenty-five percent of the Great Neck graduates going to MIT are women.

Both North and South Senior were also named national Merit Award winners by the President's Environmental Awards program. The awards were for "exceptional service to the Nation in inspiring and guiding youth toward restoring and preserving our living environment." Norman Skliar, faculty sponsor of the Ecology Club, and Elliot Klein, the club's president, received personal awards of excellence signed by the President. The Ecology Club has also been honored for its film on the impact of Kennedy and LaGuardia airports.

These awards should make every citizen of Great Neck proud of their school system.

EMERGENCY SUPPLY OF AGRICULTURAL PRODUCTS

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. FROEHLICH. Mr. Speaker, and Members of the House, for 2½ days, I have waited patiently to offer an amendment to H.R. 8860, the Omnibus Farm bill. Abruptly at 12:15 p.m. today, the House arose from the Committee of the Whole which was discussing this bill, and put off further consideration until next Monday.

In view of this action, I would like to inform the House of the contents of my proposed amendment to the farm bill and the reasons for it.

The text follows:

On page 41, after line 10, insert the following:

EMERGENCY SUPPLY OF AGRICULTURE PRODUCTS

SEC. 811. (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall, under the provisions of this Act, assist farmers, processors, and distributors in obtaining such prices for agricultural products that an orderly, adequate and steady supply of such products will exist for the consumers of this nation.

(b) The President shall make appropriate adjustments in the maximum price which may be charged under the provisions of Executive Order 11723 (dated June 13, 1973) or any subsequent Executive Order for any agricultural products (at any point in the distribution chain) as to which the Secretary of Agriculture certifies to the President that the supply of the product will be reduced to unacceptably low levels as a result of the freeze or subsequent modification thereof and that alternative means for increasing the supply are not available.

(c) Under this section, the term "agricultural products" shall include meat, poultry, vegetables, fruits and all other agriculture commodities..

This amendment would require an adjustment in the price for any agricultural product where the Secretary of Agriculture determines that the current price freeze or future price controls will produce a shortage of that product and there is no alternative means for increasing the supply.

If things remain as they are, consumers will soon find it difficult to buy many agricultural products such as eggs, chicken, pork, beef, cherries, milk and other commodities. This is because the cost of producing these products has gone up even faster than the cost of living. The result of the 60-day price freeze is that the farmer cannot obtain from the processor or retailer a sufficient price to cover his cost. We do not know what phase IV will bring from the administration. Therefore, this amendment addresses itself to both the 60-day price freeze and the new economic controls that will be imposed in the next weeks.

We have seen and heard of the baby chicks and the unhatched eggs that are being destroyed throughout this Nation. Stories are rampant about the producers who have determined not to participate in their normal production for the fall and early winter market. Many consumers within days will not be able to purchase poultry at their normal retail grocery store or meat market. The Wright Broiler Co., Inc. of Shawano, Wis., in my congressional district, informs me that they will be unable to purchase chickens for distribution in northern Wisconsin and northern Michigan next week because they must sell them under the freeze for less than their purchase price. The critical nature of the present situation is clearly expressed in the following letter that I am including in the RECORD at this point from the Wright Broiler Co., Inc.:

WRIGHT BROILER CO., INC.,
Shawano, Wis., July 7, 1973.

Re: Phase 3½.

Congressman FROEHLICH: Wright Broiler Co. is in the business of distributing fresh ice pack fryers in northeastern Wisconsin and upper Michigan. Our past volume has been about 10 million pounds annually.

The present price freeze is about to put us out of business and leave this area without a local supplier. We, as distributors, are held to a price ceiling—while our suppliers—the producers are not—so as the prices rise we are forced out of business.

About 65 percent of the fresh fryers in the United States are distributed by independent firms such as ours—if relief doesn't come soon the distributing business will be taken over by the giant companies like Central Soya, Con Agra, Allied Mills, Ralston Purina—who are producers. Thus they have no price ceilings.

We need a pass through to survive. The fryer industry will produce all of the fryers this country needs at a very competitive price (taking into consideration the cost of grain) and we will get them to the housewife fresh and wholesome if the federal government will just allow us to. Just think, 8 to 12 lbs. of good high protein meat for about 1 hour's labor.

Because of what has happened in Phase 3½ there will be some shortages for the next 2 to 3 months—but this can be corrected, right after that—if something is done now to take off controls. It is very important that something be done immediately before too many breeders are killed.

If this can't be done through congressional action—what about a Supreme Court injunction to lift controls—time is very important.

Please call me if I can be of any service.

Sincerely,

LEMUEL J. WRIGHT,
President.

My congressional district also includes Door County, one of the cherry-growing areas of this country. There is a serious question in this area as to whether or not the crop will be picked this year. The USDA estimates that the Door County cherry crop will be about 6 million pounds compared to 9 million pounds in 1972. The USDA further estimates that the national cherry crop will be 165 million pounds, 105 million pounds below last year and the smallest cherry crop since 1963. Unless the President or the Cost of Living Council take steps to revise the regulations applying to finished products, retailers will be locked into last year's price, unable to up the ante for the processor, who, in turn, will be unable to pay the grower a price which would make it economically feasible for him to remove the fruit from the tree. Efforts to persuade the CLC to give some relief to the industry are underway but so far there has been no indication that relief is in sight and that the cherry harvest slated to begin the third week of July will get underway.

I am told by some of my constituents in the retail grocery business that, since they sold strawberries during the period used to establish the base price for the 60-day freeze, they cannot now buy strawberries to sell at a profit. But, their competitors who were not selling strawberries during this base price computation period are able to buy strawberries at the higher price and sell them at a profit. Is this fair?

In my district is one of the Nation's biggest meatpacking firms east of the Mississippi. It is called the Packerland Packing Co. Just last week, Norval Dvorak, an official of the Packerland Packing Co., announced that the company is curtailing production "primarily because we do not know what our future is going to be in the meat business." Packerland has also suspended a $6 million expansion program intended for its Green Bay, Wis., and Chippewa Falls. Wis., plants. This expansion program was to have doubled the company's approximately 600-person payroll roster. My office has been working with this company in trying to convince the Cost of Living Council to adjust its procedure for pricing of individual cuts of meat that vary seasonally and to apply the price freeze to the total animal. The Cost of Living Council rejected this proposal and we are now suffering from the results of that narrow-sighted view of the CLC.

With the steady decline in the number of cattle put on feed in April, May, and June, the curtailing of production, and the closing of some slaughterhouses, we are rushing into a very critical period of red meat shortages. Just yesterday in the Washington Star-News, Smithfield Packing, Inc., the largest plant in Virginia and one of Virginia's largest hog buyers, announced that it laid off 20 percent of its 1,200 employees because it, too, is caught in the squeeze caused by the administration's 60-day retail price freeze. Mr. Allan T. Anderson, the vice president of Smithfield Packing, is quoted as saying:

> The industry is sick. We need immediate relief. For us to stay in business, the government is going to have to allow us to pass through the increased cost.

Mr. Anderson is absolutely correct in his statement. The situation not only of his firm but also the industry is critical. The administration is either unable or unwilling to act. It is therefore Congress' responsibility to include in the agricultural bill an amendment such as I have proposed. This amendment places the responsibility upon the Secretary of Agriculture and the President to adjust any future price control policy that will in effect reduce the supply of an agricultural product below an acceptable level of need. An excellent editorial on the subject has just come to my attention. It was printed in the June 29, 1973, Post Crescent of Appleton, Wis. I include this editorial in the RECORD for the edification of my colleagues:

FREEZE COULD CAUSE FOOD SHORTAGES

President Nixon's freeze on retail prices without placing any controls on costs makes a mockery of all the laws of economics and is likely to create serious food shortages. It offers no corrective measures and creates problems rather than solving any.

Milk is a good example. The cost of feed needed by dairy farmers has nearly doubled in the last year. Faced with a ban on raising the retail price of milk, dairy farmers are selling their cattle for slaughter to take advantage of high beef prices.

As a result milk production in Wisconsin has declined by 3 per cent at a period of the year when it usually reaches peak volume.

The National Milk Producers Federation has asked for an exception for the freeze in the case of retail milk prices. It estimates that a 10 to 12 cent per gallon increase will be needed to correct the situation. It will take several years to build dairy production herds back up again, so if the situation is not corrected immediately, milk shortages could extend several years into the future.

The same thing is occurring with the production of chickens and eggs. Sen. William Brock (R-Tenn.) told the Senate Banking Committee this week that hundreds of thousands of baby chicks are being destroyed because of the cost-price squeeze. Secretary of Agriculture Butz, appearing before the committee to oppose the administration program, said there will be a pork shortage in six months because farmers are selling hogs that should be kept for breeding. The number of beef cattle being taken to feed lots is going down, forecasting a beef shortage in two years. Butz and Brock told the committee in effect that the administration approach is creating more problems than it is solving.

Nixon's price freeze was totally a political maneuver aimed at quelling the rising chorus of criticism of retail prices, particularly for food. But it makes no sense to control prices if controls are not placed on costs such as wages and raw materials.

The President had better come forward with his Phase 4 plan before this temporary freeze does mortal damage to our food supplies.

The National Independent Meat Packers Association letter to me dated July 11, 1973, is also another expression of the dangerous path we tread. Its content is as follows:

THE NATIONAL INDEPENDENT MEAT
PACKERS ASSOCIATION,
Washington, D.C., July 11, 1973.

Hon. HAROLD V. FROEHLICH,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. FROEHLICH: For more than 100 days meat packers have been operating under a ceiling price freeze while their raw materials have remained free of federal intervention.

During 70 days of the freeze period, nonmeat costs increased substantially, all of which had to be absorbed by the packers. Packaging materials, boxes, gas and other fuels, trucks and equipment have all increased substantially with no provisions for a pass through of these costs.

The demand for meat products is highly seasonal and under normal circumstances prices for wholesale and retail cuts vary substantially from season to season. (Prices for products not in demand are reduced in order to maintain an even flow of all cuts of beef and pork. Prices for other products are raised to offset the lower return from products with little demand.)

Since the advent of the freeze on meat prices on March 29, the meat industry has been prohibited from exercising its traditional pricing mechanism with the result that products in high demand are selling at abnormally low ceilings and other products, of necessity, are being sold below ceiling.

While the meat industry has been laboring under price ceilings and while their non-meat costs have skyrocketed, other factors have also been working to the detriment of the meat packers—and the consumer.

Feed, equipment and operating costs have also increased for the cattle and hog producer and feeder. Although technically there are no ceilings on the price of raw agricultural products (livestock) in practice, the producers and feeders realize meat packers are limited in the price that can be paid and still stay in business.

Consequently, the livestock and meat industry is going out of business at an ever increasing rate. Livestock producers and feeders cannot raise red meat animals to a marketable weight and sell at a profit. Small cattle feeders are not restocking their feed lots. Commercial feed lots are replacing feeder cattle at much lower rates. Hog producers are getting out of the business at an alarming rate.

While pork production is down as much as 14 percent from a year ago, sow slaughter is up 2–3 percent. From 40 percent to 80 percent of the sows coming to market have been bred. This means that next winter's pork supply will not be born. As a result an even greater burden will be placed on an already short supply of beef.

Presently, beef production has been reduced 20 percent because meat packers cannot continue to lose up to $11 per head on all cattle slaughtered and continue to stay in business. Additional cutbacks in production are occurring as packers' earlier earnings are depleted.

Pork production has been reduced more than 20 percent and is dwindling rapidly. Hog prices have increased an average of $9 cwt since the March 29 freeze began. This has forced pork packers into a substantial loss position after a mediocre year in 1972.

The reduction in the production of beef and pork has necessarily resulted in reduced supplies of meat for the processed meat industry. Many manufacturers of luncheon meats have indicated they have raw materials to last through midweek but have little or no hope for supplies beyond that period.

Plant closings are increasing almost geometrically in rate. A week ago, there were only about 5 known plants that had closed. Today we know of 40 meat plants that have closed because of the price freeze. There are undoubtedly many more that we are not aware of.

As long as the meat price freeze is in effect, livestock production will decrease and meat production will decrease. Livestock men and meat packers cannot be expected to stay in business and operate at a loss. We do not believe that the Economic Stabilization Act was passed with this intent nor do we believe that any industry should be forced to operate at a loss—for even a day, much less for weeks and months.

Notwithstanding the deplorable financial situation of the meat industry as a result of the price freeze, the American Consumer is the big loser. Her opportunity to choose among a selection of meat products is rapidly diminishing. Within a few short months, she will no longer be able to go to the market and decide whether she wants to buy meat or what meat product she prefers. Soon she will have to stand in a queue and hope that there is still some meat available when she gets to the head of the line. The price will be low enough but the supply will be low also.

Is all of the foregoing a fairy tale? No, not a bit. It's a recitation of the hard facts resulting from the price freeze imposed on meat, March 29. The meat supply is becoming critical. Fewer products will be in the meat cases beginning this week. Why? Because, the natural supply and demand economy of the livestock and meat industry was disrupted.

If the American Consumer is to have a choice of meat products in the future, the U.S. Government will have to get out of the price manipulation business. No producer nor packer will engage in the business if he does not have an opportunity to make a profit.

True, if price ceilings were removed today, meat prices would increase. But, the incentive to produce livestock would be encouraged and farmers who have gone out of the business would begin to produce again. Within two years, livestock supplies would be back to normal and on the increase. Meat prices would also seek a more reasonable level. And, equally as important, Consumers would have a choice of which products to buy or not buy.

The time has come to abandon ill-advised, short-term goals and strive for realistic long-range objectives. The cure for meat prices may result in higher prices in the immediate future but will assure reasonable prices and adequate supplies in the years ahead.

We respectfully request you urge the President to remove price ceilings from all agricultural products, unprocessed and processed. You will be striking a blow for the consumer and the economy.

Very truly yours,

John G. Mohan,
Executive Vice President.

Dairy farmer after dairy farmer has written my office complaining of the effects of the retail milk price freeze that directly reflects upon the price he can obtain for his milk while the cost of cattle feed continues to soar. Rumors continue to circulate about fluid milk being in such short supply next winter as to require some type of rationing.

Clearly, present economic policy is crippling the agricultural sector of our economy. It has already contributed to a food shortage and will aggravate that shortage each day it is continued. These shortages will result in the consumers of this Nation standing in lines to purchase needed food and will contribute to the skyrocketing of food prices. It is imperative that action be taken now, either by the administration or by this House and this Congress in this bill.

Phase 3½ as a tragic failure. My proposed amendment would lessen the future effects of this bad economic agricultural policy.

I urgently request the chairman of the Committee on Agriculture, the gentleman from Texas (Mr. Poage) to review my proposed amendment and consider including it in the committee bill that is reported back by the Agriculture Committee for floor action next Monday.

THE LATE HON. JAMES V. SMITH

HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. WHITTEN. Mr. Speaker, I join with my colleagues in expressing my sorrow at the untimely death of our good friend, James V. Smith. Certainly his death is a loss to his State and the Nation. It was my pleasure to work very closely with Jim Smith, not only in Congress but during his period as head of the Farmers Home Administration. It is my judgment that in handling the tremendous responsibilities of his position, he did such a splendid job, and the results of his efforts will be felt for many years to come by all in rural areas. His activities in providing rural water systems, rural homes, sewage and water grants not only has made life better for millions of Americans in rural areas, but because of his activities, conditions in our cities are better than would otherwise be true.

I agree with the many fine things that have been said here today, and to his family and loved ones, we express our deepest sympathy in their loss.

STATEMENT UPON INTRODUCTION OF A BILL REQUIRING SENATE CONFIRMATION OF THE POSITION OF ADMINISTRATOR, SOCIAL AND ECONOMIC STATISTICS ADMINISTRATION, DEPARTMENT OF COMMERCE

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. WHITE. Mr. Speaker, I am today introducing a bill in the House of Representatives, identical to that introduced by Senator William Proxmire of Wisconsin, which provides that the Administrator of the Social and Economic Statistics Administration of the Department of Commerce, shall be subject to confirmation by the U.S. Senate.

Much has been written and spoken in past months about the nominations of two men to high positions in the field of government statistical gathering and dissemination.

The groups that have expressed their concern, not only to Members of the Senate, but to Members of the House as well, represent a very broad range of business, governmental, and academic activities. They are professionals who can do a better job if their basic data are improved. They believe that this can best be done if data gathering and dissemination are in the hands of skilled professionals, well-trained in statistics and the relevant social sciences.

Many of these groups have come to me in my position as chairman of the Census and Statistics Subcommittee of the House Post Office and Civil Service Committee, to request my intervention to see that only highly qualified professionals head the various statistical agencies of Government.

Since the U.S. Senate is vested with sole power in the confirmation of appointments to the various Federal positions, my intervention as a Member of the House of Representatives, or as chairman of the Census and Statistics Subcommitee, was not as appropriate as the introduction of the instant bill. I am in agreement that Congress should have the final say in who heads the statistical agencies of government, and that the private and public sector should be afforded an opportunity to voice their opposition to, or support for, the

nominees. The bill I am introducing today will accomplish this end.

SAUDIA ARABIA PUMPS U.S. FOREIGN POLICY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. YOUNG of Alaska. Mr. Speaker, I am certain it is apparent to most of us by this time that King Faisal is willing to take advantage of his nations wealth of oil. Thus it seems that our dependence on Arabian oil may soon errode our relations with Israel. Alaskan oil could help but it may already be too late. A recent Washington Post article entitled "to Saudis Ponder Whether to Produce the Oil U.S. Needs," explains the situation in some depth. I commend it to your attention.

[From the Washington Post, July 11, 1973]

SAUDIS PONDER WHETHER TO PRODUCE THE OIL UNITED STATES NEEDS

(By Jim Hoagland)

DHARHARAN, Saudi Arabia.—The midnight sky glows in fierce red hues here at the edge of the world's largest oil field, where American companies are racing to escalate production needed to fill spiraling global energy demands.

The dancing, hissing natural gas flares that burn in the horizon ripple in the desert wind.

Across the Arabian Peninsula 1,000 miles away, Saudi Arabian merchants sweep into American banks in Jeddah each morning with huge sacks of 100 rial notes, each equal to $25. A tidal wave of money is rushing into the country as more oil pours out.

In his modest, green-tile-roofed summer palace in the mountain town of Taif, King Faisal receives visitors with an elegant politeness, standing as they enter and shaking hands with them.

Rapidly and perhaps somewhat reluctantly becoming one of the most powerful leaders in the Arab world, Faisal quickly shows that he is spending much his time brooding about the twin flows of oil and money and their impact on the entire Middle East.

Suddenly, Saudi Arabia has shifted from being seen as the West's main hope for solving the energy crisis to being another unpredictable factor in the volatile world of oil and politics.

"The United States cannot take us for granted any longer," a Saudi leader, who was educated in the United States and describes himself as pro-American, said strongly. "Cooperation has to work both ways."

The four large American petroleum companies that jointly operate here are pushing ahead with a crash expansion program around Dhahran that could thrust Saudi Arabia beyond the United States and the Soviet Union as the world's largest petroleum producer in four years.

Increasingly, however, company officials wonder if they will be allowed to use the new facilities they are frenetically installing at the rate of $500 million a year. Specific warnings by the Saudi petroleum and foreign ministers and a more general declaration to this correspondent by King Faisal last week have made it clear that Saudi Arabia is seriously considering blocking future oil production increases because of what is seen here as all-out American support for Israel.

A Saudi decision to freeze production at current levels could create chaos in an energy-hungry world, and competent Saudi officials predict that the psychological impact of such an announcement would drive already rising oil prices upward even more sharply overnight.

The open discussion of such a possibility by the Saudis already amounts to a major policy setback for the Nixon administration in the Middle East.

An unstated but priority aim of the administration has been to keep America's growing need for Arab oil and its support for Israel separated, or, as a member of the Washington foreign policy community put it recently, "on two separate tracks." The pronouncements of Saudi leaders are the first serious merging of the two tracks.

They also signify Saudi Arabia's new awareness of its growing power. Amassing foreign currency reserves at a rate of $100 million a month faster than it can spend them, this nation of about 5 million people is abandoning its traditional isolationism and is cautiously emerging as a major force in international, Arab world and Persian Gulf politics.

"All the Arabs know that it is in the hand of this government alone to 'get the West to behave' as they tell us again and again," a key Saudi policymaker said.

The other major factor in the new Saudi willingness to tie oil to politics is the growing realization here that this desert kingdom's still developing economy cannot absorb the enormous revenues that increased production and higher oil prices are bringing. Given its conservative investment policies and the present uncertainty of international monetary conditions, top Saudi officials feel that production above the 8 million barrels a day figure of May is wasteful for them.

The Saudis have passed this message to Washington through a number of channels. They have not made it clear exactly what they want in the way of a change in American Middle East policy.

But a series of conversations with Cabinet-level officials over the past week did indicate that the Saudis feel they need some public sign of American willingness to consider the Arab cause more seriously, especially in areas like voting in the United Nations Security Council.

"We are not asking for the destruction of Israel," said a Saudi minister. "We want a reasonable policy to bring a settlement."

Other Saudi leaders stress that their government has been "disappointed and embarrassed" by the Nixon administration's failure to move on the diplomatic front while stepping up new military aid to Israel, despite what Saudis insist were clear promises of a shift in the Middle East after President Nixon's reelection last year.

The underlying suggestion is that the Saudis went out on a limb by counseling restraint on other Arab countries, especially Egypt, on the basis of an expected American shift that has not materialized.

Previously undisclosed production statistics for this year underscore the West's increasing dependence on Saudi Arabia, which has oil reserves estimated by the Saudi government at 156 billion barrels, 22 per cent of the non-Communist world's total proved oil reserves.

In May, production by Aramco, the operating company for Exxon, Standard Oil of California, Texaco and Mobil, soared above 8 million barrels a day. If oil industry estimates of Soviet production are accurate, Saudi Arabia has quietly surpassed the Soviet Union as the world's second largest producer by a small margin.

Sand storms in the Persian Gulf hindered ship loading in June and production slipped back to 7.2 million barrels a day for the month, even with the oil port closed 49 per cent of the time. This was the original target figure for average production by Aramco in 1973. Since production usually rises more sharply in the second half of the year, it will easily be exceeded—if Saudi Arabia permits the increases. In the first week of July, Aramaco says its production was running at 8.6 million barrels a day. U.S. production is less than 10 million barrels daily.

In six months, Saudi Arabia has increased its total crude oil production by 40 per cent. Aramco's estimated capital budgets of $500 million for 1974 and 1975 indicate that the company plans at least a 20 per cent increase in production in each of those years, meaning that, by the end of 1975, the company sees a world-wide market for Saudi production of 12 million barrels daily.

This month, 500,000 barrels of Saudi oil will be imported into North America. Industry sources predict that the United States will need to import five times that figure by 1975 to keep pace with growing energy demands.

At current production, Saudi Arabia will earn more than $4 billion in oil revenues this year, a 30 per cent increase from last year. At least $1 billion will be added to Saudi Arabia's present foreign exchange holdings of $3 billion.

The rush of new oil revenue into Saudi Arabia has stunned even Saudi financial managers, who until a few months ago were predicting that their sparsely populated country, which has few telephones and long-distance highways, and insufficient numbers of schools, would be able to spend enough of the revenue to make oil production increases worthwhille.

Faisal, who sees a long-term danger to the intensely conservative Saudi society from too much easy money, has resisted large-scale social welfare programs and bureaucracies such as those that have helped other gulf states soak up their oil money.

The national development budget has spurted from virtually zero four years ago to $3 billion in the last fiscal year. But only 62 per cent of the development funds could actually be spent last year.

"We don't have enough contractors to do what we can budget, and what we want to do," Hisham Nazir, president of the government's Planning Organization, said. "There aren't enough contractors in the world."

Nazir's organization is drawing up a new five year economic plan to begin in 1976. It will call for $40 billion to $50 billion total expenditures. The budget figures assume that Saudi oil production will increase only by 10 per cent annually in the future.

"Saudi Arabia must draw a firm policy on oil production," said Nazir, one of five key officials named by Faisal to the newly formed Supreme Petroleum Council. "The policy will have to put an end to waste" brought about by over-production, which adds to Saudi internal inflation and the piling up of devaluing dollars.

"We have to strike a balance between competing factors that include our development requirements, prolonging our national oil reserves over the longest period, the absorptive capacity of our economy, the accumulation of monetary reserves that decline in value while prices for oil rise, and world energy requirements."

A Saudi Cabinet minister explained: "We have found that the maximum revenue we can usefully absorb is brought in by production of 7 million barrels a day. Anything we produce over that harms our own interests, by keeping prices down and by disturbing our economic balance.

"We are prepared to go out of our way and produce more. But we have to have a reason."

The Petroleum Council which clearly mixes foreign and oil policy interest, will recommend Saudi Arabia's first national petroleum policy to Faisal. The debate over freezing production at current levels is expected to go on for some months, while the

Saudis look for signs of a change in Washington.

Saudi officials stress that in their view they are not talking about "using oil as a weapon," as more militant Arab states have demanded. There are no suggestions here of a complete oil cutoff to Western countries similar to the one that was briefly tried in 1967.

But if Arab-Israeli fighting should resume these same officials make clear, Saudi oil would be immediately cut off. "If there is a battle, we are in it," said one authoritative source. "People had better understand that now."

One suggestion that will reportedly surface in the Petroleum Council involves freezing production at this year's original target figure, 7.2 million barrels a day, for the rest of this year and 1974. This would have an especially sharp impact on the oil companies, who would see the return on their massive new investment delayed.

The Saudi Finance Minister, which faces difficult decisions on the accumulating revenue increases, is reliably reported to be pushing hard for a production freeze. So is the Foreign Ministry, which must bear the brunt of Arab criticism of Saudi Arabia's traditionally close ties to the United States.

Saudi Arabia's new activism in Arab affairs was underscored last week when the kingdom granted the Arab Socialist Baath government in Syria a $24 million development loan.

Top aides credit Faisal, 67, with having dissuaded Egypt's President Anwar Sadat from launching a military strike into the Israeli-occupied Sinai Peninsula in early June, and a top envoy was to be dispatched to Cairo this week to assure Sadat of continued Saudi financial support if Egypt stays out of the proposed merger that Libya's firebrand young leader, Col. Muammar Qaddafi, is pushing.

Saudi officials are diplomatically vague when asked what first step the United States could take to evidence a change toward the "evenhanded" policy Faisal called for last week.

"The puzzle is what is it that our American friends want," said Foreign Minister Omar Saqqaf. "Why is the help always for Israel? There are more than 2.5 million Palestinian people either in refuge (abroad) or under occupation . . .

"If people think this question is going to be as it is now forever, they are wrong," he added. "We are friends with the United States. We want to be friends. But there is always a limit."

TRIBUTE TO THE LATE JIM SMITH

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. WYMAN. Mr. Speaker, our former colleague and dear friend, Jim Smith, passed away at his farm in Chickasha, Okla., on June 23. To all of us who knew Jim during his service in the House, and later in the Farmers Home Administration, his utimely death was particularly tragic.

My friendship and warm association with Jim has extended from the day I was elected to the House in 1962. We came to Congress together and were fellow Members of the 88th Club. Over the years my high regard for his beliefs, his goals, and his efforts continually grew. His talents and capacity for public service were recognized after he left Congress. He was appointed by the President to be Farmers Home Administrator and served in that office until January of this year.

The people of the Sixth District of Oklahoma were truly fortunate to have had Jim's able representation. The Congress was equally fortunate to have had him as a Member. He was competent, careful, efficient, effective, a good man, and a valued friend. His presence will be sorely missed, but his memory will long be with us. I join today in extending my deepest sympathy to Jim's wife and family during this difficult and tragic time.

BOARD OF VETERANS' APPEALS TO OBSERVE 40TH ANNIVERSARY

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. DORN. Mr. Speaker, on Friday, July 27, 1973, the Board of Veterans' Appeals of the Veterans' Administration will observe its 40th anniversary.

On July 28, 1933, the Board of Veterans' Appeals was created by the Congress to bring finality and stability to existing appellate systems in the Veterans' Administration. Until that time, many systems had been tried and ended in failure because veterans were not satisfied until the head of the Veterans' Administration had personally decided their individual appeals. When the Board was established, the Congress said it would act for the agency head and that its decisions would be final. Only then did stability and order begin to evolve. To achieve the desired result, the Congress also decided that the Chairman, Vice Chairman, and members of the Board should be appointed by the Administrator of Veterans' Affairs, with personal approval of the President of the United States.

The present Board of 42 members is made up of career attorneys and physicians who have, because of their expertise in the myriad of laws and regulations administered by the VA and their knowledge of the many disabilities and diseases known to man, progressed to their high posts. These individuals are all veterans. They come from all walks of life and represent an excellent cross-section of America by area, background, education, age, and experience.

The Board Members, with the assistance of a large staff of approximately 110 legal and medical advisers, decide some 30,000 individual veterans' appeals each year. About 75 percent of the veterans are represented by service organizations or attorneys and full rights of personal hearing and due process of law are provided for all who elect to appeal.

The Board must decide the most controversial legal and medical questions that arise in the adjudication of individual claims within the Veterans' Administration. The variety of questions submitted for final resolution are almost infinite. Its members are trained to approach each appeal with complete fairness and objectivity in weighing evidence. They are ingrained with the attitude to "decide with the heart as well as the mind."

Since its founding the Board has decided almost 1¼ million appeals for benefits to veterans and their dependents.

During its 40 years of existence, the Board of Veterans' Appeals has had the following persons serve as its Chairman: John G. Pollard, 1933–37; Robert L. Jarnagin, 1937–57; James W. Stancil, 1957–71; and the present Chairman, Lawrence R. Pierce, Jr., who was appointed to the position in 1971. Mr. Sydney J. Shuman presently serves as Vice Chairman, and Mr. Woodruff J. Flowers, Jr., serves as Deputy Vice Chairman.

Chairman Pierce has announced that the Board will observe its 40th anniversary with an "open house" on July 27, 1973, to which Members of Congress and their staffs are invited. Mr. Speaker, I would strongly recommend to my colleagues that if at all possible they take advantage of Chairman Pierce's kind invitation and visit the Board of Veterans' Appeals on July 27. I am sure they will find the visit to not only be enjoyable but most informative as to the services performed by the Board of Veterans' Appeals.

POLITICS AND PEOPLE

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. RIEGLE. Mr. Speaker, Mr. Otten, of the Wall Street Journal, has today written a timely and perceptive analysis concerning continuing Presidential isolation and lack of forthrightness on numerous matters. All evidence available to me confirms Mr. Otten's depressing assessment. I include the article for the interest of my colleagues:

WATERGATE FABLES

WASHINGTON.—Two fables from everyone's childhood keep coming to mind as the Watergate waves pound on.

One is the tale of "The Emperor's New Clothes." The analogy may not be absolutely apposite, but it surely has been the case that once the challenge to the Watergate way of business was finally raised, everyone was suddenly able to see that things had been going all wrong for quite a while, American Airlines is only the latest example; in the weeks and months ahead, many more persons are bound to be stepping forth to give their own eyewitness accounts of the emperor's nudity.

The second fable probably offers a more precise parallel—the well-known story of "Wolf, Wolf," and the little boy's inability to convince the village that he was finally telling the truth about the wolves in the sheep pasture. President Nixon's problems may be even more acute; he must persuade the public not only that the White House is finally telling the truth—after top aides long lied about so many things and he himself did so much bobbing and weaving—but also that he has changed things so thoroughly that the past pattern cannot possibly be repeated.

And so far, Mr. Nixon is falling short on both jobs.

Admittedly, it will, at least, be tremendously hard to rebuild credibility so thoroughly shattered. A Gallup Poll released last week found 71% of the public believe Mr. Nixon either planned or knew of the Watergate bugging in advance, or was involved in the cover-up.

Such deep and widespread doubt can't be overcome by Mr. Nixon simply saying one of these days. "Well, maybe some of the things I told you before weren't quite right, but this time I *really* am telling the truth." Most Americans would like to believe their President, but the record of deception and dishonesty over the past 12 years, in the Kennedy, Johnson, and Nixon administrations, has raised their guard extra-high. It's not likely to be lowered by a mere presidential proclamation that this time the wolf is really out there eating those sheep.

This will probably remain true no matter how the Watergate hearings and investigations go over the next few weeks—no matter how stoutly Messrs. Mitchell, Haldeman, Ehrlichman and others insist the President himself was always in the clear. The public is simply too suspicious now.

Thus Mr. Nixon must do far more than merely assert his innocence. Some additional presidential explanation and elaboration appear essential, and the earlier the better. Moreover, when it comes—whether in a press conference, TV speech or White House release—the statement must be more complete and convincing than Mr. Nixon's earlier ones.

Yet even a detailed statement and one that does stand up, may not do the trick. Even more importantly, Mr. Nixon probably needs to show that he has learned some lessons from the whole dismal mess, some new ways of carrying on the job. There must be less secrecy and evasion, less presidential isolation, less emphasis on sycophantic loyalty as the pre-emient test of administration officials, less paranoid distrust of Congress, the bureauracy and the press.

It is here that the administration's recent record is so discouraging. Except for a few cosmetic changes for public relations reasons, so much seems to be going on as before.

Typical was the administration's handling of news stories about sizable government outlays to improve the presidential quarters at San Clemente and Key Biscayne. The first White House reaction was to label the stories wildly exaggerated; no more than $39,525 had been spent, for example, on the San Clemente facilities. Well (a few weeks later) maybe it was actually $465,352. Well, (still later) maybe it had actually topped $700,000. But anyhow, practically everything was ordered for security reasons—flagpole, lawn sprinklers, den furnishings, and the rest.

If presidential security demanded large outlays, or presidential efficiency, or even presidential comfort, why not come right out and say so? The public certainly wants its Presdent to be properly protected, and able to work in well-ordered surroundings. And if some of the expenditures weren't quite kosher, why not just admit someone had goofed? The White House approach once again simply made everyone believe the worst.

Similarly disquieting was the administration's challenge to John Dean's testimony. The memo sent the Ervin Committee was originally presented as an official White House analysis. Then, when it didn't go over too well, word came that the President hadn't approved it; it wasn't a "White House position," but merely a White House lawyer's "hypothesis prepared as a basis for cross-examination."

Mr. Nixon clearly remains just about as isolated as ever. No presidential press conference discusses Watergate, Cambodia or anything else. An occasional carefully sheltered public appearance, such as Monday's stop in Kansas City, hardly fills the gap; instead, it underlines how rare and how screened his appearance have been.

Ronald Ziegler, despite a proven record of having repeatedly misled press and public, continues as the President's official spokesman and is even promoted to major presidential adviser. "Nixon: An Angry, Isolated President," a recent Washington Post headline declares, an analysis shared by most veteran Nixon-watchers.

The White House proclaims plans for more frequent presidential meetings with Cabinet and congressional leaders. A few of these may actually occur, but they seem designed chiefly for public show. There's little evidence the President is really listening to anyone outside the White House.

John Connally is returning to private life precisely because he felt he wasn't having very much impact on the President. The exact influence of the two seasoned hands recently recalled to White House duty—Melvin Laird and Bryce Harlow—is almost uncertain; almost daily, stories relate new struggles between Mr. Laird and Haldeman-holdovers who apparently still wield large amounts of power than can only be called amazing in light of their past performance.

Again and again, the administration has been haunted by John Mitchell's early admonition to "watch what we do, not what we say." Thus far, in his vital need to rebuild public confidence and support, Mr. Nixon hasn't done too much in either regard.

ANNIVERSARY OF INVASION OF LITHUANIA

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. WOLFF. Mr. Speaker, on June 15, 1940, Lithuania lost her independence. It is not only on the anniversary of this sad occasion that we should appreciate the civil rights that should be the heritage of all men, but we should also be aware of the severe restrictions that the people of Lithuania and many other nations live under every day.

Lithuanians may have lost their independence when the Soviet Union invaded and annexed the Baltic States, but they have not given up the fight for their freedom. Between 1940 and 1952, about 30,000 Lithuanians lost their lives fighting for the freedom of their fellow Lithuanians. During 1972, there were many demonstrations in Lithuania against the Soviet presence, and rioting followed the self-immolation of Romas Kalanta. Two others besides this young Roman Catholic burned themselves in protest.

Lithuanians have been fighting for their freedom, but the present situation is no different from the repressive conditions of the past. The rights to worship, assemble freely and elect their leaders are still denied. Since 1942, the United States has not recognized the occupied Baltic countries, but there are still strong ties between the people of the United States and Lithuania. The anniversary of the invasion of Lithuania is an appropriate hour to strengthen the ties between the people of Lithuania and the United States, for these ties keep the hope for freedom alive in Lithuania.

W. ALLEN WALLIS

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. BROYHILL of Virginia. Mr. Speaker, a constituent recently called my attention to an excellent commencement address given by W. Allen Wallis, chancellor of the University of Rochester, which appeared in the June 25, 1973, issue of the National Observer.

He expressed the thought, with which I am in full accord, that—

> Somehow we must reach our young people and tell them the truth.

He concluded:

> I only wish that every young person in this country could read this talk.

As I believe Chancellor Wallis' address will be of interest to all who read this RECORD, I insert it at this point in the RECORD:

COMMENCEMENT ADDRESS BY W. ALLEN WALLIS

About 15 years ago I read accounts of nearly a hundred commencement speeches. They were given in different parts of the country, by different kinds of speakers, at different kinds of institutions. Through all the diversity that is one of the glories of American higher education ran one binding thread to which even the most individualistic commencement speakers conformed. Each speaker advised the graduates to be nonconformists. To conform to his own advice, a commencement speaker that year would have had to urge the graduates to conform.

Five years ago, I noticed another similarity among that year's commencement addresses. Most speakers made the point that the students who were then disrupting colleges and universities were only a tiny fraction of all students. Then they criticized the press for giving disproportionate attention to a tiny minority. Finally, that year's typical commencement speaker proceeded to devote the rest of his talk to that minority.

This year all commencement speakers are discussing Watergate. Yours is no exception. What I have to say about it will, I venture to boast, not resemble what other commencement speakers are saying about it, except in one fundamental point: I agree, of course, that Watergate is deplorable, disgraceful, immoral, shocking, inexcusable, alarming, reprehensive, and quite a few things besides, none of them nice.

But the saddest thing about Watergate is that in important respects it is far from unique, or even unusual. It is another of those many instances in which the end is regarded as justifying the means. One thing different about Watergate, however, is that the end is not acceptable to the academic-journalistic complex, as were the ends pursued by Daniel Ellsberg, the Berrigan brothers, the antiwar rioters, the Black Panthers, and innumerable others stretching back to the sit-in strikers of the 1930s.

The proper relation between ends and means is a profound question in moral and social philosophy. The assertion we frequently hear, that the end justifies the means, is clearly not tenable; but neither is the opposite assertion, that some means—are absolutely wrong in all circumstances, no matter what end they may serve.

THE LITTLE WHITE LIE

If we say that the end never justifies the means, we are immediately refuted by the little white lie that protects the dying mother from knowing of a disaster that has befallen her most beloved child, or by the medical researcher who, by sacrificing the lives of a hundred animals, saves the lives of a thousand humans; or by the would-be assassin of a Hitler.

On the other hand, if we say that the end justifies the means, we face the problem of how ends are to be justified—the problem, in other words, of knowing the proper means for determining what ends are right and what priorities should govern ends that conflict.

During the nearly two centuries since the Declaration of Independence and the Constitution were written, there has been a great shift of American political thought away from primary emphasis on means and toward primary emphasis on ends. Emphasis has shifted away from adjusting the rules of the game, to use an analogy, and toward adjusting the score.

When the Constitution was written, political thought was strongly influenced by the mercantilist policies that had prevailed for two centuries. Under mercantilism, governments prescribed in elaborate detail what would be done, how it would be done, by whom it would be done, what raw materials and machinery would be used, and where they would come from, who could consume what, and in general what the outcome of social, political, and economic processes should be. Results did not always come out as prescribed, of course, and this lead to stronger and even more pervasive controls, to fiercer punishments, and to controls on who could say what, to whom, and how, who could travel and where, and who could associate with whom.

By the end of the Eighteenth Century, enlightened political thought turned to specifying the rules rather than the results of social life. The American Constitution lists a small number of specific things to be done by the Federal Government, explicitly withholds from it powers to do any other things, and mostly concerns itself with the rules of the game. That is, it concerns itself largely with means rather than ends, the Bill of Rights being the most important and obvious of these means.

By the end of the Nineteenth Century a great transformation had occurred among the leaders of American political and social opinion, and during the second quarter of the Twentieth Century this became transformation not just in opinion but in law and practice. It was a transformation in opinions about how social progress and social justice can best be assured. The earlier view had a profound distrust of coercion of some men by others, so it regarded progress and liberalism as almost synonymous with limiting the power of government. The modern view has a profound faith in the omniscience, omnipotence, and beneficence of government, so it regards progress and liberalism as almost synonymous with expanding the power of government. That transformation, I suggest, made Watergate inevitable.

By "Watergate," I refer not just to the intrusions on the Democratic National Committee in 1972 and activities related to that. I refer also to the reaction by journalists and politicians to the Watergate break-in, which—as I shall explain later—has been morally even more corrupt than the Watergate activities themselves. I refer still more broadly to a pattern in American public affairs that has been growing since the Second World War—the McCarthy craze; income-tax corruption in the Bureau of Internal Revenue, the Department of Justice, and the White House staff during the Truman Administration; eavesdropping by Government prosecutors on conferences between defendants and their lawyers; military conscription in peacetime; the biased perspective of the press and television; the politics of expectation and the exploitation of subsequent disappointment; the litigation explosion; restrictions on freedom that are regarded erroneously as necessary or even desirable in a modern, complex, urban technological society; the rise of self-selected self-righteous groups (contemporary counterparts of the Ku Klux Klan) responsible to no one and successfully influencing public policy sometimes through intimidation, obstruction, suppression, assault, arson, bombing, maiming, and killing.

When the role of the Government was restricted mostly to setting the rules of the game—that is, to setting conditions of social, political, and economic life—individual citizens gave their attention to improving their lives within those rules and legislators gave their attention to improving and enforcing the rules governing the relations among individuals.

But as Government began increasingly to control activities with a view to determining outcomes, groups with common interests began to turn their attention to influencing Government to use its unlimited powers of coercion for their special advantage. For, as Walter Lippmann pointed out a third of a century ago and others long before him, "The attempt to regulate deliberately the transactions of a people multiplies the number of separate, self-conscious appetities and resistances." It leads people to channel their energies into seeking political power by any means. This is, again in Lippmann's words, "the sickness of an overgoverned society." That sickness is the cause of the Watergate symptom.

PECUNIARY MOTIVES

Journalists have commented with astonishment on the absence of pecuniary motives in the Watergate incidents. Their astonishment reflects the extreme lopsidedness of those who report and comment on public affairs. The same lack of pecuniary motives in Ralph Nader has been noted without surprise (though General Motors' skepticism on this point resulted in one of Nader's greatest pecuniary triumphs). The same journalists are not surprised by an apparent absence of strong pecuniary motives in the Berrigans. What motivates all of these people is power. And "the object of power," as Orwell has said, "is power." "Power is not a means, it is an end." It becomes an overriding end when government dwarfs and overwhelms all other sources of power combined, being the only power not subject to a greater power.

To cure the sickness of our overgoverned society will require a renewed recognition that ends do not justify means, and that it may be worse to obtain a desirable end promptly by means of coercive government power than to attain the end more slowly through noncoercive, nongovernmental means. Unlimited government is unlimited evil.

Some of the younger generation are beginning to chafe under the inefficiency, incompetence, and oppressiveness of pervasive government. So far, however, how to cure the sickness, nor in fact any signs even of diagnosing correctly the source of their frustrations, much less of prescribing a cure. On the contrary, for every evil (and evil has come to mean merely lack of perfection, real or imagined, with no perspective on conditions at other places or other times) for every evil they suggest only new laws and new bureaucracies—more of the overgoverning that has sickened society. For the obvious failures of existing bureaucracies the only remedy commonly suggested is a superbureaucracy.

A LONG, SLOW ROAD

Recovery must commence, as did the sickness, among our leaders of thought and opinion. That requires a solid foundation of constructive, scholarly criticism and a body of imaginative, analytical knowledge of society: not knowledge of specific social problems—that must come later—but knowledge of basic facts and principles of economics, political science, sociology, history, and ethics. If the research universities and institutes develop the basic knowledge, if the undergraduate colleges and high schools disseminate it, then eventually the columnists, editorial writers, commentators, authors, and ministers who serve as intellectual middlemen will purvey it to the public, and finally politicians will respond to the opinions of the electorate. It will be at best a long, slow road, not an uninterrupted one not a clearly marked one. Recovery will not come in my lifetime but I hope that it will come in yours.

Until the Watergate affair shackled him at least temporarily, President Nixon appeared well launched on a movement of heroic proportions to reverse the trend towards overgovernment. Special privileges for small groups at the expense of the public have become nearly universal. To attack these one or a few at a time has become hopeless. Each small group has so much at stake that it protects its privileges with its maximum political strength. To each individual in the public at large, the cost of any one special privilege is so trivial that no appreciable counterforce is generated. The President therefore attacked special privilege on a breath-takingly broad front.

There is, in fact, no doubt in my mind that the persistence and ferocity with which the Watergate affair has been pursued is related to the President's domestic reforms. Despite the self-congratulation of the newspapers that the exposure of Watergate is a triumph of a free and unbiased press, it is at most a triumph of a free and biased press. The Washington Post, the prime mover in exposing Watergate, has been unsurpassed in its vitriolic hatred of Richard Nixon ever since he attained prominence 25 years ago. Furthermore, quite apart from personal animus, the Post is one of the most ardent advocates of bigger, more pervasive, and more centralized government (the views which sell best in its market), and no paper in the country is more opposed to the President's efforts to reduce government.

Had the Post made comparable efforts in the Chappaquiddick affair, perhaps we would know as much about that as we know about Watergate. The Chappaquiddick affair, after all, was simpler and less effectively hidden. I do not doubt that if the Post had had the same animus toward Senator Kennedy that it has toward President Nixon, or even if it had been neutral instead of friendly toward the senator, and that if it had had the same opposition to the senator's policies that it has to the President's, or even if it had been neutral instead of friendly toward those policies, we would have known long ago more about Chappaquiddick than we now know about Watergate. The difference mocks the self-serving claims being made by and for the press. It has to be conceded for the Post, however, that exposing Chappaquiddick probably would not have been looked on by the Pulitzer Prize judges with the same admiration as exposing Watergate.

Was the press, in fact, primarily responsible for the exposure, as the press claims? I think not. That credit must go to Judge Sirica. But what of the means that he used to attain this worthwhile end? After the defendants had been convicted or pleaded guilty, he threatened them with inordinately long prison sentences if they did not provide evidence extending beyond the indictments that had been disposed of in his court. This differs only in degree from the medieval practice of exacting information by threatening torture. By this means a useful end was served. But does the end justify the means?

Even beyond this, the perpetrators of Watergate appear to be men of good character by their own lights, who put conscience and patriotism above civil law. In that regard they are exactly like Daniel Ellsberg. Yet the press, the ministers, and the politicians who condemn the Watergate convicts praise Ellsberg, the Berrigans, and others who have used comparable means for different ends.

Even spying and eavesdropping, which are viewed with such horror in relation to Watergate, seem to be acceptable when used for other ends. When Jack Anderson, who first attained notoriety about 15 years ago by being caught red-handed "bugging" a room in the Carleton Hotel in Washington, recently published transcripts of grand jury sessions, the Government did not indict him but instead negotiated a treaty with him by which he would, at his discretion, use paraphrases instead of direct quotations. In the Coplon espionage case, more than 20 years ago, the Government listened through hidden microphones to conversations between the defendant and her lawyer; and while this ultimately resulted in the defendant's release, no one even suggested seeking to punish those responsible. Is it less reprehensible to spy on lawyer-client relations than on psychiatrist-patient relations, or merely less reprehensible to spy on those of whom we disapprove than on our darlings?

This is why I said earlier that the reaction by journalists and politicians to the Watergate break-in has been morally even more corrupt than the Watergate activities themselves.

Forty years ago, willingness to overlook means if the ends were acceptable played a significant role in the rise of Hitler. He claimed that the Treaty of Versailles, which settled the First World War, was unjust and there was widespread acquiescence in this view in France, England, and the United States. When Hitler took the law into his own hands and invaded the Rhineland, the Western countries were paralyzed by the idea that since there might be some merit in his claims, his means should not be resisted.

GREAT CAMPUS CRAZE

Similarly, during the Great Campus Craze of the Sixties many colleges and universities tolerated outrageous behavior, including violence and suppression of speech, on grounds that amounted to little more than that perhaps something on the campus (or even just in the outside world) was less than perfect, therefore any behavior should be tolerated.

While I started by recognizing that it is untenable to maintain that the end never justifies the means, I am concluding by arguing that we have departed far, far too distantly from what is sound in that precept. We have resorted so frequently to coercion—which is another way of saying that we have turned too often to Government power—when we thought it could obtain a desirable end quickly that coercion has become a way of life. In that way of life, individuals inevitably diminish their efforts to make or do what others will value and voluntarily reward them for, and increase their efforts to gain power over the machinery of coercion—that is, the Government. When attention is focused on gaining power, surreptitious and ruthless activities, of which Watergate is merely one of many, inevitably proliferate.

Another quotation from Walter Lippmann will serve to summarize my remarks: ". . . the collectivists and authoritarians," Lippmann wrote, ". . . may have taught a heresy and doomed this generation to reaction. So men may have to pass through a terrible ordeal before they find again the central truths they have forgotten. But they will find them again, as they have so often found them again in other ages of reaction, if only the ideas that have misled them are challenged and resisted."

Let us hope and pray that the ultimate effect of Watergate will be to lead people to challenge and resist the ideas that have misled them, and thus to commence to cure "the sickness of an overgoverned society."

I WANT YOUR VIEWS

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. MIZELL. Mr. Speaker, during the recent congressional recess, I mailed to my constituents in the Fifth District of North Carolina a questionnaire dealing with many of the most important issues facing the Nation today.

Upon completion of a statistical analysis of this survey, I will report to my colleagues on the current opinions of my constituents. The results should prove most informative and interesting to my colleagues.

I am inserting the text of my 1973 poll in the RECORD for my colleagues' attention and consideration:

I WANT YOUR VIEWS

DEAR FRIEND: We as a nation and as individual citizens face a number of important issues today. As your Representative in Congress, it is my responsibility to know your views on these issues, and to act and vote in your best interest.

To assist me in this effort, I am asking you to complete this questionnaire, which deals with many of the most timely and crucial matters of national concern.

The percentage results of this district-wide poll will be made public when all responses have been tabulated, but your personal opinions will be kept in strict confidence. I appreciate your cooperation.

Sincerely,

WILMER D. MIZELL.

[Boxes provided for yes or no replies]

1. Do you favor granting amnesty to those who evaded the draft to avoid service in the Vietnam War?

2. Do you approve in general of President Nixon's efforts to hold down the level of federal spending?

3. Do you favor reinstating the death penalty for certain specified crimes?

4. Would you favor making federal Election Day a national holiday?

5. Do you favor the legalization of marijuana?

6. Are you satisfied with President Nixon's overall performance?

7. Do you favor registration and licensing of firearms?

8. Should Congress give the President the power to raise or lower tariffs as a bargaining tool in trade negotiations with other countries?

9. Do you favor allowing abortion on demand through the third month of pregnancy, as provided in the recent Supreme Court decision?

10. Should the United States provide economic assistance for the rebuilding of North Vietnam?

11. Do you approve of a tax credit for parents whose children attend private or parochial schools?

12. What do you consider the most important issues facing the nation today?

If you would like to expand on the views presented to you in this questionnaire, or if you have a matter of personal concern that involves the federal government, I invite you to contact me at either my Washington or Winston-Salem office. The addresses and telephone numbers are:

Congressman Wilmer D. Mizell, 225 Cannon House Office Building, Washington, D.C. 20515, Telephone: 202/225-2071, or 2217 Wachovia Bank Building, Winston-Salem, North Carolina 27102, Telephone: 919/723-9211, extension 348.

ADDRESS BY HON. STANLEY NEHMER

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. DORN. Mr. Speaker, on May 18 the former Deputy Assistant Secretary of Commerce for Resources, Hon. Stanley Nehmer, delivered a timely speech before the South Carolina Textile Manufacturers Association. It deals with relations between business and Government.

Mr. Nehmer has retired from Government services and is now director of economic counsulting services for Wolf & Co., a national accounting firm. We also know he will bring to his new position the same skill and dedication that he brought to the Federal service.

I commend his remarks to the attention of my colleagues:

I. BETTER BUSINESS-GOVERNMENT RELATIONS IN 1973

(By Stanley Nehmer)

It is a privilege to participate in the annual meeting of the South Carolina Textile Manufacturers Association. The discussion this morning on business response to government and the growing urgency for closer cooperation takes on more importance in 1973 than perhaps ever before when one considers the myriad of problems confronting industry today. What happens in Washington, what the Federal Government does or does not do, can deeply affect a major industry such as textiles with plants in 47 out of the 50 states and a labor force, with the related apparel industry, of 2.4 million workers, one out of every eight people employed in manufacturing in the country. Indeed, the impact of Washington on every industry and on all facets of the economy is overriding.

Whether it is tax policy or trade policy or consumer policy or environmental policy or labor policy, to mention just a few of the areas in which the Federal Government's role is gigantic, when Washington sneezes, some industries can catch pneumonia.

I am not suggesting that the paramount role of the Federal Government in our economy is good or bad. That judgment has for some time been irrelevant. Whether we like it or not, the fact is that the role of the Federal Government in molding, and shaping and controlling the economy has been growing since the enactment of the Interstate Commerce Act of 1887, under both Democratic and Republican administrations. The question before us is rather how best can industry work cooperatively and effectively with the Federal Government; how can industry meet its responsibilities to shareholders, employees, and customers, and, at the same time, support the public interest?

My comments on this question will be through the eyes of a former Federal Government official who has dealt with many industries over a long period.

II

Many years ago an industry executive, who shall remain nameless, said to me during a discussion on an issue of importance to that gentleman's industry, "We don't want anything we're not entitled to."

I made no meaningful response because the concept frankly bewildered me. Over the years, as I have worked with various industries, I have recalled that statement, and a long time ago concluded that the approach of that executive was the wrong way for any industry to succeed in Washington.

In terms of getting something accomplished with the Federal agencies, there are no inalienable rights that accrue to an industry other than those which belong to all citizens. When consumerists are clamoring for greater consumer protection, when environmentalists are beseeching the Government for tighter restrictions on industry, when free traders have their sights set on all import restraints, including those on textiles and apparel, it is difficult at best for any industry to get that to which it considers it is entitled. The approach is wrong. It is self-defeating. No industry can assume that there is any automaticity to achieving its objectives because government officials, even if they are sympathetic, must always weigh the pros and cons in the light of conflicting objectives of other interests. And if the officials should be unsympathetic to begin with, the hurdles are infinitely greater for an industry attempting to achieve its objectives.

Let me cite one example of an actual case. It involves the nonrubber footwear industry. For several years now that industry has been endeavoring to secure relief from growing disruptive imports. You will recall that the trade legislation of 1970, which passed the House but died in the Senate, provided for import relief for both textiles and shoes, which industries had worked cooperatively in support of that legislation. In July 1970, while that legislation was being considered in Congress, President Nixon requested the Tariff Commission to launch an investigation under the so-called "escape clause" of the Trade Expansion Act of 1962. Under this legislation, import relief can be provided in the form of higher tariffs or other import restrictions such as quotas, if the Tariff Commission finds that an industry is suffering serious injury, or threat of serious injury, as a result in major part of increased imports, and that the increased imports were caused in major part by trade agreement concessions previously made by the U.S.

The Tariff Commission submitted a split decision to the President on January 15, 1971. Since that date no action has been taken by the President in the case, affirmatively or negatively. Under split Tariff Commission decisions, the President can go either way, although there is no time limit for the President to act in such cases under existing legislation.

Meanwhile, what is happening to the nonrubber footwear industry? The import penetration of the U.S. market reached 36% in 1972; it was 30% in 1970 when the Tariff Commission made its investigation. Domestic production fell in 1972 to 527 million pairs, the lowest level since 1954. Over the last five years plant closings in this industry have caused a loss of capacity sufficient to produce 100 million pairs of shoes. Direct employment has declined from 233,000 to 200,000 workers.

Thus, despite the fact that existing legislation would permit relief for the nonrubber footwear industry, none has been forthcoming to date. The government officials who would need to make the necessary recommendation to the President that he provide such relief have not seen fit to do so.

III

How can industry work cooperatively and effectively with the Federal Government? How best can industry accomplish its objectives?

First, I would suggest that consistency with ongoing national policy and realism as to what can be accomplished should be basic in any industry's thinking. If the President has developed a policy for the country heading in one direction, unless the Congress is hostile to that policy, any way-out reversal of that policy is not going to prevail. Reasonable modification is always a possibility, but the case must be a good one.

Second, as with the good Boy Scout, an industry always needs to be prepared, and to be prepared very well. Develop the facts and emphasize the implications for the economy, particularly for jobs, because the workers and their families are the voters who elect or defeat candidates for public office. I might say in this regard that, in my experience, unfortunately it was the unusual industry that was fully prepared to present the facts effectively to officials in Washington. In contrast, my experience with representatives of organized labor was that they generally came well prepared with extensive arguments to support their position.

Third, the chief executive officers and senior executives of an industry must be fully committed to the industry objectives and be willing to take the time from their busy schedules to "make the rounds" in Washington. Trade association executives, particularly those in your industry, are very effective on the Washington scene, but so very much more effective are the leading executives of an industry speaking directly of the problems their companies face and showing that they care very much what happens on an issue. In this regard, the textile industry has no peer, because your executives, under the able guidance of the American Textile Manufacturers Institute, have consistently been involved in issues affecting your industry in Washington.

Fourth, I would not expect any industry to be particularly effective in Washington if its presence there is sporadic, only when there are problems affecting that industry from time to time. It takes time to establish rapport and credibility at all levels of government. It requires a foundation that rests on 365 days a year, year-in and year-out, participation on the Washington scene.

Fifth, related to the problem of sporadic presence in Washington, is the trap that many industries fall into of "crisis management," that is, of waiting for crises to develop—a piece of objectionable legislation that is well on the road to passage, or a proposed new regulation or standard that cannot be met in the directed time frame—before making their views known in Washington. Wishful thinking that the issue will go away may impel some industries to hold off letting officials in the Executive Branch or in the Congress know of their concerns at an early point. The odds are, particularly today, that the issues will not disappear, they may only get worse. Early preparations and early representations on an issue let Washington know that there may be trouble ahead. Later confrontations can be avoided.

Sixth, I think there is a tendency on the part of some companies and some industries to take the position that the less they have to do with Washington, the happier they will be. Unfortunately, this ostrich-like approach gets you nothing but sand in your eyes. The Federal Government is big and it is powerful, and recent efforts to trim its size will not make much change, however desirable that may be. Most responsible officials in Washington, elected or appointed, are concerned with what you think because they are striving to develop the best policies and programs for our nation. They will listen to you and they will react. Don't be afraid of letting the appropriate officials know what you think, whether you are a small company or a large company, a small industry or a large industry. Indeed, the unfortunate and uncalled for tainting of big business, often makes the executive of the smaller company a more effective and credible spokesman than if he came from one of the companies on *Fortune* magazine's list of the 500 largest corporations.

Finally, I have a potpourri of additional suggestions to make. The most effective industries in Washington are those which play it straight and do not overstate their case; which are as bipartisan politically as possible; which let government officials know when good has been done; which realize that you can't win them all and set their sights on winning the important ones; and which will work in cooperation with the Congress and the Executive Branch to develop meaningful and effective laws and regulations.

IV

Having outlined for you some of the paths as well as the pitfalls, I would be the last one to suggest that these suggestions represent a sure-fire, infallible formula for instant success on the Washington scene. The strength of the position of other interests, or an agency or group of officials unsympathetic to you, may easily defeat you in your efforts. But I sincerely believe, based on my experience, that chances for success are far better with the approach I have suggested.

A real partnership between government and industry is not only possible, but also essential if our country is to continue to grow and prosper. Working together in a cooperative effort is consistent with this objective.

NAVY MAKES A MISTAKE

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. HOSMER. Mr. Speaker, the Navy Department has recently announced its intention to close down a number of naval bases around the country. The Navy's action in transferring the three nuclear powered surface ships homeported in Long Beach—the *Long Beach*, the *Truxton*, and the *Bainbridge*—to San Diego would have a serious effect on our national security.

The following editorial appeared in the July 1, 1973, Long Beach Independent Press Telegram; it points out that moving the Long Beach fleet to San Diego is not sound economic or national security policy and calls upon the Congress to right this obvious mistake:

Navy Makes a Mistake

It is pretty hard to quarrel with the Navy's stated desire to save money. And it is logical to assume that some Navy activities can be reduced following the ending of the Vietnam war.

So at first blush last April it appeared the Navy might have made an "economy" case for closing the Long Beach Naval Station and closing or reducing other services here.

The Navy made no attempt to justify the closings and the transfer of men and ships away from here on the basis of improving national defense—for a good reason. The moves harm, not help, the nation's defense capabilities.

Oddly enough, it turns out that there isn't much, if any, economy in the transfers, either.

These conclusions became clear in Washington last week as the result of Senate Armed Forces Committee hearings and through replies to questions posed by a delegation of city officials headed by Mayor Edwin W. Wade and City Manager John Mansell.

California's two senators, Alan Cranston and John Tunney, as well as Representatives Craig Hosmer and Glenn Anderson (both of whom represent Long Beach), made the points about harm to the national defense and the lack of economy in strong statements and questions to Navy brass.

Items to consider:

Some Navy economies would have been

made in the normal course of events through retirement of the naval hospital ship *Repose* and through scrapping or retirement of 16 older vessels homeported at Long Beach. Those savings have nothing to do with sending 31 ships and more than 11,000 men to San Diego. Yet the Navy counted those retirements as savings involved in moving the ships and men.

The Navy did not take into account all the new construction that will be needed in San Diego to absorb the ships and men. This construction will involve piers, housing, an enlisted men's club, dredging of deeper channels to handle the larger ships stationed here, etc.

The Navy did not take into account the supplemental housing allowances for Navy families moved from here who cannot be placed in Navy housing in San Diego.

The Navy did not take into account the cost to government of providing school facilities for some 5,000 children in San Diego when more-than-adequate facilities are available in Long Beach.

Senator Tunney estimated additional costs to move the facilities from Long Beach to San Diego would be about $100 million. The Navy estimated $16.4 million.

The Navy did not take into account the cost of leaving facilities idle or underused here while building and operating new ones in San Diego.

Navy officials at the Senate hearing promised the California delegation they would try to provide some cost justification for the Navy's actions.

In our view the most serious question posed about the Navy decision was the issue of national defense.

Both Hosmer and Anderson hit hard on this point. After both noted that putting all these ships at San Diego ignores the lessons of Pearl Harbor, Hosmer added this:

"At San Diego these ships would lie jam-packed, four and one-half miles inside the bay behind the bridge which cannot easily be navigated at higher tides and which would trap and immobilize them if it is dropped by earthquake, sabotage or enemy attack."

Congressman Anderson summed it up:

". . . moving the Long Beach fleet to San Diego is not in the interest of economy or national security."

We agree. Further, we hope that the Navy and/or the administration will take another look in light of new facts and new assessments. We hope the proposed plans will be changed.

Failing that, it is the duty of the Congress to right what is an obvious mistake.

Our city officials, our senators and representatives have worked hard to bring new information to light on the proposed moves. It should be no disgrace for new Navy decisions to be made in view of new information.

We believe the United States will be best served by leaving a large active fleet in both San Diego and Long Beach.

We, too, remember Pearl Harbor.

FREE WORKERS DISPLAY SOUND JUDGMENT IN SELECTING ILO CHAIRMAN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. ASHBROOK. Mr. Speaker, this June I again had the opportunity to attend the annual convention of the International Labor Organization in Geneva, Switzerland. I was deeply impressed with the sound judgment shown by free worker members in selecting a chairman for the ILO Executive Council.

This year's election was of great importance. For the first time, a delegate from the Soviet Union, Ivan Gorochkine, was nominated. Gorochkine, a Soviet labor ministry official, was expected to be unopposed.

Free workers, however, joined with employer members and some government delegates to block the Soviet bid for the chairmanship. Free workers rejected Gorochkine's candidacy, charging that the election of a Communist government official would undermine the independent role guaranteed trade union and employer representatives of ILO member states by the United Nations agency's constitution. Instead, on a secret ballot, they elected Arturo Munoz Ledo of Mexico by a vote of 26 to 20, with 1 abstention.

I commend the free workers for asserting their independence. Their refusal to buckle under to the Soviet bid for the chairmanship certainly bodes well for the future success of this organization. I only wish that our Government's leaders had the same clear understanding of communism and the U.S.S.R.

IN MEMORIAM: TO THE HONORABLE MARTIN ARANOW, OUTSTANDING COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. ROE. Mr. Speaker, as the residents of our Eighth Congressional District and the State of New Jersey deeply mourn the loss of one of our most dynamic and distinguished citizens in the crusade for individual rights and the dignity of man, particularly in the sphere of people's essential needs in housing, I ask you and our colleagues here in the Congress to join with me in memoriam to a good friend and a great American, the Honorable Martin Aranow of Fort Lee, N.J., who went to his eternal rest on June 13, 1973, after a long seige of physical suffering and a short span but full lifetime of good deeds as the champion of the tenants throughout our community, State, and Nation. I seek national recognition of his outstanding accomplishments and ask you to join with me in expressing our most sincere condolences to his wife, Sylvia; two sons, Jonathan and Andrew; his mother, Rose Aranow of Brooklyn; his father, Joseph Aranow of Manhattan; and his sister, Mrs. David Harris of Long Island.

Marty Aranow was born in Brooklyn, N.Y., and moved to Fort Lee 11 years ago with his bride Sylvia, a psychiatric social worker. They met at Brandeis University, in the mid-1950's, where he achieved stardom as a robust 6-foot-4-inch member of their basketball team while Sylvia, as a cheerleader on the sidelines, urged him on to many victories. As a driving rebounder he led Brandeis to an upset victory over New York University in Madison Square Garden and seriously considered a professional basketball career. He played for the New York Knicks' farm club in Baltimore until he changed his plans for other career pursuits. He studied psychology at the New School for Social Research and worked as a salesman for the Olivetti Corp. He became a partner in two office-equipment companies in Norwalk, Conn.

Only 4 years ago, to correct a great injustice Marty founded and organized the New Jersey Tenants Organization which has steadily increased in stature under his presidency to approximately 500,000 members, ranking among the leading citizens-tenants groups in our Nation. During the past 3 months he had witnessed the fruition of his concentrated personal endeavors on behalf of the tenants and even as he battled a rare strain of cancer during the last 10 months of his life, he was winning some of his greatest public victories. His stamina coupled with the quality of his leadership and the richness of his wisdom helped him to accomplish in a few brief years what many people may spend a lifetime to achieve—but then he did not have much time on his side; he died at the young age of 36 years.

He was the champion and the leading spokesman and organizer for the rent leveling concept in New Jersey. Thirteen communities passed rent leveling ordinances in New Jersey including his hometown of Fort Lee. The controversy that developed was finally resolved by the State Supreme Court which upheld the right of local communities to pass rent control laws, a ruling which was based on the original Fort Lee rent leveling law.

The New Jersey State Legislature subsequently passed enabling legislation to permit the adoption of rent leveling ordinances of local communities and only last week when the City Council of Clifton in my Eighth Congressional District passed its rent leveling ordinance, the governing body's action was mentioned by some of the participants present at the council meeting as "a memorial to Marty Aranow of Fort Lee, president of the New Jersey Tenants Association."

Mr. Speaker, we do indeed mourn the loss of Marty Aranow, an outstanding community leader, whose standards of excellence, compassion, goodwill, and untiring efforts on behalf of his fellowman will long be remembered by all of us. The editorial of one of New Jersey's most prestigious newspapers has adroitly and eloquently eulogized the greatness of Marty Aranow that stirred the hearts, imagination, and aspirations of all of us. In testimony to this young statesman whose communion with his fellowman was sometimes prefaced with his words:

> Unless you organize, you have had it. If you don't help yourself, who is there to help you?

With your permission, Mr. Speaker, I place the aforementioned editorial at this point in our historic journal of Congress, as follows:

MARTIN ARANOW

He did not hold high office nor was there any indication that he aspired to a career in politics, but even without these influential forums as a power base Martin Aranow represented a vigorous force in the lives of millions of Jersey residents.

Social commitment was a way of life for this young business executive, an awareness that had a populist-oriented genesis in the strong tenant movement he founded and nurtured to a vigorous maturity almost single-handedly.

Affronted by the "exorbitant, unjustified rent increase" on his high-rise apartment, Mr. Aranow became an articulate spokesman for other harried tenants in the state. With his wife, he drafted a "Tenant's Bill of Rights" and a "Senior's Bill of Rights," a careful documentation of the concerns and remedies for these neglected groups.

Because of his missionary zeal, New Jersey was in the vanguard of states on tenant protection. His reasoned thinking on the highly volatile issue of rising rentals was endorsed by Gov. Cahill and largely incorporated in the measure enacted by the Legislature that became a pioneering prototype of tenant reform for other states.

Mr. Aranow's life was cut shockingly short by a rare blood disease. He was only 36 when he died, but it is apparent that he used his years well, a fulfillment that can be measured in rare human terms—helping others who could not help themselves.

I ask my colleagues here in the Congress to join with me in silent prayer in memory of Marty and all of his good works. May his family soon find abiding comfort in the faith that God has given them and in the knowledge that the Honorable Martin Aranow is now under His eternal care. May he rest in peace.

THE OTHER GERMAN VIEWPOINT ON GERMANY'S FOREIGN POLICY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. ASHBROOK. Mr. Speaker, two translations have come to my attention which I wish to share with Members of this body. The first is excerpts from a translation from a German language article entitled "The Basic Treaty Between the Federal Republic of Germany and the GDR—Germany at a Turn Point." This article is by Dr. Rupert Dirnecker. Dr. Dirnecker is an astute German observer of foreign relations and is also a foreign relations expert for the CDU–CSU party of Germany. His interesting observations are not often heard in the United States. From the news media we get a one-sided view of what the German people think of recent moves by the German Government toward the Soviet Union and East Germany. I trust that my colleagues will find this translation as enlightening as I have.

The second item that I wish to insert in the RECORD is also a translation. This translation is of remarks by Dr. Franz-Josef Strauss who is chairman of the Christian Social Union Party of Bavaria. The CSU is part of the CDU–CSU Party in the Federal Republic of Germany. In these excerpts, Dr. Strauss discusses the necessity of continuing close relations between the Federal Republic of Germany and the United States. He urges his government to do nothing which would weaken those relations. Below are the two translations:

[Translation from the German]

THE BASIC TREATY BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE GDR—GERMANY AT A TURNPOINT—EXCERPTS

(By Rupert Dirnecker, Feb. 8, 1973)

The "Treaty on the Basis of Relations between the Federal Republic of Germany and the German Democratic Republic" initialed on November 8, 1972 and signed December 21, 1972—which we call Basic Treaty and which the GDR calls "Treaty on the Basis of Relations"—represents the conclusion of the first phase of the so-called new German eastern policy initiated in 1969.

The *Federal Government* claims the treaty as evidence of the alleged rightness and inner logic of its eastern and German policy, i.e. to have negotiated an improved Berlin agreement (Four Power Accord on Berlin) and a new foundation for the inner-German modus vivendi from the East against advance favors within the framework of its eastern treaties.

The *eastern heads of government* view this treaty as a triumphant success of their communist German policy which they had consistently pursued since the end of the war, and as a confirmation of the territorial and political status quo a la Moscow as well as—in the sense of their dynamic status quo conception—the launching pad for new political offensives in the direction of a combined communist Germany.

In the eyes of *world public,* not only in the East but also in large parts of the non-communist world, this is a treaty by which the Germans themselves put a seal on the division of Germany.

The *CDU/CSU* rejects the treaty, because it does not meet the fundamental requirements which it demands of agreements with the other part of Germany—agreements that are also desired by the CDU/CSU. In view of the fact that the division of Germany, enforced by the Soviet bloc, cannot be overcome in the near future, the CDU/CSU holds that the objectives should be—

To alleviate the consequences of the division for the Germans on both sides

To strengthen coherence of our people and the will of the nation to unite, as well as

To maintain the political and legal foundations of future unity in freedom.

I would like to lay down the reasons for which I personally reject the treaty and also to discuss the arguments put forward in favor of it.

1. THE TREATY IS MARKED BY AMBIGUITY AND INEQUITY

1.1. If the eastern policy of Brandt and Bahr is marked by vague terms, neutralized conceptions of value and intended blurrings, such characteristics apply especially to this treaty. It certainly does not rank under those treaties which an Italian proverb characterizes as "patti chiari—amici cari"—

The treaty consists of an abundance of unsurveyable individual parts:

The treaty proper, consisting of 10 articles;

A supplementary protocol on individual articles of the treaty;

Protocol notes and unilateral declarations on protocol;

Several exchanges of letters (on postal and communication services, on family reunion, alleviations of travel, improvements of non-commercial traffic of goods; on the opening of additional border crossing points; on the application of UN membership; on the rights and responsibilities of the Four Powers; on working permits for journalists);

Explanations on these letters and pertinent declarations on protocol;

Declarations of both sides at the signing ceremony (on political consultation; on the extension of agreements and arrangements to Berlin (West));

A unilateral "letter on German unity".

The substance of these agreements is ambiguous and contradictory on important issues. Publications on the treaty and its enclosures in Bonn differ from those in East Berlin. Items of which the Government boasts itself here are not even published in East Berlin.

It is significant of this "complicity" of the two negotiators, Bahr and Kohl, that State Secretary Kohl may declare without being reprimanded by Mr. Bahr that he knows of no "letter on German unity", even though it was delivered to the Foreign Ministry of East Berlin the day before.

1.2. The treaty was worked out without the necessary tenacity and care and under pressure, in order to be employed as a campaign weapon.

That resulted—as we shall also note with regard to Berlin—in striking deficiencies of the treaty which could have been avoided if negotiations had been harder and tougher.

2. INEQUITY

2.1. In negotiating this treaty the basic rule of negotiating, i.e. observing the "do ut des", was grossly neglected. The result is a treaty in which the proportion between give and take is inadequate.

4. SEALING OF THE DIVISION OF GERMANY

4.1. The Federal Government has agreed to a treaty which establishes the division of Germany into two "independent", "sovereign", "equal" and "separate" states. It has committed itself further to respect the "territorial integrity", "inviolability of the borders of the GDR", its full sovereignty within and without preamble (articles 2, 3, 4, 6); to exchange permanent representatives (article 8); to at least not hinder GDR application for membership in the U.N. (letters and declaration on protocol).

4.2 In the eyes of *world public* the treaty is assessed as a treaty on division, in which the Germans themselves seal the division of Germany, instead of suffering it as a dictate by the victor or as an unavoidable result of an international historical process.

The Federal Government paves the way by this treaty for international recognition of the GDR as an independent and sovereign subject of international law. It has also accepted without protest that world public views this process as "liquidation of the Bismarck Reich" (Times) or as "the sealing of the two-nation state" (Neue Zürcher Zeitung). In the Basic Treaty the Federal Republic of Germany pledges to do its part in providing the basis for international consolidation of the sovereignty and subjectivity of the GDR to international law as well as to accept without protest the consequences of this wave of international recognition.

4.3. It is true in its *bilateral* relationship with the GDR the Federal Government avoids express international recognition of the GDR in the Basic Treaty. However, it grants the GDR all attributes of a sovereign subject of international law and commits itself to act accordingly. This process has to be assessed as a *tacit recognition under international law* which must render all attempts by the Federal Government to constitute a "special inner-German relationship" according to which the "GDR is not a foreign state for the FRG" ineffective.

Any pertinent reservations have neither been included in the treaty proper nor have they been pronounced at its conclusion. Moreover, adverse formal provisions of the treaty have increased doubts that the "GDR constitutes a foreign state for the Federal Republic" (articles 2, 4, 6 GV and paragraph II of the explanations on the treaty by the Federal Government). Also, postal and communications traffic between the two parties to the treaty becomes international traffic on the basis of the statute of the World Postal Union (WPU) and the Union of International Telegraph (UIT). That agreement is contained in the supplementary protocol on article 7 of the treaty (exchange of letters on postal and communications services and in the supplementary protocol (paragraph II.5)). Only trade remains "national trade" according to the supplementary protocol (para II.1).

The other elements which the Federal Government had declared to be fundamental for a "special inner-German relationship" in its declarations since 1969, in particular in its 20 points of Kassel, are either not mentioned at all in the treaty or only in an indirect connection.

The rights and responsibilities of the Four Powers for Germany as a whole and for Berlin, this essential brace of international law which recognizes Germany's legal status, are mentioned in the treaty only indirectly (article 9) and expressly only in an exchange of letters on article 9. However, in these letters as well as in the declarations of the Four Powers made parallel to the negotiations on the treaty on November 9, 1972 in connection with UN membership of both parties as envisaged in the treaty, the object of these rights and responsibilities, i.e. "Germany as a whole and Berlin" are no longer mentioned (discord between West and East). This is in contrast to the exchange of notes on this issue between the Federal Government and the Three Western Powers prior to the signing of the Moscow Treaty.

The *peace treaty clause* is also left out.

The treaty also lacks a *pledge of both parties to adhere to the unity of the nation and to a future common state.*

On the contrary:

The preamble of the treaty only mentions the "national question" as an issue on which both parties differ.

This shortcoming cannot be remedied by the so-called "letter on German unity", which had been delivered on the day of the signing, whose knowledge was, however, denied by State Secretary Kohl—with no reprimand by State Secretary Bahr. It constitutes nothing more than a unilateral statement by the Federal Government binding the GDR in no way (compare to that the policy pursued by the communists of North Korea who agreed to a joint north-south Korean accord to restitute the "climate of national harmony of unity" for an eventual reunification). The other elements, such as the exchange of "permanent representatives" instead of ambassadors (article 8) as well as the special ratification procedure (article 10), are but of a cosmetic nature.

It was thus not achieved to constitute a "special inner-German relationship" as a tertium between inner-German relations under state law and foreign relations under international law, nor to establish a legal and political linkage under the formula of "two states in Germany"; instead the Federal Government is already receding to the formula of "two German states".

5. SANCTIONING OF A REGIME OF INJUSTICE

5.1. Moreover, the Federal Government sanctioned the unjust regime in the other part of Germany by withholding any reservation in this respect. The German Government which was established on the basis of free elections and which is bound by the preamble of the basic law to speak on behalf of all Germans, which is furthermore obligated by article 1 of the basic law to guarantee all Germans the basic and human rights, has by its signature under the treaty granted the GDR status of a normal member of the international community. For more than 20 years this quality had been denied the GDR regime on the ground that it withheld from the Germans who were delivered to its power, the right of self-determination and the fundamental human rights. The non-communist countries, notably our allies, adopted this view of ours almost without exception and upheld this position until it was yielded by the Federal Government.

7. WEAKENING OF THE POSITION OF BERLIN

The Basic Treaty is particularly affected by deficiencies in regard to the status and the legal as well as factual position of West Berlin.

7.1. The interests of Berlin ("interests of Berlin-West") are treated only in oral declarations of both sides on the occasion of the signing. They were simply written down and were thus subjected to the lowest level of international legal obligation.

In essence these declarations stating that Berlin *may* be included in future agreements envisaged in the supplementary protocol on article 7, do not preclude new discords on this issue, but they require new negotiations for every individual contingency. That leaves a margin for pressure. The declarations are thus without practical value as they do not accord the Federal Republic any legal claims.

This renunciation of a general Berlin clause is all the more regrettable in that it is included in a treaty—contrary to our practice in international treaties—which is to settle the "bases for our relations" with a state that is the strictest pursuer of severing the land of Berlin from the Federal Republic and of making West Berlin an independent political entity.

7.2 In addition, paragraph 3 of the mutual declarations envisages direct arrangements between the GDR and the senate of Berlin. According to that, the extension of agreements between the Federal Republic and the GDR to West Berlin which are described as likely, could be undermined by all kinds of bilateral agreements with the senate.

7.3. The treaty proceeds from the assumption that East Berlin is part of the GDR. Even in the formula of the signature "done in Berlin" the GDR terminology is taken up.

However, association of West Berlin with the Federal Republic of Germany remains an open question. The treaty does not bind the GDR either to take into account West Berlin's special ties with the FRG which were reconfirmed in the Four Power Accord.

7.4. The agreement contained in paragraph 2 of the oral declaration envisioning representation of the interests of West Berlin by the permanent representation of the Federal Republic of Germany in the GDR, is a welcome achievement. However, the question of representation of West Berlin by the Federal Republic abroad remains open. Interferences by the GDR, notably in the communist countries and especially in regard to the pending clarification of this question in connection with the United Nations, will still have to be reckoned with. Moreover, the statement that the permanent representation of the Federal Republic of Germany will look after the "interests of Berlin (West)" in the GDR does not commit the GDR to recognize Berlin's association with the Federal Government.

7.5. This lack of guaranteeing the rights of West Berlin is all the more precarious as a growing erosion of the position of West Berlin will have to be expected from a higher international valuation of East Berlin.

Allegations by the Government that these shortcomings are due to objections by the western powers are objectively false, as inquiries have shown.

On the contrary, it must be stated that the interests of Berlin were sacrificed by the negotiator, State Secretary Bahr, to the objective of influencing the outcome of the parliamentary elections by initialing the Basic Treaty at any cost.

8.3. Strengthening of communist dictatorship on German soil will in the long run lead to a state where beginnings of a freer movement of people in Germany will fall victim to communist demarcation policy. The wrong conceptional as well as procedural approach of the Bahr policy of "change through rapprochement" will become more and more visible. Only future will tell whether the German people will awake to wholesome sobriety in time to prevent the worst. That future will doubtlessly be marked by an increasing debate on political values in Germany and by the foreign-political affiliation of the Federal Republic.

With an increasing expansion of a neutralization of traditional values and a continuing trend towards a "people's front" as a consequence of the policy of adjustment to Soviet and communist demands and ideas, the necessity for liberty-minded forces in Germany to put up a tough opposition and to take a political offensive will grow, in order to be able to counter the emerging campaign towards a national-communist unity ("Red Prussia") with the ideal of a liberal democratic Germany.

9. INTERNATIONAL WEIGHT OF THE BASIC TREATY

The Basic Treaty as the zenith of Brandt's eastern policy to date points up world-political dimensions.

9.1. Moscow is considerably closer to the essential step of its western policy pattern, i.e. to break the Germans' will for self-determination within the framework of freedom in a free world and to discipline Germans in both East and West into a Moscow-friendly behavior.

The stabilization and legalization of Soviet possessions in Eastern Central Europe achieved by the Basic Treaty shifts the political balance in Europe in favor of Moscow.

With the aid of the internationally upgraded GDR and by utilizing the demoralization process evident in the Federal Republic, Moscow will attempt to advance its political influence to Western Europe. If, at the same time, the growing armament of the East which exceeds its defense requirements, as well as signs of fatigue in the western hemisphere are also taken into consideration, "Moscow's triumphant success" in the Basic Treaty receives added emphasis.

9.2. In view of these developments first signs of an awakening are noticeable also in western countries, where it was initially believed that the eastern and German policy which seemed convenient to both East and West and was considered as the so-called German contribution to an anticipated detente, could be applauded.

There are signs of a beginning awareness that shifts in the political balance in the heartland of Europe bear on all of Europe.

9.3. It will be the task of a German policy which is committed to freedom and to the community of free peoples to convince the friends in the West that upholding the division of Germany does not serve a comfortable peace, that, on the contrary, genuine detente in Europe can only be achieved if one of the most important causes of tension, i.e. the unnatural division of Germany, is eliminated.

Rejection of the Basic Treaty thus is not based on a narrow nationalism. On the contrary, I view it as a commitment derived from the responsibility which I feel for freedom and for the community of the free people.

[Translation from the German—Excerpts from Deutscher Bundestag—7th legislative period—26th session, Bonn, Wednesday, April 4, 1973]

REMARKS BY DR. FRANZ-JOSEF STRAUSS, CHAIRMAN OF THE "CHRISTIAN SOCIAL UNION"—PARTY OF BAVARIA

Allow me, ladies and gentlemen, to conclude my remarks with a few basic statements for your reassurance.

(Interjection by Dr. Schäfer, Tübingen).

My colleague, Mr. Schmidt, stated repeatedly that an early reform of the international monetary system was urgently required. He said, however, that this reform depends on a change of tendency regarding international confidence in the US dollar. That is an inadmissible simplification, Mr. Schmidt. It is certainly a correct statement. But a Minister of Finance must be expected to go a little more to the bottom of the problems. Why does the dollar lack credibility or confidence? It suffers from these drawbacks not lastly because the US trade balance changed from an active 6.5 billion dollars to a passive 6.5 billion dollars within a decade.

I would have to ask of you as holder of an office with extended responsibilities to openly explain the connection between the problems of a reform of the international monetary system, the trade-political arrangements and the consequences for defense policy.

(Applause from CDU/CSU).

Of course the interests of the industrial nations, the developing countries as well as those of Japan, the United States and Europe have to be harmonized in a spirit of constructive partnership. Of course you are right in saying that a political continental drift between the United States and countries of the European Community could have disastrous consequences for all in the long run. I want to thank you expressly for this statement, (applause from CDU/CSU) and I wish to add that we are fully behind it. But we would like to ask you to draw the consequences in the political practice of the government.

(Applause from CDU/CSU).

In all meetings with leading American personalities there is talk of an anti-American campaign in the Federal Republic as well as of a growing anti-German resentment in the United States of America.

(Interjection from SPD).

It is also a responsibility of a Parliament to address these things openly, because the reasons for the growing anti-German resentment in the United States are not eliminated by dutiful American praise for this government's politics. What are the reasons for this resentment?

(Interjection from SPD: Strauss!).

I do not want to name these American personalities here for reasons that should be self-understood. But in this connection your speech is quoted, Mr. Schmidt, which you held in the United States and in which you as a "good friend" gave moralistic instructions to our American alliance partner in an obtrusive manner—instructions that were neither desired nor needed by the addressed and which were subsequently published in the Government bulletin.

There is further mention of aggressive speeches by an SPD mayor, namely Mr. Arndt of Frankfurt, who caused unsurveyable damage to the U.S. confidence in us by his sharp agitations against the Americans for which he surely had party-political reasons, too.

There is mention also of the joint anti-American demonstrations of young socialists and communists in this country.

(Applause from CDU/CSU).

I refer also to terms used in this forum, such as "American war crimes" and "war criminal Nixon".

(WEHNER. You probably wrote that already yesterday, Mr. Strauss!).

I refer to the young socialists and their tendency toward a neutralization of Europe, (WEHNER. You won't talk away that visit!) towards withdrawal of the American troops, and dissolution of the Atlantic Alliance. Those are the reasons tending to gradually destroy the basis of confidence over there like a subterraneous poison.

(Applause from CDU/CSU—interjection by WEHNER).

Since you want me to, I shall talk about it, even though reaction has been minor so far, I mean about that which will appear in "Orbis" soon as the so-called Bahr plan and which could be read in part in the German press. You know, where there is smoke, there must also be fire. And where there is so much smoke as in the case of Bahr, there surely is also a fire underneath it. Those thoughts that have been published here were certainly not invented or fabricated by Professor Hahn.

(WEHNER. You fine gentlemen talk about someone who is absent because of illness).

That which was published here, was "made by Egon Bahr", (applause from CDU/CSU) that is "made in Germany".

Mr. Chancellor, it does not always suffice to talk through the "official denier", either Mr. von Wechmar or Mr. Grünewald. When the SPD has the wall memorial in Nürnberg torn down—which was erected once by the democratic parties in unison—because it does not fit into the scenery shaped by the basic treaty anymore, (shouts of disgust from CDU/CSU) and when pickets against this measure are removed by police force—pickets of the Junge Union party who has stood by what we once commonly pledged—if that is freedom in our country, if that is more democracy, we are indeed upon an enlightening course, if that carries on.

(Loud applause from CDU/CSU—interjection by Mr. Haase, Kassel).

It is not enough for one of your spokesmen to declare that the Government does not condone removal of that memorial. There is also an inner-party approach to make up for this outrageous incident and to correct it. We will not believe your denial until the SPD of Nürnberg agrees to reerect the memorial together with us on the same spot where it had been for ten years.

(Applause from CDU/CSU—interjection by Mr. Wehner).

JIM SMITH

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1973

Mr. SHRIVER. Mr. Speaker, the State of Oklahoma and rural America lost a great friend and leader with the tragic and untimely passing of Jim Smith. All of us who had the privilege to serve with Jim in the House of Representatives were deeply saddened when the news of his accident reached Washington.

As is often the case, Jim Smith was a dedicated servant of the people of his State before he was officially elected to public service. A successful farmer and rancher, Jim was also active in civic affairs. He served on the Grady County School Board, the board of regents of Oklahoma's 4-year colleges and other education and youth-oriented service organizations. In 1958, his service was recognized by the Jaycees in his hometown of Chickasha, who presented him with their Outstanding Young Farmer Award.

Jim was elected to Congress in 1966, where he served with distinction for 2 years. He made many friends here.

Following his House service, Jim was chosen in 1969 by President Nixon to head the Farmers Home Administration. Under his vigorous and understanding leadership, FHA became the keynote of the revitalization of many parts of rural America. I am personally aware of several instances in the Fourth Congressional District of Kansas, which I represent, in which Jim Smith expedited the approval of much needed rural water programs. He also was instrumental in programs to encourage young Americans to stay in our rural areas.

These rural improvements and the warm memories of all who were honored to serve with him will be lasting memorials to Jim Smith. Our deepest sympathy goes to Mrs. Smith and the family.

OCCUPATIONAL SAFETY AND HEALTH ACT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. SYMMS. Mr. Speaker, most of us here in Congress are becoming more aware of the monster which has been created in the form of the Occupational Safety and Health Act. It is important for all the Representatives who have received strong protests from their constituents about the arrogant dictatorial actions of the OSHA inspectors as well as the complaints about the inflexibility of the Assistant Secretary of Labor and others in the Labor Department to know that there is now a national effort called "No OSHA" led by Les Barbee, a Washington State farmer, to organize those opposed to this dictatorial law in each State and to give grassroots feeling to each Representative from every State.

Barbee, who runs a small orchard operation in Zillah, was in Denver when the Director of Standards for OSHA told his advisory committee that if farmers could not obey the regulations set by OSHA, they could get out of the business. This impossible attitude has been typical of the OSHA Administration and it is this attitude which we so completely oppose. Mr. Barbee and I are being joined by tens of thousands of people across this land who are firmly and unconditionally committed to the repeal of OSHA. I urge consideration of my bill H.R. 7437 which would repeal OSHA.

Safety, yes—OSHA, no.

RES "IPSE LOQUITUR"

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. HARRINGTON. Mr. Speaker, the Watergate investigation by the Senate Select Committee on Presidential Campaign Activities has apparently reached a logjam, resulting from the refusal of the White House to turn over certain documents to that committee and to allow former aides to copy or even take notes on documents on file in their former offices. Senator SAM ERVIN indicated today that he will discuss this matter with President Nixon, so that the committee might pursue its investigation fully. Before Mr. ERVIN meets with the President, I would like to insert in the RECORD some statements of interest on this subject.

President Nixon stated, on March 8, 1972, that—

> The system of classification has failed to meet the standards of an open and democratic society, allowing too many papers to be classified for too long a time . . . the classification has frequently served to *conceal bureaucratic mistakes or to prevent embarrassment to officials and administrations.* (Emphasis supplied.)

The former Attorney General of the United States, who has also been a close confidant of President Nixon for many years, testified yesterday on this issue, in response to questioning by Senator ERVIN. Excerpts from that testimony, as reported by the New York Times, follow:

> Q. Do you agree the concept that executive privilege . . . entitles the President to deny a court or a Congressional committee the testimony of his former or present aides about everything?
>
> A. It depends entirely upon the area, Mr. Chairman. And, of course, if there are conversations or direct communications with the President and particularly with respect to certain subject matters, I think that he has that power.
>
> Q. Well, let me state my concept of executive privilege and see if we agree or disagree. I think a President is entitled to have kept secret confidential communications had between him and an aide or had among aides which were had for the purpose of assisting the President to perform in a lawful manner one of his constitutional or legal duties.
>
> A. Senator, I agree with that concept.
>
> Q. Yes. And I think also that is the full scope and effect of executive privilege. Since . . . there is nothing in the Constitution requiring the President to run for reelection I don't think that executive privilege covers any political activity whatsoever. They are not official and have no relation to his office. Do you take the position that the President is entitled to keep political secrets from the Congress or political activities under executive privilege?
>
> A. Not under the outline that you have provided.
>
> Q. I also take the position that executive privilege does not entitle a President to have kept secret information concerning criminal activities of his aides or anybody else because there is nothing in the Constitution that authorizes or makes it the official duty of a President to have anything to do with criminal activities.
>
> A. I would agree.
>
> Q. Yes. So, I cannot see, if the President has any—if any aide has any information about criminal activities or if any papers in the White House that constitutes reports from—to any White House official about criminal activities that they are privileged in any way whatsoever.
>
> A. I would have to qualify that with respect to certain areas that might involve national security, and if we will leave that out I will agree with you.
>
> Q. Well, national security is defined in the executive order as comprising only two fields: first, is national defense and the other is our relations with foreign countries. I don't think that there is anything else that falls in the field of national security, according to the definition in the executive order which was signed by President Nixon, and I think that is also clear that the acts of Congress make it very clear what national defense is.
>
> A. I have made the exception and you have very properly, I think, defined it.

Mr. Speaker, the Executive order to which Senator ERVIN referred was issued along with the statement of President Nixon that I cited above: that secrecy has been used "to conceal bureaucratic mistakes or to prevent embarrassment to officials and administrations."

Mr. John Mitchell agreed with Senator ERVIN, that executive privilege does not cover information concerning criminal activities by anyone, except when national defense or foreign relations are concerned. With both Mr. Mitchell and Senator ERVIN in agreement on this point, and with Mr. Nixon on record as opposing secrecy to prevent embarrassment or conceal mistakes, I was quite surprised to read about a White House policy preventing former aides from even taking handwritten notes from White House documents for presentation to the committee.

For the information of my colleagues, the Washington Post article reporting this policy follows:

WHITE HOUSE BARS EX-AIDES FROM TAKING NOTES ON FILES

(By William Claiborne and Hebert H. Denton)

> The White House said yesterday that former presidential aides involved in the Watergate investigation will not be permitted to make even handwritten notes of documents on file in their former offices.
>
> Deputy press secretary Gerald L. Warren, in disclosing a decision he said White House lawyers had made on May 23, said former aides could "peruse" the documents, but could not copy them in any way.
>
> The White House statement came as the staff of the Senate select Watergate committee prepared a challenge to President Nixon's position that he has constitutional authority to withhold White House notes and documents that the committee said it needs for its investigation.
>
> A memorandum prepared by lawyers for the committee suggests that Mr. Nixon's arguments in support of his position are a rehash of claims the President made on executive privilege. On May 22, Mr. Nixon backed off from his earlier stand on executive privilege and agreed to permit his aides to testify before the committee.
>
> It was the following day, Warren revealed yesterday, that it was decided that the former presidential assistants could examine papers on file "to refresh their memories" but would be expressly prohibited from making photocopies or even taking written notes.
>
> Warren said the ruling was based on "desire to maintain confidentiality of presidential papers, not only for this President, but all presidents."
>
> While testifying before the committee two weeks ago, former presidential counsel John W. Dean III asked the senators for help in getting White House permission to photocopy papers on file in his old offices.
>
> Dean said he had been allowed access to his files, but he complained that he had to laboriously copy by hand stacks of documents that had been requested by the committee. He said that on some occasions he had to use the top of a safe as his desk.
>
> An administration source acknowledged yesterday that Dean had copied documents by hand, despite the May 23 ruling, but said such instances were "exceptions rather than the rule."
>
> Warren, who revealed the ruling in answer to a question at a regular briefing, said the prohibition did not extend to personal papers. But another spokesman explained that the exemption is limited to such items as check books, personal bills and other papers brought to the White House from outside.
>
> The Senate Watergate committee is scheduled to discuss the problem in an executive session before this morning's public hearing resumes.
>
> A committee staff member had suggested earlier yesterday that the members would not hold a vote today on whether to subpoena the papers, but rather would seek a resolution of the problem that would not require a court ruling. Upon hearing of Warren's statement, another committee source said, "Well, they're going to force the issue to court, aren't they?"
>
> In a letter last Saturday to Sen. Sam J. Ervin Jr. (D–N.C.), chairman of the committee, the President stated that under no circumstance would he testify before the panel or open presidential papers for committee inspection.
>
> Mr. Nixon said nothing to change his May 22 promise that Dean and other former assistants may inspect their papers under supervision and make notes from them.
>
> The White House had no explanation yesterday for the delay in disclosing the May 23 guidelines, or why they were implemented just one day after Mr. Nixon had issued a comprehensive statement about Watergate.
>
> Among the papers sought by the committee are: daily news summaries prepared for the President upon which Mr. Nixon purportedly wrote notations to aides; notes purportedly taken by former White House chief of staff H. R. Haldeman during alleged discussions of Watergate with Dean; briefing papers for presidential news conferences, and all Watergate-related papers from the files of Haldeman, Dean and former White House domestic affairs adviser John D. Ehrlichman.
>
> The committee staff, in its memorandum made available yesterday, noted that legal scholars disagree as to whether there is a

legal basis for executive privilege. Even if there is, the staff asserted, it would not apply to the request for the papers because the doctrine may not be used as a device to conceal information relating to the commission of a crime.

The committee staff memorandum said that by permitting his aides to testify, "Mr. Nixon has opened the door to evidence and it is now difficult for him to argue that presidential documents regarding Watergate may be withheld."

"There is, in short, no reason to draw a distinction between documentary and testimonial evidence, and waiver of rights as to the former should also result in waiver as to the latter," the staff statement argued.

While the committee has requested a wide range of papers, the staff memo noted that documents nevertheless could be selected and excised by the White House so that they included only matters within the scope of the committee's investigation.

That same theme, of more narrowly defining what the committee wants, was sounded by Sen. Ervin at yesterday's hearings during extended questioning of former Attorney General John N. Mitchell.

Ervin said he believed the executive privilege extended only to confidential communications between the President and his aides that are for the purpose of assisting the President in performing "in a lawful manner one of his constitutional or legal duties.

"Since there is nothing in the Constitution requiring the President to run for reelection, I don't think that executive privilege covers any political activities whatsoever . . . . I also take the position that executive privilege does not entitle a President to have kept secret information concerning criminal activities of his aides or anybody else because there is nothing in the Constitution that authorizes or makes it the official duty of a President to have anything to do with criminal activities," Ervin said.

The former Attorney General agreed.

Rufus L. Edmisten, deputy counsel to the Watergate committee, described the comments by Ervin and other committee members as "feelers" aimed at achieving some agreement between President Nixon and the committee.

Meanwhile, there were indications yesterday that Ehrlichman will be compelled to tell Senate investigators whether he informed Mr. Nixon of his suspicions that high officials of the President's re-election campaign were involved in the Watergate operation.

On May 4, Ehrlichman refused to discuss that during an interview with committee investigators. At that time, the White House position was that all conversations between Mr. Nixon and his aides were covered by executive privilege.

At yesterday's hearing, Mitchell said it was his understanding that Ehrlichman cannot invoke executive privilege on his own, that the prerogative is the President's alone.

And Warren, at the press briefing, said the question of Ehrlichman's future testimony "is firmly covered" in Mr. Nixon's statement of May 22. On that date, the President said that executive privilege "will not be invoked as to any testimony concerning possible criminal conduct or discussions of possible criminal conduct in the matters currently under investigation, including the Watergate affair and the alleged coverup."

Ehrlichman has not been interviewed by committee investigators since May 4, but Senate sources indicated he probably will be questioned privately again before making a public appearance before the committee. He has consistently denied any role in the planning and coverup of the June 17, 1972, break-in of the Democratic National Committee headquarters at the Watergate office building.

THE ALASKAN PIPELINE—NOW

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. KEATING. Mr. Speaker, perhaps the three major factors threatening the quality of life in American today are the deteriorating condition of the environment, the dwindling supply of world energy resources, and the inflationary state of the economy. In the case of the Alaskan pipeline, the desires for environmental protection, energy consumption, and economic advantage conflict to some degree. We can only safeguard our environment completely by leaving it untouched and yet our pressing need for fossil fuel does not permit us to adopt such a policy of benign neglect. As long as the American economy runs on oil, the Alaskan reserves will have to be tapped. Thus, the question before Congress is not whether we should build the pipeline but rather where we should put it in order to minimize environmental hazards and maximize economic benefits. I believe that the trans-Alaskan pipeline will prove more satisfactory than its trans-Canadian alternative in both respects.

Environmentalists have raised four major objections to the construction of a trans-Alaskan pipeline.

First. If placed underground, it would warm the Arctic permafrost layer thereby altering the ecosystem.

Second. If placed above ground, it would disrupt animal migrations.

Third. Since it must cross seismically active terrain, there is a real threat of earthquake and thus of rupture.

Fourth. Since it requires a tanker leg, the possibility of spillage into the North Pacific arises.

These arguments are serious. However, they would not be answered by routing the pipeline through Canada. Indeed, the environmental hazards would very likely equal, if not exceed, those expected from the Alaskan pipeline.

Damage to the permafrost layer and to migration routes increases with the length of the pipeline. Thus, an Alaskan route which extends for 789 miles would not disturb regional ecology nearly as much as its Canadian alternative which would extend for at least 1,700 miles to Edmonton. Since existing Canadian pipelines are running at full capacity now, it may be impossible to connect the new line to them. In that case, a new 3,200 mile pipeline would have to be constructed. Clearly, we would not be solving the permafrost and migration problems by routing the pipeline through Canada. We would simply be exporting—and intensifying—them. Since environmental matters are truly global concerns, I strongly resist any measure which would protect areas within our own territory at the expense of much larger areas in neighboring countries.

Even the earthquake and spillage problems would not be solved by building the Canadian pipeline. As Senator STEVENS has pointed out, the Canadian route is not seismically calm. A pipeline running from Alaska to Canada would have to traverse an area in which earthquakes of the sixth magnitude on the Richter scale are not improbable. Moreover, although a Canadian route would avert the danger of oil slicks in the Pacific, it would greatly increase the danger of river pollution. The Canadian pipeline would cross 77 rivers, 12 of which are over one-half mile wide. During flood stage, these rivers could sweep rocks and other debris downstream at high speeds, thus buffeting, weakening, and perhaps rupturing the pipeline. In the past, river crossings have proven to be a major source of pipeline accidents.

It is impossible to weigh the damage caused by an earthquake along the Alaskan as opposed to the Canadian route. It is equally impossible to weigh the threat to the Pacific Ocean from the Alaskan pipeline against the danger to North American rivers from the Canadian route. What tips the balance for me is the fact that we can impose high standards of workmanship upon internal construction projects. We can insist that specially engineered pipe be laid in seismically active areas and that specially constructed tankers operate in our own waters. We have not such jurisdiction in Canada. If the pipeline is built through Canada, we forfeit our authority to legislate safety measures to the Canadian Parliament.

Admittedly, the environmental factors involved in determining how petroleum should be transported from the North Slope to the rest of the Nation are complex and difficult to assess. The economic issues, however, are clear-cut. The unfavorable balance of payments, the present rate of inflation, and the ever-rising interest rates all argue for the route which would bring Alaskan oil into the marketplace as rapidly as possible.

Last year, the United States imported 1.7 billion barrels of oil resulting in a cash outflow of nearly $6 billion. The North Slope is capable of producing 2 million barrels a day, thereby cutting our oil imports by one third and improving our balance of payments deficit by as much as $2 billion per year. Such improvements are crucial to the stability of the dollar.

Moreover, given current rates of inflation, the Interior Department estimates that construction costs will rise by 4 percent per year. The Alaskan pipeline and tanker fleet combined would cost something on the order of $5 billion if begun this year. The Canadian pipeline would prove at least as expensive. Thus, a 4-percent increase in construction costs amounts to nearly $200 million for the first year of delay, more in years to come. With prime interest rates at 8 percent, I feel that it is unfair to ask the oil companies to absorb such massive cost increases unnecessarily. Clearly, we must permit the construction of a pipeline as soon as possible, and, at the present time, only an Alaskan route is feasible.

Just two obstacles delay its construction, the width restrictions in the Mineral Leasing Act of 1920 and a possible court test of the six volume environmental impact statement compiled in accordance with the National Environmental Policy Act. The obstacles to the Canadian route, on the other hand, are legion. The Governor of Alaska has devoted 35 pages to these obstacles in the report which he recently distributed to Congress.

I will simply note that the Canadian pipeline proposal is in the rawest state of development, both technically and financially. No organization has as yet been set up to perform even the most basic studies or to raise even minimal backing. Moreover, the Canadian pipeline would not only have to comply with U.S. laws—including the Mineral Leasing Act and the National Environmental Policy Act—but also with Canadian law. The problem is further complicated by the fact that the United States and Canada are both organized into national and regional governments so that State, Provincial, and local authorities will also have jurisdiction over the pipeline.

How long would it take to thread through this mass of redtape? Estimates range from 2 to 6 years. The experiences of Canadian Arctic Gas, Ltd., however, would indicate that these are very conservative estimates. In 1967, this company began studies of the feasibility of a trans-Canadian gas line from the Prudhoe Bay area of Alaska to Emerson, Manitoba. The company expects to be able to file applications with the Canadian and U.S. Governments later this year. In the words of Mr. William P. Wilder, chairman of the board:

> By the earliest that we can expect approvals—possibly late 1974 or early 1975—Arctic Gas will have invested more than seven years and $50 million. Delivery of materials and construction will take another three or four years.

I do not believe that we can afford such a delay. Arguments to the effect that the Midwest needs the oil more desperately than the west coast are unfounded. Since either region can consume the full capacity of the Alaskan pipeline, it seems to me that the shortest, quickest, and most controllable route is also the best route. The fact that an Alaskan pipeline would deliver its full capacity to the United States whereas 50 percent of the capacity of the Canadian pipeline would be reserved for Canadian oil destined for Canadian markets further reinforces this feeling.

Finally, I would like to note that the construction of an Alaskan pipeline system would confer substantial direct benefits on many American citizens. At the peak of construction, the Alaskan line would open up 26,000 jobs for U.S. construction workers. Building the tanker fleet would require 7,000 man-years of labor. And maintaining these ships would create 770 man-years of employment for the lifetime of the fleet. Moreover, the Alaskan Native Claims Settlement Act would confer nearly $500 million on native regional and village corporations for local improvements if the pipeline is built. Indirect benefits would accrue to all Alaskans because the royalties from oil production would help balance the State budget. Since Alaska has already lost nearly $1.5 billion in expected oil production revenues because of the delay in pipeline construction, these royalties are urgently needed. For the benefit of all these thousands of Americans, I believe that it is imperative that the Alaskan pipeline be built as soon as possible.

HEALTH PROGRAMS EXTENSION ACT

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1973

Mr. HUDNUT. Mr. Speaker, the Health Programs Extension Act of 1973 was passed nearly unanimously by this body on May 31, and subsequently signed into law by the President. Its purpose was to continue 12 major health programs scheduled to expire on June 30, 1973, in order that Congress might undertake the necessary evaluation of each program and determine which ones justified continuation and which ones deserved phasing out and termination. The total authorizations provided in the bill were about $1¼ billion, and the programs authorized for continuation included the Hill-Burton program, community health centers, migrant health, allied health professions, regional medical programs, public health training, and others.

As a member of the committee that sponsored this legislation, the Health and Environment Subcommittee of the Interstate and Foreign Commerce Committee, I am now amazed and shocked and disappointed to discover that regulations and directives that have been promulgated by the Department of Health, Education, and Welfare are aimed at subverting the continued life of these programs. It seems as though the intent of the Congress is being willfully violated or ignored.

Let me give two examples.

First, Dr. Herbert B. Pahl, Acting Director for Regional Medical Programs Service, has sent a telegram dated July 5, 1973 to all RMP's, in which he says:

> Under the fiscal year 1974 continuing resolution the Department has authorized Regional Medical Programs Service to negotiate with each RMP a level of support through 9/30/73 to assure its viability during the first quarter of fiscal year 1974. Such level, however, may not exceed average monthly expenditure for the period April 1st through June 30th, 1973. Regional Medical Programs Service has been authorized to utilize the balance of fiscal year 1973 funds (approximately $6.9 million) with the stipulations that no expenditures be made therefrom until the Department announces the mission of the Regional Medical Programs Service for the remainder of fiscal year 1974 and that proposed RMP activities meet review criteria to be established. The Grants Management Branch will contact you regarding your funding needs through 9/30/73 as indicated above.

According to one interpretation, the Department of HEW plans to continue ignoring extension legislation and appropriations by maintaining things in limbo.

Second, in the May 21, 1973, Federal Register, regulations were published which would implement a new funding policy for health services delivery projects supported by the Health Services and Mental Health Administration. These regulations would make a condition of support for specified health services delivery projects the requirement "that such health services delivery projects must be or become basically self-sustaining community-based operations with diminishing need for direct or indirect HSMHA support." Many of us on the subcommittee believe that the apparent intent of the regulations is praiseworthy, but at the same time we are concerned about the implications of this regulation; namely, that it would have a severely negative impact on most of the programs affected and would result in termination of a substantial number of these programs; and reservations also about the legitimacy of the regulations themselves in that it has never been stated by Congress that its intent is for each of these programs to become self-sustaining.

These examples illustrate the classic confrontation that is taking place in American history at this time between the legislative and executive branches of Government. While there are good reasons advanced on both sides of the argument, as a Member of this body and of the subcommittee, I feel that I must ask: What will the Congress do to see to it that its intent in enacting this extension legislation is neither violated nor ignored? What power do we have to enforce our legislation when it is disregarded by the executive? How can the will of the people effectively express itself when bureaucrats stymie authorized programs? What are we going to do about the increasing power of the bureaucracy in the Federal Government apparently to do as it pleases irrespective of what the law says and requires?

It is easier to ask these questions than come up with answers, but I do sincerely hope that the wise and experienced heads in this Congress can solve this problem because it is very critical in terms of the ultimate equilibrium that the Founding Fathers intended to be established between the different branches of Government.